Press Release

Business update 2011 Q1

- Satisfactory start 2011 RSG
- Print Production activities are developing positively
- Marketing Communications business growth continues

Developments in Q1 2011

The printing industry is evolving rapidly. The consequences of the poor years 2009 and 2010 are now becoming apparent. Bankruptcies and (partial) plant closures have drastically changed the mix of major players in the European industry. A degree of consolidation is slowly becoming apparent, even if it is taking the form of basic clearance.

Roto Smeets Group is seeing the effects and has made a good start to 2011. Despite the disadvantage of not being able to pass on the full price increases of paper, the Roto Smeets Group (RSG) results are slightly better than in the comparable quarter last year, when lower raw material prices had a favourable effect. In the results of the first quarter of 2011 there a no visible effects yet of the recently initiated improvement. Compared to the same period last year, excluding the Roto Smeets Utrecht plant that closed last year, turnover increased by 4%. This increase was achieved despite an increase of customer supplied paper of 30 % compared to the first quarter of 2010. On a like-for-like basis, labour costs declined by more than 9%.

In the Print Productions business line there are indications that customers are increasingly starting to worry about the continuity and capacity available to them, not just concentrating on price alone. Roto Smeets Group enjoys a strong position in magazines, retail and mail order and its financial stability separates us from its competitors.

Because of the previously outlined developments in the market RSG increasingly receives requests and orders from the Netherlands and abroad fom new customers. An example is the multi-year agreement that recently has been signed with Persgroep Publishing n.v. in Belgium for the production of the weekly Dag Allemaal. This title has a weekly print run of approximately 500,000 copies, commonly of 196 pages. From July 2011 it will be printed by Roto Smeets Etten. Acquiring this order has further strengthened the Group's fundamental occupancy.

Senefelder Misset has completed a successful first quarter. Besides new print orders they have launched a new service for magazine publishers: a platform constructing apps for the iPad and similar equipment. This new facilitating service for publishers has been set up in collaboration with the UK firm Yudu Media and will be offered by the label X-Media Solutions, which Senefelder Misset set up last year.

In the first quarter, too, MediaPartners Group has confirmed itself as market leader. Clients are increasingly approaching MediaPartners for strategic and medium-independent advice, which means that the MediaPartners consultants are regularly to be found in discussions at the very highest levels of corporate organisations. Since the New Year the specialists in Brussels and Amstelveen have created their first communications for Achmea, KPN, Mora, Ronald McDonald Kinderfonds and Unilever. The relatively new key area, internal communications, is showing exceptionally good growth. De MediaPartners Group turnover rose in Q1 2011 by 15% compared to Q1 2010.

Financial position

The corporation has a solid balance sheet. The financing facility reported in the 2010 annual accounts remains unchanged.

Significant events, explanatory notes

It was decided in the first quarter to simplify the Group's management structure to reflect the changed size of the concern after restructuring. The new situation is based on a management team of operating company and staff directors, managed directly by a chairman-director. This means that the post of COO is now superfluous.

The sales transaction for the De Wit Binders premises in Eindhoven is now complete and RSG is currently in the final stage of completing a multiannual contract with a tenant for the premises of Roto Smeets Utrecht, which closed in 2010.

Printing Holding conducted negotiations with RSG in the first quarter to amend the price and conditions of their planned bid for RSG shares, which they announced in 2010. The negotiations failed to reach agreement with RSG. Printing Holding does not wish to make a public bid that has not been agreed with RSG and has therefore decided not to continue with the bid process.

Prospects

The results achieved in 2009 and 2010 were more adversely impacted by the reservation made for the social plan and the extraordinary impairments under the IFRS rules. Given our current knowledge of the market, RSG expects to have to make no material extra provision in 2011. It is therefore legitimate to suppose that the net results for 2011 will represent a sharp improvement over 2010. The Group can make no well-substantiated projection of operational results given, among other things, the uncertainty regarding the raw materials market.

Financial calendar

Half-year figures	25 August 2011
Business update Q3	10 November 2011
Annual result 2011 published	15 March 2012

Roto Smeets Group NV

Deventer, 11 May 2011

This is an interim announcement in the meaning of article 5:25e of the Financial Supervision Act [Wet op het Financieel Toezicht].

Profile

Roto Smeets Group NV is a publicly quoted company listed on NYSE Euronext with Amsterdam as market entry point. Roto Smeets Group is an organisation of service businesses which transform their clients' communications messages – with added value – into printed and multimedia productions. The operating companies are clustered into two business lines:

Print Productions – dedicated to efficient, full-service, web-based printing, and Marketing Communications – providing optimum facilitation of the clients' 'own communications channel' by means of effective, cross-media communications concepts.

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