Roto Smeets Group

Press release

- **Results in 2011 considerably better than 2010**
- **EBITDA improved by € 7.5 mln**
- **Debt position reduced by 11%**

Governance
After the departure of the previous Management Board and during the search for a suitable successor, the Group was run during the entire year 2011 by an interim CEO, Mr. R.A.J. Huyzer, who had until then been chairman of the Supervisory Board.

On 11 January 2012, the Supervisory Board announced that it wishes to appoint Mr. J.A. de Haas as new CEO, having regard to his thorough knowledge of the graphics industry, the network, the customers, the business model and the challenges offered by the current communications market. This brought an end to Mr. Huyzer's work as interim CEO. After almost three, intensive years, one as chairman of the Supervisory Board during the 2010 bid process and one as interim CEO, Mr. Huyzer decided to step down on 30 January 2012.

Developments in 2011
The market sectors in which Roto Smeets Group operates have been in constant flux for years. We work in both rapidly growing markets that are developing spectacularly and markets plagued with structural overcapacity and declining demand. The turbulence in western European economies has magnified market unpredictability and insecurity. Markets for the raw materials that we depend on are also showing large swings in both capacity and pricing. All these factors when combined lead to (often) cut-throat competition and unsustainable pricing.

During the last few years, RSG has adapted its organizational capacity to changing market conditions and has implemented a variety of improvements. An even sharper focus on costing and margins will be needed to return to profitability, in addition to the development of new markets, products and services.

It is under these very challenging conditions, and after two years of radical reorganisations, that Roto Smeets Group was able to show a considerable improvement of its results in 2011.

Results 2011

Financial developments
Business results developed according to the expectations stated in November 2011. There has been a considerable improvement. Revenues in 2011 declined only slightly, by € 2.6 mln to € 343.3 mln (2010: € 345.9 mln), despite the loss of turnover from the closure of Roto Smeets Utrecht. In 2011 press occupancy in the printing plants improved and there was an increase in orders for the MediaPartners Group.
A number of incidental items are included in the results of 2011, including the book profit on the sale of the De Wit Binders premises in Eindhoven, the release of the reserve for the Jubilee Bonus, and a benefit in the environmental reserve. Against this must be set the costs of reorganisation.

By contrast, the business result (EBIT) rose to € 3.1 mln as against € - 23.9 mln in 2010. The increase was mainly the result of the special impairment of € 16.3 mln taken in 2010.

Roto Smeets Group's added value (AV) declined slightly: € 165.8 mln in 2011 compared with € 166.1 mln in 2010.

The net result came out at € - 0.7 mln, which an improvement of € 21.8 mln over 2010. Personnel costs fell slightly, thanks to the reorganisations in the Print Productions business line. Despite the increase in the number of employees in the MediaPartners Group, resulting from their increased order book, total employee numbers fell to 1.590 ftes (full-time equivalents) at year end 2011 (2010: 1.616 ftes). EBITDA improved by € 7.5 mln to € 26.7 mln (2010: € 19.2 mln). Cash flow from normal business operations improved to € 14.5 mln. Net investments in material fixed assets were € 9.4 mln (2010: € 16.1 mln).

Solvency rose to 37.4% (year end 2010: 34.5%). According to the definition set down in the bank covenants, solvency is 34.4%. This means that Roto Smeets Group which fulfils the minimum demand agreed with the banks (> 30%).

Key figures

x EUR mln	**2011**	**2010**
Revenue	343.3	345.9
Added value	165.8	166.1
EBITDA	26.7	19.2
Extraordinary depreciation	- 0.8	-16.4
Business result (EBIT)	3.1	-23.9
Net result	- 0.7	- 22.5
Cash flow from normal business activities	14.5	-4.6
Debt position	76.9	85.7

EBITDA/Added value (%)	16.1%	11.6%
Return on capital employed (ROCE, %)	2.7%	-18.7%

For an unchanged number of placed ordinary shares (3,290,275), loss per share amounts to € - 0.23 (2010: € - 6.85).

Financing
At year end 2011, total debt was € 76.9 mln as against € 85.7 mln at year end 2010.

Total interest bearing debt at year end 2011 comprised:
– 31.8% (€ 24.5 mln) financial leases for presses and peripheral equipment;
– 15.3% (€ 11.8 mln) mortgage;
– 52.9% miscellaneous bank debts (€ 40.6 mln).

Dividend
In view of the negative result, no dividend payment will be proposed.

Prospects

Prospects for 2012 are characterized by insecurity in the general climate regarding (and possible reactions to) "the crisis." The second half of 2011 gave us higher volumes and improved pricing (especially in rotogravure), but bidding at the start of 2012 has already shown signs of instability. This, combined with high initial quotes from paper suppliers, has hampered our business. It is evident that a number of RSG's most important competitors are seriously concerned about their market share for the first half of 2012, and are pricing aggressively.

In order to encourage the Marketing Communications business line to grow without restraint, options for MediaPartners Group to expand are being explored. The market in which MPG operates is moving rapidly, and margins remain under pressure. Searching for new markets (including those abroad) is also being encouraged by increasing demands for exclusivity from major clients.

Another important element that can slow our recovery is the increase in labour costs. The social costs, sectoral unemployment premium, and the health care premium have all been increased in 2012. These factors together vitiate a large part of the improvements gained in 2011. This means that, despite our satisfaction with 2011, in 2012 RSG is still confronted with new challenges in the international are in which it operates.

Given the market conditions described in this annual report, it would not be responsible to make any statements about results in the current year.

Important financial dates, 2012

Call for AGM	28 March 2012
Registration date	11 April 2012
AGM	9 May 2012

business update Q1	9 May 2012
half-year figures	23 August 2012
business update Q3	8 November 2012

Appendices: Annual figures 2011

Deventer, 15 March 2012

Roto Smeets Group NV
Management Board

For more information call: Joost de Haas, CEO, +31 570-69 49 33

Supplementary information:
The figures in the press release are based on the consolidated financial accounts for 2011, which will be presented for adoption to the General Shareholders' Meeting. The figures in the press release have not been audited.

The annual report with the complete consolidated balance will be made available on 28 March 2012.. The Shareholders' Annual General Meeting this year will be held on Wednesday 9 May at 15:00 hrs in the Rosarium, Amsterdam. The usual press conference will be held immediately afterwards. Ediros can state their attention to attend to emily.knegtel@rotosmeets.com.

Profile
Roto Smeets Group NV shares are traded on the NYSE Euronext exchange. Roto Smeets Group is an organisation of service companies that transform their clients' communications, with added value, into printed and multimedia productions. The business units are clustered into two business lines:
Print Productions, concerned with the efficient production of full service, web-based printing; and Marketing Communications, which provides the optimum facilitation of the client's own communications channels, using effective, cross-media communications concepts.

ROTO SMEETS GROUP ANNUAL RESULTS 2011

Consolidated profit and loss account

(amounts x € 1.000)	**2011**	**2010**	**index**
Total revenue	343,264	345,860	99
Cost of raw materials and consumables	-142,272	-146,180	97
Cost of subcontracted work and other external costs	-35,158	-33,581	105
Value-added	165,834	166,099	100
Other revenue	896	546	
	166,730	166,645	
Personnel expenses	-103,857	-106,699	97
Depreciation tangible fixed assets	-22,707	-26,746	85
Exceptional impairments	-818	-16,368	
Other operating costs	-36,218	-40,731	89
Operating result	3,130	-23,899	
Financing income	295	304	
Financing costs	-3,949	-4,480	
Result before taxation	-524	-28,075	
Income tax	-222	5,528	
Result after taxation	-746	-22,547	
Attributed to:			
Shareholders Roto Smeets Group NV	-746	-22,547	
Key Figures			
Average number of outstanding ordinary shares	3,290,275	3,290,275	
Attributed to shareholders Roto Smeets Group NV:			
Ordinary and diluted earnings per share (€)	-0.23	-6.85	
Value-added in % of revenue	48.3%	48.0%	

ROTO SMEETS GROUP ANNUAL RESULTS 2011

CONSOLIDATED BALANCE SHEET

(amounts x € 1.000)	**31-12-11**	**31-12-10**
ASSETS		
Fixed assets		
Tangible fixed assets	125,795	139,563
Investment properties	14,256	4,831
Associated companies / joint ventures	-	-
Deferred tax assets	9,968	10,724
Other financial fixed assets	769	512
	150,788	155,630
Current assets		
Stocks	6,500	6,962
Trade receivables	52,164	55,179
Other receivables / prepayments	7,360	5,539
Cash and cash equivalents	444	1,313
	66,468	68,993
Assets classified as held for sale	-	4,481
	66,468	73,474
Total assets	217,256	229,104
EQUITY AND LIABILITIES		
Equity attributed to equity holders of Roto Smeets Group NV		
Issued share capital	16,451	16,451
Share premium	12,833	12,833
Revaluation reserve	3,708	-
Retained earnings	50,704	51,450
Other reserves	-2,338	-1,613
Total equity	81,358	79,121
Long-term liabilities		
Provisions	4,258	8,702
Interest-bearing loans:		
Loans	11,000	11,750
Lease obligations	18,445	17,944
	33,703	38,396
Current liabilities		
Trade and other liabilities	45,139	45,482
Finance companies	40,726	43,513
Interest bearing loans	6,771	12,451
Income tax payable	4,462	4,083
Financial derivatives	2,045	1,755
Provisions	3,052	4,303
	102,195	111,587
Total liabilities	135,898	149,983
Total equity and liabilities	217,256	229,104

ROTO SMEETS GROUP ANNUAL RESULTS 2011

Consolidated overview of realised and unrealised results

(amounts x € 1.000)	**2011**	**2010**
Result after tax	-746	-22,547
Unrealised results		
Value changes forward currency contracts	-567	-1,378
Foreign currency translation of foreign subsidairies	-313	14
Revaluation investment properties	4,944	-
Taxation on results through equity	-1,081	351
Unrealised results after taxes	2,983	-1,013
Total realised and unrealised results after taxes	2,237	-23,560
Attributed to:		
Shareholders Roto Smeets Group NV	2,237	-23,560

ROTO SMEETS GROUP ANNUAL RESULTS 2011

Consolidated overview of changes in equity

(amounts x € 1.000)	issued capital	share premium	Revaluation reserve	retained earnings	other reserves	total
Balance as at January 1, 2011	**16,451**	**12,833**	**-**	**51,450**	**-1,613**	**79,121**
Result after taxes			-	-746		-746
Unrealised results after taxes			3,708		-725	2,983
Total realised and unrealised results after taxes	-	-	3,708	-746	-725	2,237
	-	-	3,708	-746	-725	2,237
Balance as at December 31, 2011	**16,451**	**12,833**	**3,708**	**50,704**	**-2,338**	**81,358**

(amounts x € 1.000)	issued capital	share premium	Revaluation reserve	retained earnings	other reserves	total
Balance as at January 1, 2010	**16,451**	**12,833**	**-**	**73,997**	**-600**	**102,681**
						0
Result after taxes			-	-22,547		-22,547
Unrealised results after taxes			-		-1,013	-1,013
Total realised and unrealised results after taxes	-	-	-	-22,547	-1,013	-23,560
	-	-	-	-22,547	-1,013	-23,560
Balance as at December 31, 2010	**16,451**	**12,833**	**-**	**51,450**	**-1,613**	**79,121**

ROTO SMEETS GROUP ANNUAL RESULTS 2011

Consolidated cash flow statement

(amounts x € 1.000)	2011	2010
Cash flow from operating activities		
Net result	-746	-22,547
Depreciation and exceptional impairments	23,525	43,114
Profit on sale of tangible fixed assets	-2,243	-
(Deferred) taxation	-480	-4,740
Other non-cash items	-4,079	-1,610
Changes in		
Stock	462	2,107
Trade receivables	2,196	7,171
Other receivables / prepayments	-1,821	1,849
Trade and other payables	37	-14,077
Provisions	-2,309	-15,860
Cash flow from operating activities	**14,542**	**-4,593**
Cash flow from investing activities		
Investments in tangible fixed assets	-9,371	-17,045
Divestments in tangible fixed assets	2,676	837
Repayments on loans	1	809
	-6,694	**-15,399**
Cash flow from financing activities		
Withdrawn risk-bearing loans	2,790	9,000
Repayments risk-bearing loans	-8,719	-9,497
Finance companies	-2,787	20,579
	-8,716	**20,082**
Effect of changes in exchange rates	-1	3
Net change in cash and cash equivalents	-869	93
Cash and cash equivalents at beginning of year	1,313	1,220
Cash and cash equivalents at end of year	**444**	**1,313**

ROTO SMEETS GROUP ANNUAL RESULTS 2011

Segment information

The following summary shows the segment information in 2011

(amounts x € 1.000)	Print Productions	Marketing Communications	eliminations	total
Revenue	324,883	18,381	-	343,264
Intersegment revenue	-	-	-	0
Total revenue	324,883	18,381	-	343,264
Net results	-2,113	1,367	-	-746
Assets and liabilities				
Tangible fixed assets	125,026	408	-	125,434
Other assets	54,839	6,110	-142	60,807
Investment properties				14,256
Unallocated assets				16,759
Total assets				217,256
Liabilities	68,841	4,616	-142	73,315
Unallocated liabilities				62,583
Total liabilities				135,898
Other information				
Investments in tangible fixed assets	9,074	297		9,371
Depreciation including exceptional impairments	23,446	79		23,525

The following summary shows the segment information in 2010

(amounts x € 1.000)	Print Productions	Marketing Communications	eliminations	total
Revenue	329,231	16,629	-	345,860
Intersegment revenue	-	-	-	0
Total revenue	329,231	16,629	-	345,860
Net results	-23,520	973	-	-22,547
Assets and liabilities				
Tangible fixed assets	138,876	190	-	139,066
Other assets	63,091	4,632	-142	67,581
Assets classified as held for sale	4,481	-	-	4,481
Investment properties				4,831
Unallocated assets				13,145
Total assets				229,104
Liabilities	74,701	2,192	-142	76,751
Unallocated liabilities				73,232
Total liabilities				149,983
Other information				
Investments in tangible fixed assets	16,972	73		17,045
Depreciation including exceptional impairments	43,036	78		43,114