



CCL Industries Inc.



Avery Dennison Acquisition Investor Update

31st January 2013

Avery Dennison Acquisition



- Acquiring Office & Consumer Products and Designed & Engineered Solutions businesses...\$910 million revenue
- Financed by debt through a bank syndicate co-led by Bank of Montreal, Bank of America, Bank of Tokyo Mitsubishi UFJ and supported by Bank of Nova Scotia: \$500 million financing package at LIBOR+150 basis points
- Purchase price is debt free: 4.6X TTM adjusted EBITDA at \$110 million
- Subject to regulatory filing and closing procedures; expected by end Q2 2013
- H113 core CCL earnings impacted only by deal related fees estimated at approximately \$1 million pre-tax for legal, due diligence and financing costs
- H213 incremental earnings will be impacted by write up of acquisition inventory; additional financing cost and restructuring charges
- H213 expect one time acquisition restructuring impact to be up to \$20-25 million range...numbers will be refined during Q213



Office & Consumer Products



- \$730 million in 2012 revenues...75% in the US & Canada, balance in Europe, Australia & Latin America. 11.8%* reported adjusted operating income margin in 2012
- Labels and Printable Media category is 55% of the business, supported by ancillary product lines that also have important market leading positions
- Acquiring the iconic **Avery** brand outright as part of the transaction along with its long tenure to “make printing easy” with software and hardware from the technology world
- World class operating facilities in the US, Mexico, Germany, UK, Australia, Italy & Argentina and DCs in most major countries including Canada
- Approximately 2,500 employees located in line with sales
- Will be a separate reporting segment of CCL post-close due to B2C market, separate customer base & distinct operating structure



* Adjusted operating income for OCP refers to operating income before interest, taxes, restructuring charges, general overhead allocations and transaction costs.

Designed & Engineered Solutions



- \$180 million in sales...>90% of revenue recorded in the United States with a reported adjusted 10.6%* operating income margin in 2012
- Four well managed and maintained label converting/printing operations focused on specialty label applications with a heavy focus on the Durable Goods space
- Automotive brokerage business in Italy that will become part of CCL Design in Europe
- Approximately 650 employees
- The business will become an important sector of CCL Label post close (with a name change) focused on the Durables and Specialty markets.

TIRE AND LOADING INFORMATION RENSEIGNEMENTS SUR LES PNEUS ET LE CHARGEMENT			
SEATING CAPACITY NOMBRE DE PLACES	TOTAL 5	FRONT AVANT 2	REAR ARRIERE 3
The combined weight of occupants and cargo should never exceed 410 kg or 904 lbs. Le poids total des occupants et du chargement ne doit jamais dépasser 410 kg ou 904 lb.			
TIRE PNEU	SIZE DIMENSIONS	COLD TIRE PRESSURE PRESSION DES PNEUS À FROID	SEE OWNER'S MANUAL FOR ADDITIONAL INFORMATION VOIR LE MANUEL DE L'USAGER POUR PLUS DE RENSEIGNEMENTS
FRONT AVANT	P205/65R16	225kPa, 33psi	
REAR ARRIERE	P205/65R16	225kPa, 33psi	
SPARE DE SECOURS	T125/80D16	420kPa, 60psi	



* Adjusted operating income for DES refers to operating income before interest, taxes, restructuring charges, general overhead allocations and transaction costs.

Summary



- Businesses we know well... and from the inside
- Compelling valuation...highly accretive in 2014 after two quarters of accounting transitions in H213
- OCP has a lower capex intensity than our core business, DES is similar to CCL Label
- Brings new legs to our stool, with product technology and applications we understand completely. Good cadre of very capable people.
- Upside synergies on the cost side in corporate structure...but relatively complex unplugging from centralized systems will take a few quarters...across the pre-and post-close periods
- We see potential in the Avery consumer/small business franchise with new products for the digital world...and new applications and geographic expansion in the Durables business
- **We believe it can be a transformational acquisition for CCL**



Questions?