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

CCL INDUSTRIES INC.

Interim periods ended March 31, 2015 and 2014
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In thousands of Canadian dollars

	As at March 31 2015	As at December 31 2014
Assets		
Current assets		
Cash and cash equivalents	$ 205,993	$ 221,873
Trade and other receivables	464,523	380,965
Inventories	217,182	192,286
Prepaid expenses	14,549	14,949
Income tax recoverable	5,441	11,810
Total current assets	907,688	821,883
Property, plant and equipment	992,678	925,512
Goodwill	616,859	563,730
Intangible assets	240,439	226,567
Deferred tax assets	4,621	4,183
Equity accounted investments	59,709	54,652
Other assets	23,011	21,848
Total non-current assets	1,937,317	1,796,492
Total assets	**$ 2,845,005**	**$ 2,618,375**
Liabilities		
Current liabilities		
Trade and other payables	$ 537,206	$ 519,440
Current portion of long-term debt (note 7)	203,563	59,058
Income taxes payable	27,076	21,419
Derivative instruments	734	280
Total current liabilities	768,579	600,197
Long-term debt (note 7)	537,954	600,011
Deferred tax liabilities	51,396	43,453
Employee benefits	146,471	138,594
Provisions and other long-term liabilities	20,745	19,413
Derivative instruments	655	488
Total non-current liabilities	757,221	801,959
Total liabilities	1,525,800	1,402,156
Equity		
Share capital	252,510	248,087
Contributed surplus	27,792	26,241
Retained earnings	993,723	938,526
Accumulated other comprehensive income (note 5)	45,180	3,365
Total equity attributable to shareholders of the Company	1,319,205	1,216,219
Acquisitions (note 3)		
Subsequent events (note 8)		
Total liabilities and equity	**$ 2,845,005**	**$ 2,618,375**

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

CCL Industries Inc.

Consolidated condensed interim income statements

Unaudited

In thousands of Canadian dollars, except per share data

	Three Months Ended March 31	
	2015	**2014**
Sales	$ 705,870	$ 609,700
Cost of sales	507,648	448,743
Gross profit	198,222	160,957
Selling, general and administrative	94,489	78,625
Restructuring and other items	940	946
Earnings in equity accounted investments	(518)	(69)
	103,311	**81,455**
Finance cost	6,706	6,874
Finance income	(396)	(151)
Net finance cost	6,310	6,723
Earnings before income taxes	**97,001**	**74,732**
Income tax expense	28,855	22,170
Net earnings	**$ 68,146**	**$ 52,562**
Attributable to:		
Shareholders of the Company	$ 68,146	$ 52,562
Net earnings for the period	**$ 68,146**	**$ 52,562**
Basic earnings per Class B share	**$ 1.97**	**$ 1.54**
Diluted earnings per Class B share	**$ 1.93**	**$ 1.51**

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

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In thousands of Canadian dollars

	Three Months Ended March 31	
	2015	**2014**
Net earnings	**$ 68,146**	**$ 52,562**
Other comprehensive income (loss), net of tax:		
Items that may subsequently be reclassified to income:		
Foreign currency translation adjustment for foreign operations, net of tax expense of $4,333 for the three months ended March 31, 2015 (2014 - tax expense $1,918)	84,293	70,218
Net losses on hedges of net investment in foreign operations, net of tax recovery of $6,079 for the three months ended March 31, 2015 (2014 - tax recovery of $3,400)	(42,030)	(23,908)
Effective portion of changes in fair value of cash flow hedges, net of tax recovery of $237 for the three months ended March 31, 2015 (2014 - tax recovery of $70)	(576)	(169)
Net change in the fair value of cash flow hedges transferred to the income statement, net of tax recovery of $63 for the three months ended March 31, 2015 (2014 - tax recovery of $102)	128	300
Other comprehensive income, net of tax	**41,815**	**46,441**
Total comprehensive income	**$ 109,961**	**$ 99,003**
Attributable to:		
Shareholders of the Company	$ 109,961	$ 99,003
Total comprehensive income	**$ 109,961**	**$ 99,003**

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

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In thousands of Canadian dollars

	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balances, January 1, 2014	$ 4,504	$ 246,843	$ (14,158)	$ 237,189	$ 11,919	$ 768,738	$ 289	$ 1,018,135
Net earnings	-	-	-	-	-	52,562	-	52,562
Dividends declared								
Class A	-	-	-	-	-	(562)	-	(562)
Class B	-	-	-	-	-	(7,988)	-	(7,988)
Stock-based compensation plan	-	-	-	-	1,207	-	-	1,207
Shares purchased and held in trust	-	-	(50)	(50)	-	-	-	(50)
Stock option expense	-	-	-	-	756	-	-	756
Stock options exercised	-	4,561	-	4,561	(823)	-	-	3,738
Income tax effect related to stock options	-	-	-	-	1,488	-	-	1,488
Other comprehensive income	-	-	-	-	-	-	46,441	46,441
Balances, March 31, 2014	$ 4,504	$ 251,404	$ (14,208)	$ 241,700	$ 14,547	$ 812,750	$ 46,730	$ 1,115,727

	Class A shares	Class B shares	Shares held in trust	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balances, January 1, 2015	$ 4,504	$ 257,521	$ (13,938)	$ 248,087	$ 26,241	$ 938,526	$ 3,365	$ 1,216,219
Net earnings	-	-	-	-	-	68,146	-	68,146
Dividends declared								
Class A	-	-	-	-	-	(858)	-	(858)
Class B	-	-	-	-	-	(12,091)	-	(12,091)
Stock-based compensation plan	-	-	-	-	1,385	-	-	1,385
Shares purchased and held in trust	-	-	(72)	(72)	-	-	-	(72)
Stock option expense	-	4,495	-	4,495	1,038	-	-	5,533
Stock options exercised	-	-	-	-	(828)	-	-	(828)
Income tax effect related to stock options	-	-	-	-	(44)	-	-	(44)
Other comprehensive income	-	-	-	-	-	-	41,815	41,815
Balances, March 31, 2015	$ 4,504	$ 262,016	$ (14,010)	$ 252,510	$ 27,792	$ 993,723	$ 45,180	$ 1,319,205

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

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In thousands of Canadian dollars

	Three Months Ended March 31	
	2015	**2014**
Cash provided by (used for)		
Operating activities		
Net earnings	$ 68,146	$ 52,562
Adjustments for:		
Depreciation and amortization	39,405	35,507
Earnings in equity accounted investments, net of dividends received	(518)	(69)
Net finance cost	6,310	6,723
Current income tax expense	22,440	20,265
Deferred taxes	6,415	1,905
Equity-settled share-based payment transactions	2,423	3,451
(Gain) loss on sale of property, plant and equipment	(316)	150
	144,305	120,494
Change in inventories	(20,087)	(15,889)
Change in trade and other receivables	(78,972)	(41,466)
Change in prepaid expenses	770	3
Change in trade and other payables	12,780	(11,037)
Change in income taxes receivable and payable	(737)	2,074
Change in employee benefits	7,877	6,968
Change in other assets and liabilities	1,500	(7,000)
	67,436	54,147
Net interest paid	(10,446)	(10,483)
Income taxes paid	(9,677)	(16,600)
Cash provided by operating activities	**47,313**	**27,064**
Financing activities		
Proceeds on issuance of debt	46,682	98,261
Repayment of debt	(13,833)	(2,108)
Proceeds from issuance of shares	3,602	3,738
Dividends paid	(13,021)	(8,600)
Cash provided by financing activities	**23,430**	**91,291**
Investing activities		
Additions to property, plant and equipment	(56,665)	(59,878)
Proceeds on disposal of property, plant and equipment	611	5,414
Business acquisitions and other long-term investments (note 3)	(38,812)	(86,924)
Cash used for investing activities	**(94,866)**	**(141,388)**
Net decrease in cash and cash equivalents	(24,123)	(23,033)
Cash and cash equivalents at beginning of period	221,873	209,095
Translation adjustment on cash and cash equivalents	8,243	7,781
Cash and cash equivalents at end of period	**$ 205,993**	**$ 193,843**

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

1. Reporting entity

CCL Industries Inc. (the "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim period ended March 31, 2015, comprise the Company, its subsidiaries and its interest in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, containers and consumer printable media products.

2. Basis of preparation

(a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2014 annual financial statements.

The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are consistent with those used in the preparation of the most recent annual report, unless otherwise noted.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on May 7, 2015.

(b) Basis of measurement

These consolidated condensed interim financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- assets related to the defined benefit plans are measured at fair value and liabilities related to the defined benefit plans are calculated by qualified actuaries using the projected unit credit method

(c) Functional and presentation currency

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

3. Acquisitions

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

As a result of the timing of the PCN acquisitions in relation to the date of issuance of the financial statements for the first quarter, the availability of information and the inherent complexity associated with the valuations, the allocation of the consideration paid has not yet been completed. The initial allocation has resulted in goodwill and intangible assets of $28.9 million of which $4.9 million is deductible for tax purposes.

The following tables summarize the initial allocation of the consideration to the fair value of the assets acquired and liabilities assumed on February 27, 2015:

(in millions of Canadian dollars)

Cash consideration	$	34.1
Promissory note		2.5
Total consideration	$	36.6

(in millions of Canadian dollars)

Trade and other receivables	$	1.8
Inventories		2.1
Other current assets		0.3
Property, plant and equipment		5.3
Other long-term assets		0.3
Goodwill and intangible assets		28.9
Trade and other payables		(2.1)
Net assets acquired	$	36.6

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

3. Acquisitions (continued)

PCN contributed sales of $3.8 million and net earnings of $0.5 million since the date of acquisition, including integration costs.

In February 2015, the Company acquired INT America LLC; a private company based in Detroit, Michigan that builds metal tread plates for domestic automotive original equipment manufacturers. The purchase price was $4.8 million (US$3.8 million), subject to post-closing adjustments.

Pro Forma Information

The unaudited pro forma consolidated financial information below has been prepared following the accounting policies of the Company as if the acquisition took place January 1, 2015.

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

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

(in millions of Canadian dollars)	Three months ended March 31, 2015
Sales	$ 713.6
Net earnings	$ 69.2

4. Segment reporting

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

The Company is comprised of the following main business segments:

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

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

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

	Three Months Ended March 31			
	Sales		Operating income	
	2015	2014	2015	2014
Label	$ 486,131	$ 423,740	$ 81,792	$ 69,387
Avery	160,190	132,923	26,560	13,143
Container	59,549	53,037	8,714	6,024
Total operations	$ 705,870	$ 609,700	117,066	88,554
Corporate expense			(13,333)	(6,222)
Restructuring and other items			(940)	(946)
Earnings in equity accounted investments			518	69
Finance cost			(6,706)	(6,874)
Finance income			396	151
Income tax expense			(28,855)	(22,170)
Net earnings			$ 68,146	$ 52,562

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	March 31	December 31	March 31	December 31	Three Months Ended March 31		Three Months Ended March 31	
	2015	2014	2015	2014	2015	2014	2015	2014
Label	$ 1,809,763	$ 1,668,565	$ 461,804	$ 436,527	$ 32,084	$ 28,381	$ 48,110	$ 46,516
Avery	571,107	490,337	187,707	189,567	3,327	3,446	6,362	3,750
Container	172,294	162,460	59,551	54,701	3,749	3,474	2,193	9,612
Equity accounted investments	59,709	54,652	-	-	-	-	-	-
Corporate	232,132	242,361	816,738	721,361	245	206	-	-
Total	$ 2,845,005	$ 2,618,375	$ 1,525,800	$ 1,402,156	$ 39,405	$ 35,507	$ 56,665	$ 59,878

4. Segment reporting (continued)

Due to the seasonality of CCL's business, the Company's operating results for the three months ended March 31, 2015, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2015. The first and second quarters are traditionally higher sales periods for the Label and Container Segments as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of the year. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America.

5. Accumulated other comprehensive income

	March 31 2015	December 31 2014
Unrealized foreign currency translation gains, net of tax recovery of $4,579 (2014 – tax recovery of $2,833)	$ 46,145	$ 3,882
Losses on derivatives designated as cash flow hedges, net of tax recovery of $311 (2014 – tax recovery of $137)	(965)	(517)
	$ 45,180	$ 3,365

6. Financial instruments

(a) Fair value hierarchy

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

The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
March 31, 2015				
Available-for-sale financial assets	$ -	$ 17,828	$ -	$ 17,828
Derivative financial liabilities	-	1,389	-	1,389
Contingent consideration	-	-	5,148	5,148
Unsecured senior notes	-	-	337,856	337,856
	$ -	$ 1,389	$ 343,004	$ 344,393
December 31, 2014				
Available-for-sale financial assets	$ -	$ 16,463	$ -	$ 16,463
Derivative financial liabilities	$ -	$ 768	$ -	$ 768
Contingent consideration	-	-	5,305	5,305
Unsecured senior notes	-	-	307,415	307,415
	$ -	$ 768	$ 312,720	$ 313,488

(b) Fair values versus carrying amounts

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

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

	March 31, 2015		December 31, 2014	
	Amount	Fair Value	Amount	Fair Value
Long-term debt	$ 741,517	$ 776,657	$ 659,069	$ 689,653

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

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

7. Long-term debt

As at March 31, 2015, the current portion of long-term debt includes the unsecured senior notes issued March 2006 at 5.57% of $139.3 million (US$110.0 million) repayable in March 2016. The unsecured senior note was classified as long-term debt as at December 31, 2014.

8. Subsequent events

The Board of Directors has declared a dividend of $0.3750 for the Class B non-voting shares and $0.3625 on the Class A voting shares that will be payable to shareholders of record at the close of business on June 16, 2015, to be paid on June 30, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS
First Quarters Ended March 31, 2015 and 2014

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") of CCL Industries Inc. ("CCL" or the "Company") relates to the first quarters ended March 31, 2015 and 2014. The information in this interim MD&A is current to May 7, 2015, and should be read in conjunction with the Company's March 31, 2015, unaudited first quarter consolidated condensed interim financial statements released on May 7, 2015, and the 2014 Annual MD&A document and consolidated financial statements, which form part of the CCL Industries Inc. 2014 Annual Report, dated February 26, 2015.

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and unless otherwise noted, both the financial statements and this interim MD&A are expressed in Canadian dollars as the reporting currency. The major measurement currencies of CCL's operations are the Canadian dollar, U.S. dollar, euro, Argentine peso, Australian dollar, Brazilian real, Chilean peso, Chinese renminbi, Danish krone, Japanese yen, Mexican peso, Polish zloty, Russian rouble, South African rand, Swiss franc, Thai baht, U.K. pound sterling and Vietnamese dong. All per Class B non-voting share ("Class B share") amounts in this document are expressed on an undiluted basis, unless otherwise indicated. CCL's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy of the Company and the financial results of the Company.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains forward-looking information and forward-looking statements, as defined under applicable securities laws (hereinafter collectively referred to as "forward-looking statements") that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this MD&A contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company's segments; the Company's anticipated improvement in market share; the Company's capital spending levels and planned capital expenditures in 2015; the adequacy of the Company's financial liquidity; the Company's targeted return on equity, earnings per share and EBITDA growth rates; the Company's effective tax rate; the Company's ongoing business strategy; and the Company's expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the after-effects of the global financial crisis and its impact on the world economy and capital markets; the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; changes in government regulations; risks associated with operating and product hazards; and CCL's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic recovery and higher consumer spending; improved customer demand for the Company's products; continued historical growth trends, market growth in specific sectors and entering into new markets; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the achievement of the Company's plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company's continued relations with its customers; the Company's ability to realize targeted operational synergies and cash flows from restructuring Canadian Container operation; the Company's ability to integrate Bandfix and other acquired operations; the

Company's expectation that its new operation in the Philippines and new joint venture in Thailand will not post profitable returns until late 2015; the Company's expectations that the acquisitions of Bandfix and Dekopak and other acquired operations will provide future opportunities for margin expansion; the Company's expectation that its new start-up operation in Korea will be completed by early 2016; the Company's acquisitions of LCL, Nilles and PCN will provide incremental growth opportunities; the Company's investment in Rheinfelden will result in a qualified alternate supply of aluminum slugs in North America; the Company's expected order intake levels; and general business and economic conditions. Should one or more risks materialize or should any assumption prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2014 Annual MD&A.

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

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

1. Overview

The first quarter of 2015 was the eighteenth consecutive quarter of year-over-year improvement in quarterly adjusted basic earnings per Class B share (a non-IFRS financial measure; refer to definition in Section 13) for CCL. This result was driven by strong quarterly results in all the Company's operating segments. The Label, Avery and Container Segments posted increases in operating income (a non-IFRS financial measure; refer to definition in Section 13) of 17.7%, 103.1% and 45.0%, respectively. Accordingly, first quarter basic earnings per Class B share for the Company was an all-time record of $1.97 compared to basic earnings per Class B share of $1.54 in the 2014 first quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2014:

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

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

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

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

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

- In February 2015, INT America LLC ("INTA"), a privately owned company based in Michigan, USA, for approximately $4.8 million, subject to typical post-closing adjustments. INTA will expand CCL Design North America's product offering in the durable labels sector.

- In February 2015, pc/nametag Inc. and Meetings Direct, LLC ("PCN"), privately owned companies with common shareholders, based in Wisconsin, USA, for approximately $36.6 million, subject to typical post-closing adjustments. PCN will be an important addition to Avery North America, adding depth to its meeting supplies and promotional materials product offerings.

Sales for the first quarter of 2015 were $705.9 million, an increase of 15.8% compared to $609.7 million recorded in the first quarter of 2014. The increase in sales can be attributed to organic growth of 5.5%, acquisition related growth of 6.0% and positive impact from foreign currency translation of 4.3%.

Selling, general and administrative expenses ("SG&A") were $94.5 million for the first quarter of 2015 compared to $78.6 million for the first quarter of 2014. The increase can be attributed to additional SG&A expenses associated with the seven aforementioned acquisitions. Corporate expenses included within SG&A also increased compared to the 2014 first quarter as the prior year three-month period included a reduction in legal reserves due to the final settlement of an outstanding dispute. Furthermore, executive variable and director equity-linked compensation expenses increased compared to the 2014 first quarter.

The Company recorded an expense of $0.9 million ($0.8 million after tax) in restructuring and other items in the first quarter of 2015 for severance costs associated with the September 2014 acquisition of Bandfix. The 2014 first quarter included restructuring and other items of $0.9 million ($0.7 million after tax) primarily related to the Sancoa acquisition completed during that period.

Operating income for the first quarter of 2015 increased 32.2% to $117.1 million, compared to $88.6 million for the first quarter of 2014. Operating income increased for all three of the Company's business Segments, Label, Avery and Container, 17.7%,

103.1% and 45.0%, respectively, compared to the first quarter of 2014. Foreign currency translation contributed an improvement of 3.9% to the consolidated operating income.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items ("EBITDA," a non-IFRS financial measure; refer to definition in Section 13) was $143.1 million for the first quarter of 2015, an increase of 21.5% compared to $117.8 million for the first quarter of 2014. Foreign currency translation had a positive impact of 4.8% on EBITDA for the first quarter of 2015, although this was partly offset by challenges with the stronger U.S. dollar and weaker euro on transactions.

Net finance cost was $6.3 million for the first quarter of 2015 compared to $6.7 million for the first quarter of 2014. The decrease in net finance cost is attributable to lower funded debt partially offset by the foreign currency impact on U.S. dollar interest expense for the 2015 first quarter compared the 2014 first quarter.

The overall effective income tax rate was 29.9% for the first quarter of 2015 compared to 29.7% for the first quarter of 2014. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the first quarter of 2015 were $68.1 million, an increase of 29.5% compared to $52.6 million for the first quarter of 2014. This resulted in basic and diluted earnings of $1.97 and $1.93 per Class B share, respectively, in the 2015 first quarter compared to basic and diluted earnings of $1.54 and $1.51 per Class B share, respectively, for the prior year first quarter. The weighted average number of shares for the 2015 first quarter was 34.5 million basic and 35.2 million diluted shares compared to 34.2 million basic and 34.9 million diluted shares for the comparable period of 2014. Diluted shares include weighted average in-the-money stock options and other equity-settled obligations totaling 0.7 million shares.

Adjusted basic earnings per Class B share were $1.99 for the first three months of 2015 compared to $1.56 for the same period of 2014.

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

(in Canadian dollars)

	First Quarter	
Adjusted Basic Earnings per Class B Share	**2015**	**2014**
Basic earnings	$ 1.97	$ 1.54
Net loss from restructuring and other items	0.02	0.02
Adjusted basic earnings [1]	$ 1.99	$ 1.56

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

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

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

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2015	$ 705.9	$ -	$ -	$ -	$ 705.9
2014	609.7	650.4	689.7	635.8	2,585.6
2013	363.7	361.4	606.6	557.7	1,889.4
Net earnings					
2015	68.1	-	-	-	68.1
2014	52.6	55.3	63.1	45.6	216.6
2013	34.1	26.4	23.6	19.5	103.6
Net earnings per Class B share					
Basic					
2015	1.97	-	-	-	1.97
2014	1.54	1.61	1.83	1.33	6.31
2013	1.01	0.77	0.68	0.58	3.04
Diluted					
2015	1.93	-	-	-	1.93
2014	1.51	1.58	1.79	1.31	6.19
2013	0.99	0.76	0.67	0.57	2.99
Adjusted basic net earnings per Class B share					
2015	1.99	-	-	-	1.99
2014	1.56	1.63	1.83	1.51	6.53
2013	1.04	0.82	1.38	1.19	4.43

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters are traditionally higher sales periods for the Label and Container Segments as a result of the greater number of work days and various customer activities undertaken during this period versus the third and fourth quarters of a year. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. The increase in sales in the third quarter of 2013 was primarily due to CCL's acquisition of the Avery and DES businesses from Avery Dennison Corporation, the most significant acquisition in the Company's history.

3. Business Segment Review

Label Segment

($ millions)	First Quarter		
	2015	2014	+/-
Sales	$ 486.1	$ 423.8	14.7%
Operating Income [(1)]	$ 81.8	$ 69.5	17.7%
Return on Sales [(1)]	16.8%	16.4%	
Capital Spending	$ 48.1	$ 46.5	3.4%
Depreciation and Amortization	$ 32.2	$ 28.4	13.4%

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

Sales for the Label Segment were $486.1 million for the first quarter of 2015, compared to $423.8 million for the same quarter last year. The 14.7% increase in sales can be attributed to organic growth of 3.8%, the impact from the Sancoa, Dekopak, Bandfix, Nilles and INTA acquisitions of 7.2% and the positive effect from foreign currency translation of 3.7%.

North American sales decreased low single digits, excluding currency translation and the acquisitions of Sancoa and INTA, compared to the first quarter of 2014. Sales for CCL Design improved modestly, driven by solid demand in the automotive market and profitability increased meaningfully as efficiency gains were achieved from the acquired DES operations. Home & Personal Care sales, excluding the Sancoa acquisition, declined in a soft consumer market compared to an unusually strong prior year period driven by major launches at key customers. Healthcare & Specialty results were mixed with significant improvement in Healthcare, largely offset by a soft Ag-Chem market affected by the hard winter and slow promotional sales compared to a World Cup influenced prior year. Results improved markedly on market share wins for the Wine & Spirits business; sales and profits also improved in Beverage and Sleeves as start-up costs of new capacity declined. Overall, profitability improved in North America including the impact of acquisitions and currency translation; return on sales improved due to the aforementioned advances at CCL Design and in the Food & Beverage businesses.

Sales in **Europe** were up high-single digits for the first quarter of 2015, excluding currency translation and acquisitions, compared to the first quarter of 2014. The Home & Personal Care business posted a sales decline in soft markets and against a prior year period that benefited from significant product launches and World Cup related promotional activities. Sales in Healthcare & Specialty, excluding foreign currency translation, were down slightly compared to the first quarter of 2014 and profitability declined due to a change in Scandinavian business mix with Healthcare soft and the European Ag-Chem business remaining solid. Results in Food & Beverage, excluding currency translation and the Dekopak acquisition, were strong on continued solid performance in Sleeves augmented by a swing into profit at the new film extrusion plant compared to a prior year loss; Beverage and Wine & Spirits benefited from robust sales gains. Sales and profitability improved significantly at the CCL Design business due to market share gains on new model launches, productivity and cost improvements. Overall, European operating income, excluding incremental acquisitions and foreign currency translation, increased significantly, compared to the prior year first quarter. The recently acquired businesses in Switzerland and Turkey met management expectations for the quarter and provide opportunities for margin expansion in future periods.

Sales in **Latin America** increased double digits for the first quarter of 2015, excluding the impact of currency translation compared to the first quarter of 2014. Sales improved in both Mexico and Brazil in all lines of business. Operating income increased significantly in absolute terms and as a percent of sales, despite currency challenges due to the decline in the real against the U.S. dollar and the subsequent impact on raw material costs. Start-up costs for the announced expansion of CCL Design into Mexico were negligible for the quarter.

Asia Pacific delivered low single digit sales growth for the first quarter of 2015, compared to the first quarter of 2014. China posted significant quarterly improvement in both sales and operating income with the rate of growth clearly rebounding from the low in the fourth quarter of 2014. ASEAN results were mixed as Thailand was affected by a soft HPC market and the impact of export customer contracts priced in euros while results for Vietnam improved significantly. Australia delivered improved revenue and profitability in the Wine and Spirits business but this was offset by poor results in Healthcare. Sales volume for beverage labels in South Africa was strong. Overall profitability in the Asia Pacific region fell due to start-up costs in Korea and the Philippines and tough comparisons to an exceptional prior year period in Thailand.

Operating income for the first quarter of 2015 improved 17.7% to $81.8 million, compared to $69.5 million for the first quarter of 2014. Operating income as a percentage of sales was 16.8%, ahead of the 16.4% recorded for the same period in 2014, primarily driven by the improved results within Food & Beverage business globally. Currency transaction issues impacted CCL's business in Thailand, Canada, Brazil and the UK driven by the impacts of the stronger U.S. dollar on import purchases and weaker euro sales exported from non-euro-denominated territories.

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

The Label Segment invested $48.1 million in capital spending in the first quarter of 2015, compared to $46.5 million in the same quarter in 2014. The investments for the first quarter period are in line with Company's planned capital expenditures for 2015. The major expenditures for the first quarter were related to equipment installations to support the Home & Personal Care business in North America, capacity additions for Food & Beverage in Europe and to add more digital printing capabilities throughout the Label Segment footprint. As in the past, investments in the Label Segment are expected to continue in order to increase its capabilities, expand geographically, and replace or upgrade existing plants and equipment. Depreciation and amortization for the Label Segment was $32.2 million for the first quarter of 2015, compared to $28.4 million for the same period of 2014.

Avery Segment

($ millions)	First Quarter		
	2015	**2014**	**+/-**
Sales	$ 160.2	$ 132.9	20.5%
Operating Income [1]	$ 26.6	$ 13.1	103.1%
Return on Sales [1]	16.6%	9.9%	
Capital Spending	$ 6.4	$ 3.8	68.4%
Depreciation and Amortization	$ 3.3	$ 3.4	(2.9%)

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

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

Sales for the Avery Segment were $160.2 million for the first quarter of 2015, compared to $132.9 million for the same quarter last year. The 20.5% increase in sales can be attributed to organic growth of 10.1%, the impact from the LCL, Nilles, and PCN acquisitions of 4.4% and the positive effect from foreign currency translation of 6.0%.

North American sales increased significantly as first quarter activity benefited from the further curtailment of distributor pre-buys in the fourth quarter of 2014, customer inventory replenishment from year end lows and solid market share gains in the Printable Media category. Cost cutting and efficiency initiatives implemented in 2014 improved results for the BOPWI category compared to the prior year first quarter. PCN acquired late in the quarter met management expectations for its first month of operations within the Segment. Operating income increased significantly in absolute terms and as a percent of sales exceeding management expectations for the seasonally slower first quarter. The weaker Canadian dollar impacted margins on domestic sales where products or materials are imported from the United States.

International sales, principally generated in the Printable Media category, represented 26% of the Avery Segment sales for the quarter. Sales, excluding acquisitions and currency translation declined in Europe and Asia Pacific but improved in Latin America. The recently acquired LCL and Nilles operations met management expectations for their first full quarter within the Segment. Profitability improved significantly compared to the first quarter of 2014 due to cost reduction initiatives and productivity enhancements taking hold.

Operating income for the first quarter of 2015 improved 103.1% to $26.6 million, compared to $13.1 million for the first quarter of 2014. Operating income as a percentage of sales was 16.6%, compared to 9.9% recorded for the same period in 2014.

The Avery Segment invested $6.4 million in capital spending for the first quarter of 2015 compared to $3.8 million in the same period a year ago. The majority of the expenditures were for equipment additions in North American to improve manufacturing efficiencies within the BOPWI category as well as equipment to support digital print capabilities for Avery.com. Depreciation and amortization for the Avery Segment was $3.3 million for the first quarter of 2015 compared to $3.4 million for the first quarter of 2014.

Container Segment

($ millions)	First Quarter		
	2015	2014	+/-
Sales	$ 59.6	$ 53.0	12.5%
Operating Income [(1)]	$ 8.7	$ 6.0	45.0%
Return on Sales [(1)]	14.6%	11.3%	
Capital Spending	$ 2.2	$ 9.6	(77.1%)
Depreciation and Amortization	$ 3.7	$ 3.5	5.7%

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

Sales for the Container Segment in the 2015 first quarter were $59.6 million, an increase of 12.5% compared to $53.0 million in the first quarter of 2014. Organic growth of 6.8% was driven by volume gains in Mexico, pricing pass throughs and favorable mix. The Container Segment posted a 45.0% improvement in operating income to $8.7 million compared to $6.0 million for the 2014 first quarter due to revenue gains, cost curtailment and productivity improvement resulting from the plant consolidation plan and the foreign currency transaction benefit from the Canadian produced volume sold into the United States. Currency effect in Mexico was approximately neutral as export sales to the United States offset imports of aluminum priced in U.S. dollars. The planned closure of the Canadian operation and redistribution of its manufacturing equipment to the continuing operations in the U.S. and Mexico is now not expected to be completed until the end of 2016; consequently, there were no equipment relocation expenses incurred in the first quarter of 2015 compared to $0.2 million in the 2014 first quarter.

The Container Segment invested $2.2 million and $9.6 million in capital spending for the quarters ended of March 31, 2015, and of March 31, 2014, respectively. The majority of the expenditures in the first quarter 2015 were final expenditures for the announced facility expansion and equipment purchases at the U.S. operation to facilitate the efficient redistribution of part of the Canadian plant's equipment. Depreciation and amortization for the Container Segment was $3.7 million for the first quarter of 2015 compared to $3.5 million for the comparable period of 2014.

The Container Segment continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 12.0% of its expected 2015 requirements. All of these hedges are specifically tied to customer contracts. Existing hedges are priced in the US$1,700 to US$2,100 range per metric ton. The Company is encouraging customers to adopt 90-day pass-through pricing for changes in aluminum cost and is only adopting long-term hedges to stabilize input prices with large blue-chip multinationals willing to accept responsibility for the hedge.

Pricing for aluminum in the first quarter of 2015 ranged from US$1,700 to US$1,900 per metric ton compared to US$1,600 to US$1,800 in the first quarter of 2014.

Joint Ventures

The following investments affected the financial comparisons to 2014:

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

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

Results from the joint ventures in CCL-Kontur, Russia; Pacman-CCL, Middle East; Acrus-CCL, Chile; CCL-Taisei, Thailand; and Rheinfelden, United States, are not proportionately consolidated into a Segment but instead are accounted for as equity investments. CCL's share of the joint ventures' net earnings is disclosed in "Earnings in Equity Accounted Investments" in the consolidated condensed interim income statements. Sales and profits at CCL-Kontur improved considerably for the 2015 first quarter compared to the prior year three-month period as interest rate rises following the ruble's depreciation negatively affected the liquidity of many local competitors. Pacman-CCL sales increased double digits and contributed meaningfully to overall earnings for the 2015 first quarter. For the first quarter of 2015, Acrus-CCL posted strong sales gains and solid earnings compared to a prior year loss. The construction of CCL-Taisei's new tube plant is complete and trading will commence during the coming quarter. Start-up losses are expected to continue for most of 2015. Rheinfelden, established late in the fourth quarter of 2014, also incurred expected start-up losses for the current quarter. The plant is not expected to be profitable until 2017. Earnings in equity accounted investments amounted to $0.5 million for the 2015 first quarter compared to $0.1 million for the 2014 first quarter.

4. Currency Transaction Hedging and Currency Translation

Approximately 96% of sales made in the first quarter of 2015 to end-use customers were denominated in foreign currencies leaving the Company exposed to potentially significant translation variances when reporting results publicly in Canadian dollars. The Company does not hedge or manage such translation movements but does actively manage transaction exposures. Where possible, the Company contracts its business in local currencies with both customers and suppliers of raw materials.

The results of the first quarter of 2015 were impacted by the depreciation of the Canadian dollar against the U.S. dollar, sterling, and Thai baht resulting in a positive effect of 12.5%, 2.9% and 12.5%, respectively. This positive impact was partially offset by a strengthening of the Canadian dollar relative to the euro and Brazilian real resulting in negative impact of 7.7% and 7.0%, respectively, when comparing the rates in the first quarters of 2015 and 2014. For the first quarter of 2015, currency translation had a

$0.08 positive impact on earnings per Class B share compared to last year's first quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions, except per share data)

	March 31, 2015	December 31, 2014	March 31, 2014
Current debt	$ 203.6	$ 59.1	$ 47.6
Long-term debt	537.9	600.0	788.4
Total debt	741.5	659.1	836.0
Cash and cash equivalents	(206.0)	(221.9)	(193.8)
Net debt [1]	$ 535.5	$ 437.2	$ 642.2
Shareholders' equity	$ 1,319.2	$ 1,216.2	$ 1,115.7
Net debt to total book capitalization [1]	28.9%	26.4%	36.5%

[1] Net Debt and Net Debt to Total Book Capitalization are non-IFRS financial measures. Refer to definitions in Section 13.

Net debt (a non-IFRS financial measure; refer to definition in Section 13) was $535.5 million at March 31, 2015, $98.3 million higher than the net debt of $437.2 million at December 31, 2014. The increase in net debt is due to the additional debt to acquire PCN on February 27, 2015. Furthermore, since the Canadian dollar has devalued versus the Company's primarily U.S. dollar debt, foreign currency translation has resulted in an increase in total debt at March 31, 2015 compared to December 31, 2014. Net debt as at March 31, 2015 is $106.7 million lower than the net debt of $642.2 million at March 31, 2014, due to significant repayments in the trailing twelve month period.

Net debt to total book capitalization (a non-IFRS financial measure; refer to definition in Section 13) at March 31, 2015, was 28.9%, down from 36.5% at the end of March 31, 2014, reflecting the reduction in net debt and record profitability over the past twelve months.

The Company's debt structure at March 31, 2015, was comprised of three private debt placements completed in 1998, 2006 and 2008 for a total of US$239.0 million (C$302.7 million) and a bank syndicated US$289.6 million non-revolving credit and $300.0 million revolving facility. During the first quarter, the Company made payments of US$10.0 million on the non-revolving credit facility and drew down US$37 million on the revolving credit facility primarily to fund the acquisition of PCN. Including the $3.6 million of outstanding letters of credit, the Company had approximately $250 million of available capacity within its revolving credit facility as at March 31, 2015. On March 7, 2016, US$110.0 million of private debt placements comes to maturity; consequently, the current portion of long-term debt has increased compared to December 31, 2014 and March 31, 2014.

The Company's overall average finance rate was 3.5% as at March 31, 2015, compared to 3.1% as at March 31, 2014. The increase in the average finance rate was primarily caused by the Company's reduction in its lower cost variable rate revolving syndicated debt, compared to the outstanding debt at March 31, 2014.

The Company believes that it has sufficient cash on hand, unused credit lines and the ability to generate cash flow from operations to fund its expected financial obligations for the next few years.

6. Cash Flow

	First Quarter	
Summary of Cash Flows	**2015**	**2014**
Cash provided by operating activities	$ 47.3	$ 27.1
Cash provided by financing activities	23.4	91.3
Cash used for investing activities	(94.9)	(141.4)
Translation adjustments on cash and cash equivalents	8.2	7.7
Decrease in cash and cash equivalents	$ (16.0)	$ (15.3)
Cash and cash equivalents – end of period	$ 206.0	$ 193.8
Free cash flow from operations (1)	$ (8.8)	$ (27.4)

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

During the first quarters of 2015 and 2014, the Company generated cash from operating activities of $47.3 million and $27.1 million, respectively. Free cash flow from operations (a non-IFRS financial measure; refer to definition in Section 13) was a use of cash of $8.8 million in the 2015 first quarter compared to a use of $27.4 million in the prior year quarter. The change in operating cash flow and free cash flow from operations was due to the increase in net earnings, reduction income taxes paid and the changes in working capital balances.

Capital spending in the first quarter of 2015 amounted to $56.7 million compared to $59.9 million in the 2014 first quarter. Depreciation and amortization for the first quarters of 2015 and 2014 were $39.4 million and $35.5 million, respectively. Plans for capital spending in 2015 are expected to be not less than $150.0 million, which is in line with annualized depreciation expense. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends in the first quarters of 2015 and 2014 were $13.0 million and $8.6 million, respectively. The total number of shares issued and outstanding as at March 31, 2015, and 2014, were 34.8 million and 34.5 million, respectively. Since the Company's current cash flow and financial position are strong and its outlook for the remainder of 2015 continues to be positive, the Board of Directors has approved a continuation of the dividend paid in March 2015 of $0.3625 per Class A share and $0.375 per Class B

share to shareholders of record as of June 16, 2015, and payable on June 30, 2015. The annualized dividend rate is $1.45 per Class A share and $1.50 per Class B share.

7. Interest rate and Foreign Exchange Management

The Company has an interest rate swap agreement ("IRSA") to convert US$80 million notional debt from floating interest rates to a fixed interest rate since all of the underlying debt is floating rate debt within the syndicated term credit facility. The effect of the IRSA increased finance cost nominally in the first quarters of 2015 and 2014.

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

8. Accounting Policies

A) Critical Accounting Estimates

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

The 2014 annual audited consolidated financial statements and notes thereto, as well as the 2014 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of CCL's business operations and results of operations. For the three months ended March 31, 2015, there are no changes to the critical accounting policies and estimates from those described in the 2014 annual MD&A.

B) Inter-Company and Related Party Transactions

The Company has entered into a number of agreements with its subsidiaries that govern the management and commercial and cost-sharing arrangements with and among the subsidiaries. These inter-company structures are established on terms typical of arm's length agreements. A summary of the Company's related party transactions are set out in note 26 of the annual consolidated financial statements for the year ended December 31, 2014.

9. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, except for long-term operating lease agreements. The nature of these commitments is described in note 25 of the annual consolidated financial statements for the year ended December 31, 2014. There are no defined benefit plans funded with CCL stock.

10. Controls and Procedures

There were no material changes in internal controls over financial reporting in the three-month period ended March 31, 2015.

11. Risks and Strategies

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

12. Outlook

The first quarter of 2015 marked an all-time best for CCL generating adjusted basic earnings of $1.99 per Class B share surpassing the previous record set in the third quarter of 2014. All three Segments posted strong improvements in operating income most notably Avery which more than doubled the prior year first quarter due to revenue gains, cost cutting programs and efficiency initiatives taking root. Sancoa surpassed the anniversary of its acquisition in the first quarter of 2015, making positive operating and profitability progress that contributed to the Company's record results. CCL's more recent acquisitions, Bandfix, LCL, Nilles, INTA and PCN all met expectations for the current quarter.

Order intake in the Label Segment remains steady so far into the second quarter. Management continues to see only low growth opportunities in developed economies as macroeconomic uncertainty remains at the forefront in Europe and stagnant demand for consumer staples prevails despite solid consumer durables demand in North America. Emerging Markets results for CCL have outpaced developed economies notwithstanding currency challenges in Latin America and unstable consumer demand within the Asian countries. Expansion initiatives, such as CCL's new Home & Personal Care operation in the Philippines and CCL's new joint venture in Thailand have completed construction, and commenced trading in the quarter but are not expected to post profitable returns until late 2015. CCL has also commenced construction of a new start-up Specialty operation in Korea, which is not expected to be completed until early 2016. The effect of foreign currency rates remains positive into the second quarter of 2015 on translated results if current levels of the Canadian dollar prevail or weaken.

At Avery, restructuring programs are complete and new product initiatives, consumer digital print opportunities and cross selling programs with Avery's three recent acquisitions provide incremental potential for growth for the Segment. In the shorter term, CCL expects the strong results in the first quarter to be tempered by a slower back-to-school season than in the prior year as management focuses on building the

Printable Media business. Focus in the binder product line has been around new higher margin products at the expense of low margin commodity binders where Avery has been willing to give up share in a price sensitive market. While difficult to predict the financial results of these changes in a volatile and short sales season, management believes that it will be very challenging to match the performance of the back-to-school season in 2014, but remains confident that the Segment will at least match the financial performance for 2014 in its entirety, excluding any positive impacts from currency translation and acquisitions.

The Container Segment posted a strong first quarter while reducing the pace and related risk of the closure and redistribution of manufacturing equipment from its Canadian operation to the U.S. and Mexican facilities. Given the weaker Canadian dollar, time is not currently of the essence. 2015 will continue as a year of transition for the Container Segment, which still expects to be within its announced $25.0 million infrastructure investment budget to deliver the $10.0 million of incremental annual cash flow when this initiative is completed in late 2016. Lastly, with the investment in Rheinfelden, the Segment plans on developing a sustainable secondary source of aluminum slugs for its North American manufacturing requirements, albeit, qualified shipments are not expected to start until the second half of 2015.

Unused credit lines stand at $250 million; with additional cash-on-hand the Company has the capacity to execute its growth strategy or the flexibility to reduce its bank leverage. The Company remains focused on vigilantly managing working capital and prioritizing capital to higher-growth organic opportunities or unique acquisitions that are expected to enhance shareholder value. The Company's capital spending for the year is expected to be approximately $150 million, in line with annual depreciation expense.

13. Key Performance Indicators and Non-IFRS Financial Measures

CCL measures the success of the business using a number of key performance indicators, many of which are in accordance with IFRS as described throughout this report. The following performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to or replacement of net earnings or any other measure of performance under IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers. In fact, these additional measures are used to provide added insight into CCL's results and are concepts often seen in external analysts' research reports, financial covenants in banking agreements and note agreements, purchase and sales contracts on acquisitions and divestitures of the business, and in discussions and reports to and from the Company's shareholders and the investment community. These non-IFRS measures will be found throughout this report and are referenced alphabetically in the definition section below.

Adjusted Basic Earnings per Class B Share – An important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share, but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS measure is defined as basic net earnings per Class B share excluding gains on business dispositions, goodwill

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

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

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

(in millions of Canadian dollars)

	First Quarter	
EBITDA (earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, earnings in equity accounted investments, non-cash acquisition accounting adjustments to finished goods inventory, restructuring and other items)	**2015**	**2014**
Net earnings	$ 68.1	$ 52.6
Corporate expense	13.4	6.3
Earning in equity accounted investments	(0.5)	(0.1)
Finance cost, net	6.3	6.7
Restructuring and other items – net loss	0.9	0.9
Income taxes	28.9	22.2
Operating income (a non-IFRS measure)	$ 117.1	$ 88.6
Less: Corporate expense	(13.4)	(6.3)
Add: Depreciation and amortization	39.4	35.5
EBITDA (a non-IFRS measure)	$ 143.1	$ 117.8

Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the period and available to fund dividends, debt

repayments and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

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

(in millions of Canadian dollars)

Free Cash Flow from Operations	First Quarter 2015	First Quarter 2014
Cash provided by operating activities	$ 47.3	$ 27.1
Less: Additions to property, plant and equipment	(56.7)	(59.9)
Add: Proceeds on disposal of property, plant and equipment	0.6	5.4
Free Cash Flow from Operations	$ (8.8)	$ (27.4)

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

Net Debt to Total Book Capitalization – A measure that indicates the financial leverage of the Company. It measures the relative use of debt versus equity in the book capital of the Company. Net debt to total book capitalization is defined as Net Debt (see definition above) divided by Net Debt plus shareholders' equity, expressed as a percentage.

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

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

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

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

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

(in millions of Canadian dollars)

	Sales First Quarter		**Operating Income First Quarter**		**Return on Sales First Quarter**	
Industry Segments	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Label	$ 486.1	$ 423.8	$ 81.8	$ 69.5	16.8%	16.4%
Avery	160.2	132.9	26.6	13.1	16.6%	9.9%
Container	59.6	53.0	8.7	6.0	14.6%	11.3%
Total Operations	$ 705.9	$ 609.7	$ 117.1	$ 88.6	16.6%	14.5%

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

Three Months Ended March 31, 2015

	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**
Label	3.8	7.2	3.7	14.7
Avery	10.1	4.4	6.0	20.5
Container	6.8	0.0	5.7	12.5
CCL	5.5	6.0	4.3	15.8