2010
Annual Report
Imagine. Inspire. Transform.

Wolters Kluwer
The Professional's First Choice

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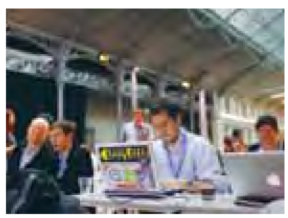
"We have made substantial progress in 2010 to expand our global presence in key markets."

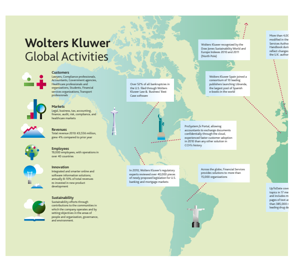


Fast technological changes continue to shape the information industry's landscape. Innovation is a critical success factor in driving value for customers, shareholders, and employees. Through innovative technology, better products, and smarter solutions, customers can achieve increased productivity and improved results. This is the theme of the 2010 Annual Report and illustrated by many examples throughout the report.

The 2010 Annual Report is available online, as an iPad app, and in print. The 2010 Annual Report website became available early March 2011 together with the iPad app. A limited number of printed copies is available on request. A Dutch summary is available as a PDF and also on request in print.

In conjunction with the Annual Report, Wolters Kluwer hosts a website dedicated to its information-enabled solutions called: Intelligent Solutions. On this website, you can also follow Wolters Kluwer experts on innovation in our markets through the Intelligent Solutions blog
> http://solutions.wolterskluwer.com/blog.

Visit our website www.wolterskluwer.com, our YouTube channel, our Facebook page, or follow @Wolters_Kluwer on Twitter for more information about our customers, market positions, brands, and organization.



Imagine. Inspire. Transform.

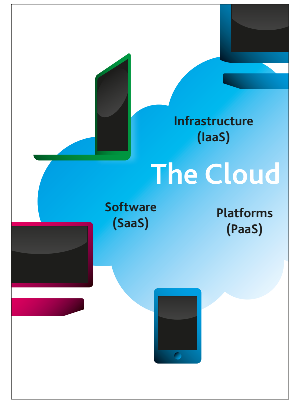
Report of the Executive Board

Innovation Driving Value for Stakeholders

Higher value, electronic solutions now comprise the majority of the company's 2010 results

Innovation and Technology

Growing digital migration and emerging technologies continue to influence market segments and product development



People and Organization

Employee engagement to foster innovation and customer knowledge

Sustainability

Creating value for customers, the company, and society at large

Supervisory Board and Remuneration

2010 Financial Statements

Other Information

Information for Shareholders and Investors

Commitment to a high degree of transparency in financial reporting to the investment community

Nancy McKinstry

CEO and Chairman

"In an environment where there is a tighter supply of resources, professionals are asked to address an increasing number of issues. They require support to accomplish more and deliver better results in a shorter timeframe. Helping our customers deal with complexity and be more productive are our core strengths."

Maximizing Value for Customers

2010 was a year of successes for Wolters Kluwer. We advanced the transformation of our portfolio and broadened our geographic footprint. Total revenue grew 4% to €3,556 million, supported by 3% organic growth in electronic and service subscriptions and improved retention rates across all markets. Profitability also improved in 2010 as our EBITA margins increased to 20.4% as a result of better underlying growth, the continued shift towards higher-margin online and software products, and the contribution from our Springboard initiatives. Our free cash flow accelerated to €445 million, allowing us to distribute additional returns to our shareholders with a proposed increase in our dividend and a share buy-back program.

These results took place against the backdrop of a slow recovery of the world economy and market trends that increase the demand for our products and services globally. We are pleased with our progress and will continue to invest in high-growth segments, focus on online and software solutions to drive innovations, and accelerate the globalization of our business.

Market Trends Support Growth

Overall market trends continue to be favorable for Wolters Kluwer. In 2010, our businesses benefited from the proliferation of information and regulations, the unification of global standards and compliance rules, and an increased focus by our customers on productivity and cost effectiveness. All of our markets, from financial services and health to legal and tax, saw an increasingly complex regulatory environment. In the U.S., for example, more than 18,200 laws or regulations that affect the insurance industry were changed or created in 2010. This regulatory activity is not limited to the U.S., but is also taking place in multiple countries and regions around the world. The trend towards global standards adds yet another layer of complexity. For our customers, keeping track of regulatory change and staying compliant in all geographies is a significant challenge, and creates attractive growth opportunities for Wolters Kluwer.

Wolters Kluwer also benefited from the drive by our customers to increase their productivity and cost effectiveness. In the healthcare sector, for example, there is a growing pressure on practitioners to deliver better outcomes and increase patient safety at lower cost. At the same time, there is a broader societal and governmental desire to widen access to quality health care. This further increases pressure on healthcare providers. In this context, our clinical solutions and information tools like the ProVation Medical product line and UpToDate raise the quality of care and improve productivity. This segment of our business grew at healthy double-digit rates in 2010.

These global trends set the conditions in which our professional customers operate. In an environment where there is a tighter supply of resources, professionals are asked to address an increasing number of issues. They require support

Place China
Date September 2010

The Board of CACFO, the Chinese Association of Chief Financial Officers, welcomed Nancy McKinstry and Shasha Chang, CEO Wolters Kluwer China, at their Beijing offices

"The evolution of our business in China is indicative of our focus on customer value in all of our markets."

to accomplish more and deliver better results in a shorter timeframe. Helping our customers deal with complex regulatory change and be more productive are our core strengths.

Growth and Innovation

At the end of 2009, we introduced our strategy for *Maximizing Value for Customers*. After the first year of execution, I am greatly encouraged with our progress. We have launched many new products and stepped up our efforts to serve both mature and emerging markets alike. We structured our organization to align with our global markets, bringing together our deep local expertise with global tools and approaches to better serve our customers.

"We have made substantial progress in 2010 to expand our global presence in key markets"

Driving our growth strategy forward is my main priority as CEO. One of the most engaging parts of my work is to hear from customers about how the changes in their industry provide them with new business opportunities. Exploring how Wolters Kluwer can support our customers in that journey is personally very exciting and drives our momentum in innovation. Our strong performance in 2010 provides a foundation from which to grow. We expect to build on this momentum in 2011 to drive improvements in top-line revenue growth and profitability.

Our focus remains on the transformation of our portfolio towards higher-value electronic products. Electronic revenues grew 7% in 2010 as our customers continue to adopt information tools and software. Today, nearly 70% of our revenues come from online, software, and service offerings. Driving innovation to develop products that help our customers deliver high-quality results is at the center of our strategy. We will continue to invest 8-10% of our revenues to deliver new and enhanced products that meet our customers' changing needs.

Fast changes in the technology landscape, like tablets and semantic search, also open new avenues for growth. By 2013, more people will access the internet on mobile devices than from desktops. Reshaping and transferring our products to mobile devices that reach our customers at their point-of-use creates new possibilities. Some products will be enhanced as they migrate to these devices while other products will be rejuvenated on tablet devices and their life will be extended. We have launched several initiatives across the company to take full advantage of this trend.

Another priority is to continue to fuel growth through Wolters Kluwer's geographic expansion. During one of my visits to China, I had the opportunity to meet with several of our local partners and professional groups. The pace of change in China is impressive and the growth potential of this market offers Wolters Kluwer several opportunities for expansion. We have established many new partnerships in China, including a joint-venture with Medicom, the leading Chinese drug information provider, announced in early 2011. This partnership positions us well for delivering the next-generation of drug information. The evolution of our business in China is indicative of our focus on customer value in all of our markets.

I am pleased with the substantial progress we made in 2010 to expand our presence in key markets. Our organic growth in emerging markets was strong, with China growing over 20%. Some products like UpToDate grew 26% internationally from a well-established base. Acquisitions were also an important part of the expansion of our global presence, including Edital which has extended our global trademark business, and FRSGlobal, which has established our leadership in the risk management area in over 45 countries. Going forward, we will continue to invest to extend our positions in these higher-growth geographies.

Path Forward

Management at Wolters Kluwer is privileged to be surrounded by customers, partners, and authors that have a similar goal: to deliver value to the societies we live in. Today, our employees take the offline conversation with customers online; our authors interact with peers on expert blogs; and the professional societies we partner with use social media to strengthen their ties and improve their market positions.

On behalf of the Executive Board, I would like to take this opportunity to extend our sincere appreciation to our employees around the world for their efforts to create powerful solutions that serve our customers' needs. We also value the commitment of our shareholders to our company's long-term growth. Our aim is to continue to deliver significant value for all our stakeholders: our customers, shareholders, employees, and society at large.

Nancy McKinstry

CEO and Chairman of the Executive Board


الصفوح ١
ام سقيم
At Sufouh 1
Umm Suqeim
قرية المعرفة
Knowledge Village
مدينة دبي للإعلام
Dubai Media City

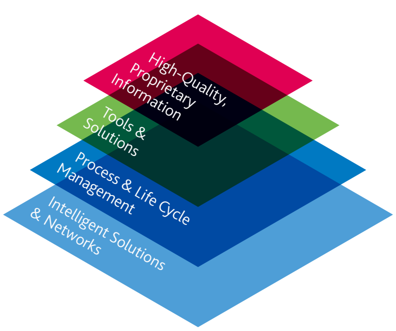
Company Information

Profile

Professionals in the areas of legal, business, tax, accounting, finance, audit, risk, compliance, and healthcare rely on Wolters Kluwer's leading information tools and software solutions to manage their business efficiently, deliver results to their clients, and succeed in an ever more dynamic world.

Our mission is to be *The Professional's First Choice* for information, tools, and solutions for our customers. It is our commitment to customers to be their preferred global provider of information and solutions that help them create effective results. We ensure that our customers have the solutions they need, when they need them, and in the media best suited to their requirements.

Customers are increasingly compensated for results rather than time, with a greater emphasis on quality, accuracy, and productivity. At Wolters Kluwer, we excel at combining our superior information and our deep knowledge of our customers' workflows with the latest innovative tools and technologies to make customers more efficient, productive, and enable them to provide the best service to their clients.



Market-leading Information Services Company

Company Values

Wolters Kluwer's company values - Customer focus, Innovation, Accountability, Integrity, Value creation, and Teamwork - connect all employees, identify the strong relationship Wolters Kluwer has with its partners, and are at the core of how we serve our customers. The Wolters Kluwer brand stands for global reach, high quality, and trustworthiness, catering to the professional customers' need.

Some of Wolters Kluwer's leading customer-facing brands are:

Legal & Regulatory:
Kluwer, Lamy, Leggi d'Italia Professionale, Wolters Kluwer Law & Business, LA LEY, CT Corporation, Croner, TyMetrix, Corsearch

Tax & Accounting:
CCH, Addison, A3 Software, CorpSystem, ProSystem *fx*

Health & Pharma Solutions:
Adis, Lippincott Williams & Wilkins, Ovid, ProVation Medical, UpToDate

Financial & Compliance Services:
Wolters Kluwer Financial Services, Bankers Systems, *ARC* Logics, FRSGlobal, Teleroute

Hallmark

Wolters Kluwer was founded in the Netherlands 175 years ago. The two founding fathers of the 18th century Dutch publishing houses, Æbele Kluwer and Jan-Berend Wolters, launched their business to improve the quality of educational materials and as a result of their work they educated new generations of professionals. Wolters Kluwer continues this long and rich history of producing high-quality information and tools across regions and market segments. Understanding customer needs and the market trends that influence those needs has been the hallmark of our company since its very beginning.

Employees (FTEs)	2010
Legal & Regulatory	7,915
Tax & Accounting	5,481
Health & Pharma Solutions	2,726
Financial & Compliance Services	2,018
Corporate Office	97
Total	**18,237**

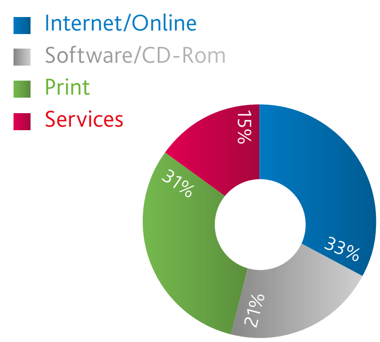
Today, Wolters Kluwer is a €3.6 billion global operating company that serves professionals all over the world. The company maintains operations across Europe, North America, Asia Pacific, and Latin America and employs approximately 19,000 people worldwide.

The company is headquartered in Alphen aan den Rijn, the Netherlands. Its shares are quoted on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices.

Wolters Kluwer is registered under Dutch law with a two-tier board structure.

Revenues by media 2010

in %



Management

Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board; Boudewijn Beerkens, CFO and Member of the Executive Board; Jack Lynch, Member of the Executive Board

Supervisory Board

Adri Baan, Chairman; Peter Wakkie, Deputy Chairman; Bruno Angelici; Barbara Dalibard; Len Forman; Stuart James; Henk Scheffers

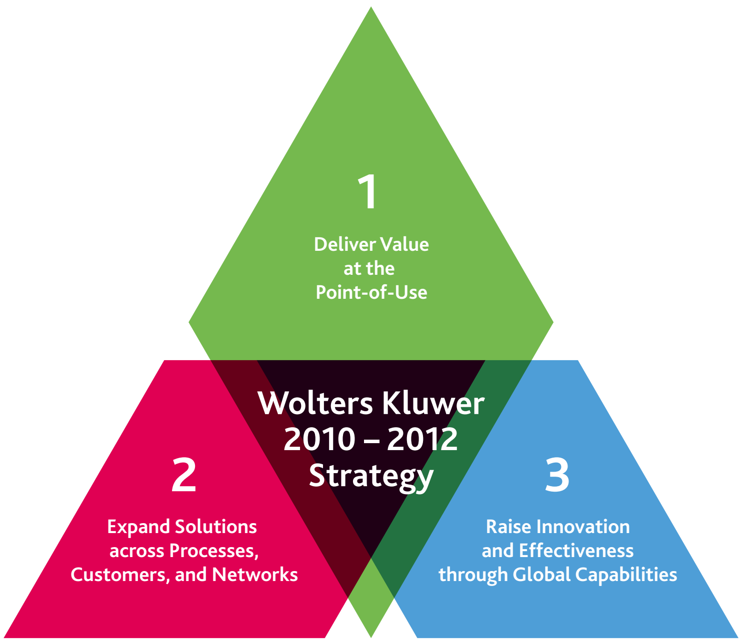
Senior Management

Stacey Caywood, CEO Wolters Kluwer Legal & Regulatory; Kevin Robert, CEO Wolters Kluwer Tax & Accounting; Robert Becker, CEO Wolters Kluwer Health & Pharma Solutions; Brian Longe, CEO Wolters Kluwer Financial & Compliance Services; Tom Lesica, CEO Wolters Kluwer Global Shared Services; Richard Flynn, CEO Wolters Kluwer Corporate Legal Services; Shasha Chang, CEO Wolters Kluwer China

Kathy Baker, Senior Vice President, Human Resources; Jheroen Muste, Senior Vice President, Mergers & Acquisitions; Elizabeth Satin, Senior Vice President, Mergers & Acquisitions North America; Andres Sadler, Senior Vice President, Strategy

See the management profiles throughout this report and full profiles that are available at www.wolterskluwer.com.

Maximizing Value for Customers



The world of professional information is dynamic, driven by regulatory change, scientific discovery, and technology advancements. Our customers are faced with long-term trends around globalization and emerging markets, productivity and staffing shortages, and increased regulation and complexity that are fundamentally changing the way they approach their professional work. That is why professionals value having information embedded in their workflow, greater productivity, and quality results.

1. Deliver Value at the Point-of-Use

Deliver value at the point-of-use by helping customers manage complex transactions to produce tangible results.

David M. Primes

CPA, CITP, and a shareholder in Sobul, Primes & Schenkel, Los Angeles, www.spscpa.com

"I am a CPA. I review financial statements. I prepare tax returns. I have been doing that for many years. I love technology and I am always looking for new tools that help make our jobs easier and our lives better. When I saw the Dashboard part of ProSystem *fx* Suite for the first time at the 2009 CCH User Conference, I found it compelling and wanted to use it for our projects. It gives me all the information combined in one spot and that makes my life much better, absolutely!"

Sobul, Primes & Schenkel has been an early adopter of many of the innovations in the accounting profession, including paperless processes, automated work papers, and engagement management. David holds the AICPA's CITP credential, which signifies his expertise in the area; and, as the firm's technology partner, he has helped shape its IT strategy. David is a customer of CCH and attends the annual CCH User Conference, with over 1,000 peers from the U.S. accounting industry.

2. Expand Solutions across Processes, Customers, and Networks

Expand solutions across processes, customers, and networks by following the transaction flow of the professional customers and delivering solutions across key activities.

Li Sha Wang

Doctor, Editor, and President of Neural Regeneration Research

"I am the Editor-in-Chief of NRR. We are very delighted to work with new technology and cooperate with Wolters Kluwer. This partnership will enable us to bring our content to the wider medical community around the world. It will help us to develop a new business model to transform from a traditional print publisher to an online information provider using Wolters Kluwer's global brand recognition and publishing innovation, combined with the strength of the OvidSP platform."

Neural Regeneration Research (NRR) is a China-based English-language journal dedicated to presenting peer-reviewed, evidence-based scholarly research in stem cells and regeneration, published 36 issues per year. The journal is renowned inside and outside of China for its dedication to publishing timely and practical original research and developments in the field of neuroregeneration, with contributions from experts in several medical areas, including traditional Chinese medicine and regeneration, central nervous system regeneration, peripheral nervous system regeneration, emerging technology in neural regeneration, and translational neural regeneration. End of 2009, Ovid, part of Wolters Kluwer Health, announced the agreement with Neural Regeneration Research.

3. Raise Innovation and Effectiveness

Raise innovation and effectiveness through global capabilities by aligning Wolters Kluwer businesses and operations with its strong global market positions.

Jean-Yves Toullec

Solicitor, Hampton Winter & Glynn Solicitors, Guangdong, Hong Kong and Avocat à la Cour Paris, France
www.hwg-law.com

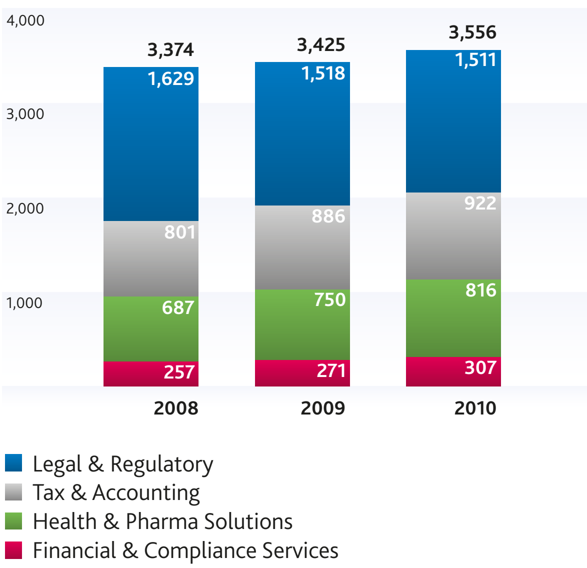
"I am a French lawyer, I am qualified in France for more than 30 years, and I requalified as a Hong Kong lawyer some years ago. I practice between France and Hong Kong and commute almost every month. I help entrepreneurs and SMEs who use Hong Kong as a platform for development in Asia and particularly in mainland China. I have two practices, one in France and one in Hong Kong, and I keep track of my files through the Internet. What would not have been possible years ago is now very common."

Jean-Yves Toullec was admitted to the Paris Bar in 1975. During 30 years of practice in France, he has acquired an extensive experience in numerous aspects of French law, especially in the field of commercial law and enforcement of judgment debts. Jean-Yves is one of the founding partners of CRTD et Associés, a leading French law firm in civil and commercial litigation. His continuing interest for Asia and China in particular lead him to be admitted as a solicitor in Hong Kong in 2006.

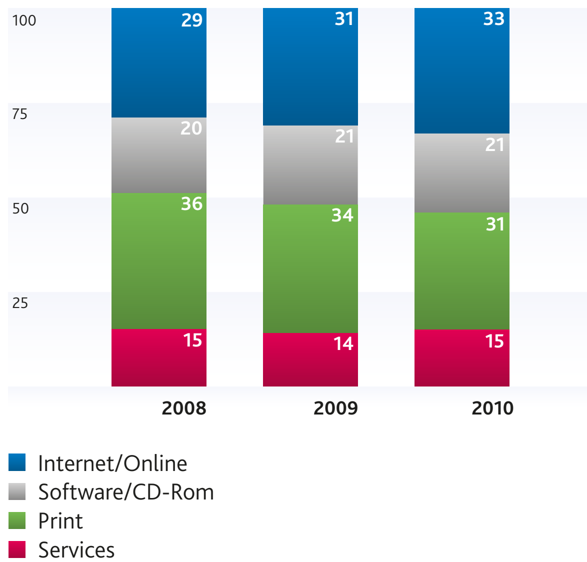
Financial Overview
2008-2010

Revenues

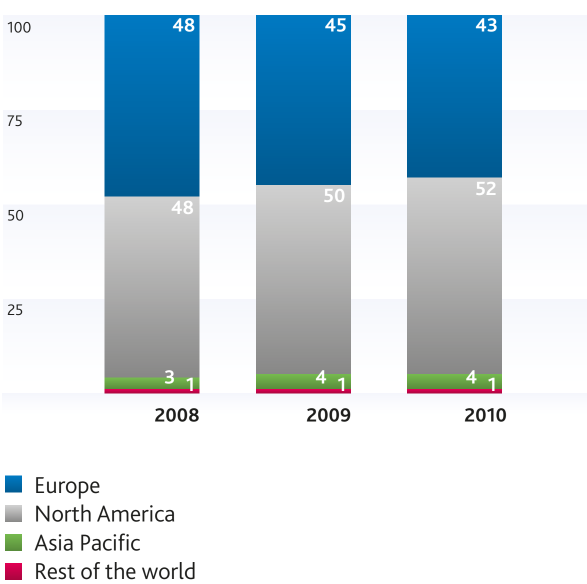
Revenues by division
in millions of euros



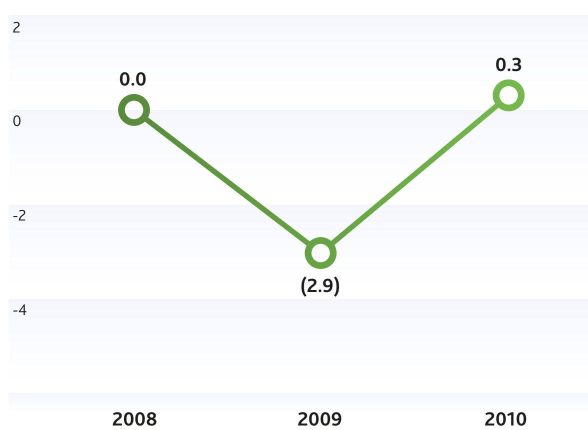
Revenues by media
in %



Revenues by geography
in %

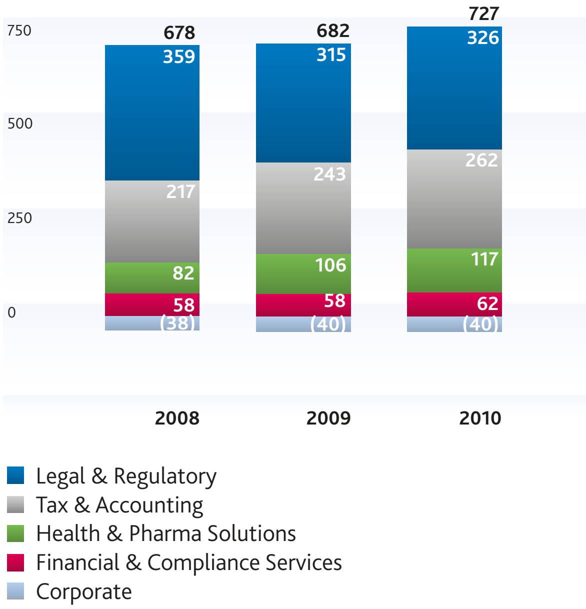


Organic revenue growth
in %

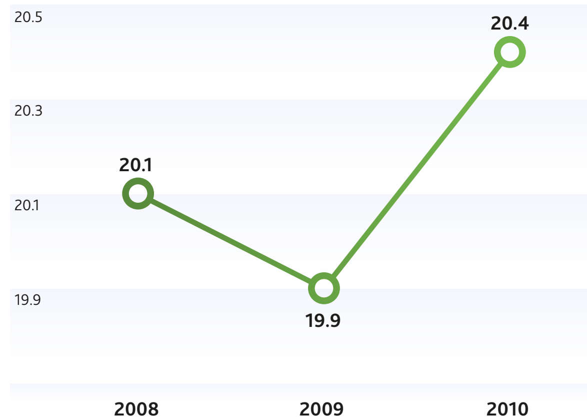


Ordinary EBITA

Ordinary EBITA by division
in millions of euros

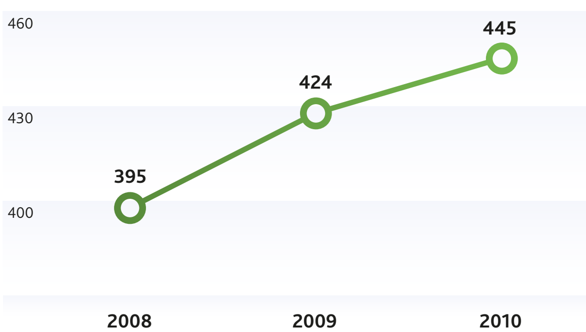


Ordinary EBITA margin
in %



Other KPIs

Free cash flow
in millions of euros (in actual currencies)



Diluted ordinary earnings per share
in euros (in actual currencies)

Key performance indicators	2010	Target 2010	2009
Ordinary EBITA margin	20.4%	20%-21%	19.9%
Free cash flow[1]	€427 million	≥ €400 million	€411 million
Return on invested capital	8.6%	≥ 8%	8.5%
Diluted ordinary EPS[1]	€1.43	€1.41 to €1.45	€1.43

[1] in constant currencies (€/$ = 1.39)

Wolters Kluwer Global Activities

Customers
Lawyers, Compliance professionals, Accountants, Government agencies, Healthcare professionals and organizations, Students, Financial services organizations, Transport professionals

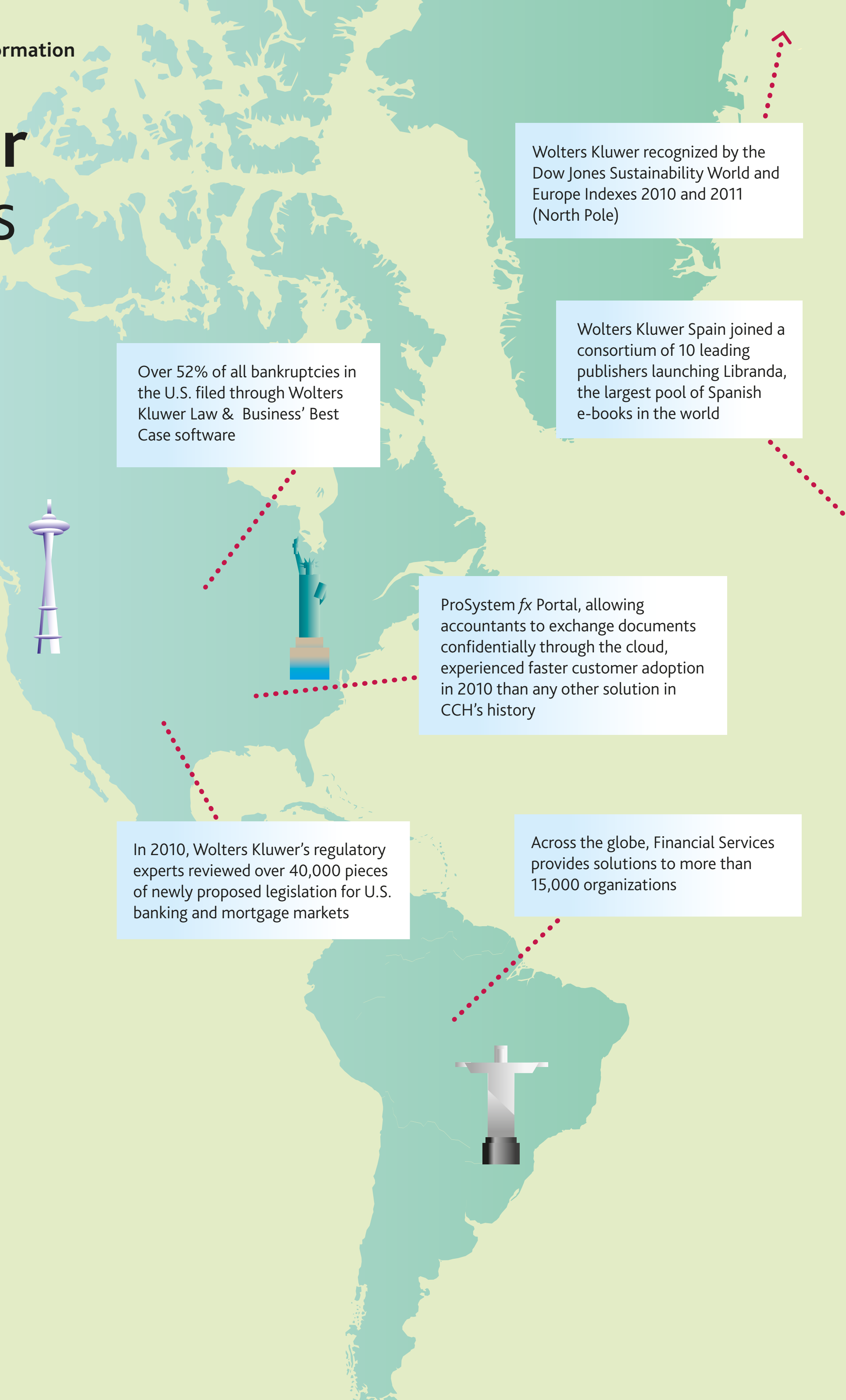
Markets
Legal, business, tax, accounting, finance, audit, risk, compliance, and healthcare markets

Revenues
Total revenue 2010: €3,556 million, grew 4% compared to prior year

Employees
19,000 employees, with operations in over 40 countries

Innovation
Integrated and smarter online and software information solutions; annually 8-10% of total revenues re-invested in new product development

Sustainability
Sustainability efforts through contributions to the communities in which the company operates and by setting objectives in the areas of people and organization, governance, and environment.



Wolters Kluwer recognized by the Dow Jones Sustainability World and Europe Indexes 2010 and 2011 (North Pole)

Wolters Kluwer Spain joined a consortium of 10 leading publishers launching Libranda, the largest pool of Spanish e-books in the world

Over 52% of all bankruptcies in the U.S. filed through Wolters Kluwer Law & Business' Best Case software

ProSystem *fx* Portal, allowing accountants to exchange documents confidentially through the cloud, experienced faster customer adoption in 2010 than any other solution in CCH's history

In 2010, Wolters Kluwer's regulatory experts reviewed over 40,000 pieces of newly proposed legislation for U.S. banking and mortgage markets

Across the globe, Financial Services provides solutions to more than 15,000 organizations

Wolters Kluwer Timeline

- 1792: Lippincott opens office in Philadelphia
- 1815: Carl Heymanns Verlag founded
- 1836: Wolters founded
- 1889: Kluwer starts business
- 1895: Lamy enters publishing market with Bulletin des Transport
- 1913: CCH publishes first *Income Tax Reporter*
- 1985: Operations start in China
- 1989: Launch of the legal information system LEX in Poland
- 1991: Major step into the U.S. market with acquisition of CCH Inc.
- 1996: Italian IPSOA joins Wolters Kluwer
- 2003: Wolters Kluwer presents first 'Three-Year Strategy' to deliver sustained value to customers and shareholders
- 2006: Wolters Kluwer Health office opens in New Dehli
- 2009: Wolters Kluwer chosen as best place to work for in Spain

2010

January 1 • 15 · **February 3** · **March 11** · **April 29** · **May 20** · **June 8 • 29** · **July 22** · **August 11** · **September 7 • 23 • 30** · **December 13 • 20**

2011

January 19 • 20 · **February 23** · **March 8**

Ovid Francais, the local language search portal of the OvidSP platform launched

Emanuel Bar Review series on iPhone and iPod Touch

Implementation of global organization

Leading U.K. HR Software, Simply Personnel, joins Wolters Kluwer

UpToDate selected for all health care in Norway

Trademarks + Brands Blog launched by Corsearch, part of Corporate Legal Services

Financial Services launches Enterprise Risk Management offering

Corsearch acquires Edital, expanding brand management business

ARC Logics expands Axentis enterprise software into 23 languages

Wolters Kluwer Tax & Accounting completes the acquisition of Tax Compliance Software products from Ernst & Young Australia

Lippincott Williams & Wilkins launches site to answering clinical questions in under 30 seconds

TyMetrix released the Real Rate Report®, analyzing more than 17.6 million invoice items from 2007 to 2009

CCH IntelliConnect research platform accessible via mobile devices

Wolters Kluwer Financial Services acquires FRSGlobal

Acquisition hospital pharmacy software provider Pharmacy OneSource completed

Joint venture with China drug information provider Medicom

Financial Services expands into India

Wolters Kluwer announced 2010 full-year results with 4% growth in total revenues

Launch of Wolters Kluwer 2010 Annual Report on iPad

Report of the Executive Board

Profile of the Executive Board

Nancy McKinstry

CEO and Chairman

"Professionals are adapting many different online and mobile solutions to become more effective. We see opportunities to use these new formats to drive greater integration of our products into our customer's workflow."

Date September 2010
Place Nursing Management Congress 2010, Grapevine, Texas, USA

United States, 1959, Chief Executive Officer and Chairman of the Executive Board since September 2003, and Member of the Executive Board since June 2001.

As CEO and Chairman of the Executive Board, Ms. McKinstry is responsible for Corporate Strategy, Division Performance, Business Development, Legal Affairs, Communications, Human Resources/Sustainable Entrepreneurship, and Investor Relations.

Before assuming her present position in 2003, Ms. McKinstry was an Executive Board member of the company and before that served as CEO of Wolters Kluwer's operations in North America.

For a full profile of the members of the Executive Board, see www.wolterskluwer.com

Boudewijn Beerkens

CFO and Member

The Netherlands, 1963, Chief Financial Officer since November 2002, and Member of the Executive Board since May 2003.

As CFO and member of the Executive Board, Mr. Beerkens is responsible for Accounting, Business Analysis & Control, Internal Audit and Internal Controls, Investor Relations, Mergers & Acquisitions, Risk Management, Taxation, and Treasury.

Before his appointment as member of the Executive Board in April 2003, Mr. Beerkens was Chief Financial Officer since November 2002 when he joined Wolters Kluwer.

"With our move to global divisions, we take advantage of our strong positions in the United States, Europe, and Asia."

Date November 2010
Place Morgan Stanley 10th Annual Technology Media & Telecoms Conference, Barcelona, Spain

Jack Lynch

Member

"The rich sharing of your expertise and perspectives leads to more innovative solutions."

Date May 2010
Place Wolters Kluwer Technology Summit, Atlanta, Georgia, USA

United States, 1959, Member of the Executive Board since May, 2007.

As member of the Executive Board, Mr. Lynch is responsible for Global Shared Services, including the Springboard operational excellence program, and technology.

Before his appointment as member of the Executive Board in April 2007, Mr. Lynch was Senior Vice President, Business Development since June 2006.

Innovation Driving Value for Stakeholders

Transformation

2010 proved to be a turning point for Wolters Kluwer as the business responded well to the changing global economic conditions. While the financial crisis that began two years ago continues to pressure professionals to manage increasing levels of complexity in their jobs with less resources, it positively reinforces the objective of the company's strategy, *Maximizing Value for Customers*. Wolters Kluwer continues to invest to deliver more advanced online, software, and workflow solutions that help customers become more efficient and effective. Market acceptance of this shift towards higher value, electronic solutions can be seen in the company's 2010 full-year results, with revenue growth of 4%, free cash flow growth of 5%, and an improved ordinary EBITA margin of 20.4%. Importantly, the company's portfolio has been fundamentally transformed with almost 70% of its revenues generated from online, software, and service offerings.

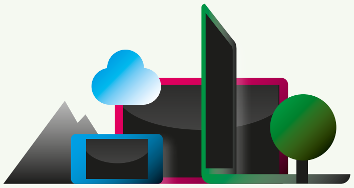
Trends in Professional Markets

2010 continued to highlight long-term trends that support growth in the markets that Wolters Kluwer serves. Professionals are faced with several dynamic developments in their markets and it is Wolters Kluwer's mission to support them with tools and services that help them manage processes and drive results effectively.

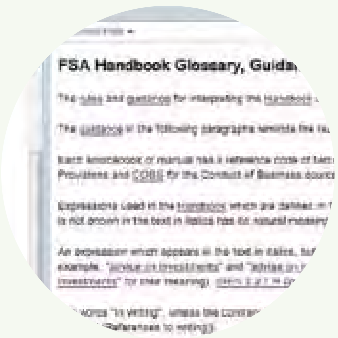
Increased regulation
The amount of regulation and its complexity continues to increase across the globe. The financial services sector is an excellent example of a market undergoing significant change. As an illustration, in 2010, the regulatory experts of Wolters Kluwer's Financial Services unit reviewed over 40,000 pieces of newly-proposed state and federal legislation relevant to the U.S. banking and mortgage industries. Of the 40,000 pieces of proposed legislation, more than 8,000 have been enacted, a 14% increase over 2009.

Shortage of professionals
A marked shortage of professionals in the tax and accounting and healthcare sectors drives the need for more robust, online and software solutions that improve productivity. For instance, the growing and aging U.S. population foreshadows an increasing shortage of physicians over the next 15 years. Combined with ongoing healthcare reform which introduces new individuals into the healthcare system, this places a premium on productivity solutions that help doctors be more efficient and their treatments be more effective.

Globalization of regulation, markets, and customers
There is an increasing adoption of common standards that favor information providers that can combine global strength with local understanding.



Increased Proliferation of Regulation



For the United Kingdom regulatory environment, companies need quick understanding and interpretation of the implications of the Financial Services Authority (FSA) rules and guidance. During 2010, more than 4,000 pages of changes were made to the FSA Handbook, with fines imposed for non-compliance by the FSA tripling over the prior year. The Wolters Kluwer Financial Services FSA Handbook is an essential, intelligent rules and guidance handbook for financial services firms and individuals to conduct regulated business. In the coming year, the U.K. financial services industry will face the challenge of navigating and preparing for the significant changes in how regulation is structured and delivered.

Concrete examples are Sarbanes Oxley, Basel II, and the Dutch Corporate Governance Code that all have established a common framework for regulation in banking, securities, and corporate governance. As these standards emerge, customers are globalizing their operations, providing Wolters Kluwer with new opportunities to leverage its broad global footprint.

Growing presence in emerging markets

Today, 7% of Wolters Kluwer's revenues come from developing markets, including Central and Eastern Europe. These markets provide increasing growth opportunities as the professional customer base is expanding rapidly, particularly in Asia. With Wolters Kluwer's presence in China for already more than 25 years, it has a strong foundation to benefit from this growing market. While the amount of regulation and compliance requirements in China is relatively low today, this is likely to change as regulatory frameworks expand to support the rapid growth of the economy. Today, there are approximately 170,000 lawyers in China, with 2 million lawyers estimated to be practicing in 2020, surpassing the number of practicing lawyers in the U.S.

Resilient Business Model

Wolters Kluwer enjoys the benefit of a resilient portfolio, with the majority of its revenue streams derived from 'must have' content and software delivered to professional market segments. With 71% of its revenue being recurring, most of which is renewed annually, there is a solid and reliable foundation from which to grow. In 2010, electronic and service subscriptions grew 7%, while sales trends for products more sensitive to economic conditions, accounting for 19% of the portfolio's revenue improved throughout 2010, ending the year materially in line with 2009.

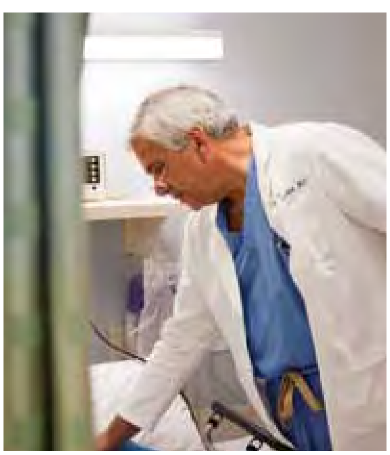
Maximizing Customer Value

2010 marked the first year of Wolters Kluwer's strategy *Maximizing Value for Customers*. Each element of the strategy is designed to integrate the company's information and software services into the workflow of customers, and change the boundaries of how information service providers have traditionally been defined.

Throughout this report, several examples of the implementation of the three-year strategy are available. Some highlights include:

1

Deliver value at the point-of-use
Wolters Kluwer's Clinical Solutions business unit provides evidence-based medical content, workflow-based applications, and services that allow clinicians (doctors, nurses, pharmacists) to efficiently and effectively diagnose and document patient care in hospitals, physicians' offices, and outpatient surgery centers. The unit's integrated offerings delivered 16% organic growth in 2010, while establishing themselves as leaders in the key healthcare point-of-care market.

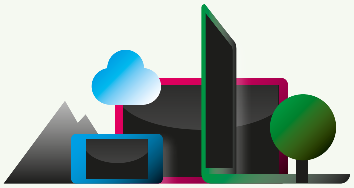


2

Expand solutions across processes, customers, and networks
Wolters Kluwer Tax & Accounting continues to extend its tax and accounting software suite to include productivity tools such as Scan, targeted audit solutions like Knowledge Coach, and workflow solutions such as Portal, which allows professionals to share files safely and securely within their firm and with their clients.

3

Raise innovation and effectiveness through global capabilities
Springboard, the company's operational excellence program, is changing the way the company works. By simplifying and standardizing the core systems and processes that provide common functions, Springboard helps create an efficient platform for execution and frees up resources to invest in growth opportunities. The company also implemented a new organizational structure at the start of 2010 with four global operating divisions, supported by a global shared services organization.



Innovation at the Point-of-Use

The growing and aging U.S. population will place an additional burden on the current shortage of physicians over the next 15 years. This fact, combined with ongoing healthcare reform which introduces new individuals into the healthcare system, places a premium on productivity solutions that help doctors be more efficient and make their treatments more effective. The American Recovery and Reinvestment Act's (ARRA) injection of $20 billion in stimulus funding for healthcare IT included incentive payments to healthcare providers who implement and use eligible electronic medical records systems. Wolters Kluwer Health initiated a collaboration with 10 hospitals across the United States – called the Innovation Lab – to improve clinical decision support and, in this process, help to transform the U.S. healthcare industry.

Partnering Leads to Innovation

Inspiration comes from many sources. By creating strong bonds between employees and customers, the company can better respond to the changing needs of its markets. In 2010, Wolters Kluwer initiated one common customer satisfaction metric across its global customer segments. This will enable management to further drive customer focus throughout the organization.

Within the Clinical Solutions business, a concrete example of customer focus is its Innovation Lab where hospitals become the laboratory setting for new product innovation. Customers are excited about the Innovation Lab process as it will help them to provide more cost-effective, quality solutions to their patients and improve their hospital's economics at the same time.

Dialogue and Transparency

Wolters Kluwer is committed to an ongoing dialogue, not only with its customers but also with its content and technology partners, to deliver innovative and high-quality products and services. Wolters Kluwer takes pride in strong communications with its shareholders, investors, and employees. Further in this report, detailed information on the company's human resources and investor relations programs is available.

Financial Developments

Unless otherwise indicated, all amounts are in millions of euros

Financial Performance

2010 Highlights	2010	2009	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,556	3,425	4	0
Organic revenue growth (%)	0	(3)		
Ordinary EBITA	727	682	7	3
Ordinary EBITA margin (%)	20.4	19.9		
EBITA	656	602	9	5
EBITA margin (%)	18.4	17.6		
Ordinary net income	444	427	4	2
Diluted ordinary EPS (€)	1.48	1.45	2	0
Net debt	2,035	2,007	1	
Free cash flow	445	424	5	4
Diluted free cash flow per share (€)	1.48	1.44	3	2
Cash conversion ratio (CAR)	0.95	0.96		
Return on invested capital (ROIC) (%)	8.6	8.5		
Return on invested capital (ROIC) (%), including impairment in NOPAT	8.6	5.2		
Ultimo number of FTEs	18,237	18,207		
IFRS figures				
Operating profit	481	234	105	
Profit for the year	287	110	161	
Profit for the year, attributable to equity holders of the Company	288	118	144	
Diluted EPS (€)	0.96	0.40	139	

The financial performance of Wolters Kluwer in 2010 was characterized by the following:

- Revenue growth of 4% to €3,556 million reflecting improved organic growth trends;
- Electronic revenues up 7%; now represent 54% of total revenues (2009: 52%);
- Online, software, and services revenues approaching 70% of total revenues;
- Ordinary EBITA growth of 7%; margin improved 50 basis points to 20.4%;
- Incremental Springboard program savings of €62 million exceeded expectations;
- Diluted ordinary earnings per share increased to €1.48 (2009: €1.45);
- Free cash flow accelerated to €445 million, up 5%; and
- Net-debt-to-EBITDA ratio improved to 2.7 (2009: 2.9).

Revenues

Revenues in 2010 were €3,556 million, compared with €3,425 million in 2009, up 4%. Acquisitions contributed growth of 1%, offset by divestments, while underlying revenue remained flat. The positive impact of currencies contributed 4% to total growth as is demonstrated in the revenue bridge table.

Revenue bridge		%
Revenues 2009	3,425	
Organic change	12	0
Acquisitions	19	1
Divestments	(27)	(1)
Currency impact	127	4
Revenues 2010	**3,556**	**4**

U.S. dollar in 2010: average €/$ = 1.33 versus 2009: average €/$ = 1.39

Revenue growth components

Full year	**% of Total**	**2010**	2009	Δ	Δ CC	Δ OG
Electronic & service subscription	50	1,775	1,660	7%	3%	3%
Print subscription	13	473	504	(6%)	(9%)	(9%)
Other non-cyclical	8	287	271	6%	2%	3%
Total recurring revenues	71	2,535	2,435	4%	0%	0%
Books	10	352	336	5%	1%	1%
Cyclical product lines	19	669	654	2%	(1%)	0%
Total revenues	**100**	**3,556**	**3,425**	**4%**	**0%**	**0%**

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth

Total revenues grew 4% in 2010 to €3,556 million (0.3% organic). Supported by strong product development efforts, electronic and service subscriptions grew 7%, underpinned by 3% organic growth. Print subscriptions declined 9% (organically) as customers continue to migrate to online solutions and as a result of economic conditions. The subscription portfolio was further strengthened as the company successfully delivered improved retention rates. Total recurring revenues, which include subscription and other non-cyclical revenues, now comprise 71% of total revenues.

Revenue from books improved 5%, with organic growth of 1%, driven by strong performance in the Health & Pharma Solutions division. Cyclical revenues, which accounted for 19% of total revenues, showed marked improvement and finished in line with 2009, reversing a negative growth trend (2009: -11%; 2010 HY:-2%). With a strong finish to the year, transactional revenues from Corporate Legal Services and Financial Services contributed positively by posting organic growth of 12% and 2%, respectively. These trends helped to offset continued pressure in advertising, training, and consulting activities, particularly in Europe.

Full-year revenues	2010	2009	Δ	Δ CC	Δ OG
Legal & Regulatory	1,511	1,518	0%	(3%)	(2%)
Tax & Accounting	922	886	4%	0%	1%
Health & Pharma Solutions	816	750	9%	3%	3%
Financial & Compliance Services	307	271	13%	9%	4%
Total revenues	**3,556**	**3,425**	**4%**	**0%**	**0%**

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth

For a detailed overview of the financial development per division see 'Divisional Financial Performance' further in this chapter.

Ordinary EBITA

Total ordinary EBITA improved 7% to €727 million, with every division contributing positively. The company improved profitability by adding higher margin electronic solutions to its product mix, increasing retention levels, and effectively executing its Springboard operational excellence program.

Full-year ordinary EBITA	2010	2009	Δ	Δ CC	Δ OG
Legal & Regulatory	326	315	3%	0%	0%
Tax & Accounting	262	243	8%	6%	7%
Health & Pharma Solutions	117	106	11%	3%	3%
Financial & Compliance Services	62	58	7%	4%	0%
Corporate	(40)	(40)	2%	2%	2%
Total ordinary EBITA	**727**	**682**	**7%**	**3%**	**3%**

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth

Operating profit

Operating profit was €481 million in 2010 compared to €234 million in 2009. 2009 operating profit was negatively impacted by an impairment loss of €203 million. Furthermore, operating profit of the Health & Pharma Solutions, Financial & Compliance Services, and Tax & Accounting divisions was positively impacted by the stronger U.S. dollar.

Operating profit by division	2010	2009	% change
Legal & Regulatory	240	169	42
Tax & Accounting	181	158	14
Health & Pharma Solutions	68	(87)	(178)
Financial & Compliance Services	36	38	(5)
Corporate	(44)	(44)	(1)
Total	**481**	**234**	**105**

Divisional Financial Performance

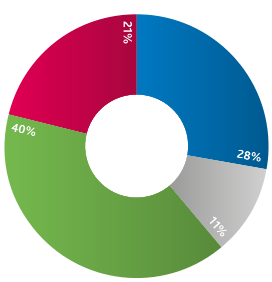
Legal & Regulatory

Full year	2010	2009	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	640	627	2%	(1%)	0%
Print subscription	303	322	(6%)	(8%)	(8%)
Other non-cyclical	65	70	(7%)	(10%)	(1%)
Total recurring revenues	1,008	1,019	(1%)	(4%)	(3%)
CLS transactional	144	125	15%	12%	12%
Books	154	154	0%	(3%)	(2%)
Other cyclical	205	220	(6%)	(9%)	(7%)
Total revenues	**1,511**	**1,518**	**0%**	**(3%)**	**(2%)**
Operating profit	240	169			
Ordinary EBITA	326	315	3%	0%	0%
Ordinary EBITA margin	21.6%	20.8%			
Net capital expenditure (CAPEX)	49	43			
Ultimo FTEs	7,915	8,193			

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth
2009 figures have been restated for new global organization implemented in 2010.

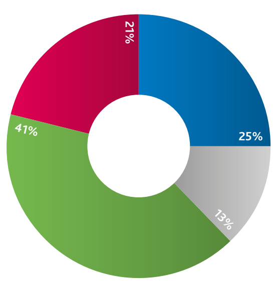
Revenues by media

Legal & Regulatory 2010
in %



- Online (28%)
- Software (11%)
- Print (40%)
- Services (21%)

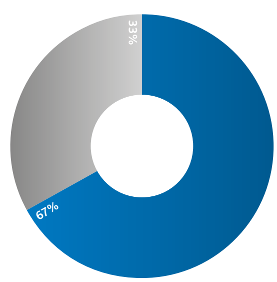
Legal & Regulatory 2009
in %



- Online (25%)
- Software (13%)
- Print (41%)
- Services (21%)

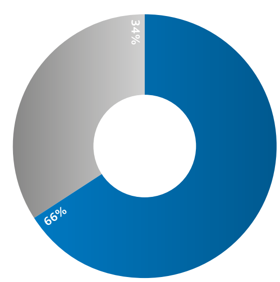
Recurring/cyclical revenues

Legal & Regulatory 2010
in %



- Recurring (67%)
- Cyclical (33%)

Legal & Regulatory 2009
in %



- Recurring (66%)
- Cyclical (34%)

In 2010, division revenues of €1,511 million were materially in line with 2009 (2009: €1,518 million). The division performance improved over prior year as retention rates and new sales levels increased. Corporate Legal Services (CLS) posted 4% organic growth, with transactional revenues increasing by 12% as corporate activity in the U.S. accelerated through the year. Product innovation across the division supported 2% organic growth in online and software revenues. These results were offset by a steady decline of print-based revenues and the adverse impact of the economic cycle on advertising and other cyclical product lines.

The division's ordinary EBITA margin improved to 21.6% (2009: 20.8%), reflecting the contribution of higher margin electronic solutions, improved growth in the CLS business, and the contribution from Springboard initiatives.

Tax & Accounting

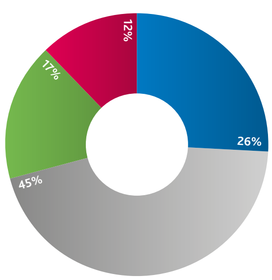
Full year	2010	2009	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	581	542	7%	3%	3%
Print subscription	96	102	(5%)	(9%)	(9%)
Other non-cyclical	151	151	0%	(4%)	0%
Total recurring revenues	828	795	4%	0%	1%
Books	51	52	(1%)	(4%)	(4%)
Other cyclical	43	39	11%	7%	7%
Total revenues	**922**	**886**	**4%**	**0%**	**1%**
Operating profit	181	158			
Ordinary EBITA	262	243	8%	6%	7%
Ordinary EBITA margin	28.4%	27.4%			
Net capital expenditure (CAPEX)	41	43			
Ultimo FTEs	5,481	5,709			

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth

2009 figures have been restated for new global organization implemented in 2010.

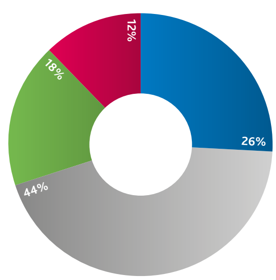
Revenues by media

Tax & Accounting 2010
in %



- Online (26%)
- Software (45%)
- Print (17%)
- Services (12%)

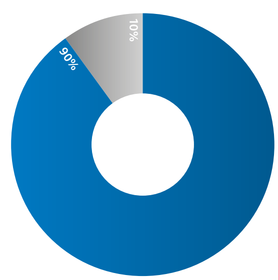
Tax & Accounting 2009
in %



- Online (26%)
- Software (44%)
- Print (18%)
- Services (12%)

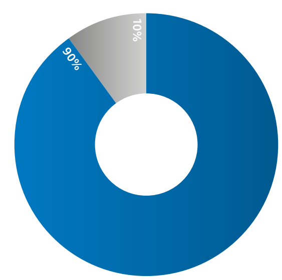
Recurring/cyclical revenues

Tax & Accounting 2010
in %



- Recurring (90%)
- Cyclical (10%)

Tax & Accounting 2009
in %



- Recurring (90%)
- Cyclical (10%)

In 2010, division revenues grew 4% to €922 million in 2010 (2009: €886 million). The division delivered 3% organic growth in electronic and service subscriptions, underpinned by improving retention rates, new product introductions, and increased new sales levels. Tax and accounting software products delivered 4% growth which was partially offset by continued softness in publishing and print sales, particularly in Europe. Online, software, and services revenues now represent 83% of total revenues.

2010 ordinary EBITA grew 8%, with an EBITA margin of 28.4% (2009: 27.4%), reflecting the solid contribution of high margin software revenue growth, improving retention rates, and the contribution from Springboard initiatives.

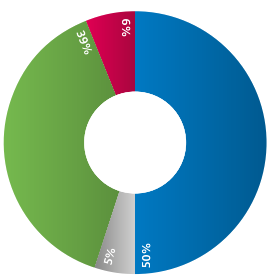
Health & Pharma Solutions

Full year	2010	2009	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	392	348	12%	7%	7%
Print subscription	69	73	(4%)	(9%)	(9%)
Other non-cyclical	57	45	27%	20%	20%
Total recurring revenues	518	466	11%	6%	6%
Books	147	130	13%	7%	7%
Advertising/pharma promotional	151	154	(2%)	(7%)	(7%)
Total revenues	**816**	**750**	**9%**	**3%**	**3%**
Operating profit	68	(87)			
Ordinary EBITA	117	106	11%	3%	3%
Ordinary EBITA margin	14.4%	14.1%			
Net capital expenditure (CAPEX)	40	30			
Ultimo FTEs	2,726	2,567			

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth
2009 figures have been restated for new global organization implemented in 2010.

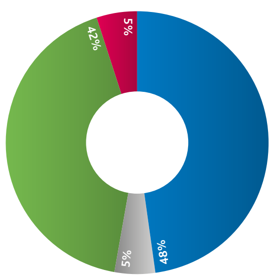
Revenues by media

Health & Pharma Solutions 2010 in %



- Online (50%)
- Software (5%)
- Print (39%)
- Services (6%)

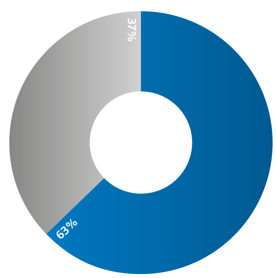
Health & Pharma Solutions 2009 in %



- Online (48%)
- Software (5%)
- Print (42%)
- Services (5%)

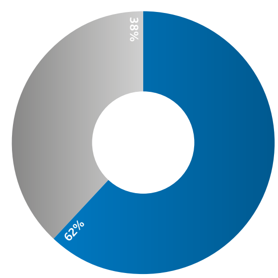
Recurring/cyclical revenues

Health & Pharma Solutions 2010 in %



- Recurring (63%)
- Cyclical (37%)

Health & Pharma Solutions 2009 in %



- Recurring (62%)
- Cyclical (38%)

Division revenues grew 9% to €816 million in 2010 (2009: €750 million) and were supported by 12% growth in electronic and service subscriptions. Organic revenue growth of 3% was driven by double-digit growth in Clinical Solutions and Healthcare Analytics, strong new sales performance at Professional & Education Books, and good retention at Medical Research.

2010 ordinary EBITA grew 11%, with ordinary EBITA margin expanding to 14.4% (2009: 14.1%). These results reflect the solid contribution of revenue growth to profitability, results from Springboard cost savings, as well as investments in growth initiatives such as international sales expansion and product innovation.

Financial & Compliance Services

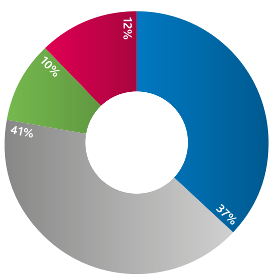
Full year	2010	2009	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	162	143	13%	8%	4%
Print subs. and other non-cyclical	19	12	55%	50%	(9%)
Total recurring revenues	181	155	16%	12%	3%
FS transactional	53	50	6%	2%	2%
Other cyclical	73	66	11%	7%	7%
Total revenues	**307**	**271**	**13%**	**9%**	**4%**
Operating profit	36	38			
Ordinary EBITA	62	58	7%	4%	0%
Ordinary EBITA margin	20.3%	21.4%			
Net capital expenditure (CAPEX)	15	7			
Ultimo FTEs	2,018	1,638			

Δ - % Change; Δ CC - % Change constant currencies (€/$ = 1.39); Δ OG - % Organic growth

2009 figures have been restated for new global organization implemented in 2010.

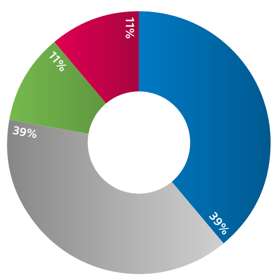
Revenues by media

Financial & Compliance Services 2010 in %



- Online (37%)
- Software (41%)
- Print (10%)
- Services (12%)

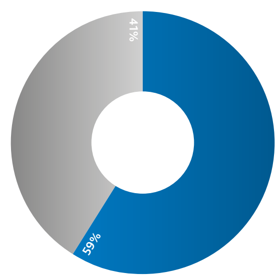
Financial & Compliance Services 2009 in %



- Online (39%)
- Software (39%)
- Print (11%)
- Services (11%)

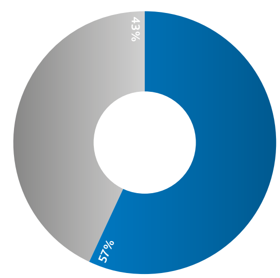
Recurring/cyclical revenues

Financial & Compliance Services 2010 in %



- Recurring (59%)
- Cyclical (41%)

Financial & Compliance Services 2009 in %



- Recurring (57%)
- Cyclical (43%)

In 2010, division revenues grew 13% to €307 million (2009: €271 million) with 4% organic growth. Strong results were fueled by 13% growth in electronic and service subscriptions led by *ARC* Logics product lines and risk and compliance solutions. In addition, transactional revenues associated with lending continued to improve throughout the year, finishing 6% better than 2009. Acquisitions, notably of FRSGlobal, contributed 4% growth to the division. Electronic, software, and services revenues now represent 90% of divisional revenues.

2010 ordinary EBITA grew 7%, with an EBITA margin of 20.3% (2009: 21.4%). These results reflect the solid contribution of electronic revenue growth to profitability, contribution from Springboard initiatives, and investments to extend its leading market positions globally.

Financial income and costs
Net financial costs in 2010 totaled €129 million and were higher compared to 2009, due to higher interest expenses in 2010 and favorable currency movements in 2009.

Taxation
The effective tax rate on profit before tax increased to 19% in 2010, from 3% in 2009, reflecting the impact of higher profits in relatively high tax countries, and one-offs in 2009.

In 2010, the effective tax rate on ordinary income before tax was 25.6% (2009: 24.0%). For 2011, the company expects the effective tax rate on ordinary income before tax to be approximately 26%.

Ordinary net income/diluted ordinary EPS
Ordinary net income in 2010 was €444 million, compared to €427 million in 2009. Diluted ordinary EPS of €1.48 in 2010 increased 2% compared to €1.45 in 2009. In constant currencies, diluted ordinary EPS was €1.43 (2009: €1.43).

Return on invested capital (ROIC)
In 2010, the ROIC was 8.6% (2009: 8.5%). If net operating profit after allocated tax (NOPAT) would be adjusted for the impairment loss, the ROIC in 2009 would be 5.2%.

Cash flow
The free cash flow of €445 million increased by 5% in actual currencies, as a result of strong cash flow from operations offset by higher capital expenditure compared to 2009, and increased by 4% in constant currencies. The cash flow from operations of €835 million increased by 8% compared to 2009, mainly due to improvements in operating profit and working capital. Net cash from operating activities of €546 million in 2010 was 7% higher than in 2009, due to stronger cash flow from operations and lower paid corporate income tax, partly offset by higher cash out for Springboard initiatives. Despite economic conditions the company continued to invest in product development. Net capital expenditure increased to €145 million representing 4% of total revenues. The cash conversion ratio, which measures the operational cash-generating ability of the businesses, excluding tax, financing, and payments for restructuring provisions, was 0.95 (2009: 0.96).

Cash flow	**2010**	2009	Variance (%)	Change in constant currencies (%)
Cash flow from operations	835	776	8	3
Net cash from operating activities	546	510	7	5
Net capital expenditure	(145)	(123)	18	14
Free cash flow	445	424	5	4
Diluted free cash flow per share (€)	1.48	1.44	3	2
Cash conversion ratio (CAR)	0.95	0.96		

Solid Financial Position

Balance sheet
Non-current assets, mainly consisting of goodwill and publishing rights, increased to €4,957 million in 2010 mainly as a result of acquisitions and the stronger U.S. dollar.

Shareholders' equity benefited from the profit for the year and was positively impacted by the increase of the U.S. dollar compared to the euro at the end of the year, partly offset by actuarial losses on defined benefit plans, and dividend payments.

The net debt position of €2,035 million was materially in line with year-end 2009 (€2,007 million) due to the strong free cash flow during 2010 partly offset by the 2009 cash dividend payment in 2010 and acquisition spending. The net debt-to-EBITDA ratio improved to 2.7, consistent with the stated goal of reducing this ratio to 2.5 over the medium term.

Balance sheet	2010	2009	Variance
Non-current assets	4,957	4,539	418
Working capital	(780)	(884)	104
Total equity	1,631	1,355	276
Net debt	2,035	2,007	28
Net-debt-to-EBITDA ratio	2.7	2.9	(0.2)

Working capital
Operating working capital amounted to €(696) million, compared to €(631) million in 2009, a decrease of €65 million. Non-operating working capital increased to €(542) million, mainly due to lower draw downs on credit facility.

Working capital	2010	2009	Variance
Inventories	85	79	6
Operating accounts receivable	1,051	998	53
Deferred income	(1,142)	(1,033)	(109)
Trade and other payables	(337)	(352)	15
Operating current liabilities	(353)	(323)	(30)
Operating working capital	(696)	(631)	(65)
Cash and cash equivalents	458	409	49
Non-operating working capital	(542)	(662)	120
	(780)	**(884)**	**104**

Springboard

In 2008, Wolters Kluwer launched the Springboard operational excellence program. Springboard is the cornerstone of Wolters Kluwer's strategy to institutionalize operational excellence and is critical for positioning Wolters Kluwer for long-term continuous improvement. By simplifying and standardizing the core systems and processes that provide common functions, Springboard helps create an efficient platform for execution and free up resources to invest in growth opportunities.

The Springboard program continued to perform ahead of expectations. In 2010, total run rate cost savings increased by €62 million to €146 million for the full year (2009: €84 million) and related exceptional costs were €58 million.

Given the success of the program, Wolters Kluwer is upgrading its expectation of annualized run rate savings to €170-180 million by year-end 2011 (from a previously stated goal of €140-160 million). This estimate includes additional scope for initiatives driven by the continued consolidation of back office functions and IT infrastructure within Global Shared Services. Total exceptional program cost is expected to increase to €245-260 million with the ratio of investment-to-savings for the program remaining consistent over the life of the program. Non-recurring program costs of €245-260 million over the four-year period of the program will be treated as exceptional and include costs related to IT-system migration and implementation, outsourcing migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

Springboard summary savings and costs € millions (pre-tax)	2008 Actual	2009 Actual	**2010** **Actual**	2011 Estimate	Total Estimate
Run rate cost savings[1]	16	84	146	170-180	170-180
Exceptional program costs	45	68	58	74-89	245-260

[1] At 2008 constant currencies (€/$ = 1.37)

Employment

Full-time equivalents (FTEs) of 18,237 were in line with 2009. Reduction of FTEs as a result of restructuring activities was more than offset by additions as a result of acquisitions and an increase in staff, predominantly related to sales.

Employment	**2010**	2009	Variance
Legal & Regulatory	7,915	8,193	(278)
Tax & Accounting	5,481	5,709	(228)
Health & Pharma Solutions	2,726	2,567	159
Financial & Compliance Services	2,018	1,638	380
Corporate	97	100	(3)
Total	**18,237**	**18,207**	**30**

Outlook

Market trends remain favorable for Wolters Kluwer as the company benefits from the increase in regulations and compliance complexity, the continued focus by customers on productivity solutions, and globalization.

The positive top-line growth trend experienced in 2010 is expected to continue as the company takes advantage of the momentum in its underlying businesses. Solid retention rates and strong growth in software solutions will drive improved growth and profitability performance in 2011.

For 2011, ordinary EBITA margin is expected to be 20.5-21%. Improving margins will be underpinned by the shift to more profitable electronic products and the continuing contribution of the Springboard program. These efforts are expected to offset wage and other inflationary expenditures. As in prior years, the company will invest approximately 8-10% of revenues in new products and platforms to drive future growth.

Performance indicators	2011 Guidance
Ordinary EBITA margin	20.5%-21%
Free cash flow[1]	≥ €425 million
Return on invested capital	≥ 8%
Diluted ordinary EPS[1 3]	€1.50 to €1.55[2]

[1] In 2011 constant currencies (€/$ = 1.33)
[2] 2010 diluted ordinary EPS in 2010 constant currencies (€1.43) has been recalculated to €1.50 using 2011 constant currencies (€/$ = 1.33; 2010 constant currencies: €/$ = 1.39).
[3] Assumptions: financing costs: €130 million; effective tax rate: 26%; diluted weighted average number of shares: 307 million excluding impact of share buy-back.

Based on results through year-end 2010, the company is on track to deliver its mid-term objectives stated in February of 2009 (in the table below).

Performance indicators	Mid-term outlook
Revenue growth / portfolio composition	• Double-digit online & software growth • Online, software & services revenues ≥75% of total revenues
Ordinary EBITA	• Continuous improvement
Diluted ordinary EPS[1]	• Continuous improvement
Free cash flow[1]	• ≥ €400 million per annum
Return on invested capital	• ≥ 8%

[1] In 2010 constant currencies (€/$ = 1.39)

Share buy-back program and dividend

Strong operating and cash flow performance over the year 2010 supported the company's plans to continue to invest for long-term growth. The substantial cash flow generation achieved in 2010 also presented an opportunity to provide additional shareholder returns and, as such, the company intends to execute a €100 million share buy-back plan in 2011.

In addition to the share buy-back plan and in accordance with its progressive dividend policy, at the 2011 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.67 per share, a 2% increase over last year, to be paid on May 17, 2011. On May 13, 2011, the stock dividend conversion rate will be set on the basis of the volume weighted average share price of Wolters Kluwer nv during the period from May 9 up to and including May 13, 2011.

Stacey Caywood

CEO Wolters Kluwer
Legal & Regulatory

"Innovation is applying the right idea at the right time to bring new value to customers. It requires external focus, and internal execution. You need deep insight into your customers, and the ability to respond with speed and expertise."

Date January 2011
Place Unternehmertage 2011, Cologne, Germany

Stacey Caywood is the CEO of Wolters Kluwer Legal & Regulatory since September 2010. Prior to her current position, Ms. Caywood was President and CEO of Wolters Kluwer Law & Business in the U.S. since November 2008. She has a broad background as a leader in the professional information industry.

Wolters Kluwer Legal & Regulatory

- Annual revenue **€1,511 million**
- Ordinary EBITA margin **21.6%**
- Employees **7,915**

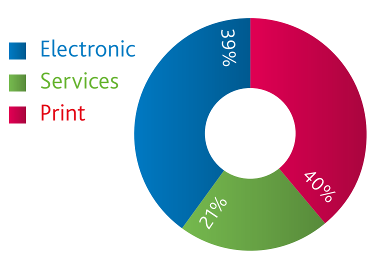
The division has operations in North America, Europe, and Asia Pacific. Some of the leading brands of the division are Wolters Kluwer Law & Business, CT Corporation, Kluwer, Leggi d'Italia Professionale, Croner, LA LEY, TyMetrix, Lamy, Carl Heymanns Verlag, BizFilings, and Corsearch.

Wolters Kluwer Legal & Regulatory provides a wide range of unique, proprietary information, workflow solutions, and services for lawyers and in specialty legal practice and regulatory areas, including claims, trademark, health and safety, public administration, and business compliance sectors, across the globe.

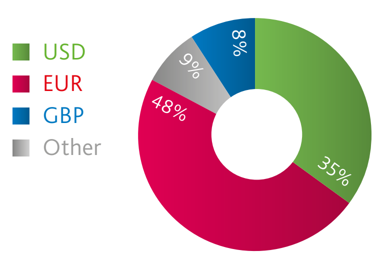
Legal and business professionals in law firms, corporations, governments as well as academic, legal researchers, law students and legal faculties, around the world rely on the authoritative information and tools provided by Wolters Kluwer Legal & Regulatory to ensure legal compliance and effectiveness in an increasingly complex and dynamic world with ever changing laws and regulations.

Interesting resources:
- www.mediregs.com/blog
- twitter.com/CronerHR
- www.financeworld.be/
- www.youtube.com/user/WoltersKluwerPL
- twitter.com/EditorialLALEY
- ctls.typepad.com/ct-lien-solutions

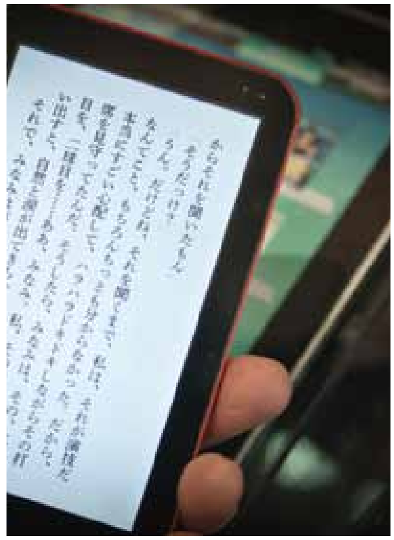
Revenues by media
in %



Revenues by currency
in %



Leading the Way with Mobility Applications



2010 was an important year for the Legal & Regulatory division, as it made substantial progress to develop and market innovative solutions that help customers balance the need for quality results with an increased focus on cost effectiveness by clients. The division has a long and successful history of providing its customers with information and tools that help them understand and manage complex legal requirements and processes. Combining this expertise with the latest technology and innovation allows the Legal & Regulatory division to provide professionals with solutions that add substantial value by supporting greater efficiency in their workflows, and the ability to work anywhere, anytime.

Migration to Electronic Solutions

Increasingly, customers expect information to be delivered digitally. This expectation is driven by the need for 'just in time' information and answers to questions about compliance particularly as new and more complex regulations and requirements are implemented across the globe.

Wolters Kluwer Legal & Regulatory is leading the way with innovative online search tools, mobile applications, e-books, and software solutions which are gaining momentum across the global portfolio. With products and prototypes available to practitioners and students alike, examples include:

1

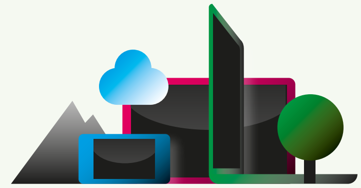
Wolters Kluwer Spain joined a consortium of 10 leading publishers launching Libranda, the largest pool of Spanish-language e-books in the world with 2,000 titles and a digital distributor network. The unit also launched the iReport, a feature which automatically creates a dossier by gathering the most relevant paragraphs from legal documents within a database through only one click.

2

Kluwer Netherlands conducted a seven week pilot using the iPad with the court in Almelo, Netherlands. Judges from the court in Almelo consulted e-books and other codes and reference materials provided by Kluwer. As of 2010, all books that are published by Kluwer are also available as e-books.

3

In Sweden and France, Wolters Kluwer launched Kleos, the new generation practice management software for law firms, allowing lawyers to realize significant productivity gains in managing their activities.

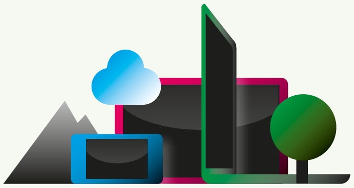


How Digital Native Lawyers-To-Be Study

In the U.S. there are an estimated 1.2 million lawyers, and increasing numbers of students in law school. As true hybrid digital natives, the form of how information is delivered and accessible for this generation is changing significantly from the traditional channels. They are smart phone users and they want to have study aids to help them study anytime, anywhere; they want to make digital study notes and make bookmarks for later reference.

That is why there are now 49 Wolters Kluwer Law & Business apps for Law in a Flash. These apps are a reinvention of the traditional flash card study aid model. They are specifically designed for law students and provide hundreds of digital cards in a series of key legal subjects, which are designed for efficient and portable test preparation.

Watch the video with Jennifer Bender, a second-year law student at St. John's University School of Law in Queens, New York, on Wolters Kluwer's YouTube channel.



Staying Competitive as Law Firm

There were $4.1 billion in legal invoices in 2010 in the U.S. alone. Increasingly, corporate legal departments and law firms need to identify and quantify the real drivers of U.S. attorney rates in order to manage their cost structures. Having a statistical analysis and actual benchmark for firm rates is crucial to them. This is now all combined in the legal industry's first statistical, data-driven mobile app, RateDriver™, publishing the 2010 Real Rate Report™. The model was established by TyMetrix in partnership with the Corporate Executive Board and provides data, analysis, and benchmarks on law firm rates to help buyers and sellers of legal services stay competitive.

4

Wolters Kluwer Law & Business in the U.S. launched almost 200 eBooks to law school students in 2010. In addition, Law & Business' proprietary study aids are available as digital tools within its AspenLaw Studydesk productivity software.

5

In March, the company announced the acquisition of ft william, a Software-as-a-Service (SaaS) business that helps streamline time-consuming tasks for the pension professional, providing the highest quality plan documents (retirement, welfare, and non-qualified), government forms, and administrative/compliance software.

6

Within Corporate Legal Services (CLS), Corsearch announced A2 Beyond, the industry's first desktop application for trademark search and review that enables IP and trademark professionals to work anywhere - whether there is an Internet connection or not. And UCC LienServices launched iLien 4, providing customers with UCC, corporate, real property, tax, lien, and judgment data in a single, customizable web-based desktop application.

A "new normal" of Cost Consciousness

Driven by a reaction to the economic downturn, there is a new expectation for increased productivity, with customers becoming value-conscious consumers, re-setting their cost structure rather than returning to pre-recession spending patterns. There is also a demand for data-driven intelligence that helps them make more effective decisions about their operations, resource allocation, and cost management. Wolters Kluwer Legal & Regulatory provides tools and solutions that support this change.

ComplyTrack software for the healthcare industry integrates content with risk management processes so that professionals can efficiently ensure compliance with complex regulations.

Over 52% of all bankruptcies in the U.S. are filed through Best Case software, a solution for attorneys and bankruptcy practitioners providing essential bankruptcy filing services to their clients to ensure compliance with all laws and regulations.

IntelliConnect®, based on Wolters Kluwer's Global Atlas platform, is now incorporating legal and compliance content with productivity tools, such as Healthcare Smart Charts; taking complex new healthcare reform requirements in the U.S. and providing easy-to-access, multi-state overviews.

Kluwer Netherlands launched the Kluwer Snelbalie, an online expert software system that supports municipalities to decide on financial support applications of their citizens. Significant time savings (40-50%) can be realized by using this system, an important benefit in times when budgets are under pressure.

Croner Simplify in the U.K. provides an information service consisting of compliance tools and guidance that manages all aspects of employment law, health and safety information, and other regulations.

At CLS, TyMetrix' Real Rate Report™ provides analysis of the largest set of legal invoice data in the world. It is the industry's first look at real, objective, invoice data to understand and quantify what is driving the billable hour, helping the buyers and sellers of legal services make better-informed business decisions.

In its first full year in the market, CTProComply - a comprehensive business compliance solution for small and medium-sized businesses - grew significantly in 2010.

Globalization

The emerging global nature of law has corporate law departments starting to leverage systems that tap into knowledge across the world. Wolters Kluwer continues to expand its global presence and leverage its capabilities to grow with its clients.

In November, Wolters Kluwer announced the acquisition of Lexis-Nexis Deutschland GmbH. Through this acquisition, the online legal services part of the portfolio of Wolters Kluwer Germany has been expanded significantly, offering customers an integrated solution of laws and jurisprudence with the legal commentaries and software of Wolters Kluwer. This acquisition reinforces the strong position that Wolters Kluwer has in this major market.

In July, Corsearch, the premier provider of clearance and protection solutions for trademark and brand professionals, announced that it had acquired Edital, a trademark research company based in Belgium. This acquisition combined two industry-leading companies to create best-in-class solutions for managing a brand lifecycle globally - from creation to watching, protecting, maintaining, and renewing a brand.

Financial profile

in millions of euros unless otherwise indicated	**2010**	**2009**
Revenues	1,511	1,518
Organic growth	(2)%	(6)%
Ordinary EBITA	326	315
Ordinary EBITA margin	21.6%	20.8%
Net capex	49	43
FTEs	7,915	8,193

Richard Flynn

CEO Wolters Kluwer Corporate Legal Services

"Innovation is the outcome of aligning your core competencies with marketplace insights. To do it well you need to understand what makes you successful, and most importantly, what your customers need to make them successful."

Date September 2010
Place Staff lunch, New York, USA

Richard Flynn is the CEO of Wolters Kluwer Corporate Legal Services, part of Legal & Regulatory, since March 2010. Prior to joining Wolters Kluwer, Mr. Flynn held a number of senior-level positions at American Express, including Senior Vice President and General Manager for OPEN, the market leader of U.S. card businesses dedicated to small businesses.

Kevin Robert

CEO Wolters Kluwer
Tax & Accounting

"Innovation needs to be part of everything you do to meet customers' needs. First, innovation comes from a deep understanding of what customers do and how they do it. Next, it's about how you apply insight and technology to improve their work processes, by increasing their efficiency and enhancing their performance."

Date November 2010
Place CCH User Conference, Orlando, Florida

Kevin Robert is the CEO of the global division Wolters Kluwer Tax & Accounting since January 2010. Prior to this, Mr. Robert was CEO of Wolters Kluwer Tax & Accounting for North America and Asia Pacific. Mr. Robert has been recognized consistently as one of the most influential people in the tax and accounting industry.

Wolters Kluwer Tax & Accounting

- Annual revenue **€922 million**
- Ordinary EBITA margin **28.4%**
- Employees **5,481**

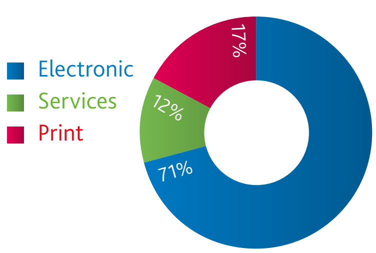
The division consists of various businesses across the globe. Some of the leading brands of the division are CCH, ProSystem *fx*, CorpSystem®, A3 Software, Addison, and OSRA.

Wolters Kluwer Tax & Accounting is the world's largest provider of tax, accounting, and audit information, solutions and services. The division delivers solutions that integrate local knowledge with leading technology solutions, helping professionals worldwide navigate complex regulations and requirements to ensure compliance with accuracy and efficiency.

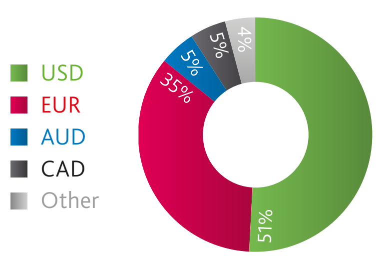
Professionals, including accounting firms; tax professionals; government agencies; and corporate tax, accounting, and financial auditing departments, use Wolters Kluwer Tax & Accounting's workflow solutions to enhance their productivity and better serve their clients.

Interesting resources:
- www.facebook.com/CCH.USA
- community.cchgroup.com
- www.youtube.com/user/CCHasia
- www.cchatter.com.au/
- www.facebook.com/A3Software
- twitter.com/a3software
- www.taxtalk.be/nl/

Revenues by media
in %



Revenues by currency
in %



Solutions that Increase Productivity

2010 continued to reinforce themes that are at the center of Wolters Kluwer Tax & Accounting's strategy and drive market demand for its products.

1

Productivity: The growing complexity of tax and accounting regulation, economic pressure and the shortage of qualified professionals continue to drive demand for productivity-enhancing solutions by both advisory professionals and companies.

2

Globalization: Increasingly, businesses of all sizes have global operations, or are affected by globalized standards or requirements.

3

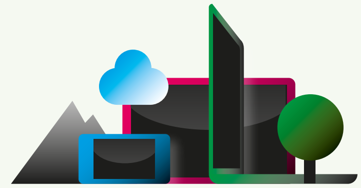
Technology: The benefits of cloud computing, where users have the ability to switch between on-premise and hosted versions of software and can choose the amount of responsibility for managing software environments, are a great benefit for customers. This is leading to accelerated acceptance in the professional markets Wolters Kluwer serves.

4

Mobility: Customers and their clients demand anywhere, anytime access to information and the ability to conduct business, and also want to work more collaboratively with clients and suppliers to create more fluid and flexible workflows.

The business took significant steps in 2010 to anticipate these market forces, and meet or exceed its customers' demands. Deep local knowledge and leading technology, supported by global investment in products, platforms, and processes resulted in solutions that add value to customers by addressing productivity objectives and challenges around greater complexity in regulations and compliance requirements.

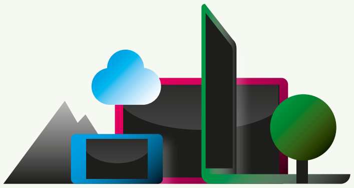
Strong market adoption of its products and industry endorsement demonstrated that 2010 was once again a year of customer focus, robust new technology developments, and innovation.



Solutions to Tax Challenges

Companies that do business in multiple locations face unique challenges related to tax, accounting, provisioning, reporting, and compliance. *Global Integrator* helps multinational organizations ensure accuracy and streamline and automate core tax provision and compliance areas. It is a web-based solution that provides anytime, anywhere data collection, analysis, and tax reporting globally. Global Integrator further advances CCH's capability in serving global corporate customers. And, professionals who already benefit from ProSystem *fx* Tax can realize even greater accuracy, efficiency, and productivity now that it is integrated with *Global Integrator*.

CCH's Global Integrator awarded Top New International Tax Product for 2011 by Accounting Today.



Firms to Increase Productivity through Technology

The 2010 CCH Accounting Firm Client Survey revealed that business clients are leveraging technology to enhance productivity and effectiveness, and they expect their accounting firm to do the same, whether it is working in the cloud or digitizing more of their environment. To meet these expectations, CCH's productivity-enhancing workflow solutions address the needs of small firms, such as Small Firm Services' new tax and related applications in the cloud, to large firms that benefit from better utilizing their firm's expertise with CCH KnowledgeConnect, while firms of all sizes can benefit from Portal, which enables firms to work collaboratively with and serve clients anywhere, anytime.

Global Market

Wolters Kluwer Tax & Accounting is well-positioned to meet the global demand from tax and accounting professionals for increased productivity, mobility, and collaboration. The development and release of IntelliConnect® and the ProSystem *fx* Suite, continuing innovation of the Addison suite in Germany, and the introduction of mobile applications underpinned the division's focus on solutions that can be shared across geographies and customized to meet local market needs.

Wolters Kluwer Tax & Accounting furthered increased its focus on the corporate market, with the purchase of the Tax Integrator and Global Integrator product lines from Ernst & Young in Australia announced in June. Today, Tax Integrator provides a market-leading Australian tax management solution for the largest corporations in Australia. Global Integrator, a web-based solution that now integrates with CCH ProSystem *fx* Tax, helps multinational organizations looking to simplify provisioning calculations, eliminate manual processing of direct taxes and automate global tax data collection. Global Integrator provides a platform for the division to serve medium, large, and multinational corporations anywhere in the world.

In Europe, Wolters Kluwer Tax & Accounting extended its partnership with tax advisor customers by supporting them in their business development efforts. EasyWeb in Belgium is a customized web offering with dynamic content feeds to help advisors reach out to existing and prospective clients. Spain also supports their customers through their Asesor offering, an easy-to-implement content-based website tool.

Technology Driving Productivity

The division's Software-as-a-Service (SaaS) version of the ProSystem *fx* Suite incorporates a common platform across multiple applications such as tax, document management, practice management, portals, and workflow. Customers in the U.S. markets in 2010 began to fully realize the productivity benefits these solutions provide.

ProSystem *fx* Portal, which allows accounting firms to exchange client documents of any size confidentially and securely through the cloud, experienced faster customer adoption in 2010 in the U.S. than any other solution in CCH's history. In 2011, it will be introduced to professionals in Canada, the U.K., and Australia. This new productivity tool supports greater ongoing collaboration between professionals and their clients.

The company made ongoing enhancements to IntelliConnect, and saw significant growth in the number of users. Enhancements were released through the year, and users benefitted from fast and easy access to CCH's premier content and award-winning tools. IntelliConnect is also achieving more global scale with adoption in Australia, China, India and planned for 2011, the Netherlands and Canada.

The launch of new information solutions expanded customers' ability to work anywhere, anytime. CCH Mobile™, a new mobile application that is an extension of the IntelliConnect platform, was introduced making CCH's premiere content and tools available via Blackberry and iPhone. The most popular CCH books that tax and accounting professionals rely on for answers, guidance and insight were launched as e-books in a variety of formats, including mobile devices such as the iPhone and iPad.

Top Recognition

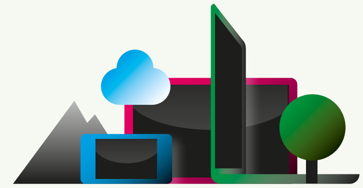
Knowledge Coach, which supports a risk-based audit methodology by combining the company's software and content to create an integrated solution for accounting and audit professionals, was named by *Accounting Today* as the profession's top new audit product.

Two CCH solutions were recognized as part of the annual CPA Technology Advisor Tax & Accounting Technology Innovation Awards: One of the prestigious awards was given to CCH® KnowledgeConnect, the only knowledge-management system designed from the ground up for accounting professionals. This marked the seventh time CCH solutions have been honored in the seven years since the competition began.

The Internal Revenue Service in the U.S. again selected TaxWise® from CCH Small Firm Services as the software used by IRS employees and volunteers to prepare and electronically file tax returns for millions of low-income, elderly, and limited-English proficient taxpayers. This marks the 15th consecutive year that TaxWise has won this prestigious contract.

Financial profile

in millions of euros unless otherwise indicated	**2010**	**2009**
Revenues	922	886
Organic growth	1%	1%
Ordinary EBITA	262	243
Ordinary EBITA margin	28.4%	27.4%
Net capex	41	43
FTEs	5,481	5,709



Integrating Invoicing Processes

In Spain, invoices or equivalent documents must be issued on paper or electronically within the next month of the transaction and must be kept on file for four years. The Spanish Government favors electronic invoicing using the 'Facturae' format, although it also accepts other forms of electronic invoice. A3Software launched therefore A3Scan, a digital recognition program developed on the .NET technology from Microsoft, which is facilitating the invoicing process for accounting and business advisors in Spain and increasing their productivity around invoicing by approximately 30%.

Robert Becker

CEO Wolters Kluwer
Health & Pharma Solutions

"Innovation for Wolters Kluwer Health & Pharma Solutions is our history, our vision, and our future. We drive innovation through continual research and development, unique industry partnerships and collaborations, strategic acquisitions, investment in cutting-edge technologies and solutions, and most of all, our uniquely talented and dedicated people. It is the lifeblood of what we do to help our customers make healthcare better."

Date January 2010
Place Management and employee roundtable, Auckland, New Zealand

Robert Becker is the CEO of Wolters Kluwer Health & Pharma Solutions since November 2008. Prior to his current position, he was CEO of Law & Business since July 2003.

Wolters Kluwer Health & Pharma Solutions

- Annual revenue **€816 million**
- Ordinary EBITA margin **14.4%**
- Employees **2,726**

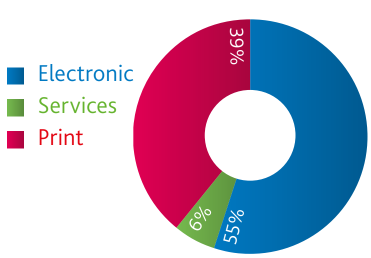
The division consists of four units that operate worldwide. Some of the leading brands of the division are UpToDate®, Ovid®, ProVation® Medical, Lippincott Williams & Wilkins, and Adis®.

Wolters Kluwer Health & Pharma Solutions is a leading global provider of medical information, workflow solutions, and platforms for research and development, as well as business intelligence tools.

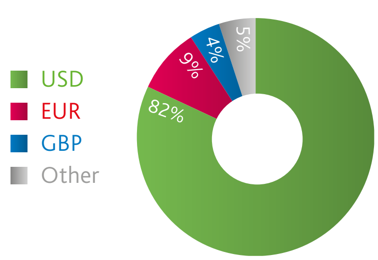
Healthcare professionals and organizations worldwide use the information, tools, and solutions provided by Wolters Kluwer Health & Pharma Solutions, improving clinical practice and raising access to quality and cost effectiveness of healthcare.

Interesting resources:
- www.wolterskluwerhealth.com/News/Pages/MediaSource.aspx
- www.facebook.com/factsandcomparisons
- www.youtube.com/user/OvidWoltersKluwer
- www.orthopaedicsnetwork.com
- www.AJNonline.com
- www.wolterskluwerpharma.com

Revenues by media
in %



Revenues by currency
in %



Improving Healthcare

In 2010, the global healthcare industries continued to be impacted by several trends, including:

1

Political stimulus and regulatory reform: Governments are increasingly aware of the need to provide greater access to quality healthcare. Equally important is the recognition that healthcare costs are consuming ever larger portions of gross domestic product (GDP). To address these issues, several countries including the U.S. and China have announced large government investment programs and new regulatory frameworks with the intent to improve healthcare access and efficiency.

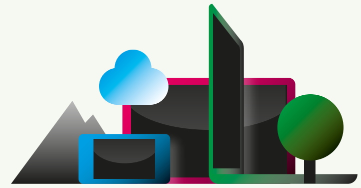
2

Shortage of clinical professionals: With aging populations and the goal of increasing the reach of healthcare to more of the world's population, there is a growing shortage of skilled clinicians. Solving this issue will require both an increase in the number of healthcare professionals and improved productivity.

3

Technology adoption: Until recently, healthcare has often lagged other industries in its adoption of technology, particularly in the clinical setting. With heightened attention to achieving a better balance of quality and cost, healthcare providers and payers are looking to technology to reduce medical errors, eliminate waste, and improve patient outcomes.

Wolters Kluwer Health & Pharma Solutions' strategy capitalizes on these opportunities. The division is focused on extending its current products to new markets, driving future content, tools, and software expansion toward productivity enhancing workflow solutions, and prioritizing global expansion to drive growth.



Electronic (r)evolution in Order Sets

Manual, multi-step maintenance, update, and tracking process of order sets in hospitals resulted in clinician resistance over the years. With typically more than 600 existing order sets, the lengthy process is burdensome and lacks features to deliver meaningful decision support and makes it difficult to address physician preference for format. With Wolters Kluwer Health's ProVation® Order Sets, powered by UpToDate® Decision Support, hospitals have an electronic order set that is easily customizable and provides flexible integration into clinical processes. The solution streamlines the delivery of standardized care for improved patient safety, and clinician and regulatory compliance. Its One Click Updates tool allows hospitals to easily and automatically update order sets to keep current with the latest medical evidence.

Clinical Solutions

In 2010, Clinical Solutions continued to deliver double-digit organic growth, driven by its UpToDate, ProVation® Medical, Facts & Comparisons®, and Medi-Span® product lines. The growth of the clinical decision support tools was marked by several notable contract wins, including ProVation Order Sets agreements with CHRISTUS Health-care, Tufts Medical Center, and OhioHealth, among many others. A total of 135 hospitals and ambulatory surgical centers were added as customers to the ProVation product lines. Today, some 1,200 hospitals and surgery centers in the U.S. use products from the unit. Clinical Solutions also won a large contract from the New South Wales Government in Australia.

UpToDate continued to expand its market-leading position through the addition of two new specialties, Allergy & Immunology and Hospital Medicine, and now provides a total of 17 specialties and nearly 9,000 topics from over 5,500 authors and editors. UpToDate is now used by over 450,000 clinicians in 147 countries worldwide. Customers span the full range of healthcare professionals, from individual physicians, nurse practitioners, and physician assistants to small and large institutions, including hospitals, clinics, and physician group practices.

In November, Wolters Kluwer expanded its market-leading position in Clinical Decision Support through the acquisition of Pharmacy OneSource, a leading healthcare Software-as-a-Service (SaaS) provider that helps hospitals manage the complex challenges of patient safety, compliance, and efficiency. The transaction allows Wolters Kluwer Health to extend its clinical decision support solutions into the hospital pharmacy market and will further strengthen the company's leadership position in the growing point-of-care market.

Medical Research

2010 was an important year for Medical Research as it continued to deliver new productivity workflow tools and access options, expand its clinical content offerings, and extend its position in emerging markets.

In August, the company introduced workflow improvements to its flagship research platform, OvidSP. These enhancements focused on improving the researcher's productivity with the My Project and the Ovid Toolbar that help users effectively manage their search strategies and research projects within a single, integrated platform. Ovid continued to expand its platform into global markets with the launch of a local language search portal. The portal solution premiered with Ovid Francais and French medical e-books published by Wolters Kluwer France. In September, the company completed several Chinese content licensing deals, enabling further penetration of this emerging market. Also, the Middle East continued to be an important emerging market. In October, a publishing partnership was announced with the Egyptian Ministry of Higher Education and State Ministry for Scientific Research to collaborate on the development and publication of leading medical and scientific journals and to help create a 'Center of Excellence' in the region. In September, Medical Research announced an exclusive partnership with the Joanna Briggs Institute, a recognized global leader in evidence-based healthcare resources based at the University of Adelaide, Australia.

Lippincott Williams & Wilkins (LWW) continued to enhance its e-journal platform with new features and functionality for journal readers and editors, including new email alerting features, publish ahead of print content alerts, topical collection alerts, as well as personalization features.

Professional & Education

The unit had a strong year in terms of product development, publishing 264 front list titles of which 108 were first editions. The unit also expanded its offerings of e-books, launching 500 education titles in multiple e-book formats, including iPad apps. These activities, combined with a newly energized online sales channel, have driven positive results throughout the year.

In September, the company launched a powerful interactive testing platform for nursing students designed to help students learn and prepare for the National Council Licensure Exam (NCLEX-RN). This adaptive quizzing product delivers personal practice tests and allows students to track individual or class performance to optimize results. Prep-U also offers educators real time analysis at the class and individual student levels. In December, the unit acquired the rights to iCare EMR, an educational Electronic Medical Record (EMR) software program. iCare EMR integrates a simulated electronic medical record into a learning tool for students to prepare future nurses for the demands of the evolving healthcare climate in the 21st century.

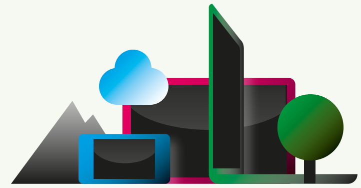
Pharma Solutions

The pharmaceutical industry continues to undergo structural change, as increased regulation, patent expiration, the rise of generics, and a dwindling 'blockbuster drug' pipeline disrupt historical pharmaceutical promotional spending patterns. Despite challenging marketing conditions, in 2010, the Pharma Solutions business enhanced its product portfolio to meet the needs of its customers by launching several key product advancements.

Pharma Solutions developed ProMetis, a breakthrough integrated data platform creating the only three-dimensional market view using payor, patient, and prescriber information to help pharmaceutical companies optimize sales and marketing efforts. This platform contains significantly more data and captures nearly 50% of prescription claims activity in the U.S., making it not only the industry's first integrated source, but also Wolters Kluwer's most robust set of claims data.

Financial profile

in millions of euros unless otherwise indicated	**2010**	**2009**
Revenues	816	750
Organic growth	3%	(1)%
Ordinary EBITA	117	106
Ordinary EBITA margin	14.4%	14.1%
Net capex	40	30
FTEs	2,726	2,567



Doctors and Nurses go Mobile

Nursing and medical education is an important, growing market that needs higher-value mobile applications and e-books. Wolters Kluwer Health delivered a number of market-leading applications and content for electronic reading devices in 2010.

The Medical Research business' Lippincott Williams & Wilkins (LWW) was the first medical publisher to introduce the ePub export format for retrieving articles for devices including the iPad®, Barnes & Noble Nook, and Sony Reader. LWW was one the first to introduce an iPhone® app, Journals@LWW, for mobile access to LWW published journal content. The app recommends LWW titles based on specialty preferences and pushes article content based on user selections.

Brian Longe

CEO Wolters Kluwer Financial & Compliance Services

"Innovation starts with deep customer insight and a keen understanding of the dynamic markets within our industries. This is supported by a culture that encourages employees to respond nimbly with new ideas to solve customer challenges. The result provides great catalysts for innovation and each effort is centered on making our customers' jobs more effective and efficient."

Date January 2011
Place Wolters Kluwer Financial Services Risk & Compliance Sales Meeting, USA

Brian Longe is the CEO of Wolters Kluwer Financial & Compliance Services since January 2010. Mr. Longe joined Wolters Kluwer Financial Services as CEO in 2005.

Wolters Kluwer Financial & Compliance Services

- Annual revenue **€307 million**
- Ordinary EBITA margin **20.3%**
- Employees **2,018**

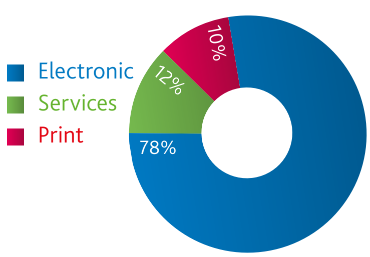
The Financial & Compliance Services division consists of three businesses: Wolters Kluwer Financial Services and *ARC* Logics, which are operating globally; and Transport Services, operating primarily throughout Europe. Some of the leading brands of the division are: Wolters Kluwer Financial Services, Compliance Resource Network, CCH TeamMate, and Teleroute.

Wolters Kluwer Financial & Compliance Services is a leading provider of global intelligent audit, risk, and compliance products, services, and solutions that help organizations across a broad range of industries manage risk, ensure compliance in the face of increased amounts of regulation, and increase operational efficiency.

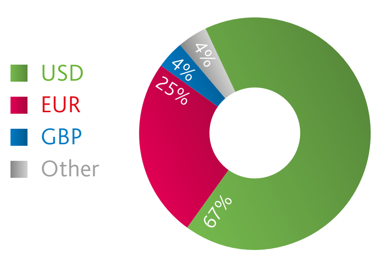
Banks and financial organizations; risk professionals; customers in legal, compliance, risk, finance and audit departments; and transportation and logistics professionals use the deep domain expertise, leading software solutions, and services provided by Wolters Kluwer Financial & Compliance Services.

Interesting resources:
- www.complianceheadquarters.com/
- www.riskheadquarters.com/
- www.frsglobal.com/core/core-intro.html
- costbasisreporting.com/
- twitter.com/frsglobal
- www.transportplaza.eu/

Revenues by media
in %



Revenues by currency
in %



Intelligent Solutions to Better Manage Risk

Wolters Kluwer Financial Services

In 2010, financial services customers continued to feel the ongoing effects of the global financial crisis, globalization of regulations, and increasing regulatory scrutiny. With the passage and increased enforcement of regulations across the world, such as Dodd-Frank, Basel II and III, Solvency II, as well as growing internal pressure to better manage risk, financial organizations are now requiring more intelligent and comprehensive solutions and services.

To meet this need, Wolters Kluwer Financial Services is focused on delivering solutions in three main areas:

1

Regulatory intelligence in the form of comprehensive research platforms and tools.

2

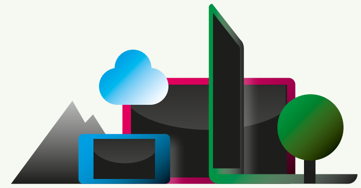
Transaction and origination management solutions that limit risks, ensure regulatory compliance, and increase business efficiency.

3

Risk analytics and controls that quantify the impact of uncertainty and avoid or minimize the consequences of compliance, financial, and operational risk.

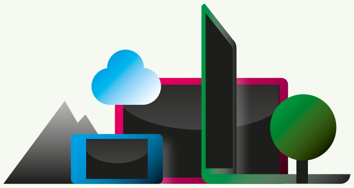
The business took significant steps in 2010 to help financial organizations across the globe balance the dynamic tension between risk and opportunity through strong product development, acquisition, and global expansion.

The unit continued to expand its core product offering with enhancements to Compliance One, the integrated compliance documentation software solution that makes managing loan and account transactions easier for U.S. financial institutions. In addition, Financial Services also launched One-File, a web-based mortgage processing solution that allows lenders to replace the cumbersome paper-based origination process, helping them improve productivity, lower costs, grow their portfolios, and improve borrowers' customer experience. And GainsKeeper added four of the largest retail brokerages as clients.



Globalization in National Regulatory Reporting

The regulatory reporting framework in Japan is difficult to manage from a foreign bank's perspective. FRSGlobal, a recently acquired business and part of Wolters Kluwer Financial Services, has incorporated regulatory and legal reporting into its regulatory reporting solution for foreign banks in Japan, to provide a fully functional, automated reporting solution that addresses this market's specific complex reporting requirements. On the heels of this acquisition, Financial Services also opened new offices in Germany and India, and expanded FRSGlobal's operations with the launch of a new Central and Eastern Europe hub in the Czech Republic. Financial Services provides solutions to help over 15,000 financial services organizations in more than 100 countries.



Next Generation of Auditors

In 2010, the company announced that its internal audit experts who helped develop the company's CCH TeamMate audit software, which is used by more than 70,000 auditors worldwide, will work with DePaul University's accounting professors to expand and broaden the course offerings that prepare students for growing opportunities in the areas of audit, risk management and compliance. The CCH TeamMate audit management, system will be integrated with both the undergraduate and graduate level internal audit curriculum at DePaul, one of the U.S. largest private, not-for-profit universities and based in Chicago.

In 2010, the business launched a comprehensive enterprise risk management solution, *ARC* Logics for Financial Services. This solution helps customers bring transparency, control, and efficiency to managing enterprise compliance and operational risks as well as to the audit function by combining actionable regulatory intelligence with a flexible software platform.

The company continued to build upon its online platform, Compliance Resource Network (CRN), which consolidates financial services laws, regulations, and commentary from across the globe on a single research platform. CRN expanded into the U.K. and India this year, providing localized rules and context for compliance and risk professionals and further extending its position as a leading global research platform.

In September, Wolters Kluwer announced the acquisition of FRSGlobal, a financial regulatory reporting and risk management business with offices in 19 countries. This acquisition enables Wolters Kluwer to offer comprehensive compliance and risk solutions that cover operational risk, regulatory compliance, and financial risk - meeting the major risk requirements of financial organizations worldwide.

ARC Logics

Managing compliance risk for companies has become extremely important in highly-regulated, global industries where government agencies are intensifying their oversight efforts. To help manage global compliance and ethics risk, companies are requiring automated, organization-wide systems to aid in the administration of policies and procedures through internal training and monitoring. Organizations are also focusing on how they can improve the alignment of internal audit with various compliance, risk, and internal control functions.

In its first full year of existence, the *ARC* Logics (Audit, Risk, and Compliance) business took major steps forward and launched several product enhancements. Today, more than 2,000 clients in over 100 countries use *ARC* Logics software and solutions to provide an integrated, paperless system for improving the audit process and risk management.

The company continued to enhance its Axentis Enterprise software that helps manages governance, risk, and compliance programs even more effectively via a new multilingual end-user interface in 23 languages.

The company also implemented a hosting option for its CCH TeamMate internal audit solution. Hosted on Wolters Kluwer's secure, load-optimized servers, this option frees up IT resources for customers and allows them to focus more on building their business versus building their infrastructure. In 2010, CCH TeamMate signed more than 200 new customers, including Disney and Comerica.

Transport Services

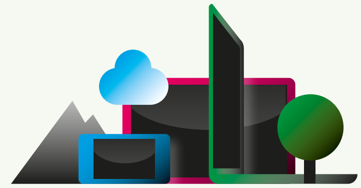
The transport sector is gradually recovering from the global financial crisis, leading to a highly cautious re-investment in transport capacity as freight carriers try to push up price-per-kilometer. This trend is expected to support supply chain globalization and the need for networked end-to-end transport workflow solutions.

Additionally, a key focus for transport customers is on safety and security with interest also in working capital optimization, compliance, and global trade management.

Teleroute achieved the 'Committed to Excellence' status at European Foundation for Quality Management (EFQM) and launched Teleroute Plus, a mobile access platform for Europe's leading freight exchange, catering to the needs of owner-drivers whose main IT tool is the mobile phone. 2010 also brought significant Pan-European customer commitments to the Freight Exchange business including: Dachser, DB Schenker Logistics, and Kuehne + Nagel.

Financial profile

in millions of euros unless otherwise indicated	**2010**	**2009**
Revenues	307	271
Organic growth	4%	2%
Ordinary EBITA	62	58
Ordinary EBITA margin	20.3%	21.4%
Net capex	15	7
FTEs	2,018	1,638



The Plus in Mobility and Planning in Transport

Trying to overcome the challenges in the transport industry as a consequence of the global economic downturn, freight exchange customers need to find more flexible ways of finding freight to fill their vehicle capacity. Addressing those challenges, Wolters Kluwer Transport Services launched Teleroute PLUS in 2010. This is a mobile access platform for Europe's leading freight exchange, catering to the needs of owner-drivers whose main IT tool is the mobile phone. Also, under the new Tivios brand, freight exchange customers can now benefit from having a real-time software application to visualize and optimize their transport planning.

Tom Lesica

CEO Wolters Kluwer
Global Shared Services

"As we continue to invest and innovate in the areas of digital migration and software solutions, emerging technologies, and global expansion – Global Shared Services will help accelerate core technology innovation and transformation, develop global scale and sourcing channels, and drive efficiencies in back-office services."

Date September 2010
Place Global Talent Management Forum, Barcelona, Spain

Tom Lesica is the CEO of Wolters Kluwer Global Shared Services since January 2009. Prior to his current position, Mr. Lesica was CEO, Wolters Kluwer North American Shared Services as of January 2008. Mr. Lesica has held over the last 20 years a number of senior executive positions at large firms.

Global Shared Services

Implemented in 2009, Wolters Kluwer Global Shared Services is designed to provide services to the business units in the areas of technology, sourcing, procurement, legal, finance, and human resources. It supports the company's strategy to *Maximizing Value for Customers* by raising innovation and effectiveness, and achieving global scale.

Global Shared Services is the primary interface to the company's offshore service centers where business process standardization is leveraged to achieve operating efficiencies in software development and testing, content production, and other business process outsourcing (BPO) functions where productivity improvements and increasing levels of quality can be achieved.

Global Capabilities

In 2010, in addition to the existing portfolio of Global Shared Services, certain support functions, performed historically by the Wolters Kluwer business units, were consolidated under the Global Shared Services organization worldwide. The primary strategic driver of this consolidation was the opportunity to standardize and optimize the delivery of IT and BPO services by applying innovative techniques and technologies in delivery centers around the world. As a result, Global Shared Services will deliver significant improvements in quality and productivity to the businesses it serves.

As Wolters Kluwer expands its global offering of SaaS (Software-as–a-Service), workflow, mobile, and cloud enabled solutions, the company invested in cloud-based IT infrastructure as well as many products leveraging SaaS business models. Global Shared Services will provide the technical and operating infrastructure designed to support this migration while helping to streamline operations, reduce complexity, and simplify IT partner management. The end result is improved 7x24 availability, reliability, performance, and customer satisfaction at a time when the role of information technology has never been more important to Wolters Kluwer's success.

In addition to information technology, Global Shared Services is responsible for other business functions where the company can leverage its global scale and/or provide standardized, quality services at lower cost. Those services include sourcing, offshoring, legal, vendor management, finance, and human resource management. Global Shared Services provides a blend of onsite, outsourced, and offshored services to ensure that critical intellectual property (IP) knowledge is retained and the benefits of cross region productivity can be achieved.

Springboard

The Springboard operational excellence program was initiated in 2008 to standardize and simplify the systems and processes required to support the development, distribution, and support of Wolters Kluwer products globally.

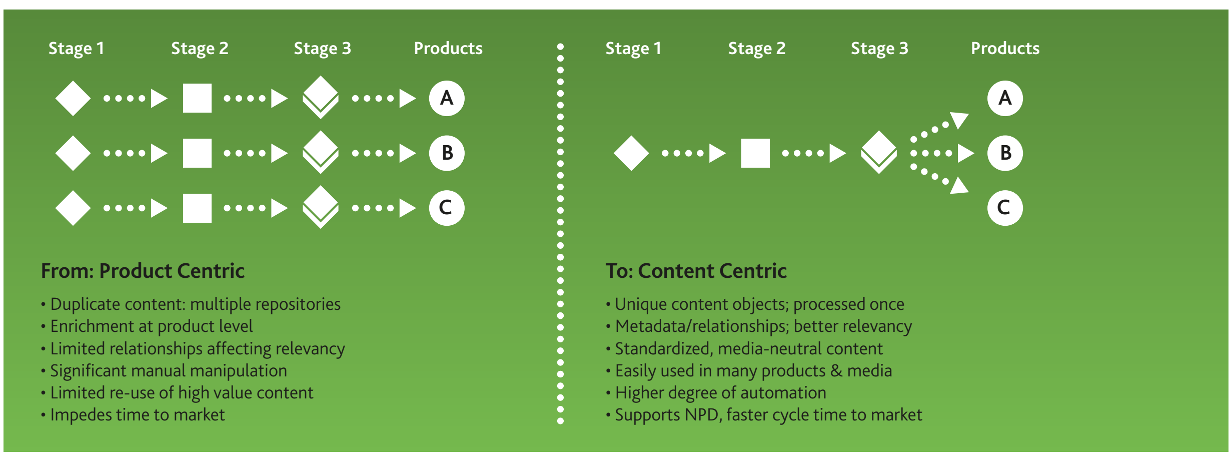
Building on the success of the 2008-2009 Springboard program, the scope of initiative was expanded in 2010 to unlock additional shareholder value by consolidating IT and other BPO functions globally under Global Shared Services.

Major achievements in 2010 include implementation of global contact center technology and services to over 2,000 customer service agents; reengineered content supply chains to support next-generation digital publishing; an e-store platform built for global deployment to support online commerce transactions; and, numerous business optimizations initiatives designed to achieve greater operational efficiency.

In 2010, Springboard continued to perform ahead of expectations with total cost savings increasing by €62 million to €146 million for the full year (2009: €84 million) and related exceptional costs totaling €58 million.

Given the success of the program, the company is upgrading its expectation of annualized run rate savings to €170-180 million by 2011 (from a previously stated goal of €140-160 million by 2011). Savings are expected to result from standardized technology platforms and consolidated IT infrastructure, streamlined content manufacturing processes, expanded global sourcing programs, and increased use of offshore service centers for software development wand testing, content production, and back-office support functions.

Content supply chain – Transformation benefits



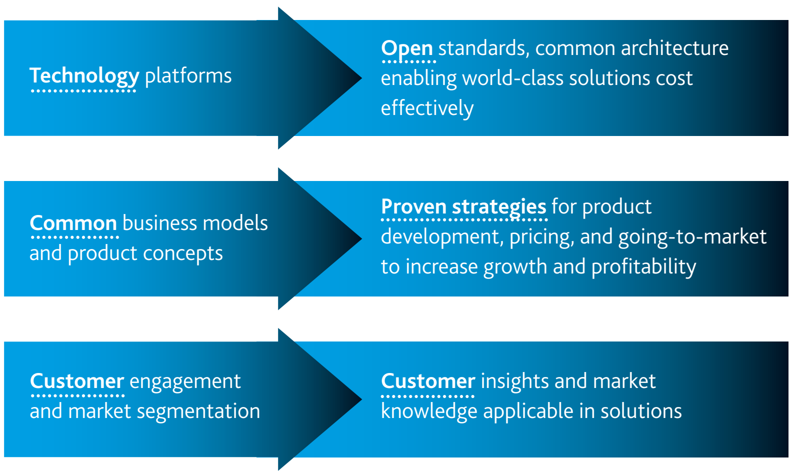
Springboard savings and costs

in millions of euros (pre-tax)	2010 Actual	2011 Estimate	Total Estimate
Cost savings (run-rate) [1]	146	170-180	170-180
Exceptional program costs	58	74-89	245-260

[1] At 2008 constant currencies (€/$=1.37).

Non-recurring program costs of €245-260 million over the four-year period will be treated as exceptional and include costs related to IT system migration and implementation, outsourcing migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

Innovation and Technology



Wolters Kluwer's goal towards providing smarter online and software solutions for its customers is based upon innovation and technology. To enable integrated solutions into a customer's workflow, the company's proprietary content needs to be actionable, flexible, and accessible through any online and mobile device. In 2010, the company made progress towards fostering innovation on many fronts.

Global Platform Organization

Wolters Kluwer's Global Platform Organization (GPO) is responsible for concentrating research & development (R&D) efforts in a single global platform that enables local businesses to focus on developing highly differentiated products that are tailored to the needs of their customers, rather than allocating resources to building and maintaining unique and redundant platforms.

The GPO's delivery approach brings together deep industry and technical expertise through common processes, methods, and tools as foundational elements to the work it does with Wolters Kluwer businesses. This collaborative approach is designed to speed innovations to market in the domain of information science - the analysis, collection, classification, manipulation, storage, retrieval, and dissemination of information.

Because the world is increasingly mobile and customers want access to information wherever they are and whenever they need it, in 2010, the GPO supported mobile users through its 'Mobility Lab' developing mobile research applications that operate on iOS, Android, Blackberry, and Windows Mobile operating systems.

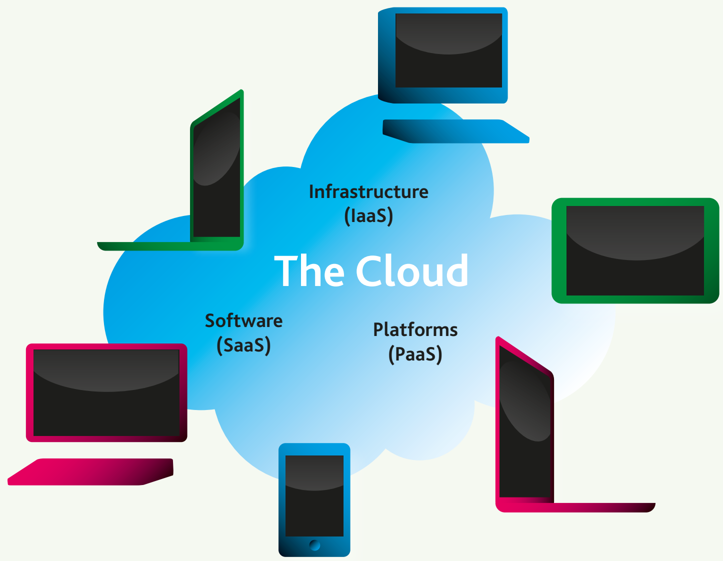
The GPO operates in Asia, North America, and Europe - helping to transform the customer's online research experience by creating reusable assets through a combination of software, services, and R&D. The foundational elements that underpin the work of the GPO are customer satisfaction, speed, security, and scalability.

From cloud computing to search to intelligent mobile devices, technology is transforming the way our customers live and work. In response to these fast moving developments, Wolters Kluwer is developing intelligent solutions that help customers do their work anywhere, using the computing device of their choice to find the high-quality proprietary information and tools they need to be productive.

Cloud computing

Over the past year, there has been an increase in adoption of cloud computing services driven by innovations in virtualization, distributed computing across the globe, the increasing speed of data transfer over the Internet as well a weakened economy trying to recover. Those converging dynamics encouraged professionals to look for cloud computing solutions as an alternative to traditional, on-premise solutions.

In response, the company invested in cloud-based IT infrastructure as well as many products leveraging the Software-as-a-Service (SaaS) business models. Adding to a growing portfolio of SaaS solutions, the company acquired a number of providers of cloud-based services including ft williams, Edital, iCare, and Pharmacy OneSource. It also extended its cloud computing services at CCH Small Firm Services with tax and related applications, *ARC* Logics' internal audit solutions, the Transwide transport execution Suite and the SaaS version of the ProSystem *fx* Suite.



IS Blog Posts

The Intelligent Solutions blog features expertise from Wolters Kluwer employees around the world on emerging trends in the information industry.

Cloud Computing is a Tool that Must be Utilized
David Bergstein

"I believe that going to the cloud takes you a step closer to heaven in a professional way."

http://solutions.wolterskluwer.com/blog/2010/11/cloud-computing-is-a-tool-that-must-be-utilized

Cloud Testing: Trends & Challenges
Shilpa Venkateshwaran

"The cloud is here to stay and software testers and development teams will have to stay ahead of the curve."

http://solutions.wolterskluwer.com/blog/2010/12/cloud-testing-trends-challenges

Clinical Decision Support via Web Services
Howard Strasberg

"Imagine a web service that evaluates patient data to provide preventive care recommendations."

http://solutions.wolterskluwer.com/blog/2010/11/clinical-decision-support-via-web-services

Search

In today's world of exponential information growth, finding what a customer needs to do its work requires powerful search algorithms that can traverse large quantities of information in milliseconds while adapting to the different ways professionals express themselves across different work activities.

Today's professionals are challenged not only with the amount of information, but the quality, usability, and accuracy of that information – the search result. And because different professional groups use special languages to communicate with one another, Wolters Kluwer is focused on building advanced search and semantic expertise, to make answers to questions easier to find within its vast stores of high quality, proprietary content.

Through the GPO, the company is developing the methodologies, tools, and processes for systematically measuring and improving the quality of search results. In the GPO's Search Relevancy Lab, research and application of techniques to improve search results are developed and then deployed globally. In addition, user search profiles have been created to target specific customer groups so that, for example, a distinction can be made between a labor law attorney and an HR professional in the search algorithms they employ to search the same content. Going forward, the GPO will continue its work on search by integrating research and non-research features and applications with the research workflow tools of customers.

Content is King, Search is Queen, and Filters Are Their Offspring
Raymond Blijd

"Content providers should move towards providing solutions instead of just information."

http://solutions.wolterskluwer.com/blog/2011/01/content-is-king-search-is-queen-and-filters-are-their-offspring

Vertical Search Can Inspire Innovation at Public Search Engines
John Barker

"Google and other public search engines focused on 'non vertical search' could learn from professional publishers."

http://solutions.wolterskluwer.com/blog/2011/02/vertical-search-can-inspire-innovation-at-public-search-engines

Understanding Users' Search Intent
Angel Sancho Ferrer

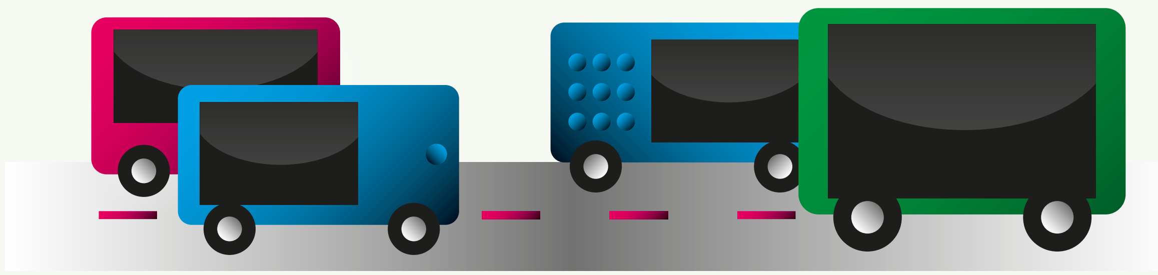
"Second-generation databases already include semantic expansion of the query so that knowledge of the concepts and synonyms is included automatically."

http://solutions.wolterskluwer.com/blog/2010/05/understanding-users-search-intent

Mobility

Mobile devices will overtake PCs as the most common Web access device in the next few years and mobile device adoption by professionals for use in daily work life is accelerating.

In response, Wolters Kluwer's businesses are developing products that are tailored to the mobile device user experience - smaller screen formats, fewer clicks to get answers, and mobile apps that are adapted to new devices such as Apple's iPad. The Mobility Lab within the GPO supports the mobile development across the organization by focusing on the interface to multiple mobile operating systems. The e-books, mobile apps, portable interfaces, and other workflow-centric online solutions that have become available in 2010 were developed in conjunction with the businesses and GPO. And going forward, the group is looking at the next-generation of mobility products that are compatible with Blackberry, iOS, and Android systems and concepts based upon the professional user's workflow.



Drug Industry Awaits Guidance on Use of Social Media for Marketing
Cathy Betz

"Between 2006 and 2009, 16% of new tech initiatives were in the mobile health space...last year, this category accounted for 41% of such projects."

http://solutions.wolterskluwer.com/blog/2011/02/drug-industry-awaits-guidance-on-use-of-social-media-for-marketing

Is the Medium Still the Message?
Rosalie Donlon

"Our corporate counsel customers have also told us that they do less in-depth research and are looking more for quick answers, accessible from a variety of devices."

http://solutions.wolterskluwer.com/blog/2010/12/is-the-medium-still-the-message

It's Not Only About Playing with Numbers
Burkhardt Vitt

"We should think about how future publishing products could be accessible via devices some-where in between smartphones, tablets, iPads, or however you name them."

http://solutions.wolterskluwer.com/blog/2011/02/its-not-only-about-playing-with-numbers

People and Organization

Setting the Conditions for Innovation

The success of the organization is driven by the commitment of the people at Wolters Kluwer. This is supported by the organizational structure that provides the framework for an increased focus on customers and innovation. Through task forces and seminars, Wolters Kluwer enabled employees to contribute, develop, and implement new ways of working. These methods build on deep knowledge of the market and customers. The initiatives ranged from the creation of senior roles responsible for new business development through innovation within Tax & Accounting and Legal & Regulatory to the set up of an online market and customer information system. Other initiatives include innovation labs and contests, and other means for leveraging best practices within the organization. A concrete example of that is the innovative way the Spanish unit manages its editorial content process which is now a model for other units.

Working at Wolters Kluwer

Wolters Kluwer has a strong belief that its people are the foundation of its success; its customers rely on high quality content, services, and technology and deep understanding of the professional information markets. The company's workforce is highly skilled, including practitioners such as nurses and CPAs, subject matter experts, and technologists who work together to develop solutions for our customers.

Wolters Kluwer employees combine content, technology, and customer knowledge to partner with customers, enabling them to work effectively and efficiently, whenever and wherever they need.

Wolters Kluwer is committed to hiring, developing, motivating, and retaining the best people who are excited about what they do.

The company has 18,237 employees (full-time equivalent) in over 40 countries around the world. Wolters Kluwer is inclusive in its hiring and sees diversity as a catalyst for innovation and creativity.

Read more on Wolters Kluwer as an employer on the Wolters Kluwer page at LinkedIn, Facebook, Twitter, and the corporate website www.wolterskluwer.com.

Talent Management Continues to Evolve

Wolters Kluwer is committed to investing and developing its employees through several programs, including a talent management program. The program establishes a global framework for leadership criteria, assessment, and development. The goal of the program is to retain and develop talent to ensure successful implementation of the company's strategy. As such, the program encompasses current and future leaders. It also identifies critical workforce segments based on positions and skills that managers believe are essential to the execution of the business strategy. The talent management program, through training and work assignments, enables these required capabilities to be developed within Wolters Kluwer.

The talent management program, implemented in 2005, is now firmly embedded in the company, supported by robust processes that link skill assessment and individual development guides with succession planning and global slating of internal candidates for critical positions. Successful employees are being promoted both across businesses and across countries as a result. This year, Wolters Kluwer extended its Leadership Forums to include high potentials and future leaders. The Forums provide a valuable platform for Wolters Kluwer leaders, both experienced and emerging, to work together to develop answers to shared business issues. The program has expanded in the past year to include regular webinars and task forces, for example on innovation and leadership. In 2010, the Wolters Kluwer Leadership Forum's theme was 'Innovating to Maximize Customer Value'.

Place Barcelona, Spain
Event 2010 Leadership Forum

Wolters Kluwer held its 2010 Leadership Forum in Barcelona, with approximately 150 attendees from the Global Talent Management Program. The theme of the Forum was 'Innovating to Maximize Customer Value'.

The three-day event focused on the transition to the new global organization and innovation.

Peter Bonis
MD, Chief Medical Officer, Wolters Kluwer Health, Clinical Solutions

"We told our team where we wanted to go and provided the environment, incentives and management structure for them to plot a course."

Claudine Weyn
Business Unit Director, Kluwer (Belgium)

"By concluding partnerships with local competitors, we are now able to provide the lawyer via our database ONE seamless access to all relevant information."

Karen Kobelski
General Manager, BizFilings

"BizFilings leveraged new multivariate testing technology to rapidly identify the most appealing website content for our customers."

John Barker
Director, Strategic Product Design, Wolters Kluwer

"My way to innovate is to share ideas and best practices among Wolters Kluwer's businesses globally for solving professional customers' problems, whether through research, software or hybrid solutions."

Andy Hague
Managing Director, Croner Consulting, Wolters Kluwer U.K.

"We launched our HR consulting offer online, taking every one of our legacy customers with us."

Sergio Liscia
Business Development Manager, Wolters Kluwer Italia

"Innovation is also identifying an opportunity before the competitors and even before the clients. We have done this with the software for arbitration."

Isabelle Bussel
Managing Director Legal & Regulatory, Wolters Kluwer France

"We launched 3 online search products based on semantic expansion for HR, Legal & Municipalities segments."

Ray Idiculla
Vice President and Head of Global Shared Services, BO PMO

"I have enhanced customer value by implementing the state-of-the-art customer focused eCommerce solution."

Rosalina Díaz
Head of Legal & Regulatory Wolters Kluwer Spain

"New go-to-market online sales channels for our online content (media stores, telecom stores, app stores, self-publishing platform)."

Vicente Sánchez
Operations Director Wolters Kluwer France & Wolters Kluwer Spain

"Customers can now get answers faster because of our content auto classification processes which use semantic algorithms, enabling an extremely well performing system to add unambiguous and automatic relationships and metadata to content in Spain, France, and Portugal."

Steve Tsang,
Sr. Director of Finance/Chief Financial Officer, *ARC* Logics, Risk and Compliance, and Wolters Kluwer Financial Services-Europe

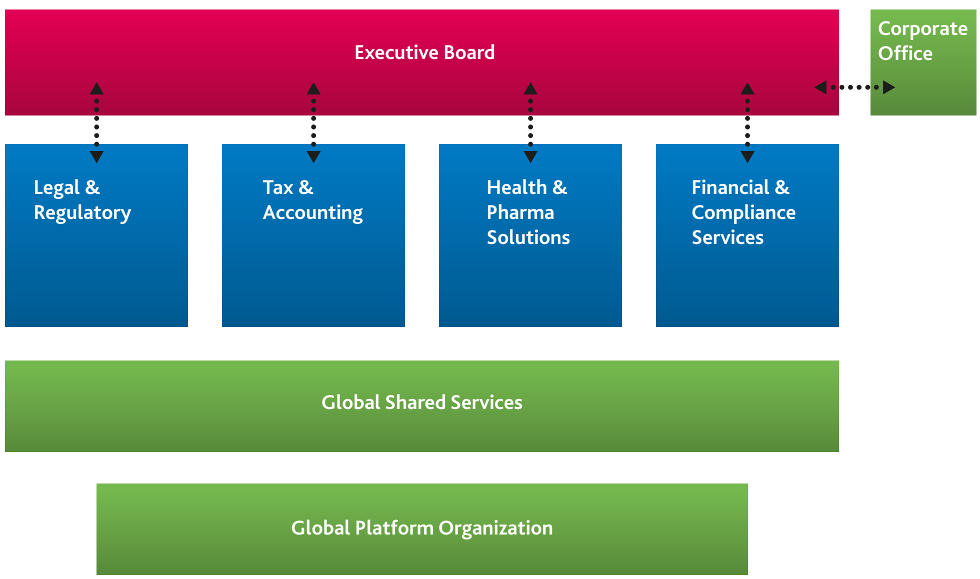
"We have created deeper product profitability measurements as basis for evaluating business life cycles and planning business investment consumption choices."

Reshaping the Organization to Meet Customer Needs

To better support the company's strategy for *Maximizing Value for Customers*, in early 2010, the company reshaped its organization into four customer-based global divisions: Legal & Regulatory, Tax & Accounting, Health & Pharma Solutions, and Financial & Compliance Services. This global organization with four divisions is supported by Global Shared Services. Together, they focus on capturing growth opportunities through sharing deep knowledge of customers and markets across geographies, rapidly deploying new products and technologies and addressing customer needs resulting from global regulation and requirements, and exploiting new products and technologies.

In addition to the global divisional structure put in place early 2010, Wolters Kluwer launched a new organization design for its Tax & Accounting unit in North America. This new organization is centered around major units: Accounting, Audit & Workflow; Corporate; Tax; and Cross Market Solutions.

Global Organization



Geographical spread of employees	2010	2009	Variance
Asia Pacific	1,021	949	72
Canada	421	411	10
Europe - Region Central (Central Europe, Switzerland, Italy)	1,839	1,695	144
Europe - Region North (Belgium, Netherlands, Luxemburg, Scandinavia)	2,075	2,000	75
Europe - Region South (France, Spain)	1,922	2,066	(144)
Germany	933	954	(21)
Latin America	24	22	2
Russia	586	580	6
United Kingdom	1,150	1,140	10
United States	8,266	8,390	(124)
Total	**18,237**	**18,207**	**30**

Sustainability at Wolters Kluwer is anchored in its business objectives: helping customers deliver results that benefit them, their customers, as well as the wider communities in which they work. The company recognizes that sustainability needs to be integrated in its business processes; striving to be a responsible organization and endeavoring to work with fairness, integrity, and respect for differences. Starting from its company values, Wolters Kluwer acts conscientiously in its policies, processes, practices, and behaviors every day.

Wolters Kluwer's ongoing sustainability efforts have led to continued external recognition. The company has been part of the Dow Jones Sustainability World Index for consecutive years and is a member of the United Nations Global Compact. In 2010, Wolters Kluwer continued its sustainability efforts through contributions to the communities in which it operates and by setting objectives in the areas of people and organization, governance, and environment.

Here follows an overview of the main accomplishments in these areas. The complete 2010 Wolters Kluwer Sustainability Report will be available online as of March 28, 2011.

Sustainability

Sylvie Caron, Wolters Kluwer France, offers a donation to the 'Libraries without Borders'-team.

Sustainable Society

Wolters Kluwer helps professionals to reach sustainable results through intelligent solutions. The company has the means to shape the opinions of professionals across the world. Many of these professionals work in areas linked to sustainable development, for example improving healthcare, ensuring business compliance with legal and financial regulations, and managing risks. Products related to anti-money laundering and fair lending, part of the Law & Business unit and Financial & Compliance Services division respectively, are specific examples of how Wolters Kluwer supports professionals in the area of business compliance. The company also helps customers ensure compliance that observe environmental and safety regulations.

Wolters Kluwer sees creating value for the company, its customers, and the world at large as a genuine business opportunity. The company continues to invest 8-10% of its annual revenue into innovation. This includes a strong emphasis on delivering solutions for and with customers that positively impact society. In 2010, Wolters Kluwer increased its means of interaction with customers by initiating one common customer satisfaction metric across its global customer segments. The Executive Board and senior managers review customer satisfaction results and share successes and actions within their businesses.

Community

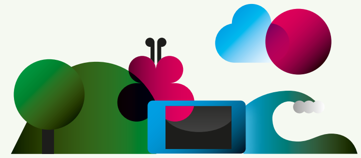
UpToDate, part of Wolters Kluwer Health, supports underserved communities

Wolters Kluwer employees, offering their expertise, products, and time, were actively involved in many different initiatives that benefit society. Next to monetary donations, the company used its strengths in skills, products, and people to generate long-term local solutions.

Health & Pharma Solutions, as an example, promoted access to medical knowledge through its partnership with Global Health Delivery. As a result, complimentary one-year UpToDate® subscriptions are offered to clinicians who provide medical care to poor or underserved communities, giving them the benefit of access although funds are unavailable for them. The division also continues to contribute to the World Health Organization's HINARI initiative, an online resource providing free or low cost access to major medical and social sciences research journals to not-for-profit institutions in developing countries.

See > www.who.int/hinari/.

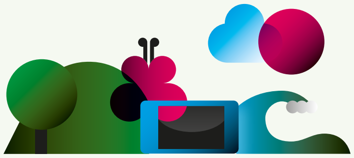
Legal & Regulatory focused on advancing living conditions for groups that are most vulnerable, including initiatives, such as in Spain with the 'Conoce tus leyes' (Know your law) program, and in Poland, where Wolters Kluwer teamed up with the Helsinki Foundation for Human Rights, hosting seminars and training for lawyers and publishing relevant information to address human rights issues in Poland.



Sustainable Society

Wolters Kluwer uses strengths of people and their skills, and understanding of professional processes to generate long-term solutions.

Andrew Gifford of the Midwestern University-Glendale College of Pharmacy was the winner of the 2010 Facts & Comparisons® Enhancement Scholarship. Mr. Gifford addressed the need for a medication therapy management tool that lists each patient's disease state and medication therapies for Facts & Comparisons® eAnswers. His focus was on closing a critical information gap that will allow pharmacists to provide enhanced patient care.



Community Involvement

Throughout the entire company, units are active in local community activities, donations and in kind engagement to improve quality of life.

• In Spain, the organization set up the Wolters Kluwer Foundation, a charitable organization which supports social activities in the areas of Justice, Education, Environment and Innovation. The Foundation was granted the 'Distinction of European Excellence' by the Community of Madrid, Spain. The program provides immigrants in Madrid with basic training on Spanish legal principles and rules to live, work, and settle in Spain. More than 4,000 people have participated in three editions of this program. It was developed in collaboration with the Madrid community, law schools, and legal offices.

• For the second consecutive year, Wolters Kluwer was proud to sponsor the Zacharias Center's Women Helping Women Luncheon on June 19 at their facility in Gurnee, IL.

• Wolters Kluwer France employees hosted a used book sale and donated its proceeds to Libraries Without Borders, a French organization dedicated to improving the lives of people in Haiti by setting up mobile and virtual libraries. Also for the global 2010 holiday giving season, Wolters Kluwer supported Libraries Without Borders in carrying out the important work they do in Haiti.

Governance and Remuneration

Wolters Kluwer has implemented strict governance practices, which include business principles that feature an editorial policy, whistleblower policy, human rights policy including supplier principles, environmental policy, acceptable use policy, insider trading code, and a global travel policy that includes encouragement to employees to reduce travel by using technology-oriented alternatives.

In 2010, Wolters Kluwer introduced an online training tool to actively manage compliance. In 2011, the company will roll out this training further within Wolters Kluwer.

In 2010, an external advisor verified a number of material sustainability indicators. Wolters Kluwer used these outcomes to set a sustainable remuneration indicator and target for the Executive Board as well as to improve measurement and reporting processes. The company plans to repeat the verification by an external party in 2011. Lastly, an important objective was to set a sustainability metric for remuneration. The company will add the metric for percentage of electronic revenue to the short-term bonus targets of the Executive Board. More information is available in the remuneration report.

Environment

Offering choices for responsible product consumption, such as electronic or paperless products, is a crucial concern for the company. Wolters Kluwer strives to convert its portfolio from print-centric products into more environmentally friendly product formats.

The company works on this in two ways.

1

Developing new electronic products and the migration of customers to non-paper solutions have helped shift Wolters Kluwer's portfolio to a higher proportion of online and software products and services. In 2009, the company already reached a milestone with more than half of its revenue originated from non-paper products. The portfolio shifted further in 2010 with 54% of revenue generated by electronic solutions. The company will continue to focus on achieving its medium-term objective: growing online, software, and service revenues to represent at least 75% or more of the total revenues.

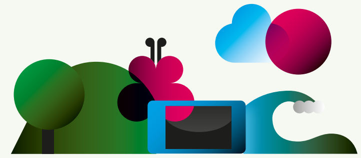
2

Continuing to evolve processes related to ensuring that the remaining paper-based part of the portfolio is as clean as possible. The company has begun to chart volumes of recycled as well as externally certified chain of custody paper across the business. In 2010, Wolters Kluwer managed to produce 98% of all its books and 100% of all its journals for the Tax & Accounting division and the Law & Business unit in the United States under SFI or FSC chain of custody certifications.

Wolters Kluwer also promoted increased opportunities for environmentally friendly work within its own facilities. The company continued its operational innovations to deliver better energy efficiencies through the @WorkAnywhere program. This program's accomplishments over the year included the development of a Remote Work policy, including productivity measurement frameworks for North America, outlining a 5-year real estate plan, and adding active green strategy and management to the real estate site selection and new lease contracts.

Alphen aan den Rijn, February 22, 2011

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
B.L.J.M. Beerkens, CFO and Member of the Executive Board
J.J. Lynch, Jr., Member of the Executive Board



Paperless Office

Wolters Kluwer's electronic solutions not only help its customer to better manage processes and improve efficiencies, they also contribute to sustainable use of natural resources and an environmentally friendly professional world.

- Wolters Kluwer Financial & Compliance Services launched a safe platform allowing lenders to replace paper-based loan processes.

- The U.S. Internal Revenue Service selected Wolters Kluwer's Taxwise for the 15th consecutive year as the product used to electronically prepare and file tax returns for low-income, elderly, and limited income taxpayers.

Supervisory Board and Remuneration

Profile Supervisory Board

Adri Baan

The Netherlands, 1942, Chairman, appointed in 2002, current term until 2014, member of the Selection and Remuneration Committee

Position:
Former Executive Board Member of Royal Philips Electronics nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board of Koninklijke Volker Wessels Stevin nv
- Member of the Supervisory Board and of the Audit Committee of Imtech nv
- Member of the Supervisory Board, Chairman of the Remuneration Committee, and member of the Audit Committee of Océ nv
- Chairman of the Board of Directors (Non-Executive Director) of Dockwise Ltd. (Bermuda)
- Senior adviser Warburg Pincus LLC
- Member of the Supervisory Committees of The University of Amsterdam and Academic Medical Centre, Amsterdam

Peter Wakkie

The Netherlands, 1948, Deputy Chairman, appointed in 2005, current term until 2013, member of the Selection and Remuneration Committee

Position:
- Founding partner of law firm Spinath & Wakkie
- Former Chief Corporate Governance Counsel and member of the Executive Board of Royal AHOLD nv (until December 2009)

Supervisory directorships and other positions:
- Member of the Supervisory Board of ABN AMRO Group N.V.
- Member of the Supervisory Board of BCD Holdings nv
- Member of the Supervisory Board of TomTom nv
- Member of the Dutch Monitoring Committee Corporate Governance Code

Bruno Angelici

France, 1947, appointed in 2007, current term until 2011, member of the Audit Committee

Position:
Former Executive Vice President, Europe, Japan, Asia Pacific, Latin America, Middle East and Africa of AstraZeneca Plc. (until December 31, 2009)

Supervisory directorships and other positions:
- Member of the Board (Non-Executive director) of Smiths Group plc (United Kingdom)
- Member of the Global Advisory Board of Takeda Pharmaceuticals Ltd. (Japan)

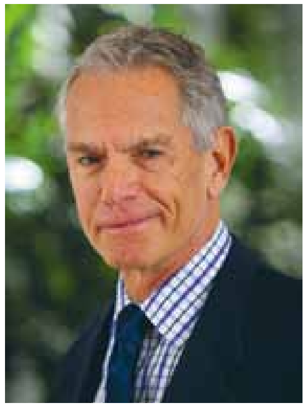
Barbara Dalibard

France, 1958, appointed in 2009, current term until 2013

Position:
- Chief Executive Officer of SNCF Voyages (France)
- Former Executive Vice President of France Telecom Group and CEO of Equant (Orange Business Services) (France) (until January 2010)

Supervisory directorships and other positions:
Member of the Supervisory Board of Michelin S.A. (France)

Len Forman
United States, 1945, appointed in 2005, current term until 2013, Chairman of the Selection and Remuneration Committee and member of the Audit Committee



Position:
Former Executive Vice President and Chief Financial Officer of the New York Times Company (United States)

Supervisory directorships and other positions:
Member of the Board (Non-Executive Director) and Chairman of the Audit Committee of TechTarget Inc. (United States)

Stuart James
Australia, 1948, appointed in 2006, current term until 2014, member of the Selection and Remuneration Committee

Position:
- Former Group Managing Director and CEO of Mayne Group Ltd. (Australia)
- Former Managing Director of the Colonial State Bank (formerly State Bank of New South Wales) (Australia)

Supervisory directorships and other positions:
- Non-Executive Director and Chairman of Prime Financial Group Ltd., Progen Pharmaceutical Ltd., Pulse Health Ltd. (Australia)
- Non-Executive Director of Greencross Ltd. and Phosphagenics Ltd. (Australia)

Henk Scheffers
The Netherlands, 1948, appointed in 2004, current term until 2012, Chairman of the Audit Committee

Position:
Former member of the Executive Board of Directors of SHV Holdings nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board of Aalberts Industries nv
- Vice Chairman of the Supervisory Board of Flint Holding nv
- Member of the Supervisory Board and member of the Audit Committee of Royal BAM Group nv
- Member of the Supervisory Board and Chairman of the Audit Committee of Royal FrieslandCampina nv
- Member of the Supervisory Board of Made in Scotland
- Member of the Investment Committee of NPM Capital nv

Report of the Supervisory Board

Financial statements

The Executive Board submitted the 2010 financial statements to the Supervisory Board. The Supervisory Board also took note of the annual report and the statement by KPMG Accountants nv (as referred to in Article 27, paragraph 3 of the company's Articles of Association), which the Supervisory Board discussed with KPMG. Taking KPMG's report into account, the members of the Supervisory Board signed the 2010 financial statements, pursuant to their statutory obligation under clause 2:101 (2) of the Netherlands Civil Code. The Supervisory Board proposes to the shareholders that they adopt these financial statements > Financial Statements at the Annual General Meeting of Shareholders of April 27, 2011. The resolutions to release the members of the Executive Board and of the Supervisory Board from liability for their respective duties will be voted on separately at the Annual General Meeting of Shareholders. In line with the existing dividend policy, it is proposed to distribute a dividend of €0.67 per share in cash, or, at the option of shareholders, in stock. Stock payments will be determined on May 13, 2011, after close of trading. Upon approval by the Annual General Meeting of Shareholders, the payments will be made as from May 17, 2011.

Activities

The Supervisory Board held seven meetings in 2010. Two meetings were partly held without the members of the Executive Board being present. None of the Supervisory Board members was absent at more than one meeting. One of the meetings was combined with a working visit to Wolters Kluwer in Italy. During that meeting, several managers of Wolters Kluwer Italy gave presentations. Furthermore, the Supervisory Board visited a customer of Wolters Kluwer Italy. The Supervisory Board also held several conference calls to discuss specific matters, such as acquisitions and financing transactions. In addition to the scheduled meetings, the Chairman and other members of the Supervisory Board had regular contact with the Chairman and other members of the Executive Board.

Evaluations

In accordance with the Dutch Corporate Governance Code, the functioning of the Supervisory Board and the Executive Board and the performance of the individual members of both Boards were discussed without the members of the Executive Board being present. In preparation for these discussions, the members of the Supervisory Board provided feedback about the performance of the Supervisory Board through a written assessment. Furthermore, the Chairman and Deputy Chairman of the Supervisory Board had individual meetings with each of the Executive Board members.

To further improve the quality of the assessment, early 2011, the Chairman of the Supervisory Board had meetings with each individual member of the Supervisory Board, to discuss the outcome of the written assessment. The composition of the Supervisory Board, the Audit Committee, and the Selection and Remuneration Committee was also discussed in the absence of the Executive Board.

Strategy

The Executive Board has kept the Supervisory Board closely informed about the execution of the strategy for 2010-2012, *Maximizing Value for Customers*, as announced on November 4, 2009. In addition to the overall strategy, the Executive Board and several managers from the divisions and business units gave presentations about specific strategic subjects, such as developments within certain regions (including emerging markets) or lines of business, potential acquisition candidates, and emerging business opportunities within certain markets. Competitor analyses are also an important aspect of the strategic discussions. Furthermore, the Supervisory Board was informed about the actions taken within the company to further improve innovation. In January 2011, the divisional CEOs presented the three-year Business Developments Plans of their divisions. Management of Global Shared Services attended one of the meetings to give an update about the Springboard program.

Mergers and acquisitions

The Supervisory Board discussed (potential) acquisitions and divestments with the Executive Board. The Executive Board informed the Supervisory Board about all pending acquisition activity, including smaller acquisitions for which no formal Supervisory Board approval is required. The Supervisory Board also discussed the general acquisition criteria with the Executive Board and reviewed the performance of previous acquisitions. In 2010, the Supervisory Board approved the acquisitions of FRSGlobal and of Pharmacy OneSource. These acquisitions fit well in the strategy of the Financial & Compliance Services division and the Health & Pharma Solutions division, respectively. Managers of these divisions gave presentations with respect to the acquisitions, thus enabling the Supervisory Board to get a good picture of the acquisition candidates and to ask questions to the managers becoming directly responsible for the implementation and management of the companies after acquirement.

Financing of the company

The Supervisory Board has approved the new credit facility of €600 million with a five year maturity that partly replaced the existing credit facility and the €250 million private placement with a maturity of ten years, both announced on July 28, 2010. These financing transactions are in line with the practice at Wolters Kluwer to start the renewal of financing at least one year in advance of the maturing of debt, in order to secure liquidity. For more information about the financial instruments and financial risk management, see > note 22 and 23 of the Financial Statements.

Various activities

The Supervisory Board has extensively discussed the implementation of the Amended Dutch Corporate Governance Code and approved the deviations of the Code, as explained in > Corporate Governance. The Supervisory Board and Audit Committee were also informed about the general and financial risks of the business and about the results of an assessment of internal risk management and control systems. For more information, see > Risk Management.

Other subjects discussed were the budget, the financial outlook for 2010, the dividend policy and the proposed dividend, use of free cash flow, the outcome of the annual impairment test, annual and interim financial results and press releases, competitive developments, hedging and treasury policies, internal controls, technology developments, investor relations, remuneration, sustainability, and human resources. During several meetings, managers and employees of various Wolters Kluwer divisions and businesses gave presentations on these specific subjects.

Audit Committee

The Audit Committee met four times in 2010, during the preparation of the annual and half-year results, and during the presentation of the interim trading updates after the first and third quarter. After the Annual General Meeting of Shareholders in 2010, Mr. Angelici joined the Audit Committee, replacing Mr. Baan as Committee member. The Audit Committee currently consists of Mr. Scheffers (Chairman), Mr. Angelici, and Mr. Forman. Mr. Baan did attend several meetings of the Audit Committee as guest after he resigned as formal Committee member in 2010. The meetings of the Audit Committee were held in the presence of representatives of the Executive Board, the external auditor, the internal auditor, and other corporate staff members. In line with the Dutch Corporate Governance Code, the Audit Committee meets once a year with the external auditors without members of the Executive Board being present. Among the main items discussed during the Audit Committee meetings were the financial results of the company, IFRSs, pensions, tax planning, impairment testing, the Treasury policy, the financing of the company, hedging, and internal risk management and control systems including IT systems. The Audit Committee has reviewed the proposed audit scope and approach, the audit fees, the independence of the external auditor, and the non-audit services provided by the external auditor.

Selection and Remuneration Committee

The Selection and Remuneration Committee met three times in 2010 and had one conference call. Mr. James joined the Committee after the Annual General Meeting of Shareholders in 2010. The Committee currently consists of Mr. Forman (Chairman), Mr. Baan, Mr. James, and Mr. Wakkie. The Committee has discussed the remuneration policy for the Executive Board, including the base salary, new conditional awards of performance shares under the Long-Term Incentive Plan, and targets for the Short-Term Incentive Plan. The Committee engaged an outside compensation advisor to provide recommendations and information on market practices for compensation structure and levels. In 2010, based on a recommendation of the Committee, the base salary of Ms. McKinstry and Mr. Beerkens increased with 2%. The base salary of Mr. Lynch increased with 26% in 2010, in recognition of the expanded role of Technology and Global Shared Services and the importance of the Springboard program to the company's long-term objectives as well as alignment with market benchmarks. In line with a proposal of the Committee, the Supervisory Board has resolved to increase the salaries of all members of the Executive Board in 2011 with 3%. As announced in the 2009 Annual Report, Wolters Kluwer has added a target focused on corporate sustainability to the STIP for 2011. The Supervisory Board resolved to use revenues from electronic products as new sustainability related target. Electronic products reduce paper consumption and increase productivity which contributes to sustainability of Wolters Kluwer and its customers. The Supervisory Board will, based on a recommendation of the Committee, propose to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to change the current Long-Term Incentive Plan of the Executive Board by adding earnings per share as a second performance measure, in addition to Relative Total Shareholder Return. For more information about the remuneration policy of the Executive Board see > Remuneration Report and > note 30 of the Consolidated Financial Statements.

The Selection and Remuneration Committee has also reviewed the remuneration of the members of the Supervisory Board. Taking into consideration the increased responsibilities of Supervisory Board members, market practice, and the fact that the last increase of remuneration took place four years ago, in 2007, the Committee recommended to the full Supervisory Board to increase the remuneration of the members of the Supervisory Board in 2011. Based on that recommendation, the Supervisory Board proposes to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to increase the remuneration of the members of the Supervisory Board with €10,000. According to this proposal the remuneration for the Chairman of the Supervisory Board would become €60,000, the remuneration of the Deputy Chairman €55,000, and the remuneration of the other members €50,000. It will furthermore be proposed to increase the remuneration of the Chairman of the Audit Committee with €5,000 (to €10,000), the remuneration of the Chairman of the Selection and Remuneration Committee with €3,000 (to €8,000), the remuneration of the members of the Audit Committee with €3,000 (to €7,000) and the remuneration of the members of the Selection and Remuneration Committee with €1,000 (to €5,000).

The Selection and Remuneration Committee discussed the reappointment of Jack Lynch, member of the Executive Board, whose current term expires in 2011. In line with the recommendation of the Committee, the Supervisory Board has resolved to nominate Mr. Lynch for reappointment at the Annual General Meeting of Shareholders of April 27, 2011.

Composition

In 2010, the second term of Mr. Baan and the first term of Mr. James expired. Both gentlemen were reappointed at the Annual General Meeting of Shareholders of April 21, 2010.

In 2011, the first term of Mr. Angelici will expire. Mr. Angelici is available for reappointment. After careful consideration, the Supervisory Board has resolved to propose to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to reappoint Mr. Angelici as member of the Supervisory Board.

For more information on each of the Supervisory Board members in accordance with the Dutch Corporate Governance Code, see > Profile Supervisory Board. All members of the Supervisory Board are independent from the company within the meaning of Best Practice Provision III.2.2 of the Dutch Corporate Governance Code.

Finally, the Supervisory Board would like to take this opportunity to thank the Executive Board and all employees for their efforts in the past year.

Alphen aan den Rijn, February 22, 2011

Supervisory Board

A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B.M. Dalibard
L.P. Forman
S.B. James
H. Scheffers

Remuneration Report

Introduction

During the Annual General Meeting of Shareholders of April 21, 2004, the remuneration policy for members of the Executive Board was adopted and the Long-Term Incentive Plan approved. Amendments to the Remuneration Policy and the Long-Term Incentive Plan were approved during the Annual General Meeting of Shareholders of April 20, 2007. The Supervisory Board will propose to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to amend the Long-Term Incentive Plan.

Current remuneration policy

The goals of Executive Board remuneration are to align individual and company performance, strengthen long-term commitment to the company, and attract and retain the best executive management talent.

The remuneration of Executive Board members is based on surveys and analyses by internationally recognized firms specializing in executive compensation. Because Wolters Kluwer is a global organization and its Executive Board represents diverse nationalities, remuneration is benchmarked individually against surveys from European and U.S. companies, taking into consideration geographic locations where Executive Board members might be recruited to and where new members might be recruited from in the future.

Composition of remuneration

Remuneration for the Executive Board consists of three elements: a base salary, a Short-Term Incentive Plan (STIP) on which a cash bonus can be earned, and a Long-Term Incentive Plan (LTIP) on which performance shares can be earned. The base salary of individual Executive Board members is determined annually by the Supervisory Board, based on recommendations from its Selection and Remuneration Committee. Both the short-term and long-term incentives vary according to performance. The Supervisory Board resolves annually which targets are set for the STIP. Variable elements of the remuneration package make up the largest portion of the Executive Board's total compensation, reflecting the philosophy that senior executive compensation is linked to shareholder value and performance. Because the LTIP is based on the performance over a three-year period, the remuneration policy contributes to the long-term objectives of the company. The STIP targets largely reflect the key performance indicators that the company reports about in its periodical results. These indicators are an important measure of the success of the execution of the company's strategy. As such, the remuneration is directly linked to performance and the strategy.

Executive Board members participate in pension schemes of their home countries, except in the Netherlands where an individually defined contribution plan is used.

Governance

In line with the Dutch Corporate Governance Code, the Selection and Remuneration Committee and Supervisory Board made scenario analyses when they determined the level and structure of the Executive Board's remuneration for 2011. These analyses included all elements of remuneration, including potential LTIP and STIP pay-outs, under various scenarios. The Committee has also discussed to which extent the variable remuneration might expose the company to risks, taking into consideration the overall risk profile of the company, as described in > Risk Management. The Committee reached the conclusion that the remuneration policy provides management with good incentives to create long-term value for the shareholders, without increasing the overall risk profile of the company. In line with the Corporate Governance Code, the Supervisory Board has agreed with the Executive Board that it may recover from the Executive Board members any variable remuneration awarded on the basis of incorrect financial or other data (claw back clause).

Employment contracts

In line with the Corporate Governance Code, as a policy, future appointments of Executive Board members will take place for a period of four years. In line with the Code, Mr. Lynch was appointed as Executive Board member for a period of four years at the Annual General Meeting of Shareholders that was held in 2007. The Supervisory Board has resolved to nominate Mr. Lynch for reappointment for a second period of fours years at the Annual General Meeting of Shareholders of April 27, 2011. The existing contracts of Ms. McKinstry and Mr. Beerkens, who were appointed before the introduction of the first Dutch Corporate Governance Code and have employment contracts for an indefinite period of time, will be honored. Periods of notice vary between 30 days and one year. Severance arrangements with Executive Board members are either specifically determined in employment contracts or will be determined based on local laws. With respect to future Executive Board appointments, the company will, as a policy, comply with the best practice provision that severance remuneration in the event of dismissal will not exceed a one year salary. Therefore, upon reappointment by the Annual General Meeting of Shareholders in 2011, the contract of Mr. Lynch will be amended to reflect this best practice provision. However, the company will honor existing contracts and arrangements with current Executive Board members who were appointed before the introduction of the first Dutch Corporate Governance Code.

The employment contracts of the Executive Board members contain stipulations with respect to a change of control of the company. According to these stipulations, in case of a change of control, the Executive Board members will receive 100% of the number of conditional rights on shares awarded to them with respect to pending Long-Term Incentive Plans of which the performance period has not yet been ended. In addition, they will receive cash compensation if their employment agreement would end following a change of control.

Executive Board remuneration 2010 and 2011

Fixed and variable compensation and other considerations for members of the Executive Board in 2010 are detailed in > note 30 of the Consolidated Financial Statements.

In 2010, the base salary of Ms. McKinstry and Mr. Beerkens increased with 2%. The base salary of Mr. Lynch increased with 26%, to reflect the expanded role of Technology and Global Shared Services and the importance of the Springboard program to the company's long-term objectives as well as alignment with market benchmarks. For 2011, the Supervisory Board has decided to increase the base salaries of all members of the Executive Board with 3%.

Short-Term Incentive Plan

The Wolters Kluwer STIP grants Executive Board members a cash bonus if specific targets are met. The Supervisory Board determines the targets on an annual basis. Payment of the STIP bonus for each Executive Board member only takes place after verification by the external auditor of the Financial Statements of the company, including the financial performance indicators on which the financial STIP targets are based.

The STIP bonus for performance in 2010 (pay-out in 2011) for the members of the Executive Board was based on the achievement of targets with respect to free cash flow (33.3%), revenue performance (33.3%), and ordinary net income (33.3%). Consistent with the changes to the remuneration policy that were approved at the 2007 Annual General Meeting of Shareholders, the pay-out percentages that could be earned depending on the performance were determined for each of the Executive Board members through individual benchmarking. The achieved percentages, earned in 2010 and payable in March 2011, will be 138.20% for Ms. McKinstry, 108.23% for Mr. Beerkens, and 88.25% for Mr. Lynch. Since these bonuses are related to 2010 performance, the amounts are included in the total remuneration for 2010 as shown in > note 30 of the Consolidated Financial Statements.

For 2011, the Supervisory Board has approved the same pay-out targets for Executive Board members as in 2010: 125% of the base salary for Ms. McKinstry, 95% of the base salary for Mr. Beerkens, and 75% of the base salary for Mr. Lynch. The maximum achievable pay-outs will be 175% (Ms. McKinstry), 145% (Mr. Beerkens), and 125% (Mr. Lynch). These amounts would only be payable if the actual performance exceeds 110% of target. There is no pay-out for results below 90% of target. As announced in the 2009 Annual Report, Wolters Kluwer has added a sustainability related measure to its STIP, which is revenues from electronic products as percentage of total revenues. Electronic products reduce paper consumption and increase productivity which contributes to sustainability for Wolters Kluwer and its customers. Performance for STIP in 2011 will therefore be based on the following objective measures: free cash flow (33.3%), ordinary net income (33.3%), revenue performance (28.3%), and revenues from electronic products as percentage of total revenues (5%).

Long-Term Incentive Plan

The Long-Term Incentive Plan (LTIP) aligns the organization and its management with the strategic goals of the company, thus rewarding the creation of shareholder value. The plan uses performance shares and at the beginning of a three-year period a conditional award of shares is established. The total number of shares that the Executive Board members will actually receive at the end of the three-year performance period depends on the achievement of predetermined performance conditions.

Rewards of the pending plans are based on Wolters Kluwer's Total Shareholder Return (TSR) in relation to a group of peer companies (TSR ranking). TSR is calculated as the share price appreciation over a three-year period including dividend reinvestment. By using a three-year performance period, there is a clear relation between remuneration and long-term value creation.

TSR peer group

In 2010, the peer group consisted of the following companies: Arnoldo Mondadori, Axel Springer, Daily Mail & General, Dun & Bradstreet, Grupo PRISA, John Wiley & Sons, Lagardère, McGraw-Hill, Pearson, Reed Elsevier, T&F Informa, Thomson Reuters, Trinity Mirror, United Business Media, and McClatchy. This peer group is consistent with the peer group at the launch of the plan in 2004, with the exception of replacements of companies of which the shares are no longer publicly traded. At the time of introduction of the plan the peer group consisted entirely of media companies from the Morgan Stanley Capital Index (MSCI), the index most widely used by media analysts, and at present still the majority of the peer group companies is included in that index. The Supervisory Board has established a secondary tier of peer group companies that can be used to substitute for any of the current peer group companies should they de-list during the term of the performance period. These companies include Aegis Group, Gannet Co, Supermedia, and Yell Group. In case of delisting of a peer group company due to a takeover, the Supervisory Board can resolve to replace that peer group company either by the acquiring company, or by one of the secondary tier companies.

The Executive Board can earn 0-150% of the number of conditionally awarded shares at the end of the three-year period depending on Wolters Kluwer's TSR performance compared to the peer group. The company's external auditor or an independent expert, appointed by the Supervisory Board, will verify the TSR ranking.

As approved in the 2007 Annual General Meeting of Shareholders, there will be no pay-out for the Executive Board below eighth position, 150% for first or second position, 125% for third or fourth position, 100% for fifth or sixth position, and 75% pay-out for seventh or eighth position. These incentive zones are in line with best practice recommendations for the governance of long-term incentive plans.

TSR ranking

For the three-year performance period 2007-09, Wolters Kluwer has reached the seventh position in the TSR ranking. As a result, in 2010, the Executive Board members received 75% of the number of conditional rights on shares that were awarded in 2007. The number of shares that was released to each of the Executive Board members in 2010 can be found in > note 30 of the Consolidated Financial Statements.

For the three-year performance period 2008-10, Wolters Kluwer has reached the tenth position in the TSR ranking. As a result, in 2011, the Executive Board members will receive 0% of the number of conditional rights on shares that were awarded in 2008.

The conditional share awards for the Executive Board are determined by the comparable market information from European and U.S. companies. The actual number of conditional rights on shares awarded over the performance periods 2009-11 and 2010-12 can be found in > note 30 of the Consolidated Financial Statements.

As explained above, shares are conditionally awarded at the beginning of a three-year performance period. The 2007 Annual General Meeting of Shareholders also approved the proposal to determine awards of conditional rights on shares for the Executive Board on a fixed percentage of base salary determined by individual benchmarking. For the 2011-13 performance period, these percentages are, similar to last year, determined to be 285% (Ms. McKinstry), 175% (Mr. Beerkens), and 170% (Mr. Lynch). These percentages are determined through an annual benchmarking process.

The number of shares that is conditionally awarded at the start of the performance period is computed by dividing the amount, as calculated above, by the fair value of a conditionally awarded share at the start of the performance period. The actual amount granted can vary from year to year, depending upon benchmark salary reviews.

Proposal to amend the Long-Term Incentive Plan

The Supervisory Board proposes to the Annual General Meeting of Shareholders, that will be held on April 27, 2011, to amend the LTIP. It is proposed to add earnings per share (EPS) as second performance measure for the Executive Board LTIP. According to the proposal, the number of shares that participants receive at the end of a three-year performance period, will depend for 50% on performance targets based on TSR in relation to a group of peer companies, and for 50% on performance targets based on EPS. More information about this proposal will be provided in the Agenda for the Annual General Meeting of Shareholders.

Senior management remuneration

Senior management remuneration consists of a base salary, STIP, and LTIP. The senior management STIP is based on the achievement of specific objective targets that are linked to creating value for shareholders, such as revenue performance and cash flow. The LTIP targets of senior management are based on Relative Total Shareholder Return, but with incentive zones that provide more opportunity than is provided to the Executive Board.

Alphen aan den Rijn, February 22, 2011

Selection and Remuneration Committee

L.P. Forman, Chairman
A. Baan
S.B. James
P.N. Wakkie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2010 Financial Statements

Consolidated Statement of Income

in millions of euros, unless otherwise stated

		2010		2009
Revenues note 3		**3,556**		**3,425**
Cost of sales		1,278		1,226
Gross profit		**2,278**		**2,199**
Sales costs note 6		660		626
General and administrative costs:				
General and administrative operating expenses note 7	962		971	
Amortization of publishing rights and impairments note 9	175		368	
Total general and administrative costs		1,137		1,339
Total operating expenses		1,797		1,965
Operating profit		**481**		**234**
Finance income note 10		8		6
Finance costs note 10		(137)		(125)
Results on disposals note 5		0		(4)
Share of profit of equity-accounted investees (net of tax) note 15		1		2
Profit before tax		**353**		**113**
Income tax expense note 11		(66)		(3)
Total profit for the year		**287**		**110**
Attributable to:				
• Equity holders of the Company		288		118
• Non-controlling interests note 12		(1)		(8)
Profit for the year		**287**		**110**
Earnings per share (EPS) (€)				
Basic EPS note 4		0.97		0.41
Diluted EPS note 4		0.96		0.40

Consolidated Statement of Comprehensive Income

in millions of euros

		2010		2009
Comprehensive income:				
Profit for the year		**287**		**110**
Other comprehensive income:				
Exchange differences on translation of foreign operations	193		(88)	
Net gains/(losses) on hedges of net investments in foreign operations	(78)		18	
Effective portion of changes in fair value of cash flow hedges	33		(16)	
Net change in fair value of cash flow hedges reclassified to statement of income [note 10]	(34)		8	
Actuarial gains/(losses) on defined benefit plans [note 24]	(28)		(15)	
Income tax on items taken directly to or transferred from equity [note 17]	4		(1)	
Other comprehensive income/(loss) for the year, net of taxes		**90**		**(94)**
Total comprehensive income for the year, net of taxes		**377**		**16**
Attributable to:				
• Equity holders of the Company	376		27	
• Non-controlling interests	1		(11)	
Total		**377**		**16**

Consolidated Statement of Cash Flows

in millions of euros

	2010		2009	
Cash flows from operating activities				
Operating profit	481		234	
Amortization, impairments, and depreciation note 9	279		469	
Springboard/acquisition integration costs note 2	63		80	
Acquisition related costs note 2	8		-	
Autonomous movements in working capital	4		(7)	
Cash flow from operations		835		776
Paid financing cost	(123)		(120)	
Paid corporate income tax note 17	(73)		(89)	
Appropriation of restructuring provisions note 25	(82)		(70)	
Share-based payments note 27	16		17	
Other	(27)		(4)	
Net cash from operating activities		**546**		**510**
Cash flows from investing activities				
Net capital expenditure	(145)		(123)	
Acquisition spending note 5	(259)		(54)	
Receipts from disposal of activities note 5	(2)		0	
Dividends received from equity-accounted investees and investments note 15	1		1	
Cash from derivatives	(20)		(7)	
Net cash used in investing activities		**(425)**		**(183)**
Cash flows from financing activities				
Exercise share options	5		1	
Redemption loans	(217)		(246)	
New loans	246		112	
Movements in bank overdrafts	1		(7)	
Dividends paid	(118)		(125)	
Net cash used for financing activities		**(83)**		**(265)**
Net cash flow		**38**		**62**
Cash and cash equivalents at January 1	409		345	
Exchange differences on cash and cash equivalents	11		2	
		420		347
Cash and cash equivalents at December 31 note 20		**458**		**409**

Consolidated Statement of Financial Position

in millions of euros, at December 31

		2010		2009
Non-current assets				
Intangible assets note 13	4,584		4,226	
Property, plant, and equipment note 14	148		135	
Investment in equity-accounted investees note 15	63		30	
Financial assets note 16	73		41	
Deferred tax assets note 17	89		107	
Total non-current assets		4,957		4,539
Current assets				
Inventories note 18	85		79	
Trade and other receivables note 19	1,052		998	
Income tax receivable note 17	5		28	
Cash and cash equivalents note 20	458		409	
Total current assets	1,600		1,514	
Current liabilities				
Deferred income	1,142		1,033	
Trade and other payables	337		352	
Income tax payable note 17	43		28	
Short-term provisions note 25	24		36	
Borrowings and bank overdrafts note 22	377		526	
Other current liabilities note 21	457		423	
Total current liabilities	2,380		2,398	
Working capital		(780)		(884)
Capital employed		**4,177**		**3,655**
Non-current liablities				
Long-term debt:				
Bonds	1,480		1,478	
Private placements	429		149	
Perpetual cumulative subordinated bonds	225		225	
Other long-term loans	7		39	
Total long-term debt note 22		2,141		1,891
Deferred tax liabilities note 17		243		252
Employee benefits note 24		152		147
Provisions note 25		10		10
Total non-current liabilities		2,546		2,300
Equity				
Issued share capital note 26	36		35	
Share premium reserve	88		89	
Legal reserves	(198)		(312)	
Other reserves	1,686		1,522	
Equity attributable to the equity holders of the Company		1,612		1,334
Non-controlling interests note 12		19		21
Total equity		1,631		1,355
Total financing		**4,177**		**3,655**

Consolidated Statement of Changes in Total Equity

in millions of euros

	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Share-holders' equity	Non-controlling interests	Group equity
Balance at January 1, 2009	**34**	**90**	**23**	**48**	**(305)**	**(25)**	**1,549**	**1,414**	**33**	**1,447**
Total comprehensive income/(expense) for the year	0	0	0	4	(85)	0	108	27	(11)	16
Share-based payments							17	17		17
Release LTIP shares	0					6	(6)	0		0
Cash dividend 2008							(125)	(125)		(125)
Stock dividend 2008	1	(1)						0		0
Exercise of share options						1	0	1		1
Other movements			3				(3)	0	(1)	(1)
Balance at December 31, 2009	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,540**	**1,334**	**21**	**1,355**
Balance at January 1, 2010	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,540**	**1,334**	**21**	**1,355**
Total comprehensive income/(expense) for the year	0	0	0	(79)	186	0	269	376	1	377
Share-based payments							16	16		16
Tax on share-based payments							(4)	(4)		(4)
Release LTIP shares	0					7	(7)	0		0
Cash dividend 2009							(115)	(115)	(3)	(118)
Stock dividend 2009	1	(1)						0		0
Exercise of share options						10	(5)	5		5
Other movements			7				(7)	0		0
Balance at December 31, 2010	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,687**	**1,612**	**19**	**1,631**

Notes to the Consolidated Financial Statements

Significant Accounting Policies note 1

General

Reporting entity
Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a market-leading global information services company. Professionals in the areas of legal, business, tax, accounting, finance, audit, risk, compliance, and healthcare rely on Wolters Kluwer's leading information tools and software solutions to manage their business efficiently, deliver results to their clients, and succeed in an ever more dynamic world.

The Group maintains operations across Europe, North America, Asia Pacific, and Latin America. The Company is headquartered in Alphen aan den Rijn, the Netherlands. The Company's ordinary shares are quoted on the Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. These financial statements were authorized for issue by the Executive Board and Supervisory Board on February 22, 2011.

The consolidated financial statements of the Company at and for the year ended December 31, 2010, comprise the Group and the Group's interest in associates and jointly controlled entities. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied by the group companies.

A list of participations has been filed with the Chamber of Commerce in The Hague, the Netherlands and is available from the Company upon request.

The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency. Unless otherwise indicated, the financial information in these financial statements is in millions of euro and has been rounded to the nearest million.

In conformity with article 402, Book 2 of the Dutch Civil Code, a condensed statement of income is included in the separate financial statements of Wolters Kluwer nv.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations including International Accounting Standards (IAS) prevailing per December 31, 2010, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission. If non-IFRS terminology is used in these financial statements, reference is made to > Glossary.

Basis of preparation

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in > note 31 of the Consolidated Financial Statements.

Basis of measurement
The consolidated financial statements have been prepared under historical cost except for the following material items in the statement of financial position:
- Those financial assets and those financial liabilities (including derivative financial instruments) that are recognized at their fair value; and
- The net defined employee benefit asset/liability is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

Effect of new accounting standards
Relevant new accounting standards, amendments and interpretations that became effective for the year ended December 31, 2010, are listed below.
- IFRS 3 Business Combinations (Revised) (effective July 1, 2009)
  From January 1, 2010, the Group has applied IFRS 3 'Business Combinations' prospectively. The major changes are as follows:
  - Contingent purchase consideration is classified as debt, initially measured at fair value, whereby any re-measurement is recognized through the statement of income;

- Acquisition-related costs are expensed in the period in which they are incurred; and
- Tax losses from previous acquisitions and recognized subsequent to the implementation of IFRS 3 (Revised) are recognized through the statement of income, instead of as an adjustment against goodwill.

The change in accounting policy has been applied prospectively and has no material impact on basic earnings per share in 2010 and no impact on the ordinary earnings per share.

- Amended IAS 27 'Consolidated and Separate Financial Statements' (effective July 1, 2009)
  The revisions and amendments on IAS 27 'Consolidated and Separate Financial Statements' apply prospectively to business combinations for which the acquisition date is on or after January 1, 2010 and did not have a material impact on the Group's results and equity. The main changes under this standard are:
  - Equity interests held prior to control being obtained are remeasured to fair value at the time control is obtained, and any gain or loss is recognized in the statement of income; and
  - Changes in a parent's ownership interest in a subsidiary that do not result in a change of control are treated as transactions between equity holders and reported in equity.

Other standards and interpretations effective from January 1, 2010 do not have a material impact on the Group's results and equity.

Effect of forthcoming accounting standards

A number of new standards, amendments, and interpretations are not yet effective for the year ended December 31, 2010 and, if applicable, have not been adopted earlier in preparing these consolidated financial statements. None of these are expected to have a material impact on the consolidated financial statements of the Group. The following new standards, amendments, and interpretations have been considered:

- Amendments to IFRS 7 - 'Financial Instruments: Disclosures' (effective July 1, 2011);
- IFRS 9 'Financial Instruments' (IAS 39 Phase 1) (effective January 1, 2013); this standard could change the measurement and classification of the financial assets as of January 1, 2013;
- IAS 24 'Related Party Disclosures' (Revised 2009) (effective January 1, 2011); and
- IAS 31 'Interests in Joint Ventures'; this standard no longer allows the proportionate consolidation method for joint ventures, but prescribes the equity method. This change has no impact on the results but impacts the classification within the statement of income and statement of financial position.

Accounting for business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred, plus the recognized amount of any non-controlling interests in the acquiree, plus if the business is achieved in stages, the fair value of the existing equity interest in the acquiree, and less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase is recognized immediately in the statement of income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the statement of income.

Cost related to acquisitions, other than those associated with the cost of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable (like earn-out arrangements) is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured at settlement and is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the statement of income.

Acquisitions between January 1, 2004 and January 1, 2010

For acquisitions between January 1, 2004 and January 1, 2010, goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate, or joint venture at the date of acquisition. Goodwill represents the consideration made by the Group in anticipation of the future economic benefits from assets that are not capable of being individually identified and is separately recognized. These future economic benefits relate to, for example, opportunities with regard to cross-selling or cost efficiencies, such as sharing of infrastructure.

Costs related to transactions, other than those associated with the issue of debt or equity securities that the Group incurred in connection with business combinations were capitalized as part of the costs of acquisition.

Acquisitions prior to January 1, 2004
As part of transition to IFRSs, the Group elected to restate only those business combinations that occurred after January 1, 2004. In respect of acquisitions prior to January 1, 2004, goodwill represents the amount recognized under the Group's previous accounting framework, Dutch GAAP and was directly recognized in equity up to 1996. Between January 1, 1997 and December 31, 2003 goodwill and publishing rights were recognized in the balance sheet and amortized over the useful life.

Accounting for acquisitions of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of those transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board.

Segment results reported to the Executive Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, corporate office expenses and income tax assets and liabilities.

Operating segments that do not meet the quantitative thresholds and that have similar economic characteristics have been aggregated into a single operating segment.

Comparatives
Where necessary, certain reclassifications have been made to the prior year financial statements (or comparatives) to conform to the current year presentation.

Basis of consolidation

Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are de-consolidated from the date that control ceases.

Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if this causes the non-controlling interest to have a deficit balance.

Loss of control
Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the statement of income. If the Group retains any equity interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as available for sale financial asset depending on the level of influence retained.

Accounting for equity-accounted investees
Equity-accounted investees comprise associates. Associates are those entities in which the Group has significant influence but not control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Associates are recognized from the date on which the Group has significant influence, and recognition ceases from the date the Group has no significant influence over an associate. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognized in the statement of income, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint ventures are recognized using proportionate consolidation from the date that joint control commences until the date that joint control ceases.

Transactions eliminated on consolidation
Intragroup balances, transactions, income and expenses, and unrealized gains on transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures.

Foreign currency
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Group's presentation currency.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined.

Financial statements of Group companies
The assets and liabilities of Group companies, including goodwill and fair value adjustments arising from consolidation, are translated to euros at foreign exchange rates prevailing at the balance sheet date. Income and expenses of Group companies are translated to euros at exchange rates at the dates of the transactions. All resulting exchange differences are recognized in the currency translation reserve as a separate component of equity.

When a foreign Group company is disposed of, exchange differences that were recorded in equity prior to the sale are recycled through the statement of income as part of the gain or loss on disposal.

Net investment in foreign operations
Net investment in foreign operations includes equity financing and long-term intercompany loans for which settlement is neither planned nor likely to occur in the foreseeable future. Exchange rate differences arising from the translation of the net investment in foreign operations, and of related hedges, are taken to the currency translation reserve in shareholders' equity.

Main currency exchange rates to the euro	**2010**	2009
U.S. dollar (at December 31)	1.34	1.44
U.S. dollar (average)	1.33	1.39
G.B. pound (at December 31)	0.86	0.89
G.B. pound (average)	0.86	0.89

Principles for the determination of results

Revenues
Revenues represent the revenues billed to third parties net of value-added tax and discounts. Shipping and handling fees billed to customers are included in revenues. Subscription income received or receivable in advance of the delivery of services or publications is included in deferred income. If the Group acts as an agent, whereby the Group sells goods or services on behalf of a principal, the Group recognizes as revenues the amount of the commission.

Goods
Revenue from the sale of goods is recognized upon shipment and transfer of the significant risks and rewards of ownership to the customer, provided that the ultimate collectability and final acceptance by the customer is reasonably assured. Revenue from the sale of goods is recognized net of estimated returns for which the Group has recognized a liability based on previous experience and other relevant factors.

If returns on a product category exceed a threshold it is assumed that the transfer of the ownership of the product has only occurred upon receipt of payment from the customer.

Services
Revenue from the sale of services is recognized on a straight-line basis over the specified period, unless there is evidence that some other method better represents the stage of completion of the service at the balance sheet date.

Combination of goods and services
Revenues of products that consist of a combination of goods and services are recognized based on the fair value and the recognition policy of the individual components.

Cost of sales
Cost of sales comprises the directly attributable cost of goods and services sold and delivered. These costs include such items as the cost of raw materials, subcontracted work, other external expenses, salaries, wages, and social charges for personnel. Royalties owed to professional societies relating to contract publishing are included in cost of sales.

General and administrative operating expenses
General and administrative operating expenses includes costs that are neither directly attributable to cost of sales nor to sales and marketing activities. This includes costs such as product development, ICT, general overhead, and, as of January 1, 2010 acquisition related costs.

Share-based payments
The Group's Long-Term Incentive Plan qualifies as an equity-settled share-based payments transaction. The fair value of shares awarded is recognized as an expense with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the employees become unconditionally entitled to the shares. The fair value of the shares is measured using a Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were awarded. The amount recognized as an expense is adjusted to reflect the actual forfeitures due to participants' resignation before the vesting date.

Finance income and costs
Finance income and costs comprise interest payable on borrowing and interest receivable calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss.

As of January 1, 2010, finance income and costs include the subsequent fair value changes on contingent considerations classified as debt and recognized at acquisition date.

Principles of valuation and presentation of assets and liabilities

Intangible assets

Goodwill
Goodwill recognized for acquisitions represents the consideration made by the Group in anticipation of the future economic benefits from assets that are not capable of being individually identified and separately recognized. These future economic benefits relate to, for example, opportunities with regard to cross-selling or cost efficiencies, such as sharing of infrastructure.

Goodwill is measured as the excess of the fair value of the consideration transferred, plus the recognized amount of any non-controlling interests in the acquiree, and less the net recognized amount (generally recognized at fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase is recognized immediately in the statement of income. If the business is achieved in stages, the fair value of the existing equity interest in the acquiree is also taken into account.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold.

Goodwill acquired in a business combination is not amortized. Instead, the goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Publishing rights
The Group recognizes intangible assets acquired through business combinations (publishing rights) as well as other intangible assets. Publishing rights acquired through business combinations consist of:

- Customer relationships: subscriber accounts, other customer relationships;
- Technology: databases, software, product technology;
- Trademarks and titles: trademarks, imprints, product titles, copyrights;
- Favorable purchase agreements; and
- Other: license agreements, non-compete covenants.

Favorable purchase agreements are those purchasing agreements of the acquiree that are priced at a level that is considered below fair market value at the time of the acquisition. The amortization expenses therefore represent the difference between cost at fair market value and the cost per the contract.

The fair value of the intangible assets is computed at the time of the acquisition applying one of the following methods:

- Relief from royalty approach: this approach assumes that if the publishing right was not owned, it would be acquired through a royalty agreement. The value of actually owning the asset equals the benefits from not having to pay royalty fees;

- Multi-period excess earnings method: under this approach, cash flows associated with the specific publishing right are determined. Contributory charges of other assets that are being used to generate the cash flows are deducted from these cash flows. The net cash flows are discounted to arrive at the value of the asset; or
- Cost method: the cost method reflects the accumulated cost that would currently be required to replace the asset.

Publishing rights are stated at cost less accumulated amortization and any impairment losses and are amortized over their estimated useful economic life, generally applying the straight-line method. The useful life of the publishing rights is deemed finite, reflecting management's assessment of the life of the assets, usually supported by outside valuation experts, and taking into account the impact of technological change and changes in the marketplace. If, and to the extent, that publishing rights are considered to be impaired in value, this is immediately charged to the statement of income as impairment.

The estimated useful life for publishing rights is 5 to 20 years.

Other intangible assets

Other intangible assets mainly relate to computer software that is valued at cost less accumulated amortization and any impairment losses. Capitalized software is amortized using the straight-line method over the economic life of the software. If, and to the extent that, other intangible assets are considered to be impaired in value, this is immediately charged to the statement of income as impairment.

No intangible asset arising from research or the research phase of an internal project is recognized. Expenditure on research or the research phase of an internal project is recognized as an expense when it is incurred. An intangible asset arising from development or the development phase of an internal project is recognized if, and only if, the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale and comply with the following other requirements: the intention to complete the development project; the ability to sell or use the product; demonstration of how the product will yield probable future economic benefits; the availability of adequate technical, financial, and other resources to complete the project; and the ability to reliably measure the expenditure attributable to the project.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

The estimated useful life for other intangible assets is 3 to 10 years.

Property, plant, and equipment

Property, plant, and equipment, consisting of land and buildings, machinery and equipment, and other assets such as office equipment and vehicles, is valued at cost less accumulated depreciation and any impairment losses. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful life of each part of an item of property, plant, and equipment. Land is not depreciated.

The estimated useful life for buildings is 20 to 30 years, for machinery and equipment 5 to 10 years, and for other assets 3 to 10 years.

Impairment

The carrying amounts of the Group's non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. Irrespective of whether there is any indication of impairment, the Group also: (1) tests goodwill and publishing rights acquired in a business combination for impairment annually; and (2) tests an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income immediately. The recoverable amount of an asset or its cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss for a cash generating unit shall be allocated in the following order:

- First to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- Then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the cash-generating unit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Group shall estimate the recoverable amount of that asset and shall recognize this in the statement of income immediately.

Leases

Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Group's benefit.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are initially recognized as assets and liabilities in the balance sheet at the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequently, a finance lease gives rise to depreciation expense for depreciable assets and any impairment losses, as well as finance costs for each accounting period. The depreciation policy for these depreciable leased assets is consistent with that for depreciable assets that are owned.

Financial assets

Financial assets include investments, receivables, and derivative financial instruments. Financial assets are recorded initially at fair value. Subsequent measurement depends on the designation of the financial assets.

Investments

All equity investments that are not subsidiaries, equity-accounted investees (joint ventures and/or associates) are classified as investments. Investments available-for-sale are valued at their fair value. When the fair value cannot be reliably determined, the investment is carried at cost. A gain or loss arising from a change in the fair value of the investment available-for-sale shall be recognized directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. If the investments are valued at cost, income from investments is based on the dividend received from the investments.

Loans and receivables

Loans and receivables to third parties are measured at amortized cost. Grants and subsidies are recognized at fair value.

The Group considers evidence of impairment of loans and receivables at both a specific and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested historical trends.

Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then generally to the remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss. Intangible assets and property, plant and equipment once classified as held for sale are not amortized or depreciated.

Derivative financial instruments

Derivative financial instruments are recognized at fair value in the balance sheet. The fair value of derivative financial instruments is classified as a non-current asset or long-term debt if the remaining maturity of the derivative financial instrument is more than 12 months and as a current asset or liability if the remaining maturity of the derivative financial instrument is less than 12 months after the balance sheet date.

The accounting policy for changes in fair value is set out in > Derivative financial instruments and hedging activities.

Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge); (2) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or (3) hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The ineffective part is recognized immediately in the statement of income. If a hedging relationship is terminated and the derivative financial instrument is not sold, future changes in its fair value are recognized in the statement of income.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset, liability, or unrecognized firm commitment that are attributable to the hedged risk. The gain or loss relating to the ineffective part of the hedging instrument is also recognized in the statement of income within finance income or costs. Changes in the fair value of the risk being hedged of the hedged item are also recognized in the statement of income within finance income or costs. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the original hedge period.

Cash flow hedge
The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective part is recognized in the statement of income within finance income or costs. Amounts accumulated in equity are reclassified to the statement of income in the same periods the hedged item affects profit or loss. The gain or loss relating to the effective part of derivate financial instruments is recognized in the statement of income within the line where the result from the hedged transaction is recognized.

When a hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the hedged transaction is ultimately recognized in the statement of income. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the statement of income.

Net investment hedge
Fair value changes of derivative financial instruments that are used to hedge the net investment in foreign operations, which are determined to be an effective hedge, are recognized directly in shareholders' equity in the translation reserve. The ineffective part is recognized in the statement of income within finance income or costs. Gains and losses accumulated in equity are included in the statement of income when the foreign operation is disposed of.

Derivatives that do not qualify for hedge accounting
Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of income within finance income or costs.

Inventories
Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in-first-out principle. The cost price of internally produced goods comprises the manufacturing and publishing costs. Trade goods purchased from third parties are valued at the purchase price.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to complete the sale.

Trade and other receivables
Trade and other receivables are initially carried at their fair value and subsequently measured at cost less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are shown within Borrowings and bank overdrafts in current liabilities.

Deferred income
Deferred income represents the part of the amount invoiced to customers that has not yet met the criteria for revenue recognition and thus still has to be earned as revenues by means of the delivery of goods and services in the future. Deferred income is recognized at its nominal value.

Trade and other payables
Trade and other payables are stated at cost.

Interest-bearing debt
Financial liabilities, such as bond loans and other loans from credit institutions are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing debt is stated at amortized cost with any difference between cost and redemption value being recognized in the statement of income over the period of the borrowings on an effective interest basis.

Taxation
Income tax on the result for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to business combinations and/or items directly recognized in equity or other comprehensive income.

Current tax is the expected tax payable or tax receivable on the taxable income for the year, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable or tax receivable in respect of previous years.

The Group recognizes deferred tax liabilities for all taxable temporary differences between the carrying amounts of assets or liabilities in the balance sheet for financial reporting purposes and its tax base for taxation purposes. Deferred tax liabilities are not recognized for temporary differences arising on:

- the initial recognition of goodwill,
- investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, or
- the initial recognition of an asset or liability in a transaction, which is not a business combination and that at the time of the transaction affects neither accounting profit nor taxable profit.

A deferred tax asset is recognized for deductible temporary differences and for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

As of January 1, 2010, tax losses from previous acquisitions and recognized subsequent to the implementation of IFRS 3 (Revised) 'Business Combinations' are recognized through the statement of income instead of as an adjustment to goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect of changes in tax rates on the deferred taxation is taken to the statement of income if, and to the extent that, this provision was originally formed as a charge to the statement of income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Shareholders' equity

When share capital recognized as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Dividends are recognized as a liability upon being declared.

Non-controlling interests

Non-controlling interests are the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if this causes the non-controlling interest to have a debit balance.

Employee benefits

The Group has arranged pension schemes in various countries for most of its employees in accordance with the legal requirements, customs, and the local situation of the countries involved. These pension schemes are partly managed by the Group itself and partly entrusted to external entities, such as industry pension funds, company pension funds, and insurance companies. In addition, the Group also provides certain employees with other benefits upon retirement. These benefits include contributions towards medical health plans in the United States, where the employer refunds part of the insurance premium for retirees, or, in the case of uninsured schemes, bears the medical expenses while deducting the participants' contributions.

Defined contribution plans

The pension contribution of defined contribution plans is recognized as an expense in the statement of income in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payment is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan assets and any unrecognized past service cost are deducted. The discount rate is the yield rate at the balance sheet date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized past service cost and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Past-service cost is recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service cost is amortized on a straight-line basis over the vesting period.

The Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in the period in which they occur in other comprehensive income. All expenses related to defined benefit plans are presented in the statement of income.

The Group recognizes gains or losses on curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss comprises any resulting change in the present value of the defined benefit obligations, the change in the fair value of the plan assets, and any past service cost that had not previously been recognized. A curtailment occurs when the Group is demonstrably committed to make a material reduction in the number of employees covered by a plan either as a result of a disposal or restructuring or when the Group amends the terms of a defined benefit plan such that a material element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

Long-term service benefits
The Group's net obligation in respect of long-term service benefits, such as jubilee benefits, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted.

Provisions
A provision is recognized when: (1) the Group has a present legal or constructive obligation as a result of a past event; (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be reliably estimated.

Restructuring
The provision for restructuring relates to provisions for integration of activities, including acquisitions, and other substantial changes of the organizational structure and onerous contracts. A provision for restructuring is recognized only when the aforementioned general recognition criteria are met. A constructive obligation to restructure arises only when the Group has a detailed formal plan for the restructuring and has raised a valid expectation to those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The short-term commitments relating to expected spending due within one year are presented under other current liabilities.

Principles underlying the cash flow statement

Cash flows from operating activities
Cash flows from operating activities are calculated by the indirect method, by adjusting the consolidated operating income for exceptional items and expenses that are not cash flows (such as amortization and depreciation), and for autonomous movements in consolidated working capital (excluding impact from acquisitions and foreign currency differences). Cash payments to employees and suppliers are all recognized as cash flow from operating activities. Operating cash flows also include the cost of financing of operating activities, income taxes paid on all activities, and spending on restructuring and acquisition provisions.

Cash flows from investing activities
Cash flows from investing activities are those arising from net capital expenditure, from the acquisition and sale of subsidiaries and business activities. Net acquisition spending includes acquisition related costs. Cash and cash equivalents available at the time of acquisition or sale are deducted from the related payments or proceeds.

Net capital expenditure is the balance of purchases of property, plant, and equipment less book value of disposals and expenditure on other intangible assets less book value of disposals.

Dividends received relate to dividend received from equity-accounted investees and other investments.

Cash receipts and payments from derivative financial instruments are classified in the same manner as the cash flows of the hedged items. The Group has primarily used derivatives for the purpose of hedging its net investments in the United States. As a result, cash receipts from derivatives are classified under cash flows from investing activities.

Cash flows from financing activities
The cash flows from financing activities comprise the cash receipts and payments from issued and repurchased shares, dividend, and debt instruments. Cash flows from short-term financing are also included. Movements in share capital due to stock dividend are not classified as cash flows.

Dividends paid relate to dividends paid to the equity holders of the Company and the equity holders of non-controlling interests.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held ('treasury shares'). Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares, for the effects of all dilutive potential ordinary shares which comprise share options and LTIP-shares granted.

Benchmark Figures note 2

Benchmark figures	2010	2009	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,556	3,425	4	0
Ordinary EBITA	727	682	7	3
Ordinary EBITA margin (%)	20.4	19.9		
Ordinary net income	444	427	4	2
Free cash flow	445	424	5	4
Cash conversion ratio (CAR)	0.95	0.96		
Return on invested capital (ROIC) (%)	8.6	8.5		
Return on invested capital (ROIC) (%), including impairment in NOPAT	8.6	5.2		
Net debt	2,035	2,007	1	
Net debt to EBITDA (ratio)	2.7	2.9		
Net interest coverage (ratio)	5.6	5.7		
Diluted ordinary EPS (€)	1.48	1.45	2	
Diluted ordinary EPS in constant currencies (€)	1.43	1.43		0
Diluted free cash-flow per share (€)	1.48	1.44	3	2

Reconciliation of benchmark figures

Reconciliation between operating profit and ordinary EBITA	2010	2009
Operating profit	481	234
Amortization of publishing rights and impairments	175	368
EBITA	**656**	**602**
Non-benchmark costs in operating profit	71	80
Ordinary EBITA	**727**	**682**

Return on invested capital (ROIC)	2010	2009
Ordinary EBITA	727	682
Allocated tax	(185)	(166)
Net operating profit after allocated tax (NOPAT)	**542**	**516**
Average invested capital	6,279	6,069
ROIC (NOPAT/Average invested capital) (%)	8.6	8.5

Reconciliation between profit for the year and ordinary net income	2010	2009
Profit for the year attributable to the equity holders of the Company (A)	288	118
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	172	358
Tax on amortization and impairments of publishing rights and goodwill	(62)	(93)
Results on disposals (after taxation)	0	(8)
Non-benchmark costs in operating profit (after taxation)	46	52
Ordinary net income (B)	**444**	**427**

Reconciliation between cash flow from operating activities and free cash flow	2010	2009
Net cash from operating activities	546	510
Net capital expenditure	(145)	(123)
Dividends received	1	1
Appropriation of Springboard provisions (after taxation)	43	36
Free cash flow (C)	**445**	**424**

Per share information (in €)	2010	2009
Weighted average number of shares (D) in millions of shares	296.4	290.1
Diluted weighted average number of shares (E) in millions of shares	300.3	293.8
Ordinary EPS (B/D)	1.50	1.47
Diluted ordinary EPS (minimum of ordinary EPS and [B/E])	1.48	1.45
Diluted ordinary EPS in constant currencies	1.43	1.43
Basic EPS (A/D)	0.97	0.41
Diluted EPS (minimum of basic EPS and [A/E])	0.96	0.40
Free cash flow per share (C/D)	1.50	1.46
Diluted free cash flow per share (minimum of free cash flow per share and [C/E])	1.48	1.44

Non-benchmark costs in operating profit	2010	2009
Personnel-related restructuring costs	25	33
Onerous contracts	0	2
Asset write-offs	1	0
Third party costs	26	21
Other exceptional costs	6	12
Subtotal Springboard costs	58	68
Acquisition integration costs	5	12
Total Springboard/acquisition integration costs note 25	63	80
Acquisition related costs note 5	8	-
Total non-benchmark costs in operating profit	**71**	**80**

Benchmark tax rate	2010	2009
Income tax expense	66	3
Tax benefit on amortization and impairments	62	93
Tax benefit on result on disposals	0	12
Tax benefit on non-benchmark costs	25	28
Tax on Ordinary Income (F)	**153**	**136**
Ordinary net income	444	427
Adjustment for non-controlling interests	2	2
Ordinary income before tax (G)	**599**	**565**
Benchmark tax rate (F/G) (%)	**26**	**24**

Non-benchmark costs in operating profit

Non-benchmark costs relate to expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group and are excluded from the benchmark figures:

- Springboard costs;
- Restructuring costs;
- Acquisition integration costs;
- Acquisition related costs; and
- Fair value changes of contingent considerations.

In 2010, the Company adopted IFRS 3 (Revised) 'Business Combinations' in which acquisition related costs are expensed when incurred. Also any change in the fair value of contingent purchase considerations is recognized through the income statement. Previously these items have been presented as an adjustment of goodwill. These items, given their size or nature are clearly distinct from the ordinary activities of the Group and therefore are excluded from the benchmark figures as of January 1, 2010.

Springboard
On November 5, 2008 Wolters Kluwer announced to accelerate its Springboard restructuring initiative. This initiative is driving the next wave of operational excellence at Wolters Kluwer by simplifying and standardizing the core systems and processes used to develop, sell, and support products and services globally. Springboard expenses include costs related to IT system migration and implementation, outsourcing, migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

Restructuring costs
Restructuring costs excluded from benchmark figures are defined as expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group.

Acquisition integration costs
Acquisition integration costs are those one-time non recurring cost incurred by the company to integrate activities acquired either by business combination or asset transaction.

Acquisition related costs
Acquisition related costs are one-time non-recurring cost incurred by the Group resulting from acquisition activities.

Fair value changes contingent considerations
Results from changes in fair value of the contingent consideration are not considered to be part of ordinary operational business results.

Segment Reporting note 3

Segment reporting by division	Legal & Regulatory		Tax & Accounting		Health & Pharma Solutions	
	2010	2009	**2010**	2009	**2010**	2009
Revenues third parties	**1,511**	**1,518**	**922**	**886**	**816**	**750**
Cost of sales	521	525	292	285	381	356
Gross profit	**990**	**993**	**630**	**601**	**435**	**394**
Sales costs	259	262	164	160	159	135
General and administrative costs:						
General and administrative operating expenses	439	459	228	214	162	167
Amortization of publishing rights and impairments	52	103	57	69	46	179
Total operating expenses	750	824	449	443	367	481
Operating profit	**240**	**169**	**181**	**158**	**68**	**(87)**
Amortization of publishing rights and impairments	52	103	57	69	46	179
Non-benchmark costs in operating profit	34	43	24	16	3	14
Ordinary EBITA	**326**	**315**	**262**	**243**	**117**	**106**
Depreciation and amortization of other intangible assets	44	48	28	26	24	19
Impairments of goodwill and publishing rights	-	60	-	8	-	135
Goodwill and publishing right	1,273	1,252	1,323	1,306	1,141	1,055
Capital expenditure	50	44	43	44	40	32
Ultimo number of FTEs	7,915	8,193	5,481	5,709	2,726	2,567

In 2010, as part of its strategy *Maximizing Value for Customers*, the Group has transformed its organization to focus on its global markets and customer segments instead of geographic regions. In the new organization, there are four global operating divisions based on strategic customer segments: Legal & Regulatory, Tax & Accounting, Health & Pharma Solutions, and Financial & Compliance Services. This new segment information by division is based on the Group's management and internal reporting structure. The Executive Board reviews the financial performance of its segments and the allocation of resources based on ordinary EBITA. Ordinary EBITA excludes exceptional restructuring expenses as these expenses are clearly distinct from the ordinary activities of the Group. Internal deliveries between the divisions are conducted on an at arm's length basis with terms comparable to transactions with third parties. These revenues are limited and therefore not presented separately and have been eliminated. Revenues from third parties reported to the Executive Board are measured in a manner consistent with that in the statement of income. There are no major customers with a revenue stream that exceeds 10% or more of the Group's total revenues.

Non-current liabilities, including interest-bearing liabilities, are not considered to be segment liabilities but rather are primarily managed by the central treasury and tax function.

Working capital is not managed at operating segment level, but at country/regional level.

Financial & Compliance Services		Corporate		Total	
2010	2009	**2010**	2009	**2010**	2009
307	**271**			**3,556**	**3,425**
84	60			1,278	1,226
223	**211**	**0**	**0**	**2,278**	**2,199**
78	69			660	626
90	88	43	43	962	971
19	16	1	1	175	368
187	173	44	44	1,797	1,965
36	**38**	**(44)**	**(44)**	**481**	**234**
19	16	1	1	175	368
7	4	3	3	71	80
62	**58**	**(40)**	**(40)**	**727**	**682**
8	8	0	0	104	101
-	-	-	-	0	203
538	343	0	0	4,275	3,956
15	7	0	0	148	127
2,018	1,638	97	100	18,237	18,207

Geographical segments

The geographical information can be summarized as follows:

Revenues were generated in the following regions:	**2010**	%	2009	%
The Netherlands	224	6	244	7
Europe (excluding The Netherlands)	1,302	37	1,319	38
North America	1,842	52	1,703	50
Asia Pacific	160	4	138	4
Rest of the world	28	1	21	1
Total	**3,556**	**100**	**3,425**	**100**

Total non-current assets per region:	**2010**	%	2009	%
Europe	1,843	37	1,642	36
North America	3,093	62	2,885	64
Asia Pacific	21	1	12	0
Rest of the world	0	0	0	0
Total	**4,957**	**100**	**4,539**	**100**

Earnings per Share note 4

Basic earnings per share

The calculation of basic earnings per share at December 31, 2010 was based on the profit of €288 million (2009: €118 million) attributable to the ordinary equity holders of the Company, and a weighted average number of ordinary shares outstanding of 296.4 million (2009: 290.1 million), calculated as follows:

Profit for the year attributable to the equity holders of the Company	**2010**	2009
Profit for the year attributable to the equity holders of the Company (A)	288	118

Weighted average number of shares in millions of shares	**2010**	2009
Issued ordinary shares at January 1	292.0	286.0
Effect of stock dividend	3.2	3.2
Effect of issued shares	1.2	0.9
Weighted average number of shares (B)	**296.4**	**290.1**
Basic EPS (A/B) (€)	0.97	0.41

Diluted earnings per share

The calculation of diluted earnings per share at December 31, 2010 was based on the profit of €288 million (2009: €118 million) attributable to the ordinary equity holders of the Company, and a diluted weighted average number of ordinary shares outstanding of 300.3 million (2009: 293.8 million), after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Profit for the year attributable to the equity holders of the Company	**2010**	2009
Profit for the year attributable to the equity holders of the Company (A)	288	118

Diluted weighted average number of shares in millions of shares	**2010**	2009
Weighted average number of shares (B)	296.4	290.1
Long-Term Incentive Plan	3.9	3.6
Share options	0.0	0.1
Diluted weighted average number of shares (C)	**300.3**	**293.8**
Diluted EPS (minimum of basic EPS and [A/C]) (€)	0.96	0.40

Acquisitions and Disposals note 5

Acquisitions	Carrying amount	Fair value adjust-ments	2010 Recog-nized values	2009 Recog-nized values
Total consideration payable			**258**	**26**
Non-current assets	7	175	182	14
Current assets	25		25	3
Current liabilities	(32)		(32)	(6)
Non-current liabilities	0		0	(2)
Provisions	(2)		(2)	(2)
Deferred tax	5	(48)	(43)	(1)
Fair value of net identifiable assets/(liabilities)	**3**	**127**	**130**	**6**
Non-controlling interests			-	1
Goodwill on acquisitions			**128**	**19**
The cash effect of the acquisitions is:				
Consideration payable			258	26
Acquisition related costs			8	-
Cash acquired			(10)	0
Deferred considerations paid			3	28
Acquisition spending			**259**	**54**

Acquisition spending

Total acquisition spending in 2010 was €259 million (2009: €54 million), including acquisition related costs (€8 million), and payments for acquisitions made in previous years (€3 million; e.g. earn-out arrangements). The expenses incurred in 2010 that are directly attributable to acquisitions, such as legal fees, broker's cost, and audit fees, have been included in the general and administrative expenses in the Group's consolidated statement of income.

Contribution of acquisitions	Revenues	Ordinary EBITA	Profit for the year
Totals excluding the impact of 2010 acquisitions	3,533	721	285
Contribution of 2010 acquisitions	23	6	2
Totals for the year 2010	**3,556**	**727**	**287**
Pro forma contribution of 2010 acquisitions for the period January 1, 2010 up to acquisition date	63	12	5
Pro forma totals for the year 2010	**3,619**	**739**	**292**

Contingent consideration

Acquisitions completed after January 1, 2010, did not include any significant contingent considerations.

Provisional fair value accounting

The fair value of the acquirees' identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation in 2011, which will be completed within 12 months from the acquisition date. The main acquisitions completed in 2010 were the following:

- On December 31, 2010, Wolters Kluwer Deutschland (Legal & Regulatory) successfully completed the acquisition of LexisNexis Deutschland GmbH in Germany. The unit has a workforce of over 200 employees and annual revenues of approximately €18 million;
- On December 17, 2010, Clinical Solutions (Health & Pharma Solutions) acquired 100% of the shares of Pharmacy OneSource, a leading healthcare Software-as-a-Service (SaaS) provider that helps hospitals manage the complex challenges of patient safety, compliance and efficiency. Pharmacy OneSource has approximately 100 employees. The annual revenues are approximately €12 million;
- On September 23, 2010, the Group acquired 100% of the shares of FRSGlobal, S.A.R.L in Luxembourg. FRSGlobal became part of Financial & Compliance Services and has approximately 350 employees and annual revenues of approximately €42 million; and
- On July 22, 2010, Corporate Legal Services (Legal & Regulatory) acquired Edital, the Questel trademark branch. Edital has 28 employees and annual revenues of approximately €6 million.

Disposals

In 2010 and 2009, there were a number of disposals to optimize the portfolio.

Disposals	**2010**	2009
Non-current assets	30	4
Current assets	9	1
Current liabilities	(7)	(1)
Provisions	2	-
Net identifiable assets and liabilities	**34**	**4**
Book profit on disposals	0	(4)
Consideration	**34**	**0**
The cash effect of the disposals is:		
Consideration receivable	34	0
Assets obtained	(31)	-
Cash included in disposed activities	(5)	-
Cash from receivables	0	0
Receipts from disposal of activities	**(2)**	**0**

Assets obtained relate to the 25%-equity interest in the Access Data Group (see note 15). Result on disposals includes a book gain of €4 million on the sale of the 25.9% equity interest in Boekhandels Groep Nederland early 2010, offset by losses on other divestments.

Sales Costs note 6

Sales costs	2010	2009
Marketing and promotion costs	200	183
Sales costs	362	338
Customer support costs	75	83
Changes in bad debt provisions	23	22
Total	**660**	**626**

Sales costs relate to direct internal personnel expenses and direct external cost incurred for marketing and sales activities. The sales costs increased due to unfavorable currency effects and higher costs as result of increased sales force.

General and Administrative Expenses note 7

General and administrative expenses	2010	2009
Publishing and editorial costs	192	189
General and administrative expenses	699	702
Springboard costs note 2	58	68
Acquisition integration costs note 2	5	12
Acquisition related costs note 2	8	-
Total	**962**	**971**

The general and administrative expenses declined compared to last year due to a strong focus on cost containment programs, partly offset by unfavorable foreign currency effects and acquisition impacts.

Personnel Expenses note 8

Personnel expenses	2010	2009
Salaries and wages	1,083	1,022
Social security charges	142	140
Cost of defined contribution plans	45	41
Expenses of defined benefit plans note 24	2	12
Equity settled share-based payment transactions note 27	16	17
Total	**1,288**	**1,232**

Savings in personnel expenses from cost containment programs (Springboard related staff reductions) were almost fully offset by an increase in personnel expenses resulting from annual merit increases, unfavorable foreign currency effects and the net impact of 2010 acquisitions and divestments.

Amortization, Impairments, and Depreciation note 9

Amortization, impairments, and depreciation	2010	2009
Amortization of publishing rights note 13	175	165
Impairments of goodwill and publishing rights note 13	-	203
Total amortization of publishing rights and impairments	175	368
Amortization of other intangible assets note 13	74	72
Depreciation of property, plant, and equipment note 14	30	29
Total	**279**	**469**

Financing Results note 10

Financing results	2010	2009
Finance income		
Interest income on short-term bank deposits	6	4
Derivatives - foreign exchange contracts	1	2
Other finance income	1	0
Total finance income	8	6
Finance cost		
Interest expense:		
Bank borrowings and overdrafts	(5)	(13)
Bonds	(108)	(106)
Net foreign exchange gains/(losses) and other finance cost	(11)	5
Derivatives - foreign exchange contracts	0	0
Amortization on debt instruments	(2)	(2)
Items in hedge relationships:		
Interest rate swaps	(10)	(9)
Fair value hedging instrument (fair value hedge)	-	0
Fair value changes of cash flow hedges	33	(8)
Net changes in fair value of cash flow hedges reclassified from equity	(34)	8
Ineffective portion of hedging	0	0
	(137)	(125)
Total financing results	**(129)**	**(119)**

Net foreign exchange gains/(losses) include foreign exchange results on certain intercompany balances.

Income Tax Expense note 11

Recognized in statement of income	2010	2009
Current tax expense	110	88
Adjustment previous years	2	1
Deferred tax expense:		
Origination and reversal of temporary differences	(46)	(86)
Taxation on income in statement of income	**66**	**3**

Reconciliation of the effective tax rate	%	2010	%	2009
Profit before tax		353		113
Normative income tax expense	29	104	5	6
Tax effect of:				
Intragroup financing activities	(10)	(36)	(32)	(36)
Impairments	-	-	62	70
Tax exemption on results on disposals	0	0	2	2
Substitute tax Italy	-	-	(28)	(32)
Non-deductible costs and other items	0	(2)	(6)	(7)
Taxation on income in statement of income	**19**	**66**	**3**	**3**

The normative income tax expense has been computed as the weighted average rates of the jurisdictions where the Group operates.

In 2009, the impairment of goodwill and publishing rights of €203 million is included in the computation and resulted in a relatively low normative tax rate of 5%. The Company also applied for a substitute tax in Italy, what resulted in a one-time tax benefit of €32 million in the 2009 statement of income.

Non-Controlling Interests note 12

The Group's shares in the most material consolidated subsidiaries that were not fully owned at December 31 were:

Ownership (in %)	2010	2009
Akadémiai (Budapest, Hungary)	74.0	74.0
AnNoText (Hürth, Germany)	100.0	74.9
Wolters Kluwer Russia Publishing Holding bv (Amsterdam, Netherlands)	55.0	55.0

Non-controlling interests of consolidated participations in the profit for the year of the Group in 2010 were €(1) million (2009: €(8) million). Non-controlling interests in the equity of consolidated participations, totaling €19 million (2009: €21 million), are based on third-party shareholding in the underlying shareholders' equity of the subsidiaries.

In January 2010, the Group acquired the remaining 25.1% shares of AnNoText (Germany) for €6 million. Therefore, the 2009 comparatives in the table below exclude AnNoText.

Summary financial information based on 100% ownership	**2010**	2009
Revenues	37	39
Ordinary EBITA	3	6
Net profit/(loss) for the year	(3)	(18)
Total assets	56	57
Total liabilities	13	8
Total equity	43	49

Intangible Assets note 13

Intangible assets	Goodwill	Publishing rights	Other	**2010**	2009
Position at January 1					
Purchase value	2,986	2,152	551	5,689	5,786
Accumulated amortization and impairments	(198)	(984)	(281)	(1,463)	(1,186)
Book value at January 1	2,788	1,168	270	4,226	4,600
Movements					
Investments	-	-	110	110	103
Acquisitions through business combinations	128	175	3	306	33
Divestment of activities	(9)	(7)	(14)	(30)	(4)
Disposals of assets	-	-	(1)	(1)	(2)
Net expenditures	119	168	98	385	130
Amortization note 9	-	(175)	(74)	(249)	(237)
Impairments	-	-	-	0	(203)
Reclassifications	(11)	14	-	3	34
Exchange differences and other movements	152	52	15	219	(98)
Total movements	**260**	**59**	**39**	**358**	**(374)**
Position at December 31					
Purchase value	3,218	2,187	647	6,052	5,689
Accumulated amortization and impairments	(170)	(960)	(338)	(1,468)	(1,463)
Book value at December 31	**3,048**	**1,227**	**309**	**4,584**	**4,226**

Reclassifications include the deferred tax liability that relates to the final outcome of the purchase price allocation of 2009 acquisitions.

Impairment testing cash-generating units containing goodwill

Carrying amounts of goodwill and publishing rights per division	Goodwill	Publishing rights	2010	2009
Legal & Regulatory	967	306	1,273	1,252
Tax & Accounting	882	441	1,323	1,306
Health & Pharma Solutions	900	241	1,141	1,055
Financial & Compliance Services	299	239	538	343
Total	**3,048**	**1,227**	**4,275**	**3,956**

The Group reviews at each reporting date whether there is an indication that any of the cash-generating units (CGUs) that contain goodwill and publishing rights may be impaired. Furthermore, the Group carries out an annual impairment test by comparing the carrying amount of the CGU to which the goodwill and publishing rights belong, net of related deferred taxes, to the recoverable amount of the CGU.

The recoverable amount is determined based on a calculation of its value in use. The value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGUs and outcomes are compared to multiples of recent transactions to estimate the net selling price. The value-in-use calculations in 2010 were determined in a similar manner as in 2009. The cash flow projections are based on actual operating results and Business Development Plans, as approved by the Executive Board and Supervisory Board.

Changes in composition of cash-generating units containing goodwill

The Group's announced new strategy, and consequently its transformation in 2010 towards a global organization focused on key customer segments, and the implementation of a regional structure within the divisions, resulted in a change in operating segments and also in the composition of one or more groups of cash generating units to which goodwill has been allocated. A regional structure was created to ensure further integration of the countries, to facilitate cross-selling and cross-country realization of synergies from past and future acquisitions, Consequently the internal reporting structure of the Group changed and different management information is provided to the Executive Board.

Based on the above, the Group had to reallocate goodwill. In general, goodwill has now been allocated to newly created operating segments and regions within an operating division, at which level goodwill will be monitored.

Goodwill was reallocated as follows:
- Goodwill for which it could be determined to which operating division it belongs has been directly allocated to a division; and
- All other goodwill that had to be reallocated has been reallocated using a relative value approach.

The 2010 annual impairment testing for goodwill resulted in no impairment, nor under the former CGUs definition prior to 2010, nor under the newly defined composition of one or more CGUs containing goodwill.

Key assumptions used in discounting cash flows

The period over which the Group estimates its cash flow projections is five years. After five years cash flow projections are extrapolated using an appropriate perpetual growth rate that is consistent with the long-term average market growth rate and that does not exceed 3% (2009: 3%).

The estimated pre-tax cash flows are discounted to their present value using a pre-tax weighted average cost of capital (WACC) between 8.4% and 10.6% (2009: between 9.0% and 11.2%). The key assumptions used in the projections are:
- Discount rates;
- Terminal value growth rates;
- Revenue growth: based on actual experience, an analysis of market growth and the expected development of market share; and
- (Ordinary) EBITA-margin development: based on actual experience and management's long-term projections.

The impairment test carried out in 2010 showed that the carrying amount for all groups of CGUs for goodwill impairment testing exceeded the recoverable amount, both for the previously defined group of CGUs in 2009 as well as the newly defined groups of CGUs for goodwill impairment testing in 2010. In 2009, the impairment loss related to goodwill (€198 million) and publishing rights (€5 million), of which the majority of the impairment loss (€135 million) recognized related to the Health & Pharma Solutions division.

Sensitivity analysis

The impairment test also included an assessment, if a reasonably possible change in a key assumption would cause the carrying amount to exceed the recoverable amount and none were noted. If the pre-tax discount rate would increase by 0.5% none of the CGUs would need to recognize impairment. Further, if the perpetual growth rate would decline by 0.5% to 2.5% on average, none of the CGUs would be impaired either.

Property, Plant, and Equipment
note 14

Property, plant, and equipment	Land and buildings	Machinery and equipment	Other fixed assets	**2010**	2009
Position at January 1					
Purchase value	118	28	356	502	512
Accumulated depreciation	(50)	(22)	(295)	(367)	(366)
Book value at January 1	68	6	61	135	146
Movements					
Investments	1	3	34	38	24
Acquisitions through business combinations	-	-	2	2	0
Disposals of assets	0	-	(2)	(2)	(2)
Net expenditures	1	3	34	38	22
Depreciation note 9	(3)	(2)	(25)	(30)	(29)
Exchange differences and other movements	3	(1)	3	5	(4)
Total movements	**1**	**0**	**12**	**13**	**(11)**
Position at December 31					
Purchase value	124	30	355	509	502
Accumulated depreciation	(55)	(24)	(282)	(361)	(367)
Book value at December 31	**69**	**6**	**73**	**148**	**135**

Investments in Equity-accounted Investees note 15

Investments in equity-accounted investees	**2010**	2009
Position at January 1	30	18
Acquisitions	2	0
Dividends received	(1)	(1)
Share of profit of equity-accounted investees	1	2
Other movements	31	11
Position at December 31	**63**	**30**

Other movements in 2010 relate to a share transaction. The Group entered into an external partnership whereby the net assets of one of its subsidiaries, CT Summation, were contributed to a third party resulting in a 25%-equity interest in the AccessDataGroup. This equity-interest is accounted for as an equity-accounted investee.

Other movements in 2009 related to the transfer of a financial asset issued to HaoYiSheng, a Chinese medical publishing company, being converted into an equity interest of 21.7% in 2009.

Summary financial information on equity-accounted investees (at 100%) and the Group's weighted proportionate share	Total equity-accounted investees		Group's share	
	2010	2009	**2010**	2009
Total assets	88	53	26	18
Total liabilities	71	57	21	21
Total equity	17	(4)	5	(3)
Revenues	104	67	35	27
Net profit/(loss) for the year	(1)	2	1	2

Financial Assets note 16

Financial assets	**2010**	2009
Investments	1	1
Receivables	28	23
Derivative financial instruments note 22	44	17
Total	**73**	**41**

The U.S. Medicare Prescription Drug, Improvement, and Modernization Act introduced a tax-free federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare Part D benefit. The Group's subsidy has been actuarially determined at €16 million (2009: €13 million), which has been reflected as a non-current asset under receivables.

Deferred Tax Assets and Liabilities note 17

Deferred tax assets and liabilities	Assets	Liabilities	**2010**	2009
Intangible assets	34	(406)	(372)	(329)
Property, plant, and equipment	5	(51)	(46)	(45)
Employee benefits	58	(3)	55	46
Interest carry-forward	142	0	142	113
Tax value of loss carry-forwards recognized	30	0	30	28
Other items	106	(69)	37	42
Tax assets/(liabilities)	375	(529)	(154)	(145)
Set off of tax	(286)	286	0	0
Net tax assets/(liabilities)	**89**	**(243)**	**(154)**	**(145)**

The actual realization of the deferred tax assets depends on the generation of future taxable income during the periods in which the temporary differences become deductible. Based on projected future taxable income and available strategies, the Group considers the future realization of these deferred tax assets more likely than not.

Movement in temporary differences, 2010	Balance at January 1	Acquisi-tions/ disposals	Recognized in statement of income	Recognized in equity	Exchange rate differences and other movements	**Balance at December 31**
Intangible assets	(329)	(46)	23	-	(20)	(372)
Property, plant, and equipment	(45)	-	2	-	(3)	(46)
Employee benefits	46	-	(3)	9	3	55
Interest carry-forward	113	-	22	-	7	142
Tax value of loss carry-forwards recognized	28	-	0	-	2	30
Other items	42	-	2	(9)	2	37
Total	**(145)**	**(46)**	**46**	**0**	**(9)**	**(154)**

Movement in temporary differences, 2009	Balance at January 1	Acquisi-tions/ disposals	Recognized in statement of income	Recognized in equity	Exchange rate differences and other movements	**Balance at December 31**
Intangible assets	(380)	(35)	47	-	39	(329)
Property, plant, and equipment	(27)	-	(18)	-	-	(45)
Employee benefits	44	-	(3)	5	-	46
Interest carry-forward	97	-	17	-	(1)	113
Tax value of loss carry-forwards recognized	42	-	(13)	-	(1)	28
Other items	(9)	-	56	(6)	1	42
Total	**(233)**	**(35)**	**86**	**(1)**	**38**	**(145)**

The 2010 movement in deferred tax liabilities from acquisitions of €46 million (2009: €35 million) includes €43 million with regard to acquisitions made in 2010 (2009: €1 million) and €3 million (2009: €34 million) that relates to the final outcome of the purchase price allocation of prior year acquisitions. In 2009, a €34 million upfront payment for Italian substitute tax is included in the column "exchange rate differences/other movements" relating to intangible assets and a one-time statement of income benefit of €32 million in the column "Recognized in statement of income" (see also > note 11 Income Tax Expense).

Movements in overall tax position	2010	2009
Position at January 1		
Tax receivable	28	55
Tax payable	(28)	(21)
Deferred tax assets	107	38
Deferred tax liabilities	(252)	(271)
Overall tax position	(145)	(199)
Movements		
Total income tax expense	(66)	(3)
Deferred tax on acquisitions/disposals	(46)	(35)
Deferred tax on items recognized immediately in other comprehensive income	4	(1)
Deferred tax on items recognized immediately in equity	(4)	-
Paid corporate income tax	73	89
Exchange differences and other movements	(8)	4
Total movements	**(47)**	**54**
Position at December 31		
Tax receivable	5	28
Tax payable	(43)	(28)
Deferred tax assets	89	107
Deferred tax liabilities	(243)	(252)
Overall tax position	**(192)**	**(145)**

Unrecognized deferred tax assets

The Group has not recognized deferred tax assets that relate to unused tax losses amounting to €43 million (2009: €30 million), because it is not probable that future taxable profit will be available against which the Group can utilize the benefits. Of these unused tax losses 37% (2009: 39%) expires within the next 5 years, 14% (2009: 12%) expires after 5 years, and 49% (2009: 49%) carries forward indefinitely.

Deferred tax on items recognized immediately in other comprehensive income			2010			2009
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Exchange differences on translation of foreign operations	115	(5)	110	(70)	(8)	(78)
Gains/(losses) on cash flow hedges	(1)	0	(1)	(8)	2	(6)
Actuarial gains/(losses) on defined benefit plans	(28)	9	(19)	(15)	5	(10)
Total	**86**	**4**	**90**	**(93)**	**(1)**	**(94)**

Deferred tax on items recognized immediately in equity			2010			2009
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Share-based payments	16	(4)	12	17	-	17
Total	**16**	**(4)**	**12**	**17**	**0**	**17**

Inventories note 18

Inventories	2010	2009
Raw materials	4	4
Work in progress	23	20
Finished products and trade goods	58	55
Total	**85**	**79**

At December 31, 2010, the provision for obsolescence deducted from the inventory book values amounted to €38 million (2009: €34 million). In 2010, an amount of €6 million was recognized as an expense for the change in the provision for obsolescence (2009: €11 million) and are presented as part of cost of sales in the statement of income.

Trade and Other Receivables note 19

Trade and other receivables	2010	2009
Trade receivables	934	877
Prepayments	101	97
Derivative financial instruments note 22	1	0
Other receivables	16	24
Total	**1,052**	**998**

Trade receivables are shown net of impairment losses amounting to €52 million (2009: €42 million).

The fair value of the receivables is equal to the carrying amount. Impairment losses on trade receivables are presented as part of sales costs in the statement of income.

Cash and Cash Equivalents note 20

Cash and cash equivalents	2010	2009
Deposits	302	255
Cash and bank balances	156	154
Total	**458**	**409**

All deposits are demand deposits that are readily available.

Other Current Liabilities note 21

Other current liabilities	**2010**	2009
Salaries, holiday allowances	146	121
Royalties payable	77	66
Social security premiums and other taxation	52	60
Pension related payables	9	8
Derivative financial instruments note 22	12	5
Interest payable	84	84
Deferred acquisition payments	8	11
Other liabilities and accruals	69	68
Total	**457**	**423**

Financial Instruments note 22

Long-term debt	Nominal value	Effective interest rate (in %)	Nominal interest rate (in %)	Repayment commit-ments 1-5 years	Repayment commit-ments >5 years	**2010**	2009
Bonds 2003-2014	700	5.240	5.125	698	-	698	697
Bonds 2008-2018	750	6.472	6.375	-	746	746	745
Bonds 2008-2028	36	6.812	6.748	-	36	36	36
Private placement 2008-2038	¥ 20,000	3.330	3.330	-	183	183	149
Private placement 2010-2020	250	4.425	4.200	-	246	246	-
Perpetual cumulative subordinated bonds	225	7.270	6.875	-	225	225	225
Deferred acquisition payments				4	-	4	16
Other long-term loans				3	-	3	11
Total long-term loans				**705**	**1,436**	**2,141**	**1,879**
Derivative financial instruments				0	-	0	12
Total long-term debt				**705**	**1,436**	**2,141**	**1,891**

Net debt	2010	2009
Total long-term debt	**2,141**	**1,891**
Borrowings and bank overdrafts		
Multi-currency roll-over credit facility 2004-2011 (in U.S. dollar)	352	498
Other short-term loans	6	10
Bank overdrafts	19	18
Total borrowings and bank overdrafts	**377**	**526**
Deferred acquisition payments	8	11
Derivative financial instruments	12	5
Total short-term debt	**397**	**542**
Gross debt	**2,538**	**2,433**
Minus:		
Cash and cash equivalents	(458)	(409)
Derivative financial instruments:		
Non-current receivable	(44)	(17)
Current receivable	(1)	0
Net debt	**2,035**	**2,007**

The nominal interest rates on the bonds are fixed until redemption. The interest rate on the multi-currency roll-over credit facility is variable.

Loan maturity

The following amounts of gross debt at December 31, 2010, are due within and after five years:

Gross debt	2010
2012	5
2013	2
2014	698
2015	0
Due after 2015	1,436
Long-term debt	2,141
Short-term debt (2011)[1]	397
Total	**2,538**

[1] 2011: includes drawdown on multi-currency roll-over credit facility of €352 million maturing in July 2011

Bonds

Wolters Kluwer has unsubordinated bonds outstanding for an amount of €1,480 million as at December 31, 2010 (2009: €1,478 million).

On November 19, 2003, Wolters Kluwer issued a ten-year unsubordinated Eurobond with a nominal value of €700 million. The coupon on the bonds is 5.125% with an issue price of 99.618 per cent.

On April 2, 2008, Wolters Kluwer issued a ten-year unsubordinated Eurobond of €750 million. The bonds have been priced at an issue price of 99.654 per cent and carry an annual coupon of 6.375%.

On August 28, 2008, Wolters Kluwer issued a twenty-year unsubordinated Eurobond of €36 million. The bonds have been priced at an issue price of 100 per cent and carry an annual coupon of 6.748%.

Private placements

On February 26, 2008, Wolters Kluwer entered into four bilateral private loan agreements for a total amount of ¥20 billion (€183 million at year-end 2010) with a maturity of 30 years. The loans denominated in Japanese yen were swapped to euro.

On July 28, 2010, Wolters Kluwer entered into a bilateral private loan agreement for a total amount of €250 million (€246 million at year-end 2010) with a maturity of 10 years. The receipt of the cash proceeds took place in December 2010. The private loan has been priced at an issue price of 98.567 per cent and carries an annual coupon of 4.20%.

Perpetual cumulative subordinated bonds

On May 14, 2001, a perpetual cumulative subordinated bond loan with a nominal value of €225 million was issued. The issue price of the bonds was 100%. These bonds bear interest at 6.875%. Wolters Kluwer has a yearly right to redeem the loan as from May 2008. Wolters Kluwer is allowed to refrain from paying interest if there is not declared, or made available, any dividend for payment. The accrued interest will be paid in a subsequent year where there is dividend declared and paid. In case of bankruptcy, Wolters Kluwer has no obligation to pay any accrued interest; the nominal amounts of the bond will then become a subordinated liability.

Multi-currency roll-over credit facility

In July 2004, Wolters Kluwer signed a €750 million multi-currency roll-over credit facility, which was amended in September 2006 to €1 billion with more favorable terms. The amended terms include a higher facility amount as well as a lower interest rate margin and a lower commitment fee. The multi-currency roll-over credit facility had an initial maturity of five years with two one-year extension options. The second extension option was approved in 2006; the maturity of the multi-currency roll-over credit facility is July 2011. The multi-currency roll-over credit facility are used for general corporate purposes. The multi-currency roll-over credit facility has decreased from €1 billion to €928 million in 2008 and to €371 million in July 2010. The multi-currency roll-over facility is subject to customary conditions, including a financial covenant. In 2010, the Group is comfortably below the conditions of the covenant.

In July 2010, Wolters Kluwer signed a €600 million multi-currency roll-over credit facility with a five year maturity. The new credit facility is for general corporate purposes, and will partly replace the existing €928 million credit facility, of which the remaining part will mature in July 2011. The multi-currency roll-over facility is subject to customary conditions, including a financial covenant. In 2010, the Group is comfortably within the thresholds stipulated in the financial covenants of the credit facility. As of December 31, 2010, there were no amounts drawn under this facility.

There were no defaults or breaches on the loans and borrowings during 2010 and 2009.

Financial Risk Management and Financial Risks note 23

The Group's activities are exposed to a variety of financial risks including currency, interest, liquidity, and credit risk. Financial risk identification and management for currency, interest, liquidity risk, and credit risk is carried out by the central treasury department (Corporate Treasury), whereby the treasury operations are conducted within a framework of policies and guidelines (Treasury Policy), which have been approved by the Executive Board/CFO and Audit Committee. The Treasury Policy may change on an annual basis in light of market circumstances and market volatility, and is based on a number of assumptions concerning future events, subject to uncertainties and risks that are outside the Group's control. A Treasury Committee, comprised of the Vice President Corporate Accounting, Controller Corporate Office, Vice President Corporate Treasurer, and representatives of the Corporate Treasury and Back-Office, meets quarterly to review treasury activities and compliance with the Treasury Policy and reports directly to the Executive Board/CFO and the Audit Committee. The Treasury Back-Office reports deviations directly to the CFO and the Corporate Treasurer.

The Internal Audit Department reviews the Corporate Treasury Department on financial risk management controls and procedures of Corporate Treasury, both according to a fixed schedule and on an ad-hoc basis. Furthermore, the external auditor performs quarterly interim procedures on the transactions and hedging compliance as part of the annual audit. Corporate Treasury reports on a quarterly basis to the Audit Committee about its hedging status.

The Group's funding activities are carried out by Corporate Treasury, using a mixture of long-term capital market instruments and committed credit facilities. A variety of instruments is used to ensure optimal financial flexibility and capital efficiency. The borrowings, together with cash generated from operations, are on-lent or contributed as equity to the operating companies. The Group targets to a net-debt-to-EBITDA ratio of approximately 2.5, however, the Group could temporarily deviate from this relative indebtedness ratio. At December 31, 2010, the net-debt-to-EBITDA ratio is 2.7 (2009: 2.9).

All treasury activities - in particular the use of derivative financial instruments - are subject to the principle of risk minimization and are transacted by specialist treasury personnel. For this reason, financial transactions and risk positions are managed in a central treasury management and payment system. The Group does not purchase or hold derivative financial instruments for speculative purposes. The Group's risk profile is defined and reviewed regularly. Although economic environment has become more challenging as a consequence of the turbulence on financial markets, the exposure to financial risks for the Company has not significantly changed, nor the approach to these risks.

Currency risk
The Group has identified transaction and translation risks as the main currency risks. The transaction risk exposure within individual Wolters Kluwer entities is considered to be immaterial. The prices that Wolters Kluwer charges its customers for products and services are mainly denominated in the customers' local currencies. Given the nature of the business, almost all related cost are also incurred in those local currencies. Derivative financial instruments to hedge transaction risks are therefore not frequently used.

Translation risk is the risk that exchange rate gains or losses arise from translating the statement of income, balance sheet, and cash flow statement of foreign subsidiaries to the Group's presentation currency (the euro) for consolidation purposes.

It is the Group's practice that material currency translation exposures are partially hedged by Corporate Treasury. Currency exposures which impact the consolidated balance sheet and statement of income by 10% or more are considered material. The translation exposure on the cash flow statement is (partly) mitigated by matching cash in- and outflows in the same currency. The Group's main translation risk is its exposure to the U.S. dollar. The following table details the Group's sensitivity on the Group's financials to a 1% weakening of the U.S. dollar against the euro.

Approximate impact of 1% decline of the U.S. dollar against the euro in millions of euros	**2010**	2009
Revenues	(19)	(18)
Ordinary EBITA	(4)	(4)
Operating profit	(3)	(3)
Ordinary net income	(3)	(2)
Profit for the year	(2)	0
Shareholders' equity at December 31	(19)	(17)
Free cash flow	(4)	(3)

In order to hedge its net investment in the United States (defined as total investment in both equity and long-term receivables from the U.S. operations), the Group had U.S. dollar forward contracts outstanding for a total notional amount of €150 million ($200 million) at December 31, 2010.

The Group had U.S. dollar debt outstanding for a total notional amount of €510 million ($681 million) at December 31, 2010 (2009: €754 million or $1,086 million). The balance sheet cover is defined as the U.S. dollar forward contracts and U.S. dollar debt outstanding divided by its net investment in U.S. dollars. The U.S. dollar balance sheet cover is 21% (2009: 31%).

A part of the finance costs was swapped into U.S. dollar through the use of derivative financial instruments. Of the total finance costs in 2010, approximately 21% (2009: 75%) was payable in U.S. dollars and resulting currency results have been recognized in the statement of income. Based on the percentage of 21% for finance costs payable in U.S. dollars, the following sensitivity analysis can be made. An instantaneous 1% decline of the U.S. dollar against the euro from its exchange rate at December 31, 2010, with all other variables held constant, would result in a decrease of approximately €0.3 million of the finance costs (2009: approximately €0.9 million).

Interest rate risk
The Group is exposed to interest rate risk, mainly with regard to the euro and the U.S. dollar. The Group aims to mitigate the impact on its results and cash flow of interest rate movements, both by arranging fixed or variable rate funding and by possible use of derivative financial instruments. Currently the Group's interest rate position (excluding cash and cash equivalents) is almost fully fixed rather than floating; of the total interest portfolio (excluding cash and cash equivalents) approximately 8% per year-end 2010 (2009: 15%) was variable rate and 92% (2009: 85%) carried a fixed rate.

Assuming the same mix of variable and fixed interest rate instruments, an instantaneous increase of interest rates of 1% compared to the rates on December 31, 2010, with all other variables held constant, would result in a increase of approximately €2 million of the finance costs (2009: approximately €4 million).

Liquidity risk
The Group actively manages liquidity risk by maintaining sufficient cash and cash equivalents, and the availability to committed borrowing capacity. In order to reduce liquidity risk, the Group has established the following minimum requirements:
- Repayment of long-term debt should be spread evenly over time;
- Acquiring of funding to start at least one year in advance of all maturing debt or alternative committed funding should be in place;
- Minimum headroom of €500 million (sum of unused committed credit facilities, cash and cash equivalent, and (receivable) derivative financial instruments, minus other short-term loans, deferred (short-term) acquisition payments,(current payable) derivative financial instruments, and bank overdrafts).

Per December 31, 2010, the Group has access to the unused part of the committed credit facilities of €619 million in total (2009: €430 million) and has cash and cash equivalents of €458 million and (receivable) derivative financial instruments of €45 million minus other short-term loans, deferred (short-term) acquisition payments, bank overdrafts and (current payable) derivative financial instruments of in total €45 million. The headroom was €1,077 million at year-end 2010 (2009: €812 million) and reduces the liquidity risk of the Group. No property has been collateralized or in any other way secured under debt contracts.

Credit risk
Credit risk represents the loss that would be recognized if counterparties failed to perform as contracted.

Financial instruments and excess cash at financial institutions
The Group is exposed to credit risks due to its use of derivatives and because of excess cash deposited at banks.

It is the Group's practice to conclude financial transactions under ISDA (International Swap Dealers Association) master agreements. Cash is invested and financial transactions are concluded only with financial institutions with strong credit ratings (at least a credit rating of A/A2). Furthermore, credit limits per counterparty are in place and are monitored periodically. At December 31, 2010, there were no material credit risk concentrations outstanding while the average weighted credit rating of counterparties was AA. The aim is to spread transactions among counterparties. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties on current outstanding contracts.

Trade receivables
The Group has a natural exposure to credit risk in its operational business. This exposure of the Group's operating companies to credit risk is inherently limited, as there is no customer who represents more than 1% of the Group's revenues and a substantial part of the transactions is prepaid by customers. The Group's operating companies actively monitor the solvency of their key accounts.

Trade receivables include an amount of €271 million (2009: €255 million) past due, but not impaired.

The aging analysis of trade receivables that are past due, but not impaired, is as follows:

Aging analysis of trade receivables	2010	2009
Up to 30 days	107	91
30 to 90 days	71	66
More than 90 days	93	98
Total past due, not impaired	**271**	**255**

Fair value of financial instruments
The fair value has been determined by the Group based on market data and appropriate valuation methods/quotes. Valuation methods include:

- Level 1: reference to quoted prices (unadjusted) in active markets for similar assets and liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data. The valuation method can be based on discounted cash flow analysis, or other instruments that are substantially identical. The fair value of outstanding bonds at the balance sheet date can deviate from the value at which they have been recorded in the balance sheet (the carrying value).

Fair value of financial instruments	December 31, 2010		December 31, 2009	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	934	934	877	877
Trade and other payables	(337)	(337)	(352)	(352)
Bonds	(1,480)	(1,635)	(1,478)	(1,608)
Private placements	(429)	(393)	(149)	(149)
Perpetual cumulative subordinated bonds	(225)	(219)	(225)	(198)
Derivative financial instruments:				
Non-current receivable	44	44	17	17
Current receivable	1	1	0	0
Non-current payable	0	0	(12)	(12)
Current payable	(12)	(12)	(5)	(5)
Total derivative financial instruments	33	33	0	0

Financial instruments	December 31, 2010					December 31, 2009
	Carrying value	Fair value	Level 1	Level 2	Level 3	Fair value
Bonds 2003-2014	698	747	747			740
Bonds 2008-2018	746	845	845			832
Bonds 2008-2028	36	43		43		36
Private placement 2008-2038	183	160		160		149
Private placement 2010-2020	246	233		233		-
Perpetual cumulative subordinated bonds	225	219	219			198
Long-term deferred acquisition payments	4	4			4	16
Other long-term loans	3	3			3	11
Current derivatives payable	12	12		12		5
Non-current derivatives payable	0	0		0		12
Current derivatives receivable	(1)	(1)		(1)		0
Non-current derivatives receivable	(44)	(44)		(44)		(17)
Total	**2,108**	**2,221**	**1,811**	**403**	**7**	**1,982**

The following table shows a reconciliation of long-term deferred aquisition payments and other long-term loans for fair value measures in level 3 of the fair value hierarchy:

Fair value hierarchy level 3	2010
Balance at January 1	27
Arising from business combinations	2
Releases against intangible assets	(12)
Settlements/movements to short-term	(10)
Balance at December 31	**7**

Hedge accounting

At year-end the outstanding derivative financial instruments qualify for hedge accounting under IFRS. To apply for hedge accounting requires the hedge to be highly effective. In 2010, the result recorded in the statement of income as a result of ineffectiveness of hedging is: cash flow hedge, €0 million and net investment hedge, €0 million.

Sensitivity analysis

A sensitivity analysis on the derivative financial instruments portfolio yields the following results assuming an instantaneous 1% decline of the U.S. dollar and Japanese yen against the euro from their levels at December 31, 2010, and an instantaneous 1% increase of the U.S. dollar, Japanese yen, and euro interest rates respectively.

Sensitivity in millions	Hedged risk	Amount	Type instrument	Exchange rate movement	Interest rate movement
Fair value hedge	Fair value fluctuations due to movements in the applicable market benchmark interest rates	-	Interest rate swaps	-	-
Cash flow hedge	Changes in U.S. dollar floating interest rate payments and changes in ¥ exchange rates	$200	(Cross currency)	€0	€1
		¥ 20,000	Interest rate swaps	€(2)	€(16)
Net investment hedge	Changes of the U.S. dollar net investments due to fluctuations of U.S. dollar exchange rates	$200	Forward contracts	€1	€0

For the effective part of the hedge, the sensitivity of the hedging instrument (derivative) is offset by the sensitivity of the hedged item (for instance, the net investment in a foreign operation). The hedge effectiveness is measured at the inception, reporting, and maturity dates of the hedged item by using the dollar-offset method. The results of these effectiveness tests all satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39.

The multi-currency roll-over credit facility is not included in this sensitivity analysis since this is not a derivative financial instrument. However, the U.S. dollar draw-down amounts to $470 million at December 31, 2010 ($718 million at December 31, 2009), and serves as a net investment hedge.

Employee Benefits note 24

Employee benefits	2010	2009
Pensions and post-employment plans	138	131
Other (post-) employment obligations	14	16
Total	**152**	**147**

The expected rates of return on individual categories of plan assets are determined by reference to relevant market indices. The overall expected rate of return on plan assets is based on the weighted average of each asset category. The average increase in salaries is based on the non-closed pension plans. Assumptions regarding future mortality experience are set based on actuarial advice and mortality tables generally accepted in the applicable countries. Mortality assumptions for the most important countries are based on the following post-retirement mortality tables, which have been updated in 2010:

- Netherlands: projection table 2010-2060 (2009: 2005-2050);
- U.S.: 2010 PPA Treasury Table, being the current standard mortality table; and
- U.K.: SAPS (Year of Birth) - 1 year medium cohort projection 1% underpin.

Provision for pensions and post-employment plans

The provisions for pensions and post-employment plans relate to defined benefit plans. The following weighted average principal actuarial assumptions were used to determine the net periodic pension costs and post-retirement plans' expense for the year under review and defined benefit obligations at the balance sheet date.

Assumptions in %	2010	2009
Pension schemes		
Discount rate for pension obligations	5.2	5.5
Discount rate for net periodic pension expense	5.5	5.8
Expected return on plan assets	5.9	5.9
Expected rate of salary increases	3.0	3.0
Post-employment plans		
Discount rate for pension obligations	5.0	5.6
Discount rate for net periodic pension expense	5.6	6.3
Medical cost trend rate	3.0	3.0

Plan liabilities and assets	Pension plans		Post employment plans	
	2010	2009	**2010**	2009
Plan liabilities				
Fair value at January 1	879	852	54	55
Current service cost	6	7	2	2
Interest cost	47	49	3	3
Benefits paid by fund	(40)	(35)	(4)	(3)
Actuarial (gains)/losses	23	(1)	3	(2)
Contributions by plan participants	4	4		
Other	(4)	(1)	0	
Exchange rate differences	17	4	3	(1)
Fair value at December 31	**932**	**879**	**61**	**54**
Plan assets				
Fair value at January 1	885	817	0	0
Expected return on plan assets	51	47		
Actuarial gains/(losses)	26	39		
Benefits paid by fund	(40)	(35)	(4)	(3)
Contributions by the employer	32	9	4	3
Contributions by plan participants	4	4		
Other	0	(1)		
Exchange rate differences	13	5		
Fair value at December 31	**971**	**885**	**0**	**0**
Funded status				
Unfunded/(funded) status at December 31	(39)	(6)	61	54
Unrecognized past service cost	5	3	6	6
Asset ceiling	89	61		
Reclassification of Medicare Part D to financial assets	-	-	16	13
Net liability at December 31	**55**	**58**	**83**	**73**
Pension cost				
Current service cost	6	7	2	2
Interest cost	47	49	3	3
Expected return on plan assets	(51)	(47)	-	-
Amortization unrecognized past service cost	(1)	-	(1)	(1)
Plan amendments and curtailments	(2)	(1)	(1)	-
Total pension cost	**(1)**	**8**	**3**	**4**

Post-employment plans consist of the post-retirement medical benefits plan in the United States, Canada, and the Italian TFR plan.

The 2010 asset ceiling of €89 million (2009: €61 million) relates to the pension schemes in the Netherlands and the U.K. (2009: only Netherlands), where the over-funding of the defined benefit plans cannot likely be recovered, based on the current terms of the plans, through refunds or reductions in future contributions.

The reclassification of the Medicare Part D subsidy of €16 million (2009: €13 million) refers to the U.S. Medicare Prescription Drug subsidy > note 16.

The pre-tax cumulative amount of actuarial gains/(losses) recognized in the Statement of Comprehensive Income is as follows:

Actuarial gains/(losses)	**2010**	2009
Position at January 1	(66)	(51)
Recognized in Other comprehensive income	(28)	(15)
Cumulative amount at December 31	**(94)**	**(66)**

The actual return on plan assets for the year ended December 31, 2010, amounted to a gain of €77 million (2009: a gain of €86 million).

The funded status for the years 2010-2006 and the related experience gains and losses over the years is as follows:

Funded status	**2010**	2009	2008	2007	2006
Present value of defined benefit obligation	(993)	(933)	(907)	(935)	(1,056)
Fair value of plan assets	971	885	817	976	969
Funded/(unfunded) status	**(22)**	**(48)**	**(90)**	**41**	**(87)**
Experience gains/(losses) plan assets	26	39	(177)	(30)	29
Experience gains/(losses) plan liabilities	9	0	(19)	(20)	10

The funded status of the pension plans in 2010 was mainly affected by the increase in return on investments following the economic downturn in 2009.

Experience adjustments are defined as all adjustments (like changes in plan populations and data corrections) other than changes of actuarial assumptions (differences between the current and the previous year's actuarial assumptions, like changes in discount rates, mortality tables, and indexation).

The sensitivity for a 1% change in the discount rate is:

Sensitivity in millions	Medical cost	Gross service cost	Plan liabilities
Baseline	2	11	993
Discount rate -1%	2	14	1,152
Discount rate +1%	2	9	866

Gross service cost represents the annual accrual of liability due to another year of service, excluding any interest or offsetting employee contributions, and therefore differ from the current service cost, included in the calculation of the pension cost.

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 3% (2009: 3%) according to the plan rules. Consequently, the sensitivity for a 1% change in the assumed medical cost trend rate is nil. The baseline gross service cost of €11 million (2009: €12 million) relates to the pension plans as well as the Italian TFR.

The actual proportion of plan assets held as equities and bonds as at December 31 in percentages is as follows:

Proportion of plan assets in %	**2010**	2009
Equities	34	33
Bonds	57	60
Other	9	7
Total	**100**	**100**

Plan assets do not include any financial instruments issued by the Group; nor do they include any property or other assets used by the Group.

The overall expected rate of return on assets (EROA) for the year 2011 is 5.5% (January 1, 2010: 5.9%) and is based upon the long-term EROA per asset class. For equities, a long-term average weighted EROA of 7.6% (2009: 7.4%) is applied and for bonds an average weighted return of 4.1% (2009: 4.9%).

The Group's employer contributions to be paid to the defined benefit plan assets in 2011 are estimated at €6 million.

Provisions for Restructuring Commitments note 25

Provision for restructuring commitments	**2010**	2009
Position at January 1	10	8
Add: short-term commitments	36	27
Total at January 1	46	35
Movements		
Addition charged to ordinary operating result	0	0
Acquisitions through business combinations	2	2
Divestments of activities	2	-
Addition Springboard/acquisition integration costs [note 2]	63	80
Total additions	67	82
Appropriation of restructuring provisions	(6)	(9)
Appropriation of Springboard provisions	(67)	(54)
Appropriation of acquisition integration provisions	(9)	(7)
Total appropriations	(82)	(70)
Exchange differences and other movements	3	(1)
Total movements	**(12)**	**11**
Total at December 31	34	46
Less: short-term commitments	(24)	(36)
Position at December 31	**10**	**10**

Capital and Reserves note 26

Share capital

The authorized capital amounts to €143.04 million, consisting of €71.52 million in ordinary shares (nominal value of €0.12 per ordinary share) and €71.52 million in preference shares. The issued share capital consists of ordinary shares. The number of issued ordinary shares increased from 292.8 million per December 31, 2009, to 298.7 million per December 31, 2010. The 2010 increase in issued share capital was due to the issuance of 2009 stock dividend and the vesting of the 2007-2009 LTIP plan.

The Company holds 49,000 of shares in treasury at December 31, 2010 (2009: 0.8 million), which have not been cancelled. At December 31, 2010, the net number of shares outstanding is 298.6 million (2009: 292.0 million).

Legal reserve participations

Legal reserve participations contain appropriations of profits of group companies, which are allocated to a legal reserve based on statutory and/or legal requirements. This reserve is not available for distribution.

Translation reserve

Translation reserve contains exchange rate differences arising from the translation of the net investment in foreign operations. When a foreign operation is sold, exchange differences that were recorded in equity prior to the sale are recycled in the statement of income as part of the gain or loss on divestment. This reserve is not available for distribution.

Hedge reserve

Hedge reserve relates to the effective portion of the change in fair value of the hedging instrument used for cash flow hedging and net investment hedging purposes. This reserve is not available for distribution.

Treasury shares

Treasury shares are recorded at cost, representing the market price on the acquisition date. This reserve is not available for distribution. Treasury shares are deducted from Retained earnings.

Dividends
Pursuant to Article 29 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.67 per share in cash or in shares at a ratio to be determined and announced on May 13, 2011. Of the 2009 dividend of €0.66 per share, 59.5% was distributed as cash dividend (2008 dividend: 67.3%).

Number of shares
For a reconciliation of average number of shares and earnings per share, see > note 4.

Option preference shares
The Company has granted an option to purchase preference shares to the Wolters Kluwer Preference Shares Foundation *(Stichting Preferente Aandelen Wolters Kluwer)*. The dividend on these shares would equal a normal market rate of return, based on a weighted average of interest rate applied by the European Central Bank. Therefore, the fair value of the option is deemed to be zero.

Share buy-back
The company intends to execute a €100 million share-buy-back plan in 2011.

Number of shares in thousands	Number of ordinary shares		Number of treasury shares		Total outstanding shares	
	2010	2009	**2010**	2009	**2010**	2009
At January 1	292,799	287,086	(761)	(1,100)	292,038	285,986
Stock dividend	5,166	4,703	-	-	5,166	4,703
Long-Term Incentive Plan	694	1,010	297	271	991	1,281
Stock options	0	0	415	68	415	68
At December 31	**298,659**	**292,799**	**(49)**	**(761)**	**298,610**	**292,038**

Share-based Payments note 27

Long-Term Incentive Plan
In 2003, a new strategic vision was announced that focuses on value creation. As a result, a new incentive plan for Executive Board members and senior executives was implemented to align compensation with value creation. Under the plan, share options ceased to be awarded. Instead, Executive Board members and senior executives are awarded shares under the equity-settled Long-Term Incentive Plan (LTIP). The performance period of the LTIP is three years at the beginning of which a base number of shares (norm pay-out) are conditionally awarded to each beneficiary.

Actual awards will range anywhere from 0% to 150% of the norm pay-out; the percentage depends on the Group's Total Shareholder Return (TSR) relative to a pre-defined group of 15 peer companies. See for more details > Remuneration Report.

The expense of the LTIP is recognized ratably in the statement of income over the performance period.

Vesting of the conditional grants is subject to the non-market condition that the participant stays with the Group until the plan's maturity. These terms and conditions apply to all running plans (LTIP 2008-10, LTIP 2009-11 and LTIP 2010-12). In 2010, €16.0 million has been recognized within personnel expenses in the statement of income (2009: €16.8 million) related to the total cost of the LTIP 2008-10, 2009-11, and 2010-12.

LTIP 2007-09
The LTIP 2007-09 vested on December 31, 2009. Total Shareholder Return (TSR) ranked seventh relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board and 100% pay-out to the senior executives. As a result, 989,527 shares were released on February 25, 2010.

LTIP 2008-10
The LTIP 2008-10 vested on December 31, 2010. Total Shareholder Return (TSR) ranked tenth relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board and in a pay-out of 75% of the conditional base number of shares awarded to senior executives. The shares will be released on February 24, 2011.

LTIP 2008-10 number of shares	
Total grant	1,395,816
Forfeited in previous years	(164,756)
Shares outstanding at January 1, 2010	1,231,060
Forfeited and vested during year	(80,150)
Effect of 0% vesting based on TSR ranking Executive Board	(303,616)
Effect of 75% vesting based on TSR ranking senior executives	(211,819)
Vested at December 31, 2010	**635,475**

LTIP 2009-11 and LTIP 2010-12

LTIP 2009-11 and 2010-12 base numbers of shares at 100% pay-out	LTIP 2009-11	LTIP 2010-12	Total
Total grant 2009	1,517,237	-	1,517,237
Forfeited in previous years	(43,750)	-	(43,750)
Shares outstanding at January 1, 2010	1,473,487	0	1,473,487
Conditionally awarded grant 2010	-	1,499,358	1,499,358
Forfeited and vested in 2010	(127,800)	(56,637)	(184,437)
Outstanding at December 31, 2010	**1,345,687**	**1,442,721**	**2,788,408**

The fair value of each conditionally awarded share under the running LTIP grants, as determined by an outside consulting firm, for the Executive Board and for the senior managers of the Group was summarized as follows:

Fair value of conditionally awarded shares under each LTIP-grant	Executive Board Fair value (€)	Executive Board Vesting (in %)	Senior Executives Fair value (€)	Senior Executives Vesting (in %)
LTIP 2010-2012	11.08	-	13.46	-
LTIP 2009-2011	9.13	-	11.27	-
LTIP 2008-2010	14.71	0	18.49	75
LTIP 2007-2009	14.55	75	17.91	100

The fair value of a conditional awarded share under the LTIP 2010-12 increased compared to previous year, mainly as a result of the share price of Wolters Kluwer at January 1, 2010.

Stock option plans

At December 31, 2010, 20,000 options for ordinary shares in Wolters Kluwer were outstanding.

Stock option plans	2003	2004	Total
End of exercise period	2010	2011	
Initial number of options	2,778,500	40,000	
Exercise rate (average) (€)	10.55	13.47	
Number of options outstanding at January 1, 2010	425,500	40,000	465,500
Movements			
Options expired/eliminated	(30,500)	-	(30,500)
Options exercised	(395,000)	(20,000)	(415,000)
Number of options outstanding at December 31, 2010	**0**	**20,000**	**20,000**

For members of the Executive Board and managers within the Group a share option plan applied until January 1, 2004. Stock options awarded before January 1, 2004, have not been cancelled. After that date, no new stock options have been awarded, except for 40,000 stock options in 2004 to a former member of the Executive Board. Consequently, no pro forma option value information is presented.

Options are awarded at fair value at the grant date. Every option entitles the holder to purchase one share each, for the share price on the date at which the option is awarded. As at December 31, 2010, the outstanding options relate to options awarded after August 2002. The maturity period for these option grants is seven years after the grant date.

Related Party Transactions note 28

The Company has a related party relationship with its subsidiaries (Wolters Kluwer nv has filed a list of the subsidiaries at the Trade Register in The Hague), equity-accounted investees, joint venture, the pension funds, and members of the Supervisory Board and the Executive Board. Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. For transactions with key management reference is made to > note 30 Remuneration of the Executive Board and Supervisory Board.

Related party transactions

The Group has one joint venture accounted for under the proportionate share method in the consolidated financial statements of the Group. The revenues of this joint venture on a 100% basis amounts to €12 million (2009: € 12 million).

The Group has no significant transactions or outstanding balances with its equity-accounted investees other than its equity-interest holdings.

Joint venture transactions	**2010**	2009
Sales of goods and services bought from joint venture	9	9
Services provided to joint venture	(3)	(3)
Net amounts payable	4	4

Commitments and Contingent Liabilities note 29

Leases
The Group leases a number of offices under operating leases. The leases typically run for a period of 3-10 years, with an option to renew the lease. Lease payments are increased to reflect market rentals. None of the leases include contingent rentals.

At December 31, 2010, annual commitments under rental and operational lease agreements amounted to €60 million (2009: €58 million). The average term of these commitments is approximately 4.5 years (2009: 5.1 years).

Non-cancelable operating lease rentals are payable as follows:

Non-cancelable operating lease rentals	2010	2009
Less than one year	20	12
Between one and five years	43	55
More than five years	41	53

Some of the leased property is sublet by the Group. Sublease payments of €3 million (2009: €3 million) are expected to be received during the following financial year. The Group has recognized a provision of €2 million in respect of these subleases (2009: €1 million).

Non-current assets include €2 million (2009: €7 million) relating to finance lease arrangements. The amount due within the first year is €1 million (2009: €3 million), the amount due in the second to fifth years is €1 million (2009: €4 million). The present value of the lease payments does not differ materially from the nominal value.

Guarantees
At December 31, 2010, the Group has outstanding guarantees regarding royalty payments to societies during the coming years of €4 million (2009: €4 million).

The Group has issued formal guarantees for bank credit facilities for a total amount of €131 million (2009: €115 million) on behalf of a number of its foreign subsidiaries. At December 31, 2010, €1 million of these credit facilities had been utilized (2009: €0.8 million). At December 31, 2010, other bank guarantees had been issued at the request of the Company or its subsidiaries for a total amount of €8 million (2009: €7 million). These guarantees mainly relate to rent for real estate. In addition, parental performance guarantees to third parties have been issued for €2 million (2009: €2 million).

Legal and judicial proceedings, claims
The Group is involved in legal and judicial proceedings and claims in the ordinary course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists.

A liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the financial performance and position.

Acquisition agreements
Wolters Kluwer is obliged to purchase the remaining outstanding shares of One Legal LLC (65%) it does not yet own, if certain conditions related to the financial performance of One Legal LLC are met. As of the balance sheet date the Group has not recognized a liability, as it does not believe that these conditions will be met. Even if these conditions will be met, it is deemed unlikely that the resulting liability would be material for the Group as a whole.

Remuneration of the Executive Board and Supervisory Board note 30

For details on the Group's remuneration policy, see
> Remuneration Report.

Remuneration Executive Board members in thousands of euros	Salary	Bonus	Pension	Social security	Other benefits	Tax gross up [1]	**2010**	2009
N. McKinstry, Chairman	1,014	1,204	27	7	291	212	2,755	2,432
B.L.J.M. Beerkens	604	654	131	8	30	-	1,427	1,341
J.J. Lynch, Jr.	490	433	12	27	27	352	1,341	1,020
Total	**2,108**	**2,291**	**170**	**42**	**348**	**564**	**5,523**	**4,793**

[1] Ms. McKinstry's compensation is €1,013,599. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,155,660 × 138.20 (equivalent to €1,204,422).

The Company's cost of the Long-Term Incentive Plans (LTIP) is not included in the Executive Board members' remuneration, as it comprises a conditional element of compensation. Social security costs paid by the Company in 2010 on shares that were released under LTIP are included in the remuneration. The tax gross up relates to the tax expense that was paid by the Company in 2010 relating to tax equalization for salary and benefits per the contract between the Company and Ms. McKinstry and Mr. Lynch.

The 2010 bonuses as presented above relate to the performance year 2010 and will be paid in 2011. The 2010 pension contributions as presented above reflect the accrued pension cost for the financial year 2010.

Long-Term Incentive Plan (LTIP) for Executive Board Members

LTIP 2007-09

The table presents the number of shares that vested under the LTIP 2007-09 and were released to members of the Executive Board on February 25, 2010.

The volume weighted average price of the shares of Wolters Kluwer nv was €14.62 on February 25, 2010.

LTIP 2007-09 number of shares	
N. McKinstry, Chairman	143,250
B.L.J.M. Beerkens	51,750
J.J. Lynch, Jr.	33,000
Total	**228,000**

LTIP 2008-10

The LTIP 2008-10 vested on December 31, 2010. Total Shareholder Return (TSR) ranked tenth relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board members.

LTIP 2008-10 number of shares	Outstanding January 1, 2010	Deduction on conditional number of base shares (100%)	Vested December 31, 2010
N. McKinstry, Chairman	189,770	(189,770)	0
B.L.J.M. Beerkens	70,458	(70,458)	0
J.J. Lynch, Jr.	43,388	(43,388)	0
Total	**303,616**	**(303,616)**	**0**

LTIP 2009-11 and LTIP 2010-12

The Executive Board members have been conditionally awarded the following conditional number of shares based on a 100% pay-out, subject to the conditions of the LTIP for 2009-11 and 2010-12, as described in > Remuneration Report.

LTIP 2009-11 and 2010-2012 base numbers of shares at 100% pay-out	Conditionally awarded LTIP 2009-11	Conditionally awarded LTIP 2010-12	Total conditionally awarded at December 31, 2010
N. McKinstry, Chairman	297,134	255,250	552,384
B.L.J.M. Beerkens	113,520	95,412	208,932
J.J. Lynch, Jr.	65,233	71,542	136,775
Total	**475,887**	**422,204**	**898,091**

The fair value of each conditionally awarded share under the running LTIP grants to the Executive Board members, as determined by an outside consulting firm, was as follows:

Fair value of conditionally awarded shares under each LTIP-grant	Executive Board Fair value (€)	Executive Board Vesting (in %)
LTIP 2010-2012	11.08	-
LTIP 2009-2011	9.13	-
LTIP 2008-2010	14.71	0
LTIP 2007-2009	14.55	75

The plans have a performance period of three years.

Stock options Executive Board members

Stock options for Executive Board members	Grant date	Exercise price (€)	January 1, 2010	Expired during the year	Exercised during the year	**December 31, 2010**	End of exercise period
N. McKinstry, Chairman	2003	13.00	80,000	-	(80,000)	0	2010
B.L.J.M. Beerkens	2003	10.10	15,000	-	(15,000)	0	2010
	2003	13.00	40,000	-	(40,000)	0	2010
Total			**135,000**	**0**	**(135,000)**	**0**	

Shares owned by Executive Board members

At December 31, 2010, the Executive Board jointly held 170,000 shares (2009: 170,000 shares), of which 112,500 shares (2009: 112,500 shares) were held by Ms. N. McKinstry and 57,500 shares by Mr. B.L.J.M. Beerkens (2009: 57,500 shares).

Mr. B.L.J.M. Beerkens owns perpetual bonds issued by the Company for a nominal value of €158,000.

Remuneration of Supervisory Board members in thousands of euros	Member of Selection and Remuneration Committee	Member of Audit Committee	**Remuneration 2010**	Remuneration 2009
A. Baan, Chairman[1]	•	•	57	60
P.N. Wakkie, Deputy Chairman	•		51	51
B.F.J. Angelici[1]		•	44	42
B.M. Dalibard[2]			42	28
L.P. Forman	•	•	51	51
A.J. Frost[2]			-	14
S.B. James[3]	•		44	42
H. Scheffers		•	47	47
Total			**336**	**335**

[1] Mr. Baan resigned as per April 2010 as a member of the Audit Committee. Mr. Angelici succeeded him as of that date.
[2] Ms. Frost resigned as per April 2009. Ms. Dalibard succeeded her as of that date.
[3] Mr. James became member of the Selection and Remuneration Committee as per April 2010.

Shares owned by Supervisory Board members

The Supervisory Board members do not own shares in Wolters Kluwer.

Accounting Estimates and Judgments note 31

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. Actual results may differ from those estimates.

Policies that are critical for the presentation of the financial position and financial performance of the Group and that require estimates and judgments are discussed below.

Revenue recognition

Revenue recognition requires estimates and judgments as far as it relates to estimating expected returns from customers and non-renewed orders. The Group recognizes a provision for these delivered goods or rendered services based on historical rates. If these rates exceed a certain threshold, revenue is recognized only upon receipt of the payment or the order. Revenue of a combination of goods and services is recognized based on estimates of the fair value of the individual components.

Employee benefits

Wolters Kluwer has material defined benefit pension plans in some countries and also post-retirement medical plans in the United States. The net assets and liabilities of these plans are presented in the balance sheet of the Group. The costs related to these pension plans and post-retirement medical plans are included in the statement of income. The assets and liabilities as well as the costs are based upon actuarial and economic assumptions. The main economic assumptions are:

- discount rate;
- expected return on plan assets;
- asset mix of the fund;
- indexation ambition;
- average increase salaries; and
- medical trend rate.

For actuarial assumptions the Group uses generally accepted mortality rates (longevity risk). The withdrawal rates and retirement rates are based upon statistics provided by the relevant entities based on past experiences.

Capitalized software

Software development costs are only capitalized if, and only if, the entity can demonstrate the technical feasibility of completing the software project so that it will be available for use or sale and if the entity can demonstrate that the project complies with the following requirements: the intention to complete the development project; the ability to sell or use the end-product; demonstration of how the end-product will yield probable future economic benefits; the availability of adequate technical, financial and other resources to complete the project; and the ability to reliably measure the expenditure attributable to the project.

Capitalized software is amortized using the straight-line method over the economic life of the software, between 3 and 10 years. Capitalization of software is dependent on several assumptions as indicated above. While management has procedures in place to control the software development process, there is uncertainty with regard to the outcome of the development process.

Useful lives of assets

The useful life has to be determined for assets such as publishing rights; other intangible assets, which mainly consist of self-developed software, and property, plant, and equipment. The useful lives are estimated based upon best practice within the Group and in line with common market practice.

Valuation and impairment testing intangibles

Upon acquisition, the values of intangible assets acquired are estimated, applying the methodologies as set out under the accounting policies. These calculations are usually performed by an outside consulting firm in close cooperation with management of the acquiring entity. These calculations require estimates of future cash flows, useful life, and rate of return. The estimates are based upon best practice within the Group, and the methodology applied is in line with normal market practice.

IFRS 3 requires goodwill to be carried at cost with impairment reviews both annually and when there are indications that the carrying value of the goodwill may not be recoverable. The impairment reviews require estimates of a discount rate, future cash flows, and a perpetual growth rate. These estimates are made by management that manages the business with which the goodwill is associated. The future cash flows are based on Business Development Plans, prepared by management and approved by the Executive Board of the Group and covers a five years period.

The fair value of the assets, liabilities, and contingent liabilities of an acquired entity should be measured within 12 months from the acquisition date. For some acquisitions, provisional fair values have been included in the balance sheet and final valuation of the identifiable tangible assets is still pending, but will be completed within the 12 months timeframe. Actual valuation of these assets, liabilities, and contingent liabilities may differ from the provisional valuation.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events (earn-out), the Group includes initial recognition at fair value of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. The measurement will usually be based on estimates of future results of the business combination. Subsequent changes are recognized in the statement of income.

Accounting for income taxes

Corporate taxation is calculated on the basis of income before taxation, taking into account the local tax rates and regulations. For each operating entity, the current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. These calculations might deviate from the final tax assessments, which will be received in future periods.

A deferred tax asset is recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Management assesses the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

Legal and judicial proceedings, claims

For legal and judicial proceedings and claims against the Company and its operating entities, a liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the actual result. The prediction of the outcome and the assessment of a possible loss by management are based on management's judgments and estimates. Management usually consults lawyers and other specialists for support.

Financial Statements of Wolters Kluwer nv

Statement of income of Wolters Kluwer nv

in millions of euros		2010		2009
Results from subsidiaries after tax note 33		188		(2)
Other income after tax		100		120
Profit for the year		**288**		**118**

Balance Sheet of Wolters Kluwer nv

in millions of euros and before appropriation of results, at December 31		2010		2009
Non-current assets				
Intangible assets	24		21	
Property, plant, and equipment	0		0	
Financial assets note 33	2,597		2,591	
Total non-current assets		**2,621**		**2,612**
Current assets				
Accounts receivable note 34	2,010		1,821	
Cash and cash equivalents	312		276	
Total current assets	2,322		2,097	
Current liabilities note 35	1,098		1,413	
Working capital		1,224		684
Capital employed		**3,845**		**3,296**
Non-current liablities				
Long-term debt:				
Bonds note 22	1,480		1,479	
Private placements note 22	429		149	
Perpetual cumulative subordinated bonds note 22	225		225	
Derivative financial instruments note 22	0		12	
Total long-term debt		2,134		1,865
Long-term debt to subsidiaries		83		80
Deferred tax liabilities		13		13
Provisions note 36		3		4
Total non-current-liabilities		**2,233**		**1,962**
Issued share capital	36		35	
Share premium reserve	88		89	
Legal reserves	(198)		(312)	
Other reserves	1,686		1,522	
Shareholders' equity note 37		1,612		1,334
Total financing		**3,845**		**3,296**

Notes to the Financial Statements of Wolters Kluwer nv

Significant Accounting Policies note 32

As provided in section 402 of the Netherlands Civil Code, Book 2, the statement of income of Wolters Kluwer nv includes only the after-tax results of subsidiaries and other income after tax, as Wolters Kluwer nv's figures are included in the consolidated financial statements. Unless otherwise indicated, the numbers in these financial statements are in millions of euros.

For the following disclosures reference is made to the notes to the consolidated financial statements:

- Financial instruments (note 22);
- Capital and reserves (note 26);
- Share-based payments (note 27);
- Related party transactions (note 28); and
- Remuneration of the Executive Board and Supervisory Board (note 30).

Accounting policies

The financial statements of Wolters Kluwer nv are prepared in accordance with the Netherlands Civil Code, Book 2, Title 9, with the application of the regulations of section 362.8 allowing the use of the same accounting policies as applied for the consolidated financial statements. These accounting policies are described in the Notes to the Consolidated Financial Statements.

Subsidiaries are valued using the equity method, applying the IFRS accounting policies endorsed by the European Union.

Any related party transactions between subsidiaries, associates, investments, and with members of the Supervisory Board and the Executive Board and the (ultimate) parent company Wolters Kluwer nv are conducted on an at arm's length basis with terms comparable to transactions with third parties.

Financial Assets note 33

Financial assets	2010	2009
Equity value of subsidiaries	(402)	(486)
Long-term receivables from subsidiaries	2,955	3,060
Derivative financial instruments	44	17
Total	**2,597**	**2,591**

The movement of the equity value of the subsidiaries is as follows:

Subsidiaries	2010	2009
Equity value of subsidiaries at January 1	(486)	(99)
Movements related to results from subsidiaries after tax	188	(2)
Movements related to exchange differences	7	(16)
Movements related to net capital payments	-	-
Movements related to dividend payments	(87)	(359)
Movements related to intragroup transfers	-	-
Actuarial gains/(losses) on defined benefit plans after tax	(24)	(10)
Equity value of subsidiaries at December 31	**(402)**	**(486)**

Accounts Receivable note 34

Accounts receivable	2010	2009
Receivables from subsidiaries	2,004	1,812
Derivative financial instruments	1	0
Current tax receivable	2	1
Other receivables	3	8
Total	**2,010**	**1,821**

Current Liabilities note 35

Current liabilities	2010	2009
Debts to subsidiaries	630	797
Multi-currency roll-over facility 2004-2011 (in $)	352	498
Bank overdrafts	3	2
Derivative financial instruments	12	5
Interest payable	84	84
Current tax payable	0	0
Other liabilities	17	27
Total	**1,098**	**1,413**

Provisions note 36

Provisions	2010	2009
Provision for employee benefits	2	2
Provision for restructuring commitments	1	2
Total	**3**	**4**

Shareholders' Equity note 37

Shareholders' Equity			Legal reserves			Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance as at January 1, 2009	**34**	**90**	**23**	**48**	**(305)**	**(25)**	**1,236**	**313**	**1,414**
Exchange differences on translation foreign operations					(85)				(85)
Net gains/(losses) on hedges of net investments in foreign operations				18					18
Effective portion of changes in fair value of cash flow hedges				(16)					(16)
Net change in fair value of cash flow hedges reclassified to statement of income				8					8
Actuarial gains/(losses) on defined benefit plans							(15)		(15)
Tax on items taken directly to or transferred from equity				(6)			5		(1)
Net income recognized directly in equity	0	0	0	4	(85)	0	(10)	0	(91)
Profit for the year								118	118
Total recognized income and expense for the year	0	0	0	4	(85)	0	(10)	118	27
Appropriation of profit previous year							313	(313)	0
Share-based payments							17		17
Tax on share-based payments							-		0
Release LTIP shares	0					6	(6)		0
Cash dividend 2008							(125)		(125)
Stock dividend 2008	1	(1)							0
Exercise of share options						1	0		1
Other movements			3				(3)		0
Balance as at December 31, 2009	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,422**	**118**	**1,334**

The legal reserves and treasury shares reserve are not available for dividend distribution to the equity holders of the Company.

Shareholders' Equity				Legal reserves		Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2010	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,422**	**118**	**1,334**
Exchange differences on translation foreign operations					191				191
Net gains/(losses) on hedges of net investments in foreign operations				(78)					(78)
Effective portion of changes in fair value of cash flow hedges				33					33
Net change in fair value of cash flow hedges reclassified to statement of income				(34)					(34)
Actuarial gains/(losses) on defined benefit plans							(28)		(28)
Tax on items taken directly to or transferred from equity					(5)		9		4
Net income/(loss) recognized directly in equity	0	0	0	(79)	186	0	(19)	0	88
Profit for the year								288	288
Total recognized income and expense for the year	0	0	0	(79)	186	0	(19)	288	376
Appropriation of profit previous year							118	(118)	0
Share-based payments							16		16
Tax on share-based payments							(4)		(4)
Release LTIP shares	0					7	(7)		0
Cash dividend 2009							(115)		(115)
Stock dividend 2009	1	(1)							0
Exercise of share options						10	(5)		5
Other movements			7				(7)		0
Balance at December 31, 2010	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,399**	**288**	**1,612**

Audit Fees note 38

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated entities:

Audit fees 2010 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.8	0.7	3.5
Other assurance services	0.2	0.2	0.4
Tax advisory services	-	1.2	1.2
Other non-audit services	0.1	-	0.1
Total	**3.1**	**2.1**	**5.2**

Audit fees 2009 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.8	0.8	3.6
Other assurance services	0.3	0.0	0.3
Tax advisory services	-	1.3	1.3
Other non-audit services	-	-	0.0
Total	**3.1**	**2.1**	**5.2**

Commitments and Contingent Liabilities note 39

Guarantees
Pursuant to section 403 of the Netherlands Civil Code, Book 2, the Company has assumed joint and several liabilities for the debts arising out of the legal acts of a number of subsidiaries in the Netherlands. The relevant declarations have been filed with and are open for inspection at the Trade Register for the district in which the legal entity respective to the liability has its registered office.

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €9 million (2009: €8 million).

Other
The Company forms part of a Dutch fiscal entity and pursuant to standard conditions has assumed joint and several liabilities for the tax liabilities of the fiscal entity.

Details of Participating Interests note 40

A list of subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Part 9, Sections 379 and 414) is filed at the offices of Chamber of Commerce of The Hague, the Netherlands.

Alphen aan den Rijn, February 22, 2011

Supervisory Board
A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B. Dalibard
L.P. Forman
S.B. James
H. Scheffers

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
B.L.J.M. Beerkens, CFO and Member of the Executive Board
J.J. Lynch, Jr., Member of the Executive Board

Other Information on the Financial Statements

To: the Annual General Meeting of Shareholders of Wolters Kluwer nv

Independent Auditor's Report

Report on the financial statements
We have audited the accompanying financial statements 2010 of Wolters Kluwer nv, Alphen aan den Rijn. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of income, comprehensive income, changes in total equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2010, the company's statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2010 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Executive Board, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the Report of the Executive Board, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, February 22, 2011

KPMG ACCOUNTANTS N.V.
M.J.P. Thunnissen RA

Appropriation of Profit for the Year

Article 29 of the Articles of Association
Paragraph 1
From the profit as it appears from the annual accounts adopted by the General Meeting of Shareholders, a dividend shall be distributed on the preference shares, whose percentage is equal to that of the average of the interest rate on basic refinancing transactions of the European Central Bank - weighted according to the number of days on which this interest rate applied - during the financial year or part of the financial year for which the dividend is distributed, increased by three. The dividend on the last-mentioned preference shares shall be calculated on an annual basis on the paid-up part of the nominal amount. If in any financial year the distribution referred to in the first full sentence cannot be made or can only be made in part because the profits are not sufficient, the deficiency shall be distributed from the distributable part of the Company's equity. No further dividend shall be distributed on the preference shares.

Paragraph 2
Subsequently such allocations to reserves shall be made as the Executive Board shall determine, subject to the approval of the Supervisory Board.

Paragraph 3
Any balance remaining after that shall be distributed at the disposal of the General Meeting of Shareholders.

Paragraph 5
Distribution of profit shall be made after adoption of the annual accounts showing that it is permitted.

Paragraph 7
If a loss is suffered for any year that loss shall be transferred to a new account for set-off against future profits and for that year no dividend shall be distributed. On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve, however, to wipe off such a loss by writing it off on a reserve that need not be maintained according to the law.

Article 30 of the Articles of Association
Paragraph 1
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve that a distribution of dividend on ordinary shares shall be made entirely or partially not in money but in ordinary shares in the capital of the Company.

Paragraph 2
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve on distributions in money or in the manner as referred to in Paragraph 1 to holders of ordinary shares against one or more reserves that need not be maintained under the law.

Proposed cash distribution in millions of euros	**2010**	2009
Proposed cash distribution	200	193

Pursuant to Article 30 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.67 per share in cash or in shares at a ratio to be determined and announced on May 13, 2011.

Events after Balance Sheet Date

The company intends to execute a €100 million share buy-back plan in 2011.


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News

Other Information

Corporate Governance

General
Corporate governance is an important subject for Wolters Kluwer. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of the company. An outline of the broad corporate governance structure will be provided in this chapter. Wolters Kluwer complies with all of the Principles and Best Practice Provisions of the Amended Dutch Corporate Governance Code which came into force as of January 1, 2009 (the 'Code'), unless stipulated otherwise in this chapter. Potential material future corporate developments might justify deviances from the Code at the moment of occurrence. In line with the pre-amble of the Code, Wolters Kluwer put corporate governance as a discussion item on the agenda of the Annual General Meeting of Shareholders that was held on April 21, 2010. The Code is available on > www.commissiecorporategovernance.nl.

Executive Board
The Executive Board is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results, and corporate social responsibility issues that are relevant to the company. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure of appointment and dismissal of members of the Executive Board is explained in article 15 of the company's Articles of Association. The Executive Board currently consists of Ms. N. McKinstry (CEO and Chairman of the Executive Board), Mr. B.L.J.M. Beerkens (CFO and member of the Executive Board), and Mr. J.J. Lynch, Jr. (member of the Executive Board). The remuneration of the members of the Executive Board is determined by the Supervisory Board, based on the advice of the Selection and Remuneration Committee. In line with the Code, the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board were adopted and approved by the Annual General Meeting of Shareholders in 2004. In connection with a number of changes to the remuneration policy and to the LTIP, these subjects were submitted to the Annual General Meeting of Shareholders again in 2007. The Annual General Meeting of Shareholders adopted and approved the amendments. As announced in the 2009 Annual Report, Wolters Kluwer has added a target focused on corporate sustainability to the STIP for 2011, which is in line with Best Practice Provision II.2.3 of the Code. The Supervisory Board resolved to use revenues from electronic products as new sustainability related target. Electronic products reduce paper consumption and increase productivity which contributes to sustainability of Wolters Kluwer and its customers. As explained in the > Remuneration Report, the Supervisory Board will propose to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to change the current Long-Term Incentive Plan (LTIP) of the Executive Board. According to this proposal, earnings per share will be added as a second performance measure to the LTIP, in addition to Relative Total Shareholder Return.

Long-Term Incentive Plan
Under the LTIP, Executive Board members can earn ordinary shares after a period of three years from the date of the conditional award. Earning of the ordinary shares is subject to clear and objective three-year performance criteria established in advance. After earning ordinary shares, the Executive Board members are not required to retain them for a period of five years or until the end of their employment, as recommended in Best Practice Provision II.2.5 of the Code. Wolters Kluwer sees no reason to require the Executive Board members to hold their ordinary shares for five years, because under the LTIP, conditional awards by the Supervisory Board recur on an annual basis and, as such, the Executive Board members will always have a strong incentive to pursue the long-term interests of the company. A five-year holding period will have no added value in this respect.

Term of appointment
In line with Best Practice Provision II.1.1 of the Code, as a policy, future appointments of Executive Board members will take place for a period of four years. In line with the Code, at the Annual General Meeting of Shareholders that was held in 2007, Mr. J.J. Lynch, Jr. was appointed as member of the Executive Board for a term of four years. As a result, his term will expire in 2011. The Supervisory Board has resolved to nominate Mr. Lynch for reappointment for a second period of four years at the Annual General Meeting of Shareholders that will be held on April 27, 2011. However, the existing contracts with Ms. McKinstry and Mr. Beerkens, who were appointed before the introduction of the first Dutch Corporate Governance Code and have employment contracts for an indefinite period of time, will be honored.

Severance arrangements
The company recognizes a change in market practice with respect to severance arrangements. With respect to future Executive Board appointments, the company will, as a policy, comply with Best Practice Provision II.2.8 of the Code that stipulates that remuneration in the event of dismissal may not exceed a one year salary. Therefore, upon reappointment by the Annual General Meeting of Shareholders in 2011, the contract of Mr. Lynch will be amended to reflect this Best Practice Provision. However, the company will honor existing arrangements with current Executive Board members who were appointed before the introduction of the first Dutch Corporate Governance Code.

Code of Conduct on Insider Trading
Wolters Kluwer has a very strict Code of Conduct on Insider Trading. The Executive Board members are only allowed to trade in Wolters Kluwer securities during open periods of a maximum of four weeks each, after publication of periodical results. There are also restrictions on trading in securities of peer group companies.

Risk management
The company has an internal risk management and control system in place that in the view of the Executive Board is suitable to the company. The main aspects of the internal risk management and control systems of the company including its group companies, as it relates to financial reporting, include:

- Hiring and retention policies and practices for key finance professionals throughout the company;
- A standard planning and reporting cycle on a divisional and operational entity level, consisting of the annual Business Development Plans (three-year strategic plan), the annual budget, quarterly forecasts, and monthly financial reporting;
- Periodic business reviews in which divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board;
- Treasury policies on market (currency and interest), liquidity, and credit risk reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks;
- A Risk Committee facilitating the internal process of enterprise risk management. The Committee meets every quarter and aims at getting oversight of the main risks and controls within the company;
- Standard financial and non-financial procedures and policies including the Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, and Whistleblower Policy, as well as Letters of Representation signed quarterly by all divisional and operating company CEOs and CFOs and senior corporate staff members. Compliance is managed through Axentis, a Wolters Kluwer *ARC* Logics product;
- Internal audits, planned and carried out globally, based on risk assessments to ensure compliance with policies and procedures, evaluate effectiveness of established controls, and ensure that existing controls provide adequate protection against actual risks. Since 2009, the internal audit department has been using CCH TeamMate, a Wolters Kluwer *ARC* Logics product;
- Reporting control issues arising from management reviews, internal audits, and external audits and the status of remediating the issues to the Audit Committee on a quarterly basis; and
- The Wolters Kluwer Internal Control Framework consists of approximately 100 key controls, designed to ensure that the results of business processes are adequately reflected in its internal and external financial reporting.

For a detailed description of the risks and the internal risk management and control systems, reference is made to > Risk Management.

Corporate social responsibility
The Executive Board is committed to corporate social responsibility. A sustainability report is published every year. In addition, a separate section of the company's website is dedicated to corporate social responsibility. The company is listed in the Dow Jones Sustainability Index. For more information, reference is made to the > Sustainability Report.

Supervisory Board
Wolters Kluwer has a two-tier board structure. The Executive Board members are responsible for the day-to-day operations of the company. The role of the Supervisory Board is to supervise the policies of the Executive Board and the general affairs of the company and its enterprise, taking into account the relevant interests of the company's stakeholders, and to advise the Executive Board. The Supervisory Board also has due regard for corporate social responsibility issues which may be relevant to Wolters Kluwer. The By-Laws of the Supervisory Board include a list of Executive Board resolutions that have to be approved by the Supervisory Board. These resolutions include the operational and financial aims of the company, the strategy designed to achieve those aims, resolutions in which there are conflicts of interest with Executive Board members that are of significant interest for the company or the Executive Board member, acquisitions or divestments of which the value is at least equal to one percent of the consolidated sales of the company, the issuance of new shares or granting of rights to subscribe for shares, the issue of bonds or other external financing of which the value exceeds 2.5% of annual consolidated revenues, and a proposal to amend the Articles of Association. The By-Laws of the Supervisory Board can be found on the company website > www.wolterskluwer.com.

Appointment and composition
The General Meeting of Shareholders appoints the members of the Supervisory Board. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 21 of the company's Articles of Association. The Supervisory Board currently consists of Mr. A. Baan (Chairman), Mr. P.N. Wakkie (Deputy Chairman), Mr. B.F.J. Angelici, Ms. B.M. Dalibard, Mr. L.P. Forman, Mr. S.B. James, and Mr. H. Scheffers. At present, all Supervisory Board members are independent from the company. The number of supervisory board memberships of all Supervisory Board members is limited to such extent

that the proper performance of their duties is assured. None of the Supervisory Board members is a member of more than five supervisory boards of Dutch listed companies, with any chairmanships counting as two memberships. The Supervisory Board recognizes the importance of diversity. Elements of diversity include nationality, gender, age, and expertise. In its current composition, the Supervisory Board to a large extent reflects these various elements. More specifically, the current composition of the Supervisory Board comprises expertise within the broad information industry as well as specific market segments in which the company operates, such as healthcare, and reflects the international nature of the company.

Provision of information
Wolters Kluwer considers it important that the Supervisory Board members are well-informed about the business and operations of the company. Towards this end, operating managers, including divisional CEOs, hold presentations to the Supervisory Board with respect to their businesses on a regular basis. These presentations can relate to the operations in general and to business development. In addition, the company facilitates visits to business units and individual meetings with staff and line managers.

Remuneration and Code of Conduct on Insider Trading
The Annual General Meeting of Shareholders shall determine the remuneration of the Supervisory Board members. The remuneration shall not depend on the results of the company. The Supervisory Board members do not receive shares or stock options by way of remuneration, nor shall they be granted loans. The Supervisory Board will propose to the Annual General Meeting of Shareholders that will be held on April 27, 2011, to increase the remuneration of the members of the Supervisory Board. The members are bound by the same Code of Conduct on Insider Trading as the Executive Board members. At present, none of the Supervisory Board members owns any securities in Wolters Kluwer.

Audit Committee
As part of its responsibilities, the Audit Committee focuses on the operation of internal risk management and control systems, and on the role and functioning of the internal audit department and external auditors. The Audit Committee consists of at least three people. Currently, the Audit Committee consists of Mr. H. Scheffers (Chairman), Mr. B.F.J. Angelici, and Mr. L.P. Forman. In line with the Code, the Terms of Reference of the Audit Committee determine that at least one member of the Audit Committee shall be a financial expert. In the current composition, both Mr. Scheffers and Mr. Forman are financial experts.

Selection and Remuneration Committee
The Supervisory Board also has installed a Selection and Remuneration Committee. Because appointments and remuneration are often closely related, the Supervisory Board sees no advantages in two separate committees. Installing two separate committees consisting of the same members would only increase the administrative burden. The Chairman of the Supervisory Board will not be the Chairman of the Selection and Remuneration Committee. The Selection and Remuneration Committee currently consists of Mr. L.P. Forman (Chairman), Mr. A. Baan, Mr. S.B. James, and Mr. P.N. Wakkie. The Selection and Remuneration Committee shall in any event be responsible for drafting policies associated with remuneration within the company and for a proposal to the Supervisory Board regarding the specific remuneration of individual Executive Board members. The Selection and Remuneration Committee is also responsible for drawing up selection criteria and appointment procedures for Supervisory Board members and Executive Board members. Furthermore, the Selection and Remuneration Committee monitors the succession planning at the company.

Shareholders and the General Meeting of Shareholders
At least once a year, a General Meeting of Shareholders will be held. The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Executive Board, the adoption of the financial statements, the report of the Supervisory Board, and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Executive and Supervisory Boards from liability for their respective duties shall be voted on separately. Shareholders who alone or jointly represent at least half a percent (0.5%) of the issued capital of Wolters Kluwer, or who represent alone or jointly a block of shares at least worth €50 million, shall have the right to request the Executive Board or Supervisory Board that items be put on the agenda of the Annual General Meeting of Shareholders.

Voting at Shareholders Meeting
In 2010, Wolters Kluwer again took active steps to try to reach the highest possible percentage of shares present or represented at the Annual General Meeting of Shareholders. These steps included making standard proxy forms and voting instruction forms available online, enabling shareholders to give voting instructions electronically prior to the meeting, and actively contacting larger shareholders with the question whether they intended to vote during the Annual General Meeting of Shareholders. As a result, approximately 55% of the issued capital of the company was present or represented at the Annual General Meeting of Shareholders in 2010.

Amendment Articles of Association
A resolution to amend the Articles of Association may only be passed at the proposal of the Executive Board subject to the approval of the Supervisory Board. Some technical amendments to the Articles of Association were proposed to the Annual General Meeting of Shareholders in 2010. The proposal was accepted by the General Meeting.

Issuance of shares
The Articles of Association of the company determine that shares shall be issued at the proposal of the Executive Board and by virtue of a resolution of the General Meeting of Shareholders, subject to designation of the Executive Board by the General Meeting of Shareholders. At the Annual General Meeting of Shareholders of April 21, 2010, the Executive Board has been granted the authority for a period of 18 months to issue new shares, with exclusion of pre-emptive rights, subject to approval of the Supervisory Board. The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting, to be increased by a further 10% of the issued capital on that date in the case the issuance is effectuated in connection with, or on the occasion of, a merger or acquisition.

Acquisition of own shares
Acquisition of own shares may only be effected if the General Meeting of Shareholders has authorized the Executive Board for the purpose, and while respecting the restrictions imposed by the Articles of Associations of the company. At the Annual General Meeting of Shareholders of April 21, 2010, the authorization to acquire own shares has been granted to the Executive Board for a period of 18 months. The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting.

Audit functions
The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board shall see to it that this responsibility is fulfilled.

External auditor
The external auditor is appointed by the General Meeting of Shareholders. Wolters Kluwer intends to have the external auditor appointed by the General Meeting of Shareholders every four years after a thorough assessment of the performance of the external auditor. This appointment occurred at the Annual General Meeting of Shareholders of April 21, 2009. In addition to this thorough assessment every four years, the Executive Board and the Audit Committee shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The Supervisory Board also has the discretion to put the appointment of the external auditor on the agenda of the General Meeting of Shareholders before the lapse of a four-year period, if so warranted. The external auditor may be questioned by the General Meeting of Shareholders in relation to his auditor's opinion on the financial statements. The external auditor shall therefore attend and be entitled to address the General Meeting of Shareholders. The company has a policy on auditor independence in place, which is available on the company's website > www.wolterskluwer.com.

Internal auditor
The internal auditor operates under the responsibility of the Executive Board. The external auditor and the Audit Committee are involved in drawing up the work schedule of the internal auditor. The work schedule is based on an overall risk assessment within the company. The findings of the internal auditor and follow-up actions will be presented to the external auditor and the Audit Committee.

Preference shares
Wolters Kluwer and the Wolters Kluwer Preference Shares Foundation (the Foundation) have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives. All members of the Board of the Foundation are independent of the company.

Major shareholdings per December 31, 2010
According to the Dutch Act on financial supervision, shareholders with an interest of 5% of the issued capital are required to notify their interest with the Authority Financial Markets. Silchester International Investors LLP disclosed a 9.50% interest in the company on November 1, 2010.

Change of control
The employment contracts of the Executive Board members and a small group of senior executives contain stipulations with respect to a change of control of the company. According to these stipulations, in case of a change of control, the relevant persons will receive 100% of the

number of conditional rights on shares awarded to them with respect to pending Long-Term Incentive Plans of which the performance period has not yet been ended. In addition, they can receive cash compensation if their employment agreement would end following a change of control.

Information pursuant to Decree Clause 10 Take-over Directive

The information specified in both clause 10 of the Take-over Directive and the Decree, which came into force on December 31, 2006 (Decree Clause 10 Take-over Directive), can be found in this chapter and in > Information for Shareholders and Investors.

Information pursuant to Clause 5:25f of the Act on Financial Supervision

The information and documents specified in clause 5:25f of the Act on financial supervision *(Wet op het financieel toezicht)* can be found on the company website > www.wolterskluwer.com, where all material press releases of the company issued in 2010 can be found under Press.

Information and statements pursuant to the Decree of December 23, 2004

This chapter also contains information and the statements pursuant to the Decree of December 23, 2004, to determine additional regulations regarding the content of the Annual Report, as amended most recently with effect as of January 1, 2010, including the relevant information from the Decree Clause 10 Take-over Directive.

Legal structure

The ultimate parent company of the Wolters Kluwer group is Wolters Kluwer nv. In 2002, Wolters Kluwer nv abolished the voluntary application of the structure regime *(structuurregeling)*. As a consequence, the structure regime became applicable to Wolters Kluwer Nederland bv, which is the parent company of the Dutch operating subsidiaries. Wolters Kluwer International Holding bv is the direct or indirect parent company of the operating subsidiaries outside the Netherlands.

Risk Management

Wolters Kluwer recognizes the following risk categories: strategic risks, operational risks, legislative risks, financial risks, and financial reporting risks. In line with the Amended Dutch Corporate Governance Code, the risk overview provided in this section aims at providing an overview of the main risks the company has assessed until the date of this Annual Report, rather than providing an exhaustive overview of all possible risks. In addition, the risk categories and the risks factors themselves are not stated in any order of importance.

Strategic, operational, and legislative risks
The company aims to achieve its three-year strategy *Maximizing Value for Customers* through focusing on three priorities:
- Deliver value at the point-of-use;
- Expand solutions across processes, customers, and networks; and
- Raise innovation and effectiveness through global capabilities.

A detailed description of the execution of the strategy can be found on page 23 of the Annual Report.

Markets and products
Wolters Kluwer focuses on providing professionals with information, tools, and solutions to help them deliver quality results more efficiently and improve their productivity. Most of the markets it serves are relatively stable with a strong and constant need for up-to-date information, workflow software solutions, and services, particularly in the rapidly evolving fields of regulation and compliance. The company serves many of its customers by means of annual subscription-based products and services, with high renewal rates. The subscription-based businesses represent approximately two-thirds of the company's revenues. The ongoing ability to renew these subscriptions and contracts has an important impact on the future of the company's business. The company mitigates this risk by maintaining continuous interaction with its customers through renewal programs, conferences, and advisory boards.

In addition, the company continues to invest in core product enhancements to stimulate new revenue generation and to sustain customer renewals. These actions are also part of the company's strategic objectives as outlined above. No single individual customer represents more than 1% of Wolters Kluwer's consolidated revenues, nor does one single product represent more than 1% of consolidated revenues.

Some of the company's activities are more sensitive to the general economic circumstances. The continued effect of the 2009 global recession had a negative effect on several, more cyclical products including training activities, advertising, pharma promotional product lines, new product introductions, certain book programs, as well as lending and corporate formation-related transactions. These activities represent approximately 29% of the company's consolidated revenues.

Competition
Wolters Kluwer faces competitive challenges from existing and new competitors. In order to maintain growth and sustain its competitive advantage, the company continuously develops new products, providing its customers with state-of-the-art technological solutions. These products are developed in close collaboration with customers, based on multi-generation product development plans. The portfolio is balanced in terms of markets and geography, with 52% of revenues in North America, 43% of revenues in Europe, 4% of revenues in Asia Pacific, and 1% of revenues in the rest of the world.

Intellectual property rights
Wolters Kluwer actively protects its intellectual property rights, which is important to safeguard its portfolio of information, software, and services. Technological developments make it increasingly difficult to protect intellectual property rights. The company relies on trademark, copyright, patent, and other intellectual property laws to establish and protect its proprietary rights to these products and services. As Wolters Kluwer increases its global presence, intellectual property rights could be challenged, limited, invalidated, circumvented, or infringed by competitors due to legislation or the absence of such legislation and issues with respect to enforceability.

Mergers and acquisitions
The strategic growth objectives of the company are supported by acquisitions. Risks with respect to the acquisition of companies can primarily relate to the integration of the acquisitions, changing economic circumstances, competitive dynamics, contractual obligations, retaining key personnel, and the ability to realize expected synergies. When acquiring new businesses, Wolters Kluwer carries out a comprehensive due diligence process. Furthermore, the company always assesses whether the risks can be mitigated through the deal structure, for example by using earn-out agreements to retain management and to assure alignment between the purchase price and the performance of the acquired company. The company has strict strategic and financial criteria for acquiring new businesses. Generally, acquisitions are expected to be accretive to ordinary earnings per share in year one and cover their weighted average cost of capital within three to five years. An acquisition integration plan is agreed to with the Executive Board prior to completing the acquisition. Such plans are actively monitored after completion.

Divestments
Execution of the company's strategy can also be supported by divestment of non-core activities. The ability to successfully divest activities can, amongst others, depend on economic and market circumstances, competitive dynamics, contractual obligations, retention of key personnel, and the ability for the buyer to realize synergies. To mitigate risks related to divestments, the company usually carries out a vendor due diligence prior to the sale.

Technological developments and Global Shared Services
Electronic platforms and networks are an important means of the delivery of Wolters Kluwer's products and services. The company constantly strives to improve its ICT environment and performance and it is managing multi-year initiatives, such as implementing ERP (Enterprise Resource Planning) systems, creating next-generation platforms for electronic products, offshoring application maintenance and development, outsourcing and rationalizing data center services, a global IT security plan, and implementing shared service centers as a part of the Global Shared Services organization implemented in 2009. These initiatives continued in 2010 and support the successful execution of the company's strategic objectives. New technology related initiatives may also be taken in the future. While the company implements risk-mitigating actions during the development and implementation phases, these initiatives are inherently complex and subject to execution risks.

The company also relies on the performance of third parties, especially with respect to the outsourcing and offshoring of software development and maintenance activities, as well as data center services. Risk-mitigating actions are taken to manage execution risks and include oversight boards that monitor the progress by senior management, expanding vendor management and assurance capability, program management teams and detailed operating agreements and service level agreements with outside providers. At the Executive Board level, Mr. Lynch is responsible for Technology and Global Shared Services, including the Springboard program, a company-wide initiative aimed at streamlining and simplifying processes as well as technology across the organization.

Compliance with all applicable rules and regulations in a changing regulatory environment may require technology changes. Although the company aims to implement such amendment changes to the best of its abilities, temporary delays may occur.

Staffing
The ability of the company to attract talent and retain highly skilled, experienced, and motivated people plays an important part in the continued successful execution of the strategy. The company ensures its ability to attract the appropriate level of talent through a combination of competitive rewards, including market based remuneration, pay for performance, with short-term and long-term incentive aligned with individual and company achievements, and benefits benchmarked against local markets. The company mitigates the loss of personnel through formal talent management programs that incorporate succession planning, company-sponsored learning programs, tuition refund at external universities, and consistently applied performance appraisal systems. Retention is also mitigated through offering opportunities for growth within the company through job posting programs and internal slating programs.

Claims
The company may be exposed to claims by various third parties. These claims potentially relate to products, services (including software or SaaS offerings), or informational content provided or published by the company. Such claims may be based upon legal theories such as alleged negligence, products liability, breach of contract or infringement of third party intellectual property rights. Generally, such claims may be subject to the applicable laws of the jurisdiction in which the product or service was purchased or used, the allegedly improper activity was deemed to have occurred or where the content was provided. They may also involve any applicable laws of the relevant countries in which Wolters Kluwer companies operate. To mitigate against these risks, Wolters Kluwer strives to produce high quality products, services and content, and to subject the use of its products, services and content to contracts containing customary and appropriate disclaimers and limitations of liability. Further, the company expects its employees to strictly comply with intellectual property laws and regulations. Under the company's insurance program, certain types of claims exposures may be covered as is further outlined immediately below under the heading "Insurance".

Insurance
The company manages a range of insurable risks by arranging for insurance coverage for first party (property damage, business interruption) and third party (casualty, commercial general liability, errors and omissions, directors' and officers', employment practices, and criminal) liability exposures. In addition to its global insurance program, the company also protects against more localized risks, such as automotive and workers compensation, via local insurance programs.

In order to mitigate specifically against property damage and business interruption risks, the company has implemented a worldwide risk engineering program designed to improve the company's risk profile. Accompanied by insurers and collaborating with business continuity management, the company performs regular loss control visits to key operating company and supplier locations. As part of this process, our risk managers and insurers work together with our operating companies to cost effectively implement recommendations for continued improvement.

Financial risks

As is the case with most international businesses, Wolters Kluwer manages a variety of financial risks, including currency, interest, liquidity, and credit risk. Fluctuations in exchange and interest rates affect Wolters Kluwer's results. It is the company's goal to mitigate the effects of currency and interest rate movements on net income, equity, and cash flow. Whenever possible, the Company tries to do this by creating natural hedges, such as income and expenses in the same currency, and by matching assets and liabilities. When natural hedges are not present, Wolters Kluwer strives to realize the same effect with the aid of derivative financial instruments. For this purpose, hedging ranges have been identified and policies and governance are in place, including authorization procedures and limits. The Company only purchases or holds derivative financial instruments with the aim to mitigate financial risks and most of these instruments qualify for hedge accounting as defined in IAS 39. The company does not purchase or hold derivative financial instruments for speculative purposes. In line with IFRS requirements, detailed information on financial risks and policies is provided in > note 23 of the Consolidated Financial Statements.

Post-employment benefits

The financial risk of the defined contribution pension plans, which have been arranged by the company in most of the countries, and the state pension plans is limited to the contributions to be paid under these schemes. These contributions may vary over the years, but usually follow the general trends in the respective countries.

The company faces a higher risk related to additional funding for the defined benefit plans, namely the pension and post-retirement medical plans in the United States and the pension plans in the Netherlands, the United Kingdom, Canada, Australia, and Belgium. These plans are affected by the annual developments on the international financial markets and may be further affected by future developments on these markets. The overall impact could be material, although over the past years, the company has mitigated these financial risks by closing some of the defined benefit plans to future accruals, such as the pension plans in the United States and the United Kingdom; or by changing the plan, such as moving to an average salary instead of final salary benefit and limiting the yearly increase of pension liabilities in the Netherlands, and implementing a defined contribution-like Health Retirement Savings Account in the United States. Furthermore, the company engages advisors to perform asset liability management studies and advise on the investment strategies for the various pension funds. The net periodic defined benefit plan cost are based on annual actuarial calculations. A 1% decrease of the discount rate would increase the annual defined benefit plan gross service cost by approximately €3 million.

Tax

Wolters Kluwer operates in numerous jurisdictions and is subject to various levies in these jurisdictions. Most of these taxes are transactional and employee-related and are levied from the legal entities in these jurisdictions. Local management is responsible for the proper handling of these taxes and is supported by corporate staff and external professionals. Risks that may adversely affect the results are changes in corporate tax rates, tax laws, and rulings. As a consequence, not only could current and future profits be at risk, but it is also possible that a deferred tax asset, or part of a deferred tax asset for which realization has become unlikely, could be reversed and taken as a charge to the income statement. The company continuously looks for ways to optimize its tax environment.

Wolters Kluwer maintains a liability for certain contingencies in line with IFRS accounting standards. The adequacy of this liability is judged on a continuous basis in consultation with external advisors. Reference is made to > note 17 of the Consolidated Financial Statements for additional information about tax and related risks.

Due to the centralization of certain activities in a number of countries (such as research and development, centralized IT, intragroup financing, and corporate functions) costs are also centralized. As a consequence, for tax reasons these costs and/or revenues must be allocated to the beneficiaries. For that purpose, agreements are signed with a large number of entities. Tax authorities review the implementation of these agreements and may reject or adjust the implemented costs and/or revenues.

The value of the tax losses and interest carry-forwards is subject to having sufficient profits available within the carry-forward period. There is no absolute assurance that all (net) tax losses and interest carry-forwards can be realized. Valuation allowances of deferred tax asset positions are in place when considered necessary.

Financial reporting risks

The Executive Board is responsible for internal risk management and control within Wolters Kluwer. Wolters Kluwer has risk management and internal control systems in place to identify significant risks to which the company is exposed, enable the effective management of these risks, meet strategic and operational objectives, ensure the reliability of the financial reporting, and comply with relevant laws and regulations. The internal control systems are designed based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, which aims at providing a reasonable level of assurance. Consequently, these systems can never provide absolute assurance regarding the achievement of the company's objectives or the reliability of the financial reporting, or entirely prevent material errors, losses, fraud, and violation of applicable laws and/or regulations.

Internal risk management and control systems

High-quality financial reporting is of the utmost importance for Wolters Kluwer to provide a true and fair view of the company's financial performance and position both for managerial and accountability purposes. In order to assure the continued high quality of financial reporting, the following internal risk management and control systems are in place:

- Hiring and retention policies and practices for key finance professionals throughout the company;
- A standard planning and reporting cycle on a divisional and operational entity level, consisting of the annual Business Development Plan (three-year strategic plan), the annual budget, quarterly forecasts, and monthly financial reporting;
- Periodic business reviews in which divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board;
- Treasury policies on market (currency and interest), liquidity, and credit risk reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks;
- A Risk Committee facilitating the internal process of enterprise risk management. The Committee meets every quarter and aims at getting oversight of the main risks and controls within the company;
- Standard financial and non-financial procedures and policies including the Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, and Whistleblower Policy, as well as Letters of Representation signed quarterly by all divisional and operating company CEOs and CFOs and senior corporate staff members; compliance is managed through Axentis, a Wolters Kluwer *ARC* Logics product;
- Internal audits, planned and carried out globally, based on risk assessments to ensure compliance with policies and procedures, evaluate effectiveness of established controls, and ensure that existing controls provide adequate protection against actual risks. Since 2009, the internal audit department has been using CCH TeamMate, a Wolters Kluwer *ARC* Logics product; and
- Reporting and monitoring control issues arising from management reviews, internal audits, and external audits and status of remediating the issues to the Audit Committee on a quarterly basis.

Internal Control Framework

The Wolters Kluwer Internal Control Framework (ICF) consists of approximately 100 key controls, designed to ensure that the results of business are adequately reflected in its internal and external financial reporting. The company employs approximately 25 internal control officers, who are located in the main operating entities. They play an important role in tailoring the key controls to the business processes in their respective operating entities, testing the key controls, and reporting the outcome of testing to management and internal and external auditors. Where needed, action plans are designed and implemented to address important risks. Wolters Kluwer endeavors to include acquisitions in the ICF within one year after the acquisition date. The internal audit department performs a quality review on the design, execution, documentation, and conclusions of the key controls testing of the ICF on a regular basis. Test results are discussed periodically with the Executive Board and the Audit Committee, and are monitored through Sword, a Wolters Kluwer *ARC* Logics product.

The company continues to improve its risk management and control systems. In 2010, the company continued to strengthen the general IT controls framework and to roll-out the business continuity plans throughout Wolters Kluwer. In the coming years, the company will give high priority to improving design and effectiveness, further integrating risk management and control systems in its daily operations, and tailoring the key controls to the risks associated with the business processes within the operating entities, adjusting these controls as business processes change. Testing of the key controls will also expand, aimed both at assurance and process optimization.

Statements by the Executive Board

The Executive Board is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements consist of the consolidated financial statements and the company's financial statements. The responsibility of the Executive Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Executive Board is also responsible for the preparation of the Report of the Executive Board that is included in the 2010 Annual Report. The Annual Report is prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. In the Annual Report, the Executive Board endeavors to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The company has identified the main risks it faces, including financial reporting risks. These risks can be found in > Risk Management. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision (*Wet op het financieel toezicht*), the company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Executive Board or considered to be unlikely may change the future risk profile.

As explained in > Risk Management, the company must have internal risk management and control systems that are suitable for the company. The design of the company's internal risk management and control systems has been described in > Risk Management. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance against material losses or material errors.

As required by provision II.1.5 of the Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Act on financial supervision (*Wet op het financieel toezicht*) and on the basis of the foregoing and the explanations contained in > Risk Management, the Executive Board confirms that to its knowledge:

- The company's internal risk management and control systems as regards financial reporting risks provide a reasonable assurance that the Group's financial reporting over 2010 does not contain any errors of material importance; and
- The company's risk management and control systems as regards financial reporting risks worked properly in 2010; and
- The 2010 financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- The 2010 Annual Report includes a fair review of the situation at the balance sheet date, the course of affairs during the financial year of the company, and undertakings included in the consolidation taken as a whole, together with a description of the principal risks that the company faces.

Alphen aan den Rijn, February 22, 2011

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
B.L.J.M. Beerkens, CFO and Member of the Executive Board
J.J. Lynch, Jr., Member of the Executive Board

Report of the Wolters Kluwer Preference Shares Foundation

Activities
The Board of the Wolters Kluwer Preference Shares Foundation met twice in 2010. The matters discussed included the full-year 2009 results, the half-year 2010 results, the execution of the strategy, the financing of the company, acquisitions and divestments, developments in the market, and the general course of events at Wolters Kluwer. A representative of the Executive Board of the company and corporate staff attended the meetings in order to give the Board of the Foundation information about the developments within Wolters Kluwer. The Board of the Foundation also followed developments of the company outside of Board meetings, among others through receipt by the Board members of all press releases. As a result, the Board of the Foundation has a good view on the course of events at Wolters Kluwer. The Board of the Foundation also closely monitored the developments with respect to corporate governance and relevant Dutch legislation, and discussed that topic during the meetings. Furthermore, the composition of the Board of the Foundation was discussed. All members of the Board of the Foundation are independent of the company. The Foundation acquired no preference shares during the year under review.

Exercise of the preference shares option
Wolters Kluwer and the Foundation have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives.

Composition of the Board of the Wolters Kluwer Preference Shares Foundation
Mr. Lindenbergh retired by rotation in 2010 and was reappointed. The Foundation is a legal entity that is independent from the Company as stipulated in clause 5:71 (1) sub c of the Act on financial supervision *(Wet op het financieel toezicht)*.

Alphen aan den Rijn, February 22, 2011

Board of Wolters Kluwer Preference Shares Foundation
R.P. Voogd, Chairman
R.W.J.M. Bonnier
P. Bouw
H.G. Bouwman
J.H.M. Lindenbergh

Glossary

Average invested capital
The average of the previous year-end invested capital and the current year-end invested capital.

Basic earnings per share
The profit or loss attributable to the ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the period.

Capital employed
Total of non-current assets and working capital.

Capital expenditure (CAPEX)
Sum of expenditure on property, plant, and equipment, and other intangible assets.

Cash flow: cash conversion ratio (CAR)
Calculated as cash flow from operations less net capital expenditure, divided by ordinary EBITA.

Cash flow: cash flow from operations
Ordinary EBITA before depreciation plus or minus autonomous movements in working capital.

Cash flow: free cash flow
Cash flow from operating activities less net capital expenditure, plus appropriation of Springboard cost (after taxation), plus dividends received from equity-accounted investees and investments. Free cash flow is the cash flow available for payments of dividend to shareholders, acquisitions, down payments of debt, and repurchasing of shares.

Constant currencies
Income, expense, and cash flows in local currencies are recalculated to euro, using the average exchange rates of the previous calendar year.

Continuing operations
The Group, excluding those components and groups of the entity that have been disposed of or that are classified as held-for-sale.

Diluted earnings per share
Minimum of:
- Profit for the year attributable to the equity holders of the Company divided by the weighted average number of shares (basic earnings per share), and
- Profit for the year attributable to the equity holders of the Company, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Share options that are not in the money and related interest are excluded from the diluted earnings per share calculation. Shares conditionally awarded under the Long-Term Incentive Plan are included in the diluted earnings per share calculation at 100% of the grant.

Diluted ordinary earnings per share
Minimum of:
- Ordinary net income divided by the weighted average number of shares (ordinary earnings per share); and
- Ordinary net income, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Share options that are not in the money and related interest are excluded from the diluted ordinary earnings per share calculation. Shares conditionally awarded under the LTIP are included in the diluted ordinary earnings per share calculation at 100% of the grant.

Earnings per share growth (%)
Growth in earnings per share in comparison to a previous comparable period.

EBITA
EBITA (earnings before interest, tax, and amortization of publishing rights and impairments of goodwill and publishing rights) is calculated as operating profit less amortization of publishing rights and impairments of goodwill and publishing rights.

EBITA margin
EBITA margin is defined as EBITA as a percentage of revenues.

EBITDA
Earnings before interest, tax, depreciation, amortization of publishing rights and other intangible assets, and impairments of goodwill and publishing rights.

EROA
Expected return on plan assets is the expected return derived from the pension plan assets and is based on market expectations at the beginning of the period, for returns over the entire life of the related pension obligations.

Financing results
Interest received or receivable from third parties (‘finance income’) less interest paid or due to third parties (‘finance costs’), fair value changes through profit or loss of (derivative) financial instruments, foreign exchange differences on financial instruments, and fair value changes of contingent considerations.

Guarantee equity
Sum of total equity, subordinated (convertible) bonds and perpetual cumulative bonds.

Innovation rate
Revenues from new products for the 12-month period as a percentage of total revenues. See also the definition of new product revenues.

Invested capital
Capital employed, excluding non-operating working capital and cash and cash equivalents, adjusted for amortization of publishing rights and goodwill amortized or written-off to equity (excluding for publishing rights and goodwill impaired and/or fully amortized), less any related deferred tax liabilities.

KPI
Key performance indicator.

Net capital expenditure
Calculated as capital expenditure less the net book value of disposed assets.

Net gearing
Net debt divided by total equity.

Net debt
Sum of (long-term) loans, borrowings, and bank overdrafts and deferred acquisition payments minus cash and cash equivalents and the net fair value of derivative financial instruments.

Net interest coverage
Calculated as the ratio between ordinary EBITA divided by net financing results.

New product revenues
Revenues from new products created in current year. Existing products of which form and/or content has changed substantially are also included as revenues from new products.

Non-benchmark costs
Non-benchmark costs relate to expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group and are excluded from the benchmark figures: Springboard costs, Restructuring costs, Acquisition integration costs, Acquisition related costs as included in operating profit and fair value changes of contingent acquisition considerations in financing results.

NOPAT
Net operating profit after allocated tax. Calculated as ordinary EBITA less allocated tax, based on the effective tax rate on ordinary income before tax.

Operating accounts receivable
Operating accounts receivable consist of trade receivables, prepayments, and other receivables.

Operating current liabilities
Operating current liabilities consist of salaries and holiday allowances, royalties payable, other liabilities and accruals, and social security premiums and other taxation.

Ordinary
The term 'ordinary' refers to figures adjusted for non-benchmark costs and, where applicable, amortization and impairment of goodwill and publishing rights. 'Ordinary' figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business.

Ordinary earnings per share
Ordinary net income divided by the weighted average number of shares.

Ordinary EBITA
EBITA before non-benchmark costs in operating profit.

Ordinary EBITA margin
Calculated as ordinary EBITA as a percentage of revenues.

Ordinary EBITDA
EBITDA before non-benchmark costs in operating profit.

Ordinary income before tax
Calculated as ordinary EBITA including financing results, income from investments, and results of equity-accounted investees.

Ordinary net income (= benchmark net profit)
Profit for the period attributable to the equity holders of the Company, excluding the after-tax effect of non-benchmark costs, results on disposals, amortization of publishing rights, and impairments of goodwill and publishing rights.

Organic revenue growth
Calculated as revenue of the period divided by revenue of the period in the previous reporting period, excluding the impact of acquisitions and disposals above a minimum threshold, all translated at constant currencies.

Personnel expenses
All labor costs relating to personnel employed (such as gross wages/salaries, bonuses or commissions, gratuities, holiday allowances, movements in the liability for vacation days, pensions, social charges, share-based payment charges, and fringe benefits) and the costs of temporary staff.

Profit for the year
Group result for the year after tax, being allocated to the equity holders of the Company and the equity holders of non-controlling interests.

Renewal rate
Value of the subscription portfolio at the start of the year minus losses (attrition) during the year, expressed as a percentage of the starting position.

Return on invested capital (ROIC)
Return on invested capital is calculated by dividing NOPAT by average invested capital.

Revenues
Revenues from third parties less applicable value added tax and discounts.

Subscription rate
Revenues from subscription products divided by total revenues.

Total revenue growth
Growth of revenues over a period with respect to the previous comparable period (including the impact of organic growth, acquisitions and disposals, and where applicable currency effects).

Working capital
Current assets less current liabilities.

Working capital: non-operating working capital
Non-operating working capital is the total of receivables/payables of derivative financial instruments, the short-term part of the restructuring provision, acquisition payables, interest receivable/payable, income tax receivable/payable, and borrowings and bank overdrafts.

Working capital: operating working capital
Operating working capital is working capital minus non-operating working capital minus cash and cash equivalents.

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5-Year Key Figures

	2010	2009	2008	2007	2006
Revenues	3,556	3,425	3,374	3,413	3,377
Operating profit	481	234	503	546	435
Profit for the year from continuing operations, attributable to equity holders of the Company	288	118	313	329	278
Profit for the year, attributable to equity holders of the Company	288	118	313	917	321
Ordinary EBITDA	831	783	756	747	635
Ordinary EBITA	727	682	678	667	556
Ordinary net income	444	427	423	421	344
(Proposed) Dividend/cash distribution	200	193	186	180	179
Dividend proposal in % of ordinary net income	45.1	45.1	44.0	42.7	52.0
Pay-out in % of profit for the year, attributable to equity holders of the Company	69.5	163.4	59.3	19.6	55.8
Free cash flow	445	424	395	405	399
Cash conversion (ratio)	0.95	0.96	0.88	0.91	0.99
Acquisition spending	259	54	667	198	773
Shareholders’ equity	1,612	1,334	1,414	1,178	1,194
Guarantee equity	1,856	1,580	1,672	1,439	1,421
Net debt	2,035	2,007	2,254	1,793	2,050
Capital employed	4,177	3,655	3,774	2,474	2,819
Total assets	6,557	6,053	6,388	5,276	5,653
Amortization of publishing rights and impairments	175	368	124	121	121
Net capital expenditure	145	123	140	125	93
Amortization other intangible assets and depreciation property, plant and equipment	104	101	78	80	79
Ratio’s					
As % of revenues:					
Operating profit	13.5	6.8	14.9	16.0	12.9
Profit for the year from continuing operations, attributable to equity holders of the Company	8.1	3.4	9.3	9.6	8.2
Ordinary EBITDA	23.4	22.9	22.4	21.9	18.8
Ordinary EBITA	20.4	19.9	20.1	19.5	16.5
Ordinary net income	12.5	12.5	12.5	12.3	10.2
ROIC	8.6	8.5	9.1	9.1	7.7
Net interest coverage	5.6	5.7	5.7	6.5	5.4
Net debt to EBITDA	2.7	2.9	3.2	2.4	3.2
Net gearing	1.3	1.5	1.6	1.5	1.7
Shareholders’ equity/capital employed	0.39	0.36	0.37	0.48	0.42
Guarantee equity to total assets	0.28	0.26	0.26	0.27	0.25

	2010	2009	2008	2007	2006
Information per share (€)					
On the basis of fully diluted:					
Diluted earnings per share	0.96	0.40	1.09	1.08	0.90
Diluted ordinary earnings per share	1.48	1.45	1.47	1.38	1.10
Diluted free cash flow per share	1.48	1.44	1.37	1.33	1.27
Weighted average number of shares, diluted (millions)	300.3	293.8	288.3	304.7	321.4
Ordinary earnings per share	1.50	1.47	1.49	1.40	1.12
Basic earnings per share	0.97	0.41	1.10	1.10	0.91
Free cash flow per share	1.50	1.46	1.39	1.35	1.30
Dividend/cash distribution per share	0.67	0.66	0.65	0.64	0.58
Weighted average number of shares issued (millions)	296.4	290.1	284.6	300.5	307.1
Stock exchange					
Highest quotation	16.80	16.26	22.53	24.40	22.47
Lowest quotation	14.42	11.25	11.82	20.00	16.67
Quotation at December 31	16.40	15.30	13.54	22.48	21.79
Average daily trading volume Wolters Kluwer on Euronext Amsterdam nv, number of shares (thousands of shares)	1,071	1,327	1,842	1,794	1,573
Employees					
Headcount at December 31	19,030	19,341	20,063	19,544	19,901
In full-time equivalents at December 31	18,237	18,207	19,271	18,620	18,871
In full-time equivalents average per annum	19,141	19,957	20,290	19,827	19,704

Information for Shareholders and Investors

The company seeks to be thoroughly open with shareholders and the investment community, and is committed to a high degree of transparency in its financial reporting. Wolters Kluwer has a comprehensive program for communicating with investors. This includes communicating with its shareholders and the investment community at large during the Annual General Meeting of Shareholders as well as regularly throughout the year.

Wolters Kluwer is strict in its compliance with applicable rules and regulations on fair disclosure to shareholders. It is the policy to post presentations to analysts and shareholders on the company's website. In adherence with fair disclosure rules, these meetings and presentations do not take place shortly before the publication of annual and quarterly financial information. The company does not assess, comment upon, or correct, other than factually, any analyst report or valuation prior to publication. The company is committed to help investors become better acquainted with Wolters Kluwer and its management, as well as to maintain a long-term relationship of trust with the investment community at large.
2010 activities for shareholders and investors included:
- A full presentation by management of half-year and full-year results;
- Regular office and road show meetings with potential and existing shareholders and sell-side analysts covering the company; and
- Specific information for shareholders provided via the investors section of > www.wolterskluwer.com, which includes detailed financial information, strategy, archived copies of presentations, and web casts delivered throughout the year.

Share information in euros, unless otherwise indicated	**2010**	2009
Diluted earnings per share	0.96	0.40
Diluted ordinary earnings per share in constant currencies	1.43	1.43
Diluted ordinary earnings per share	1.48	1.45
Diluted free cash flow per share	1.48	1.44
Basic earnings per share	0.97	0.41
Ordinary earnings per share	1.50	1.47
Free cash flow per share	1.50	1.46
Proposed dividend / cash distribution per share	0.67	0.66
Weighted average number of shares issued[1]	296.4	290.1
Weighted average number of shares fully diluted[1]	300.3	293.8
Highest quotation	16.80	16.26
Lowest quotation	14.42	11.25
Quotation at December 31	16.40	15.30
Average daily trading volume of Wolters Kluwer on Euronext Amsterdam nv (thousands of shares)	1,071	1,327

[1] In millions of shares

Capital stock

The ordinary shares have a nominal value of €0.12. The number of ordinary shares issued amounted to 298,659,420 on December 31, 2010 (December 31, 2009: 292,799,333). The diluted weighted average number of ordinary shares used to compute the diluted per share figures was 300.3 million (2009: 293.8 million).

There are no out of the money stock options as of December 31, 2010. In 2009, with out of the money options included, the total diluted weighted average number of shares at December 31, 2009, was: 294.4 million.

Market capitalization at December 31, 2010

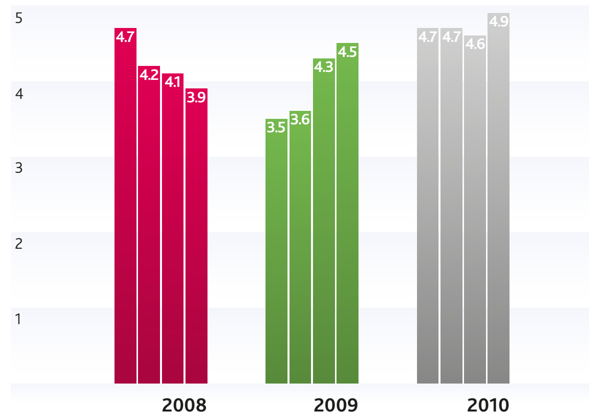
On the basis of issued ordinary shares (excluding own shares held by the company): €4.9 billion (2009: €4.5 billion).

Estimated geographical spread of Wolters Kluwer shares

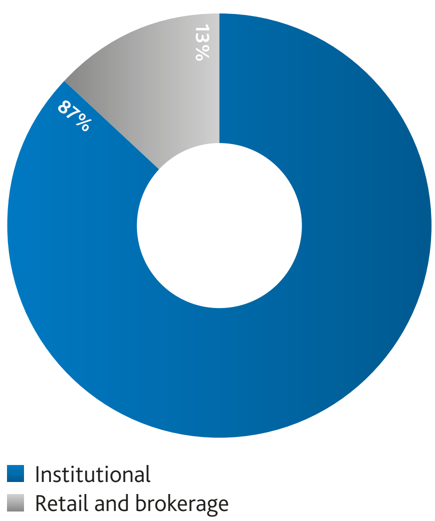
Institutional investors hold the majority (87%) of the shares in Wolters Kluwer stock. With over 350 institutional investors in 26 countries, ownership is spread across international markets. Investors in North America had an estimated interest of 26% in the company in 2010 (2009: 25%), while European shareholders, including the United Kingdom, held an estimated interest of 71% (2009: 74%).

Quarterly market capitalization

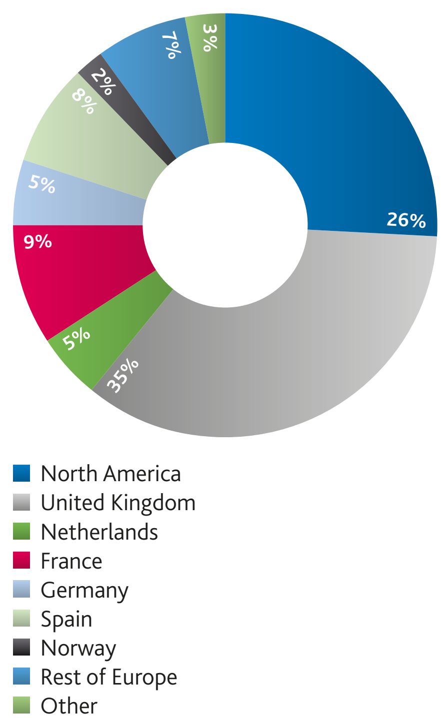
in billions of euros



Estimated shareholder composition



Estimated shares by geography



Indices in %	2010	2009
AEX	1.63	1.64
FTSE Euro 300	0.09	0.09
DJ Euro Stoxx Media	7.07	7.31
DJS Media	3.94	4.43

Wolters Kluwer is included in approximately 44 equity indices.
Source: Bloomberg

Shareholders exceeding 5%
In accordance with the Act on financial supervision *(Wet op het financieel toezicht)*:
- Silchester International Investors Limited: 9.5%, disclosed on November 1, 2010

Listings
Capital stock:
- Netherlands, Amsterdam (Euronext Amsterdam: WKL.NA (Bloomberg), WLSNc.AS (Reuters); security code 39590, ISIN code NL0000395903);
- Germany, Frankfurt: ordinary shares for Wolters Kluwer;
- United States, New York (over-the-counter, WTKWY, CUSIP No. 977874 20 5): American Depositary Receipts.

Other Wolters Kluwer securities
Wolters Kluwer bonds listed in Amsterdam:
- 6.875% perpetual cumulative subordinated Wolters Kluwer nv Bonds 2001, €225 million (ISIN code NL0000119105)

Wolters Kluwer bonds listed in both Amsterdam and Luxembourg:
- 5.125% senior Wolters Kluwer nv Bonds, 2003/2014, €700 million (ISIN code XS0181273342)

Wolters Kluwer bonds listed in Luxembourg:
- 6.375% senior Wolters Kluwer nv Bonds, 2008/2018, €750 million (ISIN code XS0357251726)
- 6.748% senior Wolters Kluwer nv Bonds, 2008/2028, €36 million (ISIN code XS0384322656)

Wolters Kluwer bonds listed in Frankfurt:
- 4.20% senior Wolters Kluwer nv Bonds, 2010/2020, €250 million (ISIN code XS0522820801)

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Deutsche Bank Trust Company
Americas 60 Wall Street
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United States
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www.adr.db.com

Credit ratings
In 2010, rating agencies reviewed Wolters Kluwer's credit rating. Standard & Poor's maintained the long-term rating at BBB+ and raised their outlook to stable. Moody's Investors Service maintained the rating at Baa1 with a stable outlook.

Share buy-back program and dividend
The company intends to execute a €100 million share buy-back plan in 2011. In addition to the share buy-back plan and in accordance with its progressive dividend policy, at the 2011 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.67 per share, a 2% increase over last year. to be paid on May 17, 2011.

Calendar
- March 16, 2011 Publication of 2010 Annual Report
- April 27, 2011 Annual General Meeting of Shareholders
- April 29, 2011 Ex-dividend quotation
- May 3, 2011 Dividend record date
- May 11, 2011 Trading update
- May 13, 2011 Stock dividend ratio date (after the close of trading)
- May 17, 2011 Cash distribution payable
- May 24, 2011 ADR Cash distribution payable
- July 27, 2011 Half-Year 2011 results
- November 9, 2011 Trading update
- February 22, 2012 Full-Year 2011 results

About this report

Concept & production
Wolters Kluwer Corporate Communications

Photography
Taco Anema

Design & layout
Lesley Moore

DTP
Strak (Haiko Oosterbaan)

Printing & Binding
TUIJTEL

Paper
This annual report is printed on Munken Polar paper, FSC® SCS-COC-007225 certified, produced by Arctic Paper and Hello Silk paper FSC SCS-COC-007225 certified.

Wolters Kluwer believes that it has a responsibility to contribute to the sustainable use of resources. Wolters Kluwer will issue a separate report on its sustainability performance over 2010. This 2010 Sustainability Report will be available as of March 28, 2011, online and as PDF at www.wolterskluwer.com.

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Forward-looking statements

This Annual Report contains forward-looking statements. These statements may be identified by words such as “expect,” “should,” “could,” “shall,” and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements.

Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which Wolters Kluwer is engaged; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting Wolters Kluwer’s businesses, as well as risks related to mergers, acquisitions, and divestments.

In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.