

Cash flow statements

For the year ended 31 December 2003

	Note	Group		Parent Company	
		2003 €m	2002 €m	2003 €m	2002 €m
Net cash outflow from operating activities	10	(2)	–	(2)	–
Dividends received from joint ventures		200	150	200	150
Returns on investments and servicing of finance – interest received		7	6	7	6
Taxation		(2)	(3)	(2)	(3)
Equity dividends paid		(215)	(222)	(215)	(222)
Cash outflow before changes in short term investments and financing		(12)	(69)	(12)	(69)
Decrease in short term investments		8	10	8	10
Financing		4	59	4	59
Issue of shares, net of expenses		3	22	3	22
Net issue/(repayment) of debenture loans		1	(1)	1	(1)
Decrease in funding balances to joint ventures	10	–	38	–	38
Change in net cash		–	–	–	–

Short term investments include deposits of under one year if the maturity or notice period exceeds 24 hours, commercial paper investments and interest bearing securities that can be realised without significant loss at short notice.

Statements of total recognised gains and losses

For the year ended 31 December 2003

	Group		Parent Company	
	2003 €m	2002 €m	2003 €m	2002 €m
Profit attributable to ordinary shareholders	242	144	203	152
Exchange translation differences	(310)	(303)	–	–
Total recognised gains and losses	(68)	(159)	203	152

Group financial statements, reflecting Reed Elsevier NV's 50% interest in the Reed Elsevier combined businesses, are presented using the gross equity method.