

RR Donnelley & Sons Co  
Form 424B3  
December 20, 2013  
Table of Contents

**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-192570**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

December 20, 2013

Dear Shareholder:

We cordially invite you to attend a special meeting of shareholders of Consolidated Graphics, Inc., a Texas corporation, to be held on Tuesday, January 28, 2014, at 5:00 p.m. Central time, at 5858 Westheimer Rd., Suite 300, Houston, Texas 77057. As previously announced, on October 23, 2013, Consolidated Graphics entered into a merger agreement providing for the acquisition of Consolidated Graphics by R.R. Donnelley & Sons Company, a Delaware corporation. At the special meeting, you will be asked to consider and vote upon a proposal to approve the merger agreement.

If the merger contemplated by the merger agreement is completed, you will be entitled to receive for each share of Consolidated Graphics common stock (i) \$34.44 in cash, without interest, and (ii) 1.651 shares of R.R. Donnelley common stock.

The merger cannot be completed unless Consolidated Graphics shareholders holding at least two-thirds of the shares of Consolidated Graphics common stock outstanding as of the close of business on December 19, 2013, the record date for the special meeting, vote in favor of the proposal to approve the merger agreement at the special meeting. Joe R. Davis, the Chairman and Chief Executive Officer of Consolidated Graphics, has entered into a voting agreement with R.R. Donnelley and Consolidated Graphics, pursuant to which Mr. Davis has agreed to vote his shares of Consolidated Graphics common stock, representing approximately 16.5% of the shares of Consolidated Graphics common stock outstanding as of the close of business on the record date and entitled to vote at the special meeting, in favor of the proposal to approve the merger agreement.

**Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless the proposal to approve the merger agreement is approved by the affirmative vote of the holders of at least two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote thereon. A failure to vote or an abstention will have the same effect as a vote AGAINST the proposal to approve the merger agreement.**

Even if you plan to attend the special meeting in person, Consolidated Graphics requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or over the Internet prior to the special meeting to ensure that your shares of Consolidated Graphics common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

**YOUR PROXY IS BEING SOLICITED BY THE BOARD OF DIRECTORS OF CONSOLIDATED GRAPHICS. AFTER CAREFUL CONSIDERATION, OUR BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE TERMS OF THE MERGER AGREEMENT, AND THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, ARE FAIR TO, AND IN THE BEST INTERESTS OF, CONSOLIDATED GRAPHICS AND ITS SHAREHOLDERS AND RECOMMENDED THAT CONSOLIDATED GRAPHICS SHAREHOLDERS APPROVE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER. OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO APPROVE THE MERGER AGREEMENT AND FOR THE OTHER PROPOSALS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS. THE BOARD OF DIRECTORS MADE ITS DETERMINATION AFTER CONSULTATION WITH ITS LEGAL AND FINANCIAL ADVISORS AND AFTER CONSIDERING A NUMBER OF FACTORS. IN CONSIDERING THE RECOMMENDATION OF THE BOARD OF DIRECTORS OF CONSOLIDATED**

Table of Contents

**GRAPHICS, YOU SHOULD BE AWARE THAT CERTAIN DIRECTORS AND EXECUTIVE OFFICERS OF CONSOLIDATED GRAPHICS MAY HAVE INTERESTS IN THE MERGER THAT MAY BE DIFFERENT FROM, IN ADDITION TO OR IN CONFLICT WITH, THE INTERESTS OF CONSOLIDATED GRAPHICS SHAREHOLDERS GENERALLY. SEE THE SECTION ENTITLED INTERESTS OF CONSOLIDATED GRAPHICS DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER BEGINNING ON PAGE 91 OF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS.**

**In particular, we urge you to read carefully the section entitled Risk Factors beginning on page 30 of the attached proxy statement/prospectus. If you have any questions regarding the accompanying proxy statement/prospectus, you may call D.F. King & Co., Inc., Consolidated Graphics proxy solicitor, by calling toll-free at 1-800-290-6429 or by calling collect at 212-269-5550.**

We urge you to read the accompanying proxy statement/prospectus, including the Annexes and the documents incorporated by reference, carefully and in their entirety.

On behalf of the board of directors of Consolidated Graphics, thank you for your consideration and continued support.

By Order of the Board of Directors,

Joe R. Davis

*Chairman of the Board and Chief Executive Officer*

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE MERGER OR OTHER TRANSACTIONS DESCRIBED IN THE ATTACHED PROXY STATEMENT/PROSPECTUS OR THE SECURITIES TO BE ISSUED PURSUANT TO THE MERGER UNDER THE ATTACHED PROXY STATEMENT/PROSPECTUS NOR HAVE THEY DETERMINED IF THE ATTACHED PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The accompanying proxy statement/prospectus is dated December 20, 2013 and is first being mailed to Consolidated Graphics shareholders on or about December 23, 2013.

Table of Contents

**Consolidated Graphics, Inc.**

**5858 Westheimer Rd., Suite 200**

**Houston, Texas 77057**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

You are cordially invited to attend a special meeting of Consolidated Graphics shareholders. The special meeting will be held on Tuesday, January 28, 2014, at 5:00 p.m. Central time, at 5858 Westheimer Rd., Suite 300, Houston, Texas 77057, to consider and vote upon the following matters:

1. a proposal to approve the Agreement and Plan of Merger, dated as of October 23, 2013, as it may be amended from time to time, by and among Consolidated Graphics, Inc., a Texas corporation, R.R. Donnelley & Sons Company, a Delaware corporation, and Hunter Merger Sub, Inc., a Texas corporation and a wholly owned subsidiary of R.R. Donnelley. A copy of the merger agreement is attached as **Annex A** to the accompanying proxy statement/prospectus;
2. the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement; and

3. a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger contemplated by the merger agreement. The record date for the special meeting is December 19, 2013. Only shareholders of record as of the close of business on December 19, 2013 are entitled to notice of, and to vote at, the special meeting. All shareholders of record as of that date are cordially invited to attend the special meeting in person.

**Your vote is very important, regardless of the number of shares of Consolidated Graphics common stock that you own.** The merger cannot be completed unless the proposal to approve the merger agreement is approved by the affirmative vote of the holders of at least two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote thereon. Even if you plan to attend the special meeting in person, Consolidated Graphics requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares of Consolidated Graphics common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. If you fail to submit a proxy or to attend the special meeting in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of Consolidated Graphics common stock will not

be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement.

Your proxy is being solicited by the board of directors of Consolidated Graphics. After careful consideration, our board of directors has unanimously determined that the terms of the merger agreement, and the transactions contemplated by the merger agreement, are fair to, and in the best interests of, Consolidated Graphics and its shareholders. **Our board of directors unanimously recommends that you vote FOR the proposal to approve the merger agreement and FOR the other proposals described in the accompanying proxy statement/prospectus. The board of directors made its determination after consultation with its legal and financial advisors and after considering a number of factors. In considering the recommendation of**

**Table of Contents**

**the board of directors of Consolidated Graphics, you should be aware that certain directors and executive officers of Consolidated Graphics may have interests in the merger that may be different from, or in addition to or in conflict with, the interests of Consolidated Graphics shareholders generally. See the section entitled **Interests of Consolidated Graphics Directors and Executive Officers in the Merger** beginning on page 55 of the accompanying proxy statement/prospectus.**

Only Consolidated Graphics shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and Consolidated Graphics guests may attend the special meeting. To gain admittance, please bring valid photo identification, such as a driver's license or passport. If your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of Consolidated Graphics common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the special meeting.

Consolidated Graphics shareholders who do not vote in favor of the proposal to approve the merger agreement, and who object in writing to the merger prior to the special meeting and comply with all the requirements of Texas law, which are summarized in the accompanying proxy statement/prospectus and reproduced in their entirety in **Annex D** to the accompanying proxy statement/prospectus, will be entitled to dissenters' rights of appraisal to obtain the fair value of their shares of Consolidated Graphics common stock.

**WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU ATTEND THE SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

By Order of the Board of Directors,

Joe R. Davis

*Chairman of the Board and Chief Executive Officer*

Houston, Texas

December 20, 2013

---

**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Consolidated Graphics, Inc., which we refer to as Consolidated Graphics, and R.R. Donnelley & Sons Company, which we refer to as R.R. Donnelley, from other documents that Consolidated Graphics and R.R. Donnelley have filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

Any person may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Consolidated Graphics, without charge, by written or telephonic request directed to Consolidated Graphics, Inc., Attention: Corporate Secretary, 5858 Westheimer Rd., Suite 200, Houston, Texas 77057, Telephone (713) 787-0977; or D.F. King & Co., Inc., which we refer to as D.F. King, Consolidated Graphics' proxy solicitor, by calling toll-free at 1-800-290-6429. Banks, brokerage firms, and other nominees may call collect at 212-269-5550.

You may also request a copy of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning R.R. Donnelley, without charge, by written or telephonic request directed to R.R. Donnelley & Sons Company, Attention: Investor Relations, 111 South Wacker Drive, Chicago, Illinois 60606, Telephone (312) 326-8000; or from the SEC through the SEC website at the address provided above.

In order for you to receive timely delivery of the documents in advance of the special meeting of Consolidated Graphics shareholders to be held on January 28, 2014, which we refer to as the special meeting, you must request the information by January 21, 2014.

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by R.R. Donnelley (File No. 333-192570), constitutes a prospectus of R.R. Donnelley under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of common stock of R.R. Donnelley, which we refer to as R.R. Donnelley common stock, to be issued to Consolidated Graphics shareholders pursuant to the Agreement and Plan of Merger, dated as of October 23, 2013, by and among Consolidated Graphics Inc., R.R. Donnelley & Sons Company and Hunter Merger Sub, Inc., as it may be amended from time to time, which we refer to as the merger agreement. This document also constitutes a proxy statement of Consolidated Graphics under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting, at which Consolidated Graphics shareholders will be asked to consider and vote upon the proposal to approve the merger agreement.

R.R. Donnelley has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to R.R. Donnelley, and Consolidated Graphics has supplied all such information relating to Consolidated Graphics.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. R.R. Donnelley and Consolidated Graphics have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus.

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

This proxy statement/prospectus is dated December 20, 2013, and you should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to Consolidated Graphics shareholders nor the issuance by R.R. Donnelley of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.



**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	9
<u>Parties to the Merger</u>	9
<u>The Merger and the Merger Agreement</u>	10
<u>Per Share Merger Consideration</u>	10
<u>Recommendation of the Consolidated Graphics Board; Consolidated Graphics Reasons for the Merger</u>	10
<u>Opinion of Consolidated Graphics Financial Advisor</u>	10
<u>Information About the Special Meeting</u>	11
<u>Interests of Consolidated Graphics Directors and Executive Officers in the Merger</u>	13
<u>Treatment of Consolidated Graphics Stock Options in the Merger</u>	13
<u>Regulatory Approvals</u>	13
<u>Dissenters Rights of Consolidated Graphics Shareholders</u>	13
<u>Conditions to Completion of the Merger</u>	14
<u>No Solicitation or Negotiation of Alternative Proposals</u>	15
<u>Adverse Recommendation Change</u>	16
<u>Termination</u>	16
<u>Termination Fee; Expense Payment</u>	17
<u>The Voting Agreement</u>	18
<u>Accounting Treatment</u>	18
<u>Material U.S. Federal Income Tax Consequences</u>	19
<u>Comparison of Shareholders Rights</u>	19
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CONSOLIDATED GRAPHICS</u>	20
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF R.R. DONNELLEY</u>	22
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	24
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	26
<u>Comparative Per Share Market Price Information</u>	26
<u>Comparative Stock Prices and Dividends</u>	27
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	28
<u>RISK FACTORS</u>	30

<u>Risks Relating to the Merger</u>	30
<u>Risks Relating to the Business of R.R. Donnelley Upon Completion of the Merger</u>	34

**Table of Contents**

**TABLE OF CONTENTS**

*(continued)*

	<b>Page</b>
<u>Risks Relating to R.R. Donnelley's Business</u>	36
<u>Risks Relating to Consolidated Graphics' Business</u>	37
<b><u>INFORMATION ABOUT THE SPECIAL MEETING</u></b>	38
<u>Time, Place and Purpose of the Special Meeting</u>	38
<u>Record Date and Quorum</u>	38
<u>Attendance</u>	38
<u>Vote Required</u>	39
<u>Proxies and Revocations</u>	40
<u>Adjournments and Postponements</u>	41
<u>Anticipated Date of Completion of the Merger</u>	41
<u>Solicitation of Proxies; Payment of Solicitation Expenses</u>	42
<u>Questions and Additional Information</u>	42
<b><u>THE PARTIES TO THE MERGER</u></b>	43
<u>Consolidated Graphics, Inc.</u>	43
<u>R.R. Donnelley &amp; Sons Company</u>	43
<u>Hunter Merger Sub, Inc.</u>	44
<b><u>THE MERGER</u></b>	45
<u>Per Share Merger Consideration</u>	45
<u>Background of the Merger</u>	45
<u>Recommendation of the Consolidated Graphics Board; Consolidated Graphics' Reasons for the Merger</u>	52
<u>Opinion of Consolidated Graphics' Financial Advisor</u>	55
<u>Certain Consolidated Graphics Forecasts</u>	63
<u>R.R. Donnelley's Reasons for the Merger</u>	66
<u>Financing of the Merger</u>	68
<u>Closing and Effective Time of the Merger</u>	68
<u>Regulatory Approvals</u>	68
<u>Federal Securities Law Consequences</u>	69
<u>Accounting Treatment</u>	69
Table of Contents	11

<u>Nasdaq Market Listing</u>	69
<u>Delisting and Deregistration of Consolidated Graphics Common Stock</u>	69

**Table of Contents**

**TABLE OF CONTENTS**

*(continued)*

	<b>Page</b>
<b><u>THE MERGER AGREEMENT</u></b>	70
<u>Explanatory Note Regarding the Merger Agreement</u>	70
<u>Effects of the Merger; Directors and Officers; Certificates of Incorporation; By-laws</u>	70
<u>Treatment of Consolidated Graphics Stock Options in the Merger</u>	71
<u>Exchange and Payment Procedures</u>	71
<u>No Transfers Following the Effective Time of the Merger</u>	72
<u>Fractional Shares</u>	72
<u>Termination of Exchange Fund</u>	72
<u>Withholding Taxes</u>	73
<u>Lost, Stolen or Destroyed Share Certificates</u>	73
<u>Representations and Warranties</u>	73
<u>Conduct of Businesses of Consolidated Graphics and its Subsidiaries Prior to Completion of the Merger</u>	76
<u>Conduct of Business of R.R. Donnelley Prior to Completion of the Merger</u>	78
<u>Alternative Proposals</u>	78
<u>Shareholders Meeting</u>	81
<u>Agreement to Use Reasonable Best Efforts</u>	81
<u>Access to Information; Confidentiality</u>	82
<u>Employee Benefits</u>	82
<u>Indemnification and Insurance</u>	83
<u>Listing of R.R. Donnelley Shares</u>	83
<u>Conditions to Completion of the Merger</u>	83
<u>Termination of the Merger Agreement</u>	84
<u>Amendment and Modification</u>	86
<u>Expenses</u>	86
<u>Remedies</u>	86
<b><u>THE VOTING AGREEMENT</u></b>	87
<u>Voting</u>	87
<u>Prohibition on Transfers</u>	88
Table of Contents	13

<u>No Solicitation</u>	88
<u>Release</u>	88
<u>Non-Compete</u>	88

**Table of Contents**

**TABLE OF CONTENTS**

*(continued)*

	<b>Page</b>
<u>Waiver of Appraisal Rights</u>	89
<u>Consulting Agreement</u>	89
<u>Termination</u>	89
<u>ADJOURNMENT OF THE SPECIAL MEETING TO SOLICIT ADDITIONAL PROXIES</u>	90
<u>INTERESTS OF CONSOLIDATED GRAPHICS DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER</u>	91
<u>ADVISORY VOTE ON MERGER-RELATED COMPENSATION FOR CONSOLIDATED GRAPHICS NAMED EXECUTIVE OFFICERS</u>	96
<u>Golden Parachute Compensation Payable to Consolidated Graphics Named Executive Officers</u>	96
<u>Vote Required and Board of Directors Recommendation</u>	97
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	98
<u>U.S. Holders</u>	98
<u>Non-U.S. Holders</u>	99
<u>Information Reporting and Backup Withholding</u>	101
<u>COMPARISON OF SHAREHOLDERS RIGHTS</u>	102
<u>DISSENTERS RIGHTS OF CONSOLIDATED GRAPHICS SHAREHOLDERS</u>	112
<u>VALIDITY OF COMMON STOCK</u>	115
<u>EXPERTS</u>	116
<u>CERTAIN BENEFICIAL OWNERS OF CONSOLIDATED GRAPHICS COMMON STOCK</u>	117
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	119
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	120
Annex A Agreement and Plan of Merger, dated as of October 23, 2013, among Consolidated Graphics, Inc., R.R. Donnelley & Sons Company and Hunter Merger Sub, Inc.	
Annex B Voting Agreement, dated as of October 23, 2013, by and among R.R. Donnelley, Joe R. Davis and Consolidated Graphics, Inc.	
Annex C Opinion of Credit Suisse Securities (USA), LLC	
Annex D Texas Business Organizations Code Chapter 10, Subchapter H.	

---

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement, the voting agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a Consolidated Graphics shareholder. Please refer to the section entitled *Summary* beginning on page 9 of this proxy statement/prospectus and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled *Where You Can Find More Information* beginning on page 120 of this proxy statement/prospectus.

**Q: Why am I receiving this proxy statement/prospectus and proxy card?**

A: R.R. Donnelley has agreed to acquire Consolidated Graphics under the terms of the merger agreement that are described in this proxy statement/prospectus. If the proposal to approve the merger agreement is approved by Consolidated Graphics shareholders and the other conditions to closing under the merger agreement are satisfied or waived, Hunter Merger Sub, Inc., a Texas corporation and a wholly owned subsidiary of R.R. Donnelley, which we refer to as Merger Sub, will merge with and into Consolidated Graphics, which we refer to as the merger, with Consolidated Graphics surviving the merger as a wholly owned subsidiary of R.R. Donnelley, which we refer to as the surviving corporation. As a result of the merger, Consolidated Graphics will no longer be a publicly held corporation. Following the merger, Consolidated Graphics common stock will be delisted from the New York Stock Exchange, which we refer to as the NYSE, and deregistered under the Exchange Act, and Consolidated Graphics will no longer file periodic reports with the SEC.

Consolidated Graphics is holding the special meeting to ask its shareholders to consider and vote upon a proposal to approve the merger agreement. Consolidated Graphics shareholders are also being asked to grant authority to proxy holders to vote in favor of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement, and to consider and vote upon a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

This proxy statement/prospectus includes important information about the merger, the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus, the Voting Agreement, dated as of October 23, 2013, among R.R. Donnelley, Joe R. Davis and Consolidated Graphics, which we refer to as the voting agreement, a copy of which is attached as **Annex B** to this proxy statement/prospectus, and the special meeting. Consolidated Graphics shareholders should read this information carefully and in its entirety. The enclosed voting materials allow shareholders to vote their shares without attending the special meeting in person.

**Q: How does the Consolidated Graphics board recommend that I vote at the special meeting?**

A: The board of directors of Consolidated Graphics, which we refer to as the Consolidated Graphics board, unanimously recommends that Consolidated Graphics shareholders vote **FOR** the proposal to approve the merger



agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger. See the section entitled The Merger Recommendation of the Consolidated Graphics Board; Consolidated Graphics Reasons for the Merger beginning on page 52 of this proxy statement/prospectus.

**Table of Contents**

**Q: What will I receive if the merger is completed?**

A: Upon completion of the merger, each share of Consolidated Graphics common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive (i) an amount in cash equal to \$34.44, without interest and (ii) 1.651 shares of R.R. Donnelley common stock, which we refer to, collectively, as the per share merger consideration.

**Q: How do I calculate the value of the per share merger consideration?**

A: Because R.R. Donnelley will pay a fixed amount of cash and issue a fixed number of shares of R.R. Donnelley common stock as part of the per share merger consideration, the value of the per share merger consideration will depend in part on the price per share on the NASDAQ Global Select Market, which we refer to as Nasdaq, of R.R. Donnelley common stock at the time the merger is completed. That price will not be known at the time of the special meeting and may be greater or less than the current price of R.R. Donnelley common stock or the price of R.R. Donnelley common stock at the time of the special meeting.

Based on the closing price of \$16.69 of R.R. Donnelley common stock on Nasdaq on October 23, 2013, the date of the execution of the merger agreement and the last trading day before the public announcement of the merger agreement, the per share merger consideration represented approximately \$62.00 per share of Consolidated Graphics common stock. Based on the closing price of \$18.18 of R.R. Donnelley common stock on Nasdaq on December 19, 2013, the latest practicable date before the mailing of this proxy statement/prospectus, the per share merger consideration represented approximately \$64.46 per share of Consolidated Graphics common stock.

**Q: What happens if I am eligible to receive a fraction of a share of R.R. Donnelley common stock as part of the per share merger consideration?**

A: If the aggregate number of shares of R.R. Donnelley common stock that you are entitled to receive as part of the per share merger consideration includes a fraction of a share of R.R. Donnelley common stock, you will receive cash in lieu of that fractional share. See the section entitled "The Merger Agreement - Fractional Shares" beginning on page 72 of this proxy statement/prospectus.

**Q: When do you expect the merger to be completed?**

A: Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 83 of this proxy statement/prospectus, including the approval of the proposal to approve the merger agreement by Consolidated Graphics shareholders at the special meeting, Consolidated Graphics and R.R. Donnelley expect that the merger will be completed during the first quarter of 2014. However, it is possible that factors outside the control of both companies could result in the merger being completed at a different time or not at all.

**Q: What are the material United States federal income tax consequences of the merger to Consolidated Graphics shareholders?**

A: If you are a U.S. holder of Consolidated Graphics common stock, the merger will be a taxable transaction to you. For U.S. federal income tax purposes, your receipt of cash and R.R. Donnelley common stock in exchange for your shares of Consolidated Graphics common stock generally will cause you to recognize gain or loss measured by the difference, if any, between (i) the sum of the fair market value of the R.R. Donnelley common stock and the amount of cash (including any cash received in lieu of fractional shares of R.R. Donnelley common stock) you receive in the merger and (ii) your adjusted tax basis in your Consolidated Graphics common stock. If you are a non-U.S. holder of Consolidated Graphics common stock, the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. In either case, you should consult your own tax advisor for a full understanding of how the merger will affect your taxes. See the section entitled **Material U.S. Federal Income Tax Consequences** beginning on page 98 of this proxy statement/prospectus.

**Table of Contents**

**Q: Who can vote at the special meeting?**

A: All holders of record of Consolidated Graphics common stock as of the close of business on December 19, 2013, the record date for the special meeting, which we refer to as the record date, are entitled to receive notice of, and to vote at, the special meeting. Each holder of Consolidated Graphics common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of Consolidated Graphics common stock that such holder owned of record as of the record date.

**Q: When and where is the special meeting?**

A: The special meeting will be held on Tuesday, January 28, 2014, at 5:00 p.m. Central time, at 5858 Westheimer Rd., Suite 300, Houston, Texas 77057. All Consolidated Graphics shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and Consolidated Graphics guests are invited to attend the special meeting in person. To gain admittance, please bring valid photo identification, such as a driver's license or passport, with you to the special meeting. If your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of Consolidated Graphics common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the special meeting. For additional information about the special meeting, see the section entitled "Information About the Special Meeting" beginning on page 11 of this proxy statement/prospectus.

**Q: What am I being asked to vote on at the special meeting?**

A: You are being asked to consider and vote upon (i) a proposal to approve the merger agreement, (ii) the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

**Q: Why am I being asked to consider and vote on a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers of Consolidated Graphics in connection with the merger?**

A: Under SEC rules, Consolidated Graphics is required to seek a non-binding, advisory vote with respect to the compensation that may be paid or become payable to its named executive officers that is based on, or otherwise relates to, the merger.

**Q: What will happen if Consolidated Graphics shareholders do not approve this merger-related compensation?**

A: Approval of the compensation that may be paid or become payable to Consolidated Graphics named executive officers that is based on, or otherwise relates to, the merger is not a condition to completion of the merger. The vote is an advisory vote and will not be binding on Consolidated Graphics or the surviving corporation in the merger. If the merger is completed, the merger-related compensation may be paid to Consolidated Graphics named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if Consolidated Graphics shareholders do not approve, by non-binding, advisory vote, the merger-related compensation.

**Q: What is the vote required to approve each proposal at the Consolidated Graphics special meeting?**

A: The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote on the matter

---

**Table of Contents**

at the special meeting. Because the affirmative vote required to approve the proposal to approve the merger agreement is based upon the total number of outstanding shares of Consolidated Graphics common stock, if you fail to submit a proxy or vote in person at the special meeting, or abstain, or you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will have the same effect as a vote

**AGAINST** the proposal to approve the merger agreement.

The approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement requires the affirmative vote of the holders of a majority of shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting, whether or not a quorum is present. A vote to abstain will have the same effect as a vote **AGAINST** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement. If you fail to submit a proxy or to vote in person at the special meeting or if your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Consolidated Graphics common stock, your shares of Consolidated Graphics common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement.

The approval of the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger, requires the affirmative vote of holders of a majority of the shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting. A vote to abstain will have the same effect as a vote

**AGAINST** the proposal. If you fail to submit a proxy or to vote in person at the special meeting or if your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Consolidated Graphics common stock, your shares of Consolidated Graphics common stock will not be voted, but this will not have an effect on the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

See the section entitled, Information About the Special Meeting Record Date and Quorum beginning on page 38 of this proxy statement/prospectus.

**Q: What is the effect of the voting agreement on the proposal to approve the merger agreement?**

A: Joe R. Davis, the Chairman and Chief Executive Officer of Consolidated Graphics, has entered into the voting agreement, pursuant to which Mr. Davis has agreed to vote his shares, representing approximately 16.5% of the shares of Consolidated Graphics common stock outstanding as of the close of business on the record date and entitled to vote at the special meeting, in favor of the approval of the proposal to approve the merger agreement. The voting agreement does not change the amount of votes required to approve the proposal to approve the merger agreement. The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote on the matter at the special meeting, including Mr. Davis' shares.

**Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

A: If your shares of Consolidated Graphics common stock are registered directly in your name with the transfer agent of Consolidated Graphics, American Stock Transfer & Trust Company, LLC, you are considered the shareholder of record with respect to those shares. As the shareholder of record, you have the right to vote, to grant a proxy for your vote directly to Consolidated Graphics or to a third party to vote at the special meeting. If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and your bank, brokerage firm or other nominee is considered the shareholder of record with respect to those shares. Your bank, brokerage firm or other nominee will send

**Table of Contents**

you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote these shares in person at the special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the special meeting.

**Q: If my shares of Consolidated Graphics common stock are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee automatically vote those shares for me?**

A: Your bank, brokerage firm or other nominee will only be permitted to vote your shares of Consolidated Graphics common stock if you instruct your bank, brokerage firm or other nominee how to vote. You should follow the procedures provided by your bank, brokerage firm or other nominee regarding the voting of your shares of Consolidated Graphics common stock. In accordance with the rules of the NYSE, banks, brokerage firms and other nominees who hold shares of Consolidated Graphics common stock in street name for their customers have authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to non-routine matters, such as the proposal to approve the merger agreement, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and the proposal to approve, by non-binding, advisory vote, the merger-related executive compensation. As a result, absent specific instructions from the beneficial owner of such shares, banks, brokerage firms and other nominees are not empowered to vote such shares, which we refer to as a broker non-vote. The effect of not instructing your broker how you wish your shares to be voted will be the same as a vote **AGAINST** the proposal to approve the merger agreement, and will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement or on the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

**Q: How many votes do I have?**

A: Each Consolidated Graphics shareholder is entitled to one vote for each share of Consolidated Graphics common stock held of record as of the record date. As of the close of business on the record date, there were 9,687,642 outstanding shares of Consolidated Graphics common stock.

**Q: What constitutes a quorum for the special meeting?**

A: A majority of the shares of Consolidated Graphics common stock issued and outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for purposes of the special meeting. Votes to abstain are counted as present for the purpose of determining whether a quorum is present, but broker non-votes will not be included for this purpose. If you hold shares of Consolidated Graphics common stock in street name and you provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares or obtain a legal proxy from such bank, brokerage



firm or other nominee to vote your shares in person at the special meeting, then your shares will be counted as part of the quorum.

**Q: How do I vote?**

A: *Shareholder of Record.* If you are a shareholder of record, you may have your shares of Consolidated Graphics common stock voted on the matters to be presented at the special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your

**Table of Contents**

identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

*Beneficial Owner.* If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

**Q: How can I change or revoke my vote?**

A: You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to Consolidated Graphics prior to the time the special meeting begins. Written notice of revocation should be mailed to: Consolidated Graphics, Inc., Attention: Corporate Secretary, 5858 Westheimer Rd., Suite 200, Houston, Texas 77057.

**Q: If a shareholder gives a proxy, how are the shares of Consolidated Graphics common stock voted?**

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card will vote your shares of Consolidated Graphics common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of Consolidated Graphics common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted **FOR** the proposal to approve the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

**Q: What should I do if I receive more than one set of voting materials?**

A:

If you hold shares of Consolidated Graphics common stock in street name and also directly as a record holder or otherwise or if you hold shares of Consolidated Graphics common stock in more than one brokerage account, you may receive more than one set of voting materials relating to the special meeting. Please complete, sign, date and return each proxy card (or cast your vote by telephone or Internet as provided on your proxy card) or otherwise follow the voting instructions provided in this proxy statement/prospectus in order to ensure that all of your shares of Consolidated Graphics common stock are voted. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

**Q: What happens if I sell my shares of Consolidated Graphics common stock before the special meeting?**

A: The record date is earlier than both the date of the special meeting and the effective time of the merger. If you transfer your shares of Consolidated Graphics common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the per share merger consideration, you must hold your shares through the effective time of the merger.

**Table of Contents**

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: Consolidated Graphics has engaged D.F. King to assist in the solicitation of proxies for the special meeting. Consolidated Graphics estimates that it will pay D.F. King a fee of \$12,500 plus an additional fee of \$4.50 per incoming and outgoing telephone contact and telecom charges. Consolidated Graphics has agreed to reimburse D.F. King for certain out-of-pocket fees and expenses and also will indemnify D.F. King against certain losses, claims, damages, liabilities or expenses. Consolidated Graphics also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Consolidated Graphics common stock. Consolidated Graphics directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

**Q: What do I need to do now?**

A: Even if you plan to attend the special meeting in person, after carefully reading and considering the information contained in this proxy statement/prospectus, please vote promptly to ensure that your shares are represented at the special meeting. If you hold your shares of Consolidated Graphics common stock in your own name as the shareholder of record, you may submit a proxy to have your shares of Consolidated Graphics common stock voted at the special meeting in one of three ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you decide to attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

**Q: Should I send in my share certificates now?**

A: **No, please do NOT return your share certificate(s) with your proxy.** If the proposal to approve the merger agreement is approved by Consolidated Graphics shareholders and the merger is completed, you will be sent a

letter of transmittal as promptly as reasonably practicable after the completion of the merger describing how you may exchange your shares of Consolidated Graphics common stock for the per share merger consideration. If your shares of Consolidated Graphics common stock are held in street name through a bank, brokerage firm or other nominee, you will receive instructions from your bank, brokerage firm or other nominee as to how to effect the surrender of your street name shares of Consolidated Graphics common stock in exchange for the per share merger consideration.

**Q: Am I entitled to exercise appraisal rights instead of receiving the per share merger consideration for my shares of Consolidated Graphics common stock?**

A: Yes. Under Chapter 10, Subchapter H of the Texas Business Organizations Code, which we refer to as the TBOC, Consolidated Graphics shareholders who object in writing to the merger prior to the special meeting, vote against the merger at the special meeting in person or by proxy, and submit a written demand for appraisal after the special meeting will be entitled to dissenters' rights of appraisal in connection with the merger, and if the merger is completed, obtain payment equal to the fair value of their shares of

**Table of Contents**

Consolidated Graphics common stock instead of the per share merger consideration. These procedures are summarized in the section entitled **Dissenters' Rights of Consolidated Graphics Shareholders** beginning on page 112 of this proxy statement/prospectus. In addition, the text of Chapter 10, Subchapter H of the TBOC is reproduced in its entirety as **Annex D** to this proxy statement/prospectus. Failure to strictly comply with these provisions will result in the loss of appraisal rights.

**Q: Are there any risks that I should consider in deciding whether to vote for the proposal to approve the merger agreement?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled **Risk Factors** beginning on page 30 of this proxy statement/prospectus. You also should read and carefully consider the risk factors of R.R. Donnelley and Consolidated Graphics contained in the documents that are incorporated by reference into this proxy statement/prospectus.

**Q: Who can help answer any other questions I have?**

A: If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of Consolidated Graphics common stock, or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact D.F. King, Consolidated Graphics' proxy solicitor, by calling toll-free at 1-800-290-6429. Banks, brokerage firms, and other nominees may call collect at 212-269-5550.

**Q: What happens if the merger is not completed?**

A: If the merger agreement and the transactions contemplated thereby are not approved by Consolidated Graphics shareholders or if the merger is not completed for any other reason, Consolidated Graphics shareholders will not receive any consideration for their shares of Consolidated Graphics common stock. Instead, Consolidated Graphics will remain an independent public company, Consolidated Graphics common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act and Consolidated Graphics will continue to file periodic reports with the SEC. Under specified circumstances, Consolidated Graphics may be required to pay R.R. Donnelley a termination fee of \$15 million plus up to \$3 million in expenses. See the section entitled **The Merger Agreement Termination Termination Fee; Expense Payment** beginning on page 85 of this proxy statement/prospectus.

**Table of Contents**

**SUMMARY**

*The following summary highlights selected information in this proxy statement/prospectus and may not contain all the information that may be important to you as a Consolidated Graphics shareholder. Accordingly, we encourage you to read carefully this entire proxy statement/prospectus, its annexes and the documents referred to in this proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled *Where You Can Find More Information* beginning on page 120 of this proxy statement/prospectus.*

**Parties to the Merger (Page 43)**

***Consolidated Graphics, Inc.***

*5858 Westheimer Rd., Suite 200*

*Houston, Texas 77057*

*(713) 787-0977*

Consolidated Graphics, Inc., a Texas corporation, is one of North America's leading general commercial printing companies. With 70 printing businesses strategically located across 26 states, Toronto, Canada, Prague, Czech Republic, and Gero, Japan, Consolidated Graphics offers a broad geographic footprint, leading-edge capabilities, and high levels of convenience, efficiency and service.

Consolidated Graphics common stock is listed on the NYSE under the symbol CGX.

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

*111 South Wacker Drive,*

*Chicago, Illinois 60606*

*(312) 326-8000*

R.R. Donnelley & Sons Company, a Delaware corporation, is a global provider of integrated communications. R.R. Donnelley works collaboratively with more than 60,000 customers worldwide to develop custom communications solutions that reduce costs, drive top-line growth, enhance return on investment and increase compliance. Drawing on a range of proprietary and commercially available digital and conventional technologies deployed across four continents, R.R. Donnelley employs a suite of leading Internet-based capabilities and other resources to provide premedia, printing, logistics and business process outsourcing services to clients in virtually every private and public sector.

R.R. Donnelley common stock is listed on Nasdaq under the symbol RRD.

***Hunter Merger Sub, Inc.***

*c/o R.R. Donnelley & Sons Company*

*111 South Wacker Drive,*

*Chicago, Illinois 60606*

*(312) 326-8000*

Hunter Merger Sub, Inc., a Texas corporation and a wholly owned subsidiary of R.R. Donnelley, was formed solely for the purpose of facilitating the merger. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, Merger Sub will be merged with and into Consolidated Graphics, Merger Sub's separate existence will cease and Consolidated Graphics will become a wholly owned subsidiary of R.R. Donnelley.



## **Table of Contents**

### **The Merger and the Merger Agreement**

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

Pursuant to the merger agreement, Merger Sub will merge with and into Consolidated Graphics. After the merger, Consolidated Graphics will be the surviving corporation and a wholly owned subsidiary of R.R. Donnelley. Following the merger, Consolidated Graphics common stock will be delisted from the NYSE, deregistered under the Exchange Act and will cease to be publicly traded.

### **Per Share Merger Consideration (Page 45)**

At the effective time of the merger, each share of Consolidated Graphics common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive (i) an amount in cash equal to \$34.44, without interest, and (ii) 1.651 shares of R.R. Donnelley common stock.

### **Recommendation of the Consolidated Graphics Board; Consolidated Graphics Reasons for the Merger (Page 52)**

After careful consideration of various factors described in the section entitled "The Merger Recommendation of the Consolidated Graphics Board; Consolidated Graphics Reasons for the Merger" beginning on page 52 of this proxy statement/prospectus, at a meeting held on October 23, 2013, the Consolidated Graphics board unanimously (i) approved and declared advisable the merger agreement and the voting agreement, and the consummation of the transactions contemplated by the merger agreement and voting agreement, upon the terms and subject to the conditions set forth in the merger agreement and voting agreement, (ii) determined that the terms of the merger agreement, and the other transactions contemplated by the merger agreement, are fair to, and in the best interests of, Consolidated Graphics and its shareholders, (iii) directed that the merger agreement be submitted to Consolidated Graphics shareholders for approval and (iv) recommended that Consolidated Graphics shareholders approve the merger agreement and the transactions contemplated thereby, including the merger.

### **Opinion of Consolidated Graphics Financial Advisor (Page 55)**

In connection with the merger, Credit Suisse Securities (USA) LLC, which we refer to as Credit Suisse, which is serving as financial advisor to Consolidated Graphics, delivered an opinion, dated October 23, 2013, to the Consolidated Graphics board as to the fairness, from a financial point of view and as of the date of such opinion, of the per share merger consideration to be received by Consolidated Graphics shareholders. The full text of Credit Suisse's written opinion, dated October 23, 2013, is attached to this proxy statement/prospectus as **Annex C** and sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse in connection with such opinion. The description of Credit Suisse's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's opinion attached to this proxy statement/prospectus as **Annex C**. Credit Suisse's opinion was provided to the Consolidated Graphics board (in its capacity as such) for its information in connection with its evaluation of the per share merger consideration from a financial point of view and did not address any other aspect of the merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Consolidated Graphics or the underlying business decision of Consolidated Graphics to proceed with the merger. The opinion should not be construed as creating any fiduciary duty on Credit Suisse's part to any party and does not constitute advice or a recommendation to any Consolidated Graphics shareholder as to how such shareholder should

vote or act on any matter relating to the merger or otherwise. See the section entitled "The Merger" Opinion of Consolidated Graphics Financial Advisor beginning on page 55 of this proxy statement/prospectus.

**Table of Contents**

**Information About the Special Meeting (Page 38)**

***Time, Place and Purpose of the Special Meeting (Page 38)***

The special meeting to consider and vote upon the proposal to approve the merger agreement will be held on Tuesday, January 28, 2014, at 5:00 p.m. Central time, at 5858 Westheimer Rd., Suite 300, Houston, Texas 77057.

At the special meeting, Consolidated Graphics shareholders will be asked to consider and vote upon (i) a proposal to approve the merger agreement, (ii) the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

***Record Date and Quorum (Page 38)***

You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of Consolidated Graphics common stock as of the close of business on December 19, 2013, the record date. On the record date, there were 9,687,642 shares of Consolidated Graphics common stock outstanding and entitled to vote. You will have one vote on all matters properly coming before the special meeting for each share of Consolidated Graphics common stock that you owned on the record date.

A majority of the shares of Consolidated Graphics common stock outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for the purposes of the special meeting. Shares of Consolidated Graphics common stock represented at the special meeting but not voted, including shares of Consolidated Graphics common stock for which a shareholder directs an abstention from voting, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the special meeting. Once a share of Consolidated Graphics common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be determined.

***Vote Required (Page 39)***

The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote thereon. Votes to abstain will not be counted as votes cast in favor of the proposal to approve the merger agreement, but will count for the purpose of determining whether a quorum is present. If you fail to submit a proxy or to vote in person at the special meeting, or if you vote to abstain, it will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement.

Approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement will require the affirmative vote of the holders of a majority of the outstanding shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote at the special meeting, whether or not a quorum is present. For purposes of the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement, if your shares of Consolidated Graphics common stock are present in person at the special meeting but are not voted on, or if you have given a proxy and abstained on, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to

approve the proposal to approve the merger agreement, this will have the same effect as if you voted **AGAINST** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special

**Table of Contents**

meeting to approve the proposal to approve the merger agreement. If you fail to submit a proxy or vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of Consolidated Graphics common stock that are not voted will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement.

The approval of the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of the shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting. For purposes of the proposal, if your shares of Consolidated Graphics common stock are present in person at the special meeting but are not voted on this proposal, or if you have given a proxy and abstained on this proposal, this will have the same effect as if you voted **AGAINST** the approval of the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of Consolidated Graphics common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

As of the record date, the directors and executive officers of Consolidated Graphics were entitled to vote, in the aggregate, 1,654,467 shares of Consolidated Graphics common stock, representing 17.1% of the outstanding shares of Consolidated Graphics common stock as of the close of business on the record date. The directors and executive officers of Consolidated Graphics have informed Consolidated Graphics that they currently intend to vote all such shares of Consolidated Graphics common stock **FOR** the proposal to approve the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

***Proxies and Revocations (Page 40)***

Any shareholder of record entitled to vote at the special meeting may submit a proxy by telephone, over the Internet, by returning the enclosed proxy card in the accompanying prepaid reply envelope or may vote in person by appearing at the special meeting. If your shares of Consolidated Graphics common stock are held in street name through a bank, brokerage firm or other nominee, you should instruct your bank, brokerage firm or other nominee on how to vote your shares of Consolidated Graphics common stock using the instructions provided by your bank, brokerage firm or other nominee. If you fail to submit a proxy or to vote in person at the special meeting, or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of Consolidated Graphics common stock will not be voted on the approval of the proposal to approve the merger agreement, which will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement, and your shares of Consolidated Graphics common stock will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement or on the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

You have the right to revoke a proxy, whether delivered by telephone, over the Internet or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special

meeting and voting in person, or by giving written notice of revocation to Consolidated Graphics prior to the time the special meeting begins. Written notice of revocation should be mailed to: Consolidated Graphics, Inc., Attention: Corporate Secretary, 5858 Westheimer Rd., Suite 200, Houston, Texas 77057.

## **Table of Contents**

### **Interests of Consolidated Graphics Directors and Executive Officers in the Merger (Page 13)**

The directors and executive officers of Consolidated Graphics may have interests in the merger that are different from, in addition to or in conflict with, those of Consolidated Graphics shareholders generally. These interests include the continued employment of certain executive officers of Consolidated Graphics, the treatment in the merger of options to acquire shares of Consolidated Graphics common stock granted under any agreement, which we refer to as Consolidated Graphics stock options, bonus awards, employment agreements, change-in-control severance agreements and other rights held by Consolidated Graphics directors and executive officers, and the indemnification of former Consolidated Graphics directors and officers by R.R. Donnelley. The Consolidated Graphics board was aware of and considered these interests when it declared advisable the merger agreement and the voting agreement, and the consummation of the transactions contemplated thereby, determined that the terms of the merger agreement, and the transactions contemplated by the merger agreement, were fair to, and in the best interests of, Consolidated Graphics and its shareholders, and recommended that Consolidated Graphics shareholders approve the merger agreement and the transactions contemplated thereby, including the merger. See the sections entitled Interests of Consolidated Graphics Directors and Executive Officers in the Merger beginning on page 13 of this proxy statement/prospectus and Advisory Vote on Merger Related Compensation for the Named Executive Officers of Consolidated Graphics beginning on page 96 of this proxy statement/prospectus.

### **Treatment of Consolidated Graphics Stock Options in the Merger (Page 71)**

At the effective time of the merger, each Consolidated Graphics stock option will be automatically cancelled and converted into the right to receive an amount in cash, which we refer to as the per share stock option consideration, equal to the excess, if any, of (i)(x)(1) \$34.44, *plus* (2) the product of 1.651 and the average of the closing sale prices of shares of R.R. Donnelley common stock on Nasdaq for each of the 10 consecutive trading days ending with the third complete trading day prior to the closing date, which we refer to as the R.R. Donnelley trading price, *minus* (y) the per share exercise price of the applicable Consolidated Graphics stock option immediately prior to the effective time of the merger, *multiplied by* (ii) the aggregate number of shares of Consolidated Graphics common stock into which the applicable Consolidated Graphics stock option was exercisable immediately prior to the effective time of the merger.

If the exercise price per share of any such Consolidated Graphics stock option is equal to or greater than the per share stock option consideration, the Consolidated Graphics stock option will be cancelled without any cash payment.

### **Regulatory Approvals (Page 68)**

The completion of the merger is subject to antitrust review in the United States. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and the rules promulgated thereunder, the merger may not be completed until notification and report forms have been filed with the Federal Trade Commission, which we refer to as the FTC, and the Department of Justice, which we refer to as the DOJ, and the applicable waiting period (or any extensions thereof) has expired or been terminated.

On November 13, 2013, Consolidated Graphics and R.R. Donnelley filed with the FTC and the DOJ notification and report forms under the HSR Act with respect to the proposed merger. The waiting period with respect to the notification and report forms filed under the HSR Act expired on December 13, 2013, without any action having been taken by the FTC or the DOJ.

### **Dissenters Rights of Consolidated Graphics Shareholders (Page 112)**

Consolidated Graphics shareholders are entitled to appraisal rights under Chapter 10, Subchapter H of the TBOC. This means that, if the merger is completed, you are entitled to obtain payment equal to the fair value of your shares of Consolidated Graphics common stock instead of the per share merger consideration. The ultimate



**Table of Contents**

amount you receive in an appraisal proceeding may be less than, equal to or more than the amount you would have received under the merger agreement. To exercise your appraisal rights, you must submit a written objection to the merger to Consolidated Graphics before the vote is taken on the merger agreement, vote **AGAINST** the proposal to approve the merger agreement, and submit a written demand for appraisal after the vote is taken on the merger agreement. Your failure to follow exactly the procedures specified under the TBOC may result in the loss of your appraisal rights. If you hold your shares of Consolidated Graphics common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by your bank, brokerage firm or nominee. In light of the complexity of the TBOC, shareholders who may wish to pursue appraisal rights should consult their legal and financial advisors. See the section entitled **Dissenters' Rights of Consolidated Graphics Shareholders** beginning on page 115 of this proxy statement/prospectus and the text of Chapter 10, Subchapter H of the TBOC reproduced in its entirety as **Annex D** to this proxy statement/prospectus.

**Conditions to Completion of the Merger (Page 83)**

Each party's obligation to consummate the merger is subject to the satisfaction or waiver, to the extent applicable, of the following conditions:

approval of the merger agreement by the affirmative vote of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote thereon;

the expiration or termination of the waiting period applicable to the merger under the HSR Act;

the absence of any law, regulation, order, judgment, injunction or other requirement that restrains, enjoins or prohibits consummation of the transactions contemplated by the merger agreement;

the declaration by the SEC of the effectiveness of the registration statement on Form S-4 filed by R.R. Donnelley in respect of the shares of R.R. Donnelley common stock to be issued in the merger, of which this proxy statement/prospectus forms a part; and

the approval of the listing on Nasdaq of the shares of R.R. Donnelley common stock to be issued in the merger.

R.R. Donnelley and Merger Sub will not be obligated to effect the merger unless the following additional conditions are satisfied or waived:

the accuracy of the representations and warranties of Consolidated Graphics to the extent required under the merger agreement as described in the section entitled **The Merger Agreement - Conditions to Completion of the Merger** beginning on page 83 of this proxy statement/prospectus;

the performance, in all material respects, by Consolidated Graphics of its obligations under the merger agreement required to be performed at or prior to the closing date of the merger;

the delivery to R.R. Donnelley of a certificate signed by an authorized executive officer of Consolidated Graphics certifying that the above conditions with respect to the accuracy of representations and warranties and performance of the obligations of Consolidated Graphics have been satisfied;

the absence of any legal proceeding in which a governmental entity of competent jurisdiction is seeking a judgment to prohibit, restrain or make illegal the consummation of the merger or the voting agreement; and

the absence of the requirement by governmental entities that R.R. Donnelley enter into agreements to license, dispose of or hold separate assets of Consolidated Graphics or its subsidiaries that produced gross revenues in excess of 5% of the gross revenues of Consolidated Graphics and its subsidiaries during its 2013 fiscal year in order to consummate the merger.

**Table of Contents**

Consolidated Graphics will not be obligated to effect the merger unless the following additional conditions are satisfied or waived:

the performance, in all material respects, by R.R. Donnelley and Merger Sub of their respective obligations under the merger agreement required to be performed at or prior to the closing date of the merger;

the accuracy of the representations and warranties of R.R. Donnelley and Merger Sub to the extent required under the merger agreement as described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 83 of this proxy statement/prospectus; and

the delivery to Consolidated Graphics of a certificate signed by an authorized executive officer of R.R. Donnelley certifying that the above conditions with respect to the accuracy of representations and warranties and performance of the obligations of R.R. Donnelley and Merger Sub have been satisfied.

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 83 of this proxy statement/prospectus.

**No Solicitation or Negotiation of Alternative Proposals (Page 88)**

Under the terms of the merger agreement, Consolidated Graphics has agreed not to:

initiate, solicit, seek, encourage or knowingly facilitate any inquiries or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, any alternative proposal (as defined in the section entitled "The Merger Agreement - Alternative Proposals" beginning on page 78 of this proxy statement/prospectus);

engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide any non-public information or data to any person relating to, any alternative proposal; or

otherwise knowingly facilitate any effort or attempt to make an alternative proposal.

Notwithstanding these restrictions, prior to the approval of the merger agreement by Consolidated Graphics shareholders, Consolidated Graphics may:

provide information in response to a request therefor by a person who has made an unsolicited bona fide written alternative proposal, if Consolidated Graphics enters into a confidentiality agreement meeting certain requirements with such person and discloses such information to R.R. Donnelley to the extent not previously provided to R.R. Donnelley prior to or concurrently with disclosure to such person; or

engage or participate in discussions or negotiations with such person who has made an unsolicited bona fide written alternative proposal upon notice to R.R. Donnelley;  
in each case if the Consolidated Graphics board:

determines in good faith after consultation with its outside legal counsel that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law; and

determines in good faith based on the information then available and after consultation with its financial advisor that such alternative proposal either constitutes a superior proposal (as defined in the section entitled "The Merger Agreement - Alternative Proposals" beginning on page 78 of this proxy statement/prospectus) or is reasonably likely to result in a superior proposal.

**Table of Contents**

**Adverse Recommendation Change (Page 79)**

Prior to the approval of the proposal to approve the merger agreement by Consolidated Graphics shareholders, the Consolidated Graphics board may withhold, withdraw, qualify or modify its recommendation to Consolidated Graphics shareholders that they vote in favor of the approval of the proposal to approve the merger agreement or approve, recommend or otherwise declare advisable any superior proposal that was not solicited, initiated, encouraged or knowingly facilitated in material breach of the non-solicitation provisions of the merger agreement, any of which we refer to as an adverse recommendation change, if the Consolidated Graphics board determines in good faith, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with the directors fiduciary duties under applicable law, and

if the adverse recommendation change is made in the absence of a superior proposal, a material event, development, occurrence or change in circumstances or facts that was not actually known, appreciated or understood by the Consolidated Graphics board as of the date of the merger agreement has become known to it prior to the special meeting and Consolidated Graphics provides at least three business days notice, which we refer to as the notice period, to R.R. Donnelley of the Consolidated Graphics board's intention to take such action and the basis therefor; or

if the adverse recommendation change is made with respect to a superior proposal, Consolidated Graphics notifies R.R. Donnelley that it intends to take such action, attaching the most current version of any agreement with respect to a superior proposal, if any, and the terms of the superior proposal to such notice, and, at the end of the notice period, the Consolidated Graphics board determines in good faith after consultation with its financial advisor and outside legal counsel, after taking into account any modifications to the terms of the merger agreement or the transactions contemplated by the merger agreement proposed by R.R. Donnelley during the notice period, that such superior proposal would continue to constitute a superior proposal even if such modifications were given effect.

Prior to making any adverse recommendation change, Consolidated Graphics will be required to negotiate with R.R. Donnelley in good faith during the notice period (to the extent R.R. Donnelley desires to negotiate) with respect to any modifications to the terms of the merger agreement and the transactions contemplated by the merger agreement as would permit the Consolidated Graphics board not to take such action.

**Termination (Page 84)**

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the shareholder approval is obtained:

by mutual written consent of Consolidated Graphics and R.R. Donnelley;

by either R.R. Donnelley or Consolidated Graphics if:

## Edgar Filing: RR Donnelley & Sons Co - Form 424B3

any governmental entity has issued a final judgment prohibiting, restraining or making illegal the consummation of the merger or any of the other transactions contemplated by the merger agreement;

the merger has not been consummated by July 23, 2014, which we refer to as the outside date, which may be extended by R.R. Donnelley or Consolidated Graphics to no later than October 23, 2014 if all conditions to completion of the merger other than the expiration or termination of the waiting period applicable to the merger under the HSR Act have been satisfied or waived on or prior to July 23, 2014, which we refer to as an outside date termination event; or

the approval of the proposal to approve the merger agreement by the holders of two-thirds of the issued and outstanding shares of Consolidated Graphics common stock, which we refer to as the Consolidated Graphics shareholder approval, has not been obtained at a special meeting of Consolidated Graphics shareholders or any adjournment or postponement thereof, which we refer to as a shareholder approval termination event; or

**Table of Contents**

by Consolidated Graphics if:

it enters into an agreement with respect to a superior proposal, after having complied in all material respects with the applicable provisions described under the section entitled **The Merger Agreement Alternative Proposals** beginning on page 78 of this proxy statement/prospectus and simultaneously with such termination, Consolidated Graphics pays R.R. Donnelley the termination fee and expense payment (as described below); or

R.R. Donnelley breaches any of its representations, warranties, covenants or agreements in the merger agreement, or any of its representations or warranties shall have become untrue after the date of the merger agreement, such that the related non-mutual conditions to the obligation of Consolidated Graphics to close the merger would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of 30 days after written notice is given by the terminating party and the outside date; or

by R.R. Donnelley if:

the Consolidated Graphics board effects an adverse recommendation change, which we refer to as an adverse recommendation change termination event;

Consolidated Graphics has failed to take a vote of Consolidated Graphics shareholders to approve the merger agreement prior to the outside date;

the Consolidated Graphics board or Consolidated Graphics has breached in any material respect its obligations under the provisions described in the section entitled **The Merger Agreement Alternative Proposals** beginning on page 78 of this proxy statement/prospectus; or

Consolidated Graphics breaches any of its representations, warranties, covenants or agreements in the merger agreement, or any of its representations or warranties shall have become untrue after the date of the merger agreement, such that the related non-mutual conditions to the obligation of R.R. Donnelley and Merger Sub to close the merger would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of 30 days after written notice is given by the terminating party and the outside date.

We refer to any of the matters set forth in the three immediately preceding bullet points as a Consolidated Graphics breach termination event.

**Termination Fee; Expense Payment (Page 85)**

Consolidated Graphics will pay R.R. Donnelley the amount of \$15 million in cash, which we refer to as the termination fee, if:

each of the following occurs:

either R.R. Donnelley or Consolidated Graphics terminates the merger agreement pursuant to an outside date termination event or a shareholder approval termination event or R.R. Donnelley terminates the merger agreement pursuant to a Consolidated Graphics breach termination event;

an alternative proposal is made to the Consolidated Graphics board, Consolidated Graphics or any of its subsidiaries or any Consolidated Graphics shareholders or any person has publicly announced an intention to make an alternative proposal, which proposal or publicly announced intention is not publicly and unconditionally withdrawn, with respect to any outside date termination event, at least 10 business days prior to the outside date, with respect to any shareholder approval termination event, at least five business days prior to the date of the shareholders meeting, including any postponement or adjournment thereof, and, with respect to any Consolidated Graphics breach termination event, at least 10 business days prior to such termination; and



**Table of Contents**

within 12 months of any such termination, Consolidated Graphics or any of its subsidiaries enters into a binding written agreement with respect to, consummates, or approves or recommends to Consolidated Graphics shareholders, an alternative proposal, or an alternative proposal is consummated (substituting 50% for 20% in the definition of alternative proposal);

R.R. Donnelley terminates the merger agreement pursuant to an adverse recommendation change termination event; or

Consolidated Graphics terminates the merger agreement to enter into an agreement with respect to a superior proposal.

In addition, Consolidated Graphics will pay R.R. Donnelley all of the documented out-of-pocket expenses incurred by R.R. Donnelley or Merger Sub in connection with the merger agreement and the transactions contemplated by the merger agreement up to a maximum amount of \$3 million, which we refer to as the expense payment, in the event that the merger agreement is terminated by:

Consolidated Graphics to enter into an agreement with respect to a superior proposal;

R.R. Donnelley pursuant to an adverse recommendation change termination event or a Consolidated Graphics breach termination event; or

either R.R. Donnelley or Consolidated Graphics pursuant to an outside date termination event and in the event that the termination fee becomes subsequently payable by Consolidated Graphics.

**The Voting Agreement (Page 87)**

On October 23, 2013, R.R. Donnelley, Consolidated Graphics and Joe R. Davis entered into the voting agreement. As of the date of the voting agreement, Mr. Davis owned in the aggregate 2,479,121 shares of Consolidated Graphics common stock, comprising 1,594,121 shares of Consolidated Graphics common stock and 885,000 shares subject to Consolidated Graphics stock options (of which 878,000 are vested and exercisable). Mr. Davis shares represented approximately 16.5% of the shares of Consolidated Graphics common stock outstanding as of the close of business on the record date and entitled to vote at the special meeting. Mr. Davis has agreed to vote his shares of Consolidated Graphics common stock in favor of the merger and any other matter that must be approved by Consolidated Graphics shareholders in order to facilitate the merger, and to vote against, among other things, any proposal opposing or competing with the merger. The voting agreement will terminate on the earliest to occur of the effective time of the merger, the termination of the merger agreement, and any material amendment to the merger agreement made without the written consent of Mr. Davis to decrease the amount of the per share merger consideration or change the mix of cash and stock that constitutes the per share merger consideration. Notwithstanding the foregoing, Mr. Davis has entered into the voting agreement solely in his capacity as a shareholder and not in his capacity as a director or officer of Consolidated Graphics or any of its subsidiaries. Accordingly, the voting agreement does not restrict or limit Mr. Davis from taking or omitting to take any action in his capacity as a director or officer of Consolidated Graphics in order to fulfill his fiduciary obligations under applicable law or acting in such capacity or voting in such capacity in the good faith exercise of his fiduciary duties under applicable law. A copy of the voting agreement is attached to this proxy statement as **Annex B**.

**Accounting Treatment (Page 69)**

R.R. Donnelley prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which we refer to as GAAP. The merger will be accounted for using the acquisition method of accounting. R.R. Donnelley will be treated as the acquiror for accounting purposes.

**Table of Contents**

**Material U.S. Federal Income Tax Consequences (Page 98)**

If you are a U.S. holder of Consolidated Graphics common stock, the merger will be a taxable transaction to you. For U.S. federal income tax purposes, your receipt of cash and R.R. Donnelley common stock in exchange for your shares of Consolidated Graphics common stock generally will cause you to recognize gain or loss measured by the difference, if any, between the sum of (i) the fair market value of the R.R. Donnelley common stock and the amount of cash (including any cash received in lieu of fractional shares of R.R. Donnelley common stock) you receive in the merger and (ii) your adjusted tax basis in your Consolidated Graphics common stock. If you are a non-U.S. holder of Consolidated Graphics common stock, the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. In either case, you should consult your own tax advisor for a full understanding of how the merger will affect your taxes.

**Comparison of Shareholders Rights (Page 102)**

The rights of Consolidated Graphics shareholders are governed by its restated articles of incorporation, as amended, and third amended and restated by-laws, as amended, and Texas corporate law. Your rights as a shareholder of R.R. Donnelley will be governed by R.R. Donnelley's restated certificate of incorporation and amended and restated by-laws and Delaware corporate law. Your rights under R.R. Donnelley's restated certificate of incorporation and amended and restated by-laws and under Delaware corporate law will differ in some respects from your rights under Consolidated Graphics' restated articles of incorporation, as amended, and third amended and restated by-laws, as amended, and Texas corporate law. For more detailed information regarding a comparison of your rights as a shareholder of Consolidated Graphics and R.R. Donnelley, see the section entitled "Comparison of Shareholders Rights" beginning on page 102 of this proxy statement/prospectus.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CONSOLIDATED GRAPHICS**

The following table presents selected historical consolidated financial data for Consolidated Graphics as of and for the fiscal years ended March 31, 2013, 2012, 2011, 2010 and 2009 and as of and for the six months ended September 30, 2013 and 2012. The financial data as of March 31, 2013 and 2012 and for the fiscal years ended March 31, 2013, 2012 and 2011 have been derived from Consolidated Graphics' audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended March 31, 2013, which is incorporated by reference into this proxy statement/prospectus. The financial data as of March 31, 2011, 2010 and 2009 and for the fiscal years ended March 31, 2010 and 2009 has been derived from Consolidated Graphics' audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal years ended March 31, 2011 and 2010. The financial data as of September 30, 2013 and for the six months ended September 30, 2013 and 2012 have been derived from Consolidated Graphics' unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the six months ended September 30, 2013, which is incorporated by reference into this proxy statement/prospectus. The financial data as of September 30, 2012 has been derived from Consolidated Graphics' unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the six months ended September 30, 2012.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in Consolidated Graphics' Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and Consolidated Graphics' Quarterly Report on Form 10-Q for the six months ended September 30, 2013, including the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes therein. See the section entitled Where You Can Find More Information beginning on page 120 of this proxy statement/prospectus.

	Six Months Ended		Year Ended March 31,				
	September 30, 2013	2012	2013	2012	2011	2010	2009
<b>(In thousands, except per share data)</b>							
<b>Income Statement Data</b>							
Sales	\$ 492,759	\$ 501,943	\$ 1,048,237	\$ 1,045,195	\$ 1,054,040	\$ 990,861	\$ 1,145,146
Cost of sales	375,395	390,674	804,969	809,163	802,348	770,075	874,711
Gross profit	117,364	111,269	243,268	236,032	251,692	220,786	270,435
Selling expenses	45,930	46,091	92,865	90,765	91,626	91,378	105,688
General and administrative expenses	48,311	48,933	97,458	97,454	88,828	88,091	95,261
Goodwill impairment charge			949	1,984		6,134	83,324
Other charges	2,957	3,962	15,993	18,786	(1,945)	7,210	17,350
Other expense (income), net	274	(273)	289	294	237	357	(809)
Operating income (loss)	19,892	12,556	35,714	26,749	72,946	27,616	(30,379)
Interest expense, net	1,524	2,835	5,227	6,291	7,612	9,592	14,995

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

Income (loss) before taxes	18,368	9,721	30,487	20,458	65,334	18,024	(45,374)
Income tax expense (benefit)	4,138	3,460	8,262	6,356	23,922	3,936	(5,804)
Net income (loss)	14,230	6,261	\$ 22,225	\$ 14,102	\$ 41,412	\$ 14,088	\$ (39,570)
Earnings (loss) per share							
Basic	\$ 1.47	\$ 0.62	\$ 2.27	\$ 1.33	\$ 3.63	\$ 1.26	\$ (3.55)
Diluted	\$ 1.46	\$ 0.62	\$ 2.26	\$ 1.32	\$ 3.57	\$ 1.23	\$ (3.55)

**Table of Contents**

	September 30,		March 31,				
	2013	2012	2013	2012	2011	2010	2009
	(In thousands)						
<b>Balance Sheet Data</b>							
Working capital	\$ 99,002	\$ 73,474	\$ 82,243	\$ 64,542	\$ 63,099	\$ 48,364	\$ 109,433
Property and equipment, net	322,280	372,343	343,832	377,055	388,681	380,708	430,519
Goodwill	23,776	25,072	23,870	24,847	27,124	24,226	29,436
Total assets	634,291	688,440	644,643	675,120	698,483	687,235	765,208
Long-term debt, net of current portion	83,085	146,056	103,134	140,150	154,161	159,321	287,164
Total shareholders equity	296,412	263,885	278,374	273,701	297,361	269,426	250,464

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF R.R. DONNELLEY**

The following table presents selected historical consolidated financial data for R.R. Donnelley as of and for the fiscal years ended December 31, 2012, 2011, 2010, 2009 and 2008 and as of and for the nine months ended September 30, 2013 and 2012. The financial data for the fiscal years ended December 31, 2012, 2011 and 2010 have been derived from R.R. Donnelley's audited consolidated financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this proxy statement/prospectus. The financial data as of and for the fiscal years ended December 31, 2009 and 2008 have been derived from R.R. Donnelley's audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2009. The financial data as of September 30, 2013 and for the nine months ended September 30, 2013 and 2012 have been derived from R.R. Donnelley's unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, which is incorporated by reference into this proxy statement/prospectus. The financial data as of September 30, 2012 has been derived from R.R. Donnelley's unaudited condensed consolidated financial statements included in the Quarterly Report on Form 10-Q for the nine months ended September 30, 2012.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in R.R. Donnelley's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and R.R. Donnelley's Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes therein. See the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

	<b>Nine Months Ended</b>		<b>Year Ended December 31,</b>				
	<b>September 30, 2013<sup>(2)</sup></b>	<b>2012<sup>(3)</sup></b>	<b>2012<sup>(4)</sup></b>	<b>2011<sup>(5)</sup></b>	<b>2010<sup>(6)</sup></b>	<b>2009<sup>(7)</sup></b>	<b>2008<sup>(8)</sup></b>
	<b>(in millions, except per share data)<sup>(1)</sup></b>						
Net sales	\$ 7,725.0	\$ 7,562.3	\$ 10,221.9	\$ 10,611.0	\$ 10,018.9	\$ 9,857.4	\$ 11,581.6
Net earnings (loss) from continuing operations attributable to R.R. Donnelley common shareholders	107.2	197.6	(651.4)	(122.6)	221.7	(27.3)	(191.7)
Net earnings (loss) from continuing operations attributable to R.R. Donnelley common shareholders per diluted share	0.58	1.09	(3.61)	(0.63)	1.06	(0.13)	(0.91)
Income from discontinued operations, net of tax							1.8
Net earnings (loss) attributable to R.R. Donnelley common shareholders	107.2	197.6	(651.4)	(122.6)	221.7	(27.3)	(189.9)
Net earnings (loss) attributable to R.R. Donnelley common shareholders per diluted share	0.58	1.09	(3.61)	(0.63)	1.06	(0.13)	(0.90)

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

Total assets	7,102.0	8,303.9	7,262.7	8,281.7	9,083.2	8,747.6	9,494.3
Long-term debt	3,240.1	3,422.3	3,420.2	3,416.8	3,398.6	2,982.5	3,203.3
Cash dividends per common share	0.78	0.78	1.04	1.04	1.04	1.04	1.04

- (1) Reflects results of acquired businesses from the relevant acquisition dates.
- (2) Includes an \$81.9 million pre-tax loss on the repurchases of \$753.7 million of senior notes; pre-tax restructuring, impairment and other charges of \$80.6 million; \$5.5 million pre-tax impairment losses on equity investments; \$3.2 million pre-tax loss on the currency devaluation in Venezuela and \$2.2 million of acquisition-related expenses.



**Table of Contents**

- (3) Includes pre-tax restructuring, impairment and other charges of \$97.9 million; a \$15.1 million net benefit from income tax adjustments for the recognition of \$26.1 million of previously unrecognized tax benefits due to the resolution of certain U.S. federal uncertain tax positions, partially offset by a provision of \$11.0 million related to certain foreign earnings no longer considered to be permanently reinvested; a \$12.1 million pre-tax loss on the repurchases of \$441.8 million of senior notes, a \$4.1 million pre-tax impairment loss on an equity investment and \$2.1 million of acquisition-related expenses.
- (4) Includes pre-tax restructuring, impairment and other charges of \$1,118.5 million; a \$4.8 million net benefit from income tax adjustments including the recognition of \$26.1 million of previously unrecognized tax benefits due to the resolution of certain U.S. federal uncertain tax positions and a \$22.4 million benefit related to the decline in value and reorganization of certain entities within the International segment, partially offset by a valuation allowance provision of \$32.7 million on certain deferred tax assets in Latin America and an \$11.0 million provision related to certain foreign earnings no longer considered to be permanently reinvested; a \$16.1 million pre-tax loss on the repurchases of \$441.8 million of senior notes and termination of R.R. Donnelley's previous \$1.75 billion unsecured revolving credit agreement which was due to expire on December 17, 2013; a \$4.1 million pre-tax impairment loss on an equity investment; \$3.7 million pre-tax gain on pension curtailment and \$2.5 million of acquisition-related expenses.
- (5) Includes pre-tax restructuring, impairment and other charges of \$667.8 million; a \$74.8 million income tax benefit due to the expiration of U.S. federal statutes of limitations for certain years; a \$69.9 million pre-tax loss on the repurchases of \$427.8 million of senior notes; a \$38.7 million pre-tax gain on pension curtailment; \$15.3 million of pre-tax contingent expense for compensation earned by the prior owners of an acquired business; a \$9.8 million pre-tax gain on the investment in Helium, Inc. and \$2.2 million of acquisition-related expenses.
- (6) Includes pre-tax restructuring, impairment and other charges of \$157.9 million; \$13.5 million of acquisition-related expenses; an \$8.9 million pre-tax loss on the currency devaluation in Venezuela and a pre-tax \$1.1 million write-down of affordable housing investments.
- (7) Includes pre-tax restructuring, impairment and other charges of \$382.7 million; \$15.6 million of income tax expense due to the reorganization of certain entities within the International segment; a \$13.0 million pre-tax loss on the repurchases of \$640.6 million of senior notes; a pre-tax \$2.4 million write-down of affordable housing investments and \$1.6 million of acquisition-related expenses.
- (8) Includes pre-tax restructuring, impairment and other charges of \$1,184.7 million; a tax benefit of \$228.8 million related to the decline in value and reorganization of certain entities within the International segment and a tax benefit of \$38.0 million from the recognition of uncertain tax positions upon settlement of certain U.S. federal tax audits for the years 2000-2002 and a \$9.9 million pre-tax loss for the termination of cross-currency swaps.

**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following selected unaudited pro forma per share information for the year ended December 31, 2012 and the nine month period ended September 30, 2013 reflects the merger and related transactions as if they had occurred on January 1, 2012. The book value per share amounts in the table below reflects the merger as if it had occurred on September 30, 2013 or December 31, 2012. The information in the table is based on, and should be read together with, the historical financial information that R.R. Donnelley and Consolidated Graphics have presented in their respective filings with the SEC. See the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

The unaudited pro forma combined per share data is presented for illustrative purposes only and are not necessarily indicative of actual or future financial position or results of operations that would have been realized if the proposed merger had been completed as of the dates indicated or will be realized upon the completion of the proposed merger. The summary pro forma information is preliminary, based on initial estimates of the fair value of assets acquired (including intangible assets) and liabilities assumed, and is subject to change as more information regarding the fair values are obtained, which changes could be materially different than the initial estimates.

Consolidated Graphics did not declare or pay any dividends during the periods presented.

	<b>R.R. Donnelley (Unaudited)</b>	<b>Historical Consolidated Graphics (Unaudited)<sup>(1)</sup></b>	<b>Unaudited Pro Forma Combined<sup>(1)</sup></b>	<b>Equivalent Basis Unaudited Pro Forma Combined<sup>(1)(5)</sup></b>
<b>Basic Earnings (Loss) per Share Attributable to Common Shareholders</b>				
Nine Months Ended September 30, 2013	\$ 0.59	\$ 1.44	\$ 0.50 <sup>(6)</sup>	\$ 0.83 <sup>(6)</sup>
Year Ended December 31, 2012	\$ (3.61)	\$ 1.67	\$ (3.40) <sup>(7)</sup>	\$ (5.61) <sup>(7)</sup>
<b>Diluted Earnings (Loss) per Share Attributable to Common Shareholders</b>				
Nine Months Ended September 30, 2013	\$ 0.58	\$ 1.44	\$ 0.50 <sup>(6)</sup>	\$ 0.83 <sup>(6)</sup>
Year Ended December 31, 2012	\$ (3.61)	\$ 1.66	\$ (3.40) <sup>(7)</sup>	\$ (5.61) <sup>(7)</sup>
<b>Cash Dividends Per Share</b>				
Nine Months Ended September 30, 2013	\$ 0.78		\$ 0.78 <sup>(2)</sup>	\$ 1.29
Year Ended December 31, 2012	\$ 1.04		\$ 1.04 <sup>(2)</sup>	\$ 1.72
<b>Book Value Per Share</b>				
As of September 30, 2013	\$ 0.20 <sup>(3)</sup>	\$ 30.60 <sup>(3)</sup>	\$ 1.65 <sup>(4)(6)</sup>	\$ 2.72 <sup>(4)(6)</sup>
As of December 31, 2012	\$ 0.38 <sup>(3)</sup>	\$ 29.05 <sup>(3)</sup>	\$ 1.83 <sup>(4)(7)</sup>	\$ 3.02 <sup>(4)(7)</sup>

(1)

## Edgar Filing: RR Donnelley & Sons Co - Form 424B3

Consolidated Graphics' fiscal year end is March 31. In order to conform to R.R. Donnelley's fiscal year end of December 31, Consolidated Graphics' financial information included above has been calculated for the year-ended December 31, 2012 and nine months ended September 30, 2013.

- (2) Amounts are the same as historical cash dividends per share since no change in dividend policy is expected as a result of the transaction.
- (3) Book value per share represents the total shareholders' equity as of September 30, 2013 or December 31, 2012 divided by the number of shares outstanding.
- (4) Book value per share represents R.R. Donnelley's total shareholders' equity as of September 30, 2013 or December 31, 2012, plus the equity portion of the estimated purchase price based on the closing price of \$18.18 of R.R. Donnelley common stock on December 19, 2013 and Consolidated Graphics' outstanding shares as of October 31, 2013, divided by the pro forma shares outstanding.

**Table of Contents**

- (5) The per share amounts are calculated by multiplying the unaudited pro forma combined per share amounts by the exchange ratio of 1.651.
- (6) The unaudited pro forma and equivalent basis per share amounts for the nine months ended September 30, 2013 include adjustments to remove acquisition-related expenses, to increase depreciation and amortization expenses for expected fair value adjustments to property, plant and equipment and intangible assets and to increase financing costs for borrowings associated with the transaction. The pro forma amounts also reflect the issuance of 16.0 million incremental shares as part of the transaction, representing shares to be issued in respect of the issued and outstanding shares of Consolidated Graphics common stock as part of the per share merger consideration.
- (7) The unaudited pro forma and equivalent basis per share amounts for the year ended December 31, 2012 include adjustments to increase depreciation and amortization expense for expected fair value adjustments to property, plant and equipment and intangible assets and to increase financing costs for borrowings associated with the transaction. The pro forma amounts also reflect the issuance of 16.0 million incremental shares as part of the transaction, representing shares to be issued in respect of the issued and outstanding shares of Consolidated Graphics common stock as part of the per share merger consideration.

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Comparative Per Share Market Price Information**

Consolidated Graphics common stock trades on the NYSE under the symbol CGX and R.R. Donnelley common stock trades on Nasdaq under the symbol RRD. The following table presents the closing prices of Consolidated Graphics common stock and R.R. Donnelley common stock on October 23, 2013, the last trading day before the public announcement of the merger agreement, and December 19, 2013, the last practicable trading day prior to the mailing of this proxy statement/prospectus. The table also represents the equivalent value of the stock portion of the per share merger consideration on those dates, calculated by multiplying the closing price of R.R. Donnelley common stock on those dates by the exchange ratio of 1.651.

<b>Date</b>	<b>Consolidated Graphics Closing Price</b>	<b>R.R. Donnelley Closing Price</b>	<b>Exchange Ratio</b>	<b>Equivalent Per Share Value</b>
October 23, 2013	\$ 63.60	\$ 16.69	1.651	\$ 27.56
December 19, 2013	\$ 63.81	\$ 18.18	1.651	\$ 30.02

The above table shows only historical comparisons. These comparisons may not provide meaningful information to Consolidated Graphics shareholders in determining whether to approve the merger agreement. Consolidated Graphics shareholders are urged to obtain current market quotations for R.R. Donnelley common stock and Consolidated Graphics common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to approve the merger agreement. See the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

**Table of Contents****Comparative Stock Prices and Dividends**

The following table sets forth, for the periods indicated, the high and low sale prices per share of Consolidated Graphics common stock as reported by the NYSE and the high and low sale prices per share of R.R. Donnelley common stock as reported by Nasdaq. The table also provides information as to dividends paid per share of Consolidated Graphics common stock and R.R. Donnelley common stock.

	Consolidated Graphics			R.R. Donnelley		
	Common Stock		Dividend per Share	Common Stock		Dividend per Share
	High	Low		High	Low	
<i>For the calendar quarter ended:</i>						
<b>2013</b>						
December 31, 2013 (through December 19, 2013)	\$ 66.36	\$ 54.83	\$ 0.00	\$ 19.80	\$ 15.63	\$ 0.26
September 30, 2013	\$ 59.45	\$ 46.89	\$ 0.00	\$ 19.41	\$ 14.00	\$ 0.26
June 30, 2013	\$ 49.38	\$ 33.86	\$ 0.00	\$ 14.35	\$ 10.93	\$ 0.26
March 31, 2013	\$ 41.26	\$ 34.02	\$ 0.00	\$ 12.08	\$ 8.65	\$ 0.26
<b>2012</b>						
December 31, 2012	\$ 35.34	\$ 25.35	\$ 0.00	\$ 11.17	\$ 8.30	\$ 0.26
September 30, 2012	\$ 29.39	\$ 21.76	\$ 0.00	\$ 13.30	\$ 10.50	\$ 0.26
June 30, 2012	\$ 45.65	\$ 26.33	\$ 0.00	\$ 12.96	\$ 9.95	\$ 0.26
March 31, 2012	\$ 55.88	\$ 44.14	\$ 0.00	\$ 15.22	\$ 11.25	\$ 0.26
<b>2011</b>						
December 31, 2011	\$ 51.60	\$ 35.34	\$ 0.00	\$ 16.75	\$ 12.90	\$ 0.26
September 30, 2011	\$ 57.99	\$ 30.52	\$ 0.00	\$ 20.60	\$ 13.16	\$ 0.26
June 30, 2011	\$ 60.84	\$ 49.29	\$ 0.00	\$ 21.34	\$ 18.55	\$ 0.26
March 31, 2011	\$ 56.50	\$ 48.50	\$ 0.00	\$ 19.45	\$ 17.32	\$ 0.26
<b>2010</b>						
December 31, 2010	\$ 51.69	\$ 40.93	\$ 0.00	\$ 19.06	\$ 15.71	\$ 0.26
September 30, 2010	\$ 47.44	\$ 33.71	\$ 0.00	\$ 18.10	\$ 14.87	\$ 0.26
June 30, 2010	\$ 48.25	\$ 34.53	\$ 0.00	\$ 22.83	\$ 16.27	\$ 0.26
March 31, 2010	\$ 48.48	\$ 33.21	\$ 0.00	\$ 23.20	\$ 18.51	\$ 0.26

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This registration statement on Form S-4, of which this proxy statement/prospectus forms a part, and the documents to which Consolidated Graphics and R.R. Donnelley refer you to in this registration statement, of which this proxy statement/prospectus forms a part, as well as oral statements made or to be made by Consolidated Graphics and R.R. Donnelley, include certain forward-looking statements within the meaning of, and subject to the safe harbor created by, Section 21E of the Exchange Act with respect to the businesses, strategies and plans of Consolidated Graphics and R.R. Donnelley, their expectations relating to the merger and their future financial condition and performance. Statements included in or incorporated by reference into this registration statement, of which this proxy statement/prospectus forms a part, that are not historical facts, including statements about the beliefs and expectations of the managements of Consolidated Graphics and R.R. Donnelley, are forward-looking statements. Words such as believes, anticipates, estimates, expects, intends, aims, potential, will, would, could, considered variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. While Consolidated Graphics and R.R. Donnelley believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the control of R.R. Donnelley and Consolidated Graphics. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur. Actual results may differ materially from the current expectations of Consolidated Graphics and R.R. Donnelley depending upon a number of factors affecting their businesses and risks associated with the successful execution of the merger and the integration and performance of their businesses following the merger. These factors include, but are not limited to, risks and uncertainties detailed in R.R. Donnelley's periodic public filings with the SEC, including those discussed in the sections entitled Risk Factors in R.R. Donnelley's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and R.R. Donnelley's Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, June 30, 2013 and September 30, 2013 and in Consolidated Graphics' Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and Consolidated Graphics' Quarterly Reports on Form 10-Q for the periods ended June 30, 2013 and September 30, 2013, factors contained or incorporated by reference into such documents and in subsequent filings by R.R. Donnelley and Consolidated Graphics with the SEC, and the following factors:

the occurrence of any change, effect, event, occurrence, development, matter, state of facts, series of events or circumstances that could give rise to the termination of the merger agreement, including a termination of the merger agreement under circumstances that could require Consolidated Graphics to pay a termination fee and expenses to R.R. Donnelley;

the ability to implement integration plans for the merger, including with respect to sales forces, cost containment, asset rationalization and other key strategies and the ability to recognize the anticipated growth and cost savings and benefits of the merger;

the inability to complete the merger due to the failure to obtain the Consolidated Graphics shareholder approval or the failure to satisfy other conditions to the closing of the merger;

the failure of the merger to close for any other reason;

risks that the merger and the other transactions contemplated by the merger agreement disrupt current plans and operations and the potential difficulties in retention of any members of senior management of Consolidated Graphics and any other key employees that R.R. Donnelley is interested in retaining after the closing of the merger;

the outcome of any legal proceedings that have been or may be instituted against Consolidated Graphics and/or others relating to the merger agreement;

diversion of the attention of Consolidated Graphics and R.R. Donnelley management from ongoing business concerns;



**Table of Contents**

limitations placed on the ability of Consolidated Graphics and R.R. Donnelley to operate their respective businesses by the merger agreement;

the effect of the announcement of the merger on Consolidated Graphics and R.R. Donnelley's business relationships, employees, customers, suppliers, vendors, other partners, standing with regulators, operating results and businesses generally;

the amount of any costs, fees, expenses, impairments and charges related to the merger;

the volatility and disruption of the capital and credit markets and adverse changes in the global economy;

factors that affect customer demand, including changes in postal rates and postal regulations, changes in the capital markets, changes in advertising markets, the rate of migration from paper-based forms to digital format, customers' budgetary constraints and customers' changes in short-range and long-range plans;

uncertainty in predicting future results due to the lack of long-term contracts with customers, being the norm in the commercial printing industry;

customers' financial strength;

shortages or changes in availability, or increases in costs of, key materials (such as ink, paper and fuel);

changes in tax laws or interpretations that could increase the consolidated tax liabilities of Consolidated Graphics and R.R. Donnelley; and

competitive pressures in all markets in which Consolidated Graphics and R.R. Donnelley operate.

Consequently, all of the forward-looking statements Consolidated Graphics or R.R. Donnelley make in this document are qualified by the information contained or incorporated by reference into this proxy statement/prospectus, including, but not limited to (i) the information contained under this heading and (ii) the information discussed in the sections entitled "Risk Factors" in R.R. Donnelley's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and R.R. Donnelley's Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, June 30, 2013 and September 30, 2013 and in Consolidated Graphics' Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and Consolidated Graphics' Quarterly Reports on Form 10-Q for the periods ended June 30, 2013 and September 30, 2013. See the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

R.R. Donnelley and Consolidated Graphics do not undertake to and specifically disclaim any obligation to publicly release the results of any revisions to any such forward-looking statements that may be made to reflect future events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.



---

**Table of Contents**

**RISK FACTORS**

By voting in favor of the proposal to approve the merger agreement, Consolidated Graphics shareholders will be choosing to invest in R.R. Donnelley common stock. An investment in R.R. Donnelley common stock involves a high degree of risk. Before you vote, you should carefully consider the risks described below, those described in the section entitled **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 28 of this proxy statement/prospectus and the other information contained in this proxy statement/prospectus or in the documents of Consolidated Graphics and R.R. Donnelley incorporated by reference into this proxy statement/prospectus, particularly the risk factors set forth in the documents of Consolidated Graphics and R.R. Donnelley incorporated by reference into this proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 120 of this proxy statement/prospectus. In addition to the risks set forth below, new risks may emerge from time to time and it is not possible to predict all risk factors, nor can Consolidated Graphics or R.R. Donnelley assess the impact of all factors on the merger and the combined company following the merger or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements.

**Risks Relating to the Merger**

*Because the market price of shares of R.R. Donnelley common stock will fluctuate, you cannot be sure of the market value of the shares of R.R. Donnelley common stock you will receive in the merger.*

Upon completion of the merger, each share of Consolidated Graphics common stock that you hold will be converted into the right to receive the per share merger consideration, which will consist of (i) an amount in cash equal to \$34.44, without interest, and (ii) 1.651 shares of R.R. Donnelley common stock. There will be no adjustment to the per share merger consideration or exchange ratio for the stock portion of the per share merger consideration due to changes in the market price of either shares of Consolidated Graphics common stock or R.R. Donnelley common stock and the merger agreement does not provide for any price-based termination right. Accordingly, the market value of the shares of R.R. Donnelley common stock that you will be entitled to receive upon completion of the merger with respect to the stock portion of the per share merger consideration will depend on the market value of the shares of R.R. Donnelley common stock at the time of the completion of the merger and could vary significantly from the market value on the date of this proxy statement/prospectus or the date of the special meeting. In addition, the market value of the shares of R.R. Donnelley common stock that you will be entitled to receive in the merger with respect to the stock portion of the per share merger consideration also will continue to fluctuate after the completion of the merger and you could lose the value of your investment in R.R. Donnelley common stock. See the section entitled **Comparative Per Share Market Price and Dividend Information** beginning on page 26 of this proxy statement/prospectus.

Such variations could be the result of changes in the business, operations or products of Consolidated Graphics or R.R. Donnelley prior to the merger and R.R. Donnelley following the merger, market assessments of the likelihood that the merger will be completed or the timing of the completion of the merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of R.R. Donnelley or Consolidated Graphics. Because the date that the merger will be completed will be later than the date of the special meeting, at the time of the special meeting you will not know the value of the R.R. Donnelley common stock that you will receive upon completion of the merger with respect to the stock portion of the per share merger consideration.

*The market price for R.R. Donnelley common stock may be affected by factors different from those that historically have affected Consolidated Graphics common stock.*

Upon completion of the merger, Consolidated Graphics shareholders will become R.R. Donnelley shareholders. R.R. Donnelley's business differs from that of Consolidated Graphics, and accordingly the results of operations of R.R. Donnelley will be affected by some factors that are different from those currently affecting the results of operations of Consolidated Graphics. For a discussion of the businesses of R.R. Donnelley and

## Table of Contents

Consolidated Graphics and of some important factors to consider in connection with those businesses, see the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus for the location of information incorporated by reference into this proxy statement/prospectus.

*Unanticipated regulatory actions could prevent, or substantially delay, consummation of the merger.*

Under the provisions of the HSR Act, the merger may not be completed until notification and report forms have been filed with the FTC and the DOJ and the expiration of a statutory waiting period, or the early termination of that waiting period, following the parties' filing of their respective notification and report forms. On November 13, 2013, Consolidated Graphics and R.R. Donnelley filed with the FTC and the DOJ their respective notification and report forms under the HSR Act. The waiting period with respect to the notifications filed under the HSR Act expired on December 13, 2013, without any action having been taken by the FTC or the DOJ.

Notwithstanding the expiration of the statutory waiting period, at any time before or after completion of the merger, the FTC or the DOJ could act under the antitrust laws to prevent a substantial lessening of competition or the creation of a monopoly, including by seeking to enjoin completion of the transaction or seeking divestiture of assets, businesses or product lines of Consolidated Graphics or R.R. Donnelley. An extended period of time to complete the merger would increase the chance that an event occurs that constitutes a material adverse effect with respect to Consolidated Graphics and thereby may offer R.R. Donnelley an opportunity not to close the merger. Such extended period of time also may increase the chance that other adverse effects with respect to Consolidated Graphics could occur, such as the loss of key personnel. Similarly, an extended period of time would increase the chance that an event occurs that constitutes a material adverse effect with respect to R.R. Donnelley, that has an adverse impact on the value of the R.R. Donnelley common stock, and thus has a negative impact on the per share merger consideration.

*The closing of the merger is subject to many conditions and if these conditions are not satisfied or waived, the merger will not be completed.*

The closing of the merger is subject to a number of conditions as set forth in the merger agreement that must be satisfied or waived, including the Consolidated Graphics shareholder approval, the absence of any law or order prohibiting the closing of the merger, the expiration or termination of the waiting period applicable to the merger under the HSR Act, the declaration by the SEC of the effectiveness of the registration statement on Form S-4 filed by R.R. Donnelley in respect of the shares of R.R. Donnelley common stock to be issued in the merger, of which this proxy statement/prospectus forms a part, and the approval of the listing on Nasdaq of the shares of R.R. Donnelley common stock to be issued in the merger.

The closing of the merger is also dependent on the accuracy of representations and warranties made by the parties to the merger agreement (subject to customary materiality qualifiers and other customary exceptions) and the performance in all material respects by the parties of obligations imposed under the merger agreement.

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 83 of this proxy statement/prospectus.

There can be no assurance whether or when the conditions to closing of the merger will be satisfied or waived or the merger will be consummated.

*The opinion of Consolidated Graphics' financial advisor will not reflect changes in circumstances between the signing of the merger agreement and the completion of the merger.*

Consolidated Graphics has not obtained an updated opinion from its financial advisor, Credit Suisse, as of the date of this proxy statement/prospectus and does not expect to receive an updated opinion prior to the

---

**Table of Contents**

completion of the merger. Changes in the operations and prospects of Consolidated Graphics, general market and economic conditions and other factors that may be beyond the control of Consolidated Graphics, and on which the opinion of Credit Suisse was based, may significantly alter the value of Consolidated Graphics or the price of Consolidated Graphics common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of the opinion. Because Credit Suisse will not be updating its opinion, which was issued in connection with the execution of the merger agreement on October 23, 2013, the opinion will not address the fairness of the per share merger consideration from a financial point of view at the time the merger is completed. The recommendation of the Consolidated Graphics board that Consolidated Graphics shareholders vote **FOR** the proposal to approve the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger, however, are made as of the date of this proxy statement/prospectus. For a description of the opinion that Consolidated Graphics received from Credit Suisse, see the section entitled *The Merger Opinion of Consolidated Graphics Financial Advisor* beginning on page 55 of this proxy statement/prospectus.

*Consolidated Graphics will be subject to business uncertainties and certain operating restrictions until consummation of the merger.*

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Consolidated Graphics and consequently on the combined company following the merger. These uncertainties could disrupt the business of Consolidated Graphics and cause customers, suppliers, vendors, partners and others that deal with Consolidated Graphics to defer entering into contracts with Consolidated Graphics or making other decisions concerning Consolidated Graphics or seek to change or cancel existing business relationships with Consolidated Graphics. The uncertainty and difficulty of integration could also cause key employees of Consolidated Graphics to lose motivation or to leave their employment. In addition, the merger agreement restricts Consolidated Graphics from making certain acquisitions and taking other specified actions until the merger occurs without the consent of R.R. Donnelley. These restrictions may prevent Consolidated Graphics from pursuing attractive business opportunities that may arise prior to the completion of the merger. See the section entitled *The Merger Agreement Conduct of Businesses of Consolidated Graphics and its Subsidiaries Prior to Completion of the Merger* beginning on page 76 of this proxy statement/prospectus for a description of the restrictive covenants to which Consolidated Graphics is subject.

*The merger agreement may be terminated in accordance with its terms and the merger may not be consummated.*

Either Consolidated Graphics or R.R. Donnelley may terminate the merger agreement under certain circumstances, including, among other reasons, if the merger is not completed by the outside date. In addition, if the merger agreement is terminated under certain circumstances specified in the merger agreement, Consolidated Graphics may be required to pay R.R. Donnelley a termination fee of \$15 million plus up to \$3 million in expenses, including in the event Consolidated Graphics terminates the merger agreement to enter into an agreement with respect to a superior proposal. See the sections entitled *The Merger Agreement Termination Fee; Expense Payment* beginning on page 85 of this proxy statement/prospectus for a more complete discussion of the circumstances under which the merger agreement could be terminated and when the termination fee and expense payment may be payable by Consolidated Graphics.

*The merger agreement contains restrictions on the ability of Consolidated Graphics to pursue other alternatives to the merger.*

The merger agreement contains non-solicitation provisions that, subject to limited exceptions, restrict the ability of Consolidated Graphics to initiate, solicit, seek, encourage or knowingly facilitate any third-party offer or proposal that might reasonably be expected to lead to an alternative proposal. Further, subject to limited



---

**Table of Contents**

exceptions, consistent with applicable law, the merger agreement provides that the Consolidated Graphics board will not withhold, withdraw, qualify or modify in a manner adverse to R.R. Donnelley its recommendation that Consolidated Graphics shareholders approve the merger agreement, and in specified circumstances R.R. Donnelley has a right to negotiate with Consolidated Graphics in order to match any competing alternative proposals that may be made. Although the Consolidated Graphics board is permitted to take certain actions in response to a superior proposal or an alternative proposal that is reasonably likely to result in a superior proposal if it determines that the failure to do so would be inconsistent with its fiduciary duties, doing so in specified situations could require Consolidated Graphics to pay to R.R. Donnelley a termination fee of \$15 million plus up to \$3 million in expenses. See the sections entitled *The Merger Agreement Alternative Proposals* beginning on page 78 of this proxy statement/prospectus and *The Merger Agreement Termination Termination Fee; Expense Payment* beginning on page 85 of this proxy statement/prospectus for a more complete discussion of these restrictions and consequences.

Such provisions could discourage a potential acquiror that might have an interest in making a proposal from considering or proposing any such acquisition, even if it were prepared to pay consideration with a higher value than that to be paid in the merger. There also is a risk that the requirement to pay the termination fee and expense payment to R.R. Donnelley in certain circumstances may result in a potential acquiror proposing to pay a lower per share price to acquire Consolidated Graphics than it might otherwise have proposed to pay.

*The termination of the merger agreement could negatively impact Consolidated Graphics.*

Consolidated Graphics' business may be adversely impacted by the failure to pursue other beneficial opportunities due to the focus of Consolidated Graphics management on the merger, without realizing any of the anticipated benefits of completing the merger, and the market price of Consolidated Graphics common stock might decline to the extent that the current market price reflects a market assumption that the merger will be completed. If the merger agreement is terminated and the Consolidated Graphics board seeks another merger or business combination, Consolidated Graphics shareholders cannot be certain that Consolidated Graphics will be able to find a party willing to offer equivalent or more attractive consideration than the per share merger consideration R.R. Donnelley has agreed to provide in the merger. If the merger agreement is terminated under certain circumstances, Consolidated Graphics may be required to pay a termination fee of \$15 million plus up to \$3 million in expenses, depending on the circumstances surrounding the termination. See the section entitled *The Merger Agreement Termination Termination Fee; Expense Payment* beginning on page 85 of this proxy statement/prospectus.

*Directors and executive officers of Consolidated Graphics may have interests in the merger that are different from those of Consolidated Graphics shareholders generally.*

The directors and executive officers of Consolidated Graphics may have interests in the merger that are different from, in addition to or in conflict with, those of Consolidated Graphics shareholders generally. These interests included the continued employment of certain executive officers of Consolidated Graphics, the treatment in the merger of Consolidated Graphics stock options, bonus awards, employment agreements, change in control severance agreements and other rights held by Consolidated Graphics' directors and executive officers, and the indemnification of former Consolidated Graphics directors and officers by R.R. Donnelley. Consolidated Graphics shareholders should be aware of these interests when they consider the recommendation of the Consolidated Graphics board that they vote in favor of the proposal to approve the merger agreement and the other merger-related proposals. The Consolidated Graphics board was aware of and considered these interests when it declared advisable the merger agreement and the voting agreement, and the consummation of the transactions contemplated thereby, determined that the terms of the merger agreement, and the transactions contemplated by the merger agreement, were fair to, and in the best interests of, Consolidated Graphics and its shareholders, and recommended that Consolidated Graphics shareholders approve the merger agreement and the transactions contemplated thereby, including the merger. See the sections entitled *Interests*

of Consolidated Graphics Directors and Executive Officers in the Merger beginning on page 55 of this proxy statement/

## **Table of Contents**

prospectus and Advisory Vote on Merger Related Compensation for Consolidated Graphics Named Executive Officers beginning on page 96 of this proxy statement/prospectus.

*The rights of former Consolidated Graphics shareholders who become shareholders of R.R. Donnelley will be governed by the restated certificate of incorporation and amended and restated by-laws of R.R. Donnelley and the DGCL.*

Upon consummation of the merger, the rights of Consolidated Graphics shareholders who will become R.R. Donnelley shareholders will be governed by the restated certificate of incorporation and amended and restated by-laws of R.R. Donnelley and the Delaware General Corporation Law, which we refer to as the DGCL. As a result, there will be material differences between the current rights of Consolidated Graphics shareholders, which are governed by the restated articles of incorporation, as amended, and third amended and restated by-laws, as amended, of Consolidated Graphics and the TBOC, and the rights they will have as holders of R.R. Donnelley common stock. See the section entitled Comparison of Shareholders Rights beginning on page 102 of this proxy statement/prospectus for a discussion of these rights.

*Consolidated Graphics shareholders will have less influence, as a group, as shareholders of R.R. Donnelley than as shareholders of Consolidated Graphics.*

Immediately after completion of the merger, former Consolidated Graphics shareholders, who collectively own 100% of Consolidated Graphics, will own approximately 8.1% of outstanding R.R. Donnelley common stock, based on 9,687,642 shares of Consolidated Graphics common stock and 181,750,634 shares of R.R. Donnelley common stock outstanding as of December 19, 2013, the latest practicable date prior to the mailing of this proxy statement/prospectus. Consequently, Consolidated Graphics shareholders, as a group, will exercise less influence over the management and policies of R.R. Donnelley than they currently may have over the management and policies of Consolidated Graphics.

### **Risks Relating to the Business of R.R. Donnelley Upon Completion of the Merger**

*R.R. Donnelley may fail to realize the anticipated benefits of the merger.*

The success of the merger will depend on, among other things, R.R. Donnelley's ability to combine its business with that of Consolidated Graphics in a manner that facilitates growth opportunities and realizes anticipated growth and cost savings. On a combined basis, R.R. Donnelley expects to realize strategic, operational and financial benefits from an expanded platform, exposure to higher growth market segments and a larger customer base and growth and cost savings through reductions in fixed costs, better combined purchasing opportunities for materials and opportunities for facility consolidation.

However, R.R. Donnelley must successfully combine the businesses of R.R. Donnelley and Consolidated Graphics in a manner that permits these benefits to be realized. In addition, R.R. Donnelley must achieve the anticipated growth and cost savings without adversely affecting current revenues and investments in future growth. If R.R. Donnelley is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully, or at all, or may take longer to realize than expected.

*The failure to integrate successfully the business and operations of Consolidated Graphics in the expected time frame may adversely affect R.R. Donnelley's future results.*

Historically, R.R. Donnelley and Consolidated Graphics have operated as independent companies, and they will continue to do so until the completion of the merger. R.R. Donnelley management may face significant challenges in consolidating the businesses and functions of R.R. Donnelley and Consolidated Graphics, integrating their technologies, organizations, procedures, policies and operations, addressing differences in the business cultures of the two companies and retaining key personnel. The integration may also be complex and time consuming, and require substantial resources and effort. The integration process and other disruptions

## Table of Contents

resulting from the merger may also disrupt each company's ongoing business or cause inconsistencies in standards, controls, procedures and policies that adversely affect R.R. Donnelley's relationships with commercial counterparties, employees, regulators and others with whom R.R. Donnelley and Consolidated Graphics have business or other dealings or limit R.R. Donnelley's ability to achieve the anticipated benefits of the merger. In addition, difficulties in integrating R.R. Donnelley and Consolidated Graphics could harm R.R. Donnelley's reputation.

*Combining the businesses of R.R. Donnelley and Consolidated Graphics may be more difficult, costly or time-consuming than expected, which may adversely affect R.R. Donnelley's results and negatively affect the value of R.R. Donnelley common stock following the merger.*

R.R. Donnelley and Consolidated Graphics have entered into the merger agreement because each believes that the merger will be beneficial to its respective company and shareholders and that combining the businesses of R.R. Donnelley and Consolidated Graphics will produce benefits and cost savings. If R.R. Donnelley is not able to successfully combine the businesses of R.R. Donnelley and Consolidated Graphics in an efficient and effective manner, the anticipated benefits and cost savings of the merger may not be realized fully, or at all, or may take longer to realize than expected, and the value of R.R. Donnelley common stock may be affected adversely.

An inability to realize the full extent of the anticipated benefits of the merger and the other transactions contemplated by the merger agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of R.R. Donnelley, which may adversely affect the value of R.R. Donnelley common stock after the completion of the merger.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and cost savings, if achieved, may be lower than what R.R. Donnelley expects and may take longer to achieve than anticipated. If R.R. Donnelley is not able to adequately address integration challenges, R.R. Donnelley may be unable to successfully integrate R.R. Donnelley's and Consolidated Graphics' operations or to realize the anticipated benefits of the integration of the two companies.

*R.R. Donnelley and Consolidated Graphics will incur significant transaction and merger-related costs in connection with the merger.*

R.R. Donnelley and Consolidated Graphics have incurred and expect to incur a number of non-recurring costs associated with the merger. These costs and expenses include fees paid to financial, legal and accounting advisors, facilities and systems consolidation costs, severance and other potential employment-related costs, including payments that may be made to certain Consolidated Graphics executives, filing fees, printing expenses and other related charges. Some of these costs are payable by R.R. Donnelley and Consolidated Graphics regardless of whether the merger is completed. R.R. Donnelley currently estimates the aggregate amount of these expenses to equal \$52.5 million, and Consolidated Graphics currently estimates the aggregate amount of these expenses to equal \$12.7 million. There are also a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the merger and the integration of the two companies' businesses. While both R.R. Donnelley and Consolidated Graphics have assumed that a certain level of expenses would be incurred in connection with the merger and the other transactions contemplated by the merger agreement, there are many factors beyond their control that could affect the total amount or the timing of the integration and implementation expenses.

There may also be additional unanticipated significant costs in connection with the merger that R.R. Donnelley may not recoup. These costs and expenses could reduce the realization of efficiencies, strategic benefits and additional income R.R. Donnelley expects to achieve from the merger. Although R.R. Donnelley expects that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near

term or at all.

---

**Table of Contents**

*If the merger is consummated, R.R. Donnelley will incur a substantial amount of debt to finance the cash portion of the per share merger consideration, refinance certain indebtedness of Consolidated Graphics and pay related fees and expenses in connection with the merger, which could restrict its ability to engage in additional transactions or incur additional indebtedness.*

In connection with the merger, R.R. Donnelley estimates that it will need to pay approximately \$433.8 million of cash, approximately \$344.1 million of which is to pay the cash portion of the per share merger consideration and the per share stock option consideration, approximately \$81.5 million of which is to repay or refinance certain indebtedness of Consolidated Graphics that will come due as a result of the merger and approximately \$8.2 million of which is to pay related fees and expenses in connection with the merger. Following the completion of the merger, the combined company will have a significant amount of outstanding indebtedness. On a pro forma basis, the consolidated indebtedness of R.R. Donnelley following the merger is expectedly to be approximately \$3,955.8 million. This substantial level of indebtedness could have important consequences to R.R. Donnelley's business, including making it more difficult to satisfy its debt obligations, increasing its vulnerability to general adverse economic and industry conditions, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and restricting R.R. Donnelley from pursuing certain business opportunities. These limitations could reduce the benefits R.R. Donnelley expects to achieve from the merger or impede its ability to engage in future business opportunities or strategic acquisitions.

*Third parties may terminate or alter existing contracts or relationships with Consolidated Graphics or R.R. Donnelley.*

Consolidated Graphics has contracts with customers, suppliers, vendors, landlords, licensors and other business partners which may require Consolidated Graphics to obtain consent from these other parties in connection with the merger. If these consents cannot be obtained, Consolidated Graphics may suffer a loss of potential future revenue and may lose rights that are material to its business and the business of the combined company. In addition, third parties with whom Consolidated Graphics or R.R. Donnelley currently have relationships may terminate or otherwise reduce the scope of their relationship with either party in anticipation of the merger. Any such disruptions could limit R.R. Donnelley's ability to achieve the anticipated benefits of the merger. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the merger or the termination of the merger agreement.

*R.R. Donnelley may be unable to retain Consolidated Graphics personnel successfully after the merger is completed.*

The success of the merger will depend in part on R.R. Donnelley's ability to retain the talents and dedication of the professionals currently employed by Consolidated Graphics. It is possible that these employees might decide not to remain with Consolidated Graphics while the merger is pending or with the combined company after the merger is consummated. If key employees terminate their employment, or insufficient numbers of employees are retained to maintain effective operations, the combined company's business activities might be adversely affected, management's attention might be diverted from successfully integrating the operations of Consolidated Graphics to hiring suitable replacements, and the combined company's business might suffer. In addition, R.R. Donnelley and Consolidated Graphics might not be able to locate suitable replacements for any key employees that leave either company or offer employment to potential replacements on reasonable terms.

**Risks Relating to R.R. Donnelley's Business**

You should read and consider risk factors specific to R.R. Donnelley's business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in R.R. Donnelley's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, R.R. Donnelley's Quarterly Reports on Form 10-Q

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

for the periods ended March 31, 2013, June 30, 2013 and September 30, 2013 and in other documents incorporated by reference into this proxy statement/prospectus. See the section entitled



**Table of Contents**

Where You Can Find More Information beginning on page 120 of this proxy statement/prospectus for the location of information incorporated by reference into this proxy statement/prospectus.

**Risks Relating to Consolidated Graphics Business**

You should read and consider risk factors specific to Consolidated Graphics business that will also affect the combined company after the merger. These risks are described in the sections entitled Risk Factors in Consolidated Graphics Annual Report on Form 10-K for the fiscal year ended March 31, 2013, Consolidated Graphics Quarterly Reports on Form 10-Q for the periods ended June 30, 2013 and September 30, 2013 and in other documents incorporated by reference into this proxy statement/prospectus. See the section entitled Where You Can Find More Information beginning on page 120 of this proxy statement/prospectus for the location of information incorporated by reference into this proxy statement/prospectus.

**Table of Contents**

**INFORMATION ABOUT THE SPECIAL MEETING**

**Time, Place and Purpose of the Special Meeting**

This proxy statement/prospectus is being furnished to Consolidated Graphics shareholders as part of the solicitation of proxies by the Consolidated Graphics board for use at the special meeting to be held on Tuesday, January 28, 2014, at 5:00 p.m. Central time, at 5858 Westheimer Rd., Suite 300, Houston, Texas 77057, or at any postponement or adjournment thereof.

At the special meeting, Consolidated Graphics shareholders will be asked to consider and vote upon (i) a proposal to approve the merger agreement, (ii) the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

Consolidated Graphics shareholders must approve the merger agreement in order for the merger to occur. If Consolidated Graphics shareholders fail to approve the merger agreement, the merger will not occur. A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus, and you are encouraged to read the merger agreement carefully and in its entirety.

**Record Date and Quorum**

Consolidated Graphics has set the close of business on December 19, 2013 as the record date for the special meeting, and only holders of record of Consolidated Graphics common stock on the record date are entitled to vote at the special meeting. You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of Consolidated Graphics common stock as of the close of business on the record date. On the record date, there were 9,687,642 shares of Consolidated Graphics common stock outstanding and entitled to vote. You will have one vote on all matters properly coming before the special meeting for each share of Consolidated Graphics common stock that you owned on the record date.

A majority of the shares of Consolidated Graphics common stock outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for the purposes of the special meeting. Shares of Consolidated Graphics common stock represented at the special meeting but not voted, including shares of Consolidated Graphics common stock for which a shareholder directs an abstention from voting, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the special meeting. Once a share of Consolidated Graphics common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be determined.

**Attendance**

Only Consolidated Graphics shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and guests of Consolidated Graphics may attend the special meeting. If your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of Consolidated Graphics common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording

devices and other electronic devices will not be permitted at the special meeting.

---

Table of Contents

**Vote Required**

The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock entitled to vote thereon. For the approval of the proposal to approve the merger agreement, you may vote **FOR**, **AGAINST** or **ABSTAIN**. Votes to abstain will not be counted as votes cast in favor of the proposal to approve the merger agreement, but will count for the purpose of determining whether a quorum is present. **If you fail to submit a proxy or to vote in person at the special meeting, or if you vote to abstain, it will have the same effect as a vote AGAINST the proposal to approve the merger agreement.**

If your shares of Consolidated Graphics common stock are registered directly in your name with the transfer agent of Consolidated Graphics, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares of Consolidated Graphics common stock, the shareholder of record. If you are a shareholder of record, this proxy statement/prospectus and the enclosed proxy card have been sent directly to you by Consolidated Graphics.

If your shares of Consolidated Graphics common stock are held through a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares of Consolidated Graphics common stock held in street name. In that case, this proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee who is considered, with respect to those shares of Consolidated Graphics common stock, the shareholder of record. As the beneficial owner, you have the right to direct your bank, brokerage firm or other nominee how to vote your shares by following their instructions for voting.

Under the rules of the NYSE, banks, brokerage firms or other nominees who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the approval of the proposal to approve the merger agreement, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger. As a result, absent specific instructions from the beneficial owner of such shares of Consolidated Graphics common stock, banks, brokerage firms and other nominees are not empowered to vote those shares of Consolidated Graphics common stock on non-routine matters. **These broker non-votes will have the same effect as a vote AGAINST the proposal to approve the merger agreement, but will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement or the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for the named executive officers of Consolidated Graphics in connection with the merger.**

The adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement requires the affirmative vote of the holders of a majority of the shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting, whether or not a quorum is present. For purposes of the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement, if your shares of Consolidated Graphics common stock are present in person at the special meeting but are not voted on, or if you have given a proxy and abstained on, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to

approve the proposal to approve the merger agreement, this will have the same effect as if you voted **AGAINST** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to

## Table of Contents

approve the proposal to approve the merger agreement. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of Consolidated Graphics common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement.

The proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of the shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting. For purposes of the proposal, if your shares of Consolidated Graphics common stock are present in person at the special meeting but are not voted on this proposal, or if you have given a proxy and abstained on this proposal, this will have the same effect as if you voted **AGAINST** the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of Consolidated Graphics common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

## **Proxies and Revocations**

If you are a shareholder of record, you may have your shares of Consolidated Graphics common stock voted on matters presented at the special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you are a beneficial owner, you will receive instructions from your bank, brokerage firm or other nominee that you must follow in order to have your shares of Consolidated Graphics common stock voted. Those instructions will identify which of the above choices are available to you in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

Please refer to the instructions on your proxy or voting instruction card to determine the deadlines for voting by telephone or over the Internet. If you choose to submit a proxy by mailing a proxy card, your proxy card should be mailed in the accompanying prepaid reply envelope, and your proxy card must be filed with the Corporate Secretary of Consolidated Graphics by the time the special meeting begins. **Please do not send in your share certificates with your proxy card.** When the merger is completed, a separate letter of transmittal will be mailed to you that will enable

you to receive the per share merger consideration in exchange for your share certificates.

If you vote by proxy, regardless of the method you choose to vote, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of Consolidated Graphics common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of Consolidated Graphics common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

## **Table of Contents**

If you properly sign your proxy card but do not mark the boxes showing how your shares of Consolidated Graphics common stock should be voted on a matter, the shares of Consolidated Graphics common stock represented by your properly signed proxy will be voted **FOR** the proposal to approve the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to Consolidated Graphics prior to the time the special meeting begins. Written notice of revocation should be mailed to: Consolidated Graphics, Inc., Attention: Corporate Secretary, 5858 Westheimer Rd., Suite 200, Houston, Texas 77057.

If you have any questions or need assistance voting your shares, please contact D.F. King, Consolidated Graphics proxy solicitor, by calling toll-free at 1-800-290-6429. Banks, brokerage firms, and other nominees may call collect at 212-269-5550.

**IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF CONSOLIDATED GRAPHICS COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE, OR FOLLOW THE INSTRUCTIONS ON THE PROXY CARD TO VOTE BY TELEPHONE OR OVER THE INTERNET. SHAREHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.**

As of the record date, the directors and executive officers of Consolidated Graphics were entitled to vote, in the aggregate, 1,654,467 shares of Consolidated Graphics common stock, representing 17.1% of the outstanding shares of Consolidated Graphics common stock. The directors and executive officers of Consolidated Graphics have informed Consolidated Graphics that they currently intend to vote all such shares of Consolidated Graphics common stock **FOR** the proposal to approve the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement and **FOR** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for Consolidated Graphics named executive officers in connection with the merger.

## **Adjournments and Postponements**

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement or if a quorum is not present at the special meeting. An adjournment generally may be made with the affirmative vote of the holders of a majority of the shares of Consolidated Graphics common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow Consolidated Graphics shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned.

## **Anticipated Date of Completion of the Merger**

Subject to the satisfaction or waiver of the closing conditions described in the section entitled "The Merger Agreement" Conditions to Completion of the Merger beginning on page 83 of this proxy statement/prospectus,





## **Table of Contents**

including the receipt of the Consolidated Graphics shareholder approval at the special meeting, Consolidated Graphics and R.R. Donnelley expect that the merger will be completed during the first quarter of 2014. However, it is possible that factors outside the control of both companies could result in the merger being completed at a different time or not at all.

## **Solicitation of Proxies; Payment of Solicitation Expenses**

Consolidated Graphics has engaged D.F. King to assist in the solicitation of proxies for the special meeting. Consolidated Graphics estimates that it will pay D.F. King a fee of \$12,500 plus an additional fee of \$4.50 per incoming and outgoing telephone contact and telecom charges. Consolidated Graphics has agreed to reimburse D.F. King for certain out-of-pocket fees and expenses and also will indemnify D.F. King against certain losses, claims, damages, liabilities or expenses. Consolidated Graphics also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Consolidated Graphics common stock. Consolidated Graphics directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

## **Questions and Additional Information**

If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of Consolidated Graphics common stock or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact D.F. King, Consolidated Graphics proxy solicitor, by calling toll-free at 1-800-290-6429. Banks, brokerage firms, and other nominees may call collect at 212-269-5550.

**Table of Contents**

**THE PARTIES TO THE MERGER**

**Consolidated Graphics, Inc.**

*5858 Westheimer Rd., Suite 200*

*Houston, Texas 77057*

*(713) 787-0977*

Consolidated Graphics, Inc., a Texas corporation, is one of North America's leading general commercial printing companies. With 70 printing businesses strategically located across 26 states, Toronto, Canada, Prague, Czech Republic and Gero, Japan, Consolidated Graphics offers a broad geographic footprint, leading-edge capabilities, and high levels of convenience, efficiency and service.

Consolidated Graphics common stock is listed on the NYSE under the symbol **CGX**.

For more information about Consolidated Graphics, please visit the Internet website of Consolidated Graphics at [www.cgx.com](http://www.cgx.com). The Internet website address of Consolidated Graphics is provided as an inactive textual reference only. The information contained on the Internet website of Consolidated Graphics is not incorporated into, and does not form a part of, this proxy statement/prospectus or any other report or document on file with or furnished to the SEC. Additional information about Consolidated Graphics is included in the documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

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

*111 South Wacker Drive*

*Chicago, Illinois 60606*

*(312) 326-8000*

R.R. Donnelley & Sons Company, a Delaware corporation, is a global provider of integrated communications. R.R. Donnelley works collaboratively with more than 60,000 customers worldwide to develop custom communications solutions that reduce costs, drive top-line growth, enhance return on investment and increase compliance. Drawing on a range of proprietary and commercially available digital and conventional technologies deployed across four continents, R.R. Donnelley employs a suite of leading Internet-based capabilities and other resources to provide premedia, printing, logistics and business process outsourcing services to clients in virtually every private and public sector.

R.R. Donnelley common stock is listed on Nasdaq under the symbol **RRD**.

For more information about R.R. Donnelley, please visit R.R. Donnelley's Internet website at [www.rrd.com](http://www.rrd.com). R.R. Donnelley's Internet website address is provided as an inactive textual reference only. The information contained on R.R. Donnelley's Internet website is not incorporated into, and does not form a part of, this proxy statement/prospectus or any other report or document on file with or furnished to the SEC. Additional information about R.R. Donnelley is included in the documents incorporated by reference into this proxy statement/prospectus. See the section entitled

Where You Can Find More Information beginning on page 120 of this proxy statement/prospectus.

**Table of Contents**

**Hunter Merger Sub, Inc.**

*c/o R.R. Donnelley & Sons Company*

*111 South Wacker Drive,*

*Chicago, Illinois 60606*

*(312) 326-8000*

Hunter Merger Sub, Inc., a Texas corporation and a wholly owned subsidiary of R.R. Donnelley, was formed solely for the purpose of facilitating the merger. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, Merger Sub will be merged with and into Consolidated Graphics, Merger Sub's separate existence will cease and Consolidated Graphics will become a wholly owned subsidiary of R.R. Donnelley.

---

**Table of Contents**

**THE MERGER**

This section describes the merger. The description in this section and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as **Annex A** and is incorporated by reference into this proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. You are encouraged to read the merger agreement carefully and in its entirety. This section is not intended to provide you with any factual information about Consolidated Graphics or R.R. Donnelley. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings Consolidated Graphics and R.R. Donnelley make with the SEC, as described in the section entitled **Where You Can Find More Information** beginning on page 120 of this proxy statement/prospectus.

**Per Share Merger Consideration**

At the completion of the merger, each share of Consolidated Graphics common stock issued and outstanding immediately prior to the completion of the merger, other than shares owned by R.R. Donnelley, Merger Sub, any other subsidiary of R.R. Donnelley, Consolidated Graphics or any of its subsidiaries and shares held by Consolidated Graphics shareholders who have properly exercised appraisal rights with respect to such shares in accordance with Chapter 10, Subchapter H of the TBOC, which we collectively refer to as excluded shares, will be converted into the right to receive (i) an amount in cash equal to \$34.44, without interest, which we refer to as the per share cash amount, and (ii) 1.651 validly issued, fully paid and non-assessable shares of R.R. Donnelley common stock, which we refer to as the exchange ratio.

**Background of the Merger**

From time to time, the Consolidated Graphics board, with input from senior management, has engaged in reviews and discussions of Consolidated Graphics long-term strategies and objectives, considering ways in which Consolidated Graphics might enhance shareholder value and performance in light of competitive and other relevant factors. Generally, these reviews have centered on strategies to improve Consolidated Graphics existing operations, to pursue acquisition targets or to pursue opportunities in new markets or lines of business. From time to time, these assessments included discussions and analyses of potential merger transactions as a means to enhance or improve shareholder value.

On February 4, 2013 at a regularly scheduled Consolidated Graphics board meeting, Mr. Davis expressed his belief that it would be in the best interests of Consolidated Graphics shareholders to review strategic alternatives, including the sale of Consolidated Graphics. Mr. Davis stated his belief that, in the current environment, a sale to a third-party buyer could result in a substantial premium to the current market price of Consolidated Graphics common stock on that date of \$35.13, and would be more favorable to Consolidated Graphics shareholders than the execution risk of continuing as an independent public company. Jon C. Biro, Executive Vice President, Chief Financial and Accounting Officer of Consolidated Graphics, reported that he had contacted two investment banks with experience in advising companies in Consolidated Graphics industry regarding strategic alternatives. The Consolidated Graphics board discussed the investment banks and instructed Mr. Davis to engage Credit Suisse as Consolidated Graphics exclusive financial advisor, if reasonable terms could be agreed between the parties. The Consolidated Graphics board delegated to its executive committee the authority to negotiate and execute an engagement letter with Credit Suisse.

On February 18, 2013, the executive committee of the Consolidated Graphics board met to discuss the engagement of Credit Suisse and the engagement letter proposed by Credit Suisse. The executive committee approved the retention of Credit Suisse and authorized Mr. Davis and Mr. Biro to execute such letter on behalf of Consolidated Graphics, which

was formally executed on February 19th.

Throughout February and March 2013, Credit Suisse worked with the senior management of Consolidated Graphics to refine their understanding of Consolidated Graphics' business and prospects. During this time, Consolidated Graphics' senior management and Credit Suisse also developed a list of potential buyers to contact.

## Table of Contents

During March 2013, Credit Suisse contacted seven prospective strategic buyers. For a variety of reasons, three of the companies declined to consider an acquisition of Consolidated Graphics. Four of the companies expressed an interest in considering an acquisition, and in late March and early April, Consolidated Graphics entered into non-disclosure/standstill agreements with three of the potential buyers, including R.R. Donnelley. One of the potential buyers initially expressing interest decided not to move forward and did not enter into a non-disclosure/standstill agreement. Additional information concerning Consolidated Graphics was made available to R.R. Donnelley and the other companies that entered into non-disclosure/standstill agreements.

On March 25, 2013, the Consolidated Graphics board held a special meeting. In addition to each of the directors of Consolidated Graphics and Mr. Biro, representatives of Credit Suisse and Haynes and Boone LLP, Consolidated Graphics outside legal counsel, which we refer to as Haynes and Boone, were present. Haynes and Boone provided a detailed discussion of the fiduciary duties of the members of the Consolidated Graphics board under Texas law if the Consolidated Graphics board were to engage in a transaction involving a sale of Consolidated Graphics or a change in control. Mr. Biro and Haynes and Boone discussed with the members of the Consolidated Graphics board the content of the non-disclosure agreement that potential acquirors were being asked to sign.

At the March 25 meeting, Credit Suisse reviewed with the Consolidated Graphics board the historical and current trading multiples of Consolidated Graphics common stock and the common stock of other companies engaged in the commercial printing business and potential alternatives to a possible sale of Consolidated Graphics, including Consolidated Graphics conducting a leveraged stock repurchase, engaging in a leveraged buy-out with or without the participation of management or Consolidated Graphics continuing as an independent company. Credit Suisse also provided information regarding the prospective buyers it had contacted, and the transaction process more generally. The members of the Consolidated Graphics board also discussed the advantages and disadvantages of conducting the sales process in a confidential manner compared with issuing a press release regarding the process. After careful consideration of the alternatives, the Consolidated Graphics board decided to conduct a confidential process. The Consolidated Graphics board also discussed whether the primary focus should be on strategic buyers or possible financial buyers and whether a financial buyer was likely to pay a price as high as a strategic buyer. Based on such discussion, the Consolidated Graphics board decided to focus primarily on strategic buyers.

During the March 25 meeting, the Consolidated Graphics board and management also reviewed the presentation management planned to give to the companies that signed non-disclosure agreements regarding Consolidated Graphics business. Management also discussed with the Consolidated Graphics board certain financial projections of Consolidated Graphics for various fiscal periods that it had prepared that month in connection with the review of strategic alternatives by the Consolidated Graphics board and had provided to Credit Suisse. Following this discussion, Mr. Davis and Mr. Biro left the meeting, and the Consolidated Graphics board held an executive session of the independent directors for the purpose of discussing the various strategic alternatives and whether to pursue one or more of the alternatives. The independent directors further discussed their fiduciary duties with Haynes and Boone and the benefit of having the independent directors consider a sale of Consolidated Graphics in executive session. After a thorough discussion, the independent directors decided to move forward with a process to seek a buyer for Consolidated Graphics, while continuing to consider the other strategic transactions available as well as remaining independent, and resolved that any such transaction would be considered, and if appropriate, approved, by the independent directors in executive session in addition to approval by the full Consolidated Graphics board.

Consolidated Graphics management met with one of the parties that signed a non-disclosure agreement, which we refer to as Company A, on April 4, and a second company that signed a non-disclosure agreement, which we refer to as Company B, on April 12, and with R.R. Donnelley on April 16. At each of these meetings, Consolidated Graphics management provided a detailed presentation regarding Consolidated Graphics business and certain of the financial projections prepared by Consolidated Graphics management.





## **Table of Contents**

In late April, Company B advised Credit Suisse that it was no longer interested in a transaction with Consolidated Graphics because of concerns over valuation and perceived risks regarding integrating Consolidated Graphics into its operations.

On April 22, 2013, representatives of Credit Suisse contacted Company A regarding Company A's interest in moving forward. Company A indicated that it continued to be interested, but requested additional information. On April 22, representatives of Credit Suisse also contacted Daniel N. Leib, Chief Financial Officer of R.R. Donnelley, regarding R.R. Donnelley's interest in moving forward. Mr. Leib informed Credit Suisse that R.R. Donnelley was reviewing the materials provided by Consolidated Graphics and was interested in exploring a potential transaction with Consolidated Graphics. On or about April 25, 2013, Credit Suisse provided additional information to Company A and R.R. Donnelley.

On May 2, 2013, R.R. Donnelley submitted a non-binding expression of interest in the range of \$43.00 to \$48.00 per Consolidated Graphics share in cash and R.R. Donnelley common stock and on May 3, Company A submitted a non-binding expression of interest of \$45.63 per Consolidated Graphics common share in cash, which assumed indebtedness, net of cash for Consolidated Graphics of approximately \$111 million. When adjusting for Consolidated Graphics' dilutive securities, Company A's non-binding expression of interest resulted in a per share value of \$44.89. On May 3, representatives of Credit Suisse had several calls with management of R.R. Donnelley at which Credit Suisse discussed recent results of Consolidated Graphics and indicated that Consolidated Graphics had paid down significant amounts of debt. Based on this information, R.R. Donnelley orally indicated a revised, non-binding preliminary expression of interest in the range of \$45.00 to \$50.00. R.R. Donnelley further indicated that a substantial portion of the consideration would be R.R. Donnelley common stock, although it had not determined the exact percentage of the consideration that would be paid in stock. R.R. Donnelley followed up later that day with a written, non-binding expression of interest with a range of \$45.00 to \$50.00 per Consolidated Graphics share.

On May 6, 2013, representatives of Credit Suisse and Mr. Davis and Mr. Biro met to discuss the expressions of interest received.

On May 13, 2013, the Consolidated Graphics board held a special meeting, with Mr. Biro and representatives of Credit Suisse and Haynes and Boone also present. Credit Suisse reviewed with the Consolidated Graphics board each of the expressions of interest received, and stated that one of the possible buyers (Company B) declined to move forward because of concerns over valuation and perceived risks regarding integrating Consolidated Graphics into its operations. Credit Suisse also discussed potential alternatives to a sale of Consolidated Graphics and provided its preliminary financial analysis of Consolidated Graphics. Generally, based on their experience and the then current stock price of shares of Consolidated Graphics common stock, Credit Suisse advised the Consolidated Graphics board that a financial buyer was not likely to offer a higher per share price than a strategic buyer. The Consolidated Graphics board discussed the process and the alternatives available to Consolidated Graphics, including a potential sale of Consolidated Graphics, and directed Credit Suisse to continue to solicit and attempt to increase the offers for Consolidated Graphics obtained from the existing bidders and to review in more detail, in a parallel process, a potential repurchase of a significant portion of Consolidated Graphics shares. The Consolidated Graphics board then excused Mr. Davis and Mr. Biro and met in executive session of the independent members, with Credit Suisse and Haynes and Boone also present, to further discuss the process and the alternatives available to Consolidated Graphics.

In late May and early June, Company A and R.R. Donnelley requested information from Consolidated Graphics regarding its business, which Consolidated Graphics provided, as appropriate. In addition, on May 31, 2013, Company A requested visits to several of Consolidated Graphics' operating facilities. Company A and Consolidated Graphics management met and conducted these site visits between June 16 and June 18.

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

Credit Suisse contacted Company A and R.R. Donnelley in mid-June and asked for revised indications of interest by June 25, 2013. On June 25, Company A submitted a revised indication of interest with a range of \$52.00 to \$56.00 in cash, and R.R. Donnelley submitted an expression of interest at \$54.00 per share in a combination of cash and stock.

## Table of Contents

The Consolidated Graphics board met on July 9, 2013, with Mr. Biro and representatives of Haynes and Boone and Credit Suisse also participating. Haynes and Boone reviewed with the Consolidated Graphics board antitrust considerations involving exchanges of information with competitors and the manner in which these issues were handled in similar transactions, including use of clean-room arrangements. Credit Suisse provided an update on the status of discussions with Company A and R.R. Donnelley. The Consolidated Graphics board also discussed with Credit Suisse the likely impact of continued increases in the trading price of Consolidated Graphics common stock (a \$49.05 per share closing price on July 8), including regarding the premium or prices that Company A or R.R. Donnelley might be willing to pay, and the reluctance expressed by such parties in increasing their offers.

From July 10 to July 11, management of Consolidated Graphics and representatives of Credit Suisse met with management of Company A and its advisors. At these meetings, management of Consolidated Graphics provided a detailed review of Consolidated Graphics business and corporate structure. On July 16 and July 17, representatives of Company A visited several additional Consolidated Graphics operating facilities. Members of Consolidated Graphics management were present at these visits.

The Consolidated Graphics board held a telephonic meeting on July 15, 2013, with Mr. Biro and representatives of Credit Suisse and Haynes and Boone also participating. Representatives of Haynes and Boone discussed with the directors the key terms of the draft merger agreement that was going to be provided to Company A and R.R. Donnelley. Representatives of Credit Suisse and Haynes and Boone also provided an update to each of Company A and R.R. Donnelley's respective due diligence investigations.

Between July 15 and early August 2013, Company A and R.R. Donnelley engaged in an extensive diligence investigation of Consolidated Graphics, which included numerous conference calls with management of Consolidated Graphics and review of materials made available by Consolidated Graphics in an electronic dataroom. During this time, Company A made several site visits to additional operating facilities of Consolidated Graphics. In addition, because certain information regarding Consolidated Graphics could be potentially sensitive from a competitive standpoint, certain information was made available to R.R. Donnelley only through a customary clean room arrangement. On July 31, 2013, Consolidated Graphics provided a copy of a draft merger agreement to Company A and R.R. Donnelley.

On August 5, 2013, the Consolidated Graphics board held a meeting, with Mr. Biro and representatives of Credit Suisse and Haynes and Boone also present. Representatives of Credit Suisse provided an update on the discussions with Company A and R.R. Donnelley. The Consolidated Graphics board also discussed with Credit Suisse the likely impact of continued increases in the trading price of Consolidated Graphics common stock (a \$55.48 per share closing price on August 2) including regarding the premiums or prices that Company A and R.R. Donnelley might be willing to pay, as well as the continued reluctance expressed by such parties in increasing their respective offers. The Consolidated Graphics board then excused Mr. Davis and Mr. Biro, and met in an executive session of independent directors with representatives of Credit Suisse and Haynes and Boone also present. The independent directors discussed the process and the potential alternatives available to Consolidated Graphics and determined that Consolidated Graphics should continue in its discussions with R.R. Donnelley and Company A with respect to a potential sale of Consolidated Graphics.

Between June 25 and August 7, 2013, the closing price of Consolidated Graphics common stock increased from \$45.96 to \$52.88. On August 7, 2013, R.R. Donnelley advised representatives of Credit Suisse that it was unwilling to move forward due to the then current Consolidated Graphics stock price. On August 15, Company A advised representatives of Credit Suisse that Company A was not willing to move forward because it did not believe it could make a compelling proposal in light of the then current stock price. Company A indicated its willingness to reengage in discussions if the price of Consolidated Graphics common stock retreated.

On August 22, 2013, Mr. Davis had a telephone conversation with Thomas J. Quinlan III, Chief Executive Officer of R.R. Donnelley. Mr. Quinlan indicated that R.R. Donnelley continued to be interested in the acquisition of Consolidated Graphics but that a premium to the then-current market price of \$58.00 would be

**Table of Contents**

difficult for R.R. Donnelley to pay. Mr. Quinlan also stated that any offer by R.R. Donnelley would include R.R. Donnelley common stock as consideration, likely in the range of approximately 30% of the total consideration paid.

On September 4, Mr. Davis and Mr. Quinlan had a telephone conversation in which Mr. Quinlan indicated that R.R. Donnelley would be willing to pay \$62.00 per share, payable approximately 40% in R.R. Donnelley common stock, subject to completing its diligence investigation. On September 9, 2013, Credit Suisse discussed with Company A any continuing interest that Company A may have in Consolidated Graphics. Company A declined to participate in discussions primarily due to the then-prevailing market price for Consolidated Graphics common stock.

On September 19, 2013, the Consolidated Graphics board held a telephonic meeting, with Mr. Biro and representatives of Credit Suisse and Haynes and Boone also participating. Representatives of Credit Suisse provided an update on the status of discussions with Company A and R.R. Donnelley. The Consolidated Graphics board then discussed the potential tax consequences of the merger and noted that it would be a taxable transaction. The Consolidated Graphics board discussed the possibility of structuring the merger as a tax-free transaction based on the current cash to equity mix proposed by R.R. Donnelley. Representatives of Haynes and Boone noted, among other things, that a tax-free structure based on the current mix of stock and cash would require Consolidated Graphics to receive consent to the merger from certain parties to contracts to which Consolidated Graphics was a party, which could present execution risk. The Consolidated Graphics board also discussed the greater liquidity in R.R. Donnelley stock, and the ability of the Consolidated Graphics shareholders who receive R.R. Donnelley common stock to liquidate the shares quickly to satisfy any tax liabilities resulting from the transaction. The Consolidated Graphics board determined that the benefits presented by a non-taxable transaction were not significant to Consolidated Graphics shareholders and did not justify the risks associated with such a transaction.

Between September 4 and mid-October, R.R. Donnelley completed its diligence investigation of Consolidated Graphics. The diligence investigation included numerous visits to operating facilities of Consolidated Graphics.

On September 20, 2013, Sullivan & Cromwell LLP, counsel to R.R. Donnelley, which we refer to as Sullivan & Cromwell, provided comments on the draft merger agreement proposed by Consolidated Graphics. In addition, Sullivan & Cromwell provided a draft voting agreement for Mr. Davis with respect to the shares of Consolidated Graphics common stock owned by him.

On October 14, 2013, the Consolidated Graphics board held a telephonic meeting, with Mr. Biro, representatives of Credit Suisse and representatives of Haynes and Boone also present. Representatives of Credit Suisse discussed with the Consolidated Graphics board the then-current offer from R.R. Donnelley to acquire all of the outstanding equity interests and assume the net debt of Consolidated Graphics for \$62.00 per share comprised of 55% cash and 45% stock on a fully diluted basis. The Consolidated Graphics board also discussed certain material open issues relating to the merger agreement with representatives of Credit Suisse and Haynes and Boone, including whether to include a collar on the R.R. Donnelley stock price. Representatives of Credit Suisse indicated that if these issues could be resolved, it was expected that the Consolidated Graphics board could consider approval of the merger at a meeting the following week.

During the week of October 14, 2013, representatives of Credit Suisse also indicated that, based on a conversation with management of Company A, Company A continued to be interested in a transaction with Consolidated Graphics, but not at a price implied by the then-current trading price of Consolidated Graphics common stock. The closing price for shares of Consolidated Graphics common stock ranged from \$58.78 and \$60.94 during the week.

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

On October 15, 2013, Mr. Davis and Mr. Biro met in person with representatives of R.R. Donnelley to conduct a diligence review of R.R. Donnelley's business. Present from R.R. Donnelley were Mr. Quinlan, Mr. Leib and David Gardella, Senior Vice President Finance. Also present were representatives of Credit Suisse and Citigroup Global Markets Inc., financial advisor to R.R. Donnelley.

## Table of Contents

At the October 15 meeting, Mr. Davis and Mr. Biro also negotiated with R.R. Donnelley certain of the material open issues in the merger agreement, including the mix of cash and R.R. Donnelley common stock that would constitute the merger consideration. Based on such discussions regarding the mix of consideration, Mr. Davis agreed that he would recommend to the Consolidated Graphics board that R.R. Donnelley acquire all of the outstanding equity interests and assume the net debt of Consolidated Graphics for \$62.00 per share in consideration comprised of a mix of 57% cash and 43% stock on a fully diluted basis, which, when accounting for the cash out of Consolidated Graphics stock options, represented a combination of cash and stock on per share basis of approximately 56% cash and 44% R.R. Donnelley common stock to Consolidated Graphics shareholders. In addition, based on the consideration to be offered and the mix of consideration, the parties negotiated a termination fee of \$15 million and an expense reimbursement of up to \$3 million. The parties also agreed conceptually on various steps R.R. Donnelley and Consolidated Graphics would take if there was an objection to the merger on antitrust grounds, the scope of certain representations and warranties of the parties and certain restrictions on Consolidated Graphics business after the execution of the merger agreement through the completion of the merger.

Between October 4 and October 23, representatives of Haynes and Boone and Sullivan & Cromwell continued to negotiate the terms of the draft merger agreement. Among the key terms negotiated were the definition of material adverse effect, the scope of the representations and warranties, the restrictions on Consolidated Graphics business after the execution of the merger agreement, the ability of the Consolidated Graphics board to respond to alternative proposals and other fiduciary out provisions, and various steps R.R. Donnelley and Consolidated Graphics would take if there was an objection to the merger on antitrust grounds.

Between October 7 and October 23, Haynes and Boone and Sullivan & Cromwell also exchanged drafts of the voting agreement, which included a request for a release of liability by Mr. Davis of any claims he may have against Consolidated Graphics. At the October 15th meeting discussed above, Mr. Davis advised Mr. Quinlan that he did not agree to a release as part of the voting agreement. Following the October 15 meeting, Sullivan & Cromwell advised Haynes and Boone that in addition to the release, R.R. Donnelley was requesting that Mr. Davis agree to a non-compete clause in the voting agreement which would prohibit Mr. Davis from competing with R.R. Donnelley following the merger. On October 17, Sullivan and Cromwell sent a revised draft voting agreement to Haynes and Boone which contained the non-compete and release provisions. On October 19, Haynes and Boone provided a draft of the voting agreement which deleted the non-compete and release by Mr. Davis.

On October 20, 2013, Consolidated Graphics management updated the financial projections it had previously prepared in March to take into account the actual and expected financial results of Consolidated Graphics through September 30, 2013, which reflected lower than anticipated results than the financial projections prepared by Consolidated Graphics management in March, and provided them to the Consolidated Graphics board and Credit Suisse. See the section entitled The Merger Certain Consolidated Graphics Forecasts beginning on page 63 of this proxy statement/prospectus.

On October 21, Consolidated Graphics provided certain of the updated financial projections prepared by Consolidated Graphics management to R.R. Donnelley and its advisors. That same day, representatives of Credit Suisse had discussions with R.R. Donnelley regarding its ability to increase its offer.

On October 22, Mr. Quinlan called Mr. Davis and offered Mr. Davis a three year consulting agreement, for an annual consulting fee of \$200,000, if he would agree to a non-competition covenant and a release of liability in the voting agreement, to which Mr. Davis agreed. Mr. Quinlan also informed Mr. Davis that day that the \$62.00 per share offer was the best offer R.R. Donnelley was willing to make. On October 23, Mr. Davis called Mr. Quinlan to discuss increasing the R.R. Donnelley offer, at which time Mr. Quinlan indicated that he would discuss increasing the R.R. Donnelley offer internally, perhaps to \$63.00 per share. Mr. Quinlan promptly called Mr. Davis back and reiterated



that \$62.00 per share was R.R. Donnelley's best and final offer.

On October 23, the Consolidated Graphics board held a meeting to review the proposed acquisition of Consolidated Graphics by R.R. Donnelley on the terms set forth in the draft merger agreement and draft voting

**Table of Contents**

agreement previously presented to the Consolidated Graphics board. Representatives of Haynes and Boone provided a detailed overview of the Consolidated Graphics board's fiduciary duties under Texas law and reviewed the material terms of the merger, the draft merger agreement and the draft voting agreement. The Consolidated Graphics board also reviewed the updated financial projections that management of Consolidated Graphics had prepared. In addition, representatives of Haynes and Boone summarized the resolution of certain key issues under the merger agreement and voting agreement, including the proposed consulting agreement for Mr. Davis. Representatives of Credit Suisse presented their financial analysis of the merger. Thereafter, Credit Suisse delivered an oral opinion, subsequently confirmed in writing, to the Consolidated Graphics board as to the fairness, from a financial point of view and as of the date of the opinion, of the per share merger consideration to be received by Consolidated Graphics shareholders, which opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse as more fully described under the section entitled "The Merger Opinion of Consolidated Graphics Financial Advisor" beginning on page 55 of this proxy statement/prospectus.

Mr. Davis updated the Consolidated Graphics board on his conversation with Mr. Quinlan earlier in the day, during which Mr. Quinlan declined to increase R.R. Donnelley's offer from \$62.00 per share. The Consolidated Graphics board then directed representatives of Credit Suisse to contact representatives of R.R. Donnelley in an attempt to obtain a higher offer from R.R. Donnelley. The representatives of Credit Suisse made such contact and following a lengthy discussion with representatives of R.R. Donnelley, returned to the meeting and informed the Consolidated Graphics board that R.R. Donnelley would not increase its offer of \$62.00 per share.

At the request of the Consolidated Graphics board, Mr. Davis and Mr. Biro left the meeting. The independent members of the Consolidated Graphics board and representatives of Credit Suisse and Haynes and Boone remained in the meeting. The independent members of the Consolidated Graphics board then engaged in a detailed discussion of the merger, the merger agreement, the voting agreement and the proposed consulting agreement. In view of the knowledge of the independent members of the Consolidated Graphics board of the industry, prior discussions of the other alternatives available to Consolidated Graphics as well as potential parties that would be interested in a combination with Consolidated Graphics and taking into account the prior discussions with Company A and Company B, as well as the other potential strategic buyers contacted by Credit Suisse, the independent members of the Consolidated Graphics board confirmed that R.R. Donnelley was the party best positioned to offer a business combination on the most favorable terms available to Consolidated Graphics and that seeking other indications of interest was not likely to result in a better transaction and could put the transaction with R.R. Donnelley at risk because of, among other things, unrealistic expectations for future earnings increases in light of higher than expected earnings in the prior two quarterly periods, the associated delays and the potential that information regarding the transaction could be leaked. After taking into consideration the discussions with their financial advisors, outside counsel, and members of Consolidated Graphics senior management, the independent members of the Consolidated Graphics board determined that it was fair to, and in the best interests of, Consolidated Graphics and its shareholders to proceed with the proposed merger at the price of \$62.00 per share on the terms negotiated with R.R. Donnelley. Mr. Davis and Mr. Biro rejoined the meeting. Gary L. Forbes, the lead independent director, advised Mr. Davis of the conclusions of the independent members of the Consolidated Graphics board. Mr. Davis noted his agreement with those conclusions. Accordingly, the Consolidated Graphics board unanimously adopted the proposed board resolutions. The Consolidated Graphics board unanimously authorized, approved, and declared advisable the merger, upon the terms and subject to the conditions set forth in the merger agreement and the voting agreement. The Consolidated Graphics board also directed that the proposed merger agreement be submitted to Consolidated Graphics shareholders for consideration and recommended that Consolidated Graphics shareholders approve the merger agreement.

Following the Consolidated Graphics board meeting, the merger agreement and voting agreement were finalized and executed, and on the morning of October 24, 2013, Consolidated Graphics and R.R. Donnelley issued a joint press

release announcing the transaction.

---

**Table of Contents**

**Recommendation of the Consolidated Graphics Board; Consolidated Graphics Reasons for the Merger**

At a meeting held on October 23, 2013, the Consolidated Graphics board unanimously (i) approved and declared advisable the merger agreement and the voting agreement, and the consummation of the transactions contemplated by the merger agreement and voting agreement, upon the terms and subject to the conditions set forth in the merger agreement and voting agreement, (ii) determined that the terms of the merger agreement, and the transactions contemplated by the merger agreement, are fair to, and in the best interests of, Consolidated Graphics and its shareholders, (iii) directed that the merger agreement be submitted to Consolidated Graphics shareholders for approval and (iv) recommended that Consolidated Graphics shareholders approve the merger agreement and the transactions contemplated thereby, including the merger.

**ACCORDINGLY, THE CONSOLIDATED GRAPHICS BOARD UNANIMOUSLY RECOMMENDS THAT CONSOLIDATED GRAPHICS SHAREHOLDERS VOTE FOR THE PROPOSAL TO APPROVE THE MERGER AGREEMENT, FOR THE ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE INSUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO APPROVE THE PROPOSAL TO APPROVE THE MERGER AGREEMENT AND FOR THE PROPOSAL TO APPROVE, BY NON-BINDING, ADVISORY VOTE, OF CERTAIN COMPENSATION ARRANGEMENTS FOR CONSOLIDATED GRAPHICS NAMED EXECUTIVE OFFICERS IN CONNECTION WITH THE MERGER.**

As described in the section entitled "The Merger Background of the Merger" beginning on page 45 of this proxy statement/prospectus, the Consolidated Graphics board, in evaluating the merger and the merger agreement, consulted with Consolidated Graphics management and its legal and financial advisors and, in reaching its decision at its meeting on October 23, 2013 to approve the merger agreement and voting agreement and the transactions contemplated by the merger agreement and voting agreement, considered a variety of factors weighing positively and negatively in respect of the merger. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the Consolidated Graphics board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The Consolidated Graphics board viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors.

The reasons in favor of the merger considered by the Consolidated Graphics board include, but are not limited to, the following:

the per share merger consideration represented a premium based on historical stock price averages, including a 7.3% premium based on a 30-day average, a 10.3% premium based on a 90-day average and a 43.2% premium based on a one-year average;

the premium that the per share merger consideration represented to Consolidated Graphics shareholders as compared with the high end of Company A's prior indicative offer of \$56 per share and Company A's unwillingness to engage in further discussions given the current trading price of Consolidated Graphics common stock;

the equity component of the per share merger consideration would provide Consolidated Graphics shareholders the opportunity to participate in the equity value of the combined company and potential upside following the merger;

the cash component of the per share merger consideration provides a degree of certainty of the value of a portion of the per share merger consideration to be received in the merger;

the belief of the Consolidated Graphics board and management, based on their understanding of the business, assets, financial condition, results of operations, current business strategy, projections and prospects of Consolidated Graphics that no other alternative reasonably available to Consolidated

**Table of Contents**

Graphics, including remaining independent or engaging in a leveraged repurchase of stock, was likely to provide greater value, with comparable certainty, to Consolidated Graphics shareholders;

the liquidity of shares of R.R. Donnelley common stock compared with shares of Consolidated Graphics common stock, and the elimination of the risk to Consolidated Graphics stock price that would exist if large institutional holders or Consolidated Graphics insiders, such as Mr. Davis or his estate, decided to quickly liquidate their holdings;

the due diligence conducted regarding R.R. Donnelley's business, assets, financial condition, results of operations and business plan, including:

the size and scale of the combined company, especially the potential increased scale and scope of operations of the combined company;

that the combination would be accretive to R.R. Donnelley;

the complementary nature and geographic diversity of the assets of the companies;

the potential for significant operational and financial synergies of the two companies; and

the balance sheet strength and liquidity of the combined company;

the financial analyses reviewed by Credit Suisse with the Consolidated Graphics board and the opinion, dated October 23, 2013, of Credit Suisse to the Consolidated Graphics board as to the fairness, from a financial point of view and as of the date of such opinion, of the per share merger consideration to be received by Consolidated Graphics shareholders, which opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse as more fully described in the section entitled "The Merger" Opinion of Consolidated Graphics Financial Advisor beginning on page 55 of this proxy statement/prospectus. **CONSOLIDATED GRAPHICS SHAREHOLDERS ARE URGED TO READ THE OPINION OF CREDIT SUISSE IN ITS ENTIRETY;**

the Consolidated Graphics board's understanding of and management's review of overall market conditions, including the current, historical and potential future trading prices for Consolidated Graphics common stock, and the Consolidated Graphics board's determination that, in light of these factors, the timing of the potential transaction was favorable to Consolidated Graphics;

the review by the Consolidated Graphics board with its financial advisors of the structure and financial terms of the merger; and

the review by the Consolidated Graphics board with its legal advisor of the structure of the merger and the terms of the merger agreement and voting agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the merger and the Consolidated Graphics board's evaluation of the likely time period necessary to close the merger. The Consolidated Graphics board also considered the following specific aspects of the merger agreement:

the nature of the closing conditions included in the merger agreement, including the exceptions to the events that would constitute a material adverse effect with respect to Consolidated Graphics or R.R. Donnelley for purposes of the merger agreement, as well as the likelihood of satisfaction of all conditions to the consummation of the merger;

Consolidated Graphics' right to engage in negotiations with, and provide information to, a third party that makes an unsolicited written alternative proposal (as defined in the section entitled "The Merger Agreement - Alternative Proposals" beginning on page 78 of this proxy statement/prospectus), if the Consolidated Graphics board determines in good faith, after consultation with its legal and financial advisors, that such proposal constitutes or is reasonably likely to lead to a transaction that is more favorable to the Consolidated Graphics shareholders than the merger from a financial point of view and is reasonably likely to be completed on the terms proposed;

**Table of Contents**

the Consolidated Graphics board's right both to change its recommendation that Consolidated Graphics shareholders vote in favor of the merger agreement and/or terminate the merger agreement in order to accept a superior proposal (as defined in the section entitled "The Merger Agreement - Alternative Proposals" beginning on page 78 of this proxy statement/prospectus), subject to certain conditions and payment of the termination fee and expense payment to R.R. Donnelley; and

certain other provisions in the merger agreement, including the termination provisions.

The Consolidated Graphics board considered the following factors relating to the procedural safeguards that the Consolidated Graphics board believes were present to ensure the fairness of the merger to Consolidated Graphics shareholders:

the per share merger consideration and the other terms and conditions of the merger agreement and voting agreement resulted from extensive negotiations between R.R. Donnelley and its advisors, on the one hand, and Consolidated Graphics and its advisors, on the other hand;

the fact that the discussions related to the merger and the consideration and negotiation of the per share merger consideration and other terms of the proposed merger were conducted with the oversight of the Consolidated Graphics board, including at separate meetings of the independent members of the Consolidated Graphics board;

the fact that the Consolidated Graphics board was actively involved in the Company's strategic process for many months and that the Consolidated Graphics board was advised by Haynes and Boone, Consolidated Graphics' legal counsel, and Credit Suisse, Consolidated Graphics' financial advisor, conducted extensive deliberations and discussions with Consolidated Graphics management and such advisors and oversaw the extensive negotiations with R.R. Donnelley regarding the terms of the proposed merger;

the ability of the Consolidated Graphics shareholders who comply with the required procedures under Texas law to seek appraisal of the fair value of the shares;

Consolidated Graphics' ability, under certain circumstances, to consider and respond to an unsolicited written alternative proposal, furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such a proposal, if the Consolidated Graphics board, prior to taking such actions, determines in good faith that such alternative proposal either constitutes a superior proposal or could reasonably be expected to result in a superior proposal;

Consolidated Graphics' ability, under certain circumstances, to terminate the merger agreement in order to enter into an agreement providing for a superior proposal, provided it complies with its relevant obligations, including, if applicable, paying to R.R. Donnelley the termination fee and the expense payment;



the Consolidated Graphics board's ability in certain circumstances to withhold, withdraw, qualify or modify its recommendation that Consolidated Graphics shareholders vote to approve the merger agreement;

the fact that while, pursuant to the voting agreement, Mr. Davis has committed to vote in favor of approving the merger agreement and the merger, such commitments terminate automatically upon termination of the merger agreement in accordance with its terms, including termination by Consolidated Graphics to accept a superior proposal; and

the independent members of the Consolidated Graphics board, without members of management, met in executive session to consider the terms of the merger agreement and the transactions contemplated therein, including the merger, and the voting agreement and unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and the voting agreement.

**Table of Contents**

The Consolidated Graphics board considered the following factors to be generally negative or unfavorable in its deliberations and making its recommendations:

the risk that the proposed merger might not be completed in a timely manner or at all;

the risks and costs to Consolidated Graphics if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential disruptive effect on Consolidated Graphics' various business relationships, including its relations with affiliates of R.R. Donnelley pursuant to existing contracts;

the restrictions on Consolidated Graphics' operations prior to completion of the merger, which may delay or prevent Consolidated Graphics from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of Consolidated Graphics pending the completion of the merger;

the fact that the stock component of the per share merger consideration subjected Consolidated Graphics' shareholders to the risk that R.R. Donnelley's stock value could decrease, and the lack of a collar or other mechanism to mitigate that risk;

the possibility that the \$15 million termination fee, and reimbursement of up to \$3 million in expenses, payable by Consolidated Graphics upon the termination of the merger agreement under certain circumstances may discourage other potential acquirors from making a competing proposal for a transaction with Consolidated Graphics;

the transaction costs to be incurred in connection with the merger;

the potential of negative reaction by the market to the merger based on the business rationale for the merger, the timing of the merger and the terms of the merger;

the fact that the proposed structure of the merger requires the approval of the holders of two-thirds of the outstanding shares of Consolidated Graphics common stock, as opposed to a simple majority vote;

the fact that if the proposed merger is not completed, Consolidated Graphics will be required to pay its own expenses associated with the negotiation of the merger agreement, and the transactions contemplated thereby, as well as, under certain circumstances, to pay R.R. Donnelley a \$15 million termination fee and reimburse R.R. Donnelley up to \$3 million in expenses in connection with the termination of the merger agreement;

the business execution and integration risk after the merger is completed; and

possible adverse customer and employee reaction to the transaction.

The Consolidated Graphics board believed and continues to believe that these potential risks and drawbacks are outweighed by the potential benefits that the Consolidated Graphics board expects to achieve as a result of the merger. The Consolidated Graphics board realized that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

During its consideration of the merger described above, the Consolidated Graphics board was also aware that certain of its directors and executive officers may have interests in the merger that are different from, in addition to or in conflict with, those of Consolidated Graphics shareholders generally, as described in the section entitled "Interests of Consolidated Graphics - Directors and Executive Officers in the Merger" beginning on page 55 of this proxy statement/prospectus.

### **Opinion of Consolidated Graphics - Financial Advisor**

Consolidated Graphics retained Credit Suisse to act as its financial advisor in connection with the merger. In connection with Credit Suisse's engagement, the Consolidated Graphics board requested that Credit Suisse evaluate the fairness, from a financial point of view, of the per share merger consideration to be received by

**Table of Contents**

Consolidated Graphics shareholders. On October 23, 2013, at a meeting of the Consolidated Graphics board held to evaluate the merger, Credit Suisse rendered to the Consolidated Graphics board an oral opinion, confirmed by delivery of a written opinion, dated October 23, 2013, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the review undertaken, the per share merger consideration (as described in such opinion) to be received by Consolidated Graphics shareholders was fair, from a financial point of view, to such holders.

The full text of Credit Suisse's written opinion, dated October 23, 2013, to the Consolidated Graphics board, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse in connection with such opinion, is attached to this proxy statement/prospectus as **Annex C** and is incorporated into this proxy statement/prospectus by reference in its entirety. The description of Credit Suisse's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's opinion. Credit Suisse's opinion was provided to the Consolidated Graphics board (in its capacity as such) for its information in connection with its evaluation of the per share merger consideration from a financial point of view and did not address any other aspect of the merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Consolidated Graphics or the underlying business decision of Consolidated Graphics to proceed with the merger. The opinion should not be construed as creating any fiduciary duty on Credit Suisse's part to any party and does not constitute advice or a recommendation to any Consolidated Graphics shareholder as to how such shareholder should vote or act on any matter relating to the merger or otherwise.

In arriving at its opinion, Credit Suisse:

reviewed execution versions of the merger agreement and the voting agreement, and certain publicly available business and financial information relating to Consolidated Graphics and R.R. Donnelley;

reviewed certain other information relating to Consolidated Graphics and R.R. Donnelley, including (x) financial forecasts relating to Consolidated Graphics provided to or discussed with Credit Suisse by Consolidated Graphics (which are set forth in the section entitled "The Merger - Certain Consolidated Graphics Forecasts" beginning on page 63 of this proxy statement/prospectus) and (y) I/B/E/S consensus estimates for 2014 relating to R.R. Donnelley, as adjusted and extrapolated by Credit Suisse based on guidance from Consolidated Graphics and discussions with the managements of R.R. Donnelley and Consolidated Graphics, which we refer to as the R.R. Donnelley Forecasts;

met with the managements of Consolidated Graphics and R.R. Donnelley to discuss the business and prospects of Consolidated Graphics and R.R. Donnelley, respectively;

considered certain financial and stock market data of Consolidated Graphics and R.R. Donnelley, and compared that data with similar data for other publicly held companies in businesses Credit Suisse deemed similar to those of Consolidated Graphics and R.R. Donnelley;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have been effected or announced; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the financial forecasts for Consolidated Graphics that Credit Suisse used in its analyses, the management of Consolidated Graphics advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Consolidated Graphics as to the future financial performance of Consolidated Graphics. With respect to the R.R. Donnelley Forecasts, which Consolidated Graphics directed Credit Suisse to use in its analyses, Credit Suisse assumed, at Consolidated Graphics' direction, that such R.R. Donnelley Forecasts

---

**Table of Contents**

represented reasonable estimates and judgments with respect to the future financial performance of R.R. Donnelley and were a reasonable basis upon which to evaluate the fairness of the per share merger consideration from a financial point of view. In addition, Credit Suisse relied upon, at Consolidated Graphics' direction and without independent verification, the estimates of the cost savings and synergies anticipated to result from the merger (including the amount, timing and achievability thereof) that were provided to Credit Suisse by Consolidated Graphics and which Consolidated Graphics advised Credit Suisse reflect discussions between the respective managements of R.R. Donnelley and Consolidated Graphics. Credit Suisse also assumed, with Consolidated Graphics' consent, that, in the course of obtaining any regulatory or third-party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Consolidated Graphics, R.R. Donnelley or the contemplated benefits of the merger and that the merger will be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Consolidated Graphics or R.R. Donnelley, nor has it been furnished with any such evaluations or appraisals.

Credit Suisse's opinion addresses only the fairness, from a financial point of view and as of the date of such opinion, to Consolidated Graphics shareholders of the per share merger consideration and does not address any other aspect or implication of the merger or any other agreement (including the voting agreement), arrangement or understanding entered into in connection with the merger or otherwise, including, without limitation, the fairness of the amount or nature of, or any other aspect relating to, any compensation to, or the treatment of any Consolidated Graphics stock options held by, any officers, directors or employees of any party to the merger, or class of such persons, relative to the per share merger consideration or otherwise. The issuance of Credit Suisse's opinion was approved by its authorized internal committee.

Credit Suisse's opinion was necessarily based upon information made available to Credit Suisse as of the date of such opinion and financial, economic, market and other conditions as they existed and could be evaluated on the date of such opinion. Credit Suisse did not express any opinion as to what the value of shares of R.R. Donnelley common stock actually would be when issued to Consolidated Graphics shareholders pursuant to the merger or the prices at which shares of Consolidated Graphics common stock or R.R. Donnelley common stock would trade at any time. Credit Suisse's opinion does not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to Consolidated Graphics, nor does it address the underlying business decision of Consolidated Graphics to proceed with the merger. Except as described in this summary, Consolidated Graphics imposed no other limitations on Credit Suisse with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the Consolidated Graphics board, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse's analyses described below is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, as a consequence, neither a fairness opinion nor its underlying analyses are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Consolidated Graphics or R.R. Donnelley. No company, transaction or business used in Credit Suisse's analyses for comparative purposes is

---

**Table of Contents**

identical to Consolidated Graphics, R.R. Donnelley or the merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The results of each analysis were taken into account in reaching Credit Suisse's overall conclusion with respect to fairness and Credit Suisse did not make separate or quantifiable judgments regarding the individual analyses. The estimates contained in Credit Suisse's analyses and the implied reference ranges resulting from any particular analysis are illustrative and not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired, which may depend upon a variety of factors, many of which are beyond the control of Consolidated Graphics, R.R. Donnelley or Credit Suisse. Accordingly, the estimates used in, and the results derived from, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse was not requested to, and it did not, recommend the specific consideration payable in the merger, which was determined through negotiations between Consolidated Graphics and R.R. Donnelley, and the decision to enter into the merger agreement was solely that of the Consolidated Graphics board. Credit Suisse's opinion and financial analyses were only one of many factors considered by the Consolidated Graphics board in its evaluation of the merger. Neither Credit Suisse's opinion nor its financial analyses were determinative of the views of the Consolidated Graphics board or management with respect to the merger or the per share merger consideration.

The following is a summary of the material financial analyses reviewed with the Consolidated Graphics board on October 23, 2013 in connection with Credit Suisse's opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse's financial analyses.

For purposes of the financial analyses summarized below:

the term "implied per share merger consideration" refers to \$62.00 per share calculated based on the original per share merger consideration mix provided for in the merger agreement as (i) the cash consideration of \$34.44 per share and (ii) the implied value of the stock consideration of \$27.56 per share based on the 1.645 exchange ratio and R.R. Donnelley common stock's closing price of \$16.75 per share on October 22, 2013 (as opposed to the 1.651 exchange ratio in the merger agreement, which is based on R.R. Donnelley common stock's closing price of \$16.69 per share on October 23, 2013);

the term "EBITDA" generally refers to the relevant company's estimated earnings before interest, taxes, depreciation and amortization for a specified time period, including non-cash stock-based compensation expense and excluding one-time costs related to transaction expenses, goodwill impairment and accretion of pension liabilities; and



the term Enterprise Value generally refers to the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock and capital leases less the amount of cash on its balance sheet).

**Table of Contents***Consolidated Graphics Financial Analyses*

*Selected Companies Analysis.* Credit Suisse reviewed financial and stock market information of Consolidated Graphics and the following four selected publicly traded companies, which operate in the traditional print industry, referred to as the selected companies:

<b>Selected Companies</b>	<b>Enterprise Value/2014 Estimated EBITDA</b>
Consolidated Graphics, Inc.	5.4x
Cenveo, Inc.	7.0x
Quad/Graphics, Inc. (Class A)	5.0x
R.R. Donnelley & Sons Company	5.4x
Transcontinental Inc.	4.7x

Although none of the selected companies are directly comparable to Consolidated Graphics, the selected companies were chosen because they are publicly traded companies that operate in the same industry as Consolidated Graphics and have lines of business and financial and operating characteristics similar to Consolidated Graphics. Credit Suisse determined, using its professional judgment, that these selected companies were the most appropriate for purposes of this analysis. While there may have been other companies that operate in similar industries or have similar principal lines of business or financial or operating characteristics to Consolidated Graphics, Credit Suisse did not specifically identify any other companies for this purpose.

Credit Suisse reviewed Enterprise Values of the selected companies, as of October 22, 2013, as a multiple of calendar year 2014 estimated EBITDA. For purposes of calculating these multiples, financial data of the selected companies, including Consolidated Graphics and R.R. Donnelley, were based on public filings and I/B/E/S consensus estimates. Credit Suisse then applied a reference range of calendar year 2014 estimated EBITDA multiples of 4.5x to 5.5x derived from the selected companies to corresponding data, based on internal estimates of the management of Consolidated Graphics as described in the section entitled *The Merger* Certain Consolidated Graphics Forecasts beginning on page 63 of this proxy statement/prospectus.

This analysis indicated the following approximate implied equity value per share reference range for Consolidated Graphics, as compared to the implied per share merger consideration:

<b>Implied Equity Value Per Share Reference Range</b>	<b>Implied Per Share Merger Consideration</b>
\$55.15 - \$68.15	\$62.00

*Selected Transactions Analysis.* Credit Suisse reviewed publicly available financial information of the following six selected transactions involving companies with operations in the traditional print industry:

<b>Announcement Date</b>	<b>Acquiror / Target</b>	<b>Enterprise Value/LTM EBITDA</b>
08/01/13	The Standard Register Company / WorkflowOne LLC	6.2x
10/10/12	Quad/Graphics, Inc. / Vertis Holdings Inc.	3.3x
1/26/10	Quad/Graphics, Inc. / World Color Press Inc.	4.5x
6/14/07	Cenveo, Inc. / Madison/Graham ColorGraphics Inc.	6.7x

Edgar Filing: RR Donnelley & Sons Co - Form 424B3

1/03/07	R.R. Donnelley & Sons Company / Von Hoffmann	Not available
10/31/06	R.R. Donnelley & Sons Company / Banta Corporation	8.0x

Although none of the companies that participated in the selected transactions are directly comparable to Consolidated Graphics, the companies that participated in the selected transactions are companies with operations that, for purposes of this analysis, may be considered similar to the operations of Consolidated Graphics.

Credit Suisse reviewed Enterprise Values of the target companies as a multiple of such target companies' latest 12 months EBITDA. Credit Suisse then applied a reference range of EBITDA multiples of 4.5x to 6.5x

**Table of Contents**

derived from the selected transactions to the latest 12 months (as of September 30, 2013) EBITDA of Consolidated Graphics. Financial data of the selected transactions were based on publicly available research analysts' estimates, public filings and other publicly available information. Financial data of Consolidated Graphics were based on public filings and internal estimates of the management of Consolidated Graphics as described in the section entitled "The Merger - Certain Consolidated Graphics Forecasts" beginning on page 63 of this proxy statement/prospectus.

This analysis indicated the following approximate implied equity value per share reference range for Consolidated Graphics, as compared to the implied per share merger consideration:

<b>Implied Equity Value Per Share Reference Range</b>	<b>Implied Per Share Merger Consideration</b>
\$50.35 - \$73.90	\$62.00

*Discounted Cash Flow Analysis.* Credit Suisse performed a discounted cash flow analysis of Consolidated Graphics to calculate the estimated present value of the standalone unlevered, after-tax free cash flow that Consolidated Graphics was forecasted to generate during the last six months of the fiscal year ending March 31, 2014 through the full fiscal year ending March 31, 2018 based on internal estimates of the management of Consolidated Graphics as described in the section entitled "The Merger - Certain Consolidated Graphics Forecasts" beginning on page 63 of this proxy statement/prospectus. Credit Suisse calculated terminal values for Consolidated Graphics by applying to the estimated EBITDA of Consolidated Graphics for the fiscal year ending March 31, 2019 (adjusted per management for a normalized estimate of election related revenue) a range of terminal value EBITDA multiples of 4.5x to 5.5x. The range of multiples was selected based on a review of Consolidated Graphics' and the selected companies' current and historical trading multiples. The present value (as of September 30, 2013) of the cash flows and terminal values was then calculated using discount rates ranging from 8.5% to 10.5% derived from Consolidated Graphics' and the selected companies' weighted average cost of capital calculation.

This analysis indicated the following approximate implied equity value per share reference range for Consolidated Graphics, as compared to the implied per share merger consideration:

<b>Implied Equity Value Per Share Reference Range</b>	<b>Implied Per Share Merger Consideration</b>
\$58.16 - \$71.59	\$62.00

*R.R. Donnelley Financial Analyses*

*Selected Companies Analysis.* Credit Suisse reviewed financial and stock market information of R.R. Donnelley and the following four selected publicly traded companies, which operate in the traditional print industry, referred to as the selected companies:

<b>Selected Companies</b>	<b>Enterprise Value/2014 Estimated EBITDA</b>
R.R. Donnelley & Sons Company	5.4x
Cenveo, Inc.	7.0x
Consolidated Graphics, Inc.	5.4x
Quad/Graphics, Inc. (Class A)	5.0x
Transcontinental Inc.	4.7x

Although none of the selected companies are directly comparable to R.R. Donnelley, the selected companies were chosen because they are publicly traded companies that operate in the same industry as R.R. Donnelley and have lines of business and financial and operating characteristics similar to R.R. Donnelley. Credit Suisse determined, using its professional judgment, that these selected companies were the most appropriate for purposes of this analysis. While there may have been other companies that operate in similar industries or have similar principal lines of business or financial or operating characteristics to R.R. Donnelley, Credit Suisse did not specifically identify any other companies for this purpose.

**Table of Contents**

Credit Suisse reviewed Enterprise Values of the selected companies as of October 22, 2013, as a multiple of calendar year 2014 estimated EBITDA. For purposes of calculating these multiples, financial data of the selected companies, including Consolidated Graphics and R.R. Donnelley, were based on public filings and I/B/E/S consensus estimates. Credit Suisse then applied a reference range of calendar year 2014 estimated EBITDA multiples of 4.5x to 5.5x derived from the selected companies to corresponding data of R.R. Donnelley, based on public filings and I/B/E/S consensus estimates.

This analysis indicated the following approximate implied equity value per share reference ranges for R.R. Donnelley, as compared to closing stock price of R.R. Donnelley common stock on October 22, 2013:

<b>Implied Equity Value Per Share Reference Range</b>	<b>R.R. Donnelley Closing Stock Price on October 22, 2013</b>
\$11.00 - \$17.25	\$16.75

*Discounted Cash Flow Analysis.* Credit Suisse performed a discounted cash flow analysis of R.R. Donnelley to calculate the estimated present value of the standalone unlevered, after-tax free cash flow that R.R. Donnelley was forecasted to generate during the last three months of the fiscal year ending December 31, 2013 through the full fiscal year ending December 31, 2017 based on R.R. Donnelley's public filings for the fiscal year ending December 31, 2013 and I/B/E/S consensus estimates for the fiscal year ending December 31, 2014, as adjusted and extrapolated by Credit Suisse based on guidance from Consolidated Graphics and discussions with the managements of R.R. Donnelley and Consolidated Graphics for the fiscal years ending December 31, 2015 through December 31, 2017. Credit Suisse calculated terminal values for R.R. Donnelley by applying to the estimated EBITDA of R.R. Donnelley for the fiscal year ending December 31, 2018 a range of terminal value EBITDA multiples of 4.5x to 5.5x. The range of multiples was selected based on a review of R.R. Donnelley's and the selected companies' current and historical trading multiples. The present value (as of September 30, 2013) of the cash flows and terminal values was then calculated using discount rates ranging from 8.5% to 9.5% derived from R.R. Donnelley's and the selected companies' weighted average cost of capital calculation.

This analysis indicated the following approximate implied equity value per share reference range for R.R. Donnelley, as compared to the closing stock price of R.R. Donnelley common stock on October 22, 2013:

<b>Implied Equity Value Per Share Reference Range</b>	<b>R.R. Donnelley Closing Stock Price on October 22, 2013</b>
\$14.29 - \$20.02	\$16.75

*Other Information.* Credit Suisse also noted for the Consolidated Graphics board certain additional factors that were not considered part of Credit Suisse's financial analyses with respect to its opinion but were referenced for informational purposes, including the following:

historical trading prices of Consolidated Graphics common stock and R.R. Donnelley common stock during the 52-week period ended October 22, 2013, which indicated low and high closing stock prices for Consolidated Graphics common stock of approximately \$27.90 and \$62.38 per share, respectively, and for R.R. Donnelley common stock of approximately \$8.30 to \$19.42 per share, respectively;

stock price targets for Consolidated Graphics common stock and R.R. Donnelley common stock in publicly available Wall Street research analyst reports, which indicated low and high stock price targets for Consolidated Graphics of \$57.00 and \$65.00 per share, respectively, and for R.R. Donnelley of approximately \$16.00 to \$24.00 per share, respectively;

an analysis of the implied per share merger consideration to be received by Consolidated Graphics shareholders based on the illustrative value of the pro forma combined company. This analysis derived the illustrative value based on a 1.645 exchange ratio (the implied exchange ratio based on the closing stock price of the R.R. Donnelley common stock as of October 22, 2013) by adding the cash consideration of \$34.44 per share to a range of equity values per share implied by a trading-based

**Table of Contents**

analysis performed by applying a reference range of calendar year 2014 estimated EBITDA multiples of 4.5x to 5.5x to corresponding data for the pro forma combined company, using the methodology described in the sections entitled *The Merger Opinion of Consolidated Graphics Financial Advisor Consolidated Graphics Financial Analyses Selected Companies Analysis* beginning on page 59 of this proxy statement/prospectus and *The Merger Opinion of Consolidated Graphics Financial Advisor R.R. Donnelley Financial Analyses Selected Companies Analysis* beginning on page 60 of this proxy statement/prospectus, except that Credit Suisse assumed, based on guidance from Consolidated Graphics, potential pre-tax annual net synergies of \$20 to \$50 million per year. This analysis indicated a range of implied values of the per share consideration to be received by Consolidated Graphics shareholders of \$53.46 to \$65.65 and, assuming application of the 5.4x blended Enterprise Value to calendar year 2014 estimated EBITDA multiple for R.R. Donnelley and Consolidated Graphics, \$62.73 to \$64.05;

an analysis of the implied per share merger consideration to be received by Consolidated Graphics shareholders based on the illustrative value of the pro forma combined company. This analysis derived the illustrative value based on a 1.645 exchange ratio (the implied exchange ratio based on the closing stock price of the R.R. Donnelley common stock as of October 22, 2013) by adding the cash consideration of \$34.44 per share to a range of equity values per share implied by an illustrative discounted cash flow analysis of the pro forma combined company, performed using the methodology described in the sections entitled *The Merger Opinion of Consolidated Graphics Financial Advisor Consolidated Graphics Financial Analyses Discounted Cash Flow Analysis* beginning on page 60 of this proxy statement/prospectus and *The Merger Opinion of Consolidated Graphics Financial Advisor R.R. Donnelley Financial Analyses Discounted Cash Flow Analysis* beginning on page 61 of this proxy statement/prospectus, except that Credit Suisse (i) utilized a selected range of terminal value EBITDA multiples of 4.5x to 5.5x, (ii) assumed, based on guidance from Consolidated Graphics, potential pre-tax annual net synergies of \$20 to \$50 million per year and (iii) utilized the midpoint of the discount rates ranging from 8.5% to 9.5%, derived from R.R. Donnelley and the selected companies weighted average cost of capital. This analysis indicated a range of implied values of the per share consideration to be received by Consolidated Graphics shareholders of \$59.44 to \$68.53 and, assuming application of a terminal multiple equivalent to the 5.4x blended Enterprise Value to calendar year 2014 estimated EBITDA multiple for R.R. Donnelley and Consolidated Graphics, \$66.16 to \$67.37; and

an implied exchange ratio analysis using the implied equity value per share reference ranges for Consolidated Graphics and R.R. Donnelley indicated in the respective selected companies analyses, discounted cash flow analyses (both including and excluding the estimated present value of potential synergies), stock price targets, and historical trading prices for Consolidated Graphics and R.R. Donnelley described above and adjusting the implied equity value per share reference ranges for Consolidated Graphics downward by the amount of the \$34.44 per share cash consideration to be paid in the merger, which indicated the implied exchange ratio reference ranges of 1.200x to 3.064x for the selected companies analyses, 1.108x to 2.405x for the discounted cash flow analyses (including the estimated present value of potential synergies), 1.185x to 2.598x for the discounted cash flow analyses (excluding the estimated present value of potential synergies), 0.940x to 1.910x for the stock price targets, and not meaningful to 3.366x for the historical trading prices, as compared to an implied exchange ratio of 1.645x, based on the closing stock price of R.R. Donnelley common stock on October 22, 2013.

*Miscellaneous*



Consolidated Graphics selected Credit Suisse to act as its financial advisor in connection with the merger based on Credit Suisse's qualifications, experience and reputation. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

---

**Table of Contents**

Consolidated Graphics has agreed to pay Credit Suisse for its financial advisory services to Consolidated Graphics in connection with the merger an aggregate fee currently estimated to be approximately \$10.6 million, \$1.0 million of which became payable upon delivery of Credit Suisse's opinion and approximately \$9.6 million of which is contingent upon completion of the merger. In addition, Consolidated Graphics has agreed to reimburse Credit Suisse for its expenses, including fees and expenses of legal counsel, and to indemnify Credit Suisse and related parties for certain liabilities and other items, including liabilities under the federal securities laws, arising out of or related to its engagement. Other than in connection with the merger, from January 1, 2011 through October 23, 2013, no investment banking services were provided by Credit Suisse to Consolidated Graphics or R.R. Donnelley for which Credit Suisse or its affiliates received fees. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for Credit Suisse and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Consolidated Graphics, R.R. Donnelley and their respective affiliates and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

**Certain Consolidated Graphics Forecasts**

Consolidated Graphics does not as a matter of course make public projections as to future sales, earnings or other results due to, among other reasons, the unpredictability of the underlying assumptions and estimates inherent in preparing financial projections. However, in March 2013, in evaluating a possible transaction involving Consolidated Graphics, management of Consolidated Graphics prepared financial projections which were provided to the Consolidated Graphics board. Certain of these financial projections were also provided to Credit Suisse and R.R. Donnelley. On October 20, 2013, management of Consolidated Graphics updated these financial projections to take into account the actual and expected financial results of Consolidated Graphics through September 30, 2013, which updated projections we refer to as the prospective financial information, and provided them to the Consolidated Graphics board. In addition, Consolidated Graphics provided the prospective financial information to Credit Suisse and certain of the prospective financial information to R.R. Donnelley and its advisors. The updated financial projections reflected lower than anticipated results than the financial projections prepared by Consolidated Graphics management in March.

The following summary of the prospective financial information is not provided to influence you to make any investment decision with respect to the merger or otherwise, but is being included because the prospective financial information (or certain of such prospective financial information) was made available to the Consolidated Graphics board, Credit Suisse, R.R. Donnelley and their respective advisors in evaluating a potential transaction between Consolidated Graphics and R.R. Donnelley.

The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to projected financial information, but, in the view of the management of Consolidated Graphics, was prepared on a reasonable basis, reflected, at the time the prospective financial information was prepared, the best available estimates and judgments, and presented, to the best of management's knowledge and belief at the time the prospective financial information was prepared, the expected course of action and the expected future financial performance of Consolidated Graphics. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. Neither Consolidated Graphics' independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information set forth below, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial

information.

The prospective financial information was used by Credit Suisse in rendering its opinion, dated October 23, 2013, to the Consolidated Graphics board as to the fairness, from a financial point of view and as of the date of

**Table of Contents**

such opinion, of the per share merger consideration (as described in such opinion) to be received by Consolidated Graphics shareholders, which opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse. For a description of the opinion that Consolidated Graphics received from Credit Suisse, see the section entitled *The Merger Opinion of Consolidated Graphics Financial Advisor* beginning on page 55 of this proxy statement/prospectus.

The prospective financial information was based on numerous variables and assumptions made by management of Consolidated Graphics at the time it was prepared with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the business of Consolidated Graphics, all of which are difficult to predict and many of which are beyond the control of Consolidated Graphics. Consolidated Graphics believes that the assumptions its management used in formulating the prospective financial information were reasonable at the time the prospective financial information was prepared, taking into account the relevant information available to Consolidated Graphics management at the time. As such, the prospective financial information constitutes forward-looking information and is subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in the prospective financial information, including, but not limited to, the risks set forth in this proxy statement/prospectus and Consolidated Graphics reports filed with the SEC. See the sections entitled *Risk Factors* beginning on page 30 of this proxy statement/prospectus and *Where You Can Find More Information* beginning on 120 of this proxy statement/prospectus.

There can be no assurance that the prospective financial information will be realized or that actual results will not be significantly higher or lower than projected. The prospective financial information also reflects assumptions that are subject to change and do not reflect revised prospects for Consolidated Graphics business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur after the date the prospective financial information was prepared. The prospective financial information also covers multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. Economic and business environments can and do change quickly, which adds additional uncertainty as to whether the results portrayed in the prospective financial information will be achieved. The inclusion of the prospective financial information should not be regarded as an indication that Consolidated Graphics, its advisors or anyone who received such information then considered, or now considers, it as necessarily predictive of actual or future events, and such information should not be relied upon as such and there can be no assurance that the results indicated by the prospective financial information will be realized or that future financial results will not materially vary from the prospective financial information.

The prospective financial information will also be affected by the ability of Consolidated Graphics to achieve its strategic goals, objectives and targets over the applicable periods. Accordingly, the prospective financial information cannot be considered a guarantee of future operating results. The prospective financial information does not take into account any circumstances or events occurring after the date it was prepared, including the transactions contemplated by the merger agreement, and was prepared based on Consolidated Graphics as a standalone company. The prospective financial information also does not take into account acquisitions that Consolidated Graphics may have made in the future had it remained an independent company. Further, the prospective financial information does not take into account other matters related to the merger, including the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with completing the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement had not been executed but which were instead altered, accelerated, postponed or not taken in anticipation of the merger. Further, the prospective financial information does not take into account the effect of any failure of the merger to occur and should not be viewed as accurate or reliable in that context.

Some or all of the assumptions that have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date the prospective financial information was prepared.

**Table of Contents**

Except as may be required by law, Consolidated Graphics disclaims any obligation to update or otherwise revise the prospective financial information to reflect circumstances, economic conditions or other developments existing or occurring after the date the prospective financial information was prepared or to reflect the occurrence of future events, even if any or all of the assumptions on which the prospective financial information were based are no longer appropriate. These considerations should be taken into account in reviewing the prospective financial information, which was prepared as of an earlier date. The inclusion of the prospective financial information in this proxy statement/prospectus should not be deemed an admission or representation that Consolidated Graphics, the Consolidated Graphics board or any other person considered, or now considers, such information to be material. The prospective financial information should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding Consolidated Graphics contained in its public filings with the SEC incorporated by reference into this proxy statement/prospectus. In light of the foregoing factors and the uncertainties inherent in the prospective financial information, Consolidated Graphics shareholders are cautioned not to place undue, if any, reliance on the prospective financial information included in this proxy statement/prospectus.

*Summary Prospective Financial Information*

The prospective financial information was based on assumptions which Consolidated Graphics believes were reasonable at the time management of Consolidated Graphics prepared the prospective financial information. As described above, however, these assumptions are inherently uncertain, were made as of the time the prospective financial information was prepared, and may not be appropriate, either now or in the future, in light of changed circumstances, economic conditions or other developments.

The following table presents summary selected prospective financial information for the fiscal years ended March 31 (in millions, except per share data values):

	<b>2014E</b>	<b>2015E</b>
Revenue	\$ 1,034	\$ 1,099
EBITDA <sup>(1)</sup>	\$ 127	\$ 142
Adj. EBITDA <sup>(1)</sup>	\$ 130	\$ 145
Adj. FD EPS <sup>(2)</sup>	\$ 4.39	\$ 4.82

- (1) EBITDA is defined as net income before interest, income tax expense, depreciation and amortization, and other charges. Adjusted EBITDA is EBITDA before share-based compensation expense. EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flow as a measure of liquidity.
- (2) Adjusted FD EPS is fully diluted earnings per share before other charges and share-based compensation expense, all net of tax. Adjusted FD EPS is based on diluted weighted average shares outstanding for the quarter ended September 30, 2013. Adjusted FD EPS is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flow as a measure of liquidity.

**Table of Contents***GAAP Reconciliations*

All prospective financial information set forth above with respect to Consolidated Graphics' EBITDA, Adjusted EBITDA, and Adjusted FD EPS are non-GAAP financial measures. Consolidated Graphics provided this information to the Consolidated Graphics board, as well as to Credit Suisse and R.R. Donnelley and its advisors as described above because Consolidated Graphics believed such information could be useful in evaluating, on a prospective basis, Consolidated Graphics' financial performance for the periods presented. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and may not be comparable to similarly titled amounts used by other companies. Reconciliations from GAAP net income to EBITDA and Adjusted EBITDA and from GAAP diluted earnings per share to Adjusted FD EPS, included in the prospective financial information set forth above for the fiscal years ended March 31<sup>st</sup> as indicated, are summarized below (in millions, except per share data values):

	<b>2014E</b>	<b>2015E</b>
Net Income	\$ 39	\$ 44
Income taxes	16	24
Interest expense, net	3	2
Depreciation and amortization	66	71
Other charges	3	1
EBITDA	127	142
Share-based compensation expense	3	3
Adjusted EBITDA	\$ 130	\$ 145
	<b>2014E</b>	<b>2015E</b>
Diluted earnings per share	\$ 3.97	\$ 4.54
Other charges	0.40	0.20
Tax benefit of other charges	(0.15)	(0.08)
Share-based compensation expense, net of taxes	0.17	0.16
Adjusted FD EPS	\$ 4.39	\$ 4.82

**R.R. Donnelley's Reasons for the Merger**

At its meeting held on October 23, 2013, after due consideration and consultation with R.R. Donnelley's management and legal and financial advisors, the board of directors of R.R. Donnelley, which we refer to as the R.R. Donnelley board, unanimously approved entry into the merger agreement. In doing so, the R.R. Donnelley board considered the business, assets, and liabilities, results of operations, financial performance, strategic direction and prospects of Consolidated Graphics and determined that the merger was in the best interests of R.R. Donnelley. In making its determination, the R.R. Donnelley board focused on a number of factors, including the following:

*Strategic Fit.* The R.R. Donnelley board considered that the combination of R.R. Donnelley and Consolidated Graphics would complement R.R. Donnelley's existing platform and enhance R.R. Donnelley's strategy of targeting transactional sales opportunities, diversifying its mix of products and services, focusing on end-to-end process

improvements, executing complex supply chain programs and driving process efficiencies through specialized comprehensive communication solutions.

In particular, the R.R. Donnelley board considered that the combined company would benefit from:

Consolidated Graphics' comprehensive printing and services capabilities, including commercial sheet-fed, web and digital printing, as well as specialty printing services such as large and grand format, point-of-sale display, packaging capabilities and mailing and fulfillment services for commercial end markets;

additional exposure to digital, packaging, signage and other high growth market segments;



**Table of Contents**

a diversified customer base across a large geographical footprint, serving clients through approximately 70 operating companies in 26 states as well as in Toronto, Prague and Gero, Japan;

the opportunity to penetrate smaller-sized customers through Consolidated Graphics' localized sales force model; and

Consolidated Graphics' digital and web-to-print technological platforms.

*Growth and Cost Savings.* The R.R. Donnelley board considered that the integration of Consolidated Graphics into R.R. Donnelley would provide the combined company with the opportunity to realize growth and cost savings through reductions in fixed costs and information technology spending, better combined purchasing opportunities for materials and freight and the potential for facility consolidation.

*Additional Considerations.* In the course of reaching its decision to approve the merger agreement, the R.R. Donnelley board of directors considered the following additional factors as generally supporting its decision:

the per share merger consideration, the fact that the stock portion of the per share merger consideration is fixed, and the resulting percentage ownership interest that current Consolidated Graphics shareholders would have in R.R. Donnelley following the merger;

the terms and conditions of the merger agreement, including the conditions to the completion of the merger; the circumstances under which the merger agreement could be terminated and the impact of such a termination; and the potential payment by Consolidated Graphics of a termination fee of \$15 million plus up to \$3 million in expenses;

historical information concerning R.R. Donnelley's and Consolidated Graphics' respective businesses, financial condition, results of operations, earnings, technology positions, managements, competitive positions and prospects on a stand-alone basis and forecasted combined basis;

current financial market conditions;

the current and prospective business environment in which R.R. Donnelley and Consolidated Graphics operate, including international, national and local economic conditions, the competitive and regulatory environment for commercial printing and print-related services providers generally, and the likely effect of these factors on R.R. Donnelley and the combined company;

the impact of the merger on the customers and employees of R.R. Donnelley;

the regulatory approvals required to consummate the merger and the belief of R.R. Donnelley's management that the merger would be approved by the requisite authorities, without the imposition of conditions sufficiently material to preclude the merger, and would otherwise be consummated in accordance with the terms of the merger agreement; and

the expectation that the merger could be completed within a reasonable time frame.

The R.R. Donnelley board of directors also considered a number of potentially negative factors in its deliberations concerning the merger agreement, including:

the risk that, because the stock portion of the per share merger consideration under the merger agreement would not be adjusted for changes in the market price of R.R. Donnelley common stock or Consolidated Graphics common stock, the value of the per share merger consideration to be paid to holders of shares of Consolidated Graphics common stock upon the consummation of the merger could be significantly more than the value of the per share merger consideration immediately prior to the announcement of the proposed merger;

the risk that the merger might not receive all necessary regulatory approvals, or that any governmental authorities could attempt to condition their approval of the merger on the companies' compliance with certain conditions, including the divestiture of assets;

the difficulties and management challenges inherent in completing the merger and integrating the businesses, operations and workforce of Consolidated Graphics with those of R.R. Donnelley;

## **Table of Contents**

the possibility of encountering difficulties in achieving expected growth and cost savings; and

the risk that Consolidated Graphics' financial performance may not meet R.R. Donnelley's expectations. The foregoing discussion of the information and factors that the R.R. Donnelley board considered is not intended to be exhaustive, but is meant to include the material factors that the R.R. Donnelley board considered. In view of the complexity and wide variety of factors, both positive and negative, that the R.R. Donnelley board considered, the R.R. Donnelley board did not find it practical to, and did not attempt to, quantify, rank or otherwise assign relative or specific weights or values to any of the factors considered. In addition, individual members of the R.R. Donnelley board may have given different weights to different factors. In considering the various factors, individual members of the R.R. Donnelley board considered all of these factors as a whole, and concluded that, on balance, the positive factors outweighed the negative factors and that they supported a determination to approve the merger agreement and declare its advisability.

### **Financing of the Merger**

R.R. Donnelley's obligation to complete the merger is not contingent upon the receipt by R.R. Donnelley of any financing. R.R. Donnelley estimates that it will need approximately \$433.8 million in order to pay Consolidated Graphics shareholders and holders of Consolidated Graphics stock options the cash amounts due to them under the merger agreement, pay related fees and expenses in connection with the merger and repay or refinance the outstanding indebtedness of Consolidated Graphics that will come due as a result of the merger. R.R. Donnelley anticipates that the funds needed to pay the foregoing amounts will be derived from cash on hand and through borrowings under R.R. Donnelley's senior secured revolving credit facility.

### **Closing and Effective Time of the Merger**

Unless the parties otherwise mutually agree, the closing of the merger will occur on the third business day after the day on which the last of the conditions to the closing of the merger is satisfied or waived (other than those conditions that by their nature must be satisfied or waived at the closing of the merger, but subject to the fulfillment or waiver of such conditions). Subject to the satisfaction or waiver of the conditions to the closing of the merger described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 83 of this proxy statement/prospectus, including the receipt of the Consolidated Graphics shareholder approval at the special meeting, it is anticipated that the merger will be completed during the first quarter of 2014. It is possible that factors outside the control of both companies could result in the merger being completed at a different time, or not at all.

The effective time of the merger will occur as soon as practicable after the closing of the merger when the certificate of merger is duly filed with the Secretary of State of the State of Texas or at such later time as the parties may mutually agree and specify in the certificate of merger.

### **Regulatory Approvals**

The completion of the merger is subject to antitrust review in the United States. Under the HSR Act and the rules promulgated thereunder, the merger may not be completed until notification and report forms have been filed with the FTC and the DOJ and the applicable waiting period (or any extensions thereof) has expired or been terminated.

On November 13, 2013, Consolidated Graphics and R.R. Donnelley filed with the FTC and the DOJ notification and report forms under the HSR Act with respect to the proposed merger. The waiting period with respect to the notification and report forms filed under the HSR Act expired on December 13, 2013, without any action having been

taken by the FTC or the DOJ.

## **Table of Contents**

At any time before or after consummation of the merger, notwithstanding the termination of the waiting period under the HSR Act, the DOJ or the FTC, or any state, could take such action under the antitrust laws as each deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger or seeking divestiture of substantial assets of Consolidated Graphics or R.R. Donnelley. Private parties also may seek to take legal action under the antitrust laws under certain circumstances.

There can be no assurance that the DOJ, the FTC or any other governmental entity or any private party will not attempt to challenge the merger on antitrust or competition grounds, and, if such a challenge is made, there can be no assurance as to its result. For a description of the parties' obligations with respect to regulatory approvals related to the merger, see the section entitled "The Merger Agreement Agreement to Use Reasonable Best Efforts" beginning on page 81 of this proxy statement/prospectus.

## **Federal Securities Law Consequences**

Pending the effectiveness of the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, shares of R.R. Donnelley common stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act or the Exchange Act, except for shares of R.R. Donnelley common stock issued to any Consolidated Graphics shareholder who may be deemed an affiliate of R.R. Donnelley after the completion of the merger. This proxy statement/prospectus does not cover resales of R.R. Donnelley common stock received by any person upon the completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any resale of R.R. Donnelley common stock.

## **Accounting Treatment**

R.R. Donnelley prepares its financial statements in accordance with GAAP. The merger will be accounted for using the acquisition method of accounting. R.R. Donnelley will be treated as the acquiror for accounting purposes.

## **Nasdaq Market Listing**

The shares of R.R. Donnelley common stock to be issued in the merger will be listed for trading on Nasdaq.

## **Delisting and Deregistration of Consolidated Graphics Common Stock**

If the merger is completed, Consolidated Graphics common stock will be delisted from the NYSE and deregistered under the Exchange Act, and Consolidated Graphics will no longer file periodic reports with the SEC.

Prior to the closing of the merger, Consolidated Graphics has agreed to cooperate with R.R. Donnelley to take all actions reasonably necessary, proper or advisable on its part under applicable laws and rules and regulations of the NYSE to enable such delisting and deregistration.

---

**Table of Contents**

**THE MERGER AGREEMENT**

*This section describes the material terms of the merger agreement. The description in this section and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as **Annex A** and is incorporated by reference into this proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. You are encouraged to read the merger agreement carefully and in its entirety. This section is not intended to provide you with any factual information about Consolidated Graphics or R.R. Donnelley. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings Consolidated Graphics and R.R. Donnelley make with the SEC, as described in the section entitled *Where You Can Find More Information* beginning on page 120 of this proxy statement/prospectus.*

**Explanatory Note Regarding the Merger Agreement**

The merger agreement is included to provide you with information regarding its terms. Factual disclosures about Consolidated Graphics and R.R. Donnelley contained in this proxy statement/prospectus or in the public reports of Consolidated Graphics and R.R. Donnelley filed with the SEC may supplement, update or modify the factual disclosures about Consolidated Graphics and R.R. Donnelley contained in the merger agreement. The representations, warranties and covenants made in the merger agreement by Consolidated Graphics, R.R. Donnelley and Merger Sub were qualified and subject to important limitations agreed to by Consolidated Graphics, R.R. Donnelley and Merger Sub in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of establishing circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties also may be subject to a contractual standard of materiality different from that generally applicable to shareholders and reports and documents filed with the SEC and in some cases were qualified by the matters contained in the disclosure schedules that Consolidated Graphics and R.R. Donnelley each delivered in connection with the merger agreement, which disclosures were not reflected in the merger agreement. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this proxy statement/prospectus, may have changed since the date of the merger agreement.

**Effects of the Merger; Directors and Officers; Certificates of Incorporation; By-laws**

The merger agreement provides for the merger of Merger Sub with and into Consolidated Graphics. After the merger, Consolidated Graphics will be the surviving corporation and a wholly owned subsidiary of R.R. Donnelley.

At the effective time of the merger, each share of common stock, par value \$0.01 per share, of Merger Sub issued and outstanding immediately prior to the effective time of the merger will be converted into one share of common stock, par value \$0.01 per share, of the surviving corporation.

The board of directors of Merger Sub immediately prior to the effective time of the merger will, from and after the effective time of the merger, be the directors of the surviving corporation until their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the TBOC and the amended and restated articles of incorporation and fourth amended and restated by-laws of the surviving corporation.

The officers of Consolidated Graphics immediately prior to the effective time of the merger will, from and after the effective time of the merger, be the officers of the surviving corporation until their respective successors

## **Table of Contents**

have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the TBOC and the amended and restated articles of incorporation and fourth amended and restated by-laws of the surviving corporation.

At the effective time of the merger, the restated articles of incorporation and third amended and restated by-laws of Consolidated Graphics will be amended in their entirety to read as set forth in Exhibit B and Exhibit C to the merger agreement, respectively, and as so amended, will be the amended and restated articles of incorporation and fourth amended and restated by-laws of the surviving corporation until thereafter duly amended in accordance with their terms or by applicable law.

### **Treatment of Consolidated Graphics Stock Options in the Merger**

At the effective time of the merger, each Consolidated Graphics stock option will be automatically cancelled and converted into the right to receive an amount in cash equal to the excess, if any, of (i)(x)(1) the per share cash amount *plus* (2) the product of the exchange ratio and the R.R. Donnelley trading price, *minus* (y) the per share exercise price of the applicable Consolidated Graphics stock option immediately prior to the effective time of the merger, *multiplied by* (ii) the aggregate number of shares of Consolidated Graphics common stock into which the applicable Consolidated Graphics stock option was exercisable immediately prior to the effective time of the merger.

If the exercise price per share of any such Consolidated Graphics stock option is equal to or greater than the per share stock option consideration, the Consolidated Graphics stock option will be cancelled without any cash payment.

### **Exchange and Payment Procedures**

At or prior to the effective time of the merger, R.R. Donnelley will select an exchange agent reasonably acceptable to Consolidated Graphics to handle the exchange of shares of Consolidated Graphics common stock for the per share merger consideration, as described above.

At or prior to the effective time of the merger, R.R. Donnelley will deposit with the exchange agent a number of shares of R.R. Donnelley common stock and an amount of cash sufficient to deliver the per share merger consideration to which Consolidated Graphics shareholders will become entitled. After the effective time of the merger, on the appropriate payment date, if applicable, R.R. Donnelley will deposit with the exchange agent the amount of any dividends or other distributions payable on shares of R.R. Donnelley common stock.

As promptly as reasonably practicable after the effective time of the merger, R.R. Donnelley will cause the exchange agent to deliver a letter of transmittal to each holder of record of a certificate representing shares of Consolidated Graphics common stock converted pursuant to the merger agreement. The letter of transmittal will specify that delivery will be effected, and risk of loss and title to the shares of Consolidated Graphics common stock will pass, only upon proper delivery of such share certificate to the exchange agent and will provide instructions for effecting the surrender of share certificates in exchange for payment of the per share merger consideration. Surrendered share certificates will be cancelled and no interest will be paid or accrue on any cash. Holders of shares of Consolidated Graphics common stock in certificated form will not be entitled to receive the per share merger consideration unless and until such holders have delivered a duly completed and executed letter of transmittal to the exchange agent, accompanied by the required share certificates. In addition, the per share merger consideration will be delivered to such holder only if the applicable letter of transmittal is accompanied by all documents reasonably required by R.R. Donnelley to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid or are not applicable. Consolidated Graphics shareholders should not send share certificates with their proxy card and should not surrender certificates without a letter of transmittal.



Until holders of certificates previously representing Consolidated Graphics common stock have surrendered their share certificates to the exchange agent for exchange, those holders will not receive dividends or

## **Table of Contents**

distributions on the shares of R.R. Donnelley common stock into which those shares have been converted with a record date after the effective time of the merger. Subject to applicable law, when holders surrender their share certificates, they will receive, without interest, (i) the amount of any cash payable in lieu of a fractional share of R.R. Donnelley common stock to which such holder is entitled and the amount of dividends or other distributions with a record date after the effective time of the merger theretofore paid with respect to such whole shares of R.R. Donnelley common stock and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of R.R. Donnelley common stock with a record date after the effective time of the merger but prior to such surrender and with a payment date subsequent to such surrender.

Holders of shares of Consolidated Graphics common stock in book entry form, which we refer to as book entry shares, will not be required to deliver a share certificate or an executed letter of transmittal to the exchange agent to receive the per share merger consideration that such holders are entitled to receive pursuant to the merger agreement. In lieu thereof, holders of book entry shares who are entitled to receive shares of R.R. Donnelley common stock will, upon receipt by the exchange agent of an agent's message in customary form, be entitled to receive, without interest, (i) the amount of dividends or other distributions with a record date after the effective time of the merger theretofore paid with respect to such whole shares of R.R. Donnelley common stock, and the amount of any cash payable in lieu of a fractional share of R.R. Donnelley common stock to which such holders are entitled and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of R.R. Donnelley common stock with a record date after the effective time of the merger but prior to the time of such payment and delivery by the exchange agent and with a payment date subsequent to the time of such payment and delivery by the exchange agent.

## **No Transfers Following the Effective Time of the Merger**

After the effective time of the merger, the stock transfer books of Consolidated Graphics will be closed and there will be no further registration of transfers of shares on the records of Consolidated Graphics. After the effective time of the merger, the holders of certificates or book entry shares evidencing ownership of shares of Consolidated Graphics common stock outstanding immediately prior to the effective time of the merger will cease to have any rights with respect to such shares of Consolidated Graphics common stock, except as otherwise provided in the merger agreement or by applicable law. Any share certificates or book entry shares presented to the surviving corporation after the effective time of the merger will be cancelled and exchanged as provided in the merger agreement.

## **Fractional Shares**

No certificates or scrip representing fractional shares of R.R. Donnelley common stock will be issued upon the conversion of shares of Consolidated Graphics common stock pursuant to the merger agreement. Instead, each Consolidated Graphics shareholder who would otherwise be entitled to fractional shares of R.R. Donnelley common stock will be entitled to an amount in cash, rounded down to the nearest cent, equal to the product of (i) the amount of the fractional share interest in a share of R.R. Donnelley common stock to which such holder is entitled under the merger agreement and (ii) the R.R. Donnelley trading price. All fractional shares that a Consolidated Graphics shareholder would be otherwise entitled to receive will be aggregated and rounded to three decimal places.

## **Termination of Exchange Fund**

Any certificates representing shares of R.R. Donnelley common stock and any funds that had been made available to the exchange agent for the payment of per share merger consideration and have not been disbursed to holders of certificates or book entry shares for nine months after the effective time of the merger will be delivered to the surviving corporation. Thereafter holders will be entitled to look only to R.R. Donnelley and the surviving corporation

with respect to the payment of any per share merger consideration (or dividends or distributions with respect thereto, as contemplated by the merger agreement). None of R.R. Donnelley, the

## **Table of Contents**

surviving corporation or the exchange agent will be liable to any holder of a certificate or book entry shares for per share merger consideration (or dividends or distributions with respect thereto) properly delivered to a public official pursuant to any abandoned property, escheat or similar law.

## **Withholding Taxes**

R.R. Donnelley, the surviving corporation or the exchange agent will be entitled to deduct and withhold any applicable taxes and pay over such withheld amount to the appropriate governmental entity. Any amount so withheld will be treated for all purposes of the merger agreement as having been paid to the holder of the share certificates or book entry shares in respect of which the deduction and withholding was made.

## **Lost, Stolen or Destroyed Share Certificates**

If a share certificate has been lost, stolen or destroyed, then, before a Consolidated Graphics shareholder will be entitled to receive the per share merger consideration (or dividends or distribution with respect thereto), such shareholder will need to deliver an affidavit of that fact and, if requested by R.R. Donnelley or the surviving corporation, a bond (in such amount as R.R. Donnelley or the surviving corporation may reasonably direct) as indemnity against any claim that may be made against the exchange agent, R.R. Donnelley or the surviving corporation on account of the alleged loss, theft or destruction of such share certificate.

## **Representations and Warranties**

The merger agreement contains customary and, in many cases, reciprocal, representations and warranties by Consolidated Graphics and R.R. Donnelley that are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement, in any report, schedule, form, statement or other document filed with or furnished to the SEC from March 31, 2010 and prior to October 23, 2013 or in the disclosure schedules delivered by Consolidated Graphics and R.R. Donnelley to each other in connection with the merger agreement, excluding, in each case, any disclosures set forth in any risk factor section or in any other section to the extent they are forward-looking statements or cautionary, predictive or forward-looking in nature.

These representations and warranties relate to, among other things:

organization, good standing and qualification to do business;

governing documents;

capitalization;