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PRESENTATION

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay, good afternoon, everybody, welcome. I'm pleased to be here today to talk about our results for the half year. I appreciate all of you who have joined us in person and welcome those of you on the phone and the webcast.

I encourage you to read the forward looking statement. The agenda for this afternoon will be that I will provide you with the highlights for Wolters Kluwer half year results overall for the full company and then talk about each one of the divisions. Then I will hand the podium over to Boudewijn who will talk about our results in more detail. Then I will come back and give you an outlook for the balance of 2011 and then of course we'll have time for Q&A.



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So let's begin. I'm pleased with the considerable progress that we've made during the first half of the year. Revenues increased 3% reflecting strong growth in electronic products of 7%, solid retention and improving new sales across all geographies. Online Software and Services now represents 72% of our total revenues.

Our focus on globalization is also driving growth within the portfolio. Revenues in emerging markets increased at double-digit levels and the strategic acquisitions that we made of Medicom in China, TopPower in Belgium and Twinfield in the Netherlands is further extending our global footprint.

Our EBITA margins were in line with last year's levels as a result of better underlying growth and the benefits that we see in the mix shift as more of our customers are using electronic solutions.

These results allow us to continue to reinvest in building new and enhanced products across all of our divisions. Today we've also announced our plan to divest our pharma-related assets. Our Health Division will focus on now taking full advantage of our leading positions in professional information and in clinical decisions support which is one of the fastest growing segments of the health market.

So now I'd like to talk about each one of our divisions, beginning with our Legal and Regulatory Group. If you look at Legal and Regulatory, you see that the performance was better than prior year. This was a result of good, strong growth in our Corporate Legal Divisions, they grew 8% organically, and what we see is that there is good uptake of our transactional business that grew 17% as a result of improved volumes in M&A and IPO activity.

In addition, what you see is that we also had very good growth in (Time Metrics) and core search where we've been investing and you're beginning to see the benefits of the investments we've made in that area.

Importantly, North America, which accounts for about 38% of the division's revenues, grew 5% organically and that includes the good performance that we had at Corporate and Legal Services as well as the solid performance that we had at Law and Business. Very importantly, what you see is that the unit improved its operating margins to 19.6% and this improvement in these results allow us to continue to invest in this division.

Now moving onto Tax and Accounting. Tax and Accounting revenues show a 1% organic decline. Strong growth from our global tax and accounting software line contributed to the overall growth. This was driven by both the combination of new products as well as continued investments in sales and marketing. Our publishing products particularly our print products were pressured as customers migrate to higher value electronic solutions.

Our half-year results were also impacted by the change in the composition and phasing of our bank products, which are focused within the Small Firms Services Group in North America and account for 2% of the overall divisional revenues. We have restructured the bank product line and as a result, our revenues are expected to be more heavily weighted towards the second half of this year. This will positively impact the non-cyclical revenues for the full year.

Excluding the bank products, the division's organic growth was actually 2% with 6% growth coming from our software product line globally.

Revenues from North America, which constitute 65% of the portfolio, grew 3% organically excluding the bank products. This was driven by strong growth in our software product line and a record year of electronic tax filings.

European revenues were in line with 2010 levels, as software revenue growth of 5% was offset by expected declines in print in cyclical activities such as training and advertising.

We extended the division's footprint through two very important acquisitions, and these acquisitions are important because both of these companies deliver new cutting-edge technologies in the tax market. The first is a company called TopPower in



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Belgium. They are a provider of tax and accounting software. And the second is a company called Twinfield which is based here in the Netherlands and they are market leader in SAS-based accounting solutions.

Looking to the balance of the year for Tax and Accounting, we expect that the organic growth levels for the division will be better than the organic growth that we've experienced in 2010. This will be driven by strong growth of our tax and accounting software product lines in all geographies, solid retention in our subscription products and a recovery of our bad product revenue following the restructuring.

Now a few words about Financial and Compliance Services. The impact of complex global compliance requirements is helping to drive growth in this division. Revenues grew by 17% in the half year, with 3% organic growth. The core financial services unit, which represents 70% of the revenues of the division, delivered 7% organic growth. This was fueled by strong performance in our mortgage document services product line, as well as by our risk and compliance software product lines.

Within this division, global expansion is central to the growth strategy of corporate -- of Financial and Compliance Services. And if you look at our results outside the US, we delivered 40% growth in the first half of this year. We expanded the ARCs logics enterprise risk management offering into Europe and we substantially grew the customer base of FRS Global, particularly within Asia.

So now let's talk about Health and Pharma Solutions. We had a strong first half year in this division with 9% growth in revenues. This was supported by 12% organic growth in electronic and service subscriptions, with strong contributions from both our Ovid online product line as well as Clinical Solutions.

Our investments in product innovation and global expansion have helped to support growth of 7% at Ovid and double digit growth at Clinical Solutions. In May, we continued our strong record of innovation at the division by launching OvidMD which is a unique clinical tool designed especially for physicians.

Clinical Solutions growth was driven by strong performance from UpToDate ProVation, as well as our drug information product lines. This unit also extended its leadership in the growing point-of-care market, with the acquisition of Medicom in China as well as the acquisition of Lexi-Comp. Both of these companies are market leaders in clinical information.

Importantly, we grew our EBITA 16% organically, increasing the division's EBITA margin to 17.3%. These results reflect strong organic growth, the positive impact of the mix shift towards higher margin electronic products and Springboard cost savings.

I'm now going to take a few minutes to talk a little bit more about this division. Today we announced a planned divestment of our pharma-related assets. These businesses represent a little more than 25% of the revenues of this division. As a result of this strategic decision, our Health Division will focus on taking full advantage of our leading positions in professional information and clinical decision support. And again that is one of the fastest-growing segments of the health business. We believe that the strategic focus will strengthen the growth profile of the division and deliver enhanced shareholder returns.

Now I'd like to just take a couple of minutes to walk you through what the division will look like with this divestment, beginning first with our Clinical Solutions Group. We are the market leader in this area. Our flagship brands have leading positions in what is described as the point-of-care market. And what we do in this area is that our products and services help health professionals improve patient outcomes and increase efficiency.

This market is growing at about 7% a year and we are clearly outperforming the market. We've had double-digit growth in this unit for several years now and that is driven by the strong performance that we see from UpToDate from ProVation and from MediSpan. Our focus on innovation, global expansion and deep customer knowledge will continue to drive growth and profitability in this business unit.



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In Medical Research, Ovid is the world's leading medical research platform. And if you look at the breadth of offering on Ovid, it truly is remarkable. We have over 13m users in close to 13,000 institutions worldwide. And what Ovid does is they combine world-class technology with unmatched breadth of content. There are over 60 book collections including about 3,000 eBooks. We have over 50 journal collections and more than 1,200 premier peer-reviewed journals.

Today there are more than a billion page views per year on Ovid and our reach is only getting greater. Our product is used in 157 countries and we have enhanced the offering to make it more accessible by adding a local language search capabilities as well as by extending our licensing agreements, particularly in China. In this unit we are driving growth through a combination of geographic expansion and innovative new products.

So the final piece of our Health Division is our Professional and Education Business Unit. We have leading content and brands under Lippincott Williams & Wilkins. Our broad portfolio of top products and authors in over 100 disciplines support our leading market position. Our investments in new products create hundreds of new titles every year, and we have an active backlist of over 4,000 titles.

What's very exciting to us in this area is that we are seeing new opportunities to re-purpose our content on new technologies such as Smartphones and iPads. So as we see our customers, which are both students and professionals, move more online and want access anywhere anytime to our content, we see growth opportunities.

So a quick example is one of our classic product lines in this area is called 5-Minute Consult. And it's a very top selling part of P&E and today the 5-Minute Consult series is available in print, available online through Ovid but very importantly available now on the iPad and on smartphones. And we are seeing the uptake of these kinds of devices grow exponentially within the health business.

So as you can see we are excited about our health portfolio and our half-year results demonstrate the growth and profit potential of this division.

We are planning an Investor Day in the fourth quarter of this year, to showcase more of what we are doing in health, and will post that information as the time approaches on our website.

So with that, I will now turn it over to Boudewijn.

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Thank you, Nancy, and welcome, everyone. I'd like to spend some time now in reviewing the financial highlights for the half year.

In the interests of transparency, I want to highlight how we planned the divestment of the pharma businesses and how it will impact our financials. As of today, we will report the results from pharma business as discontinued operations, and focus the majority of our discussion on the continuing business.

To give you a better sense of the magnitude of the change, the revenue contribution from discontinued operations was EUR108m in the first half of this year, and EUR245m in 2010. It contributed EUR1m for the half year ordinary EBITA and EUR10m for the full year 2010.

We have recorded a non-cash impairment of EUR106m in connection with this planned divestment. This impairment is included in the results from discontinued operations. On a full-year basis, the divestment is expected to do three things for our continuing business.

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One, it will improve ordinary EBITA by approximately 100 basis points. Two, it will reduce ordinary EPS by 2% to 3% and three, it will lower free cash flow by 3%. Unless otherwise noted, the numbers that we are using in this presentation reflect the continuing business. So having said this, let's move on.

In the first half we continued to build momentum in the portfolio. Growth of our electronic revenues and solid retention rates resulted in an organic revenue growth improvement of over 130 basis points. Electronic and service revenue grew by 7% at half year with online software and services now accounting for 72% of our global revenues, up 2% from last year.

Margins were materially in line with last year, due to continued investment in the business. Positive contributions of acquisitions were offset by investments in revenue growth opportunities, including global expansion and investments in electronic products.

Ordinary EPS was up EUR0.02 due to lower net financing costs, partly offset by a higher number of shares. And finally, free cash flow was EUR131m, with improved cash flow from operations impacted by the timing of tax payments and refunds.

And now to focus on the revenues. Overall revenue grew 3%, improving 1% organically, marking a return to sustainable organic growth.

First half revenue in our Legal and Regulatory Division was materially in line with 2010, a significant improvement in terms of organic growth versus last year when we saw a decline of 3%. Our results were led by strong performance in North American legal, which grew 5% organically. While European market conditions did not change significantly, we did see underlying trends improve.

As Nancy indicated, the Tax and Accounting Division revenues fell 1%, impacted by the phasing and the composition of revenue from bank products. Excluding this difference, the division actually grew 2% organically, with strong growth in global software which grew 6%.

At Health and Pharma Solutions, we had a very strong half year performance. Ovid posted solid organic growth of 8%. Clinical Solutions continued to grow its leading positions delivering double-digit organic growth. In addition, we finalized two strategic acquisitions. Medicom in China and Lexi-Comp in the US.

Financial and Compliance Services delivered 3% organic growth, led by double-digit growth at our audits, risk and compliance business, ARC Logics, and a solid recovery of transactional revenues that grew 14%. This was somewhat offset by pressure across Transport Services which saw lower transaction volumes. More importantly, the division continues its global expansion growing 40% outside the US in the first half of this year.

Now, overall subscriptions, which now constitute approximately 75% of our revenue, began to improve with electronic and service subscriptions continuing to dominate the revenue mix. As expected, print revenues declined as we continued to migrate our offerings from print to electronic. Books which constitute approximately 8% of the business declined 6% year over year, driven by strong comparable in health and sustained pressure in the core Tax and Legal publishing units.

Cyclical revenues continue to show a steady rate of improvement, finishing 4% up in the first half year. This was supported by very strong performances in the Corporate Legal transactions, which grew 17% and Financial Service transactions which grew 14%.

If you look at the timing of revenues in the first half year, you can clearly see positive trends continuing to reposition the business for sustainable growth. Across this division you can clearly see -- you can see clear improvements.

So now moving to the EBITA performance. Ordinary EBITA was up slightly to EUR325m and there are a few items at half year that are worth highlighting.

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The Legal and Regulatory business continued to improve its performance. Despite challenging market conditions in Europe, margins improved 100 basis points. This performance was driven by a sustained focus on cost controls in the division, which resulted in lower production and distribution costs as well as savings from Springboard in prior year restructuring initiatives.

Let me remind you that strong operating profits from this division continue to fuel investments in growth initiatives across the company. Tax and accounting profits were impacted by the bank product restructuring which will shift revenue and profits into the second half of the year.

Health and Pharma Solutions improved its margins 80 basis points, driven by strong top-line growth. Margins for the division which continue to improve throughout the year.

And finally, you can see that the absolute EBITA contribution from the Financial and Compliance Services Division is clearly in line with last years. This reflects the investments we are making to globalize the business through product line extensions as well as investments in Sales and Marketing, mainly outside the US. We expect that these investments will contribute to future growth of the division.

The Springboard program continues to execute well against our plans. At half year, total cost savings were EUR88m, positioning the program to meet or exceed its targets of EUR170m to EUR180m at year end when we complete the program. Program costs to support these savings were EUR30m and is expected to be within the targeted range of EUR74m to EUR89m for the full year.

Over the first half year, we have made several strategic acquisitions to enhance our positions in fast growing segments and accelerate the transformation of our portfolio on a global scale. For example, Twinfield and TopPower strengthen our global positions and advance technology solutions like software as a service applications.

Lexi-Comp and Medicom extend our leading positions in the fast-growing markets of clinical decision support. And in the case of Medicom provide a strong launch pad into China.

Finally, last month we announced the acquisition of NRAI which is subject to regulatory approval. This business is a strong complement to our positions in the corporate legal space in North America and is expected to close in the second half of this year.

It is important to note that the company remains disciplined and is very clear on its financial criteria when making acquisitions. All acquisitions will be EPS accretive in year one and must cover their weighted average cost of capital in year three to five. All recent acquisitions have performed within these criteria.

Overall, the acquisitions we have undertaken over the past years have contributed to revenue growth and enhanced both profitability and return on invested capital. It is also important to note that we have reached these objectives at an increased pace over the past four years.

And as a final note, in terms of financing, we continue to be proactive in managing our debt maturity profile. Wolters Kluwer has no material redemption beyond 2014 and most of the company's debts matures well beyond 2015, ensuring strong liquidity and sufficient headroom.

In the first half year, the company's net debt to EBITDA ratio went up to 3 from 2.9 at last half year. This is a function of timing, driven by the payout of healthy dividends and share buyback. Combined with our strategic acquisitions against cash flow which is second half-year weighted. The company maintains a medium term target of net debt to EBITDA of 2.5 times.

So at this point, I would like to take a moment to summarize our accomplishments. We see the benefits of our commitment to digital transformation evidenced in the return to sustainable organic growth. While maintaining a healthy and balanced rate



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of investments, both organically and through strategic acquisitions, we have improved profitability due to tight cost controls and Springboard benefits.

We continue to prioritize improving shareholder returns through our share buyback program and progressive dividend policy. And as I outlined, our balance sheet is strong and provides us with adequate flexibility. So the underlying trends continue to improve and we are gaining growth momentum.

And with that, I would turn the floor back to Nancy.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Thank you, Boudewijn. Just a couple of slides on our outlook for the balance of 2011. With the good results that we had in the first half, we have confidence in the guidance that we outlined to your folks in February and today we are reiterating this guidance.

So in summary, I am pleased with the growth momentum that we are building in our portfolio. We continue to see increasingly favorable trends across the globe. Our digital transformation strategy clearly has traction and is driving improved results. We are encouraged by the strong retention rates and sales levels that we are seeing in our business.

The portfolio of Wolters Kluwer is highly resilient, with 75% of our revenues coming from subscriptions and 72% of our revenues coming from online software and services. Strategic acquisitions and investments in innovation are extending our market leadership in high growth segments. And finally, our decision to divest the pharma related assets is a clear indication of our commitment to allocate our capital to the fastest growing segments of our business.

So with those remarks I would like to now turn it over for Q&A. Thank you.

QUESTIONS AND ANSWERS

Operator

Yes please.

Maurits Heldring - *ABN Amro - Analyst*

Good afternoon. Can you hear me?

Operator

Yes, could you state your name and the institution.

Maurits Heldring - *ABN Amro - Analyst*

Yes, it's Maurits Heldring from ABN Amro. I've got three questions. I'll keep them short. The first one why was the buyback stopped in Q2? Second question, what happened to Teleroute business is falling off the cliff it seems. Is that a market issue? Is that a competitive issue? Is it a technological issue? Why is Teleroute so weak?

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And the third question is on the outlook for the second half of the year. I know you don't provide organic growth guidance, but I was wondering whether you could go with me back to slide 18 and to talk a bit about the outlook for the second half for the different components of your business. What do you expect for the second half of print? What do you expect for books? What are your expectations for cyclical products? Will they keep the momentum? Just to get a feel about whether the top line momentum is going to improve in the second half of the year. Thank you.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. Why don't you start with the share buyback and then I'll discuss the others.

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

As indicated, we bought back 2.1m shares for a total of EUR35m. So we executed 35% of the program. Throughout the year, a few things happened. One, internally of course we discussed the divestment of the health assets which stopped actually us executing on the buyback. Secondly, we did some acquisitions or announced some. And thirdly, there was a lot of volatility in the market. Those three elements together made us decide to hold off the buyback until information would be fully diluted and absorbed in the market.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay, second question, thanks, Boudewijn, on Teleroute. First I'd like to remind you Teleroute is a relatively small part of our overall revenues at Wolters Kluwer. They are one of the more cyclical parts of our business and what you're seeing is the effect of less transport activities in Europe, that is where they cover. Also things like weather affects some of this as well.

So we clearly are seeing pressure in Teleroute. It is largely market driven but it remains an attractive margin business for us and we, over time as the pace of recovery continues to take hold in Europe, expect that they will again over the medium term, return back to a growth profile.

With the outlook turning to page 18, we can just cover the formats and then if we want to talk about divisions let me know. What you should expect for the remainder of the year, first overall, I should say that our expectations for this year are that we will have better revenue and profit performance than we had in 2010. We expect that we will continue to see good growth in our online and software businesses across all of the divisions.

We also expect to continue to see print decline. Now it's important to notice that the rate of decline is abating. So if you look at last year, the number was more like minus 8%, you see it's minus 6% at the half year. We continue to see that that will probably remain relatively steady over the remaining six months. But clearly as we head into 2012 the goal is to see that number return to more like a 4% to 6% kind of number overall, which was the pre-financial crisis number.

Then non-cyclicals will improve as we see our bank product revenue that has shifted into the fourth quarter of 2011 come through. Then books, we expect that books will return to a low single digit growth number. As you know we do a lot of books in the second half of the year.

Then cyclical products, we expect that the Corporate Legal Services Business and the transactional revenues that we see also in Financial and Compliance Services, that those two areas will continue to be on the same trend line that you saw in the first half.

Jim, do you want to add anything? No, okay. Sure at the back.



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William Packer - *Exane BNP Paribas - Analyst*

(inaudible question -- microphone inaccessible)

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, you've got to talk up a little bit.

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

You have to push the button.

William Packer - *Exane BNP Paribas - Analyst*

Sorry. Hi, William Packer, Exane BNP Paribas. Three questions please. With the success of the completed Springboard program, do you see opportunity for incremental cost savings in 2012 or have all efficiency gains been exploited?

Secondly, do you expect European legal and regulatory organic revenue growth to be at zero for the second half? And thirdly, could you comment on the phasing issues of the Tax and Accounting Division. In the results release you stated the division achieved 2% organic revenue growth, excluding bank products, sales and minus 1% including them.

As the bank product sales represent approximately 2% of annual tax and accounting revenue, should we think that all bank product sales revenue will now be achieved in the second half and consequently there will be a considerable second half boost or are some revenues lost? Thank you.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes okay. Why don't I take -- Jack's going to take Springboard and then we'll pick up on the others.

Jack Lynch - *Wolters Kluwer NV - Member of the Executive Board*

Yes, on Springboard obviously we're very pleased with the success of the program. It is, as you point out going to end this year. We will no longer have exceptional investments in the program after 2011.

However, we are making investments in the program this year that will produce savings benefits beyond 2011. So for example, we are investing in a global infrastructure delivery network which will consolidate our hosting contracts in Europe as well as North America and Asia Pacific. That will produce savings benefits beyond 2011.

In addition, we are consolidating many of our back office functions and moving them to low cost labor centers in Europe -- excuse me, Eastern Europe and India. That will produce benefits. And in addition we will also continue to focus on re-engineering our content supply chain. In fact our content factories through which we manufacture our products for online print, eBook content and in multiple formats. Mobile as well as tablet formats and desktop formats. So those are a few examples of the initiatives that will carry on after 2011.



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Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay, we'll just wrap up on your three and then move to Simon. On the question of the phasing of the bank products. Yes, what you should expect is that we will -- the revenues you did not see in the first half of this year have been shifted into the second half of the year as a change in the business model of these products. So we will earn revenues in the fourth quarter associated with fees that we get from our bank products. So that will come in the second half.

So again for the division of Tax and Accounting and overall we are indicating that you should see stronger organic growth levels in 2011 than you saw in 2010. So a lot of what you're seeing in the first half is the timing of this restructuring.

Now Boudewijn is going to take the Legal and Regulatory question.

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Yes. We normally of course don't guide on the organic growth outlook from the company, not even individual divisions. But what I can tell you is the Legal and Regulatory units saw actually a few different dynamics.

Particularly in North America as we indicated in our presentation, solid organic growth. 5% organic growth for the North American unit overall, mainly also driven by reasonable performance in our [LNB] traditional business. Very strong performance in Corporate Legal Services business. So assuming that will continue the remainder of the year, let's focus on Europe.

We indicated also that we see that the economic recovery in Europe is slower than what we see in North America. And of course, the fast growing markets like China, India and Brazil are still hoovering nicely along.

Now the European markets, particularly given the debt crisis, given the economic activity is always difficult to predict. It held up reasonably better than last year, so I can tell you that we still anticipate that the next six months will be better than last year. But still it will be an environment for which more economic recovery is required to see it actually showing better growth than it does today.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay, Simon.

Unidentified Audience Member

Great thank you. Just one question. You kind of reiterated your acquisition criteria, and you also made a divesture. I wonder if you could spend a little bit more time just talking through the capital allocation and portfolio management of the Group and the decision to divest pharma and whether or not you've done a wider strategic review. Just a little bit of color as to what your thought process was behind that divesture and why not more? Could there be more to follow?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes. Thank you. If you look at how we allocate capital in Wolters Kluwer, there's three major places that we have been dedicating capital over the last five to seven years.

First is in the digital transformation of the portfolio. So we've invested both organically and through acquisitions in building out online products and software products. We continue to make investments in those areas.



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Second area of allocation has been in extending our global footprint, particularly into Asia as well as into adjacent markets where we see higher growth opportunities.

Then finally, we have made selected dedication or allocation of capital in certain markets where we wanted to round out our leading positions. So clearly when we have the opportunity like we did recently in Germany buying the LexisNexis position we will allocate capital there because we can consolidate that with an existing position that we have.

So again, focus on digitization, focus on extension of global footprint and focus on increasing our leading positions.

As it relates --- how does that criteria then it relates specifically to the pharma decision. What you see that has happened over the last five years is really two factors.

One is we've built a very strong market leading position in clinical decision support. If you go back five to seven years ago there wasn't even really this market that existed. Today it's one of the fastest growing areas within health and that's a combination of a lot of different factors coming together, plus a lot of money flowing into the health markets around the world to automate and to get healthcare IT embedded in the delivery system.

So as a result of all of those market changes, this is a very fast growing area. We have, over the last five years, taken our organic positions and increased our allocation of capital into those areas and we've made a couple of strategic acquisitions, most notably UpToDate but recently things like Pharmacy One Source and Lexi-Comp.

So if you look at the portfolio we have in clinical decision support, we really are the leader and we've been able to and we believe we will be able to continue to grow that part of the health business by double digit levels.

So if you look at the capital that we allocate to health, about 60% of all of the capital that we allocate to health has been going into clinical decision support and we believe that we will continue that and that will deliver good growth and more value for our shareholders.

Conversely if you look at our pharma-related assets, while we had a pretty good year in our Healthcare Analytics business last year, what you see is the dynamics in the pharmaceutical industry have been under substantial change over the last five to seven years. Most notably consolidation within the sector as well as pressure and changes on how they do promotional programs.

So it's both the emergence of clinical solutions and the very strong footprint we have there, plus the changes in the pharma sector as a customer group that has led us to make this decision.

So to your question about could there be more later, I know I'm giving a long answer here, but every year we go through a process of evaluating our portfolio as part of the planning process. And when we get to points where we think it makes sense to divest assets, we do that. So it is part of our ongoing process.

Do you want to add something?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Can I get slide 23 up please. Just to support Nancy's comments just now. If you look at the acquisition track record of the last couple of years, in this slide we positioned to you over the last couple of years every time we came up here. It shows that we achieved our financial targets for nearly all the acquisitions we have made over the last couple of years.

As you can see here, what's basically the common denominator in those assets for the majority of those assets they were all software or online related. They are all either in markets where we wanted to penetrate further, which is for example MCFR in

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Russia or now with the Chinese acquisitions that we have been making lately. Or, for example the Pharmacy Onesource that is particularly in the [clinic solutions] area.

So for each individual division we've set ourselves a certain segment where we've said, okay, there we want to grow and accelerate more of our capital too, which is Clinical Decisions in Health. Which is Corporate Tax in Tax and Accounting area, for example in that sense if you see tax compliance software solutions is particularly in that field.

In say regulatory software and workflow, like companies like Medirex, in tax in Germany, Edison, LexisNexis, legal and regulatory, Germany, very important market in Europe. So every -- the characteristics of those acquisitions are fitting all those strict criteria that we have set ourselves as a Board. And in that sense, we'll continue to do that as long as they're very important additions, strategically, operationally, and financially to the existing portfolio.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, Claudio?

Claudio Aspesi - *Sanford Bernstein - Analyst*

Thank you. Three questions. Sorry, Claudio Aspesi for Bernstein. Just a clarification. Earlier question was about the usage of the proceeds from the divestiture and you answered fundamentally about actions to extend the business in various directions, does that mean that the proceeds will be used exclusively for acquisitions? Or would you consider other uses of the cash?

Second question, you talked about your expansion of the global footprint. Can you please remind us what is your current share of revenues coming from emerging markets? And do you think more in general that, given the relatively slow growth of Western economies, you need to actually focus more resources going forward or not?

And third and final question, 1% organic growth is a lot better than minus something, but it's still not a lot. And it's still not sufficient to really make the economic model of a publisher really work well. At which point if this continued slow-growth environment continues will you have to rethink more deeply your portfolio?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Thanks for the questions. I'll take the first -- or the last two and then ask Boudewijn to comment on proceeds. If you look at our global footprint in emerging markets, if you take the classic emerging markets of Latin America, Asia, and then add in Eastern and Central Europe, where we have a strong portfolio, it represents about 7% of our total revenues, so still a small -- on a full-year basis, still a small part, but growing well.

We have been doubling the allocation, at least doubling the allocation of our capital in those respective areas. But many of those markets on an absolute basis still remain relatively small. So we're excited about our ability to increase from 7% to some double-digit number over the medium term. But a lot of that's going to come from organic activities, which take some time to take hold, but again I think an exciting opportunity for us overall.

I think one thing to just keep in mind is that, in our world, which is serving professionals, the growth in the number of doctors, lawyers, nurses in places like China has really just started over the last couple of years. So by way of example, we've been in China for 25 years. And if you look at the total legal and regulatory and tax markets in the content world in China, today, the whole market is probably EUR150m.



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So it just gives you a sense that I think what's exciting is not the market as it is today but really the growth potential as we see as more and more professionals come into the market, so clearly a focus for us for capital and one that we've been doing largely organically and that will largely, again, be the strategy there.

If you look at the broader question you asked on organic growth, 1% we believe is just the beginning of the potential of the portfolio. What you see always in a subscription business, and 75% of our revenues come from subscription, is there is this kind of lag effect that occurs as the markets are recovering, as we are seeing good retention levels, as we are seeing stronger new sales, that that will take time to see that in the financial figures.

So what we find encouraging is that the underlying trends in every single geography are getting better. And what we get encouraged by is that print, which is clearly in structural decline in our portfolio, is representing a smaller and smaller part. So as we get to the 75% or greater of our portfolio coming from online software and services, we know those products are capable of growing nicely. You'll start to see the acceleration of our growth.

Use of proceeds, yes.

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Yes, the use of proceeds will be not so not only dedicated to acquisitions. It will be used for investments in the business, optimize our leverage, and the returns we'll give to shareholders either through dividends or the share buyback program that's currently running.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, please.

Thijs Berkelder - *Petercam - Analyst*

Thijs Berkelder at Petercam. Two main questions. Can you tell me -- there are substantial budget talks in the US ongoing. What are the short-term risks of, let's say, the budget more or less coming to a halt or the discussions coming to a halt? Does that directly influence transaction income at Wolters or something like that or a medical -- hospitals immediately stopping their, let's say, subscription payments, something like that?

Secondly, can you give us a bit more view on the split within Europe on how are Spain, France, Italy doing versus UK, the Netherlands, Germany, something like that?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Thank you. First, in terms of the budget talks, because we typically sell it by subscription, we don't anticipate that there will be any major disruption should those talks fall apart.

Secondly, government as a -- the US government or the municipal state governments within the US represent a very small customer group for us. So because of those factors, we don't anticipate anything occurring that will adversely affect us. Frankly, I think the opposite could be true, which is clearly what I would expect coming out of this discussion is that there will be more reform. And whether that takes hold as tax changes or some other kind of changes -- and reform is always good for us as a company. So we see down the road that it should have some kind of positive impact.



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On the Italy and Spain question, what we see, as you know, is we are active in 18 different markets within Europe. And so obviously, it is -- the economic recovery is taking hold in different ways. We clearly see stronger conditions in the north of Europe, Germany, Scandinavia, the Benelux. In the south, it's still a challenging environment in the south as particularly in Italy and Spain. But I would say that even there we are starting to see a recovery. And it's slow, but it's certainly better than last year but certainly lagging the north of Europe.

Thijs Berkelder - *Petercam - Analyst*

But is the north of Europe already in the plus or at, let's say, breakeven in terms of organic growth?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

It really depends on the country. I can say that the north is better than the south. And then within the north, there are countries that are clearly in the positive territory and some that are still not yet there yet. But again, across all of Europe, we're seeing better retention, a better new selling environment than 2010.

Sander van Oort - *Kempen - Analyst*

Sander van Oort at Kempen. Two questions, if I may. First of all, on the financial results and your full year '11 guidance of EUR130m, for the first half, net financial results were EUR59m. So is the EUR130m guidance given, is that just cautious? Or can we expect interest rate or interest expenses to go up in the second half of the year, which seems unlikely given the cash flow profile of the company.

And secondly, on the financial and compliance, margins are a bit held back by investments and growing the business outside of the US. Can you maybe elaborate a little bit more on the phasing of these expansion plans? Have we seen a peak? Or are these multi-year expansion plans, which will continue to somewhat depress margins going forward? Thanks.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. I'll take the second and then hand off to Boudewijn on the financing question. Within financial and compliance services is we clearly expect that the margin will improve in the second half as some of the -- that the revenues associated with the investments that we've been making come through. But I would say year over year that there would be some slight pressure on the overall margin at the end of the year compared with the overall margin of 2010. And that really reflects just that, as you make investments, particularly in things like salespeople, it obviously takes time to build those revenues.

But I have to say we're pretty excited about the fact that this was a division that two years ago was a US business, and now a big chunk of their revenues, a third of their revenues are coming from outside the US. And that's where we see a lot of growth opportunities. So we want to keep making some key investments there.

And on financing?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

On financing, the outlook you got from us for EUR130m is in constant currencies. Now if you look at the first six months, we're at I think P&L wise EUR63m. So if you would double that for the full year, it gets pretty close to the EUR130m on an annual basis, a little bit also, again, depending on the exchange rates going forward.

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Michel Veul - SNS Securities - Analyst

Michel Veul, SNS. Just a clarification for the full year guidance that you give. Does this include or exclude Pharma Solutions? So the 20.5%, 21%, should we take 21.5%, 22% following the discontinued operations?

Secondly, can you maybe reeducate me a little bit what the margin difference is between electronic and print products just to remind me? And thirdly, what are the acquisition areas you're focusing on?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman of the Executive Board

Okay. I'll take the last two. Boudewijn, you want to talk about the --

Boudewijn Beerkens - Wolters Kluwer NV - CFO and Member of the Executive Board

Guidance.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman of the Executive Board

-- impact on guidance?

Boudewijn Beerkens - Wolters Kluwer NV - CFO and Member of the Executive Board

Yes, the impact on guidance, the guidance we gave you on page three of the press release is for total Wolters Kluwer. So just to make absolutely sure you're not confused because that was the guidance we gave you initially in the year. So that still stands.

On the same page, we show you what the impact will be if the pharma-related businesses will be sold and will be actually taken -- will be excluded. And you see would indeed have for the continuing business a margin, which is 100 basis points higher than today. You see that the 2% to 3% impact on EPS and the 3% decline of cash flow.

So once we would have actually succeeded in divesting those businesses, that is the type of guidance you would anticipate to see going forward. Did that answer your question?

Michel Veul - SNS Securities - Analyst

Yes, but I wonder why didn't you raise the guidance then? Or do I totally miss it?

Boudewijn Beerkens - Wolters Kluwer NV - CFO and Member of the Executive Board

Well, again, for next year, once we will come out with our full-year guidance 2012, we will, of course, restate like for like the guidance for 2011. But as it is still plans and we're still in a very initial phase of divestment, I think it's probably more pure to keep the guidance as we indicated to you at the beginning of the year.

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Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

And in terms of your other two questions, the margin differential between print online and then software is the following, which is online is slightly more profitable than the corresponding print product, although, as we have been more and more harvesting our print product line, that differential between the margin between online and print has been getting closer together.

The real step up in margin comes when we move to software. If you look at the margin characteristics of most of our software products, they would start with a number that is a high 20-plus to even a high or a 30-plus kind of number, where clearly in print and other online content businesses, it's going to be in the high teens, low 20s.

So again, that's partially why our strategy is very much focused on driving our customers to software solutions because, not only do you get better growth characteristics, but you also get better margin characteristics.

On acquisition areas, again, I'd like to just remind you that our strategy is very much focused on growing the business organically. So nothing has changed about our acquisition strategy, meaning that we look for bolt-on acquisitions. And we are focused on those areas that I mentioned from the outset, things that are software-driven businesses, geographic extension into fast-growth geographies, and then, of course, where we have opportunities to increase our market share in certain attractive markets. Then we -- those are the areas we're looking.

Yes, please.

Margo Joris - *KBC Securities - Analyst*

Margo Joris, KBC Securities. The first question is on the financial and compliance division. The margin declined by 320 basis points. Could you give a split between the impact of the lower volumes in the transport business and the impact of the phasing investments?

And then a second question on the legal and regulatory business, the electronic and service subscriptions revenue still declined by 1% organically, which is in my view worse than for the full year '10. And on the other hand, you're seeing improving trends and better new sales. Can you explain what's happening there? Thank you.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Sorry. First, on financial and compliance services, as I indicated, you should expect that the margin will continuously improve over the remaining part of this year. And so as a result of that, the vast majority of the margin impact is coming from the investments that we've been making in the global expansion.

On legal and regulatory, again, to refresh everybody's memory, we are largely a subscription business. And so what you see is, as you build new sales, it takes us 12 months to recognize the full benefit of that new subscription. So again, you see this lag as new sales are building between the new sales activity and the actual results in our financial reporting.

So what you should take away from that is we do see new sales building. But it will take a few more quarters for you to begin to see that in the numbers.

Margo Joris - *KBC Securities - Analyst*

So this means that the worst should be behind us now.

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Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, as I say, across all geographies, Asia, North America, Europe, we are seeing a better picture this year than last year. So again, we can't have a crystal ball on exactly what might happen economically. But within our business, we see the underlying dynamics improving, but the rate of that recovery does vary by geography.

Peter Olofsen - *Kepler Capital Markets - Analyst*

Peter Olofsen, Kepler Capital Markets. A couple of questions. First, on Health and Pharma, I think your ambition has been to improve the margin in Health and Pharma to close to the Group average. Well, this disposal will clearly help. Given the growth that you are seeing in some higher-margin parts of this business, how long will it take to close the gap relative to the Group average?

And then on the acquisitions, you spent EUR150m in H1. What is the annualized revenue and EBITA contribution of these companies?

And then on your exposure to the banking sector, when I look at the front page of the Wall Street Journal this morning, a big article stating that -- with the title Banks Slash Jobs as Rules Accumulate, so on the one hand, banks looking for cost savings but, on the other hand, new regulation. What's the net effect for Wolters Kluwer? Is this a net positive for you?

And then finally on FS Transactional, strong growth, 14% organic growth in H1, do you think this is sustainable going into H2? Or would it slow down because the comparisons become more demanding? Thank you.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

I'll start with the Health and Pharma Solutions Group. As you have correctly stated, one of our goals is to have the margin of Health and Pharma Solutions be close if not greater than the Group average. We are on our way to that. So you should expect that that is accomplished in what I would [scribe] the medium term, so one to two years or sooner, so very -- we're getting very close to the Group average with this divestment and with the accelerated growth of clinical decision support.

Peter Olofsen - *Kepler Capital Markets - Analyst*

(inaudible - microphone inaccessible)

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, so we won't get there overnight with Health. But you will begin to see that the margin of Health looks like the Group average. Okay?

Peter Olofsen - *Kepler Capital Markets - Analyst*

And the medium term is one to two years.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, we always say 12 to 18 months, 12 to 24 months. I mean, again, it's not a precise science, but we clearly believe that that's something that we can accomplish relatively soon.

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Peter Olofsen - *Kepler Capital Markets - Analyst*

Okay. But compared to H1, that's a [wide] step in two years then.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, it really -- again, the balance we want to strike is between how much do we want to continue to invest in clinical solutions, where we just have a lot of opportunities, not just in the US but in places like China and the rest of the world and how much -- and what's the pace of margin improvement we want to make. So that is, of course, always the conversation and the discussion that we have. But as we make those choices, we're absolutely confident that we can get the margin of Health to the Group average in the medium term.

So that's one. Boudewijn, you want to take the question on acquisitions?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

So on acquisitions, we have also in previous meetings indicated to you that the purchase price is on average between two and three times revenue, in between eight and 12 times EBITDA.

Now you have to look a little bit at the nature of the business we acquire. The more software-workflow oriented, you'll probably find those businesses having multiples at the higher end of the range. And the more content and maybe paper based, you probably would see those businesses being on the lower end of the range I mentioned.

Two businesses that we talked about today that we acquired are a little bit more on the software-workflow orientation. And as you know, we do not give any specific financial details on the individual acquisitions. But I think this should give you enough lead to figure it out.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. And then on the exposure to the banking sector and the transactional question, just a couple of things to remind you is that the core of what we do largely serves the community bank market, so less affected by some of the things you might be reading in the newspaper.

Now of course, we do also serve the big banks. And the nature of what we do for the big banks is either business process outsourcing, where we act as a service provider for some of the things that they do in mortgages, etc., or in the risk and compliance area. So we are not directly tied to the employment levels of financial institutions. Our business is much more driven by either general economic activity, how much lending, how much mortgage refinancing, and by the focus on compliance and risk management.

Now obviously, in both situations, on the lending side, we are seeing better conditions, particularly for commercial lending in these results. And we are also seeing our mortgage document services business be relatively healthy in the first -- after this year. And as it relates to risk and compliance, that is the topic on every senior executive's agenda within the banking world. So we're having very good market conditions for those products.

So as that relates then to your very specific questions, we had 14% growth, organic growth in the financial services transaction. I would not expect that you would see those exact same numbers in the second half. I think we are benefiting from Dodd-Frank, which came into being in July of this year. And so there's some -- obviously, banks have to get ready for that. And so there's

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some transaction that they have to stock or documents that they have to get in stock and ahead of that reform. So you will see this abate during the second half but still be a healthy growth number.

Peter Olofsen - *Kepler Capital Markets - Analyst*

Okay. Maybe one follow up, if I may, on taxes. Your EPS guidance seems to assume a tax rate of 26%. In H1, the tax rate was close to 19%. Should we look for a sharp increase in the tax rate in H2, or how should we look at the tax rate?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

No, I think the 26% is the effective tax rate on the ordinary income. I think the 19%, which you referred to, is in the normal P&L.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. I know, John, you had a couple of questions.

Unidentified Company Representative

If it's okay, what we'll do is we have some questions queued up through the operator. And we'll have three people join us live. We'll see if we can get this to work. Then maybe we can go back to the room, and I'll follow up at the end with just a few that we're getting through email.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. It's like a voice from the heavens here. Okay. Go ahead.

Operator

Thank you. Yes, we do have three questions from the callers and the first question coming from Mr. Polo Tang from UBS. Mr. Tang, your line is now open. Please go ahead and ask your question.

Polo Tang - *UBS - Analyst*

Thanks. It's Polo Tang from UBS. I've got three questions. First question is, is it fair to say that if you hadn't rephrased banking revenues within tax from H1 to H2, and Group organic revenue growth would've been closer to 2% for the first half, and therefore the business is rebounding quite nicely? So can you just help me with the math?

The second question is, looking at organic revenue growth into longer term, if you look at what you've been doing over the past couple of years, you've obviously been enhancing your portfolio. So therefore, do you believe that you can do better than your peak organic revenue growth of plus 4% that you achieved in 2007? Can you do better than plus 4% going forward into longer term?

And the third and final question is really just about cost savings. We obviously had Jack Lynch talking about additional cost savings, new cost savings from 2012. But will you let these drop down to the bottom line or reinvest them? Thanks.



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Operator

I'm just receiving reports that actually we're not very clear from the phone. I don't know if we can try again?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Why don't I see if I can answer the questions? And then, Polo, please interrupt if I've gotten it wrong. So I'll restate what I believe the question is. And if I don't get it right, he can correct me.

I believe the first question was, in the tax and accounting business, if you normalize for the impact of the restructuring on the bank product, what is the -- is the organic growth the 2%? And then what does that say about improvement year over year? Was that roughly the first question, Polo?

Polo Tang - *UBS - Analyst*

Yes, it was basically can you help me with the math? Is the Group organic revenue growth plus 2% for the first half if you adjust for this issue with tax revenues?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, okay. He's talking about the Group, the Group, meaning Wolters Kluwer overall, so what the revenue with that. So Boudewijn will cover that.

So why don't I move onto the overall number of 4%. What Polo was asking -- excuse me, Polo -- what Polo was asking is if you go look back in history at Wolters Kluwer, we were clearly during the transformation of the business, we had reached 4% organic growth back in 2007 before the crisis.

We clearly believe that the growth profile of our portfolio is even better than it was back in 2007. And there's two major reasons for that. One is some of the divestments that we've been making plus some of the acquisitions. All of the acquisitions with a very few exceptions are all growing at a faster rate than the core. That's one factor. And then the very important factor is print is becoming less of a part of our portfolio. And the characteristics of print have been in decline. Characteristics of online and software are positive growth engines for the company.

So we clearly expect as we come out of the -- or come into what I would say call full recovery in all of our markets that you will continue to see our organic growth accelerate. And clearly the ability for it to get to a number like 4% is certainly there.

As it relates to cost savings, as Jack outlined, we are continuing, despite the end of the official Springboard program, we are continuing to find efficiencies. Those will deliver cost savings. As you know, we have stated that one of our medium-term goals is continuous improvement in operating margins. So you will see us strike a balance between continuing to improve our operating margins as we look to '12 and '13 and continuing to make the investments in the business.

So hopefully, that covered it. And then you want to talk about the Group?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Yes, the Group growth would've been -- organic growth would've been between 1.5% and 1.8%.

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Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

So, Polo, is there anything else? Or did we -- ?

Polo Tang - *UBS - Analyst*

No, I think you covered it. But just coming back maybe to the second question in terms of you're saying, yes, you should be able to do 4% organic revenue growth with the portfolio that you have. But just to clarify, surely, you should be aiming for more than 4% longer term, or you're capable of doing more than that. Can you just clarify?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, no, clearly, as you know, we're not giving medium-term organic growth guidance. So we're not going to give you a specific number. But what I want to reassure all of you is that the health of the portfolio with all of the changes that we've been making and very much the digitization of the portfolio is improving the inherent growth characteristics of Wolters Kluwer.

So as we're coming out of the financial crisis, the only open question at this point is what is the pace of the economic recovery that is taking hold in our markets. And the goal is for us to continue to deliver improved organic growth. So we don't see that 4% is the ceiling. We see that that is the first step in the right direction.

Okay. John, at the risk of using the heavens here, we'll try another one, see if it's better.

Unidentified Company Representative

Yes, let's see if we can get the second.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay.

Operator

Thank you. Yes, the second question is from Mr. Mark Braley from Deutsche Bank. Please go ahead and ask your question.

Mark Braley - *Deutsche Bank - Analyst*

Yes, it's on the pharma businesses that you're selling. Could you tell us what the carrying value is of those now? I think you've written NDC down twice. Also, is the EUR1m of profit from those assets in the first half, is that sort of a fair run rate in that business? You did EUR10m in the full year last year. Is there something particularly unusual in the first half this year? We can see that the organic in that business must've been extremely poor in the first half. But I wonder if there was something particularly odd in the profit.

And secondly, in terms of year-end net debt, allowing for the pending acquisition and what you've already spent this year, do you think you will actually reduce absolute net debt over the course of the year?



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Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Okay. Thanks, Mark. You want to go?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Okay. The carrying value currently of the pharma businesses, and this is more than HA, currently is around EUR100m.

Secondly, the run rate for the first six months -- last year, we had a pretty good year, where, for example, our HA business grew 10%. This year, growth rates are slightly lower. But we're still trending to a heavily weighted second half of the year in terms of EBITDA. So you see the number year on year being maybe a little bit lower but not substantially.

And on your net debt to EBITDA, we will reduce our absolute debts in absolute terms. The answer will be, depends a little bit on -- we have good cash generation in the second half. We have the NRAI acquisition still out there. So if no further acquisitions would happen, you would see actually our net -- our debt positions being reduced by year end, correct.

Mark Braley - *Deutsche Bank - Analyst*

Okay. That's great. Could I ask one follow up? On slide 23, just to go back to the M&A track record, the 2007 deals, last year, they were shown as covering WACC in year three. This year, they're shown as covering WACC in year four. Should we assume that's the Spanish business in there, Europeo del Derecho? Is that what's the particular drag in those deals?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

No, I would -- again, this is a referral to the average of the Group. And that can also, for example, even include currency. But it's not particularly the Spanish operations that are actually increasing that number by one.

Mark Braley - *Deutsche Bank - Analyst*

Okay. Thank you.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, please.

Hans Slob - *Rabobank - Analyst*

Yes, Hans Slob, Rabobank. Going back to the share buyback program, you spent some EUR151m on acquisitions in H1. Should we expect a slowdown in acquisition activity in H2 in order to have more room for the share buyback to continue? Do you have the financial flexibility to do that? So maybe you could comment on that.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Do you want to -- yes.

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Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

I think that the financing and the funding for these type of initiatives are never a problem at Wolters Kluwer. I think it's always difficult to predict and to project the acquisition pipeline. I mean, I could not tell you today whether it would have a great opportunity coming in, in October that we would be able to close and pay in December.

So I think, again, what we know today NRAI, the share buyback offset by strong cash inflow in second half of the year, we should be able to reduce our absolute debt number at year end. So if an additional acquisition would come up, and the Board would decide that would be a strategic important addition, of course, that could change the picture.

Hans Slob - *Rabobank - Analyst*

And so you will restart the share buyback program in H2 again.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes. Yes.

William Packer - *Exane BNP Paribas - Analyst*

William Packer from Exane BNP Paribas again. Just following up on my previous question on cost savings, could you elaborate on the possible quantum? Would EUR20m be an achievable target for 2012? Thanks.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, Jack's smiling because a new target's being set. Okay. No, the tradeoff, of course, with all of this is that we continuously look for efficiencies within the business. And as you well know is when you start on these kinds of programs, there's always things that emerge that you hadn't seen at the beginning of the program. So we're actively getting cost efficiencies.

What you do see, however, is that we also have wage inflation in the portfolio. So, some of the cost savings that we've accrued through Springboard have covered some of the wage inflation that we have. And I'll remind you about 40% of our cost basis is people. So we have to use some of those cost savings to cover those activities. So I wouldn't want to throw out a number there yet.

Again, as we get into announcing our full year results in 2012, we'll give you guidance around margin, EPS, the things that we usually do to guide you in that way.

William Packer - *Exane BNP Paribas - Analyst*

Thanks.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Yes, please.

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Sander van Oort - *Kempen - Analyst*

Sander van Oort, Kempen. I have one question also on the Springboard cost savings and the plans after this year. You're pretty clear in stating that you see further opportunities to lower the cost base or identifying further efficiencies. Does it also mean that we will see also exceptionals next year? Or will these additional costs be taken by the businesses just as a normal operation? Can you maybe elaborate a bit on that?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

No, you will not see additional exceptionals being built as of the end of 2010 and '11. So what you will see is that buildup of the exceptionals, you will still see 2011. There might be execution on existing programs, therefore cash out of those programs will accrue in later years. But there won't be any additional exceptionals being built as of the end of this year.

Maurits Heldring - *ABN Amro - Analyst*

Maurits Heldring, ABN Amro. Question on the dollar hedge, could you give us an update there? What is outstanding in terms of swaps, etc? And what was the impact on the results in the first half of hedging positions?

Boudewijn Beerkens - *Wolters Kluwer NV - CFO and Member of the Executive Board*

Yes, let me just give you an update on where we are. As you know, Wolters Kluwer doesn't or has very limited transactional impact from currency swings. The majority of the products that we sell in a certain region also are produced in that similar region. So I think it's a very important starting point.

So our sensitivity there is limited, albeit at 65% of our interest payments today are swapped into dollar, meaning that if the dollar will get weaker, we'll see basically that interest payments will go down. But we also see less EBITA influx, less EBITA contribution from our US operations. And the opposite also is true. Dollar gets stronger, you get more influx from our US businesses in euros, and we have higher interest payments to offset that.

On the balance sheet, at June 30, 26% of our dollar assets were covered. And we have a policy of remaining more or less around these levels to mitigate any currency impact on the balance sheet. But that's all translational and, of course, of a different order.

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

Back to John. I think you have a few more questions.

Unidentified Company Representative

Yes, we've had two or three analysts come in with a similar question, which is around the fact that Thomson has announced that they are divesting their health business. And the question is, what is our level of interest? And are we poised to purchase that?

Nancy McKinstry - *Wolters Kluwer NV - CEO and Chairman of the Executive Board*

We don't have an interest. And the reason for that is that we have a very strong footprint, as I elaborated earlier in the clinical decision support area and in professional information. So we have a great portfolio of assets that will continue to grow nicely. So we don't have an interest.

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Anything else, John, on your end?

Unidentified Company Representative

No, we've pretty much covered the waterfront.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman of the Executive Board

Okay. Any other remaining questions in the room? Otherwise, I want to say thanks for joining us. This used to be the Stock Exchange of Amsterdam. So I think it's an appropriate venue. And we have some refreshments outside for you. So thanks a lot. Bye, bye.

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