Quad/Graphics Overview
Our Facts

- Global provider of print and related multichannel solutions for Marketers and Publishers
- Headquartered in Sussex, WI
- 2nd largest commercial printer in the Western Hemisphere
- 53 printing plants in 9 countries
- Approximately 22,500 full-time employees
- $4.3 billion in annual sales *

* Year-ended 2011 sales excluding Canadian Operations
Our Customer Base

- JCPenney
- Office Depot
- Sports Illustrated
- Staples
- Hearst Corporation
- Havertys Furniture
- Rolling Stone
- J. Crew
- People
- GQ
- Coldwater Creek
- Simon & Schuster
- Rodale
- Allure
- Veranda
- Shopko
- Lucky Magazine
- Woman's Day
- Time
- National Geographic
- L.L. Bean
- Traditional Home
- Runner's World
- CVS Pharmacy
- Condé Nast
- Cabela's
- McGraw Hill
- Orvis
- Victoria's Secret
- Target
- Bon-Ton
- Quad/Graphics
Product Line Comparison
Excluding Canadian Operations

2011 Revenues
By Product Line & Geography

- Catalogs 20%
- Magazine 19%
- Retail Inserts 17%
- Logistics 9%
- Books 7%
- Latin America 7%
- Directory 5%
- Direct Mail 5%
- Europe 4%
- Media Solutions 3%
- Commercial and Specialty 3%
- Other* 1%

2010 Proforma Revenues
By Product Line & Geography

- Catalogs 21%
- Magazine 19%
- Retail Inserts 17%
- Logistics 9%
- Books 7%
- Latin America 6%
- Directory 4%
- Direct Mail 5%
- Europe 5%
- Media Solutions 2%
- Commercial and Specialty 3%
- Other* 2%
Our Global Platform

North America
- 89% of revenue
- 40 plants
- 17,700 employees

Latin America
- 7% of revenue
- 11 plants
- 3,200 employees

Europe
- 4% of revenue
- 2 plants
- 1,600 employees
The Foundation for Our Next 40 Years

Customer Centric Approach

Financial Strength

Redefine Print

Low-Cost Producer

Empower Employees
Industry Market Trends
Industry Overview

- Quad/Graphics operates primarily in the commercial print portion of the printing industry
  - US commercial printing sector generates $66 billion in sales annually(1)

- Highly fragmented and competitive
  - Largest 400 printers represent less than 41% of the overall U.S. and Canadian market(1)
  - Excess manufacturing capacity

- Business users of print are focused on generating the highest return on their marketing dollars

- Commercial print industry has moved toward shorter runs and highly personalized

- Finishing, and mailing and logistics capabilities are important to many customers

(1) Source: PIA/GATF 2010 Print market Atlas
**Competition**

- **Magazine, Catalog, Retail**
  - Larger, more concentrated competitor base

- **Magazine**
  - RR Donnelley
  - Brown
  - Regional Players

- **Catalog**
  - RR Donnelley
  - Brown
  - Regional Players

- **Retail Insert**
  - Vertis
  - RR Donnelley
  - Regional Players

- **Direct Mail**
  - RR Donnelley
  - Vertis
  - Cenveo
  - Regional & Local Players

- **Books**
  - RR Donnelley
  - Bertelsmann
  - Courier
  - Regional Players

- **Commercial & Specialty**
  - Consolidated Graphics
  - Regional & Local Players

- **Direct Mail, Commercial & Specialty**
  - Smaller, more fragmented competitor base
Industry Pressures

**Cyclical**
- Economy
- Retail Environment
- Consumer Confidence
- Disposable Income

**Structural**
- Online Content
- Mobile Devices
- E-marketing
With modern manufacturing platform, data analytics and distribution capabilities, Quad is well positioned to minimize overall client expenses and maximize profitability.

General approximation for magazine and catalog product lines
How We Create Value
Customer Value

- Maximize the revenue customers derive from their print spend
  - Create and deliver targeted and personalized printed materials
  - Build on the proven power of print
  - Decreasing manufacturing cycle

- Minimize customers’ total cost of print production
  - Increase productivity
  - Efficiencies of scale and investments in automation and technology
  - Reduce customers’ mailing and distribution costs
Media Solutions
Helping clients unleash powerful brand experiences

Creating A Consistent Experience Across Channels
Channel Integration

Providing solutions for targeted print, e-mail and web
Megaplant Concept
Quad Plant Scale Offers Significant Advantages
The Power of Logistics

- Extensive distributive co-mail program that reduces postage expense for our U.S. customers
- More than 4.8 billion magazines and catalogs co-mailed in 2011
- Advanced finishing capabilities combined with unique software that merges mail streams on a large scale and leverages the mailing platform to provide even greater co-mailing cost and efficiency benefits to our customers
- In-house transportation and logistics services that enable rapid deployment of products
- Leading Postal Consultation Services to help our customers navigate the waters of USPS change
Financial Strength

Maximize Free Cash Flow

Disciplined Capital Deployment

Financial Strength

Strong Balance Sheet

Strong Earnings Margin
Large Scale & Strong Cash Flow (US Based)

Net Sales for Most Recently Reported Trailing Twelve Months ($MM) (1)

- RRD: 10,611.0
- QUAD: 4,324.6
- CVO (2): 1,959.2
- CGX: 1,052.8
- SR (3): 659.4
- CRRC (4): 261.2

Adjusted EBITDA for Most Recently Reported Trailing Twelve Months (%)(1)

- CRRC (4): 15.6%
- QUAD: 14.3%
- CGX: 12.4%
- RRD: 12.1%
- CVO (2): 11.3%
- SR (3): 3.4%

Competitor average 11.7% (5)

Notes:
(1) Based on trailing twelve months ended December 31, 2011 unless otherwise noted.
(2) Cenveo represents trailing twelve months ended October 1, 2011.
(3) Standard Register represents trailing twelve months ended October 3, 2011.
(4) Courier represents trailing twelve months ended December 24, 2011.
(5) Competitor average calculated using average Adjusted EBITDA divided by average Net Sales for Competitor group as shown above.
Acquisition Update
Integration Update

- On track to achieve somewhat more than $250 million of annual synergy savings, exceeding original synergy guidance of $225 million
- Less than 6 months remaining in a complex 24 month integration
- 12 total plants announced for closure; to date 11 are completed
- We have realized a net reduction of approximately 4,500 full-time equivalent employees(1)
- We achieved $44 million incremental synergies during the quarter
  > $196 million in total synergies achieved since the acquisition

(1) Excludes the November 4th, 2010 acquisition of HGI and the September 8th, 2011 acquisition of Transcontinental’s Mexican operations
Transcontinental Asset Swap

- Authorized by Canada’s Competition Bureau to proceed with the sale of our Canadian facilities to Transcontinental, Inc.
  - Transaction is expected to close shortly
- The sale originally announced in July 2011 included:
  - Acquiring Transcontinental’s three Mexican facilities
  - Mexico transaction previously closed on September 8th, 2011
- Integration plans in Mexico are proceeding as originally anticipated
Financial Highlights
Year Over Year – Excluding Canadian Operations

| US Millions $ | Year Ended December 31, |
|              | 2011 (actual) (1) | 2010 (proforma) (1) |
| Net Sales    | $4,325            | $4,399              |
| Cost of Sales| 3,302             | 3,344               |
| SG&A         | 407               | 414                 |
| Restructuring, Impairment and Transaction–Related Charges | 114 | 184 |
| Depreciation & Amortization | 345 | 356 |
| Interest Expense | 108 | 132 |
| Adjusted EBITDA (2) | 618 | 650 |
| Adjusted EBITDA Margin (2) | 14.3% | 14.8% |

2011 Recurring Free Cash Flow (3) of $340 million

(1) Results exclude Canadian operations
(2) See slide 36 for definition of non-GAAP measures and slide 38 for reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin as non-GAAP measures.
(3) See slide 36 for definition of non-GAAP measures and slide 39 for reconciliation of Recurring Free Cash Flow as a non-GAAP measure.
### Well Capitalized (US$ Millions)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Cash &amp; Cash Equivalents</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Debt (¹)</td>
<td>1,471</td>
<td>1,579</td>
</tr>
<tr>
<td>LTM Pro forma Adjusted EBITDA</td>
<td>638</td>
<td>672</td>
</tr>
<tr>
<td>Debt / LTM Pro forma Adjusted EBITDA</td>
<td>2.31X</td>
<td>2.35X</td>
</tr>
<tr>
<td>Interest Coverage (²)</td>
<td>5.9X</td>
<td>5.1X</td>
</tr>
</tbody>
</table>

All amounts are as of December 31, 2011 and December 31, 2010 or for the trailing 12 months ended December 31, 2011 and December 31, 2010.

(1) Includes Capital Lease Obligations and excludes Worldcolor pension and postretirement liabilities.

(2) Interest coverage defined as LTM pro forma adjusted EBITDA divided by LTM pro forma interest expense.

---

**Repaid $163 million in debt during the quarter and $325 million since the Worldcolor acquisition**
Strong Balance Sheet

- Pension, Multi-Employer Pension Plans (MEPP’s) & Postretirement Liabilities:
  - Liabilities at the July 2, 2010, Worldcolor acquisition close were $547 million
  - Liabilities from continuing operations as of December 31, 2011 were $392 million
  - We reduced our pension and postretirement liability by $155 million through a combination of cash contributions and the pending divestiture of the Canadian obligation upon the closing of the Transcontinental transaction
  - Overall liability reduction took place despite a 2011 year-end decrease in the liability discount rate
  - Addressed pension issue early on
    - Withdrawing from MEPP’s and included withdrawal liability on our balance sheet
    - Believe in pay-as-you-go approach to retirement benefits

- Our Recurring Free Cash Flow and balance sheet strength gives us the confidence to increase our quarterly dividend by 25%
Debt Metrics – As of December 31, 2011

- No significant maturity until July 2016
- $850 million revolver had $85 million drawn at 2.6%
- Floating rate debt average interest rate of 3.0%
- Long-term fixed rate debt consists of private placement bonds
  > Weighted average interest rate of 7.5%
  > Weighted average maturity of 10.5 years, weighted average life of 6.5 years
- Blended interest rate of our total debt is 5.0%
- Outstanding principal is 55% floating and 45% fixed
2012 Guidance – Excluding Canadian Operations

- We anticipate 2012 revenue will approximate $4.0 billion
  > Impacts to revenue:
    - Divestiture of Canadian operations
    - Overall market transformation
    - Strategic and disciplined approach to how we compete

- Adjusted EBITDA Margin\(^{(1)}\) to remain flat to slightly below 2011 Adjusted EBITDA Margin of 14.3%

- Recurring Free Cash Flow\(^{(1)}\) in excess of $300 million

(1) See slide 36 for definition of non-GAAP measures.
### 2012 Guidance – Excluding Canadian Operations (Continued)

<table>
<thead>
<tr>
<th>US Millions $</th>
<th>2012 Excluding Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and Amortization</td>
<td>$340-$360</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$85-$95</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$125-$150</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>&lt;$10</td>
</tr>
<tr>
<td>Pension:</td>
<td></td>
</tr>
<tr>
<td>Cash Contributions (1)</td>
<td>$56</td>
</tr>
<tr>
<td>Non Cash pension expense</td>
<td>&lt;$10</td>
</tr>
</tbody>
</table>

**Expected Recurring Free Cash Flow\(^{(2)}\) in excess of $300 million supports a 25% increase in our quarterly dividend to $0.25 per share**

---

(1) Includes single employer pension and postretirement plans, and excludes MEPP's.
(2) See slide 36 for definition of non-GAAP measures.
Why Invest in Quad?

- Substantial Free Cash Flow Generation
- Increased our quarterly dividend
- Strong Balance Sheet
- Disciplined Financial Approach
- Efficient and Modern Manufacturing Platform
- Leading Distribution Capabilities
- Commitment to Ongoing Innovation, Rapid Adoption of Technology and Integration of New Media
- Strategy to Redefine Print in a Multichannel World
Supplemental Information
Cautionary Note Regarding Forward-Looking Statements

- To the extent any statements made in this investor presentation contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to, among other things, Quad/Graphics’ objectives, goals, strategies, beliefs, intentions, plans, estimates, prospects, projections and outlook, and can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe” or “continue” or the negatives of these terms, variations on them and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

- These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of Quad/Graphics. These risks, uncertainties, and other factors could cause actual results to differ materially from those expressed or implied by those forward-looking statements. Among such risks, uncertainties and other factors that may impact Quad/Graphics are: the impact of significant overcapacity in the highly competitive commercial printing industry, which creates downward pricing pressure and fluctuating demand for printing services; the potential inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of electronic media and similar technological changes; the impact of changing future economic conditions; the potential failure to renew long-term contracts with customers, the renewal of those contracts under different terms, or customer nonperformance in accordance with the terms and for the duration of long-term contracts; significant capital expenditures may be needed to maintain the Company’s platform and processes and to remain technologically and economically competitive; the impact of fluctuations in costs (including labor-related costs, energy costs, freight rates and raw materials) and the impact of fluctuations in the availability of raw materials; the impact of regulatory matters and legislative developments or changes in laws, including changes in environmental and privacy laws and postal rates, regulations and services; the impact of Quad/Graphics class A common shareholders of a limited active market for Quad/Graphics common stock and the inability to independently elect directors or control decisions due to the class B common stock voting rights; an other than temporary decline in operating results and enterprise value that could lead to non-cash impairment charges due to the impairment of goodwill, other intangible assets and property, plant and equipment; the liabilities of World Color Press with respect to pension and postretirement benefits could grow in the future and create additional costs; restrictions imposed by various covenants in the Company's debt facilities may affect the Company's ability to operate its business; failure to successfully integrate the operations of Quad/Graphics and World Color Press; risks associated with the Company’s operations outside of the United States; the inability to retain and attract additional, key employees, or the adverse effects of any strikes or other labor protests.

- Quad/Graphics cautions that the foregoing list of risks, uncertainties and other factors is not exhaustive and you should carefully consider the other factors detailed from time to time in Quad/Graphics’ other filings with the United States Securities and Exchange Commission and other uncertainties and potential events when reviewing Quad/Graphics’ forward-looking statements.

- Because forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this investor presentation. Except to the extent required by the federal securities laws, Quad/Graphics undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
Use of Non-GAAP Financial Measures

- In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation also contains non-GAAP measures, specifically Adjusted EBITDA, Adjusted EBITDA Margin, Earnings Per Share Before Non-Recurring Charges and Recurring Free Cash Flow. They are presented to provide additional information regarding Quad/Graphics’ performance and because they are important measures by which Quad/Graphics assesses the profitability and liquidity of its business. These measures should not be considered alternatives to net earnings (loss) as a measure of operating performance or to cash flows provided by operating activities as a measure of liquidity.

- Adjusted EBITDA is defined as net earnings (loss) plus interest expense, income tax expense, depreciation and amortization, restructuring, impairment and transaction-related charges, loss on debt extinguishment, and loss from discontinued operation, net of tax.

- Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales.

- Recurring Free Cash Flow is defined as net cash provided by operating activities plus non-recurring payments less purchases of property, plant and equipment.
### Actual Adjusted EBITDA Reconciliation to GAAP (US $ Millions)

<table>
<thead>
<tr>
<th>Net earnings (loss) attributable to Quad/Graphics common shareholders</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (6.9)</td>
<td>$ 26.6</td>
</tr>
<tr>
<td>Interest expense</td>
<td>23.5</td>
<td>31.5</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>34.1</td>
<td>26.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>88.7</td>
<td>85.7</td>
</tr>
<tr>
<td><strong>EBITDA from continuing operations (Non-GAAP)</strong></td>
<td>$ 139.4</td>
<td>$ 169.8</td>
</tr>
<tr>
<td><strong>EBITDA Margin from continuing operations (Non-GAAP)</strong></td>
<td>11.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Restructuring, impairment and transaction-related charges</td>
<td>31.9</td>
<td>40.5</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>15.7</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA from continuing operations (Non-GAAP)</strong></td>
<td>$ 187.0</td>
<td>$ 212.8</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin from continuing operations (Non-GAAP)</strong></td>
<td>15.4%</td>
<td>16.9%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA from discontinued operations (Non-GAAP)</strong></td>
<td>$ 9.8</td>
<td>$ 11.4</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin from discontinued operations (Non-GAAP)</strong></td>
<td>10.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - consolidated (Non-GAAP)</strong></td>
<td>$ 196.8</td>
<td>$ 224.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin - consolidated (Non-GAAP)</strong></td>
<td>15.0%</td>
<td>16.2%</td>
</tr>
</tbody>
</table>
**Actual Adjusted EBITDA Reconciliation to GAAP (US $ Millions)**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2011 (actual)</th>
<th>2010 (pro forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss attributable to Quad/Graphics common shareholders</td>
<td>$(46.9)</td>
<td>$(229.0)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>108.0</td>
<td>132.3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>26.0</td>
<td>189.5</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>344.6</td>
<td>356.2</td>
</tr>
<tr>
<td>EBITDA from continuing operations (Non-GAAP)</td>
<td>$431.7</td>
<td>$449.0</td>
</tr>
<tr>
<td>EBITDA Margin from continuing operations (Non-GAAP)</td>
<td>10.0%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Restructuring, impairment and transaction-related charges</td>
<td>114.0</td>
<td>184.2</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>34.0</td>
<td>-</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>38.6</td>
<td>16.3</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA from continuing operations (Non-GAAP)</strong></td>
<td>$618.3</td>
<td>$649.5</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin from continuing operations (Non-GAAP)</strong></td>
<td>14.3%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Adjusted EBITDA from discontinued operations (Non-GAAP)</td>
<td>$19.5</td>
<td>$22.4</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin from discontinued operations (Non-GAAP)</td>
<td>5.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - consolidated (Non-GAAP)</strong></td>
<td>$637.8</td>
<td>$671.9</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin - consolidated (Non-GAAP)</strong></td>
<td>13.7%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>
Recurring Free Cash Flow Reconciliation to GAAP (US $ Millions)

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 371.1</td>
</tr>
<tr>
<td>Add back non-recurring payments:</td>
<td></td>
</tr>
<tr>
<td>Restructuring payments - consolidated</td>
<td>125.2</td>
</tr>
<tr>
<td>World Color Press bankruptcy payments</td>
<td>12.4</td>
</tr>
<tr>
<td>Recurring cash flows provided by operating activities</td>
<td>508.7</td>
</tr>
<tr>
<td>Less: purchases of property, plant and equipment</td>
<td>(168.3)</td>
</tr>
<tr>
<td><strong>Recurring Free Cash Flow (non-GAAP)</strong> (1)</td>
<td>$ 340.4</td>
</tr>
</tbody>
</table>

(1) Amounts include the Canadian operations.
### Restructuring, Impairment and Transaction Related Charges - Consolidated (US $ Millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Three Months Ended December 31, 2011 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other restructuring charges (a)</td>
<td>$ 19.1</td>
</tr>
<tr>
<td>Employee termination costs (b)</td>
<td>$ 11.1</td>
</tr>
<tr>
<td>Integration costs (c)</td>
<td>$ 10.4</td>
</tr>
<tr>
<td>Impairment charges (d)</td>
<td>$ 9.8</td>
</tr>
<tr>
<td>Transaction-related charges (e)</td>
<td>$ 2.2</td>
</tr>
<tr>
<td><strong>Restructuring, impairment and transaction-related charges</strong> (1)</td>
<td><strong>$ 52.6</strong></td>
</tr>
</tbody>
</table>

(a) Other restructuring charges were primarily from costs to maintain and exit closed facilities, lease exit charges and pension curtailment gains/losses.

(b) Employee termination costs were from severance payments for plant closures and other various workforce reductions.

(c) Integration costs were primarily from the integration of Worldcolor into Quad/Graphics, net of a $8.5 million gain on the collection of a previously written off note receivable related to the June 2008 sale of Worldcolor’s European operations. This non-recurring gain was excluded from the calculation of Adjusted EBITDA.

(d) Impairment charges incurred were from the Stillwater, Oklahoma building upon announcement of plant closure, as well as for machinery and equipment at other facilities.

(e) Transaction-related charges incurred were primarily due to the Transcontinental transaction.

(1) Amounts include the Canadian operations.
# Continuing and Canadian Discontinued Operations Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Canada</td>
</tr>
<tr>
<td>Net sales</td>
<td>$1,310.0</td>
<td>$94.4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>999.9</td>
<td>78.5</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>114.6</td>
<td>6.1</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>89.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Restructuring, impairment and transaction-related charges</td>
<td>52.6</td>
<td>20.7</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,256.5</td>
<td>106.0</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$53.5</td>
<td>$(11.6)</td>
</tr>
<tr>
<td>Adjusted EBITDA (1)</td>
<td>$196.8</td>
<td>$9.8</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin (1)</td>
<td>15.0%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

(1) See slide 36 for definition of non-GAAP measures and slide 36 for reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin as non-GAAP measures.
### Balance Sheet (US $ Millions)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>December 31, 2011</th>
<th>LIABILITIES AND EQUITY</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 25.6</td>
<td>Accounts payable</td>
<td>$ 301.9</td>
</tr>
<tr>
<td>Receivables</td>
<td>656.1</td>
<td>Other current liabilities</td>
<td>468.3</td>
</tr>
<tr>
<td>Inventories</td>
<td>249.5</td>
<td>Current debt and capital leases</td>
<td>102.8</td>
</tr>
<tr>
<td>Other current assets</td>
<td>237.5</td>
<td>Long-term debt and capital leases</td>
<td>1,367.7</td>
</tr>
<tr>
<td>Property, plant and equipment—net</td>
<td>2,123.3</td>
<td>Deferred income taxes</td>
<td>471.9</td>
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<tr>
<td>Goodwill and other intangible assets</td>
<td>1,082.7</td>
<td>Pension, MEPPs and other postretirement benefits</td>
<td>391.9</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>183.0</td>
<td>Other long-term liabilities</td>
<td>175.8</td>
</tr>
<tr>
<td>Assets of discontinued operations</td>
<td>177.5</td>
<td>Liabilities of discontinued operations</td>
<td>148.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 4,735.2</td>
<td>Total liabilities</td>
<td>3,428.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity</td>
<td>1,306.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total liabilities and equity</td>
<td>$ 4,735.2</td>
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</tbody>
</table>