

Global Communications

2011 FINANCIAL SUMMARY

(in millions, except per share data)	2011	2010	2009
Net sales	\$10,611.0	\$10,018.9	\$9,857.4
Income from operations ⁽¹⁾	65.2	555.5	344.3
Net earnings (loss) ⁽¹⁾	(121.1)	217.1	(21.4)
Net earnings (loss) per diluted share attributable to RR Donnelley common shareholders ⁽¹⁾	(0.63)	1.06	(0.13)
Cash flow provided by operating activities	946.3	752.5	1,425.8
Capital expenditures	250.9	229.4	195.0
Cash flow provided by operating activities less capital expenditures	695.4	523.1	1,230.8

⁽¹⁾Includes pre-tax restructuring and impairment charges of \$667.8 million, \$157.9 million and \$382.7 million in 2011, 2010 and 2009, respectively.

PREPARE	PRODUCE	DELIVER	PROCESS
Color Services and Prepress Composition	Books	Co-mailing and Co-palletization	Business Communication Services
Content Creation, Management and Distribution	Catalogs	Compliance Management	Business Process Outsourcing
Conversion and Delivery of Files for eReading	Sheet-fed, Web and Offset Commercial Printing	Expedited Services	Call Centers
Creative Services	Financial Printing	Fulfillment	Database Services
Custom Digital Publishing	Digital Printing	International Mail	Document Outsourcing and Management
Digital Asset Management	Direct Mail Printing, Imaging and Fulfillment	Inventory Management	Document Print and Mail Services
Digital Workflow Solutions	Directories	Logistics Services	e-Solutions
Direct Marketing Campaigns	Document Organization and Storage	Print Distribution	Financial Analysis and Reporting
Facilities Management	Electronic and Printed Billing Statements	Print Systems Integration	Global Real Estate Services
Packaging Design	Forms and Labels	Third Party Logistics Management	Litigation Support
Photography	HTML Conversion	Tracking and Measurement	Market Research
Soft Proofing and Collaboration	Magazines	USPS Drop Shipping	Pay Meters for Online Content
Translation Services	Packaging Design and Production		Print and Document Management
	Retail Inserts		Print and Media Solutions
	SEC EDGAR® Filings		Supply Chain Management Solutions
	Signage and Banners		
	TOPS® Office Products		

DEAR FELLOW SHAREHOLDERS: IN 2011 YOUR COMPANY CONTINUED TO GENERATE STRONG OPERATING AND FREE CASH FLOW, DIVERSIFY OUR REVENUE OPPORTUNITIES, ENHANCE OUR OFFERING WITH INNOVATIONS AND ACQUISITIONS, AND FURTHER OUR TRANSFORMATION INTO A COMPANY THAT CREATES, MANAGES, PRODUCES, AND DISTRIBUTES CONTENT IN A VARIETY OF MEDIA.

RR Donnelley is quick to respond to anticipated changes in general economic conditions. Tight financial discipline is built into everything that we do – every day. As a result, even in the face of substantial global economic headwinds and changing demand in some segments that we serve, our operating cash flow was up more than 25% as compared with 2010 and we delivered operating cash flow less capital expenditures of more than \$695 million for the full year.

ACQUISITIONS AND INNOVATIONS

During 2011 we continued to diversify our revenue base and expand our offering. Much of what we do involves helping our customers *communicate*. Increasingly, they want to execute these communications through a variety of different channels – ranging from printed pieces to apps on a tablet computer. Through acquisitions, organic expansion, and innovations, we continued to increase our ability to serve customers across the full range of communications media.

As the number of media choices continues to proliferate, marketers are finding that the importance and effectiveness of in-store graphics and packaging is increasing. The acquisition of two companies during 2011 enhanced our presence in the packaging and display sector that serves retail, consumer packaged goods, health and beauty, pharmaceutical, consumer electronics, and many other customers. These operations produce printed corrugated displays that are used for

promotions in stores, decorative and regulatory labels that you will see on a variety of products, and folded paperboard boxes. This was a natural extension for RR Donnelley. It draws on our deep expertise in manufacturing management and complements our existing packaging production and service offering. These acquisitions also increased our position in a segment that is unlikely to be significantly impacted by digital alternatives.

An example of organic growth was reflected in the opening of a new RR Donnelley facility in Chengdu, China in the heart of the emerging high tech operations center for our global customers. This new facility is focused on supply chain management. Here we support customers with printing, sophisticated quick response assembly services, sourcing, and packaging design and execution. Many of the products that we are helping our customers bring to market from this and other RR Donnelley operations did not even exist just a few years ago. This new operation complements capabilities that we have added to facilities in Hungary and Mexico, as part of our expanding global packaging and labeling network.

A series of acquisitions enhanced the resources that allow us to serve customers with digital solutions. During 2011 we added companies such as Press+, Helium, Sequence Personal, and LibreDigital. Together these new operations expanded RR Donnelley's ability to help customers create, manage, distribute, and monetize digital content.

To illustrate how these new resources complement our offering, consider the capabilities that our LibreDigital acquisition provides. LibreDigital offers publishers a one-stop service for preparing and distributing content to the dozens of different e-reading devices available. In combination with our other capabilities, this new service means that we can provide publishers with an integrated end-to-end solution that includes ...

- producing books on-demand, using the ProteusJet™ digital ink jet presses that we developed
- drawing on our domestic and international platform to deliver the optimal mix of cost and cycle time
- providing an integrated book fulfillment and distribution solution

Taken together, these services offer a complete, single-source supply chain solution. We have replicated this value-added approach across a host of vertical segments. For example, for a Fortune 100 financial services organization we are executing a series of communications that draw on enhanced capabilities that we have acquired and developed in-house. These are *multi-channel* communications, which means that they are delivered via print, email, and online vehicles. We provide data analytics services that help these communications become progressively smarter and more relevant as content flows back-and-forth between us, our customer, and the recipients of the communications.

Our multi-channel platform, informed by data analytics, will become increasingly important during coming years. *Big data* – the huge databases that are built out of people's use of mobile, tablet, and other devices – will create significant demand for ways to use that information effectively. During 2011, our acquisitions and internal systems development continued to lay the groundwork to take advantage of the opportunities that will emerge.

DIVERSIFYING OUR REVENUE OPPORTUNITIES

Last year, more than \$1 billion of our revenue arose from providing business services to customers, including digital photography, copywriting, business process outsourcing, online intelligent meters for publishers, logistics, and more. These services play two important roles. First, they continue to diversify our revenue base into offerings that do not require significant capital expenditures to provide. For instance, RR Donnelley has been named a Top 100 provider of third party logistics services. Because we manage, rather than own the over-the-road resources, we do not have to invest capital in an expensive fleet. Second, these services change the dynamics of the relationships that we have with our customers. As they seek to reduce their supplier bases, employ new technologies, and achieve new efficiencies, our ability to provide end-to-end solutions is increasingly attractive. Our continuing transformation has taken RR Donnelley from offering individual product sets – to providing bundled services – to evolving customer relationships to include the full array of our global resources.

RR Donnelley is also finding entirely new ways to employ our expertise in production management. For example, during 2011 we took an investment stake in a company called Solicore, which extended our reach into the emerging demand for printed electronics. Similarly, through a relationship with a press manufacturing company called KBA, we are bringing to market the next generation piezoelectric digital ink jet printing solutions that were developed in our R&D labs. These presses, which will debut this year, will be used in a variety of digital production applications.

IN 2012

We anticipate that in 2012 the rate of change will continue to accelerate. New technologies will come to market even more quickly, consumers and businesses will be faster to adopt new concepts, and businesses will need to be more nimble to keep pace. To take advantage of the opportunities that this fast-changing environment will create, RR Donnelley will be guided by these elements of our strategy:

- We will *win share* by aggressively pursuing all appropriate print opportunities, across a diverse range of vertical segments, and by using the comprehensive range of our integrated offering as a key value-added differentiator.
- We will leverage our unmatched operating expertise, procurement scale, and customer relationships to achieve ongoing economies and efficiencies.
- We will build on our relationships with customers across the world to sell more *services* that can diversify and increase our revenue base.
- We will internally develop and acquire technologies that serve important communication and supply chain needs and that continue to diversify our product and service offerings to enable us to serve a growing portion of our customers' needs.
- We will drive free cash flow and margin through continuing, aggressive cost compression.
- We will achieve our objectives while maintaining industry-leading safety and quality performance. In particular, employee safety will continue to be the first and most important measure of operational excellence at RR Donnelley.

We are grateful to our employees for the way that they work to serve customers every day, to our customers for allowing us the opportunity to help them achieve their objectives, and to our investors for your confidence.

Sincerely,



Thomas J. Quinlan III
President & Chief Executive Officer
April 2012

MESSAGE FROM THE CHAIRMAN

Dear Fellow Shareholders:

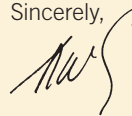
Your independent Board of Directors works to represent your interests by providing management with advice, counsel, and oversight. This active engagement encompasses two dimensions. The first is associated with what RR Donnelley does, particularly with regard to strategy, performance, and accountability. The second, equally important, has to do with how RR Donnelley conducts its business. The Board's focus is on maximizing value to shareholders while simultaneously building a competitive business for the long term.

As a global corporation, RR Donnelley serves the best known businesses, medical and educational institutions, and other organizations in the world. Your company's reputation for managing confidential information, offering best sustainability practices, and adhering to the highest standards for ethical business behavior plays a vital role in its ability to sustain long-lasting customer relationships.

To that end, the dimensions of RR Donnelley's Global Social Responsibility policies and practices provide an important view into how RR Donnelley operates. We are proud that its employees' workplace safety metrics internationally are dramatically better than industry averages, that its facilities worldwide have earned important sustainability certifications, that diversity and inclusion are fostered in its operations, and that its ongoing employee education initiatives include mandatory participation in a broad range of compliance training courses.

I invite you to review RR Donnelley's Global Social Responsibility Report, which is always available on your company's website. In an illustration of one of the many ways that your company is putting interactive technologies to work, you may conveniently reach the Report by activating the quick response code on this page.

Sincerely,



Stephen M. Wolf
Chairman of the
Board of Directors
April 2012



www.rrd.com/globalresponsibility

CURRENT MEMBERS OF THE BOARD OF DIRECTORS

THOMAS J. QUINLAN III

49, President and Chief Executive Officer, RR Donnelley. Director since 2007. Background: Finance and operations. Directorships: None.

STEPHEN M. WOLF

70, Chairman of the Board of Directors, RR Donnelley; Managing Partner, Alpilles, LLC; Chairman, Trilantic Capital Partners. Director since 1995. Background: Airline industry. Directorships: Philip Morris International Inc.; Chrysler Group, LLC.

SUSAN M. CAMERON (1,3)

53, Retired Chairman, President and Chief Executive Officer, Reynolds American Inc. Director since 2009. Background: Marketing. Directorships: Reynolds American Inc.

LEE A. CHADEN (1)

70, Retired Executive Chairman, Hanesbrands Inc., former CEO, Sara Lee Branded Apparel, a division of Sara Lee Corporation. Director since 2008. Background: Consumer products. Directorships: Carlson, Inc.; Hanesbrands Inc.

RICHARD L. CRANDALL (2)

68, Founder and Chairman, Enterprise Software Roundtable; Founding Managing Director, Arbor Partners. Director since 2012. Background: Information technology, technology and financial services. Directorships: Diebold, Inc.; Pelstar LLC; Platinum Energy Solutions; Actv8.me

JUDITH H. HAMILTON (2)

67, Retired President and CEO, Classroom Connect Inc., division of Harcourt Inc./Reed Elsevier PLC. Director since 1995. Background: Information technology.

THOMAS S. JOHNSON (3)

71, Retired Chairman and CEO, GreenPoint Financial Corp. Director since 1990. Background: Banking and financial services. Directorships: Alleghany Corporation; The Phoenix Companies, Inc.

JOHN C. POPE (1,4)

63, Chairman, PFI Group, LLC. Director since 1996. Background: Airline and railroad equipment industries. Directorships: Con-way, Inc.; Dollar Thrifty Automotive Group, Inc.; Kraft Foods, Inc.; Waste Management, Inc.

MICHAEL T. RIORDAN (1,3,4)

61, Former Chairman, President and CEO, Paragon Trade Brands, Inc. Director since 1999. Background: Paper industry. Directorships: Clearwater Paper Corporation.

OLIVER R. SOCKWELL (2)

68, 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.

(1) Audit Committee

(2) Corporate Responsibility & Governance Committee

(3) Human Resources Committee

(4) Director service includes services as a director of Moore Wallace Incorporated, Moore Corporation Limited and Wallace Computer Services, Inc.

CORPORATE INFORMATION

CORPORATE HEADQUARTERS

RR Donnelley
111 South Wacker Drive
Chicago, Illinois 60606-4301
312.326.8000
www.rrdonnelley.com

ANNUAL MEETING OF SHAREHOLDERS

Information about the RR Donnelley Annual Meeting of Shareholders is in our proxy which is also available online at www.rrdonnelley.com

STOCK EXCHANGE LISTINGS

NASDAQ Stock Market, Chicago Stock 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 800.742.4455 or e-mailing investor.info@rrd.com.

ORDERING ADDITIONAL ANNUAL REPORTS

RR Donnelley's 2011 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 800.742.4455 during business hours.

FORMS 10-K & 10-Q

A copy of our Annual Report on Form 10-K for fiscal 2011 is available at our website. Additional copies of our Annual Report on Form 10-K or interim financial reports filed with the SEC may be obtained by contacting our Investor Relations Department at 800.742.4455.

GLOBAL SOCIAL RESPONSIBILITY

RR Donnelley recognizes that businesses impact customers, employees, shareholders, communities, and the environment. We work to go beyond legal obligations as we take steps to further improve the quality of life for employees and their families as well as for the local communities in which we live and work.

Please visit the RR Donnelley Global Social Responsibility Report at www.rrdonnelley.com to learn about our company's efforts relating to:

- Sustainability
- Diversity and Inclusion
- Environmental, Health and Safety
- Ethics and Compliance
- External Affairs/Community Relations
- Wellness Programs

STOCK TRANSFER AGENT AND REGISTRAR

Computershare 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 9:00 a.m. to 5:00 p.m., Eastern Time, Monday-Friday. An interactive automated system is available around the clock every day. Internet: www.computershare.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

Computershare Trust Company, N.A. Automated Telephone Response Center may be reached 24 hours a day at 800.446.2617. Operators are available from 9:00 a.m. to 5:00 p.m., Eastern Time, Monday-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 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.

As of December 31, 2011, the Company had approximately 58,000 employees.

As of February 10, 2012, there were approximately 8,259 stockholders of record of our common stock.

GLOBAL PRODUCTS AND SERVICES

books
business communication services
business process outsourcing
catalogs
commercial print
content creation, management and distribution
direct mail
directories
distribution, print fulfillment and kitting
document outsourcing and management
e-business solutions
financial printing and communications
forms, labels and office products
global print and packaging supply chain services
logistics services
magazines
proprietary digital print technologies
real estate services
retail inserts
RFID and barcoding
strategic creative services
supply chain management solutions
translation services

RR DONNELLEY

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The Forest Stewardship Council (FSC) is an international non-profit organization that has developed principles that define and promote responsible management of the world's forests. RR Donnelley supports responsible forest management with more than 130 FSC chain-of-custody certified facilities worldwide.

RR Donnelley's Global Social Responsibility Report describes our sustainability initiatives and practices in detail. For more information about the RR Donnelley Global Social Responsibility Report, please visit our website at <http://www.rrdonnelley.com>



PRODUCTION NOTES

This annual report was printed by RR Donnelley on a 40", 8-color Heidelberg Speedmaster CD 102 with in-line coating. The report uses 4-color process inks, 3 PMS inks and overall aqueous coating.

Printed on coated paper stock containing 10% post-consumer waste.

This report was produced using a custom letterpress die. The unique folds and center slit allow the booklet format to unfold to a poster format.

content that connects...

CONTENT. AT RR DONNELLEY, WE HELP OUR CUSTOMERS ORIGINATE, MANAGE, MOVE, PRODUCE, AND MONETIZE IT. ACROSS A VARIETY OF MEDIA AND AROUND THE GLOBE. IN PRINT, VIA EMAIL, ON PERSONALIZED WEBSITES, IN APPs. WE BRING CONTENT TO LIFE ON PAPER, PCs, NOTEBOOKS, TABLETS AND MOBILE DEVICES. HELPING OUR CUSTOMERS CONNECT WITH THEIR AUDIENCES IS THE ESSENCE OF WHAT WE DO.



...across the supply chain

WHEN YOU BROWSE YOUR FAVORITE CATALOG, IN PRINT OR ON SCREEN, YOU PROBABLY CAN'T VISUALIZE THE COMPLEX SUPPLY CHAIN THAT BROUGHT IT TO YOU. THERE'S A GOOD CHANCE, THOUGH, THAT RR DONNELLEY WAS A KEY LINK – WITH THE DIGITAL PICTURES THAT WE TOOK, THE DIGITAL ASSETS WE MANAGED, THE PRODUCTION WE PROVIDED, THE CO-MAILING SERVICES THAT MADE IT EFFICIENT, AND THE COMPLEX LOGISTICS THAT BROUGHT IT TO YOUR HANDS.

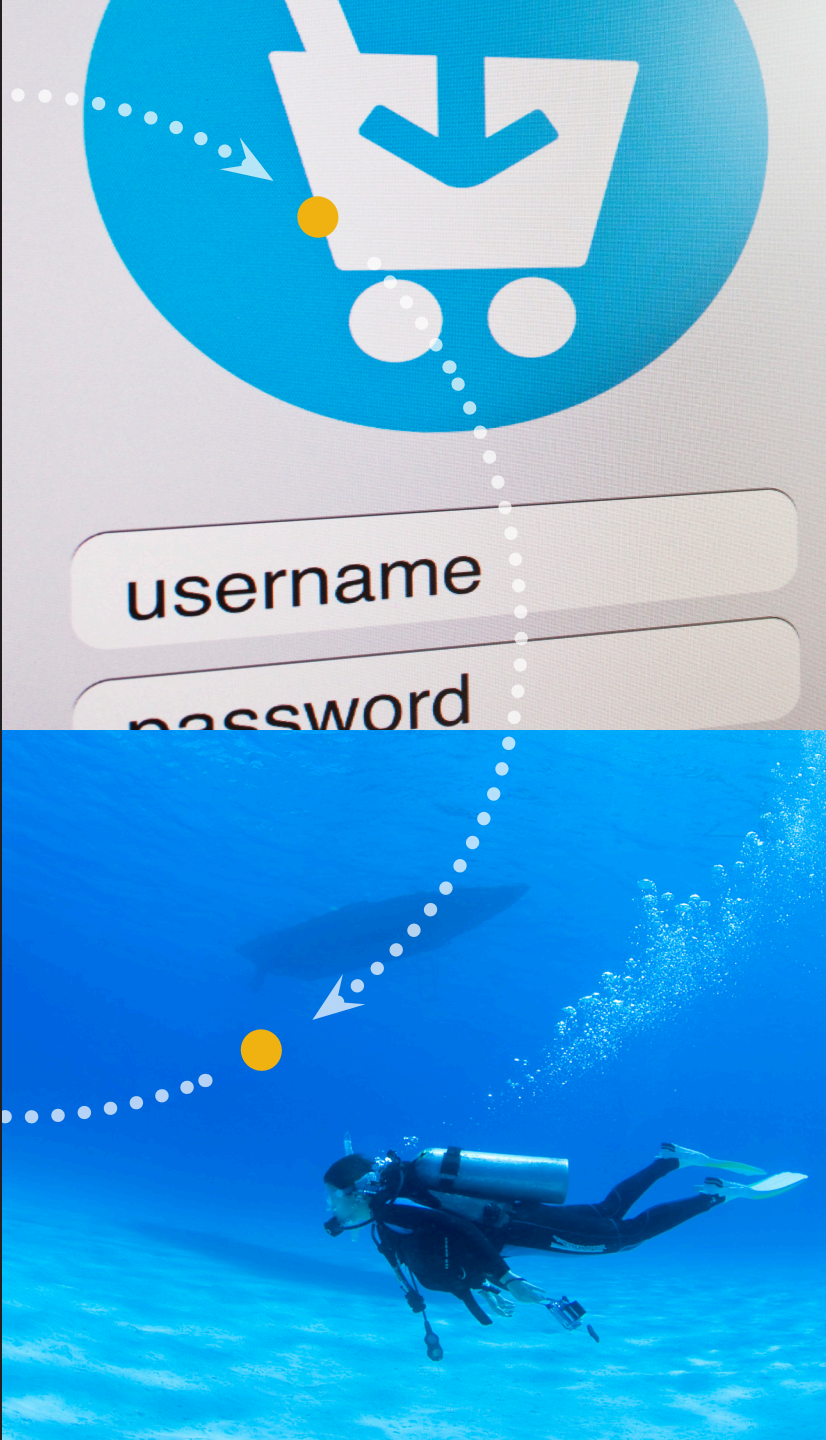
...print to digital and back again

It's a multi-channel world. A bestselling book becomes a movie and the movie inspires more book sales. Special action cards affixed to printed catalogs inspire consumers to go to the merchant's website and place an order ... and when the shipments are made, another printed catalog rides along with each package. The mobile devices that we see everywhere each trigger a statement every month, to be printed and mailed, posted online, or both.

A poster in a store carries a code that allows consumers to launch a special promotion on their mobile devices. The promotion draws them to a point-of-purchase display in the store. They make their decisions and as they check out, information about their purchases and preferences is added to a database. The database is used to create a targeted direct mail piece. RR Donnelley plays a role in helping content leap from print to digital and back again. Every day. Around the world.



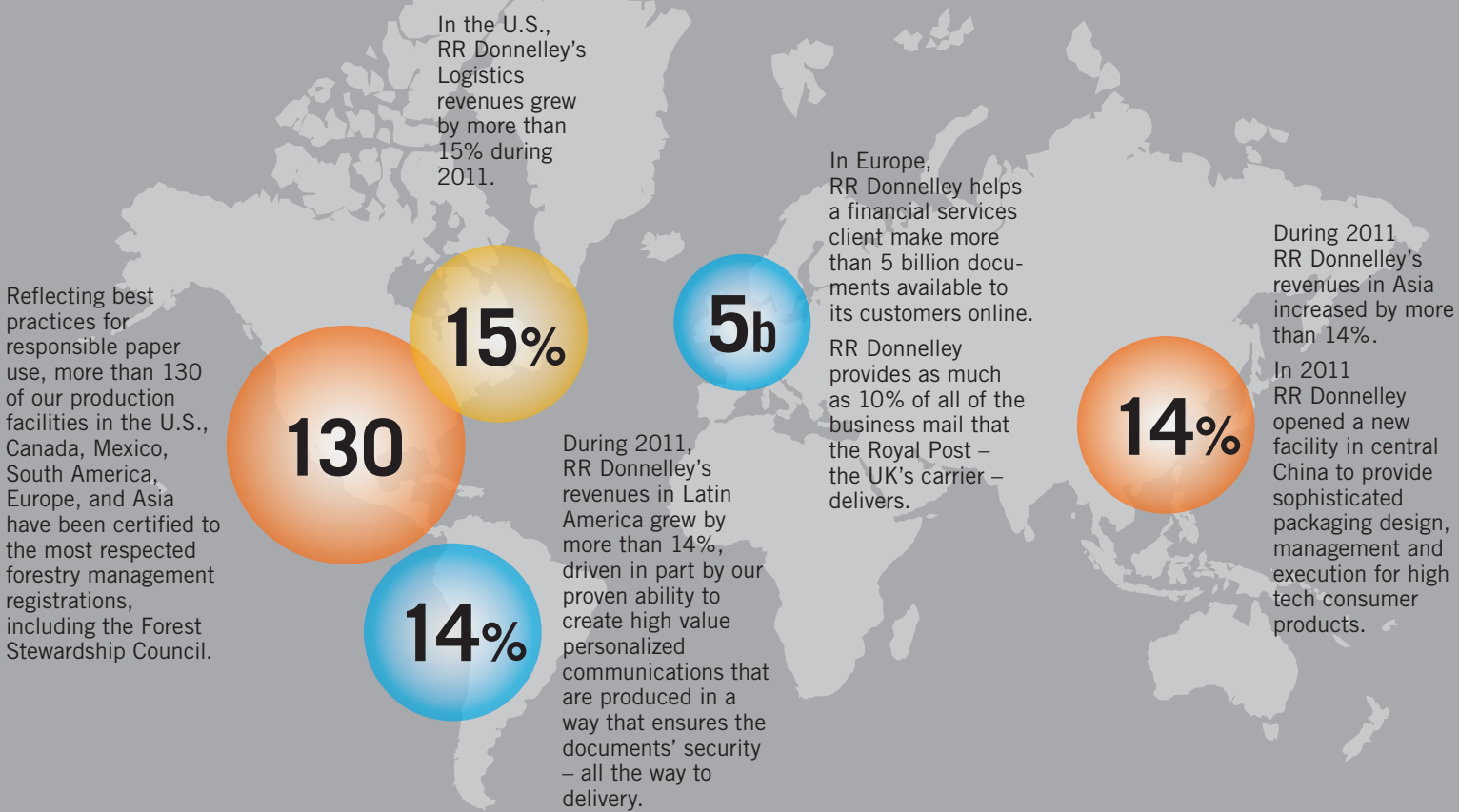
AN EXAMPLE: A DIRECT MAILING INVITED PEOPLE WHO'D PREVIOUSLY ENJOYED AN EXOTIC VACATION TO VISIT A PERSONALIZED WEBSITE (A PURL) WHERE THEY WOULD SEE A REMINDER OF WHERE THEY'D GONE BEFORE AND A SURVEY TO UPDATE THEIR PREFERENCES. THAT LINKED THEM TO A WEBSITE WITH A SPECIAL OFFER, TAILORED JUST FOR THEM. PERSONALIZED DIRECT MAIL. PURL. SMART WEB TOOLS THAT NURTURE THE RELATIONSHIP. HOW MANY COMPANIES DID IT TAKE TO PROVIDE ALL THAT? JUST ONE ... RR DONNELLEY.



The emergence of "big data" – exponentially larger databases gathered from consumers' mobile and other online behavior – will create a broad spectrum of new opportunities for integrated communications. Data analytics will help these to come to life through smarter, even more personalized direct response, TransPromo, and other printed and online vehicles. Our unique ProteusJet high speed digital color presses – designed, built, and deployed by RR Donnelley –are offering marketers new ways to put their databases to work. For example, variable text and images in full color can be combined to create individualized offers that reflect recipients' preferences and previous shopping experience.



...customers to the world



\$1.2 b +16.3 %

GLOBALLY, MORE THAN \$1.2 BILLION OF THE COMPANY'S REVENUES DURING 2011 AROSE FROM PROVIDING A COMPREHENSIVE SET OF BUSINESS SERVICES.

DURING 2011 RR DONNELLEY'S SERVICE REVENUES GREW BY 16.3% AS COMPARED WITH THE PREVIOUS YEAR.

ACROSS THE WORLD, RR DONNELLEY PROVIDES A HOST OF BUSINESS SERVICES, INCLUDING HELPING CLIENTS BRING COMPLEX FINANCIAL TRANSACTIONS SUCH AS IPOs TO MARKET, DEVELOPING AWARD WINNING CREATIVE DESIGNS FOR A RANGE OF COMMUNICATIONS, ENABLING PLAN-O-GRAMS THAT GUIDE RETAILERS' IN-STORE DISPLAYS, AND MORE. RR DONNELLEY SERVES 100% OF THE FORTUNE 100, AND 94% OF THE FORTUNE 500 COMPANIES. OUR OFFERING IS GLOBAL IN EVERY SENSE OF THE WORD.

360°

WE ENHANCED OUR ABILITY TO SUPPORT CUSTOMERS' 360°, OR MULTI-CHANNEL COMMUNICATIONS WITH A NUMBER OF ACQUISITIONS DURING 2011. THESE ALLOW US TO SUPPORT PUBLISHERS AS THEY MONETIZE ONLINE CONTENT WITH INTELLIGENT METERS. ENABLE MARKETERS TO USE AN ONLINE, SELF-SERVICE STOREFRONT TO CREATE PERSONALIZED DIRECT MAIL. HELP DISTRIBUTE AND MOVE CONTENT SEAMLESSLY ONTO DOZENS OF POPULAR E-READING DEVICES, AND MORE.

Two acquisitions during 2011 expanded our global packaging and in-store marketing capabilities. RR Donnelley provides labels, paperboard packages, and printed corrugates to retail, consumer packaged goods, health and beauty, pharmaceutical, consumer electronics, and many other companies. During 2011 we opened a new facility that offers a comprehensive range of digital printing, kitting, and fulfillment services that provides a single-source solution for distributing merchandising materials to retailers, branch banks, and other storefronts.



PIVOTSM, DigiMag[®], LibreDigital. Each of these is the name of an RR Donnelley innovation that enables content to be accessed through devices such as smart phones, tablets, and PCs. For example, LibreDigital, acquired during 2011, allows editorial, advertising and text to be converted into the many different formats required for e-readers. During the past 12 months alone, LibreDigital delivered nearly 1.5 million pages of electronic newspaper and other content to these devices. RR Donnelley's ability to offer these capabilities, in concert with a broader set of production and other services, lets us create end-to-end solutions for our customers. During 2011, customers who bought at least six or more categories of products and services from RR Donnelley represented more than \$4 billion of our revenues – an amount that grew by more than 2.5% during the year.

