



▶ ▶ ▶ CONNECTING PEOPLE TO BRANDS™  
*Valassis Annual Report*



2000

**Valassis**

**Valassis**  
**Corporate Headquarters**  
19975 Victor Parkway  
Livonia, Michigan 48152  
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(800) 437-0479  
<http://www.valassis.com>

**Manufacturing and  
Production Divisions**  
Durham, North Carolina  
Livonia, Michigan  
Plymouth, Michigan  
Mexicali, Mexico  
Wichita, Kansas

**Sales Offices**  
Atlanta, Georgia  
Chicago, Illinois  
Dallas, Texas  
Livonia, Michigan  
Seal Beach, California  
Minneapolis, Minnesota  
Toronto, Ontario  
Wilton, Connecticut

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CONNECTING *Brands* PEOPLE TO BRANDS™

**Valassis is a premier marketing services company that connects people to brands through a variety of Connective Media™ solutions. Our marketing tactics range from alternatives to reach mass audiences, to those that pinpoint an individual consumer.**

# CONNECTIVE MEDIA™ SOLUTIONS



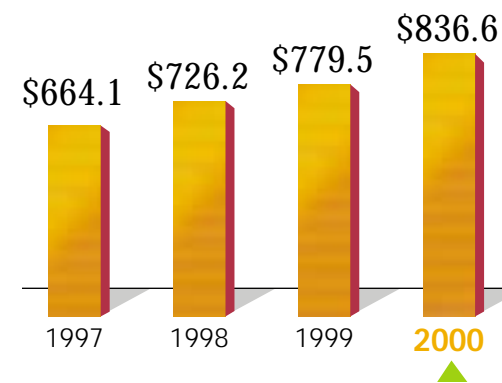
<p><b>Mass Marketing</b></p> <ul style="list-style-type: none"> <li>Co-Op Newspaper Inserts (FSIs)</li> <li>On-Page Newspaper Advertising (ROP)</li> </ul>	<p><b>Cluster Targeted Marketing</b></p> <ul style="list-style-type: none"> <li>Newspaper-Delivered Sampling</li> <li>Newspaper Polybag Advertising</li> <li>Solo Newspaper Inserts</li> <li>Direct Mail Sampling/Advertising</li> <li>Direct-To-Door Sampling/Advertising</li> </ul>	<p><b>One-to-One Marketing</b></p> <ul style="list-style-type: none"> <li>Direct Mail Sampling/Advertising</li> <li>Customized Frequent Shopper Direct Mail</li> <li>Customer Relationship Marketing Software</li> <li>Internet-Delivered Promotions</li> </ul>
<p><b>Services</b></p> <ul style="list-style-type: none"> <li>Media Planning</li> <li>Targeting</li> <li>Media Placement</li> <li>Fulfillment</li> </ul>	<ul style="list-style-type: none"> <li>Sweepstakes/Contest Services</li> <li>Creative Services</li> <li>CRM Strategy and Analytical Services</li> </ul>	

We tailor our marketing solutions to create a vital connection between our clients' brands and their shoppers. Whether the goal is to reach a mass audience, a specific target segment or an individual consumer through loyalty programs, Valassis offers Connective Media™ solutions to build brands, in all categories and throughout a product's lifecycle.

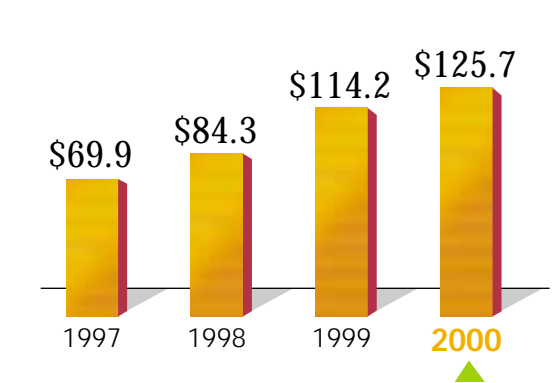
**Year Ended December 31**  
(in millions, except per share data)

	2000	1999	% Change
Total Revenues	\$836.6 <sup>1</sup>	\$779.5 <sup>2</sup>	+7.3%
Earnings Before One-time Charge <sup>3</sup>	123.0	118.4	+3.9%
Earnings Per Share Before One-time Charge <sup>3</sup>	2.22	2.04	+8.8%
Net Earnings	125.7	114.2	+10.1%
Net Earnings Per Share, diluted	2.27	1.97	+15.2%

**Total Revenues (in millions)<sup>2</sup>**



**Net Earnings (in millions)**



**At Year End**  
(in thousands, except return on assets)

	2000	1999	% Change
Total Assets	\$325,717	\$245,817	+32.5%
Total Long-term Debt	\$325,490	\$291,354	+11.7%
Average Shares Outstanding	55,478	58,084	-4.5%

Note: This annual report is presented in two parts – 2000 Annual Report and 2000 Form 10-K. Complete financial information for 2000 is presented in the Form 10-K.

1 Excludes the effect of a lawsuit settlement.  
 2 Revenues exclude \$15.1 million, \$15.2 million and \$11.4 million in 1999, 1998 and 1997, respectively, to reflect the Company's Canadian Direct Merchandising division which was discontinued in the fourth quarter of 1999.  
 3 Results for 1999 include an extraordinary loss of \$6.9 million, net of tax, due to early extinguishment of debt, as well as a tax benefit, net of associated close-down costs related to Valassis of Canada, of \$2.7 million. Results for 2000 include the net effect of a lawsuit settlement, partially offset by \$21.6 million in impairment charges to record losses on investments, loans and commitments related to Save.com and IDS, and the write-off of goodwill related to The Net's Best.



PROVIDING VALUE TO INVESTORS

Throughout our 30-year history, Valassis has built an enterprise that consistently delivers results for our clients and creates *value* for our shareholders. Our success is attributed to:

- A growing portfolio of products competing in markets we dominate—offering operating leverage and strong profitability.
- Revenue growth from an expanding list of blue-chip clients.
- Substantial free cash flow used to maximize shareholder value.
- A strategic growth plan directed toward high-growth segments and markets.
- Our ability to consistently recruit and retain a talented team of employees.

Our products and services are largely unaffected by broad economic conditions, and our client base is both substantial and diverse. This steadfast performance puts us in a rare category—that of an *all-weather* business and investment.

**To our shareholders, clients and employees,**

Fiscal year 2000 marked a year of change and growth for Valassis unlike any other in our history. We made an extraordinary team effort to achieve great results — record revenue, earnings per share and free cash flow.

We grew all of our core businesses in 2000, while laying important groundwork for success in our new initiatives. We expect to break new revenue and EPS records again in 2001. Unlike many companies, we have the benefit of good visibility into the coming year through long-term contracts with our clients and suppliers.

Since we do business with about 60% of America's top 100 Advertisers, our client base is large, diverse and growing. You will find the names of our clients across the bottom of this annual report. They are names you will recognize, and we are proud to be their business partners.

**Core Businesses**

Our largest core business, **the co-op free-standing insert (FSI)**, charted another year of solid industry growth; consumer package goods manufacturers increased their industry page volume by 4.5%. The FSI business generates significant cash flow for our new initiatives, and its tremendous operating leverage means moderate top-line growth can drive significant growth in profitability.

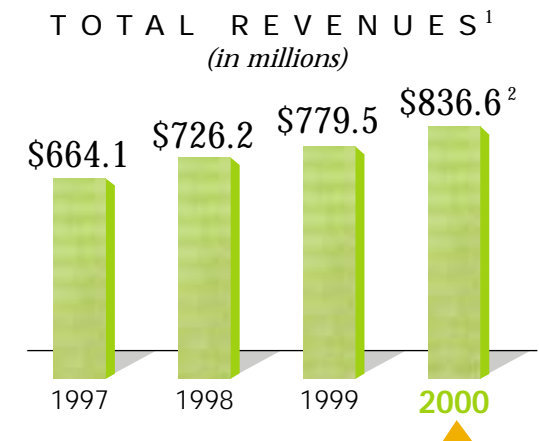


— Alan F. Schultz,  
Chairman, President  
and CEO

We increased FSI revenue by approximately 2%, to \$603 million in 2000. We were able to achieve these results in a challenging environment and with a slight decrease in market share. Our highly trained sales consultants have been successful in guiding clients on best practices to ensure the best results for their promotions. We also reinvested in the FSI business this year through the expansion of our Durham manufacturing facility. The FSI remains a mainstay of our clients' marketing plans because it is the most effective and efficient promotional tool available.

We have historically targeted 4%-6% revenue FSI growth, which drives significantly more profits. Due to planned reductions in direct response business, we think the lower end of this range will be more realistic for 2001. Unlike more traditional media, the FSI business typically does well in a tightening economy.

Our two other core businesses, **Valassis Impact Promotions (VIP)** and **Targeted Marketing Services (TMS)** posted record revenue, margin and client expansion into new categories and industries. Both these divisions consistently deliver growth, and now comprise more than 26% of our total revenues. Both of these businesses were internal start-ups, demonstrating our ability to leverage our strengths and successfully expand our product offerings.



**2000 RECORDS<sup>2</sup>**

<b>Revenue</b> \$836.6 million
<b>EPS</b> \$2.22
<b>Cash Flow</b> \$134 million

<sup>1</sup> Revenues exclude \$15.1 million, \$15.2 million and \$11.4 million in 1999, 1998 and 1997, respectively, to reflect the Company's Canadian Direct Merchandising division which was discontinued in the fourth quarter of 1999.

<sup>2</sup> Excludes the effect of a lawsuit settlement and writedowns of impaired assets.



**Valassis Impact Promotions** exceeded its projected revenue growth of 15% for the year, to produce \$136 million. They are projected to achieve another 15% revenue growth this year. Fueled by additional sales resources and new client categories, this division has significant momentum.

The **Targeted Marketing Services** division had an outstanding performance in 2000, with 22% growth, or over \$84 million in total division sales. The fastest-growing segment of the division is the *sampling and advertising* product group. For the fourth year running, the sampling and advertising segment exceeded its 20% growth target to deliver 35% growth, and posted almost \$56 million in sales. We have expanded our distribution offering and dominate the direct-to-home sampling market.

**New Initiatives**

An integral part of our strategic growth plan calls for expansion in technology-based businesses. We're concentrating on two initiatives: customer relationship marketing and Internet-delivered promotions.

**Customer Relationship Marketing (CRM)** enables businesses to build ongoing relationships

with their consumers. By using technology and information based on past purchase behavior, offers/communications can be customized to be relevant to individual needs. This industry is one of the fastest-growing areas of marketing today. We spent 2000 building the foundation and putting the pieces together; moving forward, we are well positioned to capitalize on growing CRM budgets.

In the fall of this year, we completed the acquisition of **PreVision Marketing**, the premier CRM agency. They have a blue-chip client base and industry-wide reputation for high-end CRM consulting and analytics. PreVision Marketing had 2000 revenues of \$25 million. They have a track record of gaining new clients and an extraordinarily high retention rate of existing clients. We also formed a joint venture with Dutch information giant, VNU, named **Valassis Relationship Marketing Systems, LLC (VRMS)**. This venture is being led by Sue Griffin, CEO of VRMS, and former Vice President at Valassis. With this venture, we now have world-class CRM software and a presence in 7,500 of the 10,000 and growing number of stores that offer frequent shopper programs. And, as consumer package goods participation grows, we come closer to reaching the critical mass needed to drive strong profitability.

“*We have become an integral part of our clients' new product development strategies. There is tremendous market potential for our business, both in our CPG client base and in new industries.*”

— MaryAnn D. Rivers  
Executive Vice President  
Targeted Marketing Services

“*The VIP business had a tremendous year. Our sales team delivered. Our operations team overachieved. The combination resulted in a record performance for the division. Most importantly, the momentum is continuing into 2001.*”

— Ruth Libbey  
Vice President and General  
Manager, Valassis Impact  
Promotions

“...Investors are looking for recession-resistant names to invest in for the next year...”

— Lauren Rich Fine, CFA  
 Managing Director  
 First Vice President  
**Merrill Lynch**

We continue to see strong evidence that the Internet will be a powerful promotional medium. During 2000, we made progress on our **Internet** initiatives, primarily through our 50+% investment in **Save.com, LLC**. This business provides coupons and incentives delivered over the Internet, printed directly from a user’s home computer. The company recently named Suzie Brown, formerly Valassis’ Vice President of Internet and e-Commerce Services, as Save.com’s new CEO, providing the business greater marketing acumen, sales management expertise and leadership.

We will move forward in 2001 to further develop our Internet product offering. Our goal is to develop a profitable business model quickly, while being efficient and judicious with the amount of capital invested.

We expect start-up losses from investments in both CRM and the Internet and have included them into our 2001 projections.

For the fourth consecutive year, Valassis was named to *Fortune Magazine’s* list of the *100 Best Companies to Work for in America*, making it possible to attract and keep exceptionally talented employees. We added 40 new sales consultants to our sales team this year with our “Feet on the Street” initiative, designed to serve the needs of our growing product line-up, and create additional demand as we tap 2001 market potential.

**The Future**

We are concentrating our primary efforts on growing our core businesses and building our CRM and Internet initiatives to critical mass. We are also monitoring future trends to identify growth opportunities consistent with our strategic growth plan and maintaining a connection with our clients, shareholders, and employees to communicate the progress of our business. You may have noticed the change in our corporate logo and look. This is our way of indicating that we’re a company committed to growth and change, but that the integrity of our name and reputation remain constant.

In fiscal 2001 we will continue to explore new ways to deliver value to our stakeholders. In doing this, we rely on the guidance of our strong and supportive board of directors, the loyalty and leadership of our experienced management team, and the enduring dedication of our 1,400 employees.

With my sincere thanks for your support,



Alan F. Schultz  
 Chairman, President and CEO

“Backed by its strong free cash flow, Valassis has successfully leveraged their expertise in promotion to build new marketing services businesses.”

— Gregory H. Ekizian  
 Managing Director,  
**Goldman Sachs Asset Management**



# BUILDING CONSUMER RELATIONSHIPS

## *Consumers*

There is one common objective for every marketing plan, no matter what the product, its life stage, household penetration, or frequency of purchase: a product manufacturer must make a connection with their end user, and provide a catalyst to buy. Marketers connect with their consumers in a number of ways, from broadscale advertising to the design of the product package itself. Few marketing alternatives make a stronger consumer connection than those offered by Valassis. Our specialty Connective Media™ provide action-oriented solutions that reach consumers through multiple channels.

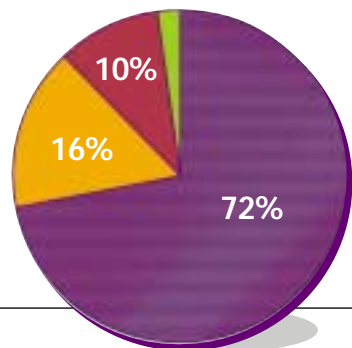


**Core Businesses**

The capstone of our mass-distributed product portfolio is the **co-op free-standing insert (FSI)**, a staple in the marketing industry for 30 years. Reaching nearly 60% of U.S. households nearly every week, co-op inserts are marketers' most efficient and effective way to reach a mass audience. These colorful booklets are distributed through more than 60 million Sunday newspapers, featuring offers for America's top brands. The distribution increases to nearly 71 million households when our rural C&D County and Canadian FSIs are included. Marketers use FSIs to build brand loyalty, move volume, launch new products, promote events and build consumer and retailer relationships.

The co-operative nature of the FSI means the costs are shared among the many clients in the booklet. Our ability to add more clients and pages to each booklet drives greater efficiencies and larger incremental profits. Moderate top-line growth translates into greater profitability growth. And, the more savings contained in each co-op insert, the more value it brings to the consumer. FSI's share of total coupon distribution increased again this year to 82.4%, according to NCH NuWorld. Some of the largest categories of advertisers in 2000 were personal care products, OTC pharmaceuticals,

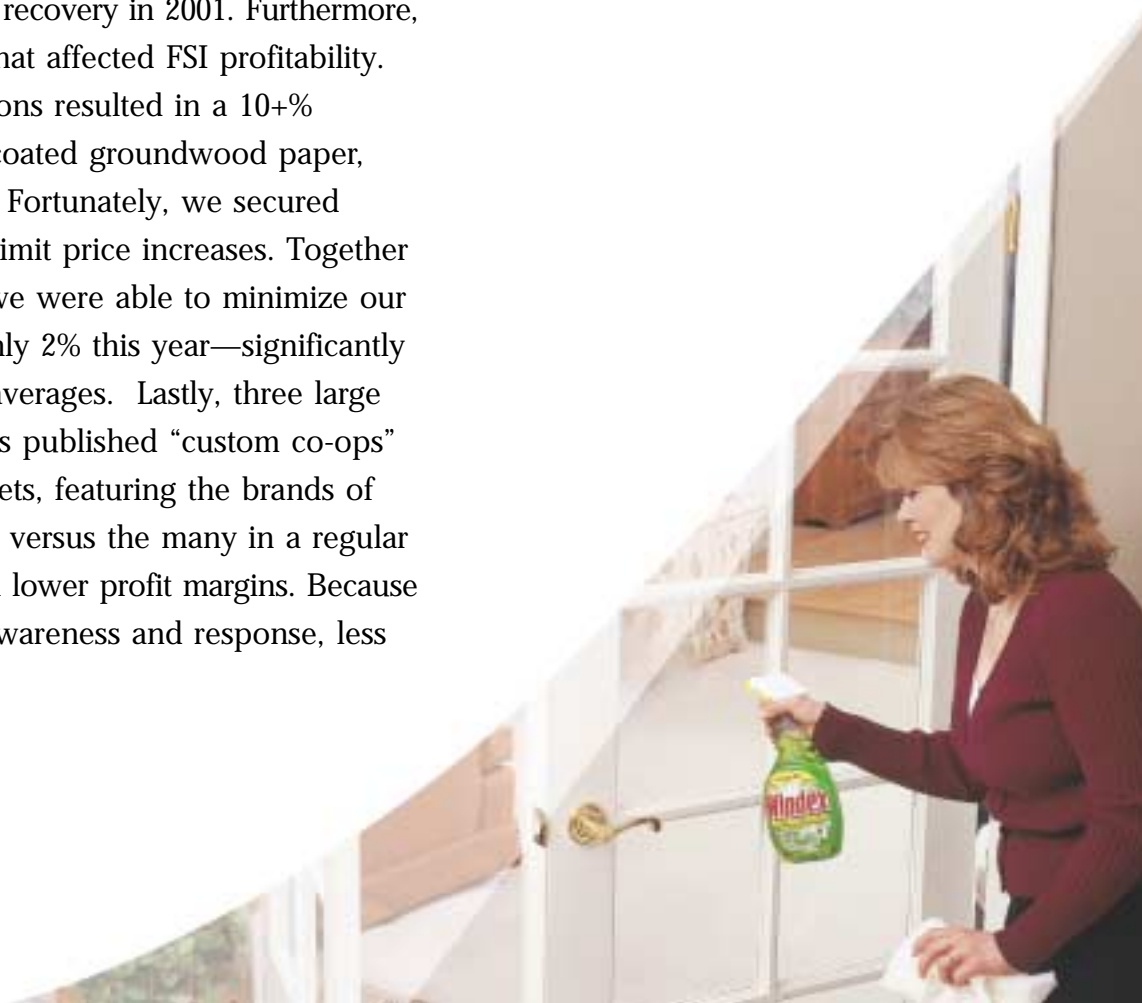
REVENUE BY DIVISION (in millions)



FSI	\$603.0
VIP	\$136.1
TMS	\$84.2
Other	\$13.3

fast food and prepared/frozen entrees, illustrating that FSI participation mirrors what is happening in the stores and can be an indicator of consumer trends.

Co-op inserts comprised 72% of Valassis' total revenues in 2000. We grew revenue approximately 2% versus our target growth rate of 4-6%. In addition to a slight decrease in market share, we faced a challenging market environment. First, pricing declined in our direct response client base, to which we sell discounted, "remnant" space. This situation has stabilized as we decreased the available pages for direct response advertising. We look forward to price recovery in 2001. Furthermore, we had two factors that affected FSI profitability. Paper market conditions resulted in a 10+% industry increase in coated groundwood paper, our largest cost item. Fortunately, we secured paper contracts that limit price increases. Together with grade shifting, we were able to minimize our paper increases to only 2% this year—significantly lower than industry averages. Lastly, three large package goods clients published "custom co-ops" in 2000. These booklets, featuring the brands of only one corporation versus the many in a regular co-op FSI, operate on lower profit margins. Because of lower consumer awareness and response, less



trade support, and higher distribution cost, we expect these programs to shift back into the cooperative environment sometime in the future.

We have great visibility into the year, with the vast majority of consumer package goods client and supplier contracts already signed. In addition, history has shown that the FSI will do well even in a slowing economy. In 2001, we will continue to pursue new categories of business, and focus on retail-specific opportunities for manufacturers to tie in with grocery retailers.

Our three main cost components for the FSI business are paper, media (the money we pay newspapers to distribute our products) and printing. During 2001, we will continue to work on ways to improve efficiency on the cost side of our business. Based on our ability to shift grades of paper throughout the year, and to decrease the dimensions of the FSI, we believe that we can hold 2001 average paper costs flat versus 2000. Our media costs are also expected to remain stable, as contracts are negotiated in advance.

“*We continue to be the industry’s low-cost producer of FSIs, and 2000 marked the 11th consecutive year of reduced printing costs.*”

— Richard N. Anderson,  
Executive Vice President  
Manufacturing and  
Purchasing

**Valassis Impact Promotions (VIP)** offers print media alternatives for clients requiring either mass marketing or targeted marketing promotions. VIP inserts differ from co-op inserts in that they are highly specialized programs sponsored by individual clients, which are generally directed toward specific geographic “clusters” of consumers. The core client in this sector is the franchise retailer, ranging from McDonald’s to LensCrafters. VIP print promotions can take on virtually any shape or form, including door-hangers, box-toppers, coupon books, or magnets. Most VIP products are delivered through newspapers, since our newspaper targeting capabilities make solo inserts targeted and efficient. In addition to newspaper-delivered programs, VIP offers direct mail, print-only or media-only offerings.

In 2000, VIP continued to expand its core client base from the franchise retail and food service industries to include companies in computer hardware and telecommunications, such as IBM and Sprint. As a result, the division exceeded its projected revenue growth of 15% for the year, to produce \$136 million. VIP is expected to again achieve 15% revenue growth in 2001.





The **Targeted Marketing Services (TMS)** division had an outstanding performance in 2000 driven by the *sampling and advertising* product segment. We increased our competitive advantage in 2000 with the purchase of the consumer direct-to-door product-sampling arm of Michigan-based Alternate Marketing Networks. The purchase expanded Valassis' distribution capabilities, and we are the dominant player in the in-home sampling market. Last year, we reorganized this division's sales force into two teams: one to target consumer package goods clients, the other to target new categories of business such as telecommunications, entertainment, automotive, pharmaceuticals and e-commerce companies. We expect that this focused approach will continue to yield positive results, and expect the sampling and advertising segment to grow 20% in 2001. The TMS division's additional product lines include **on-page newspaper promotions (ROP)** as well as our promotion security consulting service, **Promotion Watch**. Together, we target these two businesses to contribute between \$20 - \$25 million in revenues, and view them as important members of our portfolio of products, but do not target them for significant growth.

*“Valassis' proprietary system and technology allow us to improve customer loyalty to our dealers and build their brand names and personalize our communications to individual consumers, as well as track campaign performance in a closed loop system.”*

— Roscoe Herring  
 Manager of Marketing  
 Support Services  
**General Motors**

**New Initiatives**

For some time, Valassis has had a strong presence in both mass and cluster-targeted media. We can use our 13,000-strong newspaper database to target delivery to more than 120,000 different newspaper zones. The next logical step in our growth plan was to expand our one-to-one media capabilities. We're concentrating on two initiatives: Customer Relationship Marketing and Internet-delivered promotions.

**Customer Relationship Marketing (CRM)** is a commonly used term in the marketing world today. CRM is designed to reach the right consumer, with the right communication/offer, at the right time, via the right medium. We made two major strategic moves in 2000—the acquisition of **PreVision Marketing** and our joint venture with VNU called **Valassis Relationship Marketing Systems, LLC (VRMS)**.





We completed our most significant acquisition to date with the 80% purchase of Boston-based **PreVision Marketing**, a high-end, full-service CRM agency with approximately 150 employees. PreVision Marketing has an industry-wide reputation for high-level strategic consulting combined with real-world execution. Their clients include Toys “R” Us, US West, Bose, Talbots, Qwest, Monster.com and Imagitas (U.S. Postal Service), as well as grocery retailers Giant Eagle and Ahold’s Stop & Shop. PreVision Marketing had 2000 revenues of \$25 million and is targeted for significant growth in 2001 and beyond.

Valassis also forged a partnership this year with VNU Marketing Information, Inc., a subsidiary of VNU, Inc., and a Netherlands-based world leader in providing marketing information to a wide variety of industries. The venture, **Valassis Relationship Marketing Systems, LLC (VRMS)** leverages a hot consumer trend, frequent shopper card databases, to give shoppers customized incentives that meet their individual needs - like providing discounts on diapers and baby food to a new parent. VRMS combines Valassis’ strengths of strong consumer package goods relationships, a winning one-to-one loyalty marketing concept, and low-cost variable image manufacturing with our partners’ strong retailer relationships and world-class CRM software. This venture creates a

“*We are best-positioned to meet the CRM needs of retailers and manufacturers while delivering relevant offers to consumers.*”

— Sue Griffin  
CEO and General Manager  
**Valassis Relationship Marketing Systems, LLC**

winning proposition for everyone involved. Grocery retailers get a branded marketing tool designed to build loyalty to their stores and bring value to their best shoppers. Advertisers get efficient pricing and the ability to build loyalty to their brands, using actual past purchase behavior. Shoppers get relevant offers from top brands via a personalized direct mail shopping list.

In 2001, our main objective with VRMS is to build our base of grocery retail distribution and consumer package goods participation. By mid-year, we expect to double store participation and significantly increase our CPG offer bank. Like the FSI, the direct mail shopping list has leverage for strong profitability once it reaches critical mass.

In addition to PreVision and VRMS, we have also developed an internal group, **Customer Relationship Marketing Operations**, which specializes in delivering turnkey database-marketing programs for a variety of customers. We utilize our high-speed variable image printing capabilities to create “mass customized” color pieces that are completely individualized yet can be produced in large quantities. Additionally, we’re able to leverage our patent-pending AZTEC bar code application to capture data for these programs.



2000 marked our biggest leap forward in this group, when we signed a multiple-year agreement with General Motors. This group also serves as an incubator for clients to use the broader CRM services of PreVision Marketing.

### New Initiatives - Internet

We believe that offering home-printed coupons on the web is the next logical step in our development of one-to-one media alternatives.

In November of 2000, Suzie Brown left her position as Vice President of Internet and e-Commerce at Valassis to become Chief Executive Officer of **Save.com, LLC**. Valassis made an initial investment in Save.com in 1999 and now owns over 50% of the company. We have expanded our learning in this arena and believe more strongly than ever that the Internet has the potential to evolve into a powerful and efficient sales promotion medium in the future. We will build upon the Save.com platform to build the future of Internet couponing.

Valassis has two additional, smaller investments which round out our Internet offering:

### Coupons.com and Independent Delivery

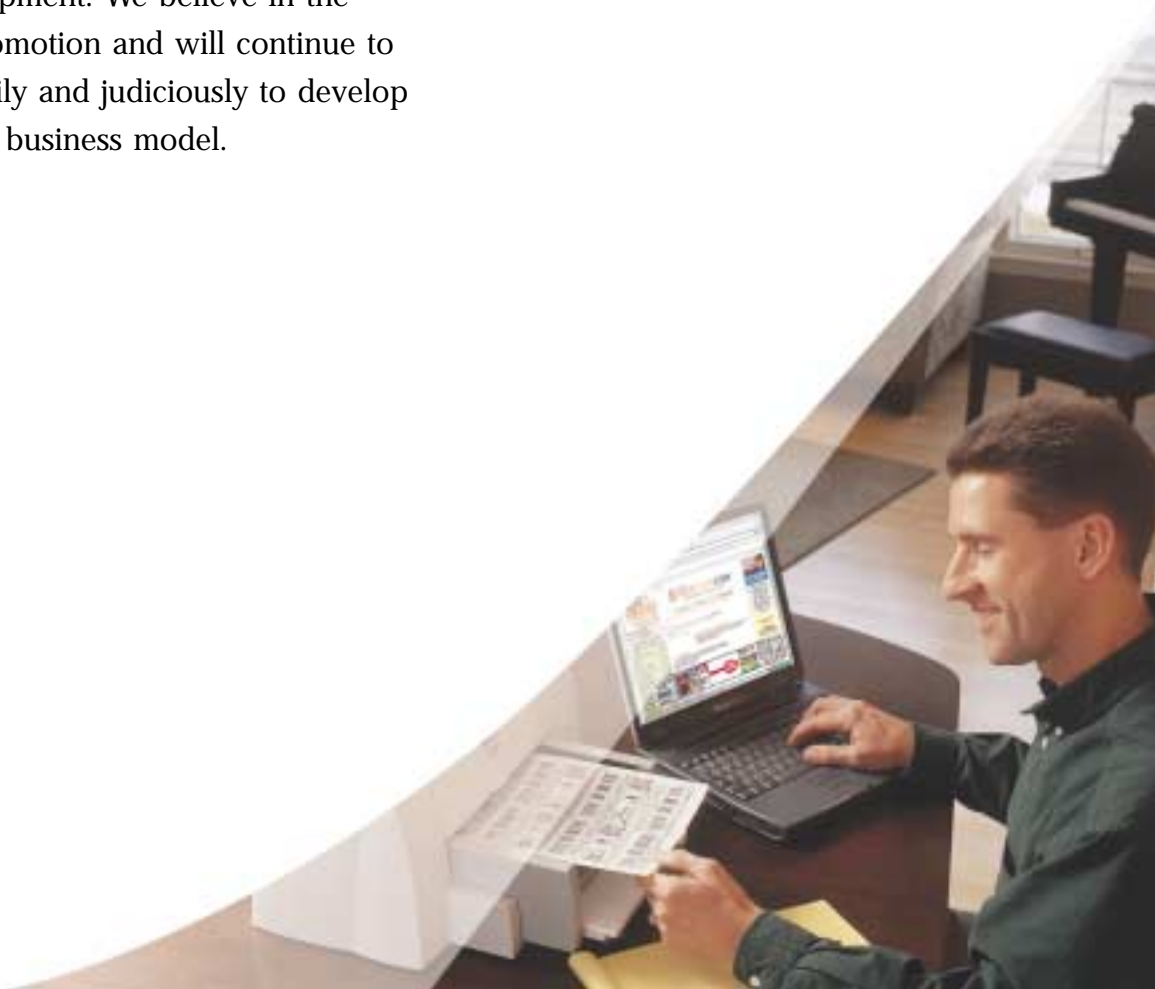
**Services (IDS)**. Coupons.com is a provider of values on the Internet, taking a “website” approach, which attracts value-oriented shoppers to a single destination. Valassis owns 9% of this company. Independent Delivery Services provides the software and back-end solutions that enable brick and mortar grocery stores to offer on-line shopping services. IDS is 54% owned by Valassis.

Our Internet-based initiatives are on the ground floor of their development. We believe in the future of on-line promotion and will continue to move forward steadily and judiciously to develop a profitable Internet business model.



“*Our years of experience and leadership in the marketing services industry put us in the best position to bring Internet coupons successfully to market.*”

— Suzie Brown,  
Chief Executive Officer  
**Save.com, LLC**





UNDERSTANDING EMPLOYEES AND LIFE BALANCE

# *Life Balance*

Our employees are the backbone of our success. We believe that in order to attract and motivate a talented and committed workforce, it is imperative that we offer them a work environment that reflects the value of their contributions.



Providing our employees with work and home balance is an integral facet of our culture and an important key to managing the Company's progress. Our life-balance programs include: flexible work schedules, new parent programs, on-site workout facilities, on-site medical clinic, on-site hair salon, dry-cleaning delivery service, and corporate-discount services for the home, such as catered meals and housekeeping. In addition, the life management courses offered through the Valassis Learning Network focus on personal issues, such as financial planning and time management.

### Professional Development

We recognize the value in providing our employees with continuous education and opportunities for professional development. The Valassis Learning Network is a unique program that offers our employees training in new hire orientation, leadership skills, business operations, personal productivity, and team-building.

### Employees as Shareholders

We offer our employees an opportunity to become shareholders in the company through a variety of programs, including stock options, 401K stock matching program, and direct employee stock purchase plan. All Valassis employees share in our annual Team Achievement Dividend and profit-sharing programs.

*“It was the people who impressed me when I first began working at Valassis 28 years ago, and it's the people who continue to impress me now.”*

— Aaron Trager,  
Vice President, Printing  
Division, Livonia,  
pictured with Natalie Raffo,  
*2000 Employee of the Year*

### Valued Input

Our leaders welcome employee input at all levels; in fact, most of our innovation results from employee ideas and suggestions. In addition to several strategic planning groups which include employee representation from various levels of the company, we are proud to sponsor our unique philanthropy group, the Giving Committee, which is entirely managed by employees and disperses 100% of the company's charitable donations.

### Strategic Expansion

In 2000, we implemented our “Feet On The Street” recruitment program, a concerted effort to add to the talent of our sales force to meet the growth needs stimulated by the development of our business initiatives. We also expanded our new-hire training program to offer our growing team comprehensive knowledge of our Company history, our products and services, the state of the industry, and how it all relates to our strategic vision for growth.

### Best Practices Awards

We received recognition for our employment best practices in 2000 with three prestigious awards. These honors include: *Fortune* Magazine's award as one of the “100 Best Companies to Work for in America;” *Working Mother* Magazine's award for one of the “100 Best Companies for Working Mothers;” and *Mademoiselle* Magazine's “Top 25 Places to Work.” In 2000, Valassis received more than 30 requests from companies representing several industries to learn about our best practices.



**FORTUNE Magazine**  
100 Best Companies  
to Work for in America  
Awarded: 2000, 1999, 1998, 1997

**Working Mother Magazine**  
100 Best Companies  
for Working Mothers  
Awarded: 2000, 1999

**Mademoiselle**  
Top 25 Best Places to  
Work in America  
Awarded: 2000



ACHIEVING SUCCESS THROUGH LEADERSHIP

# *Leadership*

For 30 years, we have maintained our position as an industry icon through the cultivation of exceptional leadership. In addition to the contributions of our 1,400 dedicated employees, our success can be attributed to the outstanding acumen and loyalty of our leadership group. At the helm, our expert Board of Directors is comprised of specialists representing the marketing services industry, as well as several key areas of business.





**Directors**  
BOARD OF DIRECTORS

(Clockwise, from center)

**Alan F. Schultz**<sup>(E)</sup>  
Chairman of the Board and  
President and CEO  
Valassis

**Brian J. Husselbee**<sup>(C)</sup>  
President and CEO  
NCH NuWorld Marketing  
Limited

**Robert L. Recchia**<sup>(E)</sup>  
Executive Vice President  
and Chief Financial Officer  
Valassis

**Joseph E. Laird, Jr.**<sup>(A)</sup>  
Co-Founder, Chairman and  
CEO, Laird Squared, LLC

**Marcella A. Sampson**<sup>(C)</sup>  
Retired Dean of Students  
and Director of Career  
Services, Central State  
University, Ohio

**Patrick F. Brennan**<sup>(A)</sup>  
Retired President and CEO  
Consolidated Papers, Inc.

**Ambassador Faith Whittlesey**<sup>(C)(E)</sup>  
Chairman and President  
American Swiss Foundation

**Barry P. Hoffman**  
Executive Vice President  
and General Counsel  
Valassis

**Richard N. Anderson**  
Executive Vice President,  
Manufacturing and  
Purchasing  
Valassis

**Seth Goldsteir**<sup>(A)</sup> (not pictured)  
Venture Partner,  
Flatiron Partners

*Board Committees:*

*A - Audit Committee*

*C - Compensation/Stock Option  
Committee*

*E - Board of Directors, Executive  
Committee*

**Executive**  
EXECUTIVE COMMITTEE

**Alan F. Schultz**  
Chairman of the Board and  
President and CEO

**Barry P. Hoffman**  
Executive Vice President and  
General Counsel

**Robert L. Recchia**  
Executive Vice President and  
Chief Financial Officer

**MaryAnn D. Rivers**  
Executive Vice President  
Targeted Marketing Services

**Richard P. Herpich**  
Executive Vice President  
Manufacturer Services

**Richard N. Anderson**  
Executive Vice President  
Manufacturing and  
Purchasing

**Leadership**  
VALASSIS LEADERSHIP COUNCIL

**Larry A. Berg**  
Vice President  
Purchasing

**Suzanne C. Brown**  
Chief Executive Officer  
Save.com, LLC

**Amy S. Courter**  
Vice President  
Management Information  
Systems

**Franklyn J. Farace**  
Vice President  
Western Sales Division

**Blaine G. Gerber**  
Vice President  
Printing Operations Division

**Ronald L. Goolsby**  
Vice President  
FSI & Internet/e-Commerce  
Operations

**Suzanne E. Griffin**  
Chief Executive Officer  
Valassis Relationship  
Marketing Systems, LLC

**Timothy J. Halfmann**  
Vice President  
Midwest Sales Division

**William F. Hogg**  
Vice President  
Printing Division, Durham

**Marcia L. Hyde**  
Vice President  
Human Resources and  
Communications Center

**Ruth N. Libbey**  
Vice President and General  
Manager, Valassis Impact  
Promotions

**Lynn M. Liddle**  
Vice President  
Investor Relations and  
Communications Center

**Stephen L. Swanson**  
Vice President  
Sales, VIP Division

**Aaron Z. Trager**  
Vice President  
Printing Division, Livonia

**James H. Widmann**  
Vice President  
Southeast Sales Division

**Michael A. Wood**  
Vice President  
Printing Division, Wichita

**Gary A. Yost**  
Vice President  
Marketing

**Form 10K**

A copy of the Company's Annual Report on Form 10K filed with the Securities and Exchange Commission for fiscal 2000 is available on the Company website or by contacting:

Valassis Investor Relations  
19975 Victor Parkway  
Livonia, Michigan 48152  
(734) 591-3000  
(800) 437-0479  
<http://www.valassis.com>

**Stock Exchange Listing**

New York Stock Exchange (NYSE)  
Ticker Symbol: VCI

**Annual Meeting**

Tuesday, May 15, 2001 at 9:00 a.m. (EST)  
The Waldorf=Astoria  
301 Park Avenue  
New York, New York 10022

**Transfer Agent and Registrar**

American Stock Transfer & Trust Co.  
59 Maiden Lane, Plaza Level  
New York, New York 10038  
(800) 937-5449

Certain statements found in this document constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: new competitors in any of the Company's businesses; a shift in customer preference for different promotional materials, strategies or coupon delivery methods; an unforeseen increase in the Company's paper costs; or general business and economic conditions. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.