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# HGI Company and Quad/Graphics Enter Into Strategic Partnership to Expand and Advance Print Solutions

Companies Will Leverage Each Other's Platforms to Provide a Broader, More Complete Range of Products and Services That Meet Rapidly Evolving Needs of a Changing Marketplace

BURLINGTON, WISCONSIN and SUSSEX, WISCONSIN, March 1, 2010 - HGI Company, an award-winning, full-service, multi-faceted commercial printer, and Quad/Graphics, one of the world's leading catalog, magazine, retail insert and direct mail printers, today announced that they have entered into a strategic partnership to provide clients with an enhanced product and service offering on a global scale that is fast, flexible and meets rapidly evolving needs in a changing marketplace.

Under the partnership agreement, Quad/Graphics will purchase a minority interest in HGI, providing HGI with additional financial resources to continue its aggressive investment and product diversification strategy, and to further its goal of enhancing, expanding and replicating its commercial platform across more geographies. Craig C. Faust will retain majority ownership of the Burlington, Wisconsin-based HGI and will continue to lead the company as its President & CEO.

Through this partnership, HGI also will build upon its current market diversification, flexibility and range of capabilities to provide unmatched value in the commercial market space. It will capitalize on Quad/Graphics' industry-leading technology, which includes a stable of high-speed, high-resolution digital presses, some with inline finishing capabilities; economies of scale and efficiencies, especially through Quad/Graphics' well-established logistics services; comprehensive digital imaging services; extensive data and strategy services for leveraging customer intelligence to create personalized marketing programs; and a substantial geographic footprint, which spans the United States and includes Europe and South America.

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Through HGI, Quad/Graphics will be able to offer its clients a reliable, quality-focused resource for all their quick-turn commercial printing needs, including in-store/point-of-purchase (POP) materials; marketing collateral; short-run books, catalogs and directories; print-on-demand custom publications; and specialty binding.

Both entities will share best practices in manufacturing, management, customer service, procurement and more, while creating numerous advantages and opportunities for clients, employees and shareholders.

"The ability for both our companies to leverage resources and industry knowledge in our respective business segments will create one of the most unique and diverse product offerings in today's print marketplace," said Craig Faust, President & CEO of HGI Company. "Through this partnership, HGI will be able to make investments that will allow us to execute more quickly on our growth strategy in short-to-medium-run length commercial print. We'll also leverage Quad/Graphics' cutting-edge technology and capabilities and operational expertise to better serve our clients and give them the most value for their print spend."

"We are proud to be partnering with an aggressive, forward-thinking company like HGI, which shares our same commitment to advancing the effectiveness of print in a multi-channel media world," said Joel Quadracci, Chairman, President & CEO of Quad/Graphics. "Craig and his management team have expertly guided the strategic growth of HGI, assembling a group of distinctively branded companies that serve diverse but complementary markets, and that provide an incredible range of commercial print services. Our investment will serve as an important springboard to its growth."

Mr. Quadracci further expounded on the advantages of the partnership. "Quad/Graphics has long advocated the advantages of 'multi-channeling print' and now with HGI we have more channels than ever," he said. "It's advantageous to use many different forms of print communication to connect with customers and to connect them with other forms of media, such as the Internet or mobile technologies. We can easily apply data to create customized print pieces that resonate with the recipient and drive measurable response. In this multi-channel media world, multi-channeling print really works. It's strong and getting stronger all the time."



"The timing of this partnership couldn't be better for HGI or Quad/Graphics or the industry," Mr. Faust concluded. "We have a solid vision for the future of print, and this partnership will spur the creation of the most complete, innovative and cost effective commercial platform in the print industry."

### **About HGI Company**

HGI ([www.hgicompany.com](http://www.hgicompany.com)) is comprised of four operating divisions – Hi-Liter Graphics, Plus Digital Print, Inland Graphics and Tempt. HGI is a full service multi-faceted commercial printing, grand format, binding and distribution corporation. HGI produces a wide range of catalogs, publications, books, marketing collateral and POP materials for some of the country's largest corporations, agencies and publishers. Capabilities – combined with flexibility, excellent service and a commitment to providing value to customers – have differentiated HGI in today's competitive print markets.

HGI Company is headquartered in Burlington, Wisconsin, employing 245 full-time associates between its 3 facilities located in Southeast Wisconsin. Sales of the company are \$45 million in 2009.

### **About Quad/Graphics**

Quad/Graphics ([www.QG.com](http://www.QG.com)) is one of the world's leading printers of catalogs, magazines and other commercial products. The company provides services ranging from front-end design and photography through digital imaging, printing, finishing, mailing/distribution (including the industry's largest co-mail program), integrated software solutions for manufacturing management, and a full range of data solutions such as delivery optimization, segmenting and targeting, database management and analytics. Headquartered in Sussex, Wisconsin (26 miles west of Milwaukee), the company has 11 plants in the United States as well as locations in Europe and South America. Worldwide employment approximates 11,600. Sales are \$1.88 billion for the 12 months ended September 30, 2009.

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