



PRESS RELEASE

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SUPREMEX INC.: 2012 FOURTH QUARTER RESULTS

- EBITDA OF \$7.2 MILLION COMPARED WITH \$7.4 MILLION IN THE FOURTH QUARTER OF 2011
- NET EARNINGS OF \$3.2 MILLION COMPARED WITH \$3.0 MILLION IN THE FOURTH QUARTER OF 2011

Montreal, Quebec, March 11, 2013 – Supremex Inc., Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP), today announced its results for the fourth quarter ended December 31, 2012.

For the fourth quarter of 2012, Supremex generated revenue of \$33.7 million compared with \$36.7 million for the three-month period ended December 31, 2011, representing a decrease of \$3.0 million or 8.1%. The decrease in revenue is mainly attributable to the number of units sold in Canada. Revenue from sales in Canada decreased by \$3.0 million or 8.8%, from \$33.9 million to \$30.9 million while revenue from sales in the United States remained stable.

The decrease in sales revenue in Canada was driven by a 9.5% decrease in the number of units sold partially offset by a 0.8% increase in the average selling price. The decrease in the number of units sold was spread in most of the accounts with bigger decline seen in the forms resellers and large corporations markets.

EBITDA for the fourth quarter of 2012 was \$7.2 million compared with \$7.4 million for the same period in 2011, representing a decrease of \$0.2 million or 2.7%. EBITDA margin was 21.4% compared with 21.3% in the fourth quarter of 2011. The margin improvement is mainly attributable to the various cost reduction measures put in place including the conversion, for future service, of its defined benefit pension plans into defined contribution plans since July 1, 2012 partially offset by the impact of reduced volume.

Net earnings for the fourth quarter of 2012 were \$3.2 million or \$0.11 per share compared with \$3.0 million or \$0.10 per share for the same period in 2011, representing an increase of \$0.2 million mainly due to reduced financing charges offset by lower EBITDA.

Cash flows generated by the operating activities were \$8.9 million in the fourth quarter of 2012 compared with \$9.5 million for the same period in 2011.

In 2012, Supremex generated revenue of \$131.9 million compared with \$143.9 million in 2011, representing a decrease of \$12.0 million or 8.4%. The EBITDA for 2012 was \$25.1 million compared with \$28.4 million in 2011, a decrease of \$3.3 million or 11.8%. Net loss for 2012 was \$18.7 million compared with the net earnings of \$8.3 million in 2011, a decrease of \$27 million mainly due to the goodwill impairment charge of \$28.9 million recorded in the third quarter of 2012.

“In spite of a declining market, I am relatively pleased with our results for the last quarter. Our revenues were down by 8.1%, but we have been able to mitigate the impact of such reduction in volume with cost containment measures as well as a shift in our product mix. This has translated in EBITDA of \$7.2 million, slightly lower than 2011” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“The fundamental of the industry is changing and we are changing with it. We are now producing more and more envelopes which are for applications that are different than traditional envelopes. Being packaging envelopes that protect their content or protective envelopes that protect people against identify theft. Supremex is well positioned to benefit from the potential growth of these products. Not only have we invested over the years in the equipment needed to produce these goods but we have also developed the skills that put us in a unique position to benefit from these growing markets” said Mr. Cyr.

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 (loss) earnings before financing charges, income tax expense, amortization of property, plant and equipment and of intangible assets, (gain) loss 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 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 December 31, 2012	Three-month period ended December 31, 2011
Net earnings for the period	3,231,527	2,950,094
Add (deduct):		
Amortization of property, plant and equipment	915,800	852,340
Amortization of intangible assets	1,540,975	1,540,975
Loss on disposal of property, plant and equipment	—	85,881
Financing charges	562,895	992,169
Income taxes expense	980,757	1,009,935
EBITDA	7,231,954	7,431,394