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DuPont Canada Inc.

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## DuPont Canada Reports Fourth Quarter Sales and Earnings

MISSISSAUGA, ONTARIO, January 24, 2002 - DuPont Canada Inc. (TSE: DUP.A), a leading diversified science company, today announced results for the fourth quarter ended December 31, 2001.

### Financial Review

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Fourth quarter sales were \$483 million, down \$58 million or 11% from last year's record fourth quarter. Export sales of \$241 million were \$21 million or 8% below fourth quarter 2000, while domestic sales of \$242 million were down by \$37 million or 13%.

Sales results were below last year across our five segments, reflecting the continuing general economic downturn, which worsened following the terrorist attacks in the United States. The fourth quarter sales of our Nylon Enterprise segment were \$167 million, which represented a decline of \$24 million or 12% below 2000. Our Performance Coatings and Polymers segment had sales of \$125 million that were \$13 million or 9% under last year. Sales of \$96 million by our Polymers and Films segment dropped \$5 million or 5% compared with 2000. Our Specialty Materials segment fell under last year's result by \$9 million or 14% with sales of \$52 million. And, our Specialty Fibres segment recorded \$48 million of sales that were down \$6 million or 11%.

"We believe that negative consequences on the company from the downturn, such as from inventory control decisions in major North American markets, were lessened by our balanced business portfolio, rigorous process management, and strong competitive position," said Dave Colcleugh, Chairman, President and Chief Executive Officer of DuPont Canada Inc.

Fourth quarter manufactured variable margins as a percent of sales were the strongest recorded this year, improving 6% over third quarter 2001 and 2% over fourth quarter 2000 as a result of lower raw material and energy prices. However, this gain was totally offset by lower sales volumes.

Net earnings for the quarter were \$45.6 million or \$0.16 per share, compared with \$74.9 million or \$0.27 per share last year. On a diluted basis, earnings per share decreased from \$0.27 to \$0.16.

Year-to-date sales of \$2,191 million were down \$98 million or 4% from 2000. Net earnings were \$221.6 million, a decrease of \$47.9 million or 18%. Basic earnings per share were down \$0.17 to \$0.80. Diluted earnings per share were \$0.79, compared with \$0.96 in 2000.

"Although we foresee continuing market softness into the first quarter," said Mr. Colcleugh, "we anticipate that positive momentum will build as the year progresses. As in past economic downturns and recoveries, with the strength of our people and business operations, we have the capacity and the capability to take advantage of an upturn. We will also continue to pursue various opportunities to position DuPont Canada for future growth in our business portfolio."

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Quarterly News - DuPont Canada Inc.

## **Company Developments**

At the start of December, James R. (Jim) Barton was promoted to the position of Chief Operating Officer of DuPont Canada. Mr. Barton has held a number of positions since he joined DuPont Canada in 1970, including Vice-President and Business Director, Performance Coatings, and, most recently he was Vice-President, Operations and Sustainable Growth.

Two other senior executive appointments took effect in DuPont Canada at the start of 2002. Arthur B. (Art) Heeney was promoted to Vice-President - Human Resources and Ash K. Sahi was promoted to Vice-President. Mr. Heeney joined the company in 1973 and has had a variety of roles, including Manager of our Whitby and then our Maitland sites, and most recently as Director of Human Resources for DuPont Canada. Mr. Sahi, who joined DuPont Canada in 1978, will continue in his role as President and CEO of Enhance Packaging Technologies Inc., based in Whitby, Ontario.

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

### **Income Statement**

#### ***NYLON ENTERPRISE***

Sales of \$167 million for the Nylon Enterprise were \$24 million or 12% below 2000. This segment's after-tax operating income (ATOI) of \$17.7 million was essentially flat compared with last year. Year-to-date sales of \$769 million were \$38 million or 5% below last year. Year-to-date ATOI of \$65.8 million was \$29.8 million or 31% under 2000.

Our Flooring Systems business unit had fourth quarter sales of \$75 million, which were \$3 million or 4% below 2000. Markets for the unit were generally soft throughout the quarter. The commercial market, for example, was especially weak as businesses cut back on what they considered to be discretionary expenditures, such as carpeting, in the midst of the economic downturn. The decline in demand resulted in a production curtailment at our Kingston manufacturing facility.

The Nylon Industrial Specialties business unit recorded \$49 million in sales, which were \$4 million or 8% under last year. Results for the unit were affected by the weakness in the automotive and industrial sectors, and by customers reducing inventory levels. The unit advanced a maintenance shutdown to December from second quarter 2002. With the shutdown completed, the unit is now well positioned in the event of an upturn.

Our Nylon Intermediates business unit's sales were \$29 million. This result was \$9 million or 24% below fourth quarter 2000. Volumes were reduced across most of the unit's product lines. Prices are dropping in the market as a result of producers' global excess capacity. It is anticipated that sales will remain soft into the first quarter of 2002.

Sales of \$14 million by the Nylon Apparel business unit were \$7 million or 34% under last year, largely reflecting reduced exports of nylon flake and the significant slowdown in the apparel market worldwide. This situation is expected to remain unchanged in the coming months.

## **PERFORMANCE COATINGS AND POLYMERS**

Fourth quarter sales for our Performance Coatings and Polymers segment of \$125 million were \$13 million or 9% below 2000. ATOI of \$8.9 million was 50% under last year's result. Year-to-date sales of \$501 million were \$50 million or 9% below last year. Year-to-date ATOI of \$42.6 million was \$20.3 million or 32% under 2000.

Our Engineering Polymers business unit finished the fourth quarter with sales of \$60 million, which were \$2 million or 3% below last year. The unit experienced general softness in its markets. Sales to the automotive market were mixed. Although markets are expected to remain soft in the early part of 2002, the unit is expecting to receive increased benefits from its drive for expanded market share in the coming months.

Overall, our Performance Coatings business unit had sales of \$55 million, which were \$11 million or 16% under 2000. Although the North American automotive industry maintained aggressive incentives to attract buyers, the original equipment manufacturers component of the Performance Coatings business unit saw little improvement, since many of the vehicles that were sold came from existing inventory. Also, some manufacturers had extended shutdowns during the quarter. As a result, the unit's fourth quarter sales totaled \$30 million, which were \$5 million or 15% below last year. The outlook for 2002 is uncertain. At this point, it appears that the automotive manufacturers are continuing to schedule production shutdowns during the year to more closely manage their inventory levels to match customer demand.

The refinish component of Performance Coatings also faced a challenging market during the quarter and achieved \$25 million in sales, which were \$5 million or 17% below 2000. The heavy-duty truck market remained very weak overall and there is no sign of an early recovery. The unit is expecting to have a difficult first quarter.

Our Elastomers and other Polymers business unit achieved \$10 million in sales, which were \$1 million or 6% below last year.

## **SPECIALTY FIBRES**

Our Specialty Fibres segment recorded fourth quarter sales of \$48 million, which were \$6 million or 11% below last year. The segment's ATOI of \$6.0 million was \$0.7 million or 14% above 2000. Year-to-date sales of \$216 million were \$6 million or 3% under last year's result, while ATOI of \$22.8 million was \$1.3 million or 6% above last year.

The Lycra<sup>®</sup> business unit led this segment with sales of \$25 million for the quarter, which were \$1 million or 5% below 2000. The personal care market pushed demand for Lycra<sup>®</sup>, primarily for use in infant diapers. In the latter part of the quarter, however, demand weakened as customers reduced their inventories for the year-end. Demand is expected to remain steady in the first quarter.

Fourth quarter sales for our Advanced Fibre Systems business unit were \$15 million, which were \$1 million or 8% under last year. Demand was relatively strong at the start of the quarter, with particularly robust sales for Kevlar® life protection products due to increased demand for Canadian fabrics in the U.S. marketplace. However, this business unit, similar to others, saw progressive weakness in the quarter as customers reduced inventories for year-end.

Sales of \$6 million in the Nonwoven business unit were 6% above last year. This positive result was due to high sales of Tyvek Homewrap® to the construction industry, which took advantage of the mild fall and winter weather to continue work. Sales are expected to remain strong into 2002.

The Dacron® business unit's sales of \$2 million were 63% below 2000.

## **SPECIALTY MATERIALS**

Sales of \$52 million in the Specialty Materials segment were \$9 million or 14% below fourth quarter 2000. The segment's ATOI of \$1.6 million was on a par with last year. Year-to-date sales of \$324 million were \$32 million or 9% below 2000, and the unit's ATOI of \$18.4 million was \$3.8 million or 26% above.

The Agricultural Products unit chose to not fill its distribution channels in advance of the 2002 growing season, based upon the overall lower market expenditures on crop protection products experienced in 2001. As a result, the unit's fourth quarter sales were \$9 million below last year. The unit anticipates stronger sales in 2002 as it begins to fill distribution channels in the New Year.

Our White Pigment business unit had \$23 million in sales, which were \$2 million or 7% below 2000. Sales were strong at the start of the quarter and were buoyed by domestic demand. Results weakened in December, however, as customers reduced orders to control inventory at year-end. Prices also began to fall during December, and there was considerable pressure as competitors struggled to maintain or gain market share. Although the unit experienced softening in the paper market and pressure from offshore competitors, it was able to gain share in its key markets. Prices are expected to stabilize in the first quarter, although demand in the paper market is expected to remain depressed.

Fourth quarter sales for our Fluoroproducts business unit were \$18 million, which were \$1 million or 6% below last year. Sales of fluoropolymers were particularly hard hit by the poorer business climate in the electronics market. The unit expects continued softness initially in 2002.

Our Chemical Solutions business unit recorded \$7 million of sales, which were 6% under 2000. Revenue from new growth products – such as Oxone® and glycolic acid, both used in cleaning applications – helped to boost sales. By comparison, sales of more mature industrial products were lower. The unit expects this situation to continue into the first quarter.

Brookdale achieved strong fourth quarter sales of over \$3 million, which were significantly above last year's result. The company, which manufactures the EVAC-U8® state-of-the-art personal respiratory protection escape device, completed a number of orders to large U.S. government and police agencies. Interest in the device grew considerably following the September terrorist attacks.

## **SPECIALTY POLYMERS AND FILMS**

The Specialty Polymers and Films segment recorded \$96 million in fourth quarter sales, which were \$5 million or 5% under last year. ATOI of \$5.3 million was \$7.4 million or 59% under last year. Year-to-date sales of \$395 million were \$27 million or 7% ahead of 2000, and the unit's ATOI of \$23.7 million was \$6.4 million or 21% behind last year.

Enhance Packaging Technologies Inc. led this segment with fourth quarter sales of \$36 million, which were essentially flat compared with 2000. Volumes were down for Dartek<sup>®</sup> and SclairFilm<sup>®</sup> on the film side of the unit, as customers corrected their inventories. The unit expects to see more robust sales in the first quarter of 2002. Sales of Prepac liquid packaging equipment were very good during the fourth quarter, and are expected to remain strong into 2002.

The Modified Polymers business unit had sales of \$35 million, which were \$2 million or 6% below 2000. The weakness in the automotive industry contributed to reduced volume. Modest strength in sales of Fusabond<sup>®</sup> for construction applications and Bynel<sup>®</sup> for the food packaging sector helped results in the quarter.

Our Butacite<sup>®</sup> business unit reported \$8 million in sales. This result was \$1 million or 15% above 2000. The unit was able to build its market share, but weakness in the automotive sector drove the volumes down. This situation is not expected to improve in the first quarter.

Fourth quarter sales of \$10 million were on a par with last year for our Packaging and Industrial Polymers business unit.

## **BALANCE SHEET**

Our consolidated balance sheet remains strong with total assets decreasing \$27 million in the quarter to \$2,231 million. Total assets increased \$125 million or 6% over December 2000.

Days sales outstanding, a measure of total customer collections, decreased to 59 days (compared with 62 days in September) and increased by two days above December of last year. This is in keeping with export sales being a higher proportion of total sales. A decrease of \$45 million (11%) in accounts receivable from December 2000 is largely due to lower revenue in the quarter.

Inventory days supply was 72 days (up 4 from September) and up 11 days from December 2000. The increase in inventory days supply is a reflection of lower fourth quarter sales.

## **CASH FLOW**

Cash flow from operating activities remained strong at \$47 million for the fourth quarter vs. \$55 million last year, bringing full year cash flow to \$279 million, an increase of \$22 million over last year. During the fourth quarter, we provided funding of \$28 million to the company's Supplemental Employees Retirement Plan, the net effect of which was a \$14 million reduction in reported operating cash flow.

We applied \$31 million to investment activities, a decrease of \$18 million from last year's fourth quarter. Full year investment spending of \$98 million compared to last year at \$133 million. We

used \$26 million in financing activities in the quarter, a decrease of \$5 million from last year, reflecting an \$8 million increase in dividend payments offset by a \$12 million reduction in share repurchase activity under our Normal Course Issuer Bid. For the full year, we applied \$101 million to financing activities vs. \$108 million last year.

Our cash position at \$790 million reflects a decrease of \$10 million from the third quarter and an increase of \$79 million vs. December 2000.

## **OUTLOOK**

We are currently in the midst of a difficult business climate which we expect will continue through early 2002. Although there are some encouraging signs that this cycle may be at or near bottom, the timing of a recovery remains uncertain. Throughout this period ahead we will be well served by our longstanding focus on operational excellence and cost control. We will continue to pursue new growth opportunities, develop premium products and advance our production capacity so that we can act swiftly and decisively as market conditions improve.

**Forward-Looking Statements:** This release contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents which may be filed with the Ontario Securities Commission and/or the Toronto Stock Exchange, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which the company does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw materials, research and development of new products, including regulatory approval and market acceptance; and seasonality of sales of agricultural products.

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The DuPont Oval, Butacite<sup>®</sup>, Bynel<sup>®</sup>, Dacron<sup>®</sup>, Tyvek Homewrap<sup>®</sup>, Kevlar<sup>®</sup>, Lycra<sup>®</sup>, Oxone<sup>®</sup>, Suva<sup>®</sup>, and Teflon<sup>®</sup> are registered trademarks of E.I. du Pont de Nemours and Company. DuPont Canada Inc. is a licensee.

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EVAC-U8<sup>®</sup> is a registered trademark of Brookdale International Systems Inc.

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**DuPont Canada Inc.**

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS (UNAUDITED)

(In thousands of Canadian dollars except per share)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2001	2000	2001	2000
Net sales (Note 2)	\$ 482 555	\$ 540 690	\$ 2 191 144	\$ 2 288 913
Interest and other income	7 915	17 556	43 270	45 277
	<u>490 470</u>	<u>558 246</u>	<u>2 234 414</u>	<u>2 334 190</u>
Cost of goods sold and other operating charges	<u>360 674</u>	<u>403 869</u>	<u>1 670 951</u>	<u>1 713 268</u>
Selling, general and administrative expenses	43 958	33 551	160 938	149 089
Depreciation and amortization	21 179	17 728	82 122	72 070
	<u>425 811</u>	<u>455 148</u>	<u>1 914 011</u>	<u>1 934 427</u>
Earnings before income taxes and minority interest	64 659	103 098	320 403	399 763
Income taxes				
Current	7 381	27 792	92 563	127 273
Future	11 165	283	5 903	2 962
	<u>18 546</u>	<u>28 075</u>	<u>98 466</u>	<u>130 235</u>
Net earnings before minority interest	46 113	75 023	221 937	269 528
Minority interest	( 473 )	( 96 )	( 382 )	( 73 )
Net earnings (Note 2)	\$ <u>45 640</u>	\$ 74 927	\$ <u>221 555</u>	\$ 269 455
Basic earnings per share (Note 3)	\$ 0.16	\$ 0.27	\$ 0.80	\$ 0.97
Diluted earnings per share	\$ 0.16	\$ 0.27	\$ 0.79	\$ 0.96
Dividends declared per share	\$ 0.10	\$ 0.07	\$ 0.37	\$ 0.28
Average number of shares			278 385 377	278 377 124
Diluted average number of shares			280 193 408	279 931 252
Retained earnings at beginning of year			\$ 1 439 586	\$ 1 268 998
Add: Net earnings			221 555	269 455
Adoption of new accounting standard			-	11 568
Less: Dividends declared			104 022	77 896
Excess of consideration paid over stated capital of common shares			13 396	32 539
Retained earnings at end of year			\$ <u>1 543 723</u>	\$ <u>1 439 586</u>

DuPont Canada Inc.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands)

	December 31 2001	December 31 2000
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 790 024	\$ 710 833
Note receivable	35 000	-
Accounts receivable	357 990	402 552
Income taxes recoverable	5 649	-
Inventories	232 077	228 282
Prepaid expenses	6 990	5 770
	<u>1 427 730</u>	<u>1 347 437</u>
Property, plant and equipment	1 545 434	1 478 576
Less: accumulated depreciation	830 351	764 148
	<u>715 083</u>	<u>714 428</u>
Future Income Taxes	5 660	3 443
Other Assets	82 530	40 595
	<u>\$ 2 231 003</u>	<u>\$ 2 105 903</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 352 329	\$ 363 590
Income taxes	-	871
Dividends	27 862	20 359
	<u>380 191</u>	<u>384 820</u>
Long-Term Obligations		
Post-retirement benefits other than pension	68 462	66 540
Other	14 189	15 179
	<u>82 651</u>	<u>81 719</u>
Future Income Taxes	78 241	70 120
Minority Interest	2 388	2 045
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	143 809	127 613
Retained earnings	1 543 723	1 439 586
	<u>1 687 532</u>	<u>1 567 199</u>
	<u>\$ 2 231 003</u>	<u>\$ 2 105 903</u>

DuPont Canada Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)

	Three Months Ended December 31		Twelve Months Ended December 31	
CASH FLOWS FROM (USED IN)	2001	2000	2001	2000
<b>OPERATING ACTIVITIES</b>				
Net earnings	\$ 45 640	\$ 74 927	\$ 221 555	\$ 269 455
Non-cash items in earnings statement:				
Depreciation and amortization	21 179	17 728	82 122	72 070
Future income taxes	11 165	283	5 903	2 962
Minority interest	473	96	382	73
Net change in working capital excluding cash and cash equivalents (Note 4)	( 417 )	(36 128 )	625	(80 065 )
Other	(30 778 )	(1 834 )	(31 851 )	(7 397 )
	<u>47 262</u>	<u>55 072</u>	<u>278 736</u>	<u>257 098</u>
<b>INVESTING ACTIVITIES</b>				
Property, plant and equipment, net	(28 838 )	(46 893 )	(81 060 )	(136 455 )
Acquisition of a business (Note 5)	-	-	(10 578 )	156
Other	(2 035 )	(1 692 )	(6 686 )	3 754
	<u>(30 873 )</u>	<u>(48 585 )</u>	<u>(98 324 )</u>	<u>(132 545 )</u>
<b>FINANCING ACTIVITIES</b>				
Issue of common shares	1 863	539	16 552	9 003
Purchase of common shares	-	(11 578 )	(13 751 )	(33 473 )
Dividends to shareholders	(27 893 )	(20 352 )	(104 022 )	(77 896 )
Reduction in long-term debt	-	-	-	(5 769 )
	<u>(26 030 )</u>	<u>(31 391 )</u>	<u>(101 221 )</u>	<u>(108 135 )</u>
Change in cash and cash equivalents	(9 641 )	(24 904 )	79 191	16 418
Cash and cash equivalents at beginning of year	799 665	735 737	710 833	694 415
Cash and cash equivalents at end of year	\$ <u>790 024</u>	\$ <u>710 833</u>	\$ <u>790 024</u>	\$ <u>710 833</u>

Notes to Consolidated Financial Statements

(In thousands)

Note 1 - Summary of Changes in Significant Accounting Policies

The accounting policies of the interim financial statements are the same as those described in the company's 2000 Annual Report. The disclosures in the interim financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. The interim financial statements should be read in conjunction with the financial statements included in the company's 2000 Annual Report.

Effective January 1, 2001, the company adopted, on a retroactive basis, the new recommendations of the Canadian Institute of Chartered Accountants relating to earnings per share. Under these new recommendations, diluted earnings per share is determined using the treasury stock method for the effect of outstanding share purchase options. The impact of this change on diluted earnings per share is insignificant.

Note 2 - Industry Segment Information

	Three Months Ended December 31		Twelve Months Ended December 31	
	2001	2000	2001	2000
Total segment sales				
Nylon Enterprise	\$ 167 120	\$ 190 757	\$ 769 326	\$ 807 330
Performance Coatings and Polymers	124 893	137 929	501 417	551 279
Specialty Fibres	48 215	53 945	216 020	222 481
Specialty Materials	51 543	60 216	323 799	355 705
Specialty Polymers and Films	95 620	101 020	394 797	367 522
Total sales for reportable segments	<u>487 391</u>	<u>543 867</u>	<u>2 205 359</u>	<u>2 304 317</u>
Elimination of intersegment sales				
Nylon Enterprise	( 8 )	( 3 )	( 59 )	( 22 )
Specialty Fibres	( 29 )	( 14 )	( 116 )	( 204 )
Specialty Materials	(1 694 )	(2 113 )	(8 397 )	(11 042 )
Specialty Polymers and Films	(3 105 )	(1 047 )	(5 643 )	(4 136 )
Total intersegment sales	<u>(4 836 )</u>	<u>(3 177 )</u>	<u>(14 215 )</u>	<u>(15 404 )</u>
Net sales	<u>\$ 482 555</u>	<u>\$ 540 690</u>	<u>\$ 2 191 144</u>	<u>\$ 2 288 913</u>
After-tax operating income to net earnings				
Nylon Enterprise	\$ 17 695	\$ 17 926	\$ 65 808	\$ 95 619
Performance Coatings and Polymers	8 935	17 846	42 620	62 871
Specialty Fibres	5 959	5 249	22 773	21 433
Specialty Materials	1 648	1 626	18 447	14 636
Specialty Polymers and Films	5 252	12 657	23 741	30 156
Reportable segments	<u>39 489</u>	<u>55 304</u>	<u>173 389</u>	<u>224 715</u>
Net financing	4 663	9 230	31 711	25 340
Other corporate	1 488	10 393	16 455	19 400
Net earnings	<u>\$ 45 640</u>	<u>\$ 74 927</u>	<u>\$ 221 555</u>	<u>\$ 269 455</u>
		December 31	December 31	
		2001	2000	
Segment assets				
Nylon Enterprise		\$ 651 586	\$ 680 204	
Performance Coatings and Polymers		155 695	170 079	
Specialty Fibres		66 870	75 366	
Specialty Materials		128 363	143 292	
Specialty Polymers and Films		235 532	229 092	
Reportable segments		<u>1 238 046</u>	<u>1 298 033</u>	
Cash and cash equivalents		790 024	710 833	
Corporate assets		202 933	97 037	
Total assets		<u>\$ 2 231 003</u>	<u>\$ 2 105 903</u>	

Note 3 - Number of Shares

The shares of the Company were split on three-for-one basis as of May, 2001

Note 4 - Financial Information Included In the Consolidated Statements of Cash Flows

Net Change In Working Capital Excluding Cash and Cash Equivalents

	Three Months Ended December 31		Twelve Months Ended December 31	
	2001	2000	2001	2000
Accounts receivable	\$ 80 678	\$ 15 536	\$ 45 674	\$ (64 483 )
Notes receivable	(35 000 )	-	(35 000 )	-
Income taxes	650	( 11 )	(5 649 )	5 833
Inventories	17 666	14 785	2 209	514
Prepaid expenses	(5 244 )	7 669	(1 134 )	4 642
Accounts payable and accrued liabilities	(59 189 )	(74 926 )	(12 105 )	(31 075 )
Income Taxes Payable	-	882	(871 )	882
Dividends	23	( 64 )	7 503	3 620
Other	( 1 )	1	( 2 )	2
	<u>\$ ( 417 )</u>	<u>\$ (36 128 )</u>	<u>\$ 625</u>	<u>\$ (80 065 )</u>
Income taxes paid	<u>\$ 3 721</u>	<u>\$ 28 162</u>	<u>\$ 84 815</u>	<u>\$ 120 571</u>

Note 5 - Acquisition of a Business

Effective May, 2001, the company purchased the Assets of PREPAC SA France for total cash consideration of \$ 10 578. The acquisition has been accounted for by the purchase method and the results of operations have been included in the consolidated statement of earnings. This business will be operated as a subsidiary of Enhance Packaging Technologies Inc. Details of this transaction are as follows:

Current assets	\$ 6 354
Property, plant and equipment	399
Patents	2 098
Net assets acquired	<u>\$ 8 851</u>
Purchase price	10 578
Goodwill	<u>\$ 1 727</u>