



July 6, 2005

SALE OF PAPER BAG BUSINESS

Wipak Ltd. has sold to Color Ad Packaging Ltd. ("Color Ad") the assets of the printed, paper bag business currently operated from the converting premises at Laird Drive, Toronto, Ontario. The printed, paper-based bag business represents the majority of products manufactured by Wipak Technologies in the Toronto plant. The divestment further focuses and aligns Wipak's manufacturing capabilities with core strategic markets.

Wipak plans to consolidate the non-paper products also manufactured at the Laird Drive location into Wipak facilities either in Winnipeg or Montreal. Wipak Heat Seal Packaging Inc., located just outside Montreal, Quebec, is a 140,000 square foot facility focusing on foil/paper/poly materials dedicated to the lidding and health care packaging markets. Wipak Division, located in Winnipeg, Manitoba, comprising 400,000 square feet, specializes in extrusion, coextrusion, printing and adhesive lamination of flexible films. Wipak Heat Seal Packaging Inc. and Wipak Division are modern, state-of-the art, vertically integrated facilities well able to continue manufacture of the non-paper products.

Wipak and Color Ad have arranged a smooth transition for customers currently served from the Toronto plant, including temporary continuance of certain manufacturing operations at the facility. Transition production will continue until the end of October. Subsequent to that, minimal operations will continue until plant closure, which is expected within seven months.

Wipak anticipates that the net proceeds from the assets sold, after recognizing employee termination costs and other items related to the sale and including consolidation of the remaining business from Laird Drive, will have no significant impact on current net earnings and should be modestly accretive to future net earnings.

Upon completion of the transition and consolidation of the business at Laird Drive, the premises will be sold. Timing and terms of sale cannot be determined at this time, but the transaction will result in a profit.

Color Ad, with its head office in Winnipeg, Manitoba, is a North American operated company with two manufacturing facilities in Winnipeg, as well as manufacturing facilities in Charlotte, North Carolina and Toronto, Ontario. Color Ad is a privately owned company that specializes in the manufacturing of labels, flexible packaging products and printed paper bags.