NEWS RELEASE

Winpak Reports Second Quarter Earnings

Winnipeg, Manitoba, July 24, 2008 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the second quarter of 2008, which ended on June 29, 2008.

Year-To-Date Ended	June 29 2008	July 1 2007
(thousands of US dollars, except per share amounts)		
Sales	250,928	223,239
Net earnings	13,182	12,728
Minority interest	79	(81)
Provision for income taxes	6,598	6,610
Interest	672	1,042
Depreciation and amortization	12,732	11,411
EBITDA (1)	33,263	31,710
Basic and fully diluted net earnings per share (cents)	20	20

Second Quarter Ended	June 29 2008	July 1 2007
(thousands of US dollars, except per share amounts)		
Sales	127,582	114,479
Net earnings	7,231	5,224
Minority interest	183	10
Provision for income taxes	3,468	2,643
Interest	209	567
Depreciation and amortization	6,376	5,876
EBITDA (1)	17,467	14,320
Basic and fully diluted net earnings per share (cents)	11	8

Winpak Ltd. manufactures and distributes high-quality packaging materials and related packaging machines. The Company's products are used primarily for the protection of perishable foods, beverages and in health care applications.

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[1] EBITDA is not a recognized measure under Canadian GAAP. Management believes that in addition to net earnings, this measure provides useful supplemental information to investors including an indication of cash available for distribution prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that this measure should not be construed as an alternative to net earnings, determined in accordance with GAAP, as an indicator of the Company's performance. The Company's method of calculating this measure may differ from other companies, and, accordingly, the results may not be comparable.

Management's Discussion and Analysis

(presented in US dollars)

Forward-looking statements: 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 our 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, we disclaim 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.

Results of Operations

Net earnings for the second quarter of 2008 were 11 cents per share compared to 8 cents per share in the corresponding period of 2007. The 38.4 percent increase in net earnings occurred in spite of significantly higher raw material costs and is mainly attributable to greater sales volumes, improved manufacturing efficiencies and reductions in expenses.

On a year-to-date basis, net earnings per share were equivalent for the first six months of 2008 and 2007 at 20 cents per share. Despite a significant increase in sales volumes, improvements in operating efficiencies and expense reductions in 2008, higher raw material costs and the unfavorable impact of foreign exchange impeded more favorable results.

Sales

Sales in the second quarter of 2008 continued to exhibit the strength demonstrated in the first quarter, increasing by $13.1 million or 11.4 percent in relation to the second quarter of 2007. Greater sales volumes accounted for over half of the increase at 6.4 percent while higher selling prices and mix changes added a further 2.8 percent. The continued strength of the Canadian dollar resulted in an additional increase of 2.2 percent in reported sales. Rigid and lidding products, biaxially oriented nylon film and machinery sales all experienced double digit percentage volume growth, primarily from new business development. Modest growth was evident in modified atmosphere packaging while specialty films experienced sales declines due to a general weakness in the US economy.

In the first six months of 2008, sales grew by $27.7 million or 12.4 percent. Increased sales volumes accounted for nearly two-thirds of this increase. Biaxially oriented nylon film and rigid and lidding products demonstrated robust growth during this period while only moderate growth was seen in modified atmosphere packaging. Sales of specialty films and machinery fell short of the prior year levels. The stronger Canadian dollar favorably impacted reported sales by $6.3 million while selling price increases and product mix changes had a less favorable impact on sales. Overall, it is anticipated that the growth in sales exhibited in the first half of the year should continue through the third quarter.

Gross profit margins and expenses

Gross profit margins improved slightly to 24.4 percent of sales in the second quarter of 2008, up from 24.0 percent of sales in the corresponding quarter in 2007. The improvement would have been much greater had it not been for the continued escalation in raw material prices. Improvements in manufacturing performance resulted in an increase in gross profit margins of nearly 3 percentage points. However, this was offset by higher raw material costs which outpaced increases in selling prices. The time lag included in sales-indexing agreements with customers as well as competitive market forces did not allow increases in selling prices to match or exceed raw material increments in the quarter.

For the first six months, gross profit margins in 2008 at 24.4 percent of sales were 1.3 percentage points lower than the level achieved in the corresponding 2007 period. The inability to pass through the full extent of raw material and other related cost escalations was the main reason for the reduction in margins and overshadowed improvements in manufacturing performance.

For reference, the following presents the weighted indexed purchased cost of Winpak's eight primary raw materials in the reported quarter and each of the preceding eight quarters, where base year 2001 = 100. The index was rebalanced as of December 31, 2007 to reflect the mix of the eight primary raw materials purchased in 2007.

Quarter and Year	2/06	3/06	4/06	1/07	2/07	3/07	4/07	1/08	2/08
Purchase Price Index	146.8	155.4	148.8	146.0	152.5	158.3	161.8	167.9	174.6

The index is now at the highest point in the Company's history and has increased by 14.5 percent in the past 12 months. Unfortunately, the outlook going into the third quarter does not look any more promising as most of the major raw material suppliers have announced further increases. The Company will strive to match these with increases in selling prices to customers so as to not further erode margins.

Efficiencies gained through volume growth resulted in operating expenses increasing at a significantly lower rate than sales when compared to the prior year. Expenditures related to the start-up of new equipment were substantially curtailed in the second quarter of 2008 compared to the same quarter in 2007, resulting in a reduction of research, technical and pre-production costs. Interest costs also declined due to the reduction in both long-term and short-term debt and lower interest rates in comparison to a year ago. Additionally, savings were realized in income taxes primarily due to enacted corporate tax rate reductions in Canada.

Capital Resources, Cash Flow and Liquidity

The Company generated cash resources of $8.2 million in the second quarter. This included $14.7 million generated from operating activities before changes in working capital, offset in part by $0.3 million utilized for working capital requirements and $1.1 million for defined benefit plan payments. Cash resources of $3.1 million were utilized for the current year's plant and equipment expenditure program and $1.9 million for dividends. There was also a small foreign exchange adjustment on cash of $0.1 million.

For the year-to-date, Winpak's cash position improved by $5.6 million due primarily to cash flow generated from operating activities. Cash was used to fund additional working capital requirements, capital equipment additions, dividends, defined benefit plan payments and repayment of long-term debt. Winpak is confident that sufficient financial resources are in place to fund cash requirements for the foreseeable future.

Business Acquisition

On July 2, 2008 the Company announced that, effective June 30, 2008, it had acquired the film packaging business of Walsroder Packaging LLC, a subsidiary of The Dow Chemical Company. The transaction involved the purchase of inventory, production equipment and intangibles. The acquisition will expand Winpak's extensive sales and distribution network and should result in the addition of approximately $10 million in sales to the Company on an annual basis as well as being immediately accretive to earnings in 2008.

Accounting Policy Changes

As more fully described in Note 2 to the Consolidated Financial Statements, the Company adopted the Canadian Institute of Chartered Accountants' Handbook Sections 3031, 3862, 3863 and 1535. The changes were adopted prospectively from December 31, 2007. These new standards had no significant impact on the Company's Consolidated Financial Statements.

Summary of Quarterly Results

Thousands of U.S. dollars, except per share amounts (U.S. cents)

	Quarter Ended							
	June 29 2008	March 30 2008	December 30 2007	September 30 2007	July 1 2007	April 1 2007	December 31 2006	October 1 2006
Sales	127,582	123,346	126,638	116,745	114,479	108,760	113,088	111,638
Net earnings	7,231	5,951	6,157	5,073	5,224	7,504	6,579	7,841
EPS	11	9	10	7	8	12	10	12

Winpak Ltd.
Interim Consolidated Financial Statements
Second Quarter Ended: June 29, 2008

These interim consolidated financial statements have not been audited or reviewed by the Company's independent external auditors, PricewaterhouseCoopers LLP.

Winpak Ltd.
Consolidated Balance Sheets
(thousands of US dollars)
(June 29, 2008 Unaudited)

	June 29 2008	December 30 2007
Assets		
Current Assets:		
Cash	$ 558	$ -
Accounts receivable	61,621	57,308
Income taxes receivable	4,663	6,292
Inventory (note 4)	77,425	74,742
Prepaid expenses	2,637	1,945
Future income taxes	3,349	2,702
	150,253	142,989
Property, plant and equipment (net)	255,099	263,328
Other assets	12,886	10,739
Intangible assets (net)	5,863	6,690
Goodwill	17,575	17,854
	$ 441,676	$ 441,600
Liabilities and Shareholders' Equity		
Current Liabilities:		
Bank indebtedness (unsecured)	$ -	$ 5,037
Accounts payable and accrued liabilities	40,839	38,061
	40,839	43,098
Long-term debt	17,000	22,000
Deferred credits	13,149	12,603
Future income taxes	29,219	28,640
Postretirement benefits	1,589	1,596
	101,796	107,937
Minority interest	14,084	11,065
Shareholders' Equity:		
Share capital	29,195	29,195
Retained earnings	237,321	228,470
Accumulated other comprehensive income (note 5)	59,280	64,933
	296,601	293,403
	325,796	322,598
	$ 441,676	$ 441,600

See accompanying notes to consolidated financial statements.

Winpak Ltd.

Consolidated Statements of Earnings and Retained Earnings

(thousands of US dollars, except per share amounts) (unaudited)

	Second Quarter Ended		Year-To-Date Ended	
	June 29 2008	July 1 2007	June 29 2008	July 1 2007
Sales	$ 127,582	$ 114,479	$ 250,928	$ 223,239
Cost of sales	96,453	87,006	189,797	165,843
Gross profit	31,129	27,473	61,131	57,396
Expenses				
Selling, general & administrative (note 6)	17,052	15,581	34,756	31,240
Research and technical	2,756	3,027	5,055	5,333
Pre-production	230	421	789	524
Earnings from operations	11,091	8,444	20,531	20,299
Interest	209	567	672	1,042
Earnings before income taxes and minority interest	10,882	7,877	19,859	19,257
Provision for income taxes	3,468	2,643	6,598	6,610
Minority interest	183	10	79	(81)
Net earnings	$ 7,231	$ 5,224	$ 13,182	$ 12,728
Retained earnings, beginning of period				
As previously reported	$ 232,020	$ 217,795	$ 228,470	$ 211,139
Change in accounting policy - (note 2 (c))	-	-	(492)	-
Restated	232,020	217,795	227,978	211,139
Net earnings	7,231	5,224	13,182	12,728
Dividends declared	(1,930)	(1,830)	(3,839)	(2,678)
Retained earnings, end of period	$ 237,321	$ 221,189	$ 237,321	$ 221,189
Earnings per share				
Basic and fully diluted earnings per share (cents)	11	8	20	20
Average number of shares outstanding (000's)	65,000	65,000	65,000	65,000

Consolidated Statements of Comprehensive Income

(thousands of US dollars) (unaudited)

	Second Quarter Ended		Year-To-Date Ended	
	June 29 2008	July 1 2007	June 29 2008	July 1 2007
Net earnings	$ 7,231	$ 5,224	$ 13,182	$ 12,728
Unrealized gains (losses) on translation of financial statements of operations with CDN dollar functional currency to US dollar reporting currency	1,872	12,915	(5,524)	15,553
Unrealized gains (losses) on derivatives designated as cash flow hedges, net of income tax (2008 - $48 and $(66)) (2007 - $124 and $140)	90	229	(121)	259
Realized losses (gains) on derivatives designated as cash flow hedges in prior periods transferred to net earnings in the current period, net of income tax (2008 - $17 and $(5))	32	-	(8)	-
Other comprehensive income (loss) - net of income tax (note 5)	1,994	13,144	(5,653)	15,812
Comprehensive income	$ 9,225	$ 18,368	$ 7,529	$ 28,540

See accompanying notes to consolidated financial statements.

Winpak Ltd.

Consolidated Statements of Cash Flows

(thousands of US dollars) (unaudited)

	Second Quarter Ended		Year-To-Date Ended	
	June 29 2008	July 1 2007	June 29 2008	July 1 2007
Cash provided by (used in):				
Operating activities:				
Net earnings for the period	$ 7,231	$ 5,224	$ 13,182	$ 12,728
Items not involving cash:				
Depreciation	5,963	5,330	11,905	10,315
Amortization - intangible assets	413	546	827	1,096
Defined benefit plan costs	454	868	1,284	1,710
Future income taxes	622	(160)	809	471
Foreign exchange (gain) loss on long-term debt	(170)	-	533	-
Minority interest	183	10	79	(81)
Other	-	78	(184)	195
Cash flow from operating activities before the following	14,696	11,896	28,435	26,434
Change in working capital:				
Accounts receivable	1,174	(902)	(5,169)	559
Income taxes receivable	712	(706)	1,483	(777)
Inventory	(5,801)	4,088	(4,641)	(2,400)
Prepaid expenses	(346)	(17)	(731)	(1,418)
Accounts payable and accrued liabilities	3,967	2,252	2,836	(4,182)
Defined benefit plan payments	(1,137)	(196)	(3,650)	(3,956)
	13,265	16,415	18,563	14,260
Investing activities:				
Acquisition of property, plant and equipment	(3,112)	(10,099)	(7,232)	(21,109)
	(3,112)	(10,099)	(7,232)	(21,109)
Financing activities:				
Repayments of long-term debt	-	-	(5,000)	-
Dividends paid	(1,909)	(848)	(3,898)	(1,681)
Investment by minority shareholder in subsidiary	-	-	2,940	-
	(1,909)	(848)	(5,958)	(1,681)
Foreign exchange translation adjustment on cash	(79)	(1,104)	222	(1,620)
Change in cash position	8,165	4,364	5,595	(10,150)
(Bank indebtedness) cash, beginning of period	(7,607)	(11,520)	(5,037)	2,994
Cash (bank indebtedness), end of period	$ 558	$ (7,156)	$ 558	$ (7,156)

Supplemental disclosure of cash flow information:

Cash paid during the period for:				
Interest expense	$ 344	$ 787	$ 1,070	$ 1,466
Income tax expense	1,768	1,395	3,278	4,478

See accompanying notes to consolidated financial statements.

1. Basis of Presentation

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and have been prepared on a basis consistent with the same accounting policies and methods of application as disclosed in the Company's audited consolidated financial statements for the year ended December 30, 2007 except as described in Note 2.

These unaudited interim consolidated financial statements do not include all of the information and notes to the financial statements required by GAAP for annual financial statements and therefore should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report for the year ended December 30, 2007.

The preparation of the interim consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenue and expenses in the reporting period. Management believes that the estimates and assumptions used in preparing its interim consolidated financial statements are reasonable and prudent, however, actual results could differ from these estimates.

2. Accounting Policy Changes

Effective December 31, 2007, the Company adopted the following new Canadian Institute of Chartered Accountants (CICA) accounting standards.

(a) Financial Instruments - Disclosures and Presentation:
Section 3862 Financial Instruments – Disclosure, describes the required disclosures related to the significance of financial instruments on the Company's financial position and performance and the nature and extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks and Section 3863 Financial Instruments – Presentation, describes the standards for presentation of financial instruments and non-financial derivatives and carries forward, unchanged, the presentation requirements of Section 3861 Financial Instruments – Disclosure and Presentation (notes 7 and 8).

(b) Capital Management:
Section 1535 Capital Disclosures, establishes standards for disclosing information about a Company's capital and how it is managed to enable users of financial statements to evaluate the Company's objectives, policies and processes for managing capital, quantitative data about what the Company regards as capital and whether the Company has complied with any externally imposed capital requirements (note 9).

The above noted new standards have no impact on the classification and valuation of the Company's interim consolidated financial instruments.

(c) Inventory:
Section 3031 Inventories, which replaced Section 3030 Inventories, establishes standards on the definition of 'cost' to include all costs of purchase (net of supplier payment discounts), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. As a result, companies are required to systematically allocate variable and fixed production overhead costs that are incurred in converting materials into finished goods. The allocation of fixed production overheads is based on normal production capacity of the production facilities. In addition, the standard requires companies to assess the recoverability of inventory costs in comparison to net realizable value. Declines in replacement cost below carrying values for raw material inventories do not require write downs if the finished goods in which they will be utilized are expected to be sold at or above cost. The standard requires disclosing, in the current period, the amount recognized as an expense and the amount recognized as a reversal of previous write-downs (note 4).

The Company has adopted Section 3031 effective December 31, 2007 and restated 2008 opening retained earnings. As a result of this change, inventory was reduced by $746, current future income tax assets were increased by $254 and retained earnings were reduced by $492. The comparative interim consolidated financial statements have not been restated.

3. Future Accounting Standards

The CICA has issued the following handbook section, which applies commencing with the Company's 2009 fiscal year.

(a) Goodwill, Intangible Assets and Financial Statement Concepts:
In February 2008, the CICA issued Section 3064 Goodwill and Intangible Assets, replacing Section 3062 Goodwill and Other Intangible Assets and Section 3450 Research and Development Costs. The new Section establishes standards on the recognition, measurement, presentation and disclosure for goodwill and intangible assets subsequent to their initial recognition. The standard requires retroactive application to prior period financial statements.

While the Company is currently assessing the impact of this new standard on its consolidated financial statements, management does not expect the standard to have a significant impact on the Company's consolidated financial results.

3. Future Accounting Standards – continued

(b) International Financial Reporting Standards:
In January 2006, the CICA Accounting Standards Board (ASB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for public companies would be required to converge with International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis. In February 2008, the CICA ASB confirmed the effective date of the initial adoption of IFRS. The impact of the transition to IFRS on the Company's consolidated financial statements has not yet been determined.

4. Inventory

Inventory is comprised of the following:

	June 29 2008
Raw materials	29,655
Work-in-process	12,926
Finished goods	32,147
Spare parts	2,697
	77,425

During the second quarter of 2008, the Company recorded inventory write-downs of $1,833 (Year-to-date- $3,037) and reversals of previously written-down amounts of $476 (Year-to-date- $497).

5. Accumulated Other Comprehensive Income

	Second Quarter Ended		Year-To-Date Ended	
	June 29 2008	July 1 2007	June 29 2008	July 1 2007
Balance, beginning of period	57,286	36,083	64,933	33,415
Other comprehensive income (loss)	1,994	13,144	(5,653)	15,812
Balance, end of period	59,280	49,227	59,280	49,227

The accumulated balances for each component of other comprehensive income, net of income taxes, are comprised of the following:		
Unrealized gains on translation of financial statements of subsidiaries with Canadian dollar functional currency to US dollar reporting currency	59,333	48,968
Unrealized (losses) gains on derivatives designated as cash flow hedges	(53)	259
Balance, end of period	59,280	49,227

6. Selling, General & Administrative Expenses

Included within selling, general & administrative expenses are the following amounts:

	Second Quarter Ended		Year-To-Date Ended	
	June 29 2008	July 1 2007	June 29 2008	July 1 2007
Foreign exchange translation (gain) loss	(53)	(657)	279	(928)
Defined benefit plan costs	454	868	1,284	1,710

Foreign exchange translation gains and losses represent the realized and unrealized foreign exchange differences recognized upon translation of monetary assets and liabilities, including long-term debt. The amounts include realized foreign exchange gains (losses) on cash flow hedges arising from transfers of these amounts from other comprehensive income to net earnings.

7. Financial Instruments

The following table presents the carrying value and fair value of financial instruments and non-financial derivatives as at June 29, 2008:

	(Carried at Cost/Amortized Cost)		(Carried at Fair Value)
Assets (Liabilities)	Carrying Value	Fair Value	Carrying Value
Cash	558	558	
Accounts receivable	61,621	61,621	
Accounts payable and accrued liabilities	(40,758)	(40,758)	
Cash flow hedging derivative			(81)
Long-term debt	(17,000)	(17,000)	

Fair value is based on quoted market prices when available. However, when financial instruments lack an available trading market, fair value is determined using management's estimates and is calculated using market factors with similar characteristics and risk profiles. These amounts represent point-in-time estimates and may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgment.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments:

a) Short-term financial instruments approximate their carrying amount due to the relatively short period to maturity. These include cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities.
b) Long-term debt with a variable interest rate is carried at cost, which reflects fair value as the interest rate is the current market rate available to the Company.
c) Foreign exchange forward contracts, designated as a cash flow hedge, have been determined by valuing those contracts to market against prevailing forward foreign exchange rates as at the reporting date.

8. Financial Risk Management

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. 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.

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

The Company operates primarily in Canada and the Unites States. The functional currency of the parent company is CDN dollars and the reporting currency is U.S. dollars. All operations in the United States and American Biaxis Inc. operate with the U.S. dollar as the functional currency, while all Canadian operations, excluding American Biaxis Inc., operate with the CDN dollar as the functional currency. Most of the Company's business is conducted in U.S. dollars. However, approximately 20 percent of sales are invoiced in CDN dollars and approximately 30 percent of costs are incurred in the same currency, resulting in a net outflow of costs in CDN dollars. Consequently, the Company records foreign currency differences on transactions.

In addition, 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 selling, general & administrative expenses. A one-cent strengthening / weakening in the June 29, 2008 period end foreign exchange rate from CDN dollars to U.S. dollars would have increased / decreased net earnings by $137 for the second quarter of 2008.

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 on hand and forward or zero-cost option foreign exchange contracts. Transactions are only conducted with certain approved Schedule 1 Canadian financial institutions. All foreign exchange contracts are designated as cash flow hedges. Certain foreign currency forward contracts matured during the second quarter of 2008 and the Company realized pre-tax foreign exchange losses of $49 (year-to-date - realized pre-tax foreign exchange gains of $13). These foreign exchange gains and losses were recorded in selling, general & administrative expenses. As at June 29, 2008, the Company had foreign currency forward contracts outstanding of $8.0 million US at an average exchange rate of 1.0108 (US to CDN dollars), maturing between July 2008 and February 2009 and the fair value of these contracts was $7.9 million US as of June 29, 2008. An unrealized foreign exchange gain during the quarter of $138 (pre-tax) (year-to-date - unrealized foreign exchange loss of $187 (pre-tax)) was recorded in other comprehensive income.

8. Financial Risk Management – continued

Interest Rate Risk

The Company's interest rate risk arises from its floating rate bank indebtedness and long-term debt. The Company's policy regarding interest expense is to fix interest rates on between one-and two-thirds of long-term debt outstanding. The Company may enter into interest rate swap agreements in order to limit exposure to increases in interest rates and fix interest rates on certain portions of long-term debt. For the current period, the Company elected to have all long-term debt at a floating interest rate due to the relatively low level of debt outstanding. As such, no interest rate swap instruments were entered into during the second quarter of 2008, and none were outstanding as at June 29, 2008.

Regarding the June 29, 2008 long-term debt balance of $17.0 million, a 1% increase / decrease in floating interest rates would decrease / increase earnings before tax by $170 annually.

Commodity Price Risk

Manufacturing costs for the Company's products 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 not immediately reflected in selling price adjustments, there is a slight time lag. For the three months ended June 29, 2008, 43% (year-to-date - 40%) of sales were to customers with formal selling price-indexing agreements. 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

Credit risk arises from cash held with banks, derivative financial instruments (foreign exchange forward and option contracts and interest rate swaps with positive fair values), as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing counter-party credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counter-parties, 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. As at June 29, 2008, 23% of the Company's total accounts receivable balance was insured against credit losses.

The Company's exposure to individual customers is limited and the ten largest customers as at June 29, 2008, on aggregate, accounted for 22% of the Company's total accounts receivable balance.

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

The following table outlines the details of the aging of the Company's receivables and related allowance for doubtful accounts:

	June 29 2008
Current	46,629
Past due amounts:	
1 - 60 days	15,370
Greater than 60 days	1,291
Less: Allowance for doubtful accounts	(1,669)
Total accounts receivable, net	61,621

Liquidity Risk

Investments to drive growth can require significant financial resources. A range of funding alternatives is available to the Company including cash flow provided by operations, additional debt, the issuance of equity or a combination thereof. The moderate level of outstanding debt and an informal investment grade credit rating allow the Company to enjoy relatively low interest rates. Under the terms of the Company's bank credit facilities currently in place, the $17 million of long-term debt outstanding is revolving, although the Company retains the right to repay, without penalty, amounts as deemed appropriate. The Company has determined that total current credit facilities of $78 million (unsecured), including operating lines of $48 million and term-debt lines of $30 million, are adequate. Of the total credit facilities, $49.3 million was unused as at June 29, 2008. The Company has remained within all bank debt covenants and foresees no change in its ability to meet these covenants in 2008.

8. Financial Risk Management – continued

The 2008 requirements for capital expenditures, working capital and debt repayments can be financed from cash flow provided by operating activities and unused credit facilities. Unless unexpected circumstances occur in 2008, the Company expects to repay a portion of the $17 million of long-term debt outstanding by the end of the 2008 fiscal year.

The Company enters into contractual obligations in the normal course of business operations. As at June 29, 2008, these obligations have not changed significantly from the amounts reported in the Company's 2007 Annual Report.

9. Capital Management

The Company's objectives in managing capital are to ensure 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 indebtedness, long-term debt 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 credit facilities. The Company monitors capital on the basis of funded debt to EBITDA (earnings before, interest, income taxes, depreciation and amortization) and debt service coverage. Funded debt is defined as the sum of long-term debt and bank indebtedness less cash. The funded debt to EBITDA is calculated as funded debt, as at the financial reporting date, over the twelve month rolling EBITDA. This ratio is to be maintained under 3.00:1. As at June 29, 2008, the ratio was 0.28:1. Debt service coverage is calculated as a twelve month rolling earnings from operations over debt service. Debt service is calculated as the sum of one-sixth long-term debt outstanding plus annualized interest expense and dividends. This ratio is to be maintained over 1.50:1. As at June 29, 2008, the ratio was 2.90:1.

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

10. Seasonality

The Company experiences seasonal variation in sales, with sales typically being the highest in the second and fourth quarters, and lowest in the first quarter.

11. Comparative Interim Amounts

Certain comparative interim amounts have been reclassified to conform with the presentation in the current period.