Press Release Annual Results 2012

Roto Smeets Group: Results for 2012 reveal a need for more entrepreneurship and flexibility

- Added value has fallen slightly to EUR 161.6 million (EUR 165.8 million in 2011) alongside a fall in revenues to EUR 316.4 million (EUR 343.3 million in 2011)
- EBIT has fallen to EUR -29.6 million as a result of EUR 28.0 million impairments; normalized net result EUR 2.8 million lower than in 2011 (EUR -5.5 million vs EUR -2.7 million)
- Cash flow from operational activities has fallen slightly to EUR 12.5 million
- Debt exposure has been reduced by more than 9%
- ABN AMRO Bank and ING Bank have reviewed agreements and provided amended credit facilities based on additional collateral.
- The market demand is for business units that operate more independently; management is assessing various possibilities for making business units more independent, entrepreneurial and flexible.
- Impairments offer the potential for profit recovery for all segments in 2013

Deventer, 21 March 2013

Roto Smeets Group ('RSG'), one of the leading graphics media companies in Western Europe, has seen a fall in turnover to EUR 316.4 million (EUR 343.3 million in 2011) as a result of very challenging market conditions. This is due to lower capacity, pressure from Eastern European competitors and an increase in the volume of paper delivered by clients. The performance of the business line Marketing Communications remains strong. The normalized net results fell to EUR -5.5 million. The added value was 2.5% lower than in 2011 (EUR 161.6 million vs EUR 165.8 million). Due to continued low margins, impairments are necessary on production resources and other (financial) assets. This results in a negative net result of EUR -29.2 million. After these impairments, growth is forecast for all segments in 2013. In order to cope with the considerable changes in the market, attention is being focused not only on reducing costs and increasing productivity, but the management is also looking to achieve greater independent entrepreneurship and flexibility in all the business units. This is why RSG is assessing whether the legal and financial structure and the management model should be adapted.

RSG operates in rapidly changing markets. This has manifested itself more than ever over the course of 2012 especially for the large print volumes. In the already rapidly subsiding magazine market, competition from Eastern Europe increased strongly in 2012. In contrast to 2011, no big producers disappeared from the market. There has been relentless pressure on prices and volumes across the board. The 2012 results are a reflection of all these developments. RSG has only been able to partly absorb these with cost savings that will continue over the course of this year and next year and will rise to EUR 12 million in 2014. The persistent overcapacity in the graphics industry, the rapid influx of competition from Eastern Europe and the economic climate have all contributed to a review of the outlook for Print Productions. Based on an impairment analysis, RSG recognised that an impairment of EUR 26.0 million was required on the production resources at Print Productions Nederland. There has been a devaluation of EUR 2.0 million on property investments.

Joost de Haas, CEO says: *"The positive consequence of the impairments is that it results in a balance with a lower fixed-asset value and lower depreciation for the future. That is important for our businesses – it gives them more room to manoeuvre - which is what we are aiming for. We operate in a very dynamic market with ever-reducing turnaround times and customers who increasingly decide where to fulfil their orders on an ad hoc basis. If we want Roto Smeets Group to emerge from the crisis in the market successfully, we will have to give our businesses more flexibility and room to manoeuvre in their own market segments. To this end we are developing strategic plans for each company. Above all, we are researching the structural adjustments needed to bring entrepreneurship and accountability to the lowest possible levels of the business."*

Savings have increased

RSG has consulted ABN AMRO Bank and ING Bank on credit facilities. This has resulted in a review of the credit facilities with ABN AMRO Bank based on additional collateral and adjusted covenants. The ING credit facility has been refinanced for 1 year at a lower level than previously. De Haas says: *"The refinance affords peace of mind. Our solvency ratio continues, at almost 30%, to be in order, not least as a result of the reduction of our debt exposure by more than 9%. Cost savings remain high on our agenda. The development of personnel costs continues to be an important priority. Employers' costs rose at a rapid rate in 2012 and put pressure on the Dutch graphics sector. We must therefore continuously strive to improve productivity and reduce personnel costs to ensure a healthy future for the business. In 2013, our project 'Sneller, Beter, Hoger' (Faster, better, higher) will deliver EUR 5 million in savings, which will reach EUR 12 million in 2014. At the same time, we can see that our efforts to increase productivity and free up capacity will be fruitful."*

Financial development 2012

In millions of euro	**2012**	**2011**
Revenue	316.4	343.3
Added value	161.6	165.8
Normalized EBITDA	18.7	23.3
EBIT	-29.6	3.1
Net result	-29.2	-0.7
Normalized net result	-5.5	-2.7
Cash flow from operational activities	12.5	14.5
Net investments in fixed assets	5.7	8.9
Debt exposure	69.7	76.9

Revenues fell in 2012 principally because of the loss of a number of large orders, pressure from Eastern European competition and an increase in paper being supplied by customers. As a result, compared with 2011, added value (AV) for 2012 fell (from EUR 165.8 million in 2011 to EUR 161.6 million in 2012). Personnel costs have risen despite reorganizations carried out in the Print Productions companies. This can be attributed to an increase in social security taxes of more than 10%, chiefly caused by the increase in sector-specific unemployment premiums.

Recovery measures in place
In the course of 2012 RSG defined specific actions to restore the underlying results. This means first of all increasing the marketable capacity by lowering cost prices and shortening turnaround times. The use of digital techniques for finishing is also an important measure in order to be better able to fulfil the demand for personalized printed products. In addition, personnel costs are being further reduced by decreasing indirect positions, bringing back temporary workers and using employees more flexibly.

Alongside this, the dominant theme for 2012 for RSG was making additional adjustments to the organisation in line with market developments. MediaPartners Group has expanded its market share by taking over rival firm vdbj_. The result of this takeover is the creation of a powerful group in the field of content marketing and internal communication.
Senefelder Misset has carried out a reorganization of its conventional printing activities at the cost of 25 jobs. An investment in finishing methods is planned for 2013, after which Senefelder Misset will again have a fully state-of-the-art set-up.
The Roto Smeets GrafiServices companies further integrated the two production plants in 2012 which has created a more efficient full-service organization. With the commissioning of a new XL-press and the introduction of a new IT-system, the competitive edge has been increased.

Under the name 'Sneller, Beter, Hoger' (Faster, better, higher), Roto Smeets companies have embarked on various improvement projects. The necessary reduction in costs has been implemented here inter alia by further integrating the three printing plants and finishing companies (Roto Smeets Deventer, Roto Smeets Etten, Roto Smeets Weert, De Wit Binders and Rotopack) to form a Roto Smeets cluster. Roto Smeets is now managed by one General Director. Through the integration of various departments, a total of 30 jobs have been eliminated.
Roto Smeets has started 2013 on a good footing with contracts being extended with clients such as The Economist and Sanoma Media.

About Roto Smeets Group
Roto Smeets Group NV is listed in NYSE Euronext, Amsterdam, and is one of the leading graphics media companies in Western Europe. Roto Smeets Group specializes in the production of printed and multimedia communications by companies clustered into two business lines: Print Productions - focused on the efficient production of full service graphic and related services, and Marketing Communications - focused on the production of content-rich media and resources based on solid communication strategies.

Important financial data 2013

Call for General Shareholders' Meeting	3 April 2013
Registration date	17 April 2013
General Shareholders' Meeting	15 May 2013
Business update Q1	15 May 2013
Half-yearly figures	22 August 2013
Business update Q3	7 November 2013

Appendices: Annual figures 2012

Additional information: The figures in this press release are based on the annual accounts for 2012. The annual accounts 2012 shall be presented for approval at the General Shareholders' Meeting. The figures presented in this press release have not been audited. The annual report with the full annual figures and the call for the General Shareholders' Meeting (GSM) will be available as of 3 April. The GSM shall be held this year on Wednesday 15 May at 15:00 in the Rosarium in Amsterdam.

Note for the editorial team: not for publication.

For more information, please contact:

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Press information session GSM on 15 May

After the GSM on 15 May the usual press briefing will take place. Editorial teams can register for this with emily.knegtel@rotosmeets.com.

ROTO SMEETS GROUP ANNUAL RESULTS 2012

Consolidated profit and loss account

(amounts x € 1.000)	**2012**	**2011**	**index**
Total revenue	316,389	343,264	92
Cost of raw materials and consumables	-124,083	-142,272	87
Cost of subcontracted work and other external costs	-30,706	-35,158	87
Value-added	161,600	165,834	97
Other revenue	1,229	896	
	162,829	166,730	
Personnel expenses	-105,730	-103,857	102
Depreciation intangible fixed assets	-115	-	
Depreciation tangible fixed assets	-22,284	-22,707	98
Exceptional impairments	-26,515	-818	
Unrealised revaluation of investment properties	-1,961	-	
Other operating costs	-35,849	-36,218	99
Operating result	-29,625	3,130	
Financing income	50	295	
Financing costs	-3,248	-3,949	
Result before taxation	-32,823	-524	
Income tax	3,633	-222	
Result after taxation	-29,190	-746	
Attributed to:			
Shareholders Roto Smeets Group NV	-29,190	-746	
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 (€)	-8.87	-0.23	
Value-added in % of revenue	51.1%	48.3%	

ROTO SMEETS GROUP ANNUAL RESULTS 2012

CONSOLIDATED BALANCE SHEET

(amounts x € 1.000)	**12/31/12**	**12/31/11**
ASSETS		
Fixed assets		
Intangible fixed assets	2,099	-
Tangible fixed assets	82,547	125,795
Investment properties	12,295	14,256
Associated companies / joint ventures	-	-
Deferred tax assets	13,510	9,968
Other financial fixed assets	9	769
	110,460	150,788
Current assets		
Stocks	5,818	6,500
Trade receivables	49,443	52,164
Other receivables / prepayments	9,930	7,360
Cash and cash equivalents	628	444
	65,819	66,468
Total assets	176,279	217,256
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	3,708
Retained earnings	21,514	50,704
Other reserves	-2,182	-2,338
Total equity	52,324	81,358
Long-term liabilities		
Provisions	3,056	4,258
Interest-bearing loans:		
Loans	-	11,000
Lease obligations	4,548	18,445
	7,604	33,703
Current liabilities		
Trade and other liabilities	43,197	45,139
Finance companies	38,451	40,726
Interest bearing loans	26,696	6,771
Income tax payable	4,784	4,462
Financial derivatives	2,082	2,045
Provisions	1,141	3,052
	116,351	102,195
Total liabilities	123,955	135,898
Total equity and liabilities	176,279	217,256

ROTO SMEETS GROUP ANNUAL RESULTS 2012

Consolidated overview of realised and unrealised results

(amounts x € 1.000)	**2012**	**2011**
Result after tax	-29,190	-746
Unrealised results		
Value changes forward currency contracts	248	-567
Foreign currency translation of foreign subsidairies	-30	-313
Revaluation investment properties	-	4,944
Taxation on results through equity	-62	-1,081
Unrealised results after taxes	156	2,983
Total realised and unrealised results after taxes	-29,034	2,237
Attributed to:		
Shareholders Roto Smeets Group NV	-29,034	2,237

ROTO SMEETS GROUP ANNUAL RESULTS 2012

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, 2012	**16,451**	**12,833**	**3,708**	**50,704**	**-2,338**	**81,358**
Result after taxes			-	-29,190		-29,190
Unrealised results after taxes			-		156	156
Total realised and unrealised results after taxes	-	-	-	-29,190	156	-29,034
	-	-	-	-29,190	156	-29,034
Balance as at December 31, 2012	**16,451**	**12,833**	**3,708**	**21,514**	**-2,182**	**52,324**

(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**
						0
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**

ROTO SMEETS GROUP ANNUAL RESULTS 2012

Consolidated cash flow statement

(amounts x € 1.000)	2012	2011
Cash flow from operating activities		
Net result	-29,190	-746
Depreciation and exceptional impairments	48,914	23,525
Profit on sale of tangible fixed assets	-63	-2,243
(Deferred) taxation	-3,542	-480
Other non-cash items	-592	-4,079
Changes in		
Stock	1,525	462
Trade receivables	3,444	2,196
Other receivables / prepayments	-1,320	-1,821
Trade and other payables	-5,836	37
Provisions	-859	-2,309
Cash flow from operating activities	**12,481**	**14,542**
Cash flow from investing activities		
Investments in tangible fixed assets	-5,596	-9,371
Divestments in tangible fixed assets	615	2,676
Investments in intangible fixed assets	-696	-
Net cash inflow acquisition vdbj_	626	-
Repayments on loans	2	1
	-5,049	**-6,694**
Cash flow from financing activities		
Withdrawn risk-bearing loans	1,828	2,790
Repayments risk-bearing loans	-6,800	-8,719
Finance companies	-2,275	-2,787
	-7,247	**-8,716**
Effect of changes in exchange rates	-1	-1
Net change in cash and cash equivalents	184	-869
Cash and cash equivalents at beginning of year	444	1,313
Cash and cash equivalents at end of year	**628**	**444**

ROTO SMEETS GROUP ANNUAL RESULTS 2012

Segment information

The following summary shows the segment information in 2012

(amounts x € 1.000)	Print Productions	Marketing Communications	eliminations	total
Revenue	297,077	19,312	-	316,389
Intersegment revenue	1,068	-	(1,068)	0
Total revenue	298,145	19,312	(1,068)	316,389
Net results	-30,175	985	-	-29,190
Assets and liabilities				
Intangible fixed assets	575	1,524	-	2,099
Tangible fixed assets	82,629	412	-	83,041
Other assets	55,004	6,764	-	61,768
Investment properties				12,295
Unallocated assets				17,076
Total assets				176,279
Liabilities	63,583	12,212	-	75,795
Unallocated liabilities				48,160
Total liabilities				123,955
Other information				
Investments in fixed assets	5,956	336		6,292
Depreciation including exceptional impairments	48,664	250		48,914

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 fixed assets	9,074	297		9,371
Depreciation including exceptional impairments	23,446	79		23,525