NEWS RELEASE

Winpak Reports Third Quarter Results

Winnipeg, Manitoba, October 20, 2016 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the third quarter of 2016, which ended on September 25, 2016.

	Quarter Ended		Year-To-Date Ended	
	September 25 2016	September 27 2015	September 25 2016	September 27 2015
(thousands of US dollars, except per share amounts)				
Revenue	204,699	193,726	606,982	591,423
Net income	25,126	23,063	78,590	73,426
Income tax expense	11,004	10,151	36,629	33,699
Net finance (income) expense	(80)	(20)	(75)	35
Depreciation and amortization	8,607	7,964	25,329	23,639
EBITDA (1)	44,657	41,158	140,473	130,799
Net income attributable to equity holders of the Company	24,036	22,305	75,766	71,613
Net income attributable to non-controlling interests	1,090	758	2,824	1,813
Net income	25,126	23,063	78,590	73,426
Basic and diluted earnings per share (cents)	37	34	117	110

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.

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 equity holders of the Company for the third quarter of 2016 of $24.0 million or 37 cents in earnings per share (EPS) eclipsed the 2015 third quarter record of $22.3 million or 34 cents per share by 7.8 percent. Organic volume growth was the catalyst, advancing EPS by 3.0 cents and was supplemented by 1.5 cents for favorable foreign exchange impacts and 0.5 cents for reduced operating expenses. A lower relative gross profit margin reduced EPS by 1.5 cents while a greater proportion of net income attributable to non-controlling interests deducted 0.5 cents from EPS.

For the three quarters ended September 25, 2016, net income attributable to equity holders of the Company totalled $75.8 million or $1.17 per share and exceeded the corresponding 2015 result of $71.6 million or $1.10 per share by 5.8 percent. Organic volume growth drove EPS forward by 8.0 cents while foreign exchange added a further 4.0 cents. A reduced rate of growth in gross profit in relation to sales volumes negatively impacted EPS by 2.5 cents. In addition, a larger proportion of net income attributable to non-controlling interests, greater operating expenses, and higher income taxes reduced EPS by 1.5 cents, 0.5 cents and 0.5 cents respectively.

Revenue

Revenue in the third quarter of 2016 of $204.7 million exceeded the prior year level of $193.7 million by a healthy 5.7 percent. Volume growth of 7.9 percent, when compared to the third quarter of 2015, continued the strength exhibited in the second quarter. On a percentage basis, biaxially oriented nylon volumes led the way, advancing just over 25 percent. Rigid container and lidding volumes were also robust, ascending between 10 to 15 percent over the prior year third quarter. Custom container shipments, including specialty beverage, along with condiment packaging and meat trays propelled volume growth. Foil rollstock applications including multi-pak yogurt lidding, added to the list of new customer wins. Modified atmosphere packaging shipments were solid, progressing in the mid single-digit percentage range over the third quarter of 2015. Continued progress at securing business at major US protein producers contributed to increased volumes. Meanwhile, shipments were restrained by capacity constraints in specialty films which declined in the low single-digit percentage range. Additionally, elevated machinery part sales in the quarter were not sufficient to offset a decline in new packaging machinery shipments compared to the corresponding quarter of 2015. However, the machinery sales backlog is very strong and should provide for an uptick in revenue in the fourth quarter for this product group. Selling price/mix changes had an unfavorable impact of 2.0 percent on 2016 third quarter revenues compared to the prior year corresponding period while the effect of foreign exchange on revenues was minimal, with a 0.2 percent decline.

For the first nine months of 2016, revenue climbed by 2.6 percent to $607.0 million from $591.4 million in the corresponding prior year period despite customer selling price-indexing and foreign exchange headwinds. Volumes grew by a sizeable 6.8 percent with all product groups advancing except packaging machinery. Consistent with the third quarter, biaxially oriented nylon volumes had the highest percentage gain. Lidding shipments followed closely behind with low double-digit percentage gains due to new customers in foil rollstock applications along with continued progress in die-cut lidding including retort and specialty beverage products. Rigid container volumes expanded in the high single-digit percentage range due to upswings in demand for condiment and retort containers as well as meat trays. Both specialty films and modified atmosphere packaging volumes grew by mid-single digit percentages while packaging machinery volumes lagged behind the prior year record levels. In response to reduced raw material costs, indexed selling prices drove year-to-date revenues lower as selling price/mix changes had a negative impact of 3.4 percent on sales. Likewise, the decline in the value of the Canadian dollar in comparison to its US counterpart was responsible for a decline in revenues of 0.8 percent.

Gross profit margins

Gross profit margins in the third quarter of 2016 equalled the corresponding quarter of 2015 on a percentage of revenue basis at 31.3 percent. However, gross profit increased by only 5.7 percent from $60.7 million in the third quarter of 2015 to $64.1 million in the current quarter, while volumes accelerated by 7.9 percent in the same time frame. The result was a relative decrease in EPS of 1.5 cents. Heightened unfavorable manufacturing variances on new products and challenges with capacity constraints in certain areas were the main reasons surrounding the contraction in EPS due to gross profit changes.

For the first three quarters of the current year, gross profit margins reached 32.9 percent of revenue compared to the 31.9 percent attained in the same period of 2015. While volumes advanced by 6.8 percent during this time frame, gross profit only grew by 5.8 percent, resulting in a reduction in EPS of 2.5 cents. The operational challenges mentioned previously were largely responsible for the slight pullback 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	3/16	2/16	1/16	4/15	3/15	2/15	1/15	4/14	3/14
Purchase Price Index	140.2	138.1	136.4	139.1	147.7	152.1	156.9	175.1	176.2

Although the purchase price index has declined by 5.1 percent from a year ago, the last two quarters have seen an upward trend, rising 1.5 percent in the latest quarter. Escalations in the price of certain resins occurred part way through the third quarter and will be fully reflected in the index in the fourth quarter, which should move the index higher by 3 to 4 percent, all else being equal.

Expenses and Other

Operating expenses, exclusive of foreign exchange impacts, in the third quarter of 2016 grew by 6.0 percent in relation to the 2015 comparable quarter, while sales volumes expanded by 7.9 percent. This resulted in an addition of 0.5 cents to EPS. Lower share-based incentive costs offset the impact of higher pre-production and new product development expenses. Foreign exchange contributed 1.5 cents to third quarter EPS, primarily due to the maturation of foreign exchange forward contracts at more favorable rates which form an integral part of the Company's foreign exchange policy. Lastly, a greater proportion of net income attributable to non-controlling interests subtracted 0.5 cents from the current quarter's EPS in relation to the prior year comparable period.

On a year-to-date basis, after adjusting for foreign exchange, operating expenses increased by 7.8 percent in contrast to the 6.8 percent advancement in sales volumes, resulting in a reduction of 0.5 cents in EPS in comparison to the previous year period. A one-time gain recorded in 2015 upon the settlement of the Company's withdrawal liability with regard to a US multiemployer pension plan was the dominant factor in offsetting operating expenses in the prior year and coupled with higher pre-production and research and technical expenses in the current year, were greater than the savings realized from lower share-based incentive costs in 2016. Higher earnings attributable to non-controlling interests and a slightly higher income tax rate further reduced EPS by 1.5 cents and 0.5 cents respectively. More than offsetting these reductions was the favorable impact of foreign exchange on EPS of 4.0 cents. The decline in the average value of the Canadian dollar in contrast to its US counterpart for the first three quarters in 2016 versus 2015 had a positive effect when applied to the Company's net Canadian dollar expenses and in combination with the maturation of foreign exchange forward contracts were responsible for the favorable result.

Summary of Quarterly Results

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

	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenue	204,699	204,129	198,154	205,746	193,726	198,257	199,440	206,269
Net income attributable to equity holders of the Company	24,036	25,166	26,564	27,635	22,305	26,845	22,463	23,343
EPS	37	39	41	43	34	41	35	36

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the third quarter of 2016 just short of $200 million at $197.7 million, an increase of $21.4 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 $45.5 million, surpassing the third quarter of the prior year by $3.4 million. Working capital additions for trade receivables and inventories were outpaced by heightened capital in progress liabilities which boosted trade payables, resulting in a net positive impact of $6.7 million on cash. Cash was utilized for plant and equipment additions of $20.0 million, income tax payments of $9.3 million and dividends to equity holders of the Company of $1.5 million.

For the first nine months of 2016, the cash and cash equivalents balance grew by $32.7 million from the beginning of the year, led by the significant cash flow generation from operating activities before changes in working capital of $141.6 million. Working capital additions utilized $16.2 million of cash primarily in trade and other receivables of $13.3 million and inventories of $8.8 million. The expansion of working capital was required to support the significant growth in sales volumes. Other uses of cash and cash equivalents consisted of $48.2 million in plant and equipment additions, $37.8 million in income tax payments, $4.4 million in dividends paid to equity holders of the Company, $1.1 million in employee defined benefit plan contributions and other items totaling $1.2 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

Following another strong quarter in the growth of the business, the Company remains optimistic in terms of volume and earnings advancement for the fourth quarter and into 2017. Winpak continues to execute on its path of sustained growth as the opportunities in the sales pipeline progress into new business generation. From a raw material standpoint, resin prices overall are expected to remain relatively stable for the near future with some materials projected to increase while others may decrease. However, the recent escalation in world oil prices may put additional upward pressure on certain resin prices but this trend is difficult to predict. Improving operational performance will remain a prime focus for the Company, particularly in those areas where capacity constraints have presented challenges. The optimization of the manufacturing processes of new products and equipment will also be a priority. Of note, the massive cast coextrusion line at the Company's modified atmosphere packaging plant in Winnipeg was officially launched at a ceremony held on September 13, 2016 and is expected to be manufacturing commercial product for sale in the fourth quarter of this year. Capital spending for 2016 is projected to end the year at between $75 million and $85 million as construction continues on the facility expansions of 350,000 square feet at the rigid operations in Sauk Village, Illinois and 85,000 square feet at the specialty films unit in Senoia, Georgia. The Company will continue to invest in organic growth opportunities while remaining open to acquisition prospects that fit strategically with Winpak's core competencies in sophisticated packaging for food, beverage and healthcare applications.

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 September 25, 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 September 25, 2016 to provide reasonable assurance that the financial information being reported is materially accurate. During the third quarter ended September 25, 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
Third Quarter Ended: September 25, 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	September 25 2016	December 27 2015
Assets			
Current assets:			
Cash and cash equivalents		197,721	165,027
Trade and other receivables	12	121,122	107,805
Income taxes receivable		2,085	2,050
Inventories	5	105,303	96,498
Prepaid expenses		3,977	3,411
Derivative financial instruments		823	40
		431,031	374,831
Non-current assets:			
Property, plant and equipment	7	391,569	369,436
Intangible assets	7	14,410	14,745
Employee benefit plan assets		5,963	5,723
Deferred tax assets		1,142	1,408
		413,084	391,312
Total assets		844,115	766,143
Equity and Liabilities			
Current liabilities:			
Trade payables and other liabilities		75,073	68,534
Income taxes payable		5,844	10,569
Derivative financial instruments		17	1,683
		80,934	80,786
Non-current liabilities:			
Employee benefit plan liabilities		10,578	8,885
Deferred income		12,988	14,071
Provisions		760	760
Deferred tax liabilities		40,805	38,250
		65,131	61,966
Total liabilities		146,065	142,752
Equity:			
Share capital		29,195	29,195
Reserves		591	(1,208)
Retained earnings		647,672	576,359
Total equity attributable to equity holders of the Company		677,458	604,346
Non-controlling interests		20,592	19,045
Total equity		698,050	623,391
Total equity and liabilities		844,115	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	
		September 25 2016	September 27 2015	September 25 2016	September 27 2015
Revenue		204,699	193,726	606,982	591,423
Cost of sales		(140,568)	(133,033)	(407,133)	(402,544)
Gross profit		64,131	60,693	199,849	188,879
Sales, marketing and distribution expenses		(16,107)	(14,859)	(46,985)	(44,722)
General and administrative expenses		(6,869)	(7,611)	(22,055)	(23,791)
Research and technical expenses		(4,308)	(3,760)	(12,924)	(11,506)
Pre-production expenses		(782)	(356)	(1,138)	(790)
Other expenses	6	(15)	(913)	(1,603)	(910)
Income from operations		36,050	33,194	115,144	107,160
Finance income		177	102	434	273
Finance expense		(97)	(82)	(359)	(308)
Income before income taxes		36,130	33,214	115,219	107,125
Income tax expense		(11,004)	(10,151)	(36,629)	(33,699)
Net income for the period		25,126	23,063	78,590	73,426
Attributable to:					
Equity holders of the Company		24,036	22,305	75,766	71,613
Non-controlling interests		1,090	758	2,824	1,813
		25,126	23,063	78,590	73,426
Basic and diluted earnings per share - cents	9	37	34	117	110

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

	Note	Quarter Ended		Year-To-Date Ended	
		September 25 2016	September 27 2015	September 25 2016	September 27 2015
Net income for the period		25,126	23,063	78,590	73,426
Items that will not be reclassified to the statements of income:					
Cash flow hedge losses recognized		(23)	(447)	(3)	(490)
Cash flow hedge (gains) losses transferred to property, plant and equipment		(33)	4	19	4
Income tax effect		-	-	-	-
		(56)	(443)	16	(486)
Items that are or may be reclassified subsequently to the statements of income:					
Cash flow hedge (losses) gains recognized		(387)	(1,963)	1,629	(2,910)
Cash flow hedge (gains) losses transferred to the statements of income	6	(86)	641	804	1,867
Income tax effect		127	353	(650)	279
		(346)	(969)	1,783	(764)
Other comprehensive (loss) income for the period - net of income tax		(402)	(1,412)	1,799	(1,250)
Comprehensive income for the period		24,724	21,651	80,389	72,176
Attributable to:					
Equity holders of the Company		23,634	20,893	77,565	70,363
Non-controlling interests		1,090	758	2,824	1,813
		24,724	21,651	80,389	72,176

See accompanying notes to condensed consolidated financial statements.

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

		Attributable to equity holders of the Company					
	Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at December 29, 2014		29,195	(641)	555,697	584,251	17,136	601,387
Comprehensive (loss) income for the period							
Cash flow hedge losses, net of tax		-	(2,166)	(455)	(2,621)	-	(2,621)
Cash flow hedge losses transferred to the statements of income, net of tax		-	1,367	-	1,367	-	1,367
Cash flow hedge losses transferred to property, plant and equipment		-	4	-	4	-	4
Other comprehensive loss		-	(795)	(455)	(1,250)	-	(1,250)
Net income for the period		-	-	71,613	71,613	1,813	73,426
Comprehensive (loss) income for the period		-	(795)	71,158	70,363	1,813	72,176
Dividends	8	-	-	(77,818)	(77,818)	(646)	(78,464)
Balance at September 27, 2015		29,195	(1,436)	549,037	576,796	18,303	595,099
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		-	1,234	-	1,234	-	1,234
Cash flow hedge losses transferred to the statements of income, net of tax		-	19	-	19	-	19
Cash flow hedge losses transferred to property, plant and equipment		-	546	-	546	-	546
Other comprehensive income		-	1,799	-	1,799	-	1,799
Net income for the period		-	-	75,766	75,766	2,824	78,590
Comprehensive income for the period		-	1,799	75,766	77,565	2,824	80,389
Dividends	8	-	-	(4,453)	(4,453)	(1,277)	(5,730)
Balance at September 25, 2016		29,195	591	647,672	677,458	20,592	698,050

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	
		September 25 2016	September 27 2015	September 25 2016	September 27 2015
Cash provided by (used in):					
Operating activities:					
Net income for the period		25,126	23,063	78,590	73,426
Items not involving cash:					
Depreciation		8,834	8,210	25,995	24,384
Amortization - deferred income		(390)	(395)	(1,164)	(1,193)
Amortization - intangible assets		163	149	498	448
Employee defined benefit plan expenses		793	769	2,615	2,494
Multiemployer defined benefit pension plan withdrawal liability settlement gain	6	-	-	-	(1,815)
Net finance (income) expense		(80)	(20)	(75)	35
Income tax expense		11,004	10,151	36,629	33,699
Other		11	113	(1,477)	(1,445)
Cash flow from operating activities before the following		45,461	42,040	141,611	130,033
Change in working capital:					
Trade and other receivables		(3,408)	(769)	(13,317)	5,186
Inventories		(1,156)	2,166	(8,805)	2,953
Prepaid expenses		797	412	(566)	(539)
Trade payables and other liabilities		10,446	(37)	6,456	(3,154)
Provisions		-	-	-	(4,467)
Employee defined benefit plan contributions		(101)	(86)	(1,138)	(1,254)
Income tax paid		(9,263)	(6,697)	(37,837)	(19,781)
Interest received		148	79	346	207
Interest paid		(2)	(1)	(64)	(16)
Net cash from operating activities		42,922	37,107	86,686	109,168
Investing activities:					
Acquisition of plant and equipment - net		(20,002)	(14,553)	(48,163)	(36,819)
Acquisition of intangible assets		(42)	(57)	(171)	(226)
		(20,044)	(14,610)	(48,334)	(37,045)
Financing activities:					
Dividends paid	8	(1,500)	(1,583)	(4,381)	(4,809)
Dividend paid to non-controlling interests in subsidiary		-	-	(1,277)	(646)
		(1,500)	(1,583)	(5,658)	(5,455)
Change in cash and cash equivalents		21,378	20,914	32,694	66,668
Cash and cash equivalents, beginning of period		176,343	189,515	165,027	143,761
Cash and cash equivalents, end of period		197,721	210,429	197,721	210,429

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 October 20, 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

	September 25 2016	December 27 2015
Raw materials	27,218	27,263
Work-in-process	18,775	16,267
Finished goods	50,752	46,092
Spare parts	8,558	6,876
	105,303	96,498

During the third quarter of 2016, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $1,412 (2015 - $1,011) and reversals of previously written-down items of $277 (2015 - $193). On a year-to-date basis, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $5,620 (2015 - $6,477) and reversals of previously written-down items of $2,310 (2015 - $1,929).

6. Other Expenses

	Quarter Ended		Year-To-Date Ended	
Amounts shown on a net basis	September 25 2016	September 27 2015	September 25 2016	September 27 2015
Foreign exchange loss	(101)	(272)	(799)	(716)
Cash flow hedge gains (losses) transferred from other comprehensive income	86	(641)	(804)	(1,867)
Multiemployer defined benefit pension plan withdrawal liability settlement gain	-	-	-	1,815
Multiemployer defined benefit pension plan withdrawal liability expense - change in discount rates	-	-	-	(142)
	(15)	(913)	(1,603)	(910)

7. Property, Plant and Equipment and Intangible Assets

At September 25, 2016, the Company has commitments to purchase plant and equipment of $35,786 (December 27, 2015 - $16,445). No impairment losses or impairment reversals were recognized during the year-to-date period ended September 25, 2016 or September 27, 2015.

8. Dividends

During the third 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, 9 cents per common share were declared (2015 - 9 cents). In addition, on September 17, 2015, the Company declared a special dividend in Canadian dollars of $1.50 per common share ($73,222 US), payable on October 15, 2015.

9. Earnings Per Share

	Quarter Ended		Year-To-Date Ended	
	September 25 2016	September 27 2015	September 25 2016	September 27 2015
Net income attributable to equity holders of the Company	24,036	22,305	75,766	71,613
Weighted average shares outstanding (000's)	65,000	65,000	65,000	65,000
Basic and diluted earnings per share - cents	37	34	117	110

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
<u>At September 25, 2016</u>				
Foreign currency forward contracts - net	-	806	-	806
<u>At December 27, 2015</u>				
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 September 25, 2016, the supplier rebate receivable balance that was offset was $3,513 (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. As a result of the Company's CDN dollar net liability monetary position as at September 25, 2016, a one-cent change in the period-end foreign exchange rate from 0.7592 to 0.7492 (CDN to US dollars) would have increased net income by $51 for the third quarter of 2016. Conversely, a one-cent change in the period-end foreign exchange rate from 0.7592 to 0.7692 (CDN to US dollars) would have decreased net income by $51 for the third 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 third quarter of 2016 and the Company realized pre-tax foreign exchange gains of $119 (year-to-date - realized foreign exchange losses of $823). Of these foreign exchange differences, gains of $86 were recorded in other expenses (year-to-date losses - $804) and gains of $33 were recorded in plant and equipment (year-to-date losses - $19). During the third quarter of 2015, the Company realized pre-tax foreign exchange losses of $645 (year-to-date - realized pre-tax foreign exchange losses of $1,871). Of these foreign exchange differences, losses of $641 were recorded in other expenses (year-to-date losses - $1,867) and losses of $4 were recorded in plant and equipment (year-to-date losses - $4).

As at September 25, 2016, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of US $23.0 million at an average exchange rate of 1.3614 maturing between October 2016 and February 2017. The fair value of these financial instruments was $806 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 September 25, 2016 cash and cash equivalents balance of $197.7 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by $1,977 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 September 25, 2016, 70 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 $197.7 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 the next twelve months. 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:

	September 25 2016	December 27 2015
Cash and cash equivalents	197,721	165,027
Trade and other receivables	121,122	107,805
Foreign currency forward contracts	823	40
	319,666	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 September 25, 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) 39 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:

	September 25 2016	December 27 2015
Current - neither impaired nor past due	105,306	86,268
Not impaired but past the due date:		
Within 30 days	14,632	18,877
31 - 60 days	1,718	2,797
Over 60 days	514	819
	122,170	108,761
Less: Allowance for doubtful accounts	(1,048)	(956)
Total trade and other receivables, net	121,122	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 September 25, 2016	167,111	27,075	10,513	204,699
Quarter ended September 27, 2015	156,914	23,584	13,228	193,726
Year-to-date ended September 25, 2016	502,312	74,448	30,222	606,982
Year-to-date ended September 27, 2015	481,039	72,392	37,992	591,423
Property, Plant and Equipment and Intangible Assets				
As at September 25, 2016	189,723	215,021	1,235	405,979
As at September 27, 2015	174,464	199,965	1,282	375,711

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.