

2003

Growth Strategy

In an industry characterized by a high degree of fragmentation and consolidation opportunities, the Corporation has grown historically primarily through acquisitions.

Since its inception in 1988, the Corporation has made more than 65 acquisitions valued at more than \$5.5 billion, 15 of which had an acquisition price in excess of \$50 million. The following table sets forth the Corporation's most significant acquisitions since 1988.

Year	Acquisition	Country	Consideration (millions)*
1988	BCE PubliTech Inc.	Canada	\$191.0
1990	Graphics Holding Enterprises Inc.	U.S.A.	\$532.1
1994	Arcata Corporation (Book Group)	U.S.A.	\$180.9
1995	Financière Jean Didier	France	\$336.7
1997	AmerSig Graphics Inc.	U.S.A.	\$116.0
1997	Franklin Division of Brown Printing Company	U.S.A.	\$125.0
1998	TINA	Sweden and Finland	\$271.8
1999	World Color Press	U.S.A.	\$2,723.7
2001	Retail Printing Corporation	U.S.A.	\$127.7
2002	European Graphic Group S.A., a subsidiary of Hachette Filipacchi Medias	France and Belgium	\$70.7

* Including assumption of long-term debt net of cash and cash equivalent

In 1999, a subsidiary of the Corporation merged with Greenwich, Connecticut-based World Color Press, Inc., the second-largest commercial printer in the United States which operated 58 facilities in the United States and had approximately 16,000 employees.

In order to focus on the integration of operations, from both North American and international perspectives, and on the maximization of free cash flow, the Corporation made no significant business acquisitions since the acquisition of World Color Press, Inc. in August 1999 through the close of 2000. The Corporation resumed its external growth strategy in 2001. The Corporation expanded its U.S. retail platform in July 2001 by acquiring Retail Printing Corporation, a web, offset retail printer with locations in Nashville, Tennessee and Taunton, Massachusetts.

In September 2001, the Corporation signed an agreement pending regulatory approval to purchase the European printing business of Hachette Filipacchi Medias (European Graphic Group, or E2G). The acquired assets include printing and bindery facilities in France, as well as Hachette's 50% ownership stake in the rotogravure printing plant of Helio Charleroi in Belgium. Hachette Filipacchi Medias is one of the world's top publishers with 210 magazine titles in 34 countries. All necessary regulatory approvals were obtained and this transaction closed in March 2002 for an aggregate purchase price of \$70.7 million. The transaction amount includes a purchase price balance for the 50% stake of the Charleroi Group controlled by the Belgian businessman, Albert Frère. As part of the transaction, Hachette has entered into a long-term agreement with the Corporation for it to print many of Hachette's magazines in Europe, the value of which is estimated to be \$400 million (excluding paper) over the term of the contracts.

