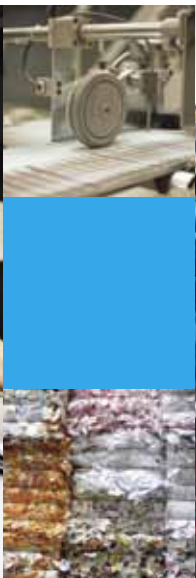




QUAD/GRAPHICS • A YEAR OF TRANSFORMATION
2010 ANNUAL REPORT



Finding a Better Way.
A tradition that's
been key to our
growth and the
reason that we'll
thrive in the future.



In 2010, we undertook a bold initiative: the acquisition of Worldcolor. That strategic move not only transformed Quad/Graphics into the second largest commercial printer in North America, but strengthens our ability to broaden the power of print.

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The Quad Way = Finding a Better Way

We've been a breakaway company since Day One. In fact, my father Harry founded Quad/Graphics with the belief that doing things differently – and better – could propel a tiny upstart into an industry-leading printer. This bold vision, backed by bold moves, catalyzed the company's growth and success.

“Quad/Graphics’ acquisition of Worldcolor is a transformational event in our company’s history. I’m confident that this is the right choice to move Quad/Graphics forward and help us continue to succeed over the long term.”

JOEL QUADRACCI, CHAIRMAN, PRESIDENT & CEO

Quad has a history of aggressive moves and in 2010 we made our biggest, boldest move yet: acquiring Worldcolor. Our history and our culture dictate that we set challenging but realistic objectives and deliver on our commitments. So, we approached this event in typical Quad style, spending significant time upfront to prepare for the integration so we could maximize synergies for the benefit of all stakeholders. We hit the ground running and are seeing measurable progress on integrating operations. As we continue to move forward with the integration, we are focused on avoiding customer disruptions, and maintaining high levels of quality and service.

A critical factor in Quad/Graphics’ ongoing success is our distinct corporate culture – one of my father’s most important legacies. Our culture and values give our company its soul and comprise the Quad Way. But, the Quad Way isn’t about following one set way; it’s about finding a better way, using our culture and values as our guide. Our values drive how we run the business and better position us to prevail in a dynamic and competitive printing industry. They guide us in engaging and empowering our employees – and keeping them safe – while satisfying our clients’ needs.

Our distinctive way of doing business translates to outstanding value for our clients. We’ve always taken a sustained approach in investing in our platform to manage costs and maximize our clients’ revenue potential. Our approach has resulted in one of the industry’s most advanced and efficient manufacturing platforms. Our acquisition of Worldcolor affords us even greater manufacturing and distribution efficiencies, and a broader product and geographic offering. We’re even better positioned to meet our clients’ evolving needs.

As the economic environment stabilized in 2010, we’ve seen print volumes beginning to do the same. However, competition in a highly fragmented printing industry remains intense as the industry is still in the process of consolidating and continues to suffer from overcapacity. The impacts of these factors have led to continued pricing pressures. Nevertheless, we approach these challenges as opportunities to redefine ourselves and the print medium.

We believe that print has a strong future. For all the talk of the shifting media landscape and consumers’ changing habits, the reality is that print is a crucial component in an ever-changing multichannel world. Quad/Graphics is redefining print, expanding its relevancy, increasing its value for our clients and, in the process, growing our business. We will continue to move the business forward through strategic initiatives – including market and geographical expansions – that enhance our service offering, benefit our clients and their business goals, and create shareholder value.

In 2011, Quad/Graphics celebrates our milestone 40-year anniversary on July 13. This occasion is as much about commemorating our historic past as it is about celebrating our future. We are confident that we’re making the right moves, in the right ways to make that future bold and bright.



Joel Quadracci
Chairman, President & CEO



40 YEARS

Quad's anniversary in 2011.

The Quad Way = Finding a Better Way

It began with the idea to build a company unlike any other.

Forty years later, our approach to business – and printing – remains innovative and unique.



Ordinary people can accomplish extraordinary things. That belief empowered our late founder, Harry V. Quadracci, to build Quad/Graphics into a legendary printing company and change an industry. Today, we remain committed to Harry's vision of finding a better way. We're redefining print, leveraging its strengths in a multichannel world. We're providing clients innovative solutions and unexpected value. And we're helping our employees achieve their potential.

A culture based on strong values and serving a common purpose.

Our culture and values give our company its soul. We find better ways to take care of our employees, our clients, our community and the world.

There's a reason Quad/Graphics has so many long-term employees. Our employees are our greatest asset, and they're treated that way. We see the promise in each and give them the chance to fulfill it: through empowerment, education and training, and by offering healthcare, competitive salaries and benefits. It's a solid and sustainable approach that creates long-term growth prospects for our employees and our company.

Keeping employees safe is as important as any other objective we have. Comprehensive programs like our Safety Management System and Safety Accountability Measurement Program help promote high safety standards, while adding value to our business practices and increasing productivity.

We believe that good business is based on good relationships. Our customer service team focuses on our clients' needs, working to develop personalized knowledge of – and service for – each one. More than anything, we strive to be partners with our clients, aiding them in making decisions that improve their business. We're proactive, providing insights and knowledge that help clients be more successful.

We also believe that we have a duty to help the communities we call home. Two of the many ways we give back are the Windhover Foundation and our Community Fund.

Quad/Graphics prides itself on a long tradition of environmentally conscious practices that focus on reducing waste and emissions, conserving resources such as energy and water, reusing materials,

and recycling. Our "good for the environment, good for business" philosophy recognizes that reducing environmental impact can benefit business without affecting client service or product quality.

Going forward, Quad/Graphics intends to extend our environmental philosophy and practices across our expanded platform. Our efforts include programs to promote "enlightened environmentalism" (i.e., education about sustainable business practices) and programs focused on recycling, energy, emissions, water and ink.

A LEGACY THAT LIVES ON

Forty years ago, Harry V. Quadracci launched Quad/Graphics in an abandoned millwork factory in

Pewaukee, Wisconsin. Though Harry is no longer with us, his creation lives on stronger than ever because of the culture he formed and the values he set in place. Thanks to his vision, Quad/Graphics has had a highly successful 40 years as Innovative People Redefining Print, and we look forward to many, many more.

When it came to language, Harry's vernacular reflected his colorful character. Whether he was talking about how to manage a business or how to overcome economic challenges, he had a knack for coining a catchy phrase. His words – and philosophies – have stood the test of time. They continue to inspire us today.



Average reduction in Quad/Graphics' healthcare costs, thanks to QuadMed, as compared to comparable Midwest companies.

250%

“I don’t think there’s any right way or wrong way to run a business ... but if there is a monument to be made, it’s the values that are instilled in the business. And hopefully those values will live long after me.”

HARRY V. QUADRACCI

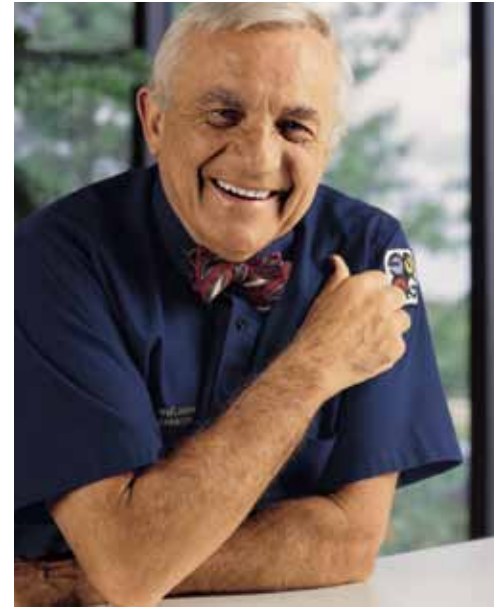
We’re happy to share a few of Harry’s most famous phrases, along with his descriptions.

Think Small. “It is paramount that in our process of growth, we do not lose sight of what made us so big so fast, and that is being small with close personal contact with our customers and with each other. As we grow, we must continue to think small, to maintain close personal ties and the respect for the individual, which is the cornerstone of Quad/Graphics.”

Respondepity. “This is our uncanny ability to anticipate and respond to a client’s every need.”

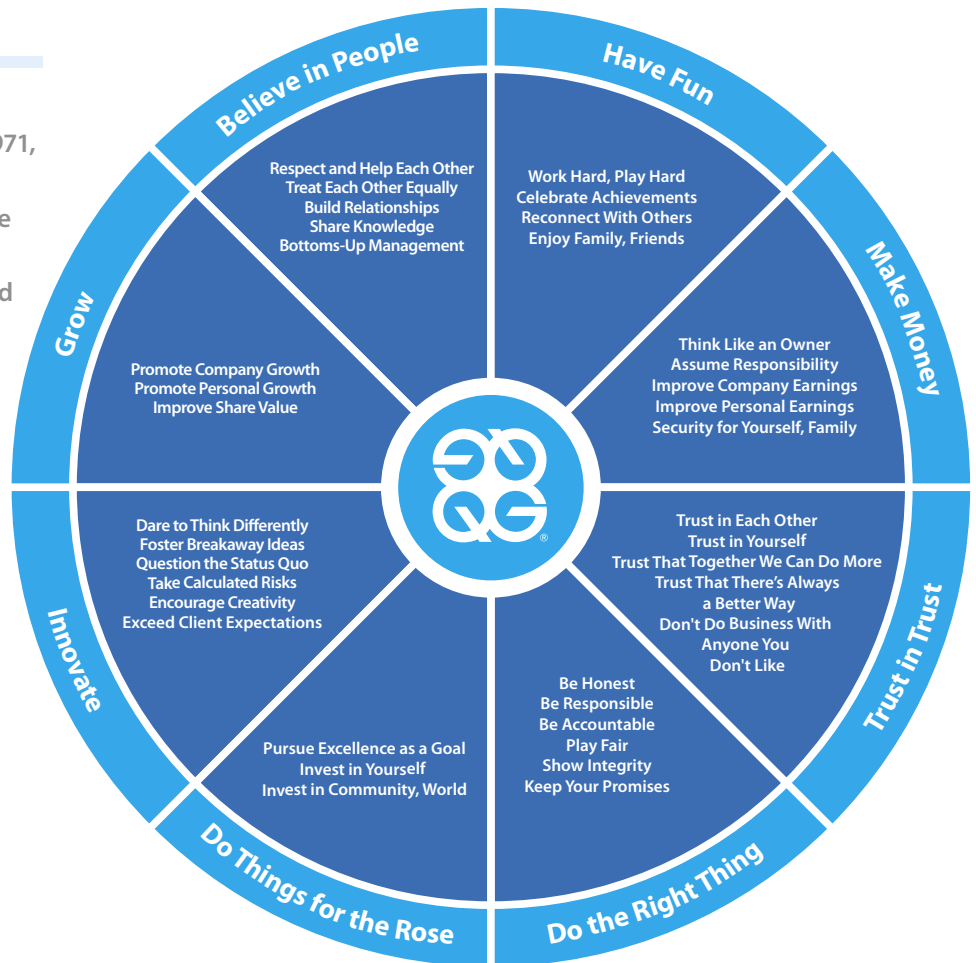
Artists of Quick Change. “We no longer speak of evolutionary or revolutionary change. We measure change in terms of velocity. We must be ready to move with instinct, change with the moment, play the hunch.”

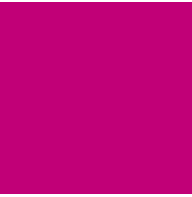
Environment for Excellence. “If you want excellent performance, you surround people with an excellent environment. We created not only a place to work but also to learn.”



Harry V. Quadracci

Quad/Graphics’ values were established at our launch in 1971, and later formalized into our Values Wheel. This has become the foundation of our culture, guiding our daily decisions and ensuring that we remain a company with a soul.





Finding a better way: the foundation of our strategic goals.

The Quad Way is to run our business differently and better. The strategic goals we consistently work toward are infused throughout our company.

Redefine the power of print as the foundation of coordinated multichannel marketing campaigns.

We collaborate with our clients on strategies for coordinating personalized, targeted print communications to engage consumers, drive higher response rates and increase returns on marketing spend. To improve cost-effectiveness and reduce cost per response, we leverage our integrated data analytics, finishing technology and logistics operations. Our innovative digital media capabilities – planning, implementing and monitoring email campaigns, personalized URLs, digital editions, website portals and more – help our clients produce effective, print-focused marketing campaigns.

Use an efficient and innovative distribution network to provide enhanced value to clients.

With our extensive co-mail platform and our significant mail volume, we create considerable postage savings for our clients. We shave time from the schedule by printing, finishing and co-mailing at production sites. Or, we can move production closer to the final destination to more effectively use regional co-mail hubs and enhance delivery control. Our integrated logistics, strategically located distribution centers and extensive delivery fleet help generate time and cost savings.

Maximize operational and technological excellence.

Leveraging a disciplined return-on-capital approach, we make significant investments in our print manufacturing platform and data management capabilities. QuadTech,





QuadTech develops advanced technologies to enhance our industry leadership.



Our Quad/Blues uniform unites employees across all levels, serving as a reminder that "we all put our pants on the same way."



QuadMed, our in-house primary care and wellness services provider, is renowned for its ability to deliver quality care and control healthcare costs for the company.

our R&D subsidiary, is the only manufacturer of press control technology connected to a U.S. commercial printer. Because we were an early investor in data management, our clients benefit from more relevant and measurable print that integrates easily with other channels. We're expanding our IT Smarttools® process management technology across many of our facilities. This will help unify our platform, resulting in improved workload scheduling, cycle time and superior quality.

Drive domestic and international growth in core and related businesses.

We actively watch for opportunities to grow diversified streams of revenue and strategically increase geographic coverage. Our core capabilities function as the catalyst for expanding our print and print-related products and services. We expect to achieve our goals through a mixture of organic, partnership and acquisition growth.

Empower, engage and develop our employees.

All Quad employees are trusted entrepreneurs, encouraged to take ownership in their work and drive results. Skills and knowledge are kept current through continuing education programs. Our "promote from within" strategy results in leaders with long tenure and a deep understanding of our business and clients. We demonstrate our care for employees through innovative benefits such as QuadMed, which focuses on prevention and wellness.

34% Average improvement in response rates from campaigns combining print and other channels vs. print alone. InfoTrends study, 2011

A Bold Transformational Move

The acquisition of Worldcolor vaulted Quad/Graphics into a \$4.8 billion, publicly traded company with a larger geographic footprint, a broader range of capabilities, and a stronger position as a printing industry leader.



A changing industry. Intense competition. In 2010, many businesses felt it was a good time to cling to the status quo. Not Quad/Graphics. When the right opportunity presented itself, we were more than ready to grab hold. Propelled by 40 years of ongoing growth and success, a solid leadership team, financial prowess, and innovations that consistently enhance the power of print, we were in a solid position to make a bold, strategic move ... one that will be the foundation for growth and opportunity for our company and our clients.

A unique opportunity. A bold move.

Economic events of 2008 and 2009 prompted advertisers to cut spending, which reduced page counts in virtually every print product line resulting in excess capacity in the printing industry. We saw the acquisition of Worldcolor as an opportunity to strengthen Quad/Graphics' competitive position and increase market share. Other benefits include:

LEVERAGING THE BEST OF BOTH PLATFORMS

Quad's success has been fueled by our efficient and modern manufacturing platform. The acquisition expands our capabilities, creating what we believe to be the most versatile and advanced platform in the industry, run by experienced and proven leaders, and supported by talented employees.

AN EXPANDED GEOGRAPHIC FOOTPRINT

The transaction rounds out our presence in Latin America, one of the world's fastest growing markets. It also expands our North American presence.

A BROADER RANGE OF SERVICES

The acquisition establishes solid footholds for us in new product lines, such as books. At the same time, the acquisition expands capability and presence within our traditional product lines such as retail inserts.

INCREASED EFFICIENCIES

By removing capacity where the two companies overlap, we further strengthen our industry-leading manufacturing and distribution efficiencies. With a wider reach and increased volumes, we cement our leadership in the co-mail arena, creating improved speed-to-market and postal savings for our clients.

ENHANCING THE POWER OF PRINT IN A MULTICHANNEL WORLD

The acquisition fortifies our commitment to redefine print as the foundation of effective multichannel communication. With continued investments in technologies and strategies, we deliver targeted and customized print solutions that work in concert with other media.

Will remain central to multichannel campaigns.
PRIMIR: Trends & Future of
Direct Marketing (2010-2013)

PRINT

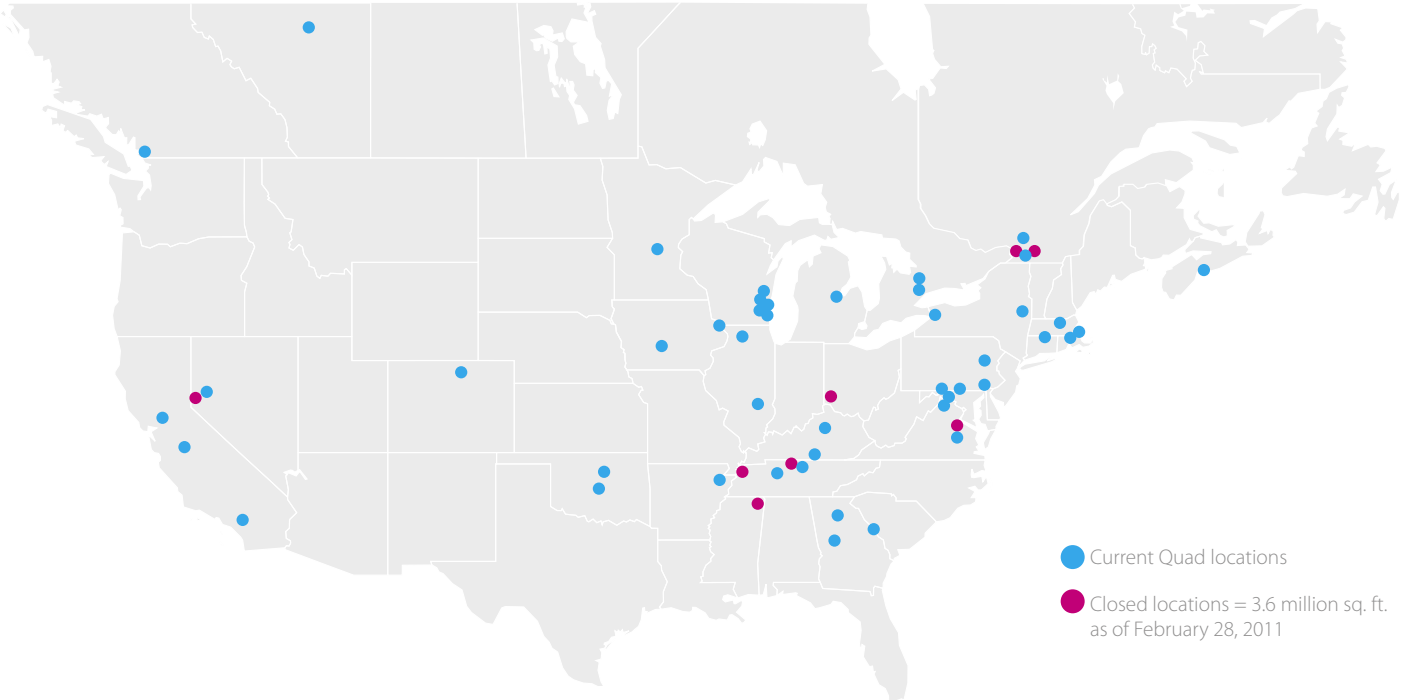
PRE-ACQUISITION	POST-ACQUISITION
<ul style="list-style-type: none"> • Founded in 1971 • Third-largest commercial printer in the U.S. • Privately owned • Headquartered in Sussex, Wisconsin • 11,600 employees in the U.S., South America and Europe* • 15 print production facilities* • \$1.8 billion annual sales* <p><small>*For the year ended December 31, 2009</small></p>	<ul style="list-style-type: none"> • Second largest commercial printer in North America • Largest commercial printer in Latin America in the markets in which we compete • Publicly owned • Headquartered in Sussex, Wisconsin • ~ 28,000 employees in the U.S., Canada, Latin America and Europe* • 65 print production facilities* • \$4.8 billion annual sales* <p><small>*As of deal close, July 2, 2010</small></p>

PRINT MANUFACTURING FACILITIES

The acquisition expands our capabilities, creating what we believe to be the most versatile and advanced platform in the industry for the product lines we serve.

- MAGAZINES
- CATALOGS
- RETAIL INSERTS
- DIRECT MAIL
- BOOKS
- DIRECTORIES
- COMMERCIAL & SPECIALTY

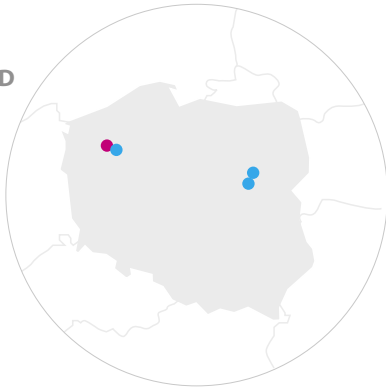
UNITED STATES AND CANADA



LATIN AMERICA



POLAND



Global Resources. Local Support. Our expanded geographic reach puts facilities even closer to our clients' end-users, reducing cycle time and distribution costs.

Our goal: realize more than \$225 million in synergy savings on an annual run-rate basis within 24 months of closing.

Progress. We see it every day as we move ahead with our integration initiatives. We've made tremendous strides and are on the right path to achieve our goals.

With intensive planning for the five months between the time the acquisition was announced until we closed the deal, we were able to hit the ground running. The integration process is well orchestrated – and continues to be guided and reviewed – by a management team and structure that includes the best and brightest from both Quad/Graphics and Worldcolor.

KEY DRIVERS OF QUAD'S INTEGRATION AND SYNERGY SUCCESS

When it comes to the success of our integration efforts, we believe there are four key drivers: consolidating plants; identifying procurement savings; eliminating redundant selling, general and administrative (SG&A) expenses; and capitalizing on our logistics leadership to provide timely, cost-effective delivery of printed product.

We believe these drivers will create significant shareholder value along with employee opportunities.

Our largest opportunity for savings will come from plant consolidations. Through the end of February 2011, we've closed nine printing plants. The impact of these and other restructuring actions resulted in the closure of

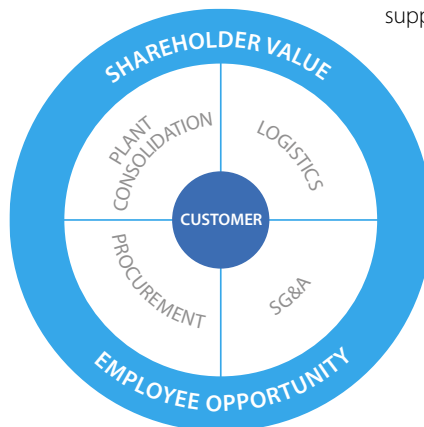
approximately 3.6 million square feet of manufacturing and warehouse space. We've also realized a gross reduction of 4,400 employees; and, as of February 28, 2011, a net reduction of 3,000 full-time-equivalent employees.

From a procurement standpoint, we've identified significant opportunities for consumables savings, driven by a centralized purchasing department. Many of those savings began shortly after the first day of integration from a run-rate standpoint.

From an SG&A perspective, we've focused on identifying and removing redundancies in operations and job positions. By year end, we had successfully consolidated the Montreal corporate headquarters into our Sussex

headquarters, and created centralized support services.

Regarding logistics, we're leveraging the combined companies' already well-developed mail preparation and distribution capabilities for increased volumes. We're capitalizing on our fleet of trucks to expedite product delivery. We're also in the process of deploying our own internally





developed IT Smarttools® technology, increasing visibility into our expanded operations for the purpose of more efficient and timely workload planning.

SHORING UP THE BUSINESS

As we move through the integration, serving our clients and ensuring work is produced without disruption is our top priority. In 2010, we moved nearly 400 titles to new locations during our busiest season, and invested in both people and process to ensure an orderly transition. We proactively reached out to clients, providing a complete on-boarding process. It took considerable time and effort on our part, but the results were worth it. Deliveries were made on time, client relationships were maintained, and we experienced no significant loss of work.

We're also focused on making the integration as easy as possible for our employees. We're actively sharing our history, corporate values and culture, working together to unify our vastly expanded company. Our leadership and Human Resources teams are working hard to understand and harmonize titles, responsibilities and salaries, and create employee benefits plans that are sustainable for the long term. We believe this is tremendous progress for such a short amount of time.

INVESTING IN THE PLATFORM

We continue to build for the future by investing in our platform. Since our acquisition of Worldcolor and through the end of 2011, our capital investment will exceed \$260 million and includes:

- Investment in the retail advertising insert platform to reinforce our Midwest presence and solidify our coast-to-coast retail insert capabilities
- Investment in new technology, automation and equipment upgrades across our North American platform
- A major investment to expand digital printing capabilities to meet a growing need for shorter runs delivered faster and more economically
- The November 2010 acquisition of HGI Company, adding commercial and specialty printing to round out our print offering

MOVING THE COMPANY FORWARD

In addition to these integration efforts and investments, we're moving our business forward in every market and geographic area where Quad has a presence. Whether it's strengthening our position in Europe, fine-tuning our strategy in Latin America, creating new revenue opportunities, or continuing to redefine print in a multichannel world, our forward focus is widening our leadership advantages.

5.8%
Direct mail spend will grow in 2011.
Outlook 2011: What To Expect
In Direct & Digital Marketing,
Winterberry Group

Redefining Print

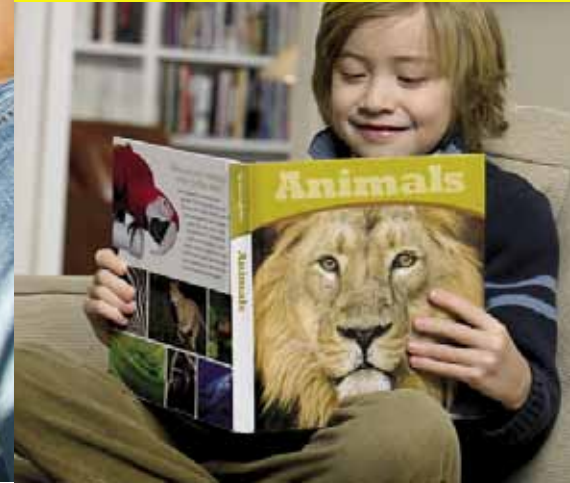
Print is no longer static, one-size-fits-all. It's dynamic, 1-to-1 and a critical component in any successful multichannel campaign.



Print has undergone countless changes during our first 40 years. Our vision of the future of print means we were ready to meet every change head-on. We consistently invent ways to ramp up the “aggressiveness” of ink on paper. We make it live and breathe in real time by strategically applying data. Every day, we find ways to make print more responsive, more effective and more profitable in this expanding multichannel environment. In other words, we redefine print’s role in a changing media landscape.



Solutions for Publishers



The power of print.

It's that little jolt of excitement you get when your favorite glossy, photo-laden magazine appears in the mailbox. It's the feeling of contentment that comes from curling up in a chair and thumbing through a dog-eared book. It's the sense of having a friend who tags along with you anywhere and is ready to entertain, educate and illuminate at your whim. Our relationship with print begins at an early age and spans our lifetime.

In today's multichannel world, print remains the perfect device. It not only plays well with new media, it drives us to shop, search, view and experience. It engages, connects, inspires and moves us to act. And, in the process, it makes our daily lives shine a little brighter.

INNOVATIVE SOLUTIONS TO HELP PUBLISHERS SUCCEED

Our ongoing investment in technology and automation has created a platform from which we deliver relevant, timely print solutions. Customization is taken to new

levels with advanced ink-jet technology, data-driven versioning capabilities and high-quality finishing techniques ... all to help publishers and their advertisers grab attention and motivate response. From data and ink on paper to finishing and delivery, we solve publishers' challenges daily, adding value in many ways.

It all begins with the data

Quad/Graphics helps develop and implement impactful strategies to enable publishers to precisely segment and target audiences. Our advanced demographic binding capabilities and data management expertise mean more flexibility to tailor ads, onserts, covers and other content with personalized, targeted messages. Advertisers can find new customers, and publishers can find new subscribers. With our robust personalization platform, we use variability to create response tracking mechanisms like personalized URLs, versioned trial-period incentives and unique offer codes. Plus, we build

in measurability so publishers can prove advertising effectiveness and provide precise accountability.

We also help publishers drive renewal and acquisition campaigns with high-impact, targeted direct mail. By maximizing data quality and accuracy, our data services eliminate undeliverable mail, reducing postage and improving response.

More engaging, more revenue

Publishing clients rely on our innovative production techniques and creative formats to stand out in the marketplace and create value for their advertisers and readers.

Our magazine platform can accommodate the most imaginative custom web ideas – from inserts to attention-getting paper, page folds and ink to a full range of personalization techniques – and produce and deliver them cost-effectively. In other words, we have an abundance of ways to power up the engage-ability of a magazine.

Our book platform boasts presses built for great efficiency, flexibility and variability. We're able to accommodate any stage in a book's life cycle, from short initial press runs and, later, reprints on our digital presses to longer web offset runs, including mass-market paperbacks, all complemented by e-book conversion capabilities. With creative elements such as embossing, specialized inks and unique coatings, we help books stand out on bookshelves.

When it comes to directories, our platform is capable of delivering high-impact, revenue-generating formats and solutions – including inserts, onserts, edge printing and magnets – that help advertisers set themselves apart and drive response.

More efficiencies, more savings

With integrated data, production and mailing solutions, we significantly simplify the publishing process, while making it more relevant and compelling. Our robust premedia solutions – creative, photography, imaging,

workflow, digital media – improve and facilitate print and digital production. We simplify processes and increase productivity by using our systems for automated publishing, asset management, and our ad and page production portals. Precision color measurement ensures accurate, high-quality transfer from digital files to printed page. Additional efficiencies are created with our innovative XML publishing solution, which translates content for output to a variety of channels.

More timeliness, more options

Since pioneering co-mail almost three decades ago, Quad has been helping publishers mail smarter and more cost effectively. Our innovation in this area has resulted in 18 patents and applications on technologies and techniques that support all forms of co-mail. Our co-mail program merges mailstreams of a number of different titles – even those that vary in size and thickness – to create one large mailstream that provides significant postal discounts for participating publications. Our ability to co-mail polywrapped products means publishers can include onserts, supplements and other enclosures. This provides the opportunity to cross-sell, issue invoices or pursue renewals and still benefit from co-mail discounts.

On a daily basis, Quad is redefining print to help publishers be more productive and profitable.



74%
College students who prefer
print textbooks over digital.
The OnCampus Research Electronic
Book & E-Reader Device survey, 2010



Solutions for Marketers



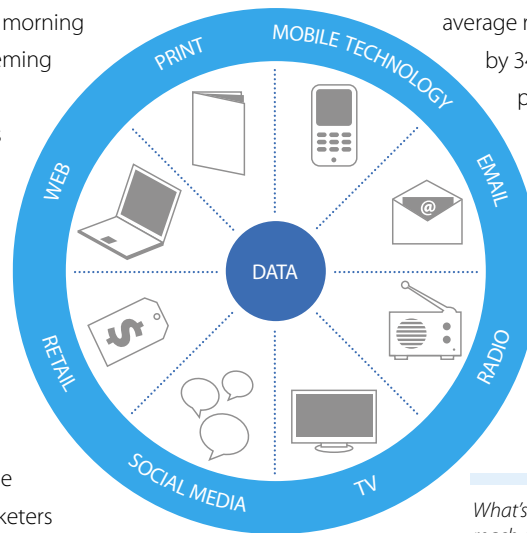
The power of print.

It's the feeling you have watching children, surrounded by catalogs, circling all of the items they "must have." It's the "aha" you get when the personalized message on a direct mail piece reminds you that time is running out to use your 20% off coupon to get those shoes that go perfectly with the dress you bought last month. It's the anticipation you feel on Sunday morning when the newspaper arrives teeming with retail advertising inserts, highlighting special promotions and coupons you need for your next shopping trip.

INNOVATIVE SOLUTIONS TO HELP MARKETERS SUCCEED

At Quad/Graphics, we believe print will remain among the most powerful tools available to marketers. It's the ideal vehicle for creating a call to action. Marketers rely on print to drive behavior that increases response and revenue.

Print draws us to the store or propels us to order online. It compels us to make a call or send a text message. And it's accelerated by other media channels: the Internet, mobile technologies, digital tablets and other devices. In fact, an InfoTrends study (2011) found that when marketers combine print with other channels, average response rates increase by 34 percent. That's a powerful combination.



It's an all-of-the-above world

The reality is there's no one way or right way to get the individual consumer's attention these days. Today it's an "all-of-the-above world," where successful marketers use their powerful data across a

What's the best communication channel to reach consumers? All of the above. Marketers use multiple channels – driven by data – to improve consumer response.

Consumers who took action on a newspaper insert ad in the past 30 days.
MORI Research, 2009

82%

combination of channels to deliver a more relevant message and a more potent offer. Versatile by nature, print has the proven power to stand on its own, or work in tandem with other communication channels to drive sales.

Data drives profitable response

Quad/Graphics recognized data's power early on, which is why we've been honing our capabilities and expertise for more than two decades. Our data management expertise enables marketers to tailor their marketing plans to precisely fit a customer's needs, wants and lifestyle. Quad's advanced personalization capabilities translate our clients' marketing plans to printed communications delivered to the right person at the right time. The result is a 1-to-1 conversation that captures attention and increases response. We also help reduce cost per response by applying the best press and mailing technology for each job. Our workflow processes and integrated systems keep mail files and versioning data consistent across the entire platform, reducing turnaround time. With a unified, in-depth view of each individual, we help personalize and integrate offers across multiple channels. That means fewer missed opportunities, reduced cost to obtain valuable customers and optimized marketing spend.

It takes imagination and ingenuity to stand out

From attention-grabbing direct mail formats and press applications – including tipped-on cards, scents, stickers, scratch-off coatings – to precisely targeted messages, print has the ability to reach out and get noticed. Our capabilities help marketers create newspaper advertising inserts that stand out from the stack with formats like pop-ups, coupon strips, gatefolds, add-a-card and more. For catalogs, vellum coverwraps, UV coatings, multifold covers, metallic and acetate inserts, and uncommon sizes are prime promotional real estate.

Quad's Web-to-print technology provides a cost-effective means to deliver consistent brand and content, customized to the individual. It simplifies the ability of marketers with field representatives, including agents, salespeople, dealers, retailers, distributors and franchisees, to reach smaller audiences with relationship-building pieces: full-color postcards, die-cut mailers, elegant invitations – all with variable data and/or graphics.

Streamlining for greater productivity

A large part of "redefining print" is creating solutions that meet marketers' need to save time and money. Quad has an entire business unit dedicated to help our clients streamline internal workflow processes and seamlessly connect them to the print manufacturing process. Marketers benefit from increased flexibility in production schedules, less overhead, and reduced costs of doing business ... all of which positively affect their bottom line.



Maximizing mailing efficiency and savings

Given that postage and distribution costs can be approximately half of a mailer's production budget, Quad is constantly looking for a better way to meet that challenge. We start by optimizing data quality and accuracy to eliminate undeliverables. This reduces postage costs and helps to ensure mail is delivered to the right person at the right time. We also offer comprehensive mail, distribution and logistics services, including a variety of programs suited to mailers of all sizes. Of note: our co-mail and commingle programs, which merge together mailpieces from multiple clients into a single mailstream to achieve postal processing discounts from the U.S. Postal Service. In conjunction with our co-mail programs, we use our strategically located facilities to cost effectively drop ship mailpieces closer to their end destination. In addition to achieving greater postal savings and reducing the amount of handling, we enable pieces to arrive in-home and in-store on time.

66% Consumers who prefer to receive printed catalogs as opposed to viewing them online.
Pitney Bowes study, April 2010



NEW YORK STOCK EXCHANGE

QG QuadGraphics

Innovative People Redefining Print

QUAD
LISTED
NYSE



The best of both worlds!

On July 6, 2010, Quad/Graphics stock began trading on the New York Stock Exchange under the ticker symbol QUAD. It was an historic day; Quad/Graphics had been privately held since its inception 39 years earlier. Although this was a big change, we were comfortable with it because our approach has always been to blend the best of public and private in running the company. We've always run our business with the same financial discipline and strong corporate governance that was expected of a public company. We've always had an intense focus on shareholder value, and deployed strategies that supported both current and long-term value creation. We've always maintained a stable, committed equity base through family control and employee ownership. We've always adhered to a strong set of core values based on honesty, integrity and doing

the right thing. And we've always been led by a strong, committed board of directors with a stable, talented and long-serving senior management team.

Why go public, then? We determined the best way to finance the Worldcolor transaction was to use our equity rather than lever up the company with debt. However, Quad/Graphics is a controlled public company with the Harry V. Quadracci family having voting control through ownership of high-vote stock. This structure provides consistency in ownership and leadership – and perpetuates our shareholder culture of being “our own best investment.” In other words, we’re managing for today’s circumstances, but with an eye toward building a company that will succeed across generations.



2010: A year of transformation.

Since our founding almost 40 years ago, Quad/Graphics has undergone a remarkable metamorphosis, advancing from a tiny upstart to an industry leader admired around the world for how we have continuously redefined print through the innovation of our employees. In 2010, the metamorphosis continued through a series of transformational events that further strengthened our foundation for growth: acquiring Worldcolor, debuting QUAD on the New York Stock Exchange and continuing to redefine print's relevance in an ever-expanding multichannel media world. Despite these significant changes, our values, our ability to serve our customers and our commitment to a long-term view on creating shareholder value remain firmly in place. As we move forward, we intend to build upon our past financial success by focusing on the key principles of shareholder value creation that resulted in one of the most profitable commercial printing companies in the industry.

CREATING SHAREHOLDER VALUE

Increasing shareholder value is at the heart of how we created a long-term, financially successful and sustainable business at Quad/Graphics. More specifically, we focus on four primary drivers of creating long term share value:

Profitable Growth. We pursue growth opportunities that contribute to earnings and meet our profitability metrics, whether the growth is generated organically with existing and new customers, or through acquisitions and joint ventures. The goal of this pursuit may appear obvious, but in a highly competitive industry like printing, it is crucial to not lose sight of profit when pursuing growth opportunities.

Margin Improvement. Continuous improvement and Lean Manufacturing methodologies are among the tools we use every day to improve our manufacturing productivity to maintain and ultimately grow our operating margins. In order to succeed over the long run and provide our customers with more growth opportunities, we've built and continue to invest in what we believe is the most efficient and modern manufacturing platform in the industry. We have a long-standing strategy of replacing equipment proactively – retiring equipment when it has served its useful, economic (rather than mechanical) life.

This allows us to stay on the cutting edge of technology and partner with our customers in finding the most efficient and impactful methods of reaching the consumer. Additionally, we aggressively continue to find ways to reduce costs, whether through reducing waste, increasing throughput or streamlining processes. The combination of the right investments in technology, automation and our overall platform, and our focus on Lean Manufacturing methodologies help us drive margin improvement throughout our business.

Disciplined Capital Management. Well-managed printing businesses can generate a lot of cash. As stewards of our shareholders' cash, we must be disciplined in how we use that cash to provide the greatest return. As we make capital expenditures, it is not how large or small the capital dollars spent are but, rather, whether it is the right capital spending. A key part of that discipline is requiring that the returns on our investments exceed our cost of capital, whether the investments are related to purchasing the right equipment or investing in the right strategic growth initiatives. Another key part to that discipline is working capital management. Historically, we have not used extended terms with customers as a means to grow revenues and have been very disciplined in how we manage our receivables, inventory and payables to shorten the cycle time of converting revenue into cash.

We balance the use of cash between compelling investment opportunities, deleveraging our balance sheet through debt reductions or returning cash back to our shareholders through dividends. We believe that the consistency in how we evaluate our capital needs has helped to drive our strong historic financial performance. Today, our priorities for cash are debt reduction, reducing risk to the balance sheet associated with our pension liabilities, and investing for future profitable growth. We will assess other opportunities to enhance the returns we provide to shareholders, such as dividends, during 2011.

Stock Price Multiple Expansion. We believe there are three fundamental drivers under our control that can favorably impact the value of our stock price and the multiple at which it trades:

- Maximize Profitable Growth, Margin Improvement

and Disciplined Capital Management

- Invest in opportunities and geographies outside our existing markets and locations with higher growth and return trajectories than our traditional businesses
- Successfully complete the Worldcolor integration and achieve projected synergy savings

We have proved over the years we can grow profitably, improve margins and generate returns on capital that exceed our cost of capital. We intend to continue to do that moving forward to create shareholder value.

CAPITALIZING ON A COMPELLING OPPORTUNITY

The recession and excess capacity in the commercial print industry created a unique opportunity to acquire Worldcolor and create substantial shareholder value. This will be achieved primarily by eliminating excess manufacturing capacity through consolidating production into Quad/Graphics' more modern and efficient manufacturing platform. Additionally, we identified the ability to streamline costs by reducing selling and administrative costs, consolidating procurement spend and negotiating better prices, and leveraging our logistics expertise across a larger platform. We are off to a fast start and have already reduced net headcount by more than 3,000 through our consolidation efforts. While the integration is a 24-month journey, we are confident we will achieve somewhat more than our goal of \$225 million in synergy savings.

PROMISING EARLY RESULTS

On the next page, we've highlighted some key financial metrics to demonstrate a few of our early successes with the Worldcolor acquisition. Strong cash flow generation allowed us to pay down \$216 million in debt after assuming \$13 million in debt from our acquisition of HGI Company, and invest over \$80 million into our platform. The debt repayment allowed us to deleverage our balance sheet and improve our debt leverage ratio to 2.35x from 2.49x, putting us well on our way to return to our 2.0x goal and investment grade ratings on our debt.

Profitability of the combined company also improved, in part due to our synergy savings realized thus far. Pro forma Adjusted EBITDA in 2010 increased 3% to \$672 million as compared to \$653 million in 2009. Adjusted EBITDA improved despite the underlying price pressures in the industry and acquiring lower-priced customer contracts from Worldcolor, which was experiencing a downward trajectory in its net sales. Additionally, we incurred frictional costs that negatively impacted our earnings as part of our integration efforts. Frictional costs are normally occurring costs as part of a plant consolidation where pressure on production productivity temporarily reduces profitability on transferred work as a result of ramping down the closing plant and ramping up the plant receiving the work. In a job shop environment like we operate, it takes some time to properly transition work and produce it efficiently at margins better than the closed facility.

Transitioning nearly 400 titles at once during our busy season created a very complex and fluid environment. But the results have been promising, with Quad/Graphics retaining more than 97% of the revenue associated with the transitioned titles and improving overall profitability.

We are early in the integration process, but we believe we have quickly established a strong foundation to build upon for the future success of Quad/Graphics and our shareholders.

OTHER FINANCIAL ITEMS OF NOTE DURING 2010:

- Working capital needs increased due to the larger size of our combined company and the dilutive impact of Worldcolor's longer cash conversion cycle on receivables. We view working capital management as an opportunity for 2011 to free up cash for other needs, such as debt reduction.
- The Worldcolor pension and post-retirement liability assumed in the acquisition was reduced by \$111 million. This reduction is the result of investment returns, funding a portion of the liability, and our active management of post-retirement issues. Our goal is to move from plans designed as a "promise to pay in the future" to our historical form of "pay as you go." To that end, we intend to replace the critically underfunded U.S. multiemployer pension plans ("MEPPs") for our unionized employees with our 401(k) plan and profit-sharing benefits. The result of these changes will be to continue to deleverage our balance sheet by reducing the remaining \$438 million in underfunded pension, post-retirement and MEPP liabilities.
- We entered into a new \$530 million revolving credit facility as well as a \$700 million Term Loan B facility, both of which are at floating rates. The new facilities, along with our existing long-term fixed rate debt allow us good flexibility in using cash flow generation to pay down debt. As of December 31, 2010, we had 54% of our debt as floating rate and 46% as fixed, and the outstanding balance on our revolving credit facility was \$57 million.

Attention to our core values of how we run the business and our intense focus on share value drivers will be the ultimate metric by which our success will be measured. We embrace the challenges associated with integrating Worldcolor and are excited about what we are building for the mutual success of our customers, our employees and our shareholders.



John C. Fowler
Executive Vice President & CFO



FINANCIAL HIGHLIGHTS (in millions, except per share data)

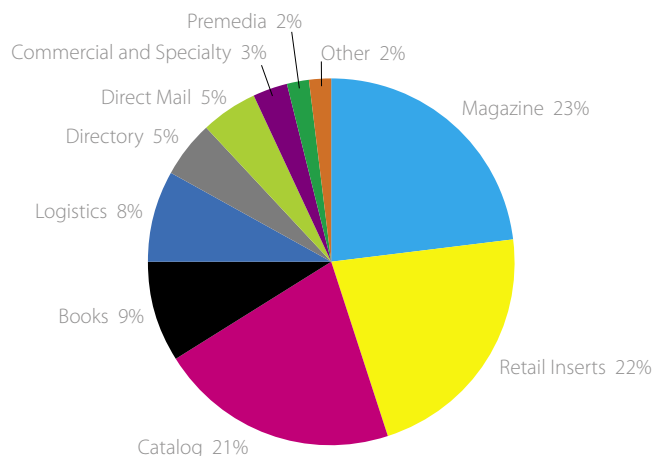
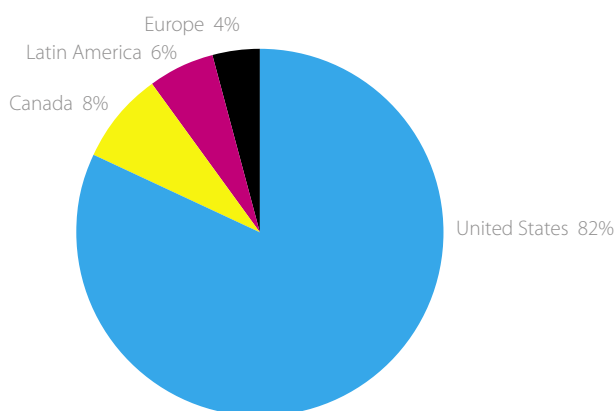
Full Year Pro Forma Results ⁽¹⁾	2010	2009	Change	
			\$	%
Profitability				
Net Sales	\$4,765	\$4,873	\$(108)	-2%
Adjusted EBITDA ⁽²⁾	\$672	\$653	\$19	3%
Adjusted EBITDA Margin ⁽²⁾	14.1%	13.4%	70 bp	5%
Adjusted Net Earnings ⁽²⁾	\$107	\$106	\$1	1%
Adjusted Diluted EPS ⁽²⁾	\$2.24	\$2.21	\$0.03	1%
Cash Flow				
Cash Flow from Operations	\$292	\$459	\$(167)	-36%
Capital Expenditures	\$155	\$185	\$(30)	-16%
	2010	Worldcolor Acquisition Date ⁽³⁾	Change	
			\$	%
Balance Sheet				
Total Debt	\$1,579	\$1,795	\$(216)	-12%
Debt/Adjusted EBITDA	2.35X	2.49X	(0.14)X	-6%
Pension, Post-retirement and MEPP Liability	\$438	\$549	\$(111)	-20%

Footnotes:

(1) To assist in comparisons, amounts represent pro forma results as if the Worldcolor acquisition took place on January 1, 2009.

(2) In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this annual report also contains non-GAAP financial measures, specifically EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Earnings and Adjusted Diluted EPS. They are presented to provide additional information regarding Quad/Graphics' performance and because they are important measures by which Quad/Graphics gauges the profitability and assesses the performance of its business. These measures should not be considered alternatives to net earnings (loss) as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. See page 29 for reconciliation of GAAP to Non-GAAP financial measures.

(3) Amounts are presented as of July 2, 2010, the date of the Worldcolor acquisition.

**PRO FORMA 2010 REVENUE
BY PRODUCT LINE⁽¹⁾**

**PRO FORMA 2010 REVENUE
BY REGION⁽¹⁾**

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (in millions, except per share data)

Full Year Pro Forma Results ⁽¹⁾	2010	Year Ended December 31, 2009
Net earnings (loss) attributable to Quad/Graphics common shareholders	\$ (229)	\$ 48
Interest and financial expense	132	110
Income tax expense	191	53
Depreciation and amortization	369	373
EBITDA (Non-GAAP)	\$ 463	\$ 584
EBITDA Margin (Non-GAAP)	9.7%	12.0%
Restructuring, impairment and transaction-related charges	209	69
Adjusted EBITDA (Non-GAAP)	\$ 672	\$ 653
Adjusted EBITDA Margin (Non-GAAP)	14.1%	13.4%
Full Year Pro Forma Results ⁽¹⁾	2010	Year Ended December 31, 2009
Earnings (loss) before income taxes and equity in earnings of unconsolidated entities	\$ (48)	\$ 95
Restructuring, impairment and transaction-related charges	209	69
	161	164
Income tax expense (at pro forma 39% statutory rate)	(63)	(64)
	98	100
Equity in earnings of unconsolidated entities	9	6
Net (earnings) loss attributable to noncontrolling interests	(0)	(0)
Adjusted Net Earnings	\$ 107	\$ 106
Diluted weighted average number of common shares outstanding	48	48
Adjusted Diluted EPS	\$ 2.24	\$ 2.21

Footnotes:

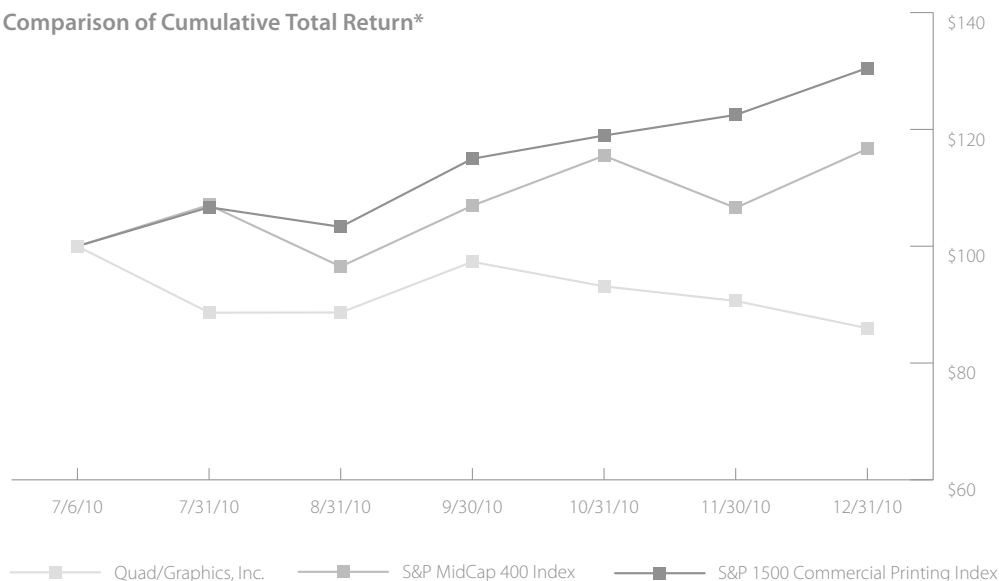
(1) To assist in comparisons, amounts represent pro forma results as if the Worldcolor acquisition took place on January 1, 2009.

STOCK PERFORMANCE INFORMATION

The following graph compares, on a cumulative basis, changes since the close of trading on July 6, 2010 (the date on which Quad/Graphics' class A common stock was first publicly traded) in:

- Quad/Graphics' class A common stock;
- Standard & Poor's MidCap 400 Index; and
- Standard & Poor's 1500 Commercial Printing Index

Comparison of Cumulative Total Return*



* Assumes \$100 invested on July 6, 2010, in stock or index, and the reinvestment of all dividends since that date.

MONTHLY RETURN PERCENTAGE

	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Quad/Graphics, Inc.	-11.37	0.02	9.80	-4.32	-2.68	-5.15
S&P MidCap 400 Index	8.67	-4.94	11.31	3.45	2.97	6.55
S&P 1500 Commercial Printing Index	7.06	-9.85	10.81	7.99	-7.73	9.49

INDEXED RETURNS

	Base Period 7/06/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Quad/Graphics, Inc.	100	88.63	88.65	97.33	93.13	90.63	85.96
S&P MidCap 400 Index	100	108.67	103.31	114.98	118.95	122.48	130.51
S&P 1500 Commercial Printing Index	100	107.06	96.51	106.95	115.49	106.56	116.67



Standing, left to right:
 Mark Angelson, John Shiely, Douglas Buth,
 Christopher Harned, William Abraham Jr., Thomas Ryder
 Seated: Betty Quadracci, Joel Quadracci

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 Former CEO and Director of
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John S. Shiely
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 Briggs & Stratton Corporation and
 Former Chairman, President & CEO of
 Briggs & Stratton Corporation

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Quad/Graphics' 2010 Annual Report on Form 10-K accompanies this document. If you are a shareholder and would like to receive another copy of the 2010 Form 10-K, without exhibits and without charge, please write to Andrew R. Schiesl, Vice President, General Counsel and Secretary, Quad/Graphics, Inc., N63W23075 State Hwy. 74, Sussex, Wisconsin 53089-2827. You can also access the 2010 Form 10-K on our website at www.QG.com/annualmeeting.



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