

United States
Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003 | Commission File No. 000-98765

SAMPLE CORPORATION

(Exact name of Registrant as specified in its charter)

RHODE ISLAND 13-1234567
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

123 BAY STREET , NEW YORK, NEW YORK 11111
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (646) 321-6789
Securities Registered Pursuant to Section 12(b) of the Act:

NONE

Securities Registered Pursuant to Section 12(g) of the Act:

TITLE OF CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, \$0.01 par value	The NASDAQ Stock Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes X No _

The aggregate market value of the Common Stock, par value \$0.01, held by non-affiliates as of May 1, 2003, was approximately \$650,345,000. As of such date, non-affiliates held no shares of the Class A Stock, \$0.01 par value. There is no active market for the Class A Stock.

The number of shares outstanding of each class of the Registrant's voting stock as of May 1, 2003 was as follows: 34,342,546 shares of Common Stock and 2,043,234 shares of Class A Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held April 17, 2003.

PART I

ITEM 1 | BUSINESS

OVERVIEW

Sample Corporation (together with its subsidiaries, "Sample" or the "Company") is a global publishing and media company. The Company believes that it is the world's largest distributor of business material. Sample creates quality educational and reference materials and products for use in business, including books, textbooks, magazines, technology-based products, manager materials, television programming, film, videos and tapes. The Company distributes its products and services through a variety of channels, including business-based resellers, business-based trade meetings, business-based and direct-to-business continuity programs, retail stores, libraries and television networks. The Company's Website, Sample.com, is a leading site for managers, affiliates and participants. With the August 2002 acquisition of Basics Incorporated ("Basic"), the Company became the leading operator in the United States of direct-to-business book clubs and non-fiction products sold primarily to United States business libraries. Internationally, Sample has long-established operations in Canada, Mexico, Australia and Switzerland, and newer operations in Panama, Singapore, India, Scotland and Italy. The Basics acquisition expanded the Company's international operations in Canada, the United Kingdom, Australia and Southeast Asia.

During its 10 years of operation, Sample has emphasized quality products and a dedication to excellence. Sample Corporation was incorporated under the laws of Rhode Island in 1995 and, through predecessor entities, has been in business since 1947. Basic, through its predecessor entities, has been in business since 1973.

OPERATING SEGMENTS

The Company categorizes its businesses into four operating segments: SAMPLE'S BOOK PUBLISHING AND DISTRIBUTION; BUSINESS PUBLISHING; MEDIA, LICENSING AND ADVERTISING (which collectively represent the Company's domestic operations); and International. This classification reflects the nature of products and services consistent with the method by which the Company's chief operating decision-maker assesses operating performance and allocates resources. During the three-year period ended May 31, 2003, Sample's revenues have grown at an average annual compounded rate of 12.4%, including the Basics acquisition, and 5.5%, excluding the Basics acquisition. The following table sets forth revenues by operating segment for the three fiscal years ended May 31:

	(Amounts in millions)		
	2003	2002	2001
Sample's Book Publishing and Distribution	\$ 1,129.4	\$ 1,398.3	\$ 1,345.2
Business Publishing	325.9	316.9	311.2
Media, Licensing and Advertising	123.5	129.8	132.5
International	319.0	301.7	296.7
TOTAL	\$ 2,845.3	\$ 2,432.0	\$ 2,678.3

Reported revenues include Basics' operations since August 3, 2001, the date of acquisition. Additional financial information covering the Company's operating segments is included in Note 5 of Notes to Consolidated Financial Statements in Item 4, which is incorporated herein by reference. Certain revenues and expenses related to the Company's Internet activities have been reallocated to reflect the transition from a developing platform previously included in the Media, Licensing and Advertising segment to operational systems included in the Sample's Book Publishing and Distribution and Business Publishing segments. Prior year segment results have been restated to reflect this reclassification.

SAMPLE'S BOOK PUBLISHING AND DISTRIBUTION
(40.3% of fiscal 2003 revenues)

GENERAL

The Company's Sample's Book Publishing and Distribution segment includes the publication and distribution of books in the United States through business-based book clubs and book fairs, business-based and direct-to-business continuity programs.

The Company believes it is the largest publisher and distributor of books and is