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

CCL INDUSTRIES INC.

Interim periods ended September 30, 2013 and 2012 Unaudited

Consolidated condensed interim statements of financial position Unaudited

In thousands of Canadian dollars

	As at	September 30 2013	As at December 31 <u>2012</u>
Assets		2013	2012
Current assets			
Cash and cash equivalents	\$	260,051	\$ 188,972
Trade and other receivables	÷	384,820	191,538
Inventories		181,531	90,194
Prepaid expenses		14,752	6,205
Income tax recoverable		815	- -
Total current assets		841,969	476,909
Property, plant and equipment		830,507	679,857
Goodwill		460,814	353,350
Intangible assets		206,297	29,620
Deferred tax assets		67,625	54,686
Equity accounted investments		45,552	42,878
Other assets		22,259	16,783
Total non-current assets		1,633,054	1,177,174
Total assets	\$	2,475,023	\$ 1,654,083
Liabilities Current liabilities			
Trade and other payables	\$	431,711	\$ 226,248
Current portion of long-term debt	•	46,811	84,701
Income taxes payable		31,126	10,771
Derivative instruments (note 8)		645	435
Total current liabilities		510,293	322,155
Long-term debt (note 5)		758,664	244,332
Deferred tax liabilities		114,563	110,607
Employee benefits		97,178	81,082
Provisions and other long-term liabilities		23,236	8,720
Derivative instruments (note 8)		769	-
Total non-current liabilities		994,410	444,741
Total liabilities		1,504,703	766,896
Equity			
Share capital		236,739	226,702
Contributed surplus		6,254	9,584
Retained earnings		757,307	697,937
Accumulated other comprehensive loss (note 6)		(29,980)	(47,036)
Total equity attributable to shareholders of the Company		970,320	887,187
Acquisitions (note 3)			
Subsequent events (note 9)			
Total liabilities and equity	\$	2,475,023	\$ 1,654,083

Consolidated condensed interim income statements Unaudited

In thousands of Canadian dollars, except per share data

	Three Months I	Ended Septem		<u>Nine Month</u>	is Ei	nded Septemi	
	2013	2012	% <u>Change</u>	2013		2012	% <u>Change</u>
	2010	2012	onange	2010		2012	onange
Sales	\$ 606,646 \$	316,643	91.6	\$ 1,331,703	\$	995,101	33.8
Cost of sales	461,371	242,674		1,001,462		753,661	
Gross profit	145,275	73,969		330,241		241,440	
Selling, general and administrative	86,781	40,703		174,018		120,688	
Restructuring and other items (note 7)	18,290	-		21,044		-	
Earnings in equity accounted investments	(470)	(219)		(1,092)		(1,073)	
	40,674	33,485		136,271		121,825	
Finance cost	7,866	5,510		19,299		16,534	
Finance income	(121)	(198)		(447)		(769)	
Net finance cost	7,745	5,312		18,852		15,765	
Earnings before income taxes	32,929	28,173	16.9	117,419		106,060	10.7
Income tax expense	9,384	6,869		33,354		28,468	
Net earnings	\$ 23,545 \$	21,304	10.5	\$ 84,065	\$	77,592	8.3
Attributable to:							
Shareholders of the Company	\$ 23,545 \$	21,304		\$ 84,065	\$	77,592	
Net earnings for the period	\$ 23,545 \$	21,304		\$ 84,065	\$	77,592	
Basic earnings per Class B share	\$ 0.68 \$	0.64	6.3	\$ 2.46	\$	2.32	6.0
Diluted earnings per Class B share	\$ 0.67 \$	0.63	6.3	\$ 2.42	\$	2.28	6.1

Consolidated condensed interim statements of comprehensive income Unaudited

In thousands of Canadian dollars

	т	hree Mon Septen			Nine Mon Septen	
		<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
Net earnings	\$	23,545	\$ 21,304	\$	84,065	\$ 77,592
Other comprehensive income (loss), net of tax:						
Items that may subsequently be reclassified to income:						
Foreign currency translation adjustment for foreign operations, net of tax recovery of \$1,498 and \$245 for the three-month and nine-month periods ending September 30, 2013 (2012 - tax recovery of \$593 and \$701)		(12,025)	(24,194)		21,377	(32,936)
Net gains (losses) on hedges of net investment in foreign operations, net of tax expense of \$1,732 and recovery of \$557 for the three-month and nine-month periods ending September 30, 2013 (2012 - tax expense of \$1,452 and \$1,424)		10,938	9,721		(4,175)	9,571
Effective portion of changes in fair value of cash flow hedges, net of tax expense of \$101 and recovery of \$384 for the three-month and nine-month periods ending September 30, 2013 (2012 - tax expense of \$258 and \$125)		163	528		(1,091)	94
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax recovery of \$94 and \$320 for the three-month and nine-month periods ending September 30, 2013 (2012 - tax recovery of \$85 and \$265)		278	252		945	784
Other comprehensive income (loss), net of tax		(646)	(13,693)		17,056	(22,487)
Total comprehensive income	\$	22,899	\$ 7,611	\$	101,121	\$ 55,105
Attributable to:						
Shareholders of the Company	\$	22,899	\$ 7,611	\$	101,121	\$ 55,105
Total comprehensive income	\$	22,899	\$ 7,611		101,121	\$ 55,105

Consolidated condensed interim statements of changes in equity Unaudited

In thousands of Canadian dollars

	Nine Mon Septen <u>2013</u>	
Share capital	2010	2012
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	(364)	-
Stock options exercised	19,588	2,406
Class B shares, end of period	246,347	225,846
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	(13,687)	(159)
Shares held in trust, end of period	(14,115)	(9,220)
Share capital, end of period	236,739	221,143
Contributed surplus Contributed surplus, beginning of period	9,584	9,421
Stock option expense	9,564 1,558	1,327
Stock option expense Stock options exercised	(3,051)	(353)
Stock-based compensation plan	(1,837)	(333)
Book value of minority interest over purchase price	(1,007)	568
Contributed surplus, end of period	6,254	12,713
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Retained earnings, beginning of period	697,937	629,469
Net earnings	84,065	77,592
Repurchase of shares	(2,656)	-
Dividends:		
Class A	(1,439)	(1,300)
Class B	(20,600)	(18,198)
Total dividends	(22,039)	(19,498)
Retained earnings, end of period	757,307	687,563
Accumulated other comprehensive loss		
Accumulated other comprehensive loss, beginning of period	(47,036)	(40,673)
Other comprehensive income (loss)	17,056	(22,487)
Accumulated other comprehensive loss, end of period	(29,980)	(63,160)
Total shareholders' equity, end of period	\$ 970,320	\$ 858,259
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See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

Consolidated condensed interim statements of cash flows Unaudited

In thousands of Canadian dollars

	Three Mor Septen		Nine Mon Septer	
	2013	2012	2013	2012
Cash provided by (used for)				
Operating activities				
Net earnings	\$ 23,545	\$ 21,304	\$ 84,065	\$ 77,592
Adjustments for:				
Depreciation and amortization	32,563	25,600	86,568	76,176
Earnings in equity accounted investments,				
net of dividends received	(470)	164	1,460	119
Net finance cost	7,745	5,312	18,852	15,765
Current income tax expense	23,215	9,841	48,699	35,702
Deferred taxes	(13,831)	(2,972)	(15,345)	(7,234
Equity-settled share-based payment transactions	3,177	1,005	4,221	3,076
Gain on sale of property, plant and equipment	(25)	(1)	(343)	(103
	75,919	60,253	228,177	201,093
Change in inventories	51,109	8	33,781	144
Change in trade and other receivables	8,590	5,394	(32,030)	(19,832
Change in prepaid expenses	2,717	713	(1,512)	(3,057
Change in trade and other payables	25,697	3,025	52,302	(4,099
Change in income taxes receivable and payable	4,590	727	5,107	3,581
Change in employee benefits	9,569	(369)	16,096	3,867
Change in other assets and liabilities	2,370	203	(15,939)	(4,060
	180,561	69,954	285,982	177,637
Net interest paid	(12,778)	(10,384)	(22,856)	(21,102
Income taxes paid	(12,853)	(8,930)	(34,318)	(25,336
Cash provided by operating activities	154,930	50,640	228,808	131,199
Financing activities				
Proceeds on issuance of debt	88,506	79	565,426	101
Repayment of debt	(93,972)	(10,940)	(98,573)	(14,228
Proceeds from issuance of shares	-	185	16,537	2,053
Repayment of executive share purchase plan loans	-	-	-	233
Purchase of shares held in trust	(13,680)	-	(13,680)	-
Repurchase of shares	-	-	(3,018)	-
Dividends paid	(7,363)	(6,554)	(22,046)	(19,658
Cash provided by (used for) financing activities	(26,509)	(17,230)	444,646	(31,499
Investing activities				
Additions to property, plant and equipment	(22,667)	(25,031)	(85,849)	(67,998
Proceeds on disposal of property, plant and equipment	49	491	1,907	1,102
Business acquisitions and other long-term investments (note 3)	(514,308)	(7,615)	(525,970)	(9,633
Cash used for investing activities	(536,926)	(32,155)	(609,912)	(76,529
Net increase (decrease) in cash and cash equivalents	(408,505)	1,255	63,542	23,171
Cash and cash equivalents at beginning of period	683,905	162,332	188,972	140,698
Translation adjustment on cash and cash equivalents	(15,349)	(4,041)	7,537	(4,323
Cash and cash equivalents at end of period	\$ 260,051	\$ 159,546	\$ 260,051	\$ 159,546

Notes to consolidated condensed interim financial statements Unaudited

In thousands of Canadian dollars

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, 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, containers and office and consumer products.

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 November 11, 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

These consolidated condensed interim financial statements include the financial results of the acquired Office and Consumer Products ("OCP") and Designed and Engineered Solutions ("DES") businesses of Avery Dennison Corporation ("OCP" and "DES" collectively referred to as the "Acquired Businesses") for the period beginning July 1, 2013, to September 30, 2013, and as at September 30, 2013 (note 3).

(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 consolidated condensed interim financial statements have been included in note 8.

Effective January 1, 2013, the Company adopted IAS 19, Employee 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, September 30, 2012, was nominal.

3. Acquisitions

On July 1, 2013, the Company completed the acquisition of the Acquired Businesses. OCP manufactures and sells various office and consumer products, including labels, binders, dividers, sheet protectors and writing instruments. DES is focused on developing and manufacturing high-performance pressure sensitive materials, films and adhesive product solutions for a broad range of applications in consumer packaging, electronics, retail display, automotive and appliance, and specialty industrial markets. The acquisition expands the Company's product offerings and enhances its existing business.

Total consideration for the Acquired Businesses was US\$486.6 million (\$511.8 million) paid in cash.

Notes to consolidated condensed interim financial statements (continued) Unaudited

In thousands of Canadian dollars

3. Acquisitions (continued)

The following table summarizes the preliminary allocation of the consideration to the fair value of the assets acquired and liabilities assumed on July 1, 2013:

Cash consideration (in millions of Canadian dollars)	\$ 511.8
Trade and other receivables	\$ 157.8
Inventories	121.1
Other current assets	7.0
Property, plant and equipment	133.3
Other long-term assets	7.9
Goodwill and intangible assets	265.0
Trade and other payables	(151.5)
Other long-term liabilities	(28.8)
Net assets acquired	\$ 511.8

The determination of the fair value of assets and liabilities acquired is based upon preliminary estimates and assumptions as the Company continues to collect information. The Company will continue to review information prior to finalizing the fair value of the assets acquired and liabilities assumed. The actual fair values of the assets acquired and liabilities assumed may differ from the amounts noted above.

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies from the acquisition, the expertise of the assembled workforce and cost saving opportunities in the delivery of certain shared administrative and other services.

The Acquired Businesses contributed sales of \$257.0 million and earnings before income taxes, net finance costs, earnings in equity accounted investments and restructuring and other items of \$23.8 million since the date of acquisition.

Pro Forma Information

The unaudited pro forma consolidated financial information below has been prepared following the accounting policies of the Company as if the acquisition took place January 1, 2013.

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

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

The following table summarizes the sales and earnings of the Company combined with the Acquired Businesses as though the acquisition took place on January 1, 2013:

	Nine months ended eptember 30, 2013
Sales	\$ 1,720,103
Net Earnings	\$ 77,465

4. 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.

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.

Notes to consolidated condensed interim financial statements (continued) Unaudited

In thousands of Canadian dollars

4. Segment reporting (continued)

- Avery Includes the manufacturing and selling of various office and consumer products, including labels, binders, dividers, sheet protectors and writing instruments in North America, Latin America, Asia Pacific and Europe.
- 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 September 30								Nine Months Ended September 30									
		Sales				Operatin	come		Sa	les			Operating income					
		2013		<u>2012</u>		<u>2013</u>	<u>2013</u> <u>2012</u>			<u>2013</u>		2012		2013		2012		
Label	\$	360,369	\$	270,831	\$	48,708	\$	35,598	\$	982,524	\$	855,028	\$	150,285	\$	129,406		
Avery		201,790		-		16,222		-		201,790		-		16,222		-		
Container		44,487		45,812		2,898		3,747		147,389		140,073		13,448		10,430		
Total operations	\$	606,646	\$	316,643	_	67,828		39,345	\$	1,331,703	\$	995,101	_	179,955		139,836		
													-					
Corporate expense						(9,334)		(6,079)						(23,732)		(19,084)		
Restructuring and other items						(18,290)		-						(21,044)		-		
Earnings in equity accounted investments						470		219						1,092		1,073		
Finance cost						(7,866)		(5,510)						(19,299)		(16,534)		
Finance income						121		198						447		769		
Income tax expense						(9,384)		(6,869)						(33,354)		(28,468)		
Net earnings					\$	23,545	\$	21,304					\$	84,065	\$	77,592		

					Depreciation and																					
		Total .	Asse	<u>ets</u>		Total Liabilities				Amorti	zati	on	Capital Expenditures													
	Se	eptember 30	D	ecember 31	Se	eptember 30	De	ecember 31	Ni	ine Months En	ded	September	r Nine Months Ended Septem													
		<u>2013</u>		<u>2012</u>		<u>2013</u> <u>2012</u>		<u>2012</u>	<u>2013</u>		<u>2013</u>		<u>2013</u>		<u>2013</u>		<u>2013</u>		<u>2013</u>			<u>2012</u>		<u>2013</u>		<u>2012</u>
Label	\$	1,552,023	\$	1,249,677	\$	363,652	\$	290,100	\$	72,202	\$	65,310	\$	77,034	\$	64,818										
Avery		371,179		-		179,131		-		3,161		-		3,770		-										
Container		141,540		104,502		45,591		39,437		10,602		10,233		4,998		3,178										
Equity accounted investments		45,552		42,878		-		-		-		-		-		-										
Corporate		364,729		257,026		916,329		437,359		603		633		47		2										
Total	\$	2,475,023	\$	1,654,083	\$	1,504,703	\$	766,896	\$	86,568	\$	76,176	\$	85,849	\$	67,998										

Due to the seasonality of CCL's business, the Company's operating results for the nine months ended September 30, 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 for the Label and Container Segments as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of the year. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America.

5. Long-term debt

In July 2013, subsequent to the completion of the acquisition, the Company entered into a new syndicated \$400.0 million non-revolving and \$300.0 million revolving facility that replaced the pre-existing bilateral credit facility. Amounts drawn on the revolving facility are due in full at maturity on June 30, 2017. The non-revolving facility has scheduled quarterly repayments of \$10.0 million until maturity, with the remaining balance due at maturity on June 30, 2017.

As at September 30, 2013, US\$158.1 million (libor plus 1.5%) was drawn under the revolving portion of the syndicated credit facility; US\$210.2 million (libor plus 1.5%) and EUR61.6 million (euribor plus 1.5%) was drawn under the term portion of the syndicated credit facility. A further US\$80.0 million was also drawn under the term portion of the syndicated credit facility; however, the libor rate on this US\$80.0 million was swapped into a fixed rate of 1.047% in mid-September 2013 for a term of three years. The syndicated credit facility spread, currently 1.5%, will continue to be paid on this swapped debt.

During the third quarter of 2013, scheduled principal payments of US\$80.0 million was repaid on the private debt placements.

6. Accumulated other comprehensive loss

	Se	ptember 30	De	cember 31
		2013		2012
Unrealized foreign currency translation losses, net of tax expense of \$605 (2012 – tax expense of \$1,407)	\$	(29,632)	\$	(46,834)
Net change in derivatives designated as cash flow hedges, net of tax recovery of \$182 (2012 – tax recovery of \$118)		(348)		(202)
	\$	(29,980)	\$	(47,036)

Notes to consolidated condensed interim financial statements (continued) Unaudited

In thousands of Canadian dollars

7.	Restructuring and other items	Three months ended September 30						Nine months ende September 30		
		<u>2013</u> <u>2012</u>			<u>2013</u>			<u>2012</u>		
	Label Segment restructuring	\$	-	\$	-	\$	773	\$	-	
	Acquisition restructuring		16,527		-		16,527		-	
	Acquisition costs		1,763		-		3,744		-	
	Total restructuring and other items	\$	18,290	\$	-	\$	21,044	\$	-	

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

To date, the Company has recorded \$3.7 million (\$2.4 million, net of tax) in transaction costs and \$16.5 million (\$11.2 million, net of tax) in restructuring costs related to the purchase of the Acquired Businesses.

8. Financial instruments

(a) Fair value hierarchy

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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	3	Total
September 30, 2013						
Available-for-sale financial assets	\$ -	\$	12,079	\$ -	\$	12,079
Derivative financial liabilities	-		1,414	-		1,414
	\$ -	\$	10,665	\$ -	\$	10,665
December 31, 2012						
Available-for-sale 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:

	September 3	0, 2013	December 31	1, 2012
	 Amount	Fair Value	Amount	Fair Value
Long-term debt	\$ 805,475 \$	838,731 \$	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.

9. Subsequent events

In October 2013, the Company announced plans to permanently close its Avery North American supply chain operations in Chicopee and Holliston, Massachusetts, commencing February 1, 2014, and completing before the end of that year. Costs of approximately \$6.0 million will be recorded in the fourth quarter of 2013 related to this closure.

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 December 12, 2013, to be paid on December 20, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS Third Quarters Ended September 30, 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 third quarters ended September 30, 2013 and 2012. The information in this interim MD&A is current to November 11, 2013, and should be read in conjunction with the Company's September 30, 2013, unaudited third quarter consolidated condensed interim financial statements released on November 11, 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 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 aftereffects 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 effectively integrate and operate the acquired Office & Consumer Products

("OCP") and Designed & Engineered Solutions ("DES") businesses of Avery Dennison Corporation; the Company's estimated restructuring charges and expected range of synergies; the Company's ability to stabilize OCP revenue; the Company's expectation that there will be no further non-cash acquisition accounting adjustment related to the finished goods inventory for OCP and DES; the Company's expectation that the DES business should continue to benefit from a strong North American automotive market; the Company's expectation of profitable returns from its expansion initiatives; the Company's expectation for strong cash flow from the business; the Company's expected order intake levels; 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 to the current year presentation.

1. Overview

The third quarter of 2013 was a record quarter for CCL, reflecting solid performance in our core CCL businesses, coupled with the successful July 1, 2013 acquisition and operation of the Office & Consumer Products ("OCP") and Designed & Engineered Solutions ("DES") businesses from Avery Dennison Corporation. The Label Segment posted a 33.1% improvement in sales and a 36.8% improvement in operating income, (a non-IFRS financial measure; refer to definition in Section 13) resulting from the aforementioned acquisition of DES. Strong results in emerging markets and continued improvement in Europe propelled the legacy operations within the Label segment compared to the third quarter of 2012. The new Avery Segment, which represents the acquired OCP business, benefited from the anticipated North American "back-to-school" seasonal surge in the third quarter. The Container Segment posted a solid quarter, albeit behind a comparably strong period in 2012. Accordingly, adjusted basic earnings (a non-IFRS financial measure; refer to definition in Section 13) for the Company improved 115.6% to \$1.38 per Class B share compared to adjusted basic earnings per Class B share of \$0.64 in the 2012 third 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 March 2013, the Company announced the creation of a 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 have invested a total of \$5.0 million in equity to date.
- In April 2013, the Company acquired INT Autotechnik GmbH ("INT"), based in Munich, Germany. INT is a leading supplier to German automotive original equipment manufacturers alongside CCL Design, the Company's existing business in Solingen. The purchase price was approximately \$14.0 million in a combination of cash and assumed debt.
- On July 1, 2013, the Company acquired the OCP and DES businesses of Avery Dennison Corporation. The Company paid, on a debt free basis, US\$487.0 million after the completion of the customary closing adjustments. These businesses had combined sales of approximately US\$910.0 million in 2012 and significantly expanded CCL Label's market reach.

Sales for the third quarter of 2013 were \$606.6 million, an increase of 91.6% compared to \$316.6 million recorded in the third quarter of 2012. The increase in sales can be attributed to organic growth of 3.3%, an 83.8% impact from the above noted acquisitions of Graphitype, INT, OCP and DES and a 4.5% positive impact from foreign currency translation. For the nine-month period ended September 30, 2013, sales were \$1,331.7 million, an increase of 33.8% compared to \$995.1 million recorded in the same period of 2012. The nine-month improvement in sales can be attributed to organic growth of 4.0%, a 27.7% impact of the aforementioned acquisitions and a 2.1% positive impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were \$86.8 million for the third quarter of 2013 compared to \$40.7 million for the third quarter of 2012. For the nine months ended September 30, 2013, SG&A were \$174.0 million compared to \$120.7 million for the 2012 nine-month period. The acquisition of OCP and DES accounted for the majority of increase in SG&A expenses for the three-month and nine-month results.

The Company recorded restructuring and other items (a non-IFRS financial measure; refer to definition in Section 13) of \$18.3 million (\$12.3 million after tax) in the third quarter of 2013 for severance, transaction and other costs associated with the acquisition and re-organization of OCP and DES. For the nine-month period ending September 30, 2013, the Company recorded \$21.0 million (\$14.4 million after tax) in

restructuring and other items. The downsizing of a small label plant in France cost \$0.8 million (\$0.8 million after tax) and the Company incurred \$20.2 million (\$13.6 million after tax) of severance, transaction and other costs related to the aforementioned acquisition of OCP and DES. There were no expenses for restructuring and other items for the 2012 nine-month period.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third guarter of 2013 was \$67.8 million, compared to \$39.3 million for the third quarter of 2012. Excluding a \$16.7 million non-cash acquisition accounting adjustment to finished goods inventory for the acquired OCP and DES businesses, operating income improved 115.0% to \$84.5 million. For the third guarter of 2013 compared to the same period in 2012, the legacy CCL Label and Container Segments recorded a combined 11.9% improvement in operating income. The acquired DES business, now included in the Label segment, excluding its \$2.1 million share of the non-cash acquisition accounting adjustment to finished goods inventory, generated a higher than expected level of operating income for the third guarter of 2013. The Avery Segment, which represents the acquired OCP business, generated seasonally high operating income of \$30.9 million, excluding its \$14.6 million share of the non-cash acquisition accounting adjustment to finished goods inventory. Foreign currency translation contributed an improvement of 5.7% to the consolidated operating income. For the nine months ended September 30, 2013, operating income increased 28.7%, primarily resulting from the acquisition of OCP and DES, compared to the same nine-month period in 2012.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was \$107.8 million for the third quarter of 2013, an increase of 83.3% compared to \$58.8 million for the third quarter of 2012. Foreign currency had a positive impact of 5.6% on EBITDA for the third quarter of 2013. For the nine months ended September 30, 2013, EBITDA was \$259.5 million, an increase of 31.8% compared to \$196.9 million in the comparable 2012 period. Foreign currency translation has a positive impact 2.5% for the comparable nine-month periods.

Net finance cost was \$7.7 million for the third guarter of 2013 compared to \$5.3 million for the third guarter of 2012. The increase was attributable to the additional interest expense associated with the additional US\$453.4 million of drawn debt that was used to acquire the OCP and DES businesses from Avery Dennison Corporation. For the ninemonth period ended September 30, 2013, net finance cost was \$18.9 million compared to \$15.8 million in the corresponding nine-month period of 2012. The increase in net finance costs for the nine-month period was attributable to the aforementioned increase in interest expense in the third guarter plus \$0.4 million of pre-close commitment fees corresponding to the new credit facility that was put in place in January of 2013 and not drawn upon until the close of the OCP and DES acquisition. Furthermore, since the close of the OCP and DES acquisition was on July 1, 2013, a national holiday in Canada, the Company was compelled to borrow US\$453.4 million on the Company's existing credit facility and deposit the cash in subsidiaries outside Canada. This resulted in interest expense of \$0.2 million prior to the close of the acquisition. These pre-close finance costs of \$0.6 million incurred for the acquisition of OCP and DES

("OCP & DES finance costs") impacted basic earnings by \$0.02 per Class B share for the nine months ended September 30, 2013.

The overall effective income tax rate was 28.9% for the third quarter of 2013 compared to 24.6% for the third quarter of 2012. The increase is due to a higher portion of the Company's income being earned in higher tax jurisdictions, primarily the U.S. operations of the acquired OCP and DES businesses. Furthermore, the lower effective tax rate for the 2012 third quarter reflected an increase related to an accounting tax benefit recognized for certain Canadian tax losses. 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. This benefit will fluctuate with the movement in the Canadian dollar versus the U.S. dollar. This benefit would reverse in the future if the Canadian dollar weakens and would grow larger if it strengthens. The overall effective income tax rate was 28.7% for the nine-month period of 2013 compared to 27.1% for the nine-month period of 2012 reflecting a higher portion of the Company's income being earned in higher tax jurisdictions.

Net earnings for the third quarter of 2013 were \$23.6 million, an increase of 10.8% compared to \$21.3 million for the third quarter of 2012. This resulted in basic and diluted earnings of \$0.68 and \$0.67 per Class B share, respectively, in the current quarter compared to basic and diluted earnings of \$0.64 and \$0.63 per Class B share, respectively, for the prior year third quarter.

Net earnings for the nine-month period of 2013 were \$84.1 million, an increase of 8.4% compared to \$77.6 million for the same period a year ago. This resulted in basic and diluted earnings of \$2.46 and \$2.42 per Class B share, respectively, for the 2013 nine-month period compared to basic and diluted earnings of \$2.32 and \$2.28 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares for the 2013 nine-month period were 34.1 million basic and 34.7 million diluted shares for the compared to 33.5 million basic and 34.1 million diluted shares for the comparable period of 2012. Diluted shares were impacted by the weighted average in-the-money stock options and other equity settled payments of 0.5 million shares.

Adjusted basic earnings per Class B share (a non-IFRS financial measure – see Section 13) were \$1.38 and \$3.24 for the three-month and nine-month periods ending September 30, 2013, respectively, compared to \$0.64 and \$2.32 for the same periods of 2012.

The following table is presented to provide context to the comparative change in the financial performance of the business.

(in Canadian dollars)

		Third	Quarte	Year-to-Date					
Adjusted Basic Earnings per Class B Share		2013	2012			2013	2013		
Basic earnings	\$	0.68	\$	0.64	\$	2.46	\$	2.32	
Net loss from restructuring and other items		0.36		-		0.42		-	
OCP & DES finance costs		-		-		0.02		-	
Non-cash acquisition accounting adjustment for finished goods inventory		0.34		-		0.34		-	
Adjusted basic earnings (1)	\$	1.38	\$	0.64	\$	3.24	\$	2.32	

(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)

Calaa	<u>Qtr 1</u>		<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>		<u>Total</u>
Sales	¢ 000 7	¢	004 4	¢	¢		¢ 4 004 7
2013	\$ 363.7	\$	361.4	\$ 606.6	\$-	~	\$ 1,331.7
2012	341.4		337.1	316.6	313.		1,308.6
2011	315.6		318.9	316.7	317.	3	1,268.5
Net earnings							
2013	34.1		26.4	23.6	-		84.1
2012	30.4		25.9	21.3	19.9	9	97.5
2011	26.8		21.7	17.2	18.4	1	84.1
Net earnings per Class B share							
Basic							
2013	1.01		0.77	0.68	-		2.46
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		0.76	0.67	-		2.42
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 0	lass B shar	Э					
2013	1.04		0.82	1.38	-		3.24
2012	0.91		0.77	0.64	0.5	59	2.91
2011	0.82		0.66	0.52	0.5	57	2.57

3. Business Segment Review

Label Segment

	Third Qua	rter Y	'ear-to-Date
(\$ millions)	<u>2013</u> <u>2012</u>	+/- 2013	<u>2012 +/-</u>
Sales	\$ 360.3 \$ 270.8	33.1% \$ 982.5	\$ 855.0 14.9%
Operating Income ⁽¹⁾ Return on Sales ⁽¹⁾	\$ 48.7 \$ 35.6 13.5% 13.1	36.8% \$ 150.3 % 15.3%	\$ 129.4 16.2% 15.1%
Capital Spending Depreciation and	\$ 16.2 \$ 23.9	(32.2%) \$ 77.0	\$ 64.8 18.8%
Amortization	\$ 25.7 \$ 22.1	16.3% \$ 72.2	\$ 65.4 10.4%

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

Sales for the Label Segment were \$360.3 million for the third quarter of 2013, compared to \$270.8 million for the same quarter last year. The increase in sales can be attributed to organic growth of 5.0%, the INT and DES acquisitions impact of 23.4% and the positive 4.7% effect from foreign currency translation.

North American sales increased double digits, excluding currency translation, compared to the third quarter of 2012, primarily attributable to the acquisition of DES. The acquired DES business recorded a strong third quarter attributable to a robust North American automotive and consumer durables market. Home & Personal Care sales increased on new business awards while Healthcare & Specialty sales were negatively impacted by continued U.S. FDA sanctions at certain pharmaceutical customers. Food & Beverage sales continue to improve year-over-year on market share gains in Wine & Spirits. Overall profitability in North America, excluding the incremental gains from the successful DES acquisition, was flat compared to the prior year quarter, reflecting changes in the business mix.

Sales in **Europe** were up low single digits for the third quarter of 2013, excluding currency translation and acquisitions, compared to the third quarter of 2012. The Home & Personal Care business continues to make market share gains and profitability improved significantly on strong operational execution. Sales in Healthcare & Specialty were up slightly compared to the third quarter of 2012 but profitability declined as advances in Scandinavia and the Netherlands were offset by a change in business mix in France and the effect of the declining exchange rate in the UK to the euro. Results in Food & Beverage were strong on continued solid performance in Sleeves and double digit sales gains in Beverage on export orders to emerging markets. Sales almost doubled for the CCL Design business due to the acquisitions of INT and a small Italian operation coming from DES; however profitability was only up low double digits due to changes in business mix. Overall, European operating income, excluding the incremental acquisitions impact, increased in absolute terms and as a percent of sales, compared to the prior year third quarter.

Latin American operations in the third quarter of 2013 recorded double digit improvement in sales and profitability against a weak prior year period in Brazil. Significant market share gains in both Mexico and Brazil bolstered sales compared to

2012; however, the incremental profitability was partially offset by inflationary costs pressures as both currencies weakened sequentially in the third quarter from the second quarter of 2013. Furthermore, the weaker Brazilian real continued to negatively impact translated results year-over-year. In full, Latin America operating income increased significantly in absolute terms but declined as a percent of sales, compared to the prior year third quarter; operating margin levels in the region remain above the CCL average.

Asia Pacific delivered strong double digit sales growth and profitability for the third quarter of 2013, compared to the third quarter of 2012. China delivered substantial quarterly improvement in both sales and operating income as the Home & Personal Care business gained market share and losses were reduced at the new Healthcare operation in Tianjin. ASEAN customer demand declined in Home & Personal Care export markets from Thailand, but this was more than offset by increases in Specialty and Food & Beverage plus good results in Vietnam. The change in business mix and the efficiency realized from operating the newly constructed third plant in Bangkok for an entire quarter resulted in a significant increase in return on sales. Australian Healthcare operations, experienced revenue and profitability declines resulting from a volume reduction and input cost pressures due to the devaluation of the Australian dollar. The wine label operation posted flat revenues but operating profit was offset by the transition costs associated with the move to a new facility in Sydney, compared to the third quarter of 2012. Overall the Asia Pacific region improved profitability.

Operating income, excluding the \$2.1 million non-cash acquisition accounting adjustment for the acquired DES inventory for the third quarter of 2013 improved 42.7% to \$50.8 million, compared to \$35.6 million for the third quarter of 2012. Operating income as a percentage of sales was 13.5%, within the CCL's global internal targets, compared to 13.1% recorded for the same period in 2012.

Results from the 50% joint ventures in CCL-Kontur, Russia; Pacman-CCL, Middle East; Acrus-CCL, Chile; and CCL-Taisei, Thailand, 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 statements. Sales at CCL-Kontur improved for the 2013 third quarter; however, results were impacted by start-up costs at a new plant in Siberia and the devaluation of the rouble. Pacman-CCL contributed significantly to overall earnings for the 2013 third quarter but profits were lowered due to start-up costs at a new plant in Saudi Arabia. For the third quarter of 2013 Acrus-CCL posted its first quarterly operating profit compared to significant start-up losses in the 2012 third quarter. CCL-Taisei commenced construction of its new tube plant during the quarter and incurred a small start-up loss. The operation is not expected to trade until mid-2014. Earnings in equity accounted investments amounted to \$0.5 million for the 2013 third quarter compared to \$0.2 million for the 2012 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 stable 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 \$77.0 million in capital spending in the nine-month period ended September 30, 2013, compared to \$64.8 million in the same nine-month period in 2012. This investment, although higher than usual for the nine-month period due to new plant constructions, is in line with the Company's planned expenditures for 2013. The major expenditures for the nine-month period were related to equipment installations and emerging markets' facility expansions to support the Home & Personal Care business and investment in the Wine & Spirits sector. 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 \$72.2 million for the nine-month period ended September 30, 2013, compared to \$65.4 million for the same period of 2012.

(\$ millions)		Th	ird Qu	arter	Year-to-Date						
(\$ 111110115)	20	<u>)13</u>	2012	2		<u>2013</u>		2012			
Sales	\$ 20			-	\$ 2	201.8	\$	-			
Operating Income ⁽¹⁾	\$ 1	6.2	5 -		\$	16.2	\$	-			
Return on Sales ⁽¹⁾		8.0%	-			8.0%		-			
Capital Spending Depreciation and	\$	3.8	5 -		\$	3.8	\$	-			
Amortization	\$	3.2	5 -		\$	3.2	\$	-			

Avery Segment

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

The Avery Segment represents the results of the OCP business following the July 1, 2013 acquisition from Avery Dennison Corporation. This Segment has operations in North America, Europe, Australia and a small developing business in Latin America. The Segment has two primary product lines, Printable Media and Binders, Organization & Presentation, Writing Instruments ("BOPWI"), all of which are sold around the world under the market leading "Avery" brand. In German speaking countries, most products also give prominence to the "Zweckform" brand name that is better known by consumers in this part of Europe.

Sales for the Avery Segment were \$201.8 million for the third quarter of 2013, down mid-single digits compared to the pre-acquisition third quarter of 2012. Seasonally, the third quarter is the busiest quarter for the Avery Segment as North American consumers engage in the back-to-school surge, primarily in the BOPWI category.

North American sales were down mid-single digits due to secular decline in Printable Media, particularly address label products for mailing, and second quarter trade forward buys as price increases were implemented at the onset of the third quarter. The BOPWI category experienced modest declines in line with the market and successfully managed the seasonal back-to-school volume surge. After the non-cash acquisition accounting charge to finished goods inventory and other cost reduction initiatives, the North American business posted an improvement in return on sales for the third quarter of 2013 compared to the same period in 2012.

International sales do not experience a third quarter surge as most of the business sits in Printable Media, which experiences a seasonal low due to the vacation period in Europe. Sales in these geographies were approximately 20% of the total with the vast majority in Europe and Australia. Sales and profits were lower than prior year due to currency and secular declines offset by only limited cost saving initiatives.

Operating income for the third quarter of 2013 was \$16.2 million. Third quarter 2013 operating income would have been \$30.8 million but was impacted by the \$14.6 million non-cash acquisition accounting adjustment to finished goods inventory.

The Avery Segment invested \$3.8 million in capital spending for the period ended September 30, 2013. The majority of the expenditures were information technology related, in order to decouple the business from the former parent Avery Dennison Corporation. Depreciation and amortization for the Avery Segment was \$3.2 million for the period ended September 30, 2013.

Container Segment

		Thir	d Quarte	r		Y	′ea	r-to-Date	
(\$ millions)	<u>2013</u>		<u>2012</u>	<u>+/-</u>	2	01 <u>3</u>		<u>2012</u>	<u>+/-</u>
Sales	\$ 44.5	\$	45.8	(2.8%)	\$ 14		\$	140.1	5.2%
Operating Income ⁽¹⁾ Return on Sales ⁽¹⁾	\$ 2.9 6.5%	\$	3.7 8.1%	(21.6%)	*	3.4 9.1%	\$	10.4 7.4%	28.8%
Capital Spending Depreciation and	\$ 2.7	\$	1.1	145.5%	\$	5.0	\$	3.2	56.3%
Amortization	\$ 3.5	\$	3.3	6.1%	\$ 1	0.6	\$	10.2	3.9%

⁽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 2013 third quarter were \$44.5 million, a decline of 2.8% compared to \$45.8 million in the third quarter of 2012. Sales improvements at the Mexican operations were more than offset by declines in North America attributable to difficult comparisons at the U.S. operation, due to an unusually strong prior year period, and weak sales from the Canadian plant. The Container Segment posted operating income of \$2.9 million compared to \$3.7 million for the 2012 third quarter. Strong financial results from the Mexican operations were more than offset by a decrease in operating income at the U.S. facility and an operating loss from the Canadian plant.

The Container Segment invested \$5.0 million and \$3.2 million in capital spending for the nine-month periods of September 30, 2013, and of September 30, 2012, respectively. Depreciation and amortization for the Container Segment was \$10.6 million for the nine-month period of 2013 compared to \$10.2 million for the comparable nine-month period of 2012.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 26.2% and 16.0% 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\$1,700 to US\$2,400 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 2013 ranged from US\$1,700 to US\$1,900 per metric ton compared to US\$1,700 to US\$2,100 in the third quarter of 2012.

4. Currency Transaction Hedging and Currency Translation

Approximately 95.6% of sales made in the first nine 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 third quarter of 2013 were most impacted by the positive effect of the 4.4%, 10.6% and 6.4% appreciation of the U.S. dollar, euro and Mexican peso, respectively, partially offset by a 7.4% depreciation of the Brazilian real when comparing the rates in the third quarters of 2013 and 2012, relative to the Canadian dollar. For the third quarter of 2013, currency translation had a \$0.03 positive 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:

	Septe	ember 30, 2013	Decem	nber 31, 2012	September 30, 20		
Current debt	\$	46.8	\$	84.7	\$	86.2	
Long-term debt		758.7		244.3		242.2	
Total debt		805.5		329.0		328.4	
Cash and cash equivalents		(260.1)		(189.0)		(159.5)	
Net debt ⁽¹⁾	\$	545.4	\$	140.0	\$	168.9	
Shareholders' equity	\$	970.3	\$	887.2	\$	858.3	
Net debt to total book capitalization ⁽¹⁾		36.0%		13.6%		16.4%	
Book value per share (1)	\$	28.39	\$	26.35	\$	25.62	

(\$ Millions, except per share data)

⁽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.

Net debt (a non-IFRS financial measure; refer to definition in Section 13) was \$545.4 million at September 30, 2013, \$376.5 higher than the net debt of \$168.9 million at September 30, 2012. The increase in net debt was primarily attributable to US\$453.4 million of additional debt drawn on the Company's new syndicated credit facility to fund the acquisition of the OCP and DES businesses partially offset by the cashflow generated by the Company since the third quarter of 2012.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2013, was 36.0%, up from 16.4% at the end of September 2012. Book value per share (a non-IFRS financial measure; refer to definition in Section 13) was \$28.39 at September 30, 2013, 10.8% higher compared to \$25.62 at September 30, 2012.

The Company's debt structure at September 30, 2013, was comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US\$239.0 million (C\$246.2 million). During the second quarter of 2013, the Company increased its bilateral revolving line of credit from \$200.0 million to US\$460.0 million and the expiration date was set to July 2, 2013. On July 2, 2013, subsequent to the completion of the acquisition of OCP and DES, the Company's new syndicated \$400.0 million non-revolving and \$300.0 million revolving facility replaced the bilateral arrangement. The Company drew down US\$300.0 and EUR61.6 million on the non-revolving facility and US\$73.4 million on the revolving facility. During the third quarter of 2013, the Company drew down an additional US\$84.7 million on the revolving facility to make its scheduled private debt placement repayment. Including the \$3.6 million of outstanding letters of credit, the Company had approximately \$133.5 million of available capacity within its new revolving credit facility as at September 30, 2013.

The Company's overall average finance rate was 3.3% as at September 30, 2013, compared to 6.2% as at September 30, 2012. The decline in the average finance rate was caused by the US\$448.3 million and EUR 61.6 million drawn on the Company's syndicated credit facilities, compared principally to the Company's historical private placement debt rates at September 30, 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.

6. Cash Flow

		Third	Qua	rter		ate		
Summary of Cash Flows		2013		2012		2013		2012
Cash provided by operating activities	\$	154.9	\$	50.6	\$	228.8	\$	131.2
Cash provided by (used for) financing activities		(26.5)	-	(17.2)	-	444.7		(31.5)
Cash used for investing activities		(536.9)		(32.1)		(609.9)		(76.5)
Translation adjustments on cash and cash								
equivalents		(15.4)		(4.1)		7.5		(4.4)
Increase (decrease) in cash and cash								
equivalents	\$	(423.9)	\$	(2.8)	\$	71.1	\$	18.8
Cash and cash equivalents – end of period	\$	260.1	\$	159.5	\$	260.1	\$	159.5
Free cash flow from operations (1)	\$	132.2	\$	26.1	\$	144.9	\$	64.3

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

During the third quarters of 2013 and 2012, the Company generated cash from operating activities of \$154.9 million and \$50.6 million, respectively. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was \$132.2 million in the 2013 third quarter compared to \$26.1 million in the prior year quarter. The increase in operating cash flow and free cash flow from operations was primarily due to the acquisitions of OCP and DES.

Capital spending in the third quarter of 2013 amounted to \$22.7 million compared to \$25.0 million in the 2012 third quarter. Depreciation and amortization for the third quarters of 2013 and 2012 were \$32.6 million and \$25.6 million, respectively. Plans for capital spending in 2013 are expected to be approximately \$110 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 third quarters of 2013 and 2012 were \$7.4 million and \$6.6 million, respectively. The total number of shares issued and outstanding as at September 30, 2013 and 2012, were 34.4 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 September 2013 of \$0.2025 per Class A share and \$0.2150 per Class B share to shareholders of record as of December 12, 2013, and payable on December 20, 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 September 30, 2013, the Company had repurchased 50,000 Class B shares for cancellation.

7. Interest rate and Foreign Exchange Management

During the third quarter of 2013, the Company initiated an interest rate swap agreement ("IRSA") to convert US\$80 million notional debt from floating interest rates to a fixed interest rate since all of the underlying debt is floating rate debt within the syndicated term credit facility. The effect of the IRSA increased finance cost nominally in the third quarter of 2013.

Since the Company has developed into a global business with a significant asset base in the United States and Europe, the majority of the Company's debt is drawn in United States dollars and euros.

Interest coverage (a non-IFRS financial measure, defined later in Section 13) was 7.8 times as at September 30, 2013, compared to 7.1 times as at September 30, 2012.

8. Accounting Policies

A) Critical Accounting Estimates

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

The 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 nine months ended September 30, 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.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, except for longterm 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.

10. Controls and Procedures

There were no material changes in internal control over financial reporting in the ninemonth period ended September 30, 2013.

11. 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 nine months of 2013.

12. Outlook

CCL posted a record quarter with adjusted basic earnings of \$1.38 per Class B share for the third quarter of 2013. The newly acquired OCP and DES businesses operationally met expectations, posting improved operating margins compared to the pre-acquisition third quarter and made a significant contribution to the Company's record quarterly results. The Label Segment recorded solid performance offsetting the lower operating results at the Container Segment compared to an unusually strong prior year period. The Company completed the OCP and DES acquisition on July 1, 2013 with \$207 million of cash on hand, added \$53 million in the third guarter, to finish with \$260 million at September 30, 2013. Unused credit lines are at \$133 million and the Company has the capacity to execute its growth strategy or the flexibility to reduce its bank leverage. Moving forward the Company remains confident about its ability to deliver 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 expected to be below its annualized depreciation expense.

Order intake thus far in the fourth quarter in the Label Segment legacy operations has improved compared to the levels experienced in the third quarter of this year. Management continues to see only low growth opportunities in developed economies but the outlook for emerging markets remains strong. Foreign currency remains positive into the fourth quarter 2013 on translated results if current levels of the Canadian dollar prevail or weaken. Expansion initiatives such as CCL's new wine label plant in Sonoma, California, and the Home & Personal Care operation in the Philippines, that just commenced construction, are not expected to post profitable returns until 2014 and 2015 respectively. The Company's new start up joint venture in Thailand, to support the growth of the Home & Personal Care business in highly decorated tubes will not commence operations until late 2014.

CCL in the third quarter commenced the integration process for the OCP and DES acquisition and expects to largely complete its \$25 million to \$30 million of restructuring initiatives by the end of 2013. The Company remains committed to the \$40 million to \$50 million of targeted annual savings and synergies for 2014. The degree to which these initiatives translate to future earnings will depend on management's ability to stabilize acquired revenues in the OCP business, which had seen several consecutive years of decline prior to CCL ownership. The non-cash acquisition accounting adjustment to finished goods inventory has turned over in the third guarter and further impact to cost of sales should be nominal. CCL tabulated the post-acquisition working capital adjustment and concluded the transaction with Avery Dennison Corporation in October 2013. Financial results in the fourth quarter for the newly acquired DES business should continue to benefit from a strong North American automotive market while results for the Avery Segment will moderate significantly after the peak back-toschool period. Pre-acquisition comparisons for both the fourth quarter of 2012 and first guarter of 2013 will be affected by the significant North American trade forward buy in the latter months of 2012.

Comparisons for the Container Segment will be more challenging in the fourth quarter as operational enhancements and profitability improvements have been posted for several consecutive quarters. Notwithstanding, management expects full year results for 2013 will show very good progress based on many operational initiatives and the strong first half.

Overall, the Company remains cautious in its outlook for the remainder of 2013 given the strong prior year period, but confident in its prospects for 2014. Consumer staple demand shows some sign of recovery after a soft summer period in North America. Europe has reported better performance than expected for much of 2013 and CCL expects this slow recovery to continue. Robust consumer consumption in emerging markets should support continuing strong performance at the Company's operations in those regions. Foreign currency trends remain favourable at current exchange rates and related inflationary cost pressures largely mitigated.

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 business dispositions, goodwill impairment loss, OCP and DES finance costs, non-cash acquisition accounting adjustment to finished goods inventory, restructuring and other items and tax adjustments.

<u>Book Value per Share</u> - 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.

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 30 th	2013	2012
Total shareholders' equity, end of period	\$ 970.3	\$ 858.3
Number of shares issued and outstanding, end of period (000s) Less: Shares held in trust	34,375 (201)	33,772 (276)
Total adjusted number of shares issued (000s)	34,174	33,496
Book value per share	\$ 28.39	\$ 25.62

EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. It is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustment to finished good inventory, earnings in equity accounted investments, and restructuring and other items. The Company believes that EBITDA is an important measure as it allows the assessment of 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)						
	<u>Thir</u>	d Qua	<u>irter</u>	Ye	ar-to	-Date
EBITDA (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items)	2013		2012	2013		2012
Net earnings	\$ 23.6	\$	21.3	\$ 84.1	\$	77.6
Corporate expense	9.3		6.1	23.7		19.1
Earning in equity accounted investments	(0.5)		(0.2)	(1.1)		(1.1)
Finance cost, net	7.7		5.3	18.9		15.8
Restructuring and other items – net loss	18.3		-	21.0		-
Income taxes	9.4		6.8	33.3		28.4
Operating income (a non-IFRS measure)	\$ 67.8	\$	39.3	\$ 179.9	\$	139.8
Less: Corporate expense	(9.3)		(6.1)	(23.7)		(19.1)
Add: Depreciation and amortization	32.6		25.6	86.6		76.2
Add: Non-cash acquisition accounting adjustment to finished goods inventory	16.7		-	16.7		-
EBITDA (a non-IFRS measure)	\$ 107.8	\$	58.8	\$ 259.5	\$	196.9

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 C	Quarter	Year-to-Date			
Free Cash Flow from Operations	2013	2012	2013	2012		
Cash provided by operating activities	\$ 154.9	\$ 50.6	\$ 228.8	\$ 131.2		
Less: Additions to property, plant and equipment	(22.7)	(25.0)	(85.8)	(68.0)		
Add: Proceeds on disposal of property, plant and equipment	-	0.5	1.9	1.1		
Free Cash Flow from Operations	\$ 132.2	\$ 26.1	\$ 144.9	\$ 64.3		

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-mo	nth ro	olling*	Year-to-date								
	Oc	tober 1 - 2013	- Sep	tember 30 2012	Dece 2012	mber 31 2011	S	eptember 30 2013	Se	ptember 30 2012	Se	ptember 30 2011	
Operating income (a non-IFRS financial measure; see definition below)	\$	218.5	\$	175.2	\$178.4	\$ 163.7	\$	179.9	\$	139.8	\$	128.3	
Less: Corporate expense	\$	31.0	\$	26.0	\$ 26.4	\$ 24.8	\$	23.7	\$	19.1	\$	17.9	
Operating income less corporate expense	\$	187.5	\$	149.2	\$152.0	\$ 138.9	\$	156.2	\$	120.7	\$	110.4	
Net finance cost	\$	24.0	\$	21.0	\$ 20.9	\$ 21.4	\$	18.9	\$	15.8	\$	16.2	
Interest coverage		7.8		7.1									

* 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.

<u>Net Debt</u> – 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.

<u>Net Debt to Total Book Capitalization</u> – 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.

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

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

<u>Restructuring and Other Items</u> – 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.

<u>Return on Sales</u> - A measure indicating relative profitability of sales to customers. It is defined as Operating Income (see definition above) divided by sales, expressed as a percentage.

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

Return on Sales	Sales Third Quarter			Operating Income Third Quarter				Return on Sales Third Quarter	
Industry Segments	2013		2012		2013		2012	2013	2012
Label	\$ 360.3	\$	270.8	\$	48.7	\$	35.6	13.5%	13.1%
Avery	201.8		-		16.2		-	8.0%	-
Container	44.5		45.8		2.9		3.7	6.5%	8.1%
Total Operations	\$ 606.6	\$	316.6	\$	67.8	\$	39.3	11.2%	12.4%

(in millions of Canadian dollars)