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NYSE SYMBOL: ITP

TSX SYMBOL: ITP

Intertape Polymer Group Inc. Announces Second Quarter Results

- Sales up 10.7% compared to last year
- Adjusted net earnings up 7.0% compared to last year
- Free cash flow of \$7.6 million

Montreal, Quebec and Bradenton, Florida - July 28, 2005 - Intertape Polymer Group Inc. (NYSE, TSX: ITP) today released results for its second quarter ended June 30, 2005.

Sales for the second quarter were \$190.3 million, up 10.7% from \$171.9 million for the same quarter of 2004, while the Company reported net earnings of \$5.4 million or \$0.13 per share (basic and diluted) compared to \$5.7 million or \$0.14 per share (basic and diluted) for the same period last year. The quarter's results included total charges of \$1.1 million for costs associated with manufacturing facility closures and an industrial accident. Excluding the manufacturing facility closure and industrial accident costs and related tax benefits, adjusted net earnings for the second quarter of 2005 were \$6.1 million or \$0.15 per share (basic and diluted) compared to \$5.7 million or \$0.14 per share (basic and diluted) for the same quarter last year. The Company is including adjusted net earnings, a non-GAAP financial measure, 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 at the end of this press release.

"We were able to achieve double-digit sales growth again this quarter, despite a softening of the market for film products and an industry-wide shortage of synthetic rubber, a key raw material for certain of our tape adhesives," said Intertape Polymer Group Inc. ("IPG) Chairman and Chief Executive Officer, Melbourne F. Yull. "While we were able to satisfy some of our customers' demand with alternative products, we were not able to meet all of their demands, which resulted in lower sales volumes compared to last year. This shortage in synthetic rubber is expected to be rectified by the end of 2005, but it could take longer. Higher sales were the result of price increases implemented over the past few quarters to recover increased raw material costs."

"Our net earnings, however, did not grow proportionately as they were impacted negatively by higher raw material costs, including that of synthetic rubber, costs related to an industrial accident and increased staffing as a result of the organizational realignment that we began at the end of 2004," said Mr. Yull. "The sales price increases that have been implemented over the past while have allowed us to recover raw material cost increases, as well as some gross margin, but we have not yet been able to get back to historical gross margin levels. The additional staffing costs this quarter are an investment in our new organizational structure which we believe will begin to reap benefits in the second half of this year."

With completion of the preliminary investigation of the accident at its Columbia, South Carolina facility, the Company has established a loss provision totaling approximately \$1.1 million, almost all of which was recorded in the second quarter. Most of the loss provision relates to applicable insurance policy deductibles.

"Decreased financial expenses continue to have a positive impact on our net earnings as they were down 18.2% in the second quarter of 2005 compared to the second quarter last year, reflecting the benefits of the refinancing undertaken in the third quarter of last year," said IPG's Chief Financial

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Officer, Andrew M. Archibald, C.A. "From a cash perspective, we were able to generate \$7.6 million of free cash flow in the quarter. This was in part due to improved collection of trade receivables and the receipt of a tax refund during the quarter. 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). The Company is including free cash flow, a non-GAAP financial measure, because it is used by management and the Company's investors in evaluating the Company's performance. A reconciliation of free cash flow to cash flows from operating activities, the most directly comparable GAAP measure, is set forth at the end of this press release.

The Company is also including earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA, both non-GAAP financial measures, because these measures 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, both non-GAAP financial measures, to GAAP net earnings is set forth in the EBITDA reconciliation table at the end of this press release. The Company's EBITDA for the second quarter of 2005 was \$19.6 million compared to \$20.9 million for the second quarter of 2004. The adjusted EBITDA was \$20.7 million in the second quarter of 2005 as compared to \$20.9 million in the second quarter of 2004.

Sales for the first six months of 2005 were \$378.0 million, up 13.2% from \$334.0 million for the same period in 2004. Net earnings for the first six months of 2005 were \$11.5 million or \$0.28 per share (basic and diluted) compared to \$7.9 million or \$0.19 per share (basic and diluted) for the same period of the preceding year. Adjusted net earnings for the first six months of 2005 were \$12.6 million or \$0.31 per share (basic) and \$0.30 per share (diluted) compared to \$7.9 million or \$0.19 per share (basic and diluted) for the same period of the preceding year.

"While sales growth for the first half of the year has been good, our outlook for full year 2005 sales has been adjusted downwards from the range of \$775 million to \$790 million to a range of \$755 million to \$775 million, which would represent annual sales growth in the range of 9% to 12%," said Mr. Yull. "The impact of the synthetic rubber shortage, which had an impact on both sales and gross margins this past quarter, is expected to continue through the summer and possibly into next year."

Reconciliation of Net Earnings to Adjusted Net Earnings

(in millions of US dollars)

	For the three months ended June 30		For the six months ended June 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
Net earnings - as reported	5.4	5.7	11.5	7.9
Add back:				
Manufacturing facility closure and industrial accident costs (after-tax)	0.7		1.1	
Adjusted net earnings	6.1	5.7	12.6	7.9

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Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA

(in millions of US dollars)

	For the three months ended June 30		For the six months ended June 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
Net earnings - as reported	5.4	5.7	11.5	7.9
Add back:				
Financial expenses, net of amortization	5.6	7.0	10.9	13.3
Income taxes	0.4	0.7	1.7	0.4
Depreciation and amortization	8.2	7.5	16.1	14.6
EBITDA	19.6	20.9	40.2	36.2
Add back:				
Manufacturing facility closure and industrial accident costs (after-tax)	1.1		1.8	
Adjusted EBITDA	20.7	20.9	42.0	36.2

Reconciliation of Cash Flows from Operating Activities to Free Cash Flow

(in millions of US dollars)

	For the three months ended June 30		For the six months ended June 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash flows from (used in)				
operating activities - as reported	11.7	(0.6)	9.9	5.8
Subtract:				
Property, plant and equipment expenditures	4.1	4.1	9.1	9.9
Free cash flow	7.6	(4.7)	0.8	(4.1)

(All figures in U.S. dollars, unless otherwise stated; June 30, 2005, exchange rate: Cdn \$1.2263 = U.S.\$1.00)

Conference Call

A conference call to discuss IPG's 2005 second quarter results will be held Friday, July 29, 2005 at 10:00 A.M. Eastern Standard Time. Participants may dial 1-800-553-0358 (U.S. and Canada) and 1-612-332-0636 (International).

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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 passcode 788816. The recording will be available from Friday, July 29, 2005 at 3:15 P.M. until Friday, August 5, 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.

FOR INFORMATION CONTACT:

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Selected Financial Information

Intertape Polymer Group Inc.
Consolidated Earnings
Periods ended June 30,
(In thousands of US dollars, except per share amounts)

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	Three months		Six months	
	2005	2004	2005	2004
	\$	\$	\$	\$
Sales	190,282	171,934	377,979	334,034
Cost of sales	150,895	134,097	299,469	264,083
Gross profit	39,387	37,837	78,510	69,951
Selling, general and administrative expenses	24,844	22,793	48,761	45,100
Stock-based compensation	483	351	938	421
Research and development	1,224	1,153	2,235	2,115
Financial expenses	5,918	7,235	11,567	14,003
Manufacturing facility closure and industrial accident costs	1,087		1,806	
	33,556	31,532	65,307	61,639
Earnings before income taxes	5,831	6,305	13,203	8,312
Income taxes	399	654	1,738	370
Net earnings	5,432	5,651	11,465	7,942
Earnings per share				
Basic	0.13	0.14	0.28	0.19
Diluted	0.13	0.14	0.28	0.19

Consolidated Retained Earnings
Periods ended June 30,
(In thousands of US dollars)

	Three months		Six months	
	2005	2004	2005	2004
	\$	\$	\$	\$
Balance, beginning of period	85,642	70,582	79,609	68,291
Net earnings	5,432	5,651	11,465	7,942
	91,074	76,233	91,074	76,233

Premium on purchase for

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cancellation of common shares	11		11	
	-----	-----	-----	-----
Balance, end of period	91,063	76,233	91,063	76,233
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Common shares
Average number of shares outstanding

CDN GAAP - Basic	41,214,969	41,215,111	41,226,215	41,092,785
CDN GAAP - Diluted	41,550,160	41,396,403	41,493,093	41,429,232
U.S. GAAP - Basic	41,214,969	41,215,111	41,226,215	41,092,785
U.S. GAAP - Diluted	41,550,160	41,396,403	41,493,093	41,429,232

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

	June 30, 2005	June 30, 2004	December 31, 2004
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	23,247	9,488	21,882
Temporary investment	489		497
Trade receivables, net of allowance for doubtful accounts of \$4,463 (\$4,037 in June 2004, \$4,065 in December 2004)	110,167	101,201	101,628
Other receivables	11,283	11,353	13,381
Inventories	99,632	73,213	90,677
Parts and supplies	13,979	13,301	13,618
Prepaid expenses	7,642	5,761	7,788
Future income tax	1,509	2,682	1,509
	267,948	216,999	250,980
Property, plant and equipment	343,839	357,227	352,610
Other assets	17,397	13,181	16,474
Future income taxes	34,731	4,457	36,689
Goodwill	179,767	176,231	179,958
	843,682	768,095	836,711
LIABILITIES			
Current liabilities			

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Bank indebtedness	5,000		
Accounts payable and accrued liabilities	94,059	91,834	97,849
Installments on long-term debt	2,802	1,958	3,032
	<u>101,861</u>	<u>93,792</u>	<u>100,881</u>
Long-term debt	329,539	290,240	331,095
Other liabilities	435	530	435
	<u>431,835</u>	<u>384,562</u>	<u>432,411</u>
SHAREHOLDERS' EQUITY			
Capital stock	288,911	289,219	289,180
Contributed surplus	5,264	3,701	4,326
Retained earnings	91,063	76,233	79,609
Accumulated currency translation adjustments	26,609	14,380	31,185
	<u>411,847</u>	<u>383,533</u>	<u>404,300</u>
	<u>843,682</u>	<u>768,095</u>	<u>836,711</u>

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

	Three months		Six months	
	2005	2004	2005	2004
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	5,432	5,651	11,465	7,942
Non-cash items				
Depreciation and amortization	8,234	7,514	16,142	14,637
Other non-cash charges in connection with facility closures	81		127	
Future income taxes	203	310	1,372	(586)
Stock-based compensation expense	483	351	938	421
Cash flow from operations before changes in non-cash working capital items	<u>14,433</u>	<u>13,826</u>	<u>30,044</u>	<u>22,414</u>
Changes in non-cash working capital items				
Trade receivables	2,801	(2,163)	(9,100)	(12,248)
Other receivables	2,082		2,017	487

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Inventories	(6,338)	(3,366)	(9,535)	(3,878)
Parts and supplies	(96)	43	(409)	(148)
Prepaid expenses	449	1,039	132	2,140
Accounts payable and accrued liabilities	(1,616)	(9,935)	(3,285)	(2,997)
	(2,718)	(14,382)	(20,180)	(16,644)
Cash flows from operating activities	11,715	(556)	9,864	5,770
INVESTING ACTIVITIES				
Property, plant and equipment	(4,069)	(4,055)	(9,058)	(9,875)
Business acquisition				(5,500)
Other assets	(800)	(501)	(1,721)	(1,064)
Goodwill		(58)	(300)	(58)
Cash flows from investing activities	(4,869)	(4,614)	(11,079)	(16,497)
FINANCING ACTIVITIES				
Net change in bank indebtedness		15,907	5,000	20,840
Issue of long-term debt				787
Repayment of long-term debt	(1,164)	(2,477)	(1,703)	(2,477)
Issue of common shares	68	1,408	71	2,378
Common shares purchased for cancellation	(340)		(340)	
Cash flows from financing activities	(1,436)	14,838	3,028	21,528
Net increase (decrease) in cash position	5,410	9,668	1,813	10,801
Effect of currency translation adjustments	(246)	(180)	(448)	(1,313)
Cash position, beginning of period	18,083		21,882	
Cash position, end of period	23,247	9,488	23,247	9,488