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

CCL INDUSTRIES INC.

Interim periods ended September 30, 2011 and 2010
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position
Unaudited

In thousands of Canadian dollars	***Note***	***As at September 30*** **2011**	***As at December 31*** **2010**	***As at September 30*** **2010**
Assets				
Current assets				
Cash and cash equivalents		$ 110,092	$ 173,197	$ 144,229
Trade and other receivables		200,906	173,066	201,536
Prepaid expenses		7,607	5,983	7,494
Income and other taxes recoverable		-	2,457	-
Inventories		91,110	77,863	76,596
Total current assets		409,715	432,566	429,855
Property, plant and equipment		722,009	704,403	721,823
Other investments		55,067	39,199	40,908
Deferred tax assets		52,730	54,956	53,171
Intangible assets		36,523	38,053	39,701
Goodwill		360,793	350,527	355,077
Total non-current assets		1,227,122	1,187,138	1,210,680
Total assets		$ 1,636,837	$ 1,619,704	$ 1,640,535
Liabilities				
Current liabilities				
Bank advances		$ -	$ 497	$ -
Trade and other payables		228,608	222,072	221,603
Income and other taxes payable		14,861	-	5,299
Current portion of long-term debt	7	15,809	87,147	85,415
Total current liabilities		259,278	309,716	312,317
Long-term debt	7	354,110	346,750	360,157
Employee benefits		74,591	66,219	68,102
Provisions and other long-term liabilities		8,890	8,616	9,846
Deferred tax liabilities		116,703	119,076	118,079
Total non-current liabilities		554,294	540,661	556,184
Total liabilities		813,572	850,377	868,501

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

CCL Industries Inc.

Consolidated condensed interim statements of financial position (Continued)
Unaudited

In thousands of Canadian dollars	***Note***	***As at September 30*** **2011**	***As at December 31*** **2010**	***As at September 30*** **2010**
Equity				
Share capital	*6*	$ 212,827	$ 208,666	$ 205,320
Contributed surplus		9,437	7,688	7,205
Retained earnings		621,823	573,425	566,303
Accumulated other comprehensive loss	*8*	(20,822)	(20,452)	(6,794)
Total equity attributable to shareholders of the Company		823,265	769,327	772,034
Total liabilities and equity		$ 1,636,837	$ 1,619,704	$ 1,640,535

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 information	***Note***	***Three months ended September 30*** 2011	2010	***Nine months ended September 30*** 2011	2010
Revenue		$ 316,631	$ 301,695	$ 951,150	$ 910,983
Cost of sales		244,412	234,388	726,119	698,737
Gross profit		72,219	67,307	225,031	212,246
Selling, general and administrative expenses		40,255	38,319	114,759	110,147
Restructuring and other items		-	-	542	-
Results from operating activities		31,964	28,988	109,730	102,099
Finance cost		5,546	6,534	17,123	20,048
Finance income		375	247	964	730
Net finance cost		5,171	6,287	16,159	19,318
Earnings before income tax		26,793	22,701	93,571	82,781
Income tax expense		9,769	6,947	27,895	24,995
Net earnings for the period		$ 17,024	$ 15,754	$ 65,676	$ 57,786
Attributable to:					
Shareholders of the Company		$ 17,024	$ 15,754	$ 65,676	$ 57,786
Net earnings for the period		$ 17,024	$ 15,754	$ 65,676	$ 57,786
Earnings per share					
Basic earnings per Class B share	*6*	$ 0.52	$ 0.48	$ 1.99	$ 1.76
Diluted earnings per Class B share	*6*	$ 0.52	$ 0.47	$ 1.96	$ 1.73

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

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income
Unaudited

	Three months ended September 30		Nine months ended September 30	
In thousands of Canadian dollars	**2011**	**2010**	**2011**	**2010**
Net earnings for the period	$ 17,024	$ 15,754	$ 65,676	$ 57,786
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment for foreign operations, net of tax expense of $1,262 and $877 for the three-month and nine-month periods ending September 30, 2011 (2010 – tax recovery of $60 and $138)	15,004	7,485	17,512	(25,411)
Net gain (loss) on hedges of net investment in foreign operations, net of tax recovery of $3,588 and $2,472 for the three-month and nine-month periods ending September 30, 2011 (2010 – tax recovery of $950, tax expense of $658)	(23,054)	5,091	(15,965)	16,228
Effective portion of changes in fair value of cash flow hedges, net of tax recovery of $394 and $479 for the three-month and nine-month periods ending September 30, 2011 (2010 – tax expense of $656, recovery of $236)	(876)	156	(1,945)	(1,383)
Net change in fair value of cash flow hedges transferred to income statement, net of tax recovery of $51 and expense of $376 for the three-month and nine-month periods ending September 30, 2011 (2010 – tax recovery of $120, expense of $426)	105	1,510	28	(124)
Actuarial losses on defined benefit pension plans, net of tax expense of $4 and $11 for the three-month and nine-month periods ending September 30, 2010	-	(341)	-	(1,122)
Other comprehensive income (loss), net of tax	(8,821)	13,901	(370)	(11,812)
Total comprehensive income	$ 8,203	$ 29,655	$ 65,306	$ 45,974
Attributable to:				
Shareholders of the Company	$ 8,203	$ 29,655	$ 65,306	$ 45,974
Total comprehensive income for the period	$ 8,203	$ 29,655	$ 65,306	$ 45,974

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

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity
Unaudited

For the nine months ended September 30 *In thousands of Canadian dollars*	***Note***	**2011**	**2010**
Share capital			
Class A shares, beginning of period		$ 4,517	$ 4,517
Class A shares, end of period		4,517	4,517
Class B shares, beginning of period		213,691	206,874
Stock options exercised, Class B		3,868	3,424
Class B shares, end of period		217,559	210,298
Executive share purchase plan loans, beginning of period		(233)	(916)
Repayment of executive share purchase plan loans		-	683
Executive share purchase plan loans, end of period		(233)	(233)
Shares held in trust, beginning of period		(9,309)	(9,136)
Shares redeemed from trust		425	-
Shares purchased and held in trust		(132)	(126)
Shares held in trust, end of period		(9,016)	(9,262)
Share capital, end of period	*6*	212,827	205,320
Accumulated other comprehensive income (loss)			
Accumulated other comprehensive income (loss), beginning of period		(20,452)	3,896
Other comprehensive income (loss)		(370)	(10,690)
Accumulated other comprehensive income (loss), end of period	*8*	(20,822)	(6,794)
Contributed surplus			
Contributed surplus, beginning of period		7,688	4,676
Stock option expense		850	1,187
Stock options exercised		(381)	(531)
Stock-based compensation plan		1,280	1,873
Contributed surplus, end of period		9,437	7,205

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

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity (Continued)
Unaudited

For nine months ended September 30

In thousands of Canadian dollars

	Note	2011	2010
Retained earnings, beginning of period		573,425	525,316
Net earnings		65,676	57,786
Defined benefit plan actuarial losses, net of tax		-	(1,122)
Dividends:			
Class A		1,157	1,051
Class B		16,121	14,626
Total dividends to shareholders		17,278	15,677
Retained earnings, end of period		621,823	566,303
Total shareholders' equity, end of period		$ 823,265	$ 772,034

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	***Note***	***Three months ended September 30*** **2011**	**2010**	***Nine months ended September 30*** **2011**	**2010**
Cash provided by (used for)					
Operating activities					
Net earnings		$ 17,024	$ 15,754	$ 65,676	$ 57,786
Adjustments for:					
Depreciation and amortization		25,022	23,468	73,964	70,805
Restructuring and other items, net of tax		-	-	350	-
Equity-settled share-based payment transactions		465	1,007	2,555	3,060
Deferred taxes		3,588	1,383	4,306	842
Gain on sale of property, plant and equipment		(242)	(250)	(952)	(512)
		45,857	41,362	145,899	131,981
Change in inventories		(5,431)	(621)	(12,682)	(634)
Change in trade and other receivables		3,361	7,658	(26,302)	(32,740)
Change in prepaid expenses		304	677	(1,615)	(1,802)
Change in trade and other payables		6,490	3,093	5,065	14,683
Change in income and other taxes payable		1,593	(2,364)	17,318	(5,691)
Change in employee benefits		2,836	260	8,374	(1,828)
Change in other assets and liabilities		(3,250)	(6,031)	(13,450)	2,420
Cash provided by operating activities		51,760	44,034	122,607	106,389
Financing activities					
Proceeds on issuance of long-term debt		6,832	442	7,872	4,891
Repayment of long-term debt	*7*	(18,847)	(42,718)	(88,426)	(44,009)
Decrease in bank advances		-	(384)	(497)	-
Proceeds from issuance of shares		2,320	1,825	3,393	2,892
Repayment of executive share purchase plan loans		-	-	-	683
Dividends paid		(5,806)	(5,279)	(17,410)	(15,803)
Cash used for financing activities		(15,501)	(46,114)	(95,068)	(51,346)

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

CCL Industries Inc.

Consolidated condensed interim statements of cash flows (Continued)
Unaudited

In thousands of Canadian dollars	***Note***	***Three months ended September 30*** 2011	2010	***Nine months ended September 30*** 2011	2010
Investing activities					
Additions to property, plant and equipment		(14,199)	(20,056)	(68,122)	(58,673)
Proceeds on disposal of property, plant and equipment		332	285	1,451	2,944
Business acquisitions	*4*	(16,364)	-	(25,156)	(1,246)
Cash used for investing activities		(30,231)	(19,771)	(91,827)	(56,975)
Translation adjustments on cash and cash equivalents		1,119	323	1,183	(4,433)
Net increase (decrease) in cash and cash equivalents		7,147	(21,528)	(63,105)	(6,365)
Cash and cash equivalents at beginning of period		102,945	165,757	173,197	150,594
Cash and cash equivalents at end of period		$ 110,092	$ 144,229	$ 110,092	$ 144,229

Interest paid	$ 22,791	$ 26,727
Interest received	$ 965	$ 730
Taxes paid	$ 16,734	$ 28,777

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

(in thousands of Canadian dollars, except share and per share information)

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, 2011, comprise the Company and its subsidiaries and the Company's interest in associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, containers and tubes.

2. Basis of preparation

(a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"); its interpretations adopted by the International Accounting Standards Board ("IASB"); IAS 34, *Interim Financial Reporting*; and the IFRS accounting policies, transition disclosures and selected annual disclosures outlined in notes 2, 3 and 6 to 19 of the Company's first quarter consolidated condensed interim financial statements.

An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the Company is also provided in note 10 of these statements. As these are consolidated condensed interim financial statements, not all IFRS disclosures have been included.

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2010 annual financial statements and the unaudited consolidated condensed interim financial statements as at and for the three months ended March 31, 2011.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on November 3, 2011.

(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 plan are calculated by qualified actuaries using the projected unit credit method

(c) Functional and presentation currency

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, unless otherwise noted.

(in thousands of Canadian dollars, except share and per share information)

2. Basis of preparation (Continued)

(d) New standards and interpretations not yet adopted

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009, and will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, and has not been applied in preparing these consolidated condensed interim financial statements. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

3. Segment reporting

Business segments

The Company has three reportable segments, as described below, which are the Company's main business units. The business units offer different products and services, and are managed separately as they require different technology and marketing strategies. For each of the business units, the Company's CEO, the chief operating decision maker, reviews internal management reports regularly.

The Company is comprised of the following main business segments:

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

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
Unaudited

(in thousands of Canadian dollars, except share and per share information)

3. Segment reporting (Continued)

Business segments (Continued)

	Three months ended September 30				Nine months ended September 30			
	Sales		Operating Income		Sales		Operating Income	
	2011	2010	2011	2010	2011	2010	2011	2010
Label	$ 254,405	$ 238,385	$ 32,292	$ 32,366	$ 758,044	$ 729,391	$ 111,446	$ 114,350
Container	43,042	43,964	1,614	(802)	133,260	123,974	7,433	(4,700)
Tube	19,184	19,346	2,494	2,205	59,846	57,618	9,263	7,156
	$ 316,631	$ 301,695	36,400	33,769	$ 951,150	$ 910,983	128,142	116,806
Corporate expenses			(4,436)	(4,781)			(17,870)	(14,707)
Restructuring and other items			-	-			(542)	-
Finance cost, net			(5,171)	(6,287)			(16,159)	(19,318)
Income tax			(9,769)	(6,947)			(27,895)	(24,995)
Net earnings			$ 17,024	$ 15,754			$ 65,676	$ 57,786

Due to the seasonality of CCL's business, the Company's operating results for the nine months ended September 30, 2011, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2011. The first and second quarters are traditionally higher sales periods as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of the year, combined with the methods of accounting for fixed costs, such as depreciation and amortization, and expenses, such as rent and interest, which are not significantly impacted by business seasonality.

(in thousands of Canadian dollars, except share and per share information)

4. Acquisitions of subsidiaries

In April 2011, the Company acquired Thunder Press Inc., a privately owned label company located near Chicago that operated under the trade name "Sertech." The acquired business produces patient instructional leaflets, commonly known as "inserts and outserts" for leading pharmaceutical customers in the United States. The purchase price was $7.8 million, net of cash acquired. The Company is reviewing the valuation of the net assets acquired; therefore, certain items disclosed below may change upon completion of the review.

Details of the transaction are estimated as follows:

Current assets	$ 2,111
Current liabilities	(506)
Non-current assets	3,186
Non-current liabilities	(2,122)
Deferred taxes	(1,856)
Intangible assets	2,600
Goodwill	4,392
Net assets purchased	$ 7,805

Consideration given:

Cash, net of cash acquired	$ 6,837
Promissory note	968
Total consideration	$ 7,805

In March 2010, the Company completed the purchase of Purbrick Pty Ltd. ("Purbrick"), a privately held company based in Melbourne, Australia. Purbrick supplies patient information leaflets and pressure sensitive labels to global pharmaceutical customers located in Australia. The purchase price was $1.2 million, net of cash acquired.

Details of the transaction are as follows:

Current assets	$ 1,892
Current liabilities	(1,253)
Non-current assets	2,632
Non-current liabilities	(2,400)
Deferred taxes	375
Net assets purchased	$ 1,246

Consideration given:

Cash, net of cash acquired	$ 1,246

5. Equity accounted investee

In September 2011, the Company completed the purchase of its 50% interest in Pacman-CCL from Albwardy Investment ("Albwardy"). The acquisition represents an expansion into new territories. Pacman-CCL is based in Dubai in the United Arab Emirates with additional operations in Cairo, Egypt; Muscat, Oman, and a planned start up in Jeddah, Saudi Arabia, scheduled to begin operating in late 2011. Albwardy retains the remaining 50% economic interest in Pacman-CCL and, along with the Company, jointly controls Pacman-CCL. The Company is accounting for Pacman-CCL using the equity method. The total purchase price of US$18.5 million, less a US$2.0 million deposit paid in the second quarter of 2011, was settled on closing. Final valuation of the assets and liabilities are not yet complete due to the timing of the acquisition and the inherent complexity associated with the valuations. The allocation of the purchase price to specific assets will be completed once the valuation is finalized.

In 2007, the Company, along with a Russian partner, invested in a pressure sensitive label business, CCL-Kontur that services the territories of Russia and the Commonwealth of Independent States. The Russian partner has operating control of the business and, consequently, the investment is being carried at its equity value and is accounted for using the equity method.

6. Capital

(a) Share capital

(i) Class A

The holders of Class A shares receive dividends set at $0.05 per share per annum less than Class B shares, are entitled to one vote per share at meetings of the Company and are convertible at any time into Class B shares.

(ii) Class B

Class B shares rank equally in all material respects with Class A shares, except as follows:

(a) The holders of Class B shares are entitled to receive material and attend, but not to vote at, regular shareholder meetings.

(b) Holders of Class B shares are entitled to voting privileges when consideration for the Class A shares, under a takeover bid when voting control has been acquired, exceeds 115% of the market price of the Class B shares.

(c) Holders of Class B shares are entitled to receive, or have set aside for payment, dividends declared by the Board of Directors from time to time, set at $0.05 per share per annum greater than Class A shares as described in 6(a) (i).

(in thousands of Canadian dollars, except share and per share information)

6. Capital (Continued)

(b) Earnings per share

The calculation of basic earnings per share for the nine months ended September 30, 2011, was based on profit attributable to Class A shares of $4.6 million (2010 - $4.1 million) and Class B shares of $61.1 million (2010 - $53.7 million) and a weighted average number of Class A shares outstanding of 2,374,025 (2010 - 2,374,025) and Class B shares outstanding of 30,675,880 (2010 - 30,422,788).

The calculation of diluted earnings per share for the nine months ended September 30, 2011, was based on profit attributable to Class A shares of $4.6 million (2010 - $4.1 million) and Class B shares of $61.1 million (2010 - $53.7 million) and a weighted average number of Class A shares outstanding of 2,374,025 (2010 - 2,374,025) and Class B shares outstanding of 31,265,029 (2010 – 31,007,976).

7. Long-term debt

In March 2011, the Company made a scheduled debt repayment of US$60 million. The US dollar amount had been converted into euro-based debt using two cross-currency interest rate swap agreements ("CCIRSAs"). The two CCIRSAs matured the same day as the US$60 million debt.

In September 2011, the Company made a scheduled debt repayment of US$9 million. Half of the US dollar amount had been converted into euro-based debt using two CCIRSAs. The two CCIRSAs matured the same day as the US$9 million debt.

8. Accumulated other comprehensive loss

	September 30 2011	December 31 2010
Unrealized foreign currency translation losses, net of tax expense of $462 (2010 – tax expense of $2,057)	$ (20,298)	$ (21,845)
Gains (losses) on derivatives designated as cash flow hedges, net of tax recovery of $264 (2010 – tax expense of $591)	(524)	1,393
	$ (20,822)	$ (20,452)

9. Subsequent events

The Board of Directors has declared a dividend of $0.175 for the Class B non-voting shares and $0.1625 on the Class A voting shares and will be payable to shareholders of record at the close of business on December 13, 2011, to be paid on January 3, 2012.

10. Explanation of transition to IFRS

The accounting policies set out in note 3 of the Company's consolidated condensed March 31, 2011, interim financial statements have been applied in preparing the consolidated condensed interim financial statements for the three-month and nine-month periods ended September 30, 2011 and the comparative information presented in these financial statements for the three-month and nine-month periods ended September 30, 2010.

In preparing its comparative IFRS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
Unaudited

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of equity, December 31, 2010

	Notes	Canadian GAAP balance	IFRS reclassification	IFRS adjustments	IFRS balance	
Assets						**Assets**
Current assets						**Current assets**
Cash and cash equivalents		$ 173,197	$ -	$ -	$ 173,197	Cash and cash equivalents
		-	173,066	-	173,066	Trade and other receivables
Accounts receivable, trade		154,850	(154,850)	-	-	
Other receivables and prepaid expenses		24,199	(24,199)	-	-	
		-	5,983	-	5,983	Prepaid expenses
Income and other taxes receivable		2,457	-	-	2,457	Income and other taxes recoverable
Inventories		77,863	-	-	77,863	Inventories
Total current assets		432,566	-	-	432,566	**Total current assets**
Property, plant and equipment	*(d)*	712,292	(902)	(6,987)	704,403	Property, plant and equipment
		-	39,199	-	39,199	Other investments
Other assets		40,333	(40,333)	-	-	
Future income tax assets	*(c),(d),(e), (f),(g),(h)*	50,676	-	4,280	54,956	Deferred tax assets
Intangible assets		36,017	2,036	-	38,053	Intangible assets
Goodwill		350,527	-	-	350,527	Goodwill
Total non-current assets		1,189,845	-	(2,707)	1,187,138	**Total non-current assets**
Total assets		$1,622,411	$ -	$ (2,707)	$1,619,704	**Total assets**
Liabilities						**Liabilities**
Current liabilities						**Current liabilities**
Bank advances		$ 497	$ -	$ -	$ 497	Bank advances
Accounts payable and accrued liabilities		222,072	-	-	222,072	Trade and other payables
Current portion of long-term debt		87,147	-	-	87,147	Current portion of long-term debt
Total current liabilities		309,716	-	-	309,716	**Total current liabilities**

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of equity, December 31, 2010 (Continued)

	Notes	Canadian GAAP balance	IFRS reclassification	IFRS adjustments	IFRS balance	
Long-term debt	*(c)*	347,733	-	(983)	346,750	Long-term debt
	(f),(g)	-	46,667	19,552	66,219	Employee benefits
Other long-term items		55,283	(55,283)	-	-	
		-	8,616	-	8,616	Provisions and other long-term liabilities
Future income tax liabilities	*(d)*	120,682	-	(1,606)	119,076	Deferred tax liabilities
Total non-current liabilities		523,698	-	16,963	540,661	**Total non-current liabilities**
Total liabilities		$ 833,414	$ -	$ 16,963	$ 850,377	**Total liabilities**
Equity						**Equity**
Share capital		$ 208,666	$ -	$ -	$ 208,666	Share capital
Contributed surplus	*(e)*	6,741	-	947	7,688	Contributed surplus
Retained earnings		693,017	-	(119,592)	573,425	Retained earnings
Accumulated other comprehensive loss	*(b),(c)*	(119,427)	-	98,975	(20,452)	Accumulated other comprehensive loss
Total equity attributable to shareholders of the Company		788,997	-	(19,670)	769,327	**Total equity attributable to shareholders of the Company**
Total liabilities and equity		$1,622,411	$ -	$ (2,707)	$1,619,704	**Total liabilities and equity**

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
Unaudited

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of equity, September 30, 2010

		Canadian GAAP balance	IFRS reclassification	IFRS adjustments	IFRS balance	
Assets	*Notes*					**Assets**
Current assets						**Current assets**
Cash and cash equivalents		$ 144,229	$ -	$ -	$ 144,229	Cash and cash equivalents
		-	201,536	-	201,536	Trade and other receivables
Accounts receivable, trade		187,816	(187,816)	-	-	
Other receivables and prepaid expenses		21,214	(21,214)	-	-	
		-	7,494	-	7,494	Prepaid expenses
Inventories		76,596	-	-	76,596	Inventories
Total current assets		429,855	-	-	429,855	**Total current assets**
Property, plant and equipment	*(d)*	729,421	(879)	(6,719)	721,823	Property, plant and equipment
		-	40,908	-	40,908	Other investments
Other assets		42,069	(42,069)	-	-	
Future income tax assets	*(c),(d),(e), (f),(g),(h)*	48,918	-	4,253	53,171	Deferred tax assets
Intangible assets		37,661	2,040	-	39,701	Intangible assets
Goodwill		355,077	-	-	355,077	Goodwill
Total non-current assets		1,213,146	-	(2,466)	1,210,680	**Total non-current assets**
Total assets		$ 1,643,001	$ -	$ (2,466)	$ 1,640,535	**Total assets**
Liabilities						**Liabilities**
Current liabilities						**Current liabilities**
Accounts payable and accrued liabilities		$ 221,603	$ -	$ -	$ 221,603	Trade and other payables
Income and other taxes payable		5,299	-	-	5,299	Income and other taxes payable
Current portion of long-term debt		85,415	-	-	85,415	Current portion of long-term debt
Total current liabilities		312,317	-	-	312,317	**Total current liabilities**

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
Unaudited

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of equity, September 30, 2010 (Continued)

	Notes	Canadian GAAP balance	IFRS reclassification	IFRS adjustments	IFRS balance	
Long-term debt	*(c)*	361,236	-	(1,079)	360,157	Long-term debt
	(f),(g)	-	48,976	19,126	68,102	Employee benefits
Other long-term items		58,822	(58,822)	-	-	Other long-term items
		-	9,846	-	9,846	Provisions and other long-term liabilities
Future income tax liabilities	*(d)*	119,605	-	(1,526)	118,079	Deferred tax liabilities
Total non-current liabilities		539,663	-	16,521	556,184	**Total non-current liabilities**
Total liabilities		$ 851,980	$ -	$ 16,521	$ 868,501	**Total liabilities**
Equity						**Equity**
Share capital		$ 205,320	$ -	$ -	$ 205,320	Share capital
Contributed surplus	*(e)*	6,277	-	928	7,205	Contributed surplus
Retained earnings		684,252	-	(117,949)	566,303	Retained earnings
Accumulated other comprehensive loss	*(b)*	(104,828)	-	98,034	(6,794)	Accumulated other comprehensive loss
Total equity attributable to shareholders of the Company		791,021	-	(18,987)	772,034	**Total equity attributable to shareholders of the Company**
Total liabilities and equity		$ 1,643,001	$ -	$ (2,466)	$ 1,640,535	**Total liabilities and equity**

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for twelve months ended December 31, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	$ 1,192,318	$ -	$ 1,192,318
Cost of sales	916,461	1,046	917,507
Gross profit	275,857	(1,046)	274,811
Selling, general and administration expenses	151,115	(1,175)	149,940
Restructuring and other items	29	196	225
Results from operating activities	124,713	(67)	124,646
Finance costs	26,133	223	26,356
Finance income	1,071	-	1,071
Net finance costs	25,062	223	25,285
Earnings before income taxes	99,651	(290)	99,361
Income tax expense	28,514	(246)	28,268
Net earnings for the year	$ 71,137	$ (44)	$ 71,093
Attributable to:			
Shareholders of the Company	$ 71,137	$ (44)	$ 71,093
Net earnings for the year	$ 71,137	$ (44)	$ 71,093
Earnings per share			
Basic earnings per Class B share	$ 2.17	$ -	$ 2.17
Diluted earnings per Class B share	$ 2.13	$ -	$ 2.13

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for twelve months ended December 31, 2010 (Continued)

	Canadian GAAP	Effect of transition to IFRS	IFRS
Net earnings for the year	$ 71,137	$ (44)	$ 71,093
Other comprehensive income, net of tax:			
Foreign currency translation differences for foreign operations	(52,136)	429	(51,707)
Net gain on hedges of net investment in foreign operations	30,521	(1,040)	29,481
Effective portion of changes in fair value of cash flow hedges	(3,007)	-	(3,007)
Net change in fair value of cash flow hedges transferred to income statement	885	-	885
Defined benefit plan actuarial losses	-	(1,562)	(1,562)
Other comprehensive loss, net of tax	(23,737)	(2,173)	(25,910)
Total comprehensive income for the year	$ 47,400	$ (2,217)	$ 45,183
Attributable to:			
Shareholders of the Company	$ 47,400	$ (2,217)	$ 45,183
Total comprehensive income for the year	$ 47,400	$ (2,217)	$ 45,183

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
Unaudited

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for nine months ended September 30, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	$ 910,983	$ -	$ 910,983
Cost of sales	697,959	778	698,737
Gross profit	213,024	(778)	212,246
Selling, general and administration expenses	112,241	(2,094)	110,147
Restructuring and other items (gain) loss	(104)	104	-
Results from operating activities	100,887	1,212	102,099
Finance costs	19,861	187	20,048
Finance income	730	-	730
Net finance costs	19,131	187	19,318
Earnings before income taxes	81,756	1,025	82,781
Income tax expense	25,130	(135)	24,995
Net earnings for the period	$ 56,626	$ 1,160	$ 57,786
Attributable to:			
Shareholders of the Company	$ 56,626		$ 57,786
Net earnings for the period	$ 56,626		$ 57,786
Earnings per share			
Basic earnings per Class B share	$ 1.73		$ 1.76
Diluted earnings per Class B share	$ 1.70		$ 1.73

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
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(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for nine months ended September 30, 2010 (Continued)

	Canadian GAAP	Effect of transition to IFRS	IFRS
Net earnings for the period	$ 56,626	$ 1,160	$ 57,786
Other comprehensive income, net of tax:			
Foreign currency translation differences for foreign operations	(24,838)	(573)	(25,411)
Net gain on hedges of net investment in foreign operations	17,207	(979)	16,228
Effective portion of changes in fair value of cash flow hedges	(1,383)	-	(1,383)
Net change in fair value of cash flow hedges transferred to income statement	(124)	-	(124)
Defined benefit plan actuarial losses	-	(1,122)	(1,122)
Other comprehensive loss, net of tax	(9,138)	(2,674)	(11,812)
Total comprehensive income for the period	$ 47,488	$ (1,514)	$ 45,974
Attributable to:			
Shareholders of the Company	$ 47,488	$ (1,514)	$ 45,974
Total comprehensive income for the period	$ 47,488	$ (1,514)	$ 45,974

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for three months ended September 30, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	$ 301,695	$ -	$ 301,695
Cost of sales	234,121	267	234,388
Gross profit	67,574	(267)	67,307
Selling, general and administration expenses	39,445	(1,126)	38,319
Restructuring and other items	-	-	-
Results from operating activities	28,129	859	28,988
Finance costs	6,454	80	6,534
Finance income	247	-	247
Net finance costs	6,207	80	6,287
Earnings before income taxes	21,922	779	22,701
Income tax expense	6,979	(32)	6,947
Net earnings for the period	$ 14,943	$ 811	$ 15,754
Attributable to:			
Shareholders of the Company	$ 14,943	$ 811	$ 15,754
Net earnings for the period	$ 14,943	$ 811	$ 15,754
Earnings per share			
Basic earnings per Class B share	$ 0.46	$ 0.02	$ 0.48
Diluted earnings per Class B share	$ 0.45	$ 0.02	$ 0.47

10. Explanation of transition to IFRS (Continued)

Reconciliation of comprehensive income for three months ended September 30, 2010 (Continued)

	Canadian GAAP	Effect of transition to IFRS	IFRS
Net earnings for the period	$ 14,943	$ 811	$ 15,754
Other comprehensive income, net of tax:			
Foreign currency translation differences for foreign operations	7,485	-	7,485
Net gain on hedges of net investment in foreign operations	6,070	(979)	5,091
Effective portion of changes in fair value of cash flow hedges	156	-	156
Net change in fair value of cash flow hedges transferred to income statement	1,510	-	1,510
Defined benefit plan actuarial losses	-	(341)	(341)
Other comprehensive loss, net of tax	15,221	(1,320)	13,901
Total comprehensive income for the period	$ 30,164	$ (509)	$ 29,655
Attributable to:			
Shareholders of the Company	$ 30,164	$ (509)	$ 29,655
Total comprehensive income for the period	$ 30,164	$ (509)	$ 29,655

(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Notes to the reconciliation of equity and comprehensive income

The preceding are reconciliations of the financial statements previously presented under Canadian GAAP to the amended financial statements prepared under IFRS. Items identified as "IFRS adjustments" are required as the accounting treatment under Canadian GAAP differs from the treatment under IFRS. Items identified as "IFRS reclassifications" are solely presentation reclassifications required to present the previous Canadian GAAP financial statements' line items on a consistent basis with that of the IFRS presentation. Details on the nature of both types of changes are described below.

IFRS adjustments

(a) Business combinations

The Company has elected under IFRS 1 not to apply IFRS 3, *Business Combinations,* ("IFRS 3") retrospectively to business combinations that occurred prior to January 1, 2010 (the date of transition to IFRS).

The Company has applied IFRS 3 to all business combinations that have occurred since January 1, 2010. Accordingly, the Company has revised its purchase accounting to expense transaction costs and to record assumed contingent liabilities relating to legal claims at fair value.

(b) Currency translation differences

In accordance with IFRS 1, the Company has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Decrease in accumulated other comprehensive loss due to foreign currency translation differences	$ (137,356)	$ (137,558)
Offsetting effect in accumulated other comprehensive loss due to hedges on net investments in subsidiaries	50,127	49,328
Decrease in accumulated other comprehensive loss due to tax effect on hedges on net investments in subsidiaries	(10,805)	(10,805)
Decrease in retained earnings	$ (98,034)	$ (99,035)

10. Explanation of transition to IFRS (Continued)

Notes to the reconciliation of equity and comprehensive income (Continued)

(c) Transaction costs relating to financial liabilities

Under previous Canadian GAAP, the Company expensed transaction costs related to financial liabilities as incurred. IFRS requires the Company to include these costs as part of the financial liability.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Decrease in long-term debt	$ 1,079	$ 983
Related tax effect	(281)	(272)
Other comprehensive income	-	60
Increase in retained earnings	$ 798	$ 771

(d) Property, plant and equipment

Under previous Canadian GAAP, each asset under property, plant and equipment was depreciated as a whole unit over its useful life. Components of an asset were not depreciated separately. Under IFRS, each part of an item of property, plant and equipment with a cost that is significant to the total cost of the item must be depreciated separately.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Decrease in property, plant and equipment	$ (6,719)	$ (6,987)
Related tax effect	1,992	2,072
Decrease in retained earnings	$ (4,727)	$ (4,915)

(e) Share-based payments

Previous Canadian GAAP allowed the use of straight-line attribution of graded-vesting options. Under IFRS, this option is no longer available and each award in a series is accounted for as if it had its own separate service period and vesting date.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Increase in contributed surplus	$ (928)	$ (947)
Related tax effect	102	104
Decrease in retained earnings	$ (826)	$ (843)

CCL Industries Inc.

Notes to the consolidated condensed interim financial statements
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(in thousands of Canadian dollars, except share and per share information)

10. Explanation of transition to IFRS (Continued)

Notes to the reconciliation of equity and comprehensive income (Continued)

(f) Actuarial gains and losses

In accordance with IFRS 1, the Company has elected to recognize all cumulative actuarial gains and losses related to employee pension plans upon transition to IFRS.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Increase in employee benefits liability	$ (14,409)	$ (14,835)
Related tax effect	3,890	3,993
Decrease in retained earnings	$ (10,519)	$ (10,842)

(g) Employee benefits

Under IFRS, the Company was required to estimate a future value for certain employee benefits and present value this obligation.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Increase in employee benefits accrual	$ (4,717)	$ (4,717)
Related tax effect	1,792	1,792
Decrease in retained earnings	$ (2,925)	$ (2,925)

(h) Deferred taxes

Upon examining the impact of the opening IFRS adjustments to the valuation allowance, a further adjustment was required to the deferred tax balance to adjust for previously benefited losses.

The impact arising from the change is summarized as follows:

	September 30, 2010	December 31, 2010
Consolidated statement of financial position		
Decrease in deferred tax assets	$ (1,716)	$ (1,803)
Decrease in retained earnings	$ (1,716)	$ (1,803)

10. Explanation of transition to IFRS (Continued)

Notes to the reconciliation of equity and comprehensive income (Continued)

IFRS reclassifications

(a) Previously, the Company presented other receivables together with prepaid expenses. The current presentation has other receivables presented with trade receivables, and prepaid expenses are shown separately as prepayment for current assets.

(b) Previously, the Company presented other assets, which included investments, derivatives, licenses and patents and other assets. Investments and derivatives have been reclassified to other investments and licenses and patents are reflected in intangible assets.

(c) Previously, the Company presented long-term employee benefits and other long-term liabilities within the line item other long-term items. Long-term employee benefits are now shown separately and other long-term liabilities are reflected in provisions and other long-term liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarters Ended September 30, 2011 and 2010

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, 2011 and 2010. The information in this interim MD&A is current to November 3, 2011, and should be read in conjunction with the Company's September 30, 2011, unaudited third quarter consolidated condensed interim financial statements released on November 3, 2011, the 2010 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2010 Annual Report, dated March 8, 2011, and the March 31, 2011, unaudited first quarter consolidated condensed interim financial statements released on May 5, 2011.

Basis of Presentation

The Canadian Accounting Standards Board confirmed in February 2008 that all publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal periods beginning on or after January 1, 2011. As such, the MD&A and financial statements for the third quarter ended September 30, 2011, including the related comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The effective date of the transition to IFRS was January 1, 2010. Further disclosure on the transition to IFRS can be found in section 8 in this MD&A and note 10 of the Company's consolidated condensed interim financial statements for the nine months ended September 30, 2011. This disclosure contains a description of the IFRS adjustments and reclassifications on transition and a reconciliation of the Company's financial statements previously prepared under Canadian GAAP to those prepared under IFRS for the nine months ended September 30, 2010, and for the year ended December 31, 2010.

Unless otherwise noted, both the financial statements and this interim MD&A are expressed in Canadian dollars as the reporting currency. The major measurement currencies of CCL's operations are the Canadian dollar, the U.S. dollar, the euro, the Australian dollar, the Brazilian real, the Chinese renminbi, the Danish krone, the Japanese yen, the Mexican peso, the Polish zloty, the Russian rouble, the South African rand, the Thai baht, the U.K. pound sterling and the Vietnamese dong. All "per Class B 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 divisions; the Company's improvement in market share; the Company's capital spending levels and planned capital expenditures in 2011; 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 future profitability of the Container Division; the increase in production levels at the Company's Mexican facilities; 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 segments and entering into new segments; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the achievement of the Company's plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company's continued relations with its customers; and general business and economic conditions. Should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2010 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 company posted another solid quarter growing sales across all three operating segments (excluding the impact of foreign currency translation) when compared to the prior year's third quarter. The Container segment recorded $1.6 million of operating income, its fifth consecutive quarter over prior year quarter improvement. The Tube segment continued to post impressive performance delivering a 19.8% improvement in operating income for the third quarter of 2011 compared to the same period in 2010. The Label segment's third quarter operating income was $32.3 million, almost flat compared to the third quarter of 2010. As a result, the Company recorded basic earnings per share improvement of 8.3% to $0.52 per share for the 2011 third quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the nine month financial comparisons to 2010.

- In March 2010, Purbrick Pty Ltd. ("Purbrick"), a privately held company based in Melbourne, Australia, was acquired for $1.2 million in cash, net of cash acquired. Purbrick supplies patient information leaflets and pressure sensitive labels to global pharmaceutical customers located in Australia.

- In April 2011, Thunder Press Inc., a privately owned label company based in Chicago, U.S., which operated under the trade name "Sertech", was acquired for

$7.8 million, net of cash acquired. Sertech produces patient information leaflets, commonly known as inserts and outserts, for leading pharmaceutical customers in the United States.

- In September 2011, a 50% interest in Pacman-CCL, a privately owned group of label companies based in Dubai in the United Arab Emirates with additional operations in Cairo, Egypt, and Muscat Oman, was acquired for U.S. $18.5 million. Albwardy Investments, the sole shareholder that previously operated Pacman-CCL under a CCL Label license agreement, will retain the remaining 50% economic interest.

Sales for the third quarter of 2011 were $316.6 million, up 4.9% from $301.7 million recorded in the third quarter of 2010. Sales increased in the quarter driven by organic growth of 5.5% and the Sertech acquisition impact of 0.9% partially offset by a 1.5% impact from foreign currency translation. For the nine-month period ended September 30, 2011, sales were $951.2 million, an increase of 4.4% from $911.0 million in the 2010 nine-month period. Organic growth of 5.5%, acquisition impact of 0.7% and the negative impact of 1.8% for foreign currency translation drove the improvement in sales.

Selling, general and administrative expenses ("SG&A") were $40.3 million for the third quarter of 2011, up 5.2% from $38.3 million for the third quarter of 2010. The increase in SG&A of $2.0 million is primarily attributable to higher operating costs in the operating segments, partially offset by lower corporate expense. The increase in SG&A within the operating segments is attributable to foreign exchange losses incurred within the operations on non-domestic currency denominated liabilities. Corporate expenses in the third quarter of 2011 were $4.4 million, compared to $4.8 million in the 2010 third quarter, due to a decline in non-cash stock option expense. For the nine months ended September 30, 2011, SG&A were $114.8 million, an increase of 4.3% compared to $110.1 million for the 2010 nine-month period.

Operating income (a non-IFRS financial measure; refer to definition in Section 13) for the third quarter of 2011 was $36.4 million an improvement of 7.7% compared to $33.8 million for the third quarter of 2010. For the third quarter of 2011, foreign currency translation had an approximate 0.7%, 8.7% and 6.0% negative impact on the operating income of the Label, Container and Tube Segments, respectively, compared to the 2010 third quarter. Excluding the negative impact of foreign currency translation operating income for the comparative quarters improved 9.2%. The Container segment contributed operating income of $1.6 million for the third quarter of 2011, the most significant improvement, compared to an operating loss of $0.8 million in the 2010 third quarter. The Tube segment recorded another strong quarter with a 13.6% increase in operating income to $2.5 million. The Label segment partially offset these quarterly advances with a 0.3% decline in operating income to $32.3 million, compared to the third quarter of 2010. For the nine months ended September 30, 2011, operating income increased 9.7%, with the Container and Tube segments contributing to the improvement, partially offset by a decrease in the Label segment compared to the same nine-month period in 2010. Further details regarding fluctuations in sales and operating income are discussed later in "Business Segment Review."

Earnings before net finance cost, taxes, depreciation and amortization, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was $57.0 million for the third quarter of 2011, an increase of 8.6% compared to $52.5 million for the third quarter of 2010. Excluding the impact of currency translation, EBITDA increased by 10.1% for the comparable quarters. For the nine-month period ended September 30, 2011, EBITDA was $184.2 million, an increase of 6.5% compared to $172.9 million in the comparable 2010 period. Excluding currency translation, EBITDA increased 8.5% for the comparable nine-month period.

Net finance cost was $5.2 million for the third quarter, a decrease of $1.1 million compared to $6.3 million for the third quarter of 2010. The decline reflects lower debt levels due to scheduled repayments during the trailing twelve-month period and favourable currency translation on U.S. dollar-denominated interest. For the nine-month period ended September 30, 2011, net finance cost was $16.2 million, a reduction of 16.1% compared to $19.3 million in the corresponding nine-month period of 2010.

No restructuring and other items were incurred in the three-month periods ended September 30, 2011 or 2010. The Company recorded an expense of $0.5 million ($0.4 million after tax) in restructuring and other items in the 2011 nine-month period for the closure costs to shutdown a small label plant in the U.S. There were no expenses for restructuring and other items in the 2010 nine-month period.

The overall effective income tax rate was 37% for the third quarter of 2011 compared to 29% in the second quarter of 2011 and 31% in the third quarter of 2010. The increase is primarily due to the current quarter reflecting an accounting reduction related to a tax benefit previously recognized for certain Canadian tax losses. The aggregate benefit was reduced by $3.0 million in the current quarter and for the nine months ended September 30, 2011, was reduced $1.9 million. Therefore, the Company had recorded a benefit of $1.1 million for the first six months of 2011. For the comparable nine-month period in 2010, the benefit was increased $0.7 million. As previously disclosed in prior quarters, the ability to benefit the Canadian tax losses is dependent on the movement of the unrealized foreign exchange gains on the company's U.S. dollar-denominated debt and related euro swaps. This benefit will fluctuate with the movement in the Canadian dollar versus the U.S. dollar and euro and, as such, this benefit would reverse in the future if the Canadian dollar weakens and would grow larger if it strengthens. For the nine-month periods ended September 30, 2011 and September 30, 2010 the effective tax rate was 30%.

Net earnings for the third quarter of 2011 were $17.0 million, an increase of 7.6% compared to $15.8 million for the third quarter of 2010. This resulted in basic and diluted earnings of $0.52 per Class B share in the current quarter compared to basic and diluted earnings of $0.48 and $0.47 per Class B share respectively for the prior year third quarter.

Net earnings for the nine-month period of 2011 were $65.7 million, an increase of 13.7% compared to $57.8 million for the same period a year ago. This resulted in basic and diluted earnings of $1.99 and $1.96 per Class B share respectively for the 2011 nine-month period compared to basic and diluted earnings of $1.76 and $1.73 per Class

B share respectively for the prior year nine-month period. The weighted average number of shares for the 2011 nine-month period was 33.0 million basic and 33.6 million diluted shares compared to 32.8 million basic and 33.4 million diluted shares for the comparable period of 2010. Diluted shares were impacted by the weighted average in- the-money stock options of 0.3 million shares and share-based compensation of 0.3 million shares for the nine-month period.

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

(in Canadian dollars)

	Third Quarter		Year-to-Date	
Adjusted Basic Earnings per Class B Share	**2011**	**2010**	**2011**	**2010**
Basic earnings	$ 0.52	$ 0.48	$ 1.99	$ 1.76
Net loss from restructuring and other items included above	-	-	0.01	-
Adjusted basic earnings [1]	$ 0.52	$ 0.48	$ 2.00	$ 1.76

[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					
2011	$ 315.6	$ 318.9	$ 316.6		$ 951.2
2010	307.1	302.2	301.7	281.3	1,192.3
2009[1]	314.1	301.3	294.3	289.3	1,199.0
Net earnings (loss)					
2011	26.8	21.8	17.0		65.7
2010	24.6	17.4	15.8	13.3	71.1
2009[1]	16.8	8.9	16.6	(0.1)	42.2
Net earnings per Class B share					
Basic					
2011	0.81	0.66	0.52		1.99
2010	0.75	0.53	0.48	0.41	2.17
2009[1]	0.52	0.28	0.51	-	1.31
Diluted					
2011	0.80	0.64	0.52		1.96
2010	0.74	0.52	0.47	0.40	2.13
2009[1]	0.51	0.27	0.51	-	1.29
Adjusted basic net earnings per Class B share					
2011	0.82	0.66	0.52		2.00
2010	0.75	0.53	0.48	0.42	2.18
2009[1]	0.56	0.29	0.51	0.41	1.77

[1] 2009 figures are as reported per Canadian GAAP

Net earnings per Class B share by quarter have fluctuated due to changes in foreign exchange rates, restructuring costs and other items.

The seasonality of the business has evolved over the last few years with the first and second quarters generally being strongest due to the number of work days and various customer related activities. Also, there are many products that have a spring-summer bias in North America and Europe such as agricultural chemicals and certain beverage products, which generate additional sales volumes for CCL in the first half of the year. The last two quarters of the year are negatively affected from a sales perspective by summer vacation in the Northern Hemisphere, Thanksgiving and the holiday season shutdowns at the end of the fourth quarter.

3. Business Segment Review

Label Division

($ millions)	Third Quarter			Year-to-Date		
	2011	**2010**	**+/-**	**2011**	**2010**	**+/-**
Sales	$ 254.4	$ 238.4	6.7%	$ 758.0	$ 729.4	3.9%
Operating Income [1]	$ 32.3	$ 32.4	(0.3%)	$ 111.4	$ 114.4	(2.6%)
Return on Sales [1]	12.7%	13.6%		14.7%	15.7%	
Capital Spending	$ 13.0	$ 17.2	(24.4%)	$ 62.9	$ 52.0	21.0%
Depreciation and Amortization	$ 19.3	$ 18.2	6.0%	$ 57.4	$ 54.4	5.5%

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

Sales for the Label segment were $254.4 million for the third quarter of 2011, an increase of 6.7% compared to $238.4 million for the same quarter last year. Foreign currency translation had a 0.8% negative impact. Excluding foreign currency translation, sales for the Label segment increased 7.5% primarily due to organic growth of 6.4% and positive acquisition benefit of 1.1%.

North American sales were flat, excluding acquisitions and currency translation, compared to the third quarter of 2010. Home and Personal Care sales were down for the quarter compared to the same quarter in 2010, but improved monthly through to September with customers engaging in new marketing initiatives. Sales in the Healthcare business posted the most significant increase over the prior year quarter due to the U.S. FDA quarantine initiated in the third quarter of 2009 at a major customer being lifted in the first quarter of 2011, plus continuing improvements in overall market conditions. The Specialty business experienced sales declines driven by soft results in the Agricultural Chemicals sector attributed by customers to abnormal weather conditions in both the spring and summer months affecting end use sales. Sales in the Sleeve and Battery businesses declined due to competitive pressures in the U.S. Operating income was flat in the third quarter of 2011 compared to the same period in 2010 but included results from the Sertech acquisition in Chicago, which continued to meet expectations. Operating income for the quarter was also negatively impacted by foreign exchange transactions relating to purchases of materials in CCL's Canadian and Mexican businesses due to the appreciation of the U.S. dollar against the Canadian dollar and Mexican peso.

Sales in **Europe** were up high single digits in the third quarter of 2011, excluding currency translation, compared to the 2010 third quarter. Sales in Home and Personal Care increased as customers reengaged in branding initiatives. However, profits in this sector continue to be held back by losses at the French operation. Sales in Healthcare and Specialty declined due to soft market conditions plus the transfer of some customers' orders to CCL's Asian locations. Sales in the Sleeve business improved but operating income declined due to the challenges of passing along resin price increases to certain customers. Sales in the European Beverage business were flat and the Battery business continued to decline. The Durables business had a particularly strong quarter driven by the strength of key German automotive customers' export sales. Overall operating income fell in absolute terms and as a percent of sales compared to the prior year period largely due to mix with sales growth occurring in lower margin business units. Results in the U.K. operations were also negatively impacted by foreign exchange transactions due to the decline of the euro relative to the U.K. pound.

The **Latin America** Label operations continued to deliver double digit sales growth driving operating income improvement. Both Home and Personal Care and Sleeve sales were strong in Brazil and Mexico reflecting continued market share gains, but results in Mexico were held back by foreign exchange transactions due to the devaluation of the Mexican peso relative to the U.S. dollar. The Mexican operation sources most of its materials in U.S. dollars and sells predominantly in local currency.

The **Asia Pacific** region had strong double digit sales growth and significant operating income gains compared to the third quarter of 2010. Operating results were particularly strong in South East Asia as certain global customers are moving more production into the region. Results included start up losses at the new Healthcare facility in Tianjin, China. Australian operations posted sales increases but operating income was held back by competitive pressures in the Wine industry. A weaker Australian dollar in the third quarter impacted the cost of imported raw materials compared to the second quarter of 2011. Sales at the South African Wine Label business grew in the quarter but operating income was impacted by a management restructuring of the entity. Operating losses were also incurred on sales of Beverage products, in part due to foreign exchange transactions in the country due to the devaluation of the rand relative to the euro. These labels are sold in local currency and imported from Europe in euros.

Results from the 50% investments in Russia and Dubai, CCL Kontur and Pacman-CCL respectively, are not proportionately consolidated but instead are treated as equity investments. Impact to earnings from these investments was nominal in the quarter.

Operating income for the third quarter of 2011 was $32.3 million, a slight decrease of 0.3% compared to $32.4 million in the third quarter of 2010. Excluding the impact of currency translation, operating income increased 0.5%. Operating income as a percentage of sales at 12.7% was within the CCL's global internal targets but below the 13.6% return generated in last year's third quarter due to a change in the business mix in the current quarter.

Sales backlogs for the label business rarely exceed one month of sales, making forecasts one quarter ahead difficult. Order intake levels remain steady and in line with

the prior year so improvement in sales for the fourth quarter is potentially at modest levels, while profitability will remain challenged with current competitive pricing conditions. Foreign exchange will continue to be watched very closely, as potential government debt defaults have created a highly unpredictable currency exchange environment.

The Label Segment invested $62.9 million in capital spending in the nine-month period ended September 30, 2011, compared to $52.0 million in the same nine-month period in 2010. This investment is in line with the Company's planned expenditures for 2011. The major expenditures in the quarter were related to capacity expansions in the Home and Personal Care business in Europe and Asia as well as the publicly announced expansion expenditures in Latin America. 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 $57.4 million for the nine-month period of 2011 compared to $54.4 million in the comparable nine-month period.

Container Division

($ millions)	Third Quarter			Year-to-Date		
	2011	**2010**	**+/-**	**2011**	**2010**	**+/-**
Sales	$ 43.0	$ 44.0	(2.3%)	$ 133.3	$ 124.0	7.5%
Operating Income [1]	$ 1.6	$ (0.8)	n.m.	$ 7.4	$ (4.7)	n.m.
Return on Sales [1]	3.7%	(1.8%)		5.6%	(3.8%)	
Capital Spending	$ 0.3	$ 2.4	(87.5%)	$ 2.4	$ 5.8	(58.6%)
Depreciation and Amortization	$ 3.6	$ 3.4	5.9%	$ 10.6	$ 10.5	1.0%

[1] Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 13.
n.m. – not meaningful

Sales for the Container Segment in the third quarter were $43.0 million, a decrease of 2.3% compared to $44.0 million in the third quarter of 2010. Foreign currency translation had an unfavourable impact of 3.3%. Excluding foreign currency translation, sales for the Container Segment improved 1.0%, driven entirely by pricing programs and good sales mix, as volume declined.

The Container Segment continued its positive momentum in the third quarter of 2011 posting operating income of $1.6 million compared to an operating loss of $0.8 million in the 2010 third quarter. The U.S. operation posted very solid operating results for the quarter and the Canadian operation returned to profitability driven by improved pricing, effective cost controls and plant productivity initiatives. The positive impact of the sequentially stronger U.S. dollar in the Canadian operation was offset by the U.S. dollar still being weaker compared to the Canadian currency during the prior year period. The Mexican operation posted volume and sales gains but operating income was significantly impacted by an abnormal foreign exchange loss of $0.9 million on a U.S. dollar-denominated non-trade liability due to the devaluation of the Mexican peso relative to the U.S. dollar. This foreign exchange loss was in excess of operating

income at the Mexican operation. Should the Mexican peso strengthen versus the U.S. dollar, foreign exchange gains may be recorded in future quarters on the revaluation of this liability. The impact of the weaker Mexican peso on normal operations in Mexico was not material due to the natural balance of U.S. dollar-denominated revenues with purchases.

The Container Segment invested $2.4 million in capital spending in the nine-month period ended September 30, 2011, compared to $5.8 million in the same nine-month period in 2010. The majority of the 2011 expenditures related to final additions to the capacity addition at the Guanajuato facility. Depreciation and amortization for the Container Segment was $10.6 million for the nine-month period of 2011 compared to $10.5 million for the comparable nine-month period.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 26.8% and 9.1% of its expected 2011 and 2012 requirements, respectively. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$2,300 to US$2,600 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 2011 ranged from US$2,200 to US$2,600 per metric ton compared to US$1,900 to USD$2,300 in the third quarter of 2010. The Container Segment successfully mitigated these cost increases with productivity initiatives, non-aluminum supply related cost reduction and pricing programs that succeeded overall in raising CCL's value added margins over raw materials this quarter compared to the prior year.

Tube Division

($ millions)	Third Quarter			Year-to-Date		
	2011	**2010**	**+/-**	**2011**	**2010**	**+/-**
Sales	$ 19.2	$ 19.3	(0.5)%	$ 59.9	$ 57.6	4.0%
Operating Income [1]	$ 2.5	$ 2.2	13.6 %	$ 9.3	$ 7.1	31.0%
Return on Sales [1]	13.0%	11.4%		15.5%	12.3%	
Capital Spending	$ 0.8	$ 0.4	100.0%	$ 2.6	$ 0.8	225.0%
Depreciation and Amortization	$ 1.9	$ 1.9	-	$ 5.4	$ 5.7	(5.3%)

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

Sales for the third quarter of 2011 for the Tube Segment were $19.2 million, a decrease of 0.5% compared to $19.3 million posted for the 2010 comparable quarter. Foreign currency had an unfavourable impact of 5.6%. Excluding foreign currency translation, sales for the Tube Segment increased by 5.1% in the third quarter driven by market share gains in highly decorated tubes for the premium personal care and cosmetic sector.

The Tube Segment posted another very solid quarter, improving operating income by 19.8%, net of foreign exchange translation, compared to the 2010 third quarter. The outlook for this Segment remains positive.

The Tube Segment invested $2.6 million in capital spending in the nine-month period ended September 30, 2011, compared to $0.8 million in the same nine-month period in 2010. The majority of the increase relates to new decorating equipment. Depreciation and amortization for the Tube Segment was $5.4 million for the nine-month period of 2011 compared to $5.7 million in the comparable nine-month period.

4. Currency Transaction Hedging and Currency Translation

Approximately 96% of sales made in the first nine months of 2011 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 and, where necessary, includes exchange rate adjustment mechanisms in its sales and purchase agreements. The Company has also historically hedged a portion of its expected U.S. dollar cash inflows derived from sales into the United States from the Canadian Container plant in Penetanguishene, Ontario. The Company has no forward contracts in place for 2011 and no contracts were in place for 2010.

The results of the third quarter of 2011 were positively affected by appreciation of the euro by 3%, almost entirely offset by the depreciation of the U.S. dollar and U.K. pound sterling by 6% and 2%, respectively, relative to the Canadian dollar. In the third quarter of 2011, currency translation is estimated to have had a nominal impact on earnings per share compared to last year's third quarter. For the nine-month period ended September 30, 2011, the impact of foreign currency translation is estimated to have been unfavourable by $0.01 on earnings per share compared to the same period in 2010.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions, except per share data)	September 30, 2011	December 31, 2010	September 30, 2010
Current debt	$ 15.8	$ 87.6	$ 85.4
Long-term debt	354.1	346.8	360.2
Total debt [1]	$ 369.9	$ 434.4	$ 445.6
Cash and cash equivalents	(110.1)	(173.2)	(144.2)
Net debt [1]	$ 259.8	$ 261.2	$ 301.4
Shareholders' equity	$ 823.3	$ 769.3	$ 772.0
Net debt to Total Book Capitalization [1]	24.0%	25.3%	28.1%
Book value per share [1]	$ 24.80	$ 23.32	$ 23.48

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

The Company continues to build on its strong financial position. As of September 30, 2011, cash and cash equivalents amounted to $110.1 million, a decrease of $34.1 million compared to $144.2 million at September 30, 2010. This decrease reflects the scheduled long-term debt repayments made of US$60.0 million in March 2011 and US$9.4 million in September 2011. Net debt (a non-IFRS financial measure; refer to definition in Section 13) was $259.8 million at September 30, 2011, $41.6 million lower than the net debt of $301.4 million at the end of September 2010. The decrease in debt was primarily due to scheduled debt repayments funded internally partially offset by unfavourable currency translation on U.S. dollar-denominated debt (U.S. dollar rate appreciated 2% over last year's rate on September 30th).

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at September 30, 2011, was 24.0%, down from 28.1% at the end of September 2010. Book value per share (a non-IFRS financial measure; refer to definition in Section 13) was $24.80 at September 30, 2011, 5.6% higher compared to $23.48 at September 30, 2010.

The Company's debt structure at September 30, 2011, is primarily comprised of four private debt placements completed in 1997, 1998, 2006 and 2008 for a total of US$328.4 million (C$344.2 million) and a five-year revolving line of credit of C$95.0 million. This debt structure is unchanged from December 31, 2010, except for a scheduled debt repayments of US$60.0 million made in March 2011 and US$9.4 million made in September 2011. The Company's overall average finance rate is 6.1% after factoring in the related Interest Rate Swap Agreement ("IRSA") and Cross-Currency Interest Rate Swap Agreements ("CCIRSAs") compared to 5.6% at September 30, 2010. The IRSA and CCIRSAs are discussed later in this report in Section 7.

The Company has a revolving line of credit with a Canadian chartered bank for $95.0 million that expires in January 2013. As at the end of September 2011, the credit line was unused, other than for letters of credit of $3.6 million.

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

(in millions of Canadian dollars)

Summary of Cash Flows	Third Quarter 2011	Third Quarter 2010	Year-to-Date 2011	Year-to-Date 2010
Cash provided by operating activities	$ 51.8	$ 44.0	$ 122.6	$ 106.4
Cash used for financing activities	(15.5)	(46.1)	(95.1)	(51.3)
Cash used for investing activities	(30.2)	(19.7)	(91.8)	(57.0)
Translation adjustments on cash and cash equivalents	1.1	0.3	1.2	(4.4)
Increase in cash and cash equivalents	$ 7.2	$ (21.5)	$ (63.1)	$ (6.3)
Cash and cash equivalents – end of period	$ 110.1	$ 144.2	$ 110.1	$ 144.2
Free Cash Flow from Operations [(1)]	$ 37.9	$ 24.2	$ 56.0	$ 50.6

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

During the third quarters of 2011 and 2010, the Company generated cash from operating activities of $51.8 million and $44.0 million, respectively. The increase in cash flow was primarily due to lower working capital requirements during the third quarter of 2011 compared to the third quarter of 2010, and higher earnings in the current period. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) reached $37.9 million in the 2011 third quarter compared to $24.2 million in the prior year period. The increase is due to both lower capital expenditures and higher cash flow from operating activities in the current period compared to the prior year.

Capital spending in the third quarter amounted to $14.2 million compared to $20.1 million in the 2010 third quarter. Depreciation and amortization for the third quarters of 2011 and 2010 were $25.0 million and $23.5 million, respectively. Plans for capital spending in 2011 are still expected to be at levels similar to total expenditures for 2010 year and below depreciation. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends in the third quarters of 2011 and 2010 were $5.8 million and $5.3 million, respectively. The total number of shares issued and outstanding as at September 30, 2011 and 2010, was 33.5 million and 33.2 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2011 continues to be positive, the Board of Directors has approved a continuation of the higher dividend declared in the third quarter of 2010 of $0.1625 per Class A share and $0.175 per Class B share to shareholders of record as of December 13, 2011, and payable on January 3, 2012. The annualized dividend rate is $0.65 per Class A share and $0.70 per Class B share.

In the past, the Company has utilized a share repurchase program under the normal course issuer bid ("bid"). The Company currently does not have an active share repurchase bid in place.

7. Interest rate and Foreign Exchange Management

The Company has utilized an interest rate swap agreement ("IRSA") to allocate notional debt between fixed and floating rates since all of the underlying debt is fixed rate debt with U.S. financial institutions. Since the Company has developed into a global business with a significant asset base in Europe in the last few years, it has utilized cross-currency interest rate swap agreements ("CCIRSA") to effectively convert notional U.S. dollar fixed rate debt into fixed and floating rate euro debt to hedge its euro-based assets and cash flows.

The effect of the IRSA and CCIRSAs has been to decrease finance cost by $0.1 million in the third quarter of 2011 compared to a decrease of $0.5 million in the third quarter of 2010. Interest coverage (a non-IFRS financial measure, defined later in Section 13) was 6.0 times as at September 30, 2011, compared to 4.9 times as at September 30, 2010.

8. Accounting Policies and New Standards

A. Changes in Accounting Policies

The Canadian Accounting Standards Board confirmed in February 2008 that all publicly accountable enterprises will be required to adopt IFRS for fiscal periods beginning on or after January 1, 2011. As such, the above analysis and discussion of the Company's financial condition and results of operation are based upon its interim consolidated financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The effective date of the transition to IFRS was January 1, 2010. A summary of the Company's significant accounting policies under IFRS was set out in note 3 of the consolidated condensed interim financial statements for the three months ended March 31, 2011.

B. Recently Issued Accounting Standards

In November 2009, the IASB issued IFRS 9, Financial instruments ("IFRS 9"). This standard will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, and has not been applied in preparing these consolidated condensed interim financial statements. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

C. International Financial Reporting Standards

Over the past two years the Company has provided information in the MD&A concerning the IFRS conversion project in terms of both its approach and its progress

towards the achievement of the required conversion date. In the more recent quarters leading up to conversion, the Company has also provided estimates of the expected financial impact upon conversion, and has also disclosed some of the expected accounting policy changes and choices available to the Company under IFRS.

Outlined below by topic are highlights of the significant areas of accounting changes to the Company that have occurred upon the adoption of IFRS. This information is expected to provide the investor and others with a better understanding of the results of the changeover to IFRS and how that change has impacted the Company's financial statements and operating performance. This information is based upon current IFRS standards and those IFRS standards expected to be effective for annual financial statement results as at December 31, 2011. This list and comments should not be regarded as a complete list of the changes that have resulted from the transition to IFRS; rather they are intended to highlight the most significant areas to the Company.

Property, Plant and Equipment ("PP&E")

IAS 16, Property, Plant and Equipment, ("IAS 16") requires that capital assets be broken down into their major components and depreciated separately using a useful life appropriate to that component. As a result of this requirement, the Company reviewed all major capital asset categories and determined that adjustments would be required concerning componentization of the "Building" category of CCL's fixed assets. This has resulted in an opening balance sheet adjustment and building depreciation being expensed over a shorter timeframe under IFRS as compared to Canadian GAAP. The Company will continue to use historical costs for capital asset valuations. Also, related to the componentization requirement of IAS 16, the Container Division had an opening balance sheet adjustment to the depreciation of spare parts capitalized to maintain the production lines. These spare parts will have a change in their useful life and, as such, will be expensed over a shorter timeframe under IFRS.

Financial impact: Per the requirements of IFRS 1, First-time Adoption of International Financial Reporting Standards, ("IFRS1") the adjustment related to componentization of these two items has been recorded in opening retained earnings upon transition to IFRS. As such, the financial impact of the componentization of the Company's capital assets, as at January 1, 2010, was to decrease retained earnings by $5.9 million (before tax effect of $1.8 million) with a corresponding decrease to property, plant and equipment.

Share-based Payments

IFRS 2, Share-based Payment, requires for awards that vest in instalments over the vesting period, that each instalment is accounted for as a separate arrangement rather than permitting the instalments to be treated as a pool. This has resulted in a change to the prior Canadian GAAP accounting policy and an opening adjustment upon conversion to IFRS.

Financial impact: Per the requirements of IFRS 1, the adjustment related to share-based payments has been recorded in opening retained earnings upon transition to

IFRS. As such, the impact of this change on the Company's share-based payments, as at January 1, 2010, was to decrease retained earnings by $0.9 million (before tax effect of $0.1 million) with a corresponding increase to contributed surplus.

Employee Benefits

IAS 19, Employee Benefits, requires an entity to elect an accounting policy choice concerning the treatment of actuarial gains and losses pertaining to defined benefit plans. The Company decided to adopt, upon conversion to IFRS, the option of 100% recognition of the actuarial gains and losses through other comprehensive income and reported in retained earnings. Previously, under Canadian GAAP, the company used the 10% corridor method.

Financial impact: Per IFRS 1, the Company has elected the option of recognizing cumulative actuarial gains and losses to opening retained earnings upon transition to IFRS. As such, the impact of this election, as at January 1, 2010, was to decrease retained earnings by $13.8 million (before tax effect of $3.7 million) with a corresponding increase to employee benefits.

IAS 19, Employee Benefits, also requires estimates of future values of long-term employee benefits be present valued for their obligation. This resulted in a change to the prior Canadian GAAP accounting policy and an opening adjustment upon conversion to IFRS.

Financial impact: Per the requirements of IFRS 1, the adjustment related to long-term employee benefits was recorded in the opening retained earnings upon transition to IFRS. As such, the impact of this change on the Company's employee benefit accrual, as at January 1, 2010, was to decrease retained earnings by $4.7 million (before tax effect of $1.8 million) with a corresponding increase to employee benefits.

Financial Instruments

IAS 39, Financial Instruments: Recognition and Measurement, requires that transaction costs related to financial instruments measured at cost are to be included in the initial measurement of the financial instrument. Canadian GAAP permitted the entity to make an accounting policy choice to either include transaction costs in the initial measurement of a financial instrument measured at cost, or immediately recognize them in profit and loss. The Company's previous accounting policy under Canadian GAAP was to recognize these transaction costs immediately in the income statement; as such, there has been an opening balance sheet adjustment to reflect this required change under IFRS.

Financial impact: Per the requirements of IFRS 1, the adjustment related to transaction costs on financial instruments was recorded in the opening retained earnings upon transition to IFRS. As such, the impact of this change on the Company's financial instruments, as at January 1, 2010, was to increase retained earnings by $1.3 million (before tax effect of $0.3 million) with a corresponding decrease to long-term debt.

First-Time Adoption of IFRS

The Company's adoption of IFRS has required the application of IFRS 1, which provides guidance regarding an entity's initial adoption of IFRS. IFRS 1 generally requires an entity to apply all IFRS with retrospective effect to the end of its first IFRS reporting period. However, IFRS 1 does include certain mandatory exceptions and some limited optional exemptions in specified areas of the various standards. Outlined below are some of the optional exemptions available under IFRS 1 that the Company has adopted on the first financial statements under IFRS.

- Business Combinations – The Company has elected to not restate any business combinations that have occurred prior to January 1, 2010.

- Employee Benefits – The Company has elected the IFRS 1 exemption to recognize all cumulative actuarial gains and losses as at January 1, 2010, to opening retained earnings upon transition to IFRS. The financial impact of this is noted above.

- Cumulative Translation Differences ("CTD") – The Company has elected the IFRS 1 exemption to reclassify the balance of CTD as at January 1, 2010, to retained earnings upon transition to IFRS.

  Financial impact: per IFRS 1, the Company is electing the option of recognizing the balance of CTD to opening retained earnings upon transition to IFRS. As such, the impact of this election, as at January 1, 2010, was to decrease retained earnings by $99.6 million (inclusive of a $10.8 million tax effect) with a corresponding decrease to accumulated other comprehensive loss.

Taxes

As noted in each section above, the Company had tax effects associated with the various opening transition to IFRS adjustments. In addition to the adjustments previously mentioned, a further adjustment was required to the deferred tax balance for previously benefited losses. The impact of this change on the Company's deferred tax assets, as at January 1, 2010, was to decrease retained earnings by $1.4 million with a corresponding decrease in deferred tax assets.

Currency Translation Adjustment

During the second quarter of 2011, the Company identified a further adjustment of $0.7 million on currency translation differences on transition to IFRS that did not impact the opening January 1, 2010, balances. The impact of this change as at September 30, 2010, and December 31, 2010, was to decrease selling, general and administration expenses by $0.7 million with a corresponding decrease to accumulated other comprehensive loss.

Financial Impact – Comparative Tables

The following table outlines the transitional financial impact to the Company's equity upon adoption of IFRS on January 1, 2010, September 30, 2010, and December 31, 2010, for comparative purposes:

($ thousands)	**January 1, 2010**	**September 30, 2010**	**December 31, 2010**
Equity under Cdn GAAP	**$ 752,757**	**$ 791,021**	**$ 788,997**
PP&E componentization	(4,180)	(4,727)	(4,915)
Share-based payments	96	102	104
Employee benefits	(13,009)	(13,444)	(13,767)
Financial instruments	936	798	711
Tax losses	(1,373)	(1,716)	(1,803)
Total IFRS adjustments to equity	**(17,530)**	**(18,987)**	**(19,670)**
	$ 735,227	**$ 772,034**	**$ 769,327**

The following table outlines the transitional financial impact to the Company's comprehensive income upon adoption of IFRS for the nine months ended September 30, 2010, and the year ended December 31, 2010:

($ thousands)	**Nine months ended September 30, 2010**	**Year ended December 31, 2010**
Comprehensive income under Cdn GAAP	**$ 47,488**	**$ 47,400**
PP&E componentization – depreciation	(547)	(735)
Share-based payments – expense	(51)	(68)
Employee benefits – actuarial gains and losses	367	379
Financial instruments – transaction costs	(138)	(165)
Tax losses	(23)	(5)
Repatriation of capital and foreign exchange on intercompany loan repayment	1,552	550
Total profit adjustments	**$ 1,160**	**$ (44)**
Other comprehensive income adjustments		
Currency translation adjustments	(1,552)	(611)
Employee benefits – actuarial gains and (losses)	(1,122)	(1,562)
Total other comprehensive income adjustments	**(2,674)**	**(2,173)**
Total comprehensive income adjustments	**(1,514)**	**(2,217)**
Comprehensive income under IFRS	**$ 45,974**	**$ 45,183**

Further disclosure on the transition to IFRS can be found in note 10 of the Company's consolidated condensed interim financial statements for the nine months ended September 30, 2011. This disclosure includes detailed reconciliations of the Company's financial statements that were previously prepared under Canadian GAAP to those now prepared under IFRS and the details of each reconciling item pertaining to the transition from Canadian GAAP to IFRS.

Control and System Changes Due to IFRS

The conversion to IFRS included a review of the Company's internal controls over financial reporting and as such these controls, including disclosure controls and procedures were revised as required and implemented. In addition, accounting policies were updated for the changeover to IFRS. The internal control changes and accounting policy changes were not significant. Furthermore, the Company utilized the existing controls framework with respect to the IFRS changeover process and, where necessary, additional controls were implemented. All accounting policy changes and internal controls over financial reporting changes were reviewed by senior management prior to the review and approval of the Audit Committee of the Board of Directors.

Modifications to the Company's information systems for the IFRS conversion project were not significant during the transition phase and are not expected to be significant in the future.

Post-Implementation

The Company has now entered the post-implementation phase of the IFRS conversion project. This phase involves the continuous monitoring of financial data to ensure that it is in compliance with IFRS standards. The International Accounting Standards Board has several projects that are currently ongoing that will result in the issuance of new IFRS standards in the future. As these IFRS standards come into effect, the Company will evaluate the impact and implement these new and revised standards accordingly.

D) 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 following 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.

Inventory Valuation

Inventories are valued at the lower of cost and net realizable value on the first-in, first-out basis. The cost of work in process and finished goods includes materials, direct labour applied to the product and the applicable share of overhead based on normal operating capacity. In determining the net realizable value, the Company estimates and establishes reserves for excess, obsolete or unmarketable inventory. The reserve is based upon the aging of the inventory, the historical experience, the current business

environment and the Company's judgment regarding the future demand for the inventory. If actual demand and market conditions are less favourable than those projected, additional inventory reserves may be needed and the results from operations could be materially affected. A change in the provision would be recorded in the carrying value of inventory and cost of goods sold.

Accounts Receivable

The Company records an allowance for doubtful accounts related to accounts receivable that management believes may become impaired. The allowance is based upon the aging of the receivables, the Company's knowledge of the financial condition of its customers, the historical experience, and the current business environment. If actual collection of receivables and market conditions are less favourable than those projected, additional allowance for doubtful accounts may be needed and the results from operations could be materially affected. A change in the allowance would be recorded in selling, general and administrative expenses.

Goodwill

Goodwill represents the excess of the purchase price of the Company's interest in the businesses acquired over the fair value of the underlying net identifiable tangible and intangible assets arising on acquisitions. Goodwill is not amortized but is required to be tested for impairment at least annually or if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing based on the level at which management monitors it, which is not higher than an operating segment. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Company performs the annual impairment test in the fourth quarter of each year, or more frequently if required as noted above. Impairment testing is done by comparing the CGU's carrying amount to its fair value. In the assessment of fair value of the CGU, the average enterprise value to EBITDA multiple, based on comparable companies, is used to estimate the enterprise value for each of the CGUs. If the fair value of the CGU exceeds its carrying amount, no impairment has occurred. Significant management judgment is required in preparing the forecasts of future operating results that are used in the discounted cash flow method of valuation. In 2010, it was determined that the carrying amount of goodwill was not impaired. Since the process of determining fair values requires management judgment regarding projected results and market multiples, a change in these assumptions could impact the fair value of the CGUs resulting in an impairment charge.

Long-lived Assets

Long-lived assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Performance of this evaluation involves management estimates of the associated

business plans, economic projections and anticipated cash flows. Specifically, management considers forecasted operating cash flows, which are subject to change due to economic conditions, technological changes or changes in operating performance. An impairment loss would be recognized if the carrying amount of the asset held for use exceeded the discounted cash flow or fair value. Changes in these estimates in the future may result in an impairment charge.

Employee Future Benefits

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value using a discount rate comparable to high quality corporate bonds. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the income statement.

The Company recognizes all actuarial gains and losses arising from defined benefit plans directly in other comprehensive income immediately, and reports them in retained earnings.

Since these assumptions involve forward-looking estimates and are long-term in nature, they are subject to uncertainty and actual results may differ, and the differences may be material.

E) 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 amongst the subsidiaries. These inter-company structures are established on terms typical of arm's length agreements.

The Company has no material related party transactions.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations except for typical long-term operating lease agreements. The nature of these commitments is described in note 15 of the annual consolidated financial statements for the year ended December 31, 2010. There are no defined benefit plans funded with CCL stock.

The Company has had no material changes in contractual obligations in the first nine months of 2011.

10. Controls and Procedures

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

As at December 31, 2010, and September 30, 2011, based on the continued evaluation of the disclosure controls and procedures, the CEO and the CFO have concluded that CCL's disclosure controls and procedures, as defined in National Instrument 52-109 ("NI 52-109"), are effective to ensure that information required to be disclosed in reports and documents that CCL files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. NI 52-109 requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal control over financial reporting for the issuer, that internal control has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, that the internal control over financial reporting is effective, and that the issuer has disclosed any changes in its internal control during its most recent interim period that has materially affected or is reasonably likely to materially affect its internal control over financial reporting.

As of December 31, 2010, and September 30, 2011, the CEO and the CFO certified that they were in compliance with NI 52-109 regarding internal control over financial reporting.

There were no material changes, other than those noted for the transition to IFRS, in internal control over financial reporting in the nine months ended September 30, 2011.

11. Risks and Strategies

The 2010 Management's Discussion and Analysis in the annual report detailed risks to the Company's business and the strategies that were planned for 2011 and beyond. There have been no material changes to those risks and strategies during the first nine months of 2011.

12. Outlook

The Company remains confident about its ability to deliver the solid results and cash flows required to support its growth strategy including the financing of investment opportunities that will expand its geographic and market segment reach. The Company has sufficient cash and liquidity to support this strategy with cash balances over $100 million and unused credit lines of over $90 million as at September 30, 2011. The Company remains focused on vigilantly managing working capital and prioritizing investment capital to opportunities in higher-growth areas, such as emerging markets and the Healthcare and Specialty business, either organically or by acquisition.

The announcements of negative economic indicators that began toward the end of the second quarter continued through the summer months. Deepened concerns over public debt levels in Europe and the U.S. took center stage, with credit agencies issuing intensified warnings about possible defaults. Central bankers and politicians have yet to pacify constituents increasing public uncertainty. These macroeconomic concerns and persistent high unemployment levels may have a near to medium term adverse impact on economic growth in the developed markets. The emerging markets of Latin America and Asia now account for approximately 17.8% of the Company's sales. So far, the impact from the macroeconomic issues in Europe and the U.S. has been limited in the emerging markets although GDP forecasts for China and Brazil have moderated in the late summer.

Despite these uncertainties, the Company remains cautiously optimistic about the outlook for the remainder of the year. The Label Division should continue its modest improvement trend for the final quarter of the year provided demand in the consumer space remains at the levels CCL has seen so far this year. The recent acquisitions of Sertech and Pacman, are projected to deliver accretion. The Container Division is expected to continue to improve as comparisons to the prior year period remain relatively easy. The outlook for the Tube Division continues to be encouraging but comparatives will be more difficult as the Division reported improved results in the second half of 2010. October 2011 exchange rates for the U.S. dollar and euro were in a narrow range compared to the levels of the 2010 fourth quarter. In Emerging Markets CCL continues to watch exchange rates closely, specifically in Latin America where management believes such risk is more significant to the Company than in Asia. At the time of writing, CCL's operations in Thailand, like all companies in the Bangkok region, are threatened by flood conditions in the country that could interrupt business temporarily in the fourth quarter. Inflationary increases in raw materials are likely to ease in the near term and potentially reverse in early 2012. The Company will continue to focus on cost reduction initiatives and improved efficiencies in the softer market

conditions. The Company's expectation for capital expenditure spending for the year is in the $80-$85 million range compared to depreciation of approximately $90 million.

13. Key Performance Indicators and Non-IFRS Financial Measures

CCL measures the success of the business using a number of key performance indicators, many of which are in accordance with IFRS as described throughout this report. The following performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to or replacement of net income or any other measure of performance under IFRS. These non-IFRS financial 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 the Company's results and are concepts often seen in external analysts' research reports, financial covenants in banking and note agreements, purchase and sales contracts on acquisitions and divestitures of the business and in discussions and reports to and from CCL's shareholders and the investment community. These non-IFRS financial measures will be found throughout this report and are referenced in this definition section alphabetically:

Adjusted Basic Earnings per Class B Share – An important non-IFRS financial measure used 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 financial measure is defined as basic net earnings per Class B share excluding goodwill impairment loss, restructuring and other items and tax adjustments.

Book Value per Share - A measure of the shareholders' equity at book value per the combined Class A and Class B shares. It is calculated by dividing shareholders' equity by the actual number of Class A and Class B shares issued and outstanding, excluding amounts and shares related to shares held in trust and the executive share purchase plan.

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

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

Book value per share

At September 30th	2011	2010
Total shareholders' equity, end of period	$ 823.3	$ 772.0
Number of shares issued and outstanding, end of period (000's)	33,494	33,176
Less: Shares held in trust	(269)	(265)
Executive share purchase plan loans	(25)	(25)
Total adjusted number of shares issued (000's)	33,200	32,886
Book value per share	$ 24.80	$ 23.48

EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results and is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS financial measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, restructuring and other items. The Company believes that it is an important measure as it allows management to assess CCL's ongoing business without the impact of 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 CCL's ability to incur or service debt and to invest in property, plant and equipment, and it allows management to compare CCL's business to that of CCL's 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 senior notes and 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 costs, taxes, depreciation and amortization, goodwill impairment loss, restructuring and other items)	**Third Quarter**		**Year-to-Date**	
	2011	**2010**	**2011**	**2010**
Net earnings	$ 17.0	$ 15.8	$ 65.7	$ 57.8
Corporate expense	4.4	4.8	17.9	14.7
Finance cost, net	5.2	6.3	16.2	19.3
Restructuring and other items – (gain)/loss	-	-	0.5	-
Income taxes	9.8	6.9	27.8	25.0
Operating Income (a non-IFRS financial measure)	36.4	33.8	128.1	116.8
Less: Corporate expense	(4.4)	(4.8)	(17.9)	(14.7)
Add: Depreciation and amortization	25.0	23.5	74.0	70.8
EBITDA (a non-IFRS financial measure)	$ 57.0	$ 52.5	$ 184.2	$ 172.9

Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the year 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 2011	Third Quarter 2010	Year-to-date 2011	Year-to-date 2010
Cash provided by operating activities	$ 51.8	$ 44.0	$ 122.6	$ 106.4
Less: Additions to property, plant and equipment	(14.2)	(20.1)	(68.1)	(58.7)
Add: Proceeds on disposal of property, plant and equipment	0.3	0.3	1.5	2.9
Free Cash Flow from Operations	$ 37.9	$ 24.2	$ 56.0	$ 50.6

Interest Coverage – A measure indicating the relative amount of operating income earned by the Company compared to the amount of finance cost incurred by the Company. It is calculated as Operating Income (see definition below), 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 2011	October 1 – September 30 2010	December 31 2010	December 31 2009[1]	September 30 2011	September 30 2010	September 30 2009[1]
Operating income (a non-IFRS financial measure) (see definition below)	$ 158.3	$ 144.0	$ 147.0	$ 124.4	$ 128.1	$ 116.8	$ 97.2
Less: Corporate expense	$ 25.3	$ 18.8	$ 22.1	$ 16.5	$ 17.9	$ 14.7	$ 12.4
Operating income less corporate expense	$ 133.0	$ 125.2	$ 124.9	$ 107.9	$ 110.2	$ 102.1	$ 84.8
Net finance expense	$ 22.2	$ 25.8	$ 25.3	$ 29.3	$ 16.2	$ 19.3	$ 22.8
Interest coverage	6.0	4.9					

[1] 2009 figures are as reported per Canadian GAAP

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

Net Debt – A measure indicating the financial indebtedness of the Company assuming that all cash on hand is used to repay a portion of the outstanding debt. It is defined as current debt, which includes bank advances, plus long-term debt, less cash and cash equivalents.

Net Debt to Total Book Capitalization – A measure that indicates the financial leverage of the Company. It measures the relative use of debt versus equity in the book capital of

the Company. Net debt to total book capitalization is defined as Net Debt (see definition above) divided by Net Debt plus shareholders' equity, expressed as a percentage.

Operating Income – A measure indicating the profitability of the Company's business units defined as operating income before corporate expenses, finance cost, goodwill impairment loss, restructuring and other items and tax.

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

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

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

The following table reconciles the Return on Sales measure to IFRS financial measures reported in the consolidated statements of earnings in the industry segmented information as per note 3 of the Company's quarterly financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

Return on Sales	**Sales Third Quarter**		**Operating Income/(Loss) Third Quarter**		**Return on Sales Third Quarter**	
Industry Segments	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Label	$ 254.4	$ 238.4	$ 32.3	$ 32.4	12.7%	13.6%
Container	43.0	44.0	1.6	(0.8)	3.7%	(1.8%)
Tube	19.2	19.3	2.5	2.2	13.0%	11.4 %
Total Operations	$ 316.6	$ 301.7	$ 36.4	$ 33.8	11.5%	11.2%

Total Debt – A measure indicating the financial indebtedness of the Company. It is defined as current debt, including bank advances, plus long-term debt.

The following table reconciles total debt used in the total debt measure to IFRS financial measures reported in the consolidated statement of financial position as at the periods ended as indicated.

(in millions of Canadian dollars)

Total debt

At September 30th	**2011**	**2010**
Current debt	$ 15.8	$ 85.4
Long-term debt	354.1	360.2
Total Debt	$ 369.9	$ 445.6