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

CCL INDUSTRIES INC.

Interim periods ended March 31, 2013 and 2012
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In thousands of Canadian dollars

	As at March 31 **2013**	As at December 31 **2012**
Assets		
Current assets		
Cash and cash equivalents	$ 189,647	$ 188,972
Trade and other receivables	227,892	191,538
Inventories	96,624	90,194
Prepaid expenses	6,402	6,205
Total current assets	520,565	476,909
Property, plant and equipment	704,040	679,857
Goodwill	355,095	353,350
Deferred tax assets	54,034	54,686
Equity accounted investments	43,573	42,878
Intangible assets	28,509	29,620
Other assets	17,024	16,783
Total non-current assets	1,202,275	1,177,174
Total assets	**$ 1,722,840**	**$ 1,654,083**
Liabilities		
Current liabilities		
Trade and other payables	$ 235,386	$ 226,248
Current portion of long-term debt	85,107	84,701
Income taxes payable	19,884	10,771
Derivative instruments	923	435
Total current liabilities	341,300	322,155
Long-term debt	248,395	244,332
Deferred tax liabilities	107,299	110,607
Employee benefits	85,313	81,082
Provisions and other long-term liabilities	10,308	8,720
Total non-current liabilities	451,315	444,741
Total liabilities	792,615	766,896
Equity		
Share capital	243,960	226,702
Contributed surplus	3,568	9,584
Retained earnings	722,043	697,937
Accumulated other comprehensive loss (note 4)	(39,346)	(47,036)
Total equity attributable to shareholders of the Company	930,225	887,187
Subsequent events (note 8)		
Total liabilities and equity	**$ 1,722,840**	**$ 1,654,083**

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 March 31		
	2013	**2012**	**% Change**
Sales	$ 363,643	$ 341,396	6.5
Cost of sales	267,913	257,620	
Gross profit	95,730	83,776	
Selling, general and administrative	41,307	37,720	
Restructuring and other items (note 6)	1,322	-	
Earnings in equity accounted investments	(377)	(830)	
Results from operating activities	**53,478**	**46,886**	
Finance cost	5,367	5,511	
Finance income	(160)	(308)	
Net finance cost	5,207	5,203	
Earnings before income taxes	**48,271**	**41,683**	15.8
Income tax expense	14,189	11,261	
Net earnings	**$ 34,082**	**$ 30,422**	12.0
Attributable to:			
Shareholders of the Company	$ 34,082	$ 30,422	
Net earnings for the period	**$ 34,082**	**$ 30,422**	
Basic earnings per Class B share	**$ 1.01**	**$ 0.91**	11.0
Diluted earnings per Class B share	**$ 0.99**	**$ 0.89**	11.2

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 March 31	
	2013	**2012**
Net earnings	**$ 34,082**	**$ 30,422**
Other comprehensive income (loss), net of tax:		
Items that may subsequently be reclassified to income:		
Foreign currency translation adjustment for foreign operations, net of tax expense of $604 for the three-months ended March 31, 2013 (2012 - tax recovery of $495)	13,688	4,309
Net gain (loss) on hedges of net investment in foreign operations, net of tax recovery of $847 for the three-months ended March 31, 2013 (2012 - tax expense of $795)	(5,659)	5,462
Effective portion of changes in fair value of cash flow hedges, net of tax recovery of $247 for the three-months ended March 31, 2013 (2012 - tax expense of $218)	(627)	434
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax recovery of $98 for the three-months ended March 31, 2013 (2012 - tax recovery of $72)	288	212
Other comprehensive income, net of tax	**7,690**	**10,417**
Total comprehensive income	**$ 41,772**	**$ 40,839**
Attributable to:		
Shareholders of the Company	$ 41,772	$ 40,839
Total comprehensive income	**$ 41,772**	**$ 40,839**

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

	Three Months Ended March 31 2013	Three Months Ended March 31 2012
Share capital		
Class A shares, beginning of period	$ 4,507	$ 4,517
Class A shares, end of period	4,507	4,517
Class B shares, beginning of period	227,123	223,440
Normal course issuer bid (note 5)	(364)	-
Stock options exercised	13,124	1,792
Class B shares, end of period	239,883	225,232
Executive share purchase plan loans, beginning of period	-	(233)
Repayment of executive share purchase plan loans	-	233
Executive share purchase plan loans, end of period	-	-
Shares held in trust, beginning of period	(4,928)	(9,061)
Shares redeemed from trust	4,500	-
Shares purchased and held in trust	(2)	(46)
Shares held in trust, end of period	(430)	(9,107)
Share capital, end of period	**243,960**	**220,642**
Contributed surplus		
Contributed surplus, beginning of period	9,584	9,421
Stock option expense	519	504
Stock options exercised	(2,037)	(129)
Stock-based compensation plan	(4,498)	577
Contributed surplus, end of period	**3,568**	**10,373**
Retained earnings, beginning of period	697,937	629,469
Net earnings	34,082	30,422
Repurchase of shares	(2,656)	-
Dividends:		
Class A	(480)	(433)
Class B	(6,840)	(6,071)
Total dividends	(7,320)	(6,504)
Retained earnings, end of period	**722,043**	**653,387**
Accumulated other comprehensive loss		
Accumulated other comprehensive loss, beginning of period	(47,036)	(40,673)
Other comprehensive income	7,690	10,417
Accumulated other comprehensive loss, end of period	**(39,346)**	**(30,256)**
Total shareholders' equity, end of period	**$ 930,225**	**$ 854,146**

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 March 31	
	2013	**2012**
Cash provided by (used for)		
Operating activities		
Net earnings	$ 34,082	$ 30,422
Adjustments for:		
Depreciation and amortization	26,633	25,109
Earnings in equity accounted investments, net of dividends received	(377)	(438)
Net finance cost	5,207	5,203
Current income tax expense	16,771	14,386
Deferred taxes	(2,582)	(3,125)
Equity-settled share-based payment transactions	521	1,081
Gain on sale of property, plant and equipment	(135)	(114)
	80,120	72,524
Change in inventories	(6,430)	(3,776)
Change in trade and other receivables	(36,354)	(26,708)
Change in prepaid expenses	(197)	961
Change in trade and other payables	10,978	(2,332)
Change in income taxes payable	701	1,565
Change in employee benefits	4,231	2,586
Change in other assets and liabilities	1,924	607
	54,973	45,427
Net interest paid	(10,065)	(10,332)
Income taxes paid	(8,359)	(4,980)
Cash provided by operating activities	**36,549**	**30,115**
Financing activities		
Repayment of long-term debt	(2,639)	(1,246)
Proceeds from issuance of shares	11,087	1,552
Repayment of executive share purchase plan loans	-	233
Dividends paid	(7,322)	(6,550)
Cash provided by (used for) financing activities	**1,126**	**(6,011)**
Investing activities		
Additions to property, plant and equipment	(39,250)	(23,300)
Proceeds on disposal of property, plant and equipment	241	572
Cash used for investing activities	**(39,009)**	**(22,728)**
Net increase (decrease) in cash and cash equivalents	(1,334)	1,376
Cash and cash equivalents at beginning of period	188,972	140,698
Translation adjustment on cash and cash equivalents	2,009	(150)
Cash and cash equivalents at end of period	**$ 189,647**	**$ 141,924**

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 March 31, 2013, comprise the Company, its subsidiaries and its interest in associates and joint ventures. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels and containers.

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 2012 annual financial statements.

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

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on May 2, 2013.

(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.

(d) Recently adopted accounting policies

Effective January 1, 2013, the Company adopted IFRS 10, Consolidated Financial Statements. The standard requires the Company to change its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that is applicable to all investees; among other things, it requires the consolidation of an investee if the Company controls the investee on the basis of de facto circumstances. In accordance with the transitional provisions of IFRS 10, the Company re-assessed the control conclusion for its investees at January 1, 2013. The Company made no changes as a result of this process in the current or comparative period.

Effective January 1, 2013, the Company adopted IFRS 11, Joint Arrangements. The standard requires the Company to classify its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. In accordance with the transitional provisions of IFRS 11, the Company re-assessed its joint arrangements at January 1, 2013. The Company made no changes as a result of this process in the current or comparative period.

Effective January 1, 2013, the Company adopted IFRS 13, Fair Value Measurement, which provides a single source of guidance on how fair value is measured, replacing the fair value measurement guidance contained in individual IFRSs. The standard defines fair value and establishes a framework for measuring fair value. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. Disclosures required under IFRS 13 for condensed consolidated interim financial statements have been included in Note 7.

Effective January 1, 2013, the Company adopted IAS 19, Employees Benefits. The amendment requires the Company to determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset) at the beginning of the annual period. Previously, interest income on plan assets were based on their long-term expected return. The impact on net assets as at January 1, 2012, December 31, 2012, and the comparative period, March 31, 2012, was nominal.

In thousands of Canadian dollars

3. Segment reporting

The Company has two 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.

Effective January 1, 2013, the Company changed its operating segments to incorporate all the entities previously reported within the Tube segment in the Label segment, to more closely represent the current management structure and reporting. Comparative segment information has been restated to conform with current year presentation.

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. The Label segment also includes the manufacturing of highly decorated extruded tubes for the personal care and cosmetics industry in North America, including Mexico.

- 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.

	Three Months Ended March 31			
	Sales		Operating income	
	2013	2012	2013	2012
Label	$ 312,264	$ 295,250	$ 56,579	$ 50,188
Container	51,379	46,146	5,317	2,416
Total operations	$ 363,643	$ 341,396	61,896	52,604
Corporate expense			(7,473)	(6,548)
Restructuring and other items			(1,322)	-
Earnings in equity accounted investments			377	830
Finance cost			(5,367)	(5,511)
Finance income			160	308
Income tax expense			(14,189)	(11,261)
Net earnings			$ 34,082	$ 30,422

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	March 31 2013	December 31 2012	March 31 2013	December 31 2012	Three Months Ended March 31 2013	2012	Three Months Ended March 31 2013	2012
Label	$ 1,277,235	$ 1,249,677	$ 304,257	$ 290,100	$ 22,883	$ 21,396	$ 38,420	$ 22,593
Container	146,900	104,502	46,562	39,437	3,560	3,503	830	707
Equity accounted investments	43,573	42,878	-	-	-	-	-	-
Corporate	255,132	257,026	441,796	437,359	190	210	-	-
Total	$ 1,722,840	$ 1,654,083	$ 792,615	$ 766,896	$ 26,633	$ 25,109	$ 39,250	$ 23,300

Due to the seasonality of CCL's business, the Company's operating results for the three months ended March 31, 2013, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2013. 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

	March 31 2013	December 31 2012
Unrealized foreign currency translation losses, net of tax expense of $1,164 (2012 – tax expense of $1,407)	$ (38,805)	$ (46,834)
Net change in derivatives designated as cash flow hedges, net of tax recovery of $267 (2012 – tax recovery of $118)	(541)	(202)
	$ (39,346)	$ (47,036)

5. Normal-Course issuer bid

During the first quarter of 2013, 50,000 Class B shares were repurchased for $3.0 million. The excess of the purchase price over the paid-up capital of $0.4 million was charged to retained earnings.

In thousands of Canadian dollars

6. Restructuring and other items

	Three months ended March 31 2013	2012
Label segment restructuring	$ 772	$ -
Acquisition costs	550	-
Total restructuring and other items	$ 1,322	$ -

In 2013, as part of the restructuring of a European plant, the Company recorded restructuring provisions totalling $0.8 million with no tax effect.

In January 2013, the Company announced that it had signed a binding agreement to acquire the Office & Consumer Products and Designed & Engineered Solutions businesses of Avery Dennison Corporation, with an expected closure date of mid-2013. To date, the Company has recorded $0.6 million ($0.4 million, net of tax) in transaction expenses related to the acquisition.

7. Financial instruments

(a) Fair value hierarchy

The table below summarizes financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
March 31, 2013				
Available-for-sale financial assets	$ -	$ 11,006	$ -	$ 11,006
Derivative financial assets	-	-	-	-
	-	11,006	-	11,006
Derivative financial liabilities	-	923	-	923
	$ -	$ 10,083	$ -	$ 10,083
December 31, 2012				
Available-for-sale financial assets	$ -	$ 9,812	$ -	$ 9,812
Derivative financial assets	-	-	-	-
	-	9,812	-	9,812
Derivative financial liabilities	-	435	-	435
	$ -	$ 9,377	$ -	$ 9,377

(b) Fair values versus carrying amounts

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

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

	March 31, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 333,502	$ 377,674	$ 329,033	$ 369,368

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

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

8. Subsequent events

In April 2013, the Company acquired INT Autotechnik GmbH (“INT”), a leading producer of stainless steel and aluminum tread plates for German automotive OEMs. INT based in Munich, recorded sales of approximately $22 million and an adjusted EBITDA of approximately $2 million in 2012. The expected final purchase price, subject to customary closing adjustments, is estimated at approximately $14 million in a combination of cash and assumed debt.

In April 2013, the Company announced the sale of its small wine label manufacturing operation in Stellenbosch, South Africa, to Bidvest Paperplus (Pty) Ltd, a South African public company, for approximately $1.3 million cash.

The Board of Directors has declared a dividend of $0.2150 for the Class B non-voting shares and $0.2025 on the Class A voting shares that will be payable to shareholders of record at the close of business on June 14, 2013, to be paid on June 28, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS
First Quarters Ended March 31, 2013 and 2012

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 first quarters ended March 31, 2013 and 2012. The information in this interim MD&A is current to May 2, 2013, and should be read in conjunction with the Company's March 31, 2013, unaudited first quarter consolidated condensed interim financial statements released on May 2, 2013, and the 2012 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2012 Annual Report, dated February 21, 2013.

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 2013; 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; the Company's expectation to close the announced purchase of the Office & Consumer Products and Designed & Engineered Solutions businesses of Avery Dennison Corporation within the predicted timeframe and expected terms; 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 2012 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.

Effective January 1, 2013, the Company changed its operating segments to incorporate all the entities previously reported within the Tube Segment in the Label Segment, to more closely represent the current management structure and reporting. Comparative segment information has been restated to conform with current year presentation

1. Overview

The first quarter of 2013 was a record quarter for the Company, with all-time best adjusted basic earnings (a non-IFRS financial measure; refer to definition in Section 12) of $1.04 per Class B share; also the tenth consecutive quarter of a year-over-year improvement in earnings per Class B share. The Label Segment posted a solid 12.7% increase in first quarter operating income (a non-IFRS financial measure; refer to definition in Section 12) driven by strong results in emerging markets and improvements in Europe. The Container Segment more than doubled operating income, with all four plants contributing to the improvement, compared to the first quarter of 2012. Consequently, adjusted basic earnings for the Company improved 14.3% to $1.04 per Class B share compared to adjusted basic earnings per share (a non-IFRS financial measure; refer to definition in Section 12) of $0.91 per Class B share in the 2012 first quarter.

2. Review of Consolidated Financial Results

The following acquisitions and joint venture developments affected the financial comparisons to 2012.

- In April 2012, the Company announced the creation of a new wine label joint venture, Acrus-CCL, in Chile. CCL holds a 50% equity investment in the newly established Santiago venture dedicated to the wine industry. In 2012, CCL made equity investments totaling $4.0 million matched by its joint venture partner.

- 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.

- In January 2013, the Company announced that it had signed a binding agreement to acquire the Office & Consumer Products ("OCP") and Designed & Engineered Solutions ("DES") businesses of Avery Dennison Corporation on a debt free basis for US$500 million subject to customary closing adjustments. CCL has arranged committed financing to support this acquisition subject to closing the purchase, which is expected early in the third quarter of 2013. These businesses had combined sales of approximately $910 million in 2012 and significantly expand CCL Label's market reach.

- In March 2013, the Company announced the creation of new plastic tube manufacturing and decorating joint venture, in Bangkok, Thailand. CCL will have a 50% equity interest in the venture equal to its partner Taisei Kako Co., Ltd., a leading Japanese producer of specialty plastic containers. The partners are expected to invest a total of $5.0 million in equity in the upcoming quarters.

Sales for the first quarter of 2013 were $363.6 million, an increase of 6.5% compared to $341.4 million recorded in the first quarter of 2012. The improvement in sales can be attributed to organic growth of 5.6%, and the above noted Graphitype acquisition impact of 0.6% and the 0.3% positive impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $41.3 million for the first quarter of 2013, an increase of 9.5% compared to $37.7 million for the first quarter of 2012. The increase in SG&A of $3.6 million is primarily due to higher costs in the operating segments, augmented by a $1.0 million increase in corporate expense, primarily attributable to an increase in equity-based compensation expense.

The Company recorded an expense of $1.3 million ($1.1 million after tax) in restructuring and other items for the first quarter of 2013. The downsizing of a small label plant in France cost $0.8 million and the Company incurred $0.5 million of transaction costs related the aforementioned acquisition of OCP and DES. There were no expenses for restructuring and other items for the 2012 first quarter.

Operating income (a non-IFRS financial measure; refer to definition in Section 12) for the first quarter of 2013 was $61.9 million, an increase of 17.7% compared to $52.6 million for the first quarter of 2012. For the first quarter of 2013, foreign currency translation had a negligible impact on operating income. For the first quarter of 2013 compared to the same period in 2012, the Label and Container Segments recorded operating income improvement of 12.7% and 120.8%, respectively.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 12) was $81.0 million for the first quarter of 2013, an increase of 13.8% compared to $71.2 million for the first quarter of 2012.

Net finance cost was $5.2 million for the first quarters of 2013 and 2012.

The overall effective income tax rate was 29.2% for the first quarter of 2013 compared to 27.6% for the first quarter of 2012. The increase in the effective tax rate is primarily due to a higher portion of the Company's income being earned in higher tax jurisdictions.

Net earnings for the first quarter of 2013 were $34.1 million, an increase of 12.0% compared to $30.4 million for the first quarter of 2012. This resulted in basic and diluted earnings of $1.01 and $0.99 per Class B share, respectively, in the current quarter compared to basic and diluted earnings of $0.91 and $0.89 per Class B share, respectively, for the prior year first quarter.

Adjusted basic earnings per Class B share (a non-IFRS financial measure – see Section 12) were $1.04 in the first quarter of 2013 compared to $0.91 in the first quarter of 2012.

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)

	First Quarter	
Adjusted Basic Earnings per Class B Share	**2013**	**2012**
Basic earnings	$ 1.01	$ 0.91
Net loss from restructuring and other items	0.03	-
Adjusted basic earnings [1]	$ 1.04	$ 0.91

[1] Adjusted Basic Earnings per Class B Share is a non-IFRS financial measure. Refer to definition in Section 12.

The following is selected financial information for the nine most recently completed quarters.

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

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2013	$ 363.6	$ -	$ -	$ -	$ 363.6
2012	341.4	337.1	316.6	313.5	1,308.6
2011	315.6	318.9	316.7	317.3	1,268.5
Net earnings					
2013	34.1	-	-	-	34.1
2012	30.4	25.9	21.3	19.9	97.5
2011	26.8	21.7	17.2	18.4	84.1
Net earnings per Class B share					
Basic					
2013	1.01	-	-	-	1.01
2012	0.91	0.77	0.64	0.59	2.91
2011	0.81	0.66	0.52	0.55	2.54
Diluted					
2013	0.99	-	-	-	0.99
2012	0.89	0.76	0.63	0.58	2.86
2011	0.80	0.64	0.52	0.54	2.50
Adjusted basic net earnings per Class B share					
2013	1.04	-	-	-	1.04
2012	0.91	0.77	0.64	0.59	2.91
2011	0.82	0.66	0.52	0.57	2.57

3. Business Segment Review

Label Segment

($ millions)	First Quarter		
	2013	**2012**	**+/-**
Sales	$ 312.2	$ 295.3	5.7%
Operating Income [(1)]	$ 56.6	$ 50.2	12.7%
Return on Sales [(1)]	18.1%	17.0%	
Capital Spending	$ 38.4	$ 22.6	69.9%
Depreciation and Amortization	$ 22.8	$ 21.4	6.5%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 12.

Sales for the Label Segment were $312.2 million for the first quarter of 2013, compared to $295.3 million for the same quarter last year. The increase in sales can be attributed to organic growth of 5.0%, the Graphitype acquisition impact of 0.6% and positive impact of 0.1% from foreign currency translation.

North America posted single digit sales gains, compared to an unusually robust first quarter of 2012 which had posted strong double digit gains. The Home & Personal Care business was mixed with strong gains in tubes more than offset by lower revenues in labels; overall sales and profitability declined but returns remained close to the CCL average. The Healthcare & Specialty business posted sales and profitability gains for the quarter against a very strong prior year period, driven by excellent results in the Specialty business supporting agricultural chemical and promotional label customers and excellent results in Canada. Sales to Food and Beverage customers showed significant improvement, with the new Wine and Spirits plant scaling up and much better performance in Sleeves compared to the first quarter of 2012; profitability was held in check by start-up costs at the new plant in Sonoma. Profitability for North America for the first quarter of 2013 was up slightly compared to the very strong results for the same period in 2012.

Sales in **Europe** were up low single digits for the first quarter of 2013, excluding currency translation, compared to the first quarter of 2012. Home & Personal Care local currency sales declined slightly, but profitability improved significantly as operating losses in France reduced and Poland posted much improved performance. Sales in Healthcare & Specialty were flat to the first quarter of 2012; however, profitability improved due to sales mix changes and stronger activity in Scandinavia, and improved performance in the UK and the Netherlands. Results in Food and Beverage were strong on much improved performance in Sleeves in all locations and double digit sales gains in Beverage on export orders to emerging markets. Management decided to downsize the small in-mould label plant in Perigueux, France. Sales and profitability declined for the CCL Design business following soft sales in the European automotive market and delays in new model supply programs. Overall, European operating income increased meaningfully in absolute terms and as a percent of sales, compared to the prior year first quarter.

Latin American operations in the first quarter of 2013 recorded double digit sales and profitability improvement against a weaker prior year period that was also impacted by modest currency devaluation in Mexico. Demand levels improved most notably in Brazil compared to the slow second half of 2012; but the weaker real continued to negatively impact translated results. Despite this, Brazil posted improved profitability as did Mexico; operating margin levels in the region remain above the CCL average.

Asia Pacific delivered strong double digit sales growth for the first quarter of 2013, compared to the first quarter of 2012. China delivered 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. The ASEAN region incurred transition costs to reconfigure for the startup of a third plant in Thailand in the second quarter of this year; profitability declined slightly compared to a very strong prior year period that included a one-time boost from the 2011 flood recovery in Bangkok. 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 first quarter of 2012. Overall the Asia Pacific region improved profitability, driven by the aforementioned gains in China and Australia, partially offset by a loss at the South African operation for the 2013 first quarter.

Operating income for the first quarter of 2013 improved 12.7% to $56.6 million, compared to $50.2 million for the first quarter of 2012. Operating income as a percentage of sales at 18.1% was a record for the Label Segment and a significant improvement compared to 17.0% recorded for the same period in 2012.

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 first quarter of 2013 improved although the operation posted a small operating loss due to the start-up of the Novosibirsk operation. Pacman-CCL contributed significantly to overall earnings for the 2013 first quarter; however, these results were partially offset by the expected start-up costs of Acrus-CCL. Earnings in equity accounted investments amounted to $0.4 million for the 2013 first quarter compared to $0.8 million for the 2012 first 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 solid in aggregate in the second quarter. Management continues to watch the global economic situation closely along with associated volatility in foreign exchange rates.

The Label Segment invested $38.4 million in capital spending in the first quarter 2013, compared to $22.6 million in the same period in 2012. This investment, although higher than usual in the first quarter, is in line with the Company's planned expenditures for 2013. The major expenditures in the quarter were related to global equipment installations to support the Home & Personal Care business and expansion in the Wine & Spirits sector businesses. 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 $22.8 million for the first quarter of 2013, compared to $21.4 million for the first quarter of 2012.

Container Segment

($ millions)	First Quarter				
		2013		**2012**	**+/-**
Sales	$	51.4	$	46.1	11.5%
Operating Income [(1)]	$	5.3	$	2.4	120.8%
Return on Sales [(1)]		10.3%		5.2%	
Capital Spending	$	0.8	$	0.7	14.3%
Depreciation and Amortization	$	3.6	$	3.5	2.9%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 12.

Sales for the Container Segment in the 2013 first quarter were $51.4 million, an improvement of 11.5% compared to $46.1 million in the first quarter of 2012 driven by strong aerosol container volume, particularly the return of peak sun care demand to the first quarter of the year. The Container Segment posted operating income of $5.3 million, more than double the $2.4 million of operating income posted for the prior year first quarter. Strong operational performance at all four facilities drove increased operating efficiencies, a reduction of scrap and a much improved 10.3% return on sales for the quarter compared to 5.2% for the first quarter of 2012.

The Container Segment invested $0.8 million and $0.7 million in capital spending for the first three months of 2013 and 2012, respectively. All of the 2013 expenditures were maintenance capital in nature. Depreciation and amortization for the Container Segment was $3.6 million for the first quarter of 2013 compared to $3.5 million for the comparable period of 2012.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 24% and 3% of its expected 2013 and 2014 requirements, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,934 to US$2,376 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 first quarter of 2013 ranged from US$1,800 to US$2,200 per metric ton compared to US$2,000 to US$2,300 in the first quarter of 2012.

4. Currency Transaction Hedging and Currency Translation

Approximately 95% of sales made in the first three months of 2013 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 first quarter of 2013 were most impacted by the positive effect of the 0.7% and 1.4% appreciation of the U.S. dollar and euro, respectively, partially offset by a 10.9% depreciation of the Brazilian real when comparing the rates in the first quarters of 2013 and 2012, relative to the Canadian dollar. For the first quarter of 2013, currency translation had a negligible impact on earnings per share compared to last year's first quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions, except per share data)	March 31, 2013	December 31, 2012	March 31, 2012
Current debt	$ 85.1	$ 84.7	$ 19.3
Long-term debt	248.4	244.3	327.0
Total debt	$ 333.5	$ 329.0	$ 346.3
Cash and cash equivalents	(189.6)	(189.0)	(141.9)
Net debt [1]	$ 143.9	$ 140.0	$ 204.4
Shareholders' equity	930.2	$ 887.2	$ 854.1
Net debt to total book capitalization [1]	13.4%	13.6%	19.3%
Book value per share [1]	$ 27.25	$ 26.35	$ 25.51

(1) Net Debt, Net Debt to Total Book Capitalization and Book Value per Share are non-IFRS financial measures. Refer to definitions in Section 12.

The Company continues to strengthen its solid financial position. As of March 31, 2013, cash and cash equivalents amounted to $189.6 million, an increase of $47.7 million compared to $141.9 million at March 31, 2012. 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 12) was $143.9 million at March 31, 2013, $60.5 million lower than the net debt of $204.4 million at March 31, 2012.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 12) at March 31, 2013, was 13.4%, down from 19.3% at the end of March 2012. Book value per share (a non-IFRS financial measure; refer to definition in Section 12) was $27.25 at March 31, 2013, 6.8% higher compared to $25.51 at March 31, 2012.

The Company's debt structure at March 31, 2013 was primarily comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US$319.0 million (C$324.1 million) and a four-year revolving line of credit of $200.0 million. As at March 31, 2013, the credit line was unused other than for letters of credit of $3.9 million. This debt structure had not changed from December 31, 2012.

The Company's overall average finance rate was 6.2% for the first quarter of 2013, compared to 6.1% for the first quarter of 2012.

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.

In conjunction with the signing of the binding agreement to acquire the Office & Consumer Products and Designed & Engineered Solutions businesses of Avery Dennison Corporation, CCL has arranged $700 million of committed financing to support the acquisition subject to closing the purchase.

6. Cash Flow

Summary of Cash Flows	**First Quarter 2013**	**2012**
Cash provided by operating activities	$ 36.5	$ 30.1
Cash provided by (used for) financing activities	1.1	(6.0)
Cash used for investing activities	(39.0)	(22.7)
Translation adjustments on cash and cash equivalents	2.0	(0.2)
Increase in cash and cash equivalents	$ 0.6	$ 1.2
Cash and cash equivalents – end of period	$ 189.6	$ 141.9
Free cash flow from operations [1]	$ (2.5)	$ 7.4

[1] Free Cash Flow from Operations is non-IFRS financial measure. Refer to definition in Section 12.

During the first quarters of 2013 and 2012, the Company generated cash from operating activities of $36.5 million and $30.1 million, respectively. The increase in operating cash flow was primarily due to the improvement in net earnings.

The Company spent $2.5 million in excess of the free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 12) for the 2013 first quarter compared to generating $7.4 million in the prior year quarter. This is primarily attributable to higher capital expenditures in the quarter compared to the 2012 first quarter.

Capital spending in the first quarter of 2013 amounted to $39.2 million compared to $23.3 million in the 2012 first quarter. Depreciation and amortization for the first quarters of 2013 and 2012 were $26.6 million and $25.1 million, respectively. Plans for capital spending in 2013 are expected to be between $85.0 and $95.0 million 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 first quarters of 2013 and 2012 were $7.3 million and $6.6 million, respectively. The total number of shares issued and outstanding as at March 31, 2013 and 2012, were 34.1 million and 33.8 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2013 continues to be positive, the Board of Directors has approved a continuation of the dividend declared in February 2013 of $0.2025 per Class A share and $0.2150 per Class B share to shareholders of record as of June 14, 2013, and payable on June 28, 2013. The annualized dividend rate is $0.81 per Class A share and $0.86 per Class B share.

On March 21, 2013, the Company announced a share repurchase program under a normal course issuer bid to purchase up to 2.1 million Class B non-voting shares, approximately 8.3% of the public float. As of March 31, 2013, the Company had repurchased 50,000 Class B shares for cancellation.

7. Accounting Policies

A) Critical Accounting Estimates

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

The 2012 annual audited consolidated financial statements and notes thereto, as well as the 2012 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 three months ended March 31, 2013, there are no changes to the critical accounting policies and estimates from those described in the 2012 annual MD&A.

B) Inter-Company and Related Party Transactions

The Company has entered into a number of agreements with its subsidiaries that govern the management and commercial and cost-sharing arrangements with and among the subsidiaries. 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 27 of the annual consolidated financial statements for the year ended December 31, 2012.

8. 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 26 of the annual consolidated financial statements for the year ended December 31, 2012. There are no defined benefit plans funded with CCL stock.

The Company has had no material changes in contractual obligations in the first quarter of 2013.

9. Controls and Procedures

There were no material changes in internal control over financial reporting in the three months ended March 31, 2013.

10. Risks and Strategies

The 2012 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2013 and beyond. There have been no material changes to those risks and strategies during the first three months of 2013.

11. Outlook

CCL posted record adjusted basic earnings of $1.04 per Class B share in the first quarter of 2013, driven by strong performance at both the Label and Container Segments. The Company finished the quarter with significant cash on hand of $190 million, unused credit lines of $196 million and access to additional committed liquidity to support its growth strategy. Furthermore the Company remains confident about its ability to deliver the solid results and cash flows from its operations required to augment this growth strategy including the financing of investment opportunities that will expand geographic, market segment reach and technological capabilities. The Company's expectation for capital spending for the year is in the $85 million to $95 million range compared to depreciation of approximately $100 million.

Order intake for the first quarter in the Label Segment was very solid. While management continues to see only low growth opportunities in developed economies, the outlook for emerging markets remains strong. Foreign currency has moved slightly positive in the first quarter 2013 and this could progressively improve over the year if current levels of the Canadian dollar prevail or weaken. Input costs remain stable with limited inflationary pressures.

Comparisons for the Container Segment will be more challenging in the coming quarter due to the delay in the peak sun care season in 2012 to the second quarter when SPF consumer indicators required regulatory change. Notwithstanding, management expects results for the full year of 2013 to show progress based on many operational initiatives.

The Company is cautiously optimistic about the outlook for the remainder of the year despite continuing signs of economic uncertainty in North America and Europe. 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. The Company's new start up joint venture in Thailand to support the growth of the Home & Personal Care operation in highly decorated tubes will not trade in 2013 but the recently announced acquisition of INT Autotechnik in Germany is expected to be immediately accretive.

Finally, as an update to the previously announced acquisition of the OCP and DES businesses from Avery Dennison Corporation, the parties have received the required regulatory approvals in all significant jurisdictions to complete the transaction. With that, CCL's management team has stepped up transition initiatives that will facilitate straightforward integration into the CCL operating environment by early third quarter 2013.

12. 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 March 31st	**2013**	**2012**
Total shareholders' equity, end of period	$ 930.2	$ 854.1
Number of shares issued and outstanding, end of period (000's)	34,143	33,751
Less: Shares held in trust	(11)	(272)
Total adjusted number of shares issued (000's)	34,132	33,479
Book value per share	$ 27.25	$ 25.51

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)				
		First Quarter		
EBITDA (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items)		**2013**		**2012**
Net earnings	$	34.1	$	30.4
Corporate expense		7.5		6.5
Earning in equity accounted investments		(0.4)		(0.8)
Finance cost, net		5.2		5.2
Restructuring and other items – net loss		1.3		-
Income taxes		14.2		11.3
Operating income (a non-IFRS measure)	$	61.9	$	52.6
Less: Corporate expense		(7.5)		(6.5)
Add: Depreciation and amortization		26.6		25.1
EBITDA (a non-IFRS measure)	$	81.0	$	71.2

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

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

(in millions of Canadian dollars)

Free Cash Flow from Operations	First Quarter 2013	First Quarter 2012
Cash provided by operating activities	$ 36.5	$ 30.1
Less: Additions to property, plant and equipment	(39.2)	(23.3)
Add: Proceeds on disposal of property, plant and equipment	0.2	0.6
Free Cash Flow from Operations	$ (2.5)	$ 7.4

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				
	April 1 – March 31 2013	April 1 – March 31 2012	December 31 2012	December 31 2011	March 31 2013	March 31 2012	March 31 2011
Operating income (a non-IFRS financial measure; see definition below)	$ 187.7	$ 167.6	$ 178.4	$ 163.7	$ 61.9	$ 52.6	$ 48.7
Less: Corporate expense	$ 27.4	$ 25.0	$ 26.4	$ 24.8	$ 7.5	$ 6.5	$ 6.3
Operating income less corporate expense	$ 160.3	$ 142.6	$ 152.0	$ 138.9	$ 54.4	$ 46.1	$ 42.4
Net finance cost	$ 20.9	$ 20.9	$ 20.9	$ 21.4	$ 5.2	$ 5.2	$ 5.7
Interest coverage	7.7	6.8					

* 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 income statements in the industry segment information as per note 3 of the Company's consolidated interim financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

Return on Sales	**Sales First Quarter**		**Operating Income First Quarter**		**Return on Sales First Quarter**	
Industry Segments	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Label	$ 312.2	$ 295.3	$ 56.6	$ 50.2	18.1%	17.0%
Container	51.4	46.1	5.3	2.4	10.3%	5.2%
Total Operations	$ 363.6	$ 341.4	$ 61.9	$ 52.6	17.0%	15.4%