



Intertape Polymer Group

ITP: TSX, NYSE

August 2008

Updated September 12, 2008



intertape polymer group™





Forward-Looking Statements

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Regulation G

This presentation includes financial measures such as EBITDA and free cash flow, which do not have standardized meanings prescribed by generally accepted accounting principles (GAAP), and are therefore unlikely to be comparable to similar measures presented by other issuers. The non-GAAP financial measures should not be considered as alternatives to GAAP financial measures. A reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures is included with these materials, and also can be found on the Company's website at www.intertapepolymer.com, under the Investor Relations Section.



Turnaround Success

August of 2007

- Company Financial Condition
 - Covenant Default – Little Liquidity
 - Restrictive covenants going forward that put the company's viability in question
 - No flexibility or room with adverse market conditions
 - Management Distracted, Demoralized and Unmotivated Due to:
 - Strategic Process
 - Conflicting Direction
 - Uncertainty of Company Future
 - Customer (Negative) Reactions



Turnaround Success

August of 2008

- Company's Financial House is in order
 - New \$200mm Asset Based Credit Agreement
 - Over subscribed 3 to 1
 - Interest rate reduction of 250 BP
 - No restrictive covenants with the exception of a fixed charge to coverage ratio of 1:1
 - Increased Liquidity & Flexibility
 - No real estate used as collateral
 - Reduced material costs with better credit rating
 - Regained Lost Customer Base
 - Commercialization on New Products and New Channels



Turnaround Success

- Focused Management on Clear Attainable Objectives
 - Eliminated Conflicting Directions
- Growth
 - Optimize penetration of existing products
 - New sales channels
 - Prioritized R & D
 - New products:
 - \$2 billion plus market size

New Channels

- ✓ Aerospace
- ✓ Marine
- ✓ Oil & Gas

New Products

- ✓ Filament Tapes
- ✓ Roofing Membrane
- ✓ House Wrap
- ✓ Protective Packaging



Turnaround Success

- Gross margin improvement
 - Polypropylene Films Commercial Production Jan 1, '08
 - Solvent Coating Commercial Production Sept '08
 - Saturation Commercial Production Mar '09
 - New Products Commercial Production 2008 & 2009
- Significant cost reduction measures
 - Interest charges Attained
 - Logistics In Progress
 - Productivity In Progress
 - Professional fees Reduced
- Disciplined selling price increases to offset unprecedented rise in commodity prices



Update

- Solvent Coating
 - The company commenced production of Natural Rubber Carton Sealing Tape and other products that were being supplied by third parties and provided little or no gross margins.
 - This in house production is designed to recapture the 32% gross margins attributed to these products in 2006.
 - The process will also be utilized for new products currently under development.



Update

- Peliko
 - On September 3rd, 2008 the company acquired the exclusive rights for automatic equipment and wrapping material for large load (up to 60ft) packaging requirements.
 - The system is particularly adaptable to the lumber industry where Intertape is a large supplier of other substrates.
 - The cycle time for this system is under one minute. Our customers can expect considerable savings.
 - We anticipate gaining market share quickly and gross margins of 30%.

Overview

- 2007 Sales:
 - \$605.7 million (79% of total);
 - Gross Margin: 16.6%
- YTD 2008 Sales:
 - \$308.2 million (81% of total);
 - Gross Margin: 15.1%
- YTD 2008 EBITDA:
 - \$31.3 million vs. \$34.5 million in first half 2007 (- 9.3%)

Market Opportunities

Jan 1st, 2008

Realignment of Sales Force

Packaging Group

- ✓ High Velocity
- ✓ Low Cost
- ✓ Pricing & Mix Focus

Industrial Tape Group

- ✓ Market Focus
- ✓ End-User Driven
- ✓ Spec Driven

New Channels

Marine

- 2008 Market size: \$50 M
- Launched 5 new products: >30% margins
- Limited market participants
- ITP market share < 5%



Aerospace

- 2008 Market size: \$75 M
- Launched 2 new products: >40% margins
- Limited market participants: 3M
- ITP market share < 5%



Oil & Gas

- Market size: \$40M
- Penetrate market with 2 industry majors: >40% margins
- Limited market participants: 3M
- ITP market share < 5%



Protective Packaging

- Market size: \$150 M
- Launched Air Pillow System: >45% margins
- Limited market participants
- ITP market share < 5%





Tapes and Films Division
New Product Launches

- Hot Melt Long Roll
- New Filament Product
- Natural Rubber Carton Sealing Tape
- Transportation Masking Products
- Three additional launches planned for balance of 2008



Tapes and Films Division 2008-2009 Cost Savings

- Identified cost savings of \$26.5 million (excluding G&A and interest)
- Examples of focus areas
 - Supply Chain
 - Plant Direct Shipments
 - Price Volume Relationship
 - Full Pallet Sales
 - *Total Savings Opportunity \$5M*
 - Operations
 - Raw Material Substitution
 - Product Rationalization
 - Productivity Efficiencies
 - Waste Reductions
 - Business Rule Compliance
 - *Total Savings Opportunity \$21.5M*

Key Initiatives: 2008 & Beyond

- Simplify the Business
 - Supply Chain
 - Pricing
 - Product Platforms
 - Converting Efficiencies

Growth

- New Products
 - Filament
 - Natural Rubber
 - Masking Tape Family
 - Foil Tape
 - BT-100
- High Velocity / Low Cost Model
- Niche Markets
 - Aerospace
 - Appliance
 - Oil & Gas

The banner features a blue background with a grid pattern. On the left, there is an image of a cushioning machine with a roll of cushioning material. On the right, there are several rolls of different colored tapes (white, yellow, red, blue, green) and a roll of clear tape. The text "ECP Division Overview" is centered in the banner.

ECP Division Overview

- Serves 6 major market segments:
 - Building & Construction
 - Agro-Environmental
 - Consumer Packaging
 - Specialty Fabrics
 - Industrial Packaging
 - Flexible Intermediate Bulk Containers (FIBCs)
- 2007 Sales:
 - \$161.6 million (21% of total);
 - Gross Margin: 10.6%
- YTD 2008 Sales:
 - \$73.9 million (19% of total);
 - Gross Margin: 10.7%
- YTD 2008 EBITDA:
 - \$3.7 million vs \$3.3 million in first half 2007 (+ 12%)

Key Initiatives: 2008 & Beyond

- Development and marketing of new and high-margin products
- Cost savings
 - Low-cost resin substitutions
 - Re-engineer product formulations
 - Rationalize production between facilities
- Aggressive pricing management
- Pass on raw material cost increases
- US production vs imports – cost dynamic changing

New and High-Margin Products



NovaSeal II® Roof Underlayment,
market size \$800M



FlexGard Aspire® House Wrap,
market size \$750M



AquaMaster® Geomembrane Fabric,
large, but unquantifiable market



NovaShield® Structure Fabric,
market size \$80M



HayMaster® Protective Fabric,
market size \$50M



2008 Financial Outlook

- Significant cost reductions:
 - Interest expenses:
 - Approximately \$8 million reduction in interest expenses
 - Professional fees: \$3 million
- 2008 free cash flow estimated between \$30-\$35 million – excluding changes in working capital
 - Compared to \$24.7 million in 2007
- Ability to pass on raw material cost increases by pricing discipline



First Six Months 2008 Highlights

- New and high-margin product sales building momentum
- Increased selling prices and cost reduction initiatives substantially offset raw material cost increases
- International export business unit experienced double-digit sales growth

1st Half 2008 Earnings Summary

Periods Ended June 30 (in millions of US\$, unless otherwise indicated)	2nd Quarter		Six Months	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Sales	\$197.5	\$187.1	\$382.0	\$373.9
Gross profit	\$ 26.4	\$ 28.8	\$ 54.5	\$ 56.7
Gross margin	13.3%	15.4%	14.3%	15.2%
Net Earnings	\$ 4.6	(\$ 8.1)	\$ 2.8	(\$ 8.6)
EPS – Diluted	<u>\$ 0.08</u>	<u>(\$0.20)</u>	<u>\$ 0.05</u>	<u>(\$ 0.21)</u>
Operating cash flow before changes in non-cash working capital items	\$ 12.2	\$ 6.0	\$ 21.7	\$ 13.8

1st Half 2008 EBITDA to Net Earnings

Periods Ended June 30 (in millions of US\$)	2nd Quarter		Six Months	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net earnings (loss) – as reported	\$4.6	(\$8.1)	\$2.8	(\$8.6)
<i>Add back:</i>				
Financial Expenses, net of amortization	\$3.4	\$5.9	\$8.3	\$12.4
Refinancing Expense, net of amortization			2.9	
Income Taxes (recovery)	(\$1.0)	\$7.8	(\$1.8)	\$7.3
Depreciation & Amortization	\$9.0	\$8.8	\$21.3	\$17.8
EBITDA	\$16.0	\$14.4	\$33.5	\$28.9



1st Half 2008 Free Cash Flow

(in millions of US\$)

Cash flow from operating activities	\$ 21.7
before changes in non-cash working capital items	

Less: Capital Expenditures	\$ 9.0
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Free Cash Flow	\$ 12.7
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Capital Structure

(in millions of US\$)

	<u>June 2008</u>		<u>June 2007</u>	
Total Debt*	\$250.9	(41%)	\$311.0	(52%)
Shareholders' Equity	\$359.7	(59%)	\$283.9	(48%)
Total Capitalization	\$610.6		\$594.9	

Reduced debt in excess of \$60M

Refinanced \$200 million Senior Secured Facility
– Only one remaining financial covenant

* *including current instalments*

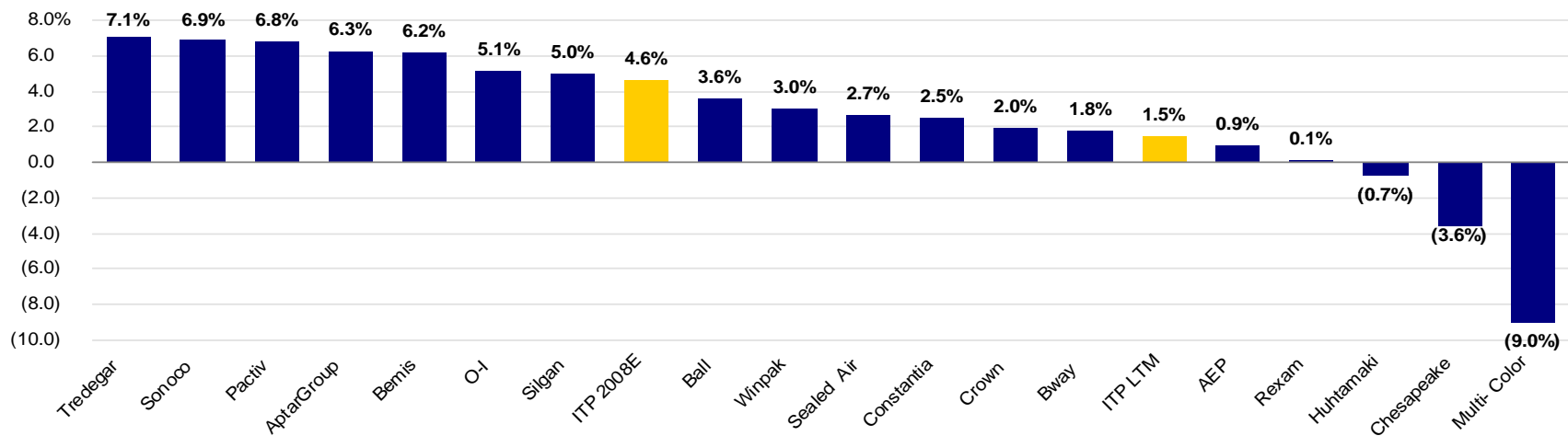


Compelling Valuation

- Share price (August 15th): \$2.71
- Book Value per Share: \$6.10 → 0.44x
- Projected Free Cash Flow per Share: \$0.51 \$0.59
- LTM Enterprise Value: \$ 399.9 million
- LTM EBITDA: \$ 69.4 million
- Enterprise Value / EBITDA: 5.76 x

Packaging Free Cash Flow Statistics

LTM FCF / SALES (as of March 31, 2008)



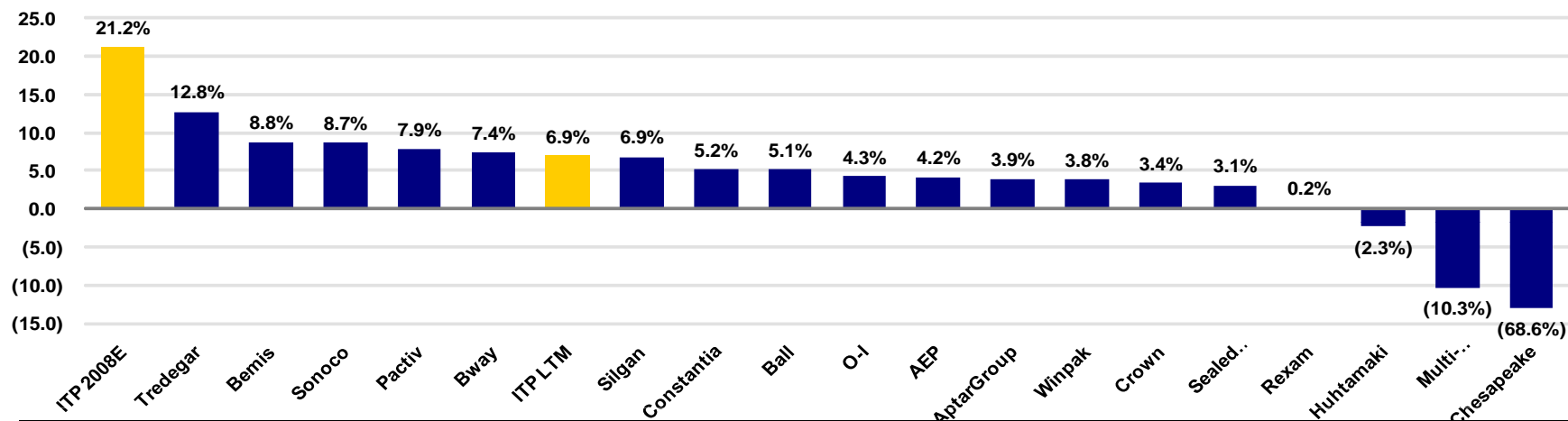
<u>Rigid Packaging</u>	<u>FCF/Sales</u>	<u>Specialty Packaging</u>	<u>FCF/Sales</u>	<u>"Micro Cap" Packaging</u>	<u>FCF/Sales</u>
O-I	5.1%	Sonoco	6.9%	Tredagar	7.1%
Silgan	5.0%	Pactiv	6.8%	Intertape Polymer - 2008E	4.6%
Ball	3.6%	AptarGroup	6.3%	Winpak	3.0%
Crown	2.0%	Bemis	6.2%	Bway	1.8%
Rexam	0.1%	Sealed Air	2.7%	Intertape Polymer - LTM	1.5%
		Constantia	2.5%	AEP Industries	0.9%
		Huhtamaki	(0.7%)	Chesapeake	(3.6%)
				Multi-Color	(9.0%)

Note: FCF defined as Cash Flow from Operations less CapEx. Market data as of 5/27/08.

- Represents FCF of \$35mm, the high end of management's range as stated on the Q2 2008 earnings call on August 14, 2008
- Intertape FCF represents operating cash flow for 12 months ended 3/31/08: \$28.7 & CapEx: \$17.3.

Packaging Free Cash Flow Statistics

LTM FCF YIELD (as of March 31, 2008)



<u>Rigid Packaging</u>	<u>FCF Yield</u>	<u>Specialty Packaging</u>	<u>FCF Yield</u>	<u>"Micro Cap" Packaging</u>	<u>FCF Yield</u>
Silgan	6.9%	Bemis	8.8%	Intertape Polymer - 2008E	21.2%
Ball	5.1%	Sonoco	8.7%	Tredegar	12.8%
O-I	4.3%	Pactiv	7.9%	Bway	7.4%
Crown	3.4%	Constantia	5.2%	Intertape Polymer - LTM	6.9%
Rexam	0.2%	AptarGroup	3.9%	AEP Industries	4.2%
		Sealed Air	3.1%	Wimpak	3.8%
		Huhtamaki	(2.3%)	Multi-Color	(10.3%)
				Chesapeake	(68.6%)

Note: FCF defined as Cash Flow from Operations less CapEx. Market data as of 5/27/08

- Represents FCF of \$35mm, the high end of management's range as stated on the Q2 2008 earnings call on August 14, 2008
- Intertape FCF represents operating cash flow for 12 months ended 3/31/08: \$28.7 & CapEx: \$17.3.



Why Invest in Intertape

- **Growth Opportunities**
 - Existing Products
 - New high-margin products
 - New markets
 - Export sales
 - Ongoing product development
- **Cost Reductions**
 - Supply chain efficiencies
 - Manufacturing productivity
 - Reduced professional fees
- **Finance**
 - Financial stability
 - Strengthened balance sheet
 - Lower interest costs
 - Use free cash flow to reduce debt and buy back shares
- **Strong Management**
 - Dedicated teams per division
 - Strong industry/product knowledge