

INTERTAPE POLYMER GROUP INC

Form 6-K

March 12, 2014

Table of Contents

**UNITED STATES**

**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 March, 2014**

**Commission File Number 1-10928**

**INTERTAPE POLYMER GROUP INC.**

**9999 Cavendish Blvd., Suite 200, Ville St. Laurent, Quebec, Canada, H4M 2X5**

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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):

Table of Contents

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: March 12, 2014

By: /s/ Gregory A.C. Yull  
Gregory A.C. Yull, President and Chief Executive  
Officer

**Table of Contents**

**Intertape Polymer Group Inc.**  
**Consolidated Financial Statements**  
**December 31, 2013, 2012 and 2011**

<u>Management's Responsibility for Consolidated Financial Statements</u>	2
<u>Management's Report on Internal Control over Financial Reporting</u>	3
<u>Independent Auditor's Report of Registered Public Accounting Firm</u>	4 to 5
<u>Independent Auditor's Report of Registered Public Accounting Firm on Internal Control over Financial Reporting</u>	6 to 7
Consolidated Financial Statements	
<u>Consolidated Earnings</u>	8
<u>Consolidated Comprehensive Income (Loss)</u>	9
<u>Consolidated Changes in Shareholders' Equity</u>	10 to 12
<u>Consolidated Cash Flows</u>	13
<u>Consolidated Balance Sheets</u>	14
<u>Notes to Consolidated Financial Statements</u>	15 to 69

**Table of Contents**

**Management's Responsibility for Financial Statements**

The consolidated financial statements of Intertape Polymer Group Inc. (the Company) and other financial information are the responsibility of the Company's management and have been examined and approved by its Board of Directors. These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and include some amounts that are based on management's best estimates and judgments. The selection of accounting principles and methods is management's responsibility.

Management is responsible for the design, establishment and maintenance of appropriate internal control and procedures over financial reporting, to ensure that financial statements for external purposes are fairly presented in conformity with IFRS. Pursuant to these internal control and procedures, processes have been designed to ensure that the Company's transactions are properly authorized, the Company's assets are safeguarded against unauthorized or improper use, and the Company's transactions are properly recorded and reported to permit the preparation of the Company's consolidated financial statements in conformity with IFRS.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and for maintaining proper standards of conduct in its activities.

The Board of Directors assigns its responsibility for the consolidated financial statements and other financial information to the Audit Committee, all of whom are independent directors.

The Audit Committee's role is to examine the consolidated financial statements and annual report and once approved, recommend that the Board of Directors approve them, examine internal control over financial reporting and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the Audit Committee meets periodically with the external auditors to review their audit plan and discuss the results of their examinations. The Audit Committee is also responsible for recommending the nomination of the external auditors.

The Company's external independent registered public accounting firm, Raymond Chabot Grant Thornton LLP was appointed by the Shareholders at the Annual Meeting of Shareholders on June 5, 2013, to conduct the integrated audit of the Company's consolidated financial statements, and the Company's internal control over financial reporting. Their reports indicating the scope of their audits and their opinions on the consolidated financial statements and the Company's internal control over financial reporting follow.

**/s/ Gregory A.C. Yull**

Gregory A.C. Yull

President and Chief Executive Officer

**/s/ Michael C. Jay**

Michael C. Jay

Interim Chief Financial Officer

Sarasota, Florida and Montreal, Quebec

March 11, 2014

**Table of Contents**

**Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting as well as the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS).

Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the company's financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and, even when determined to be effective, can only provide reasonable assurance with respect to financial statements preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 based on the criteria established in *1992 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2013 based on those criteria.

The Company's internal control over financial reporting as of December 31, 2013 has been audited by Raymond Chabot Grant Thornton LLP, the Company's external independent registered public accounting firm, as stated in their report which follows.

**/s/ Gregory A.C. Yull**

Gregory A.C. Yull

President and Chief Executive Officer

**/s/ Michael C. Jay**

Michael C. Jay

Interim Chief Financial Officer

Sarasota, Florida and Montreal, Quebec

March 11, 2014





**Table of Contents**

**Independent Auditor's Report of  
Registered Public Accounting Firm**

To the Shareholders of

Intertape Polymer Group Inc.

***Report on the Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of Intertape Polymer Group Inc. which comprise the consolidated balance sheets as at December 31, 2013 and 2012 and the consolidated statements of earnings, comprehensive income (loss), changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Table of Contents**

***Opinion***

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Intertape Polymer Group Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flows for each of the years in the three-year period ended December 31, 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

***Other Matter***

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Intertape Polymer Group Inc.'s internal control over financial reporting as at December 31, 2013, based on the criteria established in *1992 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2014, expressed an unqualified opinion on Intertape Polymer Group Inc.'s internal control over financial reporting.

Montreal, Canada

March 11, 2014

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A120795

**Table of Contents**

**Independent Auditor's Report of  
Registered Public Accounting Firm  
on Internal Control over Financial Reporting**

To the Shareholders of

Intertape Polymer Group Inc.

We have audited Intertape Polymer Group Inc.'s internal control over financial reporting as at December 31, 2013, based on criteria established in *1992 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Management's Responsibility***

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in Management's Report on Internal Control over Financial Reporting.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control over financial reporting.

***Definition of internal control over financial reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with International Financial Reporting Standards as

issued by International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Table of Contents**

***Inherent limitations***

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Opinion***

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2013 based on criteria established in *1992 Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of Intertape Polymer Group Inc. as at December 31, 2013 and 2012 and for each of the years in the three-year period ended December 31, 2013 and our report dated March 11, 2014 expressed an unqualified opinion thereon.

Montreal, Canada

March 11, 2014

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A120795

**Table of Contents****Intertape Polymer Group Inc.****Consolidated Earnings**

Years ended December 31, 2013, 2012 and 2011

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

	<b>2013</b>	2012 <sup>(1)</sup>	2011 <sup>(1)</sup>
	\$	\$	\$
Revenue	<b>781,500</b>	784,430	786,737
Cost of sales	<b>623,006</b>	645,681	673,982
Gross profit	<b>158,494</b>	138,749	112,755
Selling, general and administrative expenses	<b>82,682</b>	79,135	76,969
Research expenses	<b>6,900</b>	6,227	6,200
	<b>89,582</b>	85,362	83,169
Operating profit before manufacturing facility closures, restructuring and other related charges	<b>68,912</b>	53,387	29,586
Manufacturing facility closures, restructuring and other related charges (Note 4)	<b>30,706</b>	18,257	2,891
Operating profit	<b>38,206</b>	35,130	26,695
Finance costs (Note 3)			
Interest	<b>5,707</b>	13,233	15,361
Other expense	<b>946</b>	1,303	2,180
	<b>6,653</b>	14,536	17,541
Earnings before income tax expense (benefit)	<b>31,553</b>	20,594	9,154
Income tax expense (benefit) (Note 5)			
Current	<b>3,622</b>	927	688
Deferred	<b>(39,426)</b>	(714)	1,082
	<b>(35,804)</b>	213	1,770
Net earnings	<b>67,357</b>	20,381	7,384
Earnings per share (Note 6)			
Basic	<b>1.12</b>	0.35	0.13
Diluted	<b>1.09</b>	0.34	0.12

(1) On January 1, 2013 Amended IAS 19 *Employee Benefits* became effective and required retrospective application to operating results for fiscal years 2012 and 2011. Refer to Changes in Accounting Policies in Note 2. The accompanying notes are an integral part of the consolidated financial statements and Note 3 presents additional information on consolidated earnings.

**Table of Contents****Intertape Polymer Group Inc.****Consolidated Comprehensive Income (Loss)**

Years ended December 31, 2013, 2012 and 2011

(In thousands of US dollars)

	<b>2013</b>	2012 <sup>(1)</sup>	2011 <sup>(1)</sup>
	\$	\$	\$
Net earnings	<b>67,357</b>	20,381	7,384
Other comprehensive income (loss)			
Changes in fair value of interest rate swap agreements designated as cash flow hedges (net of deferred income tax expense of nil in 2011)			(30)
Settlements of interest rate swap agreements, transferred to earnings (net of income tax expense of nil in 2011)			927
Changes in fair value of forward foreign exchange rate contracts, designated as cash flow hedges (net of deferred income tax expense of nil in 2012 and 2011)		227	867
Settlements of forward foreign exchange rate contracts, transferred to earnings (net of income tax expense of nil in 2012 and 2011)		(214)	(1,015)
Gain on forward foreign exchange rate contracts recorded in earnings pursuant to recognition of the hedged item in cost of sales upon discontinuance of the related hedging relationships (net of income tax expense of nil in 2011)			(998)
Change in cumulative translation adjustments	<b>(3,978)</b>	2,002	(1,729)
Items that will be reclassified subsequently to net earnings	<b>(3,978)</b>	2,015	(1,978)
Remeasurement of defined benefit liability (net of income tax (expense) benefit of (\$6,160), \$1,047 in 2012 and \$1,277 in 2011) (Note 17)	<b>11,501</b>	(4,310)	(13,131)
Deferred tax benefit due to the recognition of US deferred tax assets (Note 5)	<b>4,671</b>		
Items that will not be reclassified subsequently to net earnings	<b>16,172</b>	(4,310)	(13,131)
Other comprehensive income (loss)	<b>12,194</b>	(2,295)	(15,109)
Comprehensive income (loss) for the period	<b>79,551</b>	18,086	(7,725)

(1) On January 1, 2013 Amended IAS 19 *Employee Benefits* became effective and required retrospective application to operating results for fiscal years 2012 and 2011. Refer to Changes in Accounting Policies in Note 2. The accompanying notes are an integral part of the consolidated financial statements.





**Table of Contents****Intertape Polymer Group Inc.****Consolidated Changes in Shareholders' Equity**Year ended December 31, 2011 <sup>(1)</sup>

(In thousands of US dollars, except for number of common shares)

	Capital stock		Accumulated other comprehensive income				Total	Deficit	Total shareholders' equity
	Number	Amount \$	Contributed surplus \$	Cumulative translation adjustment \$	Reserve for cash flow hedges \$	Total \$			
Balance as of December 31, 2010	58,961,050	348,148	15,793	2,935	236	3,171	(223,027)	144,085	
Transactions with owners									
Stock-based compensation expense (Note 15)			818					818	
Net earnings							7,384	7,384	
Other comprehensive income (loss)									
Changes in fair value of interest rate swap agreements, designated as cash flow hedges (net of deferred income tax expense of nil)					(30)	(30)		(30)	
Settlement of interest rate swap agreements, transferred to earnings (net of income tax expense of nil)					927	927		927	
Changes in fair value of forward foreign exchange rate contracts, designated as cash flow hedges					867	867		867	

(net of deferred income tax expense of nil)									
Settlement of forward foreign exchange rate contracts, transferred to earnings (net of income tax expense of nil)					(1,015)	(1,015)		(1,015)	
Gain on forward foreign exchange rate contracts recorded in earnings pursuant to recognition of the hedged item in cost of sales upon discontinuance of the related hedging relationships (net of income tax expense of nil)					(998)	(998)		(998)	
Remeasurement of defined benefit liability (net of income tax benefit of \$1,277) (Note 17)							(13,131)	(13,131)	
Changes to cumulative translation adjustments				(1,729)		(1,729)		(1,729)	
Comprehensive loss for the period				(1,729)	(249)	(1,978)	(5,747)	(7,725)	
Balance as of December 31, 2011	58,961,050	348,148	16,611	1,206	(13)	1,193	(228,774)	137,178	

(1) On January 1, 2013 Amended IAS 19 *Employee Benefits* became effective and required retrospective application to operating results for fiscal years 2012 and 2011. Refer to Changes in Accounting Policies in Note 2. The accompanying notes are an integral part of the consolidated financial statements.

**Table of Contents**

**Intertape Polymer Group Inc.**

**Consolidated Changes in Shareholders' Equity**

Year ended December 31, 2012 <sup>(1)</sup>

(In thousands of US dollars, except for number of common shares)

	Capital stock	Accumulated other comprehensive income				Total
		Cumulative translation adjustment	Reserve for cash flow hedges		shareholders	
	Number	Contribution surplus	account		Total	Deficit equity
		\$	\$	\$		