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**PRESS RELEASE**

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**SUPREMEX INC.: 2012 FIRST QUARTER RESULTS**

- Not for distribution in the United States or over U.S. newswires –

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| <ul style="list-style-type: none"><li>• NET EARNINGS OF \$2.7 MILLION VS \$2.9 MILLION IN THE FIRST QUARTER OF 2011</li><li>• EBITDA OF \$6.4 MILLION COMPARED WITH \$7.9 MILLION IN THE FIRST QUARTER OF 2011</li></ul> |
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**Montreal, Quebec, May 7, 2012** – 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, 2012.

For the first quarter of 2012, Supremex generated revenue of \$35.6 million compared with \$39.1 million for the three-month period ended March 31, 2011, representing a decrease of \$3.5 million or 8.9%. The decrease in revenue is mainly attributable to the lower number of units sold in Canada. Revenue from sales in Canada decreased by \$3.8 million or 10.4%, from \$36.2 million to \$32.4 million. Revenue from sales in the United States increased by \$0.3 million or 8.9%, from \$2.9 million to \$3.2 million.

The decrease in sales revenue in Canada was driven by a 10.1% decrease in the number of units sold combined with a 0.3% decrease in the average selling prices. The decrease in the number of units sold was seen mainly in the government and form resellers markets.

The increase in sales revenue in the United States was due to a 0.9% increase in the number of units sold combined with a 7.9% increase in the average selling prices. The increase in the average selling price is mainly attributable to a different product mix.

EBITDA for the first quarter of 2012 was \$6.4 million compared with \$7.9 million for the same period in 2011, representing a decrease of \$1.5 million or 18.8%. EBITDA margin was 18.0% compared with 20.2 in the first quarter of 2011.

Net earnings for the first quarter of 2012 were \$2.7 million or \$0.09 per share compared with \$2.9 million or \$0.10 per share for the same period in 2011, representing a decrease of \$0.2 million.

Cash flows generated by the operating activities were \$1.1 million in the first quarter of 2012 compared with cash flows used in the operating activities of \$1.0 million for the same period in 2011.

"We are still evolving in a very difficult market and we have lost a few big orders, that were to be delivered in the first quarter, due to very low bid by competitors. Excluding these few big orders, the rest of the business is still declining but at a much lower rate" said Gilles Cyr, President and Chief Executive Officer of Supremex Inc.

“ In spite of all the challenges we are facing and the various cost saving initiatives undertaken over the last few years, we maintain our high product quality and customer service standards. This strategy, although painful on short term, begins to bear fruits as many former customers, for whom envelopes are critical, are coming back to us due to our exceptional service level and the great quality of our products. In fact, we have recently won back sizable pieces of business that will help us mitigate the decline we have experienced lately” said Mr. Cyr.

The Board of Directors has declared today a quarterly dividend of \$0.03 per Common Share, payable on June 15, 2012 to shareholders of record at the close of business on May 31, 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 the Fund MD&A for the fiscal year 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. Supremex disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The Financial Statements and Management's 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).

### **Non-GAAP Measures**

References to EBITDA are to earnings before financing charges, income taxes, amortization of property, plant and equipment, intangible assets and loss on disposal of property, plant and equipment.

EBITDA is not earnings measures recognized under IFRS and do not have standardized meanings 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 or loss determined in accordance with IFRS as indicators of Supremex's performance.

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**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 600 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<br/>period ended<br/>March 31,<br/>2012</b> | Three-month<br>period ended<br>March 31,<br>2011 |
|---|--|--|
| <b>Net earnings for the period</b>                | <b>2,715,621</b>   | 2,872,295  |
| Add :   |  |  |
| Amortization of property, plant and equipment     | <b>845,326</b>   | 1,162,186  |
| Amortization of intangible assets                 | <b>1,540,975</b>   | 1,540,975  |
| Loss on disposal of property, plant and equipment | <b>9,469</b>   | 26,181   |
| Financing charges                                 | <b>261,616</b>   | 1,169,038  |
| Income tax expense                                | <b>1,039,733</b>   | 1,122,311  |
| <b>EBITDA</b>                                     | <b>6,412,740</b>   | 7,892,986  |