NEWS RELEASE

Winpak Reports Third Quarter Results

Winnipeg, Manitoba, October 20, 2011 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the third quarter of 2011, which ended on September 25, 2011.

	Three Months Ended		Nine Months Ended	
	September 25 2011	September 26 2010	September 25 2011	September 26 2010
(thousands of US dollars, except per share amounts)				
Revenue	170,670	146,055	480,547	424,511
Net income	14,635	13,458	46,228	43,569
Income tax expense	7,912	5,687	21,434	18,533
Net finance (income) expense	(100)	(27)	(257)	33
Depreciation and amortization	6,745	6,526	20,037	18,893
EBITDA (1)	29,192	25,644	87,442	81,028
Net income attributable to equity holders of the Company	14,408	13,132	45,297	42,502
Net income attributable to non-controlling interests	227	326	931	1,067
Net income	14,635	13,458	46,228	43,569
Basic and fully diluted earnings per share (cents)	22	20	70	65

Basis of Presentation

The 2011 amounts have been determined in accordance with International Financial Reporting Standards (IFRS) and accordingly, the comparative amounts have been restated to conform with IFRS, unless otherwise stated.

Winpak Ltd. 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.

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[1] EBITDA is not a recognized measure under IFRS. Management believes that in addition to net income, 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 income, determined in accordance with IFRS, 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 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, 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.

This management's discussion and analysis for the three and nine months ended September 25, 2011 reflects the Company's adoption of International Financial Reporting Standards (IFRS) as of December 27, 2010, the start of the 2011 fiscal year. Comparative periods for fiscal 2010 have been restated in accordance with IFRS, including the December 28, 2009 transition date balance sheet, however, periods prior to fiscal 2010 have not been restated and are reported in accordance with Canadian GAAP. Note 7 of the interim consolidated financial statements for the three and nine months ended September 25, 2011 contains a detailed reconciliation of the Company's financial statements previously prepared under Canadian GAAP to those under IFRS for the three and nine months ended September 26, 2010 and for the year ended December 26, 2010 as well as the balance sheets as of these dates and the opening transition date of December 28, 2009. In addition, a detailed description of the effects of the adoption of IFRS on the Company's financial reporting is included later in this management's discussion and analysis under *Accounting Changes*.

Financial Performance

Net income attributable to common shareholders for the third quarter of 2011 was $14.4 million or 22 cents in earnings per share compared to $13.1 million or 20 cents per share in the corresponding quarter of 2010, an increase of 9.7 percent. Volume growth contributed 2.0 cents in earnings per share as did enhancements in gross profit due to product mix changes and greater manufacturing efficiencies. Curtailment in operating expense growth added a further 1.5 cents in earnings per share. Offsetting these positive developments were a higher effective income tax rate and the negative impact of foreign exchange which decreased earnings per share by 1.0 cent and 2.5 cents respectively.

For the nine months ended September 25, 2011, net income attributable to common shareholders progressed to $45.3 million or 70 cents in earnings per share, up 6.6 percent from the $42.5 million or 65 cents per share recorded in the comparable prior year period. Increased volumes yielded 4.5 cents in earnings per share while gross profit improvement added a further 4.0 cents per share. Limited operating expense growth, in relation to volume expansion, provided nearly 1.0 cent in earnings per share while the impact of the stronger Canadian dollar had a negative impact on earnings per share of approximately 4.5 cents for the first nine months of 2011 versus 2010.

Revenue

Revenue for the third quarter of 2011 rose by $24.6 million to $170.7 million, an improvement of 16.9 percent over the comparable quarter in 2010. Volumes overall grew by 9.5 percent, but as was the case in the second quarter, demand remained uneven across product lines. Shipments were especially robust in rigid packaging, where volumes rose by over 30 percent due to demand in condiment and specialty beverage products. Although representing less than 3 percent of total revenues, packaging machinery sales were also strong after a slow start in the first half of the year. Lidding sales volumes, which partially move in tandem with rigid packaging revenues, also advanced by just over 5 percent in the quarter. Modified atmosphere packaging volumes were essentially flat with the third quarter of 2010, as some customers reduced inventory levels in response to the lackluster performance of the US economy. Even further exposed to the slowdown in US economic activity were the more commodity product lines of biaxially oriented nylon and specialty films, where sales quantities declined by low to mid-single digit percentages. Higher overall selling prices, in response to raw material cost increases and changes in product mix, contributed 6.3 percent to third quarter revenue. The stronger Canadian dollar, versus the third quarter of 2010, further improved revenue by 1.1 percent.

For the first three quarters of 2011, revenue expanded to $480.5 million, an increase of $56.0 million or 13.2 percent in relation to the corresponding period in 2010. More than half of the progression in revenue was due to volume growth of 7.3 percent, as all product groups advanced with the exception of biaxially oriented nylon which declined marginally. The volume enrichment was spearheaded by single-serve rigid container shipments, exceeding the corresponding prior year period by more than 20 percent. Packaging machinery shipment growth followed closely behind in percentage terms. The remaining product lines of modified atmosphere packaging, lidding and specialty films all rose by low single-digit percentages in terms of quantities. Selling price gains paralleled higher raw material costs and together with sales mix changes, furthered year-to-date revenue by 4.9 percent. The conversion of Canadian dollar sales into US funds at a higher average exchange rate in 2011 versus 2010 supplemented revenue by an additional 1.0 percent.

Gross profit margins

Gross profit margins declined to 27.6 percent of revenue in the third quarter of 2011 from 28.3 percent of revenue recorded in the same quarter of 2010. However, in dollar terms, gross profit advanced by 14.2 percent to $47.2 million in the current quarter from $41.3 million in the third quarter of 2010, exceeding the increase in sales volume of 9.5 percent and contributing 2.0 cents to earnings per share. Product mix changes and improved manufacturing performance, primarily through efficiency gains and scrap reduction, more than offset the negative impact of raw material cost escalations on gross profit. The Company was moderately successful in applying selling price increases to match raw material cost advances for non-indexed accounts although competitive pressures did result in some margin erosion at certain customers. The remaining approximate 65 percent of revenues are indexed whereby selling prices are adjusted by agreement as raw material costs change, albeit with a time lag of about three months on average.

For the first three quarters of 2011, gross profit margins of 28.6 percent were 0.8 percentage points less than the result achieved in the corresponding period in 2010 but the percentage growth in dollar terms exceeded the relative increase in volumes. As with the results for the third quarter, product mix improvements and enhanced manufacturing performance helped to overcome the impact of rising raw material costs on margins and resulted in an addition of 4.0 cents to earnings per share.

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 27, 2010 to reflect the mix of the eight primary raw materials purchased in 2010.

Quarter and Year	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11
Purchase Price Index	131.2	138.6	150.5	159.1	150.7	154.7	168.0	184.5	182.9

The purchase price index in the third quarter of 2011 leveled off, declining by less than 1 percent from the previous quarter. However, it still remains 21.4 percent higher than a year earlier and is only 4.1 percent lower than its highest level ever recorded by the Company, just three years prior. It has continued to be a challenge to prevent margin erosion in this high cost environment.

Expenses and Other

While sales volumes in the third quarter expanded by 9.5 percent versus the corresponding period in 2010, the Company was able to leverage its expenditure on operating expenses by limiting their increase to 4.4 percent, excluding the impact of foreign exchange. The net result was an increase of 1.5 cents in earnings per share, with a portion due to lower share-based incentive costs. The overall impact of foreign exchange on net income for the third quarter of 2011, in relation to the same period in 2010, was a reduction of 2.5 cents in earnings per share. This was due to a combination of a foreign exchange loss on Canadian net monetary assets, a higher average exchange rate applied to net Canadian dollar expenses in the third quarter of 2011, and a foreign exchange gain in the third quarter of 2010 on Canadian dollar tax balances resulting in a reduction of income tax expense in that period. In addition, a higher effective income tax rate in the current quarter versus the corresponding prior year quarter lowered earnings per share by 1.0 cent due to a larger proportion of net income being earned in higher tax jurisdictions.

On a year-to-date basis, foreign exchange had a negative impact of 4.5 cents in earnings per share compared to the same period in 2010. The impact was spread relatively equally between the translation of net Canadian dollar costs into US funds at a higher exchange rate in 2011 than 2010, foreign exchange losses on Canadian net monetary assets in 2011, and foreign exchange gains recorded by the Canadian legal entities on filing their 2010 income tax returns in Canadian dollars. In 2011, the Company has received approval to file its Canadian tax returns in US dollars, thereby eliminating this latter foreign exchange fluctuation in 2011 and later years. Limiting the escalation in operating expenses to less than the increase in sales volumes helped deliver a further 1.0 cent in earnings per share. The reduction in corporate income tax rates at the federal level in Canada at the beginning of 2011 mainly offset the negative impact on earnings caused by a greater proportion of income earned in higher tax jurisdictions in the current year.

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the third quarter at $107.5 million, an increase of $9.8 million in the three-month period. Winpak continued to generate consistent cash flow from operating activities before changes in working capital of $30.0 million in the quarter, improving upon the comparable period in 2010 by $3.9 million. Cash was utilized to supplement working capital by $1.4 million, property, plant and equipment additions of $11.9 million, income tax payments of $4.4 million, dividends of $2.0 million, and employee benefit plan payments of $0.5 million.

For the first nine months of 2011, the Company added $17.1 million to its cash position. Cash flow from operating activities before changes in working capital of $88.8 million, improved by $6.7 million over the comparable period in 2010. Increases in working capital utilized $16.7 million in cash, with higher raw material costs and heightened sales volumes contributing to a rise in inventory of $12.0 million. Cash was also

used for property, plant and equipment additions of $27.8 million, income tax payments of $16.5 million, dividends of $5.9 million, employee benefit plan payments of $3.0 million, and distributions to the non-controlling interests in a subsidiary of $1.8 million. The Company remains debt-free and has unutilized operating lines of $38 million, with the ability to increase borrowing capacity further should the need arise.

Summary of Quarterly Results

Thousands of US dollars, except per share amounts (US cents)

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009*
Revenue	170,670	161,340	148,537	154,930	146,055	145,568	132,888	135,464
Net income attributable to equity holders	14,408	16,195	14,694	12,794	13,132	14,130	15,240	11,445
EPS	22	25	23	20	20	22	23	18

**Amounts are as previously reported under Canadian GAAP.*

Looking Forward

Volume growth for the first three quarters of 2011, although in aggregate better than the industry average, was uneven across product lines. It is expected that this trend will continue for the balance of the year with some slow improvement possible in existing customer demand in those product lines where growth has been less vigorous. With the Company's investments in the latest technology, the Company will continue to add new customers and products to its established customer base and build upon an already solid foundation. Raw material costs leveled off in the third quarter and are expected to remain fairly stable in the fourth quarter barring any unforeseen circumstances. As a result, gross profit margins for the balance of the year should remain within one or two percentage points of current levels and above the long-term average for the Company. Capital expenditures are estimated to end the year at over $60 million. This will be the largest internal capital investment undertaken by Winpak in a single year and is part of the Company's ambitious program which by the end of 2015 is targeted to grow annual revenue organically to a level approaching $1 billion. The capital spending forecasted for 2011 is lower than originally planned at the start of the year due to some minor delays in the timing of various projects. All of the Company's investments remain focused on the Company's core businesses in food and health care packaging and Winpak will also continue to evaluate external acquisition opportunities in these markets.

Accounting Changes

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that Publicly Accountable Enterprises will be required to adopt International Financial Reporting Standards (IFRS) for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As permitted under National Instrument 52-107, the Company has elected to adopt IFRS for its fiscal year beginning December 27, 2010 and accordingly reported under this basis as of the first quarter of 2011, with fiscal 2010 comparative financial information being presented using IFRS.

The interim consolidated financial statements for the three and nine months ended September 25, 2011 have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in note 7 to the consolidated financial statements, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at December 28, 2009 and throughout all periods presented, as if these policies had always been in effect. The Company anticipates adopting these same policies in its December 25, 2011 annual consolidated financial statements, which are based on the IFRS standards that the Company expects to be applicable at that time. However, any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 25, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended December 26, 2010. Such Canadian GAAP financial statements may not be comparable in all material respects. Accordingly, note 19 discloses IFRS information for the year ended December 26, 2010 that is material to the understanding of these interim consolidated financial statements. Note 7 details the impact of the transition to IFRS on the Company's reported balance sheet, statements of income, comprehensive income and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's Canadian GAAP consolidated financial statements for the year ended December 26, 2010. The following highlights the impacts of the more significant changes in accounting policies:

First-Time Adoption of International Financial Reporting Standards – IFRS 1, First-Time Adoption of International Financial Reporting Standards, provides guidance for an entity's initial adoption of IFRS and generally requires the retrospective application of all IFRS effective at the end of its first IFRS reporting period. IFRS 1 however does include certain mandatory exceptions and allows certain limited optional exemptions from this general requirement of retrospective application. The exemptions and exceptions most relevant to the Company under IFRS 1 on the opening transition date of December 28, 2009 are as follows:

i. Business combinations – An exemption is available within IFRS 1 that allows a Company to carry forward its previous Canadian GAAP accounting for business combinations prior to the transition date. The Company has elected to apply this exemption and as a result, acquisitions prior to December 28, 2009 have not been restated to comply with IFRS 3 "Business Combinations".
ii. Fair value as deemed cost – This exemption allows a Company to revalue property, plant and equipment at fair value at its transition date and use this fair value as the deemed cost. The Company did not apply this exemption.
iii. Borrowing costs – This exemption allows an entity to adopt IAS 23 "Borrowing Costs" prospectively on qualifying assets for which the capitalization commencement date is after the transition date. The Company applied this exemption.
iv. Employee benefits – IFRS 1 allows a Company to recognize all cumulative actuarial gains and losses at the transition date. The Company has elected to apply this exemption and all unrecognized actuarial gains and losses have been recognized, resulting in a charge to opening retained earnings at December 28, 2009 of $10.0 million. In addition, the Company has applied the exemption whereby employee benefit plan historical disclosures required under IAS 19, *Employee Benefits*, may be provided only for fiscal years subsequent to the transition to IFRS.
v. Cumulative translation differences – This exemption allows a Company to deem the amount of cumulative translation differences to be zero at transition and instead, transfer this amount into retained earnings. The Company has elected to apply this exemption at December 28, 2009, resulting in the cumulative translation differences balance of $18.3 million being transferred to increase retained earnings.
vi. Estimates – IFRS 1 prescribes a mandatory exemption from full retrospective application of IFRS as it relates to the use of estimates. It requires that a company's estimates in accordance with IFRS at the date of transition to IFRS must be consistent with estimates made for the same date in accordance with previous Canadian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company did not use hindsight in its estimates upon transition to IFRS, nor did it find any evidence that any of its previously made estimates were in error.

Functional Currency – IAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires that the functional currency of each entity in a consolidated group be determined separately based on the currency of the primary economic environment in which the entity operates. A list of primary and secondary indicators is used under IFRS in this determination and these differ in content and emphasis to a certain degree from those factors used under Canadian GAAP. The parent Company and all of its Canadian subsidiaries, with the exception of American Biaxis Inc., operated with the Canadian dollar as their functional currency under Canadian GAAP. However, it was determined that under IFRS, these same entities had a change in their functional currency at varying points in prior years, such that all entities within the Winpak group now operate with the US dollar as their functional currency. The historical cost basis for certain balance sheet items is different under IFRS than it was under Canadian GAAP and the balance in the cumulative translation differences for each of these Canadian subsidiaries was held constant at the amount in effect at the date of the change in functional currency. The impact of this change in functional currency, as at December 28, 2009, was a net decrease in equity of $15.9 million. For the three months ended September 26, 2010, the change in functional currency increased net income by $1.2 million and decreased other comprehensive income by $2.5 million. The change in functional currency increased net income by $3.7 million for the nine months ended September 26, 2010 while other comprehensive income decreased by $5.4 million. For the year ended December 26, 2010, the change in functional currency increased net income by $7.0 million and decreased other comprehensive income by $9.5 million. The specific line items affected by the change in functional currency are detailed in note 7 to the consolidated financial statements. Going forward, income volatility due to foreign exchange fluctuations should decline as the magnitude of net Canadian dollar monetary financial asset exposure is significantly less than the net US dollar monetary financial asset exposure within the Canadian entities.

Impairment of Assets – Upon transition to IFRS, all of the Company's property, plant and equipment and intangible assets, including goodwill, were reviewed to determine whether there were any indications of impairment. When these indications were present, the asset's recoverable amount was estimated. IAS 36, *Impairment of Assets*, uses a one-step approach for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use, which is based on discounted future cash flows. Canadian GAAP, on the other hand, generally used a two-step approach to impairment testing of long-lived assets and finite-life intangible assets by first comparing asset carrying values with undiscounted future cash flows to determine whether impairment existed. If it was determined that there was impairment under this basis, the impairment was then calculated by comparing asset carrying values with fair values in much the same manner as computed under IFRS. Additionally under IFRS, testing for impairment occurs at the level of cash generating units, which is the lowest level of assets that generate largely independent cash inflows. This lower level of grouping compared

to Canadian GAAP along with the one-step approach to testing for impairment may increase the likelihood that the Company will realize an impairment of assets under IFRS in the future. It should also be noted that under IAS 36, previous impairment losses, with the exception of goodwill, can be reversed when there are indications that circumstances have changed whereas Canadian GAAP prohibited reversal of non-financial asset impairment losses. As of the transition date of December 28, 2009, the Company determined that an impairment of goodwill with regard to the specialty film business had taken place under IAS 36. This resulted in a reduction of goodwill and retained earnings of $3.4 million as of that date.

Employee Benefit Plans – As previously mentioned, under IFRS 1, the Company has elected to recognize all cumulative actuarial gains and losses at the transition date, resulting in a charge to opening retained earnings at December 28, 2009 of $10.0 million. Under Canadian GAAP, past service costs for defined benefit pension plans were generally amortized on a straight-line basis over the expected average remaining service period of active employees in the plan. IAS 19, *Employee Benefits*, requires the past service costs to be expensed on an accelerated basis, with vested past service costs being expensed immediately and unvested past service costs being recognized on a straight-line basis until the benefits become vested. This resulted in a charge to retained earnings at December 28, 2009 of $1.4 million. Under IAS 19 and IFRIC 14, the Company is not able to report an asset in its financial statements in excess of the economic benefit it can expect to receive in the form of a refund of a pension plan surplus and/or a reduction in future contributions. This differs from the treatment allowed under Canadian GAAP and as a result, under IFRS, the impact as at December 28, 2009 is a decrease in retained earnings of $1.1 million. In total, the changes under IFRS related to employee benefits resulted in a net decrease to opening retained earnings upon transition of $12.5 million.
Subsequent to the transition date, the Company has selected to recognize actuarial gains and losses directly in equity through other comprehensive income as its accounting policy choice under IAS 19 to be consistent with the latest revisions to the standard issued by the IASB which will become mandatory for annual periods beginning on or after January 1, 2013. Under Canadian GAAP, unrecognized actuarial gains and losses, in excess of 10 percent of the greater of the benefit obligation or the fair value of plan assets, were amortized to the statement of income on a straight-line basis over the expected average remaining service lives of active plan members. This change in policy recognition of actuarial gains and losses along with the other changes under IFRS related to past service costs and recognition of pension assets, had only a minimal increase on net income for both the three months and nine months ended September 26, 2010 as well as the year ended December 26, 2010. The employee benefit accounting changes had no impact on other comprehensive income for the three and nine months ended September 26, 2010, and only a marginal increase of $0.4 million for the year ended December 26, 2010.
Under IFRS, interest costs on the benefit obligation of defined benefit plans are charged to the statement of income as a finance expense and the expected return on employee benefit plan assets is presented as finance income. Under Canadian GAAP, these two items were presented as part of personnel expenses within various lines within the statement of income. As a result of this change, finance income and finance expense increased by $0.9 million for the three months ended September 26, 2010, $2.6 million and $2.7 million respectively for the nine months ended September 26, 2010 and $3.5 million for the year ended December 26, 2010. Various other reclassifications related to this item were insignificant.

Provisions – Under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, the threshold for recording provisions is considerably lower than under Canadian GAAP as the probability for recording a provision for a cash outflow has to be only more likely than not under IFRS. Under Canadian GAAP, the probability of a future outflow has to be viewed as likely before a liability is recorded, which is a much higher probability than under IFRS. As a result, provisions are inclined to be recorded more often and/or sooner under IFRS than under Canadian GAAP.
The Company participates in one multiemployer defined benefit pension plan providing benefits to certain unionized employees in the US. Under IAS 19, multiemployer plans, that are defined benefit plans, are to be accounted for as such under IFRS unless sufficient information is not available to use defined benefit accounting. Most multiemployer plans, by their nature, do not provide sufficient information to participating employers to enable them to use defined benefit accounting. However, IAS 19 notes that IAS 37 should be considered for certain multiemployer plans. IAS 37 is applicable in recognizing a liability where there is a contractual agreement to determine how a deficit would be funded. The board of independent trustees of the multiemployer plan communicated to both the Company and the Union that this plan was in a critical status position from a funding perspective in 2010. During the fourth quarter of 2010, the Company, with the assistance of external consultants, determined that the only realistic course of action was to withdraw from the plan. In 2011, an agreement was reached with the Union to withdraw from the plan and the necessary paperwork was filed with the plan trustees. Pursuant to US federal pension legislation, an employer who withdraws from a plan with unfunded vested benefits is legally responsible for a share of that underfunding. Based on the relevant facts and circumstances, it was concluded that the potential withdrawal liability met the definition of a provision under IFRS as at December 26, 2010, which was not the case under Canadian GAAP. As a result of this difference, for the year ended December 26, 2010, other expenses increased by $7.1 million and income tax expense decreased by $2.5 million, for a reduction in net income of $4.6 million.

Income Taxes – Under Canadian GAAP, when the functional currency for accounting purposes differed from the functional currency for taxation purposes, deferred taxes were first calculated in the currency in which income taxes were paid and then translated to the functional currency for accounting purposes at the period end exchange rate. Under IFRS, IAS 12, *Income Taxes*, deferred taxes are calculated based on the functional currency for accounting purposes, regardless of the functional currency used for taxation purposes. As a result of this difference

between Canadian GAAP and IFRS, retained earnings increased by $0.9 million and non-controlling interests increased by $0.8 million as at December 28, 2009. The offset was an increase in deferred tax assets. There was virtually no impact on 2010 net income in regard to this change.

Non-controlling interest – Under Canadian GAAP, minority interest was classified in the consolidated balance sheets between total liabilities and equity. Under IAS 27, *Consolidated and Separate Financial Statements*, minority interest is reclassified to a separate component of equity entitled non-controlling interest. As at December 28, 2009, this reclassification was $15.9 million. Under Canadian GAAP, minority interest in the consolidated statements of income was presented as an expense. Under IFRS, non-controlling interests are presented as an allocation of net income for the period.

Future Changes to Accounting Standards

As more fully described in Note 6 to the Consolidated Financial Statements, various new accounting standards have been issued which apply as follows: IFRS 7 "Financial Instruments: Disclosures", effective for annual periods beginning July 1, 2011; IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", amended IAS 27 "Separate Financial Statements", and amended IAS 28 "Investments in Associates and Joint Ventures", effective for annual periods beginning January 1, 2013. None of these standards is expected to have a significant impact on the Company's consolidated financial statements.

The 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 July 1, 2012 and is not expected to have a significant impact on the Company's consolidated financial statements.

The IASB also issued a new accounting standard and an amended standard effective for annual periods beginning January 1, 2013: IFRS 13 "Fair Value Measurement" which is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards; and amended 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. The Company has not yet begun the process of assessing the impact that these standards will have on its consolidated financial statements.

Controls and Procedures

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 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 as of September 25, 2011 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 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 as of September 25, 2011 to provide reasonable assurance that the financial information being reported is materially accurate. During the third quarter ended September 25, 2011, there have been no changes to 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.

Winpak Ltd.
Interim Consolidated Financial Statements
Third Quarter Ended: September 25, 2011

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) (unaudited)

	Note	September 25 2011	December 26 2010	December 28 2009
Assets				
Current assets:				
Cash and cash equivalents		107,542	90,488	61,164
Trade and other receivables	15	83,946	77,118	69,172
Income taxes receivable		1,290	1,953	1,255
Inventories	8	88,077	76,075	69,812
Prepaid expenses		3,808	2,284	2,211
Derivative financial instruments		-	629	1,182
		284,663	248,547	204,796
Non-current assets:				
Property, plant and equipment	12, 19	243,230	234,797	220,196
Intangible assets	19	15,410	16,666	18,505
Employee benefit plan assets		4,283	3,330	1,110
Deferred tax assets		4,028	4,174	3,408
Other receivables		160	141	799
		267,111	259,108	244,018
Total assets		551,774	507,655	448,814
Equity and Liabilities				
Current liabilities:				
Trade payables and other liabilities		55,367	52,560	44,965
Provisions	9	491	368	-
Income taxes payable		4,890	1,554	5,051
Derivative financial instruments		570	-	-
		61,318	54,482	50,016
Non-current liabilities:				
Employee benefit plan liabilities		6,968	6,719	7,181
Deferred income		10,489	11,221	11,363
Provisions	9	8,522	7,614	870
Deferred tax liabilities		19,471	20,322	19,622
		45,450	45,876	39,036
Total liabilities		106,768	100,358	89,052
Equity:				
Share capital		29,195	29,195	29,195
Reserves		(409)	441	810
Retained earnings		400,569	361,128	313,038
Total equity attributable to equity holders of the Company		429,355	390,764	343,043
Non-controlling interests		15,651	16,533	16,719
Total equity		445,006	407,297	359,762
Total equity and liabilities		551,774	507,655	448,814

See accompanying notes to consolidated financial statements, including note 7(b) which reconciles amounts previously reported under Canadian GAAP to International Financial Reporting Standards (IFRS).

Winpak Ltd.

Consolidated Statements of Income

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

	Note	Three Months Ended		Nine Months Ended	
		September 25 2011	September 26 2010	September 25 2011	September 26 2010
Revenue		170,670	146,055	480,547	424,511
Cost of sales		(123,503)	(104,743)	(343,016)	(299,727)
Gross profit		47,167	41,312	137,531	124,784
Other income (expenses)	10	(1,632)	157	(924)	1,287
Sales, marketing and distribution expenses		(13,574)	(12,509)	(39,731)	(36,784)
General and administrative expenses		(6,130)	(6,292)	(19,631)	(17,367)
Research and technical expenses		(3,346)	(3,380)	(9,600)	(9,548)
Pre-production costs		(38)	(170)	(240)	(237)
Income from operations		22,447	19,118	67,405	62,135
Finance income		1,054	895	3,111	2,680
Finance expense		(954)	(868)	(2,854)	(2,713)
Income before income taxes		22,547	19,145	67,662	62,102
Income tax expense	11	(7,912)	(5,687)	(21,434)	(18,533)
Net income for the period		14,635	13,458	46,228	43,569
Attributable to:					
Equity holders of the Company		14,408	13,132	45,297	42,502
Non-controlling interests		227	326	931	1,067
		14,635	13,458	46,228	43,569
Basic and fully diluted earnings per share - cents	14	22	20	70	65

Consolidated Statements of Comprehensive Income

(thousands of US dollars) (unaudited)

	Three Months Ended		Nine Months Ended	
	September 25 2011	September 26 2010	September 25 2011	September 26 2010
Net income for the period	14,635	13,458	46,228	43,569
Cash flow hedge (losses) gains recognized	(424)	306	(42)	647
Cash flow hedge gains transferred to the statement of income	(456)	(108)	(1,158)	(1,336)
Income tax relating to applicable components of other comprehensive income	249	(60)	350	224
Other comprehensive income (loss) for the period - net of income tax	(631)	138	(850)	(465)
Comprehensive income for the period	14,004	13,596	45,378	43,104
Attributable to:				
Equity holders of the Company	13,777	13,270	44,447	42,037
Non-controlling interests	227	326	931	1,067
	14,004	13,596	45,378	43,104

See accompanying notes to consolidated financial statements, including note 7(c) which reconciles amounts previously reported under Canadian GAAP to IFRS.

Winpak Ltd.
Consolidated Statements of Changes in Equity
(thousands of US dollars) (unaudited)

	Note	Attributable to equity holders of the Company					
	Note	Share capital	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at December 28, 2009		29,195	810	313,038	343,043	16,719	359,762
Comprehensive income (loss) for the period							
Changes in fair value of cash flow hedges, net of tax		-	471	-	471	-	471
Amounts recognized in the statement of income during the period, net of tax		-	(936)	-	(936)	-	(936)
Other comprehensive loss		-	(465)	-	(465)	-	(465)
Net income for the period		-	-	42,502	42,502	1,067	43,569
Comprehensive income (loss) for the period		-	(465)	42,502	42,037	1,067	43,104
Preferred share redemption		-	-	-	-	(1,960)	(1,960)
Dividends	13	-	-	(5,682)	(5,682)	-	(5,682)
Balance at September 26, 2010		29,195	345	349,858	379,398	15,826	395,224
Balance at December 27, 2010		29,195	441	361,128	390,764	16,533	407,297
Comprehensive income (loss) for the period							
Changes in fair value of cash flow hedges, net of tax		-	(19)	-	(19)	-	(19)
Amounts recognized in the statement of income during the period, net of tax		-	(831)	-	(831)	-	(831)
Other comprehensive loss		-	(850)	-	(850)	-	(850)
Net income for the period		-	-	45,297	45,297	931	46,228
Comprehensive income (loss) for the period		-	(850)	45,297	44,447	931	45,378
Preferred share redemption		-	-	-	-	(980)	(980)
Dividends	13	-	-	(5,856)	(5,856)	(833)	(6,689)
Balance at September 25, 2011		29,195	(409)	400,569	429,355	15,651	445,006

Winpak Ltd.
Consolidated Statements of Cash Flows
(thousands of US dollars) (unaudited)

	Three Months Ended		Nine Months Ended	
	September 25 2011	September 26 2010	September 25 2011	September 26 2010
Cash provided by (used in):				
Operating activities:				
Net income for the period	14,635	13,458	46,228	43,569
Items not involving cash:				
Depreciation	6,234	6,007	18,502	17,309
Amortization - intangible assets	511	519	1,535	1,584
Employee benefit plan costs	718	598	2,433	2,043
Net finance (income) expense	(100)	(27)	(257)	33
Income tax expense	7,912	5,687	21,434	18,533
Other	135	(66)	(1,080)	(991)
Cash flow from operating activities before the following	30,045	26,176	88,795	82,080
Change in working capital:				
Trade and other receivables	(3,866)	(2,595)	(6,847)	(4,869)
Inventories	4,185	(1,850)	(12,002)	(10,858)
Prepaid expenses	(160)	307	(1,524)	(772)
Trade payables and other liabilities	(2,435)	2,678	2,855	6,552
Provisions	850	-	850	-
Employee benefit plan payments	(483)	(909)	(2,995)	(3,532)
Cash flow from operations	28,136	23,807	69,132	68,601
Income tax paid	(4,422)	(5,308)	(16,455)	(19,551)
Interest received	86	32	205	78
Interest paid	(8)	(4)	(17)	(10)
Net cash from operating activities	23,792	18,527	52,865	49,118
Investing activities:				
Acquisition of property, plant and equipment	(11,920)	(7,142)	(27,817)	(26,994)
Acquisition of intangible assets	(55)	(89)	(286)	(209)
	(11,975)	(7,231)	(28,103)	(27,203)
Financing activities:				
Dividends paid	(1,976)	(1,882)	(5,895)	(5,638)
Change in non-controlling interests in subsidiary	-	(1,960)	(1,813)	(1,960)
	(1,976)	(3,842)	(7,708)	(7,598)
Change in cash and cash equivalents	9,841	7,454	17,054	14,317
Cash and cash equivalents, beginning of period	97,701	68,027	90,488	61,164
Cash and cash equivalents, end of period	107,542	75,481	107,542	75,481

See accompanying notes to consolidated financial statements, including note 7(d) which highlights the significant adjustments made to the amounts previously reported under Canadian GAAP.

1. General

Winpak 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.

2. Basis of Presentation

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants (CICA). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (IFRS), and require publicly accountable enterprises to apply such standards for years beginning on or after January 1, 2011. The Company's current fiscal year commenced on December 27, 2010. As permitted under National Instrument 52-107, the Company elected to commence reporting on this new basis for the quarter ended March 27, 2011. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in note 7, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at December 28, 2009 and throughout all periods presented, as if these policies had always been in effect. Note 7 discloses the impact of the transition to IFRS on the Company's reported balance sheet, statements of income, comprehensive income and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's Canadian GAAP consolidated financial statements for the year ended December 26, 2010.

These interim consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its December 25, 2011 annual consolidated financial statements, which are based on the IFRS standards that the Company expects to be applicable at that time. Any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 25, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended December 26, 2010. Such Canadian GAAP financial statements may not be comparable in all material respects. Accordingly, note 19 discloses IFRS information for the year ended December 26, 2010 that is material to the understanding of these interim consolidated financial statements.

The Company's functional 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 US and Canadian currencies. As part of the Company's conversion to IFRS, entities with the Canadian dollar as their functional currency under Canadian GAAP changed their functional currency to the US dollar (see note 7).

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

The interim consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors on October 20, 2011.

3. Significant Accounting Policies

(a) Principles of Consolidation:
The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as well as the 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 profits arising from inter-company transactions have been eliminated.

(b) Business Combinations:
Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange. 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 net income or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be re-measured upon final settlement.

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. The excess of the cost of the acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated 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.

(d) Foreign Currency Translation:
The financial statements for each of the Company's 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 a subsidiary operates. 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 claims 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 3(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 Costs:
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 3(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. 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 cost of an acquisition over the Company's interest in the fair value of the 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 3(o)).

(o) Impairment:
The carrying amount of the Company's property, plant and equipment, intangible assets and goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. 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 within other expenses. 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 a change in the estimates used to determine the recoverable amount. 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. 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 plan assets or obligation up to the balance sheet date where interim valuations are performed. 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 expenses. Likewise, the expected return on employee 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 defined benefit obligation, adjusted for unrecognized past service costs, and reduced by the fair value of 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.

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. The cost of providing the benefits is actuarially determined using the per capita claims cost 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 expenses. 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 defined benefit obligation, adjusted for unrecognized past service costs.

The Company participates 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 is the amount established pursuant to its collective agreement; however poor performance of the investments in this plan could have an adverse impact on the Company, its employees and former employees who are members of this plan. This multiemployer defined benefit pension plan is accounted for using the accounting standards for defined contribution plans as there is insufficient information to apply defined benefit pension plan accounting. Accordingly, the Company's pension expense charged to the statement of income is the annual funding contribution and the Company does not reflect its share of a plan surplus or deficit. The cost of withdrawing from the plan is charged to the statement of income as other expenses and is calculated as the present value of the required future cash outflows. For further information on the Company's withdrawal from the plan, refer to note 7(b). Changes in estimates with respect to the withdrawal liability are recorded to the statement of income as either other expenses or other income.

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 either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense in the statement of income if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term employee 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.

(q) 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 equity, in which case it is recognized directly in equity.

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 and when the deferred tax balances relate to the same income tax authority.

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 other income (expenses) 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) cash flow hedging derivative – 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.

(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 and overhead expenditures to be incurred in Canadian dollars.

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. Changes in the fair value of these contracts are initially recorded in other comprehensive income and subsequently recorded in the statement of income within other income or other expenses when the hedged item affects income or loss.

(u) Share-based Payments:
The Company maintains a stock-based compensation plan, which provides stock appreciation rights under the President's Incentive Plan. Rights 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 rights granted is recognized as an employee expense, with a corresponding increase in liabilities, over the period that the rights pertain. The liability is re-measured at each reporting date. Any changes in the fair value of the liability are recognized as an employee 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 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 potential dilutive common shares.

4. 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) Allowance for Doubtful Accounts:
The Company estimates allowances for potential losses resulting from the inability of customers to make required payments of trade receivables. Additional allowances may be required if the financial condition of any customer deteriorates.

(b) Allowance for Inventory Obsolescence:
The Company estimates allowances for potential losses resulting from inventory becoming obsolete and that cannot be processed and/or sold to customers. Additional allowances may be required if the physical condition of inventory deteriorates or customer requirements change.

(c) Depreciation of Plant and Equipment:
Depreciation is calculated to write off the cost, less estimated residual value, of plant and equipment on a straight-line basis over their expected useful lives. Estimates of residual value and useful lives are based on data and information from various sources including vendors, industry practice, and company-specific history.

(d) 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 the 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 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 at least annually.

Regarding the December 26, 2010 goodwill balance of $12,766, $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 13.5 percent. Cash flows were projected based on actual operating results and the five-year business plan. Average volume growth for 2011 to 2015 was 2.5 percent and the average gross profit percentage over the same time-frame was within one percentage point of the actual gross profit percentage attained in 2010. Cash flows after 2015 were assumed to increase at a terminal growth rate of 1.5 percent.

No impairment losses were recognized in the first nine months of 2011 or in 2010.

(e) 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 expenses.

(f) Income Taxes:
Income taxes in interim reporting periods are accrued, to the extent practicable, by applying estimated average annual effective income tax rates for each taxing jurisdiction to the interim pre-tax income in those jurisdictions. The estimated average annual effective income tax rates are re-estimated at each interim reporting date.

Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Company's assessment is based upon existing income tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future income tax deductions changes, the Company would be required to recognize more or fewer of the income tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

The Company maintains provisions for uncertain income tax positions that it believes appropriately reflect its risk with respect to income tax matters under active discussion, audit, dispute or appeal with income tax authorities, or which are otherwise considered to involve uncertainty. These provisions for uncertain income tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at each balance sheet date. However, it is possible that at some future date an additional liability could result from audits by income tax authorities. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax provisions in the period in which such determination is made.

(g) Legal and Other Disputes:
The Company provides for anticipated settlement costs where an outflow of resources is considered probable and an estimate can be made of the likely outcome of a dispute, and legal and other expenses arising from claims against the Company. Provisions, if required, take into account the relevant facts and circumstances of each matter and the considerations of any legal advice obtained.

5. Adoption of New and Revised IFRS Standards and Circulars

The following standards and amendments to existing standards were effective for the current financial period:

(a) Related Party Disclosures:
In November 2009, a revised version of IAS 24 "Related Party Disclosures" was issued. IAS 24 has simplified the definition of a related party and removed certain of the disclosures required by the predecessor standard. The revised standard had no impact on the Company's interim consolidated financial statements.

(b) Prepayments of a Minimum Funding Requirement:
The amendment to IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction" removes the unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. As a result, prepayments made in certain circumstances are recognized as an asset rather than an expense. The amended standard had no impact on the Company's interim consolidated financial statements.

(c) Presentation of Financial Statements:
The amendment to IAS 1 "Presentation of Financial Statements" clarified that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the consolidated financial statements. The Company presents this analysis within the consolidated statements of changes in equity.

(d) Interim Financial Reporting:
The amendment to IAS 34 "Interim Financial Reporting" provided guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around: the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. The amended standard had no impact on the Company's interim consolidated financial statements.

6. Future Accounting Standards

(a) Financial Instruments - Disclosures:
The Accounting Standards Board approved the incorporation of the amendments to IFRS 7 "Financial Instruments: Disclosures" and the related amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" into Part 1 of the Handbook. These amendments were made to Part 1 in January 2011 and are effective for annual periods beginning on or after July 1, 2011. 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. 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.

(b) Financial Instruments:
IFRS 9 "Financial Instruments" was issued in November 2009 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. 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 May 2011, the International Accounting Standards Board issued the following standards: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements", IFRS 13 "Fair Value Measurement" and amended 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 not yet begun the process of assessing what impact the new and amended standards may have on its financial statements or whether or not to early adopt any of the new requirements. The following is a brief summary of the new standards:

(c) 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".

(d) 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".

(e) 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.

(f) 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.

(g) 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 – 12 as explained above.

In June 2011, the International Accounting Standards Board amended IAS 19 "Employee Benefits" and IAS 1 "Financial Statement Presentation".

(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 employee benefit costs in the carrying amount. The Company has not yet begun the process of assessing what impact the amended standard may have on its financial statements or whether or not it will early adopt.

(i) 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. The Company has not yet determined whether the amended standard will be early adopted.

7. Transition to IFRS

The effect of the Company's transition to IFRS, described in note 2, is summarized in this note as follows:

a) Transition elections at December 28, 2009
b) Reconciliation of equity as previously reported under Canadian GAAP to IFRS at December 28, 2009, September 26, 2010 and December 26, 2010
c) Reconciliation of comprehensive income as previously reported under Canadian GAAP to IFRS for the three and nine months ended September 26, 2010 and the year ended December 26, 2010
d) Adjustments to the consolidated statements of cash flows for the three and nine months ended September 26, 2010 and the year ended December 26, 2010

(a) Transition Elections:
The requirements for first time adoption of IFRS are set out in IFRS 1. In general, a company is required to determine its IFRS accounting policies and to apply these retrospectively in order to determine its opening balance sheet under IFRS. However, due to cost and/or practical considerations, retrospective application is not always possible. Accordingly, IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period.

The exemptions most relevant to the Company are as follows:

Business Combinations
An exemption is available within IFRS 1 that allows a Company to carry forward its previous Canadian GAAP accounting for business combinations prior to the transition date. The exemption is optional and can be applied to any business combination transaction prior to the transition date. However, should a Company choose to adjust a prior business combination to comply with IFRS, all business combinations subsequent to the date of the adjusted transaction must also be retrospectively adjusted. The Company has elected to apply this exemption and as a result, acquisitions prior to December 28, 2009 have not been restated to comply with IFRS 3 "Business Combinations".

Borrowing Costs
This exemption allows an entity to adopt IAS 23 "Borrowing Costs" prospectively on qualifying assets for which the capitalization commencement date is after the transition date. The Company applied this exemption.

Employee Benefit Plans
IFRS 1 allows a Company to recognize all cumulative actuarial gains and losses at the date of transition. The Company has applied this exemption and all unrecognized actuarial gains and losses have been recognized in opening retained earnings at December 28, 2009. In addition, employee benefit plan historical disclosures required under IAS 19 may be provided only for fiscal years subsequent to the transition to IFRS. The Company has applied this exemption.

Cumulative Translation Differences (CTD)
This exemption allows CTD to be deemed zero at transition. The Company has applied this exemption at December 28, 2009 and the previous balance recorded within a separate component of equity was transferred to retained earnings.

Fair Value or Revaluation as Deemed Cost
This exemption allows a Company to revalue property, plant and equipment at fair value at its transition date and use this fair value as the deemed cost. This election applies to individual assets. The Company did not apply this exemption.

Estimates
IFRS 1 stipulates a mandatory exemption from full retrospective application of IFRS as it relates to the use of estimates. It requires that a company's estimates in accordance with IFRS at the date of transition to IFRS must be consistent with estimates made for the same date in accordance with previous Canadian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company did not use hindsight in its estimates upon transition to IFRS, nor did it find any evidence that any of its previously made estimates were in error.

(b) Reconciliation of Equity as Previously Reported Under Canadian GAAP to IFRS:

At December 28, 2009
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	IFRS 1 - CTD	Employee Benefits	Impairment	Income Taxes	Netting	IFRS
Assets										
Current assets:										
Cash and cash equivalents	61,164		-	-	-	-	-	-	-	61,164
Trade and other receivables	70,354	a)	(1,182)	-	-	-	-	-	-	69,172
Income taxes receivable	-		-	-	-	-	-	-	1,255	1,255
Inventories	70,559		-	(747)	-	-	-	-	-	69,812
Prepaid expenses	2,211		-	-	-	-	-	-	-	2,211
Deferred tax assets	2,310	b)	(2,310)	-	-	-	-	-	-	-
Derivative financial instruments	-	a)	1,182	-	-	-	-	-	-	1,182
	206,598		(2,310)	(747)	-	-	-	-	1,255	204,796
Non-current assets:										
Property, plant and equipment	239,017		-	(19,691)	-	-	-	-	870	220,196
Intangible assets	5,896	c)	17,235	(1,251)	-	-	(3,375)	-	-	18,505
Goodwill	17,235	c)	(17,235)	-	-	-	-	-	-	-
Employee benefit plan assets	-	d)	13,602	-	-	(17,811)	-	-	5,319	1,110
Other assets	14,401	d)	(14,401)	-	-	-	-	-	-	-
Deferred tax assets	-	b)	2,310	-	-	-	-	1,730	(632)	3,408
Other receivables	-	d)	799	-	-	-	-	-	-	799
	276,549		2,310	(20,942)	-	(17,811)	(3,375)	1,730	5,557	244,018
Total assets	483,147		-	(21,689)	-	(17,811)	(3,375)	1,730	6,812	448,814
Equity and Liabilities										
Current liabilities:										
Trade payables and other liabilities	44,965		-	-	-	-	-	-	-	44,965
Income taxes payable	2,931	e)	865	-	-	-	-	-	1,255	5,051
	47,896		865	-	-	-	-	-	1,255	50,016
Non-current liabilities:										
Employee benefit plan liabilities	1,673		-	-	-	189	-	-	5,319	7,181
Deferred income	11,363		-	-	-	-	-	-	-	11,363
Provisions	-		-	-	-	-	-	-	870	870
Deferred tax liabilities	32,459	e)	(865)	(5,830)	-	(5,510)	-	-	(632)	19,622
	45,495		(865)	(5,830)	-	(5,321)	-	-	5,557	39,036
Total liabilities	93,391		-	(5,830)	-	(5,321)	-	-	6,812	89,052
Non-controlling interests	15,871	f)	(15,871)	-	-	-	-	-	-	-
Equity:										
Share capital	29,195		-	-	-	-	-	-	-	29,195
Reserves	58,717		-	(39,598)	(18,309)	-	-	-	-	810
Retained earnings	285,973		-	23,739	18,309	(12,490)	(3,375)	882	-	313,038
Total equity attributable to equity holders of the Company	373,885		-	(15,859)	-	(12,490)	(3,375)	882	-	343,043
Non-controlling interests	-	f)	15,871	-	-	-	-	848	-	16,719
Total equity	373,885		15,871	(15,859)	-	(12,490)	(3,375)	1,730	-	359,762
Total equity and liabilities	483,147		-	(21,689)	-	(17,811)	(3,375)	1,730	6,812	448,814

(b) Reconciliation of Equity as Previously Reported Under Canadian GAAP to IFRS - continued:

At September 26, 2010
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	IFRS 1 - CTD	Employee Benefits	Impairment	Income Taxes	Netting	IFRS
Assets										
Current assets:										
Cash and cash equivalents	75,481		-	-	-	-	-	-	-	75,481
Trade and other receivables	74,534	a)	(493)	-	-	-	-	-	-	74,041
Income taxes receivable	-		-	-	-	-	-	-	607	607
Inventories	81,591		-	(921)	-	-	-	-	-	80,670
Prepaid expenses	2,983		-	-	-	-	-	-	-	2,983
Deferred tax assets	3,133	b)	(3,133)	-	-	-	-	-	-	-
Derivative financial instruments	-	a)	548	-	-	-	-	-	-	548
	237,722		(3,078)	(921)	-	-	-	-	607	234,330
Non-current assets:										
Property, plant and equipment	249,582		-	(21,463)	-	-	-	-	870	228,989
Intangible assets	4,482	c)	17,442	(1,418)	-	-	(3,375)	-	-	17,131
Goodwill	17,442	c)	(17,442)	-	-	-	-	-	-	-
Employee benefit plan assets	-	d)	14,682	-	-	(17,396)	-	-	5,195	2,481
Other assets	15,501	d)	(15,501)	-	-	-	-	-	-	-
Deferred tax assets	-	b)	3,133	-	-	-	-	1,730	(999)	3,864
Other receivables	-	d)	819	-	-	-	-	-	-	819
	287,007		3,133	(22,881)	-	(17,396)	(3,375)	1,730	5,066	253,284
Total assets	524,729		55	(23,802)	-	(17,396)	(3,375)	1,730	5,673	487,614
Equity and Liabilities										
Current liabilities:										
Trade payables and other liabilities	51,565		-	16	-	-	-	-	-	51,581
Income taxes payable	1,957	e)	661	196	-	-	-	-	607	3,421
Derivative financial instruments	-	a)	55	-	-	-	-	-	-	55
	53,522		716	212	-	-	-	-	607	55,057
Non-current liabilities:										
Employee benefit plan liabilities	1,678		-	-	-	193	-	-	5,195	7,066
Deferred income	10,782		-	(204)	-	-	-	-	-	10,578
Provisions	-		-	-	-	-	-	-	870	870
Deferred tax liabilities	32,159	e)	(661)	(6,307)	-	(5,373)	-	-	(999)	18,819
	44,619		(661)	(6,511)	-	(5,180)	-	-	5,066	37,333
Total liabilities	98,141		55	(6,299)	-	(5,180)	-	-	5,673	92,390
Non-controlling interests	14,978	f)	(14,978)	-	-	-	-	-	-	-
Equity:										
Share capital	29,195		-	-	-	-	-	-	-	29,195
Reserves	63,633		-	(44,979)	(18,309)	-	-	-	-	345
Retained earnings	318,782		-	27,476	18,309	(12,216)	(3,375)	882	-	349,858
Total equity attributable to equity holders of the Company	411,610		-	(17,503)	-	(12,216)	(3,375)	882	-	379,398
Non-controlling interests	-	f)	14,978	-	-	-	-	848	-	15,826
Total equity	411,610		14,978	(17,503)	-	(12,216)	(3,375)	1,730	-	395,224
Total equity and liabilities	524,729		55	(23,802)	-	(17,396)	(3,375)	1,730	5,673	487,614

(b) Reconciliation of Equity as Previously Reported Under Canadian GAAP to IFRS - continued:

At December 26, 2010
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	IFRS 1 - CTD	Employee Benefits	Impairment	Income Taxes	Provisions	Netting	IFRS
Assets											
Current assets:											
Cash and cash equivalents	90,488		-	-	-	-	-	-	-	-	90,488
Trade and other receivables	77,747	a)	(629)	-	-	-	-	-	-	-	77,118
Income taxes receivable	1,234	e)	(636)	-	-	-	-	-	-	1,355	1,953
Inventories	76,765		-	(690)	-	-	-	-	-	-	76,075
Prepaid expenses	2,284		-	-	-	-	-	-	-	-	2,284
Deferred tax assets	3,472	b)	(3,472)	-	-	-	-	-	-	-	-
Derivative financial instruments	-	a)	629	-	-	-	-	-	-	-	629
	251,990		(4,108)	(690)	-	-	-	-	-	1,355	248,547
Non-current assets:											
Property, plant and equipment	257,208		-	(23,281)	-	-	-	-	-	870	234,797
Intangible assets	4,007	c)	17,590	(1,556)	-	-	(3,375)	-	-	-	16,666
Goodwill	17,590	c)	(17,590)	-	-	-	-	-	-	-	-
Employee benefit plan assets	-	d)	15,492	-	-	(16,938)	-	-	-	4,776	3,330
Other assets	15,633	d)	(15,633)	-	-	-	-	-	-	-	-
Deferred tax assets	-	b)	3,472	-	-	-	-	1,862	-	(1,160)	4,174
Other receivables	-	d)	141	-	-	-	-	-	-	-	141
	294,438		3,472	(24,837)	-	(16,938)	(3,375)	1,862	-	4,486	259,108
Total assets	546,428		(636)	(25,527)	-	(16,938)	(3,375)	1,862	-	5,841	507,655
Equity and Liabilities											
Current liabilities:											
Trade payables and other liabilities	52,782		-	(222)	-	-	-	-	-	-	52,560
Provisions	-		-	-	-	-	-	-	368	-	368
Income taxes payables	-		-	199	-	-	-	-	-	1,355	1,554
	52,782		-	(23)	-	-	-	-	368	1,355	54,482
Non-current liabilities:											
Employee benefit plan liabilities	1,674		-	-	-	269	-	-	-	4,776	6,719
Deferred income	11,597		-	(376)	-	-	-	-	-	-	11,221
Provisions	-		-	-	-	-	-	-	6,744	870	7,614
Deferred tax liabilities	36,772	e)	(636)	(6,805)	-	(5,360)	-	-	(2,489)	(1,160)	20,322
	50,043		(636)	(7,181)	-	(5,091)	-	-	4,255	4,486	45,876
Total liabilities	102,825		(636)	(7,204)	-	(5,091)	-	-	4,623	5,841	100,358
Non-controlling interests	15,620	f)	(15,620)	-	-	-	-	-	-	-	-
Equity:											
Share capital	29,195		-	-	-	-	-	-	-	-	29,195
Reserves	67,860		-	(49,110)	(18,309)	-	-	-	-	-	441
Retained earnings	330,928		-	30,787	18,309	(11,847)	(3,375)	949	(4,623)	-	361,128
Total equity attributable to equity holders of the Company	427,983		-	(18,323)	-	(11,847)	(3,375)	949	(4,623)	-	390,764
Non-controlling interests	-	f)	15,620	-	-	-	-	913	-	-	16,533
Total equity	427,983		15,620	(18,323)	-	(11,847)	(3,375)	1,862	(4,623)	-	407,297
Total equity and liabilities	546,428		(636)	(25,527)	-	(16,938)	(3,375)	1,862	-	5,841	507,655

PRINCIPAL DIFFERENCES BETWEEN CANADIAN GAAP AND IFRS

Reclasses

a) Previously, the assets and liabilities related to cash flow hedging derivatives were presented within trade and other receivables. They are now shown as derivative financial instrument assets and liabilities.

b) Under IFRS, all deferred taxes are classified as non-current, irrespective of the classification of the underlying assets or liabilities to which they relate, or the expected reversal of the temporary difference. The balances that were classified as a current asset are now classified as a non-current asset.

c) Goodwill is now included within intangible assets.

d) Under Canadian GAAP, other assets included amounts pertaining to defined benefit plans, other postretirement benefits and income tax credits recoverable. The balances relating to defined benefit plans and other postretirement benefits are now included within employee benefit plan assets and the balances relating to income tax credits recoverable are shown within other receivables.

e) In accordance with Canadian GAAP, the income tax effects relating to inter-company profit eliminations were classified as income taxes receivable or payable, but in accordance with IFRS, they have been presented as part of deferred tax liabilities.

f) Non-controlling interests in the consolidated balance sheets are presented as a separate component within equity. Under Canadian GAAP, non-controlling interests in the balance sheets were previously classified between total liabilities and equity.

Change in Functional Currency

IAS 21 requires that the functional currency of each entity in a consolidated group be determined separately based on the currency of the primary economic environment in which the entity operates. A list of primary and secondary indicators is used under IFRS in this determination and these differ in content and emphasis from those factors used under Canadian GAAP. The parent Company and its Canadian subsidiaries, with the exception of American Biaxis Inc., operated with the Canadian dollar as their functional currency under Canadian GAAP. However, it was determined that under IFRS, these same entities had a change in their functional currency, at varying points in time, in prior years. Accordingly, the historical cost basis for certain balance sheet items is different under IFRS than it was under Canadian GAAP. In addition, the balance in the cumulative translation differences (CTD) for each of these Canadian subsidiaries was held constant at the amount in effect at the date of the change in functional currency.

At December 28, 2009, September 26, 2010, and December 26, 2010, inventories, property, plant and equipment, intangible assets, deferred tax liabilities, CTD and retained earnings recorded under Canadian GAAP were adjusted to reflect the changes in functional currency under IFRS. Additionally, at September 26, 2010 and December 26, 2010, adjustments were made to trade payables and other liabilities, income taxes payable and deferred income.

IFRS 1 - CTD

In accordance with IFRS 1, the Company has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition. Accordingly, CTD were reclassified to retained earnings. There was no related income tax effect.

Employee Benefits

Under Canadian GAAP, unrecognized actuarial gains and losses in excess of 10 percent of the greater of the benefit obligation or the fair value of plan assets were amortized to the statement of income on a straight-line basis over the expected average remaining service lives of active plan members. Under IFRS, the Company's accounting policy is to recognize all actuarial gains and losses directly in equity within other comprehensive income. No actuarial gains or losses were recorded during the first nine months of 2010. However, during the fourth quarter of 2010, actuarial gains and losses relating to the 2010 fiscal year were recorded. In addition, the unrecognized actuarial gains and losses that were amortized to the statement of income under Canadian GAAP during 2010 were reversed. Furthermore, for employee benefit plans denominated in Canadian dollars, the net adjustment regarding actuarial gains and losses made under IFRS was revalued into US dollars at the period end exchange rate.

At the date of transition, all previously unrecognized cumulative actuarial gains and losses were recognized in retained earnings. At December 28, 2009, employee benefit plan assets were reduced by $14,339 and employee benefit plan liabilities were increased by $189. The related income tax effect served to decrease deferred tax liabilities by $4,530. Retained earnings were reduced by $9,998.

At September 26, 2010, the cumulative adjustment pertaining to actuarial gains and losses reduced employee benefit plan assets by $14,139, increased employee benefit plan liabilities by $193, lowered deferred tax liabilities by $4,455 and lowered retained earnings by $9,877. At December 26, 2010, the cumulative adjustment pertaining to actuarial gains and losses reduced employee benefit plan assets by $14,823, increased employee benefit plan liabilities by $269, lowered deferred tax liabilities by $4,749 and reduced retained earnings by $10,343.

Under IFRS, the Company is not able to report an employee benefit plan asset in excess of the economic benefit it can expect to receive in the form of a refund of an employee benefit plan surplus and/or a reduction in future contributions. This differs from the treatment allowed under Canadian GAAP and as a result, at both December 28, 2009 and September 26, 2010, a decrease in the following items was made: employee benefit plan assets - $1,566, deferred tax liabilities - $420 and retained earnings - $1,146. At December 26, 2010 reductions in the following items were made: employee benefit plan assets - $493, deferred tax liabilities - $132 and retained earnings $361.

Under Canadian GAAP, past service costs in excess of 10 percent of the greater of the benefit obligation or the fair value of plan assets were amortized to the statement of income on a straight-line basis over the expected average remaining service lives of active plan members. Under IFRS, the Company's accounting policy is to recognize past service costs directly to the statement of income if vested, or on a straight line basis over the average remaining vesting period if unvested. No past service costs were recorded during 2010. In addition, the past service costs amortized to the statement of income under Canadian GAAP were reversed. For employee benefit plans denominated in Canadian dollars, the net adjustment regarding past service costs made under IFRS was revalued into US dollars at the period end exchange rate.

At the date of transition, all previously unrecognized vested past service costs were recognized in retained earnings. At December 28, 2009, employee benefit plan assets were reduced by $1,906. The related income tax effect lowered deferred tax liabilities by $560. Retained earnings were reduced by $1,346.

At September 26, 2010, the cumulative adjustment pertaining to past service costs reduced employee benefit plan assets by $1,691, decreased deferred tax liabilities by $498 and lowered retained earnings by $1,193. Similarly, at December 26, 2010, employee benefit plan assets declined by $1,622, deferred tax liabilities decreased by $479 and retained earnings decreased by $1,143.

Impairment
Upon transition to IFRS, all of the Company's property, plant and equipment and intangible assets were reviewed to determine whether there were any indications of impairment. When these indications were present, the asset's recoverable amount was estimated. In addition, all goodwill balances were tested for impairment upon transition to IFRS.

For goodwill impairment testing under IFRS, goodwill is allocated to cash-generating units (CGUs). In contrast, Canadian GAAP tests goodwill impairment at the operating unit level. The Company's specialty films business was classified as one reporting unit for Canadian GAAP, but has been separated into two CGUs under IFRS. The goodwill balance relating to the specialty films business was allocated to the extrusion/coextrusion CGU. At the transition date of December 28, 2009, it was concluded that an impairment of goodwill had taken place and the entire balance was written off, with a corresponding reduction in retained earnings. No income tax effect was recorded.

The impairment testing for the extrusion/coextrusion CGU was conducted under the value-in-use approach, using a pre-tax discount rate of 19 percent. Cash flows were projected based on actual operating results and the five-year business plan. Average volume growth for 2010 to 2014 was 1.5 percent and the average gross profit percentage over the same time-frame was within one percentage point of the actual gross profit percentage attained in 2009. Cash flows after 2014 were assumed to increase at a terminal growth rate of 1.5 percent.

Income Taxes
Under Canadian GAAP, when the functional currency for accounting purposes differs from the functional currency for income tax purposes, deferred taxes are first calculated in the currency in which income taxes are paid and then translated to the functional currency for accounting purposes at the period end exchange rate. Under IAS 12, deferred taxes are calculated based on the functional currency for accounting purposes, regardless of what functional currency is used for income tax purposes. A portion of the additional deferred tax asset was attributed to the non-controlling interests.

Provisions
The Company participates 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 has determined that the only realistic alternative was to withdraw from the plan and therefore, in the first quarter of 2011, reached an agreement with the Union to do so. 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.

Based on the relevant facts and circumstances, it was concluded that the potential withdrawal liability met the definition of a provision under IFRS as at December 26, 2010 and was recorded. Under Canadian GAAP, the threshold for the recording of a liability is much higher and therefore the withdrawal liability did not meet the applicable recognition criteria at that date.

As a consequence of withdrawing from the plan, the Company will be required to make monthly payments at a constant dollar value estimated at $41, or $491 on an annual basis, over a twenty year period. Using pre-income tax discount rates that reflected the risks specific to the withdrawal liability, the corresponding present value of the liability at December 26, 2010 of $7,112 and related tax effect of $2,489 were recorded within provisions and deferred taxes respectively.

Netting
Under IAS 1, assets and liabilities should not be offset unless offsetting is specifically allowed in another standard. Therefore, in the consolidated IFRS balance sheets, income taxes, derivative financial instruments, employee benefits and deferred taxes are now presented in both assets and liabilities, where applicable. In addition, the balance pertaining to asset retirement obligations was netted against property, plant and equipment and is now shown in non-current provisions.

(c) Reconciliation of Comprehensive Income as Previously Reported Under Canadian GAAP to IFRS:

For The Three Months Ended September 26, 2010
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	Employee Benefits	IFRS
Revenue	146,055		-	-	-	146,055
Cost of sales	(104,885)		-	102	40	(104,743)
Gross profit	41,170		-	102	40	41,312
Other income (expenses)	-	a)	(501)	761	(103)	157
Sales, general and administrative expenses	(19,466)	a)	19,466	-	-	-
Sales, marketing and distribution expenses	-	a)	(12,513)	-	4	(12,509)
General and administrative expenses	-	a)	(6,452)	21	139	(6,292)
Research and technical expenses	(3,387)		-	-	7	(3,380)
Pre-production costs	(170)		-	-	-	(170)
Income from operations	18,147		-	884	87	19,118
Finance income	24	b)	5	-	866	895
Finance expense	-	b)	(5)	-	(863)	(868)
Income before income taxes	18,171		-	884	90	19,145
Non-controlling interests	(326)	c)	326	-	-	-
Income tax expense	(5,919)		-	267	(35)	(5,687)
Net income for the period	11,926		326	1,151	55	13,458
Attributable to:						
Equity holders of the Company						13,132
Non-controlling interests						326
						13,458
Other comprehensive income:						
Cumulative translation difference adjustment	2,461		-	(2,461)	-	-
Cash flow hedge gains recognized	306		-	-	-	306
Cash flow hedge gains transferred to the statement of income	(108)		-	-	-	(108)
Income tax relating to applicable components of other comprehensive income	(60)		-	-	-	(60)
Other comprehensive income (loss) for the period - net of income tax	2,599		-	(2,461)	-	138
Comprehensive income for the period	14,525		326	(1,310)	55	13,596

(c) Reconciliation of Comprehensive Income as Previously Reported Under Canadian GAAP to IFRS - continued:

For The Nine Months Ended September 26, 2010
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	Employee Benefits	IFRS
Revenue	424,511		-	-	-	424,511
Cost of sales	(302,288)		-	2,398	163	(299,727)
Gross profit	122,223		-	2,398	163	124,784
Other income (expenses)	-	a)	300	1,227	(240)	1,287
Sales, general and administrative expenses	(54,471)	a)	54,471	-	-	-
Sales, marketing and distribution expenses	-	a)	(36,829)	-	45	(36,784)
General and administrative expenses	-	a)	(17,942)	69	506	(17,367)
Research and technical expenses	(9,586)		-	-	38	(9,548)
Pre-production costs	(237)		-	-	-	(237)
Income from operations	57,929		-	3,694	512	62,135
Finance income	68	b)	13	-	2,599	2,680
Finance expense	-	b)	(13)	-	(2,700)	(2,713)
Income before income taxes	57,997		-	3,694	411	62,102
Non-controlling interests	(1,067)	c)	1,067	-	-	-
Income tax expense	(18,439)		-	43	(137)	(18,533)
Net income for the period	38,491		1,067	3,737	274	43,569
Attributable to:						
Equity holders of the Company						42,502
Non-controlling interests						1,067
						43,569
Other comprehensive income:						
Cumulative translation difference adjustment	5,381		-	(5,381)	-	-
Cash flow hedge gains recognized	647		-	-	-	647
Cash flow hedge gains transferred to the statement of income	(1,336)		-	-	-	(1,336)
Income tax relating to applicable components of other comprehensive income	224		-	-	-	224
Other comprehensive income (loss) for the period - net of income tax	4,916		-	(5,381)	-	(465)
Comprehensive income for the period	43,407		1,067	(1,644)	274	43,104

(c) Reconciliation of Comprehensive Income as Previously Reported Under Canadian GAAP to IFRS - continued:

For The Year Ended December 26, 2010
(thousands of US dollars)

	CDN GAAP		Reclasses	Change In Functional Currency	Employee Benefits	Income Taxes	Provisions	IFRS
Revenue	579,441		-	-	-	-	-	579,441
Cost of sales	(410,869)		-	3,731	190	-	-	(406,948)
Gross profit	168,572		-	3,731	190	-	-	172,493
Other income (expenses)	-	a)	(613)	2,993	(435)	(77)	(7,112)	(5,244)
Sales, general and administrative expenses	(75,954)	a)	75,954	-	-	-	-	-
Sales, marketing and distribution expenses	-	a)	(49,119)	-	41	-	-	(49,078)
General and administrative expenses	-	a)	(26,222)	114	607	-	-	(25,501)
Research and technical expenses	(13,478)		-	-	42	-	-	(13,436)
Pre-production costs	(237)		-	-	-	-	-	(237)
Income from operations	78,903		-	6,838	445	(77)	(7,112)	78,997
Finance income	170	b)	(45)	-	3,474	-	-	3,599
Finance expense	-	b)	45	-	(3,545)	-	-	(3,500)
Income before income taxes	79,073		-	6,838	374	(77)	(7,112)	79,096
Non-controlling interests	(1,709)	c)	1,709	-	-	-	-	-
Income tax expense	(24,794)		-	210	(140)	209	2,489	(22,026)
Net income for the period	52,570		1,709	7,048	234	132	(4,623)	57,070
Attributable to:								
Equity holders of the Company								55,296
Non-controlling interests								1,774
								57,070
Other comprehensive income:								
Cumulative translation difference adjustment	9,512		-	(9,512)	-	-	-	-
Cash flow hedge gains recognized	1,033		-	-	-	-	-	1,033
Cash flow hedge gains transferred to the statement of income	(1,586)		-	-	-	-	-	(1,586)
Actuarial gains on employee benefit plans	-		-	-	402	-	-	402
Income tax relating to applicable components of other comprehensive income	184		-	-	7	-	-	191
Other comprehensive income (loss) for the period - net of income tax	9,143		-	(9,512)	409	-	-	40
Comprehensive income for the period	61,713		1,709	(2,464)	643	132	(4,623)	57,110

PRINCIPAL DIFFERENCES BETWEEN CANADIAN GAAP AND IFRS

Reclasses

a) Sales, general and administrative expenses have been separated into two categories: sales, marketing and distribution expenses and general and administrative expenses. Foreign exchange gains and losses were previously included within sales, general and administrative expenses. They are now shown within other income (expenses) (note 10).

b) Finance income and finance expense were previously shown on a net basis under Canadian GAAP. Under IFRS, the two components are shown separately.

c) Under Canadian GAAP, non-controlling interests in the consolidated statements of income were presented as an expense. Under IFRS, non-controlling interests are presented as an allocation of net income for the period.

Change in Functional Currency

In 2010, depreciation expense and material costs within cost of sales, foreign exchange gains and losses on monetary items, amortization expense within general and administrative expenses and income tax expense recorded under Canadian GAAP were adjusted to reflect the changes in functional currency under IFRS relating to the applicable Canadian subsidiaries.

For income tax purposes, certain foreign exchange gains and losses were allowed that were not recorded for accounting purposes. In addition, the foreign exchange revaluation of the CDN dollar denominated capital cost allowance and cumulative eligible capital income tax pools generated an income tax recovery or expense.

Under Canadian GAAP, certain entities had the Canadian dollar as their functional currency. Changes in the cumulative translation differences (CTD) were recorded throughout 2010. However, as a result of these entities now having the US dollar as their functional currency under IFRS, no CTD are recorded.

Employee Benefits

Consistent with the Company's accounting policy under IFRS of recording actuarial gains and losses directly in equity within other comprehensive income, the amounts amortized to the statements of income under Canadian GAAP were reversed. In addition, for employee benefit plans denominated in Canadian dollars, the cumulative adjustment made in respect of actuarial gains and losses under IFRS was revalued into US dollars at the period end exchange rate and the corresponding foreign exchange gains and losses were recorded to the statements of income. As a result, for the three months ended September 26, 2010, income before taxes increased by $20 and net income increased by $7. For the nine months ended September 26, 2010, income before taxes increased by $196 and net income increased by $121. For the year ended December 26, 2010, income before taxes increased by $90 and net income increased by $31.

No actuarial gains or losses were recorded in the first nine months of 2010. During the fourth quarter of 2010, pre-income tax actuarial gains of $402 were recorded in other comprehensive income, as well as an income tax recovery of $7, leading to net other comprehensive income of $409. Included within these figures were adjustments made to employee benefit plan assets for which the balance exceeded the economic benefit to be received in the form of a refund of an employee benefit plan surplus and/or a reduction in future contributions.

The amortization of past service costs to the statements of income under Canadian GAAP were also reversed. For employee benefit plans denominated in Canadian dollars, the cumulative adjustment made in respect of past service costs under IFRS was revalued into US dollars at the period end exchange rate and the corresponding foreign exchange gains and losses were recorded to the statements of income. As a result, for the three months ended September 26, 2010, income before taxes increased by $70 and net income increased by $48. For the nine months ended September 26, 2010, income before taxes increased by $215 and net income increased by $153. For the year ended December 26, 2010, income before taxes increased by $284 and net income increased by $203.

Under IFRS, interest costs on the benefit obligation are charged to the statement of income as a finance expense. Likewise, the expected return on employee benefit plan assets is presented in the statement of income as finance income. Under Canadian GAAP, these two items were presented as part of personnel expenses. For the three months ended September 26, 2010, finance income increased by $866, finance expense increased by $863 and personnel expenses increased by $3. For the nine months ended September 26, 2010, finance income increased by $2,599, finance expense increased by $2,700 and personnel expenses decreased by $101. For the year ended December 26, 2010, finance income increased by $3,474, finance expense increased by $3,545 and personnel expenses declined by $71.

Income Taxes

Consistent with the change in the method of calculating deferred tax balances under IFRS, for the year ended December 26, 2010, income tax recoveries were recorded, including the reclassification of foreign exchange gains recorded under Canadian GAAP. A portion of the net adjustment was attributed to non-controlling interests. No adjustments were made to the statement of income for the nine months ended September 26, 2010.

Provisions
The provision relating to the withdrawal liability on the multiemployer defined benefit pension plan, including the applicable income tax recovery, was recorded during the fourth quarter of 2010.

(d) Adjustments to the Consolidated Statements of Cash Flows:
As a result of reversing the amortization of actuarial gains and losses and past service costs in the statements of income, employee benefit plan costs were revised. In addition, the net employee benefit expense reclassification pertaining to finance income and finance expense is shown within the net finance expense line on the consolidated statements of cash flows.

Consistent with the adjustments made regarding the changes in functional currency to depreciation and amortization expense, the corresponding amounts on the consolidated statements of cash flows were adjusted.

Under Canadian GAAP, a portion of the change in the CTD pertains to working capital balances. As such, the changes in working capital balances relating to the change in the CTD are excluded from the consolidated statements of cash flows. Under IFRS reporting, all operations have the US dollar as their functional currency. Accordingly, no CTD are required and none of the changes in working capital relate to the CTD as they do under Canadian GAAP.

8. Inventories

	September 25 2011	December 26 2010
Raw materials	29,312	24,138
Work-in-process	15,196	12,266
Finished goods	39,460	35,757
Spare parts	4,109	3,914
	88,077	76,075

During the third quarter of 2011, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $1,696 (2010- $1,566) and reversals of previously written-down items of $290 (2010- $109). For the first nine months of 2011, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $5,020 (2010- $4,092) and reversals of previously written-down items of $1,926 (2010- $1,232).

9. Provisions

	Multiemployer Withdrawal Liability	Asset Retirement Obligations	Total
Balance at December 27, 2010	7,112	870	7,982
2011 Activity			
Finance expense - unwinding of discount	181	-	181
Change in discount rates	850	-	850
Balance at September 25, 2011	8,143	870	9,013
At September 25, 2011			
Current liabilities	491	-	491
Non-current liabilities	7,652	870	8,522
	8,143	870	9,013

See note 7(b) for details regarding the multiemployer withdrawal liability. A 1.0 percentage point increase in the discount rates would have decreased the September 25, 2011 multiemployer withdrawal liability balance by $548.

10. Other Income (Expenses)

	Three Months Ended		Nine Months Ended	
Amounts shown on a net basis	September 25 2011	September 26 2010	September 25 2011	September 26 2010
Foreign exchange (loss) gain	(1,238)	49	(1,232)	(49)
Change in fair value of cash flow hedges transferred from equity	456	108	1,158	1,336
Re-measurement of multiemployer withdrawal liability	(850)	-	(850)	-
	(1,632)	157	(924)	1,287

11. Income Tax Expense

Excluding permanent differences, changes in substantively enacted income tax rates, and non-taxable foreign exchange gains and losses, the weighted average of the annual income tax rates used for the three months ended September 25, 2011 was 34.8 percent (2010– 32.3 percent), and for the nine months ended September 25, 2011 was 32.5 percent (2010- 32.0 percent). Non-taxable foreign exchange gains and losses lowered the effective income tax rate by nil for the three months ended September 25, 2011 (2010– 2.8 percent), and lowered the effective income tax rate by nil for the nine months ended September 25, 2011 (2010- 1.8 percent).

12. Property, Plant and Equipment

At September 25, 2011, the Company has commitments to purchase property, plant and equipment of $22,588 (September 26, 2010- $9,014).

13. Dividends

During the third quarter of 2011, dividends in Canadian dollars of 3 cents per common share were declared (2010- 3 cents) and on a year-to-date basis, 9 cents per common share were declared (2010- 9 cents).

14. Earnings Per Share

	Three Months Ended		Nine Months Ended	
	September 25 2011	September 26 2010	September 25 2011	September 26 2010
Net income attributable to equity holders	14,408	13,132	45,297	42,502
Weighted average shares outstanding (000's)	65,000	65,000	65,000	65,000
Basic and fully diluted earnings per share - cents	22	20	70	65

15. Financial Risk Management

In the normal course of business, the Company has risk exposures consisting primarily of foreign exchange risk, commodity price risk and credit 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.

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 either other income or other expenses. As a result of the Company's CDN dollar net asset monetary position as at September 25, 2011, a one-cent change in the period-end foreign exchange rate from 1.0294 to 1.0194 (US to CDN dollars) would have increased net income by $132 for the third quarter of 2011. Conversely, a one-cent change in the period-end foreign exchange rate from 1.0294 to 1.0394 (US to CDN dollars) would have decreased net income by $132 for the third quarter of 2011.

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. 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 contracts matured during the third quarter of 2011 and the Company realized pre-tax foreign exchange gains of $456 (year-to-date – realized pre-tax foreign exchange gains of $1,158). These foreign exchange gains were recorded in other income (expenses).

As at September 25, 2011, the Company had foreign currency forward contracts outstanding with a notional amount of $13.0 million US at an average exchange rate of 0.9866 (US to CDN dollars), maturing between October 2011 and April 2012 and the fair value of these financial instruments was negative $570 US. The aforementioned unrealized loss has been recorded in other comprehensive income.

An unrealized foreign exchange loss during the quarter of $424 (pre-tax) (year-to-date – unrealized foreign exchange loss of $42 (pre-tax)) was recorded in other comprehensive income.

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 the three months ended September 25, 2011, 65 percent (year-to-date – 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:

	September 25 2011	December 26 2010
Cash and cash equivalents	107,542	90,488
Trade and other receivables	83,946	77,118
Foreign currency forward contracts	-	629
	191,488	168,235

Credit risk on cash and cash equivalents and other 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 a 'AAA' rated CDN or US 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 and other receivables against credit losses.

As at September 25, 2011, 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 of gross trade and other receivable balances are outstanding for less than 60 days, c) 18 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 customers, on aggregate, accounted for 36 percent of the total trade and other receivables balance.

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:

	September 25 2011	December 26 2010
Current - neither impaired nor past due	67,449	63,716
Not impaired but past the due date:		
Within 30 days	16,288	13,015
31 - 60 days	952	1,237
Over 60 days	1,049	778
	85,738	78,746
Less: Allowance for doubtful accounts	(1,792)	(1,628)
Total trade and other receivables, net	83,946	77,118

16. Compensation of Key Management

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 paid to these key management personnel:

	Three Months Ended		Nine Months Ended	
	September 25 2011	September 26 2010	September 25 2011	September 26 2010
Salaries, fees and short-term employee benefits	1,067	1,153	3,461	3,618
Post-employment benefits	91	97	293	299
Share-based payments	(90)	436	580	857
	1,068	1,686	4,334	4,774

17. Segment Reporting

The Company operates in one reportable 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
For The Three Months Ended September 25, 2011				
Revenue	132,364	28,371	9,935	170,670
Property, plant and equipment and intangible assets	110,160	148,480	-	258,640
For The Three Months Ended September 26, 2010				
Revenue	113,727	25,048	7,280	146,055
Property, plant and equipment and intangible assets	101,495	144,625	-	246,120
For The Nine Months Ended September 25, 2011				
Revenue	371,099	82,747	26,701	480,547
For The Nine Months Ended September 26, 2010				
Revenue	331,015	72,059	21,437	424,511

18. Seasonality

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

19. Additional IFRS Information For The Year Ended December 26, 2010

(a) Property, Plant and Equipment:

	Land	Buildings	Equipment	Packaging Machines	Expansions In Progress	Total
Net book value						
At December 28, 2009						
Cost	2,565	76,321	314,388	29,555	8,851	431,680
Accumulated depreciation and impairment	-	(20,952)	(164,134)	(26,398)	-	(211,484)
	2,565	55,369	150,254	3,157	8,851	220,196
2010 Activity						
Additions	-	4,660	33,111	627	1,787	40,185
Disposals	-	-	(283)	(240)	-	(523)
Transfers	-	2,527	6,324	-	(8,851)	-
Depreciation	-	(2,416)	(21,628)	(1,017)	-	(25,061)
At December 26, 2010	2,565	60,140	167,778	2,527	1,787	234,797
At December 26, 2010						
Cost	2,565	83,508	350,472	28,305	1,787	466,637
Accumulated depreciation and impairment	-	(23,368)	(182,694)	(25,778)	-	(231,840)
	2,565	60,140	167,778	2,527	1,787	234,797

(b) Intangible Assets:

	Goodwill	Software	Patents	Customer Related	Marketing Related	Total
Net book value						
At December 28, 2009						
Cost	31,546	6,831	4,017	11,996	2,058	56,448
Accumulated amortization and impairment	(18,780)	(5,333)	(3,899)	(8,394)	(1,537)	(37,943)
	12,766	1,498	118	3,602	521	18,505
2010 Activity						
Additions	-	243	9	-	-	252
Amortization	-	(662)	(55)	(1,160)	(214)	(2,091)
At December 26, 2010	12,766	1,079	72	2,442	307	16,666
At December 26, 2010						
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)
	12,766	1,079	72	2,442	307	16,666

(c) Compensation of Key Management:

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 paid to these key management personnel:

Salaries, fees and short-term employee benefits	4,871
Post-employment benefits	398
Share-based payments	1,311
	6,580

(d) Expenses by Nature:

Raw materials and consumables used	288,985
Depreciation and amortization	25,998
Personnel expenses (note 19(e))	137,495
Freight	16,558
Other expenses	33,276
	502,312

(e) Personnel Expenses:

Wages and salaries	113,355
Social security costs	10,340
Expenses related to employee benefit plans	2,537
Contributions to defined contribution plans and defined benefit multiemployer plan	2,840
Withdrawal liability expense on defined benefit multiemployer plan	7,112
Share-based payments	1,311
	137,495

(f) Earnings per Share:

Net income attributable to equity holders	55,296
Weighted average shares outstanding (000's)	65,000
Basic and fully diluted earnings per share - cents	85