



# Reed Elsevier NV Annual General Meeting 20 April 2010, Amsterdam Erik Engstrom, CEO



Reed Elsevier



2009 results relatively robust in difficult year for our customers

As expected, business trends continuing; 2010 sees late cycle effects

Long term outlook positive

- Good long term growth markets
- High quality assets



## Adjusted profit and loss

Year to 31 December	2009 €m	2008 €m	% change	% change constant
Revenue	6,800	6,721	+1%	0%
Adjusted operating profit	1,758	1,737	+1%	+1%
Net interest expense / tax / minority interests	(659)	(578)		
Adjusted net profit*	1,099	1,159	-5%	-5%
Adjustments (post tax)**	(661)	(572)		
Statutory net profit*	438	587	-25%	

\*Net profit attributable to parent companies' shareholders

\*\*Adjustments (post tax) include amortisation, impairment, exceptional restructuring costs and disposal gains and losses



## Cashflow and balance sheet

	2009 €m	2008 €m	% change
<u>Cashflow</u>			
Adjusted operating cash flow	1,745	1,773	-2%
<u>Balance sheet</u>			
Capital employed	8,229	8,934	
Shareholders' equity	1,940	981	
Net debt	4,402	5,898	
Current & deferred tax (net) / other net liabilities / minorities	1,887	2,055	
	8,229	8,934	



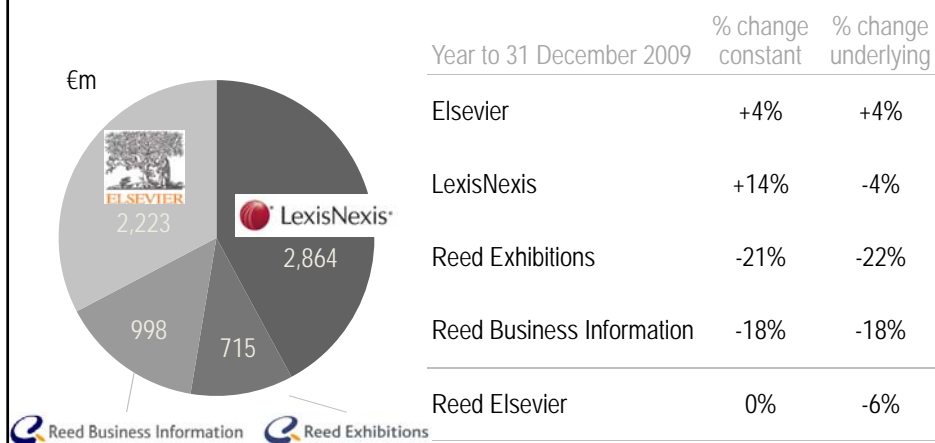
## Adjusted earnings per share and dividends

Reed Elsevier NV		
Adjusted EPS	€0.79	-8%
Equalised dividends:		
Interim dividend	€0.107	-6%
Final dividend (proposed)	€0.293	+1%
Total dividend	€0.400	-1%

- July 2009 9.9% placing: c4% dilutive effect on adjusted eps in both 2009 and 2010



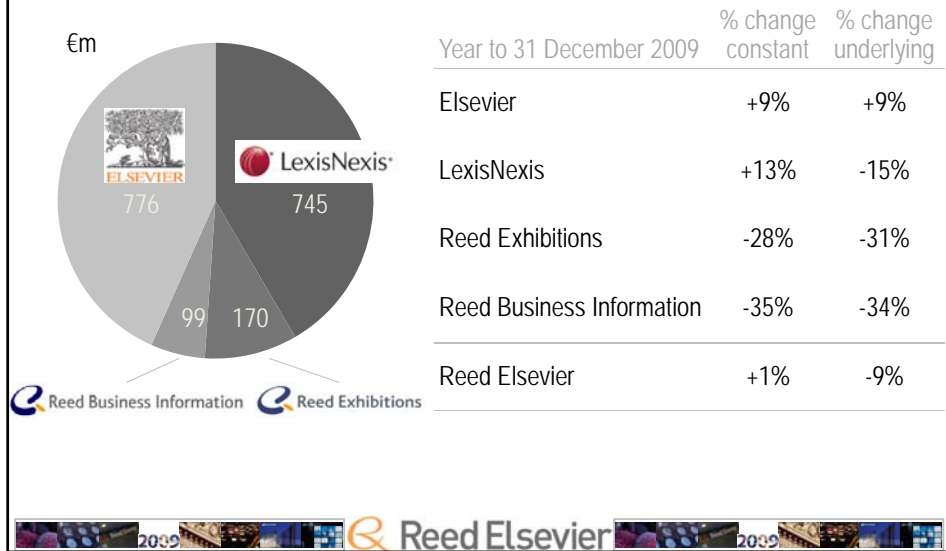
## Revenue: €6,800m



*LexisNexis: before directory listings revenue recognition change -3%*



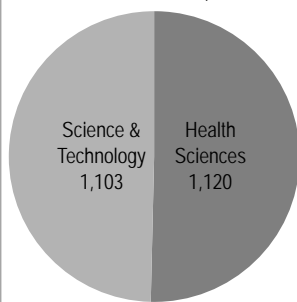
## Adjusted operating profit: €1,758m



## Elsevier



2009 revenue €2,223m



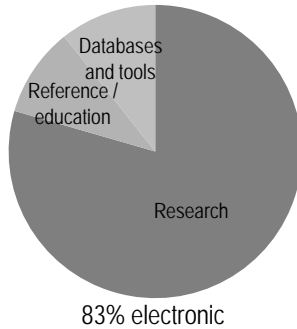
	2009 €m	2008 €m	% change constant	% change underlying
Revenue	2,223	2,142	+4%	+4%
Science & Technology			+5%	+5%
Health Sciences			+3%	+3%
Adjusted operating profit	776	716	+9%	+9%

- Most customer markets had challenging year; some saw continued strong growth
- Relentless pursuit of process innovation and cost efficiency in global shared services

## Elsevier: Science & Technology 2009



2009 revenues €1,103m  
Growth +5%



Research  
(Journals)

- Good subscription renewals from 2008
- Challenging academic budget year
- Underlying volumes grew strongly

Reference /  
education  
(Books)

- Electronic growth offset by print declines

Databases  
and tools

- Solid growth in usage and revenues

Growth underlying



## Elsevier: Health Sciences 2009



2009 revenues €1,120m  
Growth +3%



Medical research

- Increased online use; ScienceDirect

Clinical reference/  
decision support  
(CDS)

- Growing demand for electronic tools to improve outcomes

Nursing/health  
professionals (NHP)

- Strong growth in integrated teaching and learning solutions

Pharma promotion

- Continued decline (-7%)
- Fewer blockbuster drugs; reduced pharma marketing

Growth underlying



## LexisNexis



2009 revenue €2,864m



	2009 €m	2008 €m	% change constant	% change underlying
Revenue	2,864	2,444	+14%	-4%
US Legal			-6%*	-6%*
International Legal			-3%	-1%
Risk Solutions			+95%	-2%
Adjusted operating profit	745	646	+13%	-15%

- Challenging year for US Legal: severe downturn in legal industry
- Risk Solutions: benefit of ChoicePoint integration
- Additional cost restructuring

\*-4% before directory listing revenue recognition change



## LexisNexis: Legal 2009



2009 revenues €1,895m  
Growth -5%\*

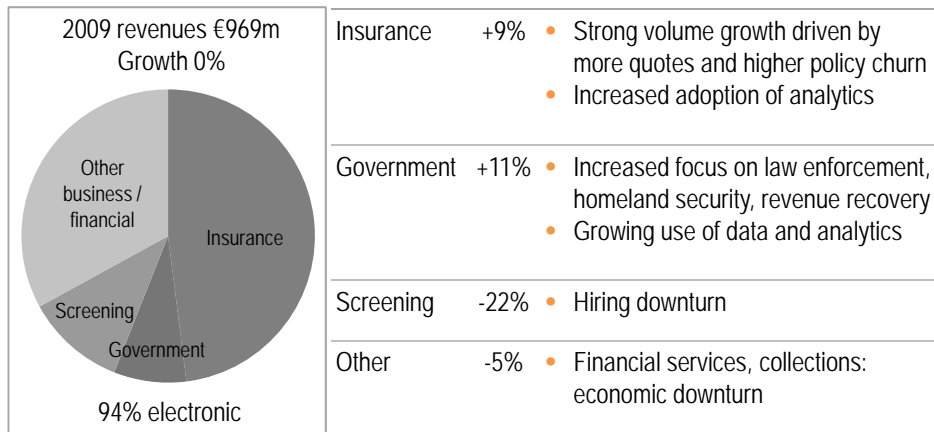


US Law firm markets	0%	<ul style="list-style-type: none"> <li>• Core law firm revenues held up                             <ul style="list-style-type: none"> <li>– Slightly weaker transactional and subscription revenues</li> <li>– Growth in litigation and other law firm services</li> </ul> </li> </ul>
US directory listings	-37%*	<ul style="list-style-type: none"> <li>• Shift away from print listings</li> <li>• Lower law firm directory spend</li> </ul>
US Corporate, Government & Academic	-6%	<ul style="list-style-type: none"> <li>• Decline in news and business</li> </ul>
International	-1%	<ul style="list-style-type: none"> <li>• Online growth (+9%) offset by print declines</li> </ul>

\*Before directory listings revenue recognition change – Legal -3%; Directory listings -17%  
Growth underlying



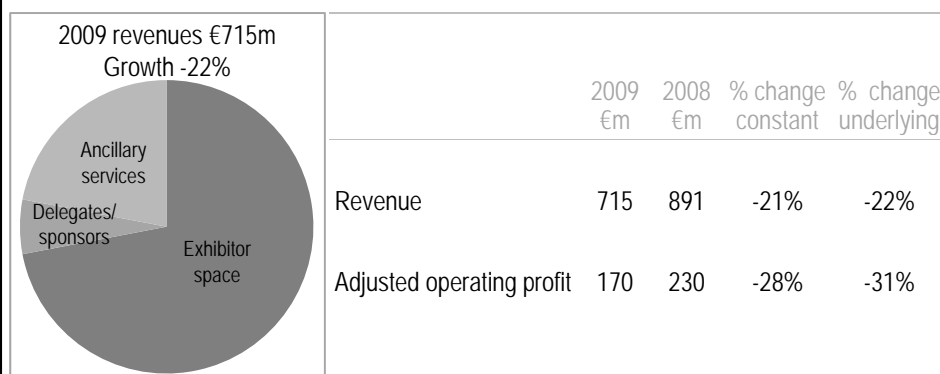
## LexisNexis: Risk Solutions 2009



*Growth pro forma for ChoicePoint acquisition*



## Reed Exhibitions 2009

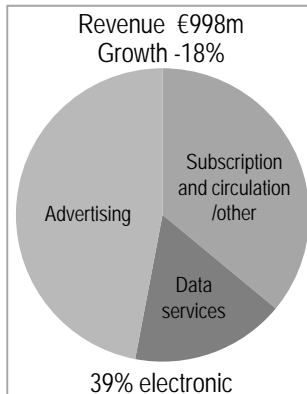


- Significant revenue declines from exhibitors and paying delegates
- Net cycling out of biennial exhibitions
- Focus on efficiency; underlying costs 18% lower

*Growth underlying. Adjusted for cycling: Revenue -13%, Adjusted operating profit -18%*



## Reed Business Information 2009



	2009 €m	2008 €m	% change constant	% change underlying
Revenue	998	1,244	-18%	-18%
Adjusted operating profit	99	159	-35%	-34%

- Advertising and subscription severely impacted by global recession
- Good growth in data services (+10%); high quality industry specific data
- Substantial restructuring: underlying costs 15% lower

Growth underlying



## Strong positions; clear priorities to create value



	Position	Priorities
Elsevier	<ul style="list-style-type: none"> <li>• Global leader in growing markets</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to evolve electronic research and reference solutions to enhance outcomes</li> </ul>
LexisNexis Legal	<ul style="list-style-type: none"> <li>• #1 in international; #2 in US</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver next generation legal products and infrastructure</li> </ul>
LexisNexis Risk	<ul style="list-style-type: none"> <li>• Leader in content and technology</li> </ul>	<ul style="list-style-type: none"> <li>• Complete ChoicePoint integration; capture high growth opportunities</li> </ul>
Reed Exhibitions	<ul style="list-style-type: none"> <li>• Global #1; good business; cyclical</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage economic recovery; deliver good returns</li> </ul>
Reed Business Information	<ul style="list-style-type: none"> <li>• Cyclical and structural challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Restructure portfolio; cut costs; grow data services</li> </ul>

Charts: 2009 revenues





## Reed Elsevier: going forward



- Near term
- Late cycle effects continuing in 2010
  - First half particularly impacted; second half less severe
  - Modest margin decline due to weak revenue environment and increased spend in LexisNexis Legal
- Longer term Prospects encouraging
- High quality assets in attractive global growth markets
  - Clear priorities to drive value in each business



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