Supremex

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2015

The following management's discussion and analysis of financial condition and results of operations ("MD&A"), dated July 30, 2015, of Supremex Inc. ("Supremex" or the "Company") should be read together with the accompanying unaudited interim condensed consolidated financial statements and related notes of the Company for the three and six-month periods ended June 30, 2015. These consolidated financial statements of the Company have been prepared by management in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). Certain information and disclosures have been omitted or condensed. The accounting principles are consistent with those set out in the Company's audited consolidated financial statements for the year ended December 31, 2014. The fiscal year of the Company ends on December 31. The Company's reporting currency is the Canadian dollar. Per share amounts are calculated using the weighted average number of shares outstanding for the three and six-month periods ended June 30, 2015. The consolidated financial statements for the three and six-month periods ended June 30, 2015 have not been audited or reviewed by the Company's auditors.

This MD&A contains forward-looking information. Please see "Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions relating to these statements. In addition to our results reported in accordance with IAS 34, the MD&A may contain other non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "EBITDA" or other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and therefore may not be directly comparable to similar measures used by other companies and should not be viewed as alternatives to measures of financial performance prepared in accordance with IFRS. See "Definition of EBITDA and Non-IFRS Measures" and "Selected Consolidated Financial Information" for the reconciliation of EBITDA to net earnings.

Overview

Supremex is Canada's largest manufacturer and marketer of a broad range of stock and custom envelopes and growing provider of packaging and specialty products. Supremex is the only national envelope manufacturer in Canada, with facilities across seven (7) provinces and one facility in the United States and employs approximately 500 people. This national presence allows Supremex to manufacture and distribute products tailored to the specifications of national customers such as major corporations, national resellers, government entities, as well as paper merchants, statement processors and solutions providers.

Second Quarter Highlights

- 2015 Q2 revenues increased by 10.6% year-over-year to $33.9 million, on strong growth in the U.S. envelope market.
- Adjusted EBITDA[1] increased by 10.6% to $6.4 million, while as a result of a non-cash gain to the Company's pension plan EBITDA[1] increased by 77.6% reaching $10.3 million compared to last year's second quarter.

[1] See "Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA" and to their definition.

- Net earnings grew by 138.2%, reaching $5.6 million (or $0.19 per share) compared to $2.3 million (or $0.08 per share) in the second quarter of last year, as a result of operating improvements and a non-recurring gain.
- Revenue from the Canadian envelope market grew by 2.9% to $26.1 million.
- Revenue from the U.S. envelope market continued to increase, growing by 78.9% to $5.3 million.
- The Company's Board of Directors approved a quarterly dividend payment of $0.05 per share, equivalent to the three previous quarters and 25% higher year-over-year.

Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA
(In thousands of dollars)

	Three-month periods ended		**Six-month periods ended**	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
	$	**$**	**$**	**$**
Net Earnings	**5,552**	2,330	**9,356**	5,698
Income tax expense	**2,016**	771	**3,416**	2,004
Financing charges	**239**	287	**601**	609
Loss on disposal of property, plant and equipment	**—**	6	**—**	6
Amortization of property, plant and equipment	**980**	881	**1,941**	1,763
Amortization of intangible assets	**1,541**	1,541	**3,082**	3,082
EBITDA[1]	**10,328**	5,816	**18,396**	13,162
Adjustments				
Less: Gains on pension plans amendment	**(3,898)**	—	**(4,341)**	—
Less: Gain on post-retirement benefits plans amendment	**—**	—	**(614)**	—
Adjusted EBITDA[1]	**6,430**	5,816	**13,441**	13,162

(1) See "Definition of EBITDA". EBITDA (or Adjusted EBITDA) is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA (or Adjusted EBITDA) may not be comparable to similar measures presented by other issuers.

Summary of quarterly operating results from July 1, 2013 to June 30, 2015
(In thousands of dollars, except for per share amounts)

	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013
	$	$	$	$	$	$	$	$
Revenue	**33,868**	34,708	35,097	32,241	30,634	33,916	33,583	29,776
Adjusted EBITDA [1]	**6,430**	7,011	7,162	6,296	5,816	7,345	6,714	5,370
Earnings before income taxes	**7,568**	5,204	3,808	3,638	3,101	4,601	3,548	2,166
Net earnings	**5,552**	3,804	2,728	2,621	2,330	3,368	2,737	1,577
Net earnings per share	**0.19**	0.13	0.09	0.09	0.08	0.12	0.09	0.05

(1) See "Definition of EBITDA." EBITDA (or Adjusted EBITDA) is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA (or Adjusted EBITDA) may not be comparable to similar measures presented by other issuers.

Supremex' revenue is subject to the seasonal advertising and mailing patterns of its customers. The number of units sold by Supremex is generally higher during fall and winter mainly due to the higher number of mailings related to events including the return to school, fund-raising, the holidays and tax seasons. The number of units sold by Supremex is generally lower during spring and summer in anticipation of a slowdown in mailing activities of businesses during the summer. As a result, Supremex' revenue and financial performance for any single quarter may not be indicative of revenue and financial performance which may be expected for the full year. To maintain production efficiencies, Supremex uses warehouse capabilities to stock envelopes as required and thereby counter predictable seasonal variations in sales volume.

Selected Consolidated Financial Information

(In thousands of dollars, except for per share amounts)

	Three-month periods ended June 30,			Six-month periods ended June 30,		
	2015	**2014**	**2013**	**2015**	**2014**	**2013**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	**33,868**	30,634	31,941	**68,576**	64,549	65,607
Operating expenses(1)	**20,385**	21,067	21,793	**43,128**	43,401	42,062
Selling, general and administrative expenses(1)	**3,155**	3,751	4,018	**7,052**	7,986	7,650
EBITDA(1)(2)	**10,328**	5,816	6,130	**18,396**	13,162	15,895
Amortization of property, plant and equipment	**980**	881	849	**1,941**	1,763	1,835
Amortization of intangible assets	**1,541**	1,541	1,541	**3,082**	3,082	3,082
Loss (gain) on disposal of property, plant and equipment	**—**	6	(64)	**—**	6	(73)
Operating earnings	**7,807**	3,388	3,804	**13,373**	8,311	11,051
Financing charges	**239**	287	497	**601**	609	1,321
Earnings before income taxes	**7,568**	3,101	3,307	**12,772**	7,702	9,730
Income taxes expenses	**2,016**	771	845	**3,416**	2,004	2,513
Net earnings	**5,552**	2,330	2,462	**9,356**	5,698	7,217
Basic and diluted net earnings per share	**0.19**	0.08	0.09	**0.32**	0.20	0.25
Dividend paid per share	**0.05**	0.04	0.03	**0.10**	0.08	0.06
Total assets	**109,308**	115,193	123,912	**109,308**	115,193	123,912
Secured credit facilities	**20,144**	30,722	46,000	**20,144**	30,722	46,000

(1) Includes gains on pension plans and post-retirement benefit plans amendments. See “Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA”.

(2) See “Definition of EBITDA”.

Results of Operations

Three-month period ended June 30, 2015 compared with three-month period ended June 30, 2014

Revenue

Revenue for the three-month period ended June 30, 2015 amounted to $33.9 million compared with $30.6 million for the three-month period ended June 30, 2014, an increase of $3.3 million or 10.6%. The increase in revenue was mainly attributable to a higher number of units sold in the United States and growth in the Canadian envelope market.

Revenue in Canada increased by $0.7 million or 2.5% to $28.2 million from $27.5 million, while revenue in the United States grew by $2.6 million or 83.0%, to $5.7 million from $3.1 million.

Revenue in the Canadian envelope market grew by 2.9% on an increase of 1.6% in the number of units sold combined with an increase of the average selling price of 1.3%. Price increases were implemented during the first quarter to compensate for the increase of the U.S. dollar against the Canadian dollar.

Revenue in the U.S. envelope market continued to grow with a 60.0% increase in the number of units sold and an 11.8% increase in average selling prices denominated in Canadian dollars. Changes in the competitive landscape combined to favourable currency exchange rates have made this a very attractive growth market for Supremex.

Revenue of specialty products during the quarter increased by 7.3% reaching $2.4 million, on a 15.4% increase in the number of units sold. The Company continues to focus on this value-added product line and believes this market is also an area of future growth.

Operating expenses

Operating expenses for the three-month period ended June 30, 2015 amounted to $20.4 million compared with $21.1 million for the same period in 2014, a decrease of $0.7 million or 3.2%. This decrease is largely attributable to the effect of a non-cash gain realized on the pension plan amendment done in 2014, for which the Company obtained the required regulatory approvals during the second quarter of 2015. Without the effect of this non-cash gain, operating expenses would have stood at $23.3 million, an increase of 10.6%, on the U.S. dollar appreciation effect on raw material costs and higher volume of units sold.

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses totalled $3.2 million for the three-month period ended June 30, 2015 compared with $3.8 million for the same period in 2014, a decrease of $0.6 million or 15.9% mostly attributable to the non-cash gain realized on the pension plan amendment as described above. Without this gain, SG&A stood at $4.1 million, an increase of 10.1% due to the variable portion of the compensation plan expense adjusted to reflect second quarter results.

EBITDA and Adjusted EBITDA

EBITDA stood at $10.3 million for the three-month period ended June 30, 2015 compared with $5.8 million for the same period in 2014, an increase of $4.5 million or 77.6%. Excluding the non-cash gain on the pension plan amendment, the Adjusted EBITDA stood at $6.4 million for the three-month period ended June 30, 2015 compared with $5.8 million last year, an increase of $0.6 million or 10.6% that is mainly attributed to the Company's efforts to penetrate the US market and mix of products sold.

Amortization

Aggregate amortization expenses for the three-month period ended June 30, 2015 amounted to $2.5 million compared with $2.4 million for the comparable period of 2014 representing an increase of $0.1 million or 4.1%.

Financing charges

Financing charges for the three-month period ended June 30, 2015 amounted to $0.2 million compared with $0.3 million for the same period in 2014, a decrease of $0.1 million or 16.9%.

Earnings before income taxes

Due to the fluctuations in revenue and expenses described herein, earnings before income taxes totalled $7.6 million for the three-month period ended June 30, 2015 compared with $3.1 million for the same period in 2014, an increase of $4.5 million or 144.0%.

Provision for income taxes

During the three-month period ended June 30, 2015, the Company recorded a provision for income taxes of $2.0 million compared with $0.8 million for the three-month period ended June 30, 2014, an increase of $1.2 million or 161.6%. The increase is mainly attributable to higher earnings in the second quarter of 2015 resulting from the gain recorded following the authority approval of the pension plan amendment done in 2014.

Net earnings

As a result of the changes described above, net earnings amounted to $5.6 million for the three-month period ended June 30, 2015 compared with $2.3 million for the same period in 2014, an increase of $3.3 million or 138.2%. Earnings per share amounted to $0.19 in the second quarter of 2015 compared to $0.08 in the comparative period of 2014.

Other comprehensive loss

The discount rate used to calculate the accrued plan benefit obligations increased to 4.1% as at June 30, 2015 from 3.7% as at March 31, 2015. This increase created a gain that was partly offset by a lower than expected return on assets and as a result, net actuarial gains totalled $2.4 million for the three-month period ended June 30, 2015 compared to $0.9 million in the comparative period of 2014.

Six-month period ended June 30, 2015 compared with six-month period ended June 30, 2014

Revenue

Revenue for the six-month period ended June 30, 2015 amounted to $68.6 million compared with $64.5 million for the six-month period ended June 30, 2014, representing an increase of $4.1 million or 6.2%. The increase in revenue was mainly attributable to a higher number of units sold in the United States.

Revenue in Canada increased by $0.5 million or 0.8%, from $57.1 million to $57.6 million, while revenue in the U.S. increased by $3.6 million or 47.9%, from $7.4 million to $11.0 million.

Revenue in the Canadian envelope market increased slightly following an increase in the average selling price of 1.2% partially offset by a small volume decrease of 0.2% compared to last year. This increase follows selling price increases implemented in the first quarter, which were required to compensate for the rapid increase of the U.S. dollar against the Canadian dollar.

Revenue in the U.S. envelope market continued to grow significantly with a 36.5% increase in the volume of units sold and average selling price increase of 8.0% resulting from the appreciation of the U.S. currency against the Canadian dollar in 2015.

Revenue of specialty products remained stable when compared to the equivalent period of 2014, reaching $4.8 million.

Operating expenses

Operating expenses for the six-month period ended June 30, 2015 amounted to $43.1 million compared with $43.4 million for the same period in 2014, a decrease of $0.3 million or 0.6%. This decrease is mainly attributable to the non-cash gains realized on the pension and post-retirement benefit plans. Even with a tight control over operating costs, the higher U.S. dollar foreign exchange rate against the Canadian dollar affected the Company's costs of raw materials, which also increased on the number of units sold in the second quarter of 2015.

Selling, general and administrative expenses

Selling, general and administrative expenses totalled $7.1 million for the six-month period ended June 30, 2015 compared with $8.0 million for the same period in 2014, a decrease of $0.9 million or 11.7% attributable to the non-cash gain realized on the pension and post-retirement benefits plans and to tight control over general expenses.

EBITDA and Adjusted EBITDA

As a result of the changes described above, EBITDA stood at $18.4 million for the six-month period ended June 30, 2015 compared with $13.2 million for the same period in 2014, an increase of $5.2 million or 39.8%. Excluding the non-cash gains on amendments to the pension and post-retirement benefits plans, the Adjusted EBITDA stood at $13.4 million for the six-month period ended June 30, 2015 compared with $13.2 million last year, an increase of $0.2 million or 2.1% that is mainly related to the increase in sales in the U.S. envelope market. However, the rapid appreciation of the U.S. dollar against the Canadian dollar at the beginning of the first quarter, combined with changes in the product mix, increased the cost of raw materials.

Amortization

Aggregate amortization expenses for the six-month period ended June 30, 2015 amounted to $5.0 million compared with $4.8 million for the comparable period of 2014 representing an increase of $0.2 million or 3.7%.

Financing charges

Financing charges for the six-month period ended June 30, 2015 remained stable at $0.6 million.

Earnings before income taxes

Due to the fluctuations in revenue and expenses described above, earnings before income taxes totalled $12.8 million for the six-month period ended June 30, 2015 compared with $7.7 million for the same period in 2014, an increase of $5.1 million or 65.8%.

Provision for income taxes

During the six-month period ended June 30, 2015, the Company recorded a provision for income taxes of $3.4 million compared with $2.0 million for the six-month period ended June 30, 2014, an increase of $1.4 million or 70.5%. The increase is mainly attributable to higher earnings in the first six months of 2015 resulting from the amendments to the pension and post-retirement benefit plans.

Net earnings

As a result of the changes described above, net earnings amounted to $9.4 million for the six-month period ended June 30, 2015 compared with $5.7 million for the same period in 2014, an increase of $3.7 million or 64.2%.

Other comprehensive income

The discount rate used to calculate the accrued plan benefit obligations increased to 4.1% as at June 30, 2015 from 4.0% as at December 31, 2014. This increase created a gain that was partly offset by a lower than expected return on assets and as a result, net actuarial gains totalled $0.2 million for the six-month period ended June 30, 2015 compared to a loss of $2.9 million last year.

Segmented Information

The Company currently operates in one business segment: the manufacturing and sale of envelopes. The Company's non-current assets amounted to $78.1 million in Canada and $0.7 million in the United States as at June 30, 2015 as compared to $78.6 million and $0.7 million as at December 31, 2014, respectively.

In Canada, the Company's revenue amounted to $28.2 million and $57.6 million for the three and six-month periods ended June 30, 2015 compared with $27.5 million and $57.1 million for the same periods in 2014, representing an increase of $0.7 million or 2.5% and $0.5 million or 0.8%, respectively. In the United States, the Company's revenue amounted to $5.7 million and $11.0 million for the three and six-month periods ended June 30, 2015 compared with $3.1 million and $7.4 million for the same periods in 2014, representing an increase of $2.6 million or 83.0% and an increase of $3.6 million or 47.9%, respectively.

Liquidity and Capital Resources

Operating activities

Cash of $6.8 million was generated by operating activities during the six-month period ended June 30, 2015 compared with $8.9 million during the same period of 2014. Working capital required $3.5 million during the first six months of 2015, compared to $0.8 million for the same period in 2014, an increase of $2.7 million mostly on higher inventory, 2014 variable compensation plan and income taxes payments.

Investing activities

Cash of $1.2 million was used in investing activities during the six-month period ended June 30, 2015 compared to $0.4 million in 2014, an increase of $0.8 million, mainly related to acquisition of intangible assets, mostly for licenses to implement an enterprise resources planning software.

Financing activities

In the six-month period ended June 30, 2015, $5.3 million was used in financing activities compared with $9.7 million in 2014 from lower repayments of the secured credit facilities as cash was required to fund working capital.

Liquidity and capital resources summary

The Company's ability to generate cash flows from operations combined with our availability under our existing credit facilities are expected to provide sufficient liquidity to meet anticipated needs for existing and future projects.

Off-Balance Sheet Arrangements

Operating lease commitments have been disclosed in the Company's audited consolidated financial statements as at December 31, 2014 and did not significantly change since that date. The Company has no other off-balance sheet arrangements.

Capitalization

As at July 30, 2015, the Company had 28,750,967 common shares outstanding. During the six-month period ended June 30, 2015, the Company purchased 3,700 shares and completed its NCIB program.

On June 26, 2015, the Company announced the establishment of a normal course issuer bid to purchase its own shares. Pursuant to the normal course issuer bid, which began on July 2, 2015, the Company can purchase for cancellation up to 1,435,000 common shares until July 1, 2016. The Company has also established an automatic purchase plan to purchase its common shares on any trading day including self-imposed blackout periods. As at July 30, 2015, no common shares have been repurchased under this normal course issuer bid.

Financial Position Highlights
(In thousands of dollars)

	June 30, 2015 $	**December 31, 2014 $**
Working capital	**11,302**	5,839
Total assets	**109,308**	109,792
Total secured credit facilities[1]	**20,006**	22,406
Equity	**70,487**	63,752

[1] Net of deferred financing costs of $138,869 ($170,916 at Dec. 31, 2014)

The Company was in compliance with the covenants of its credit facilities as at June 30, 2015.

Disclosure Controls and Internal Controls over Financial Reporting

In accordance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company has filed certifications signed by the President and Chief Executive Officer and the Vice-President, Finance, that, among other things, report on the design of disclosure controls and procedures, as well as the design of internal control over financial reporting.

As indicated in such certifications, management has designed disclosure controls and procedures to provide reasonable assurance that:

i. material information relating to the Company is made known to the President and Chief Executive Officer and the Vice-President, Finance, particularly during the period in which interim filings are being prepared, and
ii. information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management has also designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework management used to design the Company's internal control over financial reporting is the Committee of Sponsoring Organizations ("COSO").

There were no changes in the Company's internal control over financial reporting that occurred during the period beginning April 1, 2015 and ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Recent Event

On July 30, 2015, the Board of Directors of the Company declared a quarterly dividend of $0.05 per common share payable on October 14, 2015, to the shareholders of record as at September 30, 2015.

Significant accounting policies and estimates

The Company's unaudited interim condensed consolidated financial statements for the six-month period ended June 30, 2015 have been prepared by management in accordance with IAS 34, *Interim Financial Reporting*, as disclosed in Note 1 accompanying the unaudited interim condensed consolidated financial statements for the same period.

Risk Factors

The results of operations, business prospects and financial condition of Supremex are subject to a number of risks and uncertainties, and are affected by a number of factors, outside the control of Supremex' management. Details are provided in the "Risk Factors" section of the Company's 2014 Annual Information Form, dated March 31, 2015 (which can be found at www.sedar.com).

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the EBITDA and future performance of Supremex and similar statements or information concerning anticipated future results, circumstances, performance or expectations. Forward-looking information may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. Such information relates to future events or future performance and reflects 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 information reflects current assumptions, expectations and estimates of management and is based on information currently available to Supremex as at the date of this MD&A. Such assumptions, expectations and estimates are discussed throughout the MD&A for fiscal 2014.

Forward-looking information is 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 information. These risks and uncertainties 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 risks and uncertainties are discussed throughout our MD&A for fiscal 2014 and, in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking statements or information will materialize. Readers should not place any undue reliance on such forward-looking information unless otherwise required by applicable securities legislation. The Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Definition of EBITDA (or Adjusted EBITDA) and Non-IFRS Measures

References to "EBITDA" are to earnings before financing charges, income tax expense, amortization of property, plant and equipment and of intangible assets and loss (gain) on disposal of property, plant and equipment. Supremex believes that EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

References to "Adjusted EBITDA" are to EBITDA before adjustment to remove non-recurring items such as gains on amendments to pension and post-retirement benefits plans in 2015. Supremex believes that Adjusted EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

EBITDA or Adjusted EBITDA is not an earnings measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA or Adjusted EBITDA may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA or Adjusted EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance.

Additional Information

Additional information relating to the Company, including the Company's annual information form, is available on SEDAR at www.sedar.com.

Interim Condensed Consolidated Financial Statements

Supremex Inc.

Unaudited
For the three and six-month periods ended June 30, 2015 and 2014

All amounts expressed in Canadian dollars

NOTICE

The Company's independent auditors have not reviewed these Interim Condensed Consolidated Financial Statements in accordance with standard established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Supremex Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at [Unaudited]	Notes	June 30, 2015 $	December 31, 2014 $
ASSETS			
Current assets			
Cash		**643,789**	364,079
Accounts receivable		**17,675,050**	18,560,419
Inventories	**2**	**11,536,674**	10,978,732
Prepaid expenses		**687,365**	558,564
Total current assets		**30,542,878**	30,461,794
Property, plant and equipment		**23,024,679**	24,333,630
Accrued pension benefit asset		**3,193,651**	—
Intangible assets	**3**	**5,657,785**	8,107,329
Goodwill		**46,889,125**	46,889,125
Total assets		**109,308,118**	109,791,878
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**13,515,080**	16,419,302
Dividend payable	**6**	**1,437,548**	1,437,733
Provisions		**336,440**	337,401
Income tax payable		**380,143**	1,207,692
Current portion of secured credit facilities	**4**	**3,571,429**	5,221,115
Total current liabilities		**19,240,640**	24,623,243
Secured credit facilities	**4**	**16,434,160**	17,184,599
Deferred income tax liabilities		**2,445,858**	2,218,415
Accrued pension benefit liability		**—**	566,464
Other post-retirement benefit obligations		**275,328**	899,900
Derivative financial liability	**4**	**425,400**	547,562
Equity			
Share capital	**5**	**9,813,365**	9,814,628
Contributed surplus	**5**	**279,601,180**	279,611,054
Deficit		**(219,024,196)**	(225,695,059)
Foreign currency translation reserve		**96,383**	21,072
Total equity		**70,486,732**	63,751,695
Total liabilities and equity		**109,308,118**	109,791,878

Subsequent event [*note 8*]

See accompanying notes

On behalf of the Directors:

By: signed (Robert B. Johnston)
Director

By: signed (Mathieu Gauvin)
Director

Supremex Inc.

CONSOLIDATED STATEMENTS OF EARNINGS

[Unaudited]	Notes	Three-month periods ended June 30, 2015 $	2014 $	Six-month periods ended June 30, 2015 $	2014 $
Revenue		**33,868,576**	30,633,858	**68,576,293**	64,549,487
Operating expenses	**2**	**20,384,901**	21,066,007	**43,128,331**	43,401,234
Selling, general and administrative expenses		**3,154,982**	3,751,403	**7,051,554**	7,986,319
Operating earnings before amortization and loss on disposal of property, plant and equipment		**10,328,693**	5,816,448	**18,396,408**	13,161,934
Amortization of property, plant and equipment		**980,543**	881,168	**1,941,150**	1,762,611
Amortization of intangible assets		**1,540,975**	1,540,975	**3,081,950**	3,081,950
Loss on disposal of property, plant and equipment		**—**	5,617	**—**	5,617
Operating earnings		**7,807,175**	3,388,688	**13,373,308**	8,311,756
Financing charges	**4**	**238,519**	287,109	**600,684**	609,072
Earnings before income taxes		**7,568,656**	3,101,579	**12,772,624**	7,702,684
Income tax expense		**2,016,433**	770,837	**3,416,455**	2,003,903
Net earnings		**5,552,223**	2,330,742	**9,356,169**	5,698,781
Basic and diluted net earnings per share		**0.1931**	0.0805	**0.3254**	0.1968
Weighted average number of shares outstanding		**28,750,967**	28,952,546	**28,751,049**	28,956,684

See accompanying notes

Supremex Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

[Unaudited]	Three-month periods ended June 30, 2015 $	Three-month periods ended June 30, 2014 $	Six-month periods ended June 30, 2015 $	Six-month periods ended June 30, 2014 $
Net earnings	**5,552,223**	2,330,742	**9,356,169**	5,698,781
Other comprehensive income (loss)				
Other comprehensive income to be reclassified to earnings in subsequent periods				
Foreign currency translation adjustments	**(13,672)**	(27,410)	**75,311**	(2,749)
Net other comprehensive (loss) income to be reclassified to earnings in subsequent periods	**(13,672)**	(27,410)	**75,311**	(2,749)
Items not to be reclassified to earnings in subsequent periods				
Recognized actuarial gain (loss) on defined benefit pension plans, net of income tax expense of $852,453 and of $67,813 [2014 – expense of $308,041 and recovery of $1,026,796]	**2,417,747**	878,559	**180,787**	(2,928,504)
Recognized actuarial gain (loss) on other post-retirement benefit, net of income tax expense of $3,832 and $3,754 [2014 – recovery of $1,453 and $8,904]	**10,868**	(4,147)	**10,646**	(25,396)
Net other comprehensive income (loss) not being reclassified to earnings in subsequent periods	**2,428,615**	874,412	**191,433**	(2,953,900)
Other comprehensive income (loss)	**2,414,943**	847,002	**266,744**	(2,956,649)
Total comprehensive income	**7,967,166**	3,177,744	**9,622,913**	2,742,132

See accompanying notes

Supremex Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended June 30
[Unaudited]

	Share capital $	Contributed surplus $	Deficit $	Foreign currency translation reserve $	Total equity $
As at December 31, 2013	9,885,008	280,108,017	(224,318,659)	(50,990)	65,623,376
Net earnings	—	—	5,698,781	—	5,698,781
Other comprehensive (loss) income	—	—	(2,953,900)	(2,749)	(2,956,649)
Total comprehensive income (loss)	—	—	2,744,881	(2,749)	2,742,132
Dividends declared [*note 6*]	—	—	(3,473,844)	—	(3,473,844)
Shares repurchased and cancelled [*note 5*]	(12,458)	(78,123)	—	—	(90,581)
As at June 30, 2014	9,872,550	280,029,894	(225,047,622)	(53,739)	64,801,083
As at December 31, 2014	9,814,628	279,611,054	(225,695,059)	21,072	63,751,695
Net earnings	—	—	9,356,169	—	9,356,169
Other comprehensive income	—	—	191,433	75,311	266,744
Total comprehensive income	—	—	9,547,602	75,311	9,622,913
Dividends declared [*note 6*]	—	—	(2,876,739)	—	(2,876,739)
Shares repurchased and cancelled [*note 5*]	(1,263)	(9,874)	—	—	(11,137)
As at June 30, 2015	**9,813,365**	**279,601,180**	**(219,024,196)**	**96,383**	**70,486,732**

See accompanying notes

Supremex Inc.

CONSOLIDATED STATEMENTS OF CASH FLOW

[Unaudited]	Notes	Three-month periods ended June 30, 2015 $	Three-month periods ended June 30, 2014 $	Six-month periods ended June 30, 2015 $	Six-month periods ended June 30, 2014 $
OPERATING ACTIVITIES					
Net earnings		**5,552,223**	2,330,742	**9,356,169**	5,698,781
Non-cash adjustment to reconcile net earnings to net cash flows					
Amortization of property, plant and equipment		**980,543**	881,168	**1,941,150**	1,762,611
Amortization of intangible assets		**1,540,975**	1,540,975	**3,081,950**	3,081,950
Amortization of deferred financing costs	**4**	**16,024**	56,858	**32,047**	113,717
Loss on disposal of property, plant and equipment		**—**	5,617	**—**	5,617
Gain on valuation of derivative financial instruments	**4**	**(115,780)**	(115,140)	**(122,162)**	(210,849)
Deferred income tax expense (recovery)		**455,417**	(383,134)	**155,876**	(806,457)
Change in employees benefits		**(3,519,223)**	75,885	**(4,114,515)**	41,985
		4,910,179	4,392,971	**10,330,515**	9,687,355
Working capital adjustments					
Variation in accounts receivable		**38,135**	528,620	**885,369**	1,400,232
Variation in inventories		**288,455**	1,359,027	**(557,942)**	1,042,473
Variation in prepaid expenses		**137,929**	(218,706)	**(128,801)**	(471,113)
Variation in accounts payable and accrued liabilities		**232,622**	(353,598)	**(2,904,222)**	(2,261,522)
Variation in provisions		**435**	(34,125)	**(961)**	(41,691)
Variation in income tax receivable and payable		**(48,013)**	(68,678)	**(827,549)**	(390,072)
Change in employee benefits		**(5,472)**	(19,400)	**(7,172)**	(38,900)
Net cash flows from operating activities		**5,554,270**	5,586,111	**6,789,237**	8,926,762
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		**(472,009)**	(204,498)	**(572,826)**	(396,305)
Acquisition of intangible assets	**3**	**(632,406)**	—	**(632,406)**	—
Proceeds from sale of property, plant and equipment		**—**	8,000	**—**	8,000
Net cash flows used in investing activities		**(1,104,415)**	(196,498)	**(1,205,232)**	(388,305)
FINANCING ACTIVITIES					
(Repayment) increase of operating facility		**(2,059,169)**	(737,500)	**(229,791)**	1,000,000
Repayment of term loan		**(1,309,524)**	(4,090,726)	**(2,202,381)**	(8,278,226)
Dividends paid	**6**	**(1,439,191)**	(1,158,434)	**(2,876,924)**	(2,316,869)
Purchase of share capital for cancellation	**5**	**—**	(90,581)	**(11,137)**	(90,581)
Net cash flows used in financing activities		**(4,807,884)**	(6,077,241)	**(5,320,233)**	(9,685,676)
Net change in cash		**(358,029)**	(687,628)	**263,772**	(1,147,219)
Net foreign exchange difference		**(1,668)**	1,660	**15,938**	(7,342)
Cash, beginning of period		**1,003,486**	1,037,612	**364,079**	1,506,205
Cash, ending of period		**643,789**	351,644	**643,789**	351,644
Supplemental information [(1)]					
Interest paid		**310,000**	440,666	**639,232**	913,794
Interest received		**1,058**	1,962	**2,613**	5,104
Income taxes paid		**1,532,075**	1,219,345	**4,027,303**	3,208,900
Income taxes received		**70,010**	10,747	**75,209**	22,974

[(1)] Amounts paid and received for interest and for income taxes were reflected as cash flows from operating activities in the consolidated statements of cash flows.

See accompanying notes

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Supremex Inc. (the "Company" or "Supremex") was incorporated on March 31, 2006 under the *Canadian Business Corporation Act.* The common shares ("common share") of the Company are listed on the Toronto Stock Exchange ("TSX") under the symbol SXP. The registered office is located at 7213 Cordner Street in LaSalle, Quebec.

The business of Supremex follows seasonal patterns with the highest revenue occurring from August to February due to seasonal advertising and mailing patterns of its customers since the highest number of mailings related to events including the return to school, fund-raising and the holiday and tax seasons take place during that period. As a result, revenue and financial performance for the three and six-month periods ended June 30, 2015 are not necessarily indicative of the revenue and performance that may be expected for a full year.

These unaudited interim condensed consolidated financial statements were approved by the Company's Board of Directors on July 30, 2015 and have not been audited or reviewed by the Company's auditors. The unaudited interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. They have been prepared by management in accordance with IAS 34, *Interim Financial Reporting*. Therefore, certain information and disclosures have been omitted or condensed. The accounting principles are consistent with those set out in the Company's audited consolidated financial statements for the year ended December 31, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS"). Accordingly, these unaudited interim condensed consolidated financial statements and the notes thereto should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2014.

2. INVENTORIES

	June 30, 2015 $	**December 31, 2014 $**
Raw materials	**2,604,997**	2,686,610
Work in progress	**169,886**	196,024
Finished goods	**8,761,791**	8,096,098
	11,536,674	10,978,732

The cost of inventories recognized as an expense and included in operating expenses, including the related amortization of property, plant and equipment allocated to inventories, during the three and six-month periods ended June 30, 2015 are $21,323,777 and $44,986,019 respectively [2014 - $21,907,458 and $45,080,563 respectively].

3. INTANGIBLE ASSETS

In the second quarter of 2015, the Company incurred $632,406 related to the acquisition of licenses for use of a software. As at June 30, 2015, these licenses have not yet been amortized as the project is not completed.

4. SECURED CREDIT FACILITIES

Amounts owed under revolving and term credit facilities are as follows:

	June 30, 2015 $	**December 31, 2014 $**
Operating facility	**537,315**	767,106
Term loan	**19,607,143**	21,809,524
Less: deferred financing costs, net	**(138,869)**	(170,916)
	20,005,589	22,405,714
Current portion	**(3,571,429)**	(5,221,115)
Long-term portion of secured credit facilities	**16,434,160**	17,184,599

Under the terms of the secured credit facilities, the Company is required, among other conditions, to meet certain covenants. The Company was in compliance with these covenants as at June 30, 2015. The secured credit facilities are collateralized by hypothec and security interests covering all present and future assets of the Company and its subsidiaries.

Minimum required payments on secured credit facilities are as follows:

	$
2015	1,785,714
2016	3,571,429
2017	14,787,315

As at June 30, 2015, the Company had outstanding letters of credit for a total of $1,145,000 [$1,145,000 as at December 31, 2014].

As at June 30, 2015, the effective interest rate on the secured credit facilities was 3.10% [3.42% as at December 31, 2014]. On January 14, 2011, the Company entered into an interest rate swap agreement for an amount of $30 million. Under this agreement, the fixed interest rate is 2.92% until January 14, 2016, excluding all applicable margins that range between 1.75% and 2.00%.

Financing charges are as follows:

	Three-month periods ended June 30,		**Six-month periods ended June 30,**	
	2015 $	**2014 $**	**2015 $**	**2014 $**
Interest on secured credit facilities	**327,243**	422,536	**657,731**	879,314
Interest expense (income) on defined benefit obligation and post retirement obligations	**10,300**	(77,500)	**26,800**	(175,400)
Other interest	**732**	355	**6,268**	2,290
Amortization of deferred financing costs	**16,024**	56,858	**32,047**	113,717
Gain on valuation of derivative financial instrument (interest rate swap)	**(115,780)**	(115,140)	**(122,162)**	(210,849)
	238,519	287,109	**600,684**	609,072

5. SHARE CAPITAL

The change on share capital was as follows:

	Number of common shares	Share capital $
Balance, as of December 31, 2014	28,754,667	9,814,628
Purchase of share capital for cancellation	(3,700)	(1,263)
Balance, as of June 30, 2015	**28,750,967**	**9,813,365**
Balance, as of December 31, 2013	28,960,867	9,885,008
Purchase of share capital for cancellation	(36,500)	(12,458)
Balance, as of June 30, 2014	**28,924,367**	**9,872,550**

During the six-month period ended June 30, 2015, the Company repurchased 3,700 common shares for cancellation through a normal course issuer bid in consideration of $11,137 and thus completed its normal course issuer bid. The excess of the purchase price over the carrying value in the amount of $9,874 (2014 - $78,123) was recorded as a reduction of contributed surplus.

On June 26, 2015, the Company announced the establishment of a normal course issuer bid to purchase its own shares. Pursuant to the normal course issuer bid, which began on July 2, 2015, the Company can purchase for cancellation up to 1,435,000 common shares until July 1, 2016. The Company has also established an automatic purchase plan to purchase its common shares on any trading day including during self-imposed trading blackout periods.

6. DIVIDENDS

Dividends declared from January 1, 2015 to June 30, 2015 were as follows:

Declaration date	Record date	Payment date	Per share $	Dividend $
February 20, 2015	March 31, 2015	April 14, 2015	0.05	1,437,548
May 7, 2015	June 30, 2015	July 14, 2015	0.05	1,439,191
Total				**2,876,739**

Dividends declared from January 1, 2014 to June 30, 2014 were as follows:

Declaration date	Record date	Payment date	Per share $	Dividend $
February 19, 2014	February 28, 2014	March 14, 2014	0.04	1,158,435
April 22, 2014	April 25, 2014	May 6, 2014	0.04	1,158,434
June 17, 2014	June 30, 2014	July 11, 2014	0.04	1,156,975
Total				**3,473,844**

7. SEGMENTED INFORMATION

The Company currently operates in one reporting segment: the manufacturing and sale of envelopes. The Company's non-current assets amounted to $78,091,303 in Canada and $673,937 in the United States as at June 30, 2015 [$78,640,750 and $689,334 respectively, as at December 31, 2014]. The Company's revenue amounted to $28,226,379 and to $57,614,962 in Canada and $5,642,197 and $10,961,331 in the United States for the three and six-month periods ended June 30, 2015 based on customer location [2014 - $27,550,422 and $57,136,122 in Canada and $3,083,436 and $7,413,365 in the United States, respectively].

8. SUBSEQUENT EVENT

On July 30, 2015, the Board of Directors has declared a quarterly dividend of $0.05 per common share, payable on October 14, 2015 to shareholders of record at the close of business on September 30, 2015.