The reading pane allows you to view the contents of your email without opening it in a new window. Here is an example of the reading pane enabled:

The reading pane is automatically enabled for all folders in your mailbox. You can change the orientation of the reading pane to the right or to the bottom of your messages.

Changing Reading Pane Orientation

1. View->Reading Pane->Right/Bottom

Changing Reading Pane Settings

1. Tools->Options
2. Click on the Other tab and go to Reading Pane

These settings change if you want your email to be marked as read by only viewing it in the reading pane. With the second and third box checked, when you hit spacebar with the reading pane enabled, it skips to the next message making the message you were on to be marked as read
Turning the Reading Pane Off

1. View->Reading Pane->Off

   NOTE: YOU MUST TURN THE READING PANE OFF FOR EACH INDIVIDUAL FOLDER. THERE IS NO UNIVERSAL WAY TO TURN IT OFF