5 March 2013

4imprint Group plc
Final Results for the period ended 29 December 2012

4imprint Group, a leading marketer of promotional products, today announces its full year results for the period ended 29 December 2012.

Financial highlights

- Revenue† was £182.92m (2011: £158.82m), up 15%
- North American Direct Marketing revenue was US$256.50m (2011: US$224.52m), up 14%
- Underlying* profit before tax† was £9.98m (2011: £8.13m), up 23%
- Profit before tax† was £7.71m (2011: £0.36m)
- Net cash at the year end was £10.68m (2011: £5.46m). North America Direct Marketing operating cash inflow was US$16.92m
- Underlying* basic earnings per share† was 28.32p (2011: 22.01p), an increase of 29%
- Basic earnings per share was 53.57p, including profit on business disposal of £8.46m (2011: 8.48p)
- Proposed total dividend per share of 15.45p (2011: 14.6p), an increase of 6%

Operational highlights

- 4imprint Direct Marketing
    - Continued organic growth in North America
        - more than 530,000 orders received
        - 135,000 new customers
        - re-order rates strong
    - UK Direct Marketing revenue increased 16% to £7.04m
- SPS
    - Total revenue was up 9% at £15.52m, increasing market share
- Sale of Brand Addition completed in March 2012 for aggregate consideration of £24m
- Pension risk reduction - £25m pension buy-in completed (c 20% of liability), using £12m of Brand Addition sale proceeds

John Poulter, Chairman said:

"Further strong growth of Direct Marketing in 2012, coupled with the improvement in the performance of SPS and action taken to reduce the legacy pension scheme risk, provides the Group with a sound platform for further progress in 2013. Demand in the early weeks of the new year has been encouraging."

† Continuing operations

* Underlying is before share option charges, exceptional items and defined benefit pension charge

For further information, please contact:

4imprint Group plc
Tel: + 44 (0) 20 7299 7201

John Poulter
Chairman

Gillian Davies
Group Finance Director

MHP Communications

Reg Hoare
Tel: + 44 (0) 20 3128 8793

Katie Hunt
Tel: + 44 (0) 20 3128 8794

Chairman's statement

2012 was an eventful year for 4imprint in which the Group made significant strategic progress and again delivered strong growth in revenue and underlying operating profit, whilst maintaining a robust financial position.

4imprint Direct Marketing again demonstrated the effectiveness of its business model growing its market share. SPS also showed good growth. In addition, during the year, the Group sold its Brand Addition business and undertook a partial buy-in of legacy pension liabilities.

Group revenue† for the year was £182.92m, an increase of 15% compared to 2011. Underlying* profit before tax† at £9.98m, represented an increase of 23% over the prior year. Profit before tax† was £7.71m (2011: £0.36m)

Group net cash at year-end was £10.68m (2011: £5.46m). North American Direct Marketing operating cash inflow was $16.92m (2011: $13.22m).

Underlying* basic earnings per share† was 28.32p (2011: 22.01p), a 29% increase, helped by a reduction in the effective tax rate which is expected to be broadly sustainable. Basic earnings per share was 53.57p (2011: 8.48p).

4imprint Direct Marketing

4imprint Direct Marketing delivered another strong performance. Revenue increased by 16% and underlying operating profit by 10%, compared to prior year.

In North America, revenue was $256.50m, an increase of 14%. This was despite fiscal and electoral uncertainty and the hurricane in the Eastern USA.

The business now has substantial scale, having processed over half a million orders and acquired 135,000 new customers during the year. Re-order rates by previous customers remained strong.

The UK business delivered growth in revenue of 16% to £7.04m (2011: £6.05m). Profitability was modest, consistent with investing in building a larger business.

SPS

SPS continued its recovery, total revenue was £15.52m (2011: £14.22m), 9% up on prior year and operating profit more than trebled. The focus on innovation in the product portfolio and greater emphasis on building customer relationships have strengthened the business.

Dividend

The Board has recommended a final dividend of 10.20p, making a total of 15.45p, an increase of 6% over the prior year. Dividend is covered 1.8 times by underlying earnings. The increase reflects the Board's progressive dividend policy.

Strategy

The Board's strategy is the pursuit of further profitable and cash generative organic growth in 4imprint Direct Marketing, and the development of the full potential of SPS, while taking appropriate steps to reduce the burden of the legacy defined benefit pension scheme.

Outlook

Demand in the early weeks of the new year has been encouraging. The Board is confident of further progress in 2013.

John Poulter
Chairman
5 March 2013

† Continuing operations

* Underlying is before share option charges, exceptional items and defined benefit pension charge

Operating review – continuing operations

Revenue	**2012 £m**	2011 £m	Change
4imprint Direct Marketing	**168.90**	146.03	+16%
SPS	**15.52**	14.22	+9%
Inter-segment	**(1.50)**	(1.43)	-
Total	**182.92**	158.82	+15%

Underlying* operating profit	**2012 £m**	2011 £m	Change
4imprint Direct Marketing	**11.00**	10.00	+10%
SPS	**0.78**	0.23	+244%
Head Office	**(1.84)**	(1.74)	-
Total	**9.94**	8.49	+17%

* Before share option charges and exceptional items.

Group revenue was 15% ahead of 2011, 14% ahead in constant currency, with both 4imprint Direct Marketing and SPS gaining market share through organic growth.

Underlying operating profit increased by 17%, Group underlying operating margin was 5.4% (2011: 5.3%).

4imprint Direct Marketing

4imprint Direct Marketing is a leading marketer of promotional products, servicing customers in the USA and Canada from its headquarters in Wisconsin, as well as customers in the UK and Ireland from its base in Manchester. The business supplies an extensive range of promotional products to individual customers in a wide variety of businesses and organisations, using targeted direct mailing and a strong internet presence. The business is focused on delivering strong organic growth by capturing an increasing share of the highly fragmented promotional products markets it serves.

The 2012 results represent the delivery of another year of progress consistent with the Group strategy of delivering profitable double-digit revenue growth. Significant organic growth was achieved from further revenue investment in marketing, technology and people. For the fifth consecutive year, the US business was named as one of the top twenty-five small and medium sized companies to work for in the USA.

Revenue increased by 16% over 2011 with double-digit percentage increases in both North America and the UK. Underlying operating profit at £11.0m increased by 10% over 2011. Operating margin was 6.5% (2011: 6.8%); the business invested in marketing spend to drive future growth and overhead costs remained tightly controlled. The business continued to be highly cash generative and £10.6m operating cash flow was generated in the year.

North American revenue grew 14% to US$256.5m, compared to overall US market growth of 5% (as estimated by the Advertising Specialty Institute (ASI)), highlighting the continued strength of the business model and its ability to capture market share. Orders received exceeded 500,000 for the first time, illustrating the increasing scale of the business.

Marketing spend increased by 18% over prior year, primarily due to the planned development of speciality catalogue circulation. These catalogues are now successfully established as an on-going part of the customer acquisition mix as well as driving further growth in fast growing product categories such as embroidered apparel. Overall, catalogue circulation increased by 14% and recently enhanced data analytics improved the return from this investment as the year progressed.

In 2012, more than 135,000 new customers were acquired through a combination of online and offline marketing programmes that include catalogue mailings, internet advertising, email and other techniques. Investment was also made in the year to support the future growth of the customer file through the development and implementation of a new marketing database focused primarily on customer acquisition.

Orders from existing customers increased by 21% over 2011, as continued improvements in the data-driven Blue Box® programme and focus on the customer experience produced another year of strong results. Enhancements to the Blue Box® sample mailings resulted in improved ability to generate orders from existing customers, particularly those whose previous purchase was more than a year ago.

The UK Direct Marketing business also had a successful year, producing organic growth above estimated industry rates. Revenue exceeded £7m, an increase of 16% over 2011. Growth was driven primarily through expansion of the product range and the continued implementation of marketing techniques used in the North American business. In December, the business relocated to a new office in Manchester. The new facility provides a quality working environment for employees as well as space to allow for future growth.

The Direct Marketing business retains a strong cash generation profile. Capital expenditure and depreciation amounts are in close proximity to each other, and working capital increase is minimal even with the continued organic growth of the business.

SPS

SPS is a UK-based trade supplier, manufacturing, sourcing and printing promotional products. The business sells products to distributors in the UK and Europe for onward sale to their customers.

The 2012 results demonstrated a year of significant progress. Total revenue in the year increased to £15.52m, 9% ahead of prior year, as the business was successful in gaining market share. New marketing initiatives, together with activity focused on improving customer service, continued to build momentum throughout the year. In addition, focus on the product portfolio resulted in the introduction of new manufactured products.

Increased revenue, stable gross margin and improved operational efficiency supported by tight control of overhead costs resulted in underlying operating profit of £0.78m, more than three times the prior year. Underlying operating margin improved to 5.1% (2011: 1.6%). Underlying operating profit before depreciation and amortisation was £1.39m for 2012 compared with £0.87m for 2011.

Working capital ratios remain tightly controlled and cash generated in the year was £0.46m, following modest investment in capital for new products and in working capital to support growth.

Head office costs

Head office costs of £1.84m (2011: £1.74m) included Board costs, corporate office and other plc related costs.

Financial review

The Group generated £9.98m of underlying profit before tax (2011: £8.13m), an increase of 23%.

Group results

Continuing operations	**2012 underlying* £m**	2011 underlying* £m	**2012 total £m**	2011 total £m
Revenue	**182.92**	158.82	**182.92**	158.82
Underlying operating profit	**9.94**	8.49	**9.94**	8.49
Share option charges			**(0.65)**	(0.52)
Exceptional items			**(0.59)**	(6.67)
Net finance income/(charge)	**0.04**	(0.36)	**0.04**	(0.36)
Defined benefit pension finance charge			**(1.03)**	(0.58)
Profit before tax**	**9.98**	8.13	**7.71**	0.36

* Underlying is before share option charges, exceptional items and defined benefit pension charge.

** 2011 total included exceptional goodwill impairment of £4.74m. 2011 profit before tax excluding exceptional goodwill impairment was £5.10m.

Underlying profit is included because the Directors consider this gives a measure of the underlying performance of the business.

Exchange

The average US dollar rate for the year was $1.58 (2011: $1.60). The closing US dollar rate for the year ended 29 December 2012 was $1.62 (2011: $1.55).

The movement in the average rate for the year increased revenue by £1.95m and operating profit by £0.13m. The movement in the year end rates reduced US dollar denominated overseas subsidiaries assets by £0.32m.

Share option charges

The Group charged £0.65m (2011: £0.52m) to continuing operations in respect of IFRS 2, ‘Share-based payments’. This related to UK and US SAYE schemes, together with the Performance Share Plan approved by Shareholders on 27 April 2011.

Exceptional items

Exceptional items in the year totalled £0.59m. These costs arose as a consequence of the sale of Brand Addition and included the office relocation of the UK Direct Marketing business, fees incurred restructuring the Group’s inter-company loan financing and actuarial and other advice received in respect of the pension buy-in exercise. (2011: £6.67m, including exceptional goodwill impairment in respect of SPS of £4.74m).

Net finance income/(charge)

Net finance income in the year was £0.04m (2011: charge of £0.36m), which reflected the Group’s increase in net cash, invested at the current rates of interest.

Taxation

The tax charge for continuing operations for the year was £2.11m (2011: £1.95m), an effective rate of 27% (2011: 38%, excluding non taxable exceptional goodwill impairment charge of £4.74m).

This charge comprised current tax of £1.12m representing tax payable in the United States and deferred tax of £0.99m, the movement on the deferred tax asset principally related to the UK defined benefit pension scheme.

The effective tax rate is above the UK corporate tax rate as the Group’s profit is generated principally in the United States where there is a higher corporate tax rate. As a result of the utilisation of previous years’ tax losses and tax relief available for cash payments to the UK defined benefit pension scheme, no tax is due in the UK. The Group’s tax rate is expected to remain above the UK statutory rate in future years. However, tax deductions continue to be available in the UK for contributions made to the UK pension scheme.

Earnings per share

Underlying basic earnings per share in respect of continuing operations was 28.32p (2011: 22.01p), an increase of 29% reflecting the increased earnings and lower effective tax rate compared to 2011. Basic earnings per share, from continuing and discontinued operations, including 32.20p in respect of the £8.46m profit on disposal of Brand Addition, was 53.57p (2011: 8.48p).

Dividends

The Board has proposed a final dividend of 10.20p which, together with the interim dividend of 5.25p, gives a dividend paid and proposed for the year of 15.45p, an increase of 6% compared to prior year.

Discontinued operations

On 23 March 2012 the Group completed the disposal of Brand Addition to H.I.G., a private equity investment firm. The aggregate consideration was £24m, subject to a normalised level of working capital and on a cash and debt free basis. After adjusting for these items consideration receivable was £22.28m, of which £1.25m was deferred for 12 months and is guaranteed under an irrevocable letter of credit from the Bank of Montreal.

In accordance with IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’, Brand Addition has been presented as a discontinued operation.

Revenue generated by Brand Addition in 2012 up to the date of sale was £11.31m (2011: £64.53m) and post tax profit was £0.02m (2011: £3.78m).

Profit on disposal of the business was £8.46m, net assets sold were £11.45m and net cash proceeds received in the year from discontinued operations (after fees, working capital and cash at date of disposal adjustment) were £18.54m. Cash outflow from operating activities of discontinued operations was £(3.49)m, (2011: inflow of £8.16m).

Defined benefit pension scheme

The Group sponsors a UK defined benefit pension scheme, closed to new members and future accrual. At 29 December 2012 the scheme had 1,155 pensioners, 618 deferred members and no active members.

The finance charge relating to the scheme in 2012 was £1.03m (2011: £0.58m). The increase was principally due to a reduction in the expected return on assets.

The Group’s contributions to the scheme in the year were £12.37m, representing £3.09m normal contributions and £9.28m additional contributions to be used for risk reduction exercises, following the sale of Brand Addition.

In November 2012, the Trustee of the pension scheme completed a partial buy-in of pensioner liabilities for £25.20m, using £12.00m of Company contributions and proceeds of the sale of gilts already held by the scheme. The buy-in policy produces an income stream which covers pension payments to 481 pensioners, representing £20.47m of liabilities and resulted in an actuarial loss of £4.73m. The buy-in eliminates inflation, interest rate and longevity risks associated with the benefits insured.

At 29 December 2012, the deficit of the scheme on an IAS 19 basis was £22.89m (2011: £23.55m). The change in deficit is explained as follows:

	£m
IAS 19 deficit at 31 December 2011	**(23.55)**
Company contributions to the scheme	**12.37**
Finance charge	**(1.03)**
Actuarial loss due to changes in assumptions*	**(5.95)**
Actuarial loss as a result of buy-in	**(4.73)**
IAS 19 deficit at 29 December 2012	**(22.89)**

* Principally due to reduction in the discount rate from 4.9% to 4.3%

The next triennial valuation of the scheme is due in April 2013.

Cash flow

The Group had net cash of £10.68m at 29 December 2012 following a net cash inflow of £5.22m in the year. Net cash at 29 December 2012 was represented by:

	2012 £m	2011 £m
Other financial assets – cash deposits	**3.00**	-
Cash and cash equivalents	**14.10**	12.49
Borrowings due in less than one year	**(1.64)**	(4.10)
Borrowings due after one year	**(4.78)**	(2.93)
	10.68	5.46

The Group has US$13.0m working capital facilities with its principal US bank, JP Morgan Chase. The interest rate is US$ Libor plus 1.5% and the facilities are due for repayment on 31 August 2015.

Cash flow is summarised as follows:

Operating cash flow	**£m**
Underlying operating profit	**9.94**
Depreciation and amortisation	**1.63**
Change in working capital	**(0.75)**
Capital expenditure	**(1.36)**
Operating cash flow – continuing operations	**9.46**
Interest and tax	**(1.33)**
Regular defined benefit pension contributions	**(3.09)**
Other	**0.14**
Free cash flow	**5.18**
Discontinued operations net cash inflow	**15.05**
Exceptional items and purchase of building for UK business	**(1.83)**
Additional contribution to defined benefit pension scheme	**(9.28)**
Dividends to shareholders	**(3.90)**
Net cash inflow in the year	**5.22**

The Group delivered a strong cash flow performance in 2012, generating £5.18m of free cash flow from continuing operations. The cash generative profile of the Direct Marketing business is one of the key strengths of the Group and the business generated £10.60m of operating cash flow in 2012.

Cash flow from discontinued operations included £18.54m net proceeds from the sale of Brand Addition and £(3.49)m operating cash outflow to the date of disposal. In addition, cash spend of £0.78m related to the purchase and fit out of a freehold office for the UK Direct Marketing business and £1.06m cash spend was incurred on exceptional items, (£0.59m exceptional items charged in the year and £0.47m legacy onerous lease payments, accrued in prior years).

Balance sheet and Shareholders' funds

Net assets at 29 December 2012 were £13.79m (2011: £13.06m), an increase of £0.73m.

	2012 £m	2011 £m
Non current assets	**19.57**	19.02
Working capital	**6.20**	5.16
Net cash	**10.68**	5.46
Pension deficit	**(22.89)**	(23.55)
Deferred consideration	**1.25**	-
Net assets held for sale	**-**	7.92
Other liabilities	**(1.02)**	(0.95)
	13.79	13.06

Shareholders' funds have increased as a result of profit generated for the year of £14.07m (continuing operations: £5.59m and discontinued operations: £8.48m), offset by actuarial losses on the pension schemes net of tax £(9.28)m, dividend to shareholders £(3.90)m and other items £(0.16)m.

Return on capital employed

	Average operating capital employed £m	ROCE* %
4imprint Direct Marketing	**9.34**	117.8
SPS	**9.33**	8.4
Trading operations	**18.67**	
Central assets	**0.10**	
Operating assets employed	**18.77**	52.9

* Based on underlying operating profit

Treasury policy

Treasury policy is to manage centrally the financial requirements of the businesses in line with their business needs. The Group operates cash pooling arrangements separately for its North American operations and its UK operations. The Group enters into forward contracts to buy or sell currency relating to specific receivables and payables as well as remittances from its overseas subsidiary. The Group holds the majority of its cash on deposit with its principal UK banker. Working capital requirements of the North American business are funded by its principal US banker.

Critical accounting policies

Critical accounting policies are those that require significant judgements or estimates and potentially result in materially different results under different assumptions or conditions. It is considered that the Group's critical accounting policies are in respect of pensions and deferred taxation.

KPIs

The Board monitors the progress of the business against its strategy using the following key performance indicators:

1. Revenue in Direct Marketing and SPS
2. Underlying operating profit and operating margin in Direct Marketing and SPS
3. Group underlying profit before tax and underlying EPS
4. Group and business operating cash flow
5. 4imprint Direct Marketing
    - Number of new customers acquired
    - Re-order rate of existing customers

These are discussed in the operating review and in this report.

New Accounting Standards

Amendments to IAS 19, 'Employee benefits' must be adopted in accounting periods commencing on or after 1 January 2013. Although the Group's 2013 accounting period begins on 30 December 2012, the Group intends to adopt these amendments in its 2013 financial statements. Had the amendments been adopted in these financial statements then the net pension finance charge and the retirement benefit obligations would each have been £0.12m higher.

Gillian Davies

Group Finance Director

5 March 2013

Group income statement for the 52 weeks ended 29 December 2012

	Note	**2012 £'000**	2011 £'000
Continuing operations			
Revenue	1	**182,923**	158,824
Operating expenses		**(174,232)**	(157,533)
Operating profit before exceptional items		**9,283**	7,969
Exceptional goodwill impairment		**-**	(4,743)
Exceptional items	2	**(592)**	(1,935)
Operating profit	1	**8,691**	1,291
Finance income		**199**	-
Finance costs		**(157)**	(352)
Net pension finance charge	6	**(1,028)**	(581)
Net finance cost		**(986)**	(933)
Profit before tax		**7,705**	358
Taxation	3	**(2,110)**	(1,950)
Profit/(loss) for the period from continuing operations		**5,595**	(1,592)
Discontinued operations			
Profit on disposal of business	8	**8,460**	-
Profit from discontinued operations	8	**18**	3,777
Profit for the period		**14,073**	2,185

Earnings/(loss) per share			
Basic			
From continuing operations	4	**21.30p**	(6.18)p
From continuing and discontinued operations	4	**53.57p**	8.48p
Diluted			
From continuing operations	4	**20.99p**	(6.03)p
From continuing and discontinued operations	4	**52.79p**	8.28p
Underlying			
From continuing operations	4	**28.32p**	22.01p

Group statement of comprehensive income for the 52 weeks ended 29 December 2012

	Note	**2012 £'000**	2011 £'000
Profit for the period		**14,073**	2,185
Other comprehensive income/(expense):			
Exchange differences on translation of foreign subsidiaries		**(316)**	10
Actuarial losses on defined benefit pension scheme	6	**(10,685)**	(3,855)
Tax relating to components of other comprehensive income		**1,402**	1,022
Effect of change in UK tax rate		**(589)**	(462)
Other comprehensive expense net of tax		**(10,188)**	(3,285)
Total comprehensive income/(expense) for the period		**3,885**	(1,100)

	2012 £'000	2011 £'000
Total comprehensive income/(expense) attributable to equity Shareholders arising from:		
- Continuing operations	**(4,593)**	(4,841)
- Discontinued operations	**8,478**	3,741
	3,885	(1,100)

Group balance sheet at 29 December 2012

	Note	**2012 £'000**	2011 £'000
Non current assets			
Property, plant and equipment		**12,338**	11,959
Goodwill		**-**	-
Other intangible assets		**954**	945
Deferred tax assets		**6,281**	6,115
		19,573	19,019
Current assets			
Assets held for sale		**-**	20,680
Inventories		**3,338**	2,728
Trade and other receivables		**20,190**	17,828
Other financial assets – bank deposits		**3,000**	-
Cash and cash equivalents		**14,101**	12,492
		40,629	53,728
Current liabilities			
Trade and other payables		**(16,075)**	(15,399)
Current tax		**(150)**	(159)
Borrowings		**(1,646)**	(4,095)
Provisions for other liabilities and charges		**-**	(257)
Liabilities held for sale		**-**	(12,764)
		(17,871)	(32,674)
Net current assets		**22,758**	21,054
Non current liabilities			
Retirement benefit obligations	6	**(22,894)**	(23,547)
Borrowings		**(4,777)**	(2,934)
Provisions for other liabilities and charges		**(870)**	(535)
		(28,541)	(27,016)
Net assets		**13,790**	13,057
Shareholders' equity			
Share capital		**10,222**	9,939
Share premium reserve		**38,437**	38,016
Other reserves		**88**	439
Retained earnings		**(34,957)**	(35,337)
Total equity		**13,790**	13,057

Group statement of changes in Shareholders' equity

	Share capital £'000	Share premium reserve £'000	Other reserves £'000	Retained earnings: Own shares £'000	Retained earnings: Profit and loss £'000	Total equity £'000
Balance at 2 January 2011	9,939	38,016	429	(161)	(31,012)	17,211
Profit for the period					2,185	2,185
Other comprehensive (expense)/income						
Exchange differences on translation of foreign subsidiaries			10			10
Actuarial losses on defined benefit pension scheme					(3,855)	(3,855)
Tax relating to components of other comprehensive income					1,022	1,022
Effect of change in UK tax rate					(462)	(462)
Total comprehensive expense			10		(1,110)	(1,100)
Share-based payment charge					552	552
Own shares utilised				37	(37)	-
Dividends					(3,606)	(3,606)
Balance at 31 December 2011	9,939	38,016	439	(124)	(35,213)	13,057
Profit for the period					**14,073**	**14,073**
Other comprehensive income/(expense)						
Exchange differences on translation of foreign subsidiaries			**(316)**			**(316)**
Actuarial losses on defined benefit pension scheme					**(10,685)**	**(10,685)**
Tax relating to components of other comprehensive income					**1,402**	**1,402**
Effect of change in UK tax rate					**(589)**	**(589)**
Total comprehensive income			**(316)**		**4,201**	**3,885**
Shares issued	**283**	**421**				**704**
Own shares utilised				**3**	**(3)**	**-**
Own shares purchased				**(605)**		**(605)**
Share-based payment charge					**685**	**685**
Recycled translation differences of business sold			**(35)**			**(35)**
Dividends					**(3,901)**	**(3,901)**
Balance at 29 December 2012	**10,222**	**38,437**	**88**	**(726)**	**(34,231)**	**13,790**

Group cash flow statement for the 52 weeks ended 29 December 2012

	Note	**2012 £'000**	2011 £'000
Cash flows from operating activities			
Cash (used in)/generated from operations	7	**(5,992)**	12,974
Net tax paid		**(1,421)**	(1,414)
Finance income		**169**	-
Finance costs		**(181)**	(367)
Net cash (used in)/generated from operating activities		**(7,425)**	11,193
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,685)**	(1,142)
Purchases of intangible assets		**(448)**	(652)
Net proceeds from sale of business	8	**18,543**	-
Net cash generated from/(used in) investing activities		**16,410**	(1,794)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**704**	-
Purchase of own shares		**(605)**	-
Amounts placed on deposit		**(3,000)**	-
Proceeds from borrowings		**2,142**	-
Repayment of borrowings		**(2,452)**	(1,590)
Capital element of finance lease payments		**(141)**	(132)
Dividends paid to Shareholders	5	**(3,901)**	(3,606)
Net cash used in financing activities		**(7,253)**	(5,328)
Net movement in cash and cash equivalents		**1,732**	4,071
Cash and cash equivalents at beginning of the period		**12,492**	8,465
Exchange losses on cash and cash equivalents		**(123)**	(44)
Cash and cash equivalents at end of the period		**14,101**	12,492

Analysis of cash and cash equivalents		
Cash at bank and in hand	**9,351**	6,992
Short term deposits	**4,750**	5,500
	14,101	12,492

General Information

4imprint Group plc, registered number 177991, is a public limited company incorporated and domiciled in the UK and listed on the London Stock Exchange. Its registered office is 7/8 Market Place, London W1W 8AG.

Accounting policies

The accounting policies set out below represent an extract of policies set out in the consolidated financial statements. These policies have been consistently applied to all the periods presented.

New and revised standards effective during the period have not impacted on the Group's financial statements.

Basis of preparation

This announcement was approved by the Board of Directors on 5 March 2013. The financial information in this announcement does not constitute the Group's statutory accounts for the periods ended 29 December 2012 or 31 December 2011 but is derived from those accounts. Statutory accounts for 31 December 2011 have been delivered to the Registrar of Companies, and those for 29 December 2012 will be delivered after the Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The audited consolidated financial statements from which these results are extracted have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

After making enquiries, the Directors have reasonable expectations that the Group has adequate resources to continue to operate for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements.

Use of assumptions and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting policies

Critical accounting policies are those that require significant judgement or estimates and potentially result in materially different results under different assumptions or conditions. Management consider the following to be the critical accounting policies:

Pensions

As disclosed in note 6 the Group sponsors a defined benefit pension scheme closed to new members and future accruals. Year end recognition of the liabilities under this scheme and the return on assets held to fund these liabilities require a number of significant actuarial assumptions to be made including inflation, asset returns, discount rate and mortality rates. Small changes in assumptions can have a significant impact on the expense recorded in the income statement and on the pension liability in the balance sheet.

Deferred taxation

The Group is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different tax and accounting treatments. Assumptions are made around the extent to which it is probable that future taxable profit will be available against which the temporary differences can be utilised and deferred tax assets are recognised at the balance sheet date based on these assumptions.

1 Segmental reporting

The chief operating decision maker has been identified as the Board of Directors and the segmental analysis is presented based on the Group's internal reporting to the Board.

At 29 December 2012, the Group is reported in the following primary operating segments:

Revenue – continuing operations	Total		Inter-segment		External	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
4imprint Direct Marketing	**168,905**	146,030	**-**	-	**168,905**	146,030
SPS	**15,517**	14,221	**(1,499)**	(1,427)	**14,018**	12,794
	184,422	160,251	**(1,499)**	(1,427)	**182,923**	158,824

All revenue is derived from the sale of promotional products. Inter-segment revenues are on an arms-length basis.

Operating profit – continuing operations	Underlying operating profit		Exceptional items		Operating profit	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
4imprint Direct Marketing	**11,002**	10,004	**-**	-	**11,002**	10,004
SPS	**784**	228	**-**	(203)	**784**	25
Head Office	**(1,848)**	(1,746)	**(592)**	(1,732)	**(2,440)**	(3,478)
	9,938	8,486	**(592)**	(1,935)	**9,346**	6,551
Share option charges					**(655)**	(517)
Goodwill impairment – SPS					**-**	(4,743)
					8,691	1,291

Net finance cost totalling £986,000 (2011: £933,000) and taxation charge of £2,110,000 (2011: £1,950,000) cannot be separately allocated to individual segments.

The underlying net finance income, excluding the net pension finance charge, was £42,000 (2011 charge: £352,000). Underlying profit before tax was £9,980,000 (2011: £8,134,000).

2 Exceptional items

Continuing operations	**2012 £'000**	2011 £'000
Business separation costs	**(592)**	-
Pension risk reduction exercise	**-**	(1,732)
SPS restructuring costs	**-**	(203)
	(592)	(1,935)

Business separation costs arose as a consequence of the sale of Brand Addition and included: office relocation of the UK Direct Marketing business; fees incurred restructuring the Group's intercompany financing; and actuarial and other advice received in respect of the pension buy-in exercise.

Pension risk reduction in 2011 related to an enhanced transfer value (ETV) offer to deferred members of the defined benefit pension scheme. 307 members accepted the offer and transferred out of the scheme.

The SPS restructuring charge in 2011 related to a reduction in headcount.

Cash expenditure in respect of the continuing Group's exceptional items in 2012 was £1,057,000 (2011: £2,026,000).

3 Taxation

Continuing operations	**2012 £'000**	2011 £'000
Analysis of charge in the period:		
UK tax – current	**-**	-
Overseas tax – current	**1,122**	1,074
Total current tax	**1,122**	1,074
Origination and reversal of temporary differences	**1,019**	914
Effect of change in UK tax rate	**(25)**	(27)
Adjustment in respect of prior years	**(6)**	(11)
Total deferred tax	**988**	876
Taxation – continuing operations	**2,110**	1,950

The tax for the year is different to the standard rate of corporation tax in the UK (24.5%). The differences are explained below:

	2012 £'000	2011 £'000
Profit before tax and goodwill impairment – continuing operations	**7,705**	5,101
Goodwill impairment – continuing operations	**-**	(4,743)
Profit on disposal of business (note 8)	**8,460**	-
Profit from discontinued operations (note 8)	**22**	4,079
Profit before tax – total operations	**16,187**	4,437
Profit before tax multiplied by rate of corporation tax in the UK of 24.5% (2011: 26.5%)	**3,966**	1,176
Effects of:		
Adjustments in respect of foreign tax rates	**376**	353
Expenses not deductible for tax purposes and non taxable income	**(120)**	262
Non taxable profit on disposal of business	**(2,073)**	-
Goodwill impairment not deductible for tax purposes	**-**	1,257
Timing differences and other differences	**191**	(107)
Utilisation of losses not previously recognised	**(203)**	(682)
Effect of change in UK tax rate on deferred tax balances	**(23)**	(7)
Taxation – total operations	**2,114**	2,252
Taxation – continuing operations	**2,110**	1,950
Taxation – discontinued operations (note 8)	**4**	302
Taxation – total operations	**2,114**	2,252

4 Earnings per share

Basic, diluted and underlying

The basic, diluted and underlying earnings per share are calculated based on the following data:

	2012 £'000	2011 £'000
Profit/(loss) after tax – continuing operations	**5,595**	(1,592)
Profit after tax – discontinued operations	**8,478**	3,777
Profit after tax	**14,073**	2,185

	2012 £'000	2011 £'000
Profit/(loss) after tax – continuing operations	**5,595**	(1,592)
Add back:		
Impairment of goodwill	**-**	4,743
Share option charges	**655**	517
Exceptional items (note 2)	**592**	1,935
Defined benefit net pension finance charge (note 6)	**1,028**	581
Tax relating to above items	**(431)**	(513)
Underlying continuing operating profit after interest and tax	**7,439**	5,671

	2012 Number 000's	2011 Number 000's
Basic weighted average number of shares	**26,271**	25,760
Dilutive potential ordinary shares – employee share options	**388**	626
Diluted weighted average number of shares	**26,659**	26,386

	2012	2011
Basic earnings/(loss) per share from continuing operations	**21.30p**	(6.18)p
Basic earnings per share from discontinued operations	**32.27p**	14.66p
	53.57p	8.48p
Diluted earnings/(loss) per share from continuing operations	**20.99p**	(6.03)p
Diluted earnings per share from discontinued operations	**31.80p**	14.31p
	52.79p	8.28p
Underlying basic earnings per share from continuing operations	**28.32p**	22.01p

The underlying basic earnings per share is calculated before the after tax effect of share option charges and exceptional items and defined benefit pension charge and is included because the Directors consider this gives a measure of the underlying performance of the continuing business.

5 Dividends

Equity dividends – ordinary shares		2012 £'000	2011 £'000
Interim paid:	5.25p (2011: 5.0p)	**1,383**	1,288
Final paid:	9.60p (2011: 9.0p)	**2,518**	2,318
		3,901	3,606

In addition, the Directors are proposing a final dividend in respect of the period ended 29 December 2012, of 10.20p per share, which will absorb an estimated £2.70m of Shareholders' funds. Subject to Shareholder approval at the Annual General Meeting, the dividend is payable on 3 May 2013 to Shareholders who are on the register of members at close of business on 5 April 2013. These financial statements do not reflect this proposed dividend.

6 Employee pension schemes

The Group operates defined contribution plans for the majority of its UK and US employees. The regular contributions are charged to the income statement as they are incurred.

The Group also sponsors a UK defined benefit pension scheme which is closed to new members and future accrual.

Net pension costs

The amounts recognised in the income statement were:

Continuing operations	2012 £'000	2011 £'000
Defined contribution plans – operating expenses	**492**	458
Defined benefit scheme – net pension finance charge	**1,028**	581

In addition, in 2011 a settlement charge of £575,000 was charged to continuing operations exceptional items in respect of an enhanced transfer value offer to deferred members of the defined benefit scheme.

Defined benefit scheme

The financial position of the defined benefit scheme has been updated on an approximate basis at 29 December 2012. The last full actuarial valuation was carried out by a qualified independent actuary as at 5 April 2010.

On 23 November 2012 the Scheme entered into a buy-in agreement with Pension Insurance Corporation ("PIC"), a leading provider of pension insurance solutions to defined benefit pension funds. In return for an insurance premium of £25.20m, the transaction produces an income stream for the Scheme which covers future payments to 481 pensioners, representing approximately 20% of the Scheme's total liabilities.

The insurance premium was funded by £13.20m of assets from the Scheme and contributions from the Company of £12.00m.

The principal assumptions made by the actuaries at each period end were:

	2012	2011
Rate of increase in pensionable salaries	**n/a**	3.9%
Rate of increase in pensions in payment	**2.65%**	2.8%
Rate of increase in deferred pensions	**1.9%**	1.8%
Discount rate	**4.3%**	4.9%
Inflation assumption – RPI	**2.75%**	2.9%
– CPI	**2.0%**	1.9%
Expected return on scheme assets	**5.2%**	5.1%

The expected return on scheme assets is a weighted average based on actual scheme assets held and respective returns expected on the separate asset classes, as calculated by the Group's independent actuaries.

The mortality assumptions adopted at 29 December 2012 imply the following life expectancies at age 65:

	2012	2011
Male currently age 40	**24.5 yrs**	24.4 yrs
Female currently age 40	**28.0 yrs**	27.9 yrs
Male currently age 65	**22.1 yrs**	22.0 yrs
Female currently age 65	**25.4 yrs**	25.3 yrs

The amounts recognised in the balance sheet comprise:

	2012 £'000	2011 £'000
Present value of funded obligations	**(100,263)**	(92,870)
Fair value of scheme assets	**77,369**	69,323
Net liability recognised in the balance sheet	**(22,894)**	(23,547)

Analysis of the movement in the balance sheet liability:

	2012 £'000	2011 £'000
At start of period	**23,547**	21,905
Current service cost	**-**	9
Net finance charge	**1,028**	581
Settlement charge	**-**	575
Contributions paid – normal contributions	**(3,090)**	(3,000)
– additional contributions	**(9,276)**	(378)
Actuarial losses recognised in other comprehensive income	**10,685**	3,855
At end of period	**22,894**	23,547

Actuarial losses in 2012 included losses of £4,735,000 in respect of the partial buy-in of pension liabilities.

7 Cash generated from operations

	2012 £'000	2011 £'000
Operating profit – continuing operations	**8,691**	1,291
– discontinued operations (note 8)	**22**	4,079
Adjustments for:		
Depreciation charge	**1,266**	1,338
Amortisation of intangibles	**460**	656
Impairment of goodwill	**-**	4,743
Exceptional non cash items	**10**	575
Decrease in exceptional accrual/provisions	**(475)**	(310)
Share option charges	**685**	552
IAS 19 current service cost	**-**	9
Contributions to defined benefit pension scheme	**(12,366)**	(3,378)
Changes in working capital:		
Increase in inventories	**(920)**	(297)
(Increase)/decrease in trade and other receivables	**(279)**	1,480
(Decrease)/increase in trade and other payables	**(3,086)**	2,236
Cash (used in)/generated from operations	**(5,992)**	12,974

Analysis of net cash	**2012 £'000**	2011 £'000
Cash at bank and in hand	**9,351**	6,992
Short term deposits	**4,750**	5,500
Cash and cash equivalents	**14,101**	12,492
Other financial assets – bank deposits	**3,000**	-
Current finance lease creditor	**(146)**	(143)
Current bank loans	**(1,500)**	(3,952)
	15,455	8,397
Non current bank loans	**(4,777)**	(2,782)
Non current finance lease creditor	**-**	(152)
Net cash	**10,678**	5,463

8 Discontinued operations

On 23 March 2012 the Group disposed of the Brand Addition business to H.I.G., a leading global private equity investment firm. The aggregate consideration was £24m (based on a normalised level of working capital and on a cash and debt free basis). £1.25m of the consideration is deferred for twelve months, there are no conditions attaching to this payment and it is guaranteed under an irrevocable letter of credit from the Bank of Montreal.

The results of the discontinued operations for the period are as follows:

	2012 **£'000**	2011 £'000
Total revenue	**11,312**	64,529
Operating profit before exceptional items	**22**	5,022
Exceptional items*	**-**	(943)
Operating profit	**22**	4,079
Taxation	**(4)**	(302)
Profit for the period from discontinued operations	**18**	3,777

***** Exceptional items in 2011 related to the costs of disposal of Brand Addition incurred in that year, £575,000 of which were paid in 2011.

Profit on disposal of business	**2012** **£'000**
Consideration	**24,000**
Adjustment for working capital and cash at date of sale	**(1,722)**
Adjusted consideration†	**22,278**
Costs of disposal	**(1,574)**
	20,704
Net assets sold, excluding cash and debt	**(11,447)**
Cash transferred with businesses sold	**(832)**
Recycled translation differences of businesses sold	**35**
Profit on disposal of business	**8,460**

† £21.03m received in 2012 and £1.25m deferred until March 2013.

Included within the cash flow statement are the following cash flows from discontinued operations:

	2012 £'000	2011 £'000
Net cash (used in)/generated from operating activities	**(3,492)**	8,608
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	(450)
Proceeds from sale of business:		
Adjusted consideration received	**21,028**	-
Cash costs of disposal in 2012	**(1,285)**	-
Payment of exceptional disposal costs accrued in 2011	**(368)**	-
Cash in subsidiaries sold	**(832)**	-
Net proceeds from sale of business	**18,543**	-
Net cash generated from/(used in) investing activities	**18,543**	(450)
Net movement in cash, cash equivalents and bank overdrafts	**15,051**	8,158

9 Related party transactions

The Group did not participate in any related party transactions.

10. Principal risks and uncertainties

The principal risks and uncertainties which the business faces are: macroeconomic conditions; market competitors and new products; major disruption to delivery services or to the product supply chain; the risk of adverse changes in the rate of customer acquisition and the re-order rate of customers previously acquired, particularly in the Direct Marketing business; departure of key management personnel; inadequate or failed internal and external processes and systems; risk in relation to the purchase of materials and services; and potential litigation and complaints. A full description of these risks and the mitigating actions taken by the Group will appear in the 2012 Annual Report and Accounts.

Statement of Directors' responsibilities

Each of the Directors confirms that, to the best of their knowledge:

- the financial statements within the full Annual Report and Accounts from which the financial information within this Final Results announcement has been extracted, have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial positions and profit of the Company and the undertakings included in the consolidation taken as a whole; and

- the Operating review, Financial review and Principal risks and uncertainties note above include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.