

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 04-GRANBY  
COURT NO. : 460-11-000938-046  
ESTATE NO.: 42-043090

**SUPERIOR COURT  
(In Bankruptcy and Insolvency)**

**In the matter of the Notice of Intention to Make a Proposal of:**

**J.L. de Ball Canada Inc.**

a body politic and corporate, duly  
incorporated according to law and  
having its principal place of business  
at:  
835 Industriel Blvd.  
Granby QC J2J 1A5

**Debtor**

- and -

**Richter & Associés Inc.**

**Trustee**

---

**Report on Cash-Flow Statement by the Person Making the Proposal**  
(Paragraph 50.4(2)(c) of the Act)

The Management of the above-noted Debtor has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 12<sup>th</sup> day of February, 2004, consisting of a statement of projected cash receipts and disbursement, including notes thereto, covering the period from the 9<sup>th</sup> day of February, 2004 to the 5<sup>th</sup> day of March, 2004.

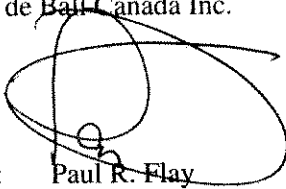
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions have been disclosed in Note 2.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in Note 2. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Montréal, Province of Québec, this 12<sup>th</sup> day of February, 2004.

J.L. de Ball Canada Inc.

Per:  Paul R. Flay

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 04-GRANBY  
COURT NO. : 460-11-000938-046  
ESTATE NO.: 42-043090

**SUPERIOR COURT**  
**(In Bankruptcy and Insolvency)**

**In the matter of the Notice of Intention to Make a Proposal of:**

**J.L. de Ball Canada Inc.**

a body politic and corporate, duly  
incorporated according to law and  
having its principal place of business  
at:  
835 Industriel Blvd.  
Granby QC J2J 1A5

**Debtor**

---

**Trustee's Report on Cash-Flow Statement**  
(Paragraph 50.4(2)(b) of the Act)

The attached Statement of Projected Cash-Flow of the above-named debtor as of the 12<sup>th</sup> day of February, 2004, consisting of a statement of projected cash receipts and disbursements, including notes thereto, covering the period from the 9<sup>th</sup> day of February, 2004 to the 5<sup>th</sup> day of March, 2004 has been prepared by the management of the insolvent Company for the purpose described in Note 1, using probable and hypothetical assumptions set out in Note 2.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the debtor Company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

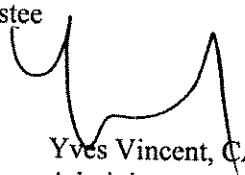
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Montréal, Province of Québec, this 12<sup>th</sup> day of February, 2004.

Richter & Associés Inc.  
Trustee

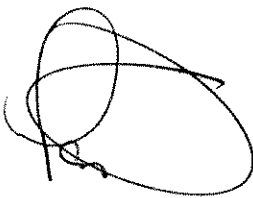
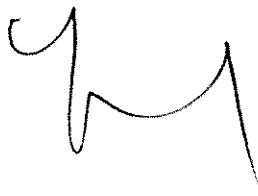
Per:  Yves Vincent, CA  
Administrator

**J.L. de Ball Canada Inc., Granby, Québec**

Projected Statement of Receipts and Disbursements

For the Period from February 7, 2004 to March 5, 2004

	Total
Cash receipts	<b>\$1,840,000</b>
Cash disbursements	
Raw Material Purchases	\$650,000
Weekly Payroll	\$338,350
Bi-Weekly Payroll	\$215,670
Energy	\$222,126
Rent	\$97,692
Sales Commissions	\$44,000
Professional Fees	\$60,000
Interest Expenses	\$55,000
Other manufacturing expenses	\$166,000
Other warehouse expenses	\$14,800
Other selling expenses	\$137,500
Other administrative expenses	\$47,600
Capital expenditures	\$10,000
Taxes other than Income Taxes	\$208,447
	<b>\$2,267,185</b>
Net cash inflow/(outflow)	(\$427,185)
Beginning balance of Bank Indebtedness	(\$4,073,729)
Closing balance of Bank Indebtedness	<b>(\$4,500,914)</b>

**J.L. de Ball Canada Inc.**

**Notes and Assumptions to the Projected Statement of Receipts and Disbursements  
for the Period February 9, 2004 to March 5, 2004**

**Note 1: General**

The attached Projected Statement of Receipts and Disbursements has been prepared by Management for the sole purpose of assessing the cash availability of the Company for the period. As the Projected Statement of Receipts and Disbursements is based upon various assumptions about future events and circumstances, variances will exist and said variances may be material.

**Note 2: Assumptions and Notes**

This financial forecast is management's estimate of J.L. de Ball Canada Inc.'s most probable financial position and results of operations for the forecast period. Accordingly, the forecast reflects management's judgment, based on present circumstances, of the most likely set of conditions and its most likely course of action. The assumptions disclosed herein are those that management believes are significant to the forecast or are key factors upon which the financial results of J.L. de Ball Canada Inc. depends.

*Receipts:*

- Collections of accounts receivables are based on Management's best estimates and on the accounts due dates;

*Disbursements:*

- Operating expenses include payments to vendors on a C.O.D. basis;
- Payroll is based on existing wages and salaries;
- Utilities (Gas, Electricity) represents deposits requested by the Utilities for the upcoming two-month period;
- Professional fees are an estimate and relate to the filing of the Notice of Intention to Make a Proposal and to any other proceedings before the Superior Court of Quebec.

*Banking Arrangements:*

- J.L. de Ball Canada Inc. has obtained the continued financial support of their banking institution. In this regard, the company currently has available an operating line of credit in the amount of \$5,000,000.
- J.L. de Ball Canada has not forecasted any capital repayment of long-term debt during the above-noted period. Under the current arrangement with their banking institution, the company is required to make monthly capital repayments of \$210,000.

