

INTERTAPE POLYMER GROUP INC  
Form 6-K  
July 30, 2009

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 July, 2009

Commission File Number 1-10928

INTERTAPE POLYMER GROUP INC.

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

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): \_\_\_\_\_

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: July 29, 2009

By: /s/ Victor DiTommaso

Victor DiTommaso, Chief Financial Officer

NEWS RELEASE TRANSMITTED BY MARKETWIRE

FOR: INTERTAPE POLYMER GROUP INC.

NYSE, TSX SYMBOL: ITP

July 29, 2009

### **Intertape Polymer Group Reports Second Quarter 2009 Results**

MONTREAL, QUEBEC and BRADENTON, FLORIDA--(Marketwire - July 29, 2009) - Intertape Polymer Group Inc. (TSX:ITP) (NYSE:ITP) ("Intertape" or the "Company") today released results for the three months and six months ended June 30, 2009. All dollar amounts are US denominated unless otherwise indicated.

"While Intertape sales continue to be affected by the global economic situation, various initiatives undertaken by the Company over the last two quarters, including cost reduction measures, opening of new market channels and new product commercializations, have enabled the Company to somewhat mitigate the impact of external factors. The industry challenges we have faced persist and we must continue to deal proactively with this reality," stated Intertape Chairman, Eric E. Baker.

Net loss for the second quarter of 2009 was \$1.2 million or \$0.02 per share, both basic and diluted, compared to net earnings of \$4.6 million or \$0.08 per share both basic and diluted for the same period last year. Both of the Company's Divisions experienced declines, however, the Engineered Coated Products ("ECP") Division was harder hit as demand in its largest market, the North American residential housing market, continued to be soft. Net loss for the first six months of 2009 totaled \$7.8 million (\$0.13 per share, basic and diluted) compared to net earnings of \$2.8 million (\$0.05 per share, basic and diluted) for the same period in 2008.

Second quarter sales were down 23.1% to \$151.9 million, compared to sales of \$197.5 million in the second quarter of 2008, reflecting a 20.3% decrease in sales for the Tapes & Films ("T&F") Division and a 34.6% reduction for the ECP Division. Sales for the first six months of 2009 were \$291.0 million compared to \$382.0 million for the same period in 2008, a decrease of 23.8%.

Gross profit for the second quarter totaled \$21.5 million, compared to \$26.4 million a year ago, reflecting decreases in both the T&F and ECP Divisions. The gross margin increased to 14.2%, from 13.3% in the second quarter of 2008, reflecting an increase in the gross margin of the T&F Division, partially offset by a decline in the ECP Division's gross margin. Gross profit and gross margin for the first six months of 2009 were \$36.3 million and 12.5% respectively, compared to \$54.5 million and 14.3% for the first six months of 2008.

Selling, general and administrative ("SG&A") expenses totaled \$16.6 million for the second quarter of 2009, \$0.6 million lower than the \$17.2 million for the second quarter of 2008. For the first six months of 2009, SG&A expenses were \$32.0 million compared to \$34.8 million for the same period in 2008. SG&A expenses for 2009 reflect the cost reduction initiatives implemented by the Company in the fourth quarter of 2008 and the first quarter of 2009.

Second quarter 2009 EBITDA was \$12.4 million compared to \$16.0 million for the second quarter in 2008. For the first six months of 2009, EBITDA was \$19.1 million compared to \$33.5 million for the same period in 2008. Reduced sales, resulting in lower gross profits in both Divisions were the main reason for lower EBITDA in both the second quarter and first six months of 2009.

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The Company generated cash flows from operating activities in the second quarter of 2009 of \$8.8 million compared to \$2.3 million in the second quarter of 2008. The higher level of cash generation in 2009 was due to lower raw material inventory costs and an increased focus on cash management. For the first six months of 2009, the Company generated cash flows from operating activities of \$20.7 million compared to cash usage of \$0.6 million for the same period of 2008.

Over the quarter, the Company reduced its outstanding debt by \$3.6 million, for a total debt reduction of \$19.1 million over the first six months of 2009. The ABL has one financial covenant, a fixed charge ratio, the target for which is 1.0 to 1.0. The financial covenant becomes effective only when unused availability drops below \$25.0 million. While the Company did not meet the ratio as at June 30, 2009, this covenant was not in effect as unused availability was in excess of \$25.0 million and measured at \$42.4 million. To date in the third quarter of 2009, the Company has maintained availability in excess of \$25.0 million. It is the Company's intention to remain above the \$25.0 million threshold of unused availability during the remainder of 2009.

### Segmented Information

#### Tapes & Films ("T&F") Division

Sales for the T&F Division for the second quarter were \$127.0 million, representing a 20.3% decrease compared to \$159.5 million for the second quarter of 2008. Sales volumes decreased 16.1% mainly due to the impact of the global economic downturn that began in the fourth quarter of 2008 and continues. The lower sales volumes have been mitigated in part by the growth in new products and markets. Selling prices for the second quarter of 2009 were 4.3% lower than in the second quarter of 2008 as selling prices have tracked the decline in resin-based raw material costs. Sales for the T&F Division for the first six months of 2009 totaled \$242.4 million compared to \$308.2 million for the first six months of 2008, a 21.4% decrease. Sales volumes for the first six months of 2009 declined 17.0% compared to the first six months of 2008.

Second quarter gross profits for the T&F Division totaled \$20.6 million compared to \$22.8 million for the second quarter of 2008 primarily due to lower sales volumes, offset partially by cost reductions resulting from Company initiatives implemented in the fourth quarter of 2008 and the first quarter of 2009. Gross margins increased to 16.2% from 14.3% a year ago as 2009 selling prices were at levels that better reflected costs than in 2008 when there was a rapid unprecedented increase in resin-based raw material costs, which the Division could not fully recover. T&F Division gross profits and gross margins for the first six months of 2009 and 2008 were \$33.3 million (13.7%) and \$46.6 million (15.1%) respectively.

T&F Division's EBITDA for the second quarter was \$13.6 million compared to \$15.2 million for the comparable period a year ago. For the first six months of 2009 and 2008, the T&F Division's EBITDA was \$20.2 million and \$31.3 million respectively.



## Tapes and Films Division EBITDA Reconciliation to Net Earnings (Loss)

(in millions of US dollars)

	Three months		Six months	
For the periods ended June 30,	2009	2008	2009	2008
	\$	\$	\$	\$

## Divisional net earnings (loss)

before income taxes	6.1	8.0	5.4	16.7
Depreciation and amortization	7.5	7.2	14.8	14.6
EBITDA	13.6	15.2	20.2	31.3
EBITDA margin	10.7%	9.5%	8.3%	10.2%

## Engineered Coated Products ("ECP") Division

Sales for the ECP Division for the second quarter were \$24.9 million, representing a 34.6% decrease compared to \$38.0 million for the second quarter a year ago. Year-over-year sales volumes decreased 27.1%. The volume decline was accompanied by selling price decreases due to the decline in resin-based raw material costs and competitive

pressures within the markets served. Product demand was significantly impacted by the continued weakness in the residential housing market. The supply chain supporting this market is carrying significant excess inventories. Consequently, there continues to be destocking of on-hand inventories by customers within the Division's largest market. New product sales growth within the residential construction market has helped to mitigate some of the decline in existing product sales. Six month sales for the ECP Division totaled \$48.6 million compared to \$73.9 million for the same period of 2008, a 34.2% decrease. Sales volumes for the first six months of 2009 declined 20.1% compared to the first six months of 2008.

Gross profits for the ECP Division for the second quarter totaled \$1.0 million, representing a gross margin of 3.8%, compared to \$3.5 million and a gross margin of 9.2% for the second quarter of 2008. The gross profit and gross margin decreases are the result of declining trading margins, as depressed customer demand in the current environment limits the Division's ability to maintain selling prices. ECP Division gross profits and gross margins for the first six months of 2009 and 2008 were \$3.0 million (6.2%) and \$7.9 million (10.7%) respectively.

ECP Division EBITDA for the second quarter was negative \$0.3 million compared to \$1.5 million for the same quarter of 2008. For the first six months of 2009 and 2008, the ECP Division's EBITDA was \$0.6 million and \$3.7 million, respectively.



ECP Division EBITDA Reconciliation to Net Earnings (Loss)

(in millions of US dollars)

	Three months		Six months	
For the periods ended June 30,	2009	2008	2009	2008
	\$	\$	\$	\$

Divisional net earnings (loss)

before income taxes	(1.9)	0.0	(2.5)	0.8
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Depreciation and amortization	1.6	1.5	3.1	2.9
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EBITDA	(0.3)	1.5	0.6	3.7
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EBITDA margin	(1.2)%	3.9%	1.2%	5.0%
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Outlook

"Sales are down due to the weak economy; however, our new products are beginning to attract attention in the market. Our focus continues to be on the things we can control, in particular cash management, which is of utmost importance in this difficult economy," concluded Intertape Executive Director, Melbourne F. Yull.

#### Non-GAAP Information

This release contains a non-GAAP financial measure, EBITDA. The Company believes the inclusion of such a non-GAAP financial measure improves the transparency of the Company's disclosure, and is used by management and the Company's investors in evaluating the Company's performance. The Company has provided a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

A reconciliation of the Company's EBITDA to GAAP net earnings (loss) is set out in the EBITDA reconciliation table below. EBITDA should not be construed as net earnings (loss) before income taxes, net earnings (loss) or cash flows from operating activities as determined by GAAP. The Company defines EBITDA as net earnings (loss) before (i) income taxes (recovery); (ii) financial expenses, net of amortization; (iii) refinancing expenses net of amortization; (iv) amortization of other intangibles and capitalized software costs; and (v) 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 flows from operating activities or as an alternative to net earnings (loss) as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. The Company has included this non-GAAP financial measure because it is used by management in evaluating the Company's performance.

## EBITDA Reconciliation to Net Earnings (Loss)

(in millions of US dollars)

	Three months		Six months	
	2009	2008	2009	2008
For the periods ended June 30,	2009	2008	2009	2008
	\$	\$	\$	\$
Net earnings (loss) - as reported	(1.2)	4.6	(7.8)	2.8
Add back (deduct):				
Financial expenses,				
net of amortization	4.2	3.4	8.5	8.3
Refinancing expenses,				
net of amortization			2.9	
Income taxes (recovery)	0.1	(1.0)	(0.1)	(1.8)
Depreciation and amortization	9.3	9.0	18.5	21.3
EBITDA	12.4	16.0	19.1	33.5

Conference Call

A conference call to discuss Intertape's 2009 second quarter results will be held tomorrow, July 30, 2009, at 10 A.M. Eastern Time. Participants may dial 1-800-288-9626 (U.S. and Canada) and 1-612-332-0228 (International).

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 Access Code 107787. The recording will be available from Thursday, July 30, 2009 at 12:00 P.M. until Sunday, August 30, 2009 at 11:59 P.M., Eastern 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 2,100 employees with operations in 17 locations, including 13 manufacturing facilities in North America and one in Europe.

#### Safe Harbor Statement

Certain statements and information included in this press release constitute forward-looking information within the meaning of applicable Canadian securities legislation and the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements may relate to the Company's future outlook and anticipated events, the Company's business, its operations, financial condition or results. Particularly, statements about the Company's objectives and strategies to achieve those objectives are forward-looking statements and are identified by terms such as "believe", "expect", "intend" "anticipate" and similar expressions. While these statements are based on certain factors and assumptions which management considers to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking information involves 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. The risks include, but are not limited to, exchange rate risk, deteriorating economic conditions,

fluctuations in the amount of available funds under the Company's ABL, ability to meet debt service obligations, cost and availability of raw materials, timing and market acceptance of new products, competition, international operations, compliance with environmental regulations and protection of intellectual property. A discussion of risk factors is also contained in the Company's filings with the Canadian securities regulators and the U.S. Securities and Exchange Commission ("SEC"). Except as required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This press release contains a non-GAAP financial measure as defined under SEC rules. The Company believes such a non-GAAP financial measure improves the transparency of the Company's disclosures, and improves the period-to-period comparability of the Company's results from its core business operations. As required by SEC rules, the Company has provided a reconciliation of the measure to the most directly comparable GAAP measure.

Intertape Polymer Group Inc.

Consolidated Earnings

Periods ended June 30,

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

(Unaudited)

	Three months		Six months	
	2009	2008	2009	2008
	\$	\$	\$	\$
Sales	151,912	197,534	290,980	382,035
Cost of sales	130,379	171,184	254,631	327,508
Gross profit	21,533	26,350	36,349	54,527
Selling, general and administrative expenses	16,601	17,196	32,017	34,825
Stock-based compensation expense	254	329	512	750

## Research and

development expenses	1,295	1,528	2,668	2,969
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## Financial expenses

Interest	3,970	4,339	8,055	10,323
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Other	536	(681)	1,030	(1,329)
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Refinancing			6,031	
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	22,656	22,711	44,282	53,569
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## Earnings (loss)

before income taxes	(1,123)	3,639	(7,933)	958
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## Income taxes

(recovery)	72	(999)	(86)	(1,817)
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Net earnings (loss)	(1,195)	4,638	(7,847)	2,775
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## Earnings (loss)

## per share

Basic	(0.02)	0.08	(0.13)	0.05
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Diluted	(0.02)	0.08	(0.13)	0.05
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Intertape Polymer Group Inc.

Consolidated Deficit

Periods ended June 30,

(In thousands of US dollars)

(Unaudited)

	Three months		Six months	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance, beginning				
of period	(167,185)	(69,597)	(160,533)	(67,482)
Cummulative impact				
of accounting				
changes relating to				
inventories			(252)	
Balance, beginning				
of period, as				
restated	(167,185)	(69,597)	(160,533)	(67,734)
Net earnings (loss)	(1,195)	4,638	(7,847)	2,775
Repurchase of				

common shares	13	13
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Balance, end

of period	(168,367)	(64,959)	(168,367)	(64,959)
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Weighted average number of common shares outstanding

Basic	58,951,050	58,956,350	58,951,050	58,956,350
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Diluted	58,951,050	58,956,350	58,951,050	58,956,350
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Intertape Polymer Group Inc.

Consolidated Comprehensive Income (Loss)

Periods ended June 30,

(In thousands of US dollars)

(Unaudited)

	Three months		Six months	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net earnings (loss)	(1,195)	4,638	(7,847)	2,775

Other comprehensive

income (loss):

Changes in fair

value of interest

rate swap

agreements,

designated as

cash flow hedges

(net of future

income taxes of  
 nil for the three  
 and six months ended  
 June 30, 2009, nil  
 and \$785 for the  
 three and six months  
 ended June 30, 2008,  
 respectively)      599                      (240)      (1,337)

Settlement of interest  
 rate swap  
 agreements, recorded  
 in the consolidated  
 earnings (net of  
 income taxes of  
 \$1,080)    1,840

Changes in fair value  
 of investment in  
 publicly traded  
 securities  
 designated as  
 available-for-sale    1,065                      1,065

Changes in fair value  
 of forward foreign  
 exchange rate  
 contracts, designated  
 as cash flow hedges

(net of future income

taxes of nil for the

three and six months

ended June 30,

2009)	2,162	1,422
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Settlement of forward

foreign exchange

rate contracts,

recorded in the

consolidated earnings

(net of income taxes

of nil for the				
three and six months				
ended June 30, 2009)	16		70	
Gain on forward				
foreign exchange				
rate contracts				
recorded in the				
consolidated				
earnings pursuant				
to recognition of				
the hedged item				
in cost of sales	(453)		(453)	
Reduction in net				
investment in a				
foreign subsidiary	(1,143)	(125)	(1,143)	
Changes in				
accumulated				
currency				
translation				
adjustments	9,638	1,340	5,163	(2,955)
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Other comprehensive				
income (loss)	13,027	197	6,902	(3,595)
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Comprehensive income				
(loss) for the				

period	11,832	4,835	(945)	(820)
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Intertape Polymer Group Inc.

Consolidated Cash Flows

Periods ended June 30,

(In thousands of US dollars)

(Unaudited)

	Three months		Six months	
	2009	2008	2009	2008
	\$	\$	\$	\$

OPERATING ACTIVITIES

Net earnings (loss) (1,195) 4,638 (7,847) 2,775

Non-cash items

Depreciation and

amortization 9,329 8,961 18,494 18,225

Loss (gain) on

disposal of

property, plant

and equipment 304 66 323 (97)

Write-off of debt

issue expenses

in connection with



debt refinancing			3,111	
Write-down of				
inventories	163		264	
Reversal of a				
portion of				
write-down of				
inventories	(84)		(1,692)	
Future income taxes	(313)	(1,082)	(480)	(2,143)
Stock-based				
compensation				
expense	254	329	512	750
Pension and				
post-retirement				
benefits				
funding in excess				
of amounts				
expensed	321	(701)	793	(900)
Gain on forward				
foreign exchange				
rate contracts	(453)		(453)	
Change in fair value				
of forward foreign				
exchange rate				
contracts	110		110	
Unrealized foreign				
exchange loss	120		54	

Foreign exchange

gain resulting

from reduction in net

investment in a

foreign subsidiary (125)

Other (39) (78)

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Cash flows from

operations before

changes in working

capital items 8,517 12,211 9,875 21,721

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Changes in working

capital items

Trade receivables (8,038) (8,868) (5,086) (13,249)

Other receivables 572 618 1,139 (691)

Inventories (423) (7,740) 13,688 (11,330)

Parts and supplies (213) (115) (411) (355)

Prepaid expenses (16) 96 (872) 287

Accounts payable

and accrued

liabilities 8,375 6,079 2,372 3,060

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257 (9,930) 10,830 (22,278)

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Cash flows from

operating

activities 8,774 2,281 20,705 (557)

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INVESTING ACTIVITIES

Property, plant

and equipment (2,174) (4,744) (7,260) (8,992)

Proceeds on the

disposal of

property, plant

and equipment 3,114

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Other assets	(317)		(424)	
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Intangible assets	(632)		(933)	
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Cash flows from

investing

activities	(2,806)	(5,061)	(8,193)	(6,302)
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FINANCING ACTIVITIES

Long-term debt	4,609	7,822	4,609	126,589
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Debt issue expenses		(478)		(2,643)
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Repayment of

long-term debt	(8,216)	(4,688)	(23,746)	(121,812)
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Repurchase

of common shares	(18)		(18)	
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Cash flows from

financing

activities	(3,625)	2,656	(19,155)	2,134
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Net increase

(decrease) in cash	2,343	(124)	(6,643)	(4,725)
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Effect of foreign

currency

translation

adjustments	574	66	160	(11)
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Cash, beginning

of period      5,990    10,851    15,390    15,529

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Cash, end of period   8,907    10,793    8,907    10,793

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Intertape Polymer Group Inc.

Consolidated Balance Sheets

As at

(In thousands of US dollars)

	June 30, 2009	December 31, 2008
	(Unaudited)	(Audited)
	\$	\$

## ASSETS

## Current assets

Cash	8,907	15,390
Trade receivables	81,170	75,467
Other receivables	3,036	4,093
Other assets	1,065	
Inventories	79,933	90,846
Parts and supplies	14,645	14,119
Prepaid expenses	3,927	3,037
Derivative financial instruments	1,125	
Future income taxes	9,127	9,064

202,935

212,016

## Property, plant

and equipment	281,811	289,763
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Other assets	21,619	22,364
Intangible assets	3,730	3,956
Future income taxes	47,783	47,067

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	557,878	575,166
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## LIABILITIES

### Current liabilities

#### Accounts payable and

accrued liabilities	80,526	78,249
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#### Installments on

long-term debt	706	623
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	81,232	78,872
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Long-term debt	231,817	250,802
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### Pension and

post-retirement benefits	9,419	9,206
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Derivative financial instruments	1,853	2,969
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Other liabilities	691	
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	325,012	341,849
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## SHAREHOLDERS' EQUITY

Capital stock	348,143	348,174
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Contributed surplus	13,636	13,124
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Deficit	(168,367)	(160,533)
Accumulated other		
comprehensive income	39,454	32,552
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	(128,913)	(127,981)
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	232,866	233,317
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	557,878	575,166
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FOR FURTHER INFORMATION PLEASE CONTACT:

MaisonBrison

Rick Leckner

514-731-0000

INDUSTRY: Food and Beverage-Packaging and Processing

SUBJECT: ERN