INTERTAPE POLYMER GROUP INC
Form 6-K
October 29, 2002

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the month of October, 2002

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   X

[Indicate by check mark whether the registrant by
furnishing the information contained in this Form is also
thereby furnishing the information to the Commission pursuant
to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]

Yes   No   X

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

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: October 28, 2002   By: /s/Andrew M. Archibald
CFO, Vice President
Administration, & Secretary

October 28, 2002   NYSE SYMBOL: ITP
TSE SYMBOL: ITP

INTERTAPE POLYMER GROUP INC. ANNOUNCES SEPTEMBER 2002 THIRD QUARTER
AND NINE MONTH EARNINGS RESULTS

* Sales flat despite current difficult economy
* Year to date pre-tax earnings increase to $9.6 million from $7.2

million before non-recurring charges
* Continued debt reduction; stronger balance sheet
* Bank term debt facility repaid in full, one year earlier than anticipated

Montreal, Quebec, Canada - October 28, 2002 - Intertape Polymer Group Inc. (NYSE, TSX: ITP) today announced operating results for the third quarter and nine months ended September 30, 2002. Please note that all figures are stated in U.S. dollars. The exchange rate at September 30, 2002 was Cdn $1.5777 = U.S. $1.00.

Sales for the third quarter were $149.9 million compared to $148.6 million a year ago. For the nine months ended September 30, 2002 sales totaled $450.3 million compared to $448.7 million for the nine months in 2001. Sales for the second quarter ended June 30, 2002 were $153.6 million. The Company had stated in a September 30, 2002 press release that it expected third quarter sales should be approximately the same as the second quarter.

Non-recurring third quarter charges:
The Company had expected to record a one time pre-tax charge of $2.5 million in the third quarter related to the Flexible Intermediate Bulk Container ("FIBC") division's consolidation program. In fact, the amount was $2.7 million. An additional $1.1 million relating to the disposal of certain manufacturing equipment not related to the above FIBC closures was recorded. As such, the Company recorded a one-time pretax charge of $3.8 million in the period. Operations in Rayne, Louisiana as well as at the Edmundston, New Brunswick, Canada manufacturing plant are being closed. Operations are consolidated at IPG's Piedras Negras, Mexico facility as it has sufficient capacity to integrate these functions and operate at a lower cost. These changes are expected to be fully implemented by late November 2002.

In addition, a loss of approximately $1.0 million was recorded due to a product replacement during the third quarter of 2002. The product was withdrawn from the market during the period and replaced with a proven product. No additional related losses are anticipated.

The non-recurring charges including product replacement have been recorded as follows:

(in millions of U.S. dollars)

	2002		2001	
	Third Quarter	Year to date	Third Quarter	Year to date
	$	$	$	$
Cost of goods sold	3.5	3.5	3.7	6.7
SG&A	1.3	1.3	8.0	10.0
Financial			6.7	6.7
	4.8	4.8	18.4	23.4

Gross profit and gross margin:
Before the above non-recurring charges and product replacement gross profit and gross margins for the third quarters ended September 30, 2002 and 2001 would have been $31.9 million and 21.3% and $29.8 million and 20.1% million respectively. For the nine month periods, gross profits and gross margins would have been $99.2 million and 22.0% this year and $98.2 million and 21.9% in 2001.

Operating profits:
Taking into account the above non-recurring charges and product replacement, operating profits (defined as gross profit less SG&A) for the third quarter were $10.9 million or 7.3% of sales compared to $10.0 million or 6.7% of sales last year. For the nine months, operating profits were $37.4 million or 8.3% of sales compared to $38.4 million or 8.6% of sales a year ago.

Financial expenses:
Financial expenses in the third quarter of 2002 were $8.3 million versus an adjusted $6.5 million in the same period last year. Similarly, on a year to date basis, financial expenses increased from $22.7 million in 2001 to $25.2 million in 2002. The increase in financial expenses is due to an overall increase in interest rates of 225 basis points related to the December 2001 renegotiated debt facilities, partially offset by lower outstanding debt levels resulting from the $47.3 million proceeds from the March 2002 common share issue as well as significantly lower capital asset spending, which has declined by over $12.0 million year to date.

Early repayment of bank term debt facility:
During the first quarter of 2002, the Company reduced long-term debt by approximately $47.3 million and further reduced one of its bank term loans by $3.5 million during the third quarter. Subsequent to the third quarter, the remaining portion of one of its bank term debt facilities was reduced by an additional $8.6 million and this facility has been cancelled entirely. This final repayment was made more than one year earlier than anticipated.

Adjusted pre-tax earnings:
Pre-tax earnings adjusted for non-recurring and product replacement for the third quarter were $1.7 million compared to earnings of $0.8 million last year. For the nine months adjusted pre-tax earnings were $9.6 million compared to $7.2 million a year ago.

Earnings per share (EPS):
Basic and diluted EPS for the current quarter were ($0.08) compared to ($0.45) last year and for the nine months were $0.13 compared to ($0.40) a year ago.

Commentary:
IPG Chairman and CEO, Melbourne F. Yull, said that ongoing strategies to increase sales volumes have had the desired effect during the first half of the year. "We have attracted new customers and entered new markets. While the volatile economy affected July and early August, we remain confident that these initiatives combined with new products will have a positive effect on volumes going forward."

Mr. Yull added that recently a number of the Company's raw material costs have started to increase. "At the end of the second quarter we stated that we should be able to maintain many of our value-added percentages. The Company initiated price increases that should positively impact sales for the remainder of the year. However, during the third quarter the continuing sluggish economy hampered the ability to pass on these increases and value-added decreased by approximately 2%."

Cost reduction benefits:
Management intends to further lower selling, general and administrative (SG&A) costs over the next five quarters as part of the recently announced reduction in costs. Based on current volumes, the FIBC consolidation is expected to result in cost reductions of approximately $3.0 million pre-tax annually. The Company is also reducing headcount levels in its SG&A, reductions that are expected to decrease SG&A expenses by approximately $2.5 million pre-tax annually.

Management has identified further cost savings opportunities which it currently plans to implement over the next twelve months. When completed, these changes are estimated to reduce operating expenses by up to $12.0 million pretax annually. No additional charges or provisions are currently foreseen for these changes.

Combined, the cost reduction programs are expected to result in pre-tax annual savings of $17.5 million.

Conference Call:
A conference call to discuss the Company's third quarter results will be held tomorrow, October 29 at 10:30 A.M. EST Daylight Savings Time. Participants may dial 1-800-611-1147 in the U.S. and Canada and 1-612-332-0107 international.

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 2,800 employees with operations in 21 locations, including 15 manufacturing facilities in North America and one in Europe.

Safe Harbor Statement:
The reader should note that the Company's forward-looking statements speak only as of the date of this media release or when made and the Company undertakes no duty or obligation to update or revise its forward-looking statements. Although management believes that the expectations, plans, intentions and projections reflected in its forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results,performance or achievements expressed or implied by the forward-looking statements.

The risks, uncertainties and other factors that the Company's stockholders and prospective investors should consider include, but are not limited to, the following: risks associated with pricing, volume and continued strength of markets where the Company's products are sold; delays and disruptions associated with terrorist attacks and reprisals, political instability, heightened security and war in countries of the world that affect the Company's business; the effect of competition on the Company's ability to maintain margins on existing or acquired operations; and other risk factors listed from time to time in the Company's reports (including its Annual Report on Form 40-F) filed with the U.S. Securities and Exchange Commission.

FOR FURTHER INFORMATION
CONTACT:

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

	THREE MONTHS		NINE MONTHS	
	2002	2001	2002	2001
	$	$	$	$
Sales	149,920	148,602	450,314	448,730
Cost of sales	121,532	122,544	354,566	357,183

Gross profit	28,388	26,058	95,748	91,547
Selling, general and administrative expenses	22,309	27,837	63,062	69,785
Amortization of goodwill		1,757		5,297
Research and development	926	884	2,689	3,250
Financial expenses	8,297	13,212	25,152	29,384
	31,532	43,690	90,903	107,716
Earnings (loss) before income taxes	(3,144)	(17,632)	4,845	(16,169)
Income taxes (recovery)	(357)	(4,937)	525	(4,937)
Net earnings (loss)	(2,787)	(12,695)	4,320	(11,232)
Earnings per share (loss)				
Basic	(0.08)	(0.45)	0.13	(0.40)
Diluted	(0.08)	(0.45)	0.13	(0.40)

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

	THREE MONTHS		NINE MONTHS	
	2002	2001	2002	2001
	$	$	$	$
Balance, beginning of year	111,674	118,272	104,567	116,966
Net earnings (loss)	(2,787)	(12,695)	4,320	(11,232)
	108,887	105,577	108,887	105,734
Premium on purchase for cancellation of common shares				157
Balance, end of year	108,887	105,577	108,887	105,577

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

	As at September 30 2002	As at September 30 2001	As at December 31 2001
	$	$	$
ASSETS			
Current assets			
Trade receivables (net of allowance for doubtful accounts of $3,552 ($7,694 in September 2001, $6,670 in December 2001)	94,996	95,348	86,529
Other receivables	11,137	16,530	13,654
Inventories	71,637	70,786	70,688
Parts and supplies	12,566	11,390	11,592
Prepaid expenses	4,711	5,180	9,450
Future income tax assets	4,025	10,585	4,025
	199,072	209,819	195,938
Capital assets	357,041	368,985	366,567
Other assets	12,508	10,502	11,680
Goodwill, at amortized cost	228,525	229,192	227,804
	797,146	818,498	801,989

LIABILITIES

Current liabilities			
Bank indebtedness	25,992	118,786	28,046
Accounts payable and accrued liabilities	73,433	88,226	91,507
Instalments on long-term debt	9,929	1,324	8,310
	109,354	208,336	127,863
Long-term debt	311,722	275,510	354,663
Other liabilities	3,785	4,500	3,785
Future income tax liabilities	22,112	36,078	21,588
	446,973	524,424	507,899
SHAREHOLDERS' EQUITY			
Capital stock and share purchase warrants	238,538	189,523	189,496
Retained earnings	108,887	105,577	104,567
Accumulated foreign currency translation adjustments	2,748	(1,026)	27
	350,173	294,074	294,090
	797,146	818,498	801,989

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

	THREE MONTHS		NINE MONTHS	
	2002	2001	2002	2001
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings (loss)	(2,787)	(12,695)	4,320	(11,232)
Non-cash items				
Depreciation and amortization	7,342	8,065	21,006	24,622
Loss on disposal of capital assets	1,250		1,250	
Future income taxes	(357)	(658)	525	(658)
Cash from operations before funding of changes in non-cash working capital items	5,448	(5,288)	27,101	2,732
Changes in non-cash working capital items				
Trade receivables	(5,237)	3,707	(8,350)	2,069
Other receivables	1,877	(4,769)	2,655	(5,058)
Inventories	4,713	14,667	(815)	17,807
Parts and supplies	(122)	(2,716)	(655)	(1,403)
Prepaid expenses	1,423	(68)	4,744	939
Accounts payable and accrued liabilities	(11,981)	2,345	(18,283)	8,845
	(9,327)	13,166	(20,704)	23,199
Cash flows from operating activities	(3,879)	7,878	6,397	35,931
INVESTING ACTIVITIES				
Capital assets, net of investment tax credits	(3,119)	(3,202)	(9,586)	(20,939)
Proceed on sale of capital assets				8,000
Other assets	(1,323)	(2,192)	(3,594)	(4,172)
Cash flows from investing activities	(4,442)	(5,394)	(13,180)	(17,111)
FINANCING ACTIVITIES				
Net change in bank indebtedness	6,269	(2,356)	(2,106)	(8,572)

Repayment of long-term debt	(3,635)	(402)	(41,324)	(9,374)
Issue of Common Shares	1,716	2,533	49,042	3,387
Common Shares purchased for cancellation				(923)
Cash flows from financing activities	4,350	(225)	5,612	(15,482)
Net increase (decrease) in cash position	(3,971)	2,259	(1,171)	3,338
Effect of foreign currency translation adjus	3,971	(2,259)	1,171	(3,338)
Cash position, beginning and end of year	-	-	-	-