



# Investor Update

2<sup>nd</sup> Quarter 2015

July 31, 2015

# Disclaimer

This presentation 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 presentation contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company’s segments; the Company’s improvement in market share; the Company’s capital spending levels and planned capital expenditures in 2015; the adequacy of the Company’s financial liquidity; the Company’s targeted return on equity, earnings per share and EBITDA growth rates; the Company’s effective tax rate; the Company’s ongoing business strategy, the Company’s expectation of foreign currency exchange impact 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; 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 ability to realize targeted operational synergies and cash flows from the restructuring of Avery, Designed & Engineered Solutions (“DES”), CCL Label and the Canadian Container operation; the Company’s ability to integrate Bandfix; 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 2014 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.

# Statement of Earnings

Periods Ended June 30th

(millions of CDN \$)	Three months		Change		Six months		Change	
	2015	2014	Reported	Ex FX	2015	2014	Reported	Ex FX
Sales	\$ 721.5	\$ 650.4	+11%	+7%	\$ 1,427.4	\$ 1,260.1	+13%	+9%
Operating income <sup>(1)</sup>	122.6	89.2	+37%	+33%	239.7	177.7	+35%	+31%
Corporate expense	<u>13.0</u>	<u>7.4</u>			<u>26.4</u>	<u>13.5</u>		
	109.6	81.8			213.3	164.2		
Finance cost, net	<u>6.2</u>	<u>6.3</u>			<u>12.5</u>	<u>13.0</u>		
	103.4	75.5			200.8	151.2		
Restructuring and other items	-	1.1			0.9	2.0		
Earnings in equity accounted investments	<u>0.2</u>	<u>1.0</u>			<u>0.8</u>	<u>1.0</u>		
Earnings before income taxes	103.6	75.4			200.7	150.2		
Income taxes	<u>30.3</u>	<u>20.1</u>			<u>59.3</u>	<u>42.3</u>		
Net earnings	<u>\$ 73.3</u>	<u>\$ 55.3</u>	+33%	+29%	<u>\$ 141.4</u>	<u>\$ 107.9</u>	+31%	+27%
<i>Effective tax rate</i>	29.4%	27.0%			29.6%	28.3%		
<i>EBITDA</i> <sup>(1)</sup>	\$ 148.9	\$ 118.8	+25%	+21%	\$ 292.0	\$ 236.8	+23%	+19%

# Earnings per Class B Share

Periods Ended June 30th

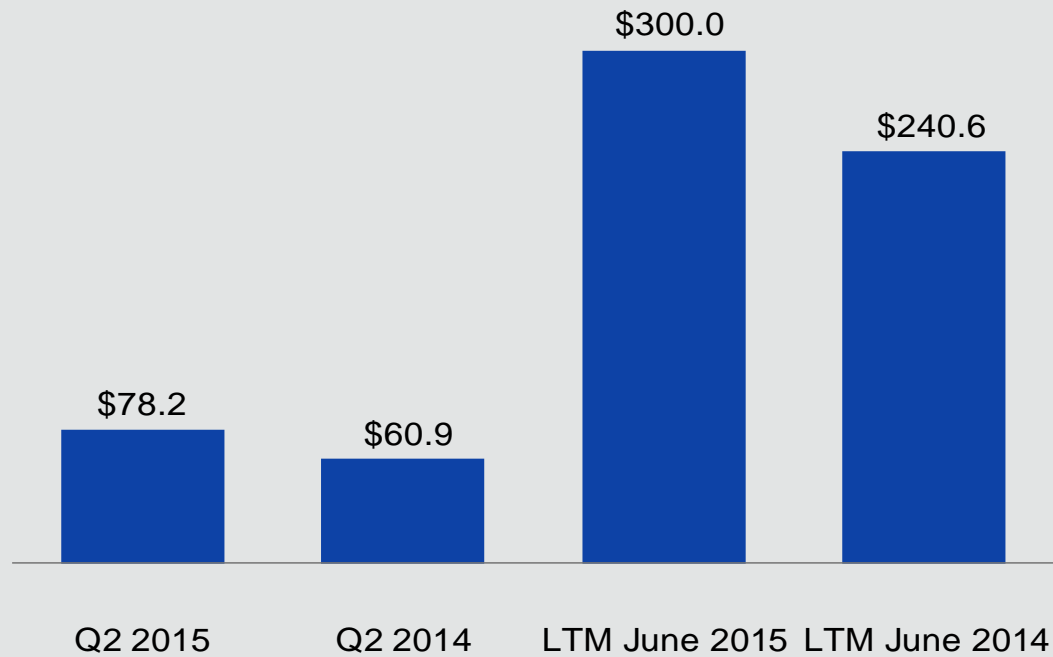
Per Class B Share	Three months			Six months		
	2015	2014	Change	2015	2014	Change
<b>Net earnings - basic</b>	\$ 2.12	\$ 1.61	+32%	\$ 4.09	\$ 3.15	+30%
Net loss from restructuring and other items	-	0.02		0.02	0.04	
<b>Adjusted basic earnings<sup>(1)</sup></b>	<u>\$ 2.12</u>	<u>\$ 1.63</u>	+30%	<u>\$ 4.11</u>	<u>\$ 3.19</u>	+29%
Adjusted basic earnings variance (after tax) due to						
Operating income	\$ 0.59			\$ 1.07		
Corporate expenses	(0.11)			(0.27)		
Interest expenses	0.01			0.03		
Earnings in equity accounted investments	(0.02)			(0.01)		
Change in effective tax rate	(0.04)			(0.04)		
FX translation impact	0.06			0.14		
	<u>\$ 0.49</u>			<u>\$ 0.92</u>		

# Cash Flow

Periods Ended June 30th

(millions of CDN \$)

## Free Cash Flow<sup>(2)</sup>



# Cash & Debt Summary

(millions of CDN \$)	June 2015	June 2014
Senior Notes LTD (US\$239.0MM)	\$ 298.5	\$ 255.0
Non-revolving LTD (US\$218.0MM and EUR61.6MM)	358.0	367.5
Revolving LTD (US\$17.0MM)	21.2	140.3
Debt - all other	18.1	11.8
Total debt	695.8	774.6
Less: Cash and cash equivalents	(234.7)	(208.3)
Net debt	\$ 461.1	\$ 566.3

- Non-revolving debt requires US\$10 million of repayment quarterly and the next senior note payment of US\$110 million is in March 2016
- The interest margin on the non-revolving and revolving credit facilities is 100 bps.
- Available capacity within the revolving credit facility after outstanding letters of credit is \$275 million.

# Capital Spending

Six Months Ended June 30<sup>th</sup> 2015

Divisions	Capital Spending	Depreciation <sup>(*)</sup>	Difference
Label	\$ 79.7	\$ 59.9	\$ 19.8
Avery	8.7	5.8	2.9
Container	3.2	7.5	(4.3)
Corporate	-	0.2	(0.2)
	<u>\$ 91.6</u>	<u>\$ 73.4</u>	<u>\$ 18.2</u>

<sup>(\*)</sup> excludes amortization of intangibles and other assets

- Label growth capital into faster growing Food & Beverage and CCL Design units
- Investments in Printable Media at Avery, especially Digital printing
- Finalizing expanded infrastructure at US Container plant
- \$150-160 million forecast for 2015

# Label

Periods Ended June 30th

(millions of CDN \$)	Three months		Change		Six months		Change	
	2015	2014	Reported	Ex FX	2015	2014	Reported	Ex FX
Sales	\$ 468.9	\$ 423.8	+11%	+8%	\$ 955.0	\$ 847.5	+13%	+10%
Operating income <sup>(1)</sup>	\$ 71.9	\$ 56.0	+28%	+26%	\$ 153.8	\$ 125.4	+23%	+19%
Return on Sales	15.3%	13.2%			16.1%	14.8%		
EBITDA <sup>(1)</sup>	\$ 103.3	\$ 86.0	+20%	+18%	\$ 217.4	\$ 183.9	+18%	+15%
% of Sales	22.0%	20.3%			22.8%	21.7%		

- 4% second quarter organic sales growth rate globally...
- ...flat in North America (compared to strong Q214), up mid single digit in Europe...
- ...strong double digit growth in Latin America, mid single digit decline in Asia Pacific
- Improved operating margins in both acquisitions and the base business



# Label

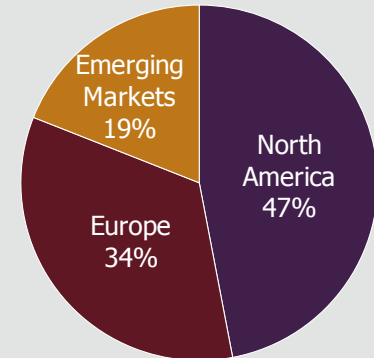
Second Quarter Ended June 30th

## North America

- Healthcare & Specialty profits up on mix and solid sales growth; Ag-Chem & Promo slow
- Home & Personal Care sales declined in soft end markets, profits up on good Sancoa progress
- Strong Food & Beverage sales and profit growth in both Wine & Spirits and Sleeves
- CCL Design continued to improve margins

## Europe (incl. Eastern Europe)

- Solid sales growth and improved profitability at Healthcare & Specialty
- Home & Personal Care results were up in soft end markets
- Solid Food & Beverage results compared to a very strong prior year
- CCL Design results robust, prior period included large customer bankruptcy



Label Sales by Geography

## Emerging Markets (Asia, Latin America, Oceania: Australia & South Africa)

- Asia profits up but sales declined, Q214 growth exceeded 20%
- Strong growth in Latin America, partly driven by FX related price increases
- Oceania: solid performance in Food & Beverage offset by poor quarter in Healthcare

# Label Joint Ventures

Periods Ended June 30th

Results at 100% (millions of CDN \$)	Three months		Six months	
	2015	2014	2015	2014
Sales	\$ <u>25.2</u>	\$ <u>20.8</u>	\$ <u>48.5</u>	\$ <u>39.5</u>
Net income (loss)	\$ <u>1.4</u>	\$ <u>1.9</u>	\$ <u>2.8</u>	\$ <u>2.1</u>
EBITDA	\$ <u>3.9</u>	\$ <u>2.9</u>	\$ <u>7.5</u>	\$ <u>5.3</u>
% of Sales	15.5%	13.9%	15.5%	13.4%
<b>CCL equity share<sup>(*)</sup></b>	<b>\$ 0.7</b>	<b>\$ 1.0</b>	<b>\$ 1.5</b>	<b>\$ 1.0</b>

(\*) share of earnings consolidated using equity accounting principles.

- Russia outperformed in a difficult market; earnings affected by Ruble translation and start up costs at new Sleeve plant
- Solid results in the Middle East
- Strong sales and profit gains in Chile
- Tube plant in Bangkok began trading incurring start up losses

# Avery

Periods Ended June 30th

(millions of CDN \$)	Three months		Change		Six months		Change	
	2015	2014	Reported	Ex FX	2015	2014	Reported	Ex FX
Sales	\$ 198.2	\$ 174.2	+14%	+6%	\$ 358.4	\$ 307.1	+17%	+10%
Operating income <sup>(1)</sup>	\$ 45.3	\$ 28.4	+60%	+51%	\$ 71.8	\$ 41.5	+73%	+67%
Return on Sales	22.9%	16.3%			20.0%	13.5%		
EBITDA <sup>(1)</sup>	\$ 49.1	\$ 31.7	+55%	+46%	\$ 78.9	\$ 48.2	+64%	+58%
% of Sales	24.8%	18.2%			22.0%	15.7%		

- Solid organic growth in Printable Media globally (some channel inventory rebuild) offset by declines in the US binder business, flat overall organically for the quarter
- Favorable mix, cost savings and pricing drove robust profit improvement
- pc/nametag acquisition exceeded expectations: 6c EPS for first 4 months

# Container

Periods ended June 30th

(millions of CDN \$)	Three months		Change		Six months		Change	
	2015	2014	Reported	Ex FX	2015	2014	Reported	Ex FX
Sales	\$ 54.4	\$ 52.4	+4%	(1%)	\$ 114.0	\$ 105.5	+8%	+3%
Operating income <sup>(1)</sup>	\$ 5.4	\$ 4.8	+13%	+6%	\$ 14.1	\$ 10.8	+31%	+23%
Return on Sales	9.9%	9.2%			12.4%	10.2%		
EBITDA <sup>(1)</sup>	\$ 9.2	\$ 8.3	+11%	+6%	\$ 21.6	\$ 17.8	+21%	+16%
% of Sales	16.9%	15.8%			18.9%	16.9%		
<b>Rheinfelden</b>								
CCL equity share	\$ (0.5)	\$ -			\$ (0.7)	\$ -		

- Strong quarter in Mexico. Slow US HPC market largely offset by favorable price/mix
- Canadian plant consolidation delayed till end 2016
- New slug plant began production this quarter

# Summary

Periods ended June 30th

(millions of CDN \$)	Three months		Change		Six months		Change	
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Label	\$ 71.9	\$ 56.0	+28%	+26%	\$ 153.8	\$ 125.4	+23%	+19%
Avery	45.3	28.4	+60%	+51%	71.8	41.5	+73%	+67%
Container	5.4	4.8	+13%	+6%	14.1	10.8	+31%	+23%
Operating Income <sup>(1)</sup>	<u>\$ 122.6</u>	<u>\$ 89.2</u>	+37%	+33%	<u>\$ 239.7</u>	<u>\$ 177.7</u>	+35%	+31%
Sales	<u>\$ 721.5</u>	<u>\$ 650.4</u>	+11%	+7%	<u>\$ 1,427.4</u>	<u>\$ 1,260.1</u>	+13%	+9%
Return on Sales	17.0%	13.7%			16.8%	14.1%		
EBITDA <sup>(1)</sup>	<u>\$ 148.9</u>	<u>\$ 118.8</u>	+25%	+21%	<u>\$ 292.0</u>	<u>\$ 236.8</u>	+23%	+19%
% of Sales	20.6%	18.3%			20.5%	18.8%		
EBITDA less capex as % of sales	15.8%	14.5%			14.0%	12.1%		

- Strong second quarter performances at Avery and CCL Label
- US\$ profit translation gains significantly offset by weaker international currencies and transaction challenges

# Outlook

- Avery will be challenged to match Q314 'back to school': exiting certain lower margin binder categories
- Orders and business outlook otherwise unchanged; comps tougher for 2H15
- C\$ translation tailwind....further 8% decline to the US\$ so far in Q3
- Most FX related price increases now implemented
- Raw materials cost environment stable
- Solid acquisition pipeline, considerable balance sheet capacity

# Questions



# Definitions Appendix

- (1) Non-IFRS measure; see MD&A dated July 31, 2015 for definition
- (2) Free Cash Flow from Operations (non-IFRS measure) = cash from operating activities less capital expenditures, net of proceeds from sale of property, plant and equipment