Wolters Kluwer

2015

Annual Report

Wolters Kluwer

When you have to be right

2015 Annual Report

Table of Contents

Wolters Kluwer 2015 Annual Report

Message from the CEO

Our mission to help our customers make critical decisions with confidence remains at the center of all our activities. Whether they are doctors, accountants, lawyers or regulatory compliance professionals, our customers increasingly demand insights and analytics from domain experts, delivered through integrated solutions and mobile devices, and tailored to their specific workflow needs.

Our strategy over the last three years of focusing on our leading, high-growth businesses, delivering insights and productivity to customers, and pursuing

Digital and services revenues grew 5% organically, and now represent 83% of our total revenues. Our leading high-growth businesses grew 7% organically and represent 51% of revenues.

operational excellence to further improve the overall quality of our business, has delivered improved performance and set the stage for the next phase of our transformation.

Wolters Kluwer's 2015 financial results are evidence that our strategy is working. We delivered accelerated organic growth of 3%, improved margins of 21.4% and increased adjusted free cash flow to approximately €650 million. Digital and services revenues grew 5% organically, and now represent 83% of our total revenues. Our leading high-growth businesses grew 7% organically and represent 51% of revenues.

Growing our Value

Every three years, we review and update our strategic priorities and this year, as we embark on our new strategy for 2016-2018, Wolters Kluwer will build on the success of our current direction.

Our strategy for 2016-2018, *Growing our Value,* aims to further improve our organic growth rate, and increase margins and returns as we continue to focus on growing value for customers, employees and shareholders.

Our strategic priorities for the next three years are:

Expand market coverage. We will continue to allocate the majority of our capital towards our leading growth businesses and digital products and extend into adjacent markets and new geographies where we see the best potential for growth and competitive advantage. We will allocate funds to broaden our sales and marketing coverage in selective markets globally. And, we will support this organic growth strategy with value-enhancing acquisitions funded in part by small, non-core disposals.

We intend to accelerate our ongoing shift to global platforms and cloud-based, integrated solutions that offer mobile access.

Deliver expert solutions. We are increasingly focusing on those expert solutions that combine deep domain knowledge with specialized technology and services to deliver expert answers, analytics and productivity for our customers. We intend to accelerate our ongoing shift to global platforms and cloud-based, integrated solutions that offer mobile access. The aim is to create an all-round, rich end-to-end digital experience for our customers.

Drive efficiencies and engagement. We will continue to drive economies of scale while improving the quality of our offerings and agility of our organization. This will help fund investments and wage inflation, and support a rising operating margin over the long term. Through increased standardization of processes and technology planning, and by focusing on fewer, global platforms and software applications, we expect to free up capital to reinvest in product innovation. In addition, we will maintain our focus on initiatives that reinforce our employee engagement and associated performance.

Financial Strength

Our strategy is underpinned by strong financials. Our adjusted free cash flow increased 7% in constant currencies and supported an improvement in our net-debt-to-EBITDA of 1.7x at year end. This is significantly better than our target of 2.5x and provides Wolters Kluwer with a solid financial foundation to grow our business.

Our progressive dividend policy and the announced 2016-2018 share buyback program show our commitment to reward our shareholders. Over 2015 we are proposing a dividend increase of 6% to €0.75 per share for the full year. At the same time, we have announced our intention to launch a €600 million share buyback program over 2016-2018.

One Wolters Kluwer

Wolters Kluwer recognizes its diverse and talented workforce as its most valuable asset. The combined efforts and dedication of our employees help deliver on our customer promise. In return, our commitment to our staff is to provide a work environment that inspires us to be proud of who we are, to support our people with the right tools to work effectively, and help them develop their skills and careers at Wolters Kluwer. In addition, to become a more tightly-knit 'One Wolters Kluwer' with a common global culture, we launched a renewed set of Company Values that should guide our actions far into the future: *Focus on Customer Success*, *Make it Better*, *Aim High and Deliver* and *Win as a Team*.

Wolters Kluwer's tagline 'When you have to be right' perfectly captures the professional ambitions of our customers and inspires our staff to support our customers to succeed. In 2016, we will continue to drive innovation across all divisions, launch new products (including many cloud-based solutions), enhance the digital experience of our customers, and deliver greater integration of our content and workflow products.

On behalf of all at Wolters Kluwer, I want to extend our gratitude to our shareholders for supporting us in our mission to deliver sustainable growth and value to our customers, and all who are involved in the company.

Nancy McKinstry
Nancy McKinstry
CEO and Chairman of the Executive Board
Wolters Kluwer

Company Profile

Mission

Our customers make critical decisions every day; we help them move forward with confidence. Wolters Kluwer provides essential information, software, and services, that enables healthcare, tax, finance and legal professionals to be more effective and efficient.

2016-2018 Business Strategy

Wolters Kluwer introduced in 2016 its next three-year business strategy: *Growing our Value*.

Allocate majority of capital to leading, growing businesses
Extend into adjacent market segments and new geographies
Broaden global sales and marketing coverage

Continue driving economies of scale while improving quality and agility
Leverage our technology investments through increased standardization of processes and technology planning
Foster employee engagement

Deliver Expert Solutions providing improved outcomes and productivity
Accelerate development of global platforms and cloud-based, integrated solutions
Create an all-round, rich end-to-end digital experience
Continue investing 8-10% of revenues into new and enhanced products

Customers

1,000,000	Healthcare professionals in 180 countries
80	Medical societies
50,000	U.S. retail pharmacy stores
210,000	Accounting firms worldwide
99%	Of top 100 U.S. accounting firms
87%	Of Fortune 500
90%	Top banks worldwide, 98% of top U.S. banks
85%	Of top U.S. insurers
4,500	U.S. hedge & mutual funds
600,000	Legal professionals worldwide
25,000	Law firms in U.S.
340	Corporate General Counsels of Fortune 500

Company Values

Focus on Customer Success

Customers are at the center of everything we do.

Make it Better

We're committed to continuous improvement and innovation.

Aim High and Deliver

We're responsible for the right results.

Win as a Team

We're stronger together.

Management and Organization

Executive Board and Supervisory Board

Executive Board

Nancy McKinstry
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 has responsibility for Corporate Strategy, Business Development, division performance, Technology & Global Business Services, Communications, Human Resources, and Sustainability

Supervisory Board

René Hooft Graafland
Dutch, 1955, Chairman of the Audit Committee, appointed in 2012, current term until 2016, available for reappointment

Supervisory Board

Rima Qureshi
Canadian, 1965, member of the Selection and Remuneration Committee, appointed in 2014, current term until 2018, will resign after the Annual General Meeting of Shareholders on April 21, 2016

Supervisory Board

Ben Noteboom
Dutch, 1958, member of the Audit Committee, appointed in 2015, current term until 2019

Executive Board

Kevin Entricken
American, 1965, Chief Financial Officer and member of the Executive Board since May 2013

As CFO and member of the Executive Board, Mr. Entricken has responsibility for Accounting, Business Analysis & Control, Internal Audit and Internal Controls, Investor Relations, Mergers & Acquisitions, Risk Management, Taxation, Treasury and Legal Affairs

Supervisory Board

Peter Wakkie
Dutch, 1948, Chairman of the Supervisory Board, member of the Selection and Remuneration Committee, appointed in 2005, current term until 2017

Supervisory Board

Len Forman
American, 1945, Deputy Chairman of the Supervisory Board, Chairman of the Selection and Remuneration Committee, and member of the Audit Committee, appointed in 2005, current term until 2017

Supervisory Board

Bruno Angelici
French, 1947, member of the Audit Committee, appointed in 2007, current term until 2019

Profiles of the members of the Executive Board are available on www.wolterskluwer.com and for the members of the Supervisory Board on page 170 and on www.wolterskluwer.com

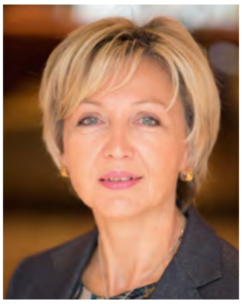
Organizational management

Diana Nole
CEO Health

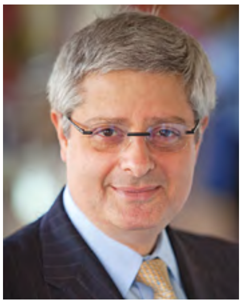
Karen Abramson
CEO Tax & Accounting

Richard Flynn
CEO Governance, Risk & Compliance

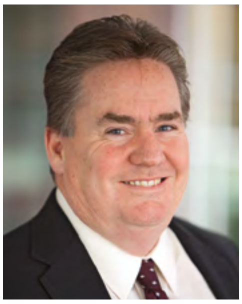
Stacey Caywood
CEO Legal & Regulatory



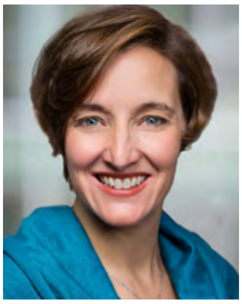
Corinne Saunders
CEO Emerging & Developing Markets



Andres Sadler
CEO Global Business Services



Dennis Cahill
EVP, Global Platform Organization



Maryjo Charbonnier
Chief Human Resources Officer

Sander van Dam
SVP, Accounting & Control/CFO Global Business Services

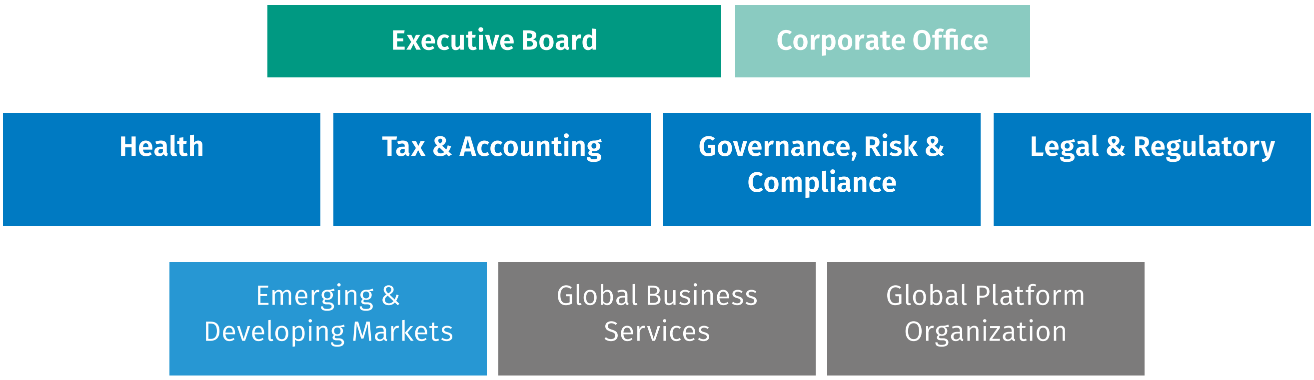
George Dessing
SVP, Treasury & Risk

Maarten Thompson
SVP, General Counsel and Company Secretary

Elizabeth Satin
SVP, Corporate Development and Mergers & Acquisitions

Full list of management is available on www.wolterskluwer.com

Organization



Divisions

Health
Health' solutions innovate the delivery of premier content and tools for the practitioner at their point of need – from point of learning to point of care – informed by customer insight and industry knowledge. Our solutions extend across the healthcare ecosystem and help professionals build competency and improve practice, so they can make important decisions on patient care. We offer evidence-based clinical decision support, medical, nursing and allied health content, a global leading medical research platform, and continuing education solutions. Customers are healthcare professionals and students in medical, nursing, allied health specialties, medical librarians, and corporate researchers. Our portfolio includes Facts & Comparisons, Health Language Engine, Learner's Digest International, Lexicomp, Lippincott Nursing Solutions, Lippincott Williams & Wilkins, Medicom, Medi-Span, Medknow, Ovid®, ProVation MD, ProVation Order Sets, Sentri7, UpToDate.

Tax & Accounting
Tax & Accounting is a global, leading provider 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, efficiency, and ease. The division also helps firms effectively manage their practices and strengthen relationships with their clients. Customers include accounting firms, corporate finance, tax and auditing departments, government agencies, universities, libraries. Portfolio includes A3 Software, ADDISON, ATX, CCH, CCH Axcess™, CCH iFirm, CCH® IntelliConnect®, CCH® ProSystem fx®, CCH® SureTax®, Dinkum, Global Integrator, IPSOA, Prosoft, SalesTax.com, TeamMate and Twinfield.

Governance, Risk & Compliance
Governance, Risk & Compliance provides legal, finance, risk and compliance professionals and small business owners with a broad spectrum of solutions, services and expertise to help manage a myriad of governance, risk and compliance challenges in dynamic global markets. Customers include legal, risk, finance, compliance, and transport professionals and small business owners in industries such as banking, general business, insurance, law, securities and transportation. Wolters Kluwer Governance, Risk & Compliance serves customers via six main market segments and product suites: Corsearch, CT Corporation, CT Lien Solutions, ELM Solutions, Wolters Kluwer Financial Services and Wolters Kluwer Transport Services.

Legal & Regulatory
Legal & Regulatory provides information, software, and integrated workflow solutions to legal and business professionals worldwide. Our solutions and services help customers manage complex compliance requirements, realize higher productivity, and build stronger client relationships. Customers are lawyers and law firm professionals, corporate legal departments, compliance professionals, legal educators, universities, libraries, government agencies. Portfolio includes Cheetah, ComplyTrack, Effacts, IntelliConnect, IPSOA, Jura, Jurion, Kleos, LA LEY, LamyLine, LEX, Leggi D'Italia, Navigator, Pluris and Verifield.

Cross Divisional Groups

Emerging & Developing Markets Group
The Emerging & Developing Markets group is dedicated to accelerating our growth in fast-developing markets, particularly in China, India, and Latin America. The group implements a granular strategy: targeting geographies with strong mobile and digital offerings, optimizing product portfolios for each geography, strengthening local partnerships, and building local market leadership positions.

Global Business Services
Global Business Services' (GBS) role is to deliver operational excellence and efficiencies for the company. GBS drives several strategic programs to help fuel the further digital transformation of Wolters Kluwer. GBS focuses on improvements in our global strategic sourcing, technology and finance functions, as well as on operational excellence initiatives.

Global Platform Organization
The Global Platform Organization (GPO) is the company's central technology platform and software application development group. The GPO co-creates state-of-the-art digital products and solutions with Wolters Kluwer businesses around the globe. The group has teams in several countries with experts working closely together with the business units.

Corporate Office
Wolters Kluwer is headquartered in Alphen aan den Rijn, the Netherlands, and stock-listed on Euronext Amsterdam.

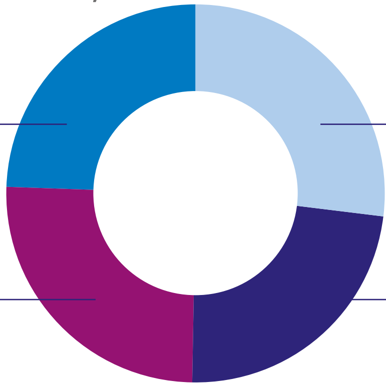
2015 Key Figures

Total annual revenues

€4,208 mln

Health
€1,022 mln

Tax & Accounting
€1,132 mln



Governance, Risk & Compliance
€1,065 mln

Legal & Regulatory
€989 mln

Total adjusted operating profit margin

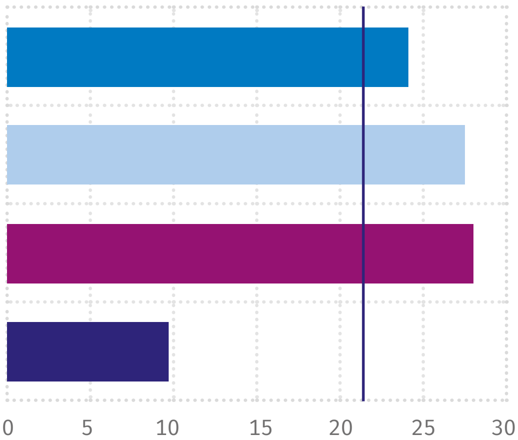
21.4%

Health 24.1%

Tax & Accounting 27.5%

Governance, Risk & Compliance 28.0%

Legal & Regulatory 9.7%



Total employees

18,055 fte

Health
2,964 fte

Tax & Accounting
6,164 fte

Governance, Risk & Compliance
4,413 fte

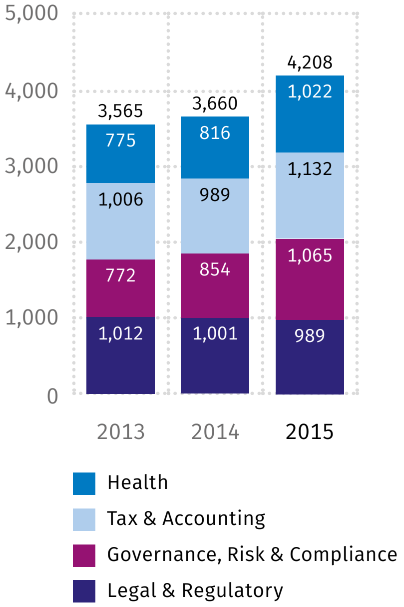
Legal & Regulatory
4,411 fte

Corporate Office 103 fte

Revenues

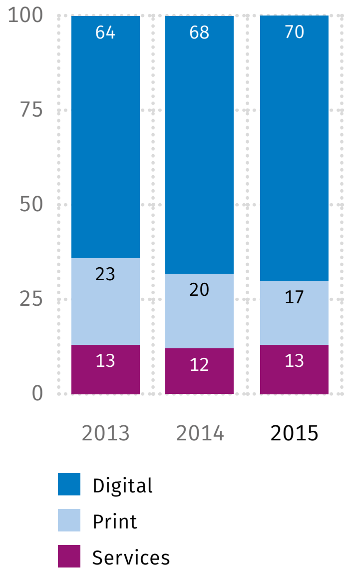
Revenues by division

€ mln



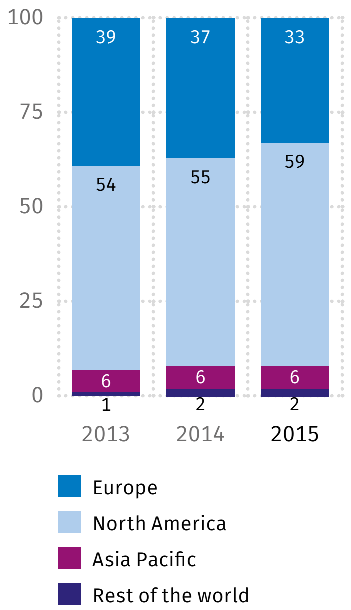
Revenues by media

in %



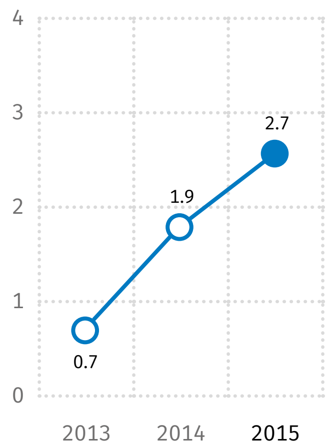
Revenues by geography

in %



Organic revenue growth

in %



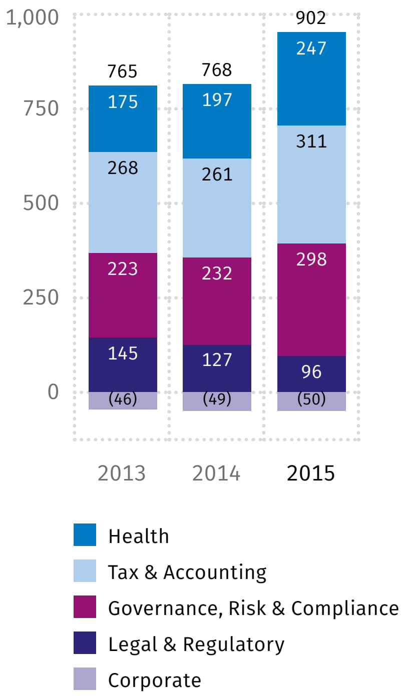
Key Performance Indicators

		2015	Target 2015	2014
Adjusted operating profit margin	*in %*	21.4	21.0 - 21.5	21.0
Adjusted free cash flow*	*in € mln*	547	500 - 525	511
Return on invested capital	*in %*	9.3	≥ 8	8.5
Diluted adjusted EPS*	*in €*	1.67	Mid single-digit growth	1.58

* in constant currencies (€/$ = 1.33)

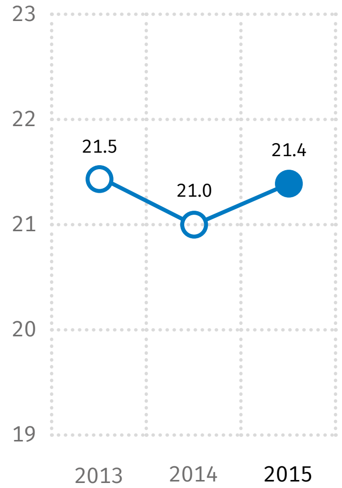
Adjusted operating profit by division

€ mln



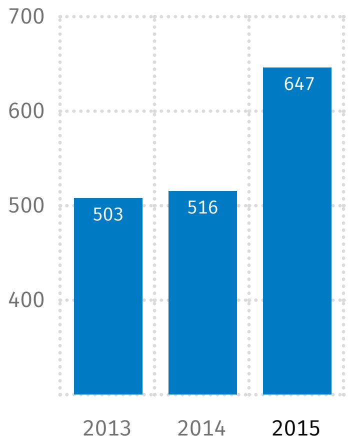
Adjusted operating profit margin

in %



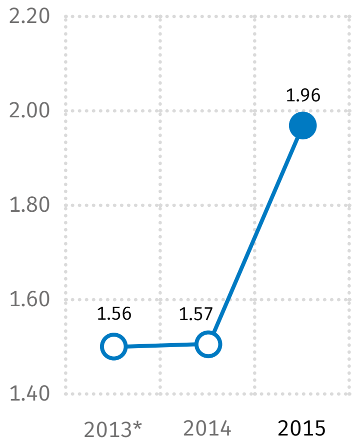
Adjusted free cash flow

€ mln



Diluted adjusted earnings per share

in euro



* from continuing operations

Report of the Executive Board

Operational and Financial Review

Operational performance

Key Figures

	2015	2014	Change in actual currencies (%)	Change in constant currencies (%)
Business performance – benchmark figures				
Revenues	4,208	3,660	15	3
Organic revenue growth (%)	3	2		
Adjusted operating profit	902	768	17	2
Adjusted operating profit margin (%)	21.4	21.0		
Adjusted net profit	583	470	24	4
Diluted adjusted EPS (€)	1.96	1.57	25	
Diluted adjusted EPS in constant currencies (€)	1.67	1.58		5
Adjusted free cash flow	647	516	26	7
Diluted adjusted free cash flow per share (€)	2.18	1.72	27	8
Net debt	1,788	1,897	(6)	
Cash conversion ratio (%)	100	100		
Return on invested capital (ROIC) (%)	9.3	8.5		
Ultimo number of FTEs	18,055	18,549		
IFRS figures				
Revenues	4,208	3,660	15	3
Operating profit	667	569	17	
Profit for the year	423	474	(11)	
Profit for the year, attributable to equity holders of the Company	423	473	(11)	
Diluted EPS (€)	1.42	1.58	(10)	
Net cash from operating activities	843	663	27	

The highlights of our performance in 2015 are as follows:

- Revenues up 3% in constant currencies and up 3% organically.
- Digital & services revenues grew 5% organically (83% of total revenues).
- Recurring revenues grew 3% organically (76% of total).
- North America and Asia Pacific drove organic growth.
- Leading, high-growth positions grew 7% organically (51% of total).
- Adjusted operating profit margin improved to 21.4%, in line with guidance.
- Diluted adjusted EPS €1.96, up 5% in constant currencies, in line with guidance.

- Adjusted free cash flow €647 million, up 7% in constant currencies, better than expected.
- Return on invested capital increased to 9.3% (2014: 8.5%)
- Net-debt-to-EBITDA improved to 1.7x at year-end (2014: 2.1x).

Revenues

Group revenues increased 15% overall to €4,208 million, up 3% in constant currencies. Excluding both the impact of exchange rate movements and the effect of acquisitions and divestitures, organic revenue growth was 3%, an improvement on the prior year (2014: 2%). The effect of 2014 and 2015 acquisitions on revenues was almost entirely offset by the effect of disposals.

Revenues from North America (59% of total revenues) increased 5% organically (2014: 3%) with all divisions delivering improved organic growth in this region.

Revenues from Europe (33% of total revenues) declined 1% on an organic basis (2014: 0%). Revenues from Asia Pacific and Rest of the World (8% of total revenues) grew 4% organically. (2014: 7%).

Revenue bridge

		%
Revenues 2014	3,660	
Organic change	96	3
Acquisitions	40	1
Divestments	(36)	(1)
Currency impact	448	12
Revenues 2015	4,208	15

U.S. Dollar 2015: average €/$=1.11 versus 2014: average €/$=1.33.

Revenues by media

	2015	2014	Δ	Δ CC	Δ OG
Digital	2,962	2,472	20	7	6
Services	523	453	16	0	3
Print	723	735	(1)	(9)	(7)
Total revenues	4,208	3,660	15	3	3

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33); Δ OG: % Organic growth. Revenue split by media format reflects updated product classifications introduced in 2014.

Across all divisions, digital products continued to drive the group's growth. Total digital revenues reached €2,962 million, up 7% in constant currencies and up 6% organically (2014: 6%). Services revenues, which includes legal representation, consulting, training, events and other services, increased 3% organically (2014: 0%). Print formats declined 7% on an organic basis (2014: 9% decline) and now account for 17% of total revenues. Within print, book revenues fell 5% organically (2014: 10% decline) while print journal and other hard copy subscriptions declined 9% (2014: 8% decline).

Revenues by type

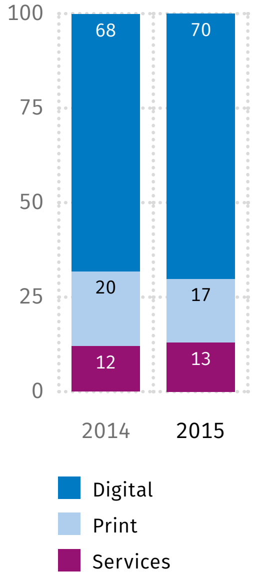
	% of total	2015	2014	Δ	Δ CC	Δ OG
Digital and service subscription	61	2,561	2,155	19	6	5
Print subscription	7	314	341	(8)	(12)	(9)
Other recurring	8	326	281	16	1	0
Total recurring revenues	76	3,201	2,777	15	3	3
Print books	7	299	289	4	(6)	(5)
CLS transactional	7	278	215	29	8	8
FS transactional	1	42	37	14	(5)	(5)
Other non-recurring	9	388	342	13	3	3
Total revenues	100	4,208	3,660	15	3	3

Δ: % Change: Δ CC: % Change constant currencies (€/$ 1.33): Δ OG: % Organic growth

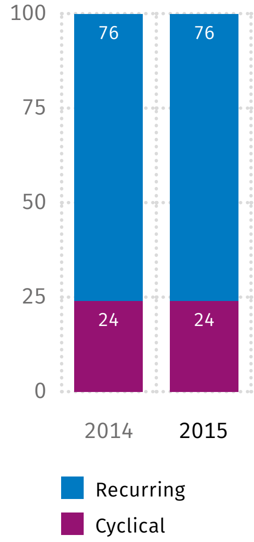
Operating profit
Reported operating profit increased 17% to €667 million (2014: €569 million), reflecting the increase in adjusted operating profit, lower acquisition-related costs, higher amortization of acquired intangibles, and a loss recorded on the disposal of the Russian business (55% interest) partly offset by a net book profit on the sale of certain non-core U.K. assets.

Adjusted operating profit increased to €902 million, up 17% overall and up 2% in constant currencies. The adjusted operating margin increased 40 basis points to 21.4% (2014: 21.0%), in line with our guidance range (21.0%-21.5%). The margin improvement reflects favorable mix shifts, efficiency savings and currency, partially offset by increased restructuring, investment and other costs. Full-year restructuring costs increased to €46 million (2014: €36 million), higher than we had previously estimated (€35 million) as additional measures were initiated in the fourth quarter. Approximately 65% of restructuring costs in 2015 were in Legal & Regulatory with the remainder spread across the other divisions.

Revenues by media
in %



Revenues by type
in %



Divisional performance

In July 2015, we announced a new divisional organization, which became effective in August 2015. The Corporate Legal Services unit was combined with the Financial & Compliance Services division to create a new division called Governance, Risk & Compliance. At the same time, we transferred the Audit unit from Financial & Compliance Services to the Tax & Accounting division.
Health, Tax & Accounting, and Governance, Risk & Compliance achieved good underlying revenue growth and maintained or increased margins. Legal & Regulatory saw organic revenue decline of 2% and margins impacted by the planned increase in restructuring.

Health
Health is among the world's largest providers of products that support clinicians from learning to practice, helping to improve quality of care as well as access to, and the overall cost, of health care.

- Clinical Solutions delivered 10% organic growth globally, driven by *UpToDate*.
- Health Learning, Research & Practice improved organic growth to 1%.
- Margins were maintained, reflecting increased investment and restructuring.

Health – Year ended December 31

(in millions of euros, unless otherwise stated)	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,022	816	25	6	5
Adjusted operating profit	247	197	25	5	4
Adjusted operating margin	24.1%	24.1%			
Operating profit	209	162	29		
Net capital expenditure	68	49			
Ultimo FTEs	2,964	2,807			

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33); Δ OG: % Organic growth.

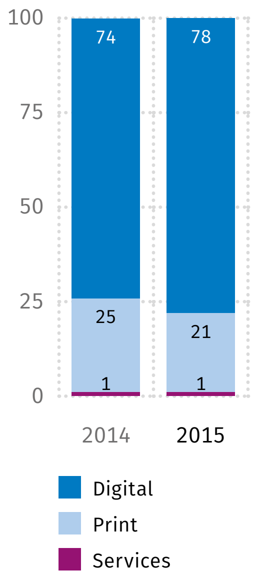
Wolters Kluwer Health revenues increased 6% in constant currencies and 5% organically. Organic growth was in line with the prior year. Adjusted operating profit increased 4% organically, and margins were maintained, as the benefits of operating leverage and mix shift were offset by increased investment and restructuring. IFRS operating profit increased 29% overall.

Clinical Solutions (47% of divisional revenue) delivered 10% organic growth, supported by continued double-digit growth around the world for our clinical decision support tool, *UpToDate*. Investment in new product development and global sales and marketing was increased to capture future organic growth opportunities. *UpToDate* reached 1.1 million users in 180 countries in 2015. The Chinese language version, *UpToDate Clinical Consultant,* was formally launched during the year and started signing hospitals and online health providers as customers. In December, *UpToDate* unveiled its 23rd medical specialty, *Sports Medicine*. Our drug information businesses (*Lexicomp*, *Medi-Span*, *Facts & Comparisons*, and *Medicom* in China) sustained robust organic growth, despite more moderate momentum in China. Our award-winning medical documentation and informatics solutions, experienced subdued performance, as they faced a challenging comparable of double-digit growth in 2014 and experienced longer lead times to sign larger customers. Following a successful pilot at Alabama's Huntsville hospital, our Sepsis surveillance platform is on track to recruit early adopters in 2016. Effective August 1, 2015, Clinical Solutions was organized into two groups: Clinical Effectiveness and Clinical Software Solutions.

Health Learning, Research & Practice (53% of divisional revenue) achieved 1% organic growth, an improvement on recent years (2014: 0%). During the year, we integrated our Medical Research and Professional & Education units, incurring additional restructuring costs. Digital formats (59% of unit revenues) saw robust organic growth and outweighed the unit's ongoing decline in print. Our digital research platform, *Ovid,* maintained good growth and invested in platform enhancements. Journal readership continues to migrate from print to online and mobile formats. Lippincott Williams & Wilkins (LWW) won three new society publishing contracts in 2015, including *The Journal of Bone and Joint Surgery*, and its open access journals achieved strong double-digit organic growth. *Medknow*, our open access publishing platform in India, performed well. LWW's printed medical books continued to decline, but its digital, subscription-based learning solutions *Lippincott CoursePoint+, DocuCare, PrepU,* and *Lippincott's Nursing Procedures and Skills* together delivered 38% organic growth. In September, Learner's Digest International became part of Health Learning, Research & Practice extending our capabilities into continuing medical education for physicians on a leading digital platform.

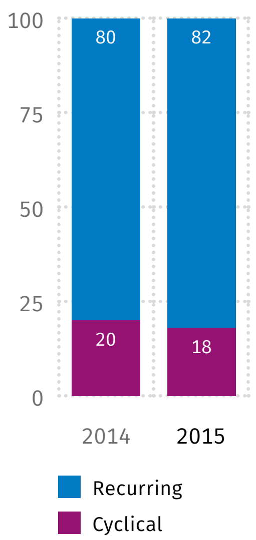
Revenues by media

in %



Revenues by type

in %



Tax & Accounting

Tax & Accounting is the leading provider of tax, accounting, and audit information, solutions, and services, helping the tax and accountancy profession grapple with ever greater regulatory and compliance complexity.

- Software revenues grew 6% organically, including our internal audit software business.
- Print subscriptions, books, bank products, training and other services remain weak.
- Margins increased due to lower restructuring costs, efficiencies, and operational gearing.

Tax & Accounting – Year ended December 31

(in millions of euros, unless otherwise stated)	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,132	989	14	4	3
Adjusted operating profit	311	261	19	7	8
Adjusted operating margin	27.5%	26.4%			
Operating profit	228	186	22		
Net capital expenditure	48	38			
Ultimo FTEs	6,164	5,867			

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting (including the transferred Audit unit) revenues rose 4% in constant currencies, supported by organic growth of 3% (2014: 3%) and the effect of bolt-on acquisitions. Adjusted operating profit increased 7% in constant currencies and 8% on an underlying basis. Margins advanced as lower restructuring costs and efficiency savings were partly reinvested in new product development as planned. Total IFRS operating profit increased to €228 million.

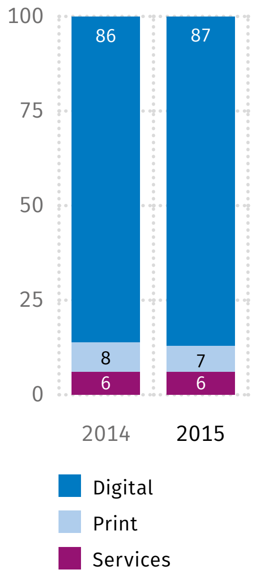
Tax & Accounting North America (57% of divisional revenue) achieved good organic growth driven by software and other digital products. Print formats, bank product fees, and training continued to decline. *CCH ProSystem fx,* our leading on-premise solution for U.S. professionals, performed well, while our cloud-based suite, *CCH Axcess*, continues to migrate existing users and draw new customers, particularly among medium and large firms. In the smaller firm segment in the U.S. and Canada, we launched *CCH iFirm,* a cloud-based practice management platform. Our corporate tax business was expanded with the acquisition of telecoms tax calculation specialist, SureTax. In Tax Research & Learning, print formats remain in decline, but our digital platform *CCH IntelliConnect* saw improved momentum following the roll-out of an advanced answer tool, *CCH CodeConnect,* among other enhancements. In September, Wolters Kluwer Tax & Accounting was recognized by International Tax Review as *Americas' Tax Innovator of the Year.*

Tax & Accounting Europe (29% of divisional revenue) also delivered good organic growth, supported by most countries. Our European on-premise software products performed well. The cloud-based collaborative accounting solution *Twinfield* delivered double-digit organic growth. SBS Software, a provider of accounting and payroll solutions, acquired in January 2015, has now been fully integrated into our existing operations in Germany. We continue to invest to build out our cloud-based and collaborative solutions offerings in Europe.

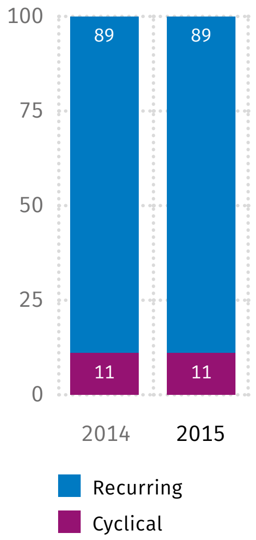
Tax & Accounting Asia Pacific & Rest of the World (9% of divisional revenue) saw organic growth abate to low single-digit levels as momentum slowed in Asia Pacific and Brazil. In Asia Pacific, growth in software products was partially offset by decline in print subscriptions and books. Our Chinese audit software unit, Dingxin Chuangzhi, delivered good growth. In Brazil, Prosoft delivered positive organic growth despite a deteriorating economic environment.

Audit (5% of divisional revenue) achieved double-digit organic growth, driven by new software sales for the market-leading internal audit software application *TeamMate*, and adoption of the analytics module. The global unit increased margins despite investment in its next generation platform and the opening of two new hosting centers in Toronto and Sydney to support the cloud-based version.

Revenues by media
in %



Revenues by type
in %



Governance, Risk & Compliance

Governance, Risk & Compliance (GRC) provides legal, finance, risk and compliance professionals and small business owners with a broad spectrum of solutions, services and expertise needed to help manage a myriad of governance, risk and compliance needs in dynamic markets and regulatory environments. GRC includes a portfolio of market-leading information services and software businesses serving the legal and financial services markets.

- Recurring revenues (58% of divisional revenues) grew 4% organically.
- Corporate Legal Services transactions rose 8% while software license and other non-recurring fees were up 14%.
- The adjusted operating margin improved due to operating efficiencies and integration savings.

Governance, Risk & Compliance – Year ended December 31

(in millions of euros, unless otherwise stated)	**2015**	**2014**	**Δ**	**Δ CC**	**Δ OG**
Revenues	1,065	854	25	7	5
Adjusted operating profit	298	232	29	9	8
Adjusted operating margin	28.0%	27.1%			
Operating profit	225	164	38		
Net capital expenditure	31	24			
Ultimo FTEs	4,413	4,215			

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33); Δ OG: % Organic growth.

Wolters Kluwer Governance, Risk & Compliance increased revenues by 7% in constant currencies, reflecting organic growth of 5% and the full year effect of the Datacert acquisition, which became fully consolidated from April 2014. The adjusted operating profit margin increased by 90 basis points, due to operational efficiencies in Finance, Risk & Compliance and Transport Services, as well as synergies from the integration of *Datacert* and *Tymetrix*. IFRS operating profit increased by 38%, reflecting the improved underlying margin, lower acquisition-related costs but higher amortization of acquired intangibles.

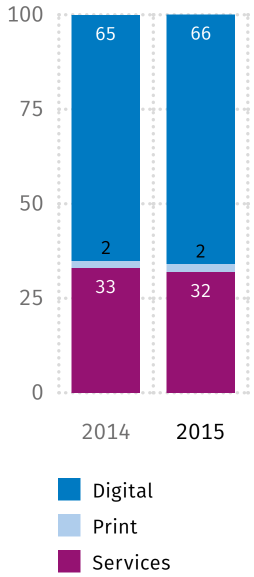
Corporate Legal Services (CLS) (60% of divisional revenues) grew revenues by 8% in constant currencies, partly reflecting the full year inclusion of Datacert. Organic growth was 6%, reflecting 8% growth in CLS transaction revenues (2014: 7%) along with solid growth in recurring service subscription revenues. In the fourth quarter, CLS organic growth slowed to 2% against a challenging comparable. *CT Corporation* enjoyed robust growth for the year, driven by higher transaction revenues from filing services for corporations and law firms and solid subscription renewals for legal representation services. *Corsearch* delivered robust growth as a result of higher trademark search volumes and one-time projects. The unit invested in expanding its trademark databases and introduced predictive analytics. *Enterprise Legal Management*, formed from the integration of *Datacert* and *TyMetrix*, achieved robust organic growth for the year supported by new customer wins and subscription renewals. *CT Lien Solutions* benefitted from a strong recovery in UCC search and filing volumes related to the U.S. commercial lending cycle.

Originations (15% of divisional revenues) delivered high single-digit organic growth, buoyed by non-recurring software license and professional services fees as we helped bank customers prepare for the significant regulatory changes under TILA-RESPA rules which became effective in early October. Recurring software maintenance revenue grew steadily. FS transactional revenues, associated with U.S. mortgage volumes, declined for the full year, against a tough comparable in the fourth quarter.

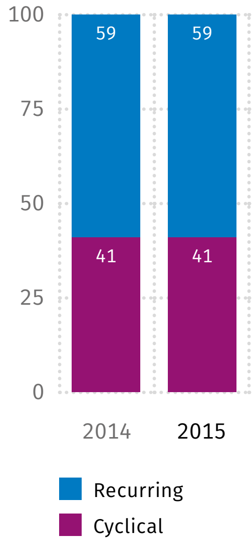
Finance, Risk & Compliance (21% of divisional revenues) achieved 6% organic growth, against double-digit organic growth in the prior year. Non-recurring software license and implementation fees were higher than the prior year due to new customer wins in Europe and Asia Pacific, in particular for our *OneSumX* regulatory reporting solutions. Recurring revenues, which comprise software maintenance fees and service subscriptions, grew at a steady pace. For the 6th consecutive year, Wolters Kluwer ranked among the top ten in *Chartis' RiskTech 100* ranking, with leading positions in regulatory reporting, IFRS 9, operational risk management, and enterprise GRC and stress testing systems categories.

Transport Services (4% of divisional revenue) revenue decline continues to moderate while restructuring efforts delivered an improvement in margin. The unit is expanding in transport management software and growing in Eastern Europe.

Revenues by media
in %



Revenues by type
in %



Legal & Regulatory

Legal & Regulatory is among the world's largest providers of information solutions and services in the areas of law, business, and compliance; helping legal professionals to achieve greater effectiveness and productivity.

- Digital revenues saw positive organic growth in still challenging legal information markets.
- Print revenues continued to decline in line with our expectations.
- Margins contracted, as expected, due to a significant step up in restructuring.

Legal & Regulatory – Year ended December 31

(in millions of euros, unless otherwise stated)	2015	2014	Δ	Δ CC	Δ OG
Revenues	989	1,001	(1)	(5)	(2)
Adjusted operating profit	96	127	(24)	(28)	(23)
Adjusted operating margin	9.7%	12.7%			
Operating profit	55	108	(49)		
Net capital expenditure	41	37			
Ultimo FTEs	4,411	5,548			

Δ: % Change: Δ CC: % Change constant currencies (€/$ 1.33): Δ OG: % Organic growth

Wolters Kluwer Legal & Regulatory (the former Legal & Regulatory Solutions unit) revenues declined 5% at constant currencies, in part due to the effect of recent disposals that will also have an impact in 2016. On an organic basis, divisional revenues declined 2% (2014: 3% decline). The adjusted operating profit margin contracted, largely as expected, due to increased costs, including a planned step up in restructuring programs to drive efficiencies. IFRS operating profit decreased by 49%, including results on disposals.

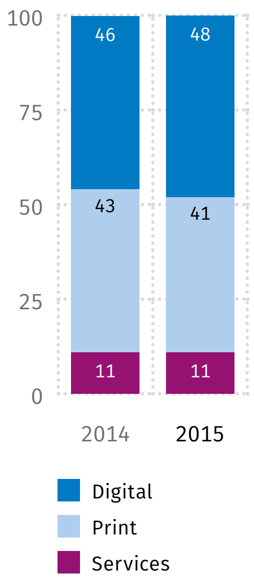
Digital revenues grew 1% organically and now account for 48% of the division's revenues. Across Europe, we rolled out enhancements to our core digital research offerings, improving content and ease of use. In the U.S., we launched our new legal research platform, *Cheetah*, offering enhanced usability and greater speed and accuracy of research results, was well-received by customers. We increased investment in legal and regulatory compliance software and workflow solutions. *Kleos*, our legal practice management solution for law firms in Europe, achieved double-digit organic growth and now has over 11,000 professional users across 10 countries. In July, we acquired Effacts, a small but rapidly growing provider of legal management software for corporate legal departments.

Growth in digital revenues continued to be more than offset by decline in print revenues. Print subscriptions saw consistent 10% decline, as expected. The trend in print books moderated, in large part due to publishing schedules and front list composition. Print formats accounted for 41% of divisional revenues. Restructuring efforts were centered on automating and offshoring editorial and production functions, streamlining our technology landscape, and reducing our real estate footprint.

During the year we made several disposals, including the business in Russia (55% interest), the HR consulting and tax fee protection services units in the U.K., and smaller assets in the U.S. and Germany. In early 2016, we received a binding offer for the division's trade media assets in France and we are currently in consultations with employee representatives.

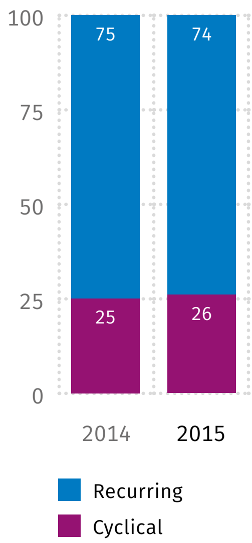
Revenues by media

in %



Revenues by type

in %



Corporate

Corporate expenses were held stable in constant currencies and on an underlying basis.

Corporate – Year ended December 31

(in millions of euros, unless otherwise stated)	2015	2014	Δ	Δ CC	Δ OG
Adjusted operating profit	(50)	(49)	4	0	0
Operating profit	(50)	(51)	0		
Net capital expenditure	0	0			
Ultimo FTEs	103	112			

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33); Δ OG: % Organic growth.

Financial Position

Balance sheet

Non-current assets, mainly consisting of goodwill and publishing rights, increased to €5,788 million in 2015, mainly due to a stronger U.S. Dollar and the impact from acquisitions and capital expenditure, partly offset by higher amortization. Shareholders' equity increased to €2,477 million due to the profit for the year and exchange differences resulting from a stronger U.S. Dollar, partly offset by dividend payments, the share buyback and the re-measurements losses on defined benefit plans. In 2015, the Company executed a share buyback program of €140 million. The Company repurchased 5.0 million of ordinary shares under this program at an average stock price of €28.13. At December 31, 2015, the total weighted average number of shares was 293.6 million (2014: 295.9 million).

Net debt reduced to €1,788 million at December 31, 2015, compared to €1,897 million at December 31, 2014. The leverage ratio net-debt-to-EBITDA was 1.7x at year-end 2015, improving from 2.1x at year-end 2014.

Balance sheet

	2015	2014	Variance
Non-current assets	5,788	5,420	368
Working capital	(459)	(477)	18
Total equity	2,477	2,121	356
Net debt	1,788	1,897	(109)
Net-debt-to-EBITDA ratio	1.7	2.1	(0.4)

Working capital

Operating working capital amounted to €(900) million, compared to €(791) million in 2014, a decrease of €109 million. This decrease reflects autonomous movements of €18 million, the impact of the stronger U.S. Dollar, and the net impact of acquisitions and disposals. Non-operating working capital decreased to €(371) million, mainly due to an increase in bank overdrafts, that was offset by an increase in cash and cash equivalents.

Working capital

	2015	2014	Variance
Inventories	140	120	20
Operating accounts receivable	1,316	1,202	114
Deferred income	(1,522)	(1,344)	(178)
Trade and other payables	(392)	(384)	(8)
Operating current liabilities	(442)	(385)	(57)
Operating working capital	(900)	(791)	(109)
Cash and cash equivalents	812	535	277
Non-operating working capital	(371)	(221)	(150)
Total	(459)	(477)	18

Other developments

Financing results

Financing results amounted to a negative €125 million (2014: negative €56 million) and included adjusted net financing costs of €119 million, the financing component of employee benefits (€5 million), and a €1 million net loss on the disposal of equity-accounted investees.

Adjusted net financing costs rose to €119 million (2014: €113 million), reflecting a €17 million loss on currency hedging and revaluation of intercompany balances, due primarily to the appreciation of the U.S. Dollar to EUR/USD 1.09 at year-end 2015. As a reminder, adjusted net financing costs exclude the financing component of employee benefits, results of investments available-for-sale, and book gains/losses on equity-accounted investees.

Taxation

Profit before tax increased 6% to €542 million (2014: €512 million). The reported effective tax rate increased to 21.9% (2014: 7.4%). In 2014, the tax rate reflected a non-taxable revaluation gain on Datacert and a positive tax impact relating to previously divested assets partly offset by a tax charge on internal asset transfers. In 2015, the tax rate reflects a one-time favorable adjustment relating to deferred tax assets. Due to the higher tax rate, total profit for the year declined 11% to €423 million (2014: €474 million) and diluted EPS declined 10% to €1.42 per share (2014: €1.58).

Adjusted profit before tax was €783 million, up 3% in constant currencies (2014: €654 million). The benchmark effective tax rate on adjusted profit before tax was 25.5% (2014: 27.6%), reflecting a one-time favorable adjustment relating to deferred tax assets.

Earnings per Share

Total profit for the year decreased 11% to €423 million (2014: €474 million) and diluted EPS decreased 10% to €1.42 per share. Diluted adjusted EPS was €1.96, up 25% overall and up 5% in constant currencies.

Return on invested capital (ROIC)

In 2015, the ROIC was 9.3% (2014: 8.5%).

Cash flow

Adjusted operating cash flow was €903 million (2014: €764 million), up 4% in constant currencies. The cash conversion ratio was 100%, better than expected due to strong working capital inflows in the final weeks of the year. Following outflows in the first half, the full year saw a net autonomous working capital inflow of €18 million (2014: €4 million). Capital expenditures were €188 million (4.5% of revenues), up 13% in constant currencies, reflecting increased investment in product development, particularly in Health and Tax & Accounting.

Adjusted free cash flow was €647 million, up 7% in constant currencies. Paid financing costs decreased to €101 million (2014: €135 million). This benefit was partly offset by higher corporate income tax paid of €141 million (2014: €98 million), reflecting timing of tax payments.

Dividends paid to shareholders totaled €263 million (2014: €209 million) and consisted of the cash dividend over 2014 (€211 million), paid in May 2015, and the 2015 interim dividend (€52 million) paid in October 2015. Share repurchases totaled €140 million.

Cash flow

	2015	2014	Δ	Δ CC
Net cash flow from operating activities	843	663	27	9
Capital expenditure	(188)	(148)	27	13
Adjusted free cash flow	647	516	26	7
Diluted adjusted free cash flow per share (€)	2.18	1.72	27	8
Cash conversion ratio (%)	100	100		

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.33)

Acquisitions

Acquisition spending, net of cash acquired, was €179 million (2014: €178 million), including €21 million related to earn-outs on past acquisitions. The majority of 2015 acquisition spending related to the purchase of Learner's Digest International, a U.S. continuing medical education provider (completed in September 2015). Smaller acquisitions included SBS Software in Germany (January 2015), SureTax in the U.S. (June 2015), and Effacts in the Netherlands (July 2015).

Divestments

Cash proceeds from disposals, net of cash disposed, were €24 million (2014: €11 million), relating mainly to the divestment of our 55%-interest in the Russian business (September 2015) and certain non-core U.K. assets (December 2015).

Dividend

Wolters Kluwer has a progressive dividend policy. The goal of this policy is to increase the dividend per share each year.

In July 2015, we announced our intention to move to semi-annual dividend frequency, starting with an interim dividend for 2015. The 2015 interim dividend was set at 25% of the prior year's total dividend, or €0.18 per ordinary share, and was distributed on October 12, 2015.

In light of our current below-target leverage and our strong 2015 operating performance, we will propose a final dividend of €0.57 per ordinary share at the 2016 Annual General Meeting of Shareholders. If approved, this will bring the total dividend over the 2015 financial year to €0.75 per share, an increase of 4 eurocents per share or 6% compared to the dividend for the 2014 financial year (2014: €0.71). If approved, the 2015 dividend will mark the 10th consecutive annual increase in dividend per share.

Under our progressive dividend policy, we remain committed to increase the total dividend per share each year, with the annual increase dependent on our financial performance, market conditions, and our need for financial flexibility.

For 2016, we intend to again set the interim dividend at 25% of prior year's total dividend.

Shareholders can choose to reinvest both interim and final dividends by purchasing additional Wolters Kluwer shares through the Dividend Reinvestment Plan (DRIP) provided by ABN AMRO Bank NV.

Anti-Dilution Policy and Share Buyback Program

Wolters Kluwer has a policy to offset the dilution caused by our annual performance share issuance with share repurchases. Including these anti-dilution repurchases, we intend to buy-back shares for up to €600 million over the period 2016-2018. Assuming global economic conditions do not deteriorate substantially, this level of cash return will leave us ample headroom for investment in the business – including acquisitions.

Cross Divisional Organization

Global Business Services

Global Business Services (GBS) delivered significant savings and value to Wolters Kluwer in 2015. Progress was made with crucial programs such as migration to Office 365, the Journey to the cloud, data center consolidation, application portfolio management and resiliency programs, strategic sourcing, and operational excellence. GBS plays an important role in the implementation of Wolters Kluwer's strategy and, in particular, in enhancing our organization's agility, driving operational excellence to fund growth, and enhancing the technology solutions Wolters Kluwer brings to market.

To deliver on its objectives, GBS focused on the following key areas: the journey to the cloud, the technology planning process, strategic sourcing and operational excellence.

- **Journey to the cloud:** GBS completed the migration of many customer-facing applications to the cloud, leading to greater resiliency, agility, and lower costs. By the end of 2015, over 15,000 employees had been migrated to Office 365, enabling a virtual collaborative work environment across the company. Office 365 supports Wolters Kluwer's objectives to build a culture of knowledge sharing and teamwork as "One Wolters Kluwer". The migration to Office 365 will be completed in 2016.
- **Technology planning process (TPP):** GBS launched a new company-wide process to better plan and manage the company's technology maturity cycles, and provide a more coordinated approach for technology use. The TPP includes operations and quality improvements for hosting environments and significant efficiencies in IT spend through active application portfolio management, storage optimization and data center consolidation. The technology planning process will also contribute to the quality of delivery and service to customers.
- **Strategic sourcing:** Over 60 specific procurement and business process outsourcing projects were completed; overseeing areas such as corporate and professional services, IT/telecom, travel and logistics. This work delivered cost-efficiencies and higher quality, and contributed positively to Wolters Kluwer's sustainability objectives regarding our environmental footprint.
- **Operational excellence:** GBS worked with the divisions to improve the resiliency and readiness of critical applications, consolidate spend management and identify areas of opportunity to drive greater efficiencies as well as improve the quality of Wolters Kluwer's shared services.

Global Platform Organization

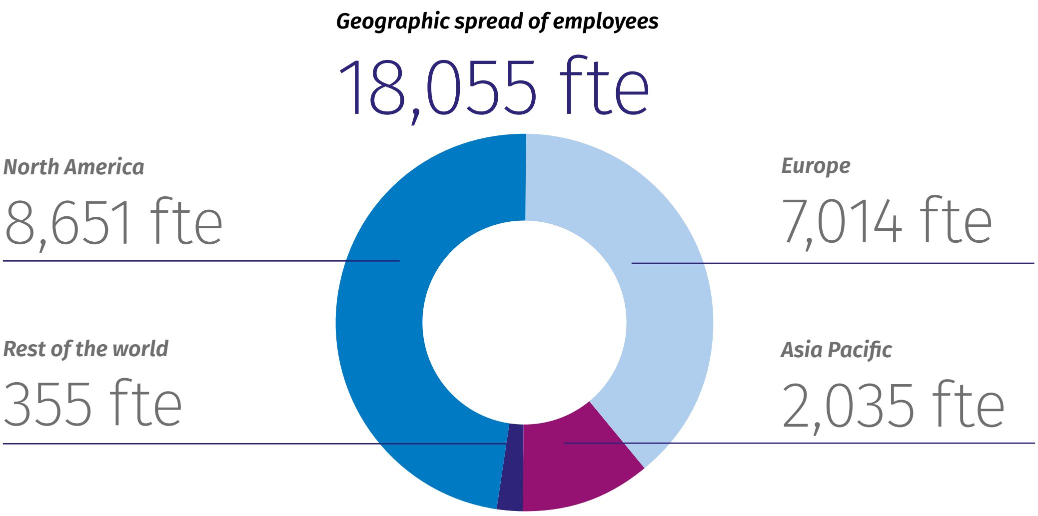
Our Global Platform Organization (GPO) delivered 50 customer-facing, value-driving solutions across all four divisions in 2015, based on GPO's user experience focused approach. GPO expanded its technology portfolio to include new capabilities such as search-as-a-service, content enrichment services, single sign-on, and predictive analytics. Services to the business units expanded as well, including a branded front-end development toolkit, which makes it easier and quicker to develop brand-compliant customer facing websites.

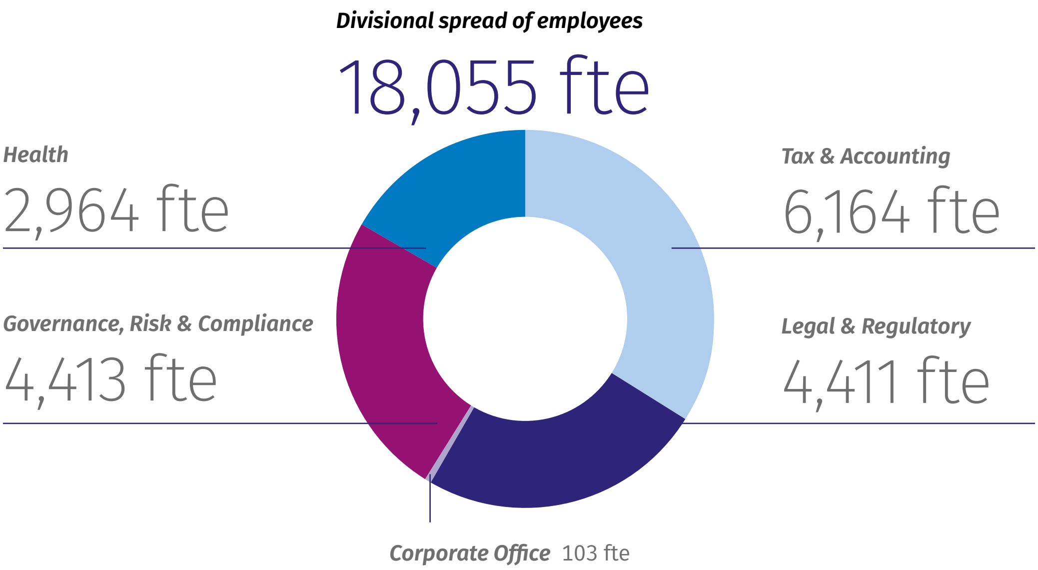
Examples of next-generation products that were launched in 2015, supported by GPO, include:
- *Cheetah*, our flagship legal research platform for the U.S. Legal & Regulatory market.
- *Navigator*, the major Dutch legal, tax, and regulatory research platform.
- Our leading mobile health research platform *OvidToday*.
- *CodeConnect*, our next-generation tool for the tax and accounting professional.
- Launch of several *Kleos* Apps, the legal practice management tool for legal professionals in Europe.
- *Verifield*, a compliance suite for Belgian health and safety compliance professionals.

GPO also plays an active role in knowledge-sharing within Wolters Kluwer, with weekly blog posts, peer-to-peer expert webinars, and an annual conference with attendees from across the entire company.

Global Workforce

Wolters Kluwer recognizes its diverse workforce as its most valuable asset. In a rapidly-changing market, it is essential to recruit, develop, and retain the right talent for the right jobs. In over 40 countries around the world, our dedicated workforce delivers on a commitment to customers across the globe: to help them work more effectively and make critical decisions every day.





In 2014, we launched the first-ever global employee survey, Our Enterprise, to engage employees. In 2015, we worked together to identify and act on the most important opportunities we have for building capabilities and driving improvement in employee engagement.

We organized work in three major areas: building pride in who we are, providing our employees with the right tools to work more effectively, and supporting our employees in developing their skills and careers.

Pride in Building Wolters Kluwer

Goal: As 'One Wolters Kluwer', support employees' shared understanding of our mission, strategy, and goals.

In 2015, we refreshed our existing Company Values to better reflect who we are today and looking ahead to the future; how we evolve as a solutions company, and adapt to new dynamics in the market:

– Focus on Customer Success - Customers are at the center of everything we do.
– Make it Better - We're committed to continuous improvement and innovation.
– Aim High and Deliver - We're responsible for the right results.
– Win as a Team - We're stronger together.

Improving Tools and Resources

Goal: Make it easier for people to focus on what matters most, by improving tools and resources to work more efficiently and effectively.

As Wolters Kluwer grows as a digital enterprise, we have the opportunity to leverage technology to improve the efficiency in our daily work-life. We continue to invest in new digital solutions that enable our employees to further streamline their work, gain access to information faster, and quicker anticipate change. These solutions include the new operating platform Office 365, Performance Management systems in Europe, Rainier cloud software, various social media outlets, and our new website.

Developing Skills and Careers

Goal: Strengthen support for employees and managers to develop their skills, knowledge, and careers.

Wolters Kluwer provides talent programs that are designed to recruit and retain excellent talent with the right set of skills for the right jobs in our company. We regard employee development as a shared responsibility between employee, manager and employer. Wolters Kluwer focuses on building skills and careers across the organization:

- We conduct an annual talent review process to better understand the skills, capabilities and career aspirations of our talent. This ensures that we are not only prepared for today's work, but also for tomorrow's strategy.
- Our leadership programs such as the Leadership Summit and Leadership Essentials, focus on strengthening our leadership pipeline to drive growth and expansion.
- The employee engagement survey, which measures engagement, alignment, agility, development and cultural components, helps us to listen to and learn from our employees.
- The Global Innovation Award is our internal contest to stimulate employees to propose their ideas and solutions.

Focus on Customer Success

Customers are at the center of everything we do.

- We measure success by our ability to help advance our customers' work and their professions
- We learn from customers, and provide solutions that support them best
- We treat our customers with honesty and respect

Make it Better

We're committed to continuous improvement and innovation.

- We're inspired by opportunities and challenges, and eager to act
- We focus on innovations that matter
- We are global citizens who care and give back

Aim High and Deliver

We're responsible for the right results.

- We set clear goals and reach them quickly
- We demonstrate personal and professional integrity: we set high standards for ourselves in all we do
- We're focused on speed and quality in reaching our goals

Win as a Team

We're stronger together.

- We create rewarding work environments: we inspire and support each other to achieve success
- We are one team: we collaborate and share knowledge across Wolters Kluwer
- We value diversity: we are open and inclusive and treat each other with respect

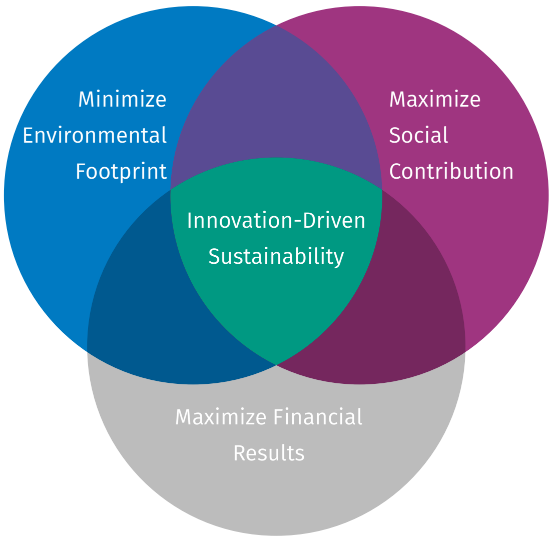
Sustainability

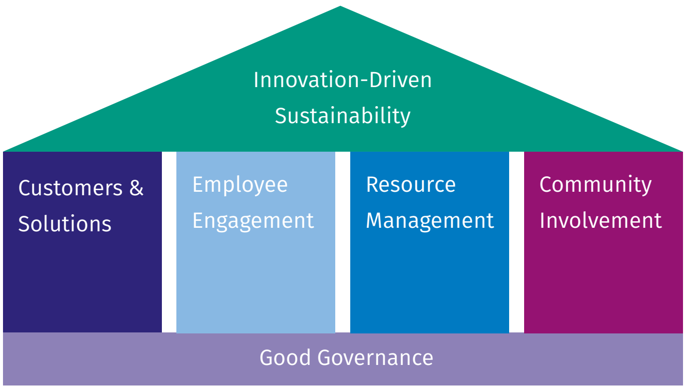
Innovation-driven sustainability is fundamental to the strategy of Wolters Kluwer. Sustainability contributes to creating innovative products that matter, an efficient use of resources, employee engagement and brand recognition. As such, sustainability is an important driver of long-term value creation for all our shareholders.

The information services industry is rapidly-changing. Innovation is our key to anticipate changing customer requirements in the volatile environment in which they operate. At Wolters Kluwer, we achieve long-term business success in an ever-changing market, through innovation-driven sustainability and by balancing the interests of people, planet, and profit. It is our ambition to have a positive impact on society by making the work processes of our customers across all of our divisions more efficient and reliable.

Wolters Kluwer has been reporting on its sustainability performance for over 12 years. Our *2015 Sustainability Report* shows our recent achievements and goals for the future. Good governance is the foundation of our sustainability strategy. It allows us to reinforce our four pillars that together comprise our innovation-driven sustainability:

1. Customers & Solutions: Our distinctive sustainability approach enables our portfolio to contribute directly to people, planet, and profit.
2. Employee Engagement: We are an equal opportunity employer, focusing on talent development and growth, sparking innovation leading to sustainable results for Wolters Kluwer and its customers.
3. Resource Management: We are committed to environmental and social responsibility in relation to both our suppliers and our own operations.
4. Community Involvement: Our products, solutions, and people are available in areas of need to make a sustainable, long-term impact.





Full-Year 2016 Outlook

Our guidance for full-year 2016 is provided in the table below. We expect to deliver margin improvement and to grow diluted adjusted EPS at a mid-single-digit rate in constant currencies in 2016.

2016 Outlook

Performance indicators	**2016 guidance**
Adjusted operating profit margin	21.5%-22.0%
Adjusted free cash flow*	€600-€625 million
Return on invested capital	> 9%
Diluted adjusted EPS*	Mid-single-digit growth

* Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/$ 1.11). Guidance for EPS growth assumes the announced share repurchases of €600 million are equally spread over 2016-2018. Adjusted operating profit margin and ROIC are in reported currency.

Our guidance is based on constant exchange rates. In 2015, Wolters Kluwer generated more than half of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2015 currency profile, a 1 U.S. Dollar cent move in the average EUR/USD exchange rate for the year causes an opposite change of appoximately one and a half eurocents in diluted adjusted EPS.

Restructuring costs, which are included in adjusted operating profit, are expected to start returning to normal levels: we expect these costs to be around €15-€25 million in 2016 (2015: €46 million). We expect adjusted net financing costs of approximately €105 million, excluding the impact of exchange rate movements on currency hedging and intercompany balances. We expect the benchmark effective tax rate to return to the range of 27%-28% in 2016. We expect a cash conversion ratio of approximately 95%, with capital expenditure rising to around 5% of total revenue.

Our guidance assumes no significant change in the scope of operations. We may make further disposals which could be dilutive to margins and earnings in the near term. We expect the number of employees to reflect the strategic direction of the company.

2016 Outlook by Division

The outlook below reflects the new divisional structure introduced in August 2015.

Health: we expect another year of good organic revenue growth in Health, supported by robust organic growth in Clinical Solutions (the Clinical Effectiveness and Clinical Software Solutions units) and a gradually improving trend in Health Learning, Research & Practice. Margins are expected to improve slightly as we continue to drive organic growth.

Tax & Accounting: we expect underlying revenue growth to improve slightly in 2016, driven by continued mix shift towards software solutions. The first-half is, however, expected to see more muted growth due to normal seasonal sales patterns. Margins are expected to ease in the first half, but to be maintained for the full year.

Governance, Risk & Compliance: we expect positive but slower organic growth in 2016, as the division faces challenging comparables for transactional and non-recurring license and implementation fees, particularly in the first half. Margins are expected to improve slightly.

Legal & Regulatory: for the full-year, we expect organic revenue decline to be similar to 2015, with print trends continuing to outweigh growth in digital. Organic growth in the first-half is expected to benefit from timing and one-off factors. Margins are expected to improve due to lower restructuring costs. Efficiency savings are expected to fund wage inflation and increased product investment.

Leverage Target and Financial Policy

Wolters Kluwer uses its cash flow to invest in the business organically or through acquisitions, to maintain optimal leverage, and provide returns to shareholders. We regularly assess our financial position and evaluate the appropriate level of debt in view of our expectations for cash flow, investment plans, interest rates, and capital market conditions. Over the past four years our leverage has improved significantly, and we finished 2015 with net-debt-to-EBITDA of 1.7x, below our target of 2.5x. While we may temporarily deviate from our leverage target at times, we continue to believe that, in the longer run, a net-debt-to-EBITDA ratio of around 2.5x remains appropriate for our business given the high proportion of recurring revenues and resilient cash flow.

2016-2018 Strategy

Growing Our Value

Every three years, we review and update our strategic priorities and this year we are commencing our strategic plan for 2016-2018. This plan builds on the strategic direction we have been following in the past three years during which we prioritized capital allocation towards specific leading, high-growth businesses and focussed on delivering solutions that bring insights and productivity benefits to our customers. We also stepped up efforts to drive operating efficiencies. This strategy has delivered accelerated organic growth in the past two years and has improved operating margins and return on invested capital in 2015. Our 2016-2018 strategic plan aims to sustain and, in the long run, further improve our organic growth rate, increase margins and returns as we continue to focus on growing value for customers, employees and shareholders.
Our strategic priorities for the next three years are:

Expand market coverage
We will continue to allocate the majority of our capital towards leading growth businesses and digital products and extend into market adjacencies and new geographies where we see the best potential for growth and competitive advantage. Expanding our market reach will also entail allocating funds to broaden our sales and marketing coverage in certain global markets. We intend to support this organic growth strategy with value-enhancing acquisitions whilst continuing our program of small non-core disposals.

Deliver expert solutions
Our plan calls for increased focus on expert solutions that combine deep domain knowledge with specialized technology and services to deliver expert answers, analytics and improved productivity for our customers. To support digital growth across all divisions, we intend to accelerate our ongoing shift to global platforms and to cloud-based, integrated solutions that offer mobile access. Our plan is to also expand our use of new media channels and to create an all-round, rich end-to-end digital experience for our customers. Investment in new and enhanced products will be sustained in the range of 8-10% of total revenues in the coming years.

Drive efficiencies and engagement
We intend to continue driving economies of scale while improving the quality of our offerings and agility of our organization. These operating efficiencies will help fund investment and wage inflation, and support a rising operating margin over the long term. Through increased standardization of processes and technology planning, and by focusing on fewer, global platforms and software applications, we expect to free up capital to reinvest in product innovation. In addition, we will maintain our focus on initiatives that reinforce our employee engagement and associated performance.

Report of the Supervisory Board

Supervisory Board Report

Introduction

The Supervisory Board of Wolters Kluwer is responsible for supervising and advising the Executive Board in setting and achieving the company's strategy, targets, and policies. The Supervisory Board is guided by the interests of the company and takes into account the interests of the company's stakeholders.

Meetings

The Supervisory Board held seven meetings in 2015. Five meetings were partly held without the members of the Executive Board being present. Two of the current Supervisory Board members (Mr. Wakkie and Mr. Forman) attended all meetings. The other members were excused for one meeting. There was one scheduled conference call between the Executive Board and the Chairman of the Audit Committee. In addition to the scheduled meetings and conference call, the Chairman of the Supervisory Board had regular contact with the Chairman of the Executive Board.

Financial statements

The Executive Board submitted the 2015 financial statements to the Supervisory Board. The Supervisory Board also took notice of the report and the statement by Deloitte Accountants bv (as referred to in Article 27, paragraph 3 of the company's Articles of Association), which the Supervisory Board discussed with Deloitte. The members of the Supervisory Board signed the 2015 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, at the Annual General Meeting of Shareholders of April 21, 2016, *see Financial Statements*.

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. In line with the internal policy to engage an external firm to assist in the evaluation every three years, in 2015 the Supervisory Board engaged a firm specialized in Board evaluations, to evaluate the activities over 2014. In preparation of these discussions, the members of the Supervisory Board provided feedback about the performance of the Supervisory Board through a written assessment. The outcome of this evaluation was discussed in a meeting without the Executive Board members being present. Overall, the outcome of the evaluation was positive. There were several recommendations to further improve the functioning of the Supervisory Board. These recommendations were followed up on in the course of 2015.

Strategy

The Supervisory Board was kept informed of the execution of the strategy that was announced in February 2013. In addition, the Supervisory Board was closely involved in the development of the strategy for 2016 and beyond, *Growing Our Value*, which will be announced on February 24, 2016. The Supervisory Board is supportive of the continuing transformation of the company towards a global organization delivering expert solutions which uniquely combine expertise with technology and tools. The divisional CEOs were invited to present their Vision and Strategy Plans for 2016-2018 to the Supervisory Board. This enabled 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 business.

During the working visit in Barcelona, the Division CEO of Tax & Accounting, the management team of Tax & Accounting Europe and the management team of Tax & Accounting Spain gave presentations to the Supervisory Board. At that occasion the Supervisory Board also met with various stakeholders (including customers) of the local Tax & Accounting business.

The Supervisory Board was also informed about the innovation activities within Wolters Kluwer. 2015 was the fifth year in which Wolters Kluwer rewarded promising new internal business initiatives via the Innovation Awards. An overview of the process and the participants was presented to the Supervisory Board. Furthermore, one of the Innovation Award winners gave a presentation to the Supervisory Board. The Supervisory Board fully supports all efforts to drive an increased culture of innovation within Wolters Kluwer, which is an important element of the company's strategy.

Due to the transformation of Wolters Kluwer, Information Technology is increasingly important for the company. Management of the Global Business Services (GBS) organization and Global Platform Organization (GPO) gave presentations, updating the Supervisory Board on the company's technology strategy and execution thereof.

In relation to the strategy, the Supervisory Board also considers it important to be aware about the main developments with respect to competition and the markets the company operates in. Towards that end an overview of the most important developments in the market is discussed during each meeting. In addition, outside experts were invited to speak about value creation opportunities.

Acquisitions and divestments

The Supervisory Board discussed (potential) acquisitions and divestments with the Executive Board. The Executive Board informed the Supervisory Board about all pending acquisition and divestment activity. The Supervisory Board also discussed the performance and value creation of previous acquisitions. Acquisitions are an important contributor to the transformation of the company's portfolio towards higher-value digital products and to geographic expansion.

Corporate governance, sustainability, and risk management

The Supervisory Board was kept informed about developments with respect to corporate governance and sustainability. An overview of the company's corporate governance can be found in *Corporate Governance*. Updates were shared on the continuous successes of the sustainability initiatives in 2015. The Supervisory Board supports the sustainability efforts and is pleased with the progress made and the company's performance in this area. The sustainability goals on the reduction of print, the use of responsible paper, the global compliance training and the integrated supplier principles are supported by the Supervisory Board. For more information, see the *2015 Sustainability Report*.

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 Audit Committee and Supervisory Board discussed the continuing actions the company takes to further improve the internal risk management and control systems. GBS management also gave a presentation about the efforts with respect to cyber security. For more information, see *Risk Management*.

Talent management

The Supervisory Board considers talent development and succession planning an important focus area. Each year, the outcome of the annual talent reviews is discussed. In addition, information regarding changes to the organization and key personnel is discussed at each Board meeting. The Supervisory Board also met with various executives and managers during presentations and the working visit.

Finance

The Supervisory Board carefully observes the financing of the company including the balance sheet and available headroom. The Supervisory Board also closely monitored the development of the net-debt-to-EBITDA ratio. The Supervisory Board approved the €140 million share buyback that was announced and executed in 2015. Other financial subjects discussed were the budget, the financial outlook, the achievement of financial targets, the use of free cash flow including the year-end and interim dividend, the outcome of the annual impairment test, and annual and interim financial results.

Investor Relations

The Supervisory Board was well informed about Investor Relations. Updates were given in several meetings. These updates included share price developments, communication with shareholders, analyst research, and the composition of the shareholders base. The Supervisory Board also carefully reviewed and approved the press releases regarding the full-year and half-year results, and the quarterly trading updates.

Audit Committee

The Audit Committee met four times in 2015, during the preparation of the full-year and half-year results, and around the interim trading updates for the first and third quarter. The Audit Committee currently consists of Mr. Hooft Graafland (Chairman), Mr. Angelici, Mr. Forman, and Mr. Noteboom. Mr. Hooft Graafland, Mr. Forman, and Mr. Noteboom attended all of the meetings. Mr. Angelici was excused for one meeting. The meetings of the Audit Committee were held in the presence of the Executive Board members, 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, status updates on internal audit and internal controls, IFRS, pensions, tax planning, impairment testing, the treasury policy, the financing of the company, risk management, cyber security, hedging, the quarterly reports of the external auditors and their full-year report on the audit.

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 www.wolterskluwer.com.

Selection and Remuneration Committee

The Selection and Remuneration Committee met five times in 2015 and had one scheduled conference call. The Committee currently consists of Mr. Forman (Chairman), Ms. Qureshi, and Mr. Wakkie. Mr. Forman and Mr. Wakkie attended all meetings and the scheduled conference call. Ms. Qureshi was excused for one meeting. After every meeting, the Chairman of the Committee reports back to the full Supervisory Board. The resolutions regarding appointments and remuneration were 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. For more information about the remuneration policy of the Executive Board and the execution thereof, see *Remuneration Report* and *Note 34 of the Consolidated Financial Statements.*

The Supervisory Board, based on a recommendation of the Selection and Remuneration Committee, also reviewed its own remuneration. Taking into consideration the responsibilities of Supervisory Board members and market practice, it will be proposed to the Annual General Meeting of Shareholders on April 21, 2016, to increase the Supervisory Board remuneration. According to the proposal the remuneration will be as follows:

– Chairman Supervisory Board: €75,000; Deputy Chairman: €65,000; Members: €60,000;
– Chairman Audit Committee: €15,000; Members: €10,000;
– Chairman Selection and Remuneration Committee: €10,000; Members €8,000; and
– Travel allowance for intercontinental travel: €3,000 per meeting.

Supervisory Board composition

In 2015, the second term of Mr. Angelici expired. He was reappointed by the Annual General Meeting of Shareholders that was held on April 22, 2015. At the same meeting, Mr. Noteboom was appointed as new member of the Supervisory Board. Ms. Dalibard resigned from the Supervisory Board after that meeting.

In 2016, the first term of Mr. Hooft Graafland will expire. He is available for reappointment. After careful consideration, the Supervisory Board has resolved to propose to the Annual General Meeting of Shareholders of April 21, 2016, to reappoint Mr. Hooft Graafland as Supervisory Board member. Regretfully Ms. Qureshi has decided to resign from the Supervisory Board after the 2016 Annual General Meeting of Shareholders, due to the fact that she can no longer combine her other activities with a seat on the Supervisory Board of Wolters Kluwer.

The Supervisory Board is very pleased to propose at the Annual General Meeting of Shareholders which will be held on April 21, 2016, the appointment of Ms. Horan and Ms. Russo as new Supervisory Board members. They both have extensive management experience and in-depth knowledge of the technology sector, particularly software development.

The composition of the Supervisory Board is in line with the profile as it relates to expertise, nationality, and age. The nomination of Ms. Horan and Ms. Russo underpins the inclusive and diverse company culture at Wolters Kluwer. After their appointment, five nationalities will be represented on the Supervisory Board, with different talents and relevant areas of expertise. According to Dutch regulation, a balanced composition of the Supervisory Board means that at least 30% of the members should be female. After the resignation of Ms. Dalibard and appointment of Mr. Noteboom in 2015, the Supervisory Board fell short of this target. With the proposed appointment of Ms. Horan and Ms. Russo and taking into account the resignation of Ms. Qureshi, the percentage of female representation will be 28.5%. The Supervisory Board will have due regard for diversity with respect to any new nominations.

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 are committed to dedicate sufficient time to their Wolters Kluwer Supervisory Board membership.

For more information on each Supervisory Board member in accordance with the Dutch Corporate Governance Code, see *Profile Supervisory Board* and *Corporate Governance*. 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 worldwide for their highly appreciated efforts in the past year.

Alphen aan den Rijn, February 23, 2016

Supervisory Board
P.N. Wakkie, Chairman
L.P. Forman, Deputy Chairman
B.F.J. Angelici
D.R. Hooft Graafland
B.J. Noteboom
R. Qureshi

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 Meetings of Shareholders in 2007 and 2011. In line with Dutch legislation, the execution of the remuneration policy will be put on the agenda for discussion as a separate agenda item at the Annual General Meeting of Shareholders of April 21, 2016.

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 an internationally recognized firm specializing in executive compensation. Because Wolters Kluwer is a global organization, 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. 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 are annually determined by the Supervisory Board and largely reflect the key performance indicators that the company reports about in its annual 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 company's long-term growth and profitability.

Additionally, Ms. McKinstry and Mr. Entricken participate in health and wellness programs as well as the defined contribution retirement savings plan of Wolters Kluwer United States.

Governance and contracts

The Selection and Remuneration Committee engaged an outside compensation advisor to provide recommendations and information on market practices for compensation structure and levels. The Committee had extensive discussions, supported by its external advisor, to review the composition and key drivers of remuneration. 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.

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 appointment of Mr. Entricken at the Annual General Meeting of Shareholders in 2013, took 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 180 days.

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. Entricken contains 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 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 are entitled to a cash compensation.

Executive Board remuneration 2015 and 2016

Fixed and variable compensation and other considerations for members of the Executive Board in 2015 are detailed in *Note 34 of the Consolidated Financial Statements*.

In 2015, the Executive Board members received a regular base salary increase of 2.5%. Mr. Entricken received an additional increase of 7.5% (total increase of 10%) as a result of a benchmark study that showed his base salary was below market levels. For 2016, the Supervisory Board approved an increase in base salary for the Executive Board members of 2.5%.

Short-Term Incentive Plan

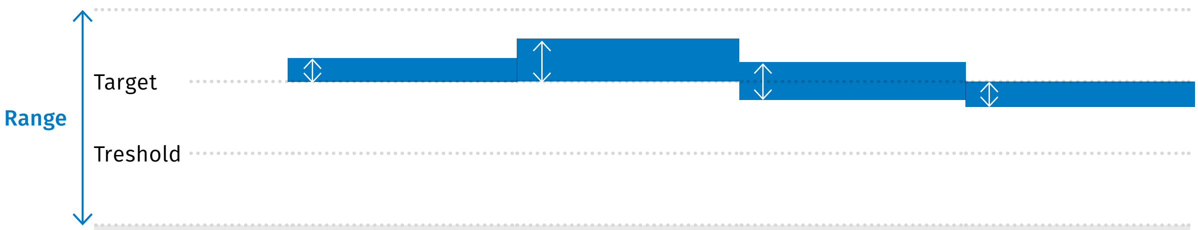
The Wolters Kluwer STIP grants Executive Board members a cash bonus if specific targets are met. The Supervisory Board determines the targets on an annual basis. Payment of the STIP bonus for each Executive Board member only takes place after verification by the external auditor of the Financial Statements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

The STIP bonus for performance in 2015 (pay-out in 2016) for the members of the Executive Board was based on the achievement of targets with respect to revenue performance (33.3%), adjusted net profit (33.3%), adjusted free cash flow (28.3%), and a sustainability related target, revenues from digital products as a percentage of total revenues (5%). The Supervisory Board selected this target because the use of digital products reduces paper consumption and increases productivity which contributes to an improved sustainability performance 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 market benchmarking. The achieved percentages, earned in 2015 and payable in March 2016, will be 133.49% of base salary for Ms. McKinstry and 103.49% of base salary for Mr. Entricken. The chart below shows performance against target of each of the STIP measures in 2015.

Since these bonuses are related to 2015 performance, the costs are included in the total remuneration costs for 2015 as shown in *Note 34 of the Consolidated Financial Statements*.

For 2016, the Supervisory Board has approved the same target pay-out percentages for the Executive Board members as for 2015: 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

2015 Short-Term Incentive Target Performance



Measure	Revenues *in mln of euros*	Adjusted free cash flow *in mln of euros*	Adjusted net profit *in mln of euros*	% Revenues from digital products
Weighting	33.33%	28.33%	33.33%	5.0%

actual performance for all individual measures exceeds 110% of target. There is no pay-out for individual measures with results below 90% of target. These pay-out percentages for the CEO and CFO level have remained unchanged since 2007.

For 2016, the Supervisory Board has approved similar measures as for 2015: revenue performance (33.3%), adjusted net profit (33.3%), adjusted free cash flow (28.3%), and revenues from digital 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.

As approved by the Annual General Meeting of Shareholders in 2011, for 50% of the value of shares conditionally awarded at the beginning of a three-year period, the pay-out at the end of the performance period depends on a target based on Wolters Kluwer's Total Shareholder Return (TSR) in relation to a group of peer companies (TSR 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 depend on a target based on diluted earnings per share (EPS) performance (EPS Related Shares). 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 achievement of the TSR and EPS targets.

TSR peer group and incentive zones

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. As a policy, the company uses a 60-days average of the share price at the beginning and end of each three-year performance period to reduce the influence of potential volatility in the stock markets around year-end.

In 2015, the TSR peer group consisted of the following companies: Arnoldo Mondadori, Axel Springer, Daily Mail & General, Dun & Bradstreet, Grupo PRISA, John Wiley & Sons, Lagardère, McClatchy, McGraw-Hill Financial, Pearson, RELX, Informa, Thomson Reuters, Trinity Mirror, and United Business Media. 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. The Supervisory Board has carefully reviewed and established the criteria for selecting companies for the peer group.

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). As approved in the 2007 Annual General Meeting of Shareholders, there will be no pay-out for the Executive Board with respect to TSR Related Shares 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 performance 2012-14 and 2013-15

For the three-year performance period 2012-14, Wolters Kluwer reached the sixth position in the TSR Ranking. As a result, in 2015, the Executive Board members received 100% of the number of conditional rights on TSR Related shares that were awarded to them in 2012.

For the three-year performance period 2013-15, Wolters Kluwer has reached the third position in the TSR Ranking. As a result, in 2016, the Executive Board Members will receive 125% of the number of conditional rights on TSR Related Shares that were awarded to them in 2013.

EPS Targets and pay-out schedules

With respect to the EPS Related Shares 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. For calculation purposes the definition of diluted 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. Using EPS as a performance measure for LTIP leads to a strong alignment between the successful execution of the strategy to generate long-term shareholder value and management compensation.

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.

EPS performance 2012-14 and 2013-15

The EPS target that was set for the 2012-14 performance period was based on a Compound Annual Growth Rate (CAGR) for EPS from continuing operations of 12.2%. The company outperformed the target. Due to the outperformance, in 2015, the Executive Board members received 150% of the number of conditional rights on EPS Related Shares that were awarded to them in 2012.

The EPS target that was set for the 2013-15 performance period was based on a Compound Annual Growth Rate (CAGR) for EPS of 6.1%. The company outperformed the target. Due to the outperformance, the Executive Board members will receive 150% of the number of conditional rights on EPS Related Shares that were awarded to them in 2013.

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 2014-16 and 2015-17 can be found in *Note 34 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 2016-18 performance period, these percentages are similar to the 2015-17 plan, determined to be 285% for the CEO, and 175% for the CFO. These percentages are determined through a benchmarking process and have remained unchanged for the CEO and CFO level since 2007.

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 profit. The LTIP targets and pay-out schedule of senior management are similar to the LTIP targets and pay-out schedule of the Executive Board.

Alphen aan den Rijn, February 23, 2016

Supervisory Board
P.N. Wakkie, Chairman
L.P. Forman, Deputy Chairman
B.F.J. Angelici
D.R. Hooft Graafland
B.J. Noteboom
R. Qureshi

Corporate Governance and Risk Management

Corporate Governance

General

Wolters Kluwer nv, a publicly listed company organized under Dutch law, is the parent company of the Wolters Kluwer group. 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 future material 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 entrusted with the management of the company and is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results, and corporate social responsibility/sustainability. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure for 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. K.B. Entricken (CFO and Member of the Executive Board). 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 2004, the Annual General Meeting of Shareholders adopted and approved the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board. Subsequently, in connection with a number of changes to the remuneration policy and to the LTIP, amendments were submitted to and adopted/approved by the Annual General Meeting of Shareholders in 2007. In the General Meeting held in 2011, the shareholders approved the proposal to change the LTIP of the Executive Board, adding Diluted Earnings per Share as a second performance measure to the Executive Board LTIP 2011–13 and future plans, in addition to Relative Total Shareholder Return. In line with Dutch legislation, the execution of the remuneration policy will be put on the agenda for discussion as separate agenda item at the Annual General Meeting of Shareholders of April 21, 2016.

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.

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 has therefore been 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

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. Entricken contains 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.

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 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 Wolters Kluwer's sustainability strategy. Under sponsorship of Ms. McKinstry, CEO and Chairman of the Executive Board, Mr. M. Thompson, Senior Vice President, General Counsel and Company Secretary, is responsible for the sustainability policy and our Corporate Sustainability team. For several years, 5% of the Short-Term Incentive Plan (STIP) has been based on revenues from digital products as a percentage of total revenues. This measure is in line with our strategy towards a digital solutions and services portfolio, which improves the performance of our customers and reduces the ecological footprint.
To communicate the goals and progress achieved, a Sustainability Report is published annually. On the company's website a dedicated section shows the on-going sustainability activities. We continue to invest in sustainable innovations on the basis of solid corporate governance with the use of our four pillars:

– Customers & Solutions;
– Employee Engagement;
– Resource Management; and
– Community Involvement.

Good corporate governance is the foundation for building a successful business with sustainable impact. As a provider of governance-related expert solutions, we want to lead by example. Wolters Kluwer has therefore developed several policies and principles. These policies cover a wide range of topics to ensure the continuous compliance to high business standards. Over the last years we introduced our Standards of Engagement for suppliers and we published our Tax Principles. As a leader in Tax & Accounting products we take our responsibility as a corporate citizen seriously.

To be able to further develop our sustainability strategy and focus on our policies, we conduct materiality analyses. We first developed the list of material issues in 2013 and revised it in 2014 and 2015. These analyses uncover how sustainability topics relevant to the business success of Wolters Kluwer are linked to the interests of our stakeholders. The results are portrayed in the *2015 Sustainability Report*. It shows the importance of the sustainability topics to both Wolters Kluwer and its stakeholders.

Over the past few years, investors are becoming more aware of responsible investment strategies and are increasingly enthused about the opportunities they offer. They look for sustainable companies to invest in and judge these by their environmental, social and governance (ESG) policies. We see it as a confirmation of our path that we are repeatedly recognized by influential ESG analysts. In 2015, we have been included in the Dow Jones Sustainability Index for the ninth year in a row, being ranked at the 91st percentile. We have been awarded the Bronze Class Sustainability Award 2014 as well as 2015 from RobecoSAM, as a part of The Sustainability Yearbook.

In addition we were again included in the STOXX Global ESG Leaders index.

More information can be found in our *2015 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 revenues 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's 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. P.N. Wakkie (Chairman), Mr. L.P. Forman (Deputy Chairman), Mr. B.F.J. Angelici, Mr. D.R. Hooft Graafland, Mr. B.J. Noteboom, who was appointed at the General Meeting of Shareholders on April 22, 2015, and Ms. R. Qureshi. Ms. B.M. Dalibard resigned from the Supervisory Board in 2015. Ms. Qureshi will resign from the Supervisory Board after the 2016 Annual General Meeting of Shareholders due to the fact that she can no longer combine her other activities with a seat on the Supervisory Board of Wolters Kluwer. The Supervisory Board is pleased to propose to the Annual General Meeting of Shareholders that will be held on April 21, 2016, the appointment of Ms. Jeanette Horan and Ms. Fidelma Russo as new Supervisory Board members. The composition of the Supervisory Board shall always be such that the members are able to act critically and independently of one another, the Executive Board and any particular interests. In accordance with the Dutch Corporate Governance Code and the Supervisory Board By-Laws, all Supervisory Board members with the exception of not more than one should be independent from the company. As a policy, the Supervisory Board in principle aims at having all its members independent, which currently is the case. The independence of Supervisory Board members is monitored on an ongoing basis, based on the criteria of independence as set out in Best Practice Provision III.2.2 of the Dutch Corporate Governance Code and Clause 1.4 of the Supervisory Board By-Laws. The newly nominated Supervisory Board members (Ms. Horan and Ms. Russo) are also independent from the company.

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 and proposed composition, the Supervisory Board reflects these various elements. More specifically, the current and proposed composition of the Supervisory Board comprises expertise within the broad information industry as well as specific market segments in which the company operates, and reflects the international nature of the company with Board members representing five nationalities after the 2016 Annual General Meeting of Shareholders. According to Dutch regulation, a balanced composition of the Supervisory Board means that at least 30% of the members should be female. After the resignation of Ms. Dalibard and appointment of Mr. Noteboom in 2015, the Supervisory Board fell short of this target. With the proposed appointment of Ms. Horan and Ms. Russo and taking into account the resignation of Ms. Qureshi, the percentage of female representation will be 28.5%. The Supervisory Board will have due regard for diversity with respect to any new nominations.

Provision of information

Wolters Kluwer considers it important that the Supervisory Board members are well-informed about the business and operations of the company. The Chairman of the Supervisory Board, the CEO, and the Company Secretary monitor, on an ongoing basis, that the

Supervisory Board receives adequate information. In addition, the CEO sends written updates to the Supervisory Board about important events. The Chairman of the Supervisory Board and the CEO hold several meetings and calls per year outside of formal meetings, to discuss the course of events at the company. As part of the annual Supervisory Board evaluation, the Supervisory Board is always asked whether the process of information provision can be further improved. The Executive Board and Company Secretary follow up on suggestions coming out of these evaluations.

The Supervisory Board also has direct contact with layers of management below Executive Board level. 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. Furthermore, various staff members attend the Audit Committee meetings.

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. The Supervisory Board will submit a proposal to increase its remuneration to the Annual General Meeting of Shareholders that will be held on April 21, 2016.

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. D.R. Hooft Graafland (Chairman), Mr. B.F.J. Angelici, Mr. L.P. Forman, and Mr. B.J. Noteboom. 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. Hooft Graafland and Mr. Forman are financial experts.

Selection and Remuneration Committee

The Supervisory Board has also 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. L.P. Forman (Chairman), Ms. R. Qureshi, and Mr. P.N. Wakkie.

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 execution of the remuneration policy, 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 Board and Supervisory Board 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 shall have the right to request the Executive Board or Supervisory Board to put items on the agenda of the Annual General Meeting of Shareholders, provided that such requests are made in writing at least 60 days before a General Meeting of Shareholders.

Voting at Shareholders Meeting

In 2015, Wolters Kluwer again took active steps to try to reach a high 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 55% of the issued capital of the company was present or represented at the Annual General Meeting of Shareholders in 2015.

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.

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 22, 2015, 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.

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 22, 2015, 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
At the 2014 Annual General Meeting of Shareholders, Deloitte Accountants bv was appointed as the external auditor of the company, in relation to the audit of the financial reporting years 2015 up to and including 2018. 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 attend and be entitled to address the General Meeting of Shareholders for this purpose. 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 nv 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
According to the Dutch Act on financial supervision (*Wet op het financieel toezicht*), investors who hold shareholding or voting rights exceeding (or falling below) certain thresholds, being 3, 5, 10, 15, 20, 25, 30, 40, 50, 60, 75 and 95 percent, of the issued capital are (inter alia) required to notify their interest with the Authority Financial Markets (AFM). Until December 31, 2015, the following shareholders notified an interest/voting rights of 3% or more in the company: The Bank of New York Mellon Corporation had a 14.91% interest (disclosed on September 14, 2015); Lazard Asset Management Company LLC had a 5.09% interest (disclosed on October 24, 2015); Blackrock, Inc. had a 4.95% interest (disclosed on March 20, 2015); and Silchester International Investors LLP had a 4.92% interest (disclosed on November 30, 2015).

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 *Wolters Kluwer Shares and Bonds*.

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 Holding Nederland bv, which is the parent company of 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, the main risks facing our company, and the organization, processes and actions to identify, assess and mitigate these risks.

Introduction

The Executive Board is responsible for risk management and internal controls within Wolters Kluwer. The company has implemented internal risk management and control processes, which are largely integrated in the operations of the businesses. The aim is to identify significant risks to which the company is exposed, enable the effective management of those risks and to provide a reasonable level of assurance on the reliability of the financial reporting of the Wolters Kluwer Group. Internal risk management and control 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.

Managing risks is integrated in the conduct of business of our Divisions and operating entities, supported by several staff functions. The Executive Board is informed about risks as part of the regular planning and reporting cycles on divisional and operational entity levels, which includes annual Vision and Strategy Plans (long term strategic plans), annual budgets, and quarterly and monthly financial and operational reports. During the Monthly Division Meetings, material risks at each of the Divisions, including the Global Business Services organization, are part of the discussion between the Executive Board and Division Management. The Corporate Risk Committee, consisting of various specialized departments, meets periodically and monitors material risks and remediating actions. The Committee also follows up on mitigating certain risks that emerge and require a centralized approach.

The Company Values and Business Principles stipulate the core values of our company, as well as group wide rules that each of our employees worldwide is expected to adhere to. In addition, several other global policies provide more detailed rules and guidelines for specific subjects. We have a group wide management certification process in place, requiring management of each of the Divisions and Operating Entities, to sign a Letter of Representation on a quarterly basis. In these Letters of Representation, the Executives confirm that they comply with all applicable policies, laws, and procedures. In addition, employees followed a Company Values and Business Principles training and acknowledged compliance.

The Company has an Internal Control Framework for financial reporting (ICF), based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) 2013 framework, which is designed to provide reasonable assurance that the results of business are accurately reflected in its internal and external financial reporting. The ICF is deployed by internal control officers in the corporate office, Global Business Services and the main operating entities. An annual risk assessment program for financial and IT general control risks determines the scope and controls to be tested. As part of that scope, key controls are tested annually. The results of testing are reported to management, the Audit Committee, internal auditors, and external auditors on a quarterly basis. Where needed, remedial action plans are designed and implemented to address significant risks as derived from internal control testing, and internal and external audits.

The global Internal Audit Department works according to an audit plan which is approved by the Audit Committee. The audit plan is based on risk assessments and focuses on strategy execution, financial (reporting) risks, and operational risks, including IT related risks. The aim of the audits is that existing controls provide adequate protection against actual risks, evaluating effectiveness of established processes and controls, and ensuring compliance with policies and procedures.

The global Risk Management Department facilitates risk prevention, protection and response programs via procurement of insurance, claims and incident management, business continuity management, loss control programs, and initiatives to mitigate specific risks.
Internal Audit and Internal Controls report every quarter to the Audit Committee and the Executive Board.

Strategic & Operational Risks	Legal & Compliance Risks	Financial Risks	Financial Reporting Risks
- Products, markets, and competition - Mergers, acquisitions, and divestments - IT Security, technological developments and projects - People and organization - Fraud attempts	- Compliance - Intellectual Property - Third party claims - Legislative developments	- Treasury - Post-employment benefits - Tax	- Misstatements, accounting estimates, and judgments - Reliability of systems

Risk categories

Wolters Kluwer broadly classifies risks into the following categories: strategic and operational, legal and compliance, financial, and financial reporting. 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. There may be risks that are not known yet or the company has not yet fully assessed. It is also possible that existing risks have been assessed as not significant, which could in the future develop into a material exposure for the company and have a significant adverse impact on Wolters Kluwer business. Wolters Kluwer's risk management and internal control systems have been designed to identify and respond to risks in a timely manner. However, full assurance cannot be achieved.

To achieve its strategic goals, Wolters Kluwer is prepared to take duly balanced risks in certain strategic areas, such as acquisitions, expansion in high-growth countries, and the launch of new innovative products. With respect to other risk categories, the approach of the company towards risks could be qualified as conservative. The company always carefully weighs risks against potential rewards. Actions to prevent and mitigate risks and uncertainties are summarized for each of the individual risks in the table below.

Risk description and impact

Strategic & Operational Risks

Risk description and impact	Mitigation
Economy and markets Global and regional economic conditions may have a negative effect on several products. 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. Especially our more cyclical products may be sensitive to economic conditions. This includes training activities, advertising, books, and lending and corporate formation-related transactions. The non-recurring activities represent approximately 24% of the company's consolidated revenues.	The company made further progress in shifting its portfolio towards digital and high-growth businesses. We have also increased the percentage of our recurring revenues (76%), improving our resiliency. During the year, we continued to re-shape the business through strategic acquisitions and divestitures.

Risk description and impact	Mitigation
Products The decline of revenues coming from our legacy print business, including books and print-based subscriptions, may further accelerate. Changes in underlying customer dynamics may affect our business, and could lead to price compression.	The company mitigates the decline of print related revenues through migration plans (moving customers from print to digital products), customer retention management, and upselling opportunities. The company has divested various print-based businesses and will continue assessing opportunities to optimize the portfolio. The company keeps investing in product development and expands its offerings in innovative digital expert solutions and services to support growth.
Competition Wolters Kluwer faces competitive challenges from existing and new competitors, including free availability of some sources of information.	The company mitigates these risks through continuous monitoring, development of new innovative products and provision of state-of-the-art technological solutions to customers. In 2015, the company sustained investment in new and enhanced product development (8-10%). The company focuses the majority of its investments on high-growth leading positions. We continue to add value to the information we make available via content enrichment. In addition, we explore new revenue models around open access and benefit from search optimization programs to create revenues via public search engines.
Long-term developments Technological, cultural, or demographic developments might affect current business models. These developments could for example include disruptive technologies, such as the impact of artificial intelligence on the activities of professionals. New generations of professional customers might expect a different approach and different tools and solutions to support them in their daily activities.	The company actively monitors relevant trends in the markets it operates in and general trends which might affect its business in the future. Examples are technological developments which could impact the professional market in the future, as well as changing customer demands due to IT and demographic developments. The company manages potential risks in these areas and aims at benefiting from potential changes by focusing on innovation, and through the continuing transformation towards a global organization delivering expert solutions which uniquely combine expertise with technology and tools. Maintaining a diverse workforce, with good understanding of current and future customer needs also contributes to safeguarding future value creation by the company.

Risk description and impact	Mitigation
Mergers and acquisitions Risks with respect to acquisitions primarily relate to the integration of the acquired companies, changing economic circumstances, competitive dynamics, retaining of key personnel, and the ability to realize expected synergies.	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 the company's weighted average cost of capital within three to five years. Wolters Kluwer has developed repeatable post-merger integration plans and an acquisition integration plan is agreed to by the Executive Board prior to completing an acquisition. Such plans are actively managed and monitored after completion.
Divestments Execution of the company's strategy is also supported by the 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.	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
IT security Like all companies, Wolters Kluwer is exposed to IT security/cyber threats which could affect our IT infrastructure and system availability, applications, data, and information. Wolters Kluwer is also faced by changing legislation that can apply or relate to the company, its customers, and employees.	In 2015, Wolters Kluwer took active steps to further reduce cyber risks by improving cybersecurity measures. Two external advisory firms were engaged to support in these efforts. A new governance model has been established to secure execution of the plans and management attention and accountability at various levels of the organization. The efforts are focused on the following categories: – Application security; – Infrastructure security; – Endpoint device security; and – Global vulnerability management. The business units and Global Business Services have identified critical applications and providers. We are bolstering continuity plans, including IT disaster recovery and cyber incident response plans, for the main operations to mitigate the impact of those risks. IT General Controls (ITGCs) form an integral part of Wolters Kluwer Internal Control Framework and are aligned with the Global IT Security Policy. Controls over data and security programs are tested regularly to ensure that personal data are protected and compliance with relevant legislation and regulatory requirements. The company will continue to strengthen its security plans throughout 2016.

Risk description and impact	Mitigation
Technological developments and projects Implementing new technology-related initiatives for delivering Wolters Kluwer's products and services, as well as achieving cost efficiencies through technology/IT sourcing initiatives, is inherently complex and is subjected 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 been set over the past years. This includes vendor rationalization, preferred financial and legal partnerships, and de-risking of the vendor portfolio. In addition, the company has refined the strategy for IT back office operations to ensure more effective management of all back office 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. The Corporate Quality Assurance team aims at improving the success of initiatives by providing assurance that key projects/programs can move to the next stage of development or implementation and by transferring lessons learned from one project/program to another.
People and organization The success of the company is highly dependent on its ability to attract and retain the appropriate level of talent.	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-term 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. Retention is also stimulated through offering opportunities for growth within the company through job posting programs and internal slating programs. HR executives also monitor employee turnover across different categories very closely, including performing structured exit interviews and identification of key drivers for leaving.

Risk description and impact	Mitigation
Fraud In the conduct of its business, the company may be exposed to internal or external fraudulent actions.	Measures to mitigate the risks related to fraud include the Internal Control Framework, strict policies on segregation of duties, risk based internal audits, and training and information sharing. In 2015, a task force of the Corporate Risk Committee assessed the risk of being exposed to fraudulent actions. The company is implementing measures to further reduce such exposure.

Legal & Compliance Risks

Risk description and impact	Mitigation
Compliance The company can be exposed to non-compliance with laws, regulations, licenses, or internal policies. Non-compliance could potentially lead to fines, restrictions to carry out certain activities, third party claims, and reputational damage.	Compliance is part of the Wolters Kluwer Internal Control Framework, for example through quarterly Letters of Representation, annual internal control testing and internal audits. Furthermore, several training programs are currently in place to create awareness about these subjects among employees. We continuously monitor whether legislative changes require additional compliance efforts.
Intellectual property protection 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 protect its proprietary rights to these products and services. We closely monitor legislative developments with respect to intellectual property rights.
Third party claims The company may be exposed to claims (including class actions or mass tort) by third parties relating to products, services (including software or 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 and third party liability exposures.

Risk description and impact	Mitigation
Property damage and business interruption The company could be exposed to damages to its facilities and IT systems, which could cause business interruption.	To mitigate specifically against property damage and business interruption risks, the company has implemented a centralized worldwide risk control and business continuity management program. Accompanied by insurers, company risk managers perform regular loss control visits at key operating company and supplier locations working with our operating companies to cost-effectively implement recommendations for continued improvement. In 2015, a task force of the Corporate Risk Committee was formed to develop an enterprise level incident response plan. This work is ongoing.
Legislative developments As a global information services provider, changes in legislation or (temporary) trade restrictions, could impact the company's business in certain jurisdictions. Certain countries could impose restrictions on ownership of publishing activities by foreign companies.	The company carefully monitors legislative developments. In emerging countries, the company often partners with local companies.

Financial Risks

Risk description and impact	Mitigation
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.
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 in the international financial markets and may be further affected by future developments in 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, Canada, and the United Kingdom, or by having an average salary instead of final salary benefit plan, and by having a reduction in plan volatility of the U.S. pension plan by reducing the number of participants from the U.S. plan through lump-sum pension buy-out programs. Furthermore, the company engages independent advisors to perform asset liability management studies regularly and advise on the investment strategies for the various pension funds. The accounting for post-employment benefit plans is based on annual actuarial calculations.

Risk description and impact	Mitigation
Taxes Changes in operational taxes and corporate income tax rates, laws and regulations could adversely affect the company's financial results, tax assets and liabilities.	Most taxes are transactional and employee-related and are levied from the legal entities in the relevant jurisdictions. Wolters Kluwer maintains a liability for certain contingencies in line with IFRS accounting standards. The adequacy of this liability is judged on a regular basis in consultation with external advisors. Reference is made to note 20 of the Consolidated Financial Statements for additional information about corporate income tax and related risks. As leader in Tax & Accounting products, the company takes its responsibility as a corporate citizen seriously. This has been confirmed in the Tax Principles which the company has published on its website.

Financial Reporting

Risk description and impact	Mitigation
Misstatements, accounting estimates, and judgments, reliability of systems The processes and systems supporting the financial reporting may be susceptible to unintentional misstatements or manipulation. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.	The company mitigates these risks by maintaining an Internal Control Framework for financial reporting as described in the introduction. In addition, senior executives in the divisional and operating companies and 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.

Sensitivity analysis

Fluctuations in exchange, discount, interest, and tax rates affect Wolters Kluwer's results.

The following information illustrates the sensitivity to a change in certain assumptions for Wolters Kluwer's adjusted operating profit and diluted adjusted EPS:

Potential Impact	**Adjusted operating profit** *€ millions*	**Diluted adjusted EPS** *€ cents*
1% decline of the U.S. dollar against the euro	(8)	(2)
1% decrease in discount rate in determining the gross service costs for the retirement and other post-employment benefit plans	(5)	(1)
1% increase in interest rate assuming same mix of variable and fixed	n.a.	0
1% increase in the benchmark tax rate	n.a.	(3)

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 Dutch 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 2015 Annual Report. The Annual Report is prepared in accordance with Part 9 of Book 2 of the Dutch 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 2015 does not contain any errors of material importance;
- The company's risk management and control systems as regards financial reporting risks worked properly in 2015;
- The 2015 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 2015 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 23, 2016

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
K.B. Entricken, CFO and Member of the Executive Board

2015 Financial *Statements*

Consolidated Financial Statements

Consolidated Statement of Profit or Loss

in millions of euros, unless otherwise stated, for the year ended December 31		**2015**	**2014**
Revenues	*Note 5*	4,208	3,660
Cost of sales		1,323	1,173
Gross Profit	*Note 5*	2,885	2,487
Sales costs	*Note 8*	789	690
General and administrative costs	*Note 9*	1,408	1,221
Total operating expenses	*Note 5*	2,197	1,911
Other operating income and (expense)	*Note 10*	(21)	(7)
Operating profit	*Note 5*	667	569
Financing results	*Note 13*	(125)	(56)
Share of profit of equity-accounted investees, net of tax	*Note 18*	0	(1)
Profit before tax		542	512
Income tax expense	*Note 14*	(119)	(38)
Profit for the year		423	474
Attributable to:			
– Owners of the Company		423	473
– Non-controlling interests	*Note 15*	0	1
Profit for the year		423	474
Earnings per share (EPS) (€)			
Basic EPS	*Note 6*	1.44	1.60
Diluted EPS	*Note 6*	1.42	1.58

Consolidated Statement of Comprehensive Income

in millions of euros, for the year ended December 31					
			2015		**2014**
Comprehensive income					
Profit for the year			423		474
Other comprehensive income					
Items that are or may be reclassified subsequently to the statement of profit or loss:					
Exchange differences on translation of foreign operations			345		355
Exchange differences on translation of equity-accounted investees			1		1
Reclassification of foreign exchange differences on loss of control	*Note 7*		15		-
Net gains/(losses) on hedges of net investments in foreign operations			(31)		(31)
Effective portion of changes in fair value of cash flow hedges			22		(15)
Net change in fair value of cash flow hedges reclassified to the statement of profit or loss	*Note 13*		(15)		0
Tax on other comprehensive income			(1)		(2)
Items that will not be reclassified to the statement of profit or loss:					
Re-measurements on defined benefit plans	*Note 27*		(11)		(45)
Tax on other comprehensive income	*Note 20*		1		18
Other comprehensive income for the year, net of tax			326		281
Total comprehensive income for the year			749		755
Attributable to:					
– Owners of the Company		750		758	
– Non-controlling interests		(1)		(3)	
Total			749		755

Consolidated Statement of Cash Flows

in millions of euros, for the year ended December 31		**2015**		**2014**	
Cash flows from operating activities					
Profit for the year		423		474	
Adjustments for:					
Financing results	*Note 13*	125		56	
Share of profit of equity-accounted investees, net of tax	*Note 18*	0		1	
Income tax expense	*Note 14*	119		38	
Amortization, impairments, and depreciation	*Note 12*	385		332	
Additions to provisions for restructuring	*Note 28*	43		32	
Fair value changes of contingent considerations	*Note 10*	(2)		(4)	
Book (profit)/loss on divestments of operations	*Note 7*	11		(12)	
Share-based payments	*Note 30*	19		22	
Autonomous movements in working capital		18		4	
Paid financing costs		(101)		(135)	
Paid corporate income tax	*Note 20*	(141)		(98)	
Appropriation of provisions for restructuring	*Note 28*	(43)		(43)	
Other		(13)		(4)	
Net cash from operating activities			843		663
Cash flows from investing activities					
Capital expenditure		(188)		(148)	
Acquisition spending, net of cash acquired	*Note 7*	(179)		(178)	
Receipt from divestments, net of cash disposed	*Note 7*	24		11	
Dividends received	*Note 18*	3		2	
Cash from settlement of derivatives		(33)		(27)	
Net cash used in investing activities			(373)		(340)
Cash flows from financing activities					
Repayment of loans		(1)		(977)	
Proceeds from new loans		1		668	
Collateral paid	*Note 25*	20		(20)	
Repurchased shares	*Note 29*	(140)		(25)	
Dividends paid		(263)		(209)	
Net cash used in financing activities			(383)		(563)
Net cash flow			87		(240)

Consolidated Statement of Cash Flows (continued)

in millions of euros, for the year ended December 31					
			2015		**2014**
Net cash flow			87		(240)
Cash and cash equivalents less bank overdrafts at January 1		413		643	
Foreign exchange differences on cash and cash equivalents and bank overdrafts		27		10	
			440		653
Cash and cash equivalents less bank overdrafts at December 31	*Note 23*		527		413
Add: Bank overdrafts at December 31	*Note 25*		285		122
Cash and cash equivalents at December 31	*Note 23*		812		535

Consolidated Statement of Financial Position

in millions of euros, at December 31		2015		2014	
Non-current assets					
Goodwill and intangible assets	*Note 16*	5,550		5,172	
Property, plant, and equipment	*Note 17*	128		131	
Investments in equity-accounted investees	*Note 18*	9		17	
Financial assets	*Note 19*	21		15	
Deferred tax assets	*Note 20*	80		85	
Total non-current assets			5,788		5,420
Current assets					
Inventories	*Note 21*	140		120	
Trade and other receivables	*Note 22*	1,316		1,222	
Income tax receivable	*Note 20*	43		39	
Cash and cash equivalents	*Note 23*	812		535	
Total current assets		2,311		1,916	
Current liabilities					
Deferred income		1,522		1,344	
Trade and other payables		392		384	
Income tax payable	*Note 20*	26		41	
Short-term provisions	*Note 28*	33		30	
Borrowings and bank overdrafts	*Note 25*	286		125	
Other current liabilities	*Note 24*	511		469	
Total current liabilities		2,770		2,393	
Working capital			(459)		(477)
Capital employed			5,329		4,943

Consolidated Statement of Financial Position (continued)

in millions of euros, at December 31		2015	2014
Non-current liabilities			
Long-term debt:			
Bonds		1,877	1,875
Private placements		399	384
Other long-term debt		30	45
Total long-term debt	*Note 25*	2,306	2,304
Deferred and other tax liabilities	*Note 20*	346	339
Employee benefits	*Note 27*	199	176
Provisions	*Note 28*	1	3
Total non-current liabilities		2,852	2,822
Equity			
Issued share capital	*Note 29*	36	36
Share premium reserve		87	87
Legal reserves		335	(7)
Other reserves		2,014	1,990
Equity attributable to the owners of the Company	*Note 43*	2,472	2,106
Non-controlling interests	*Note 15*	5	15
Total equity		2,477	2,121
Total financing		5,329	4,943

Consolidated Statement of Changes in Total Equity

in millions of euros			Legal reserves			Other reserves				
	Issued share capital	Share premium reserve	Legal reserve participations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 2014	36	87	74	(69)	(323)	(88)	1,847	1,564	20	1,584
Total comprehensive income/(loss) for the year 2014				(48)	360		446	758	(3)	755
Transactions with owners of the Company, recognized directly in equity										
Share-based payments							22	22		22
Tax on share-based payments							(6)	(6)		(6)
Release LTIP shares						17	(17)	0		0
Cash dividend 2013							(207)	(207)	(2)	(209)
Repurchased shares						(25)		(25)		(25)
Other movements			(1)				1	0	0	0
Balance at December 31, 2014	36	87	73	(117)	37	(96)	2,086	2,106	15	2,121
Total comprehensive income/(loss) for the year 2015				(24)	361		413	750	(1)	749
Transactions with owners of the Company, recognized directly in equity										
Share-based payments							19	19		19
Release LTIP shares						31	(31)	0		0
Cash dividend 2014							(211)	(211)	0	(211)
Interim cash dividend 2015							(52)	(52)		(52)
Repurchased shares						(140)		(140)		(140)
Other movements			5				(5)	0	(9)	(9)
Balance at December 31, 2015	36	87	78	(141)	398	(205)	2,219	2,472	5	2,477

Notes to the Consolidated Financial Statements

Note 1 – General and Basis of Preparation

General

Reporting entity
Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a global leader in professional information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

The Group maintains operations across North America, Europe, Asia Pacific, and Rest of the World. 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, prevailing per December 31, 2015, as endorsed for use in the European Union by the European Commission. These financial statements were authorized for issue by the Executive Board and Supervisory Board on February 23, 2016. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of Shareholders (AGM) on April 21, 2016.

Consolidated financial statements
The consolidated financial statements of the Company at and for the year ended December 31, 2015, 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, Significant Accounting Policies. 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 profit or loss 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) recognized at their fair value or their amortized costs;
- share-based payments; and
- net defined employee benefit asset/liability.

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.

Going concern
The Executive Board and Supervisory Board have assessed, during the preparation of the consolidated financial statements of the Group, the going concern assumptions. The Executive Board and Supervisory Board believe that no events or conditions give rise to doubt about the ability of the Group to continue in operation within the next reporting period. This conclusion is drawn based on knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation thereto. Furthermore, the conclusion is based on review of our strategic plan and budget, including expected development in liquidity and capital, current credit facilities available including contractual and expected maturities and covenants. Consequently, it has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

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

Effect of new accounting standards
Except for the EU endorsed amendments below, the Group has consistently applied the accounting policies set out in Note 2 to all periods presented in these consolidated financial statements.
The Group has adopted the amendments to the following standards:
- Annual Improvements Cycle - 2010-2012;
- Annual Improvements Cycle - 2011-2013;
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions.

Changes in these new amendment standards did not result in a material effect on the financial statements 2015.

Effect of forthcoming accounting standards
A number of new standards and amendments are not yet effective for the year ended December 31, 2015, and have not been adopted earlier in preparing these consolidated financial statements.

IFRS 9 – Financial Instruments
IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 is effective on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 establishes a single comprehensive framework for entities to use in accounting for revenue arising from contract with customers. IFRS 15 will supersede the current revenue recognition guidance, including IAS 18 – Revenue, IAS 11 Construction Contracts, and the related interpretations when it becomes effective. IFRS 15 is effective on or after January 1, 2018.

The Group is currently assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9 and IFRS 15. Based on our current understanding and impact assessment we expect no significant changes as result of IFRS 9, whilst IFRS 15 will impact our financial statements due to its impact on some of our business models.

Note 2 – Significant Accounting Policies

Except for the changes explained in Note 1, the Group has consistently applied the following significant accounting policies to all periods presented in these consolidated financial statements.

Basis of consolidation

Subsidiaries
Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Equity-accounted investees
Equity-accounted investees comprise interests in associates and joint ventures.

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. A joint venture is an arrangement in which the Group has joined control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method of accounting and are initially recognized at cost, which includes transaction costs. Associates are recognized from the date on which the Group has significant influence, and recognition ceases 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. Joint ventures are recognized from the date that joint control commences, and recognition ceases the date the Group has no longer joint control over a joint venture.

When an interest in an associate is increased to a controlling interest, the equity interest previously held which qualified as an associate is treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly, it is re-measured to its acquisition date fair value, and any resulting gain or loss compared to its carrying amount is recognized in profit or loss. Any amount that has previously been recognized in other comprehensive income, and that would be reclassified to profit or loss following a disposal, is similarly reclassified to profit or loss.

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 profit or loss.
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 the remaining interest 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
Intragroup 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 Group entities operate (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 profit or loss.

However, foreign currency differences arising on the following items are recognized in other comprehensive income:
- Qualifying cash flow hedges to the extent that the hedge is effective;
- Available-for-sale equity investments (except for impairment); 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 are translated to euros at foreign exchange rates prevailing at the end of the reporting period. 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 component of other comprehensive income.
When a foreign subsidiary is disposed of, exchange differences that were recorded in other comprehensive income prior to the sale are reclassified through profit or loss 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 differences arising from the translation of the net investment in foreign operations, and of related hedges, are taken to the currency translation reserve in other comprehensive income.

Main currency exchange rates

rates to the euro	2015	2014
U.S. Dollar (average)	1.11	1.33
U.S. Dollar (at December 31)	1.09	1.21

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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in financing results.

Goodwill
The Group measures goodwill at the acquisition date as the sum of the fair value of the consideration transferred and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. If the business is acquired in stages, the fair value of the existing equity interest in the acquiree is also included in the determination of goodwill. When the excess is negative, a bargain purchase is recognized immediately in profit or loss.

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

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 (such as earn-out arrangements) is recognized at fair value at the acquisition date.

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.
Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

Revenues related to subscriptions are recognized over the period in which the items are dispatched and/or made available online, when the items involved are similar in value over time. Subscription income received or receivable in advance of the delivery of services or publications is included in deferred income.

License fees paid for the use of the Group's software products and/or services are recognized in accordance with the substance of the agreement. Normally this is on a straight-line basis. In case of a transfer of rights, which permits the licensee to exploit those rights freely and the Group as a licensor has no remaining obligations to perform subsequent to delivery, revenue is recognized at the time of the sale.

Related implementation fees are normally recognized as revenues by reference to the stage of completion of the implementation.

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 certain 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 agreed or estimated service period, unless there is evidence that some other method is more representative for the stage of completion of the service at the end of the reporting period.

Bundled products
In case a product consists of a combination of multiple good(s) and/or service(s) (bundled product) the Group will estimate the fair value of the individual contract obligations and recognize each obligation at the moment of delivery.

Cost of sales
Cost of sales comprises directly attributable costs of goods and services sold.
For digital products and services these costs include data maintenance, hosting, royalties, product support, personnel cost, subcontracted work, training, and other costs incurred to support and maintain the products, applications, and services.
For print products these costs comprise of cost for paper, printing and binding, royalties, personnel cost, subcontracted work, shipping cost, and other incurred costs.

General and administrative costs
General and administrative costs include costs that are neither directly attributable to cost of sales nor to sales costs (sales and marketing activities). They include costs such as product development cost, information technology cost, general overhead, and amortization of publishing rights and impairments of goodwill and publishing rights.

Other operating income and expense
Other operating income and expense relate to items which are different in their nature or frequency from operating items. They include results on divestments (including direct attributable divestment costs), additions to provisions for restructuring of stranded costs following divestments, acquisitions costs, additions to acquisition integration provisions, and subsequent fair value changes on contingent considerations.

Financing results
Financing results comprise interest payable/receivable on loans and borrowings for the period, calculated using the effective interest rate method, interest receivable on funds invested, divestment results of equity-accounted investees, dividend income on available-for-sale investments, gain or loss on the sale of financial assets classified as available-for-sale, impairments of financial assets (other than receivables), financing income or costs resulting from defined benefit plans, foreign exchange gains and losses on financial assets and liabilities, and gains and losses on hedging instruments that are recognized in profit or loss.

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. The amount recognized as an expense is adjusted for the actual forfeitures due to participants' resignation before the vesting date.

Total Shareholder Return ('TSR') condition
The fair value of the shares based on the 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.

Earnings Per Share ('EPS') condition
The fair value of the shares based on the non-market performance condition of EPS 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 share 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.

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 of 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 reportable segment.

Principles underlying the statement of cash flows

Cash flows from operating activities
Cash flows from operating activities are calculated by the indirect method; by adjusting the consolidated profit for the year for items and expenses that are not cash flows and for autonomous movements in operating working capital (excluding impact from acquisitions and foreign currency differences). Cash payments to employees and suppliers are recognized as cash flow from operating activities. Cash flows from operating activities also include paid financing costs of operating activities, acquisition and divestment related costs, spending on restructuring provisions, and income taxes paid on operating activities.

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. 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 either classified under cash flows from investing activities or cash flow from operating activities under paid financing costs.

Cash flows from financing activities
The cash flows from financing activities comprise the cash receipts and payments from issued and repurchased shares, dividends paid, debt instruments, and short-term financing. Dividends paid relate to dividends paid to the owners of the Company and the 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 Group's cash management. However, in the statement of financial position, the bank overdrafts are presented separately as the offsetting criteria are not met.

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. This includes, amongst others, expected synergies, skilled workforce, new customers expected to be attracted who generate revenue streams in the future, revenues generated by future completely new versions of software, and the possibility to have an immediate significant presence in the markets through an existing customer base, that can be levered by the Group for other products and services.

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

The fair value of the acquired publishing rights is computed at the time of the acquisition applying 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, 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 profit or loss as impairment.

The estimated useful life for publishing rights is 5 to 30 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, the assets are considered to be impaired in value, this is immediately recognized in profit or loss as impairment.

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 it complies 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.

Impairment

The carrying amounts of the Group's non-current assets other than deferred tax assets are reviewed at the end of each reporting period 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 profit or loss immediately. The recoverable amount of an asset or cash-generating unit is the greater of its fair value less cost of disposal 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.

The Group assesses at the end of each reporting period 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 will estimate the recoverable amount of that asset.

Financial instruments

Financial instruments comprise:

- Non-derivative financial assets and liabilities: investments, other receivables, trade and other receivables, cash and cash equivalents, borrowings and bank overdrafts, other current liabilities (excluding derivative financial instruments), and long-term debt;
- Derivative financial assets and liabilities: (cross-currency) interest rate swaps and forward contracts.

Financial assets and liabilities are offset and presented net in the statement of financial position 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 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. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Non-derivative financial assets and liabilities

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

Non-derivative financial assets

a) Loans and receivables

Loans and receivables comprise trade and other receivables, and non-current other receivables, and are measured at amortized cost, less accumulated impairment.

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 to 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 profit or loss.

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

Available-for-sale financial assets are 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 fair value differences on available-for-sale financial assets. When an investment is derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss. When the fair value of equity instruments 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 financing income in the statement of profit or loss.

At the end of each reporting period the Group determines whether there is any indication of impairment. Impairment losses on available-for-sale financial assets are recognized by reclassifying accumulated fair value changes in other comprehensive income to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss.

Non-derivative financial liabilities
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 (excluding derivative financial instruments).

Non-derivative financial liabilities measured at amortized cost
The Group initially 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 profit or loss over the period of the borrowings, using the effective interest method.

Non-derivative financial liabilities designated at fair value through profit or loss
Non-derivative financial liabilities designated at fair value through profit or loss comprise contingent considerations and are measured at fair value. Changes therein are recognized in profit or loss.

Derivative financial instruments and hedging activities
The Group holds derivative financial instruments to hedge risk exposures.

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: hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or 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 end of the reporting 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 other comprehensive income and accumulated under the heading of effective portion of changes in fair value of cash flow hedges. The gain or loss relating to the ineffective part is recognized in profit or loss within financing income or costs. Amounts accumulated in other comprehensive income are reclassified to profit or loss in the same periods the hedged item affects the statement of profit or loss. The gain or loss relating to the effective part of derivative financial instruments is recognized in profit or loss 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 other comprehensive income at that time remains in other comprehensive income and is recognized when the hedged transaction is ultimately recognized in profit or loss. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is reclassified from other comprehensive income to profit or loss.

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 other comprehensive income in the translation reserve. The ineffective part is recognized in profit or loss within financing results. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of. If a hedging relationship is terminated and the derivative financial instrument is not sold, future changes in its fair value are recognized in profit or loss.

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 profit or loss within financing results.

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 profit or loss 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 end of the reporting period, 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 their tax base for taxation purposes.

Deferred tax liabilities are not recognized for temporary differences arising on:
- Initial recognition of goodwill;
- Investments in subsidiaries and jointly controlled entities to the extent that the parent is able to control the timing of the reversal of the temporary difference, and it is probable that they will not reverse in the foreseeable future; and
- 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 the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 end of the reporting period. The effect of changes in tax rates on the deferred taxation is recognized in profit or loss if, and to the extent that, this provision was originally formed as a charge to profit or loss.

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.

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 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 are recognized as an employee benefit expense in profit or loss 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 plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.
Re-measurements of the net defined benefit liability/asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Group determines the net interest expense/(income) on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/asset during the period resulting from contributions and benefit payments. Net interest expense and other expense, like fund administration costs, related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in the defined benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. A curtailment occurs when an entity significantly reduces the number of employees covered by a plan. A curtailment may arise from an isolated event, such as disposal or restructuring, discontinuance of an operation or termination, or suspension of a plan. Amendments to the terms of a defined benefit plan will be considered plan amendments and will be fully accounted for as past service costs.

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 end of the reporting period 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.

The Group recognizes all re-measurement 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 profit or loss.

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.

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
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 these cause 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 and for the effects of all dilutive potential ordinary shares which comprise LTIP-shares granted.

Note 3 – Accounting 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 revenues and expense. Actual results may differ from those estimates, and may result in material adjustments in 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 in this note.

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 its main defined benefit pension plans in the Netherlands, U.S., and U.K., and large post-retirement medical plans in the U.S.
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 profit or loss.

The plan assets and liabilities as well as the related costs are based upon actuarial and economic assumptions. The main economic assumptions are:
– Discount rate;
– Indexation;
– Inflation; 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 capitalized if the Group can demonstrate the technical feasibility of completing the software project so that it will be available for use or sale and if it 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.

Capitalized software is amortized using the straight-line method over the economic life of the software, between 3 and 10 years. Capitalization of software depends 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 (timing of technological developments, technological obsolescence, and competitive pressures).

Useful lives of assets
The useful life has to be determined for assets such as publishing rights, other intangible assets, 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 Group reviews the remaining 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 division 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.

The impairment test requires 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 Vision and Strategy Planning (VSP), prepared by management and approved by the Executive Board and cover 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 statement of financial position 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 (such as earn-outs), the Group includes an initial 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 initial and subsequent measurement will usually be based on estimates of future results of the business combination. Subsequent changes to the fair value are recognized in profit or loss.

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 may deviate from the final tax assessments, which will be received in future periods.

A deferred tax asset is recognized for deductible temporary differences, 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group 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 Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact the income tax expenses in the statement of profit or loss in the period that such a determination is made.

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.

Note 4 – Benchmark Figures

Benchmark figures refer to figures adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and publishing rights. Adjusted figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business.

These figures are presented as additional information and do not replace the information in the consolidated statements of profit or loss and cash flows.

All figures are from continuing operations, unless stated otherwise.

Benchmark figures

	2015	2014	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	4,208	3,660	15	3
Organic revenue growth (%)	3	2		
Adjusted operating profit	902	768	17	2
Adjusted operating profit margin (%)	21.4	21.0		
Adjusted net profit	583	470	24	4
Adjusted net financing costs	(119)	(113)	4	(1)
Adjusted free cash flow	647	516	26	7
Cash conversion ratio (%)	100	100		
Return on invested capital (ROIC) (%)	9.3	8.5		
Net debt	1,788	1,897	(6)	
Net-debt-to-EBITDA ratio	1.7	2.1		
Diluted adjusted EPS (€)	1.96	1.57	25	
Diluted adjusted EPS in constant currencies (€)	1.67	1.58		5
Diluted adjusted free cash flow per share (€)	2.18	1.72	27	8

Reconciliation between operating profit and adjusted operating profit

		2015	2014
Operating profit		667	569
Amortization of publishing rights	Note 12	214	192
Non-benchmark items in operating profit	Note 10	21	7
Adjusted operating profit		902	768

Reconciliation between total financing results and adjusted net financing costs

		2015	2014
Total financing results	Note 13	(125)	(56)
Non-benchmark items in total financing results	Note 13	6	(57)
Adjusted net financing costs		(119)	(113)

Return on invested capital (ROIC)

	2015	2014
Adjusted operating profit	902	768
Allocated tax	(230)	(212)
Net operating profit after allocated tax (NOPAT)	672	556
Average invested capital	7,207	6,525
ROIC (NOPAT/Average invested capital) (%)	9.3	8.5

Reconciliation between profit for the year and adjusted net profit

		2015	2014
Profit for the year attributable to the owners of the Company (A)		423	473
Amortization of publishing rights and impairments (adjusted for non-controlling interests)		213	191
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)		(81)	(67)
Tax benefit on previously divested assets	Note 14	-	(112)
Tax impact on consolidation of platform technology	Note 14	-	40
Non-benchmark items, net of tax		28	(55)
Adjusted net profit (B)		583	470

Summary of non-benchmark items

		2015	2014
Included in operating profit:			
Other operating income and (expense)	*Note 10*	(21)	(7)
Included in total financing results:			
Other finance income/(costs)	*Note 13*	(6)	57
Total non-benchmark items before tax		(27)	50
Tax benefit/(expense) on non-benchmark items		(1)	5
Non-benchmark items, net of tax		(28)	55

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

		2015	2014
Net cash from operating activities		843	663
Capital expenditure		(188)	(148)
Acquisition related costs	*Note 7*	4	11
Paid divestment expenses	*Note 7*	2	2
Dividends received	*Note 18*	3	2
Transactional tax on internal restructuring		5	-
Net tax benefit on previously divested assets and consolidation of platform technology		(22)	(18)
Appropriation of Springboard provisions, net of tax		-	4
Adjusted free cash flow (C)		647	516

Per share information

(in €)		2015	2014
Total number of ordinary shares outstanding at December 31 (in millions of shares)	*Note 29*	291.7	295.1
Weighted average number of ordinary shares (D) (in millions of shares)	*Note 6*	293.6	295.9
Diluted weighted average number of ordinary shares (E) (in millions of shares)	*Note 6*	297.4	299.9
Adjusted EPS (B/D)		1.98	1.59
Diluted adjusted EPS (minimum of adjusted EPS and [B/E])		1.96	1.57
Diluted adjusted EPS in constant currencies		1.67	1.58
Basic EPS (A/D)		1.44	1.60
Diluted EPS (minimum of basic EPS and [A/E])		1.42	1.58
Adjusted free cash flow per share (C/D)		2.21	1.74
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and [C/E])		2.18	1.72

Benchmark tax rate

		2015	2014
Income tax expense	*Note 14*	119	38
Tax benefit on amortization of publishing rights and impairments		81	67
Tax benefit on previously divested assets	*Note 14*	-	112
Tax impact on consolidation of platform technology	*Note 14*	-	(40)
Tax benefit/(expense) on non-benchmark items		(1)	5
Tax on adjusted profit (F)		199	182
Adjusted net profit (B)		583	470
Adjustment for non-controlling interests		1	2
Adjusted profit before tax (G)		783	654
Benchmark tax rate (F/G) (%)		25.5	27.6

Cash conversion ratio

		2015	2014
Adjusted operating profit (H)		902	768
Amortization and impairment of other intangible assets	*Note 16*	131	110
Depreciation and impairment of property, plant, and equipment	*Note 17*	40	30
Adjusted EBITDA		1,073	908
Autonomous movements in working capital		18	4
Capital expenditure		(188)	(148)
Adjusted operating cash flow (I)		903	764
Cash conversion ratio (I/H) (%)		100	100

Non-benchmark items in operating profit
Non-benchmark items relate to income/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.

Acquisition integration costs
Acquisition integration costs are those one-time non-recurring cost incurred by the Group to integrate activities acquired by business combination and have been included in other operating income and expense in the consolidated statement of profit or loss.

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 other operating income and expense in the consolidated statement of profit or loss.

Divestment related results on operations
Divestment related results are event-driven gains and losses incurred by the Group from the sale of activities (subsidiaries and business operations). These results also include related divestment expenses and restructuring of stranded costs and have been included in other operating income and expense in the consolidated statement of profit or loss.

Fair value changes of contingent considerations
Results from changes in fair value of contingent considerations are not considered to be part of the ordinary activities of the Group and have been included in

other operating income and expense in the consolidated statement of profit or loss.

Other non-benchmark items
Non-benchmark items, which cannot be classified in the categories above, relate to income/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.

Non-benchmark items in financing results

Financing component employee benefits
Financing component employee benefits relates to net interest results on the net defined benefit liability/asset of the Group's defined benefit pension plans and other employee benefit plans.

Impairment of investments available-for-sale
Impairment loss on available-for-sale investments is based on fair value calculations.
An impairment loss is recognized when the change in fair value is considered to be significant and prolonged.

Book results and fair value changes of investments available-for-sale
Fair value changes of available-for-sale investments, being recognized in other comprehensive income, and any book results are based on fair value calculations.

Divestments related results on equity-accounted investees
When equity accounting for equity-accounted investees ceases, the Group calculates the book gain or loss as the difference between the sum of the fair value of proceeds, the fair value of retained investment, and any amount reclassified from other comprehensive income less the carrying amount of the investment at the date on which significant influence or joint control is lost.

Revaluation gain or loss on equity-accounted investee following step acquisition
This item includes revaluation gains or losses on previously held equity-accounted investees in a step acquisition. When an interest in an associate is increased to a controlling interest, the equity interest previously held which qualified as an associate is treated as if it was disposed of and reacquired at fair value on the acquisition date. Accordingly, it is re-measured to fair value at its acquisition date fair value, and any resulting gain or loss compared to its carrying amount is recognized in profit or loss.

Note 5 – Segment Reporting

Segment reporting by division	Health		Tax & Accounting		Governance, Risk & Compliance		Legal & Regulatory		Corporate		Total	
	2015	2014	2015	2014[1]	2015	2014[1]	2015	2014[1]	2015	2014	2015	2014
Revenues third parties	1,022	816	1,132	989	1,065	854	989	1,001	-	-	4,208	3,660
Cost of sales	316	261	333	295	304	240	370	377	-	-	1,323	1,173
Gross profit	706	555	799	694	761	614	619	624	0	0	2,885	2,487
Sales costs	211	168	224	192	166	133	188	197	-	-	789	690
General and administrative costs	283	220	346	318	368	309	361	325	50	49	1,408	1,221
Total operating expenses	494	388	570	510	534	442	549	522	50	49	2,197	1,911
Other operating income and (expense)	(3)	(5)	(1)	2	(2)	(8)	(15)	6	0	(2)	(21)	(7)
Operating profit	209	162	228	186	225	164	55	108	(50)	(51)	667	569
Amortization of publishing rights and impairments	35	30	82	77	71	60	26	25	0	0	214	192
Non-benchmark expense/ (income) in operating profit	3	5	1	(2)	2	8	15	(6)	0	2	21	7
Adjusted operating profit	247	197	311	261	298	232	96	127	(50)	(49)	902	768
Depreciation, impairment, and amortization of other intangible assets	50	36	57	42	32	22	32	40	0	0	171	140
Goodwill and publishing rights at December 31	1,463	1,205	1,518	1,493	1,395	1,348	664	678	0	0	5,040	4,724
Capital expenditure	68	49	48	38	31	24	41	37	0	0	188	148
Ultimo number of FTEs	2,964	2,807	6,164	5,867	4,413	4,215	4,411	5,548	103	112	18,055	18,549

[1] In July 2015, the Group announced a new divisional organization, which became effective in August 2015. The Corporate Legal Services unit (a part of the former Legal & Regulatory division) was combined with the Financial & Compliance Services division to create a new division called Governance, Risk & Compliance. At the same time, the Group transferred the Audit unit from Financial & Compliance Services to the Tax & Accounting division.

The four global operating divisions are based on strategic customer segments: Health, Tax & Accounting, Governance, Risk & Compliance and Legal & Regulatory. This segment information by division is based on the Group's management and internal reporting structure. In July 2015, management aggregated several units with similar solutions to customers in a new segment, Governance, Risk & Compliance. All solutions, services and expertise, which help legal, finance, risk and compliance professionals, and small business owners to better manage a myriad of governance, risk and compliance challenges in dynamic global markets, have been aggregated to this new segment. The table on the next page reflects the former segment structure, which is provided for comparison purposes.

Segment reporting by division (former segment reporting)	**Legal & Regulatory**		**Tax & Accounting**		**Health**		**Financial & Compliance Services**		**Corporate**		**Total**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenues third parties	1,626	1,497	1,078	946	1,022	816	482	401	-	-	4,208	3,660
Cost of sales	530	498	320	284	316	261	157	130	-	-	1,323	1,173
Gross profit	1,096	999	758	662	706	555	325	271	0	0	2,885	2,487
Sales costs	262	253	208	179	211	168	108	90	-	-	789	690
General and administrative costs	581	498	334	306	283	220	160	148	50	49	1,408	1,221
Total operating expenses	843	751	542	485	494	388	268	238	50	49	2,197	1,911
Other operating income and (expense)	(16)	(2)	(1)	2	(3)	(5)	(1)	0	0	(2)	(21)	(7)
Operating profit	237	246	215	179	209	162	56	33	(50)	(51)	667	569
Amortization of publishing rights and impairments	67	57	79	73	35	30	33	32	0	0	214	192
Non-benchmark expense/ (income) in operating profit	16	2	1	(2)	3	5	1	0	0	2	21	7
Adjusted operating profit	320	305	295	250	247	197	90	65	(50)	(49)	902	768
Depreciation, impairment, and amortization of other intangible assets	52	53	57	42	50	36	12	9	0	0	171	140
Goodwill and publishing rights at December 31	1,547	1,509	1,434	1,415	1,463	1,205	596	595	0	0	5,040	4,724
Capital expenditure	63	54	48	38	68	49	9	7	0	0	188	148
Ultimo number of FTEs	6,494	7,527	5,990	5,688	2,964	2,807	2,504	2,415	103	112	18,055	18,549

The Executive Board reviews the financial performance of its segments and the allocation of resources based on revenues and adjusted operating profit. 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 Business 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 profit or loss.

There are no major customers with a revenue stream that exceeds 10% 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. Operating working capital is not managed at operating segment level but at country/regional level.

Geographical segments

The geographical information can be summarized as follows:

Geographical information

Revenues were generated in the following regions:	2015		2014	
		%		%
The Netherlands	156	4	154	4
Europe (excluding the Netherlands)	1,215	29	1,219	33
North America	2,509	59	1,999	55
Asia Pacific	241	6	222	6
Rest of the world	87	2	66	2
Total	4,208	100	3,660	100

Total non-current assets per region:	2015		2014	
		%		%
Europe	1,615	28	1,698	31
North America	4,047	70	3,569	66
Asia Pacific	75	1	84	2
Rest of the world	51	1	69	1
Total	5,788	100	5,420	100

Note 6 – Earnings per Share

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year of €423 million (2014: €473 million) attributable to the ordinary equity holders of the Company, and a weighted average number of ordinary shares outstanding of 293.6 million (2014: 295.9 million), and is as follows:

Profit for the year

		2015	2014
Profit for the year attributable to the owners of the Company (A)		423	473

Weighted average number of ordinary shares

in millions of shares		2015	2014
Outstanding ordinary shares at January 1	*Note 29*	301.9	301.9
Effect of repurchased shares		(8.3)	(6.0)
Weighted average number of ordinary shares (B) for the year		293.6	295.9
Basic EPS (€) (A/B)		1.44	1.60

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year of €423 million (2014: €473 million) attributable to the ordinary equity holders of the Company, and a diluted weighted average number of ordinary shares outstanding of 297.4 million (2014: 299.9 million), after adjustment for the effects of all dilutive potential ordinary shares, and is as follows:

Diluted weighted average number of ordinary shares

in millions of shares	2015	2014
Weighted average number of ordinary shares (B)	293.6	295.9
Long-Term Incentive Plan	3.8	4.0
Diluted weighted average number of ordinary shares (C) for the year	297.4	299.9
Diluted EPS (€) (minimum of basic EPS and [A/C])	1.42	1.58

Note 7 – Acquisitions and Divestments

In 2015, the following acquisitions were completed:

On January 1, 2015, Wolters Kluwer Tax & Accounting completed the acquisition of 100% of the shares of SBS Software GmbH, a leading German provider of accounting and payroll solutions. SBS Software has more than 100 employees and serves over 6,000 customers. The purchase price consideration was €11 million. The entity has annualized revenues of approximately €7 million.

On June 30, 2015, Wolters Kluwer Tax & Accounting acquired the assets of SureTax LLC, a provider of comprehensive and technologically advanced tax calculation engines for telecommunications business in the U.S. market. SureTax has 7 employees and serves over 100 customers. The purchase price consideration was €10 million, of which €5 million was paid in cash and €5 million relates to an earn-out arrangement over a 36 month post-acquisition period.

On September 1, 2015, Wolters Kluwer Health completed the acquisition of 100% of the shares of Learner's Digest International LLC. Learner's Digest is a leading provider of independent continuing medical education (CME) to physicians in the U.S. Its innovative mobile medical education platform enables clinicians to stay current on the latest medical research, guidelines, and standards of clinical care and to efficiently meet their CME requirements. The company has become an operating unit of Wolters Kluwer Health Learning, Research & Practice (HLRP). The purchase price consideration was $150 million, which was paid in cash. The entity had revenues of approximately $39 million in 2014 and 112 employees.

Acquisition spending

Total acquisition spending, net of cash acquired, in 2015 was €179 million (2014: €178 million) including deferred and contingent consideration payments of €21 million (2014: €18 million). Acquisition related costs amounted to €4 million in 2015 (2014: €11 million).

The goodwill recorded in connection with the 2015 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, new customers expected to be attracted who generate revenue streams in the future and revenues generated as result of the development of future content from new partners in the content networks.

The goodwill recognized in 2015 included an amount of €58 million that is deductible for income tax purposes (2014: nil).

The following tables provide information in aggregate for all business combinations in 2015.

Acquisitions

		Carrying amount	Fair value adjustments	2015 Recognized values	2014 Recognized values
Consideration payable in cash				161	178
Fair value of previously held equity-accounted investee	*Note 18*			-	88
Non-controlling interests				-	0
Deferred and contingent considerations:					
Non-current				11	3
Current				2	3
Total consideration				174	272
Intangible assets		8	130	138	220
Other non-current assets		2	-	2	3
Current assets		8	-	8	33
Current liabilities		(30)	-	(30)	(35)
Deferred tax liability		0	(7)	(7)	(76)
Fair value of net identifiable assets and (liabilities)		(12)	123	111	145
Goodwill on acquisitions	*Note 16*			63	127
Cash effect of acquisitions:					
Consideration payable in cash				161	178
Cash acquired				(3)	(18)
Deferred and contingent considerations paid				21	18
Acquisition spending, net of cash acquired				179	178

Contribution of acquisitions

	Revenues	Adjusted operating profit	Profit for the year
Totals excluding the impact of 2015 acquisitions	4,190	900	425
Contribution of 2015 acquisitions	18	2	(2)
Totals for the year 2015	4,208	902	423
Pro-forma contribution of 2015 acquisitions for the period January 1, 2015, up to acquisition date	26	5	(2)
Pro-forma totals for the year 2015	4,234	907	421

The above (unaudited) pro-forma information does not purport to represent what the actual results would have been had the acquisitions actually been concluded on January 1, 2015, 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, 2015.

Contingent considerations
The acquisitions completed in 2015 resulted in a maximum achievable undiscounted contingent consideration of €18 million. The fair values of the 2015 contingent considerations amount to €9 million at December 31, 2015.

Provisional fair value accounting
The fair value of the identifiable assets and liabilities 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. Subsequent changes in purchase price accounting for 2014 acquisitions were not material. Reference is made to Note 16 (Goodwill and Intangible assets).

Divestments related results on operations, equity-accounted investees, and investments available-for-sale

		2015	2014
Divestments of operations:			
Consideration receivable in cash		31	11
Consideration receivable		31	11
Intangible assets		21	2
Non-current assets		9	-
Current assets		36	0
Current liabilities		(29)	(3)
Deferred tax liability		(1)	-
Non-controlling interest	*(Note 15)*	(9)	-
Net identifiable assets and (liabilities)		27	(1)
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income		(15)	-
Book profit/(loss) on divestments of operations		(11)	12
Divestment expenses		(2)	(2)
Restructuring of stranded costs following divestments		(1)	-
Divestment related results included in other operating income and (expense)	*Note 10*	(14)	10
Divestments of equity-accounted investees and investments available-for-sale:			
Consideration receivable in cash		3	-
Fair value of equity-accounted investee previously held		2	88
Carrying value of equity-accounted investee	*Note 18*	(6)	(12)
Carrying value of investment available-for-sale	*Note 19*	-	(14)
Divestment related results included in total financing results	*Note 13*	(1)	62
Cash effect of divestments:			
Consideration receivable in cash		34	11
Cash included in divested operations	*Note 20*	(10)	-
Receipts from divestments, net of cash disposed		24	11

The 2015 divestment results predominantly relate to two divestments within the Wolters Kluwer Legal & Regulatory division.

On September 3, 2015, Wolters Kluwer Legal & Regulatory completed the divestment of its 55% interest in Wolters Kluwer Russia Publishing Holding bv to the company's minority shareholders. This holding company owned 100% of the Russian legal and regulatory business, MCFR. The divestment has been precipitated by impending limits on foreign ownership in Russian media companies. In 2014, the Russian business was fully consolidated in the Wolters Kluwer Group accounts and had revenues of €39 million. The divestment resulted in a one-time loss of €18 million, of which the majority is foreign exchange related.

On December 10, 2015, Wolters Kluwer Legal & Regulatory completed the sale of its U.K.-based HR consulting and tax fee protection services units. In 2014, these activities were fully consolidated in the Wolters Kluwer accounts and had revenues of approximately €31 million and approximately 270 employees. The divestment resulted in a book profit of €7 million, including a book loss on the building associated with the business.

In 2014, the Group gave up the 38% stake in Datacert, with a carrying value of €12 million, previously held as an equity-accounted investee, as part of the step acquisition into a 100% ownership. The fair value of this equity interest immediately before acquisition date was €88 million. The (non-cash) revaluation gain of €76 million on the 38%-minority interest was triggered by the purchase of the remaining 62% in April, 2014 and is recognized in financing results. Due to the internal restructure, Datacert is part of the Governance, Risk & Compliance Division.
In addition, on September 1, 2014, Legal & Regulatory completed the divestment of its Canadian legal publishing activities.

Note 8 – Sales Costs

	2015	2014
Marketing and promotion costs	226	191
Sales related costs	474	410
Customer support costs	70	69
Changes in bad debt provisions	19	20
Total	789	690

Sales related costs relate to direct internal personnel expenses and direct external costs incurred for marketing and sales activities. The sales costs increased in comparison to 2014 mainly due to the strengthening of the U.S. Dollar, ongoing investments in personnel and marketing to support improving organic growth, and increasing the strength of the sales force and developing sales channels.

Note 9 – General and Administrative Costs

		2015	2014
Research, development and editorial costs		351	294
General and administrative operating expenses		843	735
Amortization of publishing rights and impairments	*Note 12*	214	192
Total		1,408	1,221

General and administrative costs were largely impacted by the strengthening of the U.S. Dollar besides restructuring costs and investments in product development, and the net impact of acquisitions/ divestments offset by cost containment programs in personnel and facilities.

Note 10 – Other Operating Income and (Expense)

		2015	2014
Divestment related results	Note 7	(14)	10
Additions to acquisition integration provisions	Note 28	(5)	(5)
Transactional tax on internal restructuring		-	(5)
Acquisition related costs	Note 7	(4)	(11)
Fair value changes of contingent considerations	Note 26	2	4
Total		(21)	(7)

Note 11 – Personnel Expenses

		2015	2014
Salaries and wages		1,415	1,205
Social security charges		181	162
Costs of defined contribution plans		51	46
Expenses related to defined benefit plans	Note 27	13	7
Equity-settled share-based payment transactions	Note 30	19	22
Total		1,679	1,442
Employees			
Headcount at December 31		18,692	19,266
In full-time ezquivalents at December 31		18,055	18,549
Thereof employed in the Netherlands		833	760
In full-time equivalents average per annum*		19,296	19,397

* Average full-time equivalents per annum include temporary help and contractors, whereas headcount and its full-time equivalent only relate to staff on the payroll of the Group.

Savings in salaries and wages from cost containment programs were offset by strengthening of the U.S. Dollar and an increase in personnel expenses resulting from annual merit increases, severance payments, and the net impact of 2015 and 2014 acquisitions and divestments.

Note 12 – Amortization, Impairments, and Depreciation

		2015	2014
Amortization of publishing rights	Note 16	214	192
Amortization of other intangible assets	Note 16	131	110
Depreciation of property, plant and equipment	Note 17	32	30
Impairments of property, plant and equipment	Note 17	8	-
Total		385	332

The amortization of publishing rights increased from 2014 to 2015 as result of strengthening of the U.S. Dollar as well as the net impact of acquisitions/divestments made in 2015, the full year-inclusion impact of the 2014 acquisitions, and the effect of intangibles being fully written-off in 2015 as they are at the end of the estimated useful life.

Note 13 – Financing Results

		2015	2014
Financing income			
Interest income on short-term bank deposits		2	2
Derivatives - foreign exchange contracts		0	0
Other financing income		3	2
Total financing income		5	4
Financing costs			
Interest expense:			
Bank borrowings and overdrafts		(1)	(1)
Bonds and private placements		(96)	(94)
Other financing expense		(4)	(4)
Net foreign exchange gains/(losses)		(17)	(12)
Derivatives - foreign exchange contracts		(1)	0
Amortization of debt instruments		(2)	(3)
Items in hedge relationships:			
Interest rate swaps		(3)	(3)
Foreign exchange gains/(losses) on loans subject to cash flow hedge		(15)	0
Net change in fair value of cash flow hedges reclassified from other comprehensive income		15	0
Ineffective portion of hedging		0	0
Total financing costs		(124)	(117)
Net financing results		(119)	(113)
Other finance income/(costs):			
Divestment related results on equity-accounted investees	*Note 7*	(3)	-
Revaluation gain on equity-accounted investee following step acquisition	*Note 7*	2	76
Result on divestment of investment available-for-sale	*Note 19*	-	(14)
Financing component employee benefits	*Note 27*	(5)	(5)
Total other finance income/(costs)		(6)	57
Total financing results		(125)	(56)

Net foreign exchange gains/(losses) include foreign exchange results on certain intercompany positions, which do not eliminate in consolidation.

Note 14 – Income Tax Expense

Taxation on income recognized in statement of profit or loss

		2015	2014
Current tax expense		127	219
Adjustments previous years		0	(3)
Tax benefit on results of previously divested assets		-	(112)
Deferred tax expense:			
Changes in tax rates		3	(5)
Origination and reversal of temporary differences	*Note 20*	(11)	(61)
Total		119	38

Reconciliation of the effective tax rate

	2015		2014	
	%		%	
Profit before tax		542		512
Normative income tax expense	29.4	160	37.5	192
Tax effect of:				
Tax incentives and exempt income	(7.6)	(41)	(11.7)	(60)
Tax benefits on results of previously divested assets	-	-	(22.0)	(112)
Recognized and unrecognized tax losses	1.6	9	2.6	14
Adjustments previous years	0.0	0	(0.6)	(3)
Non-deductible costs and other items	(1.5)	(9)	1.6	7
Total	21.9	119	7.4	38

The normative income tax expense has been computed as the weighted average statutory tax rates of the jurisdictions where the Group operates.

The reported effective tax rate increased to 21.9% (2014: 7.4%). In 2014, the tax rate reflected a non-taxable revaluation gain on Datacert and a positive tax impact relating to previously divested assets partly offset by a tax charge on internal asset transfers. In 2015, the tax rate reflects a one-time favorable adjustment relating to deferred tax assets.

For corporate income tax recognized directly in statements of equity and other comprehensive income, reference is made to Note 20 (Tax Assets and Liabilities).

Note 15 – Non-Controlling Interests

The Group's shares in significant consolidated subsidiaries that were not fully owned at December 31 are:

Ownership in %	2015	2014
Akadémiai (Budapest, Hungary)	74	74
Wolters Kluwer Russia Publishing Holding bv (Amsterdam, Netherlands)	-	55
Access Matrix Technologies Private Ltd. (Bangalore, India)	60	60
Medicom (Chengdu, China)	55	55

Non-controlling interests

		2015	2014
Position at January 1		15	20
Divestments	*Note 7*	(9)	-
Dividends paid		0	(2)
Share of profit in non-controlling interests, net of tax		0	1
Foreign exchange differences and other movements		(1)	(4)
Position at December 31		5	15

In 2015, the non-controlling interest balance decreased due to the divestment of the 55% interest in Wolters Kluwer Russia Publishing Holding bv to the company's minority shareholders.

Non-controlling interests of consolidated participations in the profit for the year of the Group totaled €0 million in 2015 (2014: €1 million). Non-controlling interests in the equity of consolidated participations, totaling €5 million (2014: €15 million), are based on third-party shareholding in the underlying shareholders' equity of the subsidiaries.

Summary financial information based on 100% ownership

	2015	2014
Revenues	17	53
Adjusted operating profit	6	5
Net profit	1	1
Total assets	23	58
Total liabilities	15	29
Total equity	8	29
Total gross external debt	0	0
Total cash and cash equivalents	12	16

The Group'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.

Note 16 – Goodwill and Intangible Assets

		Goodwill	Acquired publishing rights	Other intangible assets	2015	2014
Position at January 1						
Purchase value		3,481	2,801	1,109	7,391	6,449
Accumulated amortization and impairments		(29)	(1,529)	(661)	(2,219)	(1,857)
Book value at January 1		3,452	1,272	448	5,172	4,592
Movements						
Investments		-	-	156	156	126
Acquisitions through business combinations	*Note 7*	63	130	8	201	347
Divestments of operations	*Note 7*	(16)	(2)	(3)	(21)	(2)
Disposals of assets		-	-	(1)	(1)	(2)
Net expenditures		47	128	160	335	469
Amortization	*Note 12*	-	(214)	(131)	(345)	(302)
Reclassifications		1	(3)	-	(2)	(10)
Foreign exchange differences and other movements		274	83	33	390	423
Total movements		322	(6)	62	378	580
Position at December 31						
Purchase value		3,783	2,631	1,324	7,738	7,391
Accumulated amortization and impairments		(9)	(1,365)	(814)	(2,188)	(2,219)
Book value at December 31		3,774	1,266	510	5,550	5,172

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. Investments include €121 million (2014: €96 million) relating to product development.

Current year reclassifications include the additionally recognized publishing rights and related deferred tax liabilities from the final outcome of the purchase price allocation of 2014 acquisitions. The €10 million reclassification in 2014 related to the release of a deferred tax liability following a legal restructuring of a 2013 acquisition. This resulted in tax deductibility of acquired intangibles.

Impairment testing cash-generating units containing goodwill

Carrying amounts of goodwill and acquired publishing rights per segment	**Goodwill**	**Acquired publishing rights**	**2015**	**2014**
Health	1,072	391	1,463	1,205
Tax & Accounting	1,210	308	1,518	1,493
Governance, Risk & Compliance	932	463	1,395	1,348
Legal & Regulatory	560	104	664	678
Total	3,774	1,266	5,040	4,724

The Group reviews at the end of each reporting period whether there is an indication that any of the cash-generating units (CGU) 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. These valuations are based on not observable market data. The value-in-use calculations in 2015 were determined in a consistent manner with prior years. The cash flow projections are based on actual operating results and Vision and Strategy Plans, as approved by the Executive Board.

The annual impairment test carried out in 2015 showed that the recoverable amount for all groups of CGUs for goodwill impairment testing exceeded their carrying amounts.

Key assumptions

The input to the Group's key assumptions includes assumptions that are based on non-observable market data (level 3 input). 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. The weighted long-term average growth rate is 2.3% for U.S. and 1.8% for Europe (2014: overall Wolters Kluwer 1.9%). In addition, 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
- Adjusted operating profit margin development: based on actual experience and management's long-term projections; adjusted operating profit is deemed to be the best approximation for estimating future cash flows.

The estimated pre-tax cash flows are discounted to their present value using a pre-tax weighted average cost of capital (WACC) between 9.0% and 15.2% (2014: between 9.0% and 11.8%).

In determining the WACC the Group used a risk free-rate based on the long-term yield on Dutch government bonds with a maturity of 20 years, taking into account country risk premiums and inflation differentials. In determining the WACC the Group used the following assumptions:

Assumptions WACC current year

	2015
Risk free rate U.S. (in %)	3.2
Risk free rate Europe (in %)	1.5
Market risk premium (in %)	6.0
Tax rate (in %)	25.0
Re-levered beta	1.16

Assumptions WACC previous year

	2014
Risk free rate (in %)	2.3
Risk premium adjustment (in %)	1.0
Market risk premium (in %)	6.0
Tax rate (in %)	25.0
Re-levered beta	0.86

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. Changing the key assumptions by 300 basis points would not cause the recoverable amount to end below the carrying amount. The outcome of the sensitivity analysis was that no reasonably possible change in one of the key assumptions would cause the carrying amount to exceed the recoverable amount.

Goodwill impairment sensitivity per CGU

		Allowed change (in basis points)			
	Applied revenue growth rate	Decline in growth	Increase in discount rate	Decrease in adjusted operating profit margin	Allocated goodwill at December 31, 2015
Health Learning, Research & Practice	2.3%	>300	>300	>300	559
Clinical Solutions	2.3%	>300	>300	>300	513
Tax & Accounting Americas and Asia Pacific	2.3%	>300	>300	>300	784
Tax & Accounting Europe	1.8%	>300	>300	>300	426
Governance, Risk & Compliance	2.2%	>300	>300	>300	914
Transport Services	1.7%	>300	>300	>300	18
Legal & Regulatory	1.8%	>300	>300	>300	560
Total					3,774

Note 17 – Property, Plant, and Equipment

		Land and buildings	Other fixed assets	2015	2014
Position at January 1					
Purchase value		136	410	546	491
Accumulated depreciation and impairment		(69)	(346)	(415)	(367)
Book value at January 1		67	64	131	124
Movements					
Investments		0	34	34	26
Acquisitions through business combinations		-	2	2	3
Divestment of operations		(8)	(1)	(9)	0
Disposals of assets		0	(1)	(1)	(2)
Net expenditures		(8)	34	26	27
Depreciation	*Note 12*	(3)	(29)	(32)	(30)
Impairment	*Note 12*	(8)	-	(8)	-
Foreign exchange differences and other movements		5	6	11	10
Total movements		(14)	11	(3)	7
Position at December 31					
Purchase value		134	442	576	546
Accumulated depreciation and impairment		(81)	(367)	(448)	(415)
Book value at December 31		53	75	128	131

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 recognized in profit or loss 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.

The divestment of operations mainly relates to the sale of the building included in the sale of the U.K.-based HR consulting and tax fee protection services business in 2015.

An impairment loss has been recognized in Tax & Accounting for a building of which the recoverable amount was less than its carrying value at December 31, 2015.

Note 18 – Investments in Equity-accounted Investees

		2015	2014
Position at January 1		17	31
Divestments	Note 7	(6)	(12)
Dividends received		(3)	(2)
Share of profit in equity-accounted investees, net of tax		0	(1)
Foreign exchange differences and other movements		1	1
Position at December 31		9	17

In 2015, the Group sold its 30% stake in a U.S. associate which resulted in a book loss of €3 million, recognized in other finance income/(costs) (see Note 13).

In 2014, the Group gave up the 38% stake in Datacert, with a carrying value of €12 million, previously held as an equity-accounted investee, as part of the step acquisition into a 100% ownership. The fair value of this equity interest immediately before acquisition date was €88 million. The (non-cash) revaluation gain of €76 million on the 38% interest was triggered by the purchase of the remaining 62% in April, 2014, and is recognized in other finance income/(costs) (see Note 13).

Equity-accounted investees include one joint venture, Ipsoa Francis Lefebvre in Italy, with a carrying value of €1 million (2014: €2 million).

Summary financial information on equity-accounted investees (at 100%) and the Group's weighted proportionate share

	Total equity-accounted investees		Group's share	
	2015	2014	2015	2014
Total assets	29	33	11	12
Total liabilities	26	25	8	8
Total equity	3	8	3	4
Revenues	65	74	25	29
Net profit/(loss) for the year	4	(5)	0	(1)

Note 19 – Financial Assets

	2015	2014
Investments available-for-sale	3	3
Other receivables	18	12
Total	21	15

Investments available-for-sale

		2015	2014
Position at January 1		3	16
Divestment	*Note 7*	-	(14)
Foreign exchange differences and other movements		0	1
Position at December 31		3	3

Note 20 – Tax Assets and Liabilities

Deferred tax assets and deferred and other tax liabilities

	Assets	Liabilities	2015	2014
Intangible assets	89	(571)	(482)	(468)
Property, plant, and equipment	9	(28)	(19)	(20)
Employee benefits	81	0	81	69
Interest carry-forward	117	-	117	124
Tax value of loss carry-forwards recognized	47	-	47	48
Other items	117	(127)	(10)	(7)
Subtotal	460	(726)	(266)	(254)
Set-off of tax	(380)	380	0	0
Position at December 31	80	(346)	(266)	(254)

The actual recognition 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 is probable.

Movement in temporary differences and other movements, 2015

	Balance at January 1, 2015	Acquisitions/disposals	Recognized in statement of profit or loss (Note 14)	Recognized in equity and other comprehensive income	Foreign exchange differences and other movements	Balance at December 31, 2015
Intangible assets	(468)	(4)	25	-	(35)	(482)
Property, plant, and equipment	(20)	-	2	-	(1)	(19)
Employee benefits	69	-	6	1	5	81
Interest carry-forwards	124	-	(16)	-	9	117
Tax value of loss carry-forwards recognized	48	-	(2)	-	1	47
Other items	(7)	0	(4)	(1)	2	(10)
Total	(254)	(4)	11	0	(19)	(266)

Movement in temporary differences and other movements, 2014

	Balance at January 1, 2014	Acquisitions/disposals	Recognized in statement of profit or loss (Note 14)	Recognized in equity and other comprehensive income	Foreign exchange differences and other movements	Balance at December 31, 2014
Intangible assets	(413)	(66)	55	-	(44)	(468)
Property, plant, and equipment	(28)	-	10	-	(2)	(20)
Employee benefits	48	-	(2)	18	5	69
Interest carry-forwards	98	-	16	-	10	124
Tax value of loss carry-forwards recognized	48	-	(5)	-	5	48
Other items	14	0	(13)	(8)	0	(7)
Total	(233)	(66)	61	10	(26)	(254)

The 2015 movement in deferred tax liabilities from acquisitions/disposals of €4 million (2014: €66 million) included €6 million with regard to acquisitions/disposals made in 2015 (2014: €76 million) and €(2) million (2014: €(10) million) relating to prior-year acquisitions.

Movements in overall tax position

		2015	2014
Position at January 1			
Tax receivable		39	33
Tax payable		(41)	(38)
Deferred tax assets		85	88
Deferred and other tax liabilities		(339)	(321)
Overall tax position		(256)	(238)
Movements			
Total income tax expense	*Note 14*	(119)	(38)
Deferred tax on acquisitions/disposals		(4)	(66)
Deferred tax on items recognized immediately in equity		-	(6)
Deferred tax on items recognized immediately in other comprehensive income		0	16
Paid corporate income tax		141	98
Foreign exchange differences and other movements		(11)	(22)
Total movements		7	(18)
Position at December 31			
Tax receivable		43	39
Tax payable		(26)	(41)
Deferred tax assets		80	85
Deferred and other tax liabilities		(346)	(339)
Overall tax position		(249)	(256)

Unrecognized tax losses

The Group has not recognized deferred tax assets that relate to unused tax losses amounting to €157 million (2014: €133 million), as it is not probable that future taxable profit will be available against which the Group can utilize the benefits. Of these unused tax losses 24% (2014: 24%) expires within the next 5 years, 5% (2014: 13%) expires after 5 years, and 71% (2014: 63%) carries forward indefinitely.

Deferred tax on items recognized immediately in other comprehensive income and equity

	2015			2014		
	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	330	(1)	329	325	(2)	323
Gains/(losses) on cash flow hedges	7	-	7	(15)	-	(15)
Re-measurement gains/(losses) on defined benefit plans	(11)	1	(10)	(45)	18	(27)
Tax in other comprehensive income	326	0	326	265	16	281
Share-based payments	19	-	19	22	(6)	16
Tax in equity	19	-	19	22	(6)	16

Note 21 – Inventories

	2015	2014
Raw materials	1	2
Work in progress	52	46
Finished products and trade goods	87	72
Total	140	120

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.
Inventories also include internally developed commercial software products. The cost price of internally produced goods comprises the developing, 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.

At December 31, 2015, the provision for obsolescence deducted from the inventory carrying values amounted to €30 million (2014: €32 million). In 2015, an amount of €4 million was recognized as an expense for the change in the provision for obsolescence (2014: €4 million) and is presented as part of cost of sales in the statement of profit or loss.

Note 22 – Trade and Other Receivables

		2015	2014
Trade receivables		1,151	1,033
Prepayments		135	127
Collateral	Note 25	-	20
Other receivables		30	42
Total		1,316	1,222

Trade receivables are shown net of impairment losses amounting to €65 million (2014: €71 million). The fair value of the receivables approximates the carrying amount.

Impairment losses on trade receivables are presented as part of sales costs in the statement of profit or loss.

Note 23 – Cash and Cash Equivalents

		2015	2014
Deposits		295	204
Cash and bank balances		517	331
Total cash and cash equivalents in the Statement of Financial Position	Note 25	812	535
Less: Bank overdrafts used for cash management purposes	Note 25	285	122
Total cash and cash equivalents in the Statement of Cash Flows		527	413

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are shown within Borrowings and bank overdrafts in Current liabilities. An amount of €12 million (2014: €16 million) relates to cash and cash equivalent balances of entities that the Group does not fully own (Note 15).

All deposits are demand deposits that are readily convertible into cash. Bank balances include an amount of approximately €2 million (2014: €2 million) of restricted cash.

Note 24 – Other Current Liabilities

		2015	2014
Salaries, holiday allowances		205	170
Social security premiums and other taxation		57	50
Pension-related payables		16	11
Royalties payable		78	73
Derivative financial instruments	Note 25	2	2
Interest payable		61	61
Deferred and contingent acquisition payments	Note 25	6	21
Other liabilities and accruals		86	81
Total		511	469

Note 25 – Long-term Debt

Long-term debt

	Nominal value	Effective interest rate in %	Nominal interest rate in %	Repayment commit-ments 1-5 years	Repayment commit-ments >5 years	2015	2014
Bonds 2008-2018	€750	6.472	6.375	749	-	749	748
Bonds 2008-2028	€36	6.812	6.748	-	36	36	36
Bonds 2013-2023	€700	2.950	2.875	-	697	697	696
Bonds 2015-2024	€400	2.640	2.500	-	395	395	395
Subtotal bonds				749	1,128	1,877	1,875
Private placement 2008-2038	¥20,000	3.330	3.330	-	152	152	137
Private placement 2010-2020	€250	4.425	4.200	247	-	247	247
Subtotal private placements				247	152	399	384
Deferred and contingent acquisition payments				11	-	11	6
Other debt				10	-	10	8
Derivative financial instruments				-	9	9	31
Subtotal other long-term debt				21	9	30	45
Total long-term debt				1,017	1,289	2,306	2,304

Net debt

		2015	2014
Total long-term debt		2,306	2,304
Borrowings and bank overdrafts			
Other short-term debt		1	3
Bank overdrafts	*Note 23*	285	122
Total borrowings and bank overdrafts		286	125
Deferred and contingent acquisition payments	*Note 24*	6	21
Derivative financial instruments	*Note 24*	2	2
Total short-term debt		294	148
Gross debt		2,600	2,452
Minus:			
Cash and cash equivalents	*Note 23*	(812)	(535)
Collateral	*Note 22*	-	(20)
Net debt		1,788	1,897

The nominal interest rates on the bonds are fixed until redemption. The interest rates on the multi-currency roll-over credit facility and other bilateral bank loans are variable.

Loan maturity

The following amounts of gross debt at December 31, 2015, are due within and after five years:

Gross debt

	2015
2017	12
2018	752
2019	5
2020	248
Due after 2020	1,289
Long-term debt	2,306
Short-term debt (2016)	294
Total	2,600

Bonds

Wolters Kluwer has senior bonds outstanding for an amount of €1,877 million at December 31, 2015 (2014: €1,875 million).

On April 2, 2008, Wolters Kluwer issued a ten-year senior 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 senior 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%.

On March 21, 2013, Wolters Kluwer issued a ten-year senior Eurobond of €700 million. The bonds have been priced at an issue price of 99.709 per cent and carry an annual coupon of 2.875%.

On May 12, 2014, Wolters Kluwer issued a ten-year senior Eurobond of €400 million. The bonds have been priced at an issue price of 99.164 per cent and carry an annual coupon of 2.500%.

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, 2015: €152 million; at December 31, 2014: €137 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 (2014: €20 million) at December 31, 2015.

On July 28, 2010, Wolters Kluwer entered into a bilateral private loan agreement of €250 million (carrying value at December 31, 2015: €247 million; at December 31, 2014: €247 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 4.200%.

Multi-currency roll-over credit facility

In July 2014, Wolters Kluwer signed a €600 million multi-currency roll-over credit facility with a five year maturity in 2019 and 2 one-year extension options. The credit facility is for general corporate purposes. In June 2015, the Group concluded a one-year extension to the €600 million multi-currency revolving credit facility from July 2019 to July 2020, retaining an option to extend by another year.

At December 31, 2015, no amounts were drawn (December 31, 2014: nil). 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 adjusted EBITDA shall not exceed 3.5. In 2015, the Group is comfortably within the thresholds stipulated in the financial covenants of the credit facility. At December 31, 2015, the indebtedness ratio improved to 1.7 (2014: 2.1).

Other bilateral bank loans

In April 2015, Wolters Kluwer renewed for $100 million a bilateral bank loan (undrawn at December 31, 2015; December 31, 2014: undrawn).

There were no defaults or breaches on the loans and borrowings during 2015 and 2014.

Note 26 – Financial Risk Management

Risk management framework

The Group's activities are exposed to a variety of financial risks, including market, liquidity, and credit risk. Financial risk identification and management 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 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. The Treasury Committee, comprising the Vice President Group Accounting & Reporting, Controller Corporate Office, Senior Vice President Treasury & Risk, and representatives of the Corporate Treasury and Treasury Back-Office, meets quarterly to review treasury activities and compliance with the Treasury Policy and reports directly to the Executive Board and the Audit Committee. The Treasury Back-Office reports deviations directly to the CFO and the Senior Vice President Corporate Treasury & Risk.

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. 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, 2015, the net-debt-to-EBITDA ratio improved to 1.7 (2014: 2.1).

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 the 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.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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 costs 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 profit or loss, balance sheet, and statement of cash flows 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 profit or loss by 10% or more are considered material. The translation exposure on the statement of cash flows 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

	2015	2014
Revenues	(27)	(21)
Adjusted operating profit	(8)	(6)
Operating profit	(6)	(5)
Adjusted net profit	(5)	(3)
Profit for the year	(4)	(5)
Shareholders' equity at December 31	(36)	(31)
Adjusted free cash flow	(6)	(4)

In order to hedge its net investment in the United States (defined as total Group's investment in equity and long-term receivables of the U.S. operations), the Group had U.S. Dollar forward contracts (net investment hedges) outstanding for a total notional amount of €184 million ($200 million) at December 31, 2015. These hedges create a U.S. Dollar balance sheet cover with a future settlement date; the hedges have a negative carrying value of €2 million at December 31, 2015 (see Note 25).

The Group had U.S. Dollar liabilities outstanding for a total notional amount of €204 million ($222 million) at December 31, 2015 (2014: €217 million or $263 million). The U.S. Dollar liabilities include net investment hedges and other U.S. Dollar denominated liabilities. The U.S. Dollar balance sheet cover of 5% (2014: 6%) is defined as the U.S. Dollar net investment hedges and other U.S. Dollar liabilities outstanding divided by the Group's net investment in U.S. Dollar denominated assets.

The Group swapped 50% (2014: 63%) of the net financing results of €119 million (2014: €113 million) into U.S. Dollar by the use of foreign exchange derivatives of $65 million (2014: $95 million). The fair value changes on these foreign exchange derivatives are recognized in profit or loss in total financing results. Based on the percentage of 50% for net financing results payable in U.S. Dollar, 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, 2015, with all other variables held constant, would result in a decrease of approximately €0.6 million of net financing results (2014: approximately €0.7 million).

Currency risk

	2015	2014
U.S. Dollar balance sheet cover (%)	5%	6%
Percentage (%) of total net financing results payable in U.S. Dollar	50%	63%
Approximate impact on net financing results of a 1% decline of the U.S. Dollar against the euro (in millions)	0.6	0.7

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 fully fixed rather than floating; of the total interest portfolio (excluding cash and cash equivalents) 100% (2014: 100%) was carried at 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, 2015, with all other variables held constant, would result in an increase of approximately €0 million of the net financing results (2014: approximately €0 million).

Interest rate risk

	2015	2014
Percentage of fixed/variable interest rate in gross debt	100%/0%	100%/0%
Approximate impact on net financing results of a 1% instantaneous increase in interest rates	0	0

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group 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 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 debt, deferred acquisition payments, (current payable) derivative financial instruments, and bank overdrafts).

Per December 31, 2015, the Group has access to the unused part of the committed credit facilities of €692 million in total (2014: €682 million) and has cash and cash equivalents of €812 million, (receivable) derivative financial instruments of €0 million, minus other short-term debt, deferred acquisition payments, bank overdrafts and (current payable) derivative financial instruments of in total €294 million. The headroom was €1,210 million at year-end 2015 (2014: €1,069 million).

No property has been collateralized or in any other way secured under debt contracts.

Exposure to liquidity risk
The following tables relate to the remaining contractual cash flows of financial liabilities at the reporting date. The amounts for the non-derivative financial instruments are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual cash flows 2015

	Carrying amount	Contractual undiscounted cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bonds:						
Bonds 2008-2018	749	894	48	48	798	-
Bonds 2008-2028	36	66	2	2	7	55
Bonds 2013-2023	697	860	20	20	60	760
Bonds 2014-2024	395	490	10	10	30	440
Private Placements:						
Private placement 2008-2038	152	267	5	5	15	242
Private placement 2010-2020	247	304	11	11	282	-
Long and short-term deferred and contingent acquisition payments	17	17	6	2	9	-
Other long and short-term debt	11	11	1	10	-	-
Bank overdrafts	285	285	285	-	-	-
Trade and other payables	392	392	392	-	-	-
Total	2,981	3,586	780	108	1,201	1,497
Derivative financial liabilities						
(Receipts)		(181)	(181)	-	-	-
Payments		184	184	-	-	-
Foreign exchange derivatives	2	3	3	-	-	-
(Receipts)		(267)	(5)	(5)	(15)	(242)
Payments		298	8	8	23	259
Cross-currency interest rate swaps	9	31	3	3	8	17
Total	11	34	6	3	8	17

Contractual cash flows 2014

	Carrying amount	Contractual undiscounted cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bonds:						
Bonds 2008-2018	748	942	48	48	846	-
Bonds 2008-2028	36	69	2	2	7	58
Bonds 2013-2023	696	881	20	20	60	781
Bonds 2014-2024	395	500	10	10	30	450
Private Placements:						
Private placement 2008-2038	137	247	5	5	14	223
Private placement 2010-2020	247	315	11	11	32	261
Long and short-term deferred and contingent acquisition payments	27	27	21	6	-	-
Other long and short-term debt	11	11	3	8	-	-
Bank overdrafts	122	122	122	-	-	-
Trade and other payables	384	384	384	-	-	-
Total	2,803	3,498	626	110	989	1,773
Derivative financial liabilities						
(Receipts)		(203)	(203)	-	-	-
Payments		206	206	-	-	-
Foreign exchange derivatives	2	3	3	-	-	-
(Receipts)		(247)	(5)	(5)	(14)	(223)
Payments		306	8	8	23	267
Cross-currency interest rate swaps	31	59	3	3	9	44
Total	33	62	6	3	9	44

The table shows net cash flow amounts for derivative financial liabilities that have simultaneous cash settlements.

Credit risk
Credit risk represents the loss that would be recognized if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure and amounts to €2,014 million (2014: €1,645 million).

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, 2015, there were no material credit risk concentrations outstanding while the average weighted credit rating of counterparties was A+ (2014: A+). The aim is to spread transactions among counterparties. No credit limits were materially 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 €499 million (2014: €432 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

	2015	2014
Past due up to 30 days	213	185
Past due between 30 and 90 days	141	115
Past due over 90 days	145	132
Total past due, not impaired	499	432

The net charge of changes to bad debt provision in the statement of profit or loss is €19 million (2014: €20 million) (Note 8). The trade receivables that are neither past due nor impaired have sound credit worthiness.

Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Fair value of financial instruments

	2015 Carrying value	2015 Fair value	Level 1	Level 2	Level 3	2014 Carrying value	2014 Fair value
Non-derivative financial instruments:							
Other receivables (non-current)*	18	18				12	12
Investments available-for-sale	3	3			3	3	3
Trade receivables*	1,151	1,151				1,033	1,033
Other receivables (current)*	30	30				42	42
Collateral*	-	-				20	20
Cash and cash equivalents*	812	812				535	535
Total non-derivative financial assets	2,014	2,014	0	0	3	1,645	1,645
Bonds 2008-2018 (in €)	749	850	850			748	891
Bonds 2008-2028 (in €)	36	52	52			36	56
Bonds 2013-2023 (in €)	697	763	763			696	795
Bonds 2014-2024 (in €)	395	423	423			395	441
Private placement 2008-2038 (in ¥)	152	173		173		137	168
Private placement 2010-2020 (in €)	247	285		285		247	295
Long and short-term deferred and contingent acquisition payments	17	17			17	27	27
Other debt*	10	10				8	8
Other short-term debt*	1	1				3	3
Bank overdrafts*	285	285				122	122
Trade and other payables*	392	392				384	384
Total non-derivative financial liabilities	2,981	3,251	2,088	458	17	2,803	3,190
Derivative financial instruments:							
Non-current payable	9	9		9		31	31
Current payable	2	2		2		2	2
Total derivative financial instruments	11	11	-	11	-	33	33

* Fair value approximates the carrying amount

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 that may have a significant impact on the fair value, either directly (i.e. as prices) or indirectly (i.e. derived from prices) based on discounted cash flow analysis, using data input of observable financial markets and financial institutions;
– 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 assets in this category are held across several locations and valuations are managed locally.

Compared to previous year there have been no changes in the assessment of fair value hierarchy categorization regarding individual financial instruments.

The level 3 fair value movements in non-derivatives financial liabilities are as follows:

Fair value hierarchy level 3

		2015	2014
Balance at January 1		27	41
Arising from business combinations	*Note 7*	13	6
Fair value changes of contingent considerations	*Note 10*	(2)	(4)
Unwinding of discount		0	1
Settlements	*Note 7*	(21)	(18)
Foreign exchange differences and other movements		0	1
Balance at December 31		17	27

Level 3 financial liabilities comprise deferred and contingent acquisition payments relating to numerous acquisitions. The Group has re-assessed the fair values of the various earn-out arrangements outstanding at year-end 2015 and recognized fair value changes in the statement of profit or loss for the amount of €2 million for acquisitions stemming from previous years (2014: €4 million).

Deferred and contingent acquisition payments

The fair value of the deferred and contingent acquisition payment balance amounts to €17 million (2014: €27 million).
A summary of deferred and contingent considerations at December 31, 2015, can be presented as follows:

Deferred and contingent acquisition payments

	Fair value December 31, 2015	Of which: short-term	Of which: long-term	Maximum exposure (undiscounted)	Fair value December 31, 2014
Total	17	6	11	33	27

The contingent considerations are based on a discounted cash flow model, which considers the present value of expected payments, using a risk-adjusted discount rate. The expected payment is determined by considering possible adjusted operating profit or revenue scenarios, the amount to be paid under each scenario, and the probability of each scenario. The estimated fair value could potentially increase (decrease) if annual growth rates and/or adjusted operating profit margins are higher (lower).

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 2015, the result recorded in profit or loss as a result of ineffectiveness of hedging is: cash flow hedge, €0 million (2014: €0 million) and net investment hedge, €0 million (2014: €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, 2015, and an instantaneous 1% increase of the U.S. Dollar, Japanese Yen, and euro interest rates respectively.

Sensitivity

in millions of euros	Hedged risk	Amount	Type instrument	Exchange rate movement	Interest rate movement
Cash flow hedge	Changes in ¥ floating interest payments and ¥ exchange rates	¥20,000	Cross-currency interest rate swaps	(2)	2
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 U.S. Dollar-offset method. The results of these effectiveness tests all satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39.

Note 27 – Employee Benefits

Employee benefits

	2015	2014
Retirement plans	102	82
Other post-employment benefits plans	84	81
Other long-term employment benefits	13	13
Total	199	176

Provision for retirement and other post-employment benefits plans

The provisions for retirement plans and other post-employment plans relate to defined benefit plans. There are a number of pension and other post-employment schemes in the group.

Characteristics of material plans

	The Netherlands	United States	United Kingdom
Retirement plans			
Type of benefits	Pensions	Pensions	Pensions
Type of plan	Career average	Final salary	Final salary
Status of plan	Open	Frozen	Frozen
Status of plan funding	Funded	Funded	Funded
Other post-employment plans			
Type of benefits		Post-retirement medical plan	
Type of plan		Annual insurance premium coverage	
Status of plan		Open	
Status of plan funding		Unfunded	

There are open retirement plans for new entrants in the Netherlands and Belgium.

The group has closed plans in Belgium, Canada, and Australia. The Group incurs service costs for the active participants. A closed plan means that no new members can join the pension plans; however, current participants in the plan can still accrue for future service benefits. If a plan is frozen, the plan is closed to new entrants and existing participants do not build up future service benefits accruals. The Group has frozen plans in the United States, the United Kingdom, and Canada; these plans will have a service cost of zero.

Retirement plans

The Group has its largest defined benefit retirement plan in the Netherlands with defined benefit obligations of €1.0 billion as at December 31, 2015, followed by the United States and the United Kingdom with defined benefit obligations of €172 million respectively €120 million at December 31, 2015. There are also retirement plans in Belgium, Canada, and Australia. All plans are funded schemes. The largest defined benefit plans in the U.S., U.K., and the Netherlands are insured with company's self-administrated pension funds, which are separate legal entities with plan assets being held independently of the Group.

In the Netherlands, the scheme is a career average salary scheme and remains open to new hires. Members accrue a portion of their current salary at a rate calculated to enable them to reach a pension level based on their average salary. The Dutch pension plan is a self-administrated fund that falls under the supervision of the Dutch Central Bank (DNB). Effective January 1, 2015, the scheme funding level is determined by the new Financial Assessment Framework (nFTK). The nFTK introduces an interest rate term structure (ultimate forward rate) in determining funding liabilities based on a 120-month moving average of the 20-year forward rate. Other changes under nFTK were higher solvency buffers in order to realize the legally required degree of actuarial certainty (97.5%), stricter funding rules for indexation, while benefit reductions, if necessary, will be smoothed over time when recovery to full funding within 10 years is not expected. Reductions will amount to one-tenth of the deficit at measurement date. Indexation of pension entitlements will not be allowed at funding ratios below 110%, while full indexation will be allowed only at funding ratios higher than approximately 125% (plan-specific). The Dutch pension scheme has an (unaudited) coverage ratio - as determined under the nFTK - of 107.3% at December 31, 2015. In addition, current recovery plans no longer apply and will be replaced by rolling 10-year recovery plans when funding ratios are below the full funding level. Recovery plans should be submitted to DNB, in the event of funding shortfalls, on an annual basis. The pension contributions are based on contributions by employer (two-third) and employees (one-third). The total annual pension contribution is currently determined at 24% of base salary. As of January 1, 2015, the pension base is capped at €100,000, corrected for annual inflation.

The U.S. retirement scheme has an annual statutory valuation which forms the basis for establishing the employer contribution each year (subject to ERISA and IRS minimums). In case the statutory funded status falls below certain thresholds, the U.S. Pensions Protection Act requires the deficit to be rectified with additional minimum employer contributions, spread over a seven year period, in order to avoid restrictions on the ability to pay some accelerated benefit forms, such as lump sums. The U.S. scheme is a final average pay plan and is closed to new hires. The participants accrued their pension benefits based on their final average monthly compensation and years of credited service. The pay and benefit accruals are frozen. The plan fiduciaries of the U.S. scheme are required by law to act in the interest of the funds' beneficiaries. In the United States, the fiduciary duties for the scheme are allocated between committees which are staffed by senior employees of the Group; the investment committee has the primary responsibility for the investment and management of plan assets. The defined benefit plans in the U.S. are insured with self-administrated pension funds, which are separate legal entities with plan assets being held independently of the Group.

The U.K. retirement scheme is a final salary based scheme but it is a frozen plan. Members used to accrue a portion of their final pensionable earnings based on the number of years of service. The trustees of the pension funds in the U.K. are required by law to act in the interest of the funds' beneficiaries. In the U.K. the trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. The board of trustees consists of an equal number of company appointed and member nominated Directors. In the United Kingdom the level of funding is determined by statutory triennial actuarial valuations in accordance with pension legislation. Where the scheme falls below 100% funded status, the Group and the scheme trustees must agree on how the deficit is to be remedied. Indexation is usually a fixed promise and so is built into the funding requirement. The U.K. Pensions Regulator has significant powers and sets out in codes and guidance the parameters for scheme funding. As part of the 2011 actuarial funding valuation, a £7.5 million parent company guarantee and a negative pledge (issued by a Wolters Kluwer U.K. group company) were agreed with the trustees in addition to the deficit contributions.

As result of a change in legislation in Belgium with respect to minimum guaranteed returns, effective January 1, 2016, a previously classified defined contribution plan has been recognized as a new defined benefit scheme at December 31, 2015. This change has been reflected in the 2015 figures.

Other post-employment plans
Other post-employment plans consist of post-employment plans in the United States, Canada, and Italy. These other post-employment plans have no plan assets and are unfunded. The main plan is the post-employment medical plan in the U.S.

The Group funds the U.S. post-employment medical plan obligations on a pay-as-you-go basis and therefore this plan does not have plan assets. If healthcare costs in the future increase more than anticipated, the actuarially determined liability, and as a result the related other post-employment benefit plan expense, could increase along with future cash outlays. In 2015, the U.S. post-employment medical plan had a plan amendment benefit of €3.3 million as result of decrease of the interest crediting rate on Retiree Medical Savings Account from 5% to 4% effective January 1, 2016. This benefit is partly offset by a plan amendment cost of €0.6 million as result of a one-time discretionary increase in employer contribution to reimburse participants for healthcare cost increase in excess of the capped health benefit increase percentage of 3%.

Funding requirements

Funding requirements of the various plans are based on local legislation and separate actuarial valuations for which the assumptions differ from the assumptions used under IAS 19. The funding requirements are based on each pension fund's actuarial measurement framework set out in the funding policies of the individual plans.

In the Netherlands there is no formal requirement to fund deficits of the Dutch plan by the employer.

In the United States there are minimum contribution requirements. If the U.S. pension plan would fall below key funding thresholds, the Group needs to improve the funding levels in order to avoid restrictions on the ability to pay some accelerated benefit forms, such as lump sums. These funding levels are re-assessed annually.

The trustees of the U.K. plan are required to act in the best interest of the plan's participants. The Group and the trustees finalized the latest triennial valuation 2014 for funding purposes in 2015. The U.K. parties agreed to have an additional funding of £1.4 million per annum for the years 2016 up to and including 2018. For 2019, a final payment is scheduled of £0.3 million. This minimum funding arrangement resulted in the recognition of an additional liability for the U.K scheme at December 31, 2015. The U.K. funding will be reassessed based on a new triennial valuation starting in 2017. The U.K. Pensions Regulator has power to demand more funding and support where a pension scheme has been exposed to unacceptable risk.

Risk management of main plans in the Group

The retirement and other post-employment plans expose the Group to actuarial risks, such as longevity risks, interest rate risks, investments (market) risks, and currency risks.

The Group has restructured employee benefit plans in the past by moving existing and newly hired employees to defined contribution plans or by freezing the plans (either no future service benefit accruals and/or no new participants entering into the plan). These redesigns reduce or cancel future benefit accruals in the plans and consequently reduce the pace of liability growth. The Group also reviews periodically its financing and investments policies (liability driven investments) and its liability management (lump sum offerings).

The various plans manage their balance sheet in order to meet their pension promise. By using asset liability management (ALM) studies major risk sources are identified and the impact of decisions assessed by quantifying the potential impact on elements like future pensions, contributions, and funded ratio. These ALM studies also determine risk and return measures that consider the interests of all stakeholders. The outcome of these studies results in a risk-return trade-off, taking the duration of pension liabilities into account, which will be an integral part of the investment strategy. The investment strategy covers the allocation of asset classes and hedging strategies, but also decisions on new and alternative asset classes, passive versus active investments, leverage, and the use of derivatives.

Actuarial assumptions for retirement and other post-employment benefit plans
The following weighted average principal actuarial assumptions were used to determine the pension expense and other post-employment plans' expense for the year under review and defined benefit obligations at the end of the reporting period.

Assumptions

in %	**2015**	**2014**
Retirement plans		
Discount rate to discount the net obligations/assets at year-end	2.6	2.4
Discount rate for pension expense	2.4	3.7
Expected rate of pension increases (in payment) at year-end	1.4	1.0
Expected rate of pension increases (in deferment) at year-end	1.3	0.9
Expected rate of inflation increase for pension expense	1.9	2.2
Other post-employment benefit plans		
Discount rate used to discount the obligations at year-end	3.8	3.5
Discount rate for pension expense	3.5	4.3
Medical cost trend rate	3.0	3.0

For the majority of the retirement and other post-employment schemes, the discount rate is determined or validated using the Towers Watson Rate:Link methodology, which uses mid-price AA corporate bond data from Bloomberg with a minimum outstanding amount of €500 million (less than 10 years to maturity) or €50 million (10 or more years to maturity). Bonds are considered AA-graded if they receive an AA (or equivalent) rating from either or both of the two primary rating agencies in a given geography. Bonds with options are excluded, as are bonds whose yields are among the top and bottom 10% within each maturity category (outliers). The 30-year spot rate is assumed constant beyond 30 years. For the U.S. plans the discount rate is based on the yield curve/cash flow matching approach which uses spot yields from the Citigroup Above Median Yield Curve and the timing of the cash flows of the plan.

Mortality assumptions for the most important plans are based on the following retirement mortality tables:
- The Netherlands: AG projection table 2014, including fund specific 2014 experience loading (2014: AG projection table 2014, including fund specific 2014 experience loading);
- U.S.: RP-2006 Mortality Table with MP 2015 projections, being the current standard mortality table (2014: Mortality Table with MP 2014 projections); and
- U.K.: SAPS S2 (Year of Birth) CMI 2013 projections with 1.5% long-term improvement rate (2014: SAPS S2 (Year of Birth) - CMI 2013 projections with 1.5% long-term improvement rate.

Assumptions regarding future mortality experience are set based on actuarial advice and best estimate mortality tables in the applicable countries.

The current life expectancy underlying the value of the defined benefit retirement obligations at December 31, 2015, are as follows:

Life expectancy

in years	The Netherlands	United States	United Kingdom
Life expectancy at age of 65 now - Male	21.5	21.2	22.7
Life expectancy at age of 65 now - Female	25.2	23.2	24.7
Life expectancy aged 65 in 20 years - Male	23.8	22.9	25.0
Life expectancy aged 65 in 20 years - Female	27.1	24.9	27.1

Given the nature of the defined benefit obligations in Belgium, Italy, and Australia, with lump sum benefit payments at retirement date instead of annuity payments, the impact of changing life expectancy after the retirement age on the plan liabilities is limited in these countries.

Sensitivity of actuarial assumptions
The sensitivity for a 1% change in the discount rate, a 0.5% change in inflation, and a 0.5% change in the pension increase rate is as follows for the retirement plans:

Sensitivity retirement plans

in millions of euros		Gross service cost		Defined benefit obligations
2015 Baseline		14		1,426
Change compared to baseline	Decrease of assumption	Increase of assumption	Decrease of assumption	Increase of assumption
Discount rate (change by 1%)	4	(3)	282	(216)
Inflation increase rate (change by 0.5%)	(1)	1	(67)	73
Mortality table (change by one year)	n.a.	0	n.a.	45
Pension increase rate (change by 0.5%)	(1)	1	(91)	103

Gross service cost represents the annual accrual of liability due to another year of service, excluding any interest or offsetting employee contributions, and therefore differs from the current service cost included in the calculation of the pension expense.

Sensitivity defined benefit obligations (DBO) retirement plans and defined benefit expense retirement plans (P&L)

	The Netherlands		United States		United Kingdom	
	DBO	P&L	DBO	P&L	DBO	P&L
Discount rate sensitivity	✓	✓	✓	n.a.	✓	n.a.
Pension increase sensitivity	✓	✓	n.a.	n.a.	✓	n.a.
Inflation rate sensitivity	✓	✓	n.a.	n.a.	✓	n.a.
Mortality sensitivity	✓	✓	✓	n.a.	✓	n.a.

Pension rate increases are only applicable for the plans in the Netherlands and the United Kingdom. Pension increases in the Netherlands are related to price inflation. However, these increases are conditional and depend on the funding position of the Dutch pension fund. Pension increases are therefore capped. The pension increase assumption is based on the liability ceiling approach and determined as the rate of increase such that the present value of vested benefits, including the assumed rate of pension increases, is not greater than the fair value of plan assets. For 2015 this results in a Dutch pension increase assumption of 1.16% compared to 0.75% at year-end 2014.

Since the plans in the United States and the United Kingdom are frozen, the service cost is zero and not sensitive for changes in discount rate, pension increases, inflation and longevity.

The sensitivity for a 1% change in the discount rate is as follows for the other post-employment plans:

Sensitivity other post-employment plans

	Gross service cost	Defined benefit obligations
2015 Baseline	3	84
Change compared to baseline		
Discount rate (by -1%)	1	11
Discount rate (by +1%)	0	(9)

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 3% (2014: 3%) according to the plan rules. The U.S. plan is therefore not sensitive to medical cost increases.

Plan liabilities and assets

		Defined benefit retirement plans		Other post-employment plans	
		2015	2014	2015	2014
Plan liabilities					
Fair value at January 1		1,381	1,108	81	58
Employer service cost		9	6	4	2
Interest expense on the defined benefit obligations		34	40	3	3
Administration costs and taxes		3	2	-	-
Benefits paid by fund		(53)	(51)	(5)	(5)
Re-measurement (gains)/losses		20	247	(3)	16
Scope change for new plans		6	-	-	-
Contributions by plan participants		3	3	-	-
Plan amendments and curtailments		-	(2)	(3)	-
Foreign exchange differences		23	28	7	7
Fair value at December 31		1,426	1,381	84	81
Plan assets					
Fair value at January 1		1,321	1,115	0	0
Interest income on plan assets		32	41	-	-
Return on plan assets greater/(less) than discount rate		(15)	178	-	-
Benefits paid by fund		(53)	(51)	(5)	(5)
Scope change for new plans		6	-	-	-
Contributions by the employer		15	13	5	5
Contributions by plan participants		3	3	-	-
Foreign exchange differences		17	22	-	-
Fair value at December 31		1,326	1,321	0	0
Funded status					
Deficit/(surplus) at December 31		100	60	84	81
Funding liability		2	-	-	-
Effect of asset ceiling (irrecoverable surplus)		0	22	-	-
Net liability at December 31		102	82	84	81
Pension expense					
Employer service cost		9	6	4	2
Past service costs plan amendments		-	(2)	(3)	0
Interest expense on irrecoverable surplus		0	2	3	3
Interest expense on defined benefit obligations		34	40	-	-
Interest (income) on plan assets		(32)	(41)	-	-
Administration costs and taxes		3	2	-	-
Total pension expense		14	7	4	5
Of which included in:					
Personnel expenses	*Note 11*	12	5	1	2
Other finance (income)/costs	*Note 13*	2	2	3	3

The Group's employer contributions to be paid to the defined benefit retirement plans in 2016 are estimated at €16 million (2015: actual employer contributions of €15 million).

In 2015, no asset ceiling was applicable. In 2014, the asset ceiling of €22 million related to the scheme in the Netherlands. In this defined benefit retirement plan, the over-funding cannot likely be recovered, based on the current terms of the plan, through refunds and/or reductions in future contributions of the employer. As a result, the surplus was not valued, and set at zero.

Re-measurements

The pre-tax cumulative amount of re-measurement gains/losses recognized in the statement of comprehensive income is as follows:

Re-measurements

	2015	2014
Position at January 1	(168)	(123)
Recognized in other comprehensive income	(11)	(45)
Cumulative amount at December 31	(179)	(168)

Re-measurement gains/(losses) for the year

	2015	2014
Re-measurement gains/(losses) due to experience on defined benefit obligations	2	11
Re-measurement gains/(losses) due to demographic assumptions in defined benefit obligations	7	(27)
Re-measurement gains/(losses) due to financial assumption changes in defined benefit obligations	(26)	(247)
Re-measurement gains/(losses) on defined benefit obligations	(17)	(263)
Return on plan asset greater/(less) than discount rate	(15)	178
Change in asset ceiling, other than interest	21	40
Recognized in other comprehensive income	(11)	(45)

Experience adjustments are defined as adjustments resulting from changes such as changes in plan populations, data corrections, and differences in cash flows.

Demographic assumption changes relate to differences between the current and previous actuarial assumptions in mortality tables, rate of employee turnover, disability, and early retirement.

Financial assumption changes relate to differences between the current and previous actuarial assumptions like changes in discount rate, indexation, and future salary and benefit levels.
The actual return on plan assets for the year ended December 31, 2015, amounted to a gain of €17 million (2014: gain of €219 million).

The re-measurement losses on defined benefit obligations declined significantly compared to 2014 due to the sharp decline of discount rates in 2014; in 2015, the discount rates did not vary significantly. Furthermore the actual returns on plan assets were less in 2015 compared to 2014 but still in line with market returns; in 2014, the plan assets had relatively high returns on both shares and bonds due to revival of market prices.

The change in asset ceiling declined compared to 2014. At December 31, 2015, the retirement plans in Canada and Australia had a surplus before asset ceiling (December 31, 2014: the Netherlands and Australia). No asset ceiling was applicable for these surpluses.
At year-end 2014, the Dutch plan was in surplus and therefore an asset ceiling restriction was applied as a

result of IFRIC 14 and therefore the surplus was valued at zero. The plan is no longer in surplus at December 31, 2015, and such a restriction is not applied at year-end 2015; the net defined benefit asset on the balance sheet has changed from zero to a net liability.

Duration

The liability weighted duration for the defined benefit plan liabilities is as follows:

Estimated liability weighted duration (number of years) at December 31

	Duration 2015	Duration 2014
Retirement plans		
The Netherlands	18	18
United Kingdom	18	18
United States	12	14
Other post-employment plans		
United States	12	13

Due to the increase in discount rate in the United States at December 31, 2015, the duration of the U.S. liabilities decreased; for the other plans the changes in the discount rates did not affect the durations significantly compared to 2014. Duration is an indicator of the plan liabilities' sensitivity for changes in interest rates.

Investment mix

The breakdown of plan assets as at December 31 is as follows:

Breakdown of plan assets at December 31

Proportion of plan assets	2015	Quoted	Unquoted	2014	Quoted	Unquoted
Equity						
Equity	385	385	-	402	402	-
Private equity	15	-	15	16	-	16
Bonds						
Government bonds	419	419	-	437	437	-
Corporate bonds	360	360	-	321	321	-
Other						
Insurance contracts	47	-	47	31	-	31
Real estate	77	40	37	70	39	31
Interest derivatives	19	19	-	40	40	-
Cash	4	4	-	4	4	-
Total	1,326	1,227	99	1,321	1,243	78

93% of the plan assets relate to quoted financial instruments at December 31, 2015 (2014: 94%).

Plan assets do not include any direct investments in Wolters Kluwer or financial instruments issued by the Group; nor do they include any property or other assets used by the Group. However, certain plans invested in index funds, and as a result these plans may indirectly hold financial instruments issued by Wolters Kluwer.

Proportion of plan assets

in %	2015	2014
Equity	30	31
Bonds	59	57
Other	11	12
Total	100	100

Note 28 – Provisions for Restructuring Commitments

		Restructuring	Acquisition integration	2015	2014
Position at January 1		2	1	3	10
Add: short-term commitments		26	4	30	33
Total at January 1		28	5	33	43
Movements					
Additions for restructuring of stranded costs following divestments		1	-	1	0
Additions to acquisition integration	*Note 10*	-	5	5	5
Additions for restructuring existing businesses		37	-	37	27
Total additions		38	5	43	32
Appropriation of provisions for restructuring		(36)	(7)	(43)	(43)
Exchange differences and other movements		1	0	1	1
Total movements		3	(2)	1	(10)
Total at December 31		31	3	34	33
Less: short-term commitments		(30)	(3)	(33)	(30)
Position at December 31		1	0	1	3

Additions of €37 million mainly relate to the increase in restructuring programs announced in February 2015 and expanded during the year. The majority was in Legal & Regulatory, with the remainder spread across the other divisions.

The majority of the provisions relates to severance programs, restructurings, and onerous contracts and will be settled within the next twelve months (€33 million). The remaining long-term part of the provisions (€1 million) is expected to be settled in 2017 and beyond.

Acquisition integration
The acquisition integration provision relates to non-recurring expenses to be incurred for the integration of the activities acquired 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, and to a lesser extent, onerous contracts.

Note 29 – Capital and Reserves

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. There are no preference shares issued. The issued share capital consists of ordinary shares. The number of issued ordinary shares was 301.9 million, with a value of €36 million per December 31, 2015, unchanged compared to 2014.

The Company holds 10.2 million of shares in treasury at December 31, 2015 (2014: 6.8 million), which have not been cancelled. At December 31, 2015, the net number of ordinary shares outstanding is 291.7 million (2014: 295.1 million).

Legal reserve participations
Legal reserve participations contain 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 reclassified from equity to profit or loss as part of the gain or loss on divestment. This reserve is not available for distribution and, consequently, considered to be legal reserves.

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 and, consequently, considered to be legal reserves.

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.
The Company has announced that it will offset the dilution of its performance share issuance annually via share repurchases.

In 2015, the Company executed a share buyback program of €140 million (2014: €25 million). The Company repurchased 5.0 million (2014: 1.2 million) of ordinary shares under this program at an average stock price of €28.13 (2014: €21.18). In 2015, the Company used 1.6 million shares held in treasury for the vesting of the 2012-14 LTIP plan.

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 total distribution of €0.75 per share (dividend over financial year 2014: €0.71 per share). Wolters Kluwer moved to semi-annual dividend frequency in 2015, starting with an interim dividend for 2015. On September 22, 2015, the Supervisory Board and Executive Board of Wolters Kluwer resolved to distribute an interim dividend of €0.18 per share on October 12, 2015. Subject to the approval of the Annual General meeting of Shareholders a final dividend of €0.57 per ordinary share will be paid in cash on May 12, 2016.

The Company has a progressive dividend policy under which the Company expects to increase the total dividend per share each year.

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 number of ordinary shares outstanding	
	2015	2014	2015	2014	2015	2014
At January 1	301,897	301,897	(6,761)	(6,643)	295,136	295,254
Repurchased shares	-	-	(4,977)	(1,181)	(4,977)	(1,181)
Long-Term Incentive Plan	-	-	1,583	1,063	1,583	1,063
At December 31	301,897	301,897	(10,155)	(6,761)	291,742	295,136

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 43 in the Company Financial Statements*.

Note 30 – Share-based Payments

Long-Term Incentive Plan
Executive Board members and senior management are awarded shares under the equity-settled Long-Term Incentive Plan (LTIP); the performance conditions are based on Diluted Earnings per Share (EPS) at constant currencies and Total Shareholder Return (TSR).

For 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).

For senior management, the LTIP awards 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 related LTIP awards for the Executive Board and senior management are based on the same pay-out schedules. The performance period of the LTIP is three years, at the beginning of which a base number of shares (norm pay-out) is conditionally awarded to each beneficiary.

In 2015, €19 million has been recognized within personnel expenses in profit or loss (2014: €22 million) related to the total cost of the LTIP grants 2013-15, 2014-16, and 2015-17 (Note 11). The costs related to the share-based payments decreased by €3 million compared to prior year mainly due to a higher number of forfeitures in 2015.

Conditional awarded TSR related LTIP-shares
For the conditional TSR awards that were awarded up to and including 2015, 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 related LTIP is recognized ratably in profit or loss 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 and senior management 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.

LTIP 2015-17 and 2014-16 Executive Board and Senior Management

	LTIP 2015-17	LTIP 2014-16
Fair value of EPS shares at grant date	23.19	18.64
TSR shares – key assumptions		
Fair value of TSR-shares at grant date	16.48	13.50
Share price at grant date	25.35	20.75
Expected volatility	18%	21%
Expected life	3 years	3 years
Annual dividend increase	1.4%	1.4%
Risk free interest rate (yield on Dutch 3-year government bonds)	0.04%	0.60%

Conditional awarded EPS-related LTIP shares
The amount recognized as an expense in a year is adjusted to reflect the number of share 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 management can earn up to a maximum of 150% of the conditionally awarded shares. For more details, see *Remuneration Report*.

The fair value of each LTIP 2015-17 EPS related performance share granted to the Executive Board and senior management is estimated at €23.19 (LTIP 2014-16 EPS related performance share: €18.64).

LTIP 2012-14
The LTIP 2012-14 vested on December 31, 2014. Total Shareholder Return (TSR) ranked sixth relative to the peer group of 15 companies, resulting in a pay-out of 100% of the conditional base number of shares awarded to the Executive Board and senior management. The EPS-condition based shares resulted in a pay-out of 150%.
A total number of 1,582,983 shares was released on February 19, 2015, at a volume weighted average price of Wolters Kluwer nv of at €28.075.

LTIP 2012-14

Number of shares	**Outstanding at January 1, 2014**	**Forfeitures**	**Increase on conditional number of TSR shares (0%)**	**Increase on conditional number of EPS shares (50%)**	**Pay-out/ Vested shares December 31, 2014**	**Cash value equivalent of vested shares in thousands of euros**
Executive Board	303,242	-	-	67,179	370,421	10,400
Senior Management	1,061,547	(91,500)	-	242,515	1,212,562	34,043
Total	1,364,789	(91,500)	0	309,694	1,582,983	44,443

LTIP 2013-15

The LTIP 2013-15 vested on December 31, 2015. On Total Shareholder Return (TSR) Wolters Kluwer ranked third relative to its peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board and senior management. The EPS related shares resulted in a pay-out of 150%. The shares will be released on February 25, 2016.

The volume weighted average price for the shares released will be based on the average exchange prices traded at the Euronext Amsterdam nv on February 25, 2016, the first day following the Company's publication of its annual results.

The number of shares outstanding, corrected for the expected performance of the respective grants, is as follows:

LTIP 2013-15

Number of shares	**Total**	**EPS-condition**	**TSR-condition**
Total grant	1,659,206	802,691	856,515
Forfeited in previous years	(168,408)	(84,204)	(84,204)
Shares outstanding at January 1, 2015	1,490,798	718,487	772,311
Forfeited during year	(188,908)	(94,454)	(94,454)
Effect of 150% vesting based on EPS ranking	312,021	312,021	-
Effect of 125% vesting based on RTSR ranking	169,488	-	169,488
Vested at December 31, 2015	1,783,399	936,054	847,345

LTIP 2014-16

Base numbers of shares at 100% pay-out	**Total**	**EPS-condition**	**TSR-condition**
Conditionally awarded grant 2014	1,218,821	589,070	629,751
Forfeited in previous years	(55,796)	(27,898)	(27,898)
Shares outstanding at January 1, 2015	1,163,025	561,172	601,853
Forfeited in 2015	(117,534)	(58,767)	(58,767)
Outstanding at December 31, 2015	1,045,491	502,405	543,086

LTIP 2015-17

Base numbers of shares at 100% pay-out	**Total**	**EPS-condition**	**TSR-condition**
Conditionally awarded grant 2015	1,027,117	495,352	531,765
Forfeited in 2015	(60,202)	(30,101)	(30,101)
Outstanding at December 31, 2015	966,915	465,251	501,664

Overall overview of outstanding performance shares: LTIP 2015-17 and LTIP 2014-16

Base numbers of shares at 100% pay-out	**LTIP 2015-17**	**LTIP 2014-16**	**Total**
Conditionally awarded grant 2014		1,218,821	1,218,821
Forfeited in previous years		(55,796)	(55,796)
Shares outstanding at January 1, 2015		1,163,025	1,163,025
Conditionally awarded grant 2015	1,027,117	-	1, 027,117
Forfeited in 2015	(60,202)	(117,534)	(177,736)
Outstanding at December 31, 2015	966,915	1,045,491	2,012,406

Fair value summary of conditionally awarded shares per LTIP-grant
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 senior management of the Group is summarized as follows:

Fair value of conditionally awarded shares under each LTIP-grant

	Fair value (€)
EPS-condition	
LTIP 2015-17	23.19
LTIP 2014-16	18.64
LTIP 2013-15	13.38
TSR-condition	
LTIP 2015-17	16.48
LTIP 2014-16	13.50
LTIP 2013-15	9.81

The fair value of a conditionally awarded share under the LTIP 2015-17 increased compared to previous year, mainly as a result of the higher share price of Wolters Kluwer at January 1, 2015, compared to January 1, 2014.

Note 31 – Related Party Transactions

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 34 Remuneration of the Executive Board and Supervisory Board*.

Related party transactions

The Group has one joint venture in Italy accounted for under the net equity method in the consolidated financial statements of the Group. The revenues of this joint venture on a 100% basis amount to €11 million (2014: €12 million).

Joint venture transactions

	2015	2014
Sales of goods and services bought from joint venture	8	9
Services provided to joint venture	(3)	(3)
Net amounts payable at December 31	3	2

The Group has no significant transactions or outstanding balances with its equity-accounted investees other than its equity-interest holdings.

Note 32 – Audit Fees

With reference to Section 2:382a (1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. to the Company, its subsidiaries, and other consolidated entities. 2015 was the first year of appointment of Deloitte, therefore comparative figures include the fees charged by the previous auditor, KPMG Accountants N.V.
Deloitte is not involved in the statutory audits of operating companies that are not within the scope of the group audit.

Audit fees 2015

in millions of euros	Deloitte Accountants B.V.	Other Deloitte member firms and affiliates	Total Deloitte
Statutory audit of annual accounts	0.6	1.4	2.0
Other assurance services	0.0		0.0
Tax advisory services		0.1	0.1
Other non-audit services		0.1	0.1
Total	0.6	1.6	2.2

Audit fees 2014

in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.4	0.9	3.3
Other assurance services	0.3	0.3	0.6
Tax advisory services		0.8	0.8
Other non-audit services		0.1	0.1
Total	2.7	2.1	4.8

Note 33 – Commitments and Contingent Liabilities

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, 2015, annual commitments under rental and operational lease agreements amounted to €61 million (2014: €58 million). The average term of these commitments is approximately 5.0 years (2014: 4.4 years).

Non-cancelable operating lease rentals are payable as follows:

Non-cancelable operating lease rentals

	2015	2014
Less than one year	50	40
Between one and five years	114	104
More than five years	42	31
Total undiscounted expected lease payments	206	175

Some of the leased property is sublet by the Group. Sublease payments of €3 million (2014: €3 million) are expected to be received during the following financial year. The Group has recognized a provision of €0 million related to these subleases (2014: €1 million).

The Group has immaterial outstanding finance lease arrangements at December 31, 2015 and 2014.

Guarantees

At December 31, 2015, the Group has outstanding guarantees regarding royalty payments to societies during the coming years of €5 million (2014: €4 million).

The Group has issued formal guarantees for bank credit facilities for a total amount of €192 million (2014: €173 million) on behalf of a number of its foreign subsidiaries. At December 31, 2015, €6 million of these credit facilities had been utilized (2014: €9 million). At December 31, 2015, other bank guarantees had been issued at the request of the Company or its subsidiaries for a total amount of €27 million (2014: €15 million). These guarantees mainly relate to rent for real estate. In addition, parental performance guarantees to third parties have been issued for €14 million (2014: €12 million).

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €10 million (2014: €10 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.

Note 34 – Remuneration of the Executive Board and Supervisory Board

For details on the Group's remuneration policy, see *Remuneration Report*.

Remuneration costs under IFRS, on accrual and cost basis
The table below provides the accounting costs of the total compensation of the Executive Board recognized in the statement of profit or loss:

Remuneration costs for the Executive Board

in thousands of euros	Salary	STIP	Defined contribution pension plan	Social security	Other Benefits	Share-based payments (LTIP)[2]	Tax related cost	2015	2014
N. McKinstry, Chairman[1,3]	760	774	1,273	18	264	3,937	1,766	8,792	8,181
K.B. Entricken[4]	636	658	29	34	290	1,087	628	3,362	2,118
Total	1,396	1,432	1,302	52	554	5,024	2,394	12,154	10,299

[1] In 2015, Ms. McKinstry's salary is $1,288,060 (€1,224,237). Ms. McKinstry elected to defer 40% to pension ($515,224, equivalent to €464,166). The 2015 STIP bonus is calculated on a U.S. Dollar denominated equivalent of total salary as: $1,288,060 x 133.49% ($1,719,431; equivalent to €1,549,037). Ms. McKinstry elected to defer 50% (equivalent €774,519) of the accrued 2015 STIP bonus, once paid in 2016, and 50% of the pay-out of the vested LTIP shares under grant 2013-2015 to pension in 2016.
[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 2015 tax related cost increased compared to 2014 due to the higher value of the vested LTIP 2012-2014 grant resulting in higher tax equalization costs and currency impact as the U.S. Dollar strengthened compared to the euro in 2015.
[4] Mr. Entricken's total compensation increased compared to 2014 mainly due to a higher compensation base and the strengthening of the U.S. Dollar.

In 2014, the Company received a net tax refund of two thousand euro for Mr. J.J. Lynch, Jr. relating to settlements for prior year's tax equalization returns incurred after his resignation as Executive Board member in 2012.

LTIP 2012-14 vesting and pay-out

The LTIP 2012-14 vested on December 31, 2014. On Total Shareholder Return (TSR) Wolters Kluwer ranked sixth relative to its peer group of 15 companies, resulting in a pay-out of 100% of the conditional base number of shares awarded to the Executive Board members. The EPS related LTIP 2012-2014 grant ended at a 150% pay-out to the Executive Board.

The volume weighted average price of the shares of Wolters Kluwer nv was €28.075 on February 19, 2015 (2014: €20.01).

LTIP 2012-14

Number of shares	Outstanding at January 1, 2015	Additional conditional number of TSR-shares	Additional conditional number of EPS-shares (50%)	Pay-out/ vested December 31, 2015	Cash value equivalent[1] of vested shares paid out in 2015 *in thousands of euros*
N. McKinstry, Chairman	292,242	-	64,429	356,671	10,014
K.B. Entricken	11,000	-	2,750	13,750	386
Total	303,242	0	67,179	370,421	10,400

[1] Calculated as the number of shares vested multiplied by the volume weighted average share price on February 19, 2015.

In 2015, the total pay-out for the vested LTIP shares under grant 2012-14 for Ms. N. McKinstry was €10,014, of which 30% (€3,004) was deferred to pension in 2015.

Long-Term Incentive Plan (LTIP) for Executive Board Members

LTIP 2013-15

The LTIP 2013-15 vested on December 31, 2015. On Total Shareholder Return (TSR) Wolters Kluwer ranked third relative to its peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board members. The EPS related LTIP 2013-15 grant ended at 150% of target.

LTIP 2013-15

Number of shares	Outstanding at January 1, 2015	Additional conditional number of TSR-shares (25%)	Additional conditional number of EPS-shares (50%)	Pay-out/ Vested December 31, 2015
N. McKinstry, Chairman	274,441	39,586	58,048	372,075
K.B. Entricken	75,190	10,846	15,904	101,940
Total	349,631	50,432	73,952	474,015

Vesting LTIP 2013-15 shares will be released on February 25, 2016. The volume weighted average price for the shares released will be based on the average exchange prices traded at the Euronext Amsterdam nv on February 25, 2016, the first day following the Company's publication of its annual results.

LTIP 2015-17 and LTIP 2014-16
The Executive Board members have been conditionally awarded the following number of shares based on a 100% pay-out, subject to the conditions of the LTIP grants for 2015-17 and 2014-16, as described in *Remuneration Report*.

LTIP 2015-17 and 2014-16

	Conditionally awarded TSR based shares	Conditionally awarded EPS based shares	Conditionally awarded TSR based shares	Conditionally awarded EPS based shares	Total conditionally awarded shares
Base numbers of shares at 100% pay-out	LTIP 2015-17	LTIP 2015-17	LTIP 2014-16	LTIP 2014-16	December 31, 2015
N. McKinstry, Chairman	97,622	69,375	116,262	84,202	367,461
K.B. Entricken	28,222	20,056	31,264	22,643	102,185
Total	125,844	89,431	147,526	106,845	469,646

Fair value of conditionally awarded shares under each LTIP-grant
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 and actual vesting percentages

	Fair value (€) of awarded TSR shares	Fair value (€) of awarded EPS shares
LTIP 2015-17	16.48	23.19
LTIP 2014-16	13.50	18.64
LTIP 2013-15	9.81	13.38

The plans have a performance period of three years.

Shares Owned by Executive Board Members
At December 31, 2015, the Executive Board jointly held 148,586 shares (2014: 137,436 shares), of which 128,350 shares (2014: 123,350 shares) were held by Ms. McKinstry and 20,236 shares (2014: 14,086) by Mr. Entricken.

Remuneration of Supervisory Board members

in thousands of euros	Member of Selection and Remuneration Committee	Member of Audit Committee	Remuneration 2015	Remuneration 2014
P.N. Wakkie, Chairman	✓		77	67
L.P. Forman, Deputy Chairman	✓	✓	77	72
B.F.J. Angelici		✓	64	59
B.M. Dalibard[1]	✓		22	60
D.R. Hooft Graafland		✓	66	59
B.J. Noteboom[1]		✓	61	-
S.B. James[2]	✓		-	19
R. Qureshi[2]	✓		60	52
Total			427	388

[1] Mr. Noteboom was appointed as a Member of the Supervisory Board at the Annual Shareholders Meeting on April 22, 2015. Mr. Noteboom is the successor of Ms. Dalibard, who resigned at that date.

[2] Ms. Qureshi was appointed as a Member of the Supervisory Board at the Annual Shareholders Meeting on April 23, 2014. Ms. Qureshi is the successor of Mr. James. After expiry of his second term Mr. James was not available for reappointment.

Shares Owned by Supervisory Board Members

At December 31, 2015, Mr. Noteboom held 4,865 shares in the company. The other members of the Supervisory Board do not own shares in Wolters Kluwer.

Note 35 – Events after Balance Sheet Date

Wolters Kluwer Legal & Regulatory announced on January 14, 2016, that it has received a binding offer from ATC, a private B2B media company in France, to purchase Legal & Regulatory's French trade media assets. Wolters Kluwer's intended divestment is in line with the division's strategy to focus on legal information and software solutions for law firms, corporate counsel, and other compliance professionals.

The French trade media unit, a part of the division's business in France, includes publishing and events serving the transport, tourism, HR, and social work verticals. The unit had revenues of €22 million in 2015 and approximately 170 full-time employees.

Wolters Kluwer Governance, Risk & Compliance announced on February 2, 2016, that it has signed an agreement to acquire substantially all of the assets of Triad Professional Services, LLC, a provider of U.S. legal and compliance products and services. The acquisition furthers Wolters Kluwer's leadership position in U.S. legal and compliance products and services, broadening capabilities in key industry verticals.

Triad, which will become part of the CT Corporation suite of products and services, is based in Alpharetta, Georgia and has approximately 15 employees.

Company

Financial Statements

Company Financial Statements

Statement of Profit or Loss of Wolters Kluwer nv

in millions of euros		**2015**	**2014**
Results from subsidiaries, net of tax	*Note 37*	423	490
Other income, net of tax		0	(17)
Profit for the year		423	473

Statement of Financial Position of Wolters Kluwer nv

in millions of euros and before appropriation of results, at December 31		**2015**		**2014**	
Non-current assets					
Financial assets	*Note 37*		5,657		4,923
Working capital					
Accounts receivable	*Note 38*	882		762	
Cash and cash equivalents	*Note 39*	308		212	
Total current assets		1,190		974	
Total current liabilities	*Note 40*	2,002		1,423	
Working capital			(812)		(449)
Capital employed			4,845		4,474

Statement of Financial Position of Wolters Kluwer nv (continued)

in millions of euros and before appropriation of results, at December 31		2015		2014	
Non-current liabilities					
Long-term debt:					
Bonds	*Note 25*	1,877		1,875	
Private placements	*Note 25*	399		384	
Derivative financial instruments	*Note 25*	9		31	
Total long-term debt			2,285		2,290
Long-term debt to subsidiaries	*Note 41*		57		63
Deferred and other tax liabilities			31		15
Total non-current liabilities			2,373		2,368
Issued share capital	*Note 29*	36		36	
Share premium reserve		87		87	
Legal reserves		335		(7)	
Other reserves		1,591		1,517	
Profit for the year		423		473	
Shareholders' equity	*Note 43*		2,472		2,106
Total financing			4,845		4,474

Notes to the Company Financial Statements

Note 36 – Significant Accounting Policies

As provided in section 402 of the Dutch Civil Code, Book 2, the statement of profit or loss 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 Dutch 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);
– 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 34).

Note 37 – Financial Assets

Financial assets

	2015	2014
Equity value of subsidiaries	3,691	2,964
Long-term receivables from subsidiaries	1,966	1,959
Total	5,657	4,923

The movement of the equity value of the subsidiaries is as follows:

Equity value of subsidiaries

	2015	2014
Position at January 1	2,964	1,982
Results from subsidiaries, net of tax	423	490
Net capital payments	-	225
Dividend payments	(11)	(30)
Re-measurement gains/(losses) on defined benefit plans, net of tax	(15)	(28)
Net gains/(losses) on hedges of net investments in foreign operations	(31)	(31)
Foreign exchange differences	361	356
Position at December 31	3,691	2,964

The movement of the long-term receivables from subsidiaries is as follows:

Long-term receivables from subsidiaries

	2015	2014
Position at January 1	1,959	2,171
New receivables	3	9
Redemptions	-	(225)
Foreign exchange differences	4	4
Position at December 31	1,966	1,959

Note 38 – Accounts Receivable

	2015	2014
Receivables from subsidiaries	880	732
Current tax receivable	-	8
Collateral	-	20
Other receivables	2	2
Total	882	762

Note 39 – Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are shown within Current Liabilities (*Note 40*). There is no restricted cash.

All deposits are demand deposits that are readily convertible into cash.

Note 40 – Current Liabilities

	2015	2014
Debts to subsidiaries	1,638	1,229
Bank overdrafts	274	110
Derivative financial instruments	2	2
Current tax payable	5	-
Interest payable	61	61
Other liabilities	22	21
Total	2,002	1,423

Note 41 – Long-term Debt to Subsidiaries

Long-term debt to subsidiaries comprises intercompany loans with interest at market based rates. The movement of the long-term debt to subsidiaries is as follows:

	2015	2014
Position at January 1	63	63
Redemptions	(9)	-
Foreign exchange differences	3	0
Position at December 31	57	63

Note 42 – Personnel Expenses

		2015	2014
Salaries and wages		22	22
Social security charges		4	3
Costs of defined contribution plans		0	0
Expenses related to defined benefit plans		1	1
Equity-settled share-based payment transactions	*Note 30*	19	22
Total		46	48
Employees			
Headcount at December 31		117	135
In full-time equivalents at December 31		117	134
Thereof employed outside the Netherlands		27	40
In full-time equivalents average per annum*		117	125

* Average full-time equivalents per annum include temporary help and contractors, whereas headcount and its full-time equivalent only relate to staff on the payroll of the Company.

Note 43 – Shareholders' Equity

			Legal reserves			Other reserves			
	Issued share capital	Share premium reserve	Legal reserve participations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Undistributed profit	Shareholders' equity
Balance at January 1, 2015	36	87	73	(117)	37	(96)	1,613	473	2,106
Items that are or may be reclassified to the statement of profit or loss									
Exchange differences on translation of foreign operations					346				346
Exchange differences on translation of equity-accounted investees					1				1
Recycling of foreign exchange differences on loss of control					15				15
Net gains/(losses) on hedges of net investments in foreign operations				(31)					(31)
Effective portion of changes in fair value of cash flow hedges				22					22
Net change in fair value of cash flow hedges reclassified to the statement of profit or loss				(15)					(15)
Tax on other comprehensive income					(1)				(1)
Items that will not be reclassified to the statement of profit or loss									
Re-measurements on defined benefit plans							(11)		(11)
Tax on other comprehensive income							1		1
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(24)	361	0	(10)	0	327
Profit for the year								423	423
Total comprehensive income/(loss) for the year	0	0	0	(24)	361	0	(10)	423	750
Appropriation of profit previous year							473	(473)	0
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments							19		19
Release LTIP shares						31	(31)		0
Cash dividend 2014							(211)		(211)
Interim cash dividend 2015							(52)		(52)
Repurchased shares						(140)			(140)
Other movements			5				(5)		0
Balance at December 31, 2015	36	87	78	(141)	398	(205)	1,796	423	2,472

			Legal reserves			Other reserves			
	Issued share capital	Share premium reserve	Legal reserve participations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Undistributed profit	Shareholders' equity
Balance at January 1, 2014	36	87	74	(69)	(323)	(88)	1,502	345	1,564
Items that are or may be reclassified to the statement of profit or loss									
Exchange differences on translation of foreign operations				(2)	361				359
Exchange differences on translation of equity-accounted investees					1				1
Net gains/(losses) on hedges of net investments in foreign operations				(31)					(31)
Effective portion of changes in fair value of cash flow hedges				(15)					(15)
Net change in fair value of cash flow hedges reclassified to the statement of profit or loss				0					0
Tax on other comprehensive income					(2)				(2)
Items that will not be reclassified to the statement of profit or loss									
Re-measurements on defined benefit plans							(45)		(45)
Tax on other comprehensive income							18		18
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(48)	360	0	(27)	0	285
Profit for the year								473	473
Total comprehensive income/(loss) for the year	0	0	0	(48)	360	0	(27)	473	758
Appropriation of profit previous year							345	(345)	0
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments							22		22
Tax on share-based payments							(6)		(6)
Release LTIP shares						17	(17)		0
Cash dividend 2013							(207)		(207)
Repurchased shares						(25)			(25)
Other movements			(1)				1		0
Balance at December 31, 2014	36	87	73	(117)	37	(96)	1,613	473	2,106

The legal reserves and treasury shares reserve are not available for dividend distribution to the owners of the Company.

Note 44 – Commitments and Contingent Liabilities

Guarantees
Pursuant to section 403 of the Dutch 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 €192 million (2014: €173 million) on behalf of a number of its foreign subsidiaries. At December 31, 2015, €6 million of these credit facilities had been utilized (2014: €9 million).

In addition, parental performance guarantees to third parties have been issued for €14 million (2014: €12 million).

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €10 million (2014: €10 million).

Other
The Company forms part of a Dutch fiscal unity and pursuant to standard conditions has assumed joint and several liabilities for the tax liabilities of the fiscal unity.

Note 45 – Details of Participating Interests

A list of subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Part 9, Sections 379 and 414) is filed at the offices of Chamber of Commerce of The Hague, the Netherlands.

Authorization for Issuance

Alphen aan den Rijn, February 23, 2016

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
K.B. Entricken, CFO and Member of the Executive Board

Supervisory Board
P.N. Wakkie, Chairman
L.P. Forman, Deputy Chairman
B.F.J. Angelici
D.R. Hooft Graafland
B.J. Noteboom
R. Qureshi

Other Information on the Financial Statements

Independent Auditor's Report

To the Annual General Meeting of Wolters Kluwer nv

Report on the audit of the financial statements 2015

Our Opinion

We have audited the financial statements 2015 of Wolters Kluwer nv ("Wolters Kluwer" or "the Company"), based in Alphen aan den Rijn. The financial statements include the consolidated financial statements and the company 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, 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
– The company financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2015, and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

The consolidated financial statements comprise:
– The following consolidated statements for 2015: the statement of profit or loss, the statements of comprehensive income, cash flows and changes in total equity;
– The consolidated statement of financial position as at December 31, 2015; and
– The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:
– The company profit or loss account for 2015;
– The company statement of financial position as at December 31, 2015; and
– The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Wolters Kluwer nv in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

As part of our audit we have determined materiality and used it to assess the risks of material misstatement. We have specifically assessed accounts where subjectivity is high because of estimates regarding uncertain future developments. We have likewise specifically focused on the risk related to management override of controls and the risk of material misstatement due to fraud. In addition, our audit expressly included the continuity and reliability of the automated information systems.

Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €35 million. The materiality is based on 6% of profit before tax and 0.8% of revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.
Audits of the group entities (components) were performed using materiality levels determined by the judgement of the group audit team, taking into account the materiality of the consolidated financial statements as a whole and the reporting structure within the group. Component materiality did not exceed €17.5 million and is for certain components based on the lower statutory materiality levels.

Materiality overview

Group materiality level	€35 million
Basis for group materiality level	6% of profit before tax and 0.8% of revenues
Threshold for reporting misstatements	€1 million

We agreed with the Supervisory Board that misstatements in excess of €1 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Wolters Kluwer is at the head of a group of entities. The financial information of this group is included in the financial statements of Wolters Kluwer.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit had to be carried out on the complete set of financial information or specific items.
Our group audit mainly focused on 22 significant group components covering the following countries: the U.S.A. (12), the Netherlands (4), Brazil (1), Germany (1), Italy (1), France (1), Belgium (1) and the United Kingdom (1).
Furthermore, we performed additional procedures at group level on significant areas such as goodwill and intangible assets, treasury, the Dutch pension plan, acquisitions/divestments and the income tax position.
This resulted in a coverage of 75% of revenues, and 90% of total assets. The remaining 25% of total revenues and 10% of total assets results from components, none of which individually represents more than 2% of revenues or 1% of total assets. For these remaining components, where considered necessary, we performed, amongst others, analytical procedures or specific audit procedures on certain account balances to corroborate our assessment that there are no significant risks of material misstatements.

The group audit team sent detailed instructions to all component auditors, that covered significant components, including the relevant risks of material misstatement and set the information to be reported back to the group audit team. The group audit team visited the component auditors of the U.S.A. component locations, Germany, Italy and the Netherlands. For all the components in scope, visited or not, periodic conference calls were held with the component auditors, local management and group management. During these visits and conference calls, amongst other, the planning, risk assessment, audit procedures performed, findings and observations reported to local management and the group audit team were, where relevant, reviewed and discussed. Where deemed necessary by the group engagement team additional audit procedures have been performed by the components auditors.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
Revenue recognition New and evolving business models and a variety of customer contracts may require careful consideration and judgement in revenue recognition. Reference is made to notes 2 and 3 to the consolidated financial statements for the significant accounting policies on respectively revenues and revenue recognition. There is a risk that revenue could be misstated due to the judgmental nature of revenue recognition for contracts containing multiple element arrangements.	We have tested revenue recognition in each of the components subject to audit procedures, including, amongst others, testing the relevant key internal controls on the timing of revenue recognition, performing analytical reviews on recognized revenues to identify material new revenue streams, performed audit procedures on various types of contracts to identify any multiple element arrangements or other relevant elements within the contract and tested whether revenue and deferred income were recognized in the correct year in accordance with the underlying contract, customer acceptance or delivery, where deemed relevant.
Valuation of goodwill and acquired publishing rights Goodwill and acquired publishing rights amount to respectively € 3,774 million and € 1,266 million and represent 62% of the consolidated balance sheet total at December 31, 2015. The annual impairment test was significant to our audit because the assessment process is judgmental and is based on assumptions that are affected by expected future market or economic conditions. The Company's goodwill is allocated to (groups of) cash generating units ("CGU") mainly in the U.S.A. and Europe.	In our audit we assessed and challenged management's assumptions used in the impairment model with certain key assumptions as outlined in note 16 to the consolidated financial statements. Specifically, we assessed the cash flow projections, the Weighted Average Cost of Capital, the perpetuity growth rates and the sensitivities used, with the assistance from our valuation experts, where appropriate, by looking at external market data and by assessing the historical accuracy of management's forecasting. We further assessed the impact of the revised operating segments and the modifications therein within Health Learning, Research & Practice; Legal & Regulatory; and Governance Risk & Compliance on the (groups of) CGUs for the purpose of the annual impairment test. We also assessed the adequacy of the Company's disclosure note 16 to the consolidated financial statements summarizing those assumptions to which the outcome of the impairment test is most sensitive.

Key audit matter	How the key audit matter was addressed in the audit
Income tax position The income tax position was significant to our audit, since the amounts are material to the financial statements and the assessment process is complex and requires careful consideration and judgment. The Company operates in various jurisdictions around the world, all with different tax regimes with complex cross-border arrangements and is therefore open to challenge from multiple tax authorities.	We tested the amounts recognized as current and deferred tax, including the accounting for uncertain tax positions. The audit team was supported by tax experts in testing the relevant (uncertain) tax positions, including the assumptions and estimates used. In our audit of the uncertain tax positions, we considered the correspondence with the relevant tax authorities, the appropriateness of management's assumptions and estimates in relation to uncertain tax positions, challenging those assumptions and considering the advice management received from external parties to support the accounting for the uncertain tax positions in accordance with EU-IFRS. Furthermore, in respect of the deferred tax assets we assessed management's assumptions to determine the probability that the recognized deferred tax assets are expected to be recovered through taxable income and, where relevant, available tax planning strategies in future years. During these procedures we used for example, management's budgets, forecasts and relevant tax laws. In addition, we also assessed the historical accuracy of management's assumptions. We also assessed the adequacy of the Company's disclosure notes 14 and 20 to the consolidated financial statements.
Transition as auditors including audit of the opening balances Initial audit engagements involve a number of considerations not associated with recurring audits. Accordingly, additional planning activities and considerations are required to establish an appropriate audit strategy and audit plan. This includes: i) gaining an initial sufficient understanding of the group, its business, including its control environment and information systems to make the audit risk assessment, develop the audit strategy and the audit plan; and ii) obtaining sufficient appropriate audit evidence on the opening balances, including the selection and application of accounting principles and communication with the previous auditors.	Prior to becoming the Company's auditors in 2015, we developed a transition plan starting in September 2014. Our transition plan included amongst others: i) interaction with the previous auditor, including file reviews at all components in scope, evaluation of key accounting positions and audit matters from prior years; ii) the group audit team visited all major components, component auditors, including meetings with component and division management; iii) periodic meetings with the Executive Board, key personnel and (corporate) functions to understand their perspective on the business, risks, internal controls and key findings from their work; iv) attendance, by conference call, of all formal components closing meetings and v) attendance of Audit Committee meetings in November 2014 and February 2015.

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Report of the Executive Board and other information):

- We have no deficiencies to report as a result of our examination whether the Report of the Executive Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Report of the Executive Board, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the Annual General Meeting as auditor of Wolters Kluwer nv on April 23, 2014, for the audit for years 2015 up to and including 2018.

Amsterdam, February 23, 2016

Deloitte Accountants B.V.
B.C.J. Dielissen

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 6

Subject to approval of the Supervisory Board the Executive Board may resolve on distribution of interim dividend, provided the requirements of paragraph 4 have been met, according to an interim statement of assets and liabilities. It shall relate to the position of the assets and liabilities no earlier than on the first day of the third month before the month in which the resolution on distribution of interim dividend is made known. It shall be drawn up with observance of valuation methods considered generally acceptable. The statement of assets and liabilities shall include the amounts to be reserved by virtue of the law. It shall be signed by the Members of the Executive Board; if the signature of one or more of them is lacking this shall be stated with reasons. The statement of assets and liabilities shall be deposited at the office of the Commercial Register within eight days after the day on which the resolution on distribution is made known.

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	**2015**	**2014**
Proposed cash distribution	219	207

At the 2016 Annual General Meeting of Shareholders, Wolters Kluwer will propose a final dividend distribution of €0.57 per share, to be paid in cash on May 12, 2016. This will bring the total dividend for 2015 to €0.75 per share, an increase of 6% over the prior year.

Events after Balance Sheet Date

Wolters Kluwer Legal & Regulatory announced on January 14, 2016, that it has received a binding offer from ATC, a private B2B media company in France, to purchase Legal & Regulatory's French trade media assets. Wolters Kluwer's intended divestment is in line with the division's strategy to focus on legal information and software solutions for law firms, corporate counsel, and other compliance professionals.
The French trade media unit, a part of the division's business in France, includes publishing and events serving the transport, tourism, HR, and social work verticals. The unit had revenues of €22 million in 2015 and approximately 170 full-time employees.

Wolters Kluwer Governance, Risk & Compliance announced on February 2, 2016, that it has signed an agreement to acquire substantially all of the assets of Triad Professional Services, LLC, a provider of U.S. legal and compliance products and services. The acquisition furthers Wolters Kluwer's leadership position in U.S. legal and compliance products and services, broadening capabilities in key industry verticals. Triad, which will become part of the CT Corporation suite of products and services, is based in Alpharetta, Georgia and has approximately 15 employees.

Other Information

Report of the Wolters Kluwer Preference Shares Foundation

Activities
The Board of the Wolters Kluwer Preference Shares Foundation met once in 2015. The matters discussed included the full-year 2014 results of Wolters Kluwer, 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 meeting 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 meeting. 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 nv 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
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 23, 2016

Board of Wolters Kluwer Preference Shares Foundation
R.P. Voogd, Chairman
P. Bouw
H.G. Bouwman
J.H.M. Lindenbergh
J.S.T. Tiemstra

Wolters Kluwer Shares and Bonds

Stock exchange listing

Wolters Kluwer ordinary shares are listed on Euronext Amsterdam under the symbol WKL.

Securities codes and ticker symbols

ISIN	NL0000395903
Security Code	39590
Sedol	5671519 NL
Bloomberg	WKL.NA
Thomson Reuters	WLSNc.AS
ADR Symbol	WTKWY
ADR CUSIP	977874 20 5
ADR ISIN	US9778742059

American Depository Receipts

The company has a sponsored Level I over-the-counter American Depository Receipts (ADR) program. The ratio of ADRs to ordinary shares is 1:1. The ADRs are denominated in U.S. Dollar and are traded on the U.S. over-the-counter (OTC) securities market. Wolters Kluwer ADRs receive the same dividends as the ordinary shares converted into U.S. Dollar at the prevailing EUR/USD exchange rate.

For more information, see www.wolterskluwer.com/investors/share-information/adrs.html.

ADR Depositary Bank:

Deutsche Bank Trust Company Americas
c/o American Stock Transfer & Trust Company
Peck Slip Station, P.O. Box 2050
New York, NY 10272-2050, United States

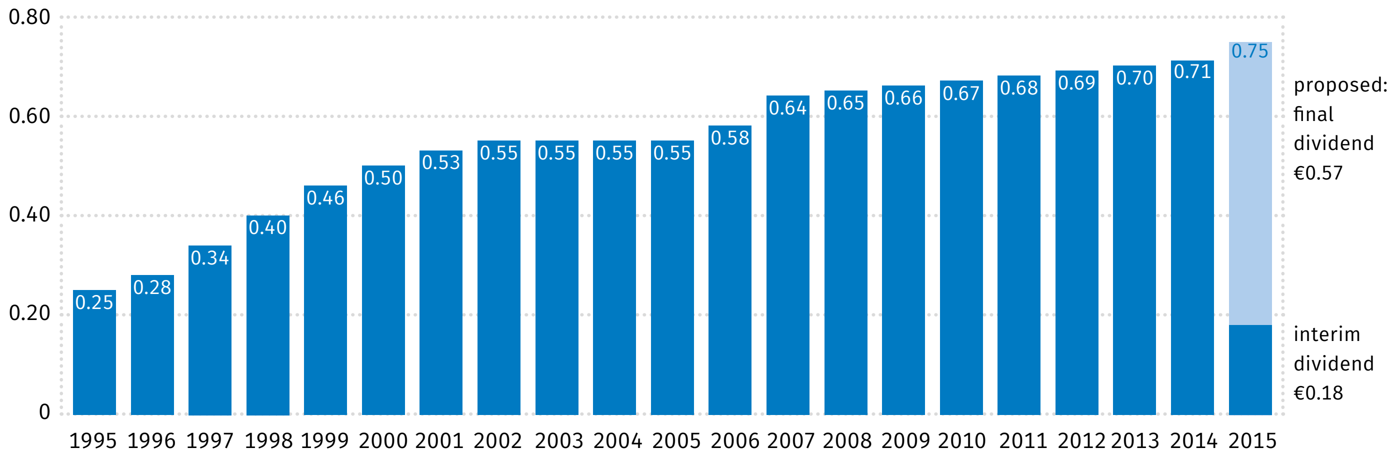
Dividend policy

Wolters Kluwer has a progressive dividend policy under which the company aims to increase its dividend per share each year. The dividend pay-out ratio will therefore vary from year to year. For more than 25 years, the company has either increased or maintained its dividend per share.

In July 2015, Wolters Kluwer announced its plan to move to semi-annual dividend frequency starting with an interim dividend in 2015. The 2015 interim dividend was set at 25% of the prior year's total dividend, or €0.18 per share, and paid in October 2015.

Dividend per share

in euros



Note: The interim dividend is paid in the second half of the year and the final (or total) dividend is paid in May of the following year.

At the 2016 Annual General Meeting of Shareholders, Wolters Kluwer will propose a final dividend distribution of €0.57 per share, to be paid in cash on May 12, 2016. This will bring the total dividend for 2015 to €0.75 per share, an increase of 4 eurocents per share or 6% compared to the dividend for the 2014 financial year (€0.71). If approved, the 2015 dividend will mark the 10th consecutive annual increase in dividend per share.

Under our progressive dividend policy, we remain committed to increase the total dividend per share each year, with the annual increase dependent on our financial performance, market conditions, and our need for financial flexibility. For 2016, we intend to again set the interim dividend at 25% of prior year's total dividend.

Share price performance

During 2015, the Wolters Kluwer share price increased +22.1%, outperforming the AEX (+4.1%) and EURO STOXX Media (+7.1%) indices.

Share price performance 2015

Euros

Wolters Kluwer
EURO STOXX Media (rebased)

Source: Nasdaq Corporate Solutions, Thomson Reuters data

Share price performance 2011-2015

Euros

Wolters Kluwer
EURO STOXX Media (rebased)

Source: Nasdaq Corporate Solutions, Thomson Reuters data

Trading volume and venues

The Euronext Amsterdam exchange is the primary trading venue for the shares. The average daily trading volume in Wolters Kluwer shares on Euronext Amsterdam in 2015 was 1,231,863 shares (2014: 780,836) shares (source: Euronext). Alternative trading venues include Chi-X Europe, Turquoise, and several others.

Capital stock

The ordinary shares have a nominal value of €0.12. The number of ordinary shares outstanding on December 31, 2015, was 301.9 million (December 31, 2014: 301.9 million). The diluted weighted average number of ordinary shares used to compute the diluted per share figures was 297.4 million in 2015 (2014: 299.9 million).

Anti-dilution policy

Wolters Kluwer has an anti-dilution policy under which it intends each year to offset the dilution caused by performance share issuance by means of share repurchases.

Market capitalization

On the basis of issued ordinary shares (excluding own shares held by the company), the market capitalization at December 31, 2015, was €9.3 billion (December 31, 2014: €7.7 billion).

Key figures per share

in euro, unless otherwise indicated	2015	2014
Adjusted earnings per share	1.98	1.59
Diluted adjusted earnings per share	1.96	1.57
Diluted earnings per share	1.42	1.58
Dividend per share (2015 proposed)	0.75	0.71
Weighted average number of shares issued (millions)	293.6	295.9
Diluted weighted average number of shares (millions)	297.4	299.9
Highest quotation	33.56	25.67
Lowest quotation	24.71	18.62
Quotation at December 31	30.97	25.35
Average daily volume on Euronext Amsterdam (thousands of shares)	1,232	781

Indices

Wolters Kluwer shares are included in several equity indices. Its weight in selected indices is shown below.

Wolters Kluwer weight in selected indices

Index	Weight %
AEX	2.43
Euronext 100	0.72
EURO STOXX	0.26
EURO STOXX Media	8.43
STOXX Europe 600	0.12
STOXX Europe 600 Media	4.23
EURO STOXX Select Dividend 30	2.59

Source: Euronext, STOXX. At December 31, 2015

Major shareholders

According to the Dutch Act on financial supervision (*Wet op het financieel toezicht*), investors are required to notify the Authority Financial Markets (AFM) if their shareholding or voting rights reach, exceed or fall below certain thresholds.
Shareholders who have made such disclosures can be found on the AFM website (www.afm.nl). As of February 23, 2016, shareholders who have disclosed holdings exceeding the 3% threshold are as follows:

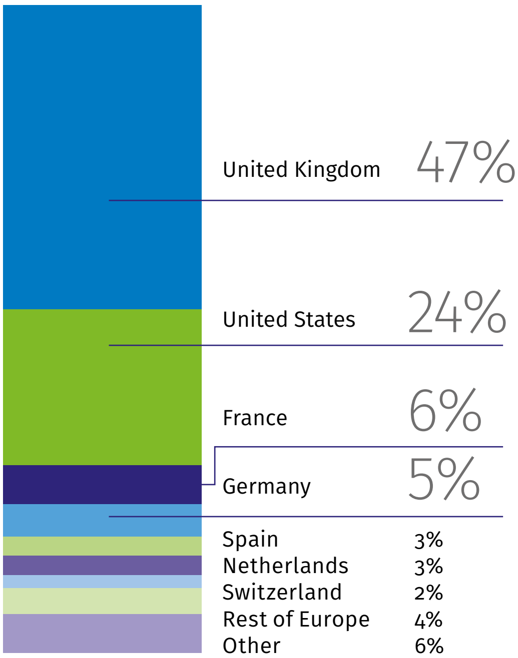
Shareholder	Notification date	Holding
The Bank of New York Mellon Corporation	September 14, 2015	14.91%
Lazard Asset Management Company LLC	October 24, 2015	5.09%
Blackrock, Inc.	March 20, 2015	4.95%
Silchester International Investors LLP	November 30, 2015	4.92%

Ownership information

Institutional investors hold estimated 86% of the issued shares in Wolters Kluwer, with the remaining shares held by retail investors, broker-dealers and others.
Institutional ownership is spread across many countries, with approximately 47% of institutional ownership in the United Kingdom and 24% in the United States.

Estimated institutional shareholders

by geography



Source: Nasdaq Corporate Solutions, at November 30, 2015

Bonds

At December 31, 2015, Wolters Kluwer has the following listed debt securities:

Wolters Kluwer bonds and private placements outstanding

Type	Term	Amount	Listing	Code
6.375% senior bonds	2008/2018	€750 million	Luxembourg	ISIN XS0357251726
6.748% senior bonds	2008/2028	€36 million	Luxembourg	ISIN XS0384322656
4.200% private placement	2010/2020	€250 million	Frankfurt	ISIN XS0522820801
2.875% senior bonds	2013/2023	€700 million	Luxembourg	ISIN XS0907301260
2.500% senior bonds	2014/2024	€400 million	Luxembourg	ISIN XS1067329570

Credit ratings

Wolters Kluwer debt is rated by Standard & Poor's and Moody's Investor Services (Moody's).

Credit ratings

Agency	Long-term	Short-term	Outlook
Moody's, September 12, 2013	Baa1		Stable
Standard & Poor's, March 7, 2013	BBB+	A-2	Stable

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 2015, activities for shareholders and other investors included webcast presentations by management of half-year and full-year results; participation in a number of broker conferences; and a regular schedule of roadshow meetings with investors in Europe and North America.

Further detailed information is provided on the Investors section of our website (www.wolterskluwer.com/investors). 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 investors. 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.

Financial calendar

April 21, 2016	Annual General Meeting of Shareholders
April 25, 2016	Ex-dividend date: 2015 final dividend
April 26, 2016	Record date: 2015 final dividend
May 11, 2016	First-Quarter 2016 Trading Update
May 12, 2016	Payment date: 2015 final dividend ordinary shares
May 19, 2016	Payment date: 2015 final dividend ADRs
July 29, 2016	Half-Year 2016 Results
August 29, 2016	Ex-dividend date: 2016 interim dividend
August 30, 2016	Record date: 2016 interim dividend
September 14, 2016	Payment date: 2016 interim dividend ordinary shares
September 21, 2016	Payment date: 2016 interim dividend ADRs
November 2, 2016	Nine-Month 2016 Trading Update
February 22, 2017	Full-Year 2016 Results

5-Year Key Figures

See footnotes for additional explanation

	2015	2014	2013	2012*	2011*
Revenues	4,208	3,660	3,565	3,597	3,354
Operating profit	667	569	619	568	428
Profit for the year from continuing operations, attributable to owners of the Company	423	473	352	334	244
Profit for the year, attributable to owners of the Company	423	473	345	312	120
Adjusted EBITDA	1,073	908	897	894	834
Adjusted operating profit	902	768	765	774	728
Adjusted net financing costs	(119)	(113)	(117)	(121)	(118)
Adjusted net profit	583	470	467	469	444
Adjusted free cash flow	647	516	503	507	443
(Proposed) Dividend/cash distribution	219	210	207	204	202
Acquisition spending	179	178	192	109	299
Capital expenditure	188	148	148	144	143
Amortization of other intangible assets and depreciation property, plant, and equipment, and impairments	171	140	132	120	106
Amortization of publishing rights and impairments	214	192	185	192	161
Shareholders' equity	2,472	2,106	1,564	1,538	1,540
Guarantee equity	2,477	2,121	1,584	1,783	1,786
Net debt	1,788	1,897	1,988	2,086	2,168
Capital employed	5,329	4,943	3,950	3,901	4,174
Total assets	8,099	7,336	6,864	6,556	6,691
Ratios					
As % of revenues:					
Operating profit	15.8	15.6	17.4	15.8	12.8
Profit for the year from continuing operations, attributable to owners of the Company	10.1	12.9	9.9	9.3	7.3
Adjusted EBITDA	25.5	24.8	25.2	24.8	24.9
Adjusted operating profit	21.4	21.0	21.5	21.5	21.7
Adjusted net profit	13.8	12.8	13.1	13.1	13.2
ROIC (%)	9.3	8.5	8.7	8.7	8.9
Dividend proposal in % of adjusted net profit	37.5	44.6	44.3	43.4	45.4
Dividend proposal in % of profit for the year, attributable to owners of the Company	51.7	44.3	59.9	65.3	167.5
Cash conversion ratio (%)	100	100	95	99	98
Net interest coverage	7.6	6.7	6.5	6.4	6.2
Net-debt-to-EBITDA	1.7	2.1	2.2	2.4	3.1
Net gearing	0.7	0.9	1.3	1.4	1.4
Shareholders' equity/capital employed	0.46	0.43	0.40	0.39	0.37
Guarantee equity to total assets	0.31	0.29	0.23	0.27	0.27

	2015	2014	2013	2012*	2011*
Information per share (€)					
On the basis of fully diluted:					
Diluted EPS from continuing operations	1.42	1.58	1.17	1.11	0.81
Diluted EPS from discontinued operations	-	-	(0.02)	(0.07)	(0.41)
Diluted earnings per share	1.42	1.58	1.15	1.04	0.40
Diluted adjusted EPS from continuing operations	1.96	1.57	1.56	1.56	1.47
Diluted adjusted EPS from discontinued operations	-	-	(0.01)	(0.02)	0.01
Diluted adjusted earnings per share for the Group	1.96	1.57	1.55	1.54	1.48
Diluted adjusted free cash flow per share	2.18	1.72	1.68	1.69	1.47
Diluted weighted average number of shares (millions)	297.4	299.9	299.5	300.7	301.5
Basic EPS from continuing operations	1.44	1.60	1.19	1.13	0.82
Basic EPS from discontinued operations	-	-	(0.02)	(0.08)	(0.42)
Basic earnings per share	1.44	1.60	1.17	1.05	0.40
Adjusted EPS from continuing operations	1.98	1.59	1.58	1.58	1.49
Adjusted EPS from discontinued operations	-	-	(0.01)	(0.02)	0.01
Adjusted earnings per share	1.98	1.59	1.57	1.56	1.50
Adjusted free cash flow per share	2.21	1.74	1.70	1.71	1.48
Dividend proposal in cash per share	0.75	0.71	0.70	0.69	0.68
Weighted average number of shares issued (millions)	293.6	295.9	295.7	296.9	298.4
Stock exchange					
Highest quotation	33.56	25.67	21.01	15.76	17.93
Lowest quotation	24.71	18.62	14.41	11.39	11.49
Quotation at December 31	30.97	25.35	20.75	15.48	13.36
Average daily trading volume Wolters Kluwer on Euronext Amsterdam nv, number of shares (thousands of shares)	1,232	781	856	972	1,047
Employees					
Headcount at December 31	18,692	19,266	19,054	19,095	18,721
In full-time equivalents at December 31	18,055	18,549	18,329	18,396	17,979
In full-time equivalents average per annum	19,296	19,397	19,508	19,207	18,806

* The years 2011 - 2013 are based on figures for continuing operations unless otherwise stated; the year 2012 has been restated for the early adoption of IFRS 11 'Joint arrangements' and IAS 19 Revised 'Employee Benefits'.

Profiles Supervisory Board

Peter Wakkie
Dutch, 1948, Chairman of the Supervisory Board, member of the Selection and Remuneration Committee, appointed in 2005, current term until 2017

Position:
– Founding partner of law firm Spinath & Wakkie
– Former Chief Corporate Governance Counsel and member of the Executive Board of Royal AHOLD N.V.

Supervisory directorships and other positions:
– Chairman of the Supervisory Board of TomTom N.V.
– Member of the Supervisory Board of BCD Holdings N.V.

Len Forman
American, 1945, Deputy Chairman of the Supervisory Board, Chairman of the Selection and Remuneration Committee, and member of the Audit Committee, appointed in 2005, current term until 2017

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)

Bruno Angelici
French, 1947, member of the Audit Committee, appointed in 2007, current term until 2019

Position:
– Former Executive Vice President, Europe, Japan, Asia Pacific, Latin America, Middle East, and Africa of AstraZeneca Plc.

Supervisory directorships and other positions:
– Chairman of the Board (Non-Executive Director) of Vectura Group plc (United Kingdom)
– 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)

René Hooft Graafland
Dutch, 1955, Chairman of the Audit Committee, appointed in 2012, current term until 2016, available for re-appointment

Position:
Former CFO and member of the Executive Board of Heineken N.V.

Supervisory directorships and other positions:
– Chairman of the Supervisory Board of Royal Theatre Carré
– Member of the Supervisory Board of Royal AHOLD N.V.
– Member of the Supervisory Board of Royal FrieslandCampina N.V.

Ben Noteboom
Dutch, 1958, member of the Audit Committee, appointed in 2015, current term until 2019

Position:
– Former Chairman and CEO of the Executive Board of Randstad Holding N.V.

Supervisory directorships and other positions:
– Member of the Supervisory Board of Royal AHOLD N.V.
– Member of the Supervisory Board of AEGON N.V.

Rima Qureshi
Canadian, 1965, member of the Selection and Remuneration Committee, appointed in 2014, current term until 2018, will resign after the Annual General meeting of Shareholders of April 21, 2016.

Position:
– Senior Vice President, Chairman of Region Northern Europe, Russia and Central Asia, Chief Strategy Officer and head of M&A, Ericsson Group

Supervisory directorships and other positions:
– Member of the Board (Non-Executive Director) of MasterCard Worldwide

Glossary

Adjusted
'Adjusted' refers to figures from continuing operations, adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and publishing rights. 'Adjusted' figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business.

Adjusted earnings per share
Adjusted net profit divided by the weighted average number of ordinary shares outstanding.

Adjusted EBITDA
EBITDA adjusted for non-benchmark items in operating profit.

Adjusted net financing results
Total financing results adjusted for non-benchmark items in total financing results.

Adjusted net profit
Profit for the period from continuing operations attributable to the owners of the Company, excluding the after-tax effect of non-benchmark items, amortization of publishing rights, and impairments of goodwill and publishing rights.

Adjusted operating profit
Operating profit before amortization and impairment of publishing rights and impairment of goodwill, and adjusted for non-benchmark items.

Adjusted operating profit margin
Adjusted operating profit as a percentage of revenues.

Adjusted profit before tax
Sum of adjusted operating profit, adjusted financing costs, income from investments, and share of profit of equity-accounted investees (net of tax).

Allocated tax
Allocated tax is benchmark tax rate multiplied by adjusted operating profit.

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.

Benchmark tax rate
Tax on adjusted profit, divided by adjusted profit before tax.

Capital expenditure (CAPEX)
Sum of capitalized expenditure on property, plant, and equipment and other intangible assets less any carrying value of assets disposed of.

Cash flow: cash conversion ratio
Adjusted operating cash flow divided by adjusted operating profit.

Cash flow: adjusted free cash flow
Net cash from operating activities less capital expenditure, plus paid acquisition and divestment expenses, plus appropriation of Springboard provisions (net of tax), plus dividends received, and one-off cash tax benefits. Adjusted free cash flow is the cash flow available for payments of dividend to shareholders, acquisitions, repayments of debt, and repurchasing of shares.

Cash flow: adjusted operating cash flow
Adjusted EBITDA plus or minus autonomous movements in working capital, less capital expenditure.

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 results of the Group, excluding the results of those components that have been presented as discontinued operations.

Diluted adjusted earnings per share
Minimum of:
- Adjusted net profit divided by the weighted average number of ordinary shares outstanding (adjusted earnings per share); and
- Adjusted net profit, including a correction of interest (net of tax) to income of senior convertible bonds on assumed conversion, divided by the diluted weighted average number of ordinary shares outstanding.

Shares conditionally awarded under LTIP-plans are included in the calculation of the diluted weighted average number of ordinary shares outstanding if the vesting conditions are satisfied at balance sheet date.

Diluted earnings per share
Minimum of:
- Profit for the year attributable to the owners of the Company divided by the weighted average number of ordinary shares outstanding (basic earnings per share); and

– Profit for the year attributable to the owners of the Company, including a correction of interest (net of tax) to income of senior convertible bonds on assumed conversion, divided by the diluted weighted average number of ordinary shares outstanding.

Shares conditionally awarded under LTIP-plans are included in the calculation of the diluted weighted average number of ordinary shares outstanding if the vesting conditions are satisfied at balance sheet date.

EBITA
EBITA (earnings before interest, tax, and amortization) is calculated as operating profit plus amortization and impairment of publishing rights and impairment of goodwill.

EBITDA
Operating profit before amortization and impairment of publishing rights and impairment of goodwill, and before amortization of other intangible assets and depreciation and impairment of property, plant, and equipment.

Guarantee equity
Sum of total equity, subordinated (convertible) bonds and perpetual cumulative bonds.

Invested capital
Capital employed, excluding investments in equity-accounted investees, deferred tax assets, 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 debt
Sum of long-term debt, borrowings and bank overdrafts, and deferred and contingent acquisition payments minus cash and cash equivalents, divestment receivables, collateral deposited, and the net fair value of derivative financial instruments.

Net-debt-to-EBITDA ratio
Net debt divided by EBITDA, adjusted for divestment related results on operations.

Net gearing
Net debt divided by total equity.

Net interest coverage
Adjusted operating profit, divided by adjusted financing costs.

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.

Non-benchmark items in operating profit: results from divestments (including directly attributable divestment costs), additions to provisions for restructuring of stranded costs following divestments, acquisition related costs, additions to acquisition integration provisions, subsequent fair value changes on contingent considerations, and other.

Non-benchmark items in total financing results: financing component employee benefits, impairment of investments available-for-sale, and divestment related results on equity-accounted investees.

NOPAT
Net operating profit after allocated tax. Adjusted operating profit less allocated tax, based on the benchmark tax rate.

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, social security premiums and other taxation, pension-related payables, royalties payable, and other liabilities and accruals.

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.

Tax on adjusted profit
Income tax expense adjusted for tax benefit on amortization of publishing rights and impairments, and tax on non-benchmark items.

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, collateral, the short-term part of the restructuring provision, deferred and contingent 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.

Contact information

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Chamber of Commerce
Trade Registry No. 33.202.517

Forward-looking statements

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About this report

The Annual Report is available as a PDF, on our website www.wolterskluwer.com and as a limited edition print version.

Wolters Kluwer also issued a 2015 Sustainability Report, available as a PDF on our website.

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