

DONNELLEY R R & SONS CO
Form DEFA14A
November 10, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Consent Revocation Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Consent Revocation Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

R. R. DONNELLEY & SONS COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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SLIDE ONE

RR Donnelley and Moore Wallace

The Printing Company of the Future

November 10, 2003

[LOGO] RR Donnelley

[LOGO] Moore Wallace

SLIDE TWO

Forward-Looking Statements

Spoken and written statements made in this presentation including, but not limited to, statements regarding the opportunities and challenges related to the integration of the two companies; expectations of future results as a combined entity; the ability to identify and achieve cost savings; and future demand for the Company's products and services and other statements regarding matters that are not historical facts, are forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995).

Such forward-looking statements are based on current expectations and include assumptions, risks and uncertainties that could cause actual results to differ materially from those expressed or implied thereby. You are encouraged to read the companies' periodic filings with the U.S. Securities and Exchange Commission (SEC), including the most recently filed Form 10-Ks and 10-Qs for both RR Donnelley & Sons and Moore Wallace. These filings discuss in full factors that could cause actual results to differ from those made in any forward-looking statements and can be found on the companies' web sites (www.rrdonnelley.com and www.moorewallace.com); EDGAR filings can be found on the SEC's web site at www.sec.gov and SEDAR filings at www.sedar.com.

Forward-looking statements included herein speak only as of the date of this presentation, and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after such date or to reflect the occurrence of unanticipated events or circumstances.

SLIDE THREE

Powerful Combination

The RR Donnelley and Moore Wallace
transaction combines two industry leaders
with highly complementary products and services
to form the
world's premier full-service global printer.

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SLIDE FOUR

Transaction Highlights

Transaction All-stock transaction with total value of approx. \$6 billion*
Structure Fixed exchange ratio of 0.63, or \$17.66* for each MWI share
*Based on the closing price of RR Donnelley on 11/07/03

Ownership Approximately 53% RR Donnelley shareholders / 47% Moore Wallace shareholders

Accretion Expected to be accretive to earnings in the first full year of operations excluding the impact of transaction-related charges

Name/Listing Combined company will be called RR Donnelley and will trade under ticker DNY

Dividend Fully intend to maintain current annual dividend of \$1.04 per share

Credit Rating Expect to maintain an investment grade credit rating

BOD 8 directors from RR Donnelley; 7 directors from Moore Wallace

Headquarters Chicago

Closing Date Expected close in first quarter 2004

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SLIDE FIVE

Enhanced Financial Profile

Combined market cap of approx. \$6 billion

Combined 2003 pro forma revenue of approx. \$8 billion

Combined 2003 pro forma EBITDA of approx. \$1 billion

Combined total debt of approx. \$1.9 billion

Combined debt/EBITDA ratio of 1.9x

Non-GAAP results are not considered to be in accordance with, or a substitute for, GAAP results and are not intended to be an indication of future operating performance and may not be comparable to pro forma results of other entities. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

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SLIDE SIX

Strategic Rationale

Pre-eminent global commercial printing and communications services company

Leading position in North America

Strong platforms in Europe, Asia & Latin America

A balanced, diversified printing platform, by product, industry vertical and geography

Industry-leading positions across business segments

Significant cost savings and revenue synergy opportunities

Cost savings of at least \$100 million on annualized basis in the first 12 to 24 months after the closing

Enhanced revenue opportunities by cross-selling complementary product offering to expanded blue chip customer base

Solid credit profile, strong balance sheet and substantial cash flow

Combined company will leverage depth of operating, industry and financial experience and expertise

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SLIDE SEVEN

Complementary Strengths

RR Donnelley

Brand & reputation

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Asset productivity/continuous improvement

Long-run printing platform

Highly contractual revenue base

Strong financial position

Moore Wallace

Blue-chip Fortune 500 clients

Proven cross-selling success

Rigorous focus on costs

Significant cash flow

Extensive experience in acquisitions/integration

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SLIDE EIGHT

The Printing Company of the Future

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\$8 billion combined annual revenue

[Pie Chart]

| | |
|---------------------------------|-----|
| Magazine/Catalogs/Retail | 21% |
| Books | 9% |
| Telecoms | 7% |
| Forms | 8% |
| Supplies | 4% |
| Labels | 5% |
| Warehouse Management Technology | 3% |
| International | 6% |
| Logistics | 12% |
| Outsourcing/Print Fulfillment | 6% |
| Commercial | 8% |
| Financial Services | 5% |
| Direct Mail | 6% |

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SLIDE NINE

Blue Chip Global Customer Relationships

[Customer Logos]

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SLIDE TEN

Leading Positions in Key Worldwide Markets

[U.S. Map Indicating Moore Wallace and RR Donnelley Business Locations]

Page 10

SLIDE ELEVEN

Leading Positions in Key Worldwide Markets

[International Map]

LATIN AMERICA

ARGENTINA

Buenos Aires

BRAZIL

Sao Paulo

Indaiatuba

Rio de Janeiro

CHILE

Santiago

MEXICO

Mexico City

Revnosa

San Juan del Rio

EUROPE

AUSTRIA

Aldrans

UNITED KINGDOM

London

Goldsborough

Flaxby Moor

GERMANY

Bremen

Dortmund

Laupheim

Frankfurt am Main

IRELAND

Dublin

LUXEMBOURG

NETHERLANDS

Amsterdam

POLAND

Krakow

Warsaw

RUSSIA

Moscow

ASIA PACIFIC

CHINA

Beijing

Shanghai

Shenzhen

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SLIDE TWELVE

Compelling Cost and Revenue Synergies

Expect to generate cost savings of at least \$100M on annualized basis in the first 12 to 24 months from:

Elimination of duplicative administrative and infrastructure costs

Procurement savings

Asset rationalization and optimization

Significant revenue synergies through cross selling of product portfolios to expanded customer base

Rigorous capital management discipline

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SLIDE THIRTEEN

All Star Industry-Leading Management Team

Strong focus on generating growth and shareholder value while delivering highest levels of customer service

Combined management team brings together industry's top talent

Disciplined cost managers

Significant industry experience & proven operating expertise

Key business heads supported by deep bench, talented workforce

Highly-experienced acquirers and integrators

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SLIDE FOURTEEN

Closing and Integration Plan

Expected close in first quarter 2004

Subject to approval by:

RR Donnelley and Moore Wallace shareholders

Canadian court-approved Plan of Arrangement (similar to merger) under Canadian corporate law

U.S. and Canadian regulatory approvals

Integration effort to include top-level professionals from both companies

Integration planning process well under way

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SLIDE FIFTEEN

A Combination to Create Shareholder Value

Increased Shareholder Value

Improved returns, lower costs, higher profitability

Expanded global scale

Increased financial strength

Enhanced revenue opportunities

Experienced management team

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SLIDE SIXTEEN

Important Notice

This communication is not a solicitation of a proxy from any security holder of Moore Wallace or RR Donnelley. Moore Wallace and RR Donnelley intend to file a Joint Management Information Circular and Proxy Statement regarding the proposed transaction with the U.S. Securities and Exchange Commission (SEC) and the securities commissions or equivalent regulatory authorities in Canada. WE URGE INVESTORS IN RR DONNELLEY AND MOORE WALLACE TO CAREFULLY READ THE JOINT MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT RR DONNELLEY, MOORE WALLACE AND THE PROPOSED TRANSACTION. Investors will be able to obtain the documents free of charge at the SEC's website, www.sec.gov <<http://www.sec.gov>>, and at the website of the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) maintained by the Canadian Securities Administrator at www.sedar.com. Documents filed with the SEC by RR Donnelley will be available free of charge from Investor Relations, RR Donnelley, 77 West Wacker Drive, Chicago, IL 60601, Tel. (312) 326-8926. In addition, documents filed with the SEC by Moore Wallace will be available free of charge from Moore Wallace, One Canterbury Green, Stamford, CT 06901, Attention: Investor Relations, Tel. (203) 406-3749.

RR Donnelley, Moore Wallace and their executive officers and directors may be deemed to be participants in the solicitation of proxies from RR Donnelley and Moore Wallace security holders in favor of the proposed transaction. Information regarding the security ownership and other interests of RR Donnelley's and Moore Wallace's executive officers and directors will be included in the Joint Management Information Circular and Proxy Statement.

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