CCL Industries Inc.

105 Gordon Baker Road, Suite 500

Toronto, Ontario

M2H 3P8

2011

Annual Information Form

February 23, 2012

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CCL Industries Inc.

This Annual Information Form ("AIF") 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, but not limited to, 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 CCL Industries Inc. ("CCL" or "the Company"), other than statements of historical fact, are forward-looking statements. Specifically, this AIF 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 2012; the adequacy of the Company's financial liquidity; the future profitability of the Container Division; 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 evolving 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 Company's ability to implement its acquisition strategy and successfully integrate acquired businesses; 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, particularly under Item 5: "Risk Factors."

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 CCL, 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 AIF 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.

Unless otherwise stated, all amounts stated in this document are given in Canadian dollars and, unless otherwise stated, the information contained herein is current as of February 23, 2012.

ITEM 3 – CORPORATE STRUCTURE

CCL Industries Inc. commenced operations in 1951 as Connecticut Chemicals (Canada) Limited. In 1972, the business was acquired by Conn Chem Limited, then the controlling shareholder of Connecticut Chemicals (Canada) Limited. Conn Chem Limited had been incorporated under the laws of Ontario on April 15, 1957, and was continued under the Canada Business Corporations Act on December 16, 1977. On May 25, 1978, its name was changed to The Conn Chem Group Ltd. and on November 28, 1979, to CCL Industries Inc.

The registered and head office of CCL Industries Inc. is located at 105 Gordon Baker Road, Suite 500, Toronto, Ontario M2H 3P8. Unless the context otherwise indicates, a reference to "CCL" or "the Company" means CCL Industries Inc. and its subsidiary companies. Listed below are the principal direct or indirect operating subsidiaries each of whose total assets or sales and operating revenues constitute more than 10% of the total consolidated assets or consolidated sales and operating revenues of the Company for the year ended December 31, 2011. The combined assets and sales of the other subsidiaries of CCL do not constitute more than 20% of the consolidated assets or the consolidated sales and operating revenues of the Company.

The Company manages three principal operating units, the Label Division, the Container Division and the Tube Division.

In the United States, Mexico and Puerto Rico, the Label Division operates through the Company's indirect wholly owned subsidiary CCL Label, Inc. (incorporated in Michigan), which in turn has the following principal direct and indirect wholly owned subsidiaries (with state or country of incorporation):

CCL Label (San German), Inc. - Delaware
CCL Label Baltimore, LLC - Maryland
Etiquetas CCL S.A. de C.V. - Mexico
CCL Label (St. Louis), Inc. - Missouri
CCL Label de Puerto Rico, Inc. - Puerto Rico
CCL Label/Portland, Inc. - Oregon
CCL Label/Sioux Falls, Inc. - South Dakota
CCL Label (Chicago), Inc. - Illinois

In Europe, the Company carries on the Label business through its indirect wholly owned subsidiaries in various jurisdictions. The principal indirect operating subsidiaries are:

CCL Label GmbH - Austria
CCL Label A/S - Denmark
CCL Label S.A.S. - France
CCL Package Label S.N.C. - France
CCL Design GmbH - Germany

CCL Label Meerane GmbH - Germany
CCL Label GmbH - Germany
CCL Label S.r.l. - Italy
CCL Label Oss B.V. - The Netherlands
CCL Label Sp z o.o. - Poland
CCL Label Limited - United Kingdom
CCL Label (Ashford) Limited - United Kingdom

In Australia, the Company carries on the Label business through its indirect wholly owned subsidiaries Clear Image Labels Pty. Ltd. and CCL Label (Vic) Pty Ltd.

In Brazil, the Company carries on the Label business through its indirect wholly owned subsidiary CCL Label do Brasil S/A.

In China, the Company carries on the Label business through its indirect wholly owned subsidiaries CCL Label (Guangzhou) Co., Ltd.; CCL Label (Hefei) Co., Ltd. and CCL Label (Tianjin) Co., Ltd.

In Russia, the Company carries on the Label business through OOO CCL-Kontur, its 50% owned equity investment.

In United Arab Emirates, Egypt, Oman and Saudi Arabia, the Company carries on the Label business through Pacman-CCL, its 50% owned equity investment.

In Thailand and Vietnam, the Company carries on the Label business through its indirect wholly owned subsidiaries CCL Label (Thai) Ltd. and CCL Label Vietnam Company Limited, respectively.

In South Africa, the Company carries on the Label business through its indirect wholly owned subsidiary CCL Label Cape (Pty) Ltd.

The Container Division operates in the United States through CCL's indirect wholly owned subsidiary, CCL Container (Hermitage), Inc., a company incorporated under the laws of Delaware. The Container Division also operates in Mexico through CCL's indirect 99% owned subsidiary CCL Container, S.A. de C.V.

The Tube Division operates in the United States through the following indirect wholly owned subsidiaries:

CCL Tube (Wilkes-Barre), Inc. – Pennsylvania
CCL Tube, Inc. – Delaware

ITEM 4 – GENERAL DEVELOPMENT OF THE BUSINESS

CCL commenced operations in Canada in 1951 as a custom manufacturer, which provided manufacturing and other value-added outsourcing services to national and international consumer products companies. Commencing in the 1980s, CCL diversified into specialty packaging, servicing the same customer base as its custom manufacturing business. Beginning in 2000, CCL restructured and reduced its investment in the Custom Manufacturing Division, culminating in the sale of the North America Custom Manufacturing ("N.A. Custom") business in May 2005 and the ColepCCL joint venture in November 2007. The sale of its Custom Manufacturing Division has allowed the Company to focus its business solely on specialty packaging.

CCL now has three main operating areas of expertise in specialty packaging ("Specialty Packaging"): the Label, Container and Tube Divisions.

In the early 1980s, CCL commenced its international expansion and diversification into the United States and, later in the decade, into the United Kingdom. This international expansion and diversification has continued in its specialty packaging segments. In each of its businesses, the Company strives to satisfy the needs of its multinational customers in the non-durable and durable consumer products market. By providing a wide range of specialty packaging products to these customers on a global basis, CCL believes that it is or can become a leader in each of its businesses and, consequently, the Company believes that it will be able to enjoy sustainable sales and income growth.

In addition, the Company has divested non-core and underperforming businesses to allow each Division to focus on its customers and growth opportunities. CCL has now transformed itself into the world leader in the development of label solutions for global producers of consumer brands in the home and personal care, healthcare, durable goods, and specialty food and beverage sectors and a specialty supplier of aluminum containers and plastic tubes for the same customers in North America.

LABEL DIVISION

The Label Division is the leading global producer of innovative label solutions for consumer product marketing companies in the personal and beauty care, food and beverage, household, chemical and promotional segments of the industry, and also supplies major pharmaceutical, healthcare, durable goods and industrial chemical companies. The Division's product lines include pressure sensitive, shrink sleeve, stretch sleeve, in-mould and expanded content labels and pharmaceutical instructional leaflets.

CCL Label now operates 63 plants globally, which includes 16 label manufacturing plants in the United States (California, Connecticut, Illinois, Kentucky, Maryland, Missouri, two in New Jersey, two in North Carolina, Oregon, Pennsylvania, three in South Dakota and one in Tennessee), and two in Puerto Rico. The Label Division also operates two plants in Canada (one in Ontario and one in Québec).

In Europe, the Label Division now operates three plants in Austria, two in Denmark, five in France, four in Germany, one in Italy, one in the Netherlands, one in Poland, two in Russia and five plants in the United Kingdom.

In Latin America, the Label Division operates four plants, one in Mexico and three in Brazil.

In Asia, the Label Division has three plants in China, three in Thailand and one in Vietnam. In Australia, with the Purbrick Limited acquisition in early 2010 (described below), the Label Division now operates three plants.

In South Africa, with the Ferro Print acquisition in March 2009 (described below), the Label Division operates one plant.

In the Middle East, with the Pacman-CCL investment in September 2011, the Label Division operates a plant in each of United Arab Emirates, Egypt, Oman and Saudi Arabia.

The current position of the Label Division was developed organically and through acquisitions over the last few years. Below is a description of the transactions completed over the last three completed years:

In March 2009, Ferro Print Western Cape (Pty) Ltd. ("Ferro Print"), a privately owned pressure sensitive label company based in South Africa, was acquired for approximately $3 million in cash. Ferro Print, subsequently renamed CCL Label Cape (Pty) Ltd. is a leading South African wine label producer with a plant located near Cape Town. This acquisition provides a manufacturing presence to build CCL's position in the important beverage market of South Africa.

In March 2010, Purbrick Pty Ltd. ("Purbrick"), a privately owned company based in Melbourne, Australia, was acquired for approximately $1 million in cash, net of cash acquired. Purbrick supplies patient information leaflets and pressure sensitive labels to the global pharmaceutical customers located in Australia. Purbrick has been renamed CCL Label (Vic) Pty Ltd.

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 approximately $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. Sertech has been renamed CCL Label (Chicago), Inc.

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; Muscat, Oman; and Jeddah, Saudi Arabia, was acquired for approximately U.S. $18 million. Albwardy Investments, the sole shareholder that previously operated Pacman-CCL under a CCL Label license agreement, will retain the remaining 50% economic interest.

The Label Division has generally experienced strong demand in its existing and newly acquired operations in the past few years. The Division increased sales, excluding the impact of currency translation, in all four quarters of 2011, primarily driven by strong organic growth and augmented slightly by the Sertech acquisition in the final three quarters of the year. Excluding the negative impact from foreign exchange, operating income improved by 1.4% for 2011 compared to 2010. Sales for the Label Division passed the $1 billion milestone for the first time in 2011.

Although a number of CCL's customers, suppliers and peers in Europe and North America had a successful 2011, most reported signs of some softness in the fourth quarter, particularly in Europe. Sales improvement for 2012 is not anticipated to be in excess of global GDP growth rates. The emerging markets of Latin America, Eastern Europe and Asia continued to be a success factor for the Company in 2011 and, along with the Company's venture in the Middle East, are expected to continue growing at higher rates in 2012 compared to CCL's other regions.

CONTAINER DIVISION

The Container Division is a leading manufacturer of aluminum specialty containers for the consumer products industry in North America, including Mexico. The key product line is recyclable aluminum aerosol cans for the personal care, home care and cosmetic industries, plus shaped aluminum bottles for the beverage market.

The Container Division operates one plant in Ontario, one plant in Pennsylvania and two plants in Mexico**.**

Historically, the Container aluminum aerosol and bottle business has shown growth with new product introductions creating new market categories. In this regard, the Container business purchased seven new production lines between 2003 and 2008 to satisfy these requirements. In addition, a third production line was added in Mexico and became operational in early 2011 to meet growing capacity needs as major customers continue to move their aerosol filling to Mexico for both the U.S. and Latin American markets.

Aluminum represents a significant variable cost for this Division. Aluminum is a traded commodity and the Division has historically used a general hedging program in combination with fixed price contracts with a number of its significant customers. Aluminum prices have been extremely volatile in the past few years. This volatility created a significant challenge for the Division in 2009 as the aluminum hedges, arranged earlier in 2008 for general 2009 requirements, were fixed at higher values than aluminum prices at that time. The hedges not specifically related to customer contracts had a significant negative impact on the Division's operating income. Commencing in 2010, all of the Company's aluminum futures contracts are matched to fixed-price customer contracts.

Sales, excluding foreign currency translation, at the Container Division increased 10.8% for 2011 compared to 2010. This improvement was driven by volume growth in the Mexican operations, and pricing controls plus better mix in the United States. Operations in the U.S. and Mexico produced solid profitability for the 2011 year and the Canadian operation delivered operating income in both the third and fourth quarters as it executes its turnaround plan. The Division posted operating income of $9.2 million for 2011 compared to an operating loss of $4.5 million in 2010.

Market share gains are expected in the Mexican operations. The U.S. and Canadian operations will maintain pricing discipline, and continue to drive cost reduction and productivity initiatives in order for the Division to drive its momentum on into 2012.

TUBE DIVISION

The Tube Division is a leading manufacturer of highly decorated extruded plastic tubes for the personal care and cosmetics industry in North America. The product line consists of plastic tubes with a variety of decorations, sizes and applications.

The Tube Division operates one plant in California and one in Pennsylvania. In late 2009, the Californian production facility moved to a new but smaller state-of-the-art location. The Tube Division exited its small manufacturing operations in Mexico in the fourth quarter of 2009.

The Tube Segment had an exceptional year with organic sales growth of 12.1% for 2011, excluding foreign currency translation. All four quarters of 2011 experienced sales growth, excluding foreign currency translation compared to the same quarters of 2010. Operating income in 2011 was a record $12.0 million as the Division capitalized on market share gains in highly decorated tubes for the premium personal care and cosmetic sector.

For 2012, additional capacity is slated for the Wilkes-Barre facility and new decorating equipment for Los Angeles in order to expand market share in highly decorated tubes for the premium personal care and cosmetic sector.

CORPORATE DEVELOPMENT

The proceeds from dispositions of non-core and underperforming businesses over the past decade have been used to pay down debt in order to improve financial leverage. Proceeds were also utilized to invest in selected acquisitions, capital equipment and infrastructure expenditures, and used to buy back CCL Class B non-voting shares when appropriate. The selection criteria for acquisition targets are based on an expectation that they will serve CCL's existing customer base as well as introduce new customers, expand product lines, be purchased at reasonable valuations and be accretive to earnings in the first year of ownership.

The sale of the N.A. Custom business in 2005 and ColepCCL in 2007 resulted in a significant reduction in sales and earnings for CCL. The acquisitions during the past seven years and the organic growth in the businesses supported by the Company's capital spending program have more than replaced N.A. Custom and ColepCCL's earnings since the dispositions. The cash from the sales of these businesses has financed the Company's growth in the specialty packaging businesses.

CCL is anticipating that it will continue to benefit from its acquisitions and capital expenditures of the past few years as the global economy recovers and consumer spending returns to normal levels. It is expected that 2012 capital spending will be at a similar level to 2011 and below depreciation. The Company believes that cash on hand, combined with its available revolving credit facility, along with the flexibility to manage capital spending and complete further strategic acquisitions, will provide the financial liquidity needed to meet its liabilities when they come due.

The Company's debt structure is primarily comprised of four private debt placements completed in 1997, 1998, 2006 and 2008 for a total of US $328.4 million (Cdn $333.9 million) and a five-year revolving line of credit of Cdn $95.0 million. The debt structure is unchanged from December 31, 2010, except for a scheduled debt repayment of US $60.0 million in March 2011 and the annual payment on one of the senior notes of US $9.4 million in September 2011. The Company continues to maintain over $91.0 million of availability on its revolving facility for future liquidity needs.

CCL will continue to be subject to exchange rate translation impact, favourable or unfavourable, in all of its foreign operations, including those jurisdictions such as Brazil, Mexico and Europe, where currency exchange rates to the Canadian dollar have been historically volatile. At exchange rates prevailing in January 2012, the foreign currency translation impact would be insignificant; however, any strengthening of the Canadian dollar relative to the currencies of CCL's foreign operations could have a negative impact on 2012 earnings on a comparative basis with 2011. See also "Potential Risks Relating to Significant Operations in Foreign Countries" in Item 5: "Risk Factors" of this AIF.

STRATEGY

CCL's goal is to improve its competitive position in each Division with a view to long-term profitable growth. The strategy is focused on specialty packaging businesses in which CCL (1) is or believes it can become the largest competitor in the market, (2) produces value-added products and uses technologies and know-how with strong barriers to entry, (3) is or can be the best value-added producer, (4) provides product lines and services that have growth potential and (5) sees potential in its businesses to take advantage of the trend toward globalization by its multinational customer base.

The Company is continually reviewing its businesses and may, if appropriate, divest non-core or unprofitable operations in order to improve its profitability, return on equity, and its financial leverage. Management believes that this approach allows the Company to be better positioned to operate effectively during economic downturns, and to have the financial flexibility to make acquisitions and to invest in capital spending that support its business strategy. Restructuring costs were incurred over the last several years to reorganize certain business units, to provide for losses on dispositions and to provide for the write-down of assets of business units that were deemed to be non-core and under performing.

All acquisitions in recent years added further international elements to the Label Division, expanding it on a global basis, and enhancing its relationships with its traditional North American and European global customers.

ITEM 5 – DESCRIPTION OF THE BUSINESS

OVERVIEW

CCL Industries Inc. is a world leader in the development of label solutions for global producers of consumer brands in the home and personal care, healthcare, durable goods, and specialty food and beverage sectors and a specialty supplier of aluminum containers and plastic tubes for the same customers in North America. The Company has manufacturing facilities in North America, Europe, Latin America, Asia, Australia, South Africa and the Middle East. CCL had approximately 6,400 employees as at December 31, 2011. The manufacturing facilities maintained by the Company are described below under the heading "Properties."

Net Sales By Business Segment:
(millions of dollars)

	Years ended December 31			
	2011		2010	
	Net Sales	% of Total Sales	Net Sales	% of Total Sales
Label*	$1,012.3	79.8%	$955.1	80.1%
Container	175.7	13.9%	162.4	13.6%
Tube	80.5	6.3%	74.8	6.3%
Total	$1,268.5	100.0%	$1,192.3	100.0%

*Excludes sales at the Company's equity investments in Russia (CCL-Kontur) and the Middle East (Pacman-CCL)

Net Sales By Geographic Segment:
(millions of dollars)

	Years ended December 31			
	2011		2010	
	Net Sales	% of Total Sales	Net Sales	% of Total Sales
Canada*	$108.1	8.5%	$99.5	8.3%
United States and Puerto Rico	460.4	36.3%	459.9	38.6%
Mexico and Brazil	150.4	11.9%	126.6	10.6%
Europe	435.8	34.4%	407.2	34.2%
Asia, South Africa and Australia	113.8	8.9%	99.1	8.3%
Total	$1,268.5	100.0%	$1,192.3	100.0%

*Approximately 50% of sales in Canada relate to the Container Division which sells almost all of its production to the United States in U.S. dollars.

The seasonality of the business has evolved over the last few years with the first and second quarters generally being the 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.

LABEL DIVISION

Principal Products

The Label Division, operating under the name of CCL Label, specializes in the printing of decorative and informational labels for a variety of non-durable and durable consumer products for personal care, healthcare, food, beverage, home care, battery, automotive and numerous other industries. This Division produces a wide variety of products such as pressure sensitive labels, instructional leaflets, shrink and stretch sleeves, expanded content labels (a label that unfolds to display information), battery, in-mould labels, promotional pieces including games and coupons, pressure sensitive die cut films and aluminum labels for automotive and consumer durable industries.

Markets and Competition

All markets for labels around the world are very fragmented and the Company believes that the largest supplier is CCL Label but with many smaller competitors. The Company believes that while the Division is the largest participant in the industry at both a global and regional level, the market is very large and highly fragmented with market share only being meaningful in the customer segments in which it operates.

The Company believes that it is competitive for several reasons. It is focused on specific segments of the prime label market that require more sophisticated technology. It has the ability to purchase its major raw materials (primarily pressure sensitive laminates and extruded films) at favourable prices due to bulk purchases under supply agreements. It has a focused decentralized and entrepreneurial operating style.

The Label Division delivers its products following its customers' directions with itemized freight cost billed separately or at an all-inclusive price depending on the country. Shipments are primarily by road and, on occasion, by air or sea freight.

Employees

CCL Label had approximately 5,280 employees as of December 31, 2011, including the employees at our equity investments.

CONTAINER DIVISION

Principal Products

The Container Division, operating under the name CCL Container, manufactures high quality extruded aluminum aerosol containers for the personal care and homecare markets, bottles for beverage customers and a variety of other specialty products, such as piston activated aerosol cans, aluminum caulking cartridges and refrigeration cans.

Markets and Competition

Management believes that CCL Container is approximately the same size as its only domestic competitor in the United States and has approximately a 50% market share as a supplier of extruded aluminum aerosol containers in North America, including Mexico. Competition comes from one other United States manufacturer of extruded aluminum aerosol containers, from imports and from aerosol containers manufactured from materials other than aluminum, particularly steel, and numerous indirect competitors in plastic and glass containers. Competition in the beverage segment comes from many traditional container manufacturers, particularly aluminum and steel cans, and plastic and glass bottles.

The Container Division delivers its products following its customers' directions primarily to the location where the product will be filled by its customers or by designated contract manufacturers. The customer pays for delivery, which is generally by truck, but can occasionally be by rail or air.

Employees

The Container Division had approximately 760 employees as of December 31, 2011.

TUBE DIVISION

Principal Products

The Tube Division, operating under the name CCL Tube, manufactures high quality plastic tubes primarily for the personal care industry. Plastic tubes can be decorated in many ways such as by direct printing or applying pressure sensitive labels.

Markets and Competition

Management believes that CCL Tube is the largest supplier in North America of extruded plastic tubes for personal care and cosmetic applications with approximately 20% market share. Competition comes from a number of other manufacturers in the United States and from imports, primarily from Europe and Asia. Alternative packages such as plastic bottles and laminate tubes also compete with plastic tubes.

The Tube Division delivers its products following its customers' directions primarily to the location where the product will be filled by its customers or by designated contract manufacturers. The customer pays for delivery, which is generally by truck, but can occasionally be by rail or air.

Employees

The Tube Division had approximately 330 employees as of December 31, 2011.

GENERAL

Suppliers

The Company purchases a broad range of materials and components at market prices in connection with its manufacturing activities. Major purchased items include pressure sensitive label stock and extruded films, and inks for the production of labels; aluminum slugs for the manufacture of extruded aluminum aerosol cans and bottles; and polyolefin resins and polypropylene caps for the manufacture of plastic tubes plus tooling and printing plates across all business lines.

The Company is not dependent on any single source of supply in its Label or Tube Divisions. The materials required for its manufacturing operations have been readily available and the Company does not foresee any significant shortages in the future.

Sufficient power for manufacturing operations is available from local utilities or power companies in most jurisdictions.

Over 90% of the aluminum slugs used in the aluminum aerosol industry in North America comes from a single supplier. The cost of slugs for aluminum aerosol cans varies with the cost of aluminum, a traded commodity, which has historically been subject to periodic dramatic fluctuations. The Company partially hedges this cost and matches it to specific customer contracts. This is achieved by entering into forward contracts with its suppliers and by purchasing futures contracts for aluminum ingot on the London Metals Exchange for up to two years in the future. In the past, the Company had aluminum futures contracts that were not directly related to long-term customer contracts. Due to the volatility of aluminum pricing in 2008 and 2009, these futures contracts had a significant negative impact on the Container Division's operating results. As of December 31, 2011, all of the Company's aluminum futures contracts were tied to specific customer contracts for future periods.

Patents and Trademarks

In the conduct of the operation of its businesses, the Company generally benefits from various patents, licences and proprietary technologies, which, although collectively important in the day-to-day operations of such businesses, are not individually material to the prospects or profitability of the Company as a whole. Most of the Company's manufacturing equipment is purchased off-the-shelf and is available to its competitors. However, some of the manufacturing equipment has become increasingly sophisticated and expensive, which may limit the ability of smaller competitors in the market to maintain their positions. However, management believes that it is the Company's manufacturing know-how, structured operating systems and trained employees that establish a meaningful barrier-to-entry for its businesses.

Over the many years that the Company has operated its businesses, it has developed an employee talent pool that has a significant specialized skill and knowledge base. Since the machinery in use for all the businesses is generally off-the-shelf, the Company's key asset is employee know-how from a trade skill (press operators, graphic designers, industrial engineers, etc.), technical (example chemical or software engineers) and business process perspective. Most of the Company's value-added techniques to produce products are not patented but reside in the skill set of the employee base.

Research and Product Development

The Company, through its Divisions, works with its customers in developing new products to meet market needs. The approach to new products is primarily from active product development as opposed to pure scientific research. The Label Division develops innovative label products for home and personal care, food and beverage, and healthcare customers; specialty and promotional products; and automotive and other consumer durables. These include clear labels, game pieces and expanded content labels. In the Container Division, aluminum bottles for beverage products, and new shapes and styles for aluminum aerosol cans and bottles have been developed for its existing and new customers. In the Tube Division, new shapes, styles and decoration for plastic tubes are created to satisfy customers' demanding marketing needs.

Environmental Matters

Estimated capital expenditures for environmental control projects for 2012 will not be material and the Company believes compliance with existing environmental protection laws and continuation of ongoing remediation efforts will have no material effect on earnings or on the competitive position of the Company. Liabilities are recorded when site restoration and environmental remediation obligations are either known or considered probable and can be reasonably estimated. The Company is unable to predict what changes may be made to environmental laws in the future in the countries in which it operates. However, it anticipates that such laws will continue to become more stringent. See also "Environmental, Health and Safety Requirements and other Considerations" in Item 5: "Risk Factors" of this AIF.

The Company has a number of specialists to monitor and implement its environmental policy. The Board of Directors, through its Environment and Health & Safety Committee, receives regular reports on environmental issues and monitors compliance with established policies.

The Company has adopted an environmental policy statement that emphasizes the Company's commitment to best practices in waste handling, regulatory compliance, self-auditing and waste reduction. In addition, the policy provides for careful assessment of properties both prior to acquisition and prior to disposal. Furthermore, it promotes environmental awareness in the Company's host communities.

Social Policies

The Company has developed a company-wide Global Business Ethics Guide (the "Guide"), approved by the Board of Directors, that is distributed to each employee. The Guide requires the employees to conduct themselves ethically in their business and workplace relationships, and to respect other employees, the environment and the communities in which CCL operates. All new employees, in the course of their induction, receive and review the Guide. As part of the Company's annual internal control certification process, the general manager and controller of each facility is required to confirm in writing that the Guide has been distributed to and reviewed by all existing employees. Further, the Company has established an anonymous employee hotline, accessed by telephone or over the Internet and monitored by a third-party service, to allow all employees to report issues related to potential infractions of the Guide. Any alleged infractions are reported to the executive management, investigated and, if there is substance to the allegations, reported to the Board of Directors. Management provides a quarterly report detailing to the Human Resources Committee any hotline reports and the action taken.

Customers

Each of the operating Divisions of the Company deals with a diverse customer base. While a small number of the manufacturing facilities are dependent upon one or a few customers for a significant portion of their business, no operating Division is dependent upon any single customer or upon a few customers. In 2011, the Company's largest customer accounted for about 12.5% of consolidated sales. See also "Dependence on Customers" in Item 5: "Risk Factors" of this AIF.

Employees

The Company has direct control over a total of approximately 6,400 employees and has two labour union contracts in the United States and Canada (covering approximately 320 employees) as at December 31, 2011. The labour contract in Canada, covering approximately 120 employees, expires in 2014. The labour contract in the U.S, covering the remaining 200 employees, expires in 2013. A number of international locations have unionized facilities covered by local legislation. The Company has not experienced work stoppages at any of its locations in the last 10 years.

Foreign Operations

The Company currently conducts operations in Canada, the United States (including Puerto Rico), Australia, Austria, Brazil, China, Denmark, Egypt, France, Germany, Italy, Mexico, the Netherlands, Oman, Poland, Russia, Saudi Arabia, South Africa, Thailand, United Kingdom, United Arab Emirates and Vietnam. Operations primarily service customers located in their country.

International operations are necessarily subject to different economic risks and opportunities. The Company's production costs are affected by conditions prevailing in the various locations. The Company is also exposed to foreign currency exchange, which may positively or negatively affect the Company's consolidated financial reporting as a result of the translation of foreign financial results into Canadian dollars and the impact of cash flows, cash holdings and debt obligations in these foreign currencies. The Company believes that international diversification has reduced its overall economic business risk. See also "Potential Risks Relating to Significant Operations in Foreign Countries" in Item 5: "Risk Factors" of this AIF.

Production and Services

The Company primarily manufactures its products at its various plant facilities utilizing standard equipment generally available to the market. In unusual circumstances, CCL may outsource certain production to other suppliers. As part of providing its manufacturing capabilities to its customers, the Company does provide ancillary services such as art work, tool and die manufacturing and product development for a fee. These fees are a small proportion of the Company's total revenue.

New Products

The Company has developed many new products in each of its businesses over the years. The approach to developing new products is primarily from active product development as opposed to pure scientific research. In general, product development by the Container Division involves shaping of aerosol cans and beverage bottles. The Label Division develops many new applications for labels, promotional products, shrink sleeves and expanded content labels. The Tube Division creates plastic tubes with new caps and closures and multiple combinations of decoration.

Properties

As at February 23, 2012, the Company operated the following principal manufacturing facilities:

Location	Owned or Leased	Major Products
Label		
Canada		
Etobicoke, Ontario	Owned	Healthcare Labels
Saint-Bruno, Québec	Owned	Healthcare Labels
United States		
Upland, California	Owned	Healthcare Labels
Shelton, Connecticut	Owned	Personal Care Labels
Chicago, Illinois	Leased	Healthcare Labels
Cold Spring, Kentucky	Owned	Personal Care and Specialty Labels
Baltimore, Maryland	Leased	Healthcare Labels
St. Louis, Missouri	Owned	Healthcare Labels
Hightstown, New Jersey	Owned	Healthcare Labels
Robbinsville, New Jersey	Owned	Personal Care Labels and Shrink Sleeves
Charlotte, North Carolina	Leased	Personal Care, Wine and Spirits Labels
Raleigh, North Carolina	Leased	Healthcare Labels

Location	Owned or Leased	Major Products
Portland, Oregon	Leased	Wine Labels
Boothwyn, Pennsylvania	Leased	Battery Labels
Sioux Falls, South Dakota (3 Plants)	2 Owned/ 1 Leased	Personal Care, Healthcare and Specialty Labels and Shrink Sleeves
Collierville, Tennessee	Owned	Specialty Labels
Mexico		
Mexico City	Owned	Personal Care and Beverage Labels and Shrink Sleeves
Puerto Rico		
Cidra	Leased	Healthcare and Personal Care Labels
San German	Leased	Healthcare Labels
Brazil		
Criciuma	Owned	Shrink Sleeves
Vinhedo (2 Plants)	Owned	Personal Care, Healthcare and Specialty Labels
Australia		
Barossa Valley	Owned	Wine Labels
Melbourne	Leased	Healthcare Labels
Sydney	Leased	Wine Labels
Austria		
Hohenems (2 Plants)	1 Owned/ 1 Leased	Shrink Sleeves
Voelkermarkt	Owned	Shrink Sleeves
Denmark		
Broendby	Leased	Healthcare Labels
Randers	Owned	Healthcare and Specialty Labels

Location	Owned or Leased	Major Products
France		
Chilly-Mazarin (2 Plants)	1 Owned/ 1 Leased	Healthcare and Specialty Labels
Moussy le Neuf	Owned	Personal Care Labels
Périgueux	Owned	Shrink Sleeves and In-Mould Labels
Lyons	Leased	Specialty Labels
Germany		
Holzkirchen	Owned Building/ Leased Land	Personal Care and Beverage Labels
Meerane	Owned	Beverage and Battery Labels
Solingen (2 Plants)	1 Owned/ 1 Lease	Durable Labels
Italy		
Milan	Owned	Healthcare and Specialty Labels
The Netherlands		
Oss	Owned	Healthcare and Specialty Labels
Poland		
Poznan	Owned	Personal Care Labels
Russia		
Moscow	Leased	Personal Care and Spirits Labels
St. Petersburg	Leased	Personal Care and Spirits Labels
South Africa		
Stellenbosch	Leased	Wine and Beverage Labels
United Kingdom		
Ashford, England	Owned	Healthcare and Specialty Labels
Castleford, England (2 Plants)	Owned	Personal Care, Wine and Spirits Labels and Shrink Sleeves

Location	Owned or Leased	Major Products
King's Lynn, England	Owned	Shrink Sleeves
East Kilbride, Scotland	Leased	Personal Care, Spirits and Specialty Labels
China		
Guangzhou	Owned Building/ Leased Land	Personal Care Labels
Hefei	Owned Building/ Leased Land	Personal Care and Beverage Labels
Tianjin	Owned Building/ Leased Land	Healthcare Labels
Egypt		
Cairo	Owned	Personal Care, Healthcare, Beverage and Specialty Labels
Saudi Arabia		
Jeddah	Owned	Personal Care, Healthcare, Beverage and Specialty Labels
Oman		
Muscat	Owned	Personal Care, Healthcare, Beverage and Specialty Labels
Thailand		
Bangkok (3 Plants)	Owned	Personal Care, Beverage and Specialty Labels
Vietnam		
Ho Chi Minh City	Owned	Personal Care Labels
United Arab Emirates		
Dubai	Owned	Personal Care, Healthcare, Beverage and Specialty Labels

Location	Owned or Leased	Major Products
Container		
Canada		
Penetanguishene, Ontario	Owned	Extruded Aluminum Aerosols, Bottles and Specialty Containers
United States		
Hermitage, Pennsylvania	Owned	Extruded Aluminum Aerosols and Bottles
Mexico		
Guanajuato	Owned	Extruded Aluminum Aerosols and Bottles
Mexico City	Leased	Extruded Aluminum Aerosols and Specialty Containers
Tube		
United States		
Los Angeles, California	Leased	Plastic Tubes
Wilkes-Barre, Pennsylvania	Owned	Plastic Tubes

RISK FACTORS

The Company is subject to a number of potential risks and uncertainties associated with being a supplier of goods and services to the non-durable consumer packaging and consumer durable industries that could have a material adverse effect on the business, financial condition and results of operations, such as:

Uncertainty Resulting from a Sustained Global Economic Crisis

The Company is dependent on the global economy and overall consumer confidence, disposable income and purchasing trends. A global economic downturn or period of economic uncertainty can erode consumer confidence and may materially reduce consumer spending. Any decline in consumer spending may negatively affect the demand of CCL's customers' products. This decline directly influences the demand for the Company's packaging components used in its customers' products, and may negatively affect the Company's consolidated earnings. The global economic conditions have affected interest rates and credit availability, which may have a negative impact on earnings from higher interest costs or the inability to secure additional debt to fund operations or refinance maturing obligations as they come due. In addition, the sustained global economic crisis may have an unpredictable adverse impact on the

Company’s suppliers of manufacturing equipment and raw materials which in turn may have a negative impact on the availability of manufacturing equipment and cost of raw materials. Although the Company has a strong balance sheet, diverse businesses, and a broad geographic presence, it may not be able to manage a reduction in its earnings and cash flow that may arise from lower sales, increased cost of raw materials and decreased profits if the global economic environment deteriorates for an extended period.

Potential Risks Relating to Significant Operations in Foreign Countries

The Company operates plants in North America, Europe, Latin America, Asia, South Africa, Australia and the Middle East. Sales to customers located outside of Canada in 2011 were 96% of the Company’s total sales, similar to the level in 2010. Non-Canadian operating results are translated into Canadian dollars at the average exchange rate for the period covered. The Company has significant operating bases in both the United States and Europe. In 2011, 41% and 34% of total sales were to customers in United States and the Europe, respectively. The Company’s operating results and cash flows could be negatively impacted by slower or declining growth rates in these key markets. The sales from business units in Latin America, Asia, South Africa and Australia in 2011 were 21% of the Company’s total sales. In addition, the Company has equity investments in Russia and the Middle East. There are risks associated with operating a decentralized organization in 69 facilities in 23 countries around the world with a variety of different cultures and values. Operations outside of Canada, the United States and Europe are perceived generally to have greater political and economic risks and include CCL’s operations in Latin America, Asia, South Africa, Russia and the Middle East. These risks include, but are not limited to, fluctuations in currency exchange rates, inflation, unexpected changes in foreign law and regulations, government nationalization of certain industries, currency controls, potential adverse tax consequences and locally accepted business practices and standards which may not be similar to accepted business practices and standards in North America and Europe. Although the Company has controls and procedures intended to mitigate these risks, these risks cannot be entirely eliminated and they may have a material adverse effect on the consolidated financial results of the Company.

Competitive Environment

The Company faces competition from other packaging suppliers in all the markets in which it operates. There can be no assurance that the Company will be able to compete successfully against its current or future competitors or that such competition will not have a material adverse effect on the business, financial condition and results of operations of the Company. This competitive environment may preclude the Company from passing on higher material, labour and energy costs to its customers. Any significant increase in in-house manufacturing by customers of the Company could adversely affect the business, financial condition and results of operations of the Company. In addition, the Company’s consolidated financial results may be negatively impacted by competitors developing new products or processes that are of superior quality, fit CCL's customers' needs better, or have lower costs; or by consolidation within CCL's competitors or further pricing pressure on the industry by the large retail chains.

Sustainability of Profitability of the Container Division

The Company's Container Division operated at a substantial loss in 2009 and 2010; however it posted a return to profitability in 2011. The main drivers of the previous losses were largely due to the higher sales mix of low margin household products, the effect of the weaker U.S. dollar, and the negative impact of aluminum hedges and lower volumes. If the Division is not able to sustain increased prices to maintain and improve its margins, pass cost increases onto its customers, continue to restructure operations, and maintain and grow sales volumes to utilize production capacity, it could have a material adverse effect on the business, financial condition and results of operations of the Company. In addition, foreign currency could have a material adverse effect on the Container Division's results as the Canadian plant sells almost all of its production to the United States market in U.S. dollars.

Foreign Exchange Exposure and Hedging Activities

Sales of products of the Company to customers outside Canada account for 96% of the revenue of the Company. Because the prices for such products are quoted in foreign currencies, any increase in the value of the Canadian dollar relative to such currencies, in particular the U.S. dollar and the euro, reduces the amount of Canadian dollar revenues and operating income reported by the Company in its consolidated financial statements. The Company also buys inputs for its products in world markets in several currencies. Exchange rate fluctuations are beyond the Company's control and there can be no assurance that such fluctuations will not have a material adverse effect on the reported results of the Company. The use of derivatives to provide hedges of certain exposures, such as interest rate swaps, forward foreign exchange contracts and aluminum futures contracts could impact negatively on the Company's operations.

Retention of Key Personnel and Experienced Workforce

Management believes that an important competitive advantage of the Company has been, and is expected to continue to be, the know-how and expertise possessed by its personnel at all levels of the Company. While the machinery and equipment used by the Company are generally available to competitors of the Company, the experience and training of the Company's workforce allows the Company to obtain a level of efficiency and a level of flexibility that management believes to be high relative to the industries in which it competes. To date, the Company has been successful in recruiting, training and retaining its personnel over the long term and while management believes that the know-how of the Company is widely distributed throughout the Company, the loss of the services of certain of its experienced personnel could have a material adverse effect on the business, financial condition and results of operations of the Company.

The operations of the Company are dependent on the abilities, experience and efforts of its senior management team. To date, the Company has been successful in recruiting and retaining competent senior management. Loss of certain members of the executive team of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations. This could have a material adverse effect on the business, financial condition and results of operations of the Company.

Acquired Businesses

As part of its growth strategy, the Company continues to pursue acquisition opportunities where such transactions are economically and strategically justified. However, there can be no assurance that the Company will be able to identify attractive acquisition opportunities in the future or have the required resources to complete desired acquisitions, or that it will succeed in effectively managing the integration of acquired businesses. The failure to implement the acquisition strategy, to successfully integrate acquired businesses or joint ventures into the Company's structure, or to control operating performance and achieve synergies, may have a material adverse effect on the business, financial condition and results of operations of the Company.

In addition, there may be liabilities that the Company has failed or was unable to discover in its due diligence prior to the consummation of the acquisition. In particular, to the extent that prior owners of acquired businesses failed to comply with or otherwise violated applicable laws, including environmental laws, the Company, as a successor owner, may be financially responsible for these violations. A discovery of any material liabilities could have a material adverse effect on the business, financial condition and results of operations of the Company.

Exposure to Income Tax Reassessments

The Company operates in many countries throughout the world. Each country has its own income tax regulations and many of these countries have additional income and other taxes applied at state, provincial and local levels. The Company's international investments are complex and subject to interpretation in each jurisdiction from a legal and tax perspective. The Company's tax filings are subject to audit by local authorities and the Company's positions in these tax filings may be challenged. The Company may not be successful in defending these positions and could be involved in lengthy and costly litigation during this process and could be subject to additional income taxes, interest and penalties. The Company may not be able to receive a tax benefit from its taxable losses in domestic or foreign jurisdictions depending on the timing and extent of such losses. This outcome could have a material adverse effect on the business, financial condition and results of operations of the Company.

Fluctuations in Operating Results

While the Company’s operating results over the past several years have indicated a general upward trend in sales and net income, operating results within particular product forms, within particular facilities of the Company and within particular geographic markets have undergone fluctuations in the past and, in management's view, are likely to do so in the future. Operating results may fluctuate in the future as a result of many factors in addition to the global economic conditions, and they include the volume of orders received relative to the manufacturing capacity of the Company, the level of price competition (from competing suppliers both in domestic and in other lower cost jurisdictions), variations in the level and timing of orders, the cost of raw materials and energy, the ability to develop innovative packaging solutions and the mix of revenue derived in each of the Company's businesses. Operating results may also be impacted by the inability to achieve planned volumes through normal growth and successful renegotiation of current contracts with customers and on the inability to deliver expected benefits from cost reduction programs derived from the restructuring of certain business units. Any of these factors or a combination of these factors could have a material adverse effect on the business, financial condition and results of operations of the Company.

Insurance Coverage

Management believes that insurance coverage of the Company’s facilities addresses all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent owner/operator of similar facilities and is subject to deductibles, limits and exclusions that are customary or reasonable, given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on an economically feasible basis or at current premium levels, that the Company will be able to pass through any increased premium costs or that all events that could give rise to a loss or liability are insurable, nor that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the Company.

Dependence on Customers

The Company has a modest dependence upon certain customers. The Company’s largest customer accounted for approximately 12.5% of consolidated revenue for fiscal 2011. The five largest customers of the Company represented approximately 32% of the total revenue for 2011 and the largest 15 customers represented approximately 46% of the total revenue. Although the Company has strong partner relationships with its customers, there can be no assurance that the Company will maintain its relationship with any particular customer or continue to provide services to any particular customer at current levels. A loss of any significant customer, or a decrease in the sales to any such customer, could have a material adverse effect on the business, financial condition and results of operations of the Company. Consolidation within the consumer products marketer base could have a negative impact on the Company’s business depending on the nature and scope of any such consolidation.

Environmental, Health and Safety Requirements and other Considerations

The Company is subject to numerous federal, provincial, state and municipal statutes, regulations, by-laws, guidelines and policies, as well as permits and other approvals related to the protection of the environment and workers' health and safety. The Company maintains active health and safety and environmental programs for the purpose of preventing injuries to employees and pollution incidents at its manufacturing sites. The Company also carries out a program of environmental compliance audits, including independent third-party pollution liability assessment for acquisitions, to assess the adequacy of compliance at the operating level and to establish provisions, as required, for environmental site remediation plans. The Company has environmental insurance for most of its operating sites with certain exclusions for historical matters.

Despite these programs and insurance coverage, further proceedings or inquiries from regulators on employee health and safety requirements, particularly in Canada, the United States and the European Economic Community (collectively, the "EHS Requirements"), could have a material adverse effect on the business, financial condition and results of operations of the Company. In addition, changes to existing EHS Requirements or the adoption of new EHS Requirements in the future, changes to the enforcement of EHS Requirements, as well as the discovery of additional or unknown conditions at facilities owned, operated or used by the Company, could require expenditures that might materially affect the business, financial condition and results of operations of the Company, to the extent not covered by indemnity, insurance or a covenant not to sue. Furthermore, while the Company has generally benefited from increased regulations on its customers’ products, the demand for the services or products of the Company may be adversely affected by the amendment or repeal of laws or by changes to the enforcement policies of the regulatory agencies concerning such laws.

Operating and Product Hazards

The Company’s revenues are dependent on the continued operation of its facilities and its customers. The operation of manufacturing plants involves many risks, including the failure or substandard performance of equipment, natural disasters, suspension of operations and new governmental statutes, regulations, guidelines and policies. The operations of the Company and its customers are also subject to various hazards incidental to the production, use, handling, processing, storage and transportation of certain hazardous materials. These hazards can cause personal injury, severe damage to and destruction of property and equipment and environmental damage. Furthermore, the Company may become subject to claims with respect to workplace exposure, workers' compensation and other matters. The Company’s pharmaceutical and specialty food product operations are subject to stringent federal, state, provincial and local health, food and drug regulations and controls, and may be impacted by consumer product liability claims and the possible unavailability and/or expense of liability insurance. The Company prints information on its labels and containers, which, if incorrect, could give rise to product liability claims. A determination by applicable regulatory authorities that any of the Company's facilities are not in compliance with any such regulations or controls in any material respect may have a material adverse effect on the Company. A successful product liability claim (or a series of claims) against the Company in excess of its insurance coverage could have a material adverse effect on the business, financial condition and results of operations of the Company. There can be no assurance as to the actual amount of these liabilities or the timing thereof. The occurrence of material operational problems, including, but not limited to, the above events, could have a material adverse effect on the business, financial condition and results of operations of the Company.

Labour Relations

While labour relations between the Company and its employees have been stable in the recent past and there have not been any material disruptions in operations as a result of labour disputes, the maintenance of a productive and efficient labour environment cannot be assured. Accordingly, a strike, lockout or deterioration of labour relationships could have a material adverse effect on the business, financial condition and results of operations of the Company.

Legal Proceedings

Any alleged failure by the Company to comply with applicable laws and regulations in the countries of operation may lead to the imposition of fines and penalties or the denial, revocation or delay in the renewal of permits and licences issued by governmental authorities. In addition, governmental authorities as well as third parties may claim that the Company is liable for environmental damages. A significant judgment against the Company, the loss of a significant permit or other approval or the imposition of a significant fine or penalty could have a material adverse effect on the business, financial condition and results of operations of the Company. Moreover, the Company may from time to time be notified of claims that it may be infringing patents, copyrights or other intellectual property rights owned by other third parties. Any litigation could result in substantial costs and diversion of resources, and could have a material adverse effect on the business, financial condition and results of operations of the Company. In the future, third parties may assert infringement claims against the Company or its customers. In the event of an infringement claim, the Company may be required to spend a significant amount of money to develop a non-infringing alternative or to obtain licences. The Company may not be successful in developing such an alternative or obtaining a licence on reasonable terms, if at all. In addition, any such litigation could be lengthy and costly and could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company may also be subject to claims arising from its failure to manufacture a product to the specifications of its customers or from personal injury arising from a consumer's use of a product or component manufactured by the Company. While the Company will seek indemnity from its customers for claims made against the Company by consumers, and while the Company maintains what management believes to be appropriate levels of insurance to respond to such claims, there can be no assurance that the Company will be fully indemnified by its customers nor that insurance coverage will continue to be available or, if available, adequate to cover all costs arising from such claims. In addition, the Company could become subject to claims relating to its prior businesses, including environmental and tax matters. There can be no assurance that insurance coverage will be adequate to cover all costs arising from such claims.

Defined Benefit Post-Employment Plans

The Company is the sponsor of a number of defined benefit plans in nine countries that give rise to accrued post-employment benefit obligations. Although the Company believes that its current financial resources combined with its expected future cash flows from operations and returns on post-employment plan assets will be sufficient to satisfy the obligations under these plans in future years, the cash outflow and higher expenses associated with these plans may be higher than expected and may have a material adverse impact on the financial condition of the Company.

Impairment in the Carrying Value of Goodwill

As of December 31, 2011, the Company had $356 million of goodwill on its statement of financial position, the value of which is reviewed for impairment at least annually. The assessment of the value of goodwill depends on a number of key factors requiring estimates and assumptions about earnings growth, operating margins, discount rates, economic projections, anticipated future cash flows and market capitalization. There can be no assurance that future reviews of goodwill will not result in an impairment charge. Although it does not affect cash flow, an impairment charge does have the effect of reducing the Company's earnings, total assets and shareholders' equity.

ITEM 6 – DIVIDENDS

Annual Cash Dividends Declared per Share	**2011**	**2010**	**2009**
Class A voting shares ("Class A")	$0.650	$0.605	$0.550
Class B non-voting shares ("Class B")	$0.700	$0.655	$0.600

Dividend payments are restricted by loan covenants in the Company's senior note agreements whereby certain unfavourable financial ratios could cause dividends to be reduced or eliminated until such financial ratios are rectified. Dividends can only be paid from retained earnings. CCL's dividend policy is to provide a stable and potentially growing cash return to shareholders, balancing the Company's internal cash position and requirements, and other means of providing returns to investors such as share repurchases in the open market. CCL has paid dividends quarterly for over 25 years with periodic increases and has not reduced its dividend payout per share during this period.

ITEM 7 - DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Class A voting shares and an unlimited number of Class B non-voting shares.

Class A Voting Shares

Class A shares carry full voting rights and are convertible at any time into Class B shares. Dividends are currently set at $0.05 per share per annum less than those payable per Class B share.

Class B Non-Voting Shares

Class B shares rank equally in all material respects with the Class A shares except as stated above and as follows: (i) holders of Class B shares are entitled to receive meeting materials and to attend, but not to vote at, regular shareholder meetings, (ii) 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 and (iii) 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.

ITEM 8 – MARKET FOR SECURITIES

The Class A voting shares and the Class B non-voting shares of CCL are listed and posted for trading on the Toronto Stock Exchange.

CCL's Shares Trading in 2011 on The Toronto Stock Exchange
Class A

	Volume Traded	High	Low	Close
January	900	$36.25	$32.60	$33.88
February	335	33.50	33.00	33.50
March	31	n/a	n/a	n/a
April	20	n/a	n/a	n/a
May	-	-	-	-
June	1,272	34.00	32.17	34.00
July	700	34.83	34.00	34.72
August	368	29.15	29.15	29.15
September	1,050	28.10	28.10	28.10
October	1,150	29.00	28.55	29.00
November	500	32.00	30.89	32.00
December	250	33.00	30.50	30.50
Total Year	6,576	$36.25	$28.10	$30.50

Class B

	Volume Traded	High	Low	Close
January	651,366	$34.09	$29.61	$33.03
February	559,309	34.66	31.61	32.51
March	598,948	32.72	28.80	31.60
April	427,164	33.25	30.50	31.65
May	274,929	34.01	30.68	32.97
June	300,745	33.99	31.22	33.16
July	323,880	35.04	31.42	32.40
August	288,835	32.00	27.50	30.81
September	434,611	30.82	27.08	27.93
October	497,268	30.65	27.79	29.00
November	560,980	31.42	28.28	31.42
December	616,058	31.50	29.07	31.31
Total Year	5,534,093	$35.04	$27.08	$31.31

ITEM 9 – ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The securities itemized in the table below are held in trust by Wells Fargo Bank, N.A. and may be awarded to specific executives as part of their long term incentive plan in March 2013 if the executive continues to be employed by the Company at that time.

Designation	Number of securities subject to a contractual restriction on transfer	Percentage of Class
Class B non-voting	271,150	0.9%

ITEM 10 – DIRECTORS AND OFFICERS

The names and municipalities of residence of all directors and officers of CCL as at the date hereof, the offices presently held, the principal occupations during the last five years and the year each director first became a director are set out below. Each director was elected at the last annual meeting of shareholders. Each director serves until the next annual meeting or until his or her successor is elected or appointed. The Articles of the Company provide for a minimum of five and a maximum of 15 directors. Officers are appointed annually and serve at the discretion of the Board of Directors.

The Committees of the Board of Directors of the Company and their members are as follows:

Directors

Name and Municipality	**Occupation in Last 5 Years**	**Director Since**
GEORGE V. BAYLY Chicago, Illinois USA	Chairman of Whitehall LLC, Wind Point Partners and Odyssey Investment Partners (private equity firms). Chairman of Ryt-Way Industries and Pennsylvania Packaging (packaging companies). Prior to 2008, Chairman and Chief Executive Officer of Altivity Packaging LLC (a packaging company) and of its principal investor, Texas Pacific Group (a private equity firm). Prior to 2006, Co-Chairman and Chief Executive Officer of U.S. Can Company (a container manufacturing company) and of its principal investor, Berkshire Partners (a private equity firm).	June 3, 2010
PAUL J. BLOCK New York, New York USA	Chairman and Chief Executive Officer of Proteus Capital Associates (an investment banking firm) and Operating Partner of Behrman Capital (a private equity firm).	November 6, 1997
JON K. GRANT Peterborough, Ontario Canada	Corporate Director; Lead Director of the Board of the Company.	December 8, 1994
EDWARD E. GUILLET Needham, Massachusetts USA	Independent Human Resources Consultant. Prior to January 2007, Senior Vice President, Human Resources, The Proctor & Gamble Company – Gillette Global Business Unit (personal care products company).	November 5, 2008
ALAN D. HORN Toronto, Ontario Canada	President and Chief Executive Officer of Rogers Telecommunications Limited and Chairman of the Board of Rogers Communications Inc. (telecommunications company). Prior to 2006, Vice President, Finance and Chief Financial Officer of Rogers Communications Inc. (telecommunications company).	May 8, 2008
DONALD G. LANG Toronto, Ontario Canada	Executive Chairman of the Company. Prior to May 2008, Vice Chairman and Chief Executive Officer of the Company.	May 23, 1991

Directors

Name and Municipality	**Occupation in Last 5 Years**	**Director Since**
STUART W. LANG Cambridge, Ontario Canada	Head Coach of University of Guelph football team and Corporate Director. Prior to February 2006, President of CCL Label International, a division of the Company.	May 23, 1991
GEOFFREY T. MARTIN Dover, Massachusets USA	President and Chief Executive Officer of the Company. Prior to May 2008, President and Chief Operating Officer of the Company.	October 27, 2005
DOUGLAS W. MUZYKA Philadelphia, Pennsylvania USA	Chief Science and Technology Officer of E.I. Dupont de Nemours (international manufacturer of chemical products, specialty materials, consumer and industrial products). Prior to January 2011, President of DuPont Greater China and DuPont China Holding Co., Ltd. (manufacturing company). Prior to July 2006, Vice President and General Manager of Dupont Nutrition and Health, and President and Chief Executive Officer of E.I. Dupont de Nemours Canada Company (manufacturing company).	June 8, 2006
THOMAS C. PEDDIE Toronto, Ontario Canada	Executive Vice President and Chief Financial Officer of Corus Entertainment Inc. (media company).	June 4, 2003

The Committees of the Board of Directors of the Company and their members are as follows:

Audit Committee	**Human Resources Committee**	**Nominating and Governance Committee**
Thomas C. Peddie (Chairman)	Paul J. Block (Chairman)	Jon K. Grant (Chairman)
Paul J. Block	George V. Bayly	Alan D. Horn
Alan D. Horn	Edward E. Guillet	Thomas C. Peddie

Environmental and Health & Safety Committee

Douglas W. Muzyka (Chairman)
Jon K. Grant
Stuart W. Lang

<u>**Officers**</u>	<u>**Office with CCL and Principal Occupation in Last 5 Years**</u>
DONALD G. LANG Toronto, Ontario Canada	Executive Chairman. Prior to May 2008, Vice Chairman and Chief Executive Officer of the Company.
GEOFFREY T. MARTIN Dover, Massachusetts USA	President and Chief Executive Officer. Prior to May 2008, President and Chief Operating Officer of the Company.
BOHDAN I. SIROTA Mississauga, Ontario Canada	Senior Vice President, General Counsel and Secretary. Prior to November 2008, General Counsel and Secretary.
SEAN P. WASHCHUK Burlington, Ontario Canada	Senior Vice President and Chief Financial Officer. Prior to September 2011, Vice President Finance and Chief Financial Officer for Vitran Corporation Inc.
LALITHA VAIDYANATHAN Cambridge, Massachusetts USA	Senior Vice President, Finance, Administration and IT, CCL Operations.
JANIS M. WADE Toronto, Ontario Canada	Senior Vice President, Human Resources and Corporate Communications.
SUSAN V. SNELGROVE Uxbridge, Ontario Canada	Vice President, Risk and Environmental Management.

The directors and officers of CCL Industries Inc. as a group beneficially own, control, or direct, directly or indirectly, approximately 2,244,030 of the issued and outstanding Class A voting shares representing 94.5% of the issued and outstanding Class A voting shares.

To the best of the Company's knowledge, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that was (i) subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) subject to such an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, to the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (i) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Alan Horn was a director of AT&T Canada Inc. when it filed under the Companies' Creditors Arrangement Act (Canada) for protection from its creditors in October 2002.

To the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing information, not being within the knowledge of the Company, has been furnished by the executive officers mentioned above.

Conflicts of Interest

Neither CCL nor any of its subsidiaries has an existing or potential material conflict of interest with any of its directors or officers.

ITEM 11 – PROMOTERS

Not applicable

ITEM 12 – LEGAL PROCEEDINGS

In the course of its business activities, the Company engages in and contests a number of litigious claims. However, neither the Company nor any of its subsidiaries is a party to any legal proceedings that either individually or in the aggregate exceed ten percent of the current assets of the Company.

ITEM 13 – INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Not applicable

ITEM 14 – TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Canadian Stock Transfer Agent Inc. The registrar of transfers of the Company's Class A and Class B shares is located at Toronto, Ontario.

ITEM 15 – MATERIAL CONTRACTS

Since the beginning of its most recently completed financial year, the Company has not entered into any material contract that is required to be filed in accordance with National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"). Since January 1, 2002, the Company has not entered into any material contract that is still in effect and that is required to be filed in accordance with NI 51-102.

ITEM 16 – INTERESTS OF EXPERTS

KPMG LLP, the Company's external auditor, has reported on the consolidated financial statements of the Company for the year ended December 31, 2011. KPMG LLP is independent of CCL in accordance with the applicable Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

ITEM 17 – AUDIT COMMITTEE

Charter of the Audit Committee

The principal purpose of the Audit Committee is to provide a forum for detailed discussion, examination and review of the Company's auditing needs, financial reporting, and information systems activities and the selection, instruction, evaluation and compensation of external and internal auditors of the Company and external providers of financial and information management systems services to the Company.

The mandate of the Audit Committee of the Board is set forth below. Reference to 'Auditor' signifies the auditor appointed by the shareholders of the Company from time to time.

- Review the quality and acceptability of the accounting policies, principles and practices of the Company.

- Review the quarterly and year-end financial statements, Management's Discussion and Analysis, and earnings press releases of the Company before the Company publicly discloses this information, and report its findings for approval to the Board. In addition, the Audit Committee shall review the annual Management Information Circular and the Annual Information Form of the Company and ensure that the prescribed disclosure regarding the Audit Committee is contained in the Annual Information Form and is cross-referenced to the Annual Information Form from the Management Proxy Circular.

- Monitor the adequacy and integrity of internal controls over accounting and financial systems and ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure stated immediately above, and periodically assess the adequacy of the those procedures.

- Monitor the timely communication of accurate financial information regarding the Company to the shareholders.

- Evaluate and recommend to the Board the Auditor to be nominated to prepare or issue an audit report or perform other audit, review or attestation services for the Company, and the compensation of the Auditor. Ensure that the Auditor reports directly to the Audit Committee.

- Monitor the independence of the Auditor, and assume direct responsibility for overseeing the work of the Auditor engaged to prepare or issue an audit report or perform other audit, review or attestation services for the Company, including the resolution of disagreements between Management and the Auditor regarding financial reporting and communicate directly with the Auditor for the discussion and review of any issues as appropriate. In addition, the Audit Committee shall require and receive from time to time the written confirmation of the Auditor as to its independent status and as to its good standing with the Canadian Public Accountability Board.

- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its Auditor. Authority to pre-approve non-audit services may be delegated to one or more independent members of the Audit Committee, provided that the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

- Review the results of internal and external audits, and any change in accounting practices or policies and their impact on the financial statements and maintain oversight responsibility for management reporting on internal control.

- Review the reports of the internal audit department of the Company and provide direction and guidance to the internal auditors.

- Where there are unsettled issues raised by the Auditor that do not have a material affect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to their resolution.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

- Review and approve the Company’s hiring policies regarding partners and employees and former partners and employees of the present and former Auditor of the Company.

- Review and monitor the adequacy and integrity of the Company’s management information systems.

- Monitor the adequacy of financial resources.

- Review the quality of the asset side of the balance sheet of the Company.

- Review risks facing the Company.

- Review and assess the adequacy of the charter of the Audit Committee on an annual basis.

Composition of the Audit Committee

The members of the Audit Committee, as disclosed under Item 10: “Directors and Officers,” are: Thomas C. Peddie (Chairman), Paul J. Block and Alan D. Horn. Each of the members is independent as defined under National Instrument 52-110 – Audit Committees and financially literate within the meaning of applicable securities legislation.

Relevant Education and Experience of the Audit Committee

Thomas C. Peddie - Mr. Peddie is Executive Vice President and Chief Financial Officer of Corus Entertainment Inc., a publicly traded company listed on the Toronto Stock Exchange (the “TSX”). Mr. Peddie is a Chartered Accountant and was awarded his FCA designation by The Institute of Chartered Accountants of Ontario in 2003. Mr. Peddie holds an Honours Bachelor of Commerce degree from the University of Windsor. His career has reflected the progressive assumption of responsibility in the area of financial management of major companies, including WIC Western International Communication Inc., CTV Television Network, Toronto Sun Publishing Corporation, Canada Packers, and the international operations of Campbell Soup. Mr. Peddie has performed financial management directly and has supervised others in the performance of financial duties through much of his career. Along with his knowledge in matters of domestic and international finance, Mr. Peddie has an understanding of internal controls and procedures for financial reporting.

Paul J. Block - Mr. Block's U.S. and international experience as a divisional Chief Executive Officer for Revlon, Inc., includes positions as Chairman and President of Revlon International and President and Chief Executive Officer of Revlon Professional Group. In these capacities, Mr. Block monitored and had responsibility for the financial conditions of the respective operating divisions, and directly supervised the work of the Chief Financial Officer of each division. In addition, as a member of the board of the China Retail Fund, Mr. Block is required to evaluate and approve or reject investments made by the Fund. Accordingly, he has demonstrated a strong facility with the reading and interpretation of financial statements, with particular focus in the manufacture and marketing of personal care products in international markets.

Alan D. Horn - Mr. Horn’s principal occupation is as President and Chief Executive Officer of Rogers Telecommunications Limited. Mr. Horn is also Chairman of the Board of Rogers Communications Inc. He is a Chartered Accountant, and holds a B.Sc. with First Class Honours in Mathematics from the University of Aberdeen, Scotland. Mr. Horn is also a director of Fairfax Financial Holdings Limited. Mr. Horn served as Vice President Finance and Chief Financial Officer of Rogers Communications Inc. from 1996 to 2006 and was President and Chief Operating Officer of Rogers Telecommunications Limited from 1990 to 1996. He brings to the Board his strategic, administrative and financial skills in the context of a large, publicly traded company.

Pre-Approval Policies and Procedures

Policy

The Company and its subsidiaries will not engage KPMG LLP, the external auditors of the Company, to carry out any service that may reasonably be thought to bear on KPMG's independence. KPMG must annually confirm to the Audit Committee that it is independent of the Company within the meaning of the applicable Rules of Professional Conduct/Code of Ethics of the Institute of Chartered Accountants of Ontario. For services that are not prohibited, the following pre-approval policies will apply.

A. Audit Services

The Audit Committee will pre-approve all Audit Services provided by KPMG through their recommendation of KPMG as shareholders' auditors at the Company's annual meeting and through the Audit Committee's review of KPMG's annual Audit Plan.

B. Audit Related Services and Recurring Tax and Other Non-Audit Services

Annually, the Audit Committee will review the List of Audit, Audit Related and Recurring Tax and Other Non-Audit Services and recommend pre-approval of these services for the upcoming year. Any additional requests will be addressed on a case-by-case specific engagement basis as described in (C) below.

The Audit Committee will be informed quarterly of the services on the pre-approved list for which the Auditor has been engaged.

C. Other Services

All requests to engage KPMG for other services must be pre-approved by the Audit Committee or the Chair of the Audit Committee, as described below, and will be addressed on a case-by-case specific engagement basis.

The Company's employee making the request is to submit the request for service to the Senior Vice President and Chief Financial Officer. The request for service should include a description of the service, the estimated fee, a statement that the service is not a prohibited service and the reason KPMG is being engaged.

<u>Services where the aggregate fees are estimated to be less than or equal to $50,000.</u>

Recommendations, in respect of each engagement, will be submitted by the Senior Vice President and Chief Financial Officer to the Chair of the Audit Committee of the Board of Directors for consideration and approval. The full Audit Committee will subsequently be informed of the service at its next meeting. The engagement may commence upon approval of the Chair of the Audit Committee.

<u>Services where the aggregate fees are estimated to be greater than $50,000.</u>

Recommendations, in respect of each engagement, will be submitted by the Senior Vice President and Chief Financial Officer to the full Audit Committee for consideration and approval, generally at its next meeting. The engagement may commence upon approval of the Committee.

External Auditor Service Fees (by Category)

Audit Fees

The aggregate audit fees paid to KPMG LLP related to the audit of the annual consolidated financial statements and the review of the interim financial statements in 2011 were $1,506,408 (2010 - $1,521,822).

Audit-Related Fees

The aggregate fees billed in 2011 for assurance and related services by KPMG that are reasonably related to the performance of the audit or review of the financial statements and that are not reported under "Audit Fees" above, were $65,488 (2010 - $44,810). These fees related to the audit of the Company's pension plans, the report on compliance with debt covenants, an audit of Thailand Board of Investments and an attestation report on compliance with local Mexican tax rules and regulations.

Tax Fees

The aggregate fees billed in 2011 for professional services rendered by the auditor for tax compliance, tax advice and tax planning were $503,084 (2010 - $546,320) for its Canadian and international operations.

All Other Fees

KPMG billed fees of $40,422 in 2011 for professional services in connection with the voluntary liquidation of dormant companies in the U.K. KPMG provided no other services in 2010.

ITEM 18 – ADDITIONAL INFORMATION

Additional information concerning CCL, including directors' and officers' remuneration and indebtedness, principal holders of securities, options to purchase securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Management Proxy Circular of the Company dated March 6, 2012. Additional financial information is provided in the Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal period ended December 31, 2011. Copies of the above documents may be obtained upon request from the Secretary of CCL Industries Inc. at 105 Gordon Baker Road, Suite 500, Toronto, Ontario, Canada M2H 3P8.

Additional information relating to CCL may be found on SEDAR at www.sedar.com and on the Company's website at www.cclind.com.