

CCL INDUSTRIES INC.

Investor Update

Third Quarter 2003 Review

Friday, October 31, 2003

Disclaimer

Any forward-looking statements contained in this presentation involve risks, uncertainties and assumptions and should not be taken as guarantees of future performance. Actual results could vary materially from those anticipated in forward-looking statements.

CCL INDUSTRIES INC.

Statement of Earnings
Three Months Ended September 30th
(Millions of Cdn \$, except per share data)

	<u>2003</u>	<u>2002</u>	<u>Change</u>
1) Sales	<u>\$ 354.5</u>	<u>\$ 424.4</u>	(16.5%)
EBITDA	41.1	45.9	(10.5%)
Depreciation, and amortization of other assets	<u>16.6</u>	<u>19.0</u>	
Operating Income	24.5	26.9	(8.9%)
Interest expense (net)	<u>5.6</u>	<u>7.4</u>	
Earnings before unusual items and income taxes	18.9	19.5	(3.1%)
2) Unusual items - net loss	<u>(7.2)</u>	<u>(30.4)</u>	
Earnings (loss) before income taxes	11.7	(10.9)	n.m.
Income taxes	<u>4.9</u>	<u>4.8</u>	
Net earnings (loss)	<u>\$ 6.8</u>	<u>\$ (15.7)</u>	n.m.
<i>Tax rate before unusual items</i>	<u>27.5%</u>	<u>24.5%</u>	

Per Class B Share

3) Earnings before unusual items	<u>\$ 0.43</u>	<u>\$ 0.44</u>	(2.3%)
Net earnings (loss)	<u>\$ 0.21</u>	<u>\$ (0.45)</u>	n.m.
Cash flow before unusual items	<u>\$ 0.94</u>	<u>\$ 0.99</u>	(5.1%)

1) Sales decreased 7% excluding negative currency translation and divestitures

2) Unusual items - Container: disposal of 4 non-core business units (24¢ E.P.S.)

- Custom Mfg.: disposition costs related to disposal of Grimsby (U.K.) (less than 1¢ E.P.S.), additional costs of approx. \$1 million expected in balance of year (2¢ E.P.S.)

- Repatriation of cash (income of 2¢ E.P.S.)

3) E.P.S. before unusual items reduced by \$0.04 due to currency translation. Otherwise, would have been up 7%

CCL INDUSTRIES INC.

Statement of Earnings
Nine Months Ended September 30th
(Millions of Cdn \$, except per share data)

	<u>2 0 0 3</u>	<u>2 0 0 2</u>	<u>Change</u>
1) Sales	<u>\$ 1,171.7</u>	<u>\$ 1,278.8</u>	(8.4%)
EBITDA	131.6	140.6	(6.4%)
Depreciation, and amortization of other assets	<u>52.0</u>	<u>57.1</u>	
Operating Income	79.6	83.5	(4.7%)
Interest expense (net)	<u>17.7</u>	<u>23.8</u>	
Earnings before unusual items and income taxes	61.9	59.7	+3.7%
2) Unusual items - net loss	<u>(10.9)</u>	<u>(30.8)</u>	
Earnings before income taxes	51.0	28.9	+76.5%
Income taxes	<u>15.4</u>	<u>16.5</u>	
Net earnings	<u>\$ 35.6</u>	<u>\$ 12.4</u>	+187.1%
<i>Tax rate before unusual items</i>	<u>27.5%</u>	<u>25.5%</u>	
<u>Per Class B Share</u>			
3) Earnings before unusual items	<u>\$ 1.39</u>	<u>\$ 1.31</u>	+6.1%
Net earnings	<u>\$ 1.10</u>	<u>\$ 0.37</u>	+197.3%
Cash flow before unusual items	<u>\$ 2.99</u>	<u>\$ 2.98</u>	+0.3%

1) Sales decreased 2% excluding negative currency translation and divestitures

2) Unusual items – Container’s disposal of non-core businesses 3Q03, Grimsby (U.K.) provisions and disposal cost in 2Q03 & 3Q03, repatriation of cash in 3Q03 (income) and “Series 400” closure restructuring (LA) in 1Q03

3) E.P.S. reduced by \$0.10 due to currency translation. Otherwise, before unusual items, would have been up 14% (1Q03 - 2¢, 2Q03 - 4¢, 3Q03 - 4¢)

CCL INDUSTRIES INC.**Balance Sheet****As At September 30th****(Millions of Cdn \$, except Book Value per Share)**

	<u>2 0 0 3</u>	<u>2 0 0 2</u>	<u>Change</u>
Net working capital (receivables, inventory, prepaids, payables and accruals)	\$ 78.2	\$ 147.8	(47.1%)
Capital assets (net)	\$ 410.2	\$ 501.1	(18.1%)
Goodwill	\$ 263.6	\$ 275.9	(4.5%)
Total assets	\$ 1,186.9	\$ 1,346.0	(11.8%)
1) Net debt (net of cash and cash equivalents)	\$ 293.4	\$ 415.2	(29.3%)
2) Shareholders' equity	\$ 405.1	\$ 434.0	(6.7%)
3) Book value per B Share	\$ 12.58	\$ 12.93	(2.7%)
4) Total shares outstanding (in millions)	32.2	33.6	(4.2%)

Shareholders' Equity

As at September 30th: \$1 Cdn = \$0.741 U.S. in 2003 versus \$0.630 U.S. in 2002 (18% change)

All balance sheet items reduced compared to Sept. 30th, 2002 due to currency translation

- 1) Net debt by \$60.0 million
- 2) Shareholders' equity by \$37.9 million
- 3) Currency translation effect on Book Value per share – reduction of \$1.18
- 4) Share Repurchases - acquired 1.2 million Class B shares in the first 6 months of 2003 for \$20.7 million (average \$17.39 per share) under Normal Course Issuer Bid. No additional shares were repurchased in Q3. Normal Course Issuer Bid not renewed.

CCL INDUSTRIES INC.**Debt Summary
As At September 30th
(Millions of Cdn \$)**

	<u>2 0 0 3</u>	<u>2 0 0 2</u>	<u>Decrease (Increase)</u>
Bank advances	\$ 13.8	\$ 5.8	\$ (8.0)
Long-term debt - senior notes (2003 - \$314.2 MM U.S., 2002 - \$323.6 MM U.S.)	424.2	513.6	89.4
Long-term debt - all other	8.0	7.6	(0.4)
Total debt	446.0	527.0	81.0
Cash and cash equivalents	(152.6)	(111.8)	40.8
Net debt	\$ 293.4	\$ 415.2	\$ 121.8
Net debt to total capitalization	<u>42.0%</u>	<u>48.9%</u>	

➤ Net debt to total capitalization: Dec/02 - 45.6%; Mar/03 – 47.6%; Jun/03 – 47.0%
After Avery acquisition Oct 1/03, this ratio will be slightly over 48%

➤ Next repayment on senior notes - \$9.4 MM U.S. due Sept. 2004

CCL INDUSTRIES INC.

Cash Flow Highlights
Nine Months Ended September 30th
(Millions of Cdn \$)

Inflows:

	<u>2 0 0 3</u>	<u>2 0 0 2</u>
Net earnings	\$ 35.6	\$ 12.4
Depreciation, & amortization of other assets	52.0	57.1
Future income taxes	11.8	6.8
Unusual items	9.3	29.4
Gross Cash Inflow	108.7	105.7

Outflows:

1) Net increase in non-cash operating working capital	23.4	12.0
2) Additions to capital assets	81.2	45.1
Dividends	8.6	8.5
Other	5.9	6.4
Gross Cash Outflow	119.1	72.0

Net Cash Inflow (Outflow) - Normalized

Proceeds and debt reduction on disposals	80.4	17.7
Business acquisitions including net debt assumed	(34.7)	(18.5)
Repurchase of shares, net of issuance	(18.2)	(12.4)
Net Cash Inflow	17.1	20.5

Non-cash Item:

Translation of foreign denominated debt, mainly U.S. dollars	55.8	-
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Decrease In Net Debt

\$ 72.9 \$ 20.5

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- 1) Working Capital Days: 21 days in 2003 vs. 32 days in 2002 and 40 days in 2001. Seasonal build up in 2003 more typical from low year end position in Dec 2002
- 2) Capital spending included \$14 million for two Container aerosol lines, \$4 million for Label gravure press in Sioux Falls, SD and \$3 million for the Thailand plant. Expect to spend \$95 million for the year

CCL INDUSTRIES INC.**Capital Spending Highlights****Nine Months Ended September 30th, 2003****(Millions of Cdn \$)**

<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation</u>	<u>Difference</u>	<u>Major Investments</u>
Custom Manufacturing	\$ 17.5	\$ 14.9	\$ 2.6	UK consolidation \$ 1.4 German expansion 1.6 <u>\$ 3.0</u>
Container	31.9	17.9	14.0	Aerosol line # 1 \$ 10.5 Aerosol line # 2 3.5 Northeast plastic tube 2.5 <u>\$ 16.5</u>
Label	31.8	17.7	14.1	Gravure press \$ 4.0 Hightstown upgrade 1.7 Upland, CA plant purchase 2.8 Thailand 3.4 <u>\$ 11.9</u>
Corporate	<u>-</u>	<u>0.6</u>		
	<u>\$ 81.2</u>	<u>\$ 51.1</u>		

CCL INDUSTRIES INC.

Income From Operations
Nine Months Ended September 30th
(Millions of Cdn \$)

	<u>2 0 0 3</u>	<u>2 0 0 2</u>	<u>Change</u>	<u>Excl. FX & Divestitures</u>
Custom Manufacturing	\$ 32.8	\$ 42.5	(22.8%)	(20.8%)
Container	27.3	22.5	+21.3%	+29.5%
Label	<u>25.9</u>	<u>24.3</u>	+6.6%	+15.6%
	86.0	89.3	(3.7%)	
1) Corporate expense	<u>6.4</u>	<u>5.8</u>	+10.3%	
Operating Income	79.6	83.5	(4.7%)	
2) Interest expense (net)	<u>17.7</u>	<u>23.8</u>	(25.6%)	
Earnings before unusual items and income taxes	61.9	59.7	+3.7%	
Unusual items - net loss	<u>(10.9)</u>	<u>(30.8)</u>		
Earnings before income taxes	<u>\$ 51.0</u>	<u>\$ 28.9</u>	+76.5%	

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- 1) Corporate expense higher due primarily to higher insurance costs
 - 2) Interest expense lower due to savings on Sept 2002 debt repayment - \$0.5 million; interest rate swaps - \$2.3 million; and currency translation - \$3.6 million

Custom Manufacturing

Third Quarters Ended September 30th

<u>(in million Cdn dollars)</u>	<u>2 0 0 3</u>	<u>2 0 0 2</u>	<u>%</u>	<u>Excl. FX & Divestitures</u>
1) Sales	<u>\$ 183.6</u>	<u>\$ 229.2</u>	(19.9%)	(13.4%)
Operating Income	<u>\$ 10.0</u>	<u>\$ 13.2</u>	(24.2%)	(19.7%)
Return on Sales	<u>5.4%</u>	<u>5.8%</u>		
Return on Service Revenue	<u>16.8%</u>	<u>18.5%</u>		
EBITDA	<u>\$ 14.8</u>	<u>\$ 18.4</u>	(19.6%)	

- 1) Excluding currency translation, sales down 13% for the quarter compared to a very strong 2002; unit volume was down 15%
- North American sales were negatively affected by reduced volumes; the decline in the value of the United States dollar and income reflected the volume decline and a mix of lower margin products
 - Contributions from the U.K. and German operations were positively affected by a mix of higher margin products with German operations enjoying new product volume
 - Grimsby U.K. plant sold in July 2003. Consolidating 2 aerosol lines into Scunthorpe facility, will be completed by 2003 year end. Should be accretive to earnings during 4Q03
 - R.O.I. for Custom over 20% in 2003

Custom Manufacturing

[p://www.cclind.com/corp_investor_2003q3.html](http://www.cclind.com/corp_investor_2003q3.html)

Unit Volume - Millions Third Quarters Ended September 30th

	3RD QUARTER			YTD		
	2003 <u>ACT</u>	2002 <u>ACT</u>	<u>Change</u>	2003 <u>ACT</u>	2002 <u>ACT</u>	<u>Change</u>
Aerosol / sticks - North America	101.7	116.3	(12.6%)	315.7	333.5	(5.3%)
Liquid - North America	72.5	82.6	(12.2%)	239.7	248.8	(3.7%)
U.K.	37.8	54.4	(30.5%)	126.0	158.2	(20.4%)
Germany	14.6	13.3	9.8%	43.9	53.6	(18.1%)
Total - continuing operations	226.6	266.6	(15.0%)	725.3	794.1	(8.7%)
K-G Packaging (sold Mar 2002)	-	-	N/A	-	7.2	N/A
Total	226.6	266.6	(15.0%)	725.3	801.3	(9.5%)

Container

Third Quarters Ended September 30th

<u>(in millions of Cdn dollars)</u>	<u>2003</u>	<u>2002</u>	<u>%</u>	<u>Excl. FX & Divestitures</u>
1) Sales	<u>\$ 70.1</u>	<u>\$ 91.8</u>	(23.6%)	(5.2%)
Operating Income	<u>\$ 7.5</u>	<u>\$ 7.9</u>	(5.1%)	(5.7%)
Return on Sales	<u>10.7%</u>	<u>8.6%</u>		
EBITDA	<u>\$ 12.3</u>	<u>\$ 14.9</u>	(17.4%)	
% of Sales	<u>17.5%</u>	<u>16.2%</u>		

- 1) Excluding foreign currency translation and dispositions, sales down 5% for the quarter compared to 2002**
- **Aerosol sales strong, mainly beverage bottles and aerosol containers, with an improved income contribution. Adding two new lines in 2003 and 2004 in Penetang, ON, to handle growing volumes in the beverage and specialty shaped aluminum aerosol markets**
 - **Mexico is continuing to be affected by low domestic demand**
 - **Plastic is experiencing a drop in demand which parallels reports from industry players**
 - **4 non-core business units were sold at end of Aug/03.**

Container

Actual Unit Volume Comparison

	Q3 2003	YTD 2003	Year 2002
	vs.	vs.	vs.
	<u>Q3 2002</u>	<u>YTD 2002</u>	<u>Year 2001</u>
Aerosol & Bottles	+12.5%	+15.7%	+2.6%
Plastic Tube	(13.9%)	+2.3%	+18.8%

Revised Post October 31st Presentation

Label

Third Quarters Ended September 30th

<u>(in millions of Cdn dollars)</u>	<u>2003</u>	<u>2002</u>	<u>%</u>	<u>Excl. FX & Divestitures</u>
1) Sales	<u>\$ 100.8</u>	<u>\$ 103.4</u>	(2.5%)	+6.9%
Operating Income	<u>\$ 8.5</u>	<u>\$ 7.9</u>	+7.6%	+20.5%
Return on Sales	<u>8.4%</u>	<u>7.6%</u>		
EBITDA	<u>\$ 15.2</u>	<u>\$ 14.4</u>	+5.6%	
% of Sales	<u>15.1%</u>	<u>13.9%</u>		

1) Excluding foreign exchange, sales up 7%

- North American sales slowed during summer with the exception of Charlotte personal care & Canadian plants
- The new European plants acquired February 1, 2002 made a solid improvement in sales and operating income for the quarter
- Results included final costs to move plant in Monrovia, CA to a newer, but smaller pharmaceutical-focused location nearby, and start-up losses of gravure operation in Sioux Falls, SD (\$1.6million for the third quarter & \$3.3million YTD)
- Purchased Lucas-Insertco in early June. Manufactures instructional leaflets for the pharmaceutical industry. Positive impact on sales and operating income recorded in 3Q03
- In process of selling existing plant in Leeds, U.K. to a developer at a significant gain; relocating nearby in 2004
- Finalized Pachem JV in July; located in Austria and Wales, CCL has a 51% ownership stake with existing management owning the balance. Was accretive to earnings in 3Q03
- Purchased a Greenfield facility in Thailand to supply global customers initially in the personal care markets – start up by the end of year. Investment of approximately \$6 million
- Completed in early October the purchase of Avery Dennison's European label converting business for \$85 million. Expected to be immediately accretive to earnings and should more than offset 3rd quarter divestitures in the Container Division