



PRESS RELEASE

Source: Supremex Inc.

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SUPREMEX INC.: 2011 THIRD QUARTER RESULTS

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

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| <ul style="list-style-type: none">• EBITDA BEFORE ACQUISITION COSTS AND RESTRUCTURING EXPENSES OF \$6.6 MILLION COMPARED WITH \$7.7 MILLION IN THE THIRD QUARTER OF 2010• NET EARNINGS PER SHARE OF \$0.04 VS \$0.09 IN THE THIRD QUARTER OF 2010• DECLARATION OF A \$0.03 PER SHARE DIVIDEND PAYABLE ON DECEMBER 15, 2011• RENEWAL OF THE CREDIT FACILITIES OF \$95 MILLION ON NOVEMBER 4, 2011 |
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Montreal, Quebec, November 8, 2011 – 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, 2011, in accordance with the newly adopted International Financial Reporting Standards (“IFRS”).

The Board of Directors has declared today a quarterly dividend of \$0.03 per Common Share, payable on December 15, 2011 to shareholders of record at the close of business on November 30, 2011. This dividend is designated as “eligible” dividend for the purposes of the *Income Tax Act* (Canada) and any similar provincial legislation.

For the third quarter of 2011, Supremex generated revenue of \$34.0 million compared with \$36.4 million for the three-month period ended September 30, 2010, representing a decrease of \$2.4 million or 6.6%. The decrease in revenue is mainly attributable to the number of units sold in Canada. Revenue from sales in Canada decreased by \$2.8 million or 8.3%, from \$33.9 million to \$31.1 million. Revenue from sales in the United States increased by \$0.4 million or 16.0%, from \$2.5 million to \$2.9 million. The decrease of the third quarter revenue and volume is partially explained by a one-time large order of \$1.8 million done for the Canadian census in the third quarter of 2010. Excluding this one-time order, total revenue would have been down 1.6%.

The decrease in sales revenue in Canada was driven by a 7.6% decrease in the number of units sold combined with a 0.5% decrease in the average selling prices. The decrease in the number of units sold was mainly related to the one-time order for the Canadian census done in the third quarter of 2010 and a reduction of volume seen in the form resellers market. Excluding this one-time order related to the census, the units sold in Canada decreased by 3.0% and the total revenue in Canada decreased by 2.8%.

The increase in sales revenue in the United States was due to a 43.8% increase in the number of units sold offset by a 20.6% decrease in the average selling prices. The increase in the number of units sold is mainly attributable to the new US partnership in Buffalo signed late in the third quarter of 2010 and the decrease in the average selling prices reflects the change in the product mix.

EBITDA before acquisition costs and restructuring expenses for the third quarter of 2011 was \$6.6 million compared with \$7.7 million for the same period in 2010, representing a decrease of \$1.1 million or 14.3%. EBITDA margin before transaction fees and restructuring expenses was 19.4% compared with 21.2% in the third quarter of 2010.

Net earnings for the third quarter of 2011 were \$1.0 million or \$0.04 per share compared with \$2.7 million or \$0.09 per share for the same period in 2010, representing a decrease of \$1.7 million.

Cash flows generated by the operating activities were \$6.9 million in the third quarter of 2011 compared with \$6.4 million for the same period in 2010.

For the year to date, Supremex generated revenue of \$107.2 million compared with \$112.9 million for the first nine months of 2010, representing a decrease of \$5.7 million or 5.0%. The EBITDA before acquisition costs and restructuring expenses for the first nine months of 2011 was \$21.7 million compared with \$24.9 million for the same period in 2010, a decrease of \$3.2 million or 12.9%.

“Excluding the Canadian census order we did in the third quarter of 2010, total revenue was down by 1.6%, but total volume was up by 2.0%, while Canadian volume was down by 3.0% in line with the global industry decline forecast. The Canada Post strike of June 2011 did not have a major impact on our third quarter volume, but some customers have postponed reordering products to deplete inventories” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“Our Buffalo partnership is still doing well and we generate stable monthly volume from this operation. We can expect more volume from the US in 2012.

The Montreal integration plan is now completed. We will start generating savings from this project in the fourth quarter of 2011. The integration went very well and was seamless to our customers.

We reduced our debt by \$4.5 million in the third quarter and our total leverage ratio, as defined in the credit agreement, was 1.85 as of September 30, 2011. The Company renewed its credit agreement on November 4, 2011, for a period of 4 years. The total credit facilities of \$95 million includes a line of acquisition/growth capital expenditures of \$25 million that will allow Supremex to review opportunities to diversify in complementary industries in order to grow and enhance our actual lines of businesses ” said Mr. Cyr.

Transition to IFRS

Supremex's unaudited interim consolidated financial statements for the quarter ended September 30, 2011 have been prepared using IFRS. Amounts relating to the year ended December 31, 2010 have been restated to reflect the adoption of IFRS. Details for the significant accounting differences can be found in our 2011 quarterly unaudited interim consolidated financial statements.

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 2010 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's Discussion and Analysis can be found on www.sedar.com and on Supremex's website www.supremex.com.

Non-IFRS Measures

References to EBITDA are to earnings before net financing charges, income taxes, amortization of property, plant and equipment, intangible assets and deferred compensation, gain or loss on disposal of property, plant and equipment and impairment of goodwill.

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.

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 seven 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 before acquisition costs and restructuring expenses to Net Earnings
(Unaudited)

	Three-month period ended September 30, 2011	Three-month period ended September 30, 2010
Net earnings for the period	1,040,016	2,692,194
Add (deduct):		
Amortization of property, plant and equipment	1,194,223	1,053,697
Amortization of intangible assets	1,540,975	1,540,975
Loss on disposal of property, plant and equipment	61,098	52,273
Financing charges	2,169,903	1,106,518
Income taxes expense (recovery)	480,477	769,050
EBITDA	6,486,692	7,214,707
Acquisition costs	—	168,207
Restructuring expenses	155,868	295,582
EBITDA before acquisition costs and restructuring expenses	6,642,560	7,678,496