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INTERTAPE POLYMER GROUP INC
Form 6-K
April 27, 2004

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 April, 2004

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-_____]

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: April 26, 2004 By: /s/Andrew M. Archibald
Chief Financial Officer,
Secretary, Vice President,
Administration

NYSE SYMBOL: ITP
TSX SYMBOL: ITP

Intertape Polymer Group Inc. Announces Solid First Quarter Sales

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Montreal & Bradenton, Florida--April 26, 2004--Intertape Polymer Group Inc. (NYSE, TSX:ITP) today released results for the first quarter ended March 31, 2004. "While we experienced solid sales growth, we encountered difficulties in passing along rapidly increasing raw material prices, as well as incurring increases in manufacturing costs," said Intertape Polymer Group Inc. (IPG) Chairman and Chief Executive Officer, Melbourne F. Yull.

Operating Results

First quarter net income was \$2.3 million, or \$0.06 per share (basic and diluted), compared to \$2.9 million or \$0.09 per share (basic and diluted) for the first quarter of 2003. The decrease in net income was primarily attributable to higher cost of sales, as reflected in this quarter's lower gross margin.

Sales for the first quarter were \$162.1 million, up 5.5% compared to the corresponding quarter last year. "We are encouraged by the success of our marketing and sales initiatives and, with the momentum that was building up in the latter part of the first quarter, we believe that our annual revenue growth target of 10% remains achievable," said Mr. Yull.

Gross margin for the first quarter decreased to 19.8% from 22.0% in the corresponding quarter last year due to several factors, including delays in passing through some raw material cost increases related to polypropylene and natural rubber, changes in product mix, production problems in the Truro plant, and unanticipated integration costs at the Columbia plant relating to the acquisition of assets from tesa tape, inc. Mr. Yull remarked, "We are currently achieving some price increases and should see the impact of these in our second quarter results."

Selling, general and administrative expenses were \$22.4 million in the first quarter of 2004, compared to \$22.0 for the first quarter of 2003. "New expenses related to stock-based compensation and the acquisition of our partner's 50% interest in Fibope in mid-2003 were offset by cost reductions in other areas," noted IPG's Chief Financial Officer, Andrew M. Archibald, C.A. "The first quarter was at the lower end of our expected run rate for SG&A expenses of \$22.5 million to \$23.5 million per quarter for 2004."

Financial expenses in the first quarter were \$6.8 million, compared to \$7.7 million for the first quarter last year. The lower financial expenses reflect primarily the impact of debt reduction since the end of the first quarter of 2003, more specifically, \$59.0 million of debt reduction over the latter three quarters of 2003. In addition, the Company was able to obtain a reduction in its Facility A interest rate of 100 basis points late last year that also contributed to lower interest costs during the quarter.

Mr. Archibald commented, "Our expenses below the gross profit line were down 1.5% compared to the same period last year, and below the fourth quarter 2003 total, even if we exclude the one-time charges of \$3.0 million relating to the closure of the Green Bay plant."

For the first quarter the Company recorded a net deferred income tax benefit of \$0.3 million, compared to income tax expense of \$0.3 million in the first quarter of 2003.

Liquidity and Capital Resources

Cash flows from operating activities were \$6.3 million for the first quarter 2004, compared to \$0.2 million for the first quarter 2003, mainly as a result of improvements in working capital management.

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Cash used for investing activities was \$11.9 million for the first quarter 2004, compared to \$4.4 million for the first quarter 2003, the difference being attributable primarily to the acquisition of assets from, and finalization of the supply agreements with, tesa tape, inc. during the quarter.

Cash used for investing activities exceeded cash flows from operating activities by \$5.6 million in the quarter. This cash shortfall was funded by an increase of \$5.7 million in debt during the quarter. Compared to last year, total debt was down \$46.0 million reflecting the debt reductions that occurred during the latter three quarters of 2003. "Although an increase in debt was anticipated in our plans for 2004, our cash flow from operating activities was lower than expected," said Mr. Archibald.

Mr. Archibald also noted, "The Company reached an agreement with its Noteholders to amend the fixed charge coverage covenant to reduce the required ratio during 2004 and the first two quarters of 2005, and with the amendment the Company is in compliance with all of its financial covenants for the first quarter of 2004."

(All figures in U.S. dollars, unless otherwise stated; March 31, 2004, exchange rate: Cdn \$1.3079 equals U.S.\$1.00)

Conference Call

A conference call to discuss IPG's first quarter results will be held Tuesday, April 27, 2004 at 10:00 A.M. Eastern Daylight Time. Participants may dial 1-888-423-3276 (U.S. and Canada) and 1-612-332-0345 (International). The conference call will also be simultaneously webcast on the Company's website at www.intertapepolymer.com.

You may access a replay of the call by dialing 1-800-475-6701 (U.S. and Canada); 1-320-365-3844 (International) and entering the passcode 729159. The recording will be available from Tuesday, April 27, 2004 at 5:00 P.M. until Tuesday, May 4, 2004 at 11:59 P.M, Eastern Daylight Time.

About Intertape Polymer Group

Intertape Polymer Group is a recognized leader in the development and manufacture of specialized polyolefin plastic and paper based packaging products and complementary packaging systems for industrial and retail use. Headquartered in Montreal, Quebec and Sarasota/Bradenton, Florida, the Company employs approximately 2,600 employees with operations in 16 locations, including 12 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,

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including its earnings outlook.

Selected Financial Information

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	32,114	33,799
Selling, general and administrative expenses	22,377	21,982
Research and development	962	894
Financial expenses	6,768	7,700
	30,107	30,576
Earnings before income taxes	2,007	3,223
Income taxes (recovery)	(284)	322
Net earnings	2,291	2,901
Earnings per share		
Basic	0.06	0.09
Diluted	0.06	0.09

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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Common shares

Average number of shares outstanding

CDN GAAP - Basic	40,971,739	33,821,074
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

Intertape Polymer Group Inc.

Consolidated Balance Sheets

As at

(In thousands of US dollars)

	March 31, 2004 (Unaudited)	March 31, 2003 (Unaudited)	December 31, 2003 (Audited)
	\$	\$	\$
ASSETS			
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 tax assets	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			
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
	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	
	381,496	413,362	361,735
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			

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translation adjustments	17,451	11,270	19,228
	379,064	303,469	377,510
	760,560	716,831	739,245

Intertape Polymer Group Inc.
Consolidated Cash Flows
Three months ended
(In thousands of US dollars)
(Unaudited)

	March 31, 2004	March 31, 2003
	\$	\$
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
Cash flows from operations before changes in non-cash working capital items	8,588	9,862
Changes in non-cash working capital items		
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)
	(2,262)	(9,711)
Cash flows from operating activities	6,326	151
INVESTING ACTIVITIES		
Property, plant and equipment	(5,820)	(2,451)
Business acquisition	(5,500)	
Other assets	(563)	(1,953)
Cash flows from investing activities	(11,883)	(4,404)
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	6,690	3,567
Net increase (decrease) in cash position	1,133	(686)
Effect of currency translation adjustments	(1,133)	686
Cash position, beginning and end of year	-	-

Contact:

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