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**Flanders Corporation Reports Fourth Quarter and Year-End 2009
Financial Results**

- Annual Net Income of \$7.0 million compared to 2008 net loss of \$4.1 million including \$9.9 million in impairment charges –
- Annual EBITDA of \$19.2 million compared to 2008 EBITDA loss of \$10.7 million including \$9.9 million in impairment charges –

WASHINGTON, NC – March 3, 2010 – Flanders Corporation (OTCQX: FLDR) reported financial results for the fourth quarter and year ended December 31, 2009.

Harry Smith, Flanders Corporation's Chairman, president and CEO, said: "2009 was a great year for Flanders, demonstrating the effects of changes made by our management team in 2007 and 2008. Although sluggish new construction and other factors related to the worldwide economy had their impact, we posted solid year-over-year improvement, including increased net sales. We continue to execute on our plans to increase efficiencies and reduce costs, through further consolidation of our manufacturing footprint and reductions in headcount driven by the automation of our manufacturing processes. Product innovation continues to be a focus as we understand the importance of bringing new products to the marketplace has never been greater."

Fourth Quarter 2009 Financial Summary

Revenue for the fourth quarter of 2009 was \$55.2 million, compared to \$49.8 million in the fourth quarter 2008. Net Income for the fourth quarter 2009 was \$1.0 million, or \$0.04 per share, as compared to a net loss of \$14.3 million, or \$0.56 per share in 2008 which included \$9.9 million in impairment charges. EBITDA for the fourth quarter of 2009 was \$4.3 million as compared to an EBITDA loss of \$19.9 million in the fourth quarter 2008.

Management uses some measures not in accordance with generally accepted accounting principles (GAAP) to evaluate the results of the company's operations and believes earnings before interest, taxes, extraordinary items, depreciation and amortization (EBITDA) provides a useful measure of operations.

Full Year 2009 Financial Summary

Revenue for the year ended 2009 was \$222.4 million, compared to \$217.3 million in 2008. Gross margin was 19% in 2009 as compared to 12% in 2008 which included \$4.3 million in inventory write downs in 2008. Operating expenses in 2009 were \$31.3 million compared to a 2008 total of \$47.3 million, which included \$2.4 million in goodwill impairment and a \$3.2 million charge for the loss on impaired fixed assets. Net income for 2009 was \$7.0 million or \$0.27 per share, as compared to a net loss in 2008 of \$4.1 million, or \$0.16 per share, which included \$9.9 million in impairment charges. EBITDA for the year ended 2009 was \$19.2 million, compared to an EBITDA loss of \$10.7 million in 2008.

Flanders' Chief Financial Officer, John Oakley said: "In this very challenging environment, we improved virtually every metric in our balance sheet and reduced our debt during the fourth quarter of 2009. Our sales increase over the fourth quarter of 2008 shows the Company's ability to perform in the face of a difficult business environment and continued pricing pressure. We reaffirm our revenue expectations for 2010 as between \$255 million and \$270 million."

Conference Call

President and CEO, Harry Smith and CFO John Oakley are scheduled to conduct a conference call at 11:00 a.m. ET on Mar. 3, 2010 to review these results in more detail. To access the call from within the U.S., please dial 866-425-6192, and international callers can access the call by dialing 973-409-9253 approximately 10 minutes prior to the start of the conference call. The conference ID will be 59856116. A telephone replay will be available until midnight Eastern Time on April 3rd by dialing 800-642-1687 or 706-645-9291 and entering pass code 59856116.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements made in this press release other than statements of historical fact, are forward-looking statements. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, among other things: statements and assumptions relating to future growth, as well as management's short-term and long-term performance goals; statements regarding anticipated order patterns from our customers or the anticipated economic conditions of the industries and markets that we serve; statements related to the performance of the U.S. and other economies generally; statements relating to the anticipated effects on results of operations or financial condition from recent and expected developments or events; statements relating to the Flanders' business and growth strategies; and any other statements or assumptions that are not historical facts. Flanders believes that its expectations are based on reasonable assumptions. However, these forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause Flanders' actual results, performance or achievements, or industry results, to differ materially from the Flanders' expectations of future results, performance or achievements expressed or implied by these forward-looking statements. In addition, the Flanders' past results of operations do not necessarily indicate its future results.

These and other uncertainties are discussed in the "Risk Factors" section of the Company's 2009 Form 10-K, which we expect to file on or before March 15, 2010. The future results of Flanders may fluctuate as a result of these and other risk factors detailed from time to time in the company's filings with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date of this press release. Except as otherwise required by applicable laws, Flanders undertakes no obligation to publicly update or revise any forward-looking statements or the risk factors described in this press release, including projected sales and profit levels for any business segment in any given quarter, whether as a result of new information, future events, changed circumstances or any other reason after the date of this press release.

About Flanders

Flanders is a leading air filtration products manufacturer. Flanders' products are utilized by many industries, including those associated with commercial and residential heating, ventilation and air conditioning systems, semiconductor manufacturing, ultra-pure materials, biotechnology, pharmaceuticals, synthetics, nuclear power and nuclear materials processing.

For further information on Flanders and its products, visit its web site at <http://www.flanderscorp.com/> or contact John Oakley at 252-946-8081.

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FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31,
(In thousands)

ASSETS	2009	2008
Current assets		
Cash and cash equivalents	\$ 260	\$ 404
Receivables:		
Trade, less allowance for doubtful accounts: \$2,172 in 2009 and \$3,683 in 2008	33,159	37,682
Other	407	280
Inventories	29,415	31,549
Deferred taxes	2,566	4,285
Other current assets	8,134	14,762
Total current assets	73,941	88,962
Property and equipment, net	71,263	57,156
Intangible assets, net	280	295
Notes Receivable and Other assets	17,511	14,604
	<u>\$ 162,995</u>	<u>\$ 161,017</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt and capital lease obligations	\$ 1,051	\$ 1,307
Accounts payable	19,353	22,795
Accrued expenses	13,334	13,517
Other current liabilities	497	6,179
Total current liabilities	34,235	43,798
Long-term capital lease obligations, less current maturities	150	554
Long-term debt, less current maturities	33,662	29,611
Long-term liabilities, other	3,086	4,286
Deferred taxes	158	0
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$.001 par value, 10,000 shares authorized; none issued		-
Common stock, \$.001 par value; 50,000 shares authorized; issued and outstanding: 26,133 and 25,524 as of December 31, 2009 and 2008, respectively	26	26
Additional paid-in capital	88,902	87,253
Accumulated other comprehensive loss	(908)	(1,231)
Retained (deficit) earnings	3,684	(3,280)
	<u>91,704</u>	<u>82,768</u>
	<u>\$ 162,995</u>	<u>\$ 161,017</u>

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months and Twelve Months Ended December 31,
(In thousands, except per share data)

	(unaudited)			
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Net sales	\$ 55,206	\$ 49,794	\$ 222,380	\$ 217,328
Cost of goods sold	45,477	51,272	179,167	190,768
Gross profit	9,729	(1,478)	43,213	26,560
Operating expenses	7,211	19,280	31,339	47,287
Operating income	2,518	(20,758)	11,874	(20,727)
Nonoperating income (expense):				
Other income, net	164	(1,034)	1,517	3,598
Interest expense	(987)	(471)	(1,863)	(2,094)
	<u>(823)</u>	<u>(1,505)</u>	<u>(346)</u>	<u>1,504</u>
Earnings before income taxes and extraordinary item	1,695	(22,263)	11,528	(19,223)
Provision for income taxes	738	(7,276)	4,564	(6,060)
Income before extraordinary item	957	(14,987)	6,964	(13,163)
Extraordinary gain on Fire (net of taxes)	-	695	-	9,030
Net earnings	<u>\$ 957</u>	<u>\$ (14,292)</u>	<u>\$ 6,964</u>	<u>\$ (4,133)</u>
Income before extraordinary item Basic earnings per share	\$ 0.04	\$ (0.59)	\$ 0.27	\$ (0.51)
Extraordinary item	-	0.03	-	0.35
Net earnings per share	<u>\$ 0.04</u>	<u>\$ (0.56)</u>	<u>\$ 0.27</u>	<u>\$ (0.16)</u>
Income before extraordinary item Diluted earnings per share	\$ 0.04	\$ (0.59)	\$ 0.27	\$ (0.51)
Extraordinary item	-	0.03	-	0.35
Net earnings per share	<u>\$ 0.04</u>	<u>\$ (0.56)</u>	<u>\$ 0.27</u>	<u>\$ (0.16)</u>
Weighted average common shares outstanding				
Basic	<u>26,132</u>	<u>25,602</u>	<u>25,779</u>	<u>25,693</u>
Diluted	<u>26,136</u>	<u>25,602</u>	<u>25,795</u>	<u>25,693</u>

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31,
(In thousands)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings (Loss)	\$ 6,964	\$ (4,133)
Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	5,778	6,396
Provision for doubtful accounts and notes	2,095	3,532
Goodwill impairment	0	2,442
(Gain) Loss on sale of property and equipment	(364)	3,441
Compensation expense	46	1,426
Tax impact of stock options exercised	(1,604)	0
Extraordinary (Gain) Loss	0	(9,030)
Proceeds from insurance claims	1,135	17,479
(Gain) Loss on sale of subsidiaries	0	(1,616)
Write down of notes receivable	0	694
Deferred taxes	1,704	(5,866)
Change in working capital components:		
Receivables	(10,420)	(6,826)
Inventories	2,135	12,874
Other current assets and income tax receivable	5,946	(4,085)
Increase in other assets	(143)	0
Accounts payable	(3,443)	(6,579)
Accrued expenses	10,366	3,529
Other Current Liabilities	(5,682)	300
Long Term Liabilities Other	(603)	125
Income taxes, net	0	0
Net cash provided by operating activities	\$ 13,910	\$ 14,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of subsidiary and deconsolidation of VIE, net of cash disposed	\$ 0	\$ (11)
Purchase of property and equipment	(15,019)	(14,445)
Proceeds from sale of property and equipment	259	3,457
Proceeds from insurance claim on building and equipment	466	0
Decrease in other assets and collections on notes receivable	1,390	1,776
Net cash provided by (used) in investing activities	\$ (12,904)	\$ (9,223)

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FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS — Continued
Years Ended December 31,
(In thousands)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments on) revolving credit agreement	\$ 407	\$ (1,272)
Principal payments on long-term borrowings	(3,095)	(2,224)
Purchase and retirement of common stock	0	(1,534)
Proceeds from sale of common stock	0	56
Payment of debt issuance costs	(66)	0
Tax impact of stock options exercised	1,604	0
Net cash used in financing activities	<u>\$ (1,150)</u>	<u>\$ (4,974)</u>
Net decrease in cash and cash equivalents	\$ (144)	\$ (94)
CASH AND CASH EQUIVALENTS		
Beginning of year	\$ 404	\$ 498
End of year	<u>\$ 260</u>	<u>\$ 404</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid, net of \$759 and \$45 interest capitalized to property and equipment for 2009 and 2008, respectively:	\$ 1,633	\$ 2,108
Income taxes paid	\$ 877	\$ 964
Tax impact of Stock Options	\$ 0	\$ 0
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Cashless exercise of common stock (net)	\$ (2,500)	\$ (370)
Accounts receivable in exchange for notes receivable	\$ 2,421	\$ 677
Sale of equipment or building for note receivable	\$ 1,279	\$ 913
Offset of accrued expenses against trade accounts receivable	\$ 10,549	\$13,678
Offset of accrued expenses against other receivables	\$ 0	\$ 900
Purchase of building for debt	\$ 6,080	\$ 2,619
ACQUISITION/DISPOSAL OF COMPANIES		
Working Capital surplus acquired/disposed, net of cash and cash equivalents received	\$ 0	\$ 1,425
Fair value of other assets acquired/(disposed), principally property and equipment	\$ 0	\$ (8,637)
Goodwill acquired/(disposed)	\$ 0	\$ (589)
Minority interest	\$ 0	\$ (141)

FLANDERS CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NET EARNINGS TO EBITDA
(In thousands)
(unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008	2009	2008
Net Earnings	\$ 957	\$ (14,292)	\$ 6,964	\$ (4,133)
Extraordinary items	0	(695)	0	(9,030)
Interest	987	471	1,863	2,094
Taxes	739	(7,276)	4,564	(6,060)
Depreciation and amortization	1,628	1,912	5,778	6,396
EBITDA	<u>\$ 4,311</u>	<u>\$ (19,880)</u>	<u>\$ 19,169</u>	<u>\$ (10,733)</u>