


Reed Elsevier PLC Annual General Meeting
21 April 2009, London
Mark Armour, Chief Financial Officer



2008 Highlights

Strong financial performance

Major reshaping of portfolio

Restructuring programme expanded

Strong financial position

2008 Financial performance

Revenue +7%; Adjusted operating profit +12%

- Good revenue and profit performance across Elsevier, LexisNexis and Reed Exhibitions; Reed Business Information holds up through most of year
- Strong subscription renewals; rapidly growing online sales; good growth in exhibitions and favourable show cycling; Q4 advertising declines
- Operating margin up 1.1%pts; 102% cash flow conversion

Adjusted earnings per share

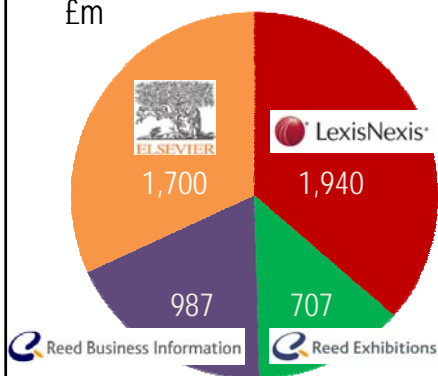
Reed Elsevier PLC +24%; Reed Elsevier NV +9%; constant currency +15%

- Good revenue and operating profit growth
- Loss of Harcourt Education contribution offset by related share consolidation
- Strong free cash flow
- Significant currency translation effects

Revenue and adjusted operating profit growth at constant exchange rates

2008 Revenue

£m



	12 months to 31 December 08	
	% change total	% change constant underlying

Elsevier	+4%	+5%
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LexisNexis	+13%	+5%
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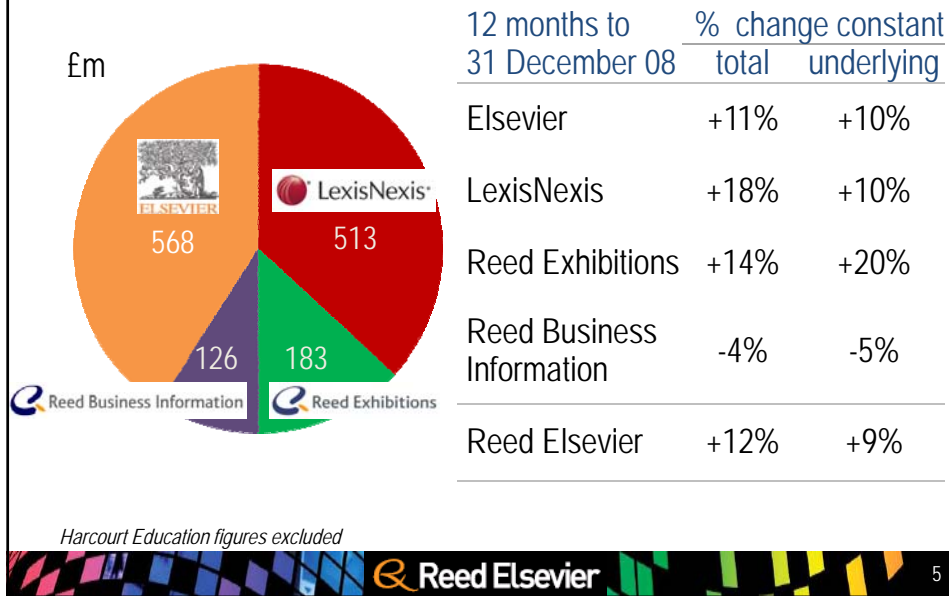
Reed Exhibitions	+9%	+11%
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Reed Business Information	+1%	-1%
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Reed Elsevier	+7%	+4%
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Harcourt Education figures excluded

2008 Adjusted operating profit



ChoicePoint acquisition

- Transforms Reed Elsevier position in Risk; \$1.4bn leadership position
- Overall revenues and operating profit up 4%
 - Insurance business (>85% of profit) 10% underlying revenue growth and resilient
 - Screening and authentication impacted by economic downturn
- Integration firmly on track
 - New management/organisation structure implemented
 - \$150m annual cost savings target reaffirmed

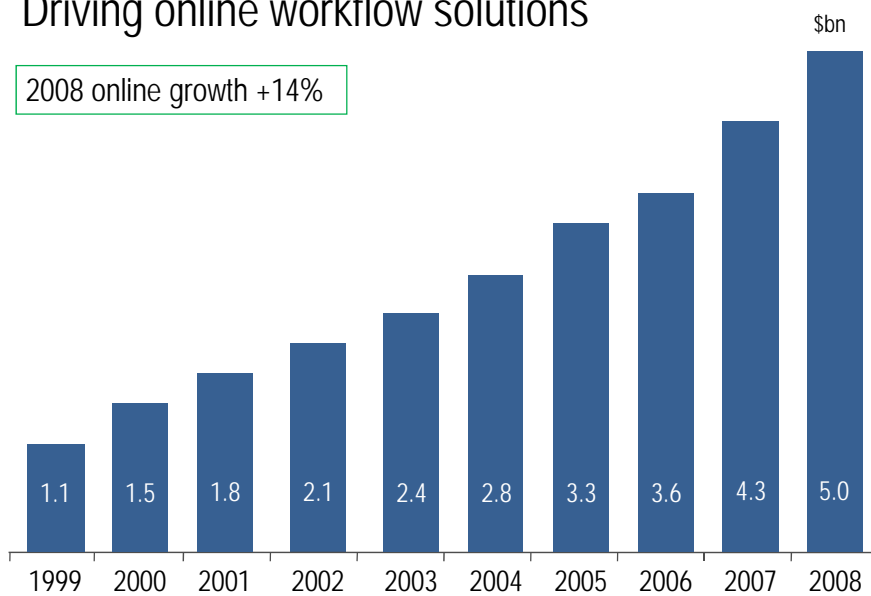
Strategic benefits very attractive
On track for financial returns targets

Divestment of Reed Business Information

- Terminated discussions in December 2008
 - Judged not possible to structure transaction on acceptable terms
- High quality of business well recognised
 - Market leading titles and websites; voices of industries served
 - Record of success in developing online services (34% of revenues)
 - Experienced management team
- Short-term outlook challenging; firm action on cost
- Intention to divest in medium term

Driving online workflow solutions

2008 online growth +14%



Restructuring programme

\$m (pre tax)	Total Costs	Annual Savings			
		2008	2009	2010	2011
February 2008 plan	290	30	100	160	200
Additional scope	60	1	30	40	50
RBI	160	14	75	95	100
	510	45	205	295	350

Feb 2008 plan Good progress; 2008 savings delivered; 2009 on track

Additional scope Further opportunities identified; response to challenging economic environment

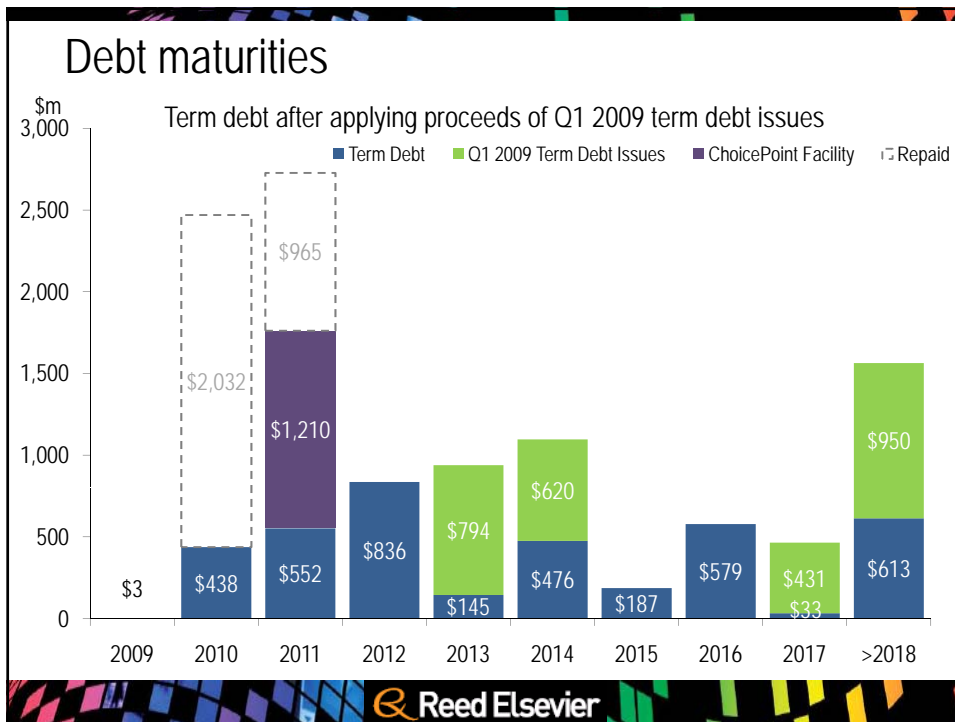
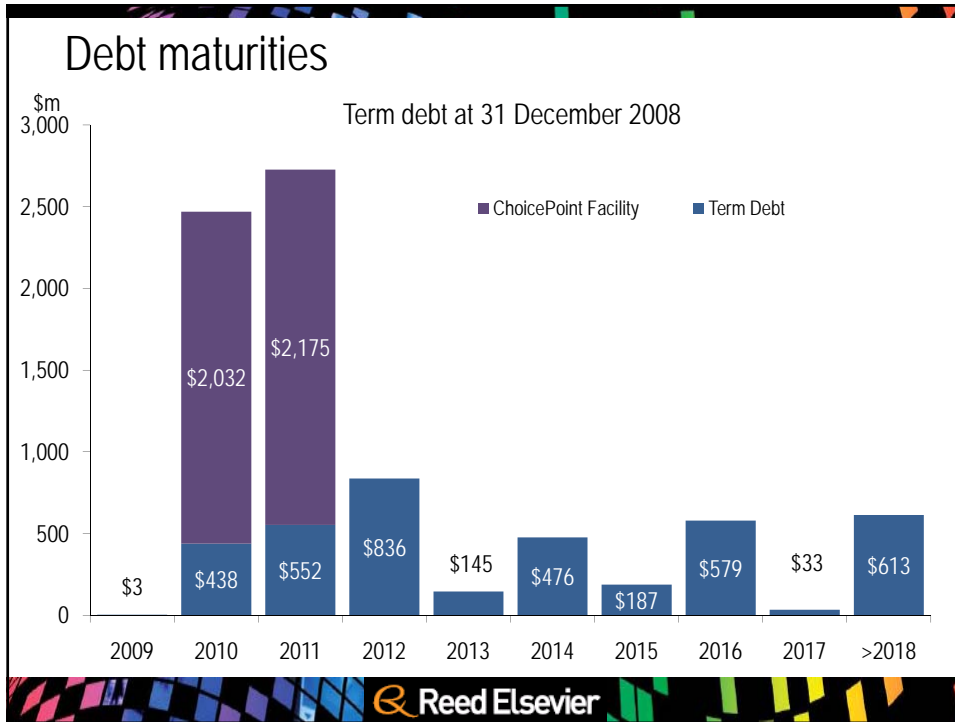
RBI Right sizing cost base on reduced revenue expectations; business reorganisation and consolidation

- Charges and savings principally cash; payback 2.5 years

Costs and savings reflect Reed Elsevier estimates based on current plans

Balance sheet

- Strongly cash flow generative; 102% cash flow conversion
- Refinancing of ChoicePoint acquisition facility on track
 - \$2.8bn of term debt issued since January 2009
- Revolving credit facilities extended to 2012
- Long term target range of 2.0-3.0x net debt / ebitda
 - consistent with solid investment grade credit ratings
- Strong financial position



2009 Outlook



- Elsevier: Strong subscription renewals, growing online sales, good publishing; pharma weak; \$ strength impacting US exports



- LexisNexis: Growing demand for online solutions; good growth in Risk; increased investment; challenging but manageable economic conditions



- Reed Exhibitions: Tougher economic conditions; important biennial shows cycle out

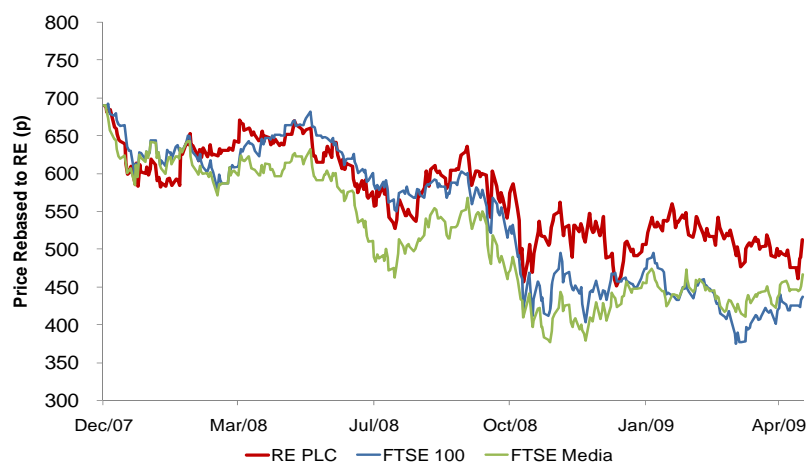


- Reed Business Information: Significant downturn in advertising markets; more resilient paid circulation and data services

Continued investment and restructuring
Positive adjusted earnings growth

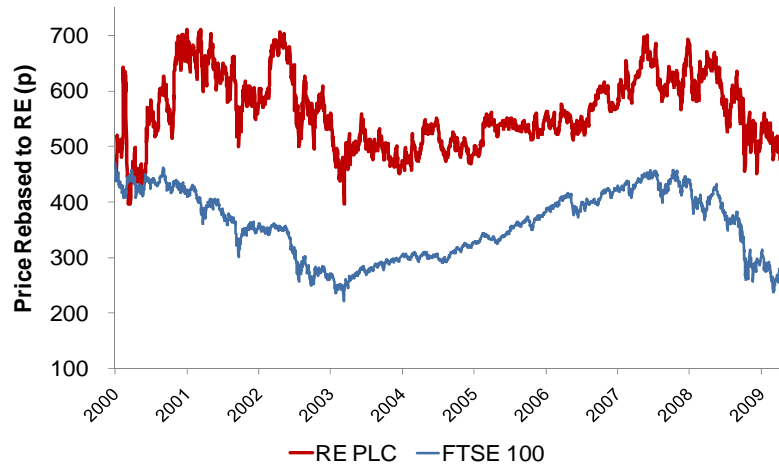
Charts: 2008 adjusted operating profit, proforma for ChoicePoint

Share Price Performance since January 2008



17% outperformance

Share Price Performance since January 2000



84% outperformance

Reed Elsevier conclusions

Leading market positions
Proprietary, must have content and solutions

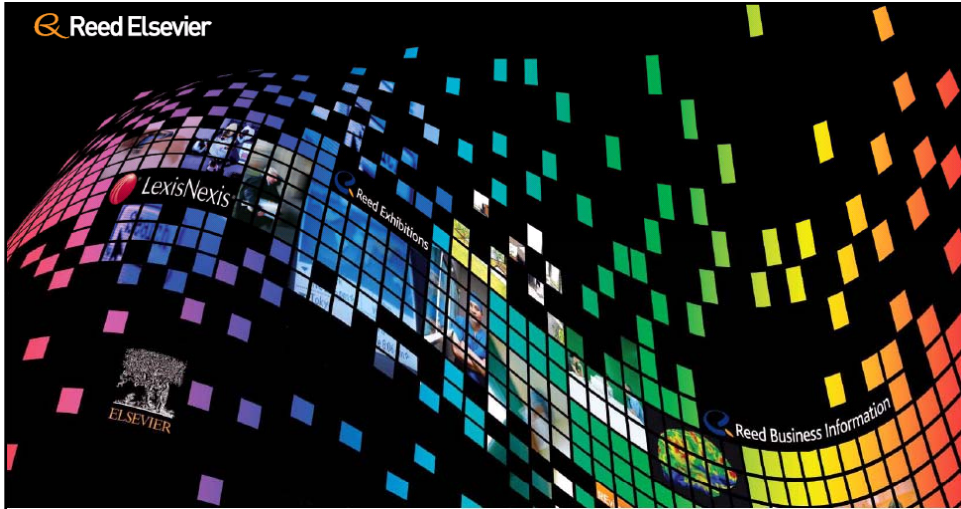
Continued investment behind online solutions

Aggressive cost programme

Highly cash generative; strong financial position



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