
PRESS RELEASE

Source: Supremex Income Fund

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SUPREMEX INCOME FUND: 2010 THIRD QUARTER RESULTS

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

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| <ul style="list-style-type: none">• EBITDA BEFORE RESTRUCTURING EXPENSES OF \$7.3 MILLION COMPARED WITH \$8.4 MILLION IN THE THIRD QUARTER OF 2009• EBITDA MARGINS BEFORE RESTRUCTURING EXPENSES OF 20.0% VS 22.4% IN 2009• REDUCTION OF DEBT OF \$13.1 MILLION SINCE THE BEGINNING OF 2010• NET EARNINGS OF \$0.09 PER UNIT VS \$0.10 IN THE THIRD QUARTER OF 2009 |
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Montreal, Quebec, November 10, 2010 – Supremex Income Fund (“the Fund”), Canada’s largest provider of stock and custom-manufactured envelopes (TSX: SXP.UN), today announced its results for the third quarter ended September 30, 2010.

For the third quarter of 2010, the Fund generated revenue of \$36.4 million compared with \$37.6 million for the three-month period ended September 30, 2009, representing a decrease of \$1.2 million or 3.2%. The decrease in revenue is mainly attributable to a reduction of the volume by about 3.5%. Revenue from sales in Canada decreased by \$0.6 million or 1.7%, from \$34.5 million to \$33.9 million. Revenue from sales in the United States decreased by \$0.6 million or 19.4%, from \$3.1 million to \$2.5 million.

The decrease in sales revenue in Canada was driven by a 1.7% decrease in the number of units sold. The decrease in the number of units sold was seen mostly in the public sector market. For the first time in many quarters, the direct mail volume was significantly up in the quarter with an increase of volume of 20.0% compared with the third quarter of last year.

The decrease in sales revenue in the United States was due to a 17.9% decrease in the number of units sold due to the loss of a major account in the second quarter of 2010.

EBITDA before restructuring expenses for the third quarter was \$7.3 million compared with \$8.4 million for the same period in 2009, representing a decrease of \$1.1 million or 13.1%. EBITDA margin before restructuring expenses was 20.0% compared with 22.4% in the third quarter of 2009.

Net earnings for the third quarter were \$2.6 million or \$0.09 per unit compared with \$3.1 million or \$0.10 per unit for the same period in 2009, representing a decrease of \$0.5 million or 16.1%.

Distributable cash for the third quarter was \$5.6 million or \$0.19 per unit compared with \$7.0 million or \$0.24 per unit in the third quarter of 2009.

Cash flows generated by the operating activities were \$6.5 million in the third quarter of 2010 compared with \$9.4 million for the same period in 2009.

For the year to date, the Fund generated revenue of \$112.9 million compared with \$124.7 million for the first nine months of 2009, representing a decrease of \$11.8 million or 9.5%. The EBITDA before restructuring expenses for the first nine months of 2010 was \$24.6 million compared with \$27.5 million for the same period in 2009, a decrease of \$2.9 million or 10.5%.

“The envelope industry in North America has been improving since late summer. There is increased activity in most of the segments, but especially in the direct mail where we saw an increase of 20% of our sales this quarter” said Gilles Cyr, President and Chief Executive Officer of the Fund.

“I am especially excited of our new US partnership with a reputable company that will generate at least 300 million envelopes annually for many years. Also, many months of hard work and trials to bring to market new and innovative products, I am glad to report that some US and Canadian large direct mail customers were impressed by these new products and have just given us sizeable orders that will generate significant volume on an annual basis. We are also spending more capital expenditures to deploy our new Supremex Diversified Group, based in Toronto, to generate revenue from related products. These new initiatives, combined with the recent acquisition of the assets of Pioneer Envelope, should generate new revenues of at least \$8 million annualized starting in 2011.

Our margins were a bit lower this quarter due mainly to one-time costs related to the restructuring of our Toronto operations. Currently, a lot of positive changes are happening in United States that would lead to the consolidation of the envelopes industry.

Due to our significant debt reduction, our balance sheet has improved. With the conversion to a Corporation already approved and to be executed on or around January 1st 2011, Supremex is now well positioned to take advantage of opportunities that are presented to us on a regular basis,” said Mr. Cyr.

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 our MD&A for the fiscal year 2009 and, in particular, in "Risk Factors". Consequently, we can not 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 the Fund 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.

Management views distributable cash as an operating performance measure. It is also generally used by Canadian income funds as an indicator of financial performance. Distributable Cash is defined as cash flow related to operating activities adjusted for the net change in non-cash working capital balances, change in post-retirement benefits obligation, change in accrued pension benefits assets and maintenance capital expenditures. Distributable cash is important as it summarizes the funds available for distribution to unitholders.

EBITDA and Distributable Cash are not earnings measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. Therefore, EBITDA and Distributable cash may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA and Distributable cash should not be construed as an alternative to net earnings or loss determined in accordance with GAAP as indicators of the Fund's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

About the Fund

Supremex Income Fund 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 Income Fund
Reconciliation of EBITDA to Net Earnings
(Unaudited)

	Three-month period ended September 30, 2010	Three-month period ended September 30, 2009
Net earnings for the period	2,595,336	3,071,454
Add (deduct):		
Amortization of property, plant and equipment	1,053,697	1,157,973
Amortization of intangible assets	1,540,975	1,540,975
Amortization of deferred compensation	0	1,281,143
Loss on disposal of property, plant and equipment	52,273	0
Net financing charges	1,106,518	1,361,918
Income taxes expense	739,512	(24,695)
EBITDA	7,088,311	8,388,768

Supremex Income Fund
Reconciliation of distributable cash to cash flows related to operating activities
(Unaudited)

	Three-month period ended September 30, 2010	Three-month period ended September 30, 2009
Cash flows related to operating activities	6,548,119	9,358,271
Add (deduct):		
Net change in non-cash working capital balances	(33,322)	(2,259,208)
Change in post-retirement benefits obligation	4,500	4,500
Change in accrued pension benefit assets	(326,000)	(27,000)
Maintenance capital expenditures	(641,158)	(116,075)
Distributable cash	5,552,139	6,960,488