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

CCL INDUSTRIES INC.

Interim periods ended September 30, 2012 and 2011
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In thousands of Canadian dollars

	As at September 30 2012	As at December 31 2011
Assets		
Current assets		
Cash and cash equivalents	$ 159,546	$ 140,698
Trade and other receivables	211,835	192,003
Inventories	87,021	86,932
Prepaid expenses	8,361	5,304
Income tax recoverable	-	802
Derivative instruments	-	820
Total current assets	466,763	426,559
Property, plant and equipment	669,689	688,099
Goodwill	347,007	355,788
Deferred tax assets	57,671	54,152
Equity accounted investments (note 6)	39,554	38,464
Intangible assets	30,561	34,853
Other assets	16,674	15,566
Total non-current assets	1,161,156	1,186,922
Total assets	**$ 1,627,919**	**$ 1,613,481**
Liabilities		
Current liabilities		
Trade and other payables	$ 223,701	$ 233,963
Current portion of long-term debt	86,223	19,750
Income taxes payable	13,144	-
Derivative instruments	1,723	2,530
Total current liabilities	324,791	256,243
Long-term debt	242,136	334,218
Deferred tax liabilities	111,121	118,827
Employee benefits	81,673	77,806
Provisions and other long-term liabilities	9,939	9,507
Total non-current liabilities	444,869	540,358
Total liabilities	769,660	796,601
Equity		
Share capital	221,143	218,663
Contributed surplus	12,713	9,421
Retained earnings	687,563	629,469
Accumulated other comprehensive loss (note 4)	(63,160)	(40,673)
Total equity attributable to shareholders of the Company	858,259	816,880
Total liabilities and equity	**$ 1,627,919**	**$ 1,613,481**

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

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		
	2012	2011	% Change	2012	2011	% Change
Revenue	$ 316,643	$ 316,631	0.0	$ 995,101	$ 951,150	4.6
Cost of sales	242,674	244,412		753,661	726,119	
Gross profit	73,969	72,219		241,440	225,031	
Selling, general and administrative	40,703	40,171		120,688	114,591	
Restructuring and other items	-	-		-	542	
(Earnings) loss in equity accounted investments	(219)	84		(1,073)	168	
Results from operating activities	**33,485**	**31,964**		**121,825**	**109,730**	
Finance cost	5,510	5,546		16,534	17,123	
Finance income	(198)	(375)		(769)	(964)	
Net finance cost	5,312	5,171		15,765	16,159	
Earnings before income taxes	**28,173**	**26,793**	5.2	**106,060**	**93,571**	13.3
Income tax expense	6,869	9,769		28,468	27,895	
Net earnings	**$ 21,304**	**$ 17,024**	25.1	**$ 77,592**	**$ 65,676**	18.1
Attributable to:						
Shareholders of the Company	$ 21,304	$ 17,024		$ 77,592	$ 65,676	
Net earnings for the period	**$ 21,304**	**$ 17,024**		**$ 77,592**	**$ 65,676**	
Basic earnings per Class B share	**$ 0.64**	**$ 0.52**	23.1	**$ 2.32**	**$ 1.99**	16.6
Diluted earnings per Class B share	**$ 0.63**	**$ 0.52**	21.2	**$ 2.28**	**$ 1.96**	16.3

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

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In thousands of Canadian dollars

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Net earnings	**$ 21,304**	**$ 17,024**	**$ 77,592**	**$ 65,676**
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment for foreign operations, net of tax recovery of $593 and $701 for the three-month and nine-month periods ended September 30, 2012 (2011 - tax expense of $1,262 and $877)	(24,194)	15,004	(32,936)	17,512
Net gain (loss) on hedges of net investment in foreign operations, net of tax expense of $1,452 and $1,424 for the three-month and nine-month periods ended September 30, 2012 (2011 - tax recovery of $3,588 and $2,472)	9,721	(23,054)	9,571	(15,965)
Effective portion of changes in fair value of cash flow hedges, net of tax expense of $258 and $125 for the three-month and nine-month periods ended September 30, 2012 (2011 - tax recovery of $394 and $479)	528	(876)	94	(1,945)
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax recovery of $85 and $265 for the three-month and nine-month periods ended September 30, 2012 (2011 - tax recovery of $51 and tax expense of $376)	252	105	784	28
Other comprehensive loss, net of tax	(13,693)	(8,821)	**(22,487)**	**(370)**
Total comprehensive income	**$ 7,611**	**$ 8,203**	**$ 55,105**	**$ 65,306**
Attributable to:				
Shareholders of the Company	$ 7,611	$ 8,203	$ 55,105	$ 65,306
Total comprehensive income	**$ 7,611**	**$ 8,203**	**$ 55,105**	**$ 65,306**

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 thousands of Canadian dollars

	Nine months ended September 30	
	2012	**2011**
Share capital		
Class A shares, beginning of period	$ 4,517	$ 4,517
Class A shares, end of period	4,517	4,517
Class B shares, beginning of period	223,440	213,691
Stock options exercised	2,406	3,868
Class B shares, end of period	225,846	217,559
Executive share purchase plan loans, beginning of period	(233)	(233)
Repayment of executive share purchase plan loans	233	-
Executive share purchase plan loans, end of period	-	(233)
Shares held in trust, beginning of period	(9,061)	(9,309)
Shares redeemed from trust	-	425
Shares purchased and held in trust	(159)	(132)
Shares held in trust, end of period	(9,220)	(9,016)
Share capital, end of period	**221,143**	**212,827**
Contributed surplus		
Contributed surplus, beginning of period	9,421	7,688
Stock option expense	1,327	850
Stock options exercised	(353)	(381)
Stock-based compensation plan	1,750	1,280
Book value of minority interest over purchase price (note 5)	568	-
Contributed surplus, end of period	**12,713**	**9,437**
Retained earnings, beginning of period	629,469	572,789
Net earnings	77,592	65,676
Dividends:		
Class A	(1,300)	(1,157)
Class B	(18,198)	(16,121)
Total dividends	(19,498)	(17,278)
Retained earnings, end of period	**687,563**	**621,187**
Accumulated other comprehensive loss		
Accumulated other comprehensive loss, beginning of period	(40,673)	(19,816)
Other comprehensive loss	(22,487)	(370)
Accumulated other comprehensive loss, end of period	**(63,160)**	**(20,186)**
Total shareholders' equity, end of period	**$ 858,259**	**$ 823,265**

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

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	
	2012	**2011**	**2012**	**2011**
Cash provided by (used for)				
Operating activities				
Net earnings	$ 21,304	$ 17,024	$ 77,592	$ 65,676
Adjustments for:				
Depreciation and amortization	25,600	25,022	76,176	73,964
Earnings in equity accounted investments, net of dividends received	164	92	119	584
Restructuring and other items	-	-	-	542
Net finance cost	5,312	5,171	15,765	16,159
Current income tax expense	9,841	6,181	35,702	23,589
Deferred taxes	(2,972)	3,588	(7,234)	4,306
Equity-settled share-based payment transactions	1,005	465	3,076	2,555
Gain on sale of property, plant and equipment	(1)	(242)	(103)	(952)
	60,253	57,301	201,093	186,423
Change in inventories	8	(5,431)	144	(12,682)
Change in trade and other receivables	5,394	3,777	(19,832)	(30,918)
Change in prepaid expenses	713	304	(3,057)	(1,615)
Change in trade and other payables	3,025	10,509	(4,099)	11,852
Change in income taxes payable	727	367	3,581	573
Change in employee benefits	(369)	2,834	3,867	8,372
Change in other assets and liabilities	203	(2,212)	(4,060)	(839)
	69,954	67,449	177,637	161,166
Net interest paid	(10,384)	(9,941)	(21,102)	(21,826)
Income taxes paid	(8,930)	(5,749)	(25,336)	(16,734)
Cash provided by operating activities	**50,640**	**51,759**	**131,199**	**122,606**
Financing activities				
Proceeds on issuance of long-term debt	79	6,832	101	7,872
Repayment of long-term debt	(10,940)	(18,847)	(14,228)	(88,426)
Decrease in bank advance	-	-	-	(497)
Proceeds from issuance of shares	185	2,320	2,053	3,393
Repayment of executive share purchase plan loans	-	-	233	-
Dividends paid	(6,554)	(5,806)	(19,658)	(17,410)
Cash used for financing activities	**(17,230)**	**(15,501)**	**(31,499)**	**(95,068)**
Investing activities				
Additions to property, plant and equipment	(25,031)	(14,199)	(67,998)	(68,122)
Proceeds on disposal of property, plant and equipment	491	332	1,102	1,451
Business acquisitions and other long-term investments	(7,615)	(16,363)	(9,633)	(25,155)
Cash used for investing activities	**(32,155)**	**(30,230)**	**(76,529)**	**(91,826)**
Net increase (decrease) in cash and cash equivalents	1,255	6,028	23,171	(64,288)
Cash and cash equivalents at beginning of period	162,332	102,945	140,698	173,197
Translation adjustment on cash and cash equivalents	(4,041)	1,119	(4,323)	1,183
Cash and cash equivalents at end of period	**$ 159,546**	**$ 110,092**	**$ 159,546**	**$ 110,092**

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

1. Reporting entity

CCL Industries Inc. (the "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, 2012, comprise the Company, its subsidiaries and its interest in associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, containers and tubes.

2. Basis of preparation

(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 2011 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.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on November 6, 2012.

(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
- liabilities for cash-settled share-based payment arrangements 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 thousand, unless otherwise noted.

In thousands of Canadian dollars

3. Segment reporting

The Company has three 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:

- Label – Includes the production of innovative label solutions for consumer product marketing companies in the personal and beauty care, food and beverage, battery, household, chemical and promotional segments of the industry. It also supplies major pharmaceutical, healthcare, durable goods and industrial chemical companies. Label's product lines include pressure sensitive, shrink sleeve, stretch sleeve, in-mould and expanded content labels and pharmaceutical instructional leaflets.
- Container – Includes the manufacturing of specialty containers for the consumer products industry in North America, including Mexico. The key product line is recyclable aluminum aerosol cans and bottles for the personal care, home care and cosmetic industries, plus shaped aluminum bottles for the beverage market.
- Tube - Includes the manufacturing of highly decorated extruded tubes for the personal care and cosmetics industry in North America, including Mexico.

	Three months ended September 30				Nine months ended September 30			
	Sales		Operating income		Sales		Operating income	
	2012	2011	2012	2011	2012	2011	2012	2011
Label	$ 250,771	$ 254,405	$ 32,528	$ 32,376	$ 791,894	$ 758,044	$ 117,818	$ 111,614
Container	45,812	43,042	3,747	1,614	140,073	133,260	10,430	7,433
Tube	20,060	19,184	3,070	2,494	63,134	59,846	11,588	9,263
Total operations	$ 316,643	$ 316,631	39,345	36,484	$ 995,101	$ 951,150	139,836	128,310
Corporate expense			(6,079)	(4,436)			(19,084)	(17,870)
Restructuring and other items			-	-			-	(542)
Earnings (loss) in equity accounted investments			219	(84)			1,073	(168)
Finance cost			(5,510)	(5,546)			(16,534)	(17,123)
Finance income			198	375			769	964
Income tax expense			(6,869)	(9,769)			(28,468)	(27,895)
Net earnings			$ 21,304	$ 17,024			$ 77,592	$ 65,676

	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	
	2012	2011	2012	2011	2012	2011	2012	2011
Label	$ 1,172,020	$ 1,150,706	$ 290,981	$ 277,622	$ 59,529	$ 57,349	$ 63,699	$ 62,988
Container	115,163	115,450	39,469	34,708	10,233	10,610	3,178	2,377
Tube	77,677	94,120	3,302	14,626	5,781	5,366	1,119	2,594
Equity accounted investments	39,554	38,464	-	-	-	-	-	-
Corporate	223,505	214,741	435,908	469,645	633	639	2	163
Total	$ 1,627,919	$ 1,613,481	$ 769,660	$ 796,601	$ 76,176	$ 73,964	$ 67,998	$ 68,122

3. Segment reporting (continued)

Due to the seasonality of CCL's business, the Company's operating results for the three and nine months ended September 30, 2012, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2012. The first and second quarters are traditionally higher sales periods 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.

4. Accumulated other comprehensive loss

	September 30 2012	December 31 2011
Unrealized foreign currency translation losses, net of tax expense of $1,758 (2011 – tax expense of $1,035)	$ (62,950)	$ (39,585)
Net change in derivatives designated as cash flow hedges, net of tax recovery of $123 (2011 – tax recovery of $513)	(210)	(1,088)
	$ (63,160)	$ (40,673)

5. Acquisitions

In July 2012, the Company acquired the Pharmaceutical Division of Graphitype Printing Services, a privately owned printing company located near Sydney, Australia. The acquired business produces label and patient instructional leaflets for leading pharmaceutical customers in Australia and operates under the name of CCL Label. The acquisition will strengthen CCL's position in Australia with sites now located in both the pharmaceutical manufacturing centres of Melbourne and Sydney. The purchase price was approximately CAD$6.9 million.

Details of the transaction are as follows:

Current assets	$ 233
Current liabilities	(424)
Non-current assets	3,952
Non-current liabilities	(62)
Goodwill	3,234
Net assets purchased	$ 6,933

Total consideration:	
Cash	$ 6,672
Holdback payment due in July 2013	261
	$ 6,933

In August 2012, the Company acquired the remaining 2% of shares in a Mexican subsidiary that it did not already own. The $0.6 million excess of the book value over the purchase consideration was recorded in contributed surplus.

In thousands of Canadian dollars

6. Equity accounted investments

In April 2012, the Company announced the creation of a new wine label joint venture, Acrus-CCL, in Chile. CCL holds a 50% equity interest in the newly established Santiago venture dedicated to the wine industry. CCL's initial equity investment of $2.0 million was matched by its joint venture partner.

In September 2011, the Company completed the purchase of a 50% interest in Pacman-CCL from Albwardy Investment ("Albwardy"). The acquisition represents an expansion into new territories for the Company. Pacman-CCL is based in Dubai, United Arab Emirates, with additional operations in Cairo, Egypt; Muscat, Oman; and Jeddah, Saudi Arabia. Albwardy retains the remaining 50% economic interest in Pacman-CCL and, along with the Company, jointly controls Pacman-CCL. The Company is accounting for Pacman-CCL using the equity method.

Details of the transaction are as follows:

Current assets	$ 5,143
Current liabilities	(2,060)
Non-current assets	7,879
Non-current liabilities	(334)
Goodwill	6,715
Net assets purchased	$ 17,343
Total consideration:	
Cash, net of $1.0 million cash acquired	$ 17,343

7. Long term debt

In July 2012, CCL signed an amended bilateral four-year revolving debt agreement, which replaces an agreement expiring in January 2013. Under the new agreement, CCL expanded the unsecured credit commitment from $95 million to $200 million, improved the terms and conditions with a more flexible structure to support the Company's worldwide initiatives and extended the expiration date to July 11, 2016.

In September 2012, the Company made a scheduled debt repayment of US$9 million. Half of the US dollar amount had been converted into euro-based debt using two cross-currency interest rate swap agreements ("CCIRSAs"). The two CCIRSAs matured the same day as the US$9 million debt.

8. Subsequent events

The Board of Directors has declared a dividend of $0.1950 for the Class B non-voting shares and $0.1825 on the Class A voting shares that will be payable to shareholders of record at the close of business on December 12, 2012, to be paid on January 3, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarters Ended September 30, 2012 and 2011

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") of CCL Industries Inc. ("CCL" or the "Company") relates to the third quarters ended September 30, 2012 and 2011. The information in this interim MD&A is current to November 6, 2012, and should be read in conjunction with the Company's September 30, 2012, unaudited third quarter consolidated condensed interim financial statements released on November 6, 2012, and the 2011 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2011 Annual Report, dated February 23, 2012.

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 CCL's operations are the Canadian dollar, the U.S. dollar, the euro, the Australian dollar, the Brazilian real, the Chinese renminbi, the Danish krone, the Japanese yen, the Mexican peso, the Polish zloty, the Russian rouble, the South African rand, the Thai baht, the U.K. pound sterling and the Vietnamese dong. All per Class B non-voting share ("Class B share") amounts in this document are expressed on an undiluted basis, unless otherwise indicated. CCL's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy of the Company and the financial results of the Company.

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 improvement in market share; the Company's capital spending levels and planned capital expenditures in 2012; the adequacy of the Company's financial liquidity; the Company's targeted return on equity, earnings per share and EBITDA growth rates; the Company's effective tax rate; the Company's ongoing business strategy 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 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; and general business and economic conditions. 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 throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2011 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 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 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 2012 marked the eighth consecutive quarter of year-over-year improvement in earnings per Class B share. The Label Segment continued to post solid results, notably the European operations which improved revenue and operating income, contrary to the lackluster economic environment of the Eurozone. The Tube Segment continued to post strong results, highlighted by record third quarter operating income. The Container Segment delivered solid third quarter 2012 improvement in revenue and a dramatic 131.3% increase in operating income, compared to the third quarter of 2011. The Container Segment continues to achieve improved results attributable to the turnaround plan initiated in 2010. Basic earnings for the Company improved 23.1% to $0.64 per Class B share compared to basic earnings per share of $0.52 per Class B share in the 2011 third quarter. This improvement in CCL's earnings per class B share was achieved despite a $0.05 per share negative currency translation impact primarily attributable to the Company's European and Latin American operations.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2011.

- In April 2011, Thunder Press Inc., a privately owned label company based in Chicago, U.S., which operated under the trade name "Sertech," was acquired for $7.8 million, net of cash acquired. Sertech produces patient information leaflets, commonly known as inserts and outserts, for leading pharmaceutical customers in the United States.

- In September 2011, a 50% interest in Pacman-CCL, a privately owned group of label companies based in Dubai in the United Arab Emirates with additional operations in Cairo, Egypt; Muscat, Oman; and Jeddah, Saudi Arabia, was acquired for $17.3 million net of cash on hand. Albwardy Investments, the sole shareholder that previously operated Pacman-CCL under a CCL Label license agreement, retains the remaining 50% economic interest.

- In April 2012, the Company completed a 50% equity investment of $2.0 million in Acrus-CCL, a wine label joint venture in Santiago, Chile. This start-up joint venture commenced trading in the second quarter of 2012.

- In July 2012, the Company acquired the Pharmaceutical Division of Graphitype Printing Services ("Graphitype"), a privately owned label company located near Sydney, Australia for approximately $6.9 million.

Sales for the third quarter of 2012 were $316.6 million, equal to the amount posted for the third quarter of 2011. However, excluding the 4.0% negative impact of currency translation and 0.6% growth attributable to the Graphitype acquisition, the Company delivered an organic growth of 3.4% for the 2012 third quarter. For the nine-month period ended September 30, 2012, sales were $995.1 million, an increase of 4.6% compared to $951.2 million recorded in the same period of 2011. The nine-month improvement in sales can be attributed to organic growth of 6.3% and the positive 0.5% impact of the above noted Sertech and Graphitype acquisitions, partially offset by a 2.2% negative impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $40.7 million for the third quarter of 2012, an increase of 1.2% compared to $40.2 million for the third quarter of 2011. For the nine months ended September 30, 2012, SG&A were $120.7 million, an increase of 5.3% compared to $114.6 million for the 2011 nine-month period. The increase in SG&A of $6.1 million is primarily due to higher costs in the operating segments, augmented by a $1.2 million increase in corporate expense, attributable to an increase in equity-based compensation expense.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2012 was $39.3 million, an increase of 7.7% compared to $36.5 million for the third quarter of 2011. For the third quarter of 2012, foreign currency translation had an approximate negative impact of 6.0% on the operating income of the Label Segment partially offset by a 2.1% and 1.1% positive impact on the operating income of the Container and Tube Segments, respectively. Excluding the net unfavourable impact of currency translation, operating income improved 13.3%. For the third quarter of 2012 compared to the same period in 2011, excluding the impact of currency translation; the Label, Container and Tube Segments, recorded operating income improvement of 6.5%, 127.2% and 21.7%, respectively. For the nine months ended September 30, 2012, operating income increased 9.0%, with the Label, Container and Tube Segments contributing 5.6%, 40.5% and 24.7%, respectively, compared to the same nine-month period in 2011.

Earnings before net finance cost, tax, earnings in equity accounted investments, goodwill impairment loss, depreciation and amortization, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was $58.8 million for the third quarter of 2012, an increase of 3.0% compared to $57.1 million for the third quarter of 2011. Excluding the impact of currency translation, EBITDA increased by 7.8% for the comparable quarters. For the nine months ended September 30, 2012, EBITDA was $196.9 million, an increase of 6.8% compared to $184.4 million

in the comparable 2011 period. Excluding currency translation, EBITDA increased 9.2% for the comparable nine-month periods.

Net finance cost was $5.3 million for the 2012 third quarter compared to $5.2 million to last year's third quarter. For the nine-month period ended September 30, 2012, net finance cost was $15.8 million, a decrease of 2.5% compared to $16.2 million in the corresponding nine-month period of 2011. The decline is attributable to lower debt levels resulting from scheduled repayments during the trailing twelve-month period.

No restructuring and other items (a non-IFRS financial measure; refer to definition in Section 13) were incurred in the third quarter or nine-month period of 2012; however, the Company recorded an expense of $0.5 million ($0.4 million after tax) in restructuring and other items in the 2011 first quarter for the closure costs to shut down a small label plant in the U.S.

The overall effective income tax rate was 24.6% for the third quarter of 2012 compared to 28.6% in the second quarter of 2012 and 36.3% in the third quarter of 2011. The decrease is primarily due to the current quarter reflecting an accounting increase related to a tax benefit recognized for certain Canadian tax losses. The aggregate benefit was increased by $0.9 million in the current quarter and for the nine months ended September 30, 2011, was increased $0.8 million. For the comparable three-month and nine-month period in 2011, the benefit was reduced $1.9 million and $3.0 million, respectively. As previously disclosed in prior quarters, the ability to benefit the Canadian tax losses is dependent on the movement of the unrealized foreign exchange gains on the company's U.S. dollar-denominated debt and related euro swaps. This benefit will fluctuate with the movement in the Canadian dollar versus the U.S. dollar and euro and, as such, this benefit would reverse in the future if the Canadian dollar weakens and would grow larger if it strengthens.

Net earnings for the third quarter of 2012 were $21.3 million, an increase of 25.3% compared to $17.0 million for the third quarter of 2011. This resulted in basic and diluted earnings of $0.64 and $0.63 per Class B share, respectively, in the current quarter compared to basic and diluted earnings of $0.52 per Class B share for the prior year third quarter.

Net earnings for the nine-month period of 2012 were $77.6 million, an increase of 18.1% compared to $65.7 million for the same period a year ago. This resulted in basic and diluted earnings of $2.32 and $2.28 per Class B share, respectively, for the 2012 nine-month period compared to basic and diluted earnings of $1.99 and $1.96 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares for the 2012 nine-month period were 33.5 million basic and 34.1 million diluted shares compared to 33.1 million basic and 33.6 million diluted shares for the comparable period of 2011. Diluted shares were impacted by the weighted average in-the-money stock options and other equity settled payments of 0.6 million shares.

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

(in Canadian dollars)

Adjusted Basic Earnings per Class B Share	Third Quarter 2012	Third Quarter 2011	Year-to-Date 2012	Year-to-Date 2011
Basic earnings	$ 0.64	$ 0.52	$ 2.32	$ 1.99
Net loss from restructuring and other items included above	-	-	-	0.01
Adjusted basic earnings [(1)]	$ 0.64	$ 0.52	$ 2.32	$ 2.00

[(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					
2012	$ 341.4	$ 337.1	$316.6	$	$ 995.1
2011	315.6	318.9	316.7	317.3	1,268.5
2010	307.1	302.2	301.7	281.3	1,192.3
Net earnings					
2012	30.4	25.9	21.3		77.6
2011	26.8	21.7	17.2	18.4	84.1
2010	24.6	17.4	15.8	13.3	71.1
Net earnings per Class B share					
Basic					
2012	0.91	0.77	0.64		2.32
2011	0.81	0.66	0.52	0.55	2.54
2010	0.75	0.53	0.48	0.41	2.17
Diluted					
2012	0.89	0.76	0.63		2.28
2011	0.80	0.64	0.52	0.54	2.50
2010	0.74	0.52	0.47	0.40	2.13
Adjusted basic net earnings per Class B share					
2012	0.91	0.77	0.64		2.32
2011	0.82	0.66	0.52	0.57	2.57
2010	0.75	0.53	0.48	0.42	2.18

3. Business Segment Review

Label Segment

($ millions)	Third Quarter 2012	Third Quarter 2011	Third Quarter +/-	Year-to-Date 2012	Year-to-Date 2011	Year-to-Date +/-
Sales	$ 250.7	$ 254.4	(1.5%)	$ 791.9	$ 758.0	4.5%
Operating Income [(1)]	$ 32.5	$ 32.4	0.3%	$ 117.8	$ 111.6	5.6%
Return on Sales [(1)]	13.0%	12.7%		14.9%	14.7%	
Capital Spending	$ 23.4	$ 13.0	80.0%	$ 63.7	$ 62.9	1.3%
Depreciation and Amortization	$ 20.2	$ 19.3	4.7%	$ 59.6	$ 57.4	3.8%

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

Sales for the Label Segment were $250.7 million for the third quarter of 2012, compared to $254.4 million for the same quarter last year. If not for the negative impact of foreign currency translation, sales for the Label segment would have increased 3.5% for the quarter.

North America posted single digit sales gains, excluding currency translation, compared to the third quarter of 2011. Changing sales mix and the related pricing challenges that manifested towards the end of 2012 second quarter persisted through the third quarter, driving a tail off in sales and profitability in the Home & Personal Care business. The Healthcare & Specialty business posted sales and profitability gains for the quarter against strong comparisons for the prior year period; profits included start-up costs at the new insert operation as well as temporary quarantines at certain U.S. based customers. The new Wine and Spirits business maintained its rapid growth rate compared to a low sales base in the 2011 third quarter; profitability was held in check by start-up costs at the new plant in Sonoma. One-time start-up activity and positive one time insurance credits in the prior year period negatively impacted absolute North American profitability comparisons for the quarter by a single digit percent, but the underlying performance excluding these items improved.

Sales in **Europe** were up low single digits for the third quarter of 2012, excluding currency translation, compared to the third quarter of 2011. Home & Personal Care local currency sales improved modestly, but profitability improved significantly with much improved results from Eastern Europe and a substantial reduction in operating losses from the French operation following its 2011 restructuring. Sales in Healthcare & Specialty increased compared to the third quarter of 2011 primarily driven by a marked comeback of activity in Scandinavia. Sales and profitability in the Sleeve business, excluding the impact of currency translation, were almost flat to the 2011 third quarter. Sales in the Beverage business were up double digits; profitability improved significantly due to new business wins in export markets in Africa and Russia and solid operational execution. Sales and profitability waned for the CCL Design business following the decline in European automobile production and slowing export sales of leading German producers. Overall, European operating income increased meaningfully in absolute terms and as a percent of sales, despite the significant negative impact of foreign currency translation due to the weak euro compared to the prior year third quarter.

The **Latin America** operations recorded sales and profitability declines, in absolute terms and exclusive of currency translation. Although the Mexican Label operations posted significant profitability improvement, sales were only up slightly. Margins in Mexico have benefited from the strengthening peso to U.S. dollar relationship in 2012. Significant devaluation of the Brazilian real caused substantial raw material inflation in the Sleeve business with a corresponding reduction of operating profitability in addition to the negative impact of currency translation. Pressure sensitive label operations were impacted by significantly reduced demand levels and customer destocking during the quarter in line with the macro-economic developments in Brazil; having grown strong double digits in the first half of 2012. Notwithstanding, operating margin levels in the region remain above the CCL Label average.

Asia Pacific delivered strong double digit sales growth for the third quarter of 2012, compared to the third quarter of 2011. Operations in China delivered the most substantial quarterly improvement in both sales and operating income as the Home & Personal Care and Beverage operations gained market share and losses were reduced at the new Healthcare operation in Tianjin. Operations in Thailand continued to record above average margins; however, results were down compared to a very strong prior year third quarter in the Home & Personal Care market. Australian operations, including the newly acquired Graphitype, as well as CCL's legacy healthcare and wine operations, significantly increased revenue and profitability compared to the third quarter of 2011. Overall the Asia Pacific region improved profitability, driven by the aforementioned gains in China and Australia, in addition the South African operation registered a profit for the 2012 third quarter.

Operating income for the third quarter of 2012 was $32.5 million, slightly ahead of the $32.4 million in the third quarter of 2011. Excluding the impact of currency translation, operating income increased 6.5%. Operating income as a percentage of sales at 13.0% was within the CCL's global internal targets and was greater than the return generated in last year's third quarter.

On April 12, 2012, the Company announced the creation of a new wine label joint venture, Acrus-CCL, in Chile. CCL holds a 50% equity interest in the newly established Santiago venture dedicated to the wine industry. CCL's initial equity investment of $2.0 million was matched by its joint venture partner. Both partners are planning an additional equity contribution in the fourth quarter of similar size as sales are expected to ramp up more quickly than initially expected.

Results from the 50% joint ventures in CCL-Kontur, Russia; Pacman-CCL, Middle East; and Acrus-CCL, Chile, are not proportionately consolidated into the Label Segment but instead are accounted for as equity investments. CCL's share of the joint ventures net income is disclosed in "Earnings in Equity Accounted Investments" in the consolidated condensed interim income statement. Sales at CCL-Kontur for the third quarter of 2012 improved and the operation posted a solid operating profit. During the 2012 third quarter, CCL-Kontur acquired a 60 per cent interest in a small start-up label operation in Siberia. Pacman-CCL, acquired September 2011, contributed significantly to overall earnings for the 2012 third quarter; however, these results were partially offset by the expected start-up costs of Acrus-CCL. Earnings in equity accounted investments amounted to $0.2 million for the 2012 third quarter compared to a loss of $0.1 million for the 2011 third quarter.

Sales backlogs for the label business rarely exceed one month of sales, making forecasts one quarter ahead difficult. So far order intake levels remain steady in aggregate in the fourth quarter. Management continues to watch the global economic situation closely along with associated volatility in foreign exchange rates.

The Label Segment invested $63.7 million in capital spending in the nine-month period ended September 30, 2012, compared to $62.9 million in the same nine-month period in 2011. This investment is in line with the Company's planned expenditures for 2012. The major expenditures in the quarter were related to capacity expansions in the Home

& Personal Care, particularly expenditures related to the publicly announced expansions in Brazil and Thailand. As in the past, investments in the Label 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 Label Segment was $59.6 million for the nine-month period of 2012 compared to $57.4 million in the comparable nine-month period in 2011.

Container Segment

($ millions)	Third Quarter			Year-to-Date		
	2012	**2011**	**+/-**	**2012**	**2011**	**+/-**
Sales	$ 45.8	$ 43.0	6.5%	$ 140.1	$ 133.3	5.1%
Operating Income [(1)]	$ 3.7	$ 1.6	131.3%	$ 10.4	$ 7.4	40.5%
Return on Sales [(1)]	8.1%	3.7%		7.4%	5.6%	
Capital Spending	$ 1.1	$ 0.3	266.7%	$ 3.2	$ 2.4	33.3%
Depreciation and Amortization	$ 3.3	$ 3.6	(8.3%)	$ 10.2	$ 10.6	(3.8%)

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

Sales for the Container Segment in the 2012 third quarter were $45.8 million, an improvement of 6.5% compared to $43.0 million in the third quarter of 2011 driven by stronger volume with market share gains in aerosols more than offsetting losses in beverage bottles. The Container Segment posted operating income of $3.7 million, more than double the $1.6 million of operating income for the prior year third quarter. The drivers of the operating income improvement were market share gains in the U.S. and Mexican operations, partially offset by a change in product mix at the Canadian operation and substantially lower average aluminum costs in the quarter compared to the prior year period. Solid operational execution throughout the Container Segment supported the volumes gains and resulted in a much improved 8.1% return on sales for the quarter compared to 3.7% for the third quarter of 2011.

The Container Segment invested $3.2 million and $2.4 million in capital spending in the nine-month periods ended September 30, 2012, and September 30, 2011, respectively. All of the 2012 expenditures were maintenance capital in nature. Depreciation and amortization for the Container Segment was $10.2 million for the nine-month period of 2012 compared to $10.6 million for the comparable nine-month period of 2011.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 24% and 17% of its expected 2012 and 2013 requirements, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,900 to US$2,500 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.

Pricing for aluminum in the third quarter of 2012 ranged from US$1,700 to US$2,100 per metric ton compared to US$2,200 to US$2,600 in the third quarter of 2011.

Tube Segment

($ millions)	Third Quarter			Year-to-Date		
	2012	2011	+/-	2012	2011	+/-
Sales	$ 20.1	$ 19.2	4.7%	$ 63.1	$ 59.9	5.3%
Operating Income [1]	$ 3.1	$ 2.5	24.0%	$ 11.6	$ 9.3	24.7%
Return on Sales [1]	15.4%	13.0%		18.4%	15.5%	
Capital Spending	$ 0.5	$ 0.8	(37.5%)	$ 1.1	$ 2.6	(57.7%)
Depreciation and Amortization	$ 1.9	$ 1.9	-	$ 5.8	$ 5.4	7.4%

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

Sales for the third quarter of 2012 for the Tube Segment were $20.1 million, an increase of 4.7% compared to $19.2 million posted for the 2011 third quarter. Operating income increased 24.0% and continues to be driven by continued market share gains in highly decorated tubes for the premium personal care and cosmetic sector. With a capital plan to add additional capacity and technology, the outlook for this Segment remains positive.

The Tube Segment invested $1.1 million in capital spending in the nine-month period ended September 30, 2012, compared to $2.6 million in the same nine-month period in 2011. The majority of the purchases relate to new decorating equipment. Depreciation and amortization for the Tube Segment was $5.8 million for the nine-month period of 2012 compared to $5.4 million for nine-month period of 2011.

4. Currency Transaction Hedging and Currency Translation

Approximately 95% of sales made in the first nine months of 2012 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 2012 were most significantly impacted by the negative affect of the 10.1%, 18.3% and 5.0% depreciation of the euro, Brazilian real and Mexican peso, respectively, when comparing the rates in the third quarters of 2012 and 2011, relative to the Canadian dollar. In the third quarter of 2012, currency translation had a negative $0.05 impact on earnings per share compared to last year's third quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions, except per share data)	September 30, 2012	December 31, 2011	September 30, 2011
Current debt	$ 86.2	$ 19.8	$ 15.1
Long-term debt	242.2	334.2	354.1
Total debt	$ 328.4	$ 354.0	$ 369.2
Cash and cash equivalents	(159.5)	(140.7)	(110.1)
Net debt [1]	$ 168.9	$ 213.3	$ 259.1
Shareholders' equity	858.3	$ 816.9	$ 823.3
Net debt to Total Book Capitalization [1]	16.4%	20.7%	23.9%
Book value per share [1]	$ 25.62	$ 24.46	$ 24.80

[1] Net Debt, Net Debt to Total Book Capitalization and Book Value per Share are non-IFRS financial measures. Refer to definitions in Section 13.

The Company continues to strengthen its solid financial position. As of September 30, 2012, cash and cash equivalents amounted to $159.5 million, an increase of $49.4 million compared to $110.1 million at September 30, 2011. The increase in cash and cash equivalents, and hence the decrease in net debt, was attributable to the Company's strong free cash flow over the previous twelve months. Net debt (a non-IFRS financial measure; refer to definition in Section 13) was $168.9 million at September 30, 2012, $90.2 million lower than the net debt of $259.1 million at September 30, 2011.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2012, was 16.4%, down from 23.9% at the end of September 2011. Book value per share (a non-IFRS financial measure; refer to definition in Section 13) was $25.62 at September 30, 2012, 3.3% higher compared to $24.80 at September 30, 2011.

The Company's debt structure at September 30, 2012, was primarily comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US$319.0 million (C$313.6 million) and a five-year revolving line of credit of $200.0 million. As at September 30, 2012, the credit line was unused other than for letters of credit of $3.9 million. This debt structure changed from December 31, 2011, with the final payment of US$9.4 million against the 1997 private debt placement during the third quarter of 2012 and with the expiration of the Company's Cross-Currency Interest Rate Swap Agreements ("CCIRSAs") and related Interest Rate Swap Agreement ("IRSA") in September of 2012. In addition, on July 11, 2012, the Company amended its bilateral revolving credit agreement with its existing lender. A $200.0 million unsecured commitment replaced a $95.0 million facility and the maturity date was extended four years to July 11, 2016.

The Company's overall average finance rate was 6.2% after factoring in the related IRSA and CCIRSAs compared to 6.1% at September 30, 2011. The IRSA and CCIRSAs are discussed later in this report in Section 7.

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

6. Cash Flow

Summary of Cash Flows	Third Quarter 2012	Third Quarter 2011	Year-to-Date 2012	Year-to-Date 2011
Cash provided by operating activities	$ 50.6	$ 51.8	$ 131.2	$ 122.6
Cash used for financing activities	(17.2)	(15.5)	(31.5)	(95.1)
Cash used for investing activities	(32.1)	(30.2)	(76.5)	(91.8)
Translation adjustments on cash and cash equivalents	(4.1)	1.1	(4.4)	1.2
Increase (decrease) in cash and cash equivalents	$ (2.8)	$ 7.2	$ 18.8	$ (63.1)
Cash and cash equivalents – end of period	$ 159.5	$ 110.1	$ 159.5	$ 110.1
Free Cash Flow from Operations [1]	$ 26.1	$ 37.9	$ 64.3	$ 56.0

[1] Free Cash Flow from Operations is non-IFRS financial measure. Refer to definition in Section 13.

During the third quarters of 2012 and 2011, the Company generated cash from operating activities of $50.6 million and $51.8 million, respectively. The decrease in operating cash flow was primarily due to the timing of tax payments, during the third quarter of 2012 compared to the third quarter of 2011.

Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was $26.1 million in the 2012 third quarter compared to $37.9 million in the prior year quarter. The decrease is due to higher capital expenditures in the quarter compared to the 2011 third quarter.

Capital spending in the third quarter of 2012 amounted to $25.0 million compared to $14.2 million in the 2011 third quarter. Depreciation and amortization for the third quarters of 2012 and 2011 were $25.6 million and $25.0 million, respectively. Plans for capital spending in 2012 are expected to be higher than total expenditures for 2011 year but still below depreciation. 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 2012 and 2011 were $6.6 million and $5.8 million, respectively. The total number of shares issued and outstanding as at September 30, 2012 and 2011, were 33.8 million and 33.5 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2012 continues to be positive, the Board of Directors has approved a continuation of the dividend declared in February 2012 of $0.1825 per Class A share and $0.1950 per Class B share to shareholders of record as of December 12, 2012, and payable on

January 3, 2013. The annualized dividend rate is $0.73 per Class A share and $0.78 per Class B share.

On March 8, 2012, the Company announced a share repurchase program under a normal course issuer bid ("bid") to purchase up to 2.1 million Class B non-voting shares, approximately 10% of the public float. The Company has not repurchased any shares under this bid to date.

7. Interest rate and Foreign Exchange Management

The Company had utilized an IRSA to allocate notional debt between fixed and floating rates since all of the underlying debt is fixed rate debt with U.S. financial institutions. The Company had also utilized CCIRSAs to effectively convert notional U.S. dollar fixed rate debt into fixed and floating rate euro debt to hedge its euro-based assets and cash flows. With the final payment of US$9.4 million against the 1997 private debt placement during the third quarter of 2012, the aforementioned CCIRSAs and related IRSA expired.

The effect of the IRSA and CCIRSAs had been to decrease finance cost by $0.1 million in the third quarter of 2012 compared to a decrease of $0.1 million in the third quarter of 2011. Interest coverage (a non-IFRS financial measure, defined later in Section 13) was 7.1 times as at September 30, 2012, compared to 6.0 times as at September 30, 2011.

8. Accounting Policies and New Standards

A) Recently Issued Accounting Standards, Not Yet Effective

A number of new or revised accounting standards have recently been issued by the International Accounting Standards Board ("IASB") but are not yet effective. These standards have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the impact of these standards on its consolidated financial statements.

IFRS 9, *Financial Instruments* ("IFRS 9") will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. *Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, deferred the effective date to annual periods beginning on or after January 1, 2015, with earlier adoption permitted.

IFRS 10, *Consolidated Financial Statements* ("IFRS 10") will replace SIC-12, *Consolidation-Special Purpose Entities* and IAS 27, *Consolidated and Separate Financial Statements.* IFRS 10 establishes principles for the presentation and

preparation of consolidated financial statements when an entity controls one or more entities. IFRS 10 is effective for periods beginning on or after January 1, 2013.

IFRS 11, *Joint Arrangements* ("IFRS 11") will replace guidance in IAS 31, *Interests in Joint Ventures.* IFRS 11 provides focus on the rights and obligations of the joint arrangement, rather than its legal form in the current standard. IFRS 11 also addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interest in jointly controlled entities. IFRS 11 is effective for periods beginning on or after January 1, 2013.

IFRS 12*, Disclosure of Interests in Other Entities* ("IFRS 12") establishes new and comprehensive disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. This new standard is effective for periods beginning on or after January 1, 2013.

IFRS 13, *Fair Value Measurement* ("IFRS 13") replaces the fair value guidance that is currently contained within individual IFRSs with a single source of fair value measurement guidance. IFRS 13 is effective for periods beginning on or after January 1, 2013.

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") retains the "one or two statement" approach to presenting the statements of income and comprehensive income at the option of the entity and only revises the way other comprehensive income is presented. This revised standard is effective for periods beginning on or after July 1, 2012.

IAS 19, *Employee Benefits* ("IAS 19") has been amended to eliminate the use of the "corridor" approach and requires all remeasurement impacts be recognized in other comprehensive income. It also enhances the disclosure requirements by providing more information regarding the characteristics of defined benefit plans and the risk that entities are exposed to through participation in those plans. This revised standard is effective for periods beginning on or after January 1, 2013.

B) 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 2011 annual audited consolidated financial statements and notes thereto, as well as the 2011 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of CCL's business operations and results of operations. For the nine months ended September 30, 2012, there are no changes to the critical accounting policies and estimates from those described in the 2011 annual MD&A.

C) 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. These inter-company structures are established on terms typical of arm's length agreements. A summary of the Company's related party transactions are set out in note 28 of the annual consolidated financial statements for the year ended December 31, 2011.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, except for long-term operating lease agreements. The nature of these commitments is described in note 27 of the annual consolidated financial statements for the year ended December 31, 2011. There are no defined benefit plans funded with CCL stock.

The Company has had no material changes in contractual obligations in the third quarter of 2012.

10. Controls and Procedures

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

As at December 31, 2011, and September 30, 2012, based on the continued evaluation of the disclosure controls and procedures, the CEO and the CFO have concluded that CCL's disclosure controls and procedures, as defined in National Instrument 52-109 ("NI 52-109"), are effective to ensure that information required to be disclosed in reports and documents that CCL files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. NI 52-109 requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal control over financial reporting for the issuer, that internal control

has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, that the internal control over financial reporting is effective, and that the issuer has disclosed any changes in its internal control during its most recent interim period that has materially affected or is reasonably likely to materially affect its internal control over financial reporting.

As of December 31, 2011, and September 30, 2012, the CEO and the CFO certified that they were in compliance with NI 52-109 regarding internal control over financial reporting.

There were no material changes in internal control over financial reporting in the nine months ended September 30, 2012.

11. Risks and Strategies

The 2011 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2012 and beyond. There have been no material changes to those risks and strategies during the first nine months of 2012.

12. Outlook

The Company remains confident about its ability to deliver the solid results and cash flows required to support its growth strategy including the financing of investment opportunities that will expand geographic and market segment reach. To support this endeavor and to take advantage of exceptionally competitive financing markets, the Company enhanced its execution capacity by expanding its revolving credit facility commitment from $95.0 million to $200.0 million on July 11, 2012. Including the cash on hand at quarter end of $159.5 million, and the new principally undrawn credit facility, the Company has ample liquidity to achieve its global growth initiatives. The Company remains focused on vigilantly managing working capital and prioritizing investment capital to opportunities in higher-growth areas, such as emerging markets and the Healthcare and Specialty business, either organically or by acquisition.

CCL continued to post year-over-year quarterly growth, but the rate of improvement has diminished sequentially each quarter of 2012, largely driven by unusual order patterns in the prior year with a soft first half and a strong second half in 2011. Although CCL reported above average profitability in Brazil and notable improvement in the Eurozone, significant depreciation of the real and euro during the third quarter of 2012 confirmed the macroeconomic challenges facing these regions. Economic indicators for the ASEAN zone also appear to be moderating albeit rates of growth continue to outpace the developed world. On a global basis, CCL's order book remains steady despite economic intelligence that indicates a potential global slowdown; activity levels and currency fluctuations will be monitored intently.

Comparisons for the Container Segment become more challenging in the quarters ahead as the Canadian plant recovered and the entire Segment began to execute on its turnaround strategy commencing in the back half of 2011; albeit management continues

to see room to improve through internal operational initiatives. Further profit improvement in the Tube Segment requires solid U.S. market conditions for CCL's Personal Care customers. CCL intends to add additional capacity and technology enhancements in the Tube operations to gain market share.

The Company has posted strong results for the nine months ended September 30, 2012 and this gives a solid basis to remain cautiously optimistic about the outlook for the remainder of the year despite clear signs of global economic uncertainty. Expansion initiatives such as CCL's new wine label plant in Sonoma, California, and the Chilean joint venture are not expected to post profitable returns until late 2013 and into 2014. In mid-July, the Company expanded its Healthcare operations by acquiring the assets of Graphitype, near Sydney, Australia. Graphitype was immediately accretive to third quarter profitability. The joint ventures in Russia and the Middle East are expected to post profits for the remainder of the year. Start-up costs for new initiatives will continue to be incurred for the balance of the year.

The weaker euro and Latin American currencies will bring significant translation challenges at today's foreign exchange rates to the Canadian dollar compared to the prior year period. In the tighter global economy, the Company will continue to focus on cost reduction, productivity initiatives and smart pricing programs to protect sales volume and profit margins. The Company's expectation for capital spending for the year is in the $90 million range compared to depreciation of approximately $100 million.

13. Key Performance Indicators and Non-IFRS Financial Measures

CCL 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 CCL'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 dispositions, goodwill impairment loss, restructuring and other items and tax adjustments.

Book Value per Share - A measure of the shareholders' equity at book value per the combined Class A and Class B shares. It is calculated by dividing shareholders' equity

by the actual number of Class A and Class B shares issued and outstanding, excluding amounts and shares related to shares held in trust and the executive share purchase plan.

The following table reconciles the calculation of the book value per share using IFRS measures reported in the consolidated statement of financial position as at the periods ended as indicated.

(in millions of Canadian dollars, except shares issued and per share data)

Book value per share

At September 30th	2012	2011
Total shareholders' equity, end of period	$ 858.3	$ 823.3
Number of shares issued and outstanding, end of period (000's)	33,772	33,494
Less: Shares held in trust	(276)	(269)
Executive share purchase plan loans	-	(25)
Total adjusted number of shares issued (000's)	33,496	33,200
Book value per share	$ 25.62	$ 24.80

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, 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 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 the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows comparison of CCL'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 CCL'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 (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items)	**2012**	**2011**	**2012**	**2011**
Net earnings	$ 21.3	$ 17.0	$ 77.6	$ 65.7
Corporate expense	6.1	4.4	19.1	17.9
(Earning) loss in equity accounted investments	(0.2)	0.1	(1.1)	0.2
Finance cost, net	5.3	5.2	15.8	16.2
Restructuring and other items – net loss	-	-	-	0.5
Income taxes	6.8	9.8	28.4	27.8
Operating income (a non-IFRS measure)	$ 39.3	$ 36.5	$ 139.8	$ 128.3
Less: Corporate expense	(6.1)	(4.4)	(19.1)	(17.9)
Add: Depreciation and amortization	25.6	25.0	76.2	74.0
EBITDA (a non-IFRS measure)	$ 58.8	$ 57.1	$ 196.9	$ 184.4

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)				
	Third Quarter		**Year-to-Date**	
Free Cash Flow from Operations	**2012**	**2011**	**2012**	**2011**
Cash provided by operating activities	$ 50.6	$ 51.8	$ 131.2	$ 122.6
Less: Additions to property, plant and equipment	(25.0)	(14.2)	(68.0)	(68.1)
Add: Proceeds on disposal of property, plant and equipment	0.5	0.3	1.1	1.5
Free Cash Flow from Operations	$ 26.1	$ 37.9	$ 64.3	$ 56.0

Interest Coverage – A measure indicating the relative amount of Operating Income (see definition below) earned by the Company compared to the amount of finance cost incurred by the Company. It is calculated as Operating Income, including discontinued items, less corporate expense, divided by net finance cost on a 12-month rolling basis.

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

(in millions of Canadian dollars)
Interest coverage

	12-month rolling*		Year-to-date				
	October 1 – September 30		December 31		September 30	September 30	September 30
	2012	2011	2011	2010	2012	2011	2010
Operating income (a non-IFRS financial measure) (see definition below)	$ 175.2	$ 158.7	$ 163.7	$ 146.6	$ 139.8	$ 128.3	$ 116.2
Less: Corporate expense	$ 26.0	$ 25.4	$ 24.8	$ 22.2	$ 19.1	$ 17.9	$ 14.7
Operating income less corporate expense	$ 149.2	$ 133.3	$ 138.9	$ 124.4	$ 120.7	$ 110.4	$ 101.5
Net finance cost	$ 21.0	$ 22.2	$ 21.4	$ 25.3	$ 15.8	$ 16.2	$ 19.3
Interest coverage	7.1	6.0					

* 12-month rolling represents December 31st annual results plus the current year's year-to-date results less the prior year's year-to-date results.

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

Operating Income – A measure indicating the profitability of the Company's business units defined as operating 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 income 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 statements of earnings in the industry segmented information as per note 3 of the Company's quarterly financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

Return on Sales	**Sales Third Quarter**		**Operating Income Third Quarter**		**Return on Sales Third Quarter**	
Industry Segments	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Label	$ 250.7	$ 254.4	$ 32.5	$ 32.4	13.0%	12.7%
Container	45.8	43.0	3.7	1.6	8.1%	3.7%
Tube	20.1	19.2	3.1	2.5	15.4%	13.0%
Total Operations	$ 316.6	$ 316.6	$ 39.3	$ 36.5	12.4%	11.5%