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**Flanders Corporation Reports
First Quarter 2011 Financial Results**

- First Quarter Revenues Increase 11.7% to \$54.6 million –**
- 17.9% First Quarter Gross Margin, 22% increase over previous year –**
- \$3.1 million Adjusted EBITDA vs. \$2.0 million in previous year –**

WASHINGTON, NC – May 10, 2011 – Flanders Corporation (OTCQX: FLDR) reported financial results for the first quarter ended March 31, 2011.

Harry Smith, Flanders Corporation's Chairman and CEO stated, "Actions taken over the last year are now gaining traction. The increase in sales, led by our retail and high purity product lines, exceeded our expectations while the return of gross margins to more normal levels, somewhat offset by higher outbound freight costs recorded in operating expenses, are in line with expectations. We expect to see our results continue to improve as volume increases throughout 2011 and our automation efforts are completed."

Financial Summary

Revenue for the three months ended March 31, 2011 was \$54.6 million, compared to \$48.8 million for the three months ended March 31, 2010, an increase of 11.7%. Gross margin was 17.9%, compared to 14.7% for the same period a year ago. Depreciation included in cost of goods sold increased \$0.4 million in the first quarter of 2011 when compared to the first quarter of 2010.

Operating expenses, before plant consolidation and exit costs, in the first quarter 2011 was \$8.7 million compared to \$8.2 million in 2010. This increase is attributable to \$0.8 million in increased outbound freight expenses in the first quarter of 2011 compared to the same quarter in 2010 due to increasing freight costs and shifts in shipping arrangements with customers and \$0.1 million in higher commissions due to higher revenues.

Plant consolidation and exit costs for the first quarter 2011 resulted in a net gain of \$1.1 million as the company was able to find a buyer for one of the properties it exited in 2010, resulting in a net gain from a reversal of a previously accrued and expensed lease liability of \$1.6 million.

Also included in exit costs for the first quarter of 2011 was a net loss of \$0.3 million for the remaining net book value of an exited property donated to a non-profit organization. In the first quarter of 2010 the company was exiting locations and recorded an exit cost loss of \$2.4 million.

Net income for the first quarter 2011 was \$0.2 million or \$0.01 per share compared to a loss of \$2.3 million or (\$0.09) per share in 2010. Net income was impacted favorably by a \$1.6 million adjustment to exit cost liability as the company was able to reduce its exposure on one of its facilities exited in 2010 and unfavorably by a charge related to the cancellation of interest rate swaps of \$1.2M.

Adjusted EBITDA for the three months ended March 31, 2011 was \$3.1 million compared to \$2.0 million for the same period a year ago.

John Oakley, President and CFO stated, "Net sales for our retail product lines for the quarter increased substantially year over year as our relationships with several customers strengthened and consumers continue to be attracted to the value of our products. Sales in the commercial and industrial ASHRAE business also grew as compared to 2010 due primarily to new customers obtained in 2010. Sales in our high purity product lines increased during the quarter due to higher than anticipated demand for these products. We maintain our guidance for 2011 for a revenue increase of 8% to 11%. We believe we will see ongoing strong performance in our high purity and retail product lines, through both existing and new customers, while expecting continuing improvement from our commercial and industrial ASHRAE product lines throughout 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 May 10, 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 65143988. A telephone replay will be available until midnight Eastern Time on June 9, 2011 by dialing 800-642-1687 or 706-645-9291 and entering pass code 65143988.

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 <http://www.otcqx.com/qx/> or contact John Oakley at 252-946-8081.

– Tables Follow –

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

	Unaudited March 31, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 731	\$ 594
Receivables:		
Trade, net of allowance for doubtful accounts: \$1,556 in 2011 and \$1,456 in 2010	36,799	41,787
Other	472	442
Inventories, net	27,683	24,195
Deferred income tax asset	9,714	9,714
Restricted Cash	2,416	-
Assets held for sale	1,117	1,117
Other current assets	15,370	14,110
Total current assets	94,302	91,959
Property and equipment, net	74,815	74,176
Intangible assets, net	222	237
Notes receivable and other assets	18,246	16,262
Total assets	\$ 187,585	\$ 182,634
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 34,064	\$ 33,435
Accrued expenses	10,467	10,857
Current maturities of long-term debt and capital lease obligations	1,716	1,495
Current portion of exit cost liability	952	1,136
Other current liabilities	253	100
Total current liabilities	47,452	47,023
Long-term capital lease obligation, less current maturities	8,818	6,686
Long-term debt, less current maturities	39,740	35,309
Long-term liabilities, other	1,607	2,905
Deferred income tax liability	3,493	2,983
Long-term exit cost liabilities	5,553	7,902
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value, 10,000,000 shares authorized; none issued and outstanding as of March 31, 2011 and December 31, 2010		
Common stock, \$.001 par value; 50,000,000 shares authorized; issued and outstanding: 27,132,838 as of March 31, 2011 and December 31, 2010	27	27
Additional paid-in capital	93,210	93,120
Accumulated other comprehensive loss	(116)	(883)
Retained earnings (accumulated deficit)	(12,199)	(12,438)
Total stockholders' equity	80,922	79,826
	\$ 187,585	\$ 182,634

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

	Three Months Ended	
	March 31,	
	2011	2010
Net sales	\$ 54,569	\$ 48,841
Cost of goods sold	<u>44,780</u>	<u>41,677</u>
Gross profit	9,789	7,164
Operating expenses	8,736	8,210
Plant consolidation and exit costs	<u>(1,129)</u>	<u>2,410</u>
Operating income (loss)	2,182	(3,456)
Nonoperating income (expense):		
Other income (expense), net	27	99
Interest expense on swap liability settlement	(1,168)	-
Interest income (expense), net	<u>(650)</u>	<u>(403)</u>
Nonoperating income (expense), net	(1,791)	(304)
Income (loss) from continuing operations before income taxes and extraordinary items	391	(3,760)
Provision (benefit) for income taxes	<u>152</u>	<u>(1,461)</u>
Net income (loss)	<u>\$ 239</u>	<u>\$ (2,299)</u>
Net Basic earnings (loss) per share:	<u>\$.01</u>	<u>\$ (0.09)</u>
Net Diluted earnings (loss) per share:	<u>\$.01</u>	<u>\$ (0.09)</u>
Weighted average common shares outstanding		
Basic	<u>27,133</u>	<u>26,133</u>
Diluted	<u>27,136</u>	<u>26,133</u>

FLANDERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 239	\$ (2,299)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	1,988	1,532
Provision for bad debts	141	494
Stock compensation expense	90	1,016
Amortization of deferred gain	(21)	(18)
(Gain) loss on disposal of property and equipment	-	267
Deferred income taxes	504	(858)
Change in working capital components:		
(Increase) decrease in accounts receivable	4,847	(3,832)
(Increase) decrease in other receivables	(30)	78
Increase in inventory	(3,488)	(594)
Increase in other current assets	(1,260)	(727)
(Increase) decrease in other assets	122	(646)
Increase in accounts payable	629	5,745
Increase (decrease) in accrued expenses	(229)	1,695
Increase in other current liabilities	153	-
Increase (decrease) in exit cost liability	(1,670)	1,963
Decrease in other non-current liabilities	(504)	-
Net cash provided by operating activities	1,511	3,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,344)	(3,134)
Proceeds from sale of property and equipment	-	692
Proceeds from notes receivable	322	390
Loans made to notes receivable	(171)	(116)
Net cash used in investing activities	\$ (2,193)	\$ (2,168)

CONSOLIDATED STATEMENTS OF CASH FLOWS—Continued
(In thousands)
(unaudited)

	Three Months Ended March 31,	
	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in restricted cash	\$ (2,416)	\$ (136)
Principal payments on long-term borrowings	(9,464)	(1,287)
Proceeds from revolving credit agreement	68,940	47,382
Payments on revolving credit agreement	(57,898)	(46,543)
Proceeds from refinance of revolving credit agreement	24,902	-
Payoff of revolving credit agreement	(24,902)	-
Proceeds from long-term borrowings	2,000	-
Payment of debt issuance costs	(343)	-
Purchase of common stock	-	(1,000)
Net cash provided by (used in) financing activities	819	(1,584)
Net increase in cash and cash equivalents	137	64
CASH AND CASH EQUIVALENTS		
Beginning of year	594	260
End of year	\$ 731	\$ 324
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during year for:		
Income taxes	\$ -	\$ 297
Interest, net of amounts capitalized to property, and equipment	\$ 561	\$ 537
Interest on settlement of swap liability	\$ 1,168	\$ -
Interest capitalized to property, and equipment	\$ 81	\$ 137
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Sale of building/equipment for note receivable	\$ 2,000	\$ 400
Purchase of building with debt	\$ 2,576	\$ -
Sale of equipment for accounts payable offset	\$ -	\$ 249
Acquisition of capital lease assets	\$ 630	\$ -

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

	Three Months Ended	
	March 31,	
	2011	2010
Net income (loss)	\$ 239	\$ (2,299)
Interest expense, net	1,818	403
Income tax expense (benefit)	152	(1,461)
Depreciation and amortization	1,973	1,532
Plant consolidation and exit costs	(1,129)	2,410
Loss on disposal of property and equipment	-	384
Noncash stock compensation expense	90	1,016
Adjusted EBITDA	<u>\$ 3,143</u>	<u>\$ 1,985</u>