ADVANTEX

NEWS RELEASE

For Immediate Release
ADX: CSE

Advantex Announces Results for the Three and Nine Months ended March 31, 2014

Toronto, May 28, 2014 – Advantex Marketing International Inc. ("Advantex" or the "Company"), a leading specialist in the marketing services industry, today announced its results for the three and nine months ended March 31, 2014. All currency amounts are in Canadian dollars unless otherwise noted.

"Our results for the current quarter are an improvement over the corresponding period in the previous year, and we closed the gap between current year-to-date results to the corresponding period in the previous year. This was an achievement in a difficult operating environment reflecting primarily the decision by our affinity partner Canadian Imperial Bank of Commerce ("CIBC") to sell a significant part of its credit card portfolio to The Toronto-Dominion Bank ("TD"). We have a solid relationship with CIBC, and they support our efforts to develop a parallel program for TD. We are in an advanced stage of discussion with TD to operate a rewards accelerator program for TD's credit card portfolio. A successful outcome will generate future growth for Advantex, and counter the significant effect on our revenues in the aftermath of the decision by CIBC," said Kelly Ambrose, Advantex President and Chief Executive Officer.

"The strategy of developing new affinity partnerships helped us financially. We opened our relationship with Aimia Canada Inc. ("Aimia"), the owner of Aeroplan loyalty program, in 2010, and current year-to-date this relationship gave about 12% of our gross profit, a 100% increase over corresponding period in the previous year, which significantly offset the decline in the gross profit from the program we operate in partnership with CIBC. The Company's refinancing in December 2013 significantly improved the capital structure by reducing the fully diluted common shares, and reduced the interest cost which in turn helped our financial performance," said Mr. Ambrose.

"An additional positive development is the successful completion of our pilot in partnership with Caesars Entertainment Corporation ('Caesars") and its Total Rewards loyalty program, clearing the way for a full program roll out, in the next twelve months, across certain cities in the United States. A multi-year agreement with Caesars is under discussion. It will take time to develop and launch this program, but it has a transformational possibility for Advantex," said Mr. Ambrose.

The financial results and their discussion are provided in the interim consolidated financial statements, and management's discussion and analysis for the three and nine months ended March 31, 2014. They are available under Advantex's profile on www.SEDAR.com.

About Advantex Marketing International Inc.

Advantex is a specialist in the marketing services industry. Advantex partners with CIBC, and 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 over 1,700 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 business segment.

Advantex is traded on the Canadian Securities 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: expectation of a successful outcome from the discussions with TD; expectation of future prospects on its business from a relationship with TD; expectation of a successful outcome from the discussions with Caesars; expectation of future prospects on its business from a relationship with Caesars; and other information regarding the Company’s 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 the Company’s Management’s Discussion and Analysis for the three and nine months ended March 31, 2014.

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)

	March 31, 2014	June 30, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 949,229	$ 1,773,672
Accounts receivable	949,420	599,339
Transaction credits (note 5)	12,598,027	13,632,654
Inventory (note 6)	101,930	139,985
Prepaid expenses and sundry assets	269,829	273,519
	$14,868,435	**$16,419,169**
Non-current assets		
Property, plant and equipment (note 7a)	$ 260,693	$ 299,528
Intangible assets (note 7b)	443,017	539,545
	$ 703,710	**$ 839,073**
Total assets	**$15,572,145**	**$17,258,242**
Liabilities		
Current liabilities		
Loan payable (note 8)	$ 7,763,271	$ 7,099,371
Accounts payable and accrued liabilities	4,096,871	3,420,130
14% Non-convertible debentures payable (note 9)	-	1,736,298
12% Non-convertible debentures payable (note 10)	-	6,055,336
	$11,860,142	**$18,311,135**
Non-current Liabilities		
12% Non-convertible debentures payable (note10)	**$ 4,609,639**	**$ -**
Total Liabilities	**$16,469,781**	**$18,311,135**
Shareholders' deficiency		
Share capital (note 11)	$24,530,555	$24,110,096
Contributed surplus (note 12)	4,090,382	808,167
Equity portion of debentures (note 10/12)	-	2,114,341
Warrants (note 9/10/12)	-	1,167,874
Deficit	(29,518,573)	(29,253,371)
Total deficiency	**$ (897,636)**	**$(1,052,893)**
Total liabilities and deficiency	**$15,572,145**	**$17,258,242**

Economic and Financial dependence (note 2)
Commitments and Contingencies (note 14)

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

Approved by the Board:

Director: Signed "William Polley" **Director:** Signed "Kelly Ambrose"

William Polley Kelly E. Ambrose

Advantex Marketing International Inc.
Consolidated Statements of Income / (Loss) and Comprehensive Income / (Loss)
For the three and nine months ended March 31, 2014 and March 31, 2013 – (unaudited)
(expressed in Canadian dollars)

	Three months ended March 31		**Nine months ended March 31**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Revenues	3,625,013	3,593,094	12,782,054	12,424,487
Direct expenses	1,436,273	1,310,059	4,776,276	4,102,083
	2,188,740	2,283,035	8,005,778	8,322,404
Operating Expenses				
Selling and marketing	840,528	895,397	2,737,975	2,783,148
General and administrative	1,147,159	1,156,597	3,509,167	3,242,239
Earnings from operations before depreciation, amortization and interest	201,053	231,041	1,758,636	2,297,017
Interest expense:				
Stated interest expense – loan payable, and debentures	435,165	503,712	1,462,813	1,534,387
Non-cash interest expense on debentures	51,611	152,112	155,944	443,392
	(285,723)	(424,783)	139,879	319,238
Write-off of investment	-	-	-	100,000
Depreciation of property, plant and equipment, and amortization of intangible assets	110,343	141,892	405,081	388,012
Net loss and Comprehensive loss	**$(396,066)**	**$(566,675)**	**$(265,202)**	**$(168,774)**
Earnings per share				
Basic and Diluted (note 15)	**$0.00**	**$0.00**	**$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 nine months ended March 31, 2014 and March 31, 2013 – (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 loss and comprehensive loss for the period						(168,774)	(168,774)
Employee stock option: value of services recognized			14,969				14,969
Partial early prepayment of debentures (notes 9 and 10)					(28,139)		(28,139)
Balance – March 31, 2013	**3,815**	**24,106,281**	**808,167**	**2,114,341**	**1,167,874**	**(29,458,398)**	**(1,257,920)**
Balance – July 1, 2013	**3,815**	**24,106,281**	**808,167**	**2,114,341**	**1,167,874**	**(29,253,371)**	**(1,052,893)**
Net loss and comprehensive loss for the period						(265,202)	(265,202)
Transfer to Contributed surplus (notes 9,10, and 12)			3,282,215	(2,114,341)	(1,167,874)		-
Issue of common shares as part of refinancing of debentures (notes 10 and 11)		420,459					420,459
Balance – March 31, 2014	**3,815**	**24,526,740**	**4,090,382**	**-**	**-**	**(29,518,573)**	**(897,636)**

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

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow
For the nine months ended March 31, 2014 and March 31, 2013 – (unaudited)
(expressed in Canadian dollars)

	31-03-2014	31-03-2013
	$	$
Cash flow provided by (used in)		
Operating activities		
Net loss for the period	$(265,202)	$(168,774)
Adjustments for:		
Write-off of investment	-	100,000
Depreciation of property, plant & equipment, and amortization of intangible assets	405,081	388,012
Stock based compensation	-	14,969
Accretion charge for debentures	155,944	443,392
	295,823	777,599
Changes in items of working capital		
Accounts receivable	(350,081)	602,245
Transaction credits	1,034,627	260,084
Inventory	38,055	105,995
Prepaid expenses and sundry assets	3,690	(157,764)
Accounts payable and accrued liabilities	676,741	(754,122)
	1,403,032	56,438
Net cash provided by (used in) operating activities	**1,698,855**	**834,037**
Investing activities		
Purchase of property, plant and equipment, and intangible assets	(269,718)	(511,323)
Net cash (used in) investing activities	**(269,718)**	**(511,323)**
Financing activities		
Proceeds from loan payable	663,900	431,131
Partial early prepayment of debentures (notes 9 and 10)	-	(376,033)
Payments on maturity / retirement of debentures (notes 9 and 10)	(7,895,967)	-
Proceeds from refinancing debentures (note 10)	5,159,000	-
Transaction costs, debenture: refinancing (note 10), partial early repayment	(180,513)	(8,700)
Net cash (used in) generated from financing activities	**(2,253,580)**	**46,398**
Increase (decrease) in cash and cash equivalents during the period	$(824,443)	$369,112
- From continuing operations	(681,789)	460,982
- From discontinued operations (note 17)	(142,654)	(91,870)
Increase (decrease) in cash and cash equivalents during the period	$(824,443)	$369,112
Cash and cash equivalents – Beginning of period	1,773,672	1,084,773
Cash and cash equivalents – End of period	$949,229	$1,453,885
Additional Information		
Interest paid	$ 1,521,082	$ 1,729,349
For purposes of the cash flow statement, cash comprises:		
Cash	$ 944,229	$ 1,448,885
Term deposits	$ 5,000	$ 5,000
	$ 949,229	$ 1,453,885

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