



Reed Elsevier Results 2011  
Erik Engstrom, CEO  
Mark Armour, CFO

---

#### **FORWARD LOOKING STATEMENTS**

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

Mark Armour, CFO

## 2011 Financial highlights

- Improved operating performance
  - underlying revenue +2% (+3% excluding exhibition cycling)
  - underlying adjusted operating profit +5%
- Adjusted operating margin +1.4%pts to 27.1%
- Adjusted eps growth:
  - Reed Elsevier PLC +8% to 46.7p
  - Reed Elsevier NV +6% to €0.83
- Reported eps growth:
  - Reed Elsevier PLC +19%
  - Reed Elsevier NV +16%

## 2011 Financial highlights



- Strong cash flow conversion: 93%
- Full year dividends +6%:
  - Reed Elsevier PLC 21.55p
  - Reed Elsevier NV €0.436
- Good financial position
  - net debt/adjusted ebitda 2.3x (pension and lease adjusted)
- Return on invested capital +0.6%pts to 11.2%



5

## Adjusted profit and loss

| Year to 31 December        | 2011<br>£m | 2010<br>£m | % change | % change<br>constant<br>currency |
|----------------------------|------------|------------|----------|----------------------------------|
| Revenue                    | 6,002      | 6,055      | -1%      | 0%                               |
| Adjusted operating profit  | 1,626      | 1,555      | +5%      | +4%                              |
| Net interest expense       | (235)      | (276)      |          |                                  |
| Adjusted profit before tax | 1,391      | 1,279      | +9%      | +7%                              |
| Tax                        | (324)      | (290)      |          |                                  |
| Tax rate %                 | 23.3%      | 22.7%      | +0.6%pts |                                  |
| Minority interests         | (7)        | (6)        |          |                                  |
| Adjusted net profit        | 1,060      | 983        | +8%      | +6%                              |

*Adjusted figures are stated before amortisation of acquired intangible assets, exceptional restructuring (none in 2011) and acquisition related costs, disposal gains / losses and other non operating items and anomalous tax effects*



6

## Adjusted profit and loss

| Year to 31 December       | 2011<br>£m | 2010<br>£m | % change | % change<br>constant | % change<br>underlying |
|---------------------------|------------|------------|----------|----------------------|------------------------|
| Revenue                   | 6,002      | 6,055      | -1%      | 0%                   | +2%                    |
| Adjusted operating profit | 1,626      | 1,555      | +5%      | +4%                  | +5%                    |
| Adjusted operating margin | 27.1%      | 25.7%      | +1.4pts  | +1.0pts              | +0.9pts                |

- Underlying revenue growth, excluding biennial exhibition cycling, in each business
- Continued gains in operational efficiency, while investing in new product and sales & marketing
- Multi-year subscription currency hedging programme and currency translation effects benefit margin by 0.4%pts at reported exchange rates

*Underlying change fully excludes results of acquisitions and disposals made both in the year and prior year and assets held for sale*

## Revenue

| Year to 31 December             | 2011<br>£m | 2010<br>£m | % change<br>constant | % change<br>underlying |
|---------------------------------|------------|------------|----------------------|------------------------|
| Elsevier                        | 2,058      | 2,026      | +1%                  | +2%                    |
| LexisNexis Risk Solutions       | 908        | 927        | +1%                  | +4%                    |
| LexisNexis Legal & Professional | 1,634      | 1,691      | -2%                  | +1%                    |
| Reed Exhibitions                | 707        | 693        | +1%                  | 0%                     |
| Reed Business Information       | 695        | 718        | -4%                  | +1%                    |
| Reed Elsevier                   | 6,002      | 6,055      | 0%                   | +2%                    |

## Adjusted operating profit

| Year to 31 December             | 2011<br>£m | 2010<br>£m | % change<br>constant | % change<br>underlying |
|---------------------------------|------------|------------|----------------------|------------------------|
| Elsevier                        | 768        | 724        | +3%                  | +4%                    |
| LexisNexis Risk Solutions       | 362        | 354        | +6%                  | +12%                   |
| LexisNexis Legal & Professional | 229        | 238        | -4%                  | -2%                    |
| Reed Exhibitions                | 167        | 158        | +4%                  | +2%                    |
| Reed Business Information       | 110        | 89         | +22%                 | +15%                   |
| Unallocated items               | (10)       | (8)        |                      |                        |
| Reed Elsevier                   | 1,626      | 1,555      | +4%                  | +5%                    |

## Change in underlying revenue, cost, profit

| Year to 31 December 2011          | Revenue | Adjusted<br>operating<br>cost | Adjusted<br>operating<br>profit |
|-----------------------------------|---------|-------------------------------|---------------------------------|
| Elsevier                          | +2%     | +1%                           | +4%                             |
| LexisNexis Risk Solutions         | +4%     | -1%                           | +12%                            |
| LexisNexis Legal & Professional   | +1%     | +1%                           | -2%                             |
| Reed Exhibitions                  | 0%      | -1%                           | +2%                             |
| Reed Business Information         | +1%     | -2%                           | +15%                            |
| Reed Elsevier – <i>underlying</i> | +2%     | 0%                            | +5%                             |

## Adjusted earnings per share

| Year to 31 December          | 2011    | 2010    | %   | 2011    | 2010    | %   |
|------------------------------|---------|---------|-----|---------|---------|-----|
| Adjusted net profit:         |         |         |     |         |         |     |
| Reed Elsevier                | £1,060m | £983m   | +8% | €1,219m | €1,150m | +6% |
| PLC (52.9%)                  | £561m   | £520m   | +8% |         |         |     |
| NV (50.0%)                   |         |         |     | €610m   | €575m   | +6% |
| Average number of shares:    |         |         |     |         |         |     |
| PLC (m)                      | 1,202.0 | 1,199.1 | 0%  |         |         |     |
| NV (m)                       |         |         |     | 735.3   | 734.5   | 0%  |
| Adjusted earnings per share: |         |         |     |         |         |     |
| PLC                          | 46.7p   | 43.4p   | +8% |         |         |     |
| NV                           |         |         |     | €0.83   | €0.78   | +6% |

## Reported profit before tax

| Year to 31 December                        | 2011<br>£m | 2010<br>£m | %<br>change |
|--|------------|------------|-------------|
| Adjusted profit before tax                 | 1,391      | 1,279      | +9%         |
| Adjustments                                |            |            |             |
| Amortisation of acquired intangible assets | (359)      | (349)      |             |
| Exceptional restructuring costs            | -          | (57)       |             |
| Acquisition related costs                  | (52)       | (50)       |             |
| Reclassification of tax in joint ventures  | (11)       | (9)        |             |
| Disposals and other non operating items    | (21)       | (46)       |             |
| Reported profit before tax                 | 948        | 768        | +23%        |
| Reported earnings per share:               |            |            |             |
| PLC  | 32.4p      | 27.3p      | +19%        |
| NV   | €0.59      | €0.51      | +16%        |

## Adjusted operating cash flow

| Year to 31 December             | 2011<br>£m | 2010<br>£m |
|---------------------------------|------------|------------|
| Adjusted operating profit       | 1,626      | 1,555      |
| Capital expenditure             | (350)      | (311)      |
| Depreciation                    | 207        | 237        |
|                                 | (143)      | (74)       |
| Working capital and other items | 32         | 38         |
| Adjusted operating cash flow    | 1,515      | 1,519      |
| Cash flow conversion rate       | 93%        | 98%        |

## Capital expenditure

| Year to 31 December             | % of 2011<br>revenues | 2011<br>£m | 2010<br>£m |
|---------------------------------|-----------------------|------------|------------|
| Elsevier                        | 5%                    | 93         | 79         |
| LexisNexis Risk Solutions       | 3%                    | 23         | 209        |
| LexisNexis Legal & Professional | 12%                   | 198        |            |
| Reed Exhibitions                | 3%                    | 19         | 10         |
| Reed Business Information       | 2%                    | 17         | 13         |
| Total                           | 6%                    | 350        | 311        |

- Increased capex investment in product platforms, electronic solutions, supporting business systems and infrastructure
- Capital expenditure expected to remain at broadly similar percentage level in 2012 through peak investment period in LexisNexis Legal & Professional

## Free cash flow

| Year to 31 December                     | 2011<br>£m | 2010<br>£m |
|---|------------|------------|
| Adjusted operating cash flow            | 1,515      | 1,519      |
| Interest paid                           | (235)      | (287)      |
| Tax paid                                | (218)      | (101)      |
| Free cash flow before exceptional spend | 1,062      | 1,131      |
| Restructuring/acquisition integration*  | (85)       | (108)      |
| Free cash flow before dividends         | 977        | 1,023      |
| Ordinary dividends                      | (497)      | (483)      |
| Free cash flow post dividends           | 480        | 540        |

- More normal tax payments; repayment offsets in prior year

\*Including cash tax relief / repayments

## Movement in net debt

|                               | £m      | \$m     |
|-------------------------------|---------|---------|
| Net debt at 31 December 2010  | (3,455) | (5,387) |
| Free cash flow post dividends | 480     | 768     |
| Acquisitions / disposals:     |         |         |
| Disposals*                    | 73      | 117     |
| Acquisitions*                 | (555)   | (888)   |
|                               | (482)   | (771)   |
| Currency translation          | 24      | 65      |
| Net debt at 31 December 2011  | (3,433) | (5,325) |

- Net debt / adjusted ebitda 2.3x (pensions and lease adjusted) (2010: 2.5x)

\*Including cash tax relief / payments



## Balance sheet

|  | 2011<br>£m | 2010<br>£m |
|--|------------|------------|
| Goodwill & intangible assets           | 8,223      | 7,898      |
| Tangible fixed assets                  | 288        | 291        |
| Investments & net assets held for sale | 215        | 184        |
| Net pension obligations                | (242)      | (170)      |
| Working capital                        | (1,060)    | (1,000)    |
| Capital employed                       | 7,424      | 7,203      |
| Shareholders' equity                   | 2,172      | 1,943      |
| Net debt                               | 3,433      | 3,455      |
| Current & deferred tax (net)           | 1,701      | 1,687      |
| Other net liabilities / minorities     | 118        | 118        |
|  | 7,424      | 7,203      |

## Post tax return on invested capital

|  | 2011<br>£m | 2010<br>£m |
|--|------------|------------|
| Taxed adjusted operating profit                    | 1,247      | 1,202      |
| Average invested capital at average exchange rates | 11,087     | 11,332     |
| Return on average invested capital                 | 11.2%      | 10.6%      |

- Solid underlying profit growth, good cash generation and capital efficiency

## Dividends

|                           | Reed Elsevier<br>PLC |            | Reed Elsevier<br>NV |            |
|---------------------------|----------------------|------------|---------------------|------------|
| Equalised dividends:      |                      |            |                     |            |
| Interim dividend          | 5.65p                | +5%        | €0.110              | +1%        |
| Final dividend (proposed) | 15.90p               | +6%        | €0.326              | +8%        |
| <b>Total</b>              | <b>21.55p</b>        | <b>+6%</b> | <b>€0.436</b>       | <b>+6%</b> |
| Dividend cover            | 2.2x                 |            | 1.9x                |            |

- Differences in dividend growth rates reflect changes in the euro:sterling exchange rate since prior year dividend announcement dates:

Interim: 2011: €1.14:£1      2010: €1.18:£1

Final: 2011: €1.20:£1      2010: €1.18:£1

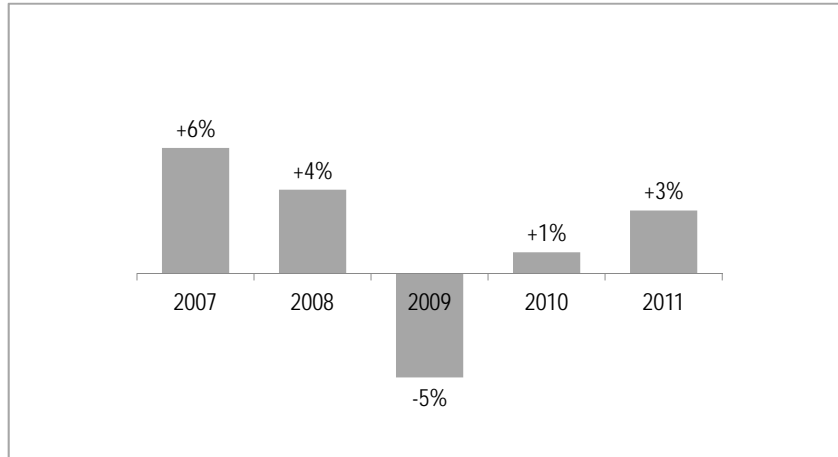
*This slide is intentionally left blank*

Erik Engstrom, CEO

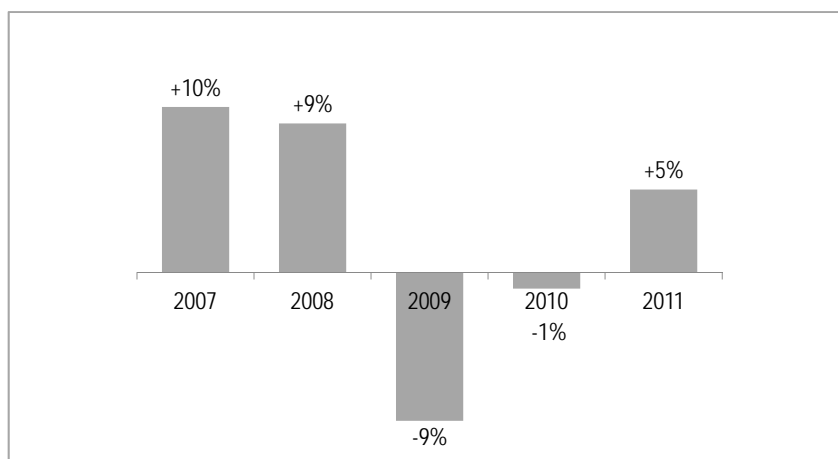
2011

- Improvement in operating performance
- Significant strategic progress

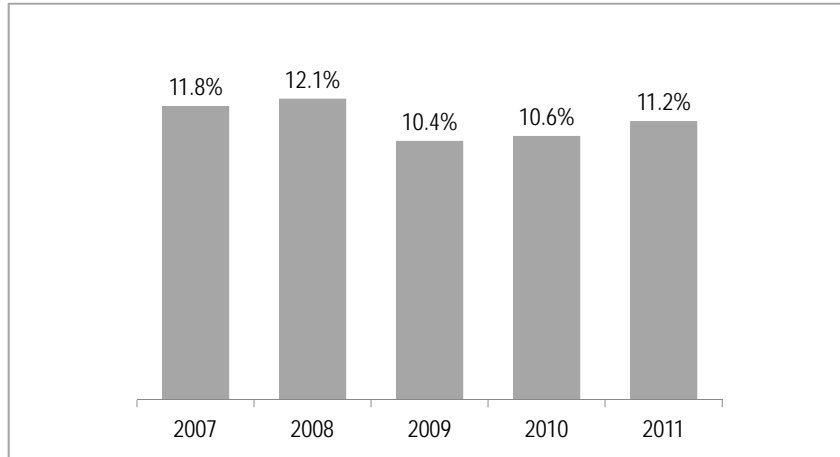
## Underlying revenue growth excluding biennial exhibition cycling



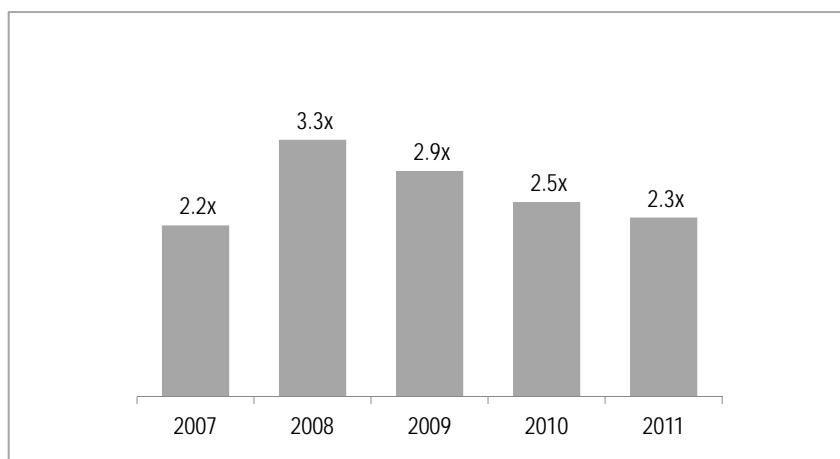
## Underlying adjusted operating profit growth



## Return on invested capital

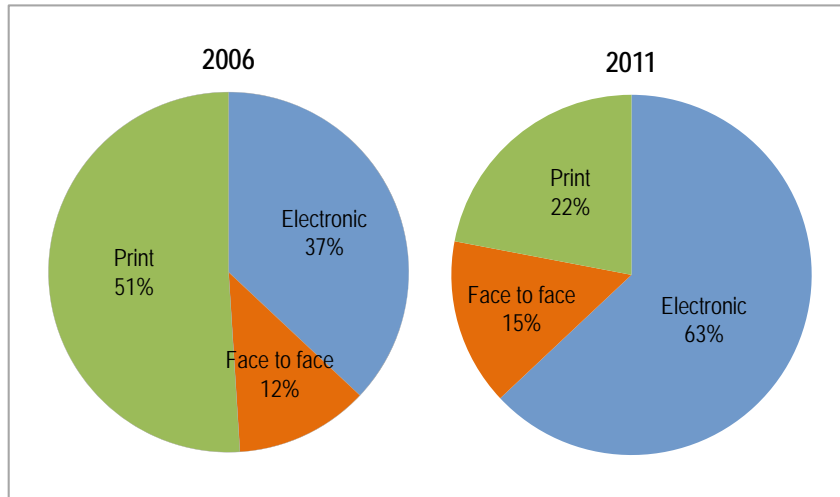


## Net debt/EBITDA

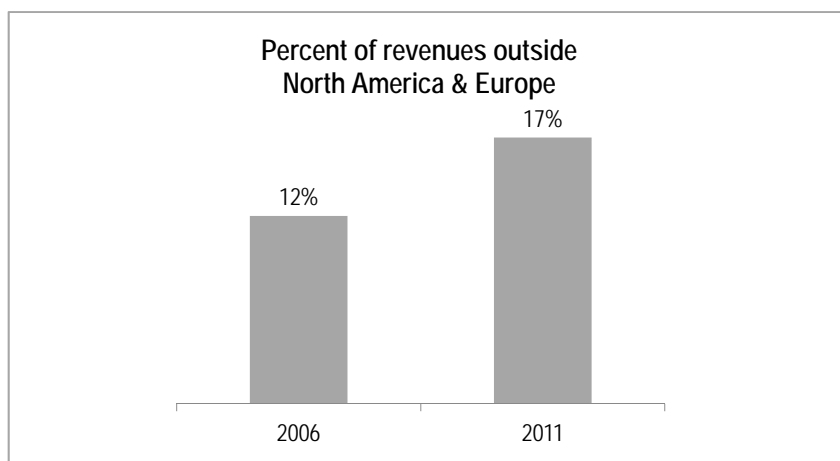


*Pension and lease adjusted; calculated in US dollars; 2007 pro forma for special distribution; 2008 pro forma for ChoicePoint acquisition*

## Format transition



## Geographic evolution



## Reed Elsevier strategic priorities

### Environment

Global professional employment growing across industries; information sources and data volumes multiplying; technology evolving

### Strategic priorities

- Serve professional customers in information intensive industries
- Deliver demonstrably improved outcomes
- Provide tools that leverage deep customer understanding; combine world-class content & data with analytics & technology
- Build leading positions in long term global growth markets
- Leverage institutional skills, assets and resources across Reed Elsevier

*This slide is intentionally left blank*

# Elsevier



## Market growth and position

Good long term growth in research activity and healthcare spending – Global #1

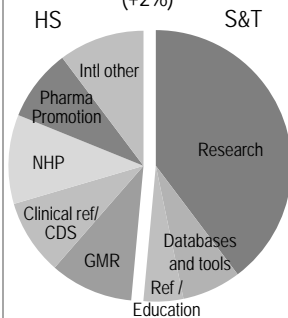
## Strategic priorities

- Improve research outcomes and productivity for researchers and their managers through expanded content and integrated analytics & technology platforms
- Drive remaining P to E migration in health leveraging global platforms
- Relentlessly pursue process innovation and efficiency through global shared services

# Elsevier



Elsevier 2011 revenue £2,058m (+2%)



Elsevier 63% electronic

- Progress
- Author/editor/reviewer satisfaction all time high
  - Double digit growth in article submissions
  - Continued growth in citation share
  - Expanded global platforms: SciVerse, SciVal, Article of the Future, ClinicalKey (beta launch)

- Results
- S&T+4%; good growth in research and databases
  - HS flat; good growth in research and double digit growth in electronic revenues
  - Declines in print books and pharma promotion

**Outlook:** Continued modest underlying revenue growth in 2012



## LexisNexis Risk Solutions



### Market growth and position

Risk information and analytics increasing in importance and value – #1 in key verticals

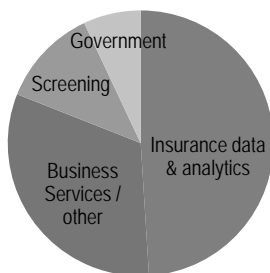
### Strategic priorities

- Drive growth in insurance through new product pipeline that improves carrier economics across workflows
- Leverage database and technology platform to expand into adjacent risk markets and new geographies

## LexisNexis Risk Solutions



2011 revenue £908m (+4%)



- Progress
- New insurance products driving growth
  - New products launched in adjacent markets
  - International product roll out (AML, UK Insurance)
  - Divested infrastructure software

- Results
- Good growth in Insurance +7% and Business Services
  - Screening +3%, slowdown in H2
  - Federal government declines; contract wind down

**Outlook:** Continued good underlying revenue growth in Insurance and Business Services; Government and Screening markets remain uncertain

**Market growth and position**

Long term growth in litigation, regulation, international legal - #2 US, #1/#2 non-US

**Strategic priorities**

- Progressively introduce next generation products
- Leverage platform globally to drive P to E migration and long term international growth
- Upgrade operational infrastructure; gradually rebuild margins

2011 revenue £1,634m (+1%)



- Progress**
- Launched 2<sup>nd</sup> release of Lexis Advance in US
  - Expanded international solutions (Lexis PSL UK, Lexis 360 France)
  - Divested discovery service business

- Results**
- Return to growth in US and International, and in research & litigation tools and practice management
  - Moderating declines in News & Business; listings
  - Margin stabilised

**Outlook:** Legal markets remain stable but subdued, limiting revenue and margin growth potential in the short term

# Reed Exhibitions



## Market growth and position

Long term global growth market through economic cycles - Global #1

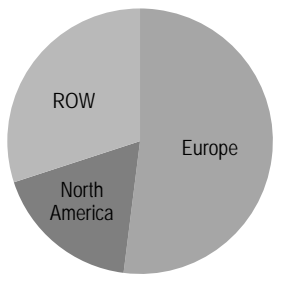
## Strategic priorities

- Drive organic growth by leveraging global sector groups and technology platforms
- Prioritise faster growing geographies and sectors through launches and small acquisitions

# Reed Exhibitions



2011 revenue £707m  
(flat; +10% ex-cycling)



- Progress
- Rolled out Nova platform to majority of shows
  - Launched 43 new shows
  - Completed 5 acquisitions, primarily in high growth markets
  - Jan 2012: buy out of leading Brazilian organiser *Alcantara Machado*

- Results
- Good underlying revenue growth:
- Europe +6%
  - North America +16%
  - Rest of World +13%

**Outlook:** Positive impact from biennial cycling in 2012; good momentum in annual shows; but some signs of market softness in Europe

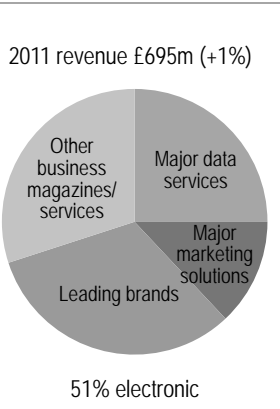
Growth underlying

**Market growth and position**

Long term growth in data intensity in many industries - #1 in select niche markets

**Strategic priorities**

- Drive expansion in global data services organically and through acquisition
- Reshape portfolio through organic transformation and selective disposals
- Realign cost base



- Progress**
- Build out data services; acquired *Accuity, CBI China*
  - Transformed leading brand; *Flight / Ascend*
  - Divested magazines and services: UK transport and computing, QSS

- Results**
- Strong growth in data services +9%
  - Leading brands stable
  - Margin up: +3.4%pts to 15.8%

**Outlook:** Good growth in core data services businesses offset by softness in print advertising

## Reed Elsevier strategic direction

### Where we are going

- Deliver improved outcomes to professional customers
- Combine content & data with technology in global platforms
- 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

## Reed Elsevier: Summary

### 2011

- Improvement in operating performance
- Significant strategic progress

### 2012

- *"The macro economic outlook remains uncertain, but by delivering highly valued products and services to our professional customers, and a relentless focus on process efficiency, we expect to deliver another year of underlying revenue and profit growth in 2012"*

## Appendices

## Appendices index

### Financial information in Euros

- 46 Adjusted profit and loss
- 47 Adjusted profit and loss
- 48 Revenue
- 49 Adjusted operating profit
- 50 Reported profit before tax
- 51 Adjusted operating cash flow
- 52 Capital expenditure
- 53 Free cash flow
- 54 Movement in net debt
- 55 Balance sheet

### Further information

- 58 Revenue (reconciliation)
- 59 Adjusted operating profit (reconciliation)
- 60 Reported net profit
- 61 Post tax return on invested capital
- 62 Dividend equalisation
- 63 Elsevier growth and currency analysis
- 64 Reed Exhibitions: cycling impact
- 65 Currency profile
- 66 Credit metrics
- 67 Cost of borrowings
- 68 Term debt maturity profile
- 69 Information for US institutions

## Financial information in Euros

## Adjusted profit and loss

| Year to 31 December        | 2011<br>€m | 2010<br>€m | % change | % change<br>constant<br>currency |
|----------------------------|------------|------------|----------|----------------------------------|
| Revenue                    | 6,902      | 7,084      | -3%      | 0%                               |
| Adjusted operating profit  | 1,870      | 1,819      | +3%      | +4%                              |
| Net interest expense       | (270)      | (323)      |          |                                  |
| Adjusted profit before tax | 1,600      | 1,496      | +7%      | +7%                              |
| Tax                        | (373)      | (339)      |          |                                  |
| Tax rate %                 | 23.3%      | 22.7%      | +0.6%pts |                                  |
| Minority interests         | (8)        | (7)        |          |                                  |
| Adjusted net profit        | 1,219      | 1,150      | +6%      | +6%                              |

*Adjusted figures are stated before amortisation of acquired intangible assets, exceptional restructuring (none in 2011) and acquisition related costs, disposal gains / losses and other non operating items and anomalous tax effects*

## Adjusted profit and loss

| Year to 31 December       | 2011<br>€m | 2010<br>€m | % change | % change<br>constant | % change<br>underlying |
|---------------------------|------------|------------|----------|----------------------|------------------------|
| Revenue                   | 6,902      | 7,084      | -3%      | 0%                   | +2%                    |
| Adjusted operating profit | 1,870      | 1,819      | +3%      | +4%                  | +5%                    |
| Adjusted operating margin | 27.1%      | 25.7%      | +1.4pts  | +1.0pts              | +0.9pts                |

- Underlying revenue growth, excluding biennial exhibition cycling, in each business
- Continued gains in operational efficiency, while investing in new product and sales & marketing
- Multi-year subscription currency hedging programme and currency translation effects benefit margin by 0.4%pts at reported exchange rates

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

## Revenue

| Year to 31 December             | 2011<br>€m | 2010<br>€m | % change<br>constant | % change<br>underlying |
|---------------------------------|------------|------------|----------------------|------------------------|
| Elsevier                        | 2,367      | 2,370      | +1%                  | +2%                    |
| LexisNexis Risk Solutions       | 1,044      | 1,085      | +1%                  | +4%                    |
| LexisNexis Legal & Professional | 1,879      | 1,978      | -2%                  | +1%                    |
| Reed Exhibitions                | 813        | 811        | +1%                  | 0%                     |
| Reed Business Information       | 799        | 840        | -4%                  | +1%                    |
| Reed Elsevier                   | 6,902      | 7,084      | 0%                   | +2%                    |



## Adjusted operating profit

| Year to 31 December             | 2011<br>€m   | 2010<br>€m   | % change<br>constant | % change<br>underlying |
|---------------------------------|--------------|--------------|----------------------|------------------------|
| Elsevier                        | 883          | 847          | +3%                  | +4%                    |
| LexisNexis Risk Solutions       | 416          | 414          | +6%                  | +12%                   |
| LexisNexis Legal & Professional | 263          | 279          | -4%                  | -2%                    |
| Reed Exhibitions                | 192          | 185          | +4%                  | +2%                    |
| Reed Business Information       | 127          | 104          | +22%                 | +15%                   |
| Unallocated items               | (11)         | (10)         |                      |                        |
| <b>Reed Elsevier</b>            | <b>1,870</b> | <b>1,819</b> | <b>+4%</b>           | <b>+5%</b>             |

## Reported profit before tax

| Year to 31 December                        | 2011<br>€m   | 2010<br>€m | %<br>change |
|--|--------------|------------|-------------|
| Adjusted profit before tax                 | 1,600        | 1,496      | +7%         |
| Adjustments                                |              |            |             |
| Amortisation of acquired intangible assets | (413)        | (408)      |             |
| Exceptional restructuring costs            | -            | (67)       |             |
| Acquisition related costs                  | (59)         | (58)       |             |
| Reclassification of tax in joint ventures  | (13)         | (11)       |             |
| Disposals and other non-operating items    | (25)         | (54)       |             |
| <b>Reported profit before tax</b>          | <b>1,090</b> | <b>898</b> | <b>+21%</b> |

## Adjusted operating cash flow

| Year to 31 December             | 2011<br>€m | 2010<br>€m |
|---------------------------------|------------|------------|
| Adjusted operating profit       | 1,870      | 1,819      |
| Capital expenditure             | (403)      | (364)      |
| Depreciation                    | 238        | 277        |
|                                 | (165)      | (87)       |
| Working capital and other items | 37         | 45         |
| Adjusted operating cash flow    | 1,742      | 1,777      |
| Cash flow conversion rate       | 93%        | 98%        |

## Capital expenditure

| Year to 31 December             | % of<br>revenue | 2011<br>€m | 2010<br>€m |
|---------------------------------|-----------------|------------|------------|
| Elsevier                        | 5%              | 107        | 92         |
| LexisNexis Risk Solutions       | 3%              | 26         | } 245      |
| LexisNexis Legal & Professional | 12%             | 228        |            |
| Reed Exhibitions                | 3%              | 22         | 12         |
| Reed Business Information       | 2%              | 20         | 15         |
| Total                           | 6%              | 403        | 364        |

## Free cash flow

| Year to 31 December                      | 2011<br>€m | 2010<br>€m |
|--|------------|------------|
| Adjusted operating cash flow             | 1,742      | 1,777      |
| Interest paid                            | (270)      | (336)      |
| Tax paid                                 | (251)      | (118)      |
| Free cash flow before exceptional spend  | 1,221      | 1,323      |
| Restructuring / acquisition integration* | (98)       | (127)      |
| Free cash flow before dividends          | 1,123      | 1,196      |
| Ordinary dividends                       | (572)      | (565)      |
| Free cash flow post dividends            | 551        | 631        |

\*Including cash tax relief / repayments

## Movement in net debt

|                               | €m      |
|-------------------------------|---------|
| Net debt at 31 December 2010  | (4,043) |
| Free cash flow post dividends | 551     |
| Acquisitions / disposals:     |         |
| Disposals*                    | 84      |
| Acquisitions*                 | (638)   |
|                               | (554)   |
| Currency translation          | (73)    |
| Net debt at 31 December 2011  | (4,119) |

\*Including cash tax relief / payments

## Balance sheet

|  | 2011<br>€m | 2010<br>€m |
|--|------------|------------|
| Goodwill & intangible assets           | 9,867      | 9,241      |
| Tangible fixed assets                  | 346        | 341        |
| Investments & net assets held for sale | 258        | 215        |
| Net pensions obligations               | (290)      | (199)      |
| Working capital                        | (1,271)    | (1,171)    |
| Capital employed                       | 8,910      | 8,427      |
| Shareholders' equity                   | 2,606      | 2,273      |
| Net debt                               | 4,119      | 4,043      |
| Current & deferred tax (net)           | 2,042      | 1,973      |
| Other net liabilities / minorities     | 143        | 138        |
|  | 8,910      | 8,427      |

*This slide is intentionally left blank*

## Further information

## Revenue Reconciliation

| Year to 31 December | £m    | % change | €m    | % change |
|---------------------|-------|----------|-------|----------|
| 2010 Revenue        | 6,055 |          | 7,084 |          |
| Base businesses     | 88    | +2%      | 103   | +2%      |
| Acquisitions        | 46    | +1%      | 54    | +1%      |
| Disposals           | (156) | -3%      | (182) | -3%      |
| Currency effects    | (31)  | -1%      | (157) | -2%      |
| 2011 Revenue        | 6,002 | -1%      | 6,902 | -3%      |

## Adjusted operating profit Reconciliation

| Year to 31 December            | £m    | %<br>change | €m    | %<br>change |
|--------------------------------|-------|-------------|-------|-------------|
| 2010 Adjusted operating profit | 1,555 |             | 1,819 |             |
| Base business                  | 73    | +5%         | 85    | +5%         |
| Acquisitions                   | 8     | +1%         | 10    | +1%         |
| Disposals                      | (25)  | -2%         | (29)  | -2%         |
| Currency effects               | 15    | +1%         | (15)  | -1%         |
| 2011 Adjusted operating profit | 1,626 | +5%         | 1,870 | +3%         |

## Reported net profit

| Year to 31 December               | 2011<br>£m | 2010<br>£m | 2011<br>€m | 2010<br>€m |
|-----------------------------------|------------|------------|------------|------------|
| Adjusted net profit               | 1,060      | 983        | 1,219      | 1,150      |
| Adjustments (post tax)            |            |            |            |            |
| Amortisation of intangible assets | (355)      | (337)      | (408)      | (394)      |
| Restructuring programme           | -          | (37)       | -          | (44)       |
| Acquisition related costs         | (33)       | (30)       | (38)       | (35)       |
| Disposals and other               | (16)       | (37)       | (19)       | (43)       |
| Deferred tax                      | 104        | 100        | 120        | 117        |
| Reported net profit               | 760        | 642        | 874        | 751        |

## Post tax return on invested capital

|  | 2011<br>£m | 2010<br>£m |
|--|------------|------------|
| Adjusted operating profit                            | 1,626      | 1,555      |
| Less tax at effective rate                           | (379)      | (353)      |
|  | 1,247      | 1,202      |
| Capital employed                                     | 7,424      | 7,203      |
| Cumulative amortisation                              | 4,544      | 4,458      |
| Year end invested capital at year end exchange rates | 11,968     | 11,661     |
| Average invested capital* at average exchange rates  | 11,087     | 11,332     |
| Return on average invested capital                   | 11.2%      | 10.6%      |

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

## Dividend equalisation

|                               | Interim |       |          | Final |       |          |
|-------------------------------|---------|-------|----------|-------|-------|----------|
|                               | 2011    | 2010  | % change | 2011  | 2010  | % change |
| Reed Elsevier PLC (p)         | 5.65    | 5.4   | +5%      | 15.90 | 15.0  | +6%      |
| UK tax credit rate            | 10%     | 10%   |          | 10%   | 10%   |          |
| Reed Elsevier PLC (p) (gross) | 6.28    | 6.0   |          | 17.67 | 16.67 |          |
| Equalisation ratio            | 1.538   | 1.538 |          | 1.538 | 1.538 |          |
| Exchange rate (€:£)           | 1.14    | 1.18  |          | 1.20  | 1.182 |          |
| Reed Elsevier NV (€)          | 0.110   | 0.109 | +1%      | 0.326 | 0.303 | +8%      |

## 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 2011 |            |                          |                   |                                    |                |       |
| Revenue                       | +2%        | -1%                      | +1%               | +1%                                | 0%             | +2%   |
| Adjusted operating profit     | +4%        | -1%                      | +3%               | +3%                                | 0%             | +6%   |
| Adjusted operating margin     | +0.7%      | 0%                       | +0.7%             | +0.8%                              | +0.1%          | +1.6% |
| 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% |

## Reed Exhibitions: cycling impact



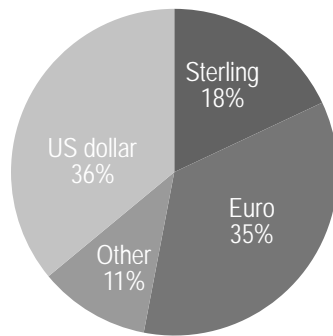
| Revenue growth %                     | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------------------------|------|------|------|------|------|
| Total                                | +13% | +9%  | -21% | +9%  | +1%  |
| Impact of acquisitions / divestments | +1%  | -2%* | +1%  | +1%  | +1%  |
| Underlying                           | +12% | +11% | -22% | +8%  | 0%   |
| Impact of cycling shows              | 0%   | +7%  | -7%  | +11% | -10% |
| Underlying excluding cycling         | +12% | +4%  | -15% | -3%  | +10% |

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



## Currency profile

2011 Adjusted profit before tax



| Average rates for year: | 2011 | 2010 |
|-------------------------|------|------|
| £                       |      |      |
| US dollar               | 1.60 | 1.55 |
| Euro                    | 1.15 | 1.17 |
| €                       |      |      |
| US dollar               | 1.39 | 1.32 |
| Sterling                | 0.87 | 0.85 |
| Year end rates:         | 2011 | 2010 |
| £                       |      |      |
| US dollar               | 1.55 | 1.56 |
| Euro                    | 1.20 | 1.17 |
| €                       |      |      |
| US dollar               | 1.29 | 1.33 |
| Sterling                | 0.83 | 0.85 |

## Credit metrics

|   | 31 Dec 2011  | 31 Dec 2010  |
|---|--------------|--------------|
| Net debt / adjusted ebitda                    | 2.3x         | 2.5x         |
| Funds from operations / net debt              | 29.2%        | 31.3%        |
| Retained cash flow / net debt                 | 19.9%        | 18.4%        |
| Net interest cover                            | 6.4x         | 5.3x         |
| Long term credit rating (S&P, Moody's, Fitch) | BBB+/Baa1/A- | BBB+/Baa1/A- |

*Pension and lease adjusted; calculations in US dollars*

## Cost of borrowings

Debt predominantly denominated in US dollars at 31 December 2011

- 66% of gross debt (2010: 77%)
- 78% of net debt (2010: 92%)

Majority of debt fixed at 31 December 2011

- 69% of gross debt (2010: 73%)

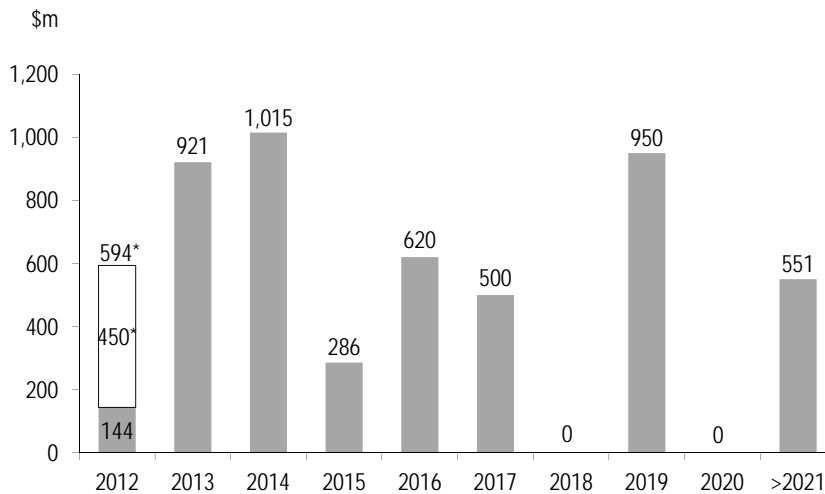
Blended interest rate on gross debt

- 2011 average 5.8% (inc. amortising costs, swaps, redemption premium, etc)
- 2012 expected to be lower due to debt redemptions; \$450m 4.625% term debt redeemed early in January 2012

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*

*\*\$450m term debt redeemed in January 2012*

## Information for US institutions

- Reed Elsevier PLC ADR (ticker: RUK) and Reed Elsevier NV ADR (ticker: ENL) are NYSE-listed
- 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 are members of many indices including the following:
  - NYSE Composite Index
  - NYSE TMT Index
  - BNY Mellon Composite ADR Index
  - BNY Mellon Developed Markets 100 ADR Index
  - BNY Mellon Europe ADR Index
  - BNY Mellon Europe Select ADR Index
  - BNY Mellon Euro-Pacific Select ADR Index
- Depositary is The Bank of New York Mellon



RUK  
LISTED  
NYSE

ENL  
LISTED  
NYSE



BNY MELLON

The Bank of New York Mellon  
Contact: Alexis Vasquez  
+1 212 815 2077  
[www.adrbnymellon.com](http://www.adrbnymellon.com)