

**CEO
CFO**



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Providing Plastic Packaging Materials For Perishable Foods That Are Staples And People Are Dependent On To Eat Everyday – Even In A Slowed Economy, Winpak Has Had The Best Quarter They’ve Had In The Last Five Years

**Industrial Products
Packaging and Containers
(WPK-TSX)**

Winpak Ltd.

**100 Saulteaux Crescent
Winnipeg MB Canada R3J 3T3
Phone: 204-889-1015**

**Bruce J. Berry
President and CEO**

**Kenneth P. Kuchma
Vice President and CFO**

Company Profile:

Winpak Ltd. manufactures and distributes high-quality packaging materials and related packaging machines. The Company's products are used primarily for the protection of perishable foods, beverages, and in health care applications.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Berry, what is the focus of Winpak today?

Mr. Berry: “Our focus has been fairly constant since the company was first started back in the mid-1970’s. We focus primarily on the food industry for highly perishable food products such as meat, cheese, and fish. Those are the main markets; we are extruders of plastics, sophisticated plastics used in high-barrier applications.”

CEOCFO: What is your geographic reach?

Mr. Berry: “We are a publicly traded company in which 52% of the shares are owned by a group out of Helsinki Finland. We have basically the Americas and they have Europe and the former Eastern Block countries and we work jointly together in Southeast Asia.”

CEOCFO: Would you describe the competitive landscape?

Mr. Berry: “In the area we participate in we compete with major companies such as ALCAN, and Bemis Corporation through their Curwood division and Sealed Air Cryovac, being our main competitors on the flexible side of our business. On the rigid side of the business, we compete with people like Pactiv, Amcor, Berry Packaging that are also in that industry. So those are big names. Because we are in sophisticated materials very few of our competitors other than the ones mentioned have the technology to compete with sophisticated materials that we produce.”

CEOCFO: Please tell us about the materials; what do you produce that is different?

Mr. Berry: “Basically our expertise is in co-extrusion of materials. In other words, we are not in commodity type polyethylene such as carrier bags from the supermarkets or garbage bags. The materials we produce are multi-layer and a number of different resins

that are involved in each one having a different function being an oxygen barrier, a moisture barrier and sealing characteristics for strength. All of those are combined into one structure to provide the necessary barrier properties required for packaging.”

CEOCFO: What is an example of the type of product that would need this specialized packaging?

Mr. Berry: “The one that would be most familiar to everybody would be that bacon package that you struggle to get into and you have to use scissors to open it up. That particular package material has anywhere from three to eight layers of materials that are used to package bacon. Taking that further would be hotdogs, wieners, cheese, smoked salmon or frozen fish products and our other area would be things like yogurt products, those little creamers that you pour in your coffee in the morning; the little cups.”

CEOCFO: Is most of your business in the food and beverage; how does that break down and what are some of the other things you do?

Mr. Berry: “Approximately 90% of our business is in the food industry and pharmaceutical or healthcare applications. The other 10% would be minor, which would be certain industrial applications outside the food industry. Of the 90%, the majority of that is food related packaging.”

CEOCFO: What, if anything, has changed for you under the current economic scenario?

Mr. Berry: “I would not say that we are recession-proof, but we are the closest thing to it and that is the products that we package are for the staple foods that people are dependent on to eat everyday. So that is a plus and the various food products that I mentioned. In other words we are not in the chocolate bar business, snack food industry, which are more luxury items. Therefore, the economy really hasn’t had such a drastic impact on our business.”

CEOCFO: Are your products off-the-shelf or customized?

Mr. Berry: “Both actually. We have a lot of stock items that we sell to customers, but we are also working on customizing products for particular customers. In the case of our flexible materials, a lot of our products are printed to the customer’s design and logo etc, and similarly on the rigid side of our business, a lot of the products are there as well. With some of our rigid materials there is a specific shape of cup or container required, so we work closely with the major food companies to design that particular product.”

CEOCFO: What is new in the packaging industry?

Mr. Berry: “There is a lot new in the packaging industry. The packaging industry today has moved toward more and more convenience items. Because of the fast pace of life, the aging population is requiring certain changes in peoples eating habits. So the nicest thing about this business is that constantly coming up with new packaging applications.”

CEOCFO: How do you reach

Mr. Berry: “We have a sales force and agents we have representatives out there. In addition of distributors, so we have customers either through our distributor network.”

CEOCFO: What is the fit today?

Mr. Berry: “The financial good; we came off a pretty good tremely positive. We came off a we are a Canadian company So the dollar had a positive with the weak Canadian dollar our business is coming from the

Also with petrochemical prices dropping that also had an impact on our business, because the majority of our products are petrochemical based and they stem from natural gas.”

“People should remember that Winkpak is a company that has grown constantly ever since our existence. We have never gone backwards, and every year we continue to improve. The most notable thing about the company is our commitment to future growth and that is evident by the fact that we have continued to invest very heavily in capital projects over the last five years in excess of \$150 million in capital projects. This year we are anticipating to invest another \$30 million and very few companies can boast that as a percentage of their overall sales devoted to future growth and capital. We are very much a company that is committed to growth, and we have proven that we are capable of doing that.” - Bruce J. Berry

the major food companies are products requiring new

your customers?
force and between our sales probably close to 75 sales rep- tion to that we have a vast net- various ways of reaching our direct sales reps or through our

nancial picture for Winkpak

picture for Winkpak is very 2008, are numbers were ex- very good year mainly because selling into the United States. impact on our performance, vs. the US dollar and 75% of US, which was certainly a plus.

Mr. Kuchma: “In the 4th Quarter we had our best quarter in the last five years, so from that perspective it was very favorable. Our net earnings for the year were just over \$29.3 million in US dollars.”

CEOCFO: How does it look going forward?

Mr. Kuchma: "I would say it looks fairly positive. Certainly, with the lower value of the Canadian dollar, that is positive for us, because we do have four plants in Canada; we have five in the US. With the Canadian plants, all of our labor and overhead is in Canadian dollars, so being at a cheaper rate does help. In addition, the lower price of raw materials in the last few months going forward should have a favorable impact on our margins. The only area of some concern is the overall general economic environment. As Bruce mentioned, we are somewhat insulated from that by the markets that we participate in, but certainly everybody is impacted to some degree, given the magnitude of the downturn that is being experienced around the world, primarily in the US and Canada the markets that we participate in."

CEOCFO: What is the advantage of the nine manufacturing facilities?

Mr. Berry: "We have nine, however they are operated as six independent business units. The reason for that is each one of the business units have a completely different line of products. I mentioned earlier the breakdown of our products is basically flexible and rigid, and we also have a machinery division. On the flexible side we have four plants and on the rigid and lid side we also have four plants plus one machinery plant. The two rigid and lids plants make basically the same thing, one is based in Canada and one is in the United States, similarly on the rigid side one is based in Toronto and the other is based in the Chicago area. Those products are basically the same. Shipping has something to do with that, specifically in the case of the rigid business shipping costs, which are a factor and that is not so much the fact in the lidding business or in our flexible business. With the flexible business our plants firmly specialize in high-barrier materials used in the modified atmosphere packaging business and the one plant in Georgia specializes in making shrink bags. Our plant in Canada specializes more in material for thermal forming applications."

CEOCFO: At Wipak, "people make the difference". Tell us a little about what you look for in your people and what they are doing that makes your staff and your people so important for you.

Mr. Berry: "Our sales are in excess of \$500 million, but we still pride ourselves on being an entrepreneurial based company and because of that people are what make it. Our people are very much committed to the business. We have a very loyal workforce, but it is a two-way street. We treat our people well and our people treat us well as far as the company is concerned. That is all part of team building and we have been very successful with that."

Mr. Kuchma: "We would like to maintain to the best of our ability a family-type atmosphere as far as our relationships with our employees and hopefully we are successful doing it."

CEOCFO: What about the area?

Mr. Berry: "We invest in annually in R&D and as I affiliated with a group of on the packaging side of our holder owns 52% of Wipak company in Europe, where plants there. We pride customers a window to the have access to a vast network of America and Europe."

CEOCFO: Why should potential investors pay attention to Wipak?

Mr. Kuchma: "Certainly in people are looking for companies with strong balance sheets, and Wipak certainly debt-free on our balance sheet, position going forward as far as sort of thing. Therefore, we are investment opportunities that the future and certainly, with chances of acquisition opportunities becoming available at a reasonable price I think are that good year in 2008, but we have become a public company, 1986. So we are very stable business has generated a fair

"Certainly in these economic times I think people are looking for companies with strong balance sheets, and Wipak certainly has that. We at this point are debt-free on our balance sheet, so we are in a very strong position going forward as far as banking arrangements and that sort of thing. Therefore, we are able to respond to any strategic investment opportunities that might present themselves in the future and certainly, with this economic environment the chances of acquisition opportunities becoming available at a reasonable price I think are that much greater. We came off a good year in 2008, but we have been profitable ever since we became a public company, every single quarter since 1986. So we are very stable from that perspective. Our business has generated a fair amount of cash and the prospects going forward look favorable for us with the raw materials situation having settled down considerably from where we were half way through 2008. In this market we participate in, the economic downturn that is affecting the entire world shouldn't impact us to the same degree that it does many others." - Kenneth P. Kuchma

research and development

excess of 2% of our gross sales mentioned earlier, we are also companies out of Europe also business. Our major share-and he owns 100% of the there are twelve packaging ourselves in offering our world as we refer to it, and developments both in North

tial investors pay attention to

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CEOCFO: What should people remember most about Winpak, and what might people miss that they should understand?

Mr. Berry: "People should remember that Winpak is a company that has grown constantly ever since our existence. We have never gone backwards, and every year we continue to improve. The most notable thing about the company is our commitment to future growth and that is evident by the fact that we have continued to invest very heavily in capital projects over the last five years in excess of \$150 million in capital projects. This year we are anticipating to invest another \$30 million and very few companies can boast that as a percentage of their overall sales devoted to future growth and capital. We are very much a company that is committed to growth, and we have proven that we are capable of doing that."



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