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**Flanders Corporation Reports
Financial Results for the
Year ended December 31, 2010**

**– Revenues increase 10% to \$244.3 million –
– Posts Positive Cash Flow From Operating Activities for Fiscal 2010 –**

WASHINGTON, NC – April 13, 2011 – Flanders Corporation (OTCQX: FLDR) reported financial results for the year ended December 31, 2010.

Harry Smith, Flanders Corporation's Chairman and CEO, said: "2010 was an exciting but challenging year for the company. We realized strong top line revenue growth in a flat economy while we continued with our reorganization plan to reduce the number of rooflines and automate manufacturing. Subsequent to year end, we successfully refinanced our revolving line of credit and disposed of a number of facilities. With all of this now behind us, the streamlined company is looking forward to a prosperous 2011."

Financial Summary

Revenue for the year ended December 31, 2010 was \$244.3 million, compared to \$222.4 million for the year ended December 31, 2009, an increase of 10%. Gross margin was 16.5%, compared to 19.4% for the same period a year ago. Included in cost of goods sold is a \$0.6 million charge resulted from the write-off of inventory and equipment in the fourth quarter. Depreciation included in cost of goods sold increased \$1.8 million during 2010. When adjusting for these charges and increases in non cash expenses, adjusted gross margin for 2010 would be 17.5%.

Operating expenses, before plant consolidation and exit costs, loss on sale of and impairment of property, and stock compensation expense, in 2010 was \$36.0 million compared to \$31.3 million in 2009. This increase is partially attributable to \$1.4 million in increased freight costs due to changes in shipping arrangements with customers earlier in 2010 and approximately \$1.0 million in higher commissions due to higher revenues. Plant consolidation and exit costs of

\$13.4 million, losses on impairment of property and equipment of \$3.3 million, and losses on sales of properties and equipment of \$1.4 million were related to facilities closed by the company in 2010. The Company also recorded stock compensation expense of \$5.2 million.

Net loss for the year ended December 31, 2010 was \$16.1 million, or \$(0.60) per diluted share, compared to net income of \$7.0 million, or \$0.27 per diluted share, for the year ended December 31, 2009. Adjusted EBITDA for the year ended December 31, 2010 was \$13.2 million compared to \$18.4 million for the same period a year ago.

John Oakley, President and CFO noted "Net sales for our retail product lines posted a solid increase for the year while sales in the commercial and industrial ASHRAE business was flat with the prior year. Our high purity product lines also had a strong sales year, with growth across most of the sales channels serviced by those product lines. We reaffirm our guidance for 2011 as a revenue increase of 8% to 11% as we believe we will continue to see strong performance in our high purity and retail product lines while we expect strengthening in our commercial and industrial ASHRAE product lines over 2011."

Non-GAAP Financial Measures

The Company provides some financial 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, certain noncash and non-operating expenses, extraordinary items, depreciation and amortization (Adjusted EBITDA) provides useful information in the measure of operations. These non-GAAP financial measures are intended to supplement the user's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by identifying certain expenses that, when excluded from the GAAP results, may provide additional understanding of the Company's core operating results or business performance. However, these non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. A reconciliation of the non-GAAP results to the GAAP results is provided in the "Reconciliation of Net Earnings to Adjusted EBITDA" schedule below.

Conference Call

Chairman of the Board and CEO, Harry Smith and President and CFO John Oakley are scheduled to conduct a conference call at 11:00 a.m. ET on April 13, 2011 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 56971234. A telephone replay will be available until midnight Eastern Time on May 13, 2011 by dialing 800-642-1687 or 706-645-9291 and entering pass code 56971234.

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. 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.

– Tables Follow –

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(unaudited)

| ASSETS | <u>December 31, 2010</u> | <u>December 31, 2009</u> |
|---|------------------------------|------------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 594 | \$ 260 |
| Receivables: | | |
| Trade, net of allowance for doubtful accounts: \$1,456 in 2010 and \$2,172 in 2009 | 41,787 | 33,159 |
| Other | 442 | 407 |
| Inventories, net | 24,195 | 29,415 |
| Deferred income tax asset | 9,714 | 2,566 |
| Assets held for sale | 1,117 | - |
| Other current assets | 14,110 | 8,134 |
| Total current assets | <u>91,959</u> | <u>73,941</u> |
| Property and equipment, net | 74,176 | 71,263 |
| Intangible assets, net | 237 | 280 |
| Notes receivable and other assets | 16,262 | 17,511 |
| Total assets | <u>\$ 182,634</u> | <u>\$ 162,995</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 33,435 | \$ 26,856 |
| Accrued expenses | 10,857 | 5,831 |
| Current maturities of long-term debt and capital lease obligations | 1,495 | 1,051 |
| Current portion of exit cost liability | 1,136 | - |
| Other current liabilities | 100 | 498 |
| Total current liabilities | <u>47,023</u> | <u>34,236</u> |
| Long-term capital lease obligation, less current maturities | 6,686 | 150 |
| Long-term debt, less current maturities | 35,309 | 33,662 |
| Long-term liabilities, other | 2,905 | 3,085 |
| Deferred income tax liability | 2,983 | 158 |
| Long-term exit cost liabilities | 7,902 | - |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$.001 par value, 10,000,000 shares authorized; none issued and outstanding as of December 31, 2010 and 2009 | | |
| Common stock, \$.001 par value; 50,000,000 shares authorized; issued and outstanding: 27,132,838 as of December 2010 and 26,132,838 as of December 2009 | 27 | 26 |
| Additional paid-in capital | 93,120 | 88,902 |
| Accumulated other comprehensive loss | (883) | (908) |
| Retained earnings (accumulated deficit) | (12,438) | 3,684 |
| Total stockholders' equity | <u>79,826</u> | <u>91,704</u> |
| Total liabilities and stockholders' equity | <u>\$ 182,634</u> | <u>\$ 162,995</u> |

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Year Ended December 31,
(In thousands, except per share data)
(unaudited)

| | 2010 | 2009 |
|--|-------------|------------|
| Net sales | \$ 244,336 | \$ 222,380 |
| Cost of goods sold | 204,100 | 179,167 |
| Gross profit | 40,236 | 43,213 |
| Operating expenses | 35,956 | 31,294 |
| Plant consolidation and exit costs | 13,433 | - |
| Loss on impairment of property | 3,279 | - |
| Loss (gain) on disposal of property and equipment | 1,367 | (304) |
| Stock compensation expense | 5,219 | 46 |
| Operating income (loss) | (19,018) | 12,177 |
| Nonoperating income (expense): | | |
| Other income (expense), net | (393) | 688 |
| Interest income (expense), net | (2,315) | (1,338) |
| Nonoperating income (expense), net | (2,708) | (650) |
| Income (loss) from continuing operations before income taxes and extraordinary items | (21,726) | 11,527 |
| Provision (benefit) for income taxes | (5,200) | 4,563 |
| Net income (loss) before extraordinary items | (16,526) | 6,964 |
| Extraordinary gain, net of taxes | 404 | - |
| Net income (loss) | \$ (16,122) | \$ 6,964 |
| Basic earnings per share: | | |
| Income (loss) before extraordinary items | \$ (.62) | \$.27 |
| Extraordinary items | \$.02 | \$ - |
| Net earnings per share | \$ (.60) | \$.27 |
| Diluted earnings per share: | | |
| Income before extraordinary items | \$ (.62) | \$.27 |
| Extraordinary items | \$.02 | \$ - |
| Net earnings per share | \$ (.60) | \$.27 |
| Weighted average common shares outstanding | | |
| Basic | 26,793 | 25,779 |
| Diluted | 26,793 | 25,795 |

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Year Ended December 31, 2010 and 2009
(In thousands)
(unaudited)

| | <u>Shares</u> | <u>Common Stock</u> | <u>Additional Paid-In Capital</u> | <u>Accumulated Other Comprehensive Loss</u> | <u>Retained Earnings (Deficit)</u> | <u>Total</u> |
|---|---------------|-------------------------|---|---|--|--------------|
| Balance, January 1, 2008 | 25,524 | \$ 26 | \$ 87,253 | \$ (1,231) | \$ (3,280) | \$82,768 |
| Stock option award compensation | - | - | 46 | - | - | 46 |
| Purchase and retirement of 391 shares of common stock | (391) | (1) | (2,500) | - | - | (2,501) |
| Issuance of 1,000 shares of common stock upon exercise of options | 1,000 | 1 | 2,499 | - | - | 2,500 |
| Tax benefit from stock options | - | - | 1,604 | - | - | 1,604 |
| Comprehensive earnings | | | | | | |
| Net earnings | - | - | - | - | 6,964 | 6,964 |
| Gain on cash flow hedges | - | - | - | 323 | - | 323 |
| Total comprehensive earnings, net of tax | | | | | | 7,287 |
| Balance, December 31, 2009 | 26,133 | \$ 26 | \$ 88,902 | \$ (908) | \$ 3,684 | \$91,704 |
| Stock option award compensation | | | 354 | | | 354 |
| Purchase and retirement of common shares | (312) | - | (1,000) | | | (1,000) |
| Common shares issued | 1,312 | 1 | 4,864 | | | 4,865 |
| Comprehensive income (loss): | | | | | | |
| Net loss | | - | - | - | (16,122) | (16,122) |
| Gain on cash flow | | - | - | 25 | - | 25 |
| Total comprehensive earnings, net of tax | | | | | | (16,097) |
| Balance, December 31, 2010 | 27,133 | \$ 27 | \$ 93,120 | \$ (883) | \$ (12,438) | \$79,826 |

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

| | <u>2010</u> | <u>2009</u> |
|---|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (16,122) | \$ 6,964 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization expense | 7,386 | 5,778 |
| Provision for bad debts | 1,316 | 2,095 |
| Write-off of investment and related notes receivable | 616 | - |
| Stock compensation expense | 5,219 | 46 |
| Extraordinary gain | (404) | - |
| Proceeds from insurance claims | - | 1,135 |
| Tax impact of stock options exercised | - | (1,604) |
| Amortization of deferred gain | (72) | (60) |
| Impairment of fixed assets | 3,279 | - |
| (Gain) loss on disposal of property and equipment | 1,367 | (304) |
| Deferred income taxes | (4,345) | 1,704 |
| Change in working capital components: | | |
| Increase in accounts receivable | (9,944) | (10,293) |
| Increase in other receivables | (35) | (127) |
| Decrease in inventory | 5,220 | 2,135 |
| (Increase) decrease in other current assets | (7,363) | 5,946 |
| (Increase) decrease in other assets | (368) | 8 |
| Increase (decrease) in accounts payable | 6,579 | (3,443) |
| Increase in accrued expenses | 5,026 | 10,366 |
| Decrease in other current liabilities | (398) | (5,682) |
| Increase in exit cost liability | 9,038 | - |
| Decrease in other non-current liabilities | (62) | (603) |
| Net cash provided by operating activities | <u>5,933</u> | <u>14,061</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (12,076) | (15,019) |
| Proceeds from sale of property and equipment | 2,216 | 259 |
| Proceeds from insurance claim on building and equipment | 1,885 | 466 |
| Proceeds from notes receivable | 2,450 | 5,046 |
| Loans made to notes receivable | (707) | (3,807) |
| Net cash used in investing activities | <u>\$ (6,232)</u> | <u>\$ (13,055)</u> |

CONSOLIDATED STATEMENTS OF CASH FLOWS—Continued
Years Ended December 31,
(In thousands)
(unaudited)

| | 2010 | 2009 |
|--|------------|------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments on long-term borrowings | \$ (3,009) | \$ (3,095) |
| Proceeds from revolving credit agreement | 235,844 | 224,550 |
| Payments on revolving credit agreement | (232,152) | (224,143) |
| Proceeds from long-term borrowings | 1,081 | - |
| Payment of debt issuance costs | (131) | (66) |
| Tax impact of stock options exercised | - | 1,604 |
| Purchase of common stock | (1,000) | - |
| Net cash provided by (used in) financing activities | 633 | (1,150) |
| Net increase (decrease) in cash and cash equivalents | 334 | (144) |
| CASH AND CASH EQUIVALENTS | | |
| Beginning of year | 260 | 404 |
| End of year | \$ 594 | \$ 260 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| Cash paid during year for: | | |
| Income taxes | \$ 2,447 | \$ 877 |
| Interest, net of amounts capitalized to property, and equipment | \$ 1,788 | \$ 1,633 |
| Interest capitalized to property, and equipment | \$ 404 | \$ 759 |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Sale of building/equipment for note receivable | \$ 400 | \$ 1,279 |
| Purchase of building with debt | \$ - | \$ 6,080 |
| Sale of equipment for accounts payable offset | \$ 830 | \$ - |
| Cashless exercise of common stock | \$ - | \$ (2,500) |
| Acquisition of capital lease assets | \$ 6,981 | \$ - |

RECONCILIATION OF NET EARNINGS TO ADJUSTED EBITDA
(In thousands)
(unaudited)

| | December 31, 2010 | December 31, 2009 |
|--|------------------------------|------------------------------|
| Net income (loss) | \$ (16,122) | \$ 6,964 |
| Interest expense, net | 2,315 | 1,338 |
| Income tax expense (benefit) | (5,200) | 4,563 |
| Depreciation and amortization | 7,386 | 5,778 |
| Plant consolidation and exit costs | 13,433 | - |
| Loss on impairment of property and write-off of inventory and equipment related to closed facilities; loss on disposal of property and equipment | 5,250 | (304) |
| Noncash stock compensation expense | 5,219 | 46 |
| Other, net | 900 | - |
| Adjusted EBITDA | <u>\$ 13,181</u> | <u>\$ 18,385</u> |