



2012
WINPAK
ANNUAL REPORT

REPORT TO SHAREHOLDERS

The ever-growing positive trend prevails! Wipak registered yet another banner year in 2012, recording net income attributable to common shareholders of \$72.4 million or \$1.11 per share. This amount eclipsed the 2011 figure by 13.5 percent or \$0.13 per share. Such a milestone marks the first time that earnings per share outpaced the \$1.00 threshold since the Company's stock split of ten for one. Of notable merit, quarterly earnings per share for each of the past 19 consecutive quarters have equaled or surpassed the prior years' achievements for the same timeframe. This success was further complemented by the Company's revenues which reached \$670.1 million, exceeding the 2011 number by \$18.0 million or 2.8 percent.

In 2012, the Company continued to ensure its future through an ongoing aggressive capital expenditure program, including building expansions and new capacity; while conscientiously scrutinizing the profit expectations of its product offerings. The result of this latter endeavor saw the Company exit certain less lucrative business, allowing it to focus primarily on end-use market applications encompassing the more technically advanced and proprietary products which are Wipak's forte. The success of these initiatives is reflected in the Company's enviable earnings performance.

A most noteworthy accomplishment of the year 2012 was the completion of a new state-of-the-art 267,000 square foot building in Sauk Village, Illinois. This edifice presently houses new advanced equipment needed to keep pace with the growth of the Company's rapidly increasing coextruded rigid material business. This is now the third manufacturing site producing such products. The other two are located in Toronto, Ontario and South Chicago Heights, Illinois. In accordance with the Company's mandate to concentrate mainly on sophisticated, high-barrier items, the decision was made to sell the assets of its drink cup business, which was finalized in the fourth quarter of 2012. The steps taken to augment capacity and pinpoint definitive market focus should bode well for the revenues and profits of rigid materials.

Not to be outdone, Wipak's lidding operations proceeded with a major undertaking at its Vaudreuil, Quebec location. Although this project was somewhat delayed by government bureaucracy, it is now on track to be up and running in the second quarter of 2013. This 105,000 square foot building expansion will house a massive one of a kind, coextrusion coating line, which will enable Wipak to remain a dominant player in advanced technology geared to materials for its lidding and health-care markets. Concurrent to this, the Company started production in a leased facility in Querétaro, Mexico, specializing in converting die-cut lids to target this appealing geographic region. Further to the burgeoning success in its lidding operations and health-care ventures, in-roads are being realized in certain liquid food markets that are reliant on the Company's proprietary foil-based products.

Wipak's Winnipeg, Manitoba site, which excels in the manufacture of modified atmosphere packaging materials, also oversaw a sizeable capital program in 2012 with the installation of a coextrusion coating line. This equipment will be operational in the second quarter of 2013 and will provide the Company an opportunity to produce items more cost effectively, particularly for certain segments of the cheese industry, where Wipak is not currently a major participant. This will also enhance the Company's product offerings for some of its more traditional end-use market applications. With this addition, Wipak moves another step closer to fulfilling its goal of supplying one-stop shopping for those products required by its existing and prospective modified atmosphere packaging customers. A previous decision to enlarge the Winnipeg plant by approximately 80,000 square feet was put on hold due to an unprecedented spike in construction costs in the city of Winnipeg. Such levels have since subsided and this project will now commence with an estimated completion date of late 2013.

Since Wipak's 2006 entry into the North American shrink bag arena with licensed proprietary technology provided by Asahi Corporation of Japan, the Company has systematically added production equipment to satisfy the pressing demands of the marketplace. The year 2012 was no exception as the Company installed new extrusion and converting machinery at its Senoia, Georgia based specialty films plant. In addition to Wipak's success with shrink bags, its offering of coextruded materials for liquid packaging applications is gaining favor and is being actively marketed in conjunction with Wipak's San Bernardino, California packaging machinery division. As the Company fortifies its position in these specialty markets, it will continue to decrease its dependency on less lucrative commodity items and thereby elevate profit levels. This follows in concert with the Company's overall strategic plan.

From the time that Wipak entered into a business venture with the Sojitz Corporation of Japan to manufacture biaxially-oriented nylon films, the Company has benefited both through the sale of products on the open market, as well as providing capacity for Wipak's internal consumption. The above-mentioned new production lines being installed at the Wipak facilities in Quebec and Manitoba are slated to produce materials for novel end-use applications in which one of the key components of the final structure is biaxially-oriented nylon. Along with improved efficiencies, this opportunity will allow the Company to be self-sufficient and less challenged by the volatility of the global marketplace, expressly impacting biaxially-oriented nylon. This, in unison with the fact that the Company's biaxially-oriented nylon material continued to outperform the competition, should create a situation where capacity is more fully utilized and thus provides opportunities to maximize profits.

Wipak's main purpose for engaging in the packaging machinery business was to establish another promising avenue for the sale of the Company's flexible and rigid packaging materials. Said strategy has boosted revenues, while at the same time, strengthened the existing partnerships the Company enjoys with its customers. More and more of Wipak's principal customers are relying on suppliers for ongoing technical and service support. With Wipak being in a position to offer system sales, it becomes a most attractive enhancement to solidify relationships. This is yet another stride to Wipak's goal of becoming a one-stop for the packaging needs of its customers. In 2012, this process continued to be at the forefront of the Company's efforts with rewarding results logged to date.

Coming off a strong year in 2012 and with the various Board approved long-term projects in play, Wipak has a firm foundation for future growth, both in sales and profitability. The fact that the population demographics favor health-care and food products that lend themselves to convenient packages, using materials of the types manufactured by Wipak, also adds further credence to the Company's strategic aspirations. The investments made in recent years will provide the necessary capacity for the Company to move closer to attaining its billion dollar sales commitment. Most of all, it will ultimately be the enthusiasm, dedication and efforts of the entire Wipak community which will ensure that the Company continues to thrive and strive to greater heights!

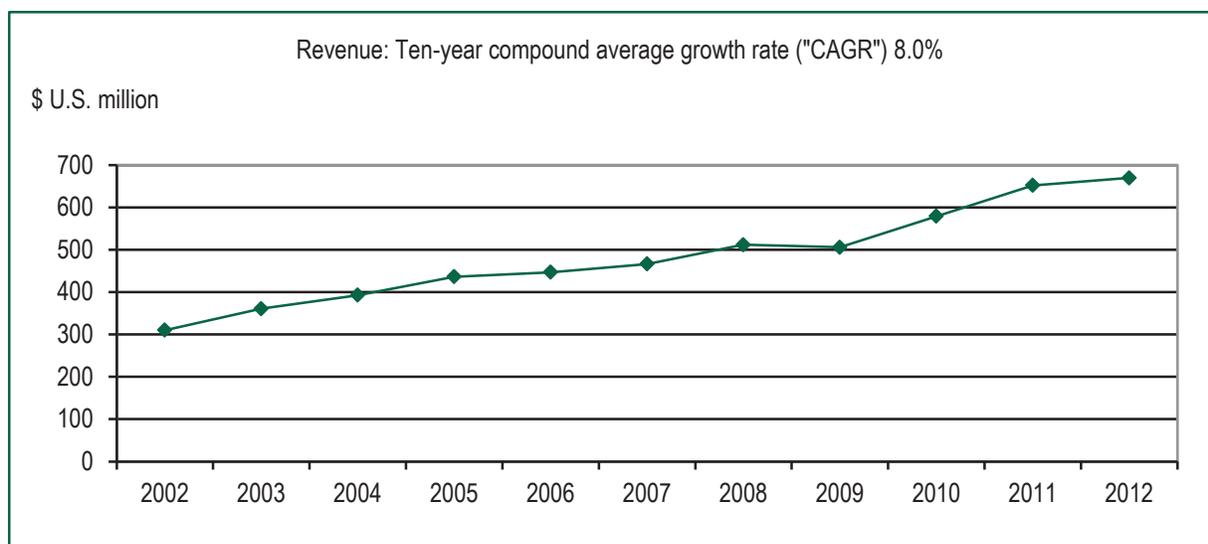


B.J. Berry
President & Chief Executive Officer
Winnipeg, Canada
February 13, 2013

REVIEW

(Values expressed in US dollars)

	2012	2011	2010	2009 (1)	2008 (1)
Operating results (\$ million except earnings per share)					
Revenue	670.1	652.1	579.4	506.0	512.0
Income from operations	103.5	95.0	79.0	66.0	46.3
EBITDA (2)	129.7	122.6	105.0	92.0	71.7
Net income attributable to equity holders of the Company	72.4	63.8	55.3	42.9	29.4
Earnings per share (cents)	111	98	85	66	45
Investments and assets (\$ million)					
Investments in property, plant and equipment	68.4	48.9	39.0	21.4	14.7
Total assets	634.6	567.6	507.7	483.1	418.4
Financial position					
Total debt to equity attributable to equity holders of the Company (3)	0.0%	0.0%	0.0%	0.0%	0.0%
Net return on opening equity attributable to equity holders of the Company	16.5%	16.3%	16.1%	13.8%	9.1%
Return on opening invested capital (4)	28.9%	27.1%	23.8%	18.3%	11.6%



(1) Amounts are as previously reported under Canadian GAAP.

(2) EBITDA (income before interest, tax, depreciation and amortization) is not a recognized measure under International Financial Reporting Standards (IFRS). Management believes that in addition to net income attributable to equity holders of the Company, EBITDA is a useful supplemental measure as it provides investors with an indication of cash available for distribution prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that EBITDA should not be construed as an alternative to net income attributable to equity holders of the Company determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating EBITDA may differ from other companies and, accordingly, EBITDA may not be comparable to measures used by other companies.

(3) Total debt is defined as long-term debt plus bank overdrafts less cash and cash equivalents. From 2008 to 2012, the year-end cash and cash equivalents exceeded long-term debt plus bank overdrafts.

(4) Return on opening invested capital is defined as income from operations divided by invested capital, which is defined as the sum of total debt, equity, net deferred tax liability, and accumulated goodwill amortization.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Certain statements made in the following Management's Discussion and Analysis contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent Winpak's current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Unless otherwise required by applicable securities law, Winpak disclaims any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

General Information

The following discussion and analysis dated February 13, 2013 was prepared by management and should be read in conjunction with the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The following discussion and analysis is presented in US dollars except where otherwise noted. The consolidated financial statements include the accounts of all subsidiaries. The Company's functional and reporting currency is the US dollar. The Company has filed a separate Management's Discussion and Analysis for its fourth quarter of 2012, which is available on SEDAR at www.sedar.com.

Company Overview

Winpak is an integrated converter operating in the packaging materials segment. The Company utilizes manufacturing technology focused on the core competency of sophisticated extrusion and conversion of plastic and aluminum foil materials. The business encompasses three product groups produced in ten manufacturing facilities located in North America. Winpak distributes products to customers primarily in North America for use in the packaging of perishable foods, beverages and in health-care applications.

Selected Financial Information

Millions of US dollars, except per share and margin amounts	2012	2011
Net income attributable to equity holders of the Company	72.4	63.8
Income from operations	103.5	95.0
Revenue	670.1	652.1
Gross profit margin	29.7%	28.8%
Earnings per share (cents)	111	98
Dividends declared per common share (Canadian cents)	12	12
Total assets	634.6	567.6
Cash and cash equivalents	133.3	126.9
Net income	72.8	64.9
Income tax expense	31.7	30.7
Net finance income	(1.0)	(0.6)
Depreciation and amortization	26.2	27.6
EBITDA	129.7	122.6

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall Performance

- △ *Revenue* grew by \$18.0 million or 2.8 percent from 2011 levels, due mainly to a rise in volumes of 4.0 percent, representing \$26.3 million in revenue. Offsetting this revenue advancement was a decline in overall selling prices and a weaker Canadian dollar which resulted in revenue decreases of \$7.0 million and \$1.3 million respectively.
- △ *Gross profit margins* expanded by nearly one percentage point from the prior year to 29.7 percent of revenue. Although there was some narrowing of the spread between selling prices and raw material costs, this was more than offset by improved manufacturing performance.
- △ *Net income attributable to equity holders of the Company* reached \$72.4 million, up \$8.6 million or 13.5 percent from the 2011 level of \$63.8 million. This advancement was due primarily to improved sales volumes, enhanced manufacturing performance, and lower income taxes.
- △ *Cash position* improved by \$6.4 million to end the year at \$133.3 million, led by strong cash flow from operating activities. The Company has no bank overdrafts or long-term debt outstanding.

Highlights

- △ *Raw materials:* Raw material costs in total were fairly stable during 2012, remaining within a narrow band of plus or minus three percentage points of the average for the year.
- △ *Manufacturing performance:* Lower waste levels and enhanced production efficiencies, due in part to recent capital improvement projects, drove further gains in manufacturing performance over and above those attained in the last couple of years. These helped to propel gross profit margins to higher levels.
- △ *Income taxes:* A reduction in the Canadian federal corporate income tax rate as well as a larger proportion of net income being earned in lower tax jurisdictions resulted in a betterment in earnings per share of approximately 3.0 cents.
- △ *Foreign exchange:* In 2012, the average exchange rate of the Canadian dollar depreciated against the US dollar when compared to the prior year by 1.1 percent and combined with greater foreign exchange gains in 2012 on translation of Canadian dollar net monetary items, contributed to a positive impact on net income attributable to equity holders of the Company of approximately \$0.7 million or 1.0 cent per share in comparison to 2011.
- △ *Capital expenditures:* Capital expenditures in 2012 totaled an all-time high of \$68.4 million. This significant expenditure on property, plant and equipment is part of the Company's Billion Dollar Commitment (BDC) organic growth program, aimed at advancing revenue to a level approaching \$1 billion by the end of 2015.
- △ *Financing and investing:* During 2012, Winpak generated \$83.9 million in cash flow from operating activities, which was more than sufficient to fund \$68.4 million in capital projects, \$7.8 million in dividends, and \$1.3 million of other items, leaving a year-end net cash position of \$133.3 million. The Company will utilize its cash resources on hand and generate additional cash flow from operations to fund its investing and financing activities in 2013. In addition, management will continue to evaluate strategic acquisition opportunities in concert with implementing the BDC plan, all focused on enhancing long-term shareholder value.



Results of Operations

Components of total increase in earnings per share

	2012	2011
Organic growth	4.0	5.5
Gross profit margins	4.0	4.0
Expenses, income taxes and non-controlling interests	4.0	3.5
Initial recognition of withdrawal liability on defined benefit multiemployer pension plan	-	7.0
Foreign exchange	1.0	(7.0)
Total increase in earnings per share (cents)	13.0	13.0

Ongoing operations

Organic growth is the impact on net income due exclusively to increased sales volume and excludes the influence of acquisitions, divestitures and foreign exchange. In 2012, this added 4.0 cents to earnings per share in comparison to the prior year. It should be noted that the Company's fiscal year ends on the last Sunday of the calendar year and as such, the 2012 fiscal year includes 53 weeks instead of the more customary 52 weeks. The additional week included in the 2012 fiscal year was essentially the last week of the 2011 calendar year which contained several statutory holidays. As a consequence, it is estimated that 2012 sales volumes were positively affected by approximately 1 percentage point.

Despite a narrowing of the spread between selling prices and raw material costs in 2012, the Company was able to more than offset this negative impact on gross profit margins primarily through improved manufacturing performance, resulting in an addition of 4.0 cents in earnings per share.

As a result of a lower effective income tax rate in the current year, earnings per share was enhanced by 3.0 cents. Furthermore, a lesser amount attributable to non-controlling interests supplemented earnings per share in 2012 by an additional 1.0 cent.

On average, in 2012 versus 2011, the Canadian dollar was weaker compared to its US counterpart, positively impacting net income when the Company's net Canadian dollar disbursements were translated into US funds. This, along with foreign translation exchange gains on Canadian net monetary assets in the current year, were the main drivers behind a 1.0 cent rise in earnings per share in relation to 2011 due to foreign exchange impacts.

Revenue

Revenue Change	Millions of US dollars		
	2012	2011	2010
Volume increase	26.3	38.4	51.5
Price and mix (losses) gains	(7.0)	30.0	12.6
Foreign exchange (loss) gain	(1.3)	4.2	9.4
Total increase in revenue	18.0	72.6	73.5

Revenue expanded to \$670.1 million in 2012, an increase of \$18.0 million or 2.8 percent from the prior year. Volumes grew by 4.0 percent or \$26.3 million in relation to 2011. The product lines of rigid containers, modified atmosphere packaging, specialty films and lidding all experienced mid-single-digit volume expansions. While modest, this level of growth exceeded the industry norm which was generally flat to slightly negative in the North American market. The general muted performance of the overall economy had a more pronounced effect on the biaxially-oriented nylon and packaging machinery product groups, which experienced declines in demand from the prior year with a combined negative impact on revenue of \$3.6 million. In the fourth quarter of 2012, the Company's rigid group divested its drink cup product line representing approximately \$7 million in revenue on an annualized basis. The impact on 2012 revenues is minimal as customers increased orders in the third quarter to cover for the transition period; the negative effect on revenues will be felt in 2013. The combination of product mix and lower selling prices in response to a decrease in raw material costs negatively impacted revenue by 1.0 percent or \$7.0 million. The conversion of Canadian dollar sales into US funds at a lower average exchange rate in 2012 versus 2011 resulted in a revenue contraction of 0.2 percent or \$1.3 million.

Gross profit margins

In 2012, gross profit margins of 29.7 percent of revenue surpassed the 2011 result of 28.8 percent of revenue by nearly one full percentage point. There was some pressure on margins as the spread between selling prices and raw material costs narrowed, resulting in a reduction of gross profit margins of 0.5 percentage points. However, this was more than offset by enhanced manufacturing performance as a result of greater efficiencies and lower waste

MANAGEMENT'S DISCUSSION AND ANALYSIS

levels which bolstered 2012 gross profit margins and as a result, earnings per share by 4.0 cents.

Winpak's raw material index, which represents the weighted cost of a basket of the Company's eight principal raw materials, fell by 3.0 percent during 2012. Price stability was a hallmark of the current year, as the raw material index remained within a narrow band around the mean of plus or minus three percentage points. This allowed for some cost predictability for the Company as well as its customers. In addition, the Company has a partial natural hedge against rising raw material costs in that approximately two-thirds of the Company's revenues are subject to formal selling price-indexing agreements, whereby selling prices are adjusted as raw material costs change, albeit with a time lag.

Raw Material Index

	2012	2011	2010
Average annual index: weighted cost of a basket of Winpak's eight principal raw materials , where base year 2001 = 100	172.0	177.4	153.8
(Decrease) Increase in index compared to prior year	(3.0%)	15.3%	17.9%

Expenses

After adjusting for foreign exchange, operating expenses in total advanced in tandem with the rise in sales volumes over the prior year, with essentially no effect on net income in 2012. Higher freight costs and a greater expense for research and development trials were offset by a reduction in the withdrawal liability of the defined benefit multiemployer pension plan in which the Company had previously participated. The reduction in net income attributed to non-controlling interests resulted in an additional 1.0 cent in earnings per share compared to 2011 while a lower overall effective income tax rate in 2012, due primarily to a reduction in the Canadian federal corporate income tax rate as well as a larger proportion of net income being earned in lower tax jurisdictions, increased earnings per share by a further 3.0 cents.

Foreign Exchange

	2012	2011	2010
Year-end exchange rate of CDN dollar to US dollar	1.004	0.980	0.991
Year-end exchange rate of US dollar to CDN dollar	0.997	1.021	1.009
Appreciation (depreciation) of CDN dollar vs. US dollar year-end exchange rate compared to the prior year	2.4%	(1.1%)	4.1%
Average exchange rate of CDN dollar to US dollar	0.999	1.010	0.966
Average exchange rate of US dollar to CDN dollar	1.001	0.991	1.035
(Depreciation) appreciation of CDN dollar vs. US dollar average exchange rate compared to the prior year	(1.1%)	4.6%	11.0%

Winpak utilizes the US currency as both its reporting and functional currency. However, with more than half of its production capacity located in Canada, it is exposed to foreign exchange risks and records foreign currency differences on transactions and translations denominated in Canadian dollars as well as other foreign currencies. With a small production facility located in Mexico, the Company is also exposed to foreign exchange risks on costs denominated in Mexican pesos but these are negligible.

In total, foreign exchange had a positive impact on earnings per share of approximately 1.0 cent in 2012 compared to 2011. Approximately 15 percent of revenues in the current year are denominated in Canadian dollars and approximately 25 percent of costs are incurred in the same currency. The net outflow of Canadian dollars exposes Winpak to transaction differences arising from exchange rate fluctuations. The depreciation in the average exchange rate of the Canadian dollar in relation to the US dollar in 2012 increased earnings per share by approximately 0.5 cents compared to the prior year. In addition, translation differences arise when primarily Canadian dollar monetary assets and liabilities are translated at exchange rates that change over time. The change in spot conversion rate of the Canadian dollar from the start to the end of the year increased earnings per share in 2012 by 1.5 cents in comparison to 2011. Although gains were realized on the maturation of foreign exchange contracts entered into as part of the Company's foreign exchange policy, the gains were lower than in 2011, decreasing earnings per share by 1.0 cent in 2012 versus the prior year.



Summary of quarterly results

Thousands of US dollars, except earnings per share (e.p.s.) amounts (cents)

Quarter ended	2012			Quarter ended	2011		
	Revenue	Net income*	e.p.s.		Revenue	Net income*	e.p.s.
April 1	171,805	16,961	26	March 27	148,537	14,694	23
July 1	159,648	16,002	25	June 26	161,340	16,195	25
September 30	165,399	17,078	26	September 25	170,670	14,408	22
December 30	173,226	22,335	34	December 25	171,516	18,486	28
	670,078	72,376	111		652,063	63,783	98

*attributable to equity holders of the Company

Various factors affect timing of the Company's income during the course of a year. Typically, seasonal factors contribute to stronger revenue and net income in the second and fourth quarters compared to the first and third quarters. Factors influencing seasonal trends are the higher demand for certain food products in advance of the summer season and the greater number of holidays in the fourth quarter. During the third quarter, revenue and net income are typically lower due to reduced order levels and plant maintenance shutdowns scheduled to coincide with the summer. Sudden and substantial changes in the rate of exchange between the Canadian and US dollars from one quarter to another may cause revenue and net income to vary from the historic trend. Similarly, sudden and significant changes in the cost of raw materials consumed from one quarter to another can be expected to increase or decrease net income in a manner that does not conform to the normal pattern. Furthermore, unexpected adverse weather conditions could influence the supply and price of raw materials or customer order levels, and the timing of startup of new manufacturing equipment can cause revenue and net income to depart from established trends.

The following items influenced the timing of the Company's reported results beyond historic trends. The fiscal year of the Company ends on the last Sunday of the calendar year. Consequently, the 2012 fiscal year comprised 53 weeks versus 52 weeks and the first quarter of 2012 included 14 weeks versus the customary 13 weeks. This favorably impacted both revenue and net income for the first quarter of 2012 and deviated from the more normal pattern. Revenue and net income were curtailed in the second quarter of 2012 due to a realignment of inventory levels by a major specialty beverage customer that resulted in reduced order levels in the three-month period. In 2011, net income followed the established historical pattern whereas revenue in the third quarter was elevated due to selling price increases and an atypical surge in demand in rigid containers in the period.

Cash Flow, Liquidity and Capital Resources

At December 30, 2012, Wapak's cash position totaled \$133.3 million, an increase of \$6.4 million from the prior year-end. This improvement reflected total funds provided by operating activities of \$83.9 million less disbursements for investing activities of \$69.2 million and financing activities of \$8.3 million.

Operating activities

Cash flow provided by operating activities totaled \$83.9 million, a reduction of \$11.5 million from 2011 due primarily to higher working capital levels. The cash flow derived from operating activities, before changes in working capital, improved by \$7.4 million from the prior year to \$131.5 million, due almost exclusively to the expansion in net income in 2012 of \$7.9 million. The investment in working capital for the year advanced by \$16.3 million, with the addition to inventory levels accounting for \$12.2 million. Raw material inventories accounted for 73 percent of the increased inventory levels. Accounts receivable grew by \$2.9 million or 3.4 percent, or just slightly greater than the percentage increase in revenue for the year compared to 2011. Accounts payable levels remained steady despite the increase in inventory levels as the prior year-end accounts payable balance was elevated due to property, plant and equipment additions in progress at year-end. Payments were made to employee defined benefit plans during the year totaling \$4.7 million, \$0.5 million less than in 2011. In addition, income tax payments totalled \$25.8 million, up \$3.4 million from the prior year due to increased profitability.

Investing activities

Investing activities in 2012 climbed to \$69.2 million, an increase of \$19.8 million over 2011, and consisted primarily of property, plant and equipment purchases at an all-time high amount of \$68.4 million. This significant expenditure on property, plant and equipment is part of the Company's announced Billion Dollar Commitment (BDC) organic growth program. This past year saw the completion of a new 267,000 square foot rigid packaging facility in Sauk Village, Illinois and the start of construction of a 105,000 square foot expansion to the Company's Vaudreuil, Quebec plant. Equipment additions in 2012 were focused on augmenting extrusion capacity in modified atmosphere packaging, lidding, specialty films and rigid containers. The majority of these equipment installations will be commercialized in the first half of 2013. Over the long term, Wapak's expenditures for equipment enhancements in maintaining existing capacity have averaged approximately 2 percent of revenue.

Financing activities

Financing activities in 2012 consisted of dividends to common shareholders of \$7.8 million and a dividend payment to a non-controlling interest in a

MANAGEMENT'S DISCUSSION AND ANALYSIS

subsidiary totaling \$0.5 million. The quarterly common share dividends were paid at the rate of CDN \$0.03 per share which, based on the December 30, 2012 closing share price of CDN \$14.75, provides a dividend yield of 0.8 percent.

Resources

Investments to drive growth can be sizeable, requiring substantial financial resources. A range of funding alternatives is available including cash and cash equivalents, cash flow provided by operations, additional debt, issuance of equity or a combination thereof. An informal investment grade credit rating allows the Company access to relatively low interest rates on debt. The Company currently has operating lines of \$38 million, which are believed adequate for liquidity purposes. None of the lines were utilized as at December 30, 2012. Based on formal and informal discussions with various financial institutions, Winpak is confident that additional credit can be arranged from banks and other major lenders as the need arises. The Company believes that all 2013 requirements for capital expenditures, working capital, and dividend payments can be financed from cash resources, cash provided by operating activities and unused credit facilities.

Risks and Financial Instruments

The Company recognizes that net income is exposed to changes in market interest rates, foreign exchange rates, prices of raw materials and risks regarding the financial condition of customers and financial counterparties. These market conditions are regularly monitored and actions are taken, when appropriate, according to Winpak's policies established for the purpose. Despite the methods employed to manage these risks, future fluctuations in interest rates, exchange rates, raw material costs and counterparty financial condition can be expected to impact net income.

Winpak's policy regarding interest expense is to fix interest rates on between one- and two-thirds of any long-term debt outstanding. The Company may enter into derivative contracts or fixed-rate debt to minimize the risk associated with interest rate fluctuations.

With respect to foreign exchange risk, Winpak employs hedging programs to minimize risks associated with changes in the value of the Canadian dollar relative to the US dollar. To the extent possible, the Company maximizes natural currency hedging by matching inflows from revenue in either currency with outflows of costs and expenses denominated in the same currency. For the remaining exposure, the Company's foreign exchange policy requires that between 50 and 80 percent of the Company's net requirement of Canadian dollars for the ensuing 9 to 15 months will be hedged at all times with forward or zero-cost option contracts. The Company may also enter into forward foreign currency contracts when equipment purchases will be settled in other foreign currencies. Purchases of foreign exchange products for the purpose of speculation are not permitted. Transactions are only conducted with certain approved Schedule I Canadian financial institutions.

Fluctuations in foreign exchange rates represent a material exposure for the Company's financial results. Hedging programs employed may mitigate a portion of exposures to short-term fluctuations in foreign currency exchange rates. However, the Company's financial results over the long-term will inevitably be affected by sizeable changes in the value of the Canadian dollar relative to the US dollar. Winpak estimates that each time the exchange rate strengthens or weakens by one Canadian cent against the US dollar, net income, with respect to transaction differences, will decrease or increase, respectively, by approximately one-half of a US cent per share.

During 2012, certain foreign currency forward contracts matured and the Company realized pre-tax foreign exchange losses of \$0.4 million. As at December 30, 2012, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of \$20.0 million, a US dollar to Swiss franc foreign currency forward contract outstanding with a notional amount of \$1.1 million, and US dollar to Euro foreign currency forward contracts outstanding with a notional amount of \$0.4 million. The pre-tax unrealized foreign exchange gain on these contracts of \$0.3 million was recorded in other comprehensive income.

Winpak has not participated in any derivatives market for raw materials. Winpak is not aware of any instrument that fully mitigates fluctuations in raw material costs over the long term. To manage this risk, Winpak has entered into formal selling price-indexing agreements with certain customers whereby changes in raw material prices are reflected in selling price adjustments, albeit with a slight time lag. By the end of 2012, approximately 67 percent of Winpak's revenues were governed by selling price-indexing agreements. For all other customers, the Company responds to changes in raw material costs by adjusting selling prices on a customer-by-customer basis. However, market conditions can have an impact on these price adjustments such that the combined impact of selling price adjustments and changes in raw material costs can be significant to Winpak's net income.

Credit risk arises from cash and cash equivalents held with banks, derivative financial instruments (foreign currency forward and option contracts), as well as credit exposure to customers, including outstanding accounts receivable. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors. Management regularly monitors customer credit limits, performs credit reviews and, in certain cases, insures accounts receivable balances against credit losses. The Company invests its excess cash on a short-term basis, to a maximum of six months, with financial institutions and/or governmental bodies that must be AA rated or higher by a recognized international credit rating agency or insured 100 percent by the US government or a AAA rated Canadian federal or provincial government. Nonetheless, unexpected deterioration in the financial condition of a counterparty can have a negative impact on the Company's net income in the case of default.



The Company enters into contractual obligations in the normal course of business operations. These obligations, as at December 30, 2012, are summarized below.

Contractual Obligations	Payment due, by period (thousands of US dollars)				
	Total	1 year	2 - 3 years	4 - 5 Years	After 5 years
Operating leases	3,208	1,406	1,788	14	-
Purchase obligations	11,189	11,189	-	-	-
Total contractual obligations	14,397	12,595	1,788	14	-

Accounting Policy Changes

Effective December 26, 2011, the Company adopted the amendments to IFRS 7 “Financial Instruments: Disclosures”. The amendments relate to required disclosures for transfers of financial assets to help users of financial statements evaluate the risk exposures relating to such transfers and the effect of those risks on an entity’s financial position. The amendments had no impact on the Company’s consolidated financial statements.

Future Accounting Changes

As more fully described in Note 6 to the Consolidated Financial Statements, various new accounting standards have been issued which apply as follows: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IFRS 13 “Fair Value Measurement”, amended IAS 27 “Separate Financial Statements”, and amended IAS 28 “Investments in Associates and Joint Ventures”, effective for annual periods beginning January 1, 2013; amended IAS 32 “Financial Instruments: Presentation”, effective for annual periods beginning January 1, 2014; and IFRS 9 “Financial Instruments”, effective for annual periods beginning January 1, 2015. None of these standards is expected to have a significant impact on the Company’s consolidated financial statements.

The International Accounting Standards Board (IASB) issued an amendment to IAS 1 “Financial Statement Presentation” regarding the presentation of items of other comprehensive income. This amendment is effective for annual periods beginning on or after July 1, 2012 and is not expected to have a significant impact on the Company’s consolidated financial statements.

The IASB also issued an amended standard effective for annual periods beginning January 1, 2013: IAS 19 “Employee Benefits” which is a comprehensive set of amendments dealing with the manner in which pensions and other employee benefits are recorded, classified and disclosed in the financial statements. Upon implementation of these amendments in 2013, the Company estimates the impact on the 2012 comparative annual figures in the 2013 consolidated financial statements will be an increase to net finance costs of \$1.0 million to \$1.5 million and a decrease to net income of \$0.7 million to \$1.0 million. This would be offset by a corresponding decrease in other comprehensive loss.

In May 2012, the IASB also issued the Annual Improvements project, which contains amendments to IAS 1 “Financial Statement Presentation”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation”, and IAS 34 “Interim Financial Reporting”. These amendments result in accounting changes for presentation, recognition and disclosure purposes and are applicable for annual periods beginning on or after January 1, 2013. Management does not expect the amendments to have a significant impact on the Company’s consolidated financial statements.

Looking Forward

The Company is cautiously optimistic as it enters 2013, after a strong finish to 2012. Sales volumes improved in the fourth quarter and will remain the prime focus for the organization throughout 2013 as it strives to move ever closer to its billion dollar revenue goal. Raw material cost stability was a feature of 2012. With the initial cost trend in 2013 pointing upward, the Company will be challenged to protect the spread between selling prices and raw material costs. Fortunately, the organization’s margins are partly insulated from erosion in that approximately two-thirds of the Company’s revenues are subject to selling price indexing agreements whereby selling prices to customers are adjusted via formula to changes in raw material costs.

The Company remains committed to its internal capital investment program. Significant effort was devoted in 2012 to add capacity for the future and expansions initiated in 2012 are scheduled for completion in the first half of 2013, providing a foundation for growth. With nearly \$70 million expended on capital projects in 2012, a similar amount is also planned for 2013. This will include the completion of the Company’s expansion of the Vaudreuil lidding facility, a building expansion at the Winnipeg modified atmosphere packaging plant, as well as extrusion equipment additions at the rigid container, modified atmosphere packaging, specialty film and lidding sites. However, as this new capacity becomes available, costs may temporarily increase as product development expenses peak and capacity is under-utilized as sales are added on a gradual but steady basis. Margins, however, are not expected to deviate from historical levels by more than a few percentage points during that period. In the year ahead, the Company will also continue to seek out acquisition opportunities in its core competencies of food and health-care packaging. With Winpak’s extremely solid financial footing, it has the resources necessary to complete a significant acquisition while remaining strongly committed to the organic growth capital investment plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Critical Accounting Estimates

The Company believes the following accounting estimates are critical to determining and understanding the operating results and the financial position of the Company.

Impairment of property, plant and equipment and intangible assets – An integral component of impairment testing is determining the asset's recoverable amount. The determination of the recoverable amount involves significant management judgment, including projections of future cash flows and appropriate discount rates. The cash flows are derived from the financial forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit (CGU) being tested. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates could result in a material change in the recoverable amount. The company has eight CGUs, of which the carrying values for two include goodwill and must be tested for impairment annually.

Employee benefit plans – Accounting for employee benefit plans requires the use of actuarial assumptions. The assumptions include the discount rate, expected rate of return on plan assets, rate of compensation increase and health-care costs. These assumptions depend on underlying factors such as economic conditions, government regulations, investment performance, employee demographics and mortality rates. These assumptions could change in the future and may result in material adjustments to employee benefit plan assets or liabilities.

Disclosure Controls and Internal Controls

Disclosure controls

Management is responsible for establishing and maintaining disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company is made known to them in a timely manner and that information required to be disclosed is reported within time periods prescribed by applicable securities legislation. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based on management's evaluation of the design and effectiveness of the Company's disclosure controls and procedures, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed and operating effectively as of December 30, 2012 to provide reasonable assurance that the information being disclosed is recorded, summarized and reported as required.

Internal controls over financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations and therefore can only provide reasonable assurance as to the effectiveness of internal controls over financial reporting, including the possibility of human error and the circumvention or overriding of the controls and procedures. Management used the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as the control framework in designing its internal controls over financial reporting. Based on management's design and testing of the effectiveness of the Company's internal controls over financial reporting, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed and operating effectively as of December 30, 2012 to provide reasonable assurance that the financial information being reported is materially accurate. During the fourth quarter ended December 30, 2012, there have been no changes in the design of the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Other

Additional information relating to the Company is available on SEDAR at www.sedar.com, including the Annual Information Form dated February 13, 2013.



Management's Report to the Shareholders

The accompanying consolidated financial statements, management's discussion and analysis (MD&A) and other information in the Annual Report are the responsibility of management. The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these statements in accordance with International Financial Reporting Standards. The MD&A and financial information contained in this Annual Report are consistent with the financial statements.

To provide reasonable assurance that assets are safeguarded and that relevant and reliable financial information is being reported, management has developed and maintains a system of internal controls. An integral part of the system is the requirement that employees maintain the highest standard of ethics in their activities. Business reviews and internal audits are performed by corporate executives and an internal audit team to evaluate internal controls, systems and procedures.

The Board of Directors, acting through the Audit Committee, is responsible for determining that management fulfills its responsibilities in the preparation of financial statements and MD&A, and in the financial control of operations. The Board recommends the appointment of the independent auditor to the shareholders. The Audit Committee meets regularly with financial management and the independent auditor to discuss internal controls, auditing matters and financial reporting issues and presents its findings to the Board. The Audit Committee reviews the consolidated financial statements, MD&A and material financial announcements with management and the external auditor prior to submission to the Board for approval.

The consolidated financial statements have been audited on behalf of the shareholders by the independent external auditor, PricewaterhouseCoopers LLP, whose report follows.

A handwritten signature in black ink, appearing to read 'B.J. Berry', with a long horizontal flourish extending to the right.

B.J. Berry
President and Chief Executive Officer
Winnipeg, Canada
February 13, 2013

A handwritten signature in black ink, appearing to read 'Ken Kuchma', with a long horizontal flourish extending to the right.

K.P. Kuchma
Vice President and Chief Financial Officer
Winnipeg, Canada
February 13, 2013

REPORTING

Auditor's Report to the Shareholders

Independent Auditor's Report

To the Shareholders of Wimpak Ltd.

We have audited the accompanying consolidated financial statements of Wimpak Ltd. and its subsidiaries, which comprise the consolidated balance sheets as at December 30, 2012 and December 25, 2011 and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

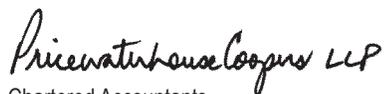
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wimpak Ltd. and its subsidiaries as at December 30, 2012 and December 25, 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Chartered Accountants
Winnipeg, Canada
February 13, 2013

CONSOLIDATED STATEMENTS OF INCOME

Years ended December 30, 2012 and December 25, 2011

(thousands of US dollars, except per share amounts)

	Note	2012 (Note 2)	2011
Revenue		670,078	652,063
Cost of sales		(471,050)	(464,299)
Gross profit		199,028	187,764
Sales, marketing and distribution expenses		(55,550)	(53,043)
General and administrative expenses		(27,199)	(26,345)
Research and technical expenses		(13,933)	(12,606)
Pre-production expenses		(650)	(240)
Other income (expenses)	9	1,796	(520)
Income from operations		103,492	95,010
Finance income	10	4,715	4,417
Finance expense	10	(3,704)	(3,865)
Income before income taxes		104,503	95,562
Income tax expense	11	(31,692)	(30,653)
Net income for the year		72,811	64,909
Attributable to:			
Equity holders of the Company		72,376	63,783
Non-controlling interests		435	1,126
		72,811	64,909
Basic and fully diluted earnings per share - cents	23	111	98

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 30, 2012 and December 25, 2011

(thousands of US dollars)

		2012 (Note 2)	2011
Net income for the year		72,811	64,909
Cash flow hedge gains (losses) recognized		498	(167)
Cash flow hedge gains transferred to the statement of income	9	(173)	(996)
Cash flow hedge losses (gains) transferred to property, plant and equipment		557	(60)
Actuarial losses on employee benefit plans	17	(3,944)	(11,771)
Income tax relating to applicable components of other comprehensive income	11	1,089	3,990
Other comprehensive loss for the year - net of income tax		(1,973)	(9,004)
Comprehensive income for the year		70,838	55,905
Attributable to:			
Equity holders of the Company		70,403	54,779
Non-controlling interests		435	1,126
		70,838	55,905

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(thousands of US dollars)

	Note	December 30 2012	December 25 2011
Assets			
Current assets:			
Cash and cash equivalents	12	133,303	126,879
Trade and other receivables	13	86,797	83,935
Income taxes receivable		389	33
Inventories	14	90,246	78,018
Prepaid expenses		3,864	2,769
Derivative financial instruments		288	242
		<u>314,887</u>	<u>291,876</u>
Non-current assets:			
Property, plant and equipment	15	301,678	256,938
Intangible assets	16	14,551	15,076
Deferred tax assets	18	3,448	3,729
		<u>319,677</u>	<u>275,743</u>
Total assets		<u>634,564</u>	<u>567,619</u>
Equity and Liabilities			
Current liabilities:			
Trade payables and other liabilities	19	59,184	59,294
Provisions	20	427	592
Income taxes payable		5,417	4,988
Derivative financial instruments		-	836
		<u>65,028</u>	<u>65,710</u>
Non-current liabilities:			
Employee benefit plan liabilities	17	14,511	12,504
Deferred income		11,475	10,243
Provisions	20	7,399	8,423
Deferred tax liabilities	18	20,063	17,116
		<u>53,448</u>	<u>48,286</u>
Total liabilities		<u>118,476</u>	<u>113,996</u>
Equity:			
Share capital	22	29,195	29,195
Reserves	22	250	(426)
Retained earnings		470,925	409,008
Total equity attributable to equity holders of the Company		<u>500,370</u>	<u>437,777</u>
Non-controlling interests		<u>15,718</u>	<u>15,846</u>
Total equity		<u>516,088</u>	<u>453,623</u>
Total equity and liabilities		<u>634,564</u>	<u>567,619</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:


Director


Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(thousands of US dollars)

	Attributable to Equity Holders of the Company						
	Note	Share Capital	Reserves	Retained Earnings	Total	Non- Controlling Interests	Total Equity
Balance at December 27, 2010		29,195	441	361,128	390,764	16,533	407,297
Comprehensive (loss) income for the year							
Cash flow hedge losses, net of tax		-	(109)	-	(109)	-	(109)
Cash flow hedge gains transferred to the statement of income, net of tax		-	(714)	-	(714)	-	(714)
Cash flow hedge gains transferred to property, plant and equipment		-	(44)	-	(44)	-	(44)
Actuarial losses on employee benefit plans, net of tax		-	-	(8,137)	(8,137)	-	(8,137)
Other comprehensive loss		-	(867)	(8,137)	(9,004)	-	(9,004)
Net income for the year		-	-	63,783	63,783	1,126	64,909
Comprehensive (loss) income for the year		-	(867)	55,646	54,779	1,126	55,905
Preferred share redemption		-	-	-	-	(980)	(980)
Dividends	22	-	-	(7,766)	(7,766)	(833)	(8,599)
Balance at December 25, 2011		29,195	(426)	409,008	437,777	15,846	453,623
Balance at December 26, 2011		29,195	(426)	409,008	437,777	15,846	453,623
Comprehensive income for the year							
Cash flow hedge gains, net of tax		-	252	-	252	-	252
Cash flow hedge gains transferred to the statement of income, net of tax		-	(133)	-	(133)	-	(133)
Cash flow hedge losses transferred to property, plant and equipment		-	557	-	557	-	557
Actuarial losses on employee benefit plans, net of tax		-	-	(2,649)	(2,649)	-	(2,649)
Other comprehensive income (loss)		-	676	(2,649)	(1,973)	-	(1,973)
Net income for the year		-	-	72,376	72,376	435	72,811
Comprehensive income for the year		-	676	69,727	70,403	435	70,838
Dividends	22	-	-	(7,810)	(7,810)	(563)	(8,373)
Balance at December 30, 2012		29,195	250	470,925	500,370	15,718	516,088

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 30, 2012 and December 25, 2011

(thousands of US dollars)

	Note	2012	2011
		(Note 2)	
Cash provided by (used in):			
Operating activities:			
Net income for the year		72,811	64,909
Items not involving cash:			
Depreciation	15	26,151	26,789
Amortization - deferred income		(1,215)	(1,223)
Amortization - intangible assets	16	1,261	2,049
Employee defined benefit plan expenses	17	3,331	2,928
Net finance income	10	(1,011)	(552)
Income tax expense	11	31,692	30,653
Other		(1,478)	(1,433)
Cash flow from operating activities before the following		131,542	124,120
Change in working capital:			
Trade and other receivables		(2,862)	(6,676)
Inventories		(12,228)	(1,943)
Prepaid expenses		(1,095)	(485)
Trade payables and other liabilities		(140)	6,756
Provisions		(1,326)	795
Employee defined benefit plan payments	17	(4,671)	(5,148)
Income tax paid		(25,756)	(22,347)
Interest received		474	309
Interest paid		(31)	(20)
Net cash from operating activities		83,907	95,361
Investing activities:			
Acquisition of property, plant and equipment - net		(68,412)	(48,906)
Acquisition of intangible assets	16	(745)	(462)
		(69,157)	(49,368)
Financing activities:			
Dividends paid		(7,763)	(7,789)
Change in non-controlling interests in subsidiary		(563)	(1,813)
		(8,326)	(9,602)
Change in cash and cash equivalents		6,424	36,391
Cash and cash equivalents, beginning of year		126,879	90,488
Cash and cash equivalents, end of year	12	133,303	126,879

See accompanying notes to consolidated financial statements.



(thousands of US dollars, unless otherwise indicated)

1. General

Wapak Ltd. is incorporated under the Canada Business Corporations Act. The Company manufactures and distributes high-quality packaging materials and related packaging machines. The Company's products are used primarily for the packaging of perishable foods, beverages and in health-care applications. The address of the Company's registered office is 100 Saulteaux Crescent, Winnipeg, Manitoba, Canada R3J 3T3. The ultimate controlling party of Wapak Ltd. is Wihuri Oy of Helsinki, Finland, a privately held Company.

2. Basis of presentation

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants (CICA). The fiscal year of the Company ends on the last Sunday of the calendar year. As a result, the Company's fiscal year is usually 52 weeks in duration, but includes a 53rd week every five to six years. The 2012 fiscal year comprised 53 weeks and the 2011 fiscal year comprised 52 weeks.

The Company's functional and reporting currency is the US dollar. The US dollar is the reporting currency as more than three-quarters of the Company's business is conducted in US dollars thereby increasing transparency by significantly reducing volatility of reported results due to fluctuations in the rate of exchange between the Canadian and US currencies.

The consolidated financial statements have been prepared under the historical-cost convention, except that certain financial instruments, employee benefit plans, share-based payments and provisions are stated at their fair value.

The consolidated financial statements were approved by the Board of Directors on February 13, 2013.

3. Accounting policy changes

Effective December 26, 2011, the Company adopted the amendments to IFRS 7 "Financial Instruments: Disclosures". The amendments relate to required disclosures for transfers of financial assets to help users of financial statements evaluate the risk exposures relating to such transfers and the effect of those risks on an entity's financial position. The amendments had no impact on the Company's consolidated financial statements.

4. Significant accounting policies

(a) Principles of consolidation:

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries: Wapak Portion Packaging Ltd., Wapak Heat Seal Packaging Inc., Wapak Holdings Ltd., Wapak Inc., Wapak Films Inc., Wapak Portion Packaging, Inc., Wapak Lane, Inc., Wapak Heat Seal Corporation, Grupo Wapak De Mexico, S.A. De C.V., Embalajes Wapak De Mexico, S.A. De C.V., and Administracion Wapak De Mexico, S.A. De C.V., and its majority-owned subsidiary American Biaxis Inc. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date on which control is obtained until the date that control ceases. The financial statements of all subsidiaries are prepared as of the same reporting date using consistent accounting policies. All inter-company balances and transactions, including any unrealized income arising from inter-company transactions have been eliminated.

(b) Business combinations:

Business combinations are accounted for using the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition costs incurred are expensed and included in general and administrative expenses. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in the statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

(c) Non-controlling interests:

Non-controlling interests represent equity interests in American Biaxis Inc. owned by third parties. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(d) Foreign currency translation:

The financial statements for the Company and its subsidiaries are prepared using their functional currency, that being the US dollar. The functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognized directly to the statement of income. Non-monetary assets and liabilities arising from transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the transaction.

(e) Revenue:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, rebates and discounts. Revenue is recognized when the risks and rewards of ownership have transferred to the customer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, or there is continuing management involvement with the goods.

(f) Research and technical expenses:

Research and technical expenses are expensed in the period in which the costs are incurred.

(g) Government grants:

Grants from government are recognized at their fair value when there is a reasonable assurance that the grant will be received and/or earned and any specified conditions will be met.

Grants received in relation to the purchase and construction of plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of income on a straight-line basis over the estimated useful life of the related asset. Grants received in relation to research and development activities are recorded to reduce these costs when it is determined there is reasonable assurance the tax credits will be realized.

(h) Leases:

Rental income received from packaging machine operating leases is recognized on a straight-line basis over the term of the corresponding lease.

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease, while any lease incentive received is recognized as a reduction of the total lease expense, over the term of the lease.

(i) Inventories:

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of variable and fixed overheads based on normal operating capacity. Any excess, unallocated, fixed overhead costs are expensed as incurred. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, cash invested in interest-bearing money market accounts and short-term deposits with maturities of less than three months. Cash equivalents are all highly liquid investments. Bank overdrafts are shown within current liabilities. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are included in the carrying value of the asset. When the Company has a legal right or constructive obligation to restore a site on which an asset is located either through make-good provisions in lease agreements or decommissioning of environmental risks, the present value of the estimated costs of dismantling and removing the asset and restoring the site are included in the carrying value of the asset with a corresponding increase to provisions. Borrowing costs directly attributable to the acquisition, construction or production of qualifying property, plant and equipment that takes an extended period of time to be placed into service are added to the cost of the assets, until such time as the assets are substantially ready for their intended use. See note 4(o) on impairment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacing a component of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits of the item will occur and its cost can be measured reliably. The costs of day-to-day maintenance of plant and equipment are recognized directly in the statement of income.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, commencing the date the assets are ready for use as follows:

Buildings 20 - 40 years

Equipment 4 - 20 years

Packaging machines 3 - 7 years



Depreciation methods, useful lives and residual values are reassessed annually or more frequently when there is an indication that they have changed.

The gain or loss on the retirement of an item of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the asset and is recognized in the statement of income.

(l) Pre-production expenses:

Pre-production costs relating to installations of major new production equipment are expensed in the period in which occurred.

(m) Intangible assets:

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. See note 4(o) on impairment. Computer software that is integral to a related item of hardware is included with plant and equipment. All other computer software is treated as an intangible asset. The cost of intangible assets acquired in an acquisition is the fair value at the acquisition date. The cost of separately acquired intangible assets, including computer software, comprises the purchase price and any directly attributable costs of preparing the asset for use. Amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Patents	8 - 17 years	Customer-related	10 years	Marketing-related	2 - 10 years	Computer software	3 - 12 years
---------	--------------	------------------	----------	-------------------	--------------	-------------------	--------------

(n) Goodwill:

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including intangible assets, and liabilities of the acquiree at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses (see note 4(o)).

(o) Impairment:

The carrying amount of the Company's property, plant and equipment and intangible assets (other than goodwill) are reviewed at each reporting date to determine whether there is any indication of impairment. Goodwill is tested for impairment annually or at any time if an indicator of impairment exists. If any such indication exists, the applicable asset's recoverable amount is estimated.

The recoverable amount of the Company's assets are calculated as the value-in-use, being the present value of future cash flows, using a pre-tax discount rate that reflects the current assessment of the time value of money, or the fair value less costs to sell, if greater. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which it belongs. The Company bases its impairment calculation on detailed financial forecasts, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These financial forecasts are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then, to reduce the carrying amount of other assets in the CGU on a pro rata basis.

Impairment losses in respect of goodwill are not reversed. In respect of property, plant and equipment and intangible assets, an impairment loss is reversed if there has been an indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognized.

(p) Employee benefit plans:

The Company maintains five funded non-contributory defined benefit pension plans in Canada and the US and one funded non-contributory supplementary income postretirement plan for certain CDN-based executives. A market discount rate is used to measure the benefit obligations based on the yield of high quality corporate bonds denominated in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the benefit obligations. The cost of providing the benefits is actuarially determined using the projected unit credit method. Actuarial valuations are conducted, at a minimum, on a triennial basis with interim valuations performed as deemed necessary. Consideration is given to any event that could impact the benefit plan assets or obligation up to the balance sheet date where interim valuations are performed. For financial reporting purposes, the Company measures the benefit obligations and fair value of assets for the defined benefit plans as of the year-end date. Current service costs are charged to the statement of income and included in the same line items as the related compensation cost. Interest costs on the benefit obligation are charged to the statement of income as finance expense. Likewise, the expected return on benefit plan assets is presented in the statement of income as finance income. Actuarial gains and losses are recognized directly in equity within other comprehensive income. Gains and losses on the curtailment or settlement of a plan are recognized in the statement of income when the Company is demonstrably committed to the curtailment or settlement. Past service costs are recognized immediately in the statement of income to the extent that the benefits are already vested, and are otherwise amortized on a straight-line basis over the average period until the amended benefits become vested. The amount recognized in the balance sheet at each year-end reporting date represents the present value of the benefit obligation, adjusted for unrecognized past service costs, and reduced by the fair value of benefit plan assets. Any recognized asset or surplus is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions. To the extent that there is uncertainty regarding entitlement to the surplus, no asset is recorded. The Company's funding policy is in compliance with statutory regulations and amounts funded are deductible for income tax purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

One of the Company's subsidiaries maintains one unfunded contributory defined benefit postretirement plan for health-care benefits for a limited group of US individuals. A market discount rate is used to measure the benefit obligation based on the yield of high quality corporate bonds denominated in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the benefit obligation. The cost of providing the benefits is actuarially determined using the projected unit credit method. Current service costs are charged to the statement of income as they accrue and are included in general and administrative expenses. Interest costs on the benefit obligation are charged to the statement of income as finance expense. Actuarial gains and losses are recognized directly in equity within other comprehensive income. Past service costs are recognized immediately to the extent that the benefits are already vested, and are otherwise amortized on a straight-line basis over the average period until the amended benefits become vested. The amount recognized in the balance sheet at each year-end reporting date represents the present value of the benefit obligation, adjusted for unrecognized past service costs.

The Company participated in one multiemployer defined benefit pension plan providing benefits to certain unionized employees in the US. The administration of the plan and investment of its assets are controlled by a board of independent trustees. The Company's responsibility to make contributions was the amount established pursuant to its collective agreement. This multiemployer defined benefit pension plan was accounted for using the accounting standards for defined contribution plans as there was insufficient information to apply defined benefit pension plan accounting. Accordingly, the Company's pension expense charged to the statement of income was the annual funding contribution and the Company did not reflect its share of a plan surplus or deficit. As a consequence of withdrawing from the plan, the Company is required to make monthly payments over a twenty year period. Changes in estimates with respect to the withdrawal liability are recorded to the statement of income. For further information on the Company's withdrawal from the plan, refer to note 20.

The Company maintains seven defined contribution pension plans in Canada and the US. The pension expense charged to the statement of income for these plans is the annual funding contribution by the Company.

Termination benefits are recognized as an expense in the statement of income when the Company is committed to a formal detailed plan to terminate employment before the normal retirement date.

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a legal or constructive obligation to pay this amount as a result of past service provided by the employee.

(g) Income taxes:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent that it relates to items recorded directly to other comprehensive income or equity, in which case it is recognized directly in other comprehensive income or equity, respectively.

Current income tax expense is the expected income tax payable on the taxable income for the period, using income tax rates enacted or substantively enacted in the jurisdictions the Company is required to pay income tax at the reporting date, and any income adjustments to income taxes payable in respect of previous periods. Current income tax expense is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by the availability of unused income tax losses.

Deferred tax expense is recognized using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities for income taxation purposes. Deferred tax is not recognized for the following temporary timing differences: the initial recognition for both goodwill and assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the income tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realized or the liability is settled, based on the income tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Current tax assets and liabilities are offset when the Company and its subsidiaries have a legally enforceable right to offset the amounts and intend to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Management periodically evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to income tax authorities.



(r) Provisions:

A provision is recognized when there is a legal or constructive obligation as a result of a past event and it is probable that a future outlay of cash will be required to settle the obligation, and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-income tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When some or all of the monies required to settle a provision are expected to be recovered from a third party, the recovery is recognized as an asset when it is virtually certain that the recovery will be received.

When the Company has a legal right or constructive obligation to restore a site on which an asset is located either through make-good provisions in lease agreements or decommissioning of environmental risks, the present value of the estimated costs of dismantling and removing the asset and restoring the site is recognized as a provision with a corresponding increase to the related item of property, plant and equipment. At each reporting date, the obligation is re-measured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the obligation are added or deducted from the related asset. The change in the present value of the obligation due to the passage of time is recognized as a finance expense in the statement of income.

At each reporting date, other provisions are re-measured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the provision are recognized in the statement of income. The change in the present value of the provision due to the passage of time is recognized as a finance expense in the statement of income.

(s) Financial assets and liabilities:

Derivative financial instruments are measured at fair value, even when they are part of a hedging relationship. The Company's financial instruments are classified as follows: a) cash and cash equivalents - loans and receivables, b) trade and other receivables - loans and receivables, c) trade payables and other liabilities - other financial liabilities and d) derivative financial instruments - derivatives designated as effective hedges. All financial instruments, including derivatives, are included in the consolidated balance sheet and are measured at fair value except loans and receivables and other financial liabilities, which are measured at amortized cost. All changes in fair value are recorded to the statement of income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income to the extent the derivatives are deemed to be effective hedges.

(t) Derivative financial instruments:

The Company operates principally in Canada and the United States, which gives rise to risks that its income and cash flows may be adversely impacted by fluctuations in foreign exchange rates. The Company enters into foreign currency forward contracts to manage foreign exchange exposures on anticipated labor, overhead, and property, plant and equipment expenditures to be incurred in Canadian dollars and equipment expenditures to be incurred in other foreign currencies.

All foreign currency forward contracts are designated as cash flow hedges. The fair value of each contract is included on the balance sheet within derivative financial instrument assets or liabilities, depending on whether the fair value was in an asset or liability position. In the case of labor and overhead expenditures, changes in the fair value of these contracts are initially recorded in other comprehensive income and subsequently recorded in the statement of income when the hedged item affects income or loss. In the case of property, plant and equipment expenditures, changes in the fair value of these contracts are initially recorded in other comprehensive income and upon settlement of the contract, the gain or loss is included in the cost of the corresponding asset.

(u) Share-based payments:

The Company maintains a share-based compensation plan, which provides restricted share units under the President's Incentive Plan. Units under the plan vest immediately, and are paid in cash during the fourth quarter of the third year or the first quarter of the fourth year after the date of grant based upon the quoted market value of the common shares of the Company on the day prior to the date of payment. The fair value of the units granted is recognized as a personnel expense, with a corresponding increase in liabilities, over the period that the units pertain. The liability is re-measured at each reporting date. Any changes in the fair value of the liability are recognized as a personnel expense in the statement of income.

(v) Earnings per share:

Basic earnings per share are calculated by dividing the net income attributable to equity holders of the Company for the period by the weighted average number of common shares outstanding during the period. Fully diluted earnings per share are calculated on the same basis as there are no potentially dilutive common shares.

5. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that are critical to the determination of carrying value of assets and liabilities are addressed below.

(a) Impairment of property, plant and equipment and intangible assets:

An integral component of impairment testing is determining the asset's recoverable amount. The determination of the recoverable amount involves significant management judgment, including projections of future cash flows and appropriate discount rates. The cash flows are derived from the financial forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates could result in a material change in the recoverable amount.

The Company has eight CGUs, of which the carrying values for two include goodwill and must be tested for impairment annually.

(b) Employee benefit plans:

Accounting for employee benefit plans requires the use of actuarial assumptions. The assumptions include the discount rate, expected rate of return on benefit plan assets, rate of compensation increase and health-care costs. These assumptions depend on underlying factors such as economic conditions, government regulations, investment performance, employee demographics and mortality rates. These assumptions could change in the future and may result in material adjustments to employee benefit plan assets or liabilities.

6. Future accounting standards

In May 2011, the International Accounting Standards Board (IASB) issued the following standards: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IFRS 13 "Fair Value Measurement" and amended IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has assessed the impact of the new and amended standards and management has determined that the standards will not have a significant impact on the Company's consolidated financial statements. They will be adopted by the Company in 2013. The following is a brief summary of the new standards:

(a) Consolidation:

IFRS 10 "Consolidated Financial Statements" requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 "Consolidation – Special Purpose Entities" and parts of IAS 27 "Consolidated and Separate Financial Statements".

(b) Joint arrangements:

IFRS 11 "Joint Arrangements" requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operations. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-monetary Contributions by Venturers".

(c) Disclosure of interests in other entities:

IFRS 12 "Disclosure of Interests in Other Entities" establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(d) Fair value measurement:

IFRS 13 "Fair Value Measurement" is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

(e) Amendments to other standards:

There have been amendments to existing standards, including IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10, 11, and 12 as explained above.

(f) Financial instruments:

IFRS 9 "Financial Instruments" was issued in November 2009, introducing new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of the change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of income. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to the statement of income. Previously, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in the statement of income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. While the Company is currently assessing the impact of this new standard, management does not expect the standard to have a significant impact on the Company's consolidated financial statements.



In June 2011, the IASB amended IAS 1 “Financial Statement Presentation” and IAS 19 “Employee Benefits”.

(g) Financial statement presentation:

The amendments to IAS 1 “Financial Statement Presentation” requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to the statement of income in the future. Items that will not be recycled such as re-measurements resulting from amendments to IAS 19 will be presented separately from items that may be recycled in the future, such as deferred gains and losses on cash flow hedges. Entities that presented other comprehensive income items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012. Early adoption is permitted and full retrospective application is required. Beginning in 2013, the Company will be separating the items disclosed in other comprehensive income.

(h) Employee benefits:

The amendments to IAS 19 “Employee Benefits” makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosure for all employee benefits. Actuarial gains and losses are renamed re-measurements and will be recognized immediately in other comprehensive income. Re-measurements recognized in other comprehensive income will not be recycled through the statement of income in subsequent periods. The amendments also accelerate the recognition of past service costs whereby they are recognized in the period of a plan amendment. The annual expense for a defined benefit plan will be computed based on the application of the discount rate to the net defined benefit plan asset or liability. The amendments to IAS 19 will also impact the presentation of pension expense as benefit costs will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past service cost, settlements and curtailments); and (ii) finance expense or income. The amendment is effective for periods beginning on or after January 1, 2013. Early adoption is permitted. The amendment should be applied retrospectively, except for changes to the carrying value of assets that include benefit costs in the carrying amount. The amended standard will be adopted by the Company in 2013. The Company estimates the impact on the 2012 comparative annual figures in the 2013 consolidated financial statements, relating to the calculation of the expected return on benefit plan assets being based on the rate used to discount the benefit obligation will be an increase to net finance costs of \$1.0 million to \$1.5 million and a decrease to net income of \$0.7 million to \$1.0 million. This would be offset by a corresponding decrease in other comprehensive loss. Management is still in the process of assessing the full impact of the above amount and the remaining amendments to this standard.

(i) Financial instruments - presentation:

In December 2011, the IASB issued an amendment to the application guidance in IAS 32 “Financial Instruments: Presentation” to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. As a result, the IASB has also published an amendment to IFRS 7 “Financial Instruments: Disclosures”. The amendments do not change the current offsetting model in IAS 32 but instead clarify that the right of offset must not be contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that gross settlement mechanisms with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement. The offsetting disclosures in IFRS 7 are to be retrospectively applied, with an effective date for annual periods beginning on or after January 1, 2013. However, the clarifications to the application guidance in IAS 32 are to be retrospectively applied, with an effective date for annual periods beginning on or after January 1, 2014. While the Company is currently assessing the impact of this new standard, management does not expect the standard to have a significant impact on the Company’s consolidated financial statements. The new standard will be adopted by the Company in 2013.

In May 2012, the IASB issued the Annual Improvements project, which contains amendments that result in accounting changes for presentation, recognition and disclosure purposes. The amendments are applicable for annual periods beginning on or after January 1, 2013. Early adoption is permitted. The following is a brief summary of the amended standards:

(j) Financial statement presentation:

IAS 1 “Financial Statement Presentation” was amended to clarify that no additional note disclosure is required when an entity provides a third balance sheet in accordance with IFRS 8 “Accounting Policies”. However, if an entity provides a third balance sheet voluntarily it should provide supporting note disclosures.

(k) Property, plant and equipment:

IAS 16 “Property, Plant and Equipment” was amended to clarify that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory if they meet the definition of property, plant and equipment.

(l) Financial instruments - presentation:

IAS 32 “Financial Instruments: Presentation” was amended to clarify the treatment of income tax relating to distributions and transaction costs. Income tax related to distributions is recognized in the statement of income and income tax related to the cost of equity transactions is recognized in equity.

(m) Interim financial reporting:

IAS 34 “Interim Financial Reporting” was amended to clarify the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

While the Company is currently assessing the impact of the aforementioned amended standards, management does not expect the amendments to have a significant impact on the Company’s consolidated financial statements. They will be adopted by the Company in 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Expenses by nature:

	2012	2011
Raw materials and consumables used	(343,343)	(337,074)
Depreciation and amortization	(26,197)	(27,615)
Personnel expenses (note 8)	(145,992)	(138,661)
Freight	(19,207)	(17,750)
Other expenses	(32,619)	(36,228)
Net foreign exchange and cash flow hedge gains transferred from other comprehensive income (note 9)	772	275
	<u>(566,586)</u>	<u>(557,053)</u>

8. Personnel expenses:

	2012	2011
Wages and salaries	(127,391)	(119,742)
Social security	(11,272)	(11,120)
Expenses related to defined benefit plans	(3,331)	(2,928)
Contribution to defined contribution plans and defined benefit multiemployer pension plan	(3,434)	(3,115)
Withdrawal liability on defined benefit multiemployer pension plan	1,024	(795)
Share-based payments	(1,588)	(961)
	<u>(145,992)</u>	<u>(138,661)</u>

9. Other income (expenses):

	2012	2011
Foreign exchange gain (loss)	599	(721)
Cash flow hedge gains transferred from other comprehensive income	173	996
Withdrawal liability on defined benefit multiemployer pension plan	1,024	(795)
	<u>1,796</u>	<u>(520)</u>

10. Finance income and expense:

	2012	2011
Finance income on cash and cash equivalents	506	328
Expected return on benefit plan assets	4,209	4,089
Finance income	<u>4,715</u>	<u>4,417</u>
Finance expense on bank overdrafts and other	(47)	(48)
Finance expense on benefit plan obligation	(3,520)	(3,579)
Unwinding of discount rates on provisions	(137)	(238)
Finance expense	<u>(3,704)</u>	<u>(3,865)</u>
Net finance income	<u>1,011</u>	<u>552</u>



11. Income tax expense:

	2012	2011
<u>Current tax expense</u>		
Current year	<u>(27,375)</u>	<u>(29,424)</u>
<u>Deferred tax expense</u>		
Origination and reversal of temporary differences	<u>(4,317)</u>	<u>(1,229)</u>
Total income tax expense	<u>(31,692)</u>	<u>(30,653)</u>
<u>Income tax (expense) recovery recognized in other comprehensive income</u>		
Cash flow hedges	(206)	356
Actuarial losses	<u>1,295</u>	<u>3,634</u>
	<u>1,089</u>	<u>3,990</u>
<u>Reconciliation of effective income tax rate</u>		
Combined Canadian federal and provincial income tax rate	26.6%	28.2%
United States income taxed at rates higher than Canadian tax rates	4.4	4.5
Permanent differences and other	<u>(0.7)</u>	<u>(0.6)</u>
Effective income tax rate	<u>30.3%</u>	<u>32.1%</u>

Effective January 1, 2012, the Canadian federal income tax rate dropped from 16.5 percent to 15.0 percent.

12. Cash and cash equivalents:

	December 30 2012	December 25 2011
Bank balances	19,322	17,320
Money market and short-term deposits	<u>113,981</u>	<u>109,559</u>
	<u>133,303</u>	<u>126,879</u>

13. Trade and other receivables:

	December 30 2012	December 25 2011
Trade receivables	77,600	81,811
Less: Allowance for doubtful accounts	<u>(1,112)</u>	<u>(1,446)</u>
Net trade receivables	<u>76,488</u>	<u>80,365</u>
Other receivables	<u>10,309</u>	<u>3,570</u>
	<u>86,797</u>	<u>83,935</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Inventories:

	December 30 2012	December 25 2011
Raw materials	31,527	22,584
Work-in-process	13,738	13,753
Finished goods	39,943	37,367
Spare parts	5,038	4,314
	<u>90,246</u>	<u>78,018</u>

During 2012, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of \$5,373 (2011 - \$6,080) and reversals of previously written-down items of \$3,270 (2011 - \$1,688).

15. Property, plant and equipment:

	Land	Buildings	Equipment	Packaging Machines	Capital In Progress	Total
Net book value						
<u>At December 27, 2010</u>						
Cost	2,565	83,508	350,472	28,305	1,787	466,637
Accumulated depreciation	-	(23,368)	(182,694)	(25,778)	-	(231,840)
	<u>2,565</u>	<u>60,140</u>	<u>167,778</u>	<u>2,527</u>	<u>1,787</u>	<u>234,797</u>
<u>2011 Activity</u>						
Additions	-	2,014	8,598	377	38,204	49,193
Disposals	-	-	(263)	-	-	(263)
Transfers	-	-	1,376	-	(1,376)	-
Depreciation	-	(3,078)	(22,881)	(830)	-	(26,789)
At December 25, 2011	<u>2,565</u>	<u>59,076</u>	<u>154,608</u>	<u>2,074</u>	<u>38,615</u>	<u>256,938</u>
<u>At December 25, 2011</u>						
Cost	2,565	85,522	356,074	28,134	38,615	510,910
Accumulated depreciation	-	(26,446)	(201,466)	(26,060)	-	(253,972)
	<u>2,565</u>	<u>59,076</u>	<u>154,608</u>	<u>2,074</u>	<u>38,615</u>	<u>256,938</u>
Net book value						
<u>At December 26, 2011</u>						
Cost	2,565	85,522	356,074	28,134	38,615	510,910
Accumulated depreciation	-	(26,446)	(201,466)	(26,060)	-	(253,972)
	<u>2,565</u>	<u>59,076</u>	<u>154,608</u>	<u>2,074</u>	<u>38,615</u>	<u>256,938</u>
<u>2012 Activity</u>						
Additions	4,386	4,954	22,180	571	39,734	71,825
Disposals	-	(34)	(900)	-	-	(934)
Transfers	2,322	12,995	14,598	-	(29,915)	-
Depreciation	-	(3,309)	(22,075)	(767)	-	(26,151)
At December 30, 2012	<u>9,273</u>	<u>73,682</u>	<u>168,411</u>	<u>1,878</u>	<u>48,434</u>	<u>301,678</u>
<u>At December 30, 2012</u>						
Cost	9,273	103,375	378,258	27,718	48,434	567,058
Accumulated depreciation	-	(29,693)	(209,847)	(25,840)	-	(265,380)
	<u>9,273</u>	<u>73,682</u>	<u>168,411</u>	<u>1,878</u>	<u>48,434</u>	<u>301,678</u>



Government grants in respect of property, plant and equipment were recognized within deferred income totaling \$2,449 in 2012 (2011 - \$249). No impairment losses or impairment reversals were recorded during 2012 and 2011. No borrowing costs were capitalized during 2012 and 2011.

16. Intangible assets:

	Goodwill	Software	Patents	Customer Related	Marketing Related	Total
Net book value						
<u>At December 27, 2010</u>						
Cost	31,546	7,056	4,026	11,996	1,924	56,548
Accumulated amortization and impairment	(18,780)	(5,977)	(3,954)	(9,554)	(1,617)	(39,882)
	<u>12,766</u>	<u>1,079</u>	<u>72</u>	<u>2,442</u>	<u>307</u>	<u>16,666</u>
<u>2011 Activity</u>						
Additions	-	461	1	-	-	462
Disposals	-	(3)	-	-	-	(3)
Amortization	-	(676)	(29)	(1,160)	(184)	(2,049)
At December 25, 2011	<u>12,766</u>	<u>861</u>	<u>44</u>	<u>1,282</u>	<u>123</u>	<u>15,076</u>
<u>At December 25, 2011</u>						
Cost	31,546	7,510	4,027	11,996	1,924	57,003
Accumulated amortization and impairment	(18,780)	(6,649)	(3,983)	(10,714)	(1,801)	(41,927)
	<u>12,766</u>	<u>861</u>	<u>44</u>	<u>1,282</u>	<u>123</u>	<u>15,076</u>
Net book value						
<u>At December 26, 2011</u>						
Cost	31,546	7,510	4,027	11,996	1,924	57,003
Accumulated amortization and impairment	(18,780)	(6,649)	(3,983)	(10,714)	(1,801)	(41,927)
	<u>12,766</u>	<u>861</u>	<u>44</u>	<u>1,282</u>	<u>123</u>	<u>15,076</u>
<u>2012 Activity</u>						
Additions	-	719	26	-	-	745
Disposals	-	(9)	-	-	-	(9)
Amortization	-	(324)	(17)	(797)	(123)	(1,261)
At December 30, 2012	<u>12,766</u>	<u>1,247</u>	<u>53</u>	<u>485</u>	<u>-</u>	<u>14,551</u>
<u>At December 30, 2012</u>						
Cost	31,546	8,013	433	881	-	40,873
Accumulated amortization and impairment	(18,780)	(6,766)	(380)	(396)	-	(26,322)
	<u>12,766</u>	<u>1,247</u>	<u>53</u>	<u>485</u>	<u>-</u>	<u>14,551</u>

The amortization of software and patents is included within general and administrative expenses and the amortization of customer related and marketing related intangibles is included within sales, marketing and distribution expenses.

As of December 30, 2012, there were no indefinite life intangible assets other than goodwill.

The 2012 goodwill balance of \$12,766 (2011 - \$12,766) includes \$12,542 (2011 - \$12,542) related to the lidding CGU. The impairment testing for this CGU was conducted under the value-in-use approach, using a pre-tax discount rate of 12.1 percent (2011 - 12.4 percent). Cash flows were projected based on actual operating results and the five-year business plan. Average volume growth for the next five years was 7.0 percent (2011 - 4.1 percent) and the average gross profit percentage over the same time-frame was three percentage points (2011 - two percentage points) lower than the actual gross profit percentage attained in the current year. Cash flows after the five year period were assumed to increase at a terminal growth rate of 1.5 percent (2011 - 1.5 percent).

No impairment losses or impairment reversals were recorded during 2012 and 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. Employee benefit plans:

The Company maintains five funded non-contributory defined benefit pension plans, one funded non-contributory supplementary income postretirement plan for certain CDN-based executives, one unfunded contributory defined benefit postretirement plan for health-care benefits for a limited group of US individuals, one multiemployer defined benefit pension plan for certain unionized employees in the US and seven defined contribution pension plans. Effective January 1, 2005, all defined benefit pension plans were frozen to new entrants except one, which was frozen effective January 1, 2009. All new CDN employees are required, and all new US employees have the option, to participate in defined contribution plans upon satisfaction of certain eligibility requirements.

Total amounts paid by the Company on account of all benefit plans, consisting of: defined benefit pension plans, supplementary income postretirement plan, direct payments to beneficiaries for the unfunded postretirement plan, the multiemployer defined benefit pension plan and the defined contribution plans, amounted to \$8,173 (2011 - \$8,328).

Defined benefit plans

For financial reporting purposes, the Company measures the benefit obligations and fair value of the benefit plan assets as of the year-end date. The most recent actuarial valuations for funding purposes for the funded non-contributory plans were completed as at the following dates: January 1, 2010 for one plan, December 31, 2010 for two plans, January 1, 2012 for one plan, and October 31, 2011 for one frozen plan. The most recent actuarial valuations for funding purposes for the supplementary income postretirement plan and the postretirement plan for health-care benefits were dated December 30, 2012 and January 1, 2011, respectively. The next required actuarial valuations for all of the Company's defined benefit plans are three years from the aforementioned dates. Based on the most recent actuarial valuations, the Company expects to contribute \$3,548 in cash to its defined benefit plans in 2013.

The following presents the financial position of the Company's defined benefit pension plans and other post retirement benefits, which include the supplementary income plan and the postretirement plan for health-care benefits:

	December 30 2012	December 25 2011
<u>Change in benefit obligation</u>		
Benefit obligation, beginning of year	77,551	65,769
Current service cost	3,331	2,928
Finance expense	3,520	3,579
Actuarial losses recognized in other comprehensive income	6,345	8,099
Benefits paid	(2,759)	(2,162)
Foreign exchange	1,233	(662)
Benefit obligation, end of year	<u>89,221</u>	<u>77,551</u>
<u>Change in benefit plan assets</u>		
Fair value of benefit plan assets, beginning of year	65,117	62,911
Expected return on benefit plan assets	4,209	4,089
Actuarial gains (losses) recognized in other comprehensive income	2,364	(4,125)
Employer contributions	4,671	5,148
Benefits paid	(2,759)	(2,162)
Foreign exchange	1,142	(744)
Fair value of benefit plan assets, end of year	<u>74,744</u>	<u>65,117</u>
<u>Funded status</u>		
Present value of funded obligations	(87,379)	(75,659)
Fair value of benefit plan assets	<u>74,744</u>	<u>65,117</u>
Status of funded obligations	(12,635)	(10,542)
Present value of unfunded obligations	<u>(1,842)</u>	<u>(1,892)</u>
Total funded status of obligations	(14,477)	(12,434)
Assets not recognized due to pension plan asset ceiling limit	<u>(34)</u>	<u>(70)</u>
	<u>(14,511)</u>	<u>(12,504)</u>



	December 30 2012	December 25 2011	
Amounts recognized in the balance sheet			
Employee benefit plan liabilities	<u>(14,511)</u>	<u>(12,504)</u>	
Benefit plan assets			
The following represents the weighted average allocation of benefit plan assets:			
<u>Asset category</u>			
Equity securities	62%	62%	
Debt securities	32%	32%	
Cash	6%	6%	
Total	<u>100%</u>	<u>100%</u>	
	2012	2011	
Net benefit plan expense			
Current service cost	(3,331)	(2,928)	
Finance expense on benefit obligation	(3,520)	(3,579)	
Expected return on benefit plan assets	4,209	4,089	
	<u>(2,642)</u>	<u>(2,418)</u>	
Current service cost is recognized in the following line items in the statement of income:			
Cost of sales	(1,514)	(1,364)	
Sales, marketing and distribution expenses	(493)	(459)	
General and administrative expenses	(1,063)	(870)	
Research and technical expenses	(261)	(235)	
	<u>(3,331)</u>	<u>(2,928)</u>	
Actual return on benefit plan assets	<u>6,573</u>	<u>(36)</u>	
Amounts recognized in other comprehensive income			
Actuarial losses	(3,981)	(12,224)	
Assets not recognized due to pension plan asset ceiling limit	37	453	
	<u>(3,944)</u>	<u>(11,771)</u>	
Cumulative actuarial (losses) / gains recognized in other comprehensive income			
Cumulative amount, beginning of year	(11,369)	402	
Recognized during the year	(3,944)	(11,771)	
Cumulative amount, end of year	<u>(15,313)</u>	<u>(11,369)</u>	
	December 30 2012	December 25 2011	December 26 2010
Historical information			
Fair value of benefit plan assets	74,744	65,117	62,911
Present value of benefit obligations	<u>(89,221)</u>	<u>(77,551)</u>	<u>(65,769)</u>
Deficit in the plans	<u>(14,477)</u>	<u>(12,434)</u>	<u>(2,858)</u>
Experience adjustments arising on benefit plan assets	<u>2,364</u>	<u>(4,125)</u>	<u>1,186</u>
Experience adjustments arising on benefit plan liabilities	<u>(290)</u>	<u>584</u>	<u>-</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2012 2011

Significant assumptions

The following weighted averages were used:

Benefit obligations as of the year-end date:

Discount rate	4.0%	4.5%
Rate of compensation increase	3.5%	3.7%

Net benefit plan expense for the year:

Discount rate	4.5%	5.4%
Expected return on benefit plan assets	6.2%	6.4%
Rate of compensation increase	3.8%	3.9%

The defined benefit pension plans do not invest in the shares of the Company. The expected rate of return on the benefit plan assets is based on historical and projected rates of return for each asset category measured over a four-year time period. The objective of the asset allocation policy is to manage the funded status of the plans at an appropriate level of risk, giving consideration to the security of the assets and the potential volatility of market returns. The long-term rate of return is targeted to exceed the return indicated by a benchmark portfolio by at least 1 percent annually.

The postretirement benefit plan assumed health-care cost trend rate is 8.1 percent with the rate declining to 4.5 percent by 2028. A one-percentage point change in the assumed health-care cost trend rate would affect the net benefit plan expense by approximately \$5 and the benefit obligation by \$127.

Multiemployer defined benefit pension plan

The Company participated in one multiemployer defined benefit pension plan providing benefits to certain unionized employees in the US. The administration of the plan and investment of its assets are controlled by a board of independent trustees. The trustees have determined that this plan is in a critical status position from a funding perspective. During 2011, the Company filed the necessary paperwork with the plan trustees to withdraw from the plan. Pursuant to US federal legislation, an employer who withdraws from a plan with unfunded vested benefits is responsible for a share of that underfunding. See note 20 for the details on the accounting for the withdrawal liability. This multiemployer defined benefit pension plan was accounted for using the accounting standards for defined contribution plans as there was insufficient information to apply defined benefit pension plan accounting. Accordingly, the Company's pension expense in respect to this plan of \$0 (2011 - \$135) was the annual funding contribution and the Company did not recognize its share of a plan surplus or deficit.

Defined contribution pension plans

The Company maintains four defined contribution plans for employees in Canada and three savings retirement plans (401(k) Plans) for employees in the United States. The Company's total expense for these plans was \$3,434 (2011 - \$2,980).

18. Deferred tax assets and liabilities:

The following are the components of the deferred tax assets and liabilities recognized by the Company:

	Assets		Liabilities		Net	
	December 30 2012	December 25 2011	December 30 2012	December 25 2011	December 30 2012	December 25 2011
Trade and other receivables	349	447	-	-	349	447
Inventories	3,328	3,147	-	-	3,328	3,147
Prepaid expenses	-	-	(59)	(76)	(59)	(76)
Derivative financial instruments	-	168	(38)	-	(38)	168
Property, plant and equipment	3,445	3,726	(32,915)	(30,762)	(29,470)	(27,036)
Intangible assets	702	965	(664)	(449)	38	516
Employee benefit plans	4,785	4,446	-	-	4,785	4,446
Trade payables and other liabilities	1,680	1,611	(133)	(121)	1,547	1,490
Provisions	2,905	3,511	-	-	2,905	3,511
Tax assets (liabilities)	17,194	18,021	(33,809)	(31,408)	(16,615)	(13,387)
Set off of tax	(13,746)	(14,292)	13,746	14,292	-	-
Net tax assets (liabilities)	3,448	3,729	(20,063)	(17,116)	(16,615)	(13,387)



Movement in deferred tax assets and liabilities:

	Opening Balance	Recognized In Income	Recognized In Equity	Ending Balance
<u>2011</u>				
Trade and other receivables	498	(51)	-	447
Inventories	2,608	539	-	3,147
Prepaid expenses	(74)	(2)	-	(76)
Derivative financial instruments	(188)	-	356	168
Property, plant and equipment	(25,351)	(1,685)	-	(27,036)
Intangible assets	484	32	-	516
Employee benefit plans	1,644	(832)	3,634	4,446
Trade payables and other liabilities	1,486	4	-	1,490
Provisions	2,745	766	-	3,511
	<u>(16,148)</u>	<u>(1,229)</u>	<u>3,990</u>	<u>(13,387)</u>
<u>2012</u>				
Trade and other receivables	447	(98)	-	349
Inventories	3,147	181	-	3,328
Prepaid expenses	(76)	17	-	(59)
Derivative financial instruments	168	-	(206)	(38)
Property, plant and equipment	(27,036)	(2,434)	-	(29,470)
Intangible assets	516	(478)	-	38
Employee benefit plans	4,446	(956)	1,295	4,785
Trade payables and other liabilities	1,490	57	-	1,547
Provisions	3,511	(606)	-	2,905
	<u>(13,387)</u>	<u>(4,317)</u>	<u>1,089</u>	<u>(16,615)</u>

Deferred tax assets have been recognized where it is probable that they will be recovered. In recognizing deferred tax assets, the Company has considered if it is probable that sufficient future income will be available to absorb temporary differences.

No deferred tax liability has been recognized in respect of temporary differences associated with investments in subsidiaries where the Company controls the timing of the reversal and it is probable that such temporary differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with investments in domestic and foreign subsidiaries for which a deferred tax liability has not been recognized is \$228,075 (2011 - \$190,659). Temporary differences relating to unremitted earnings of foreign subsidiaries which would be subject to withholding and other taxes totalled \$139,783 (2011 - \$114,821).

19. Trade payables and other liabilities:

	December 30 2012	December 25 2011
Trade payables	33,654	32,138
Other current liabilities and accrued expenses	25,530	27,156
	<u>59,184</u>	<u>59,294</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20. Provisions:

	Multiemployer Withdrawal Liability	Asset Retirement Obligations	Total
Balance at December 26, 2011			
Current liabilities	491	101	592
Non-current liabilities	7,632	791	8,423
	<u>8,123</u>	<u>892</u>	<u>9,015</u>
<u>2012 Annual activity</u>			
Payments	(214)	(20)	(234)
Finance expense (income) - unwinding of discount	145	(8)	137
Reversals	(1,102)	(68)	(1,170)
Change in discount rates	78	-	78
Balance at December 30, 2012	<u>7,030</u>	<u>796</u>	<u>7,826</u>
At December 30, 2012			
Current liabilities	427	-	427
Non-current liabilities	6,603	796	7,399
	<u>7,030</u>	<u>796</u>	<u>7,826</u>

Multiemployer withdrawal liability

The Company participated in one multiemployer defined benefit pension plan providing benefits to certain unionized employees in the US. The administration of the plan and investment of its assets are controlled by a board of independent trustees. The trustees communicated to both the Company and the Union in 2010 that this plan was in a critical status position from a funding perspective. During the fourth quarter of 2010, the Company analyzed its options with the assistance of external consultants. Management determined that the only economically feasible alternative was to withdraw from the plan and therefore, in the first quarter of 2011, reached an agreement with the Union to proceed. In addition, the Company filed the necessary paperwork with the plan trustees to withdraw from the plan. Pursuant to US federal legislation, an employer who withdraws from a plan with unfunded vested benefits is responsible for a share of that underfunding. As a consequence of withdrawing from the plan, the Company is required to make monthly payments at a constant dollar value of \$36, or \$427 on an annual basis, over a twenty year period until June 2032. A one-percentage point increase in the discount rates would have decreased the December 30, 2012 liability by \$577 and increased income before income taxes by \$577.

Asset retirement obligations

For certain building leases, the Company is required to remove all equipment and restore the premises at the end of the lease.

21. Share-based payments:

Effective January 1, 2004, the Board of Directors established the President's Incentive Plan (Plan), whereby the Company grants to B.J. Berry (President) 60,000 restricted share units (RSUs) upon completion of each year of service. There is no cost to the President for the RSUs and the RSUs vest immediately. The Company pays to the President the cash value of the RSUs based on the closing share price on a date selected by the President during the fourth quarter of the third year or the first quarter of the fourth year subsequent to the year the RSUs were granted. A date cannot be selected during periods in which insiders may not trade Winpak shares. In the event of the termination of the President's employment for any reason, the cash value of the RSUs shall be paid immediately to the President or his personal representative, as the case may be. The cash value of a RSU is the market value of the common shares of the Company on the day prior to the date of payment. In addition, the Company is required to pay the President an amount equal to the dividends paid on the common shares of the Company with respect to each RSU if, as and when, declared and paid.

Details of RSUs issued and outstanding during the current and prior year are as follows:

	2012	2011
Outstanding, beginning of year	240,000	240,000
Settled	(60,000)	(60,000)
Granted	60,000	60,000
Outstanding, end of year	<u>240,000</u>	<u>240,000</u>
Available for settlement, end of year	<u>60,000</u>	<u>60,000</u>



The 240,000 RSUs outstanding at the end of 2012 mature 60,000 annually from 2013 through 2016 and the 240,000 RSUs outstanding at the end of 2011 mature 60,000 annually from 2012 through 2015.

The fair value of the RSUs at the grant date and each subsequent reporting date is determined based upon the market value of the Company's common shares.

The personnel expense recorded in the statement of income under the Plan was \$1,588 (2011 - \$961). The settlement price in 2012 was \$15.40 US per RSU (2011 - \$14.72 US). At December 30, 2012, the carrying value of the liability, as well as the intrinsic value of the vested liability in respect of the Plan, was \$3,552 (2011 - \$2,856).

22. Share capital and reserves:

Share capital

At December 30, 2012, the authorized voting common shares were unlimited (2011 - unlimited). The issued and fully paid voting common shares at December 30, 2012 were 65,000,000 (2011 - 65,000,000). The shares have no par value. The Company has no stock option plans in place.

Reserves

Reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to the hedged transactions that have not yet occurred.

Dividends

During 2012, dividends in Canadian dollars of 12 cents per common share were declared (2011 - 12 cents).

23. Earnings per share:

	2012	2011
Net income attributable to equity holders of the Company	72,376	63,783
Weighted average shares outstanding (000's)	<u>65,000</u>	<u>65,000</u>
Basic and fully diluted earnings per share - cents	<u>111</u>	<u>98</u>

24. Financial instruments:

The following sets out the classification and the carrying/fair value of financial instruments:

Assets (Liabilities)	Classification	Carrying / Fair Value
Cash and cash equivalents	Loans and receivables	133,303
Trade and other receivables	Loans and receivables	86,797
Derivative financial instrument assets	Derivatives designated as effective hedges	288
Trade payables and other liabilities	Other financial liabilities	(59,184)

The fair value of cash and cash equivalents, trade and other receivables, trade payables and other liabilities approximate their carrying value because of the short-term maturity of these instruments. The fair value of foreign currency forward contracts, designated as cash flow hedges, have been determined by valuing those contracts to market against prevailing forward foreign exchange rates as at the year-end reporting date. The inputs used for fair value measurements, including their classification within the required three levels of the fair value hierarchy that prioritizes the inputs used for fair value measurement, are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs that are not based on observable market data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the classification of financial instruments within the fair value hierarchy as at December 30, 2012:

Financial Assets (Liabilities)	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	-	288	-	288

25. Commitments and guarantees:

Commitments:

At December 30, 2012, the Company has commitments to purchase property, plant and equipment of \$11,189 (2011 - \$35,184).

The Company rents premises and equipment under operating leases that expire at various dates until November 30, 2017. The aggregate minimum rentals payable for these leases are as follows:

Year	2013	2014	2015	2016	2017	Thereafter	Total
Amount	1,406	1,220	568	13	1	-	3,208

During 2012, \$1,558 was recognized as an expense in the statement of income in respect of operating leases (2011 - \$1,767).

Guarantees:

Directors and officers

The Company and its subsidiaries have entered into indemnification agreements with their respective directors and officers to indemnify them, to the extent permitted by law, against any and all amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding involving the directors and officers. Indemnification claims will be subject to any statutory or other legal limitation period. The Company has purchased directors' and officers' liability insurance to mitigate losses from any such claims.

Leased real property

The Company and its subsidiaries enter into operating leases in the ordinary course of business for real property. In certain instances, the Company and its subsidiaries have indemnified the landlord from any obligations that may arise from any occurrences of personal bodily injury, loss of life and property damages. The Company's property and liability insurance coverage mitigates losses from any such claims.

Pension plan

The Company has indemnified the Manitoba Pension Commission from any and all claims that may be made by any beneficiary under a certain defined benefit pension plan. The indemnity relates to the transfer of a portion of the surplus in the respective pension plan to a non-contributory supplementary income plan.

Given the nature of the aforementioned indemnification agreements, the Company is unable to reasonably estimate its maximum potential liability under these agreements. The Company believes the likelihood of a material payment pursuant to these indemnification agreements is remote. No amounts have been recorded in the consolidated financial statements with respect to these indemnification agreements.

26. Financial risk management:

In the normal course of business, the Company has risk exposures consisting primarily of foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. The Company manages its risks and risk exposures through a combination of derivative financial instruments, insurance, a system of internal and disclosure controls and sound business practices. The Company does not purchase any derivative financial instruments for speculative purposes.

Financial risk management is primarily the responsibility of the Company's corporate finance function. Significant risks are regularly monitored and actions are taken, when appropriate, according to the Company's approved policies, established for that purpose. In addition, as required, these risks are reviewed with the Company's Board of Directors.

Foreign exchange risk

Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. These foreign exchange gains and losses are recorded in other income (expenses). As a result of the Company's CDN dollar net asset monetary position as at December 30, 2012, a one-cent change in the year-end foreign exchange rate from 1.0035 to 0.9935 (CDN to US dollars) would have decreased net income by \$101 for 2012. Conversely, a one-cent change in the year-end foreign exchange rate from 1.0035 to 1.0135 (CDN to US dollars) would have increased net income by \$101 for 2012.



The Company's foreign exchange policy requires that between 50 and 80 percent of the Company's net requirement of CDN dollars for the ensuing 9 to 15 months will be hedged at all times with a combination of cash and cash equivalents and forward or zero-cost option foreign currency contracts. The Company may also enter into forward foreign currency contracts when equipment purchases will be settled in other foreign currencies. Transactions are only conducted with certain approved Schedule I Canadian financial institutions. All foreign currency contracts are designated as cash flow hedges. Certain foreign currency forward contracts matured during the year and the Company realized pre-tax foreign exchange losses of \$384. Of these foreign exchange differences, gains of \$173 were recorded in other income (expenses) and losses of \$557 were recorded in property, plant and equipment.

As at December 30, 2012, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of US \$20.0 million at an average exchange rate of 1.0118 maturing between January and August 2013, a US dollar to Swiss franc foreign currency forward contract outstanding with a notional amount of US \$1.1 million at an exchange rate of 0.934 (US dollars to Swiss francs) maturing in April 2013 and US dollar to Euro foreign currency forward contracts outstanding with a notional amount of US \$0.4 million at an exchange rate of 0.7650 (US dollars to Euros) maturing in January 2013. The fair value of these financial instruments was \$288 US and the corresponding unrealized gain has been recorded in other comprehensive income.

Interest rate risk

The Company's interest rate risk arises from interest rate fluctuations on the finance income that it earns on its cash invested in money market accounts and short-term deposits. The Company developed and implemented an investment policy, which was approved by the Company's Board of Directors, with the primary objective to preserve capital, minimize risk and provide liquidity. Regarding the December 30, 2012 cash and cash equivalents balance of \$133.3 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by \$1,333 annually.

Commodity price risk

The Company's manufacturing costs are affected by the price of raw materials, namely petroleum-based and natural gas-based plastic resins and aluminum. In order to manage its risk, the Company has entered into selling price-indexing programs with certain customers. Changes in raw material prices for these customers are reflected in selling price adjustments but there is a slight time lag. For 2012, 67 percent (2011 - 62 percent) of revenue was to customers with selling price-indexing programs. For all other customers, the Company's preferred practice is to match raw material cost changes with selling price adjustments, albeit with a slight time lag. This matching is not always possible, as customers react to selling price pressures related to raw material cost fluctuations according to conditions pertaining to their markets.

Credit risk

The Company is exposed to credit risk from its cash and cash equivalents held with banks and financial institutions, derivative financial instruments (foreign currency forward contracts), as well as credit exposure to customers, including outstanding trade and other receivable balances.

The following table details the maximum exposure to the Company's counterparty credit risk which represents the carrying value of the financial asset:

	December 30	December 25
	2012	2011
Cash and cash equivalents	133,303	126,879
Trade and other receivables	86,797	83,935
Foreign currency forward contracts	288	242
	220,388	211,056

Credit risk on cash and cash equivalents and financial instruments arises in the event of non-performance by the counterparties when the Company is entitled to receive payment from the counterparty who fails to perform. The Company has established an investment policy to manage its cash. The policy requires that the Company manage its risk by investing its excess cash on hand on a short-term basis, up to a maximum of six months, with several financial institutions and/or governmental bodies that must be 'AA' rated, or higher, by a recognized international credit rating agency or insured 100 percent by the US government or a 'AAA' rated CDN federal or provincial government. The Company manages its counterparty risk on its financial instruments by only dealing with CDN Schedule I financial institutions.

In the normal course of business, the Company is exposed to credit risk on its trade and other receivables from customers. The Company's current credit exposure is higher in the weakened North American economic environment. To mitigate such risk, the Company performs ongoing customer credit evaluations and assesses their credit quality by taking into account their financial position, past experience and other pertinent factors. Management regularly monitors customer credit limits, performs credit reviews and, in certain cases insures trade receivable balances against credit losses.

As at December 30, 2012, the Company believes that the credit risk for trade and other receivables is mitigated due to the following: (a) a broad customer base which is dispersed across varying market sectors and geographic locations, (b) 98 percent (2011 - 97 percent) of gross trade and other receivable balances are outstanding for less than 60 days, (c) 21 percent (2011 - 20 percent) of the trade and other receivables balance are insured against credit losses, and (d) the Company's exposure to individual customers is limited and the ten largest customer balances, on aggregate, accounted for 32 percent (2011 - 35 percent) of the total trade and other receivables balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of trade and other receivables is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income within general and administrative expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited against general and administrative expenses in the statement of income.

The following table sets out the aging details of the Company's trade and other receivables balances outstanding based on the status of the receivable in relation to when the receivable was due and payable and related allowance for doubtful accounts:

	December 30 2012	December 25 2011
Current - neither impaired nor past due	70,882	66,890
<u>Not impaired but past the due date:</u>		
Within 30 days	15,639	15,606
31 - 60 days	967	1,841
Over 60 days	421	1,044
	<u>87,909</u>	<u>85,381</u>
Less: Allowance for doubtful accounts	(1,112)	(1,446)
Total trade and other receivables, net	<u>86,797</u>	<u>83,935</u>

The following table details the continuity of the allowance for doubtful accounts:

	2012	2011
Balance, beginning of year	(1,446)	(1,628)
Provisions for the year, net of recoveries	328	(90)
Uncollectible amounts written off	7	272
Foreign exchange impact	(1)	-
Balance, end of year	<u>(1,112)</u>	<u>(1,446)</u>

Liquidity risk

Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come due. Management believes that the liquidity risk is low due to the strong financial condition of the Company. This risk assessment is based on the following: (a) cash and cash equivalents amounts of \$133.3 million, (b) no outstanding bank loans, (c) unused credit facilities comprised of unsecured operating lines of \$38 million, (d) the ability to obtain term-loan financing to fund an acquisition, if needed, (e) an informal investment grade credit rating, and (f) the Company's ability to generate positive cash flows from ongoing operations. Management believes that the Company's cash flows are more than sufficient to cover its operating costs, working capital requirements, capital expenditures and dividend payments in 2013. The Company's trade payables and other liabilities and derivative financial instrument liabilities are virtually all due within twelve months.

Capital management

The Company's objectives in managing capital are to ensure the Company will continue as a going concern and have sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to deploy capital to provide an appropriate return on investment to its shareholders. The Company also strives to maintain an optimal capital structure to reduce the overall cost of capital.

In the management of capital, the Company includes bank overdrafts, bank loans and shareholders' equity. The Board of Directors has established quantitative return on capital criteria for management and year-over-year sustainable earnings growth targets. The Board of Directors also reviews, on a regular basis, the level of dividends paid to the Company's shareholders.

The Company has externally imposed capital requirements as governed through its bank operating line credit facilities. The Company monitors capital on the basis of funded debt to EBITDA (income before interest, income taxes, depreciation and amortization) and debt service coverage. Funded debt is defined as the sum of bank loans and bank overdrafts less cash and cash equivalents. The funded debt to EBITDA is calculated as funded debt, as at the financial reporting date, over the 12-month rolling EBITDA. This ratio is to be maintained under 3.00:1. As at December 30, 2012, the ratio was 0.00:1. Debt service coverage is calculated as a 12-month rolling income from operations over debt service. Debt service is calculated as the sum of one-sixth of bank loans outstanding plus annualized finance expense and dividends. This ratio is to be maintained over 1.50:1. As at December 30, 2012, the ratio was 15.42:1.

There were no changes in the Company's approach to capital management during 2012.



27. Segment reporting:

The Company operates in one operating segment being the manufacture and sale of packaging materials. The Company operates principally in Canada and the United States. The following summary presents key information by geographic segment:

	United States	Canada	Other	Consolidated
2012				
Revenue	523,736	106,663	39,679	670,078
Property, plant and equipment and intangible assets	141,259	173,328	1,642	316,229
2011				
Revenue	503,643	110,462	37,958	652,063
Property, plant and equipment and intangible assets	122,351	149,663	-	272,014

Major customer

During 2012, the Company reported revenue to one customer representing 13 percent of total revenue (2011 - 14 percent).

28. Contingencies:

In the normal course of business activities, the Company may be subject to various legal actions. Management contests these actions and believes resolution of the actions will not have a material adverse impact on the Company's financial condition.

29. Related party transactions:

The Company had revenue of \$0 (2011 - \$0) and purchases of \$3,323 (2011 - \$3,811) with its majority shareholder company. Trade and other receivables and trade payables and other liabilities include amounts of \$63 (2011 - \$39) and \$99 (2011 - \$0) respectively with the majority shareholder company. These transactions were completed at market values with normal payment terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and Executive Committee are key management personnel. The following table details the compensation earned by these key management personnel:

	2012	2011
Salaries, fees and short-term benefits	(4,889)	(4,680)
Post-employment benefits	(453)	(370)
Share-based payments	(1,588)	(961)
	<u>(6,930)</u>	<u>(6,011)</u>

No loans were advanced to key management personnel during the year.

The aggregate remuneration earned by the Board of Directors in 2012 was \$493 (2011 - \$500). As a group, the Board of Directors hold, directly or indirectly 52.6 percent (2011 - 52.6 percent) of the outstanding shares of the Company. The members of the Executive Committee hold, directly or indirectly, 0.4 percent (2011 - 0.4 percent) of the outstanding shares of the Company.

CORPORATE INFORMATION

Annual Meeting

The Annual Meeting of Shareholders will be held on Wednesday, April 24, 2013 at 4:30 p.m. at The National Club, Toronto, Canada

Listing

Winpak Ltd. shares are listed WPK on the Toronto Stock Exchange

Transfer Agent

Computershare Investor Services Inc.

Annual Information Form

The most recent version of the Annual Information Form for Winpak Ltd. is available by contacting Winpak's Corporate Office
100 Saulteaux Crescent, Winnipeg, Canada R3J 3T3
info@winpak.com

Board of Directors

Chairman, *A.I. Aarnio-Wihuri* (2), Helsinki, Finland; Chairman, Wihuri Oy
Vice Chairman, *J.M. Hellgren* (2), Helsinki, Finland; President and Chief Executive Officer, Wihuri Oy
M.H. Aarnio-Wihuri, Helsinki, Finland
J.R. Lavery (2), Niagara-on-the-Lake, Canada
D.R.W. Chatterley (1), Winnipeg, Canada
J.S. Pollard (1), Winnipeg, Canada; Co-Chief Executive Officer, Pollard Banknote Limited
I.T. Suominen (1), Helsinki, Finland; Vice President and Chief Financial Officer, Wihuri Oy
(1) Member of the Audit Committee
(2) Member of the Compensation, Governance and Nominating Committee

Executive Committee

The Executive Committee, in consultation with the Board of Directors, establishes the objectives and the long-term direction of the Company. The Committee meets regularly throughout the year to review progress towards achievement of the Company's goals and to implement policies and procedures directed at optimizing performance.

B.J. Berry, President and Chief Executive Officer, Winpak Ltd.
K.M. Byers, President, Winpak Films Inc.
D.A. Johns, President, Winpak Division, a division of Winpak Ltd.
T.L. Johnson, President, Winpak Heat Seal Packaging
K.P. Kuchma, Vice President and Chief Financial Officer, Winpak Ltd.
J.R. McMacken, President, Winpak Portion Packaging
O.Y. Muggli, Vice President, Technology, Winpak Ltd.
D.J. Stacey, President, Winpak Lane, Inc. and Vice President, Corporate Development, Winpak Ltd.

Auditor

PricewaterhouseCoopers LLP, Winnipeg, Canada

Legal Counsel

Thompson Dorfman Sweatman LLP, Winnipeg, Canada
Jones Day, Atlanta, U.S.A.



WINPAK LTD. CORPORATE OFFICE, 100 SAULTEAUX CRESCENT, WINNIPEG, MB, CANADA R3J 3T3
 T: (204) 889-1015 F: (204) 888-7806
WWW.WINPAK.COM

WINPAK GROUP WWW.WINPAK.COM

WINPAK DIVISION,

A DIVISION OF WINPAK LTD.
 100 SAULTEAUX CRESCENT
 WINNIPEG, MB R3J 3T3
 CANADA
 T: (204) 889-1015
 F: (204) 832-7781

AMERICAN BIAxis INC.

100 SAULTEAUX CRESCENT
 WINNIPEG, MB R3J 3T3
 CANADA
 T: (204) 837-0650
 F: (204) 837-0659

WINPAK INC.

P.O. Box 14748
 MINNEAPOLIS, MN 55414
 U.S.A.
 T: (204) 889-1015
 F: (204) 832-7781

EMBALAJES WINPAK DE MÉXICO, S.A. DE C.V.

AV. DE LA MONTAÑA #112 EDIFICIO MT1,
 MÓDULO 2 PARQUE INDUSTRIAL QUERÉTARO
 76220, SANTO ROSA JAUREGUI
 QUERÉTARO, QUERÉTARO
 MÉXICO
 T: (52) 442-256-1900

WINPAK PORTION PACKAGING LTD.

26 TIDEMORE AVENUE
 TORONTO, ON M9W 7A7
 CANADA
 T: (416) 741-6182
 F: (416) 741-2918

WINPAK PORTION PACKAGING, INC.

3345 BUTLER AVENUE
 SOUTH CHICAGO HEIGHTS, IL 60411-5590
 U.S.A.
 T: (708) 755-4483
 F: (708) 755-7257

WINPAK PORTION PACKAGING, INC.

828A NEWTOWN-YARDLEY ROAD, SUITE 101
 NEWTOWN, PA 18940-1785
 U.S.A.
 T: (267) 685-8200
 F: (267) 685-8243

WINPAK PORTION PACKAGING, INC.

1111 WINPAK WAY
 SAUK VILLAGE, IL 60411
 U.S.A.
 T: (708) 753-5700
 F: (708) 757-2447

WINPAK HEAT SEAL PACKAGING INC.

21919 DUMBERRY ROAD
 VAUDREUIL-DORION, QC J7V 8P7
 CANADA
 T: (450) 424-0191
 F: (450) 424-0563

WINPAK HEAT SEAL CORPORATION

1821 RIVERWAY DRIVE
 PEKIN, IL 61554
 U.S.A.
 T: (309) 477-6600
 F: (309) 477-6699

WINPAK FILMS INC.

219 ANDREWS PARKWAY
 SENDIA, GA 30276-9703
 U.S.A.
 T: (770) 599-6656
 F: (770) 599-8387

WINPAK LANE, INC.

998 S. SIERRA WAY
 SAN BERNARDINO, CA 92408
 U.S.A.
 T: (909) 885-0715
 F: (909) 381-1934

WIHURI OY, HEAD OFFICE, WIHURINAUKIO 2, FI-00570 HELSINKI, FINLAND
 T: +358 20 510 10 F: +358 20 510 2658
WWW.WIHURI.COM

WIPAK GROUP WWW.WIPAK.COM

WIPAK OY

WIPAKTIE 2, POB 45
 FI-15561 NASTOLA
 FINLAND
 T: +358 20 510 311
 F: +358 20 510 3300

WIPAK VALKEAKOSKI OY

KAIVOLANKATU 5
 FI-37630 VALKEAKOSKI
 FINLAND
 T: +358 20 510 311
 F: +358 20 510 3444

WIPAK BORDI S.R.L.

VIA UNGARETTI
 IT-20912 CAORSO
 ITALY
 T: +39 523 821 382
 F: +39 523 822 185

WIPAK WALSRÖDE GmbH & CO. KG

POB 1661
 DE-29656 WALSRÖDE
 GERMANY
 T: +49 5161 443 903
 F: +49 5161 441 43903

WIPAK GRYSPEERT S.A.S.

ZONE DES BOIS, BP 60006 BOUSBECQUE
 FR-59558 COMINES CÉDEX
 FRANCE
 T: +33 320 115 656
 F: +33 320 115 670

WIPAK UK LTD.

UNIT 3, BUTTINGTON BUSINESS PARK
 UK-WELSHPOOL, POWYS SY21 8SL
 GREAT BRITAIN
 T: +44 1938 555 255
 F: +44 1938 555 277

WIPAK IBERICA S.L.

C/SANT CELONI, N076
 P.I. CAN PRAT
 08450 LLINARS DEL VALLÉS
 BARCELONA
 SPAIN
 T: +34 937 812 020
 F: +34 937 812 033

WIPAK B.V.

NIEUWSTADTERWEG 17
 NL-6136 KN SITTARD
 NETHERLANDS
 T: +31 46 420 2999
 F: +31 46 458 1311

WIPAK POLSKA Sp. z o.o.

UL. SIKORSKIEGO 20
 PL-49-340 LEWIN BRZESKI
 POLAND
 T: +48 77 404 2000
 F: +48 77 404 2001

BIAXIS OY LTD.

TEKNIKONKATU 2
 FI-15520 LAHTI
 FINLAND
 T: +358 20 510 312
 F: +358 20 510 3500

