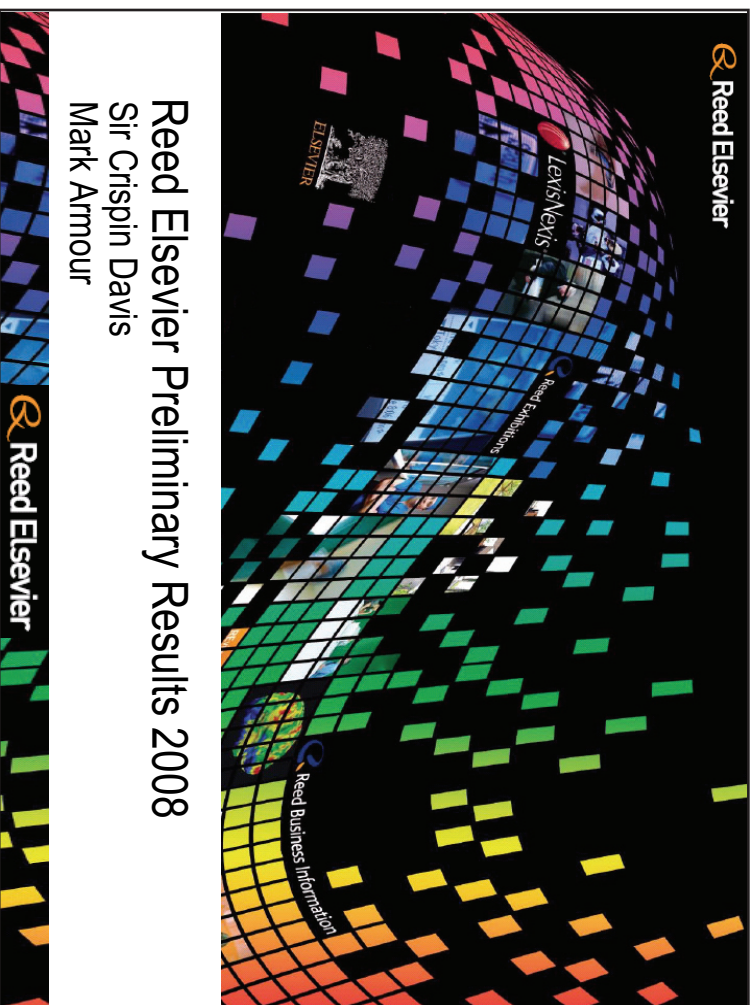


Reed Elsevier Preliminary Results 2008



Highlights

Strong 2008 financial performance

Major reshaping of portfolio

Restructuring programme expanded

Strong financial position



Reed Elsevier Preliminary Results 2008

Strong 2008 financial performance

- 15% adjusted EPS growth at constant currencies
- Good 6% revenue growth at Elsevier, LexisNexis and Reed Exhibitions
- Meaningful margin improvement: +110 basis points
- Strongly cash generative; 102% conversion rate
- Return on capital employed increases to 12.1% post tax
- Refinancing of ChoicePoint acquisition facility on track; well spaced debt maturities

Consistent strategy

Delivering authoritative content through leading brands

Driving online workflow solutions

Reshaping and strengthening the portfolio

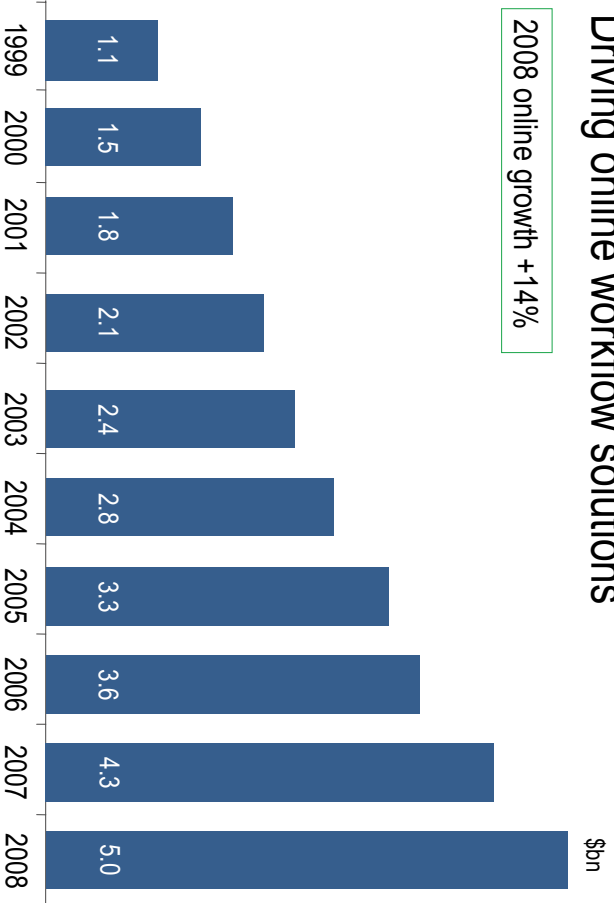
Improving cost efficiency and margin



Reed Elsevier Preliminary Results 2008

Driving online workflow solutions

2008 online growth +14%



Reported revenues; growth at constant rates

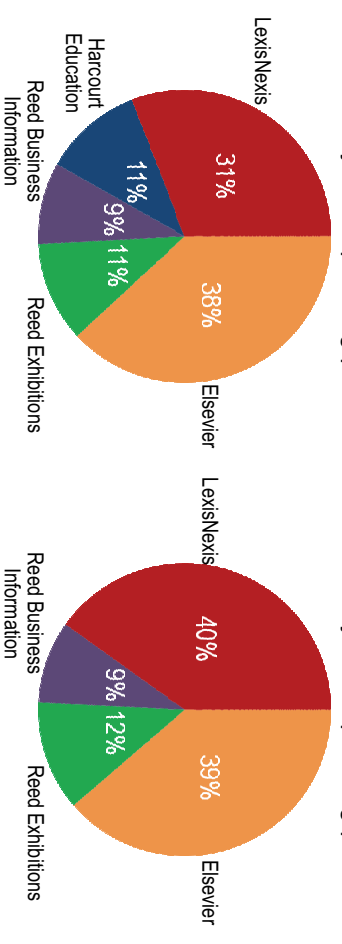
Reed Elsevier

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Reshaping the portfolio

2006 Adjusted operating profit

2008 Adjusted operating profit



- Sale of Harcourt Education; acquisition of ChoicePoint
- Elsevier and LexisNexis now c80% of operating profit
- 2008 revenues >50% online

2008 adjusted operating profit proforma for ChoicePoint

Reed Elsevier

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Reed Elsevier Preliminary Results 2008

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

Reed Elsevier Preliminary Results 2008

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

Elsevier



- S&T: continued growth in scientific research output and usage
 - 98% subscription renewal rate; article downloads up >20%
 - Average subscription contract >3 years
- Increasing demand for health information/analytics
 - Point of care solutions, clinical diagnostic tools, education and e-reference
- Weakness in pharma promotion markets
- Innovative online workflow solutions gaining increasing traction
 - Illumin8, Brain Navigator, ArenaMIR, Mosby's Nursing Skills
- Increasing content and product quality
 - Citations, impact factors, article submissions, usage, renewals

Reed Elsevier Preliminary Results 2008

Performance across cycle: Resilience of revenue streams



Year	Underlying Growth %	Drivers
2000	+8	Early phase of online adoption*
2001	+8	
2002	+6	Continued online adoption; some cannibalisation of print; good growth in Health
2003	+5	Institutional budgetary constraints
2004	+4	
2005	+5	Strong subscription renewals and workflow solutions sales; new publishing and product launches
2006	+5	
2007	+6	
2008	+5	Continued good growth; pharma weakness

*2000-01 Elsevier Science before Harcourt STM acquisition



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LexisNexis



- More challenging markets in US Law
 - Strong performance in online solutions in large law
 - Slower growth in small law and marginal decline in corporate and government
- Increase investment to capture opportunity in US law
 - Transforming legal research to deliver greater customer productivity
 - Move client development from directories to web marketing services
 - Re-engineering infrastructure to enhance customer experience and efficiency
- Continued strong performance in Risk
 - Broadening of offering: health fraud, collections, law enforcement
- Good growth in International
 - Online solutions growing +12%; continued market share gains



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Reed Elsevier Preliminary Results 2008



Performance across cycle: Resilience of revenue streams

Year	Underlying Growth %	Drivers
2000	+3	Weak competitive positioning; revamp of product, sales and marketing
2001	+5	
2002	+4	Good online growth; law firm consolidation; slower demand for corporate information
2003	+3	
2004	+4	
2005	+6	Legal workflow solutions gaining traction; Risk and International growing strongly
2006	+7	
2007	+7	
2008	+5	Reduced law firm activity; corporate spending reduced



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Reed Exhibitions

- Strong 2008 performance
 - Good growth in annual shows and biennial shows cycling in
 - Strong established shows, “flight to quality”
 - Continued strong customer ROI
- Good progress in emerging markets
 - Good progress in China
 - Achieving critical mass in Russia and Middle East
 - Successful integration of Alcantara Machado in Brazil
- Exhibitions late economic cycle effect, but
 - Tougher conditions as 2008 progressed
 - Growing budget pressures on exhibitors / delegates



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Reed Elsevier Preliminary Results 2008



Performance across cycle

Year	Underlying Growth %	Drivers
2000	+1	Good growth in annual shows offset by adverse cycling
2001	+7	Strong growth; benefit of biennial shows cycling in
2002	-1	
2003	-6	Late economic cycle effects; Iraq war and SARS
2004	+6	
2005	+11	Growing face-to-face demand; biennial shows well-balanced
2006	+10	
2007	+12	
2008	+11	Strong growth; benefit of biennial shows cycling in



Reed Business Information

- Increasing impact from economic downturn
 - Downward trend accelerated in 4th quarter
 - Print advertising / recruitment hit hardest
- Good online growth: +12%
 - 34% of business now online
 - More embedded in workflow; measurable ROI
- Focus now on maximising value
 - Experienced committed management team
 - Widespread restructuring implemented
 - Continued migration to online

Reed Elsevier Preliminary Results 2008

Performance across cycle







Year	Underlying Growth %	Drivers
2000	+5%	Strong advertising during dot.com boom
2001	-6%	
2002	-8%	Downturn in business investment; marketing budgets cut post dot.com expansion
2003	-5%	
2004	+1%	
2005	+2%	Online growth >20%; continued but manageable decline in print; % of online increasing to 30%
2006	+2%	
2007	+3%	
2008	-1%	Online offerings not enough to counter significant downturn in advertising markets in Q4



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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



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Reed Elsevier Preliminary Results 2008

Reed Elsevier conclusions

Leading market positions
Proprietary, must have content and solutions

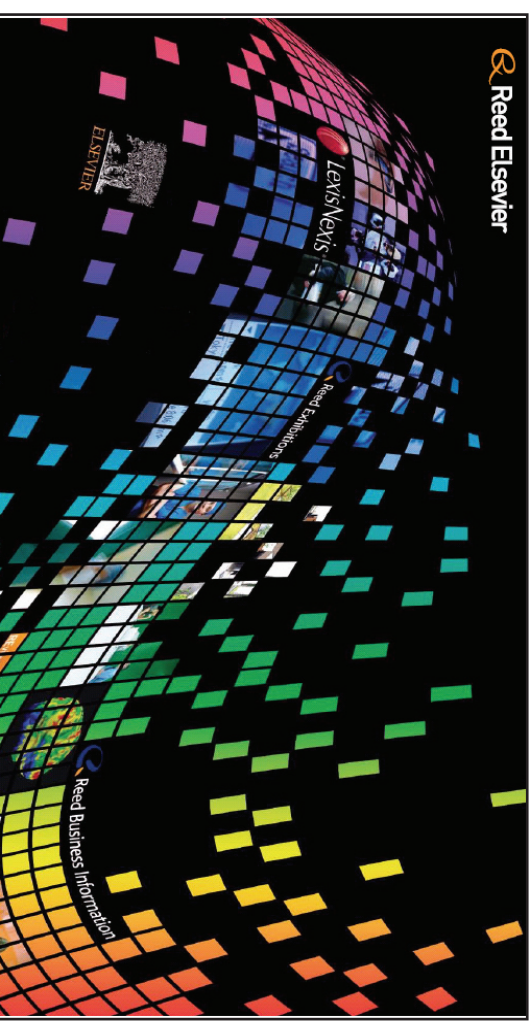
Continued investment behind online solutions

Aggressive cost programme

Highly cash generative; strong financial position

 Reed Elsevier

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Mark Armour, CFO

 Reed Elsevier

Reed Elsevier Preliminary Results 2008

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



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Adjusted profit and loss

	2008	2007	% change
12 months to 31 December	£m	£m	constant
Revenue	5,334	4,584	+7%
Adjusted operating profit	1,379	1,137	+12%
Adjusted operating margin	25.9%	24.8%	
Net interest expense	(174)	(139)	
Adjusted profit before tax	1,205	998	+11%

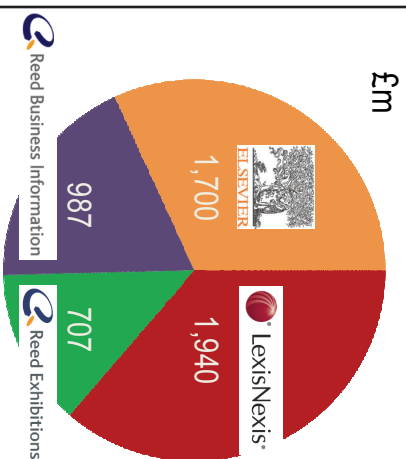
Adjusted figures are stated before amortisation of acquired intangible assets and goodwill impairment, exceptional restructuring and acquisition related costs, and disposal gains / losses. Harcourt Education figures excluded.



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Reed Elsevier Preliminary Results 2008

Revenue



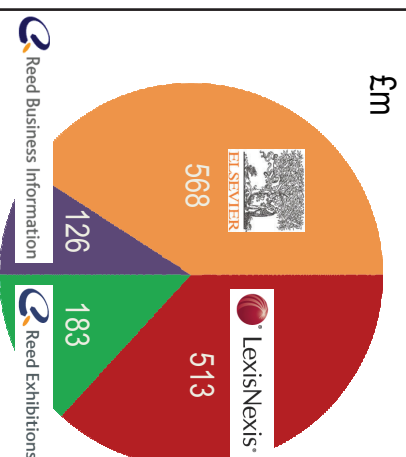
	12 months to 31 December 08	% change total	constant underlying
Elsevier		+4%	+5%
LexisNexis		+13%	+5%
Reed Exhibitions		+9%	+11%
Reed Business Information		+1%	-1%
Reed Elsevier		+7%	+4%

Harcourt Education figures excluded

Reed Elsevier

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Adjusted operating profit



	12 months to 31 December 08	% change total	constant underlying
Elsevier		+11%	+10%
LexisNexis		+18%	+10%
Reed Exhibitions		+14%	+20%
Reed Business Information		-4%	-5%
Reed Elsevier		+12%	+9%

Harcourt Education figures excluded

Reed Elsevier

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Reed Elsevier Preliminary Results 2008

Elsevier



12 months to 31 December	2008 £m	2007 £m	% change constant
Revenue	1,700	1,507	+4%
Adjusted operating profit	568	477	+11%
Adjusted operating margin	33%	32%	

- Underlying: revenues up 5%; adjusted operating profits up 10%
- Record subscription renewals, growing online sales, successful publishing; weak pharma
- Margin +1.7% pts: good revenue growth, cost efficiency and portfolio mix; reduced drag from currency

LexisNexis



12 months to 31 December	2008 £m	2007 £m	% change constant
Revenue	1,940	1,594	+13%
Adjusted operating profit	513	406	+18%
Adjusted operating margin	26%	25%	

- Underlying: revenues up 5%; adjusted operating profits up 10%
- Good growth in online workflow solutions in US large law and internationally; slower growth in small law; marginal declines in corporate and government
- Strong growth in Risk, especially collections and government
- Margin +1.0% pts: good revenue growth, cost efficiency; organisational consolidation and restructuring benefits

Reed Elsevier Preliminary Results 2008

ChoicePoint proforma



	Revenues			Adjusted operating profit		
	2008 \$m	2007 \$m	Change %	2008 \$m	2007 \$m	Change %
Insurance	548	492	+11%	274	257	+7%
Screening & authentication	174	190		21	28	
Business services / other	174	182		17	21	
Non-Insurance	348	372	-6%	38	49	-22%
Corporate / shared	-	-	-	(90)	(92)	-
Continuing operations	896	864	+4%	222	214	+4%

- Insurance: policy churn driving volumes; increased adoption of analytics
- Screening: hiring downturn; Business: financial markets difficult
- Integration progressing well; annual cost savings of \$150m in 2011 on track

ChoicePoint proforma: excludes discontinued operations and business sold; before transaction related expenses and other non recurring operating charges



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Reed Exhibitions



	12 months to 31 December		% change constant
	2008 £m	2007 £m	
Revenue	707	577	+9%
Adjusted operating profit	183	139	+14%
Adjusted operating margin	26%	24%	

- Underlying: revenues up 11%; adjusted operating profits up 20%
- Strong performances across portfolio
- Net cycling in of Mostra Convegno and other biennial shows
- Sale of defence shows; exaggerates future cycling effects
- Margin up 1.8% pts: gearing of show contribution from biennial exhibitions



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Reed Elsevier Preliminary Results 2008

Reed Business Information



12 months to 31 December	2008 £m	2007 £m	% change constant
Revenue	987	906	+1%
Adjusted operating profit	126	121	-4%
Adjusted operating margin	13%	13%	

- Underlying: revenues down -1%; adjusted operating profits down -5% in Q4
- Held up well through most of year; significant downturn in advertising markets
- Underlying revenues: UK +1%; US -5%; NL -1%; International +2%
- Online growth 12% (now 34% of RBI revenues); 6% print decline
- Margin -0.6% pts: revenue decline; tight cost control

Adjusted operating cash flow

12 months to 31 December	2008 £m	2007 £m
Adjusted operating profit	1,379	1,137
Capital expenditure	(172)	(145)
Depreciation	167	148
Share based payments / pensions	(5)	3
Working capital and other items	5	(10)
Adjusted operating cash flow	28	(22)
Cash flow conversion rate	1,407	1,108
	102%	97%

Reed Elsevier Preliminary Results 2008

Free cash flow

	2008 £m	2007 £m	% change
12 months to 31 December			
Adjusted operating cash flow	1,407	1,108	+27%
Interest paid	(161)	(148)	
Tax paid	(247)	(243)	
Free cash flow before dividends	999	717	+39%

Stated before exceptional restructuring spend and acquisition related costs

Adjusted earnings and dividends

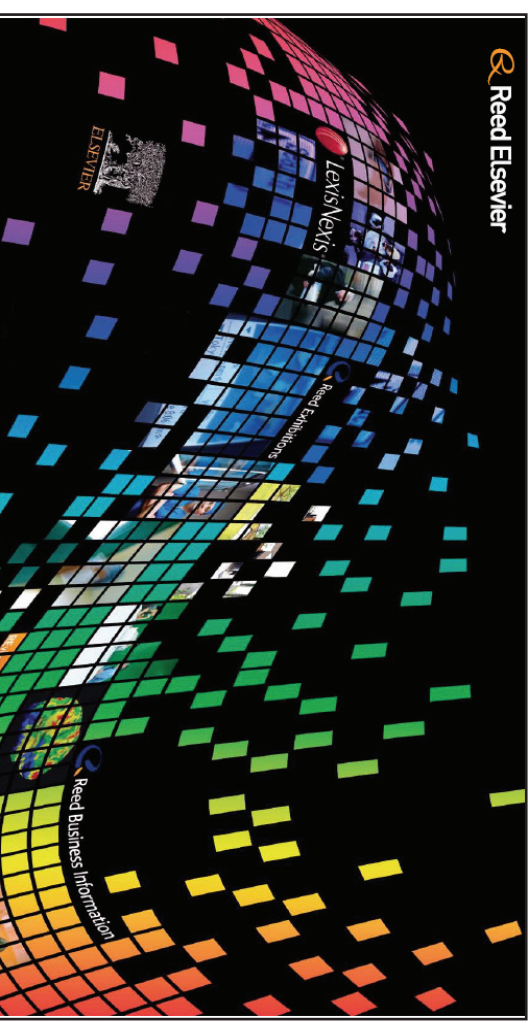
	Reed Elsevier PLC	Reed Elsevier NV	% change constant
Adjusted EPS	44.6p	€0.87	+9%
Adjusted EPS			+15%
Equalised dividends:			
Interim dividend	5.3p	€0.114	-
Final dividend	15.0p	€0.290	-7%
Total	20.3p	€0.404	-5%

- Equalised dividends: differing growth rates reflect significant appreciation of euro against sterling since last dividend declaration dates
 - Interim: 2008 €1.26 v 2007 €1.48
 - Final: 2008 €1.13 v 2007 €1.34

Reed Elsevier Preliminary Results 2008

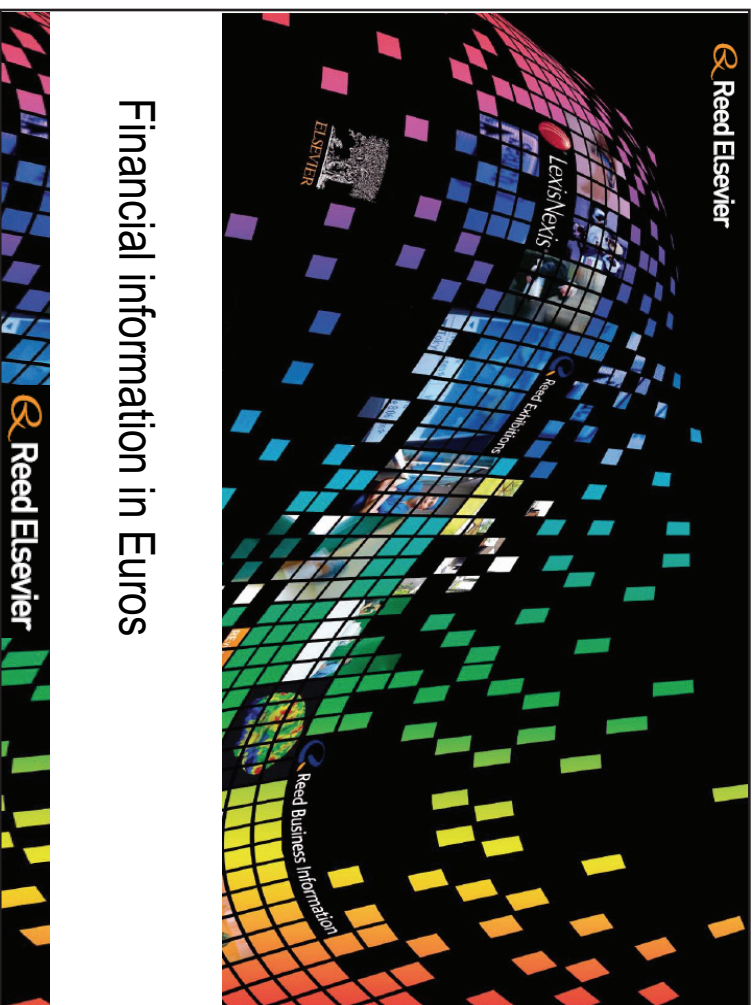
Balance sheet

- Strongly cash flow generative; 102% cash flow conversion
- Well spaced debt maturities
- Refinancing of ChoicePoint acquisition facility on track
 - \$1.6bn term debt issued in January 2009
 - Further term debt issuance planned later in 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

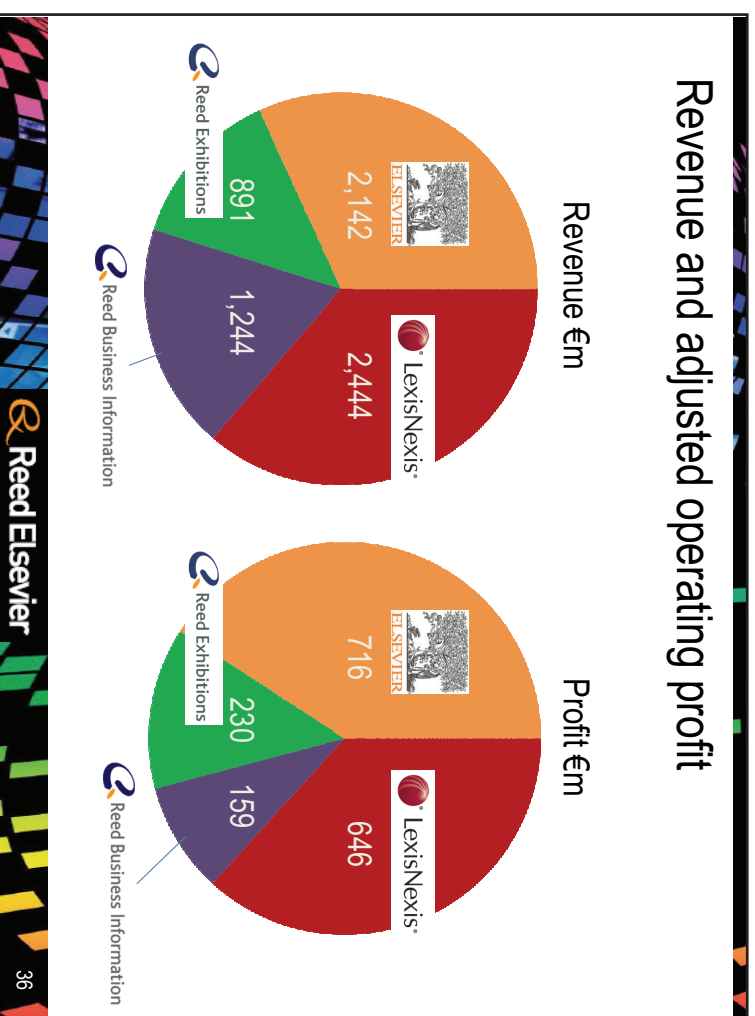


Appendices

Reed Elsevier Preliminary Results 2008



Financial information in Euros



Reed Elsevier Preliminary Results 2008

Adjusted profit and loss

	2008	2007	2008	2007	% change
12 months to 31 December	£m	£m	€m	€m	constant
Revenue	5,334	4,584	6,721	6,693	+7%
Adjusted operating profit	1,379	1,137	1,737	1,660	+12%
Adjusted operating margin	25.9%	24.8%	25.9%	24.8%	
Net interest expense	(174)	(139)	(219)	(203)	
Adjusted profit before tax	1,205	998	1,518	1,457	+11%

Adjusted figures are stated before amortisation of acquired intangible assets and goodwill impairment, exceptional restructuring and acquisition related costs, and disposal gains / losses. Harcourt Education figures excluded.

Elsevier



	2008	2007	2008	2007	% change
12 months to 31 December	£m	£m	€m	€m	constant
Revenue	1,700	1,507	2,142	2,200	+4%
Adjusted operating profit	568	477	716	696	+11%
Adjusted operating margin	33%	32%	33%	32%	

- Underlying: revenues up 5%; adjusted operating profits up 10%
- Record subscription renewals, growing online sales, successful publishing; weak pharma
- Margin +1.7% pts: good revenue growth, cost efficiency and portfolio mix; reduced drag from currency

Reed Elsevier Preliminary Results 2008

LexisNexis



12 months to 31 December	2008		2007		% change constant
	£m	£m	€m	€m	
Revenue	1,940	1,594	2,444	2,328	+13%
Adjusted operating profit	513	406	646	593	+18%
Adjusted operating margin	26%	25%	26%	25%	

- Underlying: revenues up 5%; adjusted operating profits up 10%
- Good growth in online workflow solutions in US large law and internationally; slower growth in small law; marginal declines in corporate and government
- Strong growth in Risk, especially collections and government
- Margin +1.0% pts: good revenue growth, cost efficiency; organisational consolidation and restructuring benefits

Reed Exhibitions



12 months to 31 December	2008		2007		% change constant
	£m	£m	€m	€m	
Revenue	707	577	891	842	+9%
Adjusted operating profit	183	139	230	203	+14%
Adjusted operating margin	26%	24%	26%	24%	

- Underlying: revenues up 11%; adjusted operating profits up 20%
- Strong performances across portfolio
- Net cycling in of Mostra Convegno and other biennial shows
- Sale of defence shows; exaggerates future cycling effects
- Margin up 1.8% pts: gearing of show contribution from biennial exhibitions

Reed Elsevier Preliminary Results 2008

Reed Business Information



12 months to 31 December	2008		2007		% change constant
	£m	£m	€m	€m	
Revenue	987	906	1,244	1,323	+1%
Adjusted operating profit	126	121	159	177	-4%
Adjusted operating margin	13%	13%	13%	13%	

- Underlying: revenues down -1%; adjusted operating profits down -5%
- Held up well through most of year; significant downturn in advertising markets in Q4
- Underlying revenues: UK +1%; US -5%; NL -1%; International +2%
- Online growth 12% (now 34% of RBI revenues); 6% print decline
- Margin -0.6% pts: revenue decline; tight cost control

Adjusted operating cash flow

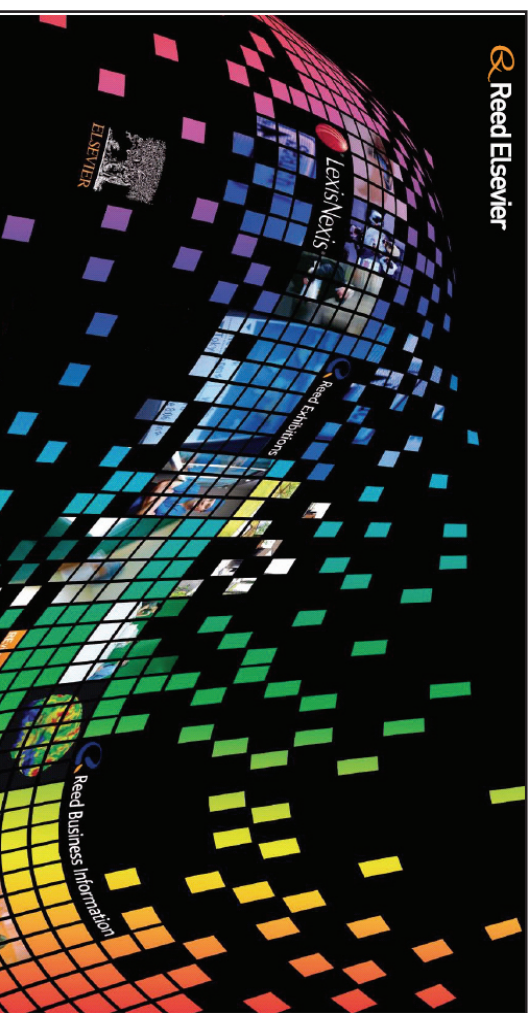
12 months to 31 December	2008		2007		2008		2007	
	£m	£m	£m	£m	€m	€m	€m	€m
Adjusted operating profit	1,379	1,137	1,737	1,660				
Capital expenditure	(172)	(145)	(217)	(212)				
Depreciation	167	148	211	216				
Share based payments / pensions	(5)	3	(6)	4				
Working capital and other items	5	(10)	6	(15)				
Adjusted operating cash flow	28	(22)	36	(31)				
Cash flow conversion rate	102%	97%	102%	97%				

Reed Elsevier Preliminary Results 2008

Free cash flow

12 months to 31 December	2008 £m	2007 £m	2008 €m	2007 €m	% change £	% change €
Adjusted operating cash flow	1,407	1,108	1,773	1,618	+27%	+10%
Interest paid	(161)	(148)	(203)	(216)		
Tax paid	(247)	(243)	(311)	(355)		
Free cash flow before dividends	999	717	1,259	1,047	+39%	+20%

Stated before restructuring spend and acquisition related costs



Further information

Reed Elsevier Preliminary Results 2008

Revenue Reconciliation

	12 months to 31 December	£m	% change	€m	% change
2007 Revenue		4,584		6,693	
Base businesses		197	+4%	288	+4%
Acquisitions		201	+5%	294	+5%
Disposals		(77)	-2%	(113)	-2%
Currency effects		429	+9%	(441)	-7%
2008 Revenue		5,334	+16%	6,721	-

Adjusted profit before tax Reconciliation

	12 months to 31 December	£m	% change	€m	% change
2007 Adjusted profit before tax		998		1,457	
Base business		108	+11%	158	+11%
Acquisitions / disposals		4	-	6	-
Currency effects		95	+10%	(103)	-7%
2008 Adjusted profit before tax		1,205	+21%	1,518	+4%

Adjusted figures are stated before amortisation of acquired intangible assets and goodwill impairment, exceptional restructuring and acquisition related costs, and disposal gains / losses. Harcourt Education figures excluded.

Reed Elsevier Preliminary Results 2008

Adjusted earnings per share

	2008	2007	%	2008	2007	%
Adjusted profit attributable for total operations:						
Combined business	£919m	£852m	+8%	€1,159m	€1,244m	-7%
Reed Elsevier PLC (52.9%)	£486m	£451m	+8%			
Reed Elsevier NV (50.0%)				€580m	€622m	-7%
Average number of shares:						
Reed Elsevier PLC (m)	1,089.5	1,256.5				
Reed Elsevier NV (m)				669.0	774.9	
Adjusted Earnings Per Share:						
Reed Elsevier PLC	44.6p	35.9p	+24%			
Reed Elsevier NV				€0.87	€0.80	+9%

Dividend equalisation

	Interim			Final		
	2008	2007	% change	2008	2007	% change
Reed Elsevier PLC (p)	5.30	4.50	+18%	15.0	13.6	+10%
UK tax credit rate	10%	10%		10%	10%	
Reed Elsevier PLC (p) (gross)	5.89	5.00		16.67	15.11	
Equalisation ratio	1.538	1.538		1.538	1.538	
Exchange rate (€:£)	1.26	1.48		1.13	1.34	
Reed Elsevier NV (€)	0.114	0.114	0%	0.290	0.311	-7%

Reed Elsevier Preliminary Results 2008

Restructuring programme: Restructuring costs (pre tax)

	2008 \$m	2009 \$m	Total \$m
February 2008 plan	(219)	(71)	(290)
Additional scope	-	(60)	(60)
RBI	(62)	(98)	(160)
	(281)	(229)	(510)

Reed Elsevier estimates based on current plans

Reported profit attributable

12 months to 31 December	2008 £m	2007 £m	2008 €m	2007 €m
Adjusted profit attributable	919	852	1,159	1,244
Adjustments (post tax)				
Amortisation of intangible assets	(327)	(259)	(412)	(378)
Restructuring programme	(111)	-	(140)	-
Acquisition related costs	(31)	(13)	(39)	(19)
Disposals and other	(43)	521	(67)	717
Deferred tax	69	99	86	145
Reported profit attributable	476	1,200	587	1,709

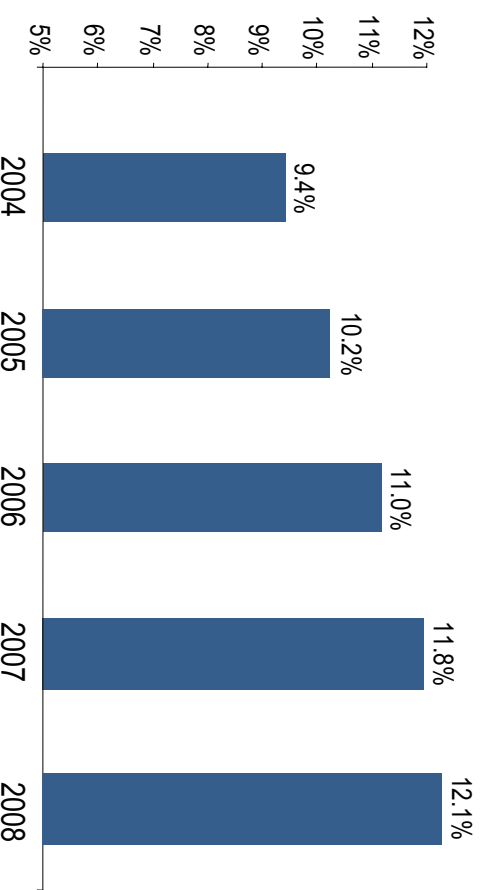
Reed Elsevier Preliminary Results 2008

Return on invested capital: Acquisitions 2006-2008

	All major acquisitions, including:	Revenue CAGR*	2008 post-tax return
2006	Gold Standard, HESI, Dataflight, Cassoft, Visualfiles	13%	11%
2007	Alcantara Machado, BuyerZone, Beilstein, RAEL, CPMRC	8%	8%
2008	ChoicePoint, Redwood Analytics, Axxia, EDRA, Windhover, InterCharm, Heren	3%	4%

*Presented on proforma basis to 2008 from year prior to acquisition

Return on invested capital: Reed Elsevier continuing (post tax)



Post tax return on average invested capital at average exchange rates for year

Reed Elsevier Preliminary Results 2008

Return on invested capital: Reed Elsevier continuing (post tax)

	2008 £m	2007 £m
Adjusted operating profit	1,379	1,137
Less tax at effective rate	(323)	(261)
	1,056	876
Capital employed	8,674	4,638
Cumulative amortisation	4,451	3,187
Year end invested capital at year end exchange rates	13,125	7,825
Average invested capital at average exchange rates*	8,747	7,445
Return on average invested capital	12.1%	11.8%

*Choice Point pro-rated from date of acquisition; excludes goodwill gross up for deferred tax liabilities on acquisitions

Elsevier growth and currency analysis

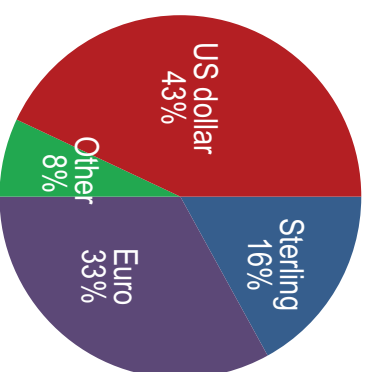


	Organic		Acquisitions/ disposals		Constant currency		Year on year change in hedge rates		Other currency		Total
12 months to 31 December 2008											
Revenue	+5%	-1%	+4%	-1%	-1%	+10%	+13%				
Adjusted operating profit	+10%	+1%	+11%	-2%	+10%	+19%					
Adjusted operating margin	+1.6%	+0.6%	+2.2%	-0.5%	0.0%	+1.7%					
12 months to 31 December 2007											
Revenue	+6%	-2%	+4%	-1%	-3%	-1%					
Adjusted operating profit	+10%	-1%	+9%	-3%	-3%	+3%					
Adjusted operating margin	+1.1%	+0.3%	+1.4%	-0.6%	+0.3%	+1.1%					

Reed Elsevier Preliminary Results 2008

Currency profile

2008 Adjusted profit before tax



Average rates for year:		2008	2007
£			
US dollar		1.85	2.00
Euro		1.26	1.46
€			
US dollar		1.47	1.37
Sterling		0.79	0.68
Year end rates:		2008	2007
£			
US dollar		1.45	2.00
Euro		1.03	1.36
€			
US dollar		1.41	1.47
Sterling		0.97	0.74

2008 adjusted profit before tax proforma for ChoicePoint

Reed Elsevier

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Balance sheet

	2008 £m	2007 £m	2008 €m	2007 €m
Goodwill & intangible assets	9,305	4,551	9,584	6,189
Tangible fixed assets	329	239	339	325
Investments & net assets held for sale	241	484	248	659
Net pensions obligations	(369)	50	(380)	68
Working capital	(832)	(551)	(857)	(751)
Capital employed*	8,674	4,773	8,934	6,490
Shareholders' equity	953	2,965	981	4,032
Net debt	5,726	492	5,898	669
Current & deferred tax (net)	1,726	1,306	1,778	1,776
Other net liabilities / minorities	269	10	277	13
	8,674	4,773	8,934	6,490

*Includes in 2007: £135m/€194m relating to discontinued operations

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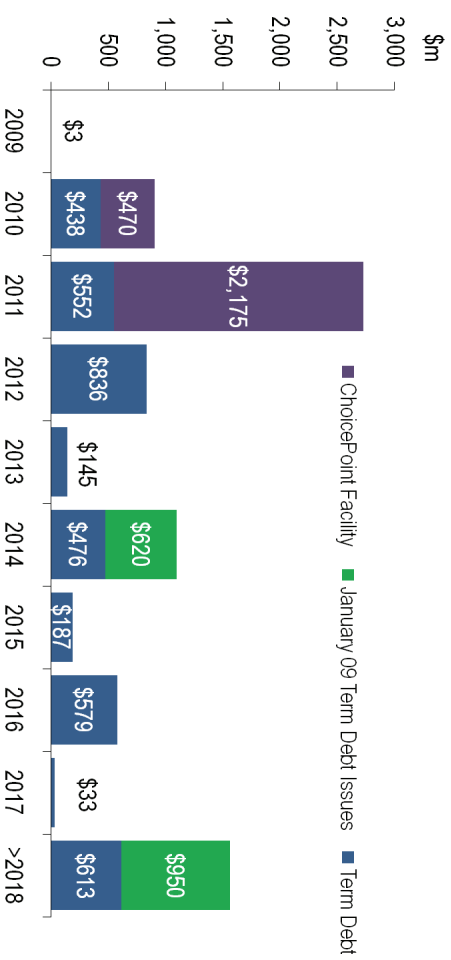
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Movements in net debt

	£m	€m
Net debt at 31 December 2007	(492)	(669)
Free cash flow from continuing operations	999	1,259
2008 ordinary dividends	(418)	(528)
Special distribution (net of payment to EBT)	(1,986)	(2,655)
Proceeds less taxes paid in discontinued operations	(48)	(33)
ChoicePoint acquisition	(2,184)	(2,779)
Other acquisitions net of disposals in continuing operations	(222)	(281)
Exceptional restructuring spend	(55)	(69)
Share buybacks	(94)	(118)
Share option proceeds	54	68
Currency translation	(1,280)	(93)
Net debt at 31 December 2008	(5,726)	(5,898)

Debt maturities

Term debt following January 2009 term debt issues



Term debt translated at 31 December 2008 exchange rates

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Cost of borrowings

- 84% of gross debt denominated in \$ (2007: 63%)
 - Increase due to ChoicePoint acquisition facilities
- 52% (2007: 54%) of gross debt fixed at 31 December 2008; rising to 69% after January 2009 term debt issues
- 2008 blended interest rate of 5.7%
 - 2009(e) blended interest rate expected to be c6.4%
 - 8.4% average yield on \$1.5bn US term debt issue
 - Further term debt issues planned v reduction in short term interest rates

Debt ratios

	2008	2007
Funds from operations / net debt	25%	32%
Retained cash flow / net debt	17%	18%
Net interest cover	7.5x	7.6x
Net debt / EBITDA	3.1x	2.4x
Long term credit rating	BBB+ / Baal / A-	A- / Baal / A-

2008 net debt ratios proforma for ChoicePoint; 2007 net debt adjusted for special distribution to shareholders in January 2008
Ratios pension and lease adjusted; calculated in US dollars

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Information for US institutions

- Reed Elsevier PLC ADR (ticker: RUK) and Reed Elsevier NV ADR (ticker: ENL) traded on NYSE
- Each Reed Elsevier PLC ADR represents 4 Reed Elsevier PLC ordinary shares
- Each Reed Elsevier NV ADR represents 2 Reed Elsevier NV ordinary shares
- PLC and NV ADRs members of following indices:
 - NYSE Composite index
 - BONY Composite ADR index
 - BONY Developed Markets ADR index
 - BONY Europe ADR index
 - BONY Europe 100 ADR index
- Depositary is The Bank of New York Mellon



THE BANK OF NEW YORK MELLON



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