



News Release

Stock Symbol: TSX – CCL.A and CCL.B

For Immediate Release – Thursday, May 7, 2009

CCL Reports First Quarter 2009 Results and Declares Dividend

Results Summary

For periods ended March 31	<u>Three months (Unaudited)</u>		
<u>(In millions of Canadian dollars, except per share data)</u>	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$ 314.1	\$ 295.1	6.4
EBITDA (Note 1)	\$ 59.5	\$ 59.4	0.2
Operating Income (Note 2)	\$ 39.3	\$ 42.7	(8.0)
Restructuring and other items – net (loss) gain	\$ (1.7)	\$ 2.3	
Net earnings	\$ 16.8	\$ 27.5	(38.9)
Per Class B share			
Basic earnings per share	\$ 0.52	\$ 0.85	(38.8)
Diluted earnings per share	\$ 0.51	\$ 0.82	(37.8)
Restructuring and other items and favourable tax adjustments – net (loss) gain	\$ (0.04)	\$ 0.05	
Adjusted basic earnings per Class B share from continuing operations (Note 3)	\$ 0.56	\$ 0.80	(30.0)
Number of outstanding shares (in 000's)			
Weighted average for the period	32,154	32,426	
Actual at period end	32,251	32,019	

Toronto, May 7, 2009 - CCL Industries Inc., a world leader in the development of labelling solutions and specialty packaging for the consumer products and healthcare industries, announced today its financial results for the first quarter ended March 31, 2009 and declaration of its quarterly dividend.

Sales for the first quarter of 2009 were \$314.1 million, up 6% versus the \$295.1 million recorded in the first quarter of 2008. Financial comparisons to the prior year's results have been materially affected by the 24% appreciation of the U.S. dollar and to a lesser degree, the 8% appreciation of the euro relative to the Canadian dollar in the first quarter of 2009 compared to exchange rates in the first quarter of 2008. As a partial offset, the U.K. pound sterling has depreciated 10% versus the Canadian dollar in this time frame. Sales increased for the quarter by 9% due to foreign exchange and 1% due to acquisitions net of a disposal, while organic growth accounted for a reduction of 4%. It should be noted that sales in the first quarter of 2008 were stronger as the global economy was more buoyant at that time.

EBITDA (a non-GAAP measure; see note 1 below) was \$59.5 million in the first quarter of 2009, up slightly from the \$59.4 million reported in 2008. An improvement in currency translation rates positively affected comparative EBITDA offset in part by lower income from operations and higher corporate expenses.

Net earnings for the first quarter of 2009 were \$16.8 million, down 39% from \$27.5 million recorded in the first quarter of 2008 due to lower operating income, higher net interest expense and higher income tax rates, partially offset by favourable currency translation. Operating income (a non-GAAP measure; see note 2 below) was down by \$3.4 million or 8% from last year's strong first quarter level. Excluding favourable currency effects, operating income compared to 2008 for the Label Division was lower, Tube was marginally higher and Container was significantly lower. In the first quarter of 2009, restructuring and other costs of \$1.7 million (\$1.3 million after tax) were incurred. In the first quarter of 2008, net earnings were favourably impacted by the realization of an exchange gain of \$2.3 million before tax (\$1.6 million after tax) on the collection of the receivable from the sale of ColepCCL.

Basic earnings per Class B share were \$0.52 in the first quarter of 2009 compared to \$0.85 earned in the same period last year, a decrease of 39%. Restructuring and other items in the first quarter of 2009 reduced earnings per Class B share by \$0.04. Restructuring and other items in the first quarter of 2008 increased earnings per Class B share by \$0.05. The positive impact of currency translation and transactions on basic earnings per Class B share was \$0.06 in the first quarter of 2009 versus the first quarter of 2008.

Adjusted basic earnings per Class B share (a non-GAAP measure; see note 3 below) were \$0.56 in the first quarter of 2009, down 30% from the \$0.80 earned in the first quarter of 2008.

Geoffrey T. Martin, President and Chief Executive Officer commented, "Like many of our customers and industry peers, we have been significantly affected in parts of our business by the most difficult global macroeconomic environment we

have faced in the modern era. Given this unprecedented situation, we are reasonably satisfied with our first quarter results with the exception of the performance of our Container Division.”

Mr. Martin continued, “Our sales in the first quarter were up 6% over last year primarily due to favourable currency translation, but were down only 3% if currency effects were excluded; a decent performance in the circumstances given the much stronger economy in place a year ago, particularly in international markets. CCL’s earnings per share for the quarter were down 39% for the quarter and adjusted earnings per share were down 30%. Profit margins were lower, driven by the weak performance of the Container Division, net interest costs were higher due to a higher debt level than last year, currency translation and lower yields on our large cash balances and our income tax rate was significantly higher.”

Mr. Martin also noted, “Results for the Label Division which now represent 82% of our sales, were very stable despite the challenging economic environment. Sales were down 1% before the positive impact of currency translation and we maintained an operating income margin of over 15%. The diversity of the business that we have developed over the last several years has helped us stabilize sales in these difficult times compared to most industry peers. Our stronger presence in the emerging regions of the world, much greater focus in the healthcare and chemical markets globally and the development of new applications and product categories such as sleeve labels all contributed to this performance. This broadening of our approach reduced the impact of slower discretionary spending in the weak economy which affected the premium brands of many consumer product customers in the first quarter.”

Mr. Martin added, “The Container Division’s sales were down by 17% excluding currency translation and divestitures, with many high end personal care brands in the United States experiencing very soft demand in the current environment, partly mitigated by improved sales to beverage customers. As a further offset, the Mexican business was up materially as the new Guanajuato plant began production seamlessly. However, the major challenge of the quarter was dealing with the collapsing cost of aluminum and the resulting effect on pricing of our products. Relative to our hedged positions in aluminum this had a material negative impact on our margins. Many cost and productivity initiatives were put in place to counteract this perfect storm but overall, Container had a \$5.7 million reduction in comparative income and operated at a small loss for the quarter. The Tube Division continues to improve, moving from a loss in prior quarters to a modest profit on slightly lower sales excluding currency effects. Results included the remaining costs from successfully moving the Los Angeles operation into its new state-of-the-art facility.”

Mr. Martin stated, "CCL is in good shape to deal with the uncertain economy with over \$100 million of cash on hand and a similar amount of unused credit lines. We will remain judicious in our capital spending and acquisition plans by balancing the benefits of new opportunities with the maintenance of our strong liquidity position. We have solid businesses that will emerge from the global recession in even better strategic positions."

Mr. Martin concluded, "Cash flow and earnings continue to support our dividend policy. As a result, your Board of Directors has declared a dividend at the same level as the higher dividend declared last quarter. The quarterly dividend is \$0.15 on Class B non-voting shares and \$0.1375 on Class A voting shares to shareholders of record at the close of business on June 16, 2009, payable on June 30, 2009. CCL continues its record of paying quarterly dividends without reduction or omission for over 25 years."

With headquarters in Toronto, Canada, CCL Industries now employs approximately 5,400 people and operates 56 production facilities globally located to meet the sourcing needs of large international customers. CCL Label is the world's largest converter of pressure sensitive and film materials for label applications and sells to leading global customers in the consumer packaging, healthcare, automotive and consumer durable markets. CCL Container and CCL Tube are leading producers of aluminum aerosol cans, bottles and extruded plastic tubes for consumer packaged goods customers in the United States, Canada and Mexico.

Note 1 - EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results and is also considered as a proxy for cash flow and a facilitator for business valuations. This non-GAAP measure is defined as earnings before interest, taxes, depreciation and amortization, excluding restructuring and other items. See section entitled "Supplementary Information" below for a reconciliation of operating income to EBITDA. We believe that it is an important measure as it allows us to assess our ongoing business without the impact of interest, depreciation and amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate our ability to incur or service debt and to invest in property, plant and equipment, and it allows us to compare our business to those of our peers and competitors who may have different capital or organizational structures. EBITDA is a measure tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants of our senior notes and bank lines of credit.

Note 2 – Operating Income is a key non-GAAP measure to assist in understanding the profitability of the Company's business units. This non-GAAP measure is defined as operating income before corporate expenses, interest, restructuring and other items and taxes.

Note 3 – Adjusted Basic Earnings Per Class B Share from Continuing Operations is an important non-GAAP measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for Basic Net Earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-GAAP measure is defined as basic net earnings per Class B share excluding restructuring and other items and favourable tax adjustments.

Supplementary Information

Three months ended March 31st Reconciliation of Operating Income to EBITDA

Unaudited

(In million of Cdn dollars)

	Three months ended March 31 st .	
	Operating Income	
	<u>2009</u>	<u>2008</u>
Label	\$ 39.1	\$ 37.2
Container	(0.3)	5.4
Tube	0.5	0.1
Total operations	39.3	42.7
Less: Corporate expenses	(4.4)	(2.4)
Add: Depreciation & Amortization	24.6	19.1
EBITDA	\$ 59.5	\$ 59.4

Any forward-looking statements contained in this press release, 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. 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 Canadian dollars.

CCL INDUSTRIES INC.
2009 First Quarter
Consolidated Balance Sheets

Unaudited	March 31st	December 31st	March 31st
(in millions of Cdn dollars)	<u>2009</u>	<u>2008</u>	<u>2008</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 106.9	\$ 136.3	\$ 156.2
Accounts receivable - trade	179.6	156.0	170.8
Other receivables and prepaid expenses	24.3	26.4	24.6
Income and other taxes recoverable	-	2.2	-
Inventories	84.6	87.1	78.9
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	395.4	408.0	430.5
Property, plant and equipment	848.9	830.8	699.7
Other assets	62.7	57.6	31.9
Future income tax assets	46.0	43.5	31.3
Intangible assets	45.5	47.5	43.9
Goodwill	384.4	379.3	368.5
Total assets	\$ 1,782.9	\$ 1,766.7	\$ 1,605.8
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 234.9	\$ 250.8	\$ 222.0
Income and other taxes payable	-	-	8.8
Current portion of long-term debt	25.7	25.9	21.6
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	260.6	276.7	252.4
Long-term debt	585.4	566.6	444.9
Other long-term items	63.9	66.5	55.4
Future income tax liability	110.9	106.4	95.1
Total liabilities	1,020.8	1,016.2	847.8
Shareholders' equity			
Share capital	193.2	191.3	186.7
Contributed surplus	5.3	4.8	4.9
Retained earnings	632.5	621.9	619.9
Accumulated other comprehensive loss	(68.9)	(67.5)	(53.5)
Total shareholders' equity	762.1	750.5	758.0
Total liabilities and shareholders' equity	\$ 1,782.9	\$ 1,766.7	\$ 1,605.8

CCL INDUSTRIES INC.
Three months ended March 31st
Consolidated Statements of Earnings

Unaudited

(in millions of Cdn dollars, except per share data)	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$ 314.1	\$ 295.1	6.4
Costs and expenses			
Cost of goods sold	245.9	223.0	
Selling, general and administrative	31.6	30.2	
Depreciation and amortization	1.7	1.6	
Interest expense, net	8.2	4.2	
	26.7	36.1	(26.0)
Restructuring and other items - net (loss) gain	(1.7)	2.3	
Earnings before income taxes	25.0	38.4	(34.9)
Income taxes	8.2	10.9	
Net earnings	\$ 16.8	\$ 27.5	(38.9)
Basic earnings per Class B share	\$ 0.52	\$ 0.85	(38.8)
Diluted earnings per Class B share	\$ 0.51	\$ 0.82	(37.8)

CCL INDUSTRIES INC.
Three months ended March 31st
Consolidated Statements of Cash Flows

Unaudited

(in millions of Cdn dollars)	<u>2009</u>	<u>2008</u>
Cash provided by (used for)		
Operating activities		
Net earnings	\$ 16.8	\$ 27.5
Items not involving cash:		
Depreciation and amortization	24.6	19.1
Executive compensation	0.5	0.9
Future income taxes	0.9	3.1
Gain on sale of property, plant and equipment	(0.9)	(0.3)
	41.9	50.3
Net change in non-cash working capital	(35.7)	45.5
Cash provided by operating activities	6.2	95.8
Financing activities		
Proceeds on issuance of long-term debt	2.8	42.1
Retirement of long-term debt	(1.3)	(1.1)
Issue of shares	2.0	-
Repurchase of shares	-	(11.8)
Purchase of shares held in trust	-	(4.4)
Dividends	(4.9)	(4.6)
Cash provided by (used for) financing activities	(1.4)	20.2
Investing activities		
Additions to property, plant and equipment	(36.5)	(52.2)
Proceeds on disposal of property, plant and equipment	3.2	0.8
Business acquisitions	(2.7)	(8.3)
Cash (used for) investing activities	(36.0)	(59.7)
Effect of exchange rate changes on cash	1.8	3.3
Increase (decrease) in cash and cash equivalents	(29.4)	59.6
Cash and cash equivalents at beginning of year	136.3	96.6
Cash and cash equivalents at end of year	\$ 106.9	\$ 156.2

CCL INDUSTRIES INC.
Three months ended March 31st
Segmented Information

Unaudited
(in millions of Cdn dollars)

	Three months ended March 31st			
	Sales		Operating income	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Label	\$ 257.5	\$ 237.9	\$ 39.1	\$ 37.2
Container	38.1	41.5	(0.3)	5.4
Tube	18.5	15.7	0.5	0.1
Total operations	\$ 314.1	\$ 295.1	39.3	42.7
Corporate expense			(4.4)	(2.4)
Interest expense, net			8.2	4.2
Restructuring and other items - net (loss) gain			(1.7)	2.3
Earnings before income taxes			25.0	38.4
Income taxes			8.2	10.9
Net earnings			\$ 16.8	\$ 27.5

	<u>Identifiable Assets</u>		<u>Goodwill</u>		<u>Depreciation & Amortization</u>		<u>Capital Expenditures</u>	
	<u>March 31st</u>	<u>December 31st</u>	<u>March 31st</u>	<u>December 31st</u>	<u>Three months ended March 31st</u>		<u>Three months ended March 31st</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Label	\$ 1,287.6	\$ 1,250.3	\$ 371.6	\$ 366.5	\$ 18.3	\$ 14.9	\$ 32.7	\$ 46.3
Container	194.1	190.4	12.8	12.8	3.6	2.4	0.7	4.5
Tube	77.6	77.1	-	-	2.4	1.7	3.1	1.3
Corporate	223.6	248.9	-	-	0.3	0.1	-	0.1
Total	\$ 1,782.9	\$ 1,766.7	\$ 384.4	\$ 379.3	\$ 24.6	\$ 19.1	\$ 36.5	\$ 52.2