

SEC Proposes XBRL Mandate

White Paper Explaining What You Need to Know About XBRL

This white paper provides a brief overview and analysis of XBRL, the new financial reporting standard being mandated by the SEC. The paper contains a comprehensive review of the technology, regulations and implementation of interactive data. The information is presented in four sections:

- **A review of the SEC Proposed Rule mandating the use of XBRL**
- **A brief overview of XBRL technology**
- **A comprehensive solution to comply with the mandate**
- **The use of XBRL data in the marketplace**

SUMMARY OF THE PROPOSED RULES

On May 30, 2008, the SEC proposed that issuers be required to file a supplemental exhibit “tagging” their financial statements in interactive data or XBRL format. The requirement applies to periodic reports, 10-Ks and 10-Qs, and registration statements filed with the SEC. It does not supersede current financial filing requirements. Issuers must continue to file via EDGAR in HTML or ASCII format.

Phase-in Period – Compliance Deadlines

In the first year of implementation, all US and foreign large accelerated filers that file in US GAAP and have a public float of \$5 billion or greater are required to provide financial statements in interactive data format beginning with fiscal periods ending on or after December 15, 2008 (approximately 500 companies).

In the second year, all other large accelerated filers reporting in US GAAP are required to comply with the proposed rules beginning with fiscal periods ending on or after December 15, 2009 (approximately 1300 companies).

Finally, in the third year, XBRL reporting is mandatory for all remaining companies who file in US GAAP and all foreign private issuers who file in IFRS beginning with fiscal periods ending on or after December 15, 2010.

Filing Requirements

The XBRL tagging requirement applies to all periods on the face of the financial statements (balance sheet, income statement, statement of cash flows and statement of owners equity). For the first year of the adoption schedule the footnotes and schedules can be tagged as “blocked text,” meaning notes and schedules can be identified with one tag, rather than multiples tags. In the second year of the adoption schedule an issuer is required to tag all of the relevant information in the footnotes and schedules with XBRL tags.

Filers are required to submit a separate XBRL-formatted exhibit, Exhibit 101 under item 601 of Regulation S-K or 20-F.

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The new exhibit is required to be included with all Exchange Act periodic reports on Form 10-K, 10-Q and 20-F, transition reports that include financial statements and all Securities Act registration statements that contain financial statements, including Form S-1 used in connection with an IPO.

The current financial statement filing requirements remain unchanged. The financial statements continue to be filed through EDGAR in HTML or ASCII formats.

30-Day Grace Period

A 30-day grace period is permitted for the first XBRL-formatted exhibit for each filer, in each of the first and second years of adoption. Issuers taking advantage of the grace period are required to file the new exhibit as an amended 10-K or 10-Q.

Website Posting of XBRL Data

Each XBRL-formatted exhibit will need to be posted directly on the filer's corporate website, if they maintain one, as opposed to a hyperlink to the SEC website, on the same day the EDGAR filing is made.

Liability Associated with XBRL

There are two standards of liability:

1. Interactive data – the machine readable “raw data”
 - Is furnished and excluded from certification requirements under Rules 13a-14 and 15d-14 of the Exchange Act
 - Is deemed not filed
 - Is protected from liability for failure to comply with the tagging requirements if:
 - the XBRL files met the requirements or failed to meet those requirements but the failure occurred despite the issuer's good faith effort
 - the issuer corrects the failure after becoming aware of it
2. Viewable XBRL data downloaded from the SEC website and viewed through software (a viewer)
 - Is considered filed and subject to the same liability as the corresponding information in the traditionally formatted financial statements

Failure to Comply

Issuers that fail to comply with the XBRL rules would be deemed not current with their Exchange Act reports and hence ineligible for short form registration or the resale exemption safe harbor under Rule 144. Once an issuer files the required XBRL exhibit, it would be deemed current and timely.

Comment Period

Since SEC Chairman Christopher Cox is committed to XBRL and has made adoption a high priority, it is anticipated that the SEC will adopt a final rule in Fall 2008. The proposed rules are subject to a 60-day comment period, ending August 1, 2008. The SEC is encouraging feedback on such topics as the usefulness of the data, the proposed implementation schedule, the cost, and whether to extend to earning releases, MD&A and executive compensation disclosures.

Submission of XBRL-based filings on a voluntary basis continues to provide companies the opportunity to overcome technical challenges and perfect processes prior to the mandate. Any voluntary filings must follow the new proposed rule, instead of the rules governing the SEC's current voluntary program.

TAG

- Machine-readable “barcode” that gives a standard definition for each line item in an income statement, SCF, or balance sheet

TAXONOMY

A “dictionary” of tags for:

- Specific accounting standards (US GAAP, IFRS)
- Industry segments (e.g., energy, REIT’s, Broker-Dealers, Commercial)
- Company-specific tags

INSTANCE DOCUMENT

- Collection of tags that is the building block to viewing and analyzing data

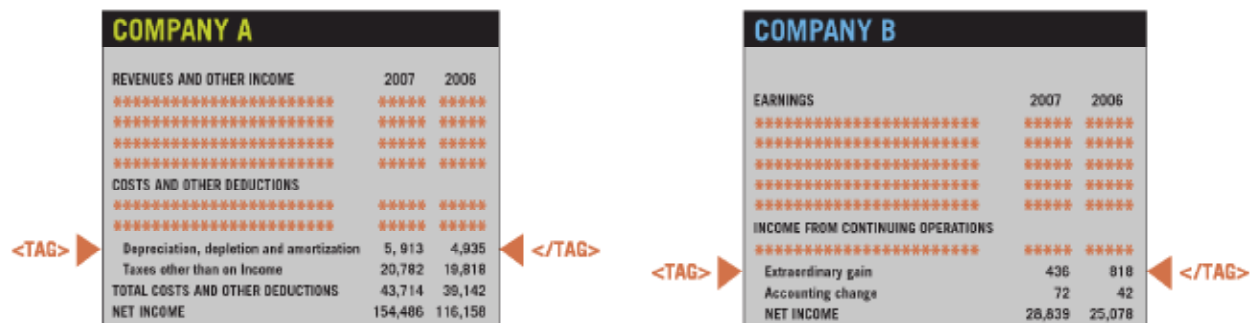
WHAT IS XBRL?

XBRL is a collection of standardized, machine-readable “tags” for line items in financial statements, including footnotes and schedules. It is similar in concept to bar codes used to identify products. Using XBRL, each line in a financial statement is assigned a standardized data tag.

Investors will be able to download XBRL financial data directly into spreadsheets, analyze it using off the shelf software applications and use it to quickly populate and update financial models. Investors can also search and analyze financial data across companies, reporting periods and industries.

Under the SEC’s proposal, issuers are required to use the list of tags established by XBRL US, set forth in the SEC’s EDGAR Filer Manual. Currently there are approximately 13,000 US GAAP-approved terms for use in tagging financial data.

If an issuer’s financial statements include unique line items, it may create an “extension” or custom tag. To maximize comparability of data among issuers, the SEC’s proposal discourages the creation of extensions when an appropriate financial statement element exists in the standard list of tags.



HOW TO COMPLY WITH THE SEC MANDATE

Full-service solution used by a majority of companies in the SEC’s Voluntary Filing Program ensures quick, cost-effective XBRL compliance.

To comply with the SEC mandate for filing reports in the interactive data format, companies have the option to create their own XBRL documents in house or to engage a third party to convert their financial statements into

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XBRL. Over half the companies in the SEC's voluntary filing trial program chose to rely on an outside service to prepare and file their interactive data reports. Most chose RR Donnelley. These clients benefited from working with and learning from top XBRL experts and avoiding the cost, resource development, and time it would take to manually, self-tag their financial statements.

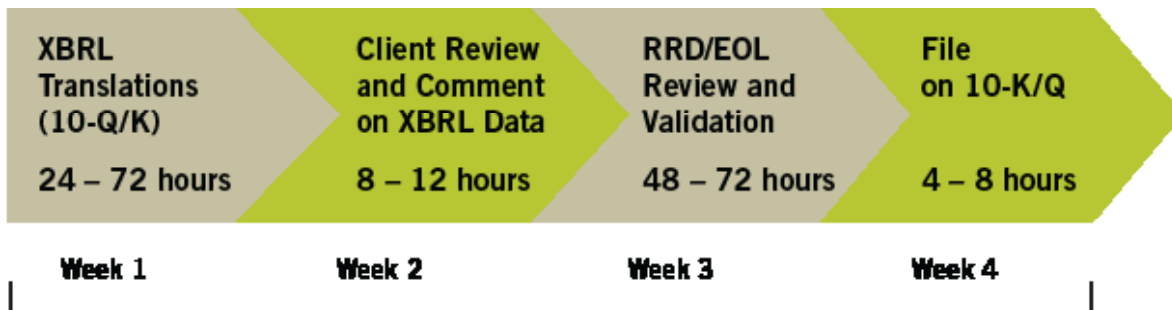
Seventy-nine companies, representing more than \$2 trillion of market value, participate in the SEC trial program, submitting XBRL documents as exhibits to their annual, quarterly or 8-K reports. Since 2005, these industry leaders have provided feedback on the headcount, costs and benefits involved in submitting XBRL filings. Their input and experience have helped the market and the SEC determine the best ways to make interactive data serve investors, analysts and issuers.

During this voluntary program, RR Donnelley, together with EDGAR Online, developed and tested a streamlined, three-step program to help companies comply with the SEC mandate. RR Donnelley (NYSE: RRD) is the world's premier full-service provider of print and related services, and has expertise to help companies file with the SEC. EDGAR Online (Nasdaq: EDGR) is a leading provider of interactive business and financial data for global companies and a pioneer in the development of XBRL.

TRIED AND TRUSTED FULL-SERVICE XBRL FILING SOLUTION

The full-service EZ Start XBRL Solution can take as little as three business days. It is estimated to save a company on average 80-100 hours, time that would be spent correctly matching each line item to one of the over 13,000 XBRL tags. It requires no software purchase or installation, other than Microsoft Excel, and ensures the timely incorporation of periodic taxonomy updates.

In addition to completing the arduous task of the initial mapping, the EZ Start solution focuses on knowledge transfer. The EZ Start program quickly teaches the basics of XBRL — from the people who helped develop it.



Typical Cycle Time – Less than 1 month

STEP 1. REQUEST AN XBRL TRANSLATION OF A FINANCIAL REPORT

A company contacts RR Donnelley via phone or through TryXBRL.com to request an XBRL translation of its financial statements.

Through the EZ Start XBRL platform, tags are automatically applied to the company's financial statements (income statement, balance sheet, statement of cash flows and statement of shareholders' equity) based on over 1,000,000 established business rules. A manual inspection is subsequently performed by our team of taxonomy experts to quality check for any exceptions.

The company then receives an intuitive XBRL proof in Microsoft Excel format containing the translated core financial statements. On the proof, each line item is assigned an XBRL tag, followed by the definition of that tag. The company reviews the definitions to make sure each tagged line item is accurately described.

With EZ Start XBRL, the review process is straightforward. Everything is neatly laid out in a familiar format, with the recommended tags for companies to review and approve. XBRL definitions for the tags are written in

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standard accounting language, making the process intuitive and easy.

The average time for an RR Donnelley client to review a proof is under eight hours. The first time is generally longer because companies use the opportunity to learn the basics of XBRL. Once the XBRL tags are mapped for a company's core financials, the template can be reused, reducing the lead time on subsequent filings.

STEP 2. REVIEW AND VALIDATE

The company may have comments or question about some of the assigned tags. RR Donnelley and EDGAR Online answer any questions, make changes, quality check and perform XBRL validation before returning the edited document to the client. A clear advantage of the EZ Start XBRL Solution is that the company has access to tremendous resources and expertise, including XBRL professionals who have a solid understanding of the rules governing tagging, the intricacies of the new US XBRL taxonomy and a firm grasp of the extension process. They know it inside out - the XBRL technology and the accounting.

RR Donnelley and EDGAR Online have successfully tagged hundreds of documents and are more experienced with XBRL filings than all other full service providers catering to the Capital Markets combined. They will recommend alternate tags or create the appropriate extension for a company in line with SEC specifications. On numerous occasions, the new tags required by clients have been recommended and incorporated into the US XBRL taxonomy.

STEP 3. FILE WITH THE SEC

RR Donnelley takes your approved XBRL report, validates the HTML and XBRL coding and performs an EDGAR system test filing. After performing a final quality check, the XBRL files are transmitted to the SEC.

This 3-step program is extremely efficient, accurate and simple for first time XBRL filers. The EZ Start solution is comprehensive, giving you everything you need to have confidence in your XBRL translation.

USING XBRL DATA

Creating and filing XBRL reports is half the picture. A company will also want to use XBRL data: their own, their competitors' and that of industry peers. Anyone interested in viewing XBRL data can go to the TryXBRL.com or SEC websites. To see how XBRL data can be used for automated analysis, comparisons, benchmarking, and more, a free trial of EDGAR Online's I-Metrix financial and analysis tool is available at www.edgar-online.com.

While the immediate benefit is compliance with the SEC mandate, bigger payoffs will come in the future as:

- The database of re-usable XBRL business information grows
- Countries continue to adopt this open-standard, universal language for communicating business information, and
- XBRL begins to be used for all types of data collection, including internal accounting early in the reporting process and across disparate ERP systems

ABOUT RR DONNELLEY AND XBRL

RR Donnelley Financial Services Business provides a range of solutions to address all of your business communication needs. Throughout our 140-year history, we continuously maintain a commitment to providing leadership, integrity and quality to the capital markets. Through our integrated global network, we file more than 50,000 documents annually with the SEC and produce many of the critical documents for regulatory compliance and financial transactions. Our unparalleled print capacity, innovative technologies and deep industry expertise make us the partner of choice for corporations and their advisors. With over 60,000 employees, 600 world-wide locations and a Fortune 300 ranking, RR Donnelley has the stability and scale to deliver for you.

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RR Donnelley, a member of the XBRL International consortium, has been deeply involved in developing the XBRL standard with key advisory and regulatory bodies. As the leading providers of XBRL translation services to participants in the SEC Interactive Data Voluntary Program, RR Donnelley and EDGAR Online are uniquely qualified to give you guidance on how your company can prepare for the impending mandate.

ABOUT EDGAR ONLINE AND XBRL

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EDGAR Online was a pioneer when it began with a handful of other organizations in 1999 to develop what is now XBRL. Today EDGAR Online is the world's largest XBRL data services provider, offering interactive data, tools, and cost-effective XBRL solutions. With EDGAR Online companies and individuals can produce and consume high quality, three-dimensional usable data for near real-time decision making.

EDGAR Online, in conjunction with RR Donnelley, has streamlined the process of applying the XBRL data standards to a corporation's existing financial statements and optimized the output to take advantage of the new structure. These XBRL documents can be viewed and rendered using EDGAR Online's I-Metrix tools.

EDGAR Online has built the largest XBRL public company database in the world, with over 10 years of history for more than 12,000 US filing companies including information from the 10-K, 10-Q, 8-K (earnings releases). It also includes US foreign filers, private companies and detailed financial filings from Chinese, Indian, Japanese, and South Korean companies.

For more information:

1. Go to TryXBRL.com or
2. Email us at xbri@rrd.com or call 1.800.424.9001
3. Contact your local RR Donnelley sales representative

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