WestBond Enterprises Corporation

Quarterly Report
September 30, 2009

Management Discussion and Analysis

dated November 30, 2009, to accompany the interim consolidated financial statements for the three and six month periods ended September 30, 2009

Caution Regarding Forward Looking Statements – ***This discussion includes statements about our expectations for the future. We believe that our expectations are reasonable; however, actual outcomes may differ materially from our expectations due to changes in operating performance, availability of and prices for raw materials, availability of trained labour, US$/Cdn$ exchange rate fluctuations, unexpected competition, and other technical, market and economic factors.***

Description of Our Business

We, WestBond Enterprises Corporation or the "Company," are a paper converter that supplies disposable paper products to many markets. A full description of our business and products is contained in the Management Discussion and Analysis included in our 2009 Annual Report. A pdf version of the 2009 Annual Report may be downloaded from our web site at www.westbond.ca or from the SEDAR web site at www.sedar.com. For a printed copy, please contact the Company. Additional information on the Company is also available on our web site and on the SEDAR web-site.

Discussion of Operations and Financial Condition

You should refer to our interim consolidated financial statements for the three and six month periods ended September 30, 2009 and our consolidated financial statements for the year ended March 31, 2009 while you read this discussion. Those financial statements provide significant, material information that is not meant to be, nor is it, included in this discussion. This discussion is meant to provide information not included in the financial statements and an explanation of some of the financial statement information. You should also refer to the Management Discussion and Analysis that was included in our 2009 Annual Report. Information included in that discussion is only up-dated in this discussion. Information that has not changed materially since July 8, 2009, the date of the Management Discussion and Analysis in the 2009 Annual Report, is not repeated here.

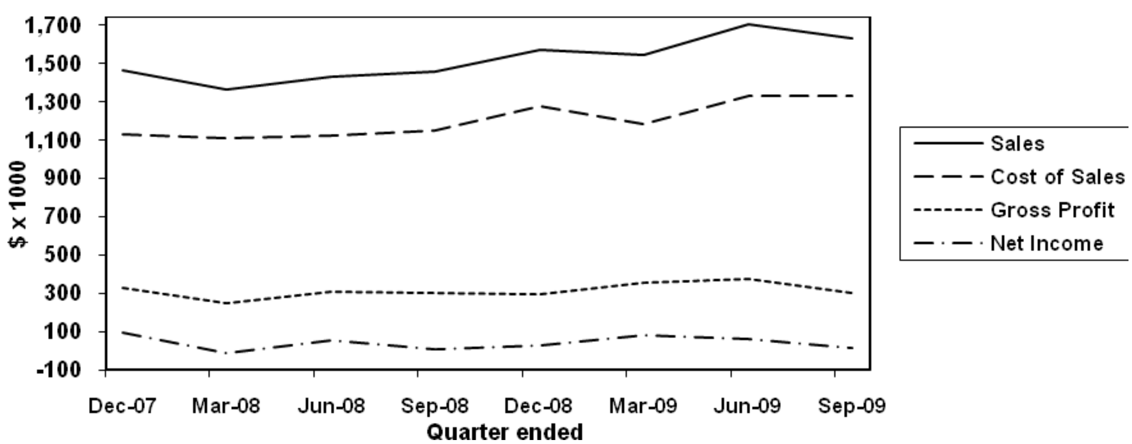
Sales were $1,632,198 for the three months ended September 30, 2009, which is 12% more than for the same period last year and 4% less than the three months ended June 30, 2009. Net income increased by 128% to $17,710 ($0.002 per share) for the period, compared to $7,747 ($0.001 per share) for the three months ended September 30, 2008. Net income for the six month periods increased to $80,437 in 2009 from $59,073 in 2008, an increase of 36%. This year's results are more profitable than the same period last year because of the increase in sales.

The graph on the next page shows the trends over the past eight quarters.

Summary of Quarterly Results

The following table summarises the results of operations for the past eight quarters. We have extracted the data from our consolidated financial statements, which are prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles.

	Quarters ended							
Cdn$ x 1,000	**Sep 30 2009**	**Jun 30 2009**	**Mar 31 2009**	**Dec 31 2008**	**Sep 30 2008**	**Jun 30 2008**	**Mar 31 2008**	**Dec 31 2007**
Sales	1,632	1,706	1,543	1,572	1,455	1,434	1,364	1,462
Cost of sales	1,329	1,330	1,188	1,278	1,153	1,124	1,113	1,135
Gross profit	303	376	355	294	302	310	251	327
Selling and marketing expenses	117	133	120	120	129	118	119	125
General and administrative expenses	159	157	148	135	159	141	144	135
Net income (loss) before taxes	27	86	87	39	14	51	(12)	67
Income tax expense (recovery)	10	23	9	12	6	(1)	(2)	(26)
Net income (loss)	17	63	78	27	8	52	(10)	93
Earnings (loss) per share, basic and diluted - Cdn$	0.002	0.006	0.007	0.002	0.001	0.005	(0.001)	0.008
Sales - % change over previous quarter	-4.4	10.6	-1.8	8.1	1.5	5.1	-6.7	-7.1
Costs, expenses and net income - % of Sales								
Cost of sales	81.4	78.0	77.0	81.3	79.3	78.4	81.5	77.6
Selling and marketing expenses	7.1	7.8	7.8	7.6	8.9	8.2	8.7	8.5
General and administrative expenses	9.8	9.2	9.6	8.6	10.9	9.9	10.6	9.2
Income tax expense	0.6	1.3	0.6	0.8	0.4	-0.1	-0.1	-1.7
Net income	1.1	3.7	5.0	1.7	0.5	3.6	-0.7	6.4



Sales

Sales for the three months ended September 30, 2009 are 12.2% higher than for the same period last year. Sales for the six month period are 15.6% higher than last year. The increase in sales is due to increased volumes from the personal hygiene product line. The fluctuations in sales are from volume differences.

Sales	Three months ended September 30		Change over last year	Six months ended September 30		Change over last year
Product Line	2009 $	2008 $		2009 $	2008 $	
Personal hygiene	808,968	619,047	30.7%	1,618,430	1,231,094	31.5%
Clinical and long-term care	823,230	827,972	-0.6%	1,670,502	1,597,031	4.6%
Other	-	7,890	-100.0%	49,715	60,457	-17.8%
	1,632,198	1,454,909	12.2%	3,338,647	2,888,582	15.6%

Cost of Sales

Total cost of sales, as a percentage of sales, was slightly higher in 2009 compared to 2008. Higher materials and labour costs were partially offset by savings on overhead.

Cost of Sales	Three months ended September 30		Six months ended September 30	
	2009 % of sales	2008 % of sales	2009 % of sales	2008 % of sales
Materials	57.1%	54.4%	55.7%	54.1%
Labour	8.7%	7.8%	8.5%	7.5%
Variable overhead	6.2%	6.1%	6.1%	6.1%
Fixed overhead	5.5%	6.5%	5.5%	6.7%
Depreciation	4.0%	4.5%	3.9%	4.5%
Gross Margin	18.5%	20.7%	20.3%	21.1%

Our normal operating range for materials has been 51% to 54% and the average for the year ended March 31, 2009 was 54%. Materials cost fluctuations are due to variations in the yield factors (the amount of product that a certain weight of paper will produce), paper prices and product mix. The increase in the materials cost to sales ratio for the 2009 periods is mainly due to the product mix. Materials make up a much higher proportion of the personal hygiene product costs than the other product lines. The large increase in sales of personal hygiene products caused the materials cost ratio to increase.

The labour fluctuations, which are also subject to shifts in the product mix, are within our usual operating ranges. We have increased our wage rates in order to retain the more efficient employees and to attract good machine operators. The inability to hire or retain production employees can result in lost sales.

The decrease in fixed overhead as a percentage of sales is due to the increased sales. Variable overhead is higher in 2009 because of increased warehouse and supervisory wages, maintenance, waste disposal costs and utilities costs.

Selling Expenses

Selling expenses were lower during 2009, at 7.5% of sales, compared to 8.5% for 2008. The decrease is caused by better freight rates, larger shipments and a greater proportion of customers closer to us.

General and Administrative Expenses

General and administrative expenses were higher in 2009 than in 2008 by $16,154. Administration and office expense is higher because of foreign exchange losses of $23,621 realized in 2009. Professional fees are lower because 2008 includes an unexpected increase in audit costs for the previous year as well as the estimated costs for the current year. Salaries and employee benefits increased due to a temporary reduction in staffing levels during 2008 and an increase in remuneration paid. Interest is lower because of lower levels of bank indebtedness and long-term debt and lower interest rates.

During the six months ended September 30, 2009 professional fees include $14,434 paid to DuMoulin Black LLP, a law firm in which J. Douglas Seppala, one of our directors, is a partner. The payments represent fees for legal services provided to the Company at rates normally charged to arm's length parties.

Liquidity, Financial Position and Capital Resources

Our financial position improved during the six months ended September 30, 2009. We had working capital of $686,719 at September 30, 2009 compared to $520,579 at March 31, 2009. Our operating cash flows were $256,510 during the six months ended September 30, 2009, an average of $42,752 per month, compared to an average of $39,755 per month during the year ended March 31, 2009, before accounting for fluctuations in non-cash working capital.

We plan to re-invest our surplus cash flow in new equipment to continue to expand the Company's product lines and improve efficiency and to pay off bank debt. The total principal outstanding on term loans was $86,712 at September 30, 2009, compared to $133,998 at March 31, 2009. Principal repayments are $7,881 per month.

We have a revolving bank loan facility of $1,000,000, of which $360,000 was used at September 30, 2009. The loan outstanding at any time may not be greater than the total of 75% of Canadian accounts receivable, 50% of US accounts receivable and 50% of inventory, less accounts payable having priority over the bank, such as to governments and employees. Accounts receivable older than 90 days and inventory in excess of $700,000 are not included in the calculation. Additionally, earnings before interest, taxes and depreciation, calculated on a rolling four quarter basis, must be maintained at 1.25 times the current portion of long-term debt plus interest expense.

We use the revolving bank loan facility primarily to finance operating working capital. Inventory and accounts receivable levels normally fluctuate by as much as $200,000 and accounts payable by an additional $200,000. We purchase our paper supplies in relatively large quantities and often have large shipments to customers on credit, which are the main reasons for these fluctuations.

We currently plan to spend approximately $200,000 on equipment expansions and improvements over the next twelve months. We will finance these additions from operating cash flows. We may acquire additional equipment, if worthy new product opportunities arise. Financing for additional equipment would be available through operating cash flow and additional term loans.

New Accounting Policies

There are no new accounting policies that are effective for our current fiscal year that are expected to have a material affect on our consolidated financial statements. International Financial Reporting Standards will apply to our consolidated financial statements commencing with the year ending March 31, 2012. We have not yet determined the impact on our financial statements.

Share Capital

The Company has only one class of share capital, common shares without par value. The Company also has a stock option plan and a shareholder rights plan and has issued warrants to purchase common shares.

	November 30, 2009
Authorized common shares without par value	Unlimited
Issued common shares	11,063,800
Shares issuable on exercise of outstanding warrants	1,060,000
Shares issuable on exercise of outstanding stock options	800,000
Shares available for future stock option grants	1,200,000

The stock option plan permits the directors of the Company to grant incentive options to the employees, directors, officers and consultants of the Company. The maximum number of shares issuable under the stock option plan is 2,000,000.

The shareholder rights plan (the “Plan”) is meant to protect the Company’s shareholders from unfair, abusive or coercive takeover strategies. The Plan will remain in effect until the Company’s annual general meeting in 2012, subject to further renewal. The Plan, in effect, allows holders of common shares to purchase additional common shares from the Company at a 50% discount to the prevailing market price on the occurrence of certain triggering events, including acquisition by a person or group of persons of 20% or more of the shares of the Company in a transaction that is not a Permitted Bid under the Plan. The rights under the Plan are not exercisable by the acquiring person or group of persons. The rights under the Plan are not triggered by purchases of shares made pursuant to a take-over bid that is made to all shareholders on identical terms by way of a take-over bid circular prepared in compliance with applicable securities laws, and certain other conditions set out in the agreement signed to implement the Plan.

WestBond Enterprises Corporation

Interim Consolidated Financial Statements
September 30, 2009

Notice to Reader

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three and six month periods ended September 30, 2009 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

WESTBOND ENTERPRISES CORPORATION

Consolidated Balance Sheets

(Unaudited - See Notice to Reader)

(Canadian Dollars)

	September 30 2009	March 31 2009
	$	$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	251,291	151,259
Accounts receivable	672,127	845,318
Inventory	906,425	830,080
Prepaid expenses	58,988	42,406
	1,888,831	1,869,063
PLANT AND EQUIPMENT	2,592,567	2,675,836
	4,481,398	4,544,899
L I A B I L I T I E S		
CURRENT LIABILITIES		
Bank indebtedness	360,000	585,000
Accounts payable and accrued liabilities	755,400	668,915
Current portion of term loans	86,712	94,572
	1,202,112	1,348,487
TERM LOANS	-	39,426
FUTURE INCOME TAX LIABILITIES	419,063	385,980
	1,621,175	1,773,893
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL		
Authorized - unlimited common shares without par value		
Issued and outstanding - 11,063,800 shares	2,099,703	2,099,703
Warrants	32,364	32,364
STOCK OPTIONS	250,120	241,340
RETAINED EARNINGS	478,036	397,599
	2,860,223	2,771,006
	4,481,398	4,544,899

APPROVED BY THE BOARD OF DIRECTORS:

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

WESTBOND ENTERPRISES CORPORATION

Consolidated Statements of Operations, Comprehensive Income and Retained Earnings

(Unaudited - See Notice to Reader)

(Canadian Dollars)

	Three months ended September 30		Six months ended September 30	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Sales	1,632,198	1,454,909	3,338,647	2,888,582
Cost of Sales				
Materials	931,449	791,437	1,859,742	1,562,697
Labour	141,934	113,226	282,834	217,904
Variable overhead	101,901	88,510	202,471	175,864
Fixed overhead	89,148	94,492	184,777	192,040
Depreciation	64,671	65,381	129,947	128,938
	1,329,103	1,153,046	2,659,771	2,277,443
Gross Profit	303,095	301,863	678,876	611,139
Expenses				
Selling and marketing				
Shipping	80,116	96,050	176,279	181,913
Salaries, commissions and employee benefits	30,143	27,120	63,816	56,529
Other	6,297	5,834	9,086	8,154
	116,556	129,004	249,181	246,596
General and administrative				
Administration and office	37,513	26,447	78,151	54,434
Corporate promotion	2,776	1,694	2,776	2,030
Interest on term loans	727	2,741	1,668	6,037
Interest on other debt	3,212	6,970	7,169	14,664
Professional fees	20,490	29,924	34,201	40,503
Salaries and employee benefits	94,470	91,226	192,210	182,353
	159,188	159,002	316,175	300,021
Income for the Period before Taxes	27,351	13,857	113,520	64,522
Future Income Tax Expense	9,641	6,110	33,083	5,449
Net Income and Comprehensive Income for the Period	17,710	7,747	80,437	59,073
Retained Earnings				
- Beginning of Period	460,326	285,317	397,599	233,991
- End of Period	478,036	293,064	478,036	293,064
Earnings per Share, basic and diluted	0.002	0.001	0.007	0.005

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

WESTBOND ENTERPRISES CORPORATION
Consolidated Statements of Cash Flows
(Unaudited - See Notice to Reader)
(Canadian Dollars)

	Three months ended September 30		Six months ended September 30	
	2009	2008	2009	2008
	$	$	$	$
Cash Flows from Operating Activities				
Net income for the period	17,710	7,747	80,437	59,073
Adjustments to reconcile net income to cash flows from operating activities				
- depreciation	66,746	67,535	134,210	133,222
- stock option expense	4,390	4,390	8,780	8,780
- future income tax expense	9,641	6,110	33,083	5,449
	98,487	85,782	256,510	206,524
Net change in non-cash working capital related to operating activities	104,479	(82,933)	173,743	12,631
	202,966	2,849	430,253	219,155
Cash Flows from Investing Activities				
Purchase of plant and equipment	(13,664)	(36,664)	(57,935)	(73,467)
Cash Flows from Financing Activities				
Repayment of term loans	(23,643)	(35,271)	(47,286)	(76,416)
(Decrease) increase in bank indebtedness	(80,000)	68,495	(225,000)	(23,407)
	(103,643)	33,224	(272,286)	(99,823)
Increase in Cash and Cash Equivalents	85,659	(591)	100,032	45,865
Cash and Cash Equivalents				
- Beginning of Period	165,632	90,114	151,259	43,658
- End of Period	251,291	89,523	251,291	89,523
Interest Paid	4,090	9,588	9,165	21,843
Non-Cash Investing Activities				
Increase (decrease)in accounts payable related to purchase of plant and equipment	5,400	(35,683)	(6,994)	(16,756)

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

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
September 30, 2009
(Unaudited – See Notice to Reader)

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, 2009. 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, 2009.

2. Share Capital

Stock Options - The following stock options are outstanding at September 30, 2009.

Expiry date	Total number of shares under option	Weighted average remaining contractual life	Weighted average exercise price	Number of shares under option that are vested	Weighted average exercise price
March 12, 2013	800,000	3.4 years	$0.100	700,000	$0.100

During the six months ended September 30, 2009 options to purchase 560,000 common shares at $0.27 per share expired without being exercised.

3. Related Party Transactions

During the six months ended September 30, 2009, the company incurred $14,434 (2008 – $8,223) in legal fees in the normal course of operations with a firm in which a director of the company is a partner. The fees are included in professional fees and are at rates comparable to those charged to un-related parties.