

■ BUSINESS

	2003 £m	2002 £m		2003 €m	2002 €m	% change at constant currencies
Turnover						
Reed Business Information						
US	365	438		529	696	-6%
UK	234	241		339	383	-3%
Continental Europe	277	256		402	407	-6%
Reed Exhibitions	420	425		609	676	-3%
Other	32	23		47	37	8%
	1,328	1,383		1,926	2,199	-4%
Adjusted operating profit	236	234		342	372	-
Adjusted operating margin	17.8%	16.9%		17.8%	16.9%	0.9pts

The Reed Business division has again performed well in yet another difficult year. The continued decline of advertising volumes was in part compensated by continued market share gains, yield improvement and significant growth in online sales. The exhibitions business has been tightly managed through weak economic conditions but has been adversely affected by the net cycling out of non-annual shows as well as the impact of the war in Iraq and the SARS outbreak. Underlying margins improved through firm cost management.

Revenues and adjusted operating profits were respectively 4% lower and flat at constant exchange rates, or 5% and 2% lower excluding acquisitions and disposals. The underlying magazine and information publishing businesses saw a revenue decline of 5% due to the advertising market weakness, and the exhibitions business revenues were 6% lower, or 3% before taking account of the net cycling out of non-annual shows. Adjusted operating margin was 0.9 percentage points ahead at 17.8% reflecting the actions taken on costs to mitigate the impact of lower revenues and to fund investment.

In the US, Reed Business Information saw revenues 6% lower than in the prior year. Growth in the entertainment sector was more than offset by declines in the manufacturing, electronics and construction sectors. Significant focus on improving yields and building share could not compensate for the volume decline. Despite the revenue decline, underlying operating profits have risen by 23% reflecting the significant actions taken to reduce costs.

In the UK, Reed Business Information revenues were down 3%. Whilst display and recruitment advertising markets saw lower revenues, good growth was achieved in online sales. Adjusted operating profits