

RR Donnelley & Sons Co
Form 11-K
June 30, 2009
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the plan year ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from _____ to _____

Commission file number 1-4694

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RR Donnelley Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

RR Donnelley & Sons Company

111 S. Wacker Drive

Chicago, Illinois 60606-4301

REQUIRED INFORMATION

Attached hereto are the RR Donnelley Savings Plan (formerly Donnelley Deferred Compensation and Voluntary Savings Plan) audited financial statements for the fiscal years ended December 31, 2008 and 2007, and supplemental schedule of assets held (at end of year) for the fiscal year ended December 31, 2008. All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because the conditions under which they are required are not present.

Table of Contents

RR Donnelley Savings Plan

December 31, 2008 and 2007

Index

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	2
Financial Statements:	
<u>Statements of Net Assets Available for Benefits as of December 31, 2008 and 2007</u>	3
<u>Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2008 and 2007</u>	4
<u>Notes to Financial Statements</u>	5-16
<u>Supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year)</u>	17
<u>Signatures</u>	18
<u>Index to Exhibits</u>	19

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Plan Administrator of the RR Donnelley Savings Plan (formerly Donnelley Deferred Compensation and Voluntary Savings Plan)

We have audited the accompanying statements of net assets available for benefits of the **RR Donnelley Savings Plan** (the Plan) as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended. The supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
June 26, 2009

Table of Contents

RR DONNELLEY SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2008 AND 2007

(EMPLOYER IDENTIFICATION NUMBER 36-1004130, PLAN NUMBER 003)

	2008	2007
ASSETS		
Investments, at fair value:		
Plan interest in RR Donnelley Savings Plan		
Master Trust	\$ 1,616,814,498	\$ 1,203,554,167
Participant loans	43,116,843	27,046,785
Total investments	1,659,931,341	1,230,600,952
NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,659,931,341	\$ 1,230,600,952

The accompanying notes are an integral part of these financial statements.

Table of Contents**RR DONNELLEY SAVINGS PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007****(EMPLOYER IDENTIFICATION NUMBER 36-10044130, PLAN NUMBER 003)**

	2008	2007
ADDITIONS TO NET ASSETS:		
Investment Income		
Interest income on participant loans	\$ 2,410,746	\$ 1,853,876
Plan interest in net investment income (loss) from RR Donnelley Savings Plan Master Trust	(465,593,070)	48,422,555
Total investment income (loss)	(463,182,324)	50,276,431
Contributions		
Employer contributions	16,279,159	19,035,183
Participant contributions	96,438,634	82,768,397
Rollover contributions	6,343,210	61,336,742
Total contributions	119,061,003	163,140,322
Total additions, net	(344,121,321)	213,416,753
DEDUCTIONS FROM NET ASSETS:		
Benefits paid to participants	114,001,810	107,898,644
Administrative expenses	2,214,969	1,893,584
Total deductions	116,216,779	109,792,228
Net increase (decrease) before transfers	(460,338,100)	103,624,525
Net assets transferred from other plans	889,668,489	218,093,891
Net increase after transfers	429,330,389	321,718,416
NET ASSETS, BEGINNING OF YEAR	1,230,600,952	908,882,536
NET ASSETS, END OF YEAR	\$ 1,659,931,341	\$ 1,230,600,952

The accompanying notes are an integral part of these financial statements.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 and 2007

NOTE 1 PLAN DESCRIPTION

The following brief description of the RR Donnelley Savings Plan (the Plan) of R.R. Donnelley & Sons Company (the Company) is provided for general information only. Effective September 1, 2008, (i) the name of the Plan was changed from the Donnelley Deferred Compensation and Voluntary Saving Plan to the RR Donnelley Savings Plan and (ii) the Moore Wallace North America, Inc. Savings Plan was merged into the Plan. Refer to the Summary Plan Description or the Plan document for more complete information. The Plan was established to allow employees to save for retirement on a tax-advantaged basis. It is intended to qualify as a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code) and it is subject to the provisions of the Employment Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by a committee established per the terms of the Plan.

Administration

The administrative and record keeping services are provided by Schwab Retirement Plan Services Company, formerly known as The 401(k) Company. All of the Plan assets are held in the RR Donnelley Savings Plan Master Trust (Master Trust), formerly known as the Donnelley Deferred Compensation & Voluntary Savings Plan Master Trust. The assets of the Master Trust are held by The Charles Schwab Trust Company (trustee). The current custodian is Bank of New York.

Eligibility

Generally, all employees are eligible to become Plan members (participants), unless they are part of a bargaining unit that does not participate in the Plan. There are currently no service or age requirements for participation in the Plan. Employees become eligible to participate in the Plan on the first day of employment with the Company or one of its participating affiliates.

Contributions

Participants may elect to make before-tax and after-tax contributions under the Plan. Subject to certain limitations, the contribution election percentages allowed are from 1%-85% of pay for both before-tax and after-tax, and the total of both elections cannot exceed 85% of pay, subject to Code limitations.

The Plan provides for a Company matching contribution equal to \$.25 for every before-tax dollar contributed, up to 6% of pay. The Company has suspended the match for 2009, except with respect to members of certain collective bargaining units. In addition, the Plan permits the Company to provide a discretionary matching contribution to certain employees. For the 2008 Plan year, no discretionary matching contributions were approved. For the 2007 Plan year, the discretionary match payout was \$0.10 for each before-tax \$1.00 contributed, up to 6% of compensation. Matching contributions are contributed to the Master Trust in cash and invested according to the participant's current investment elections.

Participants may also roll over amounts to the Plan that were distributed from certain types of retirement plans and accounts.

Before-tax and after-tax contributions are funded by payroll deductions and must be made in whole percentages of employee earnings. Earnings of the Plan, as well as before-tax contributions and matching contributions to the Plan, are not taxable to the participants until withdrawn.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 1 PLAN DESCRIPTION (continued)

Participants of the Plan can change investment and contribution allocations on a daily basis. Employer matching contributions are invested according to each participant's investment elections.

Participants may invest up to 20% of their account balance and up to 20% of their current contributions in the R.R. Donnelley Stock Fund, and may shift their contributions into and out of the R.R. Donnelley Stock Fund at any time.

Vesting

Except with respect to certain members of collective bargaining units, participants are 100% vested with respect to all contributions and earnings of the Plan.

Participant Loans

Members are permitted to borrow the lesser of 50% of their before-tax, after-tax, matching and rollover account balance or \$50,000, reduced by the highest outstanding loan balance in the last 12 months. The minimum loan amount is \$1,000. Prior to August 1, 2006, participants were allowed two outstanding loans. Effective August 1, 2006, the Plan was amended to allow only one outstanding loan. The maximum loan period is four and a half years. Existing loans established prior to August 1, 2006, were grandfathered into the amended plan. The loans are secured by the balance in the participants' accounts and bear interest at a rate equal to 1% over the prime rate, as published in the Wall Street Journal. The interest rate for the loans during 2008 and 2007 ranged from a low of 4.00% to a high of 12.00%. The administrative fee of \$100 is paid by the participant to Charles Schwab Retirement Plan Services Company at the inception of the loan.

Benefit Payments and Withdrawals

The value of a participant's account may be distributed on retirement or other termination of employment or, subject to certain limitations, on the participant's inurrence of a financial hardship, death, attainment of age 59¹/₂ or attainment of age 70¹/₂. A participant may withdraw his or her after-tax contributions and rollover contributions at any time. As soon as practicable after a distribution or withdrawal is requested, payment will be made in a lump-sum cash amount or, in certain limited circumstances, in the form of Company stock.

Investment Options

The investment options provided under the Plan are as follows:

Auto-Adjusting Retirement Models (ARMs) diversified portfolios comprised of the core investment options available in the Plan. The ARMs are designed to offer a simple, life-long investment solution. They are not funds, but are professionally designed investment strategies that use the core investment options within the Plan.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 1 PLAN DESCRIPTION (continued)

Stable Value Fund the primary objective of the Stable Value Fund is safety of principal while maintaining appropriate liquidity.

Fixed Income Index Fund this fund seeks to match the return of the Lehman Brothers Aggregate Bond Index.

Fixed Income Core Plus Fund this fund seeks maximum total return, investing for both current income (bond coupons and dividends) and capital appreciation (bond price movements), consistent with preservation of capital and prudent investment management.

Large Cap Core Index Fund this fund seeks investment results that parallel the performance of the unmanaged Standard & Poor's 500 Index.

Large Cap Value Fund this fund seeks to provide long-term returns in excess of the Russell 1000 Value Index.

Large Cap Growth Fund this fund seeks to provide long-term returns in excess of the Russell 1000 Growth Index while incurring market like risk.

Small Cap Core Index Fund the primary objective is to match the risk and return characteristics of the Russell 2000 Index.

Small Cap Value Fund this fund seeks long-term capital appreciation. The fund purchases value stocks of U.S. companies using a market capitalization weighted approach. The fund focuses on small capitalization stocks.

Small-Mid Cap Growth Fund the objective of this fund is long-term capital appreciation by owning small and mid-capitalization companies with above-average earnings growth potential that are available at reasonable valuations.

International Core Index Fund the fund's objective is to match the risk and return characteristics of the Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East (EAFE) index.

International Equity Core Plus Fund the objective of this fund is to outperform the MSCI EAFE Index through a core investment style that has risk characteristics similar to that of the MSCI EAFE index.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 1 PLAN DESCRIPTION (continued)

R.R. Donnelley Stock Fund consists primarily of R.R. Donnelley common stock.

TRASOP Fund maintains share accounting and consists exclusively of shares of RR Donnelley & Sons common stock.

Self-Directed Brokerage Account participants can direct some or all of their account balance under the Plan into other mutual funds, stocks, or bonds, invested at the participant's discretion.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The accounts of the Plan are maintained on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments held in the Master Trust are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The realized and unrealized gains or losses on investments are determined based on revalued cost. Revalued cost is the fair value of investments at the beginning of the year or the average cost of investments if purchased in the current year.

Plan Distributions

Benefit payments are recorded upon distribution. The trustee uses a distribution account to make all benefit payments. Amounts are transferred from the investment fund to this account as directed by the Plan administrator.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties

The Plan provides for various investment options including separate accounts, R.R. Donnelley common stock, short-term investments and collective investment funds. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

NOTE 3 PLAN MERGERS

On August 29, 2008, Moore Wallace North America, Inc. approved, and the Company consented to, the merger of the Moore Wallace North America, Inc. Savings Plan into the Plan. The effective date of the merger was September 1, 2008 and total assets transferred on that date was \$889,668,489.

Effective April 1, 2007, Banta Corporation approved, and the Company consented to, the merger of the Banta Corporation Incentive Savings Plan and the Banta Hourly 401(k) Savings Plan into the Plan. The total assets transferred were as follows:

	2007
Banta Corporation Incentive Savings Plan	\$ 194,843,773
Banta Hourly 401(k) Savings Plan	20,392,514
	\$ 215,236,287

During 2007, the Company acquired Perry Judd's Holdings Incorporated (Perry Judd's) and Von Hoffmann Holdings Inc. (Von Hoffman). The Perry Judd's Incorporated Retirement Savings Plan was terminated, and the participants of the plan were allowed to roll over their balances into the Plan. Von Hoffman employees who received eligible rollover distributions from the 401(k) plan maintained by Visant Corporation, Von Hoffman's former parent, were also allowed to roll over such distributions into the Plan. The amounts rolled over into the Plan were \$1,584,414 and \$1,273,190 for The Perry Judd's Incorporated Retirement Savings Plan and the Visant 401(k) Plan, respectively.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 4 INVESTMENT IN RR DONNELLEY SAVINGS PLAN MASTER TRUST

Prior to the merger of the Moore Wallace North America, Inc. Savings Plan into the Plan, the assets of the Moore Wallace North America, Inc. Savings Plan and the Plan were held in the Master Trust (Master Trust). Each plan had an undivided interest in the Master Trust. Prior to the Plan merger, each plan s interest in the net assets of the Master Trust was based on the individual plan participants investment balances. During the year ended December 31, 2008, the assets of the Moore Wallace North America, Inc. Savings Plan were merged into the Plan. As such, the assets as of December 31, 2008 held in the Master Trust relate only to the Plan.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The amounts relating to the investment contract fair value, and related adjustment, are broken out in the Master Trust detail below.

At December 31, 2008 and 2007, the Plan s interest in the net assets of the Master Trust was approximately 100.0% (reflecting the merger described above) and 55.8%, respectively. Interest and dividends along with net appreciation (depreciation) in the fair value of investments are allocated to the Plan on a daily basis based upon the Plan s participation in the various investment funds and portfolios that comprise the Master Trust as a percentage of the total participation in such funds and portfolios.

Table of Contents**RR DONNELLEY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS (continued)****DECEMBER 31, 2008 and 2007****NOTE 4 INVESTMENT IN RR DONNELLEY SAVINGS PLAN MASTER TRUST (continued)**

The following table presents the assets held by the Master Trust at December 31, 2008 and 2007:

	2008	2007
Investments at fair value:		
Separate accounts	\$ 1,047,366,827	\$ 1,369,721,314
Common collective trust fund	483,450,762	655,710,329
R.R. Donnelley & Sons Company common stock	31,573,664	84,274,159
Self-directed brokerage accounts	27,133,933	34,562,517
	1,589,525,186	2,144,268,319
Cash and money market funds	1,264,062	2,414,870
Contributions and other receivables	810,298	10,339,969
Total assets	1,591,599,546	2,157,023,158
Accrued expenses and other liabilities	1,753,648	2,262,950
Net assets at fair value	\$ 1,589,845,898	\$ 2,154,760,208
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	26,968,600	1,634,228
Net assets	\$ 1,616,814,498	\$ 2,156,394,436

The following table reconciles the Master Trust net assets presented above to the Master Trust Form 5500 as filed by the Company:

	2008	2007
Net assets	\$ 1,616,814,498	\$ 2,156,394,436
Less: Participant withdrawals payable	(662,805)	(2,683,447)
NET ASSETS PER THE FORM 5500	\$ 1,616,151,693	\$ 2,153,710,989

Table of Contents**RR DONNELLEY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS (continued)****DECEMBER 31, 2008 and 2007****NOTE 4 INVESTMENT IN RR DONNELLEY SAVINGS PLAN MASTER TRUST (continued)**

Investment income (loss) of the Master Trust for the year ended December 31, 2008, is summarized as follows:

	2008
Net appreciation (depreciation) in fair value of investments:	
Separate accounts	\$ (486,980,140)
Common collective trust fund	23,248,220
R.R. Donnelley & Sons Company common stock	(48,804,028)
Self-directed brokerage accounts	(14,887,455)
Dividends and interest	1,402,677
Investment income (loss)	\$ (526,020,726)

Investment income of the Master Trust for the year ended December 31, 2007, is summarized as follows:

	2007
Net appreciation in fair value of investments:	
Separate accounts	\$ 51,900,041
Common collective trust fund	37,147,878
R.R. Donnelley & Sons Company common stock	7,405,463
Self-directed brokerage accounts	133,245
Dividends and interest	2,129,873
Other	319,916
Investment income	\$ 99,036,416

NOTE 5 GUARANTEED INVESTMENT CONTRACT (GIC)

The Master Trust, holding the Plan assets, entered into benefit-responsive investment contracts via investment in the Galliard Stable Value Fund, a collective investment fund.

The fund primarily invests in traditional guaranteed investment contracts and security-backed contracts issued by insurance companies and other financial institutions. Traditional GICs are backed by the general account of the contract issuer. The fund deposits a lump sum with the issuer and receives a guaranteed interest rate for a specified period. Interest is accrued on either a simple or fully compounded basis, and is paid either periodically or at the end of the contract term. The issuer guarantees that all qualified participant withdrawals will be at contract value (principal plus accrued interest).

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 5 GUARANTEED INVESTMENT CONTRACT (GIC) (continued)

A security-backed contract is an investment contract issued by an insurance company or other financial institution, backed by a portfolio of bonds that are owned by the fund. Security-backed contracts are considered either targeted benchmark (underlying investments are managed to a specific benchmark) or targeted duration (underlying investments are managed to a specific duration). The portfolio underlying the contract is maintained separately from the contract issuer's general assets, usually by a third party custodian. The interest crediting rate of a security-backed contract is based on the contract value and the fair value, duration, and yield to maturity of the underlying portfolio. These contracts typically allow for realized and unrealized gains and losses on the underlying assets to be amortized, usually over the duration of the underlying investments, through adjustment to the future interest crediting rate, rather than reflected immediately in the net assets of the fund.

Risks arise when entering into any investment contract due to the potential inability of the issuer to meet the terms of the contract. In addition, security-backed contracts have the risk of default or the lack of liquidity of the underlying portfolio assets. The credit risk of each issuer is evaluated and monitored through Galliard's credit analysis. The fund requires that each investment contract, and subsequently the issuers of each contract, have at least an A rating as of the contract effective date, and that all underlying portfolio assets be rated investment grade at the time of purchase.

The primary variables impacting the future crediting rates of security-backed contracts include:

The current yield of the assets underlying the contract

The duration of the assets underlying the contract

The existing difference between the fair value and contract value of the assets within the contract
The GICs provide a fixed-rate of interest over the term to maturity of the contract, and therefore do not experience fluctuating crediting rates.

The yield earned by the fund at December 31, 2008 and 2007 was 5.29% and 5.24%, respectively. This represents the annualized earnings of all investments in the fund, including the earnings recorded at the underlying collective trust funds, divided by the fair value of all investments in the fund at December 31, 2008, or 2007, as applicable.

The yield earned by the fund with an adjustment to reflect the actual interest rate credited to participants in the fund at December 31, 2008 and 2007, was 4.10% and 5.09%, respectively. This represents the annualized earnings credited to participants in the fund divided by the fair value of all investments in the fund at December 31, 2008, or 2007, as applicable.

Table of Contents

RR DONNELLEY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2008 and 2007

NOTE 5 GUARANTEED INVESTMENT CONTRACT (GIC) (continued)

The security-backed contracts are designed to reset their respective crediting rates on a quarterly basis. GIC crediting rates are not reset. Security-backed contracts cannot credit an interest rate that is less than 0%.

The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio of a security-backed contract has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the then-current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher than the then-current market rates. The adjustment from fair value to contract value for fully benefit-responsive investment contracts was \$26,968,600 and \$1,634,228 for the periods ended December 31, 2008 and 2007, respectively.

Generally, there are not any events that could limit the ability of the Plan to execute transactions at contract value; also, there are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different than contract value.

NOTE 6 FAIR VALUE MEASUREMENTS

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements but does not change the requirements to apply fair value in existing accounting standards. SFAS 157 was effective and adopted by the Plan as of January 1, 2008. A summary of the fair value hierarchy under SFAS 157 is described below.

Various inputs are used in determining the value of the Plan's investments. These inputs are summarized in the three broad levels listed below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Edgar Filing: RR Donnelley & Sons Co - Form 11-K

Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of the input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for these items, as well as the general classification of such items pursuant to the fair value hierarchy of SFAS 157:

Cash and other Carrying value approximates fair value.

Common stocks Valued at the closing price reported on the active market on which the individual securities are traded.

Table of Contents**RR DONNELLEY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS (continued)****DECEMBER 31, 2008 and 2007****NOTE 6 FAIR VALUE MEASUREMENTS (continued)**

Mutual funds Valued at the net asset value (NAV) of shares held by the Plan at year end. NAV is derived by the quoted prices of underlying investments.

Participant loans Valued at amortized cost, which approximates fair value.

Guaranteed investment contract The investment relates to the Galliard Stable Value Fund as discussed in Note 5. GICs issued by insurance companies and other financial institutions at fixed rates are carried at contract value. The contract value represents contributions made under the contract less any participant-directed withdrawals plus accrued interest which has not been received from the issuer. Security-backed contracts are carried at contract value in the aggregate, which consists of the fair value of the contract, and the adjustments to contract value. These adjustments generally represent the contract value less the fair value of the contract, fair value of the underlying portfolio, and accrued interest on the underlying portfolio assets.

The fair value of the GIC is based on the present value of future cash flows using the current discount rate. The fair value of a security-backed contract includes the value of the underlying securities and the value of the wrapper contract. The fair value of the wrapper contract provided by a security-backed contract issuer is the present value of the difference between the current wrapper fee and the contracted wrapper fee.

R.R. Donnelley & Sons Company common stock The fair value of the common stock is valued at the closing price reported on the active markets on which the security is traded.

The valuation methodologies described above may generate a fair value calculation that may not be indicative of net realizable value or future fair values. While the Plan believes the valuation methodologies used are appropriate, the use of different methodologies or assumptions in calculating fair value could result in different amounts.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

Fair Value Measurement at December 31, 2008

Description	Level 1	Level 2	Level 3	Total
Common Stock and Mutual Funds	\$ 1,074,935,915			\$ 1,074,935,915
Participant Loans			43,116,843	43,116,843
Guaranteed Investment Contract		483,450,762		483,450,762
RR Donnelley & Sons Common Stock	31,573,664			31,573,664
Cash and other	1,639,249			1,639,249
	\$ 1,108,148,828	\$ 483,450,762	\$ 43,116,843	\$ 1,634,716,433

The following table provides a summary of changes in fair value of the Plan's Level 3 assets:

Edgar Filing: RR Donnelley & Sons Co - Form 11-K

		Participant Loans
Balance	January 1, 2008	\$ 27,046,785
Purchases, Sales, Issuances, and Settlements (net)		16,070,058
Balance	December 31, 2008	\$ 43,116,843

Table of Contents**RR DONNELLEY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS (continued)****DECEMBER 31, 2008 and 2007****NOTE 7 TAX STATUS OF THE PLAN**

The Plan obtained its latest determination letter on November 22, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan is qualified under Section 401(a) and 401(k) of the Code. The Plan has been amended since receiving the determination letter. A letter of request for determination was filed on December 28, 2006. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

NOTE 8 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employment Retirement Income Security Act of 1974. In the event of Plan termination, to the extent not already vested, the rights of the participants in their account balances will become non-forfeitable.

NOTE 9 RELATED PARTY TRANSACTIONS

At December 31, 2008 and 2007, the Master Trust held 6,158,756 units of common shares of the Company with an original cost of \$69,249,924 and a market value of \$31,573,664 and 6,428,199 units of common shares of the Company, with an original cost of \$74,805,465 and a market value of \$84,274,159, respectively.

These investments qualify as party-in-interest transactions. However, they are exempt from the prohibited transactions rules of ERISA.

NOTE 10 RECONCILIATION TO FORM 5500

The following table reconciles the financial statements to the Plan Form 5500 as filed by the Company:

	2008	2007
Net assets available for Plan benefits per the financial statements	\$ 1,659,931,341	\$ 1,230,600,952
Less: Participant withdrawals payable	(662,805)	(1,632,912)
NET ASSETS AVAILABLE FOR BENEFITS PER THE FORM 5500	\$ 1,659,268,536	\$ 1,228,968,040

The following is a reconciliation of benefits paid to participants per the financial statements to the Plan Form 5500 at December 31, 2008 and 2007:

	2008	2007
Participant withdrawals per the financial statements	\$ 114,001,810	\$ 107,898,644
Add: amounts allocated to withdrawing participants at December 31, 2008 and 2007, respectively	662,805	1,632,912

Edgar Filing: RR Donnelley & Sons Co - Form 11-K

Less: amounts allocated to withdrawing participants at December 31, 2007 and 2006, respectively	(1,632,912)
---	-------------

PARTICIPANT WITHDRAWALS PER THE FORM 5500	\$ 113,031,703	\$ 109,531,556
--	----------------	----------------

Amounts allocated to withdrawing participants are recorded on the Plan Form 5500 for withdrawals that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

NOTE 11 SUBSEQUENT EVENTS

The Plan has been amended to suspend matching contributions and match equalization contributions with respect to compensation paid on or after January 1, 2009, except where such contributions are required by the terms of collective bargaining or similar agreements.

Table of Contents

RR DONNELLEY SAVINGS PLAN

SCHEDULE H LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

AS OF DECEMBER 31, 2008

EMPLOYER IDENTIFICATION NUMBER: 36-1004130, PLAN NUMBER: 003

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Fair Value
*	Participant Loans	\$43,116,843 principal amount, interest rates ranging from 4.00% to 12.00%, due through September 18, 2020	**	\$ 43,116,843

* Party-in-interest

** Investments are participant directed; therefore, historical cost information is not required.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RR DONNELLEY SAVINGS PLAN

By: Benefits Committee of the RR Donnelley Savings
Plan

/s/ Anne Pease

Name: Anne Pease

Title: VP, Benefits

Date: June 30, 2009

Table of Contents

RR DONNELLEY SAVINGS PLAN

December 31, 2008 and 2007

Index to Exhibits

**EXHIBIT
NUMBER**

23 Washington, Pittman & McKeever, LLC Consent of Independent Registered Public Accounting Firm