



PRESS RELEASE

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SUPREMEX INC.: 2011 SECOND 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 RESTRUCTURING EXPENSES OF \$7.0 MILLION COMPARED WITH \$7.3 MILLION IN THE SECOND QUARTER OF 2010• NET EARNINGS PER SHARE OF \$0.05 VS \$0.01 IN THE SECOND QUARTER OF 2010• REDUCTION OF DEBT OF \$1.9 MILLION IN THE SECOND QUARTER OF 2011; TOTAL LEVERAGE RATIO OF 1.94 AS OF JUNE 30, 2011• CANADA POST WORK STOPPAGE HAD LIMITED IMPACT ON THE SECOND QUARTER RESULTS |
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Montreal, Quebec, August 4, 2011 – Supremex Inc., Canada's largest provider of stock and custom-manufactured envelopes (TSX: SXP), today announced its results for the second quarter ended June 30, 2011, in accordance with the newly adopted International Financial Reporting Standards ("IFRS").

For the second quarter of 2011, Supremex generated revenue of \$34.1 million compared with \$35.2 million for the three-month period ended June 30, 2010, representing a decrease of \$1.1 million or 3.1%. The decrease in revenue is mainly attributable to the number of units sold in Canada offset by the increase of the number of units sold in the United States. Revenue from sales in Canada decreased by \$2.0 million or 6.0%, from \$33.1 million to \$31.1 million. Revenue from sales in the United States increased by \$0.9 million or 42.9%, from \$2.1 million to \$3.0 million.

The decrease in sales revenue in Canada was driven by an 8.4% decrease in the number of units sold offset by a 2.4% increase in the average selling prices. The decrease in the number of units sold was seen in the corporate and form resellers markets.

The increase in sales revenue in the United States was due to a 76.0% increase in the number of units sold offset by a 19.3% decrease in the average selling prices. The increase in the number of units sold is mainly attributable to the new US partnership in Buffalo and new contracts signed in the second half of 2010 and the decrease in the average selling prices reflects changes in the product mix.

EBITDA before restructuring expenses for the second quarter of 2011 was \$7.0 million compared with \$7.3 million for the same period in 2010, representing a decrease of \$0.3 million or 4.1%. EBITDA margin before restructuring expenses was 20.5% compared with 20.6% in the second quarter of 2010.

Net earnings for the first quarter of 2011 were \$1.5 million or \$0.05 per share compared with \$0.1 million or \$0.01 per share for the same period in 2010, representing an increase of \$1.4 million.

Cash flows generated by the operating activities were \$3.5 million in the second quarter of 2011 compared with \$6.7 million for the same period in 2010.

For the year to date, Supremex generated revenue of \$73.2 million compared with \$76.5 million for the first six months of 2010, representing a decrease of \$3.3 million or 4.3%. The EBITDA before restructuring expenses for the first six months of 2011 was \$15.1 million compared with \$17.2 million for the same period in 2010, a decrease of \$2.1 million or 12.2%.

“Despite the Canada Post work stoppage in June, our second quarter EBITDA before restructuring expenses was relatively stable compared with the EBITDA of the second quarter of 2010, which is a positive indication. This work stoppage did not have any significant impact on our second quarter revenue. On the long term, it will probably have a negative impact on mail volume, mainly for transactional mail, as more individuals decided to register to receive their bills on-line during the work stoppage. At this point of time, it is not possible to quantify that impact with certainty, but we are closely monitoring the situation and have yet to notice any major reduction of volume,” said Gilles Cyr, President and Chief Executive Officer of Supremex.

“Our margin of EBITDA before restructuring expenses is stable at 20.5% of sales in the second quarter of 2011 compared with 20.6% in the second quarter of 2010. In the second quarter of 2011, restructuring expenses of \$300,000 were recorded mainly in relation with the previously announced merger of the two Montreal facilities into the LaSalle one. The Notre-Dame facility lease expires October 31, 2011 and will not be renewed. Capital expenditures estimated at \$1.5 million will be required in order to merge the two plants. The estimated payback is about 1 year.

We reduced our debt by \$1.9 million in the second quarter and our total leverage ratio, as defined in the credit agreement, was at 1.94 at the end of the second quarter. The debt reduction was lower than our expectation, due to the cash flow that was negatively affected by the Canada Post work stoppage, as collection has been delayed. The Company is actually in its process to renew its banking agreement and it is expected to be renewed by the end of the third quarter.

Finally, we are continuing to review opportunities for Supremex to diversify in industries complementary to ours in order to help grow and complement our actual lines of businesses” said Mr. Cyr.

Transition to IFRS

Supremex’s unaudited interim consolidated financial statements for the quarter ended June 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 first and second quarter 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 650 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 restructuring expenses to Net Earnings
(Unaudited)**

	Three-month period ended June 30, 2011	Three-month period ended June 30, 2010
Net earnings for the period	1,452,469	142,785
Add (deduct):		
Amortization of property, plant and equipment	1,188,812	3,020,041
Amortization of intangible assets	1,540,975	1,540,975
Loss on disposal of property, plant and equipment	227,005	181,308
Financing charges	1,643,641	1,129,248
Income taxes expense (recovery)	584,694	(6,107)
EBITDA	6,637,596	6,008,250
Restructuring expenses	342,555	1,249,829
EBITDA before restructuring expenses	6,980,151	7,258,079