

REED ELSEVIER: HIGHLIGHTS OF 2004 INTERIM RESULTS

ENCOURAGING FIRST HALF PERFORMANCE

- Revenues up 4%, adjusted pre-tax profits up 11% at constant exchange rates
- Good progress in Science & Medical and Legal
- Education performing well in weak market
- More encouraging signs of turnaround in Business markets
- Acquisitions to expand services in fast growing adjacent sectors
- Reported results reflect adverse currency translation effects
- On track to deliver 2004 mid to high single digit adjusted earnings growth at constant rates, with double digit growth for 2005 and beyond

REED ELSEVIER

	2004 £m	2003 £m	2004 €m	2003 €m	Change at constant currencies %
Turnover	2,263	2,345	3,349	3,424	+4%
Reported profit before taxation	222	216	328	315	+3%
Adjusted profit before taxation	433	408	641	596	+11%

Adjusted figures are presented as additional performance measures and are stated before amortisation of goodwill and intangible assets and exceptional items

PARENT COMPANIES

	Reed Elsevier PLC			Reed Elsevier NV			Change at constant currencies %
	2004	2003	Change %	2004	2003	Change %	
Reported earnings per share	4.5p	3.9p	+15%	€0.10	€0.09	+11%	
Adjusted earnings per share	13.4p	12.6p	+6%	€0.30	€0.28	+7%	+11%
Dividend per share	3.4p	3.3p	+3%	€0.09	€0.08	+13%	

Sir Crispin Davis, Chief Executive Officer of Reed Elsevier, commented:

"We are encouraged by the first half performance. Our businesses are performing well in their respective markets with a clear focus on building our revenue potential whilst tightly managing costs.

We continue to target for 2004 above market revenue growth and mid to high single digit growth in adjusted earnings per share at constant currencies, reflecting the overall low market growth environment this year and the expansion of our investment programme.

The outlook beyond this year is encouraging with recovery expected in education and business markets and a continued good return from the investments we are making to accelerate our long term revenue growth. Reed Elsevier expects to deliver on its long-term targets of above market revenue growth and double digit adjusted EPS growth at constant currencies in 2005 and beyond."

ENQUIRIES

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