



Investor Update

Second Quarter 2006 Review

Thursday, August 3, 2006

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.

Statement of Earnings for Continuing Operations

Second Quarters Ended June 30th

(Millions of Cdn \$)



Excludes Discontinued Operations - Custom Manufacturing North America sold May 17, 2005

	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>Net of currency translation & divestitures</u>
1) Sales	<u>\$ 296.6</u>	<u>\$ 280.1</u>	+5.9%	+17%
Income before undernoted items	49.6	43.7	+13.5%	
Depreciation and amortization	<u>18.5</u>	<u>16.2</u>		<u>Net of currency translation, transactions</u>
Operating income	31.1	27.5	+13.1%	+28%
Interest expense, net	<u>5.3</u>	<u>5.3</u>		
	25.8	22.2	+16.2%	
2) Unusual items - net loss	<u>(1.0)</u>	<u>(15.5)</u>		
Earnings before income taxes	24.8	6.7	+270.1%	
3) Income taxes	<u>7.2</u>	<u>1.6</u>		
Net earnings from continuing operations	<u>\$ 17.6</u>	<u>\$ 5.1</u>	+245.1%	
<i>Tax rate before unusual items</i>	<u>29.0%</u>	<u>26.8%</u>		

Comparatives impacted by acquisitions – Label Prodesmaq (Jan/06); Label Inprint (Sep/05), Label Pachem 49% (Aug/05), Merroc (Aug/05), Closures Libertyville 30% (Aug/05); and by disposal – Closures Libertyville (Feb/06)

- 1) Sales, excluding negative currency translation and divestitures, were up 17% due to organic growth & acquisitions
- 2) 2006 unusual items relates to Container business restructuring costs of \$0.9 million (\$0.6 million after tax) and adjustment on disposal of Dispensing for an additional \$0.1 million expense
- 3) 2005 included a one-time tax benefit of \$4.3 million from previously unrecognized losses

Statement of Earnings for Continuing Operations

Six Months Ended June 30th

(Millions of Cdn \$)



Excludes Discontinued Operations - Custom Manufacturing North America sold May 17, 2005

	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>Net of currency translation & divestitures</u>
1) Sales	\$ 609.8	\$ 545.8	+11.7%	+23%
Income before undernoted items	104.7	87.1	+20.2%	
Depreciation and amortization	<u>36.6</u>	<u>31.7</u>		<u>Net of currency translation, transactions</u>
Operating income	68.1	55.4	+22.9%	+38%
Interest expense, net	<u>10.9</u>	<u>10.6</u>		
	57.2	44.8	+27.7%	
2) Unusual items - net loss	<u>(0.6)</u>	<u>(15.5)</u>		
Earnings before income taxes	56.6	29.3	+93.2%	
3) Income taxes	<u>17.9</u>	<u>8.1</u>		
Net earnings from continuing operations	\$ <u>38.7</u>	\$ <u>21.2</u>	+82.5%	
<i>Tax rate before unusual items</i>	<u>29.0%</u>	<u>27.8%</u>		

Comparatives impacted by acquisitions – Label Prodesmaq (Jan/06); Label Inprint (Sep/05), Label Pachem 49% (Aug/05), Merroc (Aug/05), Closures Libertyville 30% (Aug/05), Steinbeis (Feb/05); and by disposal – Closures Libertyville (Feb/06)

- 1) Sales, excluding negative currency translation and divestitures, were up 23% due to organic growth & acquisitions
- 2) 2006 unusual items relates to gain on net assets sale of Dispensing for \$1.6 million (\$1.5 million after tax), offset by Container business restructuring costs of \$2.2 million (\$1.5 million after tax)
- 3) Repayment of U\$120 million in unsecured senior notes in Mar/06 resulted in the utilization of a previously unrecognized capital loss; consequently generated a tax recovery of \$1.0 million (also an unusual item); 2005 included a one-time tax benefit of \$4.3 million from previously unrecognized losses

Earnings per Class B Share

Periods Ended June 30th



	Second Quarter			YTD		
	<u>2006</u>	<u>2005</u>	<u>% change</u>	<u>2006</u>	<u>2005</u>	<u>% change</u>
Continuing Operations	\$ 0.54	\$ 0.16	+238%	\$ 1.20	\$ 0.66	+82%
Discontinued Operations	<u>-</u>	<u>0.06</u>		<u>-</u>	<u>0.17</u>	
	0.54	0.22	+145%	1.20	0.83	+45%
Gain on sale of Discontinued Operations	<u>-</u>	<u>3.31</u>		<u>-</u>	<u>3.31</u>	
Net Earnings	<u>\$ 0.54</u>	<u>\$ 3.53</u>	(85%)	<u>\$ 1.20</u>	<u>\$ 4.14</u>	(71%)
Net Loss from Unusual Items	<u>\$ 0.03</u>	<u>\$ 0.35</u>		<u>\$ 0.06</u>	<u>\$ 0.35</u>	

Second Quarter 2006:

E.P.S. reduced by \$0.05 for the quarter on continuing operations due to currency translation and \$0.02 for currency transactions compared to 2005.



Currency Translation:

2005 – U.S. dollar averaged \$1.21 vs. \$1.30 in 2004 for the year (down 7%) and euro was \$1.51 vs. 1.62 for the same period (also down 7%)

2006 – U.S. dollar averaged \$1.12 vs. \$1.24 in 2005 for the quarter (down 10%) and euro was \$1.41 vs. 1.57 last year (also down 10%)

Currency Transactions (U.S. \$ Forward Hedges):

2005 – Sold forward a major part of 2005 at \$1.23

2006 – Sold forward a good part of 2006 at \$1.24

	<u>Continuing Operations only</u>		<u>As Reported</u>	
	2Q06 Act vs. 2Q05 Act	06 YTD Act vs. 06 YTD Act	2005 Act vs. 2004 Act	2004 Act vs. 2003 Act
<u>Negative Impact of Currency on E.P.S.</u>				
Currency translation	\$ 0.05	\$ 0.11	\$ 0.11	\$ 0.05
Currency transactions	\$ 0.02	\$ 0.03	\$ 0.09	\$ 0.27
Total Negative Impact	\$ 0.07	\$ 0.14	\$ 0.20	\$ 0.32

Balance Sheet

As At June 30th

(Millions of Cdn \$, except Book Value per Share)



	<u>2006</u>	<u>2005</u>	<u>Change</u>
Net working capital (receivables, inventory, prepaids, payables and accruals)	\$ 46.0	\$ 39.4	+16.8%
Capital assets (net)	\$ 561.5	\$ 479.8	+17.0%
Intangible assets & goodwill	\$ 433.2	\$ 351.2	+23.3%
Total assets	\$ 1,428.0	\$ 1,379.0	+3.6%
1) Net debt (net of cash and cash equivalents)	\$ 334.2	\$ 203.4	+64.3%
2) Shareholders' equity	\$ 590.0	\$ 555.7	+6.2%
3) Book value per B Share	\$ 18.34	\$ 17.31	+6.0%
Total shares outstanding (<i>in millions</i>)	32.6	32.2	+1.2%

As at Jun 30th: \$1 Cdn = \$0.90 U.S. in 2006 versus \$0.82 U.S. in 2005 (10% change)
\$1 Cdn = \$0.70 euro in 2006 versus \$0.67 euro in 2005 (4% change)

Debt Summary

As At June 30th

(Millions of Cdn \$)



	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease)</u>
Bank advances	\$ 3.8	\$ 10.2	\$ (6.4)
Long-term debt - senior notes (2006 - US\$345.5 MM, 2005 - US\$304.9 MM)	385.6	373.6	12.0
Long-term debt - all other	56.5	49.9	6.6
Total debt	445.9	433.7	12.2
Cash and cash equivalents	(111.7)	(230.3)	118.6
Net debt	<u>\$ 334.2</u>	<u>\$ 203.4</u>	<u>\$ 130.8</u>
Net debt to total capitalization	<u>36.2%</u>	<u>26.8%</u>	

- Net debt included CCL's share of ColepCCL JV's net debt, acquisitions and Custom N.A. proceeds
- Long-term debt up by US\$50 million in 1Q06 due to new financing of US\$170 million (@ 5.47%) and repayment of US\$120 million of 1996 senior notes (@ 6.66%). Swapped US\$60 million to euros, bringing average rate down to below 5%
- Compared to June 2005, net debt has reduced by \$25.8 million due to currency translation
- Net debt to total capitalization: Mar/06 – 38.0%; Dec/05 – 33.3%; Sep/05 – 34.8%
- Next repayment on 1997 senior notes - US\$9.4 million due Sept. 2006

Cash Flow Highlights

Six Months Ended June 30th

(Millions of Cdn \$)



Inflows:

	<u>2006</u>	<u>2005</u>
Net earnings from continuing operations (includes unusual items)	\$ 38.7	\$ 21.2
Depreciation and amortization (continuing)	36.6	31.7
Stock-based compensation	1.1	0.1
Future income taxes	0.3	2.7
Unusual items	1.9	15.4
Other (incl. proceeds on disposal of capital assets)	5.4	0.3
Gross Cash Inflow	84.0	71.4

Outflows:

1) Net increase in non-cash operating working capital	29.5	28.2
Additions to capital assets (incl. discontinued operations)	67.6	84.7
Dividends	6.7	6.4
Gross Cash Outflow	103.8	119.3
Net Cash Outflow - Normalized	(19.8)	(47.9)
Net proceeds / cash flow from discontinued operations	-	276.5
Business acquisition including net debt assumed	(62.2)	(64.1)
Proceeds on disposals	24.4	-
Repurchase of shares, net of issuance	0.9	(10.5)
Net Cash Outflow	(56.7)	154.0
Non-cash Item:		
Translation of foreign denominated debt, mainly U.S. dollars	4.9	(2.4)
Decrease (increase) in Net Debt	\$ (51.8)	\$ 151.6

1) Working Capital Days: 14 days in 2006 & 13 days in 2005

Capital Spending Highlights

Six Months Ended June 30th, 2006

(Millions of Cdn \$)



<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation</u>	<u>Difference</u>
Label	\$ 48.3	\$ 20.8	\$ 27.5
Container	13.1	5.2	7.9
Tube	4.0	3.6	0.4
ColepCCL	1.9	2.9	(1.0)
Corporate	0.3	0.2	0.1
	<u>\$ 67.6</u>	<u>\$ 32.7</u>	<u>\$ 34.9</u>

<u>Major Investment Projects</u>	
Robbinsville, NJ (Plant relocation)	\$ 3.6
Memphis, TN (Plant relocation)	1.4
Infrastructure	<u>5.0</u>
Shelton, CN (2 Nilpeter presses)	4.1
Charlotte, NC (Arsoma press)	2.9
Cold Spring, KY (2 Arsoma presses)	2.5
Hohenems, Austria (KoPack press)	1.9
Etobicoke, ON (Heidelberg press)	1.5
Etobicoke, ON (3 Arsoma presses)	1.4
Robbinsville, NJ (Arsoma press)	1.4
Robbinsville, NJ (Equipment)	1.1
Leeds, UK (Nilpeter press)	<u>1.1</u>
Capacity	<u>17.9</u>
Label Division	\$ 22.9
Hermitage, PA (2 new Aerosol lines)	<u>9.7</u>
Container Division	\$ 9.7
Total Major Spending	<u>\$ 32.6</u>

Income From Operations for Continuing Operations

Second Quarters Ended June 30th

(Millions of Cdn \$)



	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>Excl. currency translation, transactions & divestitures</u>
Label	\$ 23.2	\$ 19.3	+20.2%	+31.1%
Container	5.7	6.0	(5.0%)	+8.2%
Tube	1.5	1.1	+36.4%	+125.0%
ColepCCL	<u>3.9</u>	<u>4.1</u>	(4.9%)	+12.5%
	34.3	30.5	+12.5%	+28.2%
Corporate expense	<u>(3.2)</u>	<u>(3.0)</u>	+6.7%	
Operating Income	31.1	27.5	+13.1%	
Interest expense (net)	<u>5.3</u>	<u>5.3</u>	-	
Earnings before unusual items and income taxes	25.8	22.2	+16.2%	
Unusual items - net loss	<u>(1.0)</u>	<u>(15.5)</u>		
Earnings before income taxes	<u>\$ 24.8</u>	<u>\$ 6.7</u>	+270.1%	

Income From Operations for Continuing Operations

Six Months Ended June 30th

(Millions of Cdn \$)



	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>Excl. currency translation, transactions & divestitures</u>
Label	\$ 52.4	\$ 38.4	+36.5%	+47.9%
Container	11.9	11.3	+5.3%	+17.5%
Tube	2.5	2.0	+25.0%	+93.3%
ColepCCL	<u>8.0</u>	<u>9.5</u>	(15.8%)	(5.2%)
	74.8	61.2	+22.2%	+37.7%
Corporate expense	<u>(6.7)</u>	<u>(5.8)</u>	+15.5%	
Operating Income	68.1	55.4	+22.9%	
Interest expense (net)	<u>10.9</u>	<u>10.6</u>	2.8%	
Earnings before unusual items and income taxes	57.2	44.8	+27.7%	
Unusual items - net loss	<u>(0.6)</u>	<u>(15.5)</u>		
Earnings before income taxes	<u>\$ 56.6</u>	<u>\$ 29.3</u>	+93.2%	



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation</u>
1) Sales	\$ 191.5	\$ 167.2	+14.5%	+24.3%
Operating Income	\$ 23.2	\$ 19.3	+20.2%	+31.1%
Return on Sales	12.1%	11.5%		
EBITDA	\$ 35.4	\$ 28.8	+22.9%	
% of Sales	18.5%	17.2%		

1) Excluding foreign exchange and dispositions, sales were up 24%

- Sales growth in the second quarter mainly due to the Inprint, Pachem and Prodesmaq acquisitions of 17%. Base business also experienced continued sales growth of 8% offset by currency translation of 10%
- Volume growth in Personal Care North America was soft particularly towards the end of 2Q
- Sales for the Specialty business in North America were very strong compared to last year with good growth in agricultural chemical labels and promotional label market
- Healthcare volume in North America showed good growth, particularly in Canada and the insert market, as the business has continued to make meaningful advances with customers in the pharmaceutical industry
- European sales were much improved in personal care, and particularly strong increases in food and beverage
- Healthcare volume in Europe was down slightly although business remains very profitable, battery business continued to show strong performance
- The Merroc and Inprint acquisitions, along with the increased ownership of Pachem have significantly improved CCL's European position in all categories
- Thailand was over 50% ahead of last year with further growth expected
- The Guangzhou China operation made its first commercial sales in 2Q06 and had its first break-even month in June; the Hefei China plant continues to progress
- The Prodesmaq acquisition in Brazil had a very strong sales and income performance as it serves CCL's global customers in the South American market
- Return on sales for the quarter continued to exceed our internal targets



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 396.6</u>	<u>\$ 324.5</u>	+22.2%	+32.4%
Operating Income	<u>\$ 52.4</u>	<u>\$ 38.4</u>	+36.5%	+47.9%
Return on Sales	<u>13.2%</u>	<u>11.8%</u>		
EBITDA	<u>\$ 76.3</u>	<u>\$ 56.9</u>	+34.1%	
% of Sales	<u>19.2%</u>	<u>17.5%</u>		

1) Excluding foreign exchange and dispositions, sales were up 32%

➤ Return on sales exceeded our internal targets

Container

Second Quarters Ended June 30th
(Millions of Cdn \$)



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. inter-company, currency translation & transactions</u>
1) Sales	\$ 48.3	\$ 44.8	7.7%	+6.0%
Operating Income	\$ 5.7	\$ 6.0	(5.0%)	+8.2%
Return on Sales	11.8%	13.4%		
EBITDA	\$ 8.3	\$ 8.4	(1.2%)	
% of Sales	17.2%	18.7%		

- 1) Positive impact in 2006 of sales to former Custom business (inter-company in 2005 until May and therefore excluded); excluding inter-company impact and foreign currency translation, sales were up 6% for the quarter compared to 2005
- Higher selling prices in 2006 due to aluminum cost increases
 - Container continues to benefit from demand for aluminum aerosol containers and other new applications for shaped-can technology. Personal care volume in the aerosol format continues to grow modestly. Added internal capacity and lower demand for beverage containers reduced backlogs to more acceptable levels and also eliminated outsourcing to overseas suppliers.
 - Penetanguishene, ON operation's profit margins were affected by the weak U.S. \$ and reduced income in the second quarter by \$0.7 million compared to 2005 (\$1.1 million YTD)
 - The Division reorganized its operations by bringing a new management team in early 2006 to improve operational effectiveness and to be more responsive to its customers. This restructuring includes a complete review of all operations and assets and is expected to be completed during the balance of 2006. The restructuring resulted in costs totalling \$0.9 million (\$0.6 million after tax) for the second quarter, consisting primarily of severance expenses
 - For the first time in many years, the Division has open capacity to fill and will be focusing on new products and customers

Container

Six Months Ended June 30th
(Millions of Cdn \$)



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation & transactions</u>
Sales	<u>\$ 92.7</u>	<u>\$ 80.9</u>	14.6%	
Operating Income	<u>\$ 11.9</u>	<u>\$ 11.3</u>	5.3%	+17.5%
Return on Sales	<u>12.8%</u>	<u>14.0%</u>		
EBITDA	<u>\$ 17.1</u>	<u>\$ 15.9</u>	7.5%	
% of Sales	<u>18.4%</u>	<u>19.7%</u>		



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. inter- company, currency translation & divestiture</u>
1) Sales	\$ <u>17.7</u>	\$ <u>20.2</u>	(12.4%)	+14.0%
Operating Income	\$ <u>1.5</u>	\$ <u>1.1</u>	36.4%	+125.0%
Return on Sales	<u>8.5%</u>	<u>5.4%</u>		
EBITDA	\$ <u>3.2</u>	\$ <u>3.2</u>	0.0%	
% of Sales	<u>18.1%</u>	<u>15.8%</u>		

- 1) Positive impact in 2006 of sales to former Custom business (inter-company in 2005 until May and therefore excluded); excluding inter-company impact, divestiture and foreign currency translation, sales were up 14% for the quarter compared to 2005
- Tube sales were higher due to organic growth, price increases and improved mix by 14% (as described above). Also, positive impact of sales to former Custom Division in 2006. This was more than offset by foreign currency translation and the divestiture of CCL Dispensing. CCL Dispensing's sales and operating income in the second quarter of 2005 were \$4.3 million and \$0.3 million, respectively
 - Demand for plastic tubes showed good improvement in the quarter, particularly the Los Angeles plant, and new orders appear to be generally firm
 - Division is focused on developing new customers and products in the high-end market with highly decorated complex tubes
 - CCL Dispensing was sold in February 2006 for \$24 million in cash



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation & divestiture</u>
1) Sales	<u>\$ 36.8</u>	<u>\$ 41.2</u>	(10.7%)	
Operating Income	<u>\$ 2.5</u>	<u>\$ 2.0</u>	25.0%	+93.3%
Return on Sales	<u>6.8%</u>	<u>4.9%</u>		
EBITDA	<u>\$ 6.1</u>	<u>\$ 6.2</u>	(1.6%)	
% of Sales	<u>16.6%</u>	<u>15.0%</u>		



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 39.1</u>	<u>\$ 47.9</u>	(18.4%)	(9.2%)
Operating Income	<u>\$ 3.9</u>	<u>\$ 4.1</u>	(4.9%)	+12.5%
Return on Sales	<u>10.0%</u>	<u>8.6%</u>		
EBITDA	<u>\$ 5.8</u>	<u>\$ 6.1</u>	(4.9%)	
% of Sales	<u>14.8%</u>	<u>12.7%</u>		

- 1) ColepCCL sales in local currency were down for the quarter compared to last year's results (euro down 10%), due to reductions in contract manufacturing business partly offset by increases in metal packaging segment
- Operating income below last year due to currency translation and lower volume, compensated in part by improved product mix and the reduced cost impact of plant shutdown in Madrid, Spain in 2Q05
 - The Madrid, Spain plant was closed in June 2005 and production lines moved to the U.K., Poland & Portugal. The land & building have been sold and proceeds were received in July 2006



	<u>2006</u>	<u>2005</u>	<u>%</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 83.7</u>	<u>\$ 99.2</u>	(15.6%)	(4.4%)
Operating Income	<u>\$ 8.0</u>	<u>\$ 9.5</u>	(15.8%)	(5.2%)
Return on Sales	<u>9.6%</u>	<u>9.6%</u>		
EBITDA	<u>\$ 11.6</u>	<u>\$ 13.7</u>	(15.3%)	
% of Sales	<u>13.9%</u>	<u>13.8%</u>		

1) Excluding foreign currency translation, sales were down only 4% compared to 2005