SupremeX

PRESS RELEASE

Source: Supremex Income Fund

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SUPREMEX INCOME FUND: 2008 SECOND QUARTER RESULTS

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

- EBITDA INCREASE OF $1.4 MILLION OR 14.7% AT $10.9 MILLION
- PAYOUT RATIO OF 89.6% FOR THE QUARTER VS 114.9% LAST YEAR
- YEAR-TO-DATE PAYOUT RATIO OF 90.0% VS 103.8% IN 2007
- NET EARNINGS OF $0.190 PER UNIT VS $0.186 IN THE SECOND QUARTER OF 2007

Montreal, Quebec, August 6, 2008 – Supremex Income Fund ("the Fund"), Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP.UN), today announced its results for the second quarter ended June 30, 2008.

For the second quarter of 2008, the Fund generated revenue of $43.6 million compared to $43.7 million for the three-month period ended June 30, 2007, representing a decrease of $0.1 million or 0.2%. The decrease is mainly attributable to revenue from sales in the United States offset by the increased revenue from sales in Canada. Revenue from sales in Canada increased by $3.1 million or 8.3%, from $37.3 million to $40.4 million. Revenue from sales in the United States decreased by $3.2 million or 50.0%, from $6.4 million to $3.2 million.

Sales in Canada increased by $3.1 million or 8.3%, due to the increases of 7.2% of units sold and 1.0% of the average selling price. The increased volume sold in Canada is mainly due to the inclusion of the revenue generated by NPG during the quarter. However, it is impossible to isolate the exact NPG revenue due to its full integration in Supremex during the fourth quarter of 2007.

The decrease in revenue from sales in the United States is due to a decrease of 56.4% in the number of units sold offset by an increase of the average selling price of 15.2% considering the strengthening of the Canadian dollar by 8.1%. This increase in the average selling price is the result of a change in the product mix, selling less volume at a low average selling price.

Adjusted EBITDA for the second quarter was $11.0 million compared to $9.5 million for the same period in 2007, representing an increase of $1.5 million or 15.8%. The integration of NPG accounts for the second quarter increase in Adjusted EBITDA coupled with more Canadian sales and less US sales.

EBITDA for the quarter was $10.9 million, representing an increase of $1.4 million or 14.7% compared to the same period in 2007. Restructuring expenses of $123,000 relating to employees and facilities that were previously part of the Fund were booked during the quarter as they relate to the plan adopted to integrate and restructure NPG following its acquisition.

Net earnings for the second quarter were $5.6 million or $0.190 per unit compared to $5.8 million or $0.186 per unit for the same period in 2007.

Distributable cash for the second quarter was $9.4 million or $0.32 per unit compared to $7.8 million or $0.25 per unit in the second quarter of 2007. The Fund payout ratio, or distribution declared as a percentage of distributable cash, was 89.6% for the quarter compared to 114.9% in the second quarter of 2007.

Cash flows generated by the operating activities were $9.8 million in the second quarter of 2008 compared to $6.5 million for the same period in 2007.

“I am pleased with our second quarter results and our payout ratio” said Gilles Cyr, President and Chief Executive Officer of the Fund.

“Since the end of the third quarter of 2007, we have focused our energy on integrating NPG, as well as on adjusting our global footprint due to the loss of a significant portion of our US volume. We have considerably reduced our costs and generated more synergies than forecasted from the NPG acquisition. We now estimate the annual cost savings related to NPG at about $5 million compared to the $4 million previously stated.

The strong Canadian dollar had again a negative impact on our sales in the United States, affecting not only the volume but also the profitability. However, we feel that the actual level of US sales should be sustainable.

In spite of reduced number of units sold, the EBITDA was better than last year. It should be noted that the second quarter of 2007 was very difficult and resulted in a payout ratio of 114.9%. This year’s payout ratio of 89.6% is excellent for the second quarter, considering it is typically the slowest quarter in the envelope industry.

We are still facing a lot of competition from US envelope manufacturers trying to export more products in the Canadian market. The weak US dollar combined with a very slow US envelope industry are contributing to a very aggressive approach from the US manufacturers in Canada. However, Supremex has been able, so far, to maintain its leading position” said Mr. Cyr.

For the year to date, the Fund generated revenue of $91.2 million compared to $91.4 million for the first six months of 2007, representing a decrease of $0.2 million or 0.2%. The Adjusted EBITDA for the first six months of 2008 was $22.7 million compared to $20.8 million for the same period in 2007, representing an increase of $1.9 million or 9.1%.

Conference Call

A conference call covering the results of the second quarter of fiscal 2008 will be webcasted on http://supremex.com and http://events.onlinebroadcasting.com/supremex/080708/index.php at 10.30 am. ET on August 7, 2008 and will be available thereafter on these websites.

Forward-Looking Statements

This press release contains forward-looking statements relating to the future performance of the Fund. A statement is forward-looking when it uses what the Fund 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 the Fund as at the date of this document. 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. Consequently, we can not guarantee that nay forward-looking statements will materialize. Such assumptions, expectations, estimates, risks and uncertainties are discussed throughout our MD&A for the 2007 fiscal year and, in particular, in Risk Factors. Consequently, readers should not place any undue reliance on such forward-looking statements. The Fund disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For further details, please see the Financial Statements below. The Financial Statements and Management's Discussion and Analysis can also be found on http://www.sedar.com and on the Fund website http://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, deferred compensation and gain or loss on disposal of property, plant and equipment.

Adjusted EBITDA is EBITDA adjusted to take into consideration the restructuring expenses and the non-cash inventory step-up charge resulting from the adjustment to fair value of inventory at the date of acquisition of Supremex by the Fund.

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, non-cash inventory step-up charges and maintenance capital expenditures. Distributable cash is important as it summarizes the funds available for distribution to unitholders.

EBITDA, Adjusted EBITDA and Distributable Cash are not earnings measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. Therefore, EBITDA, Adjusted EBITDA and Distributable cash may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA, Adjusted 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 730 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 and Adjusted EBITDA to Net Earnings
(Unaudited)

	Three-month period ended June 30, 2008	Three-month period ended June 30, 2007
Net earnings for the period	**5,570,443**	5,824,887
Add (deduct):		
Amortization of property, plant and equipment	**1,558,100**	969,502
Amortization of intangible assets	**1,501,725**	1,405,500
Amortization of deferred compensation	**1,362,932**	1,390,982
Loss on disposal of property, plant and equipment	**93,635**	882
Net financing charges	**1,462,934**	1,049,439
Income taxes recovery	**(629,602)**	(1,178,322)
EBITDA	**10,920,167**	9,462,870
Add**:**		
Restructuring expenses	**122,890**	—
Adjusted EBITDA	**11,043,057**	9,462,870

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

	Three-month period ended June 30, 2008	Three-month period ended June 30, 2007
Cash flows related to operating activities	**9,779,941**	6,464,042
Add (deduct):		
Net change in non-cash working capital balances	**(297,278)**	1,840,801
Change in post-retirement benefits obligation	**108,400**	4,500
Change in accrued pension benefit assets	**(95,600)**	145,400
Maintenance capital expenditures	**(88,682)**	(622,241)
Distributable cash	**9,406,781**	7,832,502