



Reed Elsevier PLC Annual General Meeting 21 April 2010, London 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	6,071	5,334	+14%	0%
Adjusted operating profit	1,570	1,379	+14%	+1%
Net interest expense / tax / minority interests	(588)	(460)		
Adjusted net profit*	982	919	+7%	-5%
Adjustments (post tax)**	(591)	(443)		
Statutory net profit*	391	476	-18%	

*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	1,558	1,407	+10%
<u>Balance sheet</u>			
Capital employed	7,347	8,674	
Shareholders' equity	1,732	953	
Net debt	3,931	5,726	
Current & deferred tax (net) / other net liabilities / minorities	1,684	1,995	
	7,347	8,674	



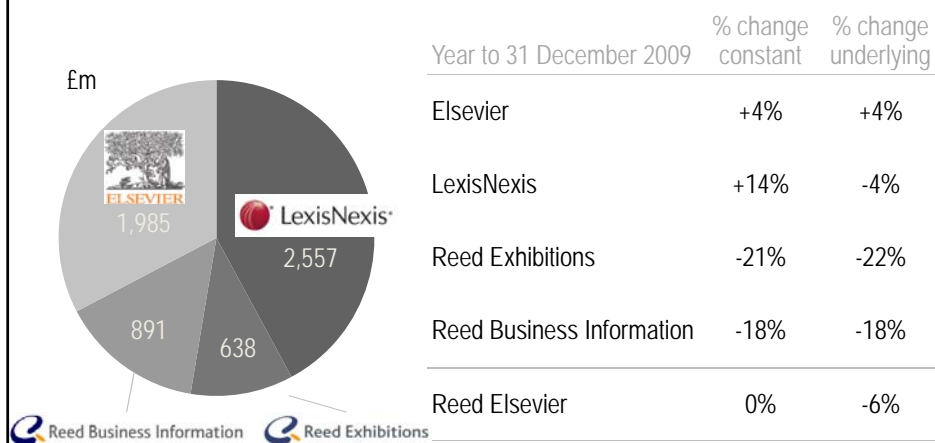
Adjusted earnings per share and dividends

Reed Elsevier PLC		
Adjusted EPS	45.9p	+3%
Equalised dividends:		
Interim dividend	5.4p	+2%
Final dividend (proposed)	15.0p	0%
Total dividend	20.4p	+0.5%

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



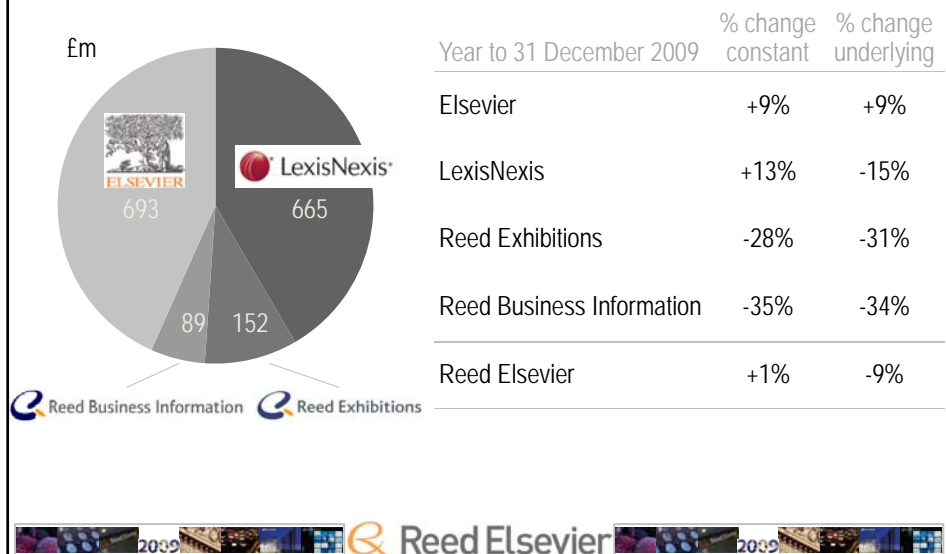
Revenue: £6,071m



LexisNexis: before directory listings revenue recognition change -3%



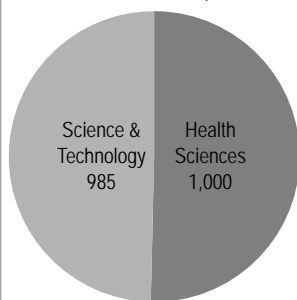
Adjusted operating profit: £1,570m



Elsevier



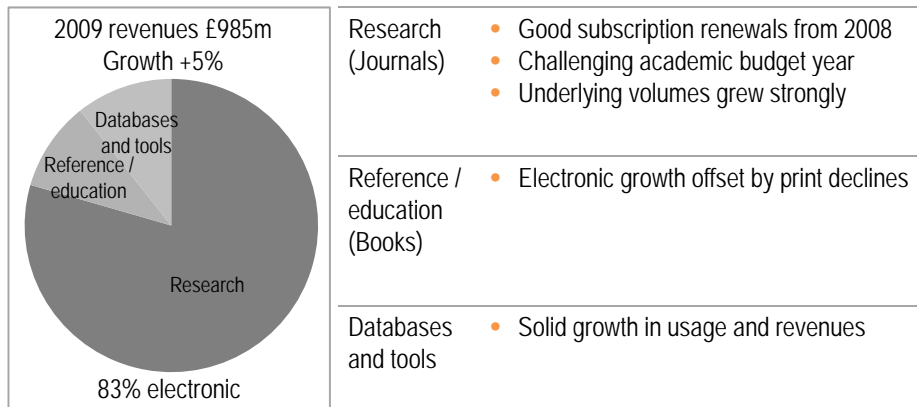
2009 revenue £1,985m



	2009 £m	2008 £m	% change constant	% change underlying
Revenue	1,985	1,700	+4%	+4%
Science & Technology			+5%	+5%
Health Sciences			+3%	+3%
Adjusted operating profit	693	568	+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

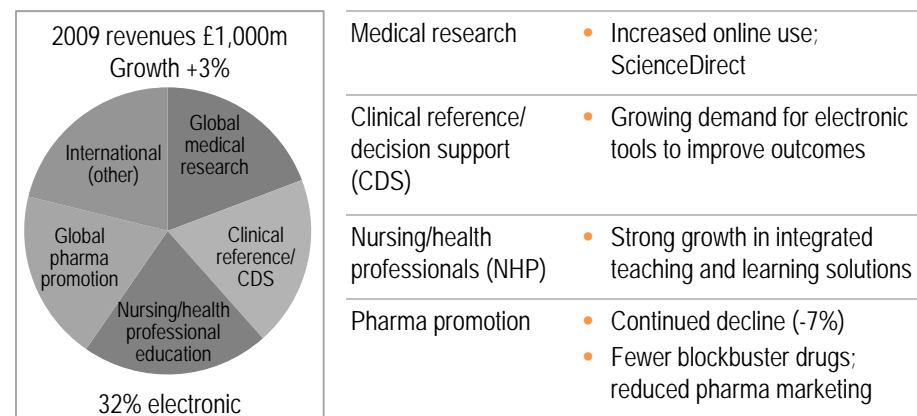
Elsevier: Science & Technology 2009



Growth underlying



Elsevier: Health Sciences 2009



Growth underlying



LexisNexis



2009 revenue £2,557m



	2009 £m	2008 £m	% change constant	% change underlying
Revenue	2,557	1,940	+14%	-4%
US Legal			-6%*	-6%*
International Legal			-3%	-1%
Risk Solutions			+95%	-2%
Adjusted operating profit	665	513	+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 £1,692m
Growth -5%*

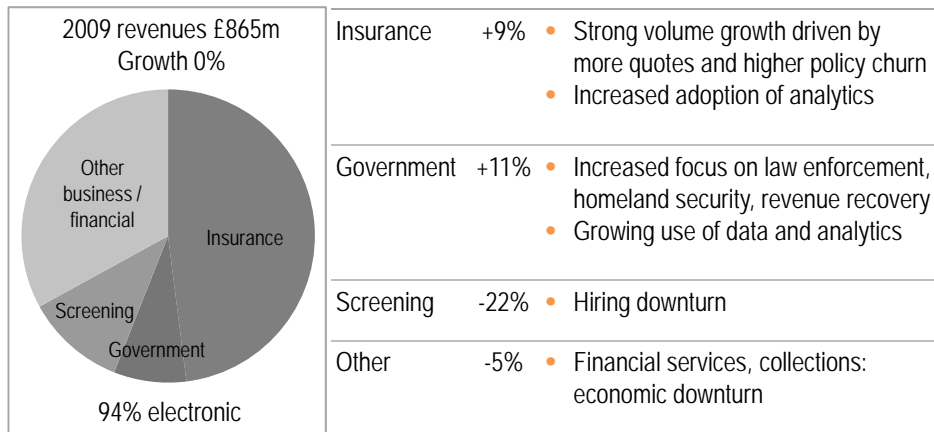


US Law firm markets	0%	<ul style="list-style-type: none"> • Core law firm revenues held up – Slightly weaker transactional and subscription revenues – Growth in litigation and other law firm services
US directory listings	-37%*	<ul style="list-style-type: none"> • Shift away from print listings • Lower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

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



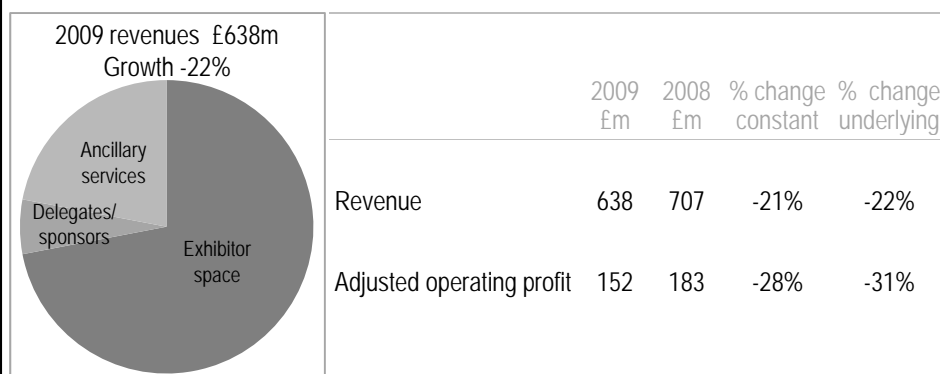
LexisNexis: Risk Solutions 2009



Growth pro forma for ChoicePoint acquisition



Reed Exhibitions 2009

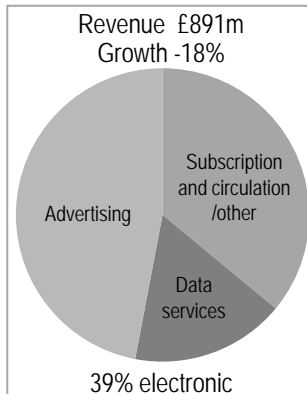


- Significant revenue declines from exhibitors and paying delegates
- Net cycling out of biennial exhibitions
- Focus on efficiency; underlying costs 18% lower

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



Reed Business Information 2009



	2009 £m	2008 £m	% change constant	% change underlying
Revenue	891	987	-18%	-18%
Adjusted operating profit	89	126	-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"> • Global leader in growing markets 	<ul style="list-style-type: none"> • Continue to evolve electronic research and reference solutions to enhance outcomes
LexisNexis Legal	<ul style="list-style-type: none"> • #1 in international; #2 in US 	<ul style="list-style-type: none"> • Deliver next generation legal products and infrastructure
LexisNexis Risk	<ul style="list-style-type: none"> • Leader in content and technology 	<ul style="list-style-type: none"> • Complete ChoicePoint integration; capture high growth opportunities
Reed Exhibitions	<ul style="list-style-type: none"> • Global #1; good business; cyclical 	<ul style="list-style-type: none"> • Leverage economic recovery; deliver good returns
Reed Business Information	<ul style="list-style-type: none"> • Cyclical and structural challenges 	<ul style="list-style-type: none"> • Restructure portfolio; cut costs; grow data services

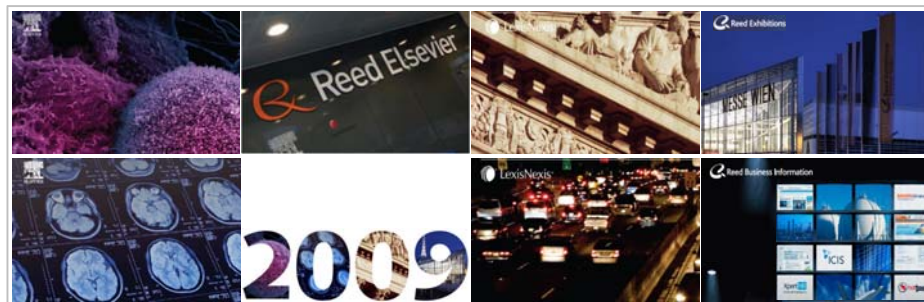
Charts: 2009 revenues



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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Erik Engstrom, CEO

