Dear Mr Stafford

Thank you for your letter of 21 July 2005.

You ask how our involvement in the arms trade square with our playing a positive role in our local and global communities. As I said in my letter of 12 July, the UN charter specifically permits nations to defend themselves from acts of aggression. This is a right to be exercised by the sovereign governments of individual countries. Reed Elsevier along with all other companies and citizens has to abide by the laws and actions of the sovereign governments of the countries within which it operates.

There will however always be a broad range of opinions on any issue affecting civil society and there will be occasions where some disagree with the actions or views of others. We conduct our business within the law and in accordance with our own Code of Ethics and Business Conduct seek to engage positively with our customers, employees, suppliers and those in our communities.

The DSEi exhibition is a legitimate business activity and its conduct is closely regulated by UK law. The UK authorities monitor the activities of exhibitors to ensure compliance with these laws. We do not believe that our engagement in a lawful activity, which is subject to close regulation, is inconsistent with our own Code. I understand that you, and others, do not believe we should be involved in this activity, that is your democratic right.

You also ask how members of the academic and medical communities should feel about our involvement with DSEi. As I have said, in a democratic society, there will be a very broad range of opinions on any issue affecting society. This will be true amongst the academic and medical communities where some will disagree with Reed Elsevier's involvement with DSEi and others will support our approach.

The UK Government is involved in vetting and approving exhibitors at DSEi. In addition, we also carry out our own checks but are not willing to disclose the nature of these. You mention that illegal sales of landmines are repeatedly organised at DSEi. There were alleged incidents of such sales at DSEi in 1999. These incidents, which occurred prior to ownership, were reported to and investigated by the authorities. There have been two DSEi exhibitions since then and the issue has not arisen again.

Yours sincerely

[Signature]

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