Winpak Ltd.
Interim Condensed Consolidated Financial Statements
Fourth Quarter Ended: December 31, 2017

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	December 31 2017	December 25 2016
Assets			
Current assets:			
Cash and cash equivalents		291,959	211,225
Trade and other receivables	13	116,955	124,148
Income taxes receivable		1,994	564
Inventories	5	116,720	103,516
Prepaid expenses		2,320	3,024
Derivative financial instruments		863	308
		530,811	442,785
Non-current assets:			
Property, plant and equipment	8	422,989	409,147
Intangible assets	8	14,444	14,501
Employee benefit plan assets		6,935	6,721
Deferred tax assets		818	1,060
		445,186	431,429
Total assets		975,997	874,214
Equity and Liabilities			
Current liabilities:			
Trade payables and other liabilities		63,670	71,448
Income taxes payable		1,555	6,226
Derivative financial instruments		98	348
		65,323	78,022
Non-current liabilities:			
Employee benefit plan liabilities		10,522	9,253
Deferred income		15,272	15,424
Provisions		760	760
Deferred tax liabilities		40,656	43,486
		67,210	68,923
Total liabilities		132,533	146,945
Equity:			
Share capital		29,195	29,195
Reserves		596	(29)
Retained earnings		788,636	676,478
Total equity attributable to equity holders of the Company		818,427	705,644
Non-controlling interests		25,037	21,625
Total equity		843,464	727,269
Total equity and liabilities		975,997	874,214

See accompanying notes to condensed consolidated financial statements.

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

		Quarter Ended (Note 2)		Year Ended (Note 2)	
	Note	December 31 2017	December 25 2016	December 31 2017	December 25 2016
Revenue		222,323	215,550	886,774	822,532
Cost of sales		(152,629)	(146,100)	(609,748)	(553,233)
Gross profit		69,694	69,450	277,026	269,299
Sales, marketing and distribution expenses		(16,127)	(16,262)	(67,190)	(63,247)
General and administrative expenses		(6,484)	(5,924)	(32,725)	(27,979)
Research and technical expenses		(3,908)	(4,244)	(15,602)	(17,168)
Pre-production expenses		(77)	(301)	(446)	(1,439)
Other income (expenses)	6	2	(66)	1,668	(1,669)
Income from operations		43,100	42,653	162,731	157,797
Finance income		660	236	1,974	670
Finance expense		(966)	(94)	(3,164)	(453)
Income before income taxes		42,794	42,795	161,541	158,014
Income tax expense	7	(2,333)	(13,184)	(38,831)	(49,813)
Net income for the period		40,461	29,611	122,710	108,201
Attributable to:					
Equity holders of the Company		39,633	28,578	119,298	104,344
Non-controlling interests		828	1,033	3,412	3,857
		40,461	29,611	122,710	108,201
Basic and diluted earnings per share - cents	10	61	44	184	161

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

		Quarter Ended (Note 2)		Year Ended (Note 2)	
	Note	December 31 2017	December 25 2016	December 31 2017	December 25 2016
Net income for the period		40,461	29,611	122,710	108,201
Items that will not be reclassified to the statements of income:					
Cash flow hedge gains (losses) recognized		133	-	133	(3)
Cash flow hedge losses transferred to property, plant and equipment		-	-	-	19
Employee benefit plan remeasurements		(56)	2,516	(56)	2,516
Income tax effect		(1,003)	(847)	(1,003)	(847)
		(926)	1,669	(926)	1,685
Items that are or may be reclassified subsequently to the statements of income:					
Cash flow hedge (losses) gains recognized		(116)	(668)	2,089	961
Cash flow hedge (gains) losses transferred to the statements of income	6	(351)	(178)	(1,417)	626
Income tax effect		125	226	(180)	(424)
		(342)	(620)	492	1,163
Other comprehensive (loss) income for the period - net of income tax		(1,268)	1,049	(434)	2,848
Comprehensive income for the period		39,193	30,660	122,276	111,049
Attributable to:					
Equity holders of the Company		38,365	29,627	118,864	107,192
Non-controlling interests		828	1,033	3,412	3,857
		39,193	30,660	122,276	111,049

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 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		-	745	-	745	-	745
Cash flow hedge losses transferred to the statements of income, net of tax		-	415	-	415	-	415
Cash flow hedge losses transferred to property, plant and equipment		-	19	-	19	-	19
Employee benefit plan remeasurements, net of tax		-	-	1,669	1,669	-	1,669
Other comprehensive income		-	1,179	1,669	2,848	-	2,848
Net income for the period		-	-	104,344	104,344	3,857	108,201
Comprehensive income for the period		-	1,179	106,013	107,192	3,857	111,049
Dividends	9	-	-	(5,894)	(5,894)	(1,277)	(7,171)
Balance at December 25, 2016		29,195	(29)	676,478	705,644	21,625	727,269

	Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at December 26, 2016		29,195	(29)	676,478	705,644	21,625	727,269
Comprehensive income for the period							
Cash flow hedge gains, net of tax		-	1,664	-	1,664	-	1,664
Cash flow hedge gains transferred to the statements of income, net of tax		-	(1,039)	-	(1,039)	-	(1,039)
Employee benefit plan remeasurements, net of tax		-	-	(1,059)	(1,059)	-	(1,059)
Other comprehensive income (loss)		-	625	(1,059)	(434)	-	(434)
Net income for the period		-	-	119,298	119,298	3,412	122,710
Comprehensive income for the period		-	625	118,239	118,864	3,412	122,276
Dividends	9	-	-	(6,081)	(6,081)	-	(6,081)
Balance at December 31, 2017		29,195	596	788,636	818,427	25,037	843,464

See accompanying notes to condensed consolidated financial statements.

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

		Quarter Ended (Note 2)		Year Ended (Note 2)	
	Note	December 31 2017	December 25 2016	December 31 2017	December 25 2016
Cash provided by (used in):					
Operating activities:					
Net income for the period		40,461	29,611	122,710	108,201
Items not involving cash:					
Depreciation		10,078	9,059	38,565	35,054
Amortization - deferred income		(455)	(372)	(1,704)	(1,536)
Amortization - intangible assets		154	168	632	666
Employee defined benefit plan expenses		673	604	3,346	3,219
Net finance expense (income)		306	(142)	1,190	(217)
Income tax expense		2,333	13,184	38,831	49,813
Other		(170)	(2,075)	(3,675)	(3,552)
Cash flow from operating activities before the following		53,380	50,037	199,895	191,648
Change in working capital:					
Trade and other receivables		1,382	(3,026)	7,193	(16,343)
Inventories		(3,179)	1,787	(13,204)	(7,018)
Prepaid expenses		1,693	953	704	387
Trade payables and other liabilities		(4,074)	(3,582)	(7,893)	2,874
Employee defined benefit plan contributions		(889)	(394)	(2,093)	(1,532)
Income tax paid		(7,199)	(6,654)	(45,276)	(44,491)
Interest received		597	203	1,856	549
Interest paid		(873)	(3)	(2,816)	(67)
Net cash from operating activities		40,838	39,321	138,366	126,007
Investing activities:					
Acquisition of property, plant and equipment - net		(10,472)	(24,077)	(51,084)	(72,240)
Acquisition of intangible assets		(157)	(259)	(575)	(430)
		(10,629)	(24,336)	(51,659)	(72,670)
Financing activities:					
Dividends paid	9	(1,563)	(1,481)	(5,973)	(5,862)
Dividend paid to non-controlling interests in subsidiary		-	-	-	(1,277)
		(1,563)	(1,481)	(5,973)	(7,139)
Change in cash and cash equivalents		28,646	13,504	80,734	46,198
Cash and cash equivalents, beginning of period		263,313	197,721	211,225	165,027
Cash and cash equivalents, end of period		291,959	211,225	291,959	211,225

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 25, 2016, 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 25, 2016, which are included in the Company's 2016 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 2017 fiscal year comprised 53 weeks and the 2016 fiscal year comprised 52 weeks. Each quarter of 2017 and 2016 comprised 13 weeks with the exception of the first quarter of 2017, which comprised 14 weeks.

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on February 22, 2018.

3. Accounting Standards and Policies Implemented in 2017

(a) Statement of Cash Flows:
The 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 were implemented in the first quarter of 2017 with prospective application and had no impact on the Company's unaudited interim condensed consolidated financial statements.

(b) Customer Financing and Trade Receivables:
The Company has ongoing agreements in place with financial institutions whereby certain extended term trade receivables are sold without recourse in exchange for cash. When the trade receivable is sold, the Company removes them from the balance sheet, recognizes the amount received as the consideration for the transfer and records the corresponding costs within finance expense and general and administrative expenses. The Company assumes the risk on trade receivables not sold, and accordingly, the amounts are included within Trade and Other Receivables.

4. Future Accounting Standards

(a) Financial Instruments:
In July 2014, the final version of IFRS 9 "Financial Instruments" was issued which includes updates to the classification and measurement of financial assets and liabilities, an expected loss impairment model that will require more timely recognition of expected credit losses, and a simplified model for hedge accounting. IFRS 9 is effective for annual and interim reporting periods beginning on or after January 1, 2018. The standard will be implemented by the Company in 2018. The Company does not anticipate a significant impact on the consolidated financial statements.

(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 and interim periods beginning on or after January 1, 2018 and is to be applied retrospectively.

The Company has undertaken a detailed review of contracts entered with key customers and other forms of agreements with customers and has evaluated the provisions under the five-step model specified by the new guidance. In addition, the Company continues to monitor additional interpretive guidance related to the new standard as it becomes available, as well as comparing the conclusions made on specific interpretative issues to other peers in the packaging industry, to the extent that such information is available. The standard will be implemented by the Company in 2018. The Company expects the new revenue recognition guidance will not have a material impact on the consolidated financial statements. The Company intends to adopt the standard retrospectively with the cumulative effect of initially applying the standard recognized at January 1, 2018 in opening retained earnings.

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

(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 and interim reporting 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) Foreign Currency Transactions and Advance Consideration:
In December 2016, IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" was issued to clarify the date that should be used for translation when a foreign currency transaction involves an advance receipt or payment. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The Interpretation is effective for annual and interim reporting periods beginning on or after January 1, 2018 with early adoption permitted. The Interpretation will be adopted by the Company in 2018. While the Company is currently assessing the impact of the Interpretation, management does not expect IFRIC 22 to have a significant impact on the Company's consolidated financial statements.

(e) Uncertainty over Income Tax Treatments:
In June 2017, IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments" was issued and aims to reduce diversity in how companies recognize and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The Interpretation is effective for annual and interim reporting periods beginning on or after January 1, 2019 and is to be applied retrospectively. Early adoption is permitted. While the Company is currently assessing the impact of the Interpretation, management does not expect IFRIC 23 to have a significant impact on the Company's consolidated financial statements and does not expect to early adopt the Interpretation.

5. Inventories

	December 31 2017	December 25 2016
Raw materials	33,459	27,559
Work-in-process	16,496	18,113
Finished goods	57,053	49,254
Spare parts	9,712	8,590
	116,720	103,516

During the fourth quarter of 2017, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $1,286 (2016 - $1,973) and reversals of previously written-down items of $214 (2016 - $156). During 2017, the Company recorded, within cost of sales, inventory write-downs for slow-moving and obsolete inventory of $7,887 (2016 - $7,593) and reversals of previously written-down items of $2,324 (2016 - $2,466).

6. Other Income (Expenses)

	Quarter Ended		Year Ended	
Amounts shown on a net basis	December 31 2017	December 25 2016	December 31 2017	December 25 2016
Foreign exchange (loss) gain	(349)	(244)	251	(1,043)
Cash flow hedge gains (losses) transferred from other comprehensive income	351	178	1,417	(626)
	2	(66)	1,668	(1,669)

7. Income Tax Expense

As a result of United States tax reform enacted in December 2017, the Company was required to recalculate the deferred tax asset and liability amounts pertaining to the temporary differences within its US subsidiaries. This resulted in an income tax recovery of $11,090 on the condensed consolidated statement of income. Excluding this item, the weighted average of the annual income tax rates used for the quarter ended December 31, 2017 was 31.4% (2016 - 30.8%) and for the year ended December 31, 2017 was 30.9% (2016 - 31.5%). Going forward, the Company expects a reduction in the consolidated effective income tax rate. The Company's consolidated effective income tax rate prior to US tax reform ranged from 30.5% to 31.5%. Given the US federal statutory income tax rate decreased from 35.0% to 21.0%, the Company's consolidated effective income tax rate for 2018 and subsequent years is expected to be in the range of 26.0% to 28.0% which includes the US federal and state statutory income tax rates. The Base Erosion Anti-Abuse Tax (BEAT) includes provisions that limit certain tax-deductible payments made to foreign affiliates which could impose additional taxes on corporations. The Company is currently assessing the potential exposure, if any, with respect to the BEAT.

8. Property, Plant and Equipment and Intangible Assets

At December 31, 2017, the Company has commitments to purchase property, plant and equipment of $14,336 (December 25, 2016 - $26,766). No impairment losses or impairment reversals were recognized during 2017 or 2016.

9. Dividends

During the fourth quarter of 2017, dividends in Canadian dollars of 3 cents per common share were declared (2016 - 3 cents) and on a year-to-date basis, 12 cents per common share were declared (2016 - 12 cents).

10. Earnings Per Share

	Quarter Ended		Year Ended	
	December 31 2017	December 25 2016	December 31 2017	December 25 2016
Net income attributable to equity holders of the Company	39,633	28,578	119,298	104,344
Weighted average shares outstanding (000's)	65,000	65,000	65,000	65,000
Basic and diluted earnings per share - cents	61	44	184	161

11. 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 December 31, 2017</u>				
Foreign currency forward contracts - net	-	765	-	765
<u>At December 25, 2016</u>				
Foreign currency forward contracts - net	-	(40)	-	(40)

12. 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 December 31, 2017, the supplier rebate receivable balance that was offset was $6,191 (2016 - $5,064).

13. 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.

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

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 income (expenses). As a result of the Company's CDN dollar net asset monetary position as at December 31, 2017, a one-cent change in the period-end foreign exchange rate from 0.7949 to 0.7849 (CDN to US dollars) would have decreased net income by $152 for 2017. Conversely, a one-cent change in the period-end foreign exchange rate from 0.7949 to 0.8049 (CDN to US dollars) would have increased net income by $152 for 2017.

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 fourth quarter of 2017 and the Company realized pre-tax foreign exchange gains of $351 (year-to-date - realized foreign exchange gains of $1,417). Of these foreign exchange differences, gains of $351 were recorded in other income (expenses) (year-to-date gains - $1,417) and $0 was recorded in property, plant and equipment (year-to-date - $0). During the fourth quarter of 2016, the Company realized pre-tax foreign exchange gains of $178 (year-to-date - realized pre-tax foreign exchange losses of $645). Of these foreign exchange differences, gains of $178 were recorded in other income (expenses) (year-to-date losses - $626) and $0 was recorded in property, plant and equipment (year-to-date losses - $19).

As at December 31, 2017, the Company had US to CDN dollar foreign currency forward contracts outstanding with a notional amount of US $32.0 million at an average exchange rate of 1.2813 maturing between January and September 2018. The fair value of these financial instruments was $765 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 December 31, 2017 cash and cash equivalents balance of $292.0 million, a 1.0 percent increase/decrease in interest rate fluctuations would increase/decrease income before income taxes by $2,920 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 ended December 31, 2017, 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.

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 $292.0 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 2018. The Company's trade payables and other liabilities and derivative financial instrument liabilities are virtually all due within twelve months.

Operating Leases

The Company rents premises and equipment under operating leases that expire at various dates until April 30, 2020. The aggregate minimum rentals payable for these leases are as follows:

Year	2018	2019	2020	2021	2022	Thereafter	Total
Amount	1,003	651	165	-	-	-	1,819

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.

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

The following table details the maximum exposure to the Company's counterparty credit risk which represents the carrying value of the financial asset:

	December 31 2017	December 25 2016
Cash and cash equivalents	291,959	211,225
Trade and other receivables	116,955	124,148
Foreign currency forward contracts	863	308
	409,777	335,681

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.

During 2017, the Company entered into ongoing agreements to sell certain extended term trade receivables without recourse to financial institutions in exchange for cash. During the fourth quarter of 2017, the Company incurred costs on the sale of trade receivables of $1,249 (year-to-date - $4,094). Of these costs, $860 was recorded in finance expense (year-to-date - $2,713) and $389 was recorded in general and administrative expenses (year-to-date - $1,381).

As at December 31, 2017, 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, c) the sale of certain extended term trade receivables without recourse, and d) 32 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 38 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:

	December 31 2017	December 25 2016
Current - neither impaired nor past due	99,073	107,044
Not impaired but past the due date:		
Within 30 days	16,633	15,658
31 - 60 days	1,383	1,492
Over 60 days	521	749
	117,610	124,943
Less: Allowance for doubtful accounts	(655)	(795)
Total trade and other receivables, net	116,955	124,148

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

14. 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 December 31, 2017	179,053	32,911	10,359	222,323
Quarter ended December 25, 2016	173,950	29,703	11,897	215,550
Year ended December 31, 2017	713,947	131,730	41,097	886,774
Year ended December 25, 2016	676,262	104,151	42,119	822,532
Property, Plant and Equipment and Intangible Assets				
As at December 31, 2017	218,540	217,695	1,198	437,433
As at December 25, 2016	204,178	218,235	1,235	423,648

15. 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.