Attention Business/Financial Editors:

TICKER SYMBOL: IFX

Imaflex Inc. announces a significant increase in sales and gross profit for the quarter ended March 31, 2016

MONTREAL, May 26, 2016 - Imaflex Inc. (the "Company") **(TSXV: IFX)** announces results for the quarter ended March 31, 2016.

(unaudited) (CDN $ thousands, except per share amounts)	Q1 2016	Q1 2015
Sales	19,378	15,910
Cost of sales (excluding amortization)	16,637	14,633
Gross profit ($) (before amortization)	2,741	1,277
Gross profit (%)(before amortization)	14.1%	8.0%
Amortization of production equipment	415	361
Gross Profit	2,326	916
Gross profit (%)	12.0%	5.8%
Sales and administrative expenses	1,713	1,467
FX loss (gain)	478	(673)
Other expenses	161	195
Loss before income taxes	(26)	(73)
Provision for income taxes	146	220
Loss	(172)	(293)
Basic and diluted earnings (loss) per share	(0.003)	(0.006)
EBITDA	602	512

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).

Management Outlook

This quarter's results continue to show that management's efforts to increase revenues and profitability are being realized and management is determined to continue the trend of improving sales and profits. We will continue to tweak sales and production in the coming quarters to get closer to this objective.

In June, we will begin the qualification process for the equipment to coat our patented agricultural film product, ADVASEAL.

Financial Performance

The Company greatly improved its operational profitability in the first quarter of 2016 compared to the same period in 2015, as is confirmed by the important increase in the gross margin. The US operations also generated a significant increase in operational profitability. However, these improvements are not fully reflected in the net loss because the movements in the foreign exchange led to an unfavourable impact of $ 1,150,585 quarter over quarter. Most of these losses will not have any impact on the Company's liquidity and are not operational in nature. The Company also incurred higher selling and administrative expenses due to the increase in sales, foreign exchange and professional fees. Management is pleased that the operational improvements that were implemented are finally generating the increased profitability that was aimed for.

Sales

The majority of the increase was generated by sales from our Canadian operations. Management identified new business opportunities and aimed to capitalize on them in order to optimize its production capacity usage. These efforts were successful and led to an impressive increase in sales. Sales from our US operations also continued their upward trend in the first quarter of 2016. Sales were also aided by the foreign exchange movements: despite a decreasing rate in February and March, the US dollar remained stronger in 2016 compared to 2015 throughout the period and was a factor in the increase in sales.

Gross profit margin

Because the growth in sales was achieved without significantly modifying the Company's cost structure, the increase in sales volume translated into an increase in the Company's profitability. The gross profit before amortization of production equipment was $ 2,741,164 during the first quarter of 2016 compared to $ 1,276,136 for the same period in 2015. The increased capacity usage throughout the Company's production facilities led to the improvement of sales and gross profit. In 2015, the USD appreciated steadily throughout the period and contributed to increasing the cost of raw material, negatively impacting the Company's profitability. In 2016, despite the appreciation of the USD against the CAD at the beginning of the quarter, the USD depreciated against the CAD at the end of the quarter and, along with several resin price decreases in 2015 and at the beginning of 2016, contributed to creating a more stable environment for the Company to operate in.

Selling and administrative

Selling and administrative expenses increased by $ 246,955 in the first quarter of 2016 compared to 2015. The appreciation of the USD against the CAD and the increase in sales were important factors in the increase in selling and administrative expenses. Some professional fees also increased due to projects the Company has undertaken. As a percentage of sales, selling and administrative expenses decreased, going from 9.2% of sales in the first quarter of 2015 to 8.8% in the first quarter of 2016.

Capital Resources

The Company has an operating line of credit with its bankers to a maximum of $ 10,000,000 bearing interest at a rate of prime plus 1.15%. The line of credit is secured by trade receivables and inventories. As at March 31, 2016, the Company had drawn $ 6,240,281 on its line of credit ($ 6,925,713 as at December 31, 2015). The Company's working capital was $ 5,060,133 as at March 31, 2016 compared to $ 4,905,236 as at December 31, 2015. The Company's growth has put a little pressure on cash flow, however the profitability generated through these sales has permitted to maintain good cash flow and working capital and position the Company well for future growth. The Company has access to funds through its line of credit and management believes that these funds are sufficient for its short term needs. Should important projects be planned, management assesses the best way to fund them. In the short term, management believes that the Company is in a good position to efficiently grow.

Critical Accounting Policies

The Company's significant accounting policies are disclosed in note 2, *Significant accounting policies* of the consolidated financial statements for the years ended December 31, 2015 and 2014. This note explains the Company's accounting policies under IFRS which have not changed since the Company's last annual financial statements and have been applied consistently to the interim condensed consolidated financial statements for the periods ended March 31, 2016 and 2015.

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.

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