

## PRESS RELEASE

### Wolters Kluwer Scheduled 2011 Third-Quarter Trading Update

#### *Full-Year Guidance Reiterated*

Alphen aan den Rijn (November 9, 2011) - Wolters Kluwer, a market-leading global information services company focused on professionals, today released its scheduled 2011 third-quarter trading update highlighting solid growth in online and software solutions, resilient performance of its subscription base, and confirming full-year guidance. The company announced the sale agreement for Marketing & Publishing Services, part of planned divestment of its pharma assets.

#### Highlights

- Full-year 2011 guidance reiterated.
- Solid growth of online and software solutions, led by clinical decision support products, tax and accounting software, and audit, risk, and compliance solutions.
- Organic growth levels consistent with first half year; growing subscription revenues remain resilient.
- Springboard cost savings running ahead of target; program expanded to generate additional run rate savings of €30 million with a one-time investment of €20 million.
- Pharma divestment process on track; sale agreement for Marketing & Publishing Services (MPS) announced.
- Acquisition of NRAI in September strengthens leading position in Corporate Legal Services.
- 5.1 million ordinary shares repurchased in Q3 for a total of €65 million; this completes the announced €100 million share buy-back program, with a total of 7.2 million shares repurchased.
- Progressive dividend policy reiterated; providing strong yield to shareholders.
- Continued investment in high growth segments position the company for future growth.

**Nancy McKinstry, CEO and Chairman of the Executive Board, commented on the company's third-quarter trading update:**

"I am encouraged with the company's performance in the third quarter. Challenging global economic circumstances highlight the importance of our customer relationships, strong brands, and resilient subscription base that ensure stability in the company's results.

In the third quarter, the company delivered solid performance across the business, and we continued to grow our subscription base through increased penetration of on-line and software solutions.

I remain confident in the growing strength of the portfolio. Our continued investment in market segments and geographies that offer the strongest potential for future returns supports our ability to deliver long-term profitable growth."

#### Third-Quarter Developments

In the third quarter, the company saw solid performance across the business, with levels of growth that were consistent with the first half year. Subscriptions, which represent approximately 75% of total

revenues continued to grow, underpinned by stable retention rates and the continued growth of online and software solutions. This positive trend highlights the overall resilience of the company's portfolio.

Trading conditions have remained mostly in line with the prior six months. Recent economic concerns have reinforced conservative spending patterns for new products, particularly in the European Legal & Regulatory markets. While cyclical revenues continued to grow, the rate of growth began to level-off in the third quarter, with transactional volumes related to corporate activity and lending slowing relative to the accelerated growth seen over the last 18 months. Book sales, training, and transport transaction volumes also experienced increased pressure.

The Health & Pharma Solutions division continued to perform well, with strong growth at Clinical Solutions and Ovid driving margin expansion. Within the Tax & Accounting division, software sales remain strong. In addition, the shift of bank product revenue to the second half year is also proceeding as expected. Financial & Compliance Services continued to see solid growth in overall revenue, fueled by international expansion initiatives related to the FRSGlobal acquisition in 2010 and strong performance from audit, risk, and ARC Logics product lines. This result is tempered by slowing transactional volumes in banking and transport services volumes experienced in the third quarter. In the Legal & Regulatory division, overall revenue declined slightly with growth in electronic revenues offset by print attrition and lower book sales. Solid growth at Corporate Legal Services continues despite lower transactional volumes for M&A and IPO activity, which declined in the third quarter in terms of the number of transactions and average deal value.

Operating margins and free cash flow in the third quarter remain in line with expectations and guidance for the full year.

### Key Programs

In a separate press release distributed this morning, the company announced the signing of a definitive agreement to sell its pharma promotional business, Marketing & Publishing Services (MPS), to Springer. This sale represents approximately 35% of the company's pharma-related assets in terms of revenue and encompasses 450 employees globally. The proceeds from this divestment are expected to be used for general corporate purposes including the reduction of debt levels in line with the company's stated objectives. The transaction is subject to customary closing conditions, including regulatory approvals.

In September, the company completed the acquisition of National Registered Agents, Inc. (NRAI) which was initially announced on June 14. Through this acquisition, Wolters Kluwer Corporate Legal Services strengthens its position as a leading provider of legal compliance and corporate governance solutions.

The Springboard operational excellence program is on track in the third quarter to exceed its targeted run rate cost savings of €170-180 million by the end of the year. Based on the continued success of the program, run rate savings estimates for the program are being raised to €205-210 million with associated exceptional, non-recurring costs of €99-109 million expected for the year. The Springboard program will end in 2011 and is designed to reduce structural costs.

### Springboard Summary Savings and Costs

€ millions (pre tax)	2008 Actual	2009 Actual	2010 Actual	Revised 2011 Estimate	Total Estimate
Run rate cost savings <sup>1)</sup>	16	84	146	205-210	205-210
Exceptional program costs	45	68	58	99-109	270-280

<sup>1)</sup> In 2008 constant currencies (EUR/USD = 1.37)

In the third quarter, the company repurchased 5.1 million ordinary shares at an average price of €12.73 for a total amount of €65 million. For the full year, a total of 7.2 million ordinary shares were repurchased. This completes the €100 million share buy-back program that was announced in February 2011. For full-year ordinary earnings per share (EPS) calculation purposes, the weighted average

number of fully diluted ordinary shares at year end 2011 is expected to be approximately 302.3 million shares.

### 2011 Outlook Reiterated

Performance indicators	2011 Guidance	
	Total Company	Continuing Operations <sup>1)</sup>
Ordinary EBITA margin	20.5-21.0%	21.5-22%
Free cash flow <sup>2)</sup>	≥ €425 million	~€412million
Return on invested capital	≥ 8%	≥ 8%
Diluted ordinary EPS <sup>2)</sup>	€1.50 to €1.55	€1.46 to €1.51

<sup>1)</sup> Based on divestment guidance provided July 27, 2011; uses mid-point of 2-3% EPS dilution

<sup>2)</sup> In 2011 constant currencies (EUR/USD = 1.33)

Despite increased macro economic uncertainty, the company is on track to deliver within its full-year guidance for the total company. With the peak subscription renewal season underway, the subscription portfolio, which constitutes 75% of total revenues, is expected to continue to be resilient. Improving results in software solutions are expected to offset challenges in transactional product lines and print publishing.

As highlighted in the half-year 2011 results press release, the contribution from the discontinuing operations is expected to have the following impact on full-year pro-forma results for the continuing operations: improved ordinary EBITA margin of approximately 100 basis points and reduced diluted ordinary EPS and free cash flow of approximately 2-3% and 3%, respectively. Guidance and full-year reporting will focus on continuing operations.

Ordinary EBITA margin for continuing operations is expected to improve with results between 21.5% and 22% for the full year underpinned by the migration of customers to more profitable electronic products and the continuing contribution of the Springboard program. These efforts are expected to offset pressure from wage and other inflationary expenditures. As in prior years, management will continue to invest approximately 8-10% of revenues in new products and platforms to drive future growth.

Free cash flow in constant currencies is expected to be approximately €412 million for the year for continuing operations. Diluted ordinary earnings per share is expected to be between €1.46 and €1.51 in constant currencies.

### **Benchmark Figures**

Wherever used in this press release, the term "ordinary" refers to figures adjusted for exceptional items and, where applicable, amortization of publishing rights and impairment of goodwill and publishing rights. Exceptional items consist of qualifying restructuring expenses and acquisition costs. "Ordinary" figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the base business. These figures are presented as additional information and do not replace the information in the income statement and in the cash flow statement. The term "ordinary" is not a defined term under International GAAP.

### **About Wolters Kluwer**

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

Wolters Kluwer had 2010 annual revenues of €3.6 billion, employs approximately 19,000 people worldwide, and maintains operations across Europe, North America, Asia Pacific, and Latin America. Wolters Kluwer is headquartered in Alphen aan den Rijn, the Netherlands. Its shares are quoted on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices.

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#### Calendar

- February 22, 2012                      Full-Year 2011 Results
- March 14, 2012                        Publication 2011 Annual Report
- April 25, 2012                         Annual General Meeting of Shareholders

Full overview available at [www.wolterskluwer.com](http://www.wolterskluwer.com).

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#### Forward-looking Statements

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