

This document is important and requires your immediate attention

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Reed Elsevier PLC, please pass this document, together with the enclosed Form of Proxy, to the stockbroker, or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

The Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the company's Registrar by no later than 11.00 am on Sunday, 16 April 2006. Completion and return of the Proxy will not prevent you from attending and voting at the meeting in person, should you wish. Alternatively, you can register your proxy vote electronically, either by means of a website provided by the company's Registrar at www.sharevote.co.uk, or by using the service provided by CrestCo. Further details are given in the notes to the attached Notice of Annual General Meeting.



Reed Elsevier PLC

Notice of Annual General Meeting

to be held at the Millennium Hotel, Grosvenor Square, London W1K 2HP
on Tuesday, 18 April 2006 at 11.00 am

To the holders of Reed Elsevier PLC ordinary shares

Dear Shareholder,

Annual General Meeting 2006

Introduction

I am pleased to invite you to the Annual General Meeting of the company for 2006, which will be held on Tuesday, 18 April 2006 at 11.00 am in the Ballroom at the Millennium Hotel, Grosvenor Square, London W1.

Board appointments

We have been conducting a search for a suitable candidate to join the board as a non-executive director, and I am delighted to be able to report that this has resulted in the Joint Nominations Committee recommending to the board the appointment of Lisa Hook as a non-executive director of the company, as well as recommending to the Combined Board of Reed Elsevier NV her appointment as a member of their Supervisory Board. Lisa has over 20 years of management experience in media, entertainment and information businesses and she will bring invaluable insights to our board discussions. A resolution will be proposed at the Annual General Meeting, for the purpose of considering Lisa's appointment as a director of the company.

Messrs van de Aast, Elliott, van Lede, Reid and Tierney will retire from the board by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

The Corporate Governance Committee, comprising the independent non-executive directors, reviews the performance of the board and its committees annually. The Committee also assesses the individual performance of the executive directors. Using questionnaires completed by all directors, the Committee has reviewed the functioning and constitution of the board and its committees. Based on these assessments, the Nominations Committee believes that the performance of each director proposed for re-election at the Annual General Meeting continues to be effective, and that they demonstrate commitment to their respective roles in the company.

Special Business Resolutions

As you can see from the Notice of Meeting, which appears on pages 10 and 11, in addition to the items of routine business, there are items of special business to be considered at the Annual General Meeting, and these items are noted below and explained in more detail on pages 4 to 8.

Directors' Remuneration Report (Resolution 2)

In accordance with legislation, shareholders are given the opportunity to vote on the Remuneration Report. In line with the legislation, this vote will be in respect of the content of the Remuneration Report and not specific to any director's level or terms of remuneration, and will be advisory in nature.

Long Term Incentive Share Option Scheme (Resolution 12)

The Remuneration Committee has recently reviewed the operation of the Reed Elsevier Group plc Long Term Incentive Share Option Scheme (LTIS 2003) which was approved by shareholders in 2003. In light of developments in best practice, and following consultation with major shareholders, the Committee wishes to obtain approval for some changes to its operation. The Committee's intention is to ensure that the LTIS 2003 reflects best practice and aligns the remuneration programme for executive directors with the delivery of value to shareholders. Full details are set out on page 4 but the main points are set out below.

If the resolution is approved, from 2006, the LTIS 2003 will be operated as follows:

- grants will be made annually, rather than every three years as previously;
- relative Total Shareholder Return (TSR) will be introduced as a performance measure, in addition to adjusted earnings per share (adjusted EPS) growth;
- awards will consist solely of performance shares (rather than a mix of performance shares and market value options); and
- any shares that vest will be treated as attracting dividends during the performance period.

The Committee continues to believe that the engine for the creation of long term shareholder value is sustained growth in profitability (for which the primary measure is adjusted EPS growth). A demanding adjusted EPS growth target over a three year performance period will therefore remain the primary driver of the LTIS 2003. However, TSR performance will be used to adjust any awards earned for adjusted EPS growth. The effect of this change is that the new scale of reward for adjusted EPS growth will, in isolation, generate lower reward than under the current scheme. However, in combination

with strong TSR performance, there will be scope for better reward. We consider the proposed mechanism to be tougher than normal UK practice because the TSR element can improve the payments to participants if, but only if, the adjusted EPS part of the test has first been achieved.

Reed Elsevier's TSR will be tested against a selected international group of competitor companies. TSR for each company in the comparator group will be calculated in the currency of its primary listing.

No other material changes to the operation of the LTIS 2003 are proposed. Specifically, the annual expected present value of awards to executive directors will remain broadly unchanged from present levels.

If the proposed changes to the LTIS 2003 are approved, the shareholding requirement will be increased from 1.5 times to three times salary for the Group Chief Executive Officer and from 1.5 times to two times salary for Executive Directors. These increased holdings are to be achieved by 2009. The Committee considers that this will further align directors' and shareholders' interests.

The Committee is satisfied that these changes will improve the alignment of the interests of the senior management team with those of shareholders while maintaining (but not enhancing) the competitive position of our package and reinforcing our high performance goals.

The Committee will retain full discretion to reduce or cancel awards to participants based on its assessment as to whether Reed Elsevier's adjusted EPS and relative TSR performance fairly reflects the progress of the business having regard to underlying revenue growth, cash generation, return on capital and any significant changes in currency and inflation as well as individual performance.

Authority to allot and purchase own shares (Resolutions 13, 14 and 15)

These items relate to the renewal of the authority previously approved by shareholders to permit the directors, subject to the limits described in the individual resolutions, to:

- allot the unissued share capital in the company;
- allot equity securities for cash on a non pre-emptive basis; and
- make market purchases of the company's shares (with the ability to hold the purchased shares in treasury).

If approved by shareholders, Resolution 15 will enable the company to continue to operate the annual share repurchase programme, announced on 16 February 2006. Your board believes that this new programme will enhance shareholder returns whilst retaining the financial capability to continue to develop the business through both organic and acquisition investment. This programme, together with our dividend policy, is expected to return to shareholders in the region of 70–80% of free cash flow in 2006. The repurchase of shares in the company and Reed Elsevier NV will reflect the equalisation ratio.

Recommendation

Your Board considers that all the proposals to be considered at the Annual General Meeting are in the best interests of the company and the shareholders as a whole. They recommend you to vote in favour of the proposed resolutions, as they intend to do in respect of their own beneficial holdings.

Voting procedures

For the first time this year all resolutions proposed at the meeting will be decided by poll instead of by show of hands. This reflects evolving best practice and will ensure that shareholders who are not able to attend the Annual General Meeting, but who have appointed proxies, have their votes fully taken into account.

Enclosed with the Notice of Meeting is a Form of Proxy. Whether or not you intend to attend the Annual General Meeting, I would ask you to complete the Form of Proxy and return it to the company's Registrar at the address shown on that Form. Alternatively, a proxy vote may be submitted via the Lloyds TSB Registrars website or, if you are a user of the CREST system, via the CrestCo electronic proxy appointment service. Further information concerning the appointment of a proxy is set out on page 11.

Yours sincerely

Jan Hommen

Chairman
10 March 2006

Explanation of items of special business

to be proposed at the 2006 Annual General Meeting

Resolution 2 – Directors’ Remuneration Report

Under the Directors’ Remuneration Report Regulations 2002, shareholders are given the opportunity to vote on the Directors’ Remuneration Report. In line with the legislation, this vote will be in respect of the content of the Remuneration Report and not specific to any director’s level or terms of remuneration, and will be advisory in nature.

The full Directors’ Remuneration Report is contained in the Annual Reports and Financial Statements 2005, a copy of which has been sent to those shareholders who elected to receive them. A copy is obtainable from the registered office of the company or from the company’s website www.reedelsevier.com. A summary of the Directors’ Remuneration Report is contained in the Annual Review and Summary Financial Statements 2005, a copy of which has been sent to all shareholders.

Resolution 12 – Long Term Incentive Share Option Scheme (LTIS 2003)

As explained in the Chairman’s letter, this resolution seeks the approval of shareholders to amend the LTIS 2003.

The table below sets out the level of potential awards for executive directors under the current scheme structure and under the proposed new structure. Awards are expressed as a percentage of an executive director’s salary, adjusted for the fact that, as noted below, it is proposed that the award under the revised scheme be made entirely in shares rather than, as at present, a mix of shares and options.

The Remuneration Committee believes that the primary engine for the creation of long term shareholder value is sustained growth in profitability. In relation to shareholders, the primary measure of profitability is growth in adjusted earnings per share expressed at constant exchange rates (Adjusted EPS). (Adjusted figures exclude the amortisation of acquired intangible assets, acquisition integration costs, gains on disposals and investments, related tax effects and movements on deferred tax balances not expected to crystallise in the near term.)

There is a shareholder preference for longer term incentive arrangements to include a performance measure based on shareholder return and the Remuneration Committee therefore proposes to apply a secondary measure of Total Shareholder Return (TSR) relative to a focused peer group to awards made under the LTIS from 2006.

For executive directors, the target annual grant levels over conditional shares will be around 135% of salary. However, for superior levels of Adjusted EPS growth and TSR performance, it will be possible to earn up to a maximum of 255% of salary as shown below. Lower levels of grant will apply to other senior executives invited to participate in the scheme.

	Current structure	Proposed new structure			
	Adjusted EPS Only	Adjusted EPS	TSR Uplift for relative TSR performance		
Adjusted EPS Growth			Median	62.5 percentile	Upper quartile & above
Below 8% p.a.	0%	0%	0%	0%	0%
8% p.a.	42%	38%	9%	19%	29%
10% p.a.	167%	108%	27%	54%	81%
12% p.a. & over	209%	146%	37%	73%	109%

As can be seen from the table, the current structure is based on Adjusted EPS growth only such that at 10% p.a. the reward would be 167% of salary. Whereas, for the same Adjusted EPS performance under the new structure the reward would drop to 108% of salary unless relative TSR performance was greater than median when executive directors would receive an uplift e.g. at 10% p.a. Adjusted EPS growth performance plus a TSR performance better than 62.5% of the comparator group, the reward would be 162% of salary i.e. 108% plus 54% for the achievement of Adjusted EPS and relative TSR respectively.

The achievement of both performance measures will be verified by the auditors of Reed Elsevier PLC and Reed Elsevier NV.

The following is a summary of the main features of the LTIS 2003 assuming the amendments to be considered under Resolution 12 are duly passed:

- (a) **Introduction:** The LTIS 2003 permits the grant of rights to call for shares in Reed Elsevier PLC and Reed Elsevier NV at nil cost (conditional shares). The participant's right to call will be dependent on satisfying the demanding performance conditions described below.
- (b) **Annual grants:** Grants under the LTIS 2003 will be made annually, at the Remuneration Committee's discretion.
- (c) **Participation:** There will be approximately 140 participants in 2006, comprising executive directors and selected senior executives.
- (d) **EPS performance condition:** The primary performance condition on awards will continue to relate to the averaged compound growth in Adjusted EPS of Reed Elsevier PLC and Reed Elsevier NV over a three-year performance period, with the vesting level of any award being determined on a sliding scale of between 8%–12% as shown in the table above.

To ensure consistent measurement and accountability, for the purposes of the EPS target, Adjusted EPS will relate to the averaged compound growth in Adjusted EPS expressed at constant exchange rates of Reed Elsevier PLC and Reed Elsevier NV. The Remuneration Committee will have the discretion to revise this definition of EPS to take account of any change in recognised accounting standards or practice, fiscal regime or capital structure, to ensure consistent measurement and accountability.

- (e) **TSR performance condition:** Any award earned through the Adjusted EPS growth performance condition may then be increased in line with Reed Elsevier's TSR performance against a comparator group over the three year period. No increase will be applied for performance which is below median and the maximum increase will be applied at upper quartile or higher levels of achievement. There will be no award to participants if Reed Elsevier fails to achieve the Adjusted EPS growth threshold irrespective of the associated TSR performance.

The percentage uplift available based on relative TSR performance is shown in the table above.

Straight line interpolation will be used to calculate vesting for intermediate levels of Adjusted EPS and TSR performance once the Adjusted EPS and/or TSR thresholds have been achieved. There will be no retesting of targets.

TSR will be calculated using starting and ending share prices which are averaged over the six months prior to the beginning and end of each performance period. The TSR of Reed Elsevier will be calculated as a simple average of the returns of Reed Elsevier PLC and Reed Elsevier NV on the London and Amsterdam markets respectively.

The comparator group for TSR purposes will comprise the 18 global competitors (excluding Reed Elsevier) listed below. They have been chosen to reflect the mix of businesses in Reed Elsevier's portfolio, the geographic spread of its operations, and the importance of the US market to the success of Reed Elsevier.

The Thomson Corporation	Choice Point
DMGT	McGraw Hill
EMAP	Dow Jones
Reuters Group	Informa
Lagardere	Pearson
United Business Media	Dun & Bradstreet
VNU	Fair Isaac
WPP	Wolters Kluwer
John Wiley & Sons	Taylor Nelson

Given these companies are listed on different markets in different currencies, the Remuneration Committee considered how to measure TSR, bearing in mind the Association of British Insurers' preference that TSR should be

Explanation of items of special business (continued)

calculated in a single, common currency, although their guidelines allow for local currency to be used provided the reasons are fully explained.

The Committee concluded that in the context of our business it is more appropriate to calculate TSR for each company in the comparator group in the currency of its primary listing for the following reasons:

- it provides a more transparent incentive to executives, and a simpler plan;
- it automatically incorporates any adjustments which the market makes for the “operational” effects of currency movement;
- we believe that many global investors manage their own currency exposure, and therefore focus on the TSR delivered by a company in the currency of its primary listing; and
- the lack of an obvious “common” currency to choose, capable of creating alignment with the global investor population of Reed Elsevier PLC and Reed Elsevier NV, spread among identified beneficial holders of approximately UK 41%, rest of Europe 13% and North America 26%.

- (f) **Adjustment of vesting level:** The Remuneration Committee will retain full discretion to reduce or cancel awards to participants based on its assessment as to whether the performance targets in (d) and (e) above are a fair reflection of the progress of the business, having regard to underlying revenue growth, cash generation, return on capital and any significant changes in currency and inflation as well as on individual performance.
- (g) **Dividends:** Any shares which vest will be treated as attracting dividends during the performance period.
- (h) **Personal Shareholding requirement:** It is a requirement of the LTIS 2003 that executive directors and senior executives should build up a significant personal shareholding in Reed Elsevier PLC and/or Reed Elsevier NV. At executive director level this shareholding guideline is that they should own shares equivalent to two times salary (three times salary in the case of the Chief Executive) compared to 1.5 times previously. These shareholding levels must be attained by 2009 in relation to grants made in 2006. Failure to meet the shareholding required by a participant will result in the forfeiture of rights under the LTIS 2003.
- (i) **Equity Dilution:** Grants under the LTIS 2003 will not be made if, as a result, the number of shares in Reed Elsevier PLC and Reed Elsevier NV, which have been issued or are capable of being issued pursuant to rights granted in the last 10 years under all Reed Elsevier share incentive schemes, would exceed 10% of the issued share capital of Reed Elsevier PLC and Reed Elsevier NV.

It is the intention that entitlements under the LTIS 2003 will be satisfied by the purchase of shares in the market or the issue of new shares, or a combination of both dependent on the particular circumstances and the balance of advantage at the relevant time. The Remuneration Committee will comply with the ABI guideline that an employee trust should not hold more than 5% of equity without specific shareholder approval.

- (j) **Good Leavers:** Conditional shares may be released following cessation of employment in customary “good leaver” circumstances (that is death, disability, injury or retirement), or otherwise where release is permitted at the Remuneration Committee’s discretion. The vesting level of awards will be determined by the Remuneration Committee, which will have discretion to pro-rate awards and to permit release on leaving or to postpone release until it is known whether the performance condition would be met in the normal course.
- (k) **Change of Control, etc:** There will be no automatic vesting following a Change of Control. Conditional share awards may be released on a takeover or winding-up of either Reed Elsevier PLC or Reed Elsevier NV (or, in certain circumstances, may be exchanged for awards over shares in an acquiring company). The vesting level of awards will be determined by the Remuneration Committee having regard to corporate performance achieved over the foreshortened period ending with the relevant event, subject to modification if the Remuneration Committee considers that the performance condition would be met to a greater or lesser extent at the normal testing date. In the event of an exchange of awards, the performance condition will cease to apply unless the Remuneration Committee considers that it should continue (subject to such modifications as are appropriate). In the event of a

change of control as part of a capital reorganisation (for example, the creation of a new holding company), awards will be exchanged automatically, and the performance conditions will continue to apply.

- (l) **Termination:** No award under the LTIS 2003 may be granted more than 10 years after its approval by shareholders in April 2003.
- (m) **Amendments:** The Remuneration Committee may amend the rules of the LTIS 2003 provided that no change to the rules governing eligibility, the limits on the number of shares available under the LTIS 2003, the maximum entitlement for any one participant and the consequences of variations of capital to the advantage of participants (except minor amendments to benefit the administration of the LTIS 2003, or to obtain or maintain favourable tax, exchange control or regulatory treatment) can be made without the approval of shareholders of Reed Elsevier PLC and Reed Elsevier NV. Amendments cannot be made to affect adversely any right already acquired by a participant.
- (n) **Variation of Capital:** In the event of any capitalisation or rights issue by either Reed Elsevier PLC or Reed Elsevier NV, or of any consolidation, sub-division or reduction of their share capital, the number of conditional shares may be adjusted by the Remuneration Committee, subject to the auditors of Reed Elsevier PLC and of Reed Elsevier NV confirming in writing that such adjustment is, in their opinion, fair and reasonable.
- (o) **General:** Benefits under the schemes will not be pensionable.

Resolution 13 – Allotment of shares

This resolution renews the authority of the directors previously approved by shareholders to allot shares up to the amount of the authorised but unissued share capital in the company, which at 1 March 2006 stood at £24.3 million, representing 15.2% of the total issued ordinary share capital (excluding treasury shares) of the company. Although at present, the directors have no intention of exercising the authority, it is considered prudent to maintain the flexibility it provides.

Resolution 14 – Disapplication of pre-emption rights

This resolution renews the authority of the directors previously approved by shareholders to allot equity securities for cash without first being required to offer such securities to the then existing shareholders pro rata to their holdings. The first part of the authority relates to the issue of securities of up to a nominal amount of £7.9 million, representing less than 5% of the company's issued ordinary share capital.

Companies are generally able to allot equity securities for cash in order to satisfy entitlements under their share option schemes without those securities being counted towards that company's normal 5% disapplication limit. However, as a consequence of the merger of the Reed Elsevier PLC and Reed Elsevier NV businesses in 1993, employees of the company and its subsidiaries became employees of either Reed Elsevier Group plc or a Reed Elsevier participating company. This had the effect that equity securities issued by the company under the Reed Elsevier Group plc share option schemes (which were introduced to operate in place of the schemes operated by the company prior to the merger and which were approved by the shareholders) must, as a matter of law, be counted towards the company's disapplication limit.

At 1 March 2006, 68.6 million shares in the company, representing 5.4% of the company's issued share capital, were under option under the Reed Elsevier Group plc share option schemes. In order to ensure similar treatment with other companies who are, as mentioned above, able to allot equity securities on the exercise of options under their share option schemes without such allotments counting towards their disapplication limits, the second part of the authority relates to the issue of equity securities pursuant to the terms of the Reed Elsevier Group plc share option schemes.

Resolution 15 – Authority to purchase own shares

As with the previous two resolutions, this resolution renews an authority approved by shareholders at last year's Annual General Meeting. It authorises the company to purchase up to 10% of its issued ordinary shares at or between the minimum and maximum prices specified in the resolution. The authority will be used only in circumstances where the board, after careful consideration, believes that such a purchase would result in an expected increase in earnings per share and would be in the best interests of the company and of its shareholders.

Explanation of items of special business (continued)

In December 2003, legislation came into force, which enables certain listed companies, following the purchase of their own shares, to hold them in treasury instead of cancelling them as previously required. Any shares purchased and held in treasury may be resold. In the event that the authority conferred in this resolution is exercised, the company will have the ability to hold shares purchased in treasury. To the extent that any shares purchased are held in treasury, earnings per share would only be increased on a temporary basis until such time as the shares are resold out of treasury.

The total number of share options outstanding at 1 March 2006 was 68.6 million. This figure represents 5.4% of the issued share capital of the company (excluding treasury shares) at that date. If the company repurchased the maximum number of shares permitted pursuant to this resolution, the total number of share options outstanding as at 1 March 2006 would represent 6.0% of the issued share capital (excluding treasury shares) of the company.

As at 1 March 2006 the company held 2.4 million shares in treasury.

If approved by shareholders, the authorities contained in Resolutions 13, 14 and 15 will expire on the date of the Annual General Meeting in 2007 or on 17 April 2007, whichever is the later.

Biographical information

Concerning Directors seeking election at the 2006 Annual General Meeting

Lisa Hook (48)

Proposed for appointment to the boards of the company and Reed Elsevier NV at their respective Annual General Meetings in 2006, and as a non-executive director of Reed Elsevier Group plc. Until December 2004 was President of AOL Broadband, Premium and Developer Services. Prior to joining AOL was a partner at Brera Capital, a New York based leveraged buyout fund and at Alpine Capital, a private equity fund focused on media and telecom investments. Previously was a Vice President at Time Warner Inc. where she managed corporate transactions, mergers and acquisitions, and before that was Executive Vice President/Chief Operating Officer at Time Warner Telecom. Started her career at the US law firm of Hogan & Hartson, having graduated at Duke University and the Dickinson School of Law. Serves as a director of Covad Communications Inc. and K12 Inc., and is a member of the Board of Trustees of the National Public Radio Foundation.

Gerard van de Aast (48)

Chief Executive Officer of the Reed Business division since 2000. Prior to joining Reed Elsevier was Vice President and General Manager of Compaq's Enterprise business in Europe, Middle East and Africa.

Mark Elliott (56)

Appointed 2003. A member of the Remuneration and Corporate Governance Committees. General Manager IBM, Global Solutions. Held a number of positions with IBM, including Managing Director of IBM Europe, Middle East and Africa. Served on the board of IBAX, a hospital software company jointly owned by IBM and Baxter Healthcare, and as chairman of the Dean's Advisory council of the Kelly School of Business, Indiana University.

Cees van Lede (63)

Appointed 2003. A member of the Nominations, Remuneration and Corporate Governance Committees. Chairman of the supervisory board of Heineken NV and a member of the supervisory boards of Air Liquide SA, Akzo Nobel NV, Royal Philips Electronics NV, and Air France-KLM, and a non-executive director of Sara Lee Corporation. Was chairman of the board of management of Akzo Nobel NV until his retirement in May 2003.

David Reid (59)

Appointed 2003. A member of the Audit and Corporate Governance Committees. Non-executive chairman of Tesco PLC, having previously been executive deputy chairman until December 2003, and finance director from 1985 to 1997.

Patrick Tierney (60)

Chief Executive Officer of the Harcourt Education division since 2003. Prior to joining Reed Elsevier was chief executive officer of Thomson Financial, part of the Thomson Corporation.

Notice of Annual General Meeting

to be held on 18 April 2006 at 11.00 am

Notice is hereby given that the Annual General Meeting of Reed Elsevier PLC will be held in the Ballroom at the Millennium Hotel, Grosvenor Square, London W1K 2HP on Tuesday, 18 April 2006 commencing at 11.00 am for the following purpose.

To consider and, if thought fit, pass the resolutions noted below. Other than resolutions 14 and 15, which will be proposed as Special Resolutions, all of the resolutions will be proposed as Ordinary Resolutions.

An explanation of those resolutions, which relate to items of special business, appears in the letter accompanying this Notice.

1. To receive the company's financial statements for the year ended 31 December 2005, together with the Reports of the Directors and Auditors.
2. To approve the Directors' Remuneration Report as set out in the Reed Elsevier Annual Reports and Financial Statements 2005.
3. To declare a final dividend for 2005 on the company's ordinary shares.
4. To re-appoint Deloitte & Touche LLP as Auditors of the company until the next general meeting of the company at which accounts are laid.
5. To authorise the directors to fix the remuneration of the auditors.
6. To elect Lisa Hook as a director.
7. To re-elect Gerard van de Aast as a director.
8. To re-elect Mark Elliott as a director.
9. To re-elect Cees van Lede as a director.
10. To re-elect David Reid as a director.
11. To re-elect Patrick Tierney as a director.

Detailed biographical information concerning each director seeking election appears on page 9.

12. That the Rules of the Reed Elsevier Group plc Long Term Incentive Share Option Scheme (the Scheme) be amended as described in the circular to members dated 10 March 2006 and that the directors of the company be and they are hereby authorised to take such actions as may be necessary to facilitate the implementation of the changes by Reed Elsevier Group plc and to be counted in the quorum and to vote as directors on any matter relating to the Scheme notwithstanding that they may be interested in the same.
13. That subject to and in accordance with Article 11 of the company's Articles of Association, the directors be empowered, pursuant to Section 80 of the Companies Act 1985, to allot relevant securities having (or consisting of or giving the right to subscribe or convert into shares having) a nominal amount not exceeding in aggregate £24.3 million and that such authority shall expire (save as mentioned in the said Article) on the date of the Annual General Meeting in 2007 or on 17 April 2007, whichever is the later.
14. That subject to and in accordance with Article 12 of the company's Articles of Association, the directors be empowered, pursuant to Section 95 of the Companies Act 1985 (the Act), to allot equity securities for cash pursuant to the authority conferred by the previous resolution as if Section 89(1) of the Act did not apply to any such allotment and that such authority shall expire (save as mentioned in the said Article) on the date of the Annual General Meeting in 2007 or on 17 April 2007, whichever is the later, provided that for the purposes of the limitation of the said power referred to in Article 12 this authority shall be limited to:
 - (i) the allotment of equity securities up to an aggregate nominal value of £7.9 million; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities pursuant to the terms of the Reed Elsevier Group plc share option schemes approved by the company.

15. That subject to and in accordance with Article 57 of the company's Articles of Association, the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 12.5p each nominal value in the capital of the company and that such authority shall expire on the date of the Annual General Meeting in 2007 or on 17 April 2007, whichever is the later (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time provided that this authority shall be limited so that:
- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 127 million;
 - (ii) the minimum price which may be paid for each ordinary share is 12.5p, which amount shall be exclusive of expenses; and
 - (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (a) an amount equal to 105% of the average of the middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS).

By order of the Board

Stephen J Cowden

Secretary
10 March 2006

Registered Office:
1-3 Strand
London WC2N 5JR

Notes to Notice of Annual General Meeting

1 Proxy appointment

- (i) Any member of the company who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on the members' behalf. A proxy need not be a member of the company. Appointment of a proxy will not preclude a member who so wishes from attending and voting in person at the meeting.

A proxy can be appointed in the following ways:

(a) By post

Complete and sign the form of proxy, indicating how you wish your proxy to vote by placing a cross in the boxes provided. Return the form of proxy to the company's Registrar, Lloyds TSB Registrars, Freepost SEA 7147, The Causeway, Worthing, West Sussex, BN99 6AY.

(b) Via the Internet

Access the Lloyds TSB Registrars website at www.sharevote.co.uk and follow the on screen instructions. You will be required to enter your reference number, Card ID and account number shown on the Form of Proxy. Please note that any electronic communication sent to the company's Registrar in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

(c) Via the CRESTCo electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose,

the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

To be valid, an instrument appointing a proxy, together with any power of attorney under which the appointment is given, must be received by Lloyds TSB Registrars no later than 48 hours before the time appointed for holding the meeting.

(ii) Multiple proxy instructions

If multiple instructions are received from the sole holder of shares, the instruction received last will be used. However, if a postal instruction and an on-line instruction are received on the same day, the on-line instruction will be followed.

(iii) Joint shareholders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand on the register.

(iv) Nominee shareholders

If more than one proxy is to be appointed to attend the meeting to represent and vote on individual interests, please call the Shareholder Helpline on 0870 600 3970 or on +44 (0) 121 415 7047 from outside the UK.

2 Attendance at the meeting

(i) Only those persons holding ordinary shares and entered in the share register of the company at the close of business on Sunday, 16 April 2006 (or their duly appointed representative) are entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes in the entries on the register after the close of business on 16 April 2006 will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

(ii) A proxy may not speak at the meeting, except with the permission of the Chairman of the Meeting.

(iii) Corporate shareholders wishing to send a representative to the meeting should prepare a Letter of Representation on their company letterhead and have it signed by an authorised representative or send a certified board resolution making the appointment.

(iv) An Admittance Pass is attached to the Form of Proxy. Please bring the Pass with you to the meeting since this will help the Registrar to admit you without delay. The meeting will start at 11.00 am and registration will be available from 10.15 am. Please try to arrive by 10.45 am to allow time for registration and security clearance.

(v) For the safety and comfort of those attending the meeting, security measures will be in place at the meeting. Certain items will not be permitted in the meeting. These include bags, cameras, recording equipment, mobile telephones, items of any nature with potential to cause disorder and such other items as the Chairman of the Meeting may specify.

(vi) The meeting is easily accessible for wheelchair users. A hearing loop system will be provided in meeting. Please ask at registration if you require assistance.

(vii) Tea and coffee will be available before the commencement of the meeting. Light refreshments with soft drinks will be available immediately after the conclusion of the meeting for approximately one hour.

3 Documents available for inspection

Copies of the service contracts of the directors or letters of appointment between the directors and the company and Reed Elsevier Group plc or any subsidiary company thereof, the Register of Directors' Interests, together with the Rules of the Reed Elsevier Group plc Long Term Incentive Share Option Scheme and the proposed amendments thereto, will be available for inspection at the registered office of the company during normal business hours until the date of the meeting and on that day at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.