



LSC
COMMUNICATIONS

September 2016



Safe Harbor

LSC Communications Cautionary Statement Regarding Forward Looking Statements

To the extent any statements made in this presentation contain information that is not historical; these statements are forward-looking in nature and express the beliefs and expectations of management. Such statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause LSC Communications' future results, performance, or achievements to differ significantly from the results, performance, or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: the competitive market for our products and industry fragmentation affecting our prices; changes in technology, including electronic substitution and migration of paper based documents to digital data formats; the volatility and disruption of the capital and credit markets, and adverse changes in the global economy; the effects of global market and economic conditions on our customers; the effect of economic weakness and constrained advertising; uncertainty about future economic conditions; increased competition as a result of consolidation among our competitors; our ability to successfully integrate future acquisitions; factors that affect customer demand, including changes in postal rates, postal regulations and service levels, changes in the capital markets, changes in advertising markets and customers' budgetary constraints; vulnerability to adverse events as a result of becoming a stand-alone company following separation from RRD; our ability to access debt and the capital markets due to adverse credit market conditions; the effects of seasonality on our core businesses; the effects of increases in capital expenditures; changes in the availability or costs of key materials (such as ink and paper) or in prices received for the sale of by-products; performance issues with key suppliers; our ability to maintain our brands and reputation; the retention of existing, and continued attraction of additional customers and key employees; the effect of economic and political conditions on a regional, national or international basis; the effects of operating in international markets, including fluctuations in currency exchange rates; changes in environmental laws and regulations affecting our business; the ability to gain customer acceptance of our new products and technologies; the effect of a material breach of security of any of our or our vendors' systems; the failure to properly use and protect customer and employee information and data; lack of market for our common stock; potential tax liability of the Distribution; lack of history as an operating company and costs associated with being an independent company; failure to achieve certain intended benefits of the Separation; failure of RRD or Donnelley Financial to satisfy their respective obligations under transition services agreements and other risks and uncertainties detailed under "*Risk Factors*" in LSC Communications' Registration Statement on Form 10 filed with the Securities and Exchange Commission.

Forward-looking statements speak only as to the date on which they are made, and LSC Communications undertakes no obligation to update publicly or revise any forward-looking statement, regardless of whether new information becomes available, future developments occur or otherwise.

Non-GAAP Financial Measures

This presentation provides information about free cash flow, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA margin and segment Non-GAAP Adjusted EBITDA margin, which are non-GAAP financial measures. LSC Communications believes that certain non-GAAP measures, when presented in conjunction with comparable GAAP measures, are useful because that information is an appropriate measure for evaluating the company's operating performance. Internally, LSC Communications uses this non-GAAP information as an indicator of business performance, and evaluates management's effectiveness with specific reference to these indicators. These measures should be considered in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

This presentation includes a reconciliation between free cash flow, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA margin and segment Non-GAAP Adjusted EBITDA margin and their comparable GAAP measures.

Non-GAAP Adjusted EBITDA and Free Cash Flow

Non-GAAP Adjusted EBITDA is defined as income from operations adjusted for depreciation and amortization, restructuring, impairment and certain other charges and purchase accounting inventory adjustments and acquisition-related expenses. Free Cash Flow is defined as net cash from operating activities less capital expenditures. Non-GAAP Adjusted EBITDA and free cash flow are not recognized terms under GAAP and do not purport to be an alternative to net income or net cash from operating activities as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, Non-GAAP Adjusted EBITDA is not intended to be a measure of free cash flow available for management's discretionary use, as it does not consider certain cash requirements such as tax payments and debt service requirements. Each adjustment and the reasons the Company considers them appropriate for supplemental analysis should be evaluated. In evaluating Non-GAAP Adjusted EBITDA, one should be aware that in the future the Company may incur expenses similar to the adjustments included above. The Company's presentation of Non-GAAP Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or non-recurring items. Additionally, since not all companies use identical calculations, the presentation of Non-GAAP Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Agenda

Spin Overview

Business Overview

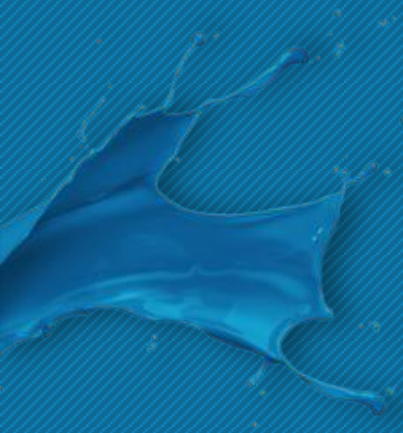
Investment Highlights

Financial Overview

Q&A

Appendix

Spin Overview



Spin Overview

Structure

- Tax-free spin-off of LSC Communications and Donnelley Financial Solutions from RR Donnelley
- Existing bonds remain at RR Donnelley
- Proceeds from SpinCo entity financing used to reduce debt at RR Donnelley
- RR Donnelley expects to retain 19.25% equity in both LSC Communications and Donnelley Financial Solutions for further deleveraging within one year of the spin-off

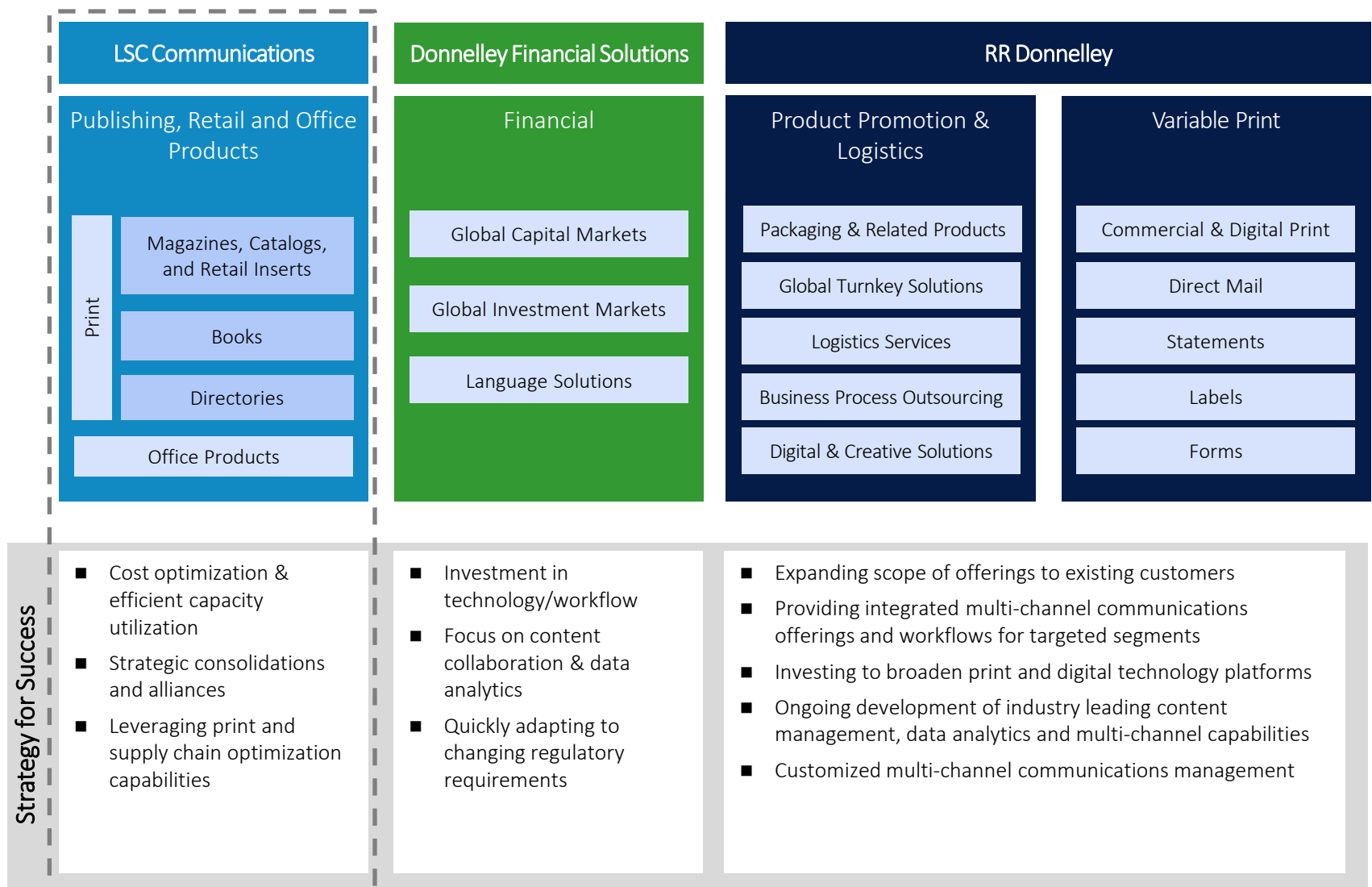
Timing

- Internal 'soft-spin' completed on July 1, 2016
- Targeted completion of October 2016, subject to customary conditions

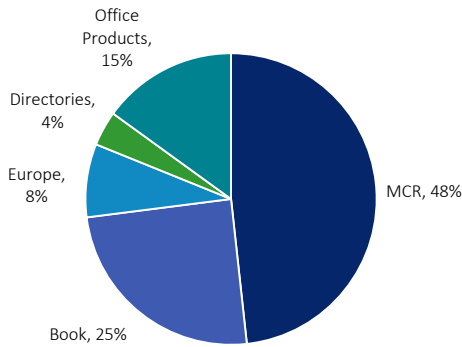
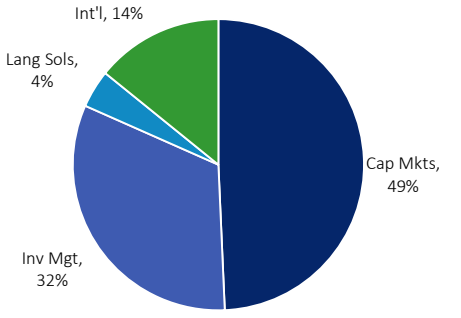
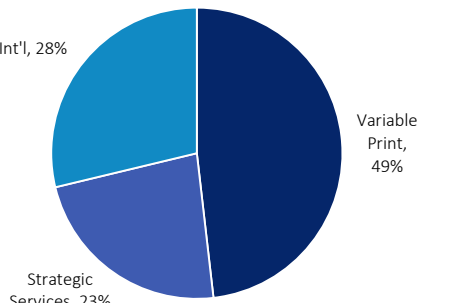
Benefits

- Enhanced flexibility to execute distinct business strategies
- Valuations more accurately reflect distinct business characteristics
- Flexibility to optimize capital structures and investment policies
- Tailored corporate policies

Unique Industry Dynamics are Creating Different Paths to Success for Key RRD Businesses

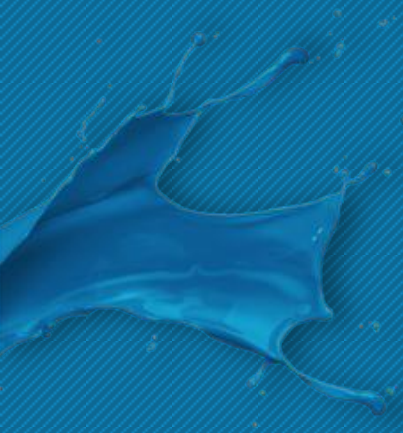


Creates Three Industry Leading Companies

| | LSC Communications | Donnelley Financial Solutions | RR Donnelley |
|--|---|--|---|
| 2015 Net Sales Mix |  <p>Office Products, 15%</p> <p>Directories, 4%</p> <p>Europe, 8%</p> <p>Book, 25%</p> <p>MCR, 48%</p> |  <p>Int'l, 14%</p> <p>Lang Sols, 4%</p> <p>Inv Mgt, 32%</p> <p>Cap Mkts, 49%</p> |  <p>Int'l, 28%</p> <p>Strategic Services, 23%</p> <p>Variable Print, 49%</p> |
| 2015 Net Sales | \$3.7B | \$1B | \$7B |
| EBITDA margin | Low double digits | High teens – low 20s | High single digits |
| Capital intensity | Low incremental | Asset light | Low to medium (asset light logistics) |
| Long-term target gross leverage | 1.75x to 2.25x | 2.25x to 2.75x | 2.25x to 2.75x |
| Description | <ul style="list-style-type: none"> ■ Produces and distributes magazines, catalogs, retail inserts, books, office products and directories ■ Diversified scope of print-related capabilities ■ Serves publishers, merchandisers and retailers globally making the supply chain more efficient | <ul style="list-style-type: none"> ■ Provides data management and analytics solutions to the corporate filing and global financial community ■ “One-stop shop” for content creation, collaboration, management, and distribution | <ul style="list-style-type: none"> ■ Creates, manages and executes customer-specific marketing and business communications strategies ■ Provides comprehensive solutions that reduce supply chain and organizational inefficiencies ■ Manages related data analytics and digital content management services |

Note: LSC Communications 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of 6/8/2015 to 12/31/2015.

Business Overview

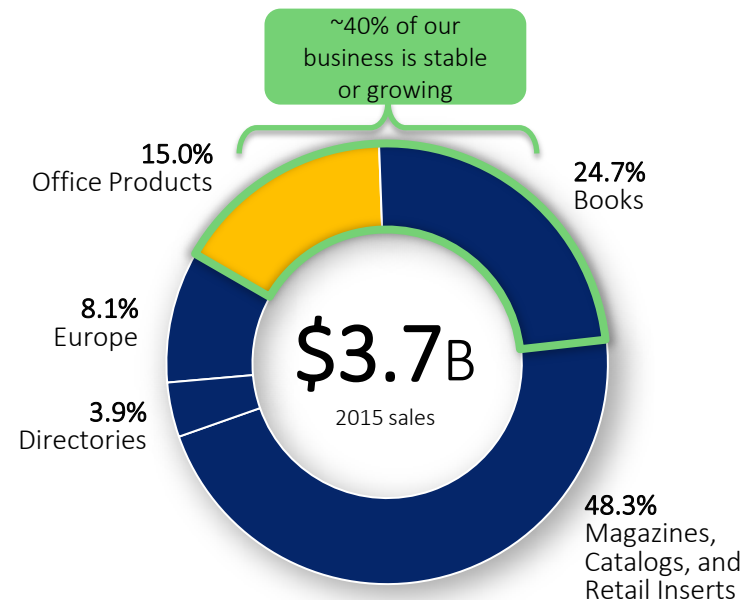


LSC Communications: A Leading Provider of Print and Print-Related Products, Services and Technology Solutions

Business Overview

- LSC Communications (“LSC” or “the Company”) is a worldwide leader in providing print, fulfillment and supply chain solutions to publishers, merchandisers and retailers
- Specializes in publishing and offering retail-centric print services, such as books, magazines, catalogs, inserts, and directories
- Manufactures and sells office products such as filing products, note-taking products, binders, tax and stock forms and envelopes
- Serves >3,000 publishers, merchandisers, catalogers and retailers globally, offering leaner and more flexible supply chain solutions to support operating efficiency
- LSC has 41 production facilities in the U.S and 12 international manufacturing facilities
- ~22,000 employees globally

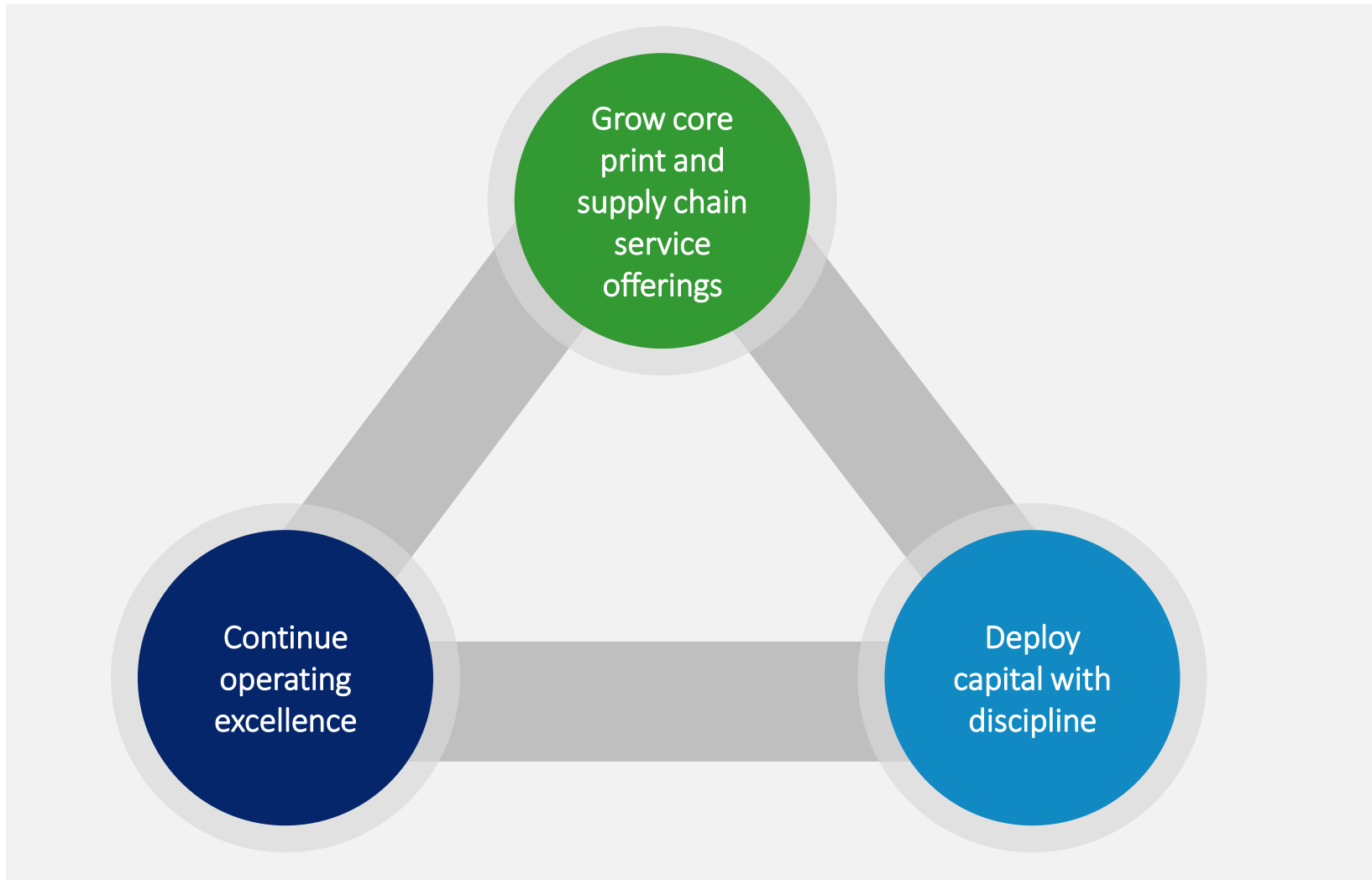
Segment Overview – Diverse Products & Services Capabilities Across 2 Segments: Print and Office Products



Selected Clients

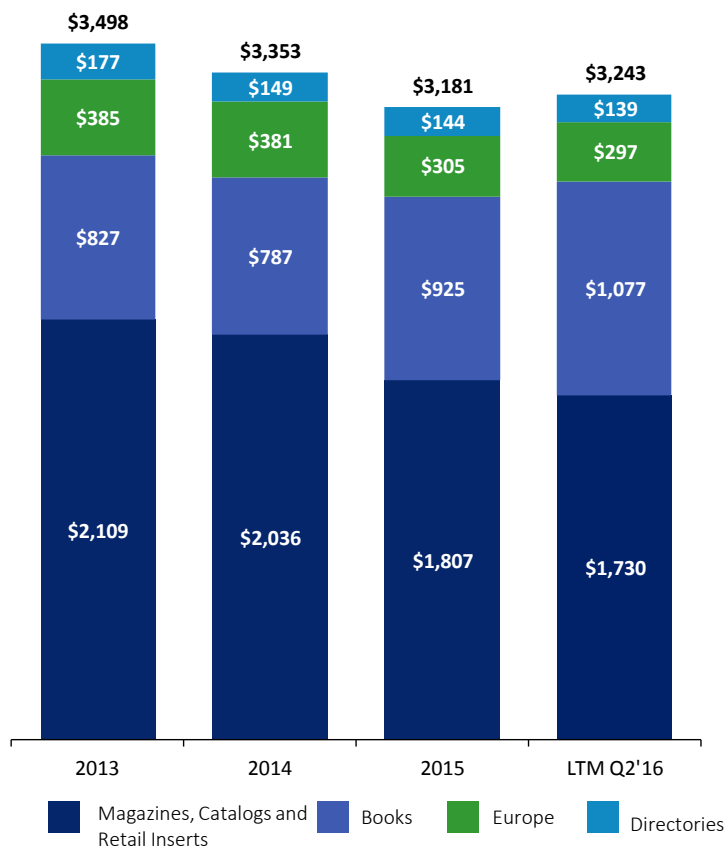


Value Creation Strategy

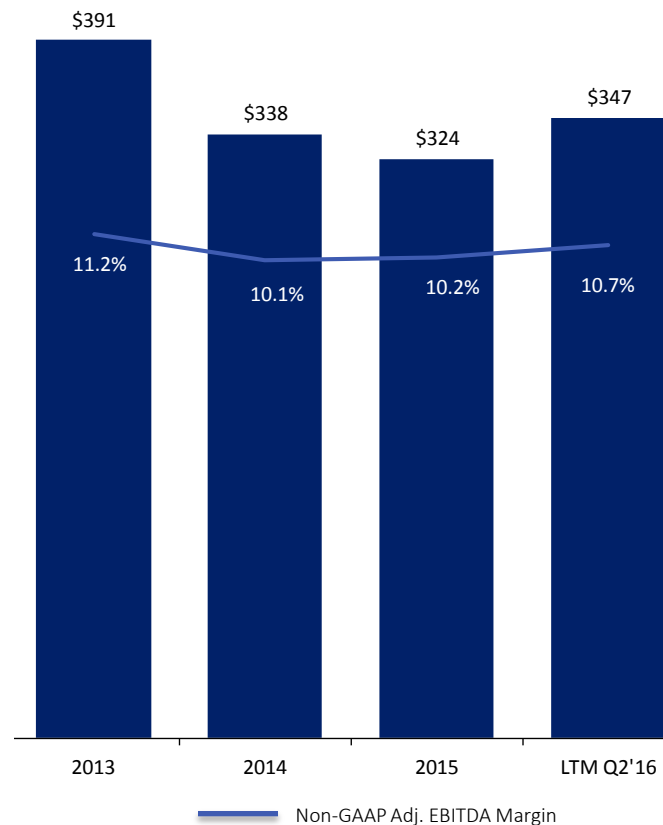


Print Segment Overview

Net Sales (\$mm)



Non-GAAP Adj. EBITDA (\$mm)



- Print segment produces magazines, catalogs, retail inserts, books and directories and also provides certain print-related services, including mail-list management and sortation and e-book formatting and distribution
- Print segment has operations in the US, Europe and Mexico

Books Overview

Description

- LSC Communications is the largest producer of books in the U.S.
- Customers in the books industry include book publishers who seek to print hardcover and softcover books, with soft or spiral binding serving the education, trade, religious and testing sectors
- LSC prints for the top 10 book publishers in North America and top 10 book publishers in Europe, as well as the 2 largest book publishers worldwide
- Well positioned to meet its book customers' specific needs, in terms of colors, page counts, trim size, binding styles or quantities
 - Consumer trade books are typically produced using either offset or digital printing processes, and are bound in a variety of formats
 - Educational books include softcover and traditional casebound textbooks utilized by primary and secondary school and college students, as well as workbooks, teachers' editions, and other formats
- Books represent ~30% of print segment net sales (~25% of total LSC Communications net sales) (2015)
- Strong recent organic growth in Books, driven by growth in our supply chain management offering
 - 1H 2016 net sales up 7% vs. pro forma 1H 2015 net sales

Select Competitors

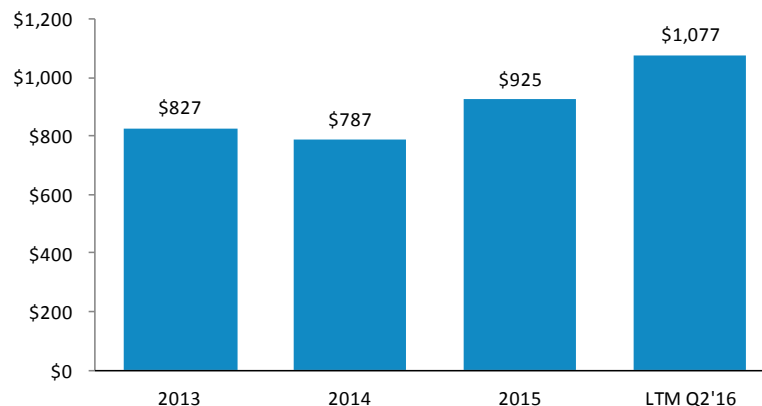


BERTELSMANN

Cenveo

tc • TRANSCONTINENTAL

Net Sales (\$mm)



Industry Commentary

- Total book publishing revenue projected to grow at a CAGR of 1.7% over the next five years with professional and educational books growing slightly faster than consumer
- The only segment of printed books that showed a decline is the lower-margin mass market paperback segment. Hardcover sales grew faster than the whole segment at 2.9% annually from 2013-2015
- eBooks growth has been flattish over the past few years, while traditional book publishing has continued to grow during this time
- The number of printed books sold grew over 2.5% annually between 2013 and 2015 while audio books and e-book sales declined over the same period
- LSC net sales growth in this reporting unit was ~6% ('13-'15 CAGR) (inclusive of Courier)

Books

Education, Business and Consumer Publishing Company Case Study

LSC has entered into an agreement with a leading company in education, business and consumer publishing

LSC will provide complete supply chain management of 100% of this company's printed and other learning materials to include procurement and manufacturing, warehousing and distribution and inventory management for its North American operations

Combines print, warehousing, fulfillment and supply chain management into a single workflow designed to increase speed to market and improve efficiencies across the distribution process

OFFSET PRINTING



DIGITAL PRINTING



E-SERVICES



WAREHOUSING/ FULFILLMENT



SUPPLY CHAIN MANAGEMENT

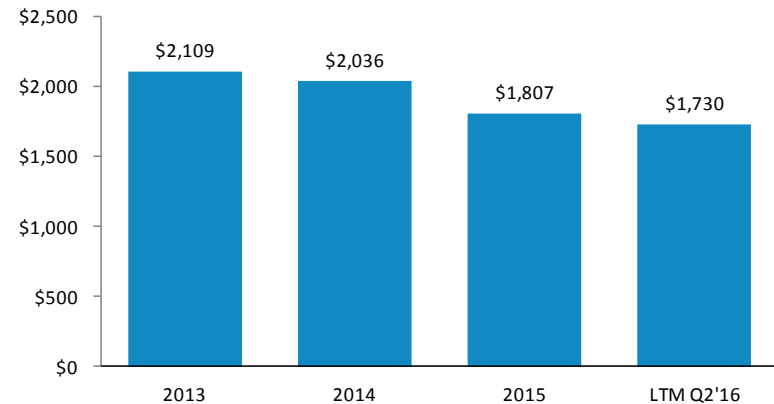


Magazines, Catalogs and Retail Inserts Overview

Description

- LSC Communications is one of the largest producers of magazines, catalogs and retail inserts in North America
- These products are produced to customers' specifications using either offset, gravure or digital printing processes in combination with either on-press finishing, saddle-stitch binding or patent binding
- LSC prints for 9 of the top 10 catalogers and 9 of the top 10 magazine publishers
- Offers a wide range of products and services to customers:
 - **Magazines:** Magazine publishers who use the Company's capabilities to print and distribute magazines through the mail directly to subscribers and through wholesalers to retailers
 - **Catalogs:** Retailers and other direct-to-buyer sellers who use the Company's production capabilities to print and distribute catalogs to customers through mail
 - **Retail Inserts:** Retailers who seek to include inserts in newspapers distributed to newspaper subscribers and in-store distribution
- Magazines, Catalogs and Retail Inserts represents ~48% of LSC Communications net sales (2015)

Net Sales (\$mm)



Industry Commentary

- Despite the growth in digital consumer magazine revenue and the continuing decline in print, the latter still comprises the overwhelming majority of global total consumer magazine revenue (84% in 2015)
- Companies are shifting towards electronic media such as social networking websites for the delivery of information, which cuts the printing demand for catalogs
- LSC net sales decline in this reporting unit was ~7% ('13-'15 CAGR)

Select Competitors

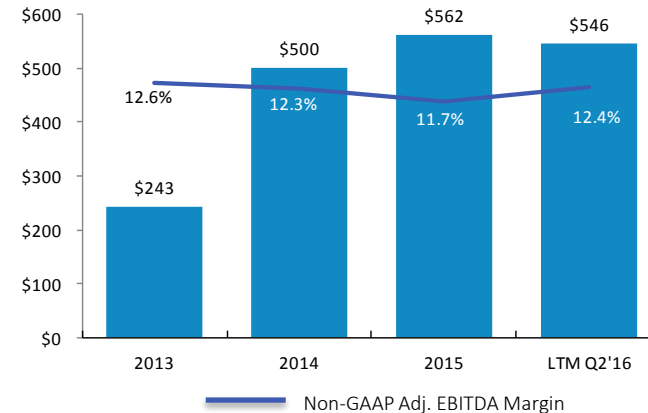


Office Products Segment Overview

Description

- LSC customers in the office products segment include office superstores, mass merchandisers and contract stationers
- Offers a wide range of branded and private label products, primarily within the following five core categories
 - Filing products: Sells under the **Pendaflex** brand and produces private label filing products for third parties
 - Note-taking products: Sells under the **TOPS**, **AMPAD** and **Oxford** brands, as well as produces private label note-taking products for third parties
 - Binder products: Sells under the **Cardinal** and **Oxford** brands and produces private label binder products for third parties
 - Forms: **adams** is the key brand used for forms
 - Envelopes: Key brand used for envelopes is **AMPAD**
- LSC has product placement at 9 of the top 10 retailers
- Top 5 supplies-vendor at both of the office supply superstores
- LSC services 5 of the top 10 eCommerce retailers
 - Opportunity for branded product growth in eCommerce channel
- Office Products represents ~15% of LSC Communications net sales (2015)

Net Sales (\$mm)



Industry Overview

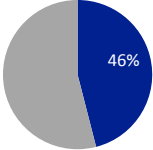
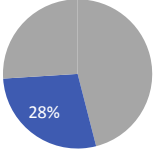
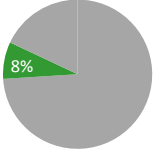
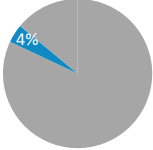
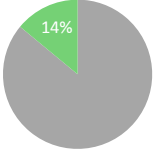
- Total office stationery and supply revenue projected to increase at a CAGR of ~2% for 2016-2019
- Paper products represent approximately half of this market segment
- Major growth drivers include increasing number of corporations' office locations and growing demand from developing countries
- As consumer preferences shift towards private label, resellers have increased the pressure on suppliers to better differentiate their product offerings, often times through product exclusivity, product innovation and development of private label products
- Global market is highly fragmented – the two major retailers represent ~17% of total industry revenue
- LSC organic net sales growth in this reporting unit was ~1% ('13-'15 CAGR)

Office Products

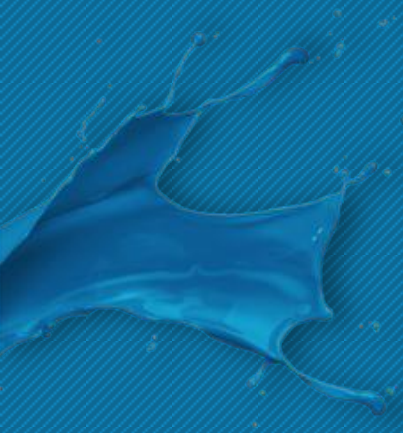
Competitive Landscape

| | Binders | Forms | Envelopes | Notetaking | Filing |
|---------------------------|---|---|---|---|---|
| LSC Communications Brands |  |  |  |  |  |
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LSC Communications Outlook by Product / Segment

| | % of LTM (6/30/16) Net Sales | Near-to-Medium Term Organic Growth Outlook | Commentary |
|---------------------------------|---|---|---|
| Magazine, Catalog, Retail |  | • (7%) to (2%) | <ul style="list-style-type: none"> • Advertising spend shifting to electronic • More stable catalog demand |
| Books |  | • (2%) to 3% | <ul style="list-style-type: none"> • Supply chain management growth • Modest electronic substitution |
| Europe |  | • (4%) to 1% | <ul style="list-style-type: none"> • Product mix is primarily MCR, but also includes premedia and in-store marketing |
| Directory |  | • (10%) to (15%) | <ul style="list-style-type: none"> • Rapid substitution continuing |
| Total Print Segment: | | • (4%) to (1%) | |
| Office Products |  | • (2%) to 3% | <ul style="list-style-type: none"> • Modest industry declines • Private label growth |
| Blended LSC Outlook: | | • (3%) to 0% | |
| Industry Outlook: | | | <ul style="list-style-type: none"> • Low to mid single digit decline |

Investment Highlights



Key Investment Highlights

- 1 Diverse Product and Service Profile
- 2 Significant Scale
- 3 Long-Standing Relationships with Customers
- 4 Sharp Focus on Cost Structure and Efficiency Improvement
- 5 Strong M&A Track Record
- 6 Financial Strength and Strong Cash Generation
- 7 Experienced Leadership Team

Product and service diversity allows us to provide our customers with unique solutions that more narrow competitors cannot easily duplicate

Education, Business and Consumer Publishing Case Study

LSC has entered into an agreement with a leading company in education, business and consumer publishing

LSC will provide complete supply chain management of 100% of this company's printed and other learning materials to include procurement and manufacturing, warehousing and distribution and inventory management for its North American operations

Combines print, warehousing, fulfillment and supply chain management into a single workflow designed to increase speed to market and improve efficiencies across the distribution process

OFFSET PRINTING



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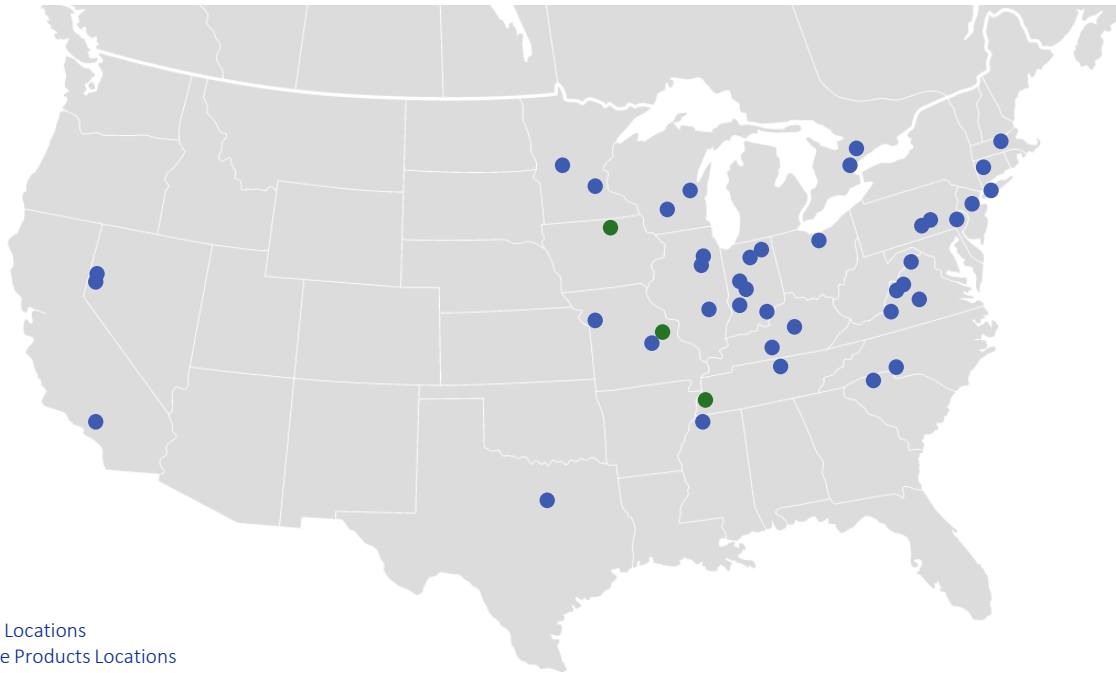


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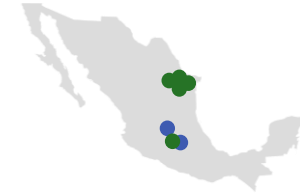
Significant Scale

Maximize Efficiencies and Lower Total Overall Cost for Customers

NORTH AMERICA



MEXICO



POLAND



>22,000
employees

41
manufacturing facilities
in 21 U.S. states

12
international
manufacturing facilities

>3,000
customers

LSC Communications' global platform enables us to offer customers leaner, more flexible supply chain solutions and greater operational and organizational efficiencies

Long-Standing Relationships with Customers

Leading Publishers, Retailers and Merchandisers

We print for:

9 OF THE TOP 10 catalogers

9 OF THE TOP 10 magazine publishers

THE TOP 10 book publishers in North America

THE TOP 10 book publishers in Europe

2 LARGEST book publishers worldwide

In office products, we:

Have product placement at **9 OF THE TOP 10 RETAILERS**

Service **5 OF THE TOP 10** eCommerce retailers

Are a **TOP 5** supplies-vendor at **both** of the office supply superstores



Time Inc. Pearson

News Corp



hachette
BOOK GROUP

HarperCollins Publishers

CONDÉ NAST

WILLIAMS-SONOMA



Walmart

STAPLES

LSC Communications is a proven, trusted partner with deep rooted relationships

4

Sharp Focus on Cost Structure and Efficiency Improvement

Best-in-class safety metrics highlight our commitment to operating excellence

Injury rate 47% below the industry average

17 facilities with 1+ years/1 million work hours without a Days Away Case

Significant annual savings from manufacturing cost efficiency

| | 2015 vs. 2011 | |
|---------------------------|---------------------|-------------|
| | Total Cost per Unit | |
| | <u>Press</u> | <u>Bind</u> |
| Catalog | ● | ● |
| Retail | ● | ● |
| Short-Run Magazine | ● | ● |
| Long-Run Magazine | ● | ● |
| Book | ● | ● |
| Total manufacturing cost: | better ● worse ● | |

- Relentless productivity focus
- Substantially all manufacturing costs are considered variable

Facility consolidations have driven significant cost reductions

Our approach to restructuring and facility consolidation has reduced fixed costs while maintaining service levels to customers

Based on demand trends for certain product offerings, additional rationalization opportunities are expected

Co-mail and Co-bind services offer customers significant savings in postage costs

Driven by our significant scale, these list processing and sortation services greatly reduce postal costs compared to what an individual customer could obtain

Increases in Co-mail and Co-bind volume in the last 3 years

We continuously work to develop advanced technologies and solutions to enhance efficiencies, reduce time-to-market and deliver the best to our customers

Expanding Our Solutions and Services Offerings and Broadening Our Reach

Scale

Von Hoffman (2007)

Perry Judd's (2007)

Poligrafia (2005)

Office Products

Esselte Corporation
(NA operations) (2014)

Cardinal Brands (2007)

Moore Wallace (2004)

Capabilities, Solutions and Technology

Courier (2015)

Pro Line Printing (2008)

Banta (2007)

Go-forward M&A Criteria and Objectives

Enhance existing product offerings

Expand technological capabilities

Provide synergy opportunities

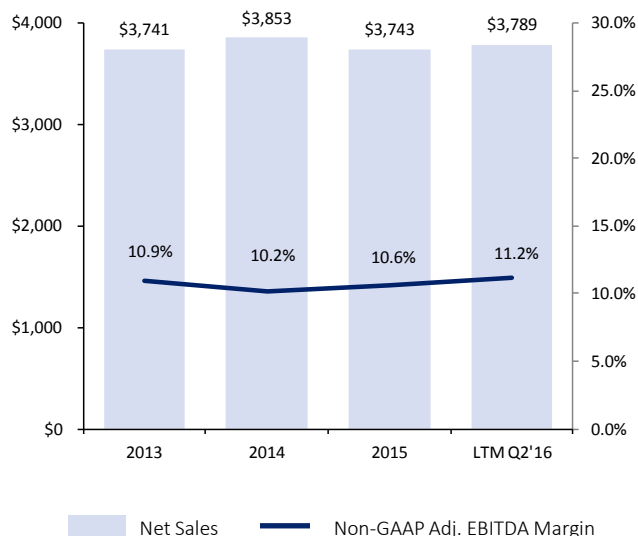
Attractive financial return on investment

We have a proven ability to strategically acquire, integrate and rationalize quickly in a fragmented market

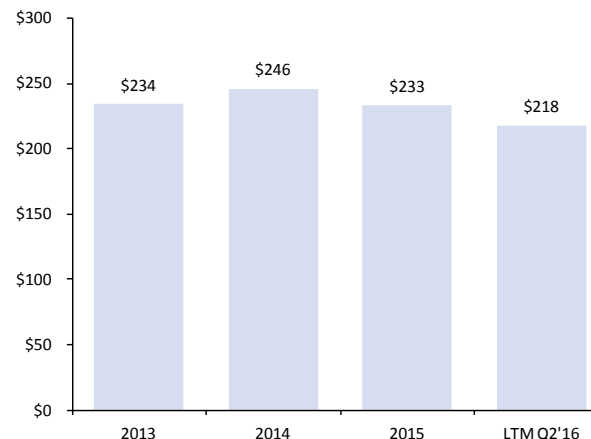
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Financial Strength and Strong Cash Generation

Net Sales (\$mm)



Free Cash Flow (\$mm) ¹



- Maintain low leverage profile of 1.75x to 2.25x; pro forma for the transaction, opening secured and total leverage is expected to be 2.0x
- Disciplined approach to capital expenditures and cost management as well as focus on capital efficiency drives strong cash flow conversion
- Stable margins driven by productivity and acquisition synergies and improving product mix
- Stable cash flows to enable de-leveraging
- Lower working capital, restructuring and capital spending in recent years

Note: Historical cash flows do not reflect interest payments and includes an allocation of pension income. 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of 6/8/2015 to 12/31/2015. Reconciliation of non-GAAP financials in appendix.

1. Free cash flow excludes interest payments per Form 10 filing dated 9/16/2016.

Experienced Leadership Team

Tom Quinlan: Chairman and Chief Executive Officer

Mr. Quinlan has been RRD's President and CEO since April 2007. He joined RRD in 2004 and has served in various finance and operations capacities including as Chief Financial Officer. Prior to that time, Mr. Quinlan served in various finance positions at World Color Press, Inc., Walter Industries, Marsh & McLennan and Kidder Peabody. He has been a director of RRD since 2007.

Sue Bettman: Chief Administrative Officer

Ms. Bettman has served as RRD's Executive Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer since January 2007. She served previously as Senior Vice President, General Counsel since March 2004.

Drew Coxhead: Chief Financial Officer

Mr. Coxhead has served as RRD's Senior Vice President and Chief Accounting Officer since October 2007, and Corporate Controller from October 2007 to January 2013. Prior to this, he served as Vice President, Assistant Controller since September 2006. From 1995 until 2006, Mr. Coxhead served in various capacities with RRD in financial planning, accounting, manufacturing management, operational finance and mergers and acquisitions.

Jim Ellward: President Office Products

Mr. Ellward has served as President of TOPS Products, the office products segment of RRD since July 2013. He previously served as Vice President of Sales since May 2008, and has held other management roles since joining the organization in November 2006. From 2001 until 2006, Mr. Ellward served in various sales capacities with RRD's book manufacturing division.

Janet Halpin: Treasurer and Investor Relations

Ms. Halpin has served as RRD's Senior Vice President and Treasurer since February 2010. Prior to this, she served as Vice President of Internal Audit since April 2008.

Kent Hansen: Chief Accounting Officer and Controller

Mr. Hansen joined LSC Communications in September 2016. Since 2015, Mr. Hansen was Vice President, Assistant Controller, of Baxalta, Incorporated, a biopharmaceutical company. From 2006 to 2015, Mr. Hansen served in various finance and accounting roles with Scientific Games Corporation (formerly WMS Industries, Inc.), including Director of Accounting and SEC Reporting, Assistant Controller, and Group Chief Financial Officer. Mr. Hansen's previous experience included roles in accounting and financial reporting at Accenture and as an auditor at Ernst and Young LLP.

Dave Houck: Chief Information Officer

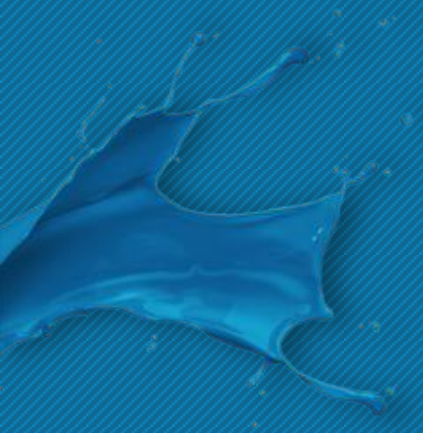
Mr. Houck has served as RRD's Senior Vice President, Information Technology since January 2009. He joined RRD in 2005 as Vice President, Information Technology. Mr. Houck previously spent 15 years with Accenture specializing in IT Planning in the Media and Entertainment vertical focused on the printing industry.

Rick Lane: Chief Strategy and Supply Chain Officer

Mr. Lane has served as RRD's Executive Vice President of Global Business Solutions since 2005 and is responsible for products and materials sourcing, customer service and Global Print Management sales and operations. From 1989 to 1997, Mr. Lane served in various capacities within RRD in sales, strategy and operations and from 1997 to 2005, with other companies in strategic sales and operations roles.

LSC Communications will have an experienced management team with a proven ability to execute operationally and financially in a dynamic market environment

Financial Overview



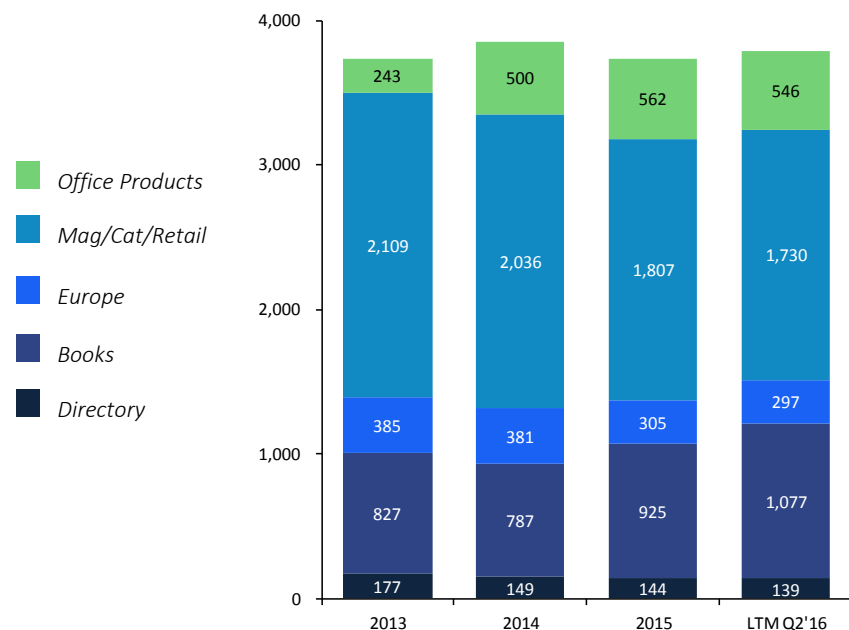
Recent Financial Performance

NET SALES AND GROWTH RATES (IN \$MM)

| | 2013PF | 2014PF | 2015PF | LTM Q2'16 |
|-----------|----------|----------|----------|-----------|
| Net sales | \$ 3,741 | \$ 3,853 | \$ 3,743 | \$ 3,789 |

Stabilization of organic growth rates from -4.1% in 2015 to -1.8% in YTD 2016 driven by growth in books ⁽¹⁾

Business unit net sales



Key Performance Drivers

- Further expansion into end-to-end supply chain management
- Focus on cost structure and efficiency
- Level of excess industry capacity and price pressures
- Pace of electronic substitution
- Strength of economy and general advertising environment
- Postal and distribution costs
- Expansion of Office Products brands
- Shift in consumer preferences toward private label office products

Source: Company management and company filings.

Note: 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of 6/8/2015 to 12/31/2015. Reconciliation of non-GAAP financials in appendix.

1. Organic growth rates pro forma for acquisitions and excluding impact of changes in fx rates and paper sales. Reconciliation of organic growth in appendix.

Q2 / YTD 2016 Update

| LSC Communications | | | | | | |
|------------------------|-----------|-------|--------|--------------------|---------|---------|
| (\$mm) | Q2 Actual | | | Q2 YTD (H1 Actual) | | |
| | 2015 | 2016 | Δ | 2015 | 2016 | Δ |
| Net Sales | \$879 | \$906 | \$27 | \$1,740 | \$1,786 | \$46 |
| Non-GAAP Adj. EBITDA | 88 | 93 | 5 | 163 | 188 | 25 |
| Non-GAAP EBITDA Margin | 10.1% | 10.3% | 24 bps | 9.4% | 10.5% | 121 bps |

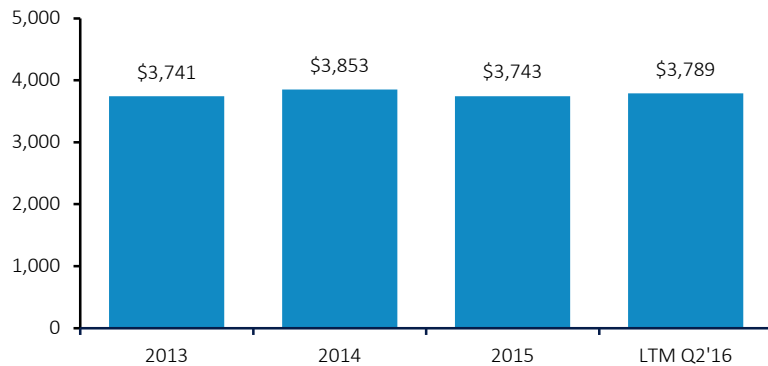
Commentary

Q2 and Q2 YTD:

- Higher sales driven by the Courier acquisition (June 2015) and growth in books from supply chain management contract; organic decline of 2.1% (Q2'16) and 1.8% (YTD 2016)
- Improvement in EBITDA reflects Courier acquisition, including impact of synergies; favorable product mix in Office Products; partially offset by lower volume in magazines, catalogs and retail inserts and price pressures

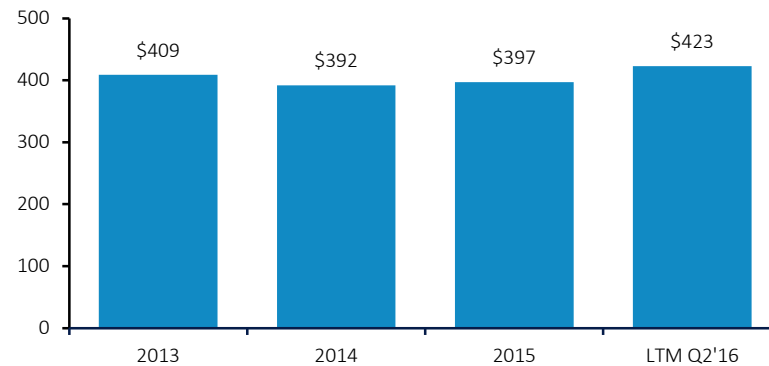
Historical Financial Performance

Net Sales (\$mm)



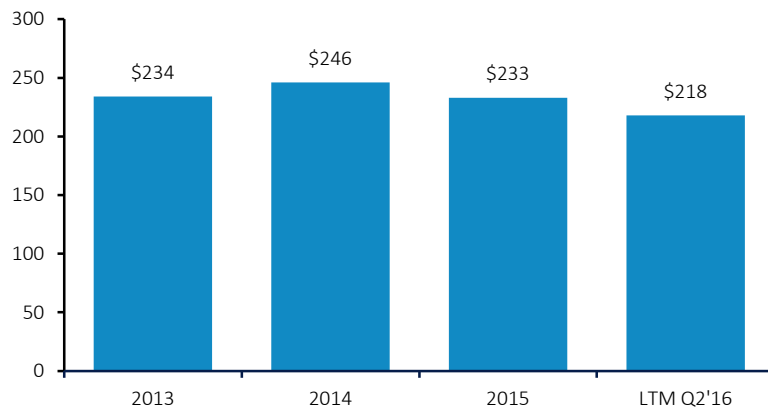
| | | | |
|----------|------|--------|----|
| % growth | 3.0% | (2.9%) | NA |
|----------|------|--------|----|

Non-GAAP Adj. EBITDA (\$mm)



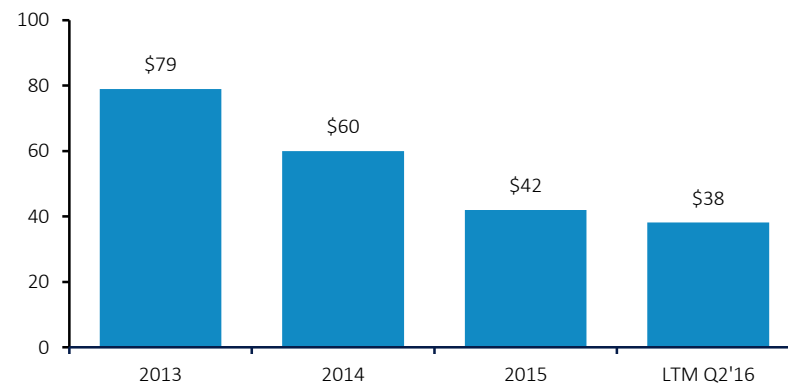
| | | | | |
|----------|-------|-------|-------|-------|
| % margin | 10.9% | 10.2% | 10.6% | 11.2% |
|----------|-------|-------|-------|-------|

Free Cash Flow ¹ (\$mm)



| | | | | |
|------------------------|-------|-------|-------|-------|
| % conv. ⁽²⁾ | 57.1% | 62.8% | 58.7% | 51.5% |
|------------------------|-------|-------|-------|-------|

Capex (\$mm)



| | | | | |
|----------------------------|------|------|------|------|
| % intensity ⁽³⁾ | 2.1% | 1.6% | 1.1% | 1.0% |
|----------------------------|------|------|------|------|

Note: Historical cash flows do not reflect interest payments and includes allocation of pension income. 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of

6/8/2015 to 12/31/2015. Reconciliation of non-GAAP financials in appendix.

1. Reflects unadjusted cash flows excluding interest payments per Form 10 filing dated 9/16/2016.

2. Represents free cash flow as a percent of Non-GAAP Adj. EBITDA.

3. Represents capital expenditures as a percent of net sales.

We are Excited About the Future of **LSC Communications**

We operate in large, highly fragmented markets with opportunities created by evolving technologies

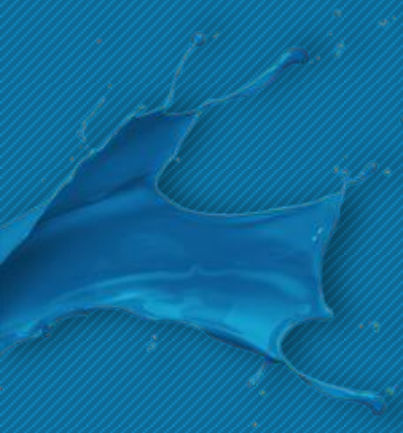
We create value by enabling publishers, retailers and merchandisers to succeed

We are a worldwide leader with best-in-class capabilities, cost structure, scale and relationships

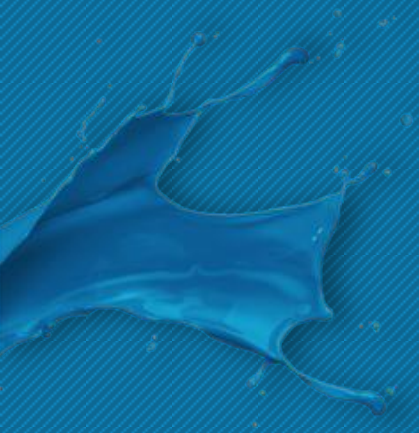
We have a proven operating record and the financial strength needed to execute our strategy

We are confident in our ability to deliver value to all of our stakeholders

Q&A



Appendix



Appendix

Summary Terms of LSC Communications Offerings

| | | | |
|--------------------------|----------------------------------|--------------------------|----------------------------------|
| Issuer: | LSC Communications, Inc. ("LSC") | Borrower: | LSC Communications, Inc. ("LSC") |
| Issue: | Senior Secured Notes | Facility: | Senior Secured Term Loan B |
| Principal Amount: | \$450 million | Principal Amount: | \$375 million |
| Coupon: | 8.750% | Coupon: | L + 6.00% |
| Price: | Par | LIBOR Floor: | 1.00% |
| Maturity: | 7 Years (2023) | | |

Appendix

Overview of Standalone Costs and Shared Services

Standalone costs

- Enterprise-level estimates for net incremental expenses range between approximately \$7.0 million and \$12.0 million on an annual basis going forward and include:
 - Additional personnel including finance, accounting, compliance, tax, treasury, internal audit and legal;
 - Additional professional fees associated with audits, tax, legal and other services;
 - Increased insurance premiums;
 - Costs relating to board of directors' fees;
 - Stock market listing fees, investor relations costs and fees for preparing and distributing periodic filings with the SEC; and
 - Other administrative costs and fees, including anticipated incremental executive compensation costs related to existing and new executive management

Transition services and commercial agreements

- Transition services agreements include such areas as tax, information technology, risk management, treasury, legal, human resources, accounting, purchasing, communications, security and compensation and benefits
 - The terms for each transition service will not exceed 24 months
- Commercial agreements will be in place for various operational services including logistics, premedia services, access to technology, global outsourcing, technical support and other services
 - The terms of such commercial arrangements will be 15-24 months

Appendix

Non-GAAP Financial Measures

(in millions USD)

Total LSC Communications

| | | | | Q1 | | Q1 2016 | Q2 | | Q2 YTD | | Q2 2016 |
|--|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2013 | 2016 | 2015 | LTM | 2016 | 2015 | 2016 | 2015 | LTM |
| Net sales | \$3,742.9 | \$3,853.4 | \$3,741.0 | \$880.0 | \$860.9 | \$3,762.0 | \$906.1 | \$879.0 | \$1,786.1 | \$1,739.9 | \$3,789.1 |
| Net earnings | 73.6 | 58.0 | 94.5 | 31.0 | 9.1 | 95.5 | 28.0 | 11.8 | 59.0 | 20.9 | 111.7 |
| Restructuring, impairment and other charges, net | 56.5 | 131.5 | 79.3 | 2.9 | 5.9 | 53.5 | 5.1 | 21.1 | 8.0 | 27.0 | 37.5 |
| Pension settlement charge | - | - | - | - | - | - | 0.5 | - | 0.5 | - | 0.5 |
| Acquisition-related expenses | 13.8 | 1.4 | 1.0 | - | 10.5 | 3.3 | - | 3.1 | - | 13.6 | 0.2 |
| Purchase accounting inventory adjustments, net | 10.8 | 2.2 | - | - | - | 10.8 | - | 3.2 | - | 3.2 | 7.6 |
| Gain on bargain purchase | - | (9.5) | - | - | - | - | - | - | - | - | - |
| Loss on equity investment | - | - | 2.5 | - | - | - | - | - | - | - | - |
| Depreciation and amortization | 181.4 | 182.0 | 193.7 | 45.5 | 43.1 | 183.8 | 43.6 | 43.0 | 89.1 | 86.1 | 184.4 |
| Interest income-net | (2.5) | (3.9) | (3.8) | (0.3) | (0.8) | (2.0) | (0.5) | (0.8) | (0.8) | (1.6) | (1.7) |
| Income tax expense | 63.9 | 30.2 | 42.1 | 15.9 | 6.4 | 73.4 | 16.3 | 7.1 | 32.2 | 13.5 | 82.6 |
| Non-GAAP Adjusted EBITDA | \$397.5 | \$391.9 | \$409.3 | \$95.0 | \$74.2 | \$418.3 | \$93.0 | \$88.5 | \$188.0 | \$162.7 | \$422.8 |
| Non-GAAP Adjusted EBITDA margin | 10.6% | 10.2% | 10.9% | 10.8% | 8.6% | 11.1% | 10.3% | 10.1% | 10.5% | 9.4% | 11.2% |
| Net cash provided by operating activities | 274.6 | 306.7 | 312.9 | 14.0 | 18.9 | 269.7 | 41.3 | 55.3 | 55.3 | 74.2 | 255.7 |
| Capital expenditures | (41.6) | (60.4) | (79.3) | (11.9) | (13.4) | (40.1) | (7.2) | (9.5) | (19.1) | (22.9) | (37.8) |
| Free cash flow | \$233.0 | \$246.3 | \$233.6 | \$2.1 | \$5.5 | \$229.6 | \$34.1 | \$45.8 | \$36.2 | \$51.3 | \$217.9 |

Source: Company filings.

Note: 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of 6/8/2015 to 12/31/2015.

Appendix

Non-GAAP Financial Measures

(in millions USD)

Print Segment

| | 2015 | 2014 | 2013 | Q1 | | Q1 2016 | Q2 | | Q2 YTD | | Q2 2016 |
|--|------------------|------------------|------------------|----------------|----------------|------------------|----------------|----------------|------------------|------------------|------------------|
| | | | | 2016 | 2015 | LTM | 2016 | 2015 | 2016 | 2015 | LTM |
| Magazines, catalogs and retail inserts | \$1,806.6 | \$2,035.9 | \$2,108.7 | \$406.8 | \$437.7 | \$1,775.7 | \$377.6 | \$422.9 | \$784.4 | \$860.6 | \$1,730.4 |
| Books | 925.0 | 787.3 | 827.0 | 242.8 | 177.4 | 990.4 | 288.0 | 201.0 | 530.8 | 378.4 | 1,077.4 |
| Europe | 304.7 | 381.3 | 385.1 | 70.0 | 74.8 | 299.9 | 66.6 | 69.5 | 136.6 | 144.3 | 297.0 |
| Directories | 144.4 | 148.6 | 177.3 | 32.6 | 33.0 | 144.0 | 31.6 | 37.1 | 64.2 | 70.1 | 138.5 |
| Net sales | \$3,180.7 | \$3,353.1 | \$3,498.1 | \$752.2 | \$722.9 | \$3,210.0 | \$763.8 | \$730.5 | \$1,516.0 | \$1,453.4 | \$3,243.3 |
| Income from operations | 95.9 | 46.8 | 126.6 | 32.2 | 18.3 | 109.8 | 34.2 | 7.7 | 66.4 | 26.0 | 136.3 |
| Depreciation and amortization | 164.2 | 164.4 | 185.4 | 41.1 | 38.4 | 166.9 | 39.2 | 38.9 | 80.3 | 77.3 | 167.2 |
| Restructuring, impairment and other charges, net | 53.1 | 126.9 | 78.9 | 3.0 | 4.6 | 51.5 | 5.1 | 20.6 | 8.1 | 25.2 | 36.0 |
| Purchase accounting inventory adjustments, net | 10.8 | - | - | - | - | 10.8 | - | 3.2 | - | 3.2 | 7.6 |
| Non-GAAP Adjusted EBITDA | \$324.0 | \$338.1 | \$390.9 | \$76.3 | \$61.3 | \$339.0 | \$78.5 | \$70.4 | \$154.8 | \$131.7 | \$347.1 |
| Non-GAAP Adjusted EBITDA margin | 10.2% | 10.1% | 11.2% | 10.1% | 8.5% | 10.6% | 10.3% | 9.6% | 10.2% | 9.1% | 10.7% |

Office Products Segment

| | 2015 | 2014 | 2013 | Q1 | | Q1 2016 | Q2 | | Q2 YTD | | Q2 2016 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | 2016 | 2015 | LTM | 2016 | 2015 | 2016 | 2015 | LTM |
| Net sales | \$562.2 | \$500.3 | \$242.9 | \$127.8 | \$138.0 | \$552.0 | \$142.3 | \$148.5 | \$270.1 | \$286.5 | \$545.8 |
| Income from operations | 46.8 | 39.8 | 24.1 | 13.8 | 8.5 | 52.1 | 13.2 | 13.9 | 27.0 | 22.4 | 51.4 |
| Depreciation and amortization | 15.7 | 15.1 | 6.2 | 3.7 | 4.4 | 15.0 | 3.8 | 3.8 | 7.5 | 8.2 | 15.0 |
| Restructuring, impairment and other charges, net | 3.2 | 4.6 | 0.4 | (0.1) | 1.3 | 1.8 | - | 0.5 | (0.1) | 1.8 | 1.3 |
| Purchase accounting inventory adjustments, net | - | 2.2 | - | - | - | - | - | - | - | - | - |
| Non-GAAP Adjusted EBITDA | \$65.7 | \$61.7 | \$30.7 | \$17.4 | \$14.2 | \$68.9 | \$17.0 | \$18.2 | \$34.4 | \$32.4 | \$67.7 |
| Non-GAAP Adjusted EBITDA margin | 11.7% | 12.3% | 12.6% | 13.6% | 10.3% | 12.5% | 11.9% | 12.3% | 12.7% | 11.3% | 12.4% |

Source: Company filings.

Note: 2015 net sales included \$184mm from the acquisition of Courier, representing net sales from close date of 6/8/2015 to 12/31/2015.

Appendix

Organic Revenue Growth Rates

FY2015 Revenue Growth

| | As Reported | Pro Forma Adjustments | Pro Forma |
|-------------|----------------|--------------------------|-----------|
| 2015 | \$3,742.9 | \$117.9 | \$3,860.8 |
| 2014 | 3,853.4 | 345.6 | 4,199.0 |
| Growth Rate | (2.9%) | | (8.1%) |

Non-GAAP Adjustments:

| | | | |
|------------------------------------|--|----------|---------------|
| Impact of foreign exchange rates | | (\$84.0) | (2.0%) |
| Impact of pass-through paper sales | | (83.5) | (2.0%) |
| Organic revenue decline | | | <u>(4.1%)</u> |

Q1 2016 Y-o-Y Revenue Growth

| | As Reported | Pro Forma Adjustments | Pro Forma |
|-------------|----------------|--------------------------|-----------|
| Q1 2016 | \$880.0 | \$- | \$880.0 |
| Q1 2015 | 860.9 | 56.8 | 917.7 |
| Growth Rate | 2.2% | | (4.1%) |

Non-GAAP Adjustments:

| | | | |
|------------------------------------|--|----------|---------------|
| Impact of foreign exchange rates | | (\$11.4) | (1.2%) |
| Impact of pass-through paper sales | | (13.2) | (1.4%) |
| Organic revenue decline | | | <u>(1.4%)</u> |

Book Segment YTD 6/30/16 Y-o-Y Revenue Growth

| | As Reported | Pro Forma Adjustments | Pro Forma |
|---------------|----------------|--------------------------|-----------|
| YTD 6/30/2016 | \$530.8 | | \$530.8 |
| YTD 6/30/2015 | 378.4 | 117.9 | 496.3 |
| Growth Rate | 40.3% | | 7.0% |

YTD 6/30/16 Y-o-Y Revenue Growth

| | As Reported | Pro Forma Adjustments | Pro Forma |
|---------------|----------------|--------------------------|-----------|
| YTD 6/30/2016 | \$1,786.1 | \$- | \$1,786.1 |
| YTD 6/30/2015 | 1,739.9 | 117.9 | 1,857.8 |
| Growth Rate | 2.7% | | (3.9%) |

Non-GAAP Adjustments:

| | | | |
|------------------------------------|--|----------|---------------|
| Impact of foreign exchange rates | | (\$20.3) | (1.1%) |
| Impact of pass-through paper sales | | (18.3) | (1.0%) |
| Organic revenue decline | | | <u>(1.8%)</u> |

Q2 2016 Y-o-Y Revenue Growth

| | As Reported | Pro Forma Adjustments | Pro Forma |
|-------------|----------------|--------------------------|-----------|
| Q2 2016 | \$906.1 | \$- | \$906.1 |
| Q2 2015 | 879.0 | 61.1 | 940.1 |
| Growth Rate | 3.1% | | (3.6%) |

Non-GAAP Adjustments:

| | | | |
|------------------------------------|--|---------|---------------|
| Impact of foreign exchange rates | | (\$8.9) | (0.9%) |
| Impact of pass-through paper sales | | (5.1) | (0.5%) |
| Organic revenue decline | | | <u>(2.1%)</u> |