



PRESS RELEASE

SUPREMEX ANNOUNCES IMPROVED SECOND QUARTER 2015 RESULTS AND DECLARES REGULAR QUARTERLY DIVIDEND

Montreal, Quebec, July 30, 2015 – Supremex Inc. ("Supremex" or the "Company") (TSX: SXP), Canada's largest manufacturer and marketer of a broad range of stock and custom envelopes and growing provider of packaging and specialty products, today announced its results for the second quarter ended June 30, 2015 and declared a regular quarterly dividend.

Second Quarter Highlights:

- 2015 Q2 revenues increased by 10.6% year-over-year to \$33.9 million, on strong growth in the U.S. envelope market.
- Adjusted EBITDA¹ increased by 10.6% to \$6.4 million, while as a result of a non-cash gain to the Company's pension plan EBITDA¹ increased by 77.6% reaching \$10.3 million compared to last year's second quarter.
- Net earnings grew by 138.2%, reaching \$5.6 million (or \$0.19 per share) compared to \$2.3 million (or \$0.08 per share) in the second quarter of last year.
- Revenue from the Canadian envelope market grew by 2.9% to \$26.1 million.
- Revenue from the U.S. envelope market continued to increase, growing by 78.9% to \$5.3 million.
- The Company's Board of Directors approved a quarterly dividend payment of \$0.05 per share, equivalent to the three previous quarters and 25% higher year-over-year.

"Our strong second quarter results reflect our ability to grow in key markets while continuing to deliver operational performance," said Stewart Emerson, President and Chief Executive Officer of Supremex. "With important market share gains in the U.S. and progress from our value added packaging and specialty products offering, we feel good about our ability to continue delivering growth and shareholder value."

"Entering the second semester, our outlook for the U.S. envelope market continues to be robust allowing us to overcome secular decline in Canadian envelope demand, as noted by Canada Post on the domestic letter mail volumes in its latest quarterly report. A stronger U.S. currency supports our efforts to further penetrate the world's largest envelope market by leveraging our existing distribution channels and creating new pipelines for our existing capacity. We will continue to carefully manage the effects of a weaker Canadian dollar on our cost of raw materials by improving product mix and manufacturing efficiencies" added Mr. Emerson.

Financial Results for the Second Quarter of 2015

Revenue in the second quarter of 2015 grew to \$33.9 million up 10.6% from \$30.6 million in the equivalent quarter of last year. Revenue from the U.S. envelope market grew by 78.9%, while revenue from the Canadian envelope market increased by 2.9%.

¹ See "Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA" and to their definition on page 3 of this press release.

Growth in the U.S. envelope market continues to accelerate on a changing competitive landscape and on the strength of the U.S. dollar. The number of units sold in the U.S. grew by 60.0%, and the average selling price denominated in Canadian dollars was higher by 11.8%. In Canada, the steady revenue growth resulted in a 1.6% increase in the number of units sold and 1.3% growth in average selling price, necessitated by increased costs due to foreign exchange.

Revenue of specialty products during the quarter increased by 7.3% reaching \$2.4 million, on a 15.4% increase in the number of units sold. The Company continues to focus on this value-added product line and believes this market is also an area of future growth.

Adjusted EBITDA¹ grew by 10.6% to \$6.4 million resulting from growth experienced in the U.S. market and mix of product sold; while as a result of non-cash gain on amendment to the Company's pension plan EBITDA¹ increased by 77.6%, to \$10.3 million.

Net earnings increased by 138.2% or \$3.3 million to \$5.6 million, or \$0.19 per share, compared to net earnings of \$2.3 million or \$0.08 per share last year.

During the quarter, operating activities before working capital adjustments generated \$4.9 million compared with \$4.4 million during the equivalent period of last year.

Capitalization and Normal Course Issuer Bid

As at July 30, 2015, the Company had 28,750,967 common shares outstanding. On June 26, 2015, the Company announced a new normal course issuer bid, which began on July 2, 2015 and under which the Company can purchase, for cancellation, up to 1,435,000 common shares until July 1, 2016.

Declaration of Dividend

The Board of Directors declared today a quarterly dividend of \$0.05 per share, payable on October 14, 2015 to shareholders of record at the close of business on September 30, 2015, representing an increase of 25% over the dividend paid during the equivalent period of last year and in-line with the dividends paid in the previous three quarters. This dividend is designated as an "eligible" dividend for the purpose of the Income Tax Act (Canada) and any similar provincial legislation.

¹ See "Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA" and to their definition on page 3 of this press release.

Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA

(In thousands of dollars)

	Three-month periods ended		Six-month periods ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	\$	\$	\$	\$
Net Earnings	5,552	2,330	9,356	5,698
Income tax expense	2,016	771	3,416	2,004
Financing charges	239	287	601	609
Loss on disposal of property, plant and equipment	—	6	—	6
Amortization of property, plant and equipment	980	881	1,941	1,763
Amortization of intangible assets	1,541	1,541	3,082	3,082
EBITDA⁽¹⁾	10,328	5,816	18,396	13,162
Adjustments				
Less: Gains on pension plans amendment	(3,898)	—	(4,341)	—
Less: Gain on post-retirement benefits plans amendment	—	—	(614)	—
Adjusted EBITDA⁽¹⁾	6,430	5,816	13,441	13,162

⁽¹⁾ See "Definition of EBITDA (or Adjusted EBITDA) and Non-IFRS Measures".

Definition of EBITDA (or Adjusted EBITDA) and Non-IFRS Measures

References to "EBITDA" are to earnings before financing charges, income tax expense, amortization of property, plant and equipment and of intangible assets, loss (gain) on disposal of property, plant and equipment.

EBITDA (or Adjusted EBITDA) is not an earnings measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA (or Adjusted EBITDA) may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA (or Adjusted EBITDA) should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. Supremex believes that EBITDA (or Adjusted EBITDA) is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial earnings.

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the EBITDA and future performance of Supremex and similar statements or information concerning anticipated future results, circumstances, performance or expectations. Forward-looking information may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. Such information relates to future events or future performance and reflects 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 information reflects current assumptions, expectations and estimates of management and is based on information currently available to Supremex as at the date of this press release. Such assumptions, expectations and estimates are discussed throughout our MD&A for fiscal 2014 and for the quarter ended June 30, 2015.

Forward-looking information is subject to certain risks and uncertainties, and should not be read as a guarantee of future performance or results and actual results may differ materially from the conclusion, forecast or projection stated in such forward-looking information. These risks and uncertainties 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 the Company's pension plans, postal services deficiencies, interest rates fluctuation and potential risk of litigation. Such risks and uncertainties are discussed throughout our MD&A for fiscal 2014 and, in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking information will materialize. Readers should not place any undue reliance on such forward-looking information unless otherwise required by applicable securities legislation. The Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The Management Discussion and Analysis and Financial Statements can be found on www.sedar.com and on Supremex' website www.supremex.com

About Supremex

Supremex Inc. is Canada's largest manufacturer and marketer of a broad range of stock and custom envelopes and growing provider of packaging and speciality products. Supremex is the only national envelope manufacturer in Canada, with facilities across seven (7) provinces and one facility in the United States and employs approximately 500 people. This national presence allows Supremex to manufacture and distribute products tailored to the specifications of national customers such as major corporations, national resellers, government entities, as well as paper merchants, statement processors and solutions providers.

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