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

CCL INDUSTRIES INC.

Interim periods ended September 30, 2014 and 2013
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In thousands of Canadian dollars

		As at September 30 2014		As at December 31 2013
Assets				
Current assets				
Cash and cash equivalents	$	216,026	$	209,095
Trade and other receivables		419,738		363,493
Inventories		197,434		181,644
Prepaid expenses		18,284		13,458
Income tax recoverable		641		2,503
Total current assets		852,123		770,193
Property, plant and equipment		907,458		856,001
Goodwill		553,181		494,231
Intangible assets		219,661		207,569
Deferred tax assets		3,805		4,115
Equity accounted investments		50,203		47,363
Other assets		22,419		22,176
Total non-current assets		1,756,727		1,631,455
Total assets	**$**	**2,608,850**	**$**	**2,401,648**
Liabilities				
Current liabilities				
Trade and other payables	$	506,390	$	475,777
Current portion of long-term debt		55,903		47,070
Income taxes payable		27,023		21,060
Derivative instruments		100		642
Total current liabilities		589,416		544,549
Long-term debt		650,936		664,976
Deferred tax liabilities		42,249		42,661
Employee benefits		118,680		109,068
Provisions and other long-term liabilities		15,774		21,511
Derivative instruments		440		748
Total non-current liabilities		828,079		838,964
Total liabilities		1,417,495		1,383,513
Equity				
Share capital		246,220		237,189
Contributed surplus		20,160		11,919
Retained earnings		912,300		768,738
Accumulated other comprehensive income (note 5)		12,675		289
Total equity attributable to shareholders of the Company		1,191,355		1,018,135
Acquisitions (note 3)				
Subsequent events (note 7)				
Total liabilities and equity	**$**	**2,608,850**	**$**	**2,401,648**

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

CCL Industries Inc.

Consolidated condensed interim income statements

Unaudited

In thousands of Canadian dollars, except per share data

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

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

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In thousands of Canadian dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Net earnings	**$ 63,082**	**$ 23,545**	**$ 170,972**	**$ 84,065**
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 $2,912 and $2,369 for the three months and nine months ended September 30, 2014 (2013 - tax recovery of $1,498 and $245)	22,246	(12,025)	36,431	21,377
Net gains (losses) on hedges of net investment in foreign operations, net of tax recovery of $3,800 and $3,561 for the three months and nine months ended September 30, 2014 (2013 - tax expense of $1,732 and tax recovery of $557)	(26,291)	10,938	(24,690)	(4,175)
Effective portion of changes in fair value of cash flow hedges, net of tax expense of $67 and $58 for the three months and nine months ended September 30, 2014 (2013 - tax expense of $101 and tax recovery of $384)	340	163	218	(1,091)
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax expense of $11 and tax recovery of $145 for the three months and nine months ended September 30, 2014 (2013 - tax recovery of $94 and $320)	(34)	278	427	945
Other comprehensive income (loss), net of tax	**(3,739)**	**(646)**	**12,386**	**17,056**
Total comprehensive income	**$ 59,343**	**$ 22,899**	**$ 183,358**	**$ 101,121**
Attributable to:				
Shareholders of the Company	$ 59,343	$ 22,899	$ 183,358	$ 101,121
Total comprehensive income	**$ 59,343**	**$ 22,899**	**$ 183,358**	**$ 101,121**

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

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In thousands of Canadian dollars

	Nine Months Ended September 30 2014	Nine Months Ended September 30 2013
Share capital		
Class A shares, beginning of period	$ 4,504	$ 4,507
Class A shares, end of period	4,504	4,507
Class B shares, beginning of period	246,843	227,123
Normal course issuer bid	-	(364)
Stock options exercised	8,761	19,588
Class B shares, end of period	255,604	246,347
Shares held in trust, beginning of period	(14,158)	(4,928)
Shares redeemed from trust	427	4,500
Shares purchased and held in trust	(157)	(13,687)
Shares held in trust, end of period	(13,888)	(14,115)
Share capital, end of period	**246,220**	**236,739**
Contributed surplus		
Contributed surplus, beginning of period	11,919	9,584
Stock option expense	2,269	1,558
Stock options exercised	(1,544)	(3,051)
Stock-based compensation plan	3,642	(1,837)
Income tax effect related to stock options exercised	3,874	-
Contributed surplus, end of period	**20,160**	**6,254**
Retained earnings, beginning of period	768,738	697,937
Net earnings	170,972	84,065
Repurchase of shares	-	(2,656)
Dividends:		
Class A	(1,805)	(1,439)
Class B	(25,605)	(20,600)
Total dividends	(27,410)	(22,039)
Retained earnings, end of period	**912,300**	**757,307**
Accumulated other comprehensive income (loss)		
Accumulated other comprehensive income (loss), beginning of period	289	(47,036)
Other comprehensive income	12,386	17,056
Accumulated other comprehensive income (loss), end of period	**12,675**	**(29,980)**
Total equity, end of period	**$ 1,191,355**	**$ 970,320**

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

In thousands of Canadian dollars

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

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

1. Reporting entity

CCL Industries Inc. (the "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim period ended September 30, 2014, comprise the Company, its subsidiaries and its interest in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, containers and consumer printable media 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 2013 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 6, 2014.

(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.

3. Acquisitions

In September 2014, the Company acquired Bandfix AG ("Bandfix"); a privately owned label company focused on European Specialty customers located in Switzerland. The Bandfix acquisition brings to the Company a foothold in Switzerland, headquarters to several global Healthcare & Specialty customers. The purchase price was $18.3 million (CHF15.7 million) net of cash acquired and the settlement of financial debt, subject to customary closing adjustments.

As a result of the timing of the Bandfix acquisition close in relation to the date of issuance of the financial statements for the third quarter, the availability of information and the inherent complexity associated with the valuations, the initial allocation of the consideration paid has not yet been completed. The initial allocation has resulted in goodwill and intangible assets of $6.8 million.

In February 2014, the Company acquired DekoPak Ambalaj San. Ve Tic. A.S. ("Dekopak"); a leading shrink sleeve producer based in Istanbul, Turkey. The Dekopak acquisition expands the Company's geographic reach and will serve as an entry platform into Turkey for all of the Company's product lines. The purchase price consisted of a cash payment of $4.7 million (€3.1 million) plus contingent consideration based on average annual EBITDA for the earn-out period to be settled in 2017. The contingent consideration is estimated at $5.8 million (€3.8 million). The total amount of goodwill and intangibles amounted to $9.4 million (€6.2 million).

In February 2014, the Company acquired Sancoa and TubeDec ("Sancoa"); two privately owned companies supplying labels and laminate tubes to Home & Personal Care customers within North America from three plants located in New Jersey and Ohio. The purchase price was $72.9 million (U$65.8 million) net of cash acquired, the settlement of financial debt and working capital adjustments. This acquisition provides CCL with the opportunity to realize financial and operational synergies.

The following table summarizes the allocation of the consideration to the fair value of the assets acquired and liabilities assumed on February 28, 2014:

Cash consideration (in millions of Canadian dollars)	$	72.9
Trade and other receivables	$	10.5
Inventories		6.0
Other current assets		0.2
Property, plant and equipment		27.7
Goodwill and intangible assets		42.3
Trade and other payables		(13.8)
Net assets acquired	$	72.9

In thousands of Canadian dollars

3. Acquisitions (continued)

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 combining operations, the expertise of the assembled workforce and cost saving opportunities in the delivery of certain shared administrative and other services. Total goodwill is deductible for tax purposes.

Sancoa contributed sales of $43.3 million and net loss of $0.2 million since the date of acquisition, including restructuring and other integration costs.

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, 2014.

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. The unaudited pro forma consolidated financial information does not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies, synergies or other restructuring that could result from the acquisition.

The following table summarizes the sales and earnings of the Company combined with Sancoa, Dekopak and Bandfix as though the acquisitions took place on January 1, 2014:

	Nine months ended September 30, 2014
Sales	$ 1,998,412
Net earnings	$ 173,445

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.

The Company is comprised of the following main business segments:

- Label – Includes the production of pressure sensitive and extruded film materials for a wide range of decorative, instructional and functional applications for large global customers in the consumer packaging, healthcare, automotive and consumer durables markets. Extruded and laminated plastic tubes, folded instructional leaflets, precision printed and die cut metal components with LED displays and other complementary products and services are sold in parallel to specific end-user markets.

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

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

In thousands of Canadian dollars

4. Segment reporting (continued)

	Total Assets		Total Liabilities		Depreciation and Amortization Nine Months Ended September 30		Capital Expenditures Nine Months Ended September 30	
	September 30 2014	December 31 2013	September 30 2014	December 31 2013	2014	2013	2014	2013
Label	$ 1,772,426	$ 1,558,832	$ 455,145	$ 357,386	$ 88,799	$ 72,202	$ 85,369	$ 77,034
Avery	386,918	391,658	175,054	205,154	9,929	3,161	7,978	3,770
Container	159,725	140,678	56,513	49,607	10,458	10,602	17,242	4,998
Equity accounted investments	50,203	47,363	-	-	-	-	-	-
Corporate	239,578	263,117	730,783	771,366	599	603	-	47
Total	$ 2,608,850	$ 2,401,648	$ 1,417,495	$ 1,383,513	$ 109,785	$ 86,568	$ 110,589	$ 85,849

Due to the seasonality of CCL's business, the Company's operating results for the three months or nine months ended September 30, 2014, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2014. The first and second quarters are traditionally higher sales periods for the Label and Container Segments as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of the year. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America.

5. Accumulated other comprehensive income

	September 30 2014	December 31 2013
Unrealized foreign currency translation gains net of tax recovery of $2,724 (2013 – tax recovery of $1,532)	$ 13,030	$ 1,289
Losses on derivatives designated as cash flow hedges, net of tax recovery of $72 (2013 – tax recovery of $275)	(355)	(1,000)
	$ 12,675	$ 289

6. Financial instruments

(a) Fair value hierarchy

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

The different levels have been defined as follows:

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

(a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
September 30, 2014				
Available-for-sale financial assets	$ -	$ 15,764	$ -	$ 15,764
Contingent consideration	-	-	5,348	5,348
Derivative financial liabilities	-	540	-	540
Unsecured senior notes	-	-	302,551	302,551
	$ -	$ 540	$ 307,899	$ 308,439
December 31, 2013				
Available-for-sale financial assets	$ -	$ 12,884	$ -	$ 12,884
Derivative financial liabilities	-	1,390	-	1,390
Unsecured senior notes	-	-	284,402	284,402
	$ -	$ 1,390	$ 284,402	$ 285,792

(b) Fair values versus carrying amounts

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

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

	September 30, 2014		December 31, 2013	
	Amount	Fair Value	Amount	Fair Value
Long-term debt	$ 706,839	$ 741,724	$ 712,046	$ 742,776

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.

7. Subsequent events

In November 2014, the Company acquired Label Connections Ltd. ("Label Connections"), a private UK company based in St Neots, near Cambridge, that designs, manufactures and markets under the PCI brand, a range of pre-die cut pressure sensitive labels in sheet form for use on professional digital printers. The Label Connections acquisition extends the Company's Printable Media product line. The purchase price in assumed debt and cash for the transaction is approximately $2.4 million.

The Board of Directors has declared a dividend of $0.3000 for the Class B non-voting shares and $0.2875 on the Class A voting shares that will be payable to shareholders of record at the close of business on December 12, 2014, to be paid on December 22, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarters Ended September 30, 2014 and 2013

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, 2014 and 2013. The information in this interim MD&A is current to November 6, 2014, and should be read in conjunction with the Company's September 30, 2014, unaudited third quarter consolidated condensed interim financial statements released on November 6, 2014, and the 2013 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2013 Annual Report, dated February 20, 2014.

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, U.S. dollar, euro, Argentine peso, Australian dollar, Brazilian real, Chilean peso, Chinese renminbi, Danish krone, Japanese yen, Mexican peso, Polish zloty, Russian rouble, South African rand, Swiss franc, Thai baht, U.K. pound sterling and Vietnamese dong. All per Class B non-voting share ("Class B share") amounts in this document are expressed on an undiluted basis, unless otherwise indicated. 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 2014; 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 ability to realize targeted operational synergies and cash flows from the restructuring of

Avery, Designed & Engineered Solutions ("DES"), CCL Label and the Canadian Container operation; the Company's ability to integrate Bandfix; the Company's expectation that its new operation in the Philippines and new joint venture in Thailand will not post profitable returns until 2015; the Company's expectation that $6.0 million in restructuring costs will deliver $6.0 million in annual savings; 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 assumption prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2013 Annual MD&A.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on CCL's business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts.

The forward-looking statements are provided as of the date of this MD&A and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

1. Overview

The third quarter of 2014 was the sixteenth consecutive quarter of year-over-year improvement in quarterly adjusted basic earnings per Class B share (a non-IFRS financial measure; refer to definition in Section 13) for CCL. This result was driven by strong quarterly results in the Label and Avery segment supported by solid performance at the Container operation. The Label, Avery and Container Segments posted increases in operating income (a non-IFRS financial measure; refer to definition in Section 13) of 22.0%, 176.5% and 3.4%, respectively. Thus, third quarter adjusted basic earnings (a non-IFRS financial measure; refer to definition in Section 13) for the Company was an all-time record of $1.83 per Class B share compared to adjusted basic earnings per Class B share of $1.38 in the 2013 third quarter.

2. Review of Consolidated Financial Results

The following acquisitions and joint venture developments affected the financial comparisons to 2013:

- In March 2013, the Company announced the creation of a new plastic tube manufacturing joint venture in Bangkok, Thailand. CCL has a 50% equity interest in the venture equal to its partner Taisei Kako Co., Ltd., a leading Japanese producer of specialty plastic containers.

- In April 2013, the acquisition of INT Autotechnik GmbH ("INT"), a privately owned company based in Munich, Germany, for $14.4 million. INT is a leading supplier to German automotive original equipment manufacturers alongside CCL Design.

- On July 1, 2013, the acquisition of the Avery and DES businesses of Avery Dennison Corporation for US$486.7 million. Avery, CCL's newest business segment is the world's largest supplier of labels, specialty converted media and software solutions to enable short run digital printing for businesses and consumers. The DES business has augmented the CCL Design and other businesses within the Label Segment.

- In October 2013, the acquisition of Advanced Packaging Films, a privately owned company based in Schkopau, Germany, for $9.3 million. This new business trades as Advanced Performance Films ("APF") and forms an integral part of the CCL Label global Food & Beverage business.

- In January 2014, the acquisition of an additional 12.5% interest in Acrus-CCL, the Company's Chilean wine label joint venture, for US$1.2 million bringing CCL's total ownership to 62.5%.

- In February 2014, the acquisition of Sancoa and TubeDec ("Sancoa"), privately owned companies with a common controlling shareholder based in New Jersey, USA, for approximately US$72.9 million, subject to typical post-closing adjustments. Sancoa produces labels and tubes and will be a vital part of the North American CCL Label Home & Personal Care business.

- In February 2014, the acquisition of DekoPak Ambalaj SAN. Ve Tic. A.S. ("Dekopak"), a privately owned company based in Istanbul, Turkey, for approximately $4.7 million, plus contingent consideration payable in 2017 subject to incremental EBITDA improvement. Dekopak is a leading producer of shrink sleeve labels for global and domestic customers in Turkey and was CCL Label's exclusive license holder for the country.

- In August 2014, the acquisition of Bandfix AG ("Bandfix"), a privately owned company based in Zurich, Switzerland, for approximately $18.3 million, subject to typical post-closing adjustments. Bandfix produces Specialty labels for European customers and will be an important adjunct to CCL Label's Healthcare and Specialty business.

Sales for the third quarter of 2014 were $689.7 million, an increase of 13.7% compared to $606.6 million recorded in the third quarter of 2013. The increase in sales can be attributed to organic growth of 2.5%, acquisition related growth of 5.3% and positive impact from foreign currency translation of 5.9%. For the nine-month period ended September 30, 2014, sales were $1,949.8 million, an increase of 46.4% compared to $1,331.7 million recorded in the same period of 2013. The nine-month improvement in sales can be attributed to 3.7% organic growth, a 33.8% impact of acquisitions and a 8.9% positive impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $91.6 million for the third quarter of 2014 compared to $86.8 million for the third quarter of 2013. The increase was primarily attributable to SG&A expenses associated with the Bandfix, Sancoa and Dekopak operations. Corporate expenses included within SG&A, increased $2.0 million for the third quarter of 2014 compared to the same period in 2013 due to increases in executive variable and director equity-linked compensation expenses. For the nine months ended September 30, 2014, SG&A expenses were $262.5 million, an increase of 50.9% compared to $174.0 million for the 2013 nine-month period. The increase in SG&A for the nine-month period can be primarily attributed to the aforementioned acquisitions in 2014 as well as the Avery and DES acquisitions on July 1, 2013.

The Company did not record any expense for restructuring and other items for the third quarter of 2014. For the 2013 third quarter restructuring and other charges were $18.3 million ($12.3 million after tax) in restructuring and other items, related to the acquisition of Avery and DES. For the nine-month period ending September 30, 2014, the Company recorded $2.0 million ($1.4 million after tax) in restructuring and other items predominantly related to Sancoa and DES. For the corresponding period ending September 30, 2013, the Company recorded $21.0 million ($15.0 million after tax) in restructuring and other items, the majority of which related to the acquisition of Avery and DES.

Operating income for the third quarter of 2014 increased 58.1% to $107.2 million, compared to $67.8 million for the third quarter of 2013. Excluding the $16.7 million non-cash acquisition accounting adjustment to finished goods inventory for the acquired Avery and DES businesses in the 2013 third quarter, operating income improved 26.7% from $84.5 million. This increase was driven by significant improvements in operating income at the Label and Avery Segments for the third quarter of 2014. The newly acquired Bandfix, Sancoa and Dekopak businesses, now included within the Label Segment, met management's performance expectations for the quarter. The Avery Segment posted operating income of $44.8 million appreciably exceeding the results from the prior year third quarter. Foreign currency translation contributed an improvement of 10.6% to the consolidated operating income. For the nine months ended September 30, 2014, operating income increased 58.4%, with the Label and Container Segments recording increases in operating income of 23.0% and 3.0%, respectively, compared to the same nine-month period in 2013. The Avery Segment recorded solid results for the first nine months of 2014, with operating income of $86.3 million.

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 $133.1 million for the third quarter of 2014, an increase of 23.5% compared to $107.8 million for the third quarter of 2013. Foreign currency had a positive impact of 7.4% on EBITDA for the third quarter of 2014. For the nine months ended September 30, 2014, EBITDA was $369.9 million, an increase of 42.5% compared to $259.5 million in the comparable 2013 period. Foreign currency translation has a positive impact of 9.5% for the comparable nine-month periods.

Net finance cost was $6.5 million for the third quarter of 2014 compared to $7.7 million for the third quarter of 2013. The decrease in net finance cost is attributable to lower funded debt for the 2014 third quarter compared to the funded debt in 2013 third quarter. For the nine-month period ended September 30, 2014, net finance cost was $19.5 million compared to $18.9 million in the corresponding nine-month period of 2013. The increase in net finance expense was attributable to the added interest expense associated with the funded debt that was used to acquire the Avery, DES and Sancoa businesses.

The overall effective income tax rate was 30.0% for the third quarter of 2014 compared to 28.9% for the third quarter of 2013. The overall effective income tax rate was 29.0% for the nine-month period of 2014 compared to 28.7% for the nine-month period of 2013. The increase in the effective tax rates for the comparative three-month and nine-month periods reflects a higher portion of the Company's income being earned in higher tax jurisdictions.

Net earnings for the third quarter of 2014 were $63.1 million, an increase of 167.4% compared to $23.6 million for the third quarter of 2013. This resulted in basic and diluted earnings of $1.83 and $1.79 per Class B share, respectively, in the current quarter compared to basic and diluted earnings of $0.68 and $0.67 per Class B share, respectively, for the prior year third quarter.

Net earnings for the nine-month period of 2014 were $171.0 million, an increase of 103.3% compared to $84.1 million for the same period a year ago. This resulted in basic and diluted earnings of $4.98 and $4.88 per Class B share, respectively, for the 2014 nine-month period compared to basic and diluted earnings of $2.46 and $2.42 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares for the 2014 nine-month period were 34.3 million basic and 35.0 million diluted shares compared to 34.1 million basic and 34.7 million diluted shares for the comparable period of 2013. Diluted shares include weighted average in-the-money stock options and other equity settled obligations totaling 0.7 million shares.

Adjusted basic earnings per Class B share were $1.83 and $5.02 for the three-month and nine-month periods of 2014, respectively, compared to $1.38 and $3.24 for the same periods of 2013.

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

(in Canadian dollars)

	Third Quarter		Year-to-Date	
Adjusted Basic Earnings per Class B Share	**2014**	**2013**	**2014**	**2013**
Basic earnings	$ 1.83	$ 0.68	$ 4.98	$ 2.46
Net loss from restructuring and other items	-	0.36	0.04	0.42
OCP & DES finance costs	-	-	-	0.02
Non-cash acquisition accounting adjustment for finished goods inventory	-	0.34	-	0.34
Adjusted basic earnings [(1)]	$ 1.83	$ 1.38	$ 5.02	$ 3.24

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

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

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

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2014	$ 609.7	$ 650.4	$ 689.7	-	$ 1,949.8
2013	363.7	361.4	606.6	557.7	1,889.4
2012	341.4	337.1	316.6	313.5	1,308.6
Net earnings					
2014	52.6	55.3	63.1	-	171.0
2013	34.1	26.4	23.6	19.5	103.6
2012	30.4	25.9	21.3	19.9	97.5
Net earnings per Class B share					
Basic					
2014	1.54	1.61	1.83	-	4.98
2013	1.01	0.77	0.68	0.58	3.04
2012	0.91	0.77	0.64	0.59	2.91
Diluted					
2014	1.51	1.58	1.79	-	4.88
2013	0.99	0.76	0.67	0.57	2.99
2012	0.89	0.76	0.63	0.58	2.86
Adjusted basic net earnings per Class B share					
2014	1.56	1.63	1.83	-	5.02
2013	1.04	0.82	1.38	1.19	4.43
2012	0.91	0.77	0.64	0.59	2.91

The quarterly financial results above are affected by the seasonality of the business Segments. 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 a 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. Furthermore, on July 1, 2013, CCL acquired the Avery and DES businesses of Avery Dennison Corporation, the most significant acquisition in the Company's history.

3. Business Segment Review

Label Segment

($ millions)	Third Quarter			Year-to-Date		
	2014	**2013**	**+/-**	**2014**	**2013**	**+/-**
Sales	$ 437.4	$ 360.3	21.4%	$ 1,284.9	$ 982.5	30.8%
Operating Income [(1)]	$ 59.4	$ 48.7	22.0%	$ 184.8	$ 150.3	23.0%
Return on Sales [(1)]	13.6%	13.5%		14.4%	15.3%	
Capital Spending	$ 19.7	$ 16.2	21.6%	$ 85.4	$ 77.0	10.9%
Depreciation and Amortization	$ 30.3	$ 25.7	17.9%	$ 88.8	$ 72.2	23.0%

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

Sales for the Label Segment were $437.4 million for the third quarter of 2014, compared to $360.3 million for the same quarter last year. The 21.4% increase in sales can be attributed to organic growth of 6.5%, the impact from the Sancoa, Dekopak and Bandfix acquisitions of 8.9% and the positive effect from foreign currency translation of 6.0%.

North American sales increased mid-single digits, excluding currency translation and the acquisition of Sancoa, compared to the third quarter of 2013. Sales for CCL Design, a significant portion of the acquired DES operations, improved, driven by solid demand in the automotive market but profitability fell compared to an unusually strong prior year period aided by acquisition related events. Home & Personal Care sales, excluding the Sancoa acquisition improved modestly in a soft market. Healthcare & Specialty results improved significantly but compared to a soft prior year period impacted by FDA quarantines at certain pharmaceutical customers. Results improved markedly on market share wins for the Wine & Spirits business; sales also improved in Beverage and Sleeves but profits declined on start-up costs of new capacity. Overall profitability improved in North America notwithstanding the impact of acquisitions and currency translation, however, return on sales declined entirely due to the mix impact of the acquired DES and Sancoa businesses.

Sales in **Europe** were up mid-single digits for the third quarter of 2014, excluding currency translation and acquisitions, compared to the third quarter of 2013. The Home & Personal Care business posted sales growth and strong profitability improvement attributable to significant operational gains in Western Europe. Sales in Healthcare & Specialty, excluding foreign currency translation and the Bandfix acquisition, were almost flat to the third quarter of 2013 but profitability improved. Results in Food & Beverage, excluding currency translation and the Dekopak acquisition, were strong on continued solid performance in Sleeves and robust sales gains in Beverage, partially offset by start-up losses at the new film extrusion plant. Sales and profitability improved at the CCL Design business due to strong automotive demand. Overall, European operating income, excluding incremental acquisitions and foreign currency translation, increased significantly, compared to the prior year third quarter. The newly acquired businesses in Switzerland and Turkey met management expectations for the quarter.

Sales in **Latin America** increased double digits for the third quarter of 2014, excluding the impact of currency translation compared to the third quarter of 2013. Sales improved in both Mexico and Brazil. Operating income increased significantly in absolute terms and as a percent of sales, but with a mix of improved results in Mexico partly offset by reductions in Brazil compared to the prior year third quarter, in part impacted by the decline of the real against the U.S. dollar and the subsequent impact on raw material costs.

Asia Pacific delivered strong double digit sales growth for the third quarter of 2014, compared to the third quarter of 2013. China posted significant quarterly improvement in both sales and operating income but the rate of growth slowed markedly from the first half 2014 levels as retailers cut inventories in response to a softer consumer environment. ASEAN results were mixed as Thailand was affected by a change in business mix while results for Vietnam improved significantly. Results were impacted by the delayed start-up in the Philippines until late in the quarter because of a typhoon that damaged the facility. Australian results were mixed with improved revenue and profitability in the Wine and Spirits business almost offset by a poor quarter at the Healthcare plants. Sales volume for beverage labels in South Africa was strong. Overall profitability in the Asia Pacific region fell due to start-up expenses in the Philippines, and tough comparisons to an exceptional prior year period in Thailand.

Operating income, for the third quarter of 2014 improved 22.0% to $59.4 million, compared to $48.7 million for the third quarter of 2013. Operating income as a percentage of sales was 13.6%, slightly ahead of the 13.5% recorded for the same period in 2013, and primarily driven by the improved results within the North American Healthcare and Specialty business.

Results from the 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 and profits at CCL-Kontur improved for the 2014 third quarter compared to the prior year three-month period. Pacman-CCL contributed meaningfully to overall earnings for the 2014 third quarter inclusive of the start-up operations in Saudi Arabia and Pakistan. For the third quarter of 2014, Acrus-CCL posted sales and operating profit improvements. CCL-Taisei continued to build its new tube plant during the quarter and incurred a start-up loss. This operation is not expected to trade until late in fourth quarter of 2014. Earnings in equity accounted investments amounted to $0.5 million for the 2014 third quarter compared to $0.5 million for the 2013 third quarter.

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

The Label Segment invested $85.4 million in capital spending in the nine-month period ended September 30, 2014, compared to $77.0 million in the same nine-month period in 2013. The investments for the nine-month period are in line with Company's planned capital expenditures for 2014. The major expenditures for the nine-month period of 2014 were related to equipment installations to support the Home & Personal Care business in North America and to add more digital printing capabilities throughout the Label Segment footprint. 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 $88.8 million for the nine-month period ended September 30, 2014, compared to $72.2 million for the same period of 2013.

Avery Segment

($ millions)	Third Quarter			Year-to-Date		
	2014	**2013**	**+/-**	**2014**	**2013**	**+/-**
Sales	$ 204.7	$ 201.8	1.4%	$ 511.8	$ 201.8	153.6%
Operating Income [(1)]	$ 44.8	$ 16.2	176.5%	$ 86.3	$ 16.2	432.7%
Return on Sales [(1)]	21.9%	8.0%		16.9%	8.0%	
Capital Spending	$ 2.3	$ 3.8	(39.5%)	$ 8.0	$ 3.8	110.5%
Depreciation and Amortization	$ 3.2	$ 3.2	-	$ 9.9	$ 3.2	219.4%

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

The Avery Segment was acquired July 1, 2013 from Avery Dennison Corporation. The Segment has two primary product groups, Printable Media and Binders, Organization & Presentation, Writing Instruments ("BOPWI").

Sales for the Avery Segment were $204.7 million for the third quarter of 2014, compared to $201.8 million for the same quarter last year. The 1.4% increase in sales can be attributed to the positive effect from foreign currency translation of 6.3%, offset primarily by the decline in the North American BOPWI category sales during the quarter.

North American sales results declined as early retailer orders for back-to-school products shifted volume into the second quarter compared to the prior year experience. Mix, however, was positive with higher margin Printable Media products posting sales gains that largely offset secular declines in the BOPWI category excluding the shift of retailer orders already mentioned. Cost cutting programs, new product initiatives and procurement savings that began in the third quarter of 2013 took root and absolute profitability in North America improved significantly, compared to the third quarter of 2013.

International sales principally generated in the Printable Media category represented 20% of the Avery Segment sales for the quarter. Sales, excluding currency translation declined in Europe but improved slightly in Asia Pacific and improved appreciably in Latin America. Operating profit improved significantly compared to the third quarter of 2013 due to cost reduction initiatives and productivity enhancements taking hold.

Operating income, for the third quarter of 2014 improved 176.5% to $44.8 million, compared to $16.2 million for the third quarter of 2013. Operating income as a percentage of sales was 21.9%, compared to 8.0% recorded for the same period in 2013, exceeding management's expectations. Excluding the $14.6 million non-cash acquisition accounting adjustment to finished goods inventory for Avery in the 2013 third quarter, operating income improved 45.5% from $30.8 million and return on sales was 15.3%.

The Avery Segment invested $8.0 million in capital spending for the nine-month period ended September 30, 2014. The majority of the expenditures were for equipment additions for North American continuing operations in order to facilitate the previously announced closure of the Chicopee, Massachusetts operation as well as equipment to support digital print capabilities for Avery.com. Depreciation and amortization for the Avery Segment was $9.9 million for the nine-month period ended September 30, 2014.

Container Segment

($ millions)	Third Quarter			Year-to-Date		
	2014	**2013**	**+/-**	**2014**	**2013**	**+/-**
Sales	$ 47.6	$ 44.5	7.0%	$ 153.1	$ 147.4	3.9%
Operating Income [1]	$ 3.0	$ 2.9	3.4%	$ 13.8	$ 13.4	3.0%
Return on Sales [1]	6.3%	6.5%		9.0%	9.1%	
Capital Spending	$ 4.4	$ 2.7	63.0%	$ 17.2	$ 5.0	244.0%
Depreciation and Amortization	$ 3.5	$ 3.5	-	$ 10.5	$ 10.6	(0.9%)

(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 2014 third quarter were $47.6 million, an increase of 7.0% compared to $44.5 million in the third quarter of 2013. Organic growth of 4.1% was driven by volume gains in North America and Mexico as well as higher average aluminum prices for the comparable quarters. The Container Segment posted operating income of $3.0 million compared to $2.9 million for the 2013 third quarter as management continues to oversee the eventual closure of the Canadian operation and redistribution of its equipment to the continuing operations in the U.S. and Mexico. Expenses relating to the previously announced restructuring plan for the Canadian plant closure were $0.5 million year-to-date of a planned $4.0 million. Most of this planned expense will now be incurred in 2015.

The Container Segment invested $17.2 million and $5.0 million in capital spending for the nine-month periods of September 30, 2014, and of September 30, 2013, respectively. The majority of the expenditures in the first nine months of 2014 were for the previously announced facility expansion and installation of a new manufacturing line at the U.S. operation to facilitate the efficient redistribution of part of the Canadian plant's equipment. Depreciation and amortization for the Container Segment was $10.5 million for the nine-month period of 2014 compared to $10.6 million for the comparable nine-month period of 2013.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 20.3% and 3.5% of its expected 2014 and 2015 requirements, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,900 to US$2,100 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 2014 ranged from US$1,800 to US$2,200 per metric ton compared to US$1,700 to US$1,900 in the third quarter of 2013.

4. Currency Transaction Hedging and Currency Translation

Approximately 96% of sales made in the first nine months of 2014 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 2014 were impacted by the depreciation of the Canadian dollar against most currencies resulting in a positive effect of 4.9%, 4.8%, 12.8%, 5.3%, 3.1% and 2.7% relative to the U.S. dollar, euro, sterling, Brazilian real Mexican peso and Thai baht, respectively, when comparing the rates in the third quarters of 2014 and 2013. For the third quarter of 2014, currency translation had a $0.07 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:

($ Millions, except per share data)

	September 30, 2014	December 31, 2013	September 30, 2013
Current debt	$ 55.9	$ 47.0	$ 46.8
Long-term debt	650.9	665.0	758.7
Total debt	706.8	712.0	805.5
Cash and cash equivalents	(216.0)	(209.1)	(260.1)
Net debt [(1)]	$ 490.8	$ 502.9	$ 545.4
Shareholders' equity	$ 1,191.4	$ 1,018.1	$ 970.3
Net debt to total book capitalization [(1)]	29.2%	33.1%	36.0%

(1) Net Debt and Net Debt to Total Book Capitalization 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 $490.8 million at September 30, 2014, $12.1 million lower than the net debt of $502.9 million at December 31, 2013. This decrease in net debt is due to the $166.4 million of debt repayments and increase in cash on hand partially offset by the additional debt drawn on the Company's syndicated credit facility to fund the acquisitions of Sancoa and Bandfix and the currency translation effect on the Company's U.S. dollar and euro drawn debt. Net debt at September 30, 2014, was $54.6 million lower than the net debt of $545.4 million at September 30, 2013, due to the repayments against the syndicated credit facilities over the previous twelve months partially offset by the drawdowns to fund the aforementioned acquisitions and the impact of currency translation.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2014, was 29.2%, down from 36.0% at the end of September 2013 reflecting the reduction in net debt and continued operating profitability over the past twelve months.

The Company's debt structure at September 30, 2014, was comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US$239.0 million (C$267.7 million) and a bank syndicated US$327.8 million non-revolving credit and $300.0 million revolving facility. During the nine-month period, the Company made payments of US$30.0 million on the non-revolving credit facility and payments of US$116.5 million on the revolving credit facility. During the first nine months of 2014, the Company, on a no-fee basis, amended the borrowing currency of the non-revolving facility from Canadian dollars to U.S. dollars. Including the $3.7 million of outstanding letters of credit, the Company had approximately $238.6 million of available capacity within its revolving credit facility as at September 30, 2014.

The Company's overall average finance rate was 3.4% as at September 30, 2014, compared to 3.3% as at September 30, 2013. The increase in the average finance rate was primarily caused by the Company's reduction in its variable rate revolving syndicated debt, compared to the outstanding debt at September 30, 2013.

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 Quarter		Year-to-Date	
Summary of Cash Flows	**2014**	**2013**	**2014**	**2013**
Cash provided by operating activities	$ 148.6	$ 154.9	$ 260.7	$ 228.8
Cash provided by (used for) financing activities	(108.5)	(26.5)	(57.1)	$ 444.7
Cash used for investing activities	(33.9)	(536.9)	(199.3)	(609.9)
Translation adjustments on cash and cash equivalents	1.5	(15.4)	2.8	7.5
Increase (decrease) in cash and cash equivalents	$ 7.7	$ (423.9)	$ 7.1	$ 71.1
Cash and cash equivalents – end of period	$ 216.0	$ 260.1	$ 216.0	$ 260.1
Free cash flow from operations (1)	$ 129.9	$ 132.2	$ 163.5	$ 144.9

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

During the third quarters of 2014 and 2013, the Company generated cash from operating activities of $148.6 million and $154.9 million, respectively. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was $129.9 million in the 2014 third quarter compared to $132.2 million in the prior year quarter. The change in operating cash flow and free cash flow from operations was primarily due to the increase in net earnings offset by changes in working capital.

Capital spending in the third quarter of 2014 amounted to $26.4 million compared to $22.7 million in the 2013 third quarter. Depreciation and amortization for the third quarters of 2014 and 2013 were $37.2 million and $32.6 million, respectively. Plans for capital spending in 2014 are expected to be not less than $130.0 million which is in line with annualized depreciation expense. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends in the third quarters of 2014 and 2013 were $10.4 million and $7.4 million, respectively. The total number of shares issued and outstanding as at September 30, 2014 and 2013, were 34.6 million and 34.4 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2014 continues to be positive, the Board of Directors has approved a continuation of the dividend paid in September 2014 of $0.2875 per Class A share and $0.30 per Class B share to shareholders of record as of December 12, 2014, and payable on December 22, 2014. The annualized dividend rate is $1.15 per Class A share and $1.20 per Class B share.

7. Interest rate and Foreign Exchange Management

The Company has 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 2014.

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 12.3 times as at September 30, 2014, compared to 7.8 times as at September 30, 2013.

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 2013 annual audited consolidated financial statements and notes thereto, as well as the 2013 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, 2014, there are no changes to the critical accounting policies and estimates from those described in the 2013 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 26 of the annual consolidated financial statements for the year ended December 31, 2013.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, except for long-term operating lease agreements. The nature of these commitments is described in note 25 of the annual consolidated financial statements for the year ended December 31, 2013. 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 nine-month period ended September 30, 2014.

11. Risks and Strategies

The 2013 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2014 and beyond. There have been no material changes to those risks and strategies during the first nine months of 2014.

12. Outlook

The third quarter of 2014 CCL lapped the anniversary of the Avery Dennison acquisition on July 1, 2013. Cost cutting programs, procurement savings and new product initiatives implemented over the past year resulted in an outstanding performance for the new Avery Segment; combined with solid performance from the core CCL businesses, this resulted in the Company's third consecutive record quarter. The Sancoa transaction closed at the end of February 2014 and posted solid profitability this quarter, with the Bandfix and Dekopak acquisitions also meeting expectations. Unused credit lines stand at $238.6 million; with additional cash-on-hand 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 accomplish this growth strategy, including the financing of investment opportunities that will expand geographic, market segment reach and technological capabilities. The Company's capital spending for the year is expected to be approximately $140 million.

Order intake in the Label Segment remains steady so far into the fourth quarter. Management continues to see only low growth opportunities in developed economies and near term we could see emerging markets potentially decelerating as consumer sentiment has softened in many territories. Expansion initiatives, such as CCL's new Home & Personal Care operation in the Philippines and CCL's new joint venture in Thailand that are under construction, are expected to commence operations during the fourth quarter of this year but not post profitable returns until late 2015. The effect of foreign currency rates remain positive into the fourth quarter of 2014 on translated results if current levels of the Canadian dollar prevail or weaken.

At Avery, restructuring programs have moved to the final stage, and will be completed before the end of 2014. Remaining actions are predominantly in Europe and will drive further cost reduction and efficiency gains that thus far have helped deliver results for Avery that have exceeded expectations. With the North American back-to-school season finished, the next two quarters are the seasonal lows for the Segment.

The Container Segment posted another solid quarter while organizing the closure and redistribution of manufacturing equipment from its Canadian operation to the U.S. and Mexican facilities. The Container Segment is still within its announced $25.0 million infrastructure investment budget and remains committed to delivering the $10.0 million of incremental annual cash flow when this initiative is completed in late 2015. The majority of the $4 million in transition expense budgeted for 2014 will now be expensed in 2015 to coincide with the timing of equipment moves.

The return of macroeconomic uncertainty, especially in Europe, and the unclear repercussions of geopolitical events on the global economy bring caution to the Company's outlook. Furthermore, momentum in consumer staples in North America has yet to gain traction, despite more positive economic sentiment. Year-over-year, Avery will likely see the rate of performance improvement moderate appreciably as the majority of restructuring benefits have taken hold. Consumer consumption in emerging markets should outpace the developed economies but signs of slowing have emerged in their domestic consumption. Therefore, to prepare for the coming year the Company expects it will close or merge some of its smaller less profitable facilities within the Label Segment and complete the Avery restructuring initiative. All-in-all it is anticipated that a charge of $6.0 million will be incurred in the fourth quarter to achieve an expected pre-tax annual savings of the same amount.

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, Avery and DES finance costs, non-cash acquisition accounting adjustment to finished goods inventory, restructuring and other items and tax adjustments.

EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. It is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustment to finished goods inventory, earnings in equity accounted investments, and restructuring and other items. The Company believes that EBITDA is an important measure as it allows the assessment of CCL's ongoing business without the impact of net finance cost, depreciation and amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows comparison of CCL's business to that of its peers and competitors who may have different capital or organizational structures. EBITDA is a measure tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants for CCL's bank lines of credit.

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

(in millions of Canadian dollars)				
	Third Quarter		Year-to-Date	
EBITDA (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items)	**2014**	**2013**	**2014**	**2013**
Net earnings	$ 63.1	$ 23.6	$ 171.0	$ 84.1
Corporate expense	11.3	9.3	24.8	23.7
Earning in equity accounted investments	(0.5)	(0.5)	(1.6)	(1.1)
Finance cost, net	6.5	7.7	19.5	18.9
Restructuring and other items – net loss	-	18.3	2.0	21.0
Income taxes	26.8	9.4	69.2	33.3
Operating income (a non-IFRS measure)	$ 107.2	$ 67.8	$ 284.9	$ 179.9
Less: Corporate expense	(11.3)	(9.3)	(24.8)	(23.7)
Add: Depreciation and amortization	37.2	32.6	109.8	86.6
Add: Non-cash acquisition accounting adjustment to finished goods inventory	-	16.7	-	16.7
EBITDA (a non-IFRS measure)	$ 133.1	$ 107.8	$ 369.9	$ 259.5

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

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

(in millions of Canadian dollars)				
	Third Quarter		Year-to-Date	
Free Cash Flow from Operations	**2014**	**2013**	**2014**	**2013**
Cash provided by operating activities	$ 148.6	$ 154.9	$ 260.7	$ 228.8
Less: Additions to property, plant and equipment	(26.4)	(22.7)	(110.6)	(85.8)
Add: Proceeds on disposal of property, plant and equipment	7.7	-	13.4	1.9
Free Cash Flow from Operations	$ 129.9	$ 132.2	$ 163.5	$ 144.9

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

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

(in millions of Canadian dollars)
Interest coverage

	12-month rolling*		**Year-to-date**				
	October 1 – September 30		**December 31**		**September 30**	**September 30**	**September 30**
	2014	**2013**	**2013**	**2012**	**2014**	**2013**	**2012**
Operating income (a non-IFRS financial measure; see definition below)	$ 357.2	$ 218.5	$ 252.2	$ 178.4	$ 284.9	$ 179.9	$ 139.8
Less: Corporate expense	$ 34.6	$ 31.0	$ 33.5	$ 26.4	$ 24.8	$ 23.7	$ 19.1
Operating income less corporate expense	$ 322.6	$ 187.5	$ 218.7	$ 152.0	$ 260.1	$ 156.2	$ 120.7
Net finance cost	$ 26.2	$ 24.0	$ 25.6	$ 20.9	$ 19.5	$ 18.9	$ 15.8
Interest coverage	12.3	7.8					

* 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 income before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity-accounted investments, restructuring and other items and tax.

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

Restructuring and Other Items – A measure of significant non-recurring items that are included in net earnings. The impact of restructuring and other items on a per share basis is measured by dividing the after-tax effect of the restructuring and other items by the average number of shares outstanding in the relevant period. Management will continue to disclose the impact of these items on the Company's results because the timing and extent of such items do not reflect or relate to the Company's ongoing operating performance. Management evaluates the operating income of its segments before the effect of these items.

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

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

(in millions of Canadian dollars)

Return on Sales	**Sales Third Quarter**		**Operating Income Third Quarter**		**Return on Sales Third Quarter**	
Industry Segments	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Label	$ 437.4	$ 360.3	$ 59.4	$ 48.7	13.6%	13.5%
Avery	204.7	201.8	44.8	16.2	21.9%	8.0%
Container	47.6	44.5	3.0	2.9	6.3%	6.5%
Total Operations	$ 689.7	$ 606.6	$ 107.2	$ 67.8	15.5%	11.2%