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PRESENTATION

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

Hello, my name is Veena Fox Parekh. I'm the Content Manager for the corporate website of Wolters Kluwer. I'll be speaking today with Nancy McKinstry, our CEO, about her perspectives on the Company, our products and customers and developments in the information industry. Nancy, how would you describe Wolters Kluwer to someone who might not be familiar with the business?

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

What Wolters Kluwer does is we provide information, Software tools and Services to professional customers; doctors, lawyers, nurses, accountants. And the goal of our products and Services is to really help our customers stay up to date with the new developments in their field, help them get their daily work done and help them make better decisions. So we really see ourselves very much as a partner with our customers to help them be better professionals.

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

Nancy, you mentioned that the focus on customers is a very important part of Wolters Kluwer and your strategy. Can you talk about what does that really mean in actual practice? When you meet with customers, what do you talk about?

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

When I go out and I talk to customers, first, I ask them quite directly what are the challenges that they face in their daily work, where do they see their profession going, how can we, as a business partner working with them, help them in meeting those challenges and in driving their profession.

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

I've heard you say before that there is this unique connection between our quality content and our cutting-edge technology.

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

Yes. I think what we've really transformed in the business over the last decade, it started always from content. That was the history of who we are. We still have the premier brands, the best content in the marketplace. Over the last decade what we then done is develop strong technology capabilities. And that started initially by taking our products from a Print environment into a digital Online environment. So we've invested a lot around search technology and around having very strong Online products.

And we do that really, I think, in a very unique way. A lot of the Software that we build, whether it's in Tax or Legal or Health, it's taking our strong editors that we have within the Organization and coupling them with Software engineers and Software architects. And as a team they're really developing the product. And I think that speaks to the fact that, really, our Software is a combination of content plus technology that enables our professionals to get something done.

We're now developing more and more a central hub that our customers can use our tools and really connect to other players that they have to talk to from an electronic perspective to get their work done. So I think, over time, we've been really transforming the business, first, from Print into Online products, now, from Online into Software Solutions. And more and more into what I would call almost like an enterprise product line that connects with other stakeholders from a customer standpoint.

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

So it's not just about providing information, providing content, but also about facilitating networks to be developed between those professionals and --?

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

Exactly. What we see more and more is that our customers want us to help them collaborate, both with colleagues, but also connect in a network fashion with other people that they have to interact with, or other agencies, or institutions they have interact with in order to get their work done to access that hub where people want to connect into our products. And in order to facilitate that, you really have to have a strong leadership position. So that capability that we've been building over the last several years is really critical.

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

How do you see Wolters Kluwer changing and growing over the next five to 10 years?

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

Geographically, I think you'll see more of our revenues starting to come from Asia over the next five to 10 years. I think in terms of what we do for our customers you'll see us more and more, not just provide information, but also provide Sofwater and really help our customers manage the process flows that they have to manage in an end-to-end way. So we're really going to start focusing on managing the lifecycle of those -- the processes with our customers.

And I think the third thing you'll see is that we'll be focused much more on global lines of business, so that we'll be connecting in an organizational way some of our businesses that serve the tax and accounting markets across the world, Legal & Regulatory markets, Health etc.

Veena Fox Parekh - *Wolters Kluwer NV - Content Manager, Corporate Website*

What is most exciting for you about leading Wolters Kluwer?

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

First, I would say that we have very strong market positions so we're the leader in the core markets that we operate in. We have very strong brands, very strong product lines. The second thing is that our customers are really facing a lot of new challenges and the markets that they operate in are very dynamic. There's a lot of new information, there's a lot of new capabilities to help them in their daily work, so there's a lot of new opportunities from a customer standpoint.

And then the third thing is that there's a lot of innovation going on right now within Wolters Kluwer. We have committed to reinvest 8% to 10% of our revenues back in building new and enhanced products. So, as a result of that, when I go out into the operating units you can see a lot of that innovation going on in the marketplace, and that's very exciting. And then, finally, I think that we are really beginning to see our employees more and more work across divisions, work across geographies and really engage with their colleagues in very different ways, again, in order to really help build unique products for our customers, so that's very exciting.

Kevin Entricken - *Wolters Kluwer NV - VP, IR*

Good morning. I'm Kevin Entricken, the Vice President of Investor Relations for Wolters Kluwer, and I'm delighted to welcome you today to our Strategy Update Maximizing Value for Customers. Today's presentation will be delivered by our Executive Board, Nancy McKinstry, CEO and Chairman of the Executive Board, Boudewijn Beerkens, CFO and Member of the Executive Board and Jack Lynch, Member of the Executive Board.

Also joining us today you'll hear from some of the CEOs in our global businesses. Bob Becker is here from our Global Health & Pharma Solution business, Brian Longe, our Head of our Global Financial & Compliance Services business, Kevin Robert, CEO of our Global Tax & Accounting business, Donatella Treu, CEO of our Global Legal & Regulatory business and, Ian Rhind, CEO of our Governance Risk and Compliance business.

Today's presentation is being simultaneously webcast. For those of you who are joining us by webcast, you may ask questions during the question and answer section by using the icons on your screen. At this time, I'd remind everybody to read the forward-looking statement that's included on page two of our presentation today and in our press release. Now, with that, I'd like to get the event started and turn the floor over to Nancy McKinstry.

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

It's a pleasure for me to be here this morning to unveil our strategy for 2010 to 2012, Maximizing Value for our Customers. As Kevin indicated, I will go first with the program and then turn it over to Jack and the CEOs to talk more about the strategy. So, let's begin.

Our strategy for Maximizing Value for Customers builds on the strong foundation that we've established in the marketplace to be the professionals' first choice. And, as the slide shows, the strategy is really part of our evolution and transformation as a business. If you look back to 2004 our strategy for delivering value from our leading position really focused on leveraging our local market expertise to drive cost efficiencies throughout the businesses and really set the stage for driving growth by investing in Online and Sofwater products.

Our current strategy for accelerating profitable growth has really focused on producing high-quality solutions that help drive productivity for our customers. In that process we have continued to grow our Online and Sofwater revenues. Today, they account for over 50% of our total revenues. In addition, we have increased our focus on higher growth markets and have substantially increased our earnings per share.

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As we look to the future our focus will be on maximizing value for our customers. We will do this primarily by producing intelligent solutions that help our customers deal with complexity and drive efficiencies in how they work. It's important as we unveil this strategy to give you a sense of where we've come from.

So, to remind everybody, we've made increased investments in new products and platforms since 2003. And that commitment to reinvest approximately 8% to 10% of our revenues back in new products and platforms has been critical for driving growth and in bringing out some new innovative next-generation products. Just this past couple of years we've launched OvidSP in Health, which is their next-generation platform, and very recently launched IntelliConnect in Tax & Accounting which is the next-generation platform for those customers.

Importantly, we have made a number of key shifts in our portfolio to enhance the inherent quality of our business. As you can see from this slide we've increased the amount of our revenues that come from Subscription products. This is important because those Subscription products tend to add more value to our customers. They also provide us with more stable, predictable revenue streams and really have helped us provide, now, the platform for further growth.

As you can tell, the biggest part of transformation at Wolters Kluwer has really been the growth in our Online and Sofwater product lines. This shows you that since 2003 we've had significant growth and, today, more than 50% of our revenues come from these types of products. This evolution has really shifted more and more of our portfolio towards Software and Services. And this is quite critical for us because, not only do these types of products add more value to our customers, but they enhance our retention rates.

These products tend to be much more sticky than a typical information product and, as our retention rate grows, so does our profitability. And that adds significant value to our shareholders as it continues to provide us, again, not just with a platform for adding more value to customers, but also more value to our shareholders.

Acquisitions have been key for strengthening our market position. Since 2004 we've made a number of acquisitions across our divisions. Again, these have strengthened our businesses by giving us an entree into higher-growth markets. And these acquisitions have delivered solid financial results.

Very importantly, our transformation has improved our competitive position. Wolters Kluwer has significant global scale across all of the major markets that we serve. We are number-one provider on a global basis in tax and accounting and we hold very strong number-two positions in Legal & Regulatory and in Health. These strong global positions provide us, now, with a platform to deliver improved results, coming both from increasing the pace of innovation across the globe, but also in terms of increasing cost efficiencies throughout Wolters Kluwer. The strong transformation that we had in our portfolio has driven improved revenue and operating margin performance since 2004.

Now, as we look to future, our vision remains centered around the professionals. However, we're now sharpening our vision to be more focused on helping our customers deliver results efficiently. This is in direct response to the mega trends that confront our customers. And I was, in fact, just recently, last week, at our user conference where I spent time with about 1,200 tax accountants, and every one of the mega trends I'm now going to talk about, they spoke about. So these trends really affect all of our customers and they underpin our strategy for maximizing value for our customers.

First and foremost, all of our customers talk about the proliferation of information, the growing level of regulation and the complexity of compliance. As a result of that, we still are very focused on creating quality information and quality and accurate solutions because that is a basis to really differentiate ourselves in the market. Customers more and more are being paid for results. So if you look at our professional customers, historically, they were paid by the hour or paid for a specific expertise. Now, more and more, they get paid for what they produce and, as a result of that, they are increasingly focused on doing their work more efficiently and increasingly focused on productivity.

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In addition, all of our customers groups still face shortages of workers, of trained professionals that can join their funds and their businesses and so, again, as a result of that, they are very focused on, not just productivity tools, but, more and more, on what we would call intelligent solutions, meaning products that really help deliver value and deliver intelligence at the point of use. And then, finally, what we see is that there's a growing level of global professional standards and global regulatory frameworks that are really emerging in our professional spaces. The implication of that is that providers like Wolters Kluwer will be advantaged in the future because we do have a strong global footprint to leverage.

So our commitment and out customer promise is to be the preferred global provider of Information-Enabled Solutions that help professionals manage processes and deliver results effectively. Why is this critical for us? Well, first, it does reflect the fact that our customers are more and more paid for results. Therefore, they put a higher premium on information quality, accuracy and productivity. The second factor is more and more we see our customers address their work in a very common way across the globe. So even though the language may be different or the regulatory -- or the regulations may be different, the way they approach their work is increasingly common.

And Wolters Kluwer is very well positioned to deliver against this promise. Why is that? First and foremost, we have been investing and producing innovative workflow tools over the last couple of years. And we are well positioned to now extend those tools into producing intelligent solutions and, more and more, producing networks that allow our customers to collaborate, not just among their colleagues, but also, increasingly, between our customers and their clients and other stakeholders in the process.

So as we deliver against that -- this promise the core will always be high-quality proprietary information. That still is the core value proposition of everything that we do at Wolters Kluwer. Over the last several years we've been embedding that information into tools and solutions. Now, the next frontier for us will be driving towards building intelligent solutions that help our customers automate processes and, more and more, really manage the lifecycle of their work. And, over time, we will continue to push into networks. And by that, again, what we mean is connecting our customers with each other, but also, very importantly, with their clients, with government entities and with other stakeholders that they have to interact with in order to complete their work.

So our strategy for Maximizing Value for Customers dictates three strategic priorities, first, delivering value at the point of use, second, expand solutions across customers, processes and networks and, three, raise our innovation and effectiveness through global capabilities. So I'd like to begin by telling you a little bit more about what do we mean when we say deliver value at the point of use.

It's key to us that customers increasingly expect us to provide more value at the point of use. What this means is that there's, then, really a fundamental shift in our market. Customers expect now that we understand what it is that they're trying to accomplish. And so in the past we could just push out information and expect that our clients would access that information in a way that made sense to them. Now, more and more, they want the information to be delivered at their desktop based on the work that they're doing. So they really have this expertise -- or expectation that, not only do we filter information, but, more and more, we provide them with the precise authoritative answer that they need in the context of what they're doing.

The second shift has been from just Information-Enabled Solutions, again, to more and more intelligent solutions and that intelligence is based on two things. One, again, understanding the context upon which they work, but also more and more understanding how they automate and the process flow that they're undertaking in order to complete that activity. So what has really happened is that there's been a fundamental shift from value that was once placed on just customers being able to access significant amounts of data, to now value being placed on the right answer at the right time in the context of what the customer is doing.

Let me show you an example of what this means in practice. This is a product that we have in Italy. And what it does is it gathers all of the Italian legislation, Italian [treatus] material, everything that the Italian lawyer needs to do in order to perform their tax. What this does is the customer answers a couple of questions and that's over here, where it says si or no, yes or no.

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And based on what they answer the product brings back, not just the relevant information based in the context of what the client -- customer is doing but, very importantly, the tools and the work products that the Italian lawyer accesses is based on what they're trying to accomplish. So the system is, essentially, intelligent. Intelligent based on, again, not just giving the information that they need in the context of what they're doing but, very importantly, providing them with the tools that they will access in order to perform the work and, ultimately, that is what they're paid for.

Now I'd like to talk about the second strategic priority, which is to expand solutions across processes, customers and networks. What's critical for us is if we follow the workflow and the transactions of our customers, what you see is this provides us with a natural path for expansion and a natural path for growth. This is an example from our Financial Services business. This follows a mortgage transaction from the time the customer walks into a bank to secure a mortgage, all the way through the mortgage getting created and then serviced.

What we do today is we provide all of the information and tools at each step in this workflow but, very importantly, we do that in an integrated way. So, from a customer standpoint, they buy our product and they can use that product to perform or to conduct a mortgage transaction. And they can be assured that that transaction is in full compliance with State [and] regulation but, very importantly, they can perform this transaction in an extremely efficient way. And, again, productivity has been -- has become absolutely essential to driving profitability across all of our customers.

More and more what we will be doing is focused on markets where we can create a hub solution and really begin to connect our clients throughout their work steps. This is, again, an example from Financial Services. What do we mean by a hub? Well, if you actually follow a lender in a financial institution, what you find out that the most important workflow tool that that lending officer has is his compliance-origination platform. We produce a Sofwater product that allows the customer to originate loans. That's how banks make money. So that's the hub product from a customer standpoint.

What we do then is we wrap around that hub a set of Services that the customer needs to use in order to generate that loan. So you can see things like collateral verification, you can see things like checking the creditworthiness of the client. What this picture depicts is that we will always own the hub and we will own critical pieces around the hub; that's what's marked in the light blue. But, very importantly, we will look to partner for some activities where we are not necessarily the leader in that market, like credit scoring and credit verification.

What's important from our perspective is we're able to connect all of these activities together to produce one solution for the customer that they buy and they use to create significant productivity in their work. What we get at Wolters Kluwer is we get a very sticky application with a very high retention level. And by connecting all these Services, both through our own applications and partnerships, we can participate in the entire revenue stream that makes up an origination loan -- or originating a loan. So that's what we mean when we talk about hubs.

The ultimate Holy Grail for us is to deliver a lifecycle solution. More and more, when we talk to customers what we discover that they may be working on one transaction during a course of a day, but over time they're really looking to manage the lifecycle of that transaction. And these are two examples from our Corporate Legal business, both on the Trademark side as well on the Lien, which is associated with the lending side of our business. And what this shows is that we have, again, put together a set of solutions that are all integrated, that allows the client to go from stage one, which is screening trademark, all the way through to searching, filing and then, very importantly, watching and monitoring that trademark to make sure there is no infringement down the road.

So, again, what does this do for customers? It's one solution that allows them to be very efficient in their work and, for Wolters Kluwer, what this has allowed us to do is go from just earning revenue from a specific transaction to, now, earning a Subscription revenue stream by providing tools across the lifecycle of what it means to have a trademark.

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Now I'd like to talk about the third part of our strategy which is to raise innovation and effectiveness through global capabilities. We will be aligning our Organization around our leading global market positions. So we will reorganize under four divisions; Legal & Regulatory, Tax & Accounting, Health & Pharma Solutions and Financial & Compliance Services.

This organization will allow us to gain efficiencies and to really drive innovation at a higher level. This will occur, not just by leveraging technology platforms and rolling out global products but, very importantly, taking advantage of the fact there is a convergence of customer needs across the globe. So by aligning ourselves along our global positions we can share common product concepts, we can share our knowledge around customer needs across the business units and, finally, we can engage around a common set of metrics and management across the globe.

The strategy for Maximizing Value for Customers will also drive value for shareholders. We believe that we will be successful at driving double-digit growth in Online and Sofwater solutions over the medium term. By the end of our planned period here of 2012 we will achieve more than 75% of our revenues coming from Subscription and non-cyclical products. And we will also continue the transformation of our portfolio as it relates to Online Sofwater and Services. So our goal is that, again, by the end of this strategy, more than 75% of our revenues will come from these types of products. All of that adds value, not just, again, to our customers, but also our shareholders.

So our strategy for Maximizing Value for Customers is the natural next step for us as Wolters Kluwer and we're quite excited about this next phase. And I'd now like to turn it over to Jack Lynch, who will talk more about enabling technology that will support this strategy.

Jack Lynch - *Wolters Kluwer NV - Member, Executive Board*

Thank you, Nancy. Good morning. My objective today is to talk to you about how technology-ensured Services will support the strategy that Nancy has just outlined. And what I'd like you to take away from my presentation are really three critical points.

The first is that we'll be using technology to create context-aware solutions that will deliver value to customers at the point of use. The second is that we will be using open architectures that'll allow our customers to interoperate, communicate with one another, across intelligent work processes. And the third is that we will be leveraging global capabilities to do two things. One is to transfer innovation across geographies. And the second is to increase the effectiveness of our operations by better exploiting our global scale.

So let me begin with the first; deliver value at the point of use through smarter context-aware solutions. This actually really builds on a natural advantage that we have at Wolters Kluwer, and that is a deep vertical market insight. And so if you think about context-aware computing, Sofwater, typically, does not -- is context unaware. It's not aware of what's going on inside of the context to the end user. It relies on the direct inputs of the end user in order to operate. And what context-aware Sofwater does is it senses indirectly relevant information and then acts upon that indirectly relevant information.

So, for example, for all of us that have cell phones, if you have a context-aware cell phone and you happen to be in a movie theater and the lights dim, the ringer on your phone will automatically shut off. You don't consciously need to know if you've shut it off because your cell phone is sensing its position in a move theater, and also sensing that, as the lights dim, to go ahead and turn off the ringer on your cell phone.

So how does that apply to Wolters Kluwer within our -- the strategy that Nancy just outlined? This is an example with clinical decision support. As you can see, we have a clinical decision support solution that interoperate with electronic medical record systems that can -- that contain the patient record information. And what we've done is we've created context-enriched filters on our content, so, by role, by patient type, by the action that a physician wants to take.

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And when, for example, a physician has a patient that has a lab result that shows high lipid levels or high cholesterol, rather than giving them all the information that's synthesized on their own, we give them the directly relevant information to that particular patient's high lipid level, cholesterol in the treatment section of our content. We bring them to how they treat high cholesterol. So that's an example of context-aware computing within one vertical market. There are many other examples throughout all of our verticals.

I'll give you just one other, and that happens to be within loan origination. We have mortgage documentation Services that interoperate with loan-origination systems. They go out to those loan origination systems, get information about a particular lender, go ahead and apply rules to the information that they capture from that loan origination system. And that automatically creates a relevant document for that particular debtor and to go ahead and produce the loan documentation package. That's another example. There are many more in all of our vertical markets. So that's an example of creating value at the point of use.

As Nancy mentioned, increasingly, we're not only adding intelligence to the solutions at point of use, but now we're acting more and more as a hub, orchestrating activities across an extended enterprise through an intelligent process. And what that requires from Wolters Kluwer is an ability to use open architectures that allows people performing different roles in this business process to communicate with one another through a connectivity platform and a workflow platform that recognizes the work that's being done by others performing different roles in that work process.

And so what that means for us from a technology standpoint is that we need to move from traditional -- the traditional model of closed proprietary systems that automate a discrete activity and are black-box, standalone, monolithic systems that don't talk or play nice with other systems, to the emerging model of open and interoperable systems that automate an entire process and allow easy interoperability between our customers and disparate systems that our customers use.

So I'll give you one example of how we're embedding intelligence with the process. This happens to be from an on-demand transport network business. And what we've done is we've created an, essentially, logistics echo system, automating an entire supply chain for a manufacturer from the supplier to the carrier to retail distribution centers, embedding intelligence along the way across this process. Different parties, different entities are all performing different roles in this process.

So, for example, when a carrier makes a shipment we will automatically notify the manufacturer that shipment's been made. By the same token, if there's a change in the process, an unplanned change like a capacity bottleneck at a delivery station, then we also notify the carriers, the shippers, the suppliers. So, again, that's one discrete example of how we're embedding intelligence across an extended enterprise. We perform the role as a hub.

And this happens to be what we're seeing increasing in our portfolio, Sofwater as a service. In the cloud we are actually orchestrating these activities. Our customers plug in to us. We manage inoperability. They don't have to invest in hardware and Sofwater and they pay for that service on an on-demand utility based pricing model. So, again, Sofwater as a service, as Nancy mentioned, is a fast-growing segment of our portfolio. And this happens to be a major part of our strategy to embed intelligence in an extended enterprise.

So, last, what I want to leave you with is the global capabilities that allow us to transfer innovation across geographies and then also increase the effectiveness of our operations by better exploiting global scale. And this is an example. You've all heard of Global Atlas. This past March we actually released IntelliConnect operating on Global Atlas for our Tax & Accounting division in the United States. And I think what's significant about this is that it took us over three years to develop this platform.

But once the platform was developed and IntelliConnect was released in March, three months later we launched China, Australia and India, and three months after that we launched Financial Services. So, in effect, we're using common platforms, not just in this particular example, but in each of our four verticals, common platforms that travel across geographies. So we don't start from zero each time and build the entire technology stack. We use that common platform and then adapt locally to local market conditions. And that's what we achieve with global platform leverage. It's not just time-to-market savings, cost-reduction savings,

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but really focusing and concentrating our R&D effort in a particular platform and then publishing out that innovation, transferring that innovation globally.

So in this particular example the main innovation domain is vertical search. We want to be world class at vertical search for our core markets, Legal, Tax, Professionals. And, in order to do that, we invest a lot in semantic analysis, natural language searching, those key capabilities that you want to invest once in and use throughout the entire enterprise.

Now I'm going to move to operations. As all of you know, Springboard has been our chief operational excellence initiative that we've used to drive sustainable margin improvements. I am pleased to say that we're actually increasing our outlook on savings for this program from EUR120m in run-rate savings by the end of 2011 to between EUR140m and EUR160m over the same period.

And what we've seen is in each of these five work streams we've actually done better than we initially planned that we were going to do when we began the program a year ago. And also what we're seeing is additional opportunities to leverage our scale and, in particular, leverage our scale by building a global back office. So I want to take a couple of minutes to talk to you about what I mean by global back office. There are really two major features of a global back office, the first of which is an infrastructure-delivery network.

Right now, I think, as you know, we have consolidated our infrastructure, our data centers in North America, into two centers, from 37 to two centers. We have yet to do that in Europe. The same opportunity exists for consolidation. In North America we are now beginning to virtualize those consolidated physical servers so we will run the same play, if you will, in Europe, where we'll consolidate first and then virtualize. And we'll end up with a global infrastructure network in three regional centers, one in North America, one in Europe and one in Asia Pacific.

The second element here is a Services delivery network. All of our back-office functions have scaling opportunities, whether it's Finance & Accounting, Procurement, Human Resources, Application Development, Support and Maintenance for our back-office applications, we believe there's a great opportunity to consolidate those functions in Global Shared Services.

So, in summary, technology-ensured Services will support the strategy that Nancy outlined a few moments in three discrete ways. One is we'll be using technology to create smarter context-aware solutions that will deliver value to our customers at point of use. The second, we will create open architectures that expand solutions and embed greater levels of intelligence in the process itself. And then, finally, we'll be using global capabilities that transfer innovation across geographies and increase the effectiveness of our operations by better exploiting our global scale.

So thank you very much. Now I'd like to turn it over to Donatella Treu, our CEO of our Global Legal & Regulatory Business.

Donatella Treu - *Wolters Kluwer NV - CEO, Global Legal and Regulatory*

Thank you, Jack, and good morning to everybody. I'm more than pleased to give an overview of our Legal & Regulatory market. And let's start from underlining that the market is quite big and Wolters Kluwer has the second -- is the second player, having 11% of market share. And this important goal is reached because we have a very powerful brand across the globe. And, on top of that, richness of our product portfolio is very strong and very complete because we are still offering integrated solution that combined Research, Software and Services.

What I consider very important and very solid is the fact that 70% of our revenue comes from Subscription-based products which, as you can imagine, give us the opportunity to foresee future in an easy way in the sense that we can exploit a very solid base of client that currently subscribes our solutions. On top of that what I would like to say to you is that 60% of our revenue is coming from Electronics. What does it mean? It means that the strategy that we started to apply in the past year to move from clean to electronic products has become a success.

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Let's move to the mega trends that are impacting our vertical. As those mega trends are pushing Wolters Kluwer in order to move from deliver pure information research to offer to our customers [professional] solution that could help them in managing the complex processes that they are facing every day. Let me say that the first two mega trends are linked to the cost; something very important in these economic crisis periods. And costs for corporation means that what they want to do is to try to reduce the legal costs that they currently have, which immediately create a direct impact for the law firm that are trying to shift their time-based billing versus fixed costs.

The second way that the law firm are impacted by the cost is the fact that they need to maintain their profitability on top of the revenue and, in order to do that, they need to find solution in order to become more and more efficient and in order to have an increase in their productivity. The third mega trend that you can see is one that everybody knows because it's not new. And it's related to the fact that, more and more, we have free information available on the Web, which imply that our information solution needs to produce immediately, in a very clear and strong way, the added value for the customer.

And added value in this sense means that we need to show in which way they help to do their stuff in a very efficient way. And let me say that our portfolio, as already Jack mentioned, has not only a lot of type of content. And more and more, as you know, we are moving from primary source to really how-to content, really added-value content. But, on top of that, the engine, the search engine that we have developed in our solution is something that helps customers to find in a bigger amount of documentation exactly what they want in this specific moment.

The fourth mega trend is the fact that regulation come up every day and they are so important. What is more important is the fact that corporation need to be sure that these new rules are updated in the Company. Let me say that in Italy, for example, the CEO, if it's not capable to demonstrate that a very clear and strong process in order to have [a product] is in place, it's personally liable and, more important, is criminal responsible for what could happen in the company, so a big and strong implication in that sense.

And the last mega trend there are an increase in the development of direct-to-customer tools. What does it mean? It means that if lawyers or advisor want to continue to deliver and to cover this stuff, they need to become more and more efficient because, otherwise, they are not competitive at all with those tools that the customer can find easily on the market.

What does it mean in term of our True North? It means that in this context, what we want to do is to support legal, regulatory and compliance professionals in order to executing and managing the complex and repeatable processes that every day they have in front of them. And we can take advantage about what? About the fact that we are the second player in the market, the fact that we have a very unique set of information based on transactions, the fact that the mega trends show that there are an increasing demand of productivity which means an increasing demand of automated solutions. And then what Wolters Kluwer has done is the fact that we have developed very solid, very innovative platforms like ELSA, like Global Atlas, like point of solution for specialty area like Best Case in -- for bankruptcy, that allow us to continue to grow in a very good way.

Who wants to serve Wolters Kluwer? Wolters Kluwer will continue to serve legal firms, corporate legal offices and compliance professionals in which -- in order to try to render the life better, which means to try to reduce the complexities of the processes that they need to manage. And the core elements of our offer are four.

Let's start to the four -- the most important one, research. As I mentioned, the quality of our research has increased in the past, but we want more and more to increase the quality. And quality means the productivity and the effectiveness of our search. The second is that we want to offer to our customers compliance tools and all the information related to that in order to help corporation to know which are the rules that they need to follow but, what is more important, in which way these rule need to be apply in the corporation. And this could be done in a very automatic way and, later, I will show an example that could better explain this concept.

As a third component we want also to offer to our customer practice management tools, which means that we want to automize (sic) the repeatable tasks for lawyers and, in this case, we are talking about practice management software or harder tasks like

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bankruptcy software who can cover this type of topic. And last, but very, very important, is that we want also to offer transactional tools that could automize (sic) the exchange of documentation and communication between courts, public administration, third party involving the process that you can immediately understand could have a direct impact in reducing the costs.

And, now, let's move to the example, the which one I like more because those are concrete and tangible elements that show you in which way our strategy is applied across the globe. Let's start with ComplyTrack. I love this product. Why? Because it's a very concrete way we can demonstrate to you in which way we create value for the customer when he use this product. This product has been developed in the US and, in particular, is addressed for the Healthcare Institution covering all the healthcare requirements.

After a survey we have installed this program in 8,000 hospitals. And let's say that we have made customer survey and the customer satisfaction was really extremely high. Why? Because using this product our customers have seen a very concrete increase in the efficiency of their activities. What this ComplyTrack does? ComplyTrack tries to cover in an automated way two key processes. One is the [service]. What's happened when a new role at -- was introduced in a certain area? The compliance professional need to be update on the law, need to understand the law and then the fact that the product is linked with our content could help him in understanding in which way these rules need to be applied. And then he will prepare a document that, signed by the supervisor, need to be sent to all the employees to be sure that everybody know it but, more important, acknowledged it.

And then, in the meantime, the automated solution helps the professionals to create a training program that all the employees need to follow. And the system also tracks how many employees have followed the course, which means, at the end of the day, it tracks all the elements just in order to be sure and to give the assurance to the compliance professional that everything is done in a right way in order to avoid problems for the corporation.

The second element that is followed -- the second process, let me say, that is followed by ComplyTrack is that, in any case, an accident could happen. And in the case an employee send a letter saying that something went wrong, the system track all the investigation that the company's obliged to do but, on top of that, he tracks all the elements and he creates a report in an automated way that will become storage in the compliance manager offices, and then help him in order to identify if the processes that he has in place in the first part are sufficient to avoid to [have] programs or he need to do something else.

What's rendered this product, for me, unique is the fact that there is an engine under this product so we can also consider a platform, because we can apply this system also in other specialties where Wolters Kluwer has a leading position in term of information. And, on top of that, what is important is that this type of platform could be across the globe in a very easy way because everybody, everybody means all the corporation across the globe, have processes like this, so I like very much.

Now, an Italian product, and you know that I'm come from Italy so I'm very proud to talk about Pluris. What is Pluris? Pluris is a way that we try to create intelligent solution for our market. And Nancy mentioned that is a critical point for us. It's an intelligent solution for many reasons. Let me say the first one that I consider more important.

Because it's a solution where a lawyer can find everything he needs in order to cover each task. So he can find content and he can find traditional content -- if he want to make an advisory he can start to make the traditional search, going across commentaries, journals, etc. But what is more important is that Itinera Luris is in. And if he want to manage process he can find a really intelligent solution that could help in order to increase their productivity. But if, in the meantime, if he want, he can find in this solution some software tool, sometime very simple but, you know, simplicity doesn't mean that it has no value. On the contrary, some simplicity instruments like the calculations for damages or for legal interests are very useful in the application because you can immediately link content and software tools, having a great result.

On top of that, we are also storage all the books that we have published since 2006, so the research you can do across in using this product is very, very large. But the key element is that the customer can choose the Pluris version that he needs based on his specific needs and his specific spending capability. So it combine capability of delivering and covering our tax, but is the

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time based on the spending capacity of customer. And this, I think, is the innovative concept that we introduce in Pluris, and we believe this concept can go across the globe successfully.

Let's talk about the search element, search example. We want to exploit our platform across the geography and ELSA is the best example I can show you. Why? Because ELSA is a software that we have developed in order to cover all the tasks for the law offices, like document, [practice] case and knowledge management, and litigation.

And what under ELSA unique is the fact that it's developed in a SaaS solution, but it could also be implemented local. It's based on modules, which means that the customer can choose what they want based, again, on their needs and their -- the tasks that they want to cover. It's very easy to adapt to the local needs because we have developed in a multi-language which means that, currently, we have launched this product in Belgium under the brand, Kleos, but become very easy and we are progressing quite well with a high velocity in order to deliver the product also for the other geographies. And, again, it's fully integrated with our research content, which means that, again, is a solution that we can offer to our customer in order to increase their productivity very, very well.

So I try to summarize what I said and I want to leave you having some points clear in mind. We will continue to serve law firm, compliance professionals and legal corporate departments. Then the way we want to do that is continuously offering solution that could drive their efficiency to become more and more, and the productivity that is something that they need an extremely way. As a third component where we want to go, we want to reinforce the position that we currently have, that is very strong, because we are the number two. And we want to explore the opportunity in the emerging market like Central and Eastern Europe and Asia.

Let me say that I believe that with this clear strategy and with the example that I show you, the Legal and Regulatory market could grow in the future in a good and very profitable way. So, thank you for the attention. And now it's a pleasure to introduce my colleague, Kevin Robert, the Global CEO for Tax & Accounting business. Thank you very much.

Kevin Robert - *Wolters Kluwer NV - President and CEO, Global Tax & Accounting*

Thank you, Donatella, and good morning, everyone. I'm going to spend the next 15 minutes or so talking about how Wolters Kluwer Tax and Accounting is going to execute on our global strategy.

Wolters Kluwer enjoys the number-one worldwide market share position in the global and Tax and Accounting market. We have strong positions in professional service firms in both the United States and also in Europe. In fact, when you look at our revenues they're almost equally split between both North America and Europe. We're in 26 countries, with 11 of those countries carrying the CCH brand.

Now let's take a look at those mega trends that are impacting our business. The mega trends are similar to some of the information that you heard from Donatella a few minutes ago. First one, commoditization of business activities. Accounting firms are increasingly under pressure to bill in fixed fees, which means that this causes a huge driver for productivity. Firms have to drive productivity in order to be able to meet their profitability goals.

Staffing shortages. According to the American Institute of Certified Public Accountants 75% of their membership will be eligible to retire within the next 10 years. Well, this follows the basic demographics that we see in populations across the globe. Now, there's also not enough new entrants coming into the marketplace to fill that gap. Again, so what does this mean? More pressure to do more with less.

Regulatory complexity. This will only continue with new laws coming out every day and increasing with issues, such as the global financial crisis, we see this as a big driver. So how do you stay up to date? How do you manage that knowledge, particularly when you start thinking about all of the experience, from the older professionals that are retiring, walking out the door?

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Free information. We think high-quality proprietary information is still going to be the key differentiator. It's not going to be enough just to reproduce what's currently on the Government Agency website. You're going to have to add commentary. You're going to have to add added value. This is going to be essential to put this information in the context of the tax and accounting professionals' workflow.

And eGovernment; we're seeing more and more government agencies now put up tools to do your own tax return online. So what does this mean for us? It means that we're going to have to move more towards the intelligent solution and to be able to extend those networks from the accounting firms into their clients. We think we're well positioned to drive that evolution from information and point solutions to connected solutions and drive actionable results.

So now let's take a look at our True North. Our market positions in mega trends lead us to a True North, which is to be the preferred provider of solutions that effectively manage the results for tax and accounting professionals. We're going to be able to leverage our number-one position in the marketplace and move from point solutions to end-to-end extended and connected solutions, and we're well underway in driving those solutions today. In fact, in a few minutes I'm going to show you an example of one of our latest product releases.

And as the commonality of processes takes place on processes driven by customers' needs across the globe, we can further leverage these solutions. Now, think about this for a second. The process of conducting an audit is the same from geography to geography. The process of how a firm manages their business internally is pretty much the same from geography to geography. Even producing a tax return, the process is the same. You might think, okay, well, wait a minute; doing a tax return is driven by local laws, right? And that's true, but the process of producing that tax return is very similar from firm to firm.

And we're well positioned to deliver on the collaboration and connectivity needed between clients and their firms and the government, and then the extended network and, again, this is what's needed for the professional tax and accounting to really drive productivity. So this is the graphic of our True North. We're going to support tax and accounting professionals in various different ways so, first of all, we're going to streamline their processes with automation.

Secondly, we're going to take those streamlined processes and move beyond automation and deliver best practices, which will allow us to actually re-engineer the way that they do the work in a firm. This will drive even greater levels of efficiency. We're going to create that connectivity that they need between members of their firm, between the firm and its client, and we want to make sure that we leverage the strong position that we have in the professional services firms along with their clients in the corporate tax and accounting departments, because they're starting to co-source operations and leverage common tools between the both of them. We think this can be a good growing area for us.

All of these actions will create efficiencies needed to be an effective tax and accounting professional. Okay, now, how do you do this for the local market? We're going to leverage our global resources to deliver solutions locally. Think about this. At the end of the day, every product that you deliver has to be local, right? It has to meet the local needs of the customer that you're delivering it to. But if you think about a product and its elements of a product and you start breaking down technology, core components, customer insight, these elements can be leveraged for local implementation.

And then you also have many products and platforms that, by themselves, can travel well across borders. Products like document management systems, portals where clients can exchange information with the accounting firm and work stream products where you can define and standardize work processes across products -- across processes, across an entire firm. They'll travel well across borders and really need very little, other than localization for the standard operating systems and language.

Now I'm going to show you an example of one of these products in action today. We're going to take a look at the next generation suite of ProSystem fx. This product is a great example of extended solutions that drive efficiency and connectivity needed for today's professional accounting firms. And, as Jack spoke about earlier, it utilizes the latest technologies and interoperability with service-oriented architectures and Web services. So now let's take a look at the next-gen of ProSystem fx.

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(Video)

Kevin Robert - *Wolters Kluwer NV - President and CEO, Global Tax & Accounting*

Well, to quote my colleague, Donatella, I love this product. And we launched this product last Friday in a SaaS model and it's going to be delivered in an on-premise version in 2010. We had our user conference for our ProSystem and CCH customers in Washington DC last week, and we had 1,200 attendees at the conference. We showcased the product there. When I had a chance to talk to customers about the product, they were ecstatic and, you know what, it's not really a surprise because the process we use to build our products involves the customer in each step of the process.

We use this contextual design process and we get confirmation that we're doing it right each step of the way, so not a real surprise if they were ecstatic about it, but it's always good to hear. It is the most advanced product in the marketplace today.

We've also made similar progress with our publishing platforms. As Jack noted earlier, we have launched IntelliConnect in the United States, Australia, New Zealand, Malaysia, China and India. IntelliConnect is built off the global Atlas platform and it's already helping us drive competitive wins in each of the markets that we serve.

I wanted to give you an example of our strategy in action. CCH in the United States and CCH Canadian have been working together for the past few years. When we started working together CCH Canadian had three products in their suite and they're highlighted there in the Canadian brain. With those three products, what we were able to do was take an additional seven products and version them for the local Canadian market, integrate them with the products that were available in the Canadian suite. And that allowed us to drive additional revenue and additional profitability through cross selling and up-selling those products into that established Canadian base. This is a repeatable process that we think we can take across the globe to drive growth and profitability.

So, to sum up, Wolters Kluwer Tax & Accounting will maximize customer value by focusing on tax and accounting professionals in firms and corporations, leveraging our number-one position in professional service firms and growing position in corporations to exploit that connection between the firm and their clients. We'll deliver solutions which support process management and drive results. And we're going to leverage that global expertise, which will allow us to drive more products into the local markets and cross-sell and up-sell into our established bases.

So thank you for your time this morning. And, with that, I'd like to turn it over to my colleague, Bob Becker, CEO of Global Health & Pharma Solutions. Thank you.

Bob Becker - *Wolters Kluwer NV - President and CEO, Global Health & Pharma Solutions*

Thank you, Kevin, and good morning. Before I get started on the formal presentation, I just want to make you aware of the name change for our division. We've expanded it from the Health division to the Health & Pharma Solutions division. The reason we did that is to comply with new rules in the United States concerning continuing medical education, which is an important feature and an element of a number of our products and services.

These changes do not require us to change any of the product or service offerings in our portfolio. But what they did require was a go-to-market separation of certain promotional and editorial activities. So what we've done is grouped all of those promotional activities and put them under the Pharma Solutions banner, okay?

To begin, market size. The medical information market is about a EUR5b market and, as Nancy mentioned, we have a very strong number-two position in that marketplace. When you look at the portfolio in revenue terms, you'll see that we've got a diverse base geographically. We've got two thirds of our revenue from North America, one-third from Europe and the rest of the world. Most of our revenues are either Subscription or long-term revenues.

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We do have some cyclical revenues. That's largely Advertising in our journal products. When you look at the media format you'll see we're pretty balanced between Print, Electronic and Online in services. I will tell you, though, that the momentum in the portfolio is towards Online Software and Services, just like the rest of Wolters Kluwer.

Let's talk about the mega trends in the industry. Healthcare very, very large market, as I said. And it's very dynamic and fast growing. Healthcare spending, healthcare market is growing faster than GDP and inflation in almost of the markets which we serve. Search for improved quality, access and care. Those are the three most debated topics in healthcare.

Access is a global challenge. You can go from a market like China, where literally you have billions of people waiting in long lines for the most rudimentary medical healthcare, or to the United States at the other end of the spectrum, where we have over 47m people without healthcare insurance and, therefore, full access to our medical system.

Cost. Cost of healthcare, staggering. It's estimated to be about 14% to 15% of US GDP. And it will continue to grow as our population ages and we're searching for new drugs and new treatments. Quality. Quality of care, improving healthcare outcomes, that's a constant, as evidenced by new drugs, new medical devices, so that will be with us.

Technology. The healthcare industry is just like every other industry, in that there's a technological revolution going on. What that means is you will see more and more spending for healthcare IT and more and more product and solutions that deliver productivity and efficiency at the point of user, point of care. New markets. Very global market today but, because of the population sizes in some of the countries like China, like India, they will present enormous opportunities into the future for people like Wolters Kluwer.

Having considered all of those trends, and doing a very thorough assessment of our portfolio as well as our capabilities, we developed the True North for Health. And what that is is to provide information and information solutions to both providers and payers of healthcare for a purpose. And that's to improve clinical practice and raise access, lower costs and improve quality.

We're well positioned to succeed in this strategy, first, because of the trust that our customers put in our brands, secondly, because we have a vast array of content and software assets today to build on and to evolve from and, thirdly, because we have a very strong global footprint to serve the market. What this means as we go forward is you'll see more and more of our content embedded in point-of-use, point-of-care type products and we will embed ourselves and integrate with the growing healthcare IT network.

This graphic of our True North shows, at the center, our clinicians; the doctors, the nurses, the allied health professionals, the pharmacists. Those will be the key markets or key customers that we will serve. And we'll serve them throughout their life cycle. We'll also serve them at multiple-use occasions, so whether they're in their educational endeavors, whether they're in practice working on patients or whether they're doing research. In addition, we will extend out to their connected network, to their patient markets, to the institutions or the hospitals with which they work, and to the pharmaceutical companies and the payers with which they interact.

I'm going to use an example, as my colleagues have done, of one of our products today that really embodies that future. It's a product called ProVation which is a medical procedure documentation and coding software product. It was developed by doctors for doctors. And it could be described as a disruptive type technology because what it does, it takes a very complex, mostly manual and also dictation-based system and automates it with software. But, most importantly, it also takes that automation a step further by integrating within the hospital's network.

So what it will do is it will import information from medical devices such as lab results and vital signs. It will export information into things like the patient record or the EMR, as well as the hospital's billing and reimbursement system. You should know we sell this product based on return on investment. We can demonstrate to a hospital, to an institution, that it will save them money in process efficiency and improve billing and reimbursement.

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As we look at all of our products and services today we have many terrific point solutions. But as we embark upon this True North strategy what we need to do is take each of these point solutions, whether they be in the research arena, whether they be in the education arena or workflow solution, and make them more intelligent and embed them more deeply into the infrastructure of our customers.

A good example of this with a very traditional product would be our nursing handbook which we've sold for many, many years in our Lippincott business. We've recently taken that same content, put it into an online electronic software product which does online training, procedure skills and compliance. And we now sell that into the hospital institution. It's embedded in their network, available on the nursing floor at the computer workstation. So there's a good example of taking a point solution, a handbook, and turning it into an embedded network product.

And before I push this button and show you a little flash demo for one of our products called Ovid, which Nancy mentioned, it is a great example of a global product, it is sold to about 6,500 institutions around the world. We represent not only our own content, but we also carry the content of about 180 other medical information providers and, to give you just an example of the usage, we will probably have about 1b full text downloads off that system this year.

(Video)

Let me use Ovid as another example of a global product that we can take local. English happens to be the language of medicine and, therefore, this product does sell globally. So what we found is we get increased market penetration and much greater usage any time we localize the user interface. So this is an example of a Chinese interface which we'll be launching in January of this year that will add to our multiple language interfaces of English, German, French and Spanish.

So, to summarize, as we head north and follow our strategy, what you will see is an increased focus on clinicians throughout their life cycles. You'll see an extension of our products to their connected networks, the patients, the institutions with which they work. What you'll see is more and more products focused at improving healthcare quality at lower costs. That means more and more of our products will become point-of-care products and that will require us to get more and more embedded into the healthcare infrastructure. And we'll do it globally with increased penetration in our US market, by localizing progress -- products outside the US market and by strategic expansion in China and India, the big emerging markets.

So I'd like to thank you again for your attention. And I'd like to turn it over to my colleague, Brian Longe, who is the Global CEO of Financial and Compliance Services. Thank you.

Brian Longe - *Wolters Kluwer NV - President and CEO, Global Financial & Compliance Services*

Good morning. We're going to start with a video that was used at an awards ceremony where Wolters core Financial Services won the Fix-it award for the mortgage technology and services repair of the US industry. It's the highest award for technologies and services that advance the US industry.

(Video)

Some of our teams also call that making lemonade out of lemons, but it's a tremendous service that we've created. And it also shows you the ability of our business to be flexible and to stand up solutions very, very quickly with the type of customer connectivity that we have. I'm very excited to talk to you today about the Financial Services business, but I'm also very excited to talk to you about the future opportunities for Financial Services. As you can see, in the United States we're the market leader with a 9% market share on approximately a EUR2b market. The market itself is dominated by a lot of small-niche players, experts in their deep verticals. Additionally, internal compliance and technology staff make up some of that number as well. Wolters Kluwer Financial Services is 83% Electronic Online, Software and Services. Additionally, we're about 72% Subscription business.

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So what are the trends? Well, obviously, I don't need to tell anybody in the room or on the webcast that increase in regulation in the financial services industry is probably, and is, a reality. Our customers need our help and what they need us to do is constantly manage and help them with the change. Secondly, transaction volumes are increasing, which means our customers need us to help them improve their efficiency and their productivity. Third, financial globalization and economic liberalization in emerging markets is driving an increased need for compliance and risk solutions to protect consumers, lenders as well as retailers.

Fourth, greater complexity in Financial Services is causing an increased need for comprehensive risk management systems versus point solutions. We're working very closely with our GRC business and we've created a product that aggregates our point solutions into a very, very nice recently-launched product that Ian Rhind will talk about in the GOC presentation. And, finally, weakened internal technology staff and compliance staff have increased the need for automation and outsourcing of mission critical processes around compliance.

So we're uniquely positioned. The question is where and how. We provide intelligent origination and compliance solutions and there are three things that differentiate us. First, we have a unique combination of products. We have strong domain expertise and the ability to grow through three different points of entry with our customers. These include intelligent origination workflow systems, which you've seen some examples of that from Jack and Nancy.

Additionally, we track regulatory information and we have tools and value-added tools for training tracking and needs related to regulation. And, finally, we have analytics, detection, reporting and monitoring tools. And we have all these strong assets and we have a deep domain expertise. The core of this business is the domain expertise that runs through it, which is compliance and regulatory information, and compliance and regulatory understanding in the Financial Services business. It runs through the whole 1,200 individuals in the business, from the customer service reps to the legal and regulatory compliance analysts.

And, finally, we have three points of entry for reaching existing and new customers, which I'll speak to now. Historically, in the US the banks -- our customers have been bank compliance officers, operations executives and risk mangers. And we, again, have three points of entry around regulation, analytics and origination systems. We've expanded our opportunities and our customer base in the US, and recently also in the UK, to include securities firms, insurers and indirect lenders.

Now I'm going to try to explain a complicated slide with a simple analysis. This is where we work at the point of use. For example, our automated loan origination systems, we've taken a cumbersome, manual, largely Print-driven process, and we've streamlined and taken it to the point of use for our customers. The systems are intelligent. They have contextual awareness of the transaction, the bank and the consumer. We've put all this together with regulatory requirements and deliver it with standalone systems or best-of-breed components. So what does that really mean?

What it means is, if I'm a loan officer, I'm sitting at my desk with a customer across from me. I gather the information about the loan. I put it into the system. The system performs all the validations, compliance requirements and quickly and seamlessly integrates and provides compliant documentation and the correct contracts and documents.

Along the way it also does origination system processing for credit information, performs identity verification, processes calculations and business rules that create the disclosures and enforceable contracts. Additionally, we go out and perform checks against collateral and we securely transmit all of this documentation through secure document exchanges electronically to both the end user, the consumer and the loan officer.

Here's the real value proposition about what we do. We help customers reduce risk, improve efficiency and get new products to the market faster. That's our risk -- that's our value proposition that we have, and it's very simple. It's three things; reduce risk, improve efficiency and get customers' products to market faster.

This next example is an example of how we're building networks. This example is grounded in our origination and compliance core, and let me illustrate this. For durable goods such as a car, a boat, a piano, loans are made at the point of sale. Traditionally,

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you have to have credit available to your customers so retailers have to develop relationships with lenders. And then, conversely, lenders have to develop relationships with retailers. Historically, this is a very inefficient and also a very risky process. Our solution, AppOne, is a Web-based application.

I think the Amsterdam weather today is getting to me. It's pouring rain outside, so excuse me.

Our solution AppOne is a Web-based application that connects sellers, retailers and lenders through an exchange portal. The portal brings together origination software, embedded compliance and analytics. Financial Services adds value through the creation of a network and by performing the compliance and the risk checks for both the retailer and the lender. We've transformed an error-prone and slow process and delivered value to the consumer, the retail firm and the lender, by enabling faster transaction time and less risk, ultimately, enabling the retailer to sell more goods.

This network sets the stage for expansion opportunities, again, like the sale of adjacent products in this space and also connections with government agencies for services such as filing and recording of title applications. An important part of our growth strategy is to leverage our capabilities to continue to expand globally. Many of our existing customers today have global footprints and they need us to help them to expand internationally.

For example, our securities firms that deal with US and UK exchanges need to have US and FSA coverage. This is the product that Jack mentioned that we've leveraged, the Global Atlas platform, and gone live with our regulatory coverage. In addition, regulations around anti-money laundering, customer identification and financial crime are being implemented with a high level of consistency across the globe. We've also identified country-specific markets where we will utilize our core competency in intelligent origination systems and workflow solutions.

So who are we going to target for this? Well, it's our same customers. We're going to focus on compliance and operations executives in financial services firms and we're expanding our distribution capacity, utilizing the existing infrastructure of Wolters Kluwer to sell global-ready solutions. We'll target select money-spinner markets while building compliance and regulatory knowledge in emerging markets.

We're going to focus on international financial centers and geographies with regulatory complexities, for example, the money-spinner geographies like the United Kingdom and Hong Kong, as well as markets like China and India where there is a regulatory complexity together with a fairly low level of automation. This is how we plan on driving growth in Financial Services and Wolters Kluwer.

And, with that, I'll turn it over to Ian Rhind, the CEO of Canada and CEO of GRC.

Ian Rhind - *Wolters Kluwer NV - President and CEO, CCH Canadian and CEO, GRC*

Thank you very much, Brian, and good day, everybody. Risk management is a very hot topic these days and is likely to remain and sustain its high profile. The media is replete with stories about the dramatic failure of risk management, and each of us has a heightened awareness of risk in our working lives. In the graphic cube up top we talk about -- on the slide, we look at the various facets and dimensions of operational risk.

These risks include strategic, financial and compliance risk. And organizations use a variety of management processes to contain these risks, clearly, monitoring regulatory change which we've talked about today, creating and deploying policies, assessments and audits; the activities we see on the red face of the cube. And these are carried out by line management, by staff, by executives and by management. We call these the lines of defense in an organization against risk.

The GRC market is estimated by analyst firms like Gartner and Forrester to be about EUR900m in size, and it has the early-stage characteristics of being highly fragmented. You can see some of the competitors and the estimated shares, with Wolters Kluwer

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having a 3% market share in this business. Bringing together only the core products in our stable, Wolters Kluwer has annual revenues of about $50m in this sector, the bulk of which is in Software sales.

One of the key drivers of growth in this business is the fear of systemic failure which translates into increased investments in risk management solutions. A just-published survey by the firm Chartis interviewed over 800 risk and technology experts in the Financial Services sector. And it shows that over 35% of those interviewed will increase their risk technology spend in 2010 by over 25%, and 65% will increase their spend by over 10%.

Estimates for the total market size of the GRC governance, risk and compliance space, which includes consulting and all the services that we offer, range as high as EUR10b. And those are figures coming from Forrester and Gartner and a gentleman named Michael Rasmussen. The estimates for annual growth of penetration in that market for software services and compliance services is about 20%, although that pace has been tempered somewhat by the global recession.

The trends that are identified on this slide are clear to us all, particularly the trend for authorities to re-regulate to defend against the repeat of the global financial crisis. There are many examples of this. For example, last week the UK FSA proposed mandatory reporting templates for banks to improve and standardize their disclosure documents. Managing compliance has clearly become much more onerous.

One of the most dramatic or dynamic and complex risks, identified as number three on this slide, is the integrity of an organization's supply chain. A large company like Medco, which is a US-based pharmaceutical vendor, tests its 7,000 vendors and categorizes them into five buckets, based on the level of risk that they represent. Our product, CCH Axentis, which is a product we acquired in July this past year, deploys our policy, training and certification module, not only to the 21,000 Medco employees, but also to over 20,000 staff members in the supply chain. And that helps to deliver deep due diligence in managing the compliance risk in a heavily regulated sector like the pharmaceutical sector.

Speaking of Medco, whereas many companies consider compliance to be a heavy burden, Medco considers compliance to be a competitive advantage. And their high-profile compliance department employs a marketing director focused exclusively on communicating the message of their excellence in compliance to their marketplace. They've taken compliance from a defensive position to making it -- to offense.

Based on these market factors Wolters Kluwer is well positioned to provide executives with the premier enterprise risk management platform and associated audit risk and compliance governance solutions that reach across geographies and represent our deep domain expertise. We've assembled the best-of-breed applications to serve the growing markets and combine these with our rich regulatory content to support and improve risk and compliance activities in organizations.

So what sectors really need governance, risk and compliance solutions? Well, typically, they're highly regulated industries where non-compliance can mean severe fines and where failure to manage risk can threaten survival. These are firms in the financial services sector, life sciences, healthcare, utilities and consumer packaged goods. One recent example from the pharmaceutical industry is the September settlement by a large pharmaceutical company with the US government, which resulted in a $2.3b penalty being paid for non-compliance with FDA regulations. Yes, $2.3b. This company earned $8b in 2008 and so a $2.3b fine was a staggeringly material event to that organization.

And who are the specific buyers of GRC solutions? Well, that's the group represented in the middle of this graphic, and they are chief risk officers, chief compliance officers, chief financial officers. Sometimes general counsel is involved in the process of acquiring these tools, and always the IT department is involved in the decision making process. To be clear, there is no actual GRC executive in an organization because GRC is not a single functional role. Rather, it is a collaboration and a federation of functions and solutions that are focused on managing the risks and assuring compliance, to deliver that superior governance for all stakeholders.

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Wolters Kluwer's key advantage is our broad and deep regulatory and compliance content and expertise in sectors like Financial Services, Securities, health and Safety, Environment, HR, Labor Law and so on. While our software is excellent, Wolters Kluwer provides Information-Enabled Solutions, not just software alone.

Let me illustrate how our strategy of value at point of use works in the GRC space. Let's say a new regulation comes into effect in the United Kingdom making it mandatory for companies to do background checks on all new employees. In this instance Wolters Kluwer would notify our customers through alerts on our research platform, IntelliConnect. Our practitioner editors would analyze the implications for organizations and prepare question sets, so the compliance officers can survey their HR teams and line managers using CCH Axentis to assess what their current practices are.

At the same time Wolters Kluwer prepares and published template policies, training tools and control libraries all deployed using our applications. These are managed using our operational risk tool, CCH Sword, and they're tested periodically using CCH TeamMate, which is used by internal audit. This process and use of tools dramatically streamlines what has been a very cumbersome, paper-based and manual process and it creates tremendous value at the point of use, providing an integrated solution across processes and across operating units in complex organizations.

Reporting on risk and compliance management is at the top of the needs list of executives and boards. Providing active dashboards that can drill down into data layers, not just superficial dashboards, but dashboards that are lively and interactively connected with the actual specific incident or content, is a key governance tool that's in demand today.

An example of a rich blend of content and software is our October launch of a risk management product that combines our deep customer relationships in the US banking sector and our expert compliance content and consulting capabilities in banking, all built and delivered on a CCH Sword risk management platform. These are integrated together into a banking compliance product called Wiz Compass. This collaboration went from concept to product launch in six months.

Wolters Kluwer's product set features best-of-breed applications that come together to provide a robust enterprise risk management platform. CCH TeamMate has over 70,000 auditors and over 1,700 customers in 100 countries around the world. In an August survey by the Institute for Internal Auditors it showed that TeamMate has a 48% market share of electronic working papers. So EWP is at the very heart of the audit process. It gathers all the working papers digitally and manages that process for internal auditors.

That 48% market share is more than three times our nearest competitor. Our newest TeamMate customer, I'm proud to say, is the State Audit Department in Ohio who, just Monday, selected TeamMate over all other solutions by its 700 internal auditors. The PO that was signed on Monday is the largest single purchase in TeamMate's 15-year history.

CCH Sword has operational risk implementations in companies like Schroeder's, BGI, Alpha Bank and many more. CCH Axentis has success in the financial services and pharmaceutical sector. Our recent acquisition of a 28 -- as a customer of a $28b pharmaceutical company is the latest addition to our blue-chip customer list. And then there's ComplyTrack with its MediRegs installations in over 1,000 hospitals in the United States.

To wrap it up, our focus is on the richest veins of gold in the governance, risk and compliance landscape. These are regulated industries in countries that actually enforce the laws that they have on their books. We are selling to the 'C' level, to chiefs of audit, to chiefs of compliance, to chief financial officers. And we're dedicated to delivering best-of-breed solutions that incorporate actionable regulatory content on a common enterprise risk management platform, to offer the market an integrated governance, risk and compliance solution. With our superb content capabilities, our domain expertise and award winning applications, Wolters Kluwer is well positioned to win in this exciting, fast-growth and emerging GRC market.

Thank you. And now I'd like to introduce Boudewijn Beerkens, Global CFO of Wolters Kluwer.

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Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Thank you, Ian. It's a pleasure to be here with you today, despite the rain. And let me begin by discussing the third quarter trading update that has been released to you this morning. I would then like to touch upon how Wolters Kluwer has delivered value for shareholders in recent years and how we intend to exceed this path under the new plan under Maximizing Value for Customers. And, finally, I will provide some insights with regard to what to expect from this plan and our medium-term outlook.

So let's move forward to the trading update. Market conditions in the third quarter were little changed from half year. Our Subscription and other non-cyclical products continued to deliver resilient performance, despite continued market challenges. Retention rates were largely stable across the business, while new Subscription sales and other non-cyclical products continued to be impacted by recessionary market conditions.

Transactional products continued to remain under pressure. Cyclical revenues tied to mortgage, M&A, IPO and corporate lending were down with transaction volumes, although negative trends are easing. Advertising and pharmaceutical promotional revenues continue to be challenged in the Health business in France and The Netherlands. Other cyclical revenues including Training, Consulting and Transport Services were also weak, while Books performed largely in line with the prior year.

Despite these conditions our customers continue to demand integrated workflow and software solutions, resulting in a 9% year-to-date growth in the Electronic revenue. This was driven by both recent acquisitions as organic growth. Our ordinary EBITA margin was strong, reflecting continued migration of revenues from Print to Electronic products, the contribution of prior-year acquisitions and the benefits of the Springboard operational excellence program.

Additionally, in the third quarter we performed our annual impairment test of goodwill and publishing rights and, as a result, we recorded a non-cash impairment charge of EUR197m. This mainly related to the Health & Pharma Solutions business and the Legal, Tax & Regulatory Europe divisions. The charge is mainly a consequence of current market conditions, particularly within the markets of Advertising, Training and Pharmaceutical Promotional markets where we play an important role. In these markets we have lowered our expected long-term growth rates. It should be noted this charge has no impact on cash flow or ordinary diluted earnings per share.

Based on our progress to date with Springboard we are ahead of expectations. And due to the good progress to date and the addition of several new initiatives, we are pleased to announce the expansion of the program which will generate higher run-rate cost savings over the life of the period -- the program. Total program run-rate cost savings will increase from EUR120m to EUR140m to EUR160m. Exceptional program costs will increase from the earlier indicated EUR180m to EUR220m to EUR240m.

Based on our performance for the first nine months of 2009 we are confident to reiterate our full-year 2009 guidance and a progressive dividend policy. Looking forwards, we expect the current weak economic environment to continue throughout the remainder of the year. Our peak renewal season is underway and the Subscription portfolio is expected to continue its resilient performance, while new Subscription sales and Print product renewals will continue to be pressured by market conditions.

Despite these conditions, management continues to expect that full-year ordinary EBITA margin will be broadly in line with 2008 and diluted ordinary earnings per share will be between EUR1.41 and EUR1.46 in constant currencies. Free cash flow is expected to be approximately EUR350m for the year, consistent with the previous guidance. And this performance will be supported by the Company's stable Subscription base, growing Online and Software portfolio, cost-containment programs and the upgrade and expansion of the Springboard operational excellence program.

Now let's look at how Wolters Kluwer has delivered value for shareholders. In review of our performance over the last several years, the transformation of the portfolio and our strong market position has delivered increasing value for our shareholders. Diluted ordinary EPS has grown at a 16% compounded annual growth rate since 2005, while our diluted free cash flow per share has grown at 11% over the same period. This performance allowed us to remain committed to a progressive dividend policy

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and increasing the dividend to our shareholders in each of the last three years. Ultimately, our return on invested capital is the best measure of shareholder value and we are pleased to report an improvement in ROIC over the last several years.

Our free cash flow performance is evidence of the underlying improvement in cash generation, and demonstrates that our strategy has been delivering value to shareholders. It has supported our investments in the business to drive future growth. Despite increases in capital expenditures at a 21% compounded annual growth rate, related to the development of Electronic products and platforms, our free cash flow in constant currencies has grown at the 14% compounded annual growth rate since 2005.

This solid performance has enabled us to invest for future growth. Investments in new products and platforms have remained consistent, at between 8% and 10% of revenues over the last several years. This investment has driven the transformation of the portfolio and the improvement in ordinary EBITA margin.

Selective acquisitions have also helped us to transform the portfolio. We remain committed to a focus on return on invested capital and will hold through to our own acquisition criteria. Acquisitions must be EPS accretive in the first year and cover the weighted average cost of capital in year three to five. With the exception of one deal in 2006, we are pleased to report that all recent acquisitions have met this hurdle.

Consistent investment and margin improvement was made possible by a favorable shift in our product mix, strong cost containment and operational excellence programs. These efforts have allowed us to structurally reduce cost of revenues and G&A expenses as a percentage of revenue. These savings are a direct result of our sourcing and business optimization initiatives, resulting in increased operational leverage.

At the same time we have maintained our investment in marketing and sales and publishing and editorial activities in order to drive profitable growth and value for our shareholders. We have built a solid financial position on the basis of strict working capital management and focus. We have financed the Company well, evidenced by a comfortable debt maturity profile which matures beyond 2013. Our liquidity needs are very well managed and our headroom is currently in excess of EUR0.5b.

Now looking into the future, as a consequence of our new strategy beginning in 2010, we will transition from our current reporting structure to the new reporting structure you have heard about today. Our full-year 2009 results will be communicated next February in line with our existing divisional structure. At that time we will also provide pro-forma financials in the new reporting structure. These pro-forma results will cover the 2007 to 2009 periods to provide a transparent view of the historical trends in each new division. The new reporting structure will go into effect with our 2010 results.

Let me now move to guidance. We are pleased to build on our solid foundation that will result in a further transformation of the portfolio. Online Software and Services revenue are expected to grow to 75% or more of total revenues, as will Subscription-based revenues. Migration of customers from Print to Electronic products will continue and Print will become a smaller portion of our overall revenue.

We expect ordinary EBITA margin to be broadly in line with recent levels under the current economic conditions, and improving thereafter. Diluted ordinary earnings per share is expected to improve beyond current economic conditions in constant currencies. And free cash flow will match or exceed EUR400m per annum over the medium term in constant currencies. And, last but not least, our return on invested capital will be 8% or greater over the medium term in line with the performance over the previous years, demonstrating value creation for our shareholders on a consistent basis.

Other financial metrics will support our medium-term guidance in the following ways; rewarding our shareholders to a progressive dividend policy, improving financial leverage and investment in the business supporting our resilient portfolio. We also reiterate our mid-term net debt to EBITDA guidance targets of two and a half times, confirming our balanced approach to financial leverage. We will continue to invest 8% to 10% of revenues in new products and platforms to deliver shareholder and customer

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value. And, finally, our Springboard program will deliver expanded cost savings of EUR140m to EUR160m run-rate savings by 2011 and will support margin expansion in the coming years.

To summarize, we will continue to deliver strong and increasing free cash flow. We will drive solid profitability and improve our return on invested capital. We remain committed to a strong balance sheet and optimized financial flexibility, and increased returns to our shareholders through a progressive dividend policy. We believe our strategy to maximize value for customers will also maximize value for shareholders.

Thank you for your attention, and I'll turn the floor now to Nancy.

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

Thank you, Boudewijn. Just a couple of quick slides to summarize what you've heard this morning. We believe that our strategy for maximizing customer value is a natural and logical next step in our journey to transform Wolters Kluwer. We began in 2004 when we focused on delivering value from our leading position by improving our operating unit performance and achieving a significant amount of cost effectiveness. Second phase for us has been really about driving increased value for our customers through high-quality solutions that focus on productivity improvements, extending our market positions into higher growth segments of our market and continuing to drive effectiveness and growth in our earnings per share.

The next phase for us around maximizing value for our customers will focus our attention and our investment around building intelligent solutions that reduce complexity and drive efficiency. This will be done by delivering more value at the point of use. This will be done by continuing to look at building Information-Enabled Solutions and intelligent networks. And, finally, this will be done by providing a platform for connectivity and collaboration across our customers, our processes and their stakeholders.

We have successfully been driving greater value for customers and shareholders since 2004. This has been done by migrating from high-quality proprietary information to workflow tools and tools that automate processes for our customers. The next phase for us is around intelligent solutions that deliver value by understanding the context in which our customers work, and deliver value by connecting our customers to their clients, to governments and to other stakeholders that our customers need to interact with in order to perform their activities and to deliver results.

So, in summary, our strategy for maximizing value for our customers builds on the strong foundation and the well-established position that we have in the market as the professionals' first choice. Our strategy will redouble our efforts around focusing on improving the productivity of our customers by delivering more value at the point of use. We will continue to shift towards Information-Enabled and intelligent solutions that continue to help our customers automate their workflow.

We will augment these products with products that help our customers collaborate and connect to their various stakeholders. We will align our businesses around our global-leading positions in order to unleash the full value of our portfolio. And, finally, we will expand Springboard in order to achieve greater efficiencies and to increase the pace of innovation. We are confident that this strategy for maximizing value for our customers will also lead to greater value for our shareholders.

So thank you for your attention this morning, and we'll now open it up for some Q&A.

QUESTIONS AND ANSWERS

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

So if we can start in the back. And if you can maybe state your name and, yes, the one that -- sorry, yes, please. Yes, you have to turn the mic on, okay, and if you could state your name and where you're from.

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Tim Nollen - *Macquarie - Analyst*

Okay, can you hear me?

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

Yes, perfect.

Tim Nollen - *Macquarie - Analyst*

Tim Nollen from Macquarie. I've got a couple of questions, one on Legal and one on the formerly CFS division, please. On Legal, could you please compare and contrast yourself a bit with Westlaw and LexisNexis, both in terms of the IT platform that you've built? And also you've identified the small firm market as being, I guess, more of an emphasis, and of course West and Lexis are more large law firm markets. If you could please clarify that as correct? And then what the opportunities relevant to those would be.

And then on the Banking Compliance side, it strikes me that this is perhaps more of a market extension than in your other divisions. It just seems like you're expanding into more customer segments. And also, with this government market, if you could clarify if that's new extensions into new customers? And in terms of the fragmentation that you identified there, is that because it's such a new market on the GRC side? And how do you envision your market share developing as that progresses?

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

Okay. Why don't I start, and then I'd like to hear from Brian and Ian a little bit more about Financial Services and GRC. But, first, on the Legal side, we have quite a different position than our key competitors, which are Thomson and Reed with Westlaw. First and foremost, our focus has always been on producing very high-quality proprietary information. That's really at the core of what we do.

Our position in the US is very much focused on specialty areas within law. We deliver that information both in Print but, obviously, increasingly focused on Online products as well as what we would call workflow solutions within a category. So, for example, in the US our position in the Legal market drives down from bankruptcy content to online solutions and more and more into software. So, for example, through our Best Case product line in bankruptcy we handled over 50% of the transactions that people filed last year in terms of bankruptcy so, again, very deep, specialty areas within the Legal market.

In addition, in the US we have our Corporate Legal Services Group, which is a completely unique asset that we own that's focused on helping general counsels and law firms handle all of the transactions associated with M&A, IPO and representation services. In that segment of the market, which is a big part of our US business, we do not compete with either Thomson or with Reed. So our focus in the US, again, very much is about -- comes from our origin as having high-quality proprietary information delivered both Online and in other forms.

In Europe, as you probably know, we rarely see Thomson or Reed. We are truly the market leader in Europe. We operate in 18 different countries. Again, the origin of our value proposition has been around high-quality proprietary information and brands. Now, over 40 -- almost 50% of our revenues in Europe come from Online and Software Solutions. So in Europe we really pursue the market very much as the premier provider of Online Services.

In Europe, in contrast to the US, there is a higher representation of small and medium-sized law firms and corporations in Europe than there are in the US. So your comment about the importance of the small firm market really is as it relates to the European

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market. And we believe we have opportunities, as Donatella mentioned, of taking some of the products we have in Europe, and some of the platforms like Elsa, and potentially introducing them in the US to serve the small firm market.

So, in essence, we have a very differentiated position relative to our competitors, and the differentiation comes from both our geographic breadth and our origins, as I say, at producing these very unique proprietary content assets that now are more and more delivered into workflow solutions.

On the Banking side, Ian why don't we start with you talking a little bit about the fragmentation and the evolution of GRC, and how that relates to the current customers that we serve? And, Brian, maybe you can connect that to the Wiz comply product and how that relates again to our current customers.

Ian Rhind - *Wolters Kluwer NV - President and CEO, CCH Canadian and CEO, GRC*

Certainly, thank you very much. Well, the governance, risk and compliance space is a very young and, perhaps, even ill-defined space at this point in time. So the companies that are involved in the industry right now tend to be early-stage companies, companies that were founded by entrepreneurs, software creators, and the industry is busy consolidating. So, for example, in the last two years we have acquired four companies in the space. We acquired CCH TeamMate, or TeamMate, from Pricewaterhouse Coopers in November of 2007. We acquired Sword, which is the risk, operational risk platform. And we acquired Axentis just in July this past summer, which is in the compliance space, and CompliTrack, which has been illustrated on the board earlier today.

So there's this consolidation that's happening in the business. So when you ask about what we think our market share's -- what's going to happen to our market share and to the industry, we believe that our market share, as represented at 3%, is clearly a small number at this point. But there's a rapid growth opportunity for us in this space.

We are just starting down the path of integrating our content into those Software Solutions. And when you talk to customers about opportunities, we consider that our content, our regulatory expertise, our deep expertise in regulations, and converting that from a research platform into actionable content, so how to actually take the steps to become compliant with changing regulations, is what we like to call 'the special sauce' in governance, risk and compliance. It's a strange expression, but it's actually what complements the software by providing actionable content. And that combination of content and software, we believe, will drive our market share forward quite dramatically in the coming years.

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

And if I could just add one quick comment there. The reason we are -- we think GRC is such a natural extension for us is that it's really this intersection of you can't just have a technology platform. You have to have a technology platform along with the deep market and vertical expertise around healthcare compliance, around legal compliance, etc. And the assets that we've brought together have that combination of both the technology platform but also the content expertise.

Brian, you want to just talk a little bit about how GRC relates to the Banking customer?

Brian Longe - *Wolters Kluwer NV - President and CEO, Global Financial & Compliance Services*

In our Analytics division we are the market share leaders in providing compliance and software tools for predatory lending analysis, fair lending, community reinvestment act and consumer compliance around fair lending. And, with that, these products, there's about five products that are single-point products, but they all go through the compliance professional, and with the compliance professional as a pillar of GRC. And so with the software we've been able to take and aggregate those single-point software products with that tool and provide a single risk analysis and look for that compliance and risk professional.

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And so if you look at the banking regulations of Basel II, one of the pillars there is compliance risk, operational risk, credit risk. And so what we've done with our product that we launched, this Wiz Compass, is we've taken that piece of compliance risk, added the policies and procedures, the operational assessments and the deep knowledge and understanding of the inter-workings of a bank and an institution, so that we can actually go in and assist them to install and manage the holistic view of compliance.

Simon Wallis - *ING - Analyst*

Good morning, it's Simon Wallis from ING. I've got two questions. The first is that in the 2004 reorganization you retained a country matrix within [Alteree]. And I'm wondering what's changed with the current reorganization to actually switch to a fully client-driven driven matrix? What's changed? Should you have done Alteree earlier? Or is there there's something that's actually changed?

Secondly, I just want to bring you back to the title of your presentation about strategy update Maximizing Value for Customers. I know you inherited the preference share scheme, but I'm wondering what place such a scheme, or basically a poisoned pill, has in the Company now.

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

(Inaudible) start and then maybe you want to deal with preference shares. The country organization still will be in place within this global arena because we still have at the core of what we do deep local brands, deep local market expertise. We are aligning around our global lines of business in terms of how we will manage the business as a result of really the mega trends that we talked about. If you look more and more at what's going on in our sector, there's this tremendous shift from just accessed information to our customers needing solutions that make the information smart and help them actually deliver results.

Well, that is being done more and more through software and other types of technology-enabled products which we can deliver on a global basis, even though those products will have to be localized in some way to serve the specific needs of the country. So we see the countries as playing a key role in continuing to understand the local dynamics, obviously, the local languages. But we will more and more be deploying these global solutions and that has been the major driver around reorganizing along these global lines. So it's really coming from the market as the key way that we think we can best provide solutions is by having now a global Organization.

Boudweijn, you want to talk about preference share?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Yes. The Preference Share Foundation has never been set up as an intended poisoned pill structure. I think you mix it up with the administrative foundation that we used to have in the past and that was abolished in 2006/2007. The Preference Share Foundation has a function that, in a hostile takeover situation, by issuing shares the management gets a certain period of time to make a compelling case for alternative solutions, other than the hostile takeover one that's on the table.

On top of that, [Dutch US] prudence has already taken over any type of buyback. Previous example is, actually, that if any company would like to use the anti-takeover measure, that that is actually not very effective because I think they even put it in timeframe of six months on us actually issuing those additional shares. Within six months the management has not been able to issue a compelling story to the market, then those shares have to be withdrawn.

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Sami Kassab - *Exane BNP Paribas - Analyst*

Thank you very much. Good morning. It's Sami Kassab, Exane BNP Paribas. Two questions, if I may. The first one, as and when the economy improves, and given what you've told us today in terms of new products to be rolled out, do you feel confident reiterating the 4% to 5% organic revenue growth rate which used to be your target? Or possibly do you think that the business can grow faster, as we've recently heard from Thomson Reuters in the -- in their Investor Day?

And, secondly, can you comment a little bit more on the new sale situation? You've been telling us for the last few quarters that the new sales activity was weak. I'm still struggling to understand what it means in terms of organic revenue growth going forward? Can you put some numbers or some colors on that part of the growth drivers, please?

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

As we indicated, we're not giving you specific organic growth guidance with this strategy update. What we are indicating is that over the medium term our focus will be on enhancing the inherent quality of our portfolio, both by driving double-digit growth in Online and Software and really shifting more and more of our revenues coming from Subscription products and from Online and Software. So we're not giving specific numeric guidance.

What I can say is we clearly believe that we are weathering this economic cycle reasonably well, and that we will emerge out of this in a position to grow at or above market levels. Now if you were to ask me today what are the market growth rates across your verticals, I don't think anybody really can tell you exactly what those look like today because, obviously, there's been a lot of volatility in the market. So we believe that we are very well positioned globally and that we can, as I say, grow at or above market levels once we all emerge out of the current economic cycle.

As it relates to new sales, what we've indicated with our trading update is that, as we had expected throughout 2009, new sales continue to be weak. What we mean by that is that customers continue to postpone decision-making around buying new products. So they still need our products and services, customers are in fact still buying our products and services, it's just that the pace of that sales process is more elongated than it was before the crisis.

Sami Kassab - *Exane BNP Paribas - Analyst*

And if we think that your sales level were at 100 a year ago, are they now at 98?

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

Yes, we're not giving you the --

Sami Kassab - *Exane BNP Paribas - Analyst*

95?

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

We're not giving the numerics (multiple speakers) on that.

Sami Kassab - *Exane BNP Paribas - Analyst*

Nice try, though.

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

Math is math, as they say. Okay. Yes, please go ahead.

Thijs Berkelder - *Petercam - Analyst*

Thijs Berkelder at Petercam. Two questions, one on tax. Can you maybe be more specific on the impact of eGovernment on the revenues, let's say, in the past few years and then going forward?

Secondly, let's say, on the new strategy towards 2012, when looking at the ambition to improve the Electronic part of your business, looking at the cost savings measures etc., is it really possible to set a margin target somewhat higher than what we're seeing today? And what is, then, the prime reason?

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

(Inaudible) of eGovernment, and then, Kevin, maybe you can share with that. What we've seen over a decade really is that governments more and more have been providing content electronically and now more and more services. So the implication for many years now has been that we have provided more and more value on top of that. I think there is another possibility that Kevin will talk about that, as governments do automate, it provides us this opportunity to collaborate and connect, and so it's both. In that way it becomes really an opportunity for us.

Maybe, Kevin, you can talk about how it works in tax and accounting.

Kevin Robert - *Wolters Kluwer NV - President and CEO, Global Tax & Accounting*

Yes, what we're seeing from an eGovernment standpoint is a couple of examples. In the US they've put up a site called the Free File Alliance where individuals can go and get their tax return basically filed and online for free. And what's happened is vendors, and us being one of them, have provided programs for consumers to be able to use that space. But we're seeing this as a growing trend and what it's going to really impact is those non-complicated tax returns. They're not typically what hit our customers' clients.

So it doesn't have a necessary impact, but what it does see is a trend where we can provide tools for the government. In fact, we are a big provider to the IRS of what's called VITA site, Volunteer Income Tax Assistance site, where they use our software application to help them provide returns, in a lot of cases, for free. So it's been a good collaboration. As you know, the IRS is one of our largest customers.

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

Just one last thing, because we see this also in Europe, growing eGovernment. It's really, I think, had a more positive impact on the larger players like ourselves. Where it's had a negative impact is obviously on some of the smaller players that have -- that are in each of the various countries that represent Europe.

The gentleman right behind you, yes.

Unidentified Company Representative

No, I think there is some more.

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

Sorry, the margin question.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

We still have the margin question, sorry, so let me do that first. Well, as indicated, we believe that the margin will develop broadly in line with current levels under the current economic environment and conditions. After that, we see anticipate an improvement in margins over time. And we gave you the reasons; the mix shift, we gave the Springboard and the cost-containment programs and the operational excellence programs we are running. So, there, we are very confident that this mid-term guidance is realistic.

We will also stick to our normal pattern on giving you guidance, which will mean that in February we will come out with our full-year guidance and then will give you a specific 2010 guidance on the elements, as mentioned before.

Simon Baker - *Credit Suisse - Analyst*

Yes, thank you. Simon Baker, Credit Suisse. Three questions please, firstly, a quick one for Boudewijn, actually, on the EUR55m of targeted cost savings for this year. You've raised the 2011 target. What are the implications in terms of the cost saving delivery this year?

Secondly, a question really, I guess, to Bob on the Health side. In the presentation, Bob, you mentioned that the Health division's underlying market was growing GDP plus. And yet if I look back over the last 10 years your division has been growing 2.3% on average, so quite a bit below GDP. I just wondered what the implications of the new strategy and the new initiatives are in that growth gap going forward.

And, thirdly, I just wondered whether I might just try again, extending from Sami's question on revenue growth, because the strategy seems to be more revenue focused in terms of the value proposition towards customers. If over the last 10 years we've seen Wolters Kluwer typically under-perform GDP every year, for the last 10 years, is this the strategy that can actually get Wolters Kluwer finally towards something closer to GDP? What are your thoughts there?

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

Okay. Why don't, Boudewijn, you start with the --?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Well, as I said, the EUR55m target on Springboard for this year is going according to plan and, actually, the expectations are that we might even exceed that program. This allows us to reiterate our guidance with comfort. And for the years to come we have indicated to you that we expanded the program and also therefore by -- in February we'll come back with an exact impact what that means for 2010. But for '09 it means that we comfortably reiterate our guidance.

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

Bob, you want to talk about Health?

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Bob Becker - *Wolters Kluwer NV - President and CEO, Global Health & Pharma Solutions*

Sure. In terms of the overall metric of GDP growth, obviously, that's a broad measure of spending in a whole bunch of areas. What we will be doing as part of our strategy is trying to match those growth areas. So certain parts of Healthcare are growing greater and, in our case, that's the Point Of Care and Information Solutions. What we'll be doing is taking our portfolio from our Point Solutions into that Healthcare IT growth spend. And, hopefully, what that will do for us is get us to match the type of growth rate that's going on in the overall Healthcare industry.

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

All right. In general, in the growth question, clearly we're not going to give you percentage numbers, but we believe that we have substantially changed the portfolio. And if you look at when we took over to 2000 -- from 2004 to 2007, we had been accelerating our organic growth before the crisis. And if you look at our portfolio today there's been really three fundamentally different things now that will drive our growth in the future.

One is that Online and Software really is dominating our portfolio and those products, even today during the conditions that we face, are growing nicely. Two, we are finding that our retention rates are going up for our products that are these Information-Enabled Solutions, again very sticky products. And that ultimately supports, not just growth, but also profitability. And, three, we're seeing more expansion outside of the US into some of our emerging markets that are also growing faster.

So all of those things have supported the shift that we see in the business, a quite substantial shift really from 2004 in terms of how we provide value to customers. So we believe, again, as we come out of this economic cycle that we will grow at or above the market growth rates that we face in our various categories.

Yes, please.

Paul Gooden - *RBS - Analyst*

Thanks. It's Paul Gooden from RBS. Three questions, please. Firstly, just coming back to Springboard, could you, just building on Simon's question, just give us the timelines? What are the cost savings next year? And also the exceptional costs as well, give us a sense of the timeline there.

The second question is you've talked about a lot of new initiatives today. Is the cost of all that within the 8% to 10% new product development spend that you've got? Or are there additional costs going through the P&L?

And then, thirdly, and finally, just in terms of margins, on slide 100 you give your medium-term guidance and a margin just saying, look, we expect some kind of growth. Can I push you on that? Do you think, for example, that the majority of the Springboard savings can be kept for shareholders? Or is it all going to need to get -- to just be reinvested in new products?

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

Okay. Why don't we do the switches, have Jack talk a little bit about the investments, and then Boudewijn will cover all the margin questions and the cost savings?

Jack Lynch - *Wolters Kluwer NV - Member, Executive Board*

Yes. I think the question was kind of a phasing question for the savings in Springboard and, as you know, we achieved EUR16m in run-rate savings last year. Our target for this year was EUR55m and the schedule that we published was EUR100m in 2010 and EUR120m run-rate savings 2011. So, as you think about the guidance improving to between EUR140m and EUR160m, you

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would see kind of a proportional phasing, more back-end loaded. Because some of the initiatives that I talked about earlier of building a global back office are going to begin in 2010. And we'll be making more investments, but the savings will show up in 2011.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Okay, the investment numbers you have given us -- that we have given you on 8% to 10% of revenues, we will continue to spend that amount of money throughout the program term. That includes basically everything we need to spend for supporting the current strategy as we have laid out. Don't forget that, assuming that our revenues also are increasing year on year, the absolute number therefore also increases year over year.

On top of that we also showed you the investments in Springboard. I think Jack just answered the question on the timing in terms of to the extent it will fall to the bottom line. It's a kind of a composition. We anticipate that our margins will improve on the back of the improved product mix, more to Software and Services with higher sticky rates, higher margin and better growth characteristics. On the other hand, then, we have Springboard contributing also over time into an improved margin outlook. So those two should actually generate and cause us to guide you for an improving margin beyond the current economic conditions.

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

Okay.

Jonathan Helliwell - *Cazenove - Analyst*

Thanks. It's Jonathan Helliwell at Cazenove. Two questions, actually, one on the 8% to 10% of revenues figure. Can you just confirm is that all P&L -- costed against the P&L or is some of that capitalized?

Secondly, you were talking earlier about moving across to Software as a service, away from traditional Software sales. Does that change the financials as we look at them, i.e., the margins or the actual level of revenues as you move to Software as a service? If you're doing on a -- selling on an ROI basis, do you get more revenue up front, for instance?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

The 8% to 10% investments in the business consist out of CapEx and OpEx. We always have been reporting to you in this way. We feel that if only we'll talk about capitalization or capitalized cost that only will part -- tell you part of the story. So the 8% to 10% includes OpEx and CapEx together. Now there can be, over time, a shift in the percentage of CapEx versus the percentage of OpEx, but that depends far more on the states of our projects and our investments and, of course, the accounting rules that determine when something has to be capitalized and when it can be actually expensed in the P&L.

Jonathan Helliwell - *Cazenove - Analyst*

Sorry, then, do you ever -- so do you ever give any numbers on how much of CapEx is new product CapEx?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Well, over the last couple of years what we said it's around 4% CapEx, and then about -- the remainder is OpEx. But, again, in the future that might shift a little bit depending on type of projects, the state of the projects. If a certain technical development

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gets into technical feasibility it moves from taking in the P&L the cost into capitalizing those. So, again, as we have so many projects and so many investments ongoing at the same time, it's a little hard for us to tell exactly whether it will be 4% or 5% or 3%. But I think for ballpark numbers you can stick to 4% CapEx on average, and then the remainder will be OpEx.

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

And most of that is either products, like next-generation products, where you can already move into technical feasibility or back-office systems implementations that we've been doing.

On the question around SaaS, as most of you know most of our Subscriptions, whether they're Online Subscriptions or Software licensed products, we recognize in a one-twelfth fashion. And so our revenue recognition would not change under SaaS. There may be some trade-offs that customers make between buying the license upfront versus paying for it over 12 months, but that doesn't affect the lion's share of our revenues, meaning that most of our Software products are sold in a one-twelfth revenue recognition.

There are some products we have where we do get more license money upfront and then the maintenance goes down, but it shouldn't have a significant impact as we shift to this business model. We actually believe we will be able to garner more revenue from customers because we will be charging for services like storage etc. that you don't have in a client server type of model.

Jonathan Helliwell - *Cazenove - Analyst*

That's what I was thinking about, is there a step up?

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

Yes, really, it's still so new that I would say that we're not absolutely clear how it's all going to flow through. But I would say that our basic revenue recognition of one-twelfth for a product set, certainly, we do not plan to alter.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

I think you [also] that this will be a gradual change over time where the Software becomes more and more important in our overall revenue model. So I think for the next three years, to Nancy's point, it won't be significant enough to really see substantial changes in the overall financial performance.

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

Yes.

Hans Slob - *Rabo Securities - Analyst*

Yes, Hans Slob, Rabo Securities, a couple of questions, the first for Brian Longe on the Financial Services business. I think we're now seeing the number of US banks going bust soaring to almost 150. I was wondering if there is any potential impact on the subscriber base and on the clients.

And, secondly, is on the goodwill impairment. Is the majority of that related to the NDC Information Management acquisition?

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And, thirdly, again on the SaaS model, do you expect that those SaaS model that those SAS revenues will be new revenue streams, or that those will cannibalize on your maybe more static lower-end products?

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

Okay, Brian, do you want to start?

Brian Longe - *Wolters Kluwer NV - President and CEO, Global Financial & Compliance Services*

For the bank failures, it's -- thank you. There's been approximately 101 banks that have failed in the United States and, of those 101, two things happened. They're taken over by other financial institutions which are our clients and, in some respects, we actually gain share as we assist those clients with the consolidation of their systems. Secondly, we've had a nominal at-best impact of those 100 banks, because a lot of them were not our clients and they didn't materially impact our Subscription value.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

On the impairment question, well, we, as indicated, impairments were taken in the Health and Pharma Promotions businesses and in [Health RV] Europe division. And, as you know, NDC was actually from the Pharma Commercial area, so they are part of the impairment overall, yes.

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

And in terms of SaaS, and maybe I'll ask Kevin because he's one of the first divisions that's been launching some of the SaaS products, but obviously there's some customers that trans -- that migrate from the client server architecture to SaaS. We do, however, see that we are able to garner, as I mentioned, more revenue because we're providing more service to them as they make that move. But we obviously expect that we'll be able to drive market penetration with these products.

And maybe, Kevin, you can just talk a little bit about next-gen and how you see the split between migration and new revenues.

Kevin Robert - *Wolters Kluwer NV - President and CEO, Global Tax & Accounting*

It is going to be a little bit of a mix because there are some products, obviously, like the Tax products where you're getting 100% recurring revenue today, that even in a SaaS model you'll get a little lift because of the services that you provide in storage. Where we'll get a bigger lift, even from the migration of existing customers, is where you have some of those products that the maintenance rates are running more closer to 35% of what the original Subscription fee is. And so you are going to get a bigger slice of revenue by hosting and performing additional services in that SaaS model.

And, going forward, what we're seeing from customers today is that they're looking at moving more towards the SaaS model as they are retiring their current hardware infrastructure. So we think there could be some pretty big growth over the next three years, as that's the typical cycle that an accounting firm would cycle through their servers and so forth. And they're going through that evaluation process right now to say is CCH a good choice for us to host all of this. So we think it's going to be a nice model for us going forward.

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

Paul?

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Paul Sullivan - *Barclays Capital - Analyst*

Great, thank you. It's Paul Sullivan from Barclays Capital. Just a few questions. Could you talk about price increases as you go into the Subscription period for next year and how that differs from -- or differs between newer and older products?

Then, secondly, of the around 35% of the business that is Print currently, should we assume even in an economic recovery that those businesses or those revenues decline year on year? And, if so, should we assume an acceleration as it shrinks, or does it stabilize at some point?

And then just some bigger picture questions. Everybody is investing heavily in search functionality. What are you doing that's proprietary? Who do you use in the technology perspective and what special -- what is special to Kluwer about what you're doing there versus your peers?

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

Okay, good. I'll start and then hand it over to Jack to talk about search. In terms of price increases as we -- certainly Paul, as you know, we do take price increases October/November for the next year. So, as we're out there today renewing business, it does include our price increases for '10. We are taking price increases and we expect that we will continue to be able to achieve those increases across the portfolio.

So that's -- it's business as usual for us. The price ranges are typically -- as you know, have been in line with that 2% to 4% kind of level that we've historically been implementing. Obviously, some products it's higher, some products it's lower. What we do anticipate is, certainly like most business among our larger customers, we are obviously having more discussions and more negotiation around price, particularly the larger the purchase, the more negotiation that we find. And that was true in the fourth quarter of 2008 as well.

As it relates to Print, what we have seen, which really again has been a long-term trend for us, is clearly that the loose-leaf products and the loose-leaf products are these large, multi-volume products that we have, that those have been in decline for many years. We clearly see that the economic cycle has accelerated that decline, but still there's a group of customers that want those products.

And so the rate of decline began very rapid in the early days of launching Online products, began to stabilize as the group of customers that wanted that continue to want that product. What we see in this crisis is certainly that has affected some of our Print renewals. But it's now a very small part of the overall portfolio.

The largest part of the Print business is really our Books business and we have books in every segment of the market. We continue to see Books as a decent business over the medium term. It will not grow as quickly as Online and Software but we do believe that Books, both in Printed form and in their equivalent Online sister products, will continue to be a business that we will operate in. But it will clearly be a much lower growth part of the portfolio than Online and Software.

Jack, do you want to talk about search technology?

Jack Lynch - *Wolters Kluwer NV - Member, Executive Board*

Yes, I think in terms of search the question was where do we focus innovation in search. And you can think of, if you disaggregate search for Wolters Kluwer, we think of it in really three levels. There is what I would call horizontal search. And for horizontal search that's search that is natural language searching, for example, that's relevant to every vertical market. We use FAST which is now owned by Microsoft, and our feeling is that it's a smart move on our part. Natural language searching is applicable to

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many markets, including ours, and FAST will battle it out in the marketplace with other providers of that technology and we will use the best one.

The second level is what we call vertical search, so really we focused our R&D to tuning our technology to our vertical markets. And so within vertical search when we go on a regulatory tax, we focus on citation search, we focus on something we call associated retrieval, which is more like this relate functionality. And we focus on, and particularly here in Europe, what we call point in time search, which is because the law that applies here in Europe requires you to be able to search when a particular issue occurred at that point in time when the law applied, that's a technology that's important for us to splice into our vertical search capabilities.

The third level is what I would call a localization layer because this is a global platform and, as Nancy mentioned, we have to adapt it to local market needs. So these three tiers allow us at that layer to very rapidly adapt to the needs of a local market. And so that's -- I hope that gives you a sense of the architecture. But we are really focused on the areas that are attuned to our vertical markets.

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

Yes.

Maurits Heldring - *Fortis Bank, Nederlands - Analyst*

Maurits Heldring from Fortis Bank, Nederlands. I've got a question on China and India. You remember you spoke about a couple of examples for growth opportunity there. If I am correct you have been in China for over 20 years, but it has never been a really big part of the business. If my estimates are correct, China and India combined is less than 1% of total revenues. So what makes you so comfortable that your products can gain traction there now in the coming years? What has really changed there that you expect significant growth compared to, let's say, the last five to 10 years?

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

Okay. Certainly, we have in China been there for 25 years on the Tax and Accounting side, less than that on the Health side of the business. What we see changing really began with when China entered the WTO in about, I think, 2001 and since then we have seen our revenues grow quite rapidly, both in China and in India. It is off a small base but, clearly, rest of world is about 4%, I think, of our total revenues, which is everything outside of Europe and North America.

We do see that growing at a higher rate over the next three years. That's coming from a couple of things. One -- and maybe Bob, I'll ask you to elaborate, but clearly if you look at the Chinese market now and Healthcare, the Government's spending about $125b to automate Healthcare or in the Healthcare IT space. And we have a lot of products that sit very nicely in that.

On the Tax and Legal side we've been the number-one legal player and we see that, as their markets develop and the number of lawyers grow, both in China and India, that we will just be able to follow that growth. So I think for us the market really did shift around 2001 in terms of the WTO and then, again, it's changing now, as the Government is funding more and more of development in certain categories that we have products that sit very nicely.

Bob, do you want to talk a little bit about Health in China and India because that is a big part of where we see growth happening?

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Bob Becker - *Wolters Kluwer NV - President and CEO, Global Health & Pharma Solutions*

I think probably the reason we are most excited about it is our additional investments in the space. Over the past year each of my executive teams from each of my divisions has visited China. We have recently appointed a new CEO in China. As part of our process of investment for next year we're putting a general manager and some research people in charge of Healthcare in China. So I think it's as much our own recognition that the market is beginning to mature and that we do have products and services that will be embraced in that local market.

So it'll be our very focused investment in that part of the world, and that's following along what we've done in China over the last -- in India, I'm sorry, over the last couple of years, where we've got some very good success by, again, putting a CEO on the ground in India and then bringing all of our products and services to bear in that marketplace. And as the markets are ready for them, we are ready to serve them.

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

Another quick thing about China, just to make sure you understand, if we were only a content player in China the challenges are highly regulated and you have to have Chinese partners. So your pace of being able to both grow the top line and the profitability is limited by that constraint. What we have found more exciting in the last couple of years is what Bob talked about, which is a lot of our focus now is out in the areas where it's not just pure content. And that allows us much more flexibility in terms of how we operate. And that's specific to the Chinese market, not the Indian market so, again, that opens up some doors that didn't exist in the past.

Colin?

Colin Tennant - *Nomura - Analyst*

Thank you. It's Colin Tennant at Nomura. A couple of things, if I can. First of all, just coming back to the reorganization and the logistics involved with that, referring back to the earlier question about the country matrix. That means that I guess if you were The Netherlands country manager you now have two reporting structures? And what processes have to go in to make this work? Is there a cost associated with that etc.?

And the second thing is on Health. Just coming back to the Pharma Solutions, I think, Boudewijn, you said that you've re-assessed your growth expectations for those businesses where you have taken impairment. I wonder if you can just give us a bit more background. I think from memory that's about a $300m business, that Pharma Solutions business. Is that right? And is that now expected -- what are those growth assumptions or negative growth assumptions that you are referring to?

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

On the reorganization, first, we have -- the word 'naturist' is not a word we like within Wolters Kluwer so we never use the 'n' word, as we say. What [of] the reorganization is we will be aligning along global lines. It will not be a matrix. People won't have dual reporting responsibilities. We will be evolving to that organization. It's not like you just flip a switch. We have been taking steps already.

We announced Global Shared Services Organization earlier this year under the leadership of Jack and Tom Lesica, so what that means is that some functions that are currently being done in the countries are already going to be moving to the Global Shared Services similar to how we worked years ago with the creation of North American Shared Service. That's one. So what is done in-country is already changing in terms of the focus.

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Where we want to maintain the focus of the countries is local language, local customer relationships, local office relationships, etc. What will happen as we -- so stage one would be establish Global Shared Services, stage two is we already have a regional structure in Europe so, for example, Salvador Fernandez (inaudible) both Spain and France. So we're already beginning to combine capabilities across geographies.

And then we will leverage both of those actions to a full global line, say, by the end of 2010. So what that means is that, within country, we have Tax and Accounting products and we have Legal and Regulatory products and we will have those reporting into the various global lines. We will still maintain the country -- some level of country structure, obviously, because we still need to manage within each of the countries. But there won't be a matrix. It will flow up into the various verticals. Okay? Sorry, impairment, yes.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Okay, the impairment. As you know, we do our annual impairment testing in the third quarter every year. And the reason we do it in the third quarter has also to do with the fact that we make our long-term planning often in the summer and then those discussions within the Group are then finalized on September, so exactly right in time to reassess whether any impairments across the portfolio is needed.

We still see within the Pharma Solutions, the Pharma Promotions businesses growth. As you also have seen from press releases and interviews from some of our competitors, the long-term growth rate of Pharma Promotional business has been lower. It's still a good growth business but it's not as buoyant as we thought it would be in the past. And based on that we have downgraded the long-term outlook slightly and it resulted in the impairments.

Colin Tennant - *Nomura - Analyst*

Can I just follow up on that, actually? When Bob was talking about the future direction of Health, he talked about Clinical Solutions as being a major growth driver. And you've made some acquisitions there up to date etc., I guess. And can maybe you just tell us, do you think you have enough in your portfolio now within Clinical Solutions, or is that still going to be an area for acquisition growth?

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

Bob, you want to take that one?

Bob Becker - *Wolters Kluwer NV - President and CEO, Global Health & Pharma Solutions*

You never have enough so that Clinical Solutions area is absolutely our fastest growing in the portfolio so, naturally, that's the one that we want to make more investments in. But we're also -- at the rest of the portfolio we are pushing again towards that Point of Care and we do believe that everything in our portfolio, including the Pharma Solutions Group, supports that strategy. We remain excited about Pharma Solutions. Clinical Solutions, as I said, I'm very excited with. I'll say that I'm not a romantic, so I could not say what some of my colleagues said about falling in love, since I'm new, but we are absolutely dating. So those products will drive us and our portfolio growth into the future, no doubt.

Mark Braley - *Deutsche Bank - Analyst*

Thank you. It's Mark Braley, Deutsche Bank. Just two questions. First of all, just to come back on the Springboard extra charges, can you just tell us when the extra EUR40m to EUR60m of charges will be taken and is that additional charge or cash?

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And then the second question, as you and the Supervisory Board are thinking about incentivization over the next years and how you align that with the plan you have outlined today, would we be right in assuming that growing at GDP or growing at market rates by, say, 2012 would be one of the conditions built into the incentivization plans?

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

Okay, you want to take Springboard and I can take incentives?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

The additional Springboard savings, we'll give you some more specifics again also at 2010, truly also because we are still working out the details as we speak on each individual project. But I think to Jack's point earlier, a lot of these investments are currently made in the more complex restructuring elements, like [NTGP] and [company] engineering and those savings will come out later. Where, for example, on this optimization we have seen earlier benefits flowing into our financial statements. And those will actually, of course, come down slightly over time and when NTGP and company engineering and off shoring actually start to take off.

The cash element of it, the majority of the cash will be spent between -- within the 2011 program and time periods. But I do anticipate that there will be a small portion still to be cashed or still to be executed, I should say, by 2012. And, again, we don't have all the specifics finalized so we will come back on that. But my feel at the moment is that the majority will be taking place within the lifetime of the current period.

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

And then insurance of the incentive system that we have, we have three elements basically of how, not just the Board is compensated, but all of our senior executives; salary, short-term incentive plan and long-term incentive plan. So the two major things that drive wealth creation for anyone at Wolters Kluwer it's revenue and it's shareholder value, which we measure against 16 peer groups. So it's a relative shareholder measure. And that's balanced a bit by operating income and cash.

So if you look at our short-term incentives program about -- for the Board it's a third based on revenues, it's a third on net operating income and a third on cash flow. For some of our executives it's more 50% on revenue and then 25% on cash flow and 25% on operating income. So in the short-term plan we try and balance revenue with operating income but, clearly, all the long-term incentive is based on relative shareholder value. So I would say the most critical components are revenue and shareholder value creation. And that will be maintained throughout this plan as well.

Kevin Entricken - *Wolters Kluwer NV - VP, IR*

Nancy, we have a couple of questions from the people participating on the webcast. And I'm going to try and paraphrase them because people are asking some of the same issues. Regarding the strategic plan period, the Springboard program, to what extent will those additional savings translate into bottom-line improvement? Or will there be a need for additional investment beyond your current investment levels?

A follow up to that might be margins. Are you guiding up to flat margins over the strategic plan periods, or do you expect to see some improvement through the cycle?

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

Okay, Boudewijn, do you want to jump in?

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Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Yes, again, the Springboard program will be an important element to underpin our consistent improvement of our margins throughout the medium-term guidance, assuming, of course, that the current account conditions improve. So Springboard will do so. And then we see, of course, the better the economic conditions will be, the more we will see Springboard savings fall to the bottom line. As we also indicated, the 8% or 10% investments that we anticipate to continue to invest in the business will be financed out of the same pot. So, again, what is very essential is improved economic conditions, secondly, continuation of our product mix into more Software and Services and the execution of the program. Those three will then certainly deliver improved margins over time.

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

Okay, yes?

Heir Goodman - *Destiner Asset Management - Analyst*

[Heir Goodman] from [Destiner Asset Management] Just three questions. When you export a successful platform like IntelliConnect from the US to other parts of the world, what would be the main risk of it actually not working? And what do you monitor as a (inaudible) of memory during the implementation? That would be the first question.

The second question would be, again, what would be the risks of a planned action like the penetration in the small firm market and in Legal and Regulatory? How could it fail? How could it not make it actually?

And the last question would be about the acquisitions. That's are generic questions. When you make an acquisition how are they born? Are they born at the conceptually, at the subsidiary level and then the Board decides and any (inaudible) conflict do you have as they're born in different places? Or are they more top-down? In that case, it would be identified by you guys. Thank you.

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

Okay, very good. Jack, why don't you talk about Atlas, Boudewijn will talk about acquisitions and I'll talk about small firm and just how we view penetrating markets?

Jack Lynch - *Wolters Kluwer NV - Member, Executive Board*

Yes. I think the question was what kind of risks are there if you move the platform to another geography? And I think we actually have evidence of that this year. We started with the launch of IntelliConnect in the United States and then moved to China, Australia and India and now Financial Services in North America. So the risk -- we really run the risk out of implementation in our testing processes, not only capacity testing, load testing, but regression testing. And ensure that by the time we move it from a test environment, production environment it's meeting all of our standards for usability and also for performance.

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

Why don't I talk about penetration and then let Boudewijn talk about acquisitions? In terms of how we evaluate any new adjacent market play, whether it's taking a product into a new geography for the small firm market or even within a same geography moving into a new segment, we obviously create two conditions. One, right, is you have to have a business plan that people

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put forth as to what the expectations are, in terms of investment and payback of that investment. And, two, we spend a lot of time before we launch anything, working with our customers, as Kevin described it, in this process of contextual design.

So we try very hard to make sure that by the time we're launching the product we already know the customers are going to want it. And so things get killed along the way if, in fact, the customer input that we're getting is not significant enough to drive an opportunity forward. So we measure these things very much as you would if you were a banker lending money to somebody to say, okay, what's the overall investment and what's the overall return? And then for things that reach any kind of significant investment level, we're also monitoring those at the very senior levels of the Company.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Okay, now on the acquisitions. By far, the majority of the acquisitions are bottom-up. The divisions within their own countries or business units know the markets often better than anybody else. And they bring often to our attention, either on our monthly meetings or when we're visiting, the fact that they are interested. And then the whole process with our business development people and our M&A people starts to work to see whether this is a viable option.

Once in a while we also get an indication from bankers that can go through Nancy, myself or Jack, that is immediately pushed down then to the businesses, as they have to own the acquisition afterwards. And therefore, of course, have a very important view on whether this fits the strategy. And we will also check, of course, whether that fits for [the strategic] area.

Heir Goodman - *Destiner Asset Management - Analyst*

And, sorry, one phase with four or five different authorities that have been born bottom-up, what are the criteria to decide? Is it just purely quantitative criteria, or do you include some more qualitative or personal ones?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

No, no personal criteria. I think what's very important, the first element of course is how does it fit the strategy, secondly, how essential is the region, for example, in which we want to operate, and then, thirdly, financial criteria. But we also look, for example, at the track record of management. We look at how many deals have been happening in the past. So it's a kind of multi-layered approach but across the board, of course, I think the two overall dominant ones, or the three ones are strategy, secondly, financial criteria, thirdly, management track record.

Hans Slob - *Rabo Securities - Analyst*

Yes. I've got a question for Bob Becker. Hans Slob, Rabo Securities. Are you seeing any increase in your sales pipeline for your Clinical tools as a result of the IT Healthcare stimulus money maybe starting to flow? Or do you expect to see more in 2010?

Bob Becker - *Wolters Kluwer NV - President and CEO, Global Health & Pharma Solutions*

Yes, Hans, we actually do see the pipeline building. But I will say there's been a bit of inertia in the marketplace, in that most of those funds will not be released until the fall of 2010. So what we're trying to encourage our customers is that that money will be there waiting, you should act now. But we are seeing it in sales leads and pipelines. So there's definite build up, but probably a little later in the process rather than earlier.

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Sander Van Oort - *Kempen & Co. - Analyst*

Sander Van Oort, Kempen & Co. Two questions, if I may. First of all, on your targeted Online sales, as percentage of total sales to increase to 75%, I was wondering to what extent it includes any future acquisitions. And, related to that, the job in the Print sales as percentages total sales to 25. Is there any active product pruning included in this target?

Then the second question, if I may, has to do with the Books business. If I remember correctly the Books business grew quite nicely in the first half and has slowed down in the third quarter to flattish. Is it due to the publishing calendar or are there any other things that have caused the slowdown in sales?

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

As you know, we do give our guidance always in constant currencies and on a non-acquisition basis.

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

And as it relates to the Print divestment story, we are always going through our product line portfolio and we will often discontinue products that are no longer profitable, but that's a continuous cycle. So there might be some of that in the 25% of Print that pushes that number down, but that's a normal part of how we manage the business.

On the Books side, we continue to see books as a business again that we want to be in. It was pressured last year, particularly in the fourth quarter. We had better performance in the first half of this year. We don't see anything different in the third quarter. It's just a combination of ordering patterns because often we see ordering patterns now starting for the January cycle of schools etc. So there's a normal order flow that goes on and there is some publishing schedule elements in that. So I would say that the trends that we saw in books in the first half, we believe we will see in the second half as well.

Edgar Allen - *TCI - Analyst*

Thanks. Edgar Allen from TCI. When we speak to Reid and Thomson they also talk about migrating from this information to much more solutions. In which areas do you think you're ahead of them and where do you think you're a bit behind the competitors?

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

I think what -- first, I'd like to say what's different about us. What's different about is us we have a much stronger global footprint. So what you -- what we have been succeeding in over the last couple of years is really this rapid ability to extend a product, as Kevin explained, in his area from the US into Canada. And the time to market is much shorter because you're leveraging the underlying technology and architecture of the product, and then you're localizing it for the specific geography.

We just had a very recent example of doing that through a product from the UK into the Belgian market. So because we have a broader footprint than many of our competitors our opportunities for doing this sort of global local-type product is, in our opinion, greater. That's number one.

Number two is that to succeed in these markets -- and I think GRC is an excellent example of that. To succeed in the market you need technology but you really need the content. And not just content, but this deep domain expertise about how do compliance officers work in banks, how do pharma companies get regulated by the FDA. And that knowledge we have accumulated over literally decades, if not 100 years of expertise, in our content area. And we're able to bring that expertise into the technology capabilities.

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So I believe that some of our competitors have really relied on being able to aggregate vast amounts of data and bring that data to clients. We believe more and more as you move into intelligent solutions, what's valuable to the customer is not the access to the data. They have access to almost too much data. It's really about the context in which they're trying to solve their problem and we believe, firmly, that we have a real advantage there.

So we do not see ourselves behind in any way, shape or form. We're working on SaaS solutions, as you saw. We're working on intelligent solutions. Now more and more we're focused on hubs and networks. So I really think the difference between us and some of our competitors is really just what assets do each of us own. And that's what is the comparison now, not so much on the capabilities.

Other questions? Yes.

Mr. Smith - *Robeco Asset Management - Analyst*

Yes, [Smith], [Robeco Asset Management]. I've got some questions regarding your growth initiatives. First of all, the 8% to 10% investments in product development, can you give us any guide on how successful you have been in terms of boosting growth, profit or cost with that 8% to 10%?

And, second, can you give us an idea of your stance or budget on external growth, given where you are with your leverage at the moment?

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

Okay, I'll take the first one and then the second one, which I wasn't quite sure I understood the question. Can you repeat the second question? I'm not sure we understood that?

Mr. Smith - *Robeco Asset Management - Analyst*

Well, basically your appetite for acquisitions, given the three times net debt to EBITDA.

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

Okay. In terms of product development, if you look at since 2004 the vast majority of our capital that represents this 8% to 10% has been in two areas; Online, building out platforms of products, and Software, some of the things that you heard the folks, the CEOs talk about. So if you correlate that capital investment with our growth in Online and Software, which has been significant, the products have been -- or the investment has been returning at a good level.

So while not all of our products are going to be winners, that's an impossible goal to set for any organization, I would say that, from a capital perspective, we are clearly getting a good return on the investments we're making that represent that 8% to 10%.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

Okay. In terms of the leverage, you saw in one of my slides I indicated the use of cash, and I mentioned three elements there; key investing in the business, secondly, bringing the leverage to our target level of net debt to EBITDA of two and a half time and, three, is dividends, so whatever is left. You always see us doing small or adjacent type of acquisitions, but I think for now the focus is on de-levering to our target level and investing in the business.

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Kevin Entricken - *Wolters Kluwer NV - VP, IR*

Nancy, looking at the clock, we probably have time for maybe just two more questions. I've got a couple of questions Online that I'll, again, try to group together. Can you give us some color or some thinking on what you expect organic growth going forward? For instance, like in the Legal and Regulatory market, in light of the mega trends, do you expect the workflow solutions, productivity tools to offset the Print decline? Or do you expect there to be some growth above the traditional business decline? Any other color on what your expectations are for growth over the planned period would be helpful?

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

Okay, I'll take that one, sorry. As we indicated we are not giving specific growth guidance, other than to say that we're focused very much on our capital going into building out our Online and Software Solution portfolio. As you can see from the guidance we did give today, we expect that part of our portfolio to grow at double-digit levels. We do expect that our Print portfolio will continue to decline, which has been the case for several years now. And as we get closer to the next year we will give you additional guidance as it relates to our overall performance.

Boudewijn Beerkens - *Wolters Kluwer NV - Global CFO*

I think it's also fair to say that our Software Solution growth will exceed the decline in Print.

Kevin Entricken - *Wolters Kluwer NV - VP, IR*

And maybe one more question, if anybody in the room?

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

Any other final questions? Okay. Well, otherwise, thank you first of all for your patients and your attention. We have some refreshments outside and we'll be around if you have anything additional you want to add. So thank you very much.

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