

STICHTING PENSIOENFONDS ELSEVIER-ONDERNEMINGEN

Message to members and pensioners of SPEO (the Dutch Reed Elsevier pension fund) *Convenience translation of original document in Dutch*

Amsterdam, 13th November 2008,

Dear Member or Pensioner,

Over the past weeks there has been significant media coverage regarding the financial position of pension funds in The Netherlands. Most pension funds are heavily affected by the turbulence on the financial markets. You may have some concerns regarding the position of the SPEO pension fund. By means of this letter we would like to address the most frequently asked questions.

1. Is my pension secure?

Yes, your pension is in safe hands with SPEO, the Dutch Reed Elsevier pension funds. However, the turmoil in the financial markets affects all pension funds. Despite having widely spread our investment risks, we too are confronted with significant value reductions. The key indicator for SPEO is the funding ratio which is the available pension capital as a proportion of the net present value of the pension liabilities. Due to these value reductions the funding ratio of SPEO decreased to 95% at the end of October.

In normal circumstances the position of SPEO should recover based upon its solid investment policy and its stable premium income.

2. Will SPEO continue to pay my pension?

The total pension capital amounted to € 430m at the end of October, while only €15m is paid out on an annual basis in pension benefits. The pension capital is more than enough to cover pension payments for many years to come. However, the pension fund will need to rebuild its buffers in order to cushion any future crisis.

3. Will my pension be indexed in 2009?

Given the current funding ratio of 95% it is highly unlikely that your pension entitlements will be indexed in 2009. The coverage ratio of the funds is the key indicator for the level of indexation. At a funding ratio above 130% full indexation can be granted. A funding ratio between 105% and 130% allows for partial indexation. With a funding ratio of 105% or below no indexation can be granted.

The ambition of the pension funds is to increase the annual pension entitlements in line with the raise of the Collective Labour Agreements (CAO). As the current CAO is valid until 31st March 2009, indexation will not be an issue before the second quarter of 2009.

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4. Can indexation increases that have not been rewarded be recovered at a later date?

Yes, the pension fund has the possibility to recover unrewarded indexation at a later date. However, this can only be done when the financial position of the fund is sufficiently recovered, in practice when the funding ratio is at least at 140%.

5. What is the impact of the divestment of Reed Business?

It is uncertain when and in which way the divestment of Reed Business will be realised. In case of a divestment the Reed Business members will continue to be facilitated by SPEO during a transitional period.

6. Who is supervising my pension fund?

In The Netherlands, Dutch pension funds are being supervised by the Dutch National Bank (DNB). The DNB ensures that all pension funds, including SPEO, are investing and managing the pension capital in a prudent and careful way. In a situation of funding shortage - as is currently the case for SPEO - pension funds are obliged to submit a 3-year recovery plan demonstrating how it recovers to the minimum funding level of 105%. We are currently working on a recovery plan which will be submitted to the DNB.

Through newsletters we will keep you updated on recent developments.

Pension funds do have a long term horizon. It is our firm commitment to secure your pension situation both short term and long term.

Please don not hesitate to contact us for any further information or assistance.

Regards,

On behalf of the Board of Trustees of the
Stichting Pensioenfonds Elsevier-Ondernemingen



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