



PRESS RELEASE

Source: Supremex Inc.

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SUPREMEX INC.: 2012 THIRD QUARTER RESULTS AND DECLARATION OF DIVIDEND

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| <ul style="list-style-type: none">• EBITDA OF \$6.2 MILLION COMPARED WITH \$6.5 MILLION IN THE THIRD QUARTER OF 2011• A NON-CASH GOODWILL IMPAIRMENT OF \$28.9 MILLION WAS RECORDED, RESULTING IN A NET LOSS PER SHARE OF \$0.89 AS COMPARED WITH NET EARNINGS PER SHARE OF \$0.04 IN THE THIRD QUARTER OF 2011• DIVIDEND OF \$0.03 PER SHARE DECLARED ON NOVEMBER 8, 2012 |
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Montreal, Quebec, November 8, 2012 – 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, 2012.

For the third quarter of 2012, Supremex generated revenue of \$30.7 million compared with \$34.0 million for the three-month period ended September 30, 2011, representing a decrease of \$3.3 million or 9.8%. The decrease in revenue is mainly attributable to the number of units sold in Canada and in the United States. Revenue from sales in Canada decreased by \$3.3 million or 10.6%, from \$31.1 million to \$27.9 million. Revenue from sales in the United States decreased by \$0.1 million or 3.4%, from \$2.9 million to \$2.8 million.

The decrease in sales revenue in Canada was driven by a 13.0% decrease in the number of units sold partially offset by a 2.9% increase in the average selling price. The decrease in the number of units sold was spread in all accounts with bigger decline seen in the forms resellers and public sectors.

The decrease in sales revenue in the United States was due to a 13.0% decrease in the number of units sold offset by a 13.0% increase in the average selling prices. The decrease in the number of units sold was attributable to 2011 orders not repeated in 2012 due to the softness of the market. The increase in the average selling prices reflects changes in the product mix.

EBITDA for the third quarter of 2012 was \$6.2 million compared with \$6.5 million for the same period in 2011, representing a decrease of \$0.3 million or 4.4%. EBITDA margin was 20.2% compared with 19.0% in the third 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.

Several new indicators have shown that the volume decrease in North America's envelope industry was higher than expected and that this decline is expected to continue in the upcoming years. Therefore, Supremex performed an impairment test and a goodwill impairment charge of 28.9 million dollars was recorded in the third quarter of 2012

Net losses for the third quarter of 2012 were \$26.0 million or \$0.89 per share compared with net earnings of \$1.0 million or \$0.04 per share for the same period in 2011, representing a decrease of \$27.0 million mainly due to impairment of goodwill charge recorded in the third quarter of 2012.

Cash flows generated by the operating activities were \$1.8 million in the third quarter of 2012 compared with \$6.9 million for the same period in 2011.

For the first nine months, Supremex generated revenue of \$98.1 million compared with \$107.2 million in 2011, representing a decrease of \$9.1 million or 8.5%. The EBITDA for the first nine months of 2012 was \$17.9 million compared with \$21.0 million for the same period in 2011, a decrease of \$3.1 million or 15.0%.

“The last quarter was quite difficult with our volume of units sold declining around 13.0%. All major segments were trending down, with high volume orders being mostly impacted. The declining rate was similar to the decline experienced by paper producers in North America showing a structural change in the paper consumption” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“On the bright side, we see growth in more value-added products, such as our new “defender envelope” and our conformer products. Such a trend is changing the mix of our products and has helped increase our average selling price by 2.0% in Canada.

We are living in a very challenging environment and all of our employees are doing their maximum to help the business cope with our new reality. I personally want to thank them for being supportive of all the changes we made and the ones we will have to make, in order to mitigate the impact of the decline. Without them, we would not have been able to limit the reduction of our EBITDA before restructuring expenses at 6.7% while our sales have declined close to 10.0%” said Mr. Cyr.

The Board of Directors has declared today a quarterly dividend of \$0.03 per common share, payable on December 17, 2012 to shareholders of record at the close of business on November 30, 2012. 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 2011 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 September 30, 2012	Three-month period ended September 30, 2011
Net (loss) earnings for the period	(26,039,685)	1,040,016
Add (deduct):		
Amortization of property, plant and equipment	890,561	1,194,223
Amortization of intangible assets	1,540,975	1,540,975
Impairment of goodwill	28,862,000	—
(Gain) loss on disposal of property, plant and equipment	(38,315)	61,098
Financing charges	605,538	2,169,903
Income taxes expense	377,954	480,477
EBITDA	6,199,028	6,486,692