

Quad/Graphics, Inc.
Form 10-Q
November 15, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-34806

QUAD/GRAPHICS, INC.

(Exact name of Registrant as specified in its charter)

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Wisconsin
(State or other jurisdiction of
incorporation or organization)

39-1152983
(I.R.S. Employer
Identification No.)

N63 W23075 Highway 74, Sussex, Wisconsin 53089-2827

(Address of principal executive offices) (Zip Code)

(414) 566 6000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). (Registrant is not yet required to provide financial disclosure in an Interactive Data File Format.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding as of November 12, 2010
Class A Common Stock	31,820,095
Class B Common Stock	15,005,672

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Class C Common Stock

245,353

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(in millions, except per share data)

(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net sales				
Products	\$ 1,077.7	\$ 416.3	\$ 1,774.5	\$ 1,121.3
Services	131.0	55.3	232.1	154.6
Total net sales	1,208.7	471.6	2,006.6	1,275.9
Cost of sales				
Products	840.5	294.8	1,356.2	809.7
Services	98.3	36.3	168.2	105.4
Total cost of sales	938.8	331.1	1,524.4	915.1
Selling, general and administrative expenses	112.6	48.3	209.5	142.3
Depreciation and amortization	87.8	49.3	185.3	147.4
Restructuring, impairment and transaction-related charges	74.0	1.3	111.6	10.0
Total operating expenses	1,213.2	430.0	2,030.8	1,214.8
Operating income (loss)	(4.5)	41.6	(24.2)	61.1
Interest expense	31.1	15.8	61.4	48.3
Earnings (loss) before income taxes and equity in earnings of unconsolidated entities	(35.6)	25.8	(85.6)	12.8
Income tax expense (benefit)	198.8	(0.2)	197.2	0.6
Earnings (loss) before equity in earnings of unconsolidated entities	(234.4)	26.0	(282.8)	12.2
Equity in earnings of unconsolidated entities	2.0	2.5	6.3	4.6
Net earnings (loss)	\$ (232.4)	\$ 28.5	\$ (276.5)	\$