NYSE SYMBOL: ITP
TSX SYMBOL: ITP

Intertape Polymer Group Inc. Announces Increased First Quarter Sales and Earnings

- **First quarter sales were up 15.8% over the first quarter last year**
- **Net earnings were up 163.3% over the first quarter last**

Montréal, Québec and Bradenton, Florida – April 29, 2005 – Intertape Polymer Group Inc. (NYSE, TSX: ITP) today released results for its first quarter ended March 31, 2005. “In the first quarter, we achieved volume growth across all of our product lines,” said Intertape Polymer Group Inc. (“IPG” or the “Company”) Chairman and Chief Executive Officer, Melbourne F. Yull. “We were also able to implement the price increases we announced in 2004 and some of those that we have announced for 2005, which along with the closing of two plants, all contributed to a significant improvement in our bottom line.”

Operating Results

Sales for the first quarter of 2005 were $187.7 million, up 15.8% compared to the corresponding quarter last year.

Gross margin for the first quarter of 2005 was 20.8% compared to 19.8% for the same quarter last year. The improvement was attributable to selling price increases and lower manufacturing costs. Manufacturing costs were down as a result of the plant closings announced in the fourth quarter of 2004. Gross profit increased from $32.1 million to $39.0 million, or by 21.6%, compared to the same period in 2004.

Selling, general and administrative (“SG&A”) expenses were $23.9 million in the first quarter of 2005, compared to $22.3 million for the first quarter of 2004. As a percent of sales, they were down from 13.8% in the first quarter of 2004 to 12.7% in the first quarter of 2005.

Financial expenses in the first quarter of 2005 were $5.6 million, a 16.5% decrease compared to $6.8 million for the first quarter last year, due to lower interest rates as a result of the debt restructuring completed in mid-2004. “Compared to the fourth quarter of 2004, interest rates on our long term debt were up on average 20 basis points due to an increase in the Libor rate,” said IPG’s Chief Financial Officer, Andrew M. Archibald, C.A.

For the first quarter of 2005, the Company recorded income tax expense of $1.3 million, which represents an effective tax rate of 18.2% and is in line with the Company’s expectation of an effective tax rate in the range of 20.0% to 23.0% for the full year 2005. For the same period in 2004, the Company booked an income tax recovery of $0.3 million.

Excluding the manufacturing facility closure costs and related tax benefits, net earnings for the first quarter of 2005 (“Adjusted net earnings”) were $6.4 million or $0.16 per share (basic and diluted) compared to $2.3 million or $0.06 per share (basic and diluted) for the same quarter last year. The Company is including Adjusted net earnings, a non-GAAP financial measure, in this discussion of results because it believes the measure permits more meaningful comparisons of its core business performance between the periods presented. A reconciliation of Adjusted net earnings to GAAP net earnings is set forth below. Net earnings for the first quarter of 2005 were $6.0 million, or $0.15 per share (basic and diluted), compared to net earnings of $2.3 million or $0.06 per share (basic and diluted) for the first quarter of 2004.

Reconciliation of Net Earnings to Adjusted Net Earnings

For the three months ended (in millions of US dollars)	March 31	
	2005	2004
	$	$
Net earnings – As reported	6.0	2.3
Add back:		
Manufacturing facility closure costs (after-tax)	0.4	-
Adjusted net earnings	6.4	2.3

The Company is also including earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA, non-GAAP financial measures, in this discussion of results because the Company's covenants contained in the loan agreement with its lenders require certain debt to Adjusted EBITDA ratios be maintained, thus EBITDA and Adjusted EBITDA are used by management and the Company's lenders in evaluating the Company's performance. A reconciliation of the Company's EBITDA and Adjusted EBITDA, non-GAAP financial measures, to GAAP net earnings is set forth in the EBITDA reconciliation table below. The Company's EBITDA for the first quarter of 2005 was $20.5 million compared to $15.4 million for the first quarter of 2004. The adjusted EBITDA was $21.1 million in the first quarter of 2005 as compared to $15.4 million in the first quarter of 2004. The increase reflects higher sales and improved gross margins.

EBITDA and Adjusted EBITDA Reconciliation to Net Earnings

For the three months ended (in millions of US dollars)	March 31	
	2005	2004
	$	$
Net earnings – As reported	6.0	2.3
Add back:		
Financial expenses, net of amortization	5.3	6.3
Income taxes	1.3	(0.3)
Depreciation and amortization	7.9	7.1
EBITDA	20.5	15.4
Add back:		
Manufacturing facility closure costs	0.6	-
Adjusted EBITDA	21.1	15.4

Cash Flows

Net cash flows used by operating activities were $1.9 million for the first quarter of 2005, compared to net cash flows provided by operating activities of $6.3 million for the first quarter of 2004. While cash from operating activities before non-cash working capital items was up significantly in 2005, $15.6 million compared to $8.6 million for the first quarter of 2004, non-cash working capital items used more cash in 2005 because of a return to more normal terms for supplier payments, higher inventories due to build-ups in the fourth quarter of 2004 relating to plant closures that have not yet returned to traditional levels, higher inventory values due to higher raw material costs, and higher accounts receivable due to higher sales levels. Mr. Archibald commented: "The Company is in the process of reducing its inventory levels for raw materials and finished goods, as well as improving on its collection of accounts receivable. Based on the anticipated impact of these actions, the Company's target for free cash flow in 2005 remains $25.0 million to $30.0 million." Free cash flow is defined as cash flows from operating activities less expenditures for plant, property and equipment (capital expenditures).

Expenditures for property, plant and equipment were $5.0 million for the first quarter of 2005 compared to $5.8 million for the first quarter of 2004. The Company's estimated spending for such capital expenditures continues to be in the range of $23.0 million to $27.0 million for 2005.

Balance Sheet

Total debt, net of cash, increased by 2.6% over the course of the first quarter of 2005, reflecting the funding of the cash required by operating and investing activities during the period. As of March 31, 2005, the Company had cash and temporary cash investments of $18.6 million, as well as committed revolving credit facilities of $75.0 million of which $9.4 million has been utilized, including $4.4 million in letters of credit.

Outlook

"Based on what we are seeing today, sales for 2005 could now be in the range of $775 million to $790 million for the year, which would exceed our annual sales growth target of 10%," said Mr. Yull. "We also expect margins to improve in the second quarter if we achieve our anticipated revenue growth and are able to implement our announced price increases."

(All figures in U.S. dollars, unless otherwise stated; March 31, 2005, exchange rate:
Cdn $1.2165 = U.S.$1.00)

Click below to view IPG First Quarter 2005 Financials
IPG First Quarter 2005 Financials

Conference Call

A conference call to discuss IPG's 2005 first quarter results will be held Monday, May 2, 2005 at 11:30 A.M. Eastern Standard Time. Participants may dial 1-800-553-5275 (U.S. and Canada) and 1-612-332-0228 (International). The conference call will also be simultaneously webcast on the Company's website at http://www.intertapepolymer.com.

You may access a replay of the call by dialing 1-800-475-6701 (U.S. and Canada), or 1-320-365-3844 (International), and entering the pass code 780054. The recording will be available from Monday, May 2, 2005 at 4:45 P.M. until Monday, May 9, 2005 at 11:59 P.M, Eastern Standard Time.

About Intertape Polymer Group

Intertape Polymer Group is a recognized leader in the development and manufacture of specialized polyolefin plastic and paper based packaging products and complementary packaging systems for industrial and retail use. Headquartered in Montreal, Quebec and Sarasota/Bradenton, Florida, the Company employs approximately 2,600 employees with operations in 15 locations, including 10 manufacturing facilities in North America and one in Europe.

Safe Harbor Statement

Certain statements and information included in this release constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Additional discussion of factors that could cause actual results to differ materially from management's projections, estimates and expectations is contained in the Company's SEC filings. The Company undertakes no duty to update its forward-looking statements, including its earnings outlook. This release contains certain non-GAAP financial measures as defined under SEC rules, including adjusted net earnings, EBITDA and adjusted EBITDA. The Company believes such non-GAAP financial measures improve the transparency of the Company's disclosure, provide a meaningful presentation of the Company's results from its core business operations, excluding the impact of items not related to the Company's ongoing core business operations, and improve the period-to-period comparability of the Company's results from its core business operations. As required by SEC rules, the Company has provided reconciliations of non-GAAP measures to the most directly comparable GAAP measures.

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