



building on **our strengths**

***Investor Update***

***Third Quarter 2008 Review***

***Thursday, November 6, 2008***

# Disclaimer

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Any forward-looking statements contained in this presentation, including statements relating to the outlook of CCL Industries Inc.'s various divisions and products and CCL's growth and expansion plans, involve risks, uncertainties and assumptions and should not be taken as guarantees of future performance. A number of factors could cause actual results, performance or achievements to vary materially from those anticipated in forward-looking statements, including: general economic and business conditions and specific conditions affecting the sector in which CCL operates, including pricing pressures; CCL's ability to attract and retain its customer base; technological change; competition; changes in, or failure to comply with, existing government regulations or failure to obtain required permits or licenses; changes in business strategy or development plans; risks associated with operating and product hazards; the ability to attract and retain qualified personnel; and other factors. The forgoing list of factors is not exhaustive of the factors that may affect the actual outcome of events that are the subject of forward-looking statements.

Unless noted otherwise, all amounts are expressed in Canadian dollars.

# Statement of Earnings

Third Quarter Ended September 30th

(Millions of Cdn \$)



<u>Continuing Operations (excludes ColepCCL)</u>		<u>2008</u>	<u>2007</u>	<u>Change</u>
1)	<b>Sales</b>	<u>\$ 289.8</u>	<u>\$ 274.9</u>	+5.4%
	Income before undernoted items	52.8	47.3	+11.6%
	Depreciation and amortization	<u>21.5</u>	<u>19.1</u>	
		31.3	28.2	+11.0%
	Interest expense, net	<u>6.1</u>	<u>5.8</u>	
		25.2	22.4	+12.5%
2)	Restructuring & other items - net gain	<u>1.7</u>	<u>1.2</u>	
	Earnings before income taxes	26.9	23.6	+14.0%
3)	Income taxes	<u>4.8</u>	<u>2.8</u>	
	Net earnings from Continuing Operations	<u>\$ 22.1</u>	<u>\$ 20.8</u>	+6.3%
	<i>Tax rate before restructuring &amp; other items and favourable tax adjustments</i>	<u>19.0%</u>	<u>23.7%</u>	

<u>Excluding currency translation</u>
+3%

Comparatives impacted by acquisitions – CD-Design (February 2008), Clear Image (April 2008)

- 1) Sales, excluding currency translation, up 3% due to acquisitions and organic growth versus a strong 3Q07.
- 2) Restructuring and other items – 3Q08 gain on repatriation of capital from Europe re: ColepCCL disposition with no tax effect. In 3Q07, the gain was due to a net recovery of restructuring and other items in the Container Division.
- 3) Taxes were positively affected in 2008 by a favourable mix of income earned in lower taxed jurisdictions versus higher taxed countries. In 2007, a lower tax rate in Germany and a recovery of a tax loss in Mexico reduced tax expense by \$2.9 million.

# Statement of Earnings

## Nine Months Ended September 30th

(Millions of Cdn \$)



Excluding currency translation

+3%

	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b><u>Continuing Operations (excludes ColepCCL)</u></b>			
1) Sales	<u>\$ 897.7</u>	<u>\$ 894.6</u>	+0.3%
Income before undernoted items	171.5	164.2	+4.4%
Depreciation and amortization	<u>61.3</u>	<u>57.5</u>	
	110.2	106.7	+3.3%
Interest expense, net	<u>16.2</u>	<u>18.4</u>	
	94.0	88.3	+6.5%
Restructuring & other items - net gain	<u>3.5</u>	<u>0.9</u>	
Earnings before income taxes	97.5	89.2	+9.3%
2) Income taxes	<u>23.8</u>	<u>16.2</u>	
Net earnings from Continuing Operations	<u>\$ 73.7</u>	<u>\$ 73.0</u>	+1.0%
<i>Tax rate before restructuring &amp; other items and favourable tax adjustments</i>	<u>25.3%</u>	<u>27.4%</u>	

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

- 1) Sales, excluding currency translation, were up 3% due to acquisitions and organic growth compared to a robust first three quarters in 2007.
- 2) Income taxes positively affected in 2007 by \$7.9 million.

# Earnings per Class B Share

Periods Ended September 30th



	Three-month			Nine-Month		
	<u>2008</u>	<u>2007</u>	<u>change</u>	<u>2008</u>	<u>2007</u>	<u>change</u>
Net earnings	<u>\$0.70</u>	<u>\$ 0.74</u>	(5%)	<u>\$2.30</u>	<u>\$ 2.56</u>	(10%)
Diluted earnings	<u>\$0.68</u>	<u>\$ 0.71</u>	(4%)	<u>\$2.23</u>	<u>\$ 2.47</u>	(10%)
Net earnings - continuing operations	\$0.70	\$ 0.64	+9%	\$2.30	\$ 2.26	+2%
Net earnings - discontinued operations	-	0.10		-	0.30	
Net earnings - total operations	<u>\$0.70</u>	<u>\$ 0.74</u>	(5%)	<u>\$2.30</u>	<u>\$ 2.56</u>	(10%)
Net gain from restructuring & other items and favourable tax adjustments	<u>\$0.05</u>	<u>\$ 0.12</u>		<u>\$0.11</u>	<u>\$ 0.28</u>	

# Impact of Changes in Exchange Rates



## Currency Translation:

3Q 2008 – U.S. dollar averaged \$1.04 vs. \$1.05 in 2007 for the quarter (down 1%) and euro was \$1.56 vs. \$1.44 same quarter last year (up 9%) and U.K. pound was down 7%.

## Currency Transactions:

3Q 2008 - Canadian Container operation sells vast majority of product in US\$ (1% impact versus 3Q07) so not material this quarter.

	<u>As Reported</u>					
	3Q08 Act vs. 3Q07 Act	YTD 2008 vs. YTD 2007	2007 Act vs. 2006 Act	2006 Act vs. 2005 Act	2005 Act vs. 2004 Act	2004 Act vs. 2003 Act
Impact of Currency on E.P.S.						
Currency translation	\$ (0.04)	\$ 0.06	\$ -	\$ 0.15	\$ 0.11	\$ 0.05
Currency transactions	-	\$ 0.05	\$ 0.09	\$ 0.07	\$ 0.09	\$ 0.27
<b>Total Negative (Positive) Impact</b>	<b>\$ (0.04)</b>	<b>\$ 0.11</b>	<b>\$ 0.09</b>	<b>\$ 0.22</b>	<b>\$ 0.20</b>	<b>\$ 0.32</b>

- Based on current exchange rates, foreign exchange would have a positive impact on EPS for the balance of year 2008. Every 1 cent change in the U.S. dollar (e.g. from \$1.19 to \$1.20 Canadian), affects EPS by approximately 1.5 cents annually. Every one cent change in the euro (e.g. from \$1.60 to \$1.61 Canadian), affects EPS by approximately half a cent annually.

# Balance Sheet (selected items)

As At September 30th

(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, accruals and taxes payable)	\$ 45.5	\$ 60.3	(24.5%)
Property, plant & equipment (net)	\$ 757.5	\$ 651.9	+16.2%
Intangible assets & goodwill	\$ 434.4	\$ 451.4	(3.8%)
Total assets	\$ 1,731.5	\$ 1,558.7	+11.1%
2) Net debt (net of cash and cash equivalents)	\$ 382.1	\$ 404.9	(5.6%)
Shareholders' equity	\$ 771.4	\$ 669.0	+15.3%
Book value per B share	\$ 24.13	\$ 20.67	+16.7%
Total shares outstanding ( <i>in millions</i> )	32.0	32.4	(1.2%)

1) November 2007 sale of ColepCCL – elimination of its working capital from the total working capital relative to 2007.

2) Down primarily due to sale of ColepCCL net of acquisitions and the share buy-back.

# Debt Summary

## As At September 30th

(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Increase</u> <u>(Decrease)</u>
Bank advances	\$ -	\$ 10.9	\$ (10.9)
Long-term debt - senior notes (2008 - US\$ 447.5 MM, 2007 - US\$ 326.8 MM)	476.2	325.1	151.1
Long-term debt - all other	112.0	144.7	(32.7)
Total debt	588.2	480.7	107.5
Cash and cash equivalents	(206.1)	(75.8)	(130.3)
Net debt	<u>\$ 382.1</u>	<u>\$ 404.9</u>	<u>\$ (22.8)</u>
Net debt to total capitalization	<u>33.1%</u>	<u>37.7%</u>	

- 2008 Net Debt was reduced by ColepCCL proceeds (100 million euro total received in November 2007 and February 2008).
- 2008 Long-Term Debt – Senior Notes and Cash and Cash Equivalents include the US\$130 million private placement completed in September 2008 consisting of US\$52 million of five-year term debt at 5.86% and US\$78 million ten-year term debt at 6.62%.
- Long-Term Debt – All Other includes Cdn\$80 million borrowed under the BMO credit facility, which was repaid in October 2008 from the cash received from the September 2008 private placement.
- Other than the repayment on the 1997 senior notes (US\$9.4 million annually in September), no other repayments of senior notes or the bank revolver is required before 2010.

# Cash Flow Highlights

## Nine Months Ended September 30th

(Millions of Cdn \$)  
Inflows (Outflows)



	<u>2008</u>	<u>2007</u>
Net earnings	\$ 73.7	82.6
Depreciation and amortization	61.3	57.5
Earnings from discontinued operations	-	(9.6)
Net change in non-cash working capital <sup>(1)</sup>	44.8	(31.0)
Additions to property, plant & equipment	(157.7)	(113.4)
Future income taxes	6.4	(2.9)
Dividends	<u>(13.5)</u>	<u>(11.6)</u>
	15.0	(28.4)
Repurchase of shares <sup>(2)</sup>	(18.1)	-
Business acquisitions	(35.2)	(105.6)
Proceeds on product line disposition	9.4	-
Net proceeds from bank advances and long term debt	182.2	105.6
Retirement of long-term debt	(28.4)	(17.1)
All other (net)	(15.4)	(3.7)
Increase (decrease) in cash and cash equivalents	<u>\$ 109.5</u>	<u>\$ (49.2)</u>

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

(2) Repurchased 618,000 Class B shares in 2008 at \$29.28 average price per share in first nine months of 2008.

# Capital Spending Highlights

## Nine Months Ended September 30th, 2008

(Millions of Cdn \$)



<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation</u>	<u>Difference</u>
Label	\$ 117.4	\$ 43.4	\$ 74.0
Container	30.1	7.6	\$ 22.5
Tube	9.7	5.2	\$ 4.5
Corporate	0.5	0.4	\$ 0.1
	<u>\$ 157.7</u>	<u>\$ 56.6</u>	<u>\$ 101.1</u>

\* excludes amortization of intangibles and other assets

### Major Investment Projects (over \$1 million)

<b>Label Division</b>	\$ 4.5	Criciuma, Brazil equipment
	4.5	Sao Paulo, Brazil equipment
	4.6	Montreal Land and building
	8.7	Paris Move
	9.6	Hohenems, Austria equipment/building
<b>Container Division</b>	12.1	Solingen, Germany land and building
	9.4	Guanajuato, Mexico land and building
	12.6	Guanajuato, High Speed Line
<b>All Divisions</b>	39.1	Other major capacity expansions / equipment (all divisions)
	<u>\$ 105.1</u>	<b>TOTAL MAJOR SPENDING</b>

# Income From Operations

## Third Quarter Ended September 30th

(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Label</b>	\$ 30.1	\$ 29.7	+1.3%
<b>Container</b>	2.8	2.9	(3.4%)
<b>Tube</b>	<u>0.2</u>	<u>(0.4)</u>	
<b>Operating income</b>	33.1	32.2	+2.8%
<b>Corporate expense</b>	<u>(1.8)</u>	<u>(4.0)</u>	(55.0%)
	31.3	28.2	+11.0%
<b>Interest expense (net)</b>	<u>6.1</u>	<u>5.8</u>	+5.2%
<b>Earnings before restructuring &amp; other items and income taxes</b>	25.2	22.4	+12.5%
<b>Restructuring &amp; other items - net gain</b>	<u>1.7</u>	<u>1.2</u>	
<b>Earnings before income taxes</b>	<u>\$ 26.9</u>	<u>\$ 23.6</u>	+14.0%

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



	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Label</b>	\$ 107.0	\$ 101.3	+5.6%
<b>Container</b>	11.0	14.9	(26.2%)
<b>Tube</b>	<u>0.6</u>	<u>1.2</u>	(50.0%)
<b>Operating income</b>	118.6	117.4	+1.0%
<b>Corporate expense</b>	<u>(8.4)</u>	<u>(10.7)</u>	(21.5%)
	110.2	106.7	+3.3%
<b>Interest expense (net)</b>	<u>16.2</u>	<u>18.4</u>	(12.0%)
<b>Earnings before restructuring &amp; other items and income taxes</b>	94.0	88.3	+6.5%
<b>Restructuring &amp; other items - net gain</b>	<u>3.5</u>	<u>0.9</u>	
<b>Earnings before income taxes</b>	<u>\$ 97.5</u>	<u>\$ 89.2</u>	+9.3%

# Label

Third Quarter Ended September 30th  
(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
1) Sales	<u>\$ 237.1</u>	<u>\$ 222.9</u>	+6.4%	+3%
Operating income	<u>\$ 30.1</u>	<u>\$ 29.7</u>	+1.3%	
Return on sales	<u>12.7%</u>	<u>13.3%</u>		
EBITDA	<u>\$ 47.0</u>	<u>\$ 44.3</u>	+6.1%	
% of Sales	<u>19.8%</u>	<u>19.9%</u>		

- 1) Sales were up 3% in Q3 excluding currency translation, due entirely to acquisitions, base business was very slightly down
- Operating income up 1% due to acquisitions and foreign exchange partially offset by unfavorable sales mix
  - Moving costs to new facilities of \$1.3 million in the quarter were up substantially on Q3 07

# Label

Third Quarter Ended September 30th  
(Millions of Cdn \$)



## North America (35% of YTD sales)

- Flat sales and profit picture for the quarter driven by a soft US consumer market
- Healthcare & Specialty business continued to grow in the mid-high single digit range
- Home & Personal Care (HPC), Batteries, Lawn & Garden markets all experienced softer conditions
- Consumer Promotions for fast food chains and sales of Shrink Sleeves to all customers were bright spots, but on a small base business
- No change to order intake from customers so far as a result of the financial crisis, but outlook remains uncertain due to macro-economic events

## Europe (51% of YTD sales)

- Sales and profits both declined compared to a very strong Q3 2007
- Main drivers were comparative results in the Beverage business due to some unusual pipeline fill product launches in the prior year
- Healthcare & Specialty business was very strong, growing double digits
- Shrink Sleeve business grew low single digit with strong sales in Central Europe compensating for a weaker UK market
- HPC and Battery business were both soft compared to Q3 2007 as the financial crisis affected many European countries
- CD-Design acquisition continued to perform well

# Label

Third Quarter Ended September 30th  
(Millions of Cdn \$)



## Emerging Market Sales (14% of YTD sales)

- Sales and Profits both rose over the prior year
- Business in Brazil remained strong. The real depreciated significantly during the financial crisis
- Mexico softened in Q3 following the trends in the U.S. Margins were impacted by the move to the new facility and the depreciation of the peso to the US\$
- Asian sales were strong in all market sectors growing over 20% in local currencies in the quarter, with accompanying bottom line improvement. Plans are proceeding to expand our network in 2009
- In Eastern Europe, our Polish operation continued to grow rapidly from a small base; our JV in Russia reported nominal income
- Sales and profit performance in our Australian wine acquisition continued to be above expectation. The A\$ depreciated significantly during the financial crisis

# Label

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



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
<b>Sales</b>	<u>\$733.4</u>	<u>\$706.4</u>	+3.8%	+5%
<b>Operating income</b>	<u>\$107.0</u>	<u>\$101.3</u>	+5.6%	
<b>Return on sales</b>	<u>14.6%</u>	<u>14.3%</u>		
<b>EBITDA</b>	<u>\$155.1</u>	<u>\$144.8</u>	+7.1%	
<b>% of Sales</b>	<u>21.1%</u>	<u>20.5%</u>		

- Q4 outlook is coloured by macro events but October sales met internal plans set some time ago and order intake has remained stable
- Many consumer product-based customers remain nervous about the potential impact of weak Christmas season retail spending
- Inflation issues have been mitigated so far in 2008, and we expect cost input pressures to decline significantly in Q4 and into 2009

# Container

Third Quarter Ended September 30th  
(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Sales</b>	<u>\$ 36.9</u>	<u>\$ 40.2</u>	<b>(8.2%)</b>
<b>Operating income</b>	<u>\$ 2.8</u>	<u>\$ 2.9</u>	<b>(3.4%)</b>
<b>Return on sales</b>	<u>7.6%</u>	<u>7.2%</u>	
<b>EBITDA</b>	<u>\$ 5.5</u>	<u>\$ 5.7</u>	<b>(3.5%)</b>
<b>% of Sales</b>	<u>14.9%</u>	<u>14.2%</u>	

- Sales declined 8.2% due to weak US volume in HPC and the divestiture of the ABS bag business.
- Profits declined only slightly as the Division continues to focus on reducing costs and successfully mitigating inflationary input costs
- Sales shortfall was due to Canadian operation which had weak volume due to an early end to the sun care season resulting in a loss at the plant in Q3
- Sales at our U.S. operation were aided by a stronger beverage season involving new products and improved mix
- Results at our Mexican operations were excellent with strong gains in both sales and profits
- Our new Guanajuato plant was completed at the end of Q3 and will commence trading after qualification runs in late Q4
- We continue to focus on taking out cost from both our Canadian and U.S. operations

# Container

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



	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Sales</b>	<u>\$ 117.6</u>	<u>\$ 142.4</u>	(17.4%)
<b>Operating income</b>	<u>\$ 11.0</u>	<u>\$ 14.9</u>	(26.2%)
Return on sales	<u>9.4%</u>	<u>10.5%</u>	
<b>EBITDA</b>	<u>\$ 18.6</u>	<u>\$ 23.4</u>	(20.5%)
% of Sales	<u>15.8%</u>	<u>16.4%</u>	

- Order intake remains slow and in line with conditions we see at our other consumer related businesses in the U.S.
- Inflation issues have subsided considerably with aluminum trading below US\$2,000 per metric tonne in October
- Aluminum is now generally matched to customer pricing either through hedging or agreed pass throughs on rises or falls in market prices
- Canadian plant will benefit from the return of sun care seasonal build in Q4 and if sustained, some benefit from exchange rate comparatives with last year

# Tube

Third Quarter Ended September 30th  
(Millions of Cdn \$)



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
<b>Sales</b>	<u>\$ 15.8</u>	<u>\$ 11.8</u>	<b>33.9%</b>	<b>+35%</b>
<b>Operating income</b>	<u>\$ 0.2</u>	<u>\$ (0.4)</u>		
<b>Return on sales</b>	<u>1.3%</u>	<u>(3.4%)</u>		
<b>EBITDA</b>	<u>\$ 2.0</u>	<u>\$ 1.2</u>	<b>66.7%</b>	
<b>% of Sales</b>	<u>12.7%</u>	<u>10.2%</u>		

- Sales improved significantly by over 30% in local currency, but that is in comparison to a very poor Q3 07
- Business continued to sustain its return to profitability, but margins remain below acceptable levels
- We began to incur move expenses in relation to the new LA facility and expect those to accelerate in Q4, and conclude by early 2009

# Tube

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



	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Excl. currency translation</u>
<b>Sales</b>	<u>\$ 46.7</u>	<u>\$ 45.8</u>	2.0%	+11%
<b>Operating income</b>	<u>\$ 0.6</u>	<u>\$ 1.2</u>	(50.0%)	
<b>Return on sales</b>	<u>1.3%</u>	<u>2.6%</u>		
<b>EBITDA</b>	<u>\$ 5.8</u>	<u>\$ 6.4</u>	(9.4%)	
<b>% of Sales</b>	<u>12.4%</u>	<u>14.0%</u>		

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- Order intake has remained solid so far in Q4
  - Customers remain nervous about retail spending, particularly in premium priced categories