
PRESS RELEASE

Source: Supremex Income Fund

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**SUPREMEX INCOME FUND
ANNOUNCES REDUCTION IN DISTRIBUTION AND INTENTION TO CONVERT INTO A
CORPORATION**

- Not for distribution in the United States or over United States wire -

Montreal (Québec), January 18, 2010 – Supremex Income Fund ("**Supremex**"), Canada's largest provider of stock and custom manufactured envelopes (TSX: SXP.UN), announced today that further to the renewal of its credit facility and in light of the continuing challenges facing its business, the Board of Trustees believes it is prudent to reduce the monthly distribution from \$0.05 per unit to \$0.01 per unit, commencing in the month of January 2010.

For the last quarter of 2009, Supremex expects that it will report EBITDA higher than the EBITDA recorded for the third quarter of 2009 and similar to the EBITDA recorded for the last quarter of 2008. These improved financial results are derived mainly from the strength of the Canadian dollar, which reduces Supremex input costs. However, over time, a strong Canadian dollar combined with excess capacity in the US market, would be detrimental for the Canadian envelope industry, and would put downward pressure on pricing for envelope products sold in Canada. With tighter financial covenants and business conditions still uncertain, Supremex's Board of Trustees has determined it is prudent and in the best interest of Supremex and its unitholders to reduce further the distributions in order to reduce the debt, preserve cash and increase capital flexibility. The expected results for the last quarter of 2009 are based on unaudited preliminary company data and may be revised as a result of the year-end process. Supremex expects to report its complete fiscal 2009 audited financial results prior to March 31, 2010. Furthermore, such results for the last quarter of 2009 and the outlook for 2010 constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction within the section below entitled "Forward-Looking Statements".

The Board of Trustees approves the level of monthly distributions based upon estimated distributable cash flow on a monthly basis. Distributions by Supremex are subject to change and are entirely dependent on the performance of Supremex Inc. and its ability to make distributions to Supremex after mandatory debt repayments.

Conversion to a Corporate Structure

Supremex also announced its intention to convert to a corporation at the end of 2010 subject to approval of Supremex's unitholders at the next annual and special meeting of Supremex to be held on May 7, 2010. It is contemplated that the conversion will be undertaken pursuant to a statutory plan of arrangement under the *Canada Business Corporations Act* (the "**Conversion**"). Pursuant to the Conversion, unitholders will receive one common share of Supremex Inc., a wholly-owned subsidiary of Supremex, on a one-for-one basis. All members of the Board of Trustees and senior officers of Supremex will continue to serve as the directors and officers of Supremex Inc.

At this time, the Board of Trustees intends to pay a quarterly dividend of \$0.03, following the conversion into a corporation at the end of 2010.

About Supremex

Supremex Income Fund 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 in 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.

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. Consequently, we can not guarantee that any forward-looking statements will materialize. Readers should not place any undue reliance on such forward-looking statements. For additional information on these risks and uncertainties, see Supremex's most recently filed Annual Information Form and its 2008 Annual MD&A, which are available on SEDAR at www.sedar.com. 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.

Non-GAAP Measures

References to “EBITDA” are to (loss) earnings before net financing charges, income taxes, amortization of property, plant and equipment, intangible assets, deferred compensation, impairment of goodwill and loss on disposal of machinery and equipment. EBITDA is not an earnings measure recognized under GAAP and do not have standardized meanings prescribed by GAAP. 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 (loss) earnings determined in accordance with GAAP as indicators of Supremex's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.