WestBond Enterprises Corporation

Quarterly Report
September 30, 2003

BC FORM 51-901F					
Incorporated as part of : Schedules A, B and C					
ISSUER DETAILS NAME OF ISSUER **WestBond Enterprises Corporation**			FOR QUARTER ENDED September 30, 2003		DATE OF REPORT YYYY / MM / DD 2003 / 11 / 10
ISSUER ADDRESS 7871 - 82nd Street					
CITY Delta	PROVINCE BC	POSTAL CODE V4G 1L9		ISSUER FAX NO. (604) 940-9161	ISSUER TELEPHONE NO (604) 940-3939
CONTACT NAME Gennaro Magistrale		CONTACT POSITION President			CONTACT TELEPHONE NO. (604) 940-3939
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CERTIFICATE *The schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.*					
DIRECTOR'S SIGNATURE *"Gennaro Magistrale"*		PRINT FULL NAME Gennaro Magistrale			DATE SIGNED YYYY / MM / DD 2003 / 11 / 10
DIRECTOR'S SIGNATURE *"Owen Granger"*		PRINT FULL NAME Owen Granger			DATE SIGNED YYYY / MM / DD 2003 / 11 / 10

WESTBOND ENTERPRISES CORPORATION
Quarterly Report for the Quarter Ended September 30, 2003

Schedule A: Financial Information

The information required by Schedule A of Form 51-901F is presented in the attached interim consolidated financial statements for September 30, 2003.

Schedule B: Supplementary Information

1. The analysis (breakdown) of expenses (cost of sales, selling expenses and general and administrative expenses) required by Schedule B is shown on the consolidated statements of operations and deficit included as part of Schedule A.

2. Related party transactions are disclosed in note 5 to the interim consolidated financial statements included as part of Schedule A.

3. The following shares were issued during the six months ended September 30, 2003 on the exercise of stock options for cash:

Date of Issuance	Number of Shares Issued	Issued to	Price	Total Proceeds
September 30, 2003	6,833	A former employee	$0.12	$820

The following stock options were granted by the Company during the six months ended September 30, 2003:

Date of Grant	Number of Shares Optioned	Optionee	Exercise Price	Expiry Date
May 6, 2003	100,000	Frank D. Barker, Director	$0.15	May 6, 2008
May 6, 2003	100,000	D. Dan Dawson, Director	$0.15	May 6, 2008

4. The authorized, issued and outstanding share capital of the Company at September 30, 2003 are summarized on the consolidated balance sheets and in note 4 to the interim consolidated financial statements included as part of Schedule A. There are no warrants or other convertible securities of the Company outstanding at September 30, 2003, other than stock options which are summarized in note 4 to the interim consolidated financial statements included as part of Schedule A. No shares of the Company are subject to escrow or pooling agreements.

5. The directors and officers of the Company are:

Gennaro Magistrale	Director and President
Owen Granger, CMA	Director and Secretary/Treasurer
J. Douglas Seppala	Director
Frank D. Barker	Director
D. Dan Dawson	Director

Schedule C: Management Discussion

Description of Business

We, WestBond Enterprises Corporation or the "Company," are a converter of disposable paper and paper/polyethylene laminated products. A description of the Company and our products is contained in our 2003 Annual Report which was distributed to shareholders in August 2003. A pdf version of the 2003 Annual Report may be downloaded from the SEDAR web site at sedar.com. For a printed copy, please contact the Company.

Operating Results

Net income for the six months ended September 30, 2003 was $158,249, or $0.02 per share, which is 63% higher than for the same period last year. For the three months ended September 30, 2003, net income was $81,818, or $0.01 per share, 310% higher than the same period last year.

Sales

Sales for the six months ended September 30, 2003 totalled $2,445,712 compared to $1,745,008 for the same period last year, an increase of $700,704 or 40%. During the three months ended September 30, 2003, sales were $1,305,502, an improvement of 38% over the same period last year. Personal hygiene products make up $604,030 of the increase for the six month period and other products make up the rest. As expected, personal hygiene products, which make up 39% of the volume for 2003, now surpass all other sales categories.

The gross profit ratio from the personal hygiene products is not as high as the other products. Accordingly, the gross profit for the six months ended September 30, 2003 was only 33% higher than for 2002. We anticipate higher unit prices and margins from future increases in sales volumes of the personal hygiene products.

The focus for the next six months will be to increase distribution and sales for all product categories, but mainly the personal hygiene line.

Cost of Sales

Materials costs were 52.6% of sales during the six month period ended September 30, 2003, compared to 48.9% during the same period last year. Our normal operating range for materials is 48% to 51% and the average for the year ended March 31, 2003 was 49.2%. About one third of the increase over our normal range for the six months ended September 30, 2003 is caused by sales price concessions given to a major purchaser of personal hygiene products and the remaining two thirds by higher paper costs. Paper prices continue to be affected by changes is the US/Cdn dollar exchange rate and unpredictable supply and demand. Our margins, however, are sufficiently high to accommodate these fluctuations profitably and remain well within expectations.

The labour component in cost of sales was 7.6% of sales in 2003 and 7.3% in 2002. The labour fluctuation is within our usual operating ranges. Overhead, as a percentage of sales, continues to show improvement. This is the result of producing higher sales from existing production capacity.

We acquired another paper re-winder for the personal hygiene product line, which started operating In November 2003. Not only does this increase our capacity for expansion in this line, it will improve operating efficiency, and reduce labour costs, by eliminating product change down-time.

Selling Expenses

Shipping costs were slightly higher during 2003, at 5.7% of sales, compared to 5.6% in 2002. The higher costs are a result of shipping to customers farther away from the plant. Commissions paid on sales of the personal hygiene products are higher than for our other products, which also contributed to the increase in selling expenses.

General and Administrative Expenses

General and administrative expenses were higher in 2003 than in 2002 by $25,418. The decrease in administration and office expenses was caused by US/Cdn dollar exchange rate gains of $9,146 in 2003, compared to losses of $1,591 in 2002. Corporate promotion activities increased during 2003 as a result of increased investor relations activities, which are discussed below. Interest expenses are higher due to higher interest rates and to increased loan financing. Professional fees are lower in 2003 than 2002 because of fees last year related to additional loan financing and application for Tier 1 status on the TSX Venture Exchange. Higher administrative salaries in 2003 are due to part-time staff working more and to salary increases.

Liquidity, Financial Position and Capital Resources

Our operating cash flows averaged $50,854 per month during the six months ended September 30, 2003, before accounting for fluctuations in non-cash working capital. We also have a revolving bank loan facility of $425,000, of which $254,193 was drawn at September 30, 2003. We use the revolving loan facility mainly to finance operating working capital, which fluctuates significantly, and we can also use it for equipment purchases.

In August 2003, the Bank of Nova Scotia replaced the $245,000 remaining on the term loan from the Business Development Bank of Canada with a new $350,000 term loan. In addition to the increased principal, the rate of interest was dropped by 0.75% per annum and the personal guarantees by two directors and officers were released. We used the additional principal to pay for ongoing equipment expansions. We received a second additional term loan of $400,000 from the Bank of Nova Scotia at the end of August 2003. We used the proceeds from this loan to purchase the additional personal hygiene line equipment. Principal repayments on the term loans now total $20,684 per month.

Investor Relations Activities

Quinton Investment Services Corp. and Syndicated Capital Corporation provided investor relations services for the Company during the six months ended September 30, 2003, at fees totalling $25,000 for the period. Quinton has increased awareness of the Company by distributing articles and other information about us to selected investors and brokers and continues to increase awareness of the Company by discussing us with selected investors and brokers. Syndicated Capital, who started in June 2003, concentrate their efforts on increasing awareness of the Company amongst institutional investors.

WESTBOND ENTERPRISES CORPORATION
Consolidated Balance Sheets
(unaudited)

	September 30, 2003 $	March 31, 2003 $
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	13,342	10,593
Accounts receivable	617,326	454,967
Inventory	605,337	621,217
Prepaid expenses	19,046	22,530
	1,255,051	1,109,307
PLANT AND EQUIPMENT	1,901,010	1,435,925
FUTURE INCOME TAX ASSETS	-	24,103
	3,156,061	2,569,335
L I A B I L I T I E S		
CURRENT LIABILITIES		
Bank indebtedness (note 2)	254,193	341,370
Accounts payable and accrued liabilities	414,206	387,570
Current portion of term loans (note 3)	248,228	158,196
	916,627	887,136
TERM LOANS (note 3)	594,987	261,618
FUTURE INCOME TAX LIABILITIES	64,797	-
	1,576,411	1,148,754
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (note 4)		
Authorized		
- 500,000,000 common shares without par value		
Issued and outstanding		
- 9,533,800 shares (March 31, 2003 - 9,526,967 shares)	1,968,336	1,967,516
DEFICIT	(388,686)	(546,935)
	1,579,650	1,420,581
	3,156,061	2,569,335

APPROVED BY THE BOARD OF DIRECTORS:

"Gennaro Magistrale"

"Owen Granger"

The accompanying notes are an integral part of these consolidated financial statements.

WESTBOND ENTERPRISES CORPORATION
Consolidated Statements of Operations and Deficit
(unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2003	**2002**	**2003**	**2002**
	$	**$**	**$**	**$**
Sales	1,305,502	946,220	2,445,712	1,745,008
Cost of Sales				
Materials	685,226	503,032	1,285,389	853,849
Labour	99,520	67,661	184,989	126,523
Variable overhead	36,107	41,066	72,894	70,344
Fixed overhead	54,551	39,863	97,738	79,354
Depreciation and amortization	26,196	24,783	51,857	47,572
	901,600	676,405	1,692,867	1,177,642
Gross Profit	403,902	269,815	752,845	567,366
Expenses				
Selling and marketing				
Shipping	77,961	58,019	139,988	98,138
Salaries, commissions and employee benefits	27,744	21,221	50,899	34,185
Other	5,984	2,806	12,751	3,811
	111,689	82,046	203,638	136,134
General and administrative				
Administration and office	21,492	27,260	36,039	48,312
Corporate promotion	27,614	16,041	38,801	24,096
Interest on term loans	17,670	6,918	24,855	10,917
Interest on other debt	3,916	8,205	9,005	11,104
Professional fees	5,433	15,720	17,385	24,088
Salaries and employee benefits	88,482	79,336	175,973	158,123
	164,607	153,480	302,058	276,640
Income for the Period before Future Income Tax Expense	127,606	34,289	247,149	154,592
Future Income Tax Expense	45,788	14,370	88,900	57,643
Net Income for the Period	81,818	19,919	158,249	96,949
Deficit - Beginning of Period	(470,504)	(667,221)	(546,935)	(744,251)
Deficit - End of Period	(388,686)	(647,302)	(388,686)	(647,302)
Net Income per Share, basic and diluted	0.01	0.00	0.02	0.01

The accompanying notes are an integral part of these consolidated financial statements.

WESTBOND ENTERPRISES CORPORATION
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2003	2002	2003	2002
	$	$	$	$
Cash Flows from Operating Activities				
Net income for the period	81,818	19,919	158,249	96,949
Adjustments to reconcile net income to cash flows from operating activities				
- depreciation and amortization	29,299	27,594	57,976	53,203
- future income tax expense	45,788	14,370	88,900	57,643
	156,905	61,883	305,125	207,795
Net change in non-cash working capital related to operating activities	(62,815)	(159,405)	(116,359)	(158,084)
	94,090	(97,522)	188,766	49,711
Cash Flow from Investing Activity				
Purchase of plant and equipment	(476,137)	(201,219)	(523,061)	(304,623)
Cash Flows from Financing Activities				
Issue of shares on exercise of stock options	820	-	820	-
Term loan proceeds	750,000	151,094	750,000	198,376
Repayment of term loans	(287,050)	(29,549)	(326,599)	(54,098)
(Decrease) increase in bank indebtedness	(70,196)	110,790	(87,177)	175,291
	393,574	232,335	337,044	319,569
Increase (Decrease) in Cash and Cash Equivalents	11,527	(66,406)	2,749	64,657
Cash and Cash Equivalents - Beginning of Period	1,815	131,577	10,593	514
Cash and Cash Equivalents - End of Period	13,342	65,171	13,342	65,171
Interest Paid	21,366	6,669	33,605	21,229

The accompanying notes are an integral part of these consolidated financial statements.

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
September 30, 2003
(unaudited)

1. Interim Period Reporting

While the information presented in these interim consolidated financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to the fair presentation of the interim periods reported. These interim consolidated financial statements follow the same accounting policies and methods of their application as the consolidated financial statements for the year ended March 31, 2003. As certain note information has been condensed or omitted, these financial statements should only be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2003.

2. Bank Indebtedness

During the six months ended September 30, 2003 the company's revolving bank loan facility was increased to $425,000 and the personal guarantees of the facility by two directors and officers were released. A fixed and floating charge on substantially all of the company's assets remains pledged as collateral for the bank indebtedness.

3. Term Loans

During the six months ended September 30, 2003, the company received additional term loans of $750,000 repayable over five years at $12,501 per month plus interest at bank prime rate plus 1.5% per annum. $245,000 of the loan proceeds were used to repay the principal outstanding on the term loan due August 15, 2007. Additionally, the personal guarantees of the term loans by two directors and officers were released. A fixed and floating charge on substantially all of the company's assets remains pledged as collateral for all of the term loans.

4. Share Capital

Authorized Capital - During the six months ended September 30, 2003, the authorized capital of the corporation was increased to 500,000,000 common shares without par value from 50,000,000 common shares without par value.

Shareholder Rights Plan - The shareholders of the company confirmed the shareholder rights plan at their annual general meeting on September 4, 2003.

Stock Options - During the six months ended September 30, 2003, options to purchase 200,000 shares at $0.15 per share until May 6, 2008 were granted, a former employee exercised a stock option to purchase 6,833 common shares at $0.12 per share and options to purchase 13,167 common shares at $0.12 were forfeited.

A total of 1,080,000 employee and director stock options are outstanding at September 30, 2003.

Number of shares under option		Price per share	Expiry date	Notes
470,000	(vested)	$0.15	June 3, 2004	
256,250	(vested)	$0.12	December 12, 2007	
153,750	(not vested)	$0.12	December 12, 2007	51,250 options vest each quarter
75,000	(vested)	$0.15	May 6, 2008	
125,000	(not vested)	$0.15	May 6, 2008	25,000 options vest each quarter

The company applies the intrinsic value based method of accounting for stock-based compensation awards granted to employees and directors. Accordingly, no compensation expense has been recognized for stock options granted to employees and directors. Had compensation expense been determined based on the fair value at the grant date for stock options granted after March 31, 2002, consistent with the fair value based method of accounting for stock based compensation, the company's net income and earnings per share

4. Share Capital (continued)

would have been reduced to the pro forma amounts indicated below. The effect of stock options granted before April 1, 2002 is not reflected in the pro-forma amounts.

		Three months ended September 30		Six months ended September 30	
		2003	2002	2003	2002
		$	$	$	$
Net income	As reported	81,818	19,919	158,249	96,949
	Pro forma	74,440	19,919	140,631	96,949
Net income per share, basic and diluted	As reported	0.01	0.00	0.02	0.01
	Pro forma	0.01	0.00	0.01	0.01

The fair value of the options granted during the period was estimated using the Black-Scholes option pricing model, assuming a risk-free interest rate of 4.08%, a dividend yield of 0%, an expected option life of 4 years and volatility of 106%. The fair value of the options granted is charged to pro forma earnings over the vesting period.

5. Related Party Transactions

During the six months ended September 30, 2003, the company incurred $9,729 (2002 - $15,358) in legal fees in the normal course of operations with a firm with which a director of the company is associated. The fees are included in legal fees. At September 30, 2003 accounts payable and accrued liabilities include $152 (2002 - $11,971) due to the firm.