

FOR IMMEDIATE RELEASE

Inscape Announces Fourth Quarter and Annual Results

June 25, 2015: Inscape (TSX: INQ) today announced its fourth quarter and annual financial results ended April 30, 2015. Fiscal 2015 set the foundation for growth. We completed significant product development that was recently launched at Neocon 2015, including the introduction of West Elm Workspace with Inscape.

Inscape's long acknowledged need for committed distribution was addressed with the addition of 3 new Inscape distribution partners, with a goal of 20 new partners in fiscal 2016.

Our new distribution partners will utilize our F.I.R.E. software, a key differentiator linking visualization, specification, order acknowledgement and shipment of our products to market. Training with our partners has already begun. The investments made this past year, in combination with our new product platforms, will be key to our future performance.

Fiscal year 2015 compared to fiscal year 2014

Fiscal year 2015 sales of \$69.4 million was \$3 million (4.9%) higher than last year's \$66.2 million despite the delay of major wall and furniture contracts throughout the year. The sales increases resulted from improved product pricing and the strengthening of the U.S. dollar.

The fiscal year ended with a net loss of \$13.1 million or 91 cents per share, compared to a net loss of \$7.1 million or 49 cents per share in fiscal year 2014. The current year's loss included \$1.6 million decrease in the fair value of outstanding hedge contracts with the strengthening of the U.S. dollar, a \$1.5 million impairment loss from long-lived non-financial assets in the Walls facility, and during the fourth quarter, the Company booked a valuation allowance of \$3.4 million relating to deferred tax assets associated with its US operations. This valuation allowance was booked due to the losses in the fourth quarter and the effects of accounting losses in the previous three years. Management deemed it appropriate to charge a valuation allowance for these assets. This adjustment is a non-cash charge to the results and the Company has 20 years in which the assets can be realized against future income, at which point the valuation allowance can be reversed.

Current year's financial results included several unusual items that increase the loss. With the exclusion of these unusual items, current year's adjusted loss before tax would be lowered from \$9.5 million to \$6.4 million, compared with last year's adjusted loss of \$5.9 million. The following is a reconciliation of income/loss before taxes calculated in accordance with GAAP to the non-GAAP measure:

(in 000's)	Twelve Months Ended April 30,	
	2015	2014
INCOME (LOSS) BEFORE TAXES	(9,638)	(8,210)
NON-OPERATING AND/OR UNUSUAL ITEMS		
Decrease in fair value of derivatives	1,558	2,825
Impairment of long-lived assets	1,486	344
Stock based compensation	727	(483)
Fair value of short-term investments	131	43
Unrealized gain on foreign exchange	(633)	(389)
ADJUSTED LOSS BEFORE TAXES	(6,369)	(5,870)

The \$0.5 million increased loss above was a result of installation cost overrun on a project, higher variable costs due to product mix changes, start-up costs and project delays.

Fourth Quarter Results

Sales of the fourth quarter of fiscal year 2015 was \$12.6 million, a decrease of 16.7% compared with the same quarter of last year. The decrease in sales mainly affected the furniture segment where a few major projects originally scheduled for delivery in the quarter was delayed to future quarters. Gross profit as a percentage of sales was 9.5% compared with 21.1% of the same quarter of last year due to the unfavourable overhead absorption associated with low sales volume. SG&A expense of \$6.4 million was 50.3% of sales, compared with \$5.4 million or 35.7% of sales last year. The increase in SG&A was related to non-cash decrease in mark-to-market value of short-term investments, absorption of benefit costs and start-up costs. The quarter ended with an operating loss of \$5.2 million, compared with last year's loss of \$2.2 million.

Inscape Corporation
Summary of Consolidated Financial Results
(Unaudited) (in thousands except EPS)

	Three Months Ended April 30,		Change
	2015	2014	
Sales	\$ 12,641	\$ 15,171	-16.7%
Gross profit	1,195	3,203	-62.7%
Selling, general & administrative expenses	6,353	5,423	17.1%
Impairment loss	(209)	-	
Unrealized gain on foreign exchange	341	151	
Increase in fair value of derivative liabilities	(5,928)	(1,777)	
Investment income	(67)	(88)	
Loss before taxes	705	(506)	
Income taxes	4,101	945	
Net loss	\$ (3,396)	\$ (1,451)	
Basic earnings per share	\$ (0.24)	\$ (0.10)	
Weighted average number of shares (in thousands) for basic EPS calculation	14,377	14,373	

	Twelve Months Ended April 30,		Change
	2015	2014	
Sales	\$ 69,424	\$ 66,155	4.9%
Gross profit	14,808	14,742	0.4%
Selling, general & administrative expenses	22,344	20,546	8.8%
Impairment loss	1,486	344.00	
Unrealized gain on foreign exchange	(633)	(389)	
Decrease in fair value of derivatives	1,558	2,825	
Investment income	(309)	(374)	
Loss before taxes	(9,638)	(8,210)	
Income taxes	3,438	(1,118)	
Net loss	\$ (13,076)	\$ (7,092)	
Basic earnings per share	\$ (0.91)	\$ (0.49)	
Weighted average number of shares (in thousands) for basic EPS calculation	14,376	14,373	

Financial Statements

<http://media3.marketwire.com/docs/1014478p.pdf>

Fourth Quarter Call Details

Inscape will host a conference call at 8:30 a.m. on Friday, June 26, 2015 to discuss the company's quarterly and annual results. To participate, please call 1-800-616-4018. A replay of the conference call will also be available from June 26, 2015 after 10:30 a.m. until midnight on July 2, 2015. To access the rebroadcast, please dial 1-800-558-5253 (Reservation Number 21770012).

Forward-looking Statements

Certain of the above statements are forward-looking statements that involve risks and uncertainties. Actual results could differ materially as a result of many factors including, but not limited to, further changes in market conditions and changes or delays in anticipated product demand. In addition, future results may also differ materially as a result of many factors, including: fluctuations in the company's operating results due to product demand arising from competitive and general economic and business conditions in North America; length of sales cycles; significant fluctuations in international exchange rates, particularly the U.S. dollar exchange rate; restrictions in access to the U.S. market; changes in the company's markets, including technology changes and competitive new product introductions; pricing pressures; dependence on key personnel; and other factors set forth in the company's Ontario Securities Commission reports and filings.

ABOUT INSCAPE

Inscape, an award-winning designer and manufacturer of office furniture, has been initiating change in workspace design for the past 125 years. With an emphasis on quality, innovation, technical design and unparalleled delivery and service, Inscape has been consistently awarded for its design at North America's largest design exposition and conference for commercial interiors. Inscape collaborates with leading European partners and manufactures their designs in North American facilities. Their systems, storage, seating and wall solutions delight users, foster agility and empower technology in the workplace. Flexible and designed for sustainability, Inscape products enable easy customization and readily adapt to keep pace with changing needs in the workplace. For more information, visit www.inscapesolutions.com.

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