



Investor Seminar  
11 October 2012



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## 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

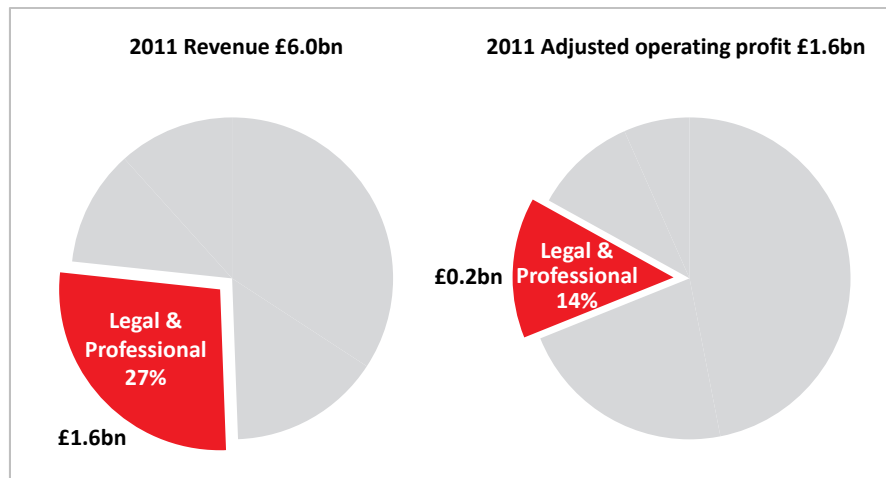
- Organic investment in transforming core business
- Organic build-out of new products into adjacent markets and geographies
- Selective acquisitions
- Selective divestments

## Implications for Reed Elsevier business profile

### Improving quality of earnings

- More predictable revenues
  - Transforming business mix by revenue type
  - Improving geographic balance
- Higher growth profile
  - Expanding in high growth markets and geographies
  - Exiting structurally challenged businesses
- Improving returns
  - Focusing on organic development
  - Limiting acquisitions to “natural owner” assets

## LexisNexis L&P position within Reed Elsevier



## Agenda

Introduction Erik Engstrom, CEO, Reed Elsevier

**Overview Mike Walsh, CEO, LexisNexis Legal & Professional**

Global Technology Jeff Reihl, CTO, LexisNexis Legal & Professional

US Markets Bob Romeo, CEO, US Research & Litigation

Q&A

Break

Non-US Markets Judy Vezmar, CEO, International

Country example: Australia TJ Viljoen, Managing Director, Australia

Concluding remarks Mike Walsh

Q&A

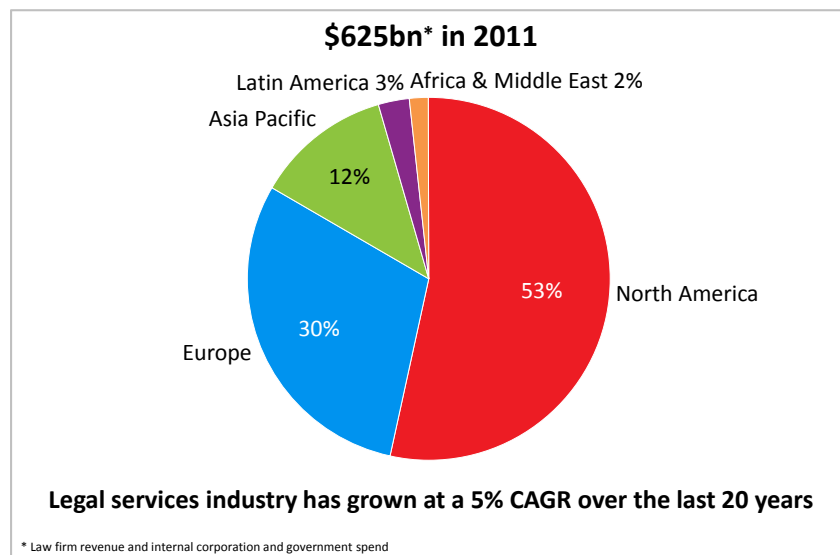
## Summary

- Global legal information solutions market is attractive
- LexisNexis Legal & Professional has a strong competitive position
- Investments are positioning us for future increases in organic revenue and profit growth



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## Global legal services industry



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## Long-term growth drivers strong despite recent subdued conditions

- Consistent growth in legislation, regulation and judicial decisions, and complexity
- Increasing volume and cost of litigation
- Increasing volume and value of commercial transactions

**Expect legal services industry to gradually return to mid-single digit growth**



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## Large global legal information solutions market



Source: LexisNexis analysis



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## Information pivotal to global legal services industry

### Complex

- Vast body of relevant information
- Precedent highly nuanced
- Interpretation constantly evolving

### Critical to legal outcomes

- 97% of legal professionals rate accurate information as critical to their job
- Legal outcomes depend on the highest quality information analysis and most compelling precedent and facts
- Associates spend c.50% of their time searching for and analyzing precedent and legal information

### Low relative spend

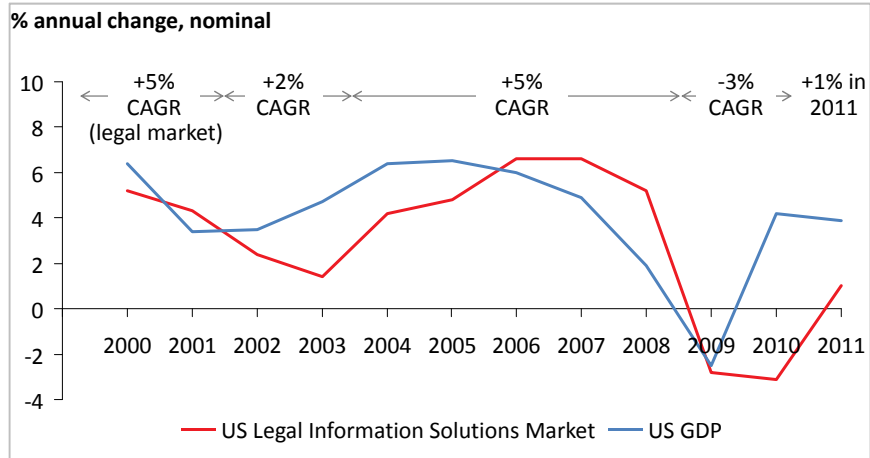
- Spend on legal research is typically 1-2% of a law firm's revenue



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## Legal information solutions revenues correlate to GDP (US illustration)



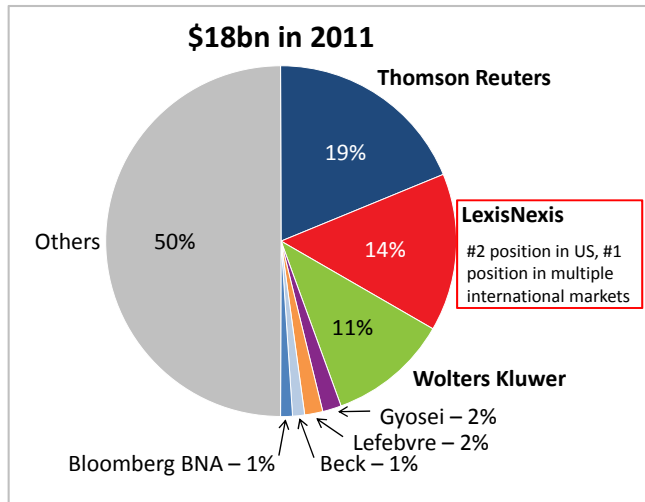
Source: IMF and LexisNexis analysis



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## Global legal information solutions landscape



Source: Reported financial information and LexisNexis analysis



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### US Landscape:

- Two broad-based research providers
- Multiple niche providers

### Typical Non-US Landscape:

- 1-2 global providers with local presence
- 1-2 leading local providers
- Multiple local niche providers

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## Drivers of customer value and differentiation

- 4 • Distribution: scale and experience of sales and marketing channels
- 3 • Brands: awareness and trust
- 2 • Technology: platform, linking, analytics, workflow integration, etc.
- 1 • Content: primary law, analytical material, editorial enhancements, etc.

Together drive sustainable differentiation

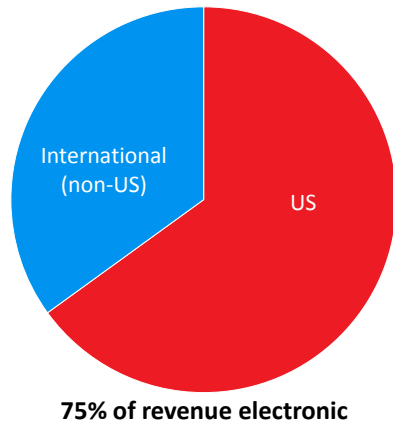


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## LexisNexis Legal & Professional

£1.6bn (\$2.6bn) in revenues in 2011

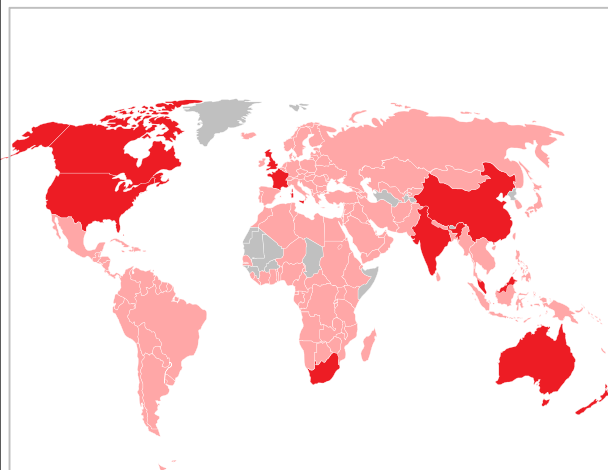


- A leading global provider of legal and business information solutions to law firm, corporate, government and academic markets
- Customers in over 175 countries
- 10,000 employees worldwide
- Leading publishing brands with content built over decades
- Global technology platform and capabilities



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## Strong global footprint



■ Market-leading positions (#1 or #2) ■ LexisNexis subscribers

Note: Market position based on legal & regulatory information revenue

### North America:

- US (#2)
- Canada (#1 legal online)

### Europe:

- United Kingdom (#1)
- France (#1 legal online)

### Rest of World:

- Australia (#1 legal online)
- South Africa (#1)
- New Zealand (#1)
- China and Hong Kong (#1 legal online)
- India (#1)
- Malaysia (#1)
- Singapore (#1)



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## Broad global customer base

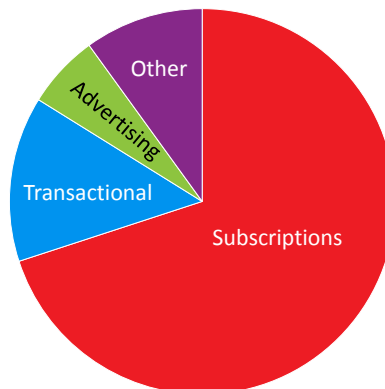
2011 global revenue by customer type



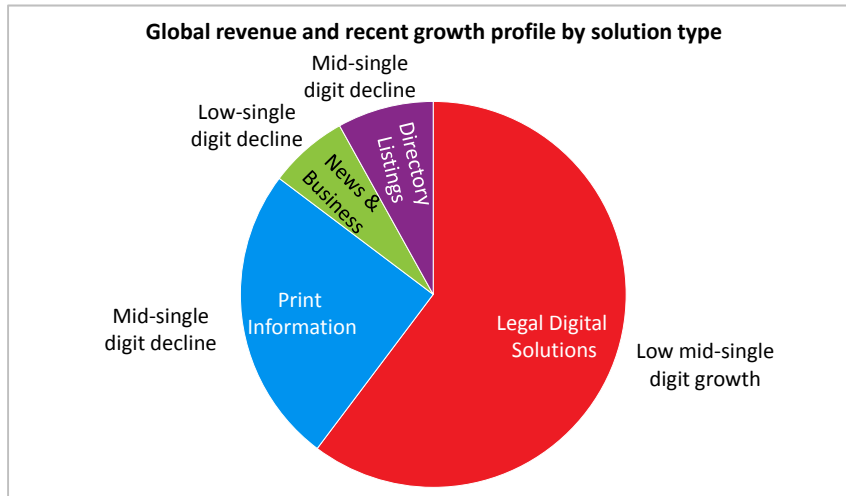
Note: Large law firms >50 attorneys; small law firms ≤50 attorneys

## 70% of revenue generated from subscriptions

2011 global revenue by type



## Digital solutions driving growth as print migrates

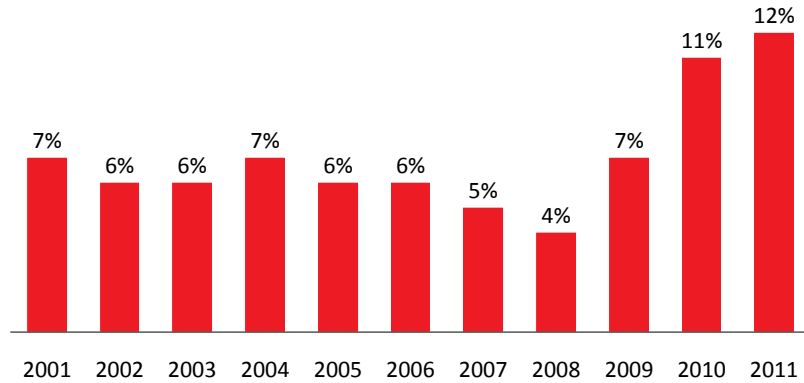


## Legal & Professional strategic priorities

- Progressively introduce next generation products and solutions on global New Lexis platform and infrastructure
- Leverage New Lexis globally to continue to drive Print to Electronic migration and long-term international growth
- Upgrade operational infrastructure, improve process efficiency and gradually rebuild margins

## Legal & Professional capital investment supporting digital solutions growth

Capital investment as % of revenue



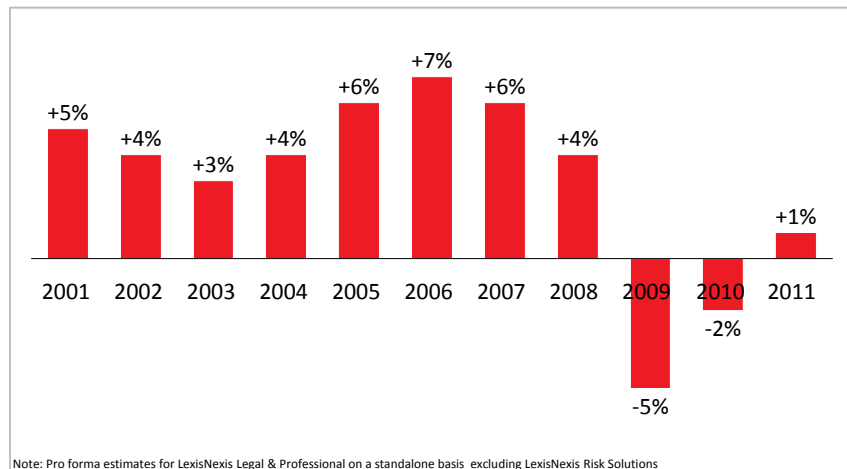
Note: Pro forma estimates for LexisNexis Legal & Professional on a standalone basis excluding LexisNexis Risk Solutions



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## Legal & Professional underlying revenue growth



Note: Pro forma estimates for LexisNexis Legal & Professional on a standalone basis excluding LexisNexis Risk Solutions



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## Legal & Professional operating margin

	2000-2008	2008-2010	2010-2012 H1
<b>Underlying revenue growth</b>	<ul style="list-style-type: none"> <li>Mid-single digits</li> </ul>	<ul style="list-style-type: none"> <li>Declined c.3.5% p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Increased 1% p.a.</li> </ul>
<b>Underlying cost growth</b>	<ul style="list-style-type: none"> <li>Slightly below revenue growth</li> </ul>	<ul style="list-style-type: none"> <li>Increased c.2% p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Increased 1% p.a.</li> </ul>
<b>Margin</b>	<ul style="list-style-type: none"> <li>Low 20s%</li> </ul>	<ul style="list-style-type: none"> <li>Declined to 14%</li> </ul>	<ul style="list-style-type: none"> <li>Broadly flat (slight increase in H1 2012)</li> </ul>

Note: Pro forma estimates for LexisNexis Legal & Professional on a standalone basis excluding LexisNexis Risk Solutions



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## Gradually rebuilding margins

In addition to revenue growth recovery, multiple cost efficiencies:

### Decommissioning

- Currently running parallel old and new infrastructure
- Costs to be eliminated as global technology platform is deployed in US and across the globe

### Process Improvement

- Automating campaign to customer care
- Relentless pursuit of process efficiencies

### Cost Efficiency Focus

- Extensive delayering
- Rationalizing support functions
- Placing labor in low-cost locations
- Leveraging Reed Elsevier data centers, procurement and real estate functions



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## Global technology overview

### Where we are going

- Build solutions that create more value for our customers
- Increase competitive differentiation
- Innovate continuously
- Reduce complexity and cost

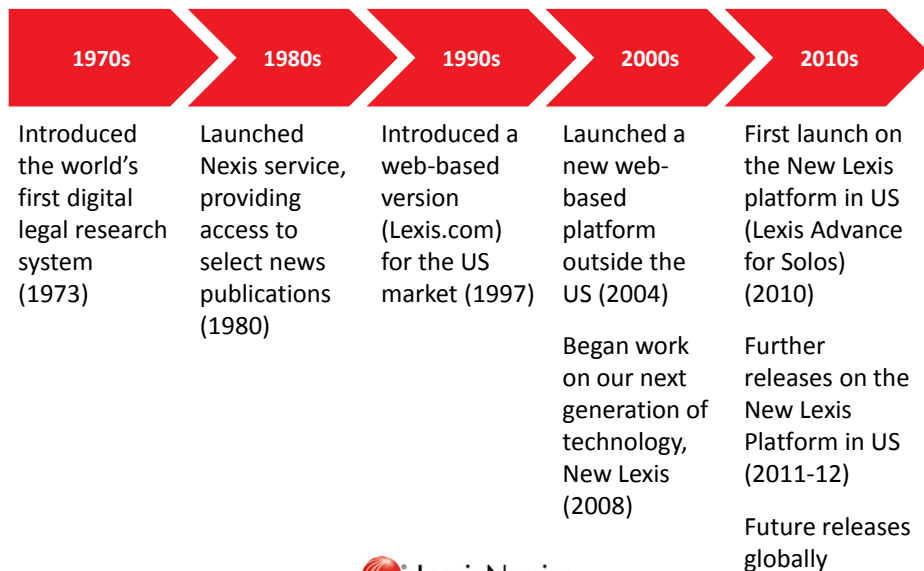
### How we are getting there

- Invest in state-of-the-art infrastructure and technology ("New Lexis")
- Deploy globally to all customer groups in all geographies with local content and customization



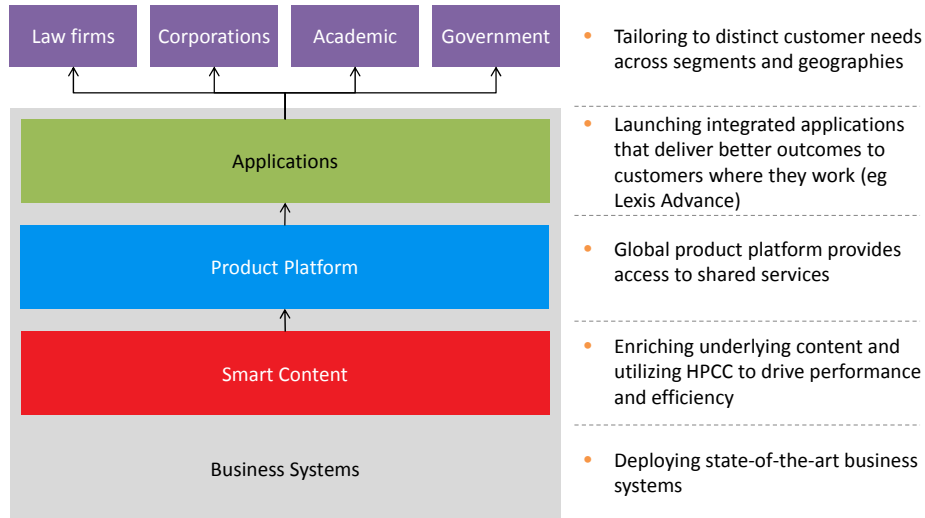
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## LexisNexis technology history

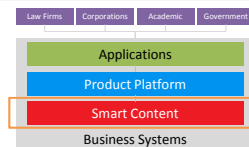


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## Overview of New Lexis



## Smart content



### Enriching content:

- Identifying legal topics and entities including attorneys, firms, courts, and companies
- Adding detailed metadata to underlying content sets

### Applying technology:

- Utilizing a highly-scalable content repository and content system for all LexisNexis content assets
- Leveraging our proprietary Big Data platform and ECL language (ie HPCC) to link over 3.5bn documents quickly

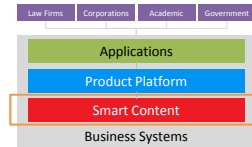
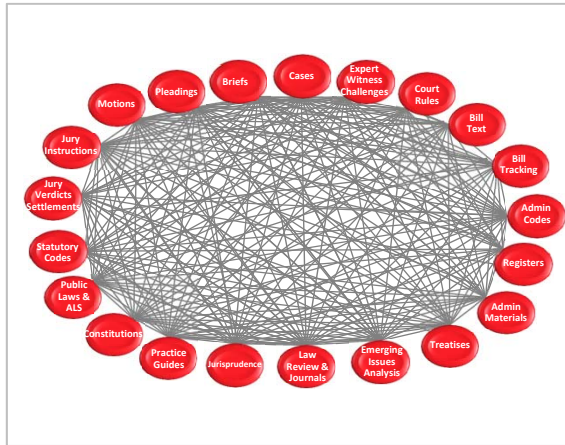
### Operational benefits:

- Faster content updates
- Improved processing time
- Automation

### Better outcomes for customers:

- Improves search relevance and completeness
- Improves navigation via comprehensive content linking

## Smart content improvements



### Lexis Advance vs. Lexis.com

#### More content enrichment

- 4X times as many topical classifications
- 21X as many references to attorneys
- 10s of millions of references to law firms

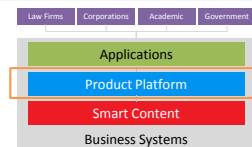
#### Improved content currency

- 1/80th of the time required for new content updates
- Some content updates from once per week or year to real time

#### Lower cost

- Reduced costs through automation and improved processes

## Product platform



Developing services that can be shared across products, segments and geographies

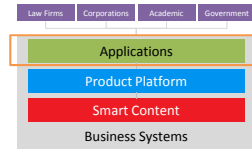
#### Operational benefits:

- Faster new product launches and reduced cost by leveraging already-developed shared services
- Seamless integration across multiple products
- APIs - integration to 3<sup>rd</sup>-party and customer products

#### Better outcomes for customers:

- Improved user experience through better integration of products and faster response times
- Solutions delivered where and when our customers need them including mobile
- Content embedded into whatever tools our customers are using

## Applications



Application development driven by extensive customer discovery and innovation program, focused on identifying critical customer challenges

### Better outcomes for customers:

#### Easy to Use

- Modern application user interfaces with consistent look and feel
- Integrated in attorney workflow
- Available wherever and whenever customers want them

#### Innovative

- New workflow solutions that improve end-user efficiency and effectiveness
- Analytics that answer questions instead of simply providing search results

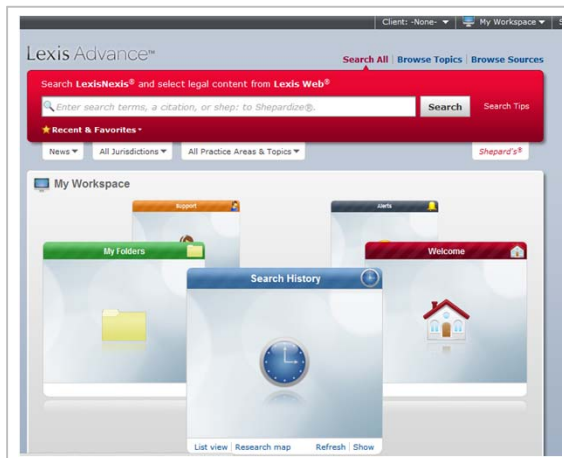
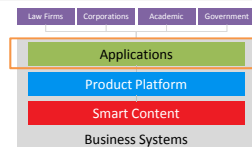
#### Highly Tailored and Collaborative

- Tailored to user types vs. "one-size-fits-all" approach
- Designed for information sharing



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## Lexis Advance



### Modernized user interface

### New functionality

### Better outcomes for customers:

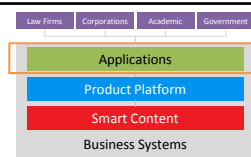
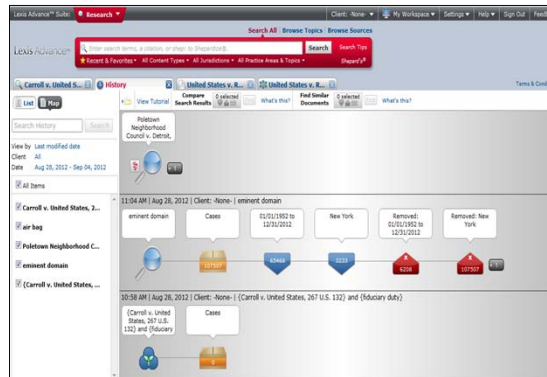
- Improved ease of use
- Improved search relevance
- Reduced time spent researching



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## Built-in analytics: Research Map

**New functionality:** View a graphical display of a past research session

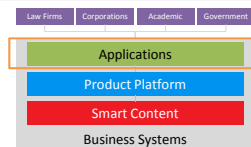
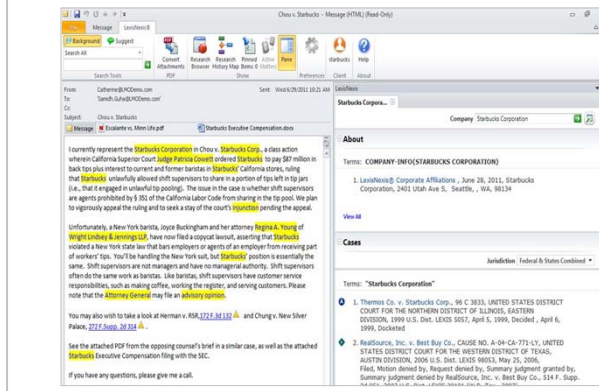


**Better outcomes for customers:**

- Improves research quality and efficiency
- Partner can easily review work that has been done by Associate
- Training tool for new Associates

## Content embedded into workflow

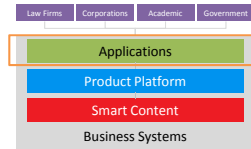
**New functionality:** Lexis for Microsoft Office



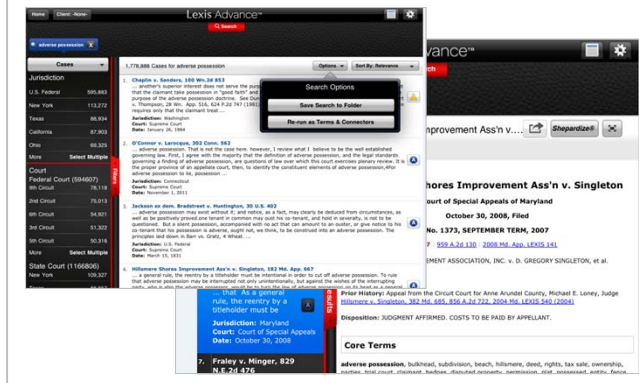
**Better outcomes for customers:**

- Greater efficiency in legal work
- Automates citation checking and formatting

## Mobile content access



### New functionality: Lexis Advance on iPad and mobile apps



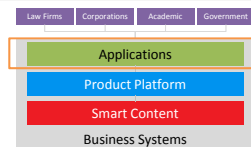
### Better outcomes for customers:

- Access to LexisNexis content wherever and whenever customers want it



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## Customer feedback



### About Lexis Advance – designed with more than 25,000 customer interactions:

*"Lexis Advance is so user-friendly and intuitive – I cannot believe that I lived without some of the functions it now offers."*

*"The new platform makes researching so much more efficient."*

*"Lexis Advance easily and quickly lets me find what I need."*

### About Research Map – reduces number of searches 28%, on average, as much as 70%

*"Makes me confident I found all the relevant law."*

### About Lexis for Microsoft Office – 19% productivity improvement in retrieving legal information, 32% improvement in validating citations

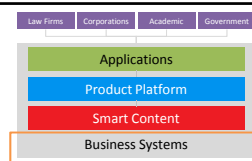
*"The seamless movement between Microsoft Word and LexisNexis research content makes drafting work product easier and more efficient."*

Source: LexisNexis customer surveys



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## Business systems



**Deploying modern Oracle-based business systems architecture with single-instance global repositories for customer data and product information**

### Operational benefits:

- Enables systems consolidation
- Lowers operational and maintenance cost
- Provides comprehensive view of customer
- Streamlines campaign to customer care processes

### Better outcomes for customers:

- Improves customer service ("LexisNexis knows me")
- Allows for more tailored product pricing and packaging
- Enables customer self service and e-commerce



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## Global technology summary

- Building solutions that create more value for our customers
- Establishing areas of clear competitive differentiation
- Continuously innovating unique offerings
- Reducing complexity and cost
- Reinventing our technology platform

- Releases going according to plan
- Additional releases to come in the US and other geographies



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## Agenda

Introduction

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## US legal information market summary

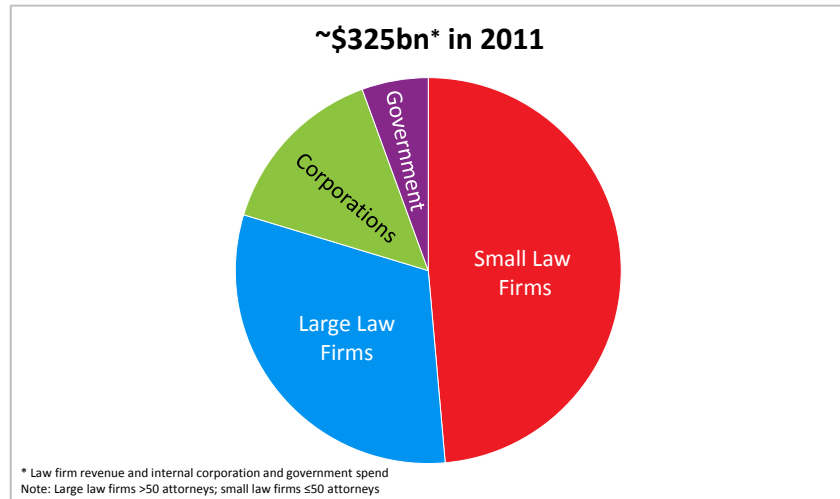
- Large legal information market driven by legal professionals' need to be effective and productive
- Strong long-term growth drivers; current conditions remain subdued as market is correlated to GDP
- LexisNexis is well-positioned with high-quality content, the New Lexis technology platform, and the strength of our distribution channel



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## US legal services industry

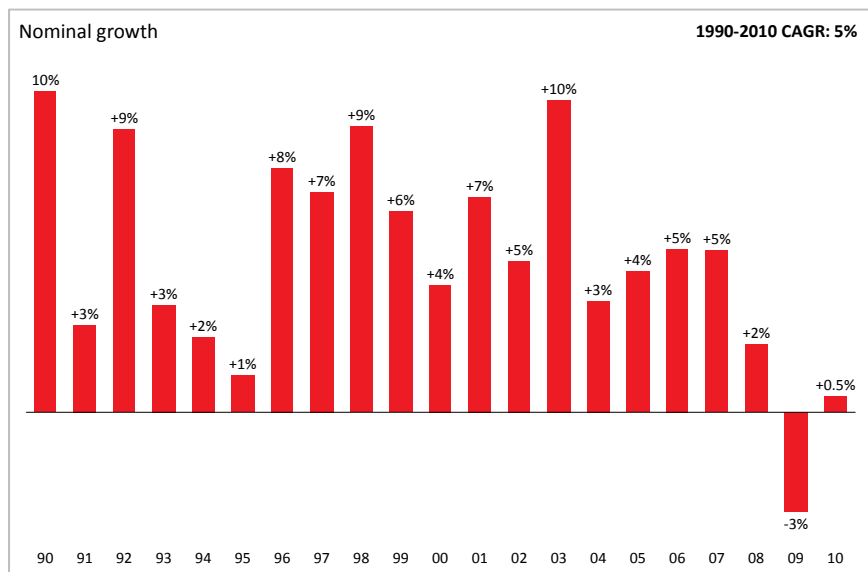


Source: Bureau of Economic Analysis and LexisNexis analysis



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## US legal services industry growth



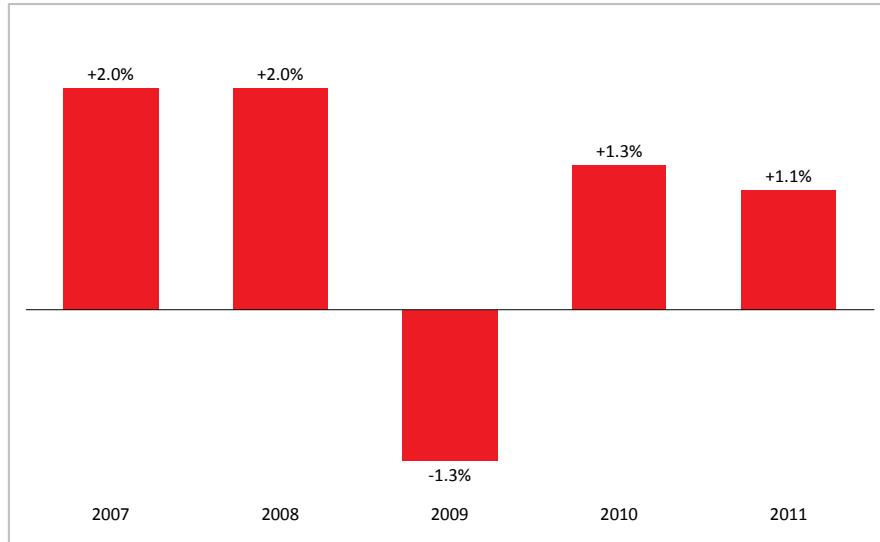
Source: Bureau of Economic Analysis; Nominal



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## Legal services employment growth

Growth of lawyers, paralegals and legal assistants in the legal services industry

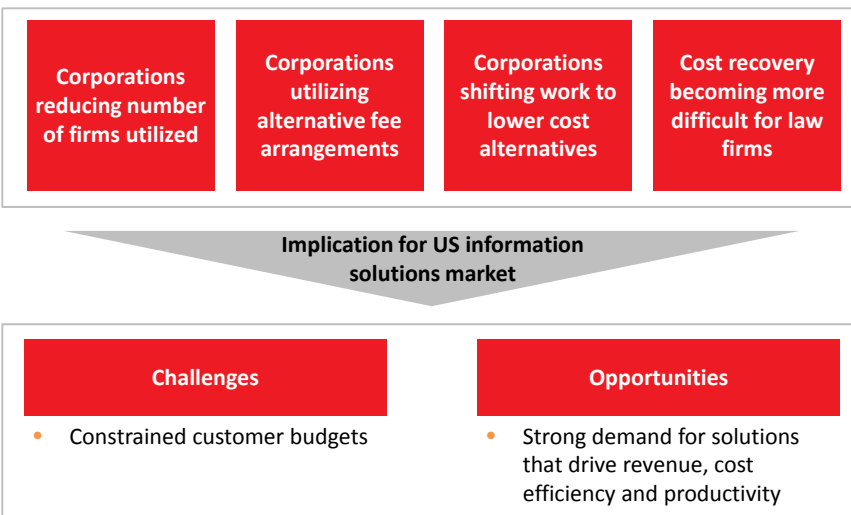


Source: Bureau of Labor Statistics



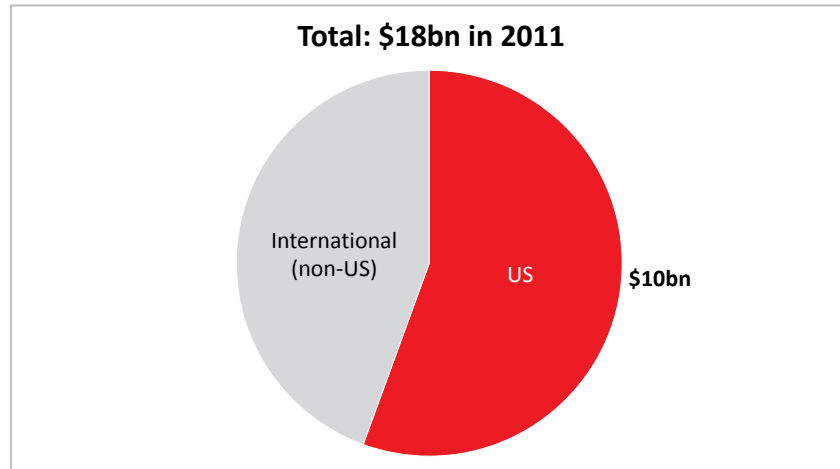
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## Trends in US legal services industry



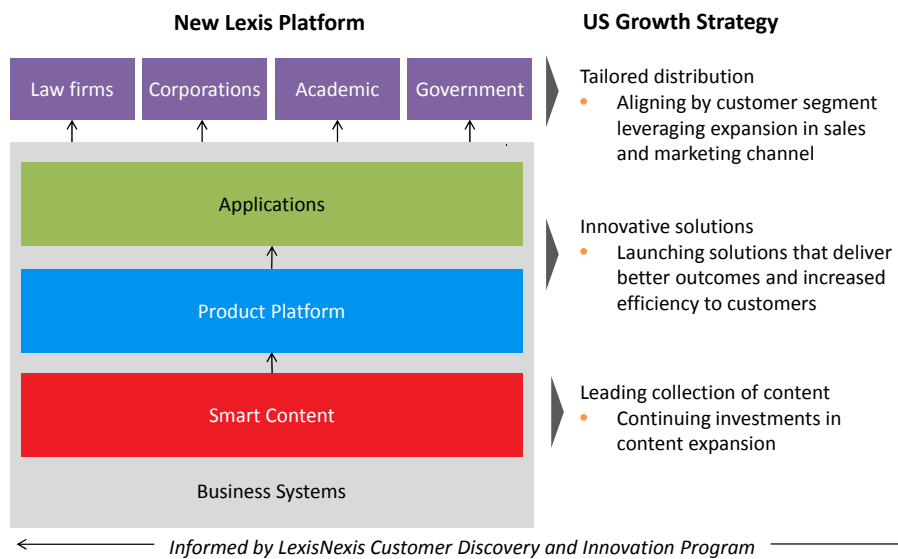
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## US legal information solutions market >50% of global spend



Source: LexisNexis analysis

## LexisNexis sources of growth and differentiation



## Leading collection of content

### Legal Information

- >11m case law decisions dating to 1658, including >2.8m unpublished decisions
- >1m verdicts – 70% more than any other legal information provider
- **Matthew Bender®** treatises, cited over 135 times and in more than 1 in 10 US Supreme Court decisions in the past 10 years
- **Law360®**, providing daily breaking news and analysis on high-stakes litigation to over 100,000 attorneys and business professionals
- **StateNet®**, providing over 7,000 daily alerts on legislative and regulatory activity across state and federal government

### News and Business and Public Records

- News & business content from >26,000 licensed sources, almost twice the closest competitor
- Premier public records offering with **36bn public records** online, including information on 450m individuals and 150m businesses

### Editorial Enhancements

- >190m topical associations linked from multiple content types
- >1,500 titles in eBook format, more than any other legal publisher
- More cases with both summaries and headnotes in the last 20 years than any other legal information provider
- **Shepard's®** – the industry leading citator

A comprehensive research system that meets the needs of the legal industry



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## Innovative solutions: broad range of offerings

### Legal Digital Solutions

LexisNexis solutions across practice of law and business of law:

- Legal Information: Primary and analytical information to help attorneys practice law, eg **Lexis Advance**
- Litigation Solutions: Software and services to assist litigators in efficiently conducting e-discovery and litigation processes, eg **CaseMap, LAW**
- Legal Business Management Solutions: Software to help organizations manage legal activities and drive profitability, eg **Redwood, CounselLink**

### Print

- Legal print information to help attorneys practice law, eg Collier on Bankruptcy

### News & Business

- Digital tools based on news and company information to help generate new business, improve client service, conduct diligence, etc, eg Nexis

### Directory Listings

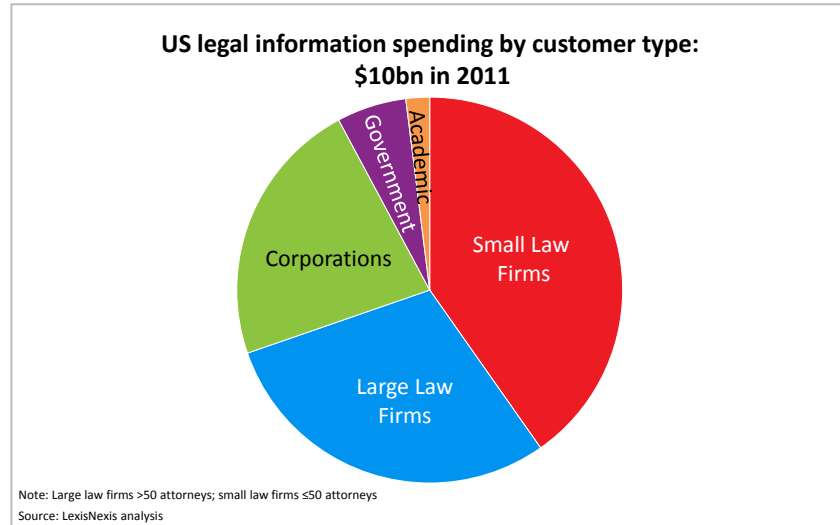
- Marketing services to help attorneys attract clients, eg Martindale-Hubbell, Lawyers.com



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## Tailored distribution: aligned to customer segments



## Small law firms (≤50 attorneys)



### Segment overview:

- ~450k firms, ~750k attorneys
  - Serve mainly small business and consumer legal needs
  - Impact from recessionary period less pronounced than large law
  - Legal information spend growth driven by number of attorneys and adoption of legal information solutions
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- Demand for jurisdictional and practice area content and business management tools to drive efficiency and profit

### Growth strategy:

#### Leading collection of content:

- Build on strength in jurisdictional and practice area content

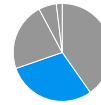
#### Innovative solutions:

- **Lexis Advance** to deliver better outcomes (eg **Shepard's** citation summary)
- Business management solutions that improve efficiency (eg **Time Matters Mobility**)

#### Tailored distribution:

- Leverage expanded sales and marketing channels

## Large law firms (>50 attorneys)



### Segment overview:

- ~850 firms, ~180k attorneys
- Serve predominately corporations
- Handle complex litigation, large transactions and regulatory advisory
- Muted growth post-recession
- Focus on differentiation and client service / retention to grow revenue
- Focus on cost structure and workflow to control costs



- Demand for solutions across the practice of law and business of law that drive increased efficiency

### Growth strategy:

#### Leading collection of content:

- Provide “must have” exclusive content
- Focus on key large law practice areas

#### Innovative solutions:

- **Lexis Advance** to deliver efficiency tools (eg **Research Map**, **Lexis for Microsoft Office**)
- Solutions across the litigation workflow (eg **CaseMap**, **LAW**)
- Business management solutions that drive growth and productivity (eg **Interaction**, **Redwood**)

#### Tailored distribution:

- Build on existing relationships
- Grow new business



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## Corporations



### Segment overview:

- ~20k companies have a legal department, ~100k attorneys
- Key activities include:
  - Managing transactions
  - Overseeing litigation
  - Mitigating risk
  - Ensuring compliance
  - Managing department spend
- Focus on “doing more with less”



- Demand for wide range of legal and compliance information plus business management software that improves efficiency

### Growth strategy:

#### Leading collection of content:

- Build on strengths in diversity of content (eg practice area, public records, regulatory and compliance)

#### Innovative solutions:

- **Lexis Advance** to deliver regulatory and compliance tools (eg **StateNet**)
- **Lexis Practice Advisor** to provide transactional support
- Business management solutions that drive efficiency (eg **CounselLink**)

#### Tailored distribution:

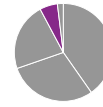
- Leverage expanded sales and marketing channel
- Partner with software providers



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## Government



### Segment overview:

- ~150k attorneys plus professionals in federal, state, and local courts and agencies
  - Key activities include:
    - Drafting legislation and regulation and monitoring compliance
    - Prosecuting individuals and businesses
    - Assessing security risks
  - Continued budget pressure driving focus on efficiency
- ▼
- Demand for solutions to meet diverse information needs and increase efficiency

### Growth strategy:

#### Leading collection of content:

- Leverage diversity of LexisNexis content (eg legal, news & business, public records)

#### Innovative solutions:

- **Lexis Advance** to improve productivity (eg embedding content into customer workflow)
- Solutions across the litigation workflow (eg **CaseMap**, **LAW**)

#### Tailored distribution:

- Expand reach
- Build on existing relationships



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## Case study: small law firm assessing litigation outcomes

**Situation:** A litigation-oriented small law firm needs to make frequent and quick decisions on whether to accept cases and needs to make informed settlement recommendations

### Key Issues

- Evaluating which cases to take
- Analyzing when to settle and for how much
- Maximizing firm profitability

### Solution

#### Lexis Advance Verdict & Settlement Analyzer



### Benefits

- Tracks previous verdicts and awards on similar matters
- Dynamically filters and graphically displays data
- Provides related documents for additional context

**Impact:** Reduces time spent on low value cases and streamlines research into similar matters



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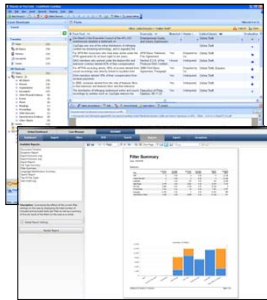
## Case study: large law firm conducting complex litigation

**Situation:** A law firm working on complex litigation needs to collect, store, and review millions of relevant documents then utilize that information to formulate its arguments

### Key Issues

- Hosting large datasets cost efficiently and securely
- Culling large datasets
- Analyzing key documents and efficiently preparing case arguments

### Solution **Litigation Solutions Suite**



### Benefits

- Hosts discoverable data in highly secure environment
- Reduces the amount of data to be stored, processed and reviewed
- Structures information for review, analysis, and preparation during litigation

**Impact:** Decreases data management costs by up to 30%, reduces documents for review by up to 90% and saves attorneys up to 20% of preparation time



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## Case study: large law firm managing a digital library

**Situation:** A large law firm needs to improve library operations and reduce costs

### Key Issues

- Law library budgets under pressure
- Multi-office, remote office resource support
- Increasing demand for access anytime and anywhere

### Solution **LexisNexis Digital Library**

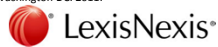


### Benefits

- Reduced library operating expense and physical space requirements
- Ability to lend materials, regardless of physical location
- Enabled operation via desktop and mobile devices; e-book links to Lexis Advance

**Impact:** Convert ~5,000 volumes from print to e-books and reduce 7%+ in upkeep costs, free up 30% of library administrative staff time and up to 500 square feet in library space

Source: "ARL Statistics 2008-2009". Association of Research Libraries, Washington DC, 2011.



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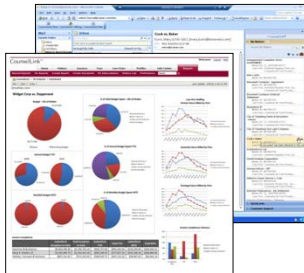
## Case study: corporation managing outside counsel

*Situation:* A 2,600 employee insurance company needs to control legal costs as well as track matter status and spending as cases progress

### Key Issues

- Managing multiple active legal matters
- Choosing counsel and negotiating rates
- Managing spend

### Solution: **CounselLink**



### Benefits

- Tracks matter status, documents and budget
- Benchmarks law firm performance and rates
- Digitally reviews legal invoices prior to payment

*Impact:* "We have achieved 17% cost savings in our legal department's litigation spending since implementing CounselLink."



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## US legal information market summary

- Large legal information market driven by legal professionals' need to be effective and productive
- Strong long-term growth drivers; current conditions remain subdued as market is correlated to GDP
- LexisNexis is well-positioned with high-quality content, the New Lexis technology platform, and the strength of our distribution channel



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## Agenda

Introduction Erik Engstrom, CEO, Reed Elsevier

Overview	Mike Walsh, CEO, LexisNexis Legal & Professional
Global Technology	Jeff Reihl, CTO, LexisNexis Legal & Professional
US Markets	Bob Romeo, CEO, US Research & Litigation

**Q&A**

Break

Non-US Markets	Judy Vezmar, CEO, International
Country example: Australia	TJ Viljoen, Managing Director, Australia
Concluding remarks	Mike Walsh
Q&A	



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Country example: Australia	TJ Viljoen, Managing Director, Australia
Concluding remarks	Mike Walsh
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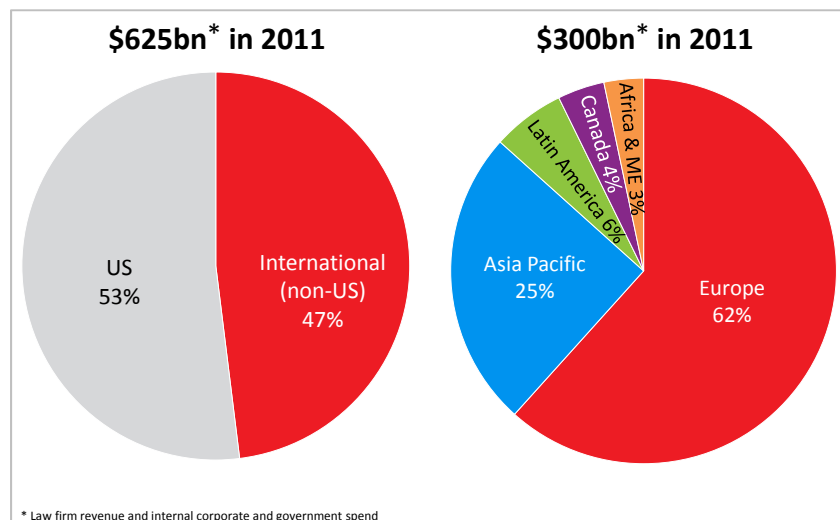


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## International legal information markets

- International accounts for a large part of the global legal information solutions market with good long-term growth
- LexisNexis is well positioned in the geographies we serve
- New Lexis investment is being leveraged globally

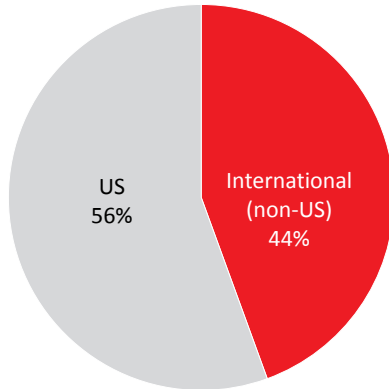
## International legal services industry



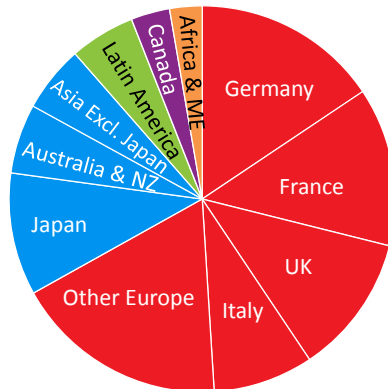
Source: Datamonitor, LexisNexis analysis

## International legal information solutions market

**\$18bn global market in 2011**



**\$8bn international in 2011**



Source: Datamonitor, LexisNexis analysis



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## Trends across international markets

Corporate  
drive for  
efficiency

Legal  
industry  
evolution

Requirement  
for local  
content

Growth in  
number of  
attorneys

Developing  
legal systems

Implications for legal information  
solutions market

### Challenges

- Constrained customer budgets
- Nascent emerging markets

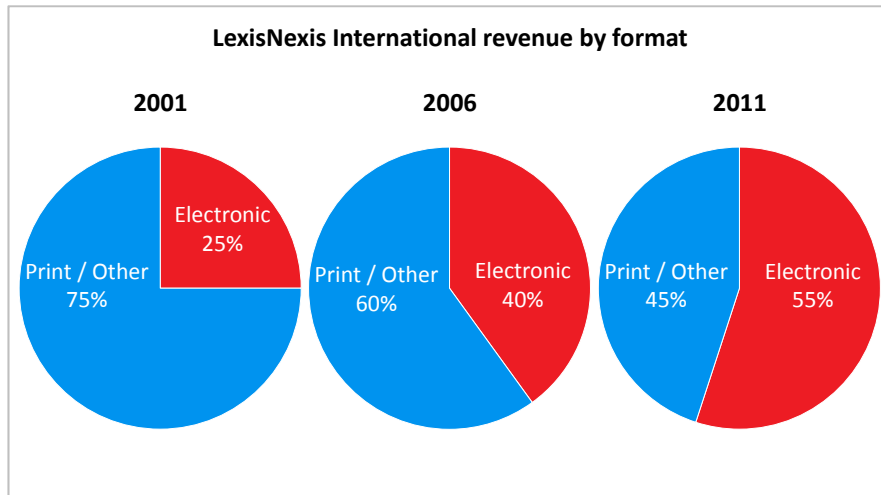
### Opportunities

- Workflow and productivity solutions
- Online growth
- Access to law in emerging markets



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## Migration from print to electronic solutions driving growth



## Key sources of growth and differentiation

### International Growth Strategy

#### Tailored distribution

- Build strong direct and indirect channels to reach local customers in all target markets

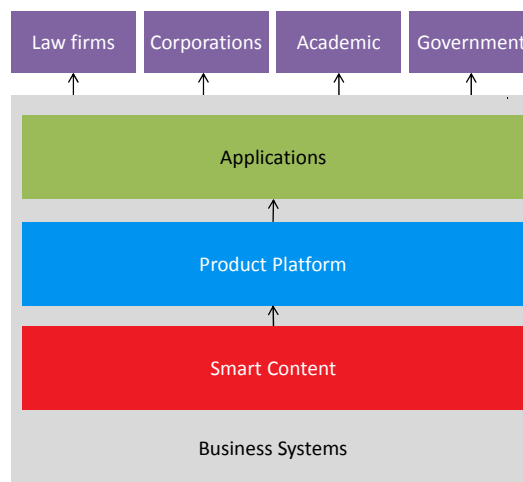
#### Innovation

- Launch solutions that deliver better outcomes to customers and drive print to digital migration
- Leverage global platforms

#### Leading collection of content

- Sell content globally
- Build out local content

### Going Forward: New Lexis Platform



## Innovative solutions: leveraging global assets and capabilities

### Customer Insights and Innovation

- Methodology
- Gather and share insights, leverage ideas

### Global applications

- eg Legal Intelligence, Lexis for Microsoft Office

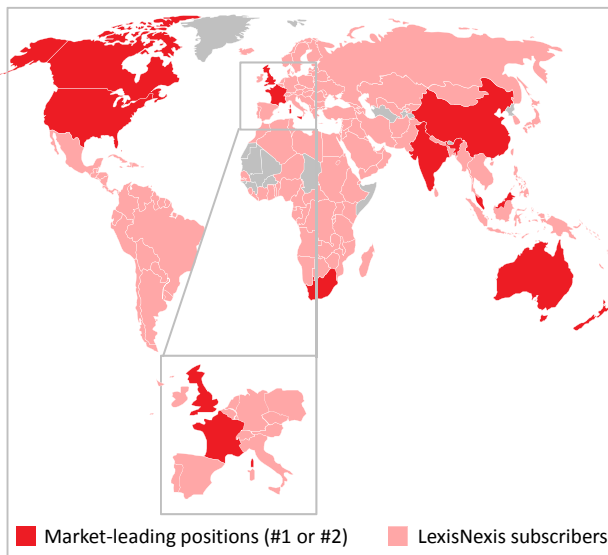
### Talent

- Strong leadership team
- Multinational experiences

### Technology

- Leverage global capabilities
- Global platform enables rapid innovation

## International footprint approach



### Developed economies

- Invest to grow / achieve leadership positions

### Emerging economies

- Expand selectively by investing in most attractive higher-growth geographies

## UK legal market

### Market overview:

- Law firm legal services industry \$33bn
- Top 100 law firms account for ~50%
- Heavily transactional (M&A, property)
- Globalization – Top 100; 34% of revenue is generated internationally



Increased demand for solutions that allow practitioners to:

- Deliver reliable and accurate legal advice faster
- Reduce cost
- Assess and manage legal risks and compliance

### LexisNexis Position:

- #1 in legal information
- c.60% electronic

### Growth strategy:

Leading collection of content:

- Deep coverage across practice areas
- Leading brands since 1818 - Halsbury, Butterworths

Innovative solutions:

- Legal Intelligence
- Develop and launch productivity tools
- Launch solutions to help customers manage regulatory burden

Tailored distribution:

- Strong sales coverage
- Detailed customer segmentation



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## UK case study: Deliver fast and accurate legal advice

*Situation:* 27 fee-earner law firm is under cost pressures and is looking for a solution to help them deliver reliable and accurate legal advice faster and more efficiently

### Key issues

- No compromise on quality
- Financial saving
- Increased productivity

### Solution

#### Legal Intelligence



### Benefits

- Flexible and comprehensive web-based solution
- Practical guidance linked with forms and precedents
- Daily legal updates
- Automated drafting and productivity tools

*Impact:* "Across the board, we are saving 15% on research time, which converts directly to fee-earning. Time spent outside of the office on training and travel cost has been cut by 25%" – Managing Partner



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## Legal Intelligence

The image shows two side-by-side screenshots of the LexisPSL legal research platform. The left screenshot is titled 'LexisPSL IP & IT' and shows a 'News' section with various articles and a 'Webinars, events' section. The right screenshot is titled 'LexisPSL CORPORATE' and shows sections for 'Share buybacks', 'Practice Notes', 'Precedents', 'Checklists, Diagrams and Flowcharts', and 'Legislation'. Red callout boxes point to specific features: 'Intuitive search and topic tree' points to the search bar on the left; 'Concise practice notes and up-to-date forms and precedents' points to the 'Practice Notes' and 'Precedents' sections on the right; 'Daily news and analysis' points to the 'News' section on the left; 'Webinars, events' points to the 'Webinars, events' section on the left; 'Authoritative sources of law' points to the 'Legislation' section on the right; and 'Productivity tools, eg automated documents' points to the 'Checklists, Diagrams and Flowcharts' section on the right.

Approach leveraged globally



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## France legal market

### Market overview:

- Law + notary firm legal services industry is estimated at \$18bn
- 40% are solo practitioners; only 1% have more than 20 fee earners
- Legislative inflation and complexity

Increased demand for solutions that allow practitioners to:

- Access content tailored to their specific needs
- Deliver reliable legal advice and manage proceedings faster and safer
- Increase productivity

### LexisNexis Position:

- #1 in legal online
- c.50% electronic

### Growth strategy:

Leading collection of content:

- Leading heritage brand since 1907 – JurisClasseur
- Comprehensive coverage across practice areas with in-depth content and new practical guidance

Innovative solutions:

- Lexis360
- Practice and productivity solutions integrated with content

Tailored distribution:

- Customer segmentation



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## France case study: Growing the client base

**Situation:** Solo generalist lawyer under time, cost and client retention pressures, looking for a solution to help grow the practice across different practice areas

### Key issues

- Absolute legal security for her clients
- Efficiency across all practice areas
- Increased productivity

### Solution

#### **Lexis360**



### Benefits

- Comprehensive and up-to-date content across all practice areas
- Quick access to relevant documents through semantic search
- Practical guidance with check lists and expert practitioners advice

**Impact:** "This is perfect. I have been able to save over 25% on research time, which allows me to accept more cases from my clients in more practice areas as if I were an expert in those, to win those cases and keep my clients." – Solo Lawyer



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## India legal market

### **Market overview:**

- 200-250k local practicing attorneys, growing high single digits each year
- Rapidly changing laws driving increased need for local content
- Investment by government in legal and judicial system



Increased demand for solutions that allow practitioners to:

- Access consolidated laws and cases across many courts, legislation and high quality commentaries
- Search easily – local online solutions still rudimentary
- Keep up to date as laws change

### **LexisNexis position:**

- #1 in legal information market
- c.45% electronic

### **Growth strategy:**

Leading collection of content:

- Leading heritage and local brands – Halsbury, Wadhwa
- 450k+ judgments

Innovative solutions:

- Leverage global platforms to deliver superior online solutions

Tailored distribution:

- Expand distribution channel



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## India case study: Law firm advising an international company

*Situation:* Mid-size Indian law firm advising an international company with a factory in India on how to deal with a workplace accident

### Key issues

- Finding reliable, comprehensive case law
- Operating efficiently

### Solution: **Lexis India**



### Benefits

- Combines comprehensive online legal research platform with market leading local analytical content
- Interlinks all information to speed up search

*Impact:* "Lexis India has helped us cut down on 15% of the time we spend on research." – Partner



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## International (non-US) legal information markets

- International accounts for a large part of the global legal information solutions market with good long-term growth
- LexisNexis is well positioned in countries we serve
- New Lexis investment is being leveraged globally



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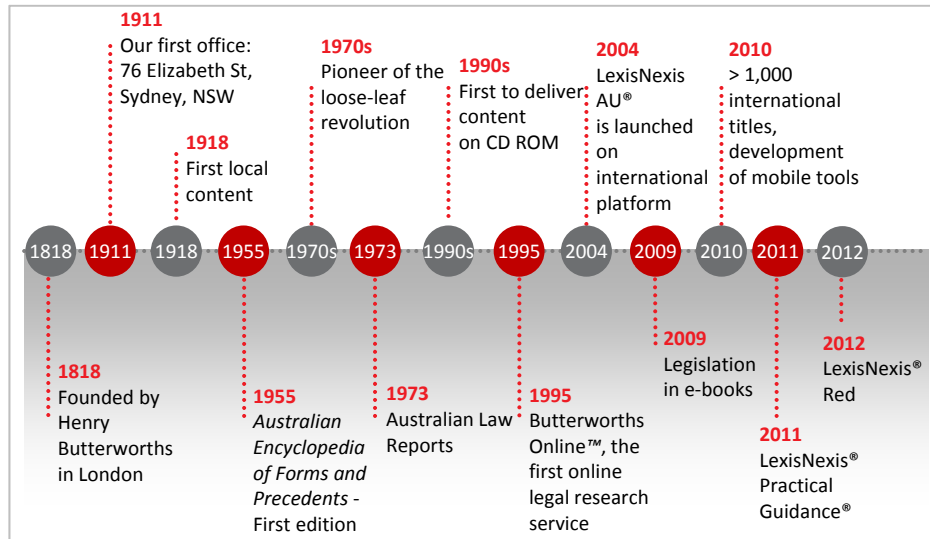
## LexisNexis Australia summary

- LexisNexis is well-positioned to deliver solid revenue and profit growth
- We are combining global technology and best practices with local innovation
- We are delivering unrivaled value to our customers



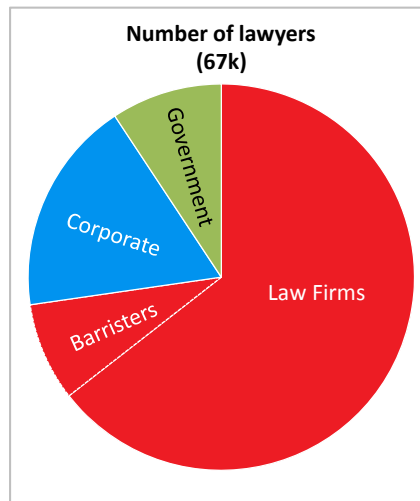
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## 100 years of history



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## Australian legal services industry overview



Source: IBISWorld, NSW Law Society, Australian Bar Association, LexisNexis analysis

### Market Overview:

- \$18bn legal services industry in 2011
- 5% CAGR '01 - '11
- Benefiting from mining industry and exposure to Asian countries
- 47% of law firms are solo practitioners
- Globalization: 6 out of top 10 law firms have merged with international law firms
- Increased demand for solutions that boost law firm productivity, business development and client service



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## Leading content assets and innovative solutions

### LexisNexis position:

- #1 in legal online
- c.60% electronic legal revenue

### Growth strategy:

Leading collection of content

- Comprehensive, up-to-date and authoritative content - Halsbury's Laws of Australia; CaseBase Case Citor

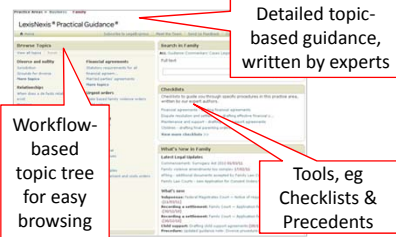
Innovative solutions

- LexisNexis Practical Guidance
- LexisNexis Red

Tailored distribution

- Strong sales coverage
- Detailed customer segmentation

### LexisNexis Practical Guidance



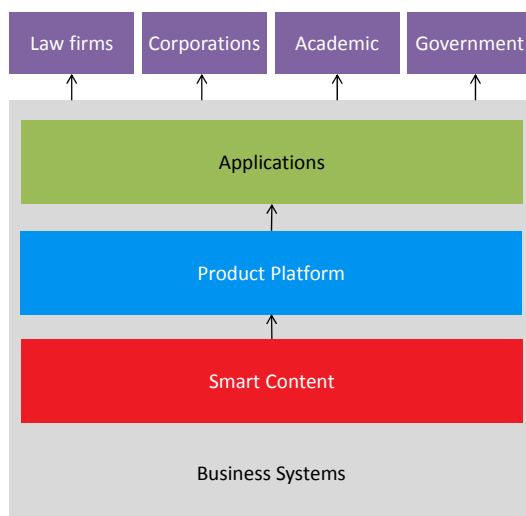
### LexisNexis Red



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## Leveraging New Lexis

### Going Forward: New Lexis Platform



### Customer insights

- >200 customer interviews
- Common customer pain points across markets

### Leveraging global platform

- High level of re-use
- Unique requirements

### Content

- Content sharing
- Content in context

### Business systems

- Deploying state-of-the-art business systems in line with the global roll out plan



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## LexisNexis Australia summary

- LexisNexis is well-positioned to deliver solid revenue and profit growth
- We are combining global technology and best practices with local innovation
- We are delivering unrivaled value to our customers

## Rule of Law

### What is Rule of Law

It strives to ensure that laws are clear, publicized, stable and fair

### LexisNexis globally supports

- Pro bono activities, including anti-human trafficking programmes
- Publishing of legislation and case law

### Publishing of legislation and case law

There can be no rule of law unless there is access to the basic sources of law

### Impact

- Working with governments to consolidate, index and publish laws

### Results

- Published laws and case laws for 12 countries
- Consolidated reports marketed commercially
- Increased international content coverage



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TJ Viljoen, Managing Director, Australia

**Concluding remarks**

**Mike Walsh**

Q&A



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