Investor Update

Second Quarter 2007 Review

Thursday, August 2, 2007

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

		2007	2006	Change	Excluding currency translation & divestiture
1)	Sales	$ 357.2	$ 296.6	+20.4%	+19%
	Income before undernoted items	62.7	49.6	+26.4%	
	Depreciation and amortization	21.5	18.5		
	Operating income	41.2	31.1	+32.5%	
	Interest expense, net	6.5	5.3		
		34.7	25.8	+34.5%	
	Restructuring & other items - net loss	-	(1.0)		
	Earnings before income taxes	34.7	24.8	+39.9%	
2)	Income taxes	5.9	7.2		
	Net earnings	$ 28.8	$ 17.6	+63.6%	
2)	*Tax rate before restructuring & other items and favourable tax adjustments*	*27.3%*	*29.0%*		

Comparatives impacted by acquisition – Label ITW (Jan/07) and by disposal – Label Houten (Oct/06)

1) Sales, excluding currency translation and a divestiture, were up 19% due to organic growth & an acquisition
2) 2007 included favourable tax adjustments of $3.6 million tax settlement in a subsidiary and corporate tax rate reductions in Canada, the United Kingdom and Denmark

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

		2007	2006	Change	Excluding currency translation & divestitures
1)	Sales	$ 730.3	$ 609.8	+19.8%	+17%
	Income before undernoted items	130.5	104.7	+24.6%	
	Depreciation and amortization	42.3	36.6		
	Operating income	88.2	68.1	+29.5%	
	Interest expense, net	13.1	10.9		
		75.1	57.2	+31.3%	
2)	Restructuring & other items - net loss	(0.3)	(0.6)		
	Earnings before income taxes	74.8	56.6	+32.2%	
3)	Income taxes	16.0	17.9		
	Net earnings	$ 58.8	$ 38.7	+51.9%	
3)	*Tax rate before restructuring & other items and favourable tax adjustments*	*28.6%*	*29.0%*		

Comparatives impacted by acquisitions – Label ITW (Jan/07), Label Prodesmaq (Jan06); and by disposals – CCL Dispensing (Feb06), Label Houten (Oct/06)

1) Sales, excluding currency translation and divestitures, were up 17% due to organic growth & acquisitions
2) 2007 restructuring & other items relate to Container business restructuring costs of $1.0 million ($0.7 million after tax), offset by a gain on sale of non-operational land of $0.7 million ($0.9 million after tax)
3) 2007 included favourable tax adjustments of $5.0 million tax settlements in subsidiaries and reduced corporate tax rates

Earnings per Class B Share

Periods Ended June 30th

	Second Quarter			YTD		
	2007	2006	change	2006	2005	change
Net earnings	$0.89	$ 0.54	+65%	$1.82	$ 1.20	+52%
Diluted earnings	$0.86	$ 0.53	+62%	$1.76	$ 1.17	+50%
Net gain (loss) from restructuring & other items and favourable tax adjustments	$0.11	$(0.03)		$0.16	$(0.06)	

Impact of Changes in Exchange Rates

Currency Translation:

2006 – U.S. dollar averaged $1.13 vs. $1.21 in 2005 for the year (down 6%) and euro was $1.42 vs. 1.51 the previous year (also down 6%)

2007 – U.S. dollar averaged $1.10 vs. $1.12 in 2006 for the quarter (down 2%) and euro was $1.48 vs. 1.41 same quarter last year (up 5%)

	As Reported				
Impact of Currency on E.P.S.	2Q07 Act vs. 2Q06 Act	07YTD Act vs. 06YTD Act	2006 Act vs. 2005 Act	2005 Act vs. 2004 Act	2004 Act vs. 2003 Act
Currency translation	$ (0.01)	$ (0.06)	$ 0.15	$ 0.11	$ 0.05
Currency transactions	$ 0.02	$ 0.03	$ 0.07	$ 0.09	$ 0.27
Total Negative (Positive) Impact	**$ 0.01**	**$ (0.03)**	**$ 0.22**	**$ 0.20**	**$ 0.32**

Foreign Exchange Rates

Potential Impact	2006 Year Average	2Q07 Rate	% Change	Jul 31/07 Rate	% Change from 2006 Average
U.S. dollar	$ 1.13	$ 1.10	(3%)	$ 1.07	(5%)
Euro	$ 1.42	$ 1.48	+4%	$ 1.46	+3%

- **Dropped $0.01 EPS in 2Q07 vs. 2Q06**
- **If rates stay at current levels, exchange loss in last half will be only a few pennies**

Note:

U.S. operations accounted for 33% of sales so far in 2007 compared to 53% in 2004 prior to the sale of North American Custom Manufacturing in May 2005.

European sales accounted for 48% of sales so far in 2007 versus 24% in 2004.

Canadian sales accounted for 10% of sales so far in 2007 versus 21% in 2004.

Balance Sheet (selected items)
As At June 30th
(Millions of Cdn $, except Book Value per Share)

	2007	2006	Change
Net working capital (receivables, inventory, prepaids, payables and accruals)	$ 61.2	$ 46.0	+33.0%
Property, plant & equipment (net)	$ 655.8	$ 561.5	+16.8%
Intangible assets & goodwill	$ 462.2	$ 433.2	+6.7%
Total assets	$ 1,588.5	$ 1,459.1	+8.9%
Net debt (net of cash and cash equivalents)	$ 416.3	$ 334.2	+24.6%
Shareholders' equity	$ 668.2	$ 590.0	+13.3%
Book value per B Share	$ 20.79	$ 18.34	+13.4%
Total shares outstanding *(in millions)*	32.7	32.6	+0.3%

- As at Jun 30th: U.S. dollar slightly weaker than last year compared to Canadian dollar.
  Euro 5% stronger than a year ago compared to Canadian dollar.
- ITW sleeve acquisition added $16 million of net working capital and $106 million of net debt

Debt Summary
As At June 30th
(Millions of Cdn $)

	2007	2006	Increase (Decrease)
Bank advances	$ 7.5	$ 3.8	$ 3.7
Long-term debt - senior notes (2007 - US$336.2 MM, 2006 - US$345.5 MM)	358.2	385.6	(27.4)
Long-term debt - all other	137.5	56.5	81.0
Total debt	503.2	445.9	57.3
Cash and cash equivalents	(86.9)	(111.7)	24.8
Net debt	$ 416.3	$ 334.2	$ 82.1
Net debt to total capitalization	38.4%	36.2%	

- **Net debt includes CCL's share of ColepCCL JV's net debt (2007 - $26.2 million) and impacted by ITW acquisition ($106 million)**
- **Other long-term debt up by $81 million due primarily to new bank line to acquire ITW sleeve business**
- **Compared to Jun/06, net debt has increased by $6.0 million due to currency translation**
- **Net debt to total capitalization: Mar07 – 40.0%, Dec/06 – 32.7%, Sep/06 – 34.7%**
- **Next annual repayment on 1997 senior notes - US$9.4 million due Sep/07. Other than the annual US$9.4 million repayment, no other repayments of senior notes or new bank line until 2010**

Cash Flow Highlights
Six Months Ended June 30th
(Millions of Cdn $)

		2007		2006
Inflows:				
Net earnings *(incl. restructuring & other items)*	$	58.8	$	38.7
Depreciation and amortization		42.3		36.6
Stock-based compensation		2.1		1.1
Restructuring & other items, net of tax		(0.2)		2.9
Other *(incl. proceeds on disposal of property, plant & equipment)*		3.5		5.4
Gross Cash Inflow		106.5		84.7
Outflows:				
1) Net increase in non-cash operating working capital		41.3		30.5
Additions to property, plant & equipment		70.2		67.6
Future income taxes		1.4		(0.3)
Dividends		7.7		6.7
Gross Cash Outflow		120.6		104.5
Net Cash Outflow - Normalized		(14.1)		(19.8)
Business acquisitions including net debt assumed		(105.6)		(62.2)
Proceeds on business disposals		-		24.4
Purchase of shares held in trust		(4.4)		-
Issuance of shares		1.6		0.9
Net Cash Outflow		(122.5)		(56.7)
Non-cash item:				
Translation of foreign denominated debt, mainly U.S. dollars		23.3		4.9
Increase in Net Debt	$	(99.2)	$	(51.8)

1) **Working Capital Days: 16 days in 2007 & 14 days in 2006**

Capital Spending Highlights
Six Months Ended June 30th, 2007
(Millions of Cdn $)

Divisions	Capital Spending	Depreciation *	Difference
Label	$ 59.1	$ 26.0	$ 33.1
Container	2.5	5.7	(3.2)
Tube	1.3	3.6	(2.3)
ColepCCL	7.3	3.2	4.1
Corporate	-	0.2	(0.2)
	$ 70.2	$ 38.7	$ 31.5

* *excludes amortization of intangibles and other assets*

Major Investment Projects

Label Division	$ 4.2	Mexico (plant relocation)
	4.1	Memphis, Tennessee (plant relocation)
	1.8	Vinhedo, Brazil (new Tube plant)
	21.5	Other major capacity expansions / equipment
	$ 31.6	**TOTAL MAJOR SPENDING**

Income From Operations for Continuing Operations
Second Quarter Ended June 30th
(Millions of Cdn $)

	2007	2006	Change
Label	$ 31.6	$ 23.2	+36.2%
Container	6.0	5.7	+5.3%
Tube	0.2	1.5	(86.7%)
ColepCCL	4.4	3.9	+12.8%
	42.2	34.3	+23.0%
Corporate expense	(1.0)	(3.2)	(68.8%)
Operating income	41.2	31.1	+32.5%
Interest expense (net)	6.5	5.3	22.6%
Earnings before restructuring & other items and income taxes	34.7	25.8	+34.5%
Restructuring & other items - net loss	-	(1.0)	
Earnings before income taxes	$ 34.7	$ 24.8	+39.9%

Income From Operations for Continuing Operations
Six Months Ended June 30th
(Millions of Cdn $)

	2007	2006	Change
Label	$ 69.4	$ 52.4	+32.4%
Container	12.0	11.9	+0.8%
Tube	1.6	2.5	(36.0%)
ColepCCL	9.7	8.0	+21.3%
	92.7	74.8	+23.9%
Corporate expense	(4.5)	(6.7)	(32.8%)
Operating income	88.2	68.1	+29.5%
Interest expense (net)	13.1	10.9	20.2%
Earnings before restructuring & other items and income taxes	75.1	57.2	+31.3%
Restructuring & other items - net loss	(0.3)	(0.6)	
Earnings before income taxes	$ 74.8	$ 56.6	+32.2%

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

		2007	2006	Change	Excl. currency translation
1)	Sales	$ 53.7	$ 39.1	37.3%	+30.9%
	Operating income	$ 4.4	$ 3.9	12.8%	
	Return on sales	8.2%	10.0%		
	EBITDA	$ 6.3	$ 5.8	8.6%	
	% of Sales	11.7%	14.8%		

1) ColepCCL sales were up for the quarter compared to last year's results due to a continuation of strong markets in Europe and Eastern Europe for Colep CCL's products and the positive effect of currency translation (euro up 5%)

- New order levels continue to be firm and sales are expected to grow in the second half of the year
- Operating income above last year due to higher sales and currency translation partially offset by lower margins due to product mix and additional expenses incurred to service the substantially higher sales level

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

	2007	2006	Change	Excl. currency translation
Sales	$ 110.6	$ 83.7	32.1%	+22.8%
Operating income	$ 9.7	$ 8.0	21.3%	
Return on sales	8.8%	9.6%		
EBITDA	$ 13.6	$ 11.6	17.2%	
% of Sales	12.3%	13.9%		

Label
Second Quarter Ended June 30th
(Millions of Cdn $)

		2007	2006	Change	Excl. currency translation & divestiture
1)	Sales	$ 238.4	$ 191.5	+24.5%	+22.8%
	Operating income	$ 31.6	$ 23.2	+36.2%	
	Return on sales	13.3%	12.1%		
	EBITDA	$ 46.7	$ 35.4	+31.9%	
	% of Sales	19.6%	18.5%		

1) Sales growth of 25% in the second quarter mainly due to the ITW acquisition and organic growth totalling 23%, further improved by currency translation of 2%

- Sales in Personal Care North America was down as customers experienced a softer market and a reduction in new product launches compared to a very strong 2Q06 partially offset by shrink sleeves and in-mould labels for home care products
- Sales for the Specialty business in North America were slightly below last year with good growth in agricultural chemical labels, more than offset by a relatively soft promotional label market compared to 2006 influenced by the World Cup
- Healthcare sales in North America were up slightly due chiefly to the strength in expanded content labels
- Considerable growth in the Beverage business in Europe and good growth in Personal Care driven by Central and Eastern Europe demand
- Sales in the European Healthcare & Specialty businesses were strong as new business is continuingly secured through global customer relationships, the businesses remain very profitable
- Battery business is now organized on a global basis and experienced modest growth in Europe and U.S., but less revenue in China than expected due to customer delay in transferring volume from Europe
- Thailand was substantially ahead of last year
- The Guangzhou China operation was very busy in Personal Care
- Latin America continued to show strong sales growth in Brazil and Mexico with improvements in operating income due to volume growth and operating efficiencies and the recently acquired ITW sleeve business
- Operating income negatively impacted by plant moving costs of $0.6 million in Memphis, Mexico and Paris
- Overall, ITW business continued to perform above its recent history and management’s expectations
- Return on sales for the quarter continued to exceed our internal targets and last year’s level

Label

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

	2007	2006	Change	Excl. currency translation & divestiture
Sales	$ 483.5	$ 396.6	+21.9%	+18.4%
Operating income	$ 69.4	$ 52.4	+32.4%	
Return on sales	14.4%	13.2%		
EBITDA	$ 98.3	$ 76.3	+28.8%	
% of Sales	20.3%	19.2%		

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

		2007	2006	Change	Excl. currency translation
1)	Sales	$ 49.3	$ 48.3	2.1%	+2.8%
	Operating income	$ 6.0	$ 5.7	5.3%	
	Return on sales	12.2%	11.8%		
	EBITDA	$ 8.9	$ 8.3	7.2%	
	% of Sales	18.1%	17.2%		

1) **Sales were up 3% for the quarter compared to 2006, mainly due to price increases**

- **The Division experienced a modest sales increase as management has been able to pass on higher aluminum costs to its key customers and has benefited from the strong demand for aluminum aerosol containers with bag-in-can technology**
- **Despite significant price increases in the last year, the aluminum container continues to flourish**
- **Personal Care volume in the aerosol format had been satisfactory into the second quarter but recent order levels have slowed due in part to the weaker U.S. economy, volume losses due to predatory competitive pricing and customer uncertainty concerning consumer demand in this market**
- **Although beverage volume has been light, there are many interesting sizable opportunities that may come into production in the second half of 2007**
- **Mexican aerosol container sales volumes were substantially higher in the second quarter compared to last year; the growth by our global customers located in Mexico provides further justification for the seventh new aluminum container line to be installed in the new plant in Guanajuato, Mexico for start-up in mid 2008**
- **Penetanguishene, Ontario operation’s profit margins were affected by the foreign exchange rate impact on the U.S. currency transactions and negatively impacted income in the second quarter by $0.9 million compared to 2006; the Division is not planning to hedge the U.S. dollar in the future due to materiality and the reduction in the risk of further weakening of the U.S. dollar**

Container

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

	2007	2006	Change	Excl. currency translation
Sales	$ 102.2	$ 92.7	10.2%	+10.5%
Operating income	$ 12.0	$ 11.9	0.8%	
Return on sales	11.7%	12.8%		
EBITDA	$ 17.7	$ 17.1	3.5%	
% of Sales	17.3%	18.4%		

Tube

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

		2007	2006	Change	Excl. currency translation
1)	Sales	$ 15.8	$ 17.7	(10.7%)	(8.8%)
	Operating income	$ 0.2	$ 1.5	(86.7%)	
	Return on sales	1.3%	8.5%		
	EBITDA	$ 1.9	$ 3.2	(40.6%)	
	% of Sales	12.0%	18.1%		

1) Sales were down 9% for the quarter compared to 2006 excluding foreign currency translation and divestiture

- Tube sales were lower due to the slowing economy in the U.S. and the impact it has had on consumer spending and the related marketing plans of our personal care customers; the trend is expected to continue into the third quarter with some improvement by the fourth quarter
- Operating income decreased in the second quarter due to the downturn in sales and new orders with current level of fixed overhead to support the business negatively impacting margins
- Equipment has been ordered for the new operations in Mexico and Brazil which are targeted to start up in early 2008

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

	2007	2006	Change	Excl. currency translation & divestiture
Sales	$ 34.0	$ 36.8	(7.6%)	(3.3%)
Operating income	$ 1.6	$ 2.5	(36.0%)	
Return on sales	4.7%	6.8%		
EBITDA	$ 5.2	$ 6.1	(14.8%)	
% of Sales	15.3%	16.6%		

Seasonality

- Q1 2005 was 27% of total year EPS and Q1 2006 was 29%. The trend continues to be upward and is likely to be over 30% in 2007
- Q2 2006 EPS was 24% of total year EPS and likely to be 25%+ in 2007

- Q1: Full work days in North America and Europe and also biggest quarter in the year for profitable Specialty label business
- Q2: Easter and May-June statutory vacations reduce work days by 6%-8%, depending on location in Europe vs Q1. Europe is expected to be nearly 50% of CCL sales in 2007 vs 29% in 2002
- Q3: July-August vacation season in Europe, reduces customer demand and capacity by at least 8-10% vs Q1. In addition low season in the Specialty business and slowest quarter in the US. Partially offset by strong sales in Brazil and Asia
- Q4: Work days impacted by Xmas shut downs in Europe/North America and Thanksgiving in the US. Specialty business strong season returns mid quarter. Demand volatility driven by strength of Xmas sell in for consumer products customers