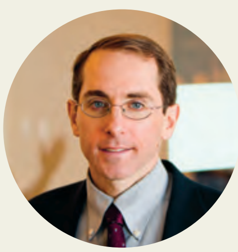
Wolters Kluwer

When you have to be right

2012 ANNUAL REPORT



Wolters Kluwer

When you have to be right

THE SEER
Julie Peck
General Manager,
TyMetrix, Wolters Kluwer
Corporate Legal Services

THE ANALYST
Craig Raeburn
Managing Director,
TyMetrix Legal Analytics

THE COUNSELOR
Claudine Weyn
Business Unit Director,
Kluwer, Belgium

THE VISIONARY
Ian Rhind
CEO of Wolters Kluwer Audit,
Risk & Compliance

Wolters Kluwer provides professionals the essential information, software, and services they need to make decisions with confidence. We constantly evaluate and adapt how we deliver and apply our expertise through new service models, new technologies, and new workflow solutions. We pride ourselves in working as a team of professionals with deep experience in the industries we serve.

THE MASTERMIND
Arvind Subramanian
President and CEO,
Wolters Kluwer Health,
Clinical Solutions

THE INITIATOR
Robert Lemmond
Vice President, Legal
Markets Group, Wolters
Kluwer Law & Business

THE GO-TO PERSON
Robinson DeJesus
Latin America Director,
Wolters Kluwer Audit,
Risk & Compliance

THE SIMPLIFIER
Brian Levy
Chief Medical Officer
at Health Language

THE AUGMENTER
Shasha Chang
CEO of Wolters Kluwer
China

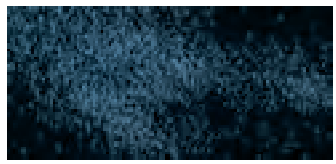
THE FAMILY DOCTOR
Linda Peitzman
Chief Medical Officer,
Wolters Kluwer Health

CONTENT OVERVIEW

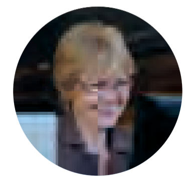
SUPPORTING DECISIONS

Technological change affects how professionals make decisions. They can tap into massive volumes of data that, combined with the right decision support software, can help them work more effectively.

As businesses become more global, their operations become more distributed, both domestically and internationally. Tax professionals find themselves working with disparate accounting systems.



The real value of data analytics is in uncovering relationships between every facet of the data and understanding the context in which it was created – then turning it all into actionable insights.



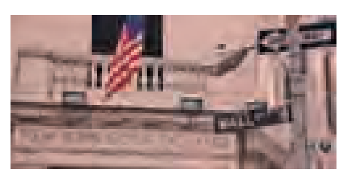
Five years ago, a big shift took place that put pressure on lawyers to compete with their confreres not only in court but also in the marketplace for legal advice.

UNDERSTANDING COMPLIANCE

We've moved from an era of trust to a time when institutions must prove lawful behavior. Technology can address the challenges and costs brought about by the complexities of compliance.

Ten years ago very few companies worried about managing risks in a holistic way. Now it is a top agenda item in many boardrooms.

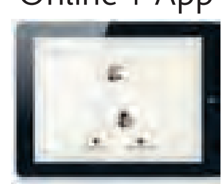
We've seen a rising tide of regulation, starting with the 1997 Foreign Corrupt Practices Act through Basel I, Basel II, and Basel III in 2010.



In order to be productive, professionals need to absorb and act on large amounts of information. An innovation doesn't always have to be a new idea.

IMPROVING HEALTHCARE

2012 Annual Report Online + App



Special interactive elements and videos are available in the app & online.

NANCY MCKINSTRY,
CEO AND CHAIRMAN
OF THE EXECUTIVE BOARD

WHEN YOU HAVE TO BE RIGHT

The professionals that we serve make critical decisions every day, affecting the lives of millions of people. Wolters Kluwer understands what is at stake. That is why we have made it our mission to empower our customers with the essential information and tools they need to make decisions with confidence.

Over the last ten years, our company has transformed from a variety of mainly print-centric businesses to a digital business with four customer-focused divisions, each with global positions of strength. This transformation has resulted in positive financial performance and has created opportunities to accelerate growth as market conditions improve.

PERFORMANCE IN 2012

In 2012, Wolters Kluwer increased revenues by 2% at constant currencies and by 1% organically, despite the economic challenges in Europe. Importantly, our online, software, and services revenue grew 4% organically, as investments in new products, sales and marketing, and globalization continued to gain traction. As a result, we now have 74% of total revenue coming from these product lines. Our North American business delivered 4% organic revenue growth, and, in combination with 8% organic revenue growth in Asia, offset declines in Europe. Profitability improved in 2012, driven by the shift towards higher-margin electronic products, the contribution from acquisitions, and cost savings.

We continued to invest in high-growth areas through organic product development and selective acquisitions of digital businesses. In 2012, the two main acquisitions were Acclipse, which offers online accounting software to customers in Asia Pacific, and FinArch, a global provider of integrated finance and risk solutions. Both companies extend our positions in the high growth segments of tax and accounting software and financial and compliance services. Our portfolio was further strengthened by the divestment of businesses which no longer meet our longer term strategy for growth, including Pharma related assets and several legacy print product lines.

Our increased cash flow enabled us to return over €220 million to shareholders while at the same time improving our net-debt-to-EBITDA ratio to 2.4 times. We abolished the stock dividend in order to eliminate the resulting dilution in the most efficient manner. The strength of our portfolio and our improved balance sheet provide a solid foundation to support our strategy for accelerating growth.

REALIZING OUR GROWTH POTENTIAL

We are positioning Wolters Kluwer for the next stage of growth and value creation for our shareholders, customers, and employees. Our competitive advantage is that we offer our customers a powerful bundle of expert knowledge, specialized software, and services. This is how we differentiate our products from competitors as customers no longer want information but answers, insights, and productivity tools.

Market trends remain attractive, especially for solutions that drive productivity. Our professional customers face increased pressure to improve efficiency and productivity, and need tools to help manage the growing volume and complexity of information and regulations. This trend, as well as the growth of connectivity and use of mobile devices by professionals worldwide, offer growth opportunities for the business.

Our strategy for the coming years builds on the foundation laid by the transformation we have achieved to date. Our priority is to expand our leading, high-growth positions, to deliver solutions and insights, and to drive efficiencies across the company. We will continue to direct investment towards faster growing regions, while rebalancing our European footprint. Our objective is to accelerate profitable growth while increasing the portion of our business that comes from software, cloud solutions, and mobile offerings. We expect that a growing portion of our revenues will also come from emerging markets.

MOVING FORWARD WITH CONFIDENCE

Our strategy will put us in an even better position to be a trusted partner for our customers and employees.
I am confident that we have the right leadership team and strong employee base in place to enable us to win in the marketplace. Talent development is an important priority for Wolters Kluwer and we are undertaking a comprehensive program to develop the next generation of new leaders.

As we move forward, I would like to take this opportunity to thank Executive Board member, Jack Lynch, who left the company in November 2012, for his role in advancing technology and global shared services over the past years. I also want to thank Boudewijn Beerkens, CFO and Member of the Executive Board, for his significant contribution to the successful transformation of Wolters Kluwer over the past ten years. Kevin Entricken, who will become CFO in May 2013, brings deep financial and operational experience as well as extensive knowledge of our business. His proposed appointment as member of the Executive Board will be submitted to the Annual General Meeting of Shareholders on April 24, 2013.

WE UNDERSTAND WHAT IS AT STAKE

What we deliver every day to customers in over 150 countries is a tangible proof of our commitment.
They depend on our unmatched knowledge, the inventive ways we solve their toughest challenges, our intuitive technology, and most importantly, the deep responsibility we feel as an essential business partner. Our new tagline: *Wolters Kluwer, when you have to be right* expresses the value customers find in working with us to drive for better results.

I am confident that in 2013 and beyond we will continue to deliver the kind of results which brought us our leadership role. I would like to offer my thanks to our customers, shareholders, and employees for their ongoing support of Wolters Kluwer.

Nancy McKinstry
CEO and Chairman
of the Executive Board

Revenues

Total revenues 2012

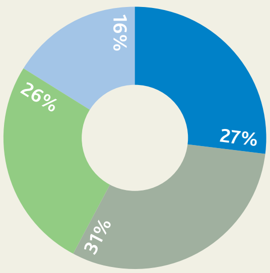
€3,603 mln

grew

7%

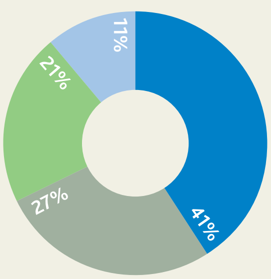
compared to prior year

Strong revenue diversification 2012, in %



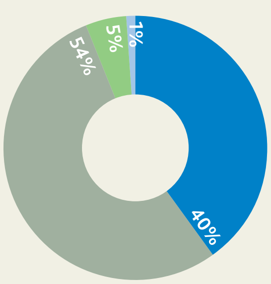
- Online
- Software
- Print
- Services

Revenues by division 2012, in %



- Legal & Regulatory
- Tax & Accounting
- Health
- Financial & Compliance Services

Revenues by geography 2012, in %



- Europe
- North America
- Asia Pacific
- Rest of the world

WHO WE ARE & WHAT WE DO

Our customers
make critical decisions every day;
we help them move forward
with confidence.

Tagline

Wolters Kluwer, when you have to be right **expresses the value customers find in working with us to drive for better results**

Customers

We serve professionals in the legal, tax, finance, and healthcare markets in over 150 countries

Markets

Legal, business, tax, accounting, finance, audit, risk, compliance, healthcare

Company Values

Customer focus, Innovation, Accountability, Integrity, Value creation, Teamwork

Employees

19,112 employees across Europe, North America, Asia Pacific, and Latin America

Products

Over 74% of revenues come from online, software and services, including 350 mobile apps and 100 e-journals

Our strategy

Realizing Our Growth Potential

1. FOCUS ON HIGH GROWTH AREAS:

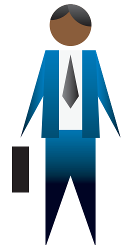
- Invest to expand high growth segments, scale positions
- Drive growth in digital solutions and services

2. INCREASE CUSTOMERS' PRODUCTIVITY:

- Invest in mobile applications, cloud-based services, and integrated solutions
- Invest 8-10% annually in product innovation

3. DRIVE EFFICIENCIES TO FUND GROWTH:

- Drive efficiencies in areas such as sourcing, technology, real estate, organizational processes, and distribution channels



Wolters Kluwer supports

90% of U.S. banks

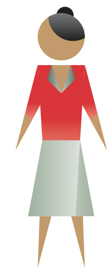
and the top

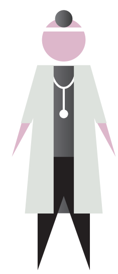
40 global banks

Wolters Kluwer supports over

210,000 tax & accounting firms worldwide

that's over 40 million tax returns





Wolters Kluwer supports over

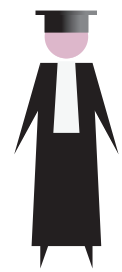
13 million healthcare professionals

in more than 150 countries

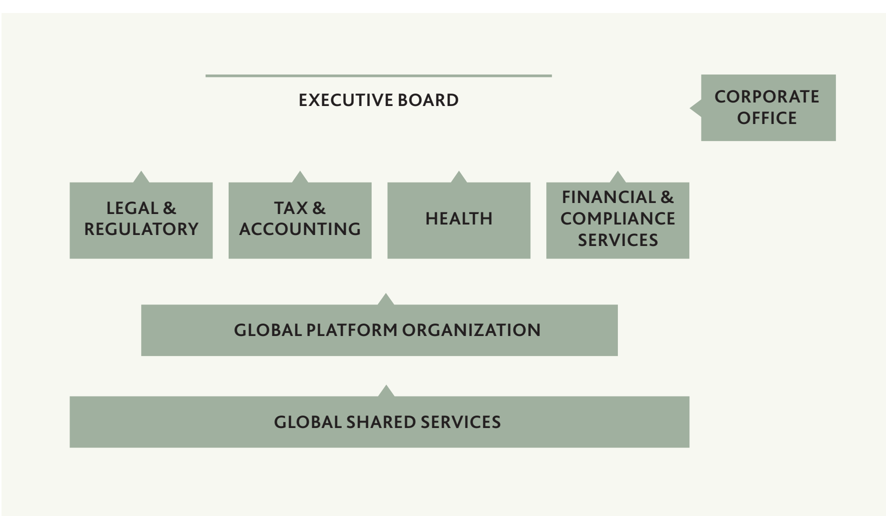
Wolters Kluwer supports over

250,000 legal professionals

worldwide

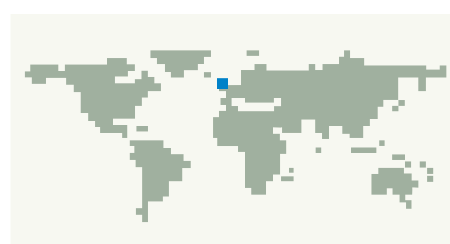


COMPANY STRUCTURE



HEADQUARTERED

Headquartered in Alphen aan den Rijn, the Netherlands. Stock listed on Euronext Amsterdam: WLSNC.AS, stock code 39590, ISIN code NL0000395903; included in the AEX and Euronext 100 indices



MORE INFORMATION

www.wolterskluwer.com
www.facebook.com/wolterskluwer
www.twitter.com/wolters_kluwer

THE FUTURE FOR THE PROFESSIONAL

AUTOMATING ROUTINE AND GETTING SMARTER

Nancy McKinstry met with Herman Roose, a partner who leads the small and medium-sized entrepreneurs segment at Deloitte Netherlands. Mr. Roose and Nancy McKinstry spoke about the future of the profession and the coming changes he sees for his clients. Mr. Roose uses the Twinfield cloud-based accounting software, offered by Wolters Kluwer Tax & Accounting in the Netherlands and the U.K.

Nancy McKinstry (NMcK)
It's an exciting time to be in the accounting profession. Where do you see the industry going and what do you see as the key trends and challenges you need to meet?

Herman Roose (HR)
There really is a lot going on in our business. Major transformations are affecting accountants and tax advisors. For decades, people have been working in a certain, secure, way in accounting, data processing, transaction processing, and preparing financial statements. Nowadays technology has taken over 80 percent of their work, maybe even more. Technology will take over all the routine work, and with that a large part of the business is disappearing.

NMcK Part of the challenge is the need to change the business model. Accountants were historically charged by hour, and as you automate some of the work, it is fewer hours. How to capture the value?

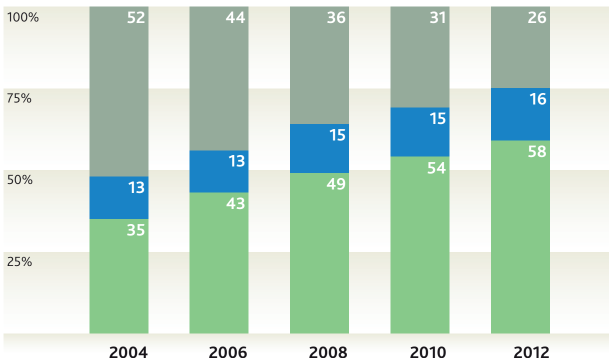
HR Changes in technology raise interesting issues. The more you automate, the less work and fewer hours there are to bill. We need to break through this paradox. At Deloitte, we changed our earnings model to a subscription model for the small and medium-sized firms. Entrepreneurs like surprises in the market but they do not like surprises on the cost side. The subscription model is easy and transparent.

NMcK How will the changes in accounting affect students coming into the profession? The next generation comes in knowing technology very well.

HR I didn't advise my son to study accounting, because that would be an education for something that's being automated in the future. I advised him to look for a broader perspective, to study business economics and learn business advisory capabilities. Sometimes I compare it with a car. There is not a guy in my car shoveling coal. The engine runs itself. Likewise, we need to shift in our profession to a higher level.

The conversation between Nancy McKinstry, CEO and Chairman of the Executive Board, and Mr. Herman Roose, one of our customers, illustrates the transformation of our portfolio.

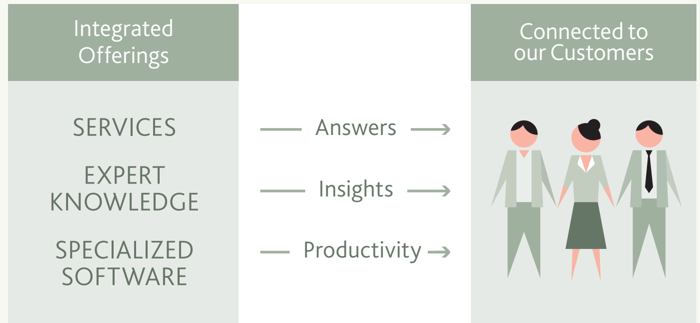
REVENUES FROM ONLINE, SOFTWARE, & SERVICES



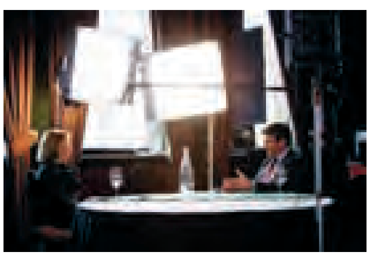
Online & Software
Services
Print

Wolters Kluwer's shift to digital over the past years is significant and aligns with the trends in the professions we serve.

INTEGRATED PRODUCT OFFERINGS



Wolters Kluwer's competitive advantage is that digital products allow us to offer integrated solutions, combining expert content, specialized software and services, and these give customers answers and actionable insight that they can use for greater productivity and quality.



NMcK We see these trends not only in accounting but also in health and other professional fields. We are building more functionality into our software tools around delivering potential solutions or answers that enable our customers to say: 'Yes, that is the right direction that I should be going in.' Do you see the technology getting smarter?

HR You already see that with the audit rules in systems like Twinfield. This takes over the routine work. You need the intelligence to design a control or an audit procedure, but once it is designed you can apply it repeatedly. And with all this data, the big data, it becomes self auditing, because of the quality of the benchmark. You need to monitor exceptions. But I'm absolutely sure that a lot of the detailed work that auditors now do will be taken over by automated systems. Back in 2008, we wanted to connect our client systems to our portal, but the data was not interchangeable. Today it's possible. That's only five short years ago.

NMcK Indeed. With major trends in automation, and the ways that enables you to provide advisory services, plus seeing the next generation stepping up, it is really an exciting time for the accounting profession. There's so much change happening, and that always uncovers opportunities.

HR Yes, it's an adventure.

The full conversation between Herman Roose and Nancy McKinstry is available in our Annual Report app. Mr. Roose also attended our roundtable on the accountancy profession as an adventure, available as an audiocast on the Wolters Kluwer website.

LEGAL & REGULATORY

Wolters Kluwer Legal & Regulatory provides customers with expert content, solutions, software, and services in the areas of law, business, and regulatory compliance. Corporate Legal Services is the leader in legal and compliance performance management solutions. In today's global environment, we give customers access to actionable information, intelligent tools and personalized service, empowering organizations to make better decisions and be more efficient.

Customers

Lawyers and law firm professionals, Corporate law departments, Business compliance professionals, Corporate legal counsel, Legal educators, Universities, Libraries, Government agencies

Product Portfolio

IPSOA, LA LEY, Kluwer, Lamy, Luchterhand, CT Corporation, Croner, TyMetrix, Corsearch, CT Lien Solutions, LegalVIEW, NRAI, BizFilings

Organization

Legal & Regulatory serves customers in two different markets globally. Wolters Kluwer Legal & Regulatory is led by CEO Stacey Caywood and Wolters Kluwer Corporate Legal Services is led by Group President and CEO, Richard Flynn

STACEY CAYWOOD
CEO Legal & Regulatory

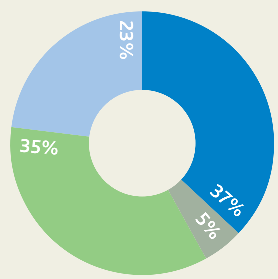
RICHARD FLYNN
Group President and CEO
Corporate Legal Services

Annual revenue
€1,491 mln

Ordinary EBITA margin
22.4%

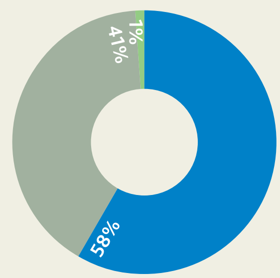
Employees
7,439

Revenues by media



- Online
- Software
- Print
- Services

Revenues by geography



- Europe
- North America
- Asia Pacific & Rest of the world

JANUARY 3	JANUARY 10	JANUARY 26	FEBRUARY 6
IntelliConnect Now Fully Accessible on the iPad with Advanced Mobility Features	RBsource Launched: Online All-in-One Securities Law Productivity Tool	Kluwer Arbitration Blog Earns Prestigious Award from the International Institute for Conflict Prevention & Resolution	Ovid and LWW Technical Services Team Certified as "Center of Excellence" from BenchmarkPortal

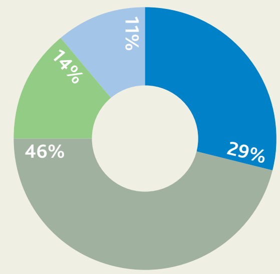
KEVIN ROBERT
CEO Tax & Accounting

Annual revenue
€981 mln

Ordinary EBITA margin
26.7%

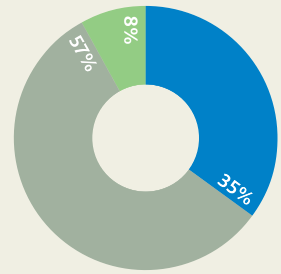
Employees
5,629

Revenues by media



- Online
- Software
- Print
- Services

Revenues by geography



- Europe
- North America
- Asia Pacific & Rest of the world

Customers

Accounting firms, Corporate finance, Tax and auditing departments, Government agencies, Universities, Libraries

Product Portfolio

CCH, Addison, A3 Software, CorpSystem, ProSystem *fx*, Twinfield, Kluwer

Organization

Wolters Kluwer Tax & Accounting is led by CEO Kevin Robert and operates globally

TAX & ACCOUNTING

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

FEBRUARY 15
CT Corporation Launches hCue Entity Manager App for iPad and Android-based Tablets

FEBRUARY 16
CCH Integrator Launched: a True Software-Plus-Content Solution for Tax Professionals

MARCH 2
ProSystem *fx* Practice Intelligence Named 2012 Top New Business Intelligence Product by Accounting Today

MARCH 22
iLienRED, the First Web-based and Mortgage Recordation Platform of its Kind, Celebrates One-Year Anniversary

MARCH 30
Wolters Kluwer Financial Services' FRSGlobal Selected by Indian Arm of Leading Japanese Bank for Global Experience and Local Regulatory Insights

APRIL 3
Kluwer Netherlands Sells Adformatie Group to a New Owner to Sharpen Portfolio Focus

Customers

Professionals and students in medicine, nursing, allied health, Medical libraries, Hospitals

Product Portfolio

Lippincott Williams & Wilkins, Ovid, ProVation Medical, UpToDate, Medi-Span, Facts & Comparisons, Lexicomp, Pharmacy OneSource, Medknow, Health Language

Organization

Wolters Kluwer Health is led by CEO Bob Becker and operates in three units: Clinical Solutions, Medical Research, and Professional & Education which serve customers worldwide

HEALTH

Healthcare professionals and organizations worldwide use the information, tools, and solutions provided by Wolters Kluwer Health to improve their clinical practice, make critical decisions more effectively, and improve access to high-quality and cost-effective healthcare. Wolters Kluwer Health provides medical, nursing, and allied health information resources in electronic media, book, journal, newsletter, and loose leaf formats.

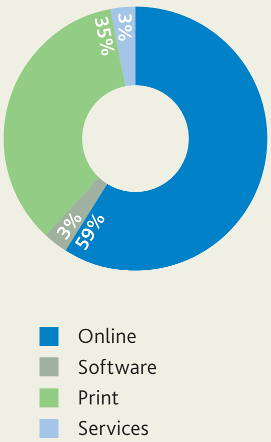
BOB BECKER
CEO Health

Annual revenue
€745 mln

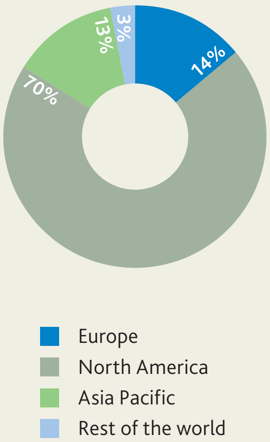
Ordinary EBITA margin
21.9%

Employees
2,484

Revenues by media



Revenues by geography



APRIL 6
TyMetrix Legal Analytics Releases 2012 Real Rate Report

APRIL 16
ComplianceOne Completes More Than 175 Installations in First Quarter

MAY 2
Wolters Kluwer Audit, Risk & Compliance Creates New TeamMate Federal Government Practice for U.S. Government Auditors

MAY 15
Healthcare Analytics Sold to Symphony Technology Group: Part of Divestment of the Pharma Portfolio

JUNE 5
ProSystem *fx* Document Wins 2012 Tax and Accounting Technology Innovation Award

JUNE 19
Wolters Kluwer Financial Services' FRSGlobal Enhances Data Management Solution

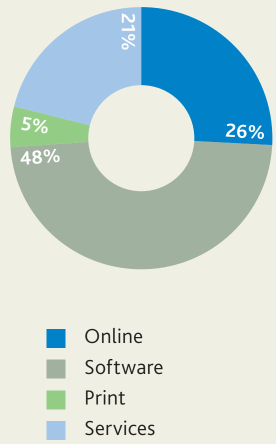
BRIAN LONGE
CEO Financial & Compliance Services

Annual revenue
€386 mln

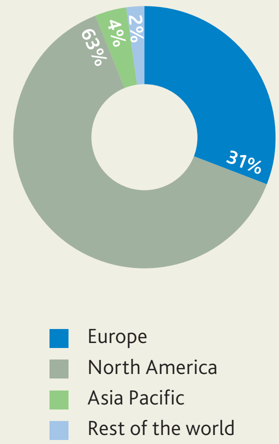
Ordinary EBITA margin
19.0%

Employees
2,314

Revenues by media



Revenues by geography



FINANCIAL & COMPLIANCE SERVICES

Financial & Compliance Services provides risk management, compliance, finance, and audit professionals the solutions and services they need to optimize risk and business performance, and ensure compliance with local, regional, and global regulation. Solutions are delivered through a unique combination of information, technology and services, woven together with unmatched industry and regulatory knowledge which helps customers make critical business decisions with confidence.

Customers

Risk, compliance, audit, and finance professionals in industries such as banking, securities, insurance, life sciences, healthcare, transportation, energy, and government

Product Portfolio

***ARC* Logics, AuthenticWeb, Bankers Systems, Capital Changes, ComplianceOne, Compliance Resource Network, FinArch, FRSGlobal, GainsKeeper, NILS, Uniform Forms, VMP® Mortgage and Wiz; TeamMate; Teleroute Transwide.**

Organization

Wolters Kluwer Financial & Compliance Services is led by CEO Brian Longe and operates three units: Financial Services, Audit Risk & Compliance and Transport Services. It serves customers worldwide

JUNE 27
ProVation Medical Achieves 1,000th Software Implementation Milestone

JULY 2
Bank of Taiwan Selects Wolters Kluwer Financial Services' FRSGlobal

JULY 12
Expansion of Accounting Online Software Solutions in Australia, New Zealand, and Asia Pacific through Acquisition of Acclipse

JULY 13
Acquisition of FinArch, Provider of Integrated Finance, Risk, and Performance Measurement

AUGUST 16
Introduction of OvidOpenAccess to Support the Research Needs of the Global Medical Community

AUGUST 28
Partnership with the Altos Group to Develop Sepsis Mortality Reduction Program

Employees

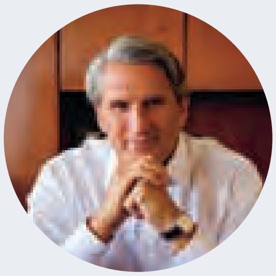
336

Organization

Global Shared Services is led by CEO Tom Lesica, and supports all of Wolters Kluwer's divisions

GLOBAL SHARED SERVICES

Global Shared Services provides services to the business units in the areas of technology, sourcing, procurement, legal, finance, and human resources. It supports the company's strategy by raising innovation and effectiveness, and achieving global scale.



TOM LESICA
CEO Global Shared Services

Executive Board	Legal & Regulatory	Tax & Accounting	Health	Financial & Compliance	Corporate Legal Services

TECHNOLOGY	BUSINESS	LEGAL
→ Infrastructure Global → Back Office Applications Global	→ Business Process Outsourcing Global → Sourcing and Procurement Global → HR Operations and Services North America → Real Estate Global	→ Legal North America

SEPTEMBER 3
Expansion of Global Tax Offerings in Growing Corporate Market through Acquisition of BSI

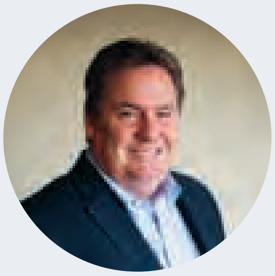
SEPTEMBER 18
Lexicomp Drug Information Integrated with WinOMS CS Software for Dental Professionals to Enhance Medication Safety

SEPTEMBER 27
U.S. Internal Revenue Service (IRS) Selects Wolters Kluwer to Provide Comprehensive Sales Tax Data

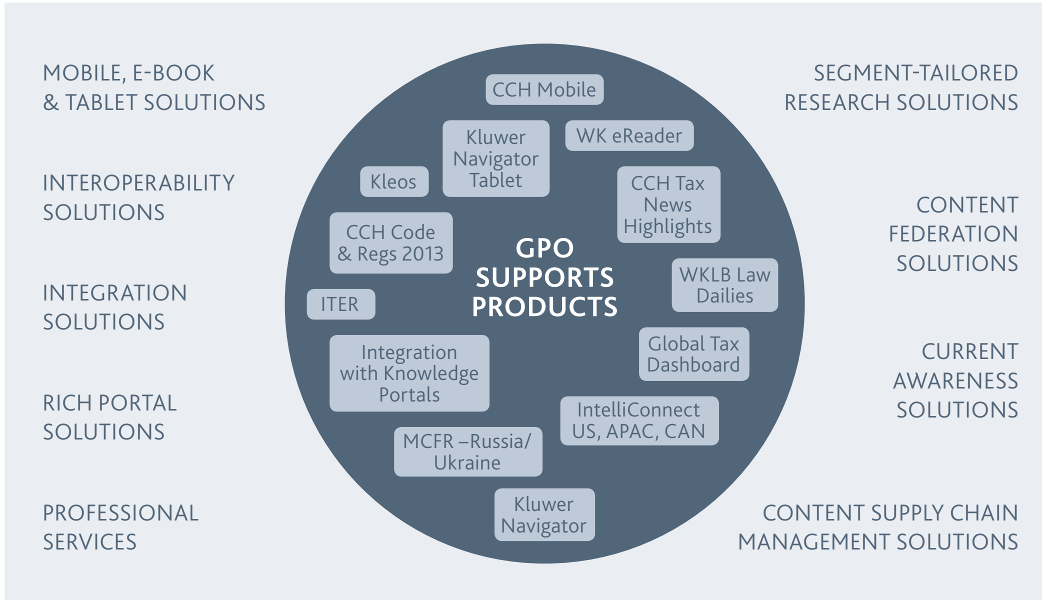
OCTOBER 9
Eight Leading Multinational Banks Select Wolters Kluwer Financial Services for Reserve Bank of India Regulatory Compliance

OCTOBER 16
Lamylex+ Launched in France, a Solution Combining Advanced Software Features and Documentary Resources

OCTOBER 17
Announcement of Health Language, Inc. Acquisition, a Leader in the Medical Terminology Management Market



DENNIS CAHILL
Executive Vice President
Global Platform
Organization



Employees
108

Organization
The Global Platform Organization is led by Dennis Cahill, Executive Vice President, and supports innovative solutions development across the company

GLOBAL PLATFORM ORGANIZATION

The Global Platform Organization is responsible for concentrating research and development efforts in a single global technology platform that enables Wolters Kluwer to focus on developing products that are tailored to the needs of customers and supports mobile and cloud applications.

NOVEMBER 8
Wolters Kluwer Financial Services Named Top 10 Firm on Chartis Research RiskTech100 Report

NOVEMBER 16
Training Business of Kluwer in Belgium Wins HR Excellence Awards for the Third Time

NOVEMBER 30
CCH Receives 2012 Governor's Sustainability Award for Achievement in Environmental Protection

DECEMBER 3
Daily Reporting Suite Launched, Tracking Daily Developments in the Law's Most Complex Practice Areas

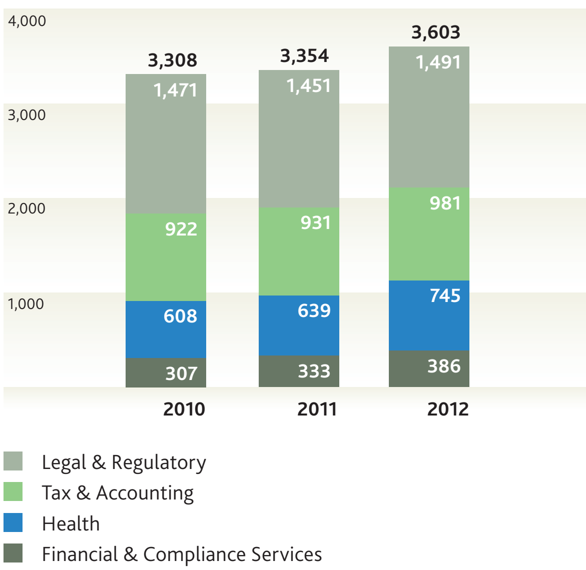
DECEMBER 21
Banking Technology's Readers' Choice Award for Best Governance Risk & Compliance Product/Service

DECEMBER 31
Wolters Kluwer Health Ranked Second Overall in "2012 Best in KLAS" Awards

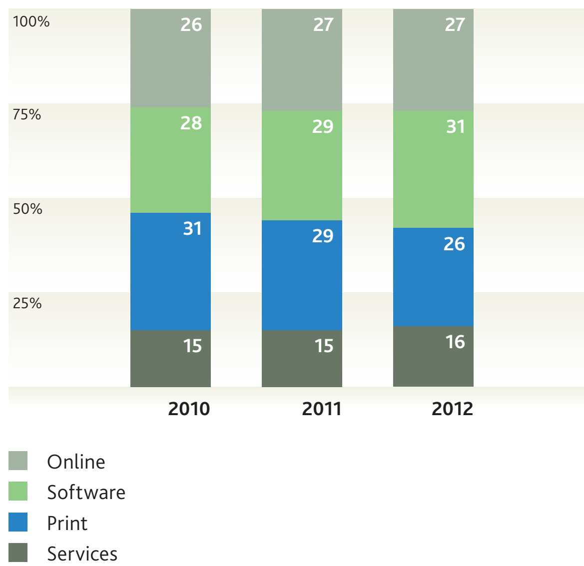
FINANCIAL OVERVIEW

REVENUES

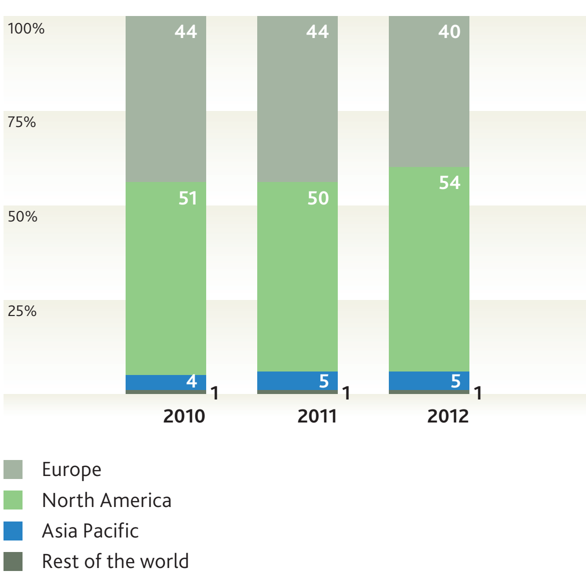
Revenues by division
in millions of euros



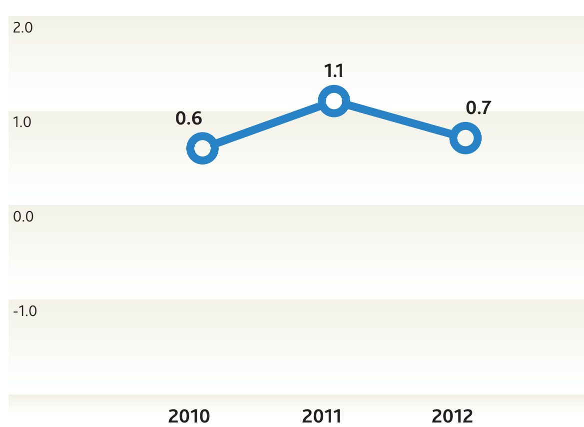
Revenues by media
in %



Revenues by geography
in %



Organic revenue growth
in %



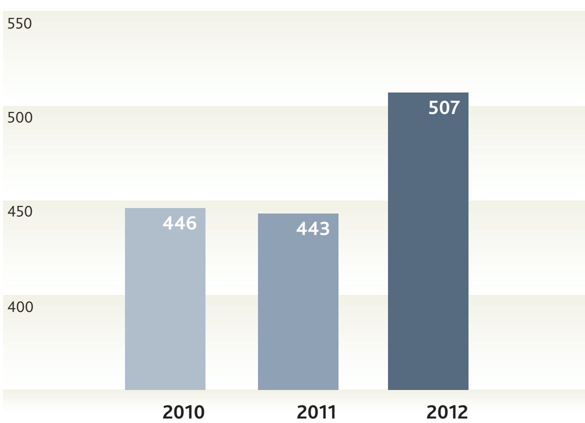
ORDINARY EBITA

Ordinary EBITA by division
in millions of euros

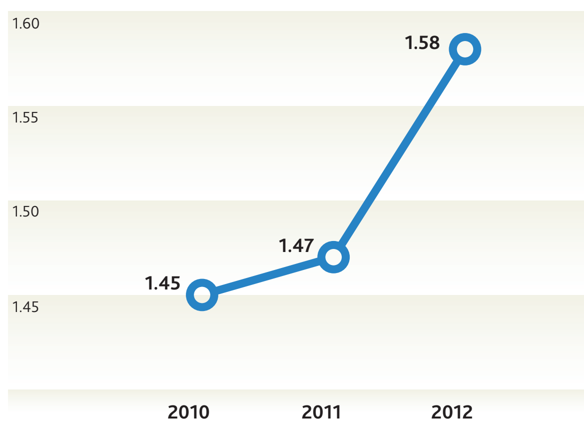
Ordinary EBITA margin
in %

OTHER KPIs

Ordinary free cash flow
in millions of euros (in actual currencies)



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



Key Performance Indicators	2012	Target 2012	2011
Ordinary EBITA margin	21.8%	21.5%-22.5%	21.7%
Ordinary free cash flow[1]	€473 million	≥ €425 million	€438 million
Return on invested capital	8.8%	≥ 8%	8.9%
Diluted ordinary EPS[1]	€1.47	low single digit growth	€1.46

[1] At constant currencies (EUR/USD = 1.39)

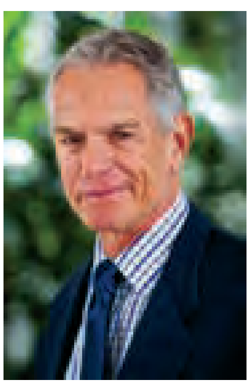
MANAGEMENT PROFILE

SUPERVISORY BOARD

ADRI BAAN
Chairman, member of the Audit Committee, and member of the Selection and Remuneration Committee

PETER WAKKIE
Deputy Chairman, Chairman of the Selection and Remuneration Committee

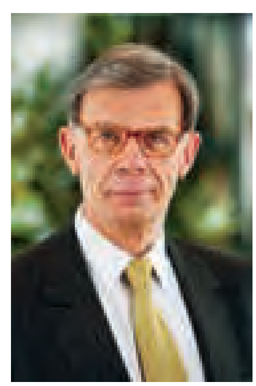
BARBARA DALIBARD
Member of the Supervisory Board



LEN FORMAN
Chairman of the Audit Committee and member of the Selection and Remuneration Committee

STUART JAMES
Member of the Selection and Remuneration Committee

RENÉ HOOFT GRAAFLAND
Member of the Audit Committee



BRUNO ANGELICI
Member of the Audit Committee

EXECUTIVE BOARD

NANCY MCKINSTRY
CEO AND CHAIRMAN
OF THE EXECUTIVE BOARD

American, 1959, Chief Executive Officer and Chairman of the Executive Board since September 2003, and member of the Executive Board since June 2001.

As CEO and Chairman of the Executive Board, Ms. McKinstry is responsible for Corporate Strategy, Division Performance, Business Development, Legal Affairs, Communications, Human Resources, and Sustainability as well as Technology & Global Shared Services.

BOUDEWIJN BEERKENS
CFO AND MEMBER
OF THE EXECUTIVE BOARD

Dutch, 1963, Chief Financial Officer since November 2002, and member of the Executive Board since May 2003. Wolters Kluwer announced on February 20, 2013 the departure of Mr. Beerkens per May 2013.

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

KEVIN ENTRICKEN
CFO AND NOMINATED MEMBER
OF THE EXECUTIVE BOARD
PER MAY 2013

American, 1965. Mr. Entricken's proposed appointment to the Executive Board will be submitted to the Annual General Meeting of Shareholders of April 24, 2013.

Mr. Entricken joined Wolters Kluwer in 2003 and is Chief Financial Officer of Wolters Kluwer Health since 2010. Prior to that he was CFO for Wolters Kluwer Law & Business and served as Vice President Investor Relations.

SENIOR MANAGEMENT

- Kathy Baker, Senior Vice President, Human Resources;
- Sander van Dam, Senior Vice President, Accounting & Control;
- Andres Sadler, Senior Vice President, Corporate Strategy;
- Elizabeth Satin, Senior Vice President, Mergers & Acquisitions North America;
- Maarten Thompson, Senior Vice President, General Counsel/ Company Secretary.

Mr. Jack J.J. Lynch, Jr. was a Member of the Executive Board through October 2012.

Full profiles of members of management are available online and at the end of this report.

REVIEW OF THE YEAR

In 2012, we successfully built on the transformation of our business. Over the last ten years our portfolio has significantly changed and has positioned us as a digital business focused on four key global markets.

Wolters Kluwer has transformed from a variety of mainly print-centric businesses to a digital business with four customer-focused divisions, each with global positions of strength. This transformation has resulted in positive financial performance and has created opportunities to accelerate growth as market conditions improve.

Today, the company has several high-growth leading positions in all divisions. Each of these leading positions, in clinical solutions, tax and accounting software, financial & compliance services, and legal corporate services, provide opportunities to accelerate our growth and extend our global footprint. Our competitive advantage is founded on our capability to provide solutions that combine expert knowledge, specialized software, and services to help professionals make critical decisions with confidence. Today's professionals need not just information, but answers, insights, and productivity tools. This report gives several examples of the support our products give our customers.

We have a strong foundation in place as we begin our next strategic cycle in 2013. Our strategy has three priorities: Expand our leading, high growth positions; Deliver solutions and insights; and Drive efficiencies to fund growth.

2012 FINANCIAL RESULTS

In 2012, Wolters Kluwer increased revenues by 2% at constant currencies and by 1% organically, despite the economic challenges in Europe. Our North American business delivered 4% organic revenue growth, and, in combination with 8% organic revenue growth in Asia, offset declines in Europe. Profitability improved in 2012, driven by the shift toward higher margin electronic products, the contribution from acquisitions, and cost savings.

We continued to invest in high-growth areas through organic product development and selective acquisitions of digital businesses. Our increased cash flow enabled us to return over €220 million to shareholders while at the same time improving our net-debt-to-EBITDA ratio to 2.4 times. The strength of our portfolio and our improved balance sheet provide a solid foundation to support our strategy for accelerating growth.

A SIGNIFICANT SHIFT

Year over year, we have become a more digital company with higher online, software, and services revenue growth. As a result, we have changed our portfolio with print reduced from 55%, when the transformation process started in 2003, to a mere 26% in 2012. Importantly, our online, software and services revenue grew 4% organically, as investments in new products, sales and marketing, and globalization continued to gain traction. The vast majority of our products - 74% - is now electronic products and services, and provides our customers with solutions they need to perform their daily work and make decisions with confidence.

Our geographic breadth has also undergone a significant shift, as many of our digital products serve global customers. Revenues from Asia Pacific and Rest of World have doubled from 3% in 2003 to 6% in 2012. We expect this to increase even further as we continue to invest in developing global online and software solutions and as we pursue additional growth opportunities in fast growing markets such as India and China.

Our fastest growing businesses now have sufficient scale in terms of size and geographic scope. In 2012, organic revenue growth of the fastest growing business units ranged from greater than 10% growth in clinical solutions, 9% in finance, audit, risk, and compliance, to 6% in corporate legal services and 4% in tax and accounting software. We will continue to invest our capital in these segments to support our goal of accelerating growth.

REALIZING OUR GROWTH POTENTIAL

The 2012 results have positioned the company well. Over the coming years, our strategic priorities are as follows:

Expand our leading, high-growth positions:
We will focus the majority of our investments on high-growth segments of our portfolio where we have achieved market leadership. These positions in Corporate Legal Services, Financial & Compliance Services, Clinical Solutions and Tax and Accounting software provide global expansion opportunities. In addition, we will continue to drive growth in digital solutions and services across all the divisions.

Deliver solutions and insights:
We will continuously invest in our products and services in order to deliver the tailored solutions and insights our professional customers need to make critical decisions and increase their productivity. We are investing in mobile applications, cloud-based services, and integrated solutions. Product investment, including capital expenditure, is expected to remain approximately 8-10% of revenues in coming years.

Drive efficiencies:
We will continue to find more ways to drive efficiencies in areas such as sourcing, technology, real estate, organizational processes, and distribution channels. As in the past, these operational excellence programs will deliver cost savings to support investments and support margin expansion, while mitigating cost inflation.

DIVISIONAL PERFORMANCE

In the following sections, key highlights on divisional performance over 2012 are covered. Full details of the financial performance per division can be found on page 28 of this report.

LEGAL & REGULATORY

The division consists of the Legal & Regulatory and the Corporate Legal Services group. Organic revenue growth in North America accelerated to 5%, driven by strong performance from Corporate Legal Services. This growth, however, did not fully compensate for the performance in Europe where organic revenue growth declined 6% as a result of the tough economic conditions.

Legal & Regulatory
Legal & Regulatory made good progress in further expanding its offerings of innovative electronic solutions and services and 2012 saw a number of key product launches in the division. These actions help to support the ongoing transformation of the division that is facing decline in Europe, due mainly to its print and cyclical product lines.

At the start of the year, RBsource, a productivity tool for securities attorneys, was launched and has been well received in the market. RBsource has reinvented the leading industry-standard resource - The Securities Act Handbook, also known as the “Redbook” - which has been offered by Wolters Kluwer for many years already, and transformed it into a daily-updated online research productivity tool.

Another important product launch was the Wolters Kluwer Daily Reporting Suite, a specialized current awareness service to keep legal professionals fully briefed on breaking legal news, court decisions, and legislative and regulatory developments that impact every aspect of their practice.

Across Europe, we also saw the further roll-out of Kleos, an end-to-end practice management software tool that gives lawyers access to all their clients’ files, anywhere, at any time. Kleos is now offered in seven countries.

Corporate Legal Services
Corporate Legal Services delivered 6% organic revenue growth for the full year of 2012. Strong performance and growth was fueled by product innovation and market expansion, delivering leading expertise, products, and services to more customers in more geographies and industries.

TyMetrix delivered double-digit growth and continued its emergence as a pioneer in the industry’s data analytics revolution. Its new Legal Analytics business, which gives legal professionals insights into their own data and performance as well as industry-wide benchmarks, historic trends, and predictions through LegalVIEW performed well. TyMetrix gives customers insights to gain competitive advantages and make strategic decisions to improve efficiency and profitability and better manage the business of law.

Leveraging its strong position with leading financial institutions into the mortgage recordation process, CT Lien Solutions’ iLienRED helped fuel the business’ 15% organic revenue growth. The platform offers tremendous improvements in managing and recording real estate documents, allowing our customers to save time and money through unparalleled speed and ease of their workflow.

Corporate Legal Services continued its momentum with its European expansion plans, growing its European revenues by 23% in 2012. This was fueled by the successful integration of 2010’s Edital acquisition, which bolstered its Corsearch business’ global product offering, and the emergence of TyMetrix as a leader in the growing legal performance management market overseas.

TAX & ACCOUNTING

Over 2012, our software revenues in the tax and accounting market increased by 5%, growing in all regions and all customer segments. Through new product delivery and development as well as acquisitions, we extended our leading position as a provider of innovative software solutions to tax and accounting professionals worldwide.

We acquired Acclipse Limited, a leading provider of online accounting software, serving accounting firms in Australia, New Zealand, and Asia Pacific. With this acquisition, we further expanded our existing offering of advanced information and software solutions, including cloud-based solutions, for accounting firms and corporate finance professionals in the region.

We also acquired BSI, providing international tax expertise in more than 114 countries, and enabling real-time updates based on new developments and immediate answers to global queries from professionals. The acquisition continues the division's global expansion in the corporate market, which further accelerated in 2012 with significant revenue growth for the CCH Integrator suite, a global, cloud-based application that streamlines tax and reporting compliance for corporate tax professionals in local or multi-national corporations.

Extending our cloud expertise, CCH in the U.S. launched its Open Integration Platform. It enables a new way of working, and is built to support a firm's entire "ecosystem," facilitating the open and collaborative way in which people want to work today. CCH's capability to offer the Open Integration Platform is based on its next generation cloud platform, which CCH built from the ground up leveraging the latest technology. The unit also launched numerous new information and workflow mobile applications, supporting professionals' ability to work anytime, anywhere.

HEALTH

Health revenues grew 5% on an organic basis, driven by double digit growth in Clinical Solutions as its market-leading product lines continue to increase its penetration among U.S. hospitals and expand its customer base outside the U.S. ProVation Medical software, our industry-leading medical procedure documentation and coding solution, not only recorded strong revenue performance but also received the top ranking in the Clinical Procedure Documentation Category of the 2012 Top 20 Best in KLAS Awards which recognizes leadership in software and service excellence.

The drug information business also performed well, including Medicom in China which achieved strong double-digit growth. Medicom now offers the most robust suite of drug information products in use at Chinese hospitals.

The Health division acquired Health Language, Inc., a leader in medical terminology management in early 2013. Health Language, allows healthcare providers to increase interoperability among all of its systems by providing the content, software, and services to manage updating, mapping, distribution, and access to standard medical vocabularies and administrative codes. These services help to improve efficiency in health care delivery as well as quality in patient outcomes.

Ovid delivered 4% organic revenue growth driven by strong performance in North America, while our open access journal publisher based in India, MedKnow, grew strongly on the back of new title launches. While Lippincott Williams & Wilkins journal revenues remained weak as medical advertising markets contracted further, we nevertheless made good progress developing mobile access to our journals, with more than 100 titles now being available as apps for iPads and other tablets.

Our Professional & Education segment now has over 2,200 titles available in e-book and mobile formats. As a result, the growth in e-books and other digital product revenue was good but offset by a decline in hardcopy books. Growth in nursing and medical education segments was negated by softness in the medical practice segment and pharma reprints.

FINANCIAL & COMPLIANCE SERVICES

Financial & Compliance Services saw organic revenue growth of 5%, driven by new and expanded customer contracts especially in the financial services and audit market. Valuing our team of regional-specific experts and industry leading software, the Bank of Taiwan selected Wolters Kluwer Financial Services' FRSGlobal for regulatory reporting in its new mainland China branch. The bank selected FRSGlobal to help manage compliance with the ever more complex regulations set out by the People's Bank of China, the China Banking Regulatory Commission, and the State Administration of Foreign Exchange.

Similarly, a number of multinational banks selected Wolters Kluwer Financial Services to meet Reserve Bank of India regulatory reporting requirements, and Wolters Kluwer Audit, Risk & Compliance's TeamMate audit management system signed new customers around the world.

In 2012, Wolters Kluwer Financial Services completed nearly 700 installations of our ComplianceOne solution with U.S. banks and credit unions. More than 4,000 financial institutions now trust ComplianceOne and our other documentation and workflow solutions to help them make managing compliance with loan and deposit account transactions faster and more efficient.

Another important development in 2012 was Wolters

Kluwer Financial Services' acquisition of FinArch, a leading provider of integrated finance, risk, and performance measurement solutions that allow financial institutions to manage, measure, and report all financial activities including accounting, risk and capital management, management information, and compliance.

We were honored that Wolters Kluwer Financial Services was named a Top 10 Firm on Chartis Research's RiskTech100 Report and also named the winner of the report's Regulatory Reporting category.

Transport Services saw revenues decline due to lower freight posting volumes on its European freight exchange, as market conditions remain challenging across the continent.

ENABLING GLOBAL CAPABILITIES

As Wolters Kluwer continues to enter emerging markets, providing innovative product offerings and adapting new technologies such as cloud, SaaS, and mobility, Global Shared Services is a key part of the value chain in the re-platforming of technology architectures and services. The proliferation of mobile users with 7X24 expectation requires a far more agile, resilient, and 'always on' delivery model.

Wolters Kluwer continues to focus on operational excellence and maximizing investment capacity. Global Shared Services is defining new ways to leverage cloud and utility based computing, rationalization of the application and infrastructure environments, as well as sourcing, off-shoring, and BPO services to increase investment capacity and improve margin performance. Successful initiatives such as Springboard, ERP, and data center consolidations, server virtualization, off-shoring partners and BPO engagements have already yielded significant gains for Wolters Kluwer.

A GLOBAL TEAM OF EXPERTS

Wolters Kluwer is proud to have many leading experts and highly-engaged professionals among its global workforce. Today's fast-paced, global business environment, coupled with the growing challenge of a changing workforce, requires a new and evolved strategy for how Wolters Kluwer approaches its greatest asset – people. We champion the purposeful development of our people and are committed to building a learning culture that will drive the continued success of this company.

A number of strategic learning and development programs are underway to ensure Wolters Kluwer is building global top talent to support our growth agenda. One example of this is the Global Talent Review process we launched across Wolters Kluwer in 2012. We completed a global inventory and assessment of our leaders at the division and enterprise level to increase awareness of the talent, drive, mobility, and movement across the company, and ensure we have a strong leadership pipeline to successfully meet our company's strategic goals now and in the future. Furthermore, our new nomination-based 2012 Leadership Forum invited some of our high potentials from across the company for a two-day learning experience. The sessions were focused on understanding leadership at Wolters Kluwer, hearing personal leadership philosophies and experiences from senior executives, and solving real-life business challenges.

A concrete outcome of our focus on developing a strong and diverse team is our results with regards to gender diversity in leadership roles. Ten years ago, 20% of senior managers were female. Now, 28% of the executives and 43% of the managers are female. There are also several female CEOs of Wolters Kluwer divisions, such as our largest global division and local businesses in Italy and China.

SUSTAINABLE SOLUTIONS

In today's information-rich society, we are increasingly aware of the impact our operations have on the environment and people around the world. As an organization, we aim to minimize our environmental footprint and focus on sustainable financial results in a balanced way. We minimize our own consumption of natural resources and improve the impact we have as an organization on society. Our suppliers are our main partners for reducing the use of natural resources.

We provide customers with sustainable solutions based on real needs. We believe we have a long term and sustainable impact on society when we are able to leverage our expertise in order to provide solutions for tomorrow's challenges. A good example is Sentri7, which allows clinicians the opportunity to facilitate earlier, better, and more consistent medical interventions. This lowers the length of hospital stays and saves on patient costs.

Our high-quality solutions enable our customers to make smarter choices with a more sustainable impact and we believe we can have a significant, positive impact on current and future generations by consistently investing in sustainable innovations.

For more information on our sustainability program, see the online 2012 Sustainability Report, or www.wolterskluwer.com/sustainability

Financial Developments

Unless otherwise indicated, all amounts are in millions of euros and from continuing operations.

Financial Performance

Key Figures	2012	2011	Change in actual currencies (%)	Change in constant currencies (%)
Business performance / benchmark figures				
Revenues	3,603	3,354	7	2
Organic revenue growth (%)	1	1		
Ordinary EBITA	785	728	8	2
Ordinary EBITA margin (%)	21.8	21.7		
Ordinary net income	476	444	7	0
Diluted ordinary EPS (€)	1.58	1.47	8	1
Ordinary free cash flow	507	443	15	8
Diluted ordinary free cash flow per share (€)	1.69	1.47	15	8
Net debt	2,086	2,168	(4)	
Cash conversion ratio (CAR) (%)	99	98		
Return on invested capital (ROIC) (%)	8.8	8.9		
Ultimo number of FTEs	18,412	17,979		
IFRS figures				
Revenues	3,603	3,354	7	2
Operating profit	579	428	35	
Profit for the year	343	242	41	
Profit for the year (including discontinued operations)	321	118	170	
Diluted EPS (€) (including discontinued operations)	1.07	0.40	168	
Net cash from operating activities	619	536	15	

The financial performance from continuing operations in 2012 was characterized by the following:

- 7% revenue growth to €3,603 million (2% in constant currencies; 1% organic) supported by growth in online, software and services, which were up 4% organically, and now comprise 74% of total revenues;
- Ordinary EBITA up 2% in constant currencies (flat organically) supported by growth in Health and Financial & Compliance Services businesses, resulting in an ordinary EBITA margin of 21.8%;
- Run rate savings from the completed Springboard program have now reached €217 million;
- Profit for the year, including discontinued operations, increased to €321 million, largely due to impairment charges of €112 million in 2011 and lower restructuring costs in 2012 due to the completion of the Springboard program in 2011;
- Diluted ordinary EPS of €1.58 increased 1% in constant currencies;
- Ordinary free cash flow increased to €507 million; up 8% in constant currencies; and
- In 2012, the Company completed a share buy-back of €135 million.

Revenues

Revenues in 2012 were €3,603 million, compared to €3,354 million in 2011. Despite challenging economic conditions organic growth was 1%, similar to the prior year. Revenues grew 2% in constant currencies.

Our North American businesses grew revenues by 4% on an organic basis, accelerating from 3% in 2011. Our European businesses declined 3% organically, compared to a 2% decline in 2011. Our Asia Pacific and Rest of World operations increased revenue by 8% on an organic basis.

Organic growth was 1%, with key strategic acquisitions contributing 2%, the impact of currencies contributing 5% partially offset by divestments of 1%.

Revenue bridge		(%)
Revenues 2011	3,354	
Organic change	25	1
Acquisitions	63	2
Divestments	(12)	(1)
Currency impact	173	5
Revenues 2012	**3,603**	**7**

U.S. Dollar 2012: average EUR / USD = 1.29 versus 2011: EUR / USD = 1.39.

Recurring electronic and services subscription revenues grew 5% in constant currencies and 3% organically. Print subscriptions, consisting in large part of loose leaf subscriptions in Europe, saw organic decline of 7%.

Non-subscription revenue trends were more mixed. Books declined 4% on an organic basis. Corporate Legal Services (CLS) transactional revenues increased 9% organically, following a rebound in M&A volumes in the final weeks of the year. Financial Services (FS) transactional revenue increased 19% organically on the back of new and expanded contracts for mortgage document services. Other cyclical revenues, including other transactional revenues, training, consulting, and advertising, declined 5% organically.

Revenues by type	% of total	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Electronic & services subscription	52	1,886	1,701	11	5	3
Print subscription	12	445	472	(6)	(8)	(7)
Other non-cyclical	10	342	301	14	7	4
Total recurring revenues	74	2,673	2,474	8	3	1
Books	9	332	324	3	(3)	(4)
CLS transactional	5	180	151	19	11	9
FS transactional	2	72	58	24	19	19
Other cyclical	10	346	347	0	(4)	(5)
Total revenues	**100**	**3,603**	**3,354**	**7**	**2**	**1**

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Health and Financial & Compliance Services both achieved 5% organic revenue growth. Tax & Accounting delivered 1% organic growth while Legal & Regulatory saw a 2% decline.

Revenues by division	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Legal & Regulatory	1,491	1,451	3	(1)	(2)
Tax & Accounting	981	931	5	1	1
Health	745	639	17	8	5
Financial & Compliance Services	386	333	16	9	5
Total	**3,603**	**3,354**	**7**	**2**	**1**

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Ordinary EBITA

Ordinary EBITA improved 2% in constant currencies to €785 million (0% organic). The Group improved profitability through the continued shift towards higher margin electronic solutions, and diligent cost management, and the completion of the Springboard operational excellence program in 2011.

Ordinary EBITA by division	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Legal & Regulatory	334	324	3	(2)	(4)
Tax & Accounting	262	257	2	(3)	(3)
Health	163	126	30	19	17
Financial & Compliance Services	73	64	15	9	2
Corporate	(47)	(43)	8	8	8
Total	**785**	**728**	**8**	**2**	**0**

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Operating profit and profit for the year

IFRS Operating profit, which includes amortization of acquired intangibles and restructuring costs, increased 35% to €579 million, due to a decline in restructuring costs following the completion of the Springboard program at the end of 2011.

Profit for the year, including discontinued operations, increased to €321 million (2011: €118 million) and diluted EPS increased to €1.07 (2011: €0.40), primarily as a result of the increase in operating profits and reduced impairments of €3 million (2011: €112 million) in the discontinued business, partially offset by a higher average tax rate.

Operating profit by division	2012	2011	% change
Legal & Regulatory	269	190	41
Tax & Accounting	184	166	10
Health	136	94	45
Financial & Compliance Services	37	25	51
Corporate	(47)	(47)	(1)
Total	**579**	**428**	**35**

Divisional Financial Performance

Legal & Regulatory

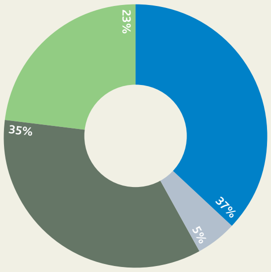
- North America accelerates to 5% organic growth, driven by Corporate Legal Services, up 6%;
- Europe declines 6% organically, due mainly to print and cyclical product lines;
- Margins supported by cost actions and the ongoing shift in business mix.

Full year	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	679	627	8	4	0
Print subscription	291	306	(5)	(7)	(6)
Other non-cyclical	51	52	(2)	(4)	(1)
Total recurring revenues	1,021	985	4	0	(2)
CLS transactional	180	151	19	11	9
Books	126	133	(5)	(8)	(7)
Other cyclical	164	182	(10)	(12)	(8)
Total revenues	**1,491**	**1,451**	**3**	**(1)**	**(2)**
Operating profit	269	190			
Ordinary EBITA	334	324	3	(2)	(4)
Ordinary EBITA margin	22.4%	22.4%			
Net capital expenditure (CAPEX)	43	45			
Ultimo FTEs	7,639	7,704			

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

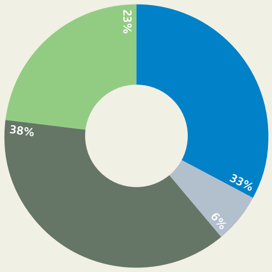
Revenues by media

2012
in %



- Online (37)
- Software (5)
- Print (35)
- Services (23)

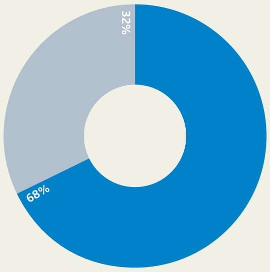
2011
in %



- Online (33)
- Software (6)
- Print (38)
- Services (23)

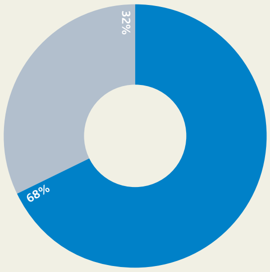
Recurring/cyclical revenues

2012
in %



- Recurring (68)
- Cyclical (32)

2011
in %



- Recurring (68)
- Cyclical (32)

Legal & Regulatory revenues declined 1% in constant currencies and 2% organically, due to challenging macro-economic conditions in Europe. Cost savings from Springboard, acquisition integration savings, and other restructuring efforts combined with the ongoing mix shift towards electronic products and services allowed the division to offset underlying cost inflation and maintain its ordinary EBITA margin at 22.4%.

North America (41% of divisional revenues) achieved 5% organic growth, accelerating from 3% in first half of 2012. Corporate Legal Services (CLS) delivered 6% organic growth for the full year. CLS transactional revenues increased 9% organically in 2012, supported by strong commercial lending activity and a late year increase in M&A volumes. CT Lien Solutions' innovative mortgage offering, *iLienRED*, continues to win customers among large financial institutions. TyMetrix (legal spend management software and analytics) extended its analytics services for corporate counsel and law firms, while Corsearch (trade mark and brand management services) performed well in both U.S. and Europe. NRAI, now fully integrated into CLS, is performing well.

Law & Business, our U.S. legal information business, ended the year with broadly flat organic revenues as growth in online products and new workflow solutions was balanced by print revenue decline. Legal Education had a good year. The launch of *RBsource*, our online research productivity tool for securities attorneys, is proceeding well. Law & Business extended its mobile product range with the introduction of the *Wolters Kluwer Daily Reporting Suite* and *WK eReader*.

Europe (58% of divisional revenues, including Russia and Central & Eastern Europe) saw organic revenue decline of 6% in 2012. As indicated in our previous trading updates, trends deteriorated as the year progressed. Print subscriptions, books and cyclical revenues, such as advertising and training, continue to be most affected in the current economic climate in Europe. We continue to invest in online and software solutions. *Kluwer Navigator* (online research product) in The Netherlands and *Kleos* (legal practice management software) which has been rolled out to seven European countries are performing well.

Tax & Accounting

- Software revenues up 4% organically, growing in all regions and all customer segments;
- Overall organic growth 1% held back by lower print publishing and bank product revenue;
- Margin decline as expected, impacted by investment globally and lower bank product revenue.

Full year	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	640	597	7	3	3
Print subscription	76	87	(13)	(15)	(9)
Other non-cyclical	167	151	11	4	3
Total recurring revenues	883	835	6	1	2
Books	50	52	(4)	(10)	(9)
Other cyclical	48	44	9	4	2
Total revenues	**981**	**931**	**5**	**1**	**1**
Operating profit	184	166			
Ordinary EBITA	262	257	2	(3)	(3)
Ordinary EBITA margin	26.7%	27.7%			
Net capital expenditure (CAPEX)	53	54			
Ultimo FTEs	5,785	5,675			

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Following an improvement in the second half, Tax & Accounting revenues increased 1% on an organic basis. Solid, 4% organic growth in software revenues globally was offset by decline in publishing revenues and lower bank product fees. The ordinary EBITA margin declined to 26.7% (2011: 27.7%) as a result of underlying cost inflation, higher investment in both Europe and North America, and the decline in high margin bank product fees.

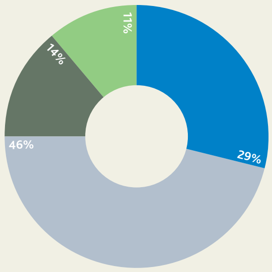
North America (57% of divisional revenues) grew 1% organically, as 5% growth in software was mostly offset by weakness in our print publishing business and a decline in bank product revenues at Small Firm Services. Tax and accounting software performed well in all customer segments, including large CPA firms, corporate customers and small firms. Margins were impacted by the decline in publishing and bank product revenue as well as additional investment in back office infrastructure and sales & marketing around new product introductions.
During 2012, we launched the *CCH Open Integration Platform*, which offers seamless and secure integration with client and third party applications, and *IntelliConnect Search Express* and *CCH Mobile,* which provide customers with increased functionality.

Europe (35% of divisional revenues) grew 1% on an organic basis, as 2% growth in software was practically offset by declines in print loose leaf subscriptions and books. Growth was sustained by new sales, while retention was in line with 2011. Margins declined due to underlying wage inflation and increased investment in customer service and sales & marketing.

Asia Pacific (8% of divisional revenues) saw good organic growth, supported by 7% growth in software products and 11% organic growth in China. The integration of Acclipse, a provider of cloud-based collaborative solutions for tax and accounting firms, is on track.

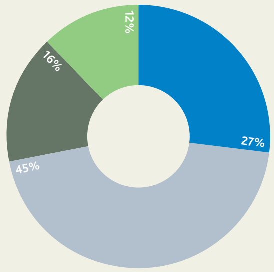
Revenues by media

2012
in %



- Online (29)
- Software (46)
- Print (14)
- Services (11)

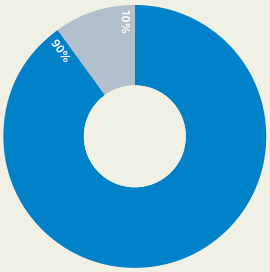
2011
in %



- Online (27)
- Software (45)
- Print (16)
- Services (12)

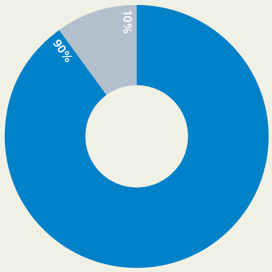
Recurring/cyclical revenues

2012
in %



- Recurring (90)
- Cyclical (10)

2011
in %



- Recurring (90)
- Cyclical (10)

Health

- Revenues increased 8% in constant currencies and 5% organically;
- Clinical Solutions maintains double-digit organic growth;
- Margins increased significantly due to strong revenue growth and the shift towards digital products.

Full year	**2012**	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	401	328	22	13	11
Print subscription	77	76	1	(6)	(6)
Other non-cyclical	50	42	19	10	8
Total recurring revenues	528	446	18	10	8
Books	156	139	12	4	1
Other cyclical	61	54	13	5	(1)
Total revenues	**745**	**639**	**17**	**8**	**5**
Operating profit	136	94			
Ordinary EBITA	163	126	30	19	17
Ordinary EBITA margin	21.9%	19.7%			
Net capital expenditure (CAPEX)	39	35			
Ultimo FTEs	2,528	2,425			

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Health revenues increased 8% in constant currencies and 5% on an organic basis. Ordinary EBITA grew 19% in constant currencies and 17% on an organic basis. The increase in margin to 21.9% was primarily as a result of operating leverage and the ongoing mix shift towards online and software applications provided by Clinical Solutions.

Clinical Solutions (38% of divisional revenues) achieved double-digit organic revenue growth. Leading point-of-care solutions, *UpToDate, ProVation Medical, Medi-Span, Lexicomp* and *Pharmacy OneSource*, all supported the strong organic revenue growth, as they achieve further penetration of U.S. hospitals and growth outside the U.S. Medicom in China performed well. Clinical Solutions continues to invest in geographic expansion, new medical specialties and product innovation.

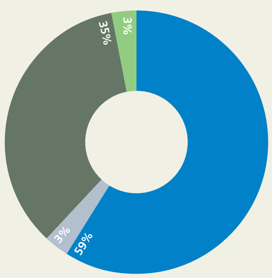
For the sixth consecutive year, ProVation Medical software received the top ranking in the Clinical Procedure Documentation Category of the 2012 Top 20 Best in KLAS Awards. In January 2013, Wolters Kluwer Health completed the acquisition of Health Language, a leader in medical terminology management.

In **Medical Research** (42% of divisional revenues), *Ovid* delivered 4% organic growth driven by good performance in North America and Asia Pacific. To consider in full Lippincott Williams & Wilkins (LWW) print journal revenues remained weak as medical advertising markets contracted further. Over 100 of LWW journals are now available as iPad apps to subscribers. Our open access journal publisher based in India, Medknow, grew strongly on the back of new title launches.

Professional & Education (20% of divisional revenues) saw modest organic revenue decline, as growth in e-books and other digital products was offset by a decline in hardcopy books. Growth in nursing and medical education products was mitigated by softness in the medical practice segment and pharma reprints. Professional & Education now has over 2,200 titles available in e-book and mobile formats.

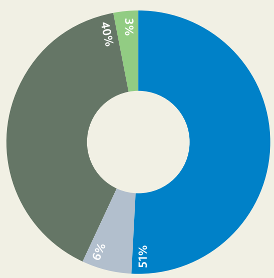
Revenues by media

2012
in %



- Online (59)
- Software (3)
- Print (35)
- Services (3)

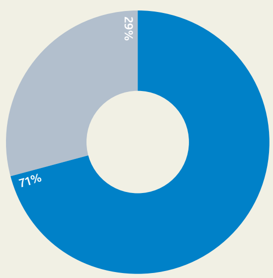
2011
in %



- Online (51)
- Software (6)
- Print (40)
- Services (3)

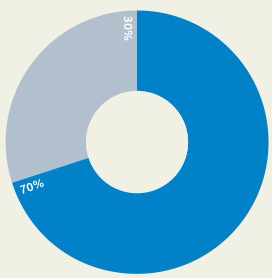
Recurring/cyclical revenues

2012
in %



- Recurring (71)
- Cyclical (29)

2011
in %



- Recurring (70)
- Cyclical (30)

Financial & Compliance Services

- Revenues increased 9% in constant currencies and 5% organically;
- Growth in originations and audit more than offset decline in European Transport Services;
- Margin stable despite increased investment and lower transport volumes.

Financial & Compliance Services revenues increased 9% in constant currencies and 5% organically. This performance was driven by new and expanded customer contracts in Finance, Originations and Audit. Ordinary EBITA increased 9% in constant currencies and 2% organically. Margins were stable in spite of increased investment in globalizing our capabilities and lower Transport Services volumes.

Finance, Risk & Compliance (38% of divisional revenues) achieved positive organic revenue growth, as double-digit revenue growth at FRSGlobal helped compensate for tough comparables in other product areas. Our enterprise risk management solutions for financial institutions continued to show good growth. The integration of FinArch is underway.

Originations & Compliance (37% of divisional revenues) benefitted from new and expanded contracts for its mortgage document services, which generated upfront implementation revenue as well as an increased level of recurring and transactional revenues. Financial Services (FS) transactional revenues increased 19% in constant currencies and on an organic basis. The U.S. mortgage market saw an uptick in refinancings in 2012, but first mortgages fell to a nine year low.

Audit, Risk & Compliance (11% of divisional revenues) achieved double-digit growth as our audit software platform *TeamMate* signed new customers around the world.

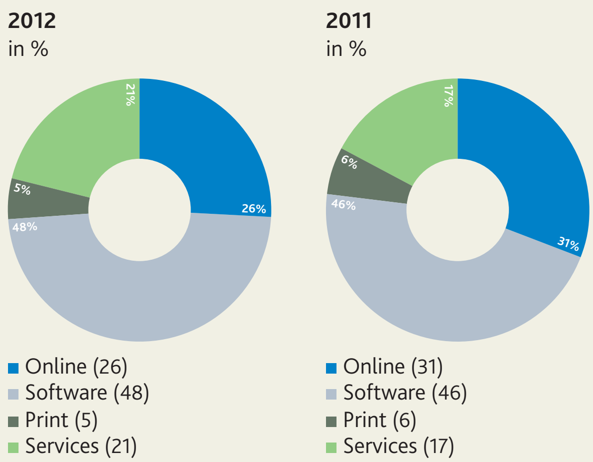
Transport Services (14% of divisional revenues) saw revenues decline due to lower freight posting volumes on its European freight exchange business. Transport management software products saw good growth.

In 2012, Wolters Kluwer Financial Services was ranked 6th overall in the Chartis ranking of the world's top risk management technology firms and ranked 1st in the regulatory reporting category.

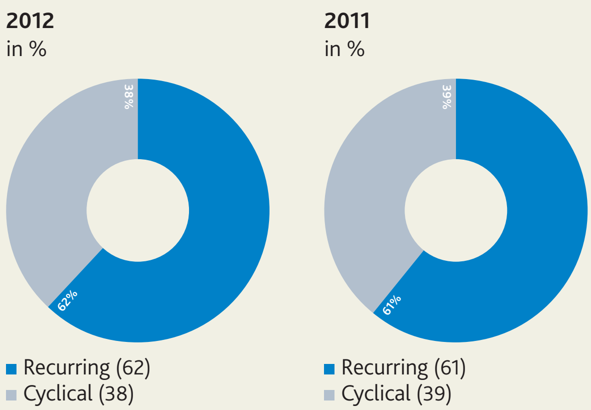
Full year	**2012**	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	166	149	11	5	3
Print subscription	1	3	(67)	(48)	(48)
Other non-cyclical	74	56	32	21	9
Total recurring revenues	241	208	16	9	5
FS Transactional	72	58	24	19	19
Other cyclical	73	67	9	3	(7)
Total revenues	**386**	**333**	**16**	**9**	**5**
Operating profit	37	25			
Ordinary EBITA	73	64	15	9	2
Ordinary EBITA margin	19.0%	19.1%			
Net capital expenditure (CAPEX)	9	9			
Ultimo FTEs	2,358	2,077			

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Revenues by media



Recurring/cyclical revenues



Corporate
Corporate costs increased 8% in constant currencies due to higher costs associated with specific projects, including corporate branding.

Full year	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Operating profit	(47)	(47)			
Ordinary EBITA	(47)	(43)	8	8	8
Net capital expenditure (CAPEX)	0	0			
Ultimo FTEs	102	98			

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth

Solid Financial Position

Balance sheet
Non-current assets, mainly consisting of goodwill and publishing rights, decreased to €4,975 million in 2012 mainly as a result of continued amortization and a weaker U.S. dollar, partly offset by acquisitions. Shareholders' equity remained flat at €1,557 million as profit for the year was offset by actuarial losses on defined benefit plans, dividend payments, the share buy-back, and the impact of a weaker U.S. dollar. In 2012, the Company executed a share buy-back program of €135 million. The Company repurchased 10.1 million of ordinary shares under this program at an average stock price of €13.45.

The total weighted average number of shares outstanding as of December 31, 2012, was 296.9 million.

Net debt at December 31, 2012, was €2,086 million (2011: €2,168 million), a reduction of €82 million. The net-debt-to-EBITDA ratio was 2.4x at December 31, 2012, improving from 3.1x at year-end 2011, and better than our target of 2.5x.

Balance sheet	2012	2011	Variance
Non-current assets	4,975	5,105	(130)
Working capital	(1,074)	(931)	(143)
Total equity	1,557	1,561	(4)
Net debt	2,086	2,168	(82)
Net-debt-to-EBITDA ratio	2.4	3.1	

Debt Refinancing
Wolters Kluwer announced its intention to issue a new benchmark size Eurobond. Conditional on the successful completion of this Eurobond, the company intends to exercise a call option on its perpetual cumulative subordinated bonds of €225 million in 2013. On completion, the refinancing exercise will lower our effective interest rate starting 2014.

Working capital
Operating working capital amounted to €(766) million, compared to €(755) million in 2011, an increase of €11 million. Non-operating working capital increased to €(636) million, mainly due to the inclusion of the perpetual cumulative subordinated bonds under short-term liabilities.

Working capital	**2012**	2011	Variance
Inventories	95	81	14
Operating accounts receivable	1,124	1,099	25
Deferred income	(1,233)	(1,208)	(25)
Trade and other payables	(383)	(388)	5
Operating current liabilities	(369)	(339)	(30)
Operating working capital	**(766)**	**(755)**	**(11)**
Cash and cash equivalents	328	295	33
Non-operating working capital	(636)	(471)	(165)
Total	**(1,074)**	**(931)**	**(143)**

Other Developments

Financial income and costs
Net finance costs were €121 million (2011: €118 million), as 2011 was supported by currency benefits.

Taxation
The effective benchmark tax rate increased 100 basis points to 27.8% (2011: 26.8%) due to a rising proportion of profits from higher tax regions such as North America.

Ordinary net income/diluted ordinary EPS
Ordinary net income increased 7% overall and was stable in constant currencies. Diluted ordinary EPS rose 8% to €1.58 (2011: €1.47), an increase of 1% in constant currencies.

Return on invested capital (ROIC)
In 2012, the ROIC was 8.8% (2011: 8.9%).

Cash flow
Net cash from operating activities was €619 million, up 15%. Cash conversion was strong in the fourth quarter and increased to 99% for the year (2011: 98%). Ordinary free cash flow was €507 million (2011: €443 million), up 15% overall and up 8% in constant currencies, supported by the rise in ordinary EBITA, higher cash conversion, and lower financing and tax paid.

Cash flow	**2012**	2011	Δ (%)	Δ CC (%)
Net cash from operating activities	619	536	15	9
Capital expenditure	(144)	(143)	0	(6)
Ordinary free cash flow	507	443	15	8
Diluted ordinary free cash flow per share (€)	1.69	1.47	15	8
Cash conversion ratio (CAR) (%)	99	98		

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39)

Acquisitions
Total acquisition spending in 2012 was €109 million (2011: €299 million), including payments of €5 million (2011: €8 million) for acquisitions made in previous years. Acquisition related costs amounted to €6 million in 2012 (2011: €9 million).

Acquisitions completed in 2012 contributed €22 million in revenues and €6 million in ordinary EBITA to 2012 results and had annualized revenues of €43 million and ordinary EBITA of €10 million. The principal acquisitions in 2012 were: FinArch in Financial & Compliance Services and Acclipse in Tax & Accounting.

Divestments
In 2012 and 2011, there were a number of divestments of operations to optimize the portfolio. In April 2012, Kluwer Netherlands divested two publishing units. The decision to sell these units resulted from the Group's focus on online and software products that serve its core customer base. The net cash receipts for these divestments amounted to €4 million. Other divestments totaled cash receipts of €2 million.

Discontinued operations
On July 27, 2011, Wolters Kluwer announced the planned sale of its Pharma business which has been substantially completed with the sale of Marketing & Publishing Services (MPS) business on December 23, 2011, and the sale of the Healthcare Analytics business to a private equity firm in exchange for a 19.44% minority interest in a newly created entity on May 15, 2012. The sale of the Pharma related business is part of Wolters Kluwer's strategy to focus on its core health markets and accelerate growth by providing innovative solutions to clinicians globally. The sale of the remaining Pharma related asset in France is progressing. The majority of the Pharma business was included in the Health division. The operations of the Pharma business have been presented as discontinued operations.

Revenues and ordinary EBITA of the discontinued operations are shown below.

Discontinued operations	2012	2011	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues	70	217	nm	nm	(3)
Ordinary EBITA	(12)	3	nm	nm	nm

Δ - % Change; Δ CC - % Change constant currencies (EUR / USD 1.39); Δ OG - % Organic growth; nm - not meaningful.

Dividend

Wolters Kluwer has a progressive dividend policy under which the company expects to increase the dividend per share each year. At the 2013 Annual General Meeting of Shareholders, the company will propose increasing the dividend to €0.69 per share, to be paid in cash on May 16, 2013, for ordinary shareholders or on May 23, 2013, for holders of American Depository Receipts (ADRs). Wolters Kluwer has resolved to abolish the stock dividend option in order to end the resulting dilution in the most cost effective and tax efficient manner. The Company will continue to offset the dilution caused by performance share issuance by repurchasing shares up to €20 million in 2013.

Full-Year 2013 Outlook

The table below provides our outlook for the continuing operations in 2013.

Performance indicators	2013 Guidance
Ordinary EBITA margin	21.5-22.0%
Ordinary free cash flow	≥ €475 million
Return on invested capital	≥ 8%
Diluted ordinary EPS	Low single-digit growth

- Guidance for ordinary free cash flow and diluted ordinary EPS is in constant currencies (EUR / USD 1.29).
- Guidance reflects IAS19R and removal of the pension financing credit or charge from benchmark figures, and includes the estimated impact of performance share issuance offset by share repurchases.

Wolters Kluwer generates more than half of its ordinary EBITA in North America. As a rule of thumb, based on our 2012 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite 0.8 euro-cent change in diluted ordinary EPS.

With the adoption of IAS19R on January 1, 2013, we will exclude the net pension financing credit or charge from our ordinary benchmark figures. This change is reflected in the guidance above.

We expect market conditions in Europe to remain challenging in 2013, but we are confident our electronic businesses will continue to perform well.

In **Legal & Regulatory**, we expect our North American operations to see organic growth in revenues, driven by Corporate Legal Services. However, European legal and regulatory markets are expected to remain challenging in the year ahead. We expect margin contraction in Legal & Regulatory to be offset by margin improvement in other divisions.

In **Tax & Accounting**, we expect seasonal revenue patterns to be similar to 2012. Growth in software should continue across the division while trends in print and bank products are expected to remain weak. Full year margins are expected to be broadly stable.

In **Health**, we anticipate another year of strong growth in Clinical Solutions. Market conditions for print journals and books are expected to remain soft. Margins will reflect investment in new products and global expansion as well as the positive effect of the ongoing mix shift towards online and software products.

Our **Financial & Compliance Services** division faces tough comparables in Originations & Compliance and in Audit, Risk & Compliance (ARC). In addition, within ARC, we will be migrating Axentis customers to *TeamMate* and other software platforms, which may lead to some revenue attrition over the coming 12-24 months. We expect good growth in Finance, Risk & Compliance (FRC), driven by increasing demand for regulatory compliance software. Market conditions for our European transport business are expected to remain challenging.

Net financing costs are expected to be approximately €130 million in constant currencies, including the temporary negative carry caused by early refinancing of our bonds due in 2014.

The benchmark effective tax rate on ordinary income before tax is expected to be broadly in line with the benchmark tax rate of 2012 (27.8%).

Meet the Colleagues

ELENA BRAMBILLA
Business Development, Online, Legal & Regulatory, Milan, Italy

Elena's work enables knowledge management for busy legal professionals worldwide. Her background is in European Law and she is an expert in customer centricity. She pioneered the use of persona-based product development at Wolters Kluwer and currently leads a global task force within the Legal Regulatory division focused on providing practical, contextually relevant, how-to solutions for customers.

RAFFI FESTEKJIAN
CEO, Finance, Risk & Compliance, Financial Services, Waltham, United States

Born in Beirut of Armenian heritage and a dual citizen of the U.S. and Lebanon, Raffi co-founded the financial compliance services company PCi that was later acquired by Wolters Kluwer. Raffi is currently CEO of the Finance, Risk & Compliance (FR&C) unit. Under Raffi's leadership, FR&C won the 2013 European CEO Risk & Compliance Award for "Best Compliance Management Provider" confirming Wolters Kluwer as the industry leader in compliance management.

DAN FOCAZIO
CIO, Global Shared Services, New York, United States

In his 12 years at Wolters Kluwer, Dan has worked on strategic projects around the world and engaged the leaders of the organization to tie information technology needs to successful business outcomes. He has played an important role in building Global Shared Services. When not working, Dan's passion is surfing. Not the internet, but waves. He has taken his surfboard around the world as well.

Visit www.wolterskluwer.com/careers for more information on being part of Wolters Kluwer's global team of experts.

BARBARA KROLL
Managing Director,
Twinfield U.K., London,
United Kingdom

With degrees from Harvard, the London School of Economics, and Cambridge, Barbara is well qualified to lead the expansion of Twinfield in the U.K. market. She brings experience as a VP in Strategy and Tax & Accounting to the position she accepted in October 2012. Twinfield is Europe's first and largest web service for online accounting, acquired by Wolters Kluwer in 2011. Twinfield's cloud-based solution complements Wolters Kluwer's family of tax and accounting products.

SANDEEP SACHETI,
Vice President, Corporate Legal Services,
New York, United States

A recognized pioneer in data analytics, Sandeep has spent most of his career in the financial services industry, at companies like American Express, where data science is a priority. He saw an enormous, first-mover opportunity to apply this expertise to legal services and joined Wolters Kluwer in early 2012. He brings the disciplines of market research, data management, data analytics, and operational excellence together under one umbrella, giving customers insights like no other, helping redefine how legal professionals work.

GREG TATHAM
Vice President, Product Solutions,
Global Platform Organization,
Alphen aan den Rijn, the Netherlands

Greg taught himself to program on a Commodore 64 he bought in college, listening to the music of The Cure and The Clash. He joined CCH before it was a part of Wolters Kluwer and continued to code, building software for search functions, online services and web interfaces. He now leads product development for a major part of the company. Instead of The Cure, he prefers the Latin Jazz of Paco de Lucia and Ivan Tucakov.

ELISABETTA GALLI
Global Vice President, Head of Human
Resources, Legal & Regulatory,
Milan, Italy

Elisabetta's fast-paced career led her from her days as a trained family therapist to increasingly responsible roles in healthcare and medical companies with roles reaching across Europe and the Middle East. She is a seasoned HR professional who joined Wolters Kluwer in January 2013. She has the strategic capability to design HR and Talent Development programs that focus on development and growth of a company's biggest assets: people.

ROY MULDER
VP Finance & CFO of Medical Research,
Health, New York,
United States

Roy is equally at home in the Netherlands and the U.S. He's moved between both countries more than once. He completed a Master's degree in Economics at the University of Amsterdam and has held positions with Wolters Kluwer in the U.S. and the Netherlands. He recently presented to a group of International Business students in Groningen on Open Access business models. Roy was just promoted to VP Finance & CFO of Medical Research, Wolters Kluwer Health Division.

GAVIN ZHONG
Finance Director, Health,
Philadelphia, United States

Gavin moved halfway around the world to continue his education and gain wider experience with Wolters Kluwer. Until May 2012, he worked as the Chief Financial Officer for Wolters Kluwer in China. He then moved his family to the U.S. to study for an MBA and take on a full-time role in the Finance department of our Health division. Currently based in Philadelphia, he expects to complete his Wharton MBA in 2014, and then return to China.

SUPPORTING DECISIONS

Customers depend on our unmatched knowledge, the inventive ways we solve their toughest challenges, our intuitive technology, and the deep responsibility we feel as an essential business partner.

SUPPORTING DECISIONS

RESPONDING TO TECHNOLOGICAL CHANGE

Technological change affects how professionals make decisions. They can tap into massive volumes of data that, combined with the right decision support software, can help them work more effectively.

Rapid changes in technology will continue to affect how professionals make decisions. The software and solutions that are now available were unthinkable just a few years ago. What was exceptional in the past is standard today. Technology offers new opportunities to professionals. Most professionals acknowledge that content is moving farther and faster today than it ever has before. Just keeping current requires we make the best use of technology. Hours in the law library chasing cross-references have been replaced by a few clicks on a hyperlinked webpage. Consider how little information we had to absorb in the past compared to today. Consider how many questions went unasked before Google became available. We need to learn how to work smarter, not harder.

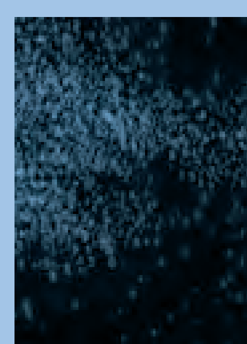
A CHANGED LANDSCAPE

A rising tide of information has rocked the very foundation of many professions. Business models have been disrupted. Technological disruptions impact the control professionals previously had over information. What some professions charged for access in the past is now available to anyone on the internet for free. This affects relationships with existing and potential clients. It has also disrupted the way decisions are made, the workflow within the professions, and the manner in which content is created and archived.

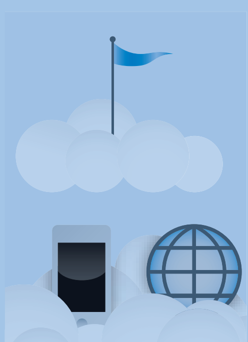
NEW TECHNOLOGY, NEW OPPORTUNITIES

Many areas of professional work are less labor intensive than before. Instead of junior staff being hired to do basic research,

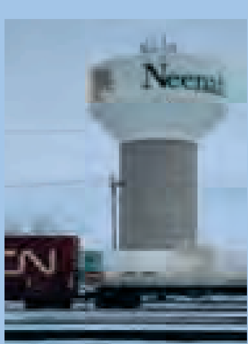
Data analytics combines big data, critical expertise, and intuitive tools to help professionals manage their business.



Being able to work at any time and anywhere has become a must for legal professionals to be able to serve their clients effectively and stay ahead of the game.



Global businesses deal with many different local tax systems. An integrated and centralized data collection, tax provision, and compliance system can support the flow of work.



machines are mining data for relevant content. Smart forms, citation automation, and text analyzers automate documentation workflow. Tax advisors rely on trusted expert content from the different flagship tax content databases. Alerts are triggered when legislation relevant to stored contracts change. Manual activities are minimized in a virtual office environment.

Content is combined with decision-support software. In the legal profession, document management, e-mail, up-to-date lists of legal tasks and hearings, contact management, and calculation tools for time sheets and billing can be programmed to interact for maximum efficiency. Financial professionals have access to web-based applications designed to streamline tax reporting and compliance activities within one system. These improve the accuracy of tax provision calculations and minimize manual processing of taxes. They truly are an expert in a box, available for you, when you have to be right.

Consumer goods firms religiously track our preferences for a certain brand of dog food or soap powder. Politicians gather voter preferences in minute detail. Big data is generated by the measurement of everything. Wolters Kluwer continues to see value in the careful analysis of the massive quantity of big data generated as a by-product of providing professional services. The real value of data analytics lies in uncovering relationships between every facet of the data and understanding the context in which it was created. Legal professionals have access to tools that combine big data and benchmarks from multiple law firms. They can take advantage of data warehouses listing rates for different services. These give actionable insights to streamline operations and gain lawyers a competitive advantage in managing the business of law. This transforms how organizations evaluate and enhance internal operations and accurately value their services. The availability of historical data allows predictive analysis of trends.

MOBILE DEVICES

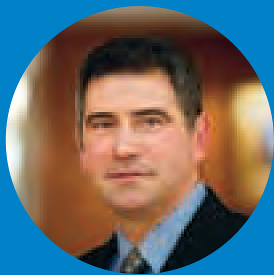
Beyond the disruption that technology changes have brought in the past, a new wave of digital disruption from mobile devices adds complexity. The flow of information will become more complicated as devices not only begin to communicate directly with each other, but also become critical content creators. Witnesses now arrive in court with video taken on their mobile phones. Lawyers can access cloud-based solutions that are integrated at the point-of-use on mobile devices and deployed in courts or law libraries. This enables access to official court transcripts, the import of financial data from banks, workflow support, and document assembly. The prevalence of mobile devices offers the opportunity to engage with clients in a personalized way, anywhere they are, at any time, enabling better decision making and a smoother workflow. They enable absolute accuracy, no matter the complexity.

The opportunities offered by technological developments far outweigh the challenges. We have the ability to harness technology to assist in our decision making and support the flow of work. New, specialized technology-based information products and workflow solutions are available to automate professionals' tasks and increase efficiency.

SUPPORTING WORK

As businesses become more global, their operations become more distributed, both domestically and internationally. Tax professionals find themselves working with remote locations, disparate accounting systems, different tax regimes, complex regulatory requirements, and even multiple languages and currencies. Each of these presents challenges to effectively managing a global tax function. Together, they further compound the difficulty, introducing inefficiency and risk.

Water Tower Neenah, Wisconsin, U.S. Kimberly-Clark started over 140 years ago in Neenah and is now active in 61 countries globally, each with its own tax regime and fiscal rules.



THE CONNECTOR
Scott Gruchot

Scott and Pat meet often at different Wolters Kluwer Tax & Accounting events and work together on further enhancing CCH Integrator. Scott invited Pat several times to speak with other clients and prospects, something Pat very much enjoys as he is interested in learning from peers and sharing his experience. Scott is the Vice President of CCH Corporate Services.

FREEING UP RESOURCES BY ACTING GLOBALLY

Kimberly-Clark's 1995 merger with the Scott Paper Company was a catalyst for change, causing the tax leadership to think more globally about tax. The tax function needed to change in order to mirror what the worldwide business units were doing. The corporate tax team needed to "act globally and implement locally."

A GLOBAL CHALLENGE

Companies need a standardized approach to the compliance process that allows for timely global and local reporting, together with ease of preparation and review. Existing solutions often require spending hundreds of hours manually collecting and entering data into complex Excel spreadsheets in a time-consuming, inherently risky process. The result is a tax provision process that, at critical times, can test already test already stretched tax resources.

When considering how to address these difficulties, rather than take a U.S.-centric view of tax reporting, Callahan chose to act differently: "We started outside the U.S. because it was the place we could get the most immediate benefit in terms of resources and gaining additional visibility into our international operations."

A GLOBAL SOLUTION

CCH Integrator is a global solution architected from the ground up.

Pat took full advantage of the global capabilities and flexibility of CCH Integrator as Kimberly-Clark coordinated their global roll-out of the platform: "Internationally, we started with tax accounting and reporting. We asked how our international units could develop the information required for our 10-K and U.S. tax returns by leveraging the same data, process, and tool. In the U.S. we did the opposite. We started with our compliance processes and then incorporated our tax accounting process."

CCH INTEGRATOR

WHAT?

A secure cloud-based application designed to streamline global tax reporting and compliance activities within one system.

WHO?

Developed for corporate tax and accounting professionals.

WHY?

It provides a standardized approach to the global tax reporting and compliance process, which allows for timely, accurate global and local reporting.

HOW?

Enter tax data once to transform multi-entity tax management into a transparent, more automated, and efficient process, available from a central location.

Saves 52 calendar days

Saves 9,000 hours

Patrick Callahan

Director, Tax Accounting & Reporting, Kimberly-Clark

"With CCH Integrator, we are implementing a single process for both U.S. and local GAAP tax accounting across our 200+ entities and have saved over 9,000 hours and 52 days from our U.S. tax compliance processes."

THE FLEXIBILITY TO SUPPORT VARIABLE PROCESSES

Corporations and service providers need to embody their workflows and standards in one underlying, yet flexible, technology tool. CCH Integrator was designed as a flexible frame-work that avoids embedding variable local tax and accounting rules. Callahan acknowledges that “we leverage one source of information to do multiple things. That saves time and ensures the data is accurate.”

STAFF EFFICIENCIES

Having to do twice the work with the same number of staff is an increasingly common challenge as tax professionals deal with increased regulatory complexity. At Kimberly-Clark, Pat has reaped the benefit of CCH Integrator being a common platform: “Now that CCH Integrator is our core platform, we can complete taxable income calculations for an international company the same way we do for a domestic company, allowing us to more effectively leverage the knowledge of our tax professionals.”

THE TAX DIRECTOR
Pat Callahan

“We have been able to improve our effectiveness and efficiency by integrating the data gathering and tax calculations directly in CCH Integrator.”

SUPPORTING INSIGHT

DATA ANALYTICS: YOUR DATA, OUR EXPERTISE

The real value of data analytics is in uncovering relationships between every facet of the data and understanding the context in which it was created – then turning it all into actionable insights.

Wolters Kluwer continues to uncover the tremendous value in the skilled analysis of "big data" generated as a by-product of providing Expert Analytical Services. TyMetrix Legal Analytics, part of our Corporate Legal Services Group, is a great example of this as it helps the legal industry leverage the right data and insights to improve decision making and streamline operations.

TyMetrix combines big data, industry expertise, and intuitive tools to help law departments and law firms better manage the business of law. Our TyMetrix products and services transform how organizations and law firms solve today's legal spend pain points and inform future business strategies.

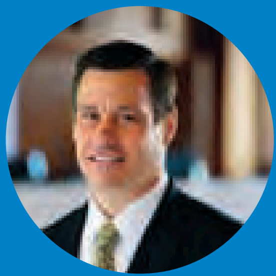
We took over $40 billion worth of legal spend and developed a data warehouse, called LegalVIEW, to generate competitive intelligence and insights for our customers. LegalVIEW aggregates, normalizes and de-identifies legal performance data generated from invoices and matters tracked by over 130 corporations, representing legal services provided by 17,000 law firms worldwide. This information contains what the legal matter was, how much time was spent, and who worked on it. The quantity and depth of historical data we have collected allows us to produce reliable industry benchmarks and predictive analysis of trends. The variety of data gives us many different ways, in which to segment the information and provide customized insights and peer benchmark profiles.

In-house law departments must operate with an eye toward cost-management while supporting corporate objectives. They are under tremendous pressure to quantify and demonstrate the value that they have delivered, not only for managing legal issues, but also their financial discipline.

TyMetrix is the only solution that gives them actionable insights to streamline operations and deliver predictability in their legal spend. These insights deliver a competitive advantage to our customers in managing the business of law. They need expertise and systems that provide statistically valid insights and ensure compliance to their business arrangements.

The pressure felt by in-house counsel is being passed on to law firms who are required to remodel their business models and billing structures to remain competitive in a rapidly evolving marketplace. They are being asked to provide greater clarity around pricing and staffing decisions. Law firms have embraced the data in LegalVIEW as it provides them competitive intelligence they can't get anywhere else. They use that data to demonstrate value to clients. Data analytics uncovers best practices, from staffing allocation to billing and costs. It suggests where firms can become more efficient and better allocate resources – and also gives them better insight as they head into price negotiation.

Wolters Kluwer Corporate Legal Services provides value to both corporate legal departments and the law firms delivering services and solutions to them. We act as a bridge of transparency to both sides, ensuring they can access dependable industry benchmarks.



THE ANALYST
Craig Raeburn

Craig spoke at a media event in Amsterdam about the opportunities in data analytics. He gave several examples of how data analytics serve corporate law departments, insurance carriers, and law firms to gain insights. Craig is the Managing Director of TyMetrix Legal Analytics, bringing over 20 years of experience in legal technology and performance management.

THE SEER
Julie Peck

Under Julie's leadership, TyMetrix has seamlessly combined technology, data, domain expertise, and intellectual capital into a unique, holistic set of offerings that makes information more accessible, more meaningful, and more actionable. Julie helped establish TyMetrix Legal Analytics and led the team that introduced the Real Rate Report.

1 GATHER

We gather vast quantities of legal invoice data from multiple corporations, and then run analytics across multiple dimensions.

- Matter Type
- Attorney Hours & Rates
- Law Firm Location
- Biller Demographics
- Tasks & Activities
- Area of Law
- Geography

2 ANALYSIS

The analytics applied to the LegalVIEW data warehouse offer insights and benchmarks related to Corporate Legal Spend, Sourcing of Legal Services, Staffing Allocation Profiles, Competitive Pricing, Matter Costs and Budgeting sentence.

105 mln
Activities Captured
2011: 70 mln
Increase: 66%

380 mln
Hours of Legal Services
2011: 238 mln
Increase: 62%

275,000
Individual Billers
2011: 188,000
Increase: 68%

$40 bln
Global Legal Spend Data
2011: 24 bln
Increase: 60%

17,000
Law Firms & Vendors
2011: 11,000
Increase: 65%

3 TOOLS

Intuitive tools deliver business intelligence and benchmarking solutions for our customers to improve their cost-management disciplines and profitability, thus gaining a competitive advantage in managing the business of law.

LegalVIEW Online

Software & technology products & tools

Dashboards – Helping legal executives create and visualize KPIs critical to managing their business.

Analyzers – Helping individual users look up and analyze key data related to pricing, staffing allocations and matter costs.

LegalVIEW Publications

Research reports publishing insights, benchmarks, and analyses

Real Rate Report – An annual publication written in partnership with the Corporate Executive Board's General Counsel Roundtable, which does deep mining and statistical analysis of rate and billing trends.

IMPACT Analysis Series

A series of quarterly reports created in partnership with Huron Consulting, which explore the dimensions of legal operations practices and matter trends.

LegalVIEW Custom Analytics

Custom analysis, benchmarking, and modeling to address specific client needs and requests.

SUPPORTING ANYTIME

EVERY MINUTE COUNTS

Five years ago, a big shift took place that put pressure on lawyers to compete with their *confreres* not only in court but also in the marketplace for legal advice.

While the practice of law is often local, running a law firm as a business is not. Lawyers must understand and interpret local laws and regulations, but all law firms, wherever they are based, deal with the same business challenges. They must run the firm efficiently, satisfy clients, and remain profitable. Lawyers worldwide spend 80 to 85% of their time doing the same tasks, whether working in a country with case law, as in the U.K., India, or the U.S., or working under Roman law, as in Belgium, Poland, or Sweden. whether they are working in a large firm or as solo practitioners, lawyers worldwide have similar needs for the majority of their daily tasks.

All lawyers must manage various streams of information that they interpret and deliver as legal advice for clients. Their mission is to protect the interests of their clients in the best possible way and, at the same time, they need to manage their time and resources in an efficient manner in order to stay in business. Similar information is needed for every law case file: addresses from involved parties; correspondence and notes; research and insights from similar cases; and the case agenda. All of this is necessary for the successful outcome of the case.

Reviewing the facts of a case and reaching a conclusion is based on a combination of multiple tasks that need to be well documented: meeting with the client and with subject matter experts; evaluating opponents; doing research; reviewing the letter of the law; reading through legal expertise and jurisprudence; and keeping in touch with the parties to come to an agreement, settlement, or judgment in court.

Finally, they also need to keep record of hours spent on the case: every minute counts, since a lawyer is paid by the hour.

BIG SHIFT

Four or five years ago a big shift took place in Belgium. Clients started to look at the budgets for their outsourced legal services. The larger corporate clients negotiated service contracts and assessed different law firms based on cost. In response, the larger Belgian law firms, those with 70 to 100 lawyers, introduced parameters that set targets and measured outcomes. In smaller law firms the pressure from clients also increased. Clients started to demand more and their expectations changed. They became more knowledgeable about rates and acted more as conscious consumers.

From a business perspective, lawyers need to maintain good relationships with many different types of contacts. It is crucial to keep existing clients and win new clients. Clients were once very loyal. They stayed with a law firm and did not think of questioning the quality of work, let aside questioning the invoice. Today, however, clients are shopping around, reviewing, and assessing different firms. The process of selecting a law firm has become almost like a beauty contest.

RUNNING A FIRM

This increased competition means lawyers must look at their cost structure and output to stay in business. Running the law firm as a business and showing top line and bottom line results is now on the agenda for every lawyer. They need insight into the time spent on the case by the lawyer and by support staff. The client pays different fees for different partners and lawyers, and a different level for researchers, paralegals, and management assistants. It matters how much follow-up is needed on administrative tasks related to the case. While the

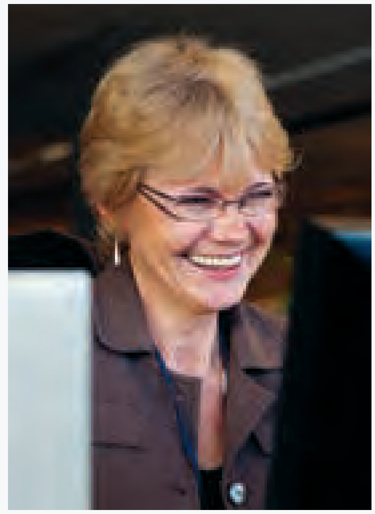
THE RAINMAKER
Hans Suijkerbuijk

Hans is the CEO of Wolters Kluwer Belgium. He started with Wolters Kluwer as Chief Operating Officer in 2006 and has broad experience with the shift to the cloud. Hans' vision for embedding new technology will bring further investments and enhancements in Kleos.

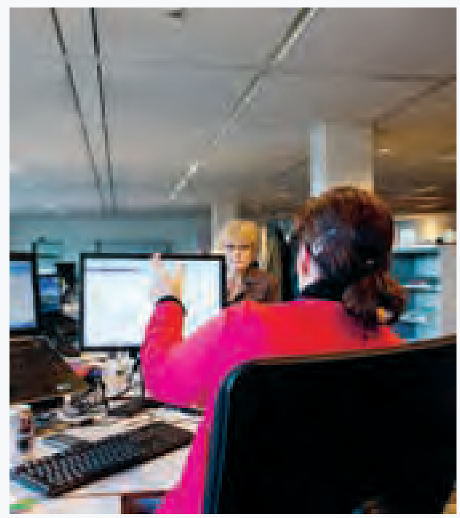
THE COUNSELOR
Claudine Weyn

Claudine's legal background serves her well as manager for Kluwer's legal business, with a team of 20 in Mechelen, Belgium. She works together with other Wolters Kluwer units in Europe, including the pan-European Kleos software development team based in Bari, Italy. Her drive is to understand and solve customer problems.

The Belgium Kleos team, based in Mechelen, includes Ingrid Wilna (Sales & Support Office Assistant), Filip Balduck (Business Manager), Ralph Versweyveld (Sales Manage), Francis Balcaen (Product Manager) and outside developers Eddy Froyen and Jan Van Der Stappen.

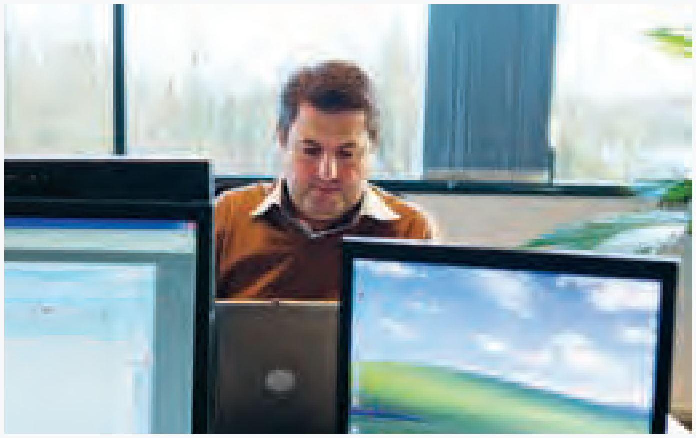


↙ Ingrid Wilna



Eddy Froyen (left), Jan Van Der Stappen ↘

Francis Balcaen ↘



Chlorophytum
Comosum Vittatum ↘

Filip Balduck (left),
Ralph Versweyveld ↘

concept of billing for results is becoming a more accepted fee structure, certainly in the larger firms, billing for the hour is still the common practice in Belgium.

INVOICING THE ART OF WAITING

Lawyers are very proficient in the 'art of waiting.' They wait in the hallways of courts, they wait for the judges or jury members to complete court sessions, and they wait in between meetings. Waiting is wasted time. It cannot be billed. But this is no longer true for lawyers who can access their cases, files, and legal resources everywhere and at any time. These are lawyers that work in the cloud. Lawyers can now have their heads in the cloud, not to daydream, but in order to do billable work on a case. Those hours in the cloud are effective business hours. Waiting hours can become business hours!

That is why lawyers need information accessible everywhere and anytime, via mobile phones and tablets. This is now possible with cloud solutions, as opposed to a client-server solution where the firm has its data locked down on its own in-house servers. Another benefit to working in the cloud for small and midsize law firms is that they do not need in-house infrastructure and IT knowledge. They can free up time and investments.

LOCAL IMPLEMENTATION

Kleos, Wolters Kluwer's legal practice management solution, initially launched in Belgium and then rolled out in other countries in Europe. As the practice of law has an important local component that is crucial for the quality of the work, each implementation is tailored to specific country needs. Kleos integrates trusted expert content from the different legal databases in different countries. In Belgium it integrates content from Jura, in Sweden from Zeteo, in France from 2LR, in Spain from La Ley Digital, in Italy from Pluris and Leggi d'Italia, in the Netherlands from Navigator, and in Poland from LEX.

The next wave of development for Kleos will enable more interaction between different players. Kleos opens opportunities for an increasingly streamlined workflow process for lawyers. Kleos brings together technology and content to support the work of business-savvy lawyers. These are indeed exciting times to be in the business of law.

THE VIRTUAL OFFICE

KLEOS

What?
A legal practice management software tool that provides a complete virtual office for activities including case management, document management, email, tasks, and accounting, anytime and anywhere in a secure, cloud-based environment.

Who?
Available for lawyers in seven countries in Europe.

Why?
Kleos integrates trusted expert content from the different flagship legal content databases to provide lawyers with what they need to make confident decisions.

How?
Integrated case and practice management components interact for maximum efficiency.

Dreams & Ambitions

Ying Wang
"It is my ambition to be the best."

Mandy Yu
"My unique contribution is the computer language that guides software and that then accomplishes what I want it to achieve."

Philip Zhao
"My next step is to drive product development and technology."

Peipei Fu
"My dream in school was to be a post woman. "

James Hu
"Recognition from clients is the most exciting part of my work."

Grace Gong
"The most exciting part about my work is that it gives me the chance to keep track of the latest law and policy changes in China."

Cindy Wang
"What is complex about my job is to present complex content in a simple way. "

Dorothy Zhang
"When I was little, I dreamed of being a teacher or a dancer. Now I must say the sense of accomplishment that comes from designing useful special topics, plus successfully answering questions on accounting and auditing is the most exciting part of my work."

Our dreams and ambitions are an important part of what makes us who we are, and helps us to meet and surpass our customers' needs. Wolters Kluwer's team in China is a fast-growing, ambitious group of experts, focused on developing our business in the rapidly expanding and highly important Chinese market. Active in the areas of health, legal, tax, and compliance, Wolters Kluwer currently employs 350 people in China, serving more than 10,000 customers.

As change around regulations, legal developments, and the country's medical system continues to increase tremendously in China, we aim to boost our workforce by at least 30 new colleagues in 2013. If you are interested in joining Wolters Kluwer in China or elsewhere in the world, please contact hr@wolterskluwer.com or find more information about employment opportunities on our website.

Johnson Zhang
"Mutual cooperation that combines everyone's specialty, together with high efficiency and finishing the work we are assigned - that is the value of a team."

David Yang
"My dream is family health and happiness. One day I would like to travel around the world."

Sara Sun
"I joined Wolters Kluwer because of its excellent professional reputation."

Doris Dong
"Wolters Kluwer provides me with ample opportunity to attain my ambition and that is why I joined the company."

Jane Jiang
"I have over 250 customers across the country to take care of. It is quite demanding to make everyone happy and that is what is complex about my job. Good planning and communication are important, as well as being ready to cope with any emergency."

Dongna Hu
"Joining Wolters Kluwer allowed me to do exactly what I want to do. I can see a bright future with the company."

Angela Li
"I complete our sales orders from China and write the business rules for order team fulfillment. That is my unique contribution."

UNDERSTANDING COMPLIANCE

We constantly evaluate and adapt how we deliver and apply our expertise through new service models, new technologies, and new workflow solutions, based on tested processes that remove the potential for error.

UNDERSTANDING COMPLIANCE

GLOBAL SOLUTIONS

Technology can address the challenges and costs brought about by the complexities of compliance.

REBUILDING TRUST

Regulators are there to enforce the laws that are designed to create a level playing field. While integrity is a term in almost every organization's statement of core values, we've moved from an era of trust ("my word is my bond") to a time when institutions must prove lawful behavior. Their claims that they are playing by the rules must now be supported by evidence that they are indeed compliant with regulations. This means they need to be able to retain and produce accurate data.

Regulators view compliance as part of an overall risk management strategy and are taking a data-driven approach to supervision. Enterprises must be able to produce data that can be audited. The right data can prove compliance, protect consumers, and effectively manage risk.

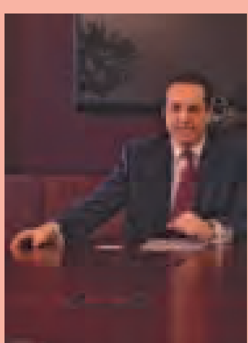
COMPLEXITY AND CHANGE

At a time when technology is constantly changing, some companies in highly regulated industries, such as healthcare or finance, are embracing new forms of evidence-based risk management. These industries are legally required to meet certain regulations regarding the storage, retention, security, and data management practices of critical data.

Twenty years ago, regulation and risk compliance was relatively simple. Since the 1997 Foreign Corrupt Practices Act (FCPA) through Basel I (1988) to Basel II (2004) to Basel III in 2010, we've seen a rising tide of regulation. New statutes, regulations, and bulletins in many industries and areas of the world now demand robust solutions to fully enable compliance. With the introduction of Basel III, we've moved

The rising tide of regulation has turned into a perfect regulatory storm.

Auditors worldwide are dealing with regulatory and compliance pressures that require a global solution.



Technology provides tools that enable us to deal with the complexity of compliance and increases productivity.

from a one-dimensional view to a multidimensional view of compliance and risk, a view that takes account of liquidity and leverage ratios. This means it is more difficult to manage risk. This difficulty has led to significant increases in compliance costs for financial institutions, consumers, as well as regulators.

NEW CHALLENGES, NEW COSTS

Risk management used to be a straightforward job for many companies. Today, regulatory requirements have brought about dramatic changes. Fifteen years ago, the idea of a Chief Compliance Officer (CCO) would have been considered unlikely. But today, Chief Compliance and Risk Officers have a regular presence at Board meetings. Companies are investing in their risk and compliance departments. They see the need to increase spending on staff and the software tools that can help them manage the burden of proving compliance.

Global banks have operations in different jurisdictions around the world which are subject to different accounting regulations. For instance, Basel is a EU regulation that practically all countries have adopted. The complexity of data they must manage is enormous. They have to harmonize and standardize that data, so that they can report appropriately to the regulators. Global financial institutions need a global solution. Wolters Kluwer is one of the few providers in the world that can give customers that global view.

Technology enables institutions to manage risks. Lawyers can now use smarter, web-based alternatives to printed reference materials, eliminating the need for hard copy. A recent development is the emergence of what are known as Compliant Clouds. These enable the mountain of data that institutions generate to be analyzed. Patterns are revealed, such as unusual credit card charges. Technology makes it possible to detect anomalies that help our customers avoid enterprise risks.

COMPLIANCE IS GOOD BUSINESS

We often think that regulation is for the purpose of the regulators, so that mistakes in the past will not be repeated. But some companies are able to use compliance as a competitive strength. They have moved beyond complying with regulations merely to protect their interests, to seeing it as an opportunity to create value. One aspect of banking regulations is the way they enable better and more effective use of capital.

By managing risk properly, and by using solutions such as FRSGlobal, banks can transact business in accordance with regulations and so reduce the cost of not being in compliance. Wolters Kluwer's compliance software creates a single version of the truth which allows institutions to comply with existing and new regulations.

SEEING THE LARGER PICTURE

UNDERSTANDING GLOBALIZATION

Ten years ago, very few companies worried about managing risks in a holistic way. Now it is a top agenda item in many boardrooms.

Ricardo Turra is the Chief Audit Officer of the U.S. $15 bln Brazilian company Votorantim, which has operations in 24 countries. Votorantim's activities are focused on key sectors of the economy that demand capital intensive and high-scale production processes such as cement, mining and metallurgy (aluminum, nickel and zinc), steel mill, pulp, orange juice, and energy generation.

THE GLOBALIZATION OF AUDIT

Ricardo acknowledges that the audit function is well respected in mature economies, and came to prominence in Brazil "when the market was opened to foreign investments" in the 1960's. Over the course of his career, he's seen tremendous growth in the relevance of the role of audit, and relishes the variety, where "every day you have something new. And actually, the challenge is not only being involved in this area, but also to be able to communicate new challenges and opportunities to other people." The main hurdle he faces is due to Votorantim's geographically dispersed activities "that require that we move forward in reviews that are done remotely, to be able to see the larger picture about what is going on and where the critical focus areas are."

This difficulty is not unique to Votorantim.

RISK ASSESSMENT

The current economic climate coupled with regulatory and compliance pressures have put strain on audit functions and budgets.

Ricardo notes: "Ten years ago, very few companies worried about managing risks in a comprehensive way. They had to deal with replication of data in different tools. Today, the audit environment is changing."

Regulators and boards of directors are now demanding that organizations manage risk more transparently. Managing risk in a dynamic and increasingly complex environment is more critical than ever. Whether an organization is small or large, implementing the right compliance program that can withstand regulatory scrutiny is difficult in most cases. Compliance mandates and Sarbanes Oxley have led to increased controls testing and audit for fraud.

THE EMERGING GLOBAL NEED FOR COMPLIANCE

Auditors around the world now have more of a consultancy role, requiring they step up and advise organizations on risk management. Audit, as a profession, has become much more relevant to organizations. Audit must monitor and address challenges and opportunities

THE CHIEF AUDIT OFFICER
Ricardo Turra

Ricardo Turra, the Chief Audit Officer at Votorantim, Sao Paulo, Brazil, observed that ten years ago very few companies worried about managing risks in a comprehensive way. Today, the audit environment is changing.

THE GO-TO PERSON
Robinson DeJesus

Robinson's experience in auditing with hundreds of clients in the private and public sectors makes him the right person to oversee TeamMate's business operations across Latin America where compliance and regulation complexity have put pressures on transparency. He finds pride in assisting organizations seeking best practices, guidance, and solutions to increase efficiency in their day-to-day responsibilities.

THE COSMOPOLITAN
Mike Gowell

Mike oversees the global TeamMate rollout, leading all aspects of the global TeamMate operations, and is responsible for the overall product strategy. He presented at the recent TeamMate User Forum in San Antonio for over 750 attendees. Continued focus on enhancing the quality of TeamMate for customers is Mike's drive.

around sustainability, resources, people, and reputational risks. These activities offer value creation opportunities for both the audit team and the overall organization.

TEAMMATE — A TOOL FOR TODAY'S AUDITORS

Ricardo has leveraged TeamMate to deliver a variety of audit results for Votorantim: "We use TeamMate today for our planning and to report on the progress of the audit plan. We use TeamMate to assess the risk environment of the company, and to consult management about the risks that they face. We use TeamMate for the follow-up of our audit recommendations, and we also use TeamMate for the monitoring of our budget and the expenses."

Ricardo is not alone. Audit departments of all sizes are turning to TeamMate, which has revolutionized the audit process for more than 90,000 auditors across the world. TeamMate's award-winning audit management system increases the efficiency and productivity of the entire internal audit process, including: risk assessment, scheduling, planning, execution, review, report generation, trend analysis, audit committee reporting, and storage.

By providing an integrated and comprehensive strategy for managing audits, TeamMate eliminates the barriers associated with paper-filled binders, disconnected electronic files, and geographically diverse teams – driving efficiencies into all facets of the internal audit workflow.

TeamMate helps auditors better assess the risks facing their organization and simplifies each step of the audit process. Productivity and efficiency improvements allow them to spend less time documenting and reviewing and more time providing value-added services to their clients.

Six integrated components provide a streamlined process for managing your audit process from beginning to end. "We are making use of the five different TeamMate modules that we have available," noted Ricardo.

The process begins by defining the audit universe and identifying the high risk audit areas. TeamRisk lets you break down your audit universe, which can incorporate business units, departments, processes, and more. During the risk assessment, you can align the audit universe to objectives, risk factors, and controls that you may have defined.

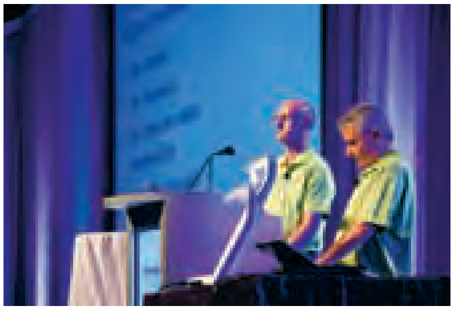
Once you've identified your audit plan in TeamRisk you can move to TeamSchedule, to assign resources based on skill set and availability. Auditor time and expenses are captured and tracked with TeamTEC's easy to use web interface.

TeamEWP (Electronic Working Papers) functions as the core of the TeamMate suite, electronically managing all of the work papers for the entire audit. Every item in the audit file has sign-off properties so you can see a complete audit trail.

For an overall view of the audit process, TeamCentral functions as a repository of information from every audit. This lets you monitor and follow-up on issues and produce reports with confidence. These reports can be used to display real time information in meetings, eliminating the need to prepare anything in advance, such as PowerPoint slide decks. Finally, the TeamStore module houses reference materials and templates. TeamStore items can be easily imported into new audit files and re-used.

As audit professionals increasingly become trusted advisors to management, TeamMate allows them to notice trends, evaluate the risk environment, and offer strategic advice. This might evolve from offering advice on risk profiling, to giving management a clearer understanding of reputational risks, to a discussion of sustainability issues. Ultimately, audit professionals could become a partner on due diligence or on post-merger integration issues, while still maintaining their necessary independence.

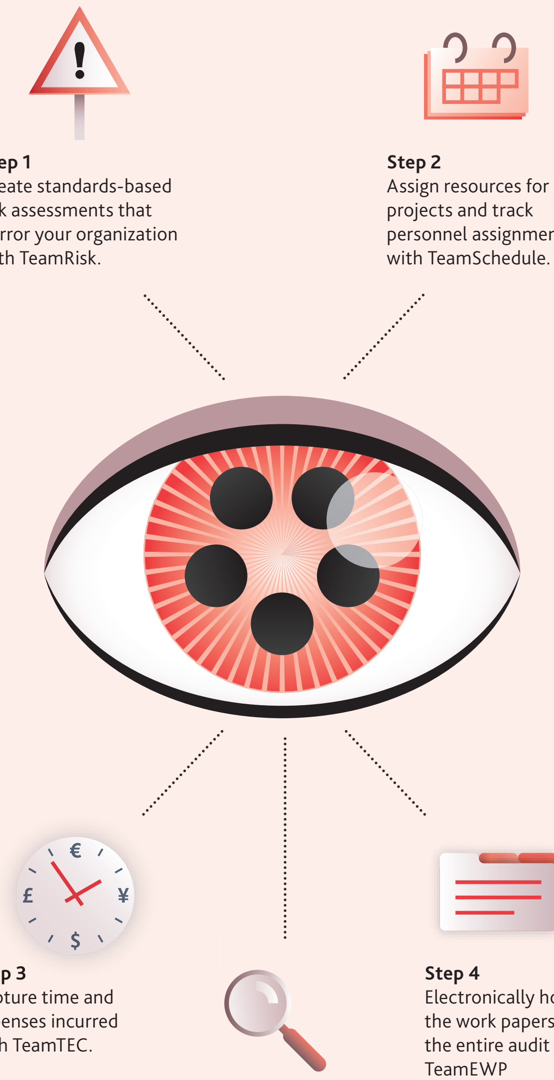
Ricardo is very satisfied with his choice of TeamMate to solve his audit challenges: "I am very happy to have it. We want to use it more and more, and use it very, very profoundly. We really actively use the system. And we are getting to know it very well."



TeamMate User Conference 2012, San Antonio, Texas, U.S.

750 customers of TeamMate, including Ricardo Turra and his team, attended the annual global event.

The Audit Process



Step 1
Create standards-based risk assessments that mirror your organization with TeamRisk.

Step 2
Assign resources for projects and track personnel assignments with TeamSchedule.

Step 3
Capture time and expenses incurred with TeamTEC.

Step 4
Electronically house the work papers for the entire audit in TeamEWP (Electronic Working Papers).

Step 5
Track information and findings from individual projects with TeamCentral.

TEAMMATE

What?
An integrated audit management system that increases the efficiency and productivity of the entire internal audit process, including: risk assessment, scheduling, planning, execution, review, report generation, trend analysis, audit committee reporting, and storage.

Who?
Developed for audit departments of all sizes.

Why?
TeamMate helps auditors better assess the risks facing their organization and improves their productivity and efficiency.

How?
Five integrated components provide a streamlined process for managing your audit process from beginning to end.

THE VISIONARY
Ian Rhind

Ian coined the phrase "the perfect regulatory storm" when he spoke at the July 2012 media roundtable in Amsterdam. At that meeting, the CEO of Wolters Kluwer Audit, Risk & Compliance also spoke about the 4V's. He brings to his role a winning vision of how to work with customers to tackle the global challenges of compliance.

THE KNOWER
Kieran Leahy

Kieran joined Ian at the media roundtable event. Kieran brings vast practical knowledge from his 25 years of experience working with financial services communities globally. He heads business development for the FRSGlobal regulatory reporting and risk management solutions, as well as leading the overall operations and strategic growth in the U.K., Ireland, & Middle East Africa region.

UNDERSTANDING THE STORM

We've seen a rising tide of regulation, starting with the 1997 Foreign Corrupt Practices Act (FCPA), through Basel I (1988), Basel II (2004), and Basel III in 2010.

Regulators around the globe are demanding that enterprises view compliance within the context of an integrated risk management strategy. Companies have to prove that they have risk management solutions in place. They have to be able to show evidence that they are managing their risks and be able to work through an audit. Enterprises must be prepared to prove they are compliant with ever changing laws and regulations.

Compliance is driven by four factors, also known as the 4 V's. The first is *volume*. The volume of regulatory activity is enormous. In 2010, 40,000 new regulations were issued. In the financial industry alone there were over 50 new regulations promulgated every single day around the world last year. The second factor is *variety*. There is a greater variety of regulations in financial, technology, environmental health, safety, and operational risk. The third factor is *velocity*. Things are moving faster on many fronts. This results in the fourth factor of *volatility*. Organizations must manage their compliance and risk operations in a volatile environment.

Organizations have to adapt by investing in audit and risk compliance systems to avoid substantial fines, reputation damage and, in extreme cases, dissolution. The audit, risk and compliance officer's profile has increased dramatically.

Fifteen years ago, the existence of a Chief Compliance and Ethics Officer would have been considered extremely rare. But today, Chief Compliance and Risk Officers have a regular presence at Board meetings.

Looking ahead, in 2013 Basel III is becoming the global regulatory standard for bank capital adequacy, stress testing, and market liquidity risk. In 2014, the Solvency II directive will establish a broad-ranging set of capital requirements and risk management standards for European insurers.

Technology is a major enabler of how companies are dealing with risk. Global financial institutions need a robust analytical and data-driven global solution.

Wolters Kluwer is able to support organizations by helping them automate their processes, organize, automate and streamline the way they work with their data, the way they organize their workflow, and the way they manage their departments.

1977
Foreign Corrupt Practices Act (FCPA): U.S. regulation designed to prevent American companies operating overseas from bribing foreign officials

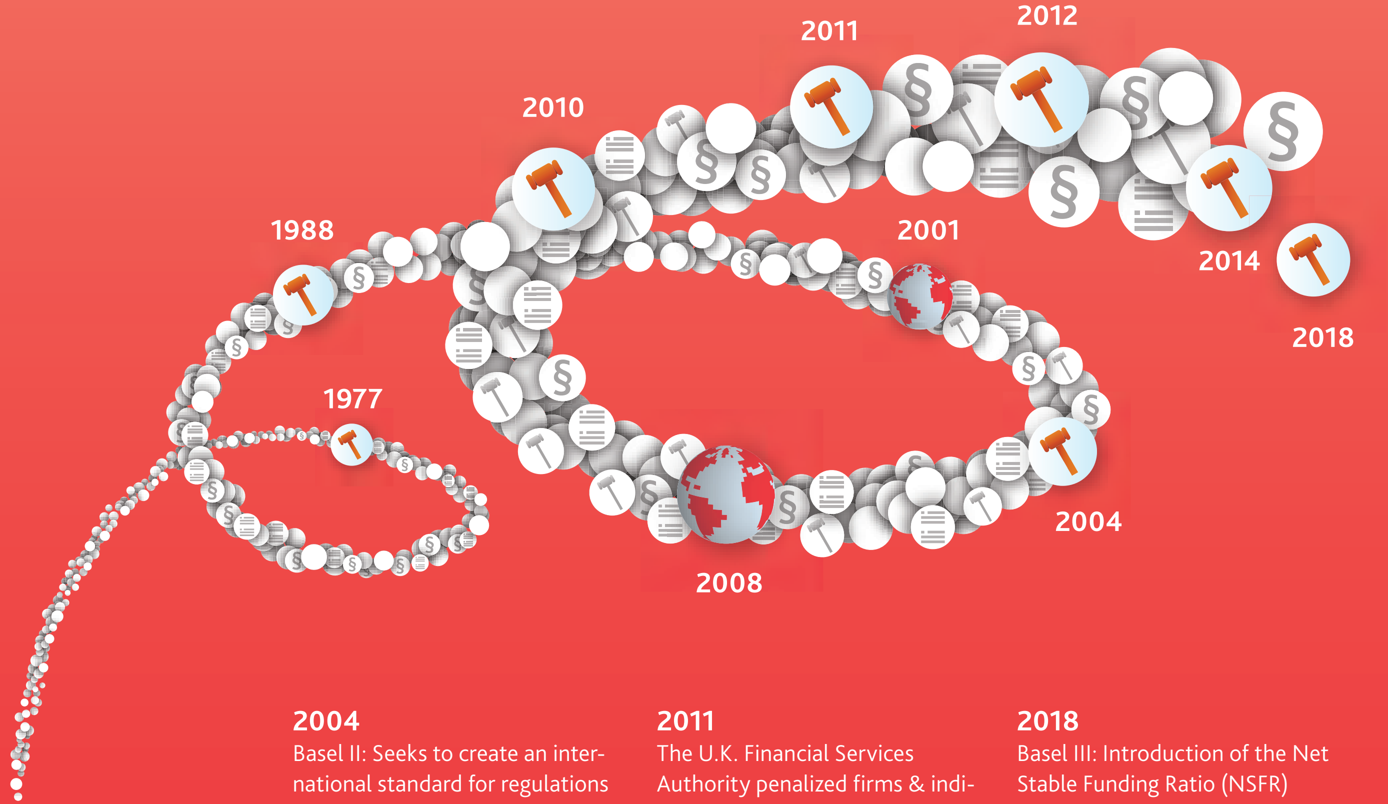
1988
Basel I - banking supervisions regulation recommendations: Set of minimum capital requirements for banks

2001
Enron auditing scandal: New regulations enacted to ensure accuracy of financial reporting for public companies leading to Sarbanes-Oxley Act

2008
Financial banking crisis: 85 countries require IFRS reporting for all domestic, listed companies

2010
Dodd-Frank Act: Comprehensive set of U.S. financial regulatory reform measures; more than 200 implementing rules over the next several years

2014
Solvency II: The repeal existing insurance and reinsurance directives by a broad-ranging set of capital requirements and risk management standards for European insurers



2004
Basel II: Seeks to create an international standard for regulations of risk and capital management requirements

2011
The U.K. Financial Services Authority penalized firms & individuals in breach of regulations to the amount of more than L66 million

2012
Financial Industry Regulatory Authority (FINRA) brought 1,541 disciplinary actions and levied fines totaling more than $68 million

2018
Basel III: Introduction of the Net Stable Funding Ratio (NSFR) liquidity requirement and the mandatory leverage ratio

Global Developments

Legislation

THE DESIGN OF INFORMATION

In order to be productive, professionals need to absorb and act on tremendous amounts of information. An innovation doesn't always have to be a fundamentally new idea or approach but can also be the re-invention of an already established and successful product, like RBsource.

Elaine Egan: "Knowledge workers are in a continuous learning mode, where the quality of trusted information is the only thing that really differentiates us in any business, industry, or academic institution. We have all heard the joke that if it's on the Internet it must be true. Well, we all know that's not necessarily true." She believes that while we have seen changes with the development of the Web, there is so much more to come. "The Internet age is in transition; the gathering of facts in one mode isn't really gathering knowledge so we're not quite there yet," she says.

Elaine understands the ways in which technology has enabled her role as a Law Librarian. She acknowledges that the law library has transcended the traditional physical facility: "We are imparting information to people."

As the Manager of the Information Center at Shearman & Sterling LLP in New York she knows better than most that, with so much information available, it's crucial to be able to evaluate which data sources are worthy of action and will lead to decision making. Elaine credits her membership in the Wolters Kluwer Insight Leaders Council with helping her make high impact decisions and knowing what she needs to act on. "It's a great opportunity to hear what Wolters Kluwer is doing around the customer experience, the user experience, and how we can partner," she states. "Each time we attend this meeting it's an opportunity for us to apply what we've discussed."

She mentions the development of Wolters Kluwer products like RBsource as being founded on a business need with an information provider: "It isn't as though someone is selling me something. It's a relationship that helps attorneys and information professionals solve problems."

Elaine also appreciates the relationship between design and functionality. From the clarity of the Wolters Kluwer Annual Report to the products she uses, she understands that elegant design encourages people to use a source to retrieve actionable information: "RBsource is a very elegantly-designed workflow content source. There's a beauty in how people use it. Because that elegance exists, it's more usable and the user experience leads to creative problem solving."

RE-IMAGINING SECURITIES LAW RESEARCH

Wolters Kluwer Law & Business has re-imagined securities law research and the industry-standard Securities Act handbook, commonly know as the "Red Book," to deliver a powerful legal productivity tool. RBsource currently enables over 10,000 securities lawyers to enjoy a smarter, more intuitive, web-based alternative to the printed Redbook. This tool eliminates the need for any hard copy related to the legal materials it addresses. RBsource is

THE LAW LIBRARIAN

Elaine Egan

Manager of the Information Center at Shearman & Sterling LLP, Elaine Egan sees RBsource as a very elegantly designed workflow content source. Because that elegance exists, it's more usable. She oversees information management for the entire firm. The firm's global footprint spans 20 offices on four continents, 900 lawyers in 50 countries who speak more than 50 languages.

THE INITIATOR
Robert Lemmond

Robert initiated the Insight Leaders Council in early 2012, several weeks after he joined the company. Customers served include law firms, corporations, compliance professionals, and law schools. His group creates workflow tools, such as RBsource, for key legal practice areas such as securities, banking, intellectual property, bankruptcy, and litigation. Robert is the Vice President of the Legal Markets Group, Wolters Kluwer Law & Business.

According to the American Bar Association Journal, firms consult a variety of sources when conducting securities law research, and securities attorneys spend over 50% of their time with disclosure matters and advising clients.

an all-in-one, authoritative, online securities law resource, giving access to securities laws, rules, regulations, forms, and related guidance from the U.S. Securities and Exchange Commission (SEC).

According to the American Bar Association Journal, firms consult a variety of sources when conducting securities law research, and securities attorneys spend over 50% of their time with disclosure matters and advising clients. The challenges of inefficient workflow are likely to be compounded by the anticipated boost in securities regulations. At the end of 2012, only one-third of the rules in the Dodd-Frank legislation had been finalized, and there are 30 federal agencies tasked with writing approximately 400 new rules under this Act alone. The good news for our RBsource customers is that, unlike the static printed Red Book, RBsource is updated daily with changes to rules and regulations. Furthermore, future effective and compliance language is exposed in context, to allow legal professionals better prepare for pending changes and so more effectively advise clients. RBsource is a radically new and better way to conduct securities law research. Since all relevant content is connected online and updated daily, it brings much needed confidence to the research process.

RBsource takes the industry's leading and most trusted securities law resource off the shelf and makes it totally portable. This intuitive, online research tool takes the trusted content of The Securities Act Handbook and integrates SEC guidance and interpretations. It meets the needs of partners, associates, law librarians, and in-house counsel who require access anytime, anywhere, on any device. RBsource can be accessed on laptops, smart phones, and iPads.

The result is increased research efficiency and accuracy with a single, comprehensive resource to support rule-checking, legal decision-making, client advisement, and document drafting.

RBsource is a flexible and intuitive resource, designed to work the way legal professionals work. The work environment can be customized in several ways. It finds related content and guidance relevant to a search in context, together with succinct and expertly crafted editorial notes from the attorney-editors at Wolters Kluwer. This streamlines research, making it more productive, so legal professionals can cover much more ground, much more quickly.

Searches can be done by keyword or content browsed by statute or content type. There are four distinct content types: laws, regulations, forms, and guidance. RBsource goes beyond the limitations of standard search technology. Results can also be filtered by practice matter topics created by Wolters Kluwer's experts.

RBsource follows the typical attorney's workflow and integrates related pieces of the regulatory puzzle, including laws, rules, regulations, and forms, together with relevant SEC guidance materials, including SEC releases, staff bulletins, and compliance and disclosure interpretations. It offers an all-in-one tool to support rule-checking, legal decision-making, and client-advisement. By linking the related content to the regulations the need to create new searches among different databases is eliminated, saving valuable time.

Once the relevant source material is located, professionals can add notes and highlights to personalize their content. They can create bookmarks for rapid access to high-value content. Productivity is enhanced by being able to save search queries and track search history to return back to any point in the research.

Elaine Egan and Robert Lemmond, VP Legal Markets, Wolters Kluwer Law & Business, met each other at the first Insight Leaders Council in 2012. The Counsel, initiated by Bob, brings together the information managers from all major U.S. law firms, including Shearman & Sterling LLP, one of the leading law firms in the world.

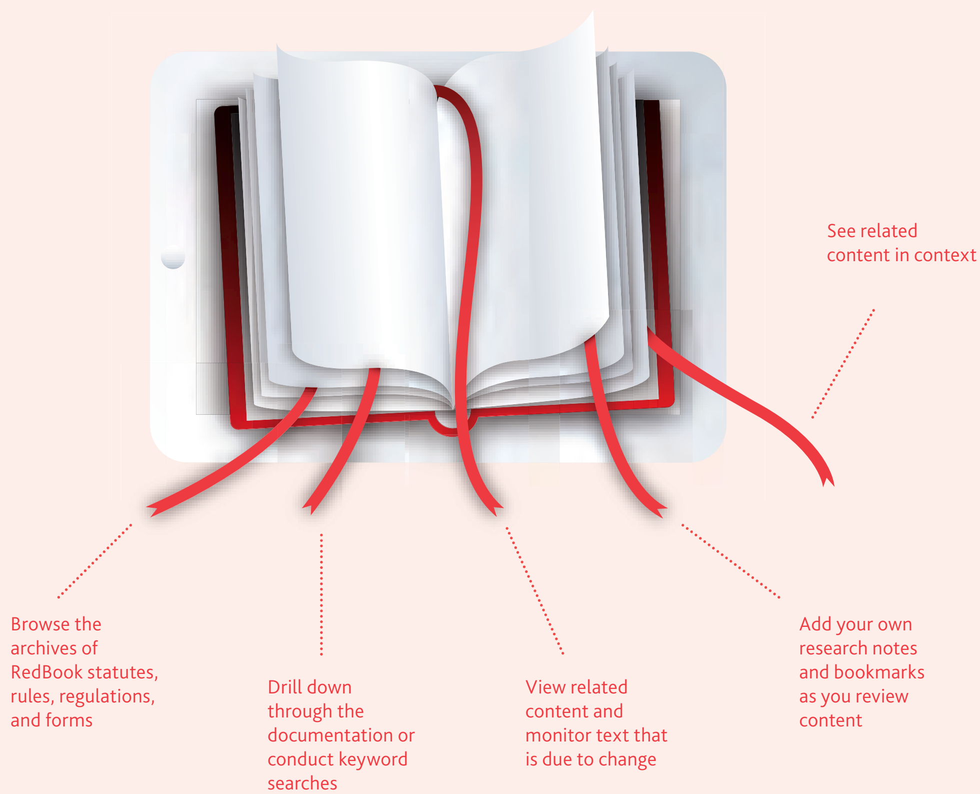
RBSOURCE

What?
An online version of the industry-standard Securities Red Book that goes beyond the limitations of standard search technology to give mobile access to securities laws, rules, regulations, forms, and related guidance from the SEC.

Who?
Developed for U.S. Securities lawyers.

Why?
A new way to conduct securities law research. Since all relevant content is connected online and updated daily, it brings much needed confidence to the research process.

How?
Portable device and desktop access to the industry's most trusted securities law resource.



THE OPPORTUNITIES

The Land of RoW

Wolters Kluwer has customers in over 150 countries. Revenues from Asia Pacific and Rest of World (RoW) have doubled from 3% in 2003 to 6% in 2012. This will increase even further as we continue to invest in developing global online and software solutions and as we pursue additional growth opportunities in fast growing markets.


Russia
MCFR, UpToDate
China
Medicom, UpToDate, Ovid, Lippincott Williams & Wilkins, CCH, FRSGlobal, TeamMate, SASGAS, China Law & Reference, Aspen Publishers, Kluwer Law International
South Korea
UpToDate, TeamMate, FRSGlobal
Japan
Ovid, Lippincott Williams & Wilkins, UpToDate, CCH, FRSGlobal
Thailand
FinArch, FRSGlobal, UpToDate, Ovid
Hong Kong
CCH, TeamMate, FRSGlobal, UpToDate, Lippincott Williams & Wilkins
Malaysia
CCH, TeamMate, FRSGlobal, UpToDate, Ovid
Indonesia
TeamMate, FRSGlobal, UpToDate, Ovid
Australia
CCH, Acclipse, Ovid, Lippincott Williams & Wilkins, UpToDate
Singapore
CCH, FRSGlobal, FinArch, UpToDate, Ovid
New Zealand
Acclipse, CCH, Business Fitness NZ, ProVation Medical, UpToDate

IMPROVING HEALTHCARE

Doctors and nurses make decisions that can be a matter of life and death many times a day. Wolters Kluwer understands what's at stake. We understand the need to be sure, to make the right decision.

IMPROVING HEALTHCARE

The seven billion people on the planet need improved access to healthcare, yet medical professionals are forced to do more with less. Now is the time for efficient solutions that improve health outcomes.

Technical advances have revolutionized medicine. From the discovery of penicillin to the mapping of the human genome, we understand more about how to treat illness than ever before. Technological breakthroughs and new discoveries are a source of constant change in the field of medicine. This is reflected in healthcare professionals' passion for continuous improvement and excellence in a world of ever more complex opportunities. And no wonder; much is at stake. Medicine is a matter of life and death and, therefore, it is important to get it right for each and every decision that your doctor, your nurse, or your family's health insurance company takes.

To make a difference, they need the right information and tools to deliver the right treatment at the right time. It's not just about the search for miracle drugs but also about healthcare delivery systems that function at their optimum level. Information technology plays an important role. It helps doctors make critical decisions with confidence. It helps save lives.

There is tremendous potential in helping medical professionals do an even better job by working to improve outcomes, improve access to healthcare, and improve efficiency. Wolters Kluwer teams up with healthcare professionals to do exactly that.

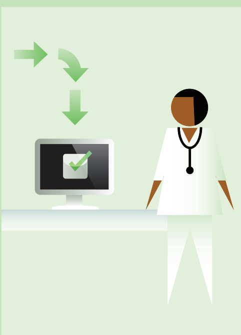
IMPROVING OUTCOMES

Doctors sign the Hippocratic Oath saying they must do no harm. Yet, every so often patients suffer from various forms of avoidable harm during a course of treatment. It's not because doctors are failing to do the job they trained for. It's often because important information about individual patients gets lost or is not properly connected in the systems and therefore potential problems are not detected early enough to allow for efficient treatment. Has the nurse been notified of the latest changes to a patient's treatment as ordered by a doctor from a different unit? Were lab results ordered timely enough? Medical records and surveillance must be up-to-date and integrated across different systems. In order to improve outcomes and support decisions, we must look at the

An innovative solution to reduce the incidence of sepsis incorporates changes to healthcare systems and workflow.

whole system and develop checks and balances to catch and alert us to problems before they harm a patient.

Our tools address potential information breakdowns. For example, making hospital staff – doctors, nurses, pharmacists, or administrative employees - aware of everything that happens, from the time a patient is admitted until they are discharged. A great breakthrough that has been achieved as a direct result of using Wolters Kluwer's decision support tools by hospitals is a reduction in the number of incidences of avoidable diseases like sepsis. Together with our customers, Wolters Kluwer developed an innovative program that has enabled a coordinated, cross-disciplinary response to septic patients which has already saved many lives. Wolters Kluwer's Sentri7 software which aggregates, monitors, and delivers patient data in real time and customized to individual healthcare professional's workflows, played an important part in that program.



A Health Language Engine can translate thousands of codes through what is known as Medical Terminology Management.

IMPROVING ACCESS

Healthcare is a basic human right, just like food and housing. No one should go hungry, lack shelter, or be unable to see a doctor or nurse when sick. Globally, the provision of these basic rights is often lacking. From the under-served villages of Asia, Latin America, and Africa to over-crowded Emergency Rooms of inner city hospitals in the United States, people are denied access to healthcare on a daily basis. Healthcare needs in rural areas of China are different from the needs of urban areas. We must provide appropriate resources for both the city and the countryside. Whether it is through providing training materials, clinical reference, or clinical solutions, there will be a need for products designed specifically for rural areas. Improved access to healthcare results from products such as 5-Minute Consult, which gives rural doctors the tools they need, when they need them, in a format they can use.

The first-hand experience of one doctor highlights the need to train doctors to serve in rural areas of China.

IMPROVING EFFICIENCY

Thanks to advances in medical knowledge, life expectancy in many regions of the world is double what it was a century ago. Doctors have cures for disease that would have killed our grandparents. However, medical professionals risk being overwhelmed by a flood of information. In order to prescribe the right course of treatment, we must first agree on how we describe the illness. That's not always as simple as it seems. Medical classification systems have become a Tower of Babel where incompatible terms hinder clarity of understanding and efficient treatment. Information systems that translate thousands of codes into a common language that is easily understood by busy doctors to improve efficiency. They allow healthcare professionals to spend time with their patients rather than struggle with clinical vocabularies, terminologies, or coding systems that have become ever more important as electronic healthcare records and management have become the norm.

At Wolters Kluwer, we know that just working harder to improve global healthcare is not a solution. We must find smarter ways to design medical delivery systems.

Wolters Kluwer focuses on global healthcare information, workflow tools, and software solutions. We improve healthcare in clinical, point-of-care, research, and education environments. What makes us special is that we combine subject-matter expertise and innovative technology to deliver life-saving services and software on a global scale. We focus on the solutions that add value and help medical professionals realize their growth potential, one patient at a time.

IMPROVING OUTCOMES

INNOVATION THAT MATTERS

A unified solution to an urgent clinical problem incorporates changes to healthcare system governance and workflow necessary to effectively monitor sepsis.

Julie Kliger: "My dream is that, like the Wall Street tickertape running at the bottom of the television screen, bedside patient care professionals will have a readout that tracks the patient's vital signs and present trends in blood pressure, temperature and so on. It's the subtle changes over time that matter when you are looking for signs of sepsis."

Sometimes called blood poisoning, sepsis is the body's often deadly response to infection or injury. Julie Kliger, MPA, BSN, President and CEO of The Altos Group explains, "Sepsis is an infection gone bad that occurs when the body's defense mechanisms can't control the original infection and is overwhelmed. It is progressive and very fast-acting, so a local infection not treated by antibiotics spreads to other organs and starts to debilitate the body. It can progress to severe sepsis, and in the worst cases to septic shock which is a much worse condition and illness to treat. When you start to tick-tock up the continuum of illness from sepsis to severe sepsis to septic shock, mortality and morbidity goes up. But, if it is caught early, sepsis is very treatable."

American hospitals spend approximately $20 billion each year combating sepsis, and 40% of patients diagnosed with severe sepsis do not survive. Until a cure is found, early detection is the surest hope for survival. Sepsis is preventable through early identification and adherence to evidence-based protocols for appropriate treatment.

Sepsis is the top preventable cause of death in hospitals and the tenth leading cause of death worldwide, suspected of causing over 20,000 deaths a day. And while hospitals have been proactive in their efforts to reduce its devastating and often fatal consequences, sepsis rates remain unacceptably high because traditional approaches fail to address the human factors involved in early detection and proper treatment.

BARRIERS TO DETECTION AND TREATMENT

There are significant barriers preventing the early detection and treatment of sepsis, including a lack of hospital-wide surveillance, protocols, and education about signs and symptoms of sepsis. As sepsis can lead to death in a matter of hours, fixing these issues is critical.

There are five key barriers to an effective organizational response that lead to an inability to detect and treat sepsis on a timely basis:

1. Patients present differently. Their signs and symptoms look different, depending on where the source of infection is. Also, many different physician specialists can treat sepsis, leading to a difference of opinion about what is "best care."
2. The team must work collaboratively and have appropriate tools to implementing detection and treatment. For example, nurses need a reliable screening tool and the pharmacy needs to have antibiotics on the floor or available within 45 minutes. Highly reliable team work is not always in place when a sepsis prevention program is introduced, necessitating the need for skill building in this area.
3. Health professionals need to fully embrace sepsis as a time-bound problem. People know that with heart issues certain treatments must be administered within an hour, but we have not yet fully embraced the notion that sepsis requires a similar protocol.
4. Frontline nurses are not fully engaged to do the surveillance and recognition and then empowered to activate the bundle of solutions.
5. Hospitals often lack appropriate, useful, and actionable data that identifies where reliable evidence-based practice is falling short. Absent this level of data, it is very difficult to focus improvement efforts in ways that will yield the best results.

WOLTERS KLUWER LIFE-SAVING SEPSIS PROGRAM

Wolters Kluwer Health's advanced decision support technologies and superior clinical content can close the gaps that have hampered hospitals' efforts to intervene in a timely manner before sepsis becomes life-threatening.

Julie Kliger: "The big opportunity is to automate the data gathering and use the smart intelligence of the clinicians to direct the decision

THE FAMILY DOCTOR
Linda Peitzman

Dr. Linda Peitzman, Chief Medical Officer, Wolters Kluwer Health, leads the team of core physicians, content specialists, coding experts, and consulting physicians in clinical development and informatics for numerous Wolters Kluwer Health products and offerings, including the Innovation Lab project. She was a practicing family doctor for over 10 years.

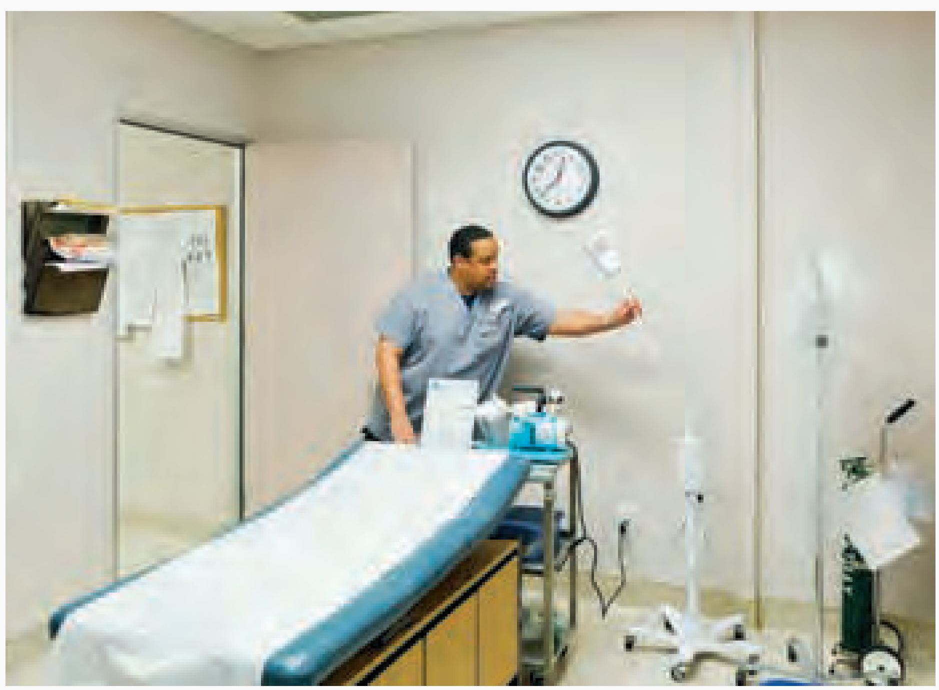
THE INITIATOR
Andy Strunk

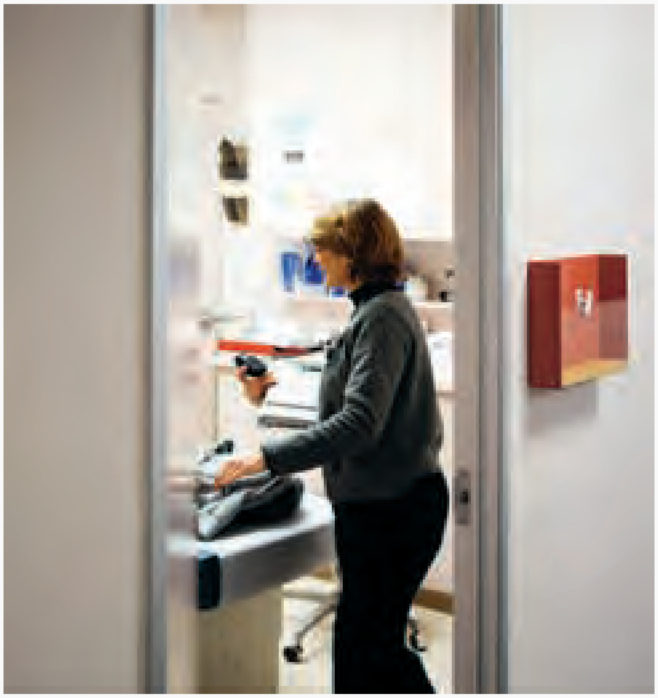
Andy Strunk is Program Director for Wolters Kluwer Health Clinical Solutions' Innovation Lab. Andy initiated the collaboration with The Altos Group. He spearheads projects developing and marketing emerging products that utilize mobile software and clinical content. His current focus is an integrated program to reduce the incidence and mortality rate caused by sepsis.

Julie Kliger and Andy Strunk visited the San Ramon Valley Primary Care clinic, in San Ramon, near San Francisco, U.S. end of February 2013.

A private medical practice close to the home of the patients, connected to the San Ramon Regional Medical Center, John Muir Medical Center, and Valley Care Medical Center.

The physicians and staff at the clinic are dedicated to providing comprehensive pediatric and adult primary care.





Dr. Long and his team have been committed to serving the neighbors in the East Bay community for more than 25 years.

Julie Kliger with Maureen Horton. Julie is a trained nurse herself with years of practice before she started The Altos Group.

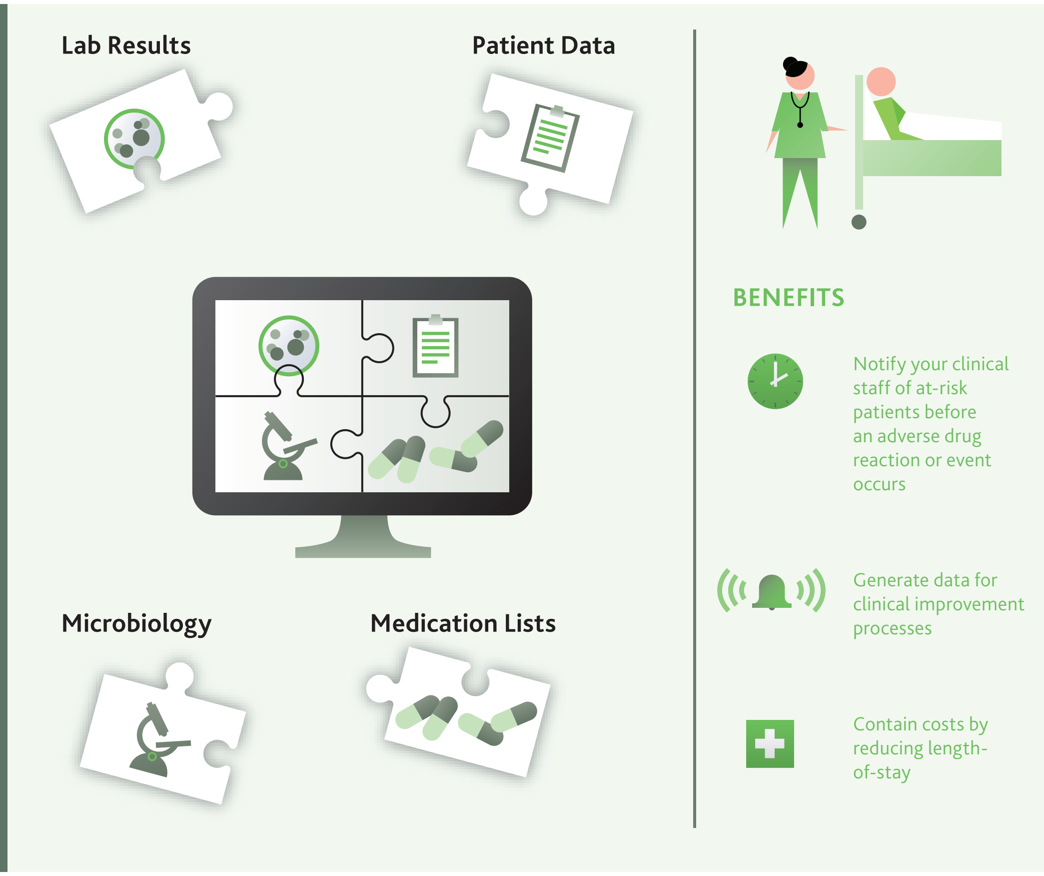
SENTRI7:

What?
A web-based, enterprise-wide electronic surveillance application that helps hospital staff identify at-risk patients.

Who?
In use by 20,000 hospital clinicians caring for more than 7 million patients.

Why?
Clinical pharmacists save time when performing profile reviews gathering data from disparate electronic and paper sources. Sentri7 automates this process.

How?
The Sentri7 enterprise platform aggregates, monitors, and delivers patient data in real time and customized to individual clinician workflows. Typical workflows include pharmacy, infection prevention, case management, and epidemiology.



pathway. If we want a breakthrough to reduce the mortality rate, it means we are going to need disruptive technology coupled with change management and leadership training. Wolters Kluwer's Innovation Lab approach is working on disruptive technology that helps to collect and automate data that is both actionable and gives assistance. This, together with proper point of care decision-making, are the two areas where all hospitals presently are shackled. Wolters Kluwer's solution addresses the very real and life-threatening situation that hospitals currently face in which they lack the resources to gather data."

Nine California hospitals have maintained a 50% sepsis mortality rate reduction two years after participating in a change management program developed and led by Julie Kliger. Wolters Kluwer has integrated key elements of the study, which was designed and led by its strategic partner, The Altos Group, into a ground-breaking sepsis mortality reduction program.

The sepsis mortality reduction program focuses on early detection and quickly applying best practices to treating the septic patient. In addition to reducing overall patient mortality, costs and lengths of stay, the goal of the program is to identify and address the top healthcare-associated infections that drive sepsis mortality.

Linda R. Peitzman, M.D., Chief Medical Officer, Wolters Kluwer Health, is convinced about the opportunity: "A sepsis crisis is gripping the U.S. healthcare system, claiming 215,000 lives and burdening the system with $16.7 billion in unnecessary healthcare expenditures. Software and clinical content alone are not enough to change that. Sepsis can only be eliminated if we also pay attention to workflow and human factors," she notes. "The Altos Group brings to our program the guidance and expertise required to build appropriate teams, develop an infrastructure and framework for organizational improvement, and align key stakeholders across a facility. By integrating all three elements, we can affect the change necessary to reduce the needless loss of life to sepsis."

PRODUCT PORTFOLIO

To reduce sepsis-related mortality, Wolters Kluwer is deploying a three-pronged approach, part of the Innovation Lab initiatives, that couples mobile software with actionable content, driven by Wolters Kluwer Health's trusted brands as UpToDate, Lexicomp, ProVation Order Sets, and Sentri7, supplemented by change management consulting services.

This integrated disease-based program for hospitals will enable a coordinated cross-disciplinary response to septic patients much earlier than is possible today. Built on a mobile platform that mines existing clinical data, it processes Clinical Decision Support rules to identify septic patients early and provides actionable knowledge with recommendations for care. Workflow functionality facilitates seamless exchange of information and significantly reduces communication time lags among physicians, nurses, and pharmacists.

IMPROVING ACCESS

Dr. Wu Wenpin practices medicine in the Qinglong Community, Shou'an Town in Chengdu. Together with his pharmacist wife they provide healthcare to a population of 15,000 farmers.

THE PHARMACIST
Mrs. Wu

Mrs. Wu, the wife of Dr. Wu, oversees the pharmacy, stocked with traditional and western medicines. She also is the nurse supporting Dr. Wu's work. They live behind the pharmacy and treatment room. Mr. and Mrs. Wu see 80 patients a day, 10,000 per year.

THE DOCTOR
Dr. Wu Wenpi

Dr. Wu Wenpi, rural doctor in Chengdu, taught himself medicine from very early on and combined that study with manual labor. He took over as the village doctor at the age of 25, without having gone to medical school and is still the only doctor in the village.

THE AUGMENTER
Shasha Chang

Shasha Chang is the CEO of Wolters Kluwer China since June 2009, overseeing all Wolters Kluwer activities in greater China, including legal, tax and accounting, and health information. Shasha's knowledge of the information industry and the Chinese market augment her vision and ambition for growing online services and products for professional customers in China.

THE BUILDER
Lai Qi

Lai Qi joined Wolters Kluwer as part of the acquisition of Medicom where he is the Managing Director. He's been heading its operations, introducing more advanced Clinical Decision Support products and solutions that will give healthcare professionals in China unparalleled access to evidence-based medicine for the advancement of healthcare. Medicom is building a strong position.

"My name is Wu Wenpin. I'm a doctor at the Qinglong Community Hospital in Chengdu. When I was fifteen years old, I began to study Chinese herbal medicine. I divided my time between manual labor and studying medicine.

When I was 25 years old, a doctor at our village hospital was killed in a traffic accident, so the village hospital didn't have enough doctors. Then, the local cadres arranged for me to become a doctor at the village hospital, because few people at our village were as actively dedicated to studying medicine the way that I was. I dedicated myself to studying medicine, but I still didn't have the opportunity to go to medical school.

There are probably not many people like me who are willing to put all their energy into studying and practicing medicine. Particularly young people now, who all seek easy, happy, and well-paid jobs. There really are very few people like me.

If we want to have village doctors in the future, the government must provide favorable policies for village doctors. The government regards the village doctors as the base of the national health network, but it doesn't value the base at all.

Why do I think so?

Because the social security doesn't apply to village doctors and the patients can't reimburse the fees for drugs, which our village doctors prescribe for them. So villagers like to go and see doctors at bigger hospitals where they can get reimbursed for the drugs, which the doctors prescribe for them. So, very few people go to see village doctors, and the village doctors earn very little and have a hard time getting by.

I think that in China, the bigger the hospital, the bigger the problem of high costs and poor access. Rural areas need general practitioners, especially competent doctors who want to work in rural areas. So, the government should work on two things. One is training doctors. The other is creating policies that make it worthwhile for doctors to work in rural areas and dedicate themselves to that work.

Those doctors at big hospitals don't have any time to talk with villagers. Not to mention the difficulty of going to a big hospital. That is to say, villagers really need doctors for the common person like us. Don't they? However, villagers don't just suffer from one type of disease. They get headaches, diarrhea, gynecological diseases; the children get sick, and there are all kinds of illnesses. So, a village doctor should be a general practitioner.

If we don't do anything about it, there won't be anyone to replace the village doctors. This is my personal view. Since in our communities there are a lot of old people and few young people. There are a few people that, after graduating from college will return to be village doctors. And once they have the opportunity, they leave to go to the hospitals.

For me, I may see over 80 patients in a day. Every year, I only take half a day off on Chinese New Year's Eve, and even then, there are a few patients that I see. When it's raining, or it floods, people don't want to leave their houses, or when people just aren't getting sick, at these times, I will only see about a dozen patients. In the course of a year, I'll see about 10,000 patients."

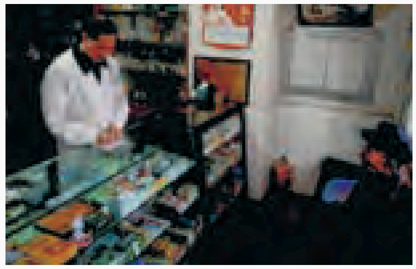
The challenges noted by Dr. Wu Wenpin are playing out across China. Over the past 30+ years, healthcare in China has gone from a system financed mostly by the government and various insurance programs to one financed mostly by individuals, and it's now starting to turn back. After the initial reforms opening China's economy, and with the goal of using free market principles to drive growth, healthcare expenditures became increasingly privatized.

Since healthcare in rural areas was mostly funded by the government, important infrastructure components such as "barefoot doctors" began to disappear, and with most investments going to further develop the high-tier hospitals in big cities, nothing came to take their place. A large inequality developed where the eastern and urban areas had better healthcare, and the rural areas were often lacking even basic healthcare. Modern healthcare reform efforts recognize the importance of government involvement in this industry, and a primary goal of their new reforms is to provide basic healthcare to all citizens.

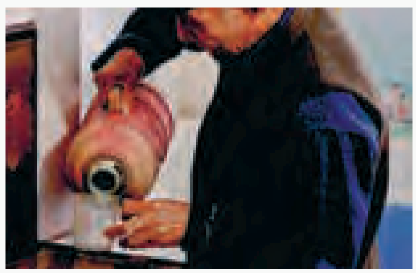
China is beginning a plan to greatly expand their ranks of general practitioners. In 2011, there were only about 80,000 general practitioners; that number is expected to increase to

In the community of Dr. Wu, there are a lot of old people and few young people. There are only a few people that will return to be village doctors after graduating from college.

Dr. Wu put all his energy into studying and practicing medicine; his diploma is displayed in his pharmacy.





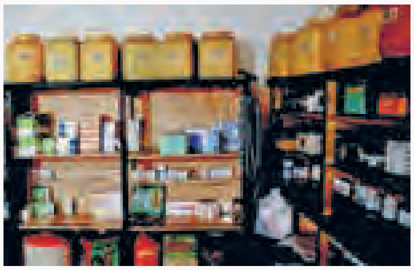

With a population of 1,344,130,000 in 2011, China had only about 80,000 general practitioners (family doctors).

somewhere between 300,000 and 400,000 by 2020. Eventually, general practitioners will become the primary healthcare workers in grassroots healthcare institutions.

During these reforms, there has been a focus on improving healthcare infrastructure in rural areas, especially through creating hospitals and healthcare centers, and on training and creating incentives for doctors to work in these areas. Since 2005, the number of doctors in rural areas has increased by over 120,000, but when considering the size of the rural population, the ranks of doctors there needs to continue to increase. With over 1.2 billion people in rural China, there are only 1.32 doctors per thousand people, compared with 3.03 per thousand in urban China.

The Chinese State Department announced that a “5+3 training model” will be created for general practitioners. With this system in place, the majority of future general practitioners in China will study 5 years of undergraduate clinical medicine and go through 3 years of general practitioner training.

The Chinese government has laid out a plan for increasing that number and expects between 300,000 and 400,000 general practitioners by 2020.



Eventually, general practitioners will become the primary healthcare workers in grassroots healthcare institutions.

5-MINUTE CONSULT

What?
An online and mobile information resource for the diagnosis, treatment, and follow-up of common medical conditions. Includes videos of medical procedures, diagnostic and treatment flow charts, patient hand-outs, and much more.

Who?
For medical professionals who need quick and easy access to information.

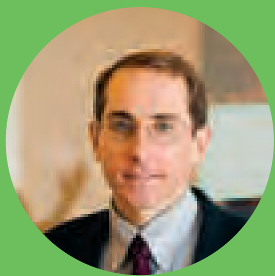
Why?
A time-saving tool for physicians who must consult with multiple patients every day.

How?
Easily accessible, evidence-based, frequently updated content written by healthcare professionals for healthcare professionals.

BENEFITS

→ Search thousands of diseases and conditions in 30 seconds or less

→ 30-day free trial available



THE SIMPLIFIER
Brian Levy

Dr. Levy joined Wolters Kluwer with the acquisition of Health Language in 2013. His mission and daily professional satisfaction are being a part of the effort to make it easier for hospitals and clinicians to share patient information efficiently and securely across care settings. He also is a practicing internist in a hospital in the Rocky Mountains near Denver.

THE MASTERMIND
Arvind Subramanian

Arvind brings 26 years of healthcare industry, technology, and general management strategic expertise to Wolters Kluwer Health. As President and CEO he believes the future of clinical solutions is about bringing new technologies and relevant content to clinicians at the point of care with patients. He and his team energize innovation with the rich set of assets in the Clinical Solutions portfolio.

IMPROVING EFFICIENCY

SINGLE SOURCE OF TRUTH

The Language Engine that translates and integrates different medical terminologies to keep healthcare professionals on the same page.

The practice of medicine has become a lot more complex. Clinicians need information from multiple sources when seeing patients. Information about diseases, treatments, medications, allergies, demographics, medical histories, insurance claims, and lab results must be shared among many groups. Unlike in the banking industry, where common standards allow us to use ATMs around the world, medical records cannot even be accessed by hospitals across the street from each other.

The Health Language Engine® manages medical data and drives what is known as Medical Terminology Management (MTM). MTM enables groups within healthcare to share information.

A Language Engine stores information on over 160 standards and translates between them. A local lab code is translated to the universal LOINC standard for identifying laboratory and clinical observations. One drug terminology is mapped to another. A local problem list is converted into SNOMED.

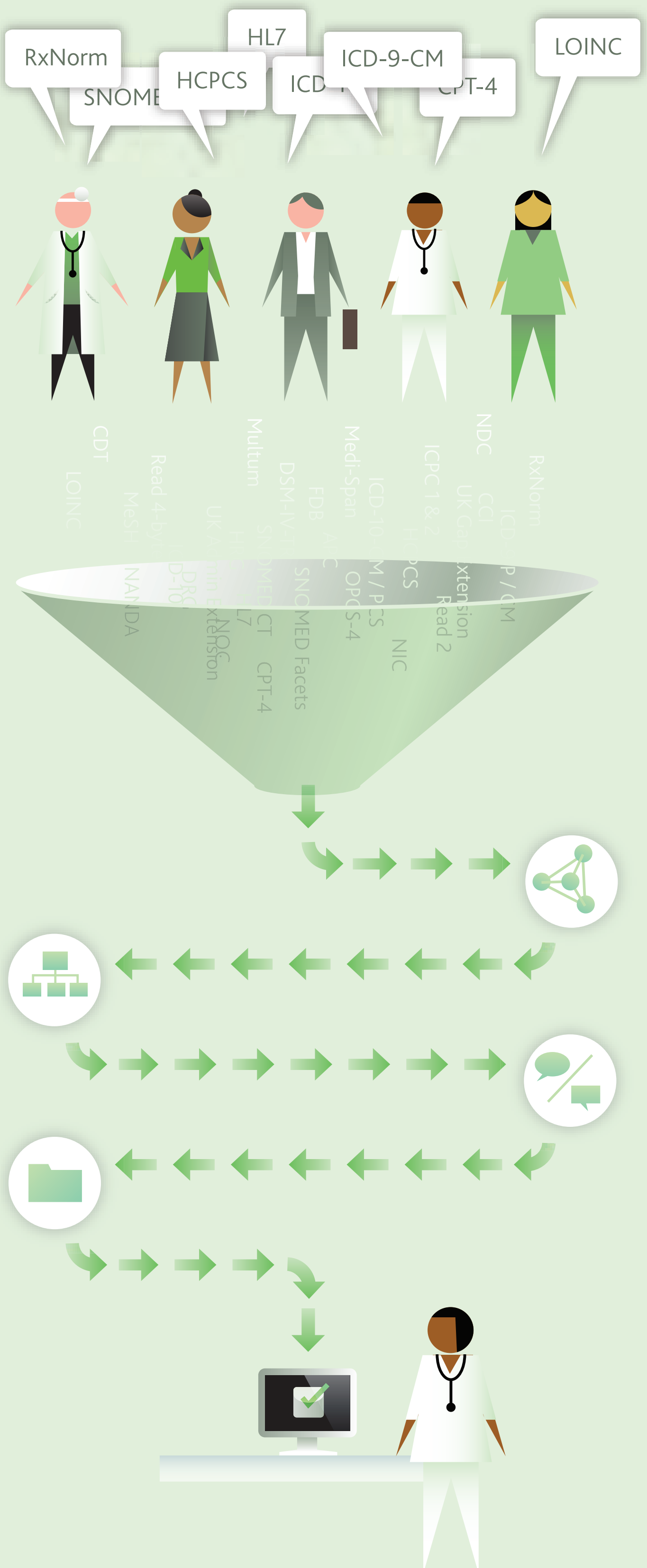
A common language helps to keep everyone on the same page when describing medical diagnoses and procedures and deciding on treatments and payment for medical services. The Health Language Engine improves efficiency in healthcare and in patient outcomes. A common language enables epidemiological studies by allowing the comparison of medical practices in different disciplines and different regions of the world.

The Health Language Engine reconciles differences in the terms used to describe complex medical situations to eliminate confusion. These Language Engines coordinate databases and software solutions to enable hospitals, electronic medical record system providers (EMRs) and insurance companies around the globe to manage, update, and map disparate medical vocabularies and administrative codes to a common standard.

The lack of standards has been a barrier to electronic connectivity in healthcare. One problem with medical standards is that there are so many of them! Classification systems (such as ICD-10) are typically used for external reporting requirements, such as measuring the quality of care, monitoring resource utilization, or processing claims for reimbursement. Reference systems such as the SNOMED code for the clinical information captured in an Electronic Medical Record during the course of patient care.

The challenge is growing. The new ICD-10-CM standard has more than 140,000 codes for diseases, signs and symptoms, abnormal findings, complaints, social circumstances, procedures, and external causes of injury or diseases.

A Health Language Engine provides a "single source of truth" in the form of a database that maps terminologies and makes them useful in patient care, reporting, decision support, and other ways.



THE HEALTH LANGUAGE ENGINE

PROBLEM
Medical Terminology Management is needed to reach agreement on standard terminology

FEED
Our Language Engine inputs words or terms used by clinicians

MODEL
These words are mapped to codes used for billing and submitting claims

MAP
These same words are mapped to concepts used for outcomes reporting

TRANSLATE
Those concepts can then be used between electronic medical record systems to share information

MANAGE
The concepts are also mapped to common words used for patients and providers

RESULT
The Language Engine provides a “single source of truth” in the form of a database that maps all of these terminologies and makes them useful in many different ways

THE FUTURE

Technology Conference

The 2012 Wolters Kluwer Technology Conference was a groundbreaking and revolutionary meeting: 11 primary locations, across 7 time zones, featuring over 60 live and virtual presentations that challenged Wolters Kluwer's professionals to rethink how they use, develop, and create technology.

The 5th annual conference included nearly 60 breakout sessions on Agile Enterprise, Architecture, Big Data and Business Analytics, Cloud Computing, Deep Tech, Mobile First Strategy, Social Media, and The Next Wave of Computing. Special keynote speakers included Dr. Michael Wesch, Assistant Professor of Cultural Anthropology and Digital Ethnography; Kwindla Kramer, the CEO of Oblong Industries; and Conrad Wolfram of Wolfram Research, the creator of the Wolfram|Alpha knowledge engine that helps power Apple's intelligent personal assistant, Siri.

Read more on the Technology Conference on our Intelligent Solutions blog under the tag #2012 Wolters Kluwer Technology Conference.

ALPHEN AAN DEN RIJN
People attended: 40

Topics discussed: Agile, Innovative and Safe: Managing Cyber Risks in a Rapidly Changing Environment / Bringing it all Together - Cloud, Social and Big Data / From Document Management to Knowledge Management

NEW YORK
People attended: 93

Topics discussed: High Availability in a New Reality / Leveraging our Data Assets, Big Data and Social Media Integration / Mobility First: The Business Sense of Mobility / Social CRM - Customer Behavior Analysis / The Professional Reader - Harnessing Tablets and Libraries

KENNESAW
People attended: 35

Topics discussed: Augmented Content Warehouse Using Big Data / Achieving Improved Efficiency Through Build Automation and Virtualization / Product Architecture in an Agile Enterprise / Qualities Driven Architecture

TORRANCE
People attended: 38

Topics discussed: Developing for High Performance / HTML5 and CSS3: Applications and Challenges / Role of Analytics in Product Planning / SQL Server Performance Optimization Processes and Tools / User Experience Program (UX Lab)

BRUSSELS
People attended: 39

Topics discussed: Mobile Apps: Key Decisions When Integrating Mobility in Your Product Strategy / Convergence of Analytics and Big Data, Cloud Computing, Social Business and Mobility

WALTHAM
People attended: 15

Topics discussed: Data Analytics to Benchmark Legal Costs / Simplifying IT with Engineered Systems

WICHITA
People attended: 34

Topics discussed: Social Media with Customer Experience / Achieving Improved Efficiency Through Build Automation and Virtualization

CHICAGO
People attended: 63

Topics discussed: Agile Development: Leveraging Visual Studio and Team Foundation Server / Architecting the Future of Big Data with SQL Server 2012 / Collaborating Across Multiple Platforms - Voice, Video, and Social Media / Windows 8 Development - Metro Style Apps

MINNEAPOLIS
People attended: 42

Topics discussed: IBM Watson in Healthcare – A Vision for the Future / Information - Changing Liabilities into Assets / Leveraging Integration Platforms / Transforming Healthcare Through Better Use Data: Comparing Hadoop and JavaSpaces

SHERBROOKE
People attended: 63

Topics discussed: Rethinking the Role of IT in the Midst of a Perfect Storm / Web Publishing Using Triple Stores, an Option for the Next Generation of Global ATLAS

ST. CLOUD
People attended: 20

Topics discussed: Social Business Solutions for Wolters Kluwer - Building Strong, Lasting and Collaborative Relationships with Customers / Big Data Overview and Trends

SEVERAL LOCATIONS IN
Australia, France, Germany, India, Italy, Poland, and Spain
People attended: 37

Topics discussed: Customers as Innovators / Mobile First and Mobile Application Trends / Analyzing and Deciding with Big Data

SUPERVISORY BOARD AND REMUNERATION

Report of the Supervisory Board

Introduction of the Chairman
2012 was a successful year for Wolters Kluwer. Despite challenging economic conditions, the company achieved its financial goals for 2012. In addition, the company continued the transformation of its portfolio with a shift towards higher-margin online and software products.

Throughout the year the Supervisory Board met many managers and employees within the company worldwide. We were impressed by the talent available within Wolters Kluwer and the innovative character of the activities and products. The company's customers will continue to benefit from the development of innovative products that help them deliver high-quality results.

The Supervisory Board was closely involved in developing the strategy beyond 2012. During the year, we discussed this strategy with both the Executive Board and division managers at several meetings. We look forward to the successful execution of the strategy, creating value for our shareholders, customers and employees.

Adri Baan
Chairman of the Supervisory Board

Financial statements
The Executive Board submitted the 2012 financial statements to the Supervisory Board. The Supervisory Board also took notice of the report and the statement by KPMG Accountants nv (as referred to in Article 27, paragraph 3 of the company's Articles of Association), which the Supervisory Board discussed with KPMG. Taking KPMG's report into account, the members of the Supervisory Board signed the 2012 financial statements, pursuant to their statutory obligation under clause 2:101 (2) of the Dutch Civil Code. The Supervisory Board proposes to the shareholders that they adopt these financial statements, see Financial Statements at the Annual General Meeting of Shareholders of April 24, 2013. The resolutions to release the members of the Executive Board and of the Supervisory Board from liability for their respective duties will be voted on separately at the Annual General Meeting of Shareholders. In line with the progressive dividend policy, it is proposed to distribute a dividend of €0.69 per share in cash. Upon approval by the Annual General Meeting of Shareholders, the payments will be made as from May 16, 2013. The company has resolved to abolish the stock dividend option in order to end the resulting dilution in the most cost effective and tax efficient manner.

Meetings
The Supervisory Board held seven scheduled meetings in 2012. Five meetings were partly held without the members of the Executive Board being present. Five Supervisory Board members attended all meetings and two members missed one meeting. None of the Supervisory Board Members was frequently absent. The overall attendance percentage at the scheduled Supervisory Board meetings was 96%. The Supervisory Board members also held several conference calls to discuss specific matters. In addition to the scheduled meetings and conference calls, the Chairman and other members of the Supervisory Board had regular contact with the Chairman and other members of the Executive Board.

Evaluations
The functioning of the Supervisory Board and the Executive Board and the performance of the individual members of both Boards were discussed without the members of the Executive Board being present. The composition of the Supervisory Board, the Audit Committee, and the Selection and Remuneration Committee, was also discussed in the absence of the Executive Board.

To further increase the quality of the evaluation, the Supervisory Board engaged an external party to assist in drafting questionnaires for the Supervisory Board evaluation over 2011 and to assist in reviewing the responses. The Supervisory Board intends to engage an external party to assist in the evaluations every three years, in line with international best practices. The evaluation consisted of five questionnaires to review the performance of the Supervisory Board, the Audit Committee, the Selection and Remuneration Committee, and the Chairman, next to a review of the Supervisory Board by the Executive Board members (an upward review). The outcome of this evaluation was discussed early 2012 in a meeting without the Executive Board members being present.

Overall, the outcome of the questionnaires on the functioning of the Supervisory Board and its Committees was positive. The Supervisory Board receives adequate information and the meetings are very interactive, with each of the Supervisory Board members contributing to the discussions. Several recommendations were made with respect to specific subjects on which members would like to receive additional information, such as development of markets, IT developments, and Talent Management. Furthermore the Supervisory Board indicated it would appreciate even more visibility of management below the Executive Board level and a good insight in local businesses. All of these recommendations were followed up in the course of 2012.

The evaluation over 2012 took also place via a written questionnaire, but without the engagement of an external party. The subjects were comparable to those in the 2011 questionnaire. Discussion of the outcome took place early 2013.

Strategy

The Executive Board has kept the Supervisory Board closely informed about the successful execution of the strategy for 2010-2012, *Maximizing Value for Customers*, as announced on November 4, 2009. The Supervisory Board was also closely involved in developing the strategy beyond 2012. Throughout the year, the Executive Board has discussed the new strategy on various occasions with the Supervisory Board. The strategy focuses on accelerating the company's organic revenue growth and improving returns through three priorities:

- **Expand leading, high growth positions** by focusing the majority of investments in high growth segments of the portfolio;
- **Deliver solutions and insights** by investing in solutions which help professionals make critical decisions and increase productivity; and
- **Drive efficiencies** to support investments and margin expansion, while mitigating cost inflation.

The Supervisory Board is confident that this strategy will set the stage for continued long-term success of the company and value creation for its shareholders and customers.

The divisional CEOs were invited to present the strategy and three-year Business Development Plans of their divisions to the Supervisory Board. This enables the Supervisory Board to get a good view on the opportunities and challenges for each of the divisions, and to support the Executive Board in making the right strategic choices for each of the divisions. We also discussed the opportunities for each of the divisions in emerging economies with the Executive Board and the Corporate Strategy team. Although Wolters Kluwer has a footprint in several of these economies already, we believe that there are more opportunities for accelerated growth.

Several division and business unit managers gave presentations about specific strategic subjects, such as developments within certain regions or lines of business, and potential acquisition and divestment candidates. Clinical Solutions management informed us about the progress it is making in expanding global operations, particularly in India and China. Legal & Regulatory management gave a presentation about developments at Kluwer, in the Netherlands. Health management gave us an update about the successful turnaround of the Medical Research business. In addition, one of the meetings was combined with a working visit to Wolters Kluwer's Tax & Accounting business in Chicago. During that meeting, the managers of the various business units of Wolters Kluwer Tax & Accounting in the United States gave presentations. As part of these presentations, we saw product demos of ProSystems *fx* and Global Integrator. The insight into strategies and products of the various business units is an important part of the information based on which the Supervisory Board carries out its tasks.

The Supervisory Board was also informed about the innovation activities within Wolters Kluwer. 2012 was the second year in which Wolters Kluwer rewarded promising new initiatives via the Innovation Awards. An example of an innovative idea presented to the Supervisory Board is the Sepsis program that is being developed within Clinical Solutions. This is a successful example of the Innovation Lab initiative of Clinical Solutions. For more information, see page 76. Furthermore, management of Wolters Kluwer's Global Platform Organization gave a presentation to the Supervisory Board, showing how it supports the businesses by centrally developing platforms and tools that can be used for the development and improvement of electronic products. The Supervisory Board is very enthusiastic about the continuing focus on innovation throughout the entire company under the hands-on leadership of the Executive Board. Innovation is an important element of the company's strategy. Customers benefit from high quality products and services developed due to Wolters Kluwer's innovation activities.

Mergers and acquisitions

The Supervisory Board discussed (potential) acquisitions and divestments with the Executive Board. The Executive Board informed the Supervisory Board about all pending acquisition activity, including smaller acquisitions for which no formal Supervisory Board approval is required. The Supervisory Board also discussed the performance and value creation of previously made acquisitions. The value creation analysis was verified by an independent external party. Acquisitions are an important contributor to the transformation of the company's portfolio towards higher-value electronic products and to geographic expansion. Acquisitions signed in 2012 after approval of the Supervisory Board were Acclipse, FinArch, and Health Language, Inc. For each of these acquisitions, division and business unit managers gave presentations to the Supervisory Board. This enabled the Supervisory Board to get a good picture of each of the acquisition candidates and to question the managers who became directly responsible for the implementation and management of the companies after completion of the acquisition. The Supervisory Board believes all of these acquisitions fit strategically and will contribute to the future success of the company and its respective divisions.

The Supervisory Board was kept closely informed about the negotiations with respect to the sale of Wolters Kluwer's Healthcare Analytics Business and approved the transaction. Wolters Kluwer has retained a minority interest. This sale was part of the divestiture program of Wolters Kluwer's pharma-related assets, originally announced in July 2011 in line with the strategy to focus on Wolters Kluwer's core health markets and accelerate growth by providing innovative solutions to clinicians globally.

Corporate Governance and Risk Management
The Supervisory Board was kept informed about developments with respect to corporate governance. An overview of the company's corporate governance can be found in Corporate Governance. The Supervisory Board and Audit Committee discussed risk management at various occasions and were also informed about the general and financial risks of the business and about the results of an assessment of internal risk management and control systems. The Supervisory Board is supportive of the continuing actions the company takes to further improve the internal risk management and controls systems. For more information, see Risk Management.

Talent Management
The Supervisory Board discussed talent management and succession planning within Wolters Kluwer. The Supervisory Board is supportive of the new Talent Management Program that was implemented in 2012. The Human Resources Department and the Executive Board informed us about the structure and outcome of the Talent Management Program for 2012. This included an overview of high potential managers within various layers of the organization. In addition, we were informed during each of the Supervisory Board meetings about recent changes within relevant positions in the company. Due to these overviews, in combination with the opportunity to meet executives and managers during presentations and working visits, the Supervisory Board has an increasingly good view on management talent within Wolters Kluwer.

Finance
The Supervisory Board approved the share buyback of €100 million that was announced in February, 2012 and executed in the first half of the year. We also approved the announcement in July, 2012, that going forward the company would offset the dilution of its stock dividend and performance share issuances annually via share repurchases. To accomplish this in 2012, the company increased its 2012 share buy-back program by up to €35 million. As a result, the company bought back own shares for an amount of €135 million in 2012. The Supervisory Board also discussed the Net-Debt-To-EBITDA ratio with the Executive Board. This ratio was 2.4 at year end 2012, which is a reduction compared to the 3.1 ratio per year end 2011, and in line with the target of 2.5.

Other financial subjects that we discussed were the budget, the financial outlook for 2012, the achievement of financial targets, the dividend policy and the proposed dividend, use of free cash flow, the financing of the company, the outcome of the annual impairment test, and annual and interim financial results.

Early 2013, it was resolved to abolish the stock dividend option and to distribute dividend in cash only. The company maintains its progressive dividend policy.

Various
The Supervisory Board was well informed about Investor Relations. Updates were given during several meetings. These updates included share price developments, communication with shareholders and analysts research. We also carefully reviewed and approved the press releases regarding the Full Year and Half Year Results, and the quarterly Trading Updates.

Since technology is an important item for Wolters Kluwer, the Supervisory Board was kept informed during several meetings about developments with respect to IT. This included the overall IT strategy, execution of projects, and developments with respect to key IT vendors.

We were informed about sustainability and the main goals and achievements in 2012. We are supportive of the effort to change the process of sustainability data collection and bring it more in line with other reporting procedures within the company with the involvement of the Finance Department. Wolters Kluwer was once again included in the Dow Jones Sustainability Index and participated in the Carbon Disclosure Project.

As part of his introduction program, Mr. Hooft Graafland met with various staff members to become educated about Wolters Kluwer. Mr. Angelici, member of the Audit Committee, attended a training session from an accountant firm, focusing on treasury related subjects.

Audit Committee
The Audit Committee met four times in 2012, during the preparation of the annual and half-year results, and during the preparation of the interim trading updates after the first and third quarter. Mr. Forman was appointed as Chairman of the Committee, after Mr. Scheffers resigned from the Supervisory Board in April. Mr. Hooft Graafland was appointed as new member. The Audit Committee currently consists of Mr. Forman (Chairman), Mr. Angelici, Mr. Baan, and Mr. Hooft Graafland. All members of the Committee attended all of the meetings. The meetings of the Audit Committee were held in the presence of representatives of the Executive Board, the external auditor, the internal auditor, and other corporate staff members. In line with the Dutch Corporate Governance Code, the Audit Committee meets once a year with the external auditors without members of the Executive Board being present. After every meeting, the Chairman of the Committee reports back to the full Supervisory Board. Among the main items discussed

during the Audit Committee meetings were the financial results of the company, IFRSs, pensions, tax planning, impairment testing, the Treasury policy, the financing of the company, hedging, the quarterly reports and full-year report of KPMG, the revised auditor independence policy, and internal risk management and control systems including IT systems. A status update on internal audit and internal controls is a standing item on the Audit Committee agenda's.

The Audit Committee has reviewed the proposed audit scope and approach, the audit fees, the independence of the external auditor, and the non-audit services provided by the external auditor. The Auditor Independence Policy is published on the company's website www.wolterskluwer.com. Wolters Kluwer's current auditor, KPMG, has a policy of rotating its partners every seven years.

The Audit Committee has been involved in the thorough assessment of the external auditor that took place in 2012. The full Supervisory Board has been informed about the outcome of that assessment. Based on the assessment, the Supervisory Board proposes to reappoint KPMG at the Annual general Meeting of Shareholders of April 24, 2013.

Selection and Remuneration Committee
The Selection and Remuneration Committee met four times in 2012 and had one scheduled conference call. Mr. Forman stepped down as Chairman of the Committee due to his appointment as Chairman of the Audit Committee. He remained on the Selection and Remuneration Committee as a member. Mr. Wakkie was appointed as new Chairman. The Committee currently consists of Mr. Wakkie (Chairman), Mr. Baan, Mr. Forman, and Mr. James. Three of the members of the Committee attended all four meetings and one member missed one meeting. After every meeting, the Chairman of the Committee reports back to the full Supervisory Board. The resolutions regarding appointments and remuneration were subsequently taken in the full Supervisory Board, based on recommendations from the Committee.

The Committee has discussed the remuneration policy for the Executive Board, including the base salary, new conditional awards of performance shares under the Long-Term Incentive Plan, and targets for the Short-Term Incentive Plan. The Committee engaged an outside compensation advisor to provide recommendations and information on market practices for compensation structure and levels. For 2012, the Supervisory Board agreed with the Executive Board not to increase the base salary, notwithstanding the strong performance of the company and management. For 2013, the Supervisory Board resolved, based on a recommendation from the Selection and Remuneration Committee, to increase the base salary of the Executive Board members by 3%. For more information about the remuneration policy of the Executive Board, see Remuneration Report and note 33 of the Consolidated Financial Statements.

Executive Board composition
In November 2012, Mr. J.J. Lynch resigned from the Executive Board. In May 2013, Mr. B.L.J.M. Beerkens will also resign from the Executive Board. Both gentlemen decided to leave the company to pursue career opportunities outside of Wolters Kluwer.

The Supervisory Board has extensively discussed the composition of the Executive Board. We have resolved to nominate Mr. K.B. Entricken as new Member of the Executive Board at the Annual General Meeting of Shareholders of April 24, 2013. Mr. Entricken will succeed Mr. Beerkens as CFO. Mr. Entricken is currently CFO of Wolters Kluwer's Health division. After a careful review of potential candidates, six out of the seven Supervisory Board Members held interviews with Mr. Entricken. Based on these discussions and on prior dealings with Mr. Entricken, we are confident that he is very well qualified for the position of Executive Board Member and CFO. We are happy that the successor of Mr. Beerkens could be found within the company. This is a proof of the successful implementation of the Talent Management efforts within Wolters Kluwer. For more information about Mr. Entricken see the Management Profiles at the end of this report.

In relation to the departure of Mr. Lynch, it was decided that for the time being, Ms. McKinstry will take over responsibilities from Mr. Lynch. The succession of Mr. Lynch on the Executive Board is currently under review.

The Supervisory Board would like to thank both Mr. Beerkens and Mr. Lynch for their contribution to Wolters Kluwer. Mr. Beerkens joined Wolters Kluwer in 2002 and became a member of the Executive Board in 2003. Mr. Beerkens played an important role in the successful transformation of the company. We greatly appreciate the professionalism, transparent discussions, and good cooperation with Mr. Beerkens. Mr. Lynch joined Wolters Kluwer in 2006 and became a member of the Executive Board in 2007. The Supervisory Board is grateful for his contribution to Wolters Kluwer, especially in the areas of global shared services, technology and operational excellence. We wish Mr. Beerkens and Mr. Lynch success in their new positions.

Supervisory Board composition
In 2012, the second term of Mr. H. Scheffers expired. Mr. Scheffers was not available for reappointment.

At the General Meeting of Shareholders of April 25, 2012, Mr. D.R. Hooft Graafland was appointed as new member of the Supervisory Board. He adds great value to the Supervisory Board due to his broad international management experience and financial expertise.

In 2013, the second term of Mr. Wakkie, Vice Chairman of the Supervisory Board and Chairman of the Selection and Remuneration Committee, and of Mr. Forman, Chairman of the Audit Committee and member of the Selection and Remuneration Committee, will expire. The first term of Ms. Dalibard will expire in 2013 as well. Mr. Wakkie, Mr. Forman, and Ms. Dalibard are available for reappointment. After careful consideration, the Supervisory Board has resolved to propose to the Annual General Meeting of Shareholders that will be held on April 24, 2013, to reappoint Mr. Wakkie, Mr. Forman, and Ms. Dalibard.

The composition of the Supervisory Board is in line with the profile as it relates to expertise, nationality, and age. We currently do not comply with the new Dutch law, effective as of January 1, 2013, that provides that a proper composition of the Supervisory Board means that at least 30% of the members should be female. However, we are actively searching female candidates for future vacancies.

All Supervisory Board members comply with the best practice provision of the Dutch Corporate Governance Code regarding the maximum number of supervisory board memberships at Dutch listed companies. All members have sufficient time available for their Wolters Kluwer Supervisory Board membership. This follows from the high attendance rate at scheduled meetings of the Supervisory Board and at the Committee meetings, the availability for ad hoc calls, the quick response time on written (email) questions, and the fact that the members attend the meetings well prepared and actively participate in the discussions.

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

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

Alphen aan den Rijn, February 19, 2013

Supervisory Board
A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B.M. Dalibard
L.P. Forman
D.R. Hooft Graafland
S.B. James

Remuneration Report

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

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

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

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

Ms. McKinstry participates in the pension scheme of Wolters Kluwer Unites States. For Mr. Beerkens an individually defined contribution plan in the Netherlands is used.

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

Employment contracts
In line with the Corporate Governance Code, as a policy, future appointments of Executive Board members will take place for a period of four years. As such, the proposed appointment of Mr. K.B. Entricken at the Annual General Meeting of Shareholders of April 24, 2013, will take place for an initial period of four years. The existing contract of Ms. McKinstry, who was appointed before the introduction of the first Dutch Corporate Governance Code and has an employment contract for an indefinite period of time, will be honored. Periods of notice vary between 45 days and six months. With respect to future Executive Board appointments, the company will, as a policy, comply with the Best Practice Provision of the Dutch Corporate Governance Code regarding the maximum severance remuneration in the event of dismissal. In line with this Best Practice Provision, the contract with Mr. K.B. Entricken will contain a severance payment of one year's salary. However, the company will honor the existing contract with Ms. McKinstry who was appointed before the introduction of the first Dutch Corporate Governance Code.

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

Executive Board remuneration 2012 and 2013
Fixed and variable compensation and other considerations for members of the Executive Board in 2012 are detailed in note 33 of the Consolidated Financial Statements.

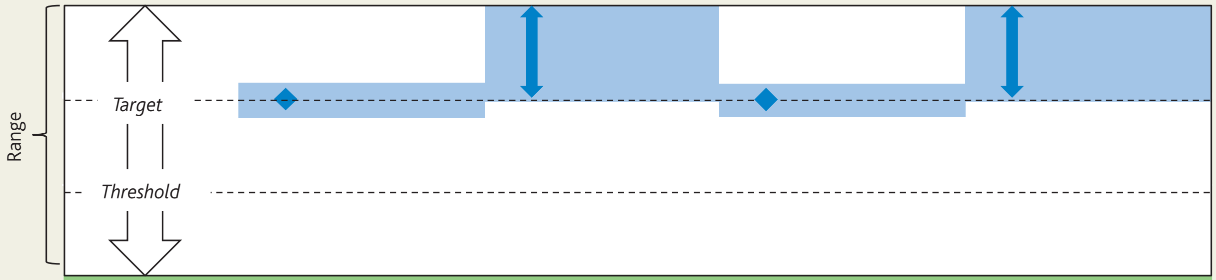
For 2012, the Supervisory Board agreed with the Executive Board not to increase the base salary, notwithstanding the strong performance of the company and management. In 2013, the base salary of the Executive Board members will increase by 3%.

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

The STIP bonus for performance in 2012 (pay-out in 2013) for the members of the Executive Board was based on the achievement of targets with respect to free cash flow (33.3%), ordinary net income (33.3%), revenue performance (28.3%), and a sustainability related target, revenues from electronic products as a percentage of total revenues (5%). The Supervisory Board selected this target because electronic products reduce paper consumption and increase productivity which contributes to sustainability for Wolters Kluwer and its customers. Consistent with the changes to the remuneration policy approved at the 2007 Annual General Meeting of Shareholders, the pay-out percentages to be earned based on performance were determined for each of the Executive Board members through individual benchmarking. The achieved percentages, earned in 2012 and payable in March 2013, will be 142.03% for Ms. McKinstry and 112.06% for Mr. Beerkens. Since these bonuses are related to 2012 performance, the amounts are included in the total remuneration for 2012 as shown in note 33 of the Consolidated Financial Statements. The chart on page 98 shows performance against target of each of the STIP measures in 2012.

For 2013, the Supervisory Board has approved the same target pay-out percentages for Executive Board members as for 2012: 125% of the base salary for the CEO and 95% of the base salary for the CFO. The maximum achievable pay-outs will be 175% for the CEO and 145% for the CFO. These amounts would only be payable if the actual performance exceeds 110% of target. There is no pay-out for results below 90% of target.

2012 Short Term Incentive Target Performance



Measure	Revenue (€ Millions)	Free Cash Flow (€ Millions)	Ordinary Net Income (€ Millions)	% Revenue from Electronic Products
Weighting	28.3%	33.3%	33.3%	5%

For 2013, the Supervisory Board has approved the same measures as for 2012: Free cash flow (33.3%), ordinary net income (33.3%), revenue performance (28.3%), and revenues from electronic products as a percentage of total revenues (5%).

Long-Term Incentive Plan

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

Until 2011, rewards were fully based on Wolters Kluwer's Total Shareholder Return (TSR) in relation to a group of peer companies (TSR ranking). TSR is calculated as the share price appreciation over a three-year period including dividend reinvestment. By using a three-year performance period, there is a clear relation between remuneration and long-term value creation.

At the Annual General Meeting of Shareholders of April 27, 2011, the proposal to add diluted earnings per share ("EPS") as second performance measure for the Executive Board LTIP 2011-13 and future plans was approved. According to this amendment, for 50% of the value of the shares conditionally awarded at the beginning of a three-year performance period, the pay-out at the end of the performance period will depend on targets based on EPS performance ("EPS Related Shares"). For the other 50% of the value of the shares conditionally awarded at the beginning of a three-year performance period, the pay-out at the end of the performance period will continue to depend on targets based on TSR in relation to a group of peer companies ("TSR Related Shares"). For calculation purposes the definition of diluted earnings per share (EPS) as disclosed in the Annual Reports of Wolters Kluwer will be used, the definition of which is similar to basic earnings per share (the profit or loss attributable to the ordinary shareholders of the company, divided by the weighted average number of ordinary shares outstanding during the period), except that the weighted average number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares. Adding EPS as performance measure for LTIP will lead to a stronger alignment between the successful execution of the strategy to generate shareholder value and management compensation.

TSR peer group and incentive zones

In 2012, the TSR peer group consisted of the following companies: Arnoldo Mondadori, Axel Springer, Daily Mail & General, Dun & Bradstreet, Grupo PRISA, John Wiley & Sons, Lagardère, McGraw-Hill, Pearson, Reed Elsevier, T&F Informa, Thomson Reuters, Trinity Mirror, United Business Media, and McClatchy. This peer group is consistent with the peer group at the launch of the plan in 2004, with the exception of companies that have been replaced because their shares are no longer publicly traded. At the time of introduction of the plan the peer group consisted entirely of media companies from the Morgan Stanley Capital Index (MSCI), the index most widely used by media analysts, and at present still the majority of the peer group companies is included in that index. The Supervisory Board has established a secondary tier of peer group companies that can be used to substitute any of the current peer group companies should they de-list during the term of the performance period. This secondary tier of companies includes Aegis Group, Gannet Co, Supermedia, and Yell Group. In case of delisting of a peer group company due to a takeover, the Supervisory Board can resolve to replace that peer group company either by the acquiring company, or by one of the secondary tier companies.

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

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

TSR Ranking 2009-11 and 2010-12

For the three-year performance period 2009-11, Wolters Kluwer has reached the eleventh position in the TSR Ranking. As a result, in 2012, the Executive Board members received 0% of the number of conditional rights on shares that were awarded in 2009.

For the three-year performance period 2010-12, Wolters Kluwer has reached the eighth position in the TSR Ranking. As a result, in 2013, the Executive Board members will receive 75% of the number of conditional rights on shares that were awarded in 2010.

EPS Targets and pay-out schedules

With respect to the EPS Related Shares (2011-13, 2012-14, 2013-15 and future plans) the Executive Board members can earn 0-150% of the number of conditionally awarded EPS Related Shares, depending on Wolters Kluwer's EPS performance over the three-year performance period. At the end of the three-year performance period, the Executive Board members will receive 100% of the number of conditionally awarded EPS Related Shares if the performance over the three-year period is on target. There will be no pay-out if the performance over the three year period is less than 50% of the target. In case of overachievement of the target, the Executive Board members can earn up to a maximum of 150% of the conditionally awarded shares. The Supervisory Board will determine the exact targets for the EPS Related Shares for each three-year performance period. The targets will be based on the EPS performance in constant currencies, to exclude benefits or disadvantages based on currency effects over which the Executive Board has no control. Pay-out of the performance shares at the end of the three-year performance period will only take place after verification by the external auditor of the EPS performance over the three-year performance period.

Conditional share awards

The conditional share awards for the Executive Board members are determined by the comparable market information from European and U.S. companies. The actual number of conditional rights on shares awarded over the performance periods 2011-13 and 2012-14 can be found in note 33 of the Consolidated Financial Statements.

As explained above, shares are conditionally awarded at the beginning of a three-year performance period. The 2007 Annual General Meeting of Shareholders also approved the proposal to determine awards of conditional rights on shares for the Executive Board on a fixed percentage of base salary determined by individual benchmarking. For the 2013-15 performance period, these percentages are similar to the 2012-2014 plan, determined to be 285% for the CEO, and 175% for the CFO. These percentages are determined through an annual benchmarking process.

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

Senior management remuneration

Senior management remuneration consists of a base salary, STIP, and LTIP. The senior management STIP is based on the achievement of specific objective targets that are linked to creating value for shareholders, such as revenue performance and free cash flow. As of 2012, the LTIP targets and pay-out schedule of senior management have been equated with the LTIP targets and pay-out schedule of the Executive Board.

Alphen aan den Rijn, February 19, 2013

Selection and Remuneration Committee

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

2012 FINANCIAL STATEMENTS

Consolidated Statement of Income

in millions of euros, unless otherwise stated

	2012	2011
Continuing operations:		
Revenues note 5	3,603	3,354
Cost of sales	1,171	1,114
Gross Profit note 5	**2,432**	**2,240**
Sales costs note 9	682	635
General and administrative costs note 10	1,175	1,169
Total operating expenses note 5	1,857	1,804
Results on divestments of operations note 8	4	(8)
Operating profit note 5	**579**	**428**
Finance income note 13	9	6
Finance costs note 13	(130)	(124)
Share of profit of equity-accounted investees, net of tax note 18	(1)	0
Profit before tax	**457**	**310**
Income tax expense note 14	(114)	(68)
Profit for the year from continuing operations	**343**	**242**
Discontinued operations:		
Profit/(loss) from discontinued operations, net of tax note 7	(22)	(124)
Profit for the year	**321**	**118**
Attributable to:		
• Equity holders of the Company	322	120
• Non-controlling interests note 15	(1)	(2)
Profit for the year	**321**	**118**
Earnings per share (EPS) (€) note 6		
Basic EPS from continuing operations	1.16	0.82
Basic EPS from discontinued operations	(0.08)	(0.42)
Basic EPS	1.08	0.40
Diluted EPS from continuing operations	1.14	0.81
Diluted EPS from discontinued operations	(0.07)	(0.41)
Diluted EPS	1.07	0.40

Consolidated Statement of Comprehensive Income

in millions of euros

	2012	2011
Comprehensive income:		
Profit for the year	**321**	**118**
Other comprehensive income:		
Exchange differences on translation of foreign operations	(48)	85
Exchange differences on translation of equity-accounted investees	(1)	0
Recycling of foreign exchange differences on loss of control [note 7]	-	(1)
Net gains/(losses) on hedges of net investments in foreign operations	(6)	(33)
Effective portion of changes in fair value of cash flow hedges	(49)	9
Net change in fair value of cash flow hedges reclassified to statement of income [note 13]	24	(16)
Actuarial gains/(losses) on defined benefit plans [note 27]	(41)	(32)
Income tax on other comprehensive income [note 20]	12	10
Other comprehensive income/(loss) for the year, net of tax	**(109)**	**22**
Total comprehensive income for the year	**212**	**140**
Attributable to:		
• Equity holders of the Company	211	143
• Non-controlling interests	1	(3)
Total	**212**	**140**

Consolidated Statement of Cash Flows

in millions of euros

		2012		2011
Cash flows from operating activities				
Profit for the year from continuing operations	343		242	
Adjustments for:				
Net finance costs note 13	121		118	
Share of profit of equity-accounted investees, net of tax note 18	1		0	
Income tax expense note 14	114		68	
Amortization, impairments, and depreciation note 12	312		269	
Additions to acquisition integration provisions note 4	13		18	
Additions to/(release of) Springboard provisions note 4	(1)		102	
Share-based payments note 30	15		16	
Book (profit)/loss on divestments of operations note 8	(5)		7	
Autonomous movements in working capital	15		23	
Paid financing costs	(120)		(129)	
Paid corporate income tax note 20	(110)		(112)	
Appropriation of provisions for restructuring note 28	(55)		(75)	
Other	(24)		(11)	
Net cash from operating activities		**619**		**536**
Cash flows from investing activities				
Capital expenditure	(144)		(143)	
Disposal of discontinued operations, net of cash disposed of note 7	6		37	
Acquisition spending, net of cash acquired note 8	(109)		(299)	
Receipts from divestments of operations note 8	6		4	
Dividends received from equity-accounted investees and investments available-for-sale note 18	1		1	
Cash from settlement of derivatives	(18)		(9)	
Net cash used in investing activities		**(258)**		**(409)**
Cash flows from financing activities				
Repayment of loans	(176)		(172)	
Proceeds from new loans	0		127	
Repurchased shares note 29	(133)		(100)	
Dividends paid	(92)		(127)	
Net cash used in financing activities		**(401)**		**(272)**
Net cash used in continuing operations		**(40)**		**(145)**
Net cash used in discontinued operations note 7		**(28)**		**(12)**
Net cash used in continuing and discontinued operations		**(68)**		**(157)**
Cash and cash equivalents less bank overdrafts at January 1	282		439	
Exchange differences on cash and cash equivalents and bank overdrafts	1		0	
		283		439
Cash and cash equivalents less bank overdrafts at December 31		215		282
Add: Bank overdrafts at December 31 note 25		113		13
Cash and cash equivalents at December 31 note 23		**328**		**295**

Consolidated Statement of Financial Position

in millions of euros, at December 31

		2012		2011
Non-current assets				
Goodwill and intangible assets [note 16]	4,651		4,729	
Property, plant, and equipment [note 17]	138		142	
Investments in equity-accounted investees [note 18]	59		65	
Financial assets [note 19]	49		89	
Deferred tax assets [note 20]	78		80	
Total non-current assets		4,975		5,105
Current assets				
Inventories [note 21]	95		81	
Trade and other receivables [note 22]	1,124		1,099	
Income tax receivable [note 20]	34		30	
Cash and cash equivalents [note 23]	328		295	
Assets held for sale [note 7]	0		81	
Total current assets	1,581		1,586	
Current liabilities				
Deferred income	1,233		1,208	
Trade and other payables	383		388	
Income tax payable [note 20]	32		26	
Short-term provisions [note 28]	58		60	
Borrowings and bank overdrafts [note 25]	267		346	
Other current liabilities [note 24]	457		439	
Perpetual cumulative subordinated bonds [note 25]	225		-	
Liabilities held for sale [note 7]	0		50	
Total current liabilities	2,655		2,517	
Working capital		(1,074)		(931)
Capital employed		**3,901**		**4,174**
Non-current liabilities				
Long-term debt:				
Bonds	1,482		1,481	
Private placements	421		445	
Perpetual cumulative subordinated bonds	-		225	
Other long-term loans	15		7	
Total long-term debt [note 25]		1,918		2,158
Deferred tax liabilities [note 20]		251		251
Employee benefits [note 27]		171		182
Provisions [note 28]		4		22
Total non-current liabilities		2,344		2,613
Equity				
Issued share capital [note 29]	36		36	
Share premium reserve	87		88	
Legal reserves	(225)		(149)	
Other reserves	1,639		1,565	
Equity attributable to the equity holders of the Company		1,537		1,540
Non-controlling interests [note 15]		20		21
Total equity		1,557		1,561
Total financing		**3,901**		**4,174**

Consolidated Statement of Changes in Total Equity

in millions of euros

	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at January 1, 2011	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,687**	**1,612**	**19**	**1,631**
Total comprehensive income/(loss) for the year 2011				(40)	84		99	143	(3)	140
Transactions with owners of the Company, recognized directly in equity:										
Share-based payments							16	16		16
Tax on share-based payments							(4)	(4)		(4)
Release LTIP shares						1	(1)	0		0
Cash dividend 2010							(127)	(127)	0	(127)
Stock dividend 2010	0	0				35	(35)	0		0
Repurchased shares						(100)		(100)		(100)
Other movements			5				(5)	0	5	5
Balance at December 31, 2011	**36**	**88**	**38**	**(67)**	**(120)**	**(65)**	**1,630**	**1,540**	**21**	**1,561**
Total comprehensive income/(loss) for the year 2012				(31)	(51)		293	211	1	212
Transactions with owners of the Company, recognized directly in equity:										
Share-based payments							15	15		15
Tax on share-based payments							(4)	(4)		(4)
Release LTIP shares						5	(5)	0		0
Cash dividend 2011							(90)	(90)	(2)	(92)
Stock dividend 2011	0	(1)				110	(109)	0		0
Repurchased shares						(135)		(135)		(135)
Other movements			6				(6)	0		0
Balance at December 31, 2012	**36**	**87**	**44**	**(98)**	**(171)**	**(85)**	**1,724**	**1,537**	**20**	**1,557**

Notes to the Consolidated Financial Statements

General and basis of preparation note 1

General

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

The Group maintains operations across Europe, North America, Asia Pacific, and Latin America. The Company is headquartered in Alphen aan den Rijn, the Netherlands. The Company's ordinary shares are quoted on the Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations, including International Accounting Standards (IAS) prevailing per December 31, 2012, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission. If non-IFRS terminology is used in these financial statements, reference is made to Glossary.

These financial statements were authorized for issue by the Executive Board and Supervisory Board on February 19, 2013.

Consolidated financial statements
The consolidated financial statements of the Company at and for the year ended December 31, 2012, comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates and jointly controlled entities. The significant accounting policies applied in the preparation of these consolidated financial statements are set out in note 2. These policies have been consistently applied by the group entities.

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

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

Basis of preparation

Basis of measurement
The consolidated financial statements have been prepared under historical cost except for the following material items in the statement of financial position:

- those financial assets and those financial liabilities (including derivative financial instruments) that are recognized at their fair value; and
- the net defined employee benefit asset/liability is recognized as the net total of the plan assets (at fair value), plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Comparatives

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

The 2011 comparatives have been represented for the inclusion of Results from divestments of operations into Operating Profit. Inclusion of these results into the operating profit amounts to a book gain of €4 million in 2012 (2011: a book loss of €8 million).

Effect of new accounting standards

There were no relevant new accounting standards, amendments and interpretations that became effective for the year ended December 31, 2012, that have a material or significant impact on the Group's results, equity or disclosures.

Effect of forthcoming accounting standards

A number of new standards, amendments, and interpretations are not yet effective for the year ended December 31, 2012, and, if applicable, have not been adopted earlier in preparing these consolidated financial statements. The following new standards, amendments, and interpretations have been considered in the table below.

IAS 19 'Employee benefits' (amended 2011) prohibits the deferred recognition of actuarial gains and losses on employee benefit plans by excluding the so-called 'corridor method' and the deferral effect of unvested past service costs amortizing over the remaining average vesting period. This exclusion of the 'corridor method' has no impact on the Group results as the Group already applies the proposed immediate recognition of actuarial gains and losses in other comprehensive income since 2005. In addition, the amended standard requires calculation of the net interest costs on the net defined benefit liability or asset using the discount rate measuring the defined benefit obligation. As a consequence, the expected return on assets will no longer be recognized in the income statement. The amended standard will result in a reduction of net profit if the discount rate applied to the defined benefit obligation is a lower rate than the rate used to determine the expected return on plan assets. Based on the actuarial assumptions prevailing at year-ended 2012, and the reported plan assets as at December 31, 2012, the new standard will result in higher net periodic pension costs affecting the profit before tax by approximately €22 million in 2013 (2012 comparatives: €13 million lower profit before tax).

The Group will early adopt IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities' as well as the consequential amendments to IAS 28 'Investments in associates and joint ventures' (2011) with a date of initial application of January 1, 2013.

IFRS 11 'Joint arrangements' no longer permits the proportionate consolidation of joint ventures. Currently, the Group proportionally consolidates its joint ventures representing €6 million in revenues and €2 million in operating profit. Under IFRS 11 'Joint arrangements', joint ventures will be treated similar to equity-accounted investees.

The other standards effective from January 1, 2013, are not expected to have a significant impact on Group's results, equity or disclosures.

Discontinued operations

IFRS 5 'Non-current assets held for sale and discontinued operations' defines a component of an entity as a part of the entity that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, represents a separate major line of business, and is part of a single coordinated overall plan to dispose of a separate major line of business.

When an operation is classified as discontinued, the comparative statements of income and cash flows are re-presented as if the operation had been discontinued from the start of the comparative period.

Standard/Interpretation	Effective date	Expected effect
IAS 19 – Employee Benefits	January 1, 2013	Impact on equity and net result
IFRS 11 – Joint Arrangements (one of the suite of five consolidation standards)	January 1, 2014	No impact on net profit; revenue and operating profit affected and grouped into one result line

Significant Accounting Policies note 2

Basis of consolidation

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

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

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

Equity-accounted investees
Equity-accounted investees comprise associates. Associates are those entities in which the Group has significant influence but not control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

Associates are recognized from the date on which the Group has significant influence, and recognition ceases from the date the Group has no significant influence over an associate. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The equity method implies that the carrying value of associates is increased or decreased by the Company's share of net profit of these companies as included in the Share of profit of equity-accounted investees, net of tax in the statement of income, and the direct increases and decreases in the shareholders' equity of the associate, after deduction of any dividends received from the associate. When the Company's share of losses exceeds its interest in an associate, the carrying amount of the interest (including receivables and loans) is reduced to zero and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments of behalf of an associate.

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

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

Unrealized gains arising from transactions between the Group and its equity-accounted investees and joint ventures are eliminated to the extent of the Group's interest in the equity-accounted investees and joint ventures.

Foreign currency

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

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

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

Foreign operations

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

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

Net investment in foreign operations

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

Main currency exchange rates to the euro	**2012**	2011
U.S. dollar (at December 31)	1.32	1.29
U.S. dollar (average)	1.29	1.39

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill

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

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

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

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

Non-controlling interests

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

Principles for the determination and presentation of results

Revenues

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

Goods

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

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

Services

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

Combination of goods and services

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

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

General and administrative costs
General and administrative costs include costs that are neither directly attributable to cost of sales nor to sales and marketing activities. This includes costs such as product development, ICT, general overhead, amortization of publishing rights and impairments of goodwill and publishing rights, acquisition related costs, and the subsequent fair value changes on contingent considerations classified as debt and recognized at acquisition date.

Finance income and costs
Finance income and costs comprise dividend income on available-for-sale investments, interest payable/receivable on loans and borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the statement of income.

Discontinued operations
Any gain or loss from disposal of discontinued operations, together with the results of these operations until the date of disposal is reported separately as discontinued operations. The financial information of discontinued operations is excluded from the respective captions in the consolidated statements of income and cash flows and the related notes and is reported separately.

Share-based payments
The Group's Long-Term Incentive Plan (LTIP) qualifies as an equity-settled share-based payments transaction. The fair value of shares awarded is recognized as an expense with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the employees become unconditionally entitled to the shares.

Total Shareholder Return ('TSR') condition
The fair value of the shares based on the Total Shareholder Return (TSR) performance condition, a market condition under IFRS 2, is measured using a Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were awarded. The amount recognized as an expense is adjusted to reflect the actual forfeitures due to participants' resignation before the vesting date.

Earnings Per Share ('EPS') condition
The fair value of the shares based on the non-market performance EPS condition is equal to the opening share price of the Wolters Kluwer shares in the year at the grant date, adjusted by the present value of the future dividend payments during the three years' performance period.

The amount recognized as an expense in a year is adjusted to reflect the number of shares awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market conditions at the vesting date.

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

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

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

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

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

Principles underlying the cash flow statement

Cash flows from operating activities
Cash flows from operating activities are calculated by the indirect method, by adjusting the consolidated profit for the year from continuing operations for items and expenses that are not cash flows (such as net finance costs, share of profit of equity-accounted investees, income tax expense, amortization, depreciation, additions to and/or releases of restructuring provisions, and the costs of the equity settled share-based payments), and for autonomous movements in consolidated working capital (excluding impact from acquisitions and foreign currency differences). Cash payments to employees and suppliers are all recognized as cash flow

from operating activities. Cash flows from operating activities also include the paid financing costs of operating activities, income taxes paid on all activities, acquisition and divestment related costs, and spending on restructuring provisions.

Cash flows from investing activities

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

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

Dividends received relate to dividends received from equity-accounted investees and investments available-for-sale.

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

Cash flows from financing activities

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

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

Bank overdrafts repayable on demand are included as cash and cash equivalents in the statement of cash flows to the extent that they form an integral part of the entity's cash management. However, in the statement of financial position, the bank overdrafts are presented separately as the offsetting criteria are not met.

Cash flow from discontinued operations

The cash flows from discontinued operations comprise the cash receipts and payments from discontinued operations, presented as operating activities, investing activities, and financing activities.

Principles of valuation and presentation of assets and liabilities

Goodwill, acquired publishing rights, and other intangible assets

Goodwill

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

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

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

Acquired publishing rights

Publishing rights acquired through business combinations consist of:

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

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

The fair value of the acquired publishing rights is computed at the time of the acquisition applying usually one of the following methods:

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

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

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

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

Other intangible assets

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

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

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

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

Property, plant, and equipment

Property, plant, and equipment, consisting of land and buildings, and other assets such as machinery and equipment, office equipment and vehicles, is valued at cost less accumulated depreciation and any impairment losses.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful life of each part of an item of property, plant, and equipment. Land is not depreciated.

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

Impairment

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Cash Generating Unit (CGU). For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial instruments

Financial instruments comprise non-derivative financial assets/liabilities and derivative financial assets/liabilities.

Non-derivative financial assets and liabilities comprise investments, notes receivable, other receivables, trade and other receivables, borrowings and bank overdrafts, other current liabilities (excluding derivative financial instruments), and long-term debt.

Derivative financial assets and liabilities comprise (cross currency) interest rate swaps and forward contracts.

Non-derivative financial assets

The Group initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provision of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Group recognizes non-derivative financial assets into the following categories:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables (non-current) and trade and other receivables.

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

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested historical trends. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial asses recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to the statement of income. When the fair value cannot be reliably determined, the available-for-sale financial assets are valued at cost. Dividends and other gains related to available-for-sale investments are recognized as finance income in the Consolidated Statement of Income.

Available-for-sale financial assets comprise investments (non-current).

Non-derivative financial liabilities

The Group initially recognizes long-term debts on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date the Group becomes a party to the contractual provision of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group recognizes non-derivative financial liabilities at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost with any difference between cost and redemption value being recognized in the statement of income over the period of the borrowings, using the effective interest method.

Non-derivative financial liabilities comprise long-term debt (such as bond loans and other loans from credit institutions), trade and other payables, borrowings and bank overdrafts, and other current liabilities (excluded: derivative financial instruments).

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge risk exposures. The ineffective part is recognized immediately in the statement of income. If a hedging relationship is terminated and the derivative financial instrument is not sold, future changes in its fair value are recognized in the statement of income.

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

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

Fair value hedge

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

Cash flow hedge

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

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

Net investment hedge

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

Derivatives that do not qualify for hedge accounting

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

Non-current assets held for sale

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

Inventories

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

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

Cash and cash equivalents

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

Deferred income

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

Taxation

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

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

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

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

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

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

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

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

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. The assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact the tax expenses in the statement of income in the period that such a determination is made.

Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized past service cost and the present value of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the statement of income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of income.

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

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

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

Long-term service benefits

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

The discount rate is the yield rate at the balance sheet date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

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

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as result of an offer made to encourage voluntary redundancy.

Short-term benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under the short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Provisions

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

Restructuring

The provision for restructuring relates to provisions for integration of activities, including acquisitions, and other substantial changes of the organizational structure and onerous contracts. A provision for restructuring is recognized only when the aforementioned general recognition criteria are met.

A constructive obligation to restructure arises only when the Group has a detailed formal plan for the restructuring and has raised a valid expectation to those affected that it will carry out restructuring by starting to implement that plan or announcing its main features to those affected by it.

Onerous contracts
A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

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

Shareholders' equity

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Preference shares
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary.

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

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

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

Accounting Estimates and Judgments note 3

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. Actual results may differ from those estimates, and may result in material adjustments within the next financial year(s).

Policies that are critical for the presentation of the financial position and financial performance of the Group and that require estimates and judgments are summarized below.

Revenue recognition
Revenue recognition requires estimates and judgments as far as it relates to estimating expected returns from customers and non-renewed orders. The Group recognizes a provision for these delivered goods or rendered services based on historical rates. If these rates exceed a certain threshold, revenue is recognized only upon receipt of the payment or the order. Revenue of a combination of goods and services is recognized based on estimates of the fair value of the individual components.

Employee benefits
Wolters Kluwer has material defined benefit pension plans in some countries and also post-retirement medical plans in the United States. The net assets and liabilities of these plans are presented in the balance sheet of the Group. The costs related to these pension plans and post-retirement medical plans are included in the statement of income. The assets and liabilities as well as the costs are based upon actuarial and economic assumptions. The main economic assumptions are:

- discount rate;
- expected return on plan assets;
- asset mix of the fund;
- indexation ambition;
- inflation;
- average increase salaries; and
- medical trend rate.

For actuarial assumptions the Group uses generally accepted mortality rates (longevity risk). The withdrawal rates and retirement rates are based upon statistics provided by the relevant entities based on past experiences.

Capitalized software

Software development costs are only capitalized if, and only if, the entity can demonstrate the technical feasibility of completing the software project so that it will be available for use or sale and if the entity can demonstrate that the project complies with the following requirements: the intention to complete the development project; the ability to sell or use the end-product; demonstration of how the end-product will yield probable future economic benefits; the availability of adequate technical, financial and other resources to complete the project; and the ability to reliably measure the expenditure attributable to the project (timing of technological developments, technological obsolescence, and competitive pressures).

Capitalized software is amortized using the straight-line method over the economic life of the software, between 3 and 10 years. Capitalization of software is dependent on several assumptions as indicated above. While management has procedures in place to control the software development process, there is uncertainty with regard to the outcome of the development process.

Useful lives of assets

The useful life has to be determined for assets such as publishing rights; other intangible assets, which mainly consist of self-developed software, and property, plant, and equipment. The useful lives are estimated based upon best practice within the Group and in line with common market practice. The Company reviews the useful lives of its assets annually.

Valuation and impairment testing intangibles

Upon acquisition, the values of intangible assets acquired are estimated, applying the methodologies as set out under the accounting policies. These calculations are usually performed by the management of the acquiring entity in close cooperation with an external consulting firm. These calculations require estimates like future cash flows, useful life, churn rate, and rate of return. The estimates are based upon best practice within the Group and the methodology applied is in line with normal market practice.

IAS 36 requires goodwill to be carried at cost with impairment reviews both annually and when there are indications that the carrying value of the goodwill may not be recoverable. The impairment reviews require estimates of a discount rate, future cash flows, and a perpetual growth rate. These estimates are made by management that manages the business with which the goodwill is associated. The future cash flows are based on Business Development Plans, prepared by management and approved by the Executive Board of the Group and covers a five years period.

The fair value of the assets, liabilities, and contingent liabilities of an acquired entity should be measured within 12 months from the acquisition date. For some acquisitions, provisional fair values have been included in the balance sheet and final valuation of the identifiable tangible assets is still pending, but will be completed within the 12 months timeframe. Actual valuation of these assets, liabilities, and contingent liabilities may differ from the provisional valuation.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events (earn-out), the Group includes initial recognition at fair value of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. The measurement will usually be based on estimates of future results of the business combination. Subsequent changes to the fair value are recognized in the statement of income.

Accounting for income taxes

Corporate taxation is calculated on the basis of income before taxation, taking into account the local tax rates and regulations. For each operating entity, the current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. These calculations might deviate from the final tax assessments, which will be received in future periods.

A deferred tax asset is recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Management assesses the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

Legal and judicial proceedings, claims

For legal and judicial proceedings and claims against the Company and its operating entities, a liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the actual result. The prediction of the outcome and the assessment of a possible loss by management are based on management's judgments and estimates. Management usually consults lawyers and other specialists for support.

Benchmark Figures note 4

Benchmark figures refer to 'ordinary figures' which means that figures are adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and publishing rights. 'Ordinary' figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business from continuing operations. These figures are presented as additional information and do not replace the information in the statements of income and cash flows. All figures are from continuing operations, unless stated otherwise.

Benchmark figures	**2012**	2011	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,603	3,354	7	2
Ordinary EBITA	785	728	8	2
Ordinary EBITA margin (%)	21.8	21.7		
Ordinary net income	476	444	7	0
Ordinary free cash flow	507	443	15	8
Cash conversion ratio (CAR) (%)	99	98		
Return on invested capital (ROIC) (%)	8.8	8.9		
Net debt note 25	2,086	2,168	(4)	
Net-debt-to-EBITDA (ratio)	2.4	3.1		
Net interest coverage (ratio)	6.4	6.2		
Diluted ordinary EPS (€)	1.58	1.47	8	
Diluted ordinary EPS in constant currencies (€)	1.47	1.46		1
Diluted ordinary free cash flow per share (€)	1.69	1.47	15	8

Reconciliation of benchmark figures

Reconciliation between operating profit and ordinary EBITA	**2012**	2011
Operating profit	579	428
Amortization of publishing rights and impairments	192	161
EBITA	**771**	**589**
Non-benchmark costs in operating profit	14	139
Ordinary EBITA	**785**	**728**

Return on invested capital (ROIC)	**2012**	2011
Ordinary EBITA	785	728
Allocated tax	(218)	(195)
Net operating profit after allocated tax (NOPAT)	**567**	**533**
Average invested capital	6,405	6,019
ROIC (NOPAT/Average invested capital) (%)	**8.8**	**8.9**

Reconciliation between profit for the year and ordinary net income	2012	2011
Profit for the year from continuing operations attributable to the equity holders of the Company (A)	344	244
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	188	157
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(65)	(54)
Non-benchmark costs in operating profit, net of tax	9	97
Ordinary net income (B)	**476**	**444**

Reconciliation between net cash from operating activities and ordinary free cash flow	2012	2011
Net cash from operating activities	619	536
Capital expenditure	(144)	(143)
Acquisition related costs	6	9
Paid divestment expenses	1	1
Dividends received	1	1
Appropriation of Springboard provisions, net of tax	24	39
Ordinary free cash flow (C)	**507**	**443**

Per share information (in €)	2012	2011
Total number of shares outstanding at December 31 (in millions of shares)	295.3	296.6
Weighted average number of shares (D) (in millions of shares)	296.9	298.4
Diluted weighted average number of shares (E) (in millions of shares)	300.7	301.5
Ordinary EPS (B/D)	1.60	1.49
Diluted ordinary EPS (minimum of ordinary EPS and [B/E])	1.58	1.47
Diluted ordinary EPS in constant currencies	1.47	1.46
Basic EPS (A/D)	1.16	0.82
Diluted EPS (minimum of basic EPS and [A/E])	1.14	0.81
Ordinary free cash flow per share (C/D)	1.71	1.48
Diluted ordinary free cash flow per share (minimum of ordinary free cash flow per share and [C/E])	1.69	1.47

Non-benchmark costs in operating profit	2012	2011
Additions to acquisition integration provisions note 28	13	18
Springboard costs:		
Personnel-related restructuring costs	-	50
Onerous contracts	-	6
Third party costs	-	33
Other exceptional costs	(1)	13
Additions to Springboard provisions note 28	(1)	102
Asset write-offs note 16	-	2
Total Springboard costs	(1)	104
Acquisition related costs	6	9
Total non-benchmark costs included in general and administrative costs	18	131
Results on divestments of operations	(4)	8
Total non-benchmark costs in operating profit	**14**	**139**

Benchmark tax rate	2012	2011
Income tax expense	114	68
Tax benefit on amortization of publishing rights and impairments	66	54
Tax benefit on non-benchmark costs	5	42
Tax on ordinary income (F)	185	164
Ordinary net income (B)	476	444
Adjustment for non-controlling interests	2	2
Ordinary income before tax (G)	**663**	**610**
Benchmark tax rate (F/G) (%)	**27.8**	**26.8**

Calculation of cash conversion ratio	2012	2011
Ordinary EBITA (H)	785	728
Amortization of other intangible assets note 16	87	76
Depreciation of property, plant, and equipment note 17	33	30
Ordinary EBITDA	905	834
Autonomous movements in working capital	15	23
Cash flow from operations (I)	**920**	**857**
Capital expenditure (J)	144	143
CAR-ratio ([I-J]/H) (%)	**99**	**98**

Non-benchmark costs in operating profit

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

- Springboard costs;
- Restructuring costs;
- Acquisition integration costs;
- Acquisition related costs;
- Results on divestment of operations, and
- Fair value changes of contingent considerations.

Springboard

The Springboard restructuring provided the next wave of operational excellence at Wolters Kluwer by simplifying and standardizing the core systems and processes used to develop, sell, and support products and services globally and has been successfully completed in 2011. Springboard expenses include costs related to IT system migration and implementation, outsourcing, migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

All Springboard program initiatives were initiated before the end of 2011. After 2011, no costs have been incurred under this program.

Restructuring costs

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

Acquisition integration costs

Acquisition integration costs are those one-time non-recurring cost incurred by the Group to integrate activities acquired by business combination.

Acquisition related costs

Acquisition related costs are one-time non-recurring cost incurred by the Group resulting from acquisition activities. The acquisition related costs are directly attributable to acquisitions, such as legal fees, broker's cost, and audit fees, and have been included in the general and administrative costs in the Group's consolidated statement of income.

Results on divestments of operations

Results on divestments of operations are one-time non-recurring gains and losses on the sale of activities by the Group.

Fair value changes contingent considerations

Results from changes in fair value of contingent considerations are not considered to be part of the ordinary activities of the Group.

Segment Reporting note 5

Segment reporting by division	Legal & Regulatory		Tax & Accounting		Health	
	2012	2011	**2012**	2011	**2012**	2011
Revenues third parties	1,491	1,451	981	931	745	639
Cost of sales	474	480	311	302	260	230
Gross profit	**1,017**	**971**	**670**	**629**	**485**	**409**
Sales costs	251	247	190	175	149	133
General and administrative costs	499	526	298	288	200	182
Total operating expenses	750	773	488	463	349	315
Results on divestments of operations	2	(8)	2	-	-	-
Operating profit	**269**	**190**	**184**	**166**	**136**	**94**
Amortization of publishing rights and impairments	55	50	77	61	26	24
Non-benchmark costs in operating profit	10	84	1	30	1	8
Ordinary EBITA	**334**	**324**	**262**	**257**	**163**	**126**
Depreciation and amortization of other intangible assets	46	42	35	32	30	23
Goodwill and publishing rights at December 31	1,290	1,349	1,330	1,382	1,061	1,108
Capital expenditure	43	45	53	54	39	35
Ultimo number of FTEs	7,639	7,704	5,785	5,675	2,528	2,425

The four global operating divisions are based on strategic customer segments: Legal & Regulatory, Tax & Accounting, Health, and Financial & Compliance Services. This segment information by division is based on the Group's management and internal reporting structure. The Executive Board reviews the financial performance of its segments and the allocation of resources based on ordinary EBITA. Ordinary EBITA excludes exceptional restructuring expenses as these expenses are clearly distinct from the ordinary activities of the Group. Internal deliveries between the divisions are conducted on an at arm's length basis with terms comparable to transactions with third parties. These revenues are limited and therefore not presented separately and have been eliminated. Costs and capital expenditure incurred on behalf of the segments by Global Shared Services/Global Platform Organization and associated FTEs are allocated. Third parties revenues reported to the Executive Board are measured in a manner consistent with that in the statement of income.

There are no major customers with a revenue stream that exceeds 10% or more of the Group's total revenues.

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

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

Financial & Compliance Services		Corporate		Total continuing operations	
2012	2011	**2012**	2011	**2012**	2011
386	333	0	0	3,603	3,354
126	102	0	0	1,171	1,114
260	**231**	**0**	**0**	**2,432**	**2,240**
92	80	-	-	682	635
131	126	47	47	1,175	1,169
223	206	47	47	1,857	1,804
-	-	-	-	4	(8)
37	**25**	**(47)**	**(47)**	**579**	**428**
34	26	-	-	192	161
2	13	-	4	14	139
73	**64**	**(47)**	**(43)**	**785**	**728**
9	9	0	0	120	106
583	525	-	-	4,264	4,364
9	9	0	0	144	143
2,358	2,077	102	98	18,412	17,979

Geographical segments

The geographical information can be summarized as follows:

Continuing operations:

Revenues were generated in the following regions:	**2012**	%	2011	%
The Netherlands	186	5	210	6
Europe (excluding the Netherlands)	1,257	35	1,264	38
North America	1,932	54	1,688	50
Asia Pacific	195	5	162	5
Rest of the world	33	1	30	1
Total	**3,603**	**100**	**3,354**	**100**

Total non-current assets per region:	**2012**	%	2011	%
Europe	1,788	36	1,792	35
North America	3,101	62	3,253	64
Asia Pacific	86	2	60	1
Rest of the world	0	0	0	0
Total	**4,975**	**100**	**5,105**	**100**

Earnings per Share note 6

Basic earnings per share

The calculation of basic earnings per share at December 31, 2012, was based on the profit for the year of €322 million (2011: €120 million) attributable to the ordinary equity holders of the Company, and a weighted average number of ordinary shares outstanding of 296.9 million (2011: 298.4 million), calculated as follows:

Profit for the year attributable to the equity holders of the Company	**2012**	2011
From continuing operations (A)	344	244
From discontinued operations (B)	(22)	(124)
Profit for the year attributable to the equity holders of the Company (C)	**322**	**120**

Weighted average number of shares in millions of shares	**2012**	2011
Outstanding ordinary shares at January 1 note 29	301.7	298.6
Effect of stock dividend	0.2	1.6
Effect of issued shares	0.0	0.6
Effect of repurchased shares	(5.0)	(2.4)
Weighted average number of shares (D)	**296.9**	**298.4**
Basic EPS from continuing operations (€) (A/D)	1.16	0.82
Basic EPS from discontinued operations (€) (B/D)	(0.08)	(0.42)
Basic EPS (€) (C/D)	1.08	0.40

Diluted earnings per share

The calculation of diluted earnings per share at December 31, 2012, was based on the profit for the year of €322 million (2011: €120 million) attributable to the ordinary equity holders of the Company, and a diluted weighted average number of ordinary shares outstanding of 300.7 million (2011: 301.5 million), after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Diluted weighted average number of shares (E) in millions of shares	**2012**	2011
Weighted average number of shares (D)	296.9	298.4
Long-Term Incentive Plan	3.8	3.1
Share options	-	0.0
Diluted weighted average number of shares (E)	**300.7**	**301.5**
Diluted EPS from continuing operations (€) (minimum of basic EPS and [A/E])	1.14	0.81
Diluted EPS from discontinued operations (€) (minimum of basic EPS and [B/E])	(0.07)	(0.41)
Diluted EPS (€) (minimum of basic EPS and [C/E])	1.07	0.40

Discontinued Operations and Assets Held for Sale note 7

Discontinued operations

On July 27, 2011, Wolters Kluwer announced the planned sale of its Pharma business which has been substantially completed with the sale of Marketing & Publishing Services (MPS) business on December 23, 2011, and the sale of its pharma-related Healthcare Analytics business to a private equity firm in exchange for a 19.44% minority interest in a newly created entity on May 15, 2012. The sale of the pharma-related business is part of Wolters Kluwer's strategy to focus on its core health markets and accelerate growth by providing innovative solutions to clinicians globally. The majority of the Pharma business was included in the Health division. The operations of the Pharma business have been presented as discontinued operations.

In connection with the planned sale a non-cash impairment loss of €112 million was recorded and presented as result from discontinued operations in 2011.

Results from discontinued operations	**2012**	2011
Revenues	70	217
Expenses	(82)	(222)
Operating profit	(12)	(5)
Income tax	5	3
Results from operating activities, net of tax	**(7)**	**(2)**
Impairment	(3)	(112)
Income tax on impairment	-	-
Restructuring costs	(13)	-
Profit/(loss) on sale of discontinued operations, net of tax	1	(10)
Profit/(loss) from discontinued operations, net of tax	**(22)**	**(124)**

The loss for the year from discontinued operations is fully attributable to the equity holders of the Company.

Cash flow from discontinued operations

Cash flows from discontinued operations	**2012**	2011
Net cash used in operating activities	(28)	(8)
Net cash used in investing activities	-	(4)
Net cash used in discontinued operations	**(28)**	**(12)**

The following table summarizes the results of the Pharma business included in the consolidated statement of income as discontinued operations for 2012 and 2011.

Effect of disposal of discontinued operations on the financial position of the Group

The following table summarizes the consideration received, the result from discontinued operations, and the cash proceeds on the sale of MPS in 2011 and Healthcare Analytics in 2012.

Discontinued operations disposed of during the year	**2012**	2011
Consideration receivable in cash	-	41
Investments available-for-sale	33	-
Non-current notes receivable [note 19]	-	8
Working capital to be settled	3	(1)
Total consideration receivable	**36**	**48**
Non-current assets	34	47
Current assets	45	27
Current liabilities	(41)	(18)
Deferred tax liabilities	(9)	-
Net identifiable assets and liabilities	**29**	**56**
Costs incurred	(8)	(9)
Recycling of foreign exchange differences on loss of control recognized in other comprehensive income	-	1
Profit/(loss) on sale of discontinued operations before tax	(1)	(16)
Income tax discontinued operations	2	6
Profit/(loss) on sale of discontinued operations, net of tax	**1**	**(10)**
The cash effect of the disposal is:		
Consideration received in cash	0	41
Cash and cash equivalents disposed of	(4)	(4)
Settlement of non-current divestment receivable	8	-
Working capital settlement	2	-
Net cash flow from disposal of discontinued operations	**6**	**37**

Disposal group held for sale

The following table summarizes the assets and liabilities of the Pharma business classified as held for sale in the consolidated statement of financial position at December 31, 2012.

	2012	2011
Assets held for sale		
Goodwill and intangible assets	-	33
Property, plant, and equipment	0	5
Financial assets	-	1
Inventories	0	4
Trade and other receivables	0	34
Income tax receivable	0	4
Total	**0**	**81**
Liabilities held for sale		
Deferred income	0	18
Trade and other payables	0	26
Deferred tax liabilities	0	6
Total	**0**	**50**

Acquisitions and Divestments note 8

The main acquisitions completed in 2012 were the following:

On July 12, the Group acquired for a total consideration in cash of €18 million (excluding the fair value of an earn-out arrangement) 100% of the shares of Acclipse Limited, a leading provider of online accounting software, serving accounting firms in Australia, New Zealand, and Asia Pacific. Acclipse Limited is included in the Tax & Accounting division and has over 65 employees. The annualized revenues are approximately €5 million. With this acquisition, Wolters Kluwer Tax & Accounting will further expand and complement its existing offering of advanced information and software solutions, including cloud-based solutions, for accounting firms and corporate finance professionals in the region.

On July 13, the Group acquired for a net cash consideration of €75 million 100% of the shares of FinArch, an international leading provider of integrated finance, risk and performance measurement solutions in Belgium that enable financial institutions to manage, measure and report all financial activities. FinArch is included in the Financial & Compliance Services division and has over 200 employees. The annualized revenues are approximately €31 million. The acquisition strengthens Wolters Kluwer Financial Compliance Services' leading global risk and compliance position and extends its capabilities into integrated finance, risk, and performance management. In doing so, the combined company can provide financial institutions with better control, insight and management of their financial data, and ultimately, a clearer enterprise view and enhanced management of their risk and performance.

Acquisition spending

Total acquisition spending in 2012 was €109 million (2011: €299 million) including deferred contingent consideration payments of €5 million (2011: €8 million). Acquisition related costs amounted to €6 million in 2012 (2011: €9 million).

The goodwill recorded in connection with the 2012 acquisitions represents future economic benefits specific to Wolters Kluwer arising from assets that do not qualify for separate recognition as intangible assets. This includes, amongst others, expected synergies, skilled workforce, new customers expected to be attracted who generate revenue streams in the future, and revenues generated by future completely new versions of software.

The goodwill recognized in 2012 included an amount of nil (2011: €90 million) that is deductible for income tax purposes.

The following tables provide information in aggregate for all business combinations in 2012.

Acquisitions	Carrying amount	Fair value adjustments	**2012** Recognized values	2011 Recognized values
Consideration payable in cash			115	306
Fair value of equity-accounted investees note 18			-	2
Deferred considerations:				
Non-current			11	3
Current			3	5
Total consideration payable			**129**	**316**
Intangible assets	0	99	99	220
Other non-current assets	3		3	8
Trade and other receivables	12		12	29
Other current assets	12		12	15
Deferred income	(4)		(4)	(34)
Other current liabilities	(10)		(10)	(17)
Non-current liabilities	0		0	(2)
Restructuring provisions note 28	0		0	(2)
Deferred tax	14	(32)	(18)	(18)
Fair value of net identifiable assets and liabilities	**27**	**67**	**94**	**199**
Non-controlling interests			-	5
Goodwill on acquisitions			**35**	**122**
The cash effect of the acquisitions is:				
Consideration payable in cash			115	306
Cash acquired			(11)	(15)
Deferred considerations paid			5	8
Acquisition spending, net of cash acquired			**109**	**299**

Contribution of acquisitions	**Revenues**	**Ordinary EBITA**	**Profit for the year**
Totals excluding the impact of 2012 acquisitions	3,581	779	319
Contribution of 2012 acquisitions	22	6	2
Totals for the year 2012	**3,603**	**785**	**321**
Pro-forma contribution of 2012 acquisitions for the period January 1, 2012, up to acquisition date	21	4	1
Pro-forma totals for the year 2012	**3,624**	**789**	**322**

The above pro-forma information does not purport to represent what the actual results would have been had the acquisitions actually been concluded on January 1, 2012, nor is the information necessarily indicative for future results of the acquired operations.

In determining the contributions by the acquisitions, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same as if acquisition had occurred on January 1, 2012.

Contingent consideration

One acquisition completed in 2012 resulted in a maximum contingent consideration of €27 million if the EBITDA of the Group during a three years earn-out period exceeds a certain EBITDA threshold. The fair value of this contingent consideration is valued based on probability of achieving the target and amounts to €9 million.

In some other acquisitions, the Group has agreed to pay the sellers over a certain period additional considerations of €3 million (2011: €3 million) (undiscounted) if the acquiree's cumulative revenues and/or EBITA exceeds certain thresholds over the agreed upon periods.

Provisional fair value accounting

The fair value of the identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation in 2013. The acquisition accounting will be revised if new information, obtained within one year from acquisition date about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, or for any additional provisions that existed at the acquisition date.

Divestments of operations

In 2012 and 2011, there were a number of divestments of operations to optimize the portfolio.

In April 2012, Kluwer Netherlands divested two publishing units. The decision to sell these units resulted from the Group's focus on products that have international potential and that can take a strong leading position in multiple regions.

The net cash receipts for these divestments amounted to €4 million. Other divestments totaled cash receipts of €2 million.

Divestments of operations	**2012**	2011
Consideration receivable in cash	6	4
Consideration receivable in assets	2	-
Consideration receivable	**8**	**4**
Non-current assets	3	11
Current assets	3	1
Current liabilities	(5)	(1)
Employee benefits	(1)	-
Restructuring provisions	5	0
Deferred tax liability	(2)	-
Net identifiable assets and liabilities	**3**	**11**
Book profit/(loss) on divestments of operations	**5**	**(7)**
Divestment expenses	(1)	(1)
Result on divestments of operations	**4**	**(8)**
The cash effect of the disposals is:		
Consideration receivable in cash	6	4
Cash included in divested operations	0	0
Receipts from divestments of operations	**6**	**4**

Sales Costs note 9

Sales costs	2012	2011
Marketing and promotion costs	196	187
Sales costs	395	361
Customer support costs	78	72
Changes in bad debt provisions	13	15
Total	**682**	**635**

Sales costs relate to direct internal personnel expenses and direct external costs incurred for marketing and sales activities. The sales costs increased mainly due to higher costs as result of continuing focus on increasing the strength of the sales force and acquisitions.

General and Administrative Costs note 10

General and administrative costs	2012	2011
Publishing and editorial costs	229	190
General and administrative operating expenses	736	687
Springboard costs note 4	(1)	104
Acquisition integration costs note 28	13	18
Acquisition related costs note 8	6	9
Amortization of publishing rights and impairments note 12	192	161
Total	**1,175**	**1,169**

The general and administrative costs increased compared to last year due to higher amortization, unfavorable foreign currency effects, and the impact of acquisitions partly offset by the effects of cost containment programs and the ending of the Springboard program which was successfully completed in 2011.

Personnel Expenses note 11

Personnel expenses	2012	2011
Salaries and wages	1,150	1,051
Social security charges	151	138
Costs of defined contribution plans	51	49
Expenses related to defined benefit plans note 27	(4)	2
Equity-settled share-based payment transactions note 30	15	16
Total	**1,363**	**1,256**

Savings in personnel expenses from cost containment programs (Springboard related staff reductions) were offset by an increase in personnel expenses resulting from annual merit increases, and the net impact of 2012 and 2011 acquisitions and divestments.

Amortization, Impairments, and Depreciation note 12

Amortization, impairments, and depreciation	2012	2011
Amortization of publishing rights note 16	192	161
Impairments of goodwill and publishing rights note 16	-	-
Total amortization of publishing rights and impairments	192	161
Amortization of other intangible assets note 16	87	76
Impairments of other intangible assets note 16	0	2
Depreciation of property, plant, and equipment note 17	33	30
Total	**312**	**269**

The amortization increased from 2011 to 2012 as result of changes in useful lives of assets (impact 2012: €10 million; 2013: €8 million; 2014: €5 million; 2015: €5 million; 2016: €5 million), unfavorable foreign exchange, the acquisitions made in 2012, and the full year-inclusion impact of the 2011 acquisitions.

Financing Results note 13

Financing results	2012	2011
Finance income		
Interest income on short-term bank deposits	4	4
Derivatives – foreign exchange contracts	2	2
Dividend income on available-for-sale investments	0	-
Other finance income	3	0
Total finance income	**9**	**6**
Finance cost		
Interest expense:		
Bank borrowings and overdrafts	(3)	(3)
Bonds and private placements	(119)	(118)
Items in hedge relationships:		
Interest rate swaps	(1)	(3)
Foreign exchange gains/(losses) on loans subject to cash flow hedge	24	(16)
Net change in fair value of cash flow hedges reclassified from Other comprehensive income	(24)	16
Ineffective portion of hedging	0	0
Other finance costs:		
Net foreign exchange gains/(losses) and other finance costs	(5)	2
Derivatives – foreign exchange contracts	0	0
Amortization of debt instruments	(2)	(2)
Total finance costs	**(130)**	**(124)**
Net finance costs	**(121)**	**(118)**

Other finance income includes a settlement of €2 million from Lehman Brothers.

Income Tax Expense note 14

Recognized in statement of income	2012	2011
Current tax expense	127	86
Adjustment previous years	(8)	(7)
Benefit previously unrecognized tax losses	(1)	(4)
Deferred tax expense:		
Origination and reversal of temporary differences note 20	(4)	(7)
Taxation on income in statement of income	**114**	**68**

Reconciliation of the effective tax rate		2012		2011
	%		%	
Profit before tax		457		310
Normative income tax expense	33	150	29	91
Tax effect of:				
Intra-group financing activities	(9)	(39)	(12)	(37)
Tax exemption on results on divestments of operations	(0)	(1)	3	9
Non-deductible costs and other items	1	4	2	5
Taxation on income in statement of income	**25**	**114**	**22**	**68**

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

The normative and effective tax percentage on income before tax increased in 2012 compared to 2011 mainly due to higher results in high tax rate countries, mainly coming from U.S. operations which outpaced the growth of profits coming from lower tax regions such as Europe.

Non-Controlling Interests note 15

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

Ownership in %	2012	2011
Akadémiai (Budapest, Hungary)	74.0	74.0
Wolters Kluwer Russia Publishing Holding bv (Amsterdam, Netherlands)	55.0	55.0
CCH Prosystems India Private Limited, (Bangalore, India)	60.0	60.0
Medicom (Chengdu, China)	55.0	55.0

Non-controlling interests of consolidated participations in the profit for the year of the Group in 2012 were €(1) million (2011: €(2) million). Non-controlling interests in the equity of consolidated participations, totaling €20 million (2011: €21 million), are based on third-party shareholding in the underlying shareholders' equity of the subsidiaries.

Summary financial information based on 100% ownership	2012	2011
Revenues	50	42
Ordinary EBITA	7	5
Net profit	(2)	(4)
Total assets	74	77
Total liabilities	25	24
Total equity	49	53
Total gross external debt	-	-
Total cash and cash equivalents	18	14

The Company's proportionate share of each line item in the financial statements of the non-controlling interests does not materially differ from the fully consolidated financial statements.

Goodwill and Intangible Assets note 16

Intangible assets	Goodwill	Acquired publishing rights	Other intangible assets	2012	2011
Position at January 1					
Purchase value	3,097	2,429	782	6,308	6,052
Accumulated amortization and impairments	(29)	(1,133)	(417)	(1,579)	(1,468)
Book value at January 1	3,068	1,296	365	4,729	4,584
Movements					
Investments	-	-	117	117	121
Acquisitions through business combinations note 8	35	99	0	134	342
Divestments of operations note 8	-	(1)	-	(1)	(11)
Disposals of assets	-	-	(1)	(1)	(1)
Net expenditures	35	98	116	249	451
Amortization note 12	-	(192)	(87)	(279)	(237)
Impairments note 12	-	-	-	0	(2)
Reclassifications	(7)	13	(3)	3	14
Transfer to assets held for sale	-	-	-	0	(202)
Exchange differences and other movements	(37)	(10)	(4)	(51)	121
Total movements	**(9)**	**(91)**	**22**	**(78)**	**145**
Position at December 31					
Purchase value	3,088	2,440	875	6,403	6,308
Accumulated amortization and impairments	(29)	(1,235)	(488)	(1,752)	(1,579)
Book value at December 31	**3,059**	**1,205**	**387**	**4,651**	**4,729**

Publishing rights acquired through business combinations mainly consist of customer relationships (subscriber accounts), technology (databases, software, and product technology), trademarks, and titles.

Other intangible assets mainly relate to purchased and self-constructed information systems and software, of which an investment amount of €100 million relates to product development.

Reclassifications include the additionally recognized publishing rights and related deferred tax liability from the final outcome of the purchase price allocation of prior year acquisitions.

Impairment testing cash-generating units containing goodwill

Carrying amounts of goodwill and publishing rights per global operating division	Goodwill	Acquired publishing rights	**2012**	2011
Legal & Regulatory	1,006	284	1,290	1,349
Tax & Accounting	928	402	1,330	1,382
Health	793	268	1,061	1,108
Financial & Compliance Services	332	251	583	525
Total	**3,059**	**1,205**	**4,264**	**4,364**

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

The recoverable amount is determined based on a calculation of its value-in-use. The value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The value-in-use calculations in 2012 were determined in a similar manner as in 2011. The cash flow projections are based on actual operating results and Business Development Plans, as approved by the Executive Board.

The annual impairment test carried out in 2012 showed that the recoverable amount for all groups of CGUs for goodwill impairment testing exceeded the carrying amounts.

Key assumptions used in discounting cash flows
The period over which the Group estimates its cash flow projections is five years. After five years cash flow projections are extrapolated using an appropriate perpetual growth rate that is consistent with the long-term average market growth rate and that does not exceed 2.5% (2011: 2%).

The estimated pre-tax cash flows are discounted to their present value using a pre-tax weighted average cost of capital (WACC) between 8.7% and 10.9% (2011: between 8.7% and 10.9%).

In determining the WACC the Group used the following assumptions:

Assumptions WACC	**2012**	2011
Risk free rate (in %)	3.9	3.9
Market risk premium (in %)	5.0	5.0
Tax rate (in %)	25.0	25.0
Re-levered beta	0.81	0.84

The risk free-rate is based on the long-term yield on Dutch government bonds with a maturity of 30 years. Management is of the opinion that the yield on Dutch government bonds with 30-years maturity is a better approximation of the risk free rate in 2012 and 2011.

The risk free rate on Dutch government bonds is currently low. Management therefore considers a ‘floor’ for the risk free rate to be appropriate and included therefore a higher debt premium, by including a mark-up of 1.2% resulting in a 3.9% risk free rate.

In addition to the WACC and the perpetual growth rate the following key assumptions were used in the projections:

- Revenue growth: based on actual experience, an analysis of market growth and the expected development of market share; and
- Ordinary EBITA-margin development: based on actual experience and management's long-term projections; Ordinary EBITA is deemed to be the best approximation for estimating future cash flows.

Sensitivity analysis

The impairment testing also includes an assessment if a reasonably possible change in a key assumption would cause the carrying amount to exceed the recoverable amount. The outcome was that there was no need for impairment.

Based on this sensitivity analysis the only CGU that is at risk is the Legal & Regulatory Europe South unit. If the long-term growth rate would be reduced by 200 basis points to minus 1% the Group would have to recognize an impairment of approximately €25 million. At a long-term growth rate of minus 0.7% the carrying value equals the recoverable amount. The carrying value of the CGU as at December 31, 2012, is €314 million.

Property, Plant, and Equipment note 17

Property, plant, and equipment	Land and buildings	Other fixed assets	**2012**	2011
Position at January 1				
Purchase value	129	403	532	509
Accumulated depreciation	(59)	(331)	(390)	(361)
Book value at January 1	70	72	142	148
Movements				
Investments	2	26	28	24
Acquisitions through business combinations	-	1	1	6
Divestment of operations	2	-	2	-
Disposals of assets	0	0	0	(1)
Net expenditures	4	27	31	29
Depreciation note 12	(3)	(30)	(33)	(30)
Transfer to assets held for sale/reclassifications	-	-	0	(7)
Exchange differences and other movements	(1)	(1)	(2)	2
Total movements	**0**	**(4)**	**(4)**	**(6)**
Position at December 31				
Purchase value	131	414	545	532
Accumulated depreciation	(61)	(346)	(407)	(390)
Book value at December 31	**70**	**68**	**138**	**142**

Investments in Equity-accounted Investees note 18

Investments in equity-accounted investees	**2012**	2011
Position at January 1	65	63
Acquisitions through business combinations	2	2
Divestments of operations	(2)	0
Dividends received	(1)	(1)
Share of profit in equity-accounted investees, net of tax	(1)	0
Change in control	(2)	(2)
Foreign exchange differences and other movements	(2)	3
Position at December 31	**59**	**65**

Summary financial information on net equity-accounted investees (at 100%) and the Group's weighted proportionate share	Total net equity-accounted investees		Group's share	
	2012	2011	**2012**	2011
Total assets	92	98	28	28
Total liabilities	73	70	22	20
Total equity	19	28	6	8
Revenues	155	150	50	47
Net profit/(loss) for the year	(6)	(3)	(1)	0

Financial assets note 19

Financial assets	2012	2011
Investment available-for-sale	36	1
Note receivable note 7	-	8
Other receivables	11	9
U.S. Medicare Prescription drug subsidy receivable note 27	-	20
Derivative financial instruments note 25	2	51
Total	**49**	**89**

Investments available-for-sale mainly relate to a 19.44% equity interest in a newly created entity obtained as part of the completed sale of the pharma-related Healthcare Analytics business in May 2012.

Investments available-for-sale	2012	2011
Position at January 1	1	1
Change in control	2	-
Acquisitions	33	-
Foreign exchange differences and other movements	0	-
Position at December 31	**36**	**1**

The note receivable in 2011 related to a 10% interest-bearing U.S. dollar denominated receivable, maturing in March 2014. The borrower repaid this promissory note in full prior to maturity date in 2012.

Effective January 1, 2012, the employer involvement in the Medicare Part D plan in the United States has changed. Up to the end of 2011 a state subsidy (€20 million) was provided to the Company directly for which the Company has recognized a financial asset. As of January 1, 2012, the Medicare Part D subsidy is substituted and provided as a future premium rebate. Hence an asset should no longer be recognized in the balance sheet, but its net liabilities. The U.S. Medicare Prescription Drug, Improvement, and Modernization Act' tax-free federal subsidy to sponsors of retiree healthcare benefit plans provides a benefit that is at least actuarially equivalent to the Medicare Part D benefit.

Deferred Tax Assets and Liabilities note 20

Deferred tax assets and liabilities	Assets	Liabilities	2012	2011
Intangible assets	40	(438)	(398)	(390)
Property, plant, and equipment	2	(38)	(36)	(51)
Employee benefits	74	(1)	73	64
Interest carry-forward	132	-	132	146
Tax value of loss carry-forwards recognized	35	-	35	30
Other items	88	(67)	21	30
Tax assets/(liabilities)	371	(544)	(173)	(171)
Set off of tax	(293)	293	0	0
Net tax assets/(liabilities)	**78**	**(251)**	**(173)**	**(171)**

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

Movement in temporary differences, 2012	Balance at January 1	Acquisitions / disposals	Recognized in statement of income note 14	Discon-tinued operations	Recognized in equity	Exchange rate differences and other movements	Balance at December 31
Intangible assets	(390)	(31)	17	3	-	3	**(398)**
Property, plant, and equipment	(51)	-	15	-	-	0	**(36)**
Employee benefits	64	-	(3)	-	12	0	**73**
Interest carry-forwards	146	-	(14)	-	-	0	**132**
Tax value of loss carry-forwards recognized	30	-	5	-	-	0	**35**
Other items	30	12	(16)		(4)	(1)	**21**
Total	**(171)**	**(19)**	**4**	**3**	**8**	**2**	**(173)**

Movement in temporary differences, 2011	Balance at January 1	Acquisitions / disposals	Recognized in statement of income note 14	Discon-tinued operations	Recognized in equity	Exchange rate differences and other movements	Balance at December 31
Intangible assets	(372)	(32)	17	6	-	(9)	**(390)**
Property, plant, and equipment	(46)	-	(4)	-	-	(1)	**(51)**
Employee benefits	55	-	(3)	-	11	1	**64**
Interest carry-forwards	142	-	(1)	-	-	5	**146**
Tax value of loss carry-forwards recognized	30	-	1	-	-	(1)	**30**
Other items	37	-	(3)	-	(5)	1	**30**
Total	**(154)**	**(32)**	**7**	**6**	**6**	**(4)**	**(171)**

The 2012 movement in deferred tax liabilities from acquisitions of €19 million (2011: €32 million) included €16 million with regard to acquisitions made in 2012 (2011: €18 million) and €3 million (2011: €14 million) that related to the final outcome of the purchase price allocation of prior year acquisitions.

Movements in overall tax position	**2012**	2011
Position at January 1		
Tax receivable	30	5
Tax payable	(26)	(43)
Deferred tax assets	80	89
Deferred tax liabilities	(251)	(243)
Overall tax position	(167)	(192)
Movements		
Total income tax expense	(114)	(68)
Deferred tax on acquisitions/disposals	(19)	(32)
Deferred tax on items recognized immediately in equity	(4)	(4)
Deferred tax on items recognized immediately in other comprehensive income	12	10
Paid corporate income tax	110	112
Transfer to assets held for sale/liabilities to held for sale	9	1
Exchange differences and other movements	2	6
Total movements	**(4)**	**25**
Position at December 31		
Tax receivable	34	30
Tax payable	(32)	(26)
Deferred tax assets	78	80
Deferred tax liabilities	(251)	(251)
Overall tax position	**(171)**	**(167)**

Unrecognized tax losses

The Group has not recognized deferred tax assets that relate to unused tax losses amounting to €77 million (2011: €61 million), as it is not probable that future taxable profit will be available against which the Group can utilize the benefits. As part of the divestment of Pharma-related business the Company is investigating certain tax strategies. Given the uncertainties around these strategies any potential tax impact has not yet been recognized.

Of these unused tax losses 42% (2011: 37%) expires within the next 5 years, 17% (2011: 17%) expires after 5 years, and 41% (2011: 46%) carries forward indefinitely.

Deferred tax on items recognized immediately in other comprehensive income and immediately in equity			**2012**			2011
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Exchange differences on translation of foreign operations and net investment hedges	(55)	0	(55)	51	(1)	50
Gains/(losses) on cash flow hedges	(25)	0	(25)	(7)	0	(7)
Actuarial gains/(losses) on defined benefit plans	(41)	12	(29)	(32)	11	(21)
Total tax in other comprehensive income	**(121)**	**12**	**(109)**	**12**	**10**	**22**
Share-based payments	15	(4)	11	16	(4)	12
Total tax in equity	**15**	**(4)**	**11**	**16**	**(4)**	**12**

Inventories note 21

Inventories	2012	2011
Raw materials	3	3
Work in progress	30	27
Finished products and trade goods	62	51
Total	**95**	**81**

At December 31, 2012, the provision for obsolescence deducted from the inventory book values amounted to €35 million (2011: €34 million). In 2012, an amount of €7 million was recognized as an expense for the change in the provision for obsolescence (2011: €6 million) and is presented as part of cost of sales in the statement of income.

Trade and Other Receivables note 22

Trade and other receivables	2012	2011
Trade receivables	991	960
Prepayments	110	121
Derivative financial instruments note 25	-	-
Other receivables	23	18
Total	**1,124**	**1,099**

Trade receivables are shown net of impairment losses amounting to €51 million (2011: €53 million).
The fair value of the receivables is equal to the carrying amount. Impairment losses on trade receivables are presented as part of sales costs in the statement of income.

Cash and Cash Equivalents note 23

Cash and cash equivalents	2012	2011
Deposits	82	80
Cash and bank balances	246	215
Total	**328**	**295**

All deposits are demand deposits that are readily convertible into cash. Bank balances include an amount of approximately €2 million (2011: €2 million) of restricted cash.

An amount of €18 million (2011: €14 million) relates to non-controlling interests.

Other Current Liabilities note 24

Other current liabilities	2012	2011
Salaries, holiday allowances	163	149
Social security premiums and other taxation	58	55
Pension-related payables	9	9
Royalties payable	71	69
Derivative financial instruments note 25	1	13
Interest payable	82	82
Deferred acquisition payments note 25	5	5
Other liabilities and accruals	68	57
Total	**457**	**439**

Long-term debt note 25

Long-term debt	Nominal value	Effective interest rate (in %)	Nominal interest rate (in %)	Repayment commit-ments 1-5 years	Repayment commit-ments >5 years	2012	2011
Bonds 2003-2014	€700	5.240	5.125	699		699	699
Bonds 2008-2018	€750	6.472	6.375		747	747	746
Bonds 2008-2028	€36	6.812	6.748		36	36	36
Private placement 2008-2038	¥20,000	3.330	3.330		175	175	199
Private placement 2010-2020	€250	4.425	4.200		246	246	246
Perpetual cumulative subordinated bonds	€225	7.270	6.875		-	-	225
Deferred acquisition payments				14		14	7
Other long-term loans				1		1	-
Total long-term loans				**714**	**1,204**	**1,918**	**2,158**
Derivative financial instruments				-	-	0	0
Total long-term debt				**714**	**1,204**	**1,918**	**2,158**

Net debt	2012	2011
Total long-term debt	**1,918**	**2,158**
Borrowings and bank overdrafts		
Multi-currency roll-over credit facility	38	193
Other bilateral U.S. dollar bank loans	114	116
Other short-term loans	2	24
Bank overdrafts	113	13
Total borrowings and bank overdrafts	**267**	**346**
Perpetual cumulative subordinated bonds	225	-
Deferred acquisition payments note 24	5	5
Derivative financial instruments note 24	1	13
Total short-term debt	**498**	**364**
Gross debt	**2,416**	**2,522**
Minus:		
Cash and cash equivalents note 23	(328)	(295)
Note receivable note 19	-	(8)
Derivative financial instruments:		
Non-current receivable note 19	(2)	(51)
Current receivable note 22	-	-
Net debt	**2,086**	**2,168**

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

Loan maturity

The following amounts of gross debt at December 31, 2012, are due within and after five years:

Gross debt	2012
2014	701
2015	10
2016	3
2017	0
Due after 2017	1,204
Long-term debt	**1,918**
Short-term debt (2013)*	498
Total	**2,416**

* 2013 includes short-term borrowings on facilities and bank loans (€152 million)

Bonds

Wolters Kluwer has unsubordinated bonds outstanding for an amount of €1,482 million as at December 31, 2012 (2011: €1,481 million).

On November 19, 2003, Wolters Kluwer issued a ten-year unsubordinated Eurobond with a nominal value of €700 million, maturing in January 2014. The coupon on the bonds is 5.125% with an issue price of 99.618 per cent.

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

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

Private placements

On February 26, 2008, Wolters Kluwer entered into four bilateral private loan agreements for a total amount of ¥20 billion (carrying value at December 31, 2012: €175 million; at December 31, 2011: €199 million) with a maturity of 30 years. The loans denominated in Japanese yen were swapped to euro. The value of the credit contingency adjusted collateral for this cross-currency interest rate swap is €0 million (2011: €18 million) due to weaker Japanese Yen/Euro exchange rate.

On July 28, 2010, Wolters Kluwer entered into a bilateral private loan agreement for a total amount of €250 million (carrying value at December 31, 2012: €246 million; at December 31, 2011: €246 million) with a maturity of 10 years. The receipt of the cash proceeds took place in December 2010. The private loan has been priced at an issue price of 98.567 per cent and carries an annual coupon of 4.20%.

Perpetual cumulative subordinated bonds

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

In light of the Wolters Kluwer announcing its intention to conditionally exercise a call option on its perpetual cumulative subordinated bond €225 million in May 2013, this bond has been reclassified to short-term debt.

Multi-currency roll-over credit facility

In July 2010, Wolters Kluwer signed a €600 million multi-currency roll-over credit facility with a five year maturity in 2015. The credit facility is for general corporate purposes. On December 31, 2012, a carrying value of €38 million ($50 million) was drawn (at December 31, 2011: €193 million or $250 million). The multi-currency roll-over facility is subject to customary conditions, including a financial credit covenant. The credit facility covenant is defined as that the consolidated net senior borrowings (excluding fully subordinated debt) to ordinary EBITDA shall not exceed 3.5. In 2012, the Group is comfortably within the thresholds stipulated in the financial covenants of the credit facility.

Other bilateral bank loans

In 2012, Wolters Kluwer renewed for $150 million (carrying value at December 31, 2012: €114 million; at December 31, 2011: €116 million) other bilateral bank loans with a one year maturity. These loans were used for general corporate purposes.

There were no defaults or breaches on the loans and borrowings during 2012 and 2011.

Financial Risk Management note 26

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

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

The Group's funding activities are carried out by Corporate Treasury, using a mixture of long-term capital market instruments and committed credit facilities. A variety of instruments is used to ensure optimal financial flexibility and capital efficiency. The borrowings, together with cash generated from operations, are lent or contributed as equity to the operating companies. The Group targets a net-debt-to-EBITDA ratio of approximately 2.5; however, the Group could temporarily deviate from this relative indebtedness ratio. At December 31, 2012, the net-debt-to-EBITDA ratio is 2.4 (2011: 3.1) within our Company target.

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

Currency risk

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

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

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

Approximate impact of 1% decline of the U.S. dollar against the euro	**2012**	2011
Revenues	(19)	(20)
Ordinary EBITA	(5)	(5)
Operating profit	(4)	(3)
Ordinary net income	(4)	(3)
Profit for the year	(3)	(2)
Shareholders' equity at December 31	(21)	(22)
Ordinary free cash flow	(4)	(3)

In order to hedge its net investment in the United States (defined as total investment in both equity and long-term receivables from the U.S. operations), the Group had U.S. dollar forward contracts outstanding for a total notional amount of €152 million ($200 million) at December 31, 2012.

The Group had U.S. dollar debt outstanding for a total notional amount of €308 million ($406 million) at December 31, 2012 (2011: €469 million or $607 million). The U.S. dollar debt includes a notional amount of €152 million ($200 million) forward contracts which create a U.S. dollar balance sheet cover with a future settlement date (negative carrying value of €1 million at December 31, 2012, as shown in note 25, derivative financial instruments under total short-term debt). The balance sheet cover is defined as the U.S. dollar forward contracts and U.S. dollar debt outstanding divided by its net investment in U.S. dollars. The U.S. dollar balance sheet cover is 12% (2011: 18%).

A part of the finance costs was swapped into U.S. dollar through the use of derivative financial instruments (2012: $75 million). Of the total finance costs in 2012, 50% (2011: 66%) was payable in U.S. dollars and resulting currency results have been recognized in the statement of income. Based on the percentage of 50% for finance costs payable in U.S. dollars, the following sensitivity analysis can be made. An instantaneous 1% decline of the U.S. dollar against the euro from its exchange rate at December 31, 2012, with all other variables held constant, would result in a decrease of approximately €0.6 million of the finance costs (2011: approximately €0.8 million).

Interest rate risk

The Group is exposed to interest rate risk, mainly with regard to the euro and the U.S. dollar. The Group aims to mitigate the impact on its results and cash flow of interest rate movements, both by arranging fixed or variable rate funding and by possible use of derivative financial instruments. Currently the Group's interest rate position (excluding cash and cash equivalents) is almost fully fixed rather than floating; of the total interest portfolio (excluding cash and cash equivalents) approximately 6% per year-end 2012 (2011: 12%) was variable rate and 94% (2011: 88%) carried a fixed rate.

Assuming the same mix of variable and fixed interest rate instruments, an instantaneous increase of interest rates of 1% compared to the rates on December 31, 2012, with all other variables held constant, would result in a increase of approximately €1 million of the finance costs (2011: approximately €3 million).

Liquidity risk

The Group actively manages liquidity risk by maintaining sufficient cash and cash equivalents, and the availability to committed borrowing capacity. In order to reduce liquidity risk, the Group has established the following minimum requirements:

- Repayment of long-term debt should be spread evenly over time;
- Acquiring of funding to start at least one year in advance of all maturing debt or alternative committed funding should be in place; and
- Minimum headroom of €500 million (sum of unused committed credit facilities, cash and cash equivalent, and receivable derivative financial instruments, minus other short-term loans, deferred (short-term) acquisition payments, (current payable) derivative financial instruments, and bank overdrafts).

Per December 31, 2012, the Group has access to the unused part of the committed credit facilities of €562 million in total (2011: €407 million) and has cash and cash equivalents of €328 million, (receivable) derivative financial instruments of €2 million, minus other short-term loans, deferred (short-term) acquisition payments, bank overdrafts and (current payable) derivative financial instruments of in total €121 million. The headroom was €771 million at year-end 2012 (2011: €706 million). No property has been collateralized or in any other way secured under debt contracts.

Credit risk

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

Financial instruments and excess cash at financial institutions

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

It is the Group's practice to conclude financial transactions under ISDA (International Swap Dealers Association) master agreements. Cash is invested and financial transactions are concluded only with financial institutions with strong credit ratings (at least a credit rating of A-/A3). Furthermore, credit limits per counterparty are in place and are monitored periodically. At December 31, 2012, there were no material credit risk concentrations outstanding while the average weighted credit rating of counterparties was A+ (2011: A+). The aim is to spread transactions among counterparties. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties on current outstanding contracts.

Trade receivables

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

Trade receivables include an amount of €348 million (2011: €282 million) past due, but not impaired.

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

Aging analysis of trade receivables	2012	2011
Past due up to 30 days	141	113
Past due between 30 and 90 days	93	68
Past due over 90 days	114	101
Total past due, not impaired	**348**	**282**

Fair value of financial instruments

Fair value of financial instruments		2012		2011
	Carrying value	Fair value	Carrying value	Fair value
Non-current note receivable	-	-	8	8
Trade receivables	991	991	960	960
Investments available-for-sale	36	36	1	1
Assets held for sale	0	0	81	81
Trade and other payables	(383)	(383)	(388)	(388)
Perpetual cumulative subordinated bonds	(225)	(232)	-	-
Liabilities held for sale	-	-	(50)	(50)
Bonds	(1,482)	(1,705)	(1,481)	(1,632)
Private placements	(421)	(435)	(445)	(417)
Perpetual cumulative subordinated bonds	-	-	(225)	(219)
Derivative financial instruments:				
Non-current receivable	2	2	51	51
Current receivable	-	-	0	0
Non-current payable	-	-	0	0
Current payable	(1)	(1)	(13)	(13)
Total derivative financial instruments	**1**	**1**	**38**	**38**

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

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

The fair value of the trade receivables and trade and other payables is equal to the carrying amount.

Financial instruments		2012				2011
	Carrying value	Fair value	Level 1	Level 2	Level 3	Fair value
Assets						
Investments available-for-sale	36	36	-	-	36	1
Non-current note receivable	-	-	-	-	-	8
Non-current derivatives receivable	2	2	-	2	-	51
Current derivatives receivable	-	-	-	-	-	-
Total assets	**38**	**38**	**-**	**2**	**36**	**60**
Liabilities						
Bonds 2003-2014 (in €)	699	730	730	-	-	735
Bonds 2008-2018 (in €)	747	925	925	-	-	855
Bonds 2008-2028 (in €)	36	50	-	50	-	42
Private placement 2008-2038 (in ¥)	175	152	-	152	-	179
Private placement 2010-2020 (in €)	246	283	-	283	-	238
Perpetual cumulative subordinated bonds (in €)	225	232	232	-	-	219
Long-term deferred acquisition payments	14	14	-	-	14	7
Other long-term loans	1	1	-	-	1	-
Current derivatives payable	1	1	-	1	-	13
Non-current derivatives payable	-	-	-	0	-	-
Total liabilities	**2,144**	**2,388**	**1,887**	**486**	**15**	**2,288**

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

Fair value hierarchy level 3	2012	2011
Balance at January 1	7	7
Arising from business combinations [note 8]	11	3
Settlements/movements to short-term	(3)	(3)
Balance at December 31	**15**	**7**

Hedge accounting

At year-end the outstanding derivative financial instruments qualify for hedge accounting under IFRS. To apply for hedge accounting requires the hedge to be highly effective. In 2012, the result recorded in the statement of income as a result of ineffectiveness of hedging is: cash flow hedge, €0 million (2011: €0 million) and net investment hedge, €0 million (2011: €0 million).

Sensitivity analysis

A sensitivity analysis on the derivative financial instruments portfolio yields the following results assuming an instantaneous 1% decline of the U.S. dollar and Japanese yen against the euro from their levels at December 31, 2012, and an instantaneous 1% increase of the U.S. dollar, Japanese yen, and euro interest rates respectively.

Sensitivity in millions	Hedged risk	Amount	Type instrument	Exchange rate movement	Interest rate movement
Fair value hedge	Fair value fluctuations due to movements in the applicable market benchmark interest rates	-	Interest rate swaps	-	-
Cash flow hedge	Changes in ¥ floating interest payments and ¥ exchange rates	¥20,000	Cross- currency interest rate swaps	(2)	(4)
Net investment hedge	Changes of the U.S. dollar net investments due to fluctuations of U.S. dollar exchange rates	$200	Forward contracts	2	0

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

The multi-currency roll-over credit facility and another bank loans are not included in this sensitivity analysis since this is not a derivative financial instrument. However, of the total dollar denominated debt of $200 million an amount of $150 million ($350 million at December 31, 2011) serves as a net investment hedge at December 31, 2012.

Employee Benefits note 27

Employee benefits	**2012**	2011
Pensions and post-employment plans	157	168
Other (post-) employment obligations	14	14
Total	**171**	**182**

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

Assumptions in %	**2012**	2011
Pension plans		
Discount rate used to discount the obligations at year-end	3.5	5.1
Discount rate for net periodic pension expense	5.1	5.2
Expected return on plan assets for net periodic pension expense	5.5	5.5
Expected rate of salary increase for net periodic pension expense	3.0	3.0
Post-employment plans		
Discount rate used to discount the obligations at year-end	3.4	4.4
Discount rate for net periodic pension expense	4.4	5.0
Medical cost trend rate	3.0	3.0

The discount rate is determined using the Rate:Link method, which is based on a selection on the entire corporate bond universe, according to Bloomberg. Those selected bonds are high-quality corporate bonds, with at least ratings 'AA' or higher. Minima are also applied to the total amount outstanding per bond. The corporate bonds selected in this manner form the universe upon which the yield curve determining the discount rate is based. The bonds are divided into nine different 'baskets'. A weighted average maturity and yield are determined for each of the baskets, yielding nine points of data that are used as the basis for the curve.

The expected rates of return on individual categories of plan assets are determined by reference to relevant market indices. The overall expected rate of return on plan assets is based on the weighted average of each asset category. The average increase in salaries is based on the non-closed pension plans. Assumptions regarding future mortality experience are set based on actuarial advice and mortality tables generally accepted in the applicable countries.

Mortality assumptions for the most important countries are based on the following post-retirement mortality tables:

- Netherlands: projection table 2012-2062 (2011: 2010-2060);
- U.S.: *2012 Pension Protection Act ('PPA') Treasury Table*, being the current standard mortality table (2011: PPA 2011); and
- U.K.: Self-administered pension schemes SAPS (year of Birth) CMI projections with a 1.25% long-term improvement rate (2011: '*SAPS' (Year of Birth) – 1 year medium cohort projection 1% underpin)*.

Given the nature of the defined benefit obligations in Belgium, Italy, and Australia (no annuity payments paid from the plan, but instead lump sum benefit payment at retirement date), the impact of changing longevity after the retirement age on the plan liabilities is expected to be limited.

Plan liabilities and assets	Defined benefit pension plans		Post-employment plans	
	2012	2011	**2012**	2011
Plan liabilities				
Fair value at January 1	959	932	67	61
Current service cost	4	6	2	2
Interest cost	47	47	3	3
Benefits paid by fund	(57)	(38)	(4)	(4)
Actuarial (gains)/losses	226	1	(5)	3
Contributions by plan participants	4	4	-	-
Other	(5)	(1)	-	-
Exchange rate differences	(1)	8	(2)	2
Fair value at December 31	**1,177**	**959**	**61**	**67**
Plan assets				
Fair value at January 1	1,022	971	0	0
Expected return on plan assets	54	53	-	-
Actuarial gains/(losses)	80	18	-	-
Benefits paid by fund	(57)	(38)	(4)	(4)
Contributions by the employer	20	8	4	4
Contributions by plan participants	4	4	-	-
Exchange rate differences	0	6	0	0
Fair value at December 31	**1,123**	**1,022**	**0**	**0**
Funded status				
Unfunded/(funded) status at December 31	54	(63)	61	67
Unrecognized past service cost	3	4	4	5
Asset ceiling	35	135	-	-
Reclassification of Medicare Part D to financial assets [note 19]	-	-	-	20
Net liability at December 31	**92**	**76**	**65**	**92**
Pension cost				
Current service cost	4	6	2	2
Interest cost	47	47	3	3
Expected return on plan assets	(54)	(53)	-	-
Amortization unrecognized past service cost	(4)	(1)	(1)	(1)
Plan amendments and curtailments	(2)	(1)	-	-
Total pension costs of which included in:	**(9)**	**(2)**	**4**	**4**
Personnel expenses [note 11]	(8)	(2)	4	4
Results on divestments of operations [note 8]	(1)	-	-	-

Benefits paid by the fund increased from 2011 to 2012 mainly due to a lump sum distribution with a total value of about €9 million offered to deferred vested participants in the U.S. pension plan.

The 2012 asset ceiling of €35 million (2011: €135 million) relates mainly to the defined benefit pension schemes in the Netherlands and, to a lesser extent, in the U.K. In these defined benefit plans the over-funding of the defined benefit plans cannot likely be recovered, based on the current terms of the plans, through refunds or reductions in future contributions.

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

Actuarial gains/(losses)	2012	2011
Position at January 1	(126)	(94)
Recognized in other comprehensive income	(41)	(32)
Cumulative amount at December 31	**(167)**	**(126)**

The actual return on plan assets for the year ended December 31, 2012, amounted to a gain of €133 million (2011: a gain of €71 million).

Funded status

The funded status of the defined benefit pension plans for the years 2012-2008 and the related experience gains and losses over the years is as follows:

Funded status	2012	2011	2010	2009	2008
Present value of defined benefit obligation	(1,177)	(959)	(932)	(879)	(852)
Fair value of plan assets	1,123	1,022	971	885	817
Funded/(unfunded) status	**(54)**	**63**	**39**	**6**	**(35)**
Experience gains/(losses) plan assets	79	18	26	39	(177)
Experience gains/(losses) plan liabilities	5	4	9	(5)	(19)

The Group has defined benefit plans in The Netherlands, United States, United Kingdom, Belgium, Canada, and Australia. The largest plan is the Wolters Kluwer Nederland pension plan, with both defined benefit and defined contribution sections. The other major defined benefit plans are based in the United States and the U.K. The Group has taken steps to reduce the risk associated with its defined benefit plans. The Group has restructured plans in the past by moving existing and newly hired employees to defined contribution plans or by freezing the plans (no future service benefit accruals). These redesigns reduce or cancel future benefit accruals in the plans and consequently reduce the pace of liability growth. The Group also reviewed its financing and investments policies (liability driven investments and its liability management (lump sum offerings)).

The table below shows the status of the main plans. A closed plan means that no new members can join the pension plan, however, current participants in the plan can still accrue for future service benefits. If a plan is frozen, the plan is closed to both new entrants and future service benefits accruals, so the plan will have a service cost of zero.

Status of plans in 2012	Pension plans	Other plans
Netherlands	Open	-
U.K.	Frozen	-
U.S.	Frozen	Open

As at December 31, 2012, all plans have a net liability status, except for the defined benefit plans in the Netherlands and the U.K. (December 31, 2011: the Netherlands and U.K.).

The U.K. defined benefit plan is a self-administered plan with plan assets being held independently of the Group. The trustees of the plan are required to act in the best interest of the plan's participants. The Group and the trustees finalized the latest triennial valuation 2011 for funding purposes.

As part of the pharma-business sale in the U.K., a part of the sales proceeds were reapportioned under law to the U.K. pension fund resulting in an additional funding of €5 million recognized as part of net cash used in operating activities from discontinued operations. In 2014, the U.K. funding will be reassessed based on new triennial valuation.

The Group's employer contributions to be paid to the defined benefit pension plans in 2013 are estimated at €14 million (2012: €20 million).

The (un-)funded status of the defined benefit pension plans in 2012 was mainly affected by lower interest rates resulting in higher defined benefit obligations partly offset by the higher valuation of the investments in bonds and interest hedging.

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

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

Sensitivity in millions	Medical cost	Gross service cost	Defined benefit obligations
Baseline	2	10	1,238
Discount rate -1%	3	13	1,461
Discount rate +1%	2	8	1,062

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

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 3% (2011: 3%) according to the plan rules. Consequently, the sensitivity for a 1% change in the assumed medical cost trend rate is nil.

The baseline gross service cost of €10 million (2011: €8 million) relates to the pension plans as well as the Italian TFR ('Trattamento di fine Rapporto') plan.

The liability weighted duration for the defined benefit plans is as follows:

Estimated liability weighted duration (number of years)	**2012**	2011
Pension plans:		
Netherlands	18	15
U.K.	19	18
U.S.	15	14
Post-employment plans:		
U.S.	12	10

Due to the lower interest rates the duration of the liabilities increased for the majority of the plans compared to 2011. Duration is an indicator of the pension liabilities sensitivity for changes in interest rates.

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

Proportion of plan assets in %	**2012**	2011
Equity	29	29
Bonds	64	63
Other	7	8
Total	**100**	**100**

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

The overall expected rate of return on assets (EROA) for the year 2013 will be maximized to the applied weighted average discount rate used in 2013.

Post-employment plans
Post-employment plans consist of the post-retirement medical benefits plan in the United States, Canada, and the Italian TFR plan. These post-employment plans have no plan assets and are unfunded. The 2011 reclassification of the Medicare Part D subsidy of €20 million refers to the U.S. Medicare Prescription Drug subsidy (see note 19). Effective January 1, 2012, the employer involvement in the Medicare Part D plan in the United States has changed. Up to the end

of 2011 a state subsidy was provided to the Company directly for which the Company has recognized a financial asset. As of January 1, 2012, the Medicare Part D subsidy is provided as a premium rebate and no longer as a subsidy to the Company.

Provisions for Restructuring Commitments note 28

Provision for restructuring commitments	Springboard	Acquisition integration	Restructuring	2012	2011
Position at January 1	19	2	1	22	10
Add: short-term commitments	47	7	6	60	24
Total at January 1	66	9	7	82	34
Movements					
Additions through business combinations	-	-	-	0	2
Additions due to divestments of operations	-	-	5	5	2
Additions to Springboard/acquisition integration note 4	(1)	13	-	12	120
Other additions	-	-	18	18	-
Total additions	(1)	13	23	35	124
Appropriation of provisions for restructuring	(36)	(15)	(4)	(55)	(75)
Transfer to liabilities held for sale	-	-	-	0	(1)
Exchange differences and other movements	-	-	-	0	0
Total movements	**(37)**	**(2)**	**19**	**(20)**	**48**
Total at December 31	29	7	26	62	82
Less: short-term commitments	(26)	(6)	(26)	(58)	(60)
Position at December 31	**3**	**1**	**0**	**4**	**22**

The majority of the provisions relates to severance programs, restructurings, and onerous contracts and will be settled within the next twelve months (€58 million). The remaining long-term part of the provisions (€4 million) is expected to be settled in 2014.

Springboard
The Springboard provision relates to the remaining expenses to be incurred to complete the final phase of the Springboard program and mainly consists of expected personnel-related restructuring costs, and onerous contracts.

In 2012, there were no restructuring costs related to Springboard following completion of this operational excellence program at the end of 2011.

Acquisition integration
The acquisition integration provision relates to non-recurring expenses to be incurred for the integration of the acquired activities by business combinations and mainly consists of expected redundancy payments, IT migration costs, and onerous contracts.

Restructuring
The restructuring provision mainly relates to expected redundancy payments. The 2012 additions mainly relate to the planned divestment of the Pharma-business.

Capital and Reserves note 29

Share capital

The authorized capital amounts to €143.04 million, consisting of €71.52 million in ordinary shares (nominal value of €0.12 per ordinary share) and €71.52 million in preference shares.

The issued share capital consists of ordinary shares. The number of issued ordinary shares increased from 301.7 million per December 31, 2011, to 301.9 million per December 31, 2012. The 2012 increase in issued share capital was due to the issuance of 2011 stock dividend.

The Company holds 6.6 million of shares in treasury at December 31, 2012 (2011: 5.1 million), which have not been cancelled; the increase is due to the €135 million share buy-back program in 2012 (10.1 million shares), which was partly offset by the use of treasury shares for the 2011 stock dividend (8.2 million shares) and the vesting of the 2009-2011 LTIP plan (0.4 million shares). At December 31, 2012, the net number of shares outstanding is 295.3 million (2011: 296.6 million).

Legal reserve participations

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

Translation reserve

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

Hedge reserve

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

Treasury shares

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

In 2012, the Company executed a share buy-back program of €135 million. The Company repurchased 10.1 million of ordinary shares under this program at an average stock price of €13.45.

Dividends

Pursuant to Article 29 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.69 per share in cash on May 16, 2013. Of the 2011 dividend of €0.68 per share, 45.3% was distributed as cash dividend (2010 dividend: 63.7%).

The Company has a progressive dividend policy under which the Company expects to increase the dividend per share each year. The Company has announced that it will offset the dilution of its performance share issuance annually via share repurchases.

Free distributable reserves

The share premium reserve, the retained earnings and undistributed profit for the year are available for dividend distribution.

Number of shares

For a reconciliation of average number of shares and earnings per share, see note 6.

Number of shares in thousands	Number of ordinary shares		Number of treasury shares		Total outstanding shares	
	2012	2011	**2012**	2011	**2012**	2011
At January 1	301,661	298,659	(5,102)	(49)	296,559	298,610
Stock dividend	236	2,395	8,210	2,105	8,446	4,500
Repurchased shares	-	-	(10,070)	(7,205)	(10,070)	(7,205)
Long-Term Incentive Plan	-	607	403	27	403	634
Stock options	-	-	-	20	-	20
At December 31	**301,897**	**301,661**	**(6,559)**	**(5,102)**	**295,338**	**296,559**

Option preference shares
The Company has granted an option to purchase preference shares to the Wolters Kluwer Preference Shares Foundation (*Stichting Preferente Aandelen Wolters Kluwer*). The dividend on these shares would equal a normal market rate of return, based on a weighted average of interest rate applied by the European Central Bank. Therefore, the fair value of the option is deemed to be zero.

Shareholder's equity movement schedule
For the equity movement schedule reference is made to note 39 in the separate financial statements of the Company.

Share-based Payments note 30

Long-Term Incentive Plan
Executive Board members and senior executives are awarded shares under the equity-settled Long-Term Incentive Plan (LTIP).

The performance period of the LTIP is three years at the beginning of which a base number of shares (norm pay-out) are conditionally awarded to each beneficiary.

Conditional awarded TSR based LTIP-shares
For the conditional Total Shareholder Return (TSR) awards that were awarded up to and including 2012 (including LTIP 2009-11, 2010-12, 2011-13, and 2012-14) the pay-out of shares after three years fully depends on the Group's TSR relative to a pre-defined group of 15 peer companies. Vesting of these conditional grants is subject to the non-market condition that the participant stays with the Group until the plan's maturity. The expense of the TSR based LTIP is recognized ratably in the statement of income over the performance period.

Actual awards at the end of the performance period will range anywhere from 0% to 150% of the norm pay-out. There will be no pay-out for the Executive Board if Wolters Kluwer ends below the eighth position in the TSR Ranking, 150% for first or second position, 125% for third or fourth position, 100% for fifth or sixth position, and 75% pay-out for seventh or eighth position.

Conditional awarded EPS based LTIP-shares
In 2011, an additional performance condition based on Diluted Earnings per Share (EPS) at constant currencies for the LTIP awards was made to the Executive Board, in addition to the existing performance condition based on the TSR. This change only related to the conditional LTIP awards granted to the Executive Board made in 2011 and future years; the terms and conditions of the LTIP awards to Senior Executives and other employees remained unchanged in 2011.

As a consequence, for the LTIP grant 2011-13 to the Executive Board, the LTIP awards depend partially on the TSR performance (50% of the value of the conditionally awarded rights on shares) and partially on the EPS performance (50% of the value of the conditionally awarded rights on shares).

As of 2012, the LTIP awards for senior executives also depend partially on the TSR performance (50% of the conditionally awarded rights on shares) and partially on the EPS performance (50% of the conditionally awarded rights on shares). The TSR based LTIP 2012-2014 awards for senior management are based on the same pay-out schedules as of the Executive Board.

The amount recognized as an expense in a year is adjusted to reflect the number of shares awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market conditions at the vesting date.

For the EPS related shares, there will be no pay-out if the performance over three years is less than 50% of the target. In case of overachievement of the target, the Executive Board members and senior executives can earn up to a maximum of 150% of the conditionally awarded shares. See for more details Remuneration Report.

In 2012, €15 million has been recognized within personnel expenses in the statement of income (2011: €16 million) related to the total cost of the LTIP 2010-12, 2011-13, and 2012-14.

LTIP 2012-14 and 2011-13	Executive Board		Senior Executives	
TSR shares - key assumptions	LTIP 2012-14	LTIP 2011-13	LTIP 2012-14	LTIP 2011-13
Fair value at grant date	8.92	12.12	8.92	14.67
Share price at grant date	13.36	16.40	13.36	16.40
Expected volatility	25%	31%	25%	31%
Expected life	3 years	3 years	3 years	3 years
Expected dividends	1.5%	1.5%	1.5%	1.5%
Risk free interest rate	0.79%	1.25%	0.79%	1.25%

LTIP 2009-11

The LTIP 2009-11 vested on December 31, 2011. On Total Shareholder Return (TSR) Wolters Kluwer ranked eleventh relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board and a pay-out of 50% to the senior executives. As a result, 403,075 shares were released on February 23, 2012.

LTIP 2010-12

The LTIP 2010-12 vested on December 31, 2012. On Total Shareholder Return (TSR) Wolters Kluwer ranked eight relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board and in a pay-out of 100% of the conditional base number of shares awarded to senior executives. The shares will be released on February 21, 2013.

LTIP 2010-12	
number of shares	
Total grant	1,499,358
Forfeited in previous years	(146,570)
Shares outstanding at January 1, 2012	1,352,788
Forfeited and vested during year	(123,375)
Effect of 25% non-vesting based on TSR ranking Executive Board	(87,665)
Vested at December 31, 2012	**1,141,748**

LTIP 2012-14 and LTIP 2011-13

LTIP 2012-14 and 2011-13	LTIP	LTIP	Total
Base numbers of shares at 100% pay-out	2012-14	2011-13	
Conditionally awarded grant 2011	-	1,430,187	1,430,187
Forfeited in previous years	-	(61,600)	(61,600)
Shares outstanding at January 1, 2012	0	1,368,587	1,368,587
Conditionally awarded grant 2012	1,729,795	-	1,729,795
Forfeited and vested in 2012	(147,629)	(158,455)	(306,084)
Outstanding at December 31, 2012	**1,582,166**	**1,210,132**	**2,792,298**

The fair value of each conditionally awarded share under the running LTIP grants, as determined by an outside consulting firm, for the Executive Board and for the senior managers of the Group is summarized as follows:

Fair value of conditionally awarded shares under each LTIP-grant based on TSR and EPS vesting conditions	Executive Board		Senior Executives	
	Fair value (€)	Vesting (in %)	Fair value (€)	Vesting (in %)
EPS-condition:				
LTIP 2012-14	11.31	-	11.31	-
LTIP 2011-13	14.38	-	-	-
TSR-condition:				
LTIP 2012-14	8.92	-	8.92	-
LTIP 2011-13	12.12	-	14.67	-
LTIP 2010-12	11.08	75	13.46	100
LTIP 2009-11	9.13	0	11.27	50
LTIP 2008-10	14.71	0	18.49	75

The fair value of a conditionally awarded share under the LTIP 2012-14 decreased compared to previous year, mainly as a result of the lower share price of Wolters Kluwer at January 1, 2012, compared to January 1, 2011.

Related Party Transactions note 31

The Company has a related party relationship with its subsidiaries (Wolters Kluwer nv has filed a list of the subsidiaries at the Trade Register in The Hague), equity-accounted investees, joint venture, the pension funds, and members of the Supervisory Board and the Executive Board. Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. For transactions with key management reference is made to note 33 Remuneration of the Executive Board and Supervisory Board.

Related party transactions
The Group has one joint venture accounted for under the proportionate share method in the consolidated financial statements of the Group. The revenues of this joint venture on a 100% basis amount to €13 million (2011: €13 million).

The Group has no significant transactions or outstanding balances with its equity-accounted investees other than its equity-interest holdings.

Joint venture transactions	**2012**	2011
Sales of goods and services bought from joint venture	8	9
Services provided to joint venture	(3)	(3)
Net amounts payable at December 31	2	3

Commitments and Contingent Liabilities note 32

Leases

The Group leases a number of offices under operating leases. The leases typically run for a period of 3-10 years, with an option to renew the lease. Lease payments are increased to reflect market rentals. None of the leases include contingent rentals.

At December 31, 2012, annual commitments under rental and operational lease agreements amounted to €61 million (2011: €67 million). The average term of these commitments is approximately 4.0 years (2011: 4.8 years).

Non-cancelable operating lease rentals are payable as follows:

Non-cancelable operating lease rentals	**2012**	2011
Less than one year	19	19
Between one and five years	40	44
More than five years	29	31

Some of the leased property is sublet by the Group. Sublease payments of €5 million (2011: €3 million) are expected to be received during the following financial year. The Group has recognized a provision of €2 million related to these subleases (2011: €3 million).

Non-current assets include €0 million (2011: €1 million) relating to finance lease arrangements. The amount due within the first year is €0 million (2011: €1 million), the amount due in the second to fifth years is nil (2011: nil). The present value of the lease payments does not differ materially from the nominal value.

Guarantees

At December 31, 2012, the Group has outstanding guarantees regarding royalty payments to societies during the coming years of €5 million (2011: €4 million).

The Group has issued formal guarantees for bank credit facilities for a total amount of €127 million (2011: €132 million) on behalf of a number of its foreign subsidiaries. At December 31, 2012, €42 million of these credit facilities had been utilized (2011: €40 million). At December 31, 2012, other bank guarantees had been issued at the request of the Company or its subsidiaries for a total amount of €8 million (2011: €8 million). These guarantees mainly relate to rent for real estate. In addition, parental performance guarantees to third parties have been issued for €11 million (2011: €14 million).

The Group has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €9 million (2011: €9 million).

Legal and judicial proceedings, claims

The Group is involved in legal and judicial proceedings and claims in the ordinary course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists.

A liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the financial performance and position of the Group.

Remuneration of the Executive Board and Supervisory Board note 33

For details on the Group's remuneration policy, see Remuneration Report.

The table below provides the accounting costs of the total compensation of the Executive Board recognized in the statement of income, including the cost recognized for share-based payments compensation:

Remuneration costs for the Executive Board in thousands of euros	Salary	Bonus[1]	Defined contribution pension plan	Social security	Other Benefits	Share-based payments (LTIP)[2]	Tax gross up[3]	**2012**	2011
N. McKinstry, Chairman	1,058	921	422	20	221	2,906	730	6,278	5,247
B.J.L.M. Beerkens	622	697	135	9	29	1,078	-	2,570	2,472
J.J. Lynch, Jr.[4]	441	-	16	18	44	(1,637)	49	(1,069)	1,791
Total	**2,121**	**1,618**	**573**	**47**	**294**	**2,347**	**779**	**7,779**	**9,510**

1 Ms. McKinstry's compensation is €1,058,328. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,190,330 x 142.03% (equivalent to €1,315,616) of which 30% (€394,685; 2011: 30% equivalent to €334,447) has been deferred to pension. In addition, 30% of the vested LTIP shares under grant 2010-2012 will be deferred to pension in 2013.

2 LTIP share-based payments are based on IFRS accounting policies and therefore do not reflect the actual pay-out or value of performance shares released upon vesting.

3 The tax gross up increased compared to last year mainly due to the recognition of additional wage tax payments and wage tax audits related to prior years. If these payments are excluded from the normal wage tax related payments, the tax gross up costs come to €0.4 million in 2012.

4 The remuneration of Mr. J.J. Lynch, Jr. represents the remuneration until the date of resignation. As Mr. J.J. Lynch, Jr. terminated his contract before year-end, there is no bonus pay-out. In addition, all conditionally awarded shares to Mr. J.J. Lynch, Jr. forfeited.

In 2012, the Company recognized a crisis tax levy of 16% on the 2012 Dutch fiscal wage tax base. The one-time non-recurring crisis tax is government mandated and is due in 2013, but will be calculated over the 2012 fiscal tax base for individual taxable incomes over €150,000. The Dutch crisis tax levy is not considered to be a remuneration element for the Executive Board. The amount due for the Executive Board totals €0.4 million and can be specified as follows:

in thousands of euros	Crisis tax levy
N. McKinstry	283
B.J.L.M. Beerkens	159
J.J. Lynch, Jr.	-
Total	**442**

The table below provides the 2012 remuneration of the members of the Executive Board that has actually been paid in 2012 or will be paid in 2013 for the bonus component; the vesting of the LTIP shares for the Executive Board resulted in no pay-out in 2012 and 2011:

Remuneration of the Executive Board based on actual pay-out in thousands of euros	Salary	Bonus[1]	Defined contribution pension plan	Social security	Other Benefits	Share-based payments (LTIP)	Tax gross up[3]	**2012**	2011
N. McKinstry, Chairman	1,058	921	422	20	221	-	730	3,372	2,408
B.J.L.M. Beerkens	622	697	135	9	29	-	-	1,492	1,412
J.J. Lynch, Jr.[2]	441	-	16	18	44	-	49	568	1,042
Total	**2,121**	**1,618**	**573**	**47**	**294**	**-**	**779**	**5,432**	**4,862**

[1] Ms. McKinstry's compensation is €1,058,328. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,190,330 × 142.03% (equivalent to €1,315,616) of which 30% (€394,685; 2011: 30% equivalent to €334,447) has been deferred to pension.

[2] The remuneration of Mr. J.J. Lynch, Jr. represents the remuneration until the date of resignation.

[3] The tax gross up increased compared to last year mainly due to the recognition of additional wage tax payments and wage tax audits related to prior years. If these payments are excluded from the normal wage tax related payments, the tax gross up costs come to €0.4 million in 2012.

Social security costs paid by the Company in a year related to shares that were released under LTIP are included in the remuneration. The tax gross up relates to the tax expense that was paid by the Company in 2012 relating to tax equalization for salary and benefits per the contracts between the Company and Ms. McKinstry and Mr. Lynch.

The 2012 bonuses as presented above relate to the performance year 2012 and will be paid in 2013.

The 2012 pension contributions as presented above reflect the accrued pension cost for the financial year 2012.

Long-Term Incentive Plan (LTIP) for Executive Board Members

LTIP 2010-12

The LTIP 2010-12 vested on December 31, 2012. On Total Shareholder Return (TSR) Wolters Kluwer ranked eight relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board members.

LTIP 2010-12 number of shares	Outstanding at January 1, 2012	Forfeitures	Deduction on conditional number of shares (25%)	Pay-out/ Vested December 31, 2012
N. McKinstry, Chairman	255,250	-	(63,812)	191,438
B.L.J.M. Beerkens	95,412	-	(23,853)	71,559
J.J. Lynch, Jr.[1]	71,542	(71,542)	-	0
Total	**422,204**	**(71,542)**	**(87,665)**	**262,997**

[1] Mr. J.J. Lynch, Jr. resigned as Member of the Executive Board in 2012. As a result, the conditionally awarded shares to Mr. J.J. Lynch forfeited.

LTIP 2012-14 and LTIP 2011-13
The Executive Board members have been conditionally awarded the following conditional number of shares based on a 100% pay-out, subject to the conditions of the LTIP for 2011-13 and 2012-14, as described in Remuneration Report.

LTIP 2012-14 and 2011-13 base numbers of shares at 100% pay-out	Conditionally awarded TSR based shares LTIP 2012-14	Conditionally awarded EPS based shares LTIP 2012-14	Conditionally awarded TSR based shares LTIP 2011-13	Conditionally awarded EPS based shares LTIP 2011-13	Total conditionally awarded shares December 31, 2012
N. McKinstry, Chairman	163,384	128,858	122,748	103,457	518,447
B.L.J.M. Beerkens	61,036	48,138	44,921	37,861	191,956
Total	**224,420**	**176,996**	**167,669**	**141,318**	**710,403**

All outstanding conditionally awarded shares to Mr. J.J. Lynch, Jr. forfeited as result of his resignation in 2012.

The fair value of each conditionally awarded share under the running LTIP grants to the Executive Board members, as determined by an outside consulting firm, was as follows:

Fair value of conditionally awarded shares under each LTIP-grant	Fair value (€) of awarded TSR shares	Fair value (€) of awarded EPS shares	Vesting (in %)
LTIP 2012-14	8.92	11.31	-
LTIP 2011-13	12.12	14.38	-
LTIP 2010-12	11.08	-	75
LTIP 2009-11	9.13	-	0
LTIP 2008-10	14.71	-	0

The plans have a performance period of three years.

Shares Owned by Executive Board Members
At December 31, 2012, the Executive Board jointly held 183,100 shares (2011: 178,100 shares), of which 123,350 shares (2011: 120,350 shares) were held by Ms. McKinstry and 59,750 shares by Mr. Beerkens (2011: 57,750 shares). Mr. Beerkens owns perpetual bonds issued by the Company for a nominal value of €158,000.

Remuneration of Supervisory Board members in thousands of euros	Member of Selection and Remuneration Committee	Member of Audit Committee	**Remuneration 2012**	Remuneration 2011
A. Baan, Chairman	•	•	74	74
P.N. Wakkie, Deputy Chairman	•		64	62
B.F.J. Angelici		•	59	59
B.M. Dalibard			52	52
L.P. Forman	•	•	67	67
D.R. Hooft Graafland[1]		•	39	-
S.B. James	•		57	57
H. Scheffers[2]		•	21	62
Total			**433**	**433**

[1] Mr. Hooft Graafland became a member of the Supervisory Board and Audit Committee as per April 2012.

[2] Mr. Scheffers resigned as per April 2012 as a member of the Audit Committee and the Supervisory Board. Mr. Forman succeeded him as of that date as Chairman of the Audit Committee.

Shares Owned by Supervisory Board Members
The Supervisory Board members do not own shares in Wolters Kluwer.

Events after Balance Sheet Date note 34

On January 4, 2013, Wolters Kluwer acquired Health Language, Inc., a leader in Medical Terminology Management (MTM), a rapidly growing segment of the point-of-care market. The acquisition is part of Wolters Kluwer Health's strategy to continually enhance its leadership position in the point of care market by providing customers with access to a comprehensive set of evidence-based disease and drug information knowledge platforms and robust software solutions.

The company's products and services are highly complementary with those of Wolters Kluwer Health.

Health Language is headquartered in Denver, Colorado and has approximately 85 employees. The purchase price consideration was €84 million. The entity has annualized revenues of approximately €23 million.

Financial Statements of Wolters Kluwer nv

Statement of Income of Wolters Kluwer nv

in millions of euros	2012	2011
Results from subsidiaries, net of tax [note 36]	355	126
Other income, net of tax	(33)	(6)
Profit for the year	**322**	**120**

Balance Sheet of Wolters Kluwer nv

in millions of euros and before appropriation of results, at December 31		**2012**		2011
Non-current assets				
Intangible assets	2		23	
Property, plant, and equipment	0		0	
Financial assets [note 36]	4,045		3,986	
Total non-current assets		4,047		4,009
Current assets				
Accounts receivable [note 37]	637		668	
Cash and cash equivalents	86		96	
Total current assets	723		764	
Perpetual cumulative subordinated bonds [note 25]	225		-	
Current liabilities [note 38]	1,018		994	
Total current liabilities	1,243		994	
Working capital		(520)		(230)
Capital employed		**3,527**		**3,779**
Non-current liabilities				
Long-term debt:				
Bonds [note 25]	1,482		1,481	
Private placements [note 25]	421		445	
Perpetual cumulative subordinated bonds [note 25]	-		225	
Derivative financial instruments [note 25]	0		0	
Total long-term debt		1,903		2,151
Long-term debt to subsidiaries		67		66
Deferred tax liabilities		19		19
Provision for restructuring commitments		1		1
Provision for employee benefits		0		2
Total non-current liabilities		1,990		2,239
Issued share capital	36		36	
Share premium reserve	87		88	
Legal reserves	(225)		(149)	
Other reserves	1,317		1,445	
Profit for the year	322		120	
Shareholders' equity [note 39]		1,537		1,540
Total financing		**3,527**		**3,779**

Notes to the Financial Statements of Wolters Kluwer nv

Significant Accounting Policies [note 35]

As provided in section 402 of the Netherlands Civil Code, Book 2, the statement of income of Wolters Kluwer nv includes only the after-tax results of subsidiaries and other income after tax, as Wolters Kluwer nv's figures are included in the consolidated financial statements. Unless otherwise indicated, the numbers in these financial statements are in millions of euros.

Accounting policies
The financial statements of Wolters Kluwer nv are prepared in accordance with the Netherlands Civil Code, Book 2, Title 9, with the application of the regulations of section 362.8 allowing the use of the same accounting policies as applied for the consolidated financial statements. These accounting policies are described in the Notes to the Consolidated Financial Statements.

Subsidiaries are valued using the equity method, applying the IFRS accounting policies endorsed by the European Union.

Any related party transactions between subsidiaries, associates, investments, and with members of the Supervisory Board and the Executive Board and the (ultimate) parent company Wolters Kluwer nv are conducted on an at arm's length basis with terms comparable to transactions with third parties.

For the following disclosures reference is made to the notes to the consolidated financial statements:
- Long-term debt [note 25];
- Capital and reserves [note 29];
- Share-based payments [note 30];
- Salaries and wages, social security charges and pension expenses [note 11];
- Number of employees [note 5];
- Loans, advances and guarantees to Executive Board, Supervisory Board and key employees [note 31];
- Related party transactions [note 31]; and
- Remuneration of the Executive Board and Supervisory Board [note 33].

Financial Assets note 36

Financial assets	2012	2011
Equity value of subsidiaries	1,739	1,474
Long-term receivables from subsidiaries	2,304	2,461
Derivative financial instruments	2	51
Total	**4,045**	**3,986**

The movement of the equity value of the subsidiaries is as follows:

Subsidiaries	2012	2011
Equity value of subsidiaries at January 1	1,474	(402)
Movements related to results from subsidiaries, net of tax	355	126
Movements related to exchange differences	(57)	155
Movements related to net capital payments	-	1,681
Movements related to dividend payments	-	(63)
Actuarial gains/(losses) on defined benefit plans, net of tax	(33)	(23)
Equity value of subsidiaries at December 31	**1,739**	**1,474**

Accounts Receivable note 37

Accounts receivable	2012	2011
Receivables from subsidiaries	621	651
Derivative financial instruments	-	-
Current tax receivable	16	16
Other receivables	0	1
Total	**637**	**668**

Current Liabilities note 38

Current liabilities	2012	2011
Debts to subsidiaries	684	578
Multi-currency roll-over credit facility	38	193
Other bilateral U.S. dollar bank loans	76	77
Bank overdrafts	105	27
Derivative financial instruments	1	13
Interest payable	82	82
Other liabilities	32	24
Total	**1,018**	**994**

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Shareholders' Equity note 39

Shareholders' Equity			Legal reserves			Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2011	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,399**	**288**	**1,612**
Exchange differences on translation foreign operations					86				86
Exchange differences on translation equity-accounted investees					0				0
Recycling of foreign exchange differences on loss of control					(1)				(1)
Net gains/(losses) on hedges of net investments in foreign operations				(33)					(33)
Effective portion of changes in fair value of cash flow hedges				9					9
Net change in fair value of cash flow hedges reclassified to statement of income				(16)					(16)
Actuarial gains/(losses) on defined benefit plans							(32)		(32)
Income tax on other comprehensive income					(1)		11		10
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(40)	84	0	(21)	-	23
Profit for the year								120	120
Total comprehensive income/(loss) for the year	0	0	0	(40)	84	0	(21)	120	143
Appropriation of profit previous year							288	(288)	
Share-based payments							16		16
Tax on share-based payments							(4)		(4)
Release LTIP shares						1	(1)		0
Cash dividend 2010							(127)		(127)
Stock dividend 2010	0	0				35	(35)		0
Exercise of share options							0		0
Repurchased shares						(100)			(100)
Other movements			5				(5)		0
Balance at December 31, 2011	**36**	**88**	**38**	**(67)**	**(120)**	**(65)**	**1,510**	**120**	**1,540**

Shareholders' Equity				Legal reserves		Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2012	**36**	**88**	**38**	**(67)**	**(120)**	**(65)**	**1,510**	**120**	**1,540**
Exchange differences on translation foreign operations					(50)				(50)
Exchange differences on translation equity-accounted investees					(1)				(1)
Recycling of foreign exchange differences on loss of control					-				0
Net gains/(losses) on hedges of net investments in foreign operations				(6)					(6)
Effective portion of changes in fair value of cash flow hedges				(49)					(49)
Net change in fair value of cash flow hedges reclassified to statement of income				24					24
Actuarial gains/(losses) on defined benefit plans							(41)		(41)
Income tax on other comprehensive income					0		12		12
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(31)	(51)	0	(29)	0	(111)
Profit for the year								322	322
Total comprehensive income/(loss) for the year	0	0	0	(31)	(51)	0	(29)	322	211
Appropriation of profit previous year							120	(120)	0
Share-based payments							15		15
Tax on share-based payments							(4)		(4)
Release LTIP shares						5	(5)		0
Cash dividend 2011							(90)		(90)
Stock dividend 2011	0	(1)				110	(109)		0
Repurchased shares						(135)			(135)
Other movements			6				(6)		0
Balance at December 31, 2012	**36**	**87**	**44**	**(98)**	**(171)**	**(85)**	**1,402**	**322**	**1,537**

The legal reserves and treasury shares reserve are not available for dividend distribution to the equity holders of the Company.

Audit Fees note 40

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated entities:

Audit fees 2012 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.5	0.9	3.4
Other assurance services	0.2	0.1	0.3
Tax advisory services	-	1.1	1.1
Other non-audit services	-	0.2	0.2
Total	**2.7**	**2.3**	**5.0**

Audit fees 2011 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.5	1.0	3.5
Other assurance services	0.2	0.3	0.5
Tax advisory services	-	1.1	1.1
Other non-audit services	0.0	0.1	0.1
Total	**2.7**	**2.5**	**5.2**

Commitments and Contingent Liabilities note 41

Guarantees

Pursuant to section 403 of the Netherlands Civil Code, Book 2, the Company has assumed joint and several liabilities for the debts arising out of the legal acts of a number of subsidiaries in the Netherlands. The relevant declarations have been filed with and are open for inspection at the Trade Register for the district in which the legal entity respective to the liability has its registered office.

The Company has issued formal guarantees for bank credit facilities for a total amount of €127 million (2011: €132 million) on behalf of a number of its foreign subsidiaries. At December 31, 2012, €42 million of these credit facilities had been utilized (2011: €40 million). In addition, parental performance guarantees to third parties have been issued for €11 million (2011: €14 million).

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €9 million (2011: €9 million).

Other

The Company forms part of a Dutch fiscal entity and pursuant to standard conditions has assumed joint and several liabilities for the tax liabilities of the fiscal entity.

Details of Participating Interests note 42

A list of subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Netherlands Civil Code, Book 2, Part 9, Sections 379 and 414) is filed at the offices of Chamber of Commerce of The Hague, the Netherlands.

Alphen aan den Rijn, February 19, 2013

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

Supervisory Board
A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B.M. Dalibard
L.P. Forman
D.R. Hooft Graafland
S.B. James

Other Information on the Financial Statements

To: the Annual General Meeting of Shareholders of Wolters Kluwer nv

Independent Auditor's Report

Report on the financial statements
We have audited the accompanying 2012 financial statements of Wolters Kluwer nv, Alphen aan den Rijn. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of income, comprehensive income, changes in total equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2012, the company statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Executive Board, and the Corporate Governance and Risk Management paragraphs in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2012, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Executive Board, the Corporate Governance and Risk Management paragraphs, and the statements by the Executive Board, to the extent we can assess, have been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the Report of the Executive Board, the Corporate Governance and Risk Management paragraphs, and the statements by the Executive Board to the extent we can assess, are consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, February 19, 2013

KPMG Accountants N.V.
M.J.P. Thunnissen RA

Appropriation of Profit for the Year

Article 29 of the Articles of Association
Paragraph 1
From the profit as it appears from the annual accounts adopted by the General Meeting a dividend shall be distributed on the preference shares, whose percentage – calculated on the paid up part of the nominal amount - is equal to that of the average of the interest rate on Basis Refinancing Transactions (Refi interest of the European Central Bank) – weighted according to the number of days over which this rate of interest applies during the financial year over which the dividend was paid, increased by a debit interest rate to be determined by the large Dutch banks and also increased by a margin determined by the Executive Board and approved by the Supervisory Board of one percentage point (1%) minimum and four percentage points (4%) maximum. The dividend on the last-mentioned preference shares shall be calculated on an annual basis on the paid-up part of the nominal amount. If in any financial year the distribution referred to in the first full sentence cannot be made or can only be made in part because the profits are not sufficient, the deficiency shall be distributed from the distributable part of the Company's equity. No further dividend shall be distributed on the preference shares.

Paragraph 2
Subsequently such allocations to reserves shall be made as the Executive Board shall determine, subject to the approval of the Supervisory Board.

Paragraph 3
Any balance remaining after that shall be distributed at the disposal of the General Meeting of Shareholders.

Paragraph 5
Distribution of profit shall be made after adoption of the annual accounts showing that it is permitted.

Paragraph 7
If a loss is suffered for any year that loss shall be transferred to a new account for set-off against future profits and for that year no dividend shall be distributed. On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve, however, to wipe off such a loss by writing it off on a reserve that need not be maintained according to the law.

Article 30 of the Articles of Association
Paragraph 1
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve that a distribution of dividend on ordinary shares shall be made entirely or partially not in money but in ordinary shares in the capital of the Company.

Paragraph 2
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve on distributions in money or in the manner as referred to in Paragraph 1 to holders of ordinary shares against one or more reserves that need not be maintained under the law.

Proposed cash distribution in millions of euros	**2012**	2011
Proposed cash distribution	204	202

Pursuant to Article 30 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.69 per share in cash on May 16, 2013.

Events after balance sheet date
On January 4, 2013, Wolters Kluwer acquired Health Language, Inc., a leader in Medical Terminology Management (MTM), a rapidly growing segment of the point-of-care market. The acquisition is part of Wolters Kluwer Health's strategy to continually enhance its leadership position in the point of care market by providing customers with access to a comprehensive set of evidence-based disease and drug information knowledge platforms and robust software solutions.

The company's products and services are highly complementary with those of Wolters Kluwer Health.

Health Language is headquartered in Denver, Colorado and has approximately 85 employees. The purchase price consideration was €84 million. The entity has annualized revenues of approximately €23 million.

OTHER INFORMATION

Corporate Governance

General
Corporate governance is an important subject for Wolters Kluwer. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of the company. An outline of the broad corporate governance structure will be provided in this chapter. Wolters Kluwer complies with all Principles and Best Practice Provisions of the Dutch Corporate Governance Code (the 'Code'), unless stipulated otherwise in this chapter. Potential material future corporate developments might justify deviances from the Code at the moment of occurrence. The Code is available on www.commissiecorporategovernance.nl.

Executive Board
The Executive Board is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results, and corporate social responsibility/sustainability issues that are relevant to the company. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure of appointment and dismissal of members of the Executive Board is explained in article 15 of the company's Articles of Association. The Executive Board currently consists of Ms. N. McKinstry (CEO and Chairman of the Executive Board) and Mr. B.L.J.M. Beerkens (CFO and member of the Executive Board). Mr. J.J. Lynch resigned from the Executive Board in November 2012. Mr. Beerkens will resign in May 2013. At the Annual General Meeting of Shareholders of April 24, 2013, it will be proposed to appoint Mr. K.B. Entricken as new Member of the Executive Board. Mr. Entricken will succeed Mr. Beerkens as CFO. The remuneration of the members of the Executive Board is determined by the Supervisory Board, based on the advice of the Selection and Remuneration Committee. In line with the Code, the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board were adopted and approved by the Annual General Meeting of Shareholders in 2004. In connection with a number of changes to the remuneration policy and to the LTIP, these subjects were submitted to the Annual General Meeting of Shareholders again in 2007. The Annual General Meeting of Shareholders adopted and approved the amendments. The Annual General Meeting of Shareholders held on April 27, 2011, approved the proposal to change the Long-Term Incentive Plan of the Executive Board. As a result hereof, Diluted Earnings per Share has been added as a second performance measure to the Executive Board LTIP 2011-2013 and future plans, in addition to Relative Total Shareholder Return.

Long-Term Incentive Plan
Under the LTIP, Executive Board members can earn ordinary shares after a period of three years from the date of the conditional award of shares. Earning of the ordinary shares is subject to clear and objective three-year performance criteria established in advance. After earning ordinary shares, the Executive Board members are not required to retain them for a period of five years or until the end of their employment, as recommended in Best Practice Provision II.2.5 of the Code. Wolters Kluwer sees no reason to require the Executive Board members to hold their ordinary shares for five years, because under the LTIP, conditional awards by the Supervisory Board recur on an annual basis and, as such, the Executive Board members will always have a strong incentive to pursue the long-term interests of the company. A five-year holding period will have no added value in this respect.

Term of appointment
In line with Best Practice Provision II.1.1 of the Code, as a policy, future appointments of Executive Board members will take place for a period of four years. Mr. Entricken will therefore be appointed for an initial period of four years during the Annual General Meeting of Shareholders on April 24, 2013. The existing contract with Ms. McKinstry, who was appointed before the introduction of the first Dutch Corporate Governance Code and has an employment contract for an indefinite period of time, will be honored.

Severance arrangements
The company recognizes a change in market practice with respect to severance arrangements. With respect to future Executive Board appointments, the company will, as a policy, comply with Best Practice Provision II.2.8 of the Code regarding the maximum severance remuneration in the event of dismissal. In line with this Best Practice Provision, the contract with Mr. K.B. Entricken will contain a severance payment of one year's salary. However, the company will honor the existing contract with Ms. McKinstry who was appointed before the introduction of the first Dutch Corporate Governance Code.

Memberships of supervisory boards
Ms. McKinstry currently is member of the supervisory board of three listed companies, which exceeds the number of two supervisory board positions as recommended in Best Practice Provision II.1.8 of the Code. This is a temporary deviation. During the first half of 2013, the number of supervisory board memberships of Ms. McKinstry will be reduced to two again. The company benefits from the knowledge and experience that Ms. McKinstry acquires in these positions.

Code of Conduct on Insider Trading
Wolters Kluwer has a strict Code of Conduct on Insider Trading. The Executive Board members are only allowed to trade in Wolters Kluwer securities during open periods of a maximum of four weeks after publication of the full-year results and the half-year results respectively, and of a maximum of two weeks after publication of the trading updates of the first and the third quarter. There are also restrictions on trading in securities of peer group companies.

Risk management

Wolters Kluwer has implemented internal risk management and control systems which are embedded in the operations of the businesses to identify significant risks to which the company is exposed and enable the effective management of those risks. Our internal risk management and control systems are in line with the amended Dutch Corporate Governance Code and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. The aim of the systems is to provide a reasonable level of assurance on the reliability of financial reporting. These systems can never provide absolute assurance regarding the achievement of the company's objectives or the reliability of the financial reporting, or entirely prevent material errors, losses, fraud, and violation of applicable laws and/ or regulations.

For a detailed description of the risks and the internal risk management and control systems, reference is made to Risk Management.

Sustainability

The Executive Board is committed to corporate social responsibility/sustainability. A sustainability report is published every year. In addition, a separate section of the company's website is dedicated to sustainability. The company was once again listed in the Dow Jones Sustainability Index in 2012 and participated in the Carbon Disclosure Project. For more information, reference is made to the Sustainability Report.

Supervisory Board

Wolters Kluwer has a two-tier board structure. The Executive Board members are responsible for the day-to-day operations of the company. The role of the Supervisory Board is to supervise the policies of the Executive Board and the general affairs of the company and its enterprise, taking into account the relevant interests of the company's stakeholders, and to advise the Executive Board. The Supervisory Board also has due regard for corporate social responsibility/sustainability issues which may be relevant to Wolters Kluwer. The By-Laws of the Supervisory Board include a list of Executive Board resolutions that have to be approved by the Supervisory Board. These resolutions include the operational and financial aims of the company, the strategy designed to achieve those aims, resolutions in which there are conflicts of interest with Executive Board members that are of significant interest for the company or the Executive Board member, acquisitions or divestments of which the value is at least equal to one percent of the consolidated sales of the company, the issuance of new shares or granting of rights to subscribe for shares, the issue of bonds or other external financing of which the value exceeds 2.5% of annual consolidated revenues, and a proposal to amend the Articles of Association. The By-Laws of the Supervisory Board can be found on the company website www.wolterskluwer.com.

Appointment and composition

The General Meeting of Shareholders appoints the members of the Supervisory Board. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 21 of the company's Articles of Association. The Supervisory Board currently consists of Mr. A. Baan (Chairman), Mr. P.N. Wakkie (Deputy Chairman), Mr. B.F.J. Angelici, Ms. B.M. Dalibard, Mr. L.P. Forman, Mr. D.R. Hooft Graafland, and Mr. S.B. James. At present, all Supervisory Board members are independent from the company. In 2013, the second term of Mr. Wakkie and of Mr. Forman will expire. The first term of Ms. Dalibard will expire in 2013 as well. Mr. Wakkie, Mr. Forman, and Ms. Dalibard are available for reappointment. At the General Meeting of Shareholders that will be held on April 24, 2013, the Supervisory Board will propose to reappoint Mr. Wakkie, Mr. Forman, and Ms. Dalibard as member of the Supervisory Board.

The number of supervisory board memberships of all Supervisory Board members is limited to such extent that the proper performance of their duties is assured. None of the Supervisory Board members is a member of more than five supervisory boards of Dutch listed companies, with any chairmanships counting as two memberships. The Supervisory Board recognizes the importance of diversity. Elements of diversity include nationality, gender, age, and expertise. In its current composition, the Supervisory Board to a large extent reflects these various elements. More specifically, the current composition of the Supervisory Board comprises expertise within the broad information industry as well as specific market segments in which the company operates, such as healthcare, and reflects the international nature of the company. The composition of the Supervisory Board is in line with the profile as it relates to expertise, nationality, and age. We currently do not comply with the new Dutch law, effective as of January 1, 2013, that provides that a proper composition of the Supervisory Board means that at least 30% of the members should be female. However, we are actively searching female candidates for future vacancies.

Provision of information

Wolters Kluwer considers it important that the Supervisory Board members are well-informed about the business and operations of the company. Towards this end, operating managers, including divisional CEOs, hold presentations to the Supervisory Board with respect to their businesses on a regular basis. These presentations can relate to the operations in general and to business development. In addition, the company facilitates visits to business units and individual meetings with staff and line managers.

Remuneration and Code of Conduct on Insider Trading

The Annual General Meeting of Shareholders shall determine the remuneration of the Supervisory Board members. The remuneration shall not depend on the results of the company. The Supervisory Board members do not receive shares or stock options by way of remuneration, nor shall they be granted loans. The members are bound by the same Code of Conduct on Insider Trading as the Executive Board members. At present, none of the Supervisory Board members owns any securities in Wolters Kluwer.

Audit Committee

As part of its responsibilities, the Audit Committee focuses on the operation of internal risk management and control systems, and on the role and functioning of the internal audit department and external auditors. The Audit Committee consists of at least three people. Currently, the Audit Committee consists of Mr. L.P. Forman (Chairman), Mr. B.F.J. Angelici, Mr. A. Baan, and Mr. D.R. Hooft Graafland. In line with the Code, the Terms of Reference of the Audit Committee determine that at least one member of the Audit Committee shall be a financial expert. In the current composition, both Mr. Forman and Mr. Hooft Graafland are financial experts.

Selection and Remuneration Committee

The Supervisory Board also has installed a Selection and Remuneration Committee. Because appointments and remuneration are often closely related, the Supervisory Board sees no advantages in two separate committees. Installing two separate committees consisting of the same members would only increase the administrative burden. The Chairman of the Supervisory Board will not be the Chairman of the Selection and Remuneration Committee. The Selection and Remuneration Committee currently consists of Mr. P.N. Wakkie (Chairman), Mr. A. Baan, Mr. L.P. Forman, and Mr. S.B. James. The Selection and Remuneration Committee shall in any event be responsible for drafting policies associated with remuneration within the company and for a proposal to the Supervisory Board regarding the specific remuneration of individual Executive Board members. The Selection and Remuneration Committee is also responsible for drawing up selection criteria and appointment procedures for Supervisory Board members and Executive Board members. Furthermore, the Selection and Remuneration Committee monitors the succession planning at the company.

Shareholders and the General Meeting of Shareholders

At least once a year, a General Meeting of Shareholders will be held. The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Executive Board, the adoption of the financial statements, the report of the Supervisory Board, and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Executive and Supervisory Boards from liability for their respective duties shall be voted on separately. Shareholders who alone or jointly represent at least half a percent (0.5%) of the issued capital of Wolters Kluwer, or who represent alone or jointly a block of shares at least worth €50 million, shall have the right to request the Executive Board or Supervisory Board that items be put on the agenda of the Annual General Meeting of Shareholders.

Voting at Shareholders Meeting

In 2012, Wolters Kluwer again took active steps to try to reach the highest possible percentage of shares present or represented at the Annual General Meeting of Shareholders. These steps included making standard proxy forms and voting instruction forms available online, enabling shareholders to give voting instructions electronically prior to the meeting, and actively contacting larger shareholders with the question whether they intended to vote during the Annual General Meeting of Shareholders. As a result, approximately 59% of the issued capital of the company was present or represented at the Annual General Meeting of Shareholders in 2012.

Amendment Articles of Association

A resolution to amend the Articles of Association may only be passed at the proposal of the Executive Board subject to the approval of the Supervisory Board. The Supervisory Board will propose to the Annual General Meeting of Shareholders that will be held on April 24, 2013, to amend the Articles of Association. The proposed amendments are mainly of a technical nature and will be explained in the agenda for the General Meeting.

Issuance of shares

The Articles of Association of the company determine that shares shall be issued at the proposal of the Executive Board and by virtue of a resolution of the General Meeting of Shareholders, subject to designation of the Executive Board by the General Meeting of Shareholders. At the Annual General Meeting of Shareholders of April 25, 2012, the Executive Board has been granted the authority for a period of 18 months to issue new shares, with exclusion of pre-emptive rights, subject to approval of the Supervisory Board. The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting, to be increased by a further 10% of the issued capital on that date in the case the issuance is effectuated in connection with, or on the occasion of, a merger or acquisition.

Acquisition of own shares

Acquisition of own shares may only be effected if the General Meeting of Shareholders has authorized the Executive Board for the purpose, and while respecting the restrictions imposed by the Articles of Associations of the company. At the Annual General Meeting of Shareholders of April 25, 2012, the authorization to acquire own shares has been granted to the Executive Board for a period of 18 months.

The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting.

Audit functions

The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board shall see to it that this responsibility is fulfilled.

External auditor

The external auditor is appointed by the General Meeting of Shareholders. The current external auditor was appointed at the Annual General Meeting of Shareholders of April 21, 2009, for a period of four years. Therefore, the appointment of the external auditor will once again be put on the agenda of the General Meeting of Shareholders of April 24, 2013. This proposed appointment is based on the positive outcome of a thorough assessment of the auditor. Due to new legislation, the company is required to rotate its external auditor firm every eight years, starting January 1, 2016. For this reason, the proposed appointment will be for a period of three years instead of four years. The Supervisory Board also has the discretion to put the appointment of the external auditor on the agenda of the General Meeting of Shareholders before the lapse of this three-year period, if so warranted or if new legislation so requires. The Executive Board and the Audit Committee shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The external auditor may be questioned by the General Meeting of Shareholders in relation to his auditor's opinion on the financial statements. The external auditor shall therefore attend and be entitled to address the General Meeting of Shareholders. The company has a policy on auditor independence in place, which is available on the company's website www.wolterskluwer.com.

Internal auditor

The internal auditor operates under the responsibility of the Executive Board. The external auditor and the Audit Committee are involved in drawing up the work schedule of the internal auditor. The work schedule is based on an overall risk assessment within the company. The findings of the internal auditor and follow-up actions will be presented to the external auditor and the Audit Committee.

Preference shares

Wolters Kluwer and the Wolters Kluwer Preference Shares Foundation (the Foundation) have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives. All members of the Board of the Foundation are independent of the company.

Major shareholdings per December 31, 2012

In 2012, according to the Dutch Act on financial supervision (*Wet op het financieel toezicht*), shareholders with an interest of 5% or more of the issued capital were required to notify their interest with the Authority Financial Markets. As at December 31, 2012, the following shareholders notified an interest of 5% or more in the company: Bestinver Gestion SGIIC S.A. has a 5.02% interest (disclosed on May 24, 2011). Silchester International Investors LLP has a 10.04% interest (disclosed on July 27, 2011), of which 5.04% via its affiliate Silchester International Investors International Value Equity Trust (disclosed on August 1, 2011).

Change of control

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

Information pursuant to Decree Clause 10 Take-over Directive

The information specified in both clause 10 of the Takeover Directive and the Decree, which came into force on December 31, 2006 (Decree Clause 10 Take-over Directive), can be found in this chapter and in Facts for Investors.

Information pursuant to Clause 5:25f of the Act on Financial Supervision

The information and documents specified in clause 5:25f of the Act on financial supervision can be found on the company website, www.wolterskluwer.com, where all material press releases of the company issued in 2012 can be found under Press.

Information and statements pursuant to the Decree of December 23, 2004

This chapter also contains information and the statements pursuant to the Decree of December 23, 2004, to determine additional regulations regarding the content of the Annual Report, as amended most recently with effect as of January 1, 2010, including the relevant information from the Decree Clause 10 Take-over Directive.

Legal structure

The ultimate parent company of the Wolters Kluwer group is Wolters Kluwer nv. In 2002, Wolters Kluwer nv abolished the voluntary application of the structure regime (structuurregeling). As a consequence, the structure regime became applicable to Wolters Kluwer Nederland bv, which is the parent company of the Dutch operating subsidiaries. Wolters Kluwer International Holding bv is the direct or indirect parent company of the operating subsidiaries outside of the Netherlands.

Risk Management

This section provides an overview of Wolters Kluwer's approach to risk management and the main risks inherent in the business and its actions to mitigate these risks.

Strategic Risks	Operational Risks	Legal and Compliance Risks	Financial and Reporting Risks
> Products, markets, and competition > Mergers, acquisitions, and divestments	> Technological developments > Information security > People and organization	> Compliance > Intellectual property > Third party claims	> Financial reporting > Treasury > Capital availability > Tax > Post-employment benefits

Introduction

The Executive Board is responsible for risk management and internal controls within Wolters Kluwer. The company has implemented internal risk management and control systems which are embedded in the operations of the businesses to identify significant risks to which the company is exposed and enable the effective management of those risks. Our internal risk management and control systems are in line with the amended Dutch Corporate Governance Code and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. The aim of the systems is to provide a reasonable level of assurance on the reliability of financial reporting. These systems can never provide absolute assurance regarding the achievement of the company's objectives or the reliability of the financial reporting, or entirely prevent material errors, losses, fraud, and violation of applicable laws and/or regulations.

Risk Categories

Wolters Kluwer broadly classifies risks into the following categories: strategic, operational, legal and compliance, financial and reporting. There may be risks that are not known yet or the company has not yet fully assessed and therefore, are currently considered not significant but could have a material impact on the company's performance at a later stage. It is also possible that there are known risks that currently do not have a significant impact on the business but could in the future develop into a material exposure for the company and have a significant adverse impact on Wolters Kluwer business. Wolters Kluwer risk management and internal control systems have been designed to identify and respond to risks in a timely manner. However, absolute assurance cannot be achieved.

Internal risk management and control systems

Wolters Kluwer internal risk management and control systems include the following activities which are embedded in the operations of the businesses:

- **Hiring and retention policies and practices** for key professionals throughout the company;
- **Routine planning and reporting cycles** on divisional and operational entity levels which include annual Business Development Plan (three-year strategic plan), annual budgets, quarterly forecasts, and monthly financial reporting;
- **Regular business reviews** in which divisional and operating company management discuss with the Executive Board the progress against plan and actions to mitigate business risks;
- **A Risk Committee** facilitates the internal process of enterprise risk management. The committee meets every quarter to assess the impact and effectiveness of the company's major risk mitigation actions and decisions relating to known material risks;
- **Policies and procedures**: Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, Whistleblower Policy, Global IT Security Policy, Treasury Policy, and Internal Control Framework;
- **Letters of representation** signed quarterly by all divisional and operating company CEOs and CFOs and senior corporate staff members;
- **Quality assurance assessments** by Corporate Quality Assurance (CQA). The function, which was launched in 2011, has the goal of improving the success of initiatives by stimulating the movement of key projects and programs to the next stage of development or implementation, and by transferring lessons learned from one project/program to another;

- **Independent internal audits** are planned and carried out globally by Corporate Internal Audit department. The audits are performed in accordance with a 3-years audit plan which is approved by the Audit Committee. The audit plan is based on risk assessments and the audits are to ensure compliance with policies and procedures, evaluate effectiveness of established controls, and ensure that existing controls provide adequate protection against actual risks;
- **Reporting and monitoring** of risks and control issues arising from management reviews, annual controls testing by internal control officers, internal audits, and external audits and status of remediating the issues to the Audit Committee on a quarterly basis; and
- **Internal Control Framework (ICF) for financial reporting** consists of approximately 100 key controls, designed to ensure that the results of business are adequately reflected in internal and external financial reporting. The company employs approximately 23 internal control officers, who are located in the main operating entities. They play an important role in providing reasonable assurance to management on the operating effectiveness of key internal controls implemented and embedded in the business processes in their respective operating entities. Key controls are tested annually and the testing outcome is reported to management, internal auditors and external auditors. Where needed, action plans are designed and implemented to address any significant risks. To ensure that the ICF is sufficiently robust, the design, execution, documentation and conclusions of the key controls testing of the ICF are subject to quality review by the internal audit department on a regular basis. The test results and status of remediating significant control issues are discussed periodically with the Executive Board and the Audit Committee.

Risk management in 2012

Wolters Kluwer risk management and control systems are subject to continuous review and improvement to ensure that they are sufficiently capable of responding to changes in its risk profile and remain aligned with the company's business strategy. As part of this continuous review and improvement:

- In 2011, the Executive Board approved an enhanced Global IT Security Policy. As a result, Wolters Kluwer updated in 2012 the ITGC (IT General Controls) framework which is part of Wolters Kluwer Internal Control Framework to ensure full alignment with the updated Global IT Security Policy. Using the updated framework, assessments were performed in 2012 to determine the efforts and progress made by the business units towards achieving compliance with the Global IT Security Policy. The outcome of the assessments led to further enhancements of the global policy and ITGC framework. In 2013, the scope of ITGCs, which has been focusing on financial reporting systems, will be expanded to include critical customer facing applications and content management systems.
- To increase awareness across the company, a training program dedicated to IT Security was developed and implemented. The aim was to improve the employees' understanding of the global IT Security Policy (as enhanced and approved by the Executive Board in 2011). The training has been added to the corporate compliance program curriculum which now includes Business Principles, Anti-trust and IT Security. Over 4,000 employees were trained. The training will be further expanded in 2013.
- Corporate Quality Assurance (CQA) function completed 6 assessments of large-scale initiatives within Wolters Kluwer in 2012.
- The offshoring of certain Finance & Accounting activities which started in 2011 was substantially completed under a strict governance framework to ensure successful transition of the activities to the third party vendor.

The following risk overview outlines the main risks the company has assessed up to the date of this Annual Report. It is not the intention to provide an exhaustive description of all possible risks, nor are the risk factors themselves stated in any order of importance.

Risk description and impact	Mitigation
Strategic Risks	
Products The company serves many of its customers by means of annual subscription-based products and services which represent approximately two-thirds of the company's revenues. The inability to maintain the ongoing high renewal rates of these subscriptions and contracts could adversely impact the future of the company's business.	The company mitigates these risks by maintaining continuous interaction with its customers through renewal programs, conferences, and advisory boards. Most of the markets the company serves are relatively stable with a strong and constant need for up-to-date information, workflow software solutions, and services, particularly in the rapidly evolving fields of regulation and compliance. Besides a number of key product launches, the company further expanded its offerings of innovative electronic solutions and services.
Competition Wolters Kluwer faces competitive challenges from existing and new competitors.	The company mitigates these risks through continuous development of new innovative products, providing customers with state-of-the-art technological solutions.
Economy and markets Global and regional economic conditions may especially have a negative effect on several cyclical products which include training activities, advertising, certain book programs, and lending and corporate formation-related transactions. These activities represent approximately 29% of the company's consolidated revenues. The impact of these conditions on the overall portfolio will depend on the severity of the economic slowdown, the countries affected, and potential government responses.	Economic conditions in Europe remained challenging, while the revenue growth in North America and the ongoing shift towards electronic and services compensated for parts of this. We have also increased the percentage of our recurring revenues to reduce exposure to the economic cycle. As we continue to invest in globalizing the business, we have a significant geographical shift in our revenues and continue to pursue faster growing geographies. In high growth economies such as China and India, which are important for Wolters Kluwer's growth strategy, the company works closely together with local business partners, supported by local management, to ensure successful expansion in these countries.
Mergers, acquisitions and divestments Acquisitions risks primarily relate to the integration of acquisitions, changing economic circumstances, competitive dynamics, retaining key personnel, and the ability to realize expected synergies. Execution of the company's strategy is also supported by divestment of non-core activities. The ability to successfully divest operations can depend on economic and market circumstances, competitive dynamics, contractual obligations, retention of key personnel, the buyer's ability to realize synergies, and other factors. The depressed global economy could induce the company to postpone transactions that cannot be concluded at reasonable terms and conditions.	When acquiring new businesses, Wolters Kluwer carries out a comprehensive due diligence process using internal and external expertise. Besides indemnities and warranties, the company also assesses whether the risks can be mitigated through deal structures such as earn-out agreements to retain management and to assure alignment between the purchase price and the performance of the acquired company. The company has strict strategic and financial criteria for acquiring new businesses and is very selective in where and how to invest. Generally, acquisitions are expected to be accretive to ordinary earnings per share in year one and cover their weighted average cost of capital within three to five years. An acquisition integration plan is agreed to by the Executive Board prior to completing an acquisition. Such plans are actively monitored after completion. To mitigate risks related to material divestments, the company usually carries out a vendor due diligence and engages external experts for due diligence and execution of the transaction.

Risk description and impact	Mitigation
Operational Risks	
Technological developments Implementing new technology related initiatives for delivering Wolters Kluwer's products and services is inherently complex and is subject to many execution risks during the development and implementation phases. Our businesses could also be adversely affected by our dependency on third parties for delivering outsourced and offshored data center services, software development and maintenance activities, including back office transactions processing.	A roadmap for consolidation and simplification of IT infrastructure and for implementing more service capabilities to support customers in the cloud has already been set. In addition, efforts to centralize IT back- office operations have started to result in more effective management of all ERP (Enterprise Resource Planning) systems. The company strives to continuously improve and streamline its IT environment and infrastructure. To manage execution risks by third parties, risk transfer and performance management are governed by detailed operating and service agreements with outside providers. Additionally, oversight boards and program management teams monitor the progress and performance of vendors during the term of these agreements.
Information security Like all companies, Wolters Kluwer is exposed to IT security threats which could compromise our system availability, data and information.	The business units have identified critical applications which could have significant impact on business continuity and have developed continuity plans, including IT disaster recovery plans for the main operations to minimize the impact of those risks. Potential scenarios and threats are considered when the business units review the appropriateness and adequacy of incident responses and continuity plans. Wolters Kluwer has also implemented the Global IT Security Policy and the IT General Controls (ITGCs) which were updated in 2011. Controls over data and security programs are tested regularly to ensure protection of personal data and compliance with relevant legislation and regulatory requirements.
People and organization The company may not be able to attract and retain the right people.	The company ensures its ability to attract the appropriate level of talent through a combination of competitive rewards, including market based remuneration, pay for performance, with short and long-term incentives aligned with individual and company achievements, and benefits benchmarked against local markets. The company mitigates the loss of personnel through formal talent management programs that incorporate succession planning, company-sponsored learning programs, tuition refund at external universities, and consistently applied performance appraisal systems. A new Talent Management Program was implemented in 2012 which includes an overview of high potential managers within various layers of the organization. Retention is also stimulated through offering opportunities for growth within the company through job posting programs and internal slating programs. HR executives also closely monitor employee turnover across different categories, including performing structured exit interviews and identification of key drivers for leaving. HR and the business managers work together to take appropriate and fast action where needed.

Risk description and impact	Mitigation
Legal & Compliance Risks	
Compliance The company can be exposed to non-compliance with laws, regulations or internal policies. Non-compliance could potentially lead to fines, restrictions to carry out certain activities, third party claims, and loss of reputation.	Compliance is part of the internal control framework of the company, for example through the letters of representation and internal audits. Furthermore, several training programs are currently in place to create awareness about these subjects among employees. These will be further extended.
Intellectual property Intellectual property rights could be challenged, limited, invalidated, circumvented, or infringed. Technological developments make it increasingly difficult to protect intellectual property rights. Changes in legislation could have an impact on the ability to protect intellectual property rights.	Wolters Kluwer actively protects its intellectual property rights, which is important to safeguard its portfolio of information, software and services. The company relies on trademark, copyright, patent, and other intellectual property laws to establish and protects its proprietary rights to these products and services. We closely monitor the legislative developments with respect to intellectual property rights.
Third party claims The company may be exposed to claims by third parties relating to products, services (including software and SaaS offerings) or informational content provided or published by the company. Such claims may be based on legal theories such as alleged negligence, product liability, breach of contract or infringement of third party intellectual property rights.	Wolters Kluwer manages and transfers these risks by striving to produce high quality products, services and content; and by including customary and appropriate disclaimers and limitations of liability in its contracts. Further, the company expects its employees to strictly comply with intellectual property laws and regulations. The company's insurance program may cover certain types of claims exposures. The company manages a range of insurable risks by arranging for insurance coverage for first party (property damage, business interruption) and third party (casualty, commercial general liability, professional media (errors and omissions), directors' and officers', employment practices, and criminal) liability exposures. In addition to its global insurance program, the company also protects against more localized risks, such as automotive and workers compensation, by way of local insurance cover. To mitigate specifically against property damage and business interruption risks, the company has implemented a centralized worldwide risk control program. Accompanied by insurers and collaborating with business continuity management, company risk managers perform regular loss control visits to key operating company and supplier locations and work with our operating companies to cost effectively implement recommendations for continued improvement.

Risk description and impact	Mitigation
Financial and Reporting Risks	
Financial Reporting The processes and systems supporting the financial reporting may be susceptible to unintentional misstatements or manipulation.	The company mitigates these risks by maintaining an Internal Control Framework for financial reporting which is described in the preceding section. In addition, senior executives in the divisional and operating companies as well as senior corporate staff members provide signed letters of representation quarterly. Independent internal audits are also carried out to ensure compliance with policies and procedures and ensure that existing controls provide adequate protection against actual risks.
Treasury risks Fluctuations in exchange and interest rates affect Wolters Kluwer's results.	It is the company's goal to mitigate the effects of currency and interest rate movements on net profit, equity, and cash flow. Whenever possible, the company tries to do this by creating natural hedges, by matching the currency profile of income and expenses and of assets and liabilities. When natural hedges are not present, Wolters Kluwer strives to realize the same effect with the aid of derivative financial instruments. For this purpose, hedging ranges have been identified and policies and governance are in place, including authorization procedures and limits. The company only purchases or holds derivative financial instruments with the aim of mitigating risks and most of these instruments qualify for hedge accounting as defined in IAS 39. The company does not purchase or hold derivative financial instruments for speculative purposes. In line with IFRS requirements, detailed information on financial risks and policies is provided in note 26 of the Consolidated Financial Statements. Treasury policies on market (currency and interest), liquidity, and credit risk are reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks.
Capital availability The constriction of capital markets could adversely affect the funds available to Wolters Kluwer.	The company actively manages liquidity risk by maintaining sufficient cash and cash equivalents, and the availability of committed borrowing capacity. In order to reduce liquidity risk, the company has established the following minimum requirements: • Repayment of long-term debt should be spread evenly over time; • Acquisition of funding to start at least one year in advance of all maturing debt or alternative committed funding should be in place; and • Minimum headroom of €500 million (sum of unused committed credit facilities, cash and cash equivalent, and receivable derivative financial instruments, minus other short-term loans, deferred (short-term) acquisition payments, (current payable) derivative financial instruments, and bank overdrafts).

Risk description and impact	Mitigation
Tax Changes in corporate tax rates and tax laws could adversely affect the company's overall tax liabilities.	Most of these taxes are transactional and employee-related and are levied from the legal entities in these jurisdictions. Wolters Kluwer maintains a liability for certain contingencies in line with IFRS accounting standards. The adequacy of this liability is judged on a continuous basis in consultation with external advisors. Reference is made to note 20 of the Consolidated Financial Statements for additional information about tax and related risks.
Post-employment benefits The company faces risks relating to additional funding required for its defined benefit plans, namely the pension and post-retirement medical plans in the United States and the pension plans in the Netherlands, the United Kingdom, Canada, Australia, and Belgium. These plans are affected by the annual developments on the international financial markets and may be further affected by future developments on these markets.	The company has mitigated these risks by closing some of the defined benefit plans to future accruals, such as the pension plans in the United States and the United Kingdom; or by changing the plan, such as moving to an average salary instead of final salary benefit and limiting the yearly increase of pension liabilities in the Netherlands. To reduce the plan volatility of the U.S. pension plan in 2012, the company removed a number of participants from the U.S. plan through a lump sum pension buyout program. Furthermore, the company engages advisors to perform asset liability management studies and advise on the investment strategies for the various pension funds. The net periodic defined benefit plan costs are based on annual actuarial calculations.

Sensitivity Analysis

The following information illustrates the sensitivity to a change in certain assumptions for Wolters Kluwer's Ordinary EBITA and Diluted ordinary EPS.

Fluctuations in exchange, discount, interest and tax rates affect Wolters Kluwer's results. A change in the following variables would affect Wolters Kluwer's Ordinary EBITA and Diluted ordinary EPS as follows:

Potential Impact	Ordinary EBITA (€ millions)	Diluted ordinary EPS (€ cents)
1% decline of the U.S. dollar against the euro	(5)	(1.2)
1% decrease in discount rate in determining the gross service costs for our pension plans	(3)	(0.7)
1% increase in interest rate assuming same mix of variable and fixed	n.a.	(0.2)
1% increase in the effective tax rate on ordinary net income	(7)	(2.33)

Statements by the Executive Board

The Executive Board is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements consist of the consolidated financial statements and the company's financial statements. The responsibility of the Executive Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Executive Board is also responsible for the preparation of the Report of the Executive Board that is included in the 2012 Annual Report. The Annual Report is prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. In the Annual Report, the Executive Board endeavors to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The company has identified the main risks it faces, including financial reporting risks. These risks can be found in Risk Management. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision (Wet op het financieel toezicht), the company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Executive Board or considered to be unlikely may change the future risk profile of the company.

As explained in Risk Management, the company must have internal risk management and control systems that are suitable for the company. The design of the company's internal risk management and control systems has been described in Risk Management. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance against material losses or material errors.

As required by provision II.1.5 of the Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Act on financial supervision (Wet op het financieel toezicht) and on the basis of the foregoing and the explanations contained in Risk Management, the Executive Board confirms that to its knowledge:

- The company's internal risk management and control systems as regards financial reporting risks provide a reasonable assurance that the Group's financial reporting over 2012 does not contain any errors of material importance;
- The company's risk management and control systems as regards financial reporting risks worked properly in 2012;
- The 2012 financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- The 2012 Annual Report includes a fair review of the situation at the balance sheet date, the course of affairs during the financial year of the company, and undertakings included in the consolidation taken as a whole, together with a description of the principal risks that the company faces.

Alphen aan den Rijn, February 19, 2013

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

Report of the Wolters Kluwer Preference Shares Foundation

Activities
The Board of the Wolters Kluwer Preference Shares Foundation met twice in 2012. The matters discussed included the full-year 2011 results of Wolters Kluwer, the half-year 2012 results, the execution of the strategy, the financing of the company, acquisitions and divestments, developments in the market, and the general course of events at Wolters Kluwer. A representative of the Executive Board of the company and corporate staff attended the meetings in order to give the Board of the Foundation information about the developments within Wolters Kluwer. The Board of the Foundation also followed developments of the company outside of Board meetings, among others through receipt by the Board members of press releases. As a result, the Board of the Foundation has a good view on the course of events at Wolters Kluwer. The Board of the Foundation also closely monitored the developments with respect to corporate governance and relevant Dutch legislation, and discussed that topic during the meetings. Furthermore, the financing of the Foundation and the composition of the Board of the Foundation were discussed. All members of the Board of the Foundation are independent of the company. The Foundation acquired no preference shares during the year under review.

Exercise of the preference shares option
Wolters Kluwer and the Foundation have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives.

Composition of the Board of the Wolters Kluwer Preference Shares Foundation
Mr. Bouwman retired by rotation in 2012 and was reappointed. The Foundation is a legal entity that is independent from the Company as stipulated in clause 5:71 (1) sub c of the Act on financial supervision (*Wet op het financieel toezicht*).

Alphen aan den Rijn, February 19, 2013

Board of Wolters Kluwer Preference Shares Foundation
R.P. Voogd, Chairman
R.W.J.M. Bonnier
P. Bouw
H.G. Bouwman
J.H.M. Lindenbergh

Facts for Investors

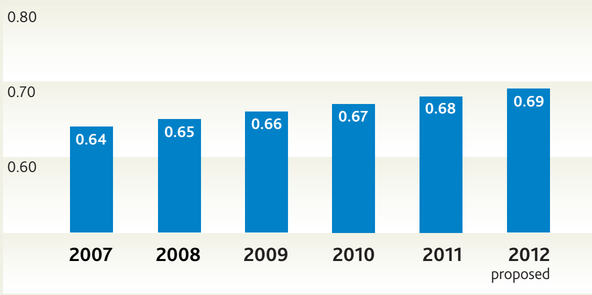
Dialogue with capital markets
Wolters Kluwer is committed to a high degree of transparency in its financial reporting and strives to be open with its shareholders and the wider investment community. The company manages a comprehensive communications program for investors, including the Annual General Meeting of Shareholders in April and many other events throughout the year. In 2012, activities for shareholders and other investors included a full presentation by management of half-year and full-year results; participation in a number of investor conferences; an investor seminar on our Financial & Compliance Services division; as well as regular office and roadshow meetings with potential and existing shareholders and sell-side analysts covering the company.

Further detailed information is provided on the Investors section of www.wolterskluwer.com. This includes financial reports, investor presentations, announcements, and a financial calendar. Presentations hosted by the company are webcast live on our website.

Investor Relations policy
Wolters Kluwer is strict in its compliance with applicable rules and regulations on fair disclosure to shareholders. Presentations are posted on the company's website at the same time they are made available to analysts and shareholders. In adherence with fair disclosure rules, meetings and presentations do not take place during 'closed periods' before the publication of annual and quarterly financial information. The company does not assess, comment upon, or correct, other than factually, any analyst report or valuation prior to publication. The company is committed to helping investors and analysts become better acquainted with Wolters Kluwer and its management, as well as to maintaining a long-term relationship of trust with the investment community at large.

Dividend
Wolters Kluwer has a progressive dividend policy under which the company aims to increase its dividend per share each year. At the 2013 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.69 per share, an increase of 1.5% over the prior year, to be paid on May 16, 2013.

Dividend per share (Euros)

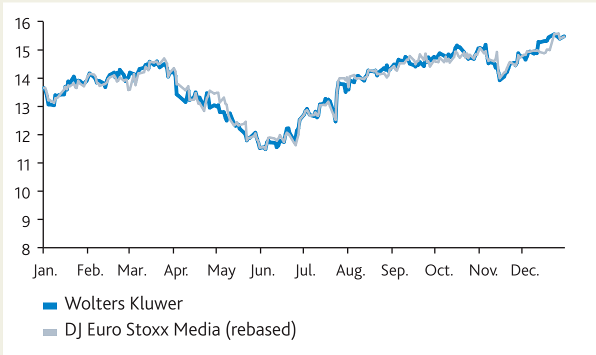


Note: dividend is paid in May of the following year.

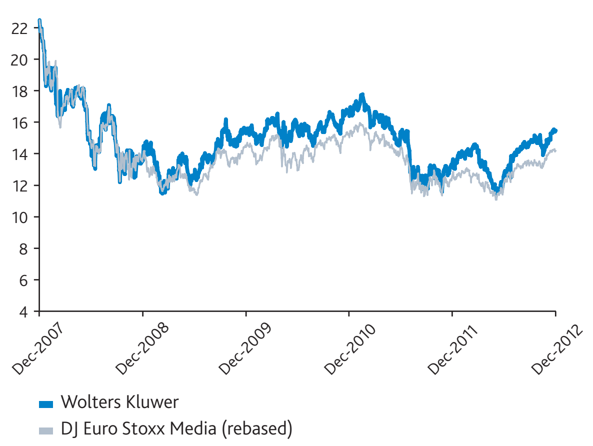
Anti-dilution policy
Wolters Kluwer announced on February 20, 2013, that it intends to continue offsetting the dilution caused by performance share issuance annually via share repurchases.

Share price performance
The Wolters Kluwer share price increased 15.9% during 2012, outperforming the AEX and DJ Stoxx Euro Stock Media indices.

Share Price Performance 2012



Share Price Performance 2008-2012



Source: Investis; vwd group

Listings

Wolters Kluwer ordinary shares are listed on NYSE Euronext Amsterdam.

Stock codes and ticker symbols

ISIN code	NL0000395903
Security code	39590
Sedol	5671519 NL
Bloomberg	WKL.NA
Reuters	WLSNc.AS
ADRs CUSIP	over-the-counter, WTKWY, CUSIP No. 977874 20 5

The company has a sponsored level 1 over-the-counter American Depository Receipts (ADR) program in the United States. The ratio of American Depositary Receipts to ordinary shares is 1:1.

American Depositary Receipts Trust Office
Deutsche Bank Trust Company Americas
60 Wall Street
New York, NY 10005
United States
Tel: +1 212 250 9100
www.adr.db.com

Trading volume and venues

The NYSE Euronext Amsterdam exchange is the primary trading venue for the shares. Alternative trading venues include Chi-X Europe, Turquoise, and several others. The average daily trading volume was 972,466 shares during 2012 (source: Officiële Prijscourant Euronext).

Capital stock

The ordinary shares have a nominal value of €0.12. The number of ordinary shares outstanding on December 31, 2012, was 295.3 million (December 31, 2011: 296.6 million). The diluted weighted average number of ordinary shares used to compute the diluted per share figures was 300.7 million in 2012 (2011: 301.5 million).

Market capitalization

On the basis of issued ordinary shares (excluding own shares held by the company), the market capitalization as of December 31, 2012, was €4.7 billion (2011: €4.0 billion).

Key share data in euros, unless otherwise indicated	**2012**	2011
Diluted earnings per share	1.07	0.40
Diluted ordinary earnings per share in constant currencies	1.47	1.46
Diluted ordinary earnings per share	1.58	1.47
Basic earnings per share	1.08	0.40
Ordinary earnings per share	1.60	1.49
Ordinary free cash flow per share	1.71	1.48
Proposed dividend / cash distribution per share	0.69	0.68
Weighted average number of shares issued (millions of shares)	296.9	298.4
Diluted weighted average number of shares (millions of shares)	300.7	301.5
Highest quotation	15.76	17.93
Lowest quotation	11.39	11.49
Quotation at December 31	15.48	13.36
Average daily volume on NYSE Euronext Amsterdam (thousands of shares)	972	1,047

Indices

Wolters Kluwer shares are included in several equity indices. Its weight in selected indices is shown below.

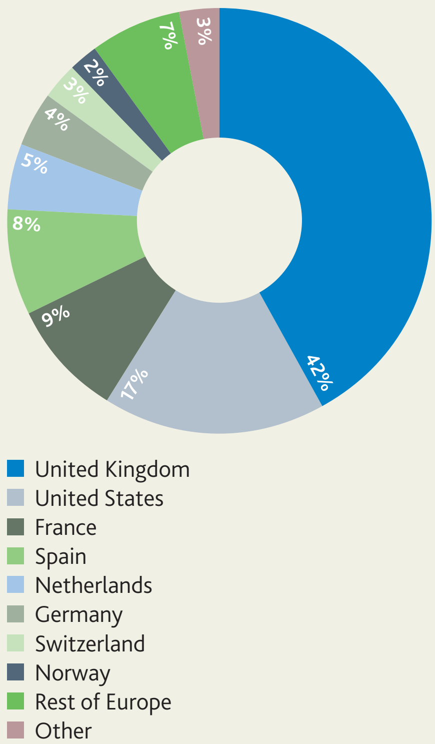
Indices in %	**2012**
AEX	1.77
Dow Jones Euro Stoxx Media	6.21
Dow Jones Media	3.25

Source: Bloomberg. February 27, 2013

Institutional shareholders by geography

Institutional investors hold estimated 91% (2011: 86%) of the shares in Wolters Kluwer, with the remaining 9% of shares held by retail investors and broker-dealers. Institutional ownership is spread across many countries, with approximately 42% of institutional ownership in the United Kingdom and 17% in the United States.

Estimated institutional shareholders by geography



Source: Thomson Reuters Corporate Advisory Services, December 31, 2012

Shareholders exceeding 5%

In accordance with the Act on financial supervision (*Wet op het financieel toezicht*), shareholders owning 5% or more of the issued capital must disclose this to the Netherlands Authority for Financial Markets (AFM). As of February 27, 2013, the following investors have disclosed shareholdings in excess of 5%:

- Bestinver Gestion SGIIC S.A.: 5.02% interest (disclosed on May 24, 2011);
- Capital Group International Inc.: 5.03% interest (disclosed on February 12, 2013);
- Silchester International Investors LLP: 10.04% interest (disclosed on July 27, 2011), of which 5.04% via its affiliate Silchester International Investors International Value Equity Trust (disclosed on August 1, 2011).

Credit ratings

Wolters Kluwer debt is rated by Standard & Poor's (S&P) and Moody's Investor Services (Moody's). On May 8, 2012, S&P affirmed its BBB+ long-term and A-2 short-tem ratings, but revised its outlook to negative. During 2012, Moody's Investors Service maintained its rating at Baa1 with negative outlook.

Agency	Long Term	Short Term	Outlook
Moody's	Baa1 (Dec. 17, 2003)	-	Negative (Aug. 1, 2011)
Standard & Poor's	BBB+ Nov. 12, 2003)	A-2	Negative (May 8, 2012)

Bonds

Wolters Kluwer bonds listed in Amsterdam:

- 6.875% perpetual cumulative subordinated Wolters Kluwer nv Bonds 2001, €225 million (ISIN code NL0000119105)

Wolters Kluwer bonds listed in both Amsterdam and Luxembourg:

- 5.125% senior Wolters Kluwer nv Bonds, 2003/2014, €700 million (ISIN code XS0181273342)

Wolters Kluwer bonds listed in Luxembourg:

- 6.375% senior Wolters Kluwer nv Bonds, 2008/2018, €750 million (ISIN code XS0357251726)
- 6.748% senior Wolters Kluwer nv Bonds, 2008/2028, €36 million (ISIN code XS0384322656)

Wolters Kluwer bonds listed in Frankfurt:

- 4.20% senior Wolters Kluwer nv Bonds, 2010/2020, €250 million (ISIN code XS0522820801)

Financial calendar

• March 13, 2013	Publication of 2012 Annual Report
• April 24, 2013	Annual General Meeting of Shareholders
• April 26, 2013	Ex-dividend date
• April 30, 2013	Dividend record date
• May 8, 2013	First-Quarter 2013 Trading Update
• May 16, 2013	Dividend payment date (ordinary shares)
• May 23, 2013	ADR dividend payment date
• July 31, 2013	Half-Year 2013 Results
• November 6, 2013	Third-Quarter 2013 Trading Update
• February 19, 2014	Full-Year 2013 Results

Profile Executive Board

Nancy McKinstry
Chief Executive Officer and Chairman of the Executive Board

Ms. McKinstry has been Chief Executive Officer and Chairman of the Executive Board since September 1, 2003, and Member of the Executive Board since June 1, 2001.

Before assuming her present position in 2003, Ms. McKinstry gained more than a decade of experience at Wolters Kluwer and its operating companies in North America. Ms. McKinstry is responsible for Corporate Strategy, Division Performance, Business Development, Global Shared Services, Technology, Legal Affairs, Communications, Human Resources, and Sustainability.

Ms. McKinstry is a member of the Boards of Directors of Sanoma Oyi, Ericsson, Abbott, and TiasNimbas Business School. Ms. McKinstry is also a member of the Advisory Council of the Amsterdam Institute of Finance, the Advisory Board for the University of Rhode Island, the Advisory Board of the Harrington School of Communication and Media, and the Board of Overseers of Columbia Business School.

Boudewijn Beerkens
Chief Financial Officer and Member of the Executive Board (until May 2013)

Mr. Beerkens has been Chief Financial Officer since November 1, 2002, and Member of the Executive Board since May 1, 2003. Mr. Beerkens is responsible for the corporate areas of Accounting, Business Analysis & Control, Internal Audit and Internal Controls, Investor Relations, Mergers & Acquisitions, Risk Management, Taxation, and Treasury.

Mr. Beerkens is a member of the Supervisory Board of Goedland nv, the Advisory Board of Verder International BV, the Industry Expert Committee of Bencis Capital Partners, the Executive Committee of Amsterdam Partners, the Advisory Board of Verder International BV, the Supervisory Board of International Market Makers Combination BV, the Council of Trustees of the RCOAK, and a Founding Friend of the United World Colleges Nederland.

On February 20, 2013, Wolters Kluwer announced the departure of Mr. Beerkens per May 2013.

Kevin Entricken
Chief Financial Officer & nominated Member of the Executive Board (as per May 2013)

Effective May 2013, Mr. Entricken will assume his role as Chief Financial Officer, and be nominated as a Member of the Executive Board.

Mr. Entricken joined Wolters Kluwer in 2003. He has been CFO of Wolters Kluwer Health for the past 3 years, during which time he played a major role in transforming the Health portfolio. Prior to his role in Health, Mr. Entricken served as Vice President, Investor Relations, and as CFO of Wolters Kluwer Law & Business.

Before joining Wolters Kluwer, Mr. Entricken held senior finance positions in the operating units of information and media companies, including Reed Elsevier and EMI Music. Mr. Entricken began his career and worked for several years at KPMG. He graduated Magna Cum Laude in 1987 from Montclair State University, New Jersey and was qualified as a Certified Public Accountant.

Profile Supervisory Board

Adri Baan
Dutch, 1942, Chairman, appointed in 2002, current term until 2014, member of the Audit Committee and member of the Selection and Remuneration Committee

Position:
- Former Executive Board Member of Royal Philips Electronics nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board and member of the Audit Committee of Koninklijke Volker Wessels Stevin nv (until May 2012)
- Member of the Supervisory Board and of the Audit Committee of Imtech nv
- Member of the Supervisory Board, Chairman of the Remuneration Committee, and member of the Audit Committee of Océ nv (until April 2012)
- Chairman of the Board of Directors (Non-Executive Director) and member of the Audit Committee of Dockwise Ltd. (Bermuda)
- Senior adviser Warburg Pincus LLC
- Member of the Supervisory Boards of The University of Amsterdam and Academic Medical Centre, Amsterdam
- Chairman of the Supervisory Board of Van Gansewinkel Group

Peter Wakkie
Dutch, 1948, Deputy Chairman, appointed in 2005, current term until 2013, Chairman of the Selection and Remuneration Committee

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

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

Bruno Angelici
French, 1947, appointed in 2007, current term until 2015, member of the Audit Committee

Position:
- Former Executive Vice President, Europe, Japan, Asia Pacific, Latin America, Middle East, and Africa of AstraZeneca Plc.

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

Barbara Dalibard
French, 1958, appointed in 2009, current term until 2013

Position:
- Chief Executive Officer of SNCF Voyages (France)

Supervisory directorships and other positions:
- Member of the Supervisory Board of Michelin S.A. (France)
- Member of the Supervisory Board of NTV S.p.A. (Italy)
- Member of the Supervisory Board of Eurostar Ltd (UK)

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

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

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

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

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

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

René Hooft Graafland
Dutch, 1955, appointed in 2012, current term until 2016, Member of the Audit Committee

Position:
- CFO and member of the Executive Board of Heineken nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board of Royal Theatre Carré

5-Year Key Figures

	2012*	2011*	2010*	2009	2008
Revenues	3,603	3,354	3,308	3,425	3,374
Operating profit	579	428	498	234	503
Profit for the year from continuing operations, attributable to equity holders of the Company	344	244	297		
Profit for the year, attributable to equity holders of the Company	322	120	288	118	313
Ordinary EBITDA	905	834	817	783	756
Ordinary EBITA	785	728	716	682	678
Ordinary net income	476	444	436	427	423
Ordinary free cash flow	507	443	446	424	395
(Proposed) Dividend/cash distribution	204	202	200	193	186
Acquisition spending	109	299	251	54	667
Capital expenditure	144	143	138	123	140
Amortization of other intangible assets and depreciation property, plant, and equipment	120	106	101	101	78
Amortization of publishing rights and impairments	192	161	147	368	124
Shareholders' equity	1,537	1,540	1,612	1,334	1,414
Guarantee equity	1,782	1,786	1,856	1,580	1,672
Net debt	2,086	2,168	2,035	2,007	2,254
Capital employed	3,901	4,174	4,177	3,655	3,774
Total assets	6,556	6,691	6,557	6,053	6,388
Ratios					
As % of revenues:					
Operating profit	16.1	12.8	15.0	6.8	14.9
Profit for the year from continuing operations, attributable to equity holders of the Company	9.5	7.3	9.0	3.4	9.3
Ordinary EBITDA	25.1	24.9	24.7	22.9	22.4
Ordinary EBITA	21.8	21.7	21.6	19.9	20.1
Ordinary net income	13.2	13.2	13.2	12.5	12.5
ROIC	8.8	8.9	8.9	8.5	9.1
Dividend proposal in % of ordinary net income	42.8	45.4	45.9	45.1	44.0
Pay-out in % of profit for the year, attributable to equity holders of the Company	63.4	167.5	69.5	163.4	59.3
Cash conversion (ratio) (%)	99	98	96	96	88
Net interest coverage	6.4	6.2	5.6	5.7	5.7
Net debt to EBITDA	2.4	3.1	2.7	2.9	3.2
Net gearing	1.4	1.4	1.3	1.5	1.6
Shareholders' equity/capital employed	0.39	0.37	0.39	0.36	0.37
Guarantee equity to total assets	0.27	0.27	0.28	0.26	0.26

	2012*	2011*	2010*	2009	2008
Information per share (€)					
On the basis of fully diluted:					
Diluted EPS from continuing operations	1.14	0.81	0.99		
Diluted EPS from discontinued operations	(0.07)	(0.41)	(0.03)		
Diluted earnings per share	1.07	0.40	0.96	0.40	1.09
Diluted ordinary EPS from continuing operations	1.58	1.47	1.45	1.45	1.47
Diluted ordinary EPS from discontinued operations	(0.02)	0.01	0.03		
Diluted ordinary earnings per share for the Group	1.56	1.48	1.48	1.45	1.47
Diluted ordinary free cash flow per share	1.69	1.47	1.49	1.44	1.37
Weighted average number of shares, diluted (millions)	300.7	301.5	300.3	293.8	288.3
Ordinary EPS from continuing operations	1.60	1.49	1.47		
Ordinary EPS from discontinued operations	(0.02)	0.01	0.03		
Ordinary earnings per share for the Group	1.58	1.50	1.50	1.47	1.49
Basic EPS from continuing operations	1.16	0.82	1.00		
Basic EPS from discontinued operations	(0.08)	(0.42)	(0.03)		
Basic earnings per share	1.08	0.40	0.97	0.41	1.10
Ordinary free cash flow per share	1.71	1.48	1.51	1.46	1.39
(Proposed) Dividend/cash distribution per share	0.69	0.68	0.67	0.66	0.65
Weighted average number of shares issued (millions)	296.9	298.4	296.4	290.1	284.6
Stock exchange					
Highest quotation	15.76	17.93	16.80	16.26	22.53
Lowest quotation	11.39	11.49	14.42	11.25	11.82
Quotation at December 31	15.48	13.36	16.40	15.30	13.54
Average daily trading volume Wolters Kluwer on Euronext Amsterdam nv, number of shares (thousands of shares)	972	1,047	1,071	1,327	1,842
Employees					
Headcount at December 31	19,112	18,721	18,319	19,341	20,063
In full-time equivalents at December 31	18,412	17,979	17,363	18,207	19,271
In full-time equivalents average per annum	19,223	18,806	18,225	19,957	20,290

* The years 2012 and 2011 are based on figures for continuing operations; 2010 figures are represented for discontinued operations

Glossary

Average invested capital
The average of the previous year-end invested capital and the current year-end invested capital.

Basic earnings per share
The profit or loss attributable to the ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the period.

Capital expenditure (CAPEX)
Sum of expenditure on property, plant, and equipment, and other intangible assets.

Cash flow: cash conversion ratio (CAR)
Calculated as cash flow from operations less net capital expenditure, divided by ordinary EBITA.

Cash flow: cash flow from operations
Ordinary EBITDA plus or minus autonomous movements in working capital.

Cash flow: Ordinary free cash flow
Cash flow from operating activities less net capital expenditure, plus acquisition and divestment related costs, plus appropriation of Springboard costs (after taxation), plus dividends received from equity-accounted investees and investments. Ordinary free cash flow is the cash flow available for payments of dividend to shareholders, acquisitions, down payments of debt, and repurchasing of shares.

Constant currencies
Income, expense, and cash flows in local currencies are recalculated to euro, using the average exchange rates of the previous calendar year.

Continuing operations
The Group results, excluding those components and groups of the entity that have been presented as discontinued operations.

Diluted earnings per share
Minimum of:
- Profit for the year attributable to the equity holders of the Company divided by the weighted average number of shares (basic earnings per share), and
- Profit for the year attributable to the equity holders of the Company, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Shares conditionally awarded under LTIP are included in the diluted earnings per share calculation if the conditions are satisfied at balance sheet date.

Diluted ordinary earnings per share
Minimum of:
- Ordinary net income divided by the weighted average number of shares (ordinary earnings per share); and
- Ordinary net income, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Shares conditionally awarded under LTIP are included in the diluted earnings per share calculation if the conditions are satisfied at balance sheet date.

EBITA
EBITA (earnings before interest, tax, and amortization of publishing rights and impairments of goodwill and publishing rights) is calculated as operating profit plus amortization of publishing rights and impairments of goodwill and publishing rights.

EBITDA
EBITA plus depreciation on property, plant, and equipment plus amortization on other intangible assets.

Guarantee equity
Sum of total equity, subordinated (convertible) bonds and perpetual cumulative bonds.

Invested capital
Capital employed, excluding non-operating working capital and cash and cash equivalents, adjusted for accumulated amortization on publishing rights and goodwill amortized and goodwill written-off to equity (excluding publishing rights and goodwill impaired and/or fully amortized), less any related deferred tax liabilities.

Net capital expenditure
Calculated as capital expenditure less the net book value of disposed assets.

Net gearing
Net debt divided by total equity.

Net-debt-to-EBITDA ratio
Net debt divided by EBITDA adjusted for results on divestments of operations.

Net debt
Sum of (long-term) loans, borrowings and bank overdrafts, and deferred acquisition payments minus cash and cash equivalents, (non-current) divestment receivables, and the net fair value of derivative financial instruments.

Net finance results
Interest received or receivable from third parties ('finance income') less interest paid or due to third parties ('finance costs'), fair value changes through profit or loss of (derivative) financial instruments, and foreign exchange differences on financial instruments.

Net interest coverage
Calculated as the ratio between ordinary EBITA and net financing results.

Non-benchmark items
Non-benchmark items relate to expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group and are excluded from the benchmark figures: Springboard costs, restructuring costs, acquisition integration costs, acquisition expenses, results from divestments of operations, and fair value changes of contingent acquisition considerations as included in operating profit.

NOPAT
Net operating profit after allocated tax. Calculated as ordinary EBITA less allocated tax, based on the effective tax rate on ordinary income before tax.

Operating accounts receivable
Operating accounts receivables consist of trade receivables, prepayments, and other receivables.

Operating current liabilities
Operating current liabilities consist of salaries and holiday allowances, royalties payable, other liabilities and accruals, and social security premiums and other taxation.

Ordinary
The term 'ordinary' refers to figures adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and publishing rights. 'Ordinary' figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business.

Ordinary earnings per share
Ordinary net income divided by the weighted average number of shares.

Ordinary EBITA
EBITA adjusted for non-benchmark items in operating profit.

Ordinary EBITA margin
Calculated as ordinary EBITA as a percentage of revenues.

Ordinary EBITDA
EBITDA adjusted for non-benchmark items in operating profit.

Ordinary income before tax
Calculated as ordinary EBITA including net financing results, income from investments, and results of equity-accounted investees.

Ordinary net income (= benchmark net profit)
Profit for the period attributable to the equity holders of the Company, excluding the after-tax effect of non-benchmark items, results on divestments of operations, results from discontinued operations, amortization of publishing rights, and impairments of goodwill and publishing rights.

Organic revenue growth
Calculated as revenue of the period divided by revenue of the period in the previous reporting period, excluding the impact of acquisitions and divestments of operations above a minimum threshold, all translated at constant currencies.

Total revenue growth
Growth of revenues over a period with respect to the previous comparable period (including the impact of organic growth, acquisitions and divestments of operations, discontinued operations, and where applicable currency effects).

Working capital
Current assets less current liabilities.

Working capital: non-operating working capital
Non-operating working capital is the total of receivables/payables of derivative financial instruments, the short-term part of the restructuring provision, acquisition payables, interest receivable/payable, income tax receivable/payable, and borrowings and bank overdrafts.

Working capital: operating working capital
Operating working capital is working capital minus non-operating working capital minus cash and cash equivalents.

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Forward-looking statements
This Annual Report contains forward-looking statements. These statements may be identified by words such as “expect,” “should,” “could,” “shall,” and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements.

Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which Wolters Kluwer is engaged; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting Wolters Kluwer’s businesses, as well as risks related to mergers, acquisitions, and divestments.

In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

About this report
The Annual Report is available as an iPad app, online, and as a limited edition print version.

Wolters Kluwer also issued a 2012 Sustainability Report, available online per March 13, 2013.

Production & Concept
Wolters Kluwer Corporate Communications
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Taco Anema

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Paper
This annual report is printed on Lessebo Design paper, FSC® SCS-COC-000973 certified. Wolters Kluwer believes that it has a responsibility to contribute to the sustainable use of resources.

The printed edition of the 2012 Annual Report is a climate-neutral print production.

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Wolters Kluwer received external recognition for its Annual Reports over 2011 and 2010:

2011 Annual Report
- #9 of the Top 100 Annual Reports globally – *LACP*
- #5 of Top 50 Annual Reports for the region: Europe/Middle East/Africa – *LACP*
- Platinum award for Best Overall Annual Report – *LACP*
- 2 Gold awards for Best Annual Report Narrative – *LACP*
- Shortlisted for Best Overall Annual Report (print and online), International category – *IR Society*
- Shortlisted for Best Annual Report – *Digital Communication Award*

2010 Annual Report
- Best overall Annual Report (print and online), International category – *IR Society*
- Most effective use of innovative online technology to support IR communications – *IR Society*

Wolters Kluwer
When you have to be right