



Reed Elsevier PLC AGM  
25 April 2013

Erik Engstrom, CEO

#### FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. These statements are subject to a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those currently being anticipated. The terms "estimate", "project", "plan", "intend", "expect", "should be", "will be", "believe" and similar expressions identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, competitive factors in the industries in which Reed Elsevier operates; demand for Reed Elsevier's products and services; exchange rate fluctuations; general economic and business conditions; legislative, fiscal, tax and regulatory developments and political risks; the availability of third party content and data; breaches of our data security systems and interruptions in our information technology systems; changes in law and legal interpretations affecting Reed Elsevier's intellectual property rights and other risks referenced from time to time in the filings of Reed Elsevier with the US Securities and Exchange Commission.

## Reed Elsevier 2012 progress

- Another year of improving performance
  - Positive revenue growth trajectory, improving earnings growth and ROIC
  - Underlying revenue and profit growth in all five business areas
- Continuing transformation of asset base and earnings quality
  - Organic development of digital platforms and new products
  - Portfolio reshaping towards more predictable revenues, higher growth profile, improving returns

## Profit and loss

Year to 31 December	2012 £m	2011 £m	change
Revenue	6,116	6,002	+2%
Adjusted operating profit	1,713	1,626	+5%
Adjusted net profit	1,138	1,060	+7%
Reported net profit	1,069	760	+41%

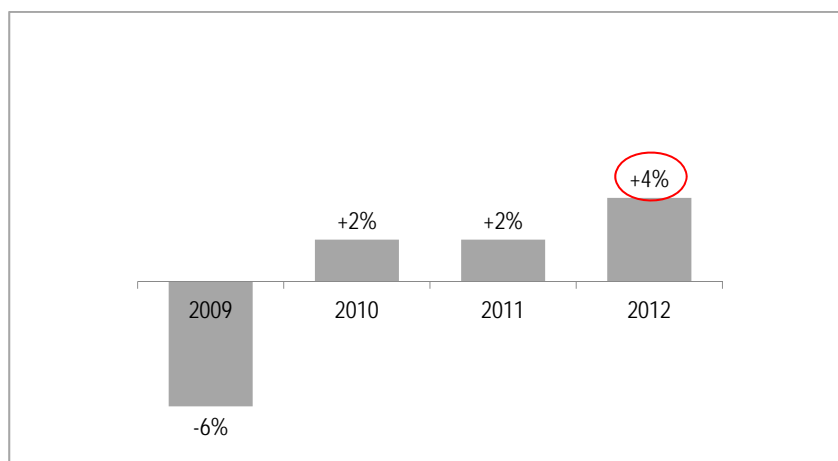
*Adjusted figures are stated before amortisation of acquired intangible assets, acquisition related costs, disposal gains / losses and anomalous tax effects*

## Adjusted earnings and dividends per share

	Reed Elsevier PLC	
Adjusted EPS	50.1p	+7%
Reported EPS	46.0p	+42%
Total dividend* (proposed)	23.0p	+7%

\* Interim 6.0p, final 17.0p

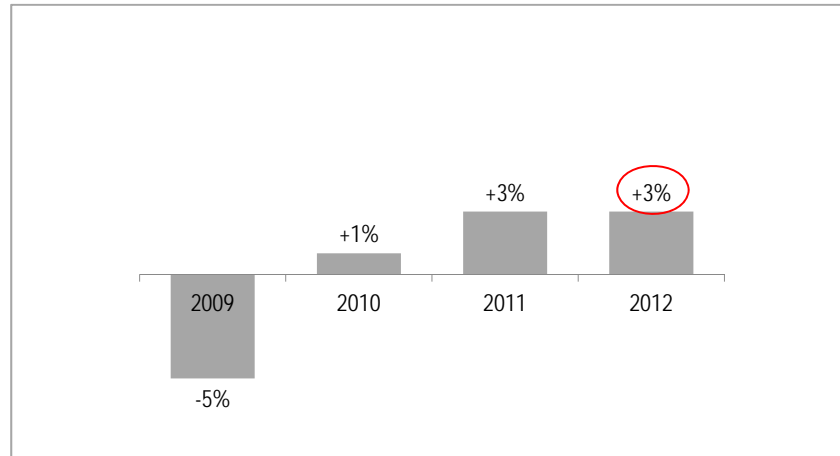
## Positive underlying revenue growth trajectory Including biennial exhibition cycling



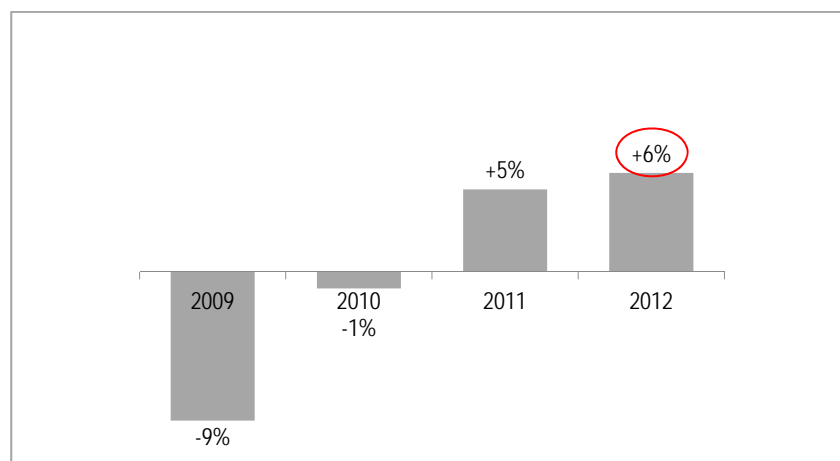
Underlying change excludes results of all acquisitions and disposals made in year and prior year and assets held for sale

## Positive underlying revenue growth trajectory

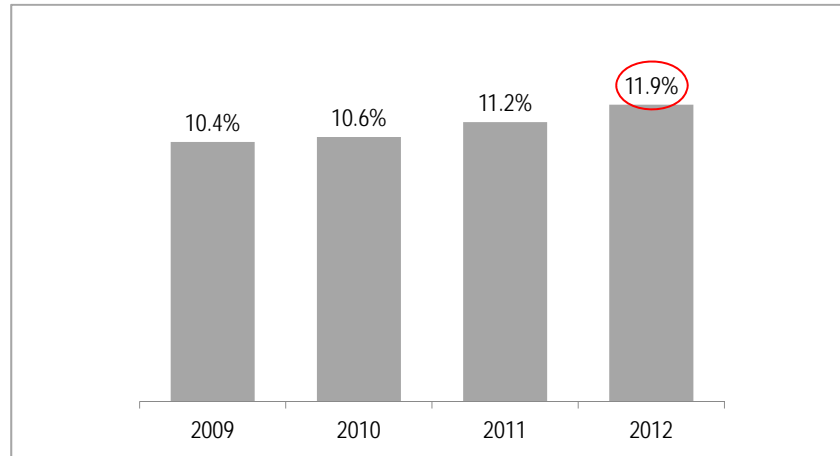
Excluding biennial exhibition cycling



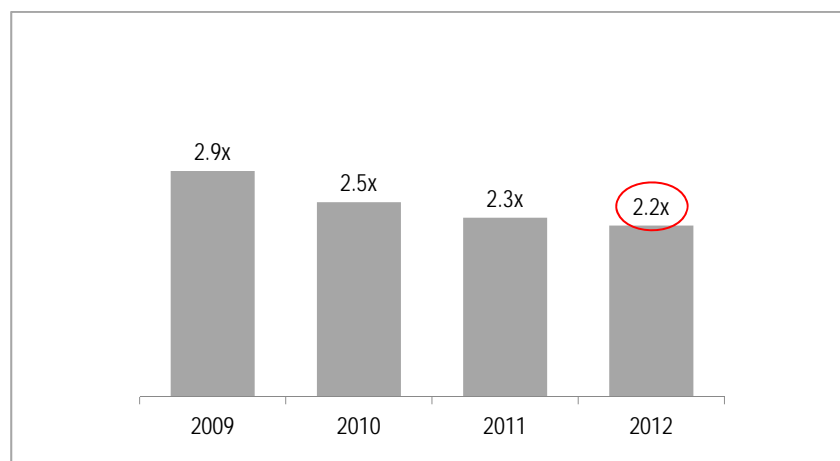
## Improved underlying adjusted operating profit growth



## Increased return on invested capital



## Gradual reduction in net debt / EBITDA



*Pensions and lease adjusted; calculated in US dollars; 2012 unadjusted net debt / EBITDA 1.7x*

## Reed Elsevier strategic direction

### Where we are going

- Deliver improved outcomes to professional customers
- Combine content & data with analytics & technology in global platforms
- Build leading positions in long term global growth markets
- Leverage institutional skills, assets and resources across Reed Elsevier

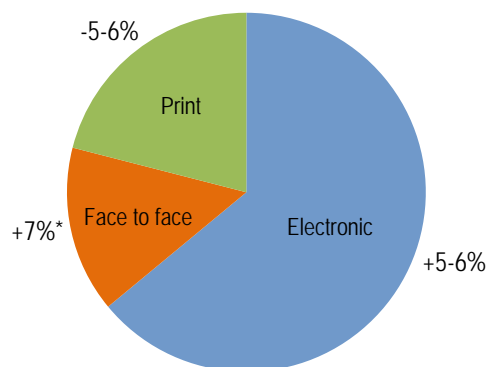
### How we are getting there

- Organic investment in transforming core business
- Organic build-out of new products into adjacent markets and geographies
- Selective acquisitions
- Selective divestments

## Organic transformation

Example: underlying revenue growth by format

Reed Elsevier 2012 underlying revenue growth excluding cycling: +3%



\*excluding cycling

## Implications for Reed Elsevier business profile

Improving quality of earnings

- More predictable revenues
- Higher growth profile
- Improving returns

## Summary

### 2012

- Progress on systematic transformation of business
- Improved financial performance

### 2013 Outlook

- *"The outlook for the macro environment, and its impact on our customer markets, remains mixed, and 2013 is a cycling out year for our exhibitions business. However, the positive momentum with which we entered the year has been maintained, and we continue to expect 2013 to be another year of underlying revenue, profit, and earnings growth."*



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