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together with revenue growth. Intertape Polymer Group (IPG) Chairman and Chief Executive Officer, Melbourne F. Yull noted that while the economy is still challenging, our business is improving.

### First Quarter 2003 vs Fourth Quarter 2002

Sales for the first quarter of 2003 were \$153.6 million compared to \$151.3 million for the fourth quarter of 2002. The sales improvement reflects IPG's strong non-retail unit sales, which were up 7.0% over the fourth quarter of 2002, negligible price reductions, offset by a decline in retail sector volumes which are in line with seasonal trends.

First quarter 2003 pre-tax income was \$3.2 million compared to a pre-tax loss of \$2.1 million in the fourth quarter of 2002 (excluding the net impact of the goodwill impairment charge of \$70 million less related income taxes). The Company believes these adjusted results provide a more meaningful comparison of its ongoing operational results. First quarter 2003 net income was \$2.9 million, compared to a net loss in the fourth quarter of 2002 of \$58.8 million.

First quarter 2003 value-added approached traditional levels and the gross margin in first quarter 2003 increased by 2.5 percentage points, compared to the fourth quarter of 2002. Value-added is defined as the difference between material costs and selling prices, expressed as a percentage of sales. More specifically, IPG's Chief Financial Officer, Andrew M. Archibald, C.A., stated that: "Initiatives such as waste reduction programs in all facilities, as well as changes to certain blending formulae, and improved efficiencies, contributed to reduced costs this quarter. Margins also benefited from an improvement in sales mix between the various product sub classes, as well as from maintaining manufacturing overhead and labour costs at fourth quarter levels."

Selling, general and administrative expenses were \$22.0 million in the first quarter of 2003 compared to \$23.5 million in the fourth quarter of 2002, a decrease of 6.4%, resulting from the implementation of cost reduction initiatives announced during the second half last year, as well as the normal seasonal decline relating to the retail sector.

Financial expenses in the first quarter were \$7.7 million, down slightly from the fourth quarter.

### Pre-Tax Cost Reductions Update

Previously announced cost reduction initiatives of \$17.5 million continue to proceed as planned. In the fourth quarter of 2002 the Company eliminated \$3.0 million annually as a result of the Flexible Intermediate Bulk Container (FIBC) consolidation and \$2.5 million annually in SG&A expenses. Of the remaining \$12.0 million in announced reductions, \$6.0 million should be accomplished during fiscal 2003, with the full impact of the \$12.0 million anticipated in fiscal 2004.

### First Quarter 2003 vs First Quarter 2002

Sales for the first quarter were \$153.6 million compared to \$146.7 million for the first quarter last year, an increase of 4.7%. The increase in sales reflects an 8.2% increase in unit sales, offset by a 3.5% decline in selling prices.

First quarter net income was \$2.9 million, or \$0.09 per share (basic and diluted), compared to net income of \$2.8 million, or \$0.09 per share a year ago.

Despite rising raw material costs over the period, value-added approached

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traditional levels in first quarter 2003, as a result of the various cost reduction initiatives implemented and, more recently, the ability to reflect raw material cost increases in selling prices.

Financial expenses in the first quarter were \$7.7 million compared to \$9.0 million in the first quarter last year. The reduction of financial expenses reflects the \$70.0 million reduction of debt made last year, as well as reduced interest rates on some of the existing outstanding debt.

### Liquidity

Working capital requirements increased in the first quarter, mainly due to increased receivables outstanding at the end of the quarter resulting from a strong sales month in March and seasonally higher inventory levels as the Company prepares for annual plant shutdowns. Debt, as anticipated, increased by \$3.6 million in the quarter, bringing total debt outstanding to \$324.9 million as at March 31, 2003, compared to \$353.6 million a year ago and \$321.3 million as of December 31, 2002. Long-term debt was reduced by \$5.3 million during the first quarter of 2003.

### Conclusion

Mr. Yull stated that: "We are pleased that the concerted efforts we have made across all of IPG's operations have started to show results. Our performance was in line with our business plan. These results reflect the success we have had in responding to the economic environment challenges which prevailed through much of last year and continues. Revenue growth, and ongoing cost and debt reductions remain keys to our success."

(all figures in U.S. dollars; March 31, 2003, exchange rate:  
Cdn \$1.4678=U.S.\$1.00)

### Conference Call

A conference call to discuss IPG's first quarter results will be held Friday, April 25, 2003 at 10:00 A.M. Eastern Standard Time. Participants may dial 1-800-230-1092 (U.S. and Canada) and 1-612-288-0337 (International). The conference call will also be simultaneously webcast on the Company's website at <http://www.intertapepolymer.com>. (Go to Financial Information, Conference Call Access for live Webcast).

You may access a replay of the call by dialing 1-800-475-6701 (U.S. and Canada); 1-320-365-3844 (International) and entering the passcode 682793. The recording will be available from Friday, April 25, 2003 at 5 P.M. until Friday, May 2, 2003 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 19 locations, including 13 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

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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.

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Intertape Polymer Group Inc.  
 Consolidated Cash Flows  
 Three months ended  
 (In thousands of US dollars)

	March 31, 2003	Dec. 31, 2002	March 31, 2002
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
Net (loss) earnings	2,901	(58,774)	2,819
Non-cash items			
Depreciation and amortization	6,639	7,647	6,618
Loss on disposal of property, plant and equipment		30	
Impairment of goodwill		70,000	
Future income taxes (recovery)	322	(15,723)	348
	<hr/>	<hr/>	<hr/>
Cash flows from operations before changes in non-cash working capital items	9,862	3,180	9,785
Changes in non-cash working capital items			
Trade receivables	(6,371)	8,825	(2,527)
Other receivables	(218)	2,531	3,087
Inventories	(3,847)	10,666	953
Parts and supplies	100	(112)	(315)
Prepaid expenses	1,147	(3,177)	1,051
Accounts payable and accrued liabilities	(522)	6,922	(16,425)
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities	(9,711)	25,655	(14,176)
Cash flows from operating activities	151	28,835	(4,391)
<b>INVESTING ACTIVITIES</b>			
Property, plant and equipment	(2,451)	(2,130)	(2,842)
Other assets	(1,953)	(1,619)	(2,514)
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities	(4,404)	(3,749)	(5,356)
<b>FINANCING ACTIVITIES</b>			
Net change in bank indebtedness	8,832	(17,419)	(4,717)

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Issue of long-term debt			(32,727)
Repayment of long-term debt	(5,265)	(8,885)	47,376
Issue of Common Shares		647	
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities	3,567	(25,657)	9,932
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Net increase (decrease) in cash position	(686)	(571)	185
Effect of currency translation adjustments	686	571	(185)
Cash position, beginning and end of year	--	--	--

Intertape Polymer Group Inc.  
Consolidated Balance Sheets  
As at  
(In thousands of US dollars)

	March 31, 2003	Dec. 31, 2002	March 31, 2002
	\$	\$	\$
<b>ASSETS</b>			
Current assets			
Trade receivables (net of allowance for doubtful accounts of \$3,475, (\$3,844 in December, 2002, \$6,069 in March, 2002)	93,221	86,169	89,033
Other receivables	10,554	10,201	10,549
Inventories	65,732	60,969	69,705
Parts and supplies	12,422	12,377	11,902
Prepaid expenses	6,784	7,884	8,399
Future income tax assets	2,397	2,397	3,995
	<hr/>	<hr/>	<hr/>
	191,110	179,997	193,583
Property, plant and equipment	350,955	351,530	363,039
Other assets	14,518	13,178	13,680
Goodwill	160,248	158,639	227,859
	<hr/>	<hr/>	<hr/>
	716,831	703,344	798,161
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	17,405	8,573	23,313
Accounts payable and accrued liabilities	81,271	80,916	75,058
Instalments on long-term debt	28,600	29,268	7,560
	<hr/>	<hr/>	<hr/>
	127,276	118,757	105,931
Long-term debt	278,902	283,498	322,687
Other liabilities	3,530	3,550	3,785
Future income taxes	3,654	4,446	21,878
	<hr/>	<hr/>	<hr/>
	413,362	410,251	454,281
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock and share purchase warrants	239,186	239,185	236,872

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Retained earnings	53,014	50,113	107,386
Accumulated currency translation adjustments	11,269	3,795	(378)
	<u>303,469</u>	<u>293,093</u>	<u>343,880</u>
	716,831	703,344	798,161

Intertape Polymer Group Inc.  
Consolidated Earnings  
Three months ended  
(In thousands of US dollars,  
except per share amounts)

	March 31, 2003	Dec. 31, 2002	March 31, 2002
	\$	\$	\$
Sales	153,592	151,261	146,737
Cost of sales	119,793	121,764	113,321
Gross profit	<u>33,799</u>	<u>29,497</u>	<u>33,416</u>
	22.0%	19.5%	22.8%
Selling, general and administrative expenses	21,982	23,462	20,299
Impairment of goodwill		70,000	
Research and development	894	480	967
Financial expenses	7,700	7,621	8,983
	<u>30,576</u>	<u>101,563</u>	<u>30,249</u>
Earnings (loss) before income taxes	3,223	(72,066)	3,167
Income taxes (recovery)	322	(13,292)	348
Net earnings (loss) for the period	<u>2,901</u>	<u>(58,774)</u>	<u>2,819</u>
Earnings (loss) per share			
Basic	0.09	(1.79)	0.09
Diluted	0.09	(1.79)	0.09

Consolidated Retained Earnings  
Three months ended  
(In thousands of US dollars)

	March 31, 2003	Dec. 31, 2002	March 31, 2002
	\$	\$	\$
Balance, beginning of period	50,113	108,887	104,567
Net (loss) earnings	2,901	(58,774)	2,819
Balance, end of period	<u>53,014</u>	<u>50,113</u>	<u>107,386</u>

Common shares  
Average number of shares outstanding  
Three months ended

	March 31, 2003	Dec. 31, 2002	March 31, 2002
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CDN GAAP - Basic	33,821,074	32,829,013	30,155,360
CDN GAAP - Diluted	33,821,497	32,829,013	30,505,692
U.S. GAAP - Basic	33,821,074	32,829,013	30,155,360
U.S. GAAP - Diluted	33,821,497	32,829,013	30,505,692