Our geographic reach across 23 countries naturally diversifies macroeconomic and currency risks for investors. As the U.S. economy slowly improved in the second half of 2011, North American sales recovered from a soft start to end the year slightly up, and our European operations posted solid growth despite the Eurozone debt crisis. Emerging markets offered our customers greater opportunities, and this drove double-digit sales growth for us in these geographies. Excluding the impact of currency translation, worldwide Label sales increased by 7% and profitability improved slightly compared to 2010, despite significant material cost inflation. Our 21.8% EBITDA* margin continued to be at the high end of the range for the specialty packaging industry.

All business sectors and geographic regions performed to expectations in 2011. We continue to gain share in the Home & Personal Care sector as customers consolidate through mergers and acquisitions and look to retain fewer and larger suppliers that are able to serve them from multiple locations around the world. Strong double-digit sales increases in Latin America and Asia were offset by slower growth rates in the developed world. However, nearly 40% of our sales in this sector now come from emerging markets.

In 2011, our Healthcare & Specialty sector posted solid results in all regions of the world despite slower conditions in the agricultural chemicals market in the United States that were attributed by some customers to unusual weather patterns this past year. Sales to Healthcare customers were solid overall and enhanced in North America by the addition of Sertech, a pharmaceutical label business located in Chicago, which we acquired in April. Last summer, we also opened a new plant in the Raleigh-Durham Triangle in North Carolina to service the fastest-growing region of the United States for pharmaceutical manufacturing. Results were solid in Europe despite the region's macroeconomic issues, and emerging markets grew rapidly from a small base.

CCL Label's Food & Beverage sector continues to grow as customers adopt new decorating concepts, using our sleeves and pressure sensitive labels to replace traditional wet glue systems or direct printing on a wide range of consumer brands. Despite the soft European economy and raw material cost inflation, our large operations in the region delivered stable performance. Results in the small U.S. operations were mixed but improved substantially in Brazil. Sales to Wine & Spirit customers were also up – significantly from a low base as we expanded our presence around the world in this relatively new market for CCL.

CCL Design benefited from the export success of our German OEM customers and had another solid year.

Emerging markets now represent over 20% of CCL Label's total revenues and remain a major success story. Sales in Asia passed $75 million for the first time and continue to grow at a rapid pace. Thankfully, our Thai operations were unaffected by the terrible floods in Bangkok in terms of physical damage. However, some customers closed their factories temporarily for safety reasons, and the remainder were forced to cut production levels, reducing demand significantly in the fourth quarter. We expect to see a robust rebound in the first half of 2012 to replenish depleted inventories. To prepare for that and the ongoing growth in the region, CCL will invest a further $10 million in Thailand in 2012, with a third facility in Bangkok providing much-needed additional capacity.

Latin America continues to provide growth opportunities in all our customer sectors. Our Brazilian and Mexican operations both had banner years in 2011 with strong double-digit sales growth and excellent profitability levels. This gave us confidence to invest $20 million in Brazil over 2011 and 2012, doubling the size of our plant in São Paulo and adding significant capacity to our sleeve operation in Criciúma in the southern state of Santa Catarina. Last year, Brazil overtook the United Kingdom as the sixth-largest economy in the world.

Russia remains an important market for customers, it became the second-largest economy in Europe after Germany in 2011. After a difficult start in the important vodka market, we had another profitable year at our CCL-Kontur joint venture. In September we completed our Pacman-CCL transaction, which covers the oil-producing states of the Middle East from its headquarters in Dubai. In 2012 the venture, currently with three operations, will start up a new plant in Jeddah, Saudi Arabia, and is evaluating options to enter India. CCL holds a 50% economic interest in all of these investments and is actively involved as the strategic partner. We continue to seek out opportunities in new geographic markets. This past year, we established licence agreements with Master Label, the largest label converter in Indonesia, and DekoPak, a well-known producer of sleeve labels in Turkey. Both companies trade under the CCL name in conjunction with their own and use our corporate identity system.