



Investor Update

First Quarter 2008 Review

Thursday, May 8, 2008

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

First Quarter Ended March 31st

(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excluding currency translation</u>
<u>Continuing Operations (excludes ColepCCL)</u>				
1) Sales	<u>\$ 295.1</u>	<u>\$ 316.2</u>	(6.7%)	+1%
Income before undernoted items	59.4	60.5	(1.8%)	
Depreciation and amortization	<u>19.1</u>	<u>18.8</u>		
Operating income	40.3	41.7	(3.4%)	
Interest expense, net	<u>4.2</u>	<u>6.4</u>		
	36.1	35.3	+2.3%	
2) Restructuring & other items - net gain (loss)	<u>2.3</u>	<u>(0.3)</u>		
Earnings before income taxes	38.4	35.0	+9.7%	
3) Income taxes	<u>10.9</u>	<u>8.7</u>		
Net earnings from Continuing Operations	<u>\$ 27.5</u>	<u>\$ 26.3</u>	+4.6%	
<i>Tax rate before restructuring & other items and favourable tax adjustments</i>	<u>28%</u>	<u>29%</u>		

Comparatives impacted by acquisitions – Label ITW (January 2007) and CD-Design (February 2008)

- 1) Sales, excluding currency translation, were up 1% due to acquisitions compared to a robust first quarter in 2007.
- 2) Restructuring and other items – change due to an exchange gain on ColepCCL receivable in 2008.
- 3) Taxes were positively affected by a favourable \$1.4 million tax adjustment in 2007. Otherwise, tax rate would have been 29% in 2007.

Earnings per Class B Share

Periods Ended March 31st



	First Quarter		
	<u>2008</u>	<u>2007</u>	<u>change</u>
Net earnings	<u>\$0.85</u>	<u>\$ 0.93</u>	(9%)
Diluted earnings	<u>\$0.82</u>	<u>\$ 0.90</u>	(9%)
Net earnings - continuing operations	\$0.85	\$ 0.82	+4%
Net earnings - discontinued operations	<u>\$ -</u>	<u>\$ 0.11</u>	
Net earnings - total operations	<u>\$0.85</u>	<u>\$ 0.93</u>	(9%)
Net gain (loss) from restructuring & other items and favourable tax adjustments included in above	<u>\$0.05</u>	<u>\$ 0.05</u>	

Note: Currency translation and transaction impact on 2008 results was \$0.11 versus 2007.



Currency Translation:

2008 – U.S. dollar averaged \$1.00 vs. \$1.17 in 2007 for the quarter (down 14%) and euro was \$1.50 vs. \$1.54 same quarter last year (down 2%) and U.K. pound was down 13%

Currency Transactions:

2008 - Canadian Container operation sells vast majority of product in US\$ (14% impact versus 1Q07)

<u>Impact of Currency on E.P.S.</u>	<u>As Reported</u>				
	1Q08 Act	2007 Act	2006 Act	2005 Act	2004 Act
	vs.	vs.	vs.	vs.	vs.
	1Q07 Act	2006 Act	2005 Act	2004 Act	2003 Act
Currency translation	\$ 0.08	\$0.00	\$ 0.15	\$ 0.11	\$ 0.05
Currency transactions	\$ 0.03	\$0.09	\$ 0.07	\$ 0.09	\$ 0.27
Total Negative Impact	\$ 0.11	\$ 0.09	\$ 0.22	\$ 0.20	\$ 0.32



Foreign Exchange Rates - Future Impact Relative to the C\$

	% of <u>1Q08 Sales</u>	<u>Current</u>	<u>AVERAGE RATE</u>		
			<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>
U.S. \$ - potential effect	38%	\$ 1.01	\$ 1.10 (8%)	\$1.05 (4%)	\$0.98 +3%
Euro - potential effect	31%	\$ 1.56	\$ 1.48 +5%	\$1.44 +8%	\$1.42 +10%
UK Pound -potential effect	9%	\$ 1.98	\$ 2.18 (9%)	\$2.11 (6%)	\$2.01 (1%)

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- If exchange rates stay the same, expect smaller overall negative impact than in 1Q08
 - Impact lessens by 3Q and would be positive in 4Q relative to 2007

Balance Sheet (selected items)

As At March 31st

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



	<u>2008</u>	<u>2007</u>	<u>Change</u>
1) Net working capital (receivables, inventory, prepaids, payables and accruals)	\$ 43.5	\$ 67.8	(35.8%)
Property, plant & equipment (net)	\$ 699.7	\$ 675.9	+3.5%
Intangible assets & goodwill	\$ 412.4	\$ 477.5	(13.6%)
Total assets	\$ 1,605.8	\$ 1,646.0	(2.4%)
2) Net debt (net of cash and cash equivalents)	\$ 310.3	\$ 448.6	(30.8%)
Shareholders' equity	\$ 758.0	\$ 672.6	+12.7%
Book value per B share	\$ 23.67	\$ 20.86	+13.5%
Total shares outstanding (<i>in millions</i>)	32.0	32.2	(0.6%)

1) Sale of ColepCCL eliminated its working capital from the total working capital relative to 2007

Debt Summary

As At March 31st

(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Increase</u> <u>(Decrease)</u>
Bank advances	\$ -	\$ 6.1	\$ (6.1)
Long-term debt - senior notes (2008 - US\$ 326.8 MM, 2007 - US\$ 336.2 MM)	335.5	388.2	(52.7)
Long-term debt - all other	131.0	140.9	(9.9)
Total debt	466.5	535.2	(68.7)
Cash and cash equivalents	(156.2)	(86.6)	(69.6)
Net debt	\$ 310.3	\$ 448.6	\$ (138.3)
Net debt to total book capitalization	29.0%	40.0%	

- Net debt includes ColepCCL proceeds (100 million euro) compared to last year
- Other than the repayment on the 1997 senior notes (US \$9.4M annually in September), no other repayments of senior notes or the bank revolver is required before 2010.

Cash Flow Highlights

Three Months Ended March 31st

(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>
<u>Inflows:</u>		
Net earnings	\$ 27.5	\$ 30.0
Depreciation and amortization - continuing operations	19.1	18.8
Earnings from discontinued operations net of tax	-	(3.7)
<u>Outflows:</u>		
Net change in non-cash working capital (inflow) ^{Note (1)}	(45.5)	45.8
Additions to property, plant & equipment	52.2	31.2
Dividends	4.6	3.8
Repurchase of shares	11.8	-
Purchase of shares held in trust	4.4	4.4
<u>Other:</u>		
Business acquisitions excluding net debt assumed (\$1.4)	(8.3)	(105.8)
Net proceeds from bank advances and long term debt	42.1	103.7
All other inflow (outflow) including F/X on cash	6.7	3.8
Increase(decrease) in cash and cash equivalents	<u>\$ 59.6</u>	<u>\$ (38.4)</u>

(1) Cash inflow in 2008 due to collection of ColepCCL receivable (50 million euro) in Feb 2008

Capital Spending Highlights

Three Months Ended March 31st, 2008

(Millions of Cdn \$)



<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation</u>	<u>Difference</u>
Label	\$ 46.3	\$ 13.5	\$ 32.8
Container	4.5	2.4	2.1
Tube	1.3	1.7	(0.4)
Corporate	0.1	0.1	-
	<u>\$ 52.2</u>	<u>\$ 17.7</u>	<u>\$ 34.5</u>

* excludes amortization of intangibles and other assets

Major Investment Projects (over \$1 million)

Label Division	\$	3.9	Sao Paolo - print machinery
		4.1	Paris Move - construction in progress
		4.6	Hohenems, Austria press/building
Container Division		3.1	Guanajuato, Mexico Building
Tube Division		nil	
		14.4	Other major capacity expansions / equipment (all divisions)
	<u>\$</u>	<u>30.1</u>	TOTAL MAJOR SPENDING

Income From Operations
 First Quarter Ended March 31st
 (Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>
Label	\$ 37.2	\$ 39.0	(4.6%)
Container	5.4	6.0	(10.0%)
Tube	<u>0.1</u>	<u>1.4</u>	
	42.7	46.4	(8.0%)
Corporate expense	<u>(2.4)</u>	<u>(4.7)</u>	(48.9%)
Operating income	40.3	41.7	(3.4%)
Interest expense (net)	<u>4.2</u>	<u>6.4</u>	(34.4%)
Earnings before restructuring & other items and income taxes	36.1	35.3	+2.3%
Restructuring & other items - net gain (loss)	<u>2.3</u>	<u>(0.3)</u>	
Earnings before income taxes	<u><u>\$ 38.4</u></u>	<u><u>\$ 35.0</u></u>	+9.7%



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 237.9</u>	<u>\$ 245.1</u>	(2.9%)	+4.8%
Operating income	<u>\$ 37.2</u>	<u>\$ 39.0</u>	(4.6%)	
Return on sales	<u>15.6%</u>	<u>15.9%</u>		
EBITDA	<u>\$ 52.2</u>	<u>\$ 52.7</u>	(0.9%)	
% of Sales	<u>21.9%</u>	<u>21.5%</u>		

- 1) Sales decline in first quarter due to currency translation. Growth was organic including CD-Design and ITW acquisition.
- Moving costs for the quarter were \$0.5 million.

North America (Canada, U.S. & Puerto Rico) – 38% of total Label sales

- Overall sales flat excluding currency translation compared to record 1Q07
- Healthcare strong (now largest Label category in North America) up nearly double digits and above average margins
- Specialty sales down slightly compared to strong prior year quarter – margins above average
- Home and personal care soft, particularly in high-end products – margins slightly below average
- Battery business seasonally slow – impacted by production moving to Asia
- Shrink sleeve business beginning to build after ITW acquisition
- Order intake slower than planned but slightly ahead of prior year
- Cost reduction actions taken by plants affected by economy
- Income flat before currency but margins overall above targeted range
- Cost inflation challenging due to weak US \$ - using procurement leverage, substitution options and finessed price increases
- Outlook dependent on US economy; healthcare growth continues in Q2



Europe (including CD-Design acquisition) – 50% of total Label sales

- Sales impacted by Easter in 1Q08 versus April in 2007
- Strong quarter in healthcare and specialty (continuing in 2Q) – sales up double digits ex currency impact and margins above average
- Home and personal care flat. Margins improving in Germany and France. Still below average. Orders slowing
- Battery business below prior year due to Asian impact. Margins above average
- Beverage business seasonally slow and below prior year despite strong sales to Eastern Europe from Germany. Margins below average. Orders improving
- Sleeve business sales growth due to ITW acquisition timing. Margins above average. Orders picking up
- CD-Design performed to expectations (two months)
- Orders overall up on prior year, mid single digits and only slightly below planned levels
- Overall picture is GDP growth and margins within target range
- Cost inflation controlled due to strong euro; issue largely with the U.K. (weak pound)
- Outlook mixed – retail sales drop in Euro zone but mild compared to U.S. except in the U.K. Offset by strong exports to developing markets (e.g. Russia and Middle East)



Emerging Markets (including Latin America, Eastern Europe & Asia) – 12% of Total Label Sales

- Sales in Latin America affected by Easter timing
- Brazil - sales down slightly, mainly sleeves. Excellent margin performance
- Mexico - sales slightly down; moving to new facility (complete in Q2), margins above average but below 2007
- Poland significant improvement on new sales volume and operational progress
- Thailand sales flat (prior year exceptional); margins above average. New plants underway in Bangkok and Vietnam
- China - strong sales growth (more than doubled) passing Thailand; margins reaching low end of target. Plans to expand plant in Hefei and build a new plant in the north in Tianjin
- Russia - nominal income impact in our first quarter of the investment (50% ownership)
- New development region opportunities for India, South Africa and Middle East
- Australia wine business (Clear Image) acquired effective April 1st
- Overall picture - strong growth; margins Latin America (+), Eastern Europe (-), Asia (in the range) relative to target
- Outlook - very positive, strong order intake and minimal impact of US economy so far

Container

First Quarter Ended March 31st
(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>
1) Sales	<u>\$ 41.5</u>	<u>\$ 52.9</u>	(21.6%)
Operating income	<u>\$ 5.4</u>	<u>\$ 6.0</u>	(10.0%)
Return on sales	<u>13.0%</u>	<u>11.3%</u>	
EBITDA	<u>\$ 7.8</u>	<u>\$ 8.9</u>	(12.4%)
% of Sales	<u>18.8%</u>	<u>16.8%</u>	

- Unit can volume in US / Canada down 12% due to loss of one large piece of low margin business at Canadian plant. Excluding this loss, volume and revenue flat.
- Margin expansion in US / Canada offset volume loss with overall return on sales at 13% in total; up 1.7% from last year.
- Well executed pricing changes to deal with upward aluminum costs and better commercial management of key accounts resulted in improved mix.
- The weak US\$, down 14% from last year, impacted income negatively by \$1.5 million on Penetang's transactions with U.S. customers.
- ABS bag business sold for \$9 million closing in Q2 with a gain. Sales in Q1 were seasonally high due to sun care. 2007 annual profit at breakeven with nominal EBITDA for the business.
- Mexico – volume up 6% but sourcing necessary from US plants; unfavourable mix resulted in flat revenues but with margin expansion.
- New plant in Guanajuato coming on line at year end 2008; many opportunities.
- Overall – better pricing management despite tough environment (aluminum at nearly \$3,000, C\$ at par with US\$ and weak US economy).
- Outlook – new beverage orders replacing softer US personal care market with the exception of sun care and the anniversary of lost Canadian volume ending in June.



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 15.7</u>	<u>\$ 18.2</u>	(13.7%)	+0.9%
Operating income	<u>\$ 0.1</u>	<u>\$ 1.4</u>		
Return on sales	<u>0.6%</u>	<u>7.7%</u>		
EBITDA	<u>\$ 1.8</u>	<u>\$ 3.2</u>	(43.8%)	
% of Sales	<u>11.5%</u>	<u>17.6%</u>		

- Sales in local currency up nominally 0.9% compared to a strong prior year that tailed off after 1Q
- Business returned to profit after losses in second half of 2007
- Much improved performance at Wilkes Barre offset by difficult start in Los Angeles; however, a strong improvement in March
- Order intake reasonable in tough U.S. personal care market; expect continued slow progress given the environment although comparatives should improve Q2 onwards
- L.A. plant to be moved to a new and significantly smaller plant in 4Q 2008