WestBond Enterprises Corporation

Quarterly Report
December 31, 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 December 31, 2003		DATE OF REPORT YYYY / MM / DD 2004 / 02 / 12
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	PRINT FULL NAME	DATE SIGNED YYYY / MM / DD
"Gennaro Magistrale"	Gennaro Magistrale	2004 / 02 / 12
"Owen Granger"	Owen Granger	2004 / 02 / 12

WESTBOND ENTERPRISES CORPORATION
Quarterly Report for the Quarter Ended December 31, 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 the periods ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 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
December 18, 2003	145,000	Consultants	$0.30	December 18, 2006
December 18, 2003	30,000	An employee	$0.30	December 18, 2006

4. The authorized, issued and outstanding share capital of the Company at December 31, 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 December 31, 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 www.sedar.com. For a printed copy, please contact the Company.

Operating Results

Net income for the nine months ended December 31, 2003 was $237,820, or $0.02 per share, which is 37% higher than for the same period last year. For the three months ended December 31, 2003, net income was $79,571, or $0.01 per share, 5% higher than the same period last year.

Sales

Sales for the nine months ended December 31, 2003 totalled $3,795,403 compared to $2,700,968 for the same period last year, an increase of $1,094,435 or 41%. During the three months ended December 31, 2003, sales were $1,349,691, an improvement of 41% over the same period last year. Personal hygiene products make up $823,033 of the increase for the nine month period and other products make up the rest. As expected, personal hygiene products, which make up 38% of the volume for 2003, now surpass all other sales categories.

The year-to date sales are approximately $180,000 behind our projections for the period. We expected the conventional toilet paper winder to be in full operation by September 2003, and to have produced $480,000 in sales by December 31, 2003. We have delayed completion and start-up of the winder until March 2004. Sales of our other products are approximately $300,000 higher than projected for the nine months ended December 31, 2003.

The gross profit ratio from the personal hygiene products is not as high as the other products. Accordingly, the gross profit for the nine months ended December 31, 2003 was only 31% 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 52.3% of sales during the nine month period ended December 31, 2003, compared to 48.0% 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 nine months ended December 31, 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 7.8% of sales in 2003 and 7.9% 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 has this increased our capacity for expansion in this line, it is improving operating efficiency and reducing labour costs, by eliminating product change down-time.

Selling Expenses

Shipping costs were slightly higher during 2003, at 6.1% of sales, compared to 5.7% 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 $57,914. The decrease in administration and office expenses was caused by US/Cdn dollar exchange rate gains of $7,799 in 2003, compared to $685 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 $51,711 per month during the nine months ended December 31, 2003, before accounting for fluctuations in non-cash working capital. We also have a revolving bank loan facility of $425,000, of which $296,039 was drawn at December 31, 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 applied the proceeds from this loan towards the purchase the additional personal hygiene line equipment. Principal repayments on the term loans now total $20,684 per month.

We have spent $612,597 on factory equipment additions during the nine months ended December 31, 2003 and $5,611 on office equipment. We used our surplus cash flow to pay for the costs not covered by the term loan net proceeds. We plan to invest our future surplus cash flow on additional equipment to expand our personal hygiene line further.

Investor Relations Activities

Quinton Investment Services Corp. and Syndicated Capital Corporation provided investor relations services for the Company during the nine months ended December 31, 2003, at fees totalling $40,000 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)

	December 31, 2003 $	March 31, 2003 $
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	55,334	10,593
Accounts receivable	692,074	454,967
Inventory	655,407	621,217
Prepaid expenses	35,185	22,530
	1,438,000	1,109,307
PLANT AND EQUIPMENT	1,966,624	1,435,925
FUTURE INCOME TAX ASSETS	-	24,103
	3,404,624	2,569,335
L I A B I L I T I E S		
CURRENT LIABILITIES		
Bank indebtedness (note 2)	296,039	341,370
Accounts payable and accrued liabilities	552,238	387,570
Current portion of term loans (note 3)	231,179	158,196
	1,079,456	887,136
TERM LOANS (note 3)	549,984	261,618
FUTURE INCOME TAX LIABILITIES	112,282	-
	1,741,722	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
CONTRIBUTED SURPLUS FROM STOCK OPTIONS	3,681	-
DEFICIT	(309,115)	(546,935)
	1,662,902	1,420,581
	3,404,624	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 December 31,		Nine months ended December 31,	
	2003	2002	2003	2002
	$	$	$	$
Sales	1,349,691	955,960	3,795,403	2,700,968
Cost of Sales				
Materials	698,492	443,347	1,983,881	1,297,196
Labour	111,781	86,306	296,770	212,829
Variable overhead	46,733	33,476	119,627	103,820
Fixed overhead	52,652	44,534	150,390	123,888
Depreciation and amortization	26,345	23,793	78,202	71,365
	936,003	631,456	2,628,870	1,809,098
Gross Profit	413,688	324,504	1,166,533	891,870
Expenses				
Selling and marketing				
Shipping	92,162	54,559	232,150	152,697
Salaries, commissions and employee benefits	25,749	16,363	76,648	50,548
Other	5,150	2,467	17,901	6,278
	123,061	73,389	326,699	209,523
General and administrative				
Administration and office	25,429	19,595	61,468	67,907
Corporate promotion	23,875	14,016	62,676	38,112
Interest on term loans	12,407	7,238	37,262	18,155
Interest on other debt	3,445	3,310	12,450	14,414
Professional fees	6,642	5,745	24,027	29,833
Salaries and employee benefits	91,773	81,171	267,746	239,294
	163,571	131,075	465,629	407,715
Income for the Period before Future Income Tax Expense	127,056	120,040	374,205	274,632
Future Income Tax Expense	47,485	44,030	136,385	101,673
Net Income for the Period	79,571	76,010	237,820	172,959
Deficit - Beginning of Period	(388,686)	(647,302)	(546,935)	(744,251)
Deficit - End of Period	(309,115)	(571,292)	(309,115)	(571,292)
Net Income per Share, basic and diluted	0.01	0.01	0.02	0.02

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

WESTBOND ENTERPRISES CORPORATION
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2003	2002	2003	2002
	$	$	$	$
Cash Flows from Operating Activities				
Net income for the period	79,571	76,010	237,820	172,959
Adjustments to reconcile net income to cash flows from operating activities				
- depreciation and amortization	29,533	26,465	87,509	79,668
- fair value of consultants' stock options vested expense	3,681	-	3,681	-
- future income tax expense	47,485	44,030	136,385	101,673
	160,270	146,505	465,395	354,300
Net change in non-cash working capital related to operating activities	(2,925)	14,317	(119,284)	(143,767)
	157,345	160,822	346,111	210,533
Cash Flow from Investing Activity				
Purchase of plant and equipment	(95,147)	(59,621)	(618,208)	(364,244)
Cash Flows from Financing Activities				
Issue of shares on exercise of stock options	-	-	820	-
Term loan proceeds	-	64,367	750,000	262,743
Repayment of term loans	(62,052)	(39,549)	(388,651)	(93,647)
Increase (decrease) in bank indebtedness	41,846	(128,419)	(45,331)	46,872
	(20,206)	(103,601)	316,838	215,968
Increase (Decrease) in Cash and Cash Equivalents	41,992	(2,400)	44,741	62,257
Cash and Cash Equivalents - Beginning of Period	13,342	65,171	10,593	514
Cash and Cash Equivalents - End of Period	55,334	62,771	55,334	62,771
Interest Paid	15,692	10,515	49,297	31,744

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

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
December 31, 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 are prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. The accounting policies used and the methods of their application are the same as for 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 nine months ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 2003, options to purchase 200,000 shares at $0.15 per share until May 6, 2008 and 175,000 shares at $0.30 per share until December 18, 2006 were granted, a stock option to purchase 6,833 shares at $0.12 per share was exercised, and options to purchase 13,167 shares at $0.12 were forfeited.

Stock options to purchase a total of 1,255,000 shares are outstanding at December 31, 2003.

Number of shares under option		Price per share	Expiry date	Notes
470,000	(vested)	$0.15	June 3, 2004	
307,500	(vested)	$0.12	December 12, 2007	
102,500	(not vested)	$0.12	December 12, 2007	51,250 options vest each quarter
100,000	(vested)	$0.15	May 6, 2008	
100,000	(not vested)	$0.15	May 6, 2008	25,000 options vest each quarter
21,875	(vested)	$0.30	December 18, 2006	
153,125	(not vested)	$0.30	December 18, 2006	21,875 options vest each quarter

Subsequent to December 31, 2003 options to purchase 80,000 shares at $0.15 per share were exercised.

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 to employees and directors after March 31, 2002, consistent with the fair value based method of accounting for stock based compensation, the company's net income

4. Share Capital (continued)

and earnings per share 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 December 31		Nine months ended December 31	
		2003	2002	2003	2002
		$	$	$	$
Net income	As reported	79,571	76,010	237,820	172,959
	Pro forma	71,432	66,539	212,062	163,488
Net income per share, basic and diluted	As reported	0.01	0.01	0.02	0.02
	Pro forma	0.01	0.01	0.02	0.02

The fair values of the options granted during the nine months ended December 31, 2003 were estimated using the Black-Scholes option pricing model, assuming risk-free interest rates of 3.74% to 4.08%, a dividend yield of 0%, expected option lives of 3 to 4 years and volatility of 106% to 110%. The fair values of the options granted are charged to earnings or pro forma earnings over the vesting period.

5. Related Party Transactions

During the nine months ended December 31, 2003, the company incurred $12,372 (2002 - $17,593) 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 professional fees. At December 31, 2003 accounts payable and accrued liabilities include $2,812 (2002 - $nil) due to the firm.