

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1999-03-26** | Period of Report: **1998-12-27**
SEC Accession No. **0000780117-99-000008**

([HTML Version](#) on [secdatabase.com](#))

FILER

WORLD COLOR PRESS INC /DE/

CIK: **780117** | IRS No.: **371167902** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **10-K405** | Act: **34** | File No.: **001-11802** | Film No.: **99573509**
SIC: **2750** Commercial printing

Mailing Address

*THE MILL
340 PEMBERWICK ROAD
GREENWICH CT 06831*

Business Address

*THE MILL
340 PEMBERWICK ROAD
GREENWICH CT 06831
2035324200*

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 27, 1998 Commission file number 1-11802

[logo]

WORLD COLOR PRESS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 37-1167902
(State or other jurisdiction of (IRS Employer Identification Number)
incorporation or organization)

THE MILL, 340 PEMBERWICK ROAD 06831
GREENWICH, CONNECTICUT (Zip Code)
(Address of principal executive offices)

203-532-4200
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

<TABLE>

<CAPTION>

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
<S>	<C>
Common Stock, \$.01 par value per share	New York Stock Exchange, Inc.
6% Convertible Senior Subordinated Notes due 2007	New York Stock Exchange, Inc.

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information

statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The only class of voting securities of World Color Press, Inc. is its common stock, par value \$.01 per share (the "Common Stock"). On March 12, 1999, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$918 million.

The number of shares of the Common Stock outstanding as of March 12, 1999:
38,131,836

DOCUMENTS INCORPORATED BY REFERENCE

Certain exhibits as listed on the Exhibit Index and filed with registrant's registration statement on Form S-1 (No. 33-99676), Form S-8 (No. 333-47743), Form S-1 (No. 33-59490) and Form S-4 (No. 333-74087) under the Securities Act of 1933, as amended, are incorporated by reference into Part IV of this Form 10-K. Portions of the registrant's 1998 Annual Report to Stockholders are incorporated by reference into Part II of this Form 10-K. Portions of the registrant's definitive Proxy Statement dated March 26, 1999 are incorporated by reference into Part III of this Form 10-K.

INDEX

	PAGE

PART I	
ITEM 1. Business	1
ITEM 2. Properties	6
ITEM 3. Legal Proceedings	7
ITEM 4. Submission of Matters to a Vote of Security Holders	7
PART II	
ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters	8
ITEM 6. Selected Financial Data	8
ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	8
ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk	9
ITEM 8. Financial Statements and Supplementary Data	9
ITEM 9. Changes in and Disagreements with Accountants on	

PART III

ITEM 10. Directors and Executive Officers of the Registrant 9

ITEM 11. Executive Compensation 9

ITEM 12. Security Ownership of Certain Beneficial Owners and Management 9

ITEM 13. Certain Relationships and Related Transactions 9

PART IV

ITEM 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K. 10

SIGNATURES 18

PART I

ITEM 1. BUSINESS.

GENERAL

We are an industry leader in the management and distribution of print and digital information. We are the second largest diversified commercial printer in the United States, providing digital prepress, press, binding, distribution and multi-media services to customers in the commercial, magazine, catalog, direct mail, book and directory markets. Founded in 1903, we currently operate 52 facilities with a network of sales offices nationwide. Through selective acquisitions and internal expansion, we have strategically positioned ourselves as a full-service provider of high technology solutions for our customers' imaging, print and distribution needs.

We operate in one business segment -- printing services. The following table presents the percentage of total revenue contributed by each market sector during the past three fiscal years.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Commercial	26%	23%	27%
Magazines	28	30	29
Catalogs	24	24	27
Direct Mail	8	7	9
Books	10	11	2

Directories	4	5	6
	----	----	----
TOTAL:	100%	100%	100%
	=====	=====	=====

</TABLE>

We completed five acquisitions in calendar year 1998: Magna Graphic, Inc. (January), a prepress operation servicing customers primarily in the educational textbook market, Dittler Brothers, Incorporated (March), a direct mail and commercial printing operation, Acme Printing Company, Inc. (April), a commercial printer and Century Graphics Corporation (February) and Great Western Publishing, Inc. (December, fiscal year 1999), two operations serving customers in the retail insert market. The above table includes the revenues we recognized from these operations from their respective acquisition dates in 1998.

Substantially all sales are made to customers through our employees based upon customer specification. A significant amount of our sales are made pursuant to term contracts with our customers, with the remainder being made on an order-by-order basis. As a result, we have a significant backlog of orders. No customer accounted for more than 5% of our net sales in 1998. In our opinion, the loss, at substantially the same time, of all of the business provided by any one of our largest customers could have an adverse effect upon us.

1

MARKET SECTORS

COMMERCIAL. We are a premier printer of virtually all of the different kinds of printed materials used by businesses to promote their goods and services to other businesses, investors and consumers. We print high quality specialty products such as annual reports (including our own) and automobile and travel brochures. We are also a leading printer of product brochures, bill stuffers, informational marketing materials and other advertising supplements.

We also print freestanding inserts and retail inserts for established national and regional retailers and are the second largest offset printer of retail advertising inserts in the United States. We are an industry leader in three highly specialized areas: (1) complex personalized direct response materials; (2) unique and intricate consumer-involvement promotional materials such as scratch-off game pieces; and (3) airline guides and hotel directories.

With a broad range of specialized equipment and focused attention to customer service, we provide our commercial customers with format flexibility, high-speed production and the ability to print high quality commercial products from start to finish at one full-service

source. We believe our reputation for and dedication to innovation and leadership in specialized services will allow us to enjoy continued loyalty from our customers.

MAGAZINES. We believe that we are the second largest printer of consumer magazines in the United States. Our principal competitors in this sector consist of three diversified printing companies. Our publication customer base includes some of the largest and most established consumer magazine publishers in a diverse range of market categories. The popularity of these magazines makes them less susceptible to cyclical downturns in advertising spending, which we believe provides us with a significant advantage over competitors whose customers may be more susceptible to such downturns.

A majority of our magazine printing is performed under contracts with remaining terms of between one and ten years, the largest of which are with customers with whom we have had relationships for, on average, more than 20 years. We have extended a majority of such contracts beyond their initial expiration dates and intend to continue this practice when economically practicable.

CATALOGS. We are a leading printer for the U.S. catalog market. We currently print many of the most well known catalog titles. In addition, our business-to-business catalog printing work spans a broad range of industries including the computer, home and office furniture, office products and industrial safety products industries. Our key competitors in the catalog market consist of four diversified commercial printers whose facilities enable them to compete in the national market and smaller local and regional printers who compete for regional business.

DIRECT MAIL. Direct mail marketing services are an important and growing component of many businesses' marketing programs and overall U.S. advertising expenditures. We print direct mail materials such as booklets, inserts, bill stuffers and other advertisements. In addition, we provide direct marketers with direct imaging, personalization and other lettershop services. We believe that we are the only direct mail printer capable of providing complex personalization for both short and long-run projects.

BOOKS. We print mass-market, racksize books and hardcover books for the consumer, education and reference markets. We service many of the largest U.S. publishers.

DIRECTORIES. We have printed directories since 1981, predominately for Pacific Bell. We print four-color white-page and yellow-page directories for Pacific Bell under a contract which extends through the year 2002 and which can be extended by Pacific Bell for up to an

additional three years. We print more than 100 different regional directory titles for Pacific Bell and certain other customers.

CURRENT SERVICES

DIGITAL AND PREPRESS SERVICES. We are a leader in the transition from conventional prepress to an all-digital workflow, providing a complete spectrum of film and digital preparation services, from traditional paste-up and color separations to state-of-the-art, all-digital prepress, as well as digital imaging and digital archiving. Our ten specialized digital and prepress facilities, which are strategically located close to our customers, provide high quality, 24-hour preparatory services linked directly to our various printing facilities. In addition, our computer systems enable us to exchange images and textual material electronically directly between our facilities and the customers' business locations. The integrated prepress operations provide us with competitive advantages over traditional prepress shops that are not able to provide the same level of integrated services. Our digital group also provides multi-media services such as the transformation of customers' existing printed and digital material into interactive media such as user-friendly information kiosk systems, Internet web sites, corporate intranets, CD-ROM's and computer laptop sales presentations. Our digital services group has provided a natural opportunity for our cross-selling efforts by offering integrated prepress and multi-media services to our print customers who may have historically used third-party suppliers for their prepress and multi-media needs.

PRESS AND BINDING SERVICES. We believe that we provide our customers with access to state-of-the-art technology in all phases of the printing and binding process, including, among others, wide-web presses, computerized quality information systems, computer-to-plate and digital processing systems, high speed binding and personalization capabilities and robotic material handling. Wide-web press technology, which only a small number of well-capitalized printers are able to justify, generates a significant cost savings on longer press runs. Computerized quality information systems provide us and our customers with instant analysis of the quality of the printing, thereby enabling us to improve our performance and plan preventive maintenance of our equipment more effectively. Computer-to-plate and digital processing technologies eliminate the use of film which significantly reduces costs and production time and enables our customers to extend their production deadlines. Our personalization capabilities allow customers to include different content, whether advertising or editorial or both, within different copies of their product depending upon the geographic, demographic and subscriber specifications of their readers.

We operate web and sheetfed offset, rotogravure and flexographic presses. We believe that the variety and capabilities of our presses and other production equipment allow us to meet the broad range of our

customers' printing needs and be the full service provider demanded by the market. This capacity provides us with the competitive advantage over those smaller printers who are unable to meet this demand.

DISTRIBUTION AND LOGISTICS. We believe that our sophisticated mailing and distribution capabilities are among the best in the industry. We maintain a network of strategic regional locations from which we provide customers important local access to our nationwide services. Nearly all of our printing facilities dedicated to servicing our magazine, catalog and direct mail customers are strategically located in the mid-region of the country. We believe that the size of these printing plants and their central location and close proximity to each other provide us with a significant advantage in distribution capabilities, enabling us to distribute a greater volume of product than our competitors to a wider target market at a lower cost. We also operate facilities on the west and east coasts which serve more regionalized needs. We use computerized cost studies to examine the benefits of pooled and palletized mailing for each customer to develop an efficient and cost effective distribution plan designed to ensure that the customer's product reaches consumers at narrowly specified delivery times.

COMPETITION

Although we are one of the largest diversified commercial printers in the United States, the industry is highly competitive in most product categories and geographic regions. Competition is largely based on price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology. We compete for commercial business not only with large national printers, but also with smaller regional printers. In certain circumstances, due primarily to factors such as freight rates and customer preference for local services, printers with better access to certain regions of the country may have a competitive advantage in such a region.

The printing industry is experiencing excess capacity. Further, the industries that we serve have been subject to consolidation efforts, leading to a smaller number of potential customers who exercise increased pricing leverage over the industry. Primarily as a result of this excess capacity and customer consolidation, there has been, and will continue to be, downward pricing pressure and increased competition in the printing industry.

RAW MATERIALS

The primary raw materials required in a printing operation are ink and paper. We supply all of the ink and a substantial amount of the paper

used in the printing process. Our net sales include sales to certain customers of paper that we purchase. We provide warehouse space for both ourselves and customer supplied paper. The price of paper is volatile over time and may cause significant swings in net sales and cost of sales. We generally are able to pass on increases in the cost of paper to our customers, while declines in paper costs result in lower prices to our customers. The paper market firmed in pricing from early 1997 to late 1997. In early 1998 paper pricing softened from late 1997 price levels. Prices continued to decline throughout 1998 as availability became plentiful for most grades of paper. We anticipate that pricing will continue to soften in 1999. We believe we have adequate allocations with our paper suppliers to meet our customers' needs. Our contracts with our customers generally provide for price adjustments to reflect price changes for other materials, wages and outside services.

Our materials management program capitalizes on our purchasing power in order to minimize materials costs while optimizing inventory management. In addition, our strong commercial relationships with a relatively small number of suppliers allow us to negotiate favorable price discounts and achieve more assured sourcing of high quality paper that meets our specifications. We are not dependent upon any one source for our paper or ink. Given the volume of our purchases, we are generally able to obtain quality paper, ink and other materials at competitive prices. We believe that an adequate supply of ink is available.

ENVIRONMENTAL COMPLIANCE

We are subject to regulation under various and changing federal, state and local laws relating to the environment and to employee safety and health. These environmental regulations relate to the generation, storage, transportation, disposal and emission into the environment of various substances. Permits are required for operation of our business (particularly air emission permits), and these permits are subject to renewal, modification and, in certain circumstances, revocation. We believe that we are in substantial compliance with such laws and permitting requirements. We are also subject to regulation under various and changing federal, state and local laws which allow regulatory authorities to compel (or to seek reimbursement for) clean-up of environmental contamination at our own sites and at facilities where our waste is or has been disposed.

We have internal controls and personnel dedicated to compliance with all applicable environmental laws. We estimate that capital expenditures in 1999 required to comply with federal, state and local provisions for environmental controls, as well as expenditures for our share of costs for environmental clean-up, if any, will not be material and will not have a material adverse effect on us. We expect

to incur ongoing capital and operating costs to maintain compliance with applicable environmental laws, which costs we do not expect to be, in the aggregate, material.

RESEARCH AND DEVELOPMENT

Suppliers of equipment and materials used by companies such as us perform most of the research and development related to the printing industry. Accordingly, our expenses and capital investments for research and development are not material. We do, however, dedicate significant resources to improving our operating efficiencies and the services we provide to our customers. In an effort to realize increased efficiencies in our printing processes, we have made significant investments in state-of-the-art equipment, including new press and binding technology, digital photography, computer-to-plate and digital processing technology and real-time product quality monitoring systems.

EMPLOYEES

As of March 1, 1999, we had over 16,000 employees, approximately 16% of who were represented by unions. As of March 1, 1999 approximately 1,600 of such union employees, in two different facilities, were covered under several different contracts which have expired and are currently under negotiation.

The balance of our union employees are covered under contracts which expire during 1999, 2000 and 2002.

ITEM 2. PROPERTIES.

Our corporate office is currently located in leased facilities in Greenwich, Connecticut. Production facilities are located throughout the United States, as set forth below. We believe our facilities provide adequate productive capacity for our needs. Summary information regarding our facilities is set forth as follows:

<TABLE>
<CAPTION>

USE AND LOCATION -----	OWNED/LEASED -----	SQUARE FOOTAGE -----
<S>	<C>	<C>
CORPORATE HEADQUARTERS:		
Greenwich, Connecticut	Leased	55,000
PRINTING PLANTS:		
Atlanta, Georgia	Owned	129,000
Augusta, Georgia	Owned	700,000

Aurora, Illinois	Owned	226,000
Brookfield, Wisconsin.	Owned	309,000
Corinth, Mississippi	Owned	630,000
Covington, Tennessee	Owned	535,000
Dresden, Tennessee	Owned	678,000
Dyersburg, Tennessee	Owned	869,000
Elk Grove Village, Illinois. .	Owned	177,000
Elk Grove Village, Illinois. .	Leased	93,000
Effingham, Illinois.	Owned	570,000
Enfield, Connecticut	Owned	75,000
Jonesboro, Arkansas.	Owned	400,000
Lebanon, Ohio.	Owned	270,000
Los Angeles, California. . . .	Leased	283,000
Merced, California	Owned	460,000
Metairie, Louisiana.	Owned	106,000
North Haven, Connecticut . . .	Owned	440,000
Oakwood, Georgia	Owned	251,000
Oberlin, Ohio.	Owned	110,000
Oklahoma City, Oklahoma. . . .	Owned	220,000
Omaha, Nebraska.	Owned	52,000
Ontario, California.	Leased	39,000
Orlando, Florida	Leased	191,000
Phoenix, Arizona	Leased	83,000
Red Bank, Ohio	Owned	180,000
Salem, Illinois.	Owned	688,000
Salt Lake City, Utah	Leased	39,000
South Windsor, Connecticut . .	Owned	42,000
Stafford, Texas.	Leased	60,000
Stillwater, Oklahoma	Owned	332,000
Taunton, Massachusetts	Owned	358,000
Versailles, Kentucky	Owned	1,058,000
Wilmington, Massachusetts. . .	Leased	195,000
Winchester, Virginia	Owned	96,000

<CAPTION>

<S>	<C>	<C>
DIGITAL SERVICES/PREPRESS:		
Arlington Heights, Illinois. .	Leased	18,000
Charlotte, North Carolina. . .	Leased	25,000
Lake Mary, Florida	Leased	19,000
Lexington, Kentucky.	Leased	27,000
Los Angeles, California. . . .	Leased	22,000
New York, New York	Leased	6,000
Orlando, Florida	Leased	18,000
St. Charles, Missouri.	Leased	20,000
Warren, Michigan	Leased	12,000
Washington, D.C.	Owned	67,000
DISTRIBUTION:		

Altamont, Illinois	Leased	27,000
Bensenville, Illinois (DISTRIBUTION/BINDERY)	Owned	307,000
Flora, Illinois	Owned	120,000
Lexington, Kentucky	Leased	26,000
Lexington, Kentucky	Leased	240,000
Trenton, Tennessee	Leased	96,000
WAREHOUSE:		
Dresden, Tennessee	Leased	35,000
Elk Grove Village, Illinois	Leased	102,000
Jonesboro, Arkansas	Leased	76,000
Memphis, Tennessee	Leased	100,000
Newburn, Tennessee	Leased	68,000
Versailles, Kentucky	Leased	27,000
West Annex, Oklahoma	Owned	26,000
Winchester, Virginia	Leased	20,000

</TABLE>

In addition, we maintain an extensive network of sales offices located throughout the United States. We believe that none of our leases are material to our operations and that such leases were entered into on market terms.

ITEM 3. LEGAL PROCEEDINGS.

We do not believe that there are any pending legal proceedings, which, if adversely determined, could have a material adverse effect on our financial condition or results of operations, taken as a whole.

There were no material pending legal proceedings that were terminated in the fourth quarter of the fiscal year ended December 27, 1998.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET PRICE RANGE OF COMMON STOCK

Our Common Stock is listed on the New York Stock Exchange under the symbol: WRC. At March 12, 1999 there were approximately 138 registered holders of record of our Common Stock. The following table sets forth the range of the high and low sales prices of the Common Stock as quoted on the New York Stock Exchange for 1997 and 1998. We did not

pay dividends during 1997 or 1998.

<TABLE>

<CAPTION>

1997	High	Low	Close
<S>	<C>	<C>	<C>
First Quarter	22 5/8	18 1/8	20 1/4
Second Quarter	26 1/4	19 5/8	24 1/8
Third Quarter	32 7/16	23 1/4	29 9/16
Fourth Quarter	30 1/4	22 11/16	25 15/16

<CAPTION>

1998	High	Low	Close
<S>	<C>	<C>	<C>
First Quarter	34 3/4	25 3/8	34 1/8
Second Quarter	35 11/16	29 7/8	33 1/16
Third Quarter	36 1/4	26	29 1/2
Fourth Quarter	34 3/4	22 3/4	27 1/8

</TABLE>

DIVIDEND POLICY

We do not anticipate declaring and paying cash dividends on the Common Stock at any time in the foreseeable future. The decision whether to apply legally available funds to the payment of dividends on the Common Stock will be made by our Board of Directors from time to time in the exercise of its prudent business judgment, taking into account, among other things, our results of operations and financial condition, any then existing or proposed commitments for our use of available funds, and our obligations with respect to any then outstanding class or series of our preferred stock. We are restricted by the terms of certain of our outstanding debt and financing agreements from paying cash dividends on our Common Stock.

ITEM 6. SELECTED FINANCIAL DATA.

See "Selected Financial Data" on page 19 of our Annual Report to Stockholders, which information is incorporated by reference herein.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

See "Management's Discussion and Analysis" on pages 20 - 24 of our Annual Report to Stockholders, which information is incorporated by reference herein.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

For quantitative and qualitative disclosures about market risk, see the notes to the consolidated financial statements (Note 7) referenced in Item 8 of this report, and the information presented under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations: Liquidity and Capital Resources" on pages 21 - 23 of our Annual Report to Stockholders, incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements described in Item 14(a) of this report are incorporated herein. The supplementary quarterly data set forth in Note 17 on page 40 of our Annual Report to Stockholders is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

See "Election of Directors" on pages 3 - 6; "Executive Officers" on pages 12 - 13 and "Other Matters" on page 22 of our definitive Proxy Statement dated March 26, 1999, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

See "Director Compensation" on page 7; "Executive Compensation -- Summary Compensation Table," "-- Option Grants in 1998," "-- Aggregate Option Exercises in Fiscal 1998 and Fiscal Year-End Option Values," "-- Compensation Under Retirement Plans," "-- Agreements With Named Executive Officers," "--Board Compensation Report on Executive Compensation" and "-- Compensation Committee Interlocks and Insider Participation" on pages 14 - 20 and "Performance Information" on page 21 of our definitive Proxy Statement dated March 26, 1999, which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

See "Stock Ownership of Certain Beneficial Owners and Management" on pages 10 - 11 of our definitive Proxy Statement dated March 26, 1999, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

See "Certain Relationships and Related Transactions" on page 9 of our definitive Proxy Statement dated March 26, 1999, which information is incorporated herein by reference.

9

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of this report:

(i) Financial Statements

Our consolidated financial statements, as included in Part II, Item 8, are as follows:

	Page in 1998 Annual Report to Stockholders -----
Independent Auditors' Report	25
Consolidated Balance Sheets as of December 27, 1998 and December 28, 1997	26
Consolidated Statements of Operations for the Years ended December 27, 1998 , December 28, 1997 and December 29, 1996	27
Consolidated Statements of Stockholders' Equity for the Years ended December 27, 1998, December 28, 1997 and December 29, 1996	28
Consolidated Statements of Cash Flows for the Years ended December 27, 1998, December 28, 1997 and December 29, 1996	29
Notes to Consolidated Financial Statements	30 - 40

(ii) Financial Statement Schedule:

Independent Auditors' Report, as set forth on page 16 of this report.

Schedule II, Valuation and Qualifying Accounts, as set forth on page 17 of this report.

All other schedules have been omitted because they are

inapplicable or are not required or the information is included elsewhere in the financial statements or notes there to.

(iii) Exhibits:

10

EXHIBIT NO.	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of World Color Press, Inc., incorporated by reference to Exhibit 3.1 to World Color's Registration Statement on Form S-1 (No. 33-99676) under the Securities Act of 1933, as amended (the "World Color Equity S-1").
3.2	Amended and Restated By-Laws of World Color Press, Inc., incorporated by reference to Exhibit 3.2 to World Color's Annual Report on Form 10-K for the fiscal year ended December 29, 1996.
4.1	Indenture (the "Convert Indenture") between World Color Press, Inc. and State Street Bank and Trust Company, as trustee, relating to World Color's 6% Convertible Senior Subordinated Notes due 2007 (the "Converts"), incorporated by reference to Exhibit 4.1 to World Color's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
4.2	Specimen of Converts (included in the Convert Indenture, incorporated by reference as Exhibit 4.1).
4.3	Indenture between World Color Press, Inc. and The Bank of New York, as trustee, relating to World Color's 8-3/8% Senior Subordinated Notes due 2008, incorporated by reference to Exhibit 4.1 to World Color's Registration Statement on Form S-4 (No. 333-74087) under the Securities Act of 1933, as amended (the "World Color Debt S-4").
4.4	Specimen of World Color's 8-3/8% Senior Subordinated Notes due 2008 (included in the Indenture incorporated by reference as Exhibit 4.3).
4.5	Indenture between World Color Press, Inc. and The Bank of New York, as trustee, relating to World Color's 7-3/4% Senior Subordinated Notes due 2009, incorporated by reference to Exhibit 4.3 to the World Color Debt S-4.
4.6	Specimen of World Color's 7-3/4% Senior Subordinated Notes due 2009 (included in the Indenture incorporated by reference as Exhibit 4.5).
10.1	Second Amended and Restated Credit Agreement, dated as of June 6, 1996, among World Color Press, Inc. and the lenders and agents party thereto (the "Credit Agreement"), incorporated by reference to Exhibit 10.2 to World Color's Current Report on Form 8-K dated June 21, 1996.

- 10.2 First Amendment dated as of June 10, 1996 to the Credit Agreement, incorporated by reference to Exhibit 10.3 to World Color's Current Report on Form 8-K dated June 21, 1996.
- 10.3 Limited Waiver, Consent and Second Amendment to Second Amended and Restated Credit Agreement dated as of June 9, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.

11

EXHIBIT NO.	DESCRIPTION
10.4	Third Amendment to Second Amended and Restated Credit Agreement dated as of June 27, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.5	Limited Waiver, Consent and Fourth Amendment to Second Amended and Restated Credit Agreement dated as of September 29, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages thereto, incorporated by reference to Exhibit 10.4 to World Color's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
10.6	Fifth Amendment to Second Amended and Restated Credit Agreement dated as of June 4, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.4 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
10.7	Sixth Amendment to Second Amended and Restated Credit Agreement dated as of November 11, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.1 to the World Color Debt S-4.

- 10.8 Seventh Amendment to Second Amended and Restated Credit Agreement dated as of November 23, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.2 to the World Color Debt S-4.
- 10.9 Limited Consent and Eighth Amendment to Second Amended and Restated Credit Agreement dated as of February 3, 1999, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.3 to the World Color Debt S-4.
- 10.10 Receivables Sale Agreement dated as of June 30, 1997 among World Color Finance, Inc., as Seller, ABN AMRO Bank N.V., as the Agent, the Liquidity Providers from time to time party to the agreement, ABN AMRO Bank N.V., as the Enhancer, and the Windmill Funding Corporation, incorporated by reference to Exhibit 10.4 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.

12

EXHIBIT NO.	DESCRIPTION
10.11	Receivables Purchase Agreement dated as of June 30, 1997 between World Color Press, Inc., and World Color Finance, Inc., incorporated by reference to Exhibit 10.5 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.12	Indemnity Agreement dated as of June 30, 1997, made by and between World Color Press, Inc. and ABN AMRO Bank N.V., as agent, incorporated by reference to Exhibit 10.6 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.13	Form of Unitholders Agreement, incorporated by reference to Exhibit 10.21 to World Color's Registration Statement on Form S-1 (No. 33-59490) under the Securities Act of 1933, as amended (the "World Color Debt S-1").
10.14	Form of Optionholders Agreement between World Color and the Optionholders (as defined therein), incorporated by reference to Exhibit 10.23 to the World Color Debt S-1.
10.15	Second Amended and Restated Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.9 to World Color's Annual Report on Form 10-K for the fiscal year ended December 25, 1994.

- 10.16 The Restricted Stock Plan of World Color Press, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.17 Form of World Color Press Restricted Stock Agreement, incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.18 1998 Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.5 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.19 Form of World Color Stock Option Agreement, incorporated by reference to Exhibit 10.25 to the World Color Debt S-1.
- 10.20 Letter Agreement, dated as of November 4, 1991, between World Color and Marc L. Reisch regarding certain severance arrangements, incorporated by reference to Exhibit 10.26 to the World Color Debt S-1.
- 10.21 Letter Agreement, dated as of May 27, 1998, between World Color and Jennifer L. Adams regarding certain severance arrangements.
- 10.22 Third Amendment to the World Color Press, Inc. Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.18 to World Color's Annual Report on Form 10-K for the fiscal year ended December 25, 1994.
- 10.23 The World Color Press, Inc. Third Amended and Restated Supplemental Retirement Plan as of May 11, 1998 incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.24 Trust under the World Color Press, Inc. Supplemental Retirement Plan, dated as of October 12, 1995, by and between World Color and Harris Trust and Savings Bank, incorporated by reference to Exhibit 10.2 to the World Color Form 10-Q for the quarterly period ended October 1, 1995.

13

EXHIBIT NO.	DESCRIPTION
10.25	The World Color Press, Inc. Second Amended and Restated Supplemental Retirement Plan dated June 14, 1995, as amended July 15, 1997, incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
10.26	Stock Option Agreement dated as of June 12, 1997, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.

- 10.27 Stock Option Agreement dated as of June 12, 1997, incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
- 10.28 Form of Amended and Restated 1995 Senior Management Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
- 10.29 Form of Stock Option Agreement between World Color and certain Optionholders, incorporated by reference to Exhibit 4.7 to the World Color Registration Statement on Form S-8 (No. 333-47743) under the Securities Act of 1933, as amended.
- 10.30 Amended and Restated Registration Rights Agreement, dated as of November 20, 1995, among World Color Press, Inc., KKR Partners II, L.P., Manufacturing Acquisition Associates, L.P., PACE Equity Associates, L.P., KKR Associates, L.P., Merrill Lynch Capital Appreciation PSHP, No. 1, L.P., Merrill Lynch Offshore LBO Partnership No. 1, Merrill Lynch Employees LBO Partnership No. 1, Merrill Lynch Kecalp L.P. 1984, Merrill Lynch Kecalp L.P. 1986 and Merrill Lynch L.P. Holdings, Inc., incorporated by reference to Exhibit 10.24 to the World Color Equity S-1.
- 10.31 Registration Rights Agreement, dated as of November 20, 1995, among World Color Press, Inc., APC Associates, GR Associates and WCP Associates, incorporated by reference to Exhibit 10.25 to the World Color Equity S-1.
- 10.32 Promissory Note dated March 12, 1998, given by James E. Lillie.
- 10.33 Promissory Note dated March 12, 1998, given by Robert B. Lewis.
- 10.34 Stock Option Agreement dated as of February 26, 1999.
- 10.35 Stock Option Agreement dated as of February 26, 1999.
- 10.36 Stock Option Agreement dated as of February 26, 1999.
- 13.0 Pages 19 - 40 of the 1998 Annual Report to Stockholders (with the exception of the pages incorporated by reference herein, the Annual Report to Stockholders is not part of this filing).
- 21.0 Subsidiaries of World Color.
- 23.1 Independent Auditors' Consent.
- 27.1 Financial Data Schedule for the year ended December 27, 1998.

(b) Reports on Form 8-K

The registrant filed a Current Report on Form 8-K dated February 6, 1998, in respect of the appointment of Michael D. Helfand to Executive Vice President, Chief Financial Officer. The items reported in such Current Report were Item 5 (Other Events) and Item 7 (Text of Press Release dated February 5, 1998).

The registrant filed a Current Report on Form 8-K dated November 18, 1998, in respect to the issuance of \$300 million of Senior Subordinated Notes due 2008. The items reported in such Current Report were Item 5 (Other Events) and Item 7 (Text of Press Release dated November 13, 1998).

The registrant filed a Current Report on Form 8-K dated December 11, 1998, in respect of the appointment of Robert B. Lewis to Executive Vice President, Chief Financial Officer. The items reported in such Current Report were Item 5 (Other Events) and Item 7 (Text of Press Release dated December 9, 1998).

The registrant filed a Current Report on Form 8-K dated February 23, 1999, in respect to the issuance of \$300 million of Senior Subordinated Notes due 2009. The items reported in such Current Report were Item 5 (Other Events) and Item 7 (Text of Press Release dated February 17, 1999).

15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
of World Color Press, Inc.:

We have audited the consolidated financial statements of World Color Press, Inc. and subsidiaries as of December 27, 1998 and December 28, 1997, and for each of the three years in the period ended December 27, 1998, and have issued our report thereon dated February 3, 1999; such consolidated financial statements and report are included in your 1998 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the financial statement schedule of World Color Press, Inc., listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

New York, New York
February 3, 1999

(except for the last paragraph of Note 14,
as to which the date is February 26, 1999,
and except for Note 18, as to which the date is
March 9, 1999)

16

SCHEDULE II

WORLD COLOR PRESS, INC.

VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

<TABLE>
<CAPTION>

Classification <S>	Balance Beginning Of Year <C>	Additions Charged to Costs and Expenses <C>	Deductions- Describe <C>	Other Charges- Add (Deduct) Describe <C>	Balance at End of Year <C>
YEAR ENDED DECEMBER 27, 1998 Allowance for uncollectible accounts receivable	\$9,287	\$2,428	\$2,545 (1)	\$1,468 (2)	\$10,638
YEAR ENDED DECEMBER 28, 1997 Allowance for uncollectible accounts receivable	\$8,476	\$7,193	\$8,345 (1)	\$1,963 (2)	\$ 9,287
YEAR ENDED DECEMBER 29, 1996 Allowance for uncollectible accounts receivable	\$6,356	\$1,454	\$ 834 (1)	\$1,500 (2)	\$ 8,476

</TABLE>

- (1) Write-offs of receivables, net of recoveries.
(2) Balance of acquired companies at acquisition date.

17

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WORLD COLOR PRESS, INC.

Date: March 26, 1999

By: /s/ Robert B. Lewis

Robert B. Lewis
Executive Vice President,
Chief Financial Officer

18

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on March 26, 1999.

SIGNATURES

TITLES

/s/ Robert G. Burton

Robert G. Burton

Chairman of the Board of
Directors
and Chief Executive Officer
(Principal Executive Officer)

/s/ Robert B. Lewis

Robert B. Lewis

Executive Vice President,
Chief Financial Officer
(Principal Financial
Officer; Principal
Accounting Officer)

/s/ Gerald S. Armstrong

Gerald S. Armstrong

Director

Patrice M. Daniels

Director

Dr. Mark J. Griffin

Director

/s/ Alexander Navab, Jr.

Alexander Navab, Jr.

Director

Marc L. Reisch

/s/ Scott M. Stuart

Director

Scott M. Stuart

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of World Color Press, Inc., incorporated by reference to Exhibit 3.1 to World Color's Registration Statement on Form S-1 (No. 33-99676) under the Securities Act of 1933, as amended (the "World Color Equity S-1").
3.2	Amended and Restated By-Laws of World Color Press, Inc., incorporated by reference to Exhibit 3.2 to World Color's Annual Report on Form 10-K for the fiscal year ended December 29, 1996.
4.1	Indenture (the "Convert Indenture") between World Color Press, Inc. and State Street Bank and Trust Company, as trustee, relating to World Color's 6% Convertible Senior Subordinated Notes due 2007 (the "Converts"), incorporated by reference to Exhibit 4.1 to World Color's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
4.2	Specimen of Converts (included in the Convert Indenture, incorporated by reference as Exhibit 4.1).
4.3	Indenture between World Color Press, Inc. and The Bank of New York, as trustee, relating to World Color's 8-3/8% Senior Subordinated Notes due 2008, incorporated by reference to Exhibit 4.1 to World Color's Registration Statement on Form S-4 (No. 333-74087) under the Securities Act of 1933, as amended (the "World Color Debt S-4").
4.4	Specimen of World Color's 8-3/8% Senior Subordinated Notes due 2008 (included in the Indenture incorporated by reference as Exhibit 4.3).
4.5	Indenture between World Color Press, Inc. and The Bank of New York, as trustee, relating to World Color's 7-3/4% Senior Subordinated Notes due 2009, incorporated by reference to Exhibit 4.3 to the World Color Debt S-4.
4.6	Specimen of World Color's 7-3/4% Senior Subordinated Notes due 2009

(included in the Indenture incorporated by reference as Exhibit 4.5).

- 10.1 Second Amended and Restated Credit Agreement, dated as of June 6, 1996, among World Color Press, Inc. and the lenders and agents party thereto (the "Credit Agreement"), incorporated by reference to Exhibit 10.2 to World Color's Current Report on Form 8-K dated June 21, 1996.
- 10.2 First Amendment dated as of June 10, 1996 to the Credit Agreement, incorporated by reference to Exhibit 10.3 to World Color's Current Report on Form 8-K dated June 21, 1996.
- 10.3 Limited Waiver, Consent and Second Amendment to Second Amended and Restated Credit Agreement dated as of June 9, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.

20

EXHIBIT NO.	DESCRIPTION
10.4	Third Amendment to Second Amended and Restated Credit Agreement dated as of June 27, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.5	Limited Waiver, Consent and Fourth Amendment to Second Amended and Restated Credit Agreement dated as of September 29, 1997, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages thereto, incorporated by reference to Exhibit 10.4 to World Color's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
10.6	Fifth Amendment to Second Amended and Restated Credit Agreement dated as of June 4, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.4 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
10.7	Sixth Amendment to Second Amended and Restated Credit Agreement dated

as of November 11, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.1 to the World Color Debt S-4.

- 10.8 Seventh Amendment to Second Amended and Restated Credit Agreement dated as of November 23, 1998, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.2 to the World Color Debt S-4.
- 10.9 Limited Consent and Eighth Amendment to Second Amended and Restated Credit Agreement dated as of February 3, 1999, by and among World Color Press, Inc., the Lenders party to the Second Amended and Restated Credit Agreement, as amended, Bankers Trust Company, as Administrative Agent, and the Guarantors listed on the signature pages, incorporated by reference to Exhibit 10.3 to the World Color Debt S-4.
- 10.10 Receivables Sale Agreement dated as of June 30, 1997 among World Color Finance, Inc., as Seller, ABN AMRO Bank N.V., as the Agent, the Liquidity Providers from time to time party to the agreement, ABN AMRO Bank N.V., as the Enhancer, and the Windmill Funding Corporation, incorporated by reference to Exhibit 10.4 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.

21

EXHIBIT NO.	DESCRIPTION
10.11	Receivables Purchase Agreement dated as of June 30, 1997 between World Color Press, Inc., and World Color Finance, Inc., incorporated by reference to Exhibit 10.5 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.12	Indemnity Agreement dated as of June 30, 1997, made by and between World Color Press, Inc. and ABN AMRO Bank N.V., as agent, incorporated by reference to Exhibit 10.6 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
10.13	Form of Unitholders Agreement, incorporated by reference to Exhibit 10.21 to World Color's Registration Statement on Form S-1 (No. 33-59490) under the Securities Act of 1933, as amended (the "World Color Debt S-1").
10.14	Form of Optionholders Agreement between World Color and the Optionholders (as defined therein), incorporated by reference to

Exhibit 10.23 to the World Color Debt S-1.

- 10.15 Second Amended and Restated Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.9 to World Color's Annual Report on Form 10-K for the fiscal year ended December 25, 1994.
- 10.16 The Restricted Stock Plan of World Color Press, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.17 Form of World Color Press Restricted Stock Agreement, incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.18 1998 Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.5 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.19 Form of World Color Stock Option Agreement, incorporated by reference to Exhibit 10.25 to the World Color Debt S-1.
- 10.20 Letter Agreement, dated as of November 4, 1991, between World Color and Marc L. Reisch regarding certain severance arrangements, incorporated by reference to Exhibit 10.26 to the World Color Debt S-1.
- 10.21 Letter Agreement, dated as of May 27, 1998, between World Color and Jennifer L. Adams regarding certain severance arrangements.
- 10.22 Third Amendment to the World Color Press, Inc. Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.18 to World Color's Annual Report on Form 10-K for the fiscal year ended December 25, 1994.
- 10.23 The World Color Press, Inc. Third Amended and Restated Supplemental Retirement Plan as of May 11, 1998 incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 28, 1998.
- 10.24 Trust under the World Color Press, Inc. Supplemental Retirement Plan, dated as of October 12, 1995, by and between World Color and Harris Trust and Savings Bank, incorporated by reference to Exhibit 10.2 to the World Color Form 10-Q for the quarterly period ended October 1, 1995.

22

EXHIBIT NO.

DESCRIPTION

- 10.25 The World Color Press, Inc. Second Amended and Restated Supplemental Retirement Plan dated June 14, 1995, as amended July 15, 1997,

incorporated by reference to Exhibit 10.1 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.

- 10.26 Stock Option Agreement dated as of June 12, 1997, incorporated by reference to Exhibit 10.2 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
- 10.27 Stock Option Agreement dated as of June 12, 1997, incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended September 28, 1997.
- 10.28 Form of Amended and Restated 1995 Senior Management Stock Option Plan of World Color Press, Inc., incorporated by reference to Exhibit 10.3 to the World Color Quarterly Report on Form 10-Q for the quarterly period ended June 29, 1997.
- 10.29 Form of Stock Option Agreement between World Color and certain Optionholders, incorporated by reference to Exhibit 4.7 to the World Color Registration Statement on Form S-8 (No. 333-47743) under the Securities Act of 1933, as amended.
- 10.30 Amended and Restated Registration Rights Agreement, dated as of November 20, 1995, among World Color Press, Inc., KKR Partners II, L.P., Manufacturing Acquisition Associates, L.P., PACE Equity Associates, L.P., KKR Associates, L.P., Merrill Lynch Capital Appreciation PSHP, No. 1, L.P., Merrill Lynch Offshore LBO Partnership No. 1, Merrill Lynch Employees LBO Partnership No. 1, Merrill Lynch Kecalp L.P. 1984, Merrill Lynch Kecalp L.P. 1986 and Merrill Lynch L.P. Holdings, Inc., incorporated by reference to Exhibit 10.24 to the World Color Equity S-1.
- 10.31 Registration Rights Agreement, dated as of November 20, 1995, among World Color Press, Inc., APC Associates, GR Associates and WCP Associates, incorporated by reference to Exhibit 10.25 to the World Color Equity S-1.
- 10.32 Promissory Note dated March 12, 1998, given by James E. Lillie.
- 10.33 Promissory Note dated March 12, 1998, given by Robert B. Lewis.
- 10.34 Stock Option Agreement dated as of February 26, 1999.
- 10.35 Stock Option Agreement dated as of February 26, 1999.
- 10.36 Stock Option Agreement dated as of February 26, 1999.
- 13.0 Pages 19 - 40 of the 1998 Annual Report to Stockholders (with the exception of the pages incorporated by reference herein, the Annual Report to Stockholders is not part of this filing).
- 21.0 Subsidiaries of World Color.
- 23.1 Independent Auditors' Consent.

27.1 Financial Data Schedule for the year ended December 27, 1998.

23

Dear Jenny:

This will amend the commitment I made to you in October, 1995.

In the event your employment with the Company is terminated at any time for any reason other than "Cause", you will receive your base salary for a period of eighteen months as severance. In addition, in the event your employment is terminated for any reason other than "Cause" prior to October 29, 1999, the common stock you purchased and the stock options you received from the Company on July 31, 1995 with a Vesting Reference Date of October 28, 1994 will, upon such event, become fully vested. The Company will have "Cause" to terminate your employment in the event you (1) engage in acts or omissions with respect to the Company which constitute intentional misconduct which adversely affects the Company or a knowing violation of law, (2) personally receive a benefit in money, property or services from another person dealing with the Company in violation of applicable law or (3) commit an act of fraud, conversion, misappropriation, embezzlement or felony.

Sincerely,

/s/ Robert G. Burton

May 27, 1998

SECURED PROMISSORY NOTE

\$100,000.00

Greenwich, Connecticut
March 12, 1998

FOR VALUE RECEIVED, the undersigned hereby unconditionally promises to pay to the order of World Color Press, Inc. (the "Company"), at its office at The Mill, 340 Pemberwick Road, Greenwich, Connecticut 06831, in lawful money of the United States, ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). The undersigned promises to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding from the date hereof at the rate of 6.9% from November 5, 1997, the date of the loan through December 31, 1998 and at such other rate as the Company may reasonably determine thereafter. Interest shall be calculated annually on the basis of a 365 day year and the number of actual days elapsed until the respective Due Date (as defined below).

Except as otherwise provided herein or in the Repayment and Stock Pledge Agreement between the Company and the undersigned dated March 12, 1998 (the "Pledge"), principal and interest payments hereunder shall be due and payable as set forth on Exhibit A. Each such date on which a payment of principal and/or interest is due is referred to as a "Due Date".

This Note is issued in connection with the pledge of shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") and other collateral (the "Collateral") pursuant to the Pledge.

The undersigned shall have the right to prepay this Note, in whole or in part, at any time without notice and without penalty and, notwithstanding anything to the contrary herein, this Note shall be prepaid, in whole or in part and from time to time, from the proceeds from any sale, transfer or other disposition of Pledged Securities. Any partial prepayments shall be applied first to accrued and unpaid interest and then to principal.

Notwithstanding the existence of the Pledged Securities as security for repayment of the Note, the undersigned remains personally liable to the Company for any deficiency which the Pledged Securities do not cover.

If an Event of Default (as defined in the Pledge) shall have occurred and be continuing, then, at such time, the unpaid principal amount hereof, all accrued and unpaid interest hereunder and all other amounts owing hereunder shall be and become immediately due and payable without notice to the undersigned. In the event of any default in payment or other Event of Default, the Company may pursue any available remedy to collect the payment of principal and interest hereunder or to otherwise enforce the terms and provisions of this Note.

The Company shall have all of the rights to a secured creditor under the Connecticut Commercial Code with respect to the Collateral pledged as security

hereunder.

The undersigned promises to pay all costs and expenses, including reasonable attorney's fees incurred by the Company in collecting or attempting to collect the indebtedness under the Note.

If any payment of principal or interest on this Note becomes due and payable on a day other than a business day, such payment shall be made on the next succeeding business day. As used herein, the term "business day" means any day other than a Saturday, Sunday or other day on which banks in the City of Greenwich, Connecticut are authorized by law to close.

No delay or omission by the Company in exercising any right or remedy shall impair such (or any other) right or remedy or operate as a waiver thereof or an acquiescence in such default, and no single or partial exercise by the Company of any right or remedy shall preclude other or further exercise thereof, or the exercise or any other right or remedy. The non-exercise by the Company of its rights under this Note in any instance shall not constitute a waiver thereof in that or any subsequent instance. All remedies are cumulative to the extent permitted by law.

The terms and conditions of this Note may not be amended, modified or waived except in a writing executed by the parties hereto, nor shall any waiver be applicable except in the specific insurance for which it is given.

None of the provisions hereof and none of the Company's rights or remedies hereunder shall be or be deemed to be waived by the Company's acceptance of any past due payment or by any indulgence granted by the Company to the undersigned.

Except as otherwise provided herein, presentment for payment, demand, notice of dishonor, protest and notice of protest are hereby waived. All notices, declarations and other communications hereunder shall be in writing, hand delivered (including delivery by a courier service) as follows:

If to the Company:

World Color Press
The Mill
340 Pemberwick Road
Greenwich, Connecticut 06831
Attention: Chief Legal and Administrative Officer

If to the undersigned:

James E. Lillie
140 Catalpa Road
Wilton, CT 06897

or to such other address as the Company or the undersigned may deliver to the

other party from time to time in writing in like manner.

If any term or provision of this Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions shall in no way be affected thereby. The undersigned and the Company agree that, in the event of any litigation arising on, out of or by reason of this Note, the undersigned waives the right to a trial by jury and all rights of set off and rights to interpose counterclaims and cross-claims.

2

This Note shall not be assigned by the undersigned without the prior written consent of the Company. This note shall inure to the benefit of the Company, its successors, endorsers and assigns. This Note may be assigned by the Company at any time.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

/s/ James E. Lillie

James E. Lillie

3

EXHIBIT A

<TABLE>
<CAPTION>

Date	Payment
----	-----
<S> 4/15/98	<C> \$10,000 plus accrued interest from November 5, 1997
3/01/99	\$20,000 plus accrued interest
3/01/00	\$20,000 plus accrued interest
3/01/01	\$20,000 plus accrued interest
3/01/02	\$30,000 plus accrued interest

</TABLE>

SECURED PROMISSORY NOTE

\$100,000.00

Greenwich, Connecticut
March 12, 1998

FOR VALUE RECEIVED, the undersigned hereby unconditionally promises to pay to the order of World Color Press, Inc. (the "Company"), at its office at The Mill, 340 Pemberwick Road, Greenwich, Connecticut 06831, in lawful money of the United States, ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). The undersigned promises to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding from the date hereof at the rate of 6.9% from November 5, 1997, the date of the loan through December 31, 1998 and at such other rate as the Company may reasonably determine thereafter. Interest shall be calculated annually on the basis of a 365 day year and the number of actual days elapsed until the respective Due Date (as defined below).

Except as otherwise provided herein or in the Repayment and Stock Pledge Agreement between the Company and the undersigned dated March 12, 1998 (the "Pledge"), principal and interest payments hereunder shall be due and payable as set forth on Exhibit A. Each such date on which a payment of principal and/or interest is due is referred to as a "Due Date".

This Note is issued in connection with the pledge of shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") and other collateral (the "Collateral") pursuant to the Pledge.

The undersigned shall have the right to prepay this Note, in whole or in part, at any time without notice and without penalty and, notwithstanding anything to the contrary herein, this Note shall be prepaid, in whole or in part and from time to time, from the proceeds from any sale, transfer or other disposition of Pledged Securities. Any partial prepayments shall be applied first to accrued and unpaid interest and then to principal.

Notwithstanding the existence of the Pledged Securities as security for repayment of the Note, the undersigned remains personally liable to the Company for any deficiency which the Pledged Securities do not cover.

If an Event of Default (as defined in the Pledge) shall have occurred and be continuing, then, at such time, the unpaid principal amount hereof, all accrued and unpaid interest hereunder and all other amounts owing hereunder shall be and become immediately due and payable without notice to the undersigned. In the event of any default in payment or other Event of Default, the Company may pursue any available remedy to collect the payment of principal and interest hereunder or to otherwise enforce the terms and provisions of this Note.

The Company shall have all of the rights to a secured creditor under the Connecticut Commercial Code with respect to the Collateral pledged as security hereunder.

The undersigned promises to pay all costs and expenses, including reasonable attorney's fees incurred by the Company in collecting or attempting to collect the indebtedness under the Note.

If any payment of principal or interest on this Note becomes due and payable on a day other than a business day, such payment shall be made on the next succeeding business day. As used herein, the term "business day" means any day other than a Saturday, Sunday or other day on which banks in the City of Greenwich, Connecticut are authorized by law to close.

No delay or omission by the Company in exercising any right or remedy shall impair such (or any other) right or remedy or operate as a waiver thereof or an acquiescence in such default, and no single or partial exercise by the Company of any right or remedy shall preclude other or further exercise thereof, or the exercise or any other right or remedy. The non-exercise by the Company of its rights under this Note in any instance shall not constitute a waiver thereof in that or any subsequent instance. All remedies are cumulative to the extent permitted by law.

The terms and conditions of this Note may not be amended, modified or waived except in a writing executed by the parties hereto, nor shall any waiver be applicable except in the specific insurance for which it is given.

None of the provisions hereof and none of the Company's rights or remedies hereunder shall be or be deemed to be waived by the Company's acceptance of any past due payment or by any indulgence granted by the Company to the undersigned.

Except as otherwise provided herein, presentment for payment, demand, notice of dishonor, protest and notice of protest are hereby waived. All notices, declarations and other communications hereunder shall be in writing, hand delivered (including delivery by a courier service) as follows:

If to the Company:

World Color Press
The Mill
340 Pemberwick Road
Greenwich, Connecticut 06831
Attention: Chief Legal and Administrative Officer

If to the undersigned:

Robert Lewis

or to such other address as the Company or the undersigned may deliver to the other party from time to time in writing in like manner.

If any term or provision of this Note shall be held invalid, illegal or or unenforceable, the validity of all other terms and provisions shall in no way be affected thereby. The undersigned and the Company agree that, in the event of any litigation arising on, out of or by reason of this Note, the undersigned waives the right to a trial by jury and all rights of set off and rights to interpose counterclaims and cross-claims.

2

This Note shall not be assigned by the undersigned without the prior written consent of the Company. This note shall inure to the benefit of the Company, its successors, endorsers and assigns. This Note may be assigned by the Company at any time.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

/s/ Robert Lewis

Robert Lewis

3

EXHIBIT A

<TABLE>
<CAPTION>

Date	Payment
----	-----
<S> 4/15/98	<C> \$10,000 plus accrued interest from November 5, 1997
3/01/99	\$20,000 plus accrued interest

3/01/00	\$20,000 plus accrued interest
3/01/01	\$20,000 plus accrued interest
3/01/02	\$30,000 plus accrued interest

</TABLE>

STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") dated February 26, 1999 is made by and between World Color Press, Inc., a Delaware corporation ("WCP"), and Robert G. Burton, an individual with a residence at 170 Clapboard Ridge Road, Greenwich, CT 06831 (the "Optionholder"). WCP and the Optionholder are sometimes herein referred to collectively as the "Parties."

RECITALS

A. The Optionholder is a senior management employee of WCP.

B. WCP has established the 1995 Senior Management Stock Option Plan of World Color Press, Inc. (the "Option Plan"), and, pursuant to the Option Plan, WCP wishes to afford the Optionholder the opportunity to purchase shares of its common stock, par value \$.01 per share (the "Common Stock"). The term "Options" as used in this Agreement shall include all Options granted to the Optionholder pursuant to this Agreement. Upon exercise of Options granted hereunder in accordance with the terms hereof and issuance of Common Stock upon such exercise the Optionholder will become the holder of "Option Shares."

C. The Compensation Committee (the "Committee") of the Board of Directors of WCP (the "Board") has determined that it would be to the advantage and best interest of WCP and its stockholders to grant the Options provided for herein to the Optionholder as an inducement to continue to perform services for the Company (as hereinafter defined) and as an incentive for increased efforts during such service, and has advised WCP thereof and instructed the undersigned officer to issue said Options. For the purposes of this Agreement, the "Company" shall mean WCP, together with its subsidiaries.

D. This Agreement is one of several agreements ("Other Stock Option Agreements") which have been, or which in the future will be, entered into between WCP and other holders of Options granted pursuant to the Option Plan (collectively, the "Other Optionholders").

AGREEMENTS

1. GRANT OF OPTIONS. In consideration of the Optionholder's agreement to provide services to the Company and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

WCP irrevocably grants to the Optionholder on the date hereof an aggregate of 125,000 Options, each to purchase initially one share of Common Stock (shares issuable upon exercise of the Options are collectively referred to herein as the "Option Shares"), upon the terms and conditions set forth in this Agreement. This Agreement and the grant of the Options herein are subject to all of the terms and provisions of the Option Plan attached hereto as Exhibit A (which terms and provisions are incorporated herein by reference and are expressly made part of this Agreement). In the event of any conflict between the provisions of this Agreement and the Option Plan, the terms of the Option Plan shall govern. All capitalized terms used herein without definition and defined in the Option Plan have the meanings ascribed to such terms in the Option Plan. The Options granted hereby are designated non-qualified stock options and are nontransferable except as otherwise expressly set forth in the Option Plan.

2. EXERCISE PRICE. The purchase price of the Option Shares upon exercise of any of the Options (the "Exercise Price" or "Option Price Per Share") shall initially be \$24.33 per share, without commission or other charge.

3. EXERCISABILITY. (a) The Options shall become exercisable as follows:

<TABLE>

<CAPTION>

DATE OPTIONS BECOME EXERCISABLE	EXERCISABLE PERCENTAGE OF OPTIONS
---------------------------------	--------------------------------------

<p><S> From February 3, 1999 ("Vesting Date") until the first anniversary of the Vesting Date</p>	<p><C> 0%</p>
<p>On and after the first anniversary of the Vesting date until the second anniversary of the Vesting date</p>	<p>20%</p>
<p>On and after the second anniversary of the Vesting date until the third anniversary of the Vesting date</p>	<p>40%</p>
<p>On and after the third anniversary of the Vesting date until the fourth anniversary of the Vesting date</p>	<p>60%</p>
<p>On and after the fourth anniversary of the Vesting date until the fifth anniversary of the Vesting date</p>	<p>80%</p>

</TABLE>

(b) Notwithstanding the foregoing, all Options that are not exercisable at the time of the termination of employment of the Optionholder for any reason other than by reason of the Optionholder's death, Permanent Disability or Permitted Retirement (each as hereinafter defined) shall be automatically and immediately cancelled without any payment or other action by the Company. In the event of and upon the termination of the Optionholder's employment because of the Optionholder's death, Permanent Disability or Permitted Retirement, all of the Optionholder's Options granted hereunder shall immediately become exercisable.

(c) For purposes of this Agreement the following definitions shall apply: "Cause" shall mean (i) the Optionholder's failure to render services to the Company, which failure amounts to a material and flagrant neglect of such duties, (ii) the Optionholder's willful engagement in conduct that is, or that he or she intends to be, materially injurious to the Company, (iii) the Optionholder's commission of an act of fraud, conversion, misappropriation (including, but not limited to, the unauthorized use or disclosure of confidential or proprietary information of the Company), embezzlement or felony, (iv) a conviction of or guilty plea or his or her confession to any fraud, conversion, misappropriation, embezzlement or felony or (v) the Optionholder's repeated taking of any action prohibited by the Board, PROVIDED that he or she has received at least one written notice of having taken an action so prohibited; "Good Reason" shall mean, in each case without the Optionholder's consent, (i) a material adverse change, when viewed in the aggregate, in the Optionholder's duties, responsibilities, base compensation, bonus eligibility and/or other material matters directly related to his or her employment with the Company or (ii) the Optionholder's relocation by the Company to a location more than 100 miles from the Optionholder's immediately prior location.

(d) For purposes of this Agreement, the Optionholder shall be deemed to have a "Permanent Disability" if he or she is unable to engage in the activities required by employment by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as reasonably determined by the Board in good faith and in its discretion.

4. MANNER OF EXERCISE

(a) PARTIAL EXERCISE. An exercisable Option may be exercised at any time prior to the time when the Option becomes unexercisable under Section 10; PROVIDED that each exercise shall be for not less than 50 Option Shares and shall be for whole Option Shares only.

(b) MANNER OF EXERCISE. An exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company or his or her office:

(i) A written notice complying with the applicable rules established by the Committee stating that the Option is exercised. The Optionholder shall sign the notice or other person then entitled and authorized to exercise the Option;

(ii) Such representations and documents as the Committee, in its discretion, deems necessary, appropriate or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended (the "Act"), and any other federal or state securities laws, rules or regulations. The Committee may, in its discretion, also take whatever additional actions it deems necessary, appropriate or advisable to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to transfer agents and registrars;

(iii) In the event that the Option shall be exercised by any person or persons other than the Optionholder, appropriate proof of the right of such person or persons to exercise the Option; and

(iv) Full payment (by certified or bank check or by wire transfer of immediately available funds) to the Secretary of the Company for the Option Shares with respect to which Options are exercised and any applicable withholding taxes. In its discretion, however, the Committee may (A) allow a delay in payment up to thirty (30) days from the date the Option is exercised; (B) allow payment, in whole or in part, through the delivery of shares of Common Stock owned by the Optionholder (including, subject to Section 4(c), Option Shares issuable upon such exercise), duly endorsed for transfer to WCP, having an Aggregate Market Value (as hereinafter defined) on the date of delivery equal to the aggregate Exercise Price of the Options; (C) allow payment, in whole or in part, through the delivery of property of any kind which constitutes good and valuable consideration; (D) allow payment, in whole or in part, through the delivery of a full recourse promissory note bearing interest (at no less than such rate as shall then preclude the imputation of interest under the Code) and payable upon such terms as may be prescribed by the Committee; or (E) allow payment through any combination of the consideration provided in the foregoing subparagraphs (B), (C) and (D). In the case of a promissory note, the Committee may also prescribe the form of such note and the security to be given for such note. No Option may be exercised, however, by delivery of a promissory note or by a loan from the Company when or where such loan or other extension of credit is prohibited by law.

(c) CERTAIN TIMING REQUIREMENTS. At the discretion of the Committee, shares of Common Stock issuable to the Optionholder upon exercise of the Option may be used to satisfy the Option Exercise Price or the tax withholding consequences of such exercise, but in the case of persons subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") shares of Common Stock maybe so used only (i) during the period beginning on the third business day following the date of release of the quarterly or annual summary statement of sales and earnings of the Company and ending on the twelfth business day following such date or (ii) pursuant to an irrevocable written election by the Optionholder to use shares of Common Stock issuable to the Optionholder upon exercise of the Option to pay all or part of the Option Exercise Price or the withholding taxes made at least six months prior to the payment of such Option Exercise Price or withholding taxes.

(d) RIGHTS AS STOCKHOLDERS. The holders of Options shall not be, nor have any of the rights or privileges of, stockholders of WCP in respect of any shares purchasable upon the exercise of any Option unless and until certificates representing such shares have been issued by the Company to such holders.

(e) CONDITIONS TO ISSUANCE OF STOCK CERTIFICATES. WCP may postpone the time of delivery of the certificates for Option Shares for such additional time as WCP shall deem necessary or desirable to enable it to comply with the listing requirements of any securities exchange with which the Common Stock may be listed or the requirements of the Act or the Exchange Act, or any rules and regulations of the Securities and Exchange Commission promulgated thereunder, or the requirements of applicable state laws relating to the authorization, issuance or sale of securities.

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE OPTIONHOLDER

(a) The Optionholder hereby represents and warrants that he or she is acquiring the Options and any Option Shares issued upon exercise thereof for investment for his or her own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof. The Optionholder acknowledges and affirms Section 7.1 of the Option Plan. The Optionholder further agrees and acknowledges that he or she will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any such act being referred to herein as a "transfer") any Option Shares unless such transfer complies with Section 6 of this Agreement and such transfer is pursuant to (i) an effective registration statement under the Act and the rules and regulations thereunder and in compliance with any applicable state securities or "blue sky" laws, or (ii) (A) an opinion of counsel to the Optionholder (which counsel shall be reasonably acceptable to WCP) furnished to WCP and satisfactory in form and substance to WCP that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Optionholder is a citizen or resident of any country other than the United States, or the Optionholder desires to effect any

Transfer in any such country, counsel for the Optionholder (which counsel shall be reasonably satisfactory to WCP) shall have furnished WCP with an opinion or other advice satisfactory in form and substance to WCP to the effect that such Transfer will comply with the securities laws of such jurisdiction.

(b) Notwithstanding the foregoing, WCP acknowledges and agrees that any of the following transfers of Option Shares are deemed to be in compliance with the Act and this Agreement and no opinion of counsel is required in connection therewith:

(i) A transfer of Option Shares made pursuant to Sections 7 or 8 of this Agreement;

(ii) A transfer of Option Shares upon the death of the Optionholder to his or her executors, administrators, testamentary trustees, legatees or beneficiaries (the "Optionholder's Estate") or a transfer to the executors, administrators, testamentary trustees, legatees or beneficiaries of a person who has become a holder of Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder;

(iii) A transfer of Option Shares made in compliance with the federal securities laws to a trust or custodianship the beneficiaries of which, a partnership (general or limited) the partners of which, or a limited liability company the members of which, may include only the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption (the "Optionholder's Trust") or a transfer of Option Shares made after the third anniversary of the Vesting date to such a trust, partnership or limited liability corporation by a person who has become a holder of such Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder; and

(iv) A pledge or hypothecation by the Optionholder or the Optionholder's Trust of the Option Shares or his or her or its interest therein to a bank or other financial institution (a "Pledgee") reasonably satisfactory to WCP to secure a loan by such Pledgee to the Optionholder or the Optionholder's Trust, as the case may be, for the purchase of the Option Shares or the refinancing of any indebtedness incurred for the purchase of the Option Shares; PROVIDED that (A) such Pledgee agrees in writing to accept the Option Shares or interest therein subject to all of the terms and conditions of this Agreement as if such Pledgee were the Optionholder and to notify WCP upon the happening of any default or event

of default under the terms of the agreement with the Optionholder or the Optionholder's Trust, as the case may be, relating to such pledge or hypothecation and (B) the Optionholder or the Optionholder's Trust, as the case may be, delivers to the Board a copy of all proposed documentation relating to such pledge or hypothecation at least ten days before the scheduled date of such pledge or hypothecation, and prior to such scheduled date WCP has confirmed that such documentation is reasonably satisfactory to it in form and substance.

(c) The certificate (or certificates) representing the Option Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF STOCK OPTION AGREEMENT DATED DECEMBER 18, 1998 BETWEEN WORLD COLOR PRESS, INC. ("WCP") AND THE OPTIONHOLDER NAMED ON THE FACE HEREOF (A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF WCP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS OR (B) (I) IF WCP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER, AND IN COMPLIANCE WITH APPLICABLE PROVISIONS OF STATE SECURITIES LAWS, AND (II) IF THE HOLDER IS A CITIZEN OR RESIDENT OF ANY COUNTRY OTHER THAN THE UNITED STATES, OR THE HOLDER DESIRES TO EFFECT ANY SUCH TRANSACTION IN ANY SUCH COUNTRY, THE COMPANY HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OR OTHER ADVICE OF COUNSEL FOR THE HOLDER THAT SUCH TRANSACTION WILL NOT VIOLATE THE LAWS OF SUCH COUNTRY."

(d) The Optionholder acknowledges that he or she has been advised that (i) the issuance of the Option Shares upon exercise of the Options will not have been registered under the Act, (ii) the Option Shares must be held indefinitely and the Optionholder must continue to bear the economic risk of the investment in the Option Shares unless they are subsequently registered under the Act or an exemption from such registration is available, (iii) no assurance can be given that there will be any public market for the Option Shares, (iv) no assurance can be given that Rule 144 promulgated under the Act will be available with respect to the sales of any securities of WCP, and WCP has made no covenant to make such Rule available, (v) when and if any of the Option Shares may be disposed of without registration in reliance on Rule 144, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule, (vi) if the Rule 144 exemption is not

available, public sale without registration will require compliance with some other exemption under the Act, (vii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Option Shares and (viii) a notation shall be made in the appropriate records of WCP and/or the transfer agent for the Common Stock indicating that the Option Shares are subject to restriction on transfer and appropriate stop transfer restrictions will be issued to WCP's stock transfer agent with respect to the Option Shares.

(e) If any of the Option Shares are to be disposed of in accordance with Rule 144 under the Act or otherwise, the Optionholder shall promptly notify WCP of such intended disposition and shall deliver to WCP at or prior to the time of such disposition such documentation as WCP may reasonably request in connection with such sale and, in the case of a disposition pursuant to Rule 144, shall deliver to WCP an executed copy of any notice on Form 144 required to be filed with the Securities and Exchange Commission ("SEC").

(f) The Optionholder agrees that, if any securities of WCP are offered to the public pursuant to an effective registration statement under the Act, the Optionholder will not effect any public sale or distribution of any Option Shares not covered by such registration statement within seven days prior to, or within 180 days (or in an underwritten public offering, any such lesser period as the underwriters may agree to) after, the effective date of such registration statement, unless otherwise agreed to in writing by WCP; PROVIDED that the Optionholder shall have been notified in writing of such offering.

6. RESTRICTION ON TRANSFER OF OPTION SHARES

(a) Except for transfers otherwise permitted by this Agreement, the Optionholder agrees that he or she will not transfer, sell, assign, pledge, hypothecate or otherwise dispose of any Option Shares at any time prior to the fifth anniversary of the Vesting date. The restrictions on transfer provided in this Section 6 shall not apply as of any date (the "Calculation Date") to a number of Option Shares (the "Unrestricted Shares") held in the aggregate by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledges equal to the excess, if any, of (i) the product of (A) the total number of Option Shares covered by all Options received by the Optionholder on the Vesting date and (B) the Vested Percentage as of such date over (ii) the total number of Option Shares transferred by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledges after the date hereof, other than pursuant to transfers permitted by clauses (ii), (iii) and (iv) of Section 5(b) hereof. No transfer of any such shares in violation hereof shall be made or recorded on the books of WCP (or any transfer agent or registrar therefor) and any such transfer shall be null and void and of no force or effect.

(b) For purposes of this Agreement, the "Vested Percentage" with respect to Option Shares shall be determined as follows:

<TABLE>
<CAPTION>

CALCULATION DATE	VESTED PERCENTAGE
<S> From Vesting date until the first anniversary of the Vesting date	<C> 0%
On and after the first anniversary of the Vesting date until the second anniversary of the Vesting date	20%
On and after the second anniversary of the Vesting date until the third anniversary of the Vesting date	40%
On and after the third anniversary of the Vesting date until the fourth anniversary of the Vesting date	60%
On and after the fourth anniversary of the Vesting date until the fifth anniversary of the Vesting date	80%
On and after the fifth anniversary of the Vesting date	100%

</TABLE>

7. OPTIONHOLDER'S RIGHT TO RESELL OPTION SHARES AND OPTIONS TO WCP UPON DEATH OR DISABILITY

(a) Except as otherwise provided herein, if on or before the fifth anniversary of the Vesting date, (i) the Optionholder dies or becomes Permanently Disabled (as hereinafter defined) and (ii) at the time of his or her death or Permanent Disability, the Optionholder (A) was still in the employ of the Company, (B) had retired from the Company at age 65 or over (or such other age as may be approved by the Board) after having been employed by the Company continuously for at least three years after the Vesting date (a "Permitted Retirement"), or (C) had terminated employment with Good Reason (as hereinafter defined), then the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall have the right for six months from the date of death or Permanent Disability to elect on one occasion (x) to sell to WCP, and WCP shall be required to purchase all or any portion of the Option Shares then held by the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, at the Section 7 Repurchase Price, as determined in accordance with Section 9 and/or (y) to require WCP to pay to the Optionholder an amount equal to the Option Excess Price (as defined in Section 10(a)) determined on the basis of the Section 7

Repurchase Price as provided in Section 9 with respect to the termination of all or any portion of outstanding Options held by the Optionholder.

(b) The Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall send written notice to WCP of his, her or its election to sell such Option Shares and/or to terminate such Options in exchange for the payment referred to in the preceding subsection (a) (the "Redemption Notice") within the six-month period referred to in Section 7(a). The completion of the purchase shall take place at the principal office of WCP on the 15th business day after the receipt by WCP of a properly given Redemption Notice. The Section 7 Repurchase Price and any payment with respect to the Options as described above shall be paid by delivery to the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, of a certified or bank check or checks in the appropriate amount payable to the order of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, appropriately endorsed or executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, or his, her or its duly authorized representative.

(c) Notwithstanding any other provision of this Section 7 and subject to Section 13, if there exists and is continuing a default or any event which after a notice or lapse of time or both would cause a default under any loan, guarantee or other agreement under which WCP or any of its Subsidiaries has borrowed money or such repurchase would result in any default or event of default on the part of the WCP or any of its Subsidiaries under any such agreement or if the capital of WCP or any of its Subsidiaries is then impaired or would be impaired as a result of such repurchase or such repurchase would otherwise violate the General Corporation Law of the State of Delaware (each such occurrence being an "Event"), WCP shall not be obligated to repurchase any of the Option Shares from, or to make any payment with respect to the Options to, the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be until the first business day which is five business days after all of the foregoing Events have ceased to exist (the "Repurchase Eligibility Date"), PROVIDED that (i) the Section 7 Repurchase Price shall be calculated as of the time of the delivery of a Redemption Notice in accordance with Section 7(b) and (ii) the number of Option Shares subject to repurchase under this Section 7(c) and the number of Exercisable Option Shares (as defined in Section 10(a)) for purposes of calculating the Option Excess Price payable under Section 7(a), shall be that number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, at the time of the delivery of a Redemption Notice in accordance with Section 7(b). All Options exercisable as of the date of a Redemption Notice shall continue to be exercisable until the repurchase pursuant to such Redemption Notice.

(d) Notwithstanding any other provision of this Section 7 to the contrary, the Optionholder, the Optionholder's Estate or the Optionholder's

Trust, as the case may be, shall have the right to withdraw any Redemption Notice which has been pending for 120 or more days and which has remained unsatisfied because of the provisions of Section 7(c).

8. WCP'S RIGHT TO REPURCHASE OPTION SHARES AND TERMINATE OPTIONS OF OPTIONHOLDER

(a) If on or prior to the fifth anniversary of the Vesting date, (i) the Optionholder's employment with WCP (and, if applicable, its Subsidiaries) is voluntarily or involuntarily terminated for any reason whatsoever, with or without Cause or Good Reason, (ii) the beneficiaries of an Optionholder's Trust shall include any person or entity other than the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption, (iii) the Optionholder shall effect a transfer of any of the Option Shares other than as permitted by this Agreement or (iv) there shall occur a transfer of Option Shares then held by the Optionholder pursuant to a bankruptcy proceeding, levy, property settlement or disposition pursuant to law incident to marital separation or divorce (alternatively, a "Call Event"), then WCP shall have the right to purchase all, but not less than all, of the Option Shares then held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and all Pledges at the Section 8 Repurchase Price determined in accordance with Section 9 hereof; PROVIDED that the Call Event described in clause (iv) of this Section 8 shall entitle WCP to repurchase only the number of Option Shares that are the subject of the transfer resulting in the Call Event; and PROVIDED, FURTHER, that if the Call Event results from the death, Permanent Disability or Permitted Retirement of the Optionholder, or the termination of the Optionholder's employment by the Optionholder with Good Reason or by the Company without Cause, WCP shall have the right to purchase all, but not less than all, of the Option Shares held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and any Pledgee at the Section 7 Repurchase Price. WCP shall have a period of 75 days after the date of a Call Event (or the date of WCP's knowledge that a Call Event described in clause (ii) or (iii) above has occurred) in which to give notice in writing to the Optionholder of WCP's exercise of such repurchase election (the "Call Notice"). If (X) the Optionholder holds Option Shares and Options and WCP exercises its right to repurchase Option Shares pursuant to this Section 8 or (Y) the Optionholder holds only Options and WCP elects (in accordance with the requirements of the Call Notice), WCP shall also pay the Optionholder an amount equal to the Option Excess Price determined on the basis of the Section 8 Repurchase Price or Section 7 Repurchase Price, as applicable, with respect to the termination of (A) if the Call Event is described in clause (i), (ii) or (iii) above, all, but not less than all, of the then exercisable outstanding Options held by the Optionholder and (B) if the Call Event is described in clause (iv) above, a pro rata portion (based on the number of Option Shares that are the subject of the transfer) of the then exercisable outstanding Options held by the Optionholder.

(b) Subject to Section 13 hereof, the completion of the purchases pursuant to Section 8 (a) shall take place at the principal office of WCP on the 15th business day after the giving of notice of the exercise by WCP of its right to

purchase Option Shares and/or to terminate Options. All payments as described above shall be made by delivery to the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, of a certified or bank check or checks in the appropriate amounts payable to the order of the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, in each case appropriately endorsed or executed by the Optionholder, the Optionholder's Estate, the Optionholder's Trust, the Pledgee or his or her or its duly authorized representatives.

(c) Notwithstanding any other provision of this Section 8 to the contrary and subject to Section 13, if there exists and is continuing any Event, WCP shall delay the repurchase of any of the Option Shares or the Options (pursuant to a Call Notice timely given in accordance with Section 8(a) hereof) from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, until the Repurchase Eligibility Date; PROVIDED that (i) the Section 8 Repurchase Price or the Section 7 Repurchase Price, as the case may be, shall be calculated as of the time of the delivery of a Call Notice in accordance with Section 8(a) and (ii) the number of Option Shares subject to repurchase under this Section 8 and the number of Exercisable Option Shares for purposes of calculating the Option Excess Price payable under this Section 8, shall be the number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, at the time of the delivery of a Call Notice in accordance with Section 8(a). All Options exercisable as of the date of a Call Notice shall continue to be exercisable until the repurchase pursuant to such Call Notice.

(d) Notwithstanding any other provision of this Section 8 to the contrary, WCP's right to purchase Option Shares and cancel Options pursuant to this Section 8 shall terminate with respect to any Option Shares and Options that have not been so repurchased or cancelled on or before the 120th day after the date of the Call Notice.

9. DETERMINATION OF REPURCHASE PRICE

(a) The Section 7 Repurchase Price and the Section 8 Repurchase Price are hereinafter collectively referred to as the "Repurchase Price." The Repurchase Price shall be calculated on the basis of the unaudited financial statements of the Company or the Market Price Per Share (as defined in Section 9(e)) as of the last day of the month preceding the month in which the event giving rise to the repurchase occurs (the "Repurchase Calculation Date"). The event giving rise to the repurchase shall be the transfer, death, Permanent Disability, Permitted Retirement or termination of employment, or other event, as the case may be, not the giving of any notice required pursuant to Section 7 or 8.

(b) The Section 7 Repurchase Price per Option Share shall be equal to the

greater of the Market Price Per Share and the Option Price Per Share.

(c) (i) If the Call Event results from the occurrence of an event described in clauses (ii), (iii) or (iv) of Section 8(a), the Section 8 Repurchase Price per Option Share shall be equal to the lesser of (x) the Market Price Per Share and (y) the Option Price Per Share plus the product of (I) the Vested Percentage (as defined in Section 6) and (II) the amount, if any, by which the Market Price Per Share exceeds the Option Price Per Share.

(ii) If the Call Event results from the Optionholder's voluntary termination of employment other than for Good Reason, the Section 8 Repurchase Price per Option Share shall be equal to the Market Price Per Share.

(iii) If the Call Event results from the Optionholder's termination of employment by the Company with Cause, the Section 8 Repurchase Price per Option Share shall be equal to the lesser of the Market Price Per Share and the Option Price Per Share.

(d) As used herein the term "Public Offering" shall mean the sale of shares of Common Stock to the public pursuant to a registration statement under the Act which has been declared effective by the Securities and Exchange Commission (other than a registration statement on Form S-8 or any other similar form) immediately after which sale an active trading market in the Common Stock exists; PROVIDED that an active trading market in the Common Stock shall be deemed to exist if the Common Stock is listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System, but the failure of the Common Stock to be so listed shall not PER SE be determinative as to whether an active trading market does not exist.

(e) As used herein the term "Market Price Per Share" shall mean the price per share equal to the average of the last sale price of the Common Stock on each of the ten trading days prior to the Repurchase Calculation Date on each exchange on which the Common Stock may at the time be listed and on which the Common Stock traded on such date or, if there shall have been no sales on any of such exchanges on any such trading day, the average of the closing bid and asked prices on each such exchange at the end of each such trading day or, if there is no such bid and asked price on such trading day, on the next preceding date when such bid and asked price occurred or, if the Common Stock shall not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of each of the ten trading days prior to the Repurchase Calculation Date in the over-the-counter market. If the Common Stock is not so listed or reported by NASDAQ, then the Market Price Per Share shall be the fair market value established by the Board acting in good faith.

(f) As used herein the term "Aggregate Market Value" shall mean the product of (i) the number of shares of Common Stock to be applied as payment of the Exercise Price pursuant to Section 4(b)(iv)(B) and (ii) the Market Value Per Share as of the payment date.

(g) In determining the Repurchase Price, appropriate adjustments shall be made for any future issuances of rights to acquire and securities convertible into Common Stock and any stock dividends, splits, combinations, recapitalizations or any other adjustment in the number of shares of outstanding shares of Common Stock.

10. SHARES ISSUED TO OPTIONHOLDER UPON EXERCISE OF OPTIONS; TERMINATION OF OPTIONS

(a) All Options, whether or not then exercisable, shall be automatically terminated to the extent that, pursuant to the provisions of this Agreement, WCP shall pay the Optionholder an amount equal to the Option Excess Price with respect to such Options. If the Option Excess Price is zero or a negative number, all outstanding Options granted to the Optionholder, whether or not then exercisable, shall be automatically terminated upon the repurchase of any Option Shares pursuant to Section 7 or Section 8. For purposes hereof, "Option Excess Price" shall mean the excess, if any, of the Section 7 Repurchase Price or the Section 8 Repurchase Price, depending on which Repurchase Price is (or would be) used to repurchase the Option Shares, over the exercise price applicable to such Options multiplied by the number of Exercisable Option Shares. For purposes hereof, "Exercisable Option Shares" shall mean the shares of Common Stock which, at the time of determination, could be purchased by the Optionholder upon exercise of his or her outstanding exercisable Options.

(b) Except as otherwise provided herein or in the Option Plan, the Options shall expire and cease to be exercisable to any extent after the first to occur of the following events:

(i) the tenth anniversary of the Vesting date; or

(ii) the date that is six months after the Optionholder's termination of employment by reason of death, Permanent Disability or Permitted Retirement; or

(iii) the first business day which is fifteen calendar days after the earlier of (A) 75 days after the Optionholder's termination of employment for any reason other than for Cause, Good Reason, death, Permanent Disability or Permitted Retirement, or (B) the delivery of notice by WCP that it does not intend to exercise its call right under Section 8; PROVIDED that in any event the Options shall remain exercisable under this Section 10 until at least 45 days after termination of the Optionholder's employment for any reason other than death, Permanent Disability, or Permitted Retirement; or

(iv) upon the occurrence of a Transfer Event (as hereinafter defined) and upon payment to the Optionholder of an amount in cash equal to the difference between (i) the product of (A) the Per Share Consideration (as hereinafter defined) received in such Transfer Event by a holder of Common Stock multiplied by (B) the number of Option Shares for which the unexercised Options are then exercisable and (ii) the aggregate Option Price Per Share for

such unexercised Options which are then exercisable. For the purposes of this Section 10, the term "Per Share Consideration" shall mean the quotient of (x) the aggregate consideration paid or to be paid (but only as and when received) in respect of the Transfer Event to the holders of Common Stock of WCP, as applicable, divided by (y) the number of outstanding shares of Common Stock on a fully diluted basis (after giving effect to the exercise of all outstanding options to acquire Common Stock to the extent then exercisable); and the term "Transfer Event" shall mean any of a merger or consolidation involving WCP, a sale or exchange of all or substantially all of the assets of WCP, an acquisition by another corporation or other entity of 80% or more of WCP's outstanding shares of voting stock or the liquidation or dissolution of WCP.

11. WCP'S REPRESENTATIONS AND WARRANTIES

(a) WCP represents and warrants to the Optionholder that (i) this Agreement has been duly authorized, executed and delivered by WCP and (ii) the Option Shares, when issued and delivered in accordance with the terms hereof, will be duly and validly issued, fully paid and nonassessable.

(b) WCP shall file the reports required to be filed by it under the Act and the Exchange Act to the extent required from time to time to enable the Optionholder to sell Option Shares without registration under the Act within the limitations of the exemptions provided by (i) Rule 144 under the Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Notwithstanding anything contained in this Section 11(b), WCP may deregister under Section 12 of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder, and, upon such deregistration, shall be relieved of its obligations to file reports pursuant to this Section 11(b). Nothing in this Section 11(b) shall be deemed to limit in any manner the restrictions on sales of Option Shares contained in this Agreement.

12. "PIGGYBACK" REGISTRATION RIGHTS

(a) If WCP, in connection with any Public Offering, plans to register any shares of Common Stock held by WCP Associates, L.P., APC Associates, L.P., GR Associates, L.P., KKR Partners II, L.P. or any other KKR Affiliate (as defined below) (the "Institutional Investors") for public offering pursuant to the Act, WCP will promptly notify the Optionholder in writing (a "Registration Notice") of such proposed registration (the "Proposed Registration"). If within ten business days of the receipt by the Optionholder of such Registration Notice (and, in any event, within 15 business days after such Registration Notice is sent by WCP), WCP receives from the Optionholder, the Optionholder's Estate or the Optionholder's Trust a written request (a "Registration Request") to register Option Shares held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust (which Registration Request will be irrevocable unless otherwise mutually agreed to in writing by the Optionholder and WCP), Option

Shares will be so registered as provided in this Section 12; PROVIDED that for each such Proposed Registration only one Registration Request, which shall be executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, may be submitted for all Registrable Securities held by the Optionholder, the Optionholder's Estate and the Optionholder's Trust, respectively. All Option Shares acquired by the Optionholder pursuant to the exercise of Options granted pursuant to this Agreement and held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, including shares purchased upon the exercise of Options, shall be deemed to be Registrable Securities.

(b) The maximum number of Option Shares which will be registered pursuant to a Registration Request will be the lowest of (i) the number of Option Shares then held by the Optionholder (which for purposes of this subparagraph (b) shall include shares held by the Optionholder's Estate or a Optionholder's Trust), including all Option Shares which the Optionholder is then entitled to acquire under an unexercised Option to the extent then exercisable (the "Maximum Shares"), (ii) the Maximum Shares then held by the Optionholder multiplied by the ratio of (A) the number of shares of Common Stock to be registered by the Institutional Investors in the Proposed Registration to (B) the total number of shares of Common Stock beneficially owned by all Institutional Investors and (iii) the maximum number of shares which the Optionholder can register in the public offering pursuant to any limits set by the managing underwriter for inclusion in such public offering and agreed to in good faith by WCP.

(c) Except as may otherwise be provided in this Section 12, Option Shares will be registered by WCP and offered to the public pursuant to this Section 12 on the same terms and subject to the same conditions applicable to registration in the Proposed registration of shares held by an Institutional Investor. Such terms and conditions shall include, without limitation: the public offering price; the payment of fees, commissions and expenses; the provision of, and representation and warranty as to, information requested by WCP; and the provision of requisite indemnifications.

(d) Upon delivering a Registration Request, the Optionholder will, if requested by WCP, execute and deliver a Custody Agreement and Power of Attorney in form and substance satisfactory to WCP with respect to the Option Shares to be registered pursuant to this Section 12 (a "Custody Agreement and Power of Attorney"). The Custody Agreement and Power of Attorney will provide, among other things, that the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates representing such Option Shares (duly endorsed in blank by the registered owner or owners thereof or accompanied by duly executed stock powers in blank) and irrevocably appoint said custodian and attorney-in-fact as the Optionholder, the Optionholder's Estate's or the Optionholder's Trust's, as the case may be, agent and attorney-in-fact with full power and authority to act

under the Custody Agreement and Power of Attorney on behalf of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, with respect to the matters specified therein. The Optionholder agrees that he will execute such other agreements as WCP may reasonably request to further evidence the provisions of this Section 12.

13. CONTINUED EXERCISABILITY OF WCP'S RIGHT OR OBLIGATION TO REPURCHASE. Notwithstanding anything to the contrary contained in Sections 7 and 8 hereof, if at any time consummation of all purchases and payments to be made by the Company pursuant to this Agreement and the Other Stock Option Agreements would result in an Event, then the Company shall make purchases from, and payments to, the Optionholder and Other Optionholders pro rata (on the basis of the proportion of the number of Option Shares and the number of Options each such Optionholder and all Other Optionholders have elected or are required to sell to the Company) for the maximum number of Option Shares and shall pay the Option Excess Price for the maximum number of Options permitted without resulting in an Event (the "Maximum Repurchase Amount"). The provisions of Section 7(d) and 8(c) shall apply in their entirety to payments and repurchases with respect to Options and Option Shares which may not be made due to the limits imposed by the Maximum Repurchase Amount under this Section 13. Until all of such Options and Option Shares are purchased and paid for by the Company, the Optionholder and the Other Optionholders whose Options and Option Shares are not purchased in accordance with this Section 13 shall have priority, on a pro rata basis, over other purchases of Options and Option Shares by the Company pursuant to this Agreement and Other Stock Option Agreements.

14. RIGHT TO NEGOTIATE PURCHASE PRICE. Nothing contained in this Agreement shall be deemed to restrict or prohibit WCP from purchasing Option Shares and the Options from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, at any time, for such price upon such other terms and conditions as may be mutually agreed upon between such parties, whether or not at the time of such purchase circumstances exist which specifically grant WCP the right to purchase, or the Optionholder, the Optionholder's Estate or the Optionholder's Trust to sell, Option Shares and the Options under the terms of this Agreement, and all such purchases shall be deemed to be in accordance with the terms of this Agreement.

15. COVENANT REGARDING 83(B) ELECTION. EXCEPT AS WCP MAY OTHERWISE AGREE IN WRITING, THE OPTIONHOLDER HEREBY COVENANTS AND AGREES THAT HE OR SHE WILL MAKE AN ELECTION UNDER SECTION 83(B) OF THE CODE PURSUANT TO TREASURY REGULATION SECTION 1.83-2 WITH RESPECT TO ANY OPTION SHARES ISSUED UPON EXERCISE OF THE OPTIONS. THE OPTIONHOLDER FURTHER COVENANTS AND AGREES THAT HE OR SHE WILL FURNISH WCP WITH COPIES OF THE FORM OF ELECTION THE OPTIONHOLDER FILES WITHIN 30 DAYS AFTER EACH EXERCISE OF ANY OF THE OPTIONS AND WITH EVIDENCE THAT EACH SUCH ELECTION HAS BEEN FILED IN A TIMELY MANNER.

16. NOTICE OF CHANGE OF BENEFICIARY. Immediately prior to any transfer of Option Shares to the Optionholder's Trust, the Optionholder shall provide WCP with a copy of the instruments creating the Optionholder's Trust and with the identity of the beneficiaries of the Optionholder's Trust. The Optionholder shall notify WCP immediately prior to any change in the identity of any beneficiary of the Optionholder's Trust.

17. EXPIRATION OF CERTAIN PROVISIONS

(a) The provisions contained in Sections 7 and 8 of this Agreement, and the portions of other provisions of this Agreement which incorporates the provisions of Sections 7 and 8, shall terminate and be of no further force or effect with respect to any Option Shares which are permitted to be sold by the Optionholder pursuant to this Agreement and which are sold by the Optionholder (i) pursuant to an effective registration statement filed by the Company under the Act or (ii) pursuant to Rule 144, as amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(b) The provisions contained in Sections 5(f), 6, 7, 8 and 15 of this Agreement, and the portion of any other provisions of this Agreement which incorporate the provisions of any of such Sections, shall terminate and be of no further force or effect upon the consummation of a Change of Control. For purposes of this Section, "Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company taken as a whole to any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the "KKR Affiliates" (as hereinafter defined), (ii) the adoption of a plan relating to the liquidation or dissolution of WCP, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the KKR Affiliates, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of WCP, (iv) the consummation of the first transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the "beneficial owner" (as defined above), directly or indirectly, of more of the voting stock of WCP than is at the time "beneficially owned" (as defined above) by the KKR Affiliates. For purposes of this Agreement, "KKR Affiliate" shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, Kohlberg Kravis Roberts & Co., L.L.P., its successors or assigns; "Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature, and "control" shall have the meaning given such term under Rule 405 of the Act.

18. RECAPITALIZATION. Except to the extent otherwise provided by Section 17 hereof, the provisions of this Agreement shall apply, to the full extent set

forth herein with respect to the Option Shares and the Options, to any and all capital stock of WCP and any partnership units, capital stock or other security evidencing ownership interests in any successor or assign of WCP (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of Option Shares and the Options, by reason of any dividend, distribution, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

19. OPTIONHOLDER'S EMPLOYMENT BY THE COMPANY. Nothing contained in this Agreement or in any other agreement entered into by the Company and the Optionholder in connection with the execution of this Agreement (i) obligates the Company to employ the Optionholder in any capacity whatsoever or (ii) prohibits or restricts the Company from terminating the employment, if any, of the Optionholder at any time or for any reason whatsoever, with or without cause, and the Optionholder hereby acknowledges and agrees that neither the Company nor any other person has made any representations or promises whatsoever to the Optionholder concerning the Optionholder's employment or continued employment by the Company except as otherwise set forth in a separate written agreement between the Company and the Optionholder.

20. STATE SECURITIES LAWS. WCP hereby agrees to use all reasonable efforts to comply with all state securities or "blue sky" laws, which might be applicable to the issuance of the Option Shares to the Optionholder.

21. BINDING EFFECT. The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. In the case of a transferee permitted under Section 5(b) hereof, such transferee shall be deemed to be the Optionholder hereunder; PROVIDED that no transferee (including, without limitation, any transferee referred to in Section 5(b) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to WCP a valid undertaking and becomes bound by the terms of this Agreement.

22. AMENDMENT. This Agreement may be amended only by a written agreement or instrument signed by the Parties hereto; PROVIDED that WCP may, in its discretion, amend this Agreement by a written agreement or instrument signed only by WCP to reduce or eliminate any restriction on the sale, transfer or other disposition of Option Shares.

23. CLOSING. Except as otherwise provided herein, the closing of each purchase and sale of Option Shares and any outstanding Options pursuant to this Agreement shall take place at the principal office of WCP on the 15th business day following delivery of the notice by either Party to the other of its exercise of the right to purchase or sell hereunder.

24. APPLICABLE LAW. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement,

regardless of the law that might be applied under principles of conflicts of law.

25. ASSIGNABILITY OF CERTAIN RIGHTS BY WCP. WCP shall have the right to assign any or all of its rights or obligations to purchase Option Shares and any outstanding Options pursuant to Sections 7 and 8 hereof.

26. PAYMENT BY WCP. If at any time WCP purchases Option Shares or any outstanding Options from the Optionholder hereunder, and the Optionholder is indebted to WCP in any amount whatsoever, WCP, in its sole discretion, may apply all or any part of such indebtedness to the purchase price.

27. NOTICES. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed delivered when delivered in person or sent by first-class mail (certified or registered mail, return receipt requested, postage prepaid), facsimile or overnight air courier guaranteeing next day delivery, addressed as follows:

(a) If to WCP, to it at the following address:

World Color Press, Inc.
The Mill
340 Pemberwick Road
Greenwich, Connecticut 06831
Facsimile No.: (203) 532-4371
Attn: Chief Legal Officer

(b) If to the Optionholder, to him or her at the following address:

170 Clapboard Ridge Road
Greenwich, CT 06831

28. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

29. SECTION HEADINGS. The section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

30. REMEDIES FOR VIOLATIONS. The Parties agree that they would be irreparably damaged and that money damages would not be a sufficient remedy in the event that the Parties do not follow this Agreement. In the event of any such breach, the non-breaching Party shall be entitled, without being required to post a bond or other security, to equitable relief (including, without limitation, injunction and specific performance) as a remedy for such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach but shall be in addition to all other remedies available at law or equity to the non-breaching Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

WORLD COLOR PRESS, INC.

By: /s/ Jennifer L. Adams

Jennifer L. Adams
Vice Chairman

/s/ Robert G. Burton

Robert G. Burton

STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") dated February 26, 1999 is made by and between World Color Press, Inc., a Delaware corporation ("WCP"), and Robert G. Burton, an individual with a residence at 170 Clapboard Ridge Road, Greenwich, CT 06831 (the "Optionholder"). WCP and the Optionholder are sometimes herein referred to collectively as the "Parties."

RECITALS

A. The Optionholder is a senior management employee of WCP.

B. WCP has established the 1998 Senior Management Stock Option Plan of World Color Press, Inc. (the "Option Plan"), and, pursuant to the Option Plan, WCP wishes to afford the Optionholder the opportunity to purchase shares of its common stock, par value \$.01 per share (the "Common Stock"). The term "Options" as used in this Agreement shall include all Options granted to the Optionholder pursuant to this Agreement. Upon exercise of Options granted hereunder in accordance with the terms hereof and issuance of Common Stock upon such exercise the Optionholder will become the holder of "Option Shares."

C. The Compensation Committee (the "Committee") of the Board of Directors of WCP (the "Board") has determined that it would be to the advantage and best interest of WCP and its stockholders to grant the Options provided for herein to the Optionholder as an inducement to continue to perform services for the Company (as hereinafter defined) and as an incentive for increased efforts during such service, and has advised WCP thereof and instructed the undersigned officer to issue said Options. For the purposes of this Agreement, the "Company" shall mean WCP, together with its subsidiaries.

D. This Agreement is one of several agreements ("Other Stock Option Agreements") which have been, or which in the future will be, entered into between WCP and other holders of Options granted pursuant to the Option Plan (collectively, the "Other Optionholders").

AGREEMENTS

1. GRANT OF OPTIONS. In consideration of the Optionholder's agreement to provide services to the Company and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WCP irrevocably grants to the Optionholder on the date hereof an aggregate of 200,000 Options, each to purchase initially one share of Common Stock (shares issuable upon exercise of the Options are collectively referred to herein as the "Option Shares"), upon the terms and conditions set forth in this Agreement. This Agreement and the grant of the Options herein are subject to all of the terms and provisions of the Option Plan attached hereto as Exhibit A (which terms and provisions are incorporated herein by reference and are expressly made part of this Agreement). In the event of any conflict between the provisions of this Agreement and the Option Plan, the terms of the Option Plan shall govern. All capitalized terms used herein without definition and defined in the Option Plan have the meanings ascribed to such terms in the Option Plan. The Options granted hereby are designated non-qualified stock options and are nontransferable except as otherwise expressly set forth in the Option Plan.

2. EXERCISE PRICE. The purchase price of the Option Shares upon exercise of any of the Options (the "Exercise Price" or "Option Price Per Share") shall initially be \$24.33 per share, without commission or other charge.

3. EXERCISABILITY. (a) The Options shall become exercisable as follows:

<TABLE>
<CAPTION>

DATE OPTIONS BECOME EXERCISABLE	EXERCISABLE PERCENTAGE OF OPTIONS
---------------------------------	--------------------------------------

<S> From February 3, 1999 ("Vesting Date") until the first anniversary of the Vesting Date	<C> 0%
On and after the first anniversary of the Vesting date until the second anniversary of the Vesting date	20%
On and after the second anniversary of the Vesting date until the third anniversary of the Vesting date	40%
On and after the third anniversary of	60%

the Vesting date until the fourth anniversary of the Vesting date

On and after the fourth anniversary of the Vesting date until the fifth anniversary of the Vesting date 80%

On and after the fifth anniversary of the Vesting date 100%

</TABLE>

(b) Notwithstanding the foregoing, all Options that are not exercisable at the time of the termination of employment of the Optionholder for any reason other than by reason of the Optionholder's death, Permanent Disability or Permitted Retirement (each as hereinafter defined) shall be automatically and immediately cancelled without any payment or other action by the Company. In the event of and upon the termination of the Optionholder's employment because of the Optionholder's death, Permanent Disability or Permitted Retirement, all of the Optionholder's Options granted hereunder shall immediately become exercisable.

(c) For purposes of this Agreement the following definitions shall apply: "Cause" shall mean (i) the Optionholder's failure to render services to the Company, which failure amounts to a material and flagrant neglect of such duties, (ii) the Optionholder's willful engagement in conduct that is, or that he or she intends to be, materially injurious to the Company, (iii) the Optionholder's commission of an act of fraud, conversion, misappropriation (including, but not limited to, the unauthorized use or disclosure of confidential or proprietary information of the Company), embezzlement or felony, (iv) a conviction of or guilty plea or his or her confession to any fraud, conversion, misappropriation, embezzlement or felony or (v) the Optionholder's repeated taking of any action prohibited by the Board, PROVIDED that he or she has received at least one written notice of having taken an action so prohibited; "Good Reason" shall mean, in each case without the Optionholder's consent, (i) a material adverse change, when viewed in the aggregate, in the Optionholder's duties, responsibilities, base compensation, bonus eligibility and/or other material matters directly related to his or her employment with the Company or (ii) the Optionholder's relocation by the Company to a location more than 100 miles from the Optionholder's immediately prior location.

(d) For purposes of this Agreement, the Optionholder shall be deemed to have a "Permanent Disability" if he or she is unable to engage in the activities required by employment by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as reasonably determined by the Board in good faith and in its discretion.

4. MANNER OF EXERCISE

(a) PARTIAL EXERCISE. An exercisable Option may be exercised at any time prior to the time when the Option becomes unexercisable under Section 10; PROVIDED that each exercise shall be for not less than 50 Option Shares and shall be for whole Option Shares only.

(b) MANNER OF EXERCISE. An exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company or his or her office:

(i) A written notice complying with the applicable rules established by the Committee stating that the Option is exercised. The Optionholder shall sign the notice or other person then entitled and authorized to exercise the Option;

(ii) Such representations and documents as the Committee, in its discretion, deems necessary, appropriate or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended (the "Act"), and any other federal or state securities laws, rules or regulations. The Committee may, in its discretion, also take whatever additional actions it deems necessary, appropriate or advisable to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to transfer agents and registrars;

(iii) In the event that the Option shall be exercised by any person or persons other than the Optionholder, appropriate proof of the right of such person or persons to exercise the Option; and

(iv) Full payment (by certified or bank check or by wire transfer of immediately available funds) to the Secretary of the Company for the Option Shares with respect to which Options are exercised and any applicable withholding taxes. In its discretion, however, the Committee may (A) allow a delay in payment up to thirty (30) days from the date the Option is exercised; (B) allow payment, in whole or in part, through the delivery of shares of Common Stock owned by the Optionholder (including, subject to Section 4(c), Option Shares issuable upon such exercise), duly endorsed for transfer to WCP, having an Aggregate Market Value (as hereinafter defined) on the date of delivery equal to the aggregate Exercise Price of the Options; (C) allow payment, in whole or in part, through the delivery of property of any kind which constitutes good and valuable consideration; (D) allow payment, in whole or in part, through the delivery of a full recourse promissory note bearing interest (at no less than such rate as shall then preclude the imputation of interest under the Code) and payable upon such terms as may be prescribed by the Committee; or (E) allow payment through any combination of the consideration provided in the foregoing subparagraphs (B), (C) and (D).

In the case of a promissory note, the Committee may also prescribe the form of such note and the security to be given for such note. No Option may be exercised, however, by delivery of a promissory note or by a loan from the Company when or where such loan or other extension of credit is prohibited by law.

(c) CERTAIN TIMING REQUIREMENTS. At the discretion of the Committee, shares of Common Stock issuable to the Optionholder upon exercise of the Option may be used to satisfy the Option Exercise Price or the tax withholding consequences of such exercise, but in the case of persons subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") shares of Common Stock maybe so used only (i) during the period beginning on the third business day following the date of release of the quarterly or annual summary statement of sales and earnings of the Company and ending on the twelfth business day following such date or (ii) pursuant to an irrevocable written election by the Optionholder to use shares of Common Stock issuable to the Optionholder upon exercise of the Option to pay all or part of the Option Exercise Price or the withholding taxes made at least six months prior to the payment of such Option Exercise Price or withholding taxes.

(d) RIGHTS AS STOCKHOLDERS. The holders of Options shall not be, nor have any of the rights or privileges of, stockholders of WCP in respect of any shares purchasable upon the exercise of any Option unless and until certificates representing such shares have been issued by the Company to such holders.

(e) CONDITIONS TO ISSUANCE OF STOCK CERTIFICATES. WCP may postpone the time of delivery of the certificates for Option Shares for such additional time as WCP shall deem necessary or desirable to enable it to comply with the listing requirements of any securities exchange with which the Common Stock may be listed or the requirements of the Act or the Exchange Act, or any rules and regulations of the Securities and Exchange Commission promulgated thereunder, or the requirements of applicable state laws relating to the authorization, issuance or sale of securities.

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE OPTIONHOLDER

(a) The Optionholder hereby represents and warrants that he or she is acquiring the Options and any Option Shares issued upon exercise thereof for investment for his or her own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof. The Optionholder acknowledges and affirms Section 7.1 of the Option Plan. The Optionholder further agrees and acknowledges that he or she will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any such act being referred to herein as a "transfer") any Option Shares unless such transfer complies with Section 6 of this Agreement and such transfer is pursuant to (i) an effective registration statement under the Act

and the rules and regulations thereunder and in compliance with any applicable state securities or "blue sky" laws, or (ii) (A) an opinion of counsel to the Optionholder (which counsel shall be reasonably acceptable to WCP) furnished to WCP and satisfactory in form and substance to WCP that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Optionholder is a citizen or resident of any country other than the United States, or the Optionholder desires to effect any Transfer in any such country, counsel for the Optionholder (which counsel shall be reasonably satisfactory to WCP) shall have furnished WCP with an opinion or other advice satisfactory in form and substance to WCP to the effect that such Transfer will comply with the securities laws of such jurisdiction.

(b) Notwithstanding the foregoing, WCP acknowledges and agrees that any of the following transfers of Option Shares are deemed to be in compliance with the Act and this Agreement and no opinion of counsel is required in connection therewith:

(i) A transfer of Option Shares made pursuant to Sections 7 or 8 of this Agreement;

(ii) A transfer of Option Shares upon the death of the Optionholder to his or her executors, administrators, testamentary trustees, legatees or beneficiaries (the "Optionholder's Estate") or a transfer to the executors, administrators, testamentary trustees, legatees or beneficiaries of a person who has become a holder of Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder;

(iii) A transfer of Option Shares made in compliance with the federal securities laws to a trust or custodianship the beneficiaries of which, a partnership (general or limited) the partners of which, or a limited liability company the members of which, may include only the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption (the "Optionholder's Trust") or a transfer of Option Shares made after the third anniversary of the Vesting date to such a trust, partnership or limited liability corporation by a person who has become a holder of such Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder; and

(iv) A pledge or hypothecation by the Optionholder or the Optionholder's Trust of the Option Shares or his or her or its interest therein to a bank or other financial institution (a "Pledgee") reasonably satisfactory to WCP to secure a loan by such Pledgee to the Optionholder

or the Optionholder's Trust, as the case may be, for the purchase of the Option Shares or the refinancing of any indebtedness incurred for the purchase of the Option Shares; PROVIDED that (A) such Pledgee agrees in writing to accept the Option Shares or interest therein subject to all of the terms and conditions of this Agreement as if such Pledgee were the Optionholder and to notify WCP upon the happening of any default or event of default under the terms of the agreement with the Optionholder or the Optionholder's Trust, as the case may be, relating to such pledge or hypothecation and (B) the Optionholder or the Optionholder's Trust, as the case may be, delivers to the Board a copy of all proposed documentation relating to such pledge or hypothecation at least ten days before the scheduled date of such pledge or hypothecation, and prior to such scheduled date WCP has confirmed that such documentation is reasonably satisfactory to it in form and substance.

(c) The certificate (or certificates) representing the Option Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF STOCK OPTION AGREEMENT DATED DECEMBER 18, 1998 BETWEEN WORLD COLOR PRESS, INC. ("WCP") AND THE OPTIONHOLDER NAMED ON THE FACE HEREOF (A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF WCP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS OR (B) (I) IF WCP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER, AND IN COMPLIANCE WITH APPLICABLE PROVISIONS OF STATE SECURITIES LAWS, AND (II) IF THE HOLDER IS A CITIZEN OR RESIDENT OF ANY COUNTRY OTHER THAN THE UNITED STATES, OR THE HOLDER DESIRES TO EFFECT ANY SUCH TRANSACTION IN ANY SUCH COUNTRY, THE COMPANY HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OR OTHER ADVICE OF COUNSEL FOR THE HOLDER THAT SUCH TRANSACTION WILL NOT VIOLATE THE LAWS OF SUCH COUNTRY."

(d) The Optionholder acknowledges that he or she has been advised that (i) the issuance of the Option Shares upon exercise of the Options will not have been registered under the Act, (ii) the Option Shares must be held indefinitely and the Optionholder must continue to bear the economic risk of the investment in the Option Shares unless they are subsequently registered under the Act or an exemption from such registration is available, (iii) no assurance can be given that there will be any public market for the Option

Shares, (iv) no assurance can be given that Rule 144 promulgated under the Act will be available with respect to the sales of any securities of WCP, and WCP has made no covenant to make such Rule available, (v) when and if any of the Option Shares may be disposed of without registration in reliance on Rule 144, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule, (vi) if the Rule 144 exemption is not available, public sale without registration will require compliance with some other exemption under the Act, (vii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Option Shares and (viii) a notation shall be made in the appropriate records of WCP and/or the transfer agent for the Common Stock indicating that the Option Shares are subject to restriction on transfer and appropriate stop transfer restrictions will be issued to WCP's stock transfer agent with respect to the Option Shares.

(e) If any of the Option Shares are to be disposed of in accordance with Rule 144 under the Act or otherwise, the Optionholder shall promptly notify WCP of such intended disposition and shall deliver to WCP at or prior to the time of such disposition such documentation as WCP may reasonably request in connection with such sale and, in the case of a disposition pursuant to Rule 144, shall deliver to WCP an executed copy of any notice on Form 144 required to be filed with the Securities and Exchange Commission ("SEC").

(f) The Optionholder agrees that, if any securities of WCP are offered to the public pursuant to an effective registration statement under the Act, the Optionholder will not effect any public sale or distribution of any Option Shares not covered by such registration statement within seven days prior to, or within 180 days (or in an underwritten public offering, any such lesser period as the underwriters may agree to) after, the effective date of such registration statement, unless otherwise agreed to in writing by WCP; PROVIDED that the Optionholder shall have been notified in writing of such offering.

6. RESTRICTION ON TRANSFER OF OPTION SHARES

(a) Except for transfers otherwise permitted by this Agreement, the Optionholder agrees that he or she will not transfer, sell, assign, pledge, hypothecate or otherwise dispose of any Option Shares at any time prior to the fifth anniversary of the Vesting date. The restrictions on transfer provided in this Section 6 shall not apply as of any date (the "Calculation Date") to a number of Option Shares (the "Unrestricted Shares") held in the aggregate by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledges equal to the excess, if any, of (i) the product of (A) the total number of Option Shares covered by all Options received by the Optionholder on the Vesting date and (B) the Vested Percentage as of such date over (ii) the total number of Option Shares transferred by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledges after the date hereof, other than pursuant to transfers permitted by clauses (ii), (iii) and (iv) of Section 5(b) hereof. No transfer of any such shares in violation

hereof shall be made or recorded on the books of WCP (or any transfer agent or registrar therefor) and any such transfer shall be null and void and of no force or effect.

(b) For purposes of this Agreement, the "Vested Percentage" with respect to Option Shares shall be determined as follows:

<TABLE>

<CAPTION>

CALCULATION DATE	VESTED PERCENTAGE
------------------	-------------------

<S>	<C>
From Vesting date until the first anniversary of the Vesting date	0%
On and after the first anniversary of the Vesting date until the second anniversary of the Vesting date	20%
On and after the second anniversary of the Vesting date until the third anniversary of the Vesting date	40%
On and after the third anniversary of the Vesting date until the fourth anniversary of the Vesting date	60%
On and after the fourth anniversary of the Vesting date until the fifth anniversary of the Vesting date	80%
On and after the fifth anniversary of the Vesting date	100%

</TABLE>

7. OPTIONHOLDER'S RIGHT TO RESELL OPTION SHARES AND OPTIONS TO WCP UPON DEATH OR DISABILITY

(a) Except as otherwise provided herein, if on or before the fifth anniversary of the Vesting date, (i) the Optionholder dies or becomes Permanently Disabled (as hereinafter defined) and (ii) at the time of his or her death or Permanent Disability, the Optionholder (A) was still in the employ of the Company, (B) had retired from the Company at age 65 or over (or such other age as may be approved by the Board) after having been employed by the Company continuously for at least three years after the Vesting date (a "Permitted Retirement"), or (C) had terminated employment with Good Reason (as

hereinafter defined), then the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall have the right for six months from the date of death or Permanent Disability to elect on one occasion (x) to sell to WCP, and WCP shall be required to purchase all or any portion of the Option Shares then held by the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, at the Section 7 Repurchase Price, as determined in accordance with Section 9 and/or (y) to require WCP to pay to the Optionholder an amount equal to the Option Excess Price (as defined in Section 10(a)) determined on the basis of the Section 7 Repurchase Price as provided in Section 9 with respect to the termination of all or any portion of outstanding Options held by the Optionholder.

(b) The Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall send written notice to WCP of his, her or its election to sell such Option Shares and/or to terminate such Options in exchange for the payment referred to in the preceding subsection (a) (the "Redemption Notice") within the six-month period referred to in Section 7(a). The completion of the purchase shall take place at the principal office of WCP on the 15th business day after the receipt by WCP of a properly given Redemption Notice. The Section 7 Repurchase Price and any payment with respect to the Options as described above shall be paid by delivery to the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, of a certified or bank check or checks in the appropriate amount payable to the order of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, appropriately endorsed or executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, or his, her or its duly authorized representative.

(c) Notwithstanding any other provision of this Section 7 and subject to Section 13, if there exists and is continuing a default or any event which after a notice or lapse of time or both would cause a default under any loan, guarantee or other agreement under which WCP or any of its Subsidiaries has borrowed money or such repurchase would result in any default or event of default on the part of the WCP or any of its Subsidiaries under any such agreement or if the capital of WCP or any of its Subsidiaries is then impaired or would be impaired as a result of such repurchase or such repurchase would otherwise violate the General Corporation Law of the State of Delaware (each such occurrence being an "Event"), WCP shall not be obligated to repurchase any of the Option Shares from, or to make any payment with respect to the Options to, the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be until the first business day which is five business days after all of the foregoing Events have ceased to exist (the "Repurchase Eligibility Date"), PROVIDED that (i) the Section 7 Repurchase Price shall be calculated as of the time of the delivery of a Redemption Notice in accordance with Section 7(b) and (ii) the number of Option Shares subject to repurchase under this Section 7(c) and the number of Exercisable Option Shares (as defined in Section 10(a)) for purposes of calculating the Option Excess Price payable under Section 7(a), shall be that number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate

or the Optionholder's Trust, as the case may be, at the time of the delivery of a Redemption Notice in accordance with Section 7(b). All Options exercisable as of the date of a Redemption Notice shall continue to be exercisable until the repurchase pursuant to such Redemption Notice.

(d) Notwithstanding any other provision of this Section 7 to the contrary, the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, shall have the right to withdraw any Redemption Notice which has been pending for 120 or more days and which has remained unsatisfied because of the provisions of Section 7(c).

8. WCP'S RIGHT TO REPURCHASE OPTION SHARES AND TERMINATE OPTIONS OF OPTIONHOLDER

(a) If on or prior to the fifth anniversary of the Vesting date, (i) the Optionholder's employment with WCP (and, if applicable, its Subsidiaries) is voluntarily or involuntarily terminated for any reason whatsoever, with or without Cause or Good Reason, (ii) the beneficiaries of an Optionholder's Trust shall include any person or entity other than the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption, (iii) the Optionholder shall effect a transfer of any of the Option Shares other than as permitted by this Agreement or (iv) there shall occur a transfer of Option Shares then held by the Optionholder pursuant to a bankruptcy proceeding, levy, property settlement or disposition pursuant to law incident to marital separation or divorce (alternatively, a "Call Event"), then WCP shall have the right to purchase all, but not less than all, of the Option Shares then held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and all Pledges at the Section 8 Repurchase Price determined in accordance with Section 9 hereof; PROVIDED that the Call Event described in clause (iv) of this Section 8 shall entitle WCP to repurchase only the number of Option Shares that are the subject of the transfer resulting in the Call Event; and PROVIDED, FURTHER, that if the Call Event results from the death, Permanent Disability or Permitted Retirement of the Optionholder, or the termination of the Optionholder's employment by the Optionholder with Good Reason or by the Company without Cause, WCP shall have the right to purchase all, but not less than all, of the Option Shares held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and any Pledgee at the Section 7 Repurchase Price. WCP shall have a period of 75 days after the date of a Call Event (or the date of WCP's knowledge that a Call Event described in clause (ii) or (iii) above has occurred) in which to give notice in writing to the Optionholder of WCP's exercise of such repurchase election (the "Call Notice"). If (X) the Optionholder holds Option Shares and Options and WCP exercises its right to repurchase Option Shares pursuant to this Section 8 or (Y) the Optionholder holds only Options and WCP elects (in accordance with the requirements of the Call Notice), WCP shall also pay the Optionholder an amount equal to the Option Excess Price determined on the basis of the Section 8 Repurchase Price or Section 7 Repurchase Price, as applicable, with respect to the termination of (A) if the Call Event is described in clause (i), (ii) or (iii) above, all, but not less than all, of the then exercisable outstanding Options held by the

Optionholder and (B) if the Call Event is described in clause (iv) above, a pro rata portion (based on the number of Option Shares that are the subject of the transfer) of the then exercisable outstanding Options held by the Optionholder.

(b) Subject to Section 13 hereof, the completion of the purchases pursuant to Section 8 (a) shall take place at the principal office of WCP on the 15th business day after the giving of notice of the exercise by WCP of its right to purchase Option Shares and/or to terminate Options. All payments as described above shall be made by delivery to the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, of a certified or bank check or checks in the appropriate amounts payable to the order of the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, in each case appropriately endorsed or executed by the Optionholder, the Optionholder's Estate, the Optionholder's Trust, the Pledgee or his or her or its duly authorized representatives.

(c) Notwithstanding any other provision of this Section 8 to the contrary and subject to Section 13, if there exists and is continuing any Event, WCP shall delay the repurchase of any of the Option Shares or the Options (pursuant to a Call Notice timely given in accordance with Section 8(a) hereof) from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, until the Repurchase Eligibility Date; PROVIDED that (i) the Section 8 Repurchase Price or the Section 7 Repurchase Price, as the case may be, shall be calculated as of the time of the delivery of a Call Notice in accordance with Section 8(a) and (ii) the number of Option Shares subject to repurchase under this Section 8 and the number of Exercisable Option Shares for purposes of calculating the Option Excess Price payable under this Section 8, shall be the number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, at the time of the delivery of a Call Notice in accordance with Section 8(a). All Options exercisable as of the date of a Call Notice shall continue to be exercisable until the repurchase pursuant to such Call Notice.

(d) Notwithstanding any other provision of this Section 8 to the contrary, WCP's right to purchase Option Shares and cancel Options pursuant to this Section 8 shall terminate with respect to any Option Shares and Options that have not been so repurchased or cancelled on or before the 120th day after the date of the Call Notice.

9. DETERMINATION OF REPURCHASE PRICE

(a) The Section 7 Repurchase Price and the Section 8 Repurchase Price are hereinafter collectively referred to as the "Repurchase Price." The Repurchase Price shall be calculated on the basis of the unaudited financial statements of the Company or the Market Price Per Share (as defined in Section 9(e)) as of

the last day of the month preceding the month in which the event giving rise to the repurchase occurs (the "Repurchase Calculation Date"). The event giving rise to the repurchase shall be the transfer, death, Permanent Disability, Permitted Retirement or termination of employment, or other event, as the case may be, not the giving of any notice required pursuant to Section 7 or 8.

(b) The Section 7 Repurchase Price per Option Share shall be equal to the greater of the Market Price Per Share and the Option Price Per Share.

(c) (i) If the Call Event results from the occurrence of an event described in clauses (ii), (iii) or (iv) of Section 8(a), the Section 8 Repurchase Price per Option Share shall be equal to the lesser of (x) the Market Price Per Share and (y) the Option Price Per Share plus the product of (I) the Vested Percentage (as defined in Section 6) and (II) the amount, if any, by which the Market Price Per Share exceeds the Option Price Per Share.

(ii) If the Call Event results from the Optionholder's voluntary termination of employment other than for Good Reason, the Section 8 Repurchase Price per Option Share shall be equal to the Market Price Per Share.

(iii) If the Call Event results from the Optionholder's termination of employment by the Company with Cause, the Section 8 Repurchase Price per Option Share shall be equal to the lesser of the Market Price Per Share and the Option Price Per Share.

(d) As used herein the term "Public Offering" shall mean the sale of shares of Common Stock to the public pursuant to a registration statement under the Act which has been declared effective by the Securities and Exchange Commission (other than a registration statement on Form S-8 or any other similar form) immediately after which sale an active trading market in the Common Stock exists; PROVIDED that an active trading market in the Common Stock shall be deemed to exist if the Common Stock is listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System, but the failure of the Common Stock to be so listed shall not PER SE be determinative as to whether an active trading market does not exist.

(e) As used herein the term "Market Price Per Share" shall mean the price per share equal to the average of the last sale price of the Common Stock on each of the ten trading days prior to the Repurchase Calculation Date on each exchange on which the Common Stock may at the time be listed and on which the Common Stock traded on such date or, if there shall have been no sales on any of such exchanges on any such trading day, the average of the closing bid and asked prices on each such exchange at the end of each such trading day or, if there is no such bid and asked price on such trading day, on the next preceding date when such bid and asked price occurred or, if the Common Stock shall not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of each of the ten trading days prior to the Repurchase Calculation

Date in the over-the-counter market. If the Common Stock is not so listed or reported by NASDAQ, then the Market Price Per Share shall be the fair market value established by the Board acting in good faith.

(f) As used herein the term "Aggregate Market Value" shall mean the product of (i) the number of shares of Common Stock to be applied as payment of the Exercise Price pursuant to Section 4(b)(iv)(B) and (ii) the Market Value Per Share as of the payment date.

(g) In determining the Repurchase Price, appropriate adjustments shall be made for any future issuances of rights to acquire and securities convertible into Common Stock and any stock dividends, splits, combinations, recapitalizations or any other adjustment in the number of shares of outstanding shares of Common Stock.

10. SHARES ISSUED TO OPTIONHOLDER UPON EXERCISE OF OPTIONS; TERMINATION OF OPTIONS

(a) All Options, whether or not then exercisable, shall be automatically terminated to the extent that, pursuant to the provisions of this Agreement, WCP shall pay the Optionholder an amount equal to the Option Excess Price with respect to such Options. If the Option Excess Price is zero or a negative number, all outstanding Options granted to the Optionholder, whether or not then exercisable, shall be automatically terminated upon the repurchase of any Option Shares pursuant to Section 7 or Section 8. For purposes hereof, "Option Excess Price" shall mean the excess, if any, of the Section 7 Repurchase Price or the Section 8 Repurchase Price, depending on which Repurchase Price is (or would be) used to repurchase the Option Shares, over the exercise price applicable to such Options multiplied by the number of Exercisable Option Shares. For purposes hereof, "Exercisable Option Shares" shall mean the shares of Common Stock which, at the time of determination, could be purchased by the Optionholder upon exercise of his or her outstanding exercisable Options.

(b) Except as otherwise provided herein or in the Option Plan, the Options shall expire and cease to be exercisable to any extent after the first to occur of the following events:

(i) the tenth anniversary of the Vesting date; or

(ii) the date that is six months after the Optionholder's termination of employment by reason of death, Permanent Disability or Permitted Retirement; or

(iii) the first business day which is fifteen calendar days after the earlier of (A) 75 days after the Optionholder's termination of employment for any reason other than for Cause, Good Reason, death, Permanent Disability or Permitted Retirement, or (B) the delivery of notice by WCP that it does not intend to exercise its call right under Section 8; PROVIDED that in any event

the Options shall remain exercisable under this Section 10 until at least 45 days after termination of the Optionholder's employment for any reason other than death, Permanent Disability, or Permitted Retirement; or

(iv) upon the occurrence of a Transfer Event (as hereinafter defined) and upon payment to the Optionholder of an amount in cash equal to the difference between (i) the product of (A) the Per Share Consideration (as hereinafter defined) received in such Transfer Event by a holder of Common Stock multiplied by (B) the number of Option Shares for which the unexercised Options are then exercisable and (ii) the aggregate Option Price Per Share for such unexercised Options which are then exercisable. For the purposes of this Section 10, the term "Per Share Consideration" shall mean the quotient of (x) the aggregate consideration paid or to be paid (but only as and when received) in respect of the Transfer Event to the holders of Common Stock of WCP, as applicable, divided by (y) the number of outstanding shares of Common Stock on a fully diluted basis (after giving effect to the exercise of all outstanding options to acquire Common Stock to the extent then exercisable); and the term "Transfer Event" shall mean any of a merger or consolidation involving WCP, a sale or exchange of all or substantially all of the assets of WCP, an acquisition by another corporation or other entity of 80% or more of WCP's outstanding shares of voting stock or the liquidation or dissolution of WCP.

11. WCP'S REPRESENTATIONS AND WARRANTIES

(a) WCP represents and warrants to the Optionholder that (i) this Agreement has been duly authorized, executed and delivered by WCP and (ii) the Option Shares, when issued and delivered in accordance with the terms hereof, will be duly and validly issued, fully paid and nonassessable. (b) WCP shall file the reports required to be filed by it under the Act and the Exchange Act to the extent required from time to time to enable the Optionholder to sell Option Shares without registration under the Act within the limitations of the exemptions provided by (i) Rule 144 under the Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Notwithstanding anything contained in this Section 11(b), WCP may deregister under Section 12 of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder, and, upon such deregistration, shall be relieved of its obligations to file reports pursuant to this Section 11(b). Nothing in this Section 11(b) shall be deemed to limit in any manner the restrictions on sales of Option Shares contained in this Agreement.

12. "PIGGYBACK" REGISTRATION RIGHTS

(a) If WCP, in connection with any Public Offering, plans to register any shares of Common Stock held by WCP Associates, L.P., APC Associates, L.P., GR Associates, L.P., KKR Partners II, L.P. or any other KKR Affiliate (as defined below) (the "Institutional Investors") for public offering pursuant to the Act,

WCP will promptly notify the Optionholder in writing (a "Registration Notice") of such proposed registration (the "Proposed Registration"). If within ten business days of the receipt by the Optionholder of such Registration Notice (and, in any event, within 15 business days after such Registration Notice is sent by WCP), WCP receives from the Optionholder, the Optionholder's Estate or the Optionholder's Trust a written request (a "Registration Request") to register Option Shares held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust (which Registration Request will be irrevocable unless otherwise mutually agreed to in writing by the Optionholder and WCP), Option Shares will be so registered as provided in this Section 12; PROVIDED that for each such Proposed Registration only one Registration Request, which shall be executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, may be submitted for all Registrable Securities held by the Optionholder, the Optionholder's Estate and the Optionholder's Trust, respectively. All Option Shares acquired by the Optionholder pursuant to the exercise of Options granted pursuant to this Agreement and held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, including shares purchased upon the exercise of Options, shall be deemed to be Registrable Securities.

(b) The maximum number of Option Shares which will be registered pursuant to a Registration Request will be the lowest of (i) the number of Option Shares then held by the Optionholder (which for purposes of this subparagraph (b) shall include shares held by the Optionholder's Estate or a Optionholder's Trust), including all Option Shares which the Optionholder is then entitled to acquire under an unexercised Option to the extent then exercisable (the "Maximum Shares"), (ii) the Maximum Shares then held by the Optionholder multiplied by the ratio of (A) the number of shares of Common Stock to be registered by the Institutional Investors in the Proposed Registration to (B) the total number of shares of Common Stock beneficially owned by all Institutional Investors and (iii) the maximum number of shares which the Optionholder can register in the public offering pursuant to any limits set by the managing underwriter for inclusion in such public offering and agreed to in good faith by WCP.

(c) Except as may otherwise be provided in this Section 12, Option Shares will be registered by WCP and offered to the public pursuant to this Section 12 on the same terms and subject to the same conditions applicable to registration in the Proposed registration of shares held by an Institutional Investor. Such terms and conditions shall include, without limitation: the public offering price; the payment of fees, commissions and expenses; the provision of, and representation and warranty as to, information requested by WCP; and the provision of requisite indemnifications.

(d) Upon delivering a Registration Request, the Optionholder will, if requested by WCP, execute and deliver a Custody Agreement and Power of Attorney in form and substance satisfactory to WCP with respect to the Option Shares to be registered pursuant to this Section 12 (a "Custody Agreement and Power of

Attorney"). The Custody Agreement and Power of Attorney will provide, among other things, that the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates representing such Option Shares (duly endorsed in blank by the registered owner or owners thereof or accompanied by duly executed stock powers in blank) and irrevocably appoint said custodian and attorney-in-fact as the Optionholder, the Optionholder's Estate's or the Optionholder's Trust's, as the case may be, agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on behalf of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, with respect to the matters specified therein. The Optionholder agrees that he will execute such other agreements as WCP may reasonably request to further evidence the provisions of this Section 12.

13. CONTINUED EXERCISABILITY OF WCP'S RIGHT OR OBLIGATION TO REPURCHASE. Notwithstanding anything to the contrary contained in Sections 7 and 8 hereof, if at any time consummation of all purchases and payments to be made by the Company pursuant to this Agreement and the Other Stock Option Agreements would result in an Event, then the Company shall make purchases from, and payments to, the Optionholder and Other Optionholders pro rata (on the basis of the proportion of the number of Option Shares and the number of Options each such Optionholder and all Other Optionholders have elected or are required to sell to the Company) for the maximum number of Option Shares and shall pay the Option Excess Price for the maximum number of Options permitted without resulting in an Event (the "Maximum Repurchase Amount"). The provisions of Section 7(d) and 8(c) shall apply in their entirety to payments and repurchases with respect to Options and Option Shares which may not be made due to the limits imposed by the Maximum Repurchase Amount under this Section 13. Until all of such Options and Option Shares are purchased and paid for by the Company, the Optionholder and the Other Optionholders whose Options and Option Shares are not purchased in accordance with this Section 13 shall have priority, on a pro rata basis, over other purchases of Options and Option Shares by the Company pursuant to this Agreement and Other Stock Option Agreements.

14. RIGHT TO NEGOTIATE PURCHASE PRICE. Nothing contained in this Agreement shall be deemed to restrict or prohibit WCP from purchasing Option Shares and the Options from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, at any time, for such price upon such other terms and conditions as may be mutually agreed upon between such parties, whether or not at the time of such purchase circumstances exist which specifically grant WCP the right to purchase, or the Optionholder, the Optionholder's Estate or the Optionholder's Trust to sell, Option Shares and the Options under the terms of this Agreement, and all such purchases shall be deemed to be in accordance with the terms of this Agreement.

15. COVENANT REGARDING 83(B) ELECTION. EXCEPT AS WCP MAY OTHERWISE AGREE

IN WRITING, THE OPTIONHOLDER HEREBY COVENANTS AND AGREES THAT HE OR SHE WILL MAKE AN ELECTION UNDER SECTION 83(B) OF THE CODE PURSUANT TO TREASURY REGULATION SECTION 1.83-2 WITH RESPECT TO ANY OPTION SHARES ISSUED UPON EXERCISE OF THE OPTIONS. THE OPTIONHOLDER FURTHER COVENANTS AND AGREES THAT HE OR SHE WILL FURNISH WCP WITH COPIES OF THE FORM OF ELECTION THE OPTIONHOLDER FILES WITHIN 30 DAYS AFTER EACH EXERCISE OF ANY OF THE OPTIONS AND WITH EVIDENCE THAT EACH SUCH ELECTION HAS BEEN FILED IN A TIMELY MANNER.

16. NOTICE OF CHANGE OF BENEFICIARY. Immediately prior to any transfer of Option Shares to the Optionholder's Trust, the Optionholder shall provide WCP with a copy of the instruments creating the Optionholder's Trust and with the identity of the beneficiaries of the Optionholder's Trust. The Optionholder shall notify WCP immediately prior to any change in the identity of any beneficiary of the Optionholder's Trust.

17. EXPIRATION OF CERTAIN PROVISIONS

(a) The provisions contained in Sections 7 and 8 of this Agreement, and the portions of other provisions of this Agreement which incorporates the provisions of Sections 7 and 8, shall terminate and be of no further force or effect with respect to any Option Shares which are permitted to be sold by the Optionholder pursuant to this Agreement and which are sold by the Optionholder (i) pursuant to an effective registration statement filed by the Company under the Act or (ii) pursuant to Rule 144, as amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(b) The provisions contained in Sections 5(f), 6, 7, 8 and 15 of this Agreement, and the portion of any other provisions of this Agreement which incorporate the provisions of any of such Sections, shall terminate and be of no further force or effect upon the consummation of a Change of Control. For purposes of this Section, "Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company taken as a whole to any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the "KKR Affiliates" (as hereinafter defined), (ii) the adoption of a plan relating to the liquidation or dissolution of WCP, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the KKR Affiliates, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of WCP, (iv) the consummation of the first transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the "beneficial owner" (as defined above), directly or indirectly, of more of the voting stock of WCP than is at the time "beneficially owned" (as defined above) by the KKR Affiliates. For purposes of this Agreement, "KKR Affiliate" shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, Kohlberg Kravis Roberts & Co., L.L.P., its successors or assigns; "Person" means an

individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature, and "control" shall have the meaning given such term under Rule 405 of the Act.

18. RECAPITALIZATION. Except to the extent otherwise provided by Section 17 hereof, the provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Option Shares and the Options, to any and all capital stock of WCP and any partnership units, capital stock or other security evidencing ownership interests in any successor or assign of WCP (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of Option Shares and the Options, by reason of any dividend, distribution, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

19. OPTIONHOLDER'S EMPLOYMENT BY THE COMPANY. Nothing contained in this Agreement or in any other agreement entered into by the Company and the Optionholder in connection with the execution of this Agreement (i) obligates the Company to employ the Optionholder in any capacity whatsoever or (ii) prohibits or restricts the Company from terminating the employment, if any, of the Optionholder at any time or for any reason whatsoever, with or without cause, and the Optionholder hereby acknowledges and agrees that neither the Company nor any other person has made any representations or promises whatsoever to the Optionholder concerning the Optionholder's employment or continued employment by the Company except as otherwise set forth in a separate written agreement between the Company and the Optionholder.

20. STATE SECURITIES LAWS. WCP hereby agrees to use all reasonable efforts to comply with all state securities or "blue sky" laws, which might be applicable to the issuance of the Option Shares to the Optionholder.

21. BINDING EFFECT. The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. In the case of a transferee permitted under Section 5(b) hereof, such transferee shall be deemed to be the Optionholder hereunder; PROVIDED that no transferee (including, without limitation, any transferee referred to in Section 5(b) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to WCP a valid undertaking and becomes bound by the terms of this Agreement.

22. AMENDMENT. This Agreement may be amended only by a written agreement or instrument signed by the Parties hereto; PROVIDED that WCP may, in its discretion, amend this Agreement by a written agreement or instrument signed only by WCP to reduce or eliminate any restriction on the sale, transfer or other disposition of Option Shares.

23. CLOSING. Except as otherwise provided herein, the closing of each purchase and sale of Option Shares and any outstanding Options pursuant to this Agreement shall take place at the principal office of WCP on the 15th business day following delivery of the notice by either Party to the other of its exercise of the right to purchase or sell hereunder.

24. APPLICABLE LAW. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement, regardless of the law that might be applied under principles of conflicts of law.

25. ASSIGNABILITY OF CERTAIN RIGHTS BY WCP. WCP shall have the right to assign any or all of its rights or obligations to purchase Option Shares and any outstanding Options pursuant to Sections 7 and 8 hereof.

26. PAYMENT BY WCP. If at any time WCP purchases Option Shares or any outstanding Options from the Optionholder hereunder, and the Optionholder is indebted to WCP in any amount whatsoever, WCP, in its sole discretion, may apply all or any part of such indebtedness to the purchase price.

27. NOTICES. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed delivered when delivered in person or sent by first-class mail (certified or registered mail, return receipt requested, postage prepaid), facsimile or overnight air courier guaranteeing next day delivery, addressed as follows:

(a) If to WCP, to it at the following address:

World Color Press, Inc.
The Mill
340 Pemberwick Road
Greenwich, Connecticut 06831
Facsimile No.: (203) 532-4371
Attn: Chief Legal Officer

(b) If to the Optionholder, to him or her at the following address:

170 Clapboard Ridge Road
Greenwich, CT 06831

28. COUNTERPARTS. This Agreement may be executed in any number of

counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

29. SECTION HEADINGS. The section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

30. REMEDIES FOR VIOLATIONS. The Parties agree that they would be irreparably damaged and that money damages would not be a sufficient remedy in the event that the Parties do not follow this Agreement. In the event of any such breach, the non-breaching Party shall be entitled, without being required to post a bond or other security, to equitable relief (including, without limitation, injunction and specific performance) as a remedy for such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach but shall be in addition to all other remedies available at law or equity to the non-breaching Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

WORLD COLOR PRESS, INC.

By: /s/ Jennifer L. Adams

Jennifer L. Adams
Vice Chairman

/s/ Robert G. Burton

Robert G. Burton

STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") dated February 26, 1999 is made by and between World Color Press, Inc., a Delaware corporation ("WCP"), and Robert G. Burton, an individual with a residence at 170 Clapboard Ridge Road, Greenwich, CT 06831 (the "Optionholder"). WCP and the Optionholder are sometimes herein referred to collectively as the "Parties."

RECITALS

A. The Optionholder is a senior management employee of WCP.

B. WCP wishes to grant to the Optionholder certain options (the "Options") to purchase shares of its common stock, par value \$.01 per share (the "Common Stock"). The term "Options" as used in this Agreement shall include all Options granted to the Optionholder pursuant to this Agreement. Upon exercise of Options granted hereunder in accordance with the terms hereof and issuance of Common Stock upon such exercise the Optionholder will become the holder of "Option Shares."

C. The Compensation Committee (the "Committee") of the Board of Directors of WCP (the "Board") has determined that it would be to the advantage and best interest of WCP and its stockholders to grant the Options provided for herein to the Optionholder as an inducement to continue to perform services for the Company (as hereinafter defined) and as an incentive for increased efforts during such service, and has advised WCP thereof and instructed the undersigned officer to issue said Options. For the purposes of this Agreement, the "Company" shall mean WCP, together with its subsidiaries.

D. WCP has entered into and may in the future enter into other agreements ("Other Stock Option Agreements") between WCP and holders of stock options granted by World Color Press, Inc. (collectively, the "Other Optionholders").

E. WCP has reserved a sufficient amount of treasury shares to cover the common stock issuable upon the exercise of the options.

AGREEMENTS

1. GRANT OF OPTIONS. In consideration of the Optionholder's agreement to provide services to the Company and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WCP irrevocably grants to the Optionholder on the date hereof an aggregate of 550,000 Options, each to purchase initially one share of Common Stock (shares issuable upon exercise of the Options are collectively referred to herein as the "Option

Shares"), upon the terms and conditions set forth in this Agreement. The Options granted hereby are designated non-qualified stock options (and not "Incentive Stock Options" under Section 422 of the Internal Revenue Code ("Code")) and are nontransferable except as otherwise expressly set forth herein.

2. EXERCISE PRICE. The purchase price of the Option Shares upon exercise of any of the Options (the "Exercise Price" or "Option Price Per Share") shall initially be \$24.33 per share, without commission or other charge.

3. EXERCISABILITY. (a) The Options shall become exercisable as follows:

<TABLE>

<CAPTION>

DATE OPTIONS BECOME EXERCISABLE	EXERCISABLE PERCENTAGE OF OPTIONS
<S>	<C>
From February 3, 1999 ("Vesting Date") until the first anniversary of the Vesting Date	0%
On and after the first anniversary of the Vesting date until the second anniversary of the Vesting date	20%
On and after the second anniversary of the Vesting date until the third anniversary of the Vesting date	40%
On and after the third anniversary of the Vesting date until the fourth anniversary of the Vesting date	60%
On and after the fourth anniversary of the Vesting date until the fifth anniversary of the Vesting date	80%
On and after the fifth anniversary of the Vesting date	100%

</TABLE>

(b) Notwithstanding the foregoing, all Options that are not exercisable at the time of the termination of employment of the Optionholder for any reason other than by reason of the Optionholder's death, Permanent Disability or

Permitted Retirement (each as hereinafter defined) shall be automatically and immediately canceled without any payment or other action by the Company. In the event of and upon the termination of the Optionholder's employment because of the Optionholder's death, Permanent Disability or Permitted Retirement, all of the Optionholder's Options granted hereunder shall immediately become exercisable.

(c) For purposes of this Agreement the following definitions shall apply: "Cause" shall mean (i) the Optionholder's failure to render services to the Company, which failure amounts to a material and flagrant neglect of such duties, (ii) the Optionholder's willful engagement in conduct that is, or that he or she intends to be, materially injurious to the Company, (iii) the Optionholder's commission of an act of fraud, conversion, misappropriation (including, but not limited to, the unauthorized use or disclosure of confidential or proprietary information of the Company), embezzlement or felony, (iv) a conviction of or guilty plea or his or her confession to any fraud, conversion, misappropriation, embezzlement or felony or (v) the Optionholder's repeated taking of any action prohibited by the Board, PROVIDED that he or she has received at least one written notice of having taken an action so prohibited; "Good Reason" shall mean, in each case without the Optionholder's consent, (i) a material adverse change, when viewed in the aggregate, in the Optionholder's duties, responsibilities, base compensation, bonus eligibility and/or other material matters directly related to his or her employment with the Company or (ii) the Optionholder's relocation by the Company to a location more than 100 miles from the Optionholder's immediately prior location.

(d) For purposes of this Agreement, the Optionholder shall be deemed to have a "Permanent Disability" if he or she is unable to engage in the activities required by employment by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as reasonably determined by the Board in good faith and in its discretion.

4. MANNER OF EXERCISE.

(a) PARTIAL EXERCISE. An exercisable Option may be exercised at any time prior to the time when the Option becomes unexercisable under Section 10; PROVIDED that each exercise shall be for not less than 50 Option Shares and shall be for whole Option Shares only.

(b) MANNER OF EXERCISE. An exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company or his or her office:

(i) A written notice complying with the applicable rules established by the Committee stating that the Option is exercised. The Optionholder or other person then entitled and authorized to exercise the Option shall sign the notice;

(ii) Such representations and documents as the Committee, in its discretion, deems necessary, appropriate or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended (the "Act"), and any other federal or state securities laws, rules or regulations. The Committee may, in its discretion, also take whatever additional actions it deems necessary, appropriate or advisable to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to transfer agents and registrars;

(iii) In the event that the Option shall be exercised by any person or persons other than the Optionholder, appropriate proof of the right of such person or persons to exercise the Option; and

(iv) Full payment (by certified or bank check or by wire transfer of immediately available funds) to the Secretary of the Company for the Option Shares with respect to which Options are exercised and any applicable withholding taxes. In its discretion, however, the Committee may (A) allow a delay in payment up to thirty (30) days from the date the Option is exercised; (B) allow payment, in whole or in part, through the delivery of shares of Common Stock owned by the Optionholder (including, subject to Section 4(c), Option Shares issuable upon such exercise), duly endorsed for transfer to WCP, having an Aggregate Market Value (as hereinafter defined) on the date of delivery equal to the aggregate Exercise Price of the Options; (C) allow payment, in whole or in part, through the delivery of property of any kind which constitutes good and valuable consideration; (D) allow payment, in whole or in part, through the delivery of a full recourse promissory note bearing interest (at no less than such rate as shall then preclude the imputation of interest under the Code) and payable upon such terms as may be prescribed by the Committee; or (E) allow payment through any combination of the consideration provided in the foregoing subparagraphs (B), (C) and (D). In the case of a promissory note, the Committee may also prescribe the form of such note and the security to be given for such note. No Option may be exercised, however, by delivery of a promissory note or by a loan from the Company when or where such loan or other extension of credit is prohibited by law.

(c) CERTAIN TIMING REQUIREMENTS. At the discretion of the Committee, shares of Common Stock issuable to the Optionholder upon exercise of the Option may be used to satisfy the Option Exercise Price or the tax withholding consequences of such exercise.

(d) RIGHTS AS STOCKHOLDERS. The holders of Options shall not be, nor have any of the rights or privileges of, stockholders of WCP in respect of any shares purchasable upon the exercise of any Option unless and until certificates representing such shares have been issued by the Company to such holders.

(e) CONDITIONS TO ISSUANCE OF STOCK CERTIFICATES. WCP may postpone the time of delivery of the certificates for Option Shares for such additional time

as WCP shall deem necessary or desirable to enable it to comply with the listing requirements of any securities exchange with which the Common Stock may be listed or the requirements of the Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any rules and regulations of the Securities and Exchange Commission promulgated thereunder, or the requirements of applicable state laws relating to the authorization, issuance or sale of securities.

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE OPTIONHOLDER.

(a) (1) The Optionholder hereby represents and warrants that he or she is acquiring the Options and any Option Shares issued upon exercise thereof for investment for his or her own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof.

(2) The Optionholder acknowledges and agrees that no Option or interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionholder or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, that nothing in this Section 5 shall prevent transfers by will, by the applicable laws of descent and distribution or, with the consent of the Committee, the transfer of Options by gift made in compliance with the federal securities laws to a family member of the Optionholder or a family trust or for other estate planning purposes.

(3) The Optionholder further agrees and acknowledges that he or she will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any such act being referred to herein as a "transfer") any Option Shares unless such transfer complies with Section 6 of this Agreement and such transfer is pursuant to (i) an effective registration statement under the Act and the rules and regulations thereunder and in compliance with any applicable state securities or "blue sky" laws, or (ii) (A) an opinion of counsel to the Optionholder (which counsel shall be reasonably acceptable to WCP) furnished to WCP and satisfactory in form and substance to WCP that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Optionholder is a citizen or resident of any country other than the United States, or the Optionholder desires to effect any transfer in any such country, counsel for the Optionholder (which counsel shall be reasonably satisfactory to WCP) shall have furnished WCP with an opinion or other advice satisfactory in form and substance to WCP to the effect that such transfer will comply with the securities laws of such jurisdiction.

(b) Notwithstanding the foregoing, WCP acknowledges and agrees that any of the following transfers of Option Shares are deemed to be in compliance with the Act and this Agreement and no opinion of counsel is required in connection

therewith:

(i) A transfer of Option Shares made pursuant to Sections 7 or 8 of this Agreement;

(ii) A transfer of Option Shares upon the death of the Optionholder to his or her executors, administrators, testamentary trustees, legatees or beneficiaries (the "Optionholder's Estate") or a transfer to the executors, administrators, testamentary trustees, legatees or beneficiaries of a person who has become a holder of Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder;

(iii) A transfer of Option Shares made in compliance with the federal securities laws to a trust or custodianship the beneficiaries of which, a partnership (general or limited) the partners of which, or a limited liability company the members of which, may include only the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption (the "Optionholder's Trust") or a transfer of Option Shares made after the third anniversary of the Vesting date to such a trust, partnership or limited liability corporation by a person who has become a holder of such Option Shares in accordance with the terms of this Agreement; PROVIDED that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions of this Agreement as if such transferee were the Optionholder; and

(iv) A pledge or hypothecation by the Optionholder or the Optionholder's Trust of the Option Shares or his or her or its interest therein to a bank or other financial institution (a "Pledgee") reasonably satisfactory to WCP to secure a loan by such Pledgee to the Optionholder or the Optionholder's Trust, as the case may be, for the purchase of the Option Shares or the refinancing of any indebtedness incurred for the purchase of the Option Shares; PROVIDED that (A) such Pledgee agrees in writing to accept the Option Shares or interest therein subject to all of the terms and conditions of this Agreement as if such Pledgee were the Optionholder and to notify WCP upon the happening of any default or event of default under the terms of the agreement with the Optionholder or the Optionholder's Trust, as the case may be, relating to such pledge or hypothecation and (B) the Optionholder or the Optionholder's Trust, as the case may be, delivers to the Board a copy of all proposed documentation relating to such pledge or hypothecation at least ten days before the scheduled date of such pledge or hypothecation, and prior to such scheduled date WCP has confirmed that such documentation is reasonably satisfactory to it in form and substance.

(c) The certificate (or certificates) representing the Option Shares shall

bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF STOCK OPTION AGREEMENT DATED FEBRUARY 26, 1999 BETWEEN WORLD COLOR PRESS, NC. ("WCP") AND THE OPTIONHOLDER NAMED ON THE FACE HEREOF (A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF WCP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS OR (B) (I) IF WCP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER, AND IN COMPLIANCE WITH APPLICABLE PROVISIONS OF STATE SECURITIES LAWS, AND (II) IF THE HOLDER IS A CITIZEN OR RESIDENT OF ANY COUNTRY OTHER THAN THE UNITED STATES, OR THE HOLDER DESIRES TO EFFECT ANY SUCH TRANSACTION IN ANY SUCH COUNTRY, THE COMPANY HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OR OTHER ADVICE OF COUNSEL FOR THE HOLDER THAT SUCH TRANSACTION WILL NOT VIOLATE THE LAWS OF SUCH COUNTRY."

(d) The Optionholder acknowledges that he or she has been advised that (i) the issuance of the Option Shares upon exercise of the Options will not have been registered under the Act, (ii) the Option Shares must be held indefinitely and the Optionholder must continue to bear the economic risk of the investment in the Option Shares unless they are subsequently registered under the Act or an exemption from such registration is available, (iii) no assurance can be given that there will be any public market for the Option Shares, (iv) no assurance can be given that Rule 144 promulgated under the Act will be available with respect to the sales of any securities of WCP, and WCP has made no covenant to make such Rule available, (v) when and if any of the Option Shares may be disposed of without registration in reliance on Rule 144, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule, (vi) if the Rule 144 exemption is not available, public sale without registration will require compliance with some other exemption under the Act, (vii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Option Shares and (viii) a notation shall be made in the appropriate records of WCP and/or the transfer agent for the Common Stock indicating that the Option Shares are subject to restriction on transfer and appropriate stop transfer restrictions will be issued to WCP's stock transfer agent with respect to the Option Shares.

(e) If any of the Option Shares are to be disposed of in accordance with Rule 144 under the Act or otherwise, the Optionholder shall promptly notify WCP of such intended disposition and shall deliver to WCP at or prior to the time of

such disposition such documentation as WCP may reasonably request in connection with such sale and, in the case of a disposition pursuant to Rule 144, shall deliver to WCP an executed copy of any notice on Form 144 required to be filed with the Securities and Exchange Commission ("SEC").

(f) The Optionholder agrees that, if any securities of WCP are offered to the public pursuant to an effective registration statement under the Act, the Optionholder will not effect any public sale or distribution of any Option Shares not covered by such registration statement within seven days prior to, or within 180 days (or in an underwritten public offering, any such lesser period as the underwriters may agree to) after, the effective date of such registration statement, unless otherwise agreed to in writing by WCP; PROVIDED that the Optionholder shall have been notified in writing of such offering.

6. RESTRICTION ON TRANSFER OF OPTION SHARES.

(a) Except for transfers otherwise permitted by this Agreement, the Optionholder agrees that he or she will not transfer, sell, assign, pledge, hypothecate or otherwise dispose of any Option Shares at any time prior to the fifth anniversary of the Vesting Date. The restrictions on transfer provided in this Section 6 shall not apply as of any date (the "Calculation Date") to a number of Option Shares (the "Unrestricted Shares") held in the aggregate by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledgees equal to the excess, if any, of (i) the product of (A) the total number of Option Shares covered by all Options received by the Optionholder on the Vesting Date and (B) the Vested Percentage as of such date over (ii) the total number of Option Shares transferred by the Optionholder, the Optionholder's Trust, the Optionholder's Estate and all Pledgees after the date hereof, other than pursuant to transfers permitted by clauses (ii), (iii) and (iv) of Section 5(b) hereof. No transfer of any such shares in violation hereof shall be made or recorded on the books of WCP (or any transfer agent or registrar therefor) and any such transfer shall be null and void and of no force or effect.

(b) For purposes of this Agreement, the "Vested Percentage" with respect to Option Shares shall be determined as follows:

<TABLE>

<CAPTION>

CALCULATION DATE	VESTED PERCENTAGE
<S> From Vesting Date until the first anniversary of the Vesting Date	<C> 0%
On and after the first anniversary of the Vesting Date until the second anniversary of the Vesting Date	20%

On and after the second anniversary of the Vesting Date until the third anniversary of the Vesting Date	40%
On and after the third anniversary of the Vesting Date until the fourth anniversary of the Vesting Date	60%
On and after the fourth anniversary of until the fifth anniversary of the Vesting Date	80%
On and after the fifth anniversary of the Vesting Date	100%

</TABLE>

7. OPTIONHOLDER'S RIGHT TO RESELL OPTION SHARES AND OPTIONS TO WCP UPON DEATH OR DISABILITY.

(a) Except as otherwise provided herein, if on or before the fifth anniversary of the Vesting Date, (i) the Optionholder dies or becomes Permanently Disabled and (ii) at the time of his or her death or Permanent Disability, the Optionholder (A) was still in the employ of the Company, (B) had retired from the Company at age 65 or over (or such other age as may be approved by the Board) after having been employed by the Company continuously for at least three years after the Vesting Date (a "Permitted Retirement"), or (C) had terminated employment with Good Reason, then the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall have the right for six months from the date of death or Permanent Disability to elect on one occasion (x) to sell to WCP, and WCP shall be required to purchase all or any portion of the Option Shares then held by the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, at the Section 7 Repurchase Price, as determined in accordance with Section 9 and/or (y) to require WCP to pay to the Optionholder an amount equal to the Option Excess Price (as defined in Section 10(a)) determined on the basis of the Section 7 Repurchase Price as provided in Section 9 with respect to the termination of all or any portion of outstanding Options held by the Optionholder.

(b) The Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be, shall send written notice to WCP of his, her or its election to sell such Option Shares and/or to terminate such Options in exchange for the payment referred to in the preceding subsection (a) (the "Redemption Notice") within the six-month period referred to in Section 7(a). The completion of the purchase shall take place at the principal office of WCP on the 15th business day after the receipt by WCP of a properly given Redemption Notice. The Section 7 Repurchase Price and any payment with respect to the Options as described above shall be paid by delivery to the Optionholder, the

Optionholder's Estate or the Optionholder's Trust, as the case may be, of a certified or bank check or checks in the appropriate amount payable to the order of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, appropriately endorsed or executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, or his, her or its duly authorized representative.

(c) Notwithstanding any other provision of this Section 7 and subject to Section 13, if there exists and is continuing a default or any event which after a notice or lapse of time or both would cause a default under any loan, guarantee or other agreement under which WCP or any of its subsidiaries, as defined in Section 424(f) of the Code ("Subsidiaries"), has borrowed money or such repurchase would result in any default or event of default on the part of WCP or any of its Subsidiaries under any such agreement or if the capital of WCP or any of its Subsidiaries is then impaired or would be impaired as a result of such repurchase or such repurchase would otherwise violate the General Corporation Law of the State of Delaware (each such occurrence being an "Event"), WCP shall not be obligated to repurchase any of the Option Shares from, or to make any payment with respect to the Options to, the Optionholder, the Optionholder's Estate and/or the Optionholder's Trust, as the case may be until the first business day which is five business days after all of the foregoing Events have ceased to exist (the "Repurchase Eligibility Date"), PROVIDED that (i) the Section 7 Repurchase Price shall be calculated as of the time of the delivery of a Redemption Notice in accordance with Section 7(b) and (ii) the number of Option Shares subject to repurchase under this Section 7(c) and the number of Exercisable Option Shares (as defined in Section 10(a)) for purposes of calculating the Option Excess Price payable under Section 7(a), shall be that number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, at the time of the delivery of a Redemption Notice in accordance with Section 7(b). All Options exercisable as of the date of a Redemption Notice shall continue to be exercisable until the repurchase pursuant to such Redemption Notice.

(d) Notwithstanding any other provision of this Section 7 to the contrary, the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, shall have the right to withdraw any Redemption Notice which has been pending for 120 or more days and which has remained unsatisfied because of the provisions of Section 7(c).

8. WCP'S RIGHT TO REPURCHASE OPTION SHARES AND TERMINATE OPTIONS OF OPTIONHOLDER.

(a) If on or prior to the fifth anniversary of the Vesting date, (i) the Optionholder's employment with WCP (and, if applicable, its Subsidiaries) is voluntarily or involuntarily terminated for any reason whatsoever, with or without Cause or Good Reason, (ii) the beneficiaries of an Optionholder's Trust

shall include any person or entity other than the Optionholder, his or her spouse or his or her lineal descendants by blood or adoption, (iii) the Optionholder shall effect a transfer of any of the Option Shares other than as permitted by this Agreement or (iv) there shall occur a transfer of Option Shares then held by the Optionholder pursuant to a bankruptcy proceeding, levy, property settlement or disposition pursuant to law incident to marital separation or divorce (alternatively, a "Call Event"), then WCP shall have the right to purchase all, but not less than all, of the Option Shares then held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and all Pledges at the Section 8 Repurchase Price determined in accordance with Section 9 hereof; PROVIDED that the Call Event described in clause (iv) of this Section 8 shall entitle WCP to repurchase only the number of Option Shares that are the subject of the transfer resulting in the Call Event; and PROVIDED, FURTHER, that if the Call Event results from the death, Permanent Disability or Permitted Retirement of the Optionholder, or the termination of the Optionholder's employment by the Optionholder with Good Reason or by the Company without Cause, WCP shall have the right to purchase all, but not less than all, of the Option Shares held by the Optionholder, the Optionholder's Estate, the Optionholder's Trust and any Pledgee at the Section 7 Repurchase Price. WCP shall have a period of 75 days after the date of a Call Event (or the date of WCP's knowledge that a Call Event described in clause (ii) or (iii) above has occurred) in which to give notice in writing to the Optionholder of WCP's exercise of such repurchase election (the "Call Notice"). If (X) the Optionholder holds Option Shares and Options and WCP exercises its right to repurchase Option Shares pursuant to this Section 8 or (Y) the Optionholder holds only Options and WCP elects (in accordance with the requirements of the Call Notice), WCP shall also pay the Optionholder an amount equal to the Option Excess Price determined on the basis of the Section 8 Repurchase Price or Section 7 Repurchase Price, as applicable, with respect to the termination of (A) if the Call Event is described in clause (i), (ii) or (iii) above, all, but not less than all, of the then exercisable outstanding Options held by the Optionholder and (B) if the Call Event is described in clause (iv) above, a PRO RATA portion (based on the number of Option Shares that are the subject of the transfer) of the then exercisable outstanding Options held by the Optionholder.

(b) Subject to Section 13 hereof, the completion of the purchases pursuant to Section 8 (a) shall take place at the principal office of WCP on the 15th business day after the giving of notice of the exercise by WCP of its right to purchase Option Shares and/or to terminate Options. All payments as described above shall be made by delivery to the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, of a certified or bank check or checks in the appropriate amounts payable to the order of the Optionholder, the Optionholder's Estate, the Optionholder's Trust and/or the Pledgee, as the case may be, against delivery of certificates or other instruments representing the Option Shares so purchased and appropriate documents canceling the Options so terminated, in each case appropriately endorsed or executed by the Optionholder, the Optionholder's Estate, the Optionholder's Trust, the Pledgee or his or her or its duly authorized representatives.

(c) Notwithstanding any other provision of this Section 8 to the contrary and subject to Section 13, if there exists and is continuing any Event, WCP shall delay the repurchase of any of the Option Shares or the Options (pursuant to a Call Notice timely given in accordance with Section 8(a) hereof) from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, until the Repurchase Eligibility Date; PROVIDED that (i) the Section 8 Repurchase Price or the Section 7 Repurchase Price, as the case may be, shall be calculated as of the time of the delivery of a Call Notice in accordance with Section 8(a) and (ii) the number of Option Shares subject to repurchase under this Section 8 and the number of Exercisable Option Shares for purposes of calculating the Option Excess Price payable under this Section 8, shall be the number of Option Shares and Exercisable Option Shares, respectively, held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, at the time of the delivery of a Call Notice in accordance with Section 8(a). All Options exercisable as of the date of a Call Notice shall continue to be exercisable until the repurchase pursuant to such Call Notice.

(d) Notwithstanding any other provision of this Section 8 to the contrary, WCP's right to purchase Option Shares and cancel Options pursuant to this Section 8 shall terminate with respect to any Option Shares and Options that have not been so repurchased or canceled on or before the 120th day after the date of the Call Notice.

9. DETERMINATION OF REPURCHASE PRICE.

(a) The Section 7 Repurchase Price and the Section 8 Repurchase Price are hereinafter collectively referred to as the "Repurchase Price." The Repurchase Price shall be calculated on the basis of the unaudited financial statements of the Company or the Market Price Per Share (as defined in Section 9(e)) as of the last day of the month preceding the month in which the event giving rise to the repurchase occurs (the "Repurchase Calculation Date"). The event giving rise to the repurchase shall be the transfer, death, Permanent Disability, Permitted Retirement or termination of employment, or other event, as the case may be, not the giving of any notice required pursuant to Section 7 or 8.

(b) The Section 7 Repurchase Price per Option Share shall be equal to the greater of the Market Price Per Share and the Option Price Per Share.

(c) (i) If the Call Event results from the occurrence of an event described in clauses (ii), (iii) or (iv) of Section 8(a), the Section 8 Repurchase Price per Option Share shall be equal to the lesser of (x) the Market Price Per Share and (y) the Option Price Per Share plus the product of (I) the Vested Percentage (as defined in Section 6) and (II) the amount, if any, by which the Market Price Per Share exceeds the Option Price Per Share.

(ii) If the Call Event results from the Optionholder's voluntary termination of employment other than for Good Reason, the Section 8 Repurchase Price per Option Share shall be equal to the Market Price Per

Share.

(iii) If the Call Event results from the Optionholder's termination of employment by the Company with Cause, the Section 8 Repurchase Price per Option Share shall be equal to the lesser of the Market Price Per Share and the Option Price Per Share.

(d) As used herein the term "Public Offering" shall mean the sale of shares of Common Stock to the public pursuant to a registration statement under the Act which has been declared effective by the Securities and Exchange Commission (other than a registration statement on Form S-8 or any other similar form) immediately after which sale an active trading market in the Common Stock exists; PROVIDED that an active trading market in the Common Stock shall be deemed to exist if the Common Stock is listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System, but the failure of the Common Stock to be so listed shall not PER SE be determinative as to whether an active trading market does not exist.

(e) As used herein the term "Market Price Per Share" shall mean the price per share equal to the average of the last sale price of the Common Stock on each of the ten trading days prior to the Repurchase Calculation Date on each exchange on which the Common Stock may at the time be listed and on which the Common Stock traded on such date or, if there shall have been no sales on any of such exchanges on any such trading day, the average of the closing bid and asked prices on each such exchange at the end of each such trading day or, if there is no such bid and asked price on such trading day, on the next preceding date when such bid and asked price occurred or, if the Common Stock shall not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of each of the ten trading days prior to the Repurchase Calculation Date in the over-the-counter market. If the Common Stock is not so listed or reported by NASDAQ, then the Market Price Per Share shall be the fair market value established by the Board acting in good faith.

(f) As used herein the term "Aggregate Market Value" shall mean the product of (i) the number of shares of Common Stock to be applied as payment of the Exercise Price pursuant to Section 4(b)(iv)(B) and (ii) the Market Value Per Share as of the payment date.

(g) In determining the Repurchase Price, appropriate adjustments shall be made for any future issuances of rights to acquire and securities convertible into Common Stock and any stock dividends, splits, combinations, recapitalizations or any other adjustment in the number of shares of outstanding shares of Common Stock.

10. SHARES ISSUED TO OPTIONHOLDER UPON EXERCISE OF OPTIONS; TERMINATION OF OPTIONS.

(a) All Options, whether or not then exercisable, shall be automatically terminated to the extent that, pursuant to the provisions of this Agreement, WCP

shall pay the Optionholder an amount equal to the Option Excess Price with respect to such Options. If the Option Excess Price is zero or a negative number, all outstanding Options granted to the Optionholder, whether or not then exercisable, shall be automatically terminated upon the repurchase of any Option Shares pursuant to Section 7 or Section 8. For purposes hereof, "Option Excess Price" shall mean the excess, if any, of the Section 7 Repurchase Price or the Section 8 Repurchase Price, depending on which Repurchase Price is (or would be) used to repurchase the Option Shares, over the exercise price applicable to such Options multiplied by the number of Exercisable Option Shares. For purposes hereof, "Exercisable Option Shares" shall mean the shares of Common Stock which, at the time of determination, could be purchased by the Optionholder upon exercise of his or her outstanding exercisable Options.

(b) Except as otherwise provided herein, the Options shall expire and cease to be exercisable to any extent after the first to occur of the following events:

(i) the tenth anniversary of the Vesting date; or

(ii) the date that is six months after the Optionholder's termination of employment by reason of death, Permanent Disability or Permitted Retirement; or

(iii) the first business day which is fifteen calendar days after the earlier of (A) 75 days after the Optionholder's termination of employment for any reason other than for Cause, Good Reason, death, Permanent Disability or Permitted Retirement, or (B) the delivery of notice by WCP that it does not intend to exercise its call right under Section 8; PROVIDED that in any event the Options shall remain exercisable under this Section 10 until at least 45 days after termination of the Optionholder's employment for any reason other than death, Permanent Disability, or Permitted Retirement; or

(iv) upon the occurrence of a Transfer Event (as hereinafter defined) and upon payment to the Optionholder of an amount in cash equal to the difference between (i) the product of (A) the Per Share Consideration (as hereinafter defined) received in such Transfer Event by a holder of Common Stock multiplied by (B) the number of Option Shares for which the unexercised Options are then exercisable and (ii) the aggregate Option Price Per Share for such unexercised Options which are then exercisable. For the purposes of this Section 10, the term "Per Share Consideration" shall mean the quotient of (x) the aggregate consideration paid or to be paid (but only as and when received) in respect of the Transfer Event to the holders of Common Stock of WCP, as applicable, divided by (y) the number of outstanding shares of Common Stock on a fully diluted basis (after giving effect to the exercise of all outstanding options to acquire Common Stock to the extent then exercisable); and the term "Transfer Event" shall mean any of a merger or consolidation involving WCP, a sale or exchange of all or substantially all of the assets of WCP, an acquisition

by another corporation or other entity of 80% or more of WCP's outstanding shares of voting stock or the liquidation or dissolution of WCP.

11. WCP'S REPRESENTATIONS AND WARRANTIES.

(a) WCP represents and warrants to the Optionholder that (i) this Agreement has been duly authorized, executed and delivered by WCP and (ii) the Option Shares, when issued and delivered in accordance with the terms hereof, will be duly and validly issued, fully paid and nonassessable.

(b) WCP shall file the reports required to be filed by it under the Act and the Exchange Act to the extent required from time to time to enable the Optionholder to sell Option Shares without registration under the Act within the limitations of the exemptions provided by (i) Rule 144 under the Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Notwithstanding anything contained in this Section 11(b), WCP may deregister under Section 12 of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder, and, upon such deregistration, shall be relieved of its obligations to file reports pursuant to this Section 11(b). Nothing in this Section 11(b) shall be deemed to limit in any manner the restrictions on sales of Option Shares contained in this Agreement.

12. "PIGGYBACK" REGISTRATION RIGHTS.

(a) If WCP, in connection with any Public Offering, plans to register any shares of Common Stock held by WCP Associates, L.P., APC Associates, L.P., GR Associates, L.P., KKR Partners II, L.P. or any other KKR Affiliate (as defined below) (the "Institutional Investors") for public offering pursuant to the Act, WCP will promptly notify the Optionholder in writing (a "Registration Notice") of such proposed registration (the "Proposed Registration"). If within ten business days of the receipt by the Optionholder of such Registration Notice (and, in any event, within 15 business days after such Registration Notice is sent by WCP), WCP receives from the Optionholder, the Optionholder's Estate or the Optionholder's Trust a written request (a "Registration Request") to register Option Shares held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust (which Registration Request will be irrevocable unless otherwise mutually agreed to in writing by the Optionholder and WCP), Option Shares will be so registered as provided in this Section 12; PROVIDED that for each such Proposed Registration only one Registration Request, which shall be executed by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, may be submitted for all Registrable Securities held by the Optionholder, the Optionholder's Estate and the Optionholder's Trust, respectively. All Option Shares acquired by the Optionholder pursuant to the exercise of Options granted pursuant to this Agreement and held by the Optionholder, the Optionholder's Estate or the Optionholder's Trust, including shares purchased upon the exercise of Options, shall be deemed to be Registrable Securities.

(b) The maximum number of Option Shares which will be registered pursuant to a Registration Request will be the lowest of (i) the number of Option Shares then held by the Optionholder (which for purposes of this subparagraph (b) shall include shares held by the Optionholder's Estate or a Optionholder's Trust), including all Option Shares which the Optionholder is then entitled to acquire under an unexercised Option to the extent then exercisable (the "Maximum Shares"), (ii) the Maximum Shares then held by the Optionholder multiplied by the ratio of (A) the number of shares of Common Stock to be registered by the Institutional Investors in the Proposed Registration to (B) the total number of shares of Common Stock beneficially owned by all Institutional Investors and (iii) the maximum number of shares which the Optionholder can register in the public offering pursuant to any limits set by the managing underwriter for inclusion in such public offering and agreed to in good faith by WCP.

(c) Except as may otherwise be provided in this Section 12, Option Shares will be registered by WCP and offered to the public pursuant to this Section 12 on the same terms and subject to the same conditions applicable to registration in the Proposed Registration of shares held by an Institutional Investor. Such terms and conditions shall include, without limitation: the public offering price; the payment of fees, commissions and expenses; the provision of, and representation and warranty as to, information requested by WCP; and the provision of requisite indemnifications.

(d) Upon delivering a Registration Request, the Optionholder will, if requested by WCP, execute and deliver a Custody Agreement and Power of Attorney in form and substance satisfactory to WCP with respect to the Option Shares to be registered pursuant to this Section 12 (a "Custody Agreement and Power of Attorney"). The Custody Agreement and Power of Attorney will provide, among other things, that the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates representing such Option Shares (duly endorsed in blank by the registered owner or owners thereof or accompanied by duly executed stock powers in blank) and irrevocably appoint said custodian and attorney-in-fact as the Optionholder, the Optionholder's Estate's or the Optionholder's Trust's, as the case may be, agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on behalf of the Optionholder, the Optionholder's Estate or the Optionholder's Trust, as the case may be, with respect to the matters specified therein. The Optionholder agrees that he will execute such other agreements as WCP may reasonably request to further evidence the provisions of this Section 12.

13. CONTINUED EXERCISABILITY OF WCP'S RIGHT OR OBLIGATION TO REPURCHASE. Notwithstanding anything to the contrary contained in Sections 7 and 8 hereof, if at any time consummation of all purchases and payments to be made by the Company pursuant to this Agreement and the Other Stock Option Agreements would result in an Event, then the Company shall make purchases from, and payments to, the Optionholder and Other Optionholders pro rata (on the basis of the

proportion of the number of Option Shares and the number of Options each such Optionholder and all Other Optionholders have elected or are required to sell to the Company) for the maximum number of Option Shares and shall pay the Option Excess Price for the maximum number of Options permitted without resulting in an Event (the "Maximum Repurchase Amount"). The provisions of Section 7(d) and 8(c) shall apply in their entirety to payments and repurchases with respect to Options and Option Shares which may not be made due to the limits imposed by the Maximum Repurchase Amount under this Section 13. Until all of such Options and Option Shares are purchased and paid for by the Company, the Optionholder and the Other Optionholders whose Options and Option Shares are not purchased in accordance with this Section 13 shall have priority, on a pro rata basis, over other purchases of Options and Option Shares by the Company pursuant to this Agreement and Other Stock Option Agreements.

14. RIGHT TO NEGOTIATE PURCHASE PRICE. Nothing contained in this Agreement shall be deemed to restrict or prohibit WCP from purchasing Option Shares and the Options from the Optionholder, the Optionholder's Estate or the Optionholder's Trust, at any time, for such price upon such other terms and conditions as may be mutually agreed upon between such parties, whether or not at the time of such purchase circumstances exist which specifically grant WCP the right to purchase, or the Optionholder, the Optionholder's Estate or the Optionholder's Trust to sell, Option Shares and the Options under the terms of this Agreement, and all such purchases shall be deemed to be in accordance with the terms of this Agreement.

15. COVENANT REGARDING 83(B) ELECTION. EXCEPT AS WCP MAY OTHERWISE AGREE IN WRITING, THE OPTIONHOLDER HEREBY COVENANTS AND AGREES THAT TO THE EXTENT (IF ANY) APPLICABLE TO THE GRANT OR EXERCISE OF OPTIONS HEREUNDER, HE OR SHE WILL MAKE AN ELECTION UNDER SECTION 83(B) OF THE CODE PURSUANT TO TREASURY REGULATION SECTION 1.83-2 WITH RESPECT TO ANY OPTION SHARES ISSUED UPON EXERCISE OF THE OPTIONS. THE OPTIONHOLDER FURTHER COVENANTS AND AGREES THAT HE OR SHE WILL FURNISH WCP WITH COPIES OF THE FORM OF ANY SUCH ELECTION THE OPTIONHOLDER FILES WITHIN 30 DAYS AFTER EACH EXERCISE OF ANY OF THE OPTIONS AND WITH EVIDENCE THAT EACH SUCH ELECTION (IF ANY) HAS BEEN FILED IN A TIMELY MANNER.

16. NOTICE OF CHANGE OF BENEFICIARY. Immediately prior to any transfer of Option Shares to the Optionholder's Trust, the Optionholder shall provide WCP with a copy of the instruments creating the Optionholder's Trust and with the identity of the beneficiaries of the Optionholder's Trust. The Optionholder shall notify WCP immediately prior to any change in the identity of any beneficiary of the Optionholder's Trust.

17. EXPIRATION OF CERTAIN PROVISIONS.

(a) The provisions contained in Sections 7 and 8 of this Agreement, and the portions of other provisions of this Agreement which incorporates the provisions of Sections 7 and 8, shall terminate and be of no further force or effect with respect to any Option Shares which are permitted to be sold by the Optionholder pursuant to this Agreement and which are sold by the Optionholder

(i) pursuant to an effective registration statement filed by the Company under the Act or (ii) pursuant to Rule 144, as amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(b) The provisions contained in Sections 5(f), 6, 7, 8 and 15 of this Agreement, and the portion of any other provisions of this Agreement which incorporate the provisions of any of such Sections, shall terminate and be of no further force or effect upon the consummation of a Change of Control. For purposes of this Section, "Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company taken as a whole to any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the "KKR Affiliates" (as hereinafter defined), (ii) the adoption of a plan relating to the liquidation or dissolution of WCP, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the KKR Affiliates, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of WCP, (iv) the consummation of the first transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the "beneficial owner" (as defined above), directly or indirectly, of more of the voting stock of WCP than is at the time "beneficially owned" (as defined above) by the KKR Affiliates. For purposes of this Agreement, "KKR Affiliate" shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, Kohlberg Kravis Roberts & Co., L.L.P., its successors or assigns; "Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature, and "control" shall have the meaning given such term under Rule 405 of the Act.

18. RECAPITALIZATION. (a) Except as otherwise provided herein, in the event that the outstanding shares of the stock subject to Options are changed into or exchanged for a different number or kind of shares of the Company or other securities of the Company by reason of merger, consolidation, recapitalization, reclassification, stock split-up, stock dividend or combination of shares, the Committee shall make an appropriate and equitable adjustment in the number and kind of shares as to which all outstanding Options, or portions thereof then unexercised, shall be exercisable, to the end that after such event the Optionholder's proportionate interest shall be maintained as before the occurrence of such event. Such adjustment in an outstanding Option shall be made without change in the total price applicable to the Option or the unexercised portion of the Option (except for any change in the aggregate price resulting from rounding-off of share quantities or prices) and with any necessary corresponding adjustment in Option price per share. Any such adjustment made by the Committee shall be final and binding upon the Optionholder, the Company and all other interested persons.

(b) Except to the extent otherwise provided by Section 17 hereof, the provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Option Shares and the Options, to any and all capital stock of WCP and any partnership units, capital stock or other security evidencing ownership interests in any successor or assign of WCP (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of Option Shares and the Options, by reason of any dividend, distribution, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

19. OPTIONHOLDER'S EMPLOYMENT BY THE COMPANY. Nothing contained in this Agreement or in any other agreement entered into by the Company and the Optionholder in connection with the execution of this Agreement (i) obligates the Company to employ the Optionholder in any capacity whatsoever or (ii) prohibits or restricts the Company from terminating the employment, if any, of the Optionholder at any time or for any reason whatsoever, with or without cause, and the Optionholder hereby acknowledges and agrees that neither the Company nor any other person has made any representations or promises whatsoever to the Optionholder concerning the Optionholder's employment or continued employment by the Company except as otherwise set forth in a separate written agreement between the Company and the Optionholder.

20. STATE SECURITIES LAWS. WCP hereby agrees to use all reasonable efforts to comply with all state securities or "blue sky" laws, which might be applicable to the issuance of the Option Shares to the Optionholder.

21. BINDING EFFECT. The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. In the case of a transferee permitted under Section 5(b) hereof, such transferee shall be deemed to be the Optionholder hereunder; PROVIDED that no transferee (including, without limitation, any transferee referred to in Section 5(b) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to WCP a valid undertaking and becomes bound by the terms of this Agreement.

22. AMENDMENT. This Agreement may be amended only by a written agreement or instrument signed by the Parties hereto; PROVIDED that WCP may, in its discretion, amend this Agreement by a written agreement or instrument signed only by WCP to reduce or eliminate any restriction on the sale, transfer or other disposition of Option Shares.

23. CLOSING. Except as otherwise provided herein, the closing of each purchase and sale of Option Shares and any outstanding Options pursuant to this Agreement shall take place at the principal office of WCP on the 15th business day following delivery of the notice by either Party to the other of its exercise of the right to purchase or sell hereunder.

24. APPLICABLE LAW. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement, regardless of the law that might be applied under principles of conflicts of law.

25. ASSIGNABILITY OF CERTAIN RIGHTS BY WCP. WCP shall have the right to assign any or all of its rights or obligations to purchase Option Shares and any outstanding Options pursuant to Sections 7 and 8 hereof.

26. PAYMENT BY WCP. If at any time WCP purchases Option Shares or any outstanding Options from the Optionholder hereunder, and the Optionholder is indebted to WCP in any amount whatsoever, WCP, in its sole discretion, may apply all or any part of such indebtedness to the purchase price.

27. NOTICES. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed delivered when delivered in person or sent by first-class mail (certified or registered mail, return receipt requested, postage prepaid), facsimile or overnight air courier guaranteeing next day delivery, addressed as follows:

(a) If to WCP, to it at the following address:

World Color Press, Inc.
The Mill
340 Pemberwick Road
Greenwich, Connecticut 06831
Facsimile No.: (203) 532-4371
Attn: Chief Legal Officer

(b) If to the Optionholder, to him or her at the following address:

Robert G. Burton
170 Clapboard Ridge Road
Greenwich, Connecticut 06831

28. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

29. SECTION HEADINGS. The section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof

30. REMEDIES FOR VIOLATIONS. The Parties agree that they would be irreparably damaged and that money damages would not be a sufficient remedy in the event that the Parties do not follow this Agreement. In the event of any such breach, the non-breaching Party shall be entitled, without being required

to post a bond or other security, to equitable relief (including, without limitation, injunction and specific performance) as a remedy for such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach but shall be in addition to all other remedies available at law or equity to the non-breaching Party.

31. DUTIES AND POWERS OF COMMITTEE. It shall be the duty of the Committee to administer this Agreement in accordance with its provisions. The Committee shall have the power to interpret this Agreement and the terms of the Options granted hereunder. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Optionholder, Company, and all other interested persons.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

WORLD COLOR PRESS, INC.

/s/ Jennifer L. Adams

By: -----

Jennifer L. Adams
Vice Chairman

/s/ Robert G. Burton

Robert G. Burton

EXHIBIT 13.0
PORTIONS OF THE ANNUAL REPORT

[Page 19 of the Annual Report]

SELECTED FINANCIAL DATA

(Dollars in thousands, except per share data)

The following selected financial data for the five fiscal years ended December 27, 1998 have been derived from the Company's audited consolidated financial statements. The data presented below should be read in conjunction with, and is qualified in its entirety by reference to, the Company's consolidated financial statements and the notes thereto appearing elsewhere in this report.

<TABLE>

<CAPTION>

	FISCAL YEAR (1)				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA:					
Net sales	\$2,356,885	\$1,981,225	\$1,641,412	\$1,295,582	\$971,627
Cost of sales	1,927,790	1,613,938	1,349,130	1,074,785	817,934
Gross profit	429,095	367,287	292,282	220,797	153,693
Selling, general and administrative expenses	214,862	188,688	153,071	125,539	90,312
Streamlining charge(2)	--	--	--	40,900	--
Operating income	214,233	178,599	139,211	54,358	63,381
Interest expense and securitization fees	88,589	80,039	58,417	37,897	23,825
Income tax provision	52,054	41,341	33,533	6,584	15,822
Net income	\$ 73,590	\$ 57,219	\$ 47,261	\$ 9,877	\$ 23,734
Net income per common share (3):					
Basic	\$ 1.92	\$ 1.65	\$ 1.40	\$ 0.31	\$ 0.74
Diluted	1.84	1.60	1.35	0.29	0.69

OTHER OPERATING DATA:

Depreciation and amortization	\$ 140,725	\$ 131,710	\$ 104,493	\$ 74,668	\$ 62,898
Capital					

expenditures (4)	95,533	93,145	70,639	120,339	83,875
Gross profit margin	18.2%	18.5%	17.8%	17.0%	15.8%
Adjusted operating income margin (5)	9.1	9.0	8.5	7.4	6.5

BALANCE SHEET DATA
(AT PERIOD END):

Working capital	\$ 239,428	\$ 168,752	\$ 227,068	\$ 160,835	\$113,144
Property, plant and equipment, net	885,999	857,195	818,157	480,421	363,929
Total assets	2,433,886	1,933,571	1,822,432	1,150,728	837,417
Long-term debt (including current maturities)	1,255,920	819,113	897,867	487,106	293,515
Stockholders' equity	668,647	599,769	414,932	358,766	274,113

</TABLE>

- (1) The fiscal years shown each represent the 52 or 53 week period ending on the last Sunday in December. Fiscal year 1995 consisted of 53 weeks. Fiscal years 1994, 1996, 1997 and 1998 each consisted of 52 weeks.
- (2) Operating income in 1995 was reduced by \$40,900 of a nonrecurring streamlining charge. This charge reflects the Company's strategy in 1995 to realign certain business operations. The major components of this realignment plan were to close a facility and to consolidate certain digital prepress operations and functions.
- (3) In accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share," the Company has calculated net income per common share - basic and diluted based on the weighted average shares and dilutive common equivalent shares outstanding, as applicable, during each period after giving effect to the change in the Company's capital structure pursuant to the Merger and the Options Adjustments (as defined in the Notes to the Company's consolidated financial statements).
- (4) 1998 capital expenditures are net of proceeds of approximately \$88,500 from the sale and leaseback of certain equipment.
- (5) Adjusted operating income represents operating income before a nonrecurring streamlining charge. Adjusted operating income is not intended to represent cash flows for the period, is not presented as an alternative to operating income as an indicator of operating performance, may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. See the Company's consolidated financial statements.

[Page 20 - 24 of the Annual Report]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands, except per share data)

GENERAL

We are a diversified commercial printer serving customers in the commercial, magazine, catalog, direct mail, book and directory markets. We operate in one business segment, the management and distribution of print and digital information. Our revenues are derived primarily from the sale of services and materials to our customers, including digital and prepress services, press and binding services and distribution and logistics services.

There continues to be significant pricing pressure on all printers, including us. Our net sales include sales to certain customers of paper we purchased. The price of paper, our primary raw material, is volatile over time and may cause significant swings in net sales and cost of sales. We generally are able to pass on increases in the cost of paper to our customers, while declines in paper costs result in lower prices to our customers. During 1996, paper prices decreased significantly from the prior year and availability was at normal levels. The paper market firmed in pricing from early 1997 to late 1997. The paper market in 1998 softened from late 1997 and prices continued to decline throughout 1998, as availability became plentiful for most grades of paper. We anticipate that this trend will continue in 1999. Our contracts with our customers generally provide for price adjustments to reflect price changes for other materials, wages and outside services.

ACQUISITIONS

In the first quarter of fiscal year 1999, we acquired two businesses serving customers in the commercial market for an aggregate purchase price of approximately \$60,000, including assumed indebtedness. These acquisitions will be accounted for as purchases and are not expected to have a material effect, either individually or in the aggregate, on our results of operations.

In the first four months of 1998, we acquired four businesses serving customers in the commercial, direct mail and book markets for an aggregate purchase price of approximately \$200,000. These companies have been included in results of operations since their respective acquisition dates and have not had a material effect on our results of operations, nor are they expected to on a continuing basis. These acquisitions were accounted for as purchases.

In January 1997, we purchased Rand McNally Book Services Group ("Book Services"), an operating unit of Rand McNally, for approximately \$155,000. Book Services was the third largest producer of hardcover books in the United States and provided manufacturing and other value-added services to book club, trade, professional, educational, reference and mail-order publishers. In addition, we acquired another business in 1997 whose contribution was not significant to our results of operations for the periods presented, nor is it expected to have a material effect on our results on a continuing basis. These acquisitions were

accounted for as purchases.

In June 1996, we acquired from Ringier A.G. all of the issued and outstanding capital stock of Krueger Acquisition Corporation, including all of the issued and outstanding capital stock of Ringier Holdings, Inc., Ringier America, Inc., Krueger Ringier, Inc., Ringier Print U.S., Inc. and W.A. Krueger Co. Olathe (collectively, "Ringier America"), for approximately \$128,000. In addition, we assumed approximately \$287,000 of Ringier America's indebtedness, of which approximately \$281,000 was liquidated upon consummation of the acquisition. This acquisition was accounted for as a purchase. Ringier America was a leading diversified commercial printer whose business included the printing of catalogs, magazines and mass-market, racksize books. We acquired certain other businesses in 1996 whose contributions were not significant to our results of operations for the periods presented, nor are they expected to have a material effect on our results on a continuing basis.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 27, 1998 COMPARED TO YEAR ENDED DECEMBER 28, 1997

Net sales increased \$375,660 or 19.0% to \$2,356,885 in 1998 from \$1,981,225 in 1997. The increase was due to the inclusion of both a full year of results from the acquisitions in 1997 and results from the acquisitions in 1998, higher paper prices and volume and improved sales in our base business.

Gross profit increased \$61,808 or 16.8% to \$429,095 in 1998 from \$367,287 in 1997, due primarily to the inclusion of the 1997 and 1998 acquisitions and improved operating efficiencies in our base business. Gross profit margin decreased to 18.2% in 1998 from 18.5% in 1997 due to increased sales resulting from higher paper prices and volume, slightly offset by the benefits of certain cost reduction initiatives and other synergies resulting from the integration of the acquired businesses.

Selling, general and administrative expenses increased \$26,174 or 13.9% to \$214,862 in 1998 from \$188,688 in 1997. The increase was due to the 1997 and 1998 acquisitions, including the related additional amortization expense for goodwill, offset by benefits derived from cost saving initiatives and a decrease in the 1998 provision for bad debts. The 1997 provision for bad debts was higher than usual because of bad debts related to a customer that entered into bankruptcy.

Interest expense and securitization fees increased \$8,550 or 10.7% to \$88,589 in 1998 from \$80,039 in 1997. The increase was due to higher average borrowings incurred to fund acquisitions, capital expenditures and working capital requirements, offset by a lower average cost of funds. The 1998 and 1997 amounts included \$11,888 and \$5,133, respectively, of fees resulting from the asset securitization agreement entered into in June 1997.

The effective tax rate, primarily composed of the combined federal and state statutory rates, was approximately 41.4% for 1998 and 42.0% for 1997.

YEAR ENDED DECEMBER 28, 1997 COMPARED TO YEAR ENDED DECEMBER 29, 1996

Net sales increased \$339,813 or 20.7% to \$1,981,225 in 1997 from \$1,641,412 in 1996. The increase was due to the inclusion of both a full year of results from the 1996 acquisitions and results from the 1997 acquisitions, as well as improved sales in our base business.

Gross profit increased \$75,005 or 25.7% to \$367,287 in 1997 from \$292,282 in 1996, due primarily to the inclusion of the 1996 and 1997 acquisitions. Gross profit margin improved to 18.5% in 1997 from 17.8% in 1996. This improvement was a result of the 1996 and 1997 acquisitions, including the benefits of certain cost reduction initiatives and other synergies resulting from the integration of the acquired businesses.

Selling, general and administrative expenses increased \$35,617 or 23.3% to \$188,688 in 1997 from \$153,071 in 1996. The increase was due to the 1996 and 1997 acquisitions, including the related additional amortization expense for goodwill, offset by benefits derived from cost saving initiatives. In addition, in 1997 we incurred a higher than usual provision for bad debts related to a customer that entered into bankruptcy.

Interest expense and securitization fees increased \$21,622 or 37.0% to \$80,039 in 1997 from \$58,417 in 1996. The increase was due to higher average borrowings incurred to fund acquisitions, capital expenditures and working capital requirements. The 1997 amount included \$5,133 of fees resulting from the asset securitization agreement entered into in June 1997.

The effective tax rate, primarily composed of the combined federal and state statutory rates, was approximately 42.0% for 1997 and 41.5% for 1996.

LIQUIDITY AND CAPITAL RESOURCES

On February 22, 1999, we issued Senior Subordinated Notes in the aggregate principal amount of \$300,000, receiving net proceeds of approximately \$294,000. Interest on the notes is payable semi-annually at the annual rate of 7.75%. The notes do not have required principal payments prior to maturity on February 15, 2009. The net proceeds from the notes issuance were used to repay certain indebtedness under the credit agreement. In connection with the issuance of these notes, we amended our credit agreement resulting in, among other modifications, a \$95,000 permanent reduction as of March 9, 1999 in borrowings and commitments under the credit agreement. As a result, aggregate total commitments decreased from \$920,000 to \$825,000. The amendment and related permanent reduction in total borrowings and commitments resulted in a substantial modification of the terms under the credit agreement. Accordingly, we will recognize an extraordinary charge for the early extinguishment of debt of approximately \$5,900, net of tax, in the first quarter of fiscal year 1999.

In November 1998, we issued Senior Subordinated Notes in the aggregate principal amount of \$300,000 for net proceeds of approximately \$291,700. Interest on the notes is payable semi-annually at the annual rate of 8.375%.

Principal payments on the notes are not required prior to maturity on November 15, 2008. We used a portion of the net proceeds to repay certain indebtedness incurred under the credit agreement. The remaining net proceeds were invested in money market securities through December 27, 1998. In the beginning of fiscal year 1999, we used the remaining net proceeds to redeem all of our outstanding 9.125% Senior Subordinated Notes due 2003 (the "Notes") in an aggregate principal amount of \$150,000. The Notes were redeemed for approximately \$160,800, including the redemption premium and accrued interest. This early extinguishment of debt generated an extraordinary charge in the first quarter of fiscal year 1999 of approximately \$6,000, net of tax. The Notes were included in current maturities of long-term debt at December 27, 1998.

In July and October 1998, we entered into agreements for the sale and leaseback of certain printing equipment for which we received approximately \$88,500 of proceeds. The equipment used for the sale and leaseback transaction was primarily composed of 1998 capital expenditures. The lease expires in July 2010 and has been classified as an operating lease. The proceeds were used to repay certain indebtedness incurred under the credit agreement.

In August 1998, the Board of Directors authorized the repurchase of up to 1,800,000 shares of our common stock. The repurchase of shares commenced in August 1998 and may occur over the next three years in the open market at prevailing market prices or in negotiated transactions, depending on market conditions. We will repurchase shares to satisfy commitments under certain employee benefit plans. As of December 27, 1998, we had repurchased 486,501 shares at a weighted average cost of \$30.80 and reissued 466,255 shares.

In October 1997, we issued 4,600,000 shares of our common stock, receiving net proceeds of approximately \$127,600. Concurrent with the stock offering, we issued \$151,800 aggregate principal amount of Convertible Senior Subordinated Notes, receiving net proceeds of approximately \$147,900. Interest on the convertible notes is payable semi-annually at the annual rate of 6%. The convertible notes have no required principal payments prior to maturity on October 1, 2007. The convertible notes in the aggregate are convertible into 3,660,477 shares of our common stock at \$41.47 per share, subject to adjustment upon the occurrence of certain events. We used the net proceeds from the stock offering and convertible notes offering to repay certain indebtedness incurred under the credit agreement.

In June 1997, we entered into an agreement to sell, on a revolving basis for a period of up to five years, certain of our accounts receivable to a wholly-owned subsidiary, which entered into an agreement to transfer, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable to a maximum of \$204,000. In 1997, we received the proceeds from the sale of \$200,000 of accounts receivable. Accordingly, accounts receivable was reduced by \$200,000 at December 27, 1998 and December 28, 1997. We used the net proceeds primarily to repay certain indebtedness incurred under the credit agreement. Fees associated with the asset securitization vary based on

commercial paper rates plus a margin, providing a lower effective rate than that available from our traditional funding sources.

Net income plus depreciation and amortization and deferred income taxes was \$232,212 in 1998 compared to \$203,201 in 1997, an increase of \$29,011 or 14.3%. Cash flow from operations was primarily used to fund working capital requirements, capital expenditures and acquisitions.

Working capital was \$239,428 at December 27, 1998 and \$168,752 at December 28, 1997. Working capital increased \$70,676 or 41.9% primarily due to the 1998 acquisitions and an increase in inventory levels. Capital expenditures totaled \$95,533, net of the proceeds from the sale and leaseback transaction, and \$93,145 in 1998 and 1997, respectively. These capital expenditures reflect the purchase of additional press and bindery equipment which increased our capacity and are part of our ongoing program to maintain modern, efficient plants and continually increase productivity. We expect capital expenditures in 1999 to approximate 4% to 5% of net sales. Additional expenditures in 1999 are possible in line with growth in earnings and cash flows, or expansion opportunities in certain markets.

Our capital expenditures and acquisitions have been funded in part through operations and borrowings under our Second Amended and Restated Credit Agreement dated as of June 6, 1996, as amended. At the beginning of 1997, aggregate total commitments under the credit agreement were \$975,000. During 1997, concurrent with the liquidation of certain indebtedness, we amended the credit agreement to provide aggregate total commitments of \$920,000, comprised of \$95,000 in term loan commitments, \$250,000 of revolving loan commitments and \$575,000 in acquisition term loan commitments. The credit agreement provides for varying semi-annual reductions in commitments through maturity on December 31, 2002, and the borrowings bear interest at rates that fluctuate with the prime rate and the Eurodollar rate. As of December 27, 1998, the weighted average borrowing rate was 6.1%, and \$70,200 of acquisition term loan commitments and \$227,020 of revolving loan commitments were unused. As discussed above, in the first quarter of fiscal year 1999, the aggregate total commitments under the credit agreement were reduced by \$95,000.

At December 27, 1998, we had net operating loss carryforwards from business acquisitions for federal income tax purposes of \$7,643 available to reduce future taxable income, expiring from 2007 to 2010. We also had federal tax credits of \$1,177 expiring primarily from 1999 to 2002 and state tax credits of \$3,893 expiring from 2001 to 2013. In addition, we had alternative minimum tax carryover credits of \$20,801 which do not expire and may be applied against regular tax in the future, in the event that the regular tax expense exceeds the alternative minimum tax.

Concentrations of credit risk with respect to accounts receivable are limited due to our diverse operations and large customer base. As of December 27, 1998, we had no significant concentrations of credit risk.

In the normal course of business, we are exposed to changes in interest rates.

However, we manage this exposure by having a balanced variety of debt maturities as well as a combination of fixed and variable rate obligations. In addition, we have entered into interest rate cap and swap agreements in order to further reduce the exposure on our variable rate obligations. Our interest rate cap agreements have a notional value of \$400,000 and expire in the third quarter of fiscal year 1999. Our interest rate swap agreements have a notional value of \$75,000 and exchange floating rate for fixed interest payments periodically over five years. The swap agreements are cancelable by the respective counterparties in September and December 1999. These agreements did not have a material impact on the consolidated financial statements for the periods presented. While the counterparties of these agreements expose us to credit loss in the event of nonperformance, we believe that the possibility of incurring such a loss is remote due to the creditworthiness of the counterparties. We do not hold or issue any derivative financial instruments for trading purposes.

We believe that our liquidity, capital resources and cash flows from operations are sufficient to fund planned capital expenditures, working capital requirements and interest and principal payments for the foreseeable future.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This SOP requires certain costs related to computer software developed or obtained for internal use to be expensed or capitalized depending on the stage of development and the nature of the costs. We will adopt this SOP in the first quarter of fiscal year 1999. We do not expect the adoption of SOP 98-1 to have a material effect on our consolidated financial statements.

In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-Up Activities," which requires costs of start-up activities and organization costs to be expensed as incurred. We will adopt this SOP in the first quarter of fiscal year 1999. We estimate that the adoption of this SOP will result in the recognition of a charge of approximately \$10,500, net of tax, as the cumulative effect of a change in accounting principle in the first quarter of fiscal year 1999.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to recognize all derivatives as either assets or liabilities and measure those instruments at fair value. We would account for gains or losses resulting from changes in the values of those derivatives depending on the use of the derivative and whether it qualifies for hedge accounting. We plan to adopt this statement in the first quarter of fiscal year 2000. Based on our current portfolio of derivative financial instruments, we do not expect the adoption of SFAS No. 133 to have a material impact on our consolidated financial statements.

YEAR 2000

The Year 2000 issue, which affects virtually all corporations, arises due to the inability of certain computer software and hardware and embedded chips found in manufacturing and other equipment to properly recognize dates beyond 1999. This inability may cause errors in information and/or system failures. We have a comprehensive effort underway to address the Year 2000 issue. As discussed below, we are, among other things, evaluating our present information technology and non-information technology systems (i.e. equipment with embedded chips), monitoring and addressing our vendor and customer Year 2000 issues and engaging in remediative measures as necessary.

In connection with our readiness program, we have endeavored to inventory and assess the state of compliance of all information systems and non-information systems. We commenced remediation of our information systems in 1994. As a result, the majority of our information systems, including our financial, human resources and payroll functions, are Year 2000 compliant. We estimate that all of our information systems will be substantially compliant by mid-1999. With respect to our non-information systems, we have substantially completed an inventory of facilities (HVAC, safety and security) and manufacturing (press, bindery and finishing) systems. We are working with the outside suppliers of such systems as well as with an outside consultant to identify and remediate non-compliant components. We have targeted mid-1999 for substantial completion of our readiness efforts with respect to our non-information systems, including selective testing procedures.

As part of our readiness program, we are communicating with our major customers and vendors to assess such parties' respective efforts to identify and remediate their own Year 2000 issues in a timely and comprehensive manner. We are also requesting our vendors to certify to the compliancy of their systems and equipment that we currently own or lease. We intend to follow up with non-compliant vendors through 1999 in order to continually assess the extent of such third parties' Year 2000 exposure and to adjust our contingency plans accordingly.

The costs incurred to date solely related to our Year 2000 efforts have not been material to us, and based upon current estimates, we do not believe that the total cost of our Year 2000 readiness programs will have a material adverse effect upon our operating results or financial condition. While we cannot make assurances as to the impact of the Year 2000 issue on our operations, we currently anticipate that any adverse consequences of the Year 2000 issue on our systems will not create a significant disruption to our operations. However, the failure or delay by us, our customers and/or vendors to identify and remediate each respective instance of Year 2000 non-compliance could result in a material adverse effect on our results of operations, liquidity or financial condition.

Our readiness program includes the development of contingency plans addressing potential business interruptions arising from Year 2000-related disruptions. Such plans include assessing the movement of work among our facilities. In 1999, we will hone our contingency plans, taking into account, among other

things, the state of readiness of our vendors, including, without limitation, utility suppliers, as well as our major customers.

The statements set forth herein concerning Year 2000 issues which are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. In particular, the costs associated with our Year 2000 programs, the time-frame in which we plan to complete Year 2000 modifications and the potential impact of the Year 2000 issues on us are based upon our best estimates. These estimates were derived from internal assessments and numerous assumptions of future events. These estimates may be adversely affected by, among other things, the continued availability of personnel and system resources, the accurate identification of all relevant computer codes, the success of remediation efforts, the effectiveness of our contingency plans and by the failure of significant third parties to properly address Year 2000 issues. Therefore, we cannot guarantee that any estimates or other forward-looking statements will be achieved and actual results could differ significantly from those contemplated.

SEASONALITY

The operations of our business are seasonal with approximately two-thirds of historical operating income recognized in the second half of the fiscal year, primarily due to the higher number of magazine pages, new product launches and back-to-school and holiday catalog promotions.

FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, the statements in this document are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecasted results. Those risks include, among others, changes in customers' demand for our products, changes in raw material and equipment costs and availability, seasonal changes in customer orders, pricing actions by our competitors, changes in estimates of our readiness or the readiness of our vendors and customers with regard to Year 2000 issues and the significance of costs thereof, and general changes in economic condition.

[Page 25 of the Annual Report]

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
World Color Press, Inc.:

We have audited the accompanying consolidated balance sheets of World Color Press, Inc. and subsidiaries as of December 27, 1998 and December 28, 1997, and

the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 27, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit 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, such consolidated financial statements present fairly, in all material respects, the financial position of World Color Press, Inc. and subsidiaries at December 27, 1998 and December 28, 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 27, 1998 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

New York, New York

February 3, 1999

(except for the last paragraph of Note 14,
as to which the date is February 26, 1999,
and except for Note 18, as to which the date is
March 9, 1999)

[Page 26 of the Annual Report]

<TABLE>

<CAPTION>

WORLD COLOR PRESS, INC.

CONSOLIDATED BALANCE SHEETS

DECEMBER 27, 1998 AND DECEMBER 28, 1997

(Dollars in thousands, except per share data)

ASSETS	1998	1997
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 199,932	\$ 37,676
Accounts receivable - net of allowances for doubtful accounts of \$10,638 and \$9,287, respectively	229,209	166,747
Inventories	276,111	204,889

Deferred income taxes	16,986	31,297
Other	63,729	33,625
	-----	-----
Total current assets	785,967	474,234
Property, plant and equipment - net	885,999	857,195
Goodwill - net	647,085	535,416
Other	114,835	66,726
	-----	-----
TOTAL ASSETS	\$2,433,886	\$1,933,571
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 171,683	\$ 163,710
Accrued expenses	149,525	132,802
Current maturities of long-term debt	225,331	8,970
	-----	-----
Total current liabilities	546,539	305,482
Long-term debt	1,030,589	810,143
Deferred income taxes	94,793	100,045
Other long-term liabilities	93,318	118,132
	-----	-----
Total liabilities	1,765,239	1,333,802
	=====	=====
Stockholders' equity:		
Common stock, \$.01 par value - authorized, 100,000,000 shares in 1998 and 1997; shares outstanding, 38,639,642 in 1998 and 38,353,853 in 1997	386	384
Additional paid-in capital	721,913	711,292
Accumulated deficit	(49,310)	(111,907)
Treasury stock, at cost: 20,246 shares	(613)	--
Unamortized restricted stock compensation	(3,729)	--
	-----	-----
Total stockholders' equity	668,647	599,769
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,433,886	\$1,933,571
	=====	=====

</TABLE>

See notes to consolidated financial statements.

[Page 27 of the Annual Report]

<TABLE>

<CAPTION>

WORLD COLOR PRESS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 27, 1998, DECEMBER 28, 1997 AND DECEMBER 29, 1996

(In thousands, except per share data)

	1998	1997	1996
<S>	<C>	<C>	<C>
Net sales	\$2,356,885	\$1,981,225	\$1,641,412
Cost of sales	1,927,790	1,613,938	1,349,130
	-----	-----	-----
Gross profit	429,095	367,287	292,282
Selling, general and administrative expenses	214,862	188,688	153,071
	-----	-----	-----
Operating income	214,233	178,599	139,211
Interest expense and securitization fees	88,589	80,039	58,417
	-----	-----	-----
Income before income taxes	125,644	98,560	80,794
Income tax provision	52,054	41,341	33,533
	-----	-----	-----
Net income	\$ 73,590	\$ 57,219	\$ 47,261
	=====	=====	=====
Net income per common share - basic	\$ 1.92	\$ 1.65	\$ 1.40
Net income per common share - diluted	\$ 1.84	\$ 1.60	\$ 1.35

</TABLE>

See notes to consolidated financial statements.

[Page 28 of the Annual Report]

<TABLE>

<CAPTION>

WORLD COLOR PRESS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 27, 1998, DECEMBER 28, 1997 AND DECEMBER 29, 1996

(In thousands)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TREASURY STOCK	UNAMORTIZED RESTRICTED STOCK COMPENSATION
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE					
DECEMBER 31, 1995	\$ 322	\$ 574,831	\$ (216,387)	\$ --	\$ --
Net income	--	--	47,261	--	--
Common stock issued	15	8,890	--	--	--
	-----	-----	-----	-----	-----
BALANCE					
DECEMBER 29, 1996	337	583,721	(169,126)	--	--
Net income	--	--	57,219	--	--
Common stock issued	47	127,571	--	--	--
	-----	-----	-----	-----	-----

BALANCE					
DECEMBER 28, 1997	384	711,292	(111,907)	--	--
Net income	--	--	73,590	--	--
Common stock issued	1	6,544	(10,993)	14,371	--
Common stock repurchased	--	--	--	(14,984)	--
Restricted stock issued	1	4,077	--	--	(4,078)
Amortization of restricted stock	--	--	--	--	349
	-----	-----	-----	-----	-----
BALANCE					
DECEMBER 27, 1998	\$ 386	\$ 721,913	\$ (49,310)	\$ (613)	\$ (3,729)
	=====	=====	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

[Page 29 of the Annual Report]

<TABLE>

<CAPTION>

WORLD COLOR PRESS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 27, 1998, DECEMBER 28, 1997 AND DECEMBER 29, 1996
(In thousands)

	1998	1997	1996
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES:			
Net income	\$ 73,590	\$ 57,219	\$ 47,261
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	140,725	131,710	104,493
Deferred income tax provision	17,897	14,272	13,573
Changes in operating assets and abilities:			
Proceeds from sale of accounts receivable	--	200,000	--
Other changes in accounts receivable - net	(16,031)	(13,812)	(30,062)
Inventories	(58,029)	(53,936)	29,495
Accounts payable and accrued expenses	(26,700)	(43,577)	35,178
Other assets and liabilities - net	(119,567)	(52,571)	(53,355)
	-----	-----	-----
Net cash provided by operating activities	11,885	239,305	146,583
	-----	-----	-----
INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(184,004)	(93,145)	(70,639)
Proceeds from sale and leaseback of			

equipment	88,471	--	--
Proceeds from sale of property, plant and equipment	9,533	2,006	1,345
Acquisitions of businesses, net of cash acquired	(190,095)	(172,539)	(167,283)
	-----	-----	-----
Net cash used in investing activities	(276,095)	(263,678)	(236,577)
	-----	-----	-----
FINANCING ACTIVITIES:			
Proceeds from borrowings	451,553	285,775	562,120
Payments on long-term debt	(20,026)	(384,526)	(456,751)
Proceeds from issuance of common stock	6,545	127,618	8,905
Repurchases of common stock - net	(11,606)	--	--
	-----	-----	-----
Net cash provided by financing activities	426,466	28,867	114,274
	-----	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS	162,256	4,494	24,280
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	37,676	33,182	8,902
	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 199,932	\$ 37,676	\$ 33,182
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

[Page 30 - 40 of the Annual Report]

WORLD COLOR PRESS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 27, 1998, DECEMBER 28, 1997 AND DECEMBER 29, 1996

(Dollars in thousands, except per share data)

1. ORGANIZATION

World Color Press, Inc. and subsidiaries (the "Company") specializes in the production and distribution of data for customers in the commercial, magazine, catalog, direct mail, book and directory markets.

Prior to November 20, 1995, the Company was wholly-owned by Printing Holdings, L.P. ("PHLP"), a nonoperating affiliate of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), whose holdings consisted solely of the Company. On November 20, 1995, PHLP was merged with and into the Company, with the Company as the survivor (the "Merger"). In connection with the Merger, PHLP partnership units (aggregating approximately 65,500,000 units) were converted into approximately 32,200,000 shares of the Company's common stock, principally at a ratio of one PHLP partnership unit to 0.50 shares of common stock. Accordingly, the common stock and additional paid-in capital

amounts presented on the consolidated statements of stockholders' equity have been restated to reflect the change in the Company's capital structure pursuant to the Merger. Also pursuant to the Merger, the shares of the Company's common stock owned by PHLP immediately prior to the Merger were canceled. On November 20, 1995, the Company also amended and restated its Certificate of Incorporation increasing the authorized number of shares of common stock to 100,000,000 shares and newly authorizing 50,000,000 shares of preferred stock, par value \$0.01 per share. At December 27, 1998 and December 28, 1997, there were no shares of preferred stock issued or outstanding.

On January 25, 1996, 15,861,568 shares of the Company's common stock were sold at \$19 per share in an initial public equity offering (the "Offering"). All of the shares in the Offering were sold by existing stockholders. The Company did not receive any of the proceeds from the sale of the shares, except that certain members of former management elected to participate in the Offering by exercising certain stock options granted to them by the Company. An aggregate of 1,531,290 shares underlying such options were sold in the Offering, generating proceeds to the Company of approximately \$8,900. These proceeds were used to pay expenses of the Offering and for general corporate purposes.

On October 8, 1997, the Company issued 4,600,000 common shares through a public offering, resulting in net proceeds of approximately \$127,600. These proceeds were utilized to repay certain indebtedness incurred under the Credit Agreement (as defined in Note 2).

2. BUSINESS ACQUISITIONS

In the first four months of 1998, the Company acquired four businesses serving customers in the commercial, direct mail and book markets for an aggregate purchase price of approximately \$200,000. These acquisitions were funded using proceeds from the Company's acquisition term loans under the Second Amended and Restated Credit Agreement dated as of June 6, 1996, as amended (the "Credit Agreement"). These acquisitions were accounted for as purchases and the consolidated financial statements include the results of their operations from the respective acquisition dates. The excess of purchase cost over estimated fair value of net assets acquired was approximately \$130,000 and is being amortized using the straight-line method over 35 years.

In 1997, the Company acquired two businesses operating in the book, magazine and catalog markets. These companies were acquired for an aggregate purchase price of approximately \$173,000, which was funded using proceeds from the Company's acquisition term loans under the Credit Agreement. The Company liquidated approximately \$20,000 of the acquired companies' indebtedness. These acquisitions were accounted for as purchases and the consolidated financial statements include the results of their operations from the respective acquisition dates. The excess of purchase cost over estimated fair value of net assets acquired was approximately \$126,000 and is being amortized using the straight-line method over 35 years.

In June 1996, the Company acquired from Ringier A.G. all of the issued and outstanding capital stock of Krueger Acquisition Corporation, including all of the issued and outstanding capital stock of Ringier Holdings, Inc., Ringier America, Inc., Krueger Ringier, Inc., Ringier Print U.S., Inc. and W.A. Krueger Co. Olathe (collectively, "Ringier America"), for approximately \$128,000 (the "Acquisition"). In addition, the Company assumed approximately \$287,000 of Ringier America's indebtedness, of which approximately \$281,000 was liquidated upon consummation of the Acquisition. Ringier America was a leading diversified commercial printer whose business included the printing of catalogs, magazines and mass-market, racksize books. The Acquisition and liquidation of certain indebtedness were funded using proceeds from acquisition term loans under the Credit Agreement. The Acquisition was accounted for as a purchase and the consolidated financial statements include the results of Ringier America's operations from the acquisition date. The excess of purchase cost over estimated fair value of net assets acquired was approximately \$160,000, and is being amortized using the straight-line method over 35 years.

During 1996 the Company acquired certain other businesses whose contributions were not significant to the Company's results of operations for the periods presented, nor are they expected to have a material effect on the Company's results on a continuing basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of World Color Press, Inc. and its subsidiaries. Intercompany transactions have been eliminated.

CASH AND CASH EQUIVALENTS - Cash equivalents consist of highly liquid instruments with original maturities of three months or less.

ACCOUNTING PERIOD - The Company's fiscal year is the 52 or 53-week period ending on the last Sunday in December. Fiscal years 1998, 1997 and 1996 each included 52 weeks.

CONSOLIDATED STATEMENTS OF CASH FLOWS - During 1998, 1997 and 1996, the Company borrowed and repaid \$599,100, \$563,200 and \$407,200, respectively, pursuant to the terms of credit agreements. See also Note 7. Such amounts have not been reflected in the consolidated statements of cash flows because of the short-term nature of the borrowings.

Cash paid for interest by the Company during the years 1998, 1997 and 1996 was \$82,392, \$75,738 and \$54,037, respectively, net of capitalized interest of \$2,374, \$941 and \$252, respectively. Cash paid for taxes during the years 1998, 1997 and 1996 was \$35,145, \$28,266 and \$18,068, respectively.

REVENUE RECOGNITION - In accordance with trade practice, sales are recognized by the Company on the basis of production and service activity at

the pro rata billing value of work completed.

INVENTORIES - The Company's raw materials of paper and ink and the related raw material component of work-in-process are valued at the lower of cost, as determined using the first-in, first-out ("FIFO") method, or market. The remainder of the work-in-process is valued at the pro rata billing value of work completed.

DEPRECIATION AND AMORTIZATION - Property, plant and equipment is stated at cost. Depreciation is recorded principally on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on the straight-line method over the lesser of the useful life of the improvement or the lease term. Estimated useful lives used in computing depreciation and amortization expense are 3 to 15 years for machinery and equipment and 15 to 40 years for buildings and leasehold improvements.

GOODWILL - Goodwill is amortized using the straight-line method primarily over 35 years. Amortization of goodwill for the years 1998, 1997 and 1996 was \$20,008, \$16,424 and \$10,757, respectively, and is included in selling, general and administrative expenses. Accumulated amortization of goodwill was \$71,236, and \$51,228 as of year-end 1998 and 1997, respectively. The Company evaluates goodwill by reviewing current and estimated undiscounted cash flows whenever significant events or changes occur indicating the asset may not be recoverable.

NET INCOME PER COMMON SHARE - In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which establishes new standards for computing and presenting net income per common share. The Company adopted SFAS No. 128 in the fourth quarter of 1997, and has calculated "net income per common share - basic" based on the weighted average common shares outstanding during each period and "net income per common share - diluted" based on the weighted average common and dilutive common equivalent shares outstanding during each period. Weighted average shares were adjusted to give effect to the change in the Company's capital structure pursuant to the Merger and the Options Adjustments, as described in Notes 1 and 12.

RECLASSIFICATIONS - Certain reclassifications have been made to prior years' amounts to conform with the current presentation.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACCOUNTING FOR STOCK-BASED COMPENSATION - In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based

Compensation." SFAS No. 123 encourages companies to account for stock compensation awards based on their fair value at the date they are granted. The resulting compensation cost would be shown as an expense on the income statement. Companies choosing not to apply the new accounting method are permitted to continue following current accounting requirements, however, they are required to disclose in the notes to the financial statements the effect on net income and earnings per share had the new accounting method been applied. The Company has adopted only the disclosure provisions of SFAS No. 123. Accordingly, the Company has disclosed in Note 12 the pro forma effect on net income and net income per common share - basic and diluted.

INTEREST RATE SWAP AGREEMENTS - The Company enters into interest rate swap agreements from time to time to reduce exposures to market risks resulting from fluctuations in interest rates. The Company does not hold or issue any derivative financial instruments for trading purposes. Gains and losses on interest rate agreements are recognized through income and offset the transactions which they are intended to hedge.

RECENT ACCOUNTING PRONOUNCEMENTS - In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and display of comprehensive income and its components in the financial statements. The Company adopted this statement in the first quarter of fiscal year 1998. The adoption of SFAS No. 130 did not have a material effect on the Company's consolidated financial statements.

In June 1997, the Financial Accounting Standards Board also issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for reporting information on operating segments in the financial statements. The Company adopted this statement for the fiscal year ended 1998. In accordance with this standard, the Company has determined that, while it offers services to a diverse group of customers in different industries, the Company itself operates in one business segment, the management and distribution of print and digital information. In accordance with the management approach prescribed in the statement, there are no discernable operating segments that management evaluates separately on a regular basis.

In February 1998, the Financial Accounting Standards Board issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which standardizes the disclosure requirements for pensions and other postretirement benefits. The Company has adopted this statement for the fiscal year ended 1998. See Note 11.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to recognize all derivatives as either assets or liabilities and measure those instruments at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for

hedge accounting. The Company plans to adopt this statement in the first quarter of fiscal year 2000. Based on the Company's current portfolio of derivative financial instruments, it does not expect the adoption of SFAS No. 133 to have a material impact on its consolidated financial statements.

In March 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This SOP requires certain costs related to computer software developed or obtained for internal use to be expensed or capitalized depending on the stage of development and the nature of the costs. The Company will adopt this SOP in the first quarter of fiscal year 1999. The Company does not expect the adoption of SOP 98-1 to have a material effect on its consolidated financial statements.

In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-Up Activities," which requires costs of start-up activities and organization costs to be expensed as incurred. The Company will adopt this SOP in the first quarter of fiscal year 1999. The Company estimates that the adoption of SOP 98-5 will result in the recognition of a charge of approximately \$10,500, net of tax, as the cumulative effect of a change in accounting principle in the first quarter of fiscal year 1999.

4. INVENTORIES

<TABLE>

<CAPTION>

Inventories are summarized as follows:	1998	1997
<S>	<C>	<C>
Work-in-process	\$ 139,259	\$ 111,326
Raw materials	136,852	93,563
	-----	-----
Total	\$ 276,111	\$ 204,889
	=====	=====

</TABLE>

5. PROPERTY, PLANT AND EQUIPMENT

<TABLE>

<CAPTION>

Property, plant and equipment is as follows:

	1998	1997
<S>	<C>	<C>
Land	\$ 17,041	\$ 16,252
Buildings and leasehold improvements	303,051	292,092
Machinery and equipment	1,291,658	1,180,297
Leased property under capitalized		

leases	1,924	6,692
	-----	-----
	1,613,674	1,495,333
Accumulated depreciation and amortization	727,675	638,138
	-----	-----
Total	\$ 885,999	\$ 857,195
	=====	=====

</TABLE>

Depreciation expense related to property, plant and equipment was \$120,250, \$114,819 and \$91,186 for the years 1998, 1997 and 1996, respectively.

6. ACCRUED EXPENSES

<TABLE>

<CAPTION>

Accrued expenses are as follows:

	1998	1997
<S>	<C>	<C>
Compensation	\$ 55,727	\$ 50,239
Employee health and welfare benefits	9,858	9,696
Deferred revenue	12,408	10,956
Interest	14,794	10,368
Other	56,738	51,543
	-----	-----
Total	\$ 149,525	\$ 132,802
	=====	=====

</TABLE>

7. LONG-TERM DEBT

<TABLE>

<CAPTION>

Long-term debt is summarized as follows:

	1998	1997
<S>	<C>	<C>
8.375% Senior Subordinated Notes	\$ 300,000	\$ --
Convertible Senior Subordinated Notes	151,800	151,800
9.125% Senior Subordinated Notes	150,000	150,000
Borrowings under credit agreements	599,800	450,500
Notes payable, average of 9.16% due 2004 - 2005	33,008	36,729
Capitalized lease obligations, weighted average imputed interest rate of 9.60% due 1999 - 2002	527	3,540
Other debt, average of 7.88% due 2001 - 2008	20,785	26,544
	-----	-----
Total	1,255,920	819,113

Less current maturities	225,331	8,970
	-----	-----
Noncurrent portion	\$ 1,030,589	\$ 810,143
	=====	=====

</TABLE>

8.375% SENIOR SUBORDINATED NOTES - On November 20, 1998, the Company issued Senior Subordinated Notes in the aggregate principal amount of \$300,000, receiving net proceeds of approximately \$291,700. Interest on the Senior Subordinated Notes is payable semi-annually at the annual rate of 8.375%. The notes do not have required principal payments prior to maturity on November 15, 2008. The fair value of the notes approximated carrying value at December 27, 1998. The Company utilized a portion of the net proceeds from the issuance of these notes to repay revolving loan commitments incurred under the Credit Agreement. On December 28, 1998 the Company utilized the remainder of the net proceeds to redeem all of its outstanding 9.125% Senior Subordinated Notes.

CONVERTIBLE SENIOR SUBORDINATED NOTES - On October 8, 1997, the Company issued \$151,800 aggregate principal amount of Convertible Senior Subordinated Notes (the "Convertible Notes"), receiving net proceeds of approximately \$147,900. Interest on the Convertible Notes is payable semi-annually at the annual rate of 6.00%. The Convertible Notes have no required principal payments prior to maturity on October 1, 2007. The Convertible Notes in the aggregate are convertible into 3,660,477 shares of the Company's common stock at \$41.47 per share, subject to adjustment upon the occurrence of certain events. The Convertible Notes are redeemable at the option of the holder at any time and at the option of the Company, at specified prices, subsequent to October 4, 2000. The net proceeds from the Convertible Notes offering were utilized to repay certain indebtedness incurred under the Credit Agreement.

The fair value of the notes was approximately \$149,000 and \$146,000 at December 27, 1998 and December 28, 1997, respectively, based on quoted market prices.

9.125% SENIOR SUBORDINATED NOTES - On May 10, 1993, the Company issued Senior Subordinated Notes in the aggregate principal amount of \$150,000. Interest on the Senior Subordinated Notes was payable semi-annually at the annual rate of 9.125%. The notes did not have required principal payments prior to maturity on March 15, 2003.

The fair value of the notes was approximately \$157,000 and \$156,000 at December 27, 1998 and December 28, 1997, respectively, based on quoted market prices.

The Company redeemed the 9.125% Senior Subordinated Notes on December 28, 1998 for approximately \$160,800, including the redemption premium and accrued interest. This early extinguishment of the notes generated an extraordinary charge in the first quarter of fiscal year 1999 of

approximately \$6,000, net of tax. The redemption of the notes was financed by the net proceeds of the 8.375% Senior Subordinated Notes issued on November 20, 1998. The 9.125% Senior Subordinated Notes were classified as current maturities of long-term debt in the December 27, 1998 consolidated balance sheet.

BORROWINGS UNDER CREDIT AGREEMENTS - In June and October 1997, concurrent with the liquidation of indebtedness utilizing proceeds from the Asset Securitization (as defined in Note 8), equity offering and Convertible Notes offering, the Credit Agreement was amended to provide and subsequently maintain the aggregate total commitments of \$920,000, comprised of \$95,000 in term loan commitments, \$250,000 of revolving loan commitments and \$575,000 in acquisition term loan commitments. All other significant financial provisions of the Credit Agreement remained substantially unchanged. The Credit Agreement provides for varying semi-annual reductions in commitments, and the borrowings bear interest at rates that fluctuate with the prime rate and the Eurodollar rate which ranged from 5.69% to 8.50% in 1998 and 6.25% to 8.63% in 1997. The Credit Agreement includes a commitment fee of .25% per annum based on the daily average unutilized revolving credit commitment. Borrowings under the Credit Agreement mature at December 31, 2002. At December 27, 1998, \$70,200 of acquisition term loan commitments and \$227,020 of the revolving loan commitments were unutilized. The amount unutilized under the revolving loan commitments has been reduced by outstanding letters of credit of \$22,980, not reflected in the accompanying consolidated financial statements, for which the Company was contingently liable under the Credit Agreement. Such letters of credit primarily guarantee various insurance reserves.

Borrowings under the terms of the Credit Agreement are secured by pledges of various assets of the Company. The Credit Agreement has covenants which, among other things, restrict the incurrence of additional indebtedness by the Company and limit its ability to make payments to affiliated parties. The Credit Agreement also restricts the repurchase amount of treasury stock and the payment of dividends or other distributions of capital. The Company was in compliance with these covenants as of December 27, 1998.

The fair value of the Company's remaining debt approximated its carrying value, based upon the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Aggregate annual maturities of long-term debt subsequent to December 27, 1998 are as follows:

<TABLE>

<CAPTION>

YEAR	AMOUNT
<S>	<C>
1999	\$ 225,331
2000	125,630
2001	146,370

2002	287,067
2003	9,557
2004 and thereafter	461,807

	1,255,762
Noncurrent portion of capitalized lease obligations	158

Total	\$ 1,255,920
	=====

</TABLE>

8. ASSET SECURITIZATION

In conjunction with the amended Credit Agreement described in Note 7, on June 30, 1997, the Company entered into an agreement to sell, on a revolving basis for a period of up to five years, certain of its accounts receivable to a wholly-owned subsidiary, which entered into an agreement to transfer, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable to a maximum of \$204,000 (the "Asset Securitization"). At December 27, 1998 and December 28, 1997, accounts receivable was reduced by \$200,000 for amounts sold. Fees arising from the securitization transaction of \$11,888 and \$5,133 are included in interest expense and securitization fees in the consolidated statements of operations for the years ended December 27, 1998 and December 28, 1997, respectively. These fees vary based on commercial paper rates plus a margin, providing a lower effective rate than that available under the Company's Credit Agreement. The Company maintains an allowance for doubtful accounts based on the expected collectibility of all accounts receivable, including receivables sold.

9. LEASES

CAPITAL LEASES - The Company is a lessee under several noncancellable capital lease agreements for certain fixed assets. The leases extend for periods up to 4 years and contain purchase provisions.

OPERATING LEASES - The Company leases certain equipment, warehouse facilities and office space under noncancellable operating leases which expire over the next 12 years. Most of these operating leases provide the Company with the option, after the initial lease term, either to purchase the equipment or renew its lease based upon the fair value of the property at the option date.

In 1998, the Company entered into interest rate swap agreements to exchange floating rate for fixed interest payments. The agreements effectively convert a notional principal amount of \$75,000 variable rate, quarterly operating lease payments into fixed. The net cash amount paid or received on the agreement is accrued and recognized as an adjustment to lease expense.

The variable interest rates are based on LIBOR. At December 27, 1998, the weighted average variable interest rate was 5.22% and the fixed swap rate was 4.84%. The swap agreements have a maximum life of five years and are cancelable by the counterparties in September and December 1999.

The fair value of the swap agreements was not recognized in the consolidated financial statements since the agreements are accounted for as hedges. The estimated fair value of the interest rate swap agreements, which was based on quotes from brokers, was not material to the consolidated financial statements at December 27, 1998. While the Company is exposed to credit loss in the event of nonperformance by the counterparties of these agreements, management believes that the possibility of incurring such a loss is remote due to the creditworthiness of the counterparties.

SALE AND LEASEBACK OF EQUIPMENT - In 1998, the Company entered into agreements for the sale and leaseback of certain printing equipment for which it received approximately \$88,500 of proceeds. The lease, which expires in July 2010, has been classified as an operating lease. The proceeds were utilized to repay revolving loan commitments incurred under the Credit Agreement.

Future minimum rental payments required under noncancellable leases at December 27, 1998 were as follows:

<TABLE>
<CAPTION>

YEAR	CAPITAL	OPERATING
<S>	<C>	<C>
1999	\$ 473	\$ 49,739
2000	64	46,337
2001	64	42,199
2002	48	37,866
2003	--	32,386
2004 and thereafter	--	128,286
	-----	-----
Total minimum lease payments	649	\$ 336,813
Less imputed interest	122	=====

Capitalized lease obligations	527	
Less current maturities	369	

Noncurrent portion	\$ 158	
	=====	

</TABLE>

Rental expense for operating leases was \$49,697, \$44,703 and \$36,299 for the years 1998, 1997 and 1996, respectively. Assets recorded under capital leases amounted to \$1,567 and \$4,828, net of accumulated amortization of \$357 and \$1,864 at the end of 1998 and 1997, respectively.

10. INCOME TAXES

The provision (benefit) for income taxes is summarized as follows:

<TABLE>
<CAPTION>

<S>	1998	1997	1996
<C>	<C>	<C>	<C>
Current:			
Federal	\$ 27,429	\$ 21,178	\$ 16,542
State	6,728	5,891	3,418
	-----	-----	-----
	34,157	27,069	19,960
	-----	-----	-----
Deferred:			
Federal	17,450	14,525	12,491
State	447	(253)	1,082
	-----	-----	-----
	17,897	14,272	13,573
	-----	-----	-----
Total	\$ 52,054	\$ 41,341	\$ 33,533
	=====	=====	=====

</TABLE>

The tax effects of significant items comprising the Company's net deferred tax liability as of December 27, 1998 and December 28, 1997 are as follows:

<TABLE>
<CAPTION>

<S>	1998	1997
<C>	<C>	<C>
Deferred tax assets:		
Operating loss carryforwards	\$ 6,422	\$ 8,219
Tax credit carryforwards	25,871	39,602
Employee health and welfare benefits	10,917	16,328
Postretirement benefits other than pensions	16,213	15,445
Pension accrual	4,533	7,232
Vacation accrual	9,232	7,172
Other differences	12,603	10,119
	-----	-----
Gross deferred tax assets	85,791	104,117
	-----	-----
Deferred tax liabilities:		
Differences between book and tax bases of property	(125,184)	(138,066)
Other differences	(33,319)	(27,959)

Gross deferred tax liabilities	(158,503)	(166,025)
Deferred tax asset valuation allowance	(5,095)	(6,840)
Net deferred tax liability	(77,807)	(68,748)
Less current deferred tax asset	16,986	31,297
Noncurrent deferred tax liability	\$ (94,793)	\$ (100,045)

</TABLE>

The 1998 and 1997 amounts above include a valuation allowance of \$5,095 and \$6,840, respectively, relating to a capital loss carryforward that potentially may not be realized for tax purposes and for the limitations of certain state net operating loss carryforwards.

The following table reconciles the difference between the U.S. federal statutory tax rates and the rates used by the Company in the determination of net income:

<TABLE>

<CAPTION>

	1998	1997	1996
Income tax provision, at 35%	\$ 43,975	\$ 34,496	\$ 28,278
State and local income taxes, net of federal income tax benefit	4,664	3,665	2,941
Release of deferred tax asset valuation allowance	(1,745)	--	--
Other, primarily goodwill amortization	5,160	3,180	2,314
Total	\$ 52,054	\$ 41,341	\$ 33,533

</TABLE>

At December 27, 1998, the Company had net operating loss carryforwards from business acquisitions for federal income tax purposes of \$7,643 available to reduce future taxable income, expiring from 2007 to 2010. The Company also had federal tax credits of \$1,177 expiring primarily from 1999 to 2002 and state tax credits of \$3,893 expiring from 2001 to 2013. In addition, the Company had alternative minimum tax carryover credits of \$20,801 which do not expire and may be applied against regular tax in the future, in the event that the regular tax expense exceeds the alternative minimum tax.

11.EMPLOYEE BENEFIT PLANS

In February 1998, the Financial Accounting Standards Board issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement

Benefits," which standardizes the disclosure requirements for pensions and other postretirement benefits. The Company has adopted this statement for the fiscal year ended 1998 and as required by SFAS No. 132, has restated the prior year disclosure for comparative purposes.

PENSION PLANS - The Company has defined benefit pension plans in effect which cover certain employees who meet minimum eligibility requirements. The Company contributes annually amounts sufficient to satisfy the government's minimum standards.

Net periodic pension cost is determined based upon years of service and compensation levels, using the projected unit credit method. Prior year service costs and unrecognized gains and losses are amortized over the estimated future service periods of active employees in the respective plan.

Effective January 1, 1997, several of the Company's defined benefit plans were merged into the World Color Press, Inc. Retirement Plan, which was then amended to form the World Color Press Cash Balance Plan (the "Cash Balance Plan"), which provides for a new benefit formula applicable to all participants. Under the Cash Balance Plan, each participant's account is credited with both interest and a fixed percentage of the participant's annual compensation.

POSTRETIREMENT PLANS - The Company provides postretirement medical benefits to eligible employees. The Company's postretirement health care plans are unfunded.

As of January 1, 1998, the Company amended employer subsidized coverage for postretirement benefits for certain active participants in a company acquired in 1997.

The following table provides a reconciliation of the changes in the plans' benefit obligations and fair value of plan assets for the fiscal years ended December 27, 1998 and December 28, 1997 and a statement of the funded status as of December 27, 1998 and December 28, 1997:

<TABLE>
<CAPTION>

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
	-----		-----	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	\$ 191,849	\$ 144,864	\$ 44,665	\$ 27,362
Service cost	5,603	5,201	945	1,365
Interest cost	14,568	14,066	2,946	3,158

Plan participants' contributions	--	--	329	369
Plan amendments	--	--	(2,345)	--
Acquisitions	--	28,832	741	11,881
Curtailment gain	--	--	(740)	--
Actuarial (gain) or loss	8,932	14,103	(815)	3,080
Benefits paid	(15,107)	(15,217)	(2,651)	(2,550)
	-----	-----	-----	-----
Benefit obligation at end of year	\$ 205,845	\$ 191,849	\$ 43,075	\$ 44,665
	=====	=====	=====	=====
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	\$ 168,625	\$ 135,899	\$ --	\$ --
Actual return on plan assets	22,089	14,947	--	--
Employer contributions	5,058	5,663	2,322	2,181
Plan participants' contributions	--	--	329	369
Acquisitions	--	27,333	--	--
Benefits paid	(15,107)	(15,217)	(2,651)	(2,550)
	-----	-----	-----	-----
Fair value of plan assets at end of year	\$ 180,665	\$ 168,625	\$ --	\$ --
	=====	=====	=====	=====
RECONCILIATION OF FUNDED STATUS				
Funded status	\$ (25,180)	\$ (23,224)	\$ (43,075)	\$ (44,665)
Unrecognized actuarial loss	20,417	15,474	2,539	3,162
Unrecognized net transition asset	(182)	(408)	--	--
Unrecognized prior service cost	(11,962)	(11,125)	(3,327)	(2,578)
	-----	-----	-----	-----
Net amount recognized	\$ (16,907)	\$ (19,283)	\$ (43,863)	\$ (44,081)
	=====	=====	=====	=====

</TABLE>

The unrecognized net transition asset is being amortized over the average expected future service periods of employees. Plan assets consist principally of common stocks and U.S. government and corporate obligations. The plans' assets included common stock of the Company totaling \$8,934 and \$4,614 at December 27, 1998 and December 28, 1997, respectively.

The following table provides the amounts recognized in the consolidated

balance sheets as of December 27, 1998 and December 28, 1997:

<TABLE>
<CAPTION>

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Accrued benefit liability	\$ (22,621)	\$ (22,767)	\$ (43,863)	\$ (44,081)
Intangible asset	5,714	3,484	--	--
Net amount recognized	\$ (16,907)	\$ (19,283)	\$ (43,863)	\$ (44,081)

</TABLE>

The following table provides the components of net periodic benefit cost for the fiscal years ended December 27, 1998 and December 28, 1997:

<TABLE>
<CAPTION>

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Service cost	\$ 5,603	\$ 5,201	\$ 945	\$ 1,365
Interest cost	14,568	14,066	2,946	3,158
Expected return on plan assets	(16,584)	(15,616)	--	--
Amortization of prior service cost	(1,015)	(866)	(1,596)	(1,289)
Amortization of transitional asset	(226)	(226)	--	--
Curtailment gain	--	--	(740)	--
Recognized actuarial loss	336	49	136	--
Net periodic cost	\$ 2,682	\$ 2,608	\$ 1,691	\$ 3,234

</TABLE>

The weighted average assumptions used in the measurement of the Company's benefit obligation are as follows:

<TABLE>
<CAPTION>

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>

Discount rate	7.25%	7.50%	7.25%	7.50%
Expected return on plan assets	10.25%	10.00%	--	--
Rate of compensation increase	3.50%	3.50%	--	--

</TABLE>

At December 27, 1998 and December 28, 1997, accumulated benefit obligations exceeded plan assets for all pension plans. The market value of plan assets was used to calculate the expected return on plan assets.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 5% at the end of 1997 and 1998, and is expected to remain constant at that rate for future periods. A one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation as of December 27, 1998 by \$4,083 and the annual postretirement benefit expense by approximately \$491. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation as of December 27, 1998 by \$3,715 and the annual postretirement benefit expense by approximately \$406.

Certain union employees of the Company participate in multiemployer plans. Amounts charged to benefit expense relating to the multiemployer plans for 1998, 1997 and 1996 totaled \$3,685, \$3,352 and \$3,185, respectively. In addition, the Company has various deferred savings and profit sharing plans for certain employees who meet eligibility requirements. Amounts charged to benefit expense related to these plans for 1998, 1997 and 1996 totaled \$2,993, \$1,977 and \$1,044, respectively.

12. STOCK-BASED COMPENSATION PLANS

STOCK OPTION PLANS - Upon consummation of the Merger described in Note 1, the Stock Option Committee of the Board of Directors (the "Stock Option Committee") adjusted all of the outstanding options so that each option became exercisable for five times the number of shares of common stock for which it had been exercisable immediately prior to the Merger at an exercise price per share equal to one-fifth of the exercise price per share immediately prior to the Merger (the "Options Adjustments"). Accordingly, the following stock option data has been presented on a post-Merger basis.

The Company has stock option plans that permit the Stock Option Committee to grant up to an aggregate of 7,750,000 options to purchase shares of the Company's common stock to certain key employees of the Company. Options granted under the plans generally vest ratably over a five-year period. Vested options may generally be exercised up to ten years from the date of grant. Information related to the Company's stock option plans is presented below.

<TABLE>
<CAPTION>

<S>	NUMBER OF OPTIONS <C>	OPTION PRICE <C>
Outstanding at December 31, 1995	3,815,320	\$5.49 to \$15.00
Granted	354,000	\$22.00
Exercised	(1,532,290)	\$5.49 to \$6.95
Rescinded/Canceled	(74,725)	\$8.97 to \$15.00

Outstanding at December 29, 1996	2,562,305	\$5.49 to \$22.00

Granted	804,000	\$23.75 to \$26.75
Exercised	(12,000)	\$6.89
Rescinded/Canceled	(45,365)	\$11.20 to \$22.00

Outstanding at December 28, 1997	3,308,940	\$5.49 to \$26.75

Granted	937,500	\$29.13 to \$32.56
Exercised	(617,044)	\$5.49 to \$26.75
Rescinded/Canceled	(166,500)	\$15.00 to \$32.56

Outstanding at December 27, 1998	3,462,896	\$5.49 to \$30.75

<CAPTION>

<S>	EXERCISABLE <C>	RESERVED FOR FUTURE GRANTS <C>
December 27, 1998	1,600,600	2,009,800
December 28, 1997	1,861,934	396,770
December 29, 1996	1,655,640	1,155,405

</TABLE>

As permitted by SFAS No. 123, the Company has not recorded compensation expense for stock options granted to employees, but rather has determined the pro forma net income and net income per common share - basic and diluted amounts for fiscal years 1998, 1997 and 1996, had compensation expense been recorded for options granted during those years under the applicable fair value method described in the statement.

For options granted during 1998, 1997 and 1996, the fair value at the date of grant was estimated using the Black-Scholes option pricing model. Under the Black-Scholes model, a volatility factor of .281, .310 and .312 was used for 1998, 1997 and 1996, respectively.

The following weighted average assumptions were used in calculating the fair value of the options granted in 1998, 1997 and 1996, respectively: risk-free interest rates of 5.13%, 6.33% and 6.80%; an assumed dividend yield of zero; and an expected life of the options of ten years.

For purposes of the pro forma disclosures, the estimated fair value of the options granted is amortized to compensation expense over the options' vesting period. The Company's pro forma information is as follows:

<TABLE>
<CAPTION>

<S>	1998	1997	1996
<C>	<C>	<C>	<C>
Net income:			
As reported	\$ 73,590	\$ 57,219	\$ 47,261
Pro forma	\$ 71,319	\$ 55,893	\$ 46,668
Net income per common share			
- basic:			
As reported	\$ 1.92	\$ 1.65	\$ 1.40
Pro forma	\$ 1.86	\$ 1.61	\$ 1.39
Net income per common share			
- diluted:			
As reported	\$ 1.84	\$ 1.60	\$ 1.35
Pro forma	\$ 1.79	\$ 1.57	\$ 1.34
Weighted average fair value			
of options granted during			
the year	\$ 15.00	\$ 14.39	\$ 12.81

</TABLE>

RESTRICTED STOCK - Restricted shares of the Company's stock have been issued in 1998 to certain key employees under a restricted stock plan. The stock vests ratably over five years and is contingent upon employment. The market value of the stock at the time of grant is recorded as unamortized restricted stock compensation in stockholders' equity and is amortized to expense over the five year vesting period. In 1998, the Company issued 135,000 restricted shares of common stock at a weighted average price of \$30.21 per share. The fair value of the restricted shares was \$3,662 at December 27, 1998. Compensation expense resulting from the amortization of the restricted stock totaling \$349 is included in the 1998 consolidated statement of operations.

13. TREASURY STOCK

In August 1998, the Board of Directors authorized the repurchase of up to

1,800,000 shares of the Company's common stock. The repurchase of shares commenced in August 1998 and may occur over the next three years in the open market at prevailing market prices or in negotiated transactions, depending on market conditions. The shares are being repurchased to satisfy commitments under certain employee benefit plans. When treasury shares are reissued, the Company uses the weighted average cost method and the excess of repurchase cost over reissuance price is treated as a reduction of retained earnings. As of December 27, 1998, the Company had repurchased 486,501 shares at a weighted average cost of \$30.80 and reissued 466,255 shares.

14.NET INCOME PER COMMON SHARE

The following represents the reconciliation between net income per common share - basic and diluted:

(In thousands, except per share data)

<TABLE>

<CAPTION>

	NET INCOME	SHARES	PER SHARE
<S>	<C>	<C>	<C>
FOR THE YEAR ENDED 1998:			
Net income per common share			
- basic	\$ 73,590	38,378	\$ 1.92
Effect of dilutive securities:			
Stock options	--	967	
Convertible debt	5,569	3,660	
	-----	-----	
Net income per common share			
- diluted	\$ 79,159	43,005	\$ 1.84
	=====	=====	
FOR THE YEAR ENDED 1997:			
Net income per common share			
- basic	\$ 57,219	34,773	\$ 1.65
Effect of dilutive securities:			
Stock options	--	863	
Convertible debt	1,264	815	
	-----	-----	
Net income per common share			
- diluted	\$ 58,483	36,451	\$ 1.60
	=====	=====	
FOR THE YEAR ENDED 1996:			
Net income per common share			
- basic	\$ 47,261	33,642	\$ 1.40
Effect of dilutive securities:			
Stock options	--	1,361	
	-----	-----	

Net income per common share			
- diluted	\$ 47,261	35,003	\$ 1.35
	=====	=====	

</TABLE>

Options to purchase 429,000 shares of common stock were outstanding in 1997, but were not included in the computation of net income per common share - diluted because the exercise price of the options was greater than the average market price of the common shares.

In February 1999, the Company issued options to purchase 875,000 shares of its common stock. At the date of grant the exercise price of the options equaled the fair market value of the Company's common stock.

15. TRANSACTIONS WITH AFFILIATES

The Company has incurred expenses of \$750 in each of the fiscal years ending 1998, 1997 and 1996 for management services provided by affiliated companies.

16. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is subject to legal proceedings and other claims arising in the ordinary course of operations. In the opinion of management, ultimate resolution of proceedings currently pending will not have a material effect on the results of operations or financial position of the Company.

17. UNAUDITED QUARTERLY FINANCIAL INFORMATION

<TABLE>

<CAPTION>

QUARTER ENDED	NET SALES	GROSS PROFIT	NET INCOME	NET INCOME PER COMMON SHARE - BASIC	NET INCOME PER COMMON SHARE - DILUTED
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
March 29, 1998	\$ 550,407	\$ 87,573	\$ 9,358	\$ 0.24	\$ 0.24
June 28, 1998	546,503	94,211	9,772	0.25	0.25
September 27, 1998	635,980	127,037	28,987	0.76	0.71
December 27, 1998	623,995	120,274	25,473	0.66	0.63
	-----	-----	-----		
	\$2,356,885	\$429,095	\$ 73,590	1.92	1.84
	=====	=====	=====		

March 30, 1997	\$ 458,351	\$ 75,315	\$ 6,903	\$ 0.20	\$ 0.20
June 29, 1997	425,647	76,052	6,580	0.19	0.19
September 28, 1997	557,268	110,701	22,873	0.68	0.66
December 28, 1997	539,959	105,219	20,863	0.55	0.53
	-----	-----	-----		
	\$1,981,225	\$367,287	\$ 57,219	1.65	1.60
	=====	=====	=====		

</TABLE>

18.SUBSEQUENT EVENT

On February 22, 1999, the Company issued Senior Subordinated Notes in the aggregate principal amount of \$300,000, receiving net proceeds of approximately \$294,000. Interest on the notes is payable semi-annually at the annual rate of 7.75%. The notes do not have required principal payments prior to maturity on February 15, 2009. The net proceeds from the notes issuance were utilized to repay certain indebtedness under the Credit Agreement. In connection with the issuance of these notes, the Company amended its Credit Agreement resulting in, among other modifications, a \$95,000 permanent reduction as of March 9, 1999 in borrowings and commitments under the Credit Agreement. As a result, aggregate total commitments decreased from \$920,000 to \$825,000. The amendment and related permanent reduction in total borrowings and commitments resulted in a substantial modification of the terms under the Credit Agreement. Accordingly, the Company will recognize an extraordinary charge for the early extinguishment of debt of approximately \$5,900, net of tax, in the first quarter of fiscal year 1999.

EXHIBIT 21.0

SUBSIDIARIES
(AS OF 3/26/99)

Northeast Graphics Inc.

The Wessel Company, Inc.

The Lanman Companies, Inc.

Lanman Lithotech, Inc.

Central Florida Press, L.C.

RAI, Inc.

KRI, Inc.

World Color Book Services, Inc.

Shea Communications Company

The Johnson & Hardin Co.

Magna Graphic, Inc.

Century Graphics Corporation

Dittler Brothers, Incorporated

Acme Printing Company, Inc.

Great Western Publishing, Inc.

Infiniti Graphics, Inc.

World Color Systems, Inc.

WCP TN L.P.

WCX, L.L.C.

WCY, L.L.C.

WCZ, L.L.C.

KRI TN, L.P.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the previously filed Registration Statement No. 333-74087 of World Color Press, Inc. on Form S-4 and the previously filed Registration Statement No. 333-47743 on Form S-8 of our reports dated February 3, 1999, appearing in, and incorporated by reference in, this Annual Report on Form 10-K of World Color Press, Inc. for the year ended December 27, 1998.

/s/ Deloitte & Touche LLP

New York, New York
March 25, 1999

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 27, 1998 AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 27, 1998 OF WORLD COLOR PRESS, INC. AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	YEAR
<FISCAL-YEAR-END>	DEC-27-1998
<PERIOD-END>	DEC-27-1998
<CASH>	199,932
<SECURITIES>	0
<RECEIVABLES>	239,847
<ALLOWANCES>	10,638
<INVENTORY>	276,111
<CURRENT-ASSETS>	785,967
<PP&E>	1,613,674
<DEPRECIATION>	727,675
<TOTAL-ASSETS>	2,433,886
<CURRENT-LIABILITIES>	546,539
<BONDS>	1,030,589
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	386
<OTHER-SE>	668,261
<TOTAL-LIABILITY-AND-EQUITY>	2,433,886
<SALES>	2,356,885
<TOTAL-REVENUES>	2,356,885
<CGS>	1,927,790
<TOTAL-COSTS>	1,927,790
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	88,589
<INCOME-PRETAX>	125,644
<INCOME-TAX>	52,054
<INCOME-CONTINUING>	73,590
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	73,590
<EPS-PRIMARY>	1.92
<EPS-DILUTED>	1.84

</TABLE>