



Reed Elsevier PLC AGM
20 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	6,055	6,071	0%
Adjusted operating profit*	1,555	1,570	-1%
Adjusted net profit*	983	982	0%
Statutory net profit**	642	391	+64%

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

**Net profit attributable to parent companies' shareholders



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Cash flow and balance sheet

	2010 £m	2009 £m
<u>Cashflow</u>		
Adjusted operating cash flow	1,519	1,558
<u>Balance sheet</u>		
Shareholders' equity	1,943	1,732
Net debt	3,455	3,931
Current & deferred tax (net) / other net liabilities / minorities	1,805	1,684
Total capital employed	7,203	7,347



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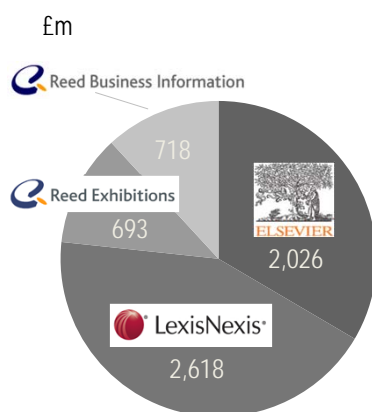
Earnings per share and dividends

Reed Elsevier PLC		
Adjusted EPS	43.4p	-5%
Reported EPS	27.3p	+58%
Interim dividend	5.4p	0%
Final dividend (proposed)	15.0p	0%
Total dividend	20.4p	0%



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Revenue: £6,055m



	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%



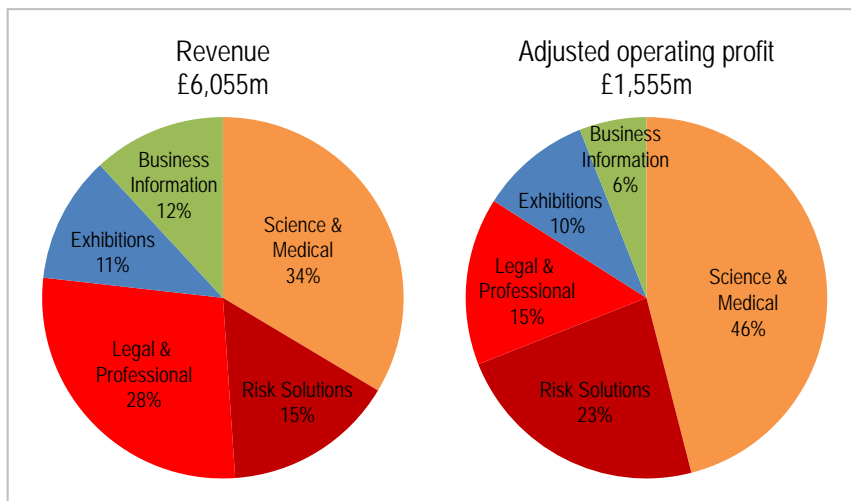
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Adjusted operating profit: £1,555m



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

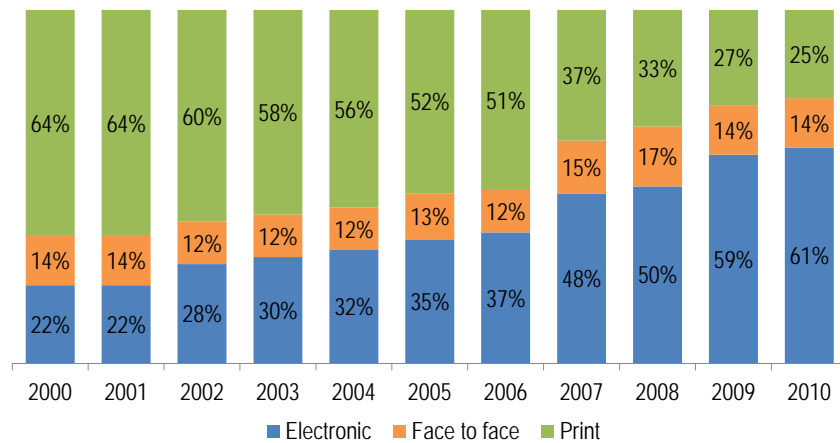


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Revenue by format



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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



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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*



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