

see

oppo r

23	MESSAGE FROM THE CEO
26	SUPERVISORY BOARD REPORT
30	CORPORATE GOVERNANCE
34	EXECUTIVE BOARD REPORT
44	OPERATING REVIEW
57	FINANCIALS
120	SHAREHOLDER INFORMATION

see

portunity





see what's for dinner



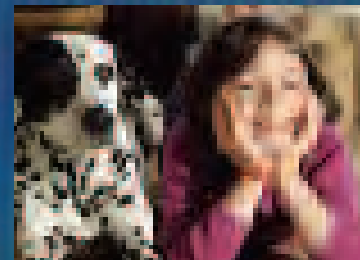
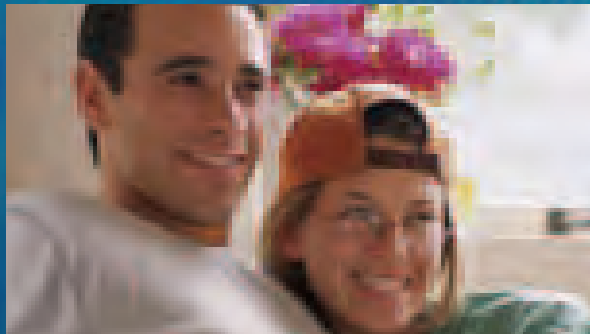
see the stores...



and the story



see who's watching...



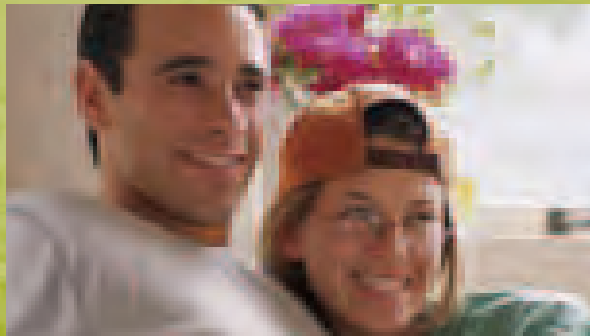


what they watch...





and how they watch it









see how thousands...





...become millions



see behind the scenes...

A photograph of a man with dark, wavy hair, wearing a dark suit, a pink shirt, and a patterned tie. He is smiling and looking towards another man whose back is to the camera. The background is a busy conference or trade show with other people and display boards. The text "and the connections to make" is overlaid in white on the image.

and the connections to make



see tomorrow's demand



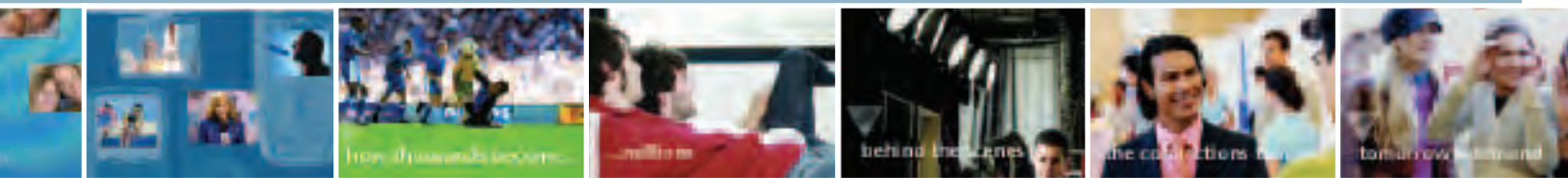
There are few boundaries on how VNU helps clients see their markets more clearly, understand what's happening and decides what to do about it. Our services help clients master the complexity of an incredibly fast-moving marketplace, find growth opportunities and deliver better results. We're investing in high-value services our clients use to grow faster. In the market for consumer goods, we're expanding *ACNielsen's Homescan* panels to give manufacturers and retailers deeper

see the results



CONSUMER INSIGHT into what household members buy, where they shop and why they make their decisions. At the same time, we're expanding our coverage of the modern marketplace to show clients every facet of **RETAIL DYNAMICS** including what's moving off the shelves, the promotions that influence sales and the characteristics of the consumers that visit a store. Nielsen Media Research is expanding its coverage so that clients can respond to the fragmentation of **TELEVISION AUDIENCES** across the broad-cast, cable and satellite universe and see more

clearly the impact of personal video technology on how consumers watch television. VNU's MMI group is launching services that measure product placement on television. Nielsen Sports is measuring the impact of **S P O R T S S P O N S O R S H I P** and stadium advertising on thousands of people in the arena and millions on television. In Business Media, we're expanding our ability to help clients see behind the scenes with **I N D U S T R Y N E W S** covering entertainment, food and beverage



retailing, recruitment and other industries. VNU Expositions is expanding its **I N D U S T R Y E V E N T S** to help buyers and sellers make connections in new markets, including China. And across our businesses, particularly in the arena of consumer marketing and media information, VNU's groups are working together to create new services with unique combinations of information, analysis and **A D V I S O R Y S E R V I C E S**. Our unique set of capabilities will give clients unparalleled opportunities to see where consumers are headed and what they should do to create and respond to greater demand for their products and services.

VNU ▼ employs 38,000 people worldwide ▼ serves clients in more than 100 countries ▼ invests more



VNU MI ▼ measures more than 77 million product transactions per year (ACNielsen RMS) ▼ identifies



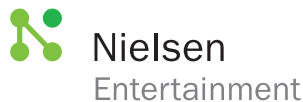
information from more than 320,000 stores worldwide (ACNielsen RMS) ▼ captures actual purchase



consumer interviews around the world (ACNielsen CRS) ▼ Tested more than 53,000 new product concepts



210 local US television markets (NMR) ▼ provides information on 85% of the world's advertising spending



(Monitor Plus) ▼ collects data on more than 70% of global Internet activity (NetRatings) ▼ reports on the



from 50,000+ US movie screens (EDI) ▼ maintains the largest database of media rates in the world

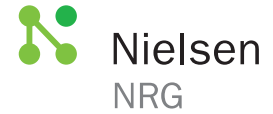


Outdoor) VNU BI ▼ publishes more than 140 publications worldwide (BI Total) ▼ offers 150 trade



▼ Brings together 485,000 trade show attendees each year ▼ produces 90 websites and 76 e-newsletters

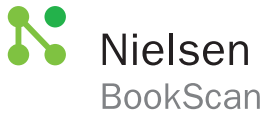
than xxx million euro in new product innovation each year ▼ earned X.x billion euros in revenue



and codes 3 million new products each year worldwide (ACNielsen RMS) ▼ tracks the retail sales



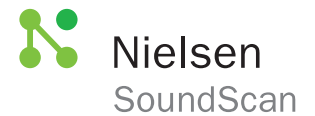
behavior from 230,000+ households in 25 countries (CPS) ▼ conducts hundreds of thousands of



since 1977 (BASES) VNU MMI ▼ measures TV usage for about 107 million US households across

see the power of VNU

TV viewing habits of more than 50% of the world's population (NMR/NMRI) ▼ tracks box-office results



- 100,000+ media properties (SRDS) ▼ Provide the first ever outdoor advertising currency (Nielsen)



exhibitions worldwide (BI total) ▼ reaches 1.8 business-professional readers in the US (BMUSA)



(eMedia) ▼ prints 70 million copies of trade magazines in Europe each year (BME)



Key figures	2005 EUR	2004 EUR	change %	2005 USD	2004 USD	change %
AMOUNTS X MILLION						
Total revenues	3,781	3,882	(2.6)	4,668	4,333	7.7
Operating income before goodwill charges***	688	643	7.0	849	718	18.2
Operating margin (in%)	18.2	16.6		18.2	16.6	
Operating income after goodwill charges***	401	388	3.4	495	433	14.3
Cash earnings*	454	382	18.8	560	426	31.5
Net earnings	163	130	25.4	201	145	38.6
Cash flows from operating activities	503	651	(22.7)	621	727	(14.6)
Acquisition of subsidiaries and associates	(83)	(104)	20.2	(102)	(116)	12.1
Divestiture of subsidiaries and associates	2,049	17	–	2,530	19	–
Investments in property, plant and equipment	(199)	(209)	4.8	(246)	(234)	(5.1)
Proceeds from the sale of property, plant and equipment	5	20	(75.0)	6	22	(72.7)
Tangible and intangible fixed assets	5,236	7,620	(31.3)	7,133	9,575	(25.5)
Working capital exclusive of cash	(448)	(676)	33.7	(610)	(849)	28.2
Shareholders' equity	3,957	4,066	(2.7)	5,392	5,109	5.5
Guarantee capital*	4,398	4,653	(5.5)	5,992	5,847	2.5
Net debt*	(641)	(2,958)	78.3	(873)	(3,716)	76.5
Interest coverage ratio	6.6	5.7		6.6	5.7	
Underlying interest coverage ratio**	6.6	6.3		6.6	6.3	
Net debt*: EBITDA*	0.8	3.6		0.8	3.6	
Data per common share						
	2005 EUR	2004 EUR	change %	2005 USD	2004 USD	change %
AMOUNTS X 1						
Cash earnings*	1.78	1.51	17.9	2.20	1.68	31.0
Underlying cash earnings* at constant currencies**	1.92	1.76	9.1	2.37	1.96	21.9
Net earnings	0.62	0.50	24.0	0.77	0.56	37.5
Fully-diluted net earnings	0.62	0.50	24.0	0.77	0.56	37.5
Cash flows from operating activities	1.99	2.61	(23.8)	2.46	2.92	(15.8)
Shareholders' equity	15.60	16.26	(4.1)	21.25	20.4	2 4.1
Dividends (2004 proposal)	0.55	0.55	–	0.68	0.61	11.5
Dividends : Cash earnings* (in %)	30.9	36.4		30.9	36.4	

* See definition on page 135.

** Excluding in 2003: reorganization charges Marketing Information and Directories and book loss on the sale of Claritas Europe.

*** Goodwill amortization and impairment charges.

In order to facilitate comparisons on an international basis, current year euro (EUR) balance sheet amounts have been translated into US dollars (USD) at the December 31, 2004 exchange rate of USD 1.00 = EUR 0.73 (2003: EUR 0.80), while the statement of earnings/cash flows amounts have been translated based on the weighted average exchange rate of USD 1.00 = EUR 0.81 (2003: EUR 0.90).



Rob van den Bergh
CEO VNU nv

We will leverage the best technology to gather, process and deliver information to the right decision-makers at the right time.

With the business picking up momentum in the second half, our underlying cash earnings per share rose 9% in constant currencies*. Including the negative impact of currency exchange rate differences, particularly from the weak US dollar, reported cash earnings per share rose 18%. Our progress was fueled primarily by robust growth in our marketing and media information segments, where organic revenue advanced 7% and 8%, respectively. Demand remains high for the information and services of these two groups, underscoring the value and return-on-investment that we deliver to our clients.

* Excludes 2003 reorganization charges and a book loss on the sale of Claritas Europe.

Late in the year, we concluded the sale of the Directories group, a slower-growing business that made a valuable contribution to the success of VNU and to our transformation. The divestiture, which resulted in gross proceeds of EUR 2,075 million and a reduction in net debt to EUR 641 million, focuses our portfolio more sharply on business-to-business information services and provides more flexibility to invest in future growth. We used EUR 150 million proceeds to lower our gross debt to EUR 2,806 million by the end of 2004, and we have used another EUR 1,170 million to retire additional debt in early 2005. We expect to use the remainder for targeted acquisitions in marketing and media information and trade shows.

With demand increasing for higher-value, integrated information, we are intensifying our efforts to combine our

assets and develop truly innovative business solutions for our clients. Fast organic revenue growth is critical to our future and will continue to be a top priority in 2005.

Our intent is to build upon the depth and breadth of our proprietary data to achieve an expanded role as an innovative provider of advanced, value-added services and expert advice. To get there, we will continue to invest in having the best available information about consumers, markets and media. We will leverage the best technology to gather, process and deliver that information to the right decision-makers at the right time. Furthermore, we will harness the expertise of our people to offer new consulting and forecasting services that enable our clients to cut through the complexities of the marketplace and arrive at the best decisions for their businesses. We believe this high-powered combination of information, technology and people will enhance our position with clients, accelerate our growth and increase shareholder value.

Business Group Performance

Our Marketing Information group (MI) delivered strong top-line growth in 2004, including key client wins that sustained its strong market-share leadership. ACNielsen, the cornerstone of this group, produced excellent organic growth overall, although results were disappointing in Europe, where the complex transition to a new data factory is taking longer than expected. Our competitive performance in Europe remains strong and



total company view

Since 1964, VNU has expanded from a Dutch publishing firm into a major international information and media company. Today VNU provides millions of people around the world with business and professional intelligence. Our 38,000 employees are working worldwide in more than 100 countries. Total revenues under IFRS amounted to EUR 3.3 billion in 2004. VNU is listed on the Euronext Amsterdam stock exchange (ASE: VNU), and the company is part of the AEX index of leading Netherlands-based stocks. VNU's headquarters are located in Haarlem, The Netherlands and New York, USA.

TOP 10 COUNTRIES *

Country	Total revenues x EUR million	Number of employees
United States	1,816	12,937
United Kingdom	212	1,583
France	127	1,018
Germany	123	863
The Netherlands	122	683
Canada	103	1,082
Italy	82	627
Spain	58	524
Australia	55	573
Belgium	52	527

business group view

BUSINESS GROUP

vnu marketing information

We are the world's leading provider of marketing information and analysis. We measure retail sales of consumer packaged goods and study consumer attitudes and behavior to give our clients a competitive

advantage in today's fast-moving, complex marketplace. This essential knowledge helps clients improve brand performance, develop and launch new products and identify new marketing opportunities.

MAIN BUSINESSES & BRANDS

ACNielsen, ACNielsen Advisory Services, ACNielsen Analytic Consulting, ACNielsen Customized Research, ACNielsen BASES, Claritas, ACNielsen Homescan, Spectra, ACNielsen HCI

vnu media measurement & information

We are the world's leading provider of media and entertainment information. We measure audiences for television, motion pictures, radio, print, the Internet, and other major media. In advertising, we monitor both expenditures and creative content and we

track CD, video, DVD and book sales. Using this wealth of information, our software and solutions help media owners, agencies, advertisers and retailers plan and optimize their marketing activities.

Nielsen Media Research, AGB Nielsen Media Research, Nielsen Outdoor, Nielsen Monitor-Plus, Nielsen Sports, Nielsen//NetRatings, Nielsen Entertainment, IMS, Perq/HCI, Scarborough Research, SRDS

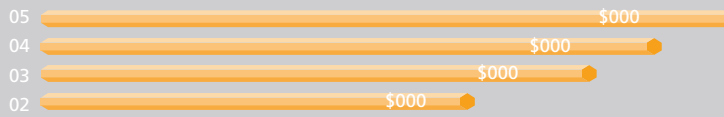
vnu business information

Through our publishing and trade show units, we connect buyers and sellers in dynamic business information environments. We deliver news, analysis and vital business insights to help busy professionals stay on top of industry issues and to enable them to

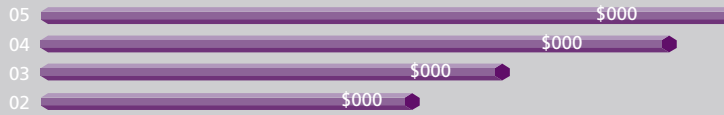
make critical business decisions. We offer more than 140 print publications, 150 trade shows and related conferences and executive summits, and numerous websites, each targeted to the specific industry groups we serve.

VNU Business Media, VNU Business Publications USA, VNU Expositions, VNU Exhibitions, VNU eMedia & Information Marketing, VNU Business Media Europe Adweek, Billboard, Brandweek, The Hollywood Reporter, Progressive Grocer, Accountancy Age, Intermediar

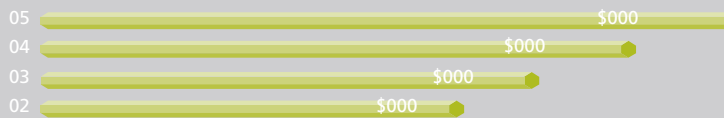
REVENUE



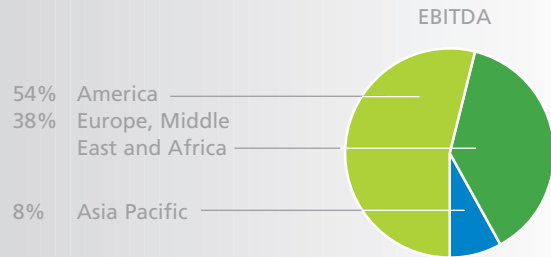
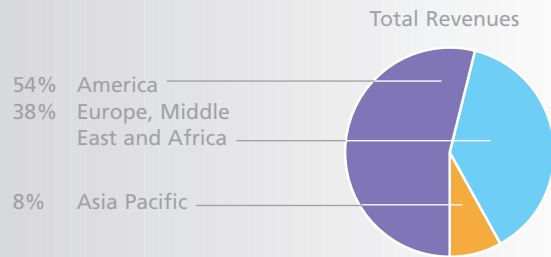
EBITDA



EPS



GEOGRAPHICAL BREAKDOWN



ADDITIONAL SERVICE OFFERINGS

Point of sale retail measurement, consumer behavior panels, custom research, new product sales forecasting, consumer segmentation and targeting, marketing campaign tracking, analysis and consulting

Television Audience Measurement, competitive advertising information, internet audience and advertising measurement, pre-market entertainment marketing, point of sale retail measurement, advertising rate and circulation data, consumer information, software

Trade magazines, Trade Shows and conferences, supporting web sites and portals

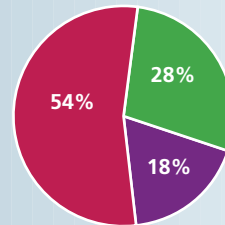
MAIN CLIENT BASE

Manufacturers and retailers of Fast Moving Consumer Goods. Also serve the general retail, restaurant, real estate, financial services and pharmaceutical industries.

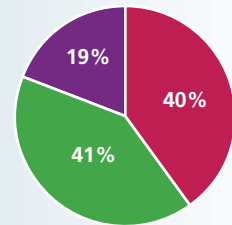
Advertisers and advertising agencies, media companies, motion picture studios, entertainment distributors and retailers, Internet marketers, TV & radio broadcasters, publishers

Professionals and advertisers from a variety of industries including marketing, media, advertising, entertainment, information technology, career management, finance

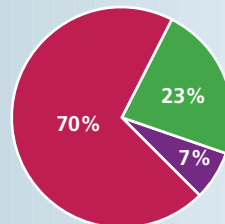
TOTAL REVENUE SHARE



EBITDA SHARE



EMPLOYEES



- M I
- M M I
- B I

clients are responding positively to the data factory's capabilities. However, after careful evaluation, we have determined that more time is needed to allow the organization and its clients to fully realize all of the data factory's benefits.

Our Advisory Services businesses performed well, especially BASES, which had a strong year thanks to expanded international sales of its new-product forecasting services. Advisory Services is also making good progress combining resources from across VNU to develop advanced, higher-value business solutions for our clients.

The Media Measurement & Information group (MMI) delivered its fourth consecutive year of record results. In the US, Nielsen Media Research grew its organic revenues by 12%. Nielsen continued to expand its National People Meter service and introduce Local People Meter (LPM) coverage in the nation's largest markets. Despite some initial controversy, virtually all Nielsen clients are supporting the LPM because it will deliver

publications, particularly The Hollywood Reporter, produced good results in 2004, and Europe's Intermediar benefited from a recovery in the recruitment sector. To bolster our position in this area, in October we acquired NationaleVacaturebank.nl, the leading online recruitment company in The Netherlands.

BI continues to reduce its cost base and is well positioned to capitalize on an advertising recovery. Responding to changing patterns in advertising spending and the reading habits of business professionals, the group also is moving to integrate its print and online media, conferences and trade show activities for specific industry groups. An example is the Marketing y Medios package of expositions and publications that we launched for the burgeoning US Hispanic market. This new approach will make BI's information more readily accessible to business people and provide more advertising opportunities to our customers.

we acted on an exciting opportunity to expand our

more detailed, accurate and timely audience estimates.

We also acted on an exciting opportunity to expand our global footprint in television audience measurement through a joint venture with AGB Group. Combined with other Nielsen partners, the venture expands our TV ratings coverage to 46 countries, representing more than 70 percent of global television advertising spending.

During the year, MMI launched promising new services to measure audiences for outdoor media, cinema, interactive games, product placement and sports sponsorships. NetRatings, the Internet audience measurement business that is 60% owned by VNU, continued to deliver strong revenue growth and reduce its losses and improving its business performance while expanding its research panels in major countries, including the US, Germany, France and the UK.

Our Business Information group (BI) generated good results from trade shows in the US and Europe and is aggressively expanding this business into new industries and geographies. Trade shows now account for 83% of the group's operating income and 32% of its revenues. In publishing, advertising markets remain weak overall, especially the IT sector in Europe, but some segments are performing well. BI's entertainment

Growth and Efficiency

Our confidence in VNU's long-term growth is based on the strength of our businesses, our unique position in the information industry and our opportunities to raise the value we deliver to our clients.

Our growth initiatives are focused directly on the crucial business issues affecting our clients' results. Today's marketplace is exceptionally complex and difficult to understand, especially in the mature markets of the developed world. It's tough to reach the consumer, tough to find an edge and tough to compete. Many of our clients are raising their spending on marketing and media to drive top-line growth, and they are moving from traditional mass marketing to more efficient and productive targeted marketing.

To be successful, our clients are demanding more detailed information, better analysis, practical advice, and the ability to integrate our information with their own and share it more broadly across their organizations. They are looking to VNU to help them simplify the complexity of the marketplace, anticipate changes and trends, identify growth opportunities and move quickly to capture them. Their needs are guiding our investment plans and actions.

In broad terms, we are focused on four related growth areas:

- **Coverage** – Expanding the breadth and depth of our core coverage of consumer behavior and of retail and media market conditions, especially in advanced markets in the US and Europe. This includes the expansion of Nielsen's national and local television ratings in the US and the ACNielsen MegaPanel initiative, which will double the size of our US Homescan panel.
- **Global Expansion** – Introducing and expanding our existing services in dynamic, fast-growing, developing markets, particularly China, India, Brazil and Russia, where we already have extensive operations and are well-positioned to help our clients expand.
- **Innovation** – Leveraging the creativity and expertise of our people, together with the best-available technology, to create new services and capabilities, improve data gathering,

Corporate Governance

While we move aggressively to raise the value we deliver to clients, we will continue to strengthen our longstanding commitment to sound corporate governance. This is not a paper exercise at VNU. It's fundamental to our management practices.

We are engaged in an organization-wide program to strengthen our business control framework and ensure that our practices comply with international standards, including the Dutch Corporate Governance Code. Under the oversight of our independent Supervisory Board, we continue to set and enforce strict and appropriate rules regarding how we manage risk, ensure proper controls and achieve clarity and transparency in our financial reporting.

The Future: 2005 and Beyond

With economic conditions growing more stable, and with client demand for our information and services rising, I am convinced that VNU's growth prospects have never been brighter.

global footprint in television audience measurement

processing, delivery and integration, and enhance overall value to clients. This includes the new ACNielsen Data Factory in Europe, which will give clients harmonized European services, innovative reporting and web-delivery of core information products.

- **Solutions** – Driving long-term growth by integrating capabilities across VNU and from other sources to create ext-generation business solutions that make a demonstrable and substantial contribution to our clients' business performance. In this area, VNU Advisory Services will deliver the first of our new, value added integrated services in 2005.

At the same time, we are intently focused on improving operational efficiency, through our Project Atlas initiative in North America for ACNielsen, as well as other programs. By streamlining our businesses and reducing our cost base, we will improve our margins and free resources to invest in our growth initiatives. Our objective is to strike the right balance between short-term gains in our performance and long-term investments in future growth.

We are in a strong position – a true “sweet spot” where the complexity of the marketplace, the needs of our clients and our exceptional capabilities have come together to create exciting opportunities for our company. We are making smart investments to increase client value and drive organic growth, planning add-on acquisitions to extend our capabilities, and continuously improving our operational efficiency to support our investments and improve our profitability. Our people are working with unity, confidence and determination to serve our clients as an indispensable business partner and generate sustained, long-term growth in VNU's revenue, earnings and margins.

I want to thank our people for their effort, commitment and contributions to driving our company forward; our clients for granting us the opportunity to help them succeed, and our shareholders for their continued faith in our strategy and growth prospects.

We are looking forward eagerly to the many successes that lie ahead.

Rob van den Bergh
CEO VNU nv

Aad G. Jacobs (68),
Chairman

Former Chairman of the Executive Board of ING Groep nv. Other important positions – Supervisory Director of: Imtech nv (Chairman); Joh. Enschedé bv (Chairman); Koninklijke Nederlandsche Petroleum Maatschappij nv (Chairman); Buhrmann nv (Vice Chairman); IHC Caland nv (Vice Chairman) and ING Groep nv. Nationality: Dutch Residing in The Netherlands First appointment: 1998 Term expires: 2006 Member of the Audit Committee and the Remuneration and Nomination Committee.



To the General Meeting of Shareholders of VNU nv.

The financial statements of VNU nv as prepared by the Executive Board for the year ended December 31, 2004 have been audited by Ernst & Young Accountants, who have issued an unqualified audit opinion thereon. The Audit Committee of the Supervisory Board has discussed these financial statements in a meeting where Ernst & Young Accountants were present.

The Supervisory Board recommends that at the General Meeting of Shareholders, the 2004 financial statements be adopted accordingly. The General Meeting of Shareholders is also recommended to approve a dividend of EUR 0.45 per priority share, EUR 0.64 per 7% preferred share (which has already been paid as an interim dividend) and of EUR 0.55 per common share of which an interim dividend of EUR 0.12 has already been paid. The final dividend of EUR 0.43 still payable, will, if the shareholders so desire, be paid in shares in a ratio to be determined later. This dividend proposal is within the framework of the Dividend and Reservation Policy, as discussed in the General Meeting of Shareholders held on April 20, 2004.

As separate agenda items, we recommend the General Meeting of Shareholders to discharge the Supervisory Board and the Executive Board from their supervisory and management responsibility in 2004, as far as they relate to the financial statements and the Annual Report.

The Supervisory Board notes that the net earnings per share increased by 24%. Adjusted for one-off items in 2003, underlying cash earnings per share increased by 1%.

For their dedication, we express our thanks to the Executive Board, management and all employees of the company.

Information on each of the members of the Supervisory Board as required by the Dutch Corporate Governance Code (the "Code"), is included in the list of the Supervisory Board members.

Currently two members of the Supervisory Board (mr. J.L. Brentjens and mr. G.S. Hobbs) are not independent as described in the Code. The Best Practice Provision of the Code that not more than one member of the Supervisory Board shall not be independent is currently not met. April 18th, 2005, is the fifth anniversary of the retirement of mr. J.L. Brentjens from VNU's Executive Board. As of that date, we intend to apply this Best Practice Provision.

In 2005 no regular terms of office of members of the Supervisory Board are scheduled to expire.

The Supervisory Board regularly held discussions throughout 2004 with the Executive Board. Of six meetings in total, one meeting was held in the United States. None of the members of the Supervisory Board has been absent from the meetings of the Supervisory Board in 2004.

The appointment of mr. R.A. Ruijter as a member of the

Frank L.V. Meysman (52),
Vice Chairman

Former Chairman of the Board of Management of Sara Lee/DEInternational bv and Executive Vice President and Director of Sara Lee Corporation. Other important positions – Supervisory Director of Grontmij nv and Member of the Board of GIMV nv. Nationality: Belgian Residing in Belgium First appointment: 1995 Term expires: 2007 Chairman of the Remuneration and Nomination Committee.



Joep L. Brentjens (64)

Former Chairman of the Executive Board of VNU nv. Other important positions – Supervisory Director of: Heijmans nv (Chairman); Océ nv (Chairman); Roto Smeets De Boer nv (ViceChairman); Fortis Obam nv and P. Bakker Hillegom bv; Governor of Van Leer Group Foundation (ViceChairman); Stichtingsbestuur Radboud Universiteit Nijmegen (Chairman) and board member of several foundations. Nationality: Dutch Residing in The Netherlands First appointment: 2000 Term expires: 2008 Member of the Audit Committee.



Executive Board and CFO, the sale of the Directories group as well as the envisaged transfer to New York in the second half of 2005 of a number of Haarlem based corporate functions and roles were major points of attention for the Supervisory Board.

The performance of the individual business groups were also discussed regularly. Additional subjects of discussion were budgets, monthly-, quarterly-, half-yearly- and yearly results, financial statements and the Annual Report.

The Supervisory Board also discussed the operational and financial objectives of VNU, the strategy to achieve these objectives, the parameters to be applied in relation to the strategy, the risks facing VNU and the report by the Executive Board of the internal risk management and control systems and their developments. Furthermore, the Supervisory Board extensively discussed VNU's management development programs.

In addition, the Supervisory Board devoted its attention to VNU's portfolio, the financing of VNU in general and its credit

rating.

The Supervisory Board furthermore discussed, without the members of the Executive Board being present, its own performance, composition, profile and competence, the performance of its individual members, its relationship to the Executive Board and the composition thereof. The Supervisory Board also discussed, without the members of the Executive Board being present, the performance of the Executive Board and of its individual members.

The Audit Committee held three meetings, which were attended by the external auditor. The Remuneration and Nomination Committee also held three meetings. The Audit Committee consists of messrs. P.A.F.W. Elverding (Chairman), J.L. Brentjens and A.G. Jacobs, who is the financial expert in the Supervisory Board. This committee discussed the effect of internal risk management and control systems and supervised the submission of financial information by the company. This committee supervised the relationship with the external auditor and the functioning of the internal audit department including the compliance with recommendations and observations of internal and external auditors.

René Dahan

Former Executive Vice President and Director of Exxon Mobil Corporation. Other important positions – Interim Chairman of the Supervisory Board of Koninklijke Ahold nv; Supervisory Director of TPG nv and Aegon nv; Member of the International Advisory Board of: Instituto de Empresa; CVC Capital Partners and Guggenheim Group. Nationality: Dutch Residing in the United States First appointment: 2003 Term expires: 2007 Member of the Remuneration and Nomination Committee.



Peter A.F.W. Elverding (56)

Chairman of the Managing Board of Directors of Koninklijke DSM nv. Other important positions – Chairman of the European Chemical Industry Council (CEFIC); member of the Board of the American Chemical Council (ACC); member of the Supervisory Board of nv Nederlandse Gasunie and chairman of the Committee of Delegate Members of the Supervisory Board of nv Nederlandse Gasunie; vice chairman of the Supervisory Board of De Nederlandsche Bank nv; member of the General Council of Association VNONCW; chairman of the management committee of Stichting Management Studies; member of the Board of Trustees of the University of Maastricht and the Transnational University of Limburg and chairman of the Supervisory Board of the SRL-Associated Rehabilitation Centres in Limburg. Nationality: Dutch Residing in The Netherlands First appointment: 2000 Term expires: 2008 Chairman of the Audit Committee.



The Remuneration and Nomination Committee consists of messrs. F.L.V. Meysman (Chairman), A.G. Jacobs and R. Dahan; this committee discussed the remuneration of the Executive Board members as presented in this Annual Report, the size and composition of the Supervisory Board and the Executive Board as well as the functioning of the individual members of the Supervisory Board and the Executive Board. Furthermore, this committee discussed the succession of mr. F.J.G.M. Cremers as a member of the Executive Board and CFO, corporate governance developments and a new annual bonus plan. The remuneration policy for Executive Board members is included in the Notes to the Statement of Earnings.

The articles of association of VNU nv reflect our present structure; they have been approved by the Supervisory Board and were amended in December 2004 implementing provisions of the Code and the legislation amending Book 2 of the Netherlands Civil Code. Furthermore, in December 2004, we adopted the Rules governing the Supervisory Board's Principles and Best Practices, including rules in respect of the committees as mentioned above. In December 2004 the Supervisory Board, in consultation with the Executive Board, adopted a Supplement to

the VNU 2002 rules concerning Inside Information, including provisions governing the ownership of and transactions in securities other than securities issued by VNU, by members of the Executive Board and Supervisory Board.

The Supervisory Board together with the Executive Board extensively discussed the corporate governance of VNU in light of the Code. VNU generally agrees with the Principles and Best Practice Provisions outlined in such code. The results of these discussions are included in the special section on corporate governance.

On November 17, 2004, mr. R.A. Ruijter was appointed as a member of the Executive Board as of December 1, 2004, and as CFO and successor to mr. F.J.G.M. Cremers as of January 1, 2005. We are grateful for mr. F.J.G.M. Cremers' efforts and significant contribution to VNU during more than eight years of service and in particular to VNU's transformation over the last years. Mr. Netherlands Civil Code. Furthermore, in December 2004, we adopted the Rules governing the Supervisory Board's Principles and Best Practices, including rules in respect of the committees as mentioned above. In December 2004 the Supervisory Board, in consultation with the Executive Board, adopted a Supplement to

Gerald S. Hobbs (63)

Former Vice Chairman of the Executive Board of VNU nv. Other important positions – Director of: The Advertising Council; Jobson Publishing, inc; Bureau of National Affairs and Governor of The Sky Club, inc; Partner Boston Ventures inc (privateequity fund). Nationality: American/Irish Residing in the United States First appointment: 2004 Term expires: 2008



Dhr. A van Rossum

Former Vice Chairman of the Executive Board of VNU nv. Other important positions – Director of: The Advertising Council; Jobson Publishing, inc; Bureau of National Affairs and Governor of The Sky Club, inc; Partner Boston Ventures inc (privateequity fund). Nationality: American/Irish Residing in the United States First appointment: 2004 Term expires: 2008



the VNU 2002 rules concerning Inside Information, including provisions governing the ownership of and transactions in securities other than securities issued by VNU, by members of the Executive Board and Supervisory Board.

The Supervisory Board together with the Executive Board extensively discussed the corporate governance of VNU in light of the Code. VNU generally agrees with the Principles and Best Practice Provisions outlined in such code. The results of these discussions are included in the special section on corporate governance.

On November 17, 2004, mr. R.A. Ruijter was appointed as a member of the Executive Board as of December 1, 2004, and as CFO and successor to mr. F.J.G.M. Cremers as of January 1, 2005. We are grateful for mr. F.J.G.M. Cremers' efforts and significant contribution to VNU during more than eight years of service and in particular to VNU's transformation over the last years. Mr. M.P. Connors is leaving VNU as a member of the Executive Board

effective April 1, 2005. Mr. M.P. Connors played a central role in the integration of ACNielsen into VNU and we are grateful for his efforts and significant contribution. The Supervisory Board appreciates the continued commitment of mr. M.P. Connors as Chairman and CEO of the MMI group until June 30, 2005.

Supervisory Board
Haarlem, March 8, 2005

Introduction

In this report, VNU addresses its corporate governance structure and states to what extent it applies the provisions of the Dutch Corporate Governance Code (the "Code") that became effective as from January 1, 2004. The Code is applicable to VNU, as it is has its corporate seat in The Netherlands and its shares listed on the Amsterdam Euronext Stock Exchange in The Netherlands.

VNU recognizes the importance of clear and straightforward rules on corporate governance. The Supervisory Board and the Executive Board are of the opinion that almost all the standards governing the conduct of the Executive Board and Supervisory Board are being applied. Some principles and best practices are not (fully) applied, and the reasons for these deviations are set out in this report. Important as these new rules may be, we want to stress that good corporate governance cannot be the result of compliance with rules alone. Ultimately, good corporate governance does reside in the culture of a company and in its individual employees.

(written) information necessary for the Supervisory Board to fulfill its responsibilities. In discharging its duties, the Executive Board takes into account the interests of VNU, its enterprise and all parties involved in VNU, shareholders and other stakeholders.

Resolutions to enter into transactions under which members of the Executive Board have a conflict of interest with VNU that are of material significance to VNU and/or the relevant member of the Executive Board requires the approval of the Supervisory Board. In 2005 VNU has not entered into any such transactions.

The Executive Board consists of at least two members or such greater number as to be determined by the meeting of holders of priority shares. The members of the Executive Board are appointed by the General Meeting of Shareholders based on a binding nomination drawn up by the meeting of holders of priority shares. The General Meeting of Shareholders can overrule the binding nature of such nomination by a resolution adopted by an absolute majority of the votes cast, if such

good corporate governance resides in the culture

Corporate structure

VNU is a 'naamloze vennootschap' (nv), a Dutch legal entity similar to an 'incorporated company' (inc.) in the U.S. VNU has a two-tier board structure. The company is managed by an Executive Board under the supervision of a Supervisory Board. It is in the interest of the company and all its stakeholders that each Board performs its functions appropriately and that there is a clear division of responsibilities between the Executive Board, the Supervisory Board, the General Meeting of Shareholders and the external auditor in a well-functioning system of checks-and-balances.

Executive Board

The Executive Board manages the company and is responsible for achieving the company's goals, strategy, policies, and results. The Executive Board is also responsible for complying with all relevant legislation and regulations, for managing the risks associated with the activities of the company and the financing of the company. It reports related developments to and discusses the internal risk management and control systems with the Supervisory Board and its Audit Committee. The Executive Board is accountable for the performance of its duties to the Supervisory Board and the General Meeting of Shareholders. The Executive Board provides the Supervisory Board with any and all

majority represents at least one third of the issued share capital. Unless the General Meeting of Shareholders, on the proposal of the Supervisory Board, determines that a member of the Executive Board shall be appointed for a longer period, a member of the Executive Board shall be appointed for a maximum period of four years, provided however that in any event his term of office shall lapse at the end of the first annual General Meeting of Shareholders to be held in the fourth year after the year of his appointment. A retiring member of the Executive Board may be reappointed, provided that persons who will have reached the age of sixty-five or will reach such age in the current financial year, may not be (re)appointed as member of the Executive Board.

Members of the Executive Board may be suspended and dismissed by the General Meeting of Shareholders by a resolution adopted by an absolute majority of the votes cast. Unless the proposal was made by the meeting of holders of priority shares, such majority should represent at least on third of our issued share capital. Furthermore, members of the Executive Board may be suspended by the Supervisory Board.

The General Meeting of Shareholders adopts, on the proposal of the Supervisory Board, the remuneration policy for the Executive Board. Any material change in the remuneration policy shall be submitted to the General Meeting of Shareholders for

adoption. The remuneration of the members of the Executive Board will, with due observance of the remuneration policy, be determined by the Supervisory Board, on a proposal by its Remuneration and Nomination Committee. The current remuneration policy was initially adopted by the General Meeting of Shareholders on April 20, 2004. Details on this policy, which has been drafted taking into account the principles and best practice provisions of the Code, are included on pages ** until ** of this Annual Report. The Supervisory Board shall submit any arrangements for the remuneration of members of the Executive Board in the form of shares or rights to acquire shares, as well as any major changes thereto, to the General Meeting of Shareholders for approval. Effective in 2006, the Long-Term Incentive Plan in relation to the Executive Board remuneration shall apply performance criteria. This was approved by the General Meeting of Shareholders on April 19, 2005.

management and control systems and financial reporting. The Remuneration and Nomination Committee, among other things, recommends candidates for service on the Executive Board and Supervisory Board, assesses the functioning of the individual members of the Executive Board and Supervisory Board and prepares proposals regarding the remuneration policy for the Executive Board to be adopted by the General Meeting of Shareholders. The Supervisory Board has created a separation of duties within and the working procedures of the Supervisory Board and its committees in a set of regulations. The current regulations of the Supervisory Board and its committees can be found on our website. A report on how the duties of the Supervisory Board and its committees have been carried out in 2005 is included in the Report of the Supervisory Board, page ** and ** of this Annual Report.

Resolutions to enter into transactions under which members of the Supervisory Board have a conflict of interest with VNU

of a company and in its employees

Supervisory Board

The Supervisory Board supervises the policies of the Executive Board and the general course of VNU's affairs and business operations and advises the Executive Board. Furthermore the Supervisory Board is responsible for deciding on how to resolve conflicts of interest between members of the Executive Board, members of the Supervisory Board, major shareholders and the external auditor on the one hand and the company on the other. In discharging its duties, the Supervisory Board takes into account the interests of VNU, its enterprise and all parties involved in VNU, including shareholders and other stakeholders. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board and its individual members each have their own responsibility to request from the Executive Board and the external auditor all information that it needs in order to be able to carry out its duties. If the Supervisory Board considers it necessary, it may obtain information from officers and external advisers of the Company.

The Supervisory Board has appointed an Audit Committee and a Remuneration and Nomination Committee from among its members. The committees prepare the resolutions of the Supervisory Board. Among other things, the Audit Committee is responsible for pre-approving all audit and non-audit services provided by the external auditor and reviewing our overall risk

that are of material significance to VNU and/or the relevant member of the Supervisory Board requires the approval of the Supervisory Board. In 2005 VNU has not entered into any such transactions.

The Supervisory Board consists of at least five members or such higher number as to be determined by the meeting of holders of priority shares. The members of the Supervisory Board are appointed by the General Meeting of Shareholders based on a binding nomination drawn up by the meeting of holders of priority shares. The General Meeting of Shareholders can overrule the binding nature of such nomination by a resolution adopted by an absolute majority of the votes cast, if such majority represents at least one third of the issued share capital. The Supervisory Board shall be composed in a way that it is able to carry out its duties properly and that its members are able to act critically and independently of one another and of the Executive Board and any particular interests. To that extent the Supervisory Board has adopted a profile of its size and composition, taking into account the nature of our business, our activities and the desired expertise and background of the members of the Supervisory Board. The current profile of the Supervisory Board can be found on our website. The Supervisory Board has appointed a chairman from its members who has the duties assigned to him by the Code and who is assisted by the

company secretary.

Unless the General Meeting of Shareholders, on the proposal of the Supervisory Board, determines that a member of the Supervisory Board shall be appointed for a longer period, a member of the Supervisory Board shall be appointed for a maximum period of four years, provided, however, that in any event his term of office shall lapse at the end of the first annual General Meeting of Shareholders to be held in the fourth year after the year of his appointment. A retiring member of the Supervisory Board may be reappointed, provided that, unless the General Meeting of Shareholders, on proposal of the Supervisory Board determines otherwise, a member of the Supervisory Board may not serve on the Supervisory Board for a period exceeding twelve years. A member of the Supervisory Board shall only be re-appointed after careful consideration.

Members of the Supervisory Board may be suspended and dismissed by the General Meeting of Shareholders by a resolution adopted by an absolute majority of the votes cast.

requests, unless this would be contrary to an overriding interest of the company. Furthermore, the Executive Board, or where appropriate, the Supervisory Board, shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the company's share price. If any price-sensitive information is provided during a general meeting of shareholders, or the answering of shareholder's questions has resulted in the disclosure of price-sensitive information, this information shall be made public without delay.

All information which is required to be published or deposited pursuant to the provisions of company law and securities law applicable to VNU, is placed and updated on our website, or hyperlinks are established.

VNU sets a registration date for the exercise of the voting rights at a general meeting of shareholders. Shareholders registered at such date are entitled to attend the meeting and to exercise the other shareholder rights (in the meeting in

The company's corporate governance structure and the compliance with the Code is the joint responsibility of the Executive Board and the Supervisory Board.

Unless the proposal was made by the meeting of holders of priority shares, such majority should represent at least one-third of our issued share capital.

The General Meeting of Shareholders determines, on proposal of the Supervisory Board, the remuneration of the members of the Supervisory Board, which consist of a fixed annual amount. Effective 2005, the remuneration of the individual Supervisory Board members was amended and approved by the General Meeting of Shareholders on April 19, 2005. Details are included on pages ** until **.

General Meeting of Shareholders

Our shareholders exercise their rights through the General Meeting of Shareholders. Resolutions are adopted by the General Meeting of Shareholders by an absolute majority of votes cast, unless a different majority of votes or quorum is required by Dutch law or our Articles of Association. The number of votes that can be cast in respect of a share is linked to the par value of such share. At the time of issue of the preferred B-shares however, it was agreed to limit the number of votes that can be cast on such shares by providing that such number is linked to the capital contribution on such shares compared to the market price of our ordinary shares on the date of issue of the preferred B-shares.

The Executive Board and the Supervisory Board shall provide the General Meeting of Shareholders with all information it

question) notwithstanding subsequent sale of their shares thereafter. This date will be published in advance of every general meeting of shareholders. Shareholders who are entitled to attend a general meeting of shareholders may be represented by proxies.

VNU informs the General Meeting of Shareholders by means of explanatory notes to the agenda of all facts and circumstances relevant to the proposed resolutions. The explanatory notes shall be placed on our website.

External Auditor

The annual accounts are prepared by the Executive Board and reviewed by the Supervisory Board upon the advice of its Audit Committee and the external auditor. Upon approval by the Supervisory Board, the accounts are signed by all members of both the Executive Board and the Supervisory Board and, together with the final opinion of the external auditor, published. The annual accounts are presented to the General Meeting of Shareholders for adoption.

The external auditor is appointed by the General Meeting of Shareholders, based on a nomination drawn up by the Supervisory Board. The external auditor is invited to attend the meeting of the Supervisory Board at which the annual accounts shall be approved and is furthermore invited to attend the general meeting of shareholders at which the annual accounts are adopted and may be questioned by the General Meeting of

Shareholders on his statement on the fairness of our annual accounts.

Pursuant to the regulations of the Audit Committee, the Audit Committee shall assess the remuneration of the external auditor and any non-audit services provided by the external auditor.

Our Auditor Independence Policy requires VNU's external auditor to be independent in accordance with the independence rules of the Dutch accountants organization NIVRA and the European Commission Recommendation on Statutory Auditor's Independence in the EU. These rules and recommendations are based on the principle that an auditor must be independent of the audit client, both in act and appearance. It is the policy of VNU's current external auditor to rotate the lead partner of VNU's audit assignment every seven years.

Annually, the external auditor discloses to the Audit Committee, in writing and to the best of its knowledge, all relationships between the audit firm and VNU that in its opinion may reasonably be thought to bear on its independence. The external auditor will confirm, also on an annual basis and in writing, that it is independent of VNU within the meaning of the applicable laws and regulations. A full description of VNU's Auditor's Independence Policy is available on our website.

Anti take-over measures

For an overview of our anti take-over measures, references is made to page ** .

Apply or explain

The company's corporate governance structure and the compliance with the Code is the joint responsibility of the Executive Board and the Supervisory Board. They are accountable for this to the General Meeting of Shareholders.

Non-application of a specific best practice provision is not in itself considered objectionable by the Code and may well be justified because of particular circumstances relevant to a company. In this chapter, we will indicate which specific best practice provisions of the Code we do not (fully) apply and why. VNU is positively disposed towards the Code and applies nearly all best practice provisions. However, a few best practice provisions we prefer not to apply, due to the international character of our company and to the fact – acknowledged by the commission that drafted the Code – that existing contractual agreements between the Company and individual members of the Executive Board cannot be set aside at will.

Below is an overview of instances where VNU does not (yet) follow the letter of a best practice provision in the Code. Currently there is no reason to expect that in the near future VNU will not apply any other best practice provisions of the Code applicable to the Executive Board and the Supervisory Board.

Executive Board

In principle, new Executive Board members will be appointed for a period of four years, in accordance with best practice provision II.1.1 of the Code. In November 2004, Mr. R.A. Ruijter was appointed for a period of four years and four months, to make the end of his appointment-term coincide with a general meeting of shareholders. VNU has not limited the appointment-term of Mr. R.F. van den Bergh, who was already a member of the Executive Board when the Code came into force. In November 2005, Mr. van den Bergh decided to step down as CEO and member of the Executive Board. He agreed to fulfill his function until a successor has been appointed.

Regarding the best practice provisions of the Code dealing with remuneration (Chapter II.2), we want to make the following observations:

Best practice provision II.2.7 provides that the maximum remuneration in the event of dismissal is one year's salary (only the fixed component). VNU will not apply this best practice provision to its members of the Executive Board as they are U.S. resident members for whom U.S. standards will be applied. These standards are different from Dutch standards. Remuneration packages in case of dismissal for current Board members are stated on page **.

The company will not grant its Executive Board members any personal loans, guarantees or similar financial facilities. However, the one existing loan presently in place – agreed upon before the Code came into force – will not be changed or terminated (reference is made to page **).

Supervisory Board

Best practice provision III.3.4 recommends that the number of individual memberships of supervisory boards of Dutch listed companies shall be limited to such an extent, that proper performance is assured. The best practice provision recommends a maximum number of five such supervisory board memberships, for which purpose the chairmanship of a supervisory board counts double. Using this calculation, two long-serving members of VNU's Supervisory Board, mr. A. G. Jacobs and mr. J.L. Brentjens, have currently more than five Dutch supervisory board memberships.[Need to be checked] VNU will take this recommendation of the Code into account for new appointments and reappointments as of January 1, 2005, because we recognize the importance of proper performance of their duties as Supervisory Board members by individual members. In some individual cases, however, this proper performance may be assured without applying this provision in the Code to the letter.

Within VNU, the Remuneration Committee and the Nomination Committee are combined in one committee.

January 2006

Change in total revenues, operating income and organic growth	Change in total revenues	Organic growth total revenues	Change in organic 2004 USD	Organic growth operating income
Marketing Information	3%	7%	10%	10%
Media Measurement & Information	3%	7%	10%	10%
Business Information	3%	7%	10%	10%
Total excluding divested operations	3%	7%	10%	10%
Divested operations	3%	7%	10%	10%
Total VNU	3%	7%	10%	10%

Seeing markets and business opportunities...

Financial Performance

In 2004, VNU achieved good organic growth in both total revenues and operating income. The divestiture of the Directories group not only allows us to strengthen our financial position through debt reduction, but also to maintain this growth momentum going forward, as we can now focus more on high-growth activities. On an organic basis, total revenues grew 5% in 2004 and operating income 10%. Cash earnings per share (CEPS) on an underlying constant currency basis increased 9%. Excluding the Directories group, the 2004 growth rates are higher: 6% for total revenues and 17% for operating income. VNU managed to maintain or increase its market share in the vast majority of its relevant activities.

The table below shows the underlying organic growth in total revenues and operating income per business group. VNU achieved this strong performance despite various adverse external factors beyond our control. In many of our markets, especially in Europe, the economy remained sluggish. Despite some signs of improvement, global advertising markets are still weak, but especially so in the United States. Our reported figures were severely affected by the further depreciation of the US dollar against the euro, our reporting currency; the average value of the US dollar versus the euro declined by 10% in 2004.

During 2004, VNU also assumed various costs in areas not directly and immediately related to our operating performance, such as costs related to our continued investments and costs related to product launches. VNU managed to more than make

up for these costs and adverse factors by selling more and better products and services in a more efficient way. Our sustained investments in the business groups Marketing Information (MI) and Media Measurement & Information (MMI) – our two growth engines – are starting to bear fruit in the form of lower costs, a more efficient organization, more exciting products and higher customer satisfaction.

Furthermore, operating income has been positively impacted by EUR 43 million as a result of the following one-off items:

- The release of a provision related to New York real estate amounting to EUR 14 million, as part of corporate overhead and reported under the heading 'Other';
- The release of a provision for pensions amounting to EUR 15 million, reported under the heading 'Other';
- Book gains from divestitures (InfoAdex, Marketing Resources Plus and India Pharma) totaling EUR 14 million, recognized in Media Measurement & Information (EUR 9 million), Marketing Information (EUR 1 million) and 'Other' (EUR 4 million).

Operating income was negatively impacted by:

- The absence of Directories income in December 2004, amounting to approximately EUR 17 million;
- The book loss on the sale of the Directories group amounting to EUR 15 million;
- The costs of streamlining the MI Europe organization amounting to EUR 21 million;

Rob van den Bergh joined VNU in 1980 and held important management positions within several business groups. He became a member of the Executive Board in 1992, Vice Chairman in 1998, and in 2000 he was named Chairman of the Executive Board. In April 2003, Rob van den Bergh took on an additional role as Chairman and CEO of the Marketing Information group. Portfolio: Marketing Information group, Business Information group and the corporate staff departments Corporate Development, Human Resources, Internal & External Corporate Communications and Legal. Rob van den Bergh serves on the Supervisory Board of NPM Capital and Pon Holdings bv. Nationality: Dutch

Former Executive Vice President and Director of Exxon Mobil Corporation. Other important positions – Interim Chairman of the Supervisory Board of Koninklijke Ahold nv; Supervisory Director of TPG nv and Aegon nv; Member of the International Advisory Board of: Instituto de Empresa; CVC Capital Partners and Guggenheim Group. Nationality: Dutch Residing in the United States First appointment: 2003 Term expires: 2007 Member of the Remuneration and Nomination Committee.



- The addition of EUR 8 million to a provision related to the relocation of part of the headquarters in Haarlem to New York, reported under the heading 'Other'.

Together, MI (including ACNielsen) and MMI (including Nielsen Media Research) accounted for 73% of VNU's total 2004 revenues and 62% of operating income. Excluding the Directories group, these figures increase to 82% and 81% respectively.

During 2004, organic revenue growth was especially strong in MI and MMI. In the case of MI, this revenue growth did not translate in growth of operating income, due to the costs of the transition to a new data factory in Europe, which is a key-initiative. In 2004, VNU's organic growth in operating income was driven by excellent performances of MMI, non-Europe MI and the American trade show business of our Business Information (BI) group.

Business highlights of the year include the expansion of the Homescan panel in the United States (MI), the rollout of the Local People Meter in four major US cities (with five more to follow in 2005) in MMI and the launch of five major events by our American trade show business (BI).

The table below shows total revenues and operating income (excluding our share in operating income of associates) of VNU's business groups for the years 2004 and 2003.

Revenues and Results

In 2004, VNU's total revenues amounted to EUR 3,781 million, a decrease of 3% compared with total revenues of EUR 3,882 million in 2003. On an organic basis, i.e., excluding currency effects, acquisitions and divestitures – but including for both years January through November revenues at the Directories group –, total revenues increased 5%. Marketing Information (MI) and Media Measurement & Information (MMI) drove organic revenue growth and revenues at Business Information (BI) increased modestly; Directories revenues decreased slightly.

Excluding major divested operations (Directories in 2004 and Claritas Europe in 2003), total revenues in 2004 were EUR 3,369 million, an increase of 1% compared with like-for-like revenues in 2003 of EUR 3,342 million. On an organic basis, total revenues excluding Directories and Claritas Europe rose 6% in 2004.

VNU's operating income totaled EUR 688 million in 2004, 7% more than operating income of EUR 643 million in 2003. Excluding major divested activities, operating income in 2004 was EUR 526 million, representing an increase of 12% compared to like-for-like operating income in 2003. On an organic basis however, underlying (excluding the book loss on the Claritas Europe sale and restructuring charges at MI and Directories in 2003) operating income grew 5%, mainly due to an excellent performance at MMI and an encouraging recovery at BI. On the same basis (but excluding Directories) organic growth in operating income in 2004 was 9%.

Performance by Business Group	Total revenues 2005	Operating income 2005	Total revenues 2004	Operating income 2004
AMOUNTS X EUR MILLION				
Marketing Information	0,000	000	1,818	213
Media Measurement & Information	000	000	939	214
Business Information	000	00	610	98
Other	0	0	2	1
Total excluding divested operations	0,000	000	3,369	526
Divested operations*	000	000	412	162
Total including divested operations	0,000	000	3,781	688

Net earnings rose to EUR 163 million in 2004 from EUR 130 million in 2003, an increase of 25%. Underlying growth on a constant currency basis was -/- 4%. This decrease was mainly due to higher goodwill amortization and impairment charges, compensated by lower interest expenses and lower income taxes in 2004.

Cash Earnings

Over the last years, cash earnings (earnings before goodwill amortization and impairment charges) has been VNU's key performance indicator. Until now, VNU deems cash earnings the best indicator to reflect the result of the company's normal continuing operations and its capacity to generate cash. VNU focuses on this cash earnings figure and not on items that are not directly related to our operations. There will be a refocus on other key performance indicators under the International Financial Reporting Standards (IFRS), which accounting standards will bring new non-cash and uncontrollable items in the statement of earnings.

In 2004, cash earnings totaled EUR 454 million, an increase of 19% compared to cash earnings of EUR 382 million in 2003. The underlying increase – excluding the bookloss on the sale of Claritas Europe and reorganization charges, both in 2003 – in cash earnings at constant currencies was 10%. Cash earnings per share increased to EUR 1.78 in 2004 from EUR 1.51 in 2003.

Acquisitions and Divestitures

During 2004, by far the most important event in this chapter was the divestiture of our business group Directories for a gross consideration of EUR 2,075 million. After deductions for net indebtedness, working capital and transaction costs, VNU received EUR 1,994 million in net cash proceeds. Other small divestitures included the sale of Marketing Resources Plus by MMI (Media Solutions) and the sale of our 50%-stake in India Pharma by MI. Total proceeds from divestitures in 2004 amounted to EUR 2,049 million, which includes EUR 40 million received from our 2003 divestiture of Claritas Europe.

Acquisitions in 2004 included the acquisition in May of the remaining 51%-stake in Music Control by our BDS Germany unit for a consideration of EUR 21 million. In January 2004, MI acquired the 50% of AMER Research Ltd it did not already own for a consideration of EUR 9 million. BI Europe acquired Nationale– Vacaturebank.nl, an on–line recruitment service in The Netherlands. Including the acquisition of 58% of RedSheriff by NetRatings in December 2003 and accounted for by MMI in January 2004, total acquisitions by VNU in 2004 added up to EUR 83 million.

Capital Expenditures and Depreciation

Investments in property, plant, equipment and software totaled EUR 199 million in 2004, which is a 5% decrease from the EUR 209 million of capital expenditures in 2003. Together, our business groups Marketing Information and Media Measurement & Information accounted for 90% of total capital expenditures in 2004. This investment is vital in our quest to remain highly competitive and to achieve top–line and bottom–line growth. We must prepare for the future by upgrading our technological infrastructure in measurement and analysis, by increasing the quantity and quality of our product offerings, and by improving our client service. Therefore, VNU will continue to make substantial investments in 2005 and beyond.

Total capital expenditures by the Marketing Information group increased to EUR 84 million in 2004 from EUR 79 million in 2003. The highest investments were made in the new data factory in Europe, expansion of the MegaPanel in the US and Project Atlas in North America.

Total capital expenditures by Media Measurement & Information amounted to EUR 96 million in both 2004 and 2003. By far the most important investment item for MMI are the rollout of the Local People Meter in ten large urban markets in the US and the expansion of the National People Meter. Other significant investments were made in the Florida data factory and the Active/Passive Meter.

Calculation of cash earnings	2005	2004	Growth
AMOUNTS X EUR MILLION			
Net earnings	000,000	162,823	00%
Goodwill amortization and impairment charges in statement of earnings	000,000	287,478	
Goodwill amortization and impairment charges included in share net earnings of associates	0,000	9,820	
Adjustment for goodwill amortization included in minority interests	0,000	(6,517)	
Cash earnings	000,000	453,604	00%
Dividend on preferred shares	0,000	5,694	
Basis for calculation of cash earnings per share	000,000	447,910	00%
AMOUNTS X EUR MILLION			
Cash earnings per share	0.00	1.78	00%
Cash earnings per share	0.00	1.92	0%
Underlying cash earnings per share at constant currencies*	000,000	252,290	

Depreciation in 2004 totaled EUR 145 million, a 5% decrease compared to EUR 153 million in 2003. The declines in both capital expenditure and depreciation are mainly due to the decline in the US dollar versus the euro.

Finances

VNU's financial position improved very significantly in 2004. At year-end, cash and cash equivalents totaled EUR 2,166 million and net debt was EUR 641 million, down from EUR 2,958 million at year-end 2003. This reduction of net debt was mainly due to the sale of the Directories group in the fourth quarter and for the remainder to net cash flows and the depreciation of the US dollar versus the euro. The sale of Directories added EUR 1,994 million to our cash and cash equivalents, while a Páginas Amarelas (Directories Portugal) loan of EUR 42 million could be deconsolidated. In January 2005, VNU has used EUR 1,170 million of the sale of World Directories for debt reduction. EUR 101 million of the decrease in net debt was due to the depreciation of the US dollar against the euro during 2004.

On October 28, 2004, VNU signed a EUR 1,000 million stand-by credit facility. This facility replaced two standby credit facilities of EUR 500 million and EUR 240 million, respectively. The new facility has a maturity of five years, with two extension options potentially raising the maturity to seven years.

Short-term debt, including the current portion of longterm debt, VNU's interest coverage ratio EBITDA/net interest – thus defined in several of VNU's loan documents – amounted to 6.6 in 2004, well within our current target range of 6.0 to 8.0. This ratio is higher than the 2003 ratio of 5.7 and well above the minimum ratio of 3.0 that has been agreed with our lenders. VNU has not committed to any other material covenants.

Human Resources

The right employees create the edge, the competitive difference between companies. Our future is leveraging and linking our businesses to provide integrated product and solution offerings to our clients and customers. Real success requires that our clients and customers recognize the role of VNU's employees in helping them navigate today's 24/7 business environment. Our employees can serve, lead, innovate and create.

Within this context, the Human Resources function plays a significant role in developing a strategic plan in alignment to business challenges and priorities to facilitate business success. VNU continued to make progress in the development of a work environment that allows the company to retain, attract and develop employees, which in turn results in improved business results. We remain selective in decisions to implement VNU-wide Human Resources practices, programs and processes, focusing upon initiatives that are in alignment to company and business group strategies and build VNU's leadership talent. As a global company, we are also committed to providing a work environment that is open and respectful of diverse opinions and perspectives.

While it is certainly the case that we have powerful geographic market positions, pricing pressures by many of our CPG clients will make it challenging to reach the top-line growth target for the MI group of between 5 – 7%. Organic top-line growth in our MMI group is expected to be around the same level as in 2004 (approximately 8%). For the BI group we expect a continuing healthy revenue growth in exhibitions and a strengthening of the advertising market for the trade magazines.

Executive Board
Haarlem, March 8, 2005

As a global company, VNU faces market risks, financial risks and technological risks, among others. This section aims to give insight into the principal risks facing our business and the way these risks are managed.

RISK FACTORS

Our Businesses and our Markets

Our marketing and media information revenues are relatively stable, even in less favorable economic conditions, as clients tend to regard the information provided as 'must have' information to operate their business. In addition, many of the contracts are multiyear.

We expect that revenues generated from our marketing information and television audience measurement services and related software and consulting services will continue to represent a substantial portion of our overall revenue for the foreseeable future. To the extent the businesses we service,

circulation revenues, adversely affecting the revenue of our trade publications. In addition, advertising agencies and other media may be less likely to purchase our media information services.

Due to the high-profile nature of our services in the media and entertainment information industries, we could become the target of criticism by various industry groups and market segments. Although we strive to be fair, reasonable and impartial in the production of audience measurement services, criticism of our business by special interests, and by clients with competing and often conflicting demands on the measurement service, could adversely affect our business. Currently, the quality of our ratings services are reviewed and audited by the Media Rating Council, an independent, voluntary trade organization, governed by our key client constituencies. In July 2004, the Senate Commerce Committee held a public hearing to review Nielsen Media Research's plans to introduce its Local People

insight into the principal risks facing our business

especially our clients in the consumer packaged goods, media and entertainment industries, are subject to the financial pressures of, for example, increased costs or reduced demand for their products, the demand for our services, or the prices our clients are willing to pay for those services, may decline. Consolidation in the consumer packaged goods, media and entertainment industries could put pressure on the pricing of our information products and services, as the consolidated client seeks pricing concessions from us, and could limit available Euros. While we have experienced success in mitigating the revenue impact of any pricing pressure through effective negotiations and by providing services to individual businesses within a particular group, there can be no assurance as to the degree to which we will be able to continue to do so as industry consolidation continues.

A relatively small number of clients contribute a significant percentage of the consolidated revenues of Nielsen Media Research. We cannot ensure that any of Nielsen Media Research's clients will continue to use its services to the same extent, or at all, in the future. A loss of one or more of Nielsen's largest clients, if not replaced by a new client or an increase in business from existing clients, would adversely affect Nielsen Media Research's prospects, business, financial condition and results of operations.

VNU's Business Information group and clients of VNU's Media Measurement and Information group derive much of their revenue from the sale or purchase of advertising. During challenging economic times, advertisers may reduce advertising expenditures, and cut-backs in personnel negatively impact our

Meter ratings system in the top ten U.S. markets. The same committee held an additional hearing in July 2005. The primary purpose of the hearings was to determine if this measurement system was misrepresenting television viewing by African American and Hispanic households. Additionally, certain segments of Nielsen's client base have requested that rating services be subject to government regulation. While VNU believes it accurately represents viewing of all U.S. households and that government regulation is unnecessary, no assurance can be given that legislation will not be enacted in the future that would subject our business to regulation.

We operate globally, with VNU deriving approximately []% and []%, respectively, of its 2004 revenues in euros and dollars. VNU reports its operating results and financial condition in euros. Our United States operations earn revenue and incur expenses primarily in dollars, while our European operations earn revenue and incur expenses primarily in euros. Outside the United States and the European Union, we generate revenue and expenses predominantly in local currencies. Because of fluctuations (including possible devaluations) in currency exchange rates or the imposition of limitations on conversion of foreign currencies into dollars, we are subject to currency translation exposure on the profits of our operations, in addition to economic exposure. This risk could have a material adverse effect on our business, results of operations and financial condition. International operations are subject to various risks that could adversely affect our business, including: costs of customizing services for foreign clients; reduced protection for intellectual property rights in some countries; the burdens of

complying with a wide variety of foreign laws; exposure to local economic conditions; and exposure to local political conditions, including the risks of an outbreak of war, the escalation of hostilities, acts of terrorism and seizure of assets by a foreign government. Adverse stock market developments or changes in interest rates could negatively affect assets or liabilities in our pension funds, causing higher pension charges.

In addition, local law and regulation may prohibit the repatriation of funds available from certain countries.

VNU is involved in litigation with a competitor, Information Resources, Inc., as described under "VNU Legal Proceedings" beginning on page []. An adverse judgment of this matter could have a material adverse effect on our business, results of operations or financial condition. In addition, in the normal course of our business, we are involved in lawsuits, claims, audits and investigations. The outcome of these matters could have a material adverse effect on our business, results of operations or

confidence in our ratings services and we could lose the support of the relevant industries, such as through accreditation by the Media Rating Council in the United States. If this were to happen, our audience measurement business may be materially and adversely affected.

Data protection laws affect our collection, use, storage and transfer of personally identifiable information both abroad and in the United States. Compliance with such laws may require investment or may dictate that we not offer certain types of products and services. Failure to comply with such laws may result in, among other things, civil and criminal liability, negative publicity, data being blocked from use and liability under contractual warranties. In addition, there is an increasing public concern regarding data protection issues and the number of jurisdictions with data protection laws has been increasing. Currently these regulations do not apply to survey research of the type that VNU conducts. If the laws are extended to include

and the way these risks are managed

financial condition. We do not believe that any such claims that have been asserted are likely to have such an effect.

Access to external data sources and data protection VNU's Marketing Information group enters into agreements with third parties (primarily retailers of fast-moving consumer goods) to obtain the raw data on retail product sales it processes and edits and from which it creates products and services. The loss of access to, or inability to acquire, these data would have a material adverse impact on our marketing information business. For example, in the U.S., Wal-Mart in 2001 discontinued sharing its sales data with the market research industry. This resulted in a significant decline in marketplace coverage, given Wal-Mart's substantial share of all retail sales volume.

VNU's Media Measurement and Information group uses set meters, people meters and diaries to gather television viewing data from sample households. It is increasingly difficult and costly to obtain consent from households to participate in the surveys. In addition, it is increasingly difficult and costly to ensure that the selected sample of households mirrors the behaviors and characteristics of the entire population, covering every relevant segment (for example, African Americans, Hispanics, households headed by 18–35 year olds). Additionally, as consumers adopt modes of telecommunication other than traditional telephone service, such as mobile, cable and Internet calling, it may become more difficult for our Media Measurement and Information group to reach and recruit participants for its audience measurement services. If we are unsuccessful in our efforts to recruit appropriate participants and maintain adequate participation levels, our clients may lose

survey research, VNU's ability to recruit participants for its surveys could be adversely affected.

Technological developments

We operate in businesses that require sophisticated data collection and processing systems and software and other technology. Some of the technologies supporting the industries we serve are changing rapidly and we must continue to develop cost-effective techniques for data collection and processing to accommodate such changes. We also must continue to deliver data to our clients in forms that are easy to understand while simultaneously providing clear answers to complex questions. There can be no guarantee that we will be able to develop new techniques for data collection, processing and delivery or that we will be able to do so as quickly or cost-effectively as our competition. Significant technological change could render our products and services obsolete.

Moreover, the introduction of new products and services embodying new technologies and the emergence of new industry standards could render existing products and services obsolete. Our continued success will depend on our ability to adapt to changing technologies, manage and process ever-increasing amounts of data and information and improve the performance, features and reliability of our products and services in response to changing customer and industry demands. We may experience difficulties that could delay or prevent the successful design, development, testing, introduction or marketing of our products and services. New products and services, or enhancements to existing products and

services, may not adequately meet the requirements of current and prospective clients or achieve any degree of significant market acceptance.

Hardware and software

Our success depends on the efficient and uninterrupted operation of our computer and communications systems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services, client orders and day-to-day management of our business and could result in the corruption or loss of data. While many of our businesses have appropriate disaster recovery plans in place, we currently do not have full backup facilities everywhere in the world to provide redundant network capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our various computer facilities could result in interruptions in the flow of data to our servers and from our servers to our clients. In addition, any failure by our computer environment to provide our required data communications capacity could result in interruptions in our service. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to an alternative provider of server hosting services. Such a transfer could result in significant delays in our ability to deliver our products and services to our clients. Additionally, significant delays in the planned delivery of system enhancements and improvements, or inadequate performance of the systems once they are completed could damage our reputation and harm our business. Finally, long-term disruptions in infrastructure caused by events such as natural disasters, the outbreak of war, the escalation of hostilities, and acts of terrorism (particularly involving cities in which we have offices) could adversely affect our businesses. Although we carry property and business interruption insurance, our coverage may not be adequate to compensate us for all losses that may occur.

Our intellectual property rights

The success of our businesses will continue to depend, in part, on: obtaining patent protection for our technology, products and services; defending our patents, copyrights and other intellectual property; preserving our trade secrets and maintaining the security of our know-how; and operating without infringing upon patents and proprietary rights held by third parties. We rely on a combination of contractual provisions, confidentiality procedures and patent, copyright, trademark, service mark and trade secret laws to protect the proprietary aspects of our technology, data and estimates. These legal measures afford only limited protection, and competitors may gain access to our intellectual property and proprietary

information. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets and to determine the validity and scope of our proprietary rights. There can be no assurance that the intellectual property laws and other statutory and contractual arrangements we currently depend upon will provide sufficient protection in the future to prevent the use or misappropriation of our data, technology and other products and services. In addition, the growing need for global data, along with increased competition and technological advances, puts increasing pressure on us to share our intellectual property for client applications. Any future litigation, regardless of outcome, could result in substantial expense and diversion of resources with no assurance of success and could seriously harm our business, results of operations and financial condition.

Staffing and managing multinational operations

Our future success depends in large part on our ability to retain our key employees and to attract and motivate additional highly skilled employees in many locations around the world. Although we provide compensation packages that include competitive salaries, stock options, bonus incentives and other employee benefits, we may be unable to retain our key employees or to attract and retain other highly qualified employees in the future. If we are unable to retain key employees or attract qualified personnel to replace any employees who leave and to support our growth, our business may be materially and adversely affected.

Potentially adverse tax consequences

Our businesses operate in approximately 100 countries worldwide and our earnings are subject to taxation in many differing jurisdictions and at differing rates. VNU seeks to organize its affairs in a tax-efficient manner, taking account of the jurisdictions in which we operate. Tax laws that apply to our businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such amendments, or their application to our businesses, may adversely affect our reported results.

Project Forward

The success of the project will depend on our ability to realize the anticipated cost savings. We cannot assure you that we will achieve these cost savings. In particular, our ability to successfully realize these cost savings and the timing of this realization may be affected by a variety of factors. (MR: mention a few)

Risks of financial instruments

VNU's principal financial instruments, other than derivatives, consist of common shares, public bonds, private loans, bank loans, credit facilities, convertible bonds, debentures, operational leases, cash and other investments. The main

purpose of these financial instruments is to provide adequate financing for our operating activities and to optimize cash management. Furthermore, we employ additional financial instruments such as foreign currency contracts, trade receivables and trade payables. VNU also enters into derivative transactions, mainly interest–rate swaps, cross–currency swaps and forwardrate agreements. The purpose of these transactions is to manage the interest rate and currency risks of our assets and revenues vis–à– vis our sources of financing. For a detailed discussion of the financial risks, we refer to the Notes to the Consolidated Balance Sheet on page xx.

Other

It is VNU's policy to have our activities and assets well covered by reputable, creditworthy insurance companies. In 2003, we started a program to ensure optimal Business Continuity Planning and we have made good progress in 2004 and 2005. We will continue with this program in 2006.

- Meetings with the Operating Committee;
 - Regular meetings with senior corporate staff;
 - Letters of representation which are issued by all our operating companies and signed by their CEOs and CFOs;
 - Reports of our Operational Audit department;
 - Management letters and audit reports provided by the external auditor;
 - Our Business Code of Conduct and Whistleblower Policy.
- All material findings are shared with the Audit Committee.

We realize the importance of further improvements to our internal control and risk management systems.

In 2003, VNU started the Preventure project to further strengthen VNU's Business Control Framework throughout the company. This Business Control Framework is the entire set of processes designed to provide assurance with respect to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. This framework, based on the COSO model, will also ensure that VNU complies with new international standards on

Our progress was fueled primarily by robust growth in our marketing and media information segments, where organic revenue advanced 7% and 8%..

In Control Statement

As the Executive Board of VNU, we hereby state that we are responsible for the design, implementation and operation of the company's internal risk management and control systems. The purpose of these systems is to manage the significant risks to which the company is exposed in an optimal way. Such systems can never provide absolute assurance regarding achievement of corporate objectives, nor can they provide an absolute and total guarantee that material errors, losses, fraud and the violation of laws or regulations will not occur.

To comply with our duties in the area of internal risk management and control systems as mentioned in the previous paragraph, we use various tools in the course of the year:

- Strategic evaluations of our business, which take place on an annual basis;
- Budgets;
- Monthly and quarterly financial reporting;
- Quarterly performance meetings with the business groups' management teams;

corporate governance such as the Dutch Corporate Governance Code. During 2005, the implementation of the improved Business Control Framework has made good progress but has not yet been completed, due to the xxxxxx. Therefore, this Business Control Framework was not in place during the full year 2005. (MR: What do we include about SOX??)

All material risk management activities have been discussed with the Audit Committee and the Supervisory Board. For a detailed discussion of the financial risks we refer to the Notes to the Consolidated Balance Sheet on page xx.

Conclusion

Basically, the components for the new internal risk management and control systems are available and have partially been implemented throughout VNU. We expect to finalize the implementation of this new structure in the course of 2006.

Executive Board Haarlem, March 7, 2006

Vision and Policy

Sustainability is regarded as part of our way of doing business. We strive to find the proper balance between social, environmental and economic responsibility ('People, Planet , Profit'). Corporate sustainability contributes positively to our economic results through lower operating costs, a better reputation, more loyal customers and an increased capacity to attract and retain the best employees.

In 2003 we formulated a three-pronged strategy:

- develop and implement a code of business conduct, including business principles;
- design and execute a substantial community investment program;
- set up a measurement and reporting system.

the launch of our training program, a hard copy (translated into 38 languages), will be sent to all employees. Recently, we signed a contract with a legal compliance training vendor to provide a general on line training, as well as a specific compliance and ethics training to targeted high risk audiences. We will also ask all employees to certify the Code.

Community Investment Program

As stated in our Business Principles, community and social investment feature largely in VNU's social responsibility. Our current donation guideline is "Development of people by improving their access to information". To strengthen our socially-targeted programs we support a few large, theme-related projects in addition to current, smaller donations. Donation criteria include neutrality (no political or regional causes), multi-year cooperation, geographical spread as well as active involvement, if applicable, by our employees and (local)

good corporate governance resides in the culture of

Implementation of this strategy was delayed in 2005 due to some exceptional circumstances. The implementation program for the Code of Business Conduct and a measurement and reporting system will be further developed. Initially, we will concentrate on our social performance indicators, with the Global Reporting Initiative as an important guideline. We made good progress with the execution of our community investment program.

Code of Business Conduct

Each and every employee of VNU has to do business in an ethically responsible manner and behave in accordance with VNU's norms and values. VNU's Code of Business Conduct came into effect in late 2004. In 2005, we also finalized the Whistleblower Policy. Both the Code of Business Conduct and our Whistleblower Policy can be found on our website, www.vnu.com.

During 2006, we will focus on a wide-ranging, intensive, all-employee implementation program of our new Code. Prior to

business units.

In 2005, we agreed to a three-year commitment in support of "Close the Gap" in South Africa. Close the Gap is an international non-profit organization headquartered in Belgium and engaged in narrowing the digital gap between the Northern and Southern hemispheres by giving used computers a second life in Africa. By its financial contributions, VNU can give this still young organization an important boost. Projects which VNU supported in 2005 include the installation of a complete computer information center at an Aids-Orphans school in Johannesburg, the building of a computer classroom for blind children in Soshanguve and setting up five computer classrooms in the Limpopo province, which included teacher training.

VNU also made a donation during the year to "New Visions for Public Schools". New Visions is the largest education reform organization in the US dedicated to improving the quality of education in New York City's public schools. The organization aims to transform low performing high schools into campuses of small, more personalized schools, in communities such as the

Bronx and South Brooklyn. In partnership with VNU, New Visions for Public Schools is creating the VNU High School Library for the 21st century by transforming the high school library into a key instructional resource and the center of student learning for the campus of small schools.

Another key initiative was the VNU Tsunami Relief Fund, a program that matched the Tsunami contributions from thousands of VNU employees in more than thirty countries. VNU decided to give the total matching donation of USD 460,000 to the United Nations World Food Programme (WFP) due to its focus on providing long-term, structural aid. Our donation has been distributed equally between Indonesia (Aceh Besar) and Sri Lanka to support WFP's School Feeding program, which benefits approximately 7,000 children in Aceh Besar and to help reconstruct vital infrastructure in Sri Lanka, especially schools, roads and community buildings through the Food for Work initiatives. In the United States, VNU established a similar

causes with contributions of EUR [] million. This figure represents [] % of our operating income before goodwill amortization and impairment charges.

Environmental Performance

As an information and media company, VNU does not have manufacturing plants, but operates business offices around the world. Our impact is therefore limited in areas such as use of materials, energy and water, emissions, effluents, waste and impact on biodiversity. VNU's main environmental issues are more universal in character: efficient use of resources, procurement policy in the office and business travel. Although the environmental impact of VNU's operations is relatively modest, we do seek to reduce it whenever possible.

The majority of the information we produce is not printed, but distributed electronically. We limit the environmental burden of our printed products as much as possible. Total paper

of a company and in its employees

employee matching fund to help the victims of Hurricane Katrina in New Orleans and the Gulf Coast.

Other charitable causes VNU supported include research projects of the Stichting Bevordering Geneeskundige Oncologie (Foundation for the Advancement of Medical Oncology) of the Academic Hospital of the "Vrije Universiteit" in Amsterdam (The Netherlands); the scholarship fund for students of United World Colleges; the Drushba Foundation (fund for school books in Kalush in Ukraine); and the Spaarnestad Fotoarchief (Picture Library in the Netherlands, digitizing of historical press photos).

Economic Performance

As a business entity, VNU contributes to society through the creation of employment and the payment of taxes, dividends and interest. VNU has some [] full-time employees and creates a significant amount of indirect jobs. In 2005, our gross payroll (including wages, pensions, other benefits and redundancy payments) was EUR [] million. During the same year, we paid EUR [] million in interest on debt and borrowings and EUR [] million in dividends. We charged EUR [] million in income taxes to the statement of earnings. In 2005, we supported charitable

use for BI, our main print publishing entity, was [] metric tons in 2005 (2004: 21,425 tons).

The wood used for our paper publications originates from forests managed in a sustainable way. The suppliers of paper used for our trade magazines are ISO 14001 certified or pending certification. ISO 14001 is the international standard for environmental management systems. All primary print partners of VNU Business Media (USA) meet and adhere to US guidelines as mandated by the Environmental Protection Agency and the Occupational Safety & Health Administration.

Social Performance

VNU believes in the fundamental dignity and value of each individual. We attract, train and compensate individuals based only on job-related qualifications and abilities. We have a strong commitment to maintain a work environment free of bias, and any form of harassment is unacceptable. A thorough description of our norms, values and internal guidelines can be found in our Code of Business Conduct on www.vnu.com.

industry standards could render existing products and services obsolete. Our continued success will depend on our ability to adapt to changing technologies, manage and process ever-increasing amounts of data and information and improve the performance, features and reliability of our products and services in response to changing customer and industry demands. We may experience difficulties that could delay or prevent the successful design, development, testing, introduction or marketing of our products and services. New products and services, or enhancements to existing products and services, may not adequately meet the requirements of current and prospective clients or achieve any degree of significant market acceptance.

Hardware and software

Our success depends on the efficient and uninterrupted operation of our computer and communications systems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services, client orders and day-to-day management of our

Although we carry property and business interruption insurance, our coverage may not be adequate to compensate us for all losses that may occur.

Our intellectual property rights

The success of our businesses will continue to depend, in part, on: obtaining patent protection for our technology, products and services; defending our patents, copyrights and other intellectual property; preserving our trade secrets and maintaining the security of our know-how; and operating without infringing upon patents and proprietary rights held by third parties. We rely on a combination of contractual provisions, confidentiality procedures and patent, copyright, trademark, service mark and trade secret laws to protect the proprietary aspects of our technology, data and estimates. These legal measures afford only limited protection, and competitors may gain access to our intellectual property and proprietary information. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets and to determine the validity and scope of our proprietary rights. There

Our progress was fueled primarily by robust growth in our marketing and media information segments, where organic revenue advanced 7% and 8%..

business and could result in the corruption or loss of data. While many of our businesses have appropriate disaster recovery plans in place, we currently do not have full backup facilities everywhere in the world to provide redundant network capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our various computer facilities could result in interruptions in the flow of data to our servers and from our servers to our clients. In addition, any failure by our computer environment to provide our required data communications capacity could result in interruptions in our service. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to an alternative provider of server hosting services. Such a transfer could result in significant delays in our ability to deliver our products and services to our clients. Additionally, significant delays in the planned delivery of system enhancements and improvements, or inadequate performance of the systems once they are completed could damage our reputation and harm our business. Finally, long-term disruptions in infrastructure caused by events such as natural disasters, the outbreak of war, the escalation of hostilities, and acts of terrorism (particularly involving cities in which we have offices) could adversely affect our businesses.

can be no assurance that the intellectual property laws and other statutory and contractual arrangements we currently depend upon will provide sufficient protection in the future to prevent the use or misappropriation of our data, technology and other products and services. In addition, the growing need for global data, along with increased competition and technological advances, puts increasing pressure on us to share our intellectual property for client applications. Any future litigation, regardless of outcome, could result in substantial expense and diversion of resources with no assurance of success and could seriously harm our business, results of operations and financial condition.

Staffing and managing multinational operations

Our future success depends in large part on our ability to retain our key employees and to attract and motivate additional highly skilled employees in many locations around the world. Although we provide compensation packages that include competitive salaries, stock options, bonus incentives and other employee benefits, we may be unable to retain our key employees or to attract and retain other highly qualified employees in the future. If we are unable to retain key employees or attract qualified personnel to replace any employees who leave and to support our growth, our business may be materially and adversely affected.

Potentially adverse tax consequences

Our businesses operate in approximately 100 countries worldwide and our earnings are subject to taxation in many differing jurisdictions and at differing rates. VNU seeks to organize its affairs in a tax-efficient manner, taking account of the jurisdictions in which we operate. Tax laws that apply to our businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such amendments, or their application to our businesses, may adversely affect our reported results.

Project Forward

The success of the project will depend on our ability to realize the anticipated cost savings. We cannot assure you that we will achieve these cost savings. In particular, our ability to successfully realize these cost savings and the timing of this realization may be affected by a variety of factors. (MR: mention a few)

Risks of financial instruments

VNU's principal financial instruments, other than derivatives, consist of common shares, public bonds, private loans, bank loans, credit facilities, convertible bonds, debentures, operational leases, cash and other investments. The main purpose of these financial instruments is to provide adequate financing for our operating activities and to optimize cash management. Furthermore, we employ additional financial instruments such as foreign currency contracts, trade receivables and trade payables. VNU also enters into derivative transactions, mainly interest-rate swaps, cross-currency swaps and forward rate agreements. The purpose of these transactions is to manage the interest rate and currency risks of our assets and revenues vis-à-vis our sources of financing. For a detailed discussion of the financial risks, we refer to the Notes to the Consolidated Balance Sheet on page xx.

Other

It is VNU's policy to have our activities and assets well covered by reputable, creditworthy insurance companies. In 2003, we started a program to ensure optimal Business Continuity Planning and we have made good progress in 2004 and 2005. We will continue with this program in 2006.

In Control Statement

As the Executive Board of VNU, we hereby state that we are responsible for the design, implementation and operation of the company's internal risk management and control systems. The purpose of these systems is to manage the significant risks to which the company is exposed in an optimal way. Such systems can never provide absolute assurance regarding achievement of corporate objectives, nor can they provide an absolute and total guarantee that material errors, losses, fraud and the violation of laws or regulations will not occur.

To comply with our duties in the area of internal risk management and control systems as mentioned in the previous paragraph, we use various tools in the course of the year:

- Strategic evaluations of our business, which take place on an annual basis;
- Budgets;
- Monthly and quarterly financial reporting;
- Quarterly performance meetings with the business groups' management teams;
- Meetings with the Operating Committee;
- Regular meetings with senior corporate staff;
- Letters of representation which are issued by all our operating companies and signed by their CEOs and CFOs;
- Reports of our Operational Audit department;
- Management letters and audit reports provided by the external auditor;
- Our Business Code of Conduct and Whistleblower Policy.

All material findings are shared with the Audit Committee.

We realize the importance of further improvements to our internal control and risk management systems.

In 2003, VNU started the Preventure project to further strengthen VNU's Business Control Framework throughout the company. This Business Control Framework is the entire set of processes designed to provide assurance with respect to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. This framework, based on the COSO model, will also ensure that VNU complies with new international standards on corporate governance such as the Dutch Corporate Governance Code. During 2005, the implementation of the improved Business Control Framework has made good progress but has not yet been completed, due to the xxxxxx. Therefore, this Business Control Framework was not in place during the full year 2005. (MR: What do we include about SOX??)

All material risk management activities have been discussed with the Audit Committee and the Supervisory Board. For a detailed discussion of the financial risks we refer to the Notes to the Consolidated Balance Sheet on page xx.

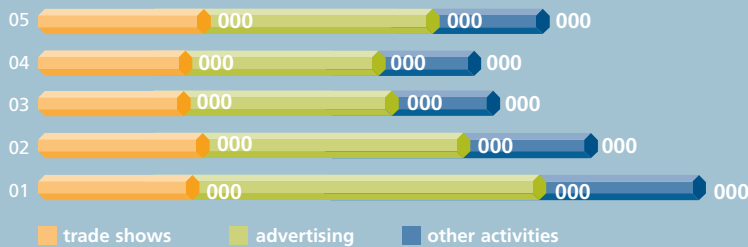
Conclusion

Basically, the components for the new internal risk management and control systems are available and have partially been implemented throughout VNU. We expect to finalize the implementation of this new structure in the course of 2006.

VNU Marketing Information (MI) had a strong year in 2005, with revenue growth in virtually every region and business unit and solid growth overall in EBITDA.

Total revenues	- 0%	+ 0% organic	EUR 000 million (from EUR 000 million)
Operating income	+ 0%	+ 00% organic	EUR 00 million (from EUR 00 million)
Operating margin	+ 000 basis points		00% (from 00%)
FTEs	-0%		0,000 (from 0,000)

REVENUE (X EUR MILLION)



TOTAL REVENUES (as % of total VNU)



EBITDA (as % of total VNU)



Organic revenue performance was especially strong in ACNielsen's Emerging Markets and Latin American regions, which delivered double-digit gains. Total organic revenue for the group increased [3.5–4%] to EUR ___ million, slightly below expectations, as a result of a sluggish performance in Europe, where difficult market conditions held down client spending. Aggressive cost management in Europe and throughout the group helped MI deliver operating income growth of ___% to EUR ___ million, which was in line with targets. MI's EBITDA margin reached [15%] in 2005.

VNU MI made excellent progress on all its strategic development initiatives during the year, including the Homescan MegaPanel expansion in the U.S.; the expansion of consumer panels in Europe, Latin America and Asia; the conversion to a new information factory for retail measurement in Europe; the rollout of enhanced services for retailers; continuing growth in fast-growing developing markets, such as Brazil, China, India and Russia; and the development of integrated advisory services.

MI's major efficiency initiatives – Project Atlas, which is focused principally on North America, and Project GOL in Latin America – met their objectives and delivered significant results during the year. These programs, and similar actions underway in Europe and other parts of the business, have improved the group's business processes, lowered its cost base, enhanced margins and provided resources to invest in development activities.

ACNielsen

On a global basis, ACNielsen delivered solid organic growth and strong gains in EBITDA, with good results in four out of five regions.

ACNielsen formed a global partnership with DemandTec during the year to help retailers improve pricing, promotion and merchandising performance by combining ACNielsen's information and DemandTec's demand-modeling and optimization software.

Working with other MI units, ACNielsen is developing advanced business intelligence services that enable large-scale data integration and harmonization. ACNielsen also is working to streamline and strengthen its information factories on a global basis and to unify and enhance its information-delivery systems and tools. ACNielsen Global Services, which provides clients with harmonized, multinational information services, introduced Global Launch Tracker in 2005, a service designed to help clients monitor product introductions.

ACNielsen North America

ACNielsen's business in the United States performed well, delivering a solid increase in operating income. Modest revenue growth was driven principally by gains from Homescan. Strong cost management helped ACNielsen U.S. overcome pricing pressures and reach its EBITDA objective, while the business continued to roll out value-added services designed to help clients reach their marketing goals and accelerate their growth.



BASE

CLARIT

The U.S. business completed its Homescan MegaPanel expansion during the fourth quarter, ahead of schedule and under budget. Now at 125,000 households, the enlarged U.S. panel is a key growth driver that will deliver deeper and more valuable insights into consumer purchasing behavior in national and local markets and across a wider range of retail outlets. The panel also provides an important platform for the development of value-added services for manufacturers and retailers, as well as advanced services created in collaboration with other VNU businesses, including Spectra, Nielsen Media Research, NetRatings, Nielsen Ventures and Nielsen Entertainment.

During the year, ACNielsen U.S. maintained its leading market share among manufacturers, winning 21 contract renewals and significant new business with Wrigley. Among retailers, the U.S. renewed 27 data cooperation agreements, including 26 for high-value account-level services. Ahold, which operates five major chains in the U.S., extended its agreement with ACNielsen for a five-year period, and Winn Dixie signed an expanded cooperation agreement.

Major service initiatives, in addition to the Homescan expansion, include the launch of TargetTrack, the first comprehensive tracking service covering major cultural and ethnic groups in the U.S. The U.S. launched a number of services for retailers during the year that address such issues as optimizing store performance, tracking seasonal and special-event promotions and monitoring trends and changes in consumer shopping behavior.

ACNielsen U.S. developed an advanced coverage solution that integrates retail measurement, Homescan and third-party data to provide clients with comprehensive information from the highly fragmented retail universe.

ACNielsen Canada delivered excellent results, with good revenue gains and strong EBITDA growth that exceeded expectations. Revenue growth was driven by ad hoc sales to government and regional clients and growth in new business. The business expanded its retail measurement services to include fresh foods and tires, and saw good gains as a result of its expanded coverage of tobacco sales. Canada introduced What's in Store, a service that helps manufacturers work more closely with retailers by delivering weekly, store-by-store reporting on product sales.

ACNielsen Latin America (revised 2/14 per J. Lozano) ACNielsen's Latin American region achieved excellent double-digit growth in revenue and EBITDA in 2005, led by strong performances in Brazil, Mexico and Colombia. The region reported gains in all product segments, with especially strong gains in core retail measurement services as a result of coverage expansions and conversions to scanning-based data collection. ACNielsen acquired full ownership of its business in Chile during the year.

Latin America continued to expand its consumer panel services during the year. Brazil's new Homescan panel was positively received by clients and generated solid growth, Homescan coverage and capabilities were expanded in Mexico

and Colombia, and Chile delivered strong growth in consumer panel revenue.

Moving to unify its services across the region, Latin America continued to consolidate and streamline its information factories and launched ACNielsen Advisor i-sights across the region for all services. Advisor i-sights, pioneered in ACNielsen's Asia Pacific region and becoming commonplace in many other parts of the world, provide clients with fast and convenient access to marketing information reports over the Web.

ACNielsen Europe (revised 2/16 per J. Sjöstrand) Exercising tight and effective management controls, while continuing to invest in strengthening its business, ACNielsen

cash slips from consumers as they exit stores.

With the transition to the new factory on track against a realistic schedule that conforms with client needs and market conditions, and with good progress on a comprehensive approach to retail measurement, consumer panel and customized research services, ACNielsen Europe is well positioned to accelerate its future growth as economic conditions improve in the region.

ACNielsen Emerging Markets (revised 2/14 per R. Clark and K. Kyriakou) ACNielsen Emerging Markets, which is responsible for operations in Central and Eastern Europe, the Middle East and Africa,



Europe met its EBITA objectives during the year despite tough market conditions. Revenue declined, as clients severely limited discretionary spending in a weak economy.

Clients in the Netherlands and Belgium responded positively to the launch of the new retail measurement factory in Europe. The factory provides an array of benefits, including fast Web delivery of reports that are organized specifically to help individual managers in clients' organizations address key marketing issues. Operational transitions to the new factory are underway in countries, including France, Italy and the United Kingdom, and will continue throughout Western Europe through 2006 and early 2007. Europe will launch its innovative ACNielsen i-sights in all countries during 2006, either through the new factory or existing technology.

ACNielsen Europe is conducting a major expansion of Homescan that will bring total coverage to 70,000 households in seven countries. Panels in France, Spain and Germany were expanded in 2005, and in Italy and Finland during the first quarter of 2006. The expansion is underway in the United Kingdom, where ACNielsen Europe also has launched the MyScan individual consumer panel to measure impulse purchases of products consumed outside the home. MyScan development is also underway in France.

ACNielsen Europe substantially enhanced its services for retailers and won expanded cooperation agreements with retailing clients, including REWE in Germany and Coop in Denmark. The region launched an innovative approach to providing coverage of the fast-growing Hard-Discount retail sector, based on collecting

delivered double-digit gains in revenue and EBITDA for the sixth consecutive year in 2005. Countries generating strong revenue gains included Russia, Poland, Hungary, South Africa, Pakistan and Nigeria.

The region continued its systematic expansion of retail measurement and customized research services during the year. Retail measurement service was launched in Bosnia Herzegovina, and retail coverage was expanded in countries, including Russia, Ukraine, South Africa, Nigeria and Algeria, driving revenue growth with manufacturer clients. Poland and Hungary launched Scantrack retail measurement, as the region continued to transition to electronic scanning-based services in key markets. Czech Republic launched cash-slip store intercept coverage of the discount retailer channel. Proprietary customized research services, such as Winning Brands, DeltaQual and eQ, generated strong, double-digit revenue growth.

The Emerging Markets region also continued to expand the availability of major services for retailers, including Shopper Trends, Total Store Read and Total Business Read. ACNielsen Advisor i-sights were launched in 25 countries for both manufacturer and retailer clients.

ACNielsen Asia Pacific (revised 2/14 per L. Lee and S. Kuehm) ACNielsen Asia Pacific delivered solid revenue gains and double-digit growth in EBITDA in 2005. Gains were reported in all key services – retail measurement, consumer panels and customized research. Countries reporting strong revenue growth included Australia, Indonesia, Malaysia, Philippines, South Korea, Thailand and Vietnam.



STRATEGIC FOCUS

- ongoing tight cost control
- maintain leading brand position in each market
- multi-media initiatives (combine online, exhibitions and print publications)
- new business model: print for background and analyses, online for news and current events
- leverage significant overlap with Marketing Informatization and Media Measurement & Information groups

The Asia Pacific region continued to invest in the expansion of retail measurement services (RMS) in major countries. China reported solid growth in RMS and opened a centralized operations center in Shanghai. Advanced Scantrack RMS service was launched in countries, including Indonesia and Thailand.

A Homescan consumer panel was launched in Thailand in 2005 and Korea began converting its diary-based consumer panel to the electronic Homescan system, while also enlarging the sample. Homescan panels Hong Kong and Australia. The expansion in Australia contributed to a strong year there, along with good growth in RMS and customized research.

Growth in revenue from profitable proprietary customized research services continued to accelerate during the year, especially in Indonesia, Thailand and Korea. ACNielsen International Research, which manages multi-country customized research projects for clients, generated strong growth. The region also continued to expand its on-line customized research capabilities.

The region's pioneering ACNielsen Advisor i-sights services continued to find wide acceptance among clients. Nearly 95% of clients using retail measurement, consumer panel and customized research services receive and work with their information using the Web-based system.

ACNielsen Advisory Services

VNU Advisory Services was re-branded ACNielsen Advisory Services late in the year to emphasize the close linkage across the group's marketing information services, analytical products,

advisory services and solutions. In addition, the Modeling & Analytics unit was re-branded ACNielsen Analytical Consulting, and a decision was reached to bring the ACNielsen Homescan and Spectra businesses together under ACNielsen Advisory Services to accelerate development of value-added consumer segmentation services and to help Spectra expand internationally in markets already served by Homescan. Responsibility for ACNielsen's high-value customized research services also has been focused in ACNielsen Advisory Services. The changes took effect at the start of 2006.

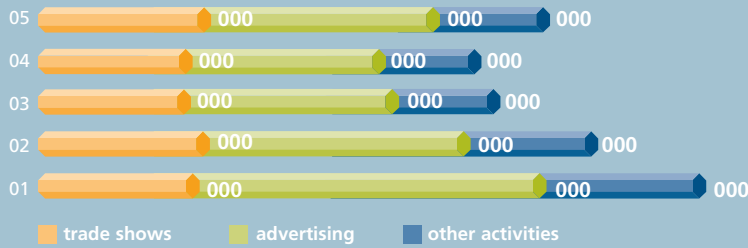
ACNielsen Advisory Services will continue to drive development of advanced services that leverage the MI group's proprietary marketing information to create higher-value solutions for clients. Launch Control, an integrated service aimed at help clients improve results from new-product introductions, was pilot tested for rollout in 2006, and the group is now developing integrated services focused on such key client issues as market foresight, consumer segmentation, retail channel execution and retailer loyalty. Advisory Services also led a successful pilot program for delivering integrated "VNU Advantage" client service in 2005 that will be expanded to additional clients in 2006.

BASES (need brief explanation of goals of new products) BASES achieved solid revenue and EBITDA gains in 2005, driven by excellent growth in Asia, good gains in Europe and new revenue from clients in industries, including pharmaceuticals, alcoholic beverages and entertainment. The good results from international operations and new industries helped overcome slower growth in the U.S., where clients held down spending as a

Outstanding execution of a business strategy that is well-suited to market conditions and client needs led to another strong performance...

Total revenues	- 0%	+ 0% organic	EUR 000 million (from EUR 000 million)
Operating income	+ 0%	+ 00% organic	EUR 00 million (from EUR 00 million)
Operating margin	+ 000 basis points		00% (from 00%)
FTEs	-0%		0,000 (from 0,000)

REVENUE (X EUR MILLION)



TOTAL REVENUES (as % of total VNU)



EBITDA (as % of total VNU)



Outstanding execution of a business strategy that is well-suited to market conditions and client needs led to another strong performance by the VNU Media Measurement & Information (MMI) group in 2005. The group continued to expand and strengthen its measurement services for the media and entertainment industries, providing deeper and more accurate coverage of the marketplace and higher value to clients. MMI also is bringing a range of innovative services to market designed to help clients see more clearly how to build their audiences and improve their performance in a highly complex and fast-changing environment.

Led by excellent growth at Nielsen Media Research in the US and a good performance by NetRatings, MMI's Internet Measurement division that is 61% owned by VNU, MMI's reported revenue increased 9% to EUR 968 million, and EBITDA rose 15% to EUR 269 million. On an organic basis, revenue increased 11% and EBITDA 20%. The strong top- and bottom-line gains enabled the group to achieve an EBITDA margin of 28% for the year. All MMI divisions achieved growth in revenue and EBITDA in 2005.

Media Measurement & Solutions

Nielsen Media Research (NMR) in the United States once again achieved double-digit organic growth in revenue and EBITDA, as

clients continued to respond positively to the expansion of national and local audience measurement samples and advances in measurement technology. Agreements with major broadcast and cable networks, cable systems, syndicators and local station groups reached in 2003 and 2004 fueled the growth, and NMR signed additional clients to new and extended contracts in 2005. These included a three-year extension with Time-Warner for national and local measurement services and new agreements with Univision Communications, Emmis Television, Gannett and Media General local station groups, Fox Sports and Cox Communications.

NMR completed about 90% of its National People Meter (NPM) sample expansion during 2005 and will reach its goal of nearly doubling the sample to almost 10,000 households during 2006. Local People Meter services (LPM) were introduced in Philadelphia, San Francisco and Washington, D.C. during 2005, part of a two-year effort to provide overnight ratings and demographic information in the top 10 U.S. markets. The introduction of LPM services will be completed in 2006 with the addition of Dallas and Detroit during the first quarter and Atlanta by mid-year. NMR has also made several other significant investments in coverage initiatives in People Meter, meter/diary and diary-only samples, in order to provide clients with higher quality and more precision in television audience measurement.



//NetRatings

ERDS

NMR also began adding measurement of video-on-demand and time-shifted viewing of television programs to its national and local services in the U.S. during 2005. These enhanced services are enabled by the 2005 introduction of NMR's advanced "active/passive" (A/P) television meters within its audience samples, a major milestone in measurement technology that provides a flexible platform for measuring new digital devices available to consumers. To further improve measurement of both television programs and commercials in the digital environment, NMR acquired AudioAudit in July and began integrating its broadcast verification service with an existing and complementary service. NMR is nearing the completion of its evaluation of Arbitron's Portable People Meter system, to determine if the technology is suitable as a ratings currency for television audience measurement purposes.

NMR has made a number of improvements to its data gathering, processing and delivery software applications and tools that clients use to access and analyze audience information. The business completed the second phase of development for its Global Technology and Information Center, which will serve as a central resource for all MMI technology operations.

Controversy about the conversion to LPM measurement in local markets abated during the year, as NMR worked closely

with clients and community groups to respond to their concerns and demonstrate the superiority of the new system. NMR testified before the U.S. Congress during the year to oppose a proposal to introduce government regulation of television audience measurement, which to date has gained little support in the House or Senate.

Nielsen Media Research International achieved good growth in revenue and strong organic EBITDA growth. The AGB Nielsen Media Research television audience measurement (TAM) joint venture covering more than 30 countries was finalized in March 2005. The joint venture performed well and continued its expansion in China, where people meter coverage will be introduced in 17 provinces, including all major metropolitan areas. All told, NMR International's TAM joint ventures*, which include joint ventures in Latin America with IBOPE, as well as separate ventures in Finland and India, cover 45 countries.

* (All operating results with respect to joint ventures are included in the caption "share of profit of associates and joint ventures" in the accompanying Consolidated Statement of Earnings)

NMR International moved to extend its global leadership in Advertising Information Services (AIS), which provide clients with competitive information on advertising expenditures and creative content. The business launched Nielsen AdVantage, which integrates expenditure and creative information covering

Nielsen Media Research (NMR) in the United States once again achieved double-digit organic growth in revenue and EBITDA...



Nielsen
Entertainment



SCARBOROUGH



iM

more than 25 countries, and acquired successful local AIS businesses in the Netherlands and South Korea. Nielsen Monitor-Plus, the US AIS business, continued to gain market share.

Nielsen Outdoor, established in 2004 as the first research service to measure both consumer exposure to outdoor advertising and their demographics, launched its service in Chicago following a successful pilot and will expand into additional U.S. markets in 2006. Nielsen Outdoor also secured a contract to measure outdoor advertising in South Africa. The service uses global positioning technology to monitor motorists' and pedestrians' opportunity to see outdoor advertising.

Media Solutions, which markets a range of advertising information and specialized media planning services, delivered good organic revenue growth and double-digit organic EBITDA growth. SRDS continued to reformulate its advertising-rate and media-planning services in electronic formats and clients responded positively, driving double-digit gains in revenue from online services. Interactive Market Systems (IMS) launched a range of new products as it continued to replace legacy offerings with web-based services. IMS also contributed its software expertise to joint development activities with other MMI businesses to create new services focused on specific consumer groups and industry segments. Scarborough Research (a joint venture with Arbitron)* had a very successful year in terms of both revenue and earnings growth.

Nielsen Ventures continued to launch innovative services that respond to shifting business models that are challenging media, entertainment and marketing clients, driving revenue growth that accelerated in 2005. Following the introduction of Sports Sponsorship Scorecard in 2004, the business introduced FanLinks in 2005, a service developed with ACNielsen to link consumers' sports media consumption to product purchasing. Major sports organizations signing contracts for Nielsen Ventures' services included the PGA Tour, Major League Baseball, the National Football League and 16 individual teams belonging to the league, and NASCAR and a number of NASCAR sponsors, along with the ESPN and Fox sports networks. Nielsen Ventures also continued to develop and expand sales of services that enable clients to measure the impact of product placement on television and in the movies, including PlaceViews. Early in 2006, VNU acquired a majority interest in BuzzMetrics, a pioneer in the measurement and analysis of online consumer-generated media, including Internet blogs, public message boards and product feedback sites. The move expanded VNU's media measurement capabilities in a fast-growing area and will open collaborative development opportunities with the MMI and MI groups that will be coordinated through Nielsen Ventures. MMI continued to guide VNU's participation in the Project Apollo initiative with Arbitron. Project Apollo is focused on developing a new marketing information service that will give clients a better understanding of the links between consumer media exposure and consumer purchasing. In this regard, VNU



STRATEGIC FOCUS

- ongoing tight cost control
- maintain leading brand position in each market
- multi-media initiatives (combine online, exhibitions and print publications)
- new business model: print for background and analyses, online for news and current events
- leverage significant overlap with Marketing Informatization and Media Measurement & Information groups

and Arbitron are currently deploying a test panel in the U.S. that will consist of approximately 14,500 participants in 6,250 households.

Entertainment

Nielsen Entertainment delivered organic revenue growth and double-digit organic EBITDA growth, despite challenging economic and market conditions. Growth drivers included both syndicated and custom analysis product offerings in its entertainment consulting services and measurement businesses for the film, home entertainment, music, video/DVDs and books industries. Growth was also driven by new product development, process reengineering, strategic alliances and positive results from restructuring activities.

Nielsen Entertainment invested in new consumer entertainment tracking products; the expansion of Nielsen Mobile's measurement services with the launch of RingScan, which measures downloads of music to mobile phones for use as ring tones; the release of industry benchmark reports on the Digital Household, Active Gamers, Mobile User Behavior, Motion Picture industry analysis and On Demand Economics; integration of the BookData and MusicControl acquisitions in Europe; and the redesign of SoundScan operating systems to include Christian and Canadian music tracking.

Nielsen Entertainment reorganized NRG, a provider of testing, consulting and research services for films and

promotional materials, to expand its Theatrical, Home Entertainment and International focus to include Interactive Entertainment (VideoGames) and launched new services in the Independent Film and Live Theatrical Events verticals. Nielsen ReelResearch also re-branded its business to Nielsen Television Practice to provide consumer insights to the television and Consumer products industries and launched a VNU/MMI On-Demand initiative in partnership with NMR.

Internet Measurement

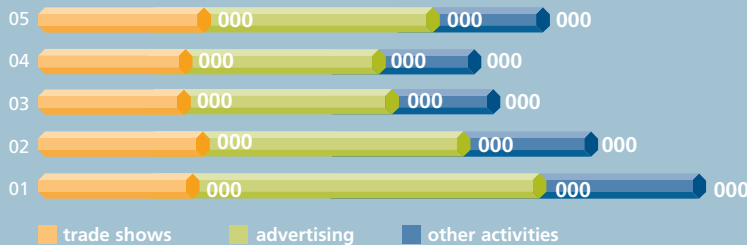
NetRatings, 61% owned by VNU, continued its strong revenue growth and substantially improved its profitability during 2005, reflecting continuing growth in the Internet as an advertising and marketing medium. NetRatings was profitable in EBITDA terms for the first time in its history during the fourth quarter and is expected to be profitable in EBITDA for the full year in 2006. Revenue gains were driven by Internet advertising information services and web analytics offerings, as well as the rollout of new services based on the NetRatings MegaPanel, which tracks Internet usage and buying behavior among more than one million people in countries, including the United States, the United Kingdom, France and Germany.

NetRatings also gained good growth from Homescan Online, developed with ACNielsen, a service that provides integrated views of consumers' online behavior and offline purchasing patterns.

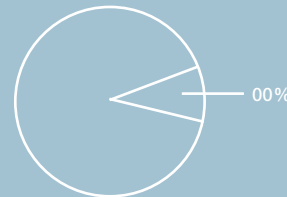
...VNU Expositions is one of the largest organizers of face-to-face events in the United States and Brazil.

Total revenues	- 0%	+ 0% organic	EUR 000 million (from EUR 000 million)
Operating income	+ 0%	+ 00% organic	EUR 00 million (from EUR 00 million)
Operating margin	+ 000 basis points		00% (from 00%)
FTEs	-0%		0,000 (from 0,000)

REVENUE (X EUR MILLION)



TOTAL REVENUES (as % of total VNU)



EBITDA (as % of total VNU)



VNU Business Information (BI) expanded its profitable trade show businesses and accelerated growth in online media in 2006, but continued to face a difficult advertising market in publications, especially in Europe. While there were some significant positive developments in publications, weak overall advertising results held down revenue and profit growth for the group. For the year BI delivered organic revenues of EUR ____, a 2% increase that was lower than expected. EBITDA rose 5% to EUR ____, led by good results from the U.S. trade show business. Operating margins reached __%.

TRADE SHOWS

United States

VNU Expositions organizes large, prominent trade shows and conferences for the retail, entertainment, jewelry, healthcare, sports and design and construction industries, among others. With 66 shows in these key market segments, VNU Expositions is one of the largest organizers of face-to-face events in the United States and Brazil. 2005 was another successful year, as net square feet and attendance increased and both organic revenues and EBITDA grew at more than 10%.

During 2005, VNU Expositions launched ten new events and further improved product offerings in many markets. For example, the ASD/AMD Merchandise Show was realigned to allow over 350 new booths to be sold, driving gains in both revenue and profitability. VNU's position in the high-end jewelry industry was strengthened in 2005 by the launch of a Signature Salon in Las Vegas, immediately following the existing Couture Jewelry event there, extending the group's presence at the leading industry gathering from three days to seven. Couture pavilions were also created successfully at the JA Winter and Summer events in New York.

In October, the Year-End Merchandise show was launched in Los Angeles and exceeded expectations. The Digital Marketing Conference was launched in partnership with two other VNU companies, Adweek group and NetRatings, and the DEMExpo was launched in partnership with Billboard, THR, Adweek, and Nielsen Entertainment's Soundscan.

VNU Expositions' global reach was expanded by a successful launch of HD Asia in Hong Kong, and the CineAsia event was moved to Beijing in 2005 with the help of VNU Exhibitions Asia. Other 2005 initiatives included the launch of the At-Retail Media Show and the Hispanic Retail 360 conference and tradeshow.



interm



VNU Expositions expects to continue to deliver strong margins in 2006, despite some challenges, such as increased difficulties for some foreign visitors to attend events in the U.S. due to heightened security, and an increase in competition from smaller companies. There is still ample room to grow for VNU Expositions through new events, product improvement and collaboration with other VNU businesses. Six new events are planned for 2006, including three in new markets. In Brazil, the Kitchen and Bath and Food Technology shows will be expanded.

Europe

VNU Expositions Europe delivered mixed results in 2005. Revenue and EBITDA declined slightly, largely due to the postponement of a major agricultural exposition from 2005 to 2006. Most business-to-business shows conducted during the year met their objectives, but earnings from business-to-consumer shows were lower than expected due to declining visitor numbers. The business is taking steps to improve sales performance in 2006, increase yield per square meter, add sponsorships and develop spin-off opportunities.

VNU Expositions Asia, which is administered by the European business, continued to expand its activities in China, nearly doubling its revenues there and achieving good profitability. Twenty-six trade shows were held in China in 2005, up from 17 in 2004, and floor-space sales increased by more than 25%. Growth was especially strong from the Domotex Chinafloor show, up 35%, and from Busworld and a Real Estate show. VNU Expositions Asia worked closely during the year with VNU Expositions U.S. to support their efforts to expand in China.

PUBLISHING

United States

After four consecutive years of advertising revenue declines, VNU's publishing business in the United States slightly increased advertising revenue during the year on an organic basis. The gains were led by solid increases at Billboard, Adweek, Brandweek and Mediaweek, as well as by strong Internet advertising. Licensing revenue grew 18% and eMedia increased revenue 27%, reflecting changes in the marketplace and the

VNU Business Media publications won more than 30 awards in 2005, including seven Neal Awards, five ASBPE awards, and four Folio Awards.



continued migration of marketing communications budgets from traditional media to alternative and electronic media. Also contributing to revenue growth were four new cross-brand conferences linked to multiple publishing brands that were launched during the year by the VNU Conference Group. Titles adversely affected by the sluggish market included Retailing and Performance.

The U.S. publishing business created a new Internet site, demexpo.com, and completed 14 website rebuilds, including the bookstandard.com, billboardradiomonitor.com, billboard.biz, mediaweek.com, brandweek.com, pdnonline.com, csnews.com, kbbonline.com, billboard.com, backstage.com, theincentiveshow.com, training.conference.com, hdexpo.com and medtrade.com. Additionally, we redesigned four brands including Billboard, The BookSeller, Back Stage and Meeting News.

Four publications celebrated landmark anniversaries including Incentive's 100th; The Hollywood Reporter's 75th; Kitchen and Bath Business's 50th; and Photo District News's 25th. VNU Business Media publications won more than 30 awards in 2005, including seven Neal Awards, five ASBPE awards, and four Folio Awards.

Billboard launched a mobile application in the U.S., Canada and Japan to distribute selected content through a variety of major wireless carriers, a Latino weekly TV show on TV Azteca, and the Billboard Hot Ring Tones Chart. Licensing agreements were reached for print editions of Sales & Marketing Management in Russia and Europa Star in the Ukraine, as well as print content syndication agreements for Adweek in Israel, Russia, and Mexico, and Training in China.

In the digital space, we launched VNU Publications' first Information Gateway with a full-range portfolio of print, digital and face-to-face products and services, the travel MIMegasite. In addition, electronic information portals for Branded Entertainment and Inside Videogames were launched, as well as the first VNU blogs, Adfreak.com and misoapbox.com.

The U.S. publishing business is continuing to develop promising 2004 initiatives that have yet to significant results, including Marketing y Medios for the Hispanic community, the Billboard Radio Monitor, in partnership with Nielsen Music's BDS unit, and The Book Standard, a web portal for book and allied industry professionals developed with Nielsen BookScan.



STRATEGIC FOCUS

- ongoing tight cost control
- maintain leading brand position in each market
- multi-media initiatives (combine online, exhibitions and print publications)
- new business model: print for background and analyses, online for news and current events
- leverage significant overlap with Marketing Information and Media Measurement & Information groups

Europe

VNU Business Media Europe (BME) continued to face difficult market conditions in 2005 and results were lower than expected, although both revenues and EBITDA increased. Declines in display advertising were partly offset by growth in recruitment advertising and in revenue from the VNUNet network of IT web sites, however, and by a good performance by Intermediar, the weekly recruitment publication in the Netherlands. Market shares remained stable and BME remains the market leader in the countries where it operates, especially the UK and the Netherlands, which represent 64% of revenue.

Results from recruitment advertising were particularly strong in the Netherlands, due in part to a strong performance by NationalVacaturebank.nl, which was acquired in 2004, and by Intermediar.nl. BME re-focused on recruitment advertising in the U.K., with positive results, especially in Accountancy Age Jobs. IT recruitment advertising in the U.K. and Belgium generated modest growth.

VNUNet, which operates web portals in seven countries, delivered strong growth in 2005. The portals provide IT professionals with easy access to critical information on products, prices, test results and other data. Site visits increased by over 30% during the year. Major progress was made in 2005 toward placing on the portals on a uniform technology platform and enhancing the international sales organization, and VNUNet is well positioned for accelerated growth going forward. Online revenues now account for nearly 15% of BME's advertising results, up from 8% in 2004.

In publications, Intermediar achieved strong growth in revenue and market share. Accountancy Age and Financial Director in the U.K. delivered good results and BME's marketing title in Spain performed well. BME continued to build archives of editorial content for re-use and syndication on multiple print and electronic publishing platforms.

IMPORTANT DATES

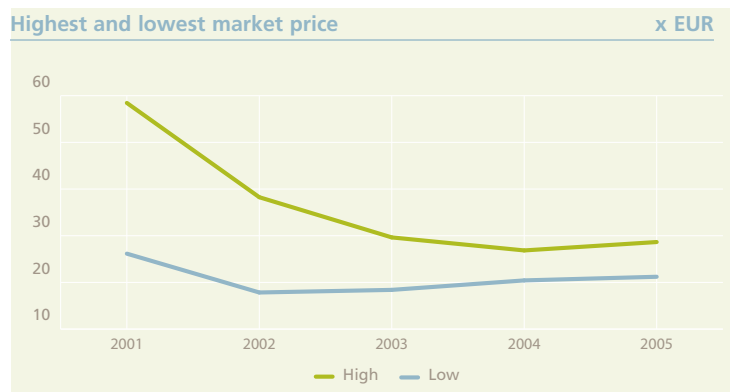
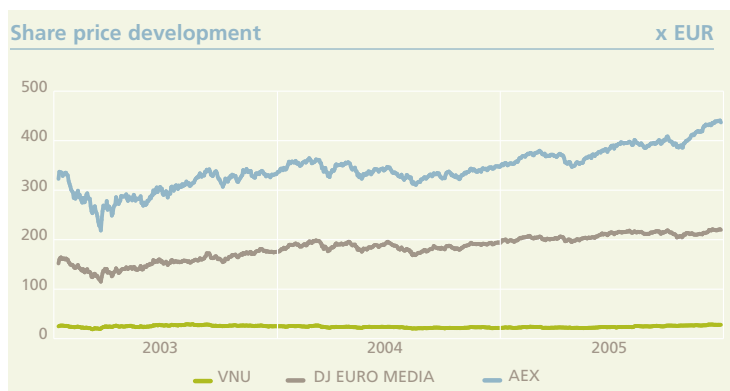
2006	
April	
18	General Meeting of Shareholders
20	Ex quotation 2005 final dividend
May	
3	2005 final dividend to be paid
August	
9	Publication of 2006 first half year results, before opening Euronext Amsterdam
9	Publication of 2006 interim dividend, before opening Euronext Amsterdam
10	Ex quotation 2006 interim dividend
23	2006 interim dividend to be paid
December	
13	Publication of Trading Statement

2007	
March	
7	Publication of 2006 results and proposed dividend, before opening Euronext Amsterdam
26	Publication of 2006 Annual Report
April	
17	General Meeting of Shareholders
19	Ex quotation 2006 final dividend
May	
2	2006 final dividend to be paid
August	
8	Publication of 2007 first half year results, before opening Euronext Amsterdam
8	Publication of 2007 interim dividend, before opening Euronext Amsterdam
9	Ex quotation 2007 interim dividend
22	2007 interim dividend to be paid
December	
12	Publication of Trading Statement

SHARE INFORMATION

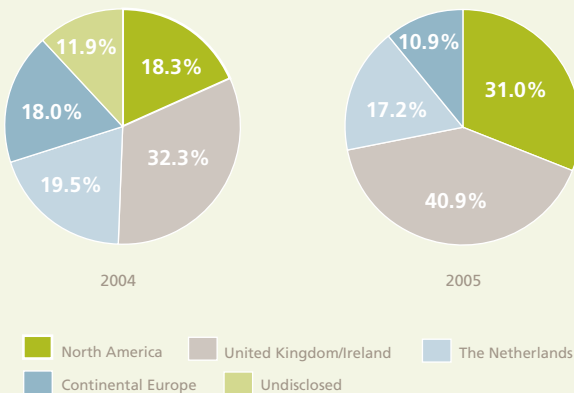
	2005	2004	% change
Common shares			
SHARES X MILLION			
Number of common shares outstanding	2??	254	?
Average number of common shares outstanding	2??	252	?
Fully diluted number of common shares*	2??	252	?
PRICES x EUR 1			
Nominal value of common shares	0.20	0.20	
Highest market price	28.65	26.85	
Lowest market price	21.21	20.43	
Market price at year-end	28.01	21.73	
X EUR BILLION			
Market value at year-end	??	5.5	
Prices x USD 1 (ADR's*)			
Highest market price	34.60	33.05	
Lowest market price	26.75	24.80	
Market price at year-end	33.00	29.75	

FINANCIAL PERFORMANCE



Listings

Distribution of VNU shares*



* Based on information provided by financial institutions

Issued capital stock

Common shares	?????????
Priority shares*	500
7% preferred shares	150,000
6.22% cumulative preferred shares B	7,200,000

* More information on special voting rights for priority shares and preferred shares A can be found on page (add page number of priority shares and the foundation "Stichting VNU in the annual report).

LISTINGS

Euronext Amsterdam

- common shares of VNU nv (ASE: VNU).
- 7% preferred shares of VNU nv.
- options on common shares of VNU nv.

American Depositary Receipts (ADRs)

VNU has an over-the-counter (OTC) ADR program in the United States. Each ADR represents one common share of VNU. The ticker is VNUVY. Bank of New York is Depositary for VNU. Shareholder inquiries may be directed to: Bank of New York, 101 Barclay Street, 22W, New York, NY 10286, USA. At this moment, ADR's represent less than 1% of VNU's issued share capital.

PUBLIC DEBENTURES

Euronext Amsterdam

- NLG 600 million (EUR 272.3 million) 5.50% debenture loan 1998–2008 VNU nv.
- EUR 333 million (originally EUR 1,150 million) 1.75% unsubordinated convertible debenture loan 2001 – 2006 VNU nv.

Luxembourg Stock Exchange

- EUR 500 million 6.625% debenture loan

Issues under Euro 2.5 billion Euro Medium Term Note (EMTN) program (All listed on Luxembourg Stock Exchange)

- EUR 148 (originally 150) million debenture loan extendable FRN 2002 – 2005/2012
- EUR 49 (originally 600) million 6.75% Eurobonds 2001 – 2008
- EUR 50 million debenture loan FRN 2002 – 2012
- EUR 50 million debenture loan FRN 2003 – 2010
- EUR 30 million 6.75% debenture loan 2002 – 2012
- GBP 250 million 5.625% resettable debenture loan 2003 – 2010/2017
- JPY 4,000 million 2.5% debenture loan 2001 – 2011

Issued by Nielsen Media Research, Inc. guaranteed by VNU nv

- USD 150 million 7.6% debenture loan 1999 – 2009

Major Shareholder

In accordance with the regulations of the Substantial Shareholdings Notification Act (Wet Melding Zeggenschap) in The Netherlands, one shareholder, ING Groep nv, has disclosed it held 5 to 10% of the outstanding capital in VNU nv at the end of 2003. This holding includes a combination of common shares and preferred shares. The free float of common shares is 100%.

Indices*

Indices*	Weighting
AEX	1.714%
Euronext Top 100	0.373%
MSCI Euro	0.268%
FTSE E300	0.122%
DJ Euro Stoxx Media	6.602%

* VNU is included in more than 42 equity indices.

VNU Codes

Bloomberg	VNUA NA
Reuters	VNUN.AS
Sedol	4970950
ISIN for Common shares	NL0000389872
ISIN for restricted ADRs in the US	US 92856 P2056
Security code ("fondscode") AEX	38987

Dividend Policy

As a result of the introduction of International Financial Reporting Standards we have reviewed our dividend policy. VNU will maintain an attractive, progressive dividend policy based on a payout related to free cash flow. Since the interim dividend paid on August 23, 2005, VNU will pay a cash dividend only, previously shareholders had a choice between a cash dividend and a stock dividend payable in common shares. The dividend per common share will be approximately xx% of the free cash flow. In case of a decline in free cash flow, it is VNU's intention to maintain the absolute level of the dividend per share in which case the pay-out ratio will increase above the xx% level. At the General Meeting of Shareholders to be held on April 18, 2006, the Executive Board will propose maintaining the total annual dividend at EUR 0.55 per common share (the same level as in 2004), of which an interim dividend of EUR 0.12 per share was already paid in August 2005. The final dividend will be payable on May 3, 2006.



Credit Ratings

On October 12 2005 Standard & Poor's placed VNU's credit rating of BBB with stable outlook on "Watch Negative" and maintained this watch on November 17, 2005 after the cancellation of the IMS Merger plans. After having put the rating under review on July 11, 2005, Moody's Investors Service changed VNU's credit rating on December 20 2005 from Baa1 to Baa2 and remained the rating under review for further downgrade. Moody's indicated that should a change in ownership not occur it is more likely than not that VNU's credit rating will be affirmed at the Baa2 level.

Investor Relations

VNU is committed to providing investors with an accurate assessment of the company's performance and prospects. VNU's Investor Relations Policy is available on our corporate website www.vnu.com.

Securities analysts, portfolio managers and representatives of financial institutions seeking information about VNU should contact Investor Relations in Haarlem at +31 23 546 36 00 or email ir.info@hq.vnu.com

