

WORKING TOGETHER

RR DONNELLEY
2004 ANNUAL REPORT

WORKING TOGETHER

Founded more than 140 years ago, RR Donnelley is the world's premier full-service print provider, serving customers in publishing, healthcare, advertising, retail, telecommunications, technology, financial services, and many other industries by providing solutions in commercial printing, direct mail, financial printing, print fulfillment, business communication outsourcing, forms and labels, logistics, online services, digital photography, color services, and content and database management.

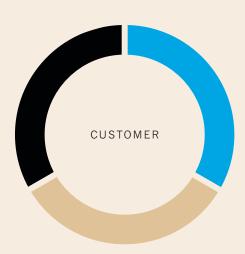
By working together – with our customers, with our suppliers, and with each other – the people of RR Donnelley are able to meet the print and print-related needs of virtually any organization of any size anywhere in the world.

About the cover: RR Donnelley employees around the world – including (I to r) Patsy Walker, Dan Ziemke and Alex Vazquez – work together to meet customer needs, build shareholder value, and make RR Donnelley a valued member of our communities.

Contents

To Our Shareholders	
Chairman's Message	3
Prepare	į
Produce	(
Deliver	
Board of Directors	3
Additional Information	Inside Back Cove

PREPARE PRODUCE



RR Donnelley's valueadded, end-to-end solutions help customers achieve their goals throughout the supply chain.

Prepare

Color Services & Prepress Composition Content Conversion for the Web Creative Services Digital Asset Management Digital Workflow Solutions Direct Marketing Campaigns Facilities Management Packaging Design Photography Soft-Proofing & Collaboration Translation Services

Produce

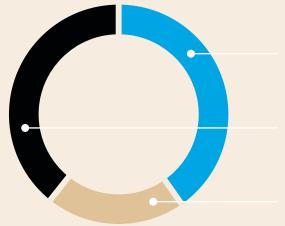
Long- & Short-Run
Commercial Printing
Financial Printing
Digital Printing
Direct Mail Printing,
Imaging & Fulfillment
HTML Conversion
Label Printing
Forms Production
SEC EDGAR Filings
Signage
TOPS® Branded
Office Products

Delive

Compliance
Management
Expedited Services
Fulfillment
International Mail
Inventory Management
Outsourcing
Print Distribution
Print Systems
Integration
Third Party Logistics
Management
Tracking and
Measurement
USPS Drop Shipping

REVENUES

RR Donnelley net sales totaled \$7.2 billion in 2004. Segment results are shown below.



Integrated Print Communications & Global Solutions 40.2 %

Publishing & Retail Services 39.3 %

Forms & Labels 20.5 %

In 2004 RR Donnelley redefined the printing industry.

With the acquisition of Moore Wallace, RR Donnelley positioned itself uniquely to address customers' needs for printed products and print-related services. I am pleased that our operating results and marketplace victories reflect our employees' exceptional efforts to implement our strategy.

In fiscal 2004, net sales increased 71% over the prior year due to the acquisition of Moore Wallace and strong performances in our publishing and retail services segment and financial print, book, and international businesses. Excluding restructuring, impairment, and integration charges, operating margins and earnings per share from continuing operations improved handsomely year-over-year. We generated cash flow from continuing operations of nearly \$760 million, which enabled us to fund capital expenditures, dividends, share repurchases, and other initiatives. Our strong balance sheet and enhanced liquidity position help assure that your company is in excellent financial condition.

In less than a year, we realized important synergies; combined operations to enhance efficiency, scale, and customer service; sold or discontinued businesses that did not fit with our long-term plans; and, in the process, took unprofitable direct mail,

Latin American, and logistics operations and made them profitable.

When we brought RR Donnelley and Moore Wallace together, we stated several priorities — to integrate quickly, reduce costs, cross-sell, and operate with integrity. We have moved aggressively to deliver on each front — identifying best practices and making them our standard, building financial discipline into every aspect of our business, listening carefully to our customers in order to craft integrated solutions for them, and treating each of our customers, shareholders, suppliers, communities, and employees fairly, ethically, and honestly.

Working Together To Deliver For Customers

Even as our employees have worked swiftly to integrate internal operations, they continued to focus on working more closely with our customers. For example, every day many of RR Donnelley's talented employees report to work, not in our own facilities, but on-site at our customers' locations. There they manage customers' digital asset libraries, provide print-management consultation, and shepherd critical projects to completion. Our Premedia Technologies group manages more than 2 million digital assets for our customers.



CEO Mark A. Angelson with representative team members from across the company, including (front row, left to right) Patsy Walker, commercial printing; Beth Boyd, premedia; Mr. Angelson; Maria Esparza, communications services; Chris Harcar, directories; Terry ladarola, direct mail; (middle row) Dan Ziemke, commercial printing; Marty Abernathy, catalog and retail inserts; Alex Vazquez, corporate sales; Bobby Chang, Asia; (back row) Manny Marquez, magazine; Judy Eierman, capital markets; Jeff Dillner, logistics; Allen Haayer, forms and labels; Mike O'Mary, corporate; and Tim Nall, book.

A Message from the Chairman

Dear Fellow Shareholders,

On behalf of your Board of Directors, I am pleased to report that RR Donnelley continues its long tradition of excellence. As we complete 2004 and move into 2005, we do so with a clear focus on our three all-important constituencies – shareholders, customers, and employees.

RR Donnelley directors, officers, and employees follow clearly defined *Principles of Ethical Business Conduct* to ensure that your company's business is conducted with integrity and transparency in compliance with both the letter and spirit of the law. Everyone associated with RR Donnelley, from your Board of Directors, our officers, and our employees, is held to

the highest standards of conduct consistent with clearly defined expectations as to behavior and practices.

The members of your Board of Directors are actively engaged in pursuing their oversight, audit, counsel, and advisory roles, all consistent with the interest of you – our shareholders. We join with RR Donnelley's management in assuring that RR Donnelley continues to build on its unmatched reputation.

Sincerely yours,

Stephen M. Wolf

Chairman of the Board of Directors

March 30, 2005

Each day our customers access a broad array of RR Donnelley's Internet-based toolsets to track their projects through our production cycles, to order more printed materials, to launch direct response mailings, and more. Our market-leading, web-enabled tools are woven deeply into our customers' own processes. For example, at the rate of more than a million times a year, our customers log-in to proprietary RR Donnelley websites to release orders from our warehouses, initiate print-on-demand projects, track their orders through the production-to-delivery cycle, and even create custom materials that speak with a one-to-one voice.

As customers enact their own just-in-time strategies, enabled increasingly by radio-frequency labels that we provide, they turn to RR Donnelley for logistics solutions that bring print into their facilities as needed – to restock shelves, keep production lines running, or meet crucial mailing dates.

The RR Donnelley model is not just built around waiting for customers to ask us to bid on a project's predetermined specifications. Ours is a proactive approach, in which our well-trained sales professionals and customer service specialists offer ideas about ways to enhance a project's design, workflow, logistics, material components, and more.

We work together with our customers to do more than deliver award-winning printed products. Customers draw on RR Donnelley's expertise and unmatched global production platform to increase their revenues, reduce their costs, achieve their cycle time goals, build their brands, improve their processes, and comply with complex regulations.

Throughout 2004, customers responded favorably to our consultative approach, selecting RR Donnelley to produce their marquee projects, extend long-term contractual relationships, and initiate new contracts for a broad mix of products and services. Our marketplace momentum provides a clear indication that RR Donnelley's unique ability to prepare, produce, and deliver complex print-related products and services – virtually anywhere in the world – resonates with our diverse blue-chip customer base.

Working Together To Deliver For Each Other

Over the past year we asked much of our employees. In every way, they gave their best to help RR Donnelley reach demanding goals. Ours is an extremely talented workforce, which daily demonstrates craftsmanship, creativity, dedication, and professionalism.

Their remarkable work delivers exceptional quality to our customers. In 2004, RR Donnelley received industry recognition for excellence in printing, including more Gold Ink Awards than any other printer. These awards were won for work from across our platform: for hard cover fiction and nonfiction books and textbooks, magazines and catalogs, brochures, direct mail materials, media kits, posters, newsletters, packaging, and point-of-purchase displays.

RR Donnelley was also recognized for its focus on environmental stewardship and workplace safety. We were named Environmental Company of the Year in the United Kingdom by PrintWeek magazine, and two of our U.S. magazine and catalog facilities received important Forest Stewardship Council Chain-of-Custody certification, which is essential to the many customers who want to assure that raw materials for their publications are drawn from sustainable forest resources. In addition, our Reno, Nevada, plant became the first gravure-printing facility in the United States to receive Voluntary Protection Program Star certification from the Occupational Safety and Health Administration, followed shortly by our Lynchburg, Virginia facility, which is the largest gravure plant to earn this important certification. These two facilities joined our operations in Senatobia, Mississippi and Roanoke, Virginia in achieving Star status.

Our employees' efforts were further recognized by respondents from a variety of leading organizations who in FORTUNE Magazine named RR Donnelley as one of America's Most Admired Companies. RR Donnelley finished first in the printing industry, and swept each category the survey measured.

During 2004 we also redesigned our compensation systems better to align our employees' goals with our shareholders' interests. The RR Donnelley team competes with a special will-to-win, and is rewarded for achieving challenging, measurable goals. Our employees work actively to improve service, reduce waste, contain costs, and delight customers.

Working Together For Long-Term Performance

The strategy we began implementing in 2004 to build the new RR Donnelley continues. Our leadership, drawn from the very best of our combined entities and complemented by exceptional outside talent, is working as a seamless team which is focused on increasing value. In 2005 we intend to:

 Focus on the tight financial discipline that holds each employee, facility, operation, and business unit accountable for achieving their results. Our goal is to foster a high performance culture in which employees routinely find challenge and reward and customers regard as standard exceptional quality and remarkable cycle times.

- Capitalize on our momentum to continue expanding relationships and to win new customer relationships.
 The depth and breadth of our product and service portfolio as well as our global reach enable RR
 Donnelley to increase sales to our existing customers by introducing new categories into accounts with which we already have strong relationships.
- Make targeted acquisitions to expand our product, service, and geographic reach. Your management team draws on a proven history of helping acquired organizations integrate quickly, significantly reduce costs, streamline processes, and enhance profitability.
- capital with a goal of maximizing returns over the long term through a combination of share repurchases, dividends, acquisitions, and capital investments. Our platform is the broadest in the industry and each of our business units faces unique opportunities and challenges. We will increase productivity and throughput by implementing new workflow systems, employing new technologies, and installing selected production units. This will, for example, enable RR Donnelley to capture share in expanding markets such as those for magazines, catalogs and retail inserts.

In creating the new RR Donnelley we will continue to draw the best lessons from our 140-year heritage and blend them with a reinvigorated approach to the opportunities afforded by our fast-changing markets.

We extend thanks to our shareholders for their confidence, to our customers for selecting us to help them achieve their print-related goals, and to our employees for the enthusiasm with which they have embraced and implemented our strategy.

Very truly yours,

Mark A. Angelson Chief Executive Officer March 30, 2005

marche

"QUALITY PRINTING BEGINS LONG BEFORE
A PROJECT GOES ON PRESS, SO OUR
PROGRAMMING, PREFLIGHT, AND PREPRESS
PROFESSIONALS WORK WITH OUR CUSTOMERS
TO ENSURE THAT WHAT WE SEND TO
THE PRESSROOM ACCURATELY MATCHES
THEIR EXPECTATIONS."

PATSY WALKER, PREPRESS MANAGER, HILLSIDE PRINTING, AN RR DONNELLEY COMPANY





"WITH RR DONNELLEY'S MEDIACOMPASS™ SUITE OF ONLINE COLLABORATIVE WORKFLOW AND DIGITAL ASSET MANAGEMENT TOOLS, WE'RE ABLE TO HELP CUSTOMERS GAIN GREATER CONTROL OVER THEIR MARKETING, ADVERTISING AND PUBLISHING EFFORTS."

BETH BOYD, CUSTOMER SERVICE REPRESENTATIVE/QUALITY ANALYST, RR DONNELLEY PREMEDIA TECHNOLOGIES

"WHEN WE HAVE LONGER-TERM CONTRACT RELATIONSHIPS WITH CUSTOMERS, WE MEET WITH THEM QUARTERLY TO REVIEW OUR PERFORMANCE AGAINST THEIR OBJECTIVES FOR COST REDUCTIONS, QUALITY, AND SERVICE. OUR GOAL IS ALWAYS TO WORK WITH OUR CUSTOMERS TO DELIVER THE VALUE WE PROMISE."

ALEX VAZQUEZ, VICE PRESIDENT - CORPORATE SALES



PREPARE



Customers increasingly require that their production processes position them to prepare content simultaneously for both print and web-based venues. By linking a fully digital workflow – from digital photography to digital asset management to color profiling to on-line approval of content – RR Donnelley is helping our customers collaborate globally, manage their digital assets efficiently, print in multiple locations simultaneously, integrate with web-based efforts, and maintain their brands' consistency to help them win in the marketplace.

"WE LEVERAGE OUR GEO-GRAPHIC PRESENCE AROUND THE WORLD TO HELP OUR **GLOBAL CUSTOMERS USE THE** MOST COST-EFFECTIVE PLATFORM TO MEET THEIR CYCLE TIME AND DELIVERY

SALES DEVELOPMENT LEADER/ CHIEF REPRESENTATIVE,



"WE UNDERSTAND THAT WE'RE HELPING OUR MAGAZINE CUSTOMERS ATTRACT READERS. SO OUR FOCUS IS ON GETTING THE JOB DONE RIGHT... RIGHT FOR YOU, YOUR BUDGET, YOUR TIMELINE, AND YOUR AUDIENCE."

MANNY MARQUEZ, TACTICAL PLANNER, MENDOTA, IL

REQUIREMENTS."

BOBBY CHANG, RR DONNELLEY ASIA

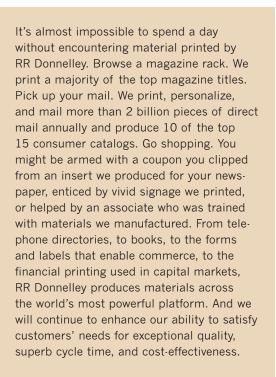




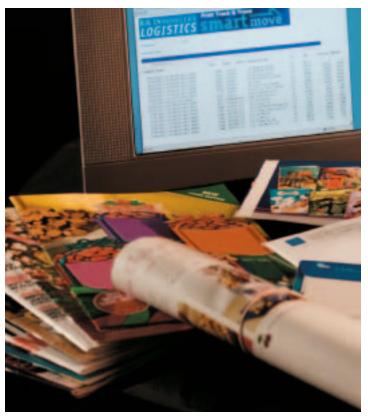
"OUR SKILLED CRAFTSPEOPLE WORK HARD TO UNDERSTAND EACH CUSTOMER'S CREATIVE VISION. AND TO BRING IT TO LIFE ON PAPER. OUR CATALOG AND RETAIL INSERT CUSTOMERS TRUST US TO **DELIVER QUALITY THAT WILL DRAW READERS TO** THEIR OFFERS."

MARTY ABERNATHY, PRESS TECHNICIAN, WARSAW, IN

PRODUCE







RR Donnelley delivers in a variety of ways. We help our customers maximize postal discounts and minimize distribution costs on the 20 billion pieces of mail we deliver for them into the U.S. postal system - an amount that accounts for 40% of all standard mail in the United States. We work to create first-tomarket advantages for our customers, with innovative logistics solutions that put our customers' printed materials to work faster, to help them increase mind- and marketshare. We also deliver results through higher response rates in direct mail campaigns, more cost-effective outsourced business communications programs, and more efficient e-commerce solutions - including our powerful @winXS print management system, which lets individual users access and order pre-printed, digitally produced, and customized documents for quick-response distribution.

"WE HELP OUR CUSTOMERS DEVELOP, TEST, AND ROLL-OUT AWARD-WINNING DIRECT MAIL PROGRAMS THAT MEASURABLY IMPROVE THEIR RETURN ON INVESTMENT."

TERRY IADAROLA, SENIOR ACCOUNT DIRECTOR,
MOORE WALLACE RESPONSE MARKETING SERVICES,
AN RR DONNELLEY COMPANY





"OUR ABILITY TO DELIVER PRINTED MATERIALS
MORE PREDICTABLY AND COST-EFFECTIVELY IS ONE
OF THE MOST IMPORTANT WAYS WE PROVIDE
VALUE TO OUR CUSTOMERS."

JEFF DILLNER, NATIONAL PLANNING SUPERVISOR, RR DONNELLEY LOGISTICS

"WHEN ONE OF OUR CUSTOMER'S TITLES WAS NOMINATED FOR A NATIONAL BOOK AWARD IN 2004, THE NOMINATION EVEN NOTED THE AMAZINGLY SHORT TIME IN WHICH WE PRINTED AND DELIVERED THE BOOK. EVERYONE AT RR DONNELLEY IS PROUD TO CONTRIBUTE TO OUR CUSTOMERS' SUCCESS."

TIM NALL, CUSTOMER SERVICE REPRESENTATIVE, WILLARD OH



DELIVER

Mark A. Angelson

54, Chief Executive Officer, RR Donnelley, Chicago. Director since 2001. Background: Print manufacturing, mergers and acquisitions. law.

Gregory Q. Brown (1)

44, Executive Vice President, Motorola, Inc., Schaumburg, Illinois. Director since 2001. Background: Information technology and telecommunications.

Robert F. Cummings, Jr. (2,4)

55, Retired from the Goldman Sachs Group, Inc., New York, and Managing Director, GSC Partners, Florham Park, New Jersey. Director since 2003. Background: Financial advisory services. Directorships: ATSI Holdings, Inc.; Precision Partners, Inc.; Viasystems Corporation.

James R. Donnelley (3)

69, Partner, Stet & Query Limited Partnership, Chicago. Director since 1976. Background: Print manufacturing. Directorships: PMP Limited; Sierra Pacific Resources Corp.

Alfred C. Eckert III

54, Chairman and CEO, GSCP (NJ), Inc., Florham Park, New Jersey. Director since 2000. Background: Private investor. Directorships: Regal Entertainment Group.

Judith H. Hamilton (2)

60, Retired President and CEO, Classroom Connect Inc., division of Harcourt Inc./Reed Elsevier PLC, Foster City, California. Director since 1995. Background: Information technology. Directorships: Artistic Media Partners, Inc.; Ex'pression University for New Media.

Thomas S. Johnson (4)

64, Retired Chairman and CEO, GreenPoint Financial Corp. and North Fork Bancorporation, Inc., New York. Director since 1990. Background: Banking and financial services. Directorships: Alleghany Corporation; North Fork Bancorporation, Inc.; The Phoenix Companies, Inc.; Federal Home Loan Mortgage Corp. (Freddie Mac).

Joan D. Manley (1)

72, Retired Group Vice President, Time Incorporated, New York. Director since 2002. Background: Publishing. Directorships: Sara Lee Corporation; Dreyfus Founders Funds.

John C. Pope (1)

56, Chairman, PFI Group, LLC, Lake Forest, Illinois, and Waste Management, Inc., Houston, Texas. Director since 1996. Background: Airline and railroad equipment industries. Directorships: CNF, Inc.; Dollar Thrifty Automotive Group, Inc.; Federal-Mogul Corporation; Kraft Foods, Inc.; Waste Management, Inc.

Michael T. Riordan (2,3)

54, Former Chairman, President and Chief Executive Officer, Paragon Trade Brands, Inc., Norcross, Georgia. Director since 1999. Background: Paper industry. Directorships: Potlatch, Inc.

Lionel H. Schipper, C.M. (3,4)

72, President, Schipper Enterprises Inc., Toronto, Canada, and Chairman, Fallbrook Holdings Ltd., Toronto, Canada. Director since 2001.
Background: Law. Directorships:
Clairvest Group Inc.; Four Seasons Hotels and Resorts Inc.; H.O.
Financial Ltd.

Oliver R. Sockwell (2)

61, Retired President and CEO, Construction Loan Insurance Corporation (Connie Lee) and subsidiary, Connie Lee Insurance Company. Director since 1997. Background: Financial services, insurance, education, government. Directorships: Liz Claiborne, Inc.

Bide L. Thomas (1)

69, Retired President, Commonwealth Edison Company, Chicago. Director since 1987. Background: Production and sale of electric energy.

Norman H. Wesley (3,4)

55, Chairman and CEO, Fortune Brands, Inc., Lincolnshire, Illinois. Director since 2001. Background: Consumer products. Directorships: Fortune Brands, Inc.; Pactiv Corporation.

Stephen M. Wolf

63, Chairman of the Board of Directors, RR Donnelley, Chicago; Managing Partner, Alpilles, LLC, The Plains, Virginia. Director since 1995. Background: Airline industry. Directorship: Altria Group, Inc.

1 Audit, 2 Corporate Responsibility & Governance, 3 Finance, 4 Human Resources

Director service includes services as a director of Moore Wallace Incorporated, Moore Incorporated and Wallace Computer Services, Inc.

Corporate Headquarters

(Until June 1, 2005) RR Donnelley 77 West Wacker Drive Chicago, Illinois 60601-1696 312-326-8000 www.rrdonnelley.com

Corporate Headquarters

(After June 1, 2005) RR Donnelley 111 S. Wacker Drive Chicago, Illinois 60606-4301 312-326-8000 www.rrdonnelley.com

Annual Meeting of Shareholders

The 2005 meeting will be held at 10:00 a.m. on Thursday, May 26, 2005, at the Renaissance Chicago O'Hare Hotel, 8500 W. Bryn Mawr Avenue, Chicago, Illinois.

Stock Exchange Listings

New York Stock Exchange, Toronto Stock Exchange, Chicago Stock Exchange, Pacific Exchange. Symbol: RRD

Investor Relations

Shareholders, securities analysts, portfolio managers and representatives of financial institutions seeking information about the company should contact Investor Relations at the company's address, by calling 866-425-8272 or emailing investor.info@rrd.com.

Ordering Additional Annual Reports

RR Donnelley's 2004 Annual Report may be obtained without charge by completing and submitting the form at our website, by writing to Investor Relations at the company's address or by calling 312-326-8018 during business hours.

Forms 10-K & 10-Q

A copy of our Annual Report on Form 10-K for fiscal 2004 is included with this document and available at our website. Additional copies of our Report on Form 10-K or interim financial reports filed with the SEC may be obtained by contacting our Investor Relations Department at 866-425-8272.

Environmental, Health and Safety Reports

Copies of RR Donnelley's Environmental, Health and Safety Reports may be obtained without charge upon request to: Environmental, Health and Safety, at the company's address. The reports also are available online or by sending an email to: enterprise_CEHS@rrd.com

Stock Transfer Agent and Registrar

EquiServe Trust Company, N.A. P.O. Box 43069
Providence RI 02940-3069

Telephone:

Inside the United States: 800-446-2617
Outside the United States: (781) 575-2723
TDD/TTY for hearing impaired: (800) 952-9245. Operators are available Monday-Friday, 9:00 a.m. to 5:00 p.m., Eastern Standard Time. An interactive automated system is available around the clock every day.

Internet: www.equiserve.com

Reinvestment and Direct Deposit of Dividends

RR Donnelley shareholders have the opportunity to increase their holdings through a Dividend Reinvestment Plan, which permits either dividend reinvestment, voluntary cash investments or both, without incurring brokerage commissions or other administrative costs. Also, RR Donnelley shareholders may elect to have their dividends directly deposited electronically in a checking or savings account.

Shareholders may request additional information about the Dividend Reinvestment Plan and direct deposit of dividends by writing or calling the Stock Transfer Agent.

Information Contacts

EquiServe Trust Company N.A.
Automated Telephone Response
Center may be reached 24 hours a
day at 800·446·2617. Personnel in the
center are available from 8:30 a.m.
to 7:00 p.m., Eastern Standard Time,
Monday through Friday, and will perform the following functions over the
telephone when a shareholder identifies his or her account by providing a
taxpayer identification number, registration of the securities and the
address of record:

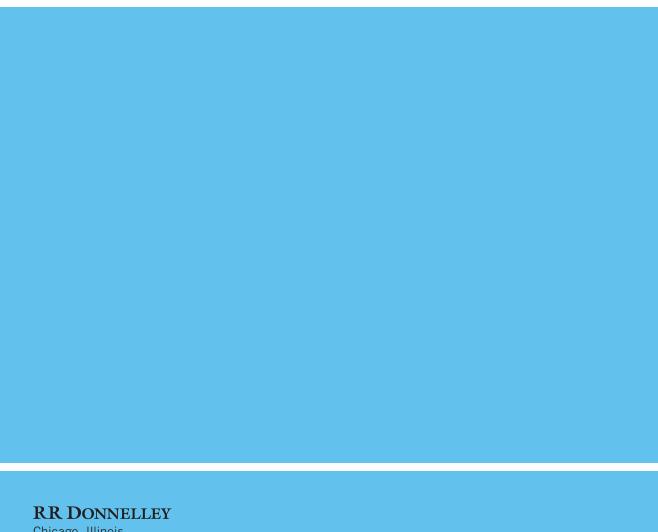
- information regarding stock transfer requirements
- · address changes
- · replacement of dividend checks
- duplicate 1099 forms and W-9 tax certification forms
- transcripts of shareholder accounts
- duplicate reinvestment statements
- requests for dividend reinvestment brochures and authorization cards
- information regarding the direct deposit of dividends.

Requests for information on topics not covered here should be sent in writing, with reference to the company, to the address noted above for the Stock Transfer Agent and Registrar.

Safe Harbor Statement

This document includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future results. When we use words such as "anticipates," "believes," "expects," "estimates," "intends," "plans" and similar expressions, we do so to identify forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements, which involve assumptions, risks and uncertainties

Production Notes



Chicago, Illinois 312-326-8000 www.rrdonnelley.com

Global Products and Services

books • catalogs • commercial print • direct mail • directories • distribution, logistics & print fulfillment/kitting • dynamic communication solutions • forms, labels & office products • global capital markets • magazines • premedia technologies • product usage documentation • retail inserts • RFID & barcoding technology