
PRESS RELEASE

Source: Supremex Inc.

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SUPREMEX INC.: 2011 FIRST QUARTER RESULTS

- Not for distribution in the United States or over U.S. newswires –

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| <ul style="list-style-type: none">• CONVERSION TO A CORPORATION ON JANUARY 1, 2011• EBITDA, BEFORE RESTRUCTURING EXPENSES, OF \$8.1 MILLION COMPARED WITH \$9.9 MILLION IN THE FIRST QUARTER OF 2010• REDUCTION OF DEBT OF \$3.4 MILLION IN THE FIRST QUARTER OF 2011; TOTAL LEVERAGE RATIO OF 1.94 AS OF MARCH 31, 2011• NET EARNINGS PER SHARE OF \$0.10 VS \$0.14 IN THE FIRST QUARTER OF 2010 |
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Montreal, Quebec, June 1, 2011 – Supremex Inc., Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP), today announced its results for the first quarter ended March 31, 2011, in accordance with the newly adopted International Financial Reporting Standards ("IFRS").

For the first quarter of 2011, Supremex generated revenue of \$39.1 million compared with \$41.2 million for the three-month period ended March 31, 2010, representing a decrease of \$2.1 million or 5.1%. The decrease in revenue is mainly attributable to the number of units sold in Canada and the strength of the Canadian dollar. Revenue from sales in Canada decreased by \$2.2 million or 5.7%, from \$38.4 million to \$36.2 million. Revenue from sales in the United States increased by \$0.1 million or 3.6%, from \$2.8 million to \$2.9 million.

The decrease in sales revenue in Canada was driven by a 4.2% decrease in the number of units sold combined with a 1.7% decrease in the average selling prices. The decrease in the number of units sold was seen in most markets.

The increase in sales revenue in the United States was due to a 21.3% increase in the number of units sold offset by a 14.2% decrease in the average selling prices given the strengthening of the Canadian dollar. The increase in the number of units sold is mainly attributable to the new US partnership in Buffalo and new contracts signed in the second half of 2010.

EBITDA before restructuring expenses for the first quarter of 2011 was \$8.1 million compared with \$9.9 million for the same period in 2010, representing a decrease of \$1.8 million or 18.2%. EBITDA margin before restructuring expenses was 20.7% compared with 24.0% in the first quarter of 2010.

Net earnings for the first quarter of 2011 were \$2.9 million or \$0.10 per share compared with \$4.1 million or \$0.14 per share for the same period in 2010, representing a decrease of \$1.2 million.

Cash flows used in the operating activities were \$1.0 million in the first quarter of 2011 compared with cash flows generated by the operating activities of \$6.9 million for the same period in 2010.

“Our first quarter EBITDA, although lower than the first quarter of 2010, is relatively stable with the EBITDA of the last quarter of 2010, which is a positive indication. The North American envelope industry is continuing its consolidation, with the recent sale of the Mead Westvaco’s Envelope Group to Cenvéo. This should bring stability to the whole industry” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“We continue to grow our US sales despite the strength of the Canadian dollar. The recent partnership in Buffalo as well as new contracts gained in the second part of 2010 is bringing in new and steady volume. The Canadian volume is still a little soft, and large contracts are often tendered. We gain our share of the tenders, but we are facing pricing pressures.

Considering the secular decline of the envelope industry, the Company is always looking at ways to reduce its costs. We have completed our Toronto reorganization plan following the announcement of our Markham facility closure last year. Additional non-recurring costs amounting to \$300,000 were incurred in the first part of the quarter, but we are now back to the normal level of productivity. This \$300,000 was not classified as restructuring expense in the quarter. In February 2011, we have concluded the sale of the Markham facility for \$5.8 million. We have started the project of merging the two Montreal facilities into the one located in LaSalle. The Notre-Dame facility lease will expire on October 31st, 2011 and will not be renewed.

We reduced our debt by \$3.4 million in the first quarter and our total leverage ratio was at 1.94 at the end of the first quarter, consequently, we were in compliance with the covenants of our credit facilities. The cash flow was affected by increase working capital due to the payment of our annual incentive plans and a decrease in the payable level.

We are working actively on opportunities to diversify Supremex in industries complementary to us that would help grow and complement our actual line of business,” said Mr. Cyr.

Conversion to a Corporation

On January 1, 2011, Supremex Income Fund (the “Fund”) completed its conversion from an income trust structure into a corporation names Supremex Inc. by way of a court-approved plan of arrangement under Section 192 of the Canada Business Corporations Act (the “Arrangement”). The Arrangement involved the exchange, on a one-for-one basis, of all outstanding units of the Fund for common shares of Supremex Inc. (the “Common Shares”). As a result, on January 1, 2011, immediately after completion of the Arrangement, there were 29,297,767 Common Shares issued and outstanding.

Transition to IFRS

Supremex’s unaudited interim consolidated financial statements for the quarter ended march 31, 2011 have been prepared using IFRS. Amounts relating to the year ended December 31, 2010 have been restated to reflect the adoption of IFRS. Details for the significant accounting differences can be found in our first quarter unaudited interim consolidated financial statements.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the EBITDA projection, future performance of Supremex and similar statements concerning anticipated future results, circumstances, performance or expectations. A statement is forward-looking when it uses what Supremex knows and expects today to make a statement about the future. Forward-looking statements may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. These statements relate to future events or future performance and reflect current assumptions, expectations and estimates of Management regarding growth, results of operations, performance, business prospects and opportunities, Canadian economic environment and liability to attract and retain customers. Such

forward-looking statements reflect current assumptions, expectations and estimates of Management and are based on information currently available to Supremex as at the date of this press release.

Forward-looking statements are subject to certain risks and uncertainties, and should not be read as guarantees of future performance or results and actual results may differ materially from the conclusion, forecast or projection stated in such forward-looking statements. These risks, uncertainties and other factors include but are not limited to the following: economic cycles, availability of capital, decline in envelope consumption, increase of competition, exchange rate fluctuation, raw material increases, credits risks with respect to trade receivables, increase in funding of pension plans, postal services deficiencies, interest rates fluctuation and potential risk of litigation. Such assumptions, expectations, estimates, risks and uncertainties are discussed throughout the Fund MD&A for the fiscal year 2010 and, in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking statements will materialize. Readers should not place any undue reliance on such forward-looking statements. Supremex disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The Management's Discussion and Analysis can be found on www.sedar.com and on Supremex's website www.supremex.com.

Non-GAAP Measures

References to EBITDA are to earnings before net financing charges, income taxes, amortization of property, plant and equipment, intangible assets and deferred compensation, gain or loss on disposal of property, plant and equipment and impairment of goodwill.

EBITDA is not earnings measures recognized under GAAP and do not have standardized meanings prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as indicators of Supremex's performance.

About Supremex

Supremex Inc. is Canada's largest manufacturer and marketer of a broad range of stock and custom envelopes and related products. Supremex is the only national envelope manufacturer in Canada, with facilities across seven provinces and employs approximately 650 people. This nationwide presence enables it to manufacture products tailored to the specifications of major national customers such as leading Canadian corporations, national resellers and governmental entities, as well as paper merchants and process and solutions providers.

Supremex Inc.
Reconciliation of EBITDA to Net Earnings
(Unaudited)

	Three-month period ended March 31, 2011	Three-month period ended March 31, 2010
Net earnings (loss) for the period	2,872,295	4,073,306
Add (deduct):		
Amortization of property, plant and equipment	1,162,186	1,156,130
Amortization of intangible assets	1,540,975	1,540,975
Amortization of deferred compensation	—	315,079
Loss on disposal of property, plant and equipment	26,181	12,483
Net financing charges	1,169,038	1,327,069
Income taxes expense	1,122,311	1,495,047
EBITDA	7,892,986	9,920,089