



PRESS RELEASE

FIRST QUARTER 2014 RESULTS

Maintained Profitability Level and Solid Growth in the U.S. Market /
Establishment of Normal Course Issuer Bid

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Montreal, Quebec, May 7, 2014 – Supremex Inc., Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP), announced today its results for the first quarter ended March 31, 2014 as well as the establishment of a normal course issuer bid.

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- Revenues increased 0.7% to \$33.9 million
 - Gaining momentum in the U.S. market with unit sold increasing by 26.3%
 - EBITDA⁽¹⁾ of \$7.3 million
 - Earnings per share of \$0.12
 - Cash flows from operating activities before working capital adjustments were \$5.3 million, up 8.6%
 - Debt repayment of \$2.5 million
 - Board declared \$0.04 per share dividend in April 2014
 - Establishment of a normal course issuer bid
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(1) See "Definition of EBITDA"

"We are pleased with the EBITDA achieved in the first quarter, and with our solid revenue growth in the U.S. market when compared to last year. As expected, we sold less units in Canada but the decline was partially offset by improved average selling prices. Considering the dynamics of industry, we remain very focused on our cost structure and manufacturing efficiencies" said Dany Paradis, Chairman of the Board and Interim President and Chief Executive Officer.

Canada Post recently introduced new tiered pricing structure for stamps. While some of the postage increases were steep, the impact on some commercial mailers will be moderated by changes in the incentive rate volume structure and other measures to support smaller businesses and charities. Moreover, the Federal Government recently proposed to eliminate the practice to pay to receive paper invoice and we are awaiting the final outcome on that proposal. The next few quarters will allow us to better assess the full impact on our Canadian operations.

"The TSX recently approved our Normal Course Issuer Bid ("NCIB") program which will allow the purchase of up to 1,448,000 common shares from the period commencing on May 12, 2014 until May 11, 2015. The new NCIB program will not impede our key objective of reducing our debt level in fiscal 2014," concluded Mr. Paradis.

Financial Results

Revenue in the first quarter of 2014 amounted to \$33.9 million compared with \$33.7 million in the first quarter of 2013. This increase is mainly attributable to the 55.8% increase in U.S. sales partially offset by the 4.2% decline in Canadian sales. The increase in U.S. sales reflects an increase in volume, higher average selling prices and the lower Canadian dollar. Lower volume in Canada of 13.3% was partially offset by an improved product mix resulting in higher average selling prices.

EBITDA in the first quarter of 2014 amounted to \$7.3 million compared with \$7.0 million for the first quarter of 2013 which excludes the non-cash gain of \$2.8 million resulting from the 2013 defined

benefit plan amendment. Higher raw material costs were offset by lower labor costs reflecting an ongoing process to improve manufacturing efficiencies.

Net earnings for the first quarter of 2014 amounted to \$3.4 million compared with \$4.8 million for the same period in 2013. As indicated above, the first quarter 2013 benefitted from a non-cash gain. Earnings per share amounted to \$0.12 in the first quarter of 2014 compared to \$0.16 in the comparative period of 2013.

Cash Flow from Operations

During the first quarter of 2014, cash flows from operating activities before working capital adjustments amounted to \$5.3 million compared with \$4.9 million for the same period 2013. Most of the cash flows generated during the quarter were used in the Company's financing activities to reimburse \$2.5 million of its secured credit term facility and to pay \$1.2 million in dividends to its shareholders.

Declaration of Dividend

On April 22, 2014, the Board of Directors declared a quarterly dividend of \$0.04 per common share, payable on May 6, 2014 to shareholders of record at the close of business on April 25, 2014. This dividend is designated as an "eligible" dividend for the purposes of the *Income Tax Act* (Canada) and any similar provincial legislation.

Management remains committed to continue reducing the debt level in fiscal 2014. In the first quarter of 2014, debt level was reduced by \$2.5 million.

Normal Course Issuer Bid

Supremex also announced today that it has received approval from the Toronto Stock Exchange ("TSX") to purchase by way of a normal course issuer bid (the "NCIB"), for cancellation, up to 1,448,000 of its common shares, representing approximately 5.0% of its 28,960,867 issued and outstanding common shares as of April 30, 2014.

Purchases under the NCIB will be made through the facilities of the TSX or alternative trading facilities in Canada, if eligible, in accordance with applicable securities laws and regulations, over a maximum period of 12 months beginning on May 12, 2014, being the first day after the end of Supremex's current self-imposed trading blackout period, and ending on May 11, 2015.

The average daily trading volume of Supremex's common shares over the six (6) calendar months prior to the date hereof was 15,054. Accordingly, Supremex is entitled to purchase, on any trading day, up to 3,763 common shares representing 25% of such average daily trading volume. In addition, Supremex may make, once per week, a block purchase (as such term is defined in the TSX Company Manual) of common shares not directly or indirectly owned by insiders of Supremex, in accordance with TSX rules.

Purchases under the NCIB will be made by means of open market transactions or such other means as the TSX or a securities regulatory authority may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority.

The price to be paid by Supremex for any common share will be the market price at the time of acquisition, plus brokerage fees, or such other price as the TSX may permit. In the event that Supremex purchases common shares by private agreements, the purchase price of the common shares will be at a discount to the market price of the common shares at the time of the acquisition.

Supremex also announced that it has entered into an automatic purchase plan ("APP") agreement with a broker to allow for the purchase of its common shares under the NCIB at times when Supremex ordinarily would not be active in the market due to self-imposed trading blackout periods. Before entering into a blackout period, Supremex may, but is not required to, instruct the designated broker to make purchases under the NCIB in accordance with the terms of the APP. Such purchases will be

determined by the broker in its sole discretion based on parameters established by Supremex prior to the blackout period in accordance with TSX rules, applicable securities laws and the terms of the APP. The terms of the APP have been pre cleared by the TSX. Outside of these pre-determined blackout periods, common shares will be purchased in accordance with management's discretion.

Supremex believes that the purchase by it of its own common shares may represent a responsible and advisable use of its funds on hand to increase shareholder value.

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 or future performance of Supremex, the potential repurchase of common shares, 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 Management Discussion and Analysis and Financial Statements for fiscal 2013 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.

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

Definition of EBITDA

References to "EBITDA" are to earnings before financing charges, income tax expense, amortization of property, plant and equipment and of intangible assets, gain on disposal of property, plant and equipment and impairment of goodwill.

EBITDA is not an earnings measure recognized under IFRS and does not have a standardized meaning 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 determined in accordance with IFRS as an indicator of the Company'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 six provinces and employs approximately 525 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.

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