



Reed Elsevier Results 2010

Mark Armour, CFO
Erik Engstrom, CEO



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Mark Armour, CFO



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2010 financial highlights

- Improved trading performance in stabilising / improving markets
 - Underlying revenue: +2% (2009: -6%)
 - Underlying adjusted operating profit: -1% (2009: -9%)
- Adjusted operating margin -0.2%pts at 25.7%
 - Step-up in product development, sales & marketing largely offset by cost efficiencies
- Adjusted eps: Reed Elsevier PLC -5%; Reed Elsevier NV -1% (inc. 4% dilution from July 2009 equity placing)
- Reported profits strongly ahead
 - Exceptional restructuring charges significantly reduced
- Strong cash flow generation: free cash flow pre dividends £1,023m/€1,196m
 - Cash conversion rate 98% (2009: 99%)
- Good financial position: net debt / adjusted ebitda 2.5x* (2009: 2.9x)
- Return on invested capital 0.2% pts higher at 10.6%

**Pension and lease adjusted*



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Adjusted profit and loss

Year to 31 December	2010 £m	2009 £m	% change	% change constant
Revenue	6,055	6,071	0%	-1%
Adjusted operating profit	1,555	1,570	-1%	-2%
Net interest expense	(276)	(291)		
Adjusted profit before tax	1,279	1,279	0%	-1%
Tax	(290)	(293)		
Minority interests	(6)	(4)		
Adjusted net profit	983	982	0%	-1%

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



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Adjusted profit and loss

Year to 31 December	2010 £m	2009 £m	% change	% change constant	% change underlying
Revenue	6,055	6,071	0%	-1%	+2%
Adjusted operating profit	1,555	1,570	-1%	-2%	-1%
Adjusted operating margin	25.7%	25.9%	-0.2%pts	-0.2%pts	-0.7%pts

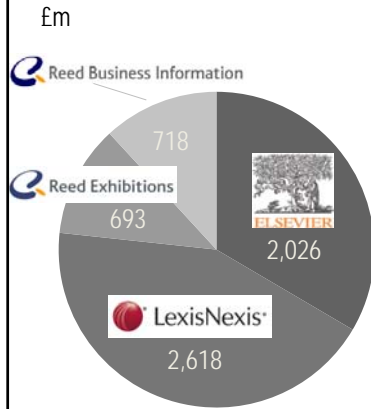
- Return to underlying revenue growth; includes benefit of biennial exhibition cycling
- Increased new product development, sales & marketing largely offset by cost efficiency gains; benefit of RBI and 2008/2009 restructuring programmes
- Divestments of low return assets; 0.5% margin benefit

Underlying change fully excludes results of acquisitions and disposals made both in year and in prior year



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Revenue: £6,055m

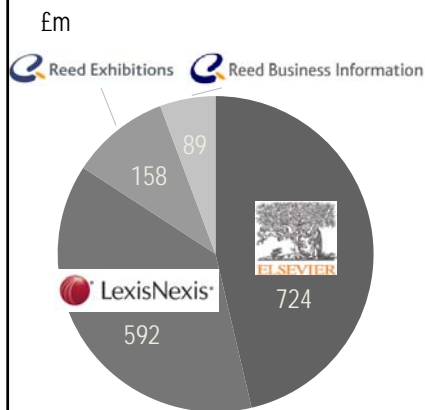


Year to 31 December 2010	% change constant	% change underlying
Elsevier	+2%	+2%
LexisNexis	+1%	+1%
Reed Exhibitions	+9%	+8%
Reed Business Information	-20%	-2%
Reed Elsevier	-1%	+2%



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Adjusted operating profit: £1,555m



Year to 31 December 2010	% change constant	% change underlying
Elsevier	+4%	+4%
LexisNexis	-12%	-12%
Reed Exhibitions	+4%	+4%
Reed Business Information	0%	+4%
Reed Elsevier	-2%	-1%



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Change in underlying revenue, cost, profit

Year to 31 December 2010	Revenue	Adjusted operating cost	Adjusted operating profit
Elsevier	+2%	+1%	+4%
LexisNexis	+1%	+6%	-12%
Reed Exhibitions	+8%	+10%	+4%
Reed Business Information	-2%	-3%	+4%
Reed Elsevier – <i>underlying</i>	+2%	+3%	-1%
Reed Elsevier - <i>total</i>	-1%	-1%	-2%

% underlying change excluding acquisitions and disposals



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Adjusted operating cash flow

Year to 31 December	2010 £m	2009 £m
Adjusted operating profit	1,555	1,570
Capital expenditure	(311)	(242)
Depreciation	237	223
	(74)	(19)
Working capital and other items	38	7
Adjusted operating cash flow	1,519	1,558
Cash flow conversion rate	98%	99%



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Capital expenditure

Year to 31 December	% of 2010 revenues	2010 £m	2009 £m
Elsevier	4%	79	72
LexisNexis	8%	209	140
Reed Exhibitions	1%	10	11
Reed Business Information	2%	13	19
Total	5%	311	242

- Increased investment in next generation of legal products and operations infrastructure
- Capital expenditure to remain at broadly similar percentage level



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Adjusted profit and loss

Year to 31 December	2010 £m	2009 £m	% change	% change constant
Adjusted operating profit	1,555	1,570	-1%	-2%
Net interest expense	(276)	(291)		
Adjusted profit before tax	1,279	1,279	0%	-1%
Tax	(290)	(293)		
<i>Adjusted tax rate %</i>	<i>22.7%</i>	<i>22.9%</i>		
Minority interests	(6)	(4)		
Adjusted net profit	983	982	0%	-1%

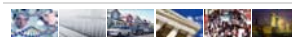
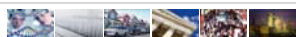
- Interest expense: benefit of free cash flow and July 2009 share placings; full year of higher coupon term debt issued in 2009; low marginal interest rates
- Adjusted effective tax rate similar to prior year



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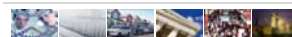
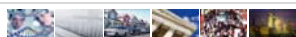
Adjusted earnings per share

Year to 31 December	2010	2009	%	2010	2009	%
Adjusted net profit:						
Reed Elsevier	£983m	£982m	0%	€1,150m	€1,099m	+5%
PLC (52.9%)	£520m	£519m	0%			
NV (50.0%)				€575m	€550m	+5%
Average number of shares:						
PLC (m)	1,199.1	1,131.4	+6%			
NV (m)				734.5	693.9	+6%
Adjusted earnings per share:						
PLC	43.4p	45.9p	-5%			
NV				€0.78	€0.79	-1%



Reported profit before tax

Year to 31 December	2010 £m	2009 £m	% change
Adjusted profit before tax	1,279	1,279	0%
Adjustments			
Amortisation of acquired intangible assets	(349)	(368)	
Impairment of acquired intangible assets and goodwill	-	(177)	
Exceptional restructuring costs	(57)	(182)	
Acquisition integration costs	(50)	(48)	
Reclassification of tax in joint ventures	(9)	(8)	
Disposals and other non-operating items	(46)	(61)	
Reported profit before tax	768	435	+77%



Free cash flow

Year to 31 December	2010 £m	2009 £m	% change
Adjusted operating cash flow	1,519	1,558	-3%
Interest paid	(287)	(293)	
Tax paid	(101)	(214)	
Free cash flow before exceptional spend	1,131	1,051	+8%
Restructuring / acquisition integration*	(108)	(133)	
Free cash flow before dividends	1,023	918	
Ordinary dividends	(483)	(457)	
Free cash flow post dividends	540	461	

- Benefit of one-off tax repayments from prior years
- Reducing exceptional restructuring spend as programmes run off

*Including cash tax relief / repayments



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Movement in net debt

	£m	\$m
Net debt at 31 December 2009	(3,931)	(6,349)
Free cash flow post dividends	540	835
Acquisitions / disposals:		
Disposals*	40	62
Acquisitions*	(39)	(61)
	1	1
Net proceeds from share options exercised / other	12	19
Currency translation	(77)	107
Net debt at 31 December 2010	(3,455)	(5,387)

- Net debt / adjusted ebitda 2.5x (pensions and lease adjusted) (2009: 2.9x)

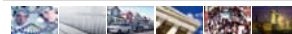
*Including cash tax relief / repayments



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Balance sheet

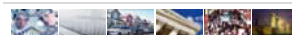
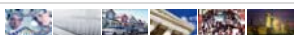
	2010 £m	2009 £m
Goodwill & intangible assets	7,898	7,971
Tangible fixed assets	291	292
Investments & net assets held for sale	184	176
Net pensions obligations	(170)	(235)
Working capital	(1,000)	(857)
Capital employed	7,203	7,347
Shareholders' equity	1,943	1,732
Net debt	3,455	3,931
Current & deferred tax (net)	1,687	1,543
Other net liabilities / minorities	118	141
	7,203	7,347



Post tax return on invested capital

	2010 £m	2009 £m
Taxed adjusted operating profit	1,202	1,210
Average invested capital at average exchange rates	11,332	11,609
Return on average invested capital	10.6%	10.4%

- Strong cash generation and capital efficiency
- Divestment of low return assets



Dividends

	Reed Elsevier PLC		Reed Elsevier NV	
Equalised dividends:				
Interim dividend	5.4p	0%	€0.109	+2%
Final dividend (proposed)	15.0p	0%	€0.303	+3%
Total	20.4p	0%	0.412	+3%
Dividend cover	2.1x		1.9x	

- Difference in dividend growth rates reflects changes in the euro:sterling exchange rate since prior year dividend announcement dates
 - Interim: 2010 €1.18:£1 v €1.16:£1 for 2009
 - Final: 2010 €1.18:£1 v €1.14:£1 for 2009



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Erik Engstrom, CEO



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Reed Elsevier: 2010



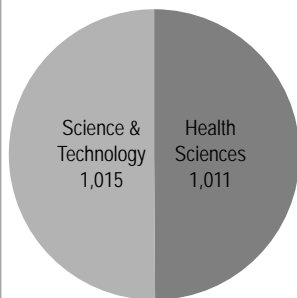
- Improved trading performance
 - Underlying revenues +2% against 6% decline in 2009
 - Increased product development and sales & marketing largely offset by cost efficiencies
- Considerable progress in development of business
 - Elsevier: renewals as expected; developed new content and innovative tools (*SciVerse, SciVa*)
 - LexisNexis Risk Solutions captured increased market activity: strong new product pipeline (*MVR Predictor, eCrash*)
 - LexisNexis Legal & Professional: initial launches of new features and content sets (*Lexis Advance for Solos*)
 - Risk Solutions and Legal & Professional positioned as separate businesses
 - Reed Exhibitions: stepped up launch activity – 35 new shows; invested in innovation
 - RBI: reshaped portfolio, reduced costs; management succession completed
- Expect gradual recovery and continued improvement in performance



Elsevier



2010 revenue £2,026m



	2010 £m	2009 £m	% change constant	% change underlying
Revenue	2,026	1,985	+2%	+2%
Science & Technology			+3%	+3%
Health Sciences			0%	+1%
Adjusted operating profit	724	693	+4%	+4%

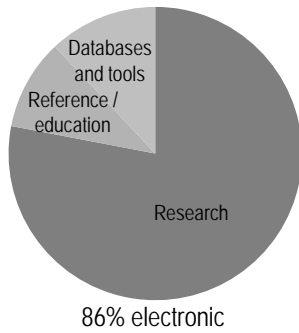
- Modest revenue growth
- Continued pursuit of cost efficiency and process innovation



Elsevier: Science & Technology



2010 revenues £1,015m
Growth +3%



Research (Journals)

- Continued growth in quality, quantity and usage
- Academic budgets constrained
- 2010 subscription revenues as expected

Reference / education (Books)

- Solid growth in electronic reference
- Print revenue declines moderated

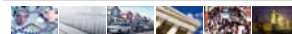
Databases and tools

- Good growth in usage and revenues (Scopus usage +30%)

Growth underlying



Reed Elsevier



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Elsevier: Health Sciences



2010 revenues £1,011m
Growth +1%



Medical research

- Volume growth continued
- Budgets remained constrained
- Subscription revenues as expected

Clinical reference / decision support (CDS)

- Good growth in online revenues
- Slightly longer sales cycles
- Print revenues subdued

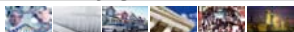
Nursing / health professionals (NHP)

- Continued good growth in integrated solutions
- Print growth moderated (budgets; enrolment)

Pharma promotion

- Flat in US; declines continuing in Europe

Growth underlying



Reed Elsevier

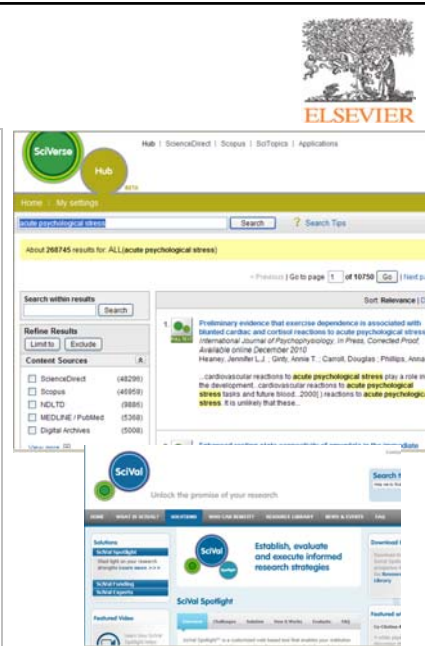


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Elsevier

2010 Progress

- *SciVerse* launched – integrated hub to improve researcher productivity and outcomes
- *SciVal* expanded: *Funding* launched - segment specific institutional performance and planning tools
- *Simulation Learning Systems* launched; *Nurse²* acquired - innovative tools in growing health professions markets
- *Excerpta Medica* agency unit sold; part of pharma restructuring
- Initiatives in China in progress, including JV with Peking University in continuing medical education
- Modernisation of journal editorial system; improved workflows and efficiencies in book and journal production



Elsevier

Outlook

- Strong demand for electronic tools continuing across markets
- Further progress on innovative solutions: further content sets and features on *SciVerse*, *SciVal*; new tools in high growth disciplines; expansion in emerging markets
- Budget environment remains constrained in many markets; geographic and customer differences

➔ Expect another year of modest revenue growth at Elsevier

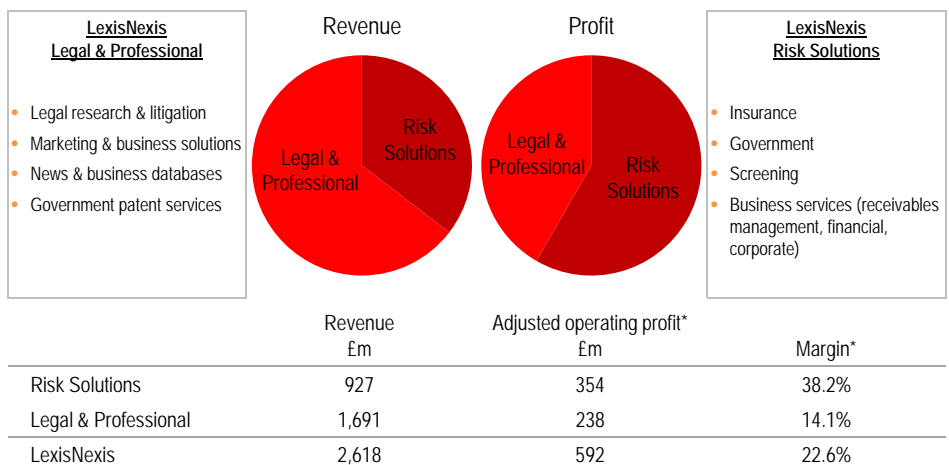




- Margin decline: increased spend on legal product development, sales & marketing partly offset by cost efficiencies
- Risk Solutions and Legal & Professional split from beginning of 2011



Separation of LexisNexis Risk Solutions and Legal & Professional (2010 pro forma)



*2010 pro forma split of adjusted operating profit



LexisNexis: Legal & Professional

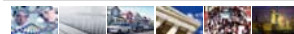
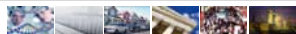


Margin decline from low 20s% to 14% since 2008

- Revenue decline of c3.5% pa (-5% and -2%)
 - Structural decline of high margin revenues and cyclical downturn in legal market
- Cost growth of c2% pa
 - Restructuring, cost management and efficiency gains (outsourcing, operational streamlining) offset by increased spend on product development, sales & marketing

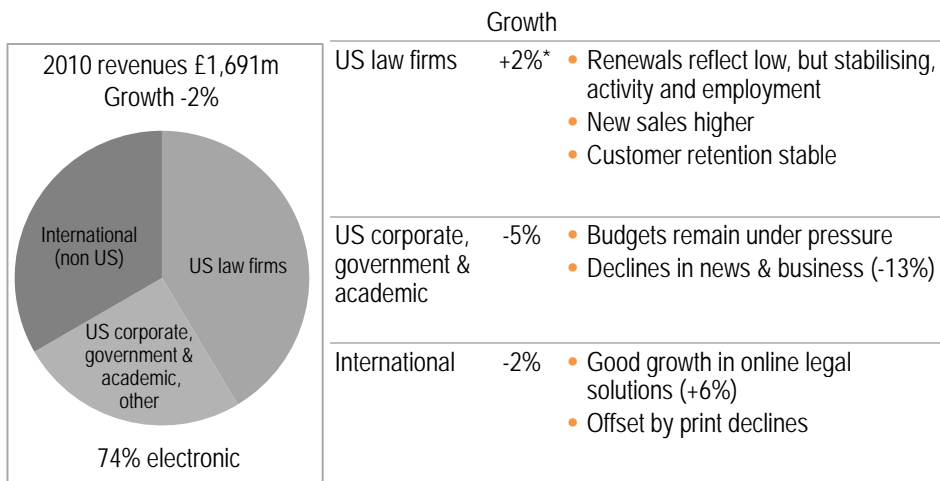
Margin broadly flat in 2011; gradual medium term recovery

- Investment and spend on product development and sales & marketing to remain at current levels
- Improved revenue development (cyclical recovery supported by new content & tools)
- Cost growth lower than revenue growth in medium term as advanced infrastructure becomes operational; ongoing focus on cost efficiency

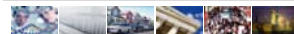


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LexisNexis: Legal & Professional



*Excluding 2009 directory listings revenue recognition change – US Law firm markets -2% Growth underlying



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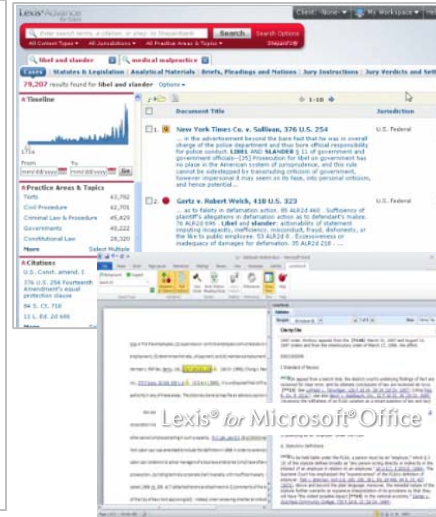
2010 Progress

Next generation tools & infrastructure on track

- Initial market introductions of
 - *Lexis Advance for Solos* - specific legal solution for small law
 - *Lexis for Microsoft Office, LexisNexis Verdict and Settlement Analyzer* - tools to perform specific functions / analysis
- Expanded US sales & marketing
- *Lexis PSL* – UK practical guidance solution expanded with corporate module

Positioned as standalone business

- Sharpened focus on market; reorganised management team



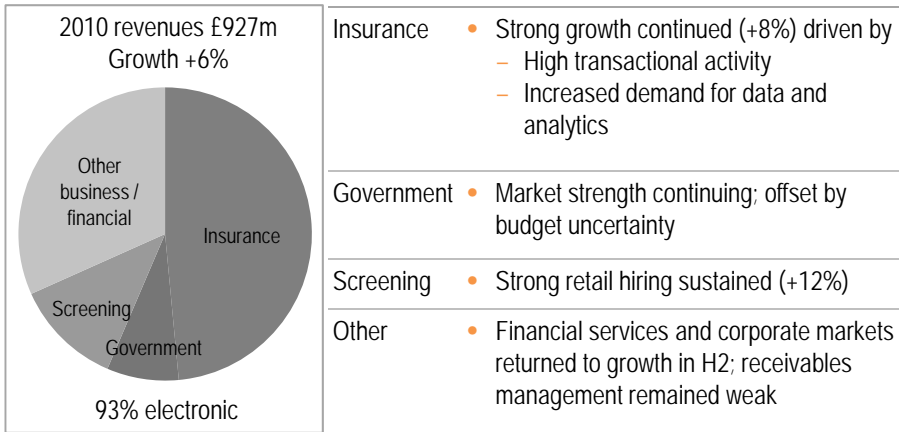
Outlook

- Law firm markets stable
- Corporate news & business continuing to decline
- Good demand for integrated solutions to improve productivity and outcomes

- Further new segment specific tools and content sets in US and international
- Continued development and implementation of advanced operational infrastructure

➔ Revenue recovery expected to be gradual; 2011 margin broadly flat



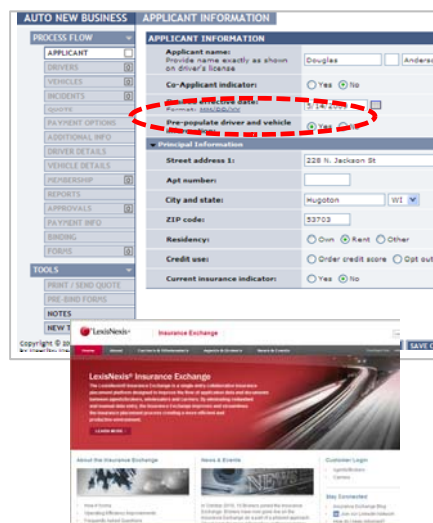


Growth underlying



2010 Progress

- Growth in *Data Prefill*: move 'upstream' in insurance policy processes delivering increased customer value
- *MVR Predictor*, *eCrash* and other new introductions growing well
- *Insurance Exchange* – part of active pipeline of new launches and early stage initiatives in adjacent high growth markets
- Leveraged advanced technology (*Cyberwatch*)
- Cost savings in content, technology and operations continued



LexisNexis: Risk Solutions



Outlook

- Good market fundamentals: strong growth in insurance; other markets continuing to improve / stabilise
- Growing demand for risk assessment and data driven analytics
- Introduce new data services to create value and capture higher volumes across insurance workflows
- Maintain active new product pipeline leveraging content, data, technology across risk markets

→ Good growth expected to continue

Risk Solutions business unit seminar in May 2011

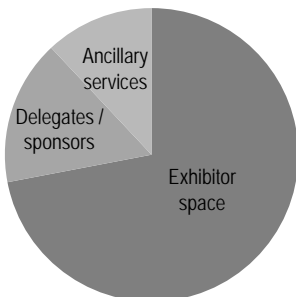


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Reed Exhibitions



2010 revenues £693m



	2010 £m	2009 £m	% change constant	% change underlying
Revenue	693	638	+9%	+8%
Adjusted operating profit	158	152	+4%	+4%

- Net cycling in of biennial shows (+11%); annual shows returned to growth in second half
- Modest profit growth reflects lower full year revenues at annual shows



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Reed Exhibitions



2010 Progress

Exhibition markets returned to growth

- Gradual recovery in larger, more mature markets
- Strong growth in emerging markets

Customer value proposition robust

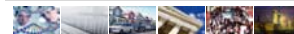
- High visitor attendance; exhibitor numbers up 4% in top 50 annual shows
- Successful events in many markets: *World Travel Market, Mopic, International Photovoltaic Power Generation, Salão do Automóvel, Intercharm*

Significant step up in launches in high growth markets and sectors

- 35 in 2010 (environment in Brazil, PC and video games in US)
- 14 events in Asia (cloud computing in Japan, beauty & healthcare in China)

Invested in technology and innovation

- Increased insight into customer needs and economics; increased effectiveness and efficiency of events for both exhibitors and attendees



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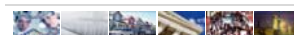
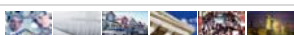
Reed Exhibitions



Outlook

- Momentum building in annual shows; speed and impact of economic recovery will vary by sector and geography
- Develop existing shows, launch new shows to capture growth and deliver good returns in high growth sectors and geographies
- Continue expansion of technology and analytics to drive customer insights, value and outcomes

➔ Positive like for like organic growth in 2011; net cycling out of biennial shows c10% negative impact on revenues



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Reed Business Information 2010



	2010 £m	2009 £m	% change constant	% change underlying
Revenue	718	891	-20%	-2%
Adjusted operating profit	89	89	0%	+4%

- Underlying revenue decline moderated (-2% v 2009 -18%)
- Underlying profit returned to growth (+4% v 2009 -34%)



Reed Business Information



2010 Progress

Major transformation

- Refocused business by key asset group
- Defined strategies and action plans to increase value of each asset group
- Reshaped portfolio; addressed / removed low return assets
- Extensive cost actions and process innovation



Reed Business Information

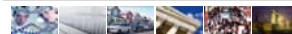


Asset group	Value creation	Growth*	2010 Progress
Major data businesses (<i>ICIS, Bankers Almanac, XpertHR, RCD</i>)	Invest and grow	+4%	ICIS majority stake in <i>CBI China</i> petrochemical / energy information
Major online marketing services (<i>Totaljobs, Hotfrog, etc</i>)	Cyclical recovery; organic growth	+10%	<i>Totaljobs</i> : recovery in UK recruitment <i>Hotfrog</i> : geographic / segment expansion
Leading brands (<i>Variety, New Scientist, etc</i>)	Manage individually for value creation	-2%	Stabilised revenues; expanded margins
Other business magazines and communities	Reshape portfolio; improve margins; manage for value	-9%	Exited clusters of magazines in US, Europe and Asia Pursued cost efficiencies

Outlook

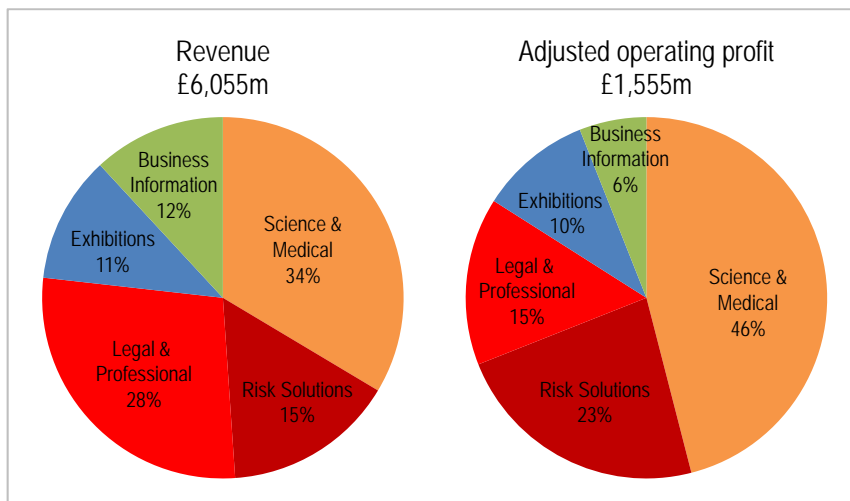
→ Changes to portfolio and improving markets expected to benefit 2011

*2010 underlying revenue growth

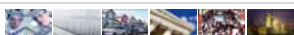


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Reed Elsevier today



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

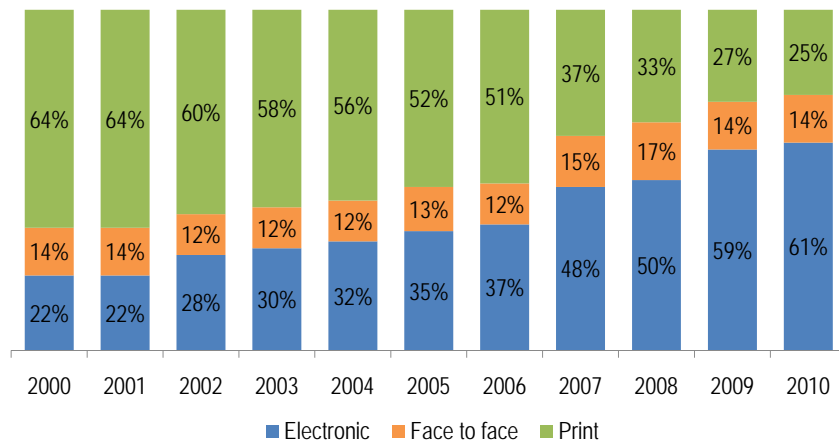


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Revenue by format



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Creating value for professional customers

- Help customers achieve better outcomes; increase productivity and cost efficiency
- Deep customer understanding: professional end user workflows and institutional economics
- Building solutions that leverage content and technology
- Often 1-2% of customer cost base; wide impact on effectiveness and efficiency

Creating value in each business

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

Creating value across Reed Elsevier

- Build and leverage institutional skills across business (professional customer analytics, product development, knowledge, methods, people)
- Shared resources: software, applications, technology, infrastructure
- Shared corporate functions: procurement, property, tax, treasury, etc



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Reed Elsevier: In conclusion

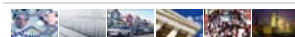
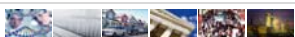


2010

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

2011

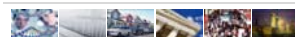
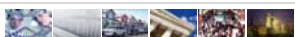
- Most markets stable or improving
- Building on actions taken in 2010 to create value for customers and in business
- Gradual recovery and continued improvement in performance



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Appendices



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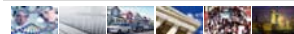
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Financial information in Euros

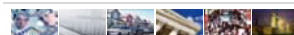
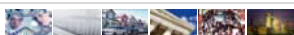
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Financial information in Euros



Adjusted profit and loss

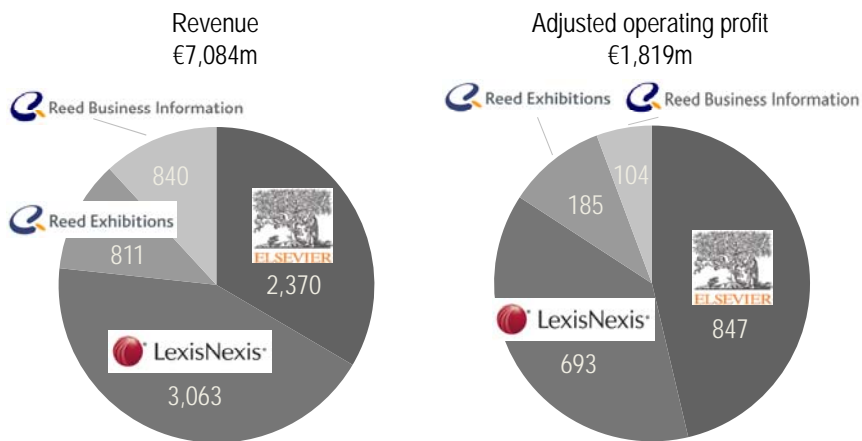
Year to 31 December	2010 €m	2009 €m	% change	% change constant
Revenue	7,084	6,800	+4%	-1%
Adjusted operating profit	1,819	1,758	+3%	-2%
Net interest expense	(323)	(326)		
Adjusted profit before tax	1,496	1,432	+4%	-1%
Tax	(339)	(329)		
Minority interests	(7)	(4)		
Adjusted net profit	1,150	1,099	+5%	-1%

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



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Revenue and adjusted operating profit



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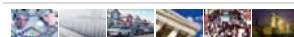
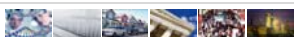
Adjusted operating cash flow

Year to 31 December	2010 €m	2009 €m
Adjusted operating profit	1,819	1,758
Capital expenditure	(364)	(271)
Depreciation	277	250
	(87)	(21)
Working capital and other items	45	8
Adjusted operating cash flow	1,777	1,745
Cash flow conversion rate	98%	99%



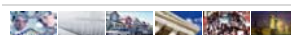
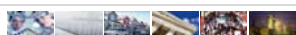
Capital expenditure

Year to 31 December	% of revenue	2010 €m	2009 €m
Elsevier	4%	92	81
LexisNexis	8%	245	157
Reed Exhibitions	1%	12	12
Reed Business Information	2%	15	21
Total	5%	364	271



Reported profit before tax

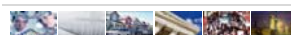
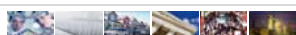
Year to 31 December	2010 €m	2009 €m	% change
Adjusted profit before tax	1,496	1,432	+4%
Adjustments			
Amortisation of acquired intangible assets	(408)	(412)	
Impairment of acquired intangible assets and goodwill	-	(198)	
Exceptional restructuring costs	(67)	(204)	
Acquisition integration costs	(58)	(54)	
Reclassification of tax in joint ventures	(11)	(9)	
Disposals and other non-operating items	(54)	(68)	
Reported profit before tax	898	487	+84%



Free cash flow

Year to 31 December	2010 €m	2009 €m	% change
Adjusted operating cash flow	1,777	1,745	+2%
Interest paid	(336)	(328)	
Tax paid	(118)	(240)	
Free cash flow before exceptional spend	1,323	1,177	+12%
Restructuring / acquisition integration*	(127)	(150)	
Free cash flow before dividends	1,196	1,027	
Ordinary dividends	(565)	(512)	
Free cash flow post dividends	631	515	

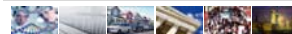
*Including cash tax relief / repayments



Movement in net debt

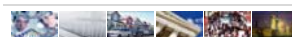
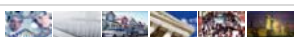
	€m
Net debt at 31 December 2009	(4,402)
Free cash flow post dividends	631
Acquisitions / disposals:	
Disposals*	47
Acquisitions*	(45)
	2
Net proceeds from share options exercised / other	15
Currency translation	(289)
Net debt at 31 December 2010	(4,043)

*Including cash tax relief / repayments



Balance sheet

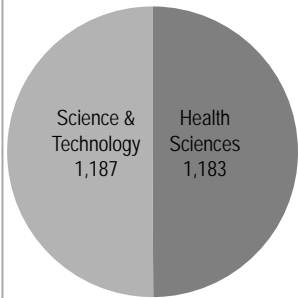
	2010 €m	2009 €m
Goodwill & intangible assets	9,241	8,928
Tangible fixed assets	341	327
Investments & net assets held for sale	215	197
Net pensions obligations	(199)	(263)
Working capital	(1,171)	(960)
Capital employed	8,427	8,229
Shareholders' equity	2,273	1,940
Net debt	4,043	4,402
Current & deferred tax (net)	1,973	1,728
Other net liabilities / minorities	138	159
	8,427	8,229



Elsevier



2010 revenue €2,370m



	2010 €m	2009 €m	% change constant	% change underlying
Revenue	2,370	2,223	+2%	+2%
Adjusted operating profit	847	776	+4%	+4%



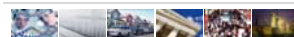
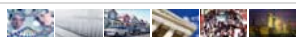
LexisNexis



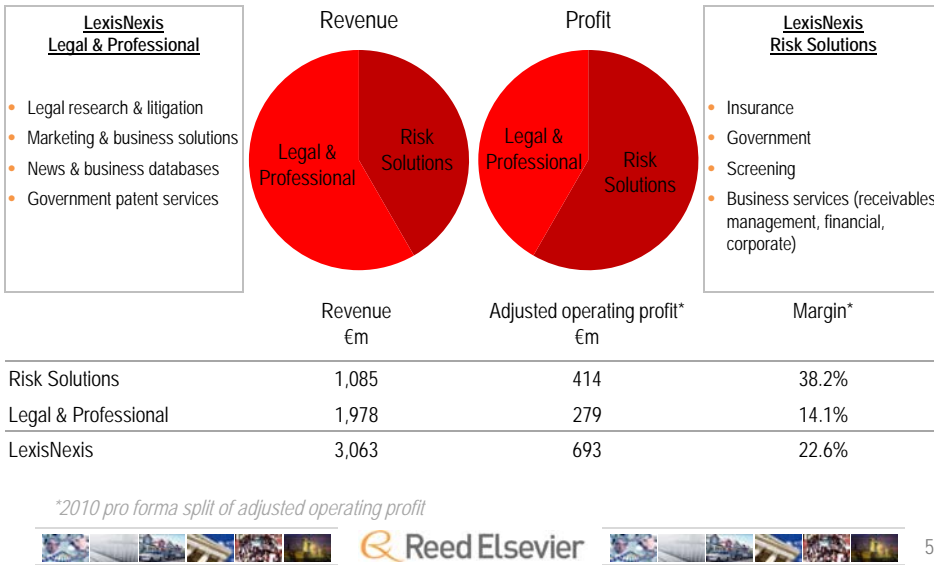
2010 revenue €3,063m



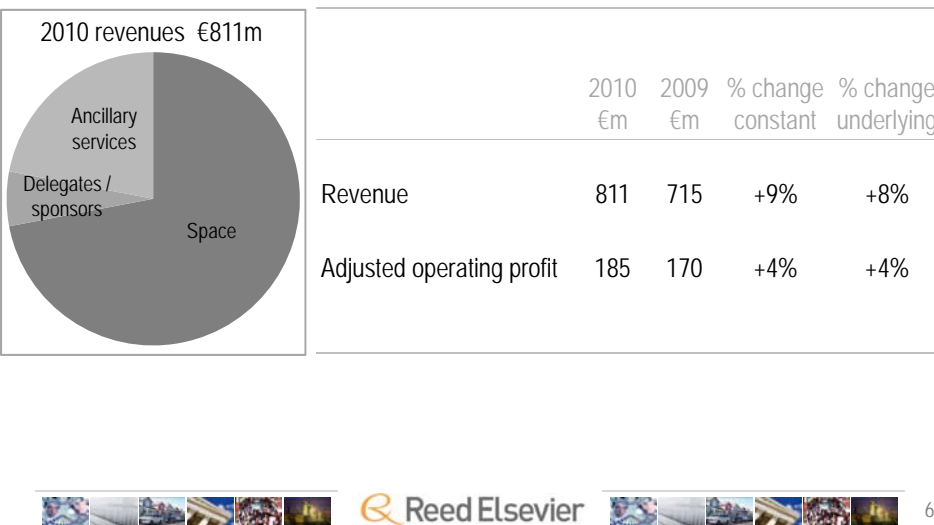
	2010 €m	2009 €m	% change constant	% change underlying
Revenue	3,063	2,864	+1%	+1%
Adjusted operating profit	693	745	-12%	-12%

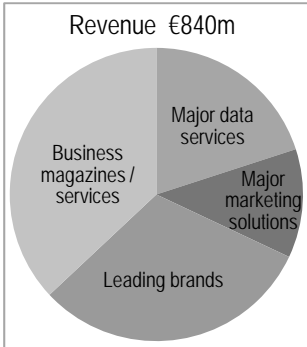


Separation of LexisNexis Risk Solutions and Legal & Professional (2010 pro forma)



Reed Exhibitions





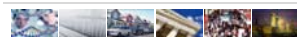
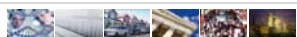
	2010 €m	2009 €m	% change constant	% change underlying
Revenue	840	998	-20%	-2%
Adjusted operating profit	104	99	0%	+4%



Further information

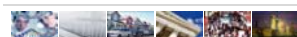
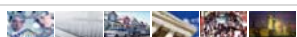
Revenue Reconciliation

Year to 31 December	£m	% change	€m	% change
2009 Revenue	6,071		6,800	
Base businesses	100	+2%	112	+2%
Acquisitions	5	-%	6	-%
Disposals	(173)	-3%	(194)	-3%
Currency effects	52	+1%	360	+5%
2010 Revenue	6,055	0%	7,084	+4%



Adjusted operating profit Reconciliation

Year to 31 December	£m	% change	€m	% change
2009 Adjusted operating profit	1,570		1,758	
Base business	(16)	-1%	(18)	-1%
Acquisitions / disposals	(12)	-1%	(14)	-1%
Currency effects	13	+1%	93	+5%
2010 Adjusted operating profit	1,555	-1%	1,819	+3%



Reported net profit

Year to 31 December	2010 £m	2009 £m	2010 €m	2009 €m
Adjusted net profit	983	982	1,150	1,099
Adjustments (post tax)				
Amortisation of intangible assets	(337)	(411)	(394)	(460)
Impairment of acquired intangible assets / goodwill	-	(136)	-	(152)
Restructuring programme	(37)	(133)	(44)	(149)
Acquisition related costs	(30)	(33)	(35)	(37)
Disposals and other	(37)	22	(43)	25
Deferred tax	100	100	117	112
Reported net profit	642	391	751	438



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Post tax return on invested capital

	2010 £m	2009 £m
Adjusted operating profit	1,555	1,570
Less tax at effective rate	(353)	(360)
	1,202	1,210
Capital employed	7,203	7,347
Cumulative amortisation	4,458	4,571
Year end invested capital at year end exchange rates	11,661	11,918
Average invested capital* at average exchange rates	11,332	11,609
Return on average invested capital	10.6%	10.4%

*Average invested capital excludes goodwill gross up for deferred tax established on acquisitions



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Dividend equalisation

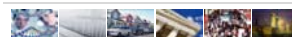
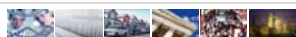
	Interim			Final		
	2010	2009	% change	2010	2009	% change
Reed Elsevier PLC (p)	5.4	5.4	0%	15.0	15.0	0%
UK tax credit rate	10%	10%		10%	10%	
Reed Elsevier PLC (p) (gross)	6.0	6.0		16.67	16.67	
Equalisation ratio	1.538	1.538		1.538	1.538	
Exchange rate (€:£)	1.18	1.16		1.182	1.14	
Reed Elsevier NV (€)	0.109	0.107	+2%	0.303	0.293	+3%



Elsevier growth and currency analysis



	Underlying	Acquisitions / disposals	Constant currency	Year on year change in hedge rates	Other currency	Total
12 months to 31 December 2010						
Revenue	+2%	0%	+2%	1%	-1%	+2%
Adjusted operating profit	+4%	0%	+4%	2%	-2%	+4%
Adjusted operating margin	+0.8%	0%	+0.8%	0.4%	-0.4%	+0.8%
12 months to 31 December 2009						
Revenue	+4%	0%	+4%	0%	+13%	+17%
Adjusted operating profit	+9%	0%	+9%	-1%	+14%	+22%
Adjusted operating margin	+1.7%	+0.2%	+1.9%	-0.4%	0%	+1.5%



Reed Exhibitions: cycling impact



Revenue growth %	2007	2008	2009	2010
Total	+13%	+9%	-21%	+9%
Impact of acquisitions / divestments	+1%	-2%*	+1%	+1%
Underlying	+12%	+11%	-22%	+8%
Impact of cycling shows	0%	+7%	-7%	+11%
Underlying excluding cycling	+12%	+4%	-15%	-3%

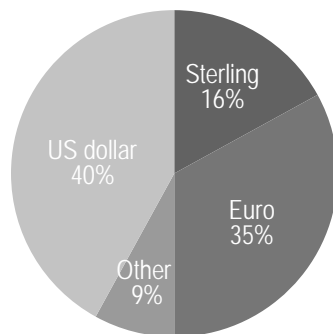
*Biennial defence shows sold in 2008, leading to greater net cycling effect



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Currency profile

2010 Adjusted profit before tax



Average rates for year:	2010	2009
£		
US dollar	1.55	1.57
Euro	1.17	1.12
€		
US dollar	1.32	1.40
Sterling	0.85	0.89
Year end rates:	2010	2009
£		
US dollar	1.56	1.62
Euro	1.17	1.12
€		
US dollar	1.33	1.45
Sterling	0.85	0.89

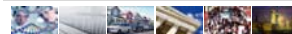


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Credit metrics

	31 Dec 2010	31 Dec 2009
Net debt / adjusted ebitda	2.5x	2.9x
Funds from operations / net debt	37.3%	28.9%
Retained cash flow / net debt	18.4%	17.7%
Net interest cover	5.3x	5.0x
Long term credit rating (S&P, Moody's, Fitch)	BBB+/Baa1/A-	BBB+/Baa1/A-
Long term target range of 2-3x net debt / adjusted ebitda		

Pension and lease adjusted; ebitda after exceptional restructuring and acquisition integration costs; calculated in US dollars



Cost of borrowings

Debt predominantly denominated in US dollars at 31 December 2010

- 77% of gross debt (2009: 74%)
- 92% of net debt (2009: 83%)

Majority of debt fixed at 31 December 2010

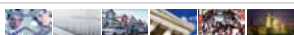
- 73% of gross debt (2009: 75%)

Blended interest rate on gross debt

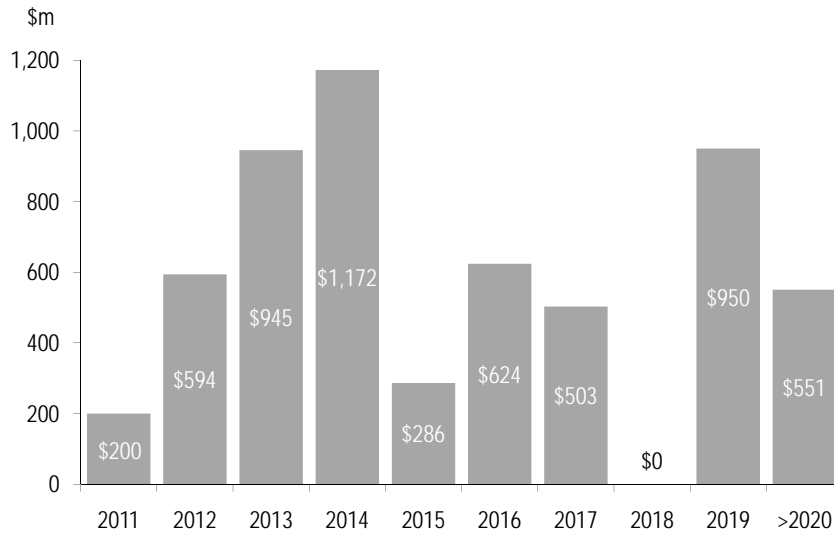
- 2010 average 6.1% (inc. amortising costs, swaps, redemption premium, etc)
- 2011 expected similar, before possible further early debt redemptions
- \$200m 6.75% term debt maturing in August 2011; \$350m 6.75% term debt redeemed early in December 2010

Interest on balance of free cash flow at low marginal rates

Percentage of debt in US dollars and fixed rate debt stated including impact of swaps



Term debt maturity profile



Term debt stated at par value



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Information for US institutions

- Reed Elsevier PLC ADR (ticker: RUK) and Reed Elsevier NV ADR (ticker: ENL) traded on NYSE
- Each Reed Elsevier PLC ADR represents 4 Reed Elsevier PLC ordinary shares
- Each Reed Elsevier NV ADR represents 2 Reed Elsevier NV ordinary shares
- PLC and NV ADRs members of following indices:
 - NYSE Composite index
 - BoNY Composite ADR index
 - BoNY Developed Markets ADR index
 - BoNY Europe ADR index
 - BoNY Europe 100 ADR index
- Depository is The Bank of New York Mellon



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