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INTERTAPE POLYMER GROUP INC  
Form 6-K  
May 14, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of May, 2004

Commission File Number 1-10928

INTERTAPE POLYMER GROUP INC.

110E Montee de Liesse, St. Laurent, Quebec, Canada, H4T 1N4

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F \_\_\_\_\_ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes \_\_\_\_\_ No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

The Information contained in this Report is incorporated by reference into Registration Statement No. 333-109944

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERTAPE POLYMER GROUP INC.

Date: May 14, 2004

By: /s/Andrew M. Archibald  
Andrew M. Archibald, CA  
Chief Financial Officer, Secretary,  
and Vice President Administration

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2004 FIRST QUARTERLY REPORT  
INTERTAPE POLYMER GROUP (TM)  
(LOGO)

May 13, 2004

This Management's Discussion and Analysis ("MD&A") supplements the consolidated financial statements and related notes for the three months ended March 31, 2004. Except where otherwise indicated, all financial information reflected herein is prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and is expressed in US dollars.

### OVERVIEW

Intertape Polymer Group Inc. ("the Company" or "IPG") experienced a 5.5% increase in sales for the three months ended March 31, 2004 as compared to the corresponding period in 2003. Earnings for the three months ended March 31, 2004 were \$0.06 per share, both basic and diluted, as compared to earnings of \$0.09 per share, both basic and diluted, for the same period in 2003.

The decrease in net earnings was primarily attributable to higher cost of sales as reflected in the current quarter's lower gross margin compared to the corresponding period in 2003.

Except as discussed under the caption "Gross Profit and Gross Margin" below, economic and industrial factors during the first quarter of 2004 were substantially unchanged from December 31, 2003.

### RESULTS OF OPERATIONS

#### SALES

Sales for the first quarter of 2004 were \$162.1 million, an increase of 5.5% over the first quarter of 2003 sales of \$153.6 million. The increase includes revenues associated with the February 2004 acquisition of the duct and masking tape operations of tesa tape, inc. and the incremental sales associated with acquiring the remaining 50% interest in the Company's Portuguese joint venture in late June 2003.

Including the revenues associated with the tesa tape, inc. acquisition, the Company continues to believe that it can achieve 10% annual sales growth for calendar 2004.

#### GROSS PROFIT AND GROSS MARGIN

Gross profit for the first quarter of 2004 totaled \$32.1 million at a gross margin of 19.8%, as compared to gross profit of \$33.8 million for the first quarter of 2003 at a gross margin of 22.0%. The margin decline in the first quarter of 2004 as compared to the first quarter of 2003 was due to several factors including raw material cost increases in polypropylene and natural rubber, changes in product mix, production interruptions at the Truro, Nova Scotia manufacturing facility related to inclement weather and production equipment repairs and unanticipated integration costs at the Columbia facility related to the acquired duct and masking tape operations of tesa tape, inc.

#### SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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Selling, general and administrative expenses were \$22.4 million for the first quarter of 2004, compared to \$22.0 million for the first quarter of 2003. The increase in expenses resulting from recording stock-based compensation as well as the effects of including the remaining 50% interest in the Portuguese joint venture that was acquired at the end of June 2003 were offset by spending reductions in other areas, such as telecommunications, resulting in the first quarter's SG&A expenses being at the low end of the anticipated quarterly SG&A costs for 2004.

### OPERATING PROFIT

Operating profit is not a financial measure under GAAP in Canada or the United States. The Company's Management uses operating profit to measure and evaluate the profit contributions of the Company's product offerings as well as the contribution by channel of distribution.

Operating profit (defined as gross profit less selling, general and administrative expenses) was \$9.7 million for the first quarter of 2004, compared to \$11.8 million for the first quarter of 2003. The 17.8% decrease in the first quarter of 2004 over the corresponding amount in 2003 was the result of the lower gross margin.

### FINANCIAL EXPENSES

Financial expenses for the first quarter of 2004 were \$6.8 million compared to \$7.7 million in the first quarter of 2003, a 11.7% reduction. The year to year decrease in financial expenses is the result of substantial debt repayments in the second and third quarters of 2003. The common stock issuance in late September 2003 allowed the Company to repay \$40.8 million in debt at the end of the third quarter of 2003.

### EBITDA

A reconciliation of the Company's EBITDA, a non-GAAP financial measure, to GAAP net earnings is set out in the EBITDA reconciliation table below. EBITDA should not be construed as earnings before income taxes, net earnings or cash from operating activities as determined by generally accepted accounting principles.

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The Company defines EBITDA as net income before (i) income taxes; (ii) financial expense; (iii) amortization of intangibles and capitalized software costs; and (iv) depreciation. Other companies in our industry may calculate EBITDA differently than we do. EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to cash flow from operating activities or as an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with GAAP. The Company has included this non-GAAP financial measure because it believes that it permits investors to make a more meaningful comparison of IPG's performance between periods presented. In addition, the Company's covenants contained in the loan agreements with its lenders and noteholders require certain debt to EBITDA ratios be maintained, thus EBITDA is used by Management and the Company's lenders and noteholders in evaluating the Company's performance.

(in millions of US dollars)

Three Months

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| Periods ended March 31,                    | 2004  | 2003 |
|--|-------|------|
|  | \$    | \$   |
| Net Earnings - As Reported                 | 2.3   | 2.9  |
| Add back (deduct):                         |       |      |
| Financial expenses,<br>net of amortization | 6.3   | 7.7  |
| Income taxes                               | (0.3) | 0.3  |
| Depreciation and amortization              | 7.1   | 6.7  |
| EBITDA                                     | 15.4  | 17.6 |

### NET EARNINGS

Net earnings for the first quarter of 2004 were \$2.3 million or \$0.06 per share, both basic and diluted, compared to net earnings of \$2.9 million or \$0.09 per share, both basic and diluted for the first quarter of 2003.

### FINANCIAL POSITION

Trade receivables increased \$10.0 million between December 31, 2003 and March 31, 2004. The increase is primarily due to the higher level of sales for the month of March 2004 compared to the month of December 2003. Aside from the trade receivables, other current assets were substantially unchanged between December 31, 2003 and March 31, 2004. Current liabilities increased by \$28.9 million between December 31, 2003 and March 31, 2004. As explained below, bank indebtedness increased in the first quarter of 2004 in order to fund capital expenditures and the tesa tape, inc. acquisition. Current instalments of long-term debt increased in the first quarter of 2004 due to note repayments scheduled for the first quarter of 2005.

Property, plant and equipment, net of accumulated depreciation and amortization, increased by \$7.5 million in the first quarter of 2004 due to \$5.8 million of capital expenditures and \$7.2 million associated with the capital lease described in "Liquidity and Capital Resources" below. Goodwill increased \$4.0 million during the first quarter of 2004 due to the tesa tape, inc. acquisition.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company maintains no off-balance sheet arrangements.

### LIQUIDITY AND CAPITAL RESOURCES

Cash from operations before changes in non-cash working capital items was \$8.6 million for the first quarter of 2004 compared to \$9.9 million for the first quarter of 2003. Changes in non-cash working capital items required \$2.3 million in cash flows for the three months ended March 31, 2004 compared to using \$9.7 million in cash during the same three month period in 2003.

The improved cash flow from operating activities in the first quarter of 2004 compared to the first quarter of 2003 is the result of more effective management of payables to vendors.

Cash flows used in investing activities was \$11.9 million in the first

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three months of 2004 compared to using \$4.4 million in cash in the first three months of 2003. The increase in cash required for investing activities in 2004 was due to increased capital spending and the \$5.5 million used to acquire the duct and masking tape operations of tesa tape, inc.

The Company increased total indebtedness during the three months ended March 31, 2004 by \$5.7 million to finance investing activities in excess of cash flows from operations. Total indebtedness increased for the three months ended March 31, 2003 by \$3.6 million for the same reason.

In 2003, the Company entered into a twenty year capital lease for the new Regional Distribution Center in Danville, Virginia. The lease commenced in January 2004. This non-cash transaction was valued at \$7.2 million and is reflected in the March 31, 2004 consolidated balance sheet as an increase in property, plant and equipment and long-term debt.

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### BANK INDEBTEDNESS AND CREDIT FACILITIES

The Company maintains a \$50.0 million revolving line of credit facility. When added with the cash on-hand and cash equivalents, cash and available credit totaled \$24.5 million at March 31, 2004 compared to \$32.6 million at December 31, 2003.

With respect to the first quarter of 2004, the Company cured a default under its long-term debt agreements with noteholders by obtaining an amendment to the fixed charge coverage ratio (EBITDA divided by Fixed Charges as defined) for 2004 and the first six months of 2005. Several of the Company's financial covenants under its long-term debt agreements and the credit agreement providing the revolving line of credit include ratios impacted by profitability. These ratios have escalations scheduled for the latter part of this year.

### CURRENCY RISK

The Company is subject to currency risks through its Canadian and European operations. Changes in the exchange rates may result in decreases or increases in the foreign exchange gains or losses. The Company does not use derivative instruments to reduce its exposure to foreign currency risk, as historically these risks have not been significant.

### CHANGES IN ACCOUNTING POLICIES

In the fourth quarter of 2003, the Company adopted the fair value-based approach of the CICA's Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments." The Company adopted the new accounting rules effective January 1, 2003 on a prospective basis for options granted for years beginning in 2003. The first quarter of 2004 includes \$70,000 of stock-based compensation expense compared to none in the corresponding period of 2003.

### SUMMARY OF QUARTERLY RESULTS

A table of Consolidated Quarterly Statements of Earnings for the eight most recent quarters can be found at the end of this MD&A.

### ADDITIONAL INFORMATION

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Additional information relating to IPG, including its Annual Information Form is filed on SEDAR at [www.sedar.com](http://www.sedar.com) in Canada and on EDGAR at [www.sec.gov](http://www.sec.gov) in the U.S.

### FORWARD-LOOKING STATEMENTS

Certain statements and information set forth in this Quarterly Report, including statements regarding the business and anticipated financial performance of the Company, 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.

Among the factors that could cause actual results to differ from the forward-looking statements include, but are not limited to, inflation and general economic conditions, changes in the level of demand for the Company's products, competitive pricing pressures, general market trends, failure to achieve planned cost savings associated with consolidation, restrictions and limitations placed on the Company by its debt instruments, international risks including exchange rate fluctuations, trade disruptions, and political instability of foreign markets that we produce in or purchase materials from, and the availability and price of raw materials.

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. These and other factors should be considered carefully and undue reliance should not be placed on forward-looking statements. The Company undertakes no duty to update its forward-looking statements, including its sales outlook.

This Quarterly Report contains certain non-GAAP financial measures, including operating profit and EBITDA. The Company has included these non-GAAP financial measures because it believes they provide investors with a more meaningful period-to-period comparison of the Company's performance. Further, EBITDA is used by IPG's Management, lenders and noteholders to evaluate the Company's performance. IPG has included in this Quarterly Report reconciliations of the non-GAAP financial measures to the most directly comparable GAAP measures as required by the Securities and Exchange Commission.

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### CONSOLIDATED QUARTERLY STATEMENTS OF EARNINGS

Three month periods ended  
(in thousands of US dollars, except per share amounts)  
(Unaudited)

|       | March 31,<br>2004 | December 31,<br>2003 | September 30,<br>2003 | June 30,<br>2003 |
|-------|-------------------|----------------------|-----------------------|------------------|
| Sales | \$ 162,100        | \$ 157,682           | \$ 159,798            | \$ 150,249       |

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|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| Cost of sales                                | 129,986       | 122,975       | 123,489       | 116,166       |
| Gross Profit                                 | <u>32,114</u> | <u>34,707</u> | <u>36,309</u> | <u>34,083</u> |
| Selling, general and administrative expenses | 22,377        | 24,973        | 22,264        | 20,830        |
| Impairment of goodwill                       |               |               |               |               |
| Research and development                     | 962           | 212           | 1,080         | 1,086         |
| Financial expenses                           | 6,768         | 5,587         | 7,409         | 7,825         |
| Manufacturing facility closure costs         |               | 3,005         |               |               |
|  | <u>30,107</u> | <u>33,777</u> | <u>30,753</u> | <u>29,741</u> |
| Earnings(loss)before income taxes            | 2,007         | 930           | 5,556         | 4,342         |
| Income taxes (recovery)                      | (284)         | (4,244)       | (643)         | 439           |
| Net earnings (loss)                          | <u>2,291</u>  | <u>5,174</u>  | <u>6,199</u>  | <u>3,903</u>  |
| Earnings(loss)per share                      |               |               |               |               |
| Cdn GAAP - Basic - US \$                     | 0.06          | 0.13          | 0.18          | 0.12          |
| Cdn GAAP - Diluted - US \$                   | 0.06          | 0.13          | 0.18          | 0.12          |
| US GAAP - Basic - US \$                      | 0.06          | 0.13          | 0.18          | 0.12          |
| US GAAP - Diluted - US \$                    | 0.06          | 0.13          | 0.18          | 0.12          |
| Average number of shares outstanding         |               |               |               |               |
| Cdn GAAP - Basic                             | 40,971,739    | 40,870,426    | 35,302,174    | 33,832,527    |
| Cdn GAAP - Diluted                           | 41,528,581    | 41,225,776    | 35,397,800    | 33,912,232    |
| US GAAP -Basic                               | 40,971,739    | 40,870,426    | 35,302,174    | 33,832,527    |
| US GAAP - Diluted                            | 41,528,581    | 41,225,776    | 35,397,800    | 33,912,232    |

|  | March 31,<br>2003 | December 31,<br>2002 | September 30,<br>2002 | June 30,<br>2002 |
|--|-------------------|----------------------|-----------------------|------------------|
|  | \$                | \$                   | \$                    | \$               |
| Sales  | 153,592           | 151,261              | 149,920               | 153,657          |
| Cost of sales                                | 119,793           | 121,764              | 120,632               | 119,713          |
| Gross Profit                                 | <u>33,799</u>     | <u>29,497</u>        | <u>29,288</u>         | <u>33,944</u>    |
| Selling, general and administrative expenses | 21,982            | 23,462               | 21,109                | 20,454           |
| Impairment of goodwill                       |                   | 70,000               |                       |                  |
| Research and development                     | 894               | 480                  | 926                   | 796              |
| Financial expenses                           | 7,700             | 7,621                | 8,297                 | 7,872            |
| Manufacturing facility closure costs         |                   |                      | 2,100                 |                  |
|  | <u>30,576</u>     | <u>101,563</u>       | <u>32,432</u>         | <u>29,122</u>    |
| Earnings(loss)before income taxes            | 3,223             | (72,066)             | (3,144)               | 4,822            |

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|   |              |                 |                |              |
|---|--------------|-----------------|----------------|--------------|
| Income taxes (recovery)                 | 322          | (13,292)        | (357)          | 534          |
| Net earnings (loss)                     | <u>2,901</u> | <u>(58,774)</u> | <u>(2,787)</u> | <u>4,288</u> |
| Earnings(loss)per share                 |              |                 |                |              |
| Cdn GAAP - Basic - US \$                | 0.09         | (1.74)          | (0.08)         | 0.13         |
| Cdn GAAP - Diluted - US \$              | 0.09         | (1.74)          | (0.08)         | 0.13         |
| US GAAP - Basic - US \$                 | 0.09         | (1.74)          | (0.08)         | 0.13         |
| US GAAP - Diluted - US \$               | 0.09         | (1.74)          | (0.08)         | 0.13         |
| Average number of shares<br>outstanding |              |                 |                |              |
| Cdn GAAP - Basic                        | 33,821,074   | 33,821,074      | 33,701,307     | 33,622,896   |
| Cdn GAAP - Diluted                      | 33,821,497   | 33,821,074      | 33,701,307     | 34,249,454   |
| US GAAP -Basic                          | 33,821,074   | 33,821,074      | 33,701,307     | 33,622,896   |
| US GAAP - Diluted                       | 33,821,497   | 33,821,074      | 33,701,307     | 34,249,454   |

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INTERTAPE POLYMER GROUP INC.  
CONSOLIDATED EARNINGS  
Three month periods ended  
(in thousands of US dollars, except per share amounts)  
(Unaudited)

|   | March 31,     |               |
|---|---------------|---------------|
|   | 2004          | 2003          |
|   | \$            | \$            |
| Sales   | 162,100       | 153,592       |
| Cost of sales                                   | 129,986       | 119,793       |
| Gross profit                                    | <u>32,114</u> | <u>33,799</u> |
| Selling, general and<br>administrative expenses | 22,377        | 21,982        |
| Research and development                        | 962           | 894           |
| Financial expenses                              | 6,768         | 7,700         |
|   | <u>30,107</u> | <u>30,576</u> |
| Earnings before income taxes                    | 2,007         | 3,223         |
| Future income taxes (recovery)                  | (284)         | 322           |
| Net earnings                                    | <u>2,291</u>  | <u>2,901</u>  |
| Earnings per share                              |               |               |
| Basic   | <u>0.06</u>   | <u>0.09</u>   |
| Diluted   | <u>0.06</u>   | <u>0.09</u>   |



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CONSOLIDATED RETAINED EARNINGS  
 Three month periods ended  
 (In thousands of US dollars)  
 (Unaudited)

|                            | March 31, |        |
|----------------------------|-----------|--------|
|                            | 2004      | 2003   |
|                            | \$        | \$     |
| Balance, beginning of year | 68,291    | 50,113 |
| Net earnings               | 2,291     | 2,901  |
| Balance, end of period     | 70,582    | 53,014 |

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INTERTAPE POLYMER GROUP INC.  
 CONSOLIDATED BALANCE SHEETS  
 As at  
 (In thousands of US dollars)

|   | March 31, 2004<br>(Unaudited) | March 31, 2003<br>(Unaudited) | December 31, 2003<br>(Audited) |
|---|-------------------------------|-------------------------------|--------------------------------|
|   | \$                            | \$                            | \$                             |
| <b>ASSETS</b>   |                               |                               |                                |
| Current assets  |                               |                               |                                |
| Trade receivables (net of allowance for doubtful accounts of \$4,102 (\$3,475 in March 2003, \$3,911 in December 2003)) | 99,320                        | 93,221                        | 89,297                         |
| Other receivables   | 11,364                        | 10,554                        | 11,852                         |
| Inventories   | 70,383                        | 65,732                        | 69,956                         |
| Parts and supplies  | 13,344                        | 12,422                        | 13,153                         |
| Prepaid expenses  | 6,820                         | 6,784                         | 7,924                          |
| Future income taxes   | 2,682                         | 2,397                         | 2,682                          |
|   | 203,913                       | 191,110                       | 194,864                        |
| Property, plant and equipment   | 362,066                       | 350,955                       | 354,627                        |
| Other assets  | 12,928                        | 14,518                        | 12,886                         |
| Future income taxes   | 4,700                         |                               | 3,812                          |
| Goodwill  | 176,953                       | 160,248                       | 173,056                        |
|   | 760,560                       | 716,831                       | 739,245                        |

**LIABILITIES**

Current liabilities

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|  |         |         |         |
|--|---------|---------|---------|
| Bank indebtedness                        | 18,922  | 17,405  | 13,944  |
| Accounts payable and accrued liabilities | 102,072 | 81,271  | 95,270  |
| Instalments on long-term debt            | 34,036  | 28,600  | 16,925  |
|  | <hr/>   | <hr/>   | <hr/>   |
|  | 155,030 | 127,276 | 126,139 |
| Long-term debt                           | 225,936 | 278,902 | 235,066 |
| Other liabilities                        | 530     | 3,530   | 530     |
| Future income taxes                      |         | 3,654   |         |
|  | <hr/>   | <hr/>   | <hr/>   |
|  | 381,496 | 413,362 | 361,735 |
|  | <hr/>   | <hr/>   | <hr/>   |

SHAREHOLDERS' EQUITY

|  |         |         |         |
|--|---------|---------|---------|
| Capital stock and share purchase warrants    | 287,811 | 239,185 | 286,841 |
| Contributed surplus                          | 3,220   |         | 3,150   |
| Retained earnings                            | 70,582  | 53,014  | 68,291  |
| Accumulated currency translation adjustments | 17,451  | 11,270  | 19,228  |
|  | <hr/>   | <hr/>   | <hr/>   |
|  | 379,064 | 303,469 | 377,510 |
|  | <hr/>   | <hr/>   | <hr/>   |
|  | 760,560 | 716,831 | 739,245 |
|  | <hr/>   | <hr/>   | <hr/>   |

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INTERTAPE POLYMER GROUP INC.  
CONSOLIDATED CASH FLOWS  
Three months ended  
(In thousands of US dollars)  
(Unaudited)

|  | March 31, 2004 | March 31, 2003 |
|--|----------------|----------------|
|  | <hr/>          | <hr/>          |
|  | \$             | \$             |
| OPERATING ACTIVITIES   |                |                |
| Net earnings   | 2,291          | 2,901          |
| Non-cash items   |                |                |
| Depreciation and amortization  | 7,123          | 6,639          |
| Stock-based compensation expense   | 70             |                |
| Future income taxes  | (896)          | 322            |
|  | <hr/>          | <hr/>          |
| Cash flow from operations before changes in non-cash working capital items | 8,588          | 9,862          |
|  | <hr/>          | <hr/>          |

Changes in non-cash working capital items

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|  |                 |                |
|--|-----------------|----------------|
| Trade receivables                          | (10,085)        | (6,371)        |
| Other receivables                          | 487             | (218)          |
| Inventories                                | (512)           | (3,847)        |
| Parts and supplies                         | (191)           | 100            |
| Prepaid expenses                           | 1,101           | 1,147          |
| Accounts payable and accrued liabilities   | 6,938           | (522)          |
|  | <u>(2,262)</u>  | <u>(9,711)</u> |
| Cash flows from operating activities       | <u>6,326</u>    | <u>151</u>     |
| INVESTING ACTIVITIES                       |                 |                |
| Property, plant and equipment              | (5,820)         | (2,451)        |
| Business acquisition                       | (5,500)         |                |
| Other Assets                               | (563)           | (1,953)        |
| Cash flows from investing activities       | <u>(11,883)</u> | <u>(4,404)</u> |
| FINANCING ACTIVITIES                       |                 |                |
| Net change in bank indebtedness            | 4,933           | 8,832          |
| Issue of long-term debt                    | 787             |                |
| Repayment of long-term debt                |                 | (5,265)        |
| Issue of common shares                     | 970             |                |
| Cash flows from financing activities       | <u>6,690</u>    | <u>3,567</u>   |
| Net increase (decrease) in cash position   | <u>1,133</u>    | <u>(686)</u>   |
| Effect of currency translation adjustments | (1,133)         | 686            |
| Cash position, beginning and end of year   | <u>\$</u>       | <u>\$</u>      |

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NOTE 1.

Basis of Presentation

In the opinion of Management the accompanying unaudited interim consolidated financial statements, prepared in accordance with Canadian generally accepted accounting principles, contain all adjustments necessary to present fairly Intertape Polymer Group Inc.'s ("IPG" or "the Company") financial position as at March 31, 2004 and 2003 and December 31, 2003 as well as its results of operations and its cash flows for the three months ended March 31, 2004 and 2003.

While Management believes that the disclosures presented are adequate, these unaudited interim consolidated financial statements and notes should be read in conjunction with IPG's annual consolidated financial statements.

These unaudited interim consolidated financial statements and notes follow the same accounting policies as the most recent annual consolidated financial statements.

NOTE 2.

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### Earnings per Share

The following table provides a reconciliation between basic and diluted earnings per share:

In thousands of US dollars  
(Except per share amounts)

| For the three months ended                                   | March 31, |        |
|--|-----------|--------|
|  | 2004      | 2003   |
|  | \$        | \$     |
| Net earnings applicable to common shares                     | 2,291     | 2,901  |
| Weighted average number of common shares outstanding         | 40,972    | 33,821 |
| Effect of dilutive stock options(a)                          | 557       |        |
| Weighted average number of diluted common shares outstanding | 41,529    | 33,821 |
| Basic earnings per share                                     | 0.06      | 0.09   |
| Diluted earnings per share                                   | 0.06      | 0.09   |

a) Diluted earnings per share is calculated by adjusting outstanding shares, assuming any dilutive effects of stock options and warrants.

### NOTE 3.

#### Accounting for Compensation Programs

As at March 31, 2004 the Company had a stock-based compensation plan, which is described in the Company's 2003 Annual Report. Under the transitional provisions prescribed by the the Canadian Institute of Chartered Accountants ("CICA"), the Company is prospectively applying the recognition provisions to awarded stock options issued in 2003 and thereafter. The transitional provisions of the CICA are similar to those of the US Financial Accounting Standards Board ("FASB"). The Company recorded a pre-tax charge of approximately \$70,000 in selling, general and administration expenses. To determine the compensation cost, the fair value of stock options is recognized on a straight-line basis over the vesting periods. For stock options granted during the year ended December 31, 2002, the Company is required to make pro forma disclosures of net earnings and basic and diluted earnings per share as if the fair value based method of accounting had been applied.

Accordingly, the Company's net earnings and basic and diluted earnings per share would have been decreased to the pro forma amounts indicated in the following table:

In thousands of US dollars  
(Except per share amounts)

| For the three months ended | March 31, |      |
|----------------------------|-----------|------|
|                            | 2004      | 2003 |

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|   |              |              |
|---|--------------|--------------|
|   | \$           | \$           |
| Net earnings  | 2,291        | 2,901        |
| Add (deduct): Stock-based employee compensation expense included in reported net earnings | 70           | -            |
| Total stock-based employee compensation expense determined under fair value based method  | (263)        | (207)        |
| Pro Forma net earnings  | <u>2,098</u> | <u>2,694</u> |
| Earnings per share:   |              |              |
| Basic - as reported   | 0.06         | 0.09         |
| Based - pro forma   | 0.05         | 0.08         |
| Diluted - as reported   | 0.06         | 0.09         |
| Diluted - pro forma   | 0.05         | 0.08         |

NOTE 4.

Capital Stock

During the three months ended March 31, 2004, 115,125 common shares at a value of \$970,000 were issued to employees who exercised stock options.

The Company's shares outstanding as at March 31, 2004 and December 31, 2003 were 41,060,001 and 40,944,876, respectively.

Average number of common shares outstanding

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
|                            |                   | March 31,         |
| For the three months ended | 2004              | 2003              |
| CDN GAAP - Basic           | <u>40,971,739</u> | <u>33,821,074</u> |
| CDN GAAP - Diluted         | 41,528,581        | 33,821,497        |
| U. S. GAAP - Basic         | 40,971,739        | 33,821,074        |
| U. S. GAAP - Diluted       | 41,528,581        | 33,821,497        |

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NOTE 5.

Financial Expenses

|   |              |              |
|---|--------------|--------------|
|   |              | March 31,    |
| For the three months ended                            | 2004         | 2003         |
|   | \$           | \$           |
| Interest on long-term debt                            | 5,911        | 7,053        |
| Interest on credit facilities                         | 371          | 218          |
| Other   | 636          | 579          |
| Interest capitalized to property, plant and equipment | (150)        | (150)        |
|   | <u>6,768</u> | <u>7,700</u> |

NOTE 6.

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### Business Acquisition

In February 2004, the Company purchased for a cash consideration of \$5.5 million plus contingent consideration (dependent on business retention), assets relating to the masking and duct tape operations of tesa tape, inc. ("tesa"). At the same time, the Company finalized its three-year agreement to supply duct tape and masking tape to tesa. The purchase was accounted for as a business combination and, accordingly, the purchase method of accounting was used. The purchase price was allocated to the assets purchased based on their estimated fair values as at the date of acquisition and includes \$4.0 million of goodwill. Any contingent consideration paid will be recorded as an increase in goodwill.

NOTE 7.

### Capital Lease

During 2003, the Company entered into a twenty year lease agreement for a warehouse facility. The lease commenced in January 2004 and has been accounted for as a capital lease. The value of the building and the related capital lease obligation recorded were approximately \$7.2 million.

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### Information Request Form

I would like to  receive or  continue receiving financial information on Intertape Polymer Group.

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Province/State: \_\_\_\_\_  
Postal Code/Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Please send me now on a regular basis. (Please indicate number of copies requested)

Annual Reports Quantity: \_\_\_\_\_  
 Fax Updates (Press releases only) Quantity: \_\_\_\_\_

Please indicate your occupation:

Investment Dealer                       Analyst  
 Institution/Corporation               Journalist  
 Institutional Broker                     Retail Broker  
 Institutional Investor                   Shareholder  
 Investment Banker                       Other

Please Fax a copy of this page to:  
The Secretary  
Intertape Polymer Group Inc.  
Fax: 941-727-3798

110E Montee de Liesse

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Montreal Quebec  
Canada, H4T 1N4  
Investor Relations  
Toll Free: 866-202-4713  
www.intertapepolymer.com  
itp\$info@intertapeipg.com

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I, Melbourne F. Yull, Chairman of the Board and Chief Executive Officer of INTERTAPE POLYMER GROUP INC./LE GROUPE INTERTAPE POLYMER INC. certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of INTERTAPE POLYMER GROUP INC./LE GROUPE INTERTAPE POLYMER INC., (the "Issuer") for the interim period ending March 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date and for the periods presented in the interim filings.

Date: May 14, 2004

/s/Melbourne F. Yull  
Melbourne F. Yull  
Chairman of the Board and Chief Executive Officer

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I, Andrew M. Archibald, Chief Financial Officer, Secretary and Vice President Administration of INTERTAPE POLYMER GROUP INC./LE GROUPE INTERTAPE POLYMER INC. certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of INTERTAPE POLYMER GROUP INC./LE GROUPE INTERTAPE POLYMER INC., (the "Issuer") for the interim period ending March 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

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3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date and for the periods presented in the interim filings.

Date: May 14, 2004

/s/Andrew M. Archibald  
Andrew M. Archibald  
Chief Financial Officer,  
Secretary and Vice President Administration