2009 Annual Report

Table of Contents

11 Message from the CEO
14 Financial Overview 2005 - 2009
18 Organization and Management

Report of the Executive Board

24 Report of the Executive Board
27 Business Review per Division
39 Global Shared Services and Technology
40 Financial Developments
45 Outlook
47 Strategy 2010-2012 Maximizing Value for Customers
48 Human Resources
50 Investor Relations and Communications
51 Sustainability
53 Risk Management
57 Statements by the Executive Board

Report of the Supervisory Board

60 Report of the Supervisory Board
62 Remuneration Report

2009 Financial Statements

68 Consolidated Statement of Income
69 Consolidated Statement of Comprehensive Income
70 Consolidated Statement of Financial Position
72 Consolidated Statement of Changes in Total Equity
74 Consolidated Statement of Cash Flows
75 Notes to the Consolidated Financial Statements
122 Financial Statements of Wolters Kluwer nv
123 Notes to the Financial Statements of Wolters Kluwer nv
130 Other Information on the Financial Statements

Other Information

134 Corporate Governance
139 Report of the Wolters Kluwer Preference Shares Foundation
140 Management Profiles
143 Information for Shareholders and Investors
145 Contact Information

146 10-Year Key Figures
148 Glossary
151 Index

2010 - 2012 Strategy

Wolters Kluwer 2010 – 2012 Strategy

1 Deliver Value at the Point-of-Use

2 Expand Solutions across Processes, Customers, and Networks

3 Raise Innovation and Effectiveness through Global Capabilities

Deliver Value at the Point-of-Use by helping customers manage complex transactions to produce tangible results.

Expand Solutions across Processes, Customers, and Networks by following the transaction flow of the professional customers and delivering solutions across key activities.

Raise Innovation and Effectiveness through Global Capabilities by aligning Wolters Kluwer businesses and operations with its strong global market positions.

2010-2012 Strategy

The 2010-2012 strategy for *Maximizing Value for Customers* centers on being the preferred global provider of intelligent information-enabled solutions that reduce complexity and drive efficiencies for professionals. The company will maximize value for customers by delivering against three strategic priorities:

Deliver Value at the Point-of-Use by helping customers manage complex transactions to produce tangible results. While high-quality proprietary information will remain at the core of its products, Wolters Kluwer is building tools and solutions that are designed to help customers manage complex processes and increase the effectiveness of their decisions.

Expand Solutions across Processes, Customers, and Networks by following the transaction flow of the professional customers and delivering solutions across key activities. Over time, these products are evolving towards intelligent solutions and collaborative networks. These are essentially products which incorporate Wolters Kluwer's high-quality content into the customer's workflows and through innovative technology facilitate the communication and collaboration of customers with their clients, government agencies, and other constituents.

Raise Innovation and Effectiveness through Global Capabilities by aligning Wolters Kluwer businesses and operations with its strong global market positions, creating four global divisions: Legal & Regulatory, Tax & Accounting, Health & Pharma Solutions, and Financial & Compliance Services. This organizational change will support innovation and efficiencies by sharing technology platforms, global products, common business models, and support the continued implementation of the Springboard program.

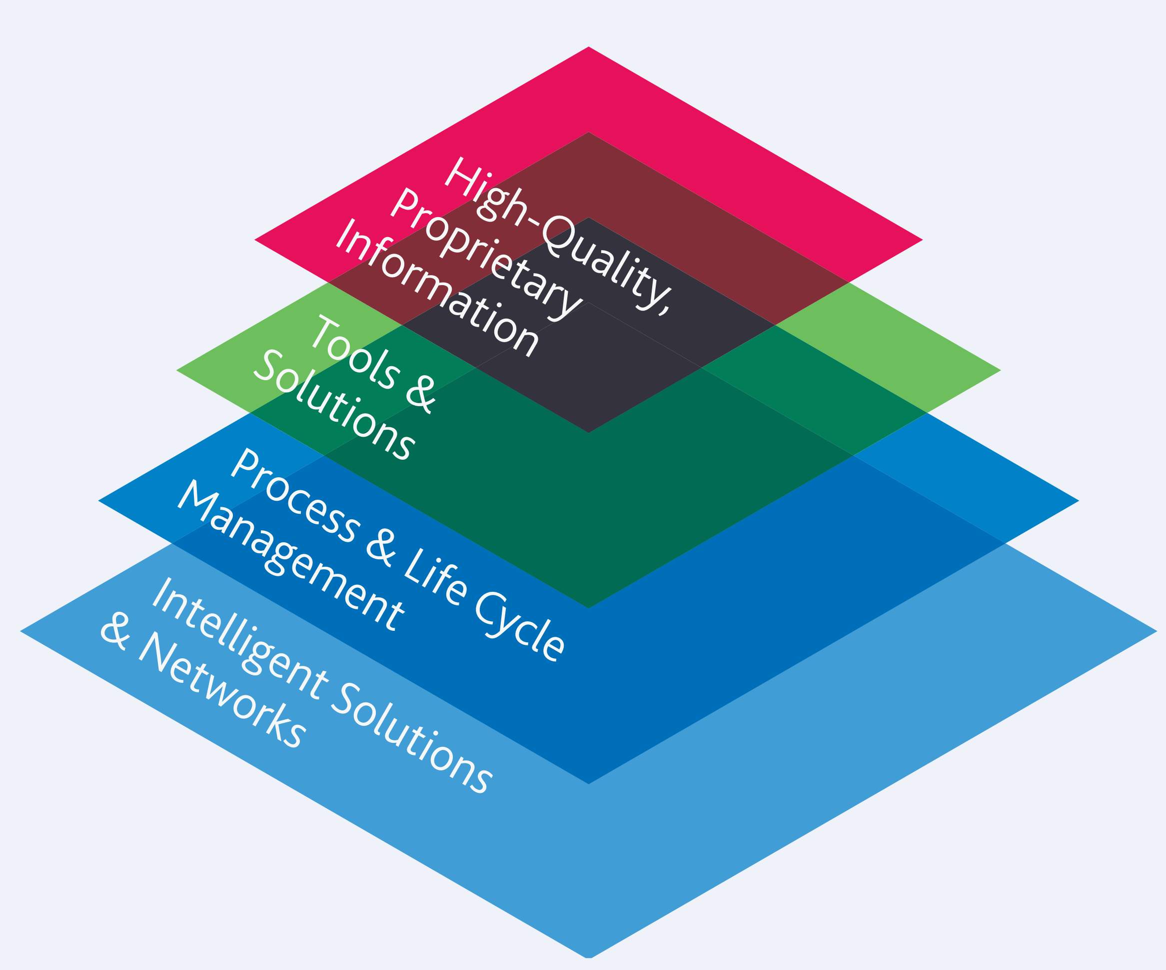
Partner with our Customers

Our customers are at the center of what we do. We recognize that our customers are increasingly compensated for results rather than time, which places greater value on quality, accuracy, and productivity. We are continuously engaged in an ongoing exchange of expertise and ideas with our customers about their work. This value-adding partnership is fundamental to meeting our commitment to the customers we serve globally and locally. Our deep knowledge of their professional workflows and the ability to apply emerging technologies to make them more efficient, productive, and provide the best service to their own clients is what sets us apart. This superior customer insight lies at the heart of our competitive advantage.

Intelligent Solutions

Wolters Kluwer's strengths enable the creation of information-enabled solutions and networks that help our customers deliver tangible results. In the context of macro trends that lead to increased regulation, more compliance complexity, and greater focus on productivity among customers, Wolters Kluwer has the assets and expertise to deliver intelligent solutions that reduce complexity and drive efficiencies for our customers. We will fully use the value of our global reach to focus on innovation and drive better connectivity between our customers and their clients. You can find more information on our intelligent, information-enabled solutions on our websites, such as Intelligent Solutions at www.wolterskluwer.com/intelligentsolutions.

Company Information



Vision and Mission: Customer Promise

Wolters Kluwer is *The Professional's First Choice* for information, tools, and solutions to help professionals deliver quality results more efficiently. Our customer promise is to be the preferred global provider of information-enabled solutions to help professionals manage processes and drive results effectively.

At Wolters Kluwer, we excel at combining our superior information with the latest innovative technologies for use in the professional context our customers operate in. Our intelligent solutions incorporate open architecture networks in which we play a hub role, coordinating activities and enabling communication across a customer's workflow. We ensure that our customers have the solutions they need, when they need them, and in the media best suited to their requirements.

Company Profile

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

Wolters Kluwer maintains operations in over 40 countries across Europe, North America, Asia Pacific, and Latin America and employs approximately 19,300 people worldwide. Wolters Kluwer is headquartered in Alphen aan den Rijn, the Netherlands. Its shares are quoted on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Visit www.wolterskluwer.com, follow @Wolters_Kluwer on Twitter or look up Wolters Kluwer on YouTube for more information about our customers, market positions, brands, and organization.

Company Values

Wolters Kluwer's company values - Customer focus, Innovation, Accountability, Integrity, Value creation, and Teamwork - connect all Wolters Kluwer employees, identify the strong relationship Wolters Kluwer has with its partners, and are at the core to support the execution of the company's strategy for *Maximizing Value for Customers* successfully.

Global Organization

To drive the 2010-2012 strategy for *Maximizing Value for Customers*, Wolters Kluwer will transition to a global operating organization, reflecting its strong global market positions and brands. In 2010, the organization of the company will be aligned along these market positions, creating four global operating divisions, supported by a global shared services organization that includes the functional areas of technology, sourcing, and human resources.

Legal & Regulatory

Legal and business professionals rely on the authoritative information, tools, and resources provided by **Wolters Kluwer Legal & Regulatory** to ensure legal compliance in an ever more complex and dynamic world. Wolters Kluwer Legal & Regulatory provides a wide range of unique, proprietary information and tools in multiple specialty areas, including law, health and safety, public administration, and more. The division has operations in North America, Europe, and Asia Pacific.

Tax & Accounting

Tax, accounting, and audit professionals who serve as trusted advisors to clients and businesses worldwide rely on the authoritative content and integrated workflow solutions from global leader **Wolters Kluwer Tax & Accounting**. Wolters Kluwer Tax & Accounting is the preferred provider of premier information, research, and software tools in the global tax and accounting arena.

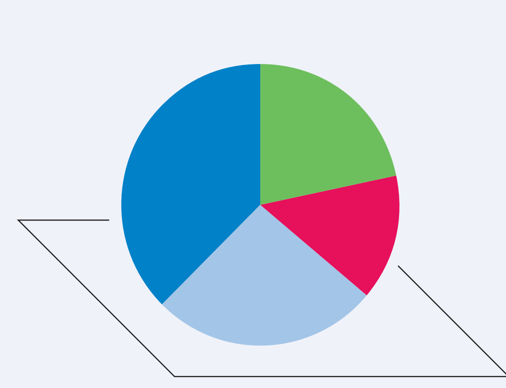
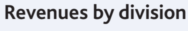
Health & Pharma Solutions

Healthcare professionals and organizations worldwide use the information, tools, and solutions provided by **Wolters Kluwer Health & Pharma Solutions** to improve the quality, efficiency, and effectiveness of healthcare. Wolters Kluwer Health & Pharma Solutions is the global provider of medical information, business intelligence, and solutions for research and development for the healthcare market.

Financial & Compliance Services

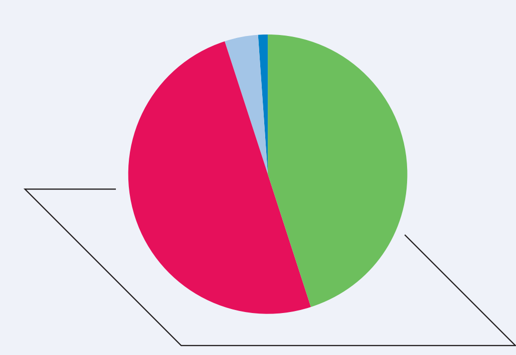
Financial organizations and risk professionals across a broad range of industries use the deep domain expertise, leading software solutions, and services provided by **Wolters Kluwer Financial & Compliance Services** to manage risk, ensure compliance, and achieve transparency and control in rapidly changing environments. Wolters Kluwer Financial & Compliance Services is a leading provider of intelligent audit, risk, and compliance products, services, and solutions across the globe.

For a complete overview of our portfolio and brands, visit www.wolterskluwer.com.

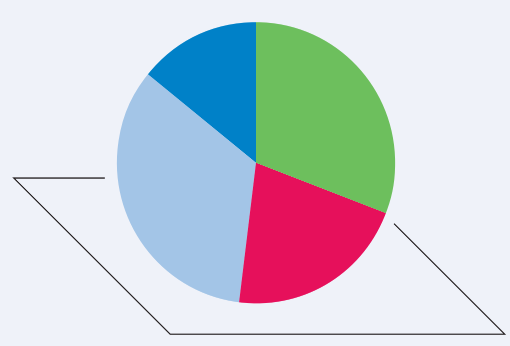
Revenues by division
in millions of euros

750	Health & Pharma Solutions
492	Corporate & Financial Services
899	Tax, Accounting & Legal
1,284	Legal, Tax & Regulatory Europe



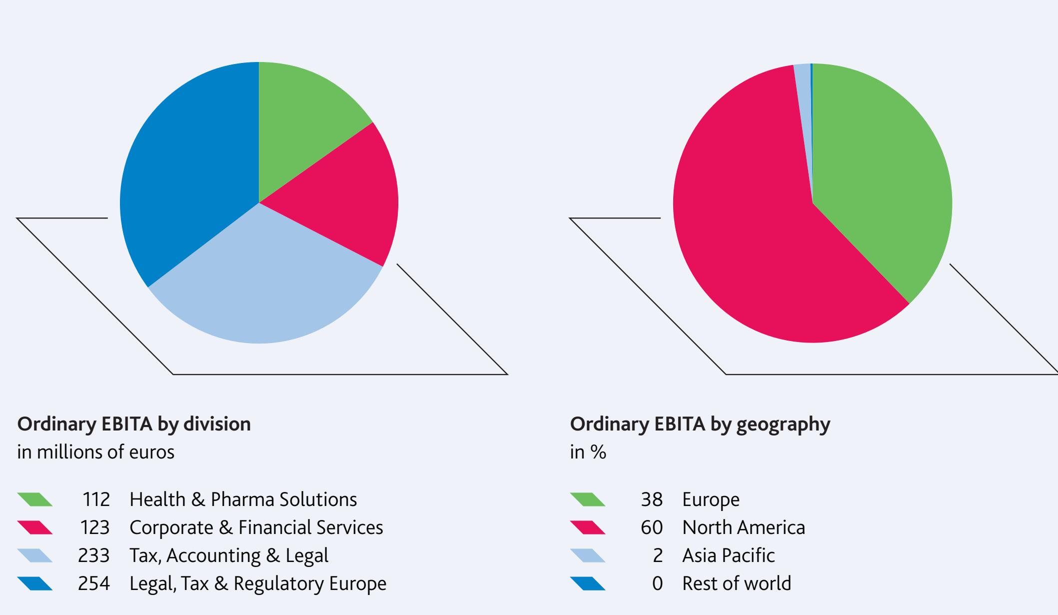
Revenues by geography
in %

45	Europe
50	North America
4	Asia Pacific
1	Rest of world



Revenues by media
in %

31	Internet/Online
21	Software/CD-Rom
34	Print
14	Services



Ordinary EBITA by division
in millions of euros

112	Health & Pharma Solutions
123	Corporate & Financial Services
233	Tax, Accounting & Legal
254	Legal, Tax & Regulatory Europe

Ordinary EBITA by geography
in %

38	Europe
60	North America
2	Asia Pacific
0	Rest of world

Key Performance Indicators	**2009**	Target 2009	2008
Ordinary EBITA margin	19.9%	Broadly in line with 2008	20.1%
Free cash flow[1]	€404 million	≥ €350 million	€395 million
Return on invested capital	8.5%	≥ 8%	9.1%
Diluted ordinary EPS[1]	€1.41	€1.41 to €1.46	€1.43

[1] in constant currencies (EUR/USD = 1.47)

Nancy McKinstry
CEO and Chairman of
the Executive Board

Message from the CEO

Customers continued to be the focus for Wolters Kluwer in 2009. Despite a challenging economic climate, the company performed well and improved its financial strength and operating results. Throughout the organization we deepened our relationships with customers and invested in building innovative solutions. As a result, we have weathered the economic recession to emerge a stronger and more resilient company. 2009 also marked the completion of our three-year strategic agenda to Accelerate Profitable Growth. We have successfully transformed our portfolio by growing our online and software products, extending into higher-growth adjacent markets, and leveraging our global scale. With this sound foundation and favorable long-term market trends we are well positioned for the future.

Our strategy for 2010-2012, *Maximizing Value for Customers*, is an important next step for Wolters Kluwer. Our goal is to drive results for customers through superior information and intelligent solutions that reduce complexity, enhance the accuracy of decision making, and improve the productivity of professionals. This strategy will enable us to capitalize on key market trends to seize growth opportunities and expand on our leading global positions.

Delivering results

Delivering results for customers also means delivering on our commitments to our shareholders. In 2009, we achieved all key performance indicators. We extended our leading positions, grew online and software revenues, and increased cash flow. Our resilient subscription business and other non-cyclical revenues represent approximately 71% of our total revenues, and continued to deliver solid performance, including 3% organic growth in electronic and services subscription revenues. With the migration of many traditional products to workflow solutions, electronic revenues increased 8% and now represent 52% of our total revenues.

The company's financial strength was demonstrated by our solid profitability and 7% growth in free cash flow (€424 million). Springboard, our operational excellence program, is performing ahead of expectations and delivered an incremental €68 million in cost savings in 2009.

Our investments in new and enhanced products remained at 8-10% of our revenues to support our growth strategy. All divisions continued to innovate, launching a number of new products in 2009. Our Health & Pharma Solutions division released ProVation® Care Plans - software for nurses, pharmacists, and other caregivers - which provides information needed to improve patient safety and compliance with regulation. Our Corporate & Financial Services division revamped its anti-fraud solution that helps financial institutions prevent crimes tied to cash management activities. In the Legal, Tax & Regulatory Europe division, the Italian solution Itinera Iuris demonstrated the successful transformation of a content-focused product into a workflow-oriented solution, increasing value for customers.

In 2009, the Tax, Accounting & Legal division launched IntelliConnect™, the first product built using our global technology platform, Global Atlas. This achievement lays the foundation for further product launches with Global Atlas. Additionally, we continued to grow our Software as a Service (SaaS) offerings across all divisions.

Recent acquisitions, such as UpToDate® in the healthcare market and Addison in the German tax and accounting arena, delivered good results in 2009. The acquisition of AXENTIS built upon the company's enterprise risk information platform, reinforcing our leading position in the global risk and compliance market.

Looking forward we remain confident in the quality of our subscription-based portfolio, our high retention rates, and our broad geographic footprint.

Seizing opportunities

In 2010 and beyond, two distinct long-term trends provide our business with substantial opportunities for growth. The first is the trend toward increased regulation and compliance requirements that confronts our customers, coupled with the proliferation of new information. Secondly, the shortage of qualified professionals intensifies the focus on working efficiently and productively. These trends will continue to drive the demand for our high-quality content, software solutions, and innovative workflow tools.

Growth in global and emerging markets remains a bright spot for our business. This includes adjacent market segments such as global risk management, and geographical areas such as India and China. Our audit and risk management platform,

CCH® TeamMate, released its new version with significantly enhanced reporting and tracking capabilities, and OvidSP announced the creation of a Chinese language vertical search tool for the medical field. Our customers are increasingly focused on the global expansion of their businesses and with our strong and balanced positions across the globe we are uniquely positioned to benefit from this trend.

Maximizing customer value

On November 4, 2009, we announced the company's strategy for the upcoming three years of *Maximizing Value for Customers*. This strategy is centered around three priorities for profitable growth: (1) deliver value at the point-of-use; (2) expand solutions across processes, customers, and networks; and (3) raise innovation and effectiveness through our global capabilities.

All of our customers operate in increasingly complex environments, and we are confident that this new strategy resonates with the needs of our markets. In 2010, we aim to deliver even greater value to customers by providing innovative solutions at the point-of-use that enhance the accuracy of critical decisions and improve productivity. Over time, these products are evolving toward intelligent solutions and collaborative networks. Essentially, these products incorporate our superior content into the customer's workflows and, through innovative technology, facilitate the communication and collaboration of customers with their clients, government agencies, and other constituents. Just one example is our portal product launched in 2009 called CCH® KnowledgeConnect, the first knowledge management system targeted specifically to the accounting industry.

Another important element of this strategy is to realign the organization along four global lines of business, unleashing the full value of our global footprint to support growth. Our #1 position in tax and accounting, #2 positions in legal and regulatory, and in health, in addition to our emerging capabilities in financial and compliance services, provide us with an opportunity to connect our business units around the world to achieve a higher return on our technology and product investments. Organizing along our global lines of business, supported by our global shared services organization, will spur innovation and the sharing of best practices, provide a richer environment for our employees, and reinforce our competitive advantage in the marketplace.

Committed to delivering value

Our leadership team is dedicated to enhancing growth opportunities and managing the business for the long term. We are pleased to have weathered the adverse market conditions of 2009 well, and we remain optimistic about the long-term prospects of our business. Our strategy for 2010 to 2012 will leverage our strengths as a company. Our ability to apply our proprietary content, software expertise, and customer insight to develop market-leading products is one of these key areas. At all levels, the company is committed to delivering greater value to our customers. Our organization is well positioned to reach the next level of performance through global collaboration and innovation.

I am confident in the ability of our company to deliver results for our customers and shareholders and extend our past success into the future. I would like to offer my sincerest thanks to our customers, shareholders, and employees for contributing to the advancements we made throughout the past year. I look forward to the successful next phase of Wolters Kluwer's value creation.

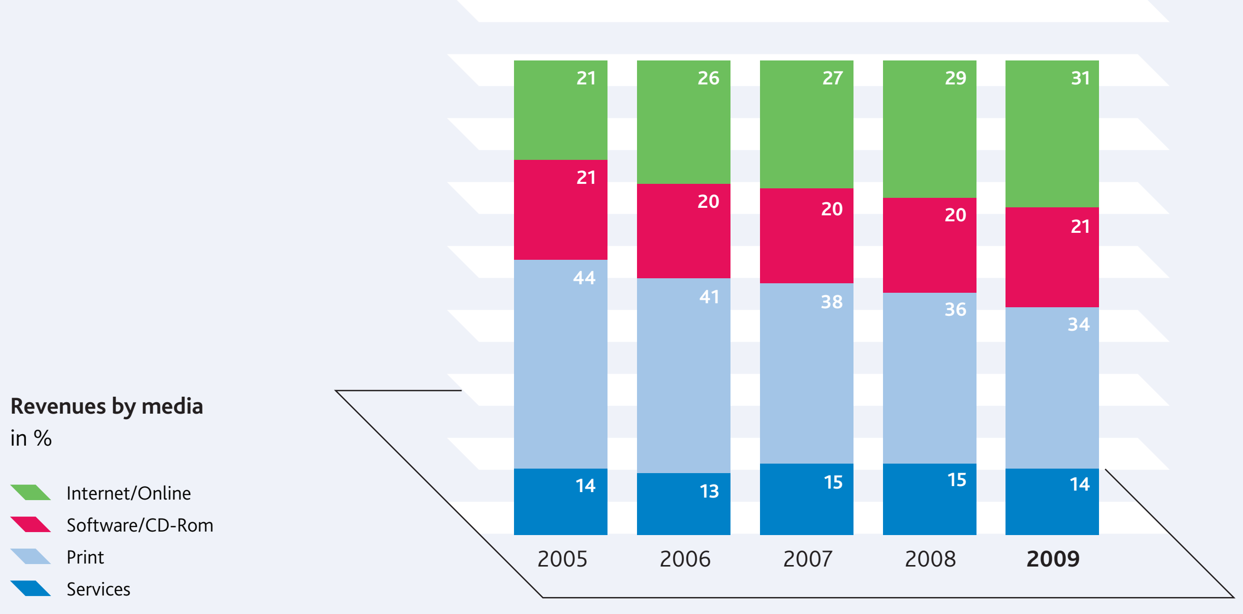
Nancy McKinstry

Nancy McKinstry
CEO and Chairman of the Executive Board

Financial Overview 2005-2009

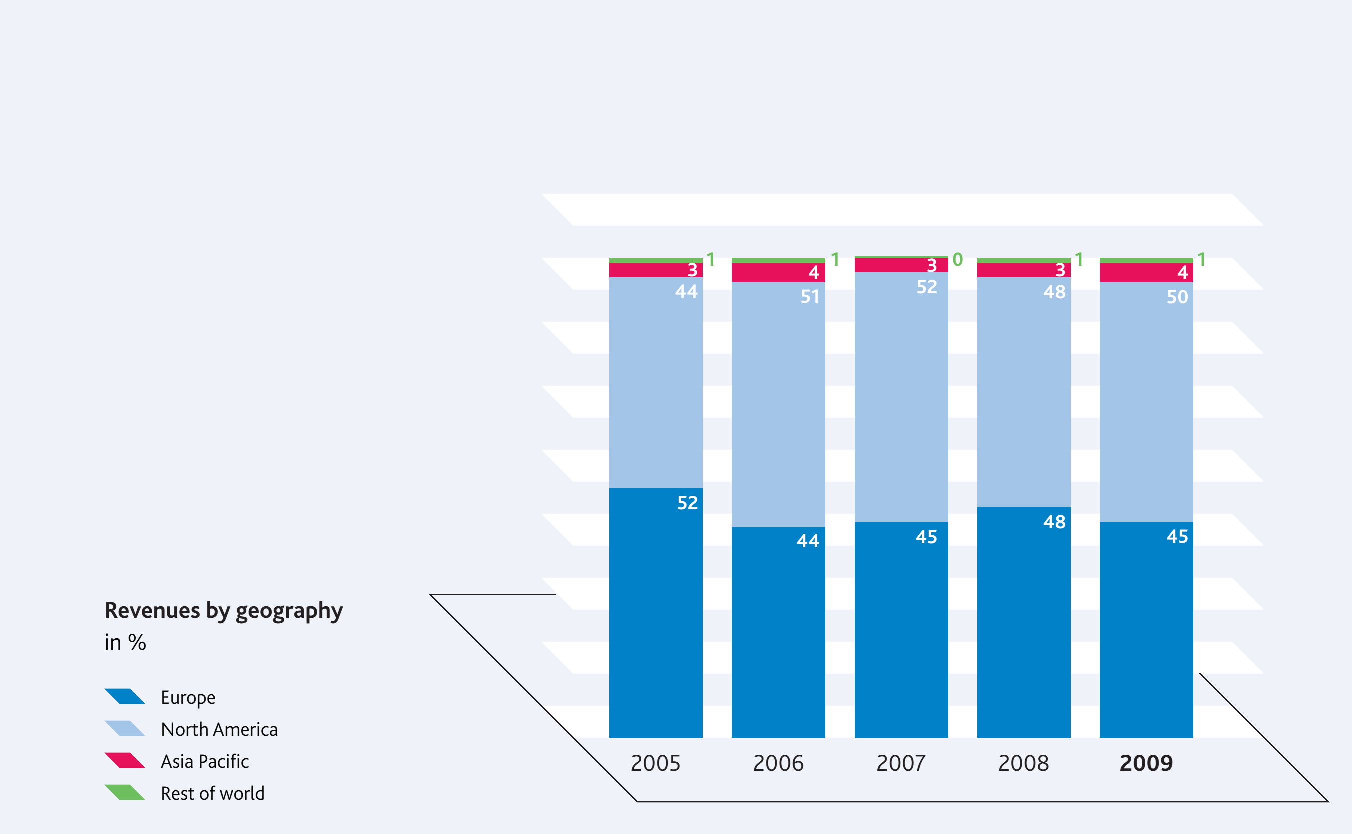
Revenues by division
in millions of euros

- Health & Pharma Solutions
- Corporate & Financial Services
- Tax, Accounting & Legal
- Legal, Tax & Regulatory Europe

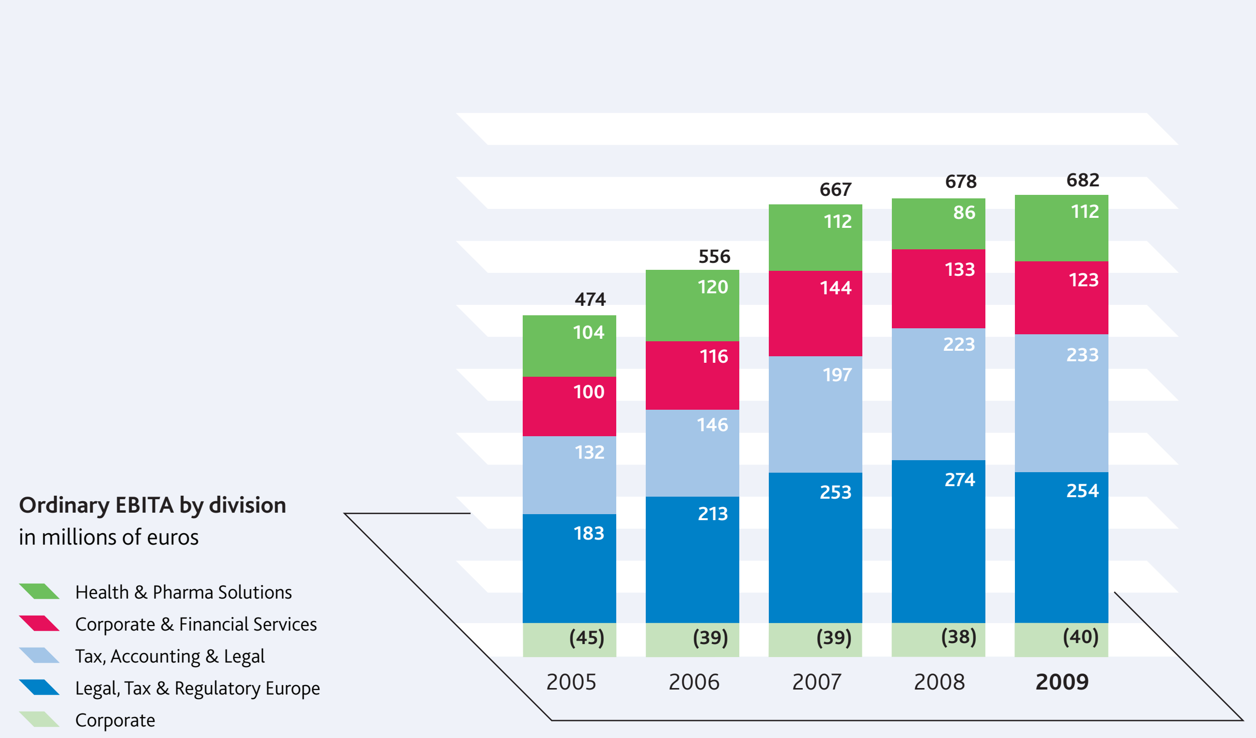


Revenues by media
in %

- Internet/Online
- Software/CD-Rom
- Print
- Services

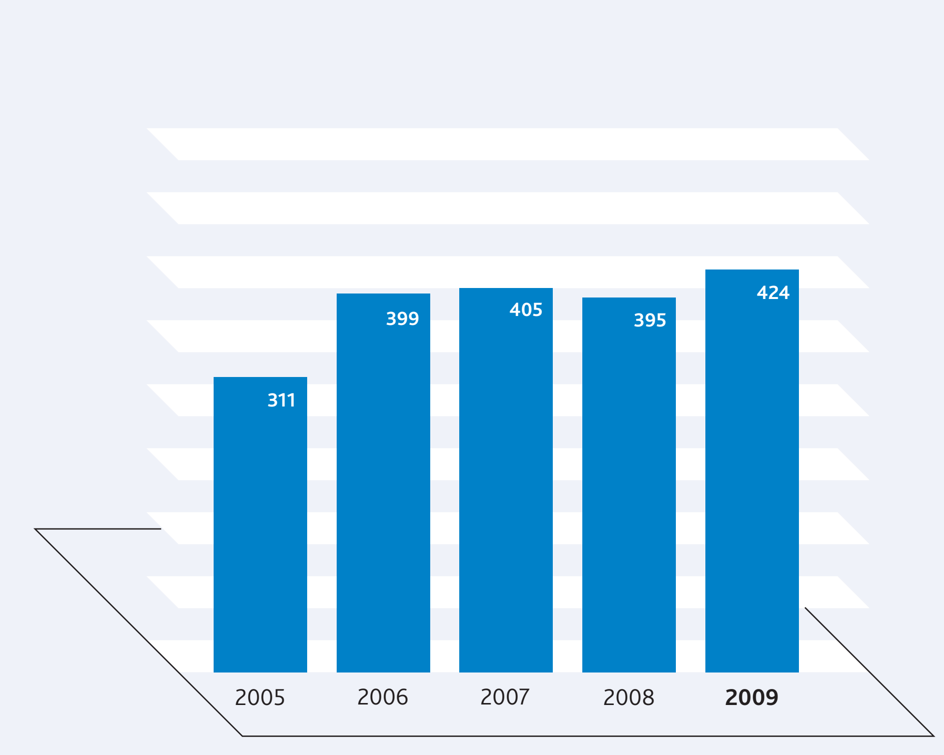

Revenues by geography
in %
Europe
North America
Asia Pacific
Rest of world
2005
2006
2007
2008
2009
52
44
3
1
44
51
4
1
45
52
3
0
48
48
3
1
45
50
4
1

Ordinary EBITA by division
in millions of euros



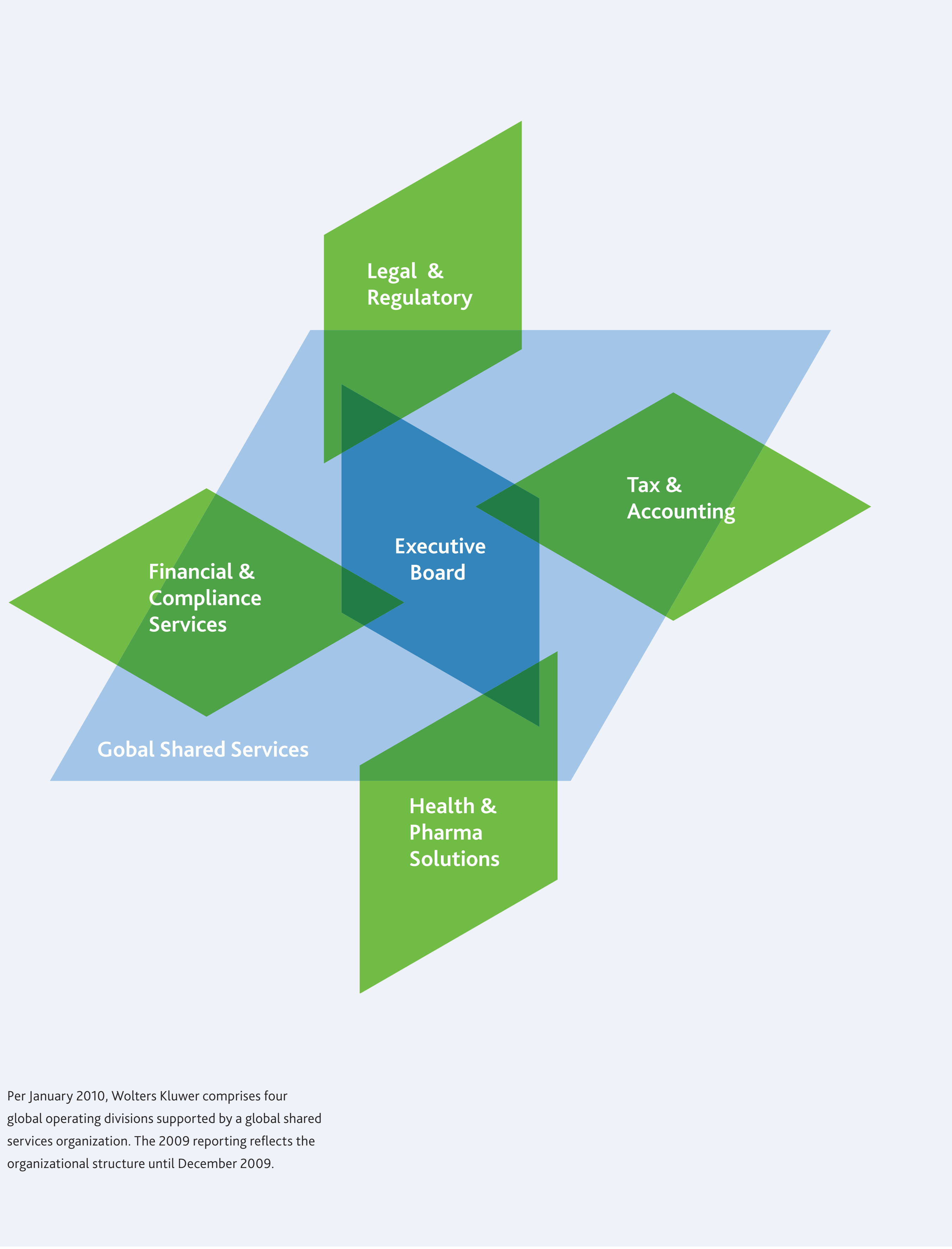
Ordinary EBITA margin
in %

Free cash flow
in millions of euros
(in actual currencies)



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

Organization and Management



Per January 2010, Wolters Kluwer comprises four global operating divisions supported by a global shared services organization. The 2009 reporting reflects the organizational structure until December 2009.

Executive Board

Nancy McKinstry
CEO and Chairman

Boudewijn Beerkens
CFO and Member

Jack Lynch
Member

Supervisory Board

Henk Scheffers
Member

Barbara Dalibard
Member

Adri Baan
Chairman

Peter Wakkie
Deputy Chairman

Stuart James
Member

Bruno Angelici
Member

Len Forman
Member

Other Management

Bob Becker
CEO, Wolters Kluwer Health & Pharma Solutions
Tom Lesica
CEO, Wolters Kluwer Global Shared Services
Brian Longe
CEO, Wolters Kluwer Financial & Compliance Services
Nancy McKinstry
Interim CEO, Wolters Kluwer Legal & Regulatory
Kevin Robert
CEO, Wolters Kluwer Tax & Accounting

Henri Van Engelen
Managing Director, Region Europe North
Salvador Fernandez Lopez
Managing Director, Region Europe South
Ulrich Hermann
Managing Director, Region Europe Central

Kathy Baker
Senior Vice President, Human Resources
Jheroen Muste
Senior Vice President, Mergers & Acquisitions
Andres Sadler
Senior Vice President, Strategy

Management profiles are available on ➔
www.wolterskluwer.com and on page 140 of this report.

Report of the Executive Board

Report of the Executive Board

In 2009, the resilience and strength of the Wolters Kluwer portfolio was clearly evident. While trading conditions were challenging due to contracting economic conditions in each of the geographies Wolters Kluwer serves, its strong market positions, subscription resiliency, and solid financial position allowed the company to successfully weather the economic cycle and emerge a stronger and better positioned company.

Wolters Kluwer enjoys the benefit of a defensive portfolio with a majority of the revenue streams derived from 'must-have' content, software, and services for its professional market segments. Market demand for products is driven by legislative change, scientific and medical discoveries, and the increasing productivity needs of the professionals the company serves.

Approximately two-thirds of the portfolio is subscription-based and exhibited stable retention rates during the year. The balance of the portfolio is comprised of transactional products including books, mortgage and corporate lending-based products, advertising and promotional services, training, and consulting services. It is in these transactional areas that Wolters Kluwer continued to experience the pressure of the economic slowdown.

Challenging economic conditions in North America and Europe impacted the buying decisions of the company's professional customers. In spite of these challenges, the professionals we serve continued to demand new and innovative solutions to improve their productivity. Wolters Kluwer continued to address these needs and, as a result, revenues from online and software solutions grew 7% during the year and now electronic products exceed 50% of total revenues. Retention rates on subscription products were stable, while new subscription sales and sales on transactional products were pressured as anticipated going into the year from delayed customer purchase decisions. Despite these conditions, the ordinary EBITA margin was in line with the prior year due to cost containment actions, the continued migration of revenues from print to electronic products, the benefits of the Springboard operational excellence program and the contribution of higher margin acquisitions completed in the prior year.

2009 Accomplishments

Wolters Kluwer continued its commitment to invest approximately 8% to 10% of its revenues in new and enhanced products to support its long-term strategy of profitable growth. Several new products were launched during the year including IntelliConnect™, the first commercial implementation of the Global Atlas online content delivery and publishing platform. IntelliConnect is an innovative research platform first introduced to customers in the United States and provides significant new productivity gains to professionals and organizations. It simplifies the search process and offers the same ease of use as some of today's most popular web search engines with the added benefit of having Wolters Kluwer's premiere, authoritative content. It also offers seamless integration with CCH's award-winning workflow tools, such as SmartCharts™.

The company continued to strengthen its market-leading positions by finalizing the integration of acquisitions completed at the close of 2008. In the tax and accounting area, the company added Addison in Germany, IntelliTax in its North American Small Firm Services practice, and MYOB in the U.K. tax software market. In the growing healthcare area of clinical decision support, the company solidified its leading position with the acquisition of UpToDate. These acquisitions enhanced the overall growth and profitability profile of the company's portfolio in key markets. First year performance of the acquisitions has been in line with management expectations.

Wolters Kluwer continued to exploit its global scope and scale with several key product launches in China. This included the launch of China GOLD, a global online legal database. This online portal, powered by IntelliConnect, provides a bilingual reference of laws and legal developments of the People's Republic of China since 1985. The product is the result of Wolters Kluwer China's vigorous customer research initiatives and offers superior bilingual content, including all legislative sources, in one central location in a concise manner, helping professionals to find the answers they need quickly.

The company continued to institutionalize operational excellence with the expansion of its Springboard initiative.

The Springboard program is designed to simplify and standardize the company's core systems and processes to achieve sustainable margin growth. Savings are expected to result largely from standardized technology platforms and consolidated IT infrastructure, streamlined content manufacturing processes, expanded global sourcing programs, greater use of offshore service centers for software development and testing, and content production and back office support functions. Execution to date has exceeded expectations. As a result, the full program run rate savings estimates have been increased and the program expanded. The expansion and acceleration of supply management initiatives in Europe will contribute positively to the program results. Additionally, further business optimization initiatives in the operations in France, the Netherlands, the United Kingdom, as well as Law & Business will contribute to additional savings. Furthermore, annualized run rate savings estimates for the full program have been increased to €140-160 million by 2011, an increase over the previous estimate of €120 million.

Strong financial position

While economic conditions were challenging throughout the markets and customer segments served, Wolters Kluwer demonstrated a strong financial position. As a result of the resiliency of the portfolio and stable retention levels, ordinary EBITA was materially in line with the prior year while free cash flow grew 7%. These results, coupled with a strong liquidity position, ensure Wolters Kluwer has a solid financial position to support its strategy and to enable the company to generate shareholder value and capture market opportunities.

Vision and strategy

Wolters Kluwer has highly-acclaimed and trusted brands in strong vertical market positions established through a combination of deep customer knowledge, content expertise, and technological know-how. These core strengths underpin Wolters Kluwer's strategy, and leveraging these strengths provides Wolters Kluwer opportunities to expand its market-leading positions by participating more deeply in the workflows of professionals through the delivery of integrated products and services.

2009 marked the third and final year of execution for the company's strategy to accelerate profitable growth. This strategy was focused around execution of four strategic actions:

- Growing leading positions in core vertical markets;
- Capturing key adjacencies;
- Exploiting global scale and scope; and
- Institutionalizing operational excellence.

Wolters Kluwer is well positioned to build on the successes of the last three years. The company has established itself as *The Professional's First Choice* for information, software, and services that help professionals improve their decision making and productivity. The company's 2006-2009 strategy to drive profitable growth has successfully extended value to customers by producing high-quality solutions that improve productivity by combining proprietary content with software applications to automate key tasks for the professional. Customer adoption of these solutions has supported strong growth in online and software revenue over the three-year plan period of 15%.

The company has successfully achieved the goals set out under its 2006-2009 strategic plan for profitable growth. The portfolio of businesses has been enhanced by shifting to higher value-added products and stronger growth markets. Innovative new products and platforms have been delivered and a robust new product pipeline has been built as a result of consistent investment levels of 8-10% of revenues in product development activities. Over this period, the company expanded electronic revenues to more than 50% of total revenues and extended recurring revenues to more than 70% of the portfolio. In addition to strengthening the portfolio, the company has achieved operating efficiencies and improved operating margins and cash flow. Also during this period, the company strengthened its solid financial position and improved financial flexibility. As a result, shareholders have seen substantial growth in earnings per share and dividends.

In November, the company announced an updated strategy for 2010-2012 for *Maximizing Value for Customers*. This strategy builds on the strong foundation created as a result of the transformation of Wolters Kluwer and leverages its global, leading market positions. The company is well positioned to drive growth by creating information-enabled solutions and networks that help customers deliver results efficiently. Macro trends leading to increased regulation, more compliance complexity, and greater focus on productivity underpin the steadfast pursuit of the company strategy to maximize value for customers and shareholders. Further details of this strategy are incorporated on page 47 of this report.

Financial performance

Wolters Kluwer's revenues grew 2% in 2009. Key strategic acquisitions contributed growth of 3% while underlying revenues declined 3%, largely reflecting the economy's impact on transactional and cyclical product lines and soft new sales. The positive impact of currencies as compared to the prior year contributed 2% to total growth.

Underlying recurring revenues, which include subscription and other non-cyclical revenues (approximately 71% of total revenues), were broadly in line with the prior year. With stable retention rates across the business, subscription revenues showed a solid performance compared with the previous year, including 3% organic growth in electronic product and services revenues. This growth helped to mitigate the impact of print subscription decline and soft new sales for subscriptions and other non-cyclical products, due to recessionary market conditions. Other non-cyclical products include services related to software.

Cyclical product lines (approximately 19% of total revenues) declined by 11%, due to a contraction in advertising and pharma promotional revenues, declining transaction volumes in corporate lending and business formation products, and weakness in other cyclical product lines including training and consulting. Underlying book revenues (approximately 10% of total revenues) declined 4%, driven by soft demand in Europe and the North American legal, tax, and accounting markets and the order timing impact of moving distribution from a traditional wholesaler to a direct online partner in Health & Pharma Solutions.

Despite these conditions, customers continue to demand integrated online and software solutions which drove an 8% growth in electronic products, including subscription and transactional product lines. Electronic revenues now comprise 52% of total revenues, up from 49% in the prior year.

The company delivered consistent profitability despite the impact of the economy on high-margin cyclical product lines. Ordinary EBITA was in line with the previous year and the ordinary EBITA margin remained a resilient 20%.
This performance was driven by growth in electronic and service subscription products, the contribution of high-margin acquisitions, tight controls on personnel and other costs, and operational excellence programs, including Springboard. As a result, diluted ordinary earnings per share were €1.45.

In 2009, free cash flow totaled €424 million, representing 7% growth overall and 2% growth in constant currencies. This performance was largely driven by strong year-end cash collections across all divisions and diligent management of working capital. Wolters Kluwer's resilient portfolio and strong cash generation continue to support a solid financial position.

Year-end net debt was reduced 11% to €2,007 million (2008: €2,254 million) representing a net-debt-to-EBITDA ratio of 2.9 times (2008: 3.2 times). The reduction in the net-debt-to-EBITDA ratio was in line with management's intention to move closer to its target of 2.5 times net-debt-to-EBITDA over the medium term. Prior-year debt refinancing at attractive rates extended the maturity profile out beyond 2013, ensuring a strong liquidity position and sufficient headroom in excess of the company's €500 million policy minimum.

Dividend

At the 2010 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.66 per share, a 2% increase over last year, to be paid on May 4, 2010. A dividend of €0.66 corresponds with a dividend yield of 4.3% over the closing share price of December 31, 2009.

Wolters Kluwer, in line with previous years and indicating a strong belief in the future of the company, will propose to allow its shareholders to choose between a distribution in the form of cash or stock. After acceptance of the proposal at the Annual General Meeting of Shareholders, the shareholders will be asked to make their choices known. The stock dividend ratio will be set on April 29, 2010 (after the close of trading), and the cash distribution will be payable as of May 4, 2010.

Looking forward

Wolters Kluwer customers, whether they are professionals in legal, business, tax, accounting, finance, audit, risk, compliance, or healthcare, continue to demand more solution-oriented, value-added products that improve their efficiency and support their business objectives. Customers across the globe require insight and workflow solutions to manage the increased level of information and regulatory changes, improve their productivity, and mitigate risks. Wolters Kluwer will continue to pursue it strategies for capitalizing on the opportunities presented by customer needs and industry trends. The company is fundamentally strong with powerful brands and leadership positions in attractive and growing segments globally.

Wolters Kluwer
Health & Pharma Solutions

Wolters Kluwer Health & Pharma Solutions is the global provider of medical information, business intelligence, and solutions for health-care professionals and organizations. Its products and services are used to advance knowledge, improve patient care and clinical results, and enhance the productivity of healthcare professionals. Wolters Kluwer Health & Pharma Solutions plays a leading role in driving medical excellence.

Customers
Doctors, Nurses, Pharmacists, Allied health professionals, Hospital administrators, Life sciences professionals, Managed care professionals, Medical, scientific and academic researchers, Professional society members, Students, and Teachers in healthcare professions.

Leading Brands
Adis®, Clin-eguide®, Facts & Comparisons®, Lippincott Williams & Wilkins, Medi-Span®, Ovid®, ProVation® Medical, Source®, UpToDate®

The division is organized into four market-centered business units - Clinical Solutions, Medical Research, Professional & Education, and Pharma Solutions.

Financial performance in millions of euros (unless otherwise stated)	**2009**	2008	2007	2006	2005
Revenues	750	687	761	823	656
Organic revenue growth (%)	(1.2)	(4.9)	0.6	2.7	4.4
Ordinary EBITA	112	86	112	120	104
Ordinary EBITA margin (%)	14.9	12.5	14.7	14.5	15.9
Net capital expenditure	29	24	24	21	11
FTEs ultimo (number)	2,534	2,678	2,623	2,679	2,168

2009 was a year of progress and improvement for Wolters Kluwer Health & Pharma Solutions. Underlying revenue declined 1% as compared to a 5% decline in 2008, with the ordinary EBITA margin improving to 14.9% as compared to 12.5% in the prior year. While results continued to be impacted by challenging market conditions in journal advertising and other pharmaceutical promotional products, strong organic growth was noted in Medical Research and Clinical Solutions. Additionally, the division continued to deliver new and enhanced products, advancing its position as a global market leader.

Clinical Solutions

Clinical Solutions develops and sells drug and medical information tools that are integrated into the pharmacy, hospital, insurer, or healthcare provider's information systems, or that are used as stand-alone products. From diagnosis to documentation, these clinician-designed software solutions deliver best practices, clinical evidence and workflow tools to advance the practice of evidence-based medicine. Built upon industry-leading informatics technologies and backed by award-winning customer service, the solutions integrate seamlessly into CPOE and EMR systems and deliver point-of-care solutions that clinicians embrace.

The group continued to deliver high single-digit organic growth, driven by its ProVation® Medical and Medi-Span® product lines, despite the slowdown in capital spending by hospitals in 2009. The growth of the clinical decision support tools and referencing products was marked by several notable contract wins including agreements with Tufts Medical Center, Creighton University Medical Center, and Swedish American Health System. ProVation Medical continues to be recognized for its leadership in serving professionals and was once again designated #1 in the Clinical Procedure Documentation field by KLAS Enterprises. Achieving this prestigious designation for the fifth consecutive year underscores the group's dedication to providing clients with industry-leading documentation and coding solutions.

UpToDate®, acquired in November 2008, was fully integrated into the Clinical Solutions business unit during 2009. UpToDate enhances the overall patient medical care experience and allows for shared medical decision making. It also demonstrates a positive impact on the quality of care for millions of patients each year. A 2009 study reveals hospitals with access to UpToDate performed significantly better on risk-adjusted measures of patient safety and complications, and had a significantly shorter length of stay (by an average of .167 days per discharge) compared to hospitals without access. These results translate into better health outcomes and millions of dollars saved per year for an average hospital.

Furthermore, UpToDate demonstrated its commitment to global health with a program to provide complimentary one-year subscriptions to clinicians providing medical care or related services to poor or underserved populations or communities operating outside the United States that would benefit from UpToDate access but lack funds to subscribe. The goal of the program is to increase the quality of clinical information available in underserved areas, where the burden of disease for treatable illnesses is associated with high rates of morbidity and mortality. UpToDate's commitment to global health has also included a project with Partners in Health to evaluate the use of UpToDate in public hospitals in Rwanda, Malawi, and South Africa.

Medical Research

Medical Research offers research solutions for academic, medical, and scientific researchers through its Ovid® online suite of information and tools. Ovid strengthened its market-leading position, driven by the addition of new content, features, and functionality to its OvidSP platform, which contributed to high single-digit organic growth delivered by the business in 2009.

Significant developments in 2009 include the launch of over 250 periodicals on MyLWW, the division's online journal platform, and the availability of all Lippincott Williams & Wilkins journals in the iPhone format. Ovid's offerings further enhanced new publishing partnerships in 2009, including a new licensing agreement with the Royal Society of Chemistry and the addition of new modules to its suite of 3D interactive human anatomy offerings from Primal Pictures. Additionally, the group expanded its publishing agreement with CABI to offer its global customer base more than 420 e-books in agriculture, food science, environmental science, veterinary science, and related disciplines.

Additionally, during 2009 Ovid implemented a new psychology lexicon, based on the American Psychological Association's (APA's) Thesaurus of Psychological Index Terms. This new proprietary Psychology lexicon combines the APA's robust Thesaurus of Psychological Index Terms with the Natural Language Processing power of Ovid SP's Basic Search. This term expansion functionality broadens a user's search query, delivering a more comprehensive set of results than any other platform.

As part of ongoing efforts to strengthen its presence in China's healthcare information market, the group announced an agreement with Neural Regeneration Research to incorporate its content on stem cell research exclusively on OvidSP. Neural Regeneration Research, published by China Science Press, is sponsored by the Chinese Rehabilitation Medical

Association and supervised by China's Ministry of Health. Furthermore, the business introduced several product enhancements in 2009 including a new Chinese-language interface for the OvidSP search and discovery platform.

Professional & Education
Professional & Education produces textbooks and point-of-learning systems for healthcare education, as well as reference books for physicians, nurses, students, and allied healthcare professionals. 2009 was a year of continuing stabilization in the Professional & Education group. Distribution was enhanced to optimize inventory levels in the wholesaler distribution channel and a direct distribution arrangement was initiated with Amazon.com. Additionally, reengineering and offshoring of production functions and further cost-base restructuring resulted in improved operating margins for the group.

Underscoring the group's influence and commitment to the medical and scientific communities, five journals from Lippincott Williams & Wilkins were selected as among the 100 most influential biology and medical journals of the past 100 years by the Special Libraries Association (SLA) Biomedical and Life Sciences Division (DBIO). These include *American Journal of Nursing, Circulation, Neurology, Anesthesia & Analgesia,* and *Critical Care Medicine*.

The group extended many of its product offerings to enhance customer utility. This included new customized functionality to Lippincott's Nursing Advisor, designed to give nurses quick and efficient access to the specific information needed to provide optimal patient care. With this new customization feature, specific hospital protocols pertaining to drug, disease, and treatment can be added to improve staff awareness, compliance, and care standardization. These features provide a valuable reference and training tool, customized to specific needs of individual hospitals.

Lippincott Williams & Wilkins offered expanded solutions across customer networks in 2009, including the launch of HealthJobPlus.com, a single portal site offering thousands of jobs for health professionals via three career-specific job board sites: NursingJobsPlus.com, PhysiciansJobsPlus.com, and HealthProfessionsJobsPlus.com. The site offers recruiters a wide yet highly-focused career and recruitment network, reaching up to 500,000 health professionals. Participating professionals can search jobs, post resumes to the site, and set up email job-alerts based on specific search criteria.

Pharma Solutions
Pharma Solutions provides a wide range of data and analytic capabilities, marketing and publication services, business intelligence products, and diversified consulting services to support life science professionals and the pharmaceutical industry, from drug discovery through distribution, as well as government agencies and other healthcare sectors.

Throughout 2009, the global economic crisis continued to place downward pressure on marketing and promotional spending in the pharmaceutical sector. Despite these difficult conditions, revenues for the Pharma Solutions group were materially in line with prior-year results driven by innovative new product offerings and strong performance in the Healthcare Analytics managed care product lines.

During 2009, the business continued to invest to solidify its competitive market position. Pharma Solutions introduced *in*Thought™, a new market research service that offers pharmaceutical forecasting capabilities to healthcare and financial professionals. *in*Thought assists financial analysts, healtcare suppliers, and drug makers to understand where developmental drugs, medical devices, and therapies are positioned today and where they are likely headed in the future providing customers with a comprehensive and cost effective market research tool.

Additionally, the group launched a new version of Adis R&D Insight, a global pipeline database which quantifies probability of approval and revenue potential for thousands of drugs in development around the world. The tool combines quantitative forecasting capabilities with a comprehensive collection of research on pipeline drugs. Adis R&D Insight utilizes intelligent forecasting to assign approvability ratings and generate revenue forecasts based on clinical trial announcements, results, regulatory activity, and other factors.

Financial performance
Wolters Kluwer Health & Pharma Solutions revenues grew 9% to €750 million in 2009 (2008: €687 million). These results were driven by the addition of UpToDate, acquired in the prior year, which contributed 7% to revenue growth, a 3% positive impact of currency offset by a 1% decline in the underlying business.

Total recurring revenue, which represents 62% of total revenues, grew 18%, with organic revenue growth of 2%. This performance was driven by 4% organic growth in electronic and service subscription revenues as customers continue to adopt online and software tools that improve results and productivity. Importantly, UpToDate delivered double-digit growth as it expanded its leading position in clinical decision support for physicians and hospitals with the addition of new specialty areas, such as neurology, and the expansion of its mobility offerings. Ovid also continued its growth trend, delivering high single-digit organic growth with particularly strong performance in Asia and the Middle East. Clinical

Solutions grew its market position in hospitals by adding new customers to its ProVation software product line to support high single-digit organic growth for the unit. This performance was offset by declines in print subscriptions and other non-cyclical products, which include software services and product training. The good growth in online and software increased the division's electronic revenues to 52% of its total revenues, up from 46% in the prior year.

The division performance was significantly impacted by the continued effect of the economy on its transactional product lines including, books, advertising, and pharma promotional products. Journal advertising and other pharmaceutical promotional products, which account for 18% of the division's total revenues, declined 6%. The decline in advertising for the division's Lippincott Williams & Wilkins journals was less than the industry at large, and the rate of decline eased in the second half of 2009 compared with the first half. The books business was down 4%, reflecting the order timing impact of moving online distribution from a traditional wholesaler to an online distribution partner with direct to customer shipment capabilities. Excluding this timing impact, book revenues was largely in line with the prior year.

The 2009 ordinary EBITA margin improved to 14.9% driven by the results of prior-year restructuring programs, contribution from the Springboard operational excellence initiatives, improvements in book performance, and the addition of the higher-margin UpToDate acquisition to the portfolio.

Wolters Kluwer Corporate & Financial Services

Wolters Kluwer Corporate & Financial Services has a leading, comprehensive portfolio of products, services, and solutions to empower professionals in the legal, banking, securities, and insurance markets. Corporate & Financial Services serves customers in the United States and the United Kingdom. The division's offerings include comprehensive content, analytics, services, and solutions in the areas of compliance, litigation, governance, and intellectual property.

Customers
Corporations public and private, Law firms, Banks and thrifts, Brokerage companies, Broker-dealers and investment advisors, Mutual fund companies and securities professionals, Mortgage lenders, Insurance firms and professionals, Claims organizations, Credit unions, Finance professionals, Indirect lenders, and Trademark and brand professionals.

Leading Brands
AppOne, AuthenticWeb, Bankers Systems, BizFilings, Capital Changes, Compliance Resource Network, CT Corporation, CT Corsearch, CT Lien Solutions, CT Summation, CT TyMetrix, Expere, GainsKeeper, NILS, PCi, Uniform Forms, VMP Mortgage Solutions, Wolters Kluwer Financial Services

Wolters Kluwer Corporate & Financial Services (CFS) is organized into two customer-facing units: Corporate Legal Services and Financial Services.

Financial performance in millions of euros (unless otherwise stated)	**2009**	2008	2007	2006	2005
Revenues	492	480	522	534	496
Organic revenue growth (%)	(2.8)	(2.2)	4.8	7.5	5.5
Ordinary EBITA	123	133	144	116	100
Ordinary EBITA margin (%)	25.0	27.6	27.6	21.7	20.2
Net capital expenditure	23	28	29	24	12
FTEs ultimo (number)	2,922	3,083	3,313	3,187	2,932

The majority of Wolters Kluwer Corporate & Financial Services' portfolio, which is subscription-based, provided stability to weather the weak economic cycles of 2009 that continued to affect the transactional product lines associated with corporate formation, transaction, and overall lending activities.

Corporate Legal Services

Corporate Legal Services (CLS), comprised of the CT family of legal and compliance solutions and BizFilings, provides software and services to help legal and financial professionals manage risk and compliance issues on many levels. These solutions help customers manage a range of activities, including ensuring corporate compliance, monitoring legal department performance, protecting and managing trademark life-cycles, and developing litigation strategies.

CLS is the market leader in the following areas:

- Corporate compliance and productivity solutions for managing statutory representation, complete management of corporate and secured transactions, and compliance maintenance as required by state and federal law;
- Filing, public record search, and portfolio management solutions;
- Litigation support and e-discovery solutions from discovery to case review and analysis through production;
- E-billing, matter management, and performance metrics software and services for corporate law departments and claims organizations; and
- Tools to effectively manage the trademark screening, search review, and watching processes.

2009 was a challenging year for CLS. Nonetheless, the group's subscription portfolio, which accounts for approximately 60% of total revenues, delivered stable revenue performance. The portion of the portfolio driven by transactional services associated with mergers and acquisitions, initial public offerings, and UCC lien searches contracted due to weak economic conditions and declines in lending activity and corporate transactions. CT TyMetrix E-Billing solutions had a very solid year signing 24 new customers. New software sales at CT Summation were pressured due to customer reduction in capital spending, while renewals remained above 90%.

Despite these challenges, CLS continued to strengthen its leadership position during the year. In an independently conducted market survey, CT Corporation was noted as the market leader, scoring higher than other registered agent service providers in the areas of providing personal service, timely response to requests, and handling special requests. 90% of large corporations reported being "highly satisfied" with CT Corporation, versus 56% for the next largest provider. 74% of the Fortune 500 companies are customers of the group.

The group continued to deliver innovative solutions to its customer base through product enhancements and partnerships. In 2009, CT TyMetrix extended its leadership in SaaS solutions for global legal operations management by enhancing its flagship product suite ('T360') with tools specifically designed to meet the market need for cost savings, financial transparency, risk management, and collaboration. Specifically, CT TyMetrix delivered a new Vendor Management module, an Alternative Fee Arrangement module, enhanced budgeting and accrual capabilities, and a best-in-class business intelligence suite.

During 2009, the group launched an updated release of Corsearch® Advantage™, the industry-leading platform for clearance and protection solutions for trademark and brand professionals. The new release provides users with a variety of new screening capabilities, encompassing the addition of five new countries - Argentina, Chile, Paraguay, Uruguay, and Hong Kong - as well as the ability to refine pharmaceutical screenings by geographic location.

Financial Services

Financial Services (FS) leverages its regulatory and content expertise to provide innovative regulatory compliance solutions. These products improve processes and minimize the regulatory compliance risk to customers in the banking, mortgage, finance, securities, and insurance sectors. The business' comprehensive offering includes both integrated and stand-alone software, documentation, analytics, training, consulting, and advisory services in the critical areas of lending, new accounts, deposits, securities compliance, corporate actions and capital changes, anti-money laundering, and insurance compliance.

Despite a challenging environment in the financial sector, FS delivered stable revenue performance in 2009. The resilient subscription portfolio, with its improving retention rates and robust origination workflow offerings, offset continued challenges in mortgage, consumer, auto, and commercial lending transactional products, which were impacted by the economic cycle that lowered volume for lending transactions across all segments of the bank market.

Despite these challenges, FS continued to extend its market-leading positions during 2009 through new product introductions, innovative product enhancements, and quick responses to an ever-changing regulatory landscape. During the year, the group launched an enterprise risk management tool to help financial institutions proactively measure, monitor, and manage regulatory compliance and operational risk across all business lines and legal entities.

The group also enhanced the Investigative Services functionality of its anti-fraud solution, helping U.S. and U.K. financial institutions more effectively prevent financial crimes and the resulting losses before they occur. The solution facilitates fraud prevention by helping institutions detect the actual precursors to a fraudulent attack via continuous, real-time monitoring of both activity and behavior. This enables fraud investigators at institutions to quickly uncover correlations between customers, their accounts and employees that may be involved in or impacted by a criminal scheme.

Additionally, the group expanded its compliance offerings to include consulting solutions for the U.S. securities industry and financial institutions in the U.K.. This new service was developed by working closely with financial services customers who expressed a need for objective compliance experts who could not only help them understand the implications of regulatory change, but also help employ those changes within their organizations. The consulting service provides a comprehensive line of compliance services to help financial institutions comply and manage risk more effectively.

Finally, FS responded quickly to significant mandatory regulatory changes affecting customers. By providing updates to products, offering new tools, and through comprehensive education offerings, FS helped customers prepare for important regulation changes such as to the Real Estate Settlement Procedures Act and Funds Availability regulations.

Financial performance

Corporate & Financial Services revenues grew 3% to €492 million in 2009 (2008: €480 million). These results reflect a 3% decline in the underlying business, offset by a positive 6% impact of currency. Underlying operating performance at the division was largely impacted by the continued effect of the economic cycle on transactional product lines, which make up 37% of revenues. This performance was partially offset by 1% organic growth in recurring revenues, which account for 63% of the divisional revenues.

CLS transactional revenues, which include corporate lending and formation transactions related to M&A, IPO, and UCC lien searches, represent 24% of division revenues, and were down 11% as compared to the prior year. Similarly, mortgage and indirect lending related transactions represent 10% of total division revenues and were off 2% year-on-year. While mortgage transactions delivered growth over the prior year, indirect lending volumes continued to be challenging. These negative trends began to ease in the second half of the year. Overall, year-on-year comparisons for the second half were slightly better than the first half.

Growth in subscription revenues was driven by good customer retention rates across the division. While the environment for new sales remained cautious throughout the year, the division continued to grow its customer base. Additionally, good performance was delivered by the securities and insurance product lines.

The division’s 2009 ordinary EBITA margin was 25.0% as compared to 27.6% in the prior year impacted by revenue performance, which was partially offset by the contribution of the Springboard operational excellence program and diligent cost management practices.

Wolters Kluwer
Tax, Accounting & Legal

Wolters Kluwer Tax, Accounting & Legal is a premier provider of research, software, and workflow tools in tax, accounting, audit, and in specialized key practice areas in the legal and business compliance markets. Tax, Accounting & Legal has operations and customers in the United States, Canada, Europe, and Asia Pacific.

Customers
Accountants, Accounting firms, Audit professionals, Business compliance professionals, Corporate legal counsel, Corporate tax and auditing departments, Law firms, Lawyers, Legal educators, Legal professionals, and Tax advisors.

Leading Brands
Aspen Publishers, ATX™, Best Case®, CANTAX®, CCH®, CCH Small Firm Services, CCH® Sword, CCH® TeamMate, CorpSystem®, Croner, Kleinrock™, Kluwer Law International, Loislaw®, MediRegs®, ProSystem *fx*®, Taxprep®, TaxWise®, Wolters Kluwer U.K.

Wolters Kluwer Tax, Accounting & Legal is organized into two customer-facing units: Tax and Accounting and Law & Business.

Financial performance in millions of euros (unless otherwise stated)	**2009**	2008	2007	2006	2005
Revenues	899	879	881	826	776
Organic revenue growth (%)	(2.6)	2.5	5.5	3.1	1.5
Ordinary EBITA	233	223	197	146	132
Ordinary EBITA margin (%)	25.9	25.4	22.4	17.7	17.0
Net capital expenditure	32	46	30	13	23
FTEs ultimo (number)	5,533	5,823	5,412	5,276	4,717

During 2009, Wolters Kluwer Tax, Accounting & Legal continued to strengthen its core leadership position by increasing penetration of its next-generation platforms for information and software. These include IntelliConnect™, its new online research platform launched in the U.S. and Asia Pacific, including China and India, and the launch of its next-generation ProSystem *fx*® Tax, Document, and Practice solutions. IntelliConnect was awarded The CPA Technology Advisor's Tax and Accounting Technology Innovation Award.

Tax and Accounting

Tax and Accounting (TAA), which operates in the market as CCH, a Wolters Kluwer business, is a market-leading provider of tax, accounting, and audit information and compliance solutions delivering innovative integrated research and software to provide a strategic business advantage to professionals. Major products include the new award-winning IntelliConnect, an integrated online research platform, the ProSystem *fx* Suite of software products, and CorpSystem®, a compliance suite of products created specifically for corporations. Customers include professionals in large, medium, and small accounting firms; government agencies; and corporate tax, accounting, and internal auditing departments that rely on the unit's information products, software, and workflow solutions to help enhance their productivity and increase value. TAA holds major market positions in North America and the Asia Pacific region.

During 2009, in the U.S., CCH introduced IntelliConnect and its next-generation ProSystem *fx* Suite including Software as a Service versions of CCH ProSystem *fx* Tax, Document, and Practice. The Suite was further expanded to include new workflow and knowledge management solutions, including ProSystem *fx* Portal and Workstream, and CCH® KnowledgeConnect. TAA also continued to expand its global scale, introducing IntelliConnect in Asia Pacific, including China and India, and new ProSystem *fx* solutions in Canada, including ProSystem *fx* Scan with AutoFlow, Portal, and KnowledgeConnect. TAA also released in Canada the iGAAP: IFRS for Canada, authored by Deloitte. As Canada heads toward adoption of IFRS in 2011, its iGAAP product is the comprehensive and authoritative source of Canadian expert commentary.

The division continued to deliver enhanced integration of its audit management and enterprise risk management software solutions, CCH® TeamMate and CCH® Sword. This integration allows customers to drive efficiencies across their risk compliance and audit programs and streamline reporting and resource management across the two disciplines. The group also continued to demonstrate its market-leading position, as CCH TeamMate was recognized as the industry standard in Audit Management Systems by the Institute of Internal Auditors (IIA). CCH TeamMate EWP was ranked the #1 automated work papers solution in an IIA benchmarking survey of internal auditors. Of the respondents who used automated workpapers software, TeamMate EWP was the dominant choice, named by 46%.

In addition, the 2009 acquisition of AXENTIS, Inc. further strengthens Wolters Kluwer's position in the governance, risk, and compliance (GRC) arena. The acquisition represents another step in the successful execution of the company's strategy to become the leader in the GRC arena, incorporating proven expertise in integrating content and software solutions and information covering the regulatory landscape in over 30 countries.

TAA strengthened its position in the corporate tax and accounting market and delivered on its goal to produce the most innovative, best-of-breed solutions in the marketplace. The CPA Technology Advisor awarded top honors to CCH's CorpSystem Sales Tax Office and CorpSystem Sales Tax Returns Online. This is the fourth consecutive year that the CCH program was the only system to earn the maximum five-star rating.

The Internal Revenue Service in the U.S. selected TaxWise® from CCH Small Firm Services as the software used by IRS employees and volunteers to prepare and electronically file tax returns for millions of low-income, elderly, and limited English-proficient taxpayers. This marks the fifteenth consecutive year that TaxWise has serviced the IRS under this contract.

Law & Business

Law & Business is a leading provider of information, solutions, and services in key legal practice specialties and business compliance sectors. It delivers market-leading proprietary and primary law content, analysis, forms, and workflow tools in such specialty areas as securities, corporate law, banking, bankruptcy, arbitration, trade regulation/antitrust, franchising, environmental law, intellectual property, employment law, human resources, pension, healthcare, and international law. The unit is also a leader in legal education content and innovative workflow solutions. Products are marketed under the CCH, Aspen Publishers, Loislaw®, Kluwer Law International, Best Case®, and MediRegs® brands. Customers include law firms, corporate counsel, law schools, accountants, and business and compliance professionals. Law & Business primarily serves customers in the United States.

During 2009, Law & Business expanded its proprietary content offering, workflow solutions, and software product lines in key specialty areas. MediRegs, a leading provider of

specialized healthcare research products and workflow tools, launched the ComplyTrack® Document and Policy Manager that allows for the creation, storage, and management of all correspondence, policies, contracts, and documents that represent evidence of compliance with various federal and state regulations. The release further extends MediRegs' market leadership.

Law & Business strengthened its market-leading position and continued to deliver solid growth in electronic revenues in 2009. The business developed and launched several new electronic products including the CCH Patent Law Library, organized to allow practitioners to easily target their research to the exact patent practice area they need. Additionally, the group launched the CCH Products Liability Integrated Library containing all the products liability resources professionals need to comply with product safety regulations and prepare for litigation. The group's bankruptcy filing software business, Best Case, continued its strong market leadership, with market share of approximately 50% of bankruptcy filings and continued double-digit growth.

The group also extended its position in the healthcare reimbursement market by launching the online workflow solution MediRegs Coding Suite. The Software and Information Industry Association awarded the Coding Suite as a finalist for Best Vertical Market Content Solution. The Coding Suite provides healthcare facilities with all the tools necessary to ensure fiscal success, including a simple coding tool, integrated medical necessity and claims processing support, Medicare-compliant reimbursement guidelines, as well as critical audit analytical tools.

Growing its leading position in the legal education market, the group launched an enhanced version of AspenLaw Studydesk®, a one-stop software solution for law school success that helps students organize their case briefs, class notes, statutes, and more with easy-to-use templates and systematic filing tools. AspenLaw Studydesk 3.0 incorporates several enhancements that came directly from its users, including new word processing tools and keyboard shortcuts to help students work faster and more efficiently.

Law & Business also continued to aggressively explore new ways to leverage popular technologies to integrate its expertise into customers' workflows. The unit delivered several Law Student Emanuel® Bar Exam online tools, including an interactive online Exam Diagnostic, Streaming and Audio Law Professor Lecturer downloads, and the first simulated Multi-State Bar practice exam mobile application with test and review modes available on the Apple Store.

Financial performance

Tax, Accounting & Legal revenues grew 2% to €899 million in 2009 (2008: €879 million). These results reflect the addition of the prior-year acquisitions including IntelliTax and MYOB and the current-year acquisition of AXENTIS. Acquisitions contributed 4% to revenue growth, while the positive impact of currency contributed 1%. The 3% decline in the underlying business was driven by the continued migration from print to electronic subscriptions and the impact of the economy on transaction product lines such as books.

Electronic subscription products, including software and publishing, delivered 4% organic growth as customers continued to adopt online products and productivity solutions. This growth was offset by declines in print subscriptions and other non-cyclical products, which include software services, product training, and tax transactions. Overall, subscription retention rates were largely stable across the business while new sales experienced downward pressure during the year as customers were cautious with incremental spending on products and services.

Book products lines, which comprise 10% of total revenues, declined 4% as a result of the weak economic environment. Strong performance in legal textbooks for the student market was offset by weaker professional sales in the business and tax markets. Other cyclical revenues declined 7% in the period due largely to the decline in advertising, training, and consulting services within the U.K.. The U.S. Tax and Accounting business and Canada produced strong growth in software sales. Law & Business continued its trend for driving double-digit growth in workflow solutions.

Despite challenging market conditions, the ordinary EBITA margin increased 50 basis points to 25.9%. This improvement was driven by the contribution of the Springboard operational excellence initiatives and other cost management initiatives, as well as the addition of higher-margin acquisitions to the portfolio.

Wolters Kluwer Legal, Tax & Regulatory Europe

Wolters Kluwer Legal, Tax & Regulatory Europe is the leading provider of a broad range of information, software, and services to professional customers in the European markets for legal, tax and accounting, human resources, public and government administration, health, safety and environment, and transport. Legal, Tax & Regulatory Europe has operations and customers across 20 countries.

Customers
Accounting firms, Corporations, Governments, Law firms, Professionals in Banking, Finance, Fiscal, Human resources, Insurance, Legal, Regulatory, Securities, Tax, Health, Safety and Environment, and Transport.

Leading Brands
A3 Software, ABC, Addison, Akadémiai Kiadó, Akelius, AnNoText, ASPI, Carl Heymanns Verlag, Carl Link, CEDAM, CISS, CompLex, CW Haarfeld, Éditions Dalian, Especial Directivos, Groupe Liaisons, IPSOA, IURA, Kluwer, LA LEY, Lamy, Leggi d'Italia Professionale, LEX, LinkPower, Luchterhand, Magnus Informatik, Norstedts Juridik, Oficyna, OSRA, UTET Giuridica, Werner Verlag, Wolters Kluwer Belgium, Wolters Kluwer Deutschland, Wolters Kluwer Educación, Wolters Kluwer España, Wolters Kluwer France, Wolters Kluwer Italia, Wolters Kluwer Polska, Wolters Kluwer Portugal, Wolters Kluwer Romania, Wolters Kluwer Russia, joint-venture with MCFR, Nolis, Teleroute, Transwide.

Wolters Kluwer Legal, Tax & Regulatory Europe (LTRE) is organized into units by country, clustered in three regions: Region Europe North, Region Europe Central, and Region Europe South.

Financial performance in millions of euros (unless otherwise stated)	**2009**	2008	2007	2006	2005
Revenues	1,284	1,328	1,249	1,194	1,137
Organic revenue growth (%)	(4.0)	2.2	4.2	1.8	0.5
Ordinary EBITA	254	274	253	213	183
Ordinary EBITA margin (%)	19.8	20.6	20.2	17.9	16.1
Net capital expenditure	39	42	42	36	32
FTEs ultimo (number)	7,118	7,588	7,183	6,332	6,210

As the market leader in Europe, many of the division's brands have a strong heritage in local markets.
Each business unit holds either the #1 or #2 positions in most of the markets served. The division focuses on seven key customer segments:

- Legal professionals;
- Tax and accounting professionals;
- Public and government administration professionals;
- In-company professionals;
- Human resources professionals;
- Health, safety and environment professionals; and
- Transport professionals.

Wolters Kluwer Legal, Tax & Regulatory Europe continued to strengthen its core leadership positions by expanding its workflow solution product suites and by increasing its market penetration of online solutions. Revenues from these product lines now constitute 50% of total division revenues, an increase from 46% in the prior year. These advances included new online product launches in several countries.

During 2009, LTRE also extended its market-leading position through select bolt-on acquisitions. These included SBG in Italy, a market-leading supplier of software for health and safety management, and Schleupen in Germany serving the tax and accounting software market. Furthermore, the prior-year acquisition of Addison Software in Germany has been fully integrated into the business. Addison and Schleupen bring several synergies to the tax and accounting market with co-development of efficiency tools underway.

A3Equipo was launched in Spain, extending LTRE's market-leading position in the core human resources market. This integrated solution assists medium-sized business customers in addressing automated solutions for payroll, headcount administration, and time and attendance record keeping. Additionally, this solution also addresses the growing human capital management needs faced by business customers including employee self-service, talent management and training, performance management, and recruitment. The Italian solution Itinera Iuris demonstrated the successful transformation of a content-focused product into a workflow-oriented solution, increasing value for customers.

Wolters Kluwer Belgium launched a legal compliance offering for the safety and environment professional, aligned to the major redesign of Sentral, the Belgian vertical online database for the safety and environmental market, combining complete practical information in advanced semantic search. Additionally, the Flemish government contracted the company to build and maintain the public Flemish Tax Database.

Additionally, operational excellence and restructuring initiatives continued to be a priority for the division. To facilitate greater operating efficiencies, the divisional organization was reorganized to leverage global shared services for technology development and infrastructure and to strengthen synergies across geographies.

Financial performance

Legal, Tax & Regulatory Europe revenues declined 3% to €1,284 million in 2009 (2008: €1,328 million). These results reflect a 4% decline in the underlying business, a 1% negative impact of currency, and the contribution of acquisitions, including Addison in Germany, which contributed 2% to revenue growth.

Revenues from electronic and service subscriptions delivered organic revenue growth of 4%, as customers continue to migrate to online and software solutions, offset by declines in print revenues and other non-cyclical products. Subscription revenues benefited from retention rates that were largely in line with the prior year, while new sales of subscriptions were pressured by the weak economy which elongated customer sale cycles.

The division was also impacted by the economic effect on its advertising and other transaction product lines. Advertising revenues, which account for 4% of total division revenues, declined 24% and largely impacted France and the Netherlands. Other cyclical products, which account for 9% of division revenues and include training, consulting and the transport service businesses, declined 18%, while book sales declined 3%.

The division continued to strengthen its core leadership positions by expanding its workflow solution product suites and by increasing its market penetration of online solutions. Revenues from these product lines now constitute 50% of total revenues of the division, an increase from 46% in the prior year. These advances included new online product launches in several countries.

The division's ordinary EBITA margin was 19.8% as compared to 20.6% in the prior year, due to revenue weakness in the higher margin transactional product lines. This trend was partially offset by the contribution of the Springboard program, division restructuring actions, and diligent cost management.

Global Shared Services and Technology

The Global Shared Services structure that the company has implemented in 2009 is designed to leverage the company's global scale in the areas of IT infrastructure, offshoring, and procurement. As the company's portfolio has evolved from print products to intelligent digital solutions, greater emphasis has been placed on a high-availability and high-performance IT infrastructure. Today, Global Shared Services is exploiting emerging technologies in the Cloud Computing domain to virtualize physical servers within the company's global IT infrastructure to reduce costs, while supporting businesses to deliver Software as a Service (SaaS) products.

Global Shared Services is the primary interface to the company's offshore service centers where labor arbitrage and business process standardization are leveraged to achieve operating efficiencies in software development and testing, content production, and other business process outsourcing (BPO) functions where lower costs and increasing levels of quality can be achieved.

Lastly, Global Shared Services leverages Wolters Kluwer scale by aggregating its purchasing power across business units to drive down unit costs. In 2009, the company took steps to create one globally integrated procurement organization addressing all spend categories to increase sourcing savings and compliance to contracts and policies.

Springboard

Started in 2008, Springboard is a multi-year operational excellence initiative. This global program is designed to drive the next wave of operational efficiencies by simplifying and standardizing the core systems and processes Wolters Kluwer uses to develop, sell, and support its products globally.
The Springboard program is comprised of five work streams:

1. *Multi-Generation Technology Planning* focused on technology support and consolidation;
2. *Content Supply Chain Re-Engineering* focused on standardization and automation of the workflows employed to produce content and distribute it to various delivery platforms, including print, CD-Rom, online, RSS feeds, and mobile devices;
3. *Sourcing* designed to standardize the procurement function globally;
4. *Offshoring* focused on the use of labor arbitrage to lower cost of IT, content production, and business processes outsourcing activities;
5. *Business Optimization* focused on numerous cost reduction within specific business units.

For the full year 2009, Springboard has achieved €84 million in net savings with related exceptional costs of €70 million. The program is well on its way to deliver between €140 and €160 million in annualized run-rate savings by 2011. These savings support the company's goals to achieve continuous improvement in profitability while maintaining a high level of reinvestment in new and enhanced products. For that reason, Springboard is instrumental in helping Wolters Kluwer execute its 2010-2012 strategy.

Technology

Going forward, Wolters Kluwer will be using technology to embed more intelligence in its solutions to make the company's proprietary content more actionable at the point-of-use. Open solutions that adapt to how customers perform their work and enable customers to interconnect and exchange information across different systems, will produce more timely and accurate results.

For example, UpToDate has been embedded into Electronic Medical Record Systems (EMR) at the heart of hospitals so that physicians can consult information related to the conditions, patient history, as well as test and lab results as they interact with their hospital system. In addition, references to articles in UpToDate have been linked to the full-text Ovid platform to allow doctors to read full articles without having to conduct a different search.

Wolters Kluwer's global technology platforms and shared services organizations enable the transfer of innovation across geographies and vertical markets while increasing the effectiveness of the company's operations by better exploiting global scale.

Global technology platforms

After several years of development, the Global Atlas platform - an online content delivery and publishing platform that integrates Wolters Kluwer's content throughout the customer's workflow – supported the successful release of IntelliConnect in the United States and Asia Pacific regions. Wolters Kluwer Financial Services' securities research product, Compliance Resource Network, as well as CCH China's Global Legal Online Database were powered by IntelliConnect in 2009. The highly scalable Global Atlas platform offers a wide range of online search functions and productivity tools that enable business units across the globe to deliver the next-generation online products.

Financial Developments

2009 Highlights in millions of euros (unless otherwise stated)	**2009**	2008	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,425	3,374	2	0
Organic revenue growth (%)	(3)	0		
Ordinary EBITA	682	678	1	0
Ordinary EBITA margin (%)	19.9	20.1		
EBITA	602	627	(4)	(5)
EBITA margin (%)	17.6	18.6		
Ordinary net income	427	423	1	0
Diluted ordinary EPS (€)	1.45	1.47	(1)	(2)
Net debt	2,007	2,254	(11)	
Free cash flow	424	395	7	2
Diluted free cash flow per share (€)	1.44	1.37	5	0
Cash conversion ratio (CAR)	0.96	0.88		
Return on invested capital (ROIC) (%)	8.5	9.1		
ROIC including impairment in NOPAT (%)	5.2	9.1		
Ultimo number of FTEs	18,207	19,271		
IFRS figures				
Operating profit	234	503	(53)	
Profit for the year	110	315	(65)	
Profit for the year, attributable to equity holders of the Company	118	313	(62)	
Diluted EPS (€)	0.40	1.09	(63)	

The financial performance of Wolters Kluwer in 2009 was characterized by the following:

- 2% growth of revenues to €3,425 million; revenues in constant currencies in line with prior year; organically, revenues declined by 3%;
- Ordinary EBITA margin maintained at 20% (2008: 20%);
- Springboard savings exceeded expectations; and
- Reduction of net debt by 11% to €2,007 million.

Revenues

Revenues in 2009 were €3,425 million, compared with €3,374 million in 2008, up 2%. Key strategic acquisitions contributed growth of 3% while underlying revenue declined 3%, largely reflecting the economy's impact on transactional and cyclical product lines and soft new sales. The positive impact of currencies (U.S. dollar in 2009: average €/$=1.39 compared to 2008: average €/$=1.47) compared to the prior year contributed 2% to total growth as is demonstrated in the table below:

Impact of currencies		%
Revenues 2008	3,374	
Organic change	(96)	(3)
Acquisitions/divestments	108	3
Currency impact	39	2
Revenues 2009	**3,425**	**2**

For a detailed overview of the financial developments per division, see the relevant chapter in ➔ Business Review per Division.

Revenues by division	2009	2008	% change	% organic change
Health & Pharma Solutions	750	687	9	(1)
Corporate & Financial Services	492	480	3	(3)
Tax, Accounting & Legal	899	879	2	(3)
Legal, Tax & Regulatory Europe	1,284	1,328	(3)	(4)
Total	**3,425**	**3,374**	**2**	**(3)**

Ordinary EBITA

Ordinary EBITA in 2009 amounted to €682 million, compared to €678 million in 2008. The ordinary EBITA margin decreased to 19.9%, down 20 basis points compared to 2008. Despite weak economic conditions, which held back underlying revenue growth, the company delivered consistent profitability with prior year driven by 8% growth of electronic products, including subscription and transactional product lines, tight controls on personnel and other costs, and operational excellence programs including the Springboard program.

The 2009 ordinary EBITA at Health & Pharma Solutions grew 31% to improve ordinary EBITA margins to 14.9% from 12.5% in the prior year. These results were driven by the benefits from prior year restructuring programs, contributions from Springboard, and the addition of the higher-margin UpToDate acquisition to the portfolio.

The 2009 ordinary EBITA margin at Corporate & Financial Services was 25.0% as compared to 27.6% in the prior year impacted by revenue performance, which was partially offset by the contribution of the Springboard operational excellence initiatives and diligent cost management practices.

Despite challenging market conditions, ordinary EBITA margin at Tax, Accounting & Legal increased 50 basis points to 25.9%. This improvement was driven by the contribution of Springboard, diligent cost management practices, as well as the addition of higher-margin acquisitions to the portfolio.

The ordinary EBITA margin at Legal, Tax & Regulatory Europe was 19.8% as compared to 20.6% in the prior year, due to revenue weakness in the higher margin transactional product lines. This trend was partially offset by the contribution of the Springboard program, division restructuring actions, and diligent cost management.

Ordinary EBITA 2008	Revenues	Ordinary EBITA	Ordinary EBITA margin %
Health & Pharma Solutions	687	86	12.5
Corporate & Financial Services	480	133	27.6
Tax, Accounting & Legal	879	223	25.4
Legal, Tax & Regulatory Europe	1,328	274	20.6
Corporate	-	(38)	
Total	**3,374**	**678**	**20.1**

Ordinary EBITA 2009	Revenues	Ordinary EBITA	Ordinary EBITA margin %
Health & Pharma Solutions	750	112	14.9
Corporate & Financial Services	492	123	25.0
Tax, Accounting & Legal	899	233	25.9
Legal, Tax & Regulatory Europe	1,284	254	19.8
Corporate		(40)	
Total	**3,425**	**682**	**19.9**

Financial income and costs
Net financial costs in 2009 totaled €119 million and were flat compared to 2008; higher interest expenses in 2009 were offset by favorable currency movements.

Taxation
The effective tax rate decreased to 3% in 2009, from 18% in 2008, reflecting the impact of lower profits in relatively high tax countries, especially in the United States, release of tax provisions, and the one-time benefit from the Italian Substitute Tax. On July 16, 2009, the company applied for a substitute tax in Italy following recent amendments in Italian tax law. Portions of certain previously non-tax deductible publishing rights have now become tax deductible. As a result, the company will realize additional tax benefits in total of €67 million over the next nine years. The agreement required an upfront payment of €34 million to the Italian tax authorities in July 2009.

In 2009, the effective tax rate on ordinary income before tax was 24% in line with 2008 (24%). For 2010, the company expects a slightly higher effective tax rate on ordinary income before tax compared to 2009.

Ordinary net income/diluted ordinary EPS
Ordinary net income in 2009 was €427 million, compared to €423 million in 2008. Diluted ordinary EPS of €1.45 in 2009 decreased slightly compared to 2008 of €1.47. In constant currencies, diluted ordinary EPS was €1.41, down by 2%.

Return on invested capital (ROIC)
In 2009, the ROIC was 8.5% (2008: 9.1%). When net operating profit after allocated tax (NOPAT) would be adjusted for the impairment loss, the ROIC would be 5.2% (2008: 9.1%).

Operating profit
Operating profit was €234 million in 2009 compared to €503 million in 2008. Decrease in operating profit mainly resulted from impairment losses of €203 million and higher Springboard/acquisition integration costs compared to 2008. Furthermore, operating profit of the Health & Pharma Solutions, Corporate & Financial Services, and Tax, Accounting & Legal divisions was impacted by the stronger U.S. dollar.

Operating profit by division	2009	2008	% change
Health & Pharma Solutions	(79)	29	(373)
Corporate & Financial Services	76	117	(34)
Tax, Accounting & Legal	154	162	(5)
Legal, Tax & Regulatory Europe	127	237	(47)
Corporate	(44)	(42)	4
Total	**234**	**503**	**(53)**

Profit for the year, attributable to equity holders of the Company

Profit for the year, attributable to equity holders of the Company, amounted to €118 million in 2009 (diluted EPS €0.40) and was lower than in 2008 (€313 million, diluted EPS €1.09) primarily due to the impairment losses of €203 million in 2009.

Balance sheet

Non-current assets, mainly consisting of goodwill and publishing rights, decreased in 2009 as a result of impairment losses and a negative currency effect.

In 2009, Wolters Kluwer recognized impairment losses of €203 million. The charge is mainly a consequence of market conditions resulting in lower expected long-term growth rates, particularly within the advertising, training, and pharmaceutical promotion markets.

Shareholders' equity benefited from the profit for the year, but was negatively impacted by the decrease of the U.S. dollar compared to the euro at the end of the year and actuarial losses on employee benefits.

Net debt decreased to €2,007 million at year-end 2009, compared to €2,254 million at year-end 2008, an improvement of 11%, mainly due to strong cash flow. The ratio of net-debt-to-EBITDA improved to 2.9 from 3.2 in 2008. The company targets a net-debt-to-EBITDA ratio of approximately 2.5. The company may however temporarily deviate from this relative indebtedness ratio with the goal of returning to the target level over the medium-term. Wolters Kluwer intends to return to this target over the period noted.

Balance sheet	2009	2008	Variance
Non-current assets	4,539	4,873	(334)
Working capital	(884)	(1,099)	215
Total equity	1,355	1,447	(92)
Net debt	2,007	2,254	(247)
Net debt/EBITDA (ratio)	2.9	3.2	(0.3)

Working capital

Operating working capital amounted to €(631) million, compared to €(640) million in 2008, an increase of €9 million. Non-operating working capital decreased to €(662) million, mainly due to the redemption of short-term loans.

Working capital	2009	2008	Variance
Inventories	79	86	(7)
Operating accounts receivable	998	1,026	(28)
Deferred income	(1,033)	(1,046)	13
Trade and other payables	(352)	(356)	4
Operating current liabilities	(323)	(350)	27
Operating working capital	(631)	(640)	9
Cash and cash equivalents	409	345	64
Non-operating working capital	(662)	(804)	142
Total	**(884)**	**(1,099)**	**215**

Cash flow

The free cash flow of €424 million increased by 7% in actual currencies, as a result of strong cash flow from operations and slightly lower capital expenditure compared to 2008, and increased by 2% in constant currencies.

The cash flow from operations of €776 million increased by 5% compared to 2008, mainly due to improvements in working capital.

Net cash from operating activities of €510 million in 2009 was 2% lower than in 2008 (€521 million), due to higher paid financing costs and cash out for Springboard initiatives partly offset by stronger cash flow from operations in 2009.

Net capital expenditure decreased as a percentage of revenue in 2009, despite the company's continuous investments in software development, particularly in platforms to support (new) electronic products in both the United States and Europe.

The cash conversion ratio, which measures the operational cash-generating ability of the businesses, excluding tax, financing, and payments for restructuring provisions, increased to 0.96 (2008: 0.88).

Cash flow	2009	2008	Variance (%)	Change in constant currencies (%)
Cash flow from operations	776	737	5	4
Cash flow from operating activities	510	521	(2)	(7)
Net capital expenditure	(123)	(140)	(12)	(16)
Free cash flow	424	395	7	2
Diluted free cash flow per share (€)	1.44	1.37	5	0
Cash conversion ratio (CAR)	0.96	0.88		

Springboard

Wolters Kluwer launched the Springboard program in early 2008. The Springboard program is the cornerstone of Wolters Kluwer's strategy to institutionalize operational excellence and is critical for positioning Wolters Kluwer for long-term continuous improvement. It is driving the next wave of operational efficiencies for Wolters Kluwer by simplifying and standardizing the core systems and processes used to develop, sell, and support products and services globally. Management announced the expansion and acceleration of Springboard in November 2009.

The progress of Springboard during 2009 exceeded expectations. Total cost savings increased by €68 million to €84 million for the full year (2008: €16 million). Related exceptional costs totaled €68 million. The expansion and acceleration of supply management initiatives in Europe contributed positively to the program results, as did further business optimization initiatives in France, the Netherlands, the United Kingdom, and Law & Business.

Annualized run rate savings estimates for the full program are expected to reach €140-160 million by 2011. Non-recurring program costs of €220-240 million over the four-year period will be treated as exceptional and include costs related to IT system migration and implementation, outsourcing migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

More information on Springboard can be found in ➔ Global Shared Services and Technology.

Springboard	**2009**	2008
Cost savings	84	16
Investments:		
Exceptional	68	45
Non-exceptional	2	1

Employment

Full-time equivalents (FTEs) decreased by 1,064 to 18,207, mainly due to restructuring programs.

Employment	**2009**	2008	Variance
Health & Pharma Solutions	2,534	2,678	(144)
Corporate & Financial Services	2,922	3,083	(161)
Tax, Accounting & Legal	5,533	5,823	(290)
Legal, Tax & Regulatory Europe	7,118	7,588	(470)
Corporate	100	99	1
Total	**18,207**	**19,271**	**(1,064)**

Outlook

Wolters Kluwer began to see stabilizing market conditions at the close of 2009. While customers continue to be cautious and selective with incremental spending, the negative trends experienced in cyclical product lines over the last eighteen months began to ease. Fourth-quarter transaction volumes in corporate lending and business formation products were largely in line with the prior year.

Looking forward to 2010, Wolters Kluwer expects market conditions will continue to stabilize with a slow but steady recovery expected. North American business units are likely to see an earlier recovery compared to Europe, where improvements in trading conditions continue to be uneven. Northern and Central and Eastern Europe will likely see a return to normalized economic conditions ahead of Southern Europe.

2010 recurring revenues including subscription and other non-cyclical revenues are expected to benefit from resilient retention rates partially offset by weaker 2009 new sales. Cyclical revenues (approximately 19% of the portfolio) are expected to stabilize in 2010 with the exception of advertising where continued weakness is expected, particularly in Europe. Book products (approximately 10% of the portfolio) are also expected to continue to show stability. Electronic revenues are expected to continue to show good growth as

customers demand online information and software solutions to drive efficiency.

The ordinary EBITA margin is expected to be 20-21% in 2010. Improving margins will be underpinned by the migration of revenues to more profitable electronic products and the continuing contribution of the Springboard program. These efforts are expected to offset wage and other inflationary expenditures. As in prior years, Wolters Kluwer will continue to invest approximately 8-10% of revenues in new products and platforms to drive future growth.

Free cash flow will continue to be strong and is expected to be €400 million or greater. Diluted ordinary earning per share is expected to be between €1.41 and €1.45 in constant currencies and will be impacted by a higher effective tax rate of 25% (2009: 24%) as higher tax rate markets are expected to lead in the recovery. Finance expenses in 2010 are expected to be approximately 10% higher than 2009, benefiting from favorable foreign currency movements.

Key Performance Indicators	2010 Outlook
Ordinary EBITA margin	20-21%
Free cash flow[1]	≥ €400 million
Return on invested capital	≥ 8%
Diluted ordinary EPS[1]	€1.41 to €1.45[2]

[1] In constant currencies (EUR/USD = 1.39)
[2] 2009 diluted ordinary EPS in 2008 constant currencies (€1.41) has been recalculated to €1.43 using 2009 constant currency rate of EUR/USD = 1.39 (2008 constant currency rate: EUR/USD = 1.47).

Medium-Term Outlook

Over the medium term, professionals will continue to demand productivity solutions. Beyond information, they will seek intelligent solutions that provide answers and results. As a result, traditional print revenues are expected to continue to decline as customers adopt Wolters Kluwer's innovative solutions. The company anticipates double-digit growth in online and software revenues over the medium term. Online, software, and services revenues are expected to grow to represent at least 75% or more of total revenues.

As a result of the shift towards higher-margin electronic solutions and the additional contribution from operational excellence initiatives, including Springboard, the company expects to deliver steadily improving performance over the medium term. Ordinary EBITA and diluted ordinary earnings per share will improve continuously over the period in constant currencies. Free cash flow is expected to be equal to or greater than €400 million per annum in constant currencies, reflecting the resilient and growing subscription base. Return on invested capital will exceed 8%.

Key Performance Indicators	Medium-Term Outlook
Revenue growth/ portfolio composition	Double-digit online & software growth
	Online, software & services revenue ≥ 75% of total revenues
Ordinary EBITA	Continuous improvement
Diluted ordinary EPS[1]	Continuous improvement
Free cash flow[1]	≥ €400 million per annum
Return on invested capital (after tax)	≥ 8%

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

Strategy 2010-2012

Maximizing Value for Customers

On November 4, 2009, Wolters Kluwer announced its three-year strategic direction: *Maximizing Value for Customers*, the next phase in the evolution of the company. The company's focus is to extend its value proposition by providing superior information and intelligent solutions which reduce complexity and drive efficiencies for professionals.

The 2010-2012 strategy for *Maximizing Value for Customers* dictates three priorities:

1. Deliver value at the point-of-use;
2. Expand solutions across processes, customers, and networks; and
3. Raise innovation and effectiveness through global capabilities.

Wolters Kluwer's customer promise is "To be the preferred global provider of information-enabled solutions to help professionals manage processes and drive results effectively". While high-quality proprietary information will remain at the core of its products, the company continues to build tools and solutions that are designed to help customers manage complex processes and increase the effectiveness of their decisions. Over time, these products are evolving towards intelligent solutions and collaborative networks, essentially products which incorporate Wolters Kluwer's high-quality content into the customer's workflows, and through innovative technology facilitate the communication and collaboration of customers with their clients, government agencies, and other constituents. The added value of these products is significant, providing customers with the tools they need to deliver effective results.

Furthermore, the company is aligning its organization with its strong global market positions, creating four global divisions: Legal & Regulatory, Tax & Accounting, Health & Pharma Solutions, and Financial & Compliance Services.

Wolters Kluwer's move to a global operating organization reflects the increasing similarities between customer needs across geographic markets. This is a result of the globalization of many of the company's customers as well as the continued convergence of global regulations.

The alignment into four global divisions will translate into greater global scale benefits, lower costs, best-in-class applications, and faster innovation by sharing:

- Technology platforms;
- Common business models and product concepts;
- Customer knowledge and market segmentation;
- Common metrics and management.

Intelligent solutions

Growth in online and software products has transformed Wolters Kluwer's portfolio and today professional customers are offered a full range of information, software, and services. Market trends will continue to drive the shift towards greater use of technology to develop more intelligent products which combine information with tools to help customers deliver results efficiently.

The four most important trends supporting this evolution are:

- The continued proliferation of information and increased compliance across all key markets;
- Changing customer business models with a strong focus on measuring the quality and speed of the results produced;
- Growing convergence of professional standards, regulations, and compliance on a global basis; and
- The continued global shortage of highly trained professionals in the fields of tax and accounting, health, legal, and financial compliance.

Wolters Kluwer recognizes that its customers are increasingly compensated for results rather than time, which places greater value on quality, accuracy, and productivity. These trends give Wolters Kluwer a significant opportunity to provide not only intelligent solutions to its customers but also networks, which allow customers to connect to their clients, governments, and other stakeholders to achieve efficiency in their work. For example, AppOne is a software application that links financial lenders with car dealerships to facilitate the lending process for the car buyer. The application links dealers with the U.S. Department of Motor Vehicles and insurance providers to streamline the purchasing process. By providing customers with end-to-end solutions, the company increases customers productivity and satisfaction, driving profitable growth for Wolters Kluwer.

More information on the strategy for *Maximizing Value for Customers* is available on the company's website ➔ www.wolterskluwer.com.

Human Resources

Wolters Kluwer continues to believe that its people are the foundation of its success. The company has 18,200 employees (full-time equivalent) in over 40 countries around the world. Regardless of the role in the organization, the company's workforce consists of technologically savvy, globally-oriented people, who enjoy solving problems through direct contact with customers. They bring diverse expertise that helps their customers deliver results every day.

Professionals driving intelligent solutions

Clearly, the way that customers interact with technology and access and apply information within their work processes, is shifting profoundly. As a result, today innovation in the industry in which the organization operates can be found at the intersection of information, software, and services - in the workflows of professionals. This requires a nimble, intelligent, and insightful workforce. Hiring, developing, motivating, and retaining the best people is key to deliver that combination of content, technology, customer insight, and fast-paced decision-making that is required to drive the creation of innovative products and services. Wolters Kluwer leverages the value its people create to build intellectual and brand capital.

Wolters Kluwer ensures the availability of people with the right skills to be able to grow the business through its Talent Management Program. It establishes a global framework for leadership criteria, assessment, and development. The goal of the program is to retain and develop talent to ensure successful implementation of the company's strategy. As such, the program encompasses current and future leaders. It also identifies critical workforce segments based on positions and skills that managers believe are essential to the execution of the business strategy. Talent management enables these required capabilities to be developed within Wolters Kluwer. Deep vertical market insight, skills in product design and software development, as well as collaboration, agility, and speed matter the most.

The Talent Management Program, implemented in 2005, is now firmly embedded in the company, supported by robust processes that link skill assessment and individual development guides with succession planning and global slating of internal candidates for critical positions. Successful employees are being promoted both across businesses and geographies as a result. Wolters Kluwer extended its Leadership Forums to include high potentials and future leaders. In 2009 the Forums focused on the strategy update, execution, and change management to enable maximum leadership engagement. The Forums provide a valuable platform for Wolters Kluwer leaders to work together, sometimes virtually and sometimes in person, to develop answers to joint business issues. The program has expanded in the past year to include regular webinars and task forces. For example, the 2009 strategy update was developed by a broad spectrum of Wolters Kluwer experts and leaders. Also, a quarterly review process for high potentials was set up, to help them move into the next phase of their career as soon as possible.

Wolters Kluwer believes in shared responsibility for driving results and career development. The company views regular performance feedback as critical to development. The company has implemented common performance criteria across the North American and European businesses. Creating value for customers, continually improving performance, and behaving according to Wolters Kluwer's values are fundamental. The systems provide the basis for feedback on performance and development plans. 99% of Wolters Kluwer's management and 96% of its employees receive a regular and common performance appraisal.

Employment	**2009**	2008	Variance
Health & Pharma Solutions	2,534	2,678	(144)
Corporate & Financial Services	2,922	3,083	(161)
Tax, Accounting & Legal	5,533	5,823	(290)
Legal, Tax & Regulatory Europe	7,118	7,588	(470)
Corporate	100	99	1
Total	**18,207**	**19,271**	**(1,064)**

Effectively using global capabilities
Wolters Kluwer's employee population is diverse and worldwide. The company sees diversity as a catalyst for innovation and creativity. It is always a balance between fitting the best global candidates into key roles and filling local roles with local talent who understand the culture.

Whilst respecting diversity, Wolters Kluwer also emphasized the importance of global teams through its values, Leadership Forums, common performance management, and joint solution sharing. Employees are increasingly working in cross divisional and geographic teams and back office consolidation and solutions - ranging from product innovations to resources to problem solving - are being shared across customer segments.

Innovation and efficiency
Through optimization of global shared services, business process improvement, resource deployment, and acquisition integration, Human Resources supported Wolters Kluwer to innovate better and faster, and to operate more efficiently.

After the implementation of a North American Shared Services organization, and its process improvements during 2007 and implementing common processes across Europe in 2008, Wolters Kluwer has been working towards achieving global scale for its support functions.

Human Resources process improvements include standardized exit interviews across North America and Europe to identify drivers of employee turnover, standardized induction programs for new hires, further vendor consolidation concentrated on agencies and benefits, workforce planning and recruitment using the Lean Six Sigma methodology. Wolters Kluwer has also prepared for implementation of a global Human Resources information system during 2010.

Employee engagement
As in prior years, Wolters Kluwer employees played a vital role in the development of the 2010 strategic plan announced in 2009. Employees contributed to the development of the strategy through active involvement in product and customer focused task forces and in teams dedicated to reviewing organizational changes. Wolters Kluwer's commitment to embedding employees' skills and knowledge in the foundational initiatives of its strategy is one of the company's strengths, and is enabled by the support systems provided through succession planning and talent management.

Geographical spread of employees	2009	2008	Variance
Asia Pacific	949	983	(34)
Canada	411	421	(10)
Europe - Region Central (Central Europe, Italy)	1,695	1,746	(51)
Europe - Region North (Belgium, Netherlands, Scandinavia)	2,000	2,202	(202)
Europe - Region South (France, Spain)	2,066	2,123	(57)
Germany	954	950	4
Latin America	22	23	(1)
Russia	580	781	(201)
United Kingdom	1,140	1,274	(134)
United States	8,390	8,768	(378)
Total	**18,207**	**19,271**	**(1,064)**

Investor Relations

The company seeks to be thoroughly open with shareholders and the investment community and is committed to a high degree of transparency in its financial reporting. Wolters Kluwer has a comprehensive program for communicating with investors. This includes communicating with its shareholders and the investment community at large during the Annual General Meeting of Shareholders as well as regularly throughout the year.

In 2009, the company reported full-year and half-year results (under International Financial Reporting Standards), held full-year and half-year results presentations and released trading updates in the second and fourth quarter which were made broadly accessible to the public. The company conducted an investor/analyst strategy update day focusing on *Maximizing Value for Customers* in November. The company also held a significant number of road shows and one-on-one and group meetings with investors that included participating in selected sector-specific seminars throughout the year. Furthermore, the investor section of the corporate website is regularly maintained to provide accessibility of information. Wolters Kluwer is strict in its compliance with applicable rules and regulations on fair disclosure to shareholders. It is the policy to post presentations to analysts and shareholders on the company's website. In adherence with fair disclosure rules, these meetings and presentations do not take place shortly before the publication of annual and interim 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 help investors become better acquainted with Wolters Kluwer and its management, as well as to maintain a long-term relationship of trust with the investment community at large.
See ➔ Information for Shareholders and Investors.

Communications

Wolters Kluwer sees communications as a powerful way to connect with its stakeholders - customers, employees, media, partners, shareholders and investors, and others in society at large. Wolters Kluwer aims to communicate in a transparent and meaningful way in order to help stakeholders better understand and engage with the company's global journey to be *The Professional's First Choice*. The company's communications strategy is globally integrated; the goal is to make information more contextually relevant, attuned to the specific needs of the audience Wolters Kluwer is interacting with based on the user's context. As technology has become an important aspect of the professional world, the company finds it of utmost importance that the communications program reflects the company's focus on developing cutting-edge technologies that help professionals to work more effectively.

Wolters Kluwer is increasingly orienting its products towards an open architecture model, or a hub, and its strategic communications activities are also aligned around this trend. Communications has a hub role, coordinating activities across an extended enterprise that enables various people to communicate with one another in a workflow that spans multiple entities. Connectivity and knowledge sharing are key words in communications activities. For example, the use of social media at all levels within the organization has accelerated our ambition to facilitate dialogue with customers, partners, peers, and colleagues.

Introduction of the strategy 2010-2012

In the last quarter of 2009, communication was strongly focused on the launch of Wolters Kluwer's 2010-2012 Strategy for *Maximizing Value for Customers*. Many activities were introduced around this event. In addition to online communications, the program included a video production, an internal leadership blog, e-newsletters, leadership webinars, in-person meetings, and other information campaigns to support communications at all levels of the organization.

A global brand that reflects customer focus

The value of the Wolters Kluwer brand is reflected in the authoritative, high-quality, subject-matter expertise contained in the information, solutions, and services Wolters Kluwer provides to its customers. The equity that the product brands associated with Wolters Kluwer have are distinguishing and a cornerstone of the business. The company continues its investments to take the Wolters Kluwer brand to the next level, demonstrating an integrated, global brand position that reinforces awareness and recognition amongst its stakeholder audience.

The thought leadership of the thousands of professional experts that are engaged with Wolters Kluwer is used to stimulate an ongoing dialogue with customers and experts around trends and topics in the industry. This investment is reflected in the visibility of Wolters Kluwer and its power brands in the media, and in expert meetings across the world. Wolters Kluwer remains committed to exchanging knowledge and expertise through communication with its stakeholders around the emerging trends in the markets it serves.

Sustainability

Wolters Kluwer is focused on generating value for customers, shareholders, and employees, as well as the society in which it operates. Sustainability is connected to the bottom line through its products as well as the way the company does business. Operating responsibly makes good business sense, now and in the future.

Solutions that impact society

Wolters Kluwer's solutions help professionals reach intelligent and sustainable results: the company improves healthcare and quality of life through its health products, assists businesses with regulatory and environmental compliance, and helps businesses work in a safe and transparent way.

In 2009, Wolters Kluwer has again launched a series of smart solutions that positively impacted both performance and society. These activities are demonstrated in selected 2009 business initiatives and results and linked to the 2009 sustainability goals:

- ProVation® MD, which increases effectiveness of healthcare, by allowing clinicians to quickly and completely document medical procedures at the point-of-care, and then apply the appropriate reimbursement codes to drive compliance and revenue recovery;
- Wolters Kluwer Financial Services expanded its anti-fraud solution to help U.K. financial institutions combat insider fraud. The solution's Internal Fraud module helps firms continuously monitor for internal fraud in real-time through a platform of services that includes a rules engine, analytics, digital forensic archiving and case management technologies. By doing so, institutions are better able to prevent fraud before it occurs and stop funds from ever leaving the organization;
- An independent study conducted with Solucient, a well-recognized leader in measuring hospital performance, demonstrated a strong relationship between hospital quality and efficiency and the use of the Wolters Kluwer product, UpToDate®. Hospitals with access to UpToDate performed significantly better on risk-adjusted measures of patient safety and complications, and had a significantly shorter length of stay (by an average of .167 days per discharge) compared to hospitals without access;
- In keeping with the mission to help healthcare workers to provide the best possible care around the world, UpToDate has also launched a new grant subscription program in 2009 to deliver medical information to clinicians providing medical care or related services to underserved areas. By providing complimentary access to healthcare providers in resource-limited settings, UpToDate is helping to improve the quality of healthcare for patients in locations that need it most; and,
- To help employment attorneys and HR professionals comply with federal and state laws regarding plant closings and large layoffs driven by the financial crisis, Wolters Kluwer provided free access to its proprietary content via State and Federal Employment Law Compare, an online tool that provides quick answers to a wide range of employment law issues.

Wolters Kluwer believes in making a contribution to society by leveraging the core added-value of the company. Next to monetary donations, the company used its skills, products, and people to generate long-term local solutions and in reaction to global crises. For example, Wolters Kluwer teamed up with Operation Hope and other partners in North America to provide professional tax preparation and federal and state filing services to Earned Income Tax Credit (EITC) qualifying families hit hard by the financial crisis. Wolters Kluwer Health donated electronic medical resources to the global health community to support the diagnosis, treatment, and care of the H1N1 Influenza A.

To help realize longer-term solutions, Wolters Kluwer actively works to provide access to medical information. For instance, in 2009, the company partnered up with Global Health Delivery (GHD), a project to provide complimentary one-year subscriptions to clinicians providing medical care or related services to poor or underserved populations or communities operating outside the United States who would benefit from UpToDate access but lack funds to subscribe. The goal of the program is to increase the quality of clinical information available in underserved areas, where the burden of disease for treatable illnesses is associated with high rates of morbidity and mortality. Wolters Kluwer continues to publish *Intervention*, the War Trauma Foundation's international journal of mental health, psychosocial work, and counseling in areas of armed conflict, and also started a partnership with Foundation Plan to tackle malnutrition in Ghana through school lunches and education.

Leading by doing

Wolters Kluwer believes in leading by doing. The company's values and business principles provide an ethical framework for all business activities, and serve to engage culturally different employees from around the world. The company strives to be a responsible organization working with fairness, integrity, and respect for differences in the wide variety of social, political, and economic environments in which it operates.

A second guiding theme remains balancing business

results with respectful use of environmental resources. For Wolters Kluwer, sustainability does not only drive content but also format. Therefore, offering choices for responsible product consumption such as electronic or paperless products is a crucial concern for the company. Since 2005, the company has actively worked to convert its portfolio from print-centric products into more sustainable product formats. New products and the migration of customers to higher value-added solutions have helped shift Wolters Kluwer's portfolio to a higher proportion of online and software.

Revenue from electronic products (%)	2009	2008	2007	2006	2005
	52%	49%	47%	46%	42%

These products illustrate that balancing business and environmental considerations can be a win-win situation; customers receive higher-value products while reducing the environmental footprint of Wolters Kluwer and its customers.

In 2009, Wolters Kluwer has also started working across the supply chain to ensure that the portion of its products which still use paper can do so in a more environmentally-friendly, yet still high-quality and cost-effective way. Wolters Kluwer Tax & Accounting produced its first book to carry the Sustainable Forestry Initiative (SFI) certified label (CCH's 2010 edition of the *Principles of Business Taxation*). Approximately 77% of all book production, or about 1.6 million units, within the Tax & Accounting division now carry the Certified Chain of Custody acknowledgements. In 2010, Wolters Kluwer will advance its efforts even further with a goal of 90% of the North American book volume carrying the SFI or Forest Stewardship Council (FSC) endorsements as part of the company's endeavor to increase environmentally sound production practices.

Lastly, as part of the implementation of the global environmental policy, Wolters Kluwer continues to scout for opportunities to become more environmentally efficient in greening its own workplaces. For example, it has added green criteria for the selection of real estate vendors. Wolters Kluwer furthermore seeks to enable employees whose roles are suited to remote work to do their jobs from home or other places as part of its @WorkAnywhere initiative. The company is currently running a pilot in New York where a group of employees have traded their cubicle for a more flexible environment, leading to less office space needed and less commuting to and from the workplace.

Wolters Kluwer's ongoing sustainability efforts have led to continued external recognition. The company is part of the Dow Jones Sustainability World Index. It won the SAM 2009 Bronze Class award for the second year in a row and achieved 7th place in the Reputation Institute's 2009 Study. Wolters Kluwer's online Sustainable Entrepreneurship Report provides more in-depth detail on the 2009 activities, performance against key metrics, and an outlook for the 2010 goals. The report is available at ➔ www.wolterskluwer.com.

Risk Management

Wolters Kluwer recognizes the following risk categories: strategic risks, operational risks, legal risks, financial risks, and financial reporting risks. In line with the Amended Dutch Corporate Governance Code, the risk overview provided in this section aims at providing an overview of the main risks the company has assessed until the date of this Annual Report, rather than providing an exhaustive overview of all possible risks.

Strategic, operational, and legislative risks

The company aims to achieve its strategy *Maximizing Value for Customers* through focusing on three priorities:

- Deliver Value at the Point-of-Use;
- Expand Solutions Across Processes, Customers, and Networks; and
- Raise Innovation and Effectiveness Through Global Capabilities.

A detailed description of the execution of the strategy can be found on ➔ page 47 of the Annual Report.

Markets and products

Wolters Kluwer focuses on providing professionals with information, software, and services to help them make critical decisions effectively and more accurately and to improve their productivity. Most of the markets it serves are relatively stable with a strong and constant need for up-to-date information, workflow software solutions, and services, particularly in the rapidly evolving fields of regulation and compliance. The company serves many of its customers by means of annual subscription-based products and services, with high renewal rates. The subscription-based businesses represent approximately two-thirds of the company's revenues. The ongoing ability to renew these subscriptions and contracts has an important impact on the future of the company's business. The company mitigates this risk by maintaining continuous interaction with its customers through renewal programs, conferences, and advisory boards.

In addition, the company continues to invest in core product enhancements to provide additional value to facilitate customer renewals. These actions are also part of the company's strategic objectives as outlined above.
No single individual customer represents more than 1% of Wolters Kluwer's consolidated revenues, nor does one single product represent more than 1% of consolidated revenues. Some of the company's activities are more sensitive to the general economic circumstances. In 2009, the global recession had a negative effect on several, more cyclical products including training activities, advertising, new product introductions, certain book programs, as well as lending and corporate formation-related transactions. These activities represent approximately 20% of the company's consolidated revenues.

Competition

Wolters Kluwer faces competitive challenges from existing and new competitors. In order to maintain growth and sustain its competitive advantage, the company continuously develops new products, providing its customers with state-of-the-art technological solutions. These products are developed in close collaboration with customers, based on a multi-generation product development plan. The portfolio is balanced in terms of markets and geography, with 50% of revenues in North America, 45% of revenues in Europe, 4% of revenues in Asia Pacific, and 1% of revenues in the rest of the world.

Intellectual property rights

Wolters Kluwer actively protects its intellectual property rights, which is important to safeguard its portfolio of information, software, and services. Technological developments make it increasingly difficult to protect intellectual property rights. The company relies on trademark, copyright, patent, and other intellectual property laws to establish and protect its proprietary rights to these products and services. Intellectual property rights could be challenged, limited, invalidated, circumvented, or infringed by competitors.

Mergers and acquisitions

The strategic objectives of the company are also supported by acquisitions. Risks with respect to the acquisition of companies can primarily relate to the integration of the acquisitions, changing economic circumstances, competitive dynamics, contractual obligations, retaining key personnel, and the ability to realize expected synergies. When acquiring new businesses, Wolters Kluwer carries out a comprehensive due diligence process. Furthermore, the company always assesses whether the risks can be mitigated through the deal structure, for example by using 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. Acquisitions are expected to be accretive to ordinary earnings per share in year one and cover their weighted average cost of capital within three to five years. An acquisition integration plan is agreed to with the Executive Board prior to completing the acquisition. Such plans are actively monitored after completion.

Divestments
Execution of the company's strategy can also be supported by divestment of non-core activities. The ability to successfully divest activities can, amongst others, depend on economic and market circumstances, competitive dynamics, contractual obligations, retention of key personnel and the ability for the buyer to realize synergies. To mitigate risks related to divestments, the company usually carries out a vendor due diligence prior to the sale.

Technological developments and Global Shared Services
Electronic platforms and networks are an important means of the delivery of Wolters Kluwer's products and services. The company constantly strives to improve its ICT environment and performance and it is involved in multi-year initiatives, such as implementing ERP (Enterprise Resource Planning) systems, creating next-generation platforms for electronic products, offshoring application maintenance and development, rolling out a global IT security plan, and implementing shared service centers. In 2009, a Global Shared Services organization was implemented that included Technology, Sourcing, Procurement, and Human Resources. These types of initiatives continue in 2010 and support the successful execution of the company's strategic objectives. New initiatives in this respect, that may include other functions within the organization, may also be taken in the future. While the company implements risk-mitigating actions during the transition phase, these initiatives are inherently subject to execution risks. The company also relies on the performance of third parties, especially with respect to the outsourcing and offshoring of activities. Risk-mitigating actions are taken to control these execution risks and include setting up project teams and oversight boards that are adequately resourced, careful planning and monitoring of the progress by senior management, and detailed service level agreements with outside providers. At Executive Board level, Mr. Lynch is responsible for Technology and Global Shared Services, including the Springboard program, a Wolters Kluwer-wide initiative aimed at streamlining and simplifying processes as well as technology across the organization.

Compliance with all applicable rules and regulations in a changing regulatory environment may require technological amendments. Although the company aims to implement such amendments to the best of its abilities, temporary delays may exist.

Staffing
The ability of the company to attract talent and retain highly skilled, experienced, and motivated personnel plays an important part in the continued successful execution of the strategy. To that effect, the company has a worldwide Talent Management Program aimed at providing its employees with the best opportunities in the industry. In order to assure top-quality human resources, the company invests in competitive training and remuneration packages. The company mitigates the risks of losing top-quality human resources by having a well-understood strategy in place and hiring the best management team available.

Insurance
The company manages a range of different insurable risks by arranging coverage for property damage, business interruption, and casualty; general liability; errors and omission liability; directors and officers' liability; employment practices liability; and criminal liability.

The company has put in place a worldwide internal risk engineering program for risks associated with property damage and business interruption, which is steered centrally and aims to improve the risk profile of the operating companies. Accompanied by insurers, the company performs loss control visits to operating company locations on a regular basis, as well as to the locations of key suppliers. The aim is to implement insurers' recommendations, however, always after a cost-benefit analysis.

Financial risk
As is the case with most international businesses, Wolters Kluwer manages a variety of financial risks, including currency, interest, liquidity, and credit risk. 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 income, equity, and cash flow. Whenever possible, the company tries to do this by creating natural hedges, such as income and expenses in the same currency, and by matching 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 to mitigate financial 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 20 of the Consolidated Financial Statements.

Post-employment benefits

The financial risk of the defined contribution pension plans, which have been arranged by the company in most of the countries, and the state pension plans is limited to the contributions to be paid under these schemes. These contributions may vary over the years, but usually follow the general trends in the respective countries.

The company faces a higher risk related to additional funding for the defined benefit plans, namely the pension and post-retirement medical plans in the United States and the pension plans in the Netherlands, the United Kingdom, Canada, Australia, and Belgium. These plans are affected by the annual developments on the international financial markets and may be further affected by future developments on these markets. The overall impact could be material, although over the past years, the company has mitigated these financial risks by closing some of the defined benefit plans to future accruals, such as the pension plans in the United States and the United Kingdom; or by changing the plan, such as moving to an average salary instead of final salary benefit and limiting the yearly increase of pension liabilities in the Netherlands, and implementing a defined contribution-like Health Retirement Savings Account in the United States. Furthermore, the company engages advisors to perform asset liability management studies and advise on the investment strategies for the various pension funds.

The pension benefit costs are based on actual actuarial calculations. A decrease of 1% of the discount rate would increase the defined benefit plan gross annual service costs by approximately €4 million.

Tax

Wolters Kluwer operates in numerous jurisdictions and is subject to various levies in these jurisdictions. Most of these taxes are transactional and employee-related and are levied from the legal entities in these jurisdictions. Local management is responsible for the proper handling of these taxes and is supported by corporate staff and external professionals. Risks that may adversely affect the results are changes in corporate tax rates, tax laws, and rulings. As a consequence, not only could current and future profits be at risk, but it is also possible that a deferred tax asset, or part of a deferred tax asset which realization has become unlikely, could be reversed and taken as a charge to the income statement.

Wolters Kluwer maintains a liability for certain contingencies in line with IFRS accounting standards. The adequacy of this liability is judged on a continuous basis in consultation with external advisors. Reference is made to ➔ note 14 of the Consolidated Financial Statements for additional information about tax and related risks.

Due to the centralization of certain activities in a number of countries (such as research and development, centralized IT, intragroup financing, and corporate functions) costs are also centralized. As a consequence, for tax reasons these costs and/or revenues must be allocated to the beneficiaries. For that purpose, agreements are signed with a large number of entities. Tax authorities review the implementation of these agreements and may reject or adjust the implemented costs/revenues.

The value of the tax losses and interest carry-forwards is subject to having sufficient profits available within the carry-forward period. There is no absolute assurance that all (net) tax losses and interest carry-forwards can be realized. Valuation allowances of deferred tax asset positions are in place when considered necessary.

Financial reporting risks and internal risk management and control systems

The Executive Board is responsible for internal risk management and control within Wolters Kluwer. Wolters Kluwer has risk management and internal control systems in place to identify significant risks to which the company is exposed, enable the effective management of these risks, meet strategic and operational objectives, ensure the reliability of the financial reporting, and comply with relevant laws and regulations. The internal control systems are designed based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, which aims at providing a reasonable level of assurance. Consequently, 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.

High-quality financial reporting is of the utmost importance for Wolters Kluwer providing a true and fair view of the company's financial performance and position both for managerial and accountability purposes. In order to assure the continued high quality of financial reporting, the following internal risk management and control systems are in place:

- Hiring and retention policies and practices for top finance professionals throughout the business;
- A standard planning and reporting cycle, consisting of the annual Business Development Plan (three-year strategic plan) on a divisional and operational entity level, the annual budget, quarterly forecasts, and monthly financial reporting;
- Periodic business reviews where divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board;

- Specific treasury policies on market (currency and interest), liquidity, and credit risk reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks within the pre-defined ranges;
- A Risk Committee facilitates the internal process of enterprise risk management. The Committee aims at getting oversight of the main risks and follows up actions within the company. The Committee meets every quarter;
- Standard financial and non-financial procedures and policies including the Letters of Representation that are signed quarterly by all divisional and operating company CEOs and CFOs and relevant corporate staff members, as well as an Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, and Whistleblower Policy;
- Internal audits, planned and carried out globally, based on risk assessments to ensure compliance with policies and procedures, evaluate effectiveness of established controls, and ensure that existing controls provide adequate protection against actual risks. In 2009, the internal audit department started using software of TeamMate, a company recently acquired by Wolters Kluwer; and
- The risk and control status report includes recommendations and outstanding control issues arising from management reviews, internal audits, and external audits; recommendations are actively followed up. This report is reviewed by the Audit Committee on a quarterly basis.

The Wolters Kluwer Internal Control Framework (ICF) consists of approximately 100 key controls, designed to ensure that the results of business processes are adequately reflected in its internal and external financial reporting. In 2010, Wolters Kluwer will start using software of one of its recently acquired group companies (Sword software) for its ICF. Wolters Kluwer endeavors to include acquisitions in the ICF within one year after the acquisition date. Wolters Kluwer employs approximately 25 internal control officers, who are located in the main operating entities. They play an important role in tailoring key controls and implementing them in the business processes within their organizations, coordinating test work of the key controls, and reporting the outcome of the tests to management and internal and external auditors. These tests are carried out within Wolters Kluwer's main operating companies on a regular basis, making use of an automated tool to monitor test results. The internal audit department performs a quality review on the design, execution, documentation, and conclusions of the key controls testing of the ICF on a regular basis. Test results are discussed periodically with the Executive Board and the Audit Committee. Where needed, action plans are designed and implemented to address important risks. Test work of the key controls will continue to expand, aimed both at assurance and process optimization.

In 2009, the company invested in expanding the general IT control framework and has been working on the implementation of a global business continuity plan to integrate its existing plans into one corporate framework. Wolters Kluwer will also continue its program of tailoring the key controls to the risks associated with the business processes within the operating entities, adjusting these controls as businesses continue to change.

The company continues to improve its risk management and control systems. In the coming years, it will continue to give high priority to improving design and effectiveness and further integrating risk management and control systems in its daily operations.

Statements by the Executive Board

The Executive Board is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements consist of the consolidated financial statements and the company's financial statements. The responsibility of the Executive Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Executive Board is also responsible for the preparation of the Report of the Executive Board that is included in the 2009 Annual Report. The Annual Report is prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. In the Annual Report, the Executive Board endeavors to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The company has identified the main risks it faces, including financial reporting risks. These risks can be found in ➔ Risk Management. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision *(Wet op het financieel toezicht),* the company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Executive Board or considered to be unlikely may change the future risk profile.

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 2009 does not contain any errors of material importance; and
- The company's risk management and control systems as regards financial reporting risks worked properly in 2009; and
- The 2009 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 2009 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, 2010

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
B.L.J.M. Beerkens, CFO and member of the Executive Board
J.J. Lynch, Jr., Member of the Executive Board

Report of the Supervisory Board

Report of the Supervisory Board

Financial statements

The Executive Board submitted the 2009 financial statements to the Supervisory Board. The Supervisory Board also took note of the report and the statement by KPMG Accountants nv (as referred to in Article 27, paragraph 3 of the company's Articles of Association), which the Supervisory Board discussed with KPMG. Taking KPMG's report into account, the members of the Supervisory Board signed the 2009 financial statements, pursuant to their statutory obligation under clause 2:101 (2) of the Netherlands Civil Code. The Supervisory Board proposes to the shareholders that they adopt these financial statements (see ➔ Financial Statements) at the Annual General Meeting of Shareholders of April 21, 2010. The resolutions to release the members of the Executive Board and of the Supervisory Board from liability for their respective duties will be voted on separately at the Annual General Meeting of Shareholders. In line with the existing dividend policy, it is proposed to distribute a dividend of €0.66 per share in cash, or, at the option of shareholders, in stock. Stock payments will be determined on April 29, 2010, after close of trading. Upon approval by the Annual General Meeting of Shareholders, the payments will be made as from May 4, 2010.

Activities

The Supervisory Board held seven meetings in 2009. One meeting was partly held without the members of the Executive Board being present. None of the Supervisory Board members was absent for more than one meeting.

In accordance with the Dutch Corporate Governance Code, 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. In preparation for these discussions, the members of the Supervisory Board provided feedback about the performance of the Supervisory Board through a written assessment. Furthermore, the Chairman and Deputy Chairman of the Supervisory Board had individual meetings with each of the Executive Board members. 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 addition to the scheduled meetings, the Chairman and other members of the Supervisory Board had regular contact with the Chairman and other members of the Executive Board.

The Executive Board has kept the Supervisory Board closely informed about the execution of the strategy for 2007 and beyond, which was announced on September 27, 2006. Furthermore, the Supervisory Board was closely involved in the preparation and development of the new strategy for 2010 to 2012, *Maximizing Value for Customers*, as announced on November 4, 2009. Members of the management teams of the global lines of business gave presentations about the new strategy with respect to their businesses. The Executive Board presented the overall strategy to the Supervisory Board, including the extension of the Springboard program and the financial assumptions. The Supervisory Board has approved the new strategy and the associated medium-term outlook.

The Supervisory Board discussed (potential) acquisitions and divestments with the Executive Board, and reviewed the performance of previous acquisitions. The Supervisory Board and Audit Committee 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. For more information, see ➔ Risk Management.

The Supervisory Board has extensively discussed the Amended Dutch Corporate Governance Code. As part of these discussions, attention was paid to corporate social responsibility. Furthermore, the By-laws of both the Supervisory Board and the Executive Board were amended in order to reflect the amendments of the Corporate Governance Code.

Other subjects discussed were the 2009 budget, the financial outlook for 2009, the proposed dividend, the outcome of the impairment test, the strategy of Wolters Kluwer China, annual and interim financial results and press releases, competitive developments, hedging and treasury policies, technology developments, investor relations, remuneration, and human resources. During several meetings, managers and employees of various Wolters Kluwer divisions and businesses gave presentations on specific subjects.

As part of her introduction program, Ms. Dalibard, the newest member of the Supervisory Board, appointed on

April 21, 2009, had meetings with several corporate staff members and visited operations in France and China. She is also participating in an external program, especially developed for non-Dutch members of supervisory boards of Dutch listed companies.

Audit Committee

The Audit Committee met four times in 2009, during the preparation of the annual and half-year results, and during the presentation of the interim trading updates after the first and third quarter. In addition, two conference calls were held by the members of the Audit Committee to discuss specific subjects. The Audit Committee consists of Mr. Scheffers (Chairman), Mr. Baan, and Mr. Forman.

The meetings of the Audit Committee were held in the presence of representatives of the Executive Board, the external auditor, the internal auditor, and other corporate staff members. In line with the Dutch Corporate Governance Code, the Audit Committee meets once a year with the external auditors without members of the Executive Board being present. Among the main items discussed during the Audit Committee meetings were the financial results of the company, IFRSs, pensions, hedging, tax planning, impairment testing, the financing of the company, and internal risk management and control systems including IT systems. 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. Based on the thorough assessment of the external auditor that took place in 2008, the Audit Committee recommended to the Supervisory Board, to propose to reappoint KPMG at the Annual General Meeting of Shareholders of April 21, 2009. This proposal was accepted.

Selection and Remuneration Committee

The Selection and Remuneration Committee met four times in 2009 and had one conference call. The Committee consists of Mr. Forman (Chairman), Mr. Wakkie, and Mr. Baan. The Committee has discussed the remuneration policy for the Executive Board, including the base salary, new conditional awards of performance shares under the Long-Term Incentive Plan, and targets for the Short-Term Incentive Plan. The Committee engaged an outside compensation advisor to provide recommendations and information on market practices for compensation structure and levels. In 2009, no increase of base salary for the Executive Board members took place. In line with a proposal of the Committee, the Supervisory Board has resolved to increase the salaries of Ms. McKinstry and Mr. Beerkens with 2% in 2010, and to increase the salary of Mr. Lynch with 26% in 2010, in recognition of the expanded role of Technology and Global Shared Services and the importance of the Springboard program to the company's long-term objectives as well as alignment with market benchmarks. For more information about the remuneration policy of the Executive Board see ➔ Remuneration Report and ➔ note 27 of the Consolidated Financial Statements.

Composition

The second term of Ms. Frost expired in 2009. Based upon an in-depth review of the desired profile of the Supervisory Board, it was concluded that more knowledge of ICT infrastructure and its applications in the markets of Wolters Kluwer was required. At the Annual General Meeting of Shareholders of April 21, 2009, Ms. Dalibard was appointed as new member of the Supervisory Board. The first term of Mr. Wakkie and Mr. Forman also expired in 2009. Both gentlemen were reappointed at the Annual General Meeting of Shareholders of April 21, 2009.

In 2010, the second term of Mr. Baan and the first term of Mr. James will expire. Both gentlemen are available for reappointment. After careful consideration, the Supervisory Board has resolved to propose to the Annual General Meeting of Shareholders that will be held on April 21, 2010, to reappoint Mr. Baan and Mr. James as members of the Supervisory Board.

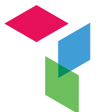
For more information on each of the Supervisory Board members in accordance with the Dutch Corporate Governance Code, see ➔ Management Profiles / Supervisory Board. All members of the Supervisory Board are independent from the company within the meaning of Best Practice Provision III.2.2 of the Dutch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

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

Alphen aan den Rijn, February 23, 2010

Supervisory Board
A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B.M. Dalibard
L.P. Forman
S.B. James
H. Scheffers

Remuneration Report



Introduction
During the Annual General Meeting of Shareholders of April 21, 2004, the remuneration policy for members of the Executive Board was adopted and the Long-Term Incentive Plan approved. Amendments to the Remuneration Policy and the Long-Term Incentive Plan were approved during the Annual General Meeting of Shareholders of April 20, 2007. The Selection and Remuneration Committee has carefully reviewed the existing remuneration policy. It was resolved not to amend the remuneration policy.

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

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

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

Executive Board members participate in pension schemes of their home countries, except in the Netherlands where an individually defined contribution plan is used.

Corporate Governance Code
The Selection and Remuneration Committee has carefully reviewed the Amended Dutch Corporate Governance Code , which came into force as of January 1, 2009 (Corporate Governance Code). In line with the Corporate Governance Code, the Committee and Supervisory Board made scenario analyses when they determined the level and structure of the Executive Board's remuneration for 2010. These analyses included all elements of remuneration, including potential LTIP and STIP pay outs, under various scenarios. The Committee has also discussed to which extent the variable remuneration might expose the company to risks, taking into consideration the overall risk profile of the company, as described in ➔ Risk Management. The Committee reached the conclusion that the current remuneration policy, provides management with good incentives to create long-term value for the shareholders, without increasing the overall risk profile of the company. In line with the Corporate Governance Code, the Supervisory Board has agreed with the Executive Board that it may recover from the Executive Board members any variable remuneration awarded on the basis of incorrect financial or other data (claw back clause).

Wolters Kluwer intends to add a non-financial target beginning in 2011 focused on corporate sustainability. For the first time in 2010, certain non-financial indicators related to sustainability will be audited by an external auditor. The outcome of that audit will be used as point of reference for setting a target based on a non-financial indicator in 2011.

In line with the Corporate Governance Code, future Executive Board members will be appointed for a period of four years. The contracts of Ms. McKinstry and Mr. Beerkens, who have employment contracts for an indefinite period of time, will be honored. Mr. Lynch was appointed as Executive Board member for a period of four years at the Annual General Meeting of Shareholders that was held in 2007. Periods of notice vary between 30 and 90 days. Severance arrangements with Executive Board members are either specifically determined in employment contracts or will be determined based on local laws.

When new Executive Board members will be appointed in the future, the company will comply with the best practice

provision that severance remuneration in the event of dismissal will not exceed one year's salary. As explained in ➔ Corporate Governance, the company currently deviates from this best practice provision because the contracts and arrangements with current Executive Board members will be honored.

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

Executive Board remuneration 2009 and 2010

Fixed and variable compensation and other considerations for members of the Executive Board in 2009 are detailed in ➔ note 27 of the Consolidated Financial Statements.

In 2009, the Executive Board members did not receive an increase of their base salary. For 2010, the Supervisory Board has decided to increase the base salaries of Ms. McKinstry and Mr. Beerkens with 2%. The base salary of Mr. Lynch will increase with 26%, to reflect the expanded role of Technology and Global Shared Services and the importance of the Springboard program to the company's long-term objectives as well as alignment with market benchmarks.

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 base. Payment of the STIP bonuses 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 2009 (pay-out in 2010) for the members of the Executive Board was based on the achievement of targets with respect to free cash flow (33.3%), revenue performance (33.3%), and ordinary net income (33.3%). Consistent with the changes to the remuneration policy that were approved at the 2007 Annual General Meeting of Shareholders, the pay-out percentages that could be earned depending on the performance were determined for each of the Executive Board members through individual benchmarking. The achieved percentages, earned in 2009 and payable in March 2010, will be 129.87% for Ms. McKinstry, 99.90% for Mr. Beerkens, and 79.92% for Mr. Lynch. Since these bonuses are related to 2009 performance, the amounts are included in the total remuneration for 2009 as shown in ➔ note 27 of the Consolidated Financial Statements.

For 2010, the Supervisory Board has approved the same pay-out targets for Executive Board members as in 2009: 125% of the base salary for Ms. McKinstry, 95% of the base salary for Mr. Beerkens, and 75% of the base salary for Mr. Lynch. The maximum achievable pay-outs will be 175% (Ms. McKinstry), 145% (Mr. Beerkens), and 125% (Mr. Lynch). These amounts would only be payable if the actual performance exceeds 110% of target. There is no pay-out for results below 90% of target. Performance for STIP in 2010 will be based on the same objective measures as last year: free cash flow (33.3%), revenue performance (33.3%), and ordinary net income (33.3%).

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.

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

In 2009, the peer group consisted of the following companies: Arnoldo Mondadori, Axel Springer, Daily Mail & General, Dun & Bradstreet, Grupo PRISA, John Wiley & Sons, Lagardère, McGraw-Hill, Pearson, Reed Elsevier, T&F Informa, Thomson Reuters, Trinity Mirror, United Business Media, and McClatchy. This peer group is consistent with the peer group at the launch of the plan in 2004, with the exception of replacements of companies of which the shares are no longer publicly traded. At the time of introduction of the plan the peer group consisted entirely of media companies from the Morgan Stanley Capital Index (MSCI), the index most widely used by media analysts, and at present still the majority of the peer group companies is included in that index. The Supervisory Board has established a secondary tier of peer group companies that can be used to substitute for any of the current peer group companies should they de-list during the term of the performance period. These companies include Aegis Group, Gannet Co, Idearc, and Yell Group.
In case of delisting of a peer group company due to a

takeover, the Supervisory Board can resolve to replace that peer group company either by the acquiring company, or by one of the secondary tier companies.

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

For the performance period 2006-08, the plan paid out 100% of the number of conditionally awarded shares if Wolters Kluwer would reach a position in the second quartile (fifth to eighth position) of the TSR ranking, 150% for first or second position, 125% for third or fourth position, 75% for ninth or tenth position, 50% for eleventh or twelfth position, and 0% for thirteenth to sixteenth position. Wolters Kluwer reached the third position in the TSR ranking with respect to the three-year performance period 2006-08. As a result, in 2009, the participants received 125% of the number of conditional rights on shares that were awarded in 2006. The number of shares released to each of the Executive Board members in 2009 can be found in ➔ note 27 of the Consolidated Financial Statements.

As approved in the 2007 Annual General Meeting of Shareholders, for the 2007-09 LTIP, as well as for subsequent plans, there will be no pay-out for the Executive Board below eighth position, 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. This change is in line with best practice recommendations for the governance of long-term incentive plans.

For the three-year performance period 2007-09, Wolters Kluwer has reached the seventh position in the TSR ranking. As a result, in 2010, the Executive Board Members will receive 75% of the number of conditional rights on shares that were awarded in 2007. The number of shares to be released to each of the Executive Board members in 2010 can be found in ➔ note 27 of the Consolidated Financial Statements.

The conditional share awards for the Executive Board 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 2008-10 and 2009-11 can be found in ➔ note 27 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 2010-12 performance period, these percentages are, similar to last year, determined to be 285% (Ms. McKinstry), 175% (Mr. Beerkens), and 170% (Mr. Lynch). These percentages are determined through an annual benchmarking process.

The number of shares that is 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.

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 cash flow. The LTIP targets of senior management are based on Relative Total Shareholder Return, but with incentive zones that provide more opportunity than is provided to the Executive Board.

Alphen aan den Rijn, February 23, 2010

Selection and Remuneration Committee

L.P. Forman, Chairman
A. Baan
P.N. Wakkie

2009 Financial Statements

Wolters Kluwer
2009 Annual Report

Consolidated Statement of Income

in millions of euros, unless otherwise stated

		2009		2008
Revenues note 3		**3,425**		**3,374**
Cost of sales		1,226		1,202
Gross profit		**2,199**		**2,172**
Sales costs		626		638
General and administrative costs:				
General and administrative operating expenses	971		907	
Amortization of publishing rights and impairments note 6	368		124	
Total general and administrative costs		1,339		1,031
Total operating expenses		1,965		1,669
Operating profit		**234**		**503**
Finance income note 7		6		15
Finance costs note 7		(125)		(134)
Results on disposals note 4		(4)		3
Results from associates note 12		2		(1)
Profit before tax		**113**		**386**
Income tax expense note 8		(3)		(71)
Total profit for the year		**110**		**315**
Attributable to:				
• Equity holders of the Company		118		313
• Non-controlling interests note 9		(8)		2
Profit for the year		**110**		**315**
Earnings per share (EPS) (€)				
Basic EPS (€) note 2		0.41		1.10
Diluted EPS (€) note 2		0.40		1.09

Consolidated Statement of Comprehensive Income

in millions of euros

		2009		2008
Comprehensive income:				
Profit for the year		**110**		**315**
Other comprehensive income:				
Exchange differences on translation of foreign operations	(70)		52	
Exchange (gains)/losses from recycling exchange differences from equity to income statement	-		(1)	
Gains/(losses) on cash flow hedges	(8)		0	
Actuarial gains/(losses) on defined benefit plans [note 21]	(15)		(38)	
Tax on items taken directly to or transferred from equity [note 14]	(1)		13	
Other comprehensive income/(loss) for the year, net of taxes		**(94)**		**26**
Total comprehensive income for the year, net of taxes		**16**		**341**
Attributable to:				
• Equity holders of the Company	27		344	
• Non-controlling interests	(11)		(3)	
Total		**16**		**341**

Consolidated Statement of Financial Position

in millions of euros, at December 31

		2009		2008
Non-current assets				
Intangible assets note 10	4,226		4,600	
Property, plant, and equipment note 11	135		146	
Investments in associates note 12	30		18	
Financial assets note 13	41		71	
Deferred tax assets note 14	107		38	
Total non-current assets		4,539		4,873
Current assets				
Inventories note 15	79		86	
Trade and other receivables note 16	998		1,029	
Income tax receivable note 14	28		55	
Cash and cash equivalents note 17	409		345	
Total current assets	1,514		1,515	
Current liabilities				
Deferred income	1,033		1,046	
Trade and other payables	352		356	
Income tax payable note 14	28		21	
Short-term provisions	36		27	
Borrowings and bank overdrafts note 19	526		683	
Other current liabilities note 18	423		481	
Total current liabilities	2,398		2,614	
Working capital		(884)		(1,099)
Capital employed		**3,655**		**3,774**

		2009		2008
Non-current liabilities				
Long-term debt:				
• Bonds	1,478		1,478	
• Private placement	149		157	
• Perpetual cumulative subordinated bonds	225		225	
• Other long-term loans	39		54	
Total long-term debt note 19		1,891		1,914
Deferred tax liabilities note 14		252		271
Employee benefits note 21		147		134
Provisions note 22		10		8
Total non-current liabilities		2,300		2,327
Equity				
Issued share capital note 23	35		34	
Share premium reserve	89		90	
Legal reserves	(312)		(234)	
Other reserves	1,522		1,524	
Equity attributable to the equity holders of the Company		1,334		1,414
Non-controlling interests note 9		21		33
Total equity		1,355		1,447
Total financing		**3,655**		**3,774**

Consolidated Statement of Changes in Total Equity

in millions of euros

	Issued share capital	Share premium reserve	Legal reserves partici-pations	Legal reserves: Hedge reserve	Legal reserves: Translation reserve
Balance at January 1, 2008	**37**	**90**	**22**	**93**	**(406)**
Exchange differences on translation of foreign operations				(45)	102
Exchange gain from recycling exchange differences from equity to income statement					(1)
Gains/(losses) on cash flow hedges				0	
Actuarial gains/(losses) on employee benefits note 21					
Tax on items taken directly to or transferred from equity note 14					
Net income recognized directly in other comprehensive income	0	0	0	(45)	101
Profit for the year					
Total recognized income and expense for the year	0	0	0	(45)	101
Share-based payments					
Release LTIP shares					
Cash dividend 2007					
Stock dividend 2007	0	0			
Exercise of share options					
Cancellation of shares	(3)				
Other movements			1		
Balance at December 31, 2008	**34**	**90**	**23**	**48**	**(305)**
Balance at January 1, 2009	**34**	**90**	**23**	**48**	**(305)**
Exchange differences on translation of foreign operations				18	(85)
Exchange gain from recycling exchange differences from equity to income statement					-
Gains/(losses) on cash flow hedges				(8)	
Actuarial gains/(losses) on employee benefits note 21					
Tax on items taken directly to or transferred from equity note 14				(6)	
Net income recognized directly in other comprehensive income	0	0	0	4	(85)
Profit for the year					
Total recognized income and expense for the year	0	0	0	4	(85)
Share-based payments					
Release LTIP shares	0				
Cash dividend 2008					
Stock dividend 2008	1	(1)			
Exercise of share options					
Cancellation of shares					
Other movements			3		
Balance at December 31, 2009	**35**	**89**	**26**	**52**	**(390)**

Other reserves				
Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
(675)	**2,017**	**1,178**	**36**	**1,214**
		57	(5)	52
		(1)		(1)
		0		0
	(38)	(38)		(38)
	13	13		13
0	(25)	31	(5)	26
	313	313	2	315
0	288	344	(3)	341
	17	17		17
33	(33)	0		0
	(125)	(125)		(125)
		0		0
0	0	0		0
617	(614)	0		0
	(1)	0		0
(25)	**1,549**	**1,414**	**33**	**1,447**
(25)	**1,549**	**1,414**	**33**	**1,447**
		(67)	(3)	(70)
		0		0
		(8)		(8)
	(15)	(15)		(15)
	5	(1)		(1)
0	(10)	(91)	(3)	(94)
	118	118	(8)	110
0	108	27	(11)	16
	17	17		17
6	(6)	0		0
	(125)	(125)		(125)
		0		0
1	0	1		1
		0		0
	(3)	0	(1)	(1)
(18)	**1,540**	**1,334**	**21**	**1,355**

Consolidated Statement of Cash Flows

in millions of euros

		2009		2008
Cash flows from operating activities				
Operating profit	234		503	
Amortization, impairments, and depreciation note 6	469		202	
Springboard/acquisition integration cost note 2	80		51	
Autonomous movements in working capital	(7)		(19)	
Cash flow from operations		776		737
Paid financing costs	(120)		(94)	
Paid corporate income tax note 14	(89)		(91)	
Appropriation of restructuring provisions note 22	(70)		(36)	
Share-based payments note 24	17		17	
Other	(4)		(12)	
Net cash from operating activities		**510**		**521**
Cash flows from investing activities				
Net capital expenditure	(123)		(140)	
Acquisition spending note 4	(54)		(667)	
Receipts from disposal of activities note 4	0		2	
Dividends received	1		1	
Cash from derivatives	(7)		2	
Net cash used in investing activities		**(183)**		**(802)**
Cash flows from financing activities				
Exercise share options	1		0	
Redemption loans	(246)		(298)	
New loans	112		911	
Movements in bank overdrafts	(7)		(7)	
Dividend payments	(125)		(125)	
Net cash from/(used for) financing activities		**(265)**		**481**
Net cash flow		**62**		**200**
Cash and cash equivalents at January 1	345		152	
Exchange differences on cash and cash equivalents	2		(7)	
		347		145
Cash and cash equivalents at December 31 note 17		**409**		**345**

Notes to the Consolidated Financial Statements

Significant Accounting Policies note 1

General
Unless otherwise indicated, the figures in these financial statements are in millions of euros.

Reporting entity
Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a market-leading global information services company. The Group's core global markets are spread across the legal, regulatory, tax, accounting, health, pharma, financial services, and audit, risk, and compliance sectors. The Group maintains operations across Europe, North America, Asia Pacific, and Latin America. The Company is headquartered in Alphen aan den Rijn, the Netherlands. The Company's ordinary shares are quoted on the Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. These financial statements were authorized for issue by the Executive Board and Supervisory Board on February 23, 2010.

The consolidated financial statements of the Company at and for the year ended December 31, 2009, comprise the Group and the Group's interest in associates and jointly controlled entities. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied by the Group entities to the financial information relating to 2009 and 2008, as presented in these consolidated financial statements.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations including International Accounting Standards (IAS) prevailing per December 31, 2009, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission. If non-IFRS terminology is used in these financial statements, reference is made to ➔ Glossary.

The first time application of the amendments and interpretations that became effective for the year ended December 31, 2009, of which the most relevant standards for the Company are listed below did not result in substantial changes to the Group's accounting policies and the impact on the Group's equity and result is not material:

- IFRS 8 'Operating Segments' (effective January 1, 2009); IFRS 8 replaced IAS 14 'Operating Segments'. IFRS 8 requires an entity to disclose information about its segments which enables users to evaluate the nature and financial effects of its business activities and the economic environments in which it operates. IFRS 8 requires segment financial information to be reported using the same measures reported to the chief operating decision maker for the purpose of making decisions about allocating resources to the operating segments and assessing their performance. The adoption of IFRS 8 did not result in a change in operating segments.
- IAS 1 'Presentation of Financial Statements' (effective January 1, 2009); the revised standard aims to improve users' ability to analyze and compare information given in financial statements. The adoption of the revised standard has no effect on the results reported in the Company's consolidated financial statements. It does, however, result in certain presentational changes, including:
  - The presentation of all items of income and expenditure in two financial statements: the 'Consolidated Statement of Income' and the 'Consolidated Statement of Comprehensive Income'; and
  - The presentation of the 'Consolidated Statement of Changes in Total Equity' as a financial statement.
- Revised IAS 23 'Borrowing Costs' (effective January 1, 2009);
- IAS 27 (Revised) 'Consolidated and Separate Financial Statements' (effective January 1, 2009); and
- IFRS 2 (Amendment) 'Share-based Payments' (effective January 1, 2009).

Basis of Preparation

The consolidated financial statements are presented in millions of euros. They have been prepared under the historical cost convention except for those financial assets and those financial liabilities (including derivative financial instruments) that are recognized at their fair value. 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 28 of the Consolidated Financial Statements.

Business combinations

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values. Initially, the fair values are determined provisionally and will be subject to change based on the outcome of the purchase price allocation, which takes place within 12 months of the acquisition date. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events (earn outs or deferred acquisition payments), the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Segment reporting

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

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

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

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

Comparatives

Where necessary, certain reclassifications have been made to the prior year financial statements (or comparatives) to conform to the current year presentation.

Basis of Consolidation

Subsidiaries

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

Associates

Associates are all entities over which the Group has significant influence but not control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Associates are recognized from the date on which the Group has significant influence, and recognition ceases from the date the Group has no significant influence over an associate. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other

unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

Transactions eliminated on consolidation
Intragroup balances, transactions, income and expenses, and unrealized gains on 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 on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures.

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

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

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.

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

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

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

Main currency exchange rates to the euro	**2009**	2008
U.S. dollar (at December 31)	1.44	1.39
U.S. dollar (average)	1.39	1.47
G.B. pound (at December 31)	0.89	0.95
G.B. pound (average)	0.89	0.80

Principles for the Determination of Results

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

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

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

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

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

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

General and administrative operating expenses
General and administrative operating expenses includes costs that are neither directly attributable to cost of sales nor to sales and marketing activities. This includes costs such as product development, ICT, and general overhead.

Share-based payments
The Group's Long-Term Incentive Plan 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 fair value of the shares is measured using a Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were awarded. The amount recognized as an expense is adjusted to reflect the actual forfeitures due to participants' resignation before the vesting date.

Finance income and costs
Finance income and costs comprise interest payable on borrowing and interest receivable calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss.

Principles of Valuation and Presentation of Assets and Liabilities

Intangible assets
Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate, or joint venture at the date of acquisition. Goodwill recognized for acquisitions represents the consideration made by the Group in anticipation of the future economic benefits from assets that are not capable of being individually identified and separately recognized. These future economic benefits relate to, for example, opportunities with regard to cross-selling or cost efficiencies, such as sharing of infrastructure.

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

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

cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Publishing rights and other intangible assets
The Group recognizes intangible assets acquired through business combinations (publishing rights) as well as other intangible assets. Publishing rights acquired through business combinations consist of:

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

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

The fair value of the intangible assets 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 costs that would currently be required to replace the asset.

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

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

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

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

The estimated useful life for publishing rights is 5 to 20 years and for other intangible assets 3 to 10 years.

Property, plant, and equipment
Property, plant, and equipment, consisting of land and buildings, machinery and equipment, and other assets such as office equipment and vehicles, is valued at cost less accumulated depreciation and any impairment losses. Depreciation is charged to the income statement 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, for machinery and equipment 5 to 10 years, and for other assets 3 to 10 years.

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

for use for impairment annually by comparing its carrying amount with its recoverable amount.

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

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

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

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

Leases

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

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are initially recognized as assets and liabilities in the balance sheet at the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequently, a finance lease gives rise to depreciation expense for depreciable assets and any impairment losses, as well as finance expense for each accounting period. The depreciation policy for these depreciable leased assets is consistent with that for depreciable assets that are owned.

Financial assets

Financial assets include investments, receivables, and derivative financial instruments. Financial assets are recorded initially at fair value. Subsequent measurement depends on the designation of the financial assets.

Investments

All equity investments that are not subsidiaries, joint ventures, or associates are classified as investments. Investments available-for-sale are valued at their fair value. When the fair value cannot be reliably determined, the investment is carried at cost. A gain or loss arising from a change in the fair value of the investment available-for-sale shall be recognized directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. If the investments are valued at cost, income from investments is based on the dividend received from the investments.

Receivables

Loans to third parties are measured at amortized cost. Subsidies are recognized at fair value.

Derivative financial instruments

Derivative financial instruments are recognized at fair value in the balance sheet as a financial asset if the remaining maturity is more than 12 months after the balance sheet date. The accounting policy for changes in fair value is set out in ➔ Derivative financial instruments and hedging activities.

Derivative financial instruments and hedging activities

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

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The ineffective part is recognized immediately in the income statement. If a hedging relationship is terminated and the derivative financial instrument is not sold, future changes in its fair value are recognized in the income statement.

The fair value of derivative financial instruments is classified as a non-current asset or liability if the remaining maturity of the derivative financial instrument is more than 12 months and as a current asset or liability if the remaining

maturity of the derivative financial instrument is less than 12 months after the balance sheet date.

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

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

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

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

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

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

Trade and other receivables
Trade and other receivables are initially carried at their fair value and subsequently measured at cost less any impairment.

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

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

Trade and other payables
Trade and other payables are stated at cost.

Interest-bearing debt
Financial liabilities, such as bond loans and other loans from credit institutions are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing debt is stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Taxation

Income tax on the result for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized outside profit or loss, in which case it is recognized in equity.

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

The Group recognizes deferred tax liabilities for all taxable temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit.

A deferred tax asset is recognized for a temporary difference and for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which these can be utilized.

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

Shareholders' equity

When share capital recognized as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Dividends are recognized as a liability upon being declared.

Non-controlling interests

Non-controlling interests are the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group.

Employee benefits

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

Defined contribution plans

The pension contribution of defined contribution plans is recognized as an expense in the income statement as it is incurred.

Defined benefit plans

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

When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

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

Actuarial gains and losses that arise in calculating the Group's obligation in respect of a defined benefit plan are recognized outside profit or loss immediately in the period in which they occur in equity.

Gains or losses on curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. The gain or loss comprises any resulting change in the present value of the defined benefit obligations and in the fair value of the plan assets, and any past service cost that had not previously been recognized. A curtailment occurs when the Group is demonstrably committed to make a material reduction in the number of employees covered by

a plan either as a result of a disposal or restructuring or when the Group amends the terms of a defined benefit plan such that a material element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

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

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 the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The short-term commitments relating to expected spending due within one year are presented under other current liabilities.

Principles Underlying the Cash Flow Statement

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

Cash flows from investing activities
Cash flows from investing activities are those arising from net capital expenditure, from the acquisition and sale of subsidiaries and business activities. 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.

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 from derivatives are classified under cash flows from investing activities.

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

New Standards and Interpretations not yet Adopted

A number of new standards, amendments to standards, and interpretations are not yet effective for the year ended December 31, 2009, and have not been early adopted in preparing these consolidated financial statements:
- IFRS 3 Business Combinations (Revised) (effective July 1, 2009);
- Amended IAS 27 Consolidated and Separate Financial Statements (effective July 1, 2009);
- Revised IFRS 1 First Time Adoption of IFRS (effective July 1, 2009);
- Improvements to IFRSs 2009 (effective generally January 1, 2010);
- IFRIC 17 Distributions of Non-Cash Assets to Owners (effective July 1, 2009);
- IFRIC 15 Agreements for the Construction of Real Estate (effective July 1, 2009);
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective July 1, 2009);

- IFRIC 12 Service Concession Arrangements; (effective July 1, 2009);
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective July 1, 2009);
- Amendment to IAS 39 Reclassification of Financial Assets: Effective date and Transition (effective July 1, 2009); and
- Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (effective July 1, 2009).

These new standards could become mandatory for the Group's 2010 financial statements if they are EU endorsed in 2010.

The following key changes within IFRS 3 Business Combination (R) (endorsed by the EU and applicable as of January 1, 2010, for the Company) could have a significant impact:

- Contingent purchase consideration is classified as debt, initially measured at fair value, whereby any re-measurement is recognized through income statement;
- Acquisition-related costs are to be expensed and recognized in the period in which they are incurred; and
- Based on the revised IAS 12, tax losses from previous acquisitions and recognized subsequent to the implementation of IFRS 3 Revised will be recognized through the income statement instead of as an adjustment to goodwill.

The revisions and amendments on IAS 27 'Consolidated and Separate Financial Statements' (endorsed by the EU and applicable as of January 1, 2010, for the Company) apply prospectively to business combinations for which the acquisition date is on or after January 1, 2010. The main changes under the standards are that:

- Equity interests held prior to control being obtained are remeasured to fair value at the time control is obtained, and any gain or loss is recognized in the income statement; and
- Changes in a parent's ownership interest in a subsidiary that do not result in a change of control are treated as transactions between equity holders and reported in equity.

The effect that the abovementioned changes will have on the Company's consolidated financial statements will depend on the incidence and timing of business combinations occurring on or after January 1, 2010.

Other standards and interpretations effective from January 1, 2010, are not expected to have a significant impact on the Company.

Benchmark Figures note 2

Benchmark figures	2009	2008	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,425	3,374	2	0
Ordinary EBITA	682	678	1	0
Ordinary EBITA margin (%)	19.9	20.1		
Ordinary net income	427	423	1	0
Free cash flow	424	395	7	2
Cash conversion ratio (CAR)	0.96	0.88		
Return on invested capital (ROIC) (%) [1]	8.5	9.1		
ROIC including impairment of goodwill and publishing rights in NOPAT (%)	5.2	9.1		
Net debt	2,007	2,254	(11)	
Net-debt-to-EBITDA (ratio)	2.9	3.2		
Net interest coverage (ratio)	5.7	5.7		
Diluted ordinary EPS (€)	1.45	1.47	(1)	
Diluted ordinary EPS in constant currencies (€)	1.41	1.43		(2)
Diluted free cash flow per share (€)	1.44	1.37	5	0

[1] As of 2009, the ROIC calculation has been amended for goodwill and publishing rights that are impaired and/or fully amortized. 2008 comparative is restated accordingly.

Reconciliation of benchmark figures

Reconciliation between operating profit and ordinary EBITA	2009	2008
Operating profit	234	503
Amortization of publishing rights and impairments	368	124
EBITA	**602**	**627**
Springboard costs	68	45
Acquisition integration costs	12	6
Ordinary EBITA	**682**	**678**

Return on invested capital (ROIC)	**2009**	2008
Ordinary EBITA	682	678
Allocated tax	(166)	(163)
Net operating profit after allocated tax (NOPAT)	**516**	**515**
Average invested capital	6,069	5,684
ROIC (NOPAT/Average invested capital) (%)	8.5	9.1

Reconciliation between profit for the year and ordinary net income	**2009**	2008
Profit for the year attributable to the equity holders of the Company (A)	118	313
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	358	124
Tax on amortization and impairments of publishing rights and goodwill	(93)	(50)
Results on disposals (after taxation)	(8)	2
Springboard/acquisition integration costs (after taxation)	52	34
Ordinary net income (B)	**427**	**423**

Reconciliation between cash flow from operating activities and free cash flow	**2009**	2008
Cash flow from operating activities	510	521
Net capital expenditure	(123)	(140)
Dividends received	1	1
Appropriation of Springboard provisions (after taxation)	36	13
Free cash flow (C)	**424**	**395**

Reconciliation between number of shares and weighted average number of shares in millions of shares	**2009**	2008
Issued ordinary shares at 1 January	286.0	281.1
Effect of stock dividend	3.2	2.0
Effect of issued shares	0.9	1.5
Weighted average number of shares (D)	**290.1**	**284.6**

Reconciliation between weighted average number of shares and diluted weighted average number of shares in millions of shares	**2009**	2008
Weighted average number of shares (D)	290.1	284.6
Long-Term Incentive Plan	3.6	3.5
Share options	0.1	0.2
Diluted weighted average number of shares (E)	**293.8**	**288.3**

Per share information	**2009**	2008
Ordinary EPS (B/D) (€)	1.47	1.49
Diluted ordinary EPS (minimum of ordinary EPS and [B/E]) (€)	1.45	1.47
Diluted ordinary EPS in constant currencies (€)	1.41	1.43
Basic EPS (A/D) (€)	0.41	1.10
Diluted EPS (minimum of basic EPS and [A/E]) (€)	0.40	1.09
Free cash flow per share (C/D) (€)	1.46	1.39
Diluted free cash flow per share (minimum of free cash flow per share and [C/E]) (€)	1.44	1.37

Springboard/acquisition integration costs	**2009**	2008
Personnel-related restructuring costs	33	16
Onerous contracts	2	10
Asset write-offs	0	7
Third-party costs	21	3
Other exceptional costs	12	9
Subtotal Springboard costs	68	45
Acquisition integration costs	12	6
Total	**80**	**51**

Restructuring expenses excluded from benchmark figures
Restructuring expenses excluded from benchmark figures are defined as expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group.

The following expenses are excluded from the benchmark figures.

Springboard
On November 5, 2008, Wolters Kluwer announced to accelerate its Springboard restructuring initiative. This initiative is driving the next wave of operational excellence at Wolters Kluwer by simplifying and standardizing the core systems and processes used to develop, sell, and support products and services globally. Springboard expenses include costs related to IT system migration and implementation, outsourcing, migration costs, costs related to reengineering the content creation process, and also include severance and property consolidation costs.

Acquisition integration costs
Acquisition integration costs are those one-time non-recurring costs incurred by the company to integrate activities acquired either by business combination or asset transaction.

Segment Reporting note 3

Segment reporting by division	Health & Pharma Solutions		Corporate & Financial Services		Tax, Accounting & Legal	
	2009	2008	**2009**	2008	**2009**	2008
Revenues third parties	**750**	**687**	**492**	**480**	**899**	**879**
Cost of sales	356	347	122	118	271	270
Gross profit	**394**	**340**	**370**	**362**	**628**	**609**
Sales costs	135	128	78	75	187	189
General and administrative costs:						
General and administrative operating expenses	159	149	183	158	218	208
Amortization of publishing rights and impairments	179	34	33	12	69	50
Total operating expenses	473	311	294	245	474	447
Operating profit	**(79)**	**29**	**76**	**117**	**154**	**162**
Amortization of publishing rights and impairments	179	34	33	12	69	50
Exceptional restructuring expense	12	23	14	4	10	11
Ordinary EBITA	**112**	**86**	**123**	**133**	**233**	**223**
Total assets at December 31	1,420	1,627	831	897	1,578	1,670
Capital employed at December 31	992	1,206	580	629	1,093	1,176
Cash flow from operations	148	112	150	143	243	244
Depreciation and amortization of other intangible assets	17	13	27	19	18	18
Impairments of goodwill and publishing rights	135	-	19	-	9	-
Capital expenditure	31	24	23	28	33	47
Ultimo number of FTEs	2,534	2,678	2,922	3,083	5,533	5,823

	Legal, Tax & Regulatory Europe		Corporate		Total	
	2009	2008	**2009**	2008	**2009**	2008
	1,284	**1,328**			**3,425**	**3,374**
	477	467			1,226	1,202
	807	**861**	**-**	**-**	**2,199**	**2,172**
	226	246	-	-	626	638
	368	351	43	41	971	907
	86	27	1	1	368	124
	680	624	44	42	1,965	1,669
	127	**237**	**(44)**	**(42)**	**234**	**503**
	86	27	1	1	368	124
	41	10	3	3	80	51
	254	**274**	**(40)**	**(38)**	**682**	**678**
	1,639	1,683	585	511	6,053	6,388
	1,142	1,160	(152)	(397)	3,655	3,774
	287	274	(52)	(36)	776	737
	39	28	0	0	101	78
	40	-	-	-	203	0
	40	42	0	0	127	141
	7,118	7,588	100	99	18,207	19,271

The Group's segment information by division is based on the Group's management and internal reporting structure. The Executive Board reviews the financial performance of its segments and the allocation of resources based on ordinary EBITA. Ordinary EBITA excludes exceptional restructuring expenses as these expenses clearly distinct from the ordinary activities of the Group. Internal deliveries between the divisions are conducted on an at arm's length basis with terms comparable to transactions with third parties. These revenues are limited and therefore not presented separately and have been eliminated. Revenues from external parties reported to the Executive Board are measured in a manner consistent with that in the income statement.

The amounts provided to the Executive Board with respect to assets and short-term liabilities by means of capital employed figures are measured in a consistent manner with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the assets, whilst current liabilities are allocated based on the operations of the segment.

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.

Geographical segments

Given the alignment of the divisions with the geographical segments (Health & Pharma Solutions, CFS, and TAL are mainly based in North America, LTRE in Europe with the Asia Pacific region primarily included in the TAL division) the geographical spread in revenues can be summarized as follows:

Revenues were generated in the following regions:		**2009**		2008
		%		%
Europe	1,563	45	1,614	48
North America	1,703	50	1,616	48
Asia Pacific	138	4	123	3
Rest of the world	21	1	21	1
Total	**3,425**	**100**	**3,374**	**100**

Within the divisions there are no major customers with a revenue stream that exceeds 10% or more of the divisional revenues.

Acquisitions and Disposals note 4

Acquisitions			2009	2008
	Carrying amount	Fair value adjustments	Recognized values	Recognized values
Non-current assets	0	14	14	417
Current assets	3		3	70
Current liabilities	(6)		(6)	(79)
Non-current liabilities	(2)		(2)	0
Provisions	(2)		(2)	(7)
Deferred tax	0	(1)	(1)	(97)
Non-controlling interests	1		1	0
Net identifiable assets and liabilities	**(6)**	**13**	**7**	**304**
Goodwill on acquisitions			19	409
Consideration			**26**	**713**
The cash effect of the acquisitions is:				
Consideration payable			26	713
Cash acquired			0	(43)
Deferred payments			28	(3)
Acquisition spending			**54**	**667**

Total acquisition spending in 2009 was €54 million (2008: €667 million), including payments for acquisitions made in previous years. This includes an amount of €4 million (2008: €12 million) relating to costs that are directly attributable to acquisitions, such as legal fees, broker's costs, and audit fees.

Since the acquisition date, the 2009 acquisitions for a consideration of €26 million have contributed €8 million to revenues, €0 million to ordinary EBITA, and €(1) million to profit for the year. If these acquisitions had been executed on January 1, 2009, full-year 2009 revenues for the Group would have been €3,451 million, ordinary EBITA €684 million, and profit for the year €111 million.

The fair value of the acquirees' identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation in 2010, which will be completed within 12 months from the acquisition date.

Disposals
In 2009 and 2008, there were a number of small disposals across the divisions to optimize the portfolio.

Disposals	**2009**	2008
Non-current assets	4	-
Current assets	1	0
Current liabilities	(1)	0
Exchange gain from recycling exchange differences from equity to income statement	-	(1)
Net identifiable assets and liabilities	**4**	**(1)**
Book profit on disposals	(4)	3
Consideration	**0**	**2**
The cash effect of the disposals is:		
Consideration receivable	0	2
Cash disposed of	0	-
Cash from receivables	0	0
Receipts from disposal of activities	**0**	**2**

Personnel Expenses note 5

Personnel expenses	**2009**	2008
Salaries and wages	1,022	986
Social security charges	140	135
Costs of defined contribution plans	41	46
Costs of defined benefit plans note 21	12	0
Share-based payments	17	17
Total	**1,232**	**1,184**

Amortization, Impairments, and Depreciation note 6

(see ➔ note 3 for details by segment)

Amortization, impairments, and depreciation	2009	2008
Amortization of publishing rights note 10	165	124
Impairments of goodwill and publishing rights note 10	203	-
Total amortization of publishing rights and impairments	368	124
Amortization of other intangible assets note 10	72	49
Depreciation of property, plant, and equipment note 11	29	29
Total	**469**	**202**

Financing Results note 7

Financing results	2009	2008
Finance income		
Interest income on short-term bank deposits	4	9
Derivatives - foreign exchange contracts	2	5
Other finance income	0	1
Total finance income	6	15
Finance costs		
Interest expense:		
Bank borrowings and overdrafts	(13)	(22)
Bonds	(106)	(94)
Items in hedge relationships:		
Interest rate swaps	(9)	(8)
Fair value hedging instrument (fair value hedge)	0	2
Fair value of hedged item	0	(2)
Fair value of cash flow hedges transferred from equity (cash flow hedge)	0	0
Ineffective portion of hedging	0	0
Fair value non-hedged instruments gains/(losses)	0	0
Derivatives - foreign exchange contracts	0	(2)
Amortization on debt instruments	(2)	(2)
Net foreign exchange gains/(losses) and other finance costs	5	(6)
	(125)	(134)
Total financing results	**(119)**	**(119)**

Net foreign exchange gains/(losses) include foreign exchange results on certain intercompany balances.

Income Tax Expense note 8

Recognized in the income statement	2009	2008
Current tax expense	88	51
Deferred tax expense:		
Adjustment previous years	1	-
Origination and reversal of temporary differences	(86)	20
Taxation on income in income statement	**3**	**71**

Reconciliation of the effective tax rate		2009		2008
	%		%	
Profit before tax		113		386
Normative income tax expense	5	6	26	100
Tax effect of:				
Intragroup financing activities	(32)	(36)	(9)	(35)
Impairments	62	70	-	-
Tax exemption on results on disposals	2	2	-	-
Substitute tax Italy	(28)	(32)	-	-
Non-deductible costs and other items	(6)	(7)	1	6
Taxation on income in income statement	**3**	**3**	**18**	**71**

The normative income tax expense has been computed as the weighted average rates of the jurisdictions where the Group operates. The impairment of goodwill and publishing rights of €203 million are included in the computation and resulted in a relatively low normative tax rate of 5%.

The impairments relate mainly to non-tax deductible goodwill and therefore the normative tax must be reversed for an amount of €70 million when calculating the effective tax rate.

In 2009, the Group implemented a new intragroup finance structure optimizing the tax effect of international intra-group financing activities. The 2009 tax benefits of €36 million are slightly higher than for 2008 (€35 million).

In 2009, the Company applied for a substitute tax in Italy following amendments in Italian tax law. Portions of previously non-tax deductible publishing rights have now become tax deductible. As a result of the additional tax amortization, the Company will realize additional cash benefits of €66 million in total in the period 2009-2017. The agreement required an upfront payment of €34 million to the Italian tax authorities in 2009 and resulted in a one-time tax benefit of €32 million in the 2009 income statement.

Due to the release of a provision for potential tax claims related to divestments in the past, the Non-deductible costs and other items have been positively affected by an amount of €13 million.

Non-Controlling Interests note 9

The Group's shares in the most material consolidated subsidiaries that were not fully owned at December 31 were:

Ownership in %	2009	2008
Akadémiai (Budapest, Hungary)	74.0	74.0
AnNoText (Hürth, Germany)	74.9	74.9
Wolters Kluwer Russia Publishing Holding bv (Amsterdam, Netherlands)	55.0	55.0

Non-controlling interests of consolidated participations in the profit for the year of the Group in 2009 were €(8) million (2008: €2 million). Non-controlling interests in the equity of consolidated participations, totaling €21 million (2008: €33 million), are based on third-party shareholding in the underlying shareholders' equity of the subsidiary.

The Group has an agreement to acquire the remaining 25.1% shares of AnNoText in January 2010.

Intangible Assets note 10

Intangible assets	Goodwill	Publishing rights	Other	2009	2008
Position at January 1					
Purchase value	3,119	2,207	460	5,786	4,781
Accumulated amortization and impairments	-	(970)	(216)	(1,186)	(1,011)
Book value at January 1	3,119	1,237	244	4,600	3,770
Movements					
Investments	-	-	103	103	106
Acquisitions through business combinations	19	14	0	33	805
Disposals	(4)	-	(2)	(6)	0
Net expenditures	15	14	101	130	911
Amortization	-	(165)	(72)	(237)	(173)
Impairments	(198)	(5)	0	(203)	(7)
Reclassifications	(74)	108	-	34	4
Exchange differences and other movements	(74)	(21)	(3)	(98)	95
Total movements	**(331)**	**(69)**	**26**	**(374)**	**830**
Position at December 31					
Purchase value	2,986	2,152	551	5,689	5,786
Accumulated amortization and impairments	(198)	(984)	(281)	(1,463)	(1,186)
Book value at December 31	**2,788**	**1,168**	**270**	**4,226**	**4,600**

Reclassifications include the deferred tax liability that relates to the final outcome of the purchase price allocation of 2008 acquisitions.

In 2009, the Group recognized €15 million (2008: €20 million) in its income statement for expenditures that are not components of the costs of internally generated intangible assets.

Impairment testing cash-generating units

Carrying amounts of goodwill and publishing rights per division	Goodwill	Publishing rights	**2009**	2008
Health & Pharma Solutions	783	266	1,049	1,254
Corporate & Financial Services	477	140	617	670
Tax, Accounting & Legal	788	410	1,198	1,296
Legal, Tax & Regulatory Europe	740	352	1,092	1,136
Total	**2,788**	**1,168**	**3,956**	**4,356**

The Group reviews at each reporting date whether there is an indication that any of the cash-generating units (CGUs) that contain goodwill and publishing rights may be impaired. Furthermore, the Group carries out an annual impairment test by comparing the carrying amount of the CGU to which the goodwill and publishing rights belong, net of related deferred taxes, to the recoverable amount of the CGU. The recoverable amount is determined based on a calculation of the value in use and compared to multiples of recent transactions to estimate the net selling price. These calculations use cash flow projections based on actual operating results and Business Development Plans, as approved by the Executive Board and Supervisory Board. The period over which the Group estimates its cash flow projections has been extended in 2009 from three to five years. After five years cash flow projections are extrapolated using an appropriate perpetual growth rate that is consistent with the long-term average market growth rate and that does not exceed 3% (2008: 4.5%).

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 11.2%.

The key assumptions used in the projections are:

- Revenue growth: based on actual experience, an analysis of market growth and the expected development of market share; and
- Margin development: based on actual experience and management's long-term projections.

The impairment test carried out in 2009 showed that the carrying amount for certain CGUs exceeded the recoverable amount. For these CGUs an impairment loss has been recorded of €197 million. The recoverable amount has been estimated based on value in use using a pre-tax WACC of 10.4%.

The majority of the impairment loss (€135 million) recognized relates to the Health & Pharma Solutions division and are mainly a consequence of market conditions resulting in lower expected long-term growth rates, particularly within the pharmaceutical promotion markets. The remaining smaller impairment losses relate to the Legal, Tax & Regulatory Europe division and are mainly a consequence of market conditions resulting in lower expected long-term growth rates, particularly within the advertising and training markets and impairment losses on assets held for sale throughout the Group.

The impairment loss relates to goodwill (€192 million) and publishing rights (€5 million).

The impairment test also included an assessment, if a reasonably possible change in a key assumption would cause the carrying amount to exceed the recoverable amount and none were noted, other than the above mentioned impairments. If the pre-tax discount rate would increase by 0.5% none of the other non-impaired CGUs would need to recognize additional impairment. Further, if the perpetual growth rate would decline by 0.5% to 2.5% on average, none of the other CGUs would be impaired either.

Property, Plant, and Equipment note 11

Property, plant, and equipment	Land and buildings	Machinery and equipment	Other fixed assets	**2009**	2008
Position at January 1					
Purchase value	117	30	365	512	517
Accumulated depreciation	(48)	(23)	(295)	(366)	(377)
Book value at January 1	**69**	**7**	**70**	**146**	**140**
Movements					
Investments	2	1	21	24	35
Acquisitions through business combinations	-	-	0	0	7
Disposals	(1)	-	(1)	(2)	(1)
Net expenditures	1	1	20	22	41
Depreciation	(3)	(2)	(24)	(29)	(29)
Exchange differences and other movements	1	0	(5)	(4)	(6)
Total movements	**(1)**	**(1)**	**(9)**	**(11)**	**6**
Position at December 31					
Purchase value	118	28	356	502	512
Accumulated depreciation	(50)	(22)	(295)	(367)	(366)
Book value at December 31	**68**	**6**	**61**	**135**	**146**

Investments in Associates note 12

Investment in associates	**2009**	2008
Book value at January 1	18	15
Acquisitions	0	4
Dividends received	(1)	(1)
Share of profit of associates	2	(1)
Other movements	11	1
Book value at December 31	**30**	**18**

Other movements relate to the transfer of the 21.7% interest in HaoYiSheng. The Group had issued a financial asset to a Chinese medical publishing company, HaoYiSheng, in 2008. This asset was converted into an equity interest of 21.7% in 2009. The asset was included in Receivables as part of Financial Assets and is transferred to Investments in associates in 2009.

The most important investments in associates at December 31 are:

Ownership in %		**2009**	2008
Boekhandels Groep Nederland	Deventer, the Netherlands	-	32.6
Manz Iura, Manz Schulbuch	Vienna, Austria	40.0	40.0
DataCert	Houston, Texas, USA	43.0	43.3
eLawForum	Washington, District of Columbia, USA	25.0	25.0
One Legal LLC	Novato, California, USA	35.0	35.0
Logical Images	Rochester, New York, USA	25.3	24.5
HaoYiSheng	Beijing, China	21.7	-

Summary financial information on associates (at 100%) and the Group's weighted proportionate share	Total associates		Group's share	
	2009	2008	**2009**	2008
Total assets	53	130	18	45
Total liabilities	60	106	23	39
Total equity	(7)	24	(5)	6
Revenues	67	231	27	79
Net profit/(loss) for the year	2	(2)	2	(1)

In December 2009, Wolters Kluwer transferred its 32.6% interest in Boekhandels Groep Nederland to other receivables following the announcement that agreement was reached to sell its interest in Boekhandels Groep Nederland in 2010.

Financial Assets note 13

Financial assets	**2009**	2008
Investments	1	1
Receivables	23	31
Derivative financial instruments note 19	17	39
Total	**41**	**71**

The U.S. Medicare Prescription Drug, Improvement, and Modernization Act introduced a tax-free federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare Part D benefit. The Group's subsidy has been actuarially determined at €13 million (2008: €12 million), which has been reflected as a non-current asset under receivables.

Deferred Tax Assets and Liabilities note 14

Deferred tax assets and liabilities	Assets	Liabilities	2009	2008
Intangible assets	41	(370)	(329)	(380)
Property, plant, and equipment	8	(53)	(45)	(27)
Employee benefits	46	0	46	44
Interest carry-forward	113	0	113	97
Tax value of loss carry-forwards recognized	28	0	28	42
Other items	106	(64)	42	(9)
Tax assets/(liabilities)	342	(487)	(145)	(233)
Set off of tax	(235)	235	0	0
Net tax assets/(liabilities)	**107**	**(252)**	**(145)**	**(233)**

The actual realization of the deferred tax assets depends on the generation of future taxable income during the periods in which the temporary differences become deductible. Based on projected future taxable income and available strategies, the Group considers the future realization of these deferred tax assets more likely than not.

Movement in temporary differences, 2009	Balance at January 1	Acquisi- tions/ disposals	Recognized in income	Recognized in equity	Exchange rate differences and other movements	Balance at December 31
Intangible assets	(380)	(35)	47	-	39	(329)
Property, plant, and equipment	(27)	-	(18)	-	-	(45)
Employee benefits	44	-	(3)	5	-	46
Interest carry-forward	97	-	17	-	(1)	113
Tax value of loss carry-forwards recognized	42	-	(13)	-	(1)	28
Other items	(9)		56	(6)	1	42
Total	**(233)**	**(35)**	**86**	**(1)**	**38**	**(145)**

Movement in temporary differences, 2008	Balance at January 1	Acquisi-tions/ disposals	Recognized in income	Recognized in equity	Exchange rate differences and other movements	**Balance at December 31**
Intangible assets	(285)	(104)	13	-	(4)	(380)
Property, plant, and equipment	(4)	-	(23)	-	-	(27)
Employee benefits	33	-	(2)	13	-	44
Interest carry-forward	67	-	29	-	1	97
Tax value of loss carry-forwards recognized	40	-	2	-	-	42
Other items	27	3	(39)	-	-	(9)
Total	**(122)**	**(101)**	**(20)**	**13**	**(3)**	**(233)**

In 2009, a €34 million upfront payment for Italian substitute tax is included in the column "exchange rate differences and other movements" relating to intangible assets and a one-time income statement benefit of €32 million in the column "Recognized in income" (see also ➔ note 8 Income Tax Expense).

The 2009 movement in deferred tax liabilities from acquisitions of €35 million (2008: €104 million) includes €1 million with regard to acquisitions made in 2009 (2008: €97 million) and €34 million (2008: €4 million) that relates to the final outcome of the purchase price allocation of prior year acquisitions.

Movements in overall tax position	**2009**	2008
Position at January 1		
Tax receivable	55	30
Tax payable	(21)	(32)
Deferred tax assets	38	42
Deferred tax liabilities	(271)	(164)
Overall tax position	**(199)**	**(124)**
Movements		
Total income tax expense	(3)	(71)
Deferred tax on acquisitions/disposals	(35)	(103)
Deferred tax on items recognized immediately in equity	(1)	13
Paid corporate income tax	89	91
Exchange differences and other movements	4	(5)
Total movements	**54**	**(75)**
Position at December 31		
Tax receivable	28	55
Tax payable	(28)	(21)
Deferred tax assets	107	38
Deferred tax liabilities	(252)	(271)
Overall tax position	**(145)**	**(199)**

Paid corporate income tax
The 2009 upfront tax payment for the Italian substitute tax (€34 million) was offset by tax refunds in other tax jurisdictions.

Unrecognized deferred tax assets
The Group has not recognized deferred tax assets that relate to unused tax losses amounting to €30 million (2008: €23 million), because it is not probable that future taxable profit will be available against which the Group can utilize the benefits. Of these unused tax losses of €30 million, 39% (2008: 45%) expires within the next 5 years, 12% (2008: 11%) expires after 5 years, and 49% (2008: 44%) carries forward indefinitely.

Tax effects relating to each component of other comprehensive income

Other comprehensive income			2009			2008
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Exchange differences on translation of foreign operations	(70)	(8)	(78)	52	-	52
Exchange (gains)/losses from recycling exchange differences from equity to income statement	-	-	0	(1)	0	(1)
Gains/(losses) on cash flow hedges	(8)	2	(6)	0	0	0
Actuarial gains/(losses) on employee benefits	(15)	5	(10)	(38)	13	(25)
Total other comprehensive income	**(93)**	**(1)**	**(94)**	**13**	**13**	**26**

Inventories note 15

Inventories	2009	2008
Raw materials	4	4
Work in progress	20	22
Finished products and trade goods	55	60
Total	**79**	**86**

At December 31, 2009, the provision for obsolescence deducted from the inventory book values amounted to €34 million (2008: €32 million). In 2009, an amount of €11 million was recognized as an expense for the change in the provision for obsolescence (2008: €8 million).

Trade and Other Receivables note 16

Trade and other receivables	2009	2008
Trade receivables	877	902
Prepayments	97	95
Derivative financial instruments note 19	0	3
Other receivables	24	29
Total	**998**	**1,029**

Trade receivables are shown net of impairment losses amounting to €42 million (2008: €37 million). The fair value of the receivables is equal to the carrying amount.

Other receivables include a carrying value of €0 million for the 32.6% interest in the Boekhandels Groep Nederland. This 2009 transfer from Investments in associates to Other receivables followed the announcement that an agreement was reached to sell the Group's interest in 2010. The Group estimates to realize a book gain of €4 million in 2010.

Cash and Cash Equivalents note 17

Cash and cash equivalents	2009	2008
Deposits	255	242
Cash and bank balances	154	103
Total	**409**	**345**

Other Current Liabilities note 18

Other current liabilities	2009	2008
Salaries, holiday allowances	114	116
Royalties payable	66	73
Social security premiums and other taxation	60	56
Pension-related payables	8	15
Derivative financial instruments note 19	5	11
Interest payable	84	87
Deferred acquisition payments	11	33
Other liabilities and accruals	75	90
Total	**423**	**481**

Financial Instruments note 19

Net debt	Effective interest rate (in %)	Nominal interest rate (in %)	Repayment commit-ments 1-5 years	Repayment commit-ments >5 years	**2009**	2008
Bonds 2003-2014 (in €)	5.240	5.125	697	-	697	697
Bonds 2008-2018 (in €)	6.472	6.375	-	745	745	745
Bonds 2008-2028 (in €)	6.812	6.748	-	36	36	36
Private placement 2008-2038 (in ¥)	3.330	3.330	-	149	149	157
Perpetual cumulative subordinated bonds (in €)	7.270	6.875	-	225	225	225
Other long-terms loans			27	-	27	40
Total long-term loans			**724**	**1,155**	**1,879**	**1,900**
Derivative financial instruments			12	-	12	14
Total long-term debt			**736**	**1,155**	**1,891**	**1,914**
Borrowings and bank overdrafts						
Multi-currency roll-over credit facility 2004-2011 (in €)					0	232
Multi-currency roll-over credit facility 2004-2011 (in $)					498	410
Other short-term loans					10	15
Bank overdrafts					18	26
Total borrowings and bank overdrafts					**526**	**683**
Deferred acquisition payments					11	33
Derivative financial instruments					5	11
Total short-term debt					**542**	**727**
Gross debt					**2,433**	**2,641**
Minus:						
Cash and cash equivalents					(409)	(345)
Derivative financial instruments:						
Non-current receivable					(17)	(39)
Current receivable					0	(3)
Net debt					**2,007**	**2,254**

The nominal interest rates on the bonds are fixed until redemption. The interest rate on the multi-currency roll-over credit facility is variable.

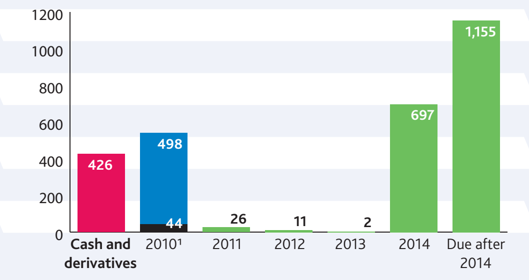
Loan maturity

The following amounts of gross debt at December 31, 2009, are due within and after five years:

Gross debt	2009
2011	26
2012	11
2013	2
2014	697
Due after 2014	1,155
Long-term debt	1,891
Short-term debt (2010) [1]	542
Total	**2,433**

Maturity profile

as per December 31, 2009



[1] 2010: includes drawdown on multi-currency roll-over credit facility (€498 million), maturing in July 2011.

Bonds

Wolters Kluwer has unsubordinated bonds outstanding for a nominal amount of €1,478 million (2008: €1,478 million).

On November 19, 2003, Wolters Kluwer issued unsubordinated bonds due in 2014 with a nominal value of €700 million. The coupon on the bonds is 5.125% with an issue price of 99.618%.

On April 2, 2008, Wolters Kluwer issued a ten-year unsubordinated Eurobond of €750 million. The bonds have been priced at an issue price of 99.654 per cent and carry an annual coupon of 6.375%.

On August 28, 2008, Wolters Kluwer issued a twenty-year unsubordinated Eurobond of €36 million. The bonds have been priced at an issue price of 100% and carry an annual coupon of 6.748%.

Private placement

On February 26, 2008, Wolters Kluwer entered into four bilateral private loan agreements for a total amount of ¥20 billion (€149 million at year-end 2009) with a maturity of 30 years. The loans denominated in Japanese yen were swapped to euro.

Perpetual cumulative subordinated bonds

On May 14, 2001, a perpetual cumulative subordinated bond loan with a nominal value of €225 million was issued. The issue price of the bonds was 100%. These bonds bear interest at 6.875%. Wolters Kluwer has a yearly right to redeem the loan as from May 2008. Wolters Kluwer is allowed to refrain from paying interest if there is not declared, or made available, any dividend for payment. The accrued interest will be paid in a subsequent year where there is dividend declared and paid. In case of bankruptcy, Wolters Kluwer has no obligation to pay any accrued interest; the nominal amounts of the bond will then become a subordinated liability.

Multi-currency roll-over credit facility

In July 2004, Wolters Kluwer signed a €750 million multi-currency roll-over credit facility, which was amended and restated in September 2006 to €1 billion with more favorable terms. The amended terms include a higher facility amount as well as a lower interest rate margin and a lower commitment fee. The multi-currency roll-over credit facility had an initial maturity of five years with two one-year extension options. The second extension option was approved in 2006; the maturity of the multi-currency roll-over credit facility is 2011. The multi-currency roll-over credit facility will be used for general corporate purposes. The multi-currency roll-over credit facility has decreased from €1 billion to €928 million in 2008. The multi-currency roll-over facility is subject to customary conditions, including a financial covenant. In 2009, the Group is comfortably below the conditions of the covenant.

There were no defaults or breaches on the loans and borrowings during 2009 and 2008.

Financial Risk Management and Financial Risks note 20

The Group's activities are exposed to a variety of financial risks including currency, interest, liquidity, and credit risk. Financial risk identification and management for currency, interest, liquidity, and credit risk is carried out by the central treasury department (Corporate Treasury), whereby the treasury operations are conducted within a framework of policies and guidelines (Treasury Policy), which have been approved by the Executive Board/CFO and Audit Committee. A Treasury Committee, comprised of the Vice President Corporate Accounting, Controller Corporate Office, Vice President Corporate Treasurer, and representatives of the Corporate Treasury and Back-Office, meets quarterly to review treasury activities and compliance with the Treasury Policy and reports directly to the Executive Board/CFO and the Audit Committee. The Treasury Back-Office reports deviations from the Treasury Policy directly to the CFO and the Corporate Treasurer.

The Internal Audit Department reviews the Corporate Treasury on financial risk management controls and procedures of Corporate Treasury, both according to a fixed schedule and on an ad-hoc basis. Furthermore, the external auditor performs quarterly interim procedures on the transactions and hedging compliance as part of the annual audit. Corporate Treasury reports on a quarterly basis to the Audit Committee about its hedging status.

The Group's funding activities are carried out by Corporate Treasury, using a mixture of long-term capital market instruments and committed credit facilities. A variety of instruments is used to ensure optimal financial flexibility and capital efficiency. The borrowings, together with cash generated from operations, are on-lent or contributed as equity to the operating companies. The Group targets to a net-debt-to-EBITDA ratio of approximately 2.5, at December 31, 2009, the ratio is 2.9 (2008: 3.2). The Group could, however, temporarily deviate from this relative indebtedness ratio.

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 appetite is defined in the Treasury Policy and reviewed regularly. Although economic environment has become more challenging as a consequence of the turbulence on financial markets, the exposure to financial risks for the Company has not significantly changed, nor the approach to these risks.

Currency risk
The Group has identified transaction and translation risks as the main currency risks. The transaction risk exposure within individual Wolters Kluwer entities is considered to be 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 income statement, balance sheet, and cash flow statement of foreign subsidiaries to the Group's presentation currency (the euro) for consolidation purposes.

It is the Group's policy that material currency translation exposures are partially hedged by Corporate Treasury. Currency exposures which impact the consolidated balance sheet and income statement by 10% or more are considered material. The translation exposure on the cash flow statement is (partly) mitigated by matching cash in- and outflows in the same currency. The Group's main translation risk is its exposure to the U.S. dollar. The following table details the Group's sensitivity on the Group's financials to a 1% weakening of the U.S. dollar against the euro.

Approximate impact of 1% decline of the U.S. dollar against the euro in millions of euros	**2009**	2008
Revenues	(18)	(16)
EBITA	(4)	(4)
Operating profit	(3)	(2)
Ordinary net income	(2)	(3)
Net profit	0	(2)
Shareholders' equity at December 31	(17)	(20)
Free cash flow	(3)	(3)

In order to hedge its net investment in the United States (defined as total investment in both equity and long-term receivables from the U.S. operations), the Group had U.S. dollar forward contracts outstanding for a total notional amount of €243 million ($350 million) at December 31, 2009.

The Group had U.S. dollar debt outstanding for a total notional amount of €754 million ($1,086 million) at December 31, 2009 (2008: €559 million or $778 million). The balance sheet cover is defined as the U.S. dollar forward contracts and U.S. dollar debt outstanding divided by its net investment in U.S. dollars. The U.S. dollar balance sheet cover is 31% (2008: 21%). This is within the range of 25-75% as defined in the Treasury Policy. The Group feels comfortable with this current cover.

A part of the finance costs was swapped into U.S. dollar through the use of derivative financial instruments. Of the total finance costs in 2009, approximately 75% (2008: 70%) was payable in U.S. dollars and resulting currency results have been recognized in the income statement. Based on the percentage of 75% for finance costs payable in U.S. dollars, the following sensitivity analysis can be made. An instantaneous 1% decline of the U.S. dollar against the euro from its exchange rate at December 31, 2009, with all other variables held constant, would result in a decrease of approximately €0.9 million of the finance costs (2008: approximately €0.8 million).

Interest rate risk

The Group is exposed to interest rate risk, mainly with regard to the euro and the U.S. dollar. The Group aims to mitigate the impact on its results and cash flow of interest rate movements, both by arranging fixed or variable rate funding and through the use of derivative financial instruments.
Of the total interest portfolio (excluding cash and cash equivalents), approximately 15% per year-end 2009 (2008: 26%) was variable rate and 85% (2008: 74%) carried a fixed rate, temporarily deviating from the Treasury Policy of 67-75% fixed and 25-33% variable interest rate debt (all percentages are calculated on principal amounts). The Group feels comfortable with this temporary deviation.

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, 2009, with all other variables held constant, would result in a increase of approximately €4 million of the finance costs (2008: approximately €7 million).

Liquidity risk

The Group actively manages liquidity risk by maintaining sufficient cash and cash equivalents, and the availability to committed borrowing capacity. In order to reduce liquidity risk, the Group has established the following minimum requirements:

- Repayment of long-term debt should be spread evenly over time;
- Acquiring of funding to start at least one year in advance of all maturing debt or alternative committed funding should be in place;
- Minimum headroom of €500 million (sum of unused committed credit facilities, cash and cash equivalent, and (receivable) derivative financial instruments, minus other short-term loans, deferred (short-term) acquisition payments, (current payable) derivative financial instruments, and bank overdrafts).

Per December 31, 2009, the Group has access to the unused part of the committed credit facility of €430 million (2008: €286 million) and has cash and cash equivalents of €409 million and (receivable) derivative financial instruments of €17 million minus other short-term loans, deferred (short-term) acquisition payments, and bank overdrafts of in total €44 million. The headroom was €812 million at year-end 2009 (2008: €588 million) in line with the Treasury Policy and reduces the liquidity risk of the Group. No property has been collateralized or in any other way secured under debt contracts.

Credit risk

Credit risk represents the loss that would be recognized if counterparties failed to perform as contracted.

It is the Group's policy 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/A2). Furthermore, credit limits per counterparty are in place and are monitored periodically. At December 31, 2009, there were no material credit risk concentrations, while the average weighted credit rating of counterparties was AA. The aim is to spread transactions among counterparties. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties on current outstanding contracts. The Group does not enter into financial derivative instruments to protect default of financial counterparties.

The 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 €255 million (2008: €271 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	**2009**	2008
Up to 30 days	91	105
30 to 90 days	66	61
More than 90 days	98	105
Total	**255**	**271**

Fair value of financial instruments	**December 31, 2009**		December 31, 2008	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	877	877	902	902
Trade and other payables	(352)	(352)	(356)	(356)
Bonds	(1,478)	(1,608)	(1,478)	(1,382)
Private placement	(149)	(149)	(157)	(157)
Perpetual cumulative subordinated bonds	(225)	(198)	(225)	(148)
Derivative financial instruments:				
Non-current receivable	17	17	39	39
Current receivable	0	0	3	3
Non-current payable	(12)	(12)	(14)	(14)
Current payable	(5)	(5)	(11)	(11)
Total derivative financial instruments	**0**	**0**	**17**	**17**

The fair value has been determined by the Group based on market data and appropriate valuation methods/quotes. Valuation methods include reference to price quoted in active markets, discounted cash flow analysis, or other instruments that are substantially identical. The fair value of outstanding bonds at the balance sheet date can deviate from the value at which they have been recorded in the balance sheet (the carrying value).

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 2009, the result recorded in the income statement as a result of ineffectiveness of hedging is: fair value hedge, €0 million; cash flow hedge, €0 million; and net investment hedge, €0 million.

Sensitivity

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, 2009, and an instantaneous 1% increase of the U.S. dollar, Japanese yen, and euro interest rates respectively.

For the effective part of the hedge, the sensitivity of the hedging instrument (derivative) is offset by the sensitivity of the hedged item (for instance, the net investment in a foreign operation). The hedge effectiveness is measured at the inception, reporting, and maturity dates of the hedged item by using the dollar-offset method. The results of these effectiveness tests all satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39.

The multi-currency roll-over credit facility is not included in this sensitivity analysis since this is not a derivative financial instrument. However, the U.S. dollar draw-down amounts to $718 million at December 31, 2009 ($571 million at December 31, 2008) and serves as a net investment hedge.

Sensitivity in millions	Hedged risk	Amount	Type instrument	Exchange rate movement	Interest rate movement
Fair value hedge	Fair value fluctuations due to movements in the applicable market benchmark interest rates	-	Interest rate swaps	-	-
Cash flow hedge	Changes in U.S. dollar floating interest rate	$200	(Cross currency)	€0	€2
	payments and changes in ¥ exchange rates	¥ 20,000	Interest rate swaps	€(2)	€(9)
Net investment hedge	Changes of the U.S. dollar net investments due to fluctuations of U.S. dollar exchange rates	$350	Forward contracts	€2	€0

Employee Benefits note 21

Employee benefits	**2009**	2008
Pensions and post-employment plans	131	117
Other (post-) employment obligations	16	17
Total	**147**	**134**

in %	**2009**	2008
Pension schemes		
Discount rate	5.5	5.8
Expected return on plan assets	5.6	6.1
Expected rate of salary increases	3.0	3.0
Post-employment plans		
Discount rate	5.6	6.1
Medical cost trend rate	3.0	3.0

Provision for pensions and post-employment plans

The provisions for pensions and post-employment plans relate to defined benefit plans. The following weighted average principal actuarial assumptions were used to determine the net periodic pension cost and post-retirement plans' expense for the year and defined benefit obligations at the balance sheet date.

The expected rates of return on individual categories of plan assets are determined by reference to relevant market indices. The overall expected rate of return on plan assets is based on the weighted average of each asset category. The average increase in salaries is based on the non-closed pension plans. Assumptions regarding future mortality experience are set based on actuarial advice and mortality tables generally accepted in the applicable countries.

Mortality assumptions for the most important countries are based on the following post-retirement mortality tables:

- Netherlands: projection table 2005-2050;
- US: RP2000EE, being the current standard mortality table.

Plan liabilities and assets		Pension plans		Post employment plans
	2009	2008	**2009**	2008
Plan liabilities				
Fair value at January 1	852	880	55	55
Current service costs	7	7	2	1
Interest costs	49	48	3	3
Benefits paid by fund	(35)	(35)	(3)	(4)
Actuarial (gains)/losses	(1)	(37)	(2)	(3)
Contributions by plan participants	4	4	-	-
Other	(1)	-	-	-
Exchange rate differences	4	(15)	(1)	3
Fair value at December 31	**879**	**852**	**54**	**55**
Plan assets				
Fair value at January 1	817	976	0	0
Expected return on plan assets	47	58	-	-
Actuarial gains/(losses)	39	(177)	-	-
Benefits paid by fund	(35)	(35)	(3)	(4)
Contributions by the employer	9	9	3	4
Contributions by plan participants	4	4	-	-
Other	(1)	(1)	-	-
Exchange rate differences	5	(17)	-	-
Fair value at December 31	**885**	**817**	**0**	**0**
Funded status				
Unfunded/(funded) status at December 31	(6)	35	54	55
Unrecognized past service costs	3	3	6	8
Asset ceiling	61	4	-	-
Reclassification of Medicare Part D to financial assets	-	-	13	12
Net liability at December 31	**58**	**42**	**73**	**75**
Pension cost				
Current service costs	7	7	2	1
Interest costs	49	48	3	3
Expected return on plan assets	(47)	(58)	-	-
Amortization unrecognized past service costs	-	-	(1)	(1)
Plan amendments and curtailment	(1)	-	-	-
Total pension costs	**8**	**(3)**	**4**	**3**

Post-employment plans consist of the post-retirement medical benefits plan in the United States and the Italian TFR plan.

The 2009 asset ceiling of €61 million (2008: €4 million) relates to the pension schemes in the Netherlands in 2009, where the over-funding of the defined benefit plan cannot likely be recovered, based on the current terms of the plan, through refunds or reductions in future contributions.

The reclassification of the Medicare Part D subsidy of €13 million (2008: €12 million) refers to the U.S. Medicare Prescription Drug subsidy (see ➔ note 13).

The pre-tax cumulative amount of actuarial gains/(losses) recognized in the Statement of Comprehensive Income is as follows:

Actuarial gains/(losses)	**2009**	2008
Position at January 1	(51)	(13)
Recognized in Other comprehensive income	(15)	(38)
Cumulative amount at December 31	**(66)**	**(51)**

The actual return on plan assets for the year ended December 31, 2009, amounted to a gain of €86 million (2008: a loss of €119 million).

The funded status for the years 2009-2005 and the related experience gains and losses over the years is as follows:

Funded status	**2009**	2008	2007	2006	2005
Present value of defined benefit obligation	(933)	(907)	(935)	(1,056)	(1,103)
Fair value of plan assets	885	817	976	969	918
Funded/(unfunded) status	**(48)**	**(90)**	**41**	**(87)**	**(185)**
Experience gains/(losses) plan assets	39	(177)	(30)	29	
Experience gains/(losses) plan liabilities	0	(19)	(20)	10	

The funded status of the pension plans in 2009 was mainly affected by the increase in return on investments following the economic downturn in 2008.

Experience adjustments are defined as all adjustments (like changes in plan populations and data corrections) other than changes of actuarial assumption (differences between the current and the previous year's actuarial assumptions).

The sensitivity for a 1% change in the discount rate is:

Sensitivity in millions	Medical costs	Gross service costs	Plan liabilities
Baseline	1	12	(933)
Discount rate -1%	2	15	(1,074)
Discount rate +1%	1	8	(822)

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

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 3% (2008: 3%) according to the plan rules. Consequently, the sensitivity for a 1% change in the assumed medical cost trend rate is nil. The baseline gross service costs of €12 million (2008: €11 million) relates to the pension plans as well as the Italian TFR.

The actual proportion of plan assets held as equities and bonds as at December 31 in percentages is as follows:

Proportion of plan assets in %	**2009**	2008
Equities	33	30
Bonds	60	63
Other	7	7
Total	**100**	**100**

Plan assets do not include any financial instruments issued by the Group; nor do they include any property or other assets used by the Group.

The overall expected rate of return on assets (EROA) for the year 2010 is 5.9% (January 1, 2009: 5.6%) and is based upon the long-term EROA per asset class. For equities, a long-term average weighted EROA of 7.4% (2008: 7.4%) is applied and for bonds an average weighted return of 4.9% (2008: 4.9%).

The Group's employer contributions to be paid to the defined benefit plans assets in 2010 are estimated at €10 million.

Provisions for Restructuring Commitments note 22

Provisions for restructuring commitments	**2009**	2008
Position at January 1	8	7
Add: short-term commitments	27	16
Total at January 1	35	23
Movements		
Addition charged to ordinary operating result	0	0
Acquisitions through business combinations	2	5
Addition Springboard/acquisition integration costs note 2	80	44
Total additions	82	49
Appropriation of restructuring provisions	(9)	(14)
Appropriation of Springboard provisions	(54)	(20)
Appropriation of acquisition provisions	(7)	(2)
Total appropriations	**(70)**	**(36)**
Exchange differences and other movements	(1)	(1)
Total movements	**11**	**12**
Total at December 31	46	35
Less: short-term commitments	(36)	(27)
Position at December 31	**10**	**8**

Capital and Reserves note 23

Share capital
The authorized capital amounts to €143.04 million, consisting of €71.52 million in ordinary shares (nominal value of €0.12 per ordinary share) and €71.52 million in preference shares. The issued share capital consists of ordinary shares. The number of issued ordinary shares increased from 287.1 million per December 31, 2008, to 292.8 million per December 31, 2009. The 2009 increase in issued share capital was due to the issuance of 2008 stock dividend and the vesting of the 2006-2008 LTIP plan.

Effectively July 1, 2008, the issued share capital was reduced by cancellation of 28.5 million ordinary shares that were held by the company, following the share buy-back program in 2007.

The Company holds 0.8 million shares in treasury at December 31, 2009 (2008: 1.1 million), which have not been cancelled. At December 31, 2009, the net number of shares outstanding is 292.0 million (2008: 286.0 million).

Legal reserves
Legal reserves 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
The translation reserve contains exchange rate differences arising from the translation of the net investment in foreign operations. When a foreign operation is sold, exchange differences that were recorded in equity prior to the sale are recycled in the income statement as part of the gain or loss on divestment. This reserve is not available for distribution.

Hedge reserve
The hedge reserve relates to the effective portion of the change in fair value of the hedging instrument used for cash flow hedging and net investment hedging purposes. This reserve is not available for distribution.

Treasury shares
Treasury shares are recorded at cost, representing the market price on the acquisition date. This reserve is not available for distribution. Treasury shares are deducted from Retained earnings.

Dividends
Pursuant to Article 29 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.66 per share in cash or in shares at a ratio to be determined and announced on April 29, 2010. Of the 2008 dividend of €0.65 per share, 67.3% was distributed as cash dividend (2007: 69.1%).

Number of shares
For a reconciliation of average number of shares and earnings per share, see ➔ note 2.

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.

In thousands of shares	Number of ordinary shares		Number of treasury shares		Total out-standing shares	
	2009	2008	**2009**	2008	**2009**	2008
At January 1	287,086	312,351	(1,100)	(31,213)	285,986	281,138
Cancellation of shares	-	(28,500)	-	28,500	0	0
Stock dividend	4,703	3,235	-	-	4,703	3,235
Long-Term Incentive Plan	1,010	-	271	1,591	1,281	1,591
Stock options	0	-	68	22	68	22
At December 31	**292,799**	**287,086**	**(761)**	**(1,100)**	**292,038**	**285,986**

Share-Based Payments note 24

Long-Term Incentive Plan
In late 2003, a new strategic vision was announced that focuses on value creation. As a result, a new incentive plan for Executive Board members and senior executives was implemented to align compensation with value creation. Under the plan, share options ceased to be awarded. Instead, Executive Board members and senior executives are awarded shares under the equity-settled Long-Term Incentive Plan (LTIP). The performance period of the LTIP is three years at the beginning of which a base number of shares (norm pay-out) are conditionally awarded to each beneficiary. Actual awards will range anywhere from 0% to 150% of the norm pay-out; the percentage depends on the Group's Total Shareholder Return (TSR) relative to a pre-defined group of 15 peer companies. See ➔ Remuneration Report for more details.

The expense of the LTIP is recognized ratably in the income statement over the performance period.

Vesting of the conditional grants is subject to the non-market condition that the participant stays with the Group until the plan's maturity. These terms and conditions apply to all running plans (LTIP 2007-09, LTIP 2008-10, and LTIP 2009-11). In 2009, €16.8 million has been recognized within personnel expenses in the income statement (2008: €17.2 million) related to the total costs of the LTIP 2007-09, 2008-10, and 2009-11.

LTIP 2006-08
The LTIP 2006-08 vested on December 31, 2008. Total Shareholder Return (TSR) 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. As a result, 1,280,490 shares were released on February 26, 2009.

LTIP 2007-09
The LTIP 2007-09 vested on December 31, 2009. Total Shareholder Return (TSR) ranked seventh relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board and in a pay-out of 100% of the conditional base number of shares awarded to senior executives. The shares will be released on February 25, 2010.

LTIP 2007-09
number of shares

Total grant	1,264,940
Forfeited in previous years	(147,388)
Shares outstanding at January 1, 2009	1,117,552
Forfeited and vested during the year	(52,025)
Effect of 75% vesting based on TSR ranking	(76,000)
Vested at December 31, 2009	**989,527**

LTIP 2008-10 and LTIP 2009-11 Base number of shares at 100% pay-out	LTIP 2008-10	LTIP 2009 -11	Total
Total grant 2008	1,395,816	-	1,395,816
Forfeited in previous years	(75,600)	-	(75,600)
Shares outstanding at January 1, 2009	1,320,216	0	1,320,216
Conditionally awarded grant 2009	-	1,517,237	1,517,237
Forfeited in 2009	(89,156)	(43,750)	(132,906)
Outstanding at December 31, 2009	**1,231,060**	**1,473,487**	**2,704,547**

The vesting conditions of LTIP 2007-09 and subsequent plans were changed, relative to LTIP 2006-08, for members of the Executive Board. For details, please refer to the ➔ Remuneration Report. The LTIP remained unchanged for the other senior managers of the Group. The fair value of each conditionally awarded share under the LTIP 2009-11 for the Executive Board was €9.13 (LTIP 2008-10: €14.71; LTIP 2007-09: €14.55; LTIP 2006-08: €14.63) and for the senior managers of the Group €11.27 (LTIP 2008-10: €18.49; LTIP 2007-09: €17.91; LTIP 2006-08: €14.63), as determined by an outside consulting firm. The fair value of a conditional awarded share under the LTIP 2009-11 decreased compared to previous years, mainly as a result of the share price of Wolters Kluwer as at January 1, 2009.

Stock option plans
At December 31, 2009, options were outstanding for 465,500 ordinary shares in Wolters Kluwer.
For members of the Executive Board and approximately 400 managers within the Group a share option plan applied until January 1, 2004. Stock options awarded before January 1, 2004, have not been cancelled. After that date, no new stock options have been awarded, except for 40,000 stock options in 2004 to a former member of the Executive Board. Consequently, no pro forma option value information is presented.

Options are awarded at fair value at the grant date. Every option entitles the holder to purchase one share each, for the share price on the date at which the option is awarded. As at December 31, 2009, the outstanding options relate to options awarded after August 2002. The maturity period for these option grants is seven years after the grant date.

.

Stock option plans	2002	2003	2004	Total
End of exercise period	2009	2010	2011	
Initial number of options	2,912,250	2,778,500	40,000	
Exercise rate (average) (€)	23.07	10.55	13.47	
Number of options outstanding at January 1, 2009	279,000	510,000	40,000	829,000
Movements				
Options expired/eliminated	(279,000)	(17,000)	-	(296,000)
Options exercised	-	(67,500)	-	(67,500)
Number of options outstanding at December 31, 2009	**0**	**425,500**	**40,000**	**465,500**

Related Party Transactions note 25

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 Amsterdam), associates, 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 27 Remuneration of the Executive Board and Supervisory Board.

Commitments and Contingent Liabilities note 26

Leases

The Group leases a number of offices under operating leases. The leases typically run for a period of 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, 2009, annual commitments under rental and operational lease agreements amounted to €58 million (2008: €62 million). The average term of these commitments is approximately 5.1 years (2008: 6.1 years).

Non-cancelable operating lease rentals are payable as follows:

Non-cancelable operating lease rentals	2009	2008
Less than one year	12	15
Between one and five years	55	71
More than five years	53	61

Some of the leased property is sublet by the Group. Sublease payments of €3 million (2008: €2 million) are expected to be received during the following financial year. The Group has recognized a provision of €1 million in respect of these subleases (2008: €1 million).

Non-current assets include €7 million (2008: €12 million) relating to finance lease arrangements. The amount due within the first year is €3 million (2008: €4 million), the amount due in the second to fifth years is €4 million (2008: €8 million). The present value of the lease payments does not differ materially from the nominal value.

Guarantees

At December 31, 2009, the Group has outstanding guarantees regarding royalty payments to societies during the coming years of €4 million (2008: €2 million).

The Group has issued formal guarantees for bank credit facilities for a total amount of €115 million (2008: €116 million) on behalf of a number of its foreign subsidiaries. At December 31, 2009, €0.8 million of these credit facilities had been utilized (2008: €0.5 million). At December 31, 2009, other bank guarantees had been issued at the request of the Company or its subsidiaries for a total amount of €7 million (2008: €6 million). These guarantees mainly relate to rent for real estate. In addition, parental performance guarantees to third parties have been issued for €2 million (2008: €2 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.

Acquisition agreements

Wolters Kluwer is obliged to purchase the remaining outstanding shares of One Legal LLC (65%) it does not yet own, if certain conditions related to the financial performance of One Legal LLC are met. As of the balance sheet date the Group has not recognized a liability, as it does not believe that these conditions will be met. Even if these conditions will be met, it is deemed unlikely that the resulting liability would be material for the Group as a whole.

Remuneration of the Executive Board and Supervisory Board note 27

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

Remuneration of the Executive Board in thousands of euros	Salary	Bonus	Pension	Social security	Other benefits	Tax gross up	**2009**	2008
N. McKinstry, Chairman [1]	973	1,056	49	19	227	108	2,432	2,433
B.J.L.M. Beerkens	592	592	129	7	21	-	1,341	1,265
J.J. Lynch, Jr.	369	295	22	17	59	258	1,020	766
Total	**1,934**	**1,943**	**200**	**43**	**307**	**366**	**4,793**	**4,464**

[1] Ms. McKinstry's compensation is €972,885. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,133,000 x 129.87% (equivalent to €1,055,543 of which 0% (2008: 30%, equivalent to €269,309) has been deferred to pension).

The Company's costs of the Long-Term Incentive Plans are not included in the Executive Board members' remuneration, as it comprises a conditional element of compensation. Social security costs paid by the Company in 2009 on shares that were released under the Long-Term Incentive Plans are included in the remuneration. The tax gross up relates to the tax expense that was paid by the Company in 2009 relating to tax equalization for salary and benefits per the contract between the Company and Ms. McKinstry and Mr. Lynch.

The 2009 bonuses as presented above relate to the performance year 2009 and will be paid in 2010. The 2009 pension contributions as presented above reflect the accrued pension costs for the financial year 2009.

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

LTIP 2006-08

The table presents the number of shares that vested under the LTIP 2006-08 and were released to members of the Executive Board on February 26, 2009.

The volume weighted average price of the shares of Wolters Kluwer nv was €12.49 on February 26, 2009.

LTIP 2006-2008 number of shares	
N. McKinstry, Chairman	250,000
B.L.J.M. Beerkens	100,000
J.J. Lynch, Jr.	11,250
Total	**361,250**

LTIP 2007-09
The LTIP 2007-09 vested on December 31, 2009. Total Shareholder Return (TSR) ranked seventh relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board members. The shares will be released on February 25, 2010.

LTIP 2007-2009 number of shares	Outstanding January 1, 2009	Deducation on conditionally number of base shares (25%)	Vested December 31, 2009
N. McKinstry, Chairman	191,000	(47,750)	143,250
B.L.J.M. Beerkens	69,000	(17,250)	51,750
J.J. Lynch, Jr.	44,000	(11,000)	33,000
Total	**304,000**	**(76,000)**	**228,000**

LTIP 2008-10 and LTIP 2009-11
The Executive Board members have been conditionally awarded the following conditional number of shares based on a 100% pay-out, subject to the conditions of the LTIP for 2008-10 and 2009-11, as described in ➔ Remuneration Report.

The fair value of each conditionally awarded share under the LTIP 2009-11 to the Executive Board members was €9.13 (LTIP 2008-10: €14.71; LTIP 2007-09: €14.55; LTIP 2006-08: €14.63), as determined by an outside consulting firm. The plans have a performance period of three years.

LTIP 2008-2010 and 2009-2011 base numbers of shares at 100% pay-out	Conditionally awarded LTIP 2008-10	Conditionally awarded LTIP 2009-11	Total conditionally awarded at December 31, 2009
N. McKinstry, Chairman	189,770	297,134	486,904
B.L.J.M. Beerkens	70,458	113,520	183,978
J.J. Lynch, Jr.	43,388	65,233	108,621
Total	**303,616**	**475,887**	**779,503**

Stock options Executive Board members	Grant date	Exercise price (€)	January 1, 2009	Expired during the year	Exercised during the year	December 31, 2009	End of exercise period
N. McKinstry, Chairman	2002	18.27	80,000	(80,000)	-	0	2009
	2003	13.00	80,000	-	-	80,000	2010
B.L.J.M. Beerkens	2003	10.10	15,000	-	-	15,000	2010
	2003	13.00	40,000	-	-	40,000	2010
Total			**215,000**	**(80,000)**	**0**	**135,000**	

Shares Owned by Executive Board Members

As at December 31, 2009, the Executive Board jointly held 170,000 shares (2008: 145,000 shares), of which 112,500 shares (2008: 112,500 shares) were held by Ms. N. McKinstry and 57,500 shares by Mr. B.L.J.M. Beerkens (2008: 32,500 shares).

Mr. B.L.J.M. Beerkens owns perpetual bonds issued by the Company for a nominal value of €158,000.

Shares Owned by Supervisory Board Members

The Supervisory Board members do not own shares in Wolters Kluwer.

Remuneration of Supervisory Board members in thousands of euros	Member of Selection and Remuneration Committee	Member of Audit Committee	**Remuneration 2009**	Remuneration 2008
A. Baan, Chairman	●	●	60	60
P.N. Wakkie, Deputy Chairman	●		51	51
B.F.J. Angelici			42	42
B.M. Dalibard [1]			28	-
L.P. Forman	●	●	51	51
A.J. Frost [1]			14	42
S.B. James			42	42
H. Scheffers		●	47	47
Total			**335**	**335**

1 Ms. Frost resigned as per April of 2009. Ms. Dalibard succeeded her as of that date.

Accounting Estimates and Judgments note 28

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.

Policies that are critical for the presentation of the financial position and financial performance of the Group and that require estimates and judgments are discussed below.

Revenue recognition
Revenue recognition requires estimates and judgments as far as it relates to estimating expected returns from customers and non-renewed orders. The Group recognizes a provision for these delivered goods or rendered services based on historical rates. If these rates exceed a certain threshold, revenue is recognized only upon receipt of the payment or the order. Revenue of a combination of goods and services is recognized based on estimates of the fair value of the individual components.

Employee benefits
Wolters Kluwer has material defined benefit pension plans in some countries and also post-retirement medical plans in the United States. The net assets and liabilities of these plans are presented in the balance sheet of the Group. The costs related to these pension plans and post-retirement medical plans are included in the income statement. The assets and

liabilities as well as the costs are based upon actuarial and economic assumptions. The main economic assumptions are:
- discount rate;
- expected return on plan assets;
- average increase salaries; and
- medical trend rate.

For actuarial assumptions the Group uses generally accepted mortality rates. The withdrawal rates and retirement rates are based upon statistics provided by the relevant entities based on past experiences.

Capitalized software

Software development costs are only capitalized if, and only if, the entity can demonstrate the technical feasibility of completing the software project so that it will be available for use or sale and if the entity can demonstrate that the project complies with the following requirements: the intention to complete the development project; the ability to sell or use the end-product; demonstration of how the end-product will yield probable future economic benefits; the availability of adequate technical, financial and other resources to complete the project; and the ability to reliably measure the expenditure attributable to the project.

Capitalized software is amortized using the straight-line method over the economic life of the software, between 3 and 10 years. Capitalization of software is dependent on several assumptions as indicated above. While management has procedures in place to control the software development process, there is uncertainty with regard to the outcome of the development process.

Useful lives of assets

The useful life has to be determined for assets such as publishing rights; other intangible assets, which mainly consist of self-developed software, and property, plant, and equipment. The useful lives are estimated based upon best practice within the Group and in line with common market practice.

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 an outside consulting firm in close cooperation with management of the acquiring entity. These calculations require estimates of future cash flows, useful life, 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.

IFRS 3 requires goodwill to be carried at cost with impairment reviews both annually and when there are indications that the carrying value of the goodwill may not be recoverable. The impairment reviews require estimates of a discount rate, future cash flows, and a perpetual growth rate. These estimates are made by management of the entity that manages the business with which the goodwill is associated. The future cash flows are based on three-year Business Development Plans, prepared by management of the entities and approved by the Executive Board of the Group.

The fair value of the assets, liabilities, and contingent liabilities of an acquired entity should be measured within 12 months from the acquisition date. For some acquisitions, provisional fair values have been included in the balance sheet and final valuation of the identifiable tangible assets is still pending, but will be completed within the 12 months timeframe. Actual valuation of these assets, liabilities, and contingent liabilities may differ from the provisional valuation.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events (earn-out), the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. The measurement will usually be based on estimates of future results of the business combination.

Accounting for income taxes

Corporate taxation is calculated on the basis of income before taxation, taking into account the local tax rates and regulations. For each operating entity, the current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. These calculations might deviate from the final tax assessments, which will be received in future periods.

A deferred tax asset is recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Management assesses the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

Legal and judicial proceedings, claims

For legal and judicial proceedings and claims against the Company and its operating entities, a liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or

claim may differ from the estimated liability, and consequently may affect the actual result. The prediction of the outcome and the assessment of a possible loss by management are based on management's judgments and estimates. Management usually consults lawyers and other specialists for support.

Financial Statements of Wolters Kluwer nv

Income Statement of Wolters Kluwer nv

in millions of euros	2009	2008
Results from subsidiaries after tax note 30	(2)	203
Other income after tax	120	110
Profit for the year	**118**	**313**

Balance Sheet of Wolters Kluwer nv

in millions of euros and before appropriation of results, at December 31		2009		2008
Non-current assets				
Intangible assets	21		25	
Property, plant, and equipment	0		0	
Financial assets note 30	2,591		3,354	
Total non-current assets		2,612		3,379
Current assets				
Accounts receivable note 31	1,821		1,457	
Cash and cash equivalents	276		234	
Total current assets	2,097		1,691	
Current liabilities note 32	1,413		1,672	
Working capital		684		19
Capital employed		**3,296**		**3,398**
Non-current liabilities				
Long-term debt:				
Bonds note 19	1,479		1,478	
Private placement note 19	149		157	
Perpetual cumulative subordinated bonds note 19	225		225	
Derivative financial instruments note 19	12		14	
Total long-term debt		1,865		1,874
Long-term debt to subsidiaries		80		72
Deferred tax liabilities		13		32
Provisions note 33		4		6
Total non-current liabilities		**1,962**		**1,984**
Shareholders' equity note 34		1,334		1,414
Total financing		**3,296**		**3,398**

Notes to the Financial Statements of Wolters Kluwer nv

Significant Accounting Policies note 29

As provided in section 402 of the Netherlands Civil Code, Book 2, the income statement of Wolters Kluwer nv includes only the after-tax results of subsidiaries and other income after tax, as Wolters Kluwer nv's figures are included in the consolidated financial statements. Unless otherwise indicated, the numbers in these financial statements are in millions of euros.

Accounting policies

The financial statements of Wolters Kluwer nv are prepared in accordance with the Netherlands Civil Code, Book 2, Title 9, with the application of the regulations of section 362.8 allowing the use of the same accounting policies as applied for the consolidated financial statements. These accounting policies are described in the Notes to the Consolidated Financial Statements.

Subsidiaries are valued using the equity method, applying the IFRS accounting policies endorsed by the European Union.

Any related party transactions between subsidiaries, associates, investments, and with members of the Supervisory Board and the Executive Board and the (ultimate) parent company Wolters Kluwer nv are conducted on an at arm's length basis with terms comparable to transactions with third parties.

Financial Assets note 30

Financial assets	**2009**	2008
Equity value of subsidiaries	(486)	(99)
Long-term receivables from subsidiaries	3,060	3,414
Derivative financial instruments	17	39
Total	**2,591**	**3,354**

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

Subsidiaries	**2009**	2008
Equity value of subsidiaries at January 1	(99)	47
Movements related to results from subsidiaries after tax	(2)	203
Movements related to exchange differences	(16)	(77)
Movements related to net capital payments	0	593
Movements related to dividend payments	(359)	(702)
Movements related to intragroup transfers	-	(138)
Actuarial gains/(losses) on employee benefits after tax	(10)	(25)
Equity value of subsidiaries at December 31	**(486)**	**(99)**

Accounts Receivable note 31

Accounts receivable	**2009**	2008
Receivables from subsidiaries	1,812	1,444
Derivative financial instruments	0	3
Current tax receivable	1	0
Other receivables	8	10
Total	**1,821**	**1,457**

Current Liabilities note 32

Current liabilities	**2009**	2008
Debts to subsidiaries	797	869
Multi-currency roll-over facility 2004-2011	498	642
Bank overdrafts	2	17
Derivative financial instruments	5	11
Interest payable	84	87
Current tax payable	0	0
Other liabilities	27	46
Total	**1,413**	**1,672**

Provisions note 33

Provisions	**2009**	2008
Provision for employee benefits	2	2
Provision for restructuring commitments	2	4
Total	**4**	**6**

Shareholders' Equity note 34

Shareholders' equity			Legal reserves			Other reserves			
	Issued share capital	Share premium reserve	Legal reserves partici-pations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2008	**37**	**90**	**22**	**93**	**(406)**	**(675)**	**1,100**	**917**	**1,178**
Exchange differences on translation foreign operations				(45)	102				57
Exchange gain from recycling exchange differences from equity to income statement					(1)				(1)
Gains/(losses) on cash flow hedges				0					0
Actuarial gains/(losses) on employee benefits							(38)		(38)
Tax on items taken directly to or transferred from equity							13		13
Net income recognized directly in equity	0	0	0	(45)	101	0	(25)	0	31
Profit for the year								313	313
Total recognized income and expense for the year	0	0	0	(45)	101	0	(25)	313	344
Appropriation of profit previous year							917	(917)	0
Share-based payments							17		17
Release LTIP shares						33	(33)		0
Cash dividend 2007							(125)		(125)
Stock dividend 2007	0	0							0
Exercise of share options						0	0		0
Cancellation of shares	(3)					617	(614)		0
Other movements			1				(1)		0
Balance at December 31, 2008	**34**	**90**	**23**	**48**	**(305)**	**(25)**	**1,236**	**313**	**1,414**

The legal, translation, and treasury shares reserves are not available for dividend distribution.

			Legal reserves			Other reserves			
	Issued share capital	Share premium reserve	Legal reserves partici-pations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2009	**34**	**90**	**23**	**48**	**(305)**	**(25)**	**1,236**	**313**	**1,414**
Exchange differences on translation foreign operations				18	(85)				(67)
Exchange gain from recycling exchange differences from equity to income statement									0
Gains/(losses) on cash flow hedges				(8)					(8)
Actuarial gains/(losses) on employee benefits							(15)		(15)
Tax on items taken directly to or transferred from equity				(6)			5		(1)
Net income/(loss) recognized directly in equity	0	0	0	4	(85)	0	(10)	0	(91)
Profit for the year								118	118
Total recognized income and expense for the year	0	0	0	4	(85)	0	(10)	118	27
Appropriation of profit previous year							313	(313)	0
Share-based payments							17		17
Release LTIP shares	0					6	(6)		0
Cash dividend 2008							(125)		(125)
Stock dividend 2008	1	(1)							0
Exercise of share options						1	0		1
Cancellation of shares									0
Other movements			3				(3)		0
Balance at December 31, 2009	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,422**	**118**	**1,334**

Audit Fees note 35

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated entities:

Audit fees 2009	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.8	0.8	3.6
Other assurance services	0.3	0.0	0.3
Tax advisory services	-	1.3	1.3
Other non-audit services	-	-	0.0
Total	**3.1**	**2.1**	**5.2**

Audit fees 2008	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	3.0	0.8	3.8
Other assurance services	0.1	0.3	0.4
Tax advisory services	-	2.0	2.0
Other non-audit services	-	0.1	0.1
Total	**3.1**	**3.2**	**6.3**

Commitments and Contingent Liabilities note 36

Guarantees
Pursuant to section 403 of the Netherlands Civil Code, Book 2, the Company has assumed joint and several liabilities for the debts arising out of the legal acts of a number of subsidiaries in the Netherlands. The relevant declarations have been filed with and are open for inspection at the Trade Register for the district in which the legal entity respective to the liability has its registered office.

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €8 million (2008: €5 million).

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

Alphen aan den Rijn, February 23, 2010

Supervisory Board
A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B.M. Dalibard
L.P. Forman
S.B. James
H. Scheffers

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
B.L.J.M. Beerkens, CFO and member of the Executive Board
J.J. Lynch, Jr., Member of the Executive Board

Other Information on the Financial Statements

To: the Annual General Meeting of Shareholders of Wolters Kluwer nv

Auditor's Report

Report on the financial statements
We have audited the 2009 financial statements of Wolters Kluwer nv, Alphen aan den Rijn. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2009, the consolidated statements of income, comprehensive income, changes in total equity, and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2009, the company income statements for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2009, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Executive Board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, February 23, 2010

KPMG ACCOUNTANTS N.V.
M.J.P. Thunnissen RA

Appropriation of Profit for the Year

Article 29 of the Articles of Association
Paragraph 1
From the profit as it appears from the annual accounts adopted by the General Meeting of Shareholders, a dividend shall be distributed on the preference shares, whose percentage is equal to that of the average of the interest rate on basic refinancing transactions of the European Central Bank - weighted according to the number of days on which this interest rate applied - during the financial year or part of the financial year for which the dividend is distributed, increased by three. The dividend on the last-mentioned preference shares shall be calculated on an annual basis on the paid-up part of the nominal amount. If in any financial year the distribution referred to in the first full sentence cannot be made or can only be made in part because the profits are not sufficient, the deficiency shall be distributed from the distributable part of the Company's equity. No further dividend shall be distributed on the preference shares.

Paragraph 2
Subsequently such allocations to reserves shall be made as the Executive Board shall determine, subject to the approval of the Supervisory Board.

Paragraph 3
Any balance remaining after that shall be distributed at the disposal of the General Meeting of Shareholders.

Paragraph 5
Distribution of profit shall be made after adoption of the annual accounts showing that it is permitted.

Paragraph 7
If a loss is suffered for any year that loss shall be transferred to a new account for set-off against future profits and for that year no dividend shall be distributed. On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve, however, to wipe off such a loss by writing it off on a reserve that need not be maintained according to the law.

Article 30 of the Articles of Association
Paragraph 1
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve that a distribution of dividend on ordinary shares shall be made entirely or partially not in money but in ordinary shares in the capital of the Company.

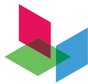
Paragraph 2
On the proposal of the Executive Board that has been approved by the Supervisory Board, the General Meeting of Shareholders may resolve on distributions in money or in the manner as referred to in Paragraph 1 to holders of ordinary shares against one or more reserves that need not be maintained under the law.

Proposed cash distribution	**2009**	2008
in millions of euros		
Proposed cash distribution	193	186

Pursuant to Article 30 of the Articles of Association, and with the approval of the Supervisory Board, a proposal will be submitted to the Annual General Meeting of Shareholders to make a distribution of €0.66 per share in cash or in shares at a ratio to be determined and announced on April 29, 2010.

Other Information

Corporate Governance



General
Corporate governance is an important subject for Wolters Kluwer. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of the company. An outline of the broad corporate governance structure will be provided in this chapter. The Executive Board and Supervisory Board have discussed the Amended Dutch Corporate Governance Code, which came into force as of January 1, 2009 (the "Code"). The Code is available on www.commissiecorporategovernance.nl. The Company worked on implementation of the amendments in the course of 2009. Wolters Kluwer complies with all of the principles and Best Practice Provisions of the Code, unless stipulated otherwise in this chapter. In line with the pre-amble of the Code, Wolters Kluwer will put corporate governance as discussion item on the agenda of the Annual General Meeting of Shareholders that will be held on April 21, 2010. Potential material future corporate developments might justify deviances from the Code at the moment of occurrence.

Executive Board
The Executive Board is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results and corporate social responsibility issues that are relevant to the company. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure of appointment and dismissal of members of the Executive Board is explained in article 15 of the company's Articles of Association. The Executive Board currently consists of Ms. N. McKinstry (CEO and Chairman of the Executive Board), Mr. B.L.J.M. Beerkens (CFO and member of the Executive Board), and Mr. J.J. Lynch, Jr. (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 of the Supervisory Board. In line with the Code, the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board were adopted and approved by the Annual General Meeting of Shareholders in 2004. In connection with a number of changes to the remuneration policy and to the LTIP, these subjects were submitted to the Annual General Meeting of Shareholders again in 2007. The Annual General Meeting of Shareholders adopted and approved the amendments. In the course of 2009, the Supervisory Board agreed to implement certain Best Practice Recommendations of the Code related to remuneration. This is described in ➔ Remuneration Report. Wolters Kluwer intends to add a non-financial remuneration target beginning in 2011, focused on corporate sustainability (Best Practice Provision II.2.3 of the Code). The temporary deviation in 2010 from Best Practice Provision II.2.3 is due to the fact that in 2010 certain non-financial indicators, related to sustainability, will for the first time be audited by an external auditor. The outcome of that audit will be used as point of reference for setting a target based on a non-financial indicator in 2011.

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. 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 plan, conditional awards by the Supervisory Board recur on an annual basis and, as such, the Executive Board members will always have a strong incentive to pursue the long-term interests of the company. A five-year holding period will have no added value in this respect.

Term of appointment
In relation to Best Practice Provision II.1.1 (appointment of Executive Board members for a term of four years), the existing contracts with Ms. McKinstry and Mr. Beerkens (who were appointed for an indefinite period of time) will be honored. However, in line with the Code, at the Annual General Meeting of Shareholders that was held in 2007, Mr. J.J. Lynch, Jr. was appointed as member of the Executive Board for a term of four years.

Severance arrangements
The company recognizes a change in market practice with respect to severance arrangements. Therefore, when new Executive Board members will be appointed in the future, the company will comply with Best Practice Provision II.2.8 of the Code that stipulates that remuneration in the event of dismissal may not exceed one year's salary. However, the company will honor existing arrangements with its current Executive Board members.

Code of Conduct on Insider Trading

Wolters Kluwer has a very 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 each, after publication of periodical results. There are also restrictions on trading in securities of peer group companies.

Risk Management

The company has an internal risk management and control system in place that in the view of the Executive Board is suitable to the company. The main aspects of the internal risk management and control systems of the company including its group companies, as it relates to financial reporting, include:

- Hiring and retention policies and practices for top finance professionals throughout the business;
- A standard planning and reporting cycle, consisting of the annual Business Development Plans (three-year strategic plan) on a divisional and operational entity level, the annual budget, quarterly forecasts, and monthly financial reporting;
- Periodic business reviews where divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board;
- Specific treasury policies on market (currency and interest), liquidity, and credit risk reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks within the pre-defined ranges;
- A Risk Committee facilitates the internal process of enterprise risk management. The Committee aims at getting oversight of the main risks and follows up actions within the company. The Committee meets every quarter;
- Standard financial and non-financial procedures and policies including the Letters of Representation that are signed quarterly by all divisional and operating company CEOs and CFOs and relevant corporate staff members, as well as an Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, and Whistleblower Policy;
- Internal audits, planned and carried out globally, based on risk assessments to ensure compliance with policies and procedures, evaluate effectiveness of established controls, and ensure that existing controls provide adequate protection against actual risks;
- The risk and control status report includes recommendations and outstanding control issues arising from management reviews, internal audits, and external audits. Recommendations are actively followed up. This report is reviewed by the Audit Committee on a quarterly basis; and
- The Wolters Kluwer Internal Control Framework (ICF) consists of approximately 100 key controls, designed to ensure that the results of business processes are adequately reflected in its internal and external financial reporting.

For a detailed description of the risks and the internal risk management and control systems, reference is made to ➔ Risk Management.

Corporate Social Responsibility

The Executive Board is committed to corporate social responsibility. A sustainable entrepreneurship report is published every year. In addition, a separate section of the company's website is dedicated to corporate social responsibility. In 2009, the Executive Board has revised the Business Principles and other internal policies, including the Environmental Policy. Furthermore, a separate Human Rights policy has been adopted in 2009. The company is listed in the Dow Jones Sustainability Index. In 2010, additional steps will be taken to further implement corporate social responsibility within the company. For more information, reference is made to the ➔ Sustainable Entrepreneurship 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 issues which may be relevant to Wolters Kluwer. The By-Laws of the Supervisory Board include a list of Executive Board resolutions that have to be approved by the Supervisory Board. These resolutions include the operational and financial aims of the company, the strategy designed to achieve those aims, resolutions in which there are conflicts of interest with Executive Board members that are of significant interest for the Company or the Executive Board member, acquisitions or divestments of which the value is at least equal to one percent of the consolidated sales of the company, the issuance of new shares or granting of rights to subscribe for shares, the issue of bonds or other external financing of which the value exceeds 2.5% of annual consolidated revenues, and a proposal to amend the Articles of Association. The By-Laws of the Supervisory Board can be found on the company website ➔ www.wolterskluwer.com.

Appointment and composition
The General Meeting of Shareholders appoints the members of the Supervisory Board. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 21 of the company's Articles of Association. The Supervisory Board currently consists of Mr. A. Baan (Chairman), Mr. P.N. Wakkie (Deputy Chairman), Mr. B.F.J. Angelici, Ms. B.M. Dalibard, Mr. L.P. Forman, Mr. S.B. James, and Mr. H. Scheffers. At present, all Supervisory Board members are 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 composition the Supervisory Board to a large extent reflects these various elements. More specifically, the current composition of the Supervisory Board comprises expertise within the broad information industry as well as specific market segments in which the company operates, such as healthcare, and reflects the international nature of the company.

Provision of information
Wolters Kluwer considers it important that the Supervisory Board members are well-informed about the business and operations of the company. Towards this end, operating managers, including divisional CEOs, hold presentations to the Supervisory Board with respect to their businesses on a regular basis. These presentations can relate to the operations in general and to business development. In addition, the company facilitates visits to operating companies and individual meetings with staff and line managers.

Remuneration and Code of Conduct on Insider Trading
The Annual General Meeting of Shareholders shall determine the remuneration of the Supervisory Board members. The remuneration shall not depend on the results of the company. The Supervisory Board members do not receive shares or stock options by way of remuneration, nor shall they be granted loans. The members are bound by the same Code of Conduct on Insider Trading as the Executive Board members. At present, none of the Supervisory Board members owns any securities in Wolters Kluwer.

Committees
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. H. Scheffers (Chairman), Mr. A. Baan, and Mr. L.P. Forman. 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. Scheffers and Mr. Forman are financial experts.

The Supervisory Board also has installed a Selection and Remuneration Committee. Because appointments and remuneration are often closely related, the Supervisory Board sees no advantages in two separate committees. Installing two separate committees consisting of the same members would only increase the administrative burden. The Chairman of the Supervisory Board will not be the Chairman of the Selection and Remuneration Committee. The Selection and Remuneration Committee currently consists of Mr. L.P. Forman (Chairman), Mr. A. Baan, 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 adoption of the financial statements, the report of the Supervisory Board, and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Executive and Supervisory Boards from liability for their respective duties shall be voted on separately. Shareholders who alone or jointly represent at least half a percent (0.5%) of the issued capital of Wolters Kluwer, or who represent alone or jointly a block of shares at least worth €50 million, shall have the right to request the Executive Board or Supervisory Board that items be put on the agenda of the Annual General Meeting of Shareholders.

In 2009, Wolters Kluwer again took active steps to try to reach the highest possible percentage of shares present or represented at the Annual General Meeting of Shareholders. These steps included publication of the agenda and annual report four weeks before the meeting, a registration date three weeks before the meeting, no blocking of shares before the meeting, making available standard proxy forms and voting instruction forms on the website, and enabling shareholders to give voting instructions prior to the meeting electronically. As a result, approximately 50% of the issued capital of the company was present or represented at the Annual General Meeting of Shareholders in 2009.

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. Some technical amendments to the Articles of Association will be proposed to the Annual General Meeting of Shareholders in 2010. An explanation is given in the Agenda of that Meeting.

Issuance of shares
The Articles of Association of the company determine that shares shall be issued at the proposal of the Executive Board and by virtue of a resolution of the General Meeting of Shareholders, subject to designation of the Executive Board by the General Meeting of Shareholders. At the Annual General Meeting of Shareholders of April 21, 2009, 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.

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 21, 2009, the authorization to acquire own shares has been granted to the Executive Board for a period of 18 months.

Audit functions
The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board shall see to it that this responsibility is fulfilled.

External auditor
The external auditor is appointed by the General Meeting of Shareholders. Wolters Kluwer intends to have the external auditor appointed by the General Meeting of Shareholders every four years, after a thorough assessment of the performance of the external auditor. This appointment occurred at the Annual General Meeting of Shareholders of April 21, 2009. In addition to this thorough assessment every four years, the Executive Board and the Audit Committee shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The Supervisory Board also has the discretion to put the appointment of the external auditor on the agenda of the General Meeting of Shareholders before the lapse of a four-year period, if so warranted. The external auditor may be questioned by the General Meeting of Shareholders in relation to his auditor's opinion on the financial statements. The external auditor shall therefore attend and be entitled to address the General Meeting of Shareholders. The company has a policy on auditor independence in place, which has been published on the company's website ➔ www.wolterskluwer.com.

Internal auditor
The internal auditor operates under the responsibility of the Executive Board. The external auditor and the Audit Committee are involved in drawing up the work schedule of the internal auditor. The work schedule is based on an overall risk assessment within the company. The findings of the internal auditor and follow up actions will be presented to the external auditor and the Audit Committee.

Preference shares
Wolters Kluwer and the Wolters Kluwer Preference Shares Foundation (the Foundation) have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Wolters Kluwer Preference Shares 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 Wolters Kluwer Preference Shares Foundation are independent of the company.

Major shareholdings per December 31, 2009

According to the Dutch Act on financial supervision, shareholders with an interest of 5% of the issued capital are required to notify their interest with the Authority Financial Markets. Silchester International Investors Limited disclosed a 6% interest in the company on November 1, 2006.

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 Take-over 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 ➔ Information for Shareholders and Investors.

Information pursuant to Clause 5:25f of the Act on Financial Supervision

The information and documents specified in clause 5:25f of the Act on financial supervision *(Wet op het financieel toezicht)* can be found on the company website ➔ www.wolterskluwer.com, where all material press releases of the company issued in 2009 can be found under Press.

Information and statement pursuant to the Decree of December 23, 2004

This chapter also contains information and the statements pursuant to the Decree of December 23, 2004, to determine additional regulations regarding the content of the Annual Report, as amended most recently with effect as of January 1, 2010, including the relevant information from the Decree Clause 10 Take-over Directive.

Legal structure

The ultimate parent company of the Wolters Kluwer group is Wolters Kluwer nv. In 2002, Wolters Kluwer nv abolished the voluntary application of the structure regime *(structuurregeling)*. As a consequence, the structure regime became applicable to Wolters Kluwer Nederland bv, which is the parent company of the Dutch operating subsidiaries. Wolters Kluwer International Holding bv is the direct or indirect parent company of the operating subsidiaries outside the Netherlands.

Report of the Wolters Kluwer Preference Shares Foundation

Activities
The Board of the Wolters Kluwer Preference Shares Foundation met twice in 2009. The matters discussed included the full-year 2008 results, the half-year 2009 results, the execution of the strategy, the financing of the company, acquisitions and divestments, developments in the market, and the general course of events at Wolters Kluwer. The Board of the Foundation also followed developments of the company outside of Board meetings, among others through receipt by the Board members of all press releases. As a result, the Board of the Foundation has a good view on the course of events at Wolters Kluwer. The Board of the Foundation also closely monitored the developments with respect to corporate governance and relevant Dutch legislation, and discussed that topic during the meetings. Furthermore, the composition of the Board of the Foundation was discussed. All members of the Wolters Kluwer Preference Shares Foundation are independent of the company. The Foundation acquired no preference shares during the year under review.

Exercise of the preference shares option
Wolters Kluwer and the Wolters Kluwer Preference Shares 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 Board of the Foundation has actively searched for a good candidate to fill the vacancy created due to the resignation of Mr. Van der Wielen in 2008. In March 2009, the Board of the Foundation appointed Mr. P. Bouw as a new member. Mr. Voogd retired by rotation in 2009. He was reappointed by the Board of the 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, 2010

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

Management Profiles

Executive Board

Nancy McKinstry
United States, 1959, Chief Executive Officer and Chairman of the Executive Board since September 1, 2003, Member of the Executive Board since June 1, 2001.

Before assuming her present position in 2003, Ms. McKinstry gained more than a decade of experience at Wolters Kluwer and its operating companies in North America. Most recently, she was an Executive Board member of the company and previously served as CEO of Wolters Kluwer's operations in North America. She also was President and CEO of CCH Legal Information Services. Earlier, Ms. McKinstry held senior product management positions with CCH INCORPORATED, now part of Wolters Kluwer's Tax & Accounting division.

In 1999, Ms. McKinstry worked as CEO of SCP Communications, a medical information company, before rejoining Wolters Kluwer to head North American operations. Early in her career, she held management positions with Booz Allen Hamilton, an international management-consulting firm, where she focused on assignments in the media and technology industries.

Ms. McKinstry is a member of the Boards of Directors of leading telecom supplier Ericsson; the American Chamber of Commerce in the Netherlands; and TiasNimbas Business School. Ms. McKinstry is also a member of the Advisory Council of the Amsterdam Institute of Finance, the Dutch Advisory Council of INSEAD, the Advisory Board for the University of Rhode Island, and the Board of Overseers of Columbia Business School. In addition, she is a member of the University Club of New York City.

Ms. McKinstry earned her MBA in Finance and Marketing from Columbia University, New York, where she graduated Beta Gamma Sigma, and Bachelor of Arts degree in Economics from the University of Rhode Island, Kingston, where she graduated Phi Beta Kappa. In May 2005, she was awarded the honorary degree of Doctor of Laws by the University of Rhode Island in recognition of her contributions to business.

Boudewijn Beerkens
The Netherlands, 1963, Chief Financial Officer since November 1, 2002, Member of the Executive Board since May 1, 2003.

Before his appointment as member of the Executive Board by the Annual General Meeting of Shareholders of April 2003, Mr. Beerkens was Chief Financial Officer since November 2002. In his current role, Mr. Beerkens is responsible for the corporate areas of Accounting, Business Analysis & Control, Internal Audit and Internal Controls, Investor Relations, Mergers & Acquisitions, Risk Management, Taxation, and Treasury.

Prior to joining Wolters Kluwer, Mr. Beerkens was Managing Partner at PricewaterhouseCoopers, responsible for the Corporate Finance and Recovery team. Previously, he held a position at Vendex do Brasil where he was charged with responsibility for strategic development of the food division in Brazil. His banking expertise derives from his time with Citicorp Investment Bank in London.

Mr. Beerkens is a member of the Supervisory Board of Goedland nv, a member of the Executive Committee of Amsterdam Partners, a member of the Industry Expert Committee of Bencis Capital Partners, a member of the Advisory Board of Verder International BV, a member of the Supervisory Board of International Market Makers Combination (IMC) BV, a member of the Council of Trustees of the RCOAK (Roomsch Catholijk Oude Armen Kantoor), and a Founding Friend of the United World Colleges Nederland.

Mr. Beerkens earned his MBA degree in Business Administration from the Rotterdam School of Management of the Erasmus University, Rotterdam, and a Master's degree in Dutch Civil Law and Notarial Law from the Free University, Amsterdam. In 2009, he received the Distinguished Alumni Award from the Rotterdam School of Management, Erasmus University.

Jack Lynch
United States, 1959, Member of the Executive Board since May 1, 2007.

In his role as Executive Board member, Mr. Lynch is responsible for global shared services, technology, business development, and the Teleroute transportation services business. Before his appointment as member of the Executive Board by the Annual General Meeting of Shareholders on April 20, 2007, Mr. Lynch was Senior Vice President, Business Development since June 2006. In this role, he was responsible for the identification and investigation of cross-divisional business opportunities, focusing on leveraging existing products and business models, with particular emphasis on software and web-based enterprise applications and workflow tools.

Before joining Wolters Kluwer in 2006, Mr. Lynch was president and CEO of the Pearson School Technology Group within the Pearson Education School Companies, Phoenix,

Arizona. In this role, he oversaw technology-focused businesses, including Pearson School Systems and Family Education Network, as well as central software development, business development, and strategic initiatives. Mr. Lynch also was founding CEO and board member of bigchalk.com, New York, and general manager of a number of information services and technology companies including Jnana Technologies, an artificial intelligence software company.

Before that time he served as president of CCH Legal Information Services, a leading provider of corporate agent representation, corporate filing, and UCC search and filing services, that has since become part of Wolters Kluwer. Mr. Lynch holds a Bachelor of Arts from Boston University.

Other Management

Robert Becker
CEO of Wolters Kluwer Health & Pharma Solutions since November 2008. Prior to his current position, he was CEO of Law & Business since July 2003. Before joining Wolters Kluwer, Mr. Becker held the position of CEO of Jupiter-MediaMetrix. His extensive leadership experience in the global media and information services industry includes 13 years at The Thomson Corporation. Mr. Becker also ran a technology-based Internet start-up firm and spent nine years with PriceWaterhouse.

Tom Lesica
CEO of Wolters Kluwer Global Shared Services since January 2009. Prior to his current position, Mr. Lesica was CEO, Wolters Kluwer North American Shared Services as of January 2008. Before joining Wolters Kluwer, Mr. Lesica was the Group Vice President of Business Operations and Information Technology at Avaya Communications. Over the last 20 years, Mr. Lesica has held a number of senior executive positions at large firms including IBM, PepsiCo, and J. Crew.

Brian Longe
CEO Wolters Kluwer Financial & Compliance Services since January 2010. Next to his current position, Mr. Longe is President & Chief Executive Officer for Wolters Kluwer Financial Services since 2005. Mr. Longe joined Wolters Kluwer Financial Services in 2005 from Paragon Corporate Holdings, where he was chief executive officer. Mr. Longe's wide-ranging leadership included senior executive positions AB Dick Company, Bell and Howell, and First Image Management Company.

Kevin Robert
CEO of Wolters Kluwer Tax and Accounting. Previously, Mr. Robert served as President and CEO of CCH Tax Compliance. During his more than 25 years with CCH, he has worked extensively in sales and marketing and was instrumental in the development and launch of numerous highly successful products and business.

Supervisory Board

Adri Baan
The Netherlands, 1942, Chairman, appointed in 2002, current term until 2010, Member of the Selection and Remuneration Committee and member of the Audit Committee

Position:
Former Executive Board Member of Royal Philips Electronics nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board of Koninklijke Volker Wessels Stevin nv
- Member of the Supervisory Board and of the Audit Committee of Imtech nv
- Member of the Supervisory Board, of the Selection and Nomination Committee, and of the Remuneration Committee of Océ nv
- Chairman of the Board of Directors (Non-Executive Director) of Dockwise Ltd. (Bermuda)
- Chairman of the Supervisory Committee of the Authority for the Financial Markets, the Netherlands (until December 31, 2009)
- Senior adviser Warburg Pincus LLC
- Member of the Supervisory Committees of The University of Amsterdam and Academic Medical Centre, Amsterdam

Peter Wakkie
The Netherlands, 1948, Deputy Chairman, appointed in 2005, current term until 2013, Member of the Selection and Remuneration Committee

Position:
Former Chief Corporate Governance Counsel and member of the Executive Board of Royal AHOLD nv
(until December 1, 2009)

Supervisory directorships and other positions:
- Member of the Supervisory Board of BCD Holdings nv
- Member of the Supervisory Board of TomTom nv

- Member of the Dutch Monitoring Committee Corporate Governance Code

Bruno Angelici
France, 1947, appointed in 2007, current term until 2011

Position:
Former Executive Vice President, Europe, Japan, Asia Pacific, Latin America, Middle East and Africa of AstraZeneca Plc. (until December 31, 2009)

Barbara Dalibard
France, 1958, appointed in 2009, current term until 2013

Position:
The Executive Vice President Enterprise of France Telecom Group and CEO of Equant (Orange Business Services) (France)

Supervisory directorships and other positions:
Member of the Supervisory Board of Michelin S.A. (France)

Len Forman
United States, 1945, appointed in 2005, current term until 2013, Chairman of the Selection and Remuneration Committee and member of the Audit Committee

Position:
Former Executive Vice President and Chief Financial Officer of the New York Times Company (United States)

Supervisory directorships and other positions:
- Non-Executive Director and Chairman of the Audit Committee of TechTarget Inc. (United States).
- Member of the Board of Advisors of Veronis Suhler Stevenson (United States)

Stuart James
Australia, 1948, appointed in 2006, current term until 2010

Position:
- Former Group Managing Director and CEO of Mayne Group Ltd. (Australia)
- Former Managing Director of the Colonial State Bank (formerly State Bank of New South Wales) (Australia)

Supervisory directorships and other positions:
- Non-Executive Director and Chairman of Prime Financial Group Ltd., Progen Pharmaceutical Ltd., Pulse Health Ltd., and Balnave Capital Group (Australia)
- Non-Executive Director of Greencross Ltd. (Australia)
- Member of the Advisory Board of Gresham Private Equity Ltd. (Australia)

Henk Scheffers
The Netherlands, 1948, appointed in 2004, current term until 2012, Chairman of the Audit Committee

Position:
Former member of the Executive Board of Directors of SHV Holdings nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board of Aalberts Industries nv
- Vice Chairman of the Supervisory Board of Flint Holding nv
- Member of the Supervisory Board of Royal BAM Group nv
- Member of the Supervisory Board and Chairman of the Audit Committee of Royal FrieslandCampina nv
- Member of the Investment Committee of NPM Capital nv

Profiles of members of Wolters Kluwer Management are also available on www.wolterskluwer.com.

Information for Shareholders and Investors

Wolters Kluwer seeks to be thoroughly open with shareholders and the investment community, and is committed to a high degree of transparency in its financial reporting. The company regularly communicates with its shareholders and the investment community and has a comprehensive investor relations program throughout the entire year. The company is committed to helping investors become better acquainted with Wolters Kluwer and its management, as well as to maintain a long-term relationship of trust with the investment community at large. See ➔ Investor Relations for more information.

2009 activities for shareholders and investors included:

- A full presentation by management of half-year and full-year results;
- Investor/Analyst Strategy Update Day focusing on *Maximizing Value for Customers* in November;
- Regular office and road show meetings with potential and existing shareholders and sell-side analysts covering the company; and
- Specific information for shareholders provided via the investors section of www.wolterskluwer.com, which includes detailed financial information, strategy, archived copies of presentations, and web casts delivered throughout the year.

Calendar

- March 18, 2010 Publication of 2009 Annual Report
- April 21, 2010 Annual General Meeting of Shareholders
- April 23, 2010 Ex-dividend quotation
- April 27, 2010 Dividend record date
- April 29, 2010 Stock dividend ratio date*
- May 4, 2010 Cash distribution payable
- May 11, 2010 ADR Cash distribution payable
- May 12, 2010 Trading update
- July 28, 2010 Half-Year 2010 results
- November 3, 2010 Trading update
- February 23, 2011 Full-Year 2010 results

* after the close of trading

Share information in euros unless otherwise indicated	**2009**	2008
Diluted earnings per share	0.40	1.09
Diluted ordinary earnings per share in constant currencies	1.41	1.43
Diluted ordinary earnings per share	1.45	1.47
Diluted free cash flow per share	1.44	1.37
Basic earnings per share	0.41	1.10
Ordinary earnings per share	1.47	1.49
Free cash flow per share	1.46	1.39
Proposed dividend/cash distribution per share	0.66	0.65
Weighted average number of shares issued [1]	290.1	284.6
Weighted average number of shares fully diluted [1]	293.8	288.3
Highest quotation	16.26	22.53
Lowest quotation	11.25	11.82
Quotation at December 31	15.30	13.54
Average daily trading volume of Wolters Kluwer on Euronext Amsterdam nv (thousands of shares)	1,327	1,842

[1] in millions of shares

Capital stock
The ordinary shares have a nominal value of €0.12. The number of ordinary shares issued amounted to 292,799,333 on December 31, 2009 (December 31, 2008: 287,086,404). The weighted average number of diluted ordinary shares used to compute the diluted per share figures was 293.8 million (2008: 288.3 million).

Out of the money stock options are not included in this number. If these stock options are taken into account, the total weighted average number of diluted shares was 294.4 million (2008: 289.0 million).

Market capitalization at December 31, 2009
On the basis of issued ordinary shares (excluding own shares held by the company): €4.5 billion (2008: €3.9 billion).

Shareholders in %	2009	2008
North America	25	28
United Kingdom	33	37
Netherlands	17	19
France	10	8
Germany	4	2
Spain	3	0
Norway	2	1
Rest of Europe	5	4
Other	1	1
Total	**100**	**100**

Indices in %	2009	2008
AEX	1.64	1.87
FTSE Euro 300	0.09	0.12
DJ Euro Stoxx Media	7.31	7.71
DJS Media	4.43	4.81

Wolters Kluwer is included in approximately 40 equity indices.
Source: Bloomberg

Geographical spread of Wolters Kluwer shares
Institutional investors hold the majority (90%) of the shares in Wolters Kluwer shares. With over 400 institutional investors in 31 countries, ownership is international in make-up. Investors in North America had an interest of 25% in the company in 2009 (2008: 28%), while European shareholders held an interest of 74% (2008: 71%).

Geographical spread of shareholders in approximate percentages on December 31, 2009, compared to the previous year.

Shareholders exceeding 5%
In accordance with the Act on financial supervision *(Wet op het financieel toezicht):*

- Silchester International Investors Limited: 6%, disclosed on November 1, 2006

Listings
Capital stock:

- Netherlands, Amsterdam (Euronext Amsterdam: WKL.NA (Bloomberg), WLSNc.AS (Reuters); security code 39590, ISIN code NL0000395903);
- Germany, Frankfurt: ordinary shares for Wolters Kluwer;
- United States, New York (over-the-counter, WTKWY, CUSIP No. 977874 20 5): American Depositary Receipts.

Other Wolters Kluwer securities
Wolters Kluwer bonds listed in Amsterdam:

- 6.875% perpetual cumulative subordinated Wolters Kluwer nv Bonds 2001, €225 million (ISIN code NL0000119105)

Wolters Kluwer bonds listed in both Amsterdam and Luxembourg:

- 5.125% senior Wolters Kluwer nv Bonds, 2003/2014, €700 million (ISIN code XS0181273342)

Wolters Kluwer bonds listed in Luxembourg:

- 6.375% senior Wolters Kluwer nv Bonds, 2008/2018, €750 million (ISIN code XS0357251726)
- 6.748% senior Wolters Kluwer nv Bonds, 2008/2028, €36 million (ISIN code XS0384322656)

Credit ratings
In 2009, rating agencies reviewed Wolters Kluwer's credit rating. Standard & Poor's maintained the long-term rating at BBB+ and lowered their outlook to negative. Moody's Investors Service maintained the rating at Baa1 with a stable outlook.

Contact Information

Wolters Kluwer nv
Zuidpoolsingel 2
P.O. Box 1030
2400 BA Alphen aan den Rijn
The Netherlands

Tel: +31 172 641 421
Fax: +31 172 474 889
info@wolterskluwer.com
www.wolterskluwer.com

Chamber of Commerce
Trade Registry No. 33.202.517

Investor Relations
Jon Teppo, Vice President
Tel: +31 172 641 407
Fax: +31 172 474 889
ir@wolterskluwer.com

Corporate Communications
Caroline Wouters, Vice President
Tel: +31 172 641 459
Fax: +31 172 474 889
info@wolterskluwer.com

General Counsel/Company Secretary
Maarten Thompson, Vice President
Tel: + 31 172 641 442
Fax: + 31 172 496 954
companysecretary@wolterskluwer.com

Auditor
KPMG Accountants nv
Laan van Langerhuize 1, Amstelveen
P.O. Box 74500
1070 DB Amsterdam
The Netherlands

info@kpmg.com
www.kpmg.com

American Depositary Receipts Trust Office
Deutsche Bank Trust Company Americas
60 Wall Street
New York, NY 10005
United States

Tel: +1 212 250 9100
www.adr.db.com

10-Year Key Figures*

	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	2003	2002	2001	2000
Revenues	3,425	3,374	3,413	3,377	3,065	2,952	3,436	3,969	3,837	3,664
Operating profit	234	503	546	435	374	356	91	264	459	514
Profit for the year from continuing operations, attributable to equity holders of the Company	118	313	329	278	221	277				
Profit for the year, attributable to equity holders of the Company	118	313	917	321	260	311	(69)	382	140	186
Ordinary EBITDA	783	756	747	635	557	559	722	881	919	878
Ordinary EBITA	682	678	667	556	474	464	610	763	812	789
Ordinary net income	427	423	421	344	287	272	349	442	436	412
(Proposed) Dividend/cash distribution	193	186	180	179	167	164	161	156	150	140
Dividend proposal in % of ordinary net income	45.1	44.0	42.7	52.0	58.4	60.3	46.1	35.3	34.4	34.0
Pay-out in % of profit for the year, attributable to equity holders of the Company	163.4	59.3	19.6	55.8	64.3	52.7	n.a.	40.8	107.1	75.3
Free cash flow	424	395	405	399	311	407	393	400	328	363
Cash conversion (ratio)	0.96	0.88	0.91	0.99	1.06	1.25	1.09	0.91		
Acquisition spending	54	667	198	773	357	56	97	300	502	492
Shareholders' equity	1,334	1,414	1,178	1,194	1,098	704	861	1,278	1,379	1,146
Guarantee equity	1,580	1,672	1,439	1,421	1,551	1,162	1,499	2,100	2,200	1,744
Net debt	2,007	2,254	1,793	2,050	1,637	1,527	1,900	2,664	2,821	2,614
Capital employed	3,655	3,774	2,474	2,819	2,878	3,008	3,691	4,590	4,779	3,951
Total assets	6,053	6,388	5,276	5,653	5,440	5,022	5,044	6,161	6,520	5,792
Amortization of goodwill, publishing rights and impairments	368	124	121	121	81	65	423	415	353	275
Net capital expenditure	123	140	125	93	79	66	92	147	151	124
Amortization of other intangible assets and depreciation property, plant, and equipment	101	78	80	79	83	95	112	118	107	89
Ratios										
as % of revenues:										
Operating profit	6.8	14.9	16.0	12.9	12.2	12.1	2.6	6.7	12.0	14.0
Profit for the year from continuing operations, attributable to equity holders of the Company	3.4	9.3	9.6	8.2	7.2	9.4	(2.0)	9.6	3.7	5.1
Ordinary EBITDA	22.9	22.4	21.9	18.8	18.2	18.9	21.0	22.0	23.9	24.0
Ordinary EBITA	19.9	20.1	19.5	16.5	15.5	15.7	17.8	19.2	21.2	21.5
Ordinary net income	12.5	12.5	12.3	10.2	9.4	9.2	10.2	11.1	11.4	11.3

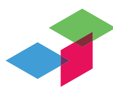
* Figures for 2000-2001 have not been restated. Figures for 2002-2003 have been restated for Dutch GAAP changes. As of 2005, IFRS has been applied. 2004 figures are restated for IFRS.

* As of 2009, the ROIC calculation has been amended for goodwill and publishing rights that are impaired and/or fully amortized. 2008-2005 comparatives are restated accordingly.

	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	2003	2002	2001	2000
ROIC	8.5	9.1	9.1	7.7	7.5	6.5	7.1	8.1		
Net interest coverage	5.7	5.7	6.5	5.4	4.6	4.8	5.4	5.5	4.5	4.4
Net-debt-to-EBITDA	2.9	3.2	2.4	3.2	3.0	3.0	3.0	3.0	3.1	3.0
Net gearing	1.5	1.6	1.5	1.7	1.5	2.2	2.2	2.1	2.0	2.3
Shareholders' equity/capital employed	0.36	0.37	0.48	0.42	0.38	0.23	0.23	0.28	0.29	0.29
Guarantee equity to total assets	0.26	0.26	0.27	0.25	0.29	0.23	0.30	0.34	0.34	0.30
Information per share (€):										
Diluted earnings per share	0.40	1.09	1.08	0.90	0.73	0.93	(0.24)	1.30	0.52	0.68
Diluted ordinary earnings per share	1.45	1.47	1.38	1.10	0.93	0.91	1.18	1.50	1.54	1.47
Diluted free cash flow per share	1.44	1.37	1.33	1.27	1.01	1.35	1.32	1.36	1.17	1.30
Weighted average number of shares, diluted (millions)	293.8	288.3	304.7	321.4	316.6	310.1	309.3	306.2	289.7	284.2
Ordinary earnings per share	1.47	1.49	1.40	1.12	0.95	0.92	1.20	1.56	1.55	1.48
Basic earnings per share	0.41	1.10	1.10	0.91	0.73	0.93	(0.24)	1.34	0.50	0.67
Free cash flow per share	1.46	1.39	1.35	1.30	1.03	1.37	1.36	1.41	1.16	1.30
(Proposed) Dividend/cash distribution per share	0.66	0.65	0.64	0.58	0.55	0.55	0.55	0.55	0.53	0.50
Weighted average number of shares issued (millions)	290.1	284.6	300.5	307.1	302.4	295.6	289.8	284.3	281.8	279.4
Stock exchange										
Highest quotation	16.26	22.53	24.40	22.47	17.45	15.55	17.35	26.45	33.00	44.30
Lowest quotation	11.25	11.82	20.00	16.67	13.31	11.90	8.66	13.40	20.51	20.10
Quotation at December 31	15.30	13.54	22.48	21.79	17.08	14.77	12.40	16.60	25.60	29.04
Average daily trading volume Wolters Kluwer on Euronext Amsterdam nv (thousands of shares)	1,327	1,842	1,794	1,573	1,393	1,245	1,660	1,129	2,037	2,750
Employees										
Headcount at December 31	19,341	20,063	19,544	19,901	18,452	18,393	19,689	20,833	20,297	19,209
In full-time equivalents at December 31	18,207	19,271	18,620	18,871	17,419	17,515	18,687	19,617	19,317	18,269
In full-time equivalents average per annum	19,957	20,290	19,827	19,704	18,467	18,270	19,540	20,284	19,766	19,009

* Figures for 2004-2006 have been restated to reflect the presentation of the Education division as discontinued operations.

Glossary



Average invested capital
The average of the previous year-end invested capital and the current year-end invested capital.

Basic earnings per share
The profit or loss attributable to the ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the period.

Capital employed
Total of non-current assets and working capital.

Capital expenditure (CAPEX)
Sum of expenditure on property, plant, and equipment, and other intangible assets.

Cash flow: cash conversion ratio (CAR)
Calculated as cash flow from operations less net capital expenditure, divided by ordinary EBITA.

Cash flow: cash flow from operations
Ordinary EBITA before depreciation plus or minus autonomous movements in working capital.

Cash flow: free cash flow
Cash flow from operating activities less net capital expenditure, plus appropriation of Springboard costs (after taxation), plus dividends received from investments. Free cash flow is the cash flow available for payments of dividend to shareholders, acquisitions, down payments of debt, and repurchasing of shares.

Constant currencies
Income, expense, and cash flows in local currencies are recalculated to euro, using the average exchange rates of the previous calendar year.

Continuing operations
The Group, excluding those components and groups of the entity that have been disposed of or that are classified as held-for-sale.

Diluted earnings per share
Minimum of:
- Profit for the year attributable to the equity holders of the Company divided by the weighted average number of shares (basic earnings per share); and
- Profit for the year attributable to the equity holders of the Company, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Share options that are not in the money and related interest are excluded from the diluted earnings per share calculation. Shares conditionally awarded under the Long-Term Incentive Plan are included in the diluted earnings per share calculation at 100% of the grant.

Diluted ordinary earnings per share
Minimum of:
- Ordinary net income divided by the weighted average number of shares (ordinary earnings per share); and
- Ordinary net income, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Share options that are not in the money and related interest are excluded from the diluted earnings per share calculation. Shares conditionally awarded under the LTIP are included in the diluted earnings per share calculation at 100% of the grant.

Dividend cover
The number of times the dividend can be covered by ordinary net income. The dividend cover is: ordinary earnings per share divided by dividend per share.

Earnings per share growth (%)
Growth in earnings per share in comparison to a previous comparable period.

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

EBITA margin
EBITA margin is defined as EBITA as a percentage of revenues.

EBITDA
Earnings before interest, tax, depreciation, amortization of publishing rights and other intangible assets, and impairments of goodwill and publishing rights.

EROA
Expected return on plan assets is the expected return derived from the pension plan assets and is based on market expectations at the beginning of the period, for returns over the entire life of the related pension obligations.

Financing results
Interest received or receivable from third parties ('finance income') less interest paid or due to third parties ('finance costs'), fair value changes through profit or loss of (derivative) financial instruments and foreign exchange differences on financial instruments.

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

Innovation rate
Revenues from new products for the 12-month period as a percentage of total revenues. See also the definition of new product revenues.

Invested capital
Capital employed, excluding non-operating working capital and cash and cash equivalents, adjusted for amortization of publishing rights and goodwill amortized or written-off to equity (excluding for publishing rights and goodwill impaired and/or fully amortized) less any related deferred tax liabilities.

KPI
Key performance indicator.

Net capital expenditure
Calculated as capital expenditure less the net book value of disposals.

Net gearing
Net debt divided by total equity.

Net debt
Sum of (long-term) loans, borrowings, and bank overdrafts and deferred acquisition payments minus cash and cash equivalents and the net fair value of derivative financial instruments.

Net interest coverage
Calculated as the ratio between ordinary EBITA divided by net financing results.

New product revenues
Revenues from new products created in current year. Existing products of which form and/or content has changed substantially are also included as revenues from new products.

NOPAT
Net operating profit after allocated tax. Calculated as ordinary EBITA less allocated tax, based on the effective tax rate on ordinary income before tax.

Operating accounts receivable
Operating accounts receivable consist of trade receivables, prepayments, and other receivables.

Operating current liabilities
Operating current liabilities consist of salaries and holiday allowances, royalties payable, other liabilities and accruals, and social security premiums and other taxation.

Ordinary
The term 'ordinary' refers to figures adjusted for exceptional items and, where applicable, amortization and impairment of goodwill and publishing rights. 'Ordinary' figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business.

Ordinary earnings per share
Ordinary net income divided by the weighted average number of shares.

Ordinary EBITA
EBITA before exceptional restructuring expense (Springboard costs, acquisition integration costs, and exceptional restructuring costs).

Ordinary EBITA margin
Calculated as ordinary EBITA as a percentage of revenues.

Ordinary EBITDA
EBITDA before exceptional restructuring expense (Springboard costs, acquisition integration costs, and exceptional restructuring costs).

Ordinary income before tax
Calculated as ordinary EBITA including financing results, income from investments, and results of associates.

Ordinary net income (= benchmark net profit)
Profit for the period attributable to the equity holders of the Company, excluding the after-tax effect of exceptional restructuring expense, results on disposals, amortization of publishing rights, and impairments of goodwill and publishing rights.

Organic revenue growth
Calculated as revenue of the period divided by revenue of the period in the previous reporting period, excluding the impact of acquisitions and disposals above a minimum threshold, all translated at constant currencies.

Personnel expenses
All labor costs relating to personnel employed (such as gross wages/salaries, bonuses or commissions, gratuities, holiday allowances, movements in the liability for vacation days, pensions, social charges, share-based payment charges, and fringe benefits) and the costs of temporary staff.

Profit for the year
Group result for the year after tax, being allocated to the equity holders of the Company and the minority holders.

Renewal rate
Value of the subscription portfolio at the start of the year minus losses (attrition) during the year, expressed as a percentage of the starting position.

Return on invested capital (ROIC)
Return on invested capital is calculated by dividing NOPAT by average invested capital.

Revenues
Revenues from third parties less applicable value added tax and discounts.

Subscription rate
Revenues from subscription products divided by total revenues.

Total revenue growth
Growth of revenues over a period with respect to the previous comparable period (including the impact of organic growth, acquisitions and disposals, and where applicable currency effects).

Working capital
Current assets less current liabilities.

Working capital: non-operating working capital
Non-operating working capital is the total of receivables/payables of derivative financial instruments, the short-term part of the restructuring provision, acquisition payables, interest receivable/payable, income tax receivable/payable, and borrowings and bank overdrafts.

Working capital: operating working capital
Operating working capital is working capital minus non-operating working capital minus cash and cash equivalents.

Index

Accomplishments 11, 24
Accounting estimates and judgments 119
Accounting policies 75
Acquisitions 91
American Depository Receipts (ADR) 144
Annual General Meeting of Shareholders 136
Appropriation of profit for the year 131
Audit Committee 61, 136
Audit functions 137
Auditors' Report 130

Benchmark figures 85
Bonds 103, 144
Business Principles 135
Business units (see Divisions)

Capital stock 144
Cash flow 17, 83
Communications 50
Consolidated Statement of Cash Flows 74
Consolidated Statement of Changes in Total Equity 72
Consolidated Statement of Comprehensive Income 69
Consolidated Statement of Financial Position 70
Consolidated Statement of Income 68
Corporate governance 134
Corporate Social Responsibility (see Sustainability)
Credit ratings 144

Disposals (Divestments) 91
Dividend 26, 113, 131
Divisions 27

Electronic revenues 14, 25
Employees 48
Executive Board 19, 140

Financial & Compliance Services 7
Financial statements 67
Forward-looking statements 26, 45
Foundation of Preference Shares 139

Geographical spread 8, 15
Global Shared Services 39

Health & Pharma Solutions 7
Human Resources 48

Indices 144
Information for shareholders and investors 143
Internal control systems 55
Investor Relations 50

Key performance indicators (KPIs) 9, 46

Legal structure 138
Legal & Regulatory 7
Long-Term Incentive Plan (LTIP) 62, 114

Management profile 140
Market capitalization 144
Markets (see also Divisions) 7, 27
Mission 6, 11

Notes to Consolidated Financial Statements 123

Ordinary EBITA 9, 16, 41
Ordinary net income 42
Organic revenue growth 40
Outlook 45

Personnel 48
Profit for the year 131

Remuneration 62
Return on invested capital (ROIC) 42, 85
Revenues 8, 14, 41
Risk management 53

Securities 144
Selection and Remuneration Committee 61, 62
Share information 143
Shareholders 144
Stichting Preferente Aandelen Wolters Kluwer 139
Stock listings 144
Supervisory Board 20, 60, 141
Sustainability 51

Tax & Accounting 7
Taxation 42, 82

Forward-looking statements

This Annual Report contains forward-looking statements. These statements may be identified by words such as "expect," "should," "could," "shall," and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements.

Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which Wolters Kluwer is engaged; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions, and divestments.

In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

About this report
This report is available online at www.wolterskluwer.com and in print. A Dutch *Jaaroverzicht 2009* (2009 Year Overview) is available as a PDF at www.wolterskluwer.com and in print. Print copies are distributed on request.

Concept & production
Wolters Kluwer Corporate Communications

Photography
Taco Anema

Design & layout
Lesley Moore

DTP & printing
TUIJTEL

Lithography
Nederlof Repro

Binding
Hexspoor

Paper
This annual report is printed on Munken Polar paper, FSC SCS-COC-00973 certified, produced by Arctic Paper and Revive Pure Gloss paper FSC SCS-COC-00973 certified, produced by Arjo Wiggens.

Wolters Kluwer believes that it has a responsibility to contribute to the sustainable use of resources. Together with the 2009 Annual Report, Wolters Kluwer issued a report on its sustainability performance over 2009. This 2009 Sustainable Entrepreneurship Report is available online and as PDF at www.wolterskluwer.com.

This report is a climate-neutrally print production, in cooperation with Nature Office.

For more information on Wolters Kluwer visit www.wolterskluwer.com, or contact Corporate Communications at info@wolterskluwer.com; + 31 172 641 421

Intelligent Solutions

Wolters Kluwer's strengths, as *The Professional's First Choice*, enable the creation of information-enabled solutions and networks that help our customers deliver tangible results. In the context of macro trends that lead to increased regulation, more compliance complexity, and greater focus on productivity among customers, Wolters Kluwer has the assets and expertise to deliver intelligent solutions that reduce complexity and drive efficiencies for our customers.

The following pages highlight eight examples of our Intelligent Solutions. You can find more examples of Intelligent Solutions at www.wolterskluwer.com.

CCH KnowledgeConnect

CCH® KnowledgeConnect is a central, indexed, and easy-to-search knowledge management system for accountants in the U.S., allowing them to connect with each other to share knowledge, brainstorm, and collaborate to produce a knowledge base that can make them more productive and successful. State-of-the-art technology allows for seamless integration with other CCH solutions and with Microsoft Outlook. This makes creating new content, asking and answering questions, and engaging in knowledge relationships even easier.

→ tax.cchgroup.com/LP/pfx/KnowledgeConnect

Emanuel Bar Review

Available for iPhones and iPod touch from the Apple App Store, the ExamEdge Mobile Application of Emanuel Bar Review, part of Wolters Kluwer Law & Business, makes it easy for U.S. law students to prepare for the Bar Exam wherever they are and whenever. Six ExamEdge applications are offered, with each of them containing different questions on the six subject areas of the Multistate Bar Exam.

➔ www.emanuelbarprep.com/mobile

UpToDate

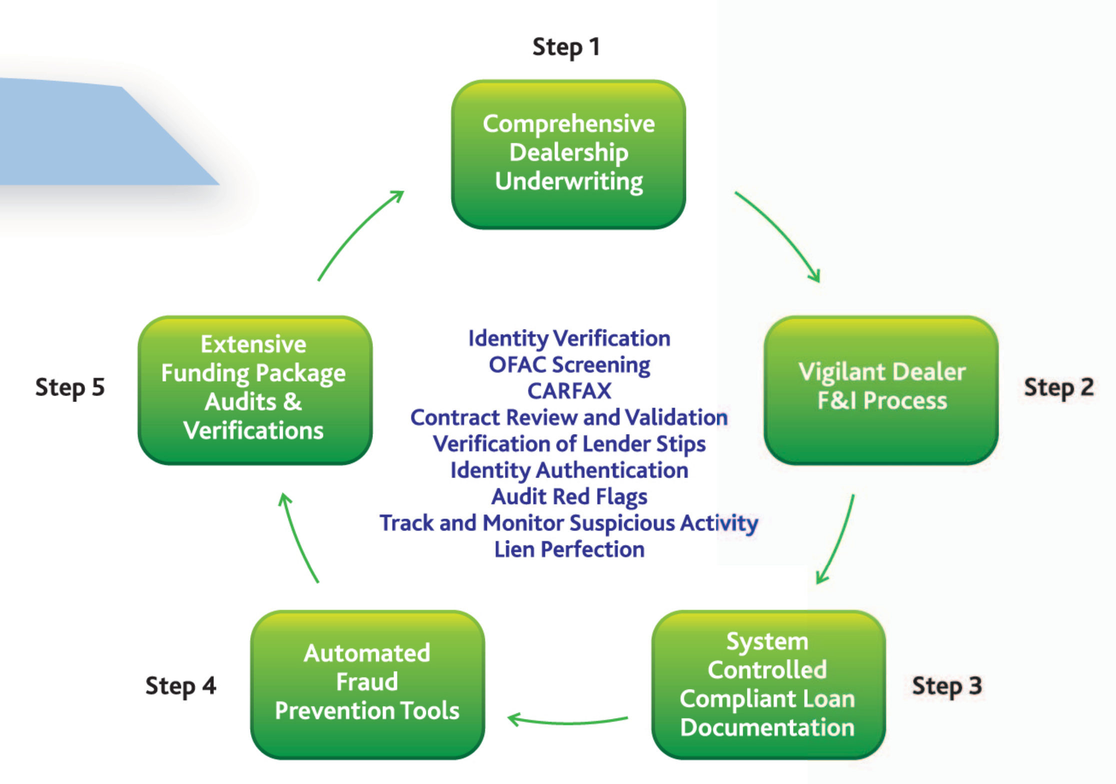
UpToDate® is an evidence-based, peer-reviewed information resource - available via the Web, desktop, and PDA. UpToDate's faculty of over 4,000 leading physicians write topic reviews that include a synthesis of the literature, the latest evidence, and specific recommendations for patient care. Users provide feedback to the editorial group of UpToDate. This community's combined efforts result in the most trusted, unbiased medical information available, delivered to exactly where physicians need it, whether in the hallway between patients, at a conference, or in the office.

→ www.uptodate.com

AppOne

AppOne, a web-based loan origination platform, provides state-of-the-art technology solutions and risk mitigation services, connecting independent automobile dealers with lenders and financial institutions. The efficient and proven workflow options around financing sources, tools, technology, and risk mitigation services deliver a competitive edge and enable users to provide their clients with the very best service possible.

→ www.wolterskluwerfs.com/Solutions/Brand/AppOne.html



Simple solutions for a complex world.

Your time is too precious to be spent on endless bureaucracy. But employment law, health and safety and other business regulations all need to be addressed.

Croner Simplify is a cost-effective solution designed to make it easier to comply with business regulation.

Dedicated consultant support together with our secure easy-to-use online resource, means we can offer you a proactive, tailored solution that lets you get back to business.

Croner Simplify: Simple solutions for a complex world.

w croner.co.uk/simplify

t 0800 634 1700

e simplify@croner.co.uk

Croner
a Wolters Kluwer business

Croner Simplify

Croner Simplify offers U.K. businesses a secure, easy to use, online solution to manage all aspects of employment law, health and safety, and other business regulations. It helps them manage employee records, guides them through common processes such as disciplinary action or accident reporting, delivers interactive training, and monitors overall trends. Integrated with a dedicated team of Croner experts who offer proactive advice and guidance, Croner Simplify reduces the risk of minor issues becoming time consuming and costly problems.

→ www.croner.co.uk/simplify

IntelliConnect

The IntelliConnect™ global platform for the tax, accounting, and legal fields is designed to be the central information portal for daily work life by allowing rapid search across a user's entire library of content. IntelliConnect features an intuitive interface, reducing the time it takes to conduct research, and improve the accuracy and speed of content utilization. IntelliConnect integrates other resources, such *Smart Charts*™ and practice tools, to deliver even more value beyond research.

→ tax.cchgroup.com/IntelliConnect-Tax-Research

Read PRS on the go

With the PRS Mobile View
your access to the latest content published in *Plastic and Reconstructive Surgery* has never been easier or more convenient – in your office, at home, at a conference, in the hospital corridor between patients. Anywhere you have mobile access you can effortlessly get hold of the important research and clinical information published in PRS right in the palm of your hand.

Offering:

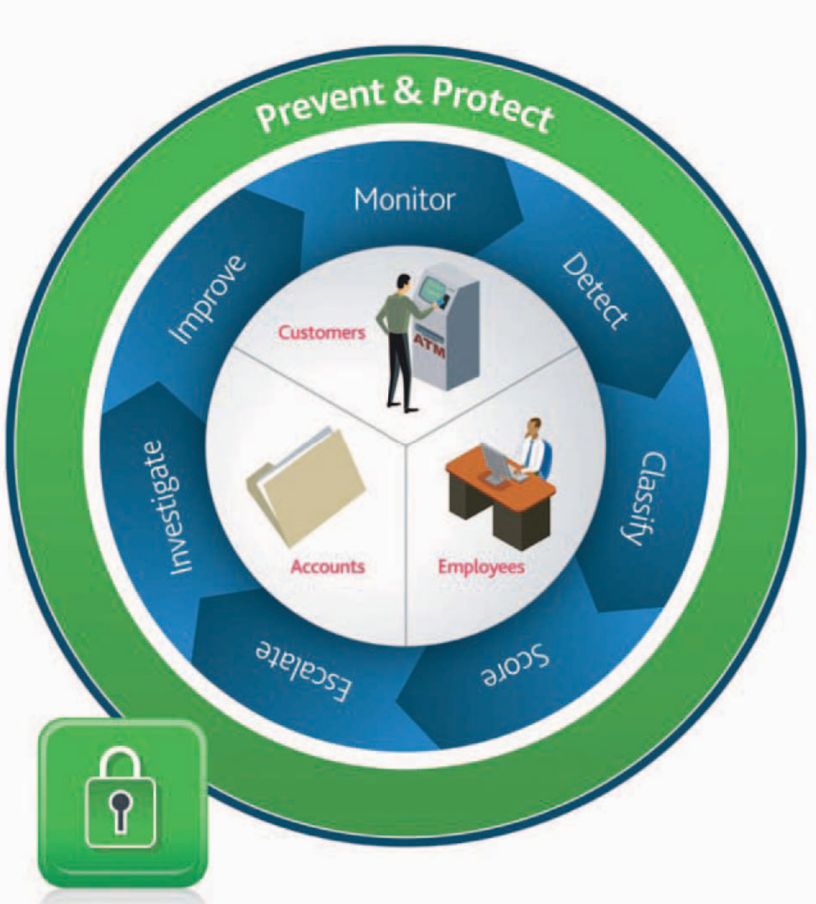
- current issue browsing,
- full-text search,
- Editor's Picks,
- most viewed articles,
- most emailed articles,
- access to the full text, including images.

PRS Mobile View works on most Smartphone platforms including iPhone, BlackBerry, Android and PalmOS. To access PRS through your mobile device simply enter
www.PRSJournal.com
on your mobile browser.
No apps needed!

LWW eJournal:
Plastic and Reconstructive Surgery

Anywhere you have mobile access you can effortlessly get hold of the important research and clinical information published in Lippincott Williams & Wilkins journals right in the palm of your hand. For example, *Plastic and Reconstructive Surgery®* Mobile View works on most Smartphone platforms including iPhone, BlackBerry, Android, and PalmOS. Features include: current issue browsing, viewable images, full-text search, Editor's Picks, and most viewed and most emailed articles.

→ journals.lww.com/plasreconsurg/_layouts/1033/oaks.journals/mobile.aspx



Wiz Sentri: Anti-Fraud

Wolters Kluwer Financial Services' Wiz Sentri: Anti-Fraud, available in the U.S. and the U.K., seamlessly plugs into a financial institution's existing network and architecture to help them detect and prevent crimes tied to cash management activities. Using the latest innovative technology, it leads to faster implementation at a fraction of the cost of traditional monitoring systems. It also enables financial institutions to keep up with a rapidly-changing world of fraudulent schemes and allows the solution to be scalable across large enterprises.

→ www.pciwiz.com/products/wizsentriantifraud