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

CCL INDUSTRIES INC.

Interim periods ended September 30, 2015 and 2014
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In thousands of Canadian dollars

	As at September 30 2015	As at December 31 2014
Assets		
Current assets		
Cash and cash equivalents	$ 298,757	$ 221,873
Trade and other receivables	501,789	380,965
Inventories	230,110	192,286
Prepaid expenses	20,201	14,949
Income tax recoverable	1,085	11,810
Total current assets	1,051,942	821,883
Property, plant and equipment	1,013,324	925,512
Goodwill	639,666	563,730
Intangible assets	263,351	226,567
Deferred tax assets	13,693	4,183
Equity accounted investments	57,546	54,652
Other assets	26,192	21,848
Total non-current assets	2,013,772	1,796,492
Total assets	**$ 3,065,714**	**$ 2,618,375**
Liabilities		
Current liabilities		
Trade and other payables	$ 590,795	$ 519,440
Current portion of long-term debt (note 8)	213,674	59,058
Income taxes payable	47,778	21,419
Derivative instruments	1,481	280
Total current liabilities	853,728	600,197
Long-term debt (note 8)	492,878	600,011
Deferred tax liabilities	46,603	43,453
Employee benefits	161,655	138,594
Provisions and other long-term liabilities	14,118	19,413
Derivative instruments	580	488
Total non-current liabilities	715,834	801,959
Total liabilities	1,569,562	1,402,156
Equity		
Share capital	269,992	248,087
Contributed surplus	27,859	26,241
Retained earnings	1,122,748	938,526
Accumulated other comprehensive income (note 5)	75,553	3,365
Total equity attributable to shareholders of the Company	1,496,152	1,216,219
Acquisitions (note 3)		
Subsequent events (note 9)		
Total liabilities and equity	**$ 3,065,714**	**$ 2,618,375**

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	
	2015	2014	2015	2014
Sales	$ 812,907	$ 689,691	$ 2,240,271	$ 1,949,793
Cost of sales	587,664	502,159	1,610,018	1,427,166
Gross profit	225,243	187,532	630,253	522,627
Selling, general and administrative	103,319	91,603	295,024	262,526
Restructuring and other items	864	-	1,804	2,041
Earnings in equity accounted investments	(1,100)	(516)	(1,863)	(1,560)
	122,160	**96,445**	**335,288**	**259,620**
Finance cost	7,048	6,864	20,472	20,215
Finance income	(709)	(373)	(1,610)	(703)
Net finance cost	6,339	6,491	18,862	19,512
Earnings before income taxes	**115,821**	**89,954**	**316,426**	**240,108**
Income tax expense	34,027	26,872	93,218	69,136
Net earnings	**$ 81,794**	**$ 63,082**	**$ 223,208**	**$ 170,972**
Attributable to:				
Shareholders of the Company	$ 81,794	$ 63,082	$ 223,208	$ 170,972
Net earnings for the period	**$ 81,794**	**$ 63,082**	**$ 223,208**	**$ 170,972**
Basic earnings per Class B share	**$ 2.36**	**$ 1.83**	**$ 6.45**	**$ 4.98**
Diluted earnings per Class B share	**$ 2.33**	**$ 1.79**	**$ 6.35**	**$ 4.88**

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	
	2015	2014	2015	2014
Net earnings	**$ 81,794**	**$ 63,082**	**$ 223,208**	**$ 170,972**
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 $4,600 and $8,288 for the three-month and nine-month periods ending September 30, 2015 (2014 - tax expense of $2,912 and $2,369)	76,473	22,246	148,770	36,431
Net losses on hedges of net investment in foreign operations, net of tax recovery of $5,729 and $10,948 for the three-month and nine-month periods ending September 30, 2015 (2014 - tax recovery of $3,800 and $3,561)	(39,611)	(26,291)	(75,696)	(24,690)
Effective portion of changes in fair value of cash flow hedges, net of tax recovery of $365 and $732 for the three-month and nine-month periods ending September 30, 2015 (2014 - tax expense of $67 and $58)	(754)	340	(1,544)	218
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax recovery of $195 and $326 for the three-month and nine-month periods ending September 30, 2015 (2014 - tax expense of $11 and tax recovery of $145)	394	(34)	658	427
Other comprehensive income (loss), net of tax	**36,502**	**(3,739)**	**72,188**	**12,386**
Total comprehensive income	**$ 118,296**	**$ 59,343**	**$ 295,396**	**$ 183,358**
Attributable to:				
Shareholders of the Company	$ 118,296	$ 59,343	$ 295,396	$ 183,358
Total comprehensive income	**$ 118,296**	**$ 59,343**	**$ 295,396**	**$ 183,358**

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

	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balances, January 1, 2014	$ 4,504	$ 246,843	$ (14,158)	$ 237,189	$ 11,919	$ 768,738	$ 289	$ 1,018,135
Net earnings	-	-	-	-	-	170,972	-	170,972
Dividends declared								
Class A	-	-	-	-	-	(1,805)	-	(1,805)
Class B	-	-	-	-	-	(25,605)	-	(25,605)
Stock-based compensation plan	-	-	-	-	3,642	-	-	3,642
Shares redeemed from trust	-	-	427	427	-	-	-	427
Shares purchased and held in trust	-	-	(157)	(157)	-	-	-	(157)
Stock option expense	-	-	-	-	2,269	-	-	2,269
Stock options exercised	-	8,761	-	8,761	(1,544)	-	-	7,217
Income tax effect related to stock options	-	-	-	-	3,874	-	-	3,874
Other comprehensive income	-	-	-	-	-	-	12,386	12,386
Balances, September 30, 2014	$ 4,504	$ 255,604	$ (13,888)	$ 246,220	$ 20,160	$ 912,300	$ 12,675	$ 1,191,355

	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balances, January 1, 2015	$ 4,504	$ 257,521	$ (13,938)	$ 248,087	$ 26,241	$ 938,526	$ 3,365	$ 1,216,219
Net earnings	-	-	-	-	-	223,208	-	223,208
Dividends declared								
Class A	-	-	-	-	-	(2,575)	-	(2,575)
Class B	-	-	-	-	-	(36,411)	-	(36,411)
Stock-based compensation plan	-	-	6,886	6,886	(2,654)	-	-	4,232
Shares purchased and held in trust	-	-	(544)	(544)	-	-	-	(544)
Stock option expense	-	-	-	-	3,116	-	-	3,116
Stock options exercised	-	15,563	-	15,563	(2,804)	-	-	12,759
Income tax effect related to stock options	-	-	-	-	3,960	-	-	3,960
Other comprehensive income	-	-	-	-	-	-	72,188	72,188
Balances, September 30, 2015	$ 4,504	$ 273,084	$ (7,596)	$ 269,992	$ 27,859	$ 1,122,748	$ 75,553	$ 1,496,152

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

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

In thousands of Canadian dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	**2014**	**2015**	**2014**
Cash provided by (used for)				
Operating activities				
Net earnings	$ 81,794	$ 63,082	$ 223,208	$ 170,972
Adjustments for:				
Depreciation and amortization	41,296	37,229	119,980	109,785
Earnings in equity accounted investments, net of dividends received	1,548	1,672	996	628
Net finance cost	6,339	6,491	18,862	19,512
Current income tax expense	46,982	25,709	103,762	67,670
Deferred taxes	(12,955)	1,163	(10,544)	1,466
Equity-settled share-based payment transactions	1,074	4,402	7,348	10,212
(Gain) loss on sale of property, plant and equipment	1	(369)	(957)	(439)
	166,079	139,379	462,655	379,806
Change in inventories	4,209	24,915	(32,260)	(3,807)
Change in trade and other receivables	(22,049)	20,495	(116,063)	(33,468)
Change in prepaid expenses	7,824	1,127	(4,828)	(4,548)
Change in trade and other payables	28,795	(17,253)	65,794	3,208
Change in income taxes receivable and payable	(332)	(101)	(624)	(72)
Change in employee benefits	11,875	2,072	23,061	9,612
Change in other assets and liabilities	(7,988)	5,421	(13,915)	(6,949)
	188,413	176,055	383,820	343,782
Net interest paid	(10,590)	(10,119)	(22,430)	(23,205)
Income taxes paid	(42,706)	(17,327)	(67,611)	(59,926)
Cash provided by operating activities	**135,117**	**148,609**	**293,779**	**260,651**
Financing activities				
Proceeds on issuance of debt	8,792	17,969	55,815	129,561
Repayment of debt	(45,714)	(118,508)	(98,233)	(166,357)
Proceeds from issuance of shares	6,755	2,432	12,760	7,216
Dividends paid	(13,100)	(10,361)	(39,165)	(27,567)
Cash used by financing activities	**(43,267)**	**(108,468)**	**(68,823)**	**(57,147)**
Investing activities				
Additions to property, plant and equipment	(38,807)	(26,442)	(130,400)	(110,589)
Proceeds on disposal of property, plant and equipment	10,131	7,716	12,576	13,368
Business acquisitions and other long-term investments (note 3)	(7,833)	(15,199)	(46,456)	(102,123)
Cash used for investing activities	**(36,509)**	**(33,925)**	**(164,280)**	**(199,344)**
Net increase in cash and cash equivalents	55,341	6,216	60,676	4,160
Cash and cash equivalents at beginning of period	234,720	208,303	221,873	209,095
Translation adjustment on cash and cash equivalents	8,696	1,507	16,208	2,771
Cash and cash equivalents at end of period	**$ 298,757**	**$ 216,026**	**$ 298,757**	**$ 216,026**

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, 2015, 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 2014 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 5, 2015.

(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 July 2015, the Company acquired Fritz Brunnhoefer GmbH based in Nurnberg, Germany, for a net cash purchase price of $7.8 million (€5.4 million), inclusive of the cost of a manufacturing facility. During the third quarter of 2015 the purchase price was reduced by $0.2 million (€0.1 million) for the post-closing working capital adjustment. The acquisition builds on the Company's developing presence in the German durable goods market. The total amount of Goodwill is $2.6 million and is not deductible for tax purposes.

In February 2015, the Company acquired pc/nametag Inc. and Meetings Direct, LLC ("PCN"); two privately owned companies that supply name badges and meeting registration supplies to professional meeting planners and distributors of promotional material in North America. PCN is an important addition to the Avery Segment adding depth to its meeting supplies and promotional materials product offerings. The purchase price was $36.6 million (US$29.2 million) net of cash acquired and inclusive of a $2.5 million (US$2.0 million) promissory note due February 2016. During the second quarter of 2015 the purchase price was increased by an additional $1.0 million (US$0.9 million) for the post-closing working capital adjustment.

The following tables summarize the allocation of the consideration to the fair value of the assets acquired and liabilities assumed:

(in millions of Canadian dollars)

Cash consideration	$	35.1
Promissory note		2.5
Total consideration	$	37.6

3. Acquisitions (continued)

(in millions of Canadian dollars)

Trade and other receivables	$	1.8
Inventories		2.1
Other current assets		0.3
Property, plant and equipment		5.3
Other long-term assets		0.2
Goodwill		20.0
Intangible assets		16.4
Trade and other payables		(2.2)
Deferred tax		(6.3)
Net assets acquired	$	37.6

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. The total amount of goodwill and intangible assets amounted to $36.4 million of which $5.0 million is deductible for tax purposes.

PCN contributed sales of $24.6 million and net earnings of $2.7 million since the date of acquisition, including integration costs.

In February 2015, the Company acquired INT America LLC; a private company based in Detroit, Michigan that builds metal tread plates for domestic automotive original equipment manufacturers. The purchase price was $2.9 million (US$2.3 million), after a reduction of $1.9 million (US$1.5 million) for post-closing adjustments recognized during the second and third quarter of 2015.

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, 2015.

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.

(in millions of Canadian dollars)		Nine months ended September 30, 2015
Sales	$	2,247.3
Net earnings	$	224.0

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.

In thousands of Canadian dollars, unless otherwise noted

4. Segment reporting (continued)

	Three Months Ended September 30				Nine Months Ended September 30			
	Sales		Operating income		Sales		Operating income	
	2015	2014	2015	2014	2015	2014	2015	2014
Label	$ 522,198	$ 437,431	$ 81,612	$ 59,392	$ 1,477,229	$ 1,284,929	$ 235,405	$ 184,762
Avery	233,082	204,671	46,532	44,782	591,440	511,794	118,369	86,330
Container	57,627	47,589	6,197	2,979	171,602	153,070	20,265	13,807
Total operations	$ 812,907	$ 689,691	134,341	107,153	$ 2,240,271	$ 1,949,793	374,039	284,899
Corporate expense			(12,417)	(11,224)			(38,810)	(24,798)
Restructuring and other items			(864)	-			(1,804)	(2,041)
Earnings in equity accounted investments			1,100	516			1,863	1,560
Finance cost			(7,048)	(6,864)			(20,472)	(20,215)
Finance income			709	373			1,610	703
Income tax expense			(34,027)	(26,872)			(93,218)	(69,136)
Net earnings			$ 81,794	$ 63,082			$ 223,208	$ 170,972

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	September 30	December 31	September 30	December 31	Nine Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014	2015	2014	2015	2014
Label	$ 1,900,167	$ 1,668,565	$ 487,891	$ 436,527	$ 96,711	$ 88,799	$ 111,969	$ 85,369
Avery	604,885	490,337	213,074	189,567	11,171	9,929	10,728	7,978
Container	168,490	162,460	61,172	54,701	11,352	10,458	7,703	17,242
Equity accounted investments	57,546	54,652	-	-	-	-	-	-
Corporate	334,626	242,361	807,425	721,361	746	599	-	-
Total	$ 3,065,714	$ 2,618,375	$ 1,569,562	$ 1,402,156	$ 119,980	$ 109,785	$ 130,400	$ 110,589

Due to the seasonality of CCL's business, the Company's operating results for the nine months ended September 30, 2015, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2015. 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 2015	December 31 2014
Unrealized foreign currency translation gains, net of tax recovery of $5,493 (2014 – tax recovery of $2,833)	$ 76,956	$ 3,882
Losses on derivatives designated as cash flow hedges, net of tax recovery of $543 (2014 – tax recovery of $137)	(1,403)	(517)
	$ 75,553	$ 3,365

6. Restructuring and other items

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Restructuring	$ 4,498	$ -	$ 5,438	$ 1,480
Contingent consideration	(3,634)	-	(3,634)	-
Acquisition costs	-	-	-	561
Total restructuring and other items	$ 864	$ -	$ 1,804	$ 2,041

The Company recorded $4.5 million ($2.9 million, net of tax) in restructuring provisions for the previously announced closure of the Avery Meridian, Mississippi facility during the third quarter of 2015 and $0.9 million ($0.7 million, net of tax) in restructuring expenses related to the 2014 acquisition of Bandfix AG in the first quarter of 2015.

The Company reversed $3.6 million, with no tax impact, of accrued contingent consideration related to the 2014 acquisition of DekoPak Ambalaj San. Ve Tic. A.S.

In thousands of Canadian dollars, unless otherwise noted

7. 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)

	Level 1	Level 2	Level 3	Total
September 30, 2015				
Available-for-sale financial assets	$ -	$ 17,548	$ -	$ 17,548
Derivative financial liabilities	-	2,061	-	2,061
Unsecured senior notes	-	-	348,171	348,171
	$ -	$ 2,061	$ 348,171	$ 350,232
December 31, 2014				
Available-for-sale financial assets	$ -	$ 16,463	$ -	$ 16,463
Derivative financial liabilities	$ -	$ 768	$ -	$ 768
Contingent consideration	-	-	5,305	5,305
Unsecured senior notes	-	-	307,415	307,415
	$ -	$ 768	$ 312,720	$ 313,488

(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, 2015		December 31, 2014	
	Amount	Fair Value	Amount	Fair Value
Long-term debt	$ 706,552	$ 735,789	$ 659,069	$ 689,653

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

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

8. Long-term debt

As at September 30, 2015, the current portion of long-term debt includes the unsecured senior notes issued March 2006 at 5.57% of $146.8 million (US$110.0 million) repayable in March 2016. The unsecured senior note was classified as long-term debt as at December 31, 2014.

9. Subsequent events

In October 2015, the Company acquired assets of Sennett Security Products LLC and the equity of its subsidiary, Banknote Corporation of America Inc., based in Greensboro, North Carolina for approximately $45.0 million, subject to customary post-closing adjustments. The acquisition expands CCL Label's offerings to include security labels and other high security cards and documents.

The Board of Directors has declared a dividend of $0.3750 for the Class B non-voting shares and $0.3625 on the Class A voting shares that will be payable to shareholders of record at the close of business on December 11, 2015, to be paid on December 22, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarters Ended September 30, 2015 and 2014

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, 2015 and 2014. The information in this interim MD&A is current to November 5, 2015, and should be read in conjunction with the Company's November 5, 2015, unaudited third quarter consolidated condensed interim financial statements released on November 5, 2015, and the 2014 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2014 Annual Report, dated February 26, 2015.

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, Singaporean dollar, 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 anticipated improvement in market share; the Company's capital spending levels and planned capital expenditures in 2015; the adequacy of the Company's financial liquidity; 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 restructuring the

Canadian Container operation; the Company's expectation that the reorganization of the Canadian Container operation will be complete at the end of 2016; the Company's expectation that the Avery Segment's new product initiatives, consumer digital e-commerce opportunities and cross selling programs with recent acquisitions will provide incremental growth opportunities; the Company's expectation that the Avery Segment's financial performance for 2015 will exceed the annual results of 2014; the Company's expectation that its new operation in the Philippines and new joint venture in Thailand will not post profitable returns until 2016; the Company's expectations that the acquisitions of Bandfix and Dekopak and other acquired operations will provide future opportunities for margin expansion; the Company's expectation that its new start-up operations in Korea and Argentina will be completed by early 2016; the Company's acquisitions of LCL, Nilles, INTA, PCN and FritzB will continue to meet management expectations and will provide incremental growth opportunities; the Company's investment in Rheinfelden will result in a qualified alternate supply of aluminum slugs in North America; the Company's expectation that the initial capital investment in the North American in-mould label joint venture will occur in the fourth quarter of 2015 and trading will commence in late 2016; 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 2014 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 2015 was the twentieth 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 all the Company's operating segments. The Label, Avery and Container Segments posted increases in operating income (a non-IFRS financial measure; refer to definition in Section 13) of 37.4%, 3.8% and 106.7% respectively. Accordingly, third quarter adjusted basic earnings per Class B share for the Company was an all-time best of $2.34 compared to adjusted basic earnings per Class B share of $1.83 in the 2014 third quarter. Basic earnings per Class B share were $2.36 for the third quarter of 2015 compared to basic earnings per Class B share of $1.83 in the prior year third quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2014:

- In February 2014, Sancoa and TubeDec ("Sancoa"), privately owned companies with a common controlling shareholder based in New Jersey, USA, for $73.1 million. Sancoa produces labels and tubes and forms a vital part of the North American Home & Personal Care business.

- In February 2014, DekoPak Ambalaj SAN. Ve Tic. A.S. (“Dekopak”), a privately owned company based in Istanbul, Turkey, for $4.7 million. Dekopak is a leading producer of shrink sleeve labels for global and domestic customers in Turkey.

- In September 2014, Bandfix AG (“Bandfix”), a privately owned company based in Zurich, Switzerland, for $17.9 million. Bandfix produces Specialty labels for European customers, complementing CCL’s Healthcare & Specialty business.

- In November 2014, Label Connections Ltd. (“LCL”), a privately owned company based in St. Neots, England, for $2.8 million. LCL is a leading supplier to the commercial graphic arts sector and was the first acquisition within the Avery Segment.

- In December 2014, Druckerei Nilles GmbH (“Nilles”), a privately owned company based in Trittenheim, Germany, for $16.2 million. The Nilles wine label business was added to CCL’s growing Food & Beverage operations and the Nilles e-commerce platform will become a new business unit within the Avery Segment.

- In February 2015, INT America LLC (“INTA”), a privately owned company based in Michigan, USA, for $2.9 million. INTA will expand CCL Design North America’s product offering in the durable labels sector.

- In February 2015, pc/nametag Inc. and Meetings Direct, LLC (“PCN”), privately owned companies with common shareholders, based in Wisconsin, USA, for approximately $37.6 million, subject to typical post-closing adjustments. PCN will be an important addition to Avery North America, adding depth to its meeting supplies and promotional materials product offerings.

- In July 2015, Fritz Brunnhoefer GmbH (“FritzB”), a privately owned company based in Nurnburg, Germany, for approximately $7.8 million, subject to typical post-closing adjustments. This new business expands CCL Design’s presence in the German industrial and aerospace durable goods markets.

Sales for the third quarter of 2015 were $812.9 million, an increase of 17.9% compared to $689.7 million recorded in the third quarter of 2014. The increase in sales can be attributed to organic growth of 3.4%, acquisition-related growth of 3.8% and positive impact from foreign currency translation of 10.7%. For the nine-month period ended September 30, 2015, sales were $2,240.3 million, an increase of 14.9% compared to $1,949.8 million. The nine-month improvement in sales can be attributed to 3.7% organic growth, a 4.7% impact of the aforementioned acquisitions and a 6.5% positive impact from foreign currency translation.

Selling, general and administrative expenses (“SG&A”) were $103.3 million and $295.0 million for the three-month and nine-month periods ended September 30, 2015, compared to $91.6 million and $262.5 million for same periods in the prior year, respectively. The increases in SG&A for the aforementioned comparative periods can be attributed to additional SG&A expenses associated with the eight above mentioned acquisitions. Furthermore, executive short-term and long-term variable compensation expense together with director equity-linked compensation expenses increased compared to the 2014 periods.

The third quarter of 2015 included an expense for restructuring and other items of $0.9 million (nil after tax) compared to nil for the 2014 third quarter. Included in restructuring and other items were expenses of $4.5 million related to the previously announced restructuring of the Avery Segment net against $3.6 million of forgone contingent consideration to be paid pertaining to the Dekopak acquisition. For the nine-month period ended September 30, 2015, the Company recorded $1.8 million (nil - after tax) in restructuring and other items related to the aforementioned items including an additional $0.9 million of restructuring expenses related to the Bandfix acquisition recorded in the second quarter of this year. For the corresponding nine-month period ended 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.

Operating income ("operating income," a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2015 increased 25.3% to $134.3 million, compared to $107.2 million for the third quarter of 2014. Operating income increased for all three of the Company's business Segments, Label, Avery and Container, 37.4%, 3.8% and 106.7%, respectively, compared to the third quarter of 2014. Foreign currency translation contributed an improvement of 11.1% to the consolidated operating income. For the nine months ended September 30, 2015, operating income increased 31.3%, with the Label, Avery and Container Segments recording increases in operating income of 27.4%, 37.1% and 47.1%, respectively, compared to the same nine-month period in 2014. Foreign currency translation had a positive impact of 6.9% for the comparable nine-month periods.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was $163.2 million for the third quarter of 2015, an increase of 22.6% compared to $133.1 million for the third quarter of 2014. Foreign currency translation had a positive impact of 10.8% on EBITDA for the third quarter of 2015, although this was partly offset by challenges with the stronger U.S. dollar and weaker euro on transactions in certain markets. For the nine months ended September 30, 2015, EBITDA was $455.2 million, an increase of 23.1% compared to $369.9 million in the comparable 2014 period. Foreign currency translation has a positive impact of 6.8% for the comparable nine-month periods.

Net finance cost was $6.3 million for the third quarter of 2015 compared to $6.5 million for the third quarter of 2014. For the nine-month period ended September 30, 2015, net finance cost was $18.9 million compared to $19.5 million in the corresponding nine-month period of 2014. The decrease in net finance cost for the three-month and nine-month periods ended September 30, 2015, was attributable to lower net finance cost on lower net debt balances partially offset by the foreign currency translation impact on U.S. dollar interest expense.

The overall effective income tax rate was 29.7% for the third quarter of 2015 compared to 30.0% for the third quarter of 2014. The overall effective income tax rate was 29.6% for the nine-month period of 2015 compared to 29.0% for the nine-month period of 2014 reflecting a higher portion of CCL taxable income being earned in higher tax jurisdictions for the 2015 nine-month period. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the third quarter of 2015 were $81.8 million, an increase of 29.6% compared to $63.1 million for the third quarter of 2014. This resulted in basic and diluted earnings of $2.36 and $2.33 per Class B share, respectively, in the 2015 third quarter compared to basic and diluted earnings of $1.83 and $1.79 per Class B share, respectively, for the prior year third quarter.

Net earnings for the nine-month period of 2015 were $223.2 million, an increase of 30.5% compared to $171.0 million for the same period a year ago. This resulted in basic and diluted earnings of $6.45 and $6.35 per Class B share, respectively, for the 2015 nine-month period compared to basic and diluted earnings of $4.98 and $4.88 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares for the 2015 nine-month period were 34.6 million basic and 35.2 million diluted shares compared to 34.3 million basic and 35.0 million diluted shares for the comparable period of 2014. Diluted shares include weighted average in-the-money stock options and other equity settled obligations totaling 0.6 million shares.

Adjusted basic earnings per Class B share (a non-IFRS financial measure – see Section 13) were $2.34 and $6.45 for the three-month and nine-month periods of 2015, respectively, compared to $1.83 and $5.02 for the same periods of 2014.

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	**2015**	**2014**	**2015**	**2014**
Basic earnings	$ 2.36	$ 1.83	$ 6.45	$ 4.98
Restructuring and other items	(0.02)	-	-	0.04
Adjusted basic earnings [1]	$ 2.34	$ 1.83	$ 6.45	$ 5.02

(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					
2015	$ 705.9	$ 721.5	$ 812.9	$ -	$ 2,240.3
2014	609.7	650.4	689.7	635.8	2,585.6
2013	363.7	361.4	606.6	557.7	1,889.4
Net earnings					
2015	68.1	73.3	81.8	-	223.2
2014	52.6	55.3	63.1	45.6	216.6
2013	34.1	26.4	23.6	19.5	103.6
Net earnings per Class B share					
Basic					
2015	1.97	2.12	2.36	-	6.45
2014	1.54	1.61	1.83	1.33	6.31
2013	1.01	0.77	0.68	0.58	3.04
Diluted					
2015	1.93	2.09	2.33	-	6.35
2014	1.51	1.58	1.79	1.31	6.19
2013	0.99	0.76	0.67	0.57	2.99
Adjusted basic net earnings per Class B share					
2015	1.99	2.12	2.34	-	6.45
2014	1.56	1.63	1.83	1.51	6.53
2013	1.04	0.82	1.38	1.19	4.43

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year 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. 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. The increase in sales in the third quarter of 2013 was primarily due to CCL's acquisition of the Avery and DES businesses from Avery Dennison Corporation, the most significant acquisition in the Company's history.

Subsequent Event

In October 2015, the Company acquired assets of Sennett Security Products LLC and the equity of its subsidiary, Banknote Corporation of America Inc., based in Greensboro, NC, for approximately $45.0 million, subject to customary post-closing adjustments. Sales for the calendar year ended December 31, 2015, are expected to be $35.0 million. The acquisition expands CCL Label's technology base and product offering to include security labels, cards and document components.

3. Business Segment Review

Label Segment

($ millions)	Third Quarter			Year-to-Date		
	2015	**2014**	**+/-**	**2015**	**2014**	**+/-**
Sales	$ 522.2	$ 437.4	19.4%	$ 1,477.2	$ 1,284.9	15.0%
Operating Income [1]	$ 81.6	$ 59.4	37.4%	$ 235.4	$ 184.8	27.4%
Return on Sales [1]	15.6%	13.6%		15.9%	14.4%	
Capital Spending	$ 32.3	$ 19.7	64.0%	$ 112.0	$ 85.4	31.1%
Depreciation and Amortization	$ 33.1	$ 30.3	9.2%	$ 96.7	$ 88.8	8.9%

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

Sales for the Label Segment were $522.2 million for the third quarter of 2015, compared to $437.4 million for the same quarter last year. The 19.4% increase in sales can be attributed to organic growth of 6.9%, the impact from the Bandfix, Nilles, INTA and FritzB acquisitions of 3.1% and the positive effect from foreign currency translation of 9.4%.

North American sales were up mid-single digits, excluding currency translation and the acquisition of INTA, compared to the third quarter of 2014. Home & Personal Care sales improved, benefitting from foreign currency translation, organic growth on new product wins and a stronger consumer market compared to the prior year period. Profitability improved concurrently boosted by productivity initiatives at the acquired Sancoa businesses. Profit margins at CCL Design, excluding the loss making INTA acquisition, continued to expand in a solid automotive market. Healthcare & Specialty results were mixed with solid performance in Healthcare and strong promotional product sales partially offset by a soft Ag-Chem market. Sales and profits improved appreciably in Food & Beverage on market share wins in Wine & Spirits and meaningful operational improvement in the Sleeve business. Overall, profitability increased significantly in North America including the impact of acquisitions and currency translation. Return on sales (“Return on sales,” a non-IFRS financial measure; refer to definition in Section 13) improved due to the aforementioned gains across North America as well as the continued profitability improvements at Sancoa.

Sales in **Europe** were up high-single digits for the third quarter of 2015, excluding currency translation and acquisitions, compared to the third quarter of 2014. Home & Personal Care sales increased with improvements in Poland, the United Kingdom and Germany offset by the operational challenges of adjusting to customers moving production from locations in France. Sales in Healthcare & Specialty, excluding foreign currency translation, were up compared to the third quarter of 2014 and profitability improved notably with solid gains across the region other than the Scandinavian Healthcare business which suffered from customers discontinuing use of certain products and also relocating production outside the region. Results in Food & Beverage, excluding currency translation, were particularly strong on share gains in the Sleeve business, the new German film plant moving into profitability and the development of new applications for pressure sensitive labels. CCL Design sales and profitability increased due to market share gains on new model launches and the success of German OEM customers' export sales to global markets. Overall, European operating income, excluding incremental acquisitions, was up only slightly compared to the prior year third quarter as changes to business mix reduced return on sales ("Return on sales," a non-IFRS financial measure; refer to definition in Section 13). The recently acquired businesses in Germany, Nilles and FritzB, met management expectations for the quarter and provide opportunities for margin expansion in future periods.

Sales in **Latin America** increased strong double digits for the third quarter of 2015, excluding the impact of currency translation, compared to the third quarter of 2014. Sales improved in both Mexico and Brazil in all lines of business in part driven by price increases attempting to recover the impact of currency declines, especially in Brazil. Operating income increased significantly in absolute terms and as a percent of sales, despite a lag in recovering the full impact of rising input costs in Brazil and including start-up costs for CCL Design in Mexico and the new Home & Personal Care plant in Argentina.

Asia Pacific sales, excluding currency translation, increased low-single digits for the third quarter of 2015, compared to a decelerating third quarter in 2014. Home & Personal Care sales in China increased compared to a prior year period significantly influenced by customers' inventory corrections; other business lines in China continued to deliver sales and profit improvement. ASEAN profitability expanded on a very significant increase in Thailand aided by rich mix and foreign exchange gains on customer contracts priced in euros. Australian results improved in Wine & Spirits but ongoing poor performance in Healthcare more than offset. Sales in South Africa declined but compared to an unusually strong prior year influenced by a large Beverage product launch. Overall profitability in the Asia Pacific region improved despite profitability deterioration in Australia and start-up costs in Korea and the Philippines.

Operating income for the third quarter of 2015 improved 37.4% to $81.6 million, compared to $59.4 million for the third quarter of 2014. Operating income as a percentage of sales was 15.6%, ahead of the 13.6% recorded for the same period in 2014. All global business lines contributed to the increase with especially improved results for Food & Beverage and Home &Personal Care.

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 $112.0 million in capital spending for the nine-month period ended September 30, 2015, compared to $85.4 million for the nine-month period in 2014. The investments for the first nine months of 2015 are in line with Company's planned capital expenditures for this year. The major expenditures for the nine-month period ended September 30, 2015, were related to equipment installations to support the Home & Personal Care business in North America, capacity additions for Food & Beverage in Europe, capacity expansion for CCL Design in the United States and additional 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 $96.7 million for the nine-month period of 2015, compared to $88.8 million for the same nine-month period of 2014.

Avery Segment

($ millions)	Third Quarter					Year-to-Date				
		2015		2014	+/-		2015		2014	+/-
Sales	$	233.1	$	204.7	13.9%	$	591.5	$	511.8	15.6%
Operating Income (1)	$	46.5	$	44.8	3.8%	$	118.3	$	86.3	37.1%
Return on Sales (1)		19.9%		21.9%			20.0%		16.9%	
Capital Spending	$	2.0	$	2.3	(13.0%)	$	10.7	$	8.0	33.8%
Depreciation and Amortization	$	4.1	$	3.2	28.1%	$	11.2	$	9.9	13.1%

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 and Writing Instruments (“BOPWI”).

Sales for the Avery Segment were $233.1 million for the third quarter of 2015, compared to $204.7 million for the same quarter last year. The 13.9% increase in sales can be attributed to the positive 6.3% impact from the LCL, Nilles, and PCN acquisitions and the positive 14% effect from foreign currency translation partially offset by a 6.4% organic decline in sales, principally in North American back-to-school product lines and the international business.

Sales in **North America** for the third quarter of 2015, excluding the PCN acquisition and currency translation, were down mid-single digits driven by reduced volumes in back-to-school products and especially low margin ring binders, which declined significantly. Printable Media sales were very solid in labels and cards but sales of back-to-school dividers were also below prior year. Overall profitability met expectations but, as forecast in our second quarter outlook, was impacted by lower back-to-school volumes in the aforementioned categories. The newly acquired PCN recorded sales and profits above management expectations. Operating income for North America increased including the PCN acquisition and the impact of currency translation. Return on sales for this region remains above the segment average.

International sales, principally generated in the Printable Media category, represented 17% of the Avery Segment sales for the quarter. Sales, excluding acquisitions and currency translation, declined mid-single digits with the European business wrestling soft markets and Australia, their weaker currency. Profitability improved compared to the third quarter of 2014 due to cost reduction and productivity initiatives. The recently acquired LCL business was consolidated with existing UK operations; results along with Nilles met management’s expectations for the quarter.

Operating income for the third quarter of 2015 improved 3.8% to $46.5 million, compared to $44.8 million for the third quarter of 2014. Operating income as a percentage of sales was 19.9%, compared to 21.9% recorded for the same quarter in 2014.

The Avery Segment invested $10.7 million in capital spending for the nine-month period of 2015 compared to $8.0 million in the same nine-month period a year ago. The majority of the expenditures were for equipment additions in North America to reduce supply chain cost within the BOPWI category as well as equipment to support digital print capabilities for Printable Media. Depreciation and amortization for the Avery Segment was $11.2 million for the nine-month period ended September 30, 2015, compared to $9.9 million for the same nine-month period in 2014.

Container Segment

($ millions)	Third Quarter			Year-to-Date		
	2015	**2014**	**+/-**	**2015**	**2014**	**+/-**
Sales	$ 57.6	$ 47.6	21.0%	$ 171.6	$ 153.1	12.1%
Operating Income [(1)]	$ 6.2	$ 3.0	106.7%	$ 20.3	$ 13.8	47.1%
Return on Sales [(1)]	10.8%	6.3%		11.8%	9.0%	
Capital Spending	$ 4.5	$ 4.4	2.3%	$ 7.7	$ 17.2	(55.2%)
Depreciation and Amortization	$ 3.9	$ 3.5	11.4%	$ 11.4	$ 10.5	8.6%

(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 2015 third quarter were $57.6 million compared to $47.6 million in the 2014 third quarter. The 21.0% increase in sales can be attributed to organic growth of 13.4% and a 7.6% positive impact of currency translation. Sales in the United States benefitted from rich mix on flat unit volume and profitability from a weaker Canadian dollar. Mexican volume was also flat but strong exports priced in U.S. dollars plus local price increases more than offset the impact of a weaker peso on imported aluminum. The Segment also benefitted from significantly lower aluminum costs year-over-year on sales to customers without pass-through pricing agreements. As a result, the Container Segment posted a 106.7% improvement in operating income to $6.2 million compared to $3.0 million for the 2014 third quarter.

At current exchange rates the planned closure of the Canadian operation and redistribution of its manufacturing equipment to existing operations in the U.S. and Mexico has been postponed until the end of 2016; consequently, there were no equipment relocation expenses incurred in the first nine months of 2015 compared to $0.5 million in the first nine months of 2014.

The Container Segment invested $7.7 million for the nine-month period ended September 30, 2015, compared to $17.2 million for the nine-month period ended September 30, 2014. The majority of the expenditures for the nine-month period of 2015 were final expenditures for the announced facility expansion and equipment purchases 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 $11.4 million for the nine-month period ended September 30, 2015, compared to $10.5 million for the comparable period of 2014.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 15.0% and 13.3% of its expected 2015 and 2016 requirements, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,500 to US$2,000 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.

Prices for aluminum in the third quarter of 2015 ranged from US$1,400 to US$1,700 per metric ton compared to US$1,800 to US$2,200 in the third quarter of 2014. The mid-West premiums paid over these prices returned to historic norms after a speculative rise in 2014 and the early months of 2015.

Joint Ventures

($ millions)	Third Quarter			Year-to-Date		
	2015	**2014**	**+/-**	**2015**	**2014**	**+/-**
Sales (at 100%)						
Label joint ventures	$ 28.3	$ 20.1	40.8%	$ 76.8	$ 59.6	28.9%
Rheinfelden	-	-	-	-	-	-
	$ 28.3	$ 20.1	40.8%	$ 76.8	$ 59.6	28.9%
Earnings (losses) in equity accounted investments						
Label joint ventures	$ 1.2	$ 0.5	140.0%	$ 2.7	$ 1.6	68.8%
Rheinfelden	(0.1)	-	n.m.	(0.8)	-	n.m.
	$ 1.1	$ 0.5	120.0%	$ 1.9	$ 1.6	18.8%

The following investments affected the financial comparisons for the three-month and nine-month periods ended September 30, 2015:

- In January 2014, the Company acquired an additional 12.5% interest in Acrus-CCL, the Chilean wine label joint venture, for US$1.2 million increasing its total ownership to 62.5%.

- In December 2014, CCL contributed a 50% investment in Rheinfelden Americas, LLC ("Rheinfelden"), a newly established joint venture with Rheinfelden Semis GmbH, a leading German producer of aluminum slugs. The initial equity investment was $4.5 million in total from the partners. Debt financing is providing the balance of the funding necessary to create an alternate source of aluminum slugs in North America.

- In July 2015, the Company signed a binding agreement with Korsini-SAF to create a North American "in-mould" label joint venture. The partners will invest approximately $20.0 million between them, in a combination of debt and equity, each owning 50% of the new company. The initial capital investment is expected in the fourth quarter of 2015 while trading is not expected to commence until late 2016.

Results from the joint ventures in CCL-Kontur, Russia; Pacman-CCL, Middle East; Acrus-CCL, Chile; CCL-Taisei, Thailand; and Rheinfelden, United States, are not proportionately consolidated into a Segment but instead are accounted for as equity investments. CCL's share of the joint ventures' net earnings is disclosed in "Earnings in Equity Accounted Investments" in the consolidated condensed interim income statements. Sales and profits at CCL-Kontur more than doubled net of translation for the 2015 third quarter compared to the prior year three-month period as interest rate increases following the ruble's depreciation negatively affecting the liquidity of many local competitors. Pacman-CCL posted significantly improved profitability and contributed meaningfully to overall earnings for the 2015 third quarter. For the third quarter of 2015, Acrus-CCL posted strong sales gains and doubled earnings compared to the third quarter of 2014. The construction of CCL-Taisei's new tube plant is complete and trading commenced in the prior quarter; however start-up losses partially offset profitability improvements at the other label joint ventures. Rheinfelden, established late in the fourth quarter of 2014, also incurred expected start-up losses for the third quarter. The plant is not expected to be profitable until 2017. Earnings in equity accounted investments amounted to $1.1 million for the 2015 third quarter compared to $0.5 million for the 2014 third quarter as notable profitability improvements offset start-up losses.

4. Currency Transaction Hedging and Currency Translation

Approximately 95% of sales made in the third quarter of 2015 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 2015 were positively impacted by the depreciation of the Canadian dollar against the U.S. dollar, British pound, Thai baht and euro, 20.2%, 11.6% 9.5% and 0.9%, respectively. This positive impact was partially offset by a strengthening of the Canadian dollar relative to the Mexican peso and Brazilian real, 4.0% and 22.4%, respectively, when comparing the rates in the third quarters of 2015 and 2014. For the third quarter of 2015, currency translation had a $0.21 positive impact on earnings per Class B share compared to last year's third quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions)

	September 30, 2015	December 31, 2014	September 30, 2014
Current debt	$ 213.7	$ 59.1	$ 55.9
Long-term debt	492.9	600.0	650.9
Total debt	706.6	659.1	706.8
Cash and cash equivalents	(298.8)	(221.9)	(216.0)
Net debt [(1)]	$ 407.8	$ 437.2	$ 490.8
Total equity	$ 1,496.2	$ 1,216.2	$ 1,191.4
Net debt to total book capitalization [(1)]	21.4%	26.4%	29.2%

(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 $407.8 million at September 30, 2015, $29.4 million lower than the net debt of $437.2 million at December 31, 2014. The decrease in net debt is due to the principal repayments and an increase in cash-on-hand partially offset by the impact the devalued Canadian dollar has had on the Company's primarily U.S. dollar debt. Net debt as at September 30, 2015, is $83.0 million lower than the net debt of $490.8 million at September 30, 2014, due to principal repayments in the trailing twelve-month period and an increase in cash and cash equivalents partially offset by the aforementioned impact of the devalued Canadian dollar.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2015, was 21.4%, down from 29.2% at the end of September 30, 2014, reflecting the reduction in net debt and record profitability over the past twelve months.

The Company's debt structure at September 30, 2015, was comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US$239.0 million (C$318.9 million) and a bank syndicated US$276.6 million (C$369.1 million) non-revolving credit and $300.0 million revolving facility. During the nine-month period ended September 30, 2015, the Company made payments of US$30.0 million on the non-revolving credit facility. Including the $3.6 million of outstanding letters of credit, the Company had approximately $296.4 million of available capacity within its revolving credit facility as at September 30, 2015. On March 7, 2016, US$110.0 million of private placement debt comes to maturity; consequently, the current portion of long-term debt has increased compared to December 31, 2014, and September 30, 2014.

The Company's overall average finance rate was 3.7% as at September 30, 2015, compared to 3.4% as at September 30, 2014. The increase in the average finance rate was primarily caused by the Company's reduction in its lower cost variable rate non-revolving syndicated debt, compared to the outstanding debt at September 30, 2014.

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	**2015**	**2014**	**2015**	**2014**
Cash provided by operating activities	$ 135.1	$ 148.6	$ 293.8	$ 260.7
Cash used by financing activities	(43.3)	(108.5)	(68.8)	(57.1)
Cash used for investing activities	(36.5)	(33.9)	(164.3)	(199.3)
Translation adjustments on cash and cash equivalents	8.7	1.5	16.2	2.8
Increase in cash and cash equivalents	$ 64.0	$ 7.7	$ 76.9	$ 7.1
Cash and cash equivalents – end of period	$ 298.8	$ 216.0	$ 298.8	$ 216.0
Free cash flow from operations (1)	$ 106.4	$ 129.9	$ 176.0	$ 163.5

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

During the third quarters of 2015 and 2014, the Company generated cash from operating activities of $135.1 million and $148.6 million, respectively. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was $106.4 million in the 2015 third quarter compared to $129.9 million in the prior year third quarter. The change in cash flow from operating activities and free cash flow from operations was primarily due to the increase in net earnings offset by an increase in income taxes paid for the comparative quarters.

Capital spending in the third quarter of 2015 amounted to $38.8 million compared to $26.4 million in the 2014 third quarter. Depreciation and amortization for the third quarters of 2015 and 2014 were $41.3 million and $37.2 million, respectively. Plans for capital spending in 2015 are expected to be approximately $170.0 million, slightly ahead of 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 2015 and 2014 were $13.1 million and $10.4 million, respectively. The total number of shares issued and outstanding as at September 30, 2015 and 2014, were 35.0 million and 34.6 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2015 continues to be positive, the Board of Directors has approved a continuation of the dividend paid in September 2015 of $0.3625 per Class A share and $0.375 per Class B share to shareholders of record as of December 11, 2015, and payable on December 22, 2015. The annualized dividend rate is $1.45 per Class A share and $1.50 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 quarters of 2015 and 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.

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 2014 annual audited consolidated financial statements and notes thereto, as well as the 2014 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, 2015, there are no changes to the critical accounting policies and estimates from those described in the 2014 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, 2014.

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, 2014. There are no defined benefit plans funded with CCL stock.

10. Controls and Procedures

There were no material changes in internal controls over financial reporting in the nine-month period ended September 30, 2015.

11. Risks and Strategies

The 2014 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2015 and beyond. There have been no material changes to those risks and strategies during the first nine months of 2015.

12. Outlook

The third quarter of 2015 was another strong quarter for CCL, the third consecutive quarterly record, with adjusted basic earnings per Class B share of $2.34, exceeding the previous record by 10.4% set in the second quarter of 2015. All three Segments posted strong improvements in operating income; most notably the Label Segment, which posted a robust 37.4% increase in operating income due to solid results in all geographies. CCL's more recent acquisitions, Bandfix, LCL, Nilles, INTA, PCN and FritzB, all met expectations for the current quarter.

Order intake in the Label Segment remains solid so far into the fourth quarter. Growth opportunities in developed markets for consumer staples improved in 2015 while solid demand for consumer durables continues globally. The Company announced that construction will start this quarter on a new CCL Design plant to service major global automotive OEM and Tier 1 customers in Mexico. Emerging Markets growth outlook is mixed: Asian markets are still growing but at significantly slower rates compared to recent years; Latin America remains vibrant despite currency challenges with the U.S. dollar but persistent macro-economic challenges continue in Brazil. Expansion initiatives, such as the new Home & Personal Care operation in the Philippines and tube joint venture in Thailand, have completed construction and commenced trading, but are not expected to post profitable returns until 2016. CCL also commenced construction of a new start-up Specialty operation in South Korea and installed machinery for its new Home & Personal Care operation in Argentina, neither of which is expected to trade until 2016. The effect of foreign currency on translated results will provide a fourth quarter 2015 tailwind if current Canadian dollar rates prevail or weaken.

As expected, the strong results in the first six months of 2015 for the Avery Segment were tempered by a slower back-to-school season than 2014 but management expects slow growth to resume in the coming quarters as Avery focuses on its core markets. New product initiatives, consumer digital e-commerce opportunities and cross selling programs with the three recent acquisitions provide incremental potential for growth. Focus for the binder product line surrounds cost reduction strategies, principally the recently announced relocation initiative for North American binder manufacturing from Meridian, Mississippi, to a new manufacturing facility to be constructed in Guanajuato, Mexico, and relocation of the U.S. distribution centre to a state-of-the-art facility in Dallas, Texas. The manufacturing changeover to the Mexican plant will be staggered, completing after the “back-to-school” season concludes in 2017. The Company expects to reduce annual costs for Avery by approximately $8 million beginning in 2018 once the moves are complete.

Results for the Container Segment are on track for a strong 2015. Management reduced the pace and related risk of the closure postponing the redistribution of manufacturing equipment from its Canadian operation to the U.S. and Mexican facilities. Given the weaker Canadian dollar, time is not currently of the essence. The investment in Rheinfelden will ensure a sustainable secondary source of aluminum slugs for North American manufacturing requirements.

Unused credit lines stand at $296 million and with additional cash-on-hand, the Company has the capacity to execute its growth strategy or the flexibility to reduce its bank leverage. The Company remains focused on vigilantly managing working capital and prioritizing capital to higher-growth organic opportunities or unique acquisitions that are expected to enhance shareholder value. The Company's capital spending for the year is expected to be approximately $170 million, moderately above annual depreciation expense.

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, 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, 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)

EBITDA (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, and restructuring and other items)	**Third Quarter** 2015	**Third Quarter** 2014	**Year-to-Date** 2015	**Year-to-Date** 2014
Net earnings	$ 81.8	$ 63.1	$ 223.2	$ 171.0
Corporate expense	12.4	11.3	38.8	24.8
Earnings in equity accounted investments	(1.1)	(0.5)	(1.9)	(1.6)
Finance cost, net	6.3	6.5	18.9	19.5
Restructuring and other items – net loss	0.9	-	1.8	2.0
Income taxes	34.0	26.8	93.2	69.2
Operating income (a non-IFRS measure)	$ 134.3	$ 107.2	$ 374.0	$ 284.9
Less: Corporate expense	(12.4)	(11.3)	(38.8)	(24.8)
Add: Depreciation and amortization	41.3	37.2	120.0	109.8
EBITDA (a non-IFRS measure)	$ 163.2	$ 133.1	$ 455.2	$ 369.9

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

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

(in millions of Canadian dollars)

Free Cash Flow from Operations	**Third Quarter** 2015	**Third Quarter** 2014	**Year-to-Date** 2015	**Year-to-Date** 2014
Cash provided by operating activities	$ 135.1	$ 148.6	$ 293.8	$ 260.7
Less: Additions to property, plant and equipment	(38.8)	(26.4)	(130.4	(110.6)
Add: Proceeds on disposal of property, plant and equipment	10.1	7.7	12.6	13.4
Free Cash Flow from Operations	$ 106.4	$ 129.9	$ 176.0	$ 163.5

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 total 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)

	Sales Third Quarter		**Operating Income Third Quarter**		**Return on Sales Third Quarter**	
Industry Segments	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Label	$ 522.2	$ 437.4	$ 81.6	$ 59.4	15.6%	13.6%
Avery	233.1	204.7	46.5	44.8	19.9%	21.9%
Container	57.6	47.6	6.2	3.0	10.8%	6.3%
Total Operations	$ 812.9	$ 689.7	$ 134.3	$ 107.2	16.5%	15.5%

<u>Supplemental Financial Information</u>

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended September 30, 2015				**Nine Months Ended September 30, 2015**			
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**	**Organic Growth**	**Acquisition Growth**	**FX Translation**	**Total**
Label	6.9%	3.1%	9.4%	19.4%	4.9%	4.8%	5.3%	15.0%
Avery	(6.4%)	6.3%	14.0%	13.9%	(0.3%)	6.1%	9.8%	15.6%
Container	13.4%	-	7.6%	21.0%	6.3%	-	5.8%	12.1%
CCL	3.4%	3.8%	10.7%	17.9%	3.7%	4.7%	6.5%	14.9%