## CCL Industries Inc.

105 Gordon Baker Road, Suite 500, Toronto, Ontario M2H 3P8
Telephone: (416) 756-8500 Fax: (416) 756-8555


***News Release*** ***Stock Symbol: TSX – CCL.A and CCL.B***

**For Immediate Release – Thursday, November 6, 2014**

# CCL Industries Reports Record Quarterly Earnings Per Share and Declares Dividend

## ***Results Summary***

| **For periods ended September 30** | **Three months unaudited** | | | | **Nine months unaudited** | | | |
|---|---|---|---|---|---|---|---|---|
| **(in millions of Cdn dollars, except per share data)** | **2014** | **2013** | **% Change** | **% Change Excl. FX*** | **2014** | **2013** | **% Change** | **% Change Excl. FX*** |
| Sales | $ 689.7 | $ 606.6 | 13.7% | 7.8% | $ 1,949.8 | $ 1,331.7 | 46.4% | 37.5% |
| EBITDA(1) | $ 133.1 | $ 107.8 | 23.5% | 16.1% | $ 369.9 | $ 259.5 | 42.5% | 33.0% |
| Operating income(2) | $ 107.2 | $ 67.8 | 58.1% | 47.5% | $ 284.9 | $ 179.9 | 58.4% | 47.4% |
| Earnings in equity accounted investments | $ 0.5 | $ 0.5 | | | $ 1.6 | $ 1.1 | | |
| Restructuring and other items - loss | $ - | $ 18.3 | | | $ 2.0 | $ 21.0 | | |
| Net earnings | $ 63.1 | $ 23.6 | 167.4% | 142.4% | $ 171.0 | $ 84.1 | 103.3% | 85.3% |
| **Per Class B share** | | | | | | | | |
| Basic earnings per share | $ 1.83 | $ 0.68 | 169.1% | | $ 4.98 | $ 2.46 | 102.4% | |
| Diluted earnings per share | $ 1.79 | $ 0.67 | 167.2% | | $ 4.88 | $ 2.42 | 101.7% | |
| Adjusted basic earnings per Class B share(3) | $ 1.83 | $ 1.38 | 32.6% | | $ 5.02 | $ 3.24 | 54.9% | |
| Number of outstanding shares (in 000's) | | | | | | | | |
| Weighted average for the period – basic | | | | | 34,332 | 34,141 | | |
| Actual at period end | | | | | 34,635 | 34,375 | | |

(*) – Change over prior year's comparative period excludes estimated impact of foreign currency translation.

Toronto, November 6, 2014 - CCL Industries Inc. ("CCL" or "the Company") is a world leader in specialty label and packaging solutions for global corporations, small businesses and consumers.

## <u>Third Quarter 2014 Results</u>

Sales for the third quarter of 2014 increased 13.7% to $689.7 million, compared to $606.6 million for the third quarter of 2013, with 2.5% organic growth, 5.9% positive currency translation and the balance primarily from the Sancoa, Dekopak and Bandfix acquisitions. For the nine months ended September 30, 2014, sales increased 37.5%, excluding foreign currency translation, driven by above noted acquisitions as well as the Avery and DES acquisitions on July 1, 2013 compared to the prior year nine-month period.

Operating income (a non-IFRS measure; see note 2 below) for the third quarter of 2014 was $107.2 million, an increase of 58.1% compared to $67.8 million for the comparable quarter of 2013. The Label, Avery and Container Segments posted 22.0%, 176.5% and 3.4% increases in their respective operating income for the comparable third quarters. Again, all three segments contributed to the strong results for the nine-month period ending September 30, 2014, resulting in a 58.4% improvement in operating income for the comparable nine-month period. Included in the 2013 third quarter and nine-month results was a $16.7 million non-cash acquisition accounting adjustment to the acquired finished goods inventory from the Avery and DES businesses that was expensed in the Company's cost of goods sold for the periods ended September 30, 2013. Excluding this non-cash adjustment, operating income improved 26.9% and 44.9% for the three and nine-month periods ended September 30, 2014, respectively.

EBITDA (a non-IFRS measure; see note 1 below) was $133.1 million for the third quarter of 2014, an increase of 23.5% compared to $107.8 million for the third quarter of 2013, driven by the notable improvements at the Label and Avery Segments. EBITDA improved 16.1%, excluding the impact of currency translation. For the nine-month period ended September 30, 2014, EBITDA was $369.9 million, an increase of 42.5% compared to $259.5 million in the comparable 2013 nine-month period.

The Company's joint ventures contributed equity earnings of $0.5 million and $1.6 million for the three-month and nine-month periods ended September 30, 2014, respectively, compared to $0.5 million and $1.1 million for the same two periods in 2013. These results reflect continued strong performance in the Middle East, improved results in Russia and Chile, offset by start-up costs at the Thailand tube joint venture.

Tax expense in the third quarter of 2014 was $26.9 million compared to $9.4 million in the prior year period. The effective tax rates for these two periods are 30.0% and 28.9%, respectively. The increase in the effective tax rate for 2014 third quarter reflects a higher portion of the Company's income being earned in a higher tax jurisdiction. The overall effective income tax rate was 29.0% for the nine-month period of 2014 compared to 28.7% in the nine-month period of 2013.

Net earnings for the 2014 third quarter were $63.1 million, an increase of 167.4% compared to $23.6 million for the third quarter of 2013. Basic earnings per Class B share were $1.83 in the third quarter of 2014 compared to $0.68 per Class B share in the prior year quarter.

Net earnings for the nine-month period of 2014 were $171.0 million, an increase of 103.3% compared to $84.1 million for the same period a year ago. This resulted in basic and diluted earnings of $4.98 and $4.88 per Class B share, respectively, for the 2014 nine-month period compared to basic and diluted earnings of $2.46 and $2.42 per Class B share, respectively, for the prior year nine-month period. The increase in net earnings is primarily attributable to the acquisitions in the prior twelve months as well as improvements in operating income at the Label and Avery Segments partially offset by increases in the effective tax rate and net finance cost.

During the third quarter of 2014, the Company did not record any restructuring and other expenses. However, in the third quarter of 2013, $18.3 million was recorded for restructuring and other charges connected to the Avery and DES acquisitions. For the nine-month period ended September 30, 2014, restructuring and other items expense was $2.0 million compared to $21.0 million for the same period in 2013.

The Company therefore posted adjusted basic earnings (a non-IFRS measure; see note 3 below) of $1.83 and $5.02 per Class B share for the three-month and nine-month periods ended September 30, 2014, compared to adjusted basic earnings of $1.38 and $3.24 per Class B share for the corresponding periods in 2013. In addition to the after tax costs of the aforementioned restructuring and other expenses in 2013, adjusted basic earnings per share for the three-month and nine-month periods exclude the after tax costs of the non-cash acquisition accounting adjustment to the acquired finished goods inventory associated with the Avery and DES acquisitions.

Geoffrey T. Martin, President and Chief Executive Officer, stated, “Third quarter earnings per share reached an all-time record for CCL, with our core Label business contributing strong improvement and Avery delivering solid sales and outstanding profitability performance far ahead of our expectations. The Canadian dollar weakened against most currencies sequentially and year-over-year resulting in seven cents earnings per share positive impact supplementing our sixteenth consecutive quarter of year-over-year improvement in adjusted earnings per share.”

Mr. Martin continued, “CCL Label sales increased 21%, fueled by strong 7% organic growth plus the impact of acquisitions and positive currency translation. In North America consumer staples markets remained subdued but a strong performance at Sancoa boosted modest organic sales growth from Home & Personal Care customers. A substantial recovery in our Healthcare & Specialty business, robust automotive demand at CCL Design and new initiatives in Food & Beverage combined to drive mid-single digit organic growth overall. Profits improved on the back of the sales performance plus a meaningful contribution from Sancoa.

European sales were up mid-single digits in local currencies with all business lines and geographies posting solid and in some cases, significantly improved results in a challenging economic environment. Profit margins increased compared to the prior year period on better mix. Sales in Emerging Markets continued to grow double digits despite many Home & Personal Care customers commenting on marked deceleration in growth rates almost everywhere in the developing world. Profitability was down modestly on softer mix and start-up costs in the Philippines. Globally, operating results improvement for the Food & Beverage sector outpaced all other business lines. Our joint ventures also posted solid results despite the turmoil in the Middle East and the impact in Russia of events in Ukraine. The Label Segment's absolute profitability continued to improve with margins slightly ahead of the prior year third quarter with some room to expand as recent acquisitions improve their performance."

Mr. Martin then added, "Results at Avery exceeded all expectations. As we previously indicated, early retailer orders in June for the binder product line shifted sales from the third to second quarter comparatively resulting in a 5% local currency decline for Avery in the period, reversing the gains we saw in the second quarter as a result of this shift. Underlying sales performance was roughly flat with growth initiatives making up for secular declines in some product lines. Printable media sales advanced so this mix effect combined with the cost savings initiatives executed over the last year drove a significant rise in profitability on a like for like adjusted basis. With the back-to-school season completed, the next two quarters are seasonal lows for Avery."

Mr. Martin then added, "CCL Container posted 4% organic sales growth driven by higher volumes in North America and Mexico. Profitability was only in line with the 2013 third quarter as aluminum cost increased double digits compared to the prior year. Work continues on the eventual closure of the Canadian plant and year to date we have expensed $0.5 million of our planned $4 million cost to redistribute capacity to our U.S. and Mexican operations. We remain committed to delivering $10 million in annualized cost savings after the transition is completed towards the end of 2015."

Mr. Martin continued, "Recent geopolitical and macroeconomic news brings the return of uncertainty to our outlook. We therefore decided to prepare for the future by closing unprofitable operations and combining some sub scale locations into larger facilities. A small number of CCL Label operations will be impacted involving approximately 100 people in the coming two quarters. Together with the final actions around Avery, largely in Europe, we plan to incur a restructuring charge of approximately $6 million in the fourth quarter. We expect a pre-tax pay back of approximately one year on these changes."

Mr. Martin concluded, "Debt declined during the third quarter as the Company made net repayments of $101 million; cash on hand was $216 million and the available capacity on our revolving credit facility increased to $239 million. Furthermore, with significantly improved results the consolidated net debt to EBITDA leverage ratio improved to 1.1 times. We expect strong cash flow for the remainder of the year and with confidence in our 2015 outlook, your Board of Directors has declared a dividend of $0.30 per Class B non-voting share and $0.2875 per Class A voting share, payable to shareholders of record at the close of business on December 12, 2014, to be paid on December 22, 2014."

With headquarters in Toronto, Canada, CCL Industries now employs approximately 10,200 people and operates 97 production facilities in 28 countries on five continents with corporate offices in Toronto, Canada, and Framingham, Massachusetts. CCL Label is the world's largest converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional and functional applications for large global customers in the consumer packaging, healthcare, automotive and consumer durables markets. Extruded and laminated plastic tubes, folded instructional leaflets, precision printed and die cut metal components with LED displays and other complementary products and services are sold in parallel to specific end-use markets. Avery is the world's largest supplier of labels, specialty converted media and software solutions to enable short run digital printing in businesses and homes alongside complementary office products sold through distributors and mass market retailers. CCL Container is a leading producer of impact extruded aluminum aerosol cans and bottles for consumer packaged goods customers in the United States, Canada and Mexico.

(1) EBITDA is a critical non-IFRS 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 financial measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, non-cash acquisition accounting adjustment to finished goods inventory and restructuring and other items. See section entitled "Supplementary Information" below for a reconciliation of operating income to EBITDA. The Company believes that it is an important measure as it allows management to assess CCL'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 CCL's ability to incur or service debt and to invest in property, plant and equipment, and it allows management to compare CCL's business to those of CCL's 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 of CCL's senior notes and bank lines of credit.

(2) Operating Income is a key non-IFRS financial measure used to assist in understanding the profitability of the Company's business units. This non-IFRS financial measure is defined as income before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items, and taxes.

(3) Adjusted Basic Earnings per Class B Share is an important non-IFRS financial measure used to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined as basic net earnings per Class B share excluding gains on dispositions, goodwill impairment loss, restructuring and other items, Avery and DES finance costs, non-cash acquisition accounting adjustment to finished goods inventory and tax adjustments.

**Supplementary Information**

**For periods ended September 30th**
**Reconciliation of Operating Income to EBITDA**

Unaudited

**(In millions of Canadian dollars)**

| Operating Income | Three months ended September 30th 2014 | Three months ended September 30th 2013 | Nine months ended September 30th 2014 | Nine months ended September 30th 2013 |
|---|---|---|---|---|
| Label | $ 59.4 | $ 48.7 | $ 184.8 | $ 150.3 |
| Avery | 44.8 | 16.2 | 86.3 | 16.2 |
| Container | 3.0 | 2.9 | 13.8 | 13.4 |
| Total operating income | 107.2 | 67.8 | 284.9 | 179.9 |
| Less: Corporate expenses | (11.3) | (9.3) | (24.8) | (23.7) |
| Add: Depreciation & amortization | 37.2 | 32.6 | 109.8 | 86.6 |
| Add: Non-cash acquisition accounting adjustment to finished goods inventory | - | 16.7 | - | 16.7 |
| **EBITDA** | **$ 133.1** | **$ 107.8** | **$ 369.9** | **$ 259.5** |

**Reconciliation of Basic Earnings per Class B Share to**
**Adjusted Basic Earnings per Class B Share**

Unaudited

| | Three months ended September 30th 2014 | Three months ended September 30th 2013 | Nine months ended September 30th 2014 | Nine months ended September 30th 2013 |
|---|---|---|---|---|
| Basic earnings per Class B Share | $ 1.83 | $ 0.68 | $ 4.98 | $ 2.46 |
| Net loss from restructuring and other items | - | 0.36 | 0.04 | 0.42 |
| OCP & DES finance costs | - | - | - | 0.02 |
| Non-cash finished goods inventory adjustment for OCP and DES | - | 0.34 | - | 0.34 |
| **Adjusted Basic Earnings per Class B Share** | $ 1.83 | $ 1.38 | $ 5.02 | $ 3.24 |

The financial information presented herein has been prepared on the basis of IFRS for financial statements and is expressed in Canadian dollars unless otherwise stated.

This press release contains forward-looking information and forward-looking statements (hereinafter collectively referred to as "forward-looking statements"), as defined under applicable securities laws, 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 press release contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company's segments; 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 after-effects of 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 change; changes in government regulations; risks associated with operating and product hazards; and CCL'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 sectors; 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; general business and economic conditions, the Company's estimated costs associated with planned restructuring activities and the Company's ability to realize targeted operational synergies and cost savings from the restructuring of Avery, DES, CCL Label and the Canadian Container operation. Should one or more risks materialize or should any assumptions 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 in the 2013 Management's Discussion and Analysis, particularly under Section 4: "Risks and Uncertainties." CCL's annual and quarterly reports can be found online at www.cclind.com and www.sedar.com or are available upon request.

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 CCL'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 press release 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.

For more information, contact:

| | | |
|---|---|---|
| Sean Washchuk | Senior Vice President<br>and Chief Financial Officer | 416-756-8526 |

Note: CCL will hold a conference call at 2:00 p.m. EST on November 6, 2014, to discuss these results. The analyst presentation will be posted on the Company's website.

To access this call, please dial:
416-340-8530 - Local
1-800-769-8320 - Toll Free

Audio replay service will be available from November 6, 2014, at 6:00 p.m. EST until November 20, 2014, at 11:59 p.m. EST.

To access Conference Replay, please dial:
905-694-9451 - Local
1-800-408-3053 - Toll Free
Access Code: 1601593

For more details on CCL, visit our website - www.cclind.com

# CCL Industries Inc.

**Consolidated condensed interim statements of financial position**

**Unaudited**

*In thousands of Canadian dollars*

| | As at September 30 2014 | As at December 31 2013 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 216,026 | $ 209,095 |
| Trade and other receivables | 419,738 | 363,493 |
| Inventories | 197,434 | 181,644 |
| Prepaid expenses | 18,284 | 13,458 |
| Income tax recoverable | 641 | 2,503 |
| **Total current assets** | 852,123 | 770,193 |
| Property, plant and equipment | 907,458 | 856,001 |
| Goodwill | 553,181 | 494,231 |
| Intangible assets | 219,661 | 207,569 |
| Deferred tax assets | 3,805 | 4,115 |
| Equity accounted investments | 50,203 | 47,363 |
| Other assets | 22,419 | 22,176 |
| **Total non-current assets** | 1,756,727 | 1,631,455 |
| **Total assets** | **$ 2,608,850** | **$ 2,401,648** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | $ 506,390 | $ 475,777 |
| Current portion of long-term debt | 55,903 | 47,070 |
| Income taxes payable | 27,023 | 21,060 |
| Derivative instruments | 100 | 642 |
| **Total current liabilities** | 589,416 | 544,549 |
| Long-term debt | 650,936 | 664,976 |
| Deferred tax liabilities | 42,249 | 42,661 |
| Employee benefits | 118,680 | 109,068 |
| Provisions and other long-term liabilities | 15,774 | 21,511 |
| Derivative instruments | 440 | 748 |
| **Total non-current liabilities** | 828,079 | 838,964 |
| **Total liabilities** | 1,417,495 | 1,383,513 |
| **Equity** | | |
| Share capital | 246,220 | 237,189 |
| Contributed surplus | 20,160 | 11,919 |
| Retained earnings | 912,300 | 768,738 |
| Accumulated other comprehensive income | 12,675 | 289 |
| **Total equity attributable to shareholders of the Company** | 1,191,355 | 1,018,135 |
| **Total liabilities and equity** | **$ 2,608,850** | **$ 2,401,648** |

# CCL Industries Inc.

**Consolidated condensed interim income statements**
**Unaudited**

*In thousands of Canadian dollars, except per share data*

| | Three Months Ended September 30 | | | Nine Months Ended September 30 | | |
|---|---|---|---|---|---|---|
| | **2014** | **2013** | **% Change** | **2014** | **2013** | **% Change** |
| Sales | $ 689,691 | $ 606,646 | 13.7 | $ 1,949,793 | $ 1,331,703 | 46.4 |
| Cost of sales | 502,159 | 461,371 | | 1,427,166 | 1,001,462 | |
| Gross profit | 187,532 | 145,275 | | 522,627 | 330,241 | |
| Selling, general and administrative | 91,603 | 86,781 | | 262,526 | 174,018 | |
| Restructuring and other items | - | 18,290 | | 2,041 | 21,044 | |
| Earnings in equity accounted investments | (516) | (470) | | (1,560) | (1,092) | |
| | **96,445** | **40,674** | | **259,620** | **136,271** | |
| Finance cost | 6,864 | 7,866 | | 20,215 | 19,299 | |
| Finance income | (373) | (121) | | (703) | (447) | |
| Net finance cost | 6,491 | 7,745 | | 19,512 | 18,852 | |
| **Earnings before income taxes** | **89,954** | **32,929** | 173.2 | **240,108** | **117,419** | 104.5 |
| Income tax expense | 26,872 | 9,384 | | 69,136 | 33,354 | |
| **Net earnings** | **$ 63,082** | **$ 23,545** | 167.9 | **$ 170,972** | **$ 84,065** | 103.4 |
| | | | | | | |
| **Attributable to:** | | | | | | |
| Shareholders of the Company | $ 63,082 | $ 23,545 | | $ 170,972 | $ 84,065 | |
| **Net earnings for the period** | **$ 63,082** | **$ 23,545** | | **$ 170,972** | **$ 84,065** | |
| | | | | | | |
| Basic earnings per Class B share | **$ 1.83** | **$ 0.68** | 169.1 | **$ 4.98** | **$ 2.46** | 102.4 |
| | | | | | | |
| Diluted earnings per Class B share | **$ 1.79** | **$ 0.67** | 167.2 | **$ 4.88** | **$ 2.42** | 101.7 |

# CCL Industries Inc.

**Consolidated condensed interim statements of cash flows**

**Unaudited**

*In thousands of Canadian dollars*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| **Cash provided by (used for)** | | | | |
| **Operating activities** | | | | |
| Net earnings | $ 63,082 | $ 23,545 | $ 170,972 | $ 84,065 |
| Adjustments for: | | | | |
| Depreciation and amortization | 37,229 | 32,563 | 109,785 | 86,568 |
| Earnings in equity accounted investments, net of dividends received | 1,672 | (470) | 628 | 1,460 |
| Net finance cost | 6,491 | 7,745 | 19,512 | 18,852 |
| Current income tax expense | 25,709 | 23,215 | 67,670 | 48,699 |
| Deferred taxes | 1,163 | (13,831) | 1,466 | (15,345) |
| Equity-settled share-based payment transactions | 4,402 | 3,177 | 10,212 | 4,221 |
| Gain on sale of property, plant and equipment | (369) | (25) | (439) | (343) |
| | 139,379 | 75,919 | 379,806 | 228,177 |
| Change in inventories | 24,915 | 51,109 | (3,807) | 33,781 |
| Change in trade and other receivables | 20,495 | 8,590 | (33,468) | (32,030) |
| Change in prepaid expenses | 1,127 | 2,717 | (4,548) | (1,512) |
| Change in trade and other payables | (17,253) | 25,697 | 3,208 | 52,302 |
| Change in income taxes receivable and payable | (101) | 4,590 | (72) | 5,107 |
| Change in employee benefits | 2,072 | 9,569 | 9,612 | 16,096 |
| Change in other assets and liabilities | 5,421 | 2,370 | (6,949) | (15,939) |
| | 176,055 | 180,561 | 343,782 | 285,982 |
| Net interest paid | (10,119) | (12,778) | (23,205) | (22,856) |
| Income taxes paid | (17,327) | (12,853) | (59,926) | (34,318) |
| **Cash provided by operating activities** | **148,609** | **154,930** | **260,651** | **228,808** |
| | | | | |
| **Financing activities** | | | | |
| Proceeds on issuance of debt | 17,969 | 88,506 | 129,561 | 565,426 |
| Repayment of debt | (118,508) | (93,972) | (166,357) | (98,573) |
| Proceeds from issuance of shares | 2,432 | - | 7,216 | 16,537 |
| Purchase of shares held in trust | - | (13,680) | - | (13,680) |
| Repurchase of shares | - | - | - | (3,018) |
| Dividends paid | (10,361) | (7,363) | (27,567) | (22,046) |
| **Cash provided by (used for) financing activities** | **(108,468)** | **(26,509)** | **(57,147)** | **444,646** |
| | | | | |
| **Investing activities** | | | | |
| Additions to property, plant and equipment | (26,442) | (22,667) | (110,589) | (85,849) |
| Proceeds on disposal of property, plant and equipment | 7,716 | 49 | 13,368 | 1,907 |
| Business acquisitions and other long-term investments | (15,199) | (514,308) | (102,123) | (525,970) |
| **Cash used for investing activities** | **(33,925)** | **(536,926)** | **(199,344)** | **(609,912)** |
| Net increase (decrease) in cash and cash equivalents | 6,216 | (408,505) | 4,160 | 63,542 |
| Cash and cash equivalents at beginning of period | 208,303 | 683,905 | 209,095 | 188,972 |
| Translation adjustment on cash and cash equivalents | 1,507 | (15,349) | 2,771 | 7,537 |
| **Cash and cash equivalents at end of period** | **$ 216,026** | **$ 260,051** | **$ 216,026** | **$ 260,051** |

# CCL Industries Inc.

**Segment information**
**Unaudited**

*In thousands of Canadian dollars*

| | Three Months Ended September 30 | | | | Nine Months Ended September 30 | | | |
|---|---|---|---|---|---|---|---|---|
| | Sales | | Operating income | | Sales | | Operating income | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Label | $ 437,431 | $ 360,369 | $ 59,392 | $ 48,708 | $ 1,284,929 | $ 982,524 | $ 184,762 | $ 150,285 |
| Avery | 204,671 | 201,790 | 44,782 | 16,222 | 511,794 | 201,790 | 86,330 | 16,222 |
| Container | 47,589 | 44,487 | 2,979 | 2,898 | 153,070 | 147,389 | 13,807 | 13,448 |
| Total operations | $ 689,691 | $ 606,646 | 107,153 | 67,828 | $ 1,949,793 | $ 1,331,703 | 284,899 | 179,955 |
| Corporate expense | | | (11,224) | (9,334) | | | (24,798) | (23,732) |
| Restructuring and other items | | | - | (18,290) | | | (2,041) | (21,044) |
| Earnings in equity accounted investments | | | 516 | 470 | | | 1,560 | 1,092 |
| Finance cost | | | (6,864) | (7,866) | | | (20,215) | (19,299) |
| Finance income | | | 373 | 121 | | | 703 | 447 |
| Income tax expense | | | (26,872) | (9,384) | | | (69,136) | (33,354) |
| Net earnings | | | $ 63,082 | $ 23,545 | | | $ 170,972 | $ 84,065 |

| | 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 | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Label | $ 1,772,426 | $ 1,558,832 | $ 455,145 | $ 357,386 | $ 88,799 | $ 72,202 | $ 85,369 | $ 77,034 |
| Avery | 386,918 | 391,658 | 175,054 | 205,154 | 9,929 | 3,161 | 7,978 | 3,770 |
| Container | 159,725 | 140,678 | 56,513 | 49,607 | 10,458 | 10,602 | 17,242 | 4,998 |
| Equity accounted investments | 50,203 | 47,363 | - | - | - | - | - | - |
| Corporate | 239,578 | 263,117 | 730,783 | 771,366 | 599 | 603 | - | 47 |
| Total | $ 2,608,850 | $ 2,401,648 | $ 1,417,495 | $ 1,383,513 | $ 109,785 | $ 86,568 | $ 110,589 | $ 85,849 |

Due to the seasonality of CCL's business, the Company's operating results for the three months or nine months ended September 30, 2014, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2014. The first and second quarters are traditionally higher sales periods for the Label 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.