

MOD-PAC CORP. Q1 2010 Fact Sheet



Symbol: NASDAQ: MPAC

Web site: www.modpac.com

Company Profile

MOD-PAC CORP. is a high value-added, on demand print services firm providing products and services in two product categories: folding cartons and personalized print. Within folding cartons, MOD-PAC provides CUSTOM FOLDING CARTONS for branded and private label consumer products in the food and food service, healthcare, medical and automotive industries. The Company also offers a line of STOCK PACKAGING primarily to the retail confectionary industry. MOD-PAC's PERSONALIZED PRINT product line is a comprehensive offering for consumer and corporate social occasions.

Growth Strategy

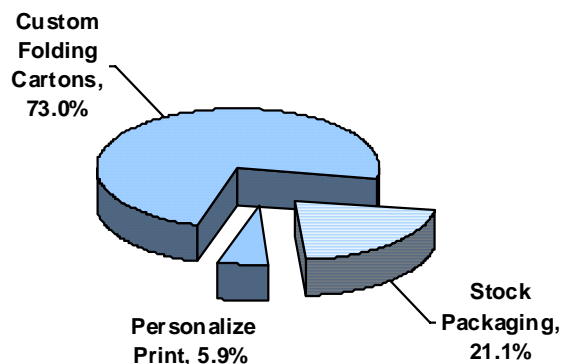
MOD-PAC's strategy for growth is to leverage its capabilities to innovate and aggressively integrate technology into its production operations providing cost-effective solutions for its customers. Through its large, centralized facility, the Company has captured significant economies of scale by channeling large numbers of small-to-medium-sized orders through its operations due to its rapid order change out skills. Applying its lean manufacturing processes coupled with state-of-the-art printing technologies, MOD-PAC is able to address short-run, highly variable content needs of its customers with quick turn around times relative to industry standards.

Investment Considerations

- ◆ Ideally situated to meet the markets' needs and increase market share by aggregating the fragmented print market.
- ◆ Distinctive print operation focused on world class manufacturing, web-based technology and automation to create scale and efficiencies.
- ◆ Gain new customers in markets with larger opportunities.
- ◆ Healthy balance sheet.

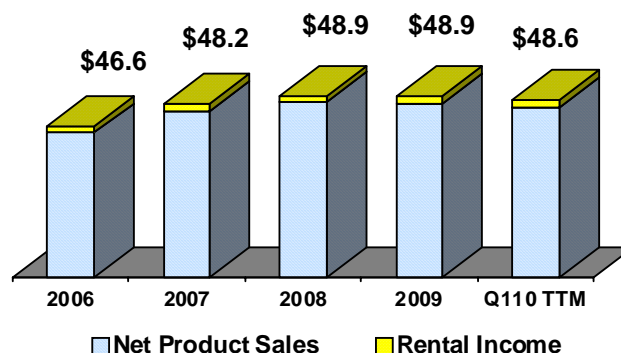
Q1 2010 Net Sales by Product:

Revenue = \$11.9 million



Total Revenue

(in millions):



Market Data (as of May 5, 2010) & Financial Highlights

Common Shares Outstanding	2.80 Million	Price to Book	0.71 x
Total Shares Outstanding (including Class B)	3.43 Million	Price to Sales	0.34 x
Insider Ownership (including Class B)	24.0%	L-T Debt-to-Capitalization (Q1 10)	8.5%
Market Capitalization	\$16.5 Million	Gross Margin (Q1 10 TTM)	16.0%
Recent Price	\$4.80	Operating Margin (Q1 10 TTM)	(3.5)%
52-Week Range	\$6.70 – 1.55	Net Margin (Q1 10 TTM)	(2.9)%
Average Daily Trading Volume (3 mos)	5,466	Diluted EPS (Q1 10 TTM)	\$(0.43)

Investor Relations Contact

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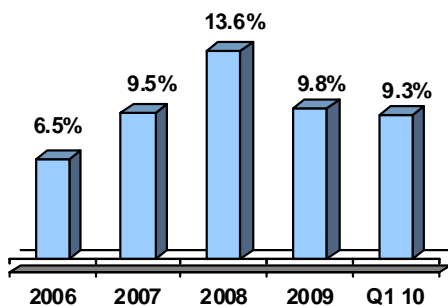
Financial Highlights

(in thousands except where noted)

	First Quarter Ended		Year Ended		
	April 3, 2010	April 4, 2009	2009	Dec 31, 2008	2007
Net product sales	\$ 11,884	\$ 12,210	\$ 48,353	\$ 48,412	\$ 47,670
Rental income	132	116	543	486	520
Total revenue	12,016	12,326	48,896	48,898	48,190
Cost of goods sold	10,220	10,906	41,518	42,174	43,725
Income (loss) from operations	19	(579)	(1,943)	(1,146)	(5,385)
Net income (loss)	20	(533)	(1,982)	(895)	(4,101)
Net income (loss) per share – diluted	\$ 0.01	\$ (0.16)	\$ (0.58)	\$ (0.26)	\$ (1.19)
Weighted average shares – diluted	3,575	3,430	3,430	3,434	3,450
Capital expenditures	263	345	975	1,993	2,707
Depreciation and amortization	688	914	3,188	3,737	4,970
Gross margin	14.9%	11.5%	15.1%	13.8%	9.3%
Operating margin	0.2%	(4.7)%	(4.0)%	(2.3)%	(11.2)%
Net margin	0.2%	(4.3)%	(4.1)%	(1.8)%	(8.5)%

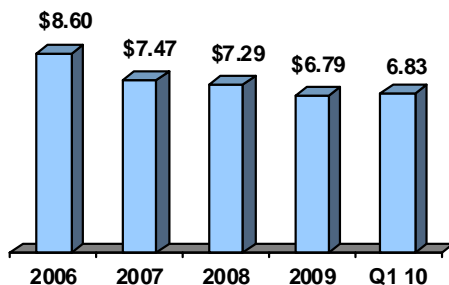
(\$, in thousands)	April 3, 2010	Dec 31, 2009	Dec 31, 2008
Current assets	\$ 12,738	\$ 13,155	\$ 9,620
Non-current assets	15,541	16,046	22,931
Total assets	28,279	29,201	32,551
Current liabilities	2,614	3,572	3,971
Long-term debt	2,176	2,292	3,413
Other liabilities	35	38	155
Stockholders' equity	23,454	23,299	25,012
Total liabilities and stockholders' equity	28,279	29,201	32,551
Book value per share	\$ 6.83	\$ 6.79	\$ 7.29
Return on average assets	(5.0)%	(6.4)%	(2.7)%
Return on average equity	(6.1)%	(8.2)%	(3.5)%

Long-term Debt to Equity



Book Value

[per common share]



First Quarter 2010 Highlights

- ◆ MOD-PAC reported revenue of \$12.0 million for the first quarter of 2010, which ended April 3, 2010, a decline of 2.5% compared with revenue of \$12.3 million in the first quarter of 2009.
- ◆ Sales of folding cartons, which include custom folding cartons and stock packaging, were \$11.2 million in the first quarter of 2010, up 4.8% from \$10.7 million in the first quarter of 2009. Custom folding carton sales in the first quarter of 2010 were \$8.7 million, up 2.2% from \$8.5 million in the first quarter of 2009 as the Company captured a greater share of existing customer requirements.
- ◆ Stock packaging sales of \$2.5 million in the first quarter of 2010 rebounded 15.1% from \$2.2 million in the first quarter of 2009. The stock packaging line had been impacted by economic conditions over the past year and is showing renewed strength.
- ◆ Print services sales, which are now comprised solely of personalized print, were \$703,000 in the first quarter of 2010, down 54.5% from \$1.5 million in the first quarter of 2009. Of the decline, \$772,000 was related to sales in the prior year's first quarter for specialty print and direct mail.
- ◆ Personalized print sales were \$703,000 for the first quarter of 2010, down 9.1% from \$773,000 in the first quarter of 2009. The decrease was primarily because of weak buying patterns by customers for personal and corporate celebration-type events due to the economic environment.
- ◆ Net income for the first quarter of 2010 was \$20,000, or \$0.01 per diluted share, compared with net loss of \$533,000, or \$0.16 per diluted share, in the first quarter of 2009.

This fact sheet contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. One can identify these forward-looking statements by the use of the words such as "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expressions. Because such statements apply to future events, they are subject to risks and uncertainties that could cause the actual results to differ materially. Important factors, which could cause actual results to differ materially, include the ability of the Company to continue to gain market share, the success of the application of technology in its marketing and printing processes, the likelihood that MOD-PAC will continue to maintain its favorable relationship with its customers, and other factors which are described in MOD-PAC's annual report on Form 10K on file with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this fact sheet whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.