

DONNELLEY R R & SONS CO
Form DEF 14A
March 12, 2004

NOTICE & PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY
RULE 14A-6(E)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

R. R. Donnelley & Sons Company

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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2004

ANNUAL MEETING OF STOCKHOLDERS
Meeting Notice
Proxy Statement

R.R. DONNELLEY & SONS COMPANY

77 West Wacker Drive
Chicago, Illinois 60601-1696

Your vote counts. Please take a moment to read the information and instructions inside.

2004 ANNUAL MEETING OF STOCKHOLDERS

Meeting Notice

WHERE

The Westin O Hare
6100 River Road
Rosemont, Illinois 60611

WHEN

Wednesday, April 14, 2004 at
11:00 a.m. Chicago time

WHY

To elect five directors

To vote on a stockholder proposal regarding the sale of the company

To vote on a stockholder proposal regarding the establishment of a policy of expensing costs of options

To conduct any other business if properly raised

RECORD DATE

The close of business on March 1, 2004

You will find more information on the matters for voting in the proxy statement on the following pages. If you are a stockholder of record, you can vote by mail, by toll-free telephone number, by using the Internet or in person at the meeting.

Your vote is important! Please sign, date and return the enclosed proxy card in the envelope provided, call the toll-free number or log on to the Internet even if you plan to attend the meeting. You may revoke your proxy at any time before it is voted.

You will find instructions on how to vote on page 11. Most stockholders vote by proxy and do not attend the meeting in person. However, as long as you were a stockholder on March 1, 2004, you are invited to attend, or to send a representative. Please note that only persons with an admission ticket or evidence of stock ownership or who are guests of the company will be admitted to the meeting.

By Order of the Board of Directors

Theodore J. Theophilos

Secretary

March 12, 2004

2004 ANNUAL MEETING OF STOCKHOLDERS

Proxy Statement

March 12, 2004

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Exhibit A Audit Committee Charter

This proxy statement is issued in connection with the 2004 Annual Meeting of Stockholders scheduled for April 14, 2004. This proxy statement and accompanying proxy card are first being mailed to stockholders on or about March 12, 2004.

Proposals

Proposal 1: Election of Directors

The company's Certificate of Incorporation provides for three classes of directors. Each director serves a three-year term, and the terms of directors in each class expire in rotation. Therefore, at the meeting stockholders will vote to elect five directors of Class 1. In accordance with the terms of the combination agreement between the company and Moore Wallace Incorporated (Moore Wallace) dated November 8, 2003 (the Combination Agreement), each of Messrs. Angelson, Cummings and Eckert was appointed to the board effective February 27, 2004 and has been nominated at the recommendation of the boards of directors of both the company and Moore Wallace. In the following descriptions, director service includes service as a director of Moore Wallace, Moore Corporation Limited (Moore) and Wallace Computer Services, Inc. Our nominees for director are:

Mark A. Angelson Chief executive officer of the company since February 27, 2004; chief executive officer of Moore Wallace January 2003-February 2004; non-executive chairman of the board of Moore and lead independent director from November 2001 through December 2002. Deputy chairman of Chancery Lane Capital LLC, a private equity investment firm, from December 1999 through January 2002. Various executive capacities at Big Flower Holdings, Inc., a printing, advertising and marketing services company, and its successor, Vertis Holdings, Inc., including as executive deputy chairman, from March 1996 until March 2001

Committees: Executive

Age: 53

Director since: 2001

Robert F. Cummings, Jr. Retired from the Goldman Sachs Group, Inc., an investment bank, at the end of 2001 after more than 28 years with the firm. Currently a senior advisor to GSC Partners, a private investment firm

Directorships: Axiohm Transaction Solutions, Inc.; Precision Partners, Inc.; Viasystems Corporation

Committees: Corporate Responsibility & Governance; Human Resources

Age: 54

Director since: 2003

Alfred C. Eckert III Chairman and chief executive officer of GSCP (NJ), Inc., a private investment firm; chairman of the board of Moore Wallace from January 2003 through February 2004

Directorships: Regal Entertainment Group

Committees: Executive

Age: 55

Director since: 2000

Oliver R. Sockwell President and chief executive officer of Construction Loan Insurance Corporation (Connie Lee) and its subsidiary, Connie Lee Insurance Company, financial guarantee insurance companies, 1987-1997 (retired)

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Directorships: Liz Claiborne, Inc.

Committees: Corporate Responsibility & Governance

Age: 60

Director since: 1997

Stephen M. Wolf

Chairman of board of directors of the company; Managing partner of Alpilles, LLC, a private investment company, 2003-present; non-executive chairman of US Airways Group, Inc.*, an air carrier holding company, and its subsidiary US Airways, Inc., an air carrier, 2003; chairman of US Airways Group, Inc. and US Airways, Inc., 1996-2002; chief executive officer of US Airways

Group, Inc. and US Airways, Inc., 1996-1998, 2001-2002

Directorships: Altria Group, Inc.

Committees: Executive

Age: 62

Director since: 1995

* U.S. Airways Group, Inc. filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code on August 11, 2002 and emerged from bankruptcy protection under a plan of reorganization effective March 31, 2003.

The board recommends that stockholders vote for each of our nominees. If any nominee does not stand for election, proxies voting for that nominee may be voted for a substitute nominee selected by the board. The board may also choose to reduce the number of directors to be elected at the meeting.

Proposal 2: Stockholder Proposal

We have been notified that William Steiner, 112 Abbottsford Gate, Piermont, New York 10968, who has provided certification indicating that, as of August 26, 2003, he was the beneficial owner of 3,050 shares of the company's common stock and that he intends to maintain such ownership through the date of the 2004 Annual Meeting, expects to introduce and support the following proposal at the 2004 Annual Meeting. Based on the information above, the stockholder proponent owns a total of approximately .0014% of the total shares of the company's common stock outstanding.

Resolved, that the shareholders of R.R. Donnelley & Sons Company urge the R.R. Donnelley & Sons Company Board of Directors to arrange for the prompt sale of R.R. Donnelley & Sons Company to the highest bidder.

Statement of Support: The purpose of the Maximize Value Resolution is to give all R.R. Donnelley & Sons Company shareholders the opportunity to send a message to the R.R. Donnelley & Sons Company Board that they support the prompt sale of R.R. Donnelley & Sons Company to the highest bidder. I believe that a strong and or majority vote by the shareholders would indicate to the board the displeasure felt by the shareholders of the shareholder returns over many years and the drastic action that should be taken. Even if it is approved by the majority of the R.R. Donnelley & Sons Company shares represented and entitled to vote at the annual meeting, the Maximize Value Resolution will not be binding on the R.R. Donnelley & Sons Company Board. The proponent however believes that if this resolution receives substantial support from the shareholders, the board may choose to carry out the request set forth in the resolution.

The prompt auction of R.R. Donnelley & Sons Company should be accomplished by any appropriate process the board chooses to adopt including a sale to the highest bidder whether in cash, stock or a combination of both.

The proponent further believes that if the resolution is adopted, the management and the board will interpret such adoption as a message from the company's stockholders that it is no longer acceptable for the board to continue with its current management plan and strategies. **I URGE YOUR SUPPORT, VOTE FOR THIS RESOLUTION.**

Position of the Board of Directors

The Board of Directors recommends that the stockholders support the Board of Directors and vote AGAINST the stockholder proposal.

The proposed resolution calls for the prompt sale of the company to the highest bidder in a public auction. A sale of the company is just one alternative that a board can consider in fulfilling its primary duty to maximize stockholder value and protect the interests of all company stockholders. And, even if a sale were to be pursued, a sale through a public auction is just one method that a board could use to maximize value.

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Consistent with its fiduciary duties, this board of directors has sought to manage the company's affairs in a manner it believes to be in the best interests of the company and its stockholders. The board of directors has continuously analyzed the strategic alternatives for the company as part of carrying out its fiduciary obligations. The analysis has included a review of a broad range of information regarding the company's business, industry, competition, products and services, and on the overall communication needs of customers and prospects, as well as countless other factors that the board must consider in performing its oversight responsibilities. This analysis has considered the results of broad industry and market research, customer input, preparation of detailed financial projections, and review with both industry and financial experts. It is that analysis that led the board to the company's current strategies, and ultimately to recommend to stockholders the combination of the company with Moore Wallace Incorporated. The board believes that the opportunities presented by the combination are consistent with the best interests of stockholders, as well as customers, suppliers, employees and other constituencies.

The affirmative vote of the holders of a majority of the shares of the company's common stock present in person or by proxy at the 2004 Annual Meeting, and entitled to vote on the stockholder proposal on a sale of the company, is required to approve it.

The Board of Directors recommends that the stockholders vote AGAINST the stockholder proposal.

Proposals

Proposal 3: Stockholder Proposal

We have been notified that the United Association S&P 500 Fund, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456, which has provided certification indicating that, as of November 18, 2003, it was the beneficial owner of 7,212 shares of the company's common stock and that it intends to maintain such ownership through the date of the 2004 Annual Meeting, expects to introduce and support the following proposal at the 2004 Annual Meeting. Based on the information above, the stockholder proponent owns a total of approximately .0033% of the total shares of the company's common stock outstanding.

Resolved, that the stockholders of R.R. Donnelley & Sons Company (Company) hereby request that the Company's Board of Directors establish a policy of expensing in the Company's annual income statement the costs of all future stock options issued by the Company.

Statement of Support: Current accounting rules give companies the choice of reporting stock option expenses annually in the company income statement or as a footnote in the annual report (See: Financial Accounting Standards Board Statement 123). Many companies, including ours, report the cost of stock options as a footnote in the annual report, rather than include the option costs in determining operating income. We believe that expensing stock options would more accurately reflect a company's operational earnings.

Stock options are an important component of our Company's executive compensation program. We believe that the lack of option expensing can promote excessive use of options in a company's compensation plans, obscure and understate the cost of executive compensation and promote the pursuit of corporate strategies designed to promote short-term stock price rather than long-term corporate value.

The failure to expense stock option grants has introduced a significant distortion in reported earnings, stated Federal Reserve Board Chairman Alan Greenspan. Reporting stock options as expenses is a sensible and positive step toward a clearer and more precise accounting of a company's worth. *Globe and Mail*, Expensing Options is a Bandwagon Worth Joining, Aug. 16, 2002.

Warren Buffett wrote in a *New York Times* Op-Ed piece on July 24, 2002:

There is a crisis of confidence today about corporate earnings reports and the credibility of chief executives. And it's justified.

For many years, I've had little confidence in the earnings numbers reported by most corporations. I'm not talking about Enron and WorldCom examples of outright crookedness. Rather, I am referring to the legal, but improper, accounting methods used by chief executives to inflate reported earnings. . .

Options are a huge cost for many corporations and a huge benefit to executives. No wonder, then, that they have fought ferociously to avoid making a charge against their earnings. Without blushing, almost all C.E.O.s have told their shareholders that options are cost-free. . .

When a company gives something of value to its employees in return for their services, it is clearly a compensation expense. And if expenses don't belong in the earnings statement, where in the world do they belong?

Bear Stearns recently reported that more than 356 companies are expensing stock options or have indicated their intention to do so. 101 of these companies are S&P 500 companies, representing 39% of the index, based on market capitalization. See Bear Stearns Equity Research, Sept. 4, 2003, More Companies Voluntarily Adopt Fair Value Expensing of Employee Stock Options.

This Fund, along with other Building Trades union pension funds, sponsored this expensing proposal last proxy season and received majority votes at 26 companies, including Fluor, Calpine, Georgia-Pacific, U.S. Bancorp, Thermo Electron, Veritas Software, Apple Computer and Kohls. We urge your support for this important reform.

Position of the Board of Directors

The Board of Directors recommends that the stockholders support the Board of Directors and vote AGAINST the stockholder proposal.

The stockholder proposal urges the board to establish a policy of expensing in its annual income statement the costs of all future stock option grants. The proposal asserts that this would result in a more accurate presentation of the company's operational earnings. The board shares the proponent's interest in providing

the company's current and prospective stockholders with the most accurate presentation possible of the company's operational earnings. However, we continue to believe that it would not be in our stockholders' best interests to change our accounting treatment of stock options at this time, although we will continue to evaluate this approach in light of ongoing developments and industry actions. A substantially similar stockholder proposal on option expensing was considered at last year's annual meeting and rejected by the stockholders.

First, the company intends to continue, as it always has, to comply in full with all applicable accounting regulations. In October 2003, the Financial Accounting Standards Board (FASB) decided that expensing of options would become mandatory beginning in 2005. FASB is expected to issue final rules on stock option expensing in the second half of 2004. This issue is also, however, under consideration by other regulatory bodies, including Congress, the Securities and Exchange Commission (SEC) and the International Accounting Standards Board. While it is unclear how these bodies will ultimately resolve this issue, both the House and the Senate have introduced bills seeking to bar the SEC from recognizing any new accounting standards related to stock options for three years and limiting mandatory expensing of stock options to grants to the top-five compensated executive officers of large companies. Given this uncertainty, the board believes at this time that the best approach is to await the final determination of these authorities rather than change the company's accounting and reporting practices now and again if any new requirements become effective.

Second, the company already discloses in the footnotes to its annual financial statements the information (i.e., information with respect to the fair value of options) that the proposal would require to be included in the income statement itself. Moreover, the company is already required to calculate and report its earnings per share on a diluted basis. In making this calculation, the company is required to assume that all in-the-money options have been exercised. If expensing were also required, the impact of options would be counted twice in the income statement's calculation of diluted earnings-per-share: first as an increase in the number of shares outstanding and second as a charge against reported earnings.

Third, the board believes that expensing options would not further the goal of providing investors with the most accurate possible presentation of the company's operational earnings, but could actually distort the picture of the company's operational earnings provided by its income statement. As there is currently no agreed-upon method of calculating the fair value of option grants, any valuation of options would require the company to select what method most accurately reflects the fair value of the company's option grants. Adding a subjective component to the preparation of the company's income statements would lead to income statements that are arguably less accurate than those that are currently included in the company's public filings. And to the extent they were based even in part on market price for the company's stock, the result could be quarter-to-quarter volatility in earnings. Until rules regarding the method of calculating the fair value are provided by FASB and other regulatory agencies, it is not in the best interest of the company or stockholders for the company to expense options.

Fourth, adoption of the proposal would make it more difficult for the company's stockholders and potential stockholders to compare its income statement to those of other companies. As noted above, there is no one accepted method of expensing options. As a result, the cost of options could and likely would be reflected differently in the income statements of different companies. In addition, many companies, including those in the company's peer group, do not currently expense options. Until uniform rules regarding the method by which options should be expensed are agreed upon, it would be more difficult for stockholders to compare the company's financial performance with many of its competitors if the company were to expense options at this time.

The affirmative vote of the holders of a majority of the shares of the company's common stock present in person or by proxy at the 2004 Annual Meeting, and entitled to vote on the stockholder proposal on expensing options, is required to approve it.

The Board of Directors recommends that the stockholders vote AGAINST the stockholder proposal.

Your Proxy Vote

Voting Instructions

You are entitled to one vote for each share of the company's common stock that you own as of the record date. Below are instructions on how to vote, as well as information on your rights as a stockholder as they relate to voting. Some of the instructions vary depending on how your stock is held. It's important to follow the instructions that apply to your situation.

If you prefer to vote by mail, by telephone or over the Internet and your shares are registered in your name, or if you hold your shares as a participant in the company's Stock Fund, Dividend Reinvestment Plan, Employee Monthly Investment Plan or Tax Credit Stock Ownership Plan, you may do so using the enclosed proxy card, by calling the toll-free number listed on your proxy card or by logging on to the website listed on your proxy card and following the simple instructions provided. If you are a participant in the company's Stock Fund, Dividend Reinvestment Plan, Employee Monthly Investment Plan or Tax Credit Stock Ownership Plan, any proxy you submit, vote by telephone or over the Internet will be counted as representing these shares as well as any other shares you may own, as long as the shares are all registered in the same name. The telephone and Internet voting procedures are designed to allow you to vote your shares and to confirm that your instructions have been properly recorded consistent with applicable law. Please see your proxy card for specific instructions. Stockholders who wish to vote over the Internet should be aware that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, and that there may be some risk a stockholder's vote might not be properly recorded or counted because of an unanticipated electronic malfunction. Voting by telephone and the Internet will be closed at midnight the night prior to the Annual Meeting.

If your shares are held in street name, you should give instructions to your broker on how to vote your shares or your shares may not be voted.

If you plan to attend the meeting and vote in person, your instructions depend on how your shares are held:

Shares registered in your name check the appropriate box on the enclosed proxy card and bring either the admission ticket attached to this proxy statement or evidence of your stock ownership with you to the meeting. The ticket will serve as your admission and your authorization to vote in person.

Shares registered in the name of your broker or other nominee ask your broker to provide you with a broker's proxy card in your name (which will allow you to vote your shares in person at the meeting) and either bring the admission ticket attached to this proxy statement or evidence of your stock ownership from your broker.

Remember that attendance at the meeting will be limited to stockholders as of the record date with an admission ticket or evidence of their share ownership and guests of the company.

If your shares are registered in your name, you may revoke your proxy at any time before it is exercised. There are several ways you can do this:

By delivering a written notice of revocation to the secretary of the company.

By executing another proxy that bears a later date which is voted at the meeting.

By voting by telephone at a later time.

By voting over the Internet at a later time.

By voting in person at the meeting.

If your shares are held in street name, you must contact your broker to revoke your proxy. In tallying the results of the voting, the company will count all properly executed and unrevoked proxies that have been received in time for the 2004 Annual Meeting. To hold a meeting of stockholders, a quorum of the shares (which is a majority of the shares outstanding and entitled to vote) is required to be represented either in person or by proxy at the meeting.

Voting Rules

When voting to elect directors, you have three options:

Vote for all five nominees.

Vote for only some of the nominees.

Withhold authority to vote for all or some nominees.

If a quorum is present at the meeting, the five persons receiving the greatest number of votes will be elected to serve as directors. Because of this rule, any shares that are not voted or whose votes are withheld will not influence the outcome of the election.

When voting on any other proposals, you again have three options, but different from those pertaining to the election of directors:

Vote FOR a given proposal.

Vote AGAINST a given proposal.

ABSTAIN from voting on a given proposal.

Each matter other than the election of directors requires the affirmative vote of a majority of the shares present at the meeting and entitled to vote on the proposal. Abstaining is the legal equivalent of voting against a proposal. Other than shares held in the company's Stock Fund or Tax Credit Stock Ownership Plan, non-voted shares will not affect the result. Non-voted shares held in the company's Stock Fund and Tax Credit Stock Ownership Plan will result in a vote against a proposal.

If you return your proxy with no votes marked, your shares will be voted as follows:

FOR the election of all five nominees for director.

AGAINST the stockholder proposal regarding the sale of the company.

AGAINST the stockholder proposal regarding the establishment of a policy of expensing the cost of options.

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It is possible for a proxy to indicate that some of the shares represented are not being voted as to certain proposals. This occurs, for example, when a broker is not permitted to vote on a proposal without instructions from the beneficial owner of the stock. In these cases, non-voted shares are considered absent in the tallies for those proposals.

The company actively solicits proxy participation. In addition to this notice by mail, the company encourages banks, brokers and other custodian nominees and fiduciaries to supply proxy materials to stockholders, and reimburses them for their expenses. However, the company doesn't reimburse its own employees for soliciting proxies. The company has hired Morrow & Co. to help solicit proxies, and has agreed to pay them \$6,500 plus out-of-pocket expenses.

As of the record date, there were 216,678,020 shares of common stock outstanding. This does not include 26,280,338 shares held in the company's treasury. Each outstanding share is entitled to one vote on each proposal.

Company Information
Stock Performance

The graph below compares five-year returns of the company's common stock with those of the S&P 500 Index and a selected peer group of companies. The figures assume all dividends have been reinvested, and assume an initial investment of \$100 on December 31, 1998. The returns of each company in the peer group have been weighted to reflect their market capitalizations.

Comparison of Five-Year Cumulative Total Return Among RR Donnelley, S&P 500 Index and Peer Group*

* Fiscal Year Ended December 31

	December 31,					
	1998	1999	2000	2001	2002	2003
RR Donnelley	\$ 100.00	\$ 58.24	\$ 65.92	\$ 74.81	\$ 56.96	\$ 82.36
Standard & Poor's 500	100.00	121.04	110.02	96.95	75.52	97.18
Peer Group	100.00	126.87	122.44	116.76	115.71	144.14

RR Donnelley has traditionally provided a broad range of communications services to publishers, retailers, catalog merchants and information providers, among others. Following the combination with Moore Wallace, these services have been expanded to include print management and out-sourced communications services. Because our services and customers are so diverse, the company does not believe that any single published industry index is appropriate for comparing stockholder return. Therefore, the peer group used in the performance graph combines two industry groups identified by Value Line Publishing, Inc.: the publishing group (including printing companies) and the newspaper group. The company itself has been excluded, and its contributions to the indices cited have been subtracted out. The Value Line indices are those that investment analysts frequently use when comparing the company with other companies. Changes in the peer group from year to year result from companies being added to or deleted from the Value Line publishing group or newspaper group.

Companies in the Peer Group

Below are the specific companies included in the Value Line indices and the class of stock used if not common stock:

<u>Company</u>	<u>Stock Class</u>
Banta Corporation	
Bowne & Co. Inc.	
Deluxe Corporation	
Dow Jones & Company, Inc.	
Dun & Bradstreet Corp.	
Gannett Co., Inc.	
John H. Harland Company	
Knight-Ridder, Inc.	
Lee Enterprises, Inc.	
McClatchy Newspapers, Inc.	A
McGraw-Hill, Inc.	
Media General, Inc.	A
Meredith Corporation	
News Corp Ltd	ADR
The New York Times Company	A
Penton Media, Inc	
Playboy Enterprises, Inc.	B
Pulitzer Publishing Company	
The Reader s Digest Association, Inc.	
Reuters Holdings PLC	
Scholastic Corporation	
The E.W. Scripps Company	A
Tribune Company	
The Washington Post Company	B
John Wiley & Sons	A

About the Current Directors

The information below describes the directors whose terms continue to run until 2005 or 2006. Information on current directors who are up for election this year is provided earlier under Proposal 1. In accordance with the terms of the Combination Agreement, each of Messrs. Riordan, Pope and Schipper and Ms. Manley was appointed to the board effective February 27, 2004. In the following descriptions, director service includes service as a director of Moore Wallace, Moore and Wallace Computer Services, Inc.

Directors of Class 2 Terms expire in 2005

Gregory Q. Brown Executive vice president of Motorola, Inc., a provider of integrated communications and embedded electronic solutions, and president and chief executive officer of Commercial, Government and Industrial Solutions Sector of Motorola, Inc., 2003-present; chairman and chief executive officer of Micromuse Inc., a provider of network diagnostics and service-assurance software, 1999-2002; president of Ameritech Custom Business Services, Ameritech Corporation, a communications services provider, 1996-1999

Directorships: Micromuse Inc.

Committees: Audit

Age: 43

Director since: 2001

Judith H. Hamilton Former president and chief executive officer of Classroom Connect Inc., a provider of materials integrating the Internet into the education process, 1999-2002; former president and chief executive officer of FirstFloor Software, an Internet software publisher, 1996-1998

Directorships: Artistic Media Partners, Inc.; Expression Center for New Media

Committees: Corporate Responsibility & Governance; Executive

Age: 59

Director since: 1995

Joan D. Manley

Retired group vice president and retired director of Time Incorporated, a publisher of books and magazines

Directorships: Sara Lee Corporation; Dreyfus Founders Funds

Committees: Audit

Age: 71

Director since: 2002

Michael T. Riordan.

Former chairman, president and chief executive officer of Paragon Trade Brands, Inc., a manufacturer of diapers and other absorbent products, from May 2000 to February 2002; former president and chief operating officer of Fort James Corporation from August 1997 to August 1998 and, prior to that, chairman, president and chief executive officer of Fort Howard Corporation

Directorships: The Dial Corporation; Potlatch, Inc.; American Medical Security Group, Inc.

Committees: Corporate Responsibility & Governance; Finance

Age: 53

Director since: 1999

Bide L. Thomas

President of Commonwealth Edison Company, a producer, distributor and seller of electric energy, 1987-1992 (retired)

Committees: Audit

Age: 68

Director since: 1987

Company Information

Directors of Class 3 Terms expire in 2006

James R. Donnelley Partner, Stet & Query Limited Partnership, a private investment partnership, 2000- present; vice chairman of the RR Donnelley board of directors, 1990-2000 (retired)

Directorships: PMP Limited; Sierra Pacific Resources Corp.

Committees: Finance

Age: 68

Director since: 1976

Thomas S. Johnson Chairman and chief executive officer of GreenPoint Financial Corp., a bank holding company, and its subsidiary, GreenPoint Bank, a New York chartered savings bank, 1993-present

Directorships: GreenPoint Financial Corp.; GreenPoint Bank; Alleghany Corporation;

The Phoenix Companies, Inc.