



ADVANTEX

News Release

**Advantex Returns to Profitability
in First Quarter of Fiscal 2015.**

Highlights:

- **EDITDA⁽ⁱ⁾ of \$616,268 in the three months to September 30, 2014 and a return to profitability.**
- **18% growth in revenue in the Aeroplan program and a renewal of the partnership to 2019.**
- **Corporate restructuring centered on affinity partnerships.**
- **Effective management of marketing expenses and other costs.**

Toronto, November 21, 2014 -- Advantex Marketing International Inc. (CSE: ADX), a specialist in marketing loyalty-reward programs, today reported net income of \$19,807 for the three months ended September 30, 2014.

The improved performance, which follows losses in the previous two quarters, is due mainly to disciplined and effective cost management. Advantex posted net income of \$55,882 in the first quarter of fiscal 2014, ended September 30, 2013.

“We are encouraged by our progress”, Kelly Ambrose, Advantex’s president and CEO, said. “At the same time, we recognize that time, patience and commitment are needed to realize the full potential of our business model.”

Advantex made further progress in implementing its renewal program during the latest quarter. Highlights included:

- A presence in the U.S. under a new partnership with Caesars Entertainment. Members of Caesars’ Total Rewards program now have more ways of earning rewards when they use their cards at participating retailers in select cities.
- The launch of Advantex’s partnership with Toronto-Dominion Bank, which enables TD Aeroplan credit cardholders to earn incremental bonus Aeroplan Miles.
- An internal restructuring that focuses operations more sharply on each of Advantex’s three main business groups, namely, the CIBC/TD program, Aeroplan and Caesars Entertainment.

Since the end of the quarter, Advantex has renewed its agreement with Aimia Inc., owner of the Aeroplan program, for five years to April 30, 2019. Under the renewed agreement, Advantex can market Aeroplan to merchants in all business segments. Under the original 2010 agreement, Advantex was restricted to certain retail sectors.

Below is a summary of results for the three months ended September 30, 2014, comprising the first quarter of fiscal 2015:

(All currency amounts are in Canadian dollars.)

	<u>Q1 Fiscal</u> <u>2015</u>	<u>Q1 Fiscal</u> <u>2014</u>	<u>Q1 Fiscal</u> <u>2015</u>	<u>Q1 Fiscal</u> <u>2014</u>
	\$	\$	% of Revenues	% of Revenues
Revenues				
CIBC/TD program	2,992,856	4,098,582		
Aeroplan program	528,882	449,585		
Miscellaneous	7,859	45		
Total Revenue	3,529,597	4,548,212		
Direct expenses	949,498	1,604,096		
Gross profit	2,580,099	2,944,116	73.1%	64.7%
Earnings from operations before depreciation, amortization and interest (EBITDA⁽ⁱ⁾)	616,268	823,691	17.5%	18.1%
Net income	19,807	55,882		

⁽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 Advantex's financial performance. In case of Advantex, for three months ended September 30, 2014 and 2013, per consolidated financial statements for three months ended September 30, 2014, Earnings from operations before depreciation, amortization and interest is the nearest equivalent to EBITDA.

The 27 percent decline in revenues from the CIBC/TD program mainly reflects a drop in merchant participation in early 2014. Canadian Imperial Bank of Commerce, one of Advantex's main partners, has acknowledged an erosion in its credit card business over the past year.

The 18 percent improvement in Aeroplan revenues is partly due to growing merchant interest in that program.

"Our initiatives over the past year have laid the groundwork for renewed growth", Mr. Ambrose said. "Our task in the months ahead is to fulfill our commitments to the almost 1,700 merchants that participate in our programs, and to our valued affinity partners and their customers."

About Advantex:

Advantex provides specialized marketing programs that enable members of affinity groups to earn frequent-flyer miles and other loyalty rewards through purchases at participating merchants.

Through our partnerships with Aeroplan, Canadian Imperial Bank of Commerce, Toronto-Dominion Bank and Caesars Entertainment, we have contractual access to millions of consumers with above-average personal and household income. We also have partnerships with about 1,700 merchants in Canada and the US.

Advantex shares trade on the Canadian Securities Exchange under the symbol ADX. For more information, go to www.advantex.com.

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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 Advantex 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 Advantex's ability, and its expectations of time required, to realize the full potential of its business model; expectation for renewed growth and other information regarding Advantex's financial and business prospects and financial outlook is forward-looking information.

Forward-looking information reflects the current expectations or beliefs of Advantex based on information currently available to Advantex.

Forward-looking information is subject to a number of risks, uncertainties and assumptions that may cause the actual results of Advantex 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 Advantex. Factors that could cause actual results or events to differ materially from current expectations include, among other things, those listed under General Risks and Uncertainties and Economic Dependence in the management discussion and analysis for the quarter ended September 30, 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, Advantex 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 Advantex 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

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

	September 30, 2014	June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	2,048,171	1,815,805
Accounts receivable	1,015,224	809,189
Transaction credits (note 5)	9,336,617	10,278,706
Inventory (note 6)	90,242	90,425
Prepaid expenses and sundry assets	225,462	179,412
	\$12,715,716	\$13,173,537
Non-current assets		
Property, plant and equipment (note 7a)	217,367	237,420
Intangible assets (note 7b)	585,205	529,892
	802,572	767,312
Total assets	\$13,518,288	\$13,940,849
Liabilities		
Current liabilities		
Loan payable (note 8)	5,602,945	6,454,174
Accounts payable and accrued liabilities	4,594,202	4,219,904
	\$10,197,147	\$10,674,078
Non-current liabilities		
12% Non-convertible debentures payable (note 10)	4,696,396	4,661,833
	\$4,696,396	\$ 4,661,833
Total Liabilities	\$14,893,543	\$15,335,911
Shareholders' deficiency		
Share capital (note 11)	24,530,555	24,530,555
Contributed surplus (note 12)	4,090,382	4,090,382
Accumulated other comprehensive income	(47,383)	(47,383)
Deficit	(29,948,809)	(29,968,616)
Total deficiency	\$(1,375,255)	\$(1,395,062)
Total liabilities and deficiency	\$13,518,288	\$13,940,849

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"
William Polley

Director: Signed "Kelly Ambrose"
Kelly E. Ambrose

Advantex Marketing International Inc.
 Consolidated Statements of Income and Comprehensive Income (unaudited)
 For the three months ended September 30, 2014 and 2013
 (expressed in Canadian dollars)

	2014	2013
	\$	\$
Consolidated Statements of Income		
Revenues	3,529,597	4,548,212
Direct expenses	<u>949,498</u>	<u>1,604,096</u>
	2,580,099	2,944,116
Operating Expenses		
Selling and marketing	832,123	1,001,977
General and administrative	<u>1,131,708</u>	<u>1,118,448</u>
Earnings from operations before depreciation, amortization and interest	616,268	823,691
Interest expense:		
Stated interest expense – loan payable, and debentures	444,462	513,265
Non-cash interest expense on debentures	<u>58,769</u>	<u>104,333</u>
	113,037	206,093
Depreciation of property, plant and equipment, and amortization of intangible assets	93,230	150,211
Net income	19,807	55,882
Earnings per share:		
Basic and Diluted (note 15)	0.00	0.00
Consolidated Statements of Comprehensive Income		
Net income	19,807	55,882
Other comprehensive income / (loss)		
Translation adjustment	-	-
Comprehensive income	19,807	55,882

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Deficiency (unaudited)
For the three months ended September 30, 2014 and 2013
(expressed in Canadian dollars)

	Class A preferen- ce shares	Common shares	Contribut- ed surplus	Equity portion of debentures	Warrants	Deficit	Accumulated Other comprehensi- ve income / (loss)	Total
	\$	\$	\$	\$	\$	\$		
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
Balance – September 30, 2013	3,815	24,106,281	808,167	2,114,341	1,167,874	(29,197,489)	-	(997,011)
Balance – July 1, 2014	3,815	24,526,740	4,090,382	-	-	(29,968,616)	(47,383)	(1,395,062)
Net income and comprehensive income for the period						19,807	-	19,807
Balance – September 30, 2014	3,815	24,526,740	4,090,382	-	-	(29,948,809)	(47,383)	(1,375,255)

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

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow (unaudited)
For the three months ended September 30, 2014 and 2013
(expressed in Canadian dollars)

	2014	2013
Cash flow provided by / (used in) Operating activities		
Net income for the period	\$19,807	\$55,882
Adjustments for:		
Depreciation of property, plant and equipment, and amortization of intangible assets	93,230	150,211
Accretion charge for debentures	58,769	104,333
	171,806	310,426
Changes in items of working capital		
Accounts receivable	(206,035)	(217,542)
Transaction credits	942,089	370,318
Inventory	183	(25,714)
Prepaid expenses and sundry assets	(46,050)	(89,773)
Accounts payable and accrued liabilities	374,298	128,202
	1,064,485	165,491
Net cash provided by / (used in) operating activities	1,236,291	475,917
Investing activities		
Purchase of property, plant and equipment, and intangible assets	(128,490)	(114,237)
Net cash (used in) investing activities	(128,490)	(114,237)
Financing activities		
Proceeds from loan payable	(851,229)	(450,659)
Transaction costs, debenture refinancing (note 10)	(24,206)	-
Net cash generated from / (used in) financing activities	(875,435)	(450,659)
Effect of exchange rate changes on cash and cash equivalents		
	-	-
Increase (decrease) in cash and cash equivalents during the period	\$232,366	\$(88,979)
- From continuing operations	232,366	(8,790)
- From discontinued operations (note 18)	-	(80,189)
Increase in cash and cash equivalents	\$232,366	\$(88,979)
Cash and cash equivalents – Beginning of period	1,815,805	1,773,672
Cash and cash equivalents – End of period	2,048,171	1,684,693
Additional Information		
Interest paid	\$249,420	\$699,401
For purposes of the cash flow statement, cash comprises:		
Cash	\$2,043,171	\$1,679,693
Term deposits	\$ 5,000	\$ 5,000
	<u>\$2,048,171</u>	<u>\$1,684,693</u>

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