

Merrill Lynch Global TMT Conference, London

Reed Elsevier

Mark Armour, Chief Financial Officer

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Reed Elsevier Overview

World-leading provider of professional information and online workflow solutions

High quality portfolio in attractive professional markets

High percentage of subscriptions, recurring revenue streams and high cash generation

1 / good # 2 in each of its markets with respected brands and good margins

<20% profits from cyclically exposed B2B businesses

Restructuring program delivering substantial cost savings

ChoicePoint acquisition meeting expectations: strongly growing Insurance business;
significant cost synergies on track

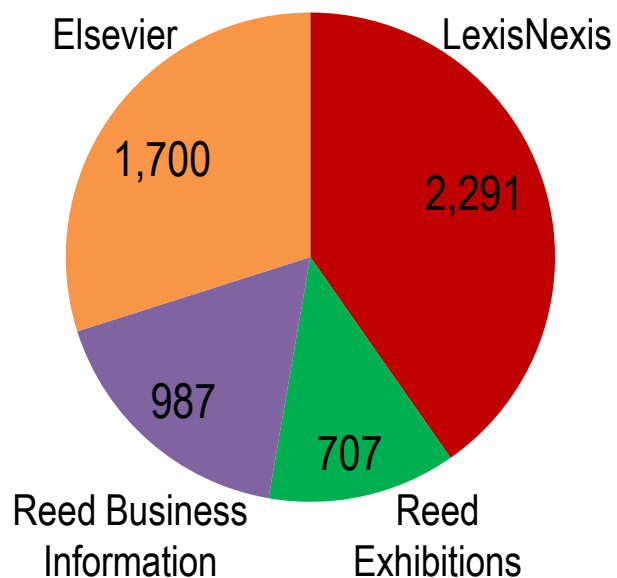
\$2.8bn termout of ChoicePoint debt in Q1

Clear consistent strategy; experienced management team

Positive 2009 constant currency adjusted earnings per share growth targeted

Reed Elsevier: Leading Global Information Provider

Revenues by segment £m



Description

Leadership

Elsevier

- Scientific journals, books and databases
- Medical, nursing and health professions publishing and information

Global #1

LexisNexis

- Legal, tax and regulatory information
- Risk and information analytics

North America, #2
Europe, Asia #1

US #1

Reed Exhibitions

- Trade shows

Global #1

Reed Business Information

- Trade magazines
- Online information services

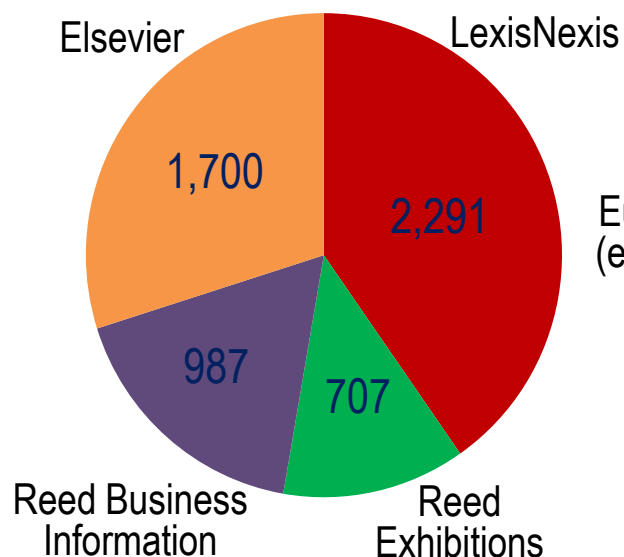
B2B Magazines #1

Year ended December 31, 2008; pro forma for ChoicePoint acquisition; average FX rate \$1.85:£1

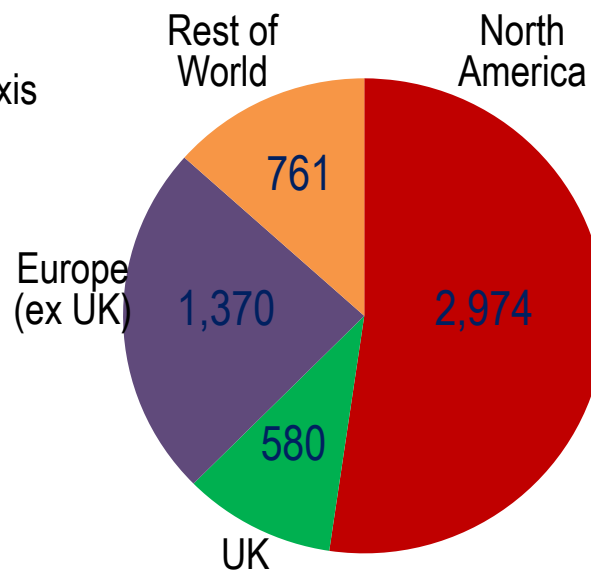
Reed Elsevier: Leading Global Information Provider

Reed Elsevier revenues: £5,685m

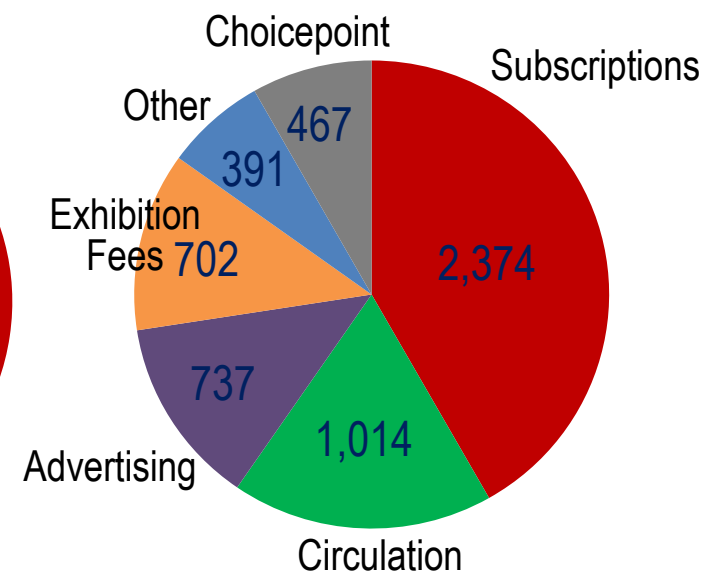
By Segment
£m



By Geographic Market
£m



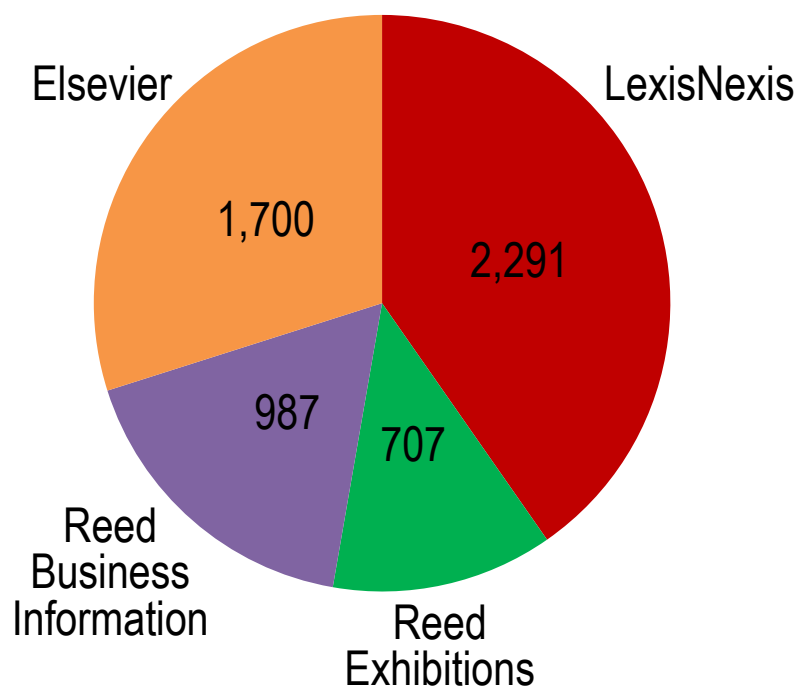
By Source
£m



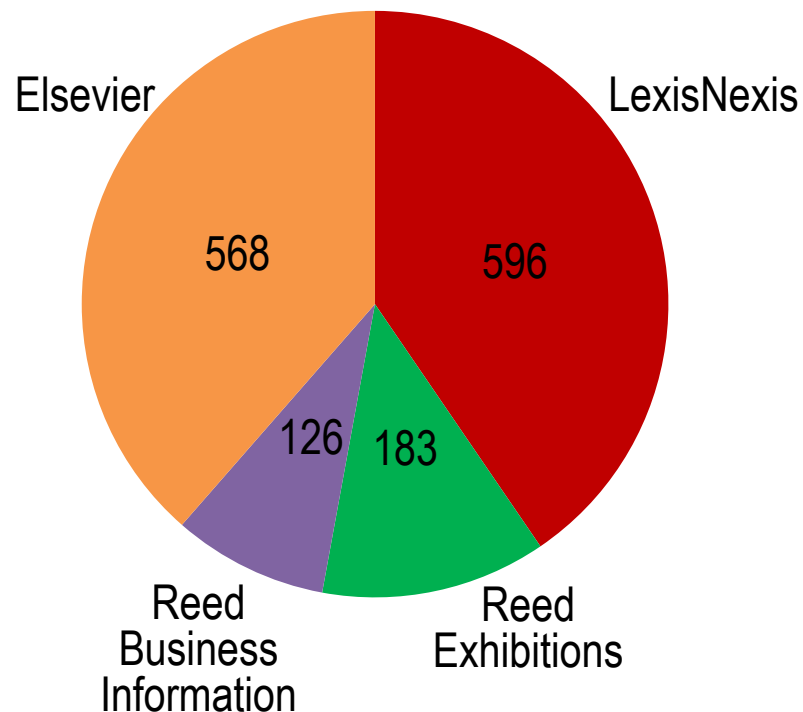
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Reed Elsevier Revenue and Profit Profile

Revenues £5,685m



Adjusted Operating Profit £1,463m

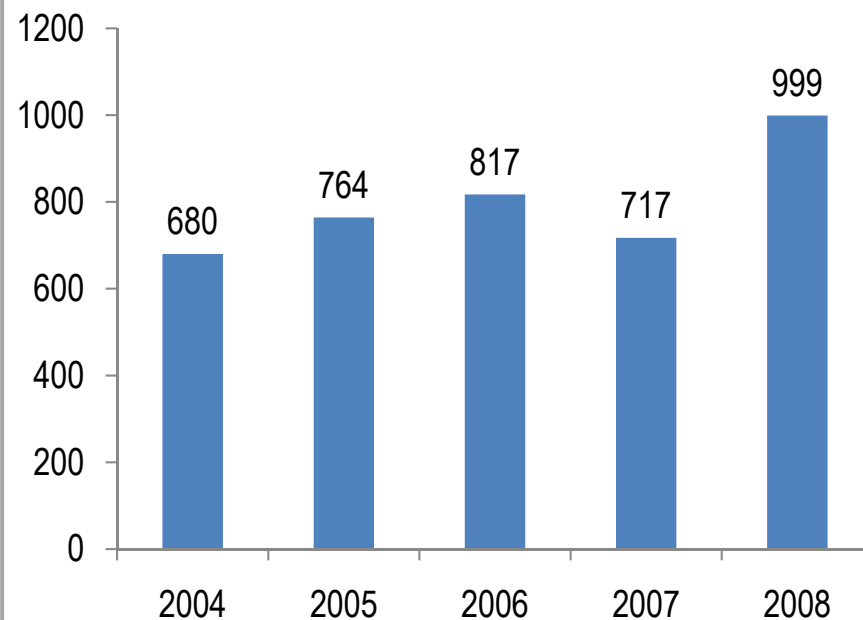


*2008 revenues and adjusted operating profit pro forma for ChoicePoint
Adjusted operating profit total includes unallocated central items and pension credit*

Strongly Cash Generative

	2008 £m	2007 £m
Adjusted operating profit	1,379	1,137
Adjusted operating cash flow	1,407	1,108
Cash conversion	102%	97%
Interest paid	(161)	(148)
Tax paid	(247)	(243)
Free cash flow before dividends	999	717

Free Cash Flow Before Dividends
£m



Stated before restructuring spend and acquisition related costs

Consistent Strategy

Delivering authoritative content through leading brands

Driving online workflow solutions

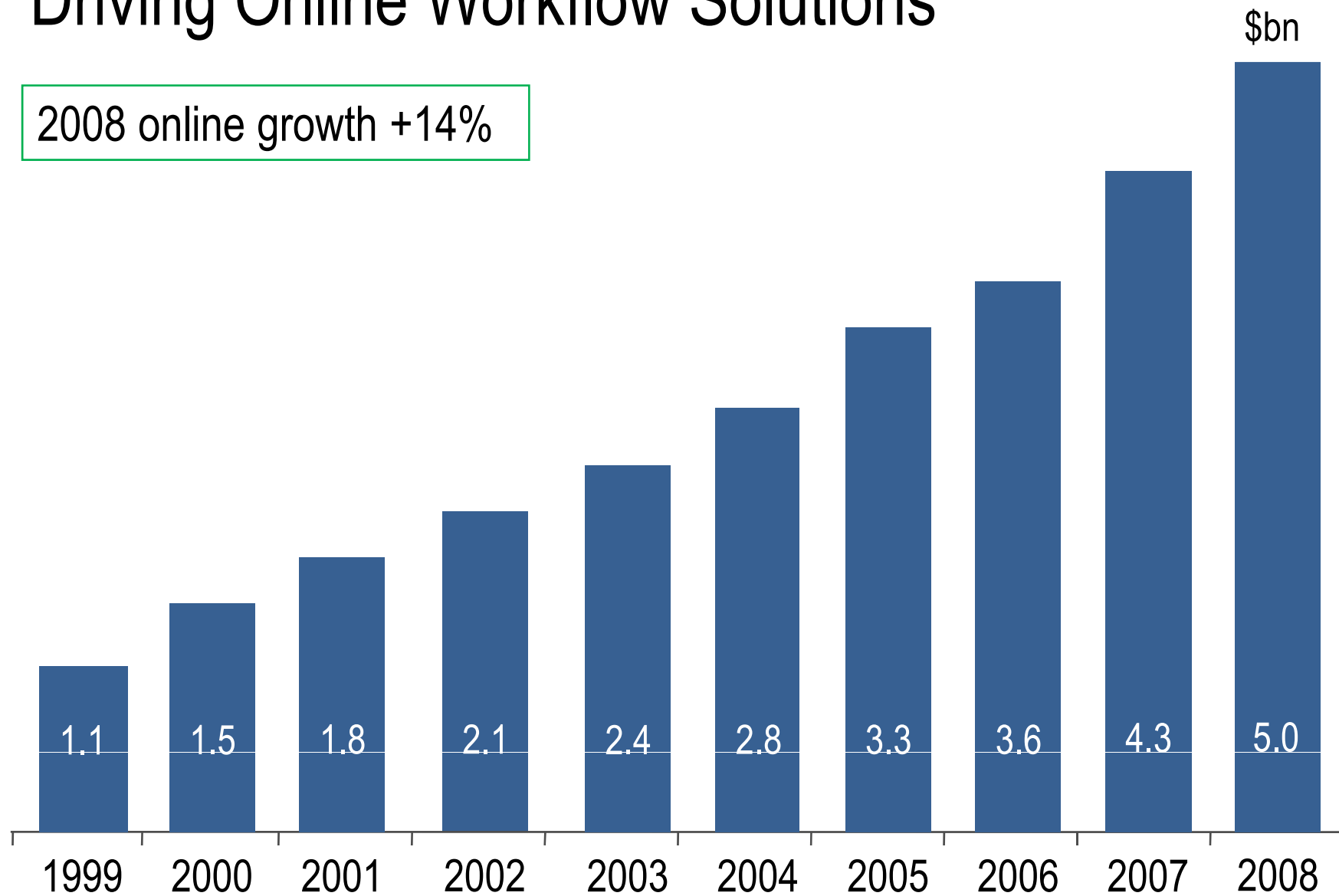
Improving cost efficiency and margin

Reshape and strengthen portfolio



Driving Online Workflow Solutions

2008 online growth +14%



Reported revenues; growth at constant rates

Science & Technology: Long term market growth drivers



R&D	Growing R&D spend Increasing research output
Budgets	Library funding constrained
Productivity	Increasing demand for more powerful information services
Wider distribution	Emerging markets, small and mid-sized institutions, corporates

Health Sciences: Long term market growth drivers



Healthcare spending	Favourable demographics; ageing populations More complex procedures; demand for improved medical outcomes
Education	Expanding health professions
E-Health	Increasing demand for more effective learning, clinical decisions, and research and improved cost efficiency
Pharma	Pharma promotion markets changing
International	Rising prosperity in emerging markets driving demand

Elsevier: Science & Technology

SCOPUS

- World's largest abstract and citation database, covering 17,500+ journals
- Assists researcher productivity:
 - Quickly helps find relevant research
 - Track impact of own and others' work
 - Identify collaborators, where to publish

- Improvements in functionality and content since 2004 launch:
- 2006: Citation tracker, author identifier
 - 2007: Searching cited references; added archives of 6 major publishers
 - 2008: Affiliation identifier
 - 2009: Enhanced integration capabilities; Arts & Humanities content added

Scopus revenues doubled in last 2 years;
40% penetration at top 100* universities globally

**Times Higher Education World University rankings*

Elsevier: Health Sciences



- Powerful online tool that aids trainee nurses in passing NCLEX qualification:
 - Students: online testing provides score prediction and remediation
 - Faculties: able to monitor student progress, mentor and improve pass rates
- Part of suite of comprehensive online nursing education solutions



University of Texas at Arlington: Pass rates from 83% in 2003 to 97% in 2007

Elsevier: Health Sciences



Leading predictive modeling and data analysis capabilities

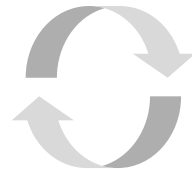
Payer

Risk Navigator product suite

- Predicts risk and cost for individuals, groups and physicians
- Identifies gaps in care to improve patient outcomes

EMPOWERx

- Improves health plan pharmacy compliance by e-prescribing



Provider

Pinpoint product suite

- Improves quality and efficiency of care delivery in hospitals
- Retrospective severity adjusted outcomes analysis of system, facility, and clinical performance to identify improvement areas
- Predictive tools to forecast adverse outcomes and improve care by providing patient specific real-time alerts

Improved decisions by healthcare professionals

Improved medical outcomes and cost efficiency

LexisNexis: Long term market growth drivers



Legal research	Increased legislation, regulatory complexity, litigation and compliance
Solutions	Increased demand for workflow productivity tools and client development
Risk management	Increase in requirements for identity authentication / risk assessment: insurance, financial, government, health, legal
International	Online adoption, emerging markets legal research, increased litigation / regulation

LexisNexis: Legal

Investing in US legal research

Investing to transform productivity of US legal research

- More powerful contextual solutions and improved search
- Improved flexibility and speed of development
- Intuitive interface design and ease of use
- Significant content enhancements

Investing in large law client development

Evolution to web marketing service provider for law firms

- Martindale-Hubbell: Relationship intelligence (web marketing)
- Redwood Analytics: Business intelligence (law firm performance metrics)
- InterAction: Customer intelligence (CRM systems)
- atVantage: Market intelligence (competitive intelligence)



Corporate
Counsel

LexisNexis: ChoicePoint

- Progressive Reed Elsevier success in building Risk business - accelerated with 2004 Seisint acquisition: outstanding technology platform and products
- Creates \$1.4bn leadership position in high growth attractive Risk Analytics
- ChoicePoint's data and analytics assets + LexisNexis market leading technology
 - Leveraged to address growing risk information and analytics needs of customers
- ChoicePoint Insurance business (>85% of 2008 operating income) highly attractive
 - 10 years continuous double digit revenue growth
 - Integral to insurance underwriting process
 - Revenue growth driven by policy churn and increasing adoption of analytics
- Integration on track
 - Confident of delivery against \$150m synergy targets by 2011
- Attractive financials, meets Reed Elsevier's acquisition criteria
 - Acceleration of growth, earnings accretive in year 1, substantial positive NPV, year 3 post tax return on capital > 8%

Reed Exhibitions: Long term market growth drivers

Marketing effectiveness	Highly targeted customer audiences Important promotional channel for new products Continuing demand for face to face meetings; high customer ROI
Market segmentation	Targeting of high growth sectors through launch and acquisition
International	Faster growing emerging markets Geocloning of successful concepts and brands
Online	Opportunity to leverage annual events to year round communities

Reed Exhibitions: International expansion

Acquisitions in expanding markets



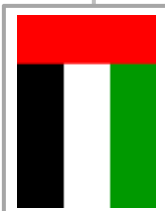
- Alcantara Machado JV: Leading organiser of events in Brazilian market
- Brasil Offshore: offshore oil and gas event

> 25 events now in Brazil



- Sinopharm JV: Chinese healthcare events
- Huabo: leading chinese gift event
- Huajin JV: events in packaging and machine tools

> 30 events now in China



- World Future Energy Summit (WFES): Abu Dhabi renewable energy show
- Airport Show: airport construction and services show

12 events now in UAE

Creating global coverage

Aerospace & Aviation

- Asian Aerospace: Hong Kong
- Aircraft Interiors: Germany
- Helitech: UK, Portugal
- Airport Show: Dubai

IT Security

- Infosecurity IT security event geocloned in:
 - UK, France, Russia, Netherlands, Belgium

Energy & Environment

- Pollutec: France, Algeria
- Ambiental Expo: Brazil
- WFES: Abu Dhabi

Travel

- World Travel Market: UK
- International Luxury Travel Market: France
- Asia Luxury Travel Market: China
- Arabia Travel Market: Dubai

Reed Business Information: Long term market growth drivers

Users

Demand for authoritative content and industry insight
Data services improving productivity and optimising
business decisions

Advertisers

Increased focus on measurable ROI through online
services: lead generation, recruitment, paid search
Marketing effectiveness through “voices of
industry”; highly dependent on business cycles

Reed Business Information: Leading industry solutions

Xpert HR

Single source of
online HR
intelligence

- Employment law – from LexisNexis
- Strategy and practice guides
- Customised content
- Pay and benefits information
- User-friendly interface; subscription product

Enabling HR professionals to:

- Mitigate risk
- Reduce costs
- Save time
- Improve effectiveness

ICIS

Trusted market
intelligence for
global chemical
and energy
industries

- World leader in petrochemical pricing and news
- ICIS news – latest chemical industry news
 - ICIS pricing – reports benchmark global supply contracts
 - Acquisition of Heren adds Energy market intelligence

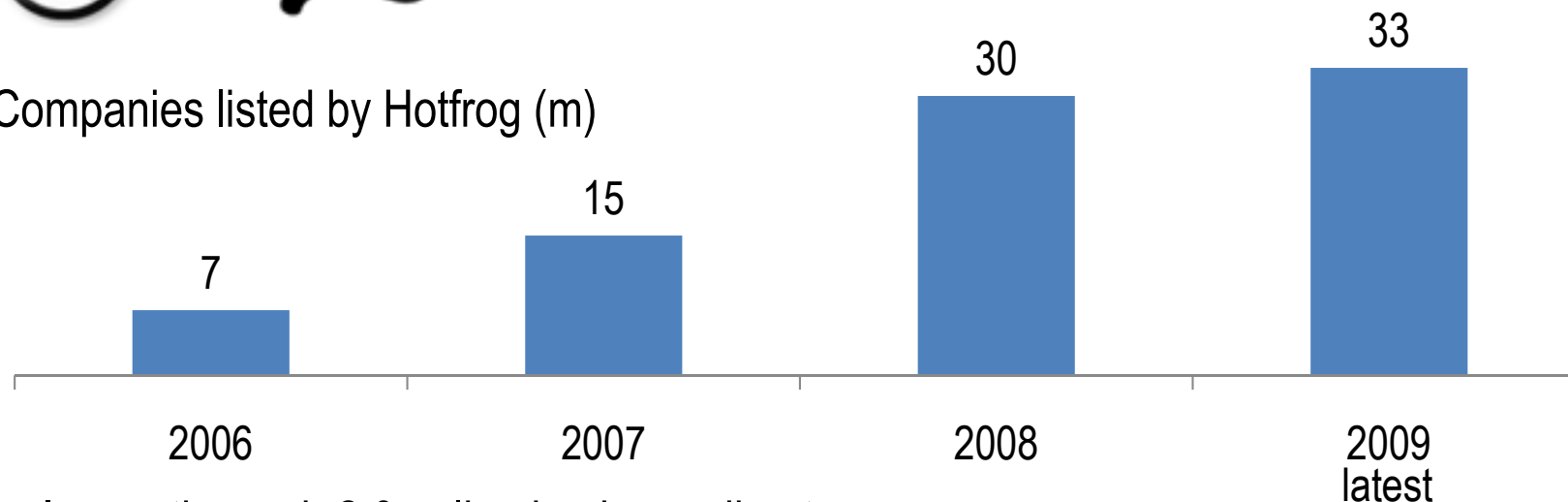
Improving industry
professionals' market insight

- Commodity price volatility driving demand for:
 - Market news and data
 - Real-time and intra-day data
 - Online delivery

Reed Business Information: Developing innovative online advertising solutions



Companies listed by Hotfrog (m)

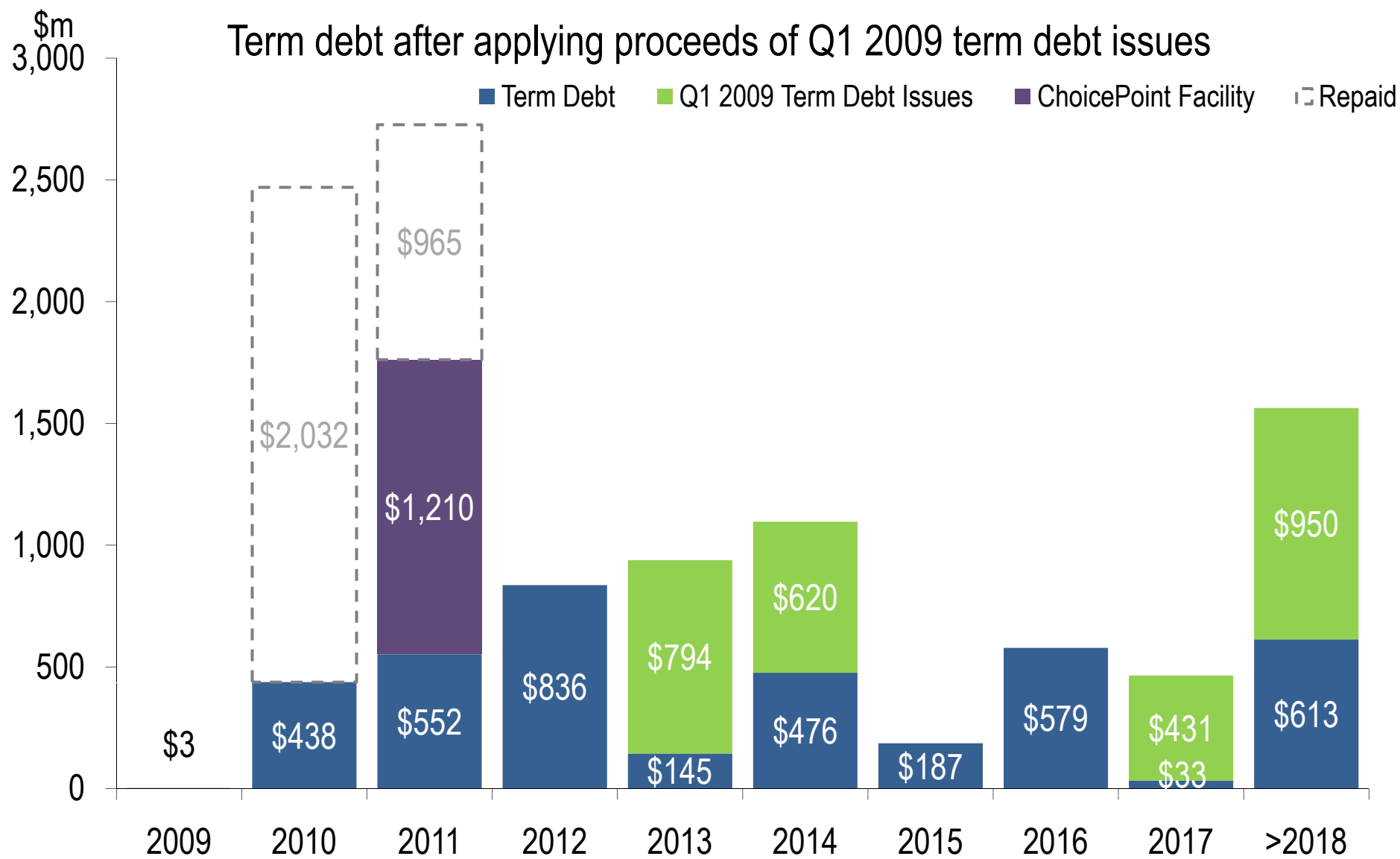


- Innovative web 2.0 online business directory
- Unique combination of:
 - User generated content
 - Search engine optimisation
- Developed by RBI Australia; now launched in 29 countries

Restructuring Programme: Improving cost efficiency

- Announced February 2008 to capitalise on portfolio changes and drive efficiency
- February 2009 additional scope announced:
 - Further opportunities identified; response to challenging economic environment
 - RBI added to programme; right-sizing cost base, business reorganisation and consolidated
- Organisational consolidation and streamlining; IT data centre consolidation; extensive outsourcing and offshoring (production, IT engineering, finance/administration, systems support, customer services); global procurement centralisation; real estate consolidation
- Programme to deliver annual savings of \$350m by 2011
- Restructuring costs of c.\$510m (2008/9)
- Charges and savings principally cash; pay back c.2.5 years

Debt Maturities



Reed Elsevier Conclusion

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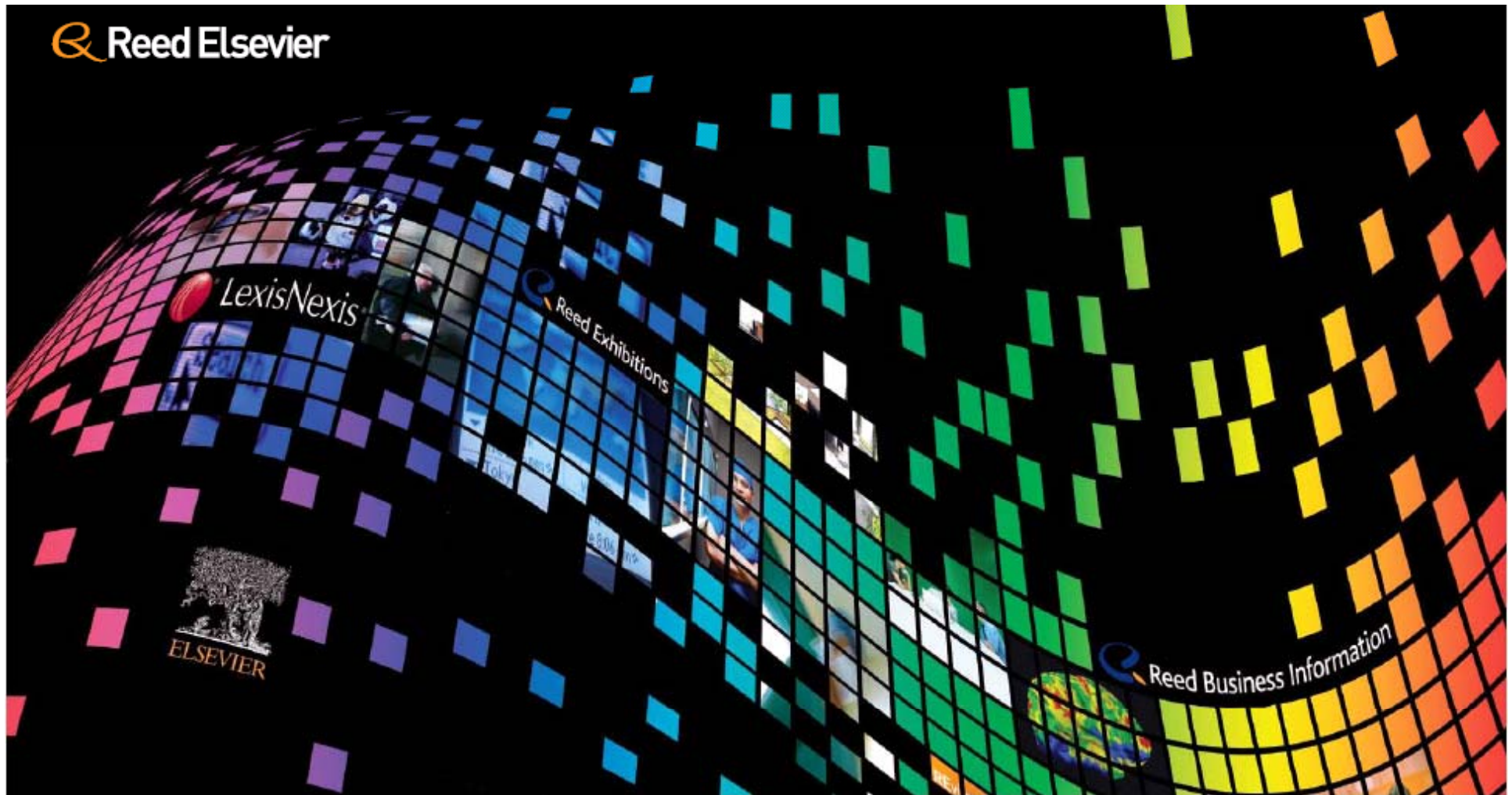
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