CONFIDENTIAL

July 8, 2008

VERTIS, INC. AND AMERICAN COLOR GRAPHICS, INC. MERGER
$400 million Exit Term Facility
Summary of Principal Terms and Conditions

Borrowers:	The Reorganized Company and its Reorganized Subsidiaries (each as defined below).
Reorganized Companies:	Vertis Holdings, Inc. ("***Vertis Holdings***"), Vertis, Inc. ("***Vertis***", certain subsidiaries of Vertis, and together with Vertis Holdings, the "***Vertis Debtors***") and ACG Holdings, Inc. ("***ACG Holdings***", together with American Color Graphics, Inc., the "***ACG Debtors***") have filed cases under Chapter 11 of the United States Bankruptcy Code (the "***Bankruptcy Code***"); filed respectively in the Bankruptcy Court for the District of Delaware (the "***Bankruptcy Court***"; the "***Vertis Bankruptcy Cases***" and "***ACG Bankruptcy Cases***" respectively and together, the "***Bankruptcy Cases***") and certain subsidiaries of ACG each as a debtor company under the Companies' Creditors Arrangement Act (Canada) (the "***CCAA***"; such case, the "***CCAA Case***") filed in the Superior Court of Ontario (the "***Canadian Bankruptcy Court***") and filed the Vertis Plan (as defined below) and ACG Plan (as defined below) to effectuate, among other things, a merger of the Vertis Debtors and the ACG Debtors, with Vertis Holdings to emerge as the "***Reorganized Parent***", Vertis to emerge as the "***Reorganized Company***" and such other Vertis Debtors and ACG Debtors to emerge as the "***Reorganized Subsidiaries***".
Reorganized Parent:	Vertis Holdings, Inc., a Delaware corporation, as the Reorganized Parent.
Guarantees:	The Reorganized Parent and all of the Reorganized Parent's direct and indirect

subsidiaries (subject to customary exceptions to be agreed, including for foreign and immaterial subsidiaries) the "***Guarantors***"). The Reorganized Parent, the Reorganized Companies and the other Guarantors are referred to herein as "***Loan Parties***" and each, a "***Loan Party***". All obligations of the Borrowers under the Exit Term Facility and under any interest rate protection or other hedging arrangements entered into with the Administrative Agent, the Arranger, an entity that is a Lender at the time of such transaction, or any affiliate of any of the foregoing ("***Hedging Arrangements***") will be guaranteed by the Guarantors.

<u>Transactions</u>: On the Closing Date (as defined below), the Borrowers will obtain the Exit Term Facility described below under the caption "Exit Term Facility" and the Borrowers will use the proceeds (a) to repay a portion of the outstanding first lien credit facility and debtor-in-possession credit facility of the Vertis Debtors, (b) to repay a portion of the outstanding first lien credit facility and debtor-in-possession credit facility of the ACG Debtors, (c) to make such other payments as are required to be paid on the Effective Date (as defined below) of the Vertis Plan and the ACG Plan (each as defined below), (d) for working capital and other general corporate purposes of the Borrowers and, subject to limitations to be agreed, other Loan Parties and (e) for the payment of fees and expenses incurred in connection with the foregoing (the "***Transaction Costs***"). The transactions described in this paragraph are collectively referred to herein as the "***Transactions***".

<u>Administrative Agent</u>: Morgan Stanley Senior Funding, Inc., acting through one or more of its branches or affiliates ("***MSSF***"), will act as administrative agent for the Term Loan B (as defined below) (the "***Term Loan B Agent***"), MSSF or such other entity acceptable to Arranger and the Term Loan C Lenders will act as administrative agent for the Term Loan C (as defined below) (the "***Term Loan C Agent***") and MSSF will act as collateral agent for the Term Loan B Lenders and MSSF

	will act as collateral agent for the Term Loan C Lenders or such other entity acceptable to the Arranger and the Term Loan C Lenders (the "***Collateral Agent***", together with the Term Loan B Agent and Term Loan C Agent, the "***Administrative Agent***") for a syndicate of banks, financial institutions and other institutional lenders (together with MSSF, the "***Lenders***"), and will perform the duties customarily associated with such role.
<u>Sole Bookrunner and Lead Arranger</u>:	Morgan Stanley Senior Funding, Inc. will act as sole bookrunner and lead arranger for the Exit Term Facility described below (collectively, in such capacities, the "***Arranger***"), and will perform the duties customarily associated with such roles.
<u>Syndication Agent</u>:	At the option of the Arranger, one or more financial institutions identified by the Arranger and acceptable to the Reorganized Company will act as the syndication agent (in such capacity, the "***Syndication Agent***").
<u>Documentation Agent</u>:	At the option of the Arranger, one or more financial institutions identified by the Arranger and acceptable to the Reorganized Company (in such capacity, the "***Documentation Agent***").
<u>Exit Term Facility</u>:	A senior secured term loan facility in an aggregate principal amount of $400 million (the "***Exit Term Facility***"). The Exit Term Facility shall become due and payable on the Exit Facility Termination Date (as defined below).
<u>Availability</u>:	Availability under the Exit Term Facility will be equal to (i) $250 million under the First Out Term Loan B tranche (the "***Term Loan B***") and (ii) $150 million under the Last Out Term Loan C tranche (the "***Term Loan C***", together with the Term Loan B, the "***Loans***"). Amounts borrowed under the Exit Term Facility that are repaid or prepaid may not be reborrowed.
<u>Exit Revolving Credit Facility</u>	On the Closing Date, the Reorganized Company and Reorganized Parent shall enter into an asset based working capital facility in an amount not to exceed $250 million in form and substance and

on terms reasonably acceptable to the Arranger and substantially on the same terms described in the Plan and Disclosure Statement (as such terms are defined below).

Second Lien Notes	On the Closing Date, the Reorganized Company and Reorganized Parent shall issue new senior secured notes in an aggregate amount at issuance not to exceed $350 million which notes shall have a junior priority in the Collateral (as defined below) to the Exit Term Facility and the Exit Revolving Credit Facility (the "***Second Lien Notes***") in form and substance and on terms reasonably acceptable to the Arranger and substantially on the same terms as described Plan and Disclosure Statement.
Senior PIK Notes	On the Closing Date, the Reorganized Company and Reorganized Parent shall issue new senior payment-in-kind notes in an aggregate amount at issuance not to exceed $200 million which notes shall be unsecured and shall be in form and substance and on terms reasonably acceptable to the Arranger and substantially on the same terms as described in the Plan and Disclosure Statement.
Loan Documents:	The Exit Term Facility will be documented by a Term Loan Agreement (the "***Term Loan Agreement***") and other guarantee, security, intercreditor and other relevant documentation (together with the Term Loan Agreement, collectively, the "***Loan Documents***") reflecting the terms and provisions set forth in this term sheet and otherwise in form and substance reasonably satisfactory to the Arranger.
Closing Date:	The date on which the conditions precedent shall have been satisfied (the "***Closing Date***").
Interest Rates and Fees:	As set forth on Annex I hereto.
Default Rate:	The applicable interest rate plus 2.0% per annum.
Final Maturity:	The Exit Term Facility will mature on the Exit Facility Termination Date. The "***Exit Facility Termination Date***" shall be

the earliest of: (a) sixty (60) months from the Closing Date, (b) three (3) months prior to the scheduled maturity of other material indebtedness of the Loan Parties (other than the Exit Revolving Credit Facility) and (c) the acceleration of the Loans and the termination of the commitment with respect to the Exit Term Facility in accordance with the Loan Documents.

Security and Priority: The Exit Term Facility, the Guarantees and any Hedging Arrangements will be secured by fully perfected liens securing substantially all the existing and after acquired tangible and intangible property of the Loan Parties (the "***Collateral***").

The liens securing the Exit Term Facility will be first in priority (as between the Exit Term Facility and the Exit Revolving Credit Facility) with respect to the Term Collateral. The "***Term Collateral***" shall consist of all tangible and intangible assets owned by the Reorganized Parent, the Reorganized Company, and each Guarantor (excluding the Revolver Collateral as defined below), including capital stock and other investment property (including intercompany debt which shall be subordinated), machinery, equipment, material owned and leased real estate, intellectual property, general intangibles (other than general intangibles specifically included in the Revolver Collateral) all other Collateral which is not Revolver Collateral and all proceeds and products of the foregoing, including without limitation accounts relating to equipment, accounts receivable, instruments and other rights to payment to the extent related to the sale or other disposition of the Term Collateral. The liens securing the Exit Revolving Credit Facility with respect to the Term Collateral will be second in priority (as between the Exit Revolving Credit Facility and the Exit Term Facility) only to the liens securing the Exit Term Facility with respect to the Term Collateral.

The Exit Revolving Credit Facility will be first in priority (as between the Exit Revolving Credit

	Facility and the Exit Term Facility) with respect to the Revolver Collateral. The "***Revolver Collateral***" shall consist of all existing and after acquired accounts receivable, inventory, maintenance parts, cash, deposit accounts, chattel paper relating to the foregoing, instruments relating to the foregoing, documents relating to the foregoing, supporting obligations relating to the foregoing, books and records relating to the foregoing, letters of credit and letter of credit rights relating to the foregoing, rights, claims and causes of action relating to the foregoing, insurance relating to the foregoing and all proceeds of the foregoing. The liens securing the Exit Term Facility with respect to the Revolver Collateral will be second in priority (as between the Exit Revolving Credit Facility and the Exit Term Facility) only to the liens securing the Exit Revolving Credit Facility with respect to the Revolver Collateral. All of the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation, reasonably satisfactory to the Arranger (including, in the case of real property, customary items such as satisfactory title insurance and surveys), and none of the Collateral shall be subject to any other liens, subject to customary and limited exceptions to be agreed upon. The priority of the security interests and related creditor rights between the Exit Revolving Credit Facility and the Exit Term Facility shall be set forth in an intercreditor agreement (the "***Intercreditor Agreement***") on terms reasonably satisfactory to the Arranger. The Second Lien Notes holding a lien on the Term Loan Collateral shall be subject to intercreditor provisions to be set forth in an intercreditor agreement (the "***Second Lien Intercreditor Agreement***") on terms reasonably satisfactory to the Arranger.
<u>Mandatory Prepayments</u>:	Subject to customary and other exceptions

(including, but not limited to those as set forth in the Exit Revolver Credit Facility prepayment provisions), the Loans shall be prepaid with (a) 100% of the net cash proceeds of all asset sales or other dispositions of Term Loan Collateral by the Reorganized Parent and its subsidiaries, (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Reorganized Parent and its subsidiaries, (c) 50% of net proceeds from the sale of stock of any subsidiary of the Reorganized Company, (d) 100% of Extraordinary Receipts (to be defined) and (e) 75% of excess cash flow (reduced to 50% of excess cash flow if leverage ratio is less than TBD) each fiscal year (commencing in Borrowers' fiscal year 2009) in the first quarter of the succeeding fiscal year, with the first payment being made in 2010, payable on the first date that such payment would not result in a breach of the minimum liquidity test under the Exit Revolving Credit Facility.

No premium or penalty shall be due or payable in connection with any mandatory prepayment, other than customary breakage costs in the case of a prepayment of a LIBOR borrowing other than on the last day of the relevant interest period.

Voluntary Prepayments; Call Premium:

Voluntary prepayments of the borrowings under the Exit Term Facility (both partial prepayments and payments in full) will be permitted at any time in the case of Term Loan C and after the one year anniversary of the Closing Date in the case of Term Loan B, together with the applicable call premium, subject to the payment of customary breakage costs in the case of a prepayment of an adjusted LIBOR borrowing other than on the last day of the relevant interest period.

With respect to the Term Loan B, the Borrowers shall pay a call premium in an amount equal to the amount of the Term Loan B being prepaid multiplied by (a) [redacted] if the prepayment or termination is after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date, (b) [redacted] if the prepayment or termination is after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date, (c) [redacted] if the prepayment or termination is after the third anniversary but before the fourth anniversary of the Closing Date and (d) no additional fee if prepayment or termination is after the fourth anniversary.

With respect to the Term Loan C, the Borrowers shall pay a call premium in an amount equal to (a) a make-whole premium computed using a discount rate of [redacted] if the prepayment or termination is before or on the first anniversary of the Closing Date, (b) [redacted] of the amount of the Term Loan C being prepaid if the prepayment or termination is after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date, (c) [redacted] of the amount of the Term Loan C being prepaid if the prepayment or termination is after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date, (d) [redacted] of the amount of the Term Loan C being prepaid if the prepayment or termination is after the third anniversary but before the fourth anniversary of the Closing Date and (e) no additional fee if prepayment or termination is after the fourth anniversary.

Application of Payments and Proceeds:	Payments and proceeds will be applied in the following order: (a) first, to fees and expenses of the Administrative Agent under the Term Loan Agreement, (b) second, to Term Loan B in an order to be determined and (c) third, to Term Loan C in an order to be determined.
Representations and Warranties:	Usual for exit facilities of this type and including, without limitation, the following to be applicable to the Reorganized Parent, the Reorganized Company and their respective subsidiaries: corporate status; legal, valid and binding documentation; no consents; accuracy of financial statements, confidential information memorandum and other information; other than the filing of the Bankruptcy Cases, no material adverse changes; absence of undisclosed liabilities, litigation and investigations; no violation of material contracts or agreements other than those caused by the commencement of the Bankruptcy Cases; compliance with laws (including PATRIOT Act, ERISA, margin regulations, environmental laws and laws applicable to sanctioned persons); payment of taxes; ownership of properties; inapplicability of the Investment Company Act; effectiveness of governmental approvals; labor matters; environmental and other regulatory matters; validity, priority and perfection of security interests in the Collateral; and delivery of complete schedules of existing indebtedness of the Reorganized Parent, the Reorganized Company and their respective subsidiaries.
Closing Conditions Precedent:	Usual for exit facilities of this type and including, without limitation, the following: the terms and conditions of the Term Loan C shall be in form and substance reasonably acceptable to the Arranger; loan, security, intercreditor and guarantee documentation to be prepared by counsel to the Administrative Agent and to be reasonably satisfactory to the Arranger; delivery of satisfactory legal opinions (as to Delaware, New York and Canadian law, and as to such other jurisdictions as may be reasonably practicable by the Closing Date), corporate documents and officers' and public officials'

	certifications; execution of the Guarantees, which shall be in full force and effect; evidence of authority; payment of fees and expenses; obtaining of satisfactory insurance (together with a customary insurance broker's letter); accuracy of representations and warranties; absence of defaults under the debtor-in-possession credit facilities of Vertis Debtors and ACG Debtors; absence of defaults under any material contracts (other than as a result of the Bankruptcy Cases); capital structure amounts and terms reasonably satisfactory to Arranger and substantially consistent with the merger documents filed with the U.S. Securities and Exchange Commission in May 2008 (the "***Merger Documents***"); absence of business and market material adverse change in the reasonable judgment of the Arranger; minimum LTM EBITDA of the Reorganized Company of $143 million, calculated in accordance with Annex II hereto; minimum liquidity of $50 million; completion of legal and compliance due diligence by the Arranger and Administrative Agent; receipt at least five (5) business days prior to Closing Date of "know your customer" and similar information; first priority perfected security interests in the Term Loan Collateral and second priority interests in the Revolver Collateral (free and clear of all liens, subject to customary and limited exceptions to be agreed upon) execution and delivery of security documentation and perfection filings from the Loan Parties by the Closing Date (with other security documentation and filings, as agreed by the Arranger promptly thereafter); receipt of satisfactory lien and judgment searches; receipt of any required third party and governmental approvals and consents and satisfaction of the bankruptcy conditions contained in the "Bankruptcy Conditions" section below.
Bankruptcy Conditions:	The Vertis Debtors and the ACG Debtors shall have filed their Joint Prepackaged Plans of Reorganization (the "Plan") in substantially the form solicited pursuant to the Disclosure Statement (the "Disclosure Statement") relating

to the Joint Prepackaged Plan of Reorganization of Vertis Holdings, Inc. et al. under Chapter 11 of the Bankruptcy Code (the "Vertis Plan") and the Joint Prepackaged Plan of Reorganization of ACG Holdings, Inc. et al. under Chapter 11 of the Bankruptcy Code (the "ACG Plan").

The Vertis Debtors and the ACG Debtors shall have obtained from the Bankruptcy Court an order (the "Confirmation Order"), in form and substance reasonably acceptable to the Arranger, confirming the Plan and approving the consummation of the Transactions on the effective date of the Plan (the "Effective Date"). As of the Effective Date, the Confirmation Order shall not be subject to a stay or injunction (or similar prohibition) in effect with respect thereto and no appeal is pending that has a reasonable likelihood of success to reverse the Confirmation Order in the judgment of the Arranger.

The Canadian Bankruptcy Court shall have entered orders, reasonably acceptable to the Arranger, approving the transactions contemplated by the Canadian ACG Debtors and their assets in the ACG Bankruptcy Cases.

The Effective Date of the Vertis Plan and the ACG Plan and the closing of the Exit Term Facility and Exit Revolving Credit Facility shall have occurred no later than October 15, 2008.

Affirmative Covenants:	Usual for exit facilities of this type and including, without limitation, the following to be applicable to the Reorganized Parent, the Reorganized Company and their respective subsidiaries: maintenance of corporate existence and rights; performance of obligations; delivery of consolidated and consolidating financial statements and other information, including information required under the PATRIOT Act; delivery of notices of litigation, tax or environmental events, ERISA or Canadian Pension Plan events and material adverse change; maintenance of properties in good working order; maintenance of satisfactory insurance; obtain a

rating of the Exit Term Facility by each of Standard & Poor's Ratings Service ("***S&P***") and Moody's Investors Service, Inc. ("***Moody's***") within ninety (90) days from the execution of the Commitment Letter; maintenance with the Administrative Agent or other banks (provided that such other banks shall have entered into an account control agreement with the Administrative Agent with respect to such accounts providing for springing control rights after the Exit Revolving Credit Facility) of main cash concentration accounts and with the Administrative Agent or other banks reasonably acceptable to the Administrative Agent (provided that such other banks shall have entered into an account control agreement with the Administrative Agent with respect to such accounts providing for springing control rights after the Exit Revolving Credit Facility) of blocked accounts into which all proceeds of collateral are paid and which are swept into the main cash concentration accounts; compliance with laws; inspection of books and properties; further assurances; payment of taxes; notice of monthly financial covenant compliance and other reporting requirements; and all reports required to be delivered under the Exit Revolving Credit Facility.

Negative Covenants: Usual for exit facilities of this type and including, without limitation, the following to be applicable to the Reorganized Parent, the Reorganized Company and their respective subsidiaries: limitations on dividends on, and redemptions and repurchases of, equity interests and other restricted payments; limitations on prepayments, redemptions and repurchases of debt (other than Loans under the Exit Term Facility); limitations on liens and sale-leaseback transactions; limitations on loans and investments; limitations on debt, guarantees and hedging arrangements; limitations on mergers, acquisitions and asset sales (other than the merger, asset sales and related transactions provided for in the Vertis Plan and the ACG Plan); limitations on transactions with affiliates; limitations on

	changes in business conducted by the Reorganized Parent, the Reorganized Company and their respective subsidiaries; limitations on restrictions on ability of subsidiaries to pay dividends or make distributions; and limitations on amendments of debt and other material agreements; and limitations on capital expenditures.
Selected Financial Covenants:	The Exit Credit Agreement will contain (a) maximum first lien leverage, (b) maximum total leverage and (c) minimum fixed charge coverage.
Financial Reporting Requirements:	Usual for exit facilities of this type, including, but not limited to Borrowers' delivery of: (a) monthly financial reporting, (b) notice of monthly compliance with financial covenants, (c) audited financial statements and (d) annual operating plans.
Events of Default:	Usual for exit facilities of this type, others to be reasonably specified by the Arranger, and including, without limitation, the following to be applicable to the Reorganized Parent, the Reorganized Company and their respective subsidiaries (subject, where appropriate, to thresholds and grace periods to be agreed upon): (a) in the reasonable judgment of the Arranger, the entry of an order staying, reversing, vacating or otherwise modifying, in each case in a manner materially adverse to the Lenders and without the prior consent of the Arranger, the Exit Term Facility, or the confirmation order in the Bankruptcy Cases, or order in the CCAA Cases; (b) failure of the Borrowers to pay (i) the principal of any Loan when due or (ii) any interest on any Loan or any other amount after such interest or other amount becomes due; (c) representations and warranties incorrect in any material respect on or as of the date made or deemed made; (d) failure of any Loan Party to comply with covenants (with grace periods and notice requirements as applicable); (e) cross-default and cross-acceleration; (f) failure to satisfy or stay execution of judgments; (g) existence of certain material ERISA events; (h) actual or asserted invalidity or impairment of

any Loan Document (including the failure of any lien to remain perfected); (i) a Change of Control occurs, which results in the acquisition by a third party (other than permitted holders to be described in final documentation), directly or indirectly, of more than 50% of the voting stock of the New Business, subject to Arrangers review of the final capital and equity structure of the New Business (j) after the Closing Date bankruptcy or insolvency events and (k) events of default under the Exit Revolving Credit Facility.

Voting:	Amendments and waivers of the definitive credit documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the Loans under the Exit Term Facility (the "***Required Lenders***"), except that the holders of more than 50% of the aggregate Term Loan B (the "***Required Term Loan B Lenders***") and the holders of more than 50% of the aggregate Term Loan C (the "***Required Term Loan C Lenders***") shall separately vote with respect to certain provisions determined by the Term Loan B Lenders as provided for in the definitive documents; provided further, that the consent of each Lender shall be required with respect to, among other things, (a) increases in the commitment of such Lender, (b) reductions of principal, interest or fees payable to such Lender, (c) extensions of final maturity of the Loans or commitments of such Lender and (d) releases of all or substantially all of the value of the guarantees, or all or a material portion of the Collateral.
Cost and Yield Protection:	Usual for facilities and transactions of this type, including customary tax gross-up provisions.
Assignments and Participations:	The Lenders will be permitted to assign loans under the Exit Term Facility, and so long as no event of default has occurred and is continuing, with the consent of the Borrowers; provided however, that the approval of the Borrowers shall not be required in connection with assignments to other Lenders (or to the affiliates or approved funds of Lenders). All assignments will require the consent of the Administrative Agent, not to

be unreasonably withheld or delayed. Each assignment will be in an amount of an integral multiple of $1,000,000. Assignments will be by novation.

The Lenders will be permitted to sell participations in loans and commitments without restriction. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the guarantees, or all or substantially all of the Collateral.

Expenses and Indemnification: The Borrowers will indemnify the Arranger, the Administrative Agent, the Syndication Agent, the Documentation Agent, the Lenders, their respective affiliates, successors and assigns and the officers, directors, employees, agents, advisors, controlling persons and members of each of the foregoing (each, an "***Indemnified Person***") and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities of such Indemnified Person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Indemnified Person is a party thereto and regardless of whether such matter is initiated by a third party or by the Reorganized Parent, the Reorganized Company or any of their respective affiliates) that relates to the Transactions, including the financing contemplated hereby, *provided* that no Indemnified Person will be indemnified for any cost, expense or liability to the extent determined in the final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from its gross negligence or willful misconduct. In addition, (a) all out-of-pocket expenses (including, without limitation, fees, disbursements and other charges of counsel) of the Administrative Agent and the Arranger in connection with the Transactions shall be paid by

	the Borrowers on the Closing Date and from time to time thereafter, whether or not the Transactions close, and (b) all reasonable out-of-pocket expenses (including, without limitation, fees, disbursements and other charges of counsel) of the Arranger, the Administrative Agent, the Syndication Agent, the Documentation Agent and the Lenders, for enforcement costs and documentary taxes associated with the Exit Term Facility will be paid by the Borrowers.
<u>Governing Law</u>:	New York.
<u>Miscellaneous</u>:	Customary waiver of jury trial, consent to exclusive jurisdiction, and other customary miscellaneous provisions.
<u>Counsel to Administrative Agent and Arranger</u>:	Paul Hastings Janofsky & Walker, LLP

ANNEX I

Interest Rates[1]:	Term Loan B: At the option of the Borrowers, LIBOR plus [redacted] or ABR plus [redacted]. Term Loan C: At the option of the Borrowers, LIBOR plus [redacted] or ABR plus [redacted]. In addition, the Term Loan C Lenders shall be entitled to [redacted] in payment-in-kind interest. LIBOR Floor of [redacted]. The Borrowers may elect interest periods of 1, 2, 3 or 6 months for adjusted LIBOR borrowings. Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the Prime Rate) and interest shall be payable at the end of each interest period and, in any event, at least every three months. ABR is the Alternate Base Rate, which is the higher of Prime Rate and the Federal Funds Effective Rate plus [redacted].
Amortization:	Term Loan B, 1% annually payable in quarterly installments beginning the first fiscal quarter following the Closing Date

[1] Interest rates have been redacted as syndication process is on-going.

Annex II

Minimum LTM EBITDA Calculation

	LTM 6/30/08 (1) (2)
Vertis	
Reported EBITDA	($168.3)
Adjustments	
Restructuring	$18.0
A/R Fees	5.4
Gain/Loss on Asset Disposals	(4.3)
Management Fees	1.3
Discontinued Operations	0.3
Asset Impairments	246.5
Professional Fees	21.0
Misc. Charge	(0.1)
Total Adjustments	288.1
Adjusted EBITDA	$119.8
ACG	
Reported EBITDA	$14.0
Adjustments	
Restructuring Expense / (Benefit)	($0.3)
Professional Fees	13.5
Legal Fees	0.7
Other Non-Operating Expense	1.2
Total Adjustments	15.2
Adjusted EBITDA	$29.1
Combined	
Reported EBITDA	($154.3)
Adjustments	303.2
Adjusted EBITDA	$148.9

(1) Reversal of incentive accrual in Corporate Overhead of $5mm in September 2007
(2) 11 months of actuals; Estimated monthly for June 2008