



News Release

Cenveo Announces Fourth Quarter 2006 Results

4th Quarter EPS of \$0.51 per diluted share

4th Quarter Non-GAAP EPS of \$0.31 per diluted share

4th Quarter Adjusted EBITDA of \$43.2 million, up 22% from prior year

Strong cash flow from operations generated in 4th Quarter

STAMFORD, CT – (February 28, 2007) – Cenveo, Inc. (NYSE: CVO) today announced its results for the three months and full year ended December 31, 2006.

For the fourth quarter, the Company reported net income of \$27.9 million, or \$0.51 per diluted share as compared to a net loss of \$37.8 million, or \$(0.71) per diluted share, in the fourth quarter of 2005. The fourth quarter 2006 results include restructuring and impairment charges of \$5.7 million, as compared to \$37.8 million in 2005. Net sales for the quarter decreased to \$384.2 million from \$407.4 million in 2005, primarily due to the Company's decision to close or divest non-strategic businesses since the fourth quarter of 2005. In December 2006, the Company decided to sell its remaining units in the Supremex Income Fund prior to the end of the first quarter of 2007 and, accordingly, the operating revenues and expenses of Supremex have been classified as discontinued operations for all periods presented, beginning in the fourth quarter of 2006.

Non-GAAP net income totaled \$16.8 million or \$0.31 per diluted share in the fourth quarter of 2006. Non-GAAP net income excludes restructuring, impairment and other charges, gain (loss) on sale of non strategic businesses, loss on early extinguishment of debt, the income tax benefit on the recognition of deferred tax assets, and discontinued operations, net of taxes. A reconciliation of net income to Non-GAAP net income for these adjustments is presented in the attached tables. Non-GAAP operating income in

2006 was \$31.8 million or an 8.3% margin reflecting the benefits of our restructuring efforts which continue to drive margin improvement. Non-GAAP operating income excludes restructuring, impairment and other charges. A reconciliation of operating income to non-GAAP operating income is presented in the attached tables.

Adjusted EBITDA means earnings before interest, taxes, depreciation and amortization, excluding restructuring, impairment, and other charges, gain (loss) on sale of non-strategic businesses, divested operations EBITDA, additional stock compensation expense on the adoption of SFAS 123R, loss on early extinguishment of debt, and income (loss) from discontinued operations, net of taxes, and Adjusted EBITDA in the fourth quarter of 2006, was \$43.2 million as compared to \$35.6 million in the same period last year, an increase of 22%. An explanation of the Company's use of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income is provided in the attached tables.

For the year, the Company reported net income of \$118.7 million, or \$2.23 per diluted share as compared to a net loss of \$135.1 million, or \$(2.70) per diluted share. The results for 2006 include restructuring, impairment, and others charges of \$41.1 million, income from discontinued operations, net of taxes of \$140.5 million, and the loss on early extinguishment of debt of \$32.7 million. Net sales for the year decreased to \$1.51 billion from \$1.59 billion in 2005, primarily due to the Company's decision to close or divest non-strategic businesses. Non-GAAP operating income was \$107.8 million in 2006 or a 7.1% margin. A reconciliation of operating income to non-GAAP operating income is presented in the attached tables.

For the year, Adjusted EBITDA was \$152.9 million as compared to \$96.5 million in the same period last year, an increase of 59%. An explanation of the Company's use of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income is provided in the attached tables.

For the year, Non-GAAP net income totaled \$44.8 million or \$0.83 per diluted share as compared to the previously issued guidance of \$0.76 per diluted share. A reconciliation of net income to Non-GAAP net income for these adjustments is presented in the attached tables.

Robert G. Burton, Chairman and Chief Executive Officer stated:

“As I committed when I arrived at Cenveo in September of 2005, 2006 was going to be the year in which Cenveo got back to basics. We have done this by aggressively controlling our costs, restructuring our operating platform, divesting non-core operations, intensifying our focus on our customers, making or announcing several strategic acquisitions, and increasing our accountability to our shareholders. While we accomplished a lot in a very short timeframe, our mission to realize Cenveo’s potential is not complete. I feel that 2006 was a significant first step in re-establishing ourselves as a printing industry leader and a management team that is responsive to the needs of our customers, employees, and shareholders.”

Mr. Burton continued:

“Cenveo had a solid year of operating improvement in 2006, highlighted by substantial progress in our commercial printing segment and continued improved performance in our envelope, forms and labels group. In 2006, we also improved our capital structure, including our debt and leverage statistics, by selling our Canadian subsidiary Supremex and other certain assets and by focusing on our working capital. These operational improvements and focus on our capital structure has resulted in a substantial improvement in our free cash flow. We expect to continue to see stronger results across our business units in 2007. Our operating margins continue to expand, our cash flows continue to improve, and our one-stop shopping sales platform will drive incremental sales growth.”

"We also announced several strategic acquisitions since our arrival in 2005. Acquiring Rx Technology back in July 2006 added strength to and supplemented our label operations. Rx is a growing operation that complements our existing business while contributing to

our various cross-selling initiatives. In February 2007, we completed the acquisition of Printegra, which was a highly strategic acquisition in the short run printing marketplace that fits very well with our current product offerings. This acquisition creates the opportunity for Cenvéo to better serve its customers and allows us to offer Printegra's customers Cenvéo's extensive range of products and services. In December 2006, we entered into a definitive merger agreement with Cadmus Communications Corporation, which will form the third largest printing company in North America. Cadmus, with its highly regarded reputation for excellence and strategically niched product offering, is a perfect complement to broaden Cenvéo's product line. These accretive acquisitions position the Company nicely for future growth."

Mr. Burton concluded:

"2006 is now behind us. It was a year of positive traction but a year that overall was still not up to this company's full potential. 2007 is the year at hand and we are focusing everyday on showing marked improvement over 2006. We have developed an aggressive action plan to further deliver results for our customers, employees, and shareholders. We look to quickly integrate our recently announced acquisitions and use our business plan to improve the quality of our revenues everyday through organic and acquisition growth, while simultaneously reducing costs and improving manufacturing productivity. We will use our strong cash flow to pay down debt and invest in our business via capital expenditures and acquisition. I am very pleased with the progress the Company has made since our management team arrived. We have executed on our turnaround plan and have consistently delivered on our financial commitments each quarter. We understand what our customers and shareholders expect from us in 2007, and we are as committed as ever to deliver."

Conference Call:

Cenvéo will host a conference call tomorrow, Thursday March 1, 2007, at 10:00 a.m. Eastern Time. The conference call will be available via webcast, which can be accessed via the Internet at www.cenvéo.com.

Cenveo, Inc., and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2006	2005	2006	2005
Net sales	\$ 384,175	\$ 407,426	\$ 1,511,224	\$ 1,594,781
Cost of sales	307,268	335,040	1,208,500	1,319,950
Selling, general and administrative	43,602	47,354	189,476	218,740
Amortization of intangible assets	1,488	1,269	5,473	5,147
Restructuring, impairment and other charges	5,705	37,793	41,096	77,254
Operating income (loss)	26,112	(14,030)	66,679	(26,310)
Loss on sale of non-strategic businesses	186	2,459	2,035	4,479
Interest expense, net	13,967	18,656	60,980	73,821
Loss on early extinguishment of debt	—	—	32,744	—
Other (income) expense, net	306	(60)	(78)	1,143
(Loss) income from continuing operations before income taxes	11,653	(35,085)	(29,002)	(105,753)
Income tax (benefit) expense	(11,881)	(547)	(7,177)	42,348
Income (loss) from continuing operations	23,534	(34,538)	(21,825)	(148,101)
Income (loss) from discontinued operations, net of taxes	4,397	(3,271)	140,480	13,049
Net income (loss)	\$ 27,931	\$ (37,809)	\$ 118,655	\$ (135,052)
Income (loss) per share from continuing operations – basic	\$ 0.44	\$ (0.65)	\$ (0.41)	\$ (2.96)
Income (loss) per share from continuing operations – diluted	0.43	(0.65)	(0.41)	(2.96)
Income per share from discontinued operations – basic and diluted	0.08	(0.06)	2.64	0.26
Net income (loss) per share – basic	0.52	(0.71)	2.23	(2.70)
Net income (loss) per share – diluted	0.51	(0.71)	2.23	(2.70)
Weighted average shares – basic	53,444	53,342	53,288	50,038
Weighted average shares – diluted	54,269	53,342	53,288	50,038

Cenveo, Inc., and Subsidiaries
Reconciliation of Net Income to Non-GAAP Net Income
(in thousands, except per share data)
(Unaudited)

	Three Months Ended December 31, 2006		
	As Reported	Adjustments To Non-GAAP	Non-GAAP
Net sales	\$ 384,175	—	\$ 384,175
Cost of sales	307,268	—	307,268
Selling, general and administrative	43,602	—	43,602
Amortization of intangible assets	1,488	—	1,488
Restructuring and impairment charges	5,705	(5,705)	—
Operating income	26,112	5,705	31,817
Loss on sale of non-strategic businesses	186	(186)	—
Interest expense, net	13,967	—	13,967
Other expense, net	306	—	306
Income before income taxes	11,653	5,891	17,544
Income tax (benefit) expense	(11,881)	12,672	791
Income (loss) from continuing operations	23,534	(6,781)	16,753
Income from discontinued operations, net of taxes	4,397	(4,397)	—
Net income (loss)	\$ 27,931	(11,178)	\$ 16,753
Income (loss) per share from continuing operations – basic	\$ 0.44	—	\$ 0.31
Income (loss) per share from continuing operations – diluted	0.43	—	0.31
Income per share from discontinued operations – basic and diluted	0.08	—	—
Net income (loss) per share - basic	0.52	—	0.31
Net income (loss) per share – diluted	0.51	—	0.31
Weighted average shares – basic	53,444	—	53,444
Weighted average shares – diluted	54,269	—	54,269

Cenveo, Inc., and Subsidiaries
Reconciliation of Net Income to Non-GAAP Net Income
(in thousands, except per share data)
(Unaudited)

	Year Ended December 31, 2006		
	As Reported	Adjustments To Non- GAAP	Non-GAAP
Net sales	\$ 1,511,224	—	\$ 1,511,224
Cost of sales	1,208,500	—	1,208,500
Selling, general and administrative	189,476	—	189,476
Amortization of intangible assets	5,473	—	5,473
Restructuring and impairment charges	41,096	(41,096)	—
Operating income	66,679	41,096	107,775
Loss on sale of non-strategic businesses	2,035	(2,035)	—
Interest expense, net	60,980	—	60,980
Loss on early extinguishment of debt	32,744	(32,744)	—
Other income, net	(78)	—	(78)
Income (loss) before income taxes	(29,002)	75,875	46,873
Income tax (benefit) expense	(7,177)	9,250	2,073
Income (loss) from continuing operations	(21,825)	66,625	44,800
Income from discontinued operations, net of taxes	140,480	(140,480)	—
Net income	\$ 118,655	(73,855)	\$ 44,800
Income (loss) per share from continuing operations – basic	\$ (0.41)	—	\$ 0.84
Income (loss) per share from continuing operations – diluted	(0.41)	—	0.83
Income per share from discontinued operations – basic and diluted	2.64	—	—
Net income (loss) per share - basic	2.23	—	0.84
Net income (loss) per share – diluted	2.23	—	0.83
Weighted average shares – basic	53,288	—	53,288
Weighted average shares – diluted	53,288	—	54,075

Cenveo, Inc., and Subsidiaries
Reconciliation of Net Income (Loss) to Adjusted EBITDA
(in thousands)

	Three Months Ended December 31,		Years Ended December 31,	
	2006	2005	2006	2005
Net Income (loss)	\$ 27,931	\$ (37,809)	\$ 118,655	\$ (135,052)
Interest expense	13,967	18,656	60,980	73,821
Income taxes	(11,881)	(547)	(7,177)	42,348
Depreciation	8,717	10,933	35,220	43,101
Amortization of intangible assets	1,488	1,269	5,473	5,147
Restructuring, impairment and other charges	5,705	37,793	41,096	77,254
Loss on sale of non-strategic businesses	186	2,459	2,035	4,479
Loss on early extinguishment of debt	—	—	32,744	—
Divested operations	52	(450)	1,105	(1,556)
Additional stock compensation expense on the adoption of SFAS 123R	1,479	—	3,292	—
(Income) loss from discontinued operations, net of taxes	(4,397)	3,271	(140,480)	(13,049)
Adjusted EBITDA, as defined	\$ 43,247	\$ 35,575	\$ 152,943	\$ 96,493
Supremex operations	—	10,674	9,784	37,837
Adjusted EBITDA, as defined and Supremex operations	\$43,247	\$ 46,249	\$162,727	\$ 134,330

CENVEO, INC., AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,558	\$ 1,035
Accounts receivable, net	230,098	247,277
Inventories	92,406	108,704
Assets held for sale	51,966	—
Prepaid and other current assets	41,413	25,767
Total current assets	426,441	382,783
Property, plant and equipment, net	251,103	317,606
Goodwill	258,136	311,146
Other intangible assets, net	31,985	23,961
Other assets, net	34,285	44,068
Total assets	<u>\$ 1,001,950</u>	<u>\$1,079,564</u>
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Current maturities of long-term debt	7,513	2,791
Accounts payable	116,067	124,901
Accrued compensation and related liabilities	40,242	53,765
Other current liabilities	<u>63,609</u>	<u>79,051</u>
Total current liabilities	227,431	260,508
Long-term debt	667,782	809,345
Deferred income taxes	4,356	10,045
Other liabilities	40,640	49,216
Shareholders' equity (deficit):		
Preferred stock	—	—
Common stock	535	530
Paid-in capital	244,894	239,432
Retained deficit	(186,436)	(305,091)
Unearned compensation	—	(1,825)
Accumulated other comprehensive income	<u>2,748</u>	<u>17,404</u>
Total shareholders' equity (deficit)	<u>61,741</u>	<u>(49,550)</u>
Total liabilities and shareholders' equity (deficit)	<u>\$ 1,001,950</u>	<u>\$1,079,564</u>

CENVEO, INC., AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,	
	2006	2005
Cash flows from operating activities:		
Net income (loss)	\$118,655	\$(135,052)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Gain on sale of discontinued operations, net of taxes	(127,438)	—
Income from discontinued operations, net of taxes	(13,042)	(13,049)
Depreciation	35,220	43,101
Amortization of other intangible assets	5,473	5,147
Amortization of deferred financing costs	1,728	3,603
Deferred income taxes	(10,881)	35,665
Non-cash restructuring, impairment and other charges, net	10,346	32,010
Loss on early extinguishment of debt	32,744	—
Loss on sale of non-strategic businesses	2,035	4,479
Provisions for bad debts	4,345	3,427
Provisions for inventory obsolescence	1,900	2,936
Deferred compensation provision	5,954	2,505
Loss (gain) on disposal of assets	379	(555)
Changes in operating assets and liabilities, excluding the effects of acquired businesses:		
Accounts receivable	(6,508)	341
Inventories	2,212	(139)
Accounts payable and accrued compensation and related liabilities	(15,905)	(59,386)
Other working capital changes	(23,790)	8,652
Other, net	(2,688)	2,312
Net cash provided by (used in) continuing operating activities	20,739	(64,003)
Net cash provided by discontinued operating activities	2,617	25,330
Cash flows from investing activities:		
Cost of business acquisitions, net of cash acquired	(49,425)	(3,552)
Capital expenditures	(19,930)	(28,154)
Acquisition payments	(4,653)	(4,053)
Proceeds from divestitures, net	3,189	8,377
Proceeds from sale of property, plant and equipment	11,475	3,796
Net cash used in investing activities of continuing operations	(59,344)	(23,586)
Proceeds from the sale of discontinued operations	211,529	—
Proceeds from the sale of property, plant and equipment of discontinued operations	—	211
Capital expenditures for discontinued operations	(632)	(2,603)
Net cash provided by (used in) investing activities of discontinued operations	210,897	(2,392)
Net cash provided by (used in) investing activities	151,553	(25,978)
Cash flows from financing activities:		
Repayment of 9% senior notes	(339,502)	—
(Repayments) borrowings under senior secured revolving credit facility, net	(123,931)	45,490
Repayments of term loan	(813)	—
Repayments of other long-term debt	(13,095)	(3,123)
Payment of redemption premiums and expenses	(26,142)	—
Payment of debt issuance costs	(3,770)	—
Purchase and retirement of common stock and cancellation of restricted share units	(1,786)	(187)
Proceeds from issuance of term loan	325,000	—
Borrowings under new revolving credit facility, net	15,500	—
Proceeds from exercise of stock options	1,956	22,433
Proceeds from excess tax benefit from stock based compensation	1,168	—
Net cash (used in) provided by financing activities	(165,415)	64,613
Effect of exchange rate changes on cash and cash equivalents of continuing operations	14	107
Effect of exchange rate changes on cash and cash equivalents of discontinued operations	15	170
Net increase in cash and cash equivalents	9,523	239
Cash and cash equivalents at beginning of year	1,035	796
Cash and cash equivalents at end of year	<u>\$10,558</u>	<u>\$1,035</u>

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In addition to results presented in accordance with generally accepted accounting principles in the U.S. (“GAAP”), the Company included in this release certain non-GAAP financial measures, including Adjusted EBITDA, non-GAAP net income and non-GAAP operating income. These non-GAAP financial measures are defined above, and should be used in conjunction with GAAP financial measures. These non-GAAP financial measures are not presented as an alternative to cash flow from operations, as a measure of our liquidity or as an alternative to net income as an indicator of our operating performance. The non-GAAP financial measures as used herein may not be comparable to similarly titled measures reported by competitors.

We believe the use of Adjusted EBITDA, non-GAAP net income and non-GAAP operating income along with GAAP financial measures enhances the understanding of our operating results and is useful to investors in comparing our operating performance with that of our competitors and estimating our enterprise value. Adjusted EBITDA is a useful tool in evaluating the core operating results of the Company given the significant variation that can result from, for example, the timing of capital expenditures, the amount of intangible assets recorded or the differences in assets’ lives. We also use Adjusted EBITDA internally to evaluate operating performance of our segments, to allocate resources and capital to such segments, to measure performance for incentive compensation programs, and to evaluate future growth opportunities. The non-GAAP financial measures included in this press release are reconciled to their most directly comparable GAAP financial measures in the tables included herein.

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Cenveo, Inc. (NYSE: CVO), www.cenveo.com, is one of North America's leading providers of print and visual communications, with one-stop services from design through fulfillment. The company’s broad portfolio of services and products include commercial printing, envelopes, labels, packaging and business documents delivered through a network of production, fulfillment and distribution facilities throughout North America.

Statements made in this release, other than those concerning historical financial information, may be considered “forward-looking statements,” which are based upon current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual results to

differ materially from such forward-looking statements. In view of such uncertainties, investors should not place undue reliance on our forward-looking statements. Such statements speak only as of the date of this release, and we undertake no obligation to update any forward-looking statements made herein. Factors that could cause actual results to differ materially from management's expectations include, without limitation: (1) our substantial indebtedness impairing our financial condition and limiting our ability to incur additional debt; (2) the terms of our indebtedness imposing significant restrictions on our operating and financial flexibility; (3) the potential to incur additional indebtedness, exacerbating the above factors; (4) cross default provisions in our indebtedness, which could cause all of our debt to become due and payable as a result of a default under an unrelated debt instrument; (5) our ability to successfully integrate acquisitions; (6) intense competition in our industry; (7) the absence of long-term customer agreements in our industry, subjecting our business to fluctuations; (8) factors affecting the U.S. postal services impacting demand for our products; (9) increases in paper costs and decreases in its availability; (10) our history of losses and ability to return to consistent profitability; (11) the availability of the Internet and other electronic media affecting demand for our products; (12) our labor relations; (13) compliance with environmental rules and regulations; (14) dependence on key management personnel; and (15) general economic, business and labor conditions. This list of factors is not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that would impact the Company's business. Additional information regarding these and other factors can be found in the Company's periodic filings with the SEC, which are available at <http://www.cenveo.com>.

Inquiries from analysts and investors should be directed to Robert G. Burton, Jr. at (203) 595-3005.