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November 3, 2003

NYSE SYMBOL: ITP

TSX SYMBOL: ITP

## Intertape Polymer Group Inc. Reports Earnings Improvement and Debt Repayment for Third Quarter 2003

- Quarterly revenue growth of 6.6%
- Quarterly net income increase of \$9.0 million
- \$9.4 million of available cash used to repay debt
- Total debt reduction of \$50.2 million in quarter

Bradenton, Florida - November 3, 2003 - Intertape Polymer Group Inc. (NYSE, TSX: ITP) today released results for the third quarter ended September 30, 2003. "We have made great strides in a number of key areas over the past few quarters, which have not only yielded improved financial results, but also enabled us to strengthen our balance sheet," said Intertape Polymer Group Inc. (IPG) Chairman and Chief Executive Officer, Melbourne F. Yull. "We posted good revenue growth and solid earnings this quarter, notwithstanding disruptions to a number of our operations because of hurricanes and power failures. Additionally, we were able to do an equity issue at the end of September for gross cash proceeds of \$42.5 million (Cdn\$57.5 million) and net cash proceeds of \$40.8 million (Cdn\$55.2 million)." The common shares were issued at \$7.39 per share (Cdn\$10.00 per share) and the proceeds of the issue were used to repay debt.

### Third Quarter 2003

Third quarter net income was \$6.2 million, or \$0.18 per share (basic and diluted), compared to a net loss of \$2.8 million, or \$0.08 per share (basic and diluted) a year ago, and up 59.0% compared to net income of \$3.9 million in the preceding quarter of this year. The increase in net income was driven by revenue growth and improved gross margins.

Sales for the third quarter were \$159.8 million, up 6.6% compared to the corresponding quarter last year, and 6.4% compared to the preceding quarter this year. "We were pleased to see sales were up across all product lines this quarter," said Mr. Yull. "Our revenue growth, in what was a weak economic environment for the packaging sector, reflects the success of our efforts over the past several quarters to introduce new products to meet customer needs and to strengthen relationships with our product distributors."

Gross margin for the third quarter increased to 22.7% from 18.9% (21.3% excluding one-time charges) in the corresponding quarter last year, resulting from selling price increases, waste reduction programs implemented earlier this year, and the use of lower cost inputs for certain products.

Selling, general and administrative expenses were \$22.3 million in the third quarter of 2003, compared to \$22.3 million (\$21.0 million excluding one-time charges) for the third quarter of 2002. IPG's Chief Financial Officer, Andrew M. Archibald, C.A. noted that SG&A expenses were up as a result of higher selling costs related to increased sales in certain distribution channels and the effect of consolidating the additional 50% interest in Fibope recently acquired.

Financial expenses in the third quarter were \$7.4 million compared to \$8.3 million in the third quarter last year, reflecting lower debt levels compared to the same period last year. The common share issue completed at the end of September had no impact on the reduction of financial expenses.

Income tax expense reported for the first half of the year was based on the Company's historical current income tax expense rate. In recent years,

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current taxes have been offset by deferred income tax benefits. The Company has taken a conservative approach to recognizing these deferred income tax benefits, wanting to make sure that the benefits are not recognized prematurely. With nine months of the year's operating results now available, the Company believes it has sufficient information to recognize deferred income tax benefits in the amount of \$1.9 million for the third quarter.

Spending on property, plant and equipment was \$4.6 million in the third quarter of 2003, compared to \$3.1 million for the same quarter in 2002, reflecting the Company's continuing policy of tight controls on capital investment.

Cash flows from operating activities less cash used for investing activities was \$9.2 million for the third quarter 2003, compared to a net utilization of cash of \$8.3 million for the third quarter 2002. The excess cash generated in the quarter was used to repay debt.

### First Nine Months of 2003

First nine months net income was \$13.0 million, or \$0.38 per share (basic and diluted), compared to net income of \$4.3 million, or \$0.13 per share (basic and diluted) a year ago.

Sales for the first nine months of 2003 were \$463.6 million compared to \$450.3 million for the first nine months last year, an increase of 3.0%, which should be sustainable for the balance of the year.

Gross margin for the first nine months of 2003 was 22.5% compared to 21.3% (22.0% excluding one-time charges) for the first nine months of 2002.

Selling, general and administrative expenses for the nine months were \$65.1 million, compared to \$63.1 million (\$61.8 million excluding one-time charges) a year ago, due to higher selling costs related to increased sales, particularly in certain distribution channels, and the effect of consolidating the recently acquired additional 50% interest in Fibope.

Financial expenses in the first nine months were \$22.9 million compared to \$25.2 million in the first nine months of last year. The lower financial expenses reflect primarily the impact of debt reduction since the end of the third quarter of 2002.

Spending on property, plant and equipment was \$9.7 million in the first nine months of 2003, compared to \$9.6 million for the corresponding period last year.

Cash flows from operating activities less cash used for investing activities was \$14.6 million for the first nine months of 2003, compared to a net utilization of cash of \$6.8 million for the same period last year. The excess cash generated during the period was used to repay debt. "The Company would have generated \$21.9 million in excess cash so far this year if it were not for payments of \$7.3 million made to settle an outstanding lawsuit of \$6.0 million and reduce the actuarial deficit of one of the Company's pension plans by \$1.3 million," remarked Mr. Archibald. "As a result of these payments, the outlook for excess cash in 2003 is reduced from \$29.0 million to approximately \$22.0 million."

### Balance Sheet Improvements

"We have made a significant reduction in our debt and interest expense this year," noted Mr. Archibald. Total debt decreased by \$50.2 million in the third quarter, bringing total debt outstanding to \$269.6 million as at September 30, 2003, compared to \$321.3 million as at December 31, 2002 and \$347.6

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million a year ago. The debt was repaid with the \$40.8 million of net proceeds from the common share issue and \$9.4 million of available cash flow. As part of the reductions, the remaining amount outstanding on the Facility C bank loan was totally repaid, two years prior to maturity, enabling the Company to secure a Facility A interest rate reduction of 100 basis points. Of the \$16.9 million current portion of long-term debt, \$16.0 million is due only in September 2004, as the first of the scheduled Note repayments. As of September 30, 2003, borrowings under Facility A, less cash, were \$18.4 million. Facility A is the Company's \$50.0 million committed two-year revolving bank credit facility.

### Conclusion

"The third quarter numbers reflect the results of our increased focus in four key areas: new products, relationships with our product distributors, cost reductions, and debt reductions," said Mr. Yull. "With each passing quarter, we are seeing good progress on all fronts, and we intend to continue on this path. All-in-all, I believe we should be able to continue increasing our overall profitability in the years ahead and are well-positioned to benefit from economic recovery as it occurs."

(All figures in U.S. dollars, unless otherwise stated; September 30, 2003, exchange rate: Cdn \$1.3546=U.S.\$1.00)

### Conference Call

A conference call to discuss IPG's third quarter results will be held Tuesday, November 4, 2003 at 10:00 A.M. Eastern Standard Time. Participants may dial 1-888-428-4472 (U.S. and Canada) and 1-651-291-0900 (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 703112. The recording will be available from Tuesday, November 4, 2003 at 5:00 P.M. until Tuesday, November 11, 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 14 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.

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FOR INFORMATION CONTACT:

Melbourne F. Yull  
 Chairman and Chief Executive Officer  
 Intertape Polymer Group Inc.  
 Tel.: 866-202-4713  
 E-mail: itp\$info@intertapeipg.com  
 Web: www.intertapepolymer.com

### Selected Financial Information

Intertape Polymer Group Inc.

Consolidated Earnings

Periods ended September 30,

(In thousands of US dollars, except per share amounts)

	Three months		Nine months	
	2003 \$	2002 \$	2003 \$	2002 \$
Sales	159,798	149,920	463,639	450,314
Cost of sales	123,489	121,532	359,448	354,566
Gross profit	36,309	28,388	104,191	95,748
Selling, general and administrative expenses	22,264	22,309	65,076	63,062
Research and development	1,080	926	3,060	2,689
Financial expenses	7,409	8,297	22,934	25,152
	30,753	31,532	91,070	90,903
Earnings before income taxes	5,556	(3,144)	13,121	4,845
Future income taxes (recovery)	(643)	(357)	118	525
Net earnings	6,199	(2,787)	13,003	4,320
Earnings per share				
Basic	0.18	(0.08)	0.38	0.13
Diluted	0.18	(0.08)	0.38	0.13

Consolidated Retained Earnings

Periods ended

(In thousands of US dollars)

	Three months		Nine months	
	2003 \$	2002 \$	2003 \$	2002 \$
Balance, beginning of period	56,918	111,674	50,114	104,567
Net earnings	6,199	(2,787)	13,003	4,320
Balance, end of period	63,117	108,887	63,117	108,887

Common shares

Average number of shares outstanding

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CDN GAAP - Basic	35,302,174	33,701,307	34,318,592	32,469,521
CDN GAAP - Diluted	35,397,800	33,701,307	34,409,403	32,900,516
U.S. GAAP - Basic	35,302,174	33,701,307	34,318,592	32,469,521
U.S. GAAP - Diluted	35,397,800	33,701,307	34,409,403	32,900,516

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

	September 30, 2003	September 30, 2002	December 31, 2002
	\$	\$	\$
<b>ASSETS</b>			
Current assets			
Trade receivables (net of allowance for doubtful accounts of \$3,274 (\$3,552 in September 2002, \$3,844 in December 2002))	97,034	94,996	86,169
Other receivables	10,155	11,137	10,201
Inventories	67,128	71,637	60,969
Parts and supplies	13,046	12,566	12,377
Prepaid expenses	5,917	4,711	7,884
Future income tax assets	2,397	4,025	2,397
	<u>195,677</u>	<u>199,072</u>	<u>179,997</u>
Property, plant and equipment	355,297	357,041	351,530
Other assets	12,137	12,508	13,178
Goodwill	172,007	228,525	158,639
	<u>735,118</u>	<u>797,146</u>	<u>703,344</u>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	18,376	25,992	8,573
Accounts payable and accrued liabilities	92,739	73,433	80,916
Instalments on long-term debt	16,886	9,929	29,268
	<u>128,001</u>	<u>109,354</u>	<u>118,757</u>
Long-term debt	234,353	311,722	283,498
Other liabilities	3,530	3,785	3,550
Future income taxes	2,623	22,112	4,446
	<u>368,507</u>	<u>446,973</u>	<u>410,251</u>
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock and share purchase warrants	289,367	238,538	239,185
Retained earnings	63,117	108,887	50,113

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Accumulated currency translation adjustments	14,127	2,748	3,795
	<u>366,611</u>	<u>350,173</u>	<u>293,093</u>
	<u>735,118</u>	<u>797,146</u>	<u>703,344</u>

Intertape Polymer Group Inc.  
Consolidated Cash Flows  
Periods ended September 30,  
(In thousands of US dollars)

	Three months		Nine months
	2003	2002	2003
	\$	\$	\$
OPERATING ACTIVITIES			
Net earnings	6,199	(2,787)	13,003
Non-cash items			
Depreciation and amortization	8,226	7,342	21,589
Loss on disposal of property, plant and equipment	1,250	1,250	
Future income taxes	(1,926)	(357)	(1,166)
Cash from operations before changes in non-cash working capital items	<u>12,499</u>	<u>5,448</u>	<u>33,426</u>
Changes in non-cash working capital items			
Trade receivables	(6,635)	(5,237)	(9,357)
Other receivables	(70)	1,877	46
Inventories	5,029	4,713	(3,118)
Parts and supplies	(545)	(122)	(669)
Prepaid expenses	212	1,423	2,057
Accounts payable and accrued liabilities	9,667	(11,981)	8,859
	<u>7,658</u>	<u>(9,327)</u>	<u>(2,182)</u>
Cash flows from operating activities	<u>20,157</u>	<u>(3,879)</u>	<u>31,244</u>
INVESTING ACTIVITIES			
Property, plant and equipment	(4,620)	(3,119)	(9,700)
Goodwill	(6,217)		(6,217)
Other assets	(75)	(1,323)	(683)
Cash flows from investing activities	<u>(10,912)</u>	<u>(4,442)</u>	<u>(16,600)</u>
FINANCING ACTIVITIES			
Net change in bank indebtedness	(5,762)	6,269	9,413
Repayment of long-term debt	(43,212)	(3,635)	(64,329)
Issue of common shares	42,457	1,716	42,457
Cash flows from financing activities	<u>(6,517)</u>	<u>4,350</u>	<u>(12,459)</u>
Net increase (decrease) in cash position	<u>2,728</u>	<u>(3,971)</u>	<u>2,185</u>
Effect of foreign currency translation adjustments	<u>(2,728)</u>	<u>3,971</u>	<u>(2,185)</u>

