



From adversity comes strength  
From strength comes discipline  
And from discipline comes opportunity

# Opportunity

## A BLUEPRINT FOR SUCCESS:

It has been a rough ride in the global economy and capital markets these past few years. Companies could easily be forgiven for just tightening their belts and awaiting the rebound. At Bowne, we took action. We made some tough decisions, but we strengthened our company and our market leadership position in all our business segments. Our efforts have produced greater efficiencies, smarter approaches and enhanced capabilities. The discipline to do what is needed, in good times and bad, has served us well throughout our history. And it continues to give us a competitive advantage in capturing greater opportunities for growth as the economy gains strength.

**About Bowne & Co., Inc.**—Bowne & Co., Inc. (NYSE: BNE), founded in 1775, is a global leader in providing high-value solutions that empower our clients' communications.

**Bowne Financial Print**—The world's largest financial printer and leading EDGAR filer, specializing in the creation, management, translation and distribution of regulatory and compliance documents. Within this segment, Bowne Enterprise Solutions provides digital printing and electronic delivery of personalized communications that enable companies to strengthen relationships and increase market leadership.

**Bowne Business Solutions**—A full array of business process outsourcing and litigation support services that seamlessly integrate technology and operational support.

**Bowne Global Solutions**—A broad range of language and cultural solutions that use translation, localization, technical writing and interpretation services to help companies adapt their communications or products for use in other cultures and countries around the world.

Bowne combines all of these capabilities with superior customer service, new technologies, confidentiality and integrity to manage, repurpose and distribute a client's information to any audience, through any medium, in any language, anywhere in the world.

## Table of Contents

|                          |     |
|--------------------------|-----|
| Financial Highlights     | p1  |
| Letter from the Chairman | p2  |
| Greater Efficiencies     | p4  |
| Smarter Approaches       | p9  |
| Future Opportunities     | p11 |
| Letter from the CFO      | p14 |
| Leadership               | p15 |
| Corporate Governance     | p16 |
| Form 10-K                |     |

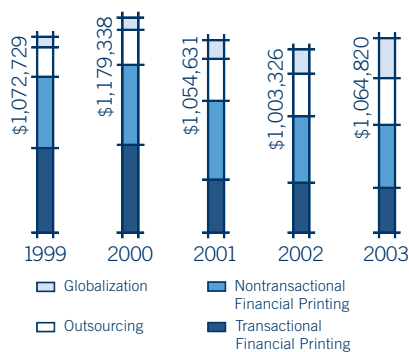
## Financial Highlights

dollars in thousands, except per share amounts

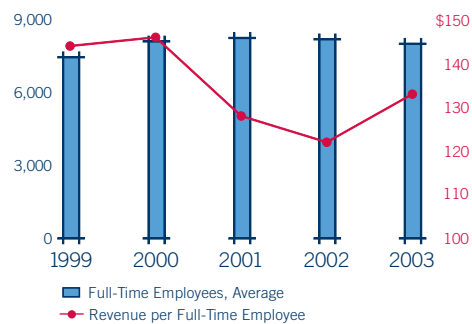
|   | 2003               | 2002                 | 2001        | 2000        | 1999        |
|---|--------------------|----------------------|-------------|-------------|-------------|
| <b>As reported</b>                                  |                    |                      |             |             |             |
| Revenue   | <b>\$1,064,820</b> | \$1,003,326          | \$1,054,631 | \$1,179,338 | \$1,072,729 |
| Expenses:   |                    |                      |             |             |             |
| Cost of revenue                                     | <b>717,928</b>     | 667,089              | 713,710     | 753,639     | 667,344     |
| Selling and administrative                          | <b>273,438</b>     | 275,818              | 268,773     | 299,622     | 281,175     |
| (Loss) income from continuing operations            | <b>(9,127)</b>     | 355                  | (7,715)     | 37,270      | 42,063      |
| (Loss) income per share from continuing operations: |                    |                      |             |             |             |
| Basic   | <b>(0.27)</b>      | 0.01                 | (0.23)      | 1.08        | 1.14        |
| Diluted   | <b>(0.27)</b>      | 0.01                 | (0.23)      | 1.05        | 1.12        |
| Dividends   | <b>0.22</b>        | 0.22                 | 0.22        | 0.22        | 0.22        |
| Capital expenditures                                | <b>24,174</b>      | 29,543               | 39,478      | 44,114      | 49,881      |
| Long-term debt                                      | <b>139,828</b>     | 142,708              | 76,941      | 85,676      | 47,281      |
| Stockholders' equity                                | <b>348,735</b>     | 336,320              | 330,029     | 360,966     | 408,460     |
| <b>Analytic metrics</b>                             |                    |                      |             |             |             |
| Number of full-time employees                       | <b>7,600</b>       | 8,400 <sup>(1)</sup> | 8,000       | 8,500       | 7,700       |
| Days sales outstanding (DSO)                        | <b>68</b>          | 64                   | 60          | 67          | 75          |
| Current ratio <sup>(2)</sup>                        | <b>1.41x</b>       | 1.46x                | 1.42x       | 1.74x       | 1.60x       |
| Debt to total capital                               | <b>29%</b>         | 30%                  | 26%         | 19%         | 11%         |

<sup>(1)</sup> Includes 906 employees from Berlitz GlobalNet and DecisionQuest acquisitions in 2002

<sup>(2)</sup> Current assets divided by current liabilities



**Revenue Trend Analysis**  
dollars in thousands



**Revenue per Full-Time Employee**  
dollars in thousands



Robert M. Johnson  
Chairman of the Board,  
Chief Executive Officer  
and President

*From Discipline Comes Opportunity—the theme of this annual report—conveys the link between our behavior in managing your company through a difficult 2003 and how our approach to improving the operation of each of our businesses positions us for the future.*

## To Our Stockholders

Because we extended our discipline to improve our communications with investors, we were able to instill confidence and generate a year-over-year share price increase of more than 13%. Since the end of 2003, our share price has continued its rise, hitting not only a 52-week high of \$17.90, but also its highest level since we joined the NYSE in July 1999. This tells me investors understand and value our deliberate approach in managing costs, cash, capital structure and growth potential.

We began 2003 with a high degree of uncertainty for each of our businesses.

- ⊖ In Bowne Financial Print, we were coming off the weakest six months of capital market activity in the past decade. With the impending war in Iraq, there was little to suggest improvement.
- ⊖ Our digital print group within Financial Print, Bowne Enterprise Solutions, was coping with continuing contraction in its largest customer segment—the mutual fund industry—and the challenges of introducing new customized communications solutions to an uncertain financial services market.
- ⊖ In Bowne Global Solutions, we had just completed the acquisition of Berlitz GlobalNet, and were in the midst of integrating the two organizations while also addressing integration-related customer relations and retention issues.
- ⊖ Finally, in Bowne Business Solutions, we had just acquired DecisionQuest®, further strengthening the suite of litigation support services provided by our outsourcing business. However, this business was also faced with the dissolution of two large legal clients and a weak capital market that depressed its investment banking business.

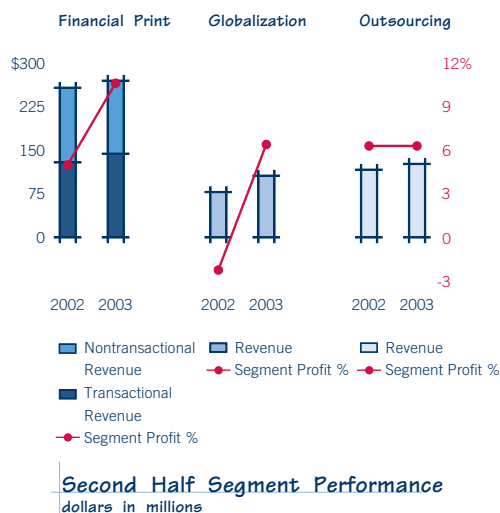
We entered the year with the need to strengthen our capital structure and maximize our performance during unpredictable times. Discussions began in March to renegotiate the covenants with our banks and private note holders. The resulting amendment enabled the Company to maintain its long-term strategy through 2003 and comfortably meet the terms of its credit facilities, even with the market uncertainties. We also concluded we were carrying too much senior debt and that, after the acquisition of

### What were the results of our disciplined actions in 2003?

- ⊙ In large part, due to the restructuring of Financial Print, segment profits in the fourth quarter rose \$9.9 million, or 225%, versus the 2002 fourth quarter. Comparing the stronger second half of the year with the same period in 2002, revenues increased \$12.3 million, or 4.8%, with segment profits increasing \$15.6 million, or 121%. More importantly, the leverage of having a more efficient operating model gave shareholders confidence that profitability could improve rapidly as capital markets continued to rebound.
- ⊙ Enterprise Solutions continued to add new clients and finished 2003 with a more than 50% increase in monthly on-demand volumes in its critical new product offerings.
- ⊙ Global Solutions successfully completed the GlobalNet integration without losing a customer, while margins and profitability improved each quarter, creating a positive trend as we moved into 2004. BGS's segment profit in the second half of 2003 was \$6.8 million (6.4% as a percent of revenue) compared to a segment loss of \$1.7 million in the second half of 2002. Total segment profit for 2003 was \$13.1 million (6.0% as a percent of revenue). In 2002, BGS had a segment loss of \$4.4 million.
- ⊙ Business Solutions stabilized after the large client dissolutions earlier in the year and began to gain momentum, adding new clients and expanding contracts with existing clients. BBS's segment profit in the second half of 2003 was \$8 million (6.3% as a percent of revenue) compared to segment profit of \$6.1 million (4.7% as a percent of revenue) in the first half of 2003 and segment profit of \$7.3 million in the second half of 2002.

DecisionQuest and GlobalNet, there was a mismatch between the term of our bank facility and our capital needs. In response, we executed a \$75 million convertible debt offering that effectively reduced our senior credit facility to working capital coverage. The resulting capital structure enhances stability and lowers our exposure to increases in borrowing rates. We were pleased the offering had no adverse impact on our share price—a rarity in the 2003 convertible market.

Within operations, we continued to aggressively pursue process improvements throughout the Company. We sought to increase efficiencies while controlling capital expenditures. Considering the anemic condition of the capital markets in the first half of the year, we further reduced staffing and closed small offices and inefficient plants that supported Financial Print. Our goal was to maintain acceptable levels of profitability and superior service at an annual run rate of \$200 million in transactional Financial Print revenue, the approximate run rate for the twelve months ending June 30, 2003. Our actions resulted in 2003 restructuring charges of \$12.4 million and brought total reductions in annual fixed costs within Financial Print to more than \$120 million. Our continued integration and reductions within Global Solutions resulted in restructuring charges of \$8.6 million in 2003.



Each of our businesses employed great discipline in weathering the challenges of 2003. Each finished the year stronger and better prepared for the opportunities we believe will be available in 2004 and beyond. I consider 2003 a testament to my colleagues who met the challenges head-on and ensured we would emerge a better company. Thanks to their efforts, and your continuing support, we expect 2004 will be a year in which we reap even greater rewards from our continuing discipline.

**Robert M. Johnson**  
Chairman of the Board,  
Chief Executive Officer and President



**MD&A: Read more detail about Bowne's financial condition and results of operations in the Management's Discussion and Analysis section within the enclosed Form 10-K.**

# Greater Efficiencies

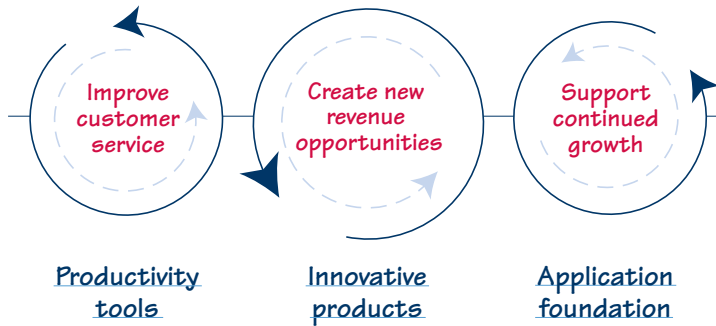
## STREAMLINING RESOURCES

**It takes discipline to make fundamental changes to the operating model of a market leader. But that is precisely how you stay a market leader.**

Today, Bowne is a very different company than it was at the peak of the capital markets in 1999/2000. We have re-engineered and restructured our business to improve efficiencies, while making use of the latest technologies and outsourcing partnerships to reduce our fixed costs.

At the heart of our business is an employee culture based on a deep commitment to meeting clients' ever changing and more complex needs. What helps us stay at the forefront is our subject matter expertise and our technological savvy. Our people understand the challenges facing clients and the technological possibilities for helping them respond—quickly and efficiently, no matter the size or complexity of the project. New technology and our innovative employees continue to drive value, both in developing client solutions and in the way we deliver those solutions and ancillary services.

### Our Technology



#### TECHNOLOGY DISCIPLINE

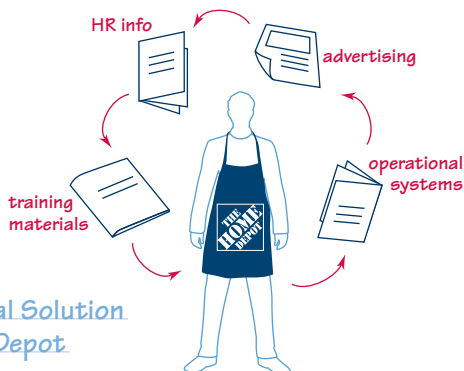
Three drivers guide our technology efforts:

1. Provide technology-based tools that improve speed, quality and service for clients;
2. Create innovative products that can lead to new revenue and profit opportunities;
3. Construct a technology infrastructure and application foundation that positions Bowne for continued growth.

#### SUMMER BLACKOUT 2003

**For Bowne, it was business as usual. No client filing deadlines were missed and client work continued.**

As a result, what our clients see is more than speed and flexibility. They see innovative, secure and redundant/disaster recovery technology-based solutions created to meet their particular business needs. Often, our solutions are adaptable for a larger customer base, leading to additional revenue opportunities without requiring incremental investment.



**Bowne's Global Solution at The Home Depot**

**NEW SOLUTIONS**

Elcano™, the proprietary translation portal from Bowne Global Solutions, provides clients with an alternative to a full project team of translators. Elcano gives clients a lower cost solution to meeting their translation/localization needs quickly, efficiently and more cost effectively. In turn, clients have a one-stop shop for document

translation needs, with instant access to our linguistic resources via the Internet 24 hours a day. For Bowne, the technology provides greater efficiencies and even higher levels of quality—allowing us to handle more work with fewer people and to leverage those people throughout other phases of client projects where personal contact is required.

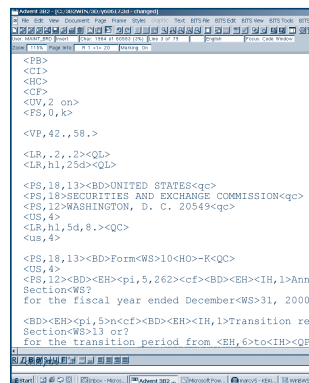
**Pourquoi Elcano™?**

Why Elcano? Ask The Home Depot. Elcano, a 24/7 Web-based localization portal, allowed The Home Depot the flexibility to use the Elcano translation portal for translation projects or to work directly with a translation project team from Bowne Global Solutions (BGS), depending on the timing and scope of each project—ensuring an accurate and flexible time to market. After expanding into Mexico, Puerto Rico and Quebec, Canada, the U.S.-based retailer needed to translate everything from training materials and operational systems to advertising and human resources information—requiring a combination of high-quality translation services, with the correct idiom and cultural nuances, quick turnaround and an economical price. Elcano was able to assist the BGS project team in completing simpler translations and to allow project teams to focus on more intricate translations within the scope of the project.

**CONTINUED INVESTMENTS**

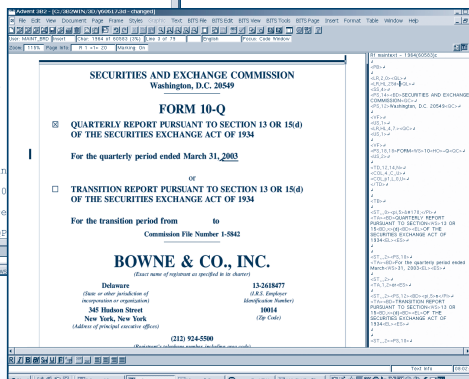
Within our composition platform, we have begun implementing a new front-end enhancement to Bowne's Integrated Typesetting System (BITS®). The Advanced Composition Engine, or ACE, will become our primary typesetting tool within the BITS system. With ACE, composition operators can see and work with both the formatted document and the formatting code, side-by-side. We anticipate ACE will significantly improve productivity, accuracy and page turnaround times while shortening staff training cycles.

**Bowne's Advanced Composition Engine**



Before

ACE allows composition operators to work with the formatted document of "What You See Is What You Get," or "WYSIWYG," on the left side of the screen, with the formatting code on the right.



After: "WYSIWYG"



**Stan Cook**

Senior Technology Advisor for Bowne's Technology Platform, is the "Father of XMark™" and the 2002 recipient of Bowne's Franz von Ziegesar Innovation Award. He developed XMark to automate the high-speed conversion of customer-supplied electronic files into various formats, resulting in greater efficiencies and a shortened production cycle by reducing data conversion time.



**Dick Johnson**

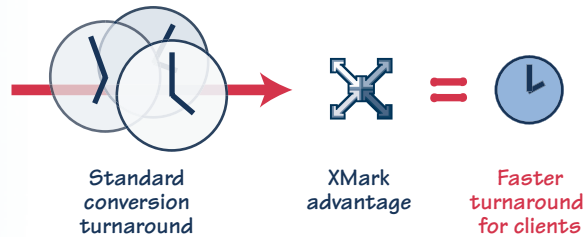
Director of Pre-Press Technology for Bowne's Technology Platform, is the 2002 recipient of Bowne's Edmund A. Stanley, Jr. Award for excellence in performance and client service. He spent two years teaming with industry-leading vendors to create BowneFAX™ a way to provide composing operators with a higher-quality image of customer-edited pages than is possible with a conventional fax, shortening cycle time and reducing copy clarification calls between the client and customer service centers.



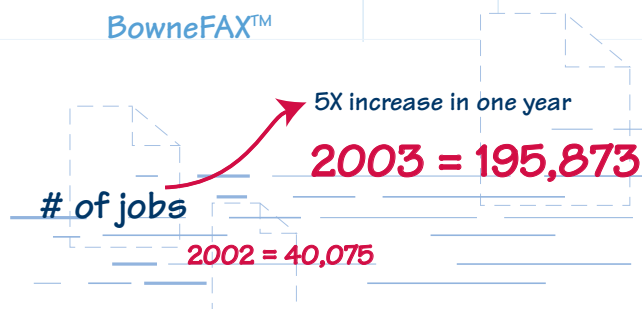
**Michael Vorel**

Director of Emerging Technologies with Bowne Business Solutions, is the 2003 recipient of the Franz von Ziegesar Innovation Award. His innovative contributions include the integration of a new imaging software package with a client's proprietary electronic document repository, and as part of a BBS proposal team to develop a unique dual platform solution for a client to meet its specific document management needs.

**XMark™ reduces data conversion time by 50-90%**



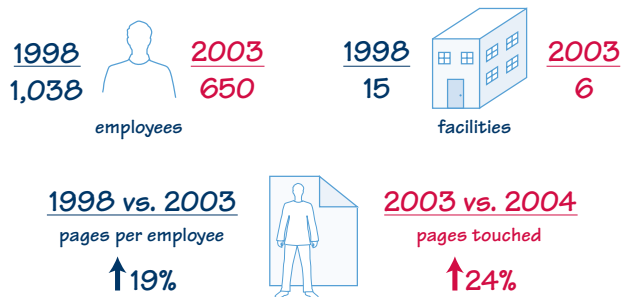
**XMARK™** is a revolutionary file conversion technology that works with a variety of document formats producing near-perfect data conversions the first time, by standardizing the document and outputting the information in the desired format. XMark reduces the standard time for data conversion and composition production in the range of 50 to 90 percent, thus speeding client turnaround time. This cost-effective proprietary technology gives Bowne a competitive advantage by automatically creating output files in a variety of formats that clients can use for EDGAR II filings, conversion from RTF (Rich Text Format) to other formats, conversion from text to HTML (Hypertext Markup Language) and PDF files for the Web, and integration with BITS for fast, efficient and accurate filing needs.



**BOWNEFAX™** is like a fax machine on steroids. Instead of simply transmitting pages to and from our global service centers, BowneFAX creates a digital file of clients' pages at high resolution and speeds—delivering pages four times faster than a standard fax machine. Turnaround time is dramatically improved, and the digitized file makes it possible to split work among multiple sites without any degradation of readability or legibility. BowneFAX reduces the amount of time clients and production coordinators spend clarifying handwritten copy changes by up to 90 percent, which in turn saves time and allows our people to work more efficiently and on a greater number of projects.

### Composition Platform

When it comes to streamlining processes, technology is one of several factors in the equation.



#### DOING MORE WITH TECHNOLOGY

It also takes discipline to see new ways of providing even better service more efficiently. Leveraging advances in technology such as XMark™ and BowneFAX™ has allowed us to centralize our composition operations into six Centers of Excellence, enabling the seamless sharing of work across our platform. While this

re-engineering has resulted in staff reductions in other parts of our composition operations, it provides more stability and a higher level of work for our best people at our Centers of Excellence. We have also entered into an outsourcing arrangement with a company in India so we can do routine EDGAR conversions and typesetting more cost effectively, on an as-needed basis. This arrangement gives us greater flexibility in managing times of peak demand with a variable staff component.



### Peter Mead and the Mutual Fund Team

Bowne's Mutual Fund Team has had a significant impact on how composition staffs throughout Bowne pre-engineer and produce mutual fund documents. By employing work-sharing technologies and efficiencies across the organization, what took separate teams producing mutual fund documents several days to complete, now takes a matter of hours. The full capabilities of the platform are coordinated by leveraging tools on Bowne's Intranet.

### EFFECTIVE USE OF RESOURCES

We are working with business partners on smarter approaches that give us greater flexibility to tap existing infrastructure resources during peaks in demand for financial printing. Working with IBM and DataSynapse, we have piloted the use of grid technology and achieved a 50% improvement in the performance of a core application that delivers critical financial statements to clients. We now plan to identify additional applications where grid computing will help us significantly improve the efficient use of our technology infrastructure.

With the added demand of accelerated filing requirements for our clients, grid technology is one of the new tools that will help us improve capacity

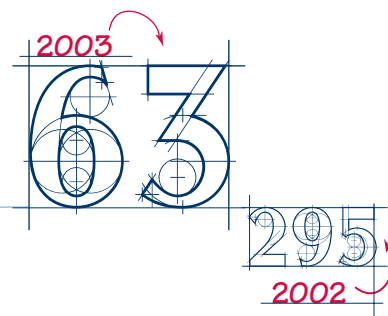
during busy periods to better serve clients around the clock. The on-demand value of grid technology is similar to the on-demand value of digital printing, both provide services where and when they are needed, bringing efficiencies and an effective use of resources to a new level.

We continuously look for ways to improve the operating models of our businesses, making the necessary changes to produce the most efficient, customer-focused organization possible. With the proper mix of people and technology, we are achieving greater efficiencies throughout our processes and our business to reinforce our competitive advantage in the marketplace.

### Industry Recognition

Bowne's reputation as an innovator of business technology has been recognized and rewarded by prestigious groups. For the second time in as many years, Bowne was named to the *InformationWeek 500*, ranking 63rd in 2003. Bowne also was honored as a finalist at the 2003 Wharton Infosys Business Transformation Awards for its development of XMark™ and BowneFAX™.

### InformationWeek 500 Ranking



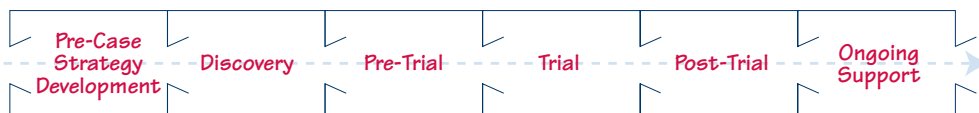
# Smarter Approaches

## UNDERSTANDING CLIENT NEEDS AND DELIVERING THE BEST SOLUTIONS

*Through our discipline in staying abreast of the latest market requirements and technological capabilities, we are able to develop strategic approaches for the delivery of high-value solutions to clients.*

In all we do to find a better approach, we start with a clear understanding of client needs and the prevailing trends in the marketplace. Then we look within the company and in the broader business arena to find the best solutions. Among our strengths is the ability to rapidly respond to market trends by creating new solutions or adapting existing ones for clients, while also creating additional revenue and profit opportunities for Bowne.

### Bowne Business Solutions—Litigation Support Services Throughout The Litigation Lifecycle™



### FULL-SERVICE OUTSOURCING

Business Solutions has expanded its outsourcing services well beyond office document and creation services to higher-value offerings and niche expertise for the legal industry. To further capitalize on opportunities in providing litigation services, estimated to be greater than a \$1 billion market, we have integrated DecisionQuest®, acquired in December 2002, into the business. DecisionQuest is a key part of our diversification strategy that essentially creates a new business model for the delivery of resources that span the entire litigation lifecycle, from inception of the case through support of the trial.

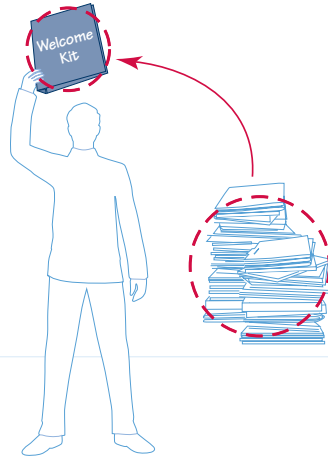
An added and valuable benefit of having additional tools for the legal industry within the Bowne family is the opportunity for cross-selling. We are now able to provide major corporations and law firms with a wider range of solutions from a single, trusted partner.

### Discovering an Easier Way

*In 2003, we introduced RapidView™ a litigation support solution from Bowne Business Solutions that is changing the way law firms conduct their evidence discovery process. This Web-based, document-hosting application makes it easier for litigation teams to view, share and categorize the thousands of electronic documents involved in a case, saving clients both time and money.*

**EFFECTIVE, TARGETED COMMUNICATIONS**

Enterprise Solutions, the part of Financial Print that specializes in digital, on-demand technologies, has developed a smart approach that brings the benefits of just-in-time content creation and production to its financial services and insurance clients. By incorporating digital capabilities with customer databases, our clients gain the ability to create and produce enrollment kits for retirement plans and other communications for asset management investment funds, tailored to specific audience segments. Our approach gives clients the ultimate in document flexibility, with the ability to mix both standard and customized content.



**Beyond the customization benefits of on-demand technologies, clients also gain:**

- ⊕ Efficiencies in both time and money.
- ⊕ Web-based ordering and database capabilities.
- ⊕ Lower document lifecycle costs, as on-demand production eliminates the need for warehousing documents and manual pick-and-pack fulfillment.
- ⊕ The ability to order and print only those documents they need when they need them, so there is no waste from storing outdated documents.

**Personally yours**

The personalization approach is beginning to resonate in the marketplace as companies look to differentiate themselves from their competitors, better manage costs, and gain a larger share of their customers' investment income.

**With Merrill Lynch, Bowne:**

- ⊕ Leveraged our capabilities in on-demand technologies with an overall strategic review of the company's current communication practices.
- ⊕ Created a more effective method for Merrill Lynch to welcome its new investors within 24 to 48 hours, reinforcing the post-purchase experience.
- ⊕ Provided a platform for cross-selling additional products and services to existing investors.

**For Merrill Lynch, the Bowne solution has translated into:**

- ⊕ Better customer experience.
- ⊕ Improved document compliance.
- ⊕ Faster updating process for disclosure information.
- ⊕ Streamlined processes and lowered costs.

For more information on how Bowne can help clients with their personalized communications, visit our Website at: [www.bowne.com/bes](http://www.bowne.com/bes).



**ALLISON BRATHWAITE**

Leading Bowne's efforts with Merrill Lynch is Allison Brathwaite, strategic account manager for Bowne Enterprise Solutions and recipient of the 2003 Edmund A. Stanley, Jr. Award for excellence in performance and client service. Merrill Lynch invited her to participate in its Six Sigma training program—the first time an outside person has been invited onto the team. This program is geared towards identifying and implementing business process improvements.

Whether our clients are looking to differentiate their services in an ever-crowded marketplace or trying to make sense of new compliance requirements for public companies, they continue to find Bowne a trusted, reliable resource with smart approaches and the best solutions for delivering what they need.

# Future Opportunities

## ENHANCING CAPABILITIES

### AND BEING PREPARED FOR WHAT COMES NEXT

*The disciplined actions we have taken to make Bowne a better company also prepare us for a better future.*

Today, we have the most modern facilities and technologies in all our respective businesses. And we have the expertise and the most knowledgeable people in the industry who can leverage these assets to deliver high-value solutions for our clients' communications. With our major capital expenditures behind us, we have tremendous flexibility to grow the business as markets improve, without adding overhead costs. We have the know-how, technology and solutions to help our clients meet today's needs...and the discipline to stay ahead of ever-changing requirements.

*Just as important, our businesses are well prepared to take advantage of strategic opportunities for growth.*

- ⊕ Financial Print has made fundamental changes to its business model and made appropriate investments so that a significant portion of incremental revenues will impact the bottom line.
- ⊕ Enterprise Solutions allows clients to customize and personalize their communications for mass or individual mailings—reinforcing our diversification strategy by reducing reliance on cyclical transactional financial print.
- ⊕ Global Solutions now has the scale to manage large global projects and sees significant growth opportunities ahead, in a market where 60% of localization projects are managed in-house at large corporations serving global markets.
- ⊕ Business Solutions has expanded into new vertical markets—consulting firms, pharmaceuticals and corporate legal departments—while increasing penetration of existing customers by offering broader and higher-value services.

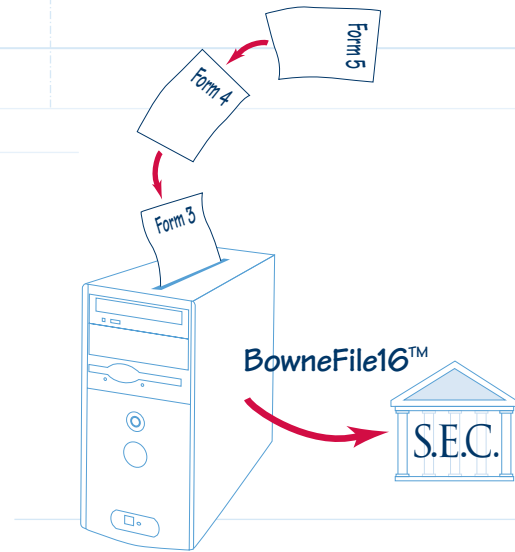
*As always, Bowne continues to make sense of complex regulations—historically our area of expertise.*

*The regulatory landscape has changed dramatically in the last few years, with a long and daunting list of compliance regulations for public companies. The most significant of these is the Sarbanes-Oxley Act of 2002, enacted to improve accountability, transparency and restore investor confidence after accounting fraud was uncovered at several big-name corporations.*

### WEB-BASED TOOLS

In January 2003, Bowne introduced an innovative self-service filing solution for clients and their accelerated filing needs. BowneFile16™ is a secure, Web-based tool that enables clients to electronically self-file their Section 16 documents (SEC Forms 3, 4 and 5) under the accelerated time frame required by the Sarbanes-Oxley Act.

In early 2003, we launched Bowne SecuritiesConnect™, which quickly has become the go-to, on-line source for information on securities and compliance issues. The site brings together Bowne's historic expertise in securities compliance with the current worldwide focus on rapidly changing corporate regulatory and disclosure matters.



### SecuritiesConnect™

- ⊕ More than 6,000 visits each month.
- ⊕ More than 20,000 unique visitors have visited the site since its launch in late March 2003.
- ⊕ 88% of the top 200 law firms visit.
- ⊕ More than 2,000 visitors have downloaded thought leadership materials on annual meetings, IPOs, audit committees and regulatory issues.

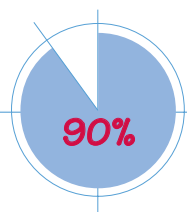
### A LOOK AHEAD AT 2004

***In Financial Print, we have significantly re-engineered our business model and we believe this bodes well for the future.***

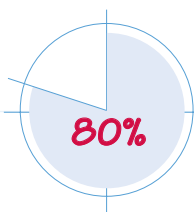
- ⊕ The technology investments we've made, as well as the pressures of the down market, have helped us centralize processes to gain leverage in our operating model—where functions like typesetting and manufacturing are done in a coordinated, standardized way—allowing us to shift fixed costs to variable costs with incremental revenue falling to the bottom line.
- ⊕ We are beginning to see increased IPO activity. While IPO activity has seen a significant decline, we have gained market share. We're more ready than ever for its return, with better client solutions and smarter approaches to meet clients' needs.
- ⊕ In the M&A market, we've maintained our 40% market share of major mergers and acquisitions. As this activity begins to improve, Bowne is prepared for the opportunity with scale, flexibility and the best expertise available.
- ⊕ The Enterprise Solutions group has significant growth potential. With BES, we will continue to reduce costs per document, eliminate errors (thereby improving the quality of client documents) and reduce costs per sale—increasing customer profitability.

Within the globalization segment, a renewed demand among our top accounts is showing positive signs of opportunity in the year ahead.

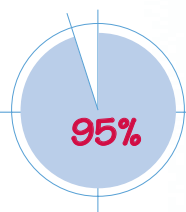
- ⊕ Our unique value proposition is changing the way clients approach their localization needs. Clients are turning to Bowne for the scale, resources and technological capabilities to manage large, global projects.
- ⊕ Significant market opportunities exist for interpretation services in government, healthcare, and commercial sectors, both in the US and abroad.
- ⊕ We see growing demand in 2004 in the IT and telecommunications industries, fueling renewed demand within our top accounts.
- ⊕ Further expansion in the pharmaceutical, medical device and automotive markets provides additional opportunities for growth.



200 Largest  
Law Firms



Top 10  
Investment Banks



Customer  
Retention Rate

The outsourcing segment is also well positioned for growth in the year ahead. Our discipline in monitoring and improving margins has better prepared us for the opportunity in front of us. Currently, we provide outsourcing and transactional litigation services to 8 of the top 10 investment banks and a majority of the 200 largest law firms (50 percent receiving on-site support) — with a 95 percent customer retention rate overall.

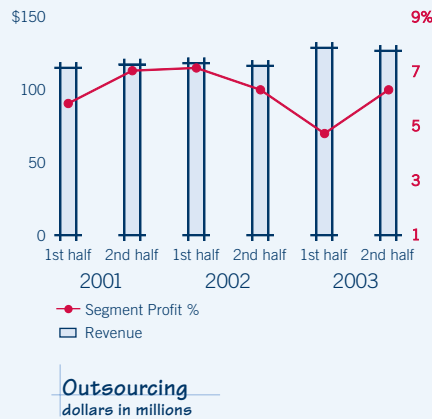
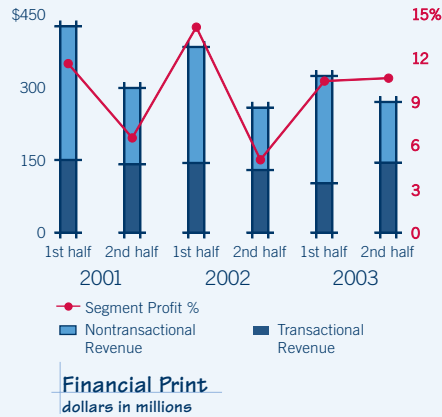
- ⊕ We continue to see a resurgence tied to capital market growth, as well as an improvement in the higher margin litigation support services for key accounts.
- ⊕ Market share within the legal and investment banking markets further supports our ability to expand value-added services provided to existing clients.
- ⊕ Outsourcing continues to be a growth industry as we look to provide opportunities for deeper client penetration and expanded service offerings.
- ⊕ Expansion of outsourcing services into new verticals bodes well for the future. Continued expansion into the pharmaceutical industry and corporate legal departments looks promising for expanding outsourcing's revenue base while improving segment profit margins.

## A Premier Brand

*Bowne has long been known as a premier brand in the business services industry.*

### THE DISCIPLINE TO FIND OPPORTUNITY

Time and again, we have helped our clients respond to developing market trends and complex regulations as quickly and efficiently as possible. Today, we are a global leader with a history that goes back 229 years. We have tremendous potential to leverage earnings growth, having reduced fixed costs \$150 million in the last three years. Our diversification strategy reduces our reliance on cyclical businesses and allows us to focus on higher-margin business in high-growth markets. Our clients are among the leaders in their industries, giving us a world-class customer base. Through our disciplined approach, we continue to find greater efficiencies, smarter approaches and enhanced capabilities that improve value—for Bowne, our clients and our stockholders.



## To Our Stockholders

Today Bowne is reaping the benefits of our discipline in strengthening the business. A difficult business environment has tested everyone these past few years, clients and competitors alike. We certainly have felt the impact of the downturn in capital markets and a slower global economy. Our response was to focus on creating more efficient and effective operating models in our business segments, with diversification, restructuring and technology investments as key factors in our efforts.

We began to see a rebound in the second half of 2003.

- While total revenues in Financial Print were down 7% for the full year, second half revenues increased 5% over the same period in 2002 while segment profits rose \$15.6 million, or 121%, further underscoring the leverage and cost savings in our more efficient business model.
- In Global Solutions, fourth quarter revenues rose 5% over the same period of 2002 and, importantly, segment profit increased \$3.9 million despite currency volatility. Our strategy to extend services to a more diversified client base to capture broader market opportunities served us well in 2003, with gains in the medical devices, government, education, automotive, aerospace, pharmaceutical and transportation industries.
- In Business Solutions, the first half of 2003 saw declining volumes within our investment banking clients, downsizing of key clients and the dissolution of several law firm clients. Yet in the fourth quarter, this segment added \$22 million in total new annual contract revenue with seven new outsourcing contracts; five within the legal sector, one in investment banking, and one in the consulting industry.

In September 2003, we completed a \$75 million convertible subordinated debt offering as a way of achieving a more efficient capital structure. The proceeds were used to pay down short-term debt, with the net effect being that we gained more flexibility even as our overall debt level remained the same. The offering allowed us to match our long-term business plan with similarly termed financing at a reasonable cost.

We entered 2004 with cautious optimism after seeing positive signs of increased activity in the capital markets. With the restructuring actions we've taken the past few years, we believe we are well positioned to benefit when demand levels return. Even then we will hold to our discipline, making course corrections when necessary, in order to provide the maximum value to our clients and shareholders.

**C. Cody Colquitt**  
Senior Vice President and  
Chief Financial Officer

# Leadership

## CORPORATE OFFICERS AND EXECUTIVES

**Robert M. Johnson**  
*Chairman of the Board,  
Chief Executive Officer  
and President*

**C. Cody Colquitt**  
*Senior Vice President and  
Chief Financial Officer*

**Susan W. Cummiskey**  
*Senior Vice President,  
Human Resources*

**James E. Fagan, Jr.**  
*Senior Vice President,  
Chief Executive Officer  
and President,  
Bowne Global Solutions*

**Ruth A. Harenchar**  
*Senior Vice President and  
Chief Information Officer*

**Philip E. Kucera**  
*Senior Vice President and  
General Counsel*

**David J. Shea**  
*Senior Vice President and CEO,  
Bowne Business Solutions and  
Bowne Enterprise Solutions*

**Kenneth W. Swanson**  
*Senior Vice President,  
Operations and President,  
Bowne of Canada*

**L. Andy Williams**  
*Senior Vice President  
and President,  
Bowne Financial Print*

**Richard Bambach, Jr.**  
*Vice President and  
Corporate Controller*

**William J. Coote**  
*Vice President and  
Treasurer*

**Scott L. Spitzer**  
*Vice President,  
Associate General Counsel  
and Corporate Secretary*

## DIRECTORS

**Carl J. Crosetto**  
*Retired President,  
Bowne & Co., Inc.  
Senior Advisor and a Member of the  
Advisory Board, GSC Partners*

**Douglas B. Fox**  
*Management Consultant and  
Private Investor;  
Chief Executive Officer,  
Renaissance Brands LLC*

**Robert M. Johnson**  
*Chairman of the Board,  
Chief Executive Officer and President,  
Bowne & Co., Inc.*

**Gloria M. Portela**  
*Attorney and Mediator;  
Senior Counsel,  
Seyfarth Shaw LLP*

**H. Marshall Schwarz**  
*Retired Chairman of the Board,  
U.S. Trust Corporation*

**Wendell M. Smith**  
*President,  
Polestar Ltd.*

**Lisa A. Stanley**  
*Financial Planning Consultant,  
affiliated with Tax & Financial Group*

**Vincent Tese**  
*Cable Television Owner  
and Operator*

**Harry Wallaesa**  
*Principal,  
The W Group*

**Richard R. West**  
*Consultant;  
Dean Emeritus,  
Stern School of Business,  
New York University*

## OPERATING MANAGEMENT

**Sarah G. Boden**  
*Chief Operating Officer,  
Bowne Global Solutions*

**Joseph L. McSpadden**  
*President,  
Bowne Business Solutions*

**William P. Penders**  
*President,  
Bowne Financial Print,  
International and  
Eastern Regions*



Board of Directors, Bowne and Co., Inc.

# Corporate Governance at Bowne

## BOARD OF DIRECTORS

The Board of Directors, which is elected by the stockholders, is the ultimate decision-making body of the company, except with respect to those matters reserved to the stockholders. The Board of Directors has adopted corporate governance guidelines to support the Board's role in carrying out its duties. The Board selects the CEO and the other executive officers who are responsible and accountable for the company's daily business operations.

The Board of Directors and its committees meet periodically throughout the year to direct and oversee management of the company. Bowne's Board currently has 10 members, eight of whom meet the criteria for independence contained in the rules of the New York Stock Exchange.

## COMMITTEES OF THE BOARD

The Board has an Audit Committee, Compensation and Management Development Committee, Finance Committee and a Nominating and Corporate Governance Committee. Committee members are appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee. All members of these committees meet the criteria for independence contained in the rules of the New York Stock Exchange and also satisfy the New York Stock Exchange's more rigorous independence requirements for members of the Audit Committee. In addition, all members of the Audit Committee have sufficient financial experience and ability to enable them to discharge their responsibilities, and at least two members shall be an "Audit Committee financial expert" as defined in the Sarbanes-Oxley Act of 2002. The Board also has an Executive Committee which is comprised of four independent Board members and the Chief Executive Officer.

The Board has adopted charters for the Audit Committee, Compensation and Management Development Committee and the Nominating and Corporate Governance Committee setting forth the purposes and responsibilities of the committees.

For additional information on Bowne's Board of Directors, Committees of the Board or other Corporate Governance information, please refer to the company's 2003 Proxy Statement for the annual meeting of stockholders scheduled for May 27, 2004. Information concerning Bowne's corporate governance matters, including Corporate Governance Guidelines, Committee Charters, Stock Ownership Guidelines, Stock Trading Policy, Stock Transactions, Code of Ethics, Complaint Notification Policy, Certificate of Incorporation and By-Laws may also be viewed at the Company's Website ([www.bowne.com](http://www.bowne.com)) in the Corporate Governance section. A copy of any of these policies may be obtained without charge by writing to Scott L. Spitzer, Vice President, Associate General Counsel and Corporate Secretary, Bowne & Co., Inc., 345 Hudson Street, New York, NY 10014, or by e-mail to [scott.spitzer@bowne.com](mailto:scott.spitzer@bowne.com).

Stockholders of record should contact The Bank of New York at its Website, [www.stockbny.com](http://www.stockbny.com), regarding stock accounts, transfers, address changes, dividend payments and like matters. A first-time user may gain access to confidential account information by following the on-screen instructions to establish a Personal Identification Number (PIN). The same information is available by telephone (toll-free) at 800-524-4458, or for speech- and hearing-impaired stockholders at 800-936-4237. The Bank's e-mail address for such matters is: [shareowner-svcs@bankofny.com](mailto:shareowner-svcs@bankofny.com). Stockholders may also write to Shareholder Relations Department, Post Office Box 11258, Church Street Station, New York, NY 10286. Please ask the Bank for further instructions before sending stock certificates for any purpose.

## Corporate Information

### World Headquarters

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New York, NY 10014  
Telephone: 212-924-5500  
e-mail: [bowne@bowne.com](mailto:bowne@bowne.com)

### Stock Listing

New York Stock Exchange: BNE

### Website

[www.bowne.com](http://www.bowne.com)

Our Website contains complete electronic copies of Bowne stockholder documents, news releases, U.S. Securities and Exchange Commission filings, descriptions of Bowne's products and services, and other information about the Company.

### Investor Relations Contact

William J. Coote  
Vice President and Treasurer  
212-886-0614  
[bill.coote@bowne.com](mailto:bill.coote@bowne.com)

### Stockholder Contact

Scott L. Spitzer  
Vice President, Associate General Counsel and Corporate Secretary  
212-414-8928  
[scott.spitzer@bowne.com](mailto:scott.spitzer@bowne.com)

### Auditors

KPMG LLP  
345 Park Avenue  
New York, NY 10154

### Transfer Agent and Registrar

The Bank of New York  
101 Barclay Street  
New York, NY 10286

### Bowne's Form 10-K Annual Report

to the U.S. Securities and Exchange Commission is incorporated in this report to stockholders. A printed copy of Form 10-K may be obtained without charge by contacting William J. Coote. These documents are also available on the Company's Website.

*Read more about Bowne's business segments and their blueprints for future success and opportunity by visiting our Website at [www.bowne.com](http://www.bowne.com).*

Design by Addison [www.addison.com](http://www.addison.com)

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