

**CCL Industries Inc.**

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## News Release

*For Immediate Release, March 2, 2016*

Stock Symbol: TSX – CCL.A and CCL.B

# CCL INDUSTRIES TO ACQUIRE CHECKPOINT SYSTEMS FOR US\$10.15 PER SHARE

- Highly strategic opportunity leveraging CCL's deep capabilities in labels
- Checkpoint shareholders to receive US\$10.15 per share in cash
- Transaction value of \$556 million<sup>1</sup> including the assumption of \$44 million of net cash
- Up to \$40 million in highly realizable synergies
- Meaningful earnings accretion

Toronto, **March 2, 2016** - CCL Industries Inc. ("CCL"), a world leader in specialty label and packaging solutions for global corporations, small businesses and consumers, announced today that it has entered into a definitive merger agreement whereby CCL will acquire Checkpoint Systems, Inc. (NYSE:CKP) ("Checkpoint") for US\$10.15 per share in an all-cash transaction valued at approximately \$556 million, including net cash. The transaction has been unanimously approved by the boards of directors of both companies and is expected to close in mid-2016.

The US\$10.15 per share in cash represents a premium of approximately 29% to the closing price on March 1, 2016, the last trading day prior to the signing of the definitive merger agreement.

Geoffrey T. Martin, President and Chief Executive Officer of CCL, said, "We have admired Checkpoint for many years as they built a unique, leading global position providing technology-driven label solutions to the retail & apparel industry. We are very pleased to welcome their deeply experienced people to CCL where they will continue to focus on this important industry for emerging 'smart label' technologies."

Checkpoint is a leading manufacturer of technology-driven, loss prevention, inventory management and labeling solutions, including RF and RFID-based, to the retail & apparel industry. The business has operations in 29 countries including 46 go-to-market units and 21

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<sup>1</sup> All figures in the press release are in Canadian dollars unless otherwise noted. The exchange rate used was 1.35 C\$ / US\$.

manufacturing facilities. For the last twelve months ended September 27, 2015, Checkpoint generated net revenue of approximately \$820 million and Adjusted EBITDA (before synergies) of \$83 million, resulting in an Adjusted EBITDA margin of 10.2%.

### **Transaction Rationale**

The transaction represents a compelling and unique opportunity for CCL to enhance breadth and scale, while creating an opportunity to realize meaningful synergies, and earnings accretion as follows:

- Leading technology-driven label solutions provider to the retail and apparel sector
- Long-standing, blue-chip customer base of top global retailers and apparel brands
- Attractive 'smart label' product portfolio including radio-frequency identification ("RFID") solutions
- Global sales footprint spanning 29 countries serving all major retail markets
- Expands CCL's international operating platform, especially in Asia
- Identified annual synergies of up to \$40 million
- Asset-light business model and improved working capital efficiency could accumulate significant free cash flow to drive rapid de-leveraging
- Meaningful and immediate earnings accretion

CCL intends to finance the transaction entirely with its existing US\$1.2 billion revolving syndicated credit facility.

### **Financial Highlights**

To achieve the targeted synergies, management estimates that non-recurring costs of \$40 million will be incurred between closing and the end of 2018.

The transaction will be subject to Checkpoint shareholder approval at a special shareholder meeting expected to take place in the second quarter of 2016.

Closing of the transaction is subject to customary conditions, including receipt of relevant regulatory approvals, and is expected to occur in mid-2016, subject to approval of Checkpoint's shareholders.

Upon the closing of the transaction, Checkpoint will be reported as a new operating segment of CCL.

### **Advisors**

BMO Capital Markets acted as CCL's exclusive financial advisor on the transaction. Warner Norcross & Judd acted as legal counsel to CCL.

### **Conference Call to Discuss Transaction**

The press release and conference call presentation will be posted on the Company's website on Wednesday, March 2, 2016 – [www.cclind.com](http://www.cclind.com).

Geoffrey T. Martin, President and Chief Executive Officer of CCL, and Sean Washchuk, Senior Vice President and Chief Financial Officer of CCL, will discuss the transaction during a conference call on Wednesday, March 2, 2016 at 8:30 am EST.

To access this call, please dial:

416-695-7806 – Local

1-888-789-9572 – Toll Free

Access Code: 2763303

Audio replay service for the conference call will be available Wednesday, March 2, 2016, at 10:30 a.m. EST until Wednesday, March 30, 2016 8:30 a.m. EDT.

To access Conference Replay, please dial:

905-694-9451 – Local

1-800-408-3053 – Toll Free

Access Code: 4892508

### ***Forward-Looking Statements***

This press release contains forward-looking information and forward-looking statements, as defined under applicable securities laws, (hereinafter collectively referred to as “forward-looking statements”) that involve a number of risks and uncertainties. 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. 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. Specifically, this press release contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company’s segments; the Company’s anticipated improvement in market share; the Company’s capital spending levels and planned capital expenditures; the adequacy of the Company’s financial liquidity; earnings per share and EBITDA; the Company’s effective tax rate; the Company’s ongoing business strategy; and the Company’s expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the after-effects of the 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; technological change; the outcome of anti-trust filings; 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. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic recovery and higher consumer spending; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new markets; the Company’s ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company’s focused strategies and operational approach; the achievement of the Company’s plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company’s continued relations with its customers; the Company’s strategic rationale for this acquisition; the estimated SG&A synergies and timing to realize the synergies; the Company’s expectation of \$40 million in costs over three years to achieve synergy targets; the expectation for improved working capital efficiency; the expectation for recurring revenues; the expectation for robust free cash flow; the expectation for meaningful EPS accretion; the anticipated closing of the transaction by mid-2016; the Company’s expected order intake levels; and general business and economic conditions. Should one or more risks materialize or should any assumption prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: “Risks and Uncertainties” of the 2015 Annual MD&A. CCL’s annual and quarterly reports can be found online at [www.cclind.com](http://www.cclind.com) and [www.sedar.com](http://www.sedar.com) or are available upon request.

Checkpoint figures are based on U.S. Generally Accepted Accounting Principles (“US GAAP”), which may differ from what may be derived under International Financial Reporting Standards (“IFRS”).

### **About CCL**

**CCL Industries** employs more than 13,000 people operating 122 production facilities in 31 countries on 6 continents with corporate offices in Toronto, Canada and Framingham, Massachusetts. **CCL Label** is the world’s largest converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional and functional applications for large global customers in the consumer packaging, healthcare & chemicals, consumer durable, electronic device & automotive markets. Extruded & laminated plastic

tubes, folded instructional leaflets, precision decorated & die cut components, electronic displays and other complementary products and services are sold in parallel to specific end-use markets. **Avery** is the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors and mass market retailers. **CCL Container** is a leading producer of impact extruded aluminum aerosol cans and bottles for consumer packaged goods customers in the United States and Mexico. **CCL** partly backward integrates into materials science with capabilities in polymer extrusion, adhesive development and coating, surface engineering and metallurgy that are deployed across all three business segments.

For more information, contact:

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For more details on CCL, visit [www.cclind.com](http://www.cclind.com)

For more details on Checkpoint, visit [us.checkpointsystems.com](http://us.checkpointsystems.com)