NEWS RELEASE

Winpak Reports Second Quarter Results

Winnipeg, Manitoba, July 18, 2016 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the second quarter of 2016, which ended on June 26, 2016.

	Quarter Ended		Year-To-Date Ended	
	June 26 2016	June 28 2015	June 26 2016	June 28 2015
(thousands of US dollars, except per share amounts)				
Revenue	204,129	198,257	402,283	397,697
Net income	26,164	27,639	53,464	50,363
Income tax expense	13,315	12,634	25,625	23,548
Net finance expense	24	20	5	55
Depreciation and amortization	8,391	7,928	16,722	15,675
EBITDA (1)	47,894	48,221	95,816	89,641
Net income attributable to equity holders of the Company	25,166	26,845	51,730	49,308
Net income attributable to non-controlling interests	998	794	1,734	1,055
Net income	26,164	27,639	53,464	50,363
Basic and diluted earnings per share (cents)	39	41	80	76

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 healthcare applications.

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[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.

WINPAK

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 equity holders of the Company for the second quarter of 2016 amounted to $25.2 million or 39 cents in earnings per share (EPS) compared to $26.8 million or 41 cents per share recorded in the corresponding quarter of 2015. Although the current period's result fell 6.3 percent short of the record level set in the quarter a year ago, it represented the next highest second quarter earnings performance in Winpak's history. Organic volume growth boosted EPS by 3.0 cents and was supplemented by favorable foreign exchange impacts of 1.0 cent per share. A lower relative gross profit margin reduced EPS by 2.5 cents while increased operating expenses and a higher effective income tax rate subtracted 2.0 cents and 1.5 cents respectively from EPS.

For the six months ended June 26, 2016, net income attributable to equity holders of the Company of $51.7 million or 80 cents per share exceeded the corresponding 2015 result of $49.3 million or 76 cents per share by 4.9 percent. Organic volume growth propelled EPS forward by 5.0 cents while foreign exchange had a net positive impact of 2.5 cents. These gains were partially offset by greater operating expenses, a larger proportion of earnings attributable to non-controlling interests, and gross profit growing at a slower pace than sales volumes, which each negatively impacted EPS by 1.0 cent. An additional 0.5 cents was subtracted from EPS due to higher income taxes.

Revenue

Revenue in the second quarter of 2016 climbed to $204.1 million, eclipsing the prior year level of $198.3 million by 3.0 percent. Volume growth was particularly strong at 7.8 percent when compared to the second quarter of 2015. All product groups advanced with the exception of packaging machinery and parts sales, where volumes were off by less than $0.5 million from the previous year's quarter. Foil lidding and rollstock led the way with volumes soaring by over 20 percent in the quarter. Custom die-cut lidding and new product offerings in multi-pak yogurt lidding helped drive growth. Biaxially oriented nylon volumes continued where they left off in the first quarter, advancing by over 15 percent versus the corresponding quarter of 2015. Specialty film shipments also exhibited low double-digit percentage growth in the quarter with customer gains in chub film packaging for ground meats, a new product initiative for the Company. Rigid container volumes were solid in the mid-single digit percentage range as condiment and tray volumes were robust, offsetting declines in specialty beverage shipments. Modified atmosphere packaging shipments were more modest, advancing in the low single-digit percentage range in comparison to a very strong second quarter in 2015. Selling price/mix changes had an unfavorable impact of 4.3 percent on 2016 second quarter revenue as indexed selling prices responded to the decrease in raw material costs. The decline in the value of the Canadian dollar in comparison to its US counterpart had a further 0.5 percent negative effect on revenue versus the comparable prior year quarter.

For the first six months of 2016, revenue grew by $4.6 million or 1.2 percent to $402.3 million from $397.7 million recorded in the first half of 2015. Volume growth was solid, progressing by 6.3 percent in contrast to the first two quarters of the prior year. As with the result for the second quarter, first half volumes were driven by gains in foil lidding and rollstock, biaxially oriented nylon and specialty films which rose between 10 and 15 percent. Retort die-cut lidding, multi-pak yogurt lidding and chub film packaging were new product offerings which propelled shipments forward. Rigid container and modified atmosphere packaging volumes grew in the mid-single digit percentage range versus the first half of 2015. Lower specialty beverage container shipments were more than offset by gains in condiment and retort containers as well as trays for the meat industry. Packaging machinery shipments declined from the strong performance in the first six months of the previous year. Revenue was negatively affected by 4.1 percent due to selling price/mix changes in response to lower indexed raw material costs and a further 1.0 percent due to the impact of foreign exchange from a lower Canadian dollar compared to the first half of 2015.

Gross profit margins

Gross profit margins in the second quarter of 2016 inched up to 33.3 percent of revenue from 32.9 percent of revenue in the comparable 2015 quarter. However, gross profit increased by only 4.2 percent from $65.2 million in the second quarter of 2015 to $68.0 million in the current quarter, while volumes rose in the same period by 7.8 percent. This resulted in a relative decrease in EPS of 2.5 cents. A reduction in current revenues due to the lag effect from previously declining raw material costs was partly responsible for the smaller increment in gross profit in addition to the impact from unfavorable manufacturing variances as a result of capacity constraints and the inherent learning involved with the introduction of new product offerings by the Company.

For the first half of 2016, gross profit margins totaled 33.7 percent of revenue versus 32.2 percent of revenue recorded in the comparable prior year period. Whereas volumes advanced by 6.3 percent in the first six months of the current year versus the corresponding 2015 period, gross profit increased by 5.9 percent, resulting in a reduction in EPS of 1.0 cent. The previously mentioned manufacturing challenges were mainly responsible for the slight drag on margins.

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 28, 2015 to reflect the mix of the eight primary raw materials purchased in 2015.

Quarter and Year	2/16	1/16	4/15	3/15	2/15	1/15	4/14	3/14	2/14
Purchase Price Index	138.1	136.4	139.1	147.7	152.1	156.9	175.1	176.2	178.1

After eight consecutive quarters of decline, the purchase price index showed a slight uptick of 1.3 percent in the current quarter compared to the first quarter of 2016. Escalations in the price of polyethylene resin in the second quarter had the most influence on the upward movement of the index. Nonetheless, the purchase price index has decreased by 9.2 percent from a year ago and this decline was directly related to the fall in the price of oil and natural gas, from which resins used by the Company are derived.

Expenses and Other

Operating expenses in the second quarter of 2016, after eliminating the impact of foreign exchange, increased by nearly 18 percent compared to the corresponding quarter in 2015, well above the growth in sales volumes of 7.8 percent over that same period. This resulted in a reduction in EPS of 2.0 cents and was due to two main factors. The first, which accounted for 85 percent of the reduction in EPS, was a one-time pre-tax gain recorded in the second quarter of 2015 of $1.8 million realized upon the settlement of the Company's withdrawal liability in relation to a US multiemployer defined benefit pension plan which Winpak previously had participated in. The balance of the EPS decrease was due to higher research and technical expenses in support of the Company's new product initiatives. The lower value of the Canadian dollar in the second quarter of the current year versus the comparable 2015 period expanded EPS by 1.0 cent as Canadian dollar expenses exceed Canadian dollar revenues. A higher effective income tax rate in the 2016 second quarter contracted EPS by 1.5 cents as a greater proportion of income was allocated to jurisdictions with heightened corporate income tax rates.

Adjusting for foreign exchange, operating expenses for the first half of 2016 grew by 8.8 percent while sales volumes expanded by 6.3 percent, resulting in a contraction in EPS of 1.0 cent in comparison to the first six months of 2015. However, if the impact of the one-time gain on retirement of the Company's withdrawal liability referred to previously was removed from the comparison, the increase in operating expenses would have only been 5.0 percent and would have had a favorable impact on EPS. A greater proportion of earnings attributable to non-controlling interests further reduced EPS by 1.0 cent in the January to June period. Additionally, a higher effective income tax rate decreased EPS by 0.5 cents in relation to the first six months of the previous year. Partly offsetting these reductions was the favorable impact of foreign exchange on EPS of 2.5 cents as the lower average value of the Canadian dollar in 2016 in contrast to its US counterpart had a positive effect when applied to the Company's net Canadian dollar expenses.

Summary of Quarterly Results

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

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Revenue	204,129	198,154	205,746	193,726	198,257	199,440	206,269	192,982
Net income attributable to equity holders of the Company	25,166	26,564	27,635	22,305	26,845	22,463	23,343	19,448
EPS	39	41	43	34	41	35	36	30

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the second quarter of 2016 at $176.3 million, an increase of $6.8 million from the end of the previous quarter. Winpak continued to generate strong and consistent cash flows from operating activities before changes in working capital of $48.7 million, outpacing the second quarter of 2015 by $2.0 million. Cash was utilized to supplement working capital of $12.5 million to support volume growth. Of this, $8.6 million was applied to an increase in trade and other receivables as certain customer payment terms were extended as part of contract negotiations. Cash was also used for income tax payments of $13.4 million, plant and equipment additions of $13.1 million, dividends to equity holders of the Company of $1.5 million and other items totaling $1.4 million.

For the first half of 2016, the cash and cash equivalents balance rose by $11.3 million to $176.3 million as a result of significant cash flow generation from operating activities before changes in working capital of $96.2 million. Working capital additions utilized $22.9 million of cash primarily in trade and other receivables of $9.9 million and inventories of $7.6 million. A substantial element of the increase was due to the growth in sales volumes and the necessary expansion of working capital required to support that growth. Other uses of cash and cash equivalents consisted of $28.6 million in income tax payments, $28.2 million in plant and equipment additions, $2.9 million in dividends paid to equity holders of the Company, $1.0 million in employee defined benefit plan contributions and other items totaling $1.3 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

Building on the momentum generated in the first half of the year, the Company remains optimistic with regard to volume growth and earnings performance for the balance of 2016. Opportunities in the sales pipeline continue to progress along the path to future success. World oil prices have risen in the last few months and this has put upward pressure on the pricing of certain resins, with some limited price hikes expected in the third quarter for several of the Company's main raw materials. It is difficult to predict the future beyond the next few months but at present, it appears as though changes to raw material costs in aggregate should not be overly significant. Gross profit margins will likely fall a couple of percentage points from the heightened levels experienced in the first half of the year as higher resin costs make their way into cost of goods sold and eventually into higher indexed selling prices. Operational performance should improve in the short to medium term in areas where capacity has been constrained and in the manufacture of new products that have recently been introduced as more experience is gained in their production. The commissioning of the massive cast coextrusion line at the Company's modified atmosphere packaging plant in Winnipeg, which is at the leading edge of technology, will remain a prime focus for the business as commercialization is anticipated before the end of the current year. This will lead to elevated pre-production costs during the commercialization period, the magnitude of which will be dependent on the technical challenges encountered, but will be money well spent as the future benefits of the line should be substantial. The Canadian dollar still remains at a lower level versus its US counterpart than a year ago and will continue to be favorable to the Company's earnings in the second half of the year as foreign currency forward contracts that are part of the Company's foreign exchange hedging policy mature at more favorable rates than those that came due in the same period in 2015. Capital spending for 2016 is projected to be between $80 million and $90 million as both the rigid container operations in Sauk Village, Illinois and the shrink bag production unit in Senoia, Georgia are in the midst of facility expansions of 350,000 and 85,000 square feet respectively. The Company will continue to pursue acquisition opportunities in Winpak's core competencies of sophisticated packaging for food, beverage and healthcare applications while remaining committed to substantial organic growth through capital investment. With Winpak's solid financial position, it has the resources necessary to complete an acquisition when the proper strategic fit and price are present to provide long-term shareholder value.

Future Changes to Accounting Standards

As more fully described in Note 4 to the Condensed Consolidated Financial Statements, three new accounting standards have been issued, IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases". IFRS 9 and IFRS 15 are effective for annual periods beginning on or after January 1, 2018 while IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of these new standards and does not intend to early adopt these standards in its consolidated financial statements.

In addition, amendments to IAS 7 "Statement of Cash Flows" and IAS 12 "Income Taxes" were issued in January 2016 and are effective for annual periods beginning on or after January 1, 2017. Amendments to IFRS 2 "Share-Based Payment" were issued in June 2016 and are effective for annual periods beginning on or after January 1, 2018. While the Company is currently assessing the impact of these amendments, management does not expect the amendments to have a significant impact on the Company's consolidated financial statements and does not intend to early adopt them.

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 26, 2016 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 2013) 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 26, 2016 to provide reasonable assurance that the financial information being reported is materially accurate. During the second quarter ended June 26, 2016, 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 26, 2016

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

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

	Note	June 26 2016	December 27 2015
Assets			
Current assets:			
Cash and cash equivalents		176,343	165,027
Trade and other receivables	12	117,714	107,805
Income taxes receivable		2,795	2,050
Inventories	5	104,147	96,498
Prepaid expenses		4,774	3,411
Derivative financial instruments		1,367	40
		407,140	374,831
Non-current assets:			
Property, plant and equipment	7	380,414	369,436
Intangible assets	7	14,529	14,745
Employee benefit plan assets		6,341	5,723
Deferred tax assets		1,231	1,408
		402,515	391,312
Total assets		809,655	766,143
Equity and Liabilities			
Current liabilities:			
Trade payables and other liabilities		64,646	68,534
Income taxes payable		4,603	10,569
Derivative financial instruments		32	1,683
		69,281	80,786
Non-current liabilities:			
Employee benefit plan liabilities		10,090	8,885
Deferred income		13,368	14,071
Provisions		760	760
Deferred tax liabilities		41,350	38,250
		65,568	61,966
Total liabilities		134,849	142,752
Equity:			
Share capital		29,195	29,195
Reserves		993	(1,208)
Retained earnings		625,116	576,359
Total equity attributable to equity holders of the Company		655,304	604,346
Non-controlling interests		19,502	19,045
Total equity		674,806	623,391
Total equity and liabilities		809,655	766,143

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 26 2016	June 28 2015	June 26 2016	June 28 2015
Revenue		204,129	198,257	402,283	397,697
Cost of sales		(136,178)	(133,042)	(266,565)	(269,511)
Gross profit		67,951	65,215	135,718	128,186
Sales, marketing and distribution expenses		(15,646)	(14,781)	(30,878)	(29,863)
General and administrative expenses		(7,240)	(7,213)	(15,186)	(16,180)
Research and technical expenses		(4,871)	(4,047)	(8,616)	(7,746)
Pre-production expenses		(187)	(88)	(356)	(434)
Other (expenses) income	6	(504)	1,207	(1,588)	3
Income from operations		39,503	40,293	79,094	73,966
Finance income		124	86	257	171
Finance expense		(148)	(106)	(262)	(226)
Income before income taxes		39,479	40,273	79,089	73,911
Income tax expense		(13,315)	(12,634)	(25,625)	(23,548)
Net income for the period		26,164	27,639	53,464	50,363
Attributable to:					
Equity holders of the Company		25,166	26,845	51,730	49,308
Non-controlling interests		998	794	1,734	1,055
		26,164	27,639	53,464	50,363
Basic and diluted earnings per share - cents	9	39	41	80	76

Condensed Consolidated Statements of Comprehensive Income

(thousands of US dollars) (unaudited)

	Note	Quarter Ended		Year-To-Date Ended	
		June 26 2016	June 28 2015	June 26 2016	June 28 2015
Net income for the period		26,164	27,639	53,464	50,363
Items that will not be reclassified to the statements of income:					
Cash flow hedge (losses) gains recognized		(12)	(43)	20	(43)
Cash flow hedge losses transferred to property, plant and equipment		-	-	52	-
Income tax effect		-	-	-	-
		(12)	(43)	72	(43)
Items that are or may be reclassified subsequently to the statements of income:					
Cash flow hedge gains (losses) recognized		604	621	2,016	(947)
Cash flow hedge losses transferred to the statements of income	6	166	667	890	1,226
Income tax effect		(206)	(344)	(777)	(74)
		564	944	2,129	205
Other comprehensive income for the period - net of income tax		552	901	2,201	162
Comprehensive income for the period		26,716	28,540	55,665	50,525
Attributable to:					
Equity holders of the Company		25,718	27,746	53,931	49,470
Non-controlling interests		998	794	1,734	1,055
		26,716	28,540	55,665	50,525

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 29, 2014		29,195	(641)	555,697	584,251	17,136	601,387
Comprehensive income for the period							
Cash flow hedge losses, net of tax		-	(737)	-	(737)	-	(737)
Cash flow hedge losses transferred to the statements of income, net of tax		-	899	-	899	-	899
Other comprehensive income		-	162	-	162	-	162
Net income for the period		-	-	49,308	49,308	1,055	50,363
Comprehensive income for the period		-	162	49,308	49,470	1,055	50,525
Dividends	8	-	-	(3,131)	(3,131)	(646)	(3,777)
Balance at June 28, 2015		29,195	(479)	601,874	630,590	17,545	648,135
Balance at December 28, 2015		29,195	(1,208)	576,359	604,346	19,045	623,391
Comprehensive income for the period							
Cash flow hedge gains, net of tax		-	1,497	-	1,497	-	1,497
Cash flow hedge losses transferred to the statements of income, net of tax		-	652	-	652	-	652
Cash flow hedge losses transferred to property, plant and equipment		-	52	-	52	-	52
Other comprehensive income		-	2,201	-	2,201	-	2,201
Net income for the period		-	-	51,730	51,730	1,734	53,464
Comprehensive income for the period		-	2,201	51,730	53,931	1,734	55,665
Dividends	8	-	-	(2,973)	(2,973)	(1,277)	(4,250)
Balance at June 26, 2016		29,195	993	625,116	655,304	19,502	674,806

See accompanying notes to condensed consolidated financial statements.

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

	Note	Quarter Ended		Year-To-Date Ended	
		June 26 2016	June 28 2015	June 26 2016	June 28 2015
Cash provided by (used in):					
Operating activities:					
Net income for the period		26,164	27,639	53,464	50,363
Items not involving cash:					
Depreciation		8,606	8,190	17,161	16,174
Amortization - deferred income		(380)	(406)	(774)	(798)
Amortization - intangible assets		165	144	335	299
Employee defined benefit plan expenses		944	749	1,822	1,725
Multiemployer defined benefit pension plan withdrawal liability settlement gain	6	-	(1,815)	-	(1,815)
Net finance expense		24	20	5	55
Income tax expense		13,315	12,634	25,625	23,548
Other		(111)	(435)	(1,488)	(1,558)
Cash flow from operating activities before the following		48,727	46,720	96,150	87,993
Change in working capital:					
Trade and other receivables		(8,554)	3,701	(9,909)	5,955
Inventories		(6,605)	(2,344)	(7,649)	787
Prepaid expenses		(57)	(19)	(1,363)	(951)
Trade payables and other liabilities		2,691	4,665	(3,990)	(3,117)
Provisions		-	(4,503)	-	(4,467)
Employee defined benefit plan contributions		(90)	(90)	(1,037)	(1,168)
Income tax paid		(13,389)	(9,370)	(28,574)	(13,084)
Interest received		147	66	198	128
Interest paid		(58)	(8)	(62)	(15)
Net cash from operating activities		22,812	38,818	43,764	72,061
Investing activities:					
Acquisition of plant and equipment - net		(13,100)	(9,462)	(28,161)	(22,266)
Acquisition of intangible assets		(119)	(114)	(129)	(169)
		(13,219)	(9,576)	(28,290)	(22,435)
Financing activities:					
Dividends paid	8	(1,473)	(1,548)	(2,881)	(3,226)
Dividend paid to non-controlling interests in subsidiary		(1,277)	(646)	(1,277)	(646)
		(2,750)	(2,194)	(4,158)	(3,872)
Change in cash and cash equivalents		6,843	27,048	11,316	45,754
Cash and cash equivalents, beginning of period		169,500	162,467	165,027	143,761
Cash and cash equivalents, end of period		176,343	189,515	176,343	189,515

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 healthcare 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 27, 2015, 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 consolidated 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 27, 2015, which are included in the Company's 2015 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 2016 and 2015 fiscal years are both comprised of 52 weeks and each quarter of 2016 and 2015 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 18, 2016.

3. Accounting Standards Implemented in 2016

(a) Property, Plant and Equipment and Intangibles:
The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" prohibit the use of revenue-based depreciation for plant and equipment and significantly limit the use of revenue-based amortization for intangible assets. These amendments were implemented in the first quarter of 2016 with prospective application and had no impact on the Company's unaudited interim condensed consolidated financial statements.

(b) Financial Statement Presentation:
The amendments to IAS 1 "Presentation of Financial Statements" were issued as part of the IASB's major initiative to improve presentation and disclosure in financial reports. These amendments were implemented in the first quarter of 2016 and had no impact on the Company's unaudited interim condensed consolidated financial statements. In addition, the Company is currently assessing the impact of these amendments on its 2016 annual 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. Another revised version of IFRS 9 was issued in July 2014 mainly to include i) impairment requirements for financial assets and ii) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income measurement category for certain simple debt instruments.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. 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.

(thousands of US dollars, unless otherwise indicated) (Unaudited)

(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, 2018 and is to be applied retrospectively. Early adoption is permitted. The Company is currently assessing the impact of this new standard and does not intend to early adopt IFRS 15 in its consolidated financial statements.

(c) Leases:
IFRS 16 "Leases" was issued in January 2016, providing a single model for leases. The new standard introduces a balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. As a result, most leases will be recognized on the statement of financial position. Certain exemptions will apply for short-term leases and leases for low-value assets. Lessors will continue to classify leases as operating and finance leases. IFRS 16 replaces IAS 17 "Leases" and the related interpretations. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively. Early adoption is permitted under certain conditions. The Company is currently assessing the impact of this new standard and does not intend to early adopt IFRS 16 in its consolidated financial statements.

(d) Statements of Cash Flows:
In January 2016, amendments to IAS 7 "Statement of Cash Flows" were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities. These amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. While the Company is currently assessing the impact of the amended standard, management does not expect the amendments to have a significant impact on the Company's consolidated financial statements. The amended standard will be adopted by the Company in 2017.

(e) Income Taxes:
Amendments to IAS 12 "Income Taxes" were issued in January 2016 regarding the recognition of deferred tax assets for unrealized losses relating to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. While the Company is currently assessing the impact of the amended standard, management does not expect the amendments to have a significant impact on the Company's consolidated financial statements. The amended standard will be adopted by the Company in 2017.

(f) Share-Based Payment:
Amendments to IFRS 2 "Share-Based Payment" were issued in June 2016, clarifying how to account for certain types of share-based payment transactions. These amendments are effective for annual periods beginning on or after January 1, 2018. Retrospective or early application is permitted under certain conditions. The extent of the impact of the amended standard has not yet been determined. The amended standard will be adopted by the Company in 2018.

5. Inventories

	June 26 2016	December 27 2015
Raw materials	27,080	27,263
Work-in-process	17,506	16,267
Finished goods	51,335	46,092
Spare parts	8,226	6,876
	104,147	96,498

During the second quarter of 2016, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $1,649 (2015 - $1,927) and reversals of previously written-down items of $424 (2015 - $490). On a year-to-date basis, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $4,208 (2015 - $5,466) and reversals of previously written-down items of $2,033 (2015 - $1,736).

6. Other (Expenses) Income

	Quarter Ended		Year-To-Date Ended	
Amounts shown on a net basis	June 26 2016	June 28 2015	June 26 2016	June 28 2015
Foreign exchange (loss) gain	(338)	59	(698)	(444)
Cash flow hedge losses transferred from other comprehensive income	(166)	(667)	(890)	(1,226)
Multiemployer defined benefit pension plan withdrawal liability settlement gain	-	1,815	-	1,815
Multiemployer defined benefit pension plan withdrawal liability expense - change in discount rates	-	-	-	(142)
	(504)	1,207	(1,588)	3

7. Property, Plant and Equipment and Intangible Assets

At June 26, 2016, the Company has commitments to purchase plant and equipment of $42,089 (December 27, 2015 - $16,445). No impairment losses or impairment reversals were recognized during the year-to-date period ended June 26, 2016 or June 28, 2015.

8. Dividends

During the second quarter of 2016, dividends in Canadian dollars of 3 cents per common share were declared (2015 - 3 cents) and on a year-to-date basis, 6 cents per common share were declared (2015 - 6 cents).

9. Earnings Per Share

	Quarter Ended		Year-To-Date Ended	
	June 26 2016	June 28 2015	June 26 2016	June 28 2015
Net income attributable to equity holders of the Company	25,166	26,845	51,730	49,308
Weighted average shares outstanding (000's)	65,000	65,000	65,000	65,000
Basic and diluted earnings per share - cents	39	41	80	76

10. 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, has 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:

Financial Assets (Liabilities)	Level 1	Level 2	Level 3	Total
At June 26, 2016				
Foreign currency forward contracts - net	-	1,335	-	1,335
At December 27, 2015				
Foreign currency forward contracts - net	-	(1,643)	-	(1,643)

11. 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 26, 2016, the supplier rebate receivable balance that was offset was $2,479 (December 27, 2015 - $5,073).

12. 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) income. As a result of the Company's CDN dollar net liability monetary position as at June 26, 2016, a one-cent change in the period-end foreign exchange rate from 0.7693 to 0.7593 (CDN to US dollars) would have increased net income by $21 for the second quarter of 2016. Conversely, a one-cent change in the period-end foreign exchange rate from 0.7693 to 0.7793 (CDN to US dollars) would have decreased net income by $21 for the second quarter of 2016.

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 and special dividend payments will be settled in 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 2016 and the Company realized pre-tax foreign exchange losses of $166 (year-to-date - realized foreign exchange losses of $942). Of these foreign exchange differences, losses of $166 were recorded in other (expenses) income (year-to-date losses - $890) and no amounts were recorded in property, plant and equipment (year-to-date losses - $52). During the second quarter of 2015, the Company realized pre-tax foreign exchange losses of $667 (year-to-date - realized pre-tax foreign exchange losses of $1,226) which were recorded in other (expenses) income.

As at June 26, 2016, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of US $27.0 million at an average exchange rate of 1.3588 maturing between July 2016 and February 2017 and US to Euro dollar foreign currency forward contracts outstanding with a notional amount of US $1.6 million at an average rate of 0.9303 (US dollars to Euros) maturing in July 2016. The fair value of these financial instruments was $1,335 US and the corresponding unrealized gain 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 26, 2016 cash and cash equivalents balance of $176.3 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by $1,763 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 26, 2016, 71 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.

(thousands of US dollars, unless otherwise indicated) (Unaudited)

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 $176.3 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 2016. 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 26 2016	December 27 2015
Cash and cash equivalents	176,343	165,027
Trade and other receivables	117,714	107,805
Foreign currency forward contracts	1,367	40
	295,424	272,872

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 rated 'AA' or higher for CDN financial institutions and 'A-1' or higher for US financial institutions by recognized international credit rating agencies 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. 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 26, 2016, 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 the gross trade and other receivables balance is within 30 days of the agreed upon payment terms with customers, and c) 21 percent of the trade and other receivables balance is insured against credit losses. The Company's exposure to the ten largest customer balances, on aggregate, accounted for 47 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 26 2016	December 27 2015
Current - neither impaired nor past due	103,596	86,268
Not impaired but past the due date:		
Within 30 days	12,856	18,877
31 - 60 days	1,457	2,797
Over 60 days	690	819
	118,599	108,761
Less: Allowance for doubtful accounts	(885)	(956)
Total trade and other receivables, net	117,714	107,805

(thousands of US dollars, unless otherwise indicated) (Unaudited)

13. 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
Revenue				
Quarter ended June 26, 2016	168,394	25,772	9,963	204,129
Quarter ended June 28, 2015	159,469	26,015	12,773	198,257
Year-to-date ended June 26, 2016	335,201	47,373	19,709	402,283
Year-to-date ended June 28, 2015	324,125	48,808	24,764	397,697
Property, Plant and Equipment and Intangible Assets				
As at June 26, 2016	183,184	210,525	1,234	394,943
As at June 28, 2015	170,832	197,282	1,284	369,398

14. 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.