



ARTHUR ANDERSEN

**R.R. Donnelley Limited**

Accounts 31 December 2000

together with directors' and auditors' reports

Registered number: 166396



## Notice of meeting

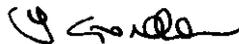
Notice is hereby given that the annual general meeting of R.R. Donnelley Limited will be held at the offices of the company at Flaxby Moor, Knaresborough, at 12 p.m. on 5 July 2001 for the following purposes:

As ordinary business:

1. To receive and approve the directors' report and the accounts for the year ended 31 December 2000.
2. To reappoint Arthur Andersen as auditors of the company and to authorise the directors to determine their remuneration.
3. To transact any other ordinary business of an annual general meeting.

Flaxby Moor  
Knaresborough  
North Yorkshire  
HG5 0XJ

By order of the Board,



T. Gordon  
Secretary

14 June 2001

## Directors' report

For the year ended 31 December 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 2000.

### Principal activity and business review

The principal activities of the company are the production and distribution of telephone directories.

The directors view the results for the year to be satisfactory.

### Results and dividends

Results for the year are as follows:

	£
Retained profit at 31 December 1999	40,125,680
Profit for the year	<u>6,709,899</u>
Retained profit at 31 December 2000	<u>46,835,579</u>

The directors do not recommend the payment of a dividend (1999: £nil).

### Directors and their interests

The directors who served during the year are as shown below:

R.T. Houston  
B. W. Lundberg (appointed 1 June 2000)  
C.P. Mann (resigned 1 June 2000)

The directors do not have any interests required to be disclosed under Section 234 of the Companies Act 1985.

## Directors' report (continued)

### Charitable and political donations

During the year the company made charitable donations of £3,979 (1999: £7,147). There were no political donations (1999: £nil).

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### Employee consultation

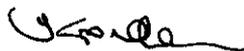
The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through circulation of information to employees via notice boards, production of a regular bulletin and presentations given at regular intervals.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Flaxby Moor  
Knaresborough  
North Yorkshire  
HG5 0XJ

By order of the Board,



T. Gordon  
Secretary

14 June 2001

## Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**To the Shareholders of R.R. Donnelley Limited:**

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

1 City Square  
Leeds  
LS1 2AL

14 June 2001

## Profit and loss account

For the year ended 31 December 2000

	Notes	2000 £	1999 £
<b>Turnover</b>	1	75,246,858	78,210,561
Cost of sales		(66,758,698)	(70,865,751)
<b>Gross profit</b>		8,488,160	7,344,810
Operating expenses		(2,656,894)	(3,086,986)
Exceptional fixed asset impairment loss		-	(868,307)
Exceptional restructuring cost		(1,978,295)	-
Exceptional reduction in provision against amounts			
- due from subsidiary undertakings		-	6,204,000
- of investments in subsidiary undertakings	7	3,561,000	-
<b>Operating profit</b>		7,413,971	9,593,517
Interest receivable and similar income		412,723	821,475
Interest payable and similar charges	2	(47,354)	(354,845)
<b>Profit on ordinary activities before taxation</b>	3	7,779,340	10,060,147
Tax on profit on ordinary activities	5	(1,069,441)	(887,689)
<b>Retained profit for the financial year</b>	13	6,709,899	9,172,458
<b>Retained profit, beginning of year</b>	13	40,125,680	30,953,222
<b>Retained profit, end of year</b>	13	46,835,579	40,125,680

A statement of total recognised gains and losses is not presented as there are no recognised gains or losses other than the results shown above.

All of the results of the company arose from continuing activities.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

31 December 2000

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	6	29,797,702	13,702,375
Investments	7	25,212,262	21,651,262
		<u>55,009,964</u>	<u>35,353,637</u>
<b>Current assets</b>			
Stocks	8	1,842,350	2,731,373
Debtors	9	15,520,901	14,705,695
Cash at bank and in hand		2,206,124	13,283,010
		<u>19,569,375</u>	<u>30,720,078</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(13,753,570)</u>	<u>(14,373,693)</u>
<b>Net current assets</b>		<u>5,815,805</u>	<u>16,346,385</u>
<b>Total assets less current liabilities</b>		<u>60,825,769</u>	<u>51,700,022</u>
<b>Provisions for liabilities and charges</b>	11	<u>(4,578,960)</u>	<u>(2,163,112)</u>
<b>Net assets</b>		<u>56,246,809</u>	<u>49,536,910</u>
<b>Capital and reserves</b>			
Called-up share capital	12	5,157,851	5,157,851
Revaluation reserve	13	253,379	253,379
Capital contribution	13	4,000,000	4,000,000
Profit and loss account	13	46,835,579	40,125,680
<b>Equity shareholders' funds</b>	14	<u>56,246,809</u>	<u>49,536,910</u>

The accounts on pages 6 to 19 were approved by the board of directors on 14 June 2001 and signed on its behalf by:



R.T. Houston

Director

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

31 December 2000

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below.

### **Basis of accounting**

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

### **Cash flow statement**

At 31 December 2000 the company was a wholly owned subsidiary undertaking of R.R. Donnelley & Sons Company, a company that produces publicly available financial statements which include the results of the company. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 "Cash Flow Statements" (Revised) from publishing a cash flow statement.

### **Consolidated accounts**

The company has not prepared consolidated accounts as it is a wholly owned subsidiary of Donnelley Holdings Limited which prepares consolidated accounts which are publicly available.

### **Tangible fixed assets**

All of the tangible fixed assets of the company are stated at cost, other than 10 acres of freehold land which were revalued in 1964 and 1976, which are stated at the amount at which they were revalued in 1964 and 1976 plus additions at cost and less disposals subsequent to that date, net of depreciation and provision for impairment.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset on a straight line basis over their estimated useful lives as follows:

Plant and machinery	5%-20% per annum
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No depreciation is provided on freehold land and buildings as expected disposal proceeds of these assets significantly exceed the carrying value.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

### **Revaluation**

The company has taken advantage of the transitional provisions of FRS 15 and retained the book values of certain freehold land and buildings which were revalued prior to the implementation of that standard.

Following the implementation of FRS 15, the company has not adopted a policy of revaluing tangible fixed assets.

## Statement of accounting policies (continued)

### **Stocks**

Stocks are stated at the lower of average cost and net realisable value. Cost includes material, labour and an appropriate proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation has been calculated using the liability method. Deferred tax is provided on timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

### **Pension costs**

In accordance with the provisions of SSAP 24 "Accounting for pension costs", pension costs are charged against profits in a systematic manner over the service lives of the employees in the scheme. Total pension costs comprises:

- i. the regular pension cost, that is the constant ongoing cost, which is calculated as a level percentage of the current and expected future pensionable payroll; and
- ii. variations from the regular cost, arising from any surplus or deficit on the pension scheme, which are allocated over the expected remaining service lives of employees in the scheme.

Any difference between the amounts charged in the profit and loss account and amounts payable to the scheme for the year is recorded in the balance sheet as a creditor or prepayment as appropriate.

### **Foreign currency**

Transactions in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. Foreign currency items in the year end balance sheet are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

### **Investments**

Investments in subsidiary and associated undertakings are stated at cost less provision for impairment.

### **Turnover**

Turnover comprises the value of sales, excluding VAT, of goods and services, supplied in the normal course of business.

## Notes to accounts

31 December 2000

### 1 Turnover

All of the company's turnover for the year arose in the UK and from the company's principal activity. An analysis of turnover by geographical destination is as follows:

	2000 £	1999 £
United Kingdom	57,463,853	64,800,297
Rest of Europe	17,783,005	13,410,264
	<u>75,246,858</u>	<u>78,210,561</u>

### 2 Interest payable and similar charges

	2000 £	1999 £
Bank loans and overdrafts	-	311,820
Intercompany interest	47,354	43,025
	<u>47,354</u>	<u>354,845</u>

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting):

	2000 £	1999 £
Depreciation and amounts written-off tangible fixed assets		
- Owned	3,305,676	3,081,922
Auditors' remuneration		
- audit	37,000	44,500
- non-audit services	60,000	63,725
Exceptional fixed asset impairment loss	-	868,307
Exceptional restructuring cost	1,978,295	-
Exceptional reduction in provision against amounts		
- due from subsidiary undertaking	-	(6,204,000)
- of investments in subsidiary undertaking	<u>(3,561,000)</u>	<u>-</u>

## Notes to accounts (continued)

### 4 Staff costs

Particulars of employee costs (including executive directors) are as shown below:

	2000 £	1999 £
Employee costs during the year amounted to:		
Wages and salaries	13,055,631	15,626,599
Social security costs	1,066,673	1,072,239
Other pension costs	1,082,615	836,367
	<u>15,204,919</u>	<u>17,535,205</u>

The average monthly number of persons employed by the company during the year was as follows:

	2000 Number	1999 Number
Production	354	351
Sales and marketing	3	3
Administration	28	53
	<u>385</u>	<u>407</u>

### *Directors' remuneration*

The remuneration of the directors was as follows:

	2000 £	1999 £
Emoluments	<u>249,288</u>	<u>279,023</u>

## Notes to accounts (continued)

### 4 Staff costs (continued)

#### *Pensions*

The number of directors who were members of pension schemes was as follows:

	2000 Number	1999 Number
Defined benefit schemes	<u>2</u>	<u>2</u>

Retirement benefits amounting to £5,444 (1999: £5,272) were paid to a past director in excess of the benefit to which he was entitled.

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director.

	2000 £	1999 £
Emoluments	<u>134,793</u>	<u>157,401</u>

The accrued pension entitlement under the ultimate holding company's defined benefit scheme of the highest paid director at 31 December 2000 was £8,810 (1999: £5,601).

### 5 Tax on profit on ordinary activities

The tax charge is based on the result for the year and comprises:

	2000 £	1999 £
Corporation taxation at 30% (1999: 30%)	561,000	1,004,000
Adjustment in respect of prior years corporation taxation	<u>(20,559)</u>	<u>436,689</u>
	540,441	1,440,689
Deferred taxation	<u>529,000</u>	<u>(553,000)</u>
	<u>1,069,441</u>	<u>887,689</u>

The effective tax rate is less than the prevailing corporation tax rate of 30% due to the exceptional reduction in the provision against amounts of investments in subsidiary undertakings which have been treated as non-taxable.

## Notes to accounts (continued)

### 6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery		Total £
		Owned £	Leased £	
<b>Cost or valuation</b>				
Beginning of year	5,019,204	37,103,388	427,590	42,550,182
Additions	-	19,591,410	-	19,591,410
Disposals	-	(1,387,173)	-	(1,387,173)
End of year	<u>5,019,204</u>	<u>55,307,625</u>	<u>427,590</u>	<u>60,754,419</u>
<b>Depreciation</b>				
Beginning of year	1,727,954	26,692,263	427,590	28,847,807
Charge	-	3,305,676	-	3,305,676
Disposals	-	(1,196,766)	-	(1,196,766)
End of year	<u>1,727,954</u>	<u>28,801,173</u>	<u>427,590</u>	<u>30,956,717</u>
<b>Net book value</b>				
End of year	<u>3,291,250</u>	<u>26,506,452</u>	<u>-</u>	<u>29,797,702</u>
Beginning of year	<u>3,291,250</u>	<u>10,411,125</u>	<u>-</u>	<u>13,702,375</u>

Freehold land included in the above amounting to £265,000 (1999: £265,000) is not depreciated.

#### *Basis of valuation*

Plant and machinery is shown at cost. Freehold land and buildings are shown at valuation in 1964 and 1976 with subsequent additions at cost as shown below:

	2000 £	1999 £
Professionally valued		
- existing use (1964)	481,000	481,000
- existing use (1976)	180,000	180,000
Total at valuation	<u>661,000</u>	<u>661,000</u>
Subsequent additions at cost	<u>4,358,204</u>	<u>4,358,204</u>
Cost or valuation at the end of the year	<u>5,019,204</u>	<u>5,019,204</u>

Freehold buildings included at valuation with an original cost of £111,932 are fully depreciated, based on cost, at 31 December 2000 and 1999.

The company has taken advantage of the transitional provisions of FRS 15 'Tangible Fixed Assets' and retained the book values of certain freehold land and buildings which were revalued prior to implementation of that standard. The valuations have not subsequently been updated. No further revaluations are proposed to be made.

## Notes to accounts (continued)

### 7 Fixed asset investments

The following are included in the net book value of fixed asset investments:

	2000 £	1999 £
Subsidiary undertakings	5,600,100	2,039,100
Other investments	19,612,162	19,612,162
	<u>25,212,262</u>	<u>21,651,262</u>

#### *Subsidiary undertakings*

At 31 December 2000, the company held directly 100% of the ordinary share capital of R.R. Donnelley (UK) Limited which is incorporated in England and Wales. The principal activity of this company is financial and commercial printing.

#### *Other investments*

On 17 November 1998 the company acquired a 49% interest in DPA Printing Company, a Donnelley/Polish American Joint Venture Spolka z.o.o registered in Poland. The investment comprised the cost of the shares acquired. The principal activity of DPA Printing Company is commercial and directory printing.

On 30 March 2000 the shares in DPA Printing Company were exchanged for 2020 B shares in R R Donnelley Holdings BV, a private company with limited liability organised under the laws of the Netherlands. The shares represent 100% of the B class shares of DPA Printing Company and a 10% investment by the group in that company.

The movement on investments during the year was as follows:

	Subsidiary undertakings	Other investments	Total £
<b>Cost</b>			
Beginning of year	6,138,876	19,612,162	25,751,038
Dissolution of dormant company	(538,776)	-	(538,776)
End of year	<u>5,600,100</u>	<u>19,612,162</u>	<u>25,212,262</u>
<b>Amounts written off</b>			
Beginning of year	(4,099,776)	-	(4,099,776)
Dissolution of dormant company	538,776	-	538,776
Impairment loss written back	3,561,000	-	3,561,000
End of year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
Beginning of year	<u>2,039,100</u>	<u>19,612,162</u>	<u>21,651,262</u>
End of year	<u>5,600,100</u>	<u>19,612,162</u>	<u>25,212,262</u>

## Notes to accounts (continued)

### 7 Fixed asset investments (continued)

On 6 June 2000, Ben Johnson (Dunstable) Limited was dissolved and removed from the register of companies. The subsidiary was previously dormant.

Impairment losses on the investment in R.R. Donnelley (UK) Limited of £3,561,000 were fully written back in the year as a result of an improved trading and net asset position within the company.

### 8 Stocks

	2000 £	1999 £
Raw materials and consumables	913,700	1,242,060
Work in progress	928,650	1,489,313
	<u>1,842,350</u>	<u>2,731,373</u>

In the opinion of the directors, the estimated replacement cost of stocks does not materially exceed the book value.

### 9 Debtors

	2000 £	1999 £
Amounts falling due within one year:		
Trade debtors	6,947,690	7,611,417
Amounts owed by other group undertakings	6,186,550	5,956,535
VAT	1,580,163	727,274
Other debtors	184,621	242,033
Prepayments and accrued income	315,276	168,436
UK corporation tax recoverable	306,601	-
	<u>15,520,901</u>	<u>14,705,695</u>

### 10 Creditors: Amounts falling due within one year

	2000 £	1999 £
Bank overdraft	100	100
Payments received on account	-	1,229
Trade creditors	6,554,367	5,871,514
Amounts owed to other group undertakings	1,090,078	1,534,974
UK corporation tax	-	704,917
Taxation and social security	461,271	465,127
Other creditors	-	721,672
Accruals and deferred income	5,647,754	5,074,160
	<u>13,753,570</u>	<u>14,373,693</u>

## Notes to accounts (continued)

### 11 Provisions for liabilities and charges

Provisions for liabilities and charges comprises:

	2000 £	1999 £
Restructuring provision	2,519,960	633,112
Deferred taxation	2,059,000	1,530,000
	<u>4,578,960</u>	<u>2,163,112</u>

#### a. Restructuring provision

The movement in the provision in the year was as follows:

	2000 £	1999 £
Beginning of year	633,112	720,613
Amounts utilised in the year	(91,447)	(87,501)
Amounts provided during the year	1,978,295	-
End of year	<u>2,519,960</u>	<u>633,112</u>

Amounts provided during the year represent a provision for the expected cost of redundancies consequent to the relocation of the company's manufacturing facilities. It is expected that most of this expenditure will be incurred in the next financial year, and all will be incurred within two years of the balance sheet date.

#### b. Deferred taxation

Deferred taxation has been provided in full because, in the opinion of the directors, it will become payable in the foreseeable future.

Timing differences are as follows:

	2000 £	1999 £
Accelerated capital allowances	2,476,000	1,846,000
Other timing differences	(417,000)	(316,000)
	<u>2,059,000</u>	<u>1,530,000</u>

## Notes to accounts (continued)

### 11 Provisions for liabilities and charges (continued)

#### b. Deferred taxation (continued)

The movement in the provision in the year was as follows:

	2000 £	1999 £
Beginning of year	1,530,000	2,083,000
Amounts charged (credited) to profit and loss account in respect of:		
- accelerated capital allowances	630,000	(958,000)
- other timing differences	(272,000)	405,000
End of year	<u>1,888,000</u>	<u>1,530,000</u>

### 12 Called-up share capital

	2000 £	1999 £
<i>Authorised</i>		
6,157,850 ordinary shares of £1 each	<u>6,157,850</u>	<u>6,157,850</u>
<i>Allotted, called-up and fully-paid</i>		
5,157,851 ordinary shares of £1 each	<u>5,157,851</u>	<u>5,157,851</u>

### 13 Reserves

Of the total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	2000 £	1999 £
Distributable		
- profit and loss account	46,835,579	40,125,680
Non distributable		
- capital contribution	4,000,000	4,000,000
- revaluation reserve	253,379	253,379
	<u>51,088,958</u>	<u>44,379,059</u>

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2000	253,379	4,000,000	40,125,680	44,379,059
Retained profit for the year	-	-	6,709,899	6,709,899
At 31 December 2000	<u>253,379</u>	<u>4,000,000</u>	<u>46,835,579</u>	<u>51,088,958</u>

## Notes to accounts (continued)

### 14 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Profit for the financial year	6,709,899	9,172,458
Net addition to shareholders' funds	6,709,899	9,172,458
Opening equity shareholders' funds	49,536,910	40,364,452
Closing equity shareholders' funds	56,246,809	49,536,910

### 15 Guarantees and other financial commitments

#### a. Capital commitments

There were no capital commitments at 31 December 2000 (1999: £nil).

#### b. Pension arrangements

The company operates a defined benefit pension scheme covering the majority of full time employees. The scheme is set up under trust and the assets are therefore held separately from the company's assets.

The accrued contribution relating to the main scheme of £1,339,000 (1999: £1,147,000) at the year end is included within accruals and deferred income in note 10. The pension cost charge for the year of £1,082,615 (1999: £836,367) was made up of a regular cost of £1,136,615 (1999: £897,367) less variations from regular cost of £54,000 (1999: £61,000).

The pension costs and related accrual are assessed in accordance with the advice of a professionally qualified actuary.

The latest actuarial valuation of the main scheme was performed on 31 March 1999 and used the projected unit method of valuation. The main actuarial assumptions were that the investment return would be 2.9% per annum higher than the average rate of pay growth and 3.9% per annum higher than the rate of increase in pensions.

At the date of the latest actuarial valuation, the market value of the assets of the main scheme was £67,239,346 and the actuarial value of the assets was sufficient to cover more than 100% of the benefits that had accrued to members for past service. The surplus arising will be reduced over the average remaining service lives of employees in the scheme at an employer's contribution rate of 14.1% of pensionable earnings.

## Notes to accounts (continued)

### **16 Related party disclosures**

The company's ultimate parent company and controlling party is R.R. Donnelley & Sons Company which is incorporated in the State of Delaware, USA.

The company's immediate parent company is Donnelley Satellite Services Limited incorporated in the State of Delaware, USA.

As a wholly owned subsidiary undertaking of R. R. Donnelley & Sons Company, the company has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group headed by R. R. Donnelley & Sons Company since that company produces accounts which are available to the public and which include R.R. Donnelley Limited.

The largest group in which the results of the company are consolidated is that headed by R.R. Donnelley & Sons Company. The smallest group in which they are consolidated is that headed by Donnelley Holdings Limited, incorporated in the State of Delaware, USA.

The consolidated accounts of R.R. Donnelley & Sons Company are available to the public and may be obtained from the following address:

R.R. Donnelley & Sons Company  
Corporate Communication Department  
77 West Wacker Drive  
Chicago  
Illinois 60601-9521  
USA