



# Annual General Meeting of Shareholders

April 24, 2013 | Amsterdam

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**Wolters Kluwer**

When you have to be right



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**Nancy McKinstry**

CEO and Chairman of the Executive Board



**Wolters Kluwer**

When you have to be right

# Forward-looking Statements

*This presentation 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, 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.*

*Unless otherwise stated, this presentation is based on continuing operations, excluding the announced divestment of the pharma business. Comparative information is presented accordingly. Growth rates are cited in constant currencies unless otherwise noted.*

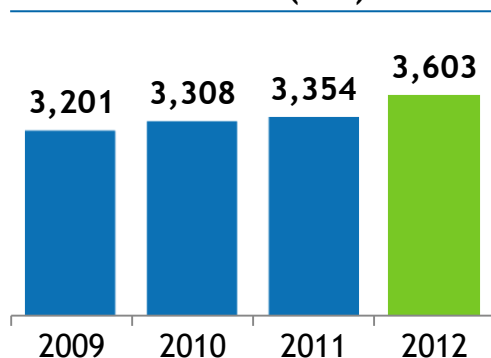
# Agenda

- Opening Remarks
- Strategic Priorities
- Highlights of 2012 Financial Performance
- 2013 Outlook and Summary

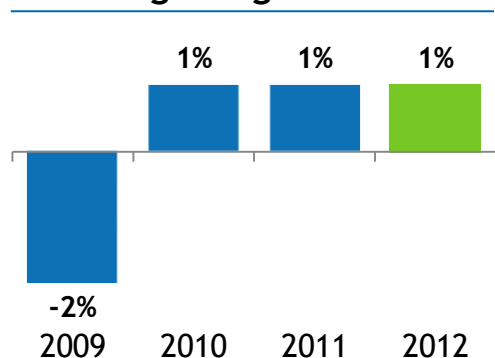
# Highlights FY2012 Results

- Organic growth positive despite economic challenges in Europe
  - North America growth accelerates to 4%
  - Online, software and services revenue up 4%
- Ordinary EBITA margin improves to 21.8%
- Diluted ordinary EPS €1.58, up 1% in CC, in line with guidance
- Ordinary free cash flow €507 million, exceeding guidance
- Net Debt/EBITDA ratio reduced to 2.4x, better than target

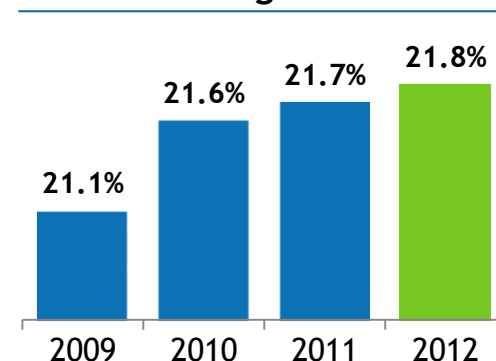
Revenues (€m)



Organic growth



Margin



# Other Highlights

- New CFO: Kevin Entricken nominated as new Executive Board Member
- Scrip dividend abolished
  - Dividend to be paid in cash only
- Maintaining progressive dividend policy; proposing €0.69 per share
- Successful new 10 year Eurobond offering; Existing perpetual bond to be redeemed in May



# Wolters Kluwer

When you have to be right

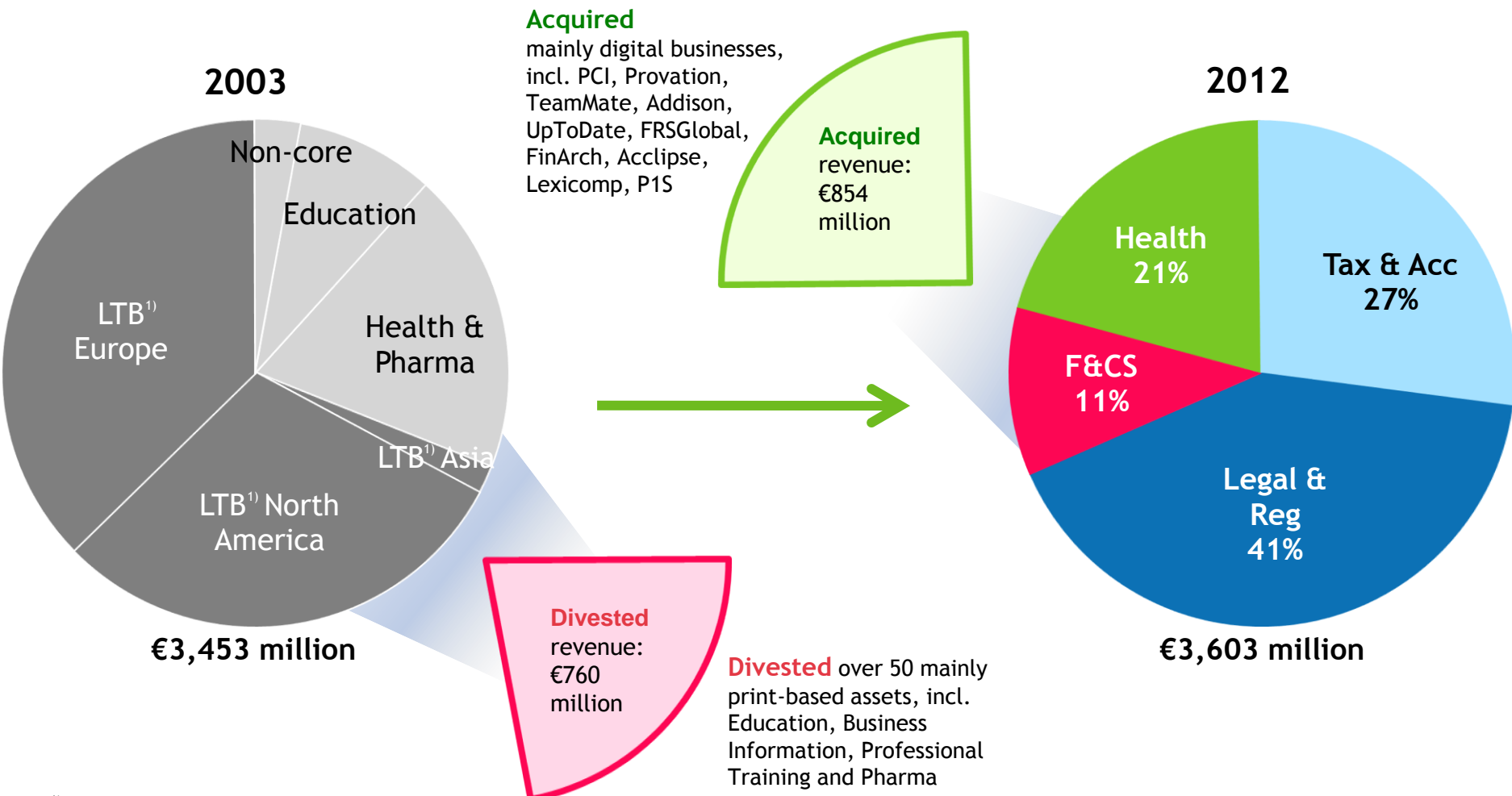
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# Portfolio transformation

*Wolters Kluwer, now focused on four global markets*



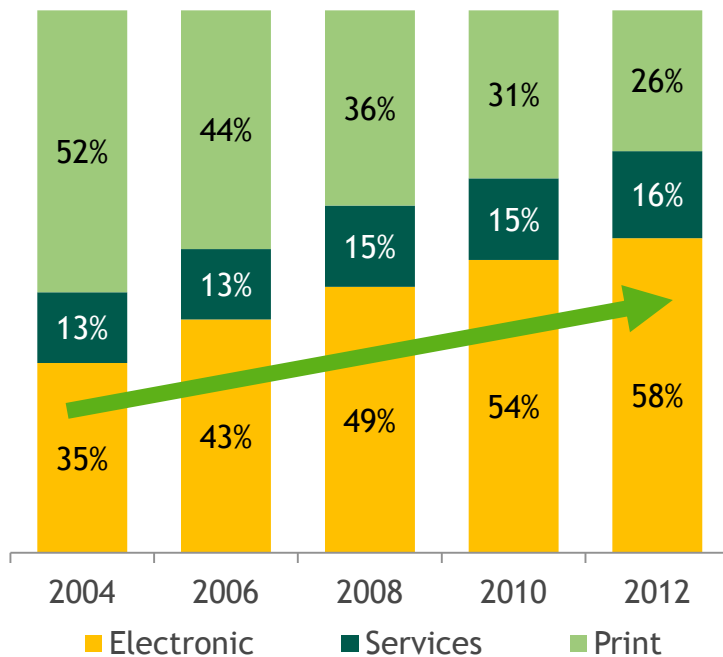
<sup>1)</sup> Law, Tax & Business

Note: Difference 2003 and 2012 revenue also includes organic growth and currency

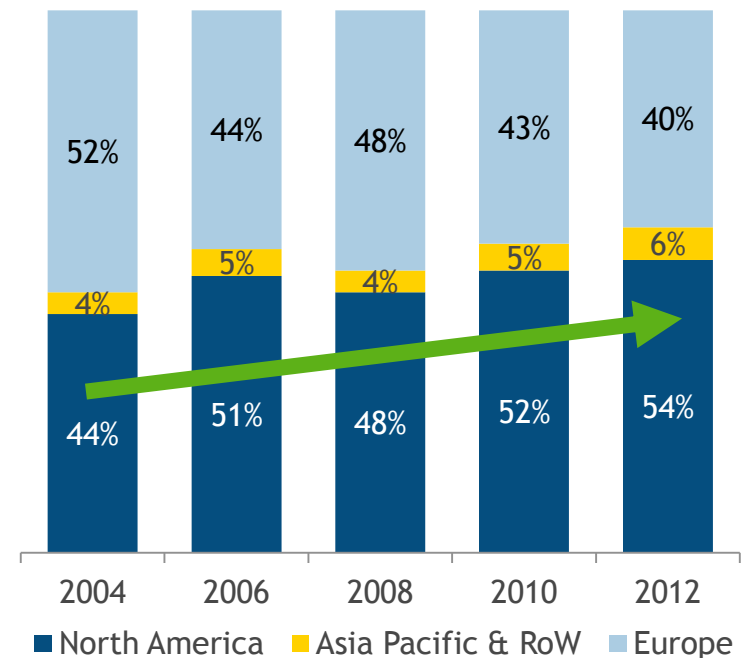
# Portfolio transformation

Today, 74% of our revenues come from electronic products and services, and we continue to balance and expand our geographic footprint

## Revenue by Media Format



## Revenue by Geography<sup>1)</sup>



<sup>1)</sup> 2012 excludes discontinued operations

# Our Strategy

*Our strategy aims to accelerate profitable growth*

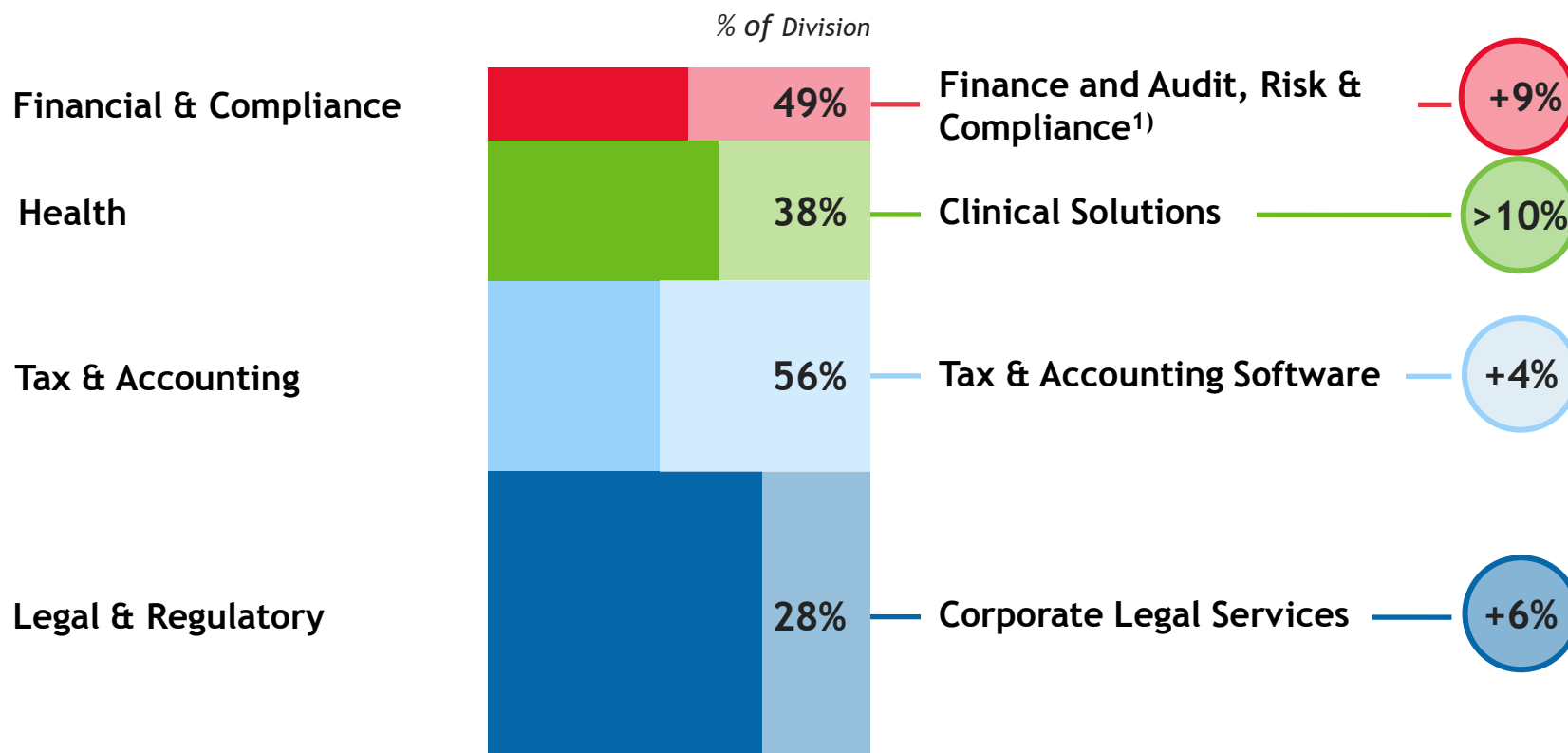


- Accelerate organic growth, expand margin longer term, increase ROIC
- Increase software, cloud, and mobile offerings
- Increase proportion from faster growing geographies

# 1. Expand our leading, high growth positions

*We will continue to allocate the majority of our investment to leading, high growth positions*

2012 organic growth  
of units indicated



<sup>1)</sup> Includes the Finance, Risk & Compliance and Audit, Risk & Compliance units within the F&CS division

## 2. Deliver solutions and insights

*Our investment is focused on solutions that drive productivity*

- We will continue to invest 8-10% of revenue on innovation
- Near term priorities are in mobile and cloud-based applications, and tailored solutions
- Close collaboration with customers

Increasingly Mobile



Drives decisions and outcomes



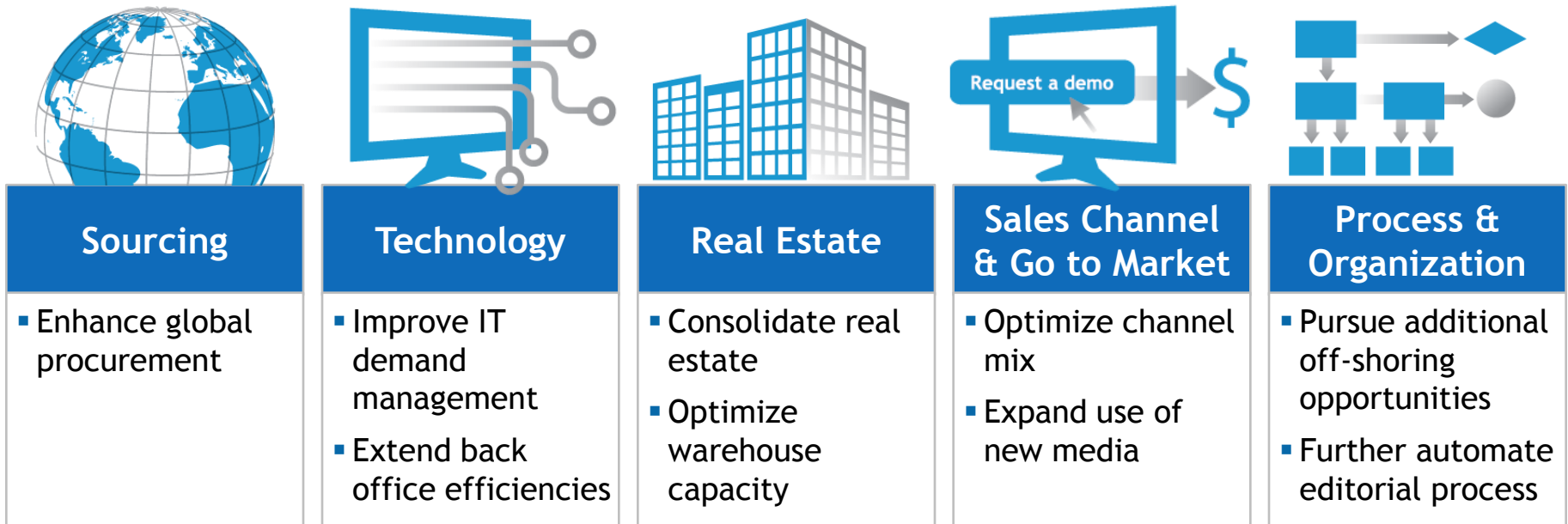
Tailored to the customer



### 3. Drive efficiencies

*We will continue to create global scale and savings in our operations*

- Springboard run-rate savings<sup>1,2)</sup> reached €217 million in 2012 (2011: €191 million)
- Near term, cost savings expected to offset wage inflation and restructuring costs (included in ordinary EBITA)



<sup>1)</sup> Run rate savings in 2008 constant currencies (EUR/USD 1.37)

<sup>2)</sup> 2008-2011 includes discontinued operations; 2012 excludes discontinued operations

# Sustainability

*Sustainability practices are embedded in the way we work*

- Require suppliers to comply with sustainability standards
- Measure environmental impact
- Emphasize use of responsible paper

- Executive Board's remuneration includes sustainability criteria
- Award employees who develop profoundly innovative solutions



- Invest in sustainable solutions for our customers
- Help our customers to migrate to non-paper solutions

- Organize community initiatives at corporate and local level

- Included in the Dow Jones Sustainability Index for the sixth year in a row
- Recognized as one of the 'Global 100 Most Sustainable Corporations in the World'

# Wolters Kluwer as Employer

*Building global top talent to support our growth agenda*

- Enterprise Talent Review
  - Raise profile of talent at Wolters Kluwer
  - Succession planning
  
- Leadership Forum
  - Professional development
  - Foster collaboration and share best practices
  
- Global Innovation Award
  - Reward employees who make significant contributions to innovation



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# 2012 Performance

*FY2012 results in line with guidance*

<b>Continuing operations</b>	<b>2012 Guidance</b>	<b>2012 Actual</b>	<b>Achieved</b>
Ordinary EBITA Margin	21.5 - 22.5%	21.8%	✓
Ordinary Free Cash Flow <sup>1)</sup>	≥ €425 million	€507 million	✓
Return on Invested Capital (after tax) <sup>1)</sup>	≥ 8%	8.8%	✓
Diluted Ordinary EPS <sup>1)</sup>	Low single digit growth	€1.58 (+1%)	✓

<sup>1)</sup> at constant currencies (EUR/USD 1.39)

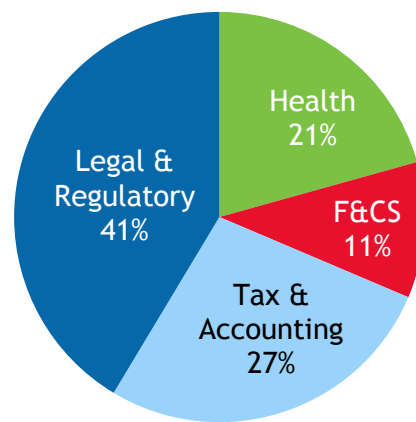
# Revenues by division

Revenue growth supported by strong performance in Health and F&CS

(€ million)	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%
<b>Total Revenues</b>	<b>3,603</b>	<b>3,354</b>	<b>+7%</b>	<b>+2%</b>	<b>+1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.39); ΔOG-% Organic growth

## 2012 Revenues by division



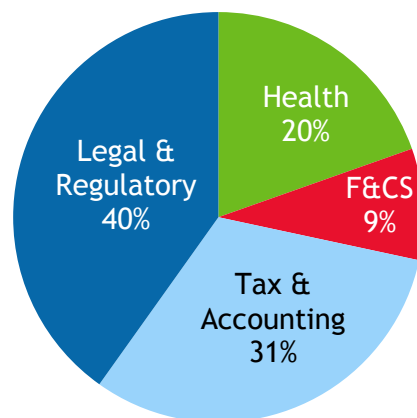
# EBITA by division

*Margin improvement driven by Health division*

(€ million)	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%
<b>Total ordinary EBITA</b>	<b>785</b>	<b>728</b>	<b>+8%</b>	<b>+2%</b>	<b>0%</b>
<b>Ordinary EBITA margin</b>	<b>21.8%</b>	<b>21.7%</b>			

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.39); ΔOG-% Organic growth

## 2012 Ordinary EBITA<sup>1)</sup>



<sup>1)</sup> Excluding corporate costs of € 47 million

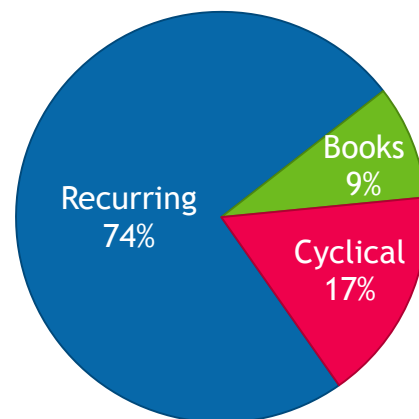
# Revenues by type

*Electronic & service subscriptions continue to grow organically*

(€ million)	2012	2011	Δ	Δ CC	Δ OG
Electronic & service subscription	1,886	1,701	+11%	+5%	+3%
Print subscription	445	472	-6%	-8%	-7%
Other non-cyclical	342	301	+14%	+7%	+4%
<b>Recurring revenues</b>	<b>2,673</b>	<b>2,474</b>	<b>+8%</b>	<b>+3%</b>	<b>+1%</b>
CLS transactional	180	151	+19%	+11%	+9%
FS transactional	72	58	+24%	+19%	+19%
Books	332	324	+3%	-3%	-4%
Other cyclical	346	347	0%	-4%	-5%
<b>Total revenues</b>	<b>3,603</b>	<b>3,354</b>	<b>+7%</b>	<b>+2%</b>	<b>+1%</b>

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## 2012 Revenues

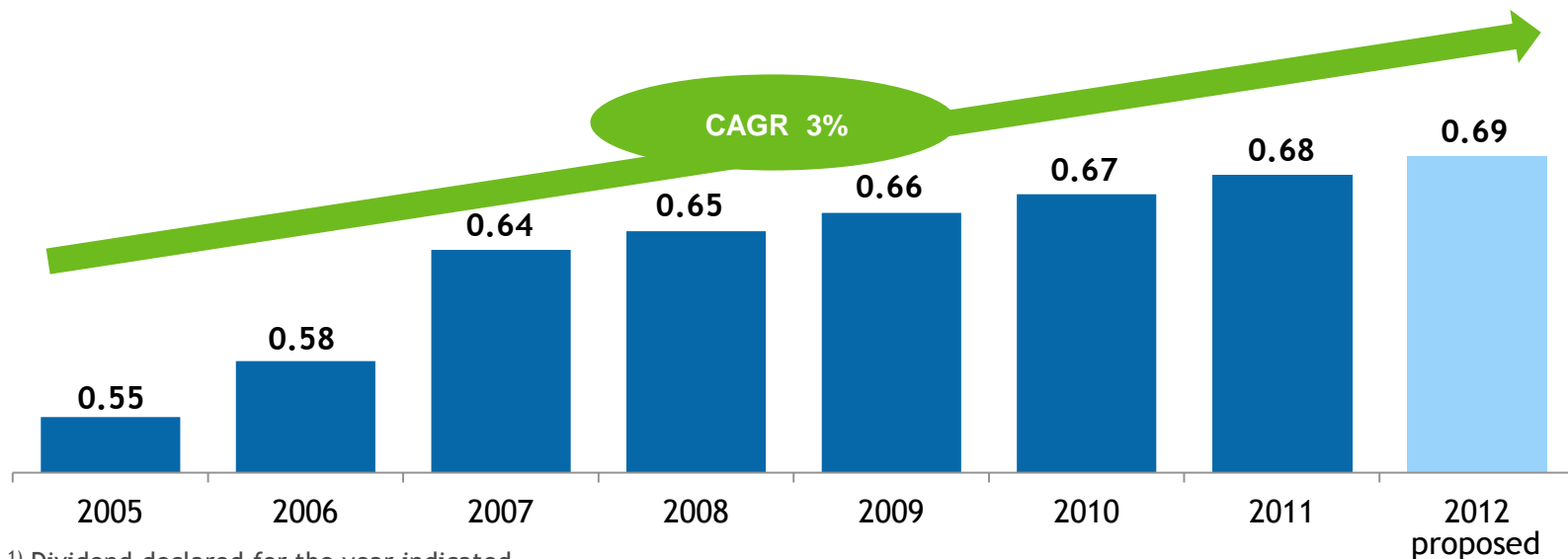


# Dividend

*Proposed increase to €0.69 for 2012 to be paid in cash*

- Progressive dividend policy: seventh consecutive year of increase
- Moving to all cash dividend starting with 2012 dividend - Scrip dividend ended
  - Most cost effective and tax efficient way for the company to deliver on its anti-dilution objective
  - Lower execution risk than buying back shares

Dividend per share (€)<sup>1)</sup>



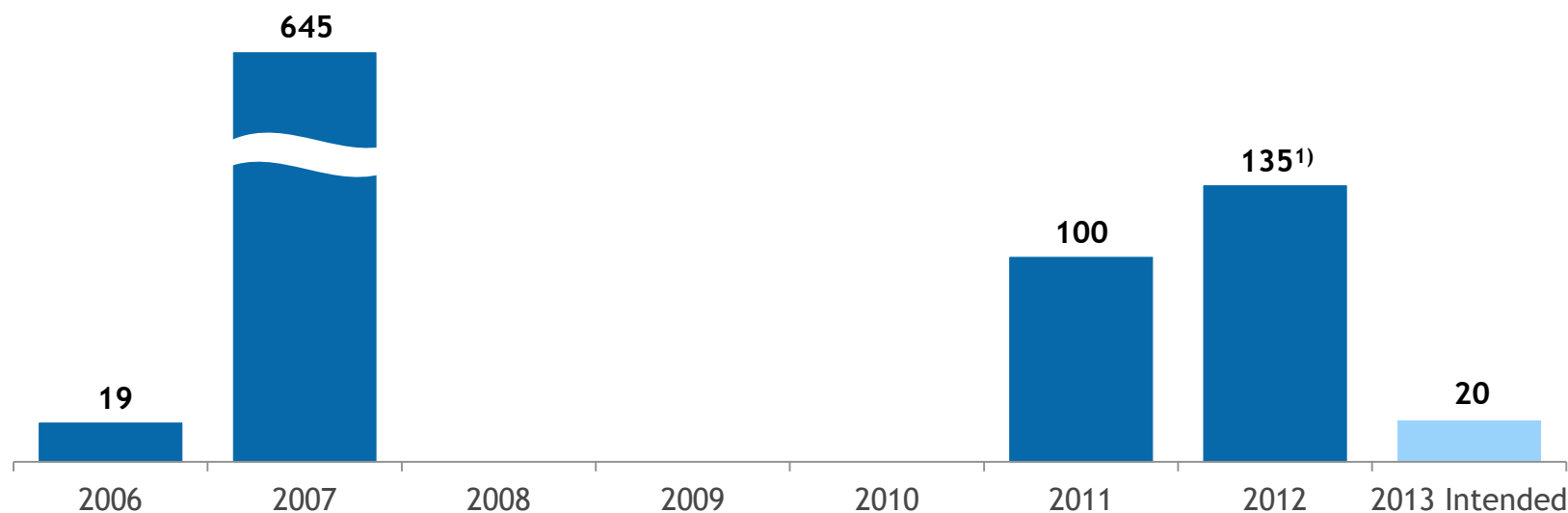
<sup>1)</sup> Dividend declared for the year indicated

# Share buy-backs

*Intend to offset dilution from performance share issuance*

- 2012 share buy-back: €135 million completed in two tranches
  - Total of 10.1 million ordinary shares repurchased (average price €13.45)
- 2013 share buy-back of up to €20 million to offset dilution from performance shares

Share buy-backs (€ million)



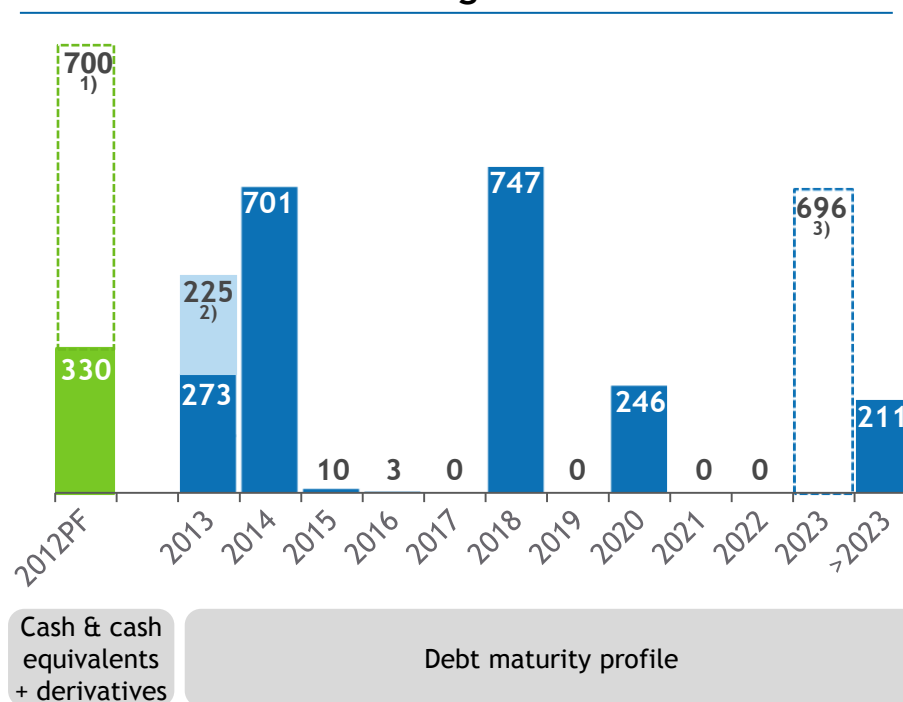
<sup>1)</sup> €2m settled in January 2013

# Debt refinancing

*New executed €700 million Eurobond; call perpetual bond*

- Net debt at year end 2012: €2,086 million
  - Net debt/EBITDA 2.4x
- New 10 year Eurobond (€700 million)
  - Attractive coupon of 2.875%
  - Oversubscription of principal (4.3x)
- Intended use of proceeds:
  - Call and repayment of Perpetual Cumulative Subordinated Bonds (€225 million)
  - Refinance 2014 Eurobond
  - General corporate purposes
- Lower effective interest rate as of 2014

Financing Profile



Cash & cash equivalents + derivatives

Debt maturity profile

1) Cash & equivalents includes funds raised through new ten year €700 million Eurobond, settled at March 21, 2013  
 2) Existing €225 million perpetual bond, has been called and will be redeemed on May 14, 2013  
 3) Indicative carrying value of the new Eurobond, calculated as per March 31, 2013



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# Divisional outlook 2013

## Legal & Regulatory

- North America to see organic growth, driven by CLS
- European markets to remain weak
- Margin contraction to be offset by other divisions

## Tax & Accounting

- Seasonal revenue pattern similar to 2012
- Expect growth in tax software
- Margins broadly stable

## Health

- Strong growth in Clinical Solutions
- Print journal and books markets to remain soft
- Margins to reflect investment and positive mix shift

## Financial & Compliance

- Tough comparables for Originations and Audit
- Finance, Risk & Compliance to see good growth
- European transport market remains challenging

# Guidance 2013

<b>Performance indicators</b>	<b>FY2013 Guidance</b>
Ordinary EBITA Margin	21.5-22.0%
Ordinary free cash flow	≥ €475 million
Return on Invested Capital (after tax)	≥ 8%
Diluted ordinary EPS	Low single-digit growth
Benchmark net financing result	Approximately €130 million
Benchmark tax rate	Broadly in line with 2012 rate

Guidance for ordinary free cash flow, diluted ordinary EPS and benchmark net financing result 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.

# Summary

- Highlights FY2012 Results:
  - Positive organic revenue growth in challenging market conditions, driven by growth in digital products
  - Improved operating margin and free cash flow
  - Leverage ratio improved and now better than our target
- Strategic focus on expanding our leading growth businesses, delivering solutions and insights to customers, while continuing to drive efficiencies
- Sustainability and talented employees are at the heart of how we operate and critical to our success
- Well positioned for the future

A white flag with the Wolters Kluwer logo and the letters 'WOL' printed on it. The logo is a circular emblem with a grid of colored squares (blue, green, red, blue) and a red square in the center. The letters 'WOL' are printed in a dark, sans-serif font.

# Thank you

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**Nancy McKinstry**  
Chief Executive Officer and Chairman

 **Wolters Kluwer**  
When you have to be right