



PRESS RELEASE

Source: Supremex Inc.

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SUPREMEX INC.: 2013 FIRST QUARTER RESULTS AND DECLARATION OF DIVIDEND

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| <ul style="list-style-type: none">• EBITDA, BEFORE THE NON-CASH GAIN OF \$2.8 MILLION RELATED TO PENSION PLAN AMENDMENTS, OF \$7.0 MILLION COMPARED WITH \$6.3 MILLION IN THE FIRST QUARTER OF 2012• DIVIDEND OF \$0.03 PER SHARE DECLARED ON MAY 6, 2013 |
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Montreal, Quebec, May 6, 2013 – Supremex Inc., Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP), today announced its results for the first quarter ended March 31, 2013.

For the first quarter of 2013, Supremex generated revenue of \$33.7 million compared with \$35.6 million for the three-month period ended March 31, 2012, representing a decrease of \$1.9 million or 5.4%. The decrease in revenue is mainly attributable to the lower number of units sold in Canada partially offset by an improved product mix. Revenue from sales in Canada decreased by \$1.5 million or 4.7%, from \$32.4 million to \$30.9 million while revenue from sales in the United States decreased by \$0.4 million or 13.1%, from \$3.2 million to \$2.8 million.

The decrease in sales revenue in Canada was driven by an 8.0% decrease in the number of units sold partially offset by an improved product mix. The decrease in the number of units sold was seen mainly in the forms resellers, paper merchants and large corporations markets. The decrease in revenue in the United States was driven by a 4.4% decrease in the number of units sold combined with deterioration in the product mix. The decrease in the number of units sold comes mainly from the direct mail market.

EBITDA for the first quarter of 2013 was \$9.8 million compared with \$6.3 million for the same period in 2012, representing an increase of \$3.5 million or 54.9%. EBITDA margin was 29.0% compared with 17.7% in the first quarter of 2012. The margin improvement is attributable to the various cost reduction measures put in place, mainly the non-cash impact of the amendments of the defined benefit pension plan reducing early retirement and bridging benefits effective January 1, 2013 for \$2.8 million and the conversion, for future service, of the defined benefit pension plans into defined contribution plans since July 1, 2012 for approximately \$0.5 million partially offset by the impact of reduced volume.

Net earnings for the first quarter of 2013 were \$4.8 million or \$0.16 per share compared with \$2.5 million or \$0.08 per share for the same period in 2012, representing an increase of \$2.3 million.

Cash flows used in operating activities were \$0.9 million in the first quarter of 2013 compared with cash flows generated of \$1.1 million for the same period in 2012.

"I am pleased with the results for the first three months of 2013. Clearly, our cost saving initiatives are bearing fruits and are helping to ensure the company is sustainable in spite of the continuous decline in the demand for our products" said Gilles Cyr, President and Chief Executive Officer of Supremex.

"The decline has continued in the last quarter but at a slower pace. Taking into account the fact that we had three less working days, the decline in units in Canada would have only been around 3.5%. We are still experiencing decline in large transactional mail volume, while seeing increased level of activities in our specialty envelopes products. These value added products are attracting much better pricing than more traditional envelopes explaining the increase in our average selling price. Finally, although not a cash item, I am pleased with the important reduction in our pension benefit liability which was reduced by more than \$9,100,000 in the last quarter, mainly as a result of the good return on assets during this period and the recent amendments. Although still a big concern, such reductions make it more bearable for Supremex" said Mr. Cyr.

The Board of Directors has declared today a quarterly dividend of \$0.03 per common share, payable on June 14, 2013 to shareholders of record at the close of business on May 31, 2013. This dividend is designated as "eligible" dividend for the purposes of the *Income Tax Act* (Canada) and any similar provincial legislation.

The Company has received, on March 25, 2013, from its principal shareholder, Clarke Inc., a non-binding proposal to acquire all of the outstanding shares of Supremex that it does not already own at a price of \$1.20 in cash per share. Clarke currently holds approximately 45.2% of the issued and outstanding shares of Supremex. A Special Committee of independent directors has been established by the Board of Directors of Supremex to review the terms of Clarke's non-binding proposal and make a recommendation to the Board of Directors.

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 and on Supremex's website 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 and (gain) loss on disposal of property, plant and equipment.

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 550 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)

| | Three-month period ended March 31, 2013 | Three-month period ended March 31, 2012 ⁽¹⁾ |
|---|--|--|
| Net earnings for the period | 4,754,594 | 2,484,133 |
| Add (deduct): | | |
| Amortization of property, plant and equipment | 985,819 | 845,326 |
| Amortization of intangible assets | 1,540,975 | 1,540,975 |
| (Gain) loss on disposal of property, plant and equipment | (8,910) | 9,469 |
| Financing charges | 824,405 | 463,016 |
| Income taxes expense | 1,668,522 | 959,621 |
| EBITDA | 9,765,405 | 6,302,540 |

⁽¹⁾ 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 March 31, 2013.