



September 14, 2001

WINPAK ADJUSTS EARNINGS OUTLOOK FOR 2001

Winpak has determined that a moderate downward revision of the forecast for the year is appropriate. It has become apparent during the third quarter that more factors have negatively affected the Company's operations than had been expected earlier in the year.

Two issues have hurt Winpak in 2001: firstly, the economy, and secondly, higher operating costs. The slowing economy has affected sales in three sectors of the Company's business: filling machines, commodity films, and drink cups. This year, sales in these sectors could be \$15 million less than expected, which will reduce net earnings. The operating costs comprise additional costs in manufacturing operations at one business unit and the bad debt incurred in the second quarter at another business unit.

The Company would have met expectations for 2001 had only one of the two issues transpired, or had both issues occurred to a lesser extent. Logically, therefore, there is good news to offset about half of the bad news in 2001. Indeed, sales and margins at certain of the Company's business units are considerably better than had been expected earlier this year.

Approximately 75% of Winpak's business is transacted in the United States. Winpak has no better outlook on the US economy than any other organization, and cannot predict how recent tumultuous events on the eastern seaboard will affect economic recovery. Therefore, we cannot accurately predict when the machines, commodity films and drink cup sectors of the economy will improve. However, the Company is well positioned to take advantage of growth when it does occur. Furthermore, Winpak's business is focused on the food segment, which generally suffers much less volatility due to economic trends than other segments. With regard to the operating costs, the Company has taken the necessary remedial actions, and has reason to believe that the costs will not recur to any significant extent.

Winpak estimates that earnings in the third quarter could be as much as 30 cents per share less than in the second quarter. Predicting earnings in the fourth quarter is difficult in view of current uncertainty, but the Company does not expect sales and earnings to be far off its earlier expectation.