NEWS RELEASE

Winpak Reports Second Quarter Results

Winnipeg, Manitoba, July 24, 2014 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the second quarter of 2014, which ended on June 29, 2014.

	Quarter Ended		Year-To-Date Ended	
	June 29 2014	June 30 2013	June 29 2014	June 30 2013
(thousands of US dollars, except per share amounts)				
Revenue	199,426	177,032	387,503	346,981
Net income	19,538	17,392	35,994	33,242
Income tax expense	9,367	8,041	16,602	14,903
Net finance expense	107	114	44	219
Depreciation and amortization	7,351	6,260	14,716	12,831
EBITDA (1)	36,363	31,807	67,356	61,195
Net income attributable to equity holders of the Company	19,406	17,095	35,569	33,084
Net income attributable to non-controlling interests	132	297	425	158
Net income	19,538	17,392	35,994	33,242
Basic and diluted earnings per share (cents)	30	26	55	51

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.

For further information: K.P. Kuchma, Vice President and CFO, (204) 831-2254; B.J. Berry, President and CEO, (204) 831-2216

[1] EBITDA is not a recognized measure under International Financial Reporting Standards (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.

Financial Performance

Net income attributable to common shareholders for the second quarter of 2014 expanded to $19.4 million or 30 cents in earnings per share compared to $17.1 million or 26 cents per share in the corresponding quarter of 2013, an increase of 13.5 percent. Substantial organic revenue growth boosted earnings per share by 3.5 cents but the effects were muted by a reduction in gross profit margins which lowered earnings per share by 2.5 cents. Additional savings were generated by restricting operating expense growth, which contributed 2.0 cents in earnings per share, while foreign exchange positively impacted earnings per share in the quarter by 1.0 cent. A reduction in the proportion of earnings attributable to non-controlling interests in the second quarter of 2014 resulted in an addition of 0.5 cents to earnings per share but was offset by the negative impact on net income of a higher effective income tax rate.

For the six months ended June 29, 2014, net income attributable to common shareholders of $35.6 million or 55 cents surpassed the 2013 first-half result of $33.1 million or 51 cents by 7.5 percent. Greater sales volumes in 2014 enhanced earnings per share by 6.5 cents and was supplemented by controlled growth in operating expenses which added a further 3.0 cents to earnings per share. Foreign exchange also favorably complemented 2014 first-half earnings by 1.0 cent per share. On the other hand, a lower gross profit margin in the first six months of 2014 compared to the prior year corresponding period decreased earnings per share by 5.5 cents while a greater proportion of earnings attributable to non-controlling interests and a higher effective income tax rate negatively impacted earnings per share by 0.5 cents each.

Revenue

Revenue in the second quarter of 2014 rose to $199.4 million, a progression of $22.4 million or 12.6 percent over the same period in 2013 and represented the fifth consecutive three-month period of quarterly highs in revenue. Volume growth was strong at 12.7 percent and was widespread across many of the Company's product groups. The rigid container and lidding product groups experienced escalations in volumes in the second quarter of between 15 and 20 percent as business was robust in yogurt, condiment and specialty beverage containers and lids. Shipments were also up solidly at over 10 percent in modified atmosphere packaging with growth from the existing client base as well as new customer additions to the portfolio. Packaging machinery volumes continued to be brisk, advancing over 20 percent from the second quarter of 2013. Biaxially oriented nylon and specialty films were both challenged in the growth area with volumes remaining flat to slightly negative although the product mix of the latter was more favorable than the corresponding quarter of 2013 with increasing shrink bag sales. Selling price/mix changes had a favorable impact of 0.9 percent on revenues for the quarter while foreign exchange, due to a weakening in the Canadian dollar, decreased revenues in the quarter by 1.0 percent in comparison to the second quarter of 2013.

For the first half of 2014, revenue of $387.5 million advanced by $40.5 million or 11.7 percent from the 2013 comparable period. Volumes rose by a sizable 11.8 percent versus the first half of the prior year. Rigid container volumes outpaced all of the other product groups, bettering the 2013 year-to-date results by nearly 20 percent, followed closely behind by lidding shipments, primarily on the strength of yogurt and specialty beverage offerings. Modified atmosphere packaging, biaxially oriented nylon film and packaging machinery first-half volumes all exceeded the prior year corresponding shipments by approximately 10 percent. Only specialty film quantities lagged behind the previous year-to-date demand, albeit at a more favorable product mix. Selling price/mix changes had an overall positive effect on revenue of 0.9 percent while foreign exchange negatively impacted top-line growth in comparison to the first half of 2013 by 1.0 percent.

Gross profit margins

Gross profit margins for the second quarter of 2014 fell 1.2 percentage points to 27.8 percent of revenue from the 29.0 percent recorded in the same quarter of 2013. However, this was an improvement of 0.6 percentage points from the gross profit margin realized in the first quarter of this year. A narrowing of the spread between raw material costs and selling prices along with higher manufacturing costs were responsible for a reduction in earnings per share of 2.5 cents compared to the second quarter of 2013. Manufacturing variances, although unfavorable in relation to the second quarter of last year, showed improvement from the first three months of 2014 as recently added capacity was more fully utilized and familiarity with new products and processes was attained.

For the first six months of 2014, gross profit margins of 27.5 percent of revenue fell short of 2013 year-to-date levels of 28.9 percent by 1.4 percentage points. This translated into a decrease in earnings per share of 5.5 cents. Product mix and a response to competitive conditions at a few selected accounts were primarily responsible for a compression in the difference between selling prices and raw material costs.

Manufacturing performance, although showing signs of improvement in the past quarter, has nonetheless lagged behind the achievement from the first two quarters of 2013 due to higher waste levels in 2014 encountered on new processes and under-utilized capacity of recent capital expenditures.

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 30, 2013 to reflect the mix of the eight primary raw materials purchased in 2013.

Quarter and Year	2/14	1/14	4/13	3/13	2/13	1/13	4/12	3/12	2/12
Purchase Price Index	178.1	178.7	175.0	173.2	173.5	176.5	170.6	167.3	174.5

The purchase price index in the second quarter of 2014 was virtually unchanged from the previous quarter, declining by a mere 0.3 percent. While certain items within the index declined and others rose, no one component changed by more than 4 percent in the quarter. Stability was definitely the feature on an overall basis and has been so for the past year, with the index fluctuating within a narrow 3 percent band during this time.

Expenses and Other

Operating expenses in the second quarter of 2014, adjusted for foreign exchange, increased by almost 7 percent while volumes progressed by over 12 percent when referenced to the applicable period in 2013. The increase in operating expenses was only 1.6 percent when freight and distribution costs, which tend to vary directly with volume, are excluded. The net result was an advancement in earnings per share of approximately 2.0 cents. A lesser proportion of earnings attributable to non-controlling interests further supplemented earnings per share by 0.5 cents in the second quarter which was offset by greater income taxes as a result of more earnings being realized in higher income tax rate jurisdictions. Foreign exchange had a favorable impact on earnings per share of approximately 1.0 cent. The weaker Canadian dollar in the second quarter of 2014 versus the comparative period in 2013 had a positive impact on earnings as expenses exceeded revenues in that currency. In addition, although on average the Canadian currency was weaker in the second quarter of 2014 than the same period in 2013, the Canadian dollar strengthened from the start to the end of the quarter versus its US counterpart and resulted in foreign exchange gains on the translation of Canadian net monetary assets; the opposite was true in the second quarter of 2013.

On a year-to-date basis, operating expenses, excluding foreign exchange, increased at a much lower rate than the growth in sales volumes, resulting in an addition to earnings per share of 3.0 cents. Freight and distribution costs, which are variable in nature, accounted for the entire rise in operating expenses; all other expenses in aggregate were flat. Costs related to additional head count to foster sales growth were offset by a reduction in pre-production expenses in 2014. A greater proportion of year-to-date earnings attributable to non-controlling interests and a higher effective income tax rate in 2014 each resulted in a decrease in earnings per share of approximately 0.5 cents. In comparison to the first half of 2013, foreign exchange had a positive effect on earnings per share of 1.0 cent primarily due to the lower average value of the Canadian dollar in 2014 in relation to the US currency and the resulting impact from converting the Company's net Canadian dollar expenses into US funds.

Summary of Quarterly Results

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

	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012*	Q3 2012*
Revenue	199,426	188,077	187,964	179,926	177,032	169,949	173,226	165,399
Net income attributable to equity holders of the Company	19,406	16,163	20,951	17,362	17,095	15,989	22,071	16,783
EPS	30	25	32	27	26	25	34	26

*Amounts have been restated to reflect the retrospective impact of amended IAS 19 "Employee Benefits", which included an increase in net finance expense due to the reduction in the expected return on defined benefit pension plan assets and an increase in general and administrative expenses following the reclassification of certain plan administration costs.

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the second quarter of 2014 at $114.2 million, a rise of $1.3 million from the end of the first quarter. Cash flow from operating activities before changes in working capital of $34.9 million outpaced the prior year quarter by $2.8 million on the strength of higher net income production. Working capital additions consumed $11.9 million, primarily in trade and other

receivables and inventories, in concert with the revenue growth in the quarter. In addition, cash was utilized for plant and equipment additions of $9.5 million, income tax payments of $9.5 million, dividends to common shareholders of $1.8 million, and other items totalling $0.9 million.

For the first six months of 2014, the cash and cash equivalents balance declined by $46.9 million, primarily due to the payment of a special dividend of $58.5 million ($65.0 million Canadian) in the first quarter of the year. Winpak continued to generate strong cash flows from operating activities before changes in working capital of $65.3 million, an increment of $4.1 million from the first half of 2013. Cash was employed for working capital additions of $11.9 million, mainly to foster growth in sales volumes. Furthermore, cash was utilized for plant and equipment expenditures of $21.7 million, income tax payments of $12.6 million, regular quarterly dividends of $3.6 million, employee defined benefit plan payments of $3.1 million and other items totaling $0.8 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.

Looking Forward

After a solid start to the first half of the year where volumes grew by close to 12 percent, the Company continues to remain optimistic for the remainder of 2014 with regard to new revenue generation. A number of significant opportunities remain in the sales pipeline and have the potential to result in meaningful future revenue growth; however, the timing for conversion of these into new business for Winpak remains uncertain as customers' protocols for new supply govern the process. In the near term, raw material costs are expected to tilt slightly upward for most materials with the exception of resins dependent on benzene such as nylon and polystyrene, where the price escalation is expected to be more pronounced. Manufacturing performance has been a prime focus for the organization in 2014 and should continue to improve as the year progresses as capacity utilization expands and production of new products becomes more refined. Capital spending is expected to accelerate in the second half of the year to finish in the $55 to $65 million range for 2014 to address growth prospects and areas where existing capacity is currently constrained. The Company remains committed to organic growth through capital investment and will continue to pursue acquisition opportunities in Winpak's core competencies in sophisticated food and health-care packaging but will remain patient in executing a transaction only when the proper fit and price are present to add long-term value to the Company's shareholders.

Future Changes to Accounting Standards

As more fully described in Note 4 to the Condensed Consolidated Financial Statements, two new accounting standards have been issued, IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers". The effective date for IFRS 9 has not yet been determined by the IASB while IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company is currently assessing the impact of these new standards on its consolidated financial statements and does not intend to early adopt these standards in its consolidated financial statements for the annual period beginning on December 29, 2014. In addition, amendments to the existing standards IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" were issued and are effective for annual periods beginning on or after January 1, 2016. These amendments are not expected to have an impact on the Company's 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 June 29, 2014 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 IFRS. 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 1992) 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 June 29, 2014 to provide reasonable assurance that the financial information being reported is materially accurate. During the second quarter ended June 29, 2014, 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 Condensed Consolidated Financial Statements
Second Quarter Ended: June 29, 2014

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

Winpak Ltd.
Condensed Consolidated Balance Sheets
(thousands of US dollars) (unaudited)

	Note	June 29 2014	December 29 2013
Assets			
Current assets:			
Cash and cash equivalents		114,171	161,090
Trade and other receivables	14	107,799	98,408
Income taxes receivable		6,721	3,580
Inventories	5	99,728	92,304
Prepaid expenses		5,028	3,074
Derivative financial instruments		239	-
		333,686	358,456
Non-current assets:			
Property, plant and equipment	9	337,909	329,714
Intangible assets	9	15,070	14,960
Employee benefit plan assets		9,084	7,131
Deferred tax assets		2,610	2,943
		364,673	354,748
Total assets		698,359	713,204
Equity and Liabilities			
Current liabilities:			
Trade payables and other liabilities		70,009	63,182
Provisions	6	427	427
Income taxes payable		2,871	2,048
Derivative financial instruments		51	903
		73,358	66,560
Non-current liabilities:			
Employee benefit plan liabilities		3,971	3,365
Deferred income		15,476	14,490
Provisions	6	6,585	6,524
Deferred tax liabilities		32,016	29,652
		58,048	54,031
Total liabilities		131,406	120,591
Equity:			
Share capital		29,195	29,195
Reserves		138	(661)
Retained earnings		521,351	547,891
Total equity attributable to equity holders of the Company		550,684	576,425
Non-controlling interests		16,269	16,188
Total equity		566,953	592,613
Total equity and liabilities		698,359	713,204

See accompanying notes to condensed consolidated financial statements.

Winpak Ltd.
Condensed Consolidated Statements of Income
(thousands of US dollars, except per share amounts) (unaudited)

	Note	Quarter Ended		Year-To-Date Ended	
		June 29 2014	June 30 2013	June 29 2014	June 30 2013
Revenue		199,426	177,032	387,503	346,981
Cost of sales		(144,072)	(125,754)	(280,941)	(246,832)
Gross profit		55,354	51,278	106,562	100,149
Sales, marketing and distribution expenses		(15,889)	(14,464)	(31,155)	(28,559)
General and administrative expenses		(5,875)	(6,428)	(13,521)	(14,251)
Research and technical expenses		(4,004)	(3,539)	(7,356)	(6,923)
Pre-production expenses		(251)	(1,074)	(251)	(1,600)
Other expenses	7	(323)	(226)	(1,639)	(452)
Income from operations		29,012	25,547	52,640	48,364
Finance income		113	94	264	199
Finance expense		(220)	(208)	(308)	(418)
Income before income taxes		28,905	25,433	52,596	48,145
Income tax expense	8	(9,367)	(8,041)	(16,602)	(14,903)
Net income for the period		19,538	17,392	35,994	33,242
Attributable to:					
Equity holders of the Company		19,406	17,095	35,569	33,084
Non-controlling interests		132	297	425	158
		19,538	17,392	35,994	33,242
Basic and diluted earnings per share - cents	11	30	26	55	51

Condensed Consolidated Statements of Comprehensive Income
(thousands of US dollars) (unaudited)

	Note	Quarter Ended		Year-To-Date Ended	
		June 29 2014	June 30 2013	June 29 2014	June 30 2013
Net income for the period		19,538	17,392	35,994	33,242
Items that will not be reclassified to the statements of income:					
Cash flow hedge gains (losses) recognized		-	8	-	(94)
Cash flow hedge gains transferred to property, plant and equipment		-	(17)	-	(50)
Income tax effect		-	-	-	-
		-	(9)	-	(144)
Items that are or may be reclassified subsequently to the statements of income:					
Cash flow hedge gains (losses) recognized		709	(982)	(178)	(1,418)
Cash flow hedge losses transferred to the statements of income	7	587	88	1,269	67
Income tax effect		(346)	239	(292)	361
		950	(655)	799	(990)
Other comprehensive income (loss) for the period - net of income tax		950	(664)	799	(1,134)
Comprehensive income for the period		20,488	16,728	36,793	32,108
Attributable to:					
Equity holders of the Company		20,356	16,431	36,368	31,950
Non-controlling interests		132	297	425	158
		20,488	16,728	36,793	32,108

See accompanying notes to condensed consolidated financial statements.

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

	Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the Company					
Balance at December 31, 2012		29,195	250	470,925	500,370	15,718	516,088
Comprehensive (loss) income for the period							
Cash flow hedge losses, net of tax		-	(1,133)	-	(1,133)	-	(1,133)
Cash flow hedge losses transferred to the statements of income, net of tax		-	49	-	49	-	49
Cash flow hedge gains transferred to property, plant and equipment		-	(50)	-	(50)	-	(50)
Other comprehensive loss		-	(1,134)	-	(1,134)	-	(1,134)
Net income for the period		-	-	33,084	33,084	158	33,242
Comprehensive (loss) income for the period		-	(1,134)	33,084	31,950	158	32,108
Dividends	10	-	-	(3,773)	(3,773)	(218)	(3,991)
Balance at June 30, 2013		29,195	(884)	500,236	528,547	15,658	544,205
Balance at December 30, 2013		29,195	(661)	547,891	576,425	16,188	592,613
Comprehensive income for the period							
Cash flow hedge losses, net of tax		-	(130)	-	(130)	-	(130)
Cash flow hedge losses transferred to the statements of income, net of tax		-	929	-	929	-	929
Other comprehensive income		-	799	-	799	-	799
Net income for the period		-	-	35,569	35,569	425	35,994
Comprehensive income for the period		-	799	35,569	36,368	425	36,793
Dividends	10	-	-	(62,109)	(62,109)	(344)	(62,453)
Balance at June 29, 2014		29,195	138	521,351	550,684	16,269	566,953

See accompanying notes to condensed consolidated financial statements.

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

		Quarter Ended		Year-To-Date Ended	
	Note	June 29 2014	June 30 2013	June 29 2014	June 30 2013
Cash provided by (used in):					
Operating activities:					
Net income for the period		19,538	17,392	35,994	33,242
Items not involving cash:					
Depreciation		7,742	6,456	15,332	13,215
Amortization - deferred income		(520)	(308)	(879)	(602)
Amortization - intangible assets		129	112	263	218
Employee defined benefit plan expenses		938	1,066	1,833	2,103
Net finance expense		107	114	44	219
Income tax expense		9,367	8,041	16,602	14,903
Other		(2,411)	(762)	(3,892)	(2,081)
Cash flow from operating activities before the following		34,890	32,111	65,297	61,217
Change in working capital:					
Trade and other receivables		(5,038)	(2,894)	(9,391)	(6,767)
Inventories		(7,931)	(2,592)	(7,424)	(4,638)
Prepaid expenses		(26)	(306)	(1,954)	(1,044)
Trade payables and other liabilities		1,118	668	6,837	1,031
Provisions		(1)	(430)	(25)	(616)
Employee defined benefit plan payments		(317)	(511)	(3,141)	(2,383)
Income tax paid		(9,458)	(9,612)	(12,609)	(17,280)
Interest received		42	129	129	204
Interest paid		(135)	(3)	(138)	(8)
Net cash from operating activities		13,144	16,560	37,581	29,716
Investing activities:					
Acquisition of property, plant and equipment - net		(9,527)	(10,165)	(21,692)	(25,161)
Acquisition of intangible assets		(175)	(38)	(362)	(296)
		(9,702)	(10,203)	(22,054)	(25,457)
Financing activities:					
Dividends paid	10	(1,763)	(1,919)	(62,102)	(3,876)
Dividend paid to non-controlling interests in subsidiary		(344)	(218)	(344)	(218)
		(2,107)	(2,137)	(62,446)	(4,094)
Change in cash and cash equivalents		1,335	4,220	(46,919)	165
Cash and cash equivalents, beginning of period		112,836	129,248	161,090	133,303
Cash and cash equivalents, end of period		114,171	133,468	114,171	133,468

See accompanying notes to condensed consolidated financial statements.

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 unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), using the same accounting policies as those used in the Company's consolidated financial statements for the year ended December 29, 2013, except as disclosed in note 3. The unaudited interim condensed consolidated financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) have been omitted or condensed. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 29, 2013, which are included in the Company's 2013 Annual Report.

The fiscal year of the Company ends on the last Sunday of the calendar year. As a result, the Company's fiscal year is usually 52 weeks in duration, but includes a 53rd week every five to six years. The 2014 and 2013 fiscal years are both comprised of 52 weeks and each quarter of 2014 and 2013 are comprised of 13 weeks.

The unaudited interim condensed consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors on July 24, 2014.

3. Accounting Standards Implemented in 2014

(a) Financial Instruments - Presentation:
The amendments to IAS 32 "Financial Instruments: Presentation" clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments do not change the current offsetting model in IAS 32 but instead clarify that the right of offset must not be contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that gross settlement mechanisms with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement. These amendments were implemented in the first quarter of 2014 with retrospective application and had no impact on the Company's unaudited interim condensed consolidated financial statements.

(b) Levies:
A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation, other than income taxes and fines and other penalties imposed for breaches of the legislation. IFRIC 21 "Levies" clarifies that an entity recognizes a liability for a levy when the activity that triggers payment occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the minimum threshold is reached. The interpretation was implemented in the first quarter of 2014 with retrospective application and had no impact on the Company's unaudited interim condensed consolidated financial statements.

4. Future Accounting Standards

(a) Financial Instruments:
IFRS 9 "Financial Instruments" was issued in November 2009, introducing new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition. IFRS 9, which has yet to be adopted, retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of the change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of income. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to the statement of income. Previously, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in the statement of income. In November 2013, a new general hedge accounting standard was issued, forming part of IFRS 9. It will more closely align with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The effective date for IFRS 9 has not yet been determined. The Company is currently assessing the impact of this new standard and does not intend to early adopt IFRS 9 in its consolidated financial statements for the annual period beginning on December 29, 2014.

(b) Revenue From Contracts With Customers:

IFRS 15 "Revenue From Contracts With Customers" was issued in May 2014, specifying the steps and timing for recognizing revenue. The new standard also requires more informative, relevant disclosures. IFRS 15 supersedes IAS 11 "Construction Contracts" and IAS 18 "Revenue", as well as various IFRIC and SIC interpretations regarding revenue. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of this new standard.

(c) Property, Plant and Equipment and Intangibles:

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" were issued in May 2014, prohibiting the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively. The Company does not expect the amendments to have any impact on its consolidated financial statements.

5. Inventories

	June 29 2014	December 29 2013
Raw materials	29,169	27,125
Work-in-process	18,924	13,383
Finished goods	45,672	46,208
Spare parts	5,963	5,588
	99,728	92,304

During the second quarter of 2014, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $1,781 (2013 - $1,256) and reversals of previously written-down items of $315 (2013 - $497). On a year-to-date basis, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $3,531 (2013 - $2,928) and reversals of previously written-down items of $1,609 (2013 - $1,413).

6. Provisions

	Multiemployer Withdrawal Liability	Asset Retirement Obligations	Total
Balance at December 30, 2013			
Current liabilities	427	-	427
Non-current liabilities	5,737	787	6,524
	6,164	787	6,951
2014 Annual activity			
Payments	(214)	-	(214)
Finance expense - unwinding of discount	86	-	86
Change in discount rates	189	-	189
Balance at June 29, 2014	6,225	787	7,012
At June 29, 2014			
Current liabilities	427	-	427
Non-current liabilities	5,798	787	6,585
	6,225	787	7,012

The Company participated in one multiemployer defined benefit pension plan providing benefits to certain unionized employees in the US. The Company withdrew from the plan in 2011. There has been no new developments regarding the withdrawal liability in the current year. Refer to the 2013 Annual Report for additional information. A one-percentage point increase in the discount rates would have decreased the June 29, 2014 liability by $465 and increased income before income taxes by $465.

7. Other Expenses

	Quarter Ended		Year-To-Date Ended	
Amounts shown on a net basis	June 29 2014	June 30 2013	June 29 2014	June 30 2013
Foreign exchange gain (loss)	370	(462)	(181)	(788)
Cash flow hedge losses transferred from other comprehensive income	(587)	(88)	(1,269)	(67)
Multiemployer defined benefit pension plan withdrawal liability (expense) income	(106)	324	(189)	403
	(323)	(226)	(1,639)	(452)

8. Income Tax Expense

Excluding adjustments to the income tax provision for prior periods, the weighted average of the annual income tax rates used for the quarter ended June 29, 2014 was 32.4 percent (2013 - 31.6 percent) and on a year-to-date basis was 32.3 percent (2013 - 31.4 percent).

9. Property, Plant and Equipment and Intangible Assets

At June 29, 2014, the Company has commitments to purchase property, plant and equipment of $9,260 (June 30, 2013 - $22,423). No impairment losses or impairment reversals were recognized during the year-to-date period ended June 29, 2014 or June 30, 2013.

10. Dividends

During the second quarter of 2014, dividends in Canadian dollars of 3 cents per common share were declared (2013 - 3 cents) and on a year-to-date basis, 6 cents per common share were declared (2013 - 6 cents). In addition, the Company paid a special dividend in Canadian dollars of one dollar per common share on March 20, 2014.

11. Earnings Per Share

	Quarter Ended		Year-To-Date Ended	
	June 29 2014	June 30 2013	June 29 2014	June 30 2013
Net income attributable to equity holders of the Company	19,406	17,095	35,569	33,084
Weighted average shares outstanding (000's)	65,000	65,000	65,000	65,000
Basic and diluted earnings per share - cents	30	26	55	51

12. Determination of Fair Values

The Company measures assets and liabilities under the following fair value hierarchy in accordance with IFRS. The different levels have been defined as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The fair value of cash and cash equivalents, trade and other receivables, trade payables and other liabilities approximate their carrying value because of the short-term maturity of these instruments. The fair value of foreign currency forward contracts, designated as cash flow hedges, have been determined by valuing those contracts to market against prevailing forward foreign exchange rates as at the reporting date.

The following table presents assets and liabilities within the fair value hierarchy as at June 29, 2014:

Assets (Liabilities)	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts - net	-	188	-	188

13. Financial Instruments

When the Company has a legally enforceable right to set off supplier rebates receivable against supplier trade payables and intends to settle the amount on a net basis or simultaneously, the balance is presented as an offset within Trade Payables and Other Liabilities on the condensed consolidated balance sheet. At June 29, 2014, the supplier rebate receivable balance that was offset was $2,296 (December 29, 2013 - $3,575).

14. Financial Risk Management

In the normal course of business, the Company has risk exposures consisting primarily of foreign exchange risk, interest rate risk, commodity price risk, liquidity 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.

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

Foreign Exchange Risk
Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. These foreign exchange gains and losses are recorded in other expenses. As a result of the Company's CDN dollar net asset monetary position as at June 29, 2014, a one-cent change in the period-end foreign exchange rate from 0.9380 to 0.9280 (CDN to US dollars) would have decreased net income by $87 for the second quarter of 2014. Conversely, a one-cent change in the period-end foreign exchange rate from 0.9380 to 0.9480 (CDN to US dollars) would have increased net income by $87 for the second quarter of 2014.

The Company's Foreign Exchange Policy requires that between 50 and 80 percent of the Company's net requirement of CDN dollars for the ensuing 9 to 15 months will be hedged at all times with a combination of cash and cash equivalents and forward or zero-cost option foreign currency contracts. The Company may also enter into forward foreign currency contracts when equipment purchases will be settled in other foreign currencies. Transactions are only conducted with certain approved Schedule I Canadian financial institutions. All foreign currency contracts are designated as cash flow hedges. Certain foreign currency contracts matured during the second quarter of 2014 and the Company realized pre-tax foreign exchange losses of $587 (year-to-date - realized pre-tax foreign exchange losses of $1,269) which were recorded in other expenses. During the second quarter of 2013, the Company realized pre-tax foreign exchange losses of $71 (year-to-date - realized pre-tax foreign exchange losses of $17). Of these foreign exchange differences, losses of $88 were recorded in other expenses (year-to-date losses - $67) and gains of $17 were recorded in property, plant and equipment (year-to-date gains - $50).

As at June 29, 2014, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of US $17.0 million at an average exchange rate of 1.0810 maturing between July 2014 and February 2015. The fair value of these financial instruments was negative $188 US and the corresponding unrealized loss has been recorded in other comprehensive income.

Interest Rate Risk
The Company's interest rate risk arises from interest rate fluctuations on the finance income that it earns on its cash invested in money market accounts and short-term deposits. The Company developed and implemented an investment policy, which was approved by the Company's Board of Directors, with the primary objective to preserve capital, minimize risk and provide liquidity. Regarding the June 29, 2014 cash and cash equivalents balance of $114.2 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by $1,142 annually.

Commodity Price Risk
The Company's manufacturing costs are affected by the price of raw materials, namely petroleum-based and natural gas-based plastic resins and aluminum. In order to manage its risk, the Company has entered into selling price-indexing programs with certain customers. Changes in raw material prices for these customers are reflected in selling price adjustments but there is a slight time lag. For the year-to-date period ended June 29, 2014, 69 percent of revenue was generated from 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.

Liquidity Risk
Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come due. Management believes that the liquidity risk is low due to the strong financial condition of the Company. This risk assessment is based on the following: (a) cash and cash equivalents amounts of $114.2 million, (b) no outstanding bank loans, (c) unused credit facilities comprised of unsecured operating lines of $38 million, (d) the ability to obtain term-loan financing to fund an acquisition, if needed, (e) an informal investment grade credit rating, and (f) the Company's ability to generate positive cash flows from ongoing operations. Management believes that the Company's cash flows are more than sufficient to cover its operating costs, working capital requirements, capital expenditures and dividend payments in 2014. The Company's trade payables and other liabilities and derivative financial instrument liabilities are virtually all due within twelve months.

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:

	June 29 2014	December 29 2013
Cash and cash equivalents	114,171	161,090
Trade and other receivables	107,799	98,408
Foreign currency forward contracts	239	-
	222,209	259,498

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 the US government or a 'AAA' rated CDN federal or provincial government. The Company manages its counterparty risk on its financial instruments by only dealing with CDN Schedule I financial institutions.

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

As at June 29, 2014, 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) 97 percent of gross trade and other receivable balances are outstanding for less than 60 days, and c) 22 percent of the trade and other receivables balance are insured against credit losses. The Company's exposure to the ten largest customer balances, on aggregate, accounted for 40 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:

	June 29 2014	December 29 2013
Current - neither impaired nor past due	87,388	78,113
Not impaired but past the due date:		
Within 30 days	18,737	19,399
31 - 60 days	2,224	1,931
Over 60 days	671	162
	109,020	99,605
Less: Allowance for doubtful accounts	(1,221)	(1,197)
Total trade and other receivables, net	107,799	98,408

15. 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 Quarter Ended June 29, 2014				
Revenue	160,071	26,719	12,636	199,426
Property, plant and equipment and intangible assets	155,357	196,243	1,379	352,979
For The Quarter Ended June 30, 2013				
Revenue	139,277	26,692	11,063	177,032
Property, plant and equipment and intangible assets	145,245	181,838	1,470	328,553
For The Year-To-Date Period Ended June 29, 2014				
Revenue	312,310	50,902	24,291	387,503
For The Year-To-Date Period June 30, 2013				
Revenue	275,954	49,894	21,133	346,981

16. 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.