



ROTO date

ROTO SMEETS FOUR-MONTHLY NEWSLETTER

N°. 5 - MAY 2005

**Do you know how
much paper was
used in Europe?**

(answer page 3)

What is so special about the format you are holding?

From now on, every issue of this new 'Rotodate' newsletter will be produced in a different format.

This format will serve as an example of one or several of their benefits. So keep these newsletters or pass them on to your creative staff. This will allow you to take into account the benefits of a specific paper format from the design phase of your publication onwards.

Compatible paper format

The format you are now holding allows a flexible change from gravure to offset and vice versa. It is a format that can offer a solution to seasonal companies in particular, for example for a chain of toyshops. In peak periods these companies need large volumes of print work and gravure is the most appropriate production method. And during the periods when there is a need for less large volumes, offset can offer a solution. And all this while the format - and therefore the layout - does not change.

Binders

We have also produced binders for storing these newsletters. If you want to receive one of these binders, just call your contact at Roto Smeets. You will find the details on the back page.



is a publication of **Roto Smeets**, a division of **RSDB**
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Concept and realisation: Media Partners Belgium

Growth

World-wide spending on advertising grew by almost 7 percent compared to 2003. The battle for the consumer will continue to lead to increased spending on advertising in the years to come. The share of the medium of paper in these costs has been fairly constant for a number of years and, given the unique characteristics of paper, this will remain unchanged for some time. So as not to lose this momentum, we have invested in offset as well as gravure printing presses offering capacity at the right time, which will allow us to keep up with your growth. After all, foresight is the essence of investment!



René van Werkhoven
(Managing Director
of Roto Smeets)

**Did you know:
That in 2004 24 billion kg
of paper was used in Europe!**

**Did you know that Roto Smeets produces
3 million magazines every day?**

“The market determines the price of paper”

HOW IS THE PRICE OF PAPER DETERMINED? THE ANSWER TO THIS QUESTION IS SIMPLE: IT IS DETERMINED BY THE MARKET, ACCORDING TO BERT VAN DRIE, ONE OF THE PAPER PURCHASERS AT ROTO SMEETS.

“The price of paper is a significant part of the print costs both for publishers and for retailers. People often ask me how the price of paper is actually determined. The most simple answer is by the interaction between supply and demand in the world market.

When the capacity utilisation of the production facilities of paper manufacturers increases to ninety percent or more, prices tend to start rising, which is what is happening at the moment. The price of almost all types of paper is rising.

The world market is enormous and fragile at the same time and is dominated by a fine balance. We see that retailers are ordering larger print volumes and new magazine titles are launched all the time. This has an effect on prices. Even a strike at a paper mill in Canada will have an effect. Canadian printers

buy paper in Europe, as a result of which the available capacity comes under pressure here.

Supply and demand are fairly well-balanced at the moment. New capacity is created all over the world, but paper mills in countries such as China and India only produce for their respective domestic markets. Another factor that has an effect is the phenomenon that retailers are looking for ways of distinguishing themselves, for example by using brighter white paper, which constitutes an upgrade of the paper quality used. This may result in higher prices for this type of paper.

The paper market is global yet very fragile. A minor disruption can tip the balance. That is why the price of paper can go up and down like a yo-yo. It is usually stable for short periods only.”

Did you know ...?

... that graphic designers tend to choose matt, often cream-coloured paper, despite the fact that magazine readers throughout Europe almost always prefer bright white glossy paper types. This was shown by a study carried out by Göte Nyman, professor of psychology at the University of Helsinki.

Commercial and administrative heart

Within Roto Smeets, the Sales & Production Support (SPS) department in Hilversum plays an important part in Roto Smeets' operations. Essentially, SPS is the commercial and administrative heart of the organisation. It's the centre of all offers, calculations and orders. The organisation focuses on both the national and the international printing market. SPS also has a planning department that controls the utilisation of all machines of the production facilities via DiMS!, so that print orders can be completed as quickly and efficiently as possible.



DiMS! ensures optimum communication

ALL ROTO SMEETS PRINTING PLANTS AND FINISHING FACILITIES NOW USE DIMS! ENTERPRISE. THIS ENABLES THEM TO REQUEST AND DIRECT OFFERS, SCHEDULES, CALCULATIONS, INVOICES, ACTUAL COSTS AND MANAGEMENT INFORMATION FROM ONE SINGLE DATABASE. WHAT ARE THE BENEFITS OF THIS SYSTEM FOR THE CUSTOMER? FOUR QUESTIONS FOR ERIC RIKKERT, DIMS! ENTERPRISE PROJECT MANAGER.

What is DiMS!?

DiMS! is software for organising as well as tracking offers, calculations, work and production schedules for all printing. All production facilities of RSDB have been connected to this system since 1 January 2005. We use one database so that all the employees of these companies have identical information at their disposal.

Why is that important?

The system provides an optimum insight into the planning of the work or the capacity respectively, and can automatically search for the best possible and available production method within the group. Sales staff can go online at any

time to check for clients what can be produced when and where.

“We are developing a much stronger digital relationship with our clients.”

Does the system work well?

We had been working with

DiMS! for some time, but now all Roto Smeets printing plants and finishing facilities involved are connected to the same database. The system functions very well. We recently created a pilot link with paper suppliers via Papinet and as a result of this we now know exactly when paper is leaving the paper mill, what paper is on the lorry and the quantities of paper will be delivered to us by this lorry. If a print order is postponed, the paper supplier is notified of this. This prevents unnecessary stock building.

What are the benefits for the customer?

Thanks to the group-wide database we are able to communicate quickly and efficiently with our customers and information is immediately available to all parties involved. In the near future we will be moving on the next phase, which will involve the development of a much closer digital “relationship” with our clients. This will include creating links with their systems, so that we no longer have to re-enter order information, as well as digital invoicing. In the future it will be possible to give customers an insight into the status of their order by means of tracking and tracing. In short, a private network which clients can use to supply production data fast and securely.

4

Heavyweight of two kilograms

In March 2005 RSDB subsidiary De Wit, a division of Roto Smeets Grafische Nabewerking, installed a new, second perfect binding line, a Corona 13 equipped with a 22 station gatherer. De Wit recently concluded a contract



with the British retail chain Argos for the production of four editions of the Argos catalogue. Each year 6 million copies will be produced, each catalogue containing 1,600 pages and weighing 2 kg! That is just up De Wit's street - the company specialises in binding, finishing, packaging and addressing.

Column from Marketing

Economic activity in the printing world has been directly linked to the state of the economy for years. As long as the economy is doing well, money will be spent on advertising and the printing presses will keep on running. And although the ratio often prescribes countercyclical advertising, advertising budgets usually decrease in a shrinking economy. This is demonstrated, for example, by the advertising volumes in newspapers and magazines.

However, there are sectors which do use the countercyclical approach. For example, the volume of unaddressed door-to-door advertising brochures has increased sharply in recent years. The reason for this is that, although the medium is not always regarded as the most 'sexy' one, it is unrivalled in its effectiveness in stimulating consumers to act (e.g. increase showroom traffic). This phenomenon is demonstrated time and again by a survey that is carried out in the Netherlands every year.

For a printing group such as Roto Smeets, which consists of several facilities geared to different market segments, this means a stable situation despite ups and downs in the economy.

The latest downloads!

Everyone can request the latest guidelines, settings, colour profiles and test pages on the Roto Smeets website. The website now also includes a 'keep me informed' registration form to apply for automatic receipt of the latest download versions by e-mail:

www.rotosmeets.com

RSDB's Strategy

Business Plan

The RSDB Business Plan 2004-2007 is partly based on a study into the supply and demand ratios in the market, technological developments and the organisation's own strengths and weaknesses. One of the conclusions of this study was that RSDB is increasingly creating a distinct profile for itself among its customers: purchasing purely with a view to production or in line with a marketing communication strategy to be developed jointly, or a combination of both. The study also showed that RSDB's strengths - partly determined by its history - are the production of web print work on the one hand and editorial design and layout of marketing communication concepts on the other.

Choices

The current situation in the printing industry and the unusual economic climate have forced us to make choices. One of these choices is that RSDB wants to concentrate on the development of its position as a producer of web print work and on

strengthening its position as a developer of marketing communication concepts.

This means that the current organisational model with the three brands Roto Smeets, Plantijn-Casparie and Media Partners will be abandoned and that the core activities will be transferred to two business lines, i.e. 'Print Productions' and 'Marketing Communications':

- **Print Productions**

Geared to the efficient and effective production of web print work by means of specialised full-services companies which, as advisors contractors or directors, cover the entire value chain from pre-press to distribution

- **Marketing Communications**

Geared to facilitating the 'own communication channel' of clients.

5

Possible withdrawal from the stock exchange?

RSDB wants to further strengthen the position of the two business lines in the coming years. It intends to do this through autonomous development, but also by means of acquisitions as well as by being open to consolidation in web printing if this were to result in improvement of the market position and yield.

In the coming months it will be examined to what extent, for the benefit of the envisaged development of Print Productions and Marketing Communications, an ownership structure outside the stock exchange would offer more opportunities.

The impetus to this study, in which the interests of all stakeholders will be considered as well, was partly given by:

- stricter requirements, increased management attention and related costs, attached to the listing
- the decreasing liquidity of small caps in general
- the limited free float of RSDB in particular
- as well as the area of tension between publication requirements on the one hand and competition sensitivity on the other.

We keep you informed!





Largest weekly of the Netherlands is very personal

YOUR OWN BOYFRIEND, GIRLFRIEND, MOTHER OR GRANDMOTHER ON THE COVER OF VERONICA MAGAZINE. THAT WAS THE SURPRISE THOUSANDS OF READERS OF THIS POPULAR DUTCH WEEKLY RECEIVED ON VALENTINE'S DAY.

The challenge

Erik Visser, marketing manager at Veronica Uitgeverij, wanted to involve the readers more in the magazine. A personalised cover for Valentines' Day fitted in with this objective and was also characteristic for Veronica. "It is a quirky and new concept".

Readers could go to a special website to upload photos and texts of the loved one who they wanted to surprise. According to Erik Visser, the readers were wildly enthusias-

tic. "This campaign was very good for our image. Of course, the amusing aspect of this campaign was that the recipient of the magazine was under the impression that the entire edition had the same cover as the one he or she was looking at, particularly because the recipient received Veronica Magazine through the post a day before it went on sale in the shops."



Readers had to pay EUR 4.95 for a personalised cover. The production process started as soon as



A word from our clients

the reader's payment had been collected via direct debit.

The solution

Several disciplines worked together during this project. The body of Veronica Magazine was printed at Roto Smeets Deventer. The personalised cover was produced by PlantijnCasparie Digital Print in Amsterdam. The application on the servers and the internet was developed by PlantijnCasparie Data, and finishing and sealing was done by Ten Klei in Purmerend.

Paul van den Brink, business unit manager of PlantijnCasparie Digital Print: "We created a production PDF of each cover. These PDFs were collected and put on a server. The cover page was printed on the cover with three other static pages. These three pages did not include any personalised printing although this would have been possible. The different files were merged on the printers by means of an information string which included all the necessary data such as address data. All in all, quite an operation!"

Nearly one million subscribers

Veronica Magazine is a publication of Veronica Uitgeverij. This publishing company is a division of the SBS group. Veronica Magazine is the largest popular magazine of the Netherlands with 920,000 subscribers and 150,000 sold at various outlets. In total 2.7 million readers are reached every week. Roto Smeets Deventer produces the Veronica Magazine and took care of personalisation before postal despatch. The regular cover for the entire edition is printed at Roto Smeets Weert.

ALL ROTO SMEETS CLIENTS HAVE ONE THING IN COMMON: THEY WANT QUALITY PRINT WORK AND PROMPT SERVICE. THIS SECTION TAKES A CLOSER LOOK AT THE NEEDS AND WISHES OF OUR CLIENTS, SUCH AS THE FRENCH HOME SHOPPING COMPANY REDCATS SPECIAL BRANDS. PRODUCTION MANAGER ARCO MEIJNDERT EXPLAINS WHY REDCATS HAS OPTED FOR ROTO SMEETS.

So what does Redcats do?

Arco Meijndert: "Redcats Special Brands is the third largest home shopping company in the world. We have 17 different brands and we are present in 18 countries. Our portfolio includes La Redoute, La Maison de Valérie (France), Ellos (Sweden), Empire Stores (UK) and Redcats US (USA)."

What is your function?

Arco Meijndert: "I work in Paris as the Catalogue Manufacturing Manager. My team and I are in charge of producing catalogues. We take care of the entire process of production: planning, buying paper, copying, printing and processing. My team also takes care of translation and editing for our international editions. Alongside widely spoken languages such as English and German, we sometimes produce some catalogues in more exotic languages like Portuguese or Japanese."

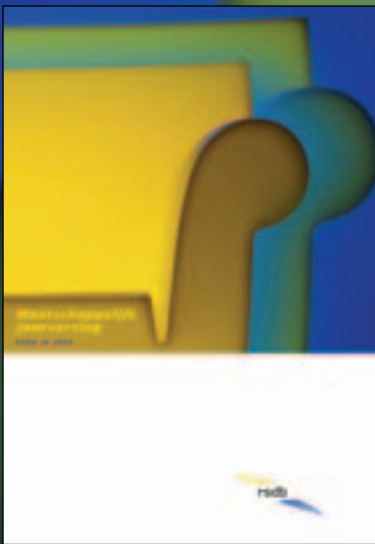
Why did Redcats opt for Roto Smeets?

Arco Meijndert: "Redcats has been a client of Roto Smeets for years. We consider this printing group to be one of the few printing in Europe that manages to combine quality and reliability with good service. Some 85 to 90% of our catalogues require intaglio printing. So for us it is a great advantage that Roto Smeets' intaglio printing press in Etten is located close by.

"Roto Smeets prints various folded sections for our main catalogues twice a year. In the meantime they also print a series of other intermediate catalogues that are generally saddle stitched or spine glued and trimmed before being sent out."

Who do you have the most contact with at Roto Smeets?

Arco Meijndert: "We have a lot of contact with Vincent Massat in the Roto Smeets France sales office in Paris. We also often find ourselves on the line with order management in Roto Smeets Etten. I particularly enjoy these contacts as before I settled in France, I was part of the order management team in Etten. So I would like to say hello to all my colleagues from those days in Etten Leur!"



Social report 2004

RSDB aims to achieve its business objectives in harmony with sound social and environmental policies. RSDB thereby attaches great importance to a sustainable relationship with its stakeholders and efforts to achieve this include providing them with sufficient information and running the business in a socially responsible manner.

The environmental policy RSDB pursues and the way in which RSDB has operated a balance of incoming and outgoing material

flows - the Eco Balance - since 1994 is greatly appreciated. That is why RSDB publishes an Environmental Annual Report each year, despite the fact that RSDB does not come under the category of companies which in the Netherlands are obliged to publish an annual report about their environmental impact and efforts. For the reporting year 2004 RSDB decided to combine these reports into a Social Report 2004, which gives an impression of the group's activities in those areas that are important to you.

You can request a copy of or download the Social Report 2004 in PDF format on the website of RSDB Holding www.rsdb.nl

COLUMN

No-one can doubt that high-volume colour printing has become increasingly regarded as a commodity over the last few years. The printer's ability to provide consistently high printing quality is held to be a given and no longer commands a price premium. Similarly, clients take for granted our ability to produce within very tight schedules, and still expect that we will accommodate delays in the submission of digital files without adverse impact on the delivery date of the printed product. This is sometimes easier said than done.

More than ever, printers need to invest time and care in ensuring that clients supply repro which is properly tuned to the particular printing press on which the client's job is due to be printed. And this holds true whether the files and proofs are produced in-house by the publisher or by a professional repro company. Roto Smeets provide expert technical support to our clients, helping to ensure that clients' proofs accurately reflect how the job will look on press and thus avoiding costly delays. And once the proofing process has been properly calibrated to our presses and inks, clients can expect a high level of colour consistency job after job. In this way, it becomes possible for clients to take advantage of "soft proofing", allowing them to check proofs online and give approval instantly, a vital advantage in the constant quest for shortened lead times.

The role of the printer's Account Executive is crucial in this "just-in-time" environment. Order Managers, as we call them at Roto Smeets, are permanently assigned to particular clients, and get to know very well the precise colour priorities of each customer. Our Order Managers are present at the printing start for each new job, advising the press crew on the client's preferred colour balance even if the client is absent - after all, not all clients want to be in a printing plant at 3 o'clock in the morning! And not all printing companies are the same...



Alex Scott
Managing Director
Roto Smeets Ltd.

From the annual report of RSDB

In 2004 RSDB realised a net result of EUR 14 million, 69% higher than the net result from ordinary activities of EUR 8.3 million in 2003, while in 2003 the net result after deduction of reorganisation provisions amounted to EUR 3.3 million.

Roto Smeets has succeeded in adding a significant number of titles to its order book. However, on balance the magazines segment did not grow, as a result of smaller and fewer print runs for existing titles.

Within the catalogue segment the trend towards smaller print runs and increasing publishing frequencies continues. Sales in the catalogue segment did not change significantly, but were characterised by an improved spread throughout the year. The growth in the promotional material segment continued unabated.

By means of a sizeable investment programme - including a 48-page web offset press for Roto Smeets Weert, a 368 cm rotogravure press for Roto Smeets Deventer and a new production line for seamless binding for De Wit Grafische Projecten in Eindhoven - the position of Roto Smeets will be further strengthened for the future.

The Annual Report 2004 is now available from your contact at Roto Smeets.



ROTOdate

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