

CCL Industries Inc.



Investor Update
1st Quarter 2012 Review
May 3, 2012

Disclaimer



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. 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 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; 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 segments and entering into new segments; 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 achievement of a lower effective income tax rate; the Company’s continued relations with its customers; and general business and economic conditions. Should one or more risks materialize or should any assumptions 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 in the MD&A section of the 2011 Annual Report, particularly under Section 4: “Risks and Uncertainties.” CCL’s annual and quarterly reports can be found online at www.cclind.com and www.sedar.com or are available upon request.



Statement of Earnings

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



	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Excluding Currency Translation</u>
Sales	\$ 341.4	\$ 315.6	+8%	+9%
Operating income *	52.6	48.7	+8%	+9%
Corporate expense	6.5	6.3	+3%	
	46.1	42.4		
Finance expense, net	5.2	5.7	(9%)	
	40.9	36.7		
Restructuring & other items	-	(0.5)		
Earnings in equity accounted investments	0.8	-		
Earnings before income taxes	41.7	36.2		
Income taxes	11.3	9.4		
Net earnings	\$ 30.4	\$ 26.8	+13%	+15%
<i>Effective tax rate</i>	<i>27.6%</i>	<i>25.9%</i>		
<i>EBITDA *</i>	\$ 71.2	\$ 66.4	+7%	+8%

* non-IFRS financial measure; see press release dated May 3, 2012, for definition



Earnings per Class B Share

First Quarter Ended March 31st



<u>Per Class B Share</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Net earnings - basic	\$ 0.91	\$ 0.81	+12%
Diluted earnings	\$ 0.89	\$ 0.80	+11%
Restructuring & other items - loss	\$ -	\$ (0.01)	
Adjusted basic earnings *	\$ 0.91	\$ 0.82	+11%
Adjusted Basic Earnings variance (after tax) due to:			
Operating income	0.08		
Corporate Expenses	(0.01)		
Interest expense	0.01		
Earnings in equity accounted investments	0.03		
Effective tax rate impact	(0.01)		
FX translation impact	(0.01)		
	\$ 0.09		

* non-IFRS financial measure; see press release dated May 3, 2012 for definition



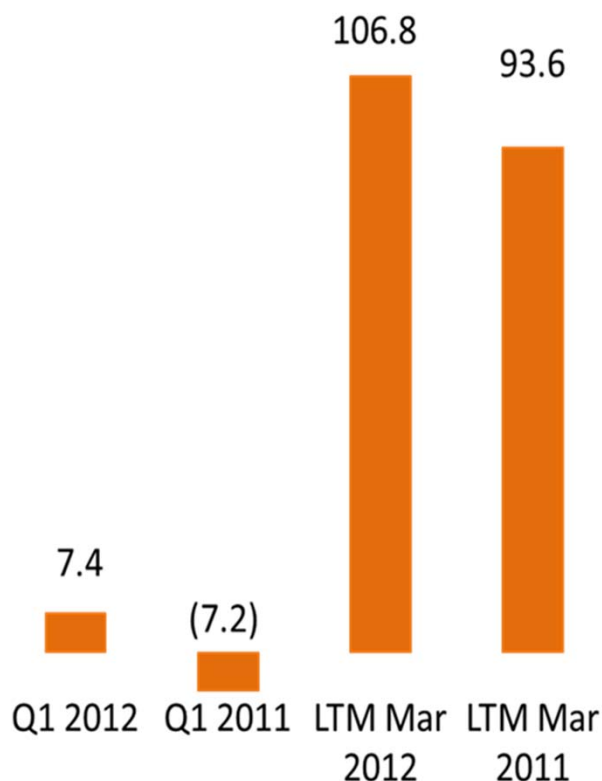
Cash Flow Highlights

Periods Ended March 31st

(Millions of Cdn\$)



Free Cash Flow



- Free Cash Flow (non-IFRS measure) = Cash from Operating Activities less Capital Expenditures, net of Proceeds from Sale of PPE

Statement of Cash Flows

Three Months Ended March 31st

	<u>2012</u>	<u>2011</u>
Net earnings	\$ 30.4	\$ 26.8
Adjustments for:		
Depreciation & amortization	25.1	24.0
Net finance cost	5.2	5.7
Current income tax expense	14.4	9.4
Chg. in non-cash working capital	(27.5)	(34.4)
Interest paid	(10.3)	(11.6)
Taxes paid	(5.0)	(3.2)
Other	<u>(2.2)</u>	<u>1.2</u>
Cash from operating activities	30.1	17.9
Net long-term debt repayment	(1.2)	(67.3)
Proceeds on issuance of shares	1.6	1.1
Dividends	(6.6)	(5.8)
Net additions to PP&E	(22.7)	(25.1)
Business acquisitions	-	(2.0)
All other (net)	<u>0.2</u>	<u>(0.1)</u>
Increase (decrease) in cash	\$ 1.4	\$ (81.3)



LTM – Last Twelve Months

Cash & Debt Summary

As At March 31st
(Millions of Cdn\$)



	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
Long-term debt - senior notes (2011 - US\$ 328.4 MM, 2010 - US\$ 337.7 MM)	\$ 327.5	\$ 327.4	\$ 0.1
Debt - all other	18.8	26.0	(7.2)
Total debt	346.3	353.4	(7.1)
Less: Cash and cash equivalents	(141.9)	(92.1)	(49.8)
Net debt	<u>\$ 204.4</u>	<u>\$ 261.3</u>	<u>\$ (56.9)</u>
Net debt to total capitalization*	<u>19.3%</u>	<u>24.7%</u>	

- Next scheduled debt repayment is in September 2012 in the amount of US \$9.4 million.
- In addition to debt repayments, the decrease in net debt was partially offset by the unfavourable currency translation on U.S. dollar-denominated debt (U.S. dollar increased 3% over last year's rate on March 31).



* non-IFRS measure; see press release dated February 23, 2012 for definition

Capital Spending Highlights

First Quarter Ended March 31st, 2012

(Millions of Cdn\$)



<u>Divisions</u>	<u>Capital Spending</u>	<u>Depreciation⁽¹⁾</u>	<u>Difference</u>
Label	\$ 22.3	\$ 18.1	\$ 4.2
Container	0.7	3.5	\$ (2.8)
Tube	0.3	1.9	\$ (1.6)
Corporate	-	0.1	\$ (0.1)
Disposals	(0.6)	-	\$ (0.6)
	<u>\$ 22.7</u>	<u>\$ 23.6</u>	<u>\$ (0.9)</u>

⁽¹⁾ excludes amortization of intangibles and other assets

- Q1 investments driven by Emerging Market projects in Brazil & Thailand plus capacity expansions in Healthcare & Specialty. Maintenance expenditures only at Container & Tube
- Expect 2012 capital expenditures in the range of \$85 to \$90 million; below approximate annual depreciation of \$100 million.



Label

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



	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Excluding Currency Translation</u>
Sales	\$ <u>273.9</u>	\$ <u>247.7</u>	+11%	+11%
Operating income*	\$ <u>46.2</u>	\$ <u>41.9</u>	+10%	+11%
Return on sales	<u>16.9%</u>	<u>16.9%</u>		
EBITDA *	\$ <u>65.7</u>	\$ <u>60.6</u>	+8%	+9%
% of Sales	<u>24.0%</u>	<u>24.5%</u>		

The following commentary is based on constant Canadian dollars and excludes the FX currency translation impact:

- Strong double digit organic growth rate in an improving North American economy lead to significant profit gains
- European sales up low single digits; profitability fell slightly on mixed results by geography and market sector
- Emerging Markets posted strong sales gains, particularly in Asia but profitability in Latin America was impacted by currency and cost inflation



* non-IFRS measure; see press release dated February 23, 2012 for definition

Label

Fourth Quarter Ended December 31st 2011

(Millions of Cdn\$)



North America (38% of sales)

- Very robust growth rate in Healthcare resulted in significant profit gains; but compared to a soft prior year period. Specialty business was solid.
- Home & Personal Care (HPC) posted strong sales gains with improved profitability.
- Solid growth in Sleeves with improved performance
- Wine & Spirits continued to gain momentum from a low base



Label

Fourth Quarter Ended December 31st 2011

(Millions of Cdn\$)



Europe (41% of sales) (inc Eastern Europe)

- Flat sales in HPC but with significant profit improvement following French restructuring
- Flat sales at Healthcare & Specialty; profitability impacted by soft results in Scandinavia
- Modest sales growth in Sleeves; lower profits due to resin cost pass through challenges and an unusually strong prior year in the UK
- Very strong sales and profitability growth in Beverage
- Record quarter at CCL Design, strong automotive market with inventory carry over from Q411



Label

Fourth Quarter Ended December 31st 2011
(Millions of Cdn\$)



Emerging Markets (21%) (Asia, Latin America, Australia & South Africa)

- High single digit sales growth in Latin America; profits impacted negatively by currency declines and cost inflation.
- Strong double digit sales and profit growth in Asia....normal operations resumed in Thailand after fourth quarter floods.
- Sales in South Africa & Australia up double digits; profitability down slightly.



Label Joint Ventures

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



Results at 100%	<u>Three Months</u>	
	<u>2012</u>	<u>2011</u>
Sales	<u>\$ 13.5</u>	<u>\$ 4.9</u>
Net Income	<u>\$ 1.7</u>	<u>\$ (0.1)</u>
EBITDA	<u>\$ 2.1</u>	<u>\$ 0.1</u>
% of Sales	<u>15.6%</u>	<u>2.0%</u>
CCL Equity Share*	\$0.8	\$ -

*share of earnings consolidated using equity accounting principles

- Progress in Russia continues, results aided by FX and the strong Rouble/Euro relationship
- Strong results for Pacman-CCL, in the Middle East.
- Both ventures have net cash position and remain debt free.



Container

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



	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Excluding Currency Translation</u>
Sales	\$ <u>46.1</u>	\$ <u>47.7</u>	(3%)	(3%)
Operating income*	\$ <u>2.4</u>	\$ <u>3.7</u>	(35%)	(35%)
Return on sales	<u>5.2%</u>	<u>7.8%</u>		
EBITDA *	\$ <u>5.9</u>	\$ <u>7.1</u>	(17%)	(17%)
% of Sales	<u>12.8%</u>	<u>14.9%</u>		

The following commentary is based on constant Canadian dollars and excludes the FX currency translation impact:

- Decline in beverage volume and unusual seasonal patterns for aerosols affected sales at our U.S. operation compared to a strong prior year.
- Canadian plant continues to improve.
- Solid results in Mexico as volume at the Guanajuato plant continues to build.



* non-IFRS measure; see press release dated May 3, 2012 for definition

Tube

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



	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Excluding Currency Translation</u>
Sales	\$ <u>21.4</u>	\$ <u>20.2</u>	+6%	+4%
Operating income*	\$ <u>4.0</u>	\$ <u>3.1</u>	+29%	+27%
Return on sales	<u>18.7%</u>	<u>15.3%</u>		
EBITDA *	\$ <u>5.9</u>	\$ <u>4.9</u>	+20%	+20%
% of Sales	<u>27.6%</u>	<u>24.3%</u>		

The following commentary is based on constant Canadian dollars and excludes the FX currency translation impact:

- Another very strong quarter with bottom line performance aided by favorable mix
- Strong results at both US plants.



* non-IFRS measure; see press release dated May 3, 2012 for definition

Operating Income*

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



	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Excluding Currency Translation</u>
Label	\$ 46.2	\$ 41.9	+10%	+11%
Container	2.4	3.7	(35%)	(35%)
Tube	<u>4.0</u>	<u>3.1</u>	+29%	+27%
Operating income*	<u>52.6</u>	<u>48.7</u>	+8%	+9%
Sales	<u>\$ 341.4</u>	<u>\$ 315.6</u>	+8%	+9%
Return on sales	15%	15%		
EBITDA*	<u>\$ 71.2</u>	<u>\$ 66.4</u>	+7%	+8%
% of sales	21%	21%		
EBITDA less net capex as % of sales	14%	13%		



* non-IFRS measure; see press release dated May 3, 2012 for definition

Summary & Outlook



- Outlook across our business in North America looks very solid and improved.
- European flat to low growth scenario is not expected to change and has potential to weaken.
- FX and cost inflation challenges in Latin America likely to continue; some signs of lower growth rates at Asian customers.
- Input cost inflation has eased following Q1 2012 commodity price softening.
- Current European and Latin American FX rates would make comparisons to Q2 2011 significantly more challenging.
- Balance Sheet continues to strengthen. Acquisitions are a priority; valuation discipline and rigorous process remains.

