INTERTAPE POLYMER GROUP INC
Form 6-K
May 11, 2011

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 May, 2011

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 x 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: May 11, 2011

By: /s/ Bernard J. Pitz
Bernard J. Pitz, Chief Financial Officer

May 11, 2011

Intertape Polymer Group Inc.

Consolidated Quarterly Statements of Earnings (Loss)

Three month periods ended

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

(Unaudited)

	IFRS Unaudited	IFRS Unaudited	Canadian GAAP Unaudited	Canadian GAAP Unaudited
	March 31, 2011 $	December 31, 2010 $	September 30, 2010 $	June 30, 2010 $
Revenue	192,620	180,063	187,057	180,278
Cost of sales	168,813	158,855	167,492	158,906
Gross profit	23,807	21,207	19,565	21,372
Selling, general and administrative expenses	18,406	18,836	17,375	18,080
Research expenses	1,373	1,347	1,485	1,929
	19,779	20,182	18,860	20,009
Operating profit (loss) before manufacturing facility closures, restructuring, and other charges	4,028	1,025	705	1,363
Manufacturing facility closures, restructuring, and other charges	3	3,534		
Operating profit (loss)	4,025	(2,509)	705	1,363
Finance costs				
Interest	3,791	3,957	4,062	3,777
Other	2	(93)	461	392
	3,793	3,864	4,523	4,169
Earnings (loss) before income taxes (recovery)	232	(6,373)	(3,818)	(2,806)
Income taxes (recovery)				
Current	82	(543)	447	(16)
Deferred	191	32,706	342	(124)
	273	32,163	789	(140)
Net loss	(41)	(38,536)	(4,607)	(2,666)
Loss per share				
Basic	(0.00)	(0.65)	(0.08)	(0.05)
Diluted	(0.00)	(0.65)	(0.08)	(0.05)
Weighted average number of common shares outstanding				
Basic	58,961,050	58,961,050	58,951,050	58,951,050
Diluted	58,961,050	58,961,050	58,951,050	58,951,050

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	IFRS Unaudited	Canadian GAAP Unaudited	Canadian GAAP Unaudited	Canadian GAAP Unaudited
	March 31, 2010 $	December 31, 2009 $	September 30, 2009 $	June 30, 2009 $
Revenue	173,120	160,794	163,688	151,912
Cost of sales	152,566	140,617	137,295	130,379
Gross profit	20,554	20,177	26,393	21,533
Selling, general and administrative expenses	18,895	20,317	18,011	16,855
Research expenses	1,492	1,488	1,449	1,295
	20,387	21,805	19,460	18,150
Operating profit (loss) before manufacturing facility closures, restructuring, and other charges	167	(1,628)	6,933	3,383
Manufacturing facility closures, restructuring, and other charges		1,091		
Operating profit (loss)	167	(2,719)	6,933	3,383
Finance costs				
Interest	3,889	3,783	4,050	3,970
Other	122	(653)	(525)	536
	4,011	3,130	3,525	4,506
Earnings (loss) before income taxes (recovery)	(3,844)	(5,849)	3,408	(1,123)
Income taxes (recovery)				
Current	102	182	155	385
Deferred	807	2,511	1,253	(313)
	909	2,693	1,408	72
Net earnings (loss)	(4,753)	(8,542)	2,000	(1,195)
Earnings (loss) per share				
Basic	(0.08)	(0.14)	0.03	(0.02)
Diluted	(0.08)	(0.14)	0.03	(0.02)
Weighted average number of common shares outstanding				
Basic	58,951,050	58,951,050	58,951,050	58,951,050
Diluted	58,951,050	58,951,050	58,981,300	58,951,050

This Management s Discussion and Analysis (MD&A) supplements the unaudited interim consolidated financial statements and notes thereto for the three months ended March 31, 2011 and 2010. Except where otherwise indicated, all financial information reflected herein is prepared in accordance with International Financial Reporting Standards (IFRS) and is expressed in US dollars.

Overview

Intertape Polymer Group Inc. (the Company or IPG) reported revenue for the first quarter of 2011 of $192.6 million, an increase of 11.3%, compared to $173.1 million for the first quarter of 2010 and an increase of 7.0% sequentially compared to $180.1 million for the fourth quarter of 2010. Gross profit totaled $23.8 million for the first quarter of 2011 as compared to $20.6 million and $21.2 million, respectively, for the first quarter of 2010 and fourth quarter of 2010. Sales and sales volumes were higher compared to both the fourth quarter of 2010 and first quarter of 2010.

The net loss for the first quarter of 2011 was less than $0.1 million ($0.00 per share, both basic and diluted) as compared to a net loss of $4.8 million ($0.08 per share, both basic and diluted) for the first quarter of 2010 and a net loss of $38.5 million ($0.65 per share, both basic and diluted) for the fourth quarter of 2010.

As required by the Canadian Accounting Standards Board, the Company adopted IFRS on January 1, 2011. Accordingly, this is the first quarter where the Company s unaudited interim consolidated financial statements are being presented in accordance with IFRS. As required by the applicable standards, financial information for 2010, with the exception of the 2010 second and third quarter earnings statements, and as of the transition date of January 1, 2010 has been restated to comply with IFRS. Information prior to the transition date as well as the second and third quarter earnings statements of 2010 have not been restated and therefore, are presented and labeled in accordance with Canadian generally accepted accounting principles (GAAP). Notes 12 and 13 to the unaudited interim consolidated financial statements both provide a reconciliation of the Company s earnings statements for the three months ended March 31, 2010 and for the year ended December 31, 2010, as well as a detailed description of the Company s conversion to IFRS, and a reconciliation of its financial statements previously prepared in accordance with GAAP.

The most significant impacts of the conversion to IFRS on the Company s current and future key financial metrics are as follows:

- Lower pension costs resulting from the recognition of actuarial losses at the transition favourably impacting:
  - Earnings
  - EBITDA
  - Adjusted EBITDA
  - Fixed charge ratio
- Lower depreciation and amortization costs resulting from additional impairments taken at the transition favourably impacting:
  - Earnings

In all cases, the impact on current and future key financial metrics is immaterial.

Liquidity

The Company has a $200.0 million Asset-based loan (ABL), entered into with a syndicate of financial institutions. The amount of borrowings available to the Company under the ABL is determined by its applicable borrowing base from time to time. The borrowing base is determined by calculating a percentage of eligible trade accounts receivable, inventories, and equipment. The ABL is priced at libor plus a loan margin

determined from a pricing grid. The loan margin declines as unused availability increases. The pricing grid ranges from 1.50% to 2.25%. Unencumbered real estate is subject to a negative pledge in favour of the ABL lenders. However, the Company retains the ability to secure financing on all or a portion of its owned real estate and have the negative pledge in favour of the ABL lenders subordinated to real estate mortgage financing up to $35.0 million. As of March 31, 2011, the Company had secured real estate mortgage financing of $4.5 million, leaving the Company the ability to obtain an additional $30.5 million of real estate mortgage financing.

The Company has no significant debt maturities until March 2013, when the ABL matures. The Company s remaining $118.7 million Senior Subordinated Notes mature in August 2014.

The ABL has one financial covenant, a fixed charge ratio of 1.0 to 1.0. The ratio compares EBITDA (as defined in the ABL agreement) less capital expenditures and pension plan contributions in excess of pension plan expense to the sum of debt service and the amortization of the value of the equipment included in the borrowing base. The financial covenant becomes effective only when unused availability drops below $25.0 million. Although not in effect, the Company was in compliance with the fixed charge coverage ratio covenant as of March 31, 2011. The Company believes it will remain above the $25.0 million threshold of unused availability during the remainder of 2011.

The Company relies upon the funds generated from operations and funds available under its ABL to meet working capital requirements, anticipated obligations under its ABL and Senior Subordinated Notes, and to finance capital expenditures for the foreseeable future. As of March 31, 2011, the Company had cash and unused availability under its ABL totalling $48.8 million. As of May 9, 2011, the Company had cash and unused availability under its ABL exceeding $46 million. These amounts include a reduction of $1.0 million, the amount of the appellate bond posted by the Company pertaining to the litigation matters discussed below.

In 2009, the Company filed a complaint in the U.S. District Court for the Middle District of Florida against ITI alleging that ITI had breached its obligations under a supply agreement with the Company providing that the Company would manufacture and supply certain products to ITI, and ITI would purchase such products exclusively from the Company. The Company alleged that ITI breached this agreement by licensing a third party to manufacture and sell the products.

ITI filed a counterclaim against the Company alleging that the Company had breached its obligations under the agreements and that the Company had engaged in trademark infringement, false advertising, deceptive trade practices, unfair competition and consumer fraud. The Court granted a summary judgement in favour of the Company and on its own motion determined that the licensing by ITI of its technology to another manufacturer did not violate the supply agreement. The Court also ordered that the position of the parties be reversed, with the Company being positioned as the defendant. A jury trial was held on the remaining issues. The jury concluded that the Company had breached certain obligations under the supply agreement and the confidentiality agreements, and awarded ITI approximately $13.2 million.

As a result of the Company s post-trial motions, the Court granted Intertape s motion for remittitur. In its order, the Court offered ITI the choice between accepting a remitted judgment amount of $3.4 million or electing a new trial on damages. ITI elected a new trial and the jury returned a verdict against the Company in the amount of $0.7 million.

The execution of the judgment has been stayed during the appeal process. The Company was required to post an appellate bond of $13.2 million related to the original judgment which was adjusted by the Court based upon the outcome of the new trial to $1.0 million, which includes $0.7 million of damages and $0.3 million of anticipated legal fees and pre-judgment interest.

On April 13, 2011 the Court entered a Judgment against Intertape in the amount of approximately $1.0 million. The Company s management has concluded that although it is possible that it will incur a loss as a result of the ITI litigation, as of March 31, 2011, the amount of the contingent loss cannot be reasonably estimated. In reaching this conclusion, the Company s management considered, among others, the nature and merits of the claims made by parties in the litigation, the appellate process, and the current procedural status of the case. Accordingly, the Company did not record an accrual in connection with this contingent loss.

Outlook

The Company anticipates sequentially higher revenue and higher Adjusted EBITDA in the second quarter of 2011 compared to the first quarter of 2011. EBITDA is projected to be favourably impacted by higher selling prices which are expected to partially recover raw material cost increases.

Results of Operations

Revenue

The Company s revenue for the first quarter of 2011 were $192.6 million, an 11.3% increase compared to $173.1 million for the first quarter of 2010 and sequentially a 7.0% increase compared to $180.1 million for the fourth quarter of 2010. Sales volume increased approximately 3% compared to the first quarter of 2010 and approximately 6% compared to the fourth quarter of 2010. The sales volume increase over the first quarter of 2010 was due to higher demand for most tape product lines. Selling prices for the first quarter of 2011 increased approximately 8% compared to the first quarter of 2010 and increased approximately 2% compared to the fourth quarter of 2010 primarily due to market responses to rising raw material costs.

Gross Profit and Gross Margin

Gross profit totalled $23.8 million in the first quarter of 2011, an increase of 15.8% from the first quarter of 2010 and an increase of 12.3% from the fourth quarter of 2010. Gross margin was 12.4% in the first quarter of 2011, 11.9% in the first quarter of 2010, and 11.8% in the fourth quarter of 2010. As compared to the first quarter of 2010, gross profit in the first quarter of 2011 was higher due to an increase in sales volume, partially offset by raw material costs increasing more than selling prices. As compared to the fourth quarter of 2010, gross profit in the first quarter of 2011 was higher due to an increase in sales volume and the non-recurrence of an impairment charge related to the lumber film automatic wrapping machines and other related assets which adversely affected the fourth quarter of 2010.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses (SG&A) totalled $18.4 million, $18.9 million, and $18.8 million, for the first quarter of 2011, first quarter of 2010, and fourth quarter of 2010, respectively. The decrease from the first quarter of 2010 to the first quarter of 2011 was mainly the result of lower professional service fees and bad debt expense, partially offset by higher selling expenses related to higher revenue. As a percentage of revenue, SG&A expenses were 9.6%, 10.9%, and 10.5% for the first quarter of 2011, first quarter of 2010, and fourth quarter of 2010, respectively. Sequentially, the decrease in both SG&A expenses and percentage of revenue in the first quarter of 2011 compared to the fourth quarter of 2010 was primarily due to lower merchandising expenses in the consumer channel.

Included in SG&A expenses are the costs the Company incurs as a consequence of being a public company. These costs totalled $0.5 million, $0.3 million, and $0.3 million for the first quarter of 2011, first quarter of 2010, and fourth quarter of 2010, respectively.

Stock-based compensation expense is now included in SG&A in accordance with IFRS. Stock-based compensation expense for the first quarter of 2011 was $0.1 million compared to $0.1 million in the first quarter of 2010 and $0.2 million in the fourth quarter of 2010.

Finance Costs

Finance costs for the first quarter of 2011 totaled $3.8 million, a $0.2 million or 5.4% decrease from the first quarter of 2010. When compared to finance costs in the fourth quarter of 2010 of $3.9 million, finance costs for the first quarter of 2011 were lower by $0.1 million due to lower average borrowings under the ABL and lower average balance for the letters of credit issued in connection with the ITI litigation.

EBITDA

A reconciliation of the Company s EBITDA, a non-GAAP financial measure, to GAAP net earnings (loss) is set out in the EBITDA reconciliation table below. EBITDA should not be construed as earnings (loss) before income taxes, net earnings (loss) or cash from operating activities as determined by GAAP. The Company defines EBITDA as net earnings (loss) before (i) income taxes (recovery); (ii) finance costs, net of amortization (including foreign exchange gain (loss)); (iii) refinancing expense, net of amortization; (iv) amortization of debt issue expenses; (v) amortization of intangibles assets and deferred charges; and (vi) depreciation of property, plant and equipment. Adjusted EBITDA is defined as EBITDA before (i) manufacturing facility closures, restructuring, strategic alternatives and other charges; (ii) impairment of goodwill; (iii) impairment of long-lived assets and other assets; (iv) unprecedented gross margin compression; and (v) write-down on classification as assets held-for-sale. The terms EBITDA and Adjusted EBITDA do not have any standardized meanings prescribed by GAAP in Canada and are therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP and should not be considered as alternatives to cash flows from operating activities or as alternatives to net earnings (loss) as indicators of the Company s operating performance or any other measures of performance derived in accordance with GAAP. The Company has included these non-GAAP financial measures because it believes that it permits investors to make a more meaningful comparison of the Company s performance between periods presented. In addition, EBITDA and Adjusted EBITDA are used by management and the Company s lenders in evaluating the Company s performance.

ADJUSTED EBITDA RECONCILIATION TO NET LOSS

(In millions of US dollars)

(Unaudited)

	Three months ended		
	March 31, 2011 $	December 31, 2010 $	March 31, 2010 $
Net Loss	(0.0)	(38.5)	(4.8)
Add back:			
Finance costs, net of amortization (including foreign exchange gain (loss))	3.8	3.9	4.0
Income taxes	0.3	32.2	0.9
Depreciation and amortization	7.8	8.2	8.4
EBITDA	11.8	5.7	8.6
Manufacturing facility closures, restructuring and other charges		3.5	
Impairment of long-lived assets and other assets		2.9	
Write-down of assets held-for-sale		0.1	
Adjusted EBITDA	11.8	12.2	8.6

Adjusted EBITDA was $11.8 million for the first quarter of 2011, $8.6 million for the first quarter of 2010, and $12.2 million for the fourth quarter of 2010. The higher Adjusted EBITDA in the first quarter of 2011 as compared to the first quarter of 2010 is a result of higher gross profit and lower SG&A expenses. Adjusted EBITDA for the first quarter of 2011 was lower sequentially from the fourth quarter of 2010 primarily due to raw material costs rising faster than selling prices.

Income Taxes

The Company is subject to income taxation in multiple tax jurisdictions around the world. Accordingly, the Company s effective income tax rate fluctuates depending upon the geographic source of its earnings. The Company s effective income tax rate is also impacted by tax planning strategies that the Company implements. The Company estimates its annual effective income tax rate and utilizes that rate in its unaudited interim consolidated financial statements. The effective tax rate for the three months ended March 31, 2011 was approximately 117.7% compared to approximately a negative 23.7% for the three months ended March 31, 2010. The effective tax rate for the three months ended March 31, 2011 is based on pre-tax income of $0.2 million and total income tax expense of $0.3 million, $0.2 million of which is related to a revision of the valuation of a tax asset within the Company s Portuguese tax entity.

While there were increases to deferred tax assets as a result of the accounting adjustments made to transition to IFRS, the most significant change to the Company s accounting for income taxes upon transitioning to IFRS was the reclassification of $6.3 million of investment tax credits from Other Assets to Deferred Tax Assets on its opening balance sheet as of January 1, 2010.

Net Loss

Net loss for the first quarter of 2011 was less than $0.1 million compared to a net loss of $4.8 million in the first quarter of 2010, and a net loss of $38.5 million in the fourth quarter of 2010.

Results of Operations by Division

As a result of the Company s structural, operational, management and reporting realignments during the third quarter of 2010, the Company now operates as a single operating segment and is no longer required to present operating results at a divisional level. However, in the interest of reporting consistency, the divisional results discussion is included hereinafter.

Results of Operations Tapes and Films Division

Revenue for the Tapes and Films (T&F) Division in the first quarter of 2011 was $162.4 million, an increase of 11.7% compared to $145.3 million for the first quarter of 2010 and an increase of 8.6% compared to $149.5 million in the fourth quarter of 2010. Sales volume increased in the first quarter of 2011 by approximately 4% as compared to the first quarter of 2010 and increased approximately 7% sequentially over the fourth quarter of 2010. Revenue across most product lines contributed to both the year-over-year and sequential increases.

Selling prices increased approximately 8% in the first quarter of 2011 compared to the first quarter of 2010 and increased approximately 2% in comparison to the fourth quarter of 2010.

Gross profit for the first quarter of 2011 totalled $21.1 million at a gross margin of 13.0% compared to $19.3 million at a gross margin of 13.3% for the first quarter of 2010. The increase in gross profit was due to increased volume and average selling prices. The decrease in gross margin was due to higher resin-based, adhesive and paper raw material costs. On a sequential basis, gross profit increased by $0.2 million from $20.9 million reported for the fourth quarter of 2010 primarily due to increased sales volume and gross margin declined from 14.0% in the fourth quarter of 2010 primarily due to raw material costs, particularly polypropylene and natural rubber.

T&F DIVISION RESULTS AND

ADJUSTED EBITDA RECONCILIATION

TO EARNINGS BEFORE INCOME

TAXES

(in millions of US dollars)

(Unaudited)

	Three months ended		
	March 31, 2011 $	December 31, 2010 $	March 31, 2010 $
Revenue	162.4	149.5	145.3
Cost of Sales	141.2	128.6	126.0
Gross profit	21.1	20.9	19.3
Divisional earnings before income taxes	4.9	4.8	2.8
Depreciation, amortization and foreign exchange gains (losses)	6.3	7.1	7.3
EBITDA	11.3	11.9	10.1
Adjusted EBITDA	11.3	11.9	10.1

Adjusted EBITDA for the first quarter of 2011, first quarter of 2010, and fourth quarter of 2010 was $11.3 million, $10.1 million and $11.9 million, respectively. The increase in Adjusted EBITDA in the first quarter of 2011 compared to the first quarter of 2010 was primarily due to the increase in sales volume and selling prices.

Results of Operations Engineered Coated Products Division

Revenue in the Engineered Coated Products (ECP) Division in the first quarter of 2011 was $30.3 million, an increase of 8.9% compared to $27.8 million for the first quarter of 2010 and a decrease of 1.2% compared to revenue of $30.6 million in the fourth quarter of 2010. Sales volume decreased in the first quarter of 2011 by approximately 2% compared to the first quarter of 2010 and increased approximately 1% sequentially over the fourth quarter of 2010.

Selling prices increased approximately 11% in the first quarter of 2011 compared to the first quarter of 2010. Selling prices decreased approximately 1% as compared to the fourth quarter of 2010 due to a shift in the mix of products sold.

Gross profit for the first quarter of 2011 totalled $2.7 million, representing a gross margin of 8.9%, compared to $1.3 million and a gross margin of 4.5% for the first quarter of 2010. The increase in gross profit and gross margin was primarily due to the non-recurrence of an impairment charge related to the lumber film automatic wrapping machines and other related assets and the increase in selling prices.

ECP DIVISION RESULTS AND ADJUSTED

EBITDA RECONCILIATION TO LOSS BEFORE

INCOME TAXES

(in millions of US dollars)

(Unaudited)

	Three months ended		
	March 31, 2011 $	December 31, 2010 $	March 31, 2010 $
Revenue	30.3	30.6	27.8
Cost of Sales	27.6	30.3	26.5
Gross Profit	2.7	0.3	1.3
Divisional loss before income taxes	(0.5)	(8.3)	(2.7)
Depreciation, amortization, and foreign exchange gains(losses)	1.7	2.7	1.6
EBITDA	1.2	(5.6)	(1.1)
Manufacturing facility closures, restructuring and other charges		3.5	
Impairment of long-lived assets and other assets		2.9	
Adjusted EBITDA	1.2	0.8	(1.1)

Adjusted EBITDA for the first quarter of 2011, first quarter of 2010, and fourth quarter of 2010 was $1.2 million, negative $1.1 million and $0.8 million, respectively. The increase in Adjusted EBITDA in the first quarter of 2011 compared to the first quarter of 2010 was primarily due to increased selling prices.

Results of Operations Corporate

The Company does not allocate the cost of manufacturing facility closures, restructuring, strategic alternatives or other charges to its two divisions. These expenses are retained at the corporate level as are stock-based compensation expense, finance costs, and the cost of being a public company. The unallocated corporate expenses for the first quarter of 2011, the first quarter of 2010, and fourth quarter of 2010 totalled $4.2 million, $4.0 million, and $2.9 million, respectively.

Off-Balance Sheet Arrangements

The Company maintains no off-balance sheet arrangements except for the letters of credit issued and outstanding.

Related Party Transactions

There have been no material changes with respect to related party transactions since December 31, 2010. Reference is made to the Section entitled Related Party Transactions in the Company s Management Discussion and Analysis as of and for the year ended December 31, 2010 and to Note 4 to the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2011.

Balance Sheet

One of the metrics the Company uses to measure inventory performance is Days Inventory. One of the metrics the Company uses to measure trade receivables is Days Sales Outstanding (DSO s). DSO s increased by 2 days from the first quarter of 2010 to the first quarter of 2011 and increased by 1 day sequentially in the first quarter of 2011 as compared to the fourth quarter of 2010. The increase in DSO s from both periods was primarily due to an increase in the mix of sales through the consumer channel. Days Inventory remained the same from the fourth quarter of 2010 compared to the first quarter of 2011. Days Inventory increased by 4 days in the first quarter of 2011 compared to the first quarter of 2010. The increase was primarily due to an increase in the amount of advance purchases of raw materials made in anticipation of cost increases. The calculations are shown in the following tables:

		Three months ended	
	March 31, 2011 $	December 31, 2010 $	March 31, 2010 $
Cost of Goods Sold	$ 168.8	$ 158.9	$ 152.6
Days in Quarter	90	92	90
Cost of Goods Sold Per Day	$ 1.88	$ 1.73	$ 1.70
Average Inventories	$ 99.5	$ 91.9	$ 83.5
Days Inventory	53	53	49

Days Inventory is calculated as follows:

Cost of Goods Sold ÷ Days in Quarter = Cost of Goods Sold Per Day

(Beginning Inventory + Ending Inventory) ÷ 2 = Avg Inventory

Average inventory ÷ Cost of Goods Sold Per Day = Days Inventory

		Three months ended	
	March 31, 2011 $	December 31, 2010 $	March 31, 2010 $
Revenue	$ 192.6	$ 180.1	$ 173.1
Days in Quarter	90	92	90
Revenue Per Day	$ 2.14	$ 1.96	$ 1.92
Trade Receivables	$ 96.6	$ 86.5	$ 82.9
DSO s	45	44	43

DSO s is calculated as follow