

---

**PRESS RELEASE**

**Source:** Supremex Inc.

**Contact:** Gilles Cyr, CPA, CA  
President and Chief Executive Officer  
(514) 595-0555

---

**SUPREMEX INC.: 2013 THIRD QUARTER RESULTS  
AND INCREASE IN DIVIDEND**

- INCREASE IN QUARTERLY DIVIDEND FROM \$0.03 PER SHARE TO \$0.04 PER SHARE, AN INCREASE OF 33.3%. DIVIDEND OF \$0.04 PER SHARE DECLARED ON NOVEMBER 7, 2013
- NET EARNINGS PER SHARE OF \$0.05 AS COMPARED WITH NET LOSSES PER SHARE OF \$0.90 IN THE THIRD QUARTER OF 2012
- EBITDA OF \$5.4 MILLION COMPARED WITH \$6.1 MILLION IN THE THIRD QUARTER OF 2012
- REVENUE OF \$29.8 MILLION COMPARED WITH \$30.7 MILLION IN THE THIRD QUARTER OF 2012

**Montreal, Quebec, November 7, 2013** – Supremex Inc., Canada’s largest provider of stock and custom-manufactured envelopes (TSX: SXP), today announced its results for the third quarter ended September 30, 2013.

For the third quarter of 2013, Supremex generated revenue of \$29.8 million compared with \$30.7 million for the three-month period ended September 30, 2012, representing a decrease of \$0.9 million or 0.3%. The decrease in revenue was mainly attributable to the impact of the deterioration of the average selling price due to change in the product mix in Canada and in the United States. Although the decrease in the number of units sold in Canada was totally offset by the increase in the number of units sold in the United States, the difference in product mix is explaining all the decrease in revenue of this quarter. Revenue from sales in Canada decreased by \$1.3 million or 4.6%, from \$27.9 million to \$26.6 million while revenue from sales in the United States increased by \$0.4 million or 12.4%, from \$2.8 million to \$3.2 million.

The decrease in sales revenue in Canada was driven by a 2.8% decrease in the number of units sold partially combined with a deterioration of the average selling price due to change in the product mix. The decrease in the number of units sold was mainly in the corporate and direct mail markets. The increase in revenue in the United States was driven by a 16.2% increase in the number of units sold offset by a deterioration of the product mix. The increase in the number of units sold comes mainly from the corporate market.

EBITDA for the third quarter of 2013 was \$5.4 million compared with \$6.1 million for the same period in 2012, representing a decrease of \$0.7 million or 11.8%. EBITDA margin was 18.0% compared with 19.8% in the third quarter of 2012. The margin erosion is mainly due to the change in the product mix.

Net earnings for the third quarter of 2013 were \$1.6 million or \$0.05 per share compared with net losses of \$26.3 million or \$0.90 per share for the same period in 2012 mainly due to the impairment of goodwill charge booked in 2012, representing an increase of \$27.9 million.

Cash flows from operating activities were \$2.6 million in the third quarter of 2013 compared with cash flows generated of \$1.8 million for the same period in 2012.

For the first nine months, Supremex generated revenues of \$95.4 million compared with \$98.1 million in 2012, representing a decrease of \$2.7 million or 2.8%. The EBITDA for the first nine months of 2013 was \$21.3 million compared with \$17.5 million for the same period in 2012, an increase of \$3.8 million or 21.4%.

“The third quarter has been somewhat uneven. After a very slow month of July, we saw better activities in August and September. Clearly, the US market has and is still offering us opportunities to offset the decline in the Canadian market, although at reduced margin” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“The envelope market in the US seems to be busier than last year and Supremex is well positioned to benefit from these trends in the months to come” said Mr. Cyr.

The Board of Directors has declared today a quarterly dividend of \$0.04 per common share, payable on December 13, 2013 to shareholders of record at the close of business on November 30, 2013. This dividend is designated as “eligible” dividend for the purposes of the *Income Tax Act* (Canada) and any similar provincial legislation.

#### **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 fiscal 2012 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 can be found on [www.sedar.com](http://www.sedar.com) and on Supremex’s website [www.supremex.com](http://www.supremex.com)

#### **Definition of 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, 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.

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

	<b>Three-month period ended September 30, 2013</b>	Three-month period ended September 30, 2012 <sup>(1)</sup>
<b>Net earnings (loss) for the period</b>	<b>1,576,730</b>	(26,270,502)
Add (deduct):		
Amortization of property, plant and equipment	<b>864,965</b>	890,561
Amortization of intangible assets	<b>1,540,975</b>	1,540,975
Impairment of goodwill	—	28,862,000
Gain on disposal of property, plant and equipment	—	(38,315)
Financing charges	<b>798,381</b>	806,938
Income taxes expense	<b>589,140</b>	297,571
<b>EBITDA</b>	<b>5,370,191</b>	6,089,228

<sup>(1)</sup> Restated following the transition to the new accounting standard IAS 19 *Employee Benefits* as described in note 2 to the Company's unaudited interim condensed consolidated financial statements for the three-month period ended September 30, 2013.