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NYSE SYMBOL: ITP

TSX SYMBOL: ITP

Intertape Polymer Group Inc. Announces Third Quarter Results

- Sales up 13.2% compared to last year
- Adjusted net earnings up 21.4% compared to last year

Montreal, Quebec and Bradenton, Florida - October 17, 2005 - Intertape Polymer Group Inc. (NYSE, TSX: ITP) today released results for its third quarter ended September 30, 2005.

Sales for the third quarter were \$201.2 million, up 13.2% from \$177.7 million for the same quarter of 2004, while the Company reported net earnings of \$6.6 million or \$0.16 per share (basic and diluted) compared to a net loss of \$14.3 million or \$0.35 per share (basic and diluted) for the same period last year, and adjusted net earnings of \$6.8 million or \$0.17 per share (basic and diluted) compared to \$5.6 million or \$0.14 per share (basic and diluted) for the same period last year.

"Sales growth in the third quarter was primarily driven by sales price increases," said Intertape Polymer Group Inc. ("IPG") Chairman and Chief Executive Officer, Melbourne F. Yull. "While raw material and energy costs continued to make markets challenging, the organizational realignment that we implemented at the end of 2004 enabled us to react quickly and respond effectively to the changes in the marketplace. In the face of these cost pressures, our gross profit for the third quarter of 2005 increased \$4.5 million or 12.2% compared to the third quarter of 2004."

"Despite raw material cost increases and supply shortages, the Company did not have to cut back its production as some competitors have had to do," commented Mr. Yull. "We have even seen a number of competitors declaring force majeure." The Company has been able to maintain its operating levels and fulfill its contracts because of its global sourcing efforts, which have allowed the Company to maintain adequate supplies from multiple sources, pre-buying of raw material inventories prior to supply constraints occurring, and reduced consumption of some raw materials by modifying certain formulations.

Net earnings for the third quarter of 2005 were up significantly over the third quarter of last year because of \$30.4 million of refinancing expense that was incurred last year as part of a major debt refinancing. Third quarter 2005 results included \$0.4 million of manufacturing facility closure and industrial accident costs. Excluding refinancing expense, manufacturing facility closure and industrial accident costs, and related tax benefits, adjusted net earnings for the third quarter of 2005 were \$6.8 million or \$0.17 per share (basic and diluted) compared to \$5.6 million or \$0.14 per share (basic and diluted) for the same quarter last year. The improvement in adjusted net earnings resulted from the increase in gross profit partly offset by higher selling expenses, reflecting increased rebate levels for consumer products, higher staffing levels and activities to generate growth, and higher variable compensation costs as a result of higher sales. 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 below.

"Decreased financial expenses continue to have a positive impact on our net earnings as they were down 6.2% in the third quarter of 2005 compared to the third quarter last year, reflecting the benefits of the refinancing

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undertaken in the third quarter of last year," said IPG's Chief Financial Officer, Andrew M. Archibald, C.A.

From a cash perspective, the Company generated \$3.7 million of free cash flow in the quarter, resulting in \$4.5 million for the year to date. "Our cash flow has been adversely affected by the impact of rising raw material costs on our working capital," commented Mr. Archibald. We estimate the net impact on accounts receivable, inventories and accounts payable to have been approximately \$23.0 million for the first nine months of the year. Nonetheless, over the past two quarters the Company has generated a total of \$11.4 million in free cash flow and expects to continue generating positive free cash flow in the coming quarters." 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 below.

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 below. The Company's EBITDA for the third quarter of 2005 was \$20.9 million compared to \$19.6 million for the third quarter of 2004. The adjusted EBITDA was \$21.3 million in the third quarter of 2005 as compared to \$19.6 million in the third quarter of 2004.

Sales for the first nine months of 2005 were \$579.2 million, up 13.2% from \$511.7 million for the same period in 2004. Net earnings for the first nine months of 2005 were \$18.1 million or \$0.44 per share (basic and diluted) compared to a net loss of \$6.3 million or \$0.15 per share (basic and diluted) for the same period of the preceding year.

Following the end of the quarter, the Company, through a wholly-owned Canadian subsidiary, acquired Flexia Corporation and Fib-Pak Industries Inc. The acquisition of these companies is expected to enable IPG to increase its market size in certain products, broaden its product portfolio, leverage Flexia's market leading global sourcing program, increase the proximity of manufacturing facilities to the customer base and provide a west coast presence which can facilitate import and export activity with Asia.

The Company's most recent sales guidance for 2005 was a range of \$755 million to \$775 million. "Not including additional fourth quarter 2005 sales resulting from the October 5, 2005 acquisition, the Company should be at the high end of the range if anticipated raw material supplies are not disrupted," noted Mr. Yull.

Reconciliation of Net Earnings to Adjusted Net Earnings

(in millions of US dollars)

For the three months ended September 30		For the nine months ended September 30	
2005	2004	2005	2004

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	\$	\$	\$	\$
Net earnings (loss) - as reported	6.6	(14.3)	18.1	(6.3)
Add back:		19.9		19.9
Refinancing expenses (after-tax)				
Manufacturing facility closure and industrial accident costs (after-tax)	0.2		1.3	
Adjusted net earnings	<u>6.8</u>	<u>5.6</u>	<u>19.4</u>	<u>13.6</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(in US dollars per share - basic and diluted)

Net earnings (loss) - as reported	0.16	(0.35)	0.44	(0.15)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Adjusted net earnings	<u>0.17</u>	<u>0.14</u>	<u>0.47</u>	<u>0.33</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA

(in millions of US dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
Net earnings (loss) - as reported	6.6	(14.3)	18.1	(6.3)
Add back:				
Financial expenses, net of amortization	5.3	5.7	16.1	19.0
Refinancing expense		30.4		30.4
Income taxes	1.5	(9.7)	3.2	(9.3)
Depreciation and amortization	7.5	7.5	23.6	22.1
EBITDA	<u>20.9</u>	<u>19.6</u>	<u>61.0</u>	<u>55.9</u>
Add back:				
Manufacturing facility closure and industrial accident costs	0.4		2.2	
Adjusted EBITDA	<u>21.3</u>	<u>19.6</u>	<u>63.2</u>	<u>55.9</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Reconciliation of Cash Flows from Operating Activities to Free Cash Flow

(in millions of US dollars)

	For the three months ended	For the nine months ended
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	September 30		September 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash flows from (used in)				
operating activities - as reported	10.6	(11.5)	20.4	(5.8)
Subtract:				
Property, plant and equipment expenditures	6.9	3.7	15.9	13.5
Free cash flow	3.7	(15.2)	4.5	(19.3)

(All figures in U.S. dollars, unless otherwise stated; September 30, 2005, exchange rate: Cdn \$1.1725 = U.S.\$1.00)

Conference Call

A conference call to discuss IPG's 2005 third quarter results will be held Tuesday, October 18, 2005 at 10:00 A.M. Eastern Standard Time. Participants may dial 1-888-428-4474 (U.S. and Canada) and 1-612-288-0329 (International). 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 799080. The recording will be available from Tuesday, October 18, 2005 at 4:45 P.M. until Tuesday, October 25, 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 3,000 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. 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

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Company has provided reconciliations of non-GAAP measures to the most directly comparable GAAP measures.

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Selected Financial Information

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

	Three months		Nine months	
	2005	2004	2005	2004
	\$	\$	\$	\$
Sales	201,177	177,671	579,156	511,705
Cost of sales	159,449	140,480	458,918	404,563
Gross profit	41,728	37,191	120,238	107,142
Selling, general and administrative expenses	25,970	23,327	74,731	68,427
Stock-based compensation	485	270	1,423	691
Research and development	1,233	1,121	3,468	3,236
Financial expenses	5,577	5,948	17,144	19,951
Refinancing expense		30,444		30,444
Manufacturing facility closure and industrial accident costs	385		2,191	
	33,650	61,110	98,957	122,749
Earnings (loss) before income taxes	8,078	(23,919)	21,281	(15,607)
Income taxes (recovery)	1,479	(9,664)	3,217	(9,294)
Net earnings (loss)	6,599	(14,255)	18,064	(6,313)
Earnings (loss) per share				
Basic	0.16	(0.35)	0.44	(0.15)
Diluted	0.16	(0.35)	0.44	(0.15)

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

	Three months		Nine months	
	2005	2004	2005	2004
	\$	\$	\$	\$
Balance, beginning of period	91,058	76,233	79,609	68,291
Net earnings (loss)	6,599	(14,255)	18,064	(6,313)
	97,657	61,978	97,673	61,978
Premium on purchase for cancellation of common shares			16	
Balance, end of period	97,657	61,978	97,657	61,978

Common shares
 Average number of shares outstanding

CDN GAAP - Basic	41,205,555	41,285,161	41,219,329	41,156,911
CDN GAAP - Diluted	41,337,378	41,285,161	41,362,491	41,156,911
U.S. GAAP - Basic	41,205,555	41,285,161	41,219,329	41,156,911
U.S. GAAP - Diluted	41,337,378	41,285,161	41,362,491	41,156,911

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

	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	December 31, 2004 (Audited)
	\$	\$	\$
ASSETS			
Current assets			

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Cash	48,759	27,868	21,882
Temporary investment			497
Trade receivables, net of allowance for doubtful accounts of \$4,211 (\$3,959 in September 2004, \$4,065 in December 2004)	122,217	106,436	101,628
Other receivables	10,008	12,764	13,381
Inventories	92,297	78,451	90,677
Parts and supplies	14,271	13,641	13,618
Prepaid expenses	5,444	4,013	7,788
Future income taxes	1,509	2,682	1,509
	<u>294,505</u>	<u>245,855</u>	<u>250,980</u>
Property, plant and equipment	345,417	356,680	352,610
Other assets	18,815	15,341	16,474
Future income taxes	35,323	11,593	36,689
Goodwill	181,117	177,780	179,958
	<u>875,177</u>	<u>807,249</u>	<u>836,711</u>
LIABILITIES			
Current liabilities			
Bank indebtedness	28,529	179	
Accounts payable and accrued liabilities	89,340	94,591	97,849
Instalments on long-term debt	2,781	2,700	3,032
	<u>120,650</u>	<u>97,470</u>	<u>100,881</u>
Long-term debt	328,898	332,539	331,095
Other liabilities	435	530	435
	<u>449,983</u>	<u>430,539</u>	<u>432,411</u>
SHAREHOLDERS' EQUITY			
Capital stock	288,930	289,538	289,180
Contributed surplus	5,749	3,971	4,326
Retained earnings	97,657	61,978	79,609
Accumulated currency translation adjustments	32,858	21,223	31,185
	<u>425,194</u>	<u>376,710</u>	<u>404,300</u>
	<u>875,177</u>	<u>807,249</u>	<u>836,711</u>

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

Three months

Nine months

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	2005	2004	2005	2004
	----- \$	----- \$	----- \$	----- \$
OPERATING ACTIVITIES				
Net earnings (loss)	6,599	(14,255)	18,064	(6,313)
Non-cash items				
Depreciation and amortization	7,496	7,482	23,638	22,119
Write-off of deferred debt issue expenses		8,482		8,482
Other non-cash charges in connection with facility closures	73		200	
Future income taxes	1,020	(6,879)	2,392	(7,465)
Stock-based compensation expense	485	270	1,423	691
	-----	-----	-----	-----
Cash flows from operations before changes in non-cash working capital items	15,673	(4,900)	45,717	17,514
	-----	-----	-----	-----
Changes in non-cash working capital items				
Trade receivables	(11,524)	(4,599)	(20,624)	(16,847)
Other receivables	1,274	(1,351)	3,291	(864)
Inventories	8,544	(4,125)	(991)	(8,003)
Parts and supplies	(190)	(340)	(599)	(488)
Prepaid expenses	2,236	1,772	2,368	3,912
Accounts payable and accrued liabilities	(5,400)	2,007	(8,685)	(990)
	-----	-----	-----	-----
	(5,060)	(6,636)	(25,240)	(23,280)
	-----	-----	-----	-----
Cash flows from operating activities	10,613	(11,536)	20,477	(5,766)
	-----	-----	-----	-----
INVESTING ACTIVITIES				
Temporary investment	489		489	
Property, plant and equipment	(6,887)	(3,664)	(15,945)	(13,539)
Business acquisition				(5,500)
Other assets	(1,921)	(10,786)	(3,642)	(11,850)
Goodwill		58	(300)	
	-----	-----	-----	-----
Cash flows from investing activities	(8,319)	(14,392)	(19,398)	(30,889)
	-----	-----	-----	-----
FINANCING ACTIVITIES				
Net change in bank indebtedness	23,529	(34,509)	28,529	(13,669)
Issue of long-term debt		325,000		325,787
Repayment of long-term debt	(661)	(248,051)	(2,364)	(250,528)
Issue of common shares	4	319	75	2,697
Common shares purchased for cancellation			(340)	
	-----	-----	-----	-----
Cash flows from financing activities	22,872	42,759	25,900	64,287
	-----	-----	-----	-----
Net increase in cash position	25,166	16,831	26,979	27,632
Effect of currency translation adjustments	346	1,549	(102)	236
Cash and cash equivalents,				

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beginning of period	23,247	9,488	21,882	
	-----	-----	-----	-----
Cash and cash equivalents, end of period	48,759	27,868	48,759	27,868
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