Consolidated Condensed Interim Financial Statements
(In millions of Canadian dollars)

CCL INDUSTRIES INC.

Interim periods ended September 30, 2017 and 2016
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In millions of Canadian dollars

	As at September 30 **2017**	As at December 31 **2016**
Assets		
Current assets		
Cash and cash equivalents	$ 512.9	$ 585.1
Trade and other receivables	842.7	672.2
Inventories	438.3	351.5
Prepaid expenses	39.4	25.8
Income tax recoverable	7.1	26.2
Derivative instruments	0.5	0.1
Total current assets	1,840.9	1,660.9
Non-current assets		
Property, plant and equipment	1,483.3	1,216.9
Goodwill	1,601.8	1,131.8
Intangible assets	1,042.6	549.6
Deferred tax assets	21.6	21.2
Equity accounted investments	59.9	64.1
Other assets	31.2	34.3
Total non-current assets	4,240.4	3,017.9
Total assets	**$ 6,081.3**	**$ 4,678.8**
Liabilities		
Current liabilities		
Trade and other payables	$ 937.2	$ 844.5
Current portion of long-term debt (note 8)	223.1	4.2
Income taxes payable	52.4	58.3
Total current liabilities	1,212.7	907.0
Non-current liabilities		
Long-term debt (note 8)	2,246.3	1,597.1
Deferred tax liabilities	221.5	67.8
Employee benefits	336.7	279.3
Provisions and other long-term liabilities	34.5	52.4
Derivative instruments	40.5	-
Total non-current liabilities	2,879.5	1,996.6
Total liabilities	4,092.2	2,903.6
Equity		
Share capital	275.4	261.4
Contributed surplus	80.2	64.2
Retained earnings	1,694.6	1,450.5
Accumulated other comprehensive loss (note 5)	(61.1)	(0.9)
Total equity attributable to shareholders of the Company	1,989.1	1,775.2
Acquisitions (note 3)		
Subsequent events (note 9)		
Total liabilities and equity	**$ 6,081.3**	**$ 4,678.8**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim income statements
Unaudited

In millions of Canadian dollars, except per share data

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Sales	$ 1,206.8	$ 1,089.3	$ 3,521.2	$ 2,916.3
Cost of sales	843.0	776.7	2,467.9	2,071.0
Gross profit	363.8	312.6	1,053.3	845.3
Selling, general and administrative	191.0	175.2	561.0	439.8
Restructuring and other items (note 6)	2.9	6.0	15.5	27.9
Earnings in equity accounted investments	(1.0)	(1.4)	(2.4)	(3.3)
	170.9	**132.8**	**479.2**	**380.9**
Finance cost	19.9	10.9	54.9	28.1
Finance income	(1.0)	(0.9)	(3.5)	(2.4)
Net finance cost	18.9	10.0	51.4	25.7
Earnings before income taxes	**152.0**	**122.8**	**427.8**	**355.2**
Income tax expense	45.1	36.7	123.1	107.2
Net earnings	**$ 106.9**	**$ 86.1**	**$ 304.7**	**$ 248.0**
Attributable to:				
Shareholders of the Company	$ 106.9	$ 86.2	$ 304.7	$ 248.4
Non-controlling interest	-	(0.1)	-	(0.4)
Net earnings for the period	**$ 106.9**	**$ 86.1**	**$ 304.7**	**$ 248.0**
Basic earnings per Class B share (note 2(d))	**$ 0.60**	**$ 0.49**	**$ 1.73**	**$ 1.42**
Diluted earnings per Class B share (note 2(d))	**$ 0.59**	**$ 0.48**	**$ 1.71**	**$ 1.40**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In millions of Canadian dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	**2016**	**2017**	**2016**
Net earnings	**$ 106.9**	**$ 86.1**	**$ 304.7**	**$ 248.0**
Other comprehensive income (loss), net of tax:				
Items that may subsequently be reclassified to income:				
Foreign currency translation adjustment for foreign operations, net of tax recovery of $5.7 and $9.8 for the three-month and nine-month periods ending September 30, 2017 (2016 - tax expense of $2.7 and recovery of $2.1)	(93.8)	43.4	(123.7)	(121.7)
Net gains (losses) on hedges of net investment in foreign operations, net of tax expense of $7.1 and $8.2 for the three-month and nine-month periods ending September 30, 2017 (2016 - tax recovery of $2.9 and expense of $6.7)	49.0	(19.9)	56.6	54.7
Effective portion of changes in fair value of cash flow hedges, net of tax recovery of $0.1 and $0.7 for the three-month and nine-month periods ending September 30, 2017 (2016 - tax expense of nil and $0.2)	2.0	0.1	7.5	0.6
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax expense of $0.1 and $0.3 for the three-month and nine-month periods ending September 30, 2017 (2016 - tax recovery of nil and $0.1)	(0.2)	0.1	(0.6)	0.3
Other comprehensive income (loss), net of tax	**$ (43.0)**	**$ 23.7**	**$ (60.2)**	**$ (66.1)**
Total comprehensive income	**$ 63.9**	**$ 109.8**	**$ 244.5**	**$ 181.9**
Attributable to:				
Shareholders of the Company	$ 63.9	$ 109.9	$ 244.5	$ 182.3
Non-controlling interest	-	(0.1)	-	(0.4)
Total comprehensive income	**$ 63.9**	**$ 109.8**	**$ 244.5**	**$ 181.9**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In millions of Canadian dollars

	Attributable to Shareholders of the Company									
	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interest	Total equity
Balances, January 1, 2016	$ 4.5	$ 279.8	$ (7.4)	$ 276.9	$ 50.6	$ 1,182.7	$ 111.7	$ 1,621.9	$ -	$ 1,621.9
Non-controlling Interest	-	-	-	-	-	-	-	-	2.5	2.5
Acquisition of subsidiary with non-controlling interest	-	-	-	-	0.2	-	-	0.2	(2.0)	(1.8)
Net earnings	-	-	-	-	-	248.4	-	248.4	(0.4)	248.0
Dividends declared										
Class A	-	-	-	-	-	(3.5)	-	(3.5)	-	(3.5)
Class B	-	-	-	-	-	(49.0)	-	(49.0)	-	(49.0)
Stock-based compensation plan	-	-	-	-	7.4	-	-	7.4	-	7.4
Shares redeemed from trust	-	-	6.7	6.7	(6.7)	-	-	-	-	-
Shares purchased and held in trust	-	-	(29.0)	(29.0)	0.1	-	-	(28.9)	-	(28.9)
Stock option expense	-	-	-	-	4.4	-	-	4.4	-	4.4
Stock options exercised	-	6.7	-	6.7	(1.1)	-	-	5.6	-	5.6
Income tax effect related to stock options	-	-	-	-	4.0	-	-	4.0	-	4.0
Other comprehensive loss	-	-	-	-	-	-	(66.1)	(66.1)	-	(66.1)
Balances, September 30, 2016	$ 4.5	$ 286.5	$ (29.7)	$ 261.3	$ 58.9	$ 1,378.6	$ 45.6	$ 1,744.4	$ 0.1	$ 1,744.5

	Attributable to Shareholders of the Company									
	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Non-controlling interest	Total equity
Balances, January 1, 2017	$ 4.5	$ 286.6	$ (29.7)	$ 261.4	$ 64.2	$ 1,450.5	$ (0.9)	$ 1,775.2	$ -	$ 1,775.2
Net earnings	-	-	-	-	-	304.7	-	304.7	-	304.7
Dividends declared										
Class A	-	-	-	-	-	(4.0)	-	(4.0)	-	(4.0)
Class B	-	-	-	-	-	(56.6)	-	(56.6)	-	(56.6)
Stock-based compensation plan	-	-	-	-	8.2	-	-	8.2	-	8.2
Shares redeemed from trust	-	-	0.3	0.3	-	-	-	0.3	-	0.3
Shares purchased and held in trust	-	-	(0.2)	(0.2)	0.2	-	-	-	-	-
Stock option expense	-	-	-	-	6.1	-	-	6.1	-	6.1
Stock options exercised	-	13.9	-	13.9	(2.4)	-	-	11.5	-	11.5
Income tax effect related to stock options	-	-	-	-	3.9	-	-	3.9	-	3.9
Other comprehensive loss	-	-	-	-	-	-	(60.2)	(60.2)	-	(60.2)
Balances, September 30, 2017	$ 4.5	$ 300.5	$ (29.6)	$ 275.4	$ 80.2	$ 1,694.6	$ (61.1)	$ 1,989.1	$ -	$ 1,989.1

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In millions of Canadian dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	**2016**	**2017**	**2016**
Cash provided by (used for)				
Operating activities				
Net earnings	$ 106.9	$ 86.1	$ 304.7	$ 248.0
Adjustments for:				
Depreciation and amortization	67.3	53.6	192.7	148.9
Earnings (loss) in equity accounted investments, net of dividends received	1.5	1.2	0.1	(0.4)
Net finance cost	18.9	10.0	51.4	25.7
Current income tax expense	43.3	32.7	114.8	105.4
Deferred taxes	1.8	4.0	8.3	1.8
Equity-settled share-based payment transactions	3.8	3.9	18.4	11.5
Loss (gain) on sale of property, plant and equipment	1.3	(0.4)	(1.4)	(1.2)
	244.8	191.1	689.0	539.7
Change in inventories	8.8	35.4	(7.6)	25.4
Change in trade and other receivables	9.7	0.9	(63.6)	(39.2)
Change in prepaid expenses	(7.1)	2.2	(13.6)	(8.3)
Change in trade and other payables	5.3	49.5	(34.1)	(99.9)
Change in income taxes receivable and payable	(3.3)	(2.5)	4.8	2.9
Change in employee benefits	(3.0)	17.0	14.4	12.8
Change in other assets and liabilities	(4.4)	(32.8)	(5.8)	(6.4)
	250.8	260.8	583.5	427.0
Net interest paid	(17.6)	(15.2)	(51.8)	(33.0)
Income taxes paid	(39.7)	(40.1)	(106.8)	(84.1)
Cash provided by operating activities	**193.5**	**205.5**	**424.9**	**309.9**
Financing activities				
Proceeds on issuance of long-term debt	0.6	6.2	1,186.6	838.0
Repayment of debt	(79.7)	(72.7)	(215.3)	(232.3)
Proceeds from issuance of shares	0.3	5.2	11.5	5.6
Purchase of shares held in trust	-	-	-	(28.8)
Dividends paid	(20.3)	(17.6)	(60.8)	(52.6)
Cash provided by (used for) financing activities	**(99.1)**	**(78.9)**	**922.0**	**529.9**
Investing activities				
Additions to property, plant and equipment	(54.4)	(55.1)	(238.7)	(200.8)
Proceeds on disposal of property, plant and equipment	8.7	0.8	12.4	6.7
Business acquisitions and other long-term investments (note 3)	0.1	(40.9)	(1,183.8)	(568.7)
Cash used for investing activities	**(45.6)**	**(95.2)**	**(1,410.1)**	**(762.8)**
Net increase (decrease) in cash and cash equivalents	48.8	31.4	(63.2)	77.0
Cash and cash equivalents at beginning of period	477.2	421.7	585.1	405.7
Translation adjustment on cash and cash equivalents	(13.1)	5.2	(9.0)	(24.4)
Cash and cash equivalents at end of period	**$ 512.9**	**$ 458.3**	**$ 512.9**	**$ 458.3**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

1. Reporting entity

CCL Industries Inc. ("CCLInd" or "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim period ended September 30, 2017 and 2016, comprise the Company, its subsidiaries and its interest in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, containers, consumer printable media products, technology driven label solutions, polymer banknote substrates and specialty films.

2. Basis of preparation and presentation

(a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2016 annual financial statements.

The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are consistent with those used in the preparation of the most recent annual report, unless otherwise noted.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on November 8, 2017.

(b) Basis of measurement

These consolidated condensed interim financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- assets related to the defined benefit plans are measured at fair value and liabilities related to the defined benefit plans are calculated by qualified actuaries using the projected unit credit method.

(c) Functional and presentation currency

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest million, unless otherwise noted.

(d) Stock split

On June 5, 2017, the Company effected a 5:1 stock split on its Class A and Class B common shares. Unless otherwise noted, impacted amounts and share information included in the financial statements and notes thereto have been retroactively adjusted for the stock split as if such stock split occurred on the first day of the first period presented. Certain amounts in the notes to the financial statements may be slightly different than previously reported due to rounding of fractional shares as a result of the stock split.

(e) New standards and interpretations not yet effective

In May 2014, IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued and provides guidance on the timing and amount of revenue that should be recognized and also requires more informative and relevant disclosures. The standard provides a single, principles-based five-step model to be applied to all contracts with customers. This standard is effective for annual periods beginning on January 1, 2018. The Company will not be early adopting.

As part of the evaluation process, the Company has reviewed the existing standard and compared it to the new standard in order to identify differences in application and disclosure requirements between the two. The Company has performed an initial assessment and has begun working through its plan to analyze the impact of the new standard.

The preliminary scoping and planning phase which involved an analysis to determine the segments potentially impacted by IFRS 15 has been completed. The Avery, CCL, Innovia, and Container Segments primarily enter into contracts with single performance obligations that are satisfied when the products are shipped to or received by the customer. The impact of the new standard on these segments is expected to be immaterial.

The Checkpoint Segment enters into contracts for the sale of products and services, and while the majority of the agreements contain standard terms and conditions, there are agreements that contain multiple elements for which the Company will be completing its analysis before the new standard takes effect.

For these arrangements with multiple elements, the transaction price is allocated to performance obligations in proportion to its stand-alone selling price and revenue is recognized when each performance obligation's revenue recognition criteria are met.

Although no quantitative determination has been completed, the amount is not expected to be material.

3. Acquisitions

(a) In February 2017, the Company completed the share acquisition of Innovia Group of Companies ("Innovia") for approximately $1.15 billion. Innovia is a leading global manufacturer of Biaxially Oriented Polypropylene films supplying highly differentiated specialty products into the packaging, labels, and securities markets. The Innovia acquisition significantly expands CCLInd's security products, customers, markets and technology. Innovia's film operation is included within the newly created Innovia segment. Innovia's security operation is included within the CCL (formerly CCL Label) segment.

Total cash consideration, net of cash acquired of $28.4	$	1,153.2
Trade and other receivables	$	106.3
Inventories		78.5
Property, plant and equipment		213.5
Other assets		11.6
Goodwill and intangible assets		1,016.1
Trade and other payables		(125.0)
Derivative instruments		(5.3)
Employee benefits		(43.1)
Deferred tax liabilities		(99.4)
Net assets acquired	$	1,153.2

3. Acquisitions (continued)

As a result of the inherent complexity associated with the valuation of net assets acquired, the determination of the fair value of assets and liabilities acquired is based upon preliminary estimates and assumptions. The Company will continue to review information prior to finalizing the fair value of the assets acquired and liabilities assumed. The actual fair value of the assets acquired and liabilities assumed may differ from the amounts noted above.

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies and employee knowledge of operations. The total amount of goodwill and intangibles for Innovia is $1,016.1 million and is not deductible for tax purposes.

(b) In May 2016, the Company completed the share acquisition of Checkpoint Systems, Inc. ("CSI") for $531.9 million. CSI is a leading manufacturer of technology-driven, loss prevention, inventory management and labeling solutions, including radio-frequency ("RF") and radio-frequency identification-based ("RFID"), to the retail and apparel industry. The CSI acquisition was a strategic opportunity leveraging the Company's deep capabilities in labels.

Cash consideration, net of cash acquired	$	440.5
Assumed debt		91.4
Total consideration	$	531.9

Trade and other receivables	$	146.1
Inventories		137.7
Property, plant and equipment		105.4
Other assets		8.2
Goodwill		194.1
Intangible assets		321.3
Trade and other payables		(199.0)
Income taxes payable		(22.1)
Employee benefits		(127.4)
Deferred tax liabilities		(8.1)
Provisions and other long-term liabilities		(24.3)
Net assets acquired	$	531.9

During the year, the Company completed its assessment of the fair market value of the assets and liabilities acquired. As a result of the assessment, property, plant and equipment increased by $3.9 million, other assets increased by $3.9 million, brands increased by $103.9 million, customer relationships increased by $18.1 million, income taxes payable increased by $1.2 million, deferred tax liabilities increased by $39.0 million related to the aforementioned adjustments, with the resulting net impact to goodwill since December 31, 2016.

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies from combining operations and expertise in smart-label products. Goodwill is not deductible for tax purposes.

(c) In April 2017, the Company acquired Goed Gemerkt B.V. and Goed Gewerkt B.V. (collectively referred to as "Goed Gemerkt"), two privately owned companies with common shareholders in Utrecht, Netherlands, for approximately $23.0 million, net of cash acquired. Goed Gemerkt has expanded Avery's depth in the personalized "kids labels" sector.

In April 2017, the Company acquired badgepoint GmbH, badgetech GmbH and Name Tag Systems Inc. (collectively referred to as "Badgepoint"), three privately owned companies with common shareholders based in Hamburg, Germany, for approximately $5.6 million, net of cash acquired. Badgepoint has expanded Avery's portfolio in web-to-print technologies internationally.

(d) The following table summarizes the combined sales and net earnings that the newly acquired Innovia, Goed Gemerkt and Badgepoint have contributed to CCLInd for the current reporting period.

		Nine months ended September 30
Sales	$	337.7
Net earnings	$	15.9

(e) Pro Forma Information

The unaudited pro forma consolidated financial information below has been prepared following the accounting policies of CCLInd as if the acquisitions took place January 1, 2017.

The unaudited pro forma consolidated financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or financial position of the consolidated company. Future results may vary significantly from the pro forma results presented.

The historical consolidated financial information has been adjusted in preparing the unaudited pro forma consolidated financial information to give effect to events that are: (i) directly attributable to the acquisitions; (ii) factually supportable; and (iii) with respect to revenues and earnings, expected to have a continuing impact on the results of CCL Industries Inc. As such, the impact from acquisition related expenses is not included in the accompanying unaudited pro forma consolidated financial information. The unaudited pro forma consolidated financial information does not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies, synergies or other restructuring that could result from the acquisitions.

The following table summarizes the sales and earnings of CCLInd combined with Innovia, Goed Gemerkt and Badgepoint as though the acquisitions took place on January 1, 2017:

		Nine months ended September 30
Sales	$	3,620.1
Net earnings	$	327.3

4. Segment reporting

As a result of the acquisition of Innovia, a new reportable segment was created for Innovia's film operation and Innovia's security operation is included within the newly named CCL (formerly CCL Label) segment. The Company has five reportable segments, as described below, which are the Company's main business units. The business units offer different products and services, and are managed separately as they require different technology and marketing strategies. For each of the business units, the Company's CEO, the chief operating decision maker, reviews internal management reports regularly.

The Company is comprised of the following main business segments:

- CCL - The Segment's product line includes pressure sensitive, shrink sleeve, stretch sleeve, expanded content, heat transfer and in-mould labels, precision printed and die cut metal, plastic and pressure sensitive components, electronic displays, pharmaceutical instructional leaflets, plastic tubes, postage stamps, anti-counterfeit security technologies and polymer banknote substrate.

- Avery – Includes the manufacturing and selling of various consumer products, including labels, binders, dividers, sheet protectors and writing instruments in North America, Latin America, Asia Pacific and Europe.

- Checkpoint – Includes the manufacturing and selling of technology-driven, loss prevention, inventory management and labeling solutions, including radio-frequency and radio-frequency identification-based, to the retail and apparel industry.

- Innovia – Includes the manufacturing of specialty high performance, multi-layer, surface engineered specialty films for label, packaging and security applications.

- Container – Includes the manufacturing of impact extruded aluminum aerosols and specialty bottles for the consumer products and healthcare industries in North America and Mexico.

	Three Months Ended September 30				Nine Months Ended September 30			
	Sales		Operating income		Sales		Operating income	
	2017	2016	2017	2016	2017	2016	2017	2016
CCL	$ 687.2	$ 639.5	$ 94.7	$ 94.1	$ 2,089.2	$ 1,865.8	$ 318.4	$ 287.4
Avery	212.0	220.2	49.9	45.3	581.9	607.2	123.8	131.3
Checkpoint	162.6	175.5	21.7	5.6	482.9	268.1	56.5	0.8
Innovia	95.6	-	11.4	-	217.0	-	14.5	-
Container	49.4	54.1	7.6	4.7	150.2	175.2	19.3	23.2
Total operations	$ 1,206.8	$ 1,089.3	$ 185.3	$ 149.7	$ 3,521.2	$ 2,916.3	$ 532.5	$ 442.7
Corporate expense			(12.5)	(12.3)			(40.2)	(37.2)
Restructuring and other items			(2.9)	(6.0)			(15.5)	(27.9)
Earnings in equity accounted investments			1.0	1.4			2.4	3.3
Finance cost			(19.9)	(10.9)			(54.9)	(28.1)
Finance income			1.0	0.9			3.5	2.4
Income tax expense			(45.1)	(36.7)			(123.1)	(107.2)
Net earnings			$ 106.9	$ 86.1			$ 304.7	$ 248.0

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	September 30	December 31	September 30	December 31	Nine Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016	2017	2016	2017	2016
CCL	$ 3,212.3	$ 2,451.9	$ 747.4	$ 639.5	$ 129.7	$ 114.2	$ 187.2	$ 165.5
Avery	620.1	566.6	185.4	201.3	12.1	12.0	12.5	14.2
Checkpoint	923.3	935.8	447.8	441.8	22.5	10.7	15.7	4.0
Innovia	673.9	-	148.6	-	17.4	-	6.4	-
Container	145.6	156.1	44.9	42.3	10.3	11.2	16.9	17.1
Equity accounted investments	59.9	64.1	-	-	-	-	-	-
Corporate	446.2	504.3	2,518.1	1,578.7	0.7	0.8	-	-
Total $ -	$ 6,081.3	$ 4,678.8	$ 4,092.2	$ 2,903.6	$ 192.7	$ 148.9	$ 238.7	$ 200.8

Due to the seasonality of CCLInd's business, the Company's operating results for the nine months ended September 30, 2017, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2017. The first and second quarters are traditionally higher sales periods for the CCL, Innovia and Container Segments as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of the year. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, the second half of the calendar year is typically healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from September through the end of the year and prepares for the same in its supply chain from mid-year on.

5. Accumulated other comprehensive loss

	September 30 2017	December 31 2016
Unrealized foreign currency translation losses, net of tax recovery of $3.1 (2016 – tax recovery of $1.5)	$ (68.1)	$ (1.0)
Gains on derivatives designated as cash flow hedges, net of tax recovery of $1.0 (2016 – tax expense of nil)	7.0	0.1
	$ (61.1)	$ (0.9)

6. Restructuring and other items

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
CCL Segment restructuring	$ 1.6	$ 0.8	$ 3.4	$ 3.0
Checkpoint Segment restructuring	1.1	3.0	6.8	16.0
Innovia Segment restructuring	-	-	2.9	-
Acquisition costs	0.2	2.2	2.4	8.9
Total restructuring and other items	$ 2.9	$ 6.0	$ 15.5	$ 27.9

In 2017, of the $13.1 million ($9.9 million, net of tax) recorded in restructuring, the CCL Segment recorded an expense of $3.4 million ($2.5 million, net of tax), the Checkpoint Segment recorded an expense of $6.8 million ($5.2 million, net of tax) and the Innovia Segment recorded an expense of $2.9 million ($2.2 million, net of tax). The restructuring expense primarily related to severance costs for the 2017 Innovia and 2016 Checkpoint acquisitions. The acquisition costs of $2.4 million ($2.4 million, net of tax) were recorded primarily for the 2017 Innovia acquisition. Restructuring and other expenses for the prior year period were primarily for severance costs associated with the Checkpoint and November 2015 Worldmark acquisitions.

7. Financial instruments

(a) Fair value hierarchy

The table below summarizes level of hierarchy for financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
September 30, 2017				
Available-for-sale financial assets	$ -	$ 15.6	$ -	$ 15.6
December 31, 2016				
Available-for-sale financial assets	$ -	$ 22.5	$ -	$ 22.5

(b) Fair values versus carrying amounts

The carrying values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate fair values due to the short-term maturities of these financial instruments.

The fair value of financial liabilities together with carrying amounts shown in the statement of financial position, are as follows:

	September 30, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 2,469.4	$ 2,455.6	$ 1,601.3	$ 1,581.5

The interest rates used to discount estimated cash flows for the long-term debt are based on the government yield curve at the reporting date plus an adequate credit spread.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. The estimates are subjective in nature and involve uncertainties and matters of judgment.

8. Long-term debt

During the first quarter of 2017, the Company utilized a new US$450.0 million non-revolving credit term facility with a syndicate of banks to aid in the financing of the Innovia acquisition (note 3). This facility, maturing in February 2019, with principal repayments of US$12.0 million per quarter which commenced June 30, 2017, incurs interest at the applicable domestic rate plus an interest rate margin linked to the Company's net debt to EBITDA consistent with the existing syndicated revolving facility that matures December of 2020. The balance of the Innovia acquisition was financed by a drawdown of the Company's existing syndicated revolving facility.

Subsequent to the acquisition of Innovia, the Company utilized a cross-currency interest rate swap agreement to effectively convert notional US$264.7 million 3.25% fixed rate debt into 1.23% fixed rate euro debt also hedging its euro-based assets and cash flows.

The Company has two private debt placements completed in 1998 and 2008 for a total of US$129.0 million. US$51.0 million with an interest rate of 7.09% matures on July 8, 2018 and US$78.0 million with an interest rate of 6.62% matures on September 26, 2018.

9. Subsequent events

On October 2, 2017, the Company announced it had acquired the remaining 37.5% minority interest in its Acrus CCL venture for approximately $6.3 million in cash. Assumed debt transferred on close from the venture to the Company's fully consolidated balance sheet is approximately $7.4 million.

The Board of Directors has declared a dividend of $0.1150 for the Class B non-voting shares and $0.1125 on the Class A voting shares that will be payable to shareholders of record at the close of business on December 8, 2017, to be paid on December 22, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarters Ended September 30, 2017 and 2016

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") of CCL Industries Inc. ("CCLInd" or the "Company") relates to the third quarters ended September 30, 2017 and 2016. The information in this interim MD&A is current to November 8, 2017, and should be read in conjunction with the Company's November 8, 2017, unaudited third quarter consolidated condensed interim financial statements released on November 8, 2017, and the 2016 Annual MD&A and consolidated financial statements, which form part of the CCL Industries Inc.'s 2016 Annual Report, dated February 22, 2017.

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and 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 CCLInd's operations are the Canadian dollar, U.S. dollar, euro, Argentine peso, Australian dollar, Bangladeshi taka, Brazilian real, Chilean peso, Chinese renminbi, Danish krone, Hungarian forint, Indian rupee, Japanese yen, Malaysian ringgit, Mexican peso, Philippine peso, Polish zloty, Russian ruble, Singaporean dollar, South African rand, South Korean wan, Swiss franc, Thai baht, Turkish lira, U.K. pound sterling and Vietnamese dong. All per Class B non-voting share ("Class B share") amounts in this document are expressed on an undiluted basis, unless otherwise indicated. CCLInd's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy and the financial results of the Company.

Subsequent to the acquisition of the Innovia Group of Companies ("Innovia") on February 28, 2017, CCLInd modified its Segment reporting disclosure. The Label Segment, or CCL Label, was renamed the CCL Segment or CCL, and now includes the results of the former Innovia security (now CCL Secure) operations. The new Innovia Segment includes the results of the Innovia film operations as well as the legacy film businesses, which were previously included in the CCL Segment.

On June 5, 2017, the Company effected a 5:1 stock split on its Class A and Class B common shares. Unless otherwise noted, impacted amounts and share information included in the MD&A have been retroactively adjusted for the stock split as if such stock split occurred on the first day of the first period presented. Certain amounts in the notes to the financial statements may be slightly different than previously reported due to rounding of fractional shares as a result of the stock split.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains forward-looking information and forward-looking statements, as defined under applicable securities laws, (hereinafter collectively referred to as "forward-looking statements") that involve a number of risks and uncertainties. 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. 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. Specifically, this MD&A contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company's segments; the Company's anticipated improvement in market share; the Company's capital spending levels and planned capital expenditures in 2017; the adequacy of the Company's financial liquidity; earnings per share and EBITDA growth rates; the Company's effective tax rate; the Company's ongoing business strategy; the Company's planned restructuring expenditures; and the Company's expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the uncertainty of the recovery from the 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; technological changes; changes in government regulations; risks associated with operating and product hazards; and CCLInd'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. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic recovery and higher consumer spending; improved customer demand for the Company's products; continued historical growth trends, market growth in specific sectors and entering into new markets; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the achievement of the Company's plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company's continued relations with its customers; the Avery Segment's new product innovations, consumer digital e-commerce opportunities and cross selling programs with recent acquisitions will provide incremental growth opportunities; CCLInd's new operations in Argentina, Philippines and Thailand, will post profitable returns in 2018; demand for polymer banknotes will be strong in the fourth quarter of 2017 leading to an improved year; resin costs will increase due to the impact of Hurricane Harvey; recent acquisitions will provide future opportunities for margin expansion; continued capital investment in Rheinfelden will result in full production capability and a qualified alternate supply of aluminum slugs in North America; the North American in-mould label joint venture requires additional capital expenditures to reach full production capabilities; there will be more restructuring within CCL Design that will lead to optimal financial returns; $30 million in restructuring initiatives at the Checkpoint Segment will lead to $40 million in annual savings; $5 million in restructuring initiatives within the new Innovia acquisition will lead to $5 million in annual savings; the growth rates in the CCL Segment will migrate back to the long-run average of 3% to 4%; CCL Design's new plant in Mexico will start up in the fourth quarter of 2017; the second half of 2017 will be better for the Innovia Segment; CCLInd's leverage will be reduced in the future from principal debt repayments; the Company's expected order intake levels; and general business and economic conditions. Should one or more risks materialize or should any assumption prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2016 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 CCLInd's business. Such statements do not, unless otherwise specified by the Company, 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 third quarter of 2017 was a solid quarter for legacy CCL Segment operations, strong performance in the Home & Personal Care and Food & Beverage operations secured 4.6% organic sales growth. CCL Secure was negatively influenced by the anticipated temporary hiatus in polymer banknote demand levels which reduced profitability for the Segment. Demand for these products in the fourth quarter is strong with improved results expected for the full calendar year. The Avery Segment posted a robust 23.5% return on sales[1] in their seasonally strongest period and the Container Segment improved operating income[1] over 60% above the comparative quarter. The

Checkpoint Segment, still in the midst of implementing its improvement initiative, posted an improved return on sales[1] of 13.3% compared to a strong prior year period. Results for the new Innovia Segment sequentially improved from a disappointing second quarter but resin cost pressures continue following the impact of Hurricane Harvey. All-in, the Company posted third quarter basic earnings per Class B share of $0.60 compared to basic earnings per Class B share $0.49 for the 2016 third quarter. Adjusted basic earnings per Class B share[1] for the third quarters of 2017 and 2016 were $0.61 and $0.60, respectively. Foreign exchange translation reduced earnings per share by $0.01

[1] (a non-IFRS financial measure; refer to definition in Section 13)

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2016:

- In January 2016, Woelco AG ("Woelco"), a privately owned company in Stuttgart, Germany, with subsidiaries in China and the United States for approximately $21.7 million. Woelco has integrated into CCL Design, expanding its depth in the industrial and automotive durable goods markets.

- In January 2016, Label Art Ltd. and Label Art Digital Ltd. (collectively "LAL"), privately owned companies with common shareholders, based in Dublin, Ireland, for approximately $13.6 million. LAL expanded the CCL Healthcare & Specialty business in Ireland and the U.K.

- In January 2016, the Company invested $6.0 million in cash to increase its stake from 50% to 75% in its tube manufacturing joint venture in Bangkok, Thailand, with Taisei Kako Co. Ltd. of Japan. Finally, in August 2016, CCLInd acquired the final 25% stake in the venture from its partner for $1.9 million. As a result of the change in control, financial results are no longer included in equity investments but fully consolidated with the CCL Home & Personal Care business, without a portion of the earnings attributable to a non-controlling interest, since September 2016.

- In February 2016, Zephyr Company Limited of Singapore, and its Malaysian subsidiaries in Penang and Johor (collectively "Zephyr"), privately owned companies with multiple shareholders, for approximately $40.9 million. Zephyr expanded CCL Design's presence within the electronics industry to the ASEAN region.

- In March 2016, Powerpress Rotulo & Etiquetas Adesivas LTDA ("Powerpress"), a privately owned company based in Sao Paolo, Brazil, for approximately $11.4 million. Powerpress enhances CCL's product offering in the Healthcare & Specialty business in South America.

- In May 2016, the Company acquired all the outstanding shares of Checkpoint Systems Inc. (formerly, NYSE:CKP) at an enterprise value of $531.9 million. Checkpoint is a leading global manufacturer and provider of hardware and

software systems plus security labels and tags providing inventory control and loss prevention solutions to world leading retailers. Checkpoint formed the retail and apparel Checkpoint Segment of CCLInd.

- In July 2016, Eukerdruck GmbH & Co. KG and Pharma Druck CDm GmbH ("Euker"), privately held companies with common shareholders, and the associated facilities in Marburg and Dresden, Germany. Euker is a leading supplier of folded leaflets, specialty booklets and pressure sensitive labels to pharmaceutical companies in German-speaking Europe. The purchase price consideration, including debt assumed, was approximately $30.0 million.

- In August 2016, Labelone Ltd. ("Label1"), a privately owned company based in Belfast, Northern Ireland, for approximately $17.5 million including assumed debt. Label1 expands CCL product offerings in the Healthcare & Specialty business to Northern Ireland.

- On February 28, 2017, Innovia, headquartered in Wigton, U.K., for approximately $1.15 billion, debt free and net of cash acquired from a consortium of U.K.-based private equity investors. Innovia is a leading global producer of specialty high-performance, multi-layer, surface engineered biaxially oriented polypropylene ("BOPP") films for label, packaging and security applications. The business has film extrusion, coating and metallizing facilities across the U.K., Belgium and Australia, which now form the basis of CCLInd's new Innovia Segment. In the U.K., Australia and Mexico, the business has high-security, specialized polymer banknote operations that have been added to CCL Secure within the CCL Segment.

- In April 2017, the Company acquired two European direct-to-consumer, software-powered online digital printing businesses for the Avery Segment. Goed Gemerkt B.V. and Goed Gewerkt B.V. ("GGW") were privately owned companies with common shareholders based near Utrecht in the Netherlands. Founded in 2003, GGW is a manufacturer of durable, personalized "kids' labels" for the Benelux and German markets. badgepoint GmbH, badgetech GmbH and Name Tag Systems Inc. ("Badgepoint") were privately owned companies with common shareholders based near Hamburg, Germany. Founded in 1999, Badgepoint is a manufacturer of patented, premium name tag systems and accessories for the German market. The combined enterprise value of the two transactions, net of cash and debt but including the acquisition of related real estate, is approximately $33.0 million.

Sales for the third quarter of 2017 were $1,206.8 million, an increase of 10.8% compared to $1,089.3 million recorded in the third quarter of 2016. The increase in sales can be attributed to organic growth of 0.5% and acquisition-related growth of 12.4% partially offset by the negative impact from foreign currency translation of 2.1%. For the nine-month period ended September 30, 2017, sales were $3,521.2 million, an increase of 20.7% compared to $2,916.3 million for the same nine-month period a year ago. This improvement in sales can be attributed to 1.4% organic growth, a positive

20.7% impact of the eleven aforementioned acquisitions and a 1.4% negative impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $191.0 million and $561.0 million for the three-month and nine-month periods ended September 30, 2017, compared to $175.2 million and $439.8 million for same periods in the prior year, respectively. The increases in SG&A for the aforementioned comparative period can be attributed to additional SG&A expenses associated with the eleven above mentioned acquisitions. The Checkpoint mix impact influenced the increase as it has higher SG&A expenses as a percentage of its sales than the rest of the Company.

The Company recorded an expense of $2.9 million ($2.4 million after tax) for restructuring and other items in the third quarter of 2017 compared to $6.0 million ($4.9 million after tax) for the third quarter of 2016. The third quarter of 2017 included severance related restructuring costs of $2.7 million principally for the 2016 Checkpoint acquisition, plus other transaction costs of $0.2 million. Restructuring and other expenses for the 2016 third quarter were primarily restructuring and transaction costs primarily related to the May 2016 acquisition of Checkpoint. For the nine-month period ending September 30, 2017, the Company recorded $15.5 million ($12.3 million after tax) in restructuring and other items primarily related to the Checkpoint and Innovia acquisitions. For the nine-month period of 2016, restructuring and other items were $27.9 million ($21.4 million after tax) primarily related to the 2015 Worldmark Ltd. and 2016 Checkpoint acquisitions.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2017 was $185.3 million, compared to $149.7 million for the third quarter of 2016. However, 2016 third quarter operating income included a $17.3 million non-cash acquisition accounting adjustment to fair value the finished goods inventory related to the Checkpoint acquisition; therefore comparatively, adjusted operating income was $167.0 million. This increase was primarily driven by improvements in the Checkpoint, Avery and Container Segments as well as results for the newly formed Innovia Segment, partially offset by a 2.3% negative impact from foreign currency translation. For the nine months ended September 30, 2017, operating income increased 20.3%, including the recognition of an expense for the non-cash acquisition accounting adjustment related to finished goods inventory for the Innovia acquisition. The nine-month increase was due to strong performance in the CCL, Checkpoint and Innovia Segments partially offset by declines in the Avery and Container Segments compared to the same nine-month period in 2016. Foreign currency translation had a 1.3% negative impact for the comparable nine-month periods.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, non-cash acquisition accounting adjustments to finished goods inventory expensed to cost of goods sold, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was $240.1 million for the third quarter of 2017, an increase of 15.3% compared to $208.3 million for the third quarter of 2016. Foreign currency translation had a 2.1% negative impact on EBITDA for the comparative third quarters. For the nine months ended September 30, 2017, EBITDA was $700.2 million, an increase of 19.0% compared to $588.3 million in

the comparable 2016 nine-month period. Foreign currency translation had a negative impact of 1.4% for the comparable nine-month periods.

Net finance cost was $18.9 million and $51.4 million for the three-month and nine-month periods ended September 30, 2017, compared to $10.0 million and $25.7 million for same periods in the prior year, respectively. The increase in net finance cost for the three-month and nine-month periods ended September 30, 2017, was attributable to higher total debt balances which resulted from the primarily debt-financed acquisitions of Checkpoint and Innovia, partially offset by repayments on the Company's revolving and term credit facilities.

The overall effective income tax rate was 29.9% for the third quarter of 2017 compared to 30.3% for the third quarter of 2016. The overall effective income tax rate was 28.9% for the nine-month period of 2017 compared to 30.5% for the nine-month period of 2016. The increase in the 2017 third quarter effective tax rate compared to nine-month effective tax rate was driven by higher portion of the Company's taxable income being earned in higher tax jurisdictions and the cessation of foreign investment income tax reduction programs in certain foreign regimes. The reduction in tax rates for the comparative nine-month periods reflects a higher portion of taxable income being earned in lower tax jurisdictions, principally driven by the results of the acquired Checkpoint and Innovia businesses. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the third quarter of 2017 were $106.9 million compared to $86.1 million for the third quarter of 2016. This resulted in basic and diluted earnings of $0.60 and $0.59 per Class B share, respectively, for the 2017 third quarter compared to basic and diluted earnings of $0.49 per Class B share for the prior year third quarter.

Net earnings for the nine-month period of 2017 were $304.7 million, an increase of 22.9% compared to $248.0 million for the same period a year ago. This resulted in basic and diluted earnings of $1.73 and $1.71 per Class B share, respectively, for the 2017 nine-month period compared to basic and diluted earnings of $1.42 and $1.40 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares for the 2017 nine-month period were 175.8 million basic and 178.1 million diluted shares compared to 175.1 million basic and 177.3 million diluted shares for the comparable period of 2016. Diluted shares include weighted average in-the-money stock options totaling 2.3 million shares.

Adjusted basic earnings per Class B share (a non-IFRS financial measure – see Section 13) were $0.61 and $1.86 for the three-month and nine-month periods of 2017, respectively, compared to $0.60 and $1.69 for the same periods of 2016.

The following table is presented to provide context to the comparative change in the adjusted basic earnings per share.

(in Canadian dollars)

Adjusted Basic Earnings per Class B Share	Third Quarter 2017	Third Quarter 2016	Year-to-Date 2017	Year-to-Date 2016
Basic earnings per Class B share	$ 0.60	$ 0.49	$ 1.73	$ 1.42
Restructuring and other items[1]	0.01	0.03	0.07	0.12
Non-cash acquisition accounting adjustment related to finished goods inventory	-	0.08	0.06	0.15
Adjusted basic earnings [1] per class B share	$ 0.61	$ 0.60	$ 1.86	$ 1.69

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

The following is selected financial information for the eleven most recently completed quarters:

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

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2017	$ 1,061.5	$ 1,252.9	$ 1,206.8	$ -	$ 3,521.2
2016	866.8	960.2	1,089.3	1,058.4	3,974.7
2015	705.9	721.5	812.9	798.8	3,039.1
Net earnings					
2017	87.8	109.9	106.9	-	304.7
2016	89.7	72.2	86.1	98.3	346.3
2015	68.1	73.3	81.8	71.9	295.1
Net earnings per Class B share					
Basic					
2017	0.50	0.63	0.60	-	1.73
2016	0.51	0.42	0.49	0.56	1.98
2015	0.40	0.42	0.47	0.41	1.70
Diluted					
2017	0.49	0.63	0.59	-	1.71
2016	0.51	0.41	0.48	0.55	1.95
2015	0.39	0.42	0.46	0.41	1.68
Adjusted basic net earnings[1] per Class B share					
2017	0.57	0.68	0.61	-	1.86
2016	0.53	0.56	0.60	0.59	2.28
2015	0.40	0.42	0.47	0.43	1.72

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year are traditionally higher sales periods for the CCL, Innovia and Container Segments as a result of the greater number of work days than the third and fourth quarters plus the seasonality of certain end markets. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences

more consumer activity from September through the end of the year and prepares for the same in its supply chain from mid-year on.

3. Business Segment Review

CCL Segment

($ millions)	Third Quarter			Year-to-Date		
	2017	**2016**	**+/-**	**2017**	**2016**	**+/-**
Sales	$ 687.2	$ 639.5	7.5%	$ 2,089.2	$ 1,865.8	12.0%
Operating Income [(1)]	$ 94.7	$ 94.1	0.6%	$ 318.4	$ 287.4	10.8%
Return on Sales [(1)]	13.8%	14.7%		15.2%	15.4%	
Capital Spending	$ 38.3	$ 47.1	(18.7%)	$ 187.2	$ 165.5	13.1%
Depreciation and Amortization	$ 45.2	$ 38.0	18.9%	$ 129.7	$ 114.2	13.6%

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

CCL is a global leader of innovative label solutions for consumer product marketing companies in Home & Personal Care and Food & Beverage markets, and also supplies regulated labels to major pharmaceutical, healthcare and industrial chemical customers, long-life labels and components to automotive, electronics and other durable goods companies and security products for government institutions. The Segment's product lines include pressure sensitive, shrink sleeve, stretch sleeve, expanded content, heat transfer and in-mould labels, precision printed and die cut metal, plastic and pressure sensitive components, electronic displays, pharmaceutical instructional leaflets, plastic tubes, postage stamps, anti-counterfeit security technologies and polymer banknote substrate.

Sales for the CCL Segment were $687.2 million for the third quarter of 2017, compared to $639.5 million for the same quarter last year. The 7.5% increase in sales can be attributed to organic growth of 4.6%, the impact from the Label1 and Innovia security business acquisitions of 5.1% and a 2.2% negative impact from foreign currency translation.

North American sales were flat for the third quarter of 2017, excluding currency translation compared to the third quarter of 2016. Home & Personal Care sales and profitability increased on market share wins. Healthcare & Specialty sales and profitability were down on a robust prior period for Healthcare and slower Specialty markets in the current quarter. CCL Design sales and profitability declined modestly on reduced automotive demand. Food & Beverage posted strong growth and profitability improvement in the Wine & Spirits business offsetting lower results for Sleeves. CCL Secure, the security product vertical that includes the 2015 Banknote Corporation of America Inc. acquisition, posted reduced sales and profitability for the quarter. Overall, the impact of currency translation was negative with profitability and return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13) slightly down for North America.

Sales in **Europe** were up high single digits for the third quarter of 2017, excluding currency translation and acquisitions, compared to the third quarter of 2016. Home & Personal Care sales and profits increased on strength in Germany, Poland and the U.K. Healthcare & Specialty sales were in line with the prior year quarter; however, profitability declined on lower results in Scandinavia. Food & Beverage results improved significantly on very strong performance in all lines of business. CCL Design sales and profitability increased on strong German automotive demand and improved electronics markets. CCL Secure, representing the acquired Innovia security operation posted sequentially lower sales and profitability as demand for one large customer reduced as anticipated. Overall, European operating income, excluding currency translation, was up compared to the prior year third quarter, driving solid improvement in return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13).

Sales in **Latin America**, excluding the acquired Innovia security business and currency translation, were flat for the third quarter of 2017, compared to the third quarter of 2016. Solid sales and profitability improvement in Mexico did not offset soft consumer markets in Brazil. CCL Secure in Mexico, representing the acquired Innovia security business, posted strong results for the third quarter. Excluding the impact of acquisitions and the positive impact of currency translation, underlying operating income decreased; however, return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13) remained strong and above the Segment average.

Asia Pacific sales, excluding acquisitions and currency translation, were up double digits for the third quarter of 2017, compared to the corresponding quarter in 2016. Sales and profitability in China increased significantly with gains in all lines of business but especially at CCL Design on recovering electronics end markets. Sales and profits increased in the ASEAN region with strong results for Food & Beverage and improvements at CCL Design. The new operation in Korea and the recently fully consolidated tube operation in Thailand continued to post start-up losses for the third quarter of 2017. Australian results for labels were up with continued progress in Wine & Spirits and a reduction in operating losses in Healthcare. CCL Secure, representing the acquired Innovia security business, posted an operating loss on temporarily reduced demand for polymer banknotes. However, fourth quarter demand is expected to be strong. Beverage sales and profitability in South Africa were up compared to the prior year third quarter. Operating income and return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13) in the base business, excluding the Innovia acquisition, improved due to stronger results in legacy operations in the Asia Pacific region.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2017 was $94.7 million, compared to $94.1 million for the third quarter of 2016. Return on sales was 13.8% compared to the 14.7% recorded for the same period in 2016. The reduction is largely due to the impact of reduced demand for polymer bank note substrate at CCL Secure.

Sales backlogs for the label business rarely exceed one month of sales, making forecasts one quarter ahead difficult. Management continues to watch the global economic situation closely along with associated volatility in foreign exchange rates.

The CCL Segment invested $187.2 million in capital spending for the nine-month period ended September 30, 2017, compared to $165.5 million in the same period in 2016. The investments for the first nine months of 2017 are in line with the Company's planned capital expenditures for 2017. The major expenditures for the nine-month period ended September 30, 2017, related to equipment installations to support the Home & Personal Care and Healthcare businesses in North America, capacity additions for Food & Beverage in Europe and capacity expansion for CCL Design in the United States and Asia. As in the past, investments in the CCL Segment 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 CCL Segment was $129.7 million for the nine-month period ended September 30, 2017, compared to $114.2 million for the same period of 2016.

Avery Segment

($ millions)	Third Quarter			Year-to-Date		
	2017	2016	+/-	2017	2016	+/-
Sales	$ 212.0	$ 220.2	(3.7%)	$ 581.9	$ 607.2	(4.2%)
Operating Income [1]	$ 49.9	$ 45.3	10.2%	$ 123.8	$ 131.3	(5.7%)
Return on Sales [1]	23.5%	20.6%		21.3%	21.6%	
Capital Spending	$ 1.8	$ 2.2	(18.2%)	$ 12.5	$ 14.2	(12.0%)
Depreciation and Amortization	$ 4.0	$ 4.1	(2.4%)	$ 12.1	$ 12.0	0.8%

[1] Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 13.

The Avery Segment has two primary product groups, Printable Media and the newly defined Organization Products largely comprised of binders, indexes and dividers. The Avery Segment markets its products to individual consumers, small businesses and short run uses in larger companies. End consumers buy their products from distributors including mass-market retailers and e-tailers, office superstores, wholesalers, contract stationers, mail order companies and direct-to-consumer e-commerce channels.

Avery Segment sales were $212.0 million for the third quarter of 2017, compared to $220.2 million for the same quarter last year. The 3.7% decrease in sales can be attributed to the 2.6% negative effect from foreign currency translation and a 4.5% organic decline in sales partially offset by the 3.4% impact from the Badgepoint and GGW acquisitions.

Sales in **North America** for the third quarter of 2017 were down mid-single digit; however, profitability improved on a richer sales mix compared to the prior year period. Sales in Printable Media products improved modestly driving profitability improvement partly offsetting Organization Products' sales decline in low margin commodity mass market back-to-school binders. Sales in the direct to consumer channel for badges, "Kids Labels" and "WePrint" labels printed directly by Avery for consumers increased and profitability improved.

U.S. operating income was negatively affected by currency translation on the strengthening Canadian dollar while return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13) improved on the profitability enhancements.

International sales, principally generated in the Printable Media category, represented approximately 22% of the Avery Segment sales for the quarter. Excluding currency translation and acquisitions, sales in Europe were up slightly; however, Australia and Latin America declined. The newly acquired Badgepoint and GGW businesses posted strong results since being acquired in the early part of the second quarter of 2017. Overall profitability, excluding currency translation, increased due to acquisitions.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2017 was $49.9 million an increase of 10.2% compared to $45.3 million for the third quarter of 2016. Return on sales was 23.5%, compared to 20.6% recorded for the same quarter in 2016 ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13).

The Avery Segment invested $12.5 million in capital spending for the nine-month period ended September 30, 2017, compared to $14.2 million in the same period a year ago. The majority of the expenditures were for capacity additions in North America to support the planned consolidation of manufacturing in Tijuana. Depreciation and amortization for the Avery Segment was $12.1 million for the nine-month period ended September 30, 2017, compared to $12.0 million for the same period in 2016.

Checkpoint Segment

($ millions)	Third Quarter			Year-to-Date		
	2017	**2016**	**+/-**	**2017**	**2016**	**+/-**
Sales	$ 162.6	$ 175.5	(7.4%)	$ 482.9	$ 268.1	80.1%
Operating Income (loss) [1]	$ 21.7	$ 5.6	287.5%	$ 56.5	$ 0.8	n.m.
Return on Sales [1]	13.3%	3.2%		11.7%	0.3%	
Capital Spending	$ 7.8	$ 2.8	178.6%	$ 15.7	$ 4.0	292.5%
Depreciation and Amortization	$ 7.6	$ 7.4	2.7%	$ 22.5	$ 10.7	110.3%

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

Checkpoint acquired on May 13, 2016 has operations in North America, Europe, Asia, Australia and Latin America. The Segment has three primary product lines, Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and Retail Merchandising Solutions ("RMS"). The larger MAS line focuses on hardware, software, labels and tags for loss prevention and inventory control systems including radio frequency identification ("RFID") solutions. ALS products are apparel labels and tags for branding, merchandising and inventory control purposes, some of which are RFID capable. RMS, a small European-centric product line, includes hand-held pricing tools and labels and promotional in-store displays. All MAS and ALS products are sold under the Checkpoint brand; RMS is sold under the Meto brand.

Sales for the Checkpoint Segment were $162.6 million for the third quarter of 2017 compared to $175.5 million for the third quarter of 2016. The 7.4% decline in sales resulted from 1.9% negative impact from foreign currency translation and a 5.5% negative organic growth rate for the comparative quarters. MAS product lines delivered lower sales compared to a prior year third quarter bolstered by a large hardware transaction for a European supermarket chain and augmented profitability from a high margin software installation at a U.S. retailer. Underlying profitability in the base business continued to improve on restructuring initiatives over the previous twelve months. The ALS product line continues to show modest improvement from low levels. RMS results, although not material, were profitable for the third quarters of 2017 and 2016. Overall operating income (a non-IFRS financial measure; refer to definition in Section 13) was $21.7 million for the third quarter of 2017 compared to $5.6 million for the third quarter of 2016. However, excluding a $17.3 million charge for the non-cash acquisition accounting adjustment related to finished goods inventory, Checkpoint would have reported operating income of $22.9 million for the prior year period. Checkpoint generated a return on sales of 13.3% for the quarter compared to an adjusted 13.0% for the third quarter of 2016.

The Checkpoint Segment invested $15.7 million in capital spending for the nine-month period ended September 30, 2017, compared to $4.0 million for the same period ended September 30, 2016. The majority of the expenditures were in the Asia Pacific region to enhance capacity and efficiency within the MAS and ALS manufacturing facilities. Depreciation and amortization for the Checkpoint Segment was $22.5 million for the nine-month period ended September 30, 2017, compared to $10.7 million for the abbreviated period of 2016.

Innovia Segment

($ millions)	Third Quarter			Year-to-Date		
	2017	2016	+/-	2017	2016	+/-
Sales	$ 95.6	$ -	n.a.	$ 217.0	$ -	n.a.
Operating income [1]	$ 11.4	$ -	n.a.	$ 14.5	$ -	n.a.
Return on Sales [1]	11.9%	-		6.7%	-	
Capital Spending	$ 3.7	$ -	n.a.	$ 6.4	$ -	n.a.
Depreciation and Amortization	$ 7.2	$ -	n.a.	$ 17.4	$ -	n.a.

[1] Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 13.

The Innovia Segment was formed after the February 28, 2017 acquisition of the Innovia Group of Companies. The Segment consists of the newly acquired Innovia film facilities, two in Europe and one in Australia, manufacturing films sold to customers in the pressure sensitive label materials and consumer packaged goods industries globally with a small percentage of the total volume consumed internally by CCL Secure within the CCL Segment. As of January 1, 2017, two small legacy film manufacturing facilities

were transferred from the CCL Segment that historically produced almost their entire output for the Segment's Food & Beverage and Home & Personal Care businesses.

Sales for the Innovia Segment were $95.6 million for the third quarter of 2017, almost entirely from the newly acquired operations. Operating income (a non-IFRS financial measure; refer to definition in Section 13) was $11.4 million on sequentially improved volume and mix over the second quarter. Towards the end of the third quarter and into the fourth quarter of 2017, polypropylene resin costs began to rise again due to the temporary North American supply outages caused by Hurricane Harvey. Return on sales ("Return on Sales," a non-IFRS financial measure; refer to definition in Section 13) was 11.9% for the third quarter of 2017.

The Innovia Segment invested $6.4 million in capital spending since February 28, 2017. Depreciation and amortization for the Innovia Segment was $17.4 million for the period February 28, 2017 to September 30, 2017.

Container Segment

($ millions)	Third Quarter			Year-to-Date		
	2017	2016	+/	2017	2016	+/-
Sales	$ 49.4	$ 54.1	(8.7%)	$ 150.2	$ 175.2	(14.3%)
Operating Income [(1)]	$ 7.6	$ 4.7	61.7%	$ 19.3	$ 23.2	(16.8%)
Return on Sales [(1)]	15.4%	8.7%		12.8%	13.2%	
Capital Spending	$ 2.8	$ 3.0	(6.7%)	$ 16.9	$ 17.1	(1.2%)
Depreciation and Amortization	$ 3.0	$ 3.8	(21.1%)	$ 10.3	$ 11.2	(8.0%)

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

The Container Segment is a leading manufacturer of impact extruded aluminum aerosols and specialty bottles for the consumer products and healthcare industries in the U.S. and Mexico.

Sales for the Container Segment in the 2017 third quarter declined as anticipated to $49.4 million compared to $54.1 million in the third quarter 2016. The decline can be largely attributed to the previously announced loss of a large Homecare application in the U.S. However, with the cessation of operations at the Canadian facility, the consolidation of volumes at the U.S. operation resulted in higher profitability. Mexican sales were up significantly on volume driving profitability gains. The time lag in passing on higher average aluminum cost to customers continues to negatively affect profitability comparisons to the prior year. Foreign currency translation had a 1.7% negative impact on sales. As a result, the Container Segment posted improved operating income (a non-IFRS financial measure; refer to definition in Section 13) of $7.6 million compared to $4.7 million for the 2016 third quarter.

The Container Segment invested $16.9 million for the nine-month period ended September 30, 2017, compared to $17.1 million for the same period ended September 30, 2016. The majority of the expenditures for the first nine months of 2017 were for the

installation of a new manufacturing line in the U.S. operation and the capacity expansion at the Guanajuato, Mexico plant to facilitate the efficient redistribution of the Canadian plant's volume. Depreciation and amortization for the Container Segment was $10.3 million for the nine-month period ended September 30, 2017, compared to $11.2 million for the comparable period of 2016.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 19.2% and 1.0% of its expected 2017 and 2018 volume, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,725 to US$2,150 range per metric ton. The Company is encouraging customers to adopt 90-day pass-through pricing for changes in aluminum cost and is only adopting long-term hedges to stabilize input prices with large blue-chip multinationals willing to accept responsibility for the hedge.

Prices for aluminum in the third quarter of 2017 ranged from US$1,875 to US$2,200 per metric ton compared to US$1,500 to US$1,700 in the third quarter of 2016.

Joint Ventures

($ millions)	Third Quarter			Year-to-Date		
	2017	**2016**	**+/-**	**2017**	**2016**	**+/-**
Sales (at 100%)						
CCL joint ventures	$ 31.5	$ 31.9	(1.3%)	$ 96.0	$ 91.2	5.2%
Rheinfelden*	6.1	3.3	84.8%	13.9	7.7	80.5%
*primarily sales to Container Segment	$ 37.6	$ 35.2	6.8%	$ 109.9	$ 98.9	11.1%
Earnings (losses) in equity accounted investments						
CCL joint ventures	$ 1.5	$ 1.8	(16.7%)	$ 4.0	$ 4.4	(9.1%)
Rheinfelden	(0.5)	(0.4)	(25.0%)	(1.6)	(1.2)	(33.3%)
	$ 1.0	$ 1.4	(28.6%)	$ 2.4	$ 3.2	(25.0%)

Results from the joint ventures in CCL-Kontur, Russia; Pacman-CCL, Middle East; Acrus-CCL, Chile; and Rheinfelden and Korsini-CCL in the United States, are not proportionately consolidated into a Segment but instead are accounted for as equity investments. The Company's share of the joint ventures' net earnings is disclosed in "Earnings in Equity Accounted Investments" in the consolidated condensed interim income statements. CCL-Kontur posted improved sales and profitability resulting from market share gains from the new sleeve plant. Sales and profits at Pacman-CCL improved for the 2017 third quarter. In addition, Acrus-CCL posted sales gains with a slight decline in profitability compared to the third quarter of 2016. Rheinfelden and Korsini-CCL continued to incur expected start-up losses; additional tranches of capital investment are expected for both operations before profitable production capacity is reached. Earnings in equity accounted investments amounted to $1.0 million for the third quarter of 2017 compared to $1.4 million for the third quarter of 2016. Commencing September 2016, equity investments no longer include the financial

results of the Taisei joint venture due to CCLInd's increase in ownership of the entity to 100%. Lastly, as result of CCL acquiring 100% interest in the Acrus-CCL joint venture in early October 2017 equity investments will no longer include its financial results which will be consolidated with CCL.

4. Currency Transaction Hedging and Currency Translation

Approximately 97% of sales made in the third quarter of 2017 to end-use customers were denominated in foreign currencies leaving the Company exposed to potentially significant translation variances when reporting results publicly in Canadian dollars. The Company does not hedge or manage such translation movements but does actively manage transaction exposures. Where possible, the Company contracts its business in local currencies with both customers and suppliers of raw materials.

The results of the third quarter of 2017 were impacted by the appreciation of the Canadian dollar against the U.S. dollar, U.K. pound, Brazilian real and Chinese renminbi, by 3.9%, 4.2%, 1.4%, and 4.0%, respectively, compared to the rates in the same period in 2016. This negative impact was partially offset by a depreciation of the Canadian dollar relative to the euro and Mexican peso of 1.1% and 1.2%, respectively, when comparing the rates in the third quarters of 2017 and 2016. For the third quarter of 2017, currency translation had a $0.01 negative impact on earnings per Class B share compared to last year's third quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions)

	September 30, 2017	December 31, 2016
Current debt	$ 223.1	$ 4.2
Long-term debt	2,246.3	1,597.1
Total debt	2,469.4	1,601.3
Cash and cash equivalents	(512.9)	(585.1)
Net debt [1]	$ 1,956.5	$ 1,016.2
EBITDA[1][2]	$ 904.6	$ 792.7
Net debt to EBITDA [1]	2.16	1.28

[1] Net debt, EBITDA and net debt to EBITDA are non-IFRS financial measures. Refer to definitions in Section 13.
[2] EBITDA is calculated on a trailing twelve month basis. Refer to definitions in Section 13.

In September 2016, the Company closed its initial public bond offering of US$500.0 million aggregate principal amount of 3.25% notes due October 2026. The notes are unsecured senior obligations. Net proceeds from the offering were used to repay amounts owing under the syndicated revolving credit facility.

In February 2017, the Company signed an additional US$450.0 million credit facility with a syndicate of banks to bolster financing for the Innovia acquisition. This new term loan facility, maturing in February 2019 with principal repayments of US$12.0 million per quarter commencing June 30, 2017, incurs interest at the applicable domestic rate plus an interest rate margin linked to the Company's net debt to EBITDA consistent with the existing syndicated revolving facility that matures December 2020.

The Company's debt structure at September 30, 2017, was primarily comprised of the aforementioned public bonds of US$500 million (C$623.6 million), two private debt placements completed in 1998 and 2008 for a total of US$129.0 million (C$160.9 million), outstanding debt totaling of $1,155.8 million under the syndicated revolving credit facility and a term loan facility of US$426.0 million (C$531.3 million). The Company's debt structure at December 31, 2016, was comprised of public bonds of US$500 million (C$671.4 million), two private debt placements completed in 1998 and 2008 for a total of US$129.0 million (C$173.2 million) and outstanding debt under the syndicated revolving credit facility of $756.6 million.

During the nine-month period ended September 30, 2017, the Company drew down $1,186.6 million on its syndicated revolving credit facility and new term loan facility to principally fund the acquisition of Innovia. Payments on debt amounted to $215.3 million for the nine-month period of 2017 with further repayments expected in the coming quarter to reduce the Company's leverage. The current portion of long-term debt primarily consists of US$12.0 million quarterly payments against the Company's new term loan facility and the two aforementioned private debt placements.

Net debt (a non-IFRS financial measure; refer to definition in Section 13) was $1,956.5 million at September 30, 2017, $940.3 million higher than the net debt of $1,016.2 million at December 31, 2016. The increase in net debt is due to the increased borrowings to fund the acquisition of Innovia in February 2017 and cash used to finance capital expenditures partially offset by debt repayments for the nine-month period of 2017.

Net debt to EBITDA, (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2017, was 2.16 times, compared to 1.28 times at December 31, 2016, reflecting the increase in debt used to fund the Innovia acquisition, but partially offset by record profitability over the past twelve months. EBITDA does not include the pro forma trailing EBITDA for the Innovia acquisition, only the EBITDA generated since the acquisition date of each business.

Including $3.8 million of outstanding letters of credit, the Company had approximately US$273.6 million of available capacity within its revolving credit facility as at September 30, 2017.

The Company's overall average finance rate was 2.75% as at September 30, 2017, compared to 2.97% as at December 31, 2016. The decrease in the average finance rate was primarily caused by the Company's higher proportion of drawn debt in its lower cost variable rate term and revolving syndicated credit facility compared to December 31, 2016.

The Company believes it is in compliance with all its debt covenants and 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

Summary of Cash Flows	Third Quarter 2017	Third Quarter 2016	Year-to-Date 2017	Year-to-Date 2016
Cash provided by operating activities	$ 193.5	$ 205.5	$ 424.9	$ 309.9
Cash provided by (used in) financing activities	(99.1)	(78.9)	922.0	529.9
Cash used for investing activities	(45.6)	(95.2)	(1,410.1)	(762.8)
Translation adjustments on cash and cash equivalents	(13.1)	5.2	(9.0)	(24.4)
Increase (decrease) in cash and cash equivalents	$ 35.7	$ 36.6	$ (72.2)	$ 52.6
Cash and cash equivalents – end of period	$ 512.9	$ 458.3	$ 512.9	$ 458.3
Free cash flow from operations (1)	$ 147.8	$ 151.2	$ 198.6	$ 115.8

(1) Free cash flow from operations is non-IFRS financial measure. Refer to definition in Section 13.

During the third quarters of 2017 and 2016, the Company generated cash from operating activities of $193.5 million and $205.5 million, respectively. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was an inflow of $147.8 million in the 2017 third quarter compared to an inflow of $151.2 million in the prior year third quarter. The change in free cash flow from operations was primarily due to the increase in net earnings augmented by the change in operating activities offset by the change in non-cash working capital items for the comparative quarters.

Capital spending in the third quarter of 2017 amounted to $54.4 million compared to $55.1 million in the 2016 third quarter. Depreciation and amortization for the third quarters of 2017 and 2016 were $67.3 million and $53.6 million, respectively. Plans for capital spending in 2017 are expected to be in the $260.0 million range, excluding Innovia, slightly ahead of annualized depreciation and amortization expense. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends in the third quarters of 2017 and 2016 were $20.3 million and $17.6 million, respectively. The total number of shares issued and outstanding, after giving effect to the June 5, 2017, five for one share split, as at September 30, 2017 and 2016, were 176.7 million and 175.9 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2017 continues to be positive, the Board of Directors has approved a dividend of $0.1125 per Class A share and $0.115 per Class B share to shareholders of record as of December 8, 2017, and payable December 22, 2017. The annualized dividend rate is $0.45 per Class A share and $0.46 per Class B share.

7. Interest rate and Foreign Exchange Management

Since the Company has developed into a global business with a significant asset base in the United States and Europe, the majority of the Company's debt is drawn in United States dollars and euros. The Company continues to evaluate the appropriate levels of fixed versus floating interest rate and underlying currency of its drawn debt.

As at September 30, 2017, the Company had US$1,406.6 million, EUR189.7 million, GBP60.3 million and CA$337.0 million drawn under the private placement, public bond, term loan and syndicated bank credit facility, which are hedging a portion of its US$-based, euro-based and GBP-based investments and cash flows.

Subsequent to the acquisition of Innovia, the Company utilized cross-currency interest rate swap agreements ("CCIRSA") to effectively convert notional US$264.7 million 3.25% fixed rate debt into 1.23% fixed rate euro debt, also hedging its euro-based assets and cash flows. The effect of the CCIRSA has been to decrease finance cost by $3.9 million for the nine-month period of 2017.

8. Accounting Policies

A) Critical Accounting Estimates

The preparation of the Company's financial statements in accordance with IFRS requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company evaluates these estimates and assumptions on a regular basis, based upon historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions. The critical accounting policies are impacted by judgments, assumptions and estimates used in the preparation of the consolidated condensed interim financial statements. The material impact on reported results and the potential impact and any associated risk related to these estimates are discussed throughout this MD&A and in the notes to the consolidated condensed interim financial statements.

The 2016 annual audited consolidated financial statements and notes thereto, as well as the 2016 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of CCLInd's business operations and results of operations. For the nine months ended September 30, 2017, there are no changes to the critical accounting policies and estimates from those described in the 2016 annual MD&A. The determination of the fair value of the assets acquired and liabilities assumed, including the non-cash fair market value adjustment related to finished goods inventory, is based on preliminary estimates and have been included in the opening balance sheet for the acquired Innovia business.

B) Inter-Company and Related Party Transactions

The Company has entered into a number of agreements with its subsidiaries that govern the management and commercial and cost-sharing arrangements with and among the subsidiaries. A summary of the Company's related party transactions are set

out in note 26 of the annual consolidated financial statements for the year ended December 31, 2016.

C) Recently Issued New Accounting Standards, Not Yet Effective

In July 2014, the complete IFRS 9, *Financial Instruments* ("IFRS 9"), was issued by the International Accounting Standards Board ("IASB"). IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new "expected credit loss" model for calculating impairment. IFRS 9 also includes a new general hedge accounting standard that aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide for more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements; however initially, the Company does not expect the adoption of this standard to have a material impact on the financial statements. The Company will not be early adopting.

In May 2014, IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued and provides guidance on the timing and amount of revenue that should be recognized and also requires more informative and relevant disclosures. The standard provides a single, principles-based five-step model to be applied to all contracts with customers. This standard is effective for annual periods beginning on January 1, 2018. The Company will not be early adopting.

As part of the evaluation process, the Company has reviewed the existing standard and compared it to the new standard in order to identify differences in application and disclosure requirements between the two. The Company has performed an initial assessment and has begun working through its plan to analyze the impact of the new standard.

The preliminary scoping and planning phase which involved an analysis to determine the segments potentially impacted by IFRS 15 has been completed. The Avery, CCL, Innovia, and Container Segments primarily enter into contracts with single performance obligations that are satisfied when the products are shipped to or received by the customer. The impact of the new standard on these segments is expected to be immaterial.

The Checkpoint Segment enters into contracts for the sale of products and services, and while the majority of the agreements contain standard terms and conditions, there are agreements that contain multiple elements for which the Company will be completing its analysis before the new standard takes effect.

For these arrangements with multiple elements, the transaction price is allocated to performance obligations in proportion to its stand-alone selling price and revenue is recognized when each performance obligation's revenue recognition criteria are met.

Although no quantitative determination has been completed, the amount is not expected to be material.

In January 2016, IFRS 16, *Leases* ("IFRS 16"), was issued by the IASB. This standard introduces a single-lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019, using the modified retrospective approach. Under this approach the Company will recognize transitional adjustments in retained earnings on the date of initial application (January 1, 2018), without restating prior periods. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements and has begun collecting and cataloguing all existing leases in order to perform an initial assessment and develop a preliminary plan with respect to analyzing the impact of the new standard on existing leases. As such, it is not yet possible to make a reliable estimate of the impact of the new standard on the Company's consolidated financial statements.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, except for long-term operating lease agreements and loan guarantees. The nature of these commitments are described in note 25 and note 26 of the annual consolidated financial statements for the year ended December 31, 2016. There are no defined benefit plans funded with CCLInd stock. There have been no material changes during the first nine months of 2017.

10. Controls and Procedures

In accordance with the provisions of National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management, including the CEO and CFO, have limited the scope of their design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Innovia. CCLInd acquired Innovia on February 28, 2017, for approximately $1.15 billion.

The scope of the limitation is primarily based on the time required to assess Innovia's disclosure controls and procedures and internal control over financial reporting in a manner consistent with the Company's other operations. Further details related to the summary financial information of Innovia is disclosed in Note 3(a) of the Company's unaudited interim financial statements for the period ended September 30, 2017.

Except for the preceding changes, there were no other material changes in internal control over financial reporting in the nine-month period ended September 30, 2017.

11. Risks and Strategies

The 2016 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2017 and beyond. There have been no material changes to those strategies during the first nine months of 2017. Additional risks to consider, resulting from the Innovia acquisition, are listed below.

Risks in integrating and restructuring Innovia.

CCLInd acquired the global operations of Innovia on February 28, 2017, and immediately commenced an integration and restructuring initiative. Innovia has 1,200 employees with six manufacturing facilities in four countries supplying BOPP films and polymer banknotes globally. The size, geographic scope and complexity of Innovia's operations exceed the typical acquisition of CCLInd and therefore the integration and restructuring initiative may be more complex and time consuming. A failure to integrate and restructure the acquired business in a timely and effective manner could have a material adverse effect on CCLInd's business, financial condition and results of operations.

Failure to constantly develop competitive technologically advanced products.

Although the Innovia Segment has a unique manufacturing process for its BOPP and is the leading manufacturer of polymer bank note substrate, it is dependent on its ability to constantly evolve the technological capabilities of its products to meet the demands of its customer base. New scientific advancements in polymer film manufacturing could curtail the use of Innovia's BOPP, while the advancement of e-commerce and cashless societies may outmode the need for polymer banknotes. Failure to invest in intellectual properties and perpetually innovate may result in lower demand for the Company's products and could have a material adverse effect on CCLInd's business, financial condition and results of operations.

The timing and volume of new banknote orders.

The Innovia banknote substrate operation is dependent on government procurement decisions as to the volume and timing of new or replacement banknote orders. These decisions can be influenced by many political factors that could delay or reduce the volume of banknote orders. The impact of new large volume banknote orders may result in CCLInd having to invest in material capital projects to support government procurement decisions. As a result, volatility may be created in the cash flows and in the financial results of Innovia and could have a material adverse effect on the financial condition of CCLInd.

Product security.

Innovia's banknote substrate business is involved in high security applications and must maintain highly secured facilities and product shipments. Innovia maintains vigorous security and material control procedures. All employees, guests and third party contractors with access to facilities and products are prudently screened and monitored. However, the loss of a product, counterfeiting of a high security feature or the breach of a secured facility as a result of negligence, collusion or theft is possible. Loss of product whilst in transit, particularly during transshipment, through the failure of freight management companies or the loss of the shipment vehicle by accident or act of God is possible. Consequently, the financial damage and potential reputational impairment on Innovia may have a material adverse effect on CCLInd's business, financial condition and results of operations.

Breach of legal and regulatory requirements.

Innovia's banknote substrate operation has the highest accreditation within the security printing industry. This accreditation provides governments and central banks with the assurance in respect of safeguarding of high ethical standards and business practices. Violation of Innovia's highly strict requirements and constant detailed oversight in relation to bribery, corruption and anti-competitive activities remains a risk in an industry expecting the highest ethical standards. Consequently, the financial damage and potential reputational impairment on Innovia may have a material adverse effect on CCLInd's business, financial condition and results of operations.

12. Outlook

The third quarter of 2017 was another solid quarter with results in legacy CCL operations generating improved returns on good organic growth as well as gains in the Container and Avery Segments resulting in profitability surpassing the 2016 third quarter. Checkpoint also generated commendable results considering ongoing restructuring initiatives and the strong prior year comparatives. Innovia's film operations improved but continued to be affected by higher resin costs, while the security operations faced a lull in demand this quarter after exceeding expectations in the second quarter.

The CCL Segment continues to capitalize on its strategic global footprint and breadth of products, resulting in a 5.7% organic growth rate for the first nine months of 2017. The Company continues to expect growth rates will migrate back to the long-run average for the business in the 3-4% range. End use markets internationally outpaced results in North America so far in 2017 as confirmed by the results of many of the Company's larger customers. Political uncertainty globally is the new norm, creating unpredictable outcomes for regional economies and world currencies. CCL will endeavor to be keenly aware of regional economic divergences and quickly adapt.

Greenfield operations for the CCL Segment continue to progress. CCL Design's construction of its new plant to service major global automotive OEM and Tier 1 customers in Mexico will commence operations in the fourth quarter of 2017 but is unlikely to be profitable before the end of 2018. Expansion initiatives, such as the new Specialty plant in Korea, are in the start-up phase, while new Home & Personal Care operations in the Philippines, Argentina, and Thailand are now trading; overall profitability is not expected until 2018.

At the Avery Segment, focus is on maintaining and improving margins, new product innovations, consumer digital e-commerce opportunities and cross-selling programs with the recent acquisitions to provide incremental potential for growth. The early April 2017 Badgepoint and GGW acquisitions provide additional product offerings and cross-selling opportunities for the European customer base already available in North America. Operating focus for the binder and label product lines in North America is directed towards completing the consolidation of the Meridian, Mississippi, operations into the Tijuana, Mexico, facility and repurposing Meridian as a distribution facility.

The Checkpoint Segment has now delivered five consecutive quarters of outperformance to management expectations. The restructuring process has taken hold with total severance costs amounting to $27.5 million of a $30.0 million dollar plan expected to realize at least $40 million in annualized cost savings; the plan completes by early next year. So far, sales levels for the fourth quarter look stable but future progress is focused on a longer glide path as the Segment moves from restructuring to more qualitative improvements. The Checkpoint business is subject to volatile quarter-to-quarter variances driven by the timing of chain wide new hardware and software roll outs at major global retailers.

Results for the newly acquired Innovia operations were mixed for the third quarter, with the films business improving from disappointing results in the second quarter of 2017, and the security business posting reduced profitability due to temporarily reduced demand for polymer banknote substrate. However, fourth quarter demand appears to be strong, prospectively resulting in a good calendar year for this product line. Unfortunately, the effects of Hurricane Harvey are adding further short-term pressures in resin costs that could continue to affect the films business.

While results for the Container Segment improved significantly compared to the prior year third quarter, performance for the balance of the year could fall somewhat below the 2016 fourth quarter while the anniversary of the large low margin Homecare contract loss is passed. A final tranche of capital investments for Rheinfelden is expected in the first half of 2018 enabling the operation to realize its optimal production capability, move

into profit and ensure a sustainable second source of aluminum slugs for the North American market.

The Company finished the third quarter with $513 million of cash-on-hand and additional liquidity in unused credit lines of US$274 million giving adequate capacity to execute its global growth strategy or the flexibility to reduce bank leverage. The Company remains focused on vigilantly managing working capital and prioritizing capital to higher-growth organic opportunities or unique acquisitions that are expected to enhance shareholder value. The Company's capital spending for the year is expected to be approximately $260 million, excluding Innovia, slightly above annualized depreciation and amortization expense.

The Company has more U.S. dollar transaction risk post Innovia and the Worldmark acquisitions as each has significant U.S. dollar-denominated sales manufactured in foreign currencies. Foreign currency translation would be a headwind at current exchange rates for the fourth quarter, largely due to the weaker U.S. dollar

13. Key Performance Indicators and Non-IFRS Financial Measures

CCLInd measures the success of the business using a number of key performance indicators, many of which are in accordance with IFRS as described throughout this report. The following performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to or replacement of net earnings or any other measure of performance under IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers. In fact, these additional measures are used to provide added insight into CCLInd's results and are concepts often seen in external analysts' research reports, financial covenants in banking agreements and note agreements, purchase and sales contracts on acquisitions and divestitures of the business, and in discussions and reports to and from the Company's shareholders and the investment community. These non-IFRS measures will be found throughout this report and are referenced alphabetically in the definition section below.

Adjusted Basic Earnings per Class B Share – An important non-IFRS measure 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-IFRS measure is defined as basic net earnings per Class B share excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items and tax adjustments.

EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. It is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to finished goods inventory, earnings in equity accounted investments, and restructuring and other items. The Company believes that EBITDA is an important measure as it

allows the assessment of CCLInd's ongoing business without the impact of net finance cost, 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 the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows comparison of CCLInd's business to that of its 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 is a key metric in business valuations. EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants for CCLInd's bank lines of credit.

The following table reconciles EBITDA measures to IFRS financial measures reported in the consolidated income statements for the periods ended as indicated.

(in millions of Canadian dollars)

	Third Quarter		Year-to-Date	
EBITDA	**2017**	**2016**	**2017**	**2016**
Net earnings	$ 106.9	86.1	$ 304.7	$ 248.0
Corporate expense	12.5	12.3	40.2	37.2
Earnings in equity accounted investments	(1.0)	(1.4)	(2.4)	(3.3)
Finance cost, net	18.9	10.0	51.4	25.7
Restructuring and other items – net loss	2.9	6.0	15.5	27.9
Income taxes	45.1	36.7	123.1	107.2
Operating income (a non-IFRS measure)	$ 185.3	149.7	$ 532.5	$ 442.7
Less: Corporate expense	(12.5)	(12.3)	(40.2)	(37.2)
Add: Depreciation and amortization	67.3	53.6	192.7	148.9
Add: Non-cash acquisition accounting adjustment to finished goods inventory	-	17.3	15.2	33.9
EBITDA (a non-IFRS measure)	$ 240.1	208.3	$ 700.2	$ 588.3

	2017	**2016**
EBITDA for 12 months ended December 31, 2016 and 2015, respectively	$ 792.7	$ 608.4
less: EBITDA for nine months ended September 30, 2016 and 2015, respectively	(588.3)	(455.2)
add: EBITDA for nine months ended September 30, 2017 and 2016 respectively	$ 700.2	$ 588.3
EBITDA for 12 months ended September 30	$ 904.6	$ 741.5

Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the period and available to fund dividends, debt repayments and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

The following table reconciles the free cash flow from operations measure to IFRS measures reported in the consolidated statements of cash flows for the periods ended as indicated.

(in millions of Canadian dollars) Free Cash Flow from Operations	Third Quarter		Year-to-Date	
	2017	**2016**	**2017**	**2016**
Cash provided by operating activities	$ 193.5	$ 205.5	$ 424.9	$ 309.9
Less: Additions to property, plant and equipment	(54.4)	(55.1)	(238.7)	(200.8)
Add: Proceeds on disposal of property, plant and equipment	8.7	0.8	12.4	6.7
Free Cash Flow from Operations	$ 147.8	$ 151.2	$ 198.6	$ 115.8

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, which includes bank advances, plus long-term debt, less cash and cash equivalents.

Net Debt to EBITDA (or leverage ratio) – A measure that indicates the Company's ability to service its existing debt. Net Debt to EBITDA is calculated as net debt divided by EBITDA.

Operating Income – A measure indicating the profitability of the Company's business units defined as income before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity-accounted investments, restructuring and other items and tax.

See EBITDA definition above for a reconciliation of Operating Income measures to IFRS financial measures reported in the consolidated income statements for the periods ended as indicated.

Restructuring and Other Items – A measure of significant non-recurring items that are included in net earnings. The impact of restructuring and other items on a per share basis is measured by dividing the after-tax effect of the restructuring and other items 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 segments before the effect of these items.

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.

The following table reconciles the Return on Sales measure to IFRS financial measures reported in the consolidated income statements in the industry segment information as per note 4 of the Company's consolidated condensed interim financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

	Sales Third Quarter		Operating Income Third Quarter		Return on Sales Third Quarter	
Industry Segments	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
CCL	$ 687.2	$ 639.5	$ 94.7	$ 94.1	13.8%	14.7%
Avery	212.0	220.2	49.9	45.3	23.5%	20.6%
Checkpoint	162.6	175.5	21.7	5.6	13.3%	3.2%
Innovia	95.6	-	11.4	-	11.9%	-
Container	49.4	54.1	7.6	4.7	15.4%	8.7%
Total Operations	$ 1,206.8	$ 1,089.3	$ 185.3	$ 149.7	15.4%	13.7%

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended September 30, 2017				Nine Months Ended September 30, 2017			
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**	**Organic Growth**	**Acquisition Growth**	**FX Translation**	**Total**
CCL	4.6%	5.1%	(2.2%)	7.5%	5.7%	7.7%	(1.4%)	12.0%
Avery	(4.5%)	3.4%	(2.6%)	(3.7%)	(4.8%)	1.9%	(1.3%)	(4.2%)
Checkpoint	(5.5%)	-	(1.9%)	(7.4%)	(4.6%)	85.8%	(1.1%)	80.1%
Innovia	-	100.0%	-	100.0%	-	100.0%	-	100.0%
Container	(7.0%)	-	(1.7%)	(8.7%)	(12.7%)	-	(1.6%)	(12.7%)
CCLInd	0.5%	12.4%	(2.1%)	10.8%	1.4%	20.7%	(1.4%)	20.7%