



building on **our strengths**

***Investor Update***

***First Quarter 2009 Review***

***Thursday, May 7, 2009***

# Disclaimer



Any forward-looking statements contained in this presentation, including statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans” or similar expressions. Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties, and assumptions relating to future events and conditions, including, but not limited to, the evolving global financial crisis and its impact on the world economy and capital markets; the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; income tax rates and the ability to tax-benefit losses by jurisdiction; technological change; changes in government regulations; risks associated with operating and product hazards; and CCL’s ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company’s actual results could differ materially from those anticipated in these forward-looking statements.

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

# Statement of Earnings

## First Quarter Ended March 31st

(Millions of Cdn \$)



	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Excluding currency translation</u>
1) Sales	\$ 314.1	\$ 295.1	+6.4%	(3%)
Operating Income	39.3	42.7	(8.0%)	
2) Corporate Expense	<u>(4.4)</u>	<u>(2.4)</u>	+83.3%	
	34.9	40.3		
3) Interest expense, net	<u>8.2</u>	<u>4.2</u>	+95.2%	
	26.7	36.1		
4) Restructuring & other items - net (loss) gain	<u>(1.7)</u>	<u>2.3</u>		
Earnings before income taxes	25.0	38.4		
Income taxes	<u>8.2</u>	<u>10.9</u>		
Net earnings	<u>\$ 16.8</u>	<u>\$ 27.5</u>	(38.9%)	
5) Tax rate before restructuring & other items	<u>32.2%</u>	<u>28.3%</u>		
<i>EBITDA (a non-GAAP measure: see press release dated May 7, 2009 for definition)</i>	<u>\$ 59.5</u>	<u>\$ 59.4</u>	+0.2%	

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

- 1) Sales, excluding currency translation, were down 3% due to 1% increase from acquisitions net of a disposal while organic growth accounted for a reduction of 4%
- 2) Corporate expense was higher due mainly to foreign exchange (substantial FX gains in 2008 in the UK relating to movement of proceeds from the sale of ColepCCL joint venture).
- 3) Interest expense increased due to higher long term debt, lower interest income and unfavorable foreign exchange on the interest of US\$ debt
- 4) Restructuring & other items – In 2009, the loss is due to the settlement of pension obligations to certain members of the UK pension plan and additional closure costs for Avelin, France. In 2008, the gain was due to foreign exchange on a receivable related to the sale of ColepCCL
- 5) Tax rate has increased due to unfavorable mix of income earned in high tax jurisdictions versus low tax jurisdictions and inability to tax benefit certain losses

## Earnings per Class B Share

Periods Ended March 31st



<u>Per Class B Share</u>	<u>2009</u>	<u>2008</u>	<u>change</u>
<b>Net earnings - Basic</b>	<u>\$ 0.52</u>	<u>\$ 0.85</u>	(39%)
<b>Diluted earnings</b>	<u>\$ 0.51</u>	<u>\$ 0.82</u>	(38%)
<b>Net (loss) gain from restructuring &amp; other items and favourable tax adjustments</b>	\$ (0.04)	\$ 0.05	
<b>Adjusted Basic Earnings</b> (a non-GAAP measure - see Press Release dated May 7, 2009 for definition)	<u>\$ 0.56</u>	<u>\$ 0.80</u>	(30%)

### Adjusted Basic Earnings

#### Variance (after tax) due:

Operating Income	\$ (0.07)
Corporate Expense	(0.05)
Interest Expense	(0.09)
Effective tax rate impact	(0.03)
	<u>\$ (0.24)</u>

## Impact of Changes in Exchange Rates



### Currency Translation:

1Q 2009 – U.S. dollar averaged \$1.25 vs. \$1.00 in 2008 for the quarter (up 24%) and euro was \$1.62 vs. \$1.50 same quarter last year (up 8%) and U.K. pound was down 10%.

### Currency Transactions:

1Q 2009 - Canadian Container operations sells the vast majority of its product in US\$ (19% positive impact versus 1Q08 effected by forward sales of U.S. dollars ).

	<u>As Reported</u>					
	1Q09 Act vs. 1Q08 Act	2008 Act vs. 2007 Act	2007 Act vs. 2006 Act	2006 Act vs. 2005 Act	2005 Act vs. 2004 Act	2004 Act vs. 2003 Act
<u>Impact of Currency on E.P.S.</u>						
Currency translation	\$ (0.05)	\$ -	\$ -	\$ 0.15	\$ 0.11	\$ 0.05
Currency transactions	\$ (0.01)	\$ 0.01	\$ 0.09	\$ 0.07	\$ 0.09	\$ 0.27
<b>Total Negative (Positive) Impact</b>	<b>\$ (0.06)</b>	<b>\$ 0.01</b>	<b>\$ 0.09</b>	<b>\$ 0.22</b>	<b>\$ 0.20</b>	<b>\$ 0.32</b>

- Based on current exchange rates, foreign exchange will have a positive significant impact on EPS for the balance of 2009, shown as follows:

Per Canadian \$	<u>2009 Current</u>	<u>2008 Avg Q2-Q4</u>	<u>% Change</u>
U.S. dollar	\$1.17	\$1.09	+7%
euro	\$1.56	\$1.58	-1%

## Balance Sheet (selected items)

As At March 31st

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



	<u>2009</u>	<u>2008</u>	<u>Change</u>
<b>1) Net working capital (receivables, inventory, prepaids, taxes receivable, payables, accruals and taxes payable)</b>	<u>\$ 53.6</u>	<u>\$ 43.5</u>	+23.2%
Property, plant & equipment (net)	<u>\$ 848.9</u>	<u>\$ 699.7</u>	+21.3%
Intangible assets & goodwill	<u>\$ 429.9</u>	<u>\$ 412.4</u>	+4.2%
Total assets	<u>\$ 1,782.9</u>	<u>\$ 1,605.8</u>	+11.0%
<b>2) Net debt (net of cash and cash equivalents)</b>	<u>\$ 504.2</u>	<u>\$ 310.3</u>	+62.5%
Shareholders' equity	<u>\$ 762.1</u>	<u>\$ 758.0</u>	+0.5%
Book value per share	<u>\$ 23.63</u>	<u>\$ 23.67</u>	(0.2%)
Total shares outstanding ( <i>in millions</i> )	<u>32.3</u>	<u>32.0</u>	+0.9%

All balance sheet items are affected by higher currency exchange rates in 2009 vs. 2008

- Up primarily due to comparative impact of acquisitions and unfavorable foreign exchange impacts
- Up primarily due to higher long term debt levels and the effect of the weaker Canadian dollar on U.S. dollar denominated debt

## Debt Summary

### As At March 31st

(Millions of Cdn \$)



	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Long-term debt - senior notes (2009 - US\$ 447.5 MM, 2008 - US\$ 326.8 MM) \$	564.4	\$ 335.5	\$ 228.9
Long-term debt - all other	46.7	131.0	(84.3)
<b>Total debt</b>	<b>611.1</b>	<b>466.5</b>	<b>144.6</b>
Cash and cash equivalents	(106.9)	(156.2)	49.3
<b>Net debt</b>	<b>\$ 504.2</b>	<b>\$ 310.3</b>	<b>\$ 193.9</b>
<b>Net debt to total capitalization</b>	<b>39.8%</b>	<b>29.0%</b>	

- **2009 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%.**
- **\$93 million of the \$194 million increase is due to the weakening of the Canadian dollar and its effect on US dollar denominated and euro denominated net debt.**
- **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 are required before July 2010.**
- **2008 Net Debt was reduced by ColepCCL proceeds (50 million euro final payment received in February 2008).**

# Cash Flow Highlights

## Three Months Ended March 31st

(Millions of Cdn \$)  
Inflows (Outflows)



	<u>2009</u>	<u>2008</u>
Net earnings	\$ 16.8	27.5
Depreciation and amortization	24.6	19.1
1) Net change in non-cash working capital	(35.7)	45.5
Additions to property, plant & equipment	(36.5)	(52.2)
Dividends	<u>(4.9)</u>	<u>(4.6)</u>
Normalized Cash Flow (Out) In	(35.7)	35.3
2) Repurchase of shares	-	(11.8)
Purchase of shares held in trust	-	(4.4)
Business acquisitions	(2.7)	(8.3)
3) Net proceeds from bank advances and long term debt	2.8	42.1
All other (net)	6.2	6.7
Increase (decrease) in cash and cash equivalents	<u>\$ (29.4)</u>	<u>\$ 59.6</u>

1) Cash outflow in both 2008 and 2009 is largely due to seasonal build up, foreign exchange and the prior year includes the note receivable from sale of ColepCCL joint venture (\$74 million). Excluding the ColepCCL receivable, 2008 normalized cash outflow would have been \$39 million. Foreign exchange was also a factor in 2009.

2) Repurchased 415,900 Class B shares in Q1 of 2008

3) Prior year figure reflects credit facility borrowings to fund capital expenditures

## Capital Spending Highlights

Three Months Ended March 31st, 2009  
(Millions of Cdn \$)



<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation</u>	<u>Difference</u>
Label	\$ 32.7	\$ 17.0	\$ 15.7
Container	0.7	3.6	\$ (2.9)
Tube	3.1	2.4	\$ 0.7
Corporate	-	0.1	\$ (0.1)
	<u>\$ 36.5</u>	<u>\$ 23.1</u>	<u>\$ 13.4</u>

\* excludes amortization of intangibles and other assets

- 60% of the capital in the Label Division went into expansion projects in the Healthcare & Specialty business segment
- New Emerging Market plants in Vietnam and Thailand accounted for a further \$2.5 million. Remaining capital at Label went into smaller projects and incremental investments in the core business
- Investments at Tube all related to completing the Los Angeles relocation. Container needs were nominal

# Income From Operations

## First Quarter Ended March 31st

(Millions of Cdn \$)



	<u>2009</u>	<u>2008</u>	<u>Change</u>
Label	\$ 39.1	\$ 37.2	+5.1%
Container	(0.3)	5.4	n.m.
Tube	<u>0.5</u>	<u>0.1</u>	n.m.
Operating income	39.3	42.7	(8.0%)
1) Corporate expense	<u>(4.4)</u>	<u>(2.4)</u>	+83.3%
	34.9	40.3	(13.4%)
2) Interest expense (net)	<u>(8.2)</u>	<u>(4.2)</u>	+95.2%
Earnings before restructuring & other items and income taxes	26.7	36.1	(26.0%)
Restructuring & other items - net (loss) gain	<u>(1.7)</u>	<u>2.3</u>	
Earnings before income taxes	<u>\$ 25.0</u>	<u>\$ 38.4</u>	(34.9%)

- 1) Corporate expense was higher due mainly to FX gains in 2008 in the UK relating to the sale of ColepCCL joint venture.
- 2) Higher interest expense (net) due to higher long term debt levels, lower interest income and unfavourable foreign currency translation

Sales by Division (Q1 2009 vs. Q1 2008)  
 First Quarter Ended March 31st



	<u>Organic</u>	<u>FX</u>	<u>Acquisitions &amp; Disposals</u>	<u>Total</u>
Label	(3%)	+9%	+2%	+8%
Container	(17%)	+16%	(7%)	(8%)
Tube	<u>(5%)</u>	<u>+23%</u>	<u>-</u>	<u>+18%</u>
Total	<u>(4%)</u>	<u>+9%</u>	<u>+1%</u>	<u>+6%</u>

- Comparatives impacted by acquisitions – CD-Design (February 2008), Clear Image (April 2008), Eltex (December 2008) and disposals – ABS “Bag-on-Valve” product line (April 2008)

## Label

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



	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Excl. currency translation</u>
<b>Sales</b>	<u>\$ 257.5</u>	<u>\$ 237.9</u>	+8.2%	(1%)
<b>Operating income</b>	<u>\$ 39.1</u>	<u>\$ 37.2</u>	+5.1%	
<b>Return on sales</b>	<u>15.2%</u>	<u>15.6%</u>		
<b>EBITDA</b>	<u>\$ 57.4</u>	<u>\$ 52.2</u>	+10.0%	
<b>% of Sales</b>	<u>22.3%</u>	<u>21.9%</u>		

- Sales fell 3% in Q1 excluding currency translation and acquisitions, Easter falling in April 09 (vs. March 08) favorably impacted comparisons to prior year in Europe and Latin America
- Underlying Operating Income rose in North America and Asia
- In Europe profits dropped as we compared a weak economic environment in 2009 with a still strong period in 2008. Operating Margin remained in double digits
- Latin America was impacted by significant changes in currency in both Mexico and Brazil, but remains the most profitable region

## Label

First Quarter Ended March 31st

(Millions of Cdn \$)



### **North America (42% of sales)**

- Sales were virtually flat in local currencies. Profits improved on excellent cost controls and richer mix and remain above the Division's average
- Soft market conditions in the Home and Personal Care (HPC) sector continued into 2009 with sales down high single digits over prior year period
- Healthcare business was up low single digits and continued to post above average margins
- Specialty business was mixed with soft promotional games sales compared to a strong prior year balanced by a strong Ag Chem season. Overall specialty sales were flat
- Battery volume improved slightly over a weak prior year, sales of shrink sleeves rose over 25% on a small base with new business wins

## Label

First Quarter Ended March 31st

(Millions of Cdn \$)



### Europe (43% of sales)

- Q1 Sales fell mid single digits in local currencies excluding acquisitions but coming after an unusually strong Q4
- Healthcare & Specialty sales were up low single digits after a bumper Q4, margins were down slightly due to mix
- Sleeve business was up very slightly, margins improved
- HPC business was down mid single digits, margins were also impacted by the UK Pound devaluation and the move of our Paris facility resulting in a loss for the quarter
- Battery & Beverage businesses both had poor quarters with sales off by more than 20%. One European battery customer closed its facility. Profit margins fell significantly but remained positive
- CD Design and Eltex acquisitions were breakeven for the quarter in a difficult environment for Automotive and Durable goods in Germany

## Label

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



### **Emerging Market Sales (15% of sales)**

- Sales in local currencies to HPC and Beverage customers in Asia rose well into double digits with meaningful profit improvement
- Sales to Battery customers located in Asia (predominantly for export) fell more than 20%. Profits fell in line with sales as margins remained in double digits
- Sales in Brazil were flat. Profits impacted by the impact of the depreciation of the Brazilian Real on our input costs. Operating Margin was still above average
- Sales in Mexico rose over 20% in local currency driven largely by customer inventory builds (major retailer liquidation effect). Business returned to profit after currency losses in Q4
- Small Polish operation continues to grow from a small base. JV in Russia impacted by the economic crisis and devaluation of the Rouble and posted a small loss
- Australian wine acquisition continued to perform to expectations. South African business will report for the first time in Q2

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## Label

First Quarter Ended March 31st

(Millions of Cdn \$)

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## Outlook

- Business levels in North America appear to show early signs of stabilizing.
- The situation in Europe is very mixed with the consumer side soft, and our Healthcare, Specialty and Sleeve businesses holding up
- Emerging Markets continue to perform well in the circumstances, with the exceptions of Russia and the Battery business. Too early to estimate the swine flu impact in Mexico
- Concerns around commodity inflation have largely subsided, currency volatility however remains high on our watch list

## Container

First Quarter Ended March 31st

(Millions of Cdn \$)



	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Excl. currency translation &amp; divestiture</u>
Sales	<u>\$ 38.1</u>	<u>\$ 41.5</u>	(8.2%)	(17%)
Operating income	<u>\$ (0.3)</u>	<u>\$ 5.4</u>	n.m.	
Return on sales	<u>(0.8%)</u>	<u>13.0%</u>		
EBITDA	<u>\$ 3.3</u>	<u>\$ 7.8</u>	(57.7%)	
% of Sales	<u>8.7%</u>	<u>18.8%</u>		

- Sales excluding currency translation and the impact of the ABS divestiture fell 17% due to weak customer demand for aerosols in the United States
- Aluminum has fallen from US\$3200 July 08 to below US\$1400 in Q1 09 creating major pricing challenges with customers
- Direct margins were impacted significantly by hedge positions for aluminum; negative impact for the quarter was \$3.4 million. 74% of aluminum was hedged in the quarter with prices in the US\$2100 to US\$2900 range
- Recovery of scrap aluminum also affected by falling prices and weak commodity demand: negative impact for the quarter was >\$1million

## Container

First Quarter Ended March 31st

(Millions of Cdn \$)



- Canadian plant performance continued to improve and the plant posted a small profit for the quarter, aided by a \$600k positive impact from the stronger US\$
- Sales at our US operation significantly impacted by slow personal care market mitigated in part by improving beverage orders...plant posted a loss for the quarter
- Headcount reduced at both operations by 130 people or 30% year over year
- Mexican profitability recovered in Q1 with Peso devaluation based price increases kicking in during Feb and March
- Sales in Mexico rose by more than 40% as the new Guanajuato plant began to produce continuously

## Container

First Quarter Ended March 31st

(Millions of Cdn \$)



### Outlook

- Sales outlook in the United States improved slightly for Q2 driven by beverage volumes
- New major aerosol contract will commence July 09, equal to a 15% increase in the Division's revenue: positive impact in the 2nd half of 2009
- Hedging positions will continue to negatively impact direct margins if aluminum remains at low levels, but with significantly reduced effect compared to Q1
- 73% of remaining estimated aluminum needs are hedged for the balance of 2009 with prices in the US\$1700 to US\$2900 range. A significant majority of these hedges are tied to customer pricing/volume agreements
- Focus remains on cost reduction at our US and Canadian plants while building volume in Mexico.

## Tube

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



	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Excl. currency translation</u>
Sales	<u>\$ 18.5</u>	<u>\$ 15.7</u>	+17.8%	(5%)
Operating income	<u>\$ 0.5</u>	<u>\$ 0.1</u>		
Return on sales	<u>2.7%</u>	<u>0.6%</u>		
EBITDA	<u>\$ 2.9</u>	<u>\$ 1.8</u>	+61.1%	
% of Sales	<u>15.7%</u>	<u>11.5%</u>		

- Sales fell 3.4% in the United States due to a soft Personal Care and Cosmetic market, including Mexico sales fell 5%
- Profitability continues to improve based on productivity initiatives and cost savings. New Los Angeles plant move completed successfully
- Brazil building sold for cash and closure of small Mexican business underway, future focus will be entirely on US production

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## Tube

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

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### Outlook

- Order intake continues to be stable
- Focus remains on improving profit margins to acceptable levels