



From print...



From information...



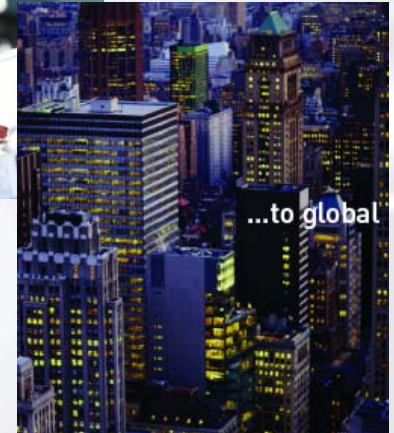
From local...



...to online



...to solutions



...to global

# Merrill Lynch TMT Conference, London

Sir Crispin Davis, Reed Elsevier  
June 2007

 Reed Elsevier

Global leader in professional information

\$10.0 bn revenues, \$2.5 bn EBITDA, \$1.5 bn free cash flow

Sharpened strategic focus; three large growth markets

Strong brands, high quality authoritative content,  
integrated workflow solutions

\$4bn revenues from fast growing online services

Good revenue momentum,  
focus on operational leverage, strong cash flows

# Strategic Market Characteristics

- Content integral to customers' professional function
- Clear digital opportunities to drive customer value
- Brands, content, technology scaleable
- Consistent market demand and recurring revenue streams

# Focused Strategy

Deliver authoritative content through leading brands

Drive online solutions

Improve cost efficiency

Selective portfolio development



# Delivering Authoritative Content Through Leading Brands

Invest behind brands:  
new launches, brand extensions, geo-cloning, new events

Extend content offering into growing adjacent sectors

# Delivering Authoritative Content Through Leading Brands

## Reed Exhibitions – geo-cloning of MIPIM

 **mipim**  
The world's property market

- “World’s leading event for property professionals”
- 18<sup>th</sup> edition held in Cannes, March 2007
- Over 8,000 companies from 83 countries
- Record 26,000 participants, up 22%
- 2007 revenues +40%

 **mipimasia**

- “World’s property market for Asia”
- 2<sup>nd</sup> edition to be held in Hong Kong, November 2007
- Includes world class conference
- 2007E revenues +30%

# Delivering Authoritative Content Through Leading Brands

## Clinical Reference

- Build out breadth and depth of content
  - Integrate Gold Standard into MDConsult and Nursing Consult
  - Develop and launch multimedia Consults and Mosby's Nursing Skills
  - Add image and simulations to Nursing Consult and Nursing Skills
- Improve functionality of Consult products
  - Deliver “clinically clever” search functionality and develop image-based search capabilities
- Extend market penetration of all Consult products
  - Continue roll-out of specialized Consult verticals



Create compelling online content driven workflow solutions

Business model innovation and solutions marketing

## LexisNexis – Total Practice Advantage

Law firm activities	Client development	Matter intake, research, development and planning	Document draft and Management	Litigation and docket management	Accounts and billing
	<ul style="list-style-type: none"> <li>• Share potential client information</li> <li>• Conflict checks</li> <li>• Research clients</li> <li>• Collect information on incumbent firm</li> <li>• Monitor client news</li> </ul>	<ul style="list-style-type: none"> <li>• Collect case intake data</li> <li>• Conduct research</li> <li>• Research client, co-counsel, judges, etc.</li> <li>• Identify experts</li> <li>• Manage discovery</li> <li>• Plan litigation strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Retrieve model documents</li> <li>• Create, manage documents</li> <li>• Check case citations</li> <li>• Check for code / rule changes</li> <li>• Share documents</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and monitor case calendar</li> <li>• Identify service of process procedure</li> <li>• File and serve documents</li> <li>• Retrieve court documents</li> </ul>	<ul style="list-style-type: none"> <li>• Manage &amp; recover costs</li> <li>• Analyze efficiency</li> <li>• Meet trust accounting requirements</li> </ul>

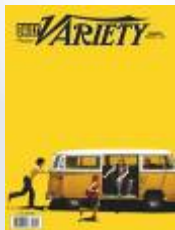
Best-in-class Service and Support

# Drive Online Solutions



## Variety

- One of the largest and most successful B2B brands
- Daily Variety (LA and New York), Weekly Variety and Variety.com
- Serving the \$500 billion global entertainment industry, growing at 7% p.a.
- 60,000+ print subscribers



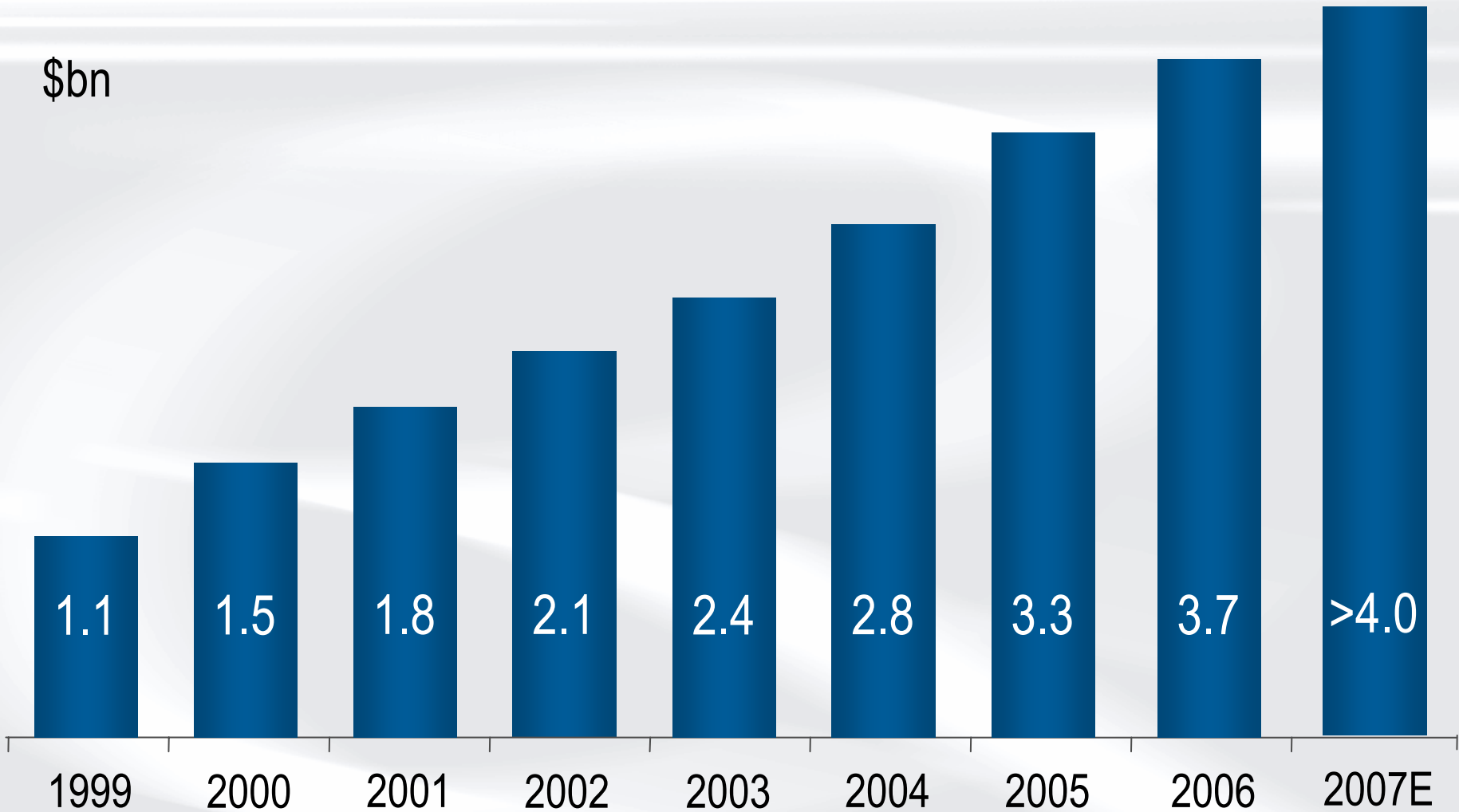
## Variety.com

- Advertising revenue up 36%
- Unique online content and services
  - Daily video news round ups and reviews
  - Awards and festival mini-sites
  - Blogs from leading writers
  - Variety careers
- >2m unique users



# Reed Elsevier: Electronic Revenues

\$bn



# Improve Cost Efficiency

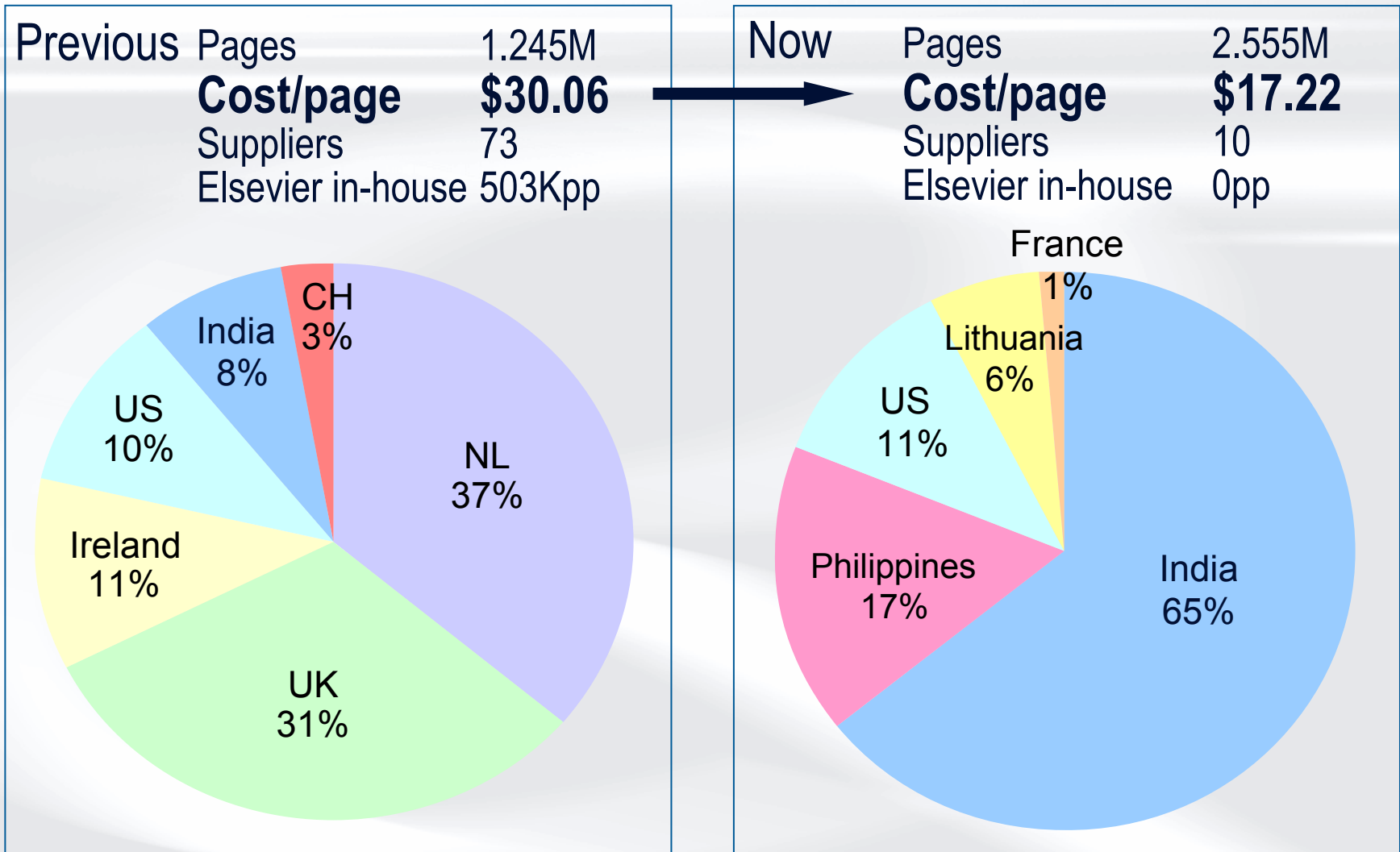
Leverage skills, technology, resource across businesses

Increase focus on operating and supply chain efficiency

# Improve Cost Efficiency: Offshoring and Outsourcing at Elsevier

- Elsevier a leader across Reed Elsevier in outsourcing and offshoring
- Typesetting
  - almost all outsourced 80% of volume in low cost countries in 2006
- Printing
  - all outsourced; trend towards printing in eastern Europe and Asia
- Journal mastercopying
  - outsourced to Indian and Philippine suppliers
- Future
  - Production Author Support and Customer Service outsourced to low cost countries

# Improve Cost Efficiency: Journal typesetting outsourcing



# Improve Cost Efficiency: Consolidating data centres

## Large Core Data Centres 2

- Best practice centres
- For most demanding online products
- 24 x 7 support

## Mid-Range Data Centres 19 → 2

- Geographic data centres
- Lower costs / lower service levels
- For non-critical applications

## Local Server Rooms 114 → 35

- Multiple locations
- Managed remotely

# Selective Portfolio Development

Focus on fast growth existing markets:  
e-health, risk management, e-business

Financial discipline against established criteria

# Selective Portfolio Development

Key area of focus:

Recent acquisitions:



- e-health

Gold Standard, MC Strategies, HESI



- Risk Management

Riskwise, Dolan, Seisint



- B2B online

Buyerzone, e-Media

# Selective Portfolio Development

## Acquisition Performance: 2004-2006

	All Acquisitions	Revenue CAGR*	2006 post-tax return	2007E post-tax return
	Including:			
2004	Seisint, Saxon, Interface, Ordinate	19%	10%	13%
2005	MediMedia MAP, PC Law, Univentio, Examen	8%	6%	8%
2006	Gold Standard, HESI, Dataflight, Casesoft, Visualfiles	10%	5%*	7%

\* presented on a pro forma basis to 2007 from year prior to acquisition

# Reed Elsevier Conclusions

Market environment positive

More cohesive business

Consistent focused strategy

Good business momentum

Significant online opportunity

Minimum 10% EPS targeted\*

*\* At constant currencies*



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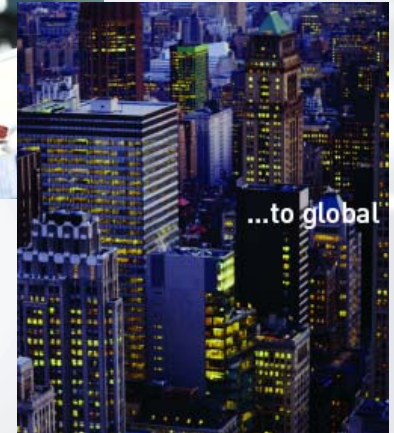
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