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PRESENTATION

Kevin Entricken - *Wolters Kluwer - VP IR*

Good afternoon, everyone, and welcome. I'm Kevin Entricken, the Vice President of Investor Relations for Wolters Kluwer. And welcome to our half-year results presentation.

Today's presentation will be delivered by Nancy McKinstry, our CEO and Chairman of the Executive Board, Boudewijn Beerkens, our CFO and Member of the Executive Board. And also joining us, Jack Lynch, Member of the Executive Board.

After our presentation, we will have time for Q&A and we are simultaneously videocasting this. Those of you participating through the videocast can submit your questions using the icons on your screen. I would ask you to read the forward-looking statements on page two of our presentation and in our press release today.

And with that, I would like to start the presentation and turn the floor over to Nancy.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Great. Good afternoon, everyone. Welcome. Thank you for joining us this afternoon. It's my pleasure to talk about our 2008 results. I will do that in the typical fashion, which is to give you some highlights, then talk about our key accomplishments across each of the divisions. And then I'll turn the podium over to Boudewijn, who will discuss our financial results in more detail, and then I'll wrap up with our outlook before we move to Q&A.

So, let's begin. As you know, Wolters Kluwer is a global information services company focused on tax, accounting, financial services, health and legal professionals. We provide critical information, workflow solutions and services to these segments. Within each of the markets, we hold leading positions in premium brands. The fundamentals of our business are strong and predictable and we are well positioned for long-term growth.

If you look at our portfolio, our portfolio is diverse in terms of our customer base, in terms of our broad product offerings and our geographic scope. Approximately one half of our revenues each come from Europe and North America and about 3% from fast-growing Asia Pacific markets. Our portfolio is strongly weighted towards non-cyclical products, which account for 80% of our revenues in the half-year, and is largely dominated by subscriptions.

These subscription products are performing well, with improved retention rates, and they delivered 5% growth in constant currencies through the half-year of 2008. By contrast, only 13% of our revenues in the half-year came from cyclical activities, with an additional 2% from training and 4% from advertising.

The foundation is in place for sustained profitability and long-term growth around our strategy for serving professionals with innovative information, software and services. Across the Company, our businesses continue to effectively execute this strategy by focusing on four activities - growing our leading positions, capturing key adjacencies, exploiting our global scale and scope and institutionalizing operational excellence. Throughout the first half of 2008, each of our divisions made progress against these four goals.

Now, let me talk a little bit about the highlights for the half-year. I'm pleased with Wolters Kluwer's double-digit earning growth in constant currencies, stable operating margins and good cash flow performance. While the fundamentals of our business remain strong, our organic revenue growth of 1% was impacted by challenging market conditions in our non-subscription product lines. Our subscription product lines delivered good growth, driven by online and software revenues, which grew 8% in constant currencies in the half-year.

Our operating margins have proven resilient, driven by higher retention rates and good growth in online and software services, as well as the contribution from our operational excellence initiative. We continue to invest in new products and sales and marketing, and our balance sheet allows us the flexibility to seize market opportunities. As a result, we are confident in our ability to achieve our full year targets and we are reiterating our progressive dividend policy for 2008.

For the half-year, revenues grew 4% in constant currencies, driven by organic growth of 1% and contributions from acquisitions of 3%. Organic growth was driven by good performance in the TAL and LTRE Divisions, supported by strong retention rates, new product sales and good growth in our online and software solution product lines.

These positive results were impacted by recent market conditions, which affected our non-subscription product lines, particularly within our Corporate & Financial Services Division, where we experienced lower than anticipated volume levels in M&A, IPO and lending transactions. In addition, we continue to see softness in advertising, both in Europe as well as in our Health Division. Despite these recent market trends, the growth of our subscription business remains strong.

Core to our successful transformation has been the growth in online and software solutions. This trend continued in the first half of 2008. Electronic products grew 8% in constant currencies and they now account for 50% of the revenues of Wolters Kluwer. This growth in higher margin electronic product revenues also contributed positively to our operating profit.

We continue to invest approximately 8% to 10% of our revenues back in creating new products and product enhancements. And we are committed to this investment, as it is the vehicle for us to continue to drive growth by delivering innovative solutions to our customers.

Our operating margins remain stable, at approximately 18%, despite challenging market conditions for our cyclical products in the half-year. These results were driven by higher margin electronic products and improved retention rates for our subscription product lines and from the benefits of the operational efficiencies and prior restructuring.

We are pleased with the programs and initiatives that we have put in place across Wolters Kluwer to institutionalize operational excellence. Springboard, which is a program that we introduced earlier this year, is progressing well. In addition, Lean Six Sigma programs and global sourcing initiatives continue to make progress and are delivering incremental savings in 2008.

As you can see, looking at our key performance indicators compared to prior year, Wolters Kluwer has delivered strong earnings growth, solid profit margins and good cash flow performance, despite the weaker market conditions which have impacted the growth of our cyclical product lines.

Now, I'd like to turn to our divisional performance, beginning with our Health Division.

Health's first half 2008 revenues of EUR305m declined 2% in constant currencies, compared with prior year. Organic revenue growth was primarily impacted by the loss of a significant contract in our Pharma data group, which we had previously announced. Excluding the effect of this contract loss, results would have been flat year on year. In addition to the contract loss, we also saw weaker advertising environments and lower orders from our wholesalers, which negatively impacted our results.

Medical Research delivered strong organic growth, driven by solid subscription renewals and good sales of new products, including pay per view. Clinical Solutions also delivered good growth in the Medi-Span and ProVation product lines, driven by increased penetration of both those products, as well as the introduction of new products. Healthcare Analytics posted double-digit growth in our brand analytics product line, driven by both new product launches as well as a strong sales pipeline.

Half-year ordinary EBITA margin was negatively impacted by the significant contract loss, as well as by one-time non-recurring restructuring expenditures in our P&E unit. Excluding these items, ordinary EBITA margin was broadly in line with last year's level.

Now, turning to Corporate & Financial Services. CFS' first half 2008 revenues were EUR239m (sic - see presentation), a 1% increase in constant currency. Organic revenue growth was flat, due to lower than anticipated volume levels in M&A, IPO and lending transactions.

The division demonstrated good results in its subscription product lines, which includes representation in corporate legal services, as well as our fraud, security and insurance product lines within Financial Services. Corporate Legal Services also continued to advance its market-leading positions through investments in new products and product enhancements, most notably through the new release of its flagship product CTAdvantage.

And at Financial Services, the unit extended its market position within its core banking segment through new sales of ComplianceOne, which is a document selection and compliance solution for the community bank market.

Despite the decline in transaction revenues, ordinary EBITA increased 6% organically over the prior year, to achieve operating margins of approximately 28%. The benefit of improved retention within the subscription product line, prior restructuring programs, as well as good cost management, contributed to this strong performance.

Now, a few words about our Tax, Accounting & Legal Group. TAL's first year -- first half 2008 revenues were EUR429m, an increase of 8% in constant currencies compared with the same period of 2007. Organic revenue growth increased 3%, from 2% in the prior year, driven by strong software sales in Tax and Accounting, improved retention rates and a strong tax filing season, particularly at Small Firm Services. The US Tax and Accounting Business delivered 5% organic revenue growth, while Canada and Asia Pacific each posted good growth coming from new software sales and workflow solutions.

Recent acquisitions also contributed to overall growth, including the positive performance of TeamMate, which expanded the unit's presence in the corporate accounting market, as well as the acquisitions of MYOB and GEE, which extended our market-leading positions in the UK market.

Ordinary EBITA increased 14% in constant currencies, to achieve an operating margin of approximately 26%. This improved performance was again driven by good sales of our online and software solution products, improved retention rates, as well as the contribution from operational excellence initiatives.

Now, finishing up with our Legal, Tax & Regulatory Group of Europe. Their first half 2008 revenues were EUR638m, an increase of 6% over prior year in constant currencies. Organic revenue growth was 3%, driven by double-digit growth in online, software and services, as well as improved retention rates. Revenues from electronic products now account for almost 50% of the Division's total revenues.

We continue to see strong growth in Spain, Central and Eastern Europe, Italy and Belgium. Germany demonstrated an improved performance over the prior year and posted good growth coming from new strong sales. These results were partially offset by softer advertising in France and to a lesser extent in the Netherlands, relative to prior year. Acquisition growth was largely driven by MCFR in Russia. The integration of that acquisition is progressing on track.

Half-year ordinary EBITA margins of approximately 18% were in line with prior year, reflecting our continuous investments in new products and sales and marketing, as well as the benefit from prior restructurings.

With that, I'd now like to pass the podium back to Boudewijn, who will talk about our financial results in more detail.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Thank you, Nancy, and good afternoon, everyone, and welcome. I am happy to have the opportunity to review Wolters Kluwer's financial performance for the first six months, and I believe these results reflect the solid fundamentals of the business.

The highlights for the first half demonstrate a solid performance for the first six months, as I said before. Let me take you through some of the key messages. Diluted ordinary earnings per share grew by 20% in constant currencies. This performance was driven by growth in the result of operations, lower financing costs, lower effective tax rates. Our free cash flow is stable and we continue to be diligent with our stringent management of working capital and capital expenditures.

We have maintained the ordinary EBITA margin in this weaker economic environment, thanks to growth in higher margin products and improved subscription retention rates. In addition, we are seeing the benefits of prior restructuring programs and operational excellence initiatives.

Our net debt to EBITDA ratio is on target at 2.5 times. The prior-year level of 2 reflects the impact of the divestment of our Educational Division.

These metrics underpin the solid performance of our business.

Now, before reviewing the financial statements, I would like to briefly comment on some of the components of our revenue growth. Professional subscription products were the growth engine of our business in the first half, representing 67% of total revenue. Non-subscription products include transactional services, advertising and pharma promotional products. Market conditions have been challenging in these product lines.

Half-year revenue of EUR1.6b grew 4% in constant currencies. This reflects a 5% growth in our core subscription products and 2% growth in our non-subscription products.

Our subscription products are performing well, led by the increasing contribution of electronic revenue growth and improving retention rates. The migration of revenue from print to electronic products continues. Our customers are demanding more innovative productivity solutions, to better serve their clients. The decline in print subscription product lines is more than compensated by the double-digit growth in electronic subscription products.

Non-subscription products grew 2% in constant currencies. Weaker volumes in corporate, UCC and lending transactions impacted results, as did a slowdown in advertising and pharma promotional markets. Services grew by double digits, reflecting improved training and seminar revenue in Europe and document services in Financial Services.

Finally, our 4% growth in constant currencies was impacted by the weaker dollar. Next, I would like to provide a little more color on this impact.

The movement in the euro/dollar exchange rate, as compared to prior year, has put downward pressure on the reported growth rates. Approximately half of Wolters Kluwer revenue is earned in dollar-denominated areas. As noted, our organic growth for the half-year was 1%. Acquisitions of MCFR, GEE, MYOB and TeamMate contributed additionally 3% to growth.

The weakening of the dollar resulted in our average euro/dollar rate increasing from $1.33 in '07 to $1.53 in '08. This resulted in a downward 8% impact on our growth rate.

Wolters Kluwer is a global company and it's worth repeating that our exposure to the dollar is primarily translational. Our transactional exposure is small, as our products are predominantly produced in regions where they are sold.

Let me give you a calculation for the dollar impact. A $0.01 change in the euro/dollar rate has an approximately EUR0.006 impact on the earnings per share. Said in another way, a 1% change in the euro/dollar rate has approximately a EUR0.008 impact on earnings per share.

A review of the half-year '08 profit and loss demonstrates stable profitability under challenging economic environments and conditions. As discussed, revenue grew 4% in constant currencies, driven by good performance by the core subscription base of products and the contribution of acquisitions.

Cost of sales as a percentage of revenues has decreased by nearly 1 percentage point to 36% in '08 compared to the prior year and reflecting the benefit of revenue growth and sourcing savings. Marketing and sales costs as a percentage of revenues are consistent with the prior year, at 19% of revenues. G&A, general and administrative, costs as a percentage of revenues have also remained stable, reflecting the benefits of operational excellence initiatives and lower restructuring costs.

Net income from continuing operations grew 5% in constant currencies and was driven by revenue growth, the benefits of prior-year restructuring programs and ongoing operational excellence improvements.

Financing results were favorable as compared to the prior year, due to a lower average net debt in the period. The tax rate on ordinary income before tax was 25%, an improvement on the 27% level of '07, and this reflects lower results in countries with higher effective tax rates.

Other P&L movements from the prior year were driven by the results of disposals. And as you will recall, net income from discontinued operations in the prior year reflect the divestment of our Education Division.

Ordinary net income and earnings per share are our preferred measures. They refer to figures adjusted for amortization of publishing rights, results on disposals and exceptional items. We believe they provide a good benchmark and thus a clear picture of our underlying business performance.

So, this time around, ordinary net income totals EUR178m, slightly below last year's figure due to a weaker dollar. In constant currencies, ordinary net income grew 11%. Ordinary diluted EPS grew 7% to EUR0.62, from EUR0.58 in '07. And as mentioned at the beginning of my remarks, ordinary diluted EPS grew 20% in constant currencies to EUR0.68. And as a result of the prior-year share buyback program, the weighted average number of diluted shares decreased in the period.

Moving on to the balance sheet, we are in good shape. As previously announced, our short-term debt was refinanced in February with 30-year private loans, amounting to the equivalent of approximately EUR126m. Additionally, a 10-year EUR750m Eurobond was placed in April. These financing actions have increased the Company's liquidity and headroom, and extended its maturity debt profile. Net debt increased marginally, reflecting cash payments -- cash dividend payments and acquisition spending, partly offset by the strong free cash flow.

Our strong balance sheet allows us to seize attractive opportunities, to support our long-term strategy for profitable growth.

Now, looking at the cash flow for the year, cash flow was impacted by the weaker dollar. The free cash flow decreased by 10% in actual currencies, to EUR106m. In constant currencies, free cash flow was stable, as compared to the prior year, totaling EUR114m. Cash flow from operating activities grew 8% as compared to the prior year, over 20% in constant currencies. Financing results were favorably impacted by the refinancing. And furthermore, lower net tax payments benefited from the tax refunds received in the first half.

Capital expenditures increased, resulting from investments in software platforms, including Pfx.NET, in our Tax, Accounting & Legal Divisions, and Atlas, our global delivery platform. Further capital expenditures include content conversion and new product initiatives.

Allow me to provide you an overview of the cash developments and our primary sources and uses of cash. This graph illustrates our healthy financial position. The main sources of cash were our strong free cash flow and the successful refinancing in the first half.

It has allowed us to retire short-term debts, which included our last NLG500 bonds, which is approximately EUR227m, that matured in April. Furthermore, we paid down our rolling credit facility in the amount of EUR543m. This attractively priced refinancing was arranged by, previously mentioned, the 30-year private loans and the 10-year Eurobond.

Uses of cash include strategic acquisitions, such as the recently announced acquisition of MYOB in the UK, extending our leading position in the tax and accounting markets. And also, cash was returned to shareholders in the form of dividends.

So, finally, we have strengthened our financial position over the last six months. Recent financing initiatives have pushed up maturity, increased liquidity and improved our headroom. Our free cash flow generation continues to be strong. Our net debt to EBITDA ratio is in line with targets and our debt maturity profile is well-balanced over the coming years, with extended maturities and commitments secured through 2014.

So, in summary, we believe the fundamentals of the business are strong. We are realizing good growth in our core subscription business, higher margin electronic products and revenue growth is accelerating. Profit margins and free cash flow are stable. Earnings per share is growing at double digit in constant currencies. And our financial position is solid.

And with that, I would like to turn the floor back to Nancy to discuss our outlook for the balance of 2008.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Thank you, Boudewijn. As was the case in 2007 and prior years, organic revenue growth is expected to accelerate in the second half of 2008, driven by the normal seasonality of many of the markets that we serve, in particular tax and accounting, health and many of the markets here in Europe. In addition, new product launches and customer buying decisions are also traditionally second half weighted.

In addition to those factors, the second half of 2008 will benefit from a strong new product pipeline in several of our businesses, as well as a robust front list in our textbook businesses, both in Law and Business, as well as in Health. The second half of '08 will also benefit from more favorable comparables in our CLS business and in Health, where the negative effect of the significant Pharma data contract will diminish over the next remaining months of 2008.

Good visibility into the balance of this year allows us to narrow our organic growth expectation ranges for each of the divisions, as I've set out here on this slide. And as communicated, our full year 2008 organic growth guidance is 3%. We are reiterating guidance for all of our key performance indicators and we are confident we can achieve this guidance, supported by the support and positive impact of growth in online and software solutions on our operating margins, and from the contribution and the continued execution of our operational excellence programs.

In summary, the business fundamentals of Wolters Kluwer remain strong. Our portfolio is diversified and defensive. We have a predictable business model, with more than 80% of our revenues being non-cyclical. Our strong profitability continues to be driven by the good growth in online and software products, as well as improving retention rates.

All of these characteristics give us confidence that our strategy for serving professionals with new, innovative information, software solutions and services will drive our long-term growth and enhance shareholder value.

Thank you. I'll now turn it over to Q&A.

QUESTIONS AND ANSWERS

Gert Potvlieghe - *Petercam - Analyst*

Hello. Gert Potvlieghe, Petercam. The first question on Health. Could you update us how the situation evolved with the wholesalers?

And also, for your guidance for the full year, if we look in the first half we see a flat organic growth, excluding the Pfizer loss. How confident are you that you will see the acceleration in the second half to hit your top line guidance?

And then secondly, on CFS, a bit the same question. Flat organic growth in the first half. Which visibility do you have with probably the ongoing transactional revenues which are going probably more difficult even in the second quarter than the first quarter, so how will you succeed with the acceleration in the second half?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. Why don't I take the second half questions and then go to the wholesaler question.

In Health, the second half revenues, which we saw again in acceleration in last year and in 2006, it's largely driven by three factors. First, we have a strong front list. Front list are the titles that we bring out every year in our textbook businesses. Second, we have launched a number of new products, going back even to the second half of '07 and in the first half of this year, that build new sales over time. And as you know, many of our new products are online and software solutions that behave like a subscription, so sales that we made last year continue to build from a revenue perspective over this year.

So, strong front list, new product -- the effect of new product launches, as well as very robust sales pipelines in our Healthcare Analytics and Clinical Solutions business. Those are the three major factors. In addition, two smaller factors are the fact that the effect of the wholesale -- or the effect of the contract in the Pharma data area, the loss -- the effect of that loss will diminish over the latter part of the year. So, that's on Health.

On CFS, the major factor is we're having continued good growth in our subscription part of that product line. Just to remind everybody, about 60% of the division's revenues are non-cyclical and 40% is tied to M&A, IPO and lending activity. So we see that the subscription business is doing -- is performing well. We have a number of, again, new product launches, particularly within Financial Services, that have been launched and are continuing to grow their sales. And the comparable in CLS is far less in the second half than it was in the first half.

So in both cases, both at Health and CFS, we are confident in the guidance that we've given you, with the narrowed ranges that you saw on the slide.

On the wholesaler side, the -- we are one of the few publishers that uses wholesalers in our textbook business. What we began to see in 2007, and clearly we continue to see in 2008, is many more students are ordering their textbooks online. So, as a result of that, the cycle from the time the student orders to the fulfillment of that order is compressed. And so, as a result of that, the wholesalers do not need to hold as much inventory at -- within their warehouses, nor do they need to hold as much inventory at the retail level.

So, as a result of that, we are working with our wholesalers to improve their inventory management performance. And that is -- we have plans in place with them that we put in place in the beginning of this year and those plans will be continued.

Now, we do expect that there will be stronger ordering in the second half of the year because the wholesalers will need to order front list titles. And that is again an absolute predictable factor that occurs within the Health business, as new titles are released.

Okay? Yes.

Maurits Heldring - *Landsbanki Kepler - Analyst*

Maurits Heldring, Landsbanki Kepler. A couple of questions. First one, I know you are only providing guidance for '08, but I was wondering why should we expect organic growth to pick up in the coming years. We've now seen the negative impact on the earlier part -- or early cyclical part of your business, but the other parts of your business tend to be a little bit more late cyclical. So, with the European economy slowing down, isn't there the risk that organic growth won't improve in the coming two years, I would say?

And related to that, how likely is it then that margins will expand, apart from the Springboard savings? So, that's the first question.

Then the second question is a detail from the P&L, for Boudewijn. I saw an amount of zero for minorities. I was a little bit surprised about that, given the fact that you don't have 100% of the MCFR business, and I think that's profitable. So shouldn't there have been a slight minus?

And then thirdly, on the acquisitions, I saw that the TAL business, the impact on revenues was EUR23m on sales and EUR8m on EBITA. Then it was said that Mind Your Own Business was EUR8m on revenues and EUR1m on EBITA. So if I subtract them from each other, then amounts remain of EUR15m revenues for the other acquisitions, with EUR7m of EBITA. That will imply a 50% margin. Is that correct?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. I'll start and then hand off to Boudewijn. On the question around what will drive our organic growth and margins in the future, on the organic growth side, it's really two factors. First, the Health performance will improve. Obviously, that has been a drain on our results and that will improve going forward, as many of the plans that we've put in place are being executed successfully, and as this one-time contract which has clearly impacted the division's results quite significantly will diminish as we rebuild that pipeline. So that's factor number one.

Factor number two is that, if you look at our online and software revenue growth, what you see is us growing, through 2008 half year, 8% in constant currencies. If you peel that onion back, you even see stronger double-digit growth in some of our businesses, like our TAL business. And that's really the future of the business. That's where we're investing a significant amount of our capital.

And as I indicated earlier, a lot of the products that we launch, it takes a couple of years to see the full benefit of their market potential, both because of the way we recognize revenue but, more importantly, software products, unlike a book where you see the full effect usually in 12 to 18 months, software revenues you see the effect really in 18 to 24 months. So, we are seeing that positive lift not just in the second part of '08 but also as we head into '09.

So those are the two major factors - software and online growth, which is occurring across all the divisions and is healthy, and the improved performance out of Health.

Now, as it relates to operating margin, clearly, even in this half-year, what you saw is that as we grow our online and software businesses they are having a positive effect on margin. That's where we're seeing operating leverage. Plus, we're seeing the benefits, not just of the prior restructuring that we did, but many of the new operating efficiency programs that had continued over the last couple of years. And Jack's Springboard initiative, you're not seeing the benefits of that yet in the numbers.

So, what will underpin our margin improvements in '09 and beyond is the mix issue, in terms of how we're going to get our growth, and the benefits of not just Springboard but also many of these other operating initiatives. Also, as more and more -- this relates a little bit to the mix issue. As more and more of our products move up the value chain into software, if you look at our software businesses, and this relates a little bit to your acquisition question, the margins in our software businesses are very high. And so, as more of that mix takes hold, you get that effect on the bottom line.

So, Boudewijn, do you want to take the acquisitions and the minority?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes. Well, first on the acquisitions, we have of course made other acquisitions that are still inorganic. You have to think about the TeamMate and GEE acquisition, TeamMate mainly in Tax Accounting & Legal. GEE was actually an acquisition we made from Thomson in the UK. So those actually add up to the remainder of the difference. Margins are not in the closer to 50% range but still high, in the, let's say, end 20s, 30 range.

On the minorities side, that relates mainly to MCFR. Profitability from MCFR becomes material in the second half and not so much in the first half. This is a company that, of course, on the top line is growing fast and the bottom line we are investing heavily in new products, innovations, etc., on an ongoing basis. These are more first half weighted.

Hans Slob - *Rabo Securities - Analyst*

Hans Slob, Rabo Securities. Also a couple of questions on your Health business. You did some sizeable restructuring at your Health business in H1. Maybe you could elaborate a little bit on that, how much restructuring charges you took, and also if you expect more restructuring to come in the second half.

Secondly is also on the wholesaler issue. Will this also linger on in H2 and could there also be an impact in 2009, or will -- or is this only in H1, an H1 impact?

And also, on the Legal business within Tax, Accounting & Legal, should we interpret that you expect, let's say, flattish growth for the Legal side this year? That's it.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. I'll start. You asked like four questions in a row. So I will start and then those that I forgot Boudewijn will pick up. I'll start with the wholesalers. It is a -- the working with the wholesalers to resolve the appropriate inventory levels that they need, to reflect the fact that online ordering is here to stay and going to continue to grow, that's going to take us through '08 and into '09 to work with that. What you see as sort of a counterbalance to that is that we clearly see our electronic product lines within Education growing very nicely. So the effect of this correct -- this working with them and the correction of the inventory levels will occur largely in '08 but there will be some effect in '09.

Hans Slob - *Rabo Securities - Analyst*

But as they have to hold less inventories, they also have lower financing costs, I presume, so can you therefore, let's say, increase your margins for those medical textbooks?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. The way the -- first of all, if you look at it from a wholesaler perspective, what they would tell you is they make a disproportionate margin on our products. So it's the nature of the fact that textbooks are more valuable than, say, the latest bestseller. So what -- the way we work with them is we also have an incentive program to help drive merchandising at the retail level.

So our big focus with them is not just obviously on working with them on the inventory side but also driving sales through, which is the measure about how much you actually get sold through the retail channel. So, depending on what they do for us, obviously that changes the incentive. So it does have a cost implication, depending on what their performance is.

In terms of Legal, the Legal business, both in North America and in Europe, I wasn't quite sure where you (multiple speakers).

Hans Slob - *Rabo Securities - Analyst*

Yes, US Legal, I was referring to.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

US Legal business is fine. It's performing in line with expectations. We expect it to grow in 2008, as it did previously. And it's largely a subscription business. Now, we have -- last year we had a very strong publishing schedule. Some of those titles will not be repeated this year. So in terms of comparables just on our non-subscription products, the expectation is that we will not have the same level of robust sales in the second half, just on the Legal titles, that we had last year.

Okay? And then --

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes. Sorry, on the margin question. We normally do not disclose what the restructuring levels are in individual divisions. But on the one hand it was not a massive amount. On the other hand, it was enough to have a material impact on the already relatively small, let's say, bottom line of Health in the first half of the year. So that basically had to therefore -- it looks like a disproportionate impact but it's not that there is a massive number.

Hans Slob - *Rabo Securities - Analyst*

And is there more restructuring to come in H2, or --?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. Clearly, the restructuring that we've been doing is in the P&E business, largely to improve operating margins. And so some of the programs that we have working now will have some effect on the cost side and on restructuring charges in the second half. But it's all baked into the P&L. Nothing below the line, nothing in that regard. It will all (multiple speakers).

Hans Slob - *Rabo Securities - Analyst*

I therefore would expect that there would be some margin pressure for the full year still at Health, due to those restructuring charges. Is that correct?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

That's all been factored into our overall guidance on operating margin, so it's not a material number in the aggregate.

Hans Slob - *Rabo Securities - Analyst*

Okay. Thank you.

Axel Bond - *BRD - Analyst*

[Axel Bond, BRD]. I was a bit puzzled about the Corporate & Financial Services, because part of the business is transaction-based. How do margins on transaction-based products in general compare to subscription-based models? I would assume that they tend to be a little bit higher because on the one hand you give some flexibility to the clients. On the other hand, if you don't sell the products, the impact, the (spoken in Dutch), the occupation, the effects, will immediate reflect to yourselves. So perhaps you can shed some light on that.

The second thing is with regard to promotional spend in Health. In the third quarter conference call 2006, a figure of 15% was mentioned. Perhaps I've misinterpreted that but I can't match it with the 22% which is in today's press release.

And the last question is on new product development spend. I know that you don't want to give absolute figures but the way I've understood it was that CapEx plus new product development spend, combined, is about 10% of sales. Now, with the absolute sales figure declining and with the CapEx figure going up, does that -- would that imply lower new product development spend or is the amount kept unchanged on an absolute level?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Can I start with the last one and then -- well, it's correct. The new product development spend continues to be at 8% or 10%. And that also shows our commitment just to continuously invest in our innovation and therefore introduce new products to the market.

Secondly, the composition between what is CapEx and what is OpEx can change, depending on the nature of the products underlying and, more importantly even, the phase in which some of those, let's say, mainly platform investments are. So, once those investments get into technical feasibility stage, IFRS requires you to start capitalizing this. So, therefore, you might see year-on-year changes, or substantial changes even, between CapEx and OpEx but the overall expenditure remains the same. And therefore, as an absolute number, given the growth that you have seen year on year, will also therefore increase.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

And then, on the margin question within CFS, in fact our representation product line, which is essentially a service that we provide to corporations to keep them in compliance with all the laws that regulate corporate entities in the United States, is an annuity type product and therefore high margin. Also, if you look at the subscription product line, both within CLS, outside of representation, as well as in FS, it's typically a software business, so again the margins are quite high.

So, the margin performance that we delivered in CFS reflects the mix issue through the half-year. It also reflects that we have good operating focus from an efficiency standpoint, both within FS as well as CLS.

And then, on the promotional question, the 22% figure includes the following product lines. It includes our advertising business, so it clearly has increased a bit from 2006, as we've added more society journals and we've launched more of our own journals. Because the advertising is in the journals, it's nothing separate from that.

Second thing is that it's our book voucher program, where physicians come to meetings in the pharmaceutical industry and they're given a voucher to purchase books. And it also includes other kinds of product lines that are again tied to the promotional part of pharma spending, including journal reprints. So that's largely what makes up that 22%. Okay? Yes? Yes.

Michel Veul - *SNS Securities - Analyst*

Michel Veul, SNS Securities. I wonder, first of all, you have lowered your organic growth rate from 4% to 3% but you maintained your margin and EPS guidance, so apparently some things are developing better than you previously assumed. And could you elaborate on that one?

Secondly, you were quite confident on the second half going forward. Could you talk me through a little bit on developments in the cyclical side in the recent quarter, so the advertising market, and also the transactional CFS developments?

And what do you see, going forward? Do you expect it to bottom out? Is it still going down? So what are your assumptions for the second half?

And thirdly, just a brief question. The circulation growth of 5%, it's quite massive. Could you split it up between volume and price? And how does it divide between the divisions? Thank you.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. I'll start and maybe you'll take the subscription question. I think that was the 5% question. I didn't quite hear you. But it was on subscription, between price and volume.

On the 4% to 3% and the margin question, what's driving our positive operating margins are the mix question. Again, our online and software products tend to be higher margin than some of our print information products, so the mix effect contributes positive to the operating margins.

Second factor is, all of that restructuring that we did has worked and we're seeing the benefits of that restructuring, as we did last year, but we're also seeing that this year. And we've had a number of operating initiatives that we put in place, like Lean Six Sigma programs, offshoring, Global Sourcing and, again, all of those programs are progressing well and contributing incremental savings. And then, as we mentioned, Jack is spearheading Springboard, which in 2008 does not have a material effect yet on savings, but that is the future program in '09 and beyond from an operational efficiency standpoint. (Multiple speakers).

Michel Veul - *SNS Securities - Analyst*

May I just interrupt? The question was what developed better than you assumed, because when you gave your full year guidance of 4% you had the same EPS guidance as you provided now but your revenues are declining. So, on the operating side, something is performing better than previously assumed. Do you have a better mix in specific areas or do you speed up cost savings? So, what's your positive surprise?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. You go ahead. Do you want to take it?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes. Specifically, you're referring to the EPS, you said, right?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Okay. Well, two things. I think Nancy partially answered the question already. The margin of course is increasing from 19.5% to 20% in the full year guidance. So early cost containment. Good margin from, let's say, product mix through the growth of the electronic products. And three, also the lower tax rate. You see, the tax rate on the benchmark goes down from 27% to 25% and we anticipate, therefore, also to see that benefit for the full year.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

And in terms of where we got better, perhaps, results than originally envisioned, it has really been in the offshoring, sourcing programs and some of the Lean Six Sigma programs that we have throughout, both in Europe and North America.

You also asked about the developments on the transactional businesses or the cyclical businesses. What we can tell you through the first half of '08, if you look at CLS and FS, obviously the volume levels were below 2007. What we see is stable -- relatively stable levels within CLS, which relate to what we call Corporate on Demand, which is M&A and IPO. So, kind of lower levels than '07 but reasonably stable.

We see the lending transactions are weaker than in the second quarter, relative to the first quarter. That has been obviously factored into the guidance that we've given.

And then advertising is largely, in our world, driven by two things. Our advertising in Health and our -- most of our advertising in France is driven within the Health market, which is driven around FDA approval for drugs and how much pharma companies are promoting drugs. So we have anticipated a continuation of that condition throughout '08.

And then the (multiple speakers) subscriptions.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Okay. On the question on the -- yes, on subscriptions. Well, as you know, we -- the full subscription base consists out of a print base and an electronic base. You can also imagine that overall we see that the electronic base is growing, as we said in the presentation, double digits. And the print base migrates partly, or largely, actually, into that electronic base.

Therefore, the underlying pricing that you see versus the volume is, on the one hand, a little bit convoluted because there is a large migration effect. But it's fair to assume that the majority of the growth is related to pricing and a smaller amount to volume. But I clearly say partly because the migration effect in the old subscription base is of course an important element.

Sami Kassab - *Exane BNP Paribas - Analyst*

Thank you. It's Sami at Exane BNP Paribas. I have several questions, please. The first one, the inventory adjustment and de-stocking we see happening in the medical textbook business, do we see that -- or do you see that happening in the legal textbook as well, in the US, or in the other book publishing assets you have in Europe?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

(Technical difficulty) in terms of the textbook business in -- largely, in our other books business, we go direct. We do use wholesalers a little bit in Germany. We do use some wholesalers in a little part of our legal ed business in the US. But it's not significant and we've not seen the issues that we have seen in the Health business in those areas.

Sami Kassab - *Exane BNP Paribas - Analyst*

Thank you. Secondly, the -- can you comment on the restructuring in the P&E business? What does it relate to?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes, sure. It relates to a couple of things. Clearly, the dynamic, like in most of our businesses, that we see in the textbook business is that it is moving more to online textbooks and online information. So we are reengineering our production workflow and moving more of those services offshore, as a way to gain efficiency. That is typically what we did even many years ago, as you know, in our core Tax and Accounting businesses, more of the business moved online.

So it's largely around offshoring, reengineering the workflow and de-layering some of the management layers that we had at P&E. That's the bulk of the restructuring.

Sami Kassab - *Exane BNP Paribas - Analyst*

Should we understand this being part of Springboard or is it an additional layer of restructuring? Springboard is about offshoring.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes, Springboard, I think this is a bit unique because there's -- in the journal and textbook business the workflows, particularly in medical textbooks where you have a lot of images, the workflow and the production cycles are pretty unique to Health. So Springboard tends to attack programs where we can see benefits across all the divisions. This type of reengineering, very specific to the kind of products that we're producing in P&E.

Sami Kassab - *Exane BNP Paribas - Analyst*

And regarding the CapEx, given the increase we had in H1 and the CapEx spend of some of your competitors, do you expect it to remain between 3% to 4% or do we --?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes. For this year, we anticipate it probably will end up on the upper end of that range. So yes, we still guide 3% to 4%, but for 2008 we believe 4% is more realistic.

Sami Kassab - *Exane BNP Paribas - Analyst*

And 3% to 4% then -- 3% to 4% mid term?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

3% to 4% mid term, 4% for this year. And again, we can guide in that way because of if you look at all the underlying projects, it's partly -- we look at the overall investment levels. We look at the overall number of projects. But once those get into technical feasibility, you might have one year or more of them being in that stage and another year less. So that could actually fluctuate, that number. But 4% for this year is we have good visibility, yes.

Sami Kassab - *Exane BNP Paribas - Analyst*

I understand the issue with fluctuating around CapEx and OpEx, but the 8% to 10% new product development metrics you gave us today, does that include the CapEx component, the new product development component of the CapEx?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. Okay. Other -- yes.

Konrad Zomer - *Credit Agricole Cheuvreux - Analyst*

Hi. It's Konrad Zomer, Credit Agricole Cheuvreux. A few questions, firstly on the percentage of your sales that is subscription-based. You mentioned it's roughly two-thirds of Group sales. Is there a noticeable difference between your European business and your US business in terms of how much of that is subscription-based?

And the second question is on the Pfizer contract. I'm trying to figure out whether there was a lot of seasonality in that contract between the first half and the second half. If I calculate it correctly, it roughly contributed something like EUR7m of sales to your first half last year. Are you willing to share with us what the sales contribution was in the second half of '07?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

The answer to that is no. I think you can do the math, given that we indicated in the press release that if you took the loss out of the numbers it had an effect of 2 percentage points. So you can roughly do the math. And the second half is just less of an impact than the first half, given the nature of how that contract was constructed.

On Europe and North America, do you have that?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes. Again, we don't give all specific numbers on what is within each division. But I think it's fair to assume that, given the fact that we have a CLS division in the US that's mainly US-centric, that overall in the composition between pure Europe that is only Tax, Accounting & Legal versus the composition of our US operations, that the portion of subscriptions in Europe is slightly higher than what you would see in the US.

Konrad Zomer - *Credit Agricole Cheuvreux - Analyst*

If I can ask one more question, please, on CapEx. We've talked a lot about it already, but the 40% increase first half '08 versus first half '07, is that -- is there anything specific in there, because it went up from EUR50m to EUR68m? And we know about the 4% of sales for the full year, but is there anything in there that surprised you a little bit during the first half?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Well, nothing surprised us. Let's be very clear about that. But there was one CapEx element in there, which is that we purchased a building in [Peterson], which had a capital expenditure of $6m to $8m. Normally, that's not part of our policy to acquire real estate, but in this case the tradeoff between lease and an acquisition was so apparent and so beneficial to us that we decided to do that.

But keep in mind, besides just this one -- this one-off, if you see the CapEx increase over the last couple of years, you do see actually substantial increases year on year. And actually, that is perfectly in line with our commitment to continue to invest heavily into new products and innovation and new platforms, [multi-generational] technology plan, what is also part of Springboard. So, in that sense, I think this is a -- this is not something you will see coming down soon.

Konrad Zomer - *Credit Agricole Cheuvreux - Analyst*

Thank you.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes, please.

Gert Potvlieghe - *Petercam - Analyst*

Yes, hi. Gert of Petercam. Some more follow-up questions, first off on the new product launches. Do you see that, launching new products now, it's getting tougher that clients accept it in a tougher economic environment?

And secondly, a question for Boudewijn on the free cash flow. What assumption do you take for working capital for the full year? And can we expect in the second half, again, a cash in from the derivatives, probably on the dollar, if the dollar remains where it is today, of course?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Don't get Boudewijn started on the trends of the dollar. We'll be here all afternoon. No, just kidding. Product launches. The kinds of products that we're building are really these workflow solution kinds of products and they tend to be extremely essential to the customer. So we have not seen a significant change in the complexity of selling a new product. Now, those kinds of products typically have longer sale cycles and that's the nature of the beast, but that has all, again, been factored into our expectations.

If I can make one other quick comment, the thing that really drives our business, just to make sure we don't have you forget that, is really around regulation, compliance, new drug development, new scientific development. And those trends, on a macro level, are continuing. And in fact, every time you see situations like, in this case, the lending crisis, you will see new regulation. It's just a matter of time. And so those things all provide a positive environment from the new product standpoint.

Sorry. Go ahead.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Okay. On the working capital, well, you know that's a topic -- we've put a lot of time and effort into maintaining our working capital as tight as possible and to control it as tight as possible. We -- it gets, of course, more difficult year by year, given the growth and given the optimization efforts we already did to further see our working capital coming down. So I anticipate for this year that it will be slightly negative, in line with last year, or maybe even around that number. Again, not substantial, but we -- it's difficult to foresee.

One element, of course, that is probably on everybody's mind is, given the credit situation with many companies, that a lot of companies will probably be even more tight on their payment schedules than they have been in earlier years. That is something, of course, we are aware of. That's something we will try to anticipate and I have to see where that will end. But we are confident that, so far, we've a pretty good track record and we've done a good job.

On the derivatives side, yes, I always laugh about the dollar, but -- the 33m in the first half might be supplemented by, I would say, another 5m for the second half.

Maurits Heldring - *Landsbanki Kepler - Analyst*

Maurits Heldring, Landsbanki Kepler. One follow-up of -- referring to slide 19, the subscription revenue growth and the non-subscription revenue growth, the 5% and the 2%. Those are both at constant currencies but I suppose they're not organic numbers. So could you give us the organic increases, year on year, of the subscriptions and the non-subscription businesses?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes, we aren't giving organic numbers at that level of detail, so you'll -- we're just giving them in total constant currencies.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

I think what you can assume is that the growth rates that we have been talking about are kind of similar in organic or inorganic, so very strong organic growth rates also in the electronic side.

Maurits Heldring - *Landsbanki Kepler - Analyst*

But 67% of your business grows 5% and 33% grows 2%, compared with a reported figure of 1% growth for the first half, so I'm not getting the point here.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. It's -- we've got -- you're mixing apples and pears. We have 80% of our business is non-cyclical, right, which includes subscription -- largely subscriptions and some non-subscription products, and then 20% is cyclical. That's one factoid. And then we have subscriptions, which account for two-thirds of our business. Okay? So it's kind of --

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Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Yes, 5% subscription growth, right, 2% non-subscription. The average of the two is 4%, constant currency. You saw an actual currency minus 4 as a result of the dollar. Yes? And that would give you an organic growth number of 1%.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes.

Sander van Oort - *Kempen & Co - Analyst*

Sander van Oort, Kempen & Co. Two questions, if I may. First of all, there's been a lot of talking about losing the Pfizer contract last year. I was wondering if there's also something to mention about new contract wins in the Healthcare Analytics business.

And secondly, I was wondering whether there's any contracts up for renewal in the second half of the year.

And the last question, if I may, is about the phasing of the advertising business. Is it typically business that's a lot of revenues in the fourth quarter or is it evenly spread over the year?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. I can take those. The -- we have successfully renewed all of our contracts within the HA business of any major size, and those are typically three to four-year contracts. We are clearly winning new business. Our brand analytics product line grew at double-digit levels in the first half of this year. We're also growing in managed care and in smaller accounts of our T&C business, which is our targeting and compensation business.

So as you would expect when you get the sizeable loss that we experienced on that one contract, it takes a while to obviously fill that hole, but that hole is being filled. And we're clearly winning new business and it has to do with the strength of our data. Our data, we have some very unique datasets relative to IMS, which is obviously the big company that we're competing with there. So we are winning new accounts and we expect that building back of the new business to also accelerate as we head through the rest of this year.

And advertising, there really is not a phasing effect in advertising. As I mentioned, it's largely in our journal business, which is largely health, and then in Holland we have a couple of non -- normal business trade journals that also have classified ads, largely. So there's not really a phasing component. It has much more to do with when the new drugs are anticipated to be launched, and that tends to drive the purchase cycle.

Yes?

Hans Slob - *Rabo Securities - Analyst*

Yes, Hans Slob, Rabo. Some additional questions on the UK situation, that that's a turnaround country. Is there, let's say, an impact from the deterioration in the UK economy that, let's say, the move to growth could be a little bit postponed in the UK, or are you still on track there?

Another one is also on the, let's say, the NDC acquisition. I think you bought it also for those longitudinal datasets. Maybe you could update us on how material that business is right now and, if you would exclude for the Pfizer contract, if the Healthcare Analytics business is growing. So yes, that's it.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. The quick answer on the last question is absolutely. If you exclude from that one effect, it is growing. It's largely -- when I talk about brand analytics and managed care, that is a large part of the APLD data, which is the patient data. And longitudinal just means it's trend information.

And what makes us unique in that business is we have access to not just retail prescription data, but also claims information and other information that we have because we have an exclusive agreement with Per-Se that was purchased by McKesson a while back. So that part of the business is growing well within -- aligns with our expectations when we bought NDC a few years ago.

On the UK, that business is performing in line, again, with our expectations. You're seeing good improvement on the operating income side, based on the prior restructuring. We're also seeing recovery on the growth side. We saw that start to get to the flat level last year and we expect improved performance this year. In addition, the acquisitions of MYOB, which increased our share position in Tax & Accounting, and GEE, which is a buy and fold in health and safety, are progressing well and that's improving our market position. So we feel confident that the expectations that we have for the UK can be fulfilled.

Kevin Entricken - *Wolters Kluwer - VP IR*

Actually, we've got a couple of questions from the webcast participants. A number of questions around Springboard and I'll try to group them together. Could we indicate the phasing of cost savings in Springboard between 2008 and 2011? And also, how much of this savings is going to be related to offshoring and outsourcing?

Jack Lynch - *Wolters Kluwer - Member Executive Board*

In terms of phasing, most of the savings of the EUR50m to EUR75m that we expect as a run rate in 2011 will come towards the end of that period of time, in 2010, 2011. And in terms of the percentage of the savings that will be derived from offshoring and from sourcing, about 15% to 20% of the overall savings will come from those two initiatives.

Kevin Entricken - *Wolters Kluwer - VP IR*

And a couple of questions on CFS. Again, I'll try to group them together, but we've got a couple of questions on what would a banking consolidation mean to CFS in the industry.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. Certainly, generally, consolidation is not a positive factor, in the sense that you take two customers and you make them one. However, more of what we do has to do with the volume of transactions. So even, often, when you (technical difficulty) consolidation, the volume of the lending that that consolidated entity does will continue to be at a combined level.

So we have yet to see consolidation have any impact yet in our business within the core banking content line. And again, remember that, in that area, we're very much focused on the community bank market. Now, where we did see an effect was really in 2007, when a lot of the mortgage companies went out of business and that clearly just took a lot of volume off the table. That effect was largely felt in 2007.

Kevin Entricken - *Wolters Kluwer - VP IR*

And we've got a question on M&A activity. With asset valuations falling, do you see this as a good time to conduct M&A activity?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes. I'll talk strategically and then you can reinforce on the pricing side. Clearly, our focus is around organic growth but we continue to look for acquisitions. Acquisitions are largely focused strategically on trying to accomplish two things for us. One is where we can do what I would call a roll-up. GEE is a good example of that. MYOB is a good example of that. Or two, where we can get into an adjacent market, and MCFR is a good example of that in terms of geographic adjacencies. And then TeamMate would be a great example within the accounting market.

And then, Boudewijn, maybe you want to talk about pricing.

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

Now, on the pricing, the nature of the businesses and our own business, of course, shows that cash flow is stable, growing and therefore very reliable. As a result of that, being primarily a determinant for valuation, we haven't actually seen, even in these economic times, acquisition multiples coming down substantially in our sector. And in that sense -- and what we also have seen in terms of potential interested parties, that also the requests by sellers haven't changed much from, let's say, a year ago.

Kevin Entricken - *Wolters Kluwer - VP IR*

Other questions?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Any other questions? Yes, sure.

Unidentified Audience Member

You say multiples are not coming down, but your own multiple came down significantly. Will you then not start another share buyback program?

Boudewijn Beerkens - *Wolters Kluwer - CFO & Member Executive Board*

I think we have been always pretty clear about what the priority is in terms of the way we want to spend our free cash flow. One, that's investing in the business for growth, because that basically benefits this Company medium to long term and it is in its best interest. Secondly, making sure that our net debt to EBITDA ratio remains more or less stable, around the 2.5. And three is rewarding the shareholders.

Doesn't mean it's always in that same priority. But given the fact that we did a large share buyback program last year, that we increased our dividends this year by 10% and that we also feel that, like in other years, we have -- we look at multiple opportunities, of course, how to grow and invest in our own business, that we probably will spend our money there first.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Yes, Sami.

Sami Kassab - *Exane BNP Paribas - Analyst*

Thank you. Would you share with us the assumptions you have in wage and cost inflation in your offshore location for the Springboard program?

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Jack?

Jack Lynch - *Wolters Kluwer - Member Executive Board*

Yes. In terms of wage and cost inflation in India or -- it's -- what you're seeing in India and in Eastern Europe is cost inflation anywhere from 5% to 8% cost inflation for wages. And that's basically built into our assumptions.

Sami Kassab - *Exane BNP Paribas - Analyst*

And wage inflation within that would be 5% to 8% in India as well?

Jack Lynch - *Wolters Kluwer - Member Executive Board*

Yes. It's the same. Cost and wage inflation are the same.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

But still, the differential is quite -- still quite significant to the western countries. Yes.

Jack Lynch - *Wolters Kluwer - Member Executive Board*

Yes.

Nancy McKinstry - *Wolters Kluwer - CEO & Chairman Executive Board*

Okay. Any other final questions? Otherwise, we thank you very much and have a good rest of your afternoon. There's some refreshments outside for all of us. Thanks.
