ASTRAZENECA PLC
Form 6-K
February 12, 2008

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For January 2008

Commission File Number: 001-11960

AstraZeneca PLC

15 Stanhope Gate, London W1K 1LN, England

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F __

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ______

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes __ No X

If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82-_____________

AstraZeneca PLC

INDEX TO EXHIBITS

1. Press release entitled, “Transparency Directive Voting Rights and Capital”, dated 2 January 2008.

2. Press release entitled, “Transaction by Person Discharging Managerial Responsibilities Disclosure Rules DTR 3.1.2R”, dated 8 January 2008.

3. Press release entitled, “AstraZeneca Fourth Quarter and Full Year Results 2007”, dated 30 January 2008.

4. Press release entitled, “AstraZeneca PLC Fourth Quarter and Full Year Results 2007” (front half), dated 31 January 2008.

5. Press release entitled, “AstraZeneca PLC Fourth Quarter and Full Year Results 2007 – Consolidated Income Statement” (back half), dated 31 January 2008.

6. Press release entitled, “AstraZeneca Development Pipeline 31 January 2008”, dated 31 January 2008.

7. Press release entitled, “Transparency Directive Voting Rights and Capital”, dated 31 January 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AstraZeneca PLC

Date: 05 February 2008

By: /s/ Justin Hoskins
Name: Justin Hoskins
Title: Deputy Company Secretary

Item 1

Transparency Directive
Voting Rights and Capital

The following notification is made in accordance with the UK Financial Services Authority Disclosure and Transparency Rule 5.6.1. On 31 December 2007, the issued share capital of AstraZeneca PLC with voting rights is 1,457,000,853 ordinary shares of US$0.25. No shares are held in Treasury. Therefore, the total number of voting rights in AstraZeneca PLC is 1,457,000,853.

The above figure for the total number of voting rights may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, AstraZeneca PLC under the FSA's Disclosure and Transparency Rules.

G H R Musker
Company Secretary
2 January 2008

Item 2

Transaction by Person Discharging Managerial Responsibilities
Disclosure Rules DTR 3.1.2R

We hereby inform you that on 31 December 2007, Dr John Patterson, a Director of AstraZeneca PLC and a person discharging managerial responsibilities, gave an irrevocable instruction to exercise options over 625 AstraZeneca PLC USD0.25 Ordinary Shares as follows:

- option over 374 shares at an option price of 1756 pence per share granted under the AstraZeneca Savings Related Share Option Scheme

- option over 251 shares at an option price of 2262 pence per share granted under the AstraZeneca Savings Related Share Option Plan.

We further inform you that the exercise date of these options was 4 January 2008.

Following these exercises Dr Patterson holds options over 236,091 AstraZeneca PLC UDS0.25 Ordinary Shares.

We confirm that Dr Patterson retained the 625 shares acquired and, as a result, his interest in shares has increased to 131,912 AstraZeneca PLC UDS0.25 Ordinary Shares, which represents approximately 0.009% of the current issued capital.

G H R Musker
Company Secretary
8 January 2008

Item 3

AstraZeneca Fourth Quarter and Full Year Results 2007

Tomorrow, Thursday, 31 January 2008, AstraZeneca will be releasing fourth quarter and full year results 2007 at 11:00GMT.

An analysts presentation covering the results will be held at 13:30gmt and can be joined, live, via teleconference on the following numbers: UK: 0800 559 3272, Sweden: 0200 887 737, US: 1 866 239 0753, International: +44 (0)20 7138 0823 . These numbers, and details of the replay facility (available until 17:00gmt Friday, 15 February 2008) are available on the Investors section of the AstraZeneca website (www.astrazeneca.com). A live webcast of the presentation will also be available on this site.

Item 4

AstraZeneca PLC

Fourth Quarter and Full Year Results 2007

"Earnings per share for the full year ahead of target. With the addition of six new molecules to the late stage pipeline during 2007, there are now 10 projects in Phase III development."

Financial Highlights

Group	**4th Quarter 2007 $m**	**4th Quarter 2006 $m**	**Actual %**	**CER %**	**Full Year 2007 $m**	**Full Year 2006 $m**	**Actual %**	**CER %**
Sales	8,170	7,154	+14	+8	29,559	26,475	+12	+7
Operating Profit	1,929	2,003	-4	-7	8,094	8,216	-1	-4
Profit before Tax	1,837	2,103	-13	-16	7,983	8,543	-7	-9
Earnings per Share	$0.86	$0.93	-7	-9	$3.74	$3.86	-3	-5
EPS, excluding restructuring and synergy costs	$1.04	$0.93	+11	+10	$4.20	$3.86	+9	+7

Management also reports Core EPS, a supplemental non-IFRS measure which management believes useful to understanding the Company's performance; it is upon this measure that financial guidance for 2008 is based. See page 11 for a discussion of Core EPS and a reconciliation of 2007 Core EPS to reported EPS.

All narrative in this section refers to growth rates at constant exchange rates (CER).

- **Sales for the full year increased 7 percent to $29,559 million.** The inclusion of MedImmune for seven months increased sales by 3 percent. Excluding US sales of Toprol-XL™ from the current and the prior year, sales increased 10 percent.
- **Full yearoperating profit excluding restructuring and synergy costs was up 8 percent**.
- **Earnings per share (excluding restructuring and synergy costs) were $4.20, ahead of the target of $3.98 to $4.13 per share.**
- The acquisition of MedImmune was successfully completed in June 2007 establishing AstraZeneca as a leader in biotechnology among our pharmaceutical peers.
- Investment through the income statement in Research and Development increased for the full year to more than $5 billion. A record 36 new compounds were selected for development; 24 compounds progressed to first human exposure. Six new compounds were added to the Phase III development pipeline in 2007, bringing the total to 10 projects.
- AstraZeneca expects to file licence applications for up to three new medicines in 2008. The Company believes its target to bring on average two new medicines to the market on an annual basis is achievable from 2010 onwards.
- Dividend increased by 9 percent to $1.87 for the full year. Total cash distributions to shareholders increased by $444 million to $6,811 million.

David Brennan, Chief Executive Officer, said: "The strong underlying results for the full year reflect our determined action in three priority areas: our pipeline is significantly stronger, with the acquisition of MedImmune creating a leading position in biologics; key product sales have been robust in major markets and we have achieved strong growth in the emerging markets; and productivity initiatives, including the restructuring programme, are progressing to plan. I am confident that we are taking the right steps to better position AstraZeneca as we, and the industry, encounter increasingly challenging market conditions."

London, 31 January 2008

Pictures of senior executives are available on www.newscast.co.uk. Broadcast footage of AstraZeneca products and activities is available on www.thenewsmarket.com/astrazeneca.

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<u>Business Highlights</u> *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated.*

<u>Full Year</u>

Sales for the full year increased 7 percent at CER, or 12 percent on an as reported basis (including a 5 percent positive impact from currency movements). The contribution to sales growth from MedImmune more than offset the decline from Toprol-XL™ in the US. Sales in the US were up 7 percent, and this was broadly similar to sales growth if Toprol-XL™ and MedImmune were excluded. Sales in the Rest of World were up 8 percent, comprising growth of 5 percent in Established Markets and 17 percent in Emerging Markets.

Operating profit for the full year was $8,094 million (down 4 percent). Excluding restructuring and synergy costs, operating profit increased to $9,060 million (up 8 percent). This operating profit improvement was net of a reported $1,187 million increase in R&D investment, and was fuelled by revenue growth, improved gross margin and lower expenditures in SG&A on a constant currency basis. Restructuring and synergy benefits of $300 million were realised during the year.

Reported earnings per share for the full year were $3.74 compared with $3.86 in 2006. Stripping out restructuring and synergy costs, the Company delivered earnings per share of $4.20 compared with the Company's EPS guidance of $3.98 to $4.13 on the same basis.

Nexium™ sales were slightly down for the full year to $5,216 million, a 2 percent decline. Sales in the US were down 4 percent, as market share gains for Nexium™ in the branded segment of the PPI market were offset by continued strong growth of generic omeprazole and lower realised prices for Nexium™. Nexium™ sales in other markets were up 2 percent.

Seroquel™ sales increased 15 percent to $4,027 million, with sales in the US up 15 percent and sales up 16 percent in other markets. The launch rollout of the schizophrenia indication for Seroquel XR™ is underway, to be supported by an extensive life cycle management programme. Submissions for acute bipolar mania and bipolar depression were made in the US last month. European submissions are scheduled for these indications during the first quarter of 2008. Filings for major depressive disorder and generalised anxiety disorder in the US and Europe are also planned for this year.

Crestor™ sales for the full year were up 33 percent to $2,796 million. Sales in the US were up 24 percent. Sales in other markets increased 45 percent, and now comprise half of the worldwide total for Crestor™. In November 2007, Crestor™ received US FDA approval for a new indication, as an adjunct to diet to slow the progression of atherosclerosis in patients with elevated cholesterol.

Arimidex™ sales increased by 10 percent for the full year to $1,730 million, growing at 13 percent in the US and 8 percent in other markets.

Symbicort™ sales for the full year were up 22 percent to $1,575 million, including $50 million in the US since launch in June 2007. In the US, Symbicort™ share of patients newly starting fixed combination therapy was 11.5 percent in the week ending 18 January, with a 5.8 percent share of all new prescriptions for combination products. Sales outside the US were up 18 percent for the full year.

<u>Fourth Quarter</u>

Sales in the fourth quarter were $8,170 million, up 8 percent at CER, or 14 percent on an as reported basis (including an exchange benefit of 6 percent). The inclusion of MedImmune more than offset the decline in Toprol-XL™ sales in the US. Reported sales in the US were up 8 percent. Reported sales in the Rest of World increased 8 percent, as Established Markets were up 5 percent and Emerging Markets saw growth of 18 percent.

Operating profit in the fourth quarter was $1,929 million (7 percent lower than the fourth quarter last year). Excluding restructuring and synergy costs, operating profit increased to $2,291 million (up 11 percent).

Reported EPS for the fourth quarter 2007 was $0.86 compared with $0.93 last year. Excluding restructuring and synergy costs, earnings per share increased 10 percent at constant currency.

Enhancing Productivity

In the fourth quarter, restructuring and synergy costs of $362 million were charged bringing the total for the full year to $966 million. This represents just under half of the total estimated combined programme costs of $1,975 million announced in 2007.

To date, $300 million in benefits have been realised towards the goal of $1,400 million in combined annualised savings from restructuring and synergies by 2010.

Research and Development Update

Significant progress in renewing the pipeline was made in 2007. A record 36 compounds were selected to enter development compared with 22 in 2006. Efforts to reduce early attrition have resulted in 24 molecules entering first human testing during the year, double the 12 achieved in 2006. In parallel, the Company has reduced the median development time for our projects by 18 months and we are on track to deliver upper quartile industry development speeds by 2010. 10 supplemental registration packages were submitted to global regulatory authorities during the year; approvals were received for a number of these submissions in various jurisdictions, notably Seroquel XR™ for schizophrenia and Crestor™ for atherosclerosis.

In 2008, the Company expects to file up to three first licence applications for new chemical entities, and expects that a record number of projects will reach proof of concept decision points by year-end. The Company believes its target to bring on average two new medicines to the market on an annual basis is achievable from 2010 onwards.

The purchase of MedImmune secured AstraZeneca's Biologics strategy, giving the Company all the elements required to deliver a flow of biological medicines, such as monoclonal antibodies and vaccines, to the market. This is in line with our previously stated objective that biologics should comprise 25 percent of all late phase development projects from 2010. A strategic review has been conducted across all therapeutic areas, resulting in a redistribution of R&D resources between small molecules and biologics and a rationalisation of our therapeutic targets. Small molecule efforts in respiratory and inflammatory disease and cancer will be reduced. In particular, we will stop Discovery activities in osteoarthritis disease modification and move out of cancer cell cycle blockers as a therapeutic target. The balance between increasing the portfolio and the reshaping and efficiency gains we have achieved will result in overall growth in R&D expenditures in high single digits in 2008.

An updated R&D pipeline table has been issued in conjunction with the publication of this press release. A copy of this table is available on the Company's website, www.astrazeneca.com, under information for investors.

Future Prospects

The industry faces increasingly challenging market conditions, and the pricing demands from payers and competition from generics in major therapeutic categories will continue to pressure the top line.

In 2008, the Company aims to achieve constant currency sales growth in the low to mid-single digits. The uplift from the inclusion of a full year of sales contribution from MedImmune will be broadly offset by the expected sales decline from a full year of generic competition for Toprol-XL™ in the US market. This revenue growth, combined with continued realisation of the benefits of restructuring and synergies and disciplined management of gross margin and SG&A costs will enable continued investment in strengthening the pipeline, with expenditures in R&D expected to increase at a high single digit rate.

The Company anticipates Core earnings per share for 2008 in the range of $4.40 to $4.70, compared with $4.38 in 2007.

Disclosure Notice: The preceding forward-looking statements relating to expectations for earnings and business prospects for AstraZeneca PLC are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the forward-looking statements. These include, but are not limited to: the rate of growth in sales of generic competitors to Toprol-XL™ in the US market, the rate of growth in sales of generic omeprazole in the US, growth in currently marketed products (in particular Crestor™, Nexium™, Seroquel™, Symbicort™ and Arimidex™), the growth in costs and expenses, interest rate movements, exchange rate fluctuations, and the tax rate. For further details on these and other risks and uncertainties, see AstraZeneca PLC's Securities and Exchange Commission filings, including the 2006 Annual Report on Form 20-F.

Sales

All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated.

Gastrointestinal

	Fourth Quarter		CER %	Full Year		CER %
	2007	2006		2007	2006	
	$m	$m		$m	$m	
Nexium™	1,303	1,430	-12	5,216	5,182	-2
Losec™/Prilosec™	298	347	-20	1,143	1,371	-20
Total	1,625	1,801	-14	6,443	6,631	-6

- In the US, Nexium™ sales for the full year were $3,383 million, down 4 percent. Estimated volume growth was 2 percent for the year. Nexium™ market share in the branded segment of the PPI market increased by 1.5 percentage points in 2007, the only major brand to gain share; however, generic omeprazole's share of the prescription PPI market increased to 27.4 percent by December 2007, an increase of nearly 7 percentage points since December 2006. Realised prices for Nexium™ declined by around 8 percent for the year.

- In the fourth quarter, US sales of Nexium™ were down 18 percent, as an estimated underlying demand increase of 2 percent was offset by a large negative price variance. Nearly 5 percentage points of the price variance is attributable to the favourable impact of the release of the TriCare provision in the fourth quarter of 2006. The balance of the price variance is attributable to lower contract prices exacerbated by a pronounced mix effect, arising from volumes shifting to customer segments with higher discounts and a declining proportion of non-contract sales; this shift in mix occurred over the course of the entire year, but is particularly evident in the fourth quarter year-on-year comparison. For 2008, average realised prices are expected to continue to decline, but not at the rate implied by the fourth quarter performance.

- Nexium™ sales in other markets were up 2 percent for the full year to $1,833 million, as growth in Emerging Markets more than offset the declines in Western Europe. Fourth quarter sales in other markets were unchanged compared with last year.

- For 2008, the Company expects Nexium™ sales to be lower than 2007.

- For the full year, Prilosec™ sales in the US were down 3 percent. Losec™ sales in other markets were down 24 percent, although sales increased in Japan and China.

Cardiovascular

	Fourth Quarter		CER %	Full Year		CER %
	2007	2006		2007	2006	
	$m	$m		$m	$m	
Crestor™	799	625	+21	2,796	2,028	+33
Seloken™/Toprol-XL™	209	387	-50	1,438	1,795	-22

Atacand™	353	301	+7	1,287	1,110	+9
Zestril™	67	78	-22	295	307	-10
Plendil™	66	65	-6	271	275	-7
Total	1,656	1,609	-4	6,686	6,118	+5

- In the US, Crestor™ sales for the full year were $1,424 million, a 24 percent increase over last year. Total prescriptions in the US statin market increased 8 percent for the year; Crestor™ prescriptions were up 22 percent. Crestor™ share of total prescriptions in the US was 8.6 percent in December. US sales of Crestor™ in the fourth quarter were up 8 percent, broadly in line with prescription growth.

- In November 2007, Crestor™ was approved for a new indication in the US, as an adjunct to diet to slow the progression of atherosclerosis in patients with elevated cholesterol.

- On 15 January 2008, the Company announced the launch of a new clinical trial, SATURN. SATURN will compare the effects of Crestor™ and atorvastatin on the ability to decrease progression or induce regression of atherosclerosis.

- Crestor™ sales outside the US for the full year increased 45 percent to $1,372 million, nearly half the total worldwide sales for the product. Sales were up 26 percent in Western Europe with good growth in France and Italy. Sales in Canada increased 43 percent. The launch in Japan continues to progress well, with Crestor™ achieving an 8.8 percent volume share in November 2007.

- Crestor™ sales outside the US were up 38 percent in the fourth quarter.

- US sales of the Toprol-XL™ product range, which includes sales of the authorised generic, were down 69 percent in the fourth quarter and down 30 percent for the full year, as the full range of dosage strengths were subject to generic competition from August 2007. Generic products accounted for 85 percent of dispensed prescriptions in the fourth quarter.

- Sales of Seloken™ in other markets were down 2 percent in the fourth quarter, but were up 5 percent for the full year as a result of growth in Emerging Markets.

- Atacand™ sales in the US were down 3 percent in the fourth quarter and were unchanged for the full year.

- Sales of Atacand™ in other markets were up 10 percent in the fourth quarter and increased 12 percent for the full year.

Respiratory

	Fourth Quarter		CER %	Full Year		CER %
	2007	2006		2007	2006	
	$m	$m		$m	$m	
Symbicort™	436	323	+21	1,575	1,184	+22
Pulmicort™	447	400	+8	1,454	1,292	+10
Rhinocort™	87	90	-7	354	360	-4
Oxis™	22	23	-13	86	88	-10
Accolate™	19	22	-18	76	81	-7
Total	1,056	899	+10	3,711	3,151	+12

- Symbicort™ sales for the full year were up 22 percent to $1,575 million. Sales in Western Europe were up 12 percent in the fourth quarter and 16 percent for the full year, with market share up another point in the last 12 months, aided by the rollout of the Symbicort™ SMART™ regimen and growth from use in COPD. Good growth for the year was achieved in Canada (up 25 percent) and in Emerging Markets (up 26 percent).

- Symbicort™ sales in the US were $50 million since launch at the end of June 2007. Specialist physicians have rapidly adopted the product; nearly 75 percent of allergists and more than 60 percent of pulmonary specialists in our target audience have prescribed Symbicort™. Symbicort™ share of new prescriptions for fixed combination products was 5.8 percent in the week ending 18 January; market share of patients newly starting combination therapy is 11.5 percent.

- US sales of Pulmicort™ increased 13 percent in the fourth quarter and 15 percent for the full year. Pulmicort™ Respules™ sales in the US were up by more than 20 percent for the full year, on estimated volume growth of 15 percent. Of the approximately 6 million children under the age of 8 who are treated for asthma, more than 1 million benefit from treatment with Pulmicort™ Respules™.

- Pulmicort™ sales in other markets were down 2 percent in the fourth quarter and were unchanged for the year.

Oncology

	Fourth Quarter 2007 $m	2006 $m	CER %	Full Year 2007 $m	2006 $m	CER %
Arimidex™	474	412	+8	1,730	1,508	+10
Casodex™	370	327	+6	1,335	1,206	+6
Zoladex™	307	272	+4	1,104	1,008	+4
Iressa™	70	63	+6	238	237	-
Faslodex™	58	48	+13	214	186	+10
Nolvadex™	24	23	-	83	89	-9
Ethyol™ *	16	-	n/m	43	-	n/m
Total	1,339	1,157	+8	4,819	4,262	+8

** Sales of this MedImmune product are consolidated in AstraZeneca accounts from 1 June 2007. As a result, there are no prior period sales included.*

· In the US, sales of Arimidex™ in the fourth quarter were up 7 percent, and for the full year sales increased 13 percent to $694 million. Total prescriptions for Arimidex™ increased nearly 5.3 percent compared with 1.3 percent growth in the market for hormonal treatments for breast cancer.

· In November 2007, the Company announced that the US FDA has granted an additional six-month period of exclusivity to market Arimidex™ for its licensed breast cancer indications until June 2010.

· Arimidex™ sales in other markets increased 9 percent in the fourth quarter and were up 8 percent for the full year to $1,036 million. Sales for the full year were up 6 percent in Western Europe and increased 9 percent in Japan.

· Casodex™ sales in the US for the full year were up 1 percent. Sales in other markets, which account for more than 75 percent of product sales, were up 8 percent, on 6 percent growth in Western Europe and 13 percent sales growth in Japan.

· Iressa™ sales were unchanged for the full year. Sales in Japan increased 4 percent for the year; sales in China were up 24 percent.

· Faslodex™ sales increased 10 percent to $214 million for the full year, on growth of 3 percent in the US and 18 percent in other markets.

Neuroscience

	Fourth Quarter 2007 $m	2006 $m	CER %	Full Year 2007 $m	2006 $m	CER %
Seroquel™	1,086	912	+15	4,027	3,416	+15
Zomig™	114	103	+4	434	398	+5
Total	1,449	1,240	+12	5,340	4,704	+10

- In the US, Seroquel™ sales were up 16 percent in the fourth quarter and 15 percent for the full year. Total prescriptions for Seroquel™ increased 10 percent for the year, more than twice the market rate. Market share of total prescriptions in the US antipsychotic market increased to 31.8 percent in December 2007, up 1.3 points in the last 12 months, with a third of the increase attributable to Seroquel XR™ in the 5 months since launch in August.

- Seroquel™ sales in other markets were up 14 percent in the fourth quarter and up 16 percent for the full year as a result of market share gains in most markets.

- The Mutual Recognition Procedure in Europe for Seroquel XR™ was completed in December, and the Company is now progressing towards securing national licences. An extensive life cycle management programme supporting Seroquel XR™ is underway. Submissions for acute bipolar mania and bipolar depression were made in the US in December 2007. European submissions are scheduled for these indications during the first quarter of 2008. Filings for major depressive disorder and generalised anxiety disorder are also planned for this year in the US and Europe.

- Zomig™ sales for the full year increased 5 percent in the US and 4 percent in other markets.

Infection and Other

	Fourth Quarter 2007 $m	Fourth Quarter 2006 $m	CER %	Full Year 2007 $m	Full Year 2006 $m	CER %
Synagis™*	480	-	n/m	618	-	n/m
Merrem™	215	167	+18	773	604	+20
FluMist™*	53	-	n/m	53	-	n/m
Total	816	248	+220	1,714	875	+89

** Sales of these MedImmune products are consolidated in AstraZeneca accounts from 1 June 2007. As a result, there are no prior period sales included.*

- Sales of Synagis™ totalled $480 million in the fourth quarter. US sales were $391 million; sales outside the US were $89 million. There are no corresponding sales recorded in the AstraZeneca accounts in the prior year; on a pro-forma basis, Synagis™ sales are 5 percent ahead of the fourth quarter last year. Synagis™ sales are highly seasonal, with the majority of sales recorded in the fourth and first quarters.

- Sales of FluMist™ were $53 million for the full year, all of which were recorded in the fourth quarter. As with Synagis™, there are no corresponding sales in the AstraZeneca accounts in the prior year; on a pro-forma basis, FluMist™ sales for the 2007/08 influenza season to date are 56 percent ahead of the comparable period in 2006/07.

Geographic Sales

	Fourth Quarter 2007 $m	Fourth Quarter 2006 $m	CER %	Full Year 2007 $m	Full Year 2006 $m	CER %
North America	3,996	3,653	+8	14,511	13,480	+7
US	3,665	3,390	+8	13,366	12,449	+7
Established ROW*	3,194	2,745	+5	11,491	10,131	+5
Emerging ROW	980	756	+18	3,557	2,864	+17

**Established ROW comprises Western Europe (including France, UK, Germany, Italy, Sweden and others), Japan, Australia and New Zealand.*

- Sales in the US were up 7 percent for the full year, with this growth rate remaining broadly unchanged after adjusting for managed market accruals, inventory movements and provision movements. The addition of 7 months sales of MedImmune accounts for 3 percent of the increase. Excluding MedImmune and Toprol-XL™ from the current and prior year, sales grew at 7 percent. Growth in Seroquel™, Crestor™, Arimidex™ and Symbicort™ more than offset the sales declines for Toprol-XL™ and Nexium™.

- Sales growth in the Established Rest of World segment was 5 percent for the full year. Sales in Western Europe were up 3 percent (1 percent excluding Synagis™), with good growth from Symbicort™, Crestor™, Seroquel™ and the oncology products more than offsetting declines in the PPI products. Sales in Japan were up 11 percent, with most of the growth attributable to Crestor™ and the oncology products.

- Sales in Emerging Markets increased 17 percent for the full year, accounting for nearly 45 percent of total Company sales growth outside the US market. Sales in Emerging Europe were up 12 percent. Sales in China increased by 28 percent.

Operating Review

All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated.

Fourth Quarter

Reported sales increased by 14 percent and operating profit fell by 4 percent. At constant exchange rates, sales increased by 8 percent and operating profit fell by 7 percent. Currency movements therefore increased sales by 6 percent and operating profit by 3 percent. In comparison to last year, the dollar was 11 percent weaker against the euro, increasing sales, and also against the Swedish krona (9 percent) and sterling (6 percent), increasing costs. The net effect of these currency movements was a positive impact of 2 cents on reported earnings per share.

As shown in the table below, when the impact of restructuring and synergy costs and MedImmune operating profit is excluded, operating profit increased by 4 percent and earnings per share by 13 percent.

Quarter Four	Operating Profit $m	CER %	EPS	CER %
Reported	1,929	-7	$0.86	-9
Restructuring and Synergy Costs	362	n/a	$0.18	n/a
Reported, excluding restructuring and synergy costs	2,291	+11	$1.04	+10
MedImmune	(137)	n/a	$0.03	n/a
Underlying	**2,154**	**+4**	**$1.07**	**+13**

In the fourth quarter, reported operating margin was 23.6 percent. Excluding restructuring and synergy costs of $362 million and the MedImmune operating profit of $137 million (which excludes the impact of costs relating to the achievement of synergies), underlying operating margin was 28.3 percent, an increase of 0.3 percentage points on the fourth quarter in 2006 (see table below).

Quarter Four	Reported % of sales	Restructuring and synergy costs $m	MedImmune $m	Underlying % of sales	Change versus PY[1]
Gross Margin	77.7	(95)	366	79.8	+1.9
Distribution	0.8	-	(2)	0.9	-0.1
R&D	17.5	(36)	(60)	17.5	-1.8
SG&A	37.4	(231)	(247)	33.8	+1.3
Other Operating Income	1.6	-	80	0.7	-1.0
Operating Profit	**23.6**	**(362)**	**137**	**28.3**	**+0.3**

Underlying gross margin of 79.8 percent in quarter four is 1.9 percentage points higher than last year. Principal contributors were asset provisions, totalling $108 million, being recorded in the prior period (1.5 percentage points) and lower payments to Merck (1.3 percentage points). Adverse impacts arose from currency and increased royalty payments, which led to a combined 0.6 percentage point reduction.

Underlying R&D expenditure was $1,336 million in the fourth quarter, up 11 percent over last year due principally to increased activity levels and the effect of the externalisation strategy, particularly the collaboration with Bristol-Myers Squibb.

Underlying SG&A costs of $2,577 million were 4 percent lower than quarter four in 2006, due to continued operational efficiencies and realisation of the initial benefits from the Company's productivity initiatives.

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[1] Positive number indicates favourable effect on operating profit margin versus prior year.

Underlying other income of $54 million was $69 million lower than the fourth quarter in 2006, which included the divestment of 17 non-core products in Scandinavia and higher royalty income.

MedImmune contributed an operating profit of $137 million (which includes amortisation costs of $115 million) during the fourth quarter, compared with a loss of $212 million in the third quarter (which also included amortisation of $105 million). This reflects the seasonal bias in MedImmune's principal business activities.

Full Year

Reported sales increased by 12 percent and operating profit fell by 1 percent. At constant exchange rates, sales increased by 7 percent and operating profit fell by 4 percent. Currency movements increased reported sales by 5 percent and operating profit by 3 percent. Cumulatively, exchange has increased earnings per share by 7 cents.

As shown in the table below, when the effect of restructuring and synergy costs and MedImmune operating loss is excluded, operating profit increased by 10 percent and earnings per share increased by 15 percent.

Year	Operating Profit $m	CER %	EPS	CER %
Reported	8,094	-4	$3.74	-5
Restructuring and Synergy Costs	966	n/a	$0.46	n/a
Reported, excluding restructuring and synergy costs	9,060	+8	$4.20	+7
MedImmune	178	n/a	$0.32	n/a
Underlying	**9,238**	**+10**	**$4.52**	**+15**

For the full year, reported operating margin was 27.4 percent. Excluding restructuring and synergy costs of $966 million and the MedImmune operating loss of $178 million (which excludes the impact of costs relating to the achievement of synergies), underlying operating margin was 32.0 percent, an increase of 1.0 percentage points on 2006 (see table below).

Year	Reported % of sales	Restructuring and synergy costs $m	MedImmune $m	Underlying % of sales	Change versus PY[2]
Gross Margin	78.3	(415)	472	80.0	+1.0
Distribution	0.8	-	(4)	0.8	+0.1
R&D	17.5	(73)	(255)	16.8	-2.1
SG&A	35.1	(478)	(560)	32.3	+2.1
Other Operating Income	2.5	-	169	1.9	-0.1
Operating Profit	**27.4**	**(966)**	**(178)**	**32.0**	**+1.0**

Underlying gross margin increased by 1.0 percentage points to 80.0 percent. Principal drivers included improved efficiencies, reduced payments to Merck (0.7 percentage points), asset provisions booked during the prior period (0.4 percentage points) and favourable currency movements (0.2 percentage points). An adverse effect arose from increased royalty payments, which led to a 0.4 percentage point reduction.

Underlying R&D expenditure was $4,834 million in 2007, up 16 percent over last year due principally to increased activity levels and the effect of the externalisation strategy.

Underlying SG&A costs were 2 percent lower than the same period in 2006, primarily as a result of operational efficiencies from our selling and marketing activities.

[2] Positive number indicates favourable effect on operating profit margin versus prior year.

Underlying other income of $559 million was $35 million higher than 2006, as expected reductions in royalty income were more than offset by higher one-time gains and the insurance recoveries in the first quarter of 2007.

MedImmune contributed an operating loss of $178 million (which includes amortisation costs of $255 million) for the full year.

Restructuring and Synergy Programmes Update

At the half year, the Company provided details of the various productivity initiatives being undertaken to enhance the long-term efficiency of the business along with the synergies arising as a result of the acquisition of MedImmune. Following the integration of MedImmune, the Company is now managing these programmes on a combined basis. The restructuring and synergy costs are expected to be $1,975 million, with estimated annual benefits of $1,400 million targeted by 2010.

As of 31 December, total charges of $966 million have been taken in respect of these programmes, of which $723 million represents cash costs. Over the same period, productivity initiative benefits of $250 million and synergy benefits of $50 million have been realised.

All individual programmes continue to progress to plan, with forecasts for the total costs and benefits associated with each initiative remaining in accordance with the guidance issued in the second quarter and half year press release. Of the remaining $1 billion of cost, approximately two thirds is expected to be incurred in 2008, with the balance in 2009 and 2010. Of the anticipated annual benefits of $1,400 million by 2010, cumulatively two thirds will be realised in 2008.

Toprol-XL™

In 2007, Toprol-XL™ contributed US sales of $969 million (2006: $1,382 million) and EPS of 39 cents (2006: 50 cents). If Toprol-XL™ were excluded from the full year results for both the current and prior year periods, sales growth would be 10 percent (versus 7 percent on an overall basis) and EPS would be down 3 percent (compared with a 5 percent overall decrease). Using the same basis in the fourth quarter, sales would be up 11 percent (compared with a 8 percent overall increase) and EPS would be down 2 percent (compared with a 9 percent overall decline).

Finance Income and Expense

Net interest expense was $92 million for the fourth quarter (2006 income: $100 million) and $111 million for the full year (2006 income: $327 million). The decrease versus last year is primarily attributable to the interest payable on the borrowings to acquire MedImmune, Inc. Interest expense on the new debt was $203 million in the fourth quarter and $446 million for the full year. The reported amounts include net income of $13 million (2006: $9 million) in the fourth quarter, and $34 million (2006: $43 million) in the full year, arising from employee benefit fund assets and liabilities reported under IAS 19, 'Employee Benefits'.

Taxation

The effective tax rate for the year was 29.5 percent (30.6 percent for the quarter) compared with 29.0 percent (31.3 percent for the quarter) for 2006. The slight increase for the year compared to 2006 reflects the combined effect of differences in the geographical mix of profits, the reversal of tax deductions relating to share based payments, the reduction in the UK tax rate as applied to UK net deferred tax liabilities, and an increase in tax provisions principally in relation to global transfer pricing. The full year tax rate for 2008 is anticipated to be around 29.5 percent.

Cash Flow

Cash generated from operating activities was $7,510 million in 2007, only slightly down on 2006 ($7,693 million). The small decrease in operating profit was compensated for by an increase in non-cash items ($638 million principally from unspent restructuring costs) and depreciation, amortisation and impairment ($511 million). These compensating effects were offset by an increase in working capital requirements of $551 million and additional tax and interest payments ($394 million and $265 million respectively).

Net cash outflows from investing activities were $14,887 million in 2007 compared to $272 million in 2006 due primarily to the acquisition of MedImmune, Inc.; other acquisitions in 2007 included Arrow Therapeutics Limited, Atlantis Components Inc. and Denics International Co. Ltd.

Cash distributions to shareholders were $6,811 million (through share repurchases of $4,170 million and dividend payments of $2,641 million).

Net funds of $6,537 million at the beginning of the year have become net debt of $9,112 million by the end of the year due to the acquisition of MedImmune Inc., which has been substantially financed through new debt.

Investments

New investments completed during the fourth quarter include:

In October, the Company's Astra Tech Group completed the acquisition of Atlantis Components Inc. An intangible asset has been recognised for $106 million, relating to specialist CAD/CAM Technology used to design and manufacture bespoke dental implant abutments.

In December, Astra Tech also acquired Denics International Co. Ltd, which was previously their Japanese distributor and has strategic importance for the company's expansion into Asia. The Company has capitalised an intangible asset of $15 million in relation to the acquisition.

Core Earnings per Share

Management believes that investors' understanding of the Company's performance is enhanced by the disclosure of Core EPS. The Core EPS measure is adjusted to exclude certain significant items, such as charges and provisions related to restructuring and synergy programmes, amortisation of the significant intangibles arising from corporate acquisitions and those related to our current and future exit arrangements with Merck in the US, and other specified items. Core EPS is not, and should not be viewed as, a substitute for EPS in accordance with IFRS.

The reconciliation of fourth quarter and full year Core EPS to reported earnings per share is provided below:

	4th Quarter 2007	4th Quarter 2006	CER %	Full Year 2007	Full Year 2006	CER %
Reported EPS	$0.86	$0.93	-9	$3.74	$3.86	-5
Restructuring and Synergy Costs	$0.18	-	n/a	$0.46	-	n/a
Amortisation of intangible assets						
MedImmune acquisition	$0.05	-	n/a	$0.12	-	n/a
Merck arrangements	$0.01	$0.01	-	$0.06	$0.06	-
Core EPS	**$1.10**	**$0.94**	**+16**	**$4.38**	**$3.92**	**+10**

The Company intends to issue guidance on a Core basis in 2008. To further aid investors' understanding of this metric, a reconciliation between reported and Core earnings for 2007 is shown below.

	Reported $m	Restructuring $m	MedImmune Amortisation $m	Merck Amortisation $m	Core $m
Operating Profit	8,094	966	255	96	9,411
	(111)	-	-	-	(111)

Net interest expense					
Profit before tax	**7,983**	**966**	**255**	**96**	**9,300**
Taxation	(2,356)	(285)	(75)	-	(2,716)
Profit after tax	**5,627**	**681**	**180**	**96**	**6,584**

		149,175		0		31,563		1,725,363	
General Counsel	2012		445,739				426,000		
Andrew B. Coxhead	2014		325,000				332,800		
Senior Vice President,	2013		325,000		92,625		360,900		
Chief Accounting Officer	2012		325,000				266,250		
Daniel L. Knotts	2014		725,000		400,000		2,096,640		
Chief Operating Officer	2013		704,167		2,309,938		2,061,950		
	2012		600,000				1,172,660		1
Daniel N. Leib	2014		600,000		100,000		1,331,200		
Executive Vice President,	2013		583,333		256,500		1,263,150		
Chief Financial Officer	2012		500,000				426,000		

1 The amounts shown in this column include discretionary bonus payments made for 2014 and 2013 under our 2012 PIP in the following amounts: Mr. Quinlan, $0 and $427,500; Ms. Bettman, $50,000 and $192,375; Mr. Coxhead, $0 and $92,625; Mr. Knotts, $100,000 and $309,938 and Mr. Leib, $100,000 and $256,500. Mr. Knotts 2014 amount also includes $300,000 of a deferred cash award granted under the Company s 2012 Performance Incentive Plan in March 2012 which vested on July 1, 2014, and Mr. Knotts 2013 amount includes a $2,000,000 deferred cash award granted under the Company s 2004 Performance Incentive Plan in March 2009 which vested in full on the fourth anniversary of the grant date.

2 The amounts shown in this column constitute the aggregate grant date fair value of restricted share units (RSUs) and performance share units (PSUs) granted during the fiscal year under the 2012 PIP. The amounts are valued in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation Stock Compensation* (which we refer to as ASC Topic 718). See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating the fair value pursuant to ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The grant date fair value of PSUs is based on the probable outcome of the applicable performance conditions which assumes the highest achievement level is attained. For further information on these awards, see the *Outstanding Equity Awards at Fiscal Year-End* table beginning on page 31 of this proxy statement.

3 The amounts shown in this column reflect the aggregate grant date fair value of options granted during the fiscal year under the 2012 PIP. The amounts are valued using the Black-Scholes-Merton option pricing model in accordance with ASC Topic 718. See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For further information on these awards, see the *Outstanding Equity Awards at Fiscal Year-End* table beginning on page 31 of this proxy statement.

4 The amounts shown in this column constitute payments made for 2014 and 2013 under our AIP, which is a subplan of the 2012 PIP. At the outset of each year, the Human Resources Committee sets performance criteria that are used to determine whether and to what extent the NEOs will receive payments under the AIP. See *Compensation Discussion and Analysis* beginning on page 18 of this proxy statement for further information on the 2014 payments.

5 The amounts shown in this column include the aggregate of the increase in actuarial values of each of the named executive officer s benefits under our Pension Plans and Supplemental Pension Plans.

6 Mr. Quinlan s amount for 2014 includes interest of $7,955 (calculated at the prime interest rate) that was contributed by the Company in 2014 to Mr. Quinlan s related 401(k) Supplemental Executive Retirement Plan-B account.

Executive Compensation (continued)

7 Amounts in this column include the value of the following perquisites provided to the NEOs in 2014. Corporate automobile allowance is the amount actually paid to each NEO, as shown in the table below. Personal tax/financial advice is valued at actual amounts paid to each provider of such advice. The Company no longer provides a tax gross-up on these benefits. The incremental cost to the Company of personal use of our aircraft is calculated based on the average variable operating costs of operating the aircraft, including fuel costs and landing fees, trip-related repairs and maintenance, catering and other miscellaneous variable costs. Fixed costs that do not change based on usage, such as pilot salaries, training, utilities, taxes and general repairs and maintenance, are excluded. Mr. Knotts is able to use certain country clubs at which the Company has a business purpose membership for his personal use but to the extent that there is an incremental cost to the Company, Mr. Knotts reimburses the Company for such personal use.

Named Executive Officer	Corporate Aircraft Usage ($)	Corporate Automobile Allowance ($)	Club Memberships ($)	Personal Tax/ Financial Advice ($)	Tax Gross Up Related to Perquisites ($)
Thomas Quinlan	0	16,800	0	0	
Suzanne Bettman	0	16,800	0	12,025	
Andrew Coxhead	0		0		
Daniel Knotts	DM	16,800	0	1,450	
Daniel Leib	0	16,800	0	1,575	

DM The incremental cost to the Company of the provision of this perquisite is limited to items such as food and beverages provided to this NEO s spouse while accompanying the NEO on certain business trips. It is not reasonably practical to quantify these amounts precisely, but they are de minimis.

8 Amounts in this column include premiums paid by the Company for group term life insurance and supplemental disability insurance, as shown in the table below. The Company no longer provides a tax gross-up on these benefits.

Named Executive Officer	Supplemental Life Insurance Premium ($)	Supplemental Disability Insurance Premium ($)	Tax Gross Up Related to Insurance ($)
Thomas Quinlan	2,290	4,540	
Suzanne Bettman	1,690	4,368	
Andrew Coxhead			
Daniel Knotts	2,050	4,718	
Daniel Leib		3,599	

Executive Compensation (continued)

2014 Grants of Plan-Based Awards

The following table shows additional information regarding: (i) the threshold, target and maximum level of annual cash incentive awards for our NEOs for performance during 2014, as established by the Human Resources Committee in February 2014 under our AIP; and (ii) restricted share unit and performance share unit awards granted in March 2014 that were awarded to help retain the NEOs and focus their attention on building shareholder value.

Grants of Plan-Based Awards Table

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]			
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stocks or Units (#)[3]	Grant Date Fair Value of Stock and Option Awards [4]
Thomas Quinlan		150,000	1,500,000	5,000,000				
	3/3/2014				90,000	180,000		2,962,800
	3/3/2014						180,000	3,027,600
Suzanne Bettman		67,500	675,000	1,350,000				
	3/3/2014				13,000	26,000		427,960
	3/3/2014						26,000	437,320
Andrew Coxhead		32,500	325,000	325,000				
	3/3/2014				5,000	10,000		164,600
	3/3/2014						10,000	168,200
Daniel Knotts		108,750	1,087,500	2,175,000				
	3/3/2014				31,500	63,000		1,036,980
	3/3/2014						63,000	1,059,660
Daniel Leib		90,000	900,000	1,800,000				
	3/3/2014				20,000	40,000		658,400
	3/3/2014						40,000	672,800

1 In each case, the amount actually earned by each NEO is reported as Non-Equity Incentive Plan Compensation in the *2014 Summary Compensation Table*. In addition, certain NEOs received discretionary bonus payments in 2014 which are reported as Bonus in the *2014 Summary Compensation Table*. See *Compensation Discussion and Analysis* beginning on page 18 of this proxy statement for further information on these payments.

2 Consists of performance share units awarded under the 2012 PIP. Each PSU is equivalent to one share of the Company s common stock on the date of grant. The PSUs are earned for achieving specified cumulative Free Cash Flow targets over a three-year performance period beginning January 1, 2014 and ending December 31, 2016. The minimum target must be reached in order for the holder to be entitled to receive any PSUs. From 50% to up to 100% of the number of PSUs granted may be earned depending upon performance versus specified target levels. After the performance period, the earned PSUs will be paid in stock or cash at the discretion of the Human Resources Committee. If paid in cash, the cash value for each PSU will be equal to the fair market value of one share of the Company s common stock on the payment date. The PSUs have no dividend or voting rights.

3 Consists of restricted share units awarded under the 2012 PIP. The awards vest one-fourth on each of the first through fourth anniversaries of the grant date. The RSUs have no dividend or voting rights and are payable in shares of common stock of the Company upon vesting. If employment terminates by reason of death or disability, the unvested portion of the RSUs shall become fully vested. If employment terminates by reason of retirement, the unvested portion of the RSUs shall continue to vest as granted (one-fourth on each anniversary of the grant date). If employment terminates other than for death, disability or retirement, the unvested portion of the RSUs will be forfeited. NEO employment agreements provide for accelerated vesting of equity awards under certain circumstances. See *Potential Payments Upon Termination or Change in Control* beginning on page 35 of this proxy statement.

4 Grant date fair value with respect to the restricted stock units and performance stock units is determined in accordance with ASC Topic 718. See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements

During 2014, all of the NEOs were employed pursuant to agreements with the Company. Each employment agreement sets forth, among other things, the NEO s minimum base salary, bonus opportunities, entitlement to participate in our benefit plans, equity awards and provisions with respect to certain payments and other benefits upon termination of employment under certain circumstances (such as without cause or leaving employment for good reason, as defined in the agreements) or, in certain agreements, after a change in control of the Company. Please see *Potential Payments Upon Termination or Change in Control* beginning on page 35 of this proxy statement for a description of such provisions.

The minimum base salary set forth in each NEO s employment agreement is: Mr. Quinlan, $1,000,000; Ms. Bettman, $400,000; Mr. Coxhead, $300,000; Mr. Knotts, $550,000 and Mr. Leib, $500,000.

The employment agreements also set forth each NEO s target bonus as a percentage of such NEO s base salary. The target bonus for each NEO is 150%, except for Mr. Coxhead whose target bonus is 100%.

The employment agreements of the NEOs provide that such NEO will be entitled to participate in the Company s compensation and benefit programs that are available to all management employees and that such NEO, with the exception of Mr. Coxhead, will also be eligible to participate in certain executive-only benefit plans.

Salary and Bonus in Proportion to Total Compensation

Assuming target performance with respect to long-term incentive awards, Mr. Quinlan received less than 30% and Mr. Knotts received less than 35% of his total compensation in the form of base salary and cash incentive awards under the AIP and through a discretionary bonus, while Ms. Bettman, Mr. Coxhead and Mr. Leib received approximately 41% of his or her total compensation in the form of base salary and cash incentive awards under the AIP and through a discretionary bonus. As noted in *Compensation Discussion and Analysis* beginning on page 18 of this proxy statement, we believe that a substantial portion of each NEO s compensation should be in the form of equity awards. Our Human Resources Committee believes that our current compensation program gives our NEOs a substantial alignment with stockholders, while also permitting the Committee to incentivize the NEOs to pursue specific short and long-term performance goals. Please see the *Compensation Discussion and Analysis* section of this proxy statement for a description of the objectives of our compensation program and overall compensation philosophy.

Executive Compensation (continued)

Outstanding Equity Awards at 2014 Fiscal Year-End

The following table shows certain information about unexercised options and unvested stock awards at December 31, 2014.

Outstanding Equity Awards at Fiscal Year-End Table

	OPTION AWARDS				STOCK AWARDS			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable[1]	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[2]	Market Value of Shares or Units of Stock That Have Not Vested ($)[3]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[4]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)[5]
Thomas Quinlan	178,000	178,000	13.23	3/1/2022				
	150,000	50,000	18.62	2/27/2021				
	300,000		19.89	2/25/2020				
	950,000		7.09	3/1/2019				
	413,000		32.07	2/28/2018				
	260,000		36.22	3/20/2017				
					475,500	7,993,155		
							480,000	8,068,800
Suzanne Bettman					112,250	1,886,924	51,000	857,310
Andrew Coxhead					51,250	861,514	20,000	336,200
Daniel Knotts	14,500	29,000	13.23	3/1/2022				
	110,000		19.89	2/25/2020				
	125,000		32.07	2/28/2018				
	80,000		36.22	3/20/2017				
					202,500	3,404,025		
							178,000	2,992,180
Daniel Leib					145,000	2,437,450	75,000	1,260,750

Note: Multiple awards have been aggregated where the expiration date and the exercise price of the instruments are identical.

Executive Compensation (continued)

1 The following table provides information with respect to the vesting of each NEO s outstanding unexercisable options that are set forth in the above table:

Vesting Date	Thomas Quinlan	Suzanne Bettman	Andrew Coxhead	Daniel Knotts	Daniel Leib
2/28/2015	50,000				
3/2/2015	89,000			14,500	
3/2/2016	89,000			14,500	

2 The following table provides information with respect to the vesting of each NEO s outstanding unvested restricted stock units that are set forth in the above table.

Vesting Date	Thomas Quinlan	Suzanne Bettman	Andrew Coxhead	Daniel Knotts	Daniel Leib
2/28/2015	25,000	10,000	6,250	16,250	6,250
3/2/2015	142,750	35,250	16,250	63,000	46,250
3/2/2016	142,750	35,250	16,250	63,000	46,250
3/2/2017	120,000	25,250	10,000	44,500	36,250
3/2/2018	45,000	6,500	2,500	15,750	10,000

3 Assumes a closing price per share of $16.81 on December 31, 2014.

4 Represents PSUs that were granted on March 1, 2013 and March 3, 2014, each assuming target performance achievement. The PSUs are earned for achieving specified cumulative Free Cash Flow targets over a three-year performance period beginning January 1, 2013 through December 31, 2015 and January 1, 2014 through December 31, 2016, respectively. The minimum target must be reached in order for the holder to be entitled to receive any PSUs. From 50% up to 100% of the number of PSUs granted may be earned depending upon performance versus specified target levels.

5 Assumes target performance achievement (100% payout of the PSUs granted) and a price per share of $16.81 on December 31, 2014.

2014 Option Exercises and Stock Vested Table

The following table shows information regarding the value of options exercised and restricted stock, restricted stock units and performance share units vested during 2014.

	OPTION AWARDS		STOCK AWARDS	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)[1]	Value Realized on Vesting ($)[2]
Thomas Quinlan	N/A	N/A	301,694	5,454,607
Suzanne Bettman	N/A	N/A	48,750	937,488
Andrew Coxhead	N/A	N/A	26,250	505,225
Daniel Knotts	69,030	712,429	118,236	2,187,555
Daniel Leib	N/A	N/A	48,750	935,650

1 Represents the vesting of restricted stock, restricted stock units, performance share units and other similar instruments under the Company s equity plans. The amounts for Mr. Quinlan and Mr. Knotts include performance share units (PSUs) granted in 2012 that vested on December 31, 2014 with performance achievement of 94.7% of target.

2 Value realized on vesting of restricted stock, restricted stock units or performance share units is the fair market value on the date of vesting. Fair market value is based on the closing price as reported by the Nasdaq Stock Market.

Executive Compensation (continued)

Pension Benefits

Generally, the Company froze benefit accruals under all of its then existing U.S. pension plans (collectively referred to as the Qualified Retirement Plans) that were still open to accruals effective December 31, 2011. Therefore, beginning January 1, 2012, participants generally ceased earning additional benefits under the Qualified Retirement Plans and generally no new participants will enter these plans. Before the Qualified Retirement Plans were frozen, accrual rates varied based on age and service. Accruals for the plans were calculated using compensation that generally included salary and annual cash bonus awards. The amount of annual earnings that may be considered in calculating benefits under the pension plan is limited by law. The Qualified Retirement Plans are funded entirely by the Company with contributions made to trust funds from which the benefits of participants are paid.

The U.S. Internal Revenue Code places limitations on pensions that can be accrued under federal income tax qualified plans. Prior to being frozen, to the extent an employee s pension would have accrued under one of the Qualified Retirement Plans if it were not for such limitations, the additional benefits were accrued under an unfunded supplemental pension plan (referred to as the SERP). On December 31, 2014, approximately 775 individuals are covered by

the SERP as active employees or terminated employees with vested benefits, and in 2014 approximately 380 individuals received payments from the SERP. Prior to a change of control of the Company, the SERP is unfunded and provides for payments to be made out of the Company s general assets. Because the Company froze the Qualified Retirement Plans as of December 31, 2011, generally no additional benefits will accrue under such plans or the related SERP.

Some participants, including those that have a cash balance or pension equity benefit, can elect to receive either a life annuity or a lump sum amount upon termination. Other participants will receive their plan benefit in the form of a life annuity. Under a life annuity benefit, benefits are paid monthly after retirement for the life of the participant or, if the participant is married or chooses an optional benefit form, generally in a reduced amount for the life of the participant and surviving spouse or other named survivor.

See Note 11 to the Consolidated Financial Statements included in our annual report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating the present value of the current accrued benefit with respect to each NEO under the Qualified Retirement Plans and the SERP set forth in the table below.

2014 Pension Benefits Table

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Thomas Quinlan	Pension Plan	11	$ 93,353	
	SERP	11	$ 642,248	
Suzanne Bettman	Pension Plan	7	$ 107,631	
	SERP	7	$ 249,555	
Andrew Coxhead	Pension Plan	16	$ 144,351	
	SERP	16	$ 48,712	
Daniel Knotts	Pension Plan	25	$ 285,313	
	SERP	25	$ 569,878	
Daniel Leib	Pension Plan	7	$ 87,322	
	SERP	7	$ 105,586	

Executive Compensation (continued)

Nonqualified Deferred Compensation

The 2014 Nonqualified Deferred Compensation table presents amounts deferred under our Deferred Compensation Plan. Participants may defer up to 50% of base salary and 90% of annual incentive bonus payments under the Deferred Compensation Plan. Deferred amounts are credited with earnings or losses based on the rate of return of mutual funds selected by the executive, which the executive may change at any time. We do not make contributions to participants accounts under the Deferred Compensation Plan. Distributions generally are paid in a lump sum distribution upon the six-month anniversary of the termination of the NEO s employment with the Company unless the NEO elects that a distribution be made three years after a deferral under certain circumstances.

The table also presents amounts deferred under our Supplemental Executive Retirement Plan (SERP- B). Under the SERP-B, participants could defer a portion of their regular earnings substantially equal to the difference between the amount that, in the absence of legislation limiting additions to the RR Donnelley Savings Plan, would have been allocated to an employee s account as before-tax and matching contributions, minus the deferral amount actually allocated under the Savings Plan. Deferred amounts earn interest at the prime rate and such interest is paid by the Company. Distributions are paid in a lump sum distribution upon the six-month anniversary of the termination of the participant s employment with our Company. The SERP-B was frozen in 2004 and no additional amounts may be contributed by NEOs.

2014 Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)[1]	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Thomas Quinlan					
Deferred Compensation Plan					
Supplemental Executive Retirement Plan-B			7,955		252,737
Suzanne Bettman					
Deferred Compensation Plan			113,295		1,211,986
Supplemental Executive Retirement Plan-B					
Andrew Coxhead					
Deferred Compensation Plan					
Supplemental Executive Retirement Plan-B					
Daniel Knotts					
Deferred Compensation Plan					
Supplemental Executive Retirement Plan-B					
Daniel Leib					
Deferred Compensation Plan			2,749		36,772
Supplemental Executive Retirement Plan-B					

1 Amounts in this column with respect to the Deferred Compensation Plan are not included in the *2014 Summary Compensation Table*. Amounts in this column with respect to the Supplemental Executive Retirement Plan-B consist of Company contributed interest calculated at the prime interest rate on the NEO s account balance and are included in the *2014 Summary Compensation Table*.

Potential Payments Upon Termination or Change in Control

As noted under *Compensation Discussion and Analysis Post-Termination Benefits* on page 25 of this proxy statement, we have entered into employment agreements with each of our NEOs that provide for payments and other benefits in connection with the officer s termination for a qualifying event or circumstance and, in some agreements, for enhanced payments in connection with such termination after a Change in Control (as defined in the applicable agreement). A description of the terms with respect to each of these types of terminations follows.

Termination other than after a Change in Control

The employment agreements for each NEO provide for payments of certain benefits, as described below, upon termination of employment. The NEO s rights upon a termination of his or her employment depend upon the circumstances of the termination. Central to an understanding of the rights of each NEO under the employment agreements is an understanding of the definitions of Cause and Good Reason that are used in those agreements. For purposes of the employment agreements:

- We have *Cause* to terminate the NEO if the NEO has engaged in any of a list of specified activities, including refusing to substantially perform duties consistent with the scope and nature of his or her position or refusal or failure to attempt in good faith to follow the written direction of the chief executive officer, chief operating officer, chief financial officer or the Board, as applicable, committing an act materially injurious (monetarily or otherwise) to us or our subsidiaries, commission of a felony or other actions specified in the definition.
- The NEO is said to have *Good Reason* to terminate his or her employment (and thereby gain access to the benefits described below) if we assign the NEO duties that represent a material diminution of his or her duties or responsibilities, reduce the NEO s compensation, generally require that the NEO s principal office be located other than in or around Chicago, Illinois or, in the case of Mr. Quinlan, New York, New York, or materially breach the employment agreement. Mr. Coxhead s employment agreement does not provide for rights upon his termination for Good Reason.

The employment agreements for the NEOs require, as a precondition to the receipt of these payments, that the NEO sign a standard form of release in which he or she waives all claims that he or she might have against us and certain associated individuals and entities. The employment agreements also include noncompete and nonsolicit provisions that would apply for a period of one to two years, as set forth in such NEO s agreement, following the NEO s termination of employment.

The benefits to be provided to the NEO in each of those situations are described in the tables below, which assume that the termination had taken place on December 31, 2014.

Termination after a Change in Control

The NEOs other than Mr. Coxhead and Mr. Leib are entitled to certain tax gross-ups upon a termination after a Change in Control (as defined in such NEOs employment agreement).

As with the severance provisions described above, the rights to which the NEOs are entitled under the Change in Control provisions upon a termination of employment are dependent on the circumstances of the termination. The definitions of Cause and Good Reason are the same in this termination scenario as in a termination other than after a Change in Control.

Potential Payment Obligations Under Employment Agreements upon Termination of Employment of NEO or upon a Change in Control

The following tables set forth our payment obligations under the employment agreements under the circumstances specified upon a termination of the employment of our NEOs or upon a Change in Control. The tables do not include payments or benefits that do not discriminate in scope, terms or operation in favor of the NEOs and are generally available to all salaried employees, or pension or deferred compensation payments that are discussed in *Pension Benefits* and *Nonqualified Deferred Compensation* beginning on page 33 of this proxy statement.

Unless otherwise noted, the descriptions of the payments below are applicable to all of the tables relating to potential payments upon termination, termination after a change in control or after a change in control.

Disability or Death All NEOs are entitled to pension benefits upon death or disability according to the terms of the pension plan. The employment agreements provide that in the event of disability or death, in addition to payments under the Company s disability benefits plan or life insurance program, as applicable and each as available to all salaried employees, each NEO other than Mr. Coxhead is entitled to benefits paid under a supplemental disability insurance policy or supplemental life insurance policy, as applicable, maintained by the Company for the NEO s benefit. Pursuant to the terms of the Company s AIP, each NEO is also entitled to his or her pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid and as available to all salaried employees.

Potential Payments Upon Termination or Change in Control (continued)

Additionally, all unvested equity awards held by each NEO will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.

Equity Acceleration Pursuant to the terms of their employment agreements, each NEO other than Mr. Coxhead is entitled to immediate vesting of all outstanding equity awards in the event of any termination initiated by the NEO for Good Reason or termination initiated by the Company without Cause. Each NEO is generally entitled to immediate vesting of all outstanding equity awards upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan, and may be entitled to a gross up payment, as described below. PSUs will vest and become payable in accordance with the terms of the applicable award agreements in the event of any termination initiated by the NEO for Good Reason (other than Mr. Coxhead) or termination initiated by the Company without Cause or upon a Change in Control. For all NEOs, all unvested equity awards are forfeited in the event of resignation other than for Good Reason or termination with Cause. Treatment of equity upon death or disability is discussed above in Disability or Death.

Value of accelerated restricted stock units is the fair market value on the date of termination. Value of accelerated PSUs is the fair market value on the date of determination. Value of accelerated options is determined by subtracting the exercise price from the fair market value on the date of termination. For purposes of the tables, fair market value is the closing price on December 31, 2014 of $16.81.

Health Care Benefits The employment agreements generally provide that, after resignation for Good Reason or termination without Cause, the Company will continue providing medical, dental, and vision coverage to the NEO that the NEO was eligible to receive

immediately prior to such termination until the end date of an enumerated period following the NEO s date of termination. For Messrs. Quinlan and Knotts this period is 24 months after such resignation or termination before a Change in Control, and the last day of the second calendar year following the calendar year in which such termination occurs after a Change in Control and for Ms. Bettman, Mr. Coxhead and Mr. Leib this period is 18 months after such resignation or termination (either before or after a Change in Control). In the event of resignation other than for Good Reason or termination with Cause, the NEO is entitled to the same benefits as all other employees would be entitled to after termination. Benefits payable upon disability or death are described above in Disability or Death.

280G Tax Gross-Up Upon a Change in Control of the Company, an NEO may be subject to certain excise taxes under Section 4999 of the Internal Revenue Code with respect to payments that are treated as excess parachute payments under Section 280G. The Company has agreed to reimburse certain NEOs for all excise taxes that are imposed on the NEO under Section 4999 and any income and excise taxes that are payable by the NEO as a result of any reimbursements for such excise taxes. In the event, however, it is determined that the NEO is entitled to a reimbursement payment for such excise taxes, but that the Change in Control payments would not be subject to the excise tax if such payments were reduced by an amount that is less than 10% of the portion of the payments that would be treated as excess parachute payments under Section 280G, then the amounts payable to the NEO under the Change in Control agreement will be reduced to the maximum amount that could be paid to the NEO without giving rise to the excise tax.

The tables assume that termination or any Change in Control took place on December 31, 2014.

Potential Payments Upon Termination or Change in Control (continued)

Mr. Quinlan, the Company s president and chief executive officer would be entitled to the following:

	Resignation for Good Reason or Termination Without Cause($)	Resignation for other than Good Reason or Termination With Cause($)	Resignation for Good Reason or Termination Without Cause after Change in Control($)	Change in Control($)	Disability($)	Death($)
Cash:						
Base Salary	2,000,000(1)	0	3,000,000(2)	0	(3)	
Bonus	3,000,000(1)	0	4,575,000(2)	0	(4)	(4)
Equity:						
Restricted Share Units(5)	7,993,155	0	7,993,155(6)	7,993,155(6)	7,993,155(7)	7,993,155(7)
Options(5)	637,240	0	637,240(6)	637,240(6)	637,240(7)	637,240(7)
Performance Share Units(5)	(8)	0	4,034,400,(9)	4,034,400(9)	4,034,400(10)	4,034,400(10)
Benefits and Perquisites:(11)						
Post-Termination Health Care	24,658	0	24,658	0		
Supplemental Life Insurance	4,580	0	4,580	0		2,000,000(12)
Supplemental Disability Insurance	9,080	0	9,080	0	2,370,000(13)	
Financial Planning	24,000	0	24,000	0		
Car Allowance	33,600	0	33,600	0		
280G Tax Gross Up			8,734,740	0(14)		
Total:	13,726,313	0	29,070,453	12,664,795	15,034,395	14,664,395

1 Mr. Quinlan is entitled to 2x base salary and 2x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.

2 Mr. Quinlan is entitled to 3x base salary and 3x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period. Pursuant to the terms of his employment agreement, Mr. Quinlan is also entitled to his pro-rated annual bonus for the year in which the termination after a Change in Control occurs, payable at the same time as and to the extent that all other annual bonuses are paid. This bonus is not reflected in this table as, assuming a termination date of December 31, 2014 Mr. Quinlan would have been entitled to this bonus pursuant to the terms of the AIP under which the annual bonus is paid (which provides for payment of the bonus to any participant who is on the payroll of the Company as of December 31) which are the same terms generally available to all salaried employees who participate in the plan. Also included as bonus is a $75,000 lump sum payment to which Mr. Quinlan is entitled pursuant to the terms of his employment agreement.

3 Mr. Quinlan is entitled to the same 60% of base salary until age 65 with a maximum $10,000 per month that is generally available to all salaried employees upon disability.

4 Pursuant to the terms of the Company s AIP, Mr. Quinlan is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan.

5 Assumes price per share of $16.81 on December 31, 2014.

6 All unvested equity awards held by Mr. Quinlan will vest immediately upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan.

7 All unvested equity awards held by Mr. Quinlan will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.

8 Upon this type of termination, the PSUs would vest and be payable, if at all, on the same terms and conditions that would have applied had Mr. Quinlan s employment not been terminated (i.e., performance measured on December 31, 2015 and 2016).

9 Per the terms of the PSU award agreements, upon the acceleration date associated with a Change in Control, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the acceleration date. The table assumes that a Change in Control occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event. The PSUs granted in 2012 are not included in this amount as Mr. Quinlan would have been entitled to the PSUs pursuant to their terms on December 31, 2014 regardless of termination or Change in Control.

10

Upon death or disability, 50% of the PSUs granted in each of 2013 and 2014 vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the date of death or disability. The table assumes such event occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event. The PSUs granted in 2012 are not included in this amount as Mr. Quinlan would have been entitled to the PSUs pursuant to their terms on December 31, 2014 regardless of death or disability.

11 Except as disclosed, Mr. Quinlan receives the same benefits that are generally available to all salaried employees upon disability or death.

12 Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Quinlan in excess of the amount generally available to all salaried employees.

13 Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Quinlan in excess of the amount generally available to all salaried employees.

14 Under this scenario, the payments made to Mr. Quinlan are not subject to the excise tax and no gross up is necessary.

Potential Payments Upon Termination or Change in Control (continued)

Ms. Bettman, the Company s executive vice president, general counsel, corporate secretary and chief compliance officer would be entitled to the following:

	Resignation for Good Reason or Termination Without Cause($)	Resignation for other than Good Reason or Termination With Cause($)	Resignation for Good Reason or Termination Without Cause after Change in Control($)	Change in Control($)	Disability($)	Death($)
Cash:						
Base Salary	675,000(1)	0	675,000(1)	0	(2)	
Bonus	1,012,500(1)	0	1,012,500(1)	0	(3)	(3)
Deferred Cash	309,548(4)	0	1,350,000(5)	1,350,000(5)	984,548(6)	984,548(6)
Equity:						
Restricted Share Units(7)	1,866,923	0	1,866,923(8)	1,866,923(8)	1,866,923(9)	1,866,923(9)
Performance Share Units(7)	(10)	0	428,655(11)	428,655(11)	428,655(12)	428,655(12)
Benefits and Perquisites:(13)						
Post-Termination Health Care	2,241	0	2,241	0		
Supplemental Life Insurance	2,535	0	2,535	0		2,000,000(14)
Supplemental Disability Insurance	6,552	0	6,552	0	2,610,000(15)	
Financial Planning	18,000	0	18,000	0		
Car Allowance	25,200	0	25,200	0		
280G Tax Gross Up				0(16)		
Total:	3,918,499	0	5,387,606	3,645,578	5,890,126	5,280,126

1 Ms. Bettman is entitled to 1.5x base salary and 1.5x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
2 Ms. Bettman is entitled to the same 60% of base salary until age 65 with a maximum $10,000 per month that is generally available to all salaried employees upon disability.
3 Pursuant to the terms of the Company s AIP, Ms. Bettman is entitled to her pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan.
4 A pro-rated portion of a cash retention award (the 2013 Cash Retention Award) awarded under the 2012 PIP in March 2013 and vesting on the fourth anniversary of the grant date would vest and become payable pursuant to the terms of the award. The unvested portion of a cash incentive award (the 2014 Cash Retention Award) awarded under the 2012 PIP in March 2014 and vesting in three equal installments on January 1, 2015, 2016 and 2017 would forfeit pursuant to the terms of the award.
5 Assuming a Change in Control on December 31, 2014, the 2013 Cash Retention Award and 2014 Cash Retention Award would each fully vest and become payable pursuant to the terms of the award.
6 A pro-rated portion of the 2013 Cash Retention Award and the full unvested portion of the 2014 Cash Retention Award would vest and become payable pursuant to the terms of the applicable award.
7 Assumes price per share of $16.81 on December 31, 2014.
8 All unvested equity awards held by Ms. Bettman will vest immediately upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan.
9 All unvested equity awards held by Ms. Bettman will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.
10 Upon this type of termination, the PSUs would vest and be payable, if at all, on the same terms and conditions that would have applied had Ms. Bettman s employment not been terminated (i.e., performance measured on December 31, 2015 and 2016).
11 Per the terms of the PSU award agreements, upon the acceleration date associated with a Change in Control, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the acceleration date. The table assumes that a Change in Control occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.
12 Upon death or disability, 50% of the PSUs vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the date of death or disability. The table assumes such event occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.

13 Except as disclosed, Ms. Bettman receives the same benefits that are generally available to all salaried employees upon death or disability.
14 Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Ms. Bettman in excess of the amount generally available to all salaried employees.
15 Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Ms. Bettman in excess of the amount generally available to all salaried employees.
16 Under this scenario, the payments made to Ms. Bettman are not subject to the excise tax and no gross up is necessary.

Potential Payments Upon Termination or Change in Control (continued)

Mr. Coxhead, the Company s senior vice president and chief accounting officer would be entitled to the following:

	Termination Without Cause($)	Termination With Cause($)	Termination Without Cause after Change in Control($)	Change in Control($)	Disability($)	Death($)
Cash:						
Base Salary	325,000(1)	0	325,000(1)	0	(2)	
Bonus	325,000(1)	0	325,000(1)	0	(3)	(3)
Deferred Cash	183,436(4)	0	800,000(5)	800,000(5)	583,436(6)	583,436(6)
Equity:						
Restricted Share Units[7]	0	0	861,513(8)	861,513(8)	861,513(9)	861,513(9)
Performance Share Units[7]	(10)	0	168,100(11)	168,100(11)	168,100(12)	168,100(12)
Benefits and Perquisites:[13]						
Post-Termination Health Care						
Supplemental Life Insurance						
Supplemental Disability Insurance						
Total:	833,486	0	2,479,613	1,829,613	1,613,049	1,613,049

1 Mr. Coxhead is entitled to 1x base salary and 1x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
2 Mr. Coxhead is entitled to the same 60% of base salary until age 65 with a maximum $10,000 per month that is generally available to all salaried employees upon disability.
3 Pursuant to the terms of the Company s AIP, Mr. Coxhead is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan.
4 A pro-rated portion of a cash retention award (the 2013 Cash Retention Award) awarded under the 2012 PIP in March 2013 and vesting on the fourth anniversary of the grant date would vest and become payable pursuant to the terms of the award. The unvested portion of a cash incentive award (the 2014 Cash Retention Award) awarded under the 2012 PIP in March 2014 and vesting in three equal installments on January 1, 2015, 2016 and 2017 would forfeit pursuant to the terms of the award.
5 Assuming a Change in Control on December 31, 2014, the 2013 Cash Retention Award and 2014 Cash Retention Award would each fully vest and become payable pursuant to the terms of the award.
6 A pro-rated portion of the 2013 Cash Retention Award and the full unvested portion of the 2014 Cash Retention Award would vest and become payable pursuant to the terms of the applicable award.
7 Assumes price per share of $16.81 on December 31, 2014.
8 All unvested equity awards held by Mr. Coxhead will vest immediately upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan.
9 All unvested equity awards held by Mr. Coxhead will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.
10 Upon this type of termination, the PSUs would vest and be payable, if at all, on the same terms and conditions that would have applied had Ms. Bettman s employment not been terminated (i.e., performance measured on December 31, 2015 and 2016).
11 Per the terms of the PSU award agreements, upon the acceleration date associated with a Change in Control, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the acceleration date. The table assumes that a Change in Control occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.
12 Upon death or disability, 50% of the PSUs vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the date of death or disability. The table assumes such event occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.
13 Except as disclosed, Mr. Coxhead receives the same benefits that are generally available to all salaried employees upon death or disability.

Potential Payments Upon Termination or Change in Control (continued)

Mr. Knotts, the Company s chief operating officer would be entitled to the following:

	Resignation for Good Reason or Termination Without Cause($)	Resignation for other than Good Reason or Termination With Cause($)	Resignation for Good Reason or Termination Without Cause after Change in Control($)	Change in Control($)	Disability($)	Death($)
Cash:						
Base Salary	1,450,000(1)	0	2,175,000(2)	0	(3)	
Bonus	2,175,000(1)	0	3,262,500(2)	0	(4)	(4)
Deferred Cash	712,731(5)	0	2,400,000(6)	2,400,000(6)	1,912,731(7)	1,912,731(7)
Equity:						
Restricted Share Units(8)	3,460,413	0	3,460,413(9)	3,460,413(9)	3,460,413(10)	3,460,413(10)
Options(8)	103,820	0	103,820(8)	103,820(8)	103,820(9)	103,820(9)
Performance Share Units(8)	(11)	0	1,496,090(12)	1,496,090(12)	1,496,090(13)	1,496,090(13)
Benefits and Perquisites:(14)						
Post-Termination Health Care	24,342	0	24,342	0		
Supplemental Life Insurance	4,100	0	4,100	0		2,000,000(15)
Supplemental Disability Insurance	9,436	0	9,436	0	2,624,994(16)	
Financial Planning	24,000	0	24,000	0		
Car Allowance	33,600	0	33,600	0		
280G Tax Gross Up			4,532,496	0(17)		
Total:	7,997,442	0	17,525,797	7,460,323	9,598,048	8,973,054

1 Mr. Knotts is entitled to 2x base salary and 2x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
2 Mr. Knotts is entitled to 3x base salary and 3x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period. Mr. Knotts is also entitled to his pro-rated annual bonus for the year in which the termination after a Change in Control occurs, payable at the same time as and to the extent that all other annual bonuses are paid. This bonus is not reflected in this table as, assuming a termination date of December 31, 2014, Mr. Knotts would have been entitled to this bonus pursuant to the terms of the AIP under which the annual bonus is paid (which provides for payment of the bonus to any participant who is on the payroll of the Company as of December 31) which are the same terms generally available to all salaried employees who participate in the plan. Also included as bonus is a $75,000 lump sum payment to which Mr. Knotts is entitled pursuant to the terms of his employment agreement.
3 Mr. Knotts is entitled to the same 60% of base salary until age 65 with a maximum $10,000 per month that is generally available to all salaried employees upon disability.
4 Pursuant to the terms of the Company s AIP, Mr. Knotts is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan.
5 A deferred cash award (the 2012 Deferred Cash Award) awarded under the 2004 PIP, and vesting 50% on July 1, 2014 and 50% on July 1, 2015, would fully vest and become payable pursuant to the terms of the award. In addition, a pro-rated portion of a cash retention award (the 2013 Cash Retention Award) awarded under the 2012 PIP in March 2013 and vesting on the fourth anniversary of the grant date would vest and become payable pursuant to the terms of the award. The unvested portion of a cash incentive award (the 2014 Cash Retention Award) awarded under the 2012 PIP in March 2014 and vesting in three equal installments on January 1, 2015, 2016 and 2017 would forfeit pursuant to the terms of the award.
6 Assuming a Change in Control on December 31, 2014, the 2012 Deferred Cash Award, the 2013 Cash Retention Award and the 2014 Cash Retention Award would each fully vest and become payable.
7 A pro-rated portion of the 2013 Cash Retention Award and the full unvested portion of each of the 2012 Deferred Cash Award and the 2014 Cash Retention Award would vest and become payable pursuant to the terms of the applicable award.
8 Assumes price per share of $16.81 on December 31, 2014.
9 All unvested equity awards held by Mr. Knotts will immediately vest upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan.
10 All unvested equity awards held by Mr. Knotts will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.

11 Upon this type of termination, the PSUs would vest and be payable, if at all, on the same terms and conditions that would have applied had Mr. Knott s employment not been terminated (i.e., performance measured on December 31, 2015 and 2016).

12 Per the terms of the PSU award agreements, upon the acceleration date associated with a Change in Control, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the acceleration date. The table assumes that a Change in Control occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event. The PSUs granted in 2012 are not included in this amount as Mr. Knotts would have been entitled to the PSUs pursuant to their terms on December 31, 2014 regardless of termination or Change in Control.

13 Upon death or disability, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the date of death or disability. The table assumes such event occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event. The PSUs granted in 2012 are not included in this amount as Mr. Knotts would have been entitled to the PSUs pursuant to their terms on December 31, 2014 regardless of death or disability.

14 Except as disclosed, Mr. Knotts receives the same benefits that are generally available to all salaried employees upon death or disability.

15 Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Knotts in excess of the amount generally available to all salaried employees.

16 Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Knotts in excess of the amount generally available to all salaried employees.

17 Under this scenario, the payments made to Mr. Knotts are not subject to the excise tax and no gross up is necessary.

Potential Payments Upon Termination or Change in Control (continued)

Mr. Leib, the Company s executive vice president and chief financial officer would be entitled to the following:

	Resignation for Good Reason or Termination Without Cause($)	Resignation for other than Good Reason or Termination With Cause($)	Resignation for Good Reason or Termination Without Cause after Change in Control($)	Change in Control($)	Disability($)	Death($)
Cash:						
Base Salary	900,000(1)	0	900,000(1)	0	(2)	
Bonus	1,350,000(1)	0	1,350,000(1)	0	(3)	(3)
Deferred Cash	366,872(4)	0	1,700,000(5)	1,700,000(5)	1,266,872(6)	1,266,872(6)
Equity:						
Restricted Share Units(7)	2,437,450	0	2,437,450(8)	2,437,450(8)	2,437,450(9)	2,437,450(9)
Performance Share Units(7)	(10)	0	630,375(11)	630,375(11)	630,375(12)	630,375(12)
Benefits and Perquisites:(13)						
Post-Termination Health Care		0		0		
Supplemental Life Insurance				0		
Supplemental Disability Insurance				0	2,500,005(14)	
Total:	5,054,322	0	7,017,825	4,767,825	6,834,702	4,334,697

1 Mr. Leib is entitled to 1.5x base salary and 1.5x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
2 Mr. Leib is entitled to the same 60% of base salary until age 65 with a maximum $10,000 per month that is generally available to all salaried employees upon disability.
3 Pursuant to the terms of the Company s AIP, Mr. Leib is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan.
4 A pro-rated portion of a cash retention award (the 2013 Cash Retention Award) awarded under the 2012 PIP in March 2013 and vesting on the fourth anniversary of the grant date would vest and become payable pursuant to the terms of the award. The unvested portion of a cash incentive award (the 2014 Cash Retention Award) awarded under the 2012 PIP in March 2014 and vesting in three equal installments on January 1, 2015, 2016 and 2017 would forfeit pursuant to the terms of the award.
5 Assuming a Change in Control on December 31, 2014, the 2013 Cash Retention Award and 2014 Cash Retention Award would each fully vest and become payable pursuant to the terms of the award.
6 A pro-rated portion of the 2013 Cash Retention Award and the full unvested portion of the 2014 Cash Retention Award would vest and become payable pursuant to the terms of the applicable award.
7 Assumes price per share of $16.18 on December 31, 2014.
8 All unvested equity awards held by Mr. Leib will vest immediately upon a Change in Control (as defined in the applicable Performance Incentive Plan) under the terms of such Performance Incentive Plan.
9 All unvested equity awards held by Mr. Leib will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.
10 Upon this type of termination, the PSUs would vest and be payable, if at all, on the same terms and conditions that would have applied had Mr. Leib s employment not been terminated (i.e., performance measured on December 31, 2015 and 2016).
11 Per the terms of the PSU award agreements, upon the acceleration date associated with a Change in Control, 50% of the PSUs would vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the acceleration date. The table assumes that a Change in Control occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.
12 Upon death or disability, 50% of the PSUs vest and become payable assuming target performance (100%), or, if greater, based on actual performance at the date of death or disability. The table assumes such event occurred on December 31, 2014 and vesting and payment of the PSUs at 100% based on actual performance at such date in connection with such event.
13 Except as disclosed, Mr. Leib receives the same benefits that are generally available to all salaried employees upon death or disability.
14 Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Leib in excess of the amount generally available to all salaried employees.

Director Compensation

Equity-Based Compensation

Each non-employee director receives a $5,000 cash meeting fee for each meeting of the board attended in person or telephonically as well as an annual retainer fee paid in restricted share units as set forth below. Director restricted share units vest in equal portions over three years from the date of grant with the opportunity to defer vesting of any tranche of restricted share units until termination of service on the Board. In the event of termination of service on the Board prior to a vesting date, all restricted share units will vest. Dividend equivalents on the awards are deferred (credited with interest quarterly at the same rate as five-year U.S. government bonds) and paid out in cash with the corresponding restricted share units. Each director receives annually a restricted share unit grant, the fair market value of which is $220,000, as a base retainer for serving as a director. A director will also receive, as applicable, the following annual awards of a restricted share unit grant with a fair market value of:

- $35,000, for serving as the chairman of the Audit Committee;
- $20,000, for serving as chairman of any other committee;
- $20,000, for serving as a member of the Audit Committee other than the chairman; or
- $150,000, for serving as chairman of the Board.

Fair market value is defined as the closing price of the Company s stock on the date of grant. Effective as of the 2015 Annual Meeting, the annual retainer fee for each director will be increased to $230,000, the annual fee for serving as chairman of the human resources committee will be increased to $35,000 and annual fee for serving as chairman of the Board will be increased to $175,000.

Pension

Under the Wallace Computer Services Directors Pension Plan, Messrs. Pope and Riordan will receive quarterly payments of $6,250 starting at the later of age 60 or termination of service on the Board and continuing until the balance in such director s pension account has been paid out. As of December 31, 2014, Messrs. Pope and Riordan had a balance of $175,000 and $41,688, respectively. No other director will receive payments under this plan.

Benefits

Non-employee directors may also elect to participate in the Company s medical benefit plans. Any director who so elects pays the full cost of participation as if such director were a retiree of the Company.

Directors Compensation (continued)

2014 Non-Employee Director Compensation Table

Directors who are our employees receive no additional fee for service as a director. Non-employee directors receive compensation as described above.

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	All Other Compensation ($)[3]	Total ($)
Susan Cameron	45,000	240,000	734	285,734
Richard Crandall	70,000[4]	220,000	1,151	291,151
Susan Gianinno	40,000	220,000	236	260,236
Judith Hamilton	50,000	240,000	15,406[5]	305,406
Jeffrey Katz	50,000	240,000	240	290,240
Richard Palmer	40,000	255,000	380	295,380
John Pope	50,000	390,000	33,058[6]	473,058
Michael Riordan	50,000	240,000	16,970[6]	306,970
Oliver Sockwell	50,000	220,000	16,276[5]	286,276

1 The Non-Employee Director Compensation Plan provides that each director receives $5,000 for each meeting of the Board attended in person or telephonically.

2 The amounts shown in this column constitute restricted share units granted under the Company s 2012 PIP awarded as payment of non-employee director annual retainer and fees for serving as chairperson of the board or committees calculated as set forth above under *Equity-Based Compensation*. Grant date fair value with respect to the restricted share units is determined in accordance with ASC Topic 718. See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to ASC Topic 718. As of December 31, 2014, each director had outstanding the following aggregate number of restricted share units: Ms. Cameron, 36,081; Mr. Crandall, 53,430; Ms. Gianinno, 22,839; Ms. Hamilton, 56,667; Mr. Katz, 21,141; Mr. Palmer, 32,391; Mr. Pope, 41,462; Mr. Riordan 119,015 and Mr. Sockwell, 89,032.

3 Includes interest accrued on dividend equivalents on restricted share awards credited to each directors account.

4 Includes $20,000 paid to Mr. Crandall for extra time spent on behalf of the Board in a supervisory role with respect to an ongoing strategic project undertaken by management.

5 Includes dividends on phantom shares under the Company s Policy on Retirement Benefits, Phantom Stock Grants and Stock Options for Directors, credited as additional phantom shares, in the following amounts: Ms. Hamilton, $11,262 and Mr. Sockwell, $9,334. As of December 31, 2014, the following directors had outstanding the following aggregate numbers of phantom shares: Ms. Hamilton, 11,246 phantom shares and Mr. Sockwell, 9,321 phantom shares. The phantom shares are fully vested.

6 Includes dividends paid and interest accrued on amounts held in the directors account under the Wallace Corporation Director Compensation Plan pursuant to which the directors retainer fees were credited as shares of stock in Company maintained accounts, similar to phantom stock, in the following amounts: Mr. Pope, $23,563 and Mr. Riordan, $8,943. Dividends paid and interest accrued on these shares are accrued and credited as additional shares on December 31 of each year. In 2014, there were 1,463 and 555 shares credited to Mr. Pope s and Mr. Riordan s accounts, respectively, with a total balance of 23,785 and 9,027 shares, respectively. Mr. Pope s amount also includes a $5,331 annual annuity payment payable to Mr. Pope under the Wallace Capital Accumulation Plan (CAP), a frozen deferred compensation plan in which Mr. Pope participated while a director of Wallace Computer Services. The CAP provides for 15 annual annuity payment to be paid beginning at age 65.

Certain Transactions

The Company has a written policy relating to approval or ratification of all transactions involving an amount in excess of $120,000 in which the Company is a participant and in which a related person has or will have a direct or indirect material interest, including without limitation any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships, subject to certain enumerated exclusions. Under the policy, such related person transactions must be approved or ratified by (i) the Governance, Responsibility & Technology Committee or (ii) if the Governance, Responsibility & Technology Committee determines that the approval or ratification of such transaction should be considered by all of the disinterested members of the Board, such disinterested members of the Board by a majority vote. Related persons include any of our directors or certain executive officers, certain of our shareholders and their immediate family members.

In considering whether to approve or ratify any related person transaction, the Governance, Responsibility & Technology Committee or such disinterested directors, as applicable, may consider all factors

that they deem relevant to the transaction, including, but not limited to, the size of the transaction and the amount payable to or receivable from a related person, the nature of the interest of the related person in the transaction, whether the transaction may involve a conflict of interest; and whether the transaction involves the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties.

To identify related person transactions, at least once a year all directors and executive officers of the Company are required to complete questionnaires seeking, among other things, disclosure with respect to such transactions of which such director or executive officer may be aware. In addition, each executive officer of the Company is required to advise the Chairman of the Governance, Responsibility & Technology Committee of any related person transaction of which he or she becomes aware.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s officers and directors, and persons who own more than ten percent of the common stock of the Company, to file with the Securities and Exchange Commission reports of ownership of company securities and changes in reported ownership. Officers, directors and greater than ten percent shareholders are required by SEC rules to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on a review of the copies of such forms furnished to the Company, or written representations from the reporting persons that no Form 5 was required, the Company believes that during 2014 all Section 16(a) filing requirements applicable to its officers, directors, and greater than ten percent beneficial owners were complied with.

Report of the Audit Committee

The Audit Committee has reviewed and discussed with management the Company s audited financial statements as of and for the year ended December 31, 2014. The Audit Committee has discussed with the Company s independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the Company s audited financial statements with generally accepted accounting principles, the matters required to be discussed by PCAOB AU 380 (Communications with Audit Committees), including its judgments as to the quality of the Company s financial reporting. The Audit Committee has received from the independent registered public accounting firm written disclosures and a letter as required by applicable requirements of the Public Company Accounting Oversight Board and discussed with the independent registered public accounting firm its independence from management and the Company. In considering the independence of the Company s independent registered public accounting firm, the Audit Committee took into consideration the amount and nature of the fees paid to the firm for non-audit services, as described below.

During the course of the fiscal year ended December 31, 2014, management completed the documentation, testing and evaluation of the Company s system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations.

In reliance on the review and discussions described above, the Audit Committee recommended to the Board of Directors that the year-end audited financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the Securities and Exchange Commission.

The Audit Committee

Richard K. Palmer, Chairman

Susan M. Cameron

Jeffrey G. Katz

John C. Pope

The Company s Independent Registered Public Accounting Firm

Fees

Audit Fees Deloitte & Touche LLP (Deloitte) was the Company s independent registered public accounting firm for the years ended December 31, 2014 and 2013. Total fees paid to Deloitte for audit services rendered during 2014 and 2013 were $7,756,000 and $8,084,000, respectively.

Audit-Related Fees Total fees paid to Deloitte for audit-related services rendered during 2014 and 2013 were $50,000 and $641,000, respectively, primarily related to acquisition diligence services in both years.

Tax Fees Total fees paid to Deloitte for tax services rendered during 2014 and 2013 were $100,000 and $86,000, respectively, primarily related to international tax compliance in both years.

All Other Fees No other fees were paid to Deloitte for any other services rendered during 2014 and 2013.

Audit Committee Pre-Approval Policy The Audit Committee has policies and procedures that require the approval by the Audit Committee of all services performed by, and as necessary, fees paid to the Company s independent registered public accounting firm. The Audit Committee approves the proposed services, including the scope of services contemplated and the related fees, associated with the current year audit. In addition, Audit Committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee. The Audit Committee pre-approves, up to an aggregate dollar amount and individual dollar amount per engagement, certain permitted non-audit services anticipated to be provided by the Company s independent registered public accounting firm. In the event permitted non-audit service amounts exceed the thresholds established by the pre- approval policy, the Audit Committee must specifically approve such excess amounts. The Audit Committee chairman has the authority to approve any services outside the specific pre-approved non-audit services and must report any such approval at the next meeting of the Audit Committee.

Pursuant to the Sarbanes-Oxley Act of 2002, the fees and services provided as noted above were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described above.

Submitting Stockholder Proposals and Nominations for 2016 Annual Meeting

Any proposals that stockholders wish to present at the 2016 Annual Meeting must be received by December 22, 2015 in order to be considered for inclusion in the Company s proxy materials. The 2016 Annual Meeting is currently scheduled to be held on May 19, 2016.

A stockholder wishing to nominate a candidate for election to the Board, or make a proposal at the 2016 Annual Meeting that will not be considered for inclusion in the Company s proxy materials, is required to give appropriate written notice to the Secretary of the Company, which must be received by the Company between 60 to 90

days before the meeting. If notice or public announcement of the meeting date comes less than 75 days before the meeting, stockholders are allowed to submit a notice of nomination or proposal within ten days after the meeting date is announced.

A nomination or proposal that does not supply adequate information about the nominee or proposal and the stockholder making the nomination or proposal will be disregarded. All proposals or nominations should be addressed to: Secretary, R.R. Donnelley & Sons Company, 35 West Wacker Drive, Chicago, Illinois 60601.

Discretionary Voting of Proxies on Other Matters

The Company s management does not currently intend to bring any proposals to the 2015 Annual Meeting other than the election of directors, the advisory vote to approve executive compensation and ratification of the auditors and does not expect any stockholder proposals. If new proposals requiring a vote of the stockholders are brought before the meeting in a proper manner, the persons named

in the accompanying proxy card intend to vote the shares represented by them in accordance with their best judgment.

By order of the Board of Directors

Suzanne S. Bettman, Secretary

Chicago, Illinois, April 20, 2015

IMPORTANT ANNUAL MEETING INFORMATION

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not x
write outside the designated areas.

Admission Ticket

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 21, 2015 (except as otherwise set forth in this Proxy).

Vote by Internet

Go to **www.investorvote.com/RRD**

OR

Scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Election of Directors The Board of Directors recommends a vote FOR the listed nominees.

1. Nominees:	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain	+
01 - Thomas J. Quinlan III	..	..	..	02 - Susan M. Cameron	..	..	..	03 - Richard L. Crandall	..	..	..	
04 - Susan M. Gianinno	..	..	..	05 - Judith H. Hamilton	..	..	..	06 - Jeffrey M. Katz	..	..	..	
07 - Richard K. Palmer	..	..	..	08 - John C. Pope	..	..	..	09 - Michael T. Riordan	..	..	..	
10 - Oliver R. Sockwell	..	..	..									

B Proposals The Board of Directors recommends a vote FOR Proposal 2 and FOR Proposal 3.

	For	Against	Abstain
2. Advisory Vote to Approve Executive Compensation.	..	..	..
3. Ratification of Independent Registered Public Accounting Firm.	..	..	..

C Non-Voting Items

Change of Address Please print your new address below.

Comments Please print your comments below.

Meeting Attendance ..

Mark the box to the right if you plan to attend the Annual Meeting.

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Admission Ticket

R.R. Donnelley & Sons Company

2015 Annual Meeting of Stockholders

Thursday, May 21, 2015 at 10:00 a.m. (Central Time)

The University of Chicago Gleacher Center

450 North Cityfront Plaza Drive

Chicago, Illinois 60611

Upon arrival, please present this admission ticket

and photo identification at the registration desk.

This ticket admits the named stockholder(s). Photocopies will not be accepted.

You may be asked for identification at the time of admission.

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

Proxy R.R. Donnelley & Sons Company

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This Proxy is solicited on behalf of the Board of Directors for the Annual Meeting on May 21, 2015

The undersigned hereby appoints Daniel N. Leib and Suzanne S. Bettman, or any of them, proxies for the undersigned, each with full power of substitution, to attend the Annual Meeting of Stockholders of R.R. Donnelley & Sons Company to be held on May 21, 2015, at 10:00 a.m., Central time, and at any adjournments thereof, and to vote as specified in this Proxy all the shares of stock of the Company which the undersigned would be entitled to vote if personally present.

Please indicate your vote with respect to the election of Directors and the other proposals on the reverse. Nominees for Directors are: (01) Thomas J. Quinlan III, (02) Susan M. Cameron, (03) Richard L. Crandall, (04) Susan M. Gianinno, (05) Judith H. Hamilton, (06) Jeffrey M. Katz, (07) Richard K. Palmer, (08) John C. Pope, (09) Michael T. Riordan and (10) Oliver R. Sockwell.

This Proxy, when properly executed, will be voted in the manner directed herein. If no direction is made, this Proxy will be voted in accordance with the recommendation of the Board of Directors, FOR the listed nominees, FOR Proposal 2 and FOR Proposal 3. Discretion will be used with respect to such other matters as may properly come before the meeting or any adjournment thereof.

This card also provides voting instructions for shares held in the Dividend Reinvestment Plan, shares held for the benefit of RR Donnelley employees in the RR Donnelley Stock Funds in the R.R. Donnelley Savings Plan and the Tax Credit Stock Ownership Plan. Proxies with respect to shares held for the benefit of RR Donnelley employees in the

RR Donnelley Stock Funds in the R.R. Donnelley Savings Plan and the Tax Credit Stock Ownership Plan must be received by 1 a.m. Central on May 19, 2015.

Your vote is important! Please sign and date and return promptly in the enclosed postage-paid envelope.

D Authorized Signatures This section must be completed for your vote to be counted date and sign below

Please sign exactly as your name(s) appear(s) hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other officer. If a partnership, please sign in partnership name by an authorized person(s).

Date (mm/dd/yyyy) Please print date below. / /	Signature 1 Please keep signature within the box.	Signature 2 Please keep signature within the box.

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IF VOTING BY MAIL, YOU <u>MUST</u> COMPLETE SECTIONS A, B AND D ON BOTH SIDES OF THIS CARD.