

RR Donnelley & Sons Co
Form 11-K
June 29, 2006
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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, 2005

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:

Donnelley Deferred Compensation And Voluntary Savings Plan

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

RR Donnelley

111 S. Wacker Drive

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Chicago, Illinois 60606-4301

REQUIRED INFORMATION

Attached hereto are the Donnelley Deferred Compensation and Voluntary Savings Plan audited financial statements for the fiscal years ended December 31, 2005 and 2004, and supplemental schedule of assets held (at end of year) for the fiscal year ended December 31, 2005. 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.

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**DONNELLEY DEFERRED COMPENSATION
AND VOLUNTARY SAVINGS PLAN**

December 31, 2005 and 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of the Donnelley Deferred Compensation and Voluntary Savings Plan

We have audited the accompanying statements of net assets available for benefits of the **Donnelley Deferred Compensation and Voluntary Savings Plan** (the Plan) as of December 31, 2005 and 2004, 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 audits 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, 2005 and December 31, 2004, 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, 2005, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is a 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 23, 2006

Table of Contents**DONNELLY DEFERRED COMPENSATION****AND VOLUNTARY SAVINGS PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****AS OF DECEMBER 31, 2005 AND 2004****(EMPLOYER IDENTIFICATION NUMBER 36-1004130, PLAN NUMBER 003)**

| | 2005 | 2004 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Investments, at current value: | | |
| R.R. Donnelley & Sons Company common stock | \$ 69,924,351 | \$ 79,276,162 |
| U.S. Government securities | 2,481,197 | 6,916,722 |
| Short-term and collective investment funds | 218,818,573 | 202,398,484 |
| Registered investment companies | 206,154,934 | 181,502,090 |
| Other common stock | 69,154,531 | 70,844,122 |
| Self-directed accounts | 219,067 | |
| Participant loans | 18,455,438 | 16,776,457 |
| | 619,404,200 | 557,714,037 |
| Guaranteed investment contracts, at contract value | 248,435,966 | 239,026,358 |
| | 833,644,057 | 796,740,395 |
| Total Investments | | |
| Receivables: | | |
| Accrued dividends and interest | 79,286 | 70,094 |
| Due to broker for securities sold | 5,847,237 | 1,292,858 |
| Employer contributions | 10,364,789 | 513,647 |
| Other receivables | 728,592 | 90,305 |
| | 17,019,904 | 1,966,904 |
| Total Receivables | | |
| TOTAL ASSETS | 850,663,961 | 798,707,299 |
| LIABILITIES | | |
| Due to broker for securities purchased | 837,951 | 831,013 |
| Accrued administrative expenses and Other liabilities | 294,663 | 721,577 |
| TOTAL LIABILITIES | 1,132,614 | 1,552,590 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 849,531,347 | \$ 797,154,709 |

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

Table of Contents**DONNELLEY DEFERRED COMPENSATION****AND VOLUNTARY SAVINGS PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004****(EMPLOYER IDENTIFICATION NUMBER 36-10044130, PLAN NUMBER 003)**

| | 2005 | 2004 |
|---|-----------------------|-----------------------|
| ADDITIONS: | | |
| Investment Income | | |
| Interest and dividend income | \$ 26,144,577 | \$ 21,779,379 |
| Interest income on participant loans | 955,407 | 748,591 |
| Total interest and dividends | 27,099,984 | 22,527,970 |
| Net realized gain on investments | 3,028,703 | 6,244,131 |
| Net unrealized gain on investments | 17,448,816 | 51,564,004 |
| Net appreciation in fair value of investments | 20,477,519 | 57,808,135 |
| Other income | | 1,626 |
| Contributions | | |
| Employer contributions | 20,488,305 | 10,866,015 |
| Participant contributions | 67,927,579 | 61,402,671 |
| Rollover contributions | 7,851,380 | 2,445,133 |
| Total contributions | 96,267,264 | 74,713,819 |
| Total additions | 143,844,767 | 155,051,550 |
| DEDUCTIONS FROM NET ASSETS: | | |
| Benefits paid to participants | 90,930,465 | 109,887,594 |
| Administrative expenses | 537,664 | 521,942 |
| Total deductions | 91,468,129 | 110,409,536 |
| Net increase | 52,376,638 | 44,642,014 |
| NET ASSETS, BEGINNING OF YEAR | 797,154,709 | 752,512,695 |
| NET ASSETS, END OF YEAR | \$ 849,531,347 | \$ 797,154,709 |

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

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

NOTE 1 PLAN DESCRIPTION

The following brief description of the Donnelley Deferred Compensation and Voluntary Savings Plan (the Plan) of R.R. Donnelley & Sons Company (the Company) is provided for general information only. 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 (the Code) and it is subject to the provisions of the Employment Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions

Subject to certain limitations, members of the Plan may contribute up to 30% of pay on a before-tax basis, and up to 20% of pay on an after-tax basis. Effective July 1, 1999 the Company generally matches participant contributions 50 cents for every before-tax dollar, up to 3% of pay. Participants may invest up to 20% of their account balance and up to 20% of their current contributions in the Donnelley Stock Fund, and may shift their contributions into and out of the Donnelley Stock Fund at any time. All (100%) of the employer match is invested in the Donnelley Stock Fund. Prior to August 1, 2002, participants were not allowed to transfer any of the employer match out of the Donnelley Stock Fund. Effective August 1, 2002, the employer match may be transferred to other funds of the Plan. Also, effective August 1, 2002, participants who are age 50 and older may make catch-up contributions to the Plan. Effective January 1, 2005, the new percentages allowed are from 1%-85% for both before and after-tax and the total of both elections cannot exceed 85%. Effective January 1, 2005, the match is 25 cents for every before-tax dollar up to 6% of pay, and is paid in cash (no longer in the Donnelley Stock Fund) according to the participant's current elections. A discretionary match of up to \$1.00 for each \$1.00 contributed up to 6% of compensation was also added into the plan design, to be paid based on Company performance. For the plan year 2005, the actual discretionary match payout was \$.255, which combined with the basic match of \$.25 resulted in a total 401(k) match of \$.505.

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 to the Plan, are not taxable to the participants until withdrawn.

Administration

The Plan's administrative and record keeping services are provided by Princeton Retirement Group (Princeton), formerly AMVESCAP Retirement Inc., in accordance with the terms of the Plan. The Trustee of the Donnelley Deferred Compensation and Voluntary Savings Plan Trust is AMVESCAP National Trust Company. The custodian is State Street Bank and Trust Company (State Street). Investment management fees and recordkeeping fees are paid either by the Plan or the Company.

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

NOTE 1 PLAN DESCRIPTION (continued)

Membership

As of March 1, 1994, employees became eligible to participate in the Plan on the first day of employment with the Company.

Vesting

Participants are 100% vested with respect to all contributions and earnings of the Plan.

Participant Loans

The Plan was amended effective January 1, 1992 to establish a loan program. Members are permitted to borrow the lesser of 50% of their Deferred Compensation Savings 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. Participants are allowed two outstanding loans. 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 2005 ranged from a low of 6.25% to a high of 8.00%. Repayment is made through payroll deductions for a maximum period of four years. An administrative fee of \$25 is paid by the participant to Princeton for each participant loan. Effective January 1, 2005, the maximum loan period will be four and a half years. Effective August 1, 2006, the plan will allow only one outstanding loan. Existing loans will be grandfathered.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 are stated at fair value. Stocks, notes and bonds are valued at their quoted market prices. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Participant loans are valued at cost, which approximates fair value.

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition (continued)

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.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan provides for various investment options in combination of stocks, mutual funds, fixed income securities, collective investment funds, and other investment securities. 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 INVESTMENTS

Participants' contributions to the Plan are currently invested in a third-party administered trust fund. During 2004 and 2005, the third-party administered trust fund consisted of the following funds:

Income Fund Invests in a combination of high quality investment contracts, money market securities and short- to medium-term bonds.

Bond Fund Invests in fixed income securities by investing 100% in units of the INVESCO Retirement Trust (IRT) Core Fixed Income fund, which is a collective trust fund.

Balanced Fund Invests in a diversified portfolio of common stocks and fixed-income securities.

Large Company Index Fund Invests in common stocks of companies in the same weighting as the Standard & Poor's 500 Stock Index.

The Large Company Value Fund Invests in securities of larger capitalization publicly traded companies that are significantly undervalued in a separately managed fund.

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

The Small & Midsize Company Index Fund Invests in securities of smaller and mid-sized capitalization publicly-traded companies, tracking the Russell Small Cap Index.

The Large Company Growth Fund Invests in securities of larger capitalization publicly-traded companies with strong earnings growth.

The Small Company Value Fund Invests in securities of small capitalization publicly-traded companies by investing in undervalued stocks.

International Equity Fund Invests in equity securities of companies headquartered outside of the United States.

IRT Small Company Growth Fund Invests in stocks of companies considered to have strong growth potential over the next several years.

The AIM Energy Fund Invests primarily in energy companies. The Fund focuses on reasonably priced companies with above-average production volume growth, and earnings, cash flow and asset value growth potential independent of commodity pricing.

The AIM Financial Services Fund The Fund concentrates on banks, insurance companies, investment and other financial service firms.

The AIM Global Healthcare Fund The Fund primarily invests in strongly managed, innovative healthcare companies, blending well-established firms with faster growing, more dynamic healthcare businesses.

The AIM Leisure Fund The Fund primarily invests in the stocks of companies engaged in the design, production and distribution of products and/or services related to the leisure activities of individuals.

The AIM Technology Fund The Fund invests broadly across the technology universe, focusing on such areas as hardware, software and semiconductors; telecommunications equipment and services; and service related companies in information technology.

The Donnelley Stock Fund Invests primarily in the Company's common stock and cash equivalents.

Lifestage Conservative Mix Invests 70% in the Income Fund, 27% in the Large Company Index Fund, and 3% in the Small & Midsize Company Index Fund.

Lifestage Moderate Mix Invests 20% in the Income Fund, 20% in the Bond Fund, 27% in the Large Company Index Fund, 9% in the Large Company Value Fund, 4% in the Small & Midsize Company Index Fund, 9% in the Large Company Growth Fund, 2% in the Small Company Value Fund, 2% in the Small Company Growth Fund, and 7% in the International Equity Fund.

Table of Contents**DONNELLEY DEFERRED COMPENSATION AND****VOLUNTARY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2005 and 2004****NOTE 3 INVESTMENTS (continued)**

Lifestyle Aggressive Mix Invests 10% in the Bond Fund, 25% in the Large Company Index Fund, 20% in the Large Company Value Fund, 4% in the Small & Midsize Company Index Fund, 20% in the Large Company Growth Fund, 3% in the Small Company Value Fund, 3% in the Small Company Growth Fund, and 15% in the International Equity Fund.

The current value of investments that represent 5% or more of the Plan's net assets available for Plan benefits at December 31, 2005 and 2004, are as follows:

| | 2005 |
|---|---------------|
| R.R. Donnelley & Sons Company Common Stock | \$ 69,924,351 |
| IRT 500 Index Fund | 121,223,992 |
| Dodge & Cox Balanced Fund | 77,780,771 |
| IXIS Financial Products Inc. 6.87% 12/30/30 | 52,091,991 |
| JP Morgan Chase Bank 4.50% 12/30/30 | 44,272,275 |
| UBS AG 4.50% 12/30/30 | 44,342,442 |
| DFA US 6 10 Fund | 61,535,228 |

| | 2004 |
|--|---------------|
| R.R. Donnelley & Sons Company Common Stock | \$ 79,276,162 |
| IRT 500 Index Fund | 125,126,991 |
| Dodge & Cox Balanced Fund | 76,340,634 |
| JP Morgan Chase Bank 4.50% 12/30/30 | 44,849,444 |
| JP Morgan Chase Bank 5.34% 12/30/30 | 40,430,678 |
| UBS AG 4.50% 12/30/30 | 44,917,445 |
| DFA US 6 10 Fund | 59,866,951 |

During 2005 and 2004, the Plan's investments, including investments bought or sold, as well as held during the year, appreciated in value by \$20,477,519 and \$57,808,135, respectively, as follows:

| | 2005 | 2004 |
|--|----------------------|----------------------|
| R.R. Donnelley & Sons Company Common Stock | \$ (2,395,923) | \$ 11,829,370 |
| Other Common Stocks | 1,995,801 | 9,701,365 |
| Short-term and Collective Investment Funds | 11,847,560 | 18,704,706 |
| U.S. Government securities | 275,798 | 65,867 |
| Registered Investment Companies | 8,750,577 | 17,506,827 |
| Self-directed accounts | 3,706 | |
| | \$ 20,477,519 | \$ 57,808,135 |

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

NOTE 4 INVESTMENT CONTRACTS

The Plan has entered into several benefit-responsive investment contracts with various insurance companies and other financial institutions. The contract providers maintain the contributions in a general account. Some investment contracts are purchased in conjunction with the investment by the Plan in fixed-income securities. Investment contracts provide for the payment of a specified rate of interest. The account is credited with earnings at the specified rate and charged for participant withdrawals and administrative expenses. The contracts are included in the financial statements at contract value, as reported to the Plan by the contract providers. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The weighted average yield and crediting interest rates for all such contracts were approximately 4.28% and 4.87% for 2005 and 2004, respectively. The crediting interest rate generally cannot be less than the contract rate.

NOTE 5 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. 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 6 DERIVATIVE FINANCIAL INSTRUMENTS

The Plan has limited transactions that fall under the accounting rules of SFAS No. 133, as amended. The Plan does not use derivatives for trading purposes. The Plan owns shares in a commingled international equity fund, and the managers of this fund may, from time to time, use currency futures and forward contracts to manage the fund's currency position. The Plan also invests in commingled domestic equity funds. The managers of these funds have the authority to invest in futures contracts in the Standards & Poor's 500 stock index to create exposure to equity securities as part of the funds' cash management strategy. Daily margin settlement for future contracts results in maintaining a zero market value for the contracts. The plan also invests in a commingled bond fund, and the manager of the fund may, from time to time, use derivatives for asset allocation and hedging purposes.

Table of Contents**DONNELLEY DEFERRED COMPENSATION AND****VOLUNTARY SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2005 and 2004****NOTE 7 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 ERISA. In the event of Plan termination, the rights of the participants in their account balances will become non-forfeitable.

NOTE 8 RELATED PARTY TRANSACTIONS

Certain Plan investments are in units in a collective trust fund managed by AMVESCAP National Trust Company. The Plan also invests in guaranteed investment contracts managed by State Street. Additionally, the Plan invests in the Company's common stock.

AMVESCAP National Trust Company administers the Plan, State Street is the custodian, and the Company is the sponsor. Therefore, these transactions qualify as party-in-interest transactions. However, they are exempt from the prohibited transactions rules of ERISA.

NOTE 9 RECONCILIATION TO FORM 5500

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

| | 2005 | 2004 |
|---|-----------------------|-----------------------|
| Net assets available for Plan benefits per the financial statements | \$ 849,531,347 | \$ 797,154,709 |
| Less: Participant withdrawals payable | (1,181,947) | (947,696) |
| NET ASSETS AVAILABLE FOR BENEFITS PER THE FORM 5500 | \$ 848,349,400 | \$ 796,207,013 |

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 at December 31, 2005 and 2004:

| | 2005 | 2004 |
|---|----------------------|-----------------------|
| Participant withdrawals per the financial statements | \$ 90,930,465 | \$ 109,887,594 |
| Add: Amounts allocated to withdrawing participants at December 31, 2005 and 2004, respectively | 1,181,947 | 947,696 |
| Less: Amounts allocated to withdrawing participants at December 31, 2004 and 2003, respectively | (947,696) | (208,726) |
| PARTICIPANT WITHDRAWALS PER THE FORM 5500 | \$ 91,164,716 | \$ 110,626,564 |

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DONNELLEY DEFERRED COMPENSATION AND

VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

NOTE 9 RECONCILIATION TO FORM 5500 (continued)

Amounts allocated to withdrawing participants are recorded on the 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 10 MERGER OF PLAN SPONSOR

Effective February 27, 2004, a merger of Moore Wallace Incorporated and RR Donnelley & Sons Company was approved. The name of the surviving company is RR Donnelley. Under the terms of the agreement, all outstanding shares of Moore Wallace common stock were exchanged for shares of RR Donnelley common stock based on a fixed exchange ratio of 0.63 RR Donnelley shares for each Moore Wallace share.

Table of Contents**DONNELLEY DEFERRED COMPENSATION****AND VOLUNTARY SAVINGS PLAN****SCHEDULE H ITEM 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****AS OF DECEMBER 31, 2005****EMPLOYER IDENTIFICATION NUMBER: 36-1004130, PLAN NUMBER: 003**

| No. of Shares or Units | | Description <u>Company Stock</u> | Cost** | Current Value |
|--|------------|--|--------|---------------|
| * | 2,043,974 | shares R.R. Donnelley & Sons Company Stock | \$ | \$ 69,924,351 |
| <u>U.S. Government securities</u> | | | | |
| | 1,719,000 | units U.S. Treasury Bills 1/26/06, par \$1,719,000 | | 1,714,780 |
| | 770,000 | units U.S. Treasury Bills 2/16/06, par \$770,000 | | 766,417 |
| | | Total U.S. Government securities | | 2,481,197 |
| <u>Short-term and Collective Investment Funds</u> | | | | |
| | | Money Market Funds- | | |
| | 16,757,618 | units SSGA Money Market Fund | | 16,757,618 |
| | | | | 16,757,618 |
| | | Common/Collective Funds- | | |
| | 914,349 | units Capital Guardian Intl. Equity Fund | | 36,647,108 |
| | 941,792 | units Russell Small Cap Completeness Index Fund | | 17,341,225 |
| * | 821,562 | units INVESCO IRT Income Fund | | 26,848,630 |
| * | 3,723,096 | units AIM IRT 500 Index Fund | | 121,223,992 |
| | | | | 202,060,955 |
| | | Total Short-term and Collective Investments | | 218,818,573 |
| <u>Registered Investment Company</u> | | | | |
| | 2,320,333 | units DFA U.S. 6 10 Fund | | 61,535,228 |
| | 884,908 | units Harbor Fund | | 28,901,094 |
| * | 508,448 | units AIM Energy Fund | | 20,602,316 |
| * | 188,564 | units AIM Global Health Care Fund | | 5,681,448 |
| * | 105,023 | units AIM Leisure Fund | | 4,334,304 |
| * | 144,547 | units AIM Technology Fund | | 3,743,759 |
| * | 129,990 | units AIM Financial Services Fund | | 3,576,014 |
| | 956,243 | units Dodge & Cox Balanced Fund | | 77,780,771 |
| | | Total Registered Investment Companies | | 206,154,934 |

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| No. of Shares or Units | Description | Cost** | Current Value |
|------------------------------|--|--------|---------------|
| | <u>Common Stock</u> | | |
| 8,600 shares | Actuant Corp. | | 479,880 |
| 11,100 shares | Advisory Board Co. | | 529,137 |
| 63,000 shares | Aeroflex Inc. | | 677,250 |
| 6,300 shares | Alabama Natl Bancorporation | | 407,988 |
| 19,400 shares | Altria Group Inc. | | 1,449,568 |
| 41,000 shares | American Express Co. | | 2,109,860 |
| 31,700 shares | American Med Sys Holdings | | 565,211 |
| 8,200 shares | Ameriprise Finl Inc. | | 336,200 |
| 8,600 shares | Anteon International Corp. | | 467,410 |
| 23,300 shares | Applied Films Corp | | 483,941 |
| 21,500 shares | Aviall Inc. | | 619,200 |
| 24,200 shares | Avocent Corp. | | 657,998 |
| 125,500 shares | Axcelis Technologies Inc. | | 598,635 |
| 33,900 shares | Bank Mutual Corp. | | 359,340 |
| 32,600 shares | BankAtlantic Bancorp, Inc. | | 456,400 |
| 4,300 shares | Beacon Roofing Supply Inc. | | 123,539 |
| 38,900 shares | Brigham Expl Co. | | 461,354 |
| 1,800 shares | Bright Horizons Family Solutions | | 66,690 |
| 16,700 shares | California Pizza Kitchen Inc. | | 533,899 |
| 15,700 shares | Central Garden & Pet Co. | | 721,258 |
| 7,900 shares | Childrens Pl Retail Stores Inc. | | 390,418 |
| 17,900 shares | Coca Cola | | 721,549 |
| 9,575 shares | Coldwater Creek, Inc. | | 292,325 |
| 15,100 shares | CRA Intl Inc. | | 720,119 |
| 24,800 shares | DSP Group Inc. | | 621,488 |
| 96,500 shares | El Paso Corporation | | 1,173,440 |
| 80,000 shares | Electronic Data System Corporation | | 1,923,200 |
| 40,000 shares | Epicor Software Corp. | | 565,200 |
| 8,300 shares | ESCO Technologies Inc. | | 369,267 |
| 16,400 shares | Euronet Worldwide Inc. | | 455,920 |
| 7,600 shares | F5 Networks Inc. | | 434,644 |
| 53,300 shares | Federal Home Loan Mortgage Corporation | | 3,483,155 |
| 21,100 shares | Federal National Mortgage Assn. | | 1,029,891 |
| 19,600 shares | First Marblehead Corp. | | 644,056 |
| 6,500 shares | Gardner Denver Inc. | | 320,450 |
| 26,100 shares | Global Power Equip Group Inc. | | 117,972 |
| 13,100 shares | HCA Inc. | | 661,550 |
| 19,200 shares | HealthExtras Inc. | | 481,920 |
| 17,000 shares | Hibbett Sporting Goods Inc. | | 484,160 |
| 19,600 shares | Hornbeck Offshore Svcs Inc | | 640,920 |

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| | | | |
|--------|--------|-----------------------------|---------|
| 22,900 | shares | Hudson Highland Group Inc. | 397,544 |
| 14,200 | shares | Hughes Supply Inc. | 509,070 |
| 26,800 | shares | Interline Brands Inc. | 609,700 |
| 46,900 | shares | Interpublic Group Cos. Inc. | 452,585 |

Table of Contents**DONNELLEY DEFERRED COMPENSATION****AND VOLUNTARY SAVINGS PLAN****SCHEDULE H ITEM 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****AS OF DECEMBER 31, 2005****EMPLOYER IDENTIFICATION NUMBER: 36-1004130, PLAN NUMBER: 003**

| No. of Shares or Units | Description | Cost** | Current Value |
|---------------------------------------|--------------------------------|---------------|----------------------|
| 35,400 shares | Intralase Corp. | | 631,182 |
| 23,600 shares | Jackson Hewitt Tax Svc Inc. | | 653,956 |
| 16,500 shares | James Riv Coal Co. | | 630,300 |
| 8,200 shares | Johnson & Johnson | | 492,820 |
| 30,900 shares | Jupitermedia Corp. | | 456,702 |
| 15,600 shares | Keystone Automotive Inds. Inc. | | 491,088 |
| 22,900 shares | Kraft Foods Inc. | | 644,406 |
| 25,500 shares | Kroger Co. | | 481,440 |
| 19,800 shares | LKQ Corp. | | 685,476 |
| 41,200 shares | Macrovision Corp. | | 689,276 |
| 30,100 shares | Maidenform Brands Inc. | | 381,066 |
| 14,800 shares | Main Str Bks Inc. New | | 403,004 |
| 80,000 shares | Marsh & McLennan Cos Inc. | | 2,540,800 |
| 18,600 shares | Martek Biosciences Corp. | | 457,746 |
| 25,800 shares | Max Re Capital LTD. | | 670,026 |
| 13,200 shares | Merrill Lynch & Co. Inc. | | 894,036 |
| 29,800 shares | Microsoft Corp. | | 779,270 |
| 14,400 shares | MTC Technologies Inc. | | 394,272 |
| 7,600 shares | National Finl Partners Corp. | | 399,380 |
| 19,300 shares | NUCO2 Inc. | | 538,084 |
| 20,200 shares | Ohio Cas Corp | | 572,064 |
| 14,100 shares | Old Rep Intl Corporation | | 370,266 |
| 27,600 shares | Open Solutions Inc. | | 632,592 |
| 27,600 shares | Openwave Sys Inc. | | 482,172 |
| 15,300 shares | Optionsxpress Holdings Inc. | | 375,615 |
| 25,300 shares | Pacer Intl Inc. Tn | | 659,318 |
| 84,200 shares | Pfizer Inc. | | 1,963,544 |
| 11,000 shares | Pitney Bowes Inc. | | 464,750 |
| 22,800 shares | Platinum Underwriters Holding | | 708,396 |
| 19,800 shares | PRA Intl | | 557,370 |
| 28,900 shares | Prestige Brands Holdgs Inc. | | 361,250 |
| 18,200 shares | Progress Software Corp. | | 516,516 |
| 38,700 shares | PSS World Med Inc. | | 574,308 |
| 22,500 shares | Radward Ltd. | | 408,600 |
| 20,900 shares | Rare Hospitality Intl. Inc. | | 635,151 |
| 22,600 shares | Rush Enterprises Inc. | | 336,288 |
| 14,900 shares | Safeway Inc. | | 352,534 |
| 25,500 shares | Saliz Pharmaceuticals LTD | | 448,290 |
| 33,200 shares | Semtech Corp. | | 606,232 |
| 21,100 shares | Serena Software Inc. | | 494,584 |
| 7,200 shares | Sierra Health Svcs Inc. | | 575,712 |
| 10,200 shares | SIRF Technology Hldgs Inc | | 303,960 |

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| | | | |
|---------|--------|-------------------------------|---------|
| 100,900 | shares | Skyworks Solutions Inc. | 513,581 |
| 69,300 | shares | Spanish Broadcasting Sys Inc. | 354,123 |
| 19,800 | shares | Stratasys, Inc. | 495,198 |
| 7,600 | shares | Strayer Ed Inc. | 712,120 |
| 26,300 | shares | Symmetry Med Inc. | 509,957 |

Table of Contents**DONNELLEY DEFERRED COMPENSATION****AND VOLUNTARY SAVINGS PLAN****SCHEDULE H ITEM 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****AS OF DECEMBER 31, 2005****EMPLOYER IDENTIFICATION NUMBER: 36-1004130, PLAN NUMBER: 003**

| No. of Shares or Units | | Description | Cost** | Current Value |
|---|--------|--|-----------|-----------------------|
| 55,200 | shares | Tekelec Inc. | | 767,280 |
| 87,100 | shares | Tenet Healthcare Corporation | | 667,186 |
| 32,200 | shares | Time Warner Inc. | | 561,568 |
| 33,900 | shares | TNS Inc. | | 650,202 |
| 46,700 | shares | Tyco Intl. LTD | | 1,347,762 |
| 10,100 | shares | Unit Corp | | 555,803 |
| 18,900 | shares | Universal Technical Inst Inc. | | 584,766 |
| 12,400 | shares | Varian Semi Equip Assoc. Inc. | | 544,732 |
| 14,200 | shares | VCA Antech Inc. | | 400,440 |
| 21,000 | shares | W H Energy Services Inc. | | 694,680 |
| 34,300 | shares | WalMart Stores Inc. | | 1,605,240 |
| 21,150 | shares | Waste Connections Inc. | | 728,829 |
| 24,800 | shares | WCI Cmnty Inc. | | 665,880 |
| 17,700 | shares | Witness Sys Inc. | | 348,159 |
| 17,800 | shares | Wright Med Group Inc. | | 363,120 |
| 16,600 | shares | Wyeth | | 764,762 |
| | | Total Common Stock | | 69,154,531 |
| <u>Guaranteed Investment Contracts</u> | | | | |
| 52,091,991 | units | IXIS Financial Products, Inc. 6.87% 12/30/30 | | 52,091,991 |
| 34,196,109 | units | Bank of America 4.368% 12/30/30 | | 34,196,344 |
| 44,272,275 | units | JP Morgan Chase Bank 4.50 % 12/30/30 | | 44,272,275 |
| 38,444,084 | units | Monumental Life Inc. Co. GIC 3.625% 12/30/30 | | 38,444,084 |
| * 9,130,014 | units | State Street Bank & Trust 5.44% 5/01/06 | | 9,130,014 |
| * 25,959,051 | units | State Street Bank 4.52% 12/30/30 | | 25,959,051 |
| 44,342,442 | units | UBS AG 4.50% 12/30/30 | | 44,342,442 |
| | | Total Guaranteed Investment Contracts | | 248,435,966 |
| | | Self-directed accounts | | |
| | | State Street Brokerage | | 219,067 |
| | | Participant Loans- | | |
| | | Interest rates range from 6.25% - 8.00% | | 18,455,438 |
| | | Total Assets (Held at End of Year) | \$ | \$ 833,644,057 |

* A party-in-interest to the Plan

** Cost has been omitted as investments are participant directed

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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.

DONNELLEY DEFERRED COMPENSATION AND
VOLUNTARY SAVINGS PLAN

By: RR Donnelley Benefits Committee

/s/ Paul Sollitto

Name: Paul Sollitto

Title: VP, Employee Benefits

Date: June 28, 2006

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DONNELLEY DEFERRED COMPENSATION

AND VOLUNTARY SAVINGS PLAN

December 31, 2005 and 2004

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**EXHIBIT
NUMBER**

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

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