Wolters Kluwer

Wolters Kluwer 2013 Full-Year Report

February 19, 2014 - Wolters Kluwer, a global leader in professional information services, today released its 2013 full-year results.

Highlights

- **Revenues up 2% in constant currencies and up 1% organically.**
  - Leading, high growth positions up 7% organically (44% of total revenues).
  - Digital and services subscription revenues up 4% organically (55% of total).
  - Growth in North America and Asia Pacific more than offset decline in Europe.
- **Ordinary EBITA €765 million; Ordinary EBITA margin 21.5%, within guidance range.**
- **Ordinary diluted EPS €1.56, up 3% in constant currencies, in line with guidance.**
- **Ordinary free cash flow €503 million, up 3% in constant currencies, better than expected.**
- **Net-debt-to-EBITDA improved to 2.2 at year-end (2012: 2.4), better than target.**
- **Proposed 2013 dividend increase to €0.70 per share to be paid in cash.**
- **2014 to see further focus on leading, high growth positions and increased restructuring.**

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"Our leading, high growth positions and our digital products again drove positive organic growth for the group, more than offsetting the challenges posed by the still uncertain macro environment in Europe and weak print markets globally. Our large and growing subscription base helped us mitigate the less favorable trends we saw last year in transactional revenues. We plan further action in 2014 to increase the focus on our growth businesses and drive efficiencies in Europe and North America. I am very encouraged by the new products we are bringing to market and look forward to 2014 with confidence."

Key Figures 2013 Full-Year

Year ended December 31 *(in millions of euros, unless otherwise stated)*	**2013**	**2012***	**Δ**	**Δ CC**	**Δ OG**
Business performance - benchmark figures					
Revenues	3,565	3,597	-1%	+2%	+1%
Ordinary EBITA	765	774	-1%	+2%	+1%
Ordinary EBITA margin	21.5%	21.5%			
Ordinary net income	467	469	-1%	+2%	
Diluted ordinary EPS	€1.56	€1.56	0%	+3%	
Ordinary free cash flow	503	507	-1%	+3%	
Net debt	1,988	2,086	-5%		
IFRS results[1]					
Revenues	3,565	3,597	-1%		
Operating profit	619	568	+9%		
Profit for the year[2]	346	311	+11%		
Diluted EPS[2]	€1.15	€1.04	+11%		
Net cash from operating activities	630	618	+2%		

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth. Benchmark and IFRS figures are for continuing operations unless otherwise noted. Benchmark (ordinary) figures are performance measures used by management. See Note 5 for a reconciliation from IFRS to benchmark figures.
*Throughout this report, 2012 has been restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.
[1] International Financial Reporting Standards as adopted by the European Union.
[2] Includes discontinued operations.

Wolters Kluwer

Full-Year 2014 Outlook

In 2014, Wolters Kluwer plans further action to sharpen our focus on our leading, high growth positions, deliver product innovation, and drive efficiencies across the group. We plan to undertake additional restructuring to improve the cost base, particularly in Europe, while continuing to invest in our leading positions to support organic growth. These actions are expected to reduce the ordinary EBITA margin to within a range of 20.5% to 21.5% in 2014, including total restructuring costs of approximately €25-30 million. We expect low single digit growth in diluted ordinary EPS in constant currencies. The table below provides our 2014 guidance in constant currencies.

Performance indicators	2014 Guidance
Ordinary EBITA margin	20.5%-21.5%
Ordinary free cash flow	≥ €475 million
Return on invested capital	≥ 8%
Diluted ordinary EPS	Low single-digit growth

Guidance for ordinary free cash flow and diluted ordinary EPS is in constant currencies (EUR/USD 1.33).

Our guidance is based on constant exchange rates. Wolters Kluwer generates more than half of its ordinary EBITA in North America. As a rule of thumb, based on our 2013 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite 1.0 euro-cent change in diluted ordinary EPS. Our guidance assumes no significant change in the scope of operations. We may make further disposals in 2014 which could be dilutive to margins and earnings in the near term. Additional information on our guidance is provided in the table below.

Additional information	
Ordinary net financing costs[1]	Approximately €100 million
Benchmark effective tax rate	27.5%-28.0%
Cash conversion ratio[1]	Approximately 95%

[1] In constant currencies (EUR/USD 1.33).

Outlook by Division

Legal & Regulatory: we expect Corporate Legal Services to achieve another year of good organic growth, although momentum in CLS transactional revenues is expected to slow. In our Legal & Regulatory publishing operations, we anticipate organic revenue decline due to the continued economic uncertainty in large parts of Europe, weakness in print formats, and lower U.S. law school enrollments. Continued softness in revenue combined with additional restructuring costs and the effect of last year's dilutive disposals is expected to lead to a lower margin in 2014. From 2014, certain European Tax & Accounting publishing activities have been transferred to our Legal & Regulatory publishing operations in order to drive further economies of scale.

Tax & Accounting: we expect our software businesses to achieve good organic growth, partly offset by trends in bank products, print publishing, and cyclical products such as training. We expect to see some margin contraction due to increased restructuring in 2014.

Health: we foresee another strong year for Clinical Solutions. Market conditions for print journals and books are expected to remain soft. The positive effect from the ongoing mix shift towards Clinical Solutions should benefit margins despite continued investment in new digital product development and global expansion.

Financial & Compliance Services: we anticipate positive organic growth in our Finance, Risk & Compliance and Audit units, although the inexact timing around the implementation of banking regulations and an ongoing product rationalisation are likely to result in a more back-end loaded year. This performance is likely to be partially offset near term by continued pressure on transactional revenues.

Strategy

Wolters Kluwer provides legal, tax, accounting, health and financial compliance professionals the essential information, software and services they need to make decisions with confidence. Our strategy focuses on accelerating our organic revenue growth and improving returns. In 2014, we are taking further actions along the three pillars of our strategy:

- **Expand our leading, high growth positions.** We are focusing the majority of our investment on high growth segments in our portfolio where we have achieved market leadership. These positions, which include Corporate Legal Services, Tax & Accounting software, Clinical Solutions, Finance, Risk & Compliance, and Audit, provide global expansion opportunities. In addition, we will continue to drive growth in digital solutions and services across all divisions.
- **Deliver solutions and insights.** We continuously invest in our products and services in order to deliver the tailored solutions and insights our professional customers need in order to make critical decisions and increase their productivity. We are investing in mobile applications, cloud-based services and integrated solutions. Product investment, including capital expenditure, is expected to remain approximately 8-10% of revenues in the coming years.
- **Drive efficiencies.** We will continue to drive efficiencies in areas such as sourcing, technology, real estate, organizational processes, and distribution channels. These operational excellence programs will deliver cost savings to support investments and margin expansion, while mitigating cost inflation.

Dividend Policy and 2013 Dividend

Wolters Kluwer has a progressive dividend policy under which the Company expects to increase the dividend per share each year. At the 2014 Annual General Meeting of Shareholders, the Company will propose increasing the dividend to €0.70 per share (2012: €0.69), to be paid in cash on May 13, 2014 for ordinary shareholders or on May 20, 2014 for holders of American Depository Receipts (ADRs). Shareholders can choose to reinvest their Wolters Kluwer 2013 dividends by purchasing further shares through the Dividend Reinvestment Plan (DRIP) to be provided by ABN AMRO Bank NV.

Anti-Dilution Policy

Wolters Kluwer intends to offset the dilution caused by performance share issuance by repurchasing shares up to €25 million in 2014.

Full-Year 2013 Results

Benchmark Figures

Group revenues and ordinary EBITA declined 1%, respectively, to €3,565 million and €765 million. In constant currencies, both revenues and ordinary EBITA increased 2%. Organic revenue growth was 1%, while the net acquisitions and disposals effect added 1% to revenues.

North American revenues (54% of total) grew 2% on an organic basis, slowing from 3% in 2012. Revenues from Europe (39%) declined 2% on an organic basis, improving from a 3% decline in 2012. Asia Pacific and Rest of World grew 5% on an organic basis (2012: 8%).

The ordinary EBITA margin was stable at 21.5%, following a margin increase in the second half of the year. Efficiency savings achieved in the year were absorbed by wage inflation, restructuring, investment in growth initiatives, dilutive disposals, and the effect of currency movements.

Ordinary net financing costs, excluding the employee benefits financing component, disposal gains on equity-accounted investees, and a write-down of financial assets available-for-sale, were €117 million, down from €121 million in 2012. Included in ordinary net financing costs was a €5 million settlement received in relation to a legal claim.

Ordinary profit before tax was €647 million, down 1% overall and up 3% in constant currencies. The effective tax rate on ordinary profits before tax was 27.6%, broadly in line with the prior year (2012: 27.7%), as guided.

Ordinary diluted EPS was €1.56, up 3% in constant currencies and in line with guidance.

IFRS Reported Figures

Operating profit increased 9% to €619 million, benefitting from a €47 million gain on disposals, mainly relating to the sale of Best Case Solutions.

Financing results amounted to €128 million (2012: €126 million). Financing results included net financing costs of €117 million, the employee benefits financing component of €5 million (2012: €5 million), a €12 million gain on the sale of our minority stake in AccessData and an €18 million write-down of an investment available-for-sale (Symphony Health Solutions).

Profit before tax from continuing operations increased 11% to €490 million (2012: €442 million) due to the increase in operating profits. The effective tax rate increased to 28.0% (2012: 24.7%) as a result of higher taxable income in the U.S. relating to the disposal gains. Profit for the year from continuing operations increased 6% to €353 million.

Discontinued operations generated a net loss of €7 million in 2013. Following the sale of our French Pharma-related publishing assets in September 2013, all assets that were recorded under discontinued operations in 2013 have now been completely divested.

Total profit for the year increased 11% to €346 million (2012: €311 million). Diluted EPS increased 11% to €1.15 per share (2012: €1.04).

Cash flow

Ordinary cash flow from operations was €727 million (2012: €766 million), down 5% overall and down 2% in constant currencies. As expected, the cash conversion ratio returned to a more normalized level of 95%, compared to the record level seen in 2012 (99%). This reflected a net working capital outflow related to the timing of payments and slightly higher capital expenditure of €148 million (4.2% of revenues) compared to €144 million in 2012 (4.0% of revenues).

Ordinary free cash flow was €503 million, down 1% overall and up 3% in constant currencies. This was better than expected mainly due to favorable timing of tax payments.

Cash use of Springboard provisions reduced to €10 million, net of tax (2012: €24 million). Acquisition spending, net of cash acquired, was €192 million, including €2 million related to earn-outs on past acquisitions. The majority of this relates to two acquisitions: Health Language, a medical terminology solutions provider acquired in January 2013, and now part of our Clinical Solutions unit, and Prosoft, a Brazilian tax and accounting software company, acquired in May 2013 and now part of our Tax & Accounting division. Both companies are performing well and in line with our expectations.

Cash proceeds from disposals, net of tax, were €63 million, and included Best Case Solutions, Access Data, and a number of smaller disposals in the Netherlands and Denmark. The divestment of our discontinued operations, comprising Pharma-related publishing assets in France, was also completed in 2013.

Cash dividend payments totalled €204 million, increasing from €92 million in 2012 following our announcement last year to move to an all cash dividend. We completed a €20 million share repurchase program during the year. The total number of shares outstanding at 31 December 2013 was 295.3 million.

Net Debt and Leverage

Net debt at December 31, 2013 was €1,988 million, a reduction of 5% (€98 million) from €2,086 million at year-end 2012. The net-debt-to-EBITDA ratio was 2.2 as of December 31, 2013, improving from 2.4 at year-end 2012, and better than our target level of 2.5.

Operating and Divisional Review

Our Health division performed strongly in terms of organic growth and margins, helping to mitigate a downturn in Financial & Compliance Services revenues.

Divisional Revenues and Ordinary EBITA *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Revenues					
Legal & Regulatory	1,447	1,485	-3%	-1%	-1%
Tax & Accounting	965	981	-2%	+1%	+1%
Health	775	745	+4%	+8%	+6%
Financial & Compliance Services	378	386	-2%	+1%	-4%
Total revenues	**3,565**	**3,597**	**-1%**	**+2%**	**+1%**
Ordinary EBITA					
Legal & Regulatory	313	327	-4%	-1%	-2%
Tax & Accounting	259	259	0%	+3%	+4%
Health	175	163	+7%	+11%	+7%
Financial & Compliance Services	64	73	-11%	-9%	-12%
Corporate	(46)	(48)	-4%	-4%	-4%
Total ordinary EBITA	**765**	**774**	**-1%**	**+2%**	**+1%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Total digital revenues across the group reached €2.2 billion (61% of total revenues), growing 5% organically. Total print revenues (23% of total) declined 8% on an organic basis. Services revenues, which includes training, events, consulting and other services, were stable.

Revenues by Media Format *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Digital	2,180	2,101	+4%	+7%	+5%
Services	561	567	-1%	+1%	0%
Print	824	929	-11%	-9%	-8%
Total Revenues	**3,565**	**3,597**	**-1%**	**+2%**	**+1%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

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Across the group, organic growth in subscription and other recurring revenues (75% of total revenues) accelerated to 2% (2012: 1%). Of this, digital and services subscriptions grew 4% organically, more than compensating for the ongoing decline in print subscriptions. Books revenue (9% of total) declined, with legal books offsetting relatively better performance in health and tax books. Corporate Legal Services (CLS) transactional revenues increased 8% organically, however Financial Services (FS) transactional revenues declined 7% organically (against a tough comparable of 19% organic growth in 2012) due to the downturn in the U.S. mortgage refinancing market.

Revenues by Type *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	**2013**	**2012**	**Δ**	**Δ CC**	**Δ OG**
Digital & services subscription	1,951	1,885	+4%	+6%	+4%
Print subscription	399	443	-10%	-8%	-7%
Other non-cyclical	338	342	-1%	+2%	+2%
Total recurring revenues	**2,688**	**2,670**	**+1%**	**+3%**	**+2%**
Books	304	329	-8%	-5%	-5%
CLS transactional	187	180	+4%	+9%	+8%
FS transactional	67	72	-7%	-5%	-7%
Other cyclical	319	346	-8%	-8%	-7%
Total Revenues	**3,565**	**3,597**	**-1%**	**+2%**	**+1%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Legal & Regulatory

- Corporate Legal Services (CLS), based in North America, achieved 5% organic growth.
- Excluding CLS, Legal & Regulatory revenues declined 3% organically.
- Ordinary EBITA margin down due to revenue decline, restructuring, and investments.

Legal & Regulatory *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Revenues	1,447	1,485	-3%	-1%	-1%
Ordinary EBITA	313	327	-4%	-1%	-2%
Ordindary EBITA margin	21.6%	22.0%			
Operating profit	311	262	+19%		
Net capital expenditure	48	43			
Number of FTEs	7,263	7,623			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Divisional revenues declined 1% in constant currencies and 1% on an organic basis. The effect of several disposals on revenues was largely offset by the transfer of certain U.S. publishing assets from Tax & Accounting (revenues €15 million) and small acquisitions during the year. The ordinary EBITA margin contracted by 40 basis points as a result of the revenue decline, wage inflation, dilutive disposals, restructuring costs, investments in growth initiatives, and currency movements. Operating profit increased 19% to €311 million, benefitting from a €47 million net gain on disposals, principally relating to the disposal of Best Case Solutions in May 2013.

Corporate Legal Services (30% of divisional revenues) achieved 5% organic growth for the year, supported by subscription and transactional revenue growth. CLS transactional revenues were up 8% organically for the year, but eased in the fourth quarter due to the tough comparable created by an M&A surge in late 2012. *CT Corporation* enjoyed strong renewals for its legal representation services. *CT Lien Solutions* UCC and Mortgage search and filing transactions saw further growth, albeit at a slowing pace as commercial lending growth rates declined. *Corsearch* expanded its product offering into online brand protection and broadened its international reach with two acquisitions, CitizenHawk and Avantiq. *TyMetrix,* provider of enterprise legal management software, launched its new user interface. Underlying margin improvement was reinvested in new products and services, including *Legal Analytics* which provides insights derived from aggregated legal billing and performance data.

Our European Legal & Regulatory operations (56% of divisional revenues) experienced 3% organic revenue decline, with the rate of decline abating from 6% in 2012. Nearly all countries in the region are still facing revenue headwinds. Digital products held up well, but this was more than offset by structural decline in books and print subscriptions, and cyclical weakness in advertising and other services. Efforts to achieve cost efficiencies and process improvements continued. The unit further advanced its portfolio of digital and workflow solutions. *Kleos*, our legal practice management software available in eight European countries, launched a tablet version at year-end.

Law & Business, our North American legal information services and software unit, was affected by the significant decline in U.S. law school enrollments as indicated in our third-quarter trading update. The unit saw positive growth in legal online offerings, driven by solutions such as *RBsource* for securities lawyers.

Tax & Accounting

- Software revenues (60% of divisional total) grew 6% organically, growing in all regions.
- Bank product fees, print subscriptions, and training declined.
- Ordinary EBITA margin up 40 basis points.

Tax & Accounting *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Revenues	965	981	-2%	+1%	+1%
Ordinary EBITA	259	259	0%	+3%	+4%
Ordinary EBITA margin	26.8%	26.4%			
Operating profit	178	181	-2%		
Net capital expenditure	49	53			
Number of FTEs	5,842	5,785			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Wolters Kluwer Tax & Accounting revenues increased 1% in constant currencies and 1% on an organic basis. The effect of Prosoft and other acquisitions on revenues was largely offset by a number of small disposals and the transfer of U.S. publishing assets from Tax & Accounting (revenues €15 million) into our Legal & Regulatory division. The ordinary EBITA margin increased 40 basis points due to product mix and tight cost controls. Operating profit was broadly in line with the prior year.

Tax & Accounting North America (54% of divisional revenues) achieved 6% organic growth in tax and accounting software subscriptions and transactions. This was partially offset by the expected decline in bank product fees and print subscriptions. Books were aided by a favorable publishing schedule. *CCH Axcess*, our new cloud-based software solution for CPA firms, has been well received and is helping to drive growth in software among tax preparers. Our online tax research product, *CCH IntelliConnect*, introduced enhanced functionality and mobile access, and was recently awarded the top rating by *CPA Practice Advisor*.

Tax & Accounting Europe (36% of divisional revenues) achieved modest but positive organic growth for the year, despite a still challenged economic environment in this region. Growth in tax and accounting software products in Europe offset on-going structural decline in books and print subscriptions as well as cyclical weakness in training and advertising. Twinfield, which develops cloud-based accounting solutions, achieved double-digit organic growth and is investing to expand geographically.

Tax & Accounting Asia Pacific & Rest of World (10% of divisional revenues) revenues were broadly stable on an organic basis as strong growth in tax and accounting software in Asia Pacific was offset by declines in print formats and training seminars in the region. In the Rest of World, Prosoft, the Brazilian tax software provider we acquired in May, is performing well in its first few months as part of the group, growing at a double-digit rate (pro forma).

Health

- Clinical Solutions achieved another year of double-digit organic revenue growth.
- Medical Research and Professional & Education posted positive organic growth for the year.
- Ordinary EBITA margin up 70 basis points, due to mix shift and initiatives to drive efficiencies.

Health *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Revenues	775	745	+4%	+8%	+6%
Ordinary EBITA	175	163	+7%	+11%	+7%
Ordinary EBITA margin	22.6%	21.9%			
Operating profit	140	136	+3%		
Net capital expenditure	44	39			
Number of FTEs	2,779	2,528			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Wolters Kluwer Health revenues increased 8% in constant currencies and 6% on an organic basis, following a stronger second half. The ordinary EBITA margin improved by 70 basis points, benefitting from the favorable mix shift towards Clinical Solutions and initiatives to drive operating efficiencies. Operating profit increased 3% to €140 million, mainly due to mix shift and initiatives to drive efficiencies.

Clinical Solutions (42% of divisional revenues) achieved organic revenue growth of more than 10%, with strong performances across all businesses. *UpToDate*, our flagship clinical decision support tool, achieved sustained double-digit revenue growth driven by additional specialties, mobile applications, and global expansion. The clinical drug information unit saw good growth supported by *Medi-Span* and *Lexicomp* in North America and *Medicom* in China. *ProVation* order sets and documentation software achieved double-digit growth. *Health Language*, acquired in January 2013, grew revenues at a double-digit rate (pro forma), in line with expectations. Wolters Kluwer Health ranked 3rd overall in the 2013 *Best in KLAS* awards for all Healthcare IT vendors.

Medical Research (39% of divisional revenues) saw modest organic growth, with positive trends for *Ovid*, our online medical research platform, and *Lippincott Williams & Wilkins* online journals partially offset by declines in print journal subscriptions. *Ovid* expanded its content offering during the year, including exclusive digital access to the *New England Journal of Medicine* in China. Our open access platform, *Medknow*, based in India, now has over 300 open access journal titles.

Professional & Education recovered in the second half and achieved slightly positive organic growth for the full year. Market trends for printed books remain weak, especially in allied health professions, but we gained share in the U.S. due to strong performance by our nursing education textbooks. Digital learning solutions, such as *PrepU, DocuCare* and *Lippincott Nursing Procedures*, achieved over 40% revenue growth. Four *Lippincott Williams & Wilkins* book titles won first prizes at the annual British Medical Association medical book awards.

Financial & Compliance Services

- Originations unit impacted by sharp downturn in U.S. mortgage refinancing volume.
- Finance and Audit both up 3% organically despite regulation delays and product rationalisation.
- Ordinary EBITA margin reflects revenue decline, restructuring costs, and investment in global expansion.

Financial & Compliance Services *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Revenues	378	386	-2%	+1%	-4%
Ordinary EBITA	64	73	-11%	-9%	-12%
Ordinary EBITA margin	17.1%	18.9%			
Operating profit	30	37	-18%		
Net capital expenditure	7	9			
Number of FTEs	2,339	2,358			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

Divisional revenues declined 4% organically, primarily as a result of a market-wide downturn in the U.S. mortgage refinancing market. The ordinary EBITA margin declined as a result of lower revenue, higher restructuring costs, and increased investment in platforms and global infrastructure. Operating profit declined 18%.

Our Finance, Risk & Compliance unit (43% of divisional revenues) achieved 3% organic growth for the full year. Delays in the implementation of key regional and global banking regulations slowed trends, although the month of December brought several important new contract wins. In December 2013, Wolters Kluwer Financial Services was ranked 4th in the Chartis Research *RiskTech 100* list, scoring high on customer satisfaction.

Our Audit business achieved 3% organic growth, more than absorbing the expected revenue attrition from the *Axentis* product rationalisation announced at the start of the year. Excluding *Axentis*, the core Audit software product, *TeamMate*, achieved 9% organic revenue growth and increased investment in its next generation platform.

Originations & Compliance (34% of divisional revenues) was impacted by a market-wide downturn in the U.S. mortgage refinancing market which began in the second quarter. As a result, Financial Services (FS) transactional revenues declined 7% organically for the year against double-digit growth in the comparable period (2012: 19%).

Conditions for our European Transport Services business (12% of divisional revenues) remain challenging and, as expected, underlying revenue trends remain negative. Significant restructuring and strategic repositioning were undertaken during the year, and trends are expected to improve in the second half of 2014.

Corporate

Corporate costs decreased 4% due to lower personnel costs and advisory fees.

Corporate *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012	Δ	Δ CC	Δ OG
Ordinary EBITA	(46)	(48)	-4%	-4%	-4%
Operating profit	(40)	(48)	-17%		
Net capital expenditure	0	0			
Number of FTEs	106	102			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Financial Statements for the year ended December 31, 2013, and 2012

This report has been prepared in accordance with IFRS. The full-year figures for 2013 and 2012 in this report are derived from the 2013 financial statements, which will be published on March 12, 2014.

Condensed Consolidated Statement of Income
Condensed Consolidated Statement of Comprehensive Income
Condensed Consolidated Statement of Cash Flows
Condensed Consolidated Statement of Financial Position
Condensed Consolidated Statement of the Changes in Total Equity
Notes to the Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Income

(in millions of euros, unless otherwise stated)

	Full year	
	2013	2012*
Continuing operations:		
Revenues	**3,565**	**3,597**
Cost of sales	1,143	1,170
Gross profit	**2,422**	**2,427**
Sales costs	674	680
General and administrative costs	1,168	1,165
Total operating expenses	1,842	1,845
Other operating income and (expense)	39	(14)
Operating profit	**619**	**568**
Financing results	(128)	(126)
Share of profit of equity-accounted investees, net of tax	(1)	0
Profit before tax	**490**	**442**
Income tax expense	(137)	(109)
Profit for the year from continuing operations	**353**	**333**
Discontinued operations:		
Profit/(loss) from discontinued operations, net of tax	(7)	(22)
Profit for the year	**346**	**311**
Attributable to:		
▪ Owners of the Company	345	312
▪ Non-controlling interests	1	(1)
Profit for the year	**346**	**311**
Earnings per share (EPS) (€)		
Basic EPS from continuing operations	1.19	1.13
Basic EPS from discontinued operations	(0.02)	(0.08)
Basic EPS	1.17	1.05
Diluted EPS from continuing operations	1.17	1.11
Diluted EPS from discontinued operations	(0.02)	(0.07)
Diluted EPS	1.15	1.04

*2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Condensed Consolidated Statement of Comprehensive Income

(in millions of euros)

	Full Year 2013	2012*
Comprehensive income:		
Profit for the year	**346**	**311**
Other comprehensive income:		
Items that are or may be reclassified subsequently to the statement of income:		
Net gains/(losses) on hedges of net investments and exchange differences on translation of foreign operations	(147)	(55)
Gains/(losses) on cash flow hedges	21	(25)
Items that never will be reclassified to the statement of income:		
Remeasurements on defined benefit plans	32	(29)
Income tax on other comprehensive income	(13)	9
Other comprehensive income/(loss) for the year, net of tax	**(107)**	**(100)**
Total comprehensive income for the year	**239**	**211**
Attributable to:		
▪ Owners of the Company	241	210
▪ Non-controlling interests	(2)	1
Total	**239**	**211**

*2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Condensed Consolidated Statement of Cash Flows

(in millions of euros)

	Full Year 2013	2012*
Cash flows from operating activities		
Profit for the year from continuing operations	353	333
Adjustments for:		
Total financing results	128	126
Share of profit of equity-accounted investees, net of tax	1	0
Income tax expense	137	109
Amortization, impairments, and depreciation	317	312
Additions to provisions	23	22
Share-based payments	14	15
Book (profit)/loss on divestments of operations	(58)	(9)
Fair value changes contingent considerations	(4)	-
Autonomous movements in working capital	(22)	16
Paid financing costs	(115)	(120)
Paid corporate income tax	(99)	(110)
Appropriation of provisions for restructuring	(33)	(55)
Other	(12)	(21)
Net cash from operating activities	**630**	**618**
Cash flows from investing activities		
Capital expenditure	(148)	(144)
Disposal of discontinued operations, net of cash disposed of	(10)	6
Acquisition spending, net of cash acquired	(192)	(109)
Receipts from divestments, net of tax	63	6
Dividends received	2	2
Cash from settlement of derivatives	6	(18)
Net cash used in investing activities	**(279)**	**(257)**
Cash flows from financing activities		
Repayment of loans	(378)	(176)
Proceeds from new loans	708	0
Repurchased shares	(27)	(133)
Dividends paid	(204)	(92)
Net cash from/(used) in financing activities	**99**	**(401)**
Net cash from/(used) in continuing operations	**450**	**(40)**
Net cash used in discontinued operations	**(3)**	**(28)**
Net cash from/(used) in continuing and discontinued operations	**447**	**(68)**
Cash and cash equivalents less bank overdrafts at January 1	215	282
Exchange differences on cash and cash equivalents and bank overdrafts	(19)	1
	196	283
Cash and cash equivalents less bank overdrafts at December 31	**643**	**215**
Add: Bank overdrafts at December 31	112	113
Cash and cash equivalents at December 31	**755**	**328**

* 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Condensed Consolidated Statement of Financial Position

(in millions of euros)

	December 31, 2013		December 31, 2012*	
Non-current assets				
Goodwill and intangible assets	4,592		4,651	
Property, plant, and equipment	124		138	
Investments in equity-accounted investees	31		61	
Financial assets	27		49	
Deferred tax assets	88		78	
Total non-current assets		4,862		4,977
Current assets				
Inventories	104		95	
Trade and other receivables	1,110		1,122	
Income tax receivable	33		34	
Cash and cash equivalents	755		328	
Total current assets	2,002		1,579	
Current liabilities				
Deferred income	1,214		1,233	
Trade and other payables	368		383	
Income tax payable	38		32	
Short-term provisions	33		58	
Borrowings and bank overdrafts	117		267	
Short-term bonds	700		225	
Other current liabilities	444		457	
Total current liabilities	2,914		2,655	
Working capital		(912)		(1,076)
Capital employed		**3,950**		**3,901**
Non-current liabilities				
Long-term debt		1,909		1,918
Deferred tax liabilities		321		252
Employee benefits		126		169
Provisions		10		4
Total non-current liabilities		2,366		2,343
Equity				
Issued share capital	36		36	
Share premium reserve	87		87	
Other reserves	1,441		1,415	
Equity attributable to the owners of the Company		1,564		1,538
Non-controlling interests		20		20
Total equity		1,584		1,558
Total financing		**3,950**		**3,901**

*2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Condensed Consolidated Statement of Changes in Total Equity

(in millions of euros)

			2013
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,538**	**20**	**1,558**
Total comprehensive income for the year	241	(2)	239
Share-based payments, net of tax	11		11
Cash dividend	(204)	0	(204)
Repurchased shares	(24)		(24)
Other	2	2	4
Balance at December 31	**1,564**	**20**	**1,584**

			2012*
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,542**	**21**	**1,563**
Total comprehensive income for the year	210	1	211
Share-based payments, net of tax	11		11
Cash dividend	(90)	(2)	(92)
Repurchased shares	(135)		(135)
Balance at December 31	**1,538**	**20**	**1,558**

* 2012 restated for IAS 19R ’Employee benefits’ and early adoption of IFRS 11 ‘Joint arrangements’.

Wolters Kluwer

Notes to the Condensed Consolidated Financial Statements

Note 1 Reporting entity

Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a market-leading global information services company. These condensed consolidated financial statements (‘financial statements’) for the year ended December 31, 2013, comprise the Group and the Group’s interests in associates and a joint venture.

Note 2 Basis of preparation

Statement of compliance
These financial statements do not include all of the information required for full annual statements, and have been prepared in accordance with International Accounting Standards as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission. The accounting policies applied in these financial statements are the same as applied in the 2013 Annual Report, which will be published on March 12, 2014.

The consolidated financial statements were authorized for issue by the Executive Board and Supervisory Board on February 18, 2014.

Use of estimates and judgments
The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense.

In preparing these financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to Wolters Kluwer’s 2013 Annual Report. The estimates, judgments, and underlying assumptions are being continuously evaluated and are based on historic experience and other factors, including expectations of future events believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Currency
The financial statements are presented in euro, which is the Company’s functional and presentation currency. Unless otherwise stated the financial information in these financial statements is in euro and has been rounded to the nearest million.

Exchange rates to the euro	2013	2012
U.S. dollar (average year)	1.33	1.29
U.S. dollar (at December 31)	1.38	1.32

Comparatives
Where necessary, certain reclassifications have been made to the prior year financial information and the notes thereto to conform to the current year presentation and to improve insights.

Note 3 Significant accounting policies

The accounting policies applied in these financial statements are the same as those applied in Wolters Kluwer's 2013 Annual Report.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013.

IAS 1 – Presentation of financial statements (2011 amendment)
As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that would be reclassified to the statement of income in the future from those that would never be. Comparative information has also been re-presented accordingly.

IAS 19 – Employee benefits (2011)
IAS 19 Revised ('IAS 19R') 'Employee benefits' (amended 2011) was adopted by the Group on January 1, 2013. The 2012 results were restated retrospectively. The main changes are:

- IAS 19R prohibits the deferred recognition of actuarial gains and losses on employee benefit plans (the so-called 'corridor method'). The removal of the 'corridor method' has no impact on the Group results as the Group already immediately recognized actuarial gains and losses in other comprehensive income.
- IAS 19R requires calculation of the net interest costs on the net defined benefit liability or asset using the discount rate measuring the defined benefit obligation. As a consequence, net interest income on plan assets is no longer based on the long-term rate of expected return, but based on corporate bond yields irrespective of actual composition of plan assets. This change results in a reduction of net profit if the discount rate applied to the defined benefit obligations is a lower rate than the expected return rate on plan assets.
- IAS 19R requires past service costs to be recognized in the statement of income in the period of a plan amendment. Under the former standard the portion of past service costs related to unvested benefits was deferred and amortized over the remaining average vesting period.
- The employee benefits financing component will be presented as part of financing results, rather than within operating profit as reported in previous years.
- IAS 19R no longer allows for accrual of future pension administration costs as part of the defined benefit obligations. These costs are expensed as incurred. Previously, the Company included for certain plans a surcharge for pension administration costs as part of the current service costs into the defined benefit obligations. With the adoption of IAS 19R this provision is eliminated resulting in a lower defined benefit obligation.

The Group's benchmark figures will exclude the net employee benefits financing component to better reflect the operating pension expenses related to the Group's pension and post-retirement plans.
The impact of the IAS 19R changes as described above results in an increase in the Group's equity by €1 million, and lowering of the net profit for the year by €10 million for the full year 2012.

IFRS 7 – Offsetting Financial Assets and Financial Liabilities (amendment)
The amendment to IFRS 7 requires disclosing information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar agreement. The adoption of the amendment to IFRS 7 did not have any impact on the consolidated financial statements.

The Group early adopted IFRS 10, 11, and 12 and the consequential amendments to IAS 27 and 28 to align with the IASB effective date of January 1, 2013.

IFRS 10 – Consolidated Financial Statements
IFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure of rights to variable returns from its involvement with the investee, and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10, the Group reassessed the control conclusion for its investees at January 1, 2013, and concluded that the change did not have any impact on the consolidated financial statements.

IFRS 11 – Joint Arrangements (2011)
Under IFRS 11, the Group's interests in joint ventures will be equity-accounted. Adoption of IFRS 11 resulted in a decrease of Group's revenues (€6 million) and operating profit (€2 million) for the full year 2012. There is no full year 2012 impact on equity and net profit.

IFRS 12 – Disclosure of Interests in Other Entities
IFRS 12 contains disclosure requirements for interest in subsidiaries and equity-accounted investees. The adoption of this standard did not have any significant impact on the disclosures in the consolidated financial statements.

IFRS 13 – Fair Value Measurement
IFRS 13 established a single framework for measuring fair value and making disclosures about fair value measurements. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurements guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding with above, the change had no impact on the measurement of the Group's assets and liabilities.

Note 4 Seasonality

Some of the Group's businesses are impacted by seasonal purchasing patterns. Revenues of Wolters Kluwer's tax and regulatory businesses are strongest in the fourth and first quarters, in line with statutory (tax) filing requirements. The cash flow is typically strongest in the fourth quarter as calendar-year subscription renewals are received.

Note 5 Benchmark Figures

Wherever used in this report, the term 'ordinary' refers to figures adjusted for non-benchmark items 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 from continuing operations. These figures are presented as additional information and do not replace the information in the statement of income and in the statement of cash flows. The term 'ordinary' is not a defined term under IFRS.

Reconciliation of benchmark figures
The 2012 comparatives in the below mentioned reconciliations of benchmark numbers are restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Reconciliation between operating profit, EBITA, and ordinary EBITA

(in millions of euros)	*Full Year*	
	2013	2012
Operating profit	619	568
Amortization of publishing rights and impairments	185	192
EBITA	**804**	**760**
Non-benchmark costs in operating profit	(39)	14
Ordinary EBITA	**765**	**774**

Reconciliation between financing results and ordinary net financing costs

(in millions of euros)	*Full Year* 2013	2012
Financing results	(128)	(126)
Non-benchmark costs in financing results	11	5
Ordinary net financing costs	**(117)**	**(121)**

Reconciliation between profit for the year and ordinary net income

(in millions of euros)	*Full Year* 2013	2012
Profit for the year from continuing operations attributable to the owners of the Company (A)	352	334
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	183	188
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(62)	(65)
Non-benchmark costs, net of tax	(6)	12
Ordinary net income (B)	**467**	**469**

Reconciliation between net cash from operating activities and ordinary free cash flow

(in millions of euros)	*Full Year* 2013	2012
Net cash from operating activities	630	618
Capital expenditure	(148)	(144)
Acquisition related costs	6	6
Paid divestment expenses	3	1
Dividends received	2	2
Appropriation of Springboard provisions, net of tax	10	24
Ordinary free cash flow (C)	**503**	**507**

Per share information

(in euros, unless otherwise stated)	*Full Year* 2013	2012
Total number of shares outstanding at December 31[1]	295.3	295.3
Weighted average number of shares (D)[1]	295.7	296.9
Diluted weighted average number of shares (E)[1]	299.5	300.7
Ordinary EPS (B/D)	1.58	1.58
Diluted ordinary EPS (minimum of ordinary EPS and (B/E))	1.56	1.56
Diluted ordinary EPS in constant currencies	1.61	1.57
Ordinary free cash flow per share (C/D)	1.70	1.71
Diluted ordinary free cash flow per share (minimum of ordinary free cash flow per share and (C/E)	1.68	1.69

1) In millions of shares.

Non-benchmark costs

(in millions of euros)	*Full Year* 2013	2012
Included in operating profit:		
Divestment related results	47	4
Additions to acquisition integration provisions	(6)	(12)
Acquisition related costs	(6)	(6)
Fair value changes contingent considerations	4	-
Total non-benchmark costs in operating profit	**39**	**(14)**
Included in financing results:		
Divestment related results on equity-accounted investees	12	-
Employee benefits financing component	(5)	(5)
Write-down of investments available-for-sale	(18)	-
Total non-benchmark costs in financing results	**(11)**	**(5)**
Total non-benchmark costs	**28**	**(19)**

Benchmark tax rate

(in millions of euros, unless otherwise stated)	*Full Year* 2013	2012
Income tax expense	137	109
Tax benefit on amortization of publishing rights and impairments	63	66
Tax benefit on non-benchmark costs	(22)	7
Tax on ordinary net income (F)	**178**	**182**
Ordinary net income (B)	467	469
Adjustment for non-controlling interests	2	2
Ordinary income before tax (G)	**647**	**653**
Benchmark tax rate (F/G) (%)	**27.6**	**27.7**

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	*Full Year* 2013	2012
Ordinary EBITA (H)	765	774
Amortization of other intangible assets	101	87
Depreciation of property, plant, and equipment	31	33
Ordinary EBITDA	**897**	**894**
Autonomous movements in working capital	(22)	16
Capital expenditure	(148)	(144)
Ordinary cash flow from operations (I)	**727**	**766**
Cash conversion ratio (I/H) (%)	**95**	**99**

Return on invested capital (ROIC) calculation

(in millions of euros, unless otherwise stated)	*Full Year*	
	2013	2012
Ordinary EBITA (H)	765	774
Allocated tax	(211)	(214)
Net operating profit after allocated tax (NOPAT) (J)	**554**	**560**
Average invested capital (K)	6,394	6,403
ROIC-ratio (J/K) (%)	**8.7**	**8.7**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros, unless otherwise stated)	*Full Year*	
	2013	2012*
Revenues		
Legal & Regulatory	1,447	1,485
Tax & Accounting	965	981
Health	775	745
Financial & Compliance Services	378	386
Total revenues	**3,565**	**3,597**
Operating profit		
Legal & Regulatory	311	262
Tax & Accounting	178	181
Health	140	136
Financial & Compliance Services	30	37
Corporate	(40)	(48)
Total operating profit	**619**	**568**

* 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'. 2013 also includes the effect of the internal transfer of certain publishing assets in the U.S. from Tax & Accounting to Legal & Regulatory.

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	*Full Year*	
	2013	2012*
Profit for the year attributable to the owners of the Company		
From continuing operations (A)	352	334
From discontinued operations (B)	(7)	(22)
Profit for the year attributable to the owners of the Company (C)	**345**	**312**
Weighted average number of shares		
in millions of shares		
Outstanding ordinary shares at January 1	301.9	301.7
Effect of treasury shares	-	0.2
Effect of issued shares	-	0.0
Effect of repurchased shares	(6.2)	(5.0)
Weighted average number of shares (D)	**295.7**	**296.9**
Basic EPS from continuing operations (€) (A/D)	1.19	1.13
Basic EPS from discontinued operations (€) (B/D)	(0.02)	(0.08)
Basic EPS (€) (C/D)	1.17	1.05
Diluted weighted average number of shares		
in millions of shares		
Weighted average number of shares (D)	295.7	296.9
Long-Term Incentive Plan	3.8	3.8
Diluted weighted average number of shares (E)	**299.5**	**300.7**
Diluted EPS from continuing operations (€) (minimum of basic EPS and [A/E])	1.17	1.11
Diluted EPS from discontinued operations (€) (minimum of basic EPS and [B/E])	(0.02)	(0.07)
Diluted EPS (€) (minimum of basic EPS and [C/E])	1.15	1.04

* 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'.

Note 8 Discontinued Operations

In 2011, Wolters Kluwer announced plans to divest its Pharma-related businesses and recorded these assets in discontinued operations. In September 2013, we completed the sale of certain Pharma-related publishing activities in France. Following this disposal, all assets that were recorded under discontinued operations have now been divested.

The following table summarizes the results from discontinued operations:

Pharma business

(in millions of euros)	*Full Year*	
	2013	2012
Revenues	20	70
Expenses	(25)	(82)
Operating profit	(5)	(12)
Income tax	2	5
Results from operating activities, net of tax	**(3)**	**(7)**
Impairment	-	(3)
Restructuring costs	(3)	(13)
Profit/(loss) on sale of discontinued operations	(4)	(1)
Income tax on loss on sale of discontinued operations	3	2
Result from discontinued operations	**(7)**	**(22)**

Ordinary EBITA for the Pharma business was €(5) million (2012: €(12) million).

Note 9 Acquisitions and Divestments

Acquisitions

Acquisition spending in 2013 was €192 million (2012: €109 million), including deferred and contingent consideration payments of €2 million (2012: €5 million). Acquisition related costs amounted to €6 million in 2013 (2012: €6 million). Acquisitions made in 2013 had annualised revenues of €65 million and ordinary EBITA of €20 million.

In 2013, the largest acquisitions completed were Health Language, Inc. (U.S.) in the Health division and Prosoft (Brazil) in the Tax & Accounting division.

On January 4, 2013, Wolters Kluwer acquired 100% of the shares of Health Language, Inc., a leader in medical terminology management (MTM), a rapidly growing segment of the point-of-care market. The acquisition is part of Wolters Kluwer Health's strategy to enhance its leadership position in the point of care market. Health Language provides customers with access to a comprehensive set of evidence-based disease and drug information knowledge platforms and software solutions; its products and services are highly complementary to those of Wolters Kluwer Clinical Solutions. Health Language is headquartered in Denver, Colorado, U.S., and has approximately 85 employees. The purchase price consideration, net of cash acquired, was €84 million. The entity has annualized revenues of approximately €23 million.

On May 20, 2013, Wolters Kluwer acquired 100% of the shares of Prosoft Tecnologia S.A. (Prosoft), a leading provider of tax and accounting software based in Sao Paolo, Brazil. The acquisition aligns with Wolters Kluwer's strategy to expand its leading, high growth positions. Prosoft is one of the largest tax and accounting software solutions providers in Brazil, with 250 employees, and serving all 27 states. The purchase price consideration was €85 million, including deferred considerations. The entity has annualized revenues of approximately €28 million.

Acquisitions

(in millions of euros)	*Full Year* 2013	2012
Consideration payable in cash	202	115
Fair value of previously held equity-accounted investee	3	-
Non-controlling interests	3	-
Deferred and contingent considerations	33	14
Total consideration	**241**	**129**
Non-current assets	171	102
Current assets	22	24
Current liabilities	(17)	(14)
Deferred tax liability	(53)	(18)
Fair value of net identifiable assets/(liabilities)	**123**	**94**
Goodwill on acquisitions	**118**	**35**
Cash effect of acquisitions:		
Consideration payable in cash	202	115
Cash acquired	(12)	(11)
Deferred and contingent considerations paid	2	5
Acquisition spending, net of cash acquired	**192**	**109**

The fair value of the 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 which will be completed within 12 months from the acquisition date.

The goodwill recognized for the acquisitions represents a payment in anticipation of the future economic benefits to be derived by Wolters Kluwer as a result of the acquisition. These future economic benefits relate to revenue opportunities (such as cross-selling) or cost efficiencies (such as sharing of infrastructure).

Contingent consideration

The acquisitions completed in 2013 resulted in a maximum undiscounted contingent consideration of €30 million, which mainly relates to Prosoft (€25 million). The fair value of the Prosoft contingent consideration at December 31, 2013, amounts to €23 million (of which €12 million is classified as short-term).

Divestment related results on operations and equity-accounted investees

In 2013, the Legal & Regulatory division made two divestitures in North America: Best Case Solutions (included in operating profit) and the minority stake in AccessData (included in financing results), in order to focus on areas of more strategic interest. The largest divestment was Best Case Solutions. The 2012 comparables included the sale of certain activities in the Netherlands.

Divestment related results on operations and equity-accounted investees

(in millions of euros)	*Full Year* 2013	2012
Divestments of operations:		
Consideration receivable in cash	59	6
Consideration receivable in assets	-	2
Consideration receivable	**59**	**8**
Non-current assets	15	3
Current assets	2	3
Current liabilities	(11)	(5)
Provision for restructuring commitments	(2)	-
Deferred tax liability	(1)	(2)
Non-controlling interests	(1)	-
Net identifiable assets and liabilities	**2**	**(1)**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	1	-
Book profit/(loss) on divestments	**58**	**9**
Restructuring of stranded costs following divestments	(9)	(5)
Curtailment gain on employee benefits	1	1
Divestment expenses	(3)	(1)
Divestment related results, included in other operating income and (expense)	**47**	**4**
Divestments of equity-accounted investees:		
Consideration receivable in cash	35	-
Carrying value of equity accounted investees	(23)	-
Divestment related results, included in financing results	**12**	**0**
Cash effect of divestments:		
Consideration receivable in cash	94	6
Paid corporate income tax	(31)	-
Receipts from divestments, net of tax	**63**	**6**

Note 10 Provisions for Restructuring Commitments

Provisions for restructuring commitments

(in millions of euros)	*Full Year*	
	2013	2012
Position at January 1	4	22
Add: short-term commitments	58	60
Total at January 1	**62**	**82**
Movements:		
Additions to provisions for restructuring	23	22
Additions to provisions related to discontinued operations	3	13
Total additions	26	35
Appropriation of provisions for restructuring	(33)	(55)
Appropriation for discontinued operations	(10)	-
Divestments of operations	(2)	0
Exchange differences and other movements	0	0
Total movements	**(19)**	**(20)**
Total at December 31	43	62
Less: short-term commitments	(33)	(58)
Position at December 31	**10**	**4**

Appropriations in 2013 relate to Springboard projects (€14 million), restructuring (€12 million), and acquisition integration projects (€7 million).

Note 11 Issuance, Repurchase, and Repayments of debt

In March 2013, Wolters Kluwer issued a €700 million senior Eurobond with coupon rate of 2.875%. Part of the funds raised were used to redeem the perpetual bond of €225 million in May, 2013.

The remaining net proceeds of the Eurobond (2013-2023) will be used to repay €700 million Eurobond (2003-2014) maturing on January 27, 2014, with a coupon rate of 5.125%.

In 2013, there were no repurchases of debt securities.

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	December 31, 2013	December 31, 2012
Gross debt		
Bonds	1,479	1,482
Private placements	384	421
Other long-term loans	7	1
Deferred and contingent acquisition payments	23	14
Total long-term loans	1,893	1,918
Derivative financial instruments	16	0
Total long-term debt	1,909	1,918
Borrowings and bank overdrafts	117	267
Short-term bonds	700	225
Deferred and contingent acquisition payments	18	5
Derivative financial instruments	0	1
Total short-term debt	835	498
Total gross debt	**2,744**	**2,416**
Minus:		
Cash and cash equivalents	(755)	(328)
Derivative financial instruments:		
Non-current receivable	-	(2)
Current receivable	(1)	-
Net debt	**1,988**	**2,086**
Net-debt-to-EBITDA ratio	2.2	2.4

Note 12 Share Buy-Back, Equity issuance, Dividends, LTIP

On July 9, the Company completed its previously announced share buy-back program. For the full year 2013 the Company repurchased 1,225,795 ordinary shares, for a total consideration of €20 million (average purchase price per share €16.32).

In 2013, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued.

The annual cash dividend of €205 million (2012: €90 million) was paid in May 2013. Of the 2012 dividend of €0.69 per share, 100% was distributed as cash dividend (2012: 45.3%).

The LTIP 2010-12 vested on December 31, 2012. Wolters Kluwer's Total Shareholder Return (TSR) ranked eighth 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 members and a pay-out of 100% of the conditional number of shares awarded to other senior managers. The shares were released on February 21, 2013, and equaled a total number of 1,141,748 shares.

The LTIP 2011-13 vested on December 31, 2013. Wolters Kluwer's Total Shareholder Return (TSR) ranked eighth relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of RTSR shares awarded to the Executive Board (conditionally awarded shares will decline by 30,687 shares). and a pay-out of 100% of the conditional number of shares awarded to other senior managers. The Wolters Kluwer EPS performance resulted in a pay-out of 150% of the conditional base number of EPS related shares awarded to the Executive Board (conditionally awarded shares will increase by 51,729 shares). The shares will be released on February 20, 2014, and equal a total number of 1,063,797 shares.

Under the 2013-15 LTIP, 1,659,206 shares were conditionally awarded to the Executive Board and other senior managers in 2013. In 2013, 444,712 shares were forfeited under the outstanding long-term incentive plans at year-end.

At December 31, 2013, Ms. McKinstry held 123,350 shares (2012: 123,350 shares). Mr. Entricken has no shares in the Company.

Divisional supplemental information
(in millions of euros, unless otherwise stated)

Legal & Regulatory			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	1,447	1,485	(13)	3	(28)	(38)
Ordinary EBITA	313	327	(6)	1	(9)	(14)
Ordinary EBITA margin	21.6%	22.0%				

Tax & Accounting			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	965	981	12	1	(29)	(16)
Ordinary EBITA	259	259	10	(1)	(9)	0
Ordinary EBITA margin	26.8%	26.4%				

Health			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	775	745	41	17	(28)	30
Ordinary EBITA	175	163	11	7	(6)	12
Ordinary EBITA margin	22.6%	21.9%				

Financial & Compliance Services			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	378	386	(14)	16	(10)	(8)
Ordinary EBITA	64	73	(9)	2	(2)	(9)
Ordinary EBITA margin	17.1%	18.9%				

Corporate			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	-	-	-	-	-	-
Ordinary EBITA	(46)	(48)	2	0	0	2

Total Continuing Operations Wolters Kluwer			Change *(in millions of euros)*			
Full Year	*2013*	*2012**	*Organic*	*Acquisition/ Divestment*	*Currency*	*Total*
Revenues	3,565	3,597	26	37	(95)	(32)
Ordinary EBITA	765	774	8	9	(26)	(9)
Ordinary EBITA margin	21.5%	21.5%				

* 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'. 2013 also includes the effect of the internal transfer of certain publishing assets in the U.S. from Tax & Accounting to Legal & Regulatory.

Wolters Kluwer

Divisional Revenues by Type *(All amounts are in millions of euros unless otherwise indicated)*

Year ended December 31	2013	2012*	Δ	Δ CC	Δ OG
Legal & Regulatory					
Digital & service subscription	680	678	0%	+2%	+2%
Print subscription	271	289	-6%	-4%	-6%
Other non-cyclical	49	51	-4%	-3%	0%
Total recurring revenues	**1,000**	**1,018**	**-2%**	**0%**	**-1%**
CLS transactional	187	180	+4%	+9%	+8%
Books	106	123	-14%	-13%	-12%
Other cyclical	154	164	-6%	-5%	-3%
Total Legal & Regulatory	**1,447**	**1,485**	**-3%**	**-1%**	**-1%**
Tax & Accounting					
Digital & service subscription	658	640	+3%	+6%	+4%
Print subscription	60	76	-21%	-21%	-9%
Other non-cyclical	155	167	-7%	-4%	-3%
Total recurring revenues	**873**	**883**	**-1%**	**+2%**	**+1%**
Books	48	50	-4%	0%	0%
Other cyclical	44	48	-8%	-5%	-2%
Total Tax & Accounting	**965**	**981**	**-2%**	**+1%**	**+1%**
Health					
Digital & service subscription	442	401	+10%	+15%	+11%
Print subscription	67	77	-13%	-9%	-9%
Other non-cyclical	54	50	+8%	+11%	+12%
Total recurring revenues	**563**	**528**	**+7%**	**+11%**	**+8%**
Books	150	156	-4%	0%	0%
Other cyclical	62	61	+2%	+6%	+1%
Total Health	**775**	**745**	**+4%**	**+8%**	**+6%**
Financial & Compliance Services					
Digital & service subscription	171	166	+3%	+6%	+3%
Print subscription	1	1	0%	+19%	+19%
Other non-cyclical	80	74	+8%	+12%	+8%
Total recurring revenues	**252**	**241**	**+5%**	**+8%**	**+5%**
FS Transactional	67	72	-7%	-5%	-7%
Other cyclical	59	73	-19%	-16%	-28%
Total Financial & Compliance Services	**378**	**386**	**-2%**	**+1%**	**-4%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.29); Δ OG – % Organic growth
* 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'. 2013 also includes the effect of the internal transfer of certain publishing assets in the U.S. from Tax & Accounting to Legal & Regulatory.

About Wolters Kluwer

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

Wolters Kluwer reported 2013 annual revenues of €3.6 billion. The group serves customers in over 150 countries, and employs over 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

Wolters Kluwer shares are listed on NYSE Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

For more information about our products and organization, visit www.wolterskluwer.com, follow @Wolters_Kluwer on Twitter, or search for Wolters Kluwer videos on YouTube.

Calendar

12 March, 2014	Publication of 2013 Annual Report
23 April, 2014	Annual General Meeting of Shareholders
25 April, 2014	Ex-dividend date
29 April, 2014	Dividend record date
7 May, 2014	First-Quarter 2014 Trading Update
13 May, 2014	Dividend payment date
20 May, 2014	ADR Dividend payment date
30 July, 2014	Half-Year 2014 Results
5 November, 2014	Third-Quarter 2014 Trading Update

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Forward-looking Statements

This 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.