ADVANTEX

NEWS RELEASE

For Immediate Release
ADX: TSXV

Advantex Announces Fiscal 2010 Second Quarter Results

Net Profit for second quarter and first six months

Toronto, March 1 , 2011 – Advantex Marketing International Inc. ("Advantex" or the "Company"), a leading specialist in merchant funding and loyalty marketing programs, today announced its results for the fiscal second quarter ended December 31, 2010. All references to quarters or years are for the fiscal periods and all currency amounts are in Canadian dollars unless otherwise noted.

Operational Performance

"The Company continues to make steady progress towards its financial goals of sustainable growth in revenues, profit before non cash expenses and non cash working capital (as a measure of the cash generated from operations), and profitability, "said Kelly Ambrose, Advantex President and Chief Executive Officer.

"Increasing the number of merchants participating, at profitable margins, in the Company's retail programs will enable the Company to meet its financial goals. For the six months ended December 31, 2010 we had an average of 749 merchants participating in our retail programs, a 25% increase over corresponding period in the previous year, "said Mr. Ambrose.

During the three months ended December 31, 2010, the operational goal was to increase merchant participation in the Aeroplan sponsored program launched September 1, 2010. The Company's design of the product value proposition and merchant training have met with acceptance by the market, and the affinity partner. Consequent to the Company's skilful implementation of the program at participating merchants, and their enthusiastic participation, it was apparent by early November that the actual cost of loyalty rewards would exceed the amount budgeted in the pricing model. In an attempt to retain the attractive value proposition of the product, and yet for the Company to make an economic return from the program, the Company and the affinity partner started discussions and in mid-February, 2011 had agreed on revisions that are mutually beneficial, and enable the program to be marketed by the Company. The adverse impact on the Company results for the three months ended December 31, 2010 was twofold, firstly from the higher than expected cost of rewards, and secondly from the hold put on activating new merchant starts pending resolution of the reward cost issue.

Furthermore the Company has had to mitigate the impact of the close down of the online business with the termination of the United Airlines agreement effective October 1, 2010. At the end of the first quarter of Fiscal 2011 it had laid off staff in an effort to mitigate the impact on its Fiscal 2011 profitability from the shutdown of its online business. During the six months ended December 31, 2010, the Company has been able to offset the impact on its gross profit by replacing the revenues from its online business with the growth in the retail programs with their higher gross margin The Company abandoned its online shopping mall business during the three months ending March 31, 2011 and is now a discontinued operation.

Financial Highlights:

	3 months ended December 31			6 months ended December 31		
	2010 (Fiscal 2011)	2009 (Fiscal 2010)	Inc / (Dec)	2010 (Fiscal 2011)	2009 (Fiscal 2010)	Inc / (Dec)
	$	$	$	$	$	$
Revenues						
Retail programs - CIBC Advantex / Aeroplan sponsored program	3,588,000	3,078,000	510,000	6,980,000	6,110,000	870,000
Online business	94,000	847,000	(753,000)	660,000	1,296,000	(636,000)
	3,682,000	3,925,000	(243,000)	7,640,000	7,406,000	234,000
Gross Profit						
Retail programs - CIBC Advantex / Aeroplan sponsored program	2,419,000	2,074,000	345,000	4,924,000	4,247,000	677,000
Online business	35,000	317,000	(282,000)	235,000	508,000	(273,000)
	2,454,000	2,391,000	63,000	5,159,000	4,755,000	404,000
Profit before non cash expenses, and non cash working capital items	349,000	439,000	(90,000)	832,000	846,000	(14,000)
Net Profit	56,000	166,000	(110,000)	207,000	297,000	(90,000)

Renewal of Debentures

The Company is substantially financed by its Non-Convertible Debentures Payable, and Convertible Debentures Payable. The Company has fully deployed the proceeds of its Non-convertible debentures which are used exclusively to acquire transaction credits under its APM program. The Convertible debenture proceeds are used for purpose of the Company's working capital needs.

The Non-Convertible Debentures matured on Decemeber 31, 2010, and the Company was in default as it has not redeemed the principal due on maturity. Also, as at December 31, 2010 the Company was in breach of its Convertible Debentures Payable current asset financial covenant.

Subsequent to December 31, 2010, the Company and the holder of the majority of the Non-Convertible Debentures Payable, and Convertible Debentures Payable (collectively "Debentures") signed term sheets for renewal of the Debentures.

The Company has secured an unconditional approval from the CNSX to list its common shares, and has received the Exchange's approval to the term sheets. The Company will be delisting its common shares from the TSX Venture Exchange ("TSXV"), and has notified TSXV of its intention. The Company expects to ensure a seamless transition between the two exchanges' by mid- March, 2011, and close the renewal transaction soon after listing of its common shares on the CNSX.

The above debenture renewal developments allow the Company to focus on growth of the business.

About Advantex Marketing International Inc.

Advantex is a specialist in the marketing services industry, managing white-labeled rewards accelerator programs for major affinity groups through which their members earn bonus frequent flyer miles and/or other rewards on purchases at participating merchants. Under the umbrella of each program, Advantex provides merchants with marketing, customer incentives, and additionally secured future sales through its Advance Purchase Marketing model. Advantex partners include more than 750 merchants operating as restaurants, golf courses, small inns and resorts, hotels, retailers; CIBC; and Aeroplan. Advantex is traded on the TSX Venture Exchange under the symbol "ADX". For additional information on Advantex, please visit www.advantex.com.

Forward-Looking Information

This Press Release contains certain “forward-looking information”. All information, other than information comprised of historical fact, that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future constitutes forward-looking information. Such forward-looking information relates to, without limitation, information regarding: the Company’s belief that it continues to make steady progress towards sustainable growth in revenues, cash generated from its operations, profitability; the Company’s belief that increasing the number of merchants participating at profitable margins in the Company’s retail programs will enable the Company to meet its financial goals; the Company’s belief that the revisions agreed mid-February with an affinity partner will : be signed as an amendment to the existing agreement, and enable the Company to market the program and make an economic return from it; the expected timing of the implementing the revisions in the Aeroplan sponsored program; the Company’s ability to protect its gross margins; the Company’s expectations with respect to the seamless transition of the listing of its common shares from TSXV to the CNSX; the Company’s expectation with respect to timing of listing of its common shares on CNSX; the Company’s expectation with respect to the renewal of the debentures, and the timing of the completion of the renewal transactions; the Company’s belief that upon the expected renewal of the debentures it can focus on growth of the business; and other information regarding financial and business prospects and financial outlook is forward-looking information.

Forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. With respect to the forward-looking information contained in this Press Release, the Company has made assumptions regarding, among other things, the size of the market for the Company’s programs; its ability to increase merchant participation in its programs; its ability to access future financing; continued affinity partner participation with the Company; its ability to transition its common shares on the CNSX; its ability to complete the renewal of the existing non-convertible and convertible debentures on terms described in the MD&A for three and six month periods ended December 31, 2010; continued support from its providers of Loan Payable; current and future economic and market conditions and the impact of same on the Company’s business; ongoing and future revenue sources; future business levels; interest and currency rates; the impact of the agreements with CIBC and Aeroplan on future business; the appropriateness of the Company’s tax filing position; ongoing consumer interest in accumulating frequent flyer miles; the Company’s ability to manage risks connected to collection of transaction credits.

Forward-looking information is subject to a number of risks, uncertainties and assumptions that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in general economic and market conditions; changes to regulations affecting the Company's activities; level of merchant participation in the Company’s retail programs; uncertainties relating to the availability and costs of financing needed in the future including those connected to renewal of non convertible and convertible debentures; termination of the CIBC agreement; termination of the Aeroplan agreement; any adverse change to the currently agreed payment plan with the CRA; currency risks, the inability of the Company to collect under its APM program; the Company's financial status, and other factors, including without limitation, those listed under "General Risks and Uncertainties" and "Economic Dependence" in the Management Discussion and Analysis for the three and six month period ended December 31, 2010, and in note 1b to the interim consolidated financial statements for the three and six month periods ended December 31, 2010.

All forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
For the three month and six month periods
Ended December 31, 2010

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these consolidated financial statements and other sections of this report.

An auditor has not performed a review of these financial statements.

ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(unaudited – note 1a)

	Note	December 31, 2010 $	June 30, 2010 $
ASSETS			
Current:			
Cash and cash equivalents		$1,489,066	$505,941
Accounts receivable		719,334	700,927
Transaction credits		9,691,439	9,538,364
Aeronotes	3	265,638	381,309
Prepaid expenses and sundry assets		365,571	249,510
		12,531,048	11,376,051
Long-term:			
Property, plant and equipment	4	668,382	807,315
TOTAL ASSETS		**$13,199,430**	**$12,183,366**
LIABILITIES			
Current:			
Loan payable	5	$3,081,125	$3,030,549
Accounts payable and accrued liabilities		3,531,008	3,093,652
Non-convertible debentures payable	1b/6	2,665,000	2,620,705
Convertible debentures payable	1b/7	5,482,823	5,217,578
		14,759,956	13,962,484
SHAREHOLDERS' DEFICIENCY			
Capital Stock			
Class A preference shares		3,815	3,815
Common shares		24,106,281	24,106,281
		24,110,096	24,110,096
Contributed surplus	8	657,879	645,879
Equity portion of debentures	7	2,114,341	2,114,341
Warrants	6/7	374,554	374,554
Deficit		(28,817,396)	(29,023,988)
		(1,560,526)	(1,779,118)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$13,199,430**	**$12,183,366**

(see accompanying notes)

Refinancing (note 1b)
Commitments and Contingencies - Taxation (note 12)

ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF PROFIT AND COMPREHENSIVE PROFIT
(unaudited – note 1a)

	Three Months Ended December 31		Six Months Ended December 31	
	2010	2009	2010	2009
	$	$	$	$
REVENUE	3,682,261	3,924,877	7,639,959	7,405,877
Direct expenses	1,228,630	1,534,188	2,481,039	2,651,320
GROSS PROFIT	2,453,631	2,390,689	5,158,920	4,754,557
OPERATING EXPENSES				
Selling and marketing	746,699	825,564	1,577,732	1,651,718
General and administrative	970,533	819,730	1,964,252	1,642,707
Stock-based compensation	6,000	8,289	12,000	30,289
	1,723,232	1,653,583	3,553,984	3,324,714
CONTRIBUTION FROM OPERATIONS AND PROFIT BEFORE AMORTIZATION AND INTEREST	730,399	737,106	1,604,936	1,429,843
Amortization of property, plant and equipment	118,611	99,271	271,764	188,753
Interest expense				
Stated interest expense – loan payable, non-convertible debentures, convertible debentures, and other	386,905	305,981	784,872	614,280
Accretion charge on debentures, and amortization of deferred financing charges	168,624	166,248	341,708	330,305
	555,529	472,229	1,126,580	944,585
NET PROFIT AND COMPREHENSIVE PROFIT FOR THE PERIOD	**$56,259**	**$165,606**	**$206,592**	**$296,505**
BASIC EARNINGS PER COMMON SHARE	**$0.00**	**$0.00**	**$0.00**	**$0.00**
DILUTED EARNINGS PER COMMON SHARE	**$0.00**	**$0.00**	**$0.00**	**$0.00**

(see accompanying notes)

ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF DEFICIT
(unaudited – note 1a)

	Three Months Ended December 31		Six Months Ended December 31	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
BALANCE AT THE START OF PERIOD	**(28,873,655)**	**(28,927,116)**	**(29,023,988)**	**(29,058,015)**
Net profit for the period	56,259	165,606	206,592	296,505
BALANCE AT THE END OF PERIOD	**(28,817,396)**	**(28,761,510)**	**(28,817,396)**	**(28,761,510)**

(see accompanying notes)

ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited – note 1a)

	Three Months Ended December 31		Six Months Ended December 31	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
OPERATING ACTIVITIES				
Net profit for the period	$56,259	$165,606	$206,592	$296,505
Items not affecting cash				
Amortization of property, plant and equipment	118,611	99,271	271,764	188,753
Accretion charge on debentures	122,058	119,700	248,594	237,209
Amortization of deferred financing charges	46,566	46,548	93,114	93,096
Stock-based compensation	6,000	8,289	12,000	30,289
	349,494	439,414	832,064	845,852
Changes in non-cash working capital items				
Accounts receivable	82,086	(527,729)	(18,407)	(459,429)
Transaction credits	541,174	(719,761)	(153,075)	(1,020,266)
Prepaid expenses and sundry assets	(93,822)	(69,305)	(116,060)	(127,532)
Aeronotes	85,612	(502,799)	115,671	(502,799)
Accounts payable and accrued liabilities	349,263	710,818	437,356	621,638
	964,313	(1,108,776)	265,485	(1,488,388)
Cash provided by/(utilized in) operating activities	1,313,807	(669,362)	1,097,549	(642,536)
FINANCING ACTIVITIES				
Proceeds from draw of Loan payable	(746,613)	464,112	18,407	(530,830)
	(746,613)	464,112	18,407	874,650
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(49,643)	(108,745)	(132,831)	(161,236)
MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**517,551**	**(313,995)**	**983,125**	**70,878**
Cash and cash equivalents at the start of period	971,515	729,053	505,941	344,180
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$1,489,066**	**$415,058**	**$1,489,066**	**$415,058**
Consists of:				
Cash	$1,484,066	$410,058	$1,484,066	$410,058
Term deposits	5,000	5,000	5,000	5,000
	$1,489,066	$415,058	$1,489,066	$415,058
ADDITIONAL INFORMATION				
Interest paid	$782,406	$454,748	$535,672	$611,814

(see accompanying notes)