**Attention Business/Financial Editors:**

**TICKER SYMBOL: IFX**

**Imaflex Inc. announces results for the quarter ended June 30, 2014**

MONTREAL, August 22, 2014 - Imaflex Inc. **(TSXV: IFX)** announces results for the quarter ended June 30, 2014.

| (unaudited)<br><br>(CDN $ thousands, except per share amounts) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 |
|---|---|---|---|---|
| Sales | 15,267 | 14,186 | 29,690 | 26,983 |
| Cost of sales (excluding amortization) | 13,297 | 12,371 | 26,341 | 23,394 |
| Gross profit ($) (before amortization) | 1,970 | 1,815 | 3,349 | 3,589 |
| Gross profit (%)(before amortization) | 12.9% | 12.8% | 11.3% | 13.3% |
| Amortization of production equipment | 307 | 273 | 619 | 538 |
| Gross Profit | 1,663 | 1,542 | 2,730 | 3,051 |
| Gross profit (%) | 10.9% | 10.9% | 9.2% | 11.3% |
| Expenses | 1,478 | 1,310 | 2,916 | 2,687 |
| FX loss (gain) | 475 | (289) | 71 | (457) |
| Profit (loss) before income taxes | (290) | 521 | (257) | 821 |
| Provision for income taxes | 65 | 125 | 155 | 195 |
| Profit (loss) | (355) | 396 | (412) | 626 |
| Basic and diluted earnings (loss) per share | (0.008) | 0.009 | (0.009) | 0.015 |
| EBITDA | 184 | 916 | 660 | 1,609 |

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).

*Sales*

Sales increased by $ 1,081,000, or 7.6%, in the second quarter of 2014 compared to 2013. This increase is mainly attributable to an improvement in the product mix as well as a shift in market dynamics which resulted in an increased average sales price per pound. The higher foreign exchange rate used to convert USD to Canadian dollars when comparing to the second quarter of 2013 also contributed to the increase.

Over the six-month period, sales increased by $ 2,707,000 or 10.0%, due to a higher average selling price of film as well as to the stronger USD over the six-month period in 2014 compared to 2013. The Company was able to achieve this growth despite the fact that sales of mulch film did not reach the expected volumes due to unfavorable weather in the Southeast United States and volumes decreased compared to 2013. In the second quarter of 2014 shipments of mulch film increased compared to the first quarter of 2014 and, unless conditions further negatively impact crop preparation, management expects to have a strong demand for the remainder of the year.

*Gross profit margin*

In the second quarter of 2014, the gross profit before amortization of production equipment increased by $ 155,000 compared to 2013 and the gross profit margin increased from 12.8% to 12.9%. This is mainly due to a more favorable sales mix and to an increase in the average sales price per pound. The Company's US operations had a slightly lower gross profit as it prepares for growth; however management anticipates improvements in the third quarter of 2014. The amortization of production equipment increased by $ 34,000 and the gross profit net of the amortization of production equipment increased by $ 121,000, from $ 1,542,000 in the second quarter of 2013 to $ 1,663,000 in the second quarter of 2014.

Over the six-month period, the gross profit before amortization of production equipment decreased by $ 240,000 and the gross profit margin decreased from 13.3% for the six-month period in 2013 to 11.3% in 2014. The improvements in the second quarter were offset by difficulties encountered in the first quarter of 2014: the difficult weather in the Southeastern United States had a negative impact on the sale of mulch film and sharp increases in the value of the USD led to rapid increases in the cost of raw material which the Company absorbed for an important part of the first quarter. The amortization expense of production equipment increased by $ 81,000 and the gross profit decreased from $ 3,051,000 in 2013 to $ 2,730,000 in 2014.

*Selling and administrative*

Selling and administrative expenses increased by $ 129,000 in the second quarter of 2014 compared to 2013 and by $ 224,000 for the six-month period. In both cases, the increase is mainly attributable to an addition to the Company's management midway in 2013, the impact of the stronger USD on the expenses incurred in the Company's US operations as well as a higher level of sales leading to a higher commission expense. As a percentage of sales, however, selling and administrative expenses remained relatively stable at 8.6% in the second quarter of 2014 compared to 8.4% in 2013 and 8.9% for the six-month periods in both 2013 and 2014.

*Net income*

The profit for the second quarter decreased from $ 396,000 in 2013 to $ (355,000) in 2014. This is mainly due to the large negative impact of foreign exchange as well as the increase in selling and administrative expenses. Although the gross profit increased, these improvements were largely hidden by the important swing in foreign exchange, a large portion of which does not impact the Company's cash flow. Despite the reported loss, the results show that management's strategy is starting to bring results after having suffered less than expected sales in the first quarter of 2014. Over the six-month period, the profit was again negatively impacted by the unfavorable foreign exchange and the weaker performance in the first quarter of 2014.

*Capital Resources*

The Company has an operating line of credit with its bankers to a maximum of $ 8,500,000 bearing interest at a rate of prime plus 1.85%. The line of credit is secured by trade receivables and inventories. As at June 30, 2014, the Company had drawn $ 7,832,998 on its line of credit ($ 7,438,682 as at December 31, 2013). The Company's working capital increased since December 31, 2013, going from $ 143,234 to $ 2,347,510, mostly due to the inclusion of the long term borrowings in both current and non-current liabilities, according to when the payments are due. During the first quarter of 2014, Imaflex refinanced a long term debt in order to replenish working capital and settled the balance of purchase price on the business acquisition. Because the increase in trade payables and bank indebtedness were more than offset by the increase in trade receivables and inventories, management believes working capital is sufficient for its ongoing operations. Management does not however exclude the possibility of obtaining additional financing in order to replenish working capital or specific capital projects if need be.

*Management Outlook*

In this second quarter, management is pleased to report that we are making headway on the many various segments which together create the totality of its complex operations. In spite of the cold weather which negatively impacted our first quarter and the $ 764,000 negative foreign exchange variance between the second quarter results in 2013 and 2014, our operational performance is improving.

Management is also pleased to report that its strategic plan of creating long term value at the expense of short-term profits is progressing as we make progress in the agricultural film market. This long term value creation strategy was always recognized by our bankers, but never more so than in the present. Both our long and short term lenders, institutions we have known and dealt with since Imaflex was founded, have once again confirmed their belief in management's strategic plans by facilitating the borrowing needs of our Company at an overall lower cost.

Management is also pleased to report that we are in the midst of working with a few Fortune 500 companies on various projects. We will comment these developments via press release(s), once the preliminary objectives have been attained.

*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-IFRS Measure*

The Company's management uses a non-IFRS measure in this press release, namely EBITDA. Management wishes to specify that in the performance of the Company's financial results, EBITDA is calculated as "Earnings before finance expenses, taxes, the change in fair value of the derivative financial instrument, depreciation and amortization". While EBITDA is not a standard IFRS 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 IFRS 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.

For further information:

**Imaflex Inc.,**
Joseph Abbandonato, President and C.E.O
Giancarlo Santella, Corporate Controller
Tel: (514) 935-5710
Fax: (514) 935-0264
e-mail: info@imaflex.com
Website: www.imaflex.com