

Q3'16 Financial Flash

October 17, 2016



Disclaimer

The following information is preliminary financial information only. None of the information has been reviewed or audited by our independent certified public accountants. The information is subject to adjustment for normal period-end items as well as for other adjustments that may be required when quarterly or annual information is reported. The adjustments could be material. The Company's results can fluctuate from month to month depending on a variety of factors, some of which are beyond the Company's control or are difficult to predict, so no inference as to future results should be drawn from this information. The following information does not necessarily include all material information about the Company or its securities that an investor would consider in making a decision to purchase or sell securities, and, therefore, no person should place undue reliance on this information. The Company disclaims any duty to update the information disclosed below or to provide any information in the future.

Q3'16 Non-GAAP KPIs

		Q3				YTD			
		2016	2015	Variance		2016	2015	Variance	
				Fav (Unfav)	%			Fav (Unfav)	%
Customer Count, Period End (000)	(a)								
Multi-Product		105	127	(22)	-17.2%	105	127	(22)	-17.2%
Digital		52	49	3	6.2%	52	49	3	6.2%
Print		233	274	(41)	-14.9%	233	274	(41)	-14.9%
Total Customers		390	450	(60)	-13.2%	390	450	(60)	-13.2%
Net Revenue (\$mm)									
Print		\$189.1	\$240.0	(\$51.0)	-21.2%	\$604.0	\$769.1	(\$165.1)	-21.5%
Digital		100.8	123.6	(22.8)	-18.5%	296.8	386.7	(89.9)	-23.2%
Other		2.5	0.2	2.3	NM	5.6	1.1	4.5	413.7%
Total Net Revenue	(a), (b)	\$292.3	\$363.8	(\$71.5)	-19.7%	\$906.3	\$1,156.8	(\$250.5)	-21.7%
Pro Forma Adjusted EBITDA (\$mm)	(a), (c)	\$93.1	\$121.5	(\$28.4)	-23.4%	\$272.4	\$423.9	(\$151.5)	-35.7%
Pro Forma Adjusted EBITDA Margin %		31.9%	33.4%	-1.6%		30.1%	36.6%	-6.6%	
Free Cash Flow (\$mm)	(a), (d)	\$62.4	\$60.3	\$2.1	3.5%	\$117.7	\$187.8	(\$70.1)	-37.3%

Footnotes:

(a) All figures presented are unaudited. Material changes may result from audit procedures.

(b) Revenue for August and September 2016 are on a pro forma basis as a result of fresh start accounting.

(c) Adjusted EBITDA reflects operating revenues and expenses, excluding the impact of depreciation, amortization, interest expense and other non-cash/non-recurring items. These results are for periods ending July 31, 2016 and prior.

Adjusted Pro Forma EBITDA reflects operating revenues and expenses, excluding the impact of depreciation, amortization, interest expense and other non-cash/non-recurring items, plus pro forma adjustments associated with fresh start accounting. The August and September results include these pro forma adjustments.

(d) Free Cash Flow reflects cash generated from operating activities, less capital expenditures, interest payments, and capital restructuring and reorganization costs.

Pro Forma Adjusted EBITDA Reconciliation

\$mm	Q3				YTD			
	2016	2015	Variance		2016	2015	Variance	
			Fav (Unfav)	%			Fav (Unfav)	%
Net Income (Loss) - GAAP	\$850.8	(\$67.6)	\$918.4	-1359%	\$649.8	(\$168.3)	\$818.1	-486%
Add/(subtract) non-operating items:								
Provision (benefit) for income taxes	5.2	(16.9)	22.1	-131%	6.0	(19.2)	25.2	-131%
Interest expense, net	10.1	87.8	(77.7)	-88%	142.3	260.3	(118.0)	-45%
Gains on early extinguishment of debt	(1.0)	-	(1.0)	0%	(1.0)	(1.3)	0.3	-23%
Reorganization items	(938.5)	-	(938.5)	0%	(859.7)	-	(859.7)	0%
Operating income (loss)	(\$73.4)	\$3.3	(\$76.7)	-2324%	(\$62.6)	\$71.5	(\$134.1)	-188%
Depreciation and amortization	72.9	101.5	(28.6)	-28%	202.0	310.6	(108.6)	-35%
EBITDA (non-GAAP)	(\$0.5)	\$104.8	(\$105.3)	-100%	\$139.4	\$382.1	(\$242.7)	-64%
Adjustments:								
Adjustments for fresh start accounting	82.4	-	82.4	0%	82.4	-	82.4	0%
Pensions - settlements / mark to market	0.5	-	0.5	0%	2.6	-	2.6	0%
Long term incentive compensation	-	(1.3)	1.3	-100%	0.3	-	0.3	0%
Capital restructuring costs	2.6	5.6	(3.0)	-54%	28.9	5.6	23.3	416%
Business transformation costs	8.1	12.4	(4.3)	-35%	18.8	36.2	(17.4)	-48%
Adjusted and Adj Pro Forma EBITDA (non-GAAP)	\$93.1	\$121.5	(\$28.4)	-23%	\$272.4	\$423.9	(\$151.5)	-36%
Operating Revenue - GAAP	\$181.4	\$363.8	(\$182.4)		\$795.4	\$1,156.8	(\$361.4)	
Pro forma revenue excluded from GAAP revenue	110.9	-	110.9		110.9	-	110.9	
Pro Forma and Operating Revenue (non-GAAP)	\$292.3	\$363.8	(\$71.5)	-20%	\$906.3	\$1,156.8	(\$250.5)	-22%
Net cash provided by operating activities - GAAP	\$69.4	\$62.1	\$7.3		\$129.4	\$198.6	(\$69.2)	
Less: Additions to fixed assets and capitalized software	(7.0)	(1.8)	(5.2)		(11.7)	(10.8)	(0.9)	
Free Cash Flow, after Capital Restructuring and Reorg	\$62.4	\$60.3	\$2.1		\$117.7	\$187.8	(\$70.1)	

Free Cash Flow Reconciliation

\$mm

	Q3				YTD			
	2016	2015	Variance		2016	2015	Variance	
			Fav (Unfav)	%			Fav (Unfav)	%
Pro Forma Adjusted EBITDA	\$93.1	\$121.5	(\$28.4)	-23.4%	\$272.4	\$423.9	(\$151.5)	-35.7%
Non-cash EBITDA Adjustments	(0.6)	0.2	(0.8)	-400.0%	(0.2)	(3.9)	3.7	-94.9%
Tax Refunds/(Payments)	(0.3)	0.0	(0.3)	0.0%	(4.2)	(6.7)	2.5	-37.3%
Late Fees	1.5	1.3	0.2	15.4%	4.1	4.3	(0.2)	-4.7%
Business Transformation	(12.2)	(19.9)	7.7	-38.7%	(24.2)	(58.8)	34.6	-58.8%
Pension Funding	(2.4)	(1.3)	(1.1)	84.6%	(4.1)	(3.6)	(0.5)	13.9%
Working Capital/Other	20.8	21.0	(0.2)	-1.0%	30.3	27.2	3.1	11.4%
Cash from Operating Activities	\$99.9	\$122.8	(\$22.9)	-18.6%	\$274.1	\$382.4	(\$108.3)	-28.3%
Capital Expenditures	(7.0)	(1.8)	(5.2)	288.9%	(11.7)	(10.8)	(0.9)	8.3%
Free Cash Flow (before debt service)	\$92.9	\$121.0	(\$28.1)	-23.2%	\$262.4	\$371.6	(\$109.2)	-29.4%
Interest Payments	(15.7)	(55.3)	39.6	-71.6%	(101.4)	(177.2)	75.8	-42.8%
Free Cash Flow, before Capital Restructuring & Reorganization	\$77.2	\$65.7	\$11.5	17.5%	\$161.0	\$194.4	(\$33.4)	-17.2%
Capital Restructuring	(2.6)	(5.4)	2.8	-51.9%	(29.5)	(6.6)	(22.9)	NM
Reorganization-Pre-Emergence	(5.6)	0.0	(5.6)	NM	(7.2)	0.0		
Reorganization-Post-Emergence	(6.6)	0.0	(6.6)	NM	(6.6)	0.0	(6.6)	NM
Free Cash Flow, after Capital Restructuring & Reorganization	\$62.4	\$60.3	\$2.1	3.5%	\$117.7	\$187.8	(\$62.9)	-33.5%

Note: Free cash flow does not include any amortization or pay down of debt or debt amendment fees

Net Debt

<i>\$mm</i>	September 30
	2016
Cash	\$70.4
Committed for Repurchase	(31.2)
Held for Claims	(2.2)
Restricted for ECF Payment	(a) (2.0)
Operating Cash	\$35.0
Debt	
Issued	\$600.0
Repurchased in Period	(a) (29.5)
Outstanding Debt	\$570.5
Repurchased - To Be Settled	(a) (32.0)
Total	\$538.5
Net Debt	\$503.6

Footnotes:

(a) Operating Excess Free Cash Flow for the August / September period totaled \$61.7mm. Company repurchased \$29.5mm par value of debt, with an additional \$32.0mm committed to be repurchased, but yet to be settled by Sept. 30. Total cash committed for these transactions equaled \$59.5mm. Remaining excess cash of \$2.0mm is restricted for additional debt repurchase.