

DONNELLEY R R & SONS CO

Form 424B3

January 03, 2005

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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-115255

Prospectus Supplement to Prospectus dated June 10, 2004.

4,655,644 Shares

## **R.R. Donnelley & Sons Company**

### **Common Stock**

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This is a public offering of common stock of R.R. Donnelley & Sons Company. All of the 4,655,644 shares are being offered by the selling stockholders. R.R. Donnelley will not receive any of the proceeds from the sale of the shares being offered by this prospectus supplement.

In a separate transaction to be entered into prior to the delivery of the shares of common stock offered under this prospectus supplement and closing contemporaneously therewith, R.R. Donnelley will repurchase from the selling stockholders named in this prospectus supplement 5,964,804 shares of common stock, representing their remaining ownership of R.R. Donnelley's common stock, at the same per share price, set forth below, at which Goldman, Sachs & Co. has agreed to purchase the shares of R.R. Donnelley's common stock from the selling stockholders.

The common stock is listed on the New York Stock Exchange under the symbol RRD. The last reported sale price of the common stock on December 31, 2004 was \$35.29 per share.

See [Risk Factors](#) beginning on page 3 of the accompanying prospectus to read about factors you should consider before buying shares of the common stock.

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**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

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Goldman, Sachs & Co. has agreed to purchase the common stock from the selling stockholders at a price of \$33.53 per share which will result in \$156,103,743.32 of proceeds to the selling stockholders.

Goldman, Sachs & Co. may offer the common stock in transactions in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices.

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Goldman, Sachs & Co. expects to deliver the shares against payment in New York, New York on January 6, 2005.

**Goldman, Sachs & Co.**

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Prospectus Supplement dated January 3, 2005.

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

On February 27, 2004, RR Donnelley completed its acquisition of Moore Wallace with each common share of Moore Wallace being exchanged for 0.63 of a share of common stock of RR Donnelley. We believe the acquisition will continue to enhance our combined competitive position within the industry by enabling us to become a full-service global print provider with highly complimentary products and services. We also believe the acquisition will enable us to improve profitability, achieve significant cost and procurement synergies and leverage complementary products and services through cross-selling opportunities; however, implementing reorganization activities will result in future charges, which may be substantial.

**PRICE RANGE OF OUR COMMON STOCK AND DIVIDENDS**

Our common stock is listed and traded on the New York Stock Exchange, Toronto Stock Exchange, Chicago Stock Exchange and Pacific Exchange, Inc. Quarterly prices of our common stock, as reported on the New York Stock Exchange-Composite Transactions, and dividends paid per share during the three years ended December 31, 2004, are contained in the chart below:

	<u>High</u>	<u>Low</u>	<u>Dividends Paid</u>
<b>Year Ended December 31, 2002:</b>			
First Quarter	\$ 31.35	\$ 27.50	\$ 0.24
Second Quarter	32.10	25.76	0.24
Third Quarter	28.40	22.63	0.25
Fourth Quarter	23.55	18.50	0.25
<b>Year Ended December 31, 2003:</b>			
First Quarter	\$ 23.35	\$ 16.94	\$ 0.25
Second Quarter	26.47	18.17	0.25
Third Quarter	27.59	23.06	0.26
Fourth Quarter	30.15	24.75	0.26
<b>Year Ended December 31, 2004:</b>			
First Quarter	\$ 32.50	\$ 27.62	\$ 0.26
Second Quarter	33.27	28.37	0.26
Third Quarter	33.14	29.33	0.26
Fourth Quarter	35.37	30.55	0.26

On December 31, 2004, the last sale price of our common stock as reported on the New York Stock Exchange was \$35.29 per share.



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The table below sets forth, as of December 31, 2004 and as adjusted for the sale of 4,655,644 shares of our common stock offered hereby by the selling stockholders listed below, information concerning the beneficial ownership of our common stock by the selling stockholders in this offering. After giving effect to the sale of 4,655,644 shares of our common stock offered hereby by the selling stockholders listed below and the repurchase by us of 5,964,804 shares of our common stock from the selling stockholders listed below, the selling stockholders will no longer have any beneficial ownership of our common stock.

A person is deemed to have beneficial ownership of any shares of common stock when a person or persons have the right to acquire them within 60 days after the date of this prospectus supplement. For purposes of computing the percentage of outstanding shares of common stock held by each selling stockholder named below, any shares which a selling stockholder has the right to acquire within 60 days after the date of this prospectus supplement is deemed to be outstanding but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other selling stockholder.

<u>Selling Stockholder</u>	<u>Beneficial Ownership Before Offering</u>		<u>Beneficial Ownership After Offering</u>	
	<u>Number of Shares</u>	<u>Percent of Class</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Greenwich Street Capital Partners II, L.P.(1)	9,488,073	4.37%	5,328,823	2.43%
Greenwich Street Employees Fund, L.P.(1)	566,415	*	318,120	*
Greenwich Fund, L.P.(1)	321,396	*	180,507	*
GSCP Offshore Fund, L.P.(1)	197,802	*	111,091	*
TRV Executive Fund, L.P.(1)	46,762	*	26,263	*

- \* Before the date of this prospectus supplement, the selling securityholder owns less than 1% of our common stock.
- (1) Greenwich Street Investments II, L.L.C. is the general partner of each of the selling stockholders (the GSC Investors). GSCP (NJ), L.P. is the manager of each of the GSC Investors. GSCP (NJ), Inc. is the general partner of GSCP (NJ), L.P. Alfred C. Eckert III (a member of our board of directors), Keith W. Abell, Richard M. Hayden, Robert A. Hamwee, Thomas V. Inglesby, Matthew C. Kaufman, Christine K. Vanden Beukel and Andrew J. Wagner are the executive officers and stockholders of GSCP (NJ), Inc., limited partners of GSCP (NJ), L.P. and managing members of Greenwich Street Investments II, L.L.C. (except for Mr. Wagner).

For the purposes of Rule 13d-3 under the Securities Exchange Act of 1934, because of their relationship with the GSC Investors, each of Greenwich Street Investments II, L.L.C., GSCP (NJ), L.P., GSCP (NJ), Inc., Messrs. Abell, Hayden, Hamwee, Inglesby, Kaufman and Wagner and Ms. Vanden Beukel (collectively, the GSC Investor Affiliates) may be deemed to beneficially own the securities held by the GSC Investors. Notwithstanding the foregoing, the GSC Investor Affiliates disclaim beneficial ownership of the securities held by the GSC Investors except to the extent of their pecuniary interest in the securities.

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**UNDERWRITING**

R.R. Donnelley & Sons Company, the selling stockholders identified herein and Goldman, Sachs & Co. have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, Goldman, Sachs & Co. has agreed to purchase all of the 4,655,644 shares offered hereby.

Goldman, Sachs & Co. is committed to take and pay for all of the shares being offered, if any are taken.

Goldman, Sachs & Co. proposes to offer the shares of common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. In connection with the sale of the shares of common stock offered hereby, Goldman, Sachs & Co. may be deemed to have received compensation in the form of underwriting discounts. Goldman, Sachs & Co. may effect such transactions by selling shares of common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from Goldman, Sachs & Co. and / or purchasers of shares of common stock for whom they may act as agents or to whom they may sell as principal. In addition, Goldman, Sachs & Co. may receive from purchasers of the shares normal brokerage commissions in amounts agreed with such purchasers.

RR Donnelley, its directors, certain of its executive officers and the selling stockholders have agreed with Goldman, Sachs & Co., subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through the date 60 days after the date of this prospectus supplement, except with the prior written consent of Goldman, Sachs & Co. This agreement does not apply to the sale by the selling stockholders to RR Donnelley of shares of common stock in the transaction to be closed contemporaneously with the offering or to any transactions pursuant to existing employee benefit plans.

In connection with the offering, Goldman, Sachs & Co. may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by Goldman, Sachs & Co. of a greater number of shares than it is required to purchase in the offering. Goldman, Sachs & Co. will need to close out any short sale by purchasing shares in the open market. Goldman, Sachs & Co. is likely to create a short position if it is concerned that there may be downward pressure on the price of RR Donnelley's common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of RR Donnelley's common stock made by Goldman, Sachs & Co. in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of RR Donnelley's common stock, and may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

Goldman, Sachs & Co. has represented, warranted and agreed that: (i) it has not offered or sold and, prior to the expiry of a period of six months from the closing of the offering, will not offer or sell any shares to persons in the United Kingdom except to persons

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whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of

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their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ( FSMA )) received by it in connection with the issue or sale of any shares in circumstances in which section 21(1) of the FSMA does not apply to RR Donnelley; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

The shares may not be offered or sold, transferred or delivered, as part of their initial distribution or at any time thereafter, directly or indirectly, to any individual or legal entity in the Netherlands other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade, which includes banks, securities intermediaries, insurance companies, pension funds, other institutional investors and commercial enterprises which, as an ancillary activity, regularly trade or invest in securities.

The shares may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the shares to the public in Singapore.

Goldman, Sachs & Co. has acknowledged and agreed that the shares have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

RR Donnelley will pay all expenses incurred with respect to the offering, other than underwriting discounts and commissions relating to the sale of the shares of common stock owned by the selling stockholders, which will be borne by the selling stockholders. RR Donnelley estimates that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$150,000.

RR Donnelley and the selling stockholders have agreed to indemnify Goldman, Sachs & Co. against certain liabilities, including liabilities under the Securities Act of 1933.



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Goldman, Sachs & Co. and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for RR Donnelley, for which they received or will receive customary fees and expenses.

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**VALIDITY OF COMMON STOCK**

The validity of the shares of common stock offered hereby will be passed upon for us by Sullivan & Cromwell LLP, New York, New York and for the underwriters by Sidley Austin Brown & Wood LLP, Chicago, Illinois. In addition to representing the underwriters, Sidley Austin Brown & Wood LLP from time to time represents RR Donnelley and its affiliates on other matters.

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PROSPECTUS

## R. R. DONNELLEY & SONS COMPANY

### 10,620,451 SHARES OF COMMON STOCK

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This prospectus relates to an offering by the selling securityholders named herein of 10,620,451 shares of common stock, par value \$1.25 per share, including the preferred stock purchase rights appurtenant thereto, of R. R. Donnelley & Sons Company, which we refer to as the registrant. In this prospectus we will refer to the shares of common stock and the preferred stock purchase rights collectively as the securities. See Selling Securityholders. The registrant will not receive any proceeds from the sale of the securities.

The selling securityholders may offer the securities from time to time and in any of several different ways in accordance with their registration rights, as described under Selling Securityholders and Plan of Distribution.

The registrant's securities are currently listed on the New York Stock Exchange, the Toronto Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange under the symbol RRD. On May 6, 2004, the last sale reported on the New York Stock Exchange was \$29.11 per security and the last sale reported on the Toronto Stock Exchange was C\$39.73 per security.

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**AN INVESTMENT IN OUR SECURITIES INVOLVES SIGNIFICANT RISKS. PLEASE READ THE INFORMATION UNDER THE CAPTION RISK FACTORS BEGINNING ON PAGE 3 TO LEARN ABOUT SOME FACTORS YOU SHOULD CONSIDER BEFORE INVESTING IN OUR SECURITIES.**

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**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. IT IS ILLEGAL FOR ANYONE TO TELL YOU OTHERWISE.**

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The Date of this Prospectus is June 10, 2004.

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NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO REPRESENT ANYTHING NOT CONTAINED IN THIS PROSPECTUS. YOU MUST NOT RELY ON ANY UNAUTHORIZED INFORMATION OR REPRESENTATIONS. THIS PROSPECTUS IS AN OFFER TO SELL OR TO BUY ONLY THE SECURITIES OFFERED BY THIS PROSPECTUS, BUT ONLY UNDER CIRCUMSTANCES AND IN JURISDICTIONS WHERE IT IS LAWFUL TO DO SO. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CURRENT ONLY TO THE DATE OF THE PROSPECTUS.

Unless otherwise indicated, all references in this prospectus to currency are to United States dollars.

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**RISK FACTORS**

A purchase of the securities offered by this prospectus involves various risks. These risks include, but are not limited to, the principal factors listed below and the other matters set forth in this prospectus or incorporated by reference in this prospectus. You should carefully consider all of these risks.

**Risks Relating to the Acquisition of Moore Wallace Incorporated**

***We may be unable to integrate the operations of the registrant and Moore Wallace Incorporated successfully and may not achieve the cost savings and increased revenues anticipated for the combined company.***

Achieving the anticipated benefits of the acquisition of Moore Wallace Incorporated, which we refer to as Moore Wallace, will depend in part upon our ability to integrate the two companies' businesses in an efficient and effective manner. Our attempt to integrate two companies that have previously operated independently may result in significant challenges, and we may be unable to accomplish the integration smoothly or successfully. In particular, the necessity of coordinating geographically dispersed organizations and addressing possible differences in corporate cultures and management philosophies may increase the difficulties of integration. The integration will require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day operations of the businesses of the combined company. The process of integrating operations after the transaction could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. Employee uncertainty and lack of focus during the integration process may also disrupt the businesses of the combined company. Any inability of management to integrate the operations of the registrant and Moore Wallace successfully could have a material adverse effect on the business and financial condition of the combined company.

In addition to integrating the two companies' businesses, the combined company will need to complete the integration of the Moore Wallace and Wallace Computer Services, Inc. businesses following the merger of those two companies in May 2003. The management of the combined company may be presented with significant challenges in being required to integrate the operations of three businesses at one time. There can be no assurance that management of the combined company will be able to integrate the operations of each of the businesses successfully or that the anticipated synergies between our companies will be realized. Moreover, the timing of synergies realized, if any, is uncertain.

Our rationale for the Moore Wallace acquisition was, in part, predicated on our ability to realize cost savings and to increase revenues through the combination of two strong companies. Achieving these cost savings and revenue increases is dependent upon a number of factors, many of which are beyond our control. We may not be able to achieve the anticipated cross-selling opportunities, the development and marketing of more comprehensive commercial printing product offerings and solutions, cost savings and revenue growth. An inability to realize the full extent of, or any of, the anticipated benefits of the transaction, as well as any delays encountered in the transition process, could have an adverse effect upon the revenues, level of expenses, operating results and financial condition of the combined company.

***We have incurred significant transaction costs and will incur significant combination-related and restructuring costs in connection with the Moore Wallace acquisition.***

Moore Wallace and the registrant have incurred or will pay transaction fees and other expenses related to the Moore Wallace acquisition of approximately \$105 million, including financial advisors fees, filing fees, legal and accounting fees, soliciting fees, regulatory fees, mailing costs and debt

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financing fees and expenses to refinance the current outstanding Moore Wallace debt. Furthermore, we expect to incur significant costs associated with combining the operations of the two companies. However, it will be difficult to predict the specific size of those charges before completion of the integration process. The combined company may incur additional unanticipated costs as a consequence of difficulties arising from our efforts to integrate the operations of the two companies.

Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, can offset incremental transaction, combination-related and restructuring costs over time, we cannot give any assurance that this net benefit will be achieved in the near future, or at all.

### ***We may lose employees due to uncertainties associated with the Moore Wallace acquisition.***

The success of the combined company after the Moore Wallace acquisition will depend in part upon our ability to retain key employees of both companies. Competition for qualified personnel can be very intense. In addition, key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company. Accordingly, no assurance can be given that we will be able to retain key employees to the same extent that we have been able to do so in the past.

### **Risks Relating to the Businesses of the registrant, Moore Wallace and the Combined Company**

#### ***The business of the combined company is subject to risks that have affected the businesses of the registrant and Moore Wallace.***

The business of the combined company is subject to numerous risks that have affected the businesses of the registrant and Moore Wallace, including:

competition with other communication services providers based on pricing and other factors, including pricing pressure brought on by excess capacity and current economic conditions;

fluctuations in the cost of paper, ink, other raw materials and fuel used;

changes in postal rates and postal regulations;

seasonal fluctuations in overall demand for services;

changes in customer demand;

changes in the advertising and printing markets;

changes in the capital markets that affect demand for financial printing;

the financial condition of our customers;

our ability to continue to obtain improved operating efficiencies;

our ability to continue to develop new solutions for our customers;

the general condition of the U.S. economy and the economies of other countries in which we operate;

war or acts of terrorism affecting the overall business climate;

changes in the rules and regulations to which we are subject and the cost of complying with these rules and regulations, including environmental and health and welfare benefit regulations;

changes in the costs of healthcare and other benefits provided to our employees; and

changes in the rules and regulations to which our customers are subject, particularly those affecting privacy or the printing requirements of financial services or telecommunications customers.



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For a discussion of the registrant's business, together with factors to consider in connection therewith, see the registrant's Annual Report on Form 10-K for the year ended December 31, 2003 and the registrant's other filings with the Securities and Exchange Commission that are incorporated by reference into this offering memorandum. See "Where You Can Find More Information."

### ***There are risks associated with operations outside the United States and Canada.***

The combined company has significant operations outside the United States and Canada. Revenues from the registrant's and Moore Wallace's operations outside the United States and Canada accounted for approximately 10% of their combined revenues for the year ended December 31, 2003. As a result, the combined company is subject to the risks inherent in conducting business outside the United States and Canada, including the impact of economic and political instability.

### ***The combined company is exposed to significant risks related to potential adverse changes in currency exchange rates.***

The combined company is exposed to market risks resulting from changes in the currency exchange rates of the Canadian dollar and other currencies. Although operating in local currencies may limit the impact of currency rate fluctuations on the operating results of our non-U.S. subsidiaries and business units, fluctuations in such rates may affect the translation of these results into the combined company's financial statements. To the extent revenues and expenses are not in the applicable local currency, the combined company may enter into foreign currency forward contracts to hedge the currency risk. We cannot be sure, however, that the combined company's efforts at hedging will be successful. There is always a possibility that attempts to hedge currency risks will lead to even greater losses than predicted. In addition, because of the combined company's operations outside the United States, significant revenues and expenses will be denominated in local currencies.

## **Risks Related to Our Industry**

### ***The highly competitive market for the combined company's products and industry consolidation will create adverse pricing pressures.***

Although the combined company is a diversified printing company, the markets for the majority of the combined company's product categories are highly fragmented, and the combined company has a large number of competitors. We believe that excess capacity in the combined company's markets, combined with current economic conditions, have caused downward pricing pressure and increased competition. In addition, consolidation in the markets in which the registrant and Moore Wallace competed in the past, and could in the future, may increase competitive pricing pressures.

### ***The substitution of electronic delivery and online distribution for printed materials may adversely affect our businesses.***

Electronic delivery of documents and data and the online distribution and hosting of media content offer alternatives to traditional delivery of printed documents. Consumer acceptance of electronic delivery is uncertain, as is the extent to which consumers are

replacing traditional reading of print materials with online hosted media content, and we have no ability to predict the rates of their acceptance of these alternatives. To the extent that our customers accept these alternatives, many of our businesses may be adversely affected.

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**WHERE YOU CAN FIND MORE INFORMATION**

**The Registration Statement**

We have filed a registration statement with the United States Securities and Exchange Commission, which we refer to as the Commission, that registers the securities offered by this prospectus.

The registration statement that we filed with the Commission, including the attached exhibits and schedules, contains additional relevant information about the registrant and its securities. The Commission allows us to omit some information included in the registration statement from this prospectus. You should read the entire registration statement in order to obtain this additional information.

**Filings with the Commission**

In addition, we file reports, proxy statements and other information with the Commission on a regular basis. You may read and copy this information or obtain copies of this information by mail from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the Commission's Public Reference Room in Washington, D.C. can be obtained by calling the Commission at 1-800-SEC-0030. Our Commission filings are also available to the public over the Internet at the Commission's web site at <http://www.sec.gov>.

**Documents Incorporated by Reference**

THE COMMISSION ALLOWS US TO INCORPORATE BY REFERENCE INFORMATION INTO THIS PROSPECTUS. THIS MEANS THAT WE CAN DISCLOSE IMPORTANT INFORMATION TO YOU BY REFERRING YOU TO ANOTHER DOCUMENT FILED SEPARATELY WITH THE COMMISSION. This information incorporated by reference is a part of this prospectus, unless we provide you with different information in this prospectus or the information is modified or superseded by a subsequently filed document.

This prospectus incorporates by reference the documents listed below that we have previously filed with the Commission. They contain important information about the registrant and its financial condition.

(a) The registrant's annual report on Form 10-K for the year ended December 31, 2003;

(b) The registrant's current reports on Form 8-K and 8-K/A filed with the Commission on January 12, 2004 (other than information furnished under Item 12), February 5, 2004 (other than information furnished under Item 12), February 20, 2004, February 25,

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2004, February 27, 2004, March 2, 2004, March 15, 2004, March 15, 2004, March 16, 2004 and May 6, 2004 (other than information furnished under Item 12);

(c) The registrant's definitive proxy statement on Schedule 14A (File No. 001-04694) filed with the Commission on January 20, 2004;

(d) The description of the registrant's common stock contained in the registrant's registration statement on Form 8-A (File No. 001-04694) filed with the Commission on July 27, 1993, including any amendment or report filed for the purpose of updating such description; and

(e) The description of the registrant's preferred stock purchase rights contained in the registrant's registration statement on Form 8-A (File No. 001-04694) filed with the Commission on June 5, 1996, including any amendment or report filed for the purpose of updating such description.

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This prospectus also incorporates by reference additional documents that we may file with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, (as amended, and together with the rules and regulations thereunder, the Exchange Act ), after the time of filing of the initial registration statement and before effectiveness of the registration statement, and after the date of this prospectus and before the termination of this offering. These documents include annual reports, quarterly reports and other current reports, as well as proxy statements that will automatically update and supersede the information in this prospectus.

You can obtain any of the documents incorporated by reference in this document from us or from the Commission through the Commission's web site at the address described above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents unless we specifically incorporated by reference the exhibit in this prospectus. You can obtain these documents from us by requesting them in writing or by telephone at the following address or number:

Secretary

R. R. Donnelley & Sons Company

77 West Wacker Drive

Chicago, Illinois 60601

Telephone: (312) 326-8000

**Other Information**

We have not authorized anyone to give you any information about us or this offering that is different from what we tell you in this prospectus or in any of the materials that we have incorporated into this document. If anyone gives you any other information about us, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to buy, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

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**FORWARD-LOOKING STATEMENTS**

**Forward-Looking Statements Made in this Prospectus**

In this prospectus, we make forward-looking statements about our financial condition, results of operations and business. Forward-looking statements are statements made by us concerning events that may or may not occur in the future. These statements may be made directly in this document or may be incorporated by reference from other documents. You can find many of these statements by looking for words like believes, expects, anticipates, estimates or similar expressions.

**Forward-Looking Statements are not Guarantees of Future Performance**

Forward-looking statements involve known and unknown risks, uncertainties and other factors, including those identified under Risk Factors above, elsewhere in this prospectus and incorporated by reference in this prospectus that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following:

general economic and business conditions;

changes in customer preferences;

competition;

availability of raw materials;

the integration of any acquisition, including the integration of transferred employees;

changes in our business strategy;

our indebtedness;

quality of our management and business abilities and the judgment of our personnel;

the availability, terms and deployment of capital; and

various other factors referenced in this prospectus and our Form 10-K.

See Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 1: Business in our Form 10-K for a further discussion of these factors. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

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**USE OF PROCEEDS**

The securities may be sold by this prospectus by the selling securityholders. We will not receive any proceeds from the sales of the securities, but we will bear some of the expenses. See Plan of Distribution Expenses for a description of the payment of expenses.



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**DESCRIPTION OF SECURITIES**

The authorized capital stock of the registrant consists of: (i) 500,000,000 shares of common stock, par value \$1.25 per share, and 2,000,000 shares of preferred stock, par value \$1.00 per share. As of March 31, 2004, 217,242,234 shares of common stock were issued and outstanding. No shares of preferred stock are currently outstanding, but 500,000 shares have been designated as Series A Junior Participating Preferred Stock. See Preferred Stock Purchase Rights beginning on page 11.

The following summary description of the capital stock of the registrant does not purport to be complete and is qualified in its entirety by reference to the restated certificate of incorporation and by-laws of the registrant, the Rights Agreement (which we refer to in this document as the rights agreement), dated as of April 25, 1996, between the registrant and EquiServe Trust Company, N.A., as successor to First Chicago Trust Company of New York, as rights agent, and the DGCL. If you would like more information on the common stock, preferred stock purchase rights and preferred stock of the registrant, you should review those documents, each of which the registrant has incorporated by reference in this document. See Where You Can Find More Information beginning on page 6.

**Common Stock**

Subject to the prior dividend rights as may be fixed by the board of directors of the registrant in creating a new series of preferred stock, holders of the registrant's common stock are entitled to receive, from funds legally available therefor, dividends when and as declared by the board of directors.

The holders of the registrant's common stock are entitled to one vote for each share held, without the right to cumulate votes for the election of directors. Under the restated certificate of incorporation:

the board of directors is divided into three classes, and each director is elected to serve for a three-year term;

the number of directors which constitutes the full board of directors shall be not less than nine nor more than 15; and

the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding shares of the registrant's stock of each class having voting power is required to amend or repeal the foregoing provisions.

The registrant may not sell, lease or exchange all or substantially all of its property and assets nor may it merge or consolidate except with a corporation of which at least 90% of the outstanding shares of each class of stock is owned by the registrant, unless authorized by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding shares of the registrant's stock of each class having voting power with respect to the proposed transaction. The affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding shares of the registrant's stock of each class having voting power is required to amend or repeal this provision.

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If the registrant liquidates, dissolves or winds up its affairs, the holders of the registrant's common stock will be entitled to receive, after its creditors have been paid and the holders of any then outstanding series of preferred stock have received their liquidation preferences, all of the remaining assets of the registrant in proportion to their share holdings. Holders of the registrant's common stock do not have pre-emptive rights to acquire any securities of the registrant. The outstanding shares of the registrant's common stock are fully paid and are nonassessable. The outstanding shares of the registrant's common stock are listed on the New York Stock Exchange, the Toronto Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange.

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### **Preferred Stock Purchase Rights**

Each outstanding share of the registrant's common stock has attached to it one right (which we refer to in this section of this document as a right) to purchase from the registrant one one-thousandth of a share of Series A Junior Participating Preferred Stock at a purchase price of \$140 per right (which we refer to in this document as the purchase price).

The rights are attached to shares of the registrant's common stock, and no separate rights certificates will be distributed prior to the distribution date (as defined below). The rights will separate from the registrant's common stock upon the earliest of:

10 days following a public announcement that a person or group (which person or group we refer to in this document as an acquiring person), together with persons affiliated or associated with it, has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of the registrant's common stock (which we refer to in this document as the stock acquisition date);

10 business days, or such later date as the registrant's board of directors shall determine, following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of the outstanding shares of the registrant's common stock; or

10 business days following a determination by the registrant's board of directors that a person (whom we refer to in this document as an adverse person), alone or together with its affiliates and associates, has become the beneficial owner of more than 10% of the outstanding shares of the registrant's common stock and that

such beneficial ownership is intended to cause the registrant to repurchase the registrant's common stock beneficially owned by such person or to cause pressure on the registrant to take action or enter into transactions intended to provide such person with short-term financial gain under circumstances where the board of directors determines that the best long-term interests of the registrant would not be served by taking such action or entering into such transactions at the time; or

such beneficial ownership is causing or is reasonably likely to cause a material adverse impact (including impairment of relationships with customers or impairment of the registrant's ability to maintain its competitive position) on the business or prospects of the registrant.

In this document we refer to the earliest of the dates described in the three preceding bullet points as the distribution date.

Until the distribution date, or earlier redemption or expiration of the rights, the rights may be transferred only with the common stock to which they are attached.

The rights will become first exercisable on the distribution date and will expire at the close of business on August 8, 2006, unless earlier redeemed by the registrant as described below. Notwithstanding the foregoing, the rights will not be exercisable after the occurrence of a triggering event (as defined below) until the registrant's right of redemption has expired.

As soon as practicable after the distribution date, separate certificates evidencing the rights will be mailed to holders of record of the registrant's common stock as of the close of business on the distribution date and, thereafter, the separate rights certificates alone will evidence the rights. Except for shares of the registrant's common stock issued or sold after the distribution date pursuant to the exercise of stock options or under any employee benefit plan or arrangement granted or awarded prior

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to the distribution date, or the exercise, conversion or exchange of securities issued by the registrant, and except as otherwise determined by the registrant's board of directors, only shares of the registrant's common stock issued prior to the distribution date will be issued with rights.

If any person becomes:

an acquiring person, except:

pursuant to an offer for all outstanding shares of the registrant's common stock which the independent directors of the registrant determines to be fair to and otherwise in the best interest of the registrant and its securityholders after receiving advice from one or more investment banking firms (which we refer to in this document as a qualifying offer) and

for persons who report their ownership on Schedule 13G under the Exchange Act or on Schedule 13D under the Exchange Act, provided that they do not state any intention to, or reserve the right to, control or influence the management or policies of the registrant and such persons certify that they became an acquiring person inadvertently and they agree that they will not acquire any additional shares of the registrant's common stock; or

an adverse person,

then the rights will flip-in and entitle each holder of a right, except as provided below, to purchase, upon exercise at the then current purchase price, that number of shares of the registrant's common stock having a market value of two times the then current purchase price. In this document we refer to occurrence of either event described in the two preceding bullet points as a triggering event.

Any rights beneficially owned at any time on or after the earlier of the distribution date and the stock acquisition date by an acquiring person, an adverse person or an affiliate or associate of an acquiring person or an adverse person, whether or not such ownership is subsequently transferred, will become null and void upon the occurrence of a triggering event, and any holder of such rights will have no right to exercise such rights.

If, following a stock acquisition date, the registrant is acquired in a merger or other business combination in which the registrant's common stock does not remain outstanding or is changed, other than a merger consummated pursuant to a qualifying offer, or 50% of the consolidated assets or earning power of the registrant is sold or otherwise transferred to any person, other than to the registrant or any of its subsidiaries, in one transaction or a series of related transactions, the rights will flip-over and entitle each holder of a right, except as provided in the preceding paragraph, to purchase, upon the exercise of the right at the then current purchase price, that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of two times the then current purchase price.

At any time until the earlier of:

ten days following the stock acquisition date; and

August 8, 2006,

the registrant may redeem the rights in whole, but not in part, at a price of \$0.01 per right, subject to adjustment. The registrant may, at its option, pay the redemption price in cash, shares of the registrant's common stock, based on the current market price of the common stock at the time of redemption, or any other form of consideration deemed appropriate by the registrant's board of directors. Immediately upon the action of the registrant's board of directors ordering the redemption of the rights, the right to exercise the rights will terminate, and the only right of the holders of rights will be to receive the applicable redemption price. In addition, after a triggering event, at the election of the

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registrant's board of directors, the outstanding rights, other than those beneficially owned by an acquiring person, adverse person or an affiliate or associate of an acquiring person or adverse person, may be exchanged, in whole or in part, for shares of the registrant's common stock or shares of the registrant's preferred stock having essentially the