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**Flanders Corporation Reports Third Quarter 2009 Financial Results**  
**- Lowered operating expenses 15% compared to third quarter 2008 -**  
**- Delivered \$4.6 million in cash flows from operations -**  
**- Delivered \$4.8 million in EBITDA, an increase of 44% over third quarter 2008 -**

**WASHINGTON, NC – November 2, 2009** – Flanders Corporation (NASDAQ: FLDR) reported financial results for the third quarter ended September 30, 2009.

Flanders Corporation’s Chairman, president and CEO Harry Smith said: “Our third quarter results continue to reflect our positive momentum and validate the Flanders’ strategy. Although continuing lower temperatures nationwide and soft conditions in commercial markets caused orders to be softer than originally expected, we posted solid results for the third quarter in a row. Recent awards from the MOX project further underscore Flanders’ position as a leader in the industry. ”

**Financial Summary - Third Quarter 2009**

Revenue for the third quarter 2009 was \$60.4 million, compared to \$61.1 million in the third quarter 2008. Gross margin for the third quarter was 18%, compared to 18% in the third quarter 2008. The third quarter 2009 net income was \$1.8 million, or \$0.07 per diluted share. This compares to the third quarter of 2008 net income of \$.9 million, or \$0.03 per diluted share. EBITDA for the third quarter 2009 was \$4.8 million, compared to \$3.3 million in the third quarter of 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.

Flanders’ Chief Financial Officer John Oakley said: “We continue to make operational improvements, resulting in progress in the management of our working capital which significantly contributed to our \$4.6 million of cash flows from operations in the quarter. Our supply chain improvements continue to post results, however product mix and pricing pressure in both our retail and commercial markets has impacted gross margin. Reductions in operating expenses led to EBITDA of \$4.8 million, a growth of \$1.5 million compared to third quarter 2008. Looking ahead, we are refining our revenue guidance as being between \$225 million and \$235 million for 2009.”

### **Financial Summary – Nine Months Ended September 30, 2009**

Revenue for the nine months ended September 30, 2009 was \$167.2 million, compared to \$167.5 million for the same period a year ago. Gross margin for the period was 20%, compared to 17% for the same period a year ago. Year-to-date net income was \$6.0 million, or \$0.23 per diluted share, compared to net income of \$10.2 million, which included an \$8.3 million gain for extraordinary items, or \$0.39 per diluted share for the same period a year ago. EBITDA for the period was \$14.9 million, compared to \$9.1 million for the same period a year ago.

### **Financial Outlook – Full Year 2009**

Management continues to expect the company to be profitable and deliver positive EBITDA for 2009. The company is refining its previously stated 2009 revenue guidance to be between \$225 million and \$235 million.

### **Recent Corporate Highlights**

- Awarded \$15.5 million for filtration containment systems and an additional \$7.6 million for glove boxes and associated equipment from Shaw AREVA MOX Services, LLC in September. In 2009, the company has received \$31.7 million in purchase order awards related to this project.

### **Conference Call**

Chairman, president and CEO Harry Smith and CFO John Oakley are scheduled to conduct a conference call and simultaneous webcast at 11:00 a.m. ET on November 2, 2009 to review these results in more detail. To access the call in the U.S., please dial 866-425-6192, and for international callers dial 973-409-9253 approximately 10 minutes prior to the start of the conference call. The conference ID will be 38123746. The conference call will also be broadcast live over the Internet and available for replay for 30 days at the company's website, [www.flanderscorp.com](http://www.flanderscorp.com). A telephone replay will be available until midnight Eastern Time on November 8th by dialing 800-642-1687 or 706-645-9291 and entering pass code 38123746.

### **Caution Concerning Forward-Looking Statements**

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 2008 Form 10-K. 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.

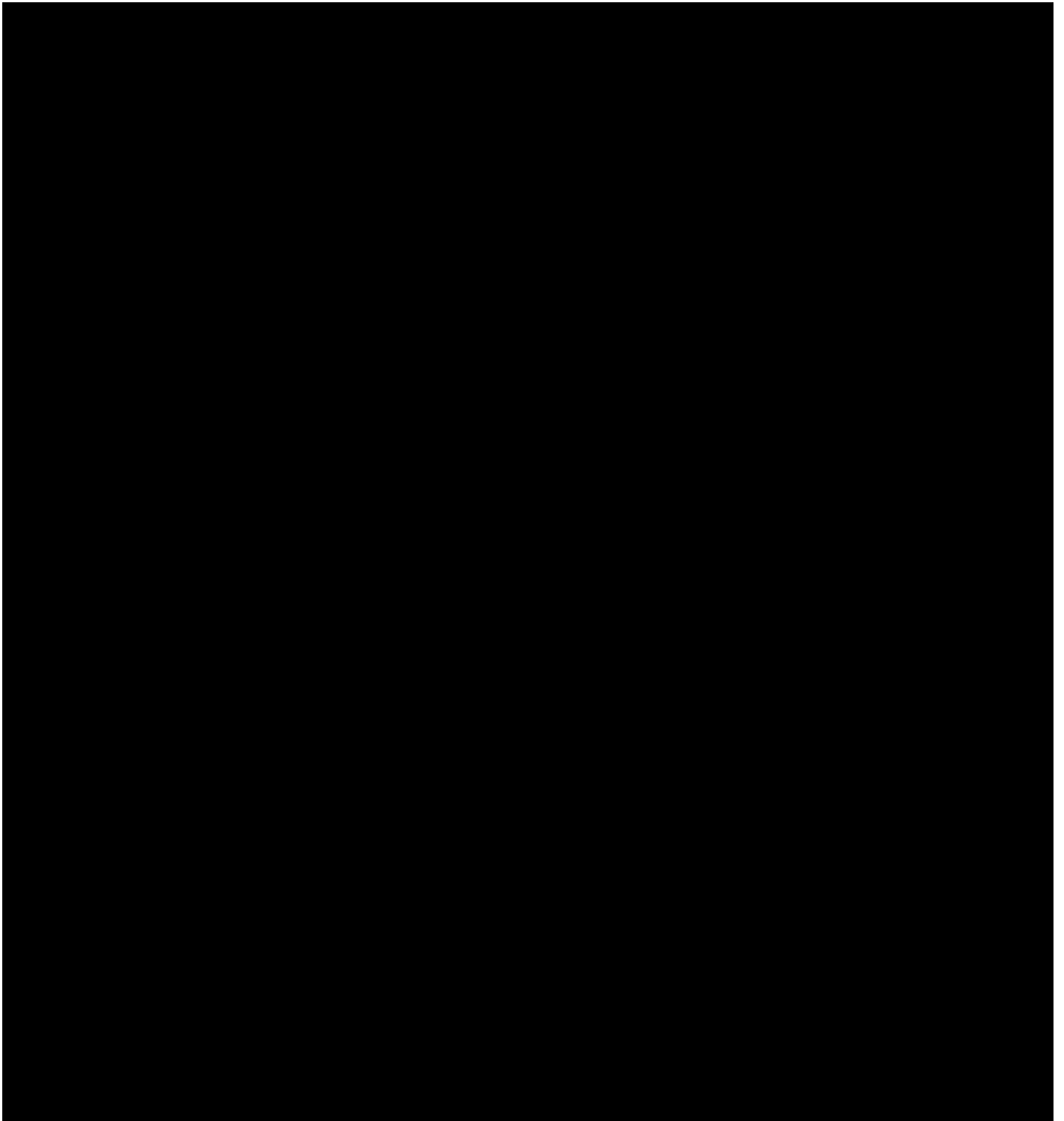
### **About Flanders**

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.

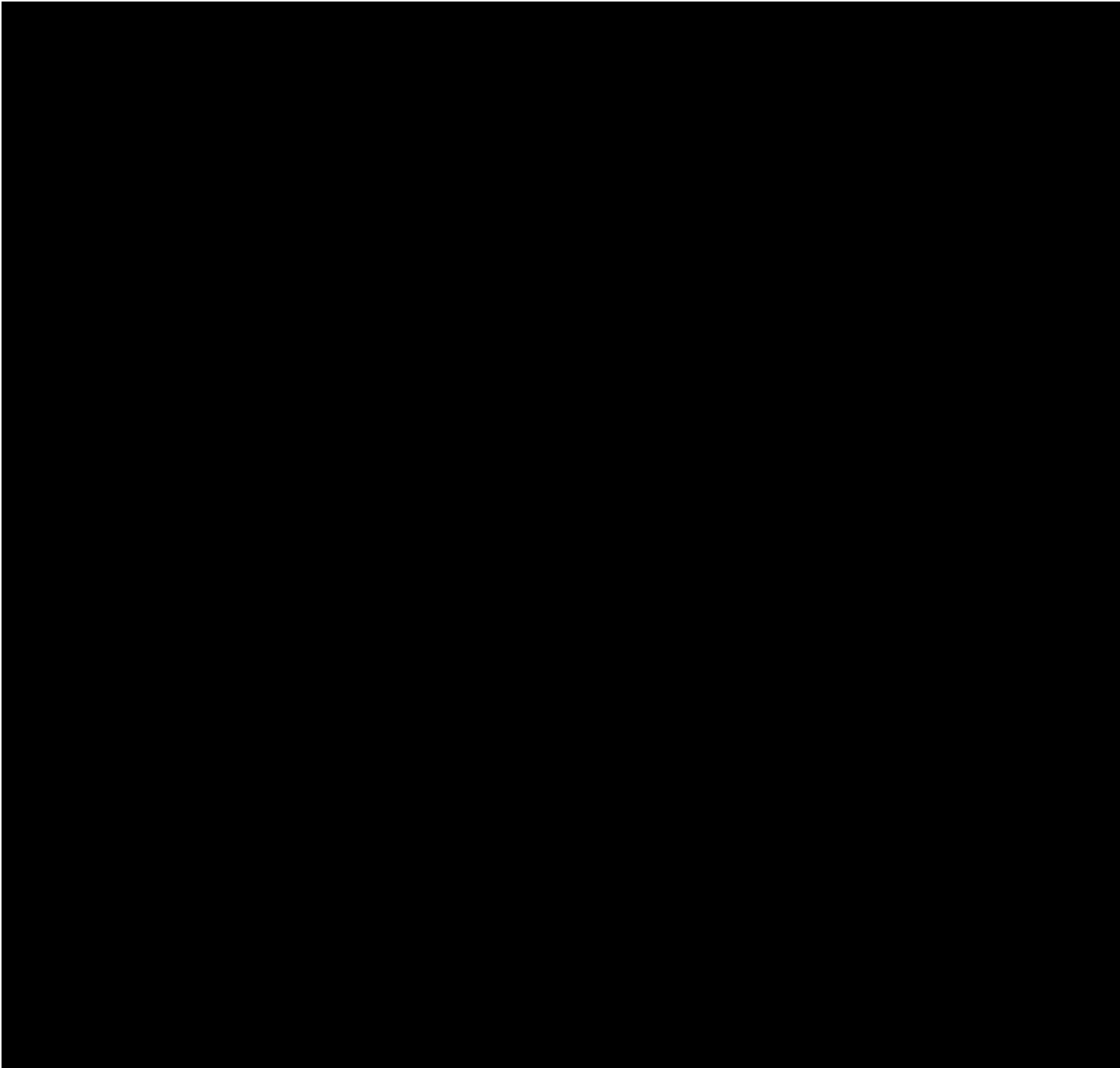
For further information on Flanders and its products, visit its web site at [www.flanderscorp.com](http://www.flanderscorp.com) or contact John Oakley at 252-946-8081.

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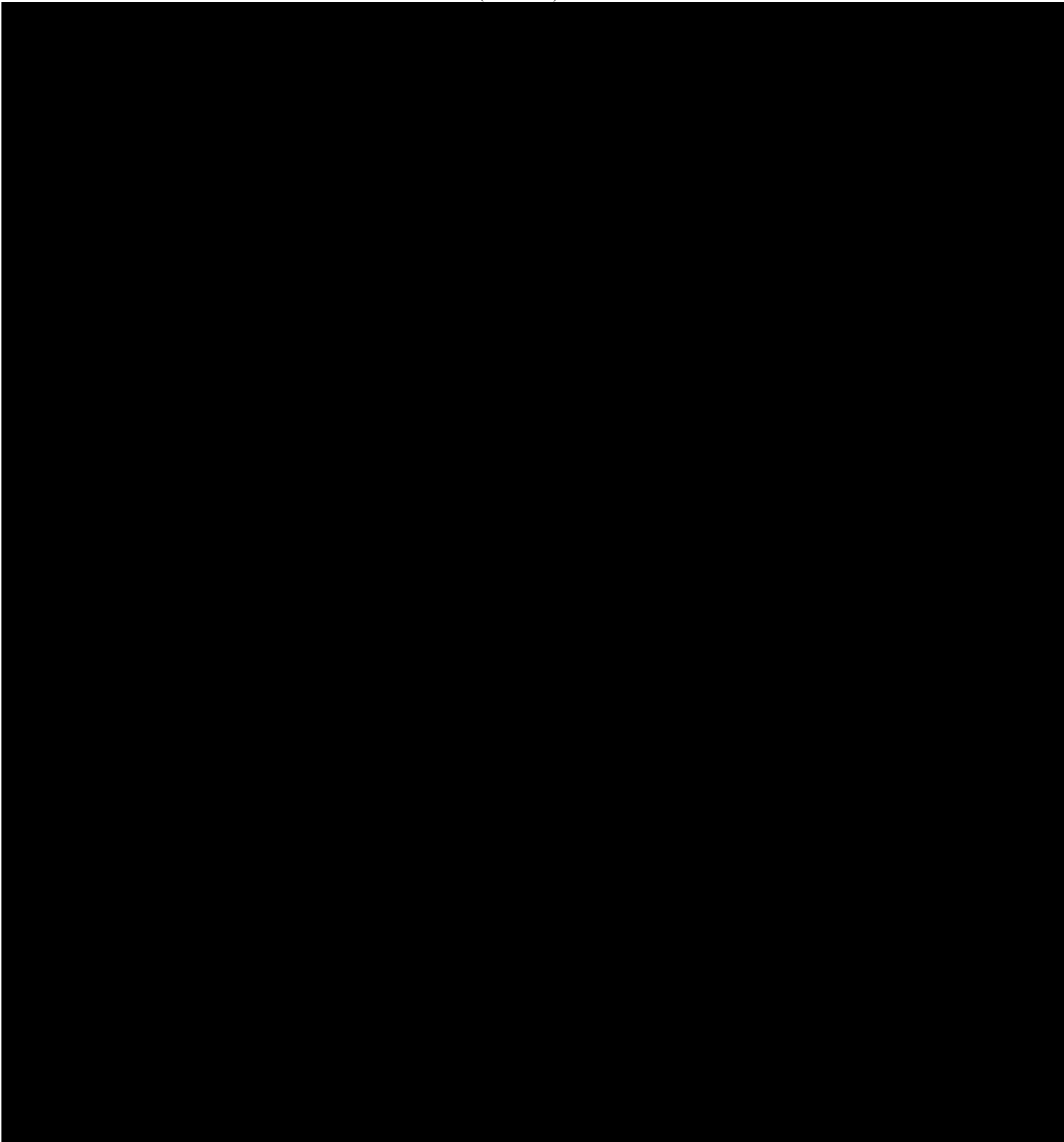
**FLANDERS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(In thousands)



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



**FLANDERS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)



**FLANDERS CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF NET EARNINGS TO EBITDA**

(In thousands)  
(Unaudited)

	Three months ended		Nine months ended	
	Sept 30,		Sept 30,	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Net Earnings</b>	\$ 1,770	\$ 894	\$ 6,008	\$ 10,160
<b>Extraordinary items</b>	0	0	0	(8,335)
<b>Interest</b>	291	498	876	1,623
<b>Taxes</b>	1,337	596	3,825	1,216
<b>Depreciation and amortization</b>	1,419	1,358	4,150	4,483
<b>EBITDA</b>	\$ 4,817	\$ 3,346	\$ 14,859	\$ 9,147