



ADVANTEX

NEWS RELEASE

For Immediate Release
ADX: CNSX

Advantex Announces Net Income for Three Months ended September 30, 2013

Toronto, November 21, 2013 – Advantex Marketing International Inc. (“Advantex” or the “Company”), a leading specialist in the marketing services industry, today announced its results for three months ended September 30, 2013. All currency amounts are in Canadian dollars unless otherwise noted.

“Advantex is pleased to report a profit in a rapidly changing business environment. We responded to the news of significant movements in our partner, Canadian Imperial Bank of Commerce (“CIBC”) and Aimia Inc. (“Aimia”), worlds by investing in the value proposition of our programs in order to maintain stability with our merchants. While the pace of bringing new merchants into our programs has been slowed because of these changes, I am pleased to report stability with our current customers and profitability for the quarter,” said Kelly Ambrose, Advantex President and Chief Executive Officer.

Advantex has many of the building blocks for its future in place, namely a multi-year agreement through September 2016 with CIBC, and the renewal of our line of credit facility with Accord Financial Inc., until December 2014, to support the continued growth of our Advance Purchase Marketing program. In October, Advantex signed a term sheet to refinance the existing debentures and expects to close the transaction in December. Negotiations are continuing with our partner Aimia for a multi-year renewal.

“We are actively exploring new revenue opportunities in Canada and the US, and I will report our progress in future quarters. I remain cautiously optimistic of Advantex’s future prospects,” said Mr. Ambrose.

Financial Highlights:

	Three months ended September 30, 2013	Three months ended September 30, 2012
Revenues	\$4,548,000	\$4,404,000
Earnings from operations before depreciation, amortization and interest (EBITDA (i))	\$ 824,000	\$1,040,000
Net Income	\$ 56,000	\$ 274,000

(i) EBITDA is a non-GAAP financial measure which does not have any standardized meaning prescribed by the issuer’s GAAP and is unlikely to be comparable to similar measures presented by other issuers. It is provided as additional information to assist readers in understanding a component of the Company’s financial performance. In case of the Company, for three months ended September 30, 2013 and 2012, per consolidated financial statements for three months ended September 30, 2013, earnings from operations before depreciation, amortization and interest is the nearest equivalent to EBITDA.

About Advantex Marketing International Inc.

Advantex is a specialist in the marketing services industry. Advantex partners with CIBC, and Aeroplan Canada Inc. (subsidiary of Aimia). On a combined basis, Advantex has contractual marketing access to about five million Canadian consumers with above-average personal and household income. Advantex's merchant partner base currently consists of about 2,000 merchants operating in several business segments: restaurants; golf courses; independent inns, resorts and selected hotels; spas; retailers of men's and ladies fashion, footwear and accessories; retailers of sporting goods; florists and garden centres; book and newspaper stores; health and beauty centres; dry cleaners; gift stores; home décor; automotive dealers, service centers; and tire dealerships many of which are leaders in their respective categories.

Advantex is traded on the Canadian National Stock 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. Forward-looking information is typically identified by words such as: anticipate, believe, expect, goal, intend, plan, will, may, should, could and other similar expressions. Such forward-looking information relates to, without limitation, information regarding the Company's: belief that it has building blocks for its future in place; expectation of refinancing debentures on the terms set out in the term sheet and the timing of the refinancing; expectation of securing a multi-year renewal of its agreement with Aimia; expectation of its future prospects; 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.

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 those listed under "General Risks and Uncertainties" and "Economic Dependence" in Management's Discussion and Analysis for the three months ended September 30, 2013.

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.

For further information please contact:
Mukesh Sabharwal
Vice-President and Chief Financial Officer
Tel: 905-470-9558 ext. 249
E-mail: Mukesh.sabharwal@advantex.com

Advantex Marketing International Inc.
Consolidated Statements of Financial Position – (unaudited)
(expressed in Canadian dollars)

	September 30, 2013	June 30, 2013
Assets		
Current assets		
Cash and cash equivalents	1,684,693	1,773,672
Accounts receivable	816,881	599,339
Transaction credits	13,262,336	13,632,654
Inventory (note 5)	165,699	139,985
Prepaid expenses and sundry assets	363,292	273,519
	\$16,292,901	\$16,419,169
Non-current assets		
Property, plant and equipment (note 6a)	282,482	299,528
Intangible assets (note 6b)	520,617	539,545
	803,099	839,073
Total assets	\$17,096,000	\$17,258,242
Liabilities		
Current liabilities		
Loan payable (note 7)	6,648,712	7,099,371
Accounts payable and accrued liabilities	3,548,332	3,420,130
14% Non-convertible debentures payable (note 8)	1,744,000	1,736,298
12% Non-convertible debentures payable (note 9)	6,151,967	6,055,336
Total Liabilities	\$18,093,011	\$18,311,135
Shareholders' deficiency		
Share capital (note 10)	24,110,096	24,110,096
Contributed surplus (note 11)	808,167	808,167
Equity portion of debentures (note 9)	2,114,341	2,114,341
Warrants (note 8/9)	1,167,874	1,167,874
Deficit	(29,197,489)	(29,253,371)
Total deficiency	\$ (997,011)	\$(1,052,893)
Total liabilities and deficiency	\$17,096,000	\$17,258,242

Economic and Financial dependence (note 2)
Commitments and Contingencies (note 13)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board:

Director: Signed "William Polley"

William Polley

Director: Signed "Kelly Ambrose"

Kelly E. Ambrose

Advantex Marketing International Inc.
Consolidated Statements of Income and Comprehensive Income
For the three months ended September 30, 2013 and September 30, 2012 – (unaudited)
(expressed in Canadian dollars)

	September 30, 2013	September 30, 2012
	\$	\$
Revenues	4,548,212	4,403,417
Direct expenses	<u>1,604,096</u>	<u>1,376,029</u>
	2,944,116	3,027,388
Operating Expenses		
Selling and marketing	1,001,977	909,837
General and administrative	<u>1,118,448</u>	<u>1,077,848</u>
Earnings from operations before depreciation, amortization and interest	823,691	1,039,703
Interest expense:		
Stated interest expense – loan payable, and debentures	513,265	516,596
Non-cash interest expense on debentures	<u>104,333</u>	<u>141,289</u>
	206,093	381,818
Depreciation of property, plant and equipment, and amortization of intangible assets	150,211	107,914
Net income and Comprehensive income	55,882	273,904
Earnings per share		
Basic and Diluted (note 14)	0.00	0.00

The accompanying notes are an integral part of these consolidated financial statements.

Advantex Marketing International Inc.
Consolidated Statements of Changes in Deficiency
For the three months ended September 30, 2013 and September 30, 2012 – (unaudited)
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Equity portion of debentures	Warrants	Deficit	Total
	\$	\$	\$	\$	\$	\$	\$
Balance – July 1, 2012	3,815	24,106,281	793,198	2,114,341	1,196,013	(29,289,624)	(1,075,976)
Net income and comprehensive income for the period						273,904	273,904
Stock based compensation							
Value of services recognized			-				-
Partial early prepayment of debentures (notes 8 and 9)					(28,139)		(28,139)
Balance – September 30, 2012	3,815	24,106,281	793,198	2,114,341	1,167,874	(29,015,720)	(830,211)
Balance – July 1, 2013	3,815	24,106,281	808,167	2,114,341	1,167,874	(29,253,371)	(1,052,893)
Net income and comprehensive income for the period						55,882	55,882
Stock based compensation							
Value of services recognized			-				-
Balance – September 30, 2013	3,815	24,106,281	808,167	2,114,341	1,167,874	(29,197,489)	(997,011)

The accompanying notes are an integral part of these consolidated financial statements.

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow
For the three months ended September 30, 2013 and September 30, 2012 – (unaudited)
(expressed in Canadian dollars)

	30-09-2013	30-09-2012
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Net income for the period	\$55,882	\$273,904
Adjustments for:		
Depreciation of property, plant and equipment, and amortization of intangible assets	150,211	107,914
Accretion charge for debentures	104,333	141,289
	310,426	523,107
Changes in items of working capital		
Accounts receivable	(217,542)	(78,129)
Transaction credits	370,318	80,811
Inventory	(25,714)	39,038
Prepaid expenses and sundry assets	(89,773)	(105,958)
Accounts payable and accrued liabilities	128,202	(314,588)
	165,491	(378,826)
Net cash provided by (used in) operating activities	475,917	144,281
Investing activities		
Purchase of property, plant and equipment, and intangible assets	(114,237)	(51,303)
Net cash used in investing activities	(114,237)	(51,303)
Financing activities		
Proceeds from loan payable	(450,659)	(175,486)
Partial early prepayment of debentures	-	(376,033)
Debenture early prepayment / renewal – additional transaction costs	—	(8,700)
Net cash (used in) generated from financing activities	(450,659)	(560,219)
Increase (decrease) in cash and cash equivalents during the period	\$(88,979)	\$(467,241)
- From continuing operations	(8,790)	(435,135)
- From discontinued operations (note 16)	(80,189)	(32,106)
Increase (decrease) in cash and cash equivalents during the period	\$(88,979)	\$(467,241)
Cash and cash equivalents – Beginning of period	1,773,672	1,084,773
Cash and cash equivalents – End of period	1,684,693	617,532
Additional Information		
Interest paid	\$ 699,401	\$ 713,073
For purposes of the cash flow statement, cash comprises:		
Cash	\$ 1,679,693	\$ 612,532
Term deposits	\$ 5,000	\$ 5,000
	<u>\$ 1,684,693</u>	<u>\$ 617,532</u>

The accompanying notes are an integral part of these consolidated financial statements.