

## CONTENTS ANNUAL ACCOUNTS

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## ANNUAL ACCOUNTS - Consolidated profit and loss account

<i>(x € 1,000)</i>	<b>Notes</b>	<b>2005</b>	<b>2004</b>
<b>Continuing operations</b>			
Services provided	3	532,124	542,545
Movement in work in progress		<u>2,757</u>	<u>(5,211)</u>
Total revenue		534,881	537,334
Cost of raw materials and consumables	4	(227,966)	(221,818)
Cost of work contracted out and other external costs	5	<u>(54,927)</u>	<u>(57,564)</u>
Value added		251,988	257,952
Personnel expenses	6	(140,358)	(141,912)
Depreciations tangible fixed assets	7	(33,539)	(32,964)
Other operating costs	8	<u>(53,077)</u>	<u>(46,171)</u>
Operating result		25,014	36,905
Financing income	9	286	51
Financing costs	10	(5,615)	(6,019)
Result associates	11	<u>417</u>	<u>-</u>
Result before taxation		20,102	30,937
Income tax	12	<u>(5,666)</u>	<u>(10,268)</u>
Result from continued operating activities		14,436	20,669
<b>Discontinued operating activities</b>			
Result discontinued operating activities	2	<u>83</u>	<u>(3,624)</u>
Net result		14,519	17,045
Attributed to:			
Shareholders RSDB NV		14,485	16,971
Minority shares		<u>34</u>	<u>74</u>
		14,519	17,045
Earnings per share from continued operating activities	30	4.38	6.26
Earnings per share from discontinued operating activities		<u>0.02</u>	<u>(1.10)</u>
Earnings per share / diluted earnings per share		4.40	5.16

**ANNUAL ACCOUNTS** - Consolidated balance sheet as at December 31  
(before profit appropriation)

<i>(x € 1,000)</i>	<b>Notes</b>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	13	210,304	196,719
Associated companies / joint ventures	14	–	–
Other financial fixed assets	15	2,852	122
Deferred taxation	25	–	993
		<u>213,156</u>	<u>197,834</u>
<b>Current assets</b>			
Stocks	16	23,556	17,913
Trade receivables	17	86,321	96,039
Other receivables / prepayments	18	2,993	5,953
Forward currency contracts	19	298	2,463
Cash and cash equivalents	20	<u>2,205</u>	<u>2,667</u>
		115,373	125,035
Assets classified as held for sale	2	<u>15,688</u>	<u>59,254</u>
		131,061	184,289
Total assets		344,217	382,123

(x € 1,000)

**Notes**      **2005**      **2004**

**EQUITY AND LIABILITIES**

**Equity attributable to equity holders of the parent**

Issued share capital	21	16,451	16,451
Share premium	22	12,833	12,833
Retained earnings	23	104,188	95,288
Other reserves	23	<u>256</u>	<u>1,763</u>
		133,728	126,335
Minority interests	24	<u>358</u>	<u>333</u>
Total equity		134,086	126,668

**Long-term liabilities**

Deferred tax liability	25	2,229	–
Other provisions	26	25,320	30,720
Interest-bearing loans and borrowings:			
Loans	27	13,939	15,008
Finance companies	27	9,593	9,593
Lease liabilities	27	<u>36,563</u>	<u>29,528</u>
		87,644	84,849

**Current liabilities**

Trade and other liabilities	28	65,260	74,288
Finance companies	29	25,266	11,782
Interest-bearing loans and borrowings	27	10,389	20,047
Income tax payable		6,725	21,773
Other provisions	26	7,486	7,847
Interest rate swaps	32	<u>165</u>	<u>281</u>
		115,291	136,018

Liabilities directly associated with the assets classified  
as held for sale

	2	<u>7,196</u>	<u>34,588</u>
Total liabilities		210,131	255,455

Total equity and liabilities		344,217	382,123
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**ANNUAL ACCOUNTS** - Consolidated statement of changes in equity  
for the year ended December 31, 2005

(x € 1,000)	attributable to equity holders of the parent					minority interests	total equity
	issued capital	share premium	retained earnings	other reserves	total		
Balance at January 1, 2005	16,451	12,833	95,288	1,763	126,335	333	126,668
Result on cash flow hedges	-	-	-	(1,478)	(1,478)	-	(1,478)
Foreign currency translation*)	-	-	-	(29)	(29)	(9)	(38)
Total income and expense for the year recognised directly in equity	-	-	-	(1,507)	(1,507)	(9)	(1,516)
Result for the year	-	-	14,485	-	14,485	34	14,519
Total income and expense for the year	-	-	14,485	(1,507)	12,978	25	13,003
Dividend payment	-	-	(5,585)	-	(5,585)	-	(5,585)
	-	-	8,900	(1,507)	7,393	25	7,418
Balance at December 31, 2005	16,451	12,833	104,188	256	133,728	358	134,086

\*) A breakdown of the translation effects is listed in the notes to the consolidated balance sheet on page 76.

**ANNUAL ACCOUNTS** - Consolidated statement of changes in equity  
for the year ended December 31, 2004

(x € 1,000)	attributable to equity holders of the parent				total	minority interests	total equity
	issued capital	share premium	retained earnings	other reserves			
Balance at December 31, 2003							
As previously reported	16,451	12,833	102,021	–	131,305	245	131,550
Effect of adopting IFRS	–	–	(20,414)	1,734	(18,680)	–	(18,680)
Balance at January 1, 2004 restated	16,451	12,833	81,607	1,734	112,625	245	112,870
Result on cash flow hedges	–	–	–	(46)	(46)	–	(46)
Foreign currency translation*)	–	–	–	75	75	14	89
Total income and expense for the year recognised directly in equity	–	–	–	29	29	14	43
Result for the year	–	–	16,971	–	16,971	74	17,045
Total income and expense for the year	–	–	16,971	29	17,000	88	17,088
Dividend payments	–	–	(3,290)	–	(3,290)	–	(3,290)
	–	–	13,681	29	13,710	88	13,798
Balance at December 31, 2004	16,451	12,833	95,288	1,763	126,335	333	126,668

\*) A breakdown of the translation effects is listed in the notes to the consolidated balance sheet on page 76.

## ANNUAL ACCOUNTS - Consolidated cash flow statement

<i>(x € 1,000)</i>	<b>Notes</b>	<b>2005</b>	<b>2004</b>
<b>Cash flow from operating activities</b>			
Net result		14,519	17,045
Depreciation		37,152	39,631
<i>Changes in:</i>			
Stocks		(7,649)	5,292
Trade receivables		12,174	(9,745)
Other receivables / prepayments		2,578	3,824
Trade and other payables		(2,182)	32,612
Deferred taxation		4,007	(4,930)
Provisions		(13,034)	(14,706)
Settlement forward currency contracts		<u>(1,478)</u>	<u>(46)</u>
Cash flow from business activities		46,087	68,977
Interest paid		(5,260)	(3,975)
Interest received		88	51
Other financial income		198	–
Paid taxation on result		<u>(11,842)</u>	<u>(805)</u>
Cash flow from operating activities		29,271	64,248
<b>Cash flow from investing activities</b>			
Net investments in tangible fixed assets		(47,006)	(31,112)
Sale of PlantijnCasparie*)		24,362	–
Change other financial fixed assets		<u>20</u>	<u>(9)</u>
		(22,624)	(31,121)
<b>Cash flow from financing activities</b>			
Interest-bearing loans		(3,692)	(24,187)
Finance companies		1,312	(6,210)
Dividend		<u>(5,585)</u>	<u>(3,290)</u>
		(7,965)	(33,687)
Effect of changes in exchange rate		<u>(36)</u>	<u>89</u>
Net change in cash and cash equivalents		(1,354)	(471)
Cash and cash equivalents at beginning of year	20	<u>3,610</u>	<u>4,081</u>
Cash and cash equivalents at end of year	20	2,256	3,610

\*) See page 47.

## ANNUAL ACCOUNTS - Consolidated cash flow statement

The following summary shows the notes to the statement of cash flow from the sale of PlantijnCasparie:

<i>(x € 1,000)</i>	<b>2005</b>
Received from sale of shares PlantijnCasparie Beheer BV	2,250
Settlement current account	25,957
Cash and cash equivalents sold	<u>(345)</u>
	27,862
Loan granted to Thieme GrafiMedia Groep BV	<u>(3,500)</u>
Cash flow from sale of PlantijnCasparie	<u>24,362</u>

### INTRODUCTION

RSDB NV is a Dutch company with its registered office in Hilversum, the ordinary shares of which are listed on the NextPrime segment of Euronext Amsterdam. The activities of RSDB are described in the Brief Company Description on page 37.

The consolidated annual accounts as at December 31, 2005 of RSDB were drawn up by the Executive Board. The consolidated annual accounts of RSDB will be adopted by the General Meeting of Shareholders to be held on June 19, 2006.

### GENERAL

#### STATEMENT OF COMPLIANCE

The consolidated annual accounts of RSDB were drawn up in accordance with the standards drawn up by the International Accounting Standards Board and approved by the European Commission on December 31, 2005, hereafter to be called International Financial Reporting Standards (IFRS). The consolidated annual accounts were drawn up on the basis of historic costs, with the exception of financial instruments and financial assets available for divestment valued at market value. The consolidated annual accounts are stated in euros and all amounts have been rounded off to thousands (€ 000), unless stated otherwise.

#### NOTES IN CONNECTION WITH FIRST APPLICATION OF IFRS

In the years up to and including 2004 the annual accounts were drawn up on the basis of Generally Accepted Accounting Principles in the Netherlands (Dutch GAAP).

The annual accounts for 2005 were drawn up on the basis of IFRS.

The changeover date for application of IFRS is January 1, 2004.

The comparable figures for the 2004 financial year have been adjusted accordingly.

The accumulated currency exchange reserve was set at nil as at January 1, 2004 in accordance with the allowed exception as mentioned in IFRS 1 at the drawing up of the opening balance sheet under IFRS. IAS 32 and 39 are applied as from January 1, 2004.

RSDB did not adjust the figures for acquisitions that took place prior to January 1, 2004. Furthermore, no adjustment was made for changes in existing commitments for dismantling, reconstruction and similar obligations which occurred before the changeover date to IFRS 1.

The reconciliation of the result reported in accordance with Dutch GAAP for 2004 with the result in accordance with IFRS for the same period is as follows:

<i>(x € 1,000)</i>	<b>2004</b>
Shareholders' equity in accordance with Dutch GAAP as at January 1, 2004	131,550
Creation early retirement provision	(18,458)
Creation anniversaries provision	(2,235)
Adjustment valuation tangible fixed assets (dismantling costs)	(1,029)
Valuation rate swaps	(27)
Valuation forward currency contracts	1,734
Release from disability assurance	1,335
Shareholders' equity in accordance with IFRS on January 1, 2004	<u>112,870</u>

The recognition of the reported shareholders' equity in accordance with the previously applied Dutch GAAP with the shareholders' equity in accordance with IFRS on December 31, 2004 is as follows:

<i>(x € 1,000)</i>	<b>2004</b>
Result 2004 in accordance with Dutch GAAP (including minority interest)	14,038
Adjustment recognition early retirement	3,102
Financial lease agreements	146
Release anniversaries provision	24
Amortisation dismantling costs	(107)
Result interest rate swap	(158)
<b>Result 2004 in accordance with IFRS</b>	<b>17,045</b>

The recognition of the reported shareholders' equity in accordance with the previously applied Dutch GAAP with the shareholders' equity in accordance with IFRS on December 31, 2004 is as follows:

<i>(x € 1,000)</i>	<b>2004</b>
Shareholders' equity in accordance with Dutch GAAP as at December 31, 2004	142,388
Adjustment shareholders' equity under IFRS as at January 1, 2004	(18,680)
Adjustment result under IFRS for 2004	3,007
Result on cash flow hedging	(47)
<b>Shareholders' equity in accordance with IFRS on December 31, 2004</b>	<b>126,668</b>

The adjustment to IFRS did not result in an amendment of the cash flows.

#### **CONSOLIDATION PRINCIPLES**

The consolidated annual accounts comprise the annual accounts of RSDB and its group companies.

Group companies are those companies in which RSDB has a controlling interest, meaning that it has the power to control the financial and operating policies of these companies in order to gain advantage from their activities.

The annual accounts of the group companies have been drawn up as at the same reporting date as those of the parent company, applying uniform valuation principles.

All balances and transactions, income and expenses within the group and profits and losses from transactions within the group included in the assets, are fully eliminated.

Group companies are consolidated as from the acquisition date, being the date on which actual control was gained over the acquired party. This consolidation is continued until the moment that the actual control ceases to exist.

The minority interest of third parties in group equity and group profit is stated under minority interest.

#### **CONTINUED ACTIVITIES AND COMPARABLE INFORMATION**

In October 2004, the divestment of the sheetfed printing activities of PlantijnCasparie was announced. In 2005, this resulted in the sale of PlantijnCasparie Almere, Amsterdam, Capelle a/d IJssel, The Hague, Groningen, Nieuwegein/IJsselstein and Zwolle as well as PlantijnCasparie Data in Deventer, PlantijnCasparie Digital Print in Amsterdam and the Grafisch Produktie Bureau in Leiderdorp to Thieme Grafimedia Groep.

Unsold parts of PlantijnCasparie are PlantijnCasparie Eindhoven, PlantijnCasparie Utrecht, PlantijnCasparie DM, 2organize and Design Domain. Talks with possible buyers regarding the sale of Ten Klei in Purmerend have not been completed. The terminated activities and the group assets maintained for divestment have been separately stated in the balance sheet, as well as the connected obligations. The results of the fixed assets maintained for divestment and terminated activities have been stated separately in the profit and loss account.

#### *IMPORTANT ASSESSMENTS AND VALUATION UNCERTAINTIES*

In drawing up the annual accounts, valuations and assumptions are made with regard to the inclusion and valuation of assets and liabilities, off-balance sheets rights and commitments as well as income and expenditure.

The main assumptions regarding the future and other important sources of valuation uncertainties as at the balance sheet date which carry a considerable risk of a substantial adjustment of the book value of assets and obligations in the next financial year, concern the exceptional impairments of assets and the provisions.

#### *EXCHANGE RATES FOREIGN CURRENCIES*

The consolidated annual accounts are stated in euros, which is also the functional and presentation currency of RSDB. Each group entity determines its own functional currency, and the items included in the annual accounts of each entity are valued on the basis of this functional currency. Transactions in foreign currencies are at first inclusion stated at the exchange rate of the functional currency as at the date of the transaction. Monetary assets and commitments stated

in foreign currencies are translated at the exchange rate of the functional currency as at the balance sheet date. Possible differences will be charged to the profit and loss account, with the exception of differences resulting from borrowed funds in foreign currencies which serve to hedge an investment in a foreign entity. These are incorporated directly in the shareholders' equity up to the moment of divestment of the said entity, after which they are accounted in the consolidated profit and loss account.

Non-monetary assets and liabilities valued at historic costs in a foreign currency are translated at the exchange rates as at the date of the original transactions.

The functional currency of the foreign activities (Antok Nyomdaipari Kft.) is the Hungarian forint, that of Roto Smeets Denmark A/S is the Danish Kroner, that of Roto Smeets Ltd. is Sterling and that of Roto Smeets Sweden AB is the Swedish Krona. As at the reporting date, the assets and liabilities of these group companies are translated in the presentation currency of RSDB (the euro) at the exchange rate as at the balance sheet date. The profit and loss accounts are translated at the weighted average exchange rate for the year. The exchange rate differences resulting from the translation are directly brought under a separate component of the shareholders' equity. At divestment of a foreign entity, the deferred accumulated amount included in the shareholders' equity for that foreign activity, is accounted in the profit and loss account.

## VALUATION PRINCIPLES FOR THE BALANCE SHEET

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### TANGIBLE FIXED ASSETS

The tangible fixed assets are valued at cost, less accumulated depreciation and exceptional impairment. The costs comprise of the acquisition price, all directly attributable costs as well as the initial estimate of the costs of dismantling.

Depreciation is linear, based on a percentage of the acquisition price and the expected useful life, taking into account possible residual value.

Depreciation starts when the assets are taken into use. Replacement costs are only capitalised if these lead to a longer useful life of the asset.

Tangible fixed assets are tested for exceptional impairment if events or changes in conditions point out that that the book value might not be realisable.

Tangible fixed assets on order are only included in the balance sheet as far as advance payments have been made. A tangible fixed asset will no longer be included in the balance sheet after it has been divested or if no future economic advantage is expected from the use or divestment of the asset.

Possible proceeds or losses resulting from the elimination of the asset from the balance sheet (which will be stated as the balance of the net proceeds at divestment and the book value of the asset) will be included in the profit and loss account of the year in which the asset was eliminated from the balance sheet.

The residual value and the useful life of the asset are assessed and, if necessary, adjusted at the end of each financial year.

### LEASE AGREEMENTS

A lease agreement is regarded as a financial lease if almost all of the risks and advantages connected with ownership have been transferred to RSDB.

A lease agreement is regarded as an operational lease if almost all of the risks and advantages connected with ownership remain with the lessor.

In financial leases, the asset and commitment are included in the balance sheet at the start of the lease period at amounts equal to the realisable value of the leased asset, or the lower cash value of the minimum lease payments. The discount factor used for the determination of the cash value of the minimum lease payments is the implicit rate of interest of the lease agreement concerned. The lease payments are included partly as financing costs and partly as repayment of the existing commitment. The financing costs are directly charged to the result. Capitalised leased assets are depreciated on the basis of the estimated useful life of the asset or the shorter lease period, if there is no reasonable certainty that RSDB will receive ownership at the end of the lease period.

Lease payments on the basis of an operational lease are included as expenses on time proportion basis during the lease period, unless a different systematic way of allocation is more representative for the time pattern of the advantages enjoyed.

### ASSOCIATED PARTICIPATIONS AND JOINT VENTURES

Joint ventures are those companies which activities RSDB jointly controls on the basis of contractual agreement.

RSDB values the joint venture on the basis of the 'equity' method. The equity method is a method of processing whereby the investment is initially included at cost and subsequently is adjusted, taking account of the change in the share of the net assets after the takeover.

Associated participations are those companies over which financial and operating policies RSDB exercises a material influence, without actually controlling these companies. The participations are valued in accordance with the 'equity' method. In the consolidated annual accounts, the share of RSDB in the total of accounted profits and losses on joint ventures and participations is stated on the basis of the 'equity' method, from the moment that the material influence is actually exercised to the moment that it actually ceases to exist.

### FINANCIAL ASSETS

In accordance with IAS 39, financial assets are considered as a financial asset at realisable value with recognition of valuation changes in the profit and loss account, as loans and receivables, as investments retained until the end of their term, or as financial assets available for divestment.

At the initial inclusion of financial assets these are included at realisable value, augmented by (in case of a financial asset not included at realisable value, with recognition of valuation changes in the profit and loss account) the directly attributable transaction costs. RSDB determines the classification of its financial assets after the first recognition and, if allowed and

applicable, the classification is reassessed at the end of each financial year.

All regular acquisitions and divestments of financial assets are included as at the transaction date, meaning the date on which RSDB takes on the obligation to acquire the asset. Regular acquisitions and divestments are acquisitions and divestments of financial assets for which assets must be delivered within a period generally determined by regulations or custom in the market.

#### Financial assets at realisable value with recognition of valuation changes in the profit and loss account

All derivatives are regarded as being kept for trade purposes unless they are regarded as hedging instrument and are effective. Derivatives are financial instruments requiring no or only a limited net initial investment, settlement of which takes place in the future depending on movements in a certain share price or price (such as interest rate or the price of a financial instrument). The valuation changes are directly recognised in the profit and loss account.

#### Investments retained until the end of their term

Investments retained until the end of their term are assets with fixed payments and a fixed term whereby RSDB is determined and has the possibility to retain these investments until the end of their term. Investments retained until the end of their term are valued at depreciated cost on the basis of the effective interest rate less possible depreciation.

#### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments not listed on an active market. Such assets are included at depreciated value on the basis of the effective interest rate method.

Profits and losses are incorporated in the result as soon as the loans and receivables are no longer included in the balance sheet or suffer an exceptional impairment.

#### Financial assets available for divestment

Financial assets available for investment are financial assets not classified in one of the above mentioned categories. After the initial recognition the financial assets available for investment are valued at realisable value. The profit or loss is recognised as a separate component of the shareholders' equity until the asset is no longer included in the balance sheet or until it is determined that the asset has suffered an exceptional impairment. At such a moment the accumulated profit or the loss that was previously accounted for in the shareholders' equity, is included in the profit and loss account.

#### Determination of the realisable value

The realisable value of the financial assets which are actively traded on organised financial markets is determined on the basis of the share price. The realisable value of financial assets for which there is no active market, is determined using valuation techniques. The basis for such methods may include the most recent business market transactions or the present market value or another instrument, which is practically similar, or a cash value determination and option models.

#### Balancing of financial instruments

Financial assets and liabilities are balanced and the net amount is stated in the balance sheet at the moment there is a legally enforceable right to balance and the intention exists to settle on a net basis or to realise the asset at the same time that the obligation is settled.

#### Hedge-accounting

RSDB uses derivative financial instruments such as currency futures contracts and interest rate swaps to hedge risks regarding currency and interest rate movements. Such derivative financial instruments are recognised when first included at the realisable value as at the date on which the contract was entered into, and the realisable value is subsequently determined again. Possible profits or losses resulting from changes in the realisable value of the derivative instruments which do not form part of a hedging relation are directly recognised in the result.

For the hedging of the risk of possible volatility of cash flows in connection with expected transactions, RSDB uses hedge accounting. At the closing of a hedging transaction, the hedging relation is formally designated and documented by RSDB, as is the objective and the policy of RSDB regarding management of financial risks in entering into a hedging relation.

Cash flow hedging which meets the strict conditions of hedge accounting, are recognised as follows. The part of the profit or the loss on the hedging instrument of which it is determined that it is an effective form of hedging, is directly incorporated in the shareholders' equity, taking account of this tax effect, while the non-effective part is recognised in the profit and loss account. The amounts included in the shareholders' equity are transferred to the profit and loss account in the same period in which the hedged income or expenses were included or the expected divestment or acquisition is performed. If the expected transaction is no longer expected to take place, the amounts initially included in the shareholders' equity will be transferred to the result.

If the hedging instrument expires, is sold, terminated, exercised (without replacement or rollover) or if the designation as hedging is taken away, the amounts that were initially included in the capital will remain in the shareholders' equity until the expected transaction takes place. If the transaction concerned is not expected to take place, the amount will be charged to the profit and loss account.

#### **IMPAIRMENT OF ASSETS**

As at the reporting date, RSDB assesses whether there are indications that an asset has suffered an exceptional impairment. If there is such a indication or if the annual assessment on exceptional impairment of an asset is required, RSDB estimates the realisable value of the asset. The realisable value of an asset is the highest of the realisable value of an asset or the cash flow generating unit after deduction of sales costs or the value in use, unless the asset does not generate incoming cash flows which are largely independent of the flows of other assets or groups of assets. If the book value of an asset exceeds the realisable value, the asset is deemed to have suffered an exceptional impairment and will be marked down to the realisable value.

On each reporting date an assessment is made whether there are indications that a previously recognised exceptional impairment does not longer exist or is diminished. If there is such a indication, the realisable value is estimated. A previously recognised loss due to exceptional impairment will only be reversed when a change has occurred in the estimation used to determine the realisable value of the asset since the inclusion of the last loss due to exceptional impairment.

If this is the case, the book value of the asset is raised

to the realisable value. This raised amount can not exceed the book value that would have been determined (after deduction of depreciation) if no exceptional impairment had been included for the asset in previous years. Such a reversal is recognised in the profit or the loss, unless the asset is included at the revalued amount, in which case the reversal will be treated as a revaluation increase. After such a reversal the depreciation is adjusted to systematically attribute the revised book value of the asset (after deduction of possible residual value) for the remaining useful life to future periods.

#### **STOCKS / WORK IN PROGRESS**

Stocks of finished products, trade goods and raw materials and consumables to be used in the production process, are valued at cost or the lower market value.

The cost of stocks comprise all acquisition costs, conversion costs and other costs to bring the stocks at their present location and in their present state.

Work in progress is valued at the manufacturing price comprising the directly attributable production costs, paper, ink and depreciation of machines used in the execution of the order. Financing costs are not included.

As the total order costs will probably exceed the total order proceeds, the expected losses are expensed.

#### **RECEIVABLES**

When valuing receivables possible value reductions have been taken into account. Such a downward revaluation is recognised if there are objective indications that RSDB would not be able to collect the receivable amounts.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term investments which can be immediately cashed. Deposits and other fixed interest instruments with an initial term of less than three months are regarded as cash equivalent.

### PURCHASE OF OWN SHARES

Capital instruments which are repurchased (purchase of own shares) are deducted from the shareholders' equity. No profit or loss is recognised in the result at the acquisition, sale, issue or cancellation of capital instruments of RSDB.

### PROVISIONS

A provision is created when:

- RSDB has a current (contractual or factual) obligation as a result of a past event;
- it is probable that an outflow of means which harbours economic advantages, will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

If RSDB expects that (part of) a provision will be compensated, the compensation will only be included as a separate asset, if it is as good as certain. The expense connected with a provision will be included in the profit and loss account after deduction of possible compensation. The amount included as provision is the most accurate estimate of the expenses required to settle the existing obligation on the balance sheet date. Provisions are assessed on each balance sheet date and adjusted to reflect the most accurate estimate. If it is no longer probable that an outflow of means shall be required to settle the obligation, the provision will be retransferred.

If the effect of the time value of money is material, the provisions are discounted at a pre-tax discount factor which, if necessary, takes into account the specific risks of the obligation. If the provisions are discounted, the increase of the provision will be recognised as financing costs because of the passing of time.

### INTEREST-BEARING LOANS

The first valuation of interest-bearing loans takes place at realisable value of the received consideration less the transaction costs.

After the first incorporation, the interest-bearing loans are valued at depreciated cost on the basis of the effective interest rate method.

### PENSIONS

#### Defined contribution schemes

Contributions to defined contribution schemes are recognised in the profit and loss account as costs in the year to which they relate.

#### Defined benefit schemes

RSDB has two defined benefit schemes for which contributions are paid to separately managed funds. With regard to the sector pension fund Grafische Bedrijfsfondsen (GBF) which has a collective scheme of several employers, up to now insufficient information was available to use the settlement methods for defined benefit schemes. This scheme is settled as if it was a defined contribution scheme.

The costs of the defined benefit scheme brought under the Misset company pension fund are determined on an actuarial basis using the 'projected unit credit' method.

Actuarial profits and losses are incorporated as

income or expense if the net accumulated unaccounted actuarial profits and losses at the end of the previous financial year exceeded 10% of the defined benefit obligation or higher realisable value of the fund investment as at that date.

These profits or losses are attributed to the expected average remaining work life of the participating employees.

When the claims from a scheme change the part of the higher claims connected with the employment record of employees is incorporated in the profit and loss account as costs in accordance with the linear method, over the average period until the claims become irrevocable. As far as these claims immediately become irrevocable, they are directly incorporated in the profit and loss account.

The net commitment from the defined benefit scheme is the total of the cash value of the gross commitment and the not incorporated actuarial profits and losses less the not yet incorporated pension costs of the past employment ('back service') and the realisable value of the funds' investment from which the obligations must be directly settled. If such a total amount is negative, the asset is valued at the lowest of the total amount or the total amount of accumulated not incorporated actuarial losses, back service costs and the cash value of possible economic advantages available in the form of repayments from the scheme or reductions of future contributions to the scheme.

#### **GOVERNMENT SUBSIDIES**

Government subsidies are incorporated if there is a reasonable degree of certainty that the subsidy will be received and that all relevant conditions will be met. The ESF-3 subsidies which have not yet been definitely determined, are seen as a conditional asset

that will not be incorporated before the moment of definitive determination of the ESF-3 subsidy.

#### **TAXATION**

##### **Tax obligations and receivables**

Tax obligations and receivables for the current and previous years are valued at the amount that is expected to be payable to or to be received from the tax authorities. The taxation amount is calculated on the basis of the legally determined tax rates and prevailing tax laws.

##### **Deferred taxation**

A provision is created for deferred taxation on the basis of the temporary discrepancies as at the balance sheet date between the fiscal value of assets and liabilities and their book value as stated in these annual accounts.

Deferred tax credits are included for all recoverable temporary discrepancies, unused fiscal facilities and unrecovered fiscal losses, as far as the probability exists that there will be some fiscal profit available from which the recoverable temporary discrepancies can be recovered and the recoverable temporary discrepancies, unused fiscal facilities and unrecovered fiscal losses can be employed.

The book value of the deferred tax credits are assessed as at the balance sheet date and reduced as far as it is not probable that sufficient fiscal profit will be available from which the temporary discrepancy can be completely or partly recovered. Not incorporated deferred tax credits are reassessed as at the balance sheet date and incorporated as far as it is probable that future fiscal profit will be available from which this deferred credit can be recovered.

Deferred tax credits and obligations are valued at

taxation rates which are expected to be applicable during the period in which the credit is realised or the obligation is settled, on the basis of the legally determined tax rates and prevailing tax laws.

Deferred tax credits and obligations will be balanced if there is a legally enforceable right to balance tax credits with tax obligations and the deferred taxation relating to the same taxable entity and tax authority.

#### **NO LONGER INCORPORATING FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET**

##### **Financial assets**

A financial asset will no longer be incorporated in the balance sheet if:

- the entity is no longer entitled to cash flow from this asset;
- RSDB has retained the right to receive cash flows from this asset, but has entered into an obligation to pay these cash flows to a third party without a substantial delay in accordance with a special agreement or
- has transferred its rights to the cash flows from this asset and either (a) has mostly transferred all risks and advantages of this asset, or (b) has not mostly transferred or retained all risks and advantages of this asset, but has transferred the control over this asset.

##### **Financial liabilities**

A financial obligation will no longer be incorporated in the balance sheet as soon as the performance has been delivered in accordance with the obligation, this obligation has been lifted or has expired.

If an existing obligation is replaced by another of the same funds provider at almost identical conditions, or

the conditions of the existing obligations are substantially changed, such a replacement or change is treated as no longer incorporating of the original obligation in the balance sheet and the incorporation of a new obligation. The difference in the book values concerned is incorporated in the profit and loss account.

#### **PRINCIPLES FOR THE DETERMINATION OF RESULT**

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Income is recognised as far as it is probable that the economic advantages will benefit RSDB, the income can be determined reliably and the main risks and advantages have been transferred.

Costs are attributed to the year to which they relate. Interest income and expenses are processed in the financial year to which they relate and accounted for as the interest accumulates via the effective interest rate method.

The interest rate component of payments including financial lease agreements is incorporated in the profit and loss account using the effective interest rate method.

Dividends are attributed to the year in which the dividends concerned were made payable.

#### **TAXATION**

Tax payable and recoverable tax during the year under review and deferred taxation are accounted for in the profit and loss account over the period to which they relate, unless these relate to items directly attributed to the shareholders' equity, in which case the taxation is attributed to the shareholders' equity. The determination takes into account the fiscal facilities available in the countries.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**1. Segment information**

The following summary shows the segment information in 2005:

(x € 1,000)	continuing operations			total	discontinued operation	total
	Print Productions	Marketing Communications	eliminations		Plantijn-Casparie	
Services provided	492,800	39,324	–	532,124	48,002	580,126
Intersegment services	–	1,713	(1,713)	–	–	–
Movement in work in progress	3,051	(294)	–	2,757	2,387	5,144
Total revenue	495,851	40,743	(1,713)	534,881	50,389	585,270
Segment net results	13,565	871	–	14,436	83	14,519
<b>Assets and liabilities</b>						
Segment assets	330,400	9,945	(16,641)	323,704	15,688	339,392
Unallocated assets				4,825	–	4,825
Total assets				328,529	15,688	344,217
Segment liabilities	150,547	(1,109)	(16,641)	132,797	7,196	139,993
Unallocated liabilities				70,137	–	70,137
Total liabilities				202,934	7,196	210,130
<b>Other segment information</b>						
Capital expenditure tangible fixed assets	46,905	551	–	47,456	1,481	48,937
Depreciations tangible fixed assets	32,717	822	–	33,539	3,613	37,152

*Company segments*

A segment is a separate part of RSDB active in either providing services (operational segment) or delivering products / services within a certain economic area (geographical segment), which is subject to other risks and income than other segments.

The primary segmentation takes place on the basis of company segment. In 2005, a new company profile was set up with the business lines

Print Productions and Marketing Communications. The business line Print Productions is aimed at the efficient and effective production of volume print.

The business line Marketing Communications focuses on the set-up and execution of customer processes – the development and production of communication carriers – and the processing and optimising of customer data. The secondary segmentation takes place according to the geographic lay-out, whereby a distinction is made between euro and non-euro countries.

The following summary shows the segment information in 2004:

<i>(x € 1,000)</i>	continuing operations			total	discontinued operation	total
	Print Productions	Marketing Communications	eliminations		Plantijn-Casparie	
Services provided	505,289	37,256	–	542,545	78,650	621,195
Intersegment services	–	2,584	(2,584)	–	–	–
Movement in work in progress	(4,031)	(1,180)	–	(5,211)	(981)	(6,192)
Total revenue	<u>501,258</u>	<u>38,660</u>	<u>(2,584)</u>	<u>537,334</u>	<u>77,669</u>	<u>615,003</u>
Segment net results	18,489	2,180	–	20,669	(3,624)	17,045
<b>Assets and liabilities</b>						
Segment assets	312,862	9,463	(12,503)	309,822	59,254	369,076
Unallocated assets				13,047	–	13,047
Total assets				<u>322,869</u>	<u>59,254</u>	<u>382,123</u>
Segment liabilities	129,607	2,437	(12,503)	119,541	34,588	154,129
Unallocated liabilities				101,326	–	101,326
Total liabilities				<u>220,867</u>	<u>34,588</u>	<u>255,455</u>
<b>Other segment information</b>						
Capital expenditure tangible fixed assets	29,930	681	–	30,611	4,750	35,361
Depreciations tangible fixed assets	32,117	847	–	32,964	6,667	39,631

### Geographical segments

The following summary shows revenue and certain asset information regarding the geographical segments over 2005:

(x € 1,000)	euro zone	non- euro zone	total
<b>Revenue</b>			
Services provided	426,362	105,762	532,124
Change in work in progress	2,757	–	2,757
Segment revenue	<u>429,119</u>	<u>105,762</u>	<u>534,881</u>
<b>Other segment information</b>			
Segment assets	311,437	12,267	323,704
Unallocated assets			4,825
Total assets			<u>328,529</u>
Capital expenditure tangible fixed assets	43,580	3,876	47,456
Depreciations tangible fixed assets	32,932	607	33,539

The following summary shows revenue and certain asset information regarding the geographical segments over 2004:

(x € 1,000)	euro zone	non- euro zone	total
<b>Revenue</b>			
Services provided	432,258	110,287	542,545
Change in work in progress	(5,211)	–	(5,211)
Segment revenue	<u>427,047</u>	<u>110,287</u>	<u>537,334</u>
<b>Other segment information</b>			
Segment assets	300,738	9,084	309,822
Unallocated assets			13,047
Total assets			<u>322,869</u>
Capital expenditure tangible fixed assets	29,963	648	30,611
Depreciations tangible fixed assets	32,377	587	32,964

## 2. Discontinued operations

On October 20, 2004, RSDB announced the decision of its Board to divest the business to business focused sheetfed printing plants and three related companies, all part of PlantijnCasparie.

On September 12, 2005, the sale was realised with the exception of Ten Klei.

As at December 31, 2005, Ten Klei and a number of companies with property and real estate were classified as held for sale.

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Revenue	50,390	77,669
Expenses	<u>(50,202)</u>	<u>(82,371)</u>
Operating result	188	(4,702)
Financing costs	<u>(67)</u>	<u>(776)</u>
Result before tax from discontinued operations	121	(5,478)
Taxes	<u>(38)</u>	<u>1,854</u>
Result for the year from discontinued operations	83	(3,624)

The major classes of assets and liabilities classified as held for sale at December 31, are as follows:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Tangible fixed assets	13,032	37,980
Stocks	674	5,187
Trade receivables	1,836	13,217
Other receivables / prepayments	95	1,927
Cash and cash equivalents	<u>51</u>	<u>943</u>
Assets classified as held for sale	15,688	59,254
<b>Liabilities</b>		
Provisions	3,000	8,329
Other current liabilities	<u>4,196</u>	<u>26,259</u>
Liabilities classified as held for sale	7,196	34,588
Net receivable associated with the disposal group	8,492	24,666

**3. Services provided**

The following summaries provide a breakdown of the services provided by the continued activities.

*The geographical spread of services provided:*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
The Netherlands	357,676	368,218
Belgium	23,773	20,284
Denmark	22,822	27,751
Sweden	27,511	27,087
France	13,561	13,988
Germany	30,119	29,075
United Kingdom	37,390	35,834
United States of America	8,009	8,808
Hungary	7,516	6,746
Austria	1,233	693
Norway	937	522
Other export	1,577	3,539
	<u>532,124</u>	<u>542,545</u>
Percentage export	32.8%	32.1%

*The distribution of services provided to production process:*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Gravure	236,400	242,657
Web offset	216,917	217,411
Sheetfed offset	32,445	14,574
Pre-publishing and direct marketing	46,362	67,903
	<u>532,124</u>	<u>542,545</u>

*The distribution of services provided to production category:*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Magazines	197,474	211,659
Radio / TV guides	40,799	44,318
Catalogues	52,283	53,456
Promotional material	160,596	177,583
Directories	2,686	6,823
Other	78,286	48,706
	<u>532,124</u>	<u>542,545</u>

#### 4. Costs of raw materials and consumables

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Paper	190,504	182,621
Ink	23,808	23,990
Other raw materials and materials	<u>13,654</u>	<u>15,207</u>
	227,966	221,818

#### 5. Costs of work contracted out and other external costs

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Work contracted out	40,693	44,463
Freight and distribution costs	<u>14,234</u>	<u>13,101</u>
	54,927	57,564

#### 6. Costs of personnel

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Wages and salaries	103,832	105,421
Social security	14,728	13,367
Flexible employees	10,549	10,048
Other personnel costs	6,992	7,936
Released to the other personnel provisions	(700)	(207)
Pension obligations	6,758	7,187
Addition provisions reorganisation costs	2,187	838
ESF-3 subsidies	<u>(3,988)</u>	<u>(2,678)</u>
	140,358	141,912

The group employed an average of 2,535 (fte's) in 2005 (2004 2,580) divided as follows:

	<b>2005</b>	<b>2004</b>
Print Productions	2,285	2,323
Marketing Communications	214	220
Group management, staff and general services	<u>36</u>	<u>37</u>
	2,535	2,580

**7. Depreciation tangible fixed assets**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Industrial buildings	4,952	4,575
Plant and equipment	25,398	25,155
Other fixed assets	<u>3,189</u>	<u>3,234</u>
	33,539	32,964

**8. Other operating costs**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Selling costs	3,792	3,502
Addition to provision bad debts	469	1,971
Maintenance and repair machines	15,068	14,712
Energy costs	12,869	9,439
Housing costs	4,995	5,625
Car lease	2,501	2,610
Rental lease costs machines	272	242
Insurance and taxes	3,131	3,158
Released environment provision	(279)	(1,443)
Exchange differences	416	(203)
Compensation payment insurance	-	(530)
Other general costs	<u>10,449</u>	<u>9,403</u>
	53,683	48,486
Passed on to third parties	<u>(606)</u>	<u>(2,315)</u>
	53,077	46,171

**9. Finance revenue**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Bank interest	88	51
Valuation change non-hedged forward currency contracts	<u>198</u>	<u>-</u>
	286	51

## 10. Financing costs

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Bank loans / overdrafts	2,637	2,111
Interest costs lease obligations	1,951	2,410
Rate swap	92	396
Discounting provisions	935	1,102
	<u>5,615</u>	<u>6,019</u>

## 11. Result associated companies

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Result sale MKT Holland BV*)	417	–

\*) Concerns result on the divestment on December 30, 2005 of the stake (37.02%) in MKT Holland BV in Utrecht and the stake (37.02%) in MKT Participations Partnership BV in Utrecht.

## 12. Income tax

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Nominal rate	31.5%	34.5%
Difference in tax burden foreign companies	(0.1%)	(0.3%)
Released deferred tax liability in connection with rate decline	(2.3%)	(1.6%)
Taxes previous years	(0.2%)	0.7%
Fiscal subsidy	<u>(0.1%)</u>	<u>–</u>
Effective rate	<u>28.8%</u>	<u>33.3%</u>

## ANNUAL ACCOUNTS - Notes to the consolidated financial statements

(x € 1,000, unless stated otherwise)

### 13. Tangible fixed assets

The following summary shows the changes in fixed assets accounted for under this heading during 2005:

	land and buildings	plant and equipment	other fixed assets	assets on order	total
<i>Balance at January 1, 2005</i>					
Cumulative acquisition value	134,048	415,598	37,677	12,910	600,233
Cumulative depreciation and impairments	68,099	305,140	30,275	–	403,514
Book value	65,949	110,458	7,402	12,910	196,719
<i>Changes in book value</i>					
Investments	3,188	30,166	3,009	11,093	47,456
Divestments	–	(86)	(143)	–	(229)
Exchange rate differences	(53)	(47)	(2)	(1)	(103)
Depreciation continued activities	(4,952)	(25,398)	(3,189)	–	(33,539)
Balance	(1,817)	4,635	(325)	11,092	13,585
<i>Balance at December 31, 2005</i>					
Cumulative acquisition value	136,815	440,575	39,087	24,002	640,479
Cumulative depreciation	72,683	325,482	32,010	–	430,175
Book value	64,132	115,093	7,077	24,002	210,304

Plant and equipment includes equipment available to the company and classified under a financial lease agreement. The relevant long-term liabilities with a book value of € 45.9 million at year-end are accounted for under 'interest-bearing loans'.

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The cost of the assets, in addition to the acquisition price, if applicable, also comprise the initial estimate of the costs of dismantling and removal of the asset and of the cleaning up of the property where the asset was based.

(x € 1,000, unless stated otherwise)

### **Tangible fixed assets**

The following summary shows the changes in fixed assets accounted for under this heading during 2004:

	land and buildings	plant and equipment	other fixed assets	assets on order	total
<i>Balance at January 1, 2004</i>					
Cumulative acquisition value	161,417	454,579	69,858	797	686,651
Cumulative depreciation and impairments	72,949	318,578	51,907	–	443,434
Book value	88,468	136,001	17,951	797	243,217
<i>Changes in book value</i>					
Assets classified as part of discontinued operations	(16,146)	(15,119)	(11,981)	–	(43,246)
Impairments	–	(925)	–	–	(925)
Investments	1,140	11,799	3,080	14,592	30,611
Divestments	(11)	(69)	(95)	–	(175)
Exchange rate differences	94	87	4	16	201
Re-classification	(3,021)	3,839	1,677	(2,495)	–
Depreciation continued activities	(4,575)	(25,155)	(3,234)	–	(32,964)
Balance	(22,519)	(25,543)	(10,549)	12,113	(46,498)
<i>Balance at December 31, 2004</i>					
Cumulative acquisition value	134,048	415,598	37,677	12,910	600,233
Cumulative depreciation	68,099	305,140	30,275	–	403,514
Book value	65,949	110,458	7,402	12,910	196,719

Plant and equipment includes equipment available to the company and classified under a financial lease agreement. The relevant long-term liabilities with a book value of €40.1 million at year-end are accounted for under 'interest-bearing loans'.

The cost of the assets, in addition to the acquisition price, if applicable, also comprise the initial estimate of the costs of dismantling and removal of the asset and of the cleaning up of the property where the asset was based.

**14. Associated companies and joint-ventures**

This item related to the share in non-consolidated associated companies at net equity value. Participating interests with a negative net equity value are valued at nil.

As per December 31, 2005 the company has the following interests in associated companies and joint-ventures:

Business Media BV	40.00%
Axon Publishing Ltd.	50.00%

**15. Other financial fixed assets**

This concerns receivables from employees and from PlantijnCasparie Beheer BV with a life of more than one year. The part of the receivables with a term of less than one year is classified under other receivables / prepayments.

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at January 1	122	113
Granted	3,536	35
Received payments	(56)	(26)
Receivables incorporated under other current assets	(750)	-
Balance at December 31	2,852	122

The balance on December 31, 2005 is specified as follows:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Loans personnel	102	122
Loan PlantijnCasparie Beheer BV	2,750	-
	2,852	122

Loan granted to PlantijnCasparie Beheer BV as part of the financing of the consideration for the divestment in 2005 of PlantijnCasparie Beheer BV and its participations. The loan amounts to € 3.5 million.

The interest over the not yet repaid part of the loan is 300 basis points over three months Euribor per year, provided that the interest rate will at all times be at least 5%.

The interest will be fixed each quarter. Repayment of the loan will take place on the basis of a fixed repayment scheme and, with due observance of the following stipulations, will take place in quarterly redemptions of € 0.25 million, the first term of which will be payable on June 30, 2006. In case the solvency of PlantijnCasparie Beheer BV for the last financial year amounts to less than 25% but more than 15%, the quarterly terms of the following financial year will amount to € 0.125 million, starting with the second quarter. If, as soon as and as long as the solvency of PlantijnCasparie Beheer BV amounts to 15% or less, no repayments will have to take place.

The loan is subordinate to the receivables of all present and future financiers of PlantijnCasparie Beheer BV and its participations, in the sense that – contrary to the above – PlantijnCasparie Beheer BV will not be held to any repayment or interest payment on this loan (and RSDB claims will therefore not be demandable), if and as far as PlantijnCasparie Beheer BV is in default or, as a result of these repayments or interest payments, would default in relation to one or more of its financiers.

Thieme GrafiMedia Groep BV declares itself jointly and severally liable vis-à-vis RSDB to fulfil all obligations for PlantijnCasparie Beheer BV following from this loan agreement.

PlantijnCasparie Beheer BV and Thieme GrafiMedia Groep BV hereby pledge to co-operate in granting securities in pledge, after the financiers of properties, machines and debtors and work in progress, of participations. From this participation € 0.75 million has been classified as other receivables / prepayments classified under current assets.

### 16. Stocks

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Raw materials and consumables	9,953	9,121
Work in progress	13,559	8,763
Finished goods and goods for sale	44	29
	<u>23,556</u>	<u>17,913</u>

#### *Work in progress*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Cost price work in progress	19,975	16,592
Less: provision	<u>(2,540)</u>	<u>(2,498)</u>
	17,435	14,094
Less: invoiced in advance	<u>(3,876)</u>	<u>(5,331)</u>
Balance at December 31	13,559	8,763

### 17. Trade receivables

Trade receivables are non-interest bearing assets with an average collection period between 30 – 90 days.

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at December 31	86,321	96,039

### 18. Other receivables / prepayments

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Other receivables	2,113	4,246
Prepayments	<u>880</u>	<u>1,707</u>
	2,993	5,953

**19. Forward currency contracts**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
EUR / GBP contracts	(8)	123
EUR / SEK contracts	28	(76)
EUR / USD contracts	<u>278</u>	<u>2,416</u>
	298	2,463

The company uses various financial instruments in order to limit currency and interest rate risks. The currency contracts entered into on December 31, 2005 for sales contracts outside the eurozone relate to Sterling (4.1 million), Swedish Krona (7.7 million) and US dollars (1.8 million).

The cash flow hedge of the expected future production was assessed to be effective and an unreleased result of € 0.3 million with a deferred tax charge of € 0.1 million relating to the hedging instrument is included in equity.

currency	sale	expiration	market value
GBP	3,026,500	1st quarter 2006	(1)
GBP	184,000	2nd quarter 2006	3
GBP	431,200	3rd quarter 2006	(5)
GBP	<u>431,200</u>	1st quarter 2007	<u>(5)</u>
	4,072,900		(8)
SEK	7,667,000	1st quarter 2006	28
USD	1,500,000	1st quarter 2006	235
USD	<u>250,000</u>	2nd quarter 2006	<u>43</u>
	1,750,000		278

**20. Cash and cash equivalents**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at December 31	2,205	2,667

For the consolidated statement of cash flow the cash and cash equivalents per December 31 are specified as follows:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Attributed to continued operations	2,205	2,667
Attributed to discontinued operations	<u>51</u>	<u>943</u>
	2,256	3,610

## 21. Share capital issued

(x € 1,000)	2005	2004
Balance at January 1	16,451	16,451
Changes	–	–
Balance at December 31	16,451	16,451

The share capital relates to 3,290,275 issued and fully-paid shares of € 5 nominal value each.

## 22. Share premium

(x € 1,000)	2005	2004
Balance at January 1	12,833	12,833
Changes	–	–
Balance at December 31	12,833	12,833

From a fiscal point of view this share premium can be considered as paid-up capital.

## 23. Retained earnings and other reserves

### Retained earnings

(x € 1,000)	2005	2004
Balance at January 1	95,288	81,607
Result for the year	14,485	16,971
Dividend payment	(5,585)	(3,290)
Balance at December 31	104,188	95,288

### Other reserves

(x € 1,000)	currency translation reserve	reserve for non-realised results	total
<b>2004</b>			
Balance at January 1	–	1,734	1,734
Price result participations	75	–	75
Change of valuation of forward currency contracts	–	(46)	(46)
Balance at December 31	75	1,688	1,763
<b>2005</b>			
Balance at January 1	75	1.688	1.763
Price result participations	(29)	–	(29)
Change of valuation of forward currency contracts	–	(1.478)	(1.478)
Balance at December 31	46	210	256

The currency translation reserve reflects the currency translation effects arising from the translation of annual accounts of foreign subsidiaries. The reserve for non-realised results reflects the change in the fair value of the hedge instruments for which this transaction has been determined to be effective. The amounts that have been included in shareholders' equity are transferred to the profit and loss account of the same period that includes the proceeds of costs of this hedge or in which the expected sale or purchase will take place.

The reserve for non-realised results includes the changes in the fair value of hedges in the cash flow in foreign currencies.

*Option right Stichting Preferente Aandelen*

The 'Stichting Preferente Aandelen' has an option right to acquire a maximum of 3,290,274 preference shares of which 25% is called, or € 4,112,843. To be able to exercise this option right, the 'Stichting Preferente Aandelen' has a financing arrangement. In the General Meeting of Shareholders of RSDB of April 20, 2000 the proposal was adopted to grant the Stichting an option to acquire a number of RSDB preference shares equalling the number of issued ordinary RSDB shares minus one.

**24. Minority interests**

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at January 1	333	245
Price result	(9)	14
Share in result	<u>34</u>	<u>74</u>
Balance at December 31	358	333

**25. Deferred tax liabilities**

The stated amount of deferred tax liabilities relates to the nominal tax burden on the difference between the commercial value and the tax value of assets and liabilities.

As was the case in 2004 and amount of € 0.5 million has been released into the profit and loss account in 2005, partly due to a reduction of the nominal tax rate to 29.6%.

Due to the effects of a number of factors that were not existing under Dutch GAAP, the deferred tax liabilities have declined notably.

## 26. Other provisions

(x € 1,000)

	costs of reorgani- sation	pension and early retirement liabilities	environ- ment	WAO	anniver- saries	dismant- ling costs	other	total
<b>2003</b>								
Current	11,639	–	–	2,746	–	–	–	14,385
Non-current	<u>7,510</u>	<u>4,114</u>	<u>5,970</u>	<u>5,004</u>	–	–	<u>526</u>	<u>23,124</u>
Balance at December 31	19,149	4,114	5,970	7,750	–	–	526	37,509
Adjustment IFRS 1	–	<u>26,471</u>	–	<u>(1,931)</u>	<u>3,192</u>	<u>2,442</u>	–	<u>30,174</u>
Balance at December 31	19,149	30,585	5,970	5,819	3,192	2,442	526	67,683
<b>2004</b>								
Balance at January 1	19,149	30,585	5,970	5,819	3,192	2,442	526	67,683
Incorporated in terminated operating activities	(12,400)	(6,629)	(1,050)	–	(681)	–	–	20,760)
Utilised	(2,619)	(3,245)	(307)	(2,542)	–	–	(872)	(9,585)
Increase as a result of discount	–	725	–	203	89	85	–	1,102
Addition charged to / released to the credit of the operating result	<u>1,188</u>	<u>(305)</u>	<u>(1,200)</u>	–	<u>98</u>	–	<u>346</u>	<u>127</u>
Balance at December 31	5,318	21,131	3,413	3,480	2,698	2,527	–	38,567
Current	3,419	3,176	–	1,204	48	–	–	7,847
Non-current	<u>1,899</u>	<u>17,955</u>	<u>3,413</u>	<u>2,276</u>	<u>2,650</u>	<u>2,527</u>	–	<u>30,720</u>
Balance at December 31	5,318	21,131	3,413	3,480	2,698	2,527	–	38,567
<b>2005</b>								
Balance at January 1	5,318	21,131	3,413	3,480	2,698	2,527	–	38,567
Utilised	(2,940)	(4,260)	(38)	(182)	–	–	–	(7,420)
Increase as a result of discount	–	637	–	115	94	89	–	935
Addition charged to / released into the operating result	<u>2,187</u>	<u>(558)</u>	<u>(279)</u>	<u>(1,481)</u>	<u>(142)</u>	–	<u>997</u>	<u>724</u>
Balance at December 31	4,565	16,950	3,096	1,932	2,650	2,616	997	32,806
Current	3,722	2,640	269	805	50	–	–	7,486
Non-current	<u>843</u>	<u>14,310</u>	<u>2,827</u>	<u>1,127</u>	<u>2,600</u>	<u>2,616</u>	<u>997</u>	<u>25,320</u>
Balance at December 31	4,565	16,950	3,096	1,932	2,650	2,616	997	32,806

#### *Costs of reorganisation*

The provision for reorganisation costs concerns the costs connected with started reorganisations. The making of a provision for reorganisation costs takes place at the time that a detailed plan to adapt the organisation is formalised and the expectation is justified that the reorganisation will be carried out. The provision for reorganisation costs made in 2004 mainly concerns the staff reductions at PlantijnCasparie. In 2005, a provision for reorganisation costs was made following the decision to terminate the activities of Roto Smeets PrePress in Hilversum and Digital Solutions in Hoofddorp.

#### *Early retirement commitments*

RSDB has an early retirement scheme, carried out by the 'Fonds Werktijdvermindering Oudere Werknemers in de Grafische Bedrijven' (FWG) on the basis of cost allocation. RSDB has designated its commitments to the early retirement scheme as a so-called 'termination benefit' and has included the present value of the early retirement commitments as at the balance sheet date.

#### *Environment*

The environment provisions concern the provisions connected to soil pollution found at RSDB sites. These provisions are sufficient for the soil decontamination plans which have been developed and are being implemented.

#### *WAO*

As from January 1, 1999, RSDB has an own risk for the 'Wet op de Arbeidsongeschiktheid' (WAO) disability scheme. The provision for disability concerns the cash value (3.5% nominal interest) of the WAO payment obligation to existing disabled employees, taking account of re-integration possibilities. The provision does not take into account savings on future premiums.

#### *Anniversaries*

Bonuses paid on the basis of the GrafiMedia CAO to employees as they reach 12.5, 25 and 40 years of employment. Payments for the three anniversaries are as follows: at 12.5 years one quarter gross monthly salary, at 25 years one net monthly salary and at 40 years two monthly salaries, one net and one gross. The provision, on the basis of experience, takes into account the risk of termination of employment and of death.

#### *Dismantling costs*

If an obligation exists for the dismantling after use of a tangible fixed asset and this obligation is caused by the building of such asset, IAS-16 determines that the obligation must be fully provided for at present value and that the provision must be added to the price of the asset.

#### *Other provisions*

Other provisions mainly include the provisions for loss-making contracts.

This concerns discounted lease commitments of an idle tangible fixed asset and commitments resulting from the divestment of the PlantijnCasparie companies to Thieme GrafiMedia Groep.

## 27. Interest-bearing loans and borrowings

The following summary shows the interest-bearing loans and borrowings at December 31, 2005:

(x € 1,000)	within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	more than 5 years	total
<b>Fixed rate</b>							
Other loans	1,069	1,090	1,091	1,090	1,067	9,601	15,008
Financial lease	9,320	9,630	9,130	7,182	5,615	5,006	45,883
<b>Floating rate</b>							
Finance companies	–	213	213	213	213	8,740	9,593

The average interest rate on the loans with a term in excess of one year is 4.9%.

The amount stated under finance companies relates to the drawn-down portion of the roll-over credit to a maximum of € 16.1 million.

The following summary shows the interest-bearing loans and borrowings at December 31, 2004:

(x € 1,000)	within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	more than 5 years	total
<b>Fixed rate</b>							
AAR credit	669	–	–	–	–	–	669
Other loans	6,049	1,069	1,090	1,091	1,090	10,668	21,057
Financial lease	10,574	6,246	6,497	5,962	3,974	6,849	40,102
<b>Floating rate</b>							
Finance companies	2,755	–	213	213	213	8,954	12,348

The average interest rate on the loans with a term in excess of one year is 6.1%.

The amount stated under finance companies relates to the drawn-down portion of the roll-over credit to a maximum of € 16.3 million.

**28. Trade creditors and other payables**

The following summary gives information on trade creditors and other obligations:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Trade creditors	35,922	32,827
Holiday pay and allowances	14,648	14,445
Salaries and profit sharing payments	2,811	3,290
Other	11,879	23,766
	<u>65,260</u>	<u>74,328</u>

**29. Finance companies**

The residual amount of loans and credit facilities and / or cash loans are granted by a consortium of banks consisting of ABN AMRO Bank NV and ING Bank NV to an amount of € 87.9 million.

RSDB has provided security for the loans and credit facilities granted by the banks. A first-ranking bank mortgage has furthermore been granted to a principal amount of € 31.8 million, augmented by 40% in interest and costs, on the immovable property and a so-called 'negative pledge' clause.

The banks have set conditions with regard to solvency and interest coverage ratio.

Of the aggregate facilities provided, an amount of € 97.5 million was still available at year-end 2005.

**30. Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the earnings per share computations:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Net profit attributable to ordinary equity holders of the parent from continuing operations	14,402	20,595
Net profit respectively loss attributable to ordinary equity holders of the parent from a discontinued operations	<u>83</u>	<u>(3,624)</u>
Net profit attributable to ordinary equity holders of the parent	14,485	16,971
Weighted average number of ordinary shares for (diluted) earnings per share	3,290,275	3,290,275

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

To calculate earnings per share amounts for the discontinued operations, the weighted average number of ordinary shares amounts is as per the table above.

### 31. Pensions and other arrangements concerning retirements

The pension obligations of RSDB have been brought under the Grafische Bedrijfsfondsen (GBF) fund and a company pension fund (Misset Pension fund). The GBF qualifies as a defined benefit scheme.

The sector pension fund has up to now not been able to provide the necessary information in order to use administrative settlement methods used for defined benefit schemes.

This scheme is therefore treated as if it were a defined contribution scheme. The company pension fund qualifies as a defined benefit scheme, as a result of which all resulting rights and obligations must be incorporated in the annual accounts of RSDB.

The tables below show the composition and starting points of the Misset Pension scheme.

#### *Balance sheet items pension benefit plan*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at December 31		
Defined benefit obligation	154,652	138,715
Fair value of plan assets	<u>(157,581)</u>	<u>(138,800)</u>
Underfinanced position	(2,929)	(85)
Unrecognised actuarial gain / loss	<u>1,827</u>	<u>-</u>
Net liability / (net asset)	(1,102)	(85)
Amount not included as asset because of the limit described in IAS 19 section 58	<u>1,102</u>	<u>85</u>
Net liability / (net asset) incorporated	-	-

#### *Change incorporated net asset*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Net asset on January 1	-	-
Contributions by employer	(874)	(1,016)
Annual costs year under review	(228)	53
Amount not included as asset because of the limit described in IAS 19 section 58	1,102	85
Other liabilities	<u>-</u>	<u>878</u>
Net asset on December 31	-	-

*Expenses incorporated in the profit and loss account*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Pension costs current year	1,871	1,750
Interest costs	6,151	5,956
Expected return on investment portfolio	<u>(8,250)</u>	<u>(7,653)</u>
Pension costs incorporated in the profit and loss account	(228)	53

*Valuation assumptions*

The following is a summary of the applied actuarial assumptions:

	<b>2005</b>	<b>2004</b>
Discount factor as at December 31	4.0%	4.5%
Return on investment portfolio	5.0%	6.0%
Future age dependent salary increases	3.0% – 5.0%	3.0% – 5.0%
Indexation percentage for former participants	2.0%	2.0%
Indexation percentage for participants	3.0%	3.0%

**32. Interest rate swaps**

The company uses various financial instruments in order to limit currency and interest rate risks.

To cover the interest rate risk of the variable interest financing interest rate swaps are used whereby RSDB has committed itself to settle the difference between the 3 month interbank rate and agreed interest rates at moments agreed in advance.

To cover the interest rate risk of the variable interest financing, three interest rate swap contracts of € 10 million were entered into as at December 31, 2005.

The contracts are based on a fixed 2.95% , 3.36% and 3.26% interest on the basis of a 3-months Euribor, ending March 1, 2006, October 1, 2007 and March 1, 2011.

The rate swap contracts entered into on December 31, 2005 are specified as follows:

<i>(x € 1,000)</i>			market value	
			2005	2004
10,000	March 1, 2006	2.95%	(12)	(78)
10,000	October 1, 2007	3.36%	(105)	(206)
<u>10,000</u>	March 1, 2011	3.26%	<u>(48)</u>	<u>–</u>
30,000			(165)	(284)

The negative market value is included in the annual accounts of RSDB.

### 33. Contingent liabilities / rights

#### Guaranteed turnover

At the divestment of PlantijnCasparie Beheer BV and its participations, Thieme Grafimedia Groep BV obtained a guaranteed turnover which will be cut back over a number of years. The orders connected with this guarantee will be distributed evenly over the year in question.

The agreed guarantee turnover amounts to € 3.5 million (for 2006), € 2.5 million (for 2007) and € 1.5 million (for 2008).

When the actual turnover in any calendar year is less than the agreed amount of the guarantee, RSDB will pay PlantijnCasparie Beheer BV a compensation of 50% of the added value attributed to the lost turnover. Of the lost turnover, a maximum of 15% can be compensated by turnover in the next guarantee year. The outsourcing must be done at market rates. In connection with this turnover guarantee, a provision of € 1,0 million has been created, charged to the 2005 financial year.

#### Investment commitment

Investment commitments had been entered to at balance sheet date to an amount of € 7.0 million (2004 € 22.6 million).

#### Lease and operational leasing arrangements

Long-term commitments pursuant to lease contracts and operational leasing arrangements had been entered into to an amount of € 6.4 million (2004 € 5.1 million).

Long-term obligations on account of operational lease agreements were entered into for the amount of € 7.6 million (2004 € 8.9 million).

Of these operational lease agreements, € 1.2 million has a term of more than five years.

The profit and loss account includes € 2.8 million (2004 € 2.9 million) of lease payments, under other operating costs.

#### Liability in accordance with article 403 of the Netherlands Civil Code

Pursuant to Section 403, subsection 1 (f) of Book 2 of the Netherlands Civil Code, the company has assumed joint and several liability with respect to liabilities pursuant to legal transactions entered into of all domestic group companies. The relevant declarations have been submitted for inspection of the offices of the Commercial Register in the district where the legal entity on whose behalf the joint and several liability was assumed has its registered offices.

#### ESF-3 ruling

In 2005, RSDB was granted an ESF-3 ruling to the amount of € 4.9 million. The ESF-3 subsidies which have not yet been definitely determined, are seen as a conditional asset that will not be incorporated before the moment of definitive determination of the ESF-3 subsidy.

#### Fees in respect of the intended de-listing

In 2005 an agreement was entered into with ABN AMRO Bank NV. This agreement provided RSDB with the support of ABN AMRO with regard to a possible transaction of the listing of its shares.

If this transaction will materialise, it will result in a fee of € 1.75 million less deduction of monthly expenses.

**34. Financial risk management objectives and policies**

RSDB's principal financial instruments (other than derivatives) comprise bank loans and overdraft, financial leases and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for RSDB's operations. RSDB has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

RSDB also enters into derivative transactions, including principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising for RSDB's operations and its sources of finance.

It is, and has been throughout the year under review, RSDB's policy that no trading in financial instruments shall be undertaken. The main risks arising from RSDB's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

The Executive Board reviews and agrees policies for managing each of these risks and they are summarised below.

**Cash flow interest rate risk**

RSDB's exposure to the risk for changes in market interest rate relates primarily to RSDB's long-term obligations with a floating coupon.

RSDB's policy is to manage its interest cost using a mix of fixed and variable rate debts. RSDB's policy is to keep between 40% and 60% of its borrowings at fixed coupon. To manage this mix in a cost-efficient manner, RSDB enters into interest rate swaps, in which RSDB agrees to exchange, at specified intervals, the

difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

**Foreign currency risk**

RSDB has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 20% of RSDB's sales are denominated in currencies other than the functional currency of the operating unit making the sale, whilst almost 95% of costs are denominated in the unit's functional currency. RSDB requires all its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of € 0.1 million, for which payment is anticipated more than one month after RSDB has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is RSDB's policy not to enter into forward contracts until a firm commitment is in place.

It is RSDB's policy to negotiate the terms of the hedge derivatives to match the terms of hedged item to maximise hedge effectiveness.

#### Fair values

The fair value of the assets and liabilities hardly deviates from the book value.

The company uses various financial instruments in order to limit currency and interest rate risks. For currency risks, it uses FX cylinder contracts which consist of a combination of an FX call option and an FX put option. The company also uses FX Window Forward Extra contracts, a combination of an FX call option and an FX put option with an agreed 'trigger'. When this trigger occurs in the agreed period, the FX Window Forward Extra changes into a currency future transaction with an agreed price.

**35. Related party disclosures**

The consolidated financial statement include the financial statements of RSDB and the subsidiaries listed below:

	country of incorporation	% equity interest	
		2005	2004
Roto Smeets De Boer Holding BV	the Netherlands	100	100
<b>Sales offices</b>			
Roto Smeets BV	the Netherlands	100	100
<i>Associated companies:</i>			
Roto Smeets Belgium NV/SA	Belgium	100	100
Stamp BVBA	Belgium	100	100
Roto Smeets Denmark A/S	Denemarken	100	100
Roto Smeets Deutschland GmbH	Duitsland	100	100
Media Extra NV	Belgium	100	100
Roto Smeets France SA	France	100	100
Roto Smeets Ltd.	United Kingdom	100	100
Roto Smeets Sweden AB	Sweden	100	100
<b>Print Productions</b>			
Roto Smeets Deventer BV	the Netherlands	100	100
Roto Smeets Etten BV	the Netherlands	100	100
Roto Smeets Utrecht BV	the Netherlands	100	100
Van Boekhoven Services BVBA	Belgium	100	100
Roto Smeets Weert BV	the Netherlands	100	100
Senefelder Misset BV	the Netherlands	100	100
Periodieken Services Holland BV	the Netherlands	100	100
Roto Smeets GrafiServices Eindhoven BV	the Netherlands	100	100
Roto Smeets GrafiServices Utrecht BV	the Netherlands	100	100
Roto Smeets Grafische Nabewerking BV	the Netherlands	100	100
De Wit Grafische Projecten BV	the Netherlands	100	100
Nadruk Binders met een Accent BV	the Netherlands	100	100
Rotopack BV	the Netherlands	100	100
Roto Smeets Services BV	the Netherlands	100	100
Antok Nyomdaipari Kft.	Hungary	85	85
<b>Marketing Communications</b>			
Drukkerij H. van der Marck BV	the Netherlands	100	100
<i>Associated companies:</i>			
Media Partners Group BV	the Netherlands	100	100
dem Communications BV	the Netherlands	100	100
Draft Artwork & Designhouse BV	the Netherlands	100	100
InBetween Marketing Services BV	the Netherlands	100	100
Zorganize BV	the Netherlands	100	100
Leads to Loyals BV	the Netherlands	100	100
Logic Use BV	the Netherlands	100	100
Media Partners Scandinavia	Sweden	100	100

	country of incorporation	% equity interest	
		2005	2004
<b>Minority participations</b>			
Business Media BV	the Netherlands	40	40
Axon Publishing Ltd.	United Kingdom	50	50
<b>Discontinued operations</b>			
RSDB Beheer BV	the Netherlands	100	100
<i>Associated companies:</i>			
Henkes Senefelder BV	the Netherlands	100	100
Kleihold BV	the Netherlands	100	100
Deltamail BV	the Netherlands	100	100
Ten Klei Grafische Nabewerking BV	the Netherlands	100	100
Koninklijke Van Poll Drukkerijen BV	the Netherlands	100	100
Multi Media Centrum BV	the Netherlands	100	100
Plantijn Onroerend Goed BV	the Netherlands	100	100
PlantijnCasparie Tilburg BV	the Netherlands	100	100
PlantijnCasparie Schagen BV	the Netherlands	100	100
PlantijnCasparie Emmen BV	the Netherlands	100	100
PlantijnCasparie Hilversum BV	the Netherlands	100	100
PlantijnCasparie Nederland BV	the Netherlands	100	100
PlantijnCasparie Productie Unit BV	the Netherlands	100	100
PlantijnCasparie Schiedam BV	the Netherlands	100	100
PlantijnCasparie Logistiek BV	the Netherlands	100	100
PlantijnCasparie Teleservices BV	the Netherlands	100	100
PlantijnCasparie Heerhugowaard BV	the Netherlands	100	100
PlantijnCasparie Vlaardingen BV	the Netherlands	100	100
PlantijnCasparie Breda BV	the Netherlands	100	100
Roto Smeets De Boer Personeels BV	the Netherlands	100	100
Vlasveld Drukkers Holding BV	the Netherlands	100	100

**36. Remuneration of members of the Executive Board and the Supervisory Board**

Executive Board		2005			2004	
(x € /)	fixed periodical	pension and early retirement commitments	variable	fixed periodical	pension- and early retirement commitments	variable
H. de Jong	317,407	58,658	99,349	318,047	81,345	49,757
M. J. Bos	70,344	12,082	41,704	187,951*)	33,317	18,072
J. P. Caris	212,038	59,735	85,000	212,798	49,504	47,984
	<u>599,789</u>	<u>130,475</u>	<u>226,053</u>	<u>718,796</u>	<u>164,166</u>	<u>115,813</u>

\*) Excluding a redundancy agreement in 2004 and payable in 2005 of € 325,000 and holidays paid.

Supervisory Board		2005		2004	
(x € /)	fixed remuneration	reimbursement of expenses	fixed remuneration	reimbursement of expenses	
G. Lodewijk	26,941	9,443	27,400	6,558	
J. L. Brentjens*)	7,561	1,234	23,766	2,695	
C. A. M. Busch*)	6,439	889	21,326	1,639	
H. C. A. Groenen	20,965	2,000	15,406	1,356	
A. P. Lugt	23,554	3,080	21,326	1,639	
H. P. C. Noten	15,321	1,462	–	–	
	<u>100,781</u>	<u>18,108</u>	<u>109,224</u>	<u>13,887</u>	

The remuneration of the Executive Board and of the Supervisory Board is included in the profit and loss account under wages and salaries. The variable part for 2005 relates to the 2004 financial year.

\*) Resignation from the Supervisory Board as from April 6, 2005.

Positions in RSDB shares as per December 31, 2005	number
G. Lodewijk	1,613
A. P. Lugt	1,000

**37. Consolidated profit and loss-account (reconciliation in result in accordance with Dutch GAAP and IFRS for 2004)**

(x € 1,000)	Dutch GAAP 2004	adjustment IFRS	IFRS 2004
<b>Continuing operations</b>			
Services provided	619,007	(76,462)	542,545
Movement in work in progress	<u>(6,192)</u>	<u>981</u>	<u>(5,211)</u>
Total revenue	612,815	(75,481)	537,334
Costs of raw materials and consumables	(236,509)	14,691	(221,818)
Costs of work contracted out and other costs	<u>(74,479)</u>	<u>16,915</u>	<u>(57,564)</u>
Value-added	301,827	(43,875)	257,952
Personnel expenses	(177,154)	35,242	(141,912)
Depreciation tangible fixed assets	(35,939)	2,975	(32,964)
Other operating costs	<u>(63,484)</u>	<u>17,313</u>	<u>(46,171)</u>
Operating result	25,250	11,655	36,905
Financing income	149	(98)	51
Financing costs	<u>(4,530)</u>	<u>(1,489)</u>	<u>(6,019)</u>
Result before taxation	20,869	10,068	30,937
Taxation burden	<u>(6,830)</u>	<u>(3,438)</u>	<u>(10,268)</u>
Result from continued operating activities	14,039	6,630	20,669
<b>Discontinued operating activities</b>			
Loss on discontinued operating activities	–	<u>(3,624)</u>	<u>(3,624)</u>
Net result	14,039	3,006	17,045
Attributed to:			
Shareholders RSDB NV	13,965	3,006	16,971
Minority shares	<u>74</u>	<u>–</u>	<u>74</u>
	14,039	3,006	17,045

**38. Consolidated balance sheet (reconciliation in balance in accordance with Dutch GAAP and IFRS for 2004)**

(x € 1,000)	Dutch GAAP 2004	adjustment IFRS	IFRS 2004
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	214,620	(17,901)	196,719
Associated companies / joint-ventures	-	-	-
Other financial fixed assets	122	-	122
Deferred tax assets	-	993	993
	<u>214,742</u>	<u>(16,908)</u>	<u>197,834</u>
<b>Current assets</b>			
Stocks	23,101	(5,188)	17,913
Trade receivables	109,256	(13,217)	96,039
Other receivables / prepayments	7,879	(1,926)	5,953
Forward currency contracts	-	2,463	2,463
Cash and cash equivalents	<u>3,610</u>	<u>(943)</u>	<u>2,667</u>
	143,846	(18,811)	125,035
Assets classified as held for sale	-	59,254	59,254
	<u>143,846</u>	<u>40,443</u>	<u>184,289</u>
Total assets	<u>358,588</u>	<u>23,535</u>	<u>382,123</u>

<i>(x € 1,000)</i>	Dutch GAAP 2004	adjustment IFRS	IFRS 2004
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	16,451	–	16,451
Share premium	12,833	–	12,833
Retained earnings	112,771	(17,483)	95,288
Other reserves	–	1,763	1,763
	<u>142,055</u>	<u>(15,720)</u>	<u>126,335</u>
Minority interest	333	–	333
Total equity	<u>142,388</u>	<u>(15,720)</u>	<u>126,668</u>
<b>Long-term liabilities</b>			
Deferred liabilities	5,456	(5,456)	–
Provisions	17,650	13,070	30,720
Interest-bearing loans and borrowings:			
Loans	15,008	–	15,008
Finance companies	9,593	–	9,593
Lease facilities	13,709	15,819	29,528
	<u>61,416</u>	<u>23,433</u>	<u>84,849</u>
<b>Current liabilities</b>			
Trade and other liabilities	87,247	(12,959)	74,288
Finance companies	21,477	(9,695)	11,782
Interest-bearing loans	15,999	4,048	20,047
Income tax payable	22,900	(1,127)	21,773
Provisions	7,161	686	7,847
Rate swaps	–	281	281
	<u>154,784</u>	<u>(18,766)</u>	<u>136,018</u>
Liabilities directly associated with the assets classified as held for sale	–	34,588	34,588
Total liabilities	<u>216,200</u>	<u>39,255</u>	<u>255,455</u>
Total equity and liabilities	<u>358,588</u>	<u>23,535</u>	<u>382,123</u>

### **GENERAL**

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The single annual accounts were drawn up on the basis of Part 9 of Book 2 of the Netherlands Civil Code, using the possibility offered by article 2:362.8 of the Netherlands Civil Code allowing the IFRS principles to be used as applied in the consolidated annual accounts. The comparable figures for 2004 have been adjusted accordingly. The main changes concern the amount invested in group companies. For a more detailed explanation with regard to the changes in group companies and shareholders' equity we refer to the adjustment of the valuation principles of Dutch GAAP to IFRS as included in the consolidated annual accounts.

In accordance with the stipulations of article 2:402 of the Netherlands Civil Code the company profit and loss account only separately states the result from participations after tax as well as other results after participations.

### **PRINCIPLES OF VALUATION AND RESULT DETERMINATION**

For the principles of valuation and result determination we refer to the principles as included in the notes to the consolidated annual accounts, as these also apply to the company annual accounts, unless stated otherwise.

### **PARTICIPATIONS**

The participations in group companies are valued at net asset value. The reporting dates of the group companies are the same and the principles for financial reporting are in accordance with those of RSDB for similar transactions and events in similar conditions.

## **ANNUAL ACCOUNTS** - *Company profit and loss account*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Other results (after taxation)	152	375
Result group companies (after taxation)	<u>14,333</u>	<u>16,596</u>
Net result	14,485	16,971

Use has been made of the facility provided for in Section 403 of Part 9 of Book 2 of the Netherlands Civil Code with respect to publication of an abridged company profit and loss account.

**ANNUAL ACCOUNTS** - *Company balance sheet as at December 31  
(before profit appropriation)*

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>		
<i>Financial fixed assets</i>		
Associated company Roto Smeets De Boer Holding BV	138,748	125,921
Receivable from Roto Smeets De Boer Holding BV	<u>664</u>	<u>19,104</u>
	139,412	145,025
<b>Current assets</b>		
<i>Receivables</i>		
Other receivables	<u>71</u>	<u>71</u>
Total assets	<u>139,483</u>	<u>145,096</u>

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(x € 1,000)

**2005**

**2004**

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**EQUITY AND LIABILITIES**

*Shareholders' equity*

Share capital issued	16,451	16,451
Share premium	12,833	12,833
Retained earnings and other reserves	<u>104,444</u>	<u>97,051</u>
	133,728	126,335

**Long-term liabilities**

Deferred tax liabilities	4,671	5,355
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**Current liabilities**

Interest-bearing loans and borrowings	–	669
Taxes	1,008	12,661
Other liabilities	<u>76</u>	<u>76</u>
	1,084	13,406

Total equity and liabilities	139,483	145,096
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**ANNUAL ACCOUNTS** - *Company statement of changes in equity  
for the year ended December 31, 2005*

<i>(x € 1,000)</i>	issued capital	share premium	retained earnings	other reserves	total
Balance at January 1, 2005	16,451	12,833	95,288	1,763	126,335
Result on cashflow hedges	-	-	-	(1,478)	(1,478)
Foreign currency translation	-	-	-	(29)	(29)
Total income and expense for the year recognised directly in equity	-	-	-	(1,507)	(1,507)
Result for the year	-	-	14,485	-	14,485
Total income and expense for the year	-	-	14,485	(1,507)	12,978
Dividend payment	-	-	(5,585)	-	(5,585)
	-	-	8,900	(1,507)	7,393
Balance at December 31, 2005	16,451	12,833	104,188	256	133,728

**ANNUAL ACCOUNTS** - Consolidated statement of changes in equity  
for the year ended December 31, 2004

(x € 1,000)	issued capital	share premium	retained earnings	other reserves	total
Balance at December 31, 2003					
As previously reported	16,451	12,833	102,021	–	131,305
Effect of adopting IFRS	–	–	(20,414)	1,734	(18,680)
Balance at January 1, 2004 restated	16,451	12,833	81,607	1,734	112,625
Result on cash flow hedges	–	–	–	(46)	(46)
Foreign currency translation	–	–	–	75	75
Total income and expense for the year recognised directly in equity	–	–	–	29	29
Result for the year	–	–	16,971	–	16,971
Total income and expense for the year	–	–	16,971	29	17,000
Dividend payments	–	–	(3,290)	–	(3,290)
	–	–	13,681	29	13,710
Balance at December 31, 2005	16,451	12,833	95,288	1,763	126,335

**Financial fixed assets**

*Group companies*

Group companies have been valued at net asset value.

The company's share in group companies was as follows:

<i>(x € 1,000)</i>	<b>2005</b>	<b>2004</b>
Balance at January 1	125,921	109,296
Result group companies	14,333	16,596
Foreign currency translation	(28)	75
Result on cash flow hedges	(1,478)	(46)
Balance at December 31	138,748	125,921

**Shareholders' equity**

*Authorised share capital*

The company's authorised share capital amounts to € 85 million and is divided into 8,500,000 ordinary shares and 8,500,000 preference shares, with a nominal value of € 5 each.

*Option right Stichting Preferente Aandelen*

The 'Stichting Preferente Aandelen' has an option right to acquire a maximum of 3,290,274 preference shares of which 25% is called, or € 4,112,843. To be able to exercise this option right, the 'Stichting Preferente Aandelen' has a financing arrangement. In the General Meeting of Shareholders of RSDB of April 20, 2000 the proposal was adopted to grant the Stichting an option to acquire a number of RSDB preference shares equalling the number of issued ordinary RSDB shares minus one.

*Share capital issued*

Balance at January 1, 2005	16,451
Changes	-
Balance at December 31, 2005	16,451

The share capital relates to 3,290,275 issued and fully-paid shares of € 5 nominal value each.

*Share premium*

Balance at January 1, 2005	12,833
Changes	-
Balance at December 31, 2005	12,833

From a fiscal point of view this share premium can be considered as paid-up capital.

*Other reserves*

Balance at January 1, 2005	91,458
Result 2005	14,485
Change currency position	(1,478)
Change due to exchange rate movements foreign companies	(29)
Excess reserved dividend 2004	8
Balance at December 31, 2005	<u>104,444</u>

<i>(x € 1,000)</i>	retained earnings	currency translation reserve	reserve for non-realised results	total
<b>2004</b>				
Balance at January 1	81,607	–	1,734	83,341
Result from participations	–	75	–	75
Result	16,971	–	–	16,971
Dividend payment	(3,290)	–	–	(3,290)
Change currency position	–	–	(46)	(46)
Balance at December 31	<u>95,288</u>	<u>75</u>	<u>1,688</u>	<u>97,051</u>
<b>2005</b>				
Balance at January 1	95,288	75	1,688	97,051
Result from participations	–	(29)	–	(29)
Result	14,485	–	–	14,485
Dividend payment	(5,585)	–	–	(5,585)
Change currency position	–	–	(1,478)	(1,478)
Balance at December 31	<u>104,188</u>	<u>46</u>	<u>210</u>	<u>104,444</u>

**1. Dividend**

As referred to in the paragraph Dividend in the Report of the Executive Board on page 28.

**2. Contingent liabilities**

For the contingent liabilities is referred to note 33 of the consolidated accounts.

**3. Remuneration of members of the Executive Board and the Supervisory Board**

For the remuneration of the Executive Board and the Supervisory Board is referred to note 36 of the consolidated accounts.

**4. Number of employees**

Both in 2004 and in 2005, the company had no employees.

## **OTHER INFORMATION** - *Statutory provisions concerning profit appropriation*

1. The Company may distribute the profit to the shareholders and other parties entitled to distributable profit only to the extent that its shareholders' equity exceeds the sum of the called and paid portion of the capital and the reserves which are required by law to be maintained.
2. From the distributable profit, an annual payment shall first be made on the preference shares equal to the percentage referred to hereinafter of the amount compulsory paid in on those shares. The percentage stated above equals the refunding rate as established by the European Central Bank – weighted to the number of days for which the percentage was in force – during the financial year for which the payment is made, augmented by two and one quarter percent (2,25%). No further payments are made on the preference shares.
3. The Executive Board shall be empowered, with the prior approval of the Supervisory Board, to add the profit remaining after application of the previous paragraph in whole or in part to the reserves.
4. Any profit remaining after the addition to the reserves as referred to in the previous paragraph shall be at the disposal of the General Meeting of Shareholders.
5. Distribution of profit shall take place following adoption of the annual accounts from which it is apparent that such distribution is justified.
6. In the event that the General Meeting of Shareholders does not resolve to distribute profit for any financial year, that profit shall be added to the reserves.
7. The Executive Board, with the approval of the Supervisory Board, may decide to make an interim distribution if the requirements of paragraph 1 of this Article have been met as evidenced by an interim statement of assets and liabilities, as referred to in Section 2:105, subsection 4 of the Netherlands Civil Code, which statement must be deposited at the offices of the Commercial Register within eight days after the day on which the decision to make the distribution is published. The provisions of paragraph 9 of this Article shall apply mutatis mutandis to the payment of an interim distribution.
8. The General Meeting of Shareholders may resolve to charge a distribution from profit to a distributable reserve only on the basis of an Executive Board proposal to that effect which has been approved by the Supervisory Board.
9. The General Meeting of Shareholders may resolve, on the basis of an Executive Board proposal to that effect which has been approved by the Supervisory Board, to make distributions in the form of shares and / or depositary receipts for shares in the Company, without prejudice to the provisions of Article 4 of these Articles of Association.
10. Unless the General Meeting of Shareholders determines otherwise, distributions shall be made payable fourteen days after the fixing thereof, at a time and place to be determined by the Executive Board.
11. The claim on the part of shareholders shall lapse and revert to the Company on expiry of a term of five years, calculated from the second day on which the claim becomes payable on demand.