

## RR Donnelley 3Q profit shrinks, cuts forecast

The Associated Press

R.R. Donnelley & Sons Co.'s third-quarter net income dropped 55 percent as volumes and prices declined, with an extra hit from one-time charges like acquisition costs and the lack of a tax benefit from last year.

The printing company also cut its revenue forecast for the year and expects 2012 adjusted earnings to come in at the lower end of its prior outlook as "challenging industry dynamics" and a weak global economy pressure its business. It's trying to control costs as revenue drops. The company spent \$7.5 million in the most recent quarter on "employee termination costs" as it closed a U.S. manufacturing facility and reorganized operations.

R.R. Donnelley reported Thursday that it earned \$71.4 million, or 39 cents per share, compared with \$158 million, or 83 cents per share, a year ago.

Stripping out restructuring charges, acquisition costs, tax benefits and provisions, and other items, earnings were 51 cents per share, flat with a year ago and topping the 44-cent profit predicted by analysts polled by FactSet.

Revenue for the three months ended Sept. 30 fell 6 percent to \$2.51 billion from \$2.68 billion, hurt by declining volumes, lower prices and changes in currency values. For a company with overseas operations, a stronger dollar means income from abroad takes a hit when it's translated back into the dollar.

Wall Street predicted \$2.58 billion.

In the U.S. printing and related services division, sales fell more than 6 percent, and dropped 7 percent in the international division.

Part of R.R. Donnelley's business is filing companies' financial statements with regulatory authorities. Earlier this month, it mistakenly filed Google Inc.'s quarterly earnings report with the Securities and Exchange Commission more than three hours ahead of schedule.

R.R. Donnelley now predicts 2012 revenue of \$10.1 billion to \$10.2 billion. Its previous forecast was for revenue of \$10.4 billion to \$10.5 billion. The company expects adjusted earnings at the lower end of its prior guidance of \$1.84 to \$1.92 per share.

Analysts forecast earnings of \$1.85 per share on revenue of \$10.37 billion.

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