

Imaflex Inc. announces results for the quarter ended September 30, 2010

MONTREAL, November 19, 2010- Imaflex Inc. (the “Company”) (TSX Venture Exchange – **IFX.A**) announces results for the quarter ended September 30, 2010.

(un-audited)				
(CDN \$ thousands, except per share amounts)	Q3 2010	Q3 2009	YTD 2010	YTD 2009
Sales	10,893	11,914	34,683	38,109
Cost of sales	10,212	10,304	30,562	31,604
Gross profit (\$) (before amortization)	681	1,610	4,121	6,505
Gross profit (%) (before amortization)	6.3%	13.5%	11.9%	17.1%
Amortization of production equipment	223	708	761	2,158
Gross Profit	458	902	3,360	4,347
Gross profit (%)	4.2%	7.6%	9.7%	11.4%
Expenses	1,228	1,231	4,046	3,254
FX loss (gain)	114	255	32	502
Income (loss) before income taxes	(884)	(584)	(718)	591
Provision for income taxes	(50)	(116)	67	336
Net Income (loss)	(834)	(468)	(785)	255
Basic and diluted earnings (loss) per share	(0.021)	(0.012)	(0.020)	0.006
EBITDA	(448)	327	704	3,322

The results include those of Imaflex Inc. (“Imaflex”) located in Montréal (Québec), its divisions Canguard Packaging (“Canguard”) and Canslit (“Canslit”) located in Victoriaville (Québec), and its wholly owned subsidiary, Imaflex USA Inc. (“Imaflex USA”) located in Thomasville (North Carolina).

Summary – Results of Operations

For the nine months ended September 30, 2010, consolidated net income decreased by \$ 1,040,000 to a loss of \$ 785,000 compared to a net income of \$ 255,000 for the same period in 2009.

The decline is primarily due to decreased sales volume and higher selling and administrative costs.

Sales

For the three and nine month periods ending September 30, 2010 the decrease in sales is the result of the decision by management to cease selling mulch film products through distributors in order to adopt a strategy of selling direct. Management is currently in the process of implementing this strategy with the goal of gaining back part or all of the sales.

Gross profit margin

The gross profit before amortization of production equipment for the three and nine month periods ending September 30, 2010 declined when compared to the same periods in 2009. The decrease is mainly because of the decrease in sales for our Canslit division for products which generate a higher contribution margin. The decrease in amortization is due to a change in accounting policy from 10 and 15 years to 20 years.

Income taxes

The income tax provision reflects the taxes on the income generated by the Company's Canadian operations. No income tax expense has been recorded on Imaflex USA's operating income due to the loss carry forward.

Outlook

When management decided last year to alter its sales model for its metallized agricultural mulch film, it knew that there would be a transition period where both sales and net income would suffer. This conscious decision was viewed as being in the best interests of the Company. Management could not envision how it could, in the longer term, remain competitive using a distributor model to sell its goods, with the strengthening Canadian dollar.

This new direct sales model has begun to show results. However, due to the seasonal nature of this product, revenues will be realized only in the fourth quarter of this year and the first quarter of next. Management trusts that the worst of the financial impact resulting from the switch of sales model is over.

Our U.S. operations experienced a decline in revenues in the third quarter after two successive quarters of growth in revenues. Management expects this to have been a blip attributed to temporary market conditions.

Change in management

Management wishes to inform its shareholders that Mr. Robert Nagy, CMA, CIA - Corporate Controller left the Company during the past quarter to pursue other interests. The Company wishes to thank Mr. Nagy for his loyal services during the past three years. Management is however pleased to announce that Mr. Giancarlo Santella was hired as the Company's new Corporate Controller. Mr. Santella is a member of the Ordre des Comptables Agréés du Québec and started at Ernst & Young's Assurance group, where he participated in various audit engagements of privately held and publicly traded companies. He then transferred to Ernst & Young's Transaction Advisory Services group, where he partook in mergers & acquisitions, financing and restructuring engagements in various industries, including the plastics and packaging industry. Giancarlo then joined the Bell Business Markets Business Unit Controllers group at BCE Inc. before joining the Imaflex Inc. team as Corporate Controller.

Safe Harbor Statement

Certain statements and information included in this release constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Additional discussion of factors that could cause actual results to differ materially from management's projections, estimates and expectations is contained in the Company's other public filings. Unless otherwise required by the securities authorities, we do not undertake to update any forward-looking statements that may be made from time to time by us or on our behalf.

Non-GAAP Measure

The Company's management uses a non-GAAP measure in this press release, namely EBITDA. Management wishes to specify that in the performance of the Company's financial results, EBITDA is shown as "Earnings before interest, taxes, non-controlling interest, depreciation and amortization". While EBITDA is not a standard GAAP measure, management, analysts, investors and others use it as an indicator of the Company's financial and operating management and performance. EBITDA should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of the Company's performance. The Company's method of calculating EBITDA may be different from those used by other companies.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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