



Reed Elsevier NV AGM
19 April 2011
Erik Engstrom, CEO



Reed Elsevier



Improved 2010 trading performance; underlying revenues +2% against 6% decline in 2009

Considerable progress in development of business

- Markets stabilised or improved
- Increased product development
- Sharpened operational focus

Expect gradual recovery and continued improvement in performance



Profit and loss

Year to 31 December	2010 €m	2009 €m	% change
Revenue	7,084	6,800	+4%
Adjusted operating profit*	1,819	1,758	+3%
Adjusted net profit*	1,150	1,099	+5%
Statutory net profit**	751	438	+71%

*Adjustments exclude amortisation, impairment, exceptional restructuring costs and disposal gains and losses

**Net profit attributable to parent companies' shareholders



3

Cash flow and balance sheet

	2010 €m	2009 €m
<u>Cashflow</u>		
Adjusted operating cash flow	1,777	1,745
<u>Balance sheet</u>		
Shareholders' equity	2,273	1,940
Net debt	4,043	4,402
Current & deferred tax (net) / other net liabilities / minorities	2,111	1,887
Total capital employed	8,427	8,229



4

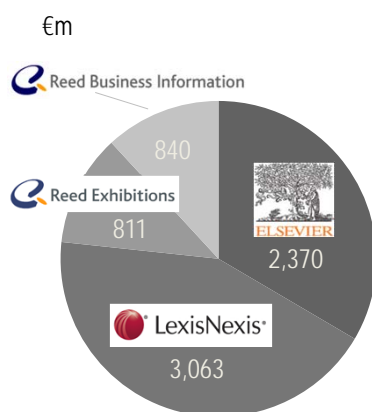
Earnings per share and dividends

	Reed Elsevier NV	
Adjusted EPS	€0.78	-1%
Reported EPS	€0.51	+62%
Interim dividend	€0.109	+2%
Final dividend (proposed)	€0.303	+3%
Total dividend	€0.412	+3%



5

Revenue: €7,084m



	2009	2010
Year to 31 December	% change underlying	% change underlying
Elsevier	+4%	+2%
LexisNexis	-4%	+1%
Reed Exhibitions	-22%	+8%
Reed Business Information	-18%	-2%
Reed Elsevier	-6%	+2%



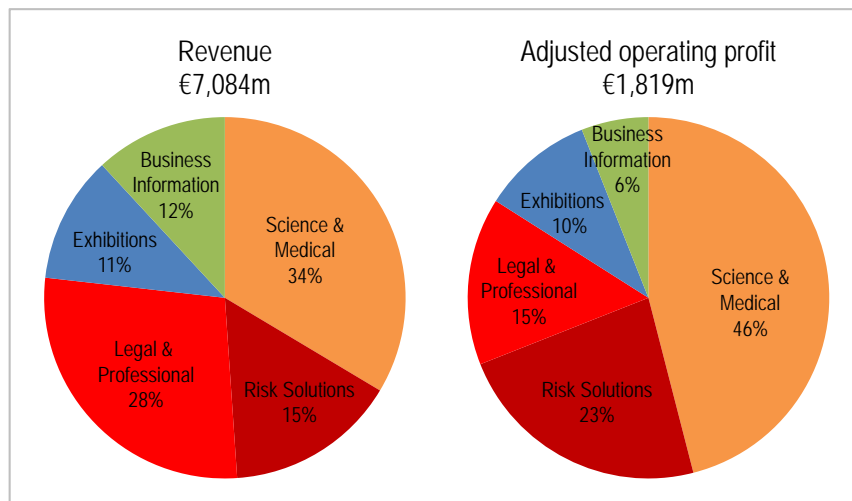
6

Adjusted operating profit: €1,819m



7

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Note: 2010 pro forma split of adjusted operating profit for Risk Solutions and Legal & Professional

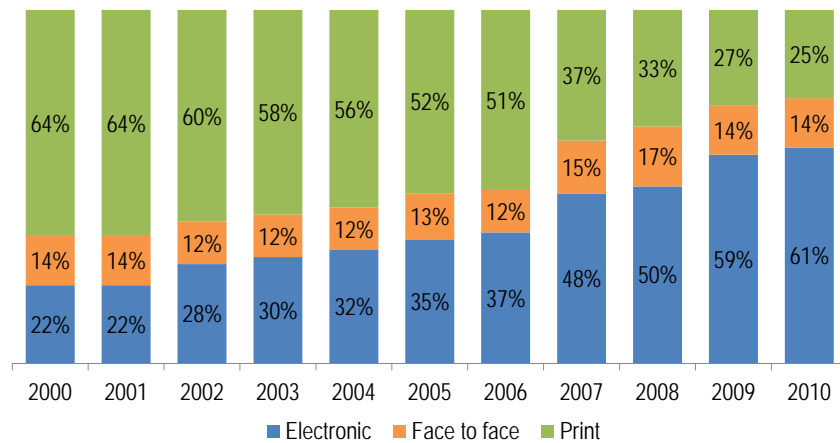


8

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Revenue by format



9

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Creating value for professional customers

- Help customers achieve better outcomes; increase productivity and cost efficiency
- Deep customer understanding: professional workflows and their economics
- Building solutions that leverage content and technology

Creating value in each business

- Leverage existing assets in long term growth markets with good returns
- Focus on organic growth: new product development, sales & marketing, remove low return assets, selective acquisitions
- Ongoing process innovation, cost efficiency

Creating value across Reed Elsevier

- Build and leverage institutional skills across business
- Shared resources: software, applications, technology, infrastructure



10

Reed Elsevier: In conclusion



2010

- Returned to overall underlying revenue growth
- Considerable progress on individual business unit priorities

2011

- Underlying revenue growth in each of Reed Elsevier's businesses in first quarter*
- Expect gradual recovery and continued improvement in performance

**Excluding net cycling out of biennial shows in Reed Exhibitions*



11



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