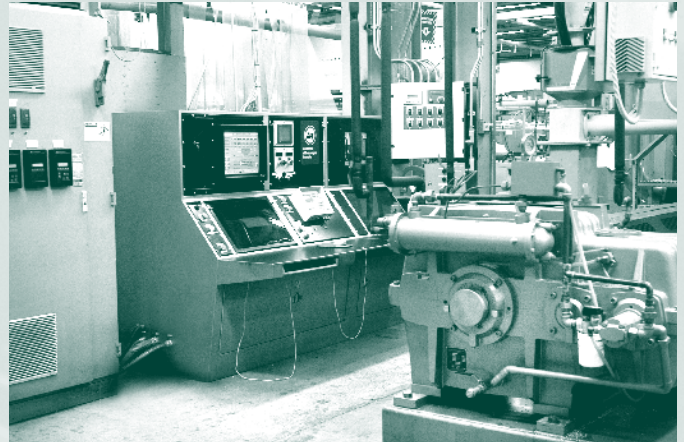
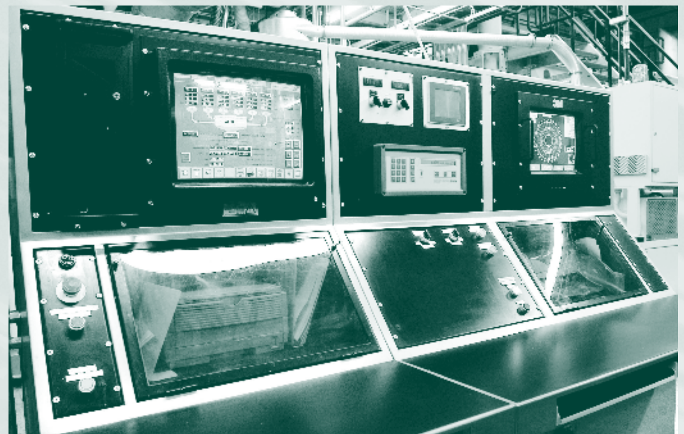
ANNUAL REPORT
2010

IMAFLEX
Committed to Excellence

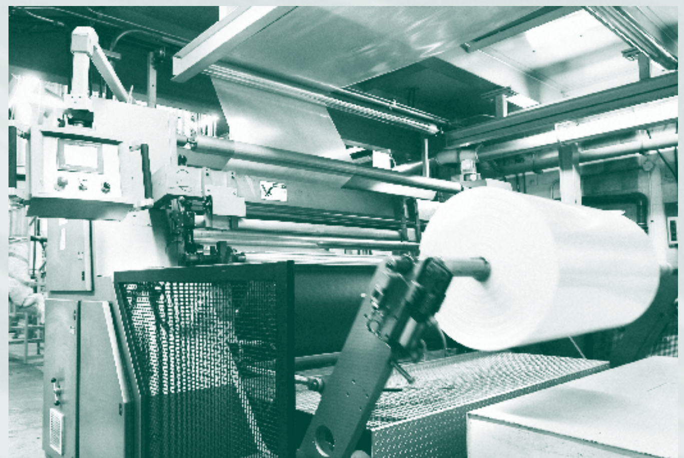




IN ALL SUCCESSFUL BUSINESSES THE KEY TO SUCCESS RELIES ON MANAGEMENT'S ABILITY TO MASTER THREE FUNDAMENTALS:

> COMMITMENT TO CUSTOMER
> CLEAR VISION OF GOALS
> CORRECT TIMING OF ACTIONS

OUR SENIOR MANAGEMENT TEAM KNOWS, UNDERSTANDS AND LIVES BY THESE PILLARS OF BUSINESS FUNDAMENTALS.



IMAFLEX inc.

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Committed to Excellence

FINANCIAL HIGHLIGHTS

($ thousands, except per share data)	**Year ended December 31, 2010**	Year ended December 31 2009	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Operating summary					
Sales	**$ 46,489**	$ 48,190	$ 54,570	$ 46,840	$ 51,775
Net Loss	**(1,751)**	(403)	(2,091)	(56)	(131)
Loss per Share	**(0.044)**	(0.010)	(0.056)	(0.002)	(0.003)
EBIT[(1)]	**(1,158)**	420	(495)	1,176	1,454
EBITDA[(2)]	**189**	3,512	2,901	3,822	3,707
EBITDA per share	**0.005**	0.089	0.078	0.102	0.099
Financial Position					
Working Capital	**2,600**	4,469	4,950	6,525	6,447
Capital assets	**15,663**	16,631	20,337	22,900	25,056
Total assets	**33,005**	35,515	39,468	39,301	40,272
Total long-term debt (including capital leases)	**5,573**	7,196	11,250	13,717	15,604
Shareholder's equity	**14,026**	15,944	16,591	18,130	18,186

(1) Earnings before interest and taxes

(2) Earnings before interest, taxes, depreciation and amortization

REPORT TO SHAREHOLDERS

Fiscal 2010 was a very difficult year for Imaflex. However, it was a year during which management continued to set the stage for the future by making the changes that were needed to create a sustainable and profitable future for the Company. The necessity for change has been explained in previous management outlooks, and does not need to be dwelled upon.

In late December of 2009, after years of frustration with equipment problems in the USA, all equipment problems were resolved. Management finally obtained the green light, and opted for a plan of action that would finally create profitability in that division via a dramatic increase in revenues. Needed additional costs were added to the US operations in order to prepare for the additional revenues that were foreseen. However after two full quarters of results, prodding sales, and staying the course, management concluded that the anticipated additional revenues would not materialize in the short term. Consequently, management began implementing the changes to attain at least a break-even level of activity in its US division for 2011.

The failure to break-even or better in the US division was, and is, the sole reason for our poor and worrisome performance in 2010. Management's expectations for 2010, after having made the decision to give up eight million dollars in sales in our Canslit division to correct a sales model that was no longer working, was that the performance in the US would be break-even or better. This did not occur, and we now had, in spite of our best efforts, two non-profitable divisions rather than one. On a consolidated basis these negative performances impacted the results obtained in those divisions that had actually excelled.

Because the future always depends on decisions taken in the past, management believes that the seeds sown in 2010 will immensely benefit the Company in 2011 and beyond. Management's focus this year is to ensure that the Company has the necessary liquidity to permit all its operations to stay intact; they are all needed and an integral part of the future strategies management has devised. And though our bankers and our suppliers continuously profess their support in our plans, management has made certain that their confidence will not waiver as it completes the Company's transformation. Management has addressed liquidity concerns by announcing that it intended to issue shares to the Company's CEO at an important premium to the market price, and creating the conditions for a return to profitability by implementing aggressive cost savings in the Company's US operations. Next year, with the combination of profitability and the reduction in capital payments following the repayment of most of the Company's long-term debt, the Company's working capital position should improve markedly. The Company's R&D investments which have actually increased in a year such as 2010, are providing, and will continue to provide management with innovative products. These products, of which there are many, some of which will become marketable soon, permit the optimism, and the rosy outlook, that management has when looking at 2012 and beyond.

We extend special thanks to our suppliers, banks, shareholders, customers, and to our employees for their dedication and support through these trying times.

This support and dedication facilitates management's responsibility in creating the successful Company it has been entrusted to create. Success is only a question of time, and this year management believes that the time has finally come.

QUARTERLY FINANCIAL INFORMATION

($ thousands, except per share data)	SALES		NET INCOME (LOSS)	
	2010	2009	**2010**	2009
First Quarter	**$ 12,043**	$ 13,811	**$ 144**	$ 644
Second Quarter	**$ 11,747**	$ 12,384	**$ (89)**	$ 79
Third Quarter	**$ 10,893**	$ 11,914	**$ (834)**	$ (468)
Fourth Quarter	**$ 11,806**	$ 10,081	**$ (972)**	$ (658)
	$ 46,489	$ 48,190	**$ (1,751)**	$ (403)

	EBITDA		EARNINGS (LOSS) PER SHARE	
	2010	2009	**2010**	2009
First Quarter	**$ 769**	$ 1,833	**$ 0.004**	$ 0.016
Second Quarter	**$ 392**	$ 1,162	**$ (0.002)**	$ 0.002
Third Quarter	**$ (448)**	$ 327	**$ (0.021)**	$ (0.012)
Fourth Quarter	**$ (524)**	$ 190	**$ (0.025)**	$ (0.016)
	$ 189	$ 3,512	**$ (0.044)**	$ (0.010)

As required by regulators, the purpose of this MD&A is to explain management's point of view on Imaflex Inc.'s (the "Company" or "Imaflex") past performance and future outlook. This report also provides information to improve the reader's understanding of the consolidated financial statements and related notes. Please refer to the audited consolidated financial statements for the year ended December 31, 2010 when reading this MD&A. Unless otherwise indicated, all financial data in this document is prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all amounts are expressed in Canadian dollars. In this MD&A we also use non-GAAP financial measures. Please refer to the section entitled "Non-GAAP Financial Measures" for a complete description of these measures. The consolidated financial statements include the accounts of the Company, those of its wholly-owned subsidiary, Imaflex USA, Inc. ("Imaflex USA") and its divisions, Canguard Packaging ("Canguard") and Canslit ("Canslit"). To facilitate the reading of this report, the terms "Imaflex", "Company", "we", "our", "us" all refer to Imaflex Inc. together with its subsidiary. This MD&A is prepared in conformity with National Instrument 51-102 and Form 51-102F1 and has been approved by the board of directors prior to its release. The consolidated financial statements have been audited by Deloitte & Touche LLP, the auditors of the Company.

FORWARD-LOOKING STATEMENTS

From time to time, we make forward-looking statements within the meaning of certain securities laws, including the "safe harbor" provisions of the Securities Act (Ontario). We may make such statements in this document, in other filings with Canadian regulators, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements regarding the business and anticipated financial performance of the Company. The words "may", "could", "should", "would", "outlook", "believe", "plan", "anticipate", "expect", "intend", "objective," the use the conditional tense and words and expressions of similar nature are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements, as a number of important factors could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the length and severity of the current economic downturn, management of credit, market dynamics, liquidity, funding and operational risks; the strength of the Canadian and U.S. economies in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in interest rates; the effects of competition in the markets in which we operate; our ability to successfully align our organization, resources, and processes; the availability and price of raw materials; failure to achieve planned growth associated with the U.S. expansion and future sales; changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; other factors may affect future results including, but not limited to, timely development and introduction of new products and services, changes in tax laws, technological changes, new regulations; the possible impact on our businesses from public-health emergencies, international conflicts and other developments; and our success in anticipating and managing the foregoing risks.

We caution our readers that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by the securities authorities, we do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf. The forward-looking statements contained herein are based on information available as of April 26, 2011.

COMPANY OVERVIEW

The Company operates in one reportable segment being the development, manufacture and sale of packaging materials. The results include those of Imaflex Inc. ("Imaflex") located in Montréal (Québec), its divisions Canguard and Canslit located in Victoriaville (Québec), and its wholly owned subsidiary, Imaflex USA Inc. ("Imaflex USA") located in Thomasville (North Carolina). All intercompany balances and transactions have been eliminated on consolidation.

Imaflex and Imaflex USA specialize in the manufacture and sale of custom-made polyethylene films suited for various packaging needs of our customers. Canguard specializes in the manufacture and sale of polyethylene garbage bags for both the retail and industrial markets. Canslit specializes in the metallization of polyethylene film.

The Class A shares of the Company are listed for trading on the TSX Venture Exchange under the symbol "IFX.A". The Company's head office is located in Montréal (Québec).

NON-GAAP MEASURES

The Company's management uses a non-GAAP measure in this MD&A, namely EBITDA. Management wishes to specify that in the performance of the Company's financial results, EBITDA is shown as "Earnings before interest, taxes, depreciation and amortization". The reader may refer to the table below for the reconciliation of the EBITDA used by the Company to its reported net loss.

Reconciliation of EBITDA to Net loss

($ thousands)	Three months ended		Years ended	
	December 31 2010	**December 31 2009**	**December 31 2010**	**December 31 2009**
Net loss	**(972)**	(658)	**(1,751)**	(403)
Plus:				
Income taxes	**9**	23	**76**	359
Interest	**134**	101	**517**	464
Amortization	**305**	724	**1,347**	3,092
EBITDA	**(524)**	190	**189**	3,512
EBITDA per share (basic and diluted) *	**(0.013)**	0.005	**0.005**	0.089

*(Weighted average number of shares outstanding 2010 - 39,350,002 (2009 – 39,350,002))

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 loss 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.

BUSINESS OVERVIEW

Imaflex Inc. ("the Company") is primarily a provider of polyethylene films to converters, who process our film into a finished product. The converting process involves printing the required information on the film Imaflex supplies them based on their end-customer's needs.

Imaflex also manufactures bags on rolls that are sold for a variety of uses, including garbage bags.

Additionally, the Company produces specialized metallized film for specific agricultural usage.

Imaflex operates three manufacturing facilities, two of which are located in the Province of Quebec, in Montreal and in Victoriaville, and one is located in Thomasville, North Carolina, in the United States. The three facilities cover a total area of approximately 20,000 square meters or 200,000 square feet.

MARKET OPPORTUNITY

We operate in a market that is over $25 billion in size. Although this market is highly fragmented and commoditized in terms of pricing, there are niches within this larger market that offer the opportunity of increased profitability.

Management believes that four factors will contribute to Imaflex's long term growth and its ability to properly position itself within the industry in which it operates.

The first is continued investment in research and development efforts allowing our research teams to develop on a timely basis new products for highly profitable niche markets as the older niches gradually become price sensitive with the entry of new participants.

The second is the efficiency of our equipment, and our commitment to sustain this efficiency with the required capital investments. This will allow us to remain cost competitive in the marketplace.

The third is our access to capital. Being a publicly traded company we have the ability to tap into the equity markets if the right opportunity comes along. This is in addition to the credit facilities currently provided to the Company by its banks.

The fourth is our manufacturing presence in both Canada and the United States which confers to the Company a competitive advantage in terms of logistics, currency, and manufacturing flexibility.

OUTSOURCING

Our industry is capital intensive. Labour is only a minor component in the total cost of production. As a result, outsourcing production to countries with lower wages would not have a material impact on the cost of production, especially when factoring in expenses related to freight and duty.

Furthermore the risks associated with quality and on-time delivery would far outweigh any minimal benefit that would be generated by lower labour costs. Accordingly, management does not currently contemplate the establishment of an outsourcing strategy.

BUSINESS STRATEGY

Imaflex is focused on providing its customers the highest quality products on a timely basis and at competitive prices. This strategy has been the backbone of our growth and it has served us well.

Some competitors, experiencing idle operations or producing at below average capacity levels, may attempt to gain market share through reduced pricing, particularly during difficult economic times.

Imaflex still believes that maintaining its focus on the quality of its products and the excellence of its customer service remains its best long term strategy, as these two characteristics define our position and reputation in the market, and this regardless of the fluctuations in the economic cycle.

GROWING CUSTOMER BASE

In a $25 billion market it becomes essential to sell value-added products and avoid producing highly commoditized products generating lower margins. The key to the success of this strategy is to identify and build relationships with customers having specific needs and eventually develop products that address their customized specifications.

Our sales force's primary mandate is to find such clients.

RISK FACTORS

The Company is involved in a competitive industry and marketplace in which there are a number of participants. To accommodate and effectively manage future growth, the Company continues to improve its operational, financial and management information systems, as well as its production procedures and controls. The Company's success is largely the result of the continued contributions of its employees and the Company's ability to attract and retain qualified management, sales and operational personnel.

The market the Company competes in has historically shown resiliency and growth even at the worst economic times. The Company's customers operate predominantly in the food packaging and agriculture markets. This fact, coupled with the expanding product lines and reliance on newer and faster equipment should help it weather the potential volatility caused by uncertainty in the North American economic climate.

Factors which can impact the Company include, but are not limited to: management of credit, market dynamics, liquidity, funding and operational risks; the strength of the Canadian and U.S. economies in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in interest rates; the effects of competition in the markets in which we operate; our ability to successfully align our organization, resources, and processes; the availability and price of raw materials; failure to achieve planned growth associated with the U.S. expansion; changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; other factors may affect future results including, but not limited to, timely development and introduction of new products and services, changes in tax laws, technological changes, new regulations; the possible impact on our businesses from public-health emergencies, international conflicts and other developments; and our success in anticipating and managing the foregoing.

GENERAL SITUATION OF THE POLYETHYLENE BLOWN FILM MARKET

Given the continuing difficulties in the plastic packaging market, the Company continues to face lower margins due to high supply compared to the market demand. Conditions have somewhat improved during the first quarter of 2011, however the Company still expects lower margins, at least for the near term.

LOSS OF BUSINESS FROM A SIGNIFICANT CUSTOMER

One of our business strategies has been to limit the purchases of any particular customer to 15% of our revenues. This strategy ensures us that our profitability and financial well-being is not dependent on any one client.

COMPETITION FROM OTHER COMPANIES

Competition in our market is at the moment quite intense due to the imbalance between supply and demand. Nevertheless, because we are dealing in a $25 billion market; because we have highly skilled teams that are quick to respond to customer needs; because we have a diversified manufacturing base; and because the bulk of our customers deal in food related products, we believe that we have a competitive edge. It may not always translate into a greater net profit, but it certainly does translate into customer loyalty should we decide to match our competitors' prices.

SEASONALITY OF OPERATIONS

Our operations in Victoriaville and in Thomasville are subject to seasonality as a result of their partial manufacturing focus in the production of agricultural film products sold to fruit and vegetable growers. Customer demand in this market segment peaks twice yearly. It is imperative to build inventory during the low seasons to be in a position to respond to customer demand when it peaks. We believe to have sufficient finished goods in inventory to respond to the near term demand of our customers.

However, because these locations also manufacture products that are destined for other markets which are not affected by seasonal downturns, these two plants are still able to operate all year, albeit at lower capacity levels.

EXPOSURE TO PRODUCT LIABILITY

Due to the nature of its operations, which consist of manufacturing polyethylene films transformed by our customers for their end-customers, Imaflex's exposure to product liability is low. Imaflex is not exposed to liability for personal injury or death arising from negligence in the manufacturing of the films either.

The only market segment that exposes the Company to potential product liability claims is the agricultural market. In this market, proof of negligence in our manufacturing process could entail some form of compensation in the event that the expected crop yields do not materialize.

Although the likelihood of a claim in this market is low, we are nonetheless covered by a product liability insurance policy in the amount of $ 25,000,000.

FLUCTUATIONS IN OPERATING RESULTS

It is important to note that profitability may vary from quarter to quarter, irrespective of quarterly sales. This is due to many factors, including and not limited to: competitive conditions in the businesses in which the Company participates; general economic conditions and normal business uncertainty; product mix; fluctuations in foreign currency exchange rates; the availability and costs of raw materials; changes in the Company's relationship with its suppliers; and interest rate fluctuations and other changes in borrowing costs.

EXPOSURE TO INTEREST RATE FLUCTUATIONS

We have not, nor do we expect to have, a significant increase in borrowing costs. Although the expected increase in interest rates will impact our interest expense, the decrease in our outstanding long term debt should offset the increase in interest rates. Moreover, the Company does not expect to increase its borrowings in the near term.

ABILITY TO ATTRACT AND RETAIN QUALIFIED PERSONNEL

Imaflex's core operational management team has been stable over the past years and was able to keep key competencies within the Company. This is because the three founders, who have more than 100 years of combined experience in management and R & D, were and remain at the core of its management team. However as the Company has grown, we have strengthened our team with the addition of individuals having a variety of competencies, be it accounting, operations, or engineering.

This has resulted in a work environment that allows for the free exchange of ideas in an effort to ensure that the Company remains at the forefront of our industry. We are confident that we can retain and, if need be, attract qualified individuals that will contribute to our quest of building shareholder value.

MANAGEMENT OF GROWTH

Imaflex's history attests to its management's ability to create and manage growth and to successfully adapt to prevailing and continuously changing market conditions. Management believes that future success will also lie in the ability to properly manage growth whether it comes from new markets and products, acquisitions, mergers, or a combination of any or all three. This success will depend on the Company's ability to seek out new opportunities and to position itself such that it will be able to take advantage of them when they present themselves. Past decisions have been made bearing this in mind and the Company is now in a better position to make this happen.

FOREIGN EXCHANGE FLUCTUATIONS

A portion of the Company's sales and expenses as well as accounts receivable and payable are denominated in US dollars. A portion of the revenue stream in US dollars acts as a natural hedge to cover expenses denominated in US dollars. The Company does not use forward foreign exchange contracts to manage its residual foreign exchange exposure.

ENVIRONMENTAL HAZARDS

The company's raw materials, processes and finished goods do not have any hazardous implications. However we do buy a few items which are used in our production equipment such as cooling products which may be hazardous, but their use and manipulation are controlled. Though these products actually pose very little risk, they are handled in a manner that fully complies with existing safety regulations.

RESULTS OF OPERATIONS

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Sales	**11,806**	10,081	**46,489**	48,190

The increase in sales during the quarter is the result of efforts deployed during the course of the year to improve the Company's top line, namely in the Company's US operations. These efforts were offset by Management's decision to cease selling the bulk of the metallized film products through a distributor, resulting in overall lower sales for the year ended December 31, 2010 compared to the same period in 2009. The Company expects to continue seeing the positive effects of its sales effort in the upcoming year and continues investing time and efforts to increase its presence in that market.

A part of the volume that replaced the sales sacrificed by this decision had a lower selling price, having an overall negative impact on sales. The strategy the Company has adopted for 2011 is to revise its product mix and to reach the sales volume that will optimise the usage of the Company's overall capacity.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Gross Profit ($) before amortization of production equipment	**773**	1,146	**4,894**	7,651
%	**6.5%**	11.4%	**10.5%**	15.9%
Amortization of production equipment	**225**	659	**987**	2,817
Gross profit ($)	**548**	487	**3,907**	4,834
Gross profit (%)	**4.6%**	4.8%	**8.4%**	10.0%

Quarter ended December 31, 2010

The decrease in the gross profit margin is mainly due to the product mix sold in 2010. The important shifts in the markets the Company sold to had a negative impact on the gross margin. The considerable resources spent to increase production capacity in expectation of growth also had a negative impact on the gross margin. Ultimately, since the sales level was lower than originally expected, the gross margin decreased compared to the prior year.

RESULTS OF OPERATIONS (continued)

Year ended December 31, 2010

The decrease in the gross profit margin is attributable to lower sales as well as additional costs incurred over the course of the year to increase production capacity in the US operations. Moreover, an unfavourable product mix in 2010 had a further negative impact on the gross margin.

The Company is focusing on controlling costs and optimising production capacity in 2011 based on results achieved in 2010. By producing and selling products to which the Company is adding the most value, the Company hopes to improve profitability in 2011.

The decrease in amortization is due to a change in accounting policy regarding the estimated useful life of its production equipment, from 10 and 15 years to 20 years.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Selling and administrative	**$ 934**	$ 904	**$ 4,164**	$ 3,486
As a % of sales	**7.9 %**	9.0 %	**9.0 %**	7.2 %

Sales and administrative expenses increased mainly due to administrative selling expenses incurred to increase the sales in the US and to support growth. The renewed effort to gain market share in the agricultural film market has also led to increased selling costs. The Company believes that it has not yet seen the full benefit of these efforts and has since decreased the expenditures believing that an important initial market facing effort was completed and that cost rationalization was now justified. A portion of these selling expenses were reduced during the fourth quarter, which explains why the increase is not as important during the three month period ended December 31, 2010. These increases were offset by a release of the provision for doubtful accounts, due to a decrease in the Company's exposure to doubtful accounts.

Administrative salaries increased mainly due to a higher headcount in 2010 compared to 2009. Additional business development efforts have been undertaken during the course of the year in order to better assess the market the Company competes in. These efforts have given Management a good idea as to future possibilities for the Company.

Selling and administrative expenses as a percentage of sales increased for the year ended December 31, 2010 because of the combined effect of increased expenses and reduced sales, but decreased for the three month period due to the increased sales.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Amortization – excluding production equipment	**$ 80**	$ 65	**$ 360**	$ 275

Amortization excluding production equipment increased when compared to last year due to the amortization of new computer equipment and software.

RESULTS OF OPERATIONS (continued)

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Interest	**$ 134**	$ 102	**$ 517**	$ 464

Interest expenses have increased during the fourth quarter compared to the prior year due to borrowed funds received late in the third quarter and early in the fourth quarter of 2010 and a higher amount outstanding under the line of credit, offset by the decrease in the outstanding term debt due to scheduled repayment of principal. The interest expense during the course of the year increased due to the higher amount outstanding under the line of credit in 2010 as well as higher interest rates on the borrowed funds in Canadian currency, partially offset by a lower average rate and declining outstanding balances on the indebtedness in US currency.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
FX loss (gain)	**$ 182**	$ 20	**$ 213**	$ 522

The foreign exchange loss increased in the fourth quarter compared to 2009 due to the depreciation of the US dollar and Imaflex's net receivable position in the currency. The decrease in the foreign exchange loss for the year ended December 31, 2010 compared to 2009 is explained by smaller variations in the FX rate over the year as well as a decrease in the disparity between the US and the Canadian dollars.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Other	**$ 181**	$ 32	**$ 328**	$ 130

Other expenses increased in quarter and the year ended December 31, 2010 over 2009 mainly due to an amount provisioned for by the Company in the fourth quarter for losses it may incur due to claims against it. These claims are not related to the Company's products and will not have materially adverse effects should they materialize.

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Provision for income taxes	**$ 9**	$ 23	**$ 76**	$ 359
As a % of income (loss) before taxes	**(0.009) %**	(0.04) %	**(0.045) %**	(816.0) %

The decrease in the provision for income taxes is mainly due to the lower net income in the Canadian entity in 2010 compared to 2009.

RESULTS OF OPERATIONS (continued)

($ thousands)	Three months ended		Years ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Net (loss) income	**(972)**	(658)	**(1,751)**	(403)
Earnings (loss) per share (basic and diluted)	**(0.025)**	(0.017)	**(0.044)**	(0.010)

The Company continued to face important challenges in the fourth quarter. Profitability suffered from poor performance in the US subsidiary, where costs increased significantly to grow sales and accommodate increased production, without experiencing results at the height of what was expected. Considering these results, Management succeeded to lower its operating costs in the US subsidiary to focus on profitability in 2011. This is not entirely lost as the push to increase sales in the US operations will benefit results in 2011 as well, while the Company will benefit from lower selling costs.

The Company also suffered from the loss of significant sales in the metallized agricultural film market. It was able to partially compensate those losses with products generating lower margins, which negatively impacted the bottom line. During the fourth quarter, the Company approached growers to increase sales in the metallized film market with some success, although more sales are expected to be generated in 2011. Management believes that the choice of directly approaching growers will ultimately offer more long run opportunities. The Company is actively seeking to increase sales, although regaining all the business relinquished will be a lengthily process.

Overall, trends experienced throughout the year continued in the fourth quarter. The Company continues to face margin pressure as manufacturers with idle operations are deflating prices in the plastic packaging industry. The Company believes that it should see slow improvements in 2011. The US operations continue to experience growing pains and overall sales decreased following a shift in the Company's strategy to market its products. Improving the usage of the Company's capacity in 2011 should improve profitability going forward, after a long period of adjustments in 2010.

Basic and diluted earnings per share have been calculated on the basis of the weighted average number of shares outstanding during the quarters ended December 31, 2010 and 2009 of 39,350,002.

Financial Position

December 31, 2010 vs. December 31, 2009

During the year current assets decreased by $ 1,541,365 mainly due to a lower level of inventories, as stock was built up during the fourth quarter of 2009 as well as a decrease in liquidity, offset by an increase in accounts receivable.

Current liabilities increased by $327,175 during the year due to an increase in bank indebtedness and accounts payable, which was partially offset by a decrease in the current portion of the long term debt.

SUMMARY OF QUARTERLY RESULTS

Summary financial data derived from the Company's unaudited financial statements for each of the eight most recently completed quarters are as follows:

For the quarters ending March, June, September and December
($ thousands, except per share data)

	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09
Sales	11,806	10,893	11,747	12,043	10,081	11,914	12,384	13,811
Net income (loss)	(972)	(834)	(89)	144	(658)	(468)	79	644
Earnings (loss) per share:								
Basic & diluted	(0.025)	(0.021)	(0.002)	0.004	(0.016)	(0.012)	0.002	0.016

It is important to note that profitability may vary from quarter to quarter, irrespective of quarterly sales due to many factors. These factors include and are not limited to: competitive conditions in the businesses in which the Company participates; general economic conditions and normal business uncertainty; product mix; fluctuations in foreign currency rates; the availability and costs of raw materials; changes in the Company's relationship with its suppliers; and interest rate fluctuations and other changes in borrowing costs.

LIQUIDITY

Working capital as of December 31, 2010 was $2,600,345 compared with working capital of $4,468,885 at December 31, 2009.

The Company believes that it has sufficient liquidity to cover its operating requirements.

Cash Flows from Operating Activities

Cash flows from operating activities were $1,043,919, down from $2,282,605 in 2009. This decrease in cash flow is mainly due to the decreased profitability in 2010, but was partially offset by an inflow due to the change in non-cash operating working capital.

Cash Flows from Financing Activities

During the quarter ended December 31, 2010, the Company incurred cash outflows of $1,868,905 compared to cash outflows of $653,000 for the same period in 2009. During the quarter the company reimbursed $1,418,085 on its existing line of credit and made scheduled long term debt and capital lease payments of $624,405.

During the year ended December 31, 2010, the Company incurred cash outflows of $1,084,749 compared to cash outflows of $2,278,117 for the same period in 2009. The Company increased its bank indebtedness by $379,560 and made scheduled long term debt payments of $2,558,308. In 2009, the company increased bank indebtedness by $1,132,539 and made scheduled long term debt payments of $3,410,656.

Cash Flows from Investing Activities

During the quarter ended December 31, 2010, the Company incurred net cash outflows of $ 96,846 for the purchase of small pieces of equipment compared to $ 209,811 for the same period in 2009. During the year ended December 31, 2010, the Company incurred a net cash outflow of $829,406 compared to $334,672 in 2009. The amounts in 2010 and 2009 were primarily required for additional manufacturing equipment at the Company's Victoriaville and U.S. facilities as well as leasehold improvements and small machinery in the Montreal plant.

CONTRACTUAL OBLIGATIONS

($ thousands)	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Long-term debt	5,890	2,571	2,363	956	-
Capital lease	77	22	55	-	-
Operating leases	4,505	729	1,474	1,053	1,249
Bank Indebtedness	6,339	6,339	-	-	-
Interest rate swap	122	72	50	-	-
Total contractual obligations	**16,933**	**9,733**	**3,942**	**2,009**	**1,249**

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 1.30%, subject to revision from time to time. The line of credit is secured by accounts receivable, inventories and capital assets. At December 31, 2010, the Company had drawn $6,338,764 (2009 - $5,959,204) on its line of credit. As at December 31, 2010, the Company was in breach of certain covenants relating to its line of credit as well as term debt totaling $696,000. Subsequent to year-end, the Company entered into a new credit agreement with its bankers, revising the interest rate to prime plus 2.3%. The Company currently complies with all covenants included in this new agreement and Management believes that it will be able to respect these terms throughout 2011. Along with the cash flow from operations and other credit facilities, this line of credit is sufficient to continue financing the Company's activities and other anticipated cash requirements. Please refer to note 5 of the financial statements for additional information on the terms under the new credit agreement.

During the first quarter of 2011 the Company implemented cost cutting initiatives which will increase the Company's profitability and enable it to increase the cash flow generated from operating activities. Moreover, on March 2, 2011 the Company announced it intended to raise up to $500,000 from a significant shareholder through non-brokered private placement. These cost cutting initiatives along with the capital inflow will improve the Company's working capital position.

RELATED PARTIES TRANSACTIONS

In the normal course of operations, the Company had routine transactions with related parties. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table reflects the related party transactions as disclosed in note 10 of the "Notes to Consolidated Financial Statements".

($ thousands)		Three months ended		Years ended	
		December 31 2010	**December 31 2009**	**December 31 2010**	**December 31 2009**
Management fees	(a)	**45**	57	**158**	183
Rent	(b)	**181**	177	**727**	709

RELATED PARTIES TRANSACTIONS (continued)

(a) Gerald R. Phelps, Imaflex's Vice-President – Operations, is the controlling shareholder of Polytechnomics Inc. ("Polytech"). The Company has an agreement with Polytech for the provision of consulting, management, and technical services. The agreement is presented to and approved by the Company's Board of Directors on an annual basis.

(b) Joseph Abbandonato, Imaflex's President, Chief Executive Officer and Chairman of the Board, is the controlling shareholder of Roncon Consultants Inc. ("Roncon"). The Company's production facilities at Imaflex, Canslit, and Imaflex USA are leased from Roncon and parties related to Roncon under long-term operating lease agreements (see "Contractual Obligations" under "Liquidity").

A significant shareholder of the Company has committed to curing the defaults of covenants, if any, under the Company's new credit agreement.

PROPOSED TRANSACTIONS

The Company has no proposed transactions at this time.

CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are disclosed in note 1 of the "Notes to Consolidated Financial Statements" for the years ended December 31, 2010 and 2009.

Changes in Accounting Policies including Initial Adoption

Change of accounting policies:

Effective January 1, 2009, the Company classified its foreign subsidiary Imaflex USA, Inc., previously considered an integrated foreign operation, as a self-sustaining foreign operation. This change in classification is a result of changes in circumstances concerning Imaflex USA's operations, including its being able to conduct its activities and grow its business on a stand alone basis, following a start-up period.

The financial statements of Imaflex USA are, as of January 1, 2009, translated using the current rate method, under which assets and liabilities are translated at the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the exchange rates in effect on the dates on which such items are recognized into income during the period. Exchange gains or losses arising from the translation of Imaflex USA's financial statements are recognized in other comprehensive income, and are included in net income when there is a reduction in the net investment in Imaflex USA.

Previously, the foreign operation was considered to be integrated and was translated using the temporal method. Under the temporal method, monetary assets and liabilities are translated at the period end exchange rate while other assets and liabilities are translated at the historical rate. Revenues and expenses are translated at the average monthly rate except for depreciation which is translated on the same basis as the assets to which they relate. The impact of this new classification is primarily on the conversion of long term assets which are now converted at the current rate where as before they were converted at their historical rate. This brought about elements of foreign exchange gains and losses on the conversion of US denominated long term assets which are included in the determination of net income for the period.

As a result of this change, an adjustment to accumulated other comprehensive income in the amount of $524,942 was made on January 1, 2009, to record previously unrecognized translation gains. Please refer to note 1.g. in the notes to the consolidated financial statements for the year ended December 31, 2010 and 2009.

CRITICAL ACCOUNTING POLICIES (continued)

New accounting policies to be adopted in future periods:

International Financial Reporting Standards.

The Canadian Accounting Standards Board ("AcSB") set January 1, 2011 as the date that IFRS replaced Canadian GAAP for publicly accountable enterprises, which includes Canadian reporting issuers. Imaflex Inc. will prepare its financial statements in accordance with IFRS for fiscal years commencing January 1, 2011. The quarters ending March 31, 2011 and 2010 will be the first quarters for which the Company will present its financial statements under IFRS.

The status of the Company's changeover plan is below.

	Key activities	Status
Accounting policies and implementation decisions	Identification of differences in Canadian GAAP and IFRS accounting policies; Selection of the Company's ongoing IFRS policies; Selection of the Company's IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") choices; Development of financial statement format; Quantification of effects of change in initial IFRS 1 disclosures and 2010 financial statements.	Based on the work completed to date, we do not expect any material differences upon conversion, other than with respect to a potential impairment of capital assets as a result of applying the requirements of IFRS. We have not yet completed our calculations in this regard.
Infrastructure Financial reporting expertise	Development of IFRS expertise. Ensure members involved in IFRS implementation receive adequate training and guidance.	The Company has provided training for key employees via an external consulting firm. Additional training will be given as deemed necessary in 2011 and thereafter.
Infrastructure Information technology and data systems	Identify and address IFRS differences that require changes to financial systems. Identify and address additional data capture and reporting requirements to financial systems.	The Company has determined some system requirements and solutions with respect to the impact of IFRS differences with the changeover and has identified additional data capture requirements allowing it to comply with IFRS disclosure requirements.
Business activities Financial covenants	Identification of impact on financial covenants and business practices.	The Company is continuing to monitor the contractual implications of IFRS if any on any new financing relationships and other arrangements.

CRITICAL ACCOUNTING POLICIES (continued)

New accounting policies to be adopted in future periods (continued):

	Key activities	Status
Control activities Internal control over financial reporting and Disclosure controls and Procedures	For all accounting policy changes identified, assessment of Internal Controls over Financial Reporting ("ICFR") design and effectiveness implications. Assessment of Disclosure Controls and Procedures ("DC&P") design and effectiveness implications.	All changes will be evaluated in order to ensure that the appropriate controls are in place for important changes undergone due to IFRS implementation.

The differences identified in this document should not be regarded as an exhaustive list and other changes may result from our conversion to IFRS. Furthermore, the disclosed impacts of our conversion to IFRS reflect our most recent assumptions, estimates and expectations, including our assessment of the IFRS expected to be applicable at the time of conversion. As a result of changes in circumstances, such as economic conditions or operations, and the inherent uncertainty from the use of assumptions, the actual impacts of our conversion to IFRS may be different from those presented above.

FINANCIAL INSTRUMENTS

Please refer to notes 13 and 14 of the "Notes to Consolidated Financial Statements", for a discussion of the Company's foreign currency risk, credit risk and interest rate risk exposures and management as well as fair value disclosures concerning the Company's financial instruments.

As at December 31, 2010, the fair value of the interest rate swap of $110,718 (2009 – $168,763) has been recorded on the balance sheet under accounts payable and accrued liabilities, with a charge to the income statement under interest expense.

Except as noted above, the Company has no other outstanding derivatives contracts at December 31, 2010.

MANAGEMENT OUTLOOK

Corrective action was taken by management in those divisions that warranted same. Management believes that those decisions, one taken at the end of the third quarter, and the other at the beginning of the first quarter of 2011, have created the conditions to increase its profitability. 2010 results undermined the fact that our core business has always been profitable. By effectuating the plan of action it did, management feels comfortable in the knowledge that it has created the conditions needed to bring the Company back to profitability.

OUTSTANDING SHARE DATA

As of the date of this report, the Company had 39,350,002 Class A shares outstanding.

CONTINGENCY

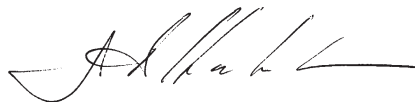
In the normal course of business, the Company is named as defendant in various claims resulting from the use by end-users of its products. While it is not possible to estimate the outcome of the various proceedings at this time, the Company expects that it will not incur any significant loss or expense in excess of amounts already provided. Any differences between the amounts settled and the amounts provided will be accounted for as a charge to income in the period in which the settlement occurs.

RISK FACTORS

The Company is involved in a competitive industry and marketplace in which there are a number of participants. To effectively manage future growth, the Company continues to improve its operational, financial and management information systems, procedures and controls. The Company's success is largely the result of the continued contributions of its employees and the Company's ability to attract and retain qualified management, sales and operational personnel.

The 25 billion dollar market the Company competes in has historically shown resiliency and growth even at the worst economic times. The Company's customers operate predominantly in the food packaging and agricultural markets. This fact, coupled with the expanding product lines and reliance on newer and faster equipment should help it weather the potential volatility caused by uncertainty in the North American economic climate.

Factors which can impact the Company include, but are not limited to: management of credit, market dynamics, liquidity, funding and operational risks; the strength of the Canadian and U.S. economies in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in interest rates; the effects of competition in the markets in which we operate; our ability to successfully align our organization, resources, and processes; the availability and price of raw materials; failure to achieve planned growth associated with the U.S. expansion; changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; other factors may affect future results including, but not limited to, timely development and introduction of new products and services, changes in tax laws, technological changes, new regulations; the possible impact on our businesses from public-health emergencies, international conflicts and other developments; and our success in anticipating and managing the foregoing risks. Additional information relating to our Company, including our Annual Report, can be found on SEDAR at www.sedar.com.



Joseph Abbandonato
President and Chief Executive Officer

Giancarlo Santella, CA
Corporate Controller

March 18, 2010

For investor information, contact

JOSEPH ABBANDONATO
President and Chief Executive Officer

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Deloitte.

TO THE SHAREHOLDERS OF IMAFLEX INC.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Imaflex Inc., which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of operations and retained earnings, comprehensive loss and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

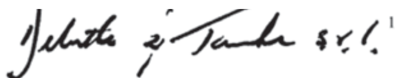
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Imaflex Inc. and its subsidiaries as at December 31, 2010 and 2009, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Montreal, Canada

April 26, 2011

Chartered accountant permit No. 13556

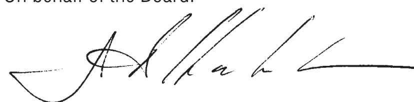
CONSOLIDATED BALANCE SHEETS

Years ended December 31, 2010 and 2009

	2010	2009
Assets		
Current assets:		
Cash	**$ 82,031**	$ 964,188
Accounts receivable (Note 2)	**8,284,584**	7,066,890
Inventories (Note 3)	**8,962,205**	10,833,855
Prepaid expenses	**13,536**	18,788
	17,342,356	18,883,721
Capital assets (Note 4)	**15,662,776**	16,631,471
	$ 33,005,132	$ 35,515,192
Liabilities		
Current liabilities:		
Bank indebtedness (Note 5)	**$ 6,338,764**	$ 5,959,204
Accounts payable and accrued liabilities	**5,941,714**	5,151,104
Income taxes payable	**39,242**	328,423
Current portion of long-term debt (Note 7)	**2,409,829**	2,922,419
Current portion of obligations under capital leases (Note 6)	**12,462**	53,686
	14,742,011	14,414,836
Obligations under capital leases (Note 6)	**42,512**	48,829
Long-term debt (Note 7)	**3,107,757**	4,171,296
Future income taxes (Note 8)	**1,087,004**	936,252
	18,979,284	19,571,213
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Share capital (Note 9)	**7,829,165**	7,829,165
Contributed surplus (Note 9)	**322,500**	322,500
	8,151,665	8,151,665
Accumulated other comprehensive loss	**(411,705)**	(244,090)
Retained earnings	**6,285,888**	8,036,404
	5,874,183	7,792,314
	14,025,848	15,943,979
	$ 33,005,132	$ 35,515,192

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Director

Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Years ended December 31, 2010 and 2009

	2010	2009
Sales	**$ 46,488,527**	$ 48,189,969
Cost of sales	**41,594,518**	40,539,278
Amortization of production equipment	**987,111**	2,817,230
Gross profit	**3,906,898**	4,833,461
Expenses:		
Selling and administrative	**4,163,825**	3,485,635
Interest (Note 7)	**517,132**	464,316
Foreign exchange loss	**212,805**	522,246
Amortization of capital assets	**359,905**	275,245
Other	**327,594**	130,422
	5,581,261	4,877,864
Loss before income taxes	**(1,674,363)**	(44,403)
Provision for income taxes (Note 8)	**76,153**	358,870
Net loss	**(1,750,516)**	(403,273)
Retained earnings, beginning of year (Note 1)	**8,036,404**	8,439,677
Retained earnings, end of year	**$ 6,285,888**	$ 8,036,404
Basic and diluted loss per share (Note 9)	**$ (0.044)**	$ (0.010)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

Years ended December 31, 2010 and 2009

	2010	2009
Net loss	**$ (1,750,516)**	$ (403,272)
Other comprehensive loss:		
Change in unrealized losses of translation of financial statements of self-sustaining foreign operations (net of taxes of nil in 2010 and $173,286 in 2009)	**(167,615)**	(769,032)
Comprehensive loss	**(1,918,131)**	(1,172,304)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net loss	**$ (1,750,516)**	$ (403,273)
Adjustments for:		
Amortization	**1,347,016**	3,092,475
Future income taxes	**150,752**	(113,958)
Unrealized foreign exchange	**32,265**	(156,749)
Change in fair value of derivative financial instrument (Note 7a)	**(51,236)**	(104,699)
Other gains	**(14,975)**	–
Net change in non-cash operating working capital (Note 12)	**1,330,613**	(31,191)
	1,043,919	2,282,605
Cash flows from financing activities:		
Increase in bank indebtedness	**379,560**	1,132,539
Issuance of long-term debt	**1,093,999**	–
Repayment of long-term debt	**(2,504,152)**	(3,301,915)
Repayment of obligations under capital leases	**(54,156)**	(108,741)
	(1,084,749)	(2,278,117)
Cash flows from investing activities:		
Purchase of capital assets	**(844,381)**	(334,672)
Proceeds from disposal of capital assets	**14,975**	–
	(829,406)	(334,672)
Effect of exchange rate differences on cash	**(11,921)**	43,727
Net decrease in cash	**(882,157)**	(286,457)
Cash, beginning of year	**964,188**	1,250,645
Cash, end of year	**$ 82,031**	$ 964,188
Supplemental cash flow information:		
Interest paid	**$ 494,481**	$ 469,880
Income taxes paid	–	275,000
Utilization of deposits for the purchase of capital asset	**31,687**	394,239
Additions to capital assets included in accounts payable	–	238,257

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

Imaflex Inc. (the "Company") is incorporated under the *Canada Business Corporations Act.* The Company's principal business activity is the design, manufacture and sale of packaging materials.

1. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the accounts of the Company and those of its wholly-owned subsidiary, Imaflex USA, Inc. ("Imaflex USA"). During the course of the year, the previously wholly-owned Canadian subsidiary, Canslit Inc. ("Canslit"), was amalgamated with Imaflex Inc.

All intercompany balances and transactions have been eliminated.

(b) Future changes in accounting policies
International Financial Reporting Standards ("IFRS"):

The Canadian Accounting Standards Board ("AcSB") set January 1, 2011 as the date that IFRS replaced Canadian GAAP for publicly accountable enterprises, which includes Canadian reporting issuers. Imaflex Inc. will prepare its consolidated financial statements in accordance with IFRS for fiscal years commencing January 1, 2011.

(c) Revenue recognition:

Sales are recorded when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

(d) Inventories:

Raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost is determined on the first in, first out basis. The cost of finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

(e) Capital assets:

Capital assets are recorded at cost. Amortization is provided on a straight-line basis, net of an estimated salvage value:

Asset	Basis	Period
Production equipment	Straight-line	20 years
Office equipment	Straight-line	5 years
Computer software and equipment	Straight-line	3 years

Leasehold improvements are amortized on a straight-line basis over the terms of the leases, to a maximum of five years.

Effective January 1, 2009, the Company revised the estimated useful life for production equipment used by Imaflex USA from 10 to 15 years. Effective January 1, 2010, the Company revised the estimated useful life of its production equipment from 10 and 15 years to 20 years. The changes in estimate, which were applied prospectively, resulted in a reduction in amortization expense of approximately $1,497,142 and $380,000 for the years ended December 31, 2010 and 2009 respectively.

1. Significant accounting policies (continued):

(f) Impairment of long-lived assets:

The Company assesses long-lived assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized on a long-lived asset to be held and used when its carrying value exceeds the total undiscounted cash flows expected from its use and eventual disposal. The amount of the loss is determined by deducting the asset's estimated fair value from its carrying value.

(g) Foreign exchange:

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the balance sheet date. Other balance sheet items denominated in foreign currencies are translated at the rates prevailing at the respective transaction dates. Income and expenses denominated in foreign currencies are translated at average rates prevailing during the year. Gains or losses on foreign exchange are recorded in the statement of operations.

Effective January 1, 2009, the Company classified its foreign subsidiary Imaflex USA, Inc., previously considered an integrated foreign operation, as a self-sustaining foreign operation. This change in classification is a result of changes in circumstances concerning Imaflex USA's operations, including its ability to conduct its financial activities and grow its business on a stand alone basis, following its start-up period.

The financial statements of Imaflex USA are, as of January 1, 2009, translated using the current rate method, under which assets and liabilities are translated at the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the exchange rates in effect on the dates on which such items are recognized into income during the period. Exchange gains or losses arising from the translation of Imaflex USA's financial statements are recognized in other comprehensive income.

As a result of this change, an adjustment to accumulated other comprehensive income in the amount of $524,942 was made on January 1, 2009, to record previously unrecognized translation gains.

Accumulated other comprehensive income

	For the year ended December 31 2009
Opening Balance	$ -
Change in status of Imaflex USA	$524,942
Change in unrealized loss on translation of financial statements of self-sustaining foreign operations	($769,032)
Ending balance	($244,090)

(h) Income taxes:

The asset and liability method is used for determining income taxes. Under this method, future income taxes are recognized for temporary differences between the financial statement carrying amounts and their respective income tax basis. Future income tax assets and liabilities are measured using substantially enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized. A valuation allowance is recorded for the portion of the future income tax assets when its realization is not considered more likely than not.

1. Significant accounting policies (continued):

(i) Stock-based compensation plans:

The Company follows the fair value method for stock option awards. Under the fair value based method, the compensation cost is measured at fair value at the date of grant and is expensed over the award's vesting period.

(j) Financial instruments:

Financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments classified as financial assets available for sale, held for trading, and derivative financial instruments, part of a hedging relationship or not, are measured at fair value on the balance sheet at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

The following is a summary of the accounting model the company applies to each of its significant categories of financial instruments outstanding:

Cash	Held for trading
Accounts receivable	Loans and receivables
Bank indebtedness	Other financial liabilities
Accounts payable and accrued liabilities	Other financial liabilities
Long term debt	Other financial liabilities

(k) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Significant areas requiring the use of management estimates include the provision for doubtful accounts receivable, the evaluation of the net realizable value of inventories, the useful life of assets for amortization purposes and evaluation of their net recoverable amount, the fair value of derivative instruments and future income taxes. Actual results could differ from those estimates.

(l) Earnings per share:

Basic earnings per share are based on the weighted average number of shares outstanding during the period. Diluted earnings per share is determined using the treasury stock method to evaluate the dilutive effect of stock options.

2. Accounts receivable:

	2010	2009
Trade receivables, net of allowance for doubtful accounts	**$ 8,246,220**	$ 6,576,547
Other	**38,364**	490,343
	$ 8,284,584	**$ 7,066,890**

3. Inventories:

	2010	2009
Raw materials and supplies	**$ 4,794,647**	$ 6,500,191
Finished goods	**4,167,558**	4,333,664
	$ 8,962,205	**$ 10,833,855**

The cost of inventory recorded in the cost of sales represented $28,629,206 for the year ended December 31, 2010 ($27,063,116 in 2009).

4. Capital assets:

			2010
	Cost	**Accumulated amortization**	**Net book value**
Production equipment	**$ 36,070,537**	**$ 20,903,639**	**$ 15,166,898**
Leasehold improvements	**1,304,142**	**1,062,073**	**242,069**
Office equipment	**40,987**	**18,397**	**22,590**
Computer equipment and software	**384,733**	**193,464**	**191,269**
Assets under capital lease:			
Lift trucks	**70,500**	**30,550**	**39,950**
	$ 37,870,899	**$ 22,208,123**	**$ 15,662,776**

The Company's production equipment is pledged as collateral for the Company's operating line of credit and long-term debt.

			2009
	Cost	**Accumulated amortization**	**Net book value**
Production equipment	$ 35,823,589	$ 20,011,764	$ 15,811,825
Leasehold improvements	1,127,157	734,151	393,006
Office equipment	2,642	2,642	-
Computer equipment	251,071	188,871	62,200
Assets under capital lease:			
Computer software and equipment	371,635	61,245	310,390
Lift trucks	70,500	16,450	54,050
	$ 37,646,594	**$ 21,015,123**	**$ 16,631,471**

5. Bank indebtedness:

The Company has an operating line of credit with its bankers to a maximum of $8,500,000, bearing interest at a Canadian Chartered Bank's prime rate plus 1.3%. The line of credit is secured by accounts receivable, inventories and capital assets. The line of credit may be reviewed periodically by the bank and is payable on demand. As at December 31, 2010, the Company had drawn $6,338,764 (2009 - $5,959,204) on its line of credit.

The operating line of credit was subject to working capital and debt to equity covenants. As at December 31, 2010, the Company was in breach of certain covenants related to its line of credit of $6,338,764 and term debt totalling $696,000 (see Note 7).

On April 21, 2011, the Company renewed its credit facilities and modified certain terms to the following:

- interest bearing at a Canadian Chartered bank's prime rate plus 2.3%; and maintaining, on a 12-month rolling basis, working capital, debt to equity, fixed charge coverage and interest bearing debt to EBITDA covenants, as defined in the agreement, as well as maintaining a cumulative EBITDA (as defined) in 2011 at levels agreed upon by both parties.

6. Obligations under capital leases:

The Company has financed certain assets by entering into capital lease arrangements for lift trucks expiring on October 28, 2013 and August 18, 2013. Capital lease payments are due as follows:

2011	$ 17,699
2012	17,699
2013	28,209
Total minimum lease payments	63,607
Less amount representing interest at approximately 8.7 %	8,633
Present value of minimum lease payments	54,974
Less current portion	12,462
	$ 42,512

Interest expense includes interest on capital lease obligations of approximately $5,286 in 2010 and $11,600 in 2009.

7. Long-term debt:

	2010	2009
Loan (2010 US$1,689,286, 2009 US$2,303,618), bearing interest at the 30-day LIBOR rate (0.25% as at December 31, 2010), reset monthly, plus 1.24%, repayable in monthly principal installments of $50,914 (US$51,190) up to September 2013. The loan is secured by production equipment and a full corporate guarantee from Imaflex Inc. (a)	**$ 1,680,164**	$ 2,421,103
Loan, bearing interest at prime plus 0.50%, repayable in monthly principal installments of $50,000 to January 2012, secured by a first ranking hypothec of $3,000,000 on all present and future properties of the Canslit division of the Company, movables and immovable, corporeal and incorporeal. Pursuant to the renewal of the credit facilities described in Note 5, the interest rate was modified to the prime rate of a Canadian Chartered bank plus a prime rate of 1.5%.	**650,000**	1,250,000
Loan, bearing interest at the lender's base rate (5.00% as at December 31, 2010) plus 0.25%, repayable in monthly principal installments of $43,460 to September 2015, secured by production equipment	**2,477,220**	–
Loans, bearing interest at rates varying between prime plus 0.50% and 2.00%, retired or refinanced during the year	**–**	1,911,602
Loan (2010 US$540,027, 2009 US$1,046,647), bearing interest at the 30-day LIBOR rate, reset monthly, plus 2.00%, repayable in blended monthly installments of $46,279 (US$46,530) up to December 2011. The loan is secured by production equipment and a corporate guarantee from Imaflex Inc.	**537,111**	1,100,026
Loan, bearing interest at prime plus 0.75%, repayable in monthly principal installments of $11,500 to April 2011, secured by production equipment. (b)	**46,000**	184,000
Loan (2010 US$127,782, 2009 US$215,970), bearing interest at the 30-day LIBOR rate, reset monthly, plus 2.00%, repayable in blended monthly installments of $8,329 (US$8,374) up to April 2012. The loan is secured by production equipment and a full corporate guarantee from Imaflex Inc.	**127,091**	226,984
	5,517,586	7,093,715
Current portion of long-term debt	**2,409,829**	2,922,419
	$ 3,107,757	$ 4,171,296

(a) On September 28, 2006, the Company borrowed from Wachovia Corporation US$4,300,000 at a variable interest rate for seven years, as a result of a long-term debt facility entered into to fund its capital expenditures. The Company then entered into an interest rate swap for the same amount and maturity. Under the terms of this interest rate swap, the Company receives, on a monthly basis, a variable interest rate and pays a fixed interest rate of 6.54%. The Company uses this derivate financial instrument to manage the risk from fluctuations in interest rates. The intent is to fix the interest cost on this long-term debt.

As at December 31, 2010, the fair value of the interest rate swap is a liability of $110,718 (US$111,319) (2009 $168,763 (US$161,249)) has been recorded on the balance sheet under accounts payable and accrued liabilities, with a charge to the statement of operations under interest expense for the change in fair value since December 31, 2009.

7. Long-term debt (continued):

(b) These loans are subject to the financial covenants described in Note 5.

Interest on long-term debt amounted to $ 517,132 for the year ended December 31, 2010 (2009 - $470,141).

The aggregate repayment of long-term debt for each of the four years subsequent to December 31, 2010 and thereafter, are as follows:

2011	2,409,829
2012	1,215,351
2013	979,746
2014	912,660
	$ 5,517,586

8. Income taxes:

The provision for income taxes differs from the amount computed by applying the Canadian federal and provincial statutory tax rates to income before income taxes. The reasons for the difference and the related tax effects are as follows:

	2010	2009
Loss before income taxes	**$ (1,674,363)**	$ (44,403)
Statutory tax rate	**30.9%**	30.9%
Computed income taxes payable	**(517,378)**	(13,721)
Adjustments:		
Permanent differences	**20,715**	18,070
Temporary differences		
Unrecognized benefit of Imaflex USA's losses	**689,175**	513,396
Effect of foreign tax rate difference	**(133,764)**	(101,373)
Adjustment to income tax from prior years	**32,877**	–
Adjustment to future income tax	**(9,333)**	–
Valuation allowance adjustment	**(28,846)**	(37,480)
Non-taxable portion of income tax on investments	**8,683**	–
Other	**14,024**	(20,022)
Income tax expense	**$ 76,153**	**$ 358,870**
Represented by:		
Current	**$ (74,599)**	$ 472,828
Future	**150,752**	(113,958)
Income tax expense	**$ 76,153**	**$ 358,870**

8. Income taxes (continued):

The future income taxes are comprised of the following:

	2010	2009
Assets:		
Losses carried forward	**$ 2,522,916**	$ 2,369,000
Tax reserves	**28,127**	776,780
Capital assets	**13,140**	(884,000)
Unrealized foreign exchange	**15,241**	–
Other	**7,695**	12,918
Valuation allowance	**(2,538,157)**	(2,253,000)
	48,962	21,698
Liabilities:		
Capital assets	**$ (1,135,966)**	$ (954,135)
Unrealized foreign exchange gain	**-**	(3,815)
	(1,135,966)	(957,950)
Net future income tax liability	**$ (1,087,004)**	**$ (936,252)**

The Company's subsidiary, Imaflex USA, has non-capital losses available to carry forward, for which a valuation allowance has been recorded, to reduce future taxable income of approximately $10,643,295, expiring as follows:

2025	$ 86,230
2026	1,445,242
2027	993,443
2028	2,145,144
2029	2,323,751
2030	3,649,485
	$10,643,295

9. Share capital:

Share capital consists of:

Authorized:

Unlimited number of Class A shares, voting, participating, without par value; unlimited number of Class B shares, non-voting, participating, without par value, issuable at any time and in one or more series; and unlimited number of Class B Series 1 shares, convertible at the option of the holder to Class A shares subject to the restriction that the percentage of Class A shares in the hands of public security holders following such conversion must not be less than 20% of the total issued and outstanding Class A shares

Issued:

A summary of shares outstanding is presented below:

	2010		2009	
	Shares	**Book value**	**Shares**	**Book value**
Issued and outstanding:				
Class A shares	**39,350,002**	**$ 7,829,165**	39,350,002	$ 7,829,165

Basic and Diluted earnings per share have been calculated on the basis of the weighted average number of shares outstanding during the year of 39,350,002 (2009 - 39,350,002).

Stock option plan:

Pursuant to the Stock Option Plan (the "Plan") of the Company, ten percent (10%) of the Class A shares issued and outstanding from time to time are reserved for options. The Plan provides that the term of the options shall be fixed by the directors. Officers and employees of the Company or its subsidiaries are eligible to receive options. Options are granted at an exercise price of not less than the fair value of the Company's shares on the date the options are granted. Options may be exercisable for a period no longer than five (5) years and the exercise price must be paid in full upon exercise of the option. As at December 31, 2010 and December 31, 2009, there are no outstanding options under the Plan.

10. Related party transactions:

During the year, in the normal course of business, the Company had routine transactions with entities owned by shareholders and officers of the Company. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. Details of these transactions are as follows:

	2010	2009
Management fees	**$ 157,554**	$ 183,371
Rent	**$ 727,306**	$ 708,765

As at December 31, 2010, there were no outstanding amounts payable to related parties. In addition, and in connection with the credit facility described in Note 5, a significant shareholder of the Company has committed to curing the defaults of covenants, if any.

11. Commitments and contingencies:

a) The Company's future minimum lease payments under operating leases for facilities, all of which are leased from a related party, are approximately as follows:

2011	729,188
2012	736,967
2013	736,967
2014	577,717
2015	474,858
Thereafter	1,249,064
	$ 4,504,761

b) The Company, in the normal course of business, is party to claims and litigation. Management believes that the resolution of these claims and litigation will not have a materially adverse effect on the financial conditions, earnings or cash flows.

12. Statements of cash flows:

The details of the net change in non-cash operating working capital are as follows:

	2010	**2009**
Accounts receivable	**$ (1,217,694)**	$ 3,608,869
Income taxes	**(179,407)**	(108,452)
Inventories	**1,634,691**	(3,746,924)
Prepaid expenses	**5,251**	4,653
Accounts payable and accrued liabilities	**1,087,772**	210,663
	$ 1,330,613	**$ (31,191)**

13. Financial instruments and risk management:

The Company is exposed to risk arising from the use of financial instruments, including foreign currency risk, credit risk, interest rate risk, and liquidity risk. The discussion below describes how the Company manages those risks and provides other required disclosures with respect to financial instruments.

(a) Foreign currency risk management:

A portion of the Company's sales and expenses as well as accounts receivable and payable are denominated in US dollars. A portion of the revenue stream in US dollars acts as a natural hedge to cover expenses denominated in US dollars. The Company does not use forward foreign exchange contracts to manage its residual foreign exchange exposure. The Company's statement of operations includes foreign exchange losses of $ 212,805 (2009 - loss of $522,246) incurred as part of normal operations.

13. Financial instruments and risk management (continued):

(a) Foreign currency risk management (continued):

As at December 31, 2010, the Company had the following financial instruments denominated in foreign currencies:

(in thousands)	2010	2009
Trade receivables	$ 3,449	$ 2,861
Trade payables	(2,980)	(2,584)
Secured bank loans	(2,357)	(3,566)
Interest rate swap	(111)	(161)
Gross balance sheet exposure	$ (1,999)	$ (3,450)

Sensitivity analysis:

As at December 31, 2010 a $0.05 depreciation of the US dollar against the Canadian dollar would decrease the net loss by $99,950.

Conversely a $0.05 appreciation of the US dollar against the Canadian dollar would have the opposite effect.

(b) Credit risk:

The Company's extension of credit is based on an evaluation of each customer's financial condition and the Company's ability to obtain credit insurance coverage for that customer. Credit losses are provided for in the financial statements. Management manages credit risk by limiting the exposure of accounts receivable to a single customer. Sales to one customer represented approximately 8% of total sales for the year ended December 31, 2010 (2009 –15%). The maximum exposure to credit risk consists of total trade receivables, net of allowance for doubtful accounts.

The aging of trade accounts receivable at December 31, 2010 was as follows:

(in thousands)	2010	2009
Current	$ 3,242	$ 2,663
30-60 days	2,907	2,359
Overdue 60-90 days	1,509	990
Overdue 90 days and over	1,084	1,471
	8,742	7,483
Less allowance for doubtful accounts	(496)	(906)
Trade receivables, net of allowance for doubtful accounts	$ 8,246	$ 6,577

13. Financial instruments and risk management (continued):

(c) Interest rate risk:

The Company's exposure to interest rate fluctuations is with respect to its short-term and long-term financing, which bear interest at floating rates.

As the Company's fixed-rate non-derivative financial instruments are measured at amortized costs, fluctuations in interest rates will affect the fair values of these instruments but will not impact earnings or equity.

The Company is exposed to interest rate risk with respect to its variable rate non-derivative financial instruments and its interest rate swap. Any variance in cash flow related to the interest rate swap is offset by an equal variance in cash flow of the loan on which it is used to fix the interest rate. Any increase in interest rates would increase the value of the swap to the Company and ultimately increase its value in the consolidated financial statements. For the remaining loans on which the Company does pay variable interest rates, it is management's opinion that a 100 basis point increase in interest rates would not have a significant impact on the Company's cash flow and that interest rate risk is not significant.

(d) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 14. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

As at December 31, 2010, the carrying amount and contractual cash flows for the Company's financial liabilities are as follows:

(in thousands)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities:						
Long-term debt	$ 5,573	$ (5,967)	$ (1,323)	$ (1,270)	$ (1,340)	$ (2,034)
Bank indebtedness	6,339	(6,339)	(6,339)	–	–	–
Accounts payable[(1)]	5,831	(5,831)	(5,831)	–	–	–
Derivative financial liabilities:						
Interest rate swap	111	(122)	(40)	(32)	(40)	(10)
	$ 17,854	**$ (18,259)**	**$ (13,533)**	**$ (1,302)**	**$ (1,380)**	**$ (2,044)**

[(1)] The accounts payable exclude the interest rate swap presented separately.

13. Financial instruments and risk management (continued):

(e) Fair value of financial instruments:

	2010		2009	
(in thousands)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets:				
Cash	**$ 82**	**$ 82**	$ 964	$ 964
Loans and receivables:				
Accounts receivable	**8,285**	**8,285**	7,066	7,066
Financial Liabilities:				
Other financial liabilities:				
Bank indebtedness	**6,339**	**6,339**	5,959	5,959
Accounts payable	**5,831**	**5,831**	4,983	4,983
Long-term debt	**5,518**	**5,518**	7,093	7,093
Derivative Financial Instrument:				
Interest rate swap	**111**	**111**	168	168

Fair value estimates are made as of a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision. The Company has determined that the fair value of its short-term financial assets and liabilities approximates their respective carrying amounts as at the balance sheet date because of the short-term maturity of those instruments. The fair value of the long-term debt approximates its carrying amount as it bears interest at variable rate and has financing conditions similar to those currently available to the Company.

(f) Fair value hierarchy

Financial instruments recorded at fair value on the Consolidated Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company has determined its interest rate swap using level 3 valuation techniques using forward interest rates (Note 7 (a)).

14. Capital disclosures:

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its growth while at the same time taking a conservative approach towards financial leverage and financial risk.

The Company's capital is comprised of net debt and shareholders' equity. Net debt consists of interest-bearing debt less cash. The Company's primary uses of capital are to finance increases in non-cash working capital and capital expenditures for capacity expansion and integration.

The Company's primary measure to monitor financial leverage is EBITDA. EBITDA is a non GAAP measure and is defined as "Earnings before interest, taxes, depreciation and amortization.

Operating line of credit and long-term debt arrangements require that the Company meet certain financial covenants as described in Note 5, which as at December 31, 2010, they were in breach of. However, as of April 21, 2011, the Company renewed its credit facilities. The Company is in compliance with the revised financial covenants and expects to continue to be in compliance during 2011.

15. Segmented information:

The Company operates in one reportable operating segment, comprising the development, manufacture and sale of packaging materials.

Sales to the United States totaled $21,029,100 for the year ended December 31, 2010 (2009 - $22,998,265).

Capital assets in the United States totaled $8,100,747 as at December 31, 2010 (2009 - $8,906,155).

16. Subsequent Events

On March 2, 2011, the Company announced that a significant shareholder would acquire for cash of $500,000 1,315,789 units at a price of $0.38 per unit, each unit consisting of one Class A share and one Class A share purchase warrant entitling the holder to acquire one additional Class A share at a price of $0.45 for a period of 36 months from the date of issuance of the warrant. The transaction is expected to close in mid May 2011.

17. Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

OFFICERS

Joseph Abbandonato,
President and Chief Executive Officer

Tony Abbandonato,
Production Director and Secretary

Gerry Phelps,
VP – Operations

Giancarlo Santella, CA
Controller

BOARD OF DIRECTORS

The Board of Directors establishes the objectives and the long-term direction of the Company. The Board meets regularly throughout the year to review progress towards achievement of the Company's goals and to recommend policies and procedures directed at optimizing performance.

Joseph Abbandonato,
Chairman and President

Tony Abbandonato,
Secretary

Camillo Lisio,
Corporate Director

Michel Baril
Corporate Director

Philip Nolan,
Partner, Lavery, de Billy

Gerry Phelps,
VP

Gilles Émond, CMA, CA
Corporate Director

SHAREHOLDER INFORMATION

Audit and Compensation Committee: Gilles Émond, CMA, CA, Chairman; Michel Baril; Philip Nolan

Auditors: Deloitte & Touche LLP, Montréal, Québec

Legal Counsel: Lavery, de Billy, Montréal, Québec

Listing: Imaflex Inc. shares are listed as IFX.A on the TSX Venture Exchange

Transfer Agent: Computershare Investor Services

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Website: www.imaflex.com

Subsidiaries: Imaflex USA, Inc.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held on Tueday, June 21st, 2011 at 2 p.m. at the Hyatt Regency Montreal, Salon des Arts, niveau 6, 1255 Jeanne-Mance, Montréal, Québec H5B 1E5