Cenveo™

News Release

Cenveo Announces Second Quarter 2006 Results

Strong operating performance, highlighted by Envelope segment

Rx Technology acquisition completed in July

Strong sales backlog reinforces positive outlook for back half

STAMFORD, CT – (August 9, 2006) – Cenveo, Inc. (NYSE: CVO) announced its results today for the three and six months ended June 30, 2006.

For the second quarter, the Company reported a net loss of $33.1 million, or $0.62 per diluted share, compared to a net loss of $10.6 million, or $0.22 per diluted share, in the second quarter of 2005. The second quarter 2006 results include the loss on early extinguishment of debt of $32.7 million, resulting from our debt refinancing, restructuring and impairment charges of $17.2 million, and the gain on sale of non-strategic businesses of $9.6 million, primarily relating to a secondary sale of an 8% interest in Supremex. Net sales for the quarter decreased to $357.9 million from $421.7 million in 2005, primarily due to the Company's decision to sell Supremex and close or sell several other non-strategic businesses.

Non-GAAP net income totaled $8.4 million, or $0.16 per diluted share, in the second quarter of 2006. Non-GAAP net income excludes restructuring and impairment charges, gain on sale of non-strategic businesses, loss on early extinguishment of debt, equity income from affiliate and effect of tax reorganization. A reconciliation of net income to Non-GAAP net income for these adjustments is presented in the following tables.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization, excluding restructuring, impairment, and other charges, gain (loss) on sale of non-strategic businesses, divested operations, stock compensation expense on the adoption of

SFAS 123R, loss on early extinguishment of debt, and equity income in affiliate) in the second quarter of 2006 was $34.5 million compared to Adjusted EBITDA of $20.7 million in the same period last year, an increase of 67%. An explanation of the Company's use of Adjusted EBITDA is provided below.

For the first six months, the Company reported net income of $79.1 million, or $1.47 per diluted share, compared to a net loss of $33.2 million, or $0.69 per share, in the same period in 2005. The results for the first six months of 2006 include restructuring and impairment charges of $30.7 million, the gain on sale of non-strategic businesses of $132.9 million, primarily relating to a sale of 71.4% interest in Supremex, and the loss on early extinguishment of debt of $32.7 million. Net sales for the first six months decreased to $784.6 million from $871.3 million in 2005, primarily due to the Company's decision to sell Supremex and close or sell several other non-strategic businesses.

Non-GAAP net income totaled $18.9 million or $0.35 per diluted share in the first six months of 2006. Non-GAAP net income excludes restructuring and impairment charges, gain on sale of non-strategic businesses, loss on early extinguishment of debt, equity income in affiliate and effect of tax reorganization. A reconciliation of net income to Non-GAAP net income for these adjustments is presented in the following tables.

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

"Our second quarter results reflect the success of having a clear and concise game plan that allows us to be responsive to both our customers and our cost structure. We remain committed to our strategy to reduce costs, divest non-core assets, and invest our capital resources into what we believe are higher growth print markets and cross-sell the full product offering of our portfolio. I believe that the momentum that we have built over the past 11 months continues to strengthen. Our envelope, forms and label segment continues to perform increasingly well and is enjoying strong backlogs and is producing solid operational improvement over budget and last year. Our commercial print segment once again showed dramatic operational improvement over the prior year as our consolidation efforts and sales focus on profitable sales are starting to yield significant results. These factors allowed us to improve adjusted EBITDA by 67% from the same period last year."

Mr. Burton continued:

"During the quarter the Company undertook several significant steps designed to position itself for future growth. We dramatically improved our capital structure by successfully tendering for our high-coupon senior notes and replacing them with lower-cost debt. This action will save the Company approximately $9 million a year in interest expense and provides a more flexible capital structure as we pursue future growth opportunities. Last month we also completed the acquisition of Rx Technology, a leading manufacturer of prescription labels. This acquisition strengthens our position in the high-growth label segment, and is expected to be accretive to earnings this year. This acquisition is already beginning to pay dividends as we now can offer Rx's existing customers the extensive platform of Cenveo's core products and services."

Mr. Burton concluded:

"As we enter the back half of the year, we remain focused on executing the turnaround plan that we implemented last September. Based on our current strong backlog and improved operating performance across all our businesses to date, I continue to remain very optimistic about the Company's prospects for the remainder of the year. We will also continue to look to grow the Company both organically and through strategic acquisitions that are accretive to earnings. We feel very good about our core businesses today and we are continuing discussions with other print businesses as we seek to expand our product portfolio to provide more opportunities to our customers."

Conference Call:

Cenveo will host a conference call tomorrow to discuss these results, and the letter the company sent to Banta Corporation, on Thursday August 10, 2006, at 10:00 a.m. Eastern Time. The conference call will be available via webcast, which can be accessed via the Internet at www.cenveo.com.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	**2005**	**2006**	**2005**
Net sales	$ 357,895	$ 421,736	$ 784,572	$ 871,338
Cost of sales	284,576	341,468	621,450	707,371
Selling, general and administrative	49,157	61,371	105,494	129,029
Amortization of intangible assets	1,264	1,276	2,562	2,606
Restructuring, impairment and other charges	17,213	5,070	30,687	15,089
Operating income	5,685	12,551	24,379	17,243
(Gain) loss on sale of non-strategic businesses	(9,573)	539	(132,925)	1,260
Interest expense, net	14,960	18,802	32,997	36,995
Loss on early extinguishment of debt	32,744	—	32,744	—
Other (income) expense	(2,993)	445	(2,771)	434
Income (loss) before income taxes	(29,453)	(7,235)	94,334	(21,446)
Income tax expense	3,641	3,374	15,227	11,721
Net income (loss)	$(33,094)	$(10,609)	$ 79,107	$ (33,167)
Income (loss) per share:				
Income (loss) per share—basic	$(0.62)	$(0.22)	$ 1.49	$(0.69)
Income (loss) per share—diluted	$(0.62)	$(0.22)	$ 1.47	$(0.69)
Weighted average shares—basic	53,257	48,804	53,183	48,292
Weighted average shares—diluted	53,257	48,804	53,862	48,292

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

	Three Months Ended June 30, 2006		
	As Reported	**Adjustments To Non-GAAP**	**Non-GAAP**
Net sales	$ 357,895	—	$ 357,895
Cost of sales	284,576	—	284,576
Selling, general and administrative	49,157	—	49,157
Amortization of intangible assets	1,264	—	1,264
Restructuring and impairment charges	17,213	(17,213)	—
Operating income (loss)	5,685	17,213	22,898
(Gain) loss on sale of non-strategic businesses	(9,573)	9,573	—
Interest expense, net	14,960	—	14,960
Loss on early extinguishment of debt	32,744	(32,744)	—
Other (income)expense	(2,993)	2,288	(705)
Income (loss) before income taxes	(29,453)	38,096	8,643
Income tax expense	3,641	(3,379)	262
Net income (loss)	$(33,094)	41,475	$8,381
Income (loss) per share:			
Income (loss) per share—basic	$(0.62)	—	$0.16
Income (loss) per share—diluted	$(0.62)	—	$0.16
Weighted average shares—basic	53,257	—	53,257
Weighted average shares—diluted	53,257	—	54,043

Cenveo, Inc., and Subsidiaries Reconciliation of Net Income to Non-GAAP Net Income (in thousands, except per share data) (Unaudited)			
	Six Months Ended June 30, 2006		
	As Reported	**Adjustments To Non-GAAP**	**Non-GAAP**
Net sales	$ 784,572	—	$ 784,572
Cost of sales	621,450	—	621,450
Selling, general and administrative	105,494	—	105,494
Amortization of intangible assets	2,562	—	2,562
Restructuring and impairment charges	30,687	(30,687)	—
Operating income (loss)	24,379	30,687	55,066
(Gain) loss on sale of non-strategic businesses	(132,925)	132,925	—
Interest expense, net	32,997	—	32,997
Loss on early extinguishment of debt	32,744	(32,744)	—
Other (income) expense	(2,771)	2,288	(483)
Income (loss) before income taxes	94,334	(71,782)	22,552
Income tax expense	15,227	(11,542)	3,685
Net income (loss)	$ 79,107	(60,240)	$ 18,867
Income (loss) per share:			
Income (loss) per share—basic	$ 1.49	—	$ 0.35
Income (loss) per share—diluted	$ 1.47	—	$ 0.35
Weighted average shares—basic	53,183	—	53,183
Weighted average shares—diluted	53,862	—	53,862

Cenveo, Inc., and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	June 30, 2006	**December 31, 2005**
Assets		
Current assets:		
Cash and cash equivalents	$ 668	$ 1,035
Accounts receivable, net	211,666	247,277
Inventories, net	98,346	108,704
Prepaid and other current assets	29,417	25,767
Total current assets	340,097	382,783
Property, plant and equipment, net	273,621	317,606
Goodwill	229,298	311,146
Investment in affiliate	49,293	—
Other intangible assets, net	21,398	23,961
Other assets, net	27,240	44,068
Total assets	$ 940,947	$1,079,564
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Current maturities of long-term debt	$ 3,261	$2,791
Accounts payable	101,068	124,901
Accrued compensation and related liabilities	42,727	53,765
Other current liabilities	64,709	79,051
Total current liabilities	211,765	260,508
Long-term debt	663,355	809,345
Deferred income taxes	4,891	10,045
Other liabilities	36,699	49,216
Shareholders' equity (deficit):		
Preferred stock	—	—
Common stock	533	530
Paid-in capital	241,367	239,432
Retained deficit	(225,984)	(305,091)
Deferred compensation	—	(1,825)
Accumulated other comprehensive income	8,321	17,404
Total shareholders' equity (deficit)	24,237	(49,550)
Total liabilities and shareholders' equity (deficit)	$ 940,947	$1,079,564

Cenveo, Inc., and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2006	**2005**
Cash flows from operating activities:		
Net income (loss)	$ 79,107	$ (33,167)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization, excluding amortization of deferred financing costs	21,402	25,955
Amortization of deferred financing costs	1,028	2,230
Loss on early extinguishment of debt	32,744	—
Non-cash restructuring and impairment charges	7,795	7,689
Other non-cash charges, net	7,521	(170)
(Gain) loss on sale of non-strategic businesses	(132,925)	1,260
Equity income in affiliate	(2,288)	—
Changes in operating assets and liabilities:		
Accounts receivable	17,154	25,723
Inventories	(4,796)	(2,247)
Accounts payable and accrued compensation and related liabilities	(31,036)	(20,553)
Other working capital changes	(18,957)	(9,415)
Other, net	(843)	(6,877)
Net cash used in operating activities	(24,094)	(9,572)
Cash flows from investing activities:		
Proceeds from divestitures, net	213,104	4,158
Capital expenditures	(12,971)	(12,652)
Acquisition payments	(4,653)	(3,995)
Distributions from affiliate	1,533	—
Proceeds from sale of property, plant and equipment	409	284
Net cash provided by (used in) investing activities	197,422	(12,205)
Cash flows from financing activities:		
Repayment of 9⅝% senior notes	(339,502)	—
Repayments under senior secured revolving credit facility, net	(123,931)	—
Repayments of other long-term debt	(12,087)	(1,018)
Payment of redemption premiums and expenses	(26,142)	—
Payment of debt issuance costs	(3,770)	—
Proceeds from issuance of term loan	325,000	—
Borrowings under revolving credit facility	5,000	—
Borrowings under senior secured revolving credit facility, net	—	14,824
Proceeds from exercise of stock options	1,744	9,082
Net cash provided by (used in) financing activities	(173,688)	22,888
Effect of exchange rate changes on cash and cash equivalents	(7)	(63)
Net increase (decrease) in cash and cash equivalents	(367)	1,048
Cash and cash equivalents at beginning of year	1,035	796
Cash and cash equivalents at end of quarter	$ 668	$ 1,844

Cenveo, Inc. and Subsidiaries

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	**2005**	**2006**	**2005**
Net Income (loss)	$(33,094)	$(10,609)	$ 79,107	$ (33,165)
Interest expense……………………………	14,960	18,802	32,997	36,994
Income taxes…………………………………	3,641	3,374	15,227	11,721
Depreciation………………………………	8,542	11,640	18,840	23,289
Amortization of intangible assets……………	1,264	1,276	2,562	2,606
Restructuring, impairment and other charges	17,213	5,070	30,687	15,089
(Gain) loss on sale of non-strategic businesses	(9,573)	539	(132,925)	1,260
Loss on early extinguishment of debt	32,744	—	32,744	—
Equity income in affiliate	(2,288)	—	(2,288)	—
Divested operations…………………………	642	(9,382)	(8,436)	(18,821)
Stock compensation expense on adoption of SFAS 123R	448	—	1,081	—
Adjusted EBITDA, as defined	$ 34,499	$ 20,710	$ 69,596	$ 38,973
Supremex operations	—	8,582	9,784	18,326
Adjusted EBITDA, as defined and Supremex operations	$ 34,499	$ 29,292	$ 79,380	$ 57,299

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The common definition of EBITDA is "Earnings before Interest, Taxes, Depreciation and Amortization". Adjusted EBITDA is equivalent to the common definition of EBITDA excluding restructuring, impairment and other changes, loss on sale of non-strategic business, divested operations EBITDA, stock compensation expense on the adoption of SFAS 123R, gain (loss) from early extinguishment of debt and gain (loss) on disposal of discontinued operations. Restructuring, impairment and other charges have been excluded from Adjusted EBITDA to maintain comparability of our results with the results of competitors using similar measures. Adjusted EBITDA should be used in conjunction with U.S. GAAP financial measures and is 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.

We believe the use of Adjusted EBITDA along with U.S. GAAP financial measures enhances the understanding of our operating results and is useful to investors in comparing performance with competitors, estimating enterprise value and making investment decisions. Adjusted EBITDA allows investors to compare operating results of competitors exclusive of depreciation and amortization. Adjusted EBITDA is a useful tool given the significant variation that can result from the timing of capital expenditures, the amount of intangible assets recorded or the differences in assets' lives. Adjusted EBITDA as used here may not be comparable to similarly titled measures reported by competitors. We also use Adjusted EBITDA 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.

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Cenveo 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 speak only as of the date of this release and are based upon current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual result to differ materially from such forward-looking statements. Those assumptions, risks and uncertainties include, without limitation: (1) uncertainties regarding future growth and our ability to successfully integrate acquisitions; (2) substantial indebtedness impairing our financial condition and limiting our ability to incur additional debt; (3) indebtedness imposing significant restrictions on our business; (4) additional indebtedness exacerbating the above factors; (5) debt instruments providing cross defaults causing all debt to become due and payable as a result of a default under an unrelated debt instrument; (6) our history of losses and uncertain return to consistent profitability; (7) the absence of long-term customer agreements in our industry, subjecting our business to fluctuations; (8) factors affecting the U.S. postal services; (9) increases in paper costs and decreases in its availability; (10) availability of alternative delivery media; (11) intense competition; (12) supply, availability, and costs of raw materials and components; (13) fires or explosions at any of the Company's facilities; (14) environmental rules and regulations, non-compliance with which may expose the Company to adverse consequences; (15) acquisitions that might be unsuccessful; (16) contract pricing and timing of awards; (17) changing economic and political conditions in the U.S. and in other countries; (18) dependence on key management personnel; (19) customer product acceptance; (20) continued access to technical and capital resources; (21) availability of insurance coverage at acceptable terms; (22) changes in accounting or tax rules or pronouncements; (23) actual pension asset returns and assumptions regarding future returns, discount rates, and service costs; (24) changes in cost estimates related to restructuring or relocation of facilities; (25) the timing and extent of changes in interest rates; (26) access to capital markets and the costs thereof; (27) legal proceedings; and (28) other economic, political, and technological risks and uncertainties.

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 may be contained in the Company's filings with the SEC. All such risk factors are difficult to predict, contain material uncertainties that may affect actual results and may be beyond the Company's control.

These risks and uncertainties are set forth under Item 1 and Item 1A, Risk Factors, in Cenveo's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and Cenveo's other SEC filings. A copy of the Annual Report is available at http://www.cenveo.com.

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