2011 Annual Report

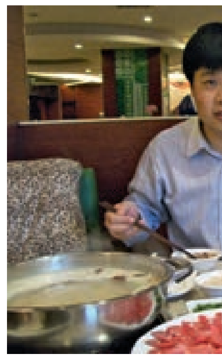
Wolters Kluwer

The World of Our Customers

Wolters Kluwer matters to its customers. They trust us to support them in managing their business efficiently and delivering results to their clients. The next frontier for professionals is to take advantage of an ever more mobile, information-rich world to increase their effectiveness and productivity. Throughout this report, you will read stories that tell how Wolters Kluwer creates value through expertise, champions innovation, and demonstrates leadership. You will see the world of our customers - their work environments and professional spaces - and you will understand the difference Wolters Kluwer makes in their professional lives.

We deliver expert insights, software, and services on a global scale with a strong local presence. Customers trust Wolters Kluwer as the go-to resource to guide them in their daily activities and to help them achieve their goals.

Expertise



Leadership

Innovation

"Our customers continued to place their trust in us and we delivered a stream of innovations to bring enhanced value to them."

Company Information

Report of the Executive Board

Supervisory Board and Remuneration

2011 Financial Statements

Other Information

Nancy McKinstry at Marketstreet, Philadelphia, meeting with Wolters Kluwer employees of the Medical Research and Professional & Education units, June, 2011

Nancy McKinstry,
CEO and Chairman of the Executive Board

Innovation Leads the Way

The world of our professional customers keeps changing at an ever-increasing pace. Increased complexity of regulations and compliance requirements, new technologies and a greater focus on value for price, are just some of the key trends that are changing the game for our customers.

Wolters Kluwer delivered strong financial results in 2011. Behind these results lies the strength of our market positions and our strategy. As global economic circumstances were challenging, our customers continued to place their trust in us and we delivered a stream of innovations to bring enhanced value to them. We have expanded our online and productivity solutions to help our customers manage the increased volume and complexity of their work. More and more, these innovations are delivered to our customers through mobile and digital products which allow them to be productive anywhere. Most importantly, these innovations are making a difference - even saving lives - as highlighted through research by Harvard University showing that the use of Wolters Kluwer's UpToDate solution by hospitals leads to lower mortality and shorter hospital stays. These strengths make us a leader in our markets and a trusted partner to our customers. We are encouraged by our progress during 2011 and the value we have delivered to our customers, our communities, and our shareholders.

→

Financial strength

In 2011, we achieved our targets across all operating performance indicators. We extended our leading positions, grew online and software revenues, and increased cash flow. Our total revenues grew in constant currencies by 4% to €3,354 million, 1% organically. Our growth in electronic and service subscriptions was 8% and we delivered improved retention rates across all of our markets. Profitability also improved as our EBITA margin expanded to 21.7% as a result of stronger underlying growth. Our free cash flow accelerated to €443 million, allowing us to distribute additional returns to shareholders with an increase in our dividend and a share buy-back program.

Importantly, the transformation of our business continues. Today, 71% of our revenue comes from higher value and more profitable online and software products and services. And the resiliency of our business is increasing as subscription revenue now accounts for 74% of our total business. Our efforts to enlarge our global footprint were supported by several strategic acquisitions.

In 2011, we undertook several initiatives to focus our portfolio on capturing opportunities in higher-growth markets where our leading positions and deep domain expertise can be leveraged to accelerate our growth. As a result, in July, we announced the divestment of the pharma business which will allow the Health division to take full advantage of its leading market positions in professional information and clinical decision support solutions.

The voice of the customer

Customers are at the center of everything we do. The world of our professional customers keeps changing at an ever-increasing pace. Greater complexity of regulations and compliance requirements, new technologies, and a greater focus on productivity are just some of the key trends that are changing the game for our customers.

At Wolters Kluwer, 'voice-of-the-customer' initiatives like the iLab within our Clinical Solutions unit or the more than 900 customer interviews by senior executives in Germany, helped to deliver leading-edge solutions that address the pain points of our customers. This relentless focus on the customer is reflected in our strong market positions and brands. We continuously focus on enhancing the value we provide to customers relative to other products in the market. We measure our progress through 'net promoter scores' and innovation dashboards, and I am pleased that the majority of our products outpace competitive alternatives. Throughout this year's Annual Report you will learn how our products and services help customers reach better decisions and become more productive.

Award-winning solutions

Cutting-edge innovation at Wolters Kluwer is focused on increasing our portfolio of online and software offerings. We have launched close to 200 mobile apps as our customers increasingly turn to smartphones and tablets to perform their work. Our investments in digital and mobility solutions support the transformation of our portfolio as we are working to deliver on our customers' expectations of seamless access to information and tools anywhere and anytime.

In 2011, many of our products were recognized as market-leading solutions. In this report you can find a selection of awards that we received last year, many of which highlight key innovative aspects of our solutions. To accelerate the rate of innovation, we have launched a wide range of internal initiatives, including our 2011 Global Innovation Award, which drew more than 240 entries from across the organization. As part of the Innovation Board that selected the winners, I was inspired by the wealth of ideas as well as the creativity and passion of the people that deliver innovation at Wolters Kluwer.

Global business growth

This year marked the successful completion of Springboard which has helped Wolters Kluwer to build out its global capabilities over the past four years. Springboard put a strong set of processes and people in place, establishing the DNA for long-term operational excellence and a rationalized IT landscape.

In 2011, we managed our portfolio to take full advantage of our leading positions globally. Wolters Kluwer expanded its global footprint by extending products into new geographies as well as through a number of key strategic acquisitions and partnerships. We have increased our investment in emerging markets and today these markets account for 7% of our total revenues.

Wolters Kluwer is well positioned to capitalize on major global trends. As the market increasingly seeks value-for-price, adopts new technology, and searches for solutions to deal with greater complexity, we remain committed to partnering with our customers to develop actionable information and best-in-class productivity solutions.

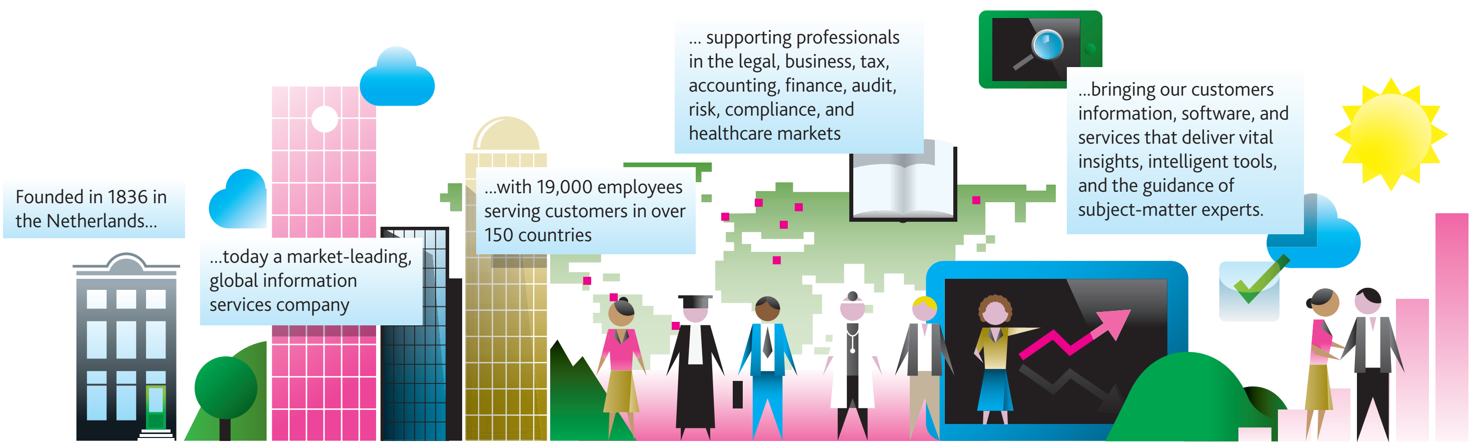
The next frontier

The heart and soul of our business is providing our customers with the tools they need to increase productivity and make better informed decisions. As we look to the future, we remain committed to helping our customers make sense of a mobile, information-rich world. I am confident that during 2012 we will continue to deliver the kind of results for our customers and shareholders which brought us a leadership role in 2011. I would like to offer my thanks to our customers, shareholders, and employees for contributing to the success of the past year and for their ongoing support of Wolters Kluwer.

Nancy McKinstry

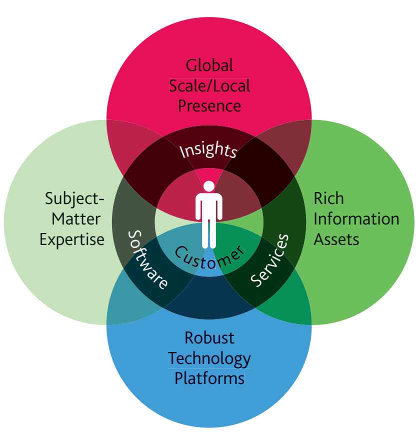
Nancy McKinstry
CEO and Chairman of the Executive Board

Who We Are & What We Do



Our purpose
Wolters Kluwer enables legal, tax, finance and healthcare professionals to be more effective and efficient.

What we do
We provide information, software and services that deliver vital insights, intelligent tools, and the guidance of subject-matter experts. We create value by combining information, deep expertise, and technology to provide customers with solutions that improve their quality and effectiveness.



What we provide

Values we share
Customer Focus, Innovation, Accountability, Integrity, Value Creation, Teamwork

Customers
Lawyers, Compliance professionals, Accountants, Government agencies, Healthcare professionals and organizations, Students, Financial services organizations, Transport professionals

Markets
Legal, Business, Tax, Accounting, Finance, Audit, Risk, Compliance, Healthcare

Leading brands and product lines
The global Wolters Kluwer brand endorses our portfolio of strong customer-facing brands and product lines.

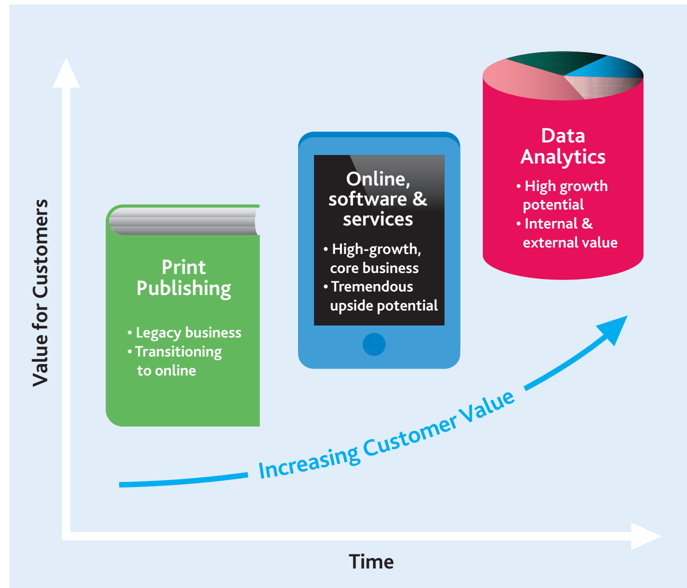
Management
Executive Board:
Nancy McKinstry, CEO and Chairman;
Boudewijn Beerkens, CFO;
Jack Lynch

Supervisory Board:
Adri Baan, Chairman; Peter Wakkie, Deputy Chairman; Bruno Angelici; Barbara Dalibard; Len Forman; Stuart James; Henk Scheffers

Senior Management:
Kathy Baker, Senior Vice President, Human Resources; Sander van Dam, Senior Vice President, Accounting & Control; Andres Sadler, Senior Vice President, Corporate Strategy; Elizabeth Satin, Senior Vice President, Mergers & Acquisitions North America

Our strategy
Maximizing Value for Customers

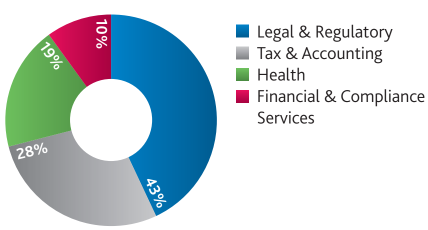
Our evolution
Moving up the value chain



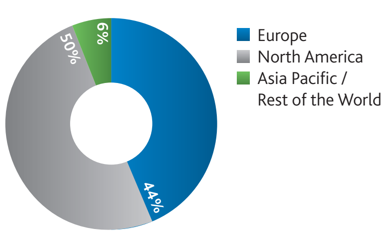
Revenues
Total revenues 2011: €3,354 million, grew 1% compared to prior year

Strong revenue diversification

Revenues by division

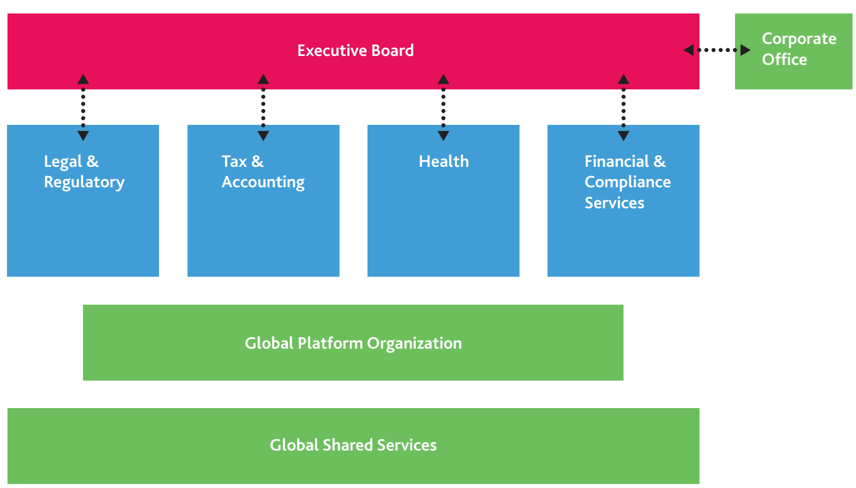


Revenues by geography



Employees
17,979 employees, with operations in over 35 countries

Organization



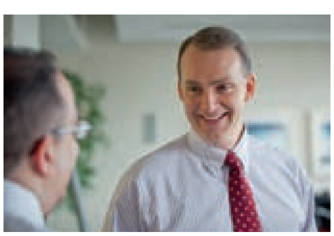
More information
www.wolterskluwer.com, solutions.wolterskluwer.com/blog, www.twitter.com/wolters_kluwer, www.facebook.com/wolterskluwer, www.linkedin.com/company/wolter-skluwer, www.youtube.com/wolterskluwercomms

The company 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. Wolters Kluwer is registered under Dutch law with a two-tier board structure.

Legal & Regulatory

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

CEO Stacey Caywood
Legal & Regulatory



Group President and CEO Richard Flynn
Corporate Legal Services

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

Leading brands and product lines
IPSOA, Kluwer, LA LEY, Lamy, Wolters Kluwer Law & Business, Luchterhand, CT Corporation, Croner, TyMetrix, Corsearch, CT Lien Solutions

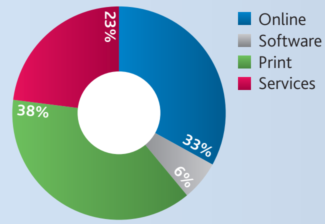
Employees
7,504

Organization
Legal & Regulatory has two groups. Wolters Kluwer Legal & Regulatory, led by CEO Stacey Caywood, has operations in North America, U.K., continental Europe (North, Central, and South), and Asia. Wolters Kluwer Corporate Legal Services, led by Group President and CEO, Richard Flynn, has operations in the U.S., U.K., and Europe.

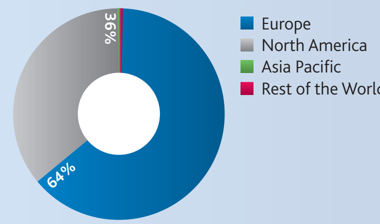
Annual revenue
€1,451 mln

Ordinary EBITA margin
22.4%

Revenues by media



Revenues by geography



Highlights of the year

• More than 70 Apps Launched • Kleos Rolled Out to 5 Countries after Initial Launch in Belgium • ftwilliam.com Develops New Integrated Web-Portal, Based on Extensive Collaboration with Customers • Corsearch Expands World's Largest Collection of Complete Trademark Databases and is the First in the Industry to Cover the Philippines, Taiwan, Iceland, and Macau • TyMetrix Legal Analytics Launched, Giving Legal Professionals Insights into Industry-Wide Trends • Croner Professional Launched in the U.K. • NRAI Acquired • China Law & Reference Launched •

→ *More about results and progress at Legal & Regulatory for 2011 on pages 22, 29, 62, 76*

Tax & Accounting

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

Wolters Kluwer supports more than 40 million tax returns and over 210,000 tax and accounting firms worldwide.

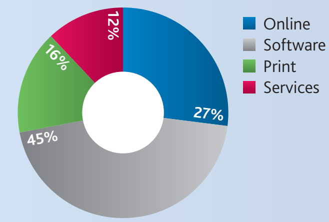
Annual revenue

€931 mln

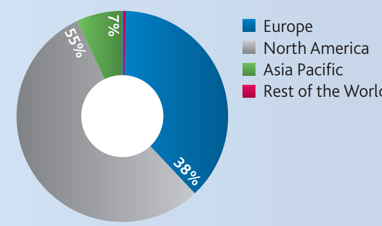
Ordinary EBITA margin

27.7%

Revenues by media



Revenues by geography



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

Leading brands and product lines
CCH, Addison, A3 Software, CorpSystem, ProSystem *fx*, Twinfield, Kluwer

Employees
5,519

Organization
Wolters Kluwer Tax & Accounting, led by CEO Kevin Robert, operates globally.

Highlights of the year

• Introduced Comtax System Helping Tax Professionals with Cross-Border Transactions • ProSystem *fx* SaaS Suite Expansion Continued • Expanded and Complemented Existing Offerings in Europe Through the Acquisition of Twinfield • CCH Canadian Introduced New Automated Scan and Fills Software • U.S. Internal Revenue Service Selected CCH as Sales Tax Data Source for the Seventh Consecutive Year • Small Firm Services Software Selected by IRS to be Used for Tax Returns of Low-Income, Elderly, and Limited-English Proficient Taxpayers • ProSystem *fx* Knowledge Coach Wins 2011 Tax and Accounting Technology Innovation •

CEO Kevin Robert
Tax & Accounting

→ *More about results and progress at Tax & Accounting for 2011 on pages 23, 30, 60*

Health

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

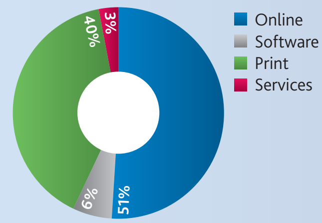
Annual revenue

€639 mln

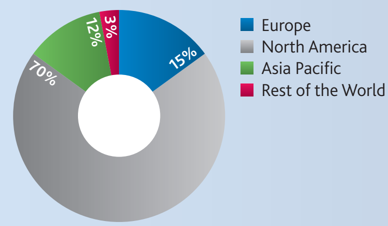
Ordinary EBITA margin

19.7%

Revenues by media



Revenues by geography



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

Leading brands and product lines
Lippincott Williams & Wilkins, Ovid, ProVation Medical, UpToDate, Medi-Span, Facts & Comparisons, Lexicomp, Pharmacy OneSource

Employees
2,381

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

Highlights of the year

• Expansion of Local-Language Versions of the Ovid Search Portal into English, French, Chinese, Spanish • OvidMD Launched, Integrating the Latest Medical Research on OvidSP and Synoptic Content from UpToDate • Further Expansion in India Through the Acquisition of Medknow, a Leading Open Access Journal Publisher • Harvard University Report Links Adoption of UpToDate to Saving Lives • Lippincott William & Wilkins Signed New eBook Distributor Agreements and Grew Spanish Language Publishing Program • ProVation MD Software Named #1 in the Clinical Procedure Documentation by KLAS Awards • Acquired Lexicomp • Joint Venture with Medicom •

CEO Bob Becker
Health

→ *More about results and progress at Health for 2011 on pages 23, 31, 80*

Financial & Compliance Services

Financial & Compliance Services empowers audit, compliance, finance, and risk management professionals to make intelligent and clear-sighted decisions in a rapidly changing, global environment by providing the solutions they need to manage risk and compliance across their business, improve efficiency, and grow their business.

CEO Brian Longe
Financial & Compliance Services

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

Leading brands and product lines
Wolters Kluwer Financial Services, TeamMate, FRSGlobal, Teleroute

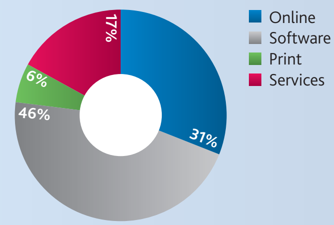
Employees
2,033

Organization
Wolters Kluwer Financial & Compliance Services, led by CEO Brian Longe, operates three units: Financial Services, GRC and Transport Services and serves customers worldwide.

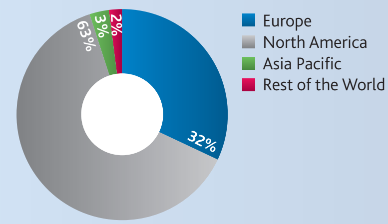
Annual revenue
€333 mln

Ordinary EBITA margin
19.1%

Revenues by media



Revenues by geography



Highlights of the year

• Wolters Kluwer Financial Services Expands Offerings to India • Over 40 Firms Go Live with FRSGlobal's XBRL SURFI solution • *ARC* Logics for Financial Services Operational Risk & Regulation's Product of the Year Award • FRSGlobal Launches Web Version of Its Industry Acclaimed Solutions • Continued Global Expansion with Acquisition of SASGAS • SDX Secure Document Exchange Service Moved to the Cloud • Enhanced Version of TeamMate Software Launched • Teleroute Offers European Transport Professionals a Safe and Reliable Way to Do Business •

⟶ *More about results and progress at Financial & Compliance Services for 2011 on pages 24, 32, 46*

Global Shared Services

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

Employees
331

Organization
Global Shared Services, led by CEO Tom Lesica, supports all divisions.

CEO Tom Lesica
Global Shared Services

Highlights of the year

• Completed First Full Year of Global Operations • Springboard Program Successfully Completed Achieving €191 Million in Total Savings • Negotiated and Implemented Three Global Service Partnerships for IT Back Office, Finance & Accounting Processes and Further IT Infrastructure Consolidation • Successful Deployment of Several Multigenerational Technology Platform Initiatives • Harmonization and Simplification of the Global IT Landscape • Accelerated Deployment of Virtualization, Cloud-Based Services, and High Availability Platforms • Redefinition and Re-engineering of Local Contact Center Systems • Leveraged Global Scale in Purchasing to Drive Down Costs Across Wolters Kluwer Divisions • Expanded Nearshore and Offshore Programs to Include Activities Such as Software Testing, Business Process Outsourcing (BPO), and Content Production •

⟶ *More about Global Shared Services on pages 25,66*

Global Platform Organization

The Global Platform Organization is responsible for concentrating research and development efforts in a single global technology platform that enables local Wolters Kluwer's businesses to focus on developing products that are tailored to the needs of their customers.

Employees
113

Organization
The Global Platform Organization is led by Dennis Cahill, Executive Vice President.

Highlights of the year

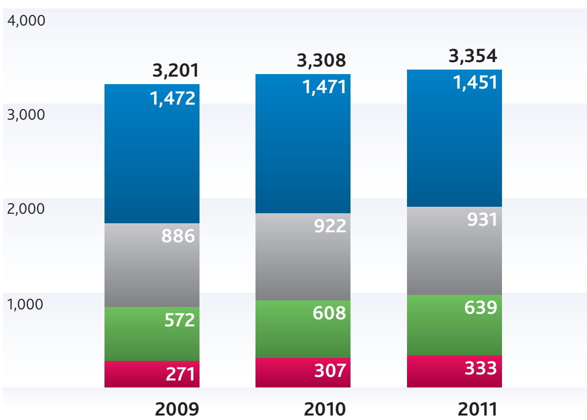
• Significant Enhancements on the IntelliConnect Platform • Adoption of Agile Development Methodology • Roll-out of IntelliConnect in Russia •

Financial Overview

2009-2011

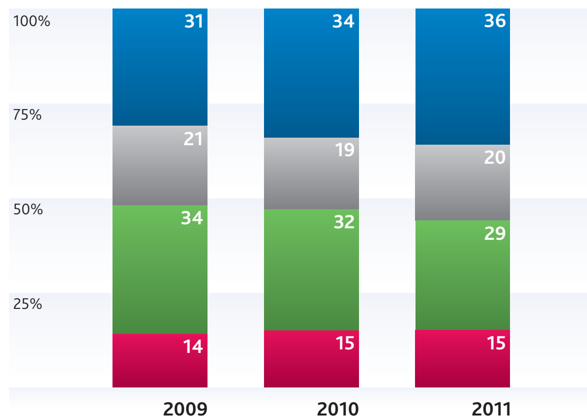
Revenues[1]

Revenues by division
in millions of euros



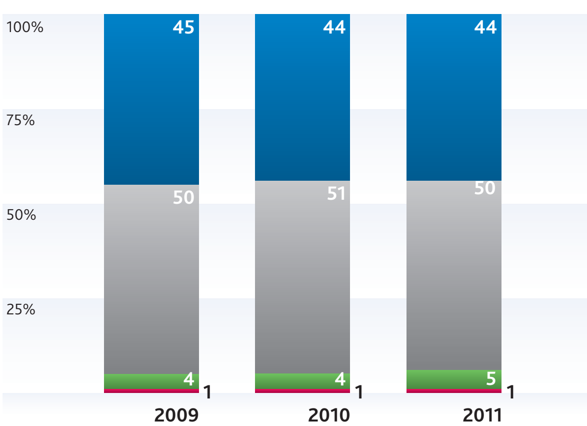
- Legal & Regulatory
- Tax & Accounting
- Health
- Financial & Compliance Services

Revenues by media
in %



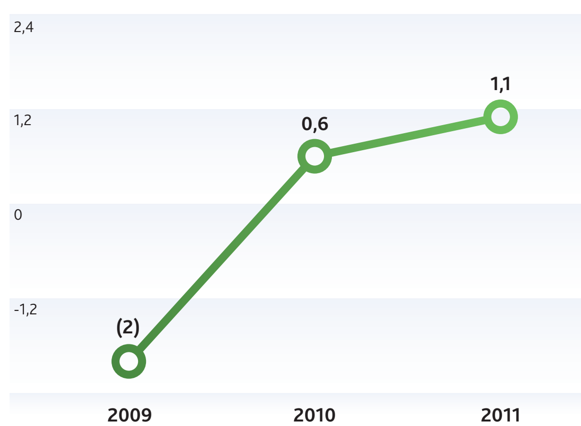
- Internet
- Software
- Print
- Services

Revenues by geography
in %



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

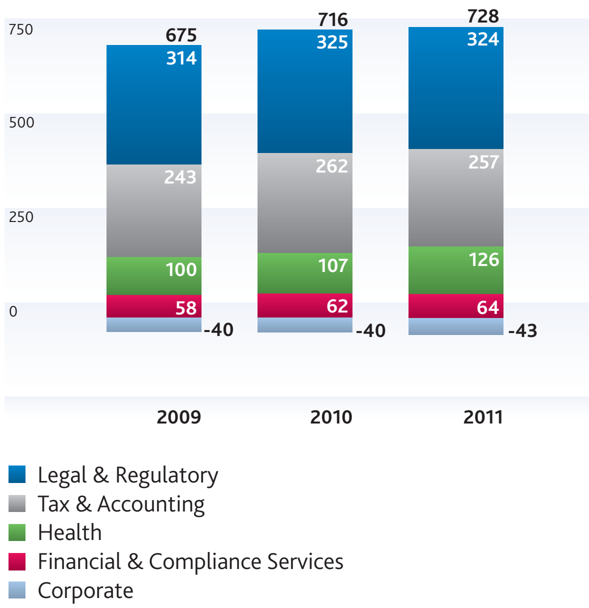
Organic revenue growth
in %



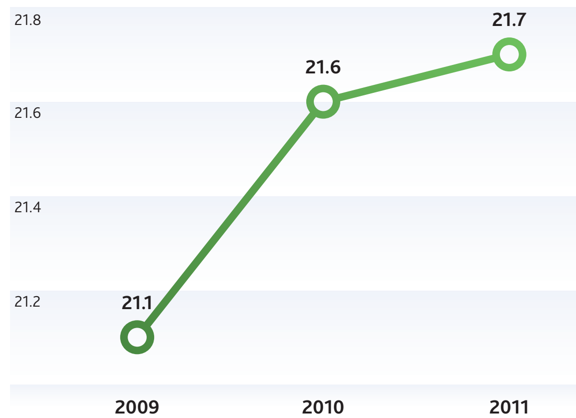
[1] From continuing operations

Ordinary EBITA

Ordinary EBITA by division
in millions of euros

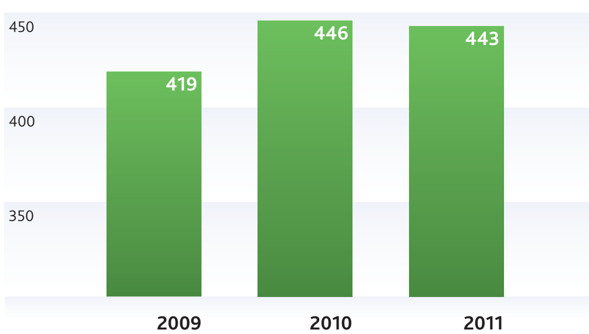


Ordinary EBITA margin
in %

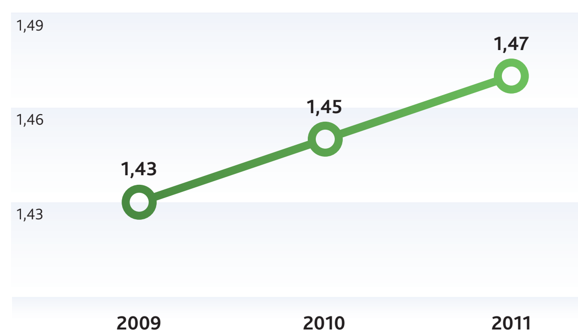


Other KPIs

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



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



Key performance indicators	2011	Target 2011	2010
Ordinary EBITA margin	21.7%	20.5%-21.0%	21.6%
Ordinary free cash flow[1]	€455 million	≥ €412 million	€449 million
Return on invested capital	8.9%	≥ 8%	8.9%
Diluted ordinary EPS[1]	€1.51	€1.46 to €1.51	€1.48

[1] At constant currencies (€/$ 1.33)

So, in a nutshell, what does Wolters Kluwer do?

We provide actionable information professionals need to better serve their clients. Our customers turn to Wolters Kluwer when they need vital insights, intelligent tools, and the guidance of subject-matter experts.

→ *Get It Right,* page 46

Wolter Kluwer Office, Alphen aan den Rijn, the Netherlands

Who are your customers?

Professionals in the areas of legal, business, tax, accounting, finance, audit, risk, compliance, and healthcare rely on our information and tools. The voice of the customer is very important for the partnership around innovation.

→ *Voice of the Customer,* page 78

Nancy McKinstry
CEO and Chairman
of the Executive Board

"One of the trends that we see across all of our markets is the pressure to deliver more results with fewer resources and many of our products enable our customers to achieve that."

Boudewijn Beerkens
CFO and Member
of the Executive Board

"We invested again between 8% and 10% of revenues in product development and innovation. We continue to transform the portfolio; today, we generate 71% of revenues from electronic and software products, and services."

Profile of the Executive Board

Jack Lynch
Member of the Executive Board

"The cloud is of significant importance for the professionals we serve. We truly believe it is a game changer, transforming the way in which our customers do their work."

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

As CEO and Chairman of the Executive Board, Ms. McKinstry is responsible for Corporate Strategy, Division Performance, Business Development, Legal Affairs, Communications, Human Resources, and Sustainability.

Before assuming her present position in 2003, Ms. McKinstry was an Executive Board member of the company and before that served as CEO of Wolters Kluwer's operations in North America.

Boudewijn Beerkens
CFO and Member
Dutch, 1963, Chief Financial Officer since November 2002, and member of the Executive Board since May 2003.

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

Before his appointment as member of the Executive Board in April 2003, Mr. Beerkens was Chief Financial Officer since November 2002 when he joined Wolters Kluwer.

Jack Lynch
Member
American, 1959, member of the Executive Board since May, 2007.

As member of the Executive Board, Mr. Lynch is responsible for Global Shared Services, including the Springboard operational excellence program, and technology.

Before his appointment as member of the Executive Board in April 2007, Mr. Lynch was Senior Vice President, Business Development since June 2006.

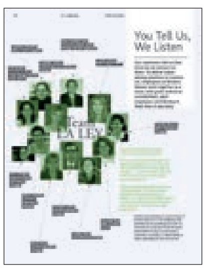
Full profiles are available online.

The quotes on this page come from a roundtable hosted by the Executive Board on February 22, 2012, on "Game Changers in the Information Industry, the Transformative Power of the Cloud," on the occasion of the 2011 full-year results announcement in Amsterdam, the Netherlands. A podcast of the event is available on our website.

Review of the Year

Leading and trusted partner for customers

We are proud of Wolters Kluwer's accomplishments in 2011, accomplishments that delivered a strong set of financial results for the year. Our business creates value because of our unique combination of assets that include long-standing customer relationships, unparalleled expertise, and innovative solutions. As a result, we are clearly a market leader, with strong brands and market positions. In addition, we anticipate that global market dynamics will serve as a catalyst for future growth. In uncertain times, customers focus even greater attention on the need to manage risk and increase productivity, and so they choose Wolters Kluwer as a trusted partner for their business.



Offering solutions customers value starts with the commitment and passion of our employees. Read more on page 58.

The company's 2011 full-year results included revenue growth of 1% organically, free cash flow growth of 1% in constant currencies, and an improved ordinary EBITA margin of 21.7%. Our resilient subscription base of 74% recurring revenues supports ongoing stability in results. The transformation of the company's portfolio continues as 71% of its revenues are now generated from online, software, and service offerings.

At Wolters Kluwer, we have shown an ability to consistently deliver results across economic cycles.

2011: A year of game-changing opportunities

Learn more about key trends which are changing the game in our markets on page 42.

The world of professionals is transforming at an ever-increasing pace, and 2011 highlighted the importance of a number of trends which are changing the game for our customers. Professionals face increased workloads due to greater volumes and complexity of regulations, as well as increased scrutiny from regulators intent on controlling risk and enforcing compliance. In addition, changes in technology are transforming professionals' lives. They must accommodate their customers' demands for 24/7 support, and they must have access to information and tools whenever and wherever they are. As a result, they increasingly rely on mobile and context-aware smart devices. Social media has become an integral part of both their personal and professional lives. The need for more efficiency places a premium on integrated, cloud-based software and IT infrastructures. Professionals navigate a world where information overload makes it difficult to make well-informed decisions, and they compete in a global market where value-for-price is ever more important.

Wolters Kluwer helps professionals around the world benefit from these game-changing trends and turns them into competitive advantages.

Creating distinctive value

Our relentless focus on the customer is at the center of our strategy as an information services provider and it sets us apart from our competitors. Our customers benefit from our unique solutions every day, and we develop software and deliver services that offer expert insights to professionals around the world. Our subject-matter experts create information assets on a global scale, delivered through the strong local presence we have worldwide.

Over the past years, we have significantly transformed our portfolio with more than 71% of revenues coming from online, software, and services, and we manage our portfolio to take full advantage of our leading positions. In the future, analytics based on the wealth of data mined from our software and services will provide growth opportunities as professionals increasingly use information about trends and benchmarks to inform their decisions.

You can read more about the new, value-adding products that we launched in 2011 throughout this report.

Legal & Regulatory divisional performance

The division consists of the Legal & Regulatory group with units in the U.S., U.K., continental Europe (North, Central and South) and Asia, and the Corporate Legal Services group.

Legal & Regulatory

The Legal & Regulatory group focuses its strategy on delivering the solutions customers value from a solution and information provider: Ease of use and implementation as well as modularity and flexibility built on expert content. One good example is the launch of Croner Professional in the U.K. This web-based solution helps HR professionals track employment law issues and cases within their organizations and allows line managers access to Croner's 24-hour, 365-day practical telephone advisory service to handle simple HR questions, freeing up time for HR to carry out more strategic activities. Customer involvement and focus remain central, and the voice of the customer guides product development and enhancements throughout the division. For example, ftwilliam.com, an integrated Software-as-a-Service (SaaS) web portal for pension and benefit plan e-signing and e-filing, worked together with customers to take the portal a step further, providing functionality that streamlines and expedites administration processes and ensures plan compliance.

A strategic goal of the division has been to grow globally, and significant progress was made in expanding existing product lines into new geographies. Kleos, an end-to-end practice-management software tool that gives lawyers access to all their clients' files, anywhere, at any time, has

The introduction of new technologies drives change in all professions and the law is no exception. Take a look at the courtroom of tomorrow on page 76.

The annual CCH User Conference is a great example of customer interaction as you can see on page 60.

Big data provides valuable analytics and insights to help professionals make the right decisions. See how it works on page 62.

successfully expanded across Europe into five countries. We also launched China Law & Reference, the first local legal online database in China, bringing together all relevant laws and regulations, industry standards, and millions of cases, in a single database which is updated regularly.

In the legal and regulatory markets, Wolters Kluwer responded to the need for efficiency by capitalizing on new technologies. More than 70 mobile products and apps were launched this year and there are now more than 2,100 eBooks available.

Corporate Legal Services

Wolters Kluwer Corporate Legal Services delivered strong results while driving breakthrough innovation to position the group for accelerated growth in the longer term. We created new products in adjacent markets that leveraged our core competencies, such as CT Lien Solutions' iLienRED, a platform offering tremendous improvements in managing and recording real estate documents. We also completed strategic acquisitions, including National Registered Agents, Inc. (NRAI). This acquisition extended Corporate Legal Services' comprehensive compliance and governance portfolio for the legal services market, which includes CT Corporation, a leading provider of corporate business compliance solutions, and BizFilings, a leading online incorporation service provider for entrepreneurs and small-business owners.

As our customers' needs become more global, so do our products. Corsearch, the premier provider of clearance and protection solutions for trademark and brand professionals, for example, expanded on the largest collection of complete trademark databases in the world, and is the first in the industry to offer databases for the Philippines, Taiwan, Iceland, and Macau. Edital, the leading trademark product line in Europe acquired in 2010, played a critical role in the Corsearch portfolio's transformation towards creating a global platform.

Customers' focus on transparency and value for money inspired new, innovative business models. We leveraged the "big data" opportunity by addressing the legal industry's challenges and launching an entirely new business, TyMetrix Legal Analytics. This is the industry's first contributory database of actual legal invoice data, providing insight into individual operations and access to industry-wide benchmarks and predictions. As the business evolves, TyMetrix Legal Analytics will continue to capitalize on the tremendous opportunity to help customers better evaluate legal costs, performance, and outcomes, and to make more informed decisions.

Tax & Accounting divisional performance

Wolters Kluwer Tax & Accounting is one of the world's largest providers of tax, accounting, and audit information, solutions, and services. Tax & Accounting's "Best-in-Process" focus aligns technology solutions with optimized workflows to deliver productivity improvements, supporting greater profitability and growth.

Providing global solutions while delivering value at the local level is one of the key priorities of the division. In 2011, we introduced Global Integrator, a leading web-based solution that offers global data collection, analysis, and tax reporting on a single platform. Global Integrator makes tax provisioning easier and more accurate for companies that do business globally. Through a partnership with Comtax System, CCH has enabled international tax professionals to efficiently reduce tax costs, minimize risk, and increase the net results of cross-border transactions. The division also expanded and complemented its tax and accounting offerings in Europe through the acquisition of Twinfield, a Dutch-based pioneer and market leader in Software-as-a-Service (SaaS) accounting solutions that serves 80,000 administrations online, assisting professionals in the Netherlands, U.K., and Scandinavia.

Tax firms understand that the move to the cloud offers an important way to increase profitability and efficiency, especially as it relates to customer interaction. SaaS solutions level the playing field, since small and mid-sized firms can benefit from the same technologies as larger firms. They can enhance client services with solutions such as ProSystem *fx* Portal, which securely supported almost a million exchanges between firms and their clients in 2011. We also introduced the SaaS version of ProSystem *fx* Scan, offering the same functionality as our on-premise solution. The ProSystem *fx* Knowledge Coach, which won the 2011 Tax and Accounting Technology Innovation Award, offers the first dynamic audit workflow product, revolutionizing how auditors conduct their work. Mobile devices are a way for professionals to better manage their business and provide immediate answers to client questions. With CCH Mobile, customers now have immediate access to the most current news, research information and productivity tools.

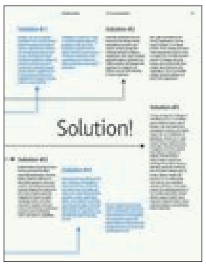
For the seventh consecutive year, the U.S. Internal Revenue Service (IRS) has recognized our expertise and selected CCH as its source for reliable sales tax data. CCH Small Firm Services solutions were also selected as the software used by IRS employees and volunteers to prepare and electronically file tax returns for millions of low-income, elderly, and limited-English-proficient taxpayers. With continued growth in the electronic filing of tax returns and related tax documents, CCH and Small Firm Services processed a record number of returns, resulting in their strongest performance ever. In Belgium we were the first tax software supplier to make our software solution compliant to BIZTAX, a new electronic company tax submission format introduced by the government for the 2011 tax year.

Health divisional performance

Healthcare professionals and organizations worldwide use our information, tools, and solutions to improve clinical practice and deliver high-quality, cost-effective healthcare.

decision support solutions. In July of 2011, we announced the divestment of our pharma businesses, and by the end of the year the sale of Marketing and Publishing Services was completed. The sale process for Healthcare Analytics is ongoing.

In late December of 2010, we acquired Pharmacy OneSource, a leading Software-as-a-Services (SaaS) provider in the hospital pharmacy market. During 2011, we successfully integrated Pharmacy OneSource and further strengthened our Clinical Decision Support position into the pharmacy market by acquiring Lexicomp, a leading provider of drug information and clinical content for pharmacists, clinicians, and hospitals internationally, providing services and content to nearly 1,500 hospitals globally.



Take a look at some examples of how our insights help meet customers' evolving needs and reduce risks on page 46.

Expanding our footprint in emerging markets, we entered into a joint venture with Medicom, a leading Chinese drug information provider, to deliver clinical decision support solutions. As China prepares for significant changes to its healthcare system, this acquisition allows us to expand into the rapidly growing Chinese market while creating a drug information infrastructure in China. Together these portfolio changes have enhanced Wolters Kluwer Health's market leading position in the fast growing area of Clinical Decision Support.

Through our unparalleled expertise, we have delivered proven, demonstrative value to customers. Researchers at Harvard University reported that the adoption of our UpToDate product is associated with saving lives, shortened patient stays, and better quality performance. UpToDate added general surgery to its clinical knowledge system, now allowing users to access clinical information and evidence-based recommendations in 19 medical specialties.

Read more about the quality of patient and healthcare in China on page 80.

Initiatives to standardize healthcare, reduce costs, report metrics, and digitize health records continue to drive demand for our ProVation products. The HITECH act in the U.S. has been driving sales of ProVation Order Sets, with future phases expected to benefit the ProVation MD product line. Likewise, ICD-10 (International Classification of Diseases), a new standard expected to be implemented in 2012 in the U.S., is expected to drive future growth of other ProVation products.

The global expansion of our Health division was driven by enhanced product lines and strategic acquisitions. We launched OvidChinese and OvidEspañol and expect to make Ovid available in Arabic in 2012. We acquired Medknow, a major open access publisher in India, adding 170 new journals to our portfolio and providing a new business model, footprint and platform to expand upon in the emerging research markets of India, China, and the Middle East where open access business models dominate.

We drive innovation in healthcare by enabling information delivery at the point-of-care. UpToDate MobileComplete was released as a downloadable app that provides clinicians with access to evidence-based, practical recommendations anytime and anywhere. We launched OvidMD, the first clinical tool to present full text medical research linked to synoptic content from UpToDate. We were also the first in the industry to introduce major society title iPad apps. We significantly expanded our eBook offerings through new agreements with eBook distributors with more than 700 eBook titles available.

Financial & Compliance Services divisional performance
Financial & Compliance Services strengthened and focused the portfolio and expanded our global footprint in 2011, allowing customers to meet and manage their audit, risk, and compliance challenges by using our solutions.

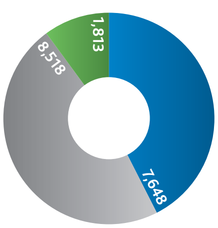
In addition to helping more customers manage risk and compliance across their businesses and improve efficiencies, Financial & Compliance Services' solutions continue to garner industry awards. *ARC* Logics was recognized by Operational Risk & Regulation as the 2011 Product of the Year for helping European insurance firms meet the enterprise risk management requirements of the Solvency II directive. Our GainsKeeper tax lot accounting solutions continued to experience significant growth fueled by new legal requirements that regulate securities firms' compliance. The release of a web version of FRSGlobal in 2011 is another great example of how we are applying our insight to help meet customers' evolving needs. The solution enables a variety of customers, from the cubicle to the C-suite, to gain access to powerful financial risk and regulatory functionality via an online integrated view of the entire corporate organization.

The global growth of the division was enabled both by expanding product lines and through strategic acquisitions. In India, we expanded our offerings to the financial services market, and in the U.K. and Europe we launched our *ARC* Logics enterprise risk management solution. In China, we acquired SASGAS, a provider of financial reporting software solutions to the foreign and domestic bank market, enabling foreign banks with branches in China, as well as domestic banks, to address complex local financial regulatory requirements. In the U.K., the acquisition of Spring Programs Ltd. strengthened our leading market position. We now provide the most comprehensive financial risk and reporting solutions for U.K. financial firms of all sizes, bringing transparency, traceability, and efficiency to managing risks across an enterprise. Within Teleroute, we extended our Safe Market Place program with the launch of Fraud insurance in France and the STAR Index across Europe.

In 2011, we moved the SDX Secure Document Exchange service to the cloud to help mortgage lenders make the secure, electronic delivery of mortgage compliance documents to borrowers even faster and more efficient. The cloud environment adds processing power to the SDX service by increasing memory space and bandwidth, and by adding servers to help quickly accommodate large

In 2011, all 145 projects part of the Springboard program were successfully completed. Find an overview of some key projects on page 66.

17,979 Employees
2011 Employment



- Europe
- North America
- Asia Pacific / Rest of the World

We contribute positively by supporting our neighborhoods around the world through a wide variety of local community involvement. Read more on page 48.

spikes in lending volumes. In France, more than 40 firms went live with our regulatory reporting solution, which enables adherence to the French Commission's Système Unifié de Reporting Financier (SURFI) regulation, based on the latest technology innovations in the field. The new TeamMate version, which was released in 2011, helps auditors better assess risks facing their organizations. Its powerful database is enabled with web-based access for tracking audit projects and issues. In addition, we broadened the Teleroute Freight Exchange with electronic confirmation capability for our transport customers.

Enabling global capabilities

2011 marked the successful completion of the four-year Springboard program. By standardizing the systems and processes that enable product development, distribution, and support globally, we eliminated divisional variation and unlocked additional value, strengthening and improving profitability on a global scale. We have also created a roadmap for back-office technology platforms that rationalizes our IT landscape. We have become more efficient, reduced time to market for new products, and created an agile platform for execution.

The Global Shared Services organization, which completed its first full year of operations as a global organization in 2011, has continued to provide the backbone for streamlining operations, reducing complexity, and simplifying IT partner management. A major achievement was the negotiation and implementation of three global service partnerships for IT back-office, finance and accounting processes, and further IT infrastructure consolidation in 2011.

Global Shared Services sets foundational elements in place needed for Wolters Kluwer's continuing global expansion efforts as well as the acceleration of cloud-based computing initiatives. The service offerings support a balance of local market speed and agility, while leveraging the benefits of global scale, standards, and technology partnerships.

A global team of experts

The expertise of our employees is the foundation of our success. Wolters Kluwer is proud to have many leading experts and highly engaged professionals among its global workforce. Subject-matter experts combine their knowledge on technology and content. Together with authors, partners, and customers, they deliver solutions that create value by helping professionals make better decisions and improve productivity. We see diversity as a catalyst for innovation and creativity, and we are committed to hiring, developing, motivating, and retaining the best people who understand the power of working closely with our customers and driving innovative processes and solutions.

Talent development is a key objective for Wolters Kluwer, and talent management initiatives are 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. In 2011, the company's annual Leadership Forum took place to discuss and collaborate on different aspects of innovation and leadership. Webinars and task forces supported the Leadership Forum network and collaboration throughout the year. Learning from and with each other is an important goal. In parallel with supporting its customers to take better decisions and be more productive, Wolters Kluwer strives to create a working environment that helps its people to do the same.

Wolters Kluwer employees are encouraged to develop and expand their professional horizons, and we emphasize a culture of growth and innovation. Throughout 2011, a number of initiatives took place that brought together employees and highlighted the wealth of ideas and people that enable innovation at Wolters Kluwer, such as tournaments, awards, showcases, and fairs. One example is the 2011 Global Innovation Award contest. More than 240 employees submitted ideas, and based on this enthusiastic response, the contest will be held again in 2012.

Wolters Kluwer has 17,979 employees (full-time equivalent) in more than 35 countries around the world.

Sustainable solutions

Sustainability is a core part of our strategy. For Wolters Kluwer, profitable growth does not only mean improving the financial reward for our shareholders. We focus on creating sustainable growth through supporting our customers and helping them perform their activities more efficiently; rewarding our employees in terms of development, income, and growth; and contributing positively to both society and the environment.

Many of our products contribute to creating solutions to global challenges. They provide critical information and services to promote human progress in areas like health-care, health and safety regulation, business compliance, and environmental regulation.

Wolters Kluwer's focus on sustainability has been recognized. The company has been part of the Dow Jones Sustainability World Index for five consecutive years and is a member of the United Nations Global Compact.

Financial Developments

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

Financial Performance

2011 Highlights	2011	2010	Δ (%)	Δ CC (%)
Revenues	3,354	3,308	1	4
Organic revenue growth (%)	1	1		
Ordinary EBITA	728	716	2	4
Ordinary EBITA margin (%)	21.7	21.6		
EBITA	597	645	(7)	(5)
EBITA margin (%)	17.8	19.5		
Ordinary net income	444	436	2	3
Diluted ordinary EPS (€)	1.47	1.45	2	3
Net debt	2,168	2,035	7	
Ordinary free cash flow	443	446	(1)	1
Diluted ordinary free cash flow per share (€)	1.47	1.49	(1)	1
Cash conversion ratio (CAR) (%)	98	96		
Return on invested capital (ROIC) (%)	8.9	8.9		
Ultimo number of FTEs	17,979	17,363		
IFRS figures				
Operating profit	436	498	(12)	
Profit for the year	242	296	(18)	
Profit for the year (including discontinued operations)	118	287	(59)	
Diluted EPS (€) (including discontinued operations)	0.40	0.96	(58)	

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

The financial performance from continuing operations in 2011 was characterized by the following:

- 4% revenue growth in constant currencies to €3,354 million (1% organic) fueled by solid growth in electronic and services revenues;
- Electronic and services revenues grew 8% (2010: 7%); online, software, and services revenues now represent 71% of total revenues;
- Ordinary EBITA up 4% in constant currencies (2% organic) supported by growth in electronic products and savings from the Springboard program, resulting in an ordinary EBITA margin of 21.7%;
- Springboard run-rate savings reached €191 million in 2011;
- Profit for the year, including discontinued operations, decreased to €118 million largely due to an impairment charge of €112 million;
- Diluted ordinary EPS of €1.47 increased 3% in constant currencies;
- Solid ordinary free cash flow of €443 million; up 1% in constant currencies;
- €100 million share buy-back completed in 2011.

Revenues

Revenues in 2011 were €3,354 million, compared to €3,308 million in 2010. Organic growth was 1%, improving over the prior year despite challenging economic conditions, especially in Europe. By geographic region, North America grew 3% organically and Europe declined 2%.

Revenue growth was 1%, with key strategic acquisitions contributing 3%, partially offset by the impact of currencies reducing consolidated revenue by 3% as presented in the revenue bridge table.

Revenues grew 4% in constant currency to €3,354 million, with the rate of growth improving in each division over the prior year.

Revenue bridge		(%)
Revenues 2010	3,308	
Organic change	35	1
Acquisitions	105	3
Divestments	(16)	0
Currency impact	(78)	(3)
Revenues 2011	**3,354**	**1**

U.S. dollar 2011: average €/$ 1.39 versus 2010: average €/$ 1.33

Revenues by media	% of total	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Electronic & service subscription	51	1,707	1,614	6	8	4
Print subscription	14	471	501	(6)	(5)	(5)
Other non-cyclical	9	296	291	2	4	0
Total recurring revenues	74	2,474	2,406	3	5	2
Books	10	324	347	(7)	(4)	(5)
Cyclical product lines	16	556	555	0	3	3
Total revenues	**100**	**3,354**	**3,308**	**1**	**4**	**1**

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

The resilient subscription base of 74% recurring revenues supports ongoing stability in results.

Revenues by division	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Legal & Regulatory	1,451	1,471	(1)	0	(1)
Tax & Accounting	931	922	1	2	2
Health	639	608	5	10	4
Financial & Compliance Services	333	307	9	12	2
Total	**3,354**	**3,308**	**1**	**4**	**1**

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

Ordinary EBITA

Ordinary EBITA improved 4% in constant currencies to €728 million (2% organic). The Group improved profitability through the continued shift towards higher-margin electronic solutions, diligent cost management, and the impact of the Springboard operational excellence program. This figure excludes €131 million of non-recurring charges related to Springboard and acquisitions.

Ordinary EBITA by division	**2011**	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Legal & Regulatory	324	325	0	2	0
Tax & Accounting	257	262	(2)	(1)	(1)
Health	126	107	18	25	18
Financial & Compliance Services	64	62	3	6	4
Corporate	(43)	(40)	8	8	8
Total	**728**	**716**	**2**	**4**	**2**

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

Operating profit and profit for the year

Operating profit, which includes amortization of goodwill and exceptional items, declined to €436 million, primarily due to an increase in the Springboard program costs.

Profit for the year was €242 million, down 17% at constant currencies, also largely due to the increase in exceptional costs relating to Springboard.

Operating profit by division	**2011**	2010	% change
Legal & Regulatory	198	239	(17)
Tax & Accounting	166	181	(8)
Health	94	86	10
Financial & Compliance Services	25	36	(32)
Corporate	(47)	(44)	9
Total	**436**	**498**	**(12)**

Divisional Financial Performance

Legal & Regulatory

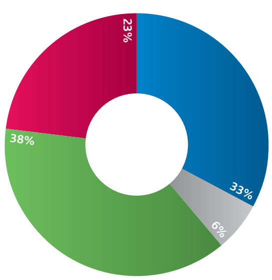
- Strong performance from Corporate Legal Services fuels 3% organic growth in North America;
- U.S. markets improving faster than Europe;
- Acquisition of NRAI, a leading provider of registered agent and corporate services;
- Operating margin improvement and solid cash flow support continued growth investments.

	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	634	625	1	3	1
Print subscription	306	317	(3)	(3)	(4)
Other non-cyclical	51	52	(2)	(1)	0
Total recurring revenues	991	994	0	1	(1)
CLS transactional	145	134	8	13	12
Books	133	148	(10)	(8)	(9)
Other cyclical	182	195	(7)	(5)	(3)
Total revenues	**1,451**	**1,471**	**(1)**	**0**	**(1)**
Operating profit	198	239			
Ordinary EBITA	324	325	0	2	0
Ordinary EBITA margin	22.4%	22.1%			
Net capital expenditure (CAPEX)	45	49			
Ultimo FTEs	7,704	7,714			

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

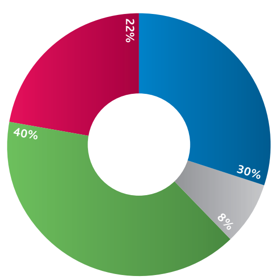
Revenues by media

2011
in %



■ Online
■ Software
■ Print
■ Services

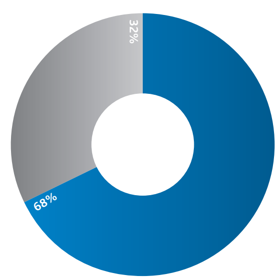
2010
in %



■ Online
■ Software
■ Print
■ Services

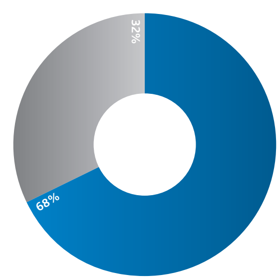
Recurring/cyclical revenues

2011
in %



■ Recurring
■ Cyclical

2010
in %



■ Recurring
■ Cyclical

Legal & Regulatory revenues in constant currencies were in line with the prior year, with the organic trend improving from (2)% in 2010 to (1)% in 2011. Recurring revenue (68% of division total) was consistent with the prior year, supported by improved retention rates for both electronic and print subscriptions. Book sales declined 9% organically over 2010.

North America, which constitutes 36% of divisional revenues, grew 3% organically. These results were supported by continued recovery of the corporate market, with

Corporate Legal Services (CLS) growing 6% organically, driven by increased volumes of corporate and lending transactions and strong performance from TyMetrix and Corsearch. Transactional revenues grew 12% organically despite a marked slowdown in underlying volumes in the second half year. These results were partially offset by declines in print publishing.

Conditions in Europe remained challenging, with revenues declining 3% organically, consistently throughout the year. Subscription retention rates improved for the European business. Book sales and other cyclical product lines declined 9% and 3%, respectively.

On August 31, 2011, the division succesfully concluded the strategic acquisition of NRAI, a leading provider of registered agent and corporate services. Through this acquisition, CLS strengthens its position as a leading provider of legal compliance and corporate governance solutions. Acquisitions contributed slightly less than 1% to division revenue growth for the year.

The division's ordinary EBITA margin improved to 22.4% (2010: 22.1%), reflecting strong market positions, the contribution of higher-margin electronic solutions, improved growth in CLS, and the contribution from Springboard initiatives.

Tax & Accounting

- Solid organic growth in global software and the positive phasing of bank products resulted in 4% organic growth in the second half;
- Online, software, and services revenues represent almost 85% of total revenues;
- Expanded global footprint through strategic acquisitions in Belgium and the Netherlands, and double-digit growth in China and India.

	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	594	577	3	4	3
Print subscription	88	97	(9)	(9)	(9)
Other non-cyclical	153	152	1	3	2
Total recurring revenues	835	826	1	2	2
Books	52	52	0	0	0
Other cyclical	44	44	0	3	3
Total revenues	**931**	**922**	**1**	**2**	**2**
Operating profit	166	181			
Ordinary EBITA	257	262	(2)	(1)	(1)
Ordinary EBITA margin	27.7%	28.4%			
Net capital expenditure (CAPEX)	54	41			
Ultimo FTEs	5,675	5,481			

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

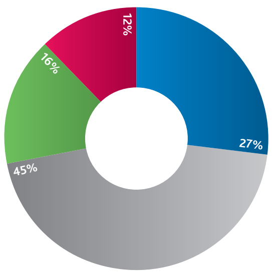
Tax & Accounting revenues grew 2% organically to €931 million, driven by 6% organic growth in global software solutions. This result was partially offset by weakness in publishing.

North American revenues, which constitute 55% of divisional revenues, grew 2% organically in 2011 (6% in the second half year). This performance was supported by 7% organic growth in software solutions, and the positive phasing of bank product revenue in the small firms services segment that shifted approximately 2% of the division revenues from the first half year into the second half year. European revenues grew 1% organically, with 4% organic growth from tax software more than offsetting declines in print and cyclical activities such as training and advertising, particularly in the Netherlands. The company also extended its European footprint through two acquisitions that deliver cutting-edge software solutions: TopPower in Belgium and Twinfield in the Netherlands.

Ordinary EBITA declined 1% organically to €257 million, with an ordinary EBITA margin of 27.7% (2010: 28.4%). A margin decline of 70 basis points was driven by increased investments in sales and marketing, global expansion efforts in China and India, and lower bank product volumes.

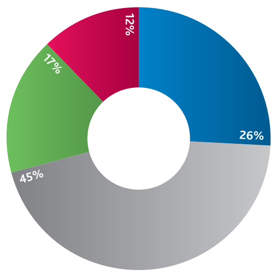
Revenues by media

2011
in %



- Online
- Software
- Print
- Services

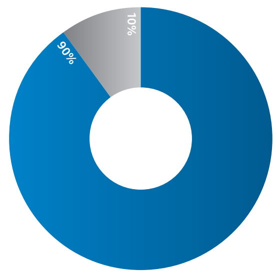
2010
in %



- Online
- Software
- Print
- Services

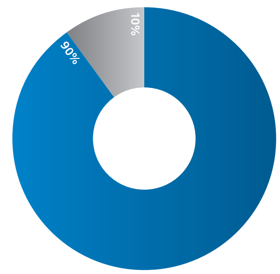
Recurring/cyclical revenues

2011
in %



- Recurring
- Cyclical

2010
in %



- Recurring
- Cyclical

Health

- Double-digit organic growth delivered by Clinical Solutions; strategic acquisitions of Medicom and Lexicomp extend market leadership;
- Strong growth in Ovid supported by product innovation and international expansion;
- Ongoing divestment of pharma business improves focus on leading market positions in professional information and clinical decision support solutions.

	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	330	286	15	21	12
Print subscription	74	84	(12)	(7)	(7)
Other non-cyclical	42	35	20	24	1
Total recurring revenues	446	405	10	15	7
Books	139	147	(5)	(1)	(2)
Other cyclical	54	56	(4)	0	0
Total revenues	**639**	**608**	**5**	**10**	**4**
Operating profit	94	86			
Ordinary EBITA	126	107	18	25	18
Ordinary EBITA margin	19.7%	17.6%			
Net capital expenditure (CAPEX)	35	33			
Ultimo FTEs	2,425	2,053			

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

Health division revenues grew 10% in constant currencies (4% organic) supported by 12% organic growth in electronic and service subscriptions, with strong contributions from Clinical Solutions and Ovid online products.

Clinical Solutions continued to deliver double-digit organic growth, fueled by strong sales of UpToDate, ProVation, and Order Set products. At Medical Research, Ovid grew 6% organically supported by new product launches, such as the industry's first Medical Society iPad apps, and the launch of OvidMD with UpToDate integration. These results were partially offset by declines in print journals and books.

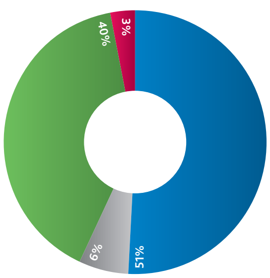
Strategic acquisitions added 6% to division revenues extending leading global market positions in Clinical Solutions and Medical Research. In the first half year, the company entered into a joint venture with Chinese drug information provider Medicom. It also acquired Lexicomp, a leading global drug information provider. In December, the division acquired Medknow PVT Ltd.

In July, 2011, the company announced its intention to divest its pharma business and completed part of this divestment with the closing of the sale of Marketing & Publishing Services in December 2011. The divestment of the remaining pharma assets is in progress.

Ordinary EBITA grew 18% organically to €126 million with the ordinary EBITA margin rising to 19.7% from 17.6% in 2010. These results reflect the solid flow-through of revenue growth to profitability, the positive impact from higher-margin electronic products and Springboard cost savings.

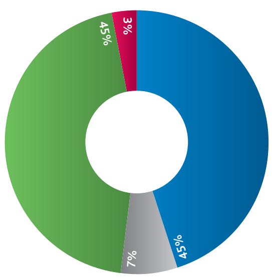
Revenues by media

2011
in %



- Online
- Software
- Print
- Services

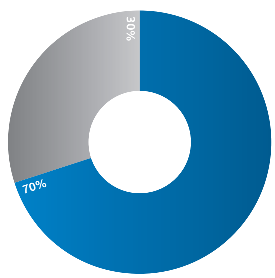
2010
in %



- Online
- Software
- Print
- Services

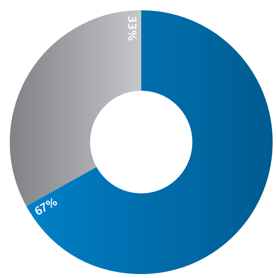
Recurring/cyclical revenues

2011
in %



- Recurring
- Cyclical

2010
in %



- Recurring
- Cyclical

Financial & Compliance Services

- 7% organic growth of electronic and service subscriptions fueled by growing sales of risk and compliance software and international growth at *ARC* Logics;
- Transactional revenue growth of 13% fueled by strong performance in mortgage services;
- Decline in posting volumes across Europe reduced revenues in Transport Services;
- Solid international growth improves ordinary EBITA performance in the second half year.

Divisional revenues grew 12% in constant currencies (2% organic) including a significant contribution from the acquisition of FRSGlobal. This result was supported by 7% organic growth in electronic and service subscriptions, as sales of compliance software solutions remained strong. Electronic, software, and services revenues now represent 94% of divisional revenues.

The core Financial Services unit delivered 6% organic growth, driven by strong performance in mortgage document services and risk and compliance product lines. *ARC* Logics (10% of divisional revenues) posted 8% organic growth and added over 200 new customers to its international footprint. These results were partially offset by lower volumes and revenues in the Transport Services business (19% of divisional revenues), due to economic conditions in Europe.

The division continued to focus on global expansion which resulted in 23% growth outside the U.S. FRSGlobal saw good organic growth and margins while investing in global expansion.

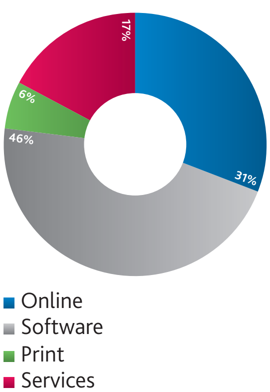
Ordinary EBITA grew 4% organically, resulting in an ordinary EBITA margin of 19.1% (2010: 20.3%). The margin decline was driven by investment in global expansion and lower transaction volumes in Transport Services.

	2011	2010	Δ (%)	Δ CC (%)	Δ OG (%)
Revenues					
Electronic & service subscription	149	126	19	23	7
Print subscription	3	3	15	1	1
Other non-cyclical	50	52	(4)	(2)	(10)
Total recurring revenues	202	181	12	15	2
FS transactional	58	53	10	13	13
Other cyclical	73	73	(1)	3	(6)
Total revenues	**333**	**307**	**9**	**12**	**2**
Operating profit	25	36			
Ordinary EBITA	64	62	3	6	4
Ordinary EBITA margin	19.1%	20.3%			
Net capital expenditure (CAPEX)	9	15			
Ultimo FTEs	2,077	2,018			

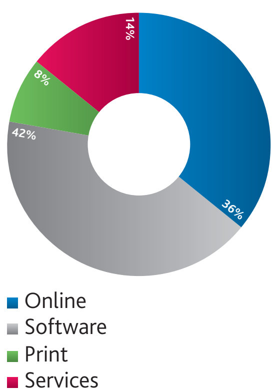
Δ - % Change; Δ CC - % Change constant currencies (€/$ 1.33); Δ OG - % Organic growth

Revenues by media

2011
in %

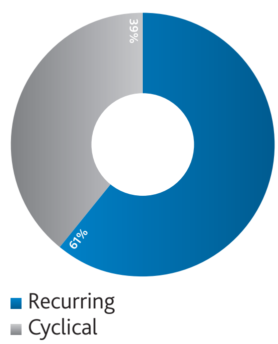


2010
in %

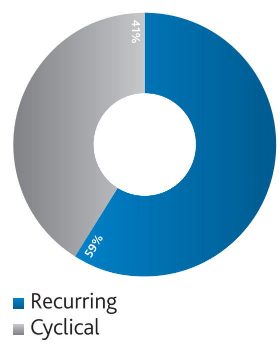


Recurring/cyclical revenues

2011
in %



2010
in %



Solid Financial Position

Balance sheet

Non-current assets, mainly consisting of goodwill and publishing rights, increased to €5,105 million in 2011 mainly as a result of a stronger U.S. dollar and acquisitions, partly offset by continuous amortization and reclassification to assets held for sale. Shareholders' equity benefited from the profit for the year and was positively impacted by the increase of the U.S. dollar compared to the euro at the end of the year, which was more than offset by actuarial losses on defined benefit plans, dividend payments and the share buy-back. In 2011, the company executed a share buy-back program of €100 million with a total of 7.2 million of ordinary shares purchased under this program at an average stock price of €13.88. The total number of shares outstanding as of December 31, 2011 was 296.6 million.

Net debt increased to €2,168 million (2010: €2,035 million) due to acquisition spending, cash dividends, and the share buy-back, partly offset by solid cash flow from operating activities. As a result, the net-debt-to-EBITDA ratio increased to 3.1. This ratio includes the exceptional expenses of the Springboard program of €104 million. Excluding the exceptional expenses of the Springboard program, the net-debt-to-EBITDA ratio was 2.7 in 2011 (2010: 2.5). With Springboard now finalized, the company expects net-debt-to-EBITDA to reduce to 2.5 over the medium-term.

Balance sheet	**2011**	2010	Variance
Non-current assets	5,105	4,957	148
Working capital	(931)	(780)	(151)
Total equity	1,561	1,631	(70)
Net debt	2,168	2,035	133
Net-debt-to-EBITDA ratio	3.1	2.7	0.4

Working capital

Operating working capital amounted to €(755) million, compared to €(696) million in 2010, an increase of €59 million. Non-operating working capital decreased to €(471) million, mainly due to lower draw downs on credit facility.

Working capital	**2011**	2010	Variance
Inventories	81	85	(4)
Operating accounts receivable	1,099	1,051	48
Deferred income	(1,208)	(1,142)	(66)
Trade and other payables	(388)	(337)	(51)
Operating current liabilities	(339)	(353)	14
Operating working capital	(755)	(696)	(59)
Cash and cash equivalents	295	458	(163)
Non-operating working capital	(471)	(542)	71
Total	**(931)**	**(780)**	**(151)**

Other Developments

Financial income and costs
Net financing costs were €118 million (2010: €129 million), supported by currency benefits.

Taxation
The effective tax rate on ordinary income before tax increased to 26.8%, higher than the expected 26%, as the mix of profits shifted to higher tax regions such as the United States.

Ordinary net income/diluted ordinary EPS
Ordinary net income in 2011 was €444 million, compared to €436 million in 2010. Diluted ordinary EPS of €1.47 in 2011 increased 2% compared to €1.45 in 2010; in constant currencies the increase was 3%. In constant currencies (€/$ 1.33), diluted ordinary EPS was €1.51. Diluted ordinary EPS including discontinued operations was €1.52 in constant currencies.

Return on invested capital (ROIC)
In 2011, the ROIC was 8.9% (2010: 8.9%).

Cash flow
Ordinary free cash flow was €443 million (1% increase in constant currencies), absorbing an increase in corporate income tax paid. The cash conversion ratio improved to 98% from 96% in 2010, due to better working capital. Strong operating and cash flow performance support the company's objective to invest for long-term growth.

Cash flow	2011	2010	Δ (%)	Δ CC (%)
Cash flow from operations	857	825	4	6
Cash flow from operating activities	536	532	1	3
Capital expenditure	(143)	(138)	4	8
Ordinary free cash flow	443	446	(1)	1
Diluted ordinary free cash flow per share (€)	1.47	1.49	(2)	3
Cash conversion ratio (CAR) (in %)	98	96		

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

Acquisitions
Total acquisition spending in 2011 was €299 million (2010: €251 million), including payments of €8 million for acquisitions made in previous years and €43 million for acquired tax benefits. Acquisition related costs amounted to €9 million in 2011 (2010: €8 million).

Acquisitions completed in 2011 contributed €42 million in revenues and €8 million in ordinary EBITA to 2011 results and had annualized revenues of €90 million and ordinary EBITA of €22 million. The principal acquisitions in 2011 included: NRAI in Legal & Regulatory, TopPower and Twinfield in Tax & Accounting, Lexicomp in Health, and Spring and SASGAS in Financial & Compliance Services.

Springboard

The Springboard program, which is designed to drive operational efficiency, reached run-rate cost savings of €191 million. The full run-rate cost savings target of €205-210 million is expected to be achieved in 2012. An exceptional charge of €104 million was taken in 2011 to complete the final phase of this program.

Springboard savings and costs € millions (pre-tax)	2008 Actual	2009 Actual	2010 Actual	**2011** **Actual**	2012 Target	Total
Run-rate cost savings[1]	16	84	146	191	205-210	205-210
Exceptional program costs	45	68	58	104	-	275

[1] In 2008 constant currencies (€/$ 1.37)

Discontinued operations

In July 2011, Wolters Kluwer announced the planned divestment of its pharma business and took an impairment charge on the value of the related assets in 2011. Profit for the year, including the results of discontinued operations, was €118 million. In December 2011, this divestment was partially completed with the sale of Marketing & Publishing Services. Disposal of the remaining assets is in process. Revenues and ordinary EBITA of the discontinued operations are shown below.

Discontinued operations	**2011**	2010	Δ	Δ CC	Δ OG
Revenues	217	248	(12)	(10)	(7)
Ordinary EBITA	3	11	(76)	(79)	(79)

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

Dividend and share buy-back

In accordance with its progressive dividend policy, at the 2012 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.68 per share, a 1.5% increase over last year, to be paid on May 15, 2012. On May 11, 2012, the stock dividend conversion rate will be set on the basis of the volume weighted average share price of Wolters Kluwer during the period from May 7 up to and including May 11, 2012.

While solid cash flow performance continues to support the company's objective to invest for long-term growth, it also presents an opportunity to provide additional shareholder returns. As such, the company announced its intention to execute a new share buy-back program of up to €100 million in 2012.

2012 Outlook

The 2011 results demonstrate the resiliency of the company's portfolio. While market conditions remain uncertain in 2012, the business model is fundamentally sound with strong global market positions, a resilient portfolio with a high proportion of recurring revenues (74% of total revenues), growing online and software revenues, and strong cash generation. These factors are expected to support improving results.

Market conditions for 2012 are expected to resemble those of the second half of 2011, with the U.S. and Asia driving growth and Europe facing macro-economic challenges.

The company expects subscriptions to remain resilient, underpinned by improving retention rates from the adoption of software and workflow solutions. Transactional revenues are expected to grow, but remain sensitive to underlying volume growth and market conditions.

Net financing costs are expected to be approximately €125 million in 2012. The effective tax rate on ordinary income before tax is expected to be approximately 27.5% in 2012.

The table below highlights key points of guidance for the continuing operations in 2012.

Performance indicators	2012 Guidance
Ordinary EBITA margin	21.5-22.5%
Ordinary free cash flow[1]	≥ €425 million
Return on invested capital	≥ 8%
Diluted ordinary EPS[1]	Low single digit growth[2]

1 In constant currencies (€/$ 1.39)

2 Assumes a limited contribution from the 2012 share buy-back.

What are the game-changing trends for your customers?

Professionals in all of our markets need to anticipate and respond to game-changing trends to stay ahead of the curve. Mobility, social media, cloud computing, quality healthcare, complexity challenges, and data analytics are changing the professions at an ever-faster rate.

→ *Improving Patient Care*, page 80

Business Centre, Shopping Mall, Shanghai, China

#1 Expertise

A relentless focus on customers combined with the expertise of Wolters Kluwer's employees, authors, content providers, and partners creates unique value and guides customers at the next frontier of professional-client interaction. Through a combination of subject-matter expertise, rich information assets, and robust technology platforms Wolters Kluwer delivers expert insights, services, and software on a global scale with a strong local presence.

Essay #1 - Expertise
by Dr. Ulrich Hermann

Dr. Ulrich Hermann is the CEO of Wolters Kluwer Germany, and the Regional Managing Director, Wolters Kluwer Legal & Regulatory Central Europe. Most recently, he welcomed 500 authors and partners for the launch of Jurion, the new legal information platform for German legal customers. He shared his view on the role and importance of expertise as a differentiator for Wolters Kluwer. The blog below is based on Ulrich's speech at the event in Cologne. On our website you can find a wide variety of speeches and presentations from our leaders.

Building a Network of Legal Knowledge

Read more about content, technology, and new ideas in the global information industry from Wolters Kluwer in-house experts on the Intelligent Solutions Blog.

Many of Wolters Kluwer's employees and managers share their expertise on the latest trends, industry developments, and technology innovations. We publish updates in the form of blogs, whitepapers, articles, presentations, and speeches throughout the year. We take pride in sharing our understanding of the industries we serve. In this Annual Report you will find three blog posts that illustrate the thought leadership of our people. Here is the first.

Since Wolters Kluwer was founded, serving customers has been central to our strategy. We provide information that professionals find of value. In the past, when access to information was the critical need for our customers, we required that they subscribe to or buy content from sources that we owned and controlled. It was crucial that our customers had the relevant information at hand in order to be able to make informed decisions, comply with regulations, or work on a timely legal problem to serve clients. We served that crucial need for 155 years in the form of 'top down' distribution, selling our expertise to customers in a one-way flow of information.

However, as access to information sources is now ubiquitous, and the distribution of content is no differentiator, the form our value creation takes has been shifting. It is no longer about pure information. In the last 20 years, the internet, software, and services have greatly increased our ability to maximize the value of our expertise for our customers. Our focus has shifted to the context in which the customers actually use or need relevant content. It is now crucial that we deliver information at the point-of-need and support customers with legal or regulatory content in the way they find most productive. We understand that customers don't pay for such legal information per se, but they do pay

The voice and the expertise of our customers are crucial. At Wolters Kluwer, we have found this to be especially true for our online and software products. We incorporate customer needs into our product development efforts. Read more on page 78

for productivity increases in their research-based workflows and guidance on how to take the right quality decisions.

Jurion creates value not just by providing customers with access to information but by connecting its users, thereby creating a digital knowledge community of experts where members are users and creators alike: www.jurion.de.

Jurion, the newly launched legal information platform in Germany, gives access to relevant legal content and at the same time it substantially improves the productivity of legal professionals. It does so in a number of ways. Firstly, Jurion provides integrated access to Wolters Kluwer owned content as well as sources from other publishers, government sources, and user-generated content. This eliminates the problem of different interfaces for different content. Secondly, the search function is triggered the moment the legal professional opens a document, in a manner that relates the content automatically to context relevant sources and ranked search results. Finally, Jurion is the first web 2.0 solution for the legal profession. It allows experts and authors to create and share content amongst each other directly. Jurion is a great example of how Wolters Kluwer has combined knowledge from our software business with our publishing expertise in the domains of legal and regulatory content.

Legal professionals now have the ability to improve specific workflows and access relevant content at the point-of-need. We support professionals' ability to manage their own proprietary content and knowledge base using our platform. We are no longer the sole source of truth. We expect that over time, more and more customer-generated content will be hosted by our platform. This content will complement IP-protected content from our traditional publishers. In true web 2.0 fashion, the customer is now involved in creating content and has become an integral part of the value chain. Over time, our customers, together with our authors and domain experts will all contribute to a growing network of legal knowledge.

Involving customers is our key to further deepen our customer segment expertise, sustain and grow our business, and create exceptional value.

Best of 2011:

Trends in Expertise

The world is changing at an ever-increasing pace. Professionals in all of our markets need to anticipate and respond to game-changing trends to stay ahead of the curve and our expertise helps them with that.

Chris Virgilo, Clinical Coordinator at the Merit Medical Center, works with Wolters Kluwer Health's Sentri7 to prevent significant patient harm and save lives

Quality Healthcare

According to one of our surveys, 88% of physicians report that it is difficult to balance efficiency and quality of patient care. Access to trusted medical research applications and evidence-based resources at the point-of-care are critical in positively addressing impact factors ranging from the quality of patient care to doctor-patient relationship to organizational efficiency.

Complexity Challenges

The world of today's professionals is characterized by the increased volume and complexity of regulations at the local, regional, and global level. Heightened expectations by regulators for controlling risk and ensuring compliance lead to higher visibility and greater scrutiny of the compliance and risk management functions in all organizations.

Audrey McNair, Aberdeen Asset Management's global head of Business Risk, uses Wolters Kluwer Financial Services' *ARC* Logics solution to help manage risk holistically

Consumerization of Professionals

Professionals expect to be updated and interact with their partners in business irrespective of office hours and on a 24/7 basis. Our customers therefore demand access to information and tools anywhere, anytime, enabled by mobile access. Social media has moved from professionals' private to their work life, changing our customers' expectations of how they work and communicate.

Pietro Chiofalo, Partner and Founder of the Arbitration Mediation Institute, IMA, uses Wolters Kluwer Italy's Arbitration Solution anytime and anywhere

Cloud Computing

Moving to the cloud allows businesses to increase efficiency, flexibility, and profitability. By using Software-as-a-Service (SaaS), our customers no longer have to manage technology on their premises, freeing up their time to focus on their core businesses. The cloud also levels the playing field, since smaller firms can now access the same technologies as larger firms.

Sandy Gamble, Technical Partner and CPA, Northwest CPA Group, uses Wolters Kluwer Tax & Accounting's ProSystem *fx* Suite in the cloud for many years now

Leonard Gail, Partner at Massey & Gail, works with TyMetrix Legal Analytics

Data Analytics and Insights

Every day, vast amounts of data are processed through online and software tools. The data coming from these tools can be mined to provide analytics and will become a key competitive driver for future growth in the professions. Smart businesses are harnessing existing data for insights into trends and benchmarks which are valuable on a daily basis and can even lead to new lines of business.

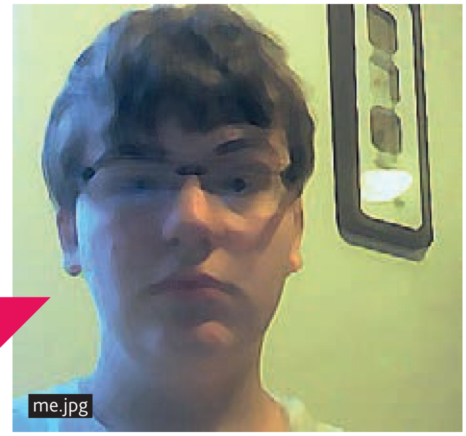
What are major elements of your strategy?

We create value through relentless focus on customers. In everything we do, we put the customer first. We combine this with fostering a global culture of innovation and we use different initiatives and programs to help us with that.

→ *Taking It to the Next Level*, page 74

Meet the Next Generation

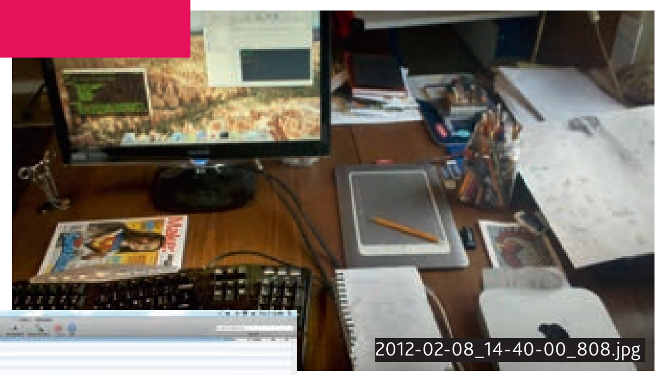
The App Maker


me.jpg

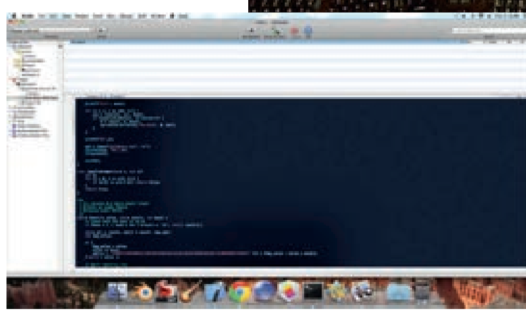
Name: James Gilles

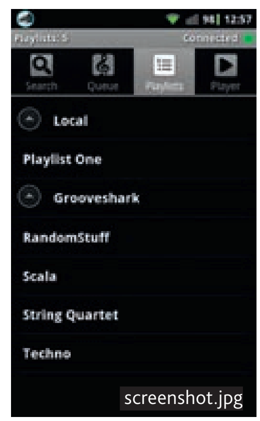
Age: 15

Interests: Developing apps in his free time; visited a summer camp focused on building apps


2012-02-08_14-40-00_808.jpg

Wolters Kluwer is very interested in interacting with and understanding next-generation innovators and professionals. Read this online Skype chat between Wolters Kluwer's Dennis Cahill and young innovator James Gilles. James is the son of Rayellen Gilles, who works at Wolters Kluwer and was one of the finalists of the 2011 Global Innovation Award.


Screen shot 2012-02-09 at 7.13.36 PM



screenshot.jpg

James Gilles
[JG]

Dennis Cahill
[DC]

Eastern Standard Time

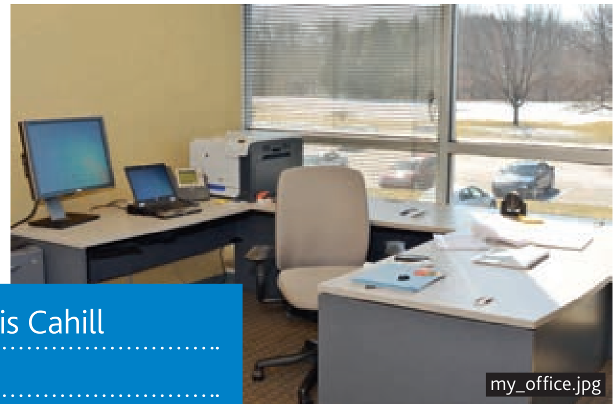
04:04:19 [DC] what motivated you to get into mobile apps
04:04:38 [JG] Interest, mostly.
04:05:18 [DC] what did the app you developed do
04:05:18 [JG] I was looking through different classes and there was one available on mobile apps, which I use a lot
04:05:55 [JG] I've made a couple
04:06:05 [JG] Let's see
04:07:04 [JG] The one I developed during that class was just a sort of little game- it rendered a procedurally generated worm on screen and let you customize it
04:08:04 [JG] Aside from that I wrote an application engine that used the compass on an Android smartphone to allow you to move through a virtual environment
04:08:33 [JG] It didn't end up working very well, because the compass was really badly calibrated, though
04:09:07 [JG] I also wrote a small app to scan through a webcomic and store indivisdual comic strips in an on-phone database
04:09:13 [JG] *individual
04:10:03 [DC] where these all on andriod based devices? did you build them using eclipse ?
04:10:41 [JG] No, the class was on iOS, so that app was build for an iPod with apple's Xcode
04:11:00 [JG] But for the others I used eclipse
04:11:21 [JG] (and a text editor and terminal, for when eclipse wasn't working)
04:11:47 [DC] Which phone do you prefer? and which dev environment did you prefer
04:12:19 [JG] Oh, I just remembered, I wrote a security demonstration app for Android- it showed how easy it is to use an app to get user information
04:12:29 [JG] but, regarding the question
04:13:14 [JG] iOs and objective-C are very well documented and they tend to be less glitchy
04:14:24 [JG] But they are also very rigid- apple forces you to use a particular application model and use data in specific ways- plus they're closed-source


Cahill.jpg

Name: Dennis Cahill

Age: 45

Job: Executive Vice President, Global Platform Organization


my_office.jpg


mobile_phone.jpg

04:14:48	[JG] Android is open-source, and has a very active dev community so it's easy to get online support with
04:18:16	[DC] back to your comic strip app - could you expose a comic strip of the day or allow users to search for specific comic strips?
04:18:23	[JG] um]
04:18:39	[JG] it depends
04:20:37	[JG] they could search through their archived comic strips, and import all strips with just tags to search and only download the images when they wanted to view the comics
04:20:52	[JG] harry.the.gilles: but I didn't implement a web search but there was a 'download current strip' button too
04:21:57	[DC] Pretty cool, so a user could create their own personal archive
04:22:02	[JG] Yeah
04:22:11	[JG] Sort of
04:22:31	[DC] did you ever think about exposing any of these apps to the App Store
04:22:48	[JG] Yes
04:23:30	[JG] But I never really had a full app to put on an App Store. I usually just do proof of concept / practice work for myself.
04:24:02	[DC] how much time do you think you spent on the comic strip app
04:24:18	[JG] meh
04:25:08	[JG] like 1 hour for the actual coding, fifteen minutes sketching it out, 3 hours debugging
04:25:16	[JG] story of my life
04:25:30	[JG] It was pretty spur-of-the-moment
04:26:30	[DC] pretty neat that you could get a proof of concept pulled together in a long afternoon, how long do you think it would take to finish and publish it?
04:26:46	[JG] As an actual app?
04:26:49	[JG] um
04:26:55	[JG] couple days
04:27:16	[JG] Assuming I had money for hosting fees and whatnot
04:29:08	[DC] that is what I find most amazing about the mobile app space given a good idea and a couple of weeks of work you have access to an amazing marketplace of potential users/buyers
04:29:14	[JG] Yeah
04:29:28	[JG] the most difficult thing is getting users to buy in
04:30:22	[JG] They have so much content available that they really can be picky about applications and throw away applications that they don't like
04:30:57	[DC] I wish my kids were more picky about apps - they each must have 75 apps on their phones
04:31:07	[JG]Heh, yeah, me too
04:31:14	[DC] what is your favorite app
04:31:18	[JG] Hm
04:31:32	[JG] I mostly use my browser app, honestly
04:31:58	[JG] also the Facebook app, the email app, sometimes a game or two
04:32:27	[JG] Oh, and music streaming apps
04:33:53	[JG] The best apps are the ones that are really intuitive amd useful
04:33:57	[JG] *and
04:34:46	[JG] If I have to spend a long time figuring out how to use something I'll just go look for something easier
04:35:05	[DC] Agreed I often talk about one very simple app at was well worth the $1 - it crawled all of the train schedules, you told it where you live and it would use the GPS to tell you when the next express train was leaving
04:35:41	[DC] If there was one app you wish you had today what would it be
04:35:49	[DC] hard question
04:37:24	[JG] It would be something that let me accomplish something that is typically cumbersome more easily. Maybe a Wikipedia app, or an app for some other website that doesn't work supremely well on a phone
04:44:57	[DC] last question - do you know what you want to do after school
04:45:32	[JG] Well, probably get something to eat and do my homework
04:45:35	[JG] But
04:45:38	[JG] Seriously
04:45:52	[JG] Probably be a developer / software engineer
04:46:37	[JG] Or a scientist - or an activist
04:47:02	[DC] I think you are off to a good start - I certainly was not developing mobile apps at 15
04:47:31	[JG] Ha, well, I have resources available to me that you didn't
04:47:34	[JG] Like the entire internet / open dev community
04:48:11	[DC] well, you're being generous. The cell phone didn't exist when I was 15
04:48:59	[DC] I think I bought our first mobile phone when I was 20 or so - and it was a big bag phone about the size of today's laptop
04:49:22	[JG] Wow
04:49:40	[JG] Well, exponential growth
04:49:46	[DC] Thanks for taking the time today
04:49:58	[JG] It was fun, thanks for inviting me

Get It Right

In the context of an ever-increasing environment of regulations and compliance, it is important that we use our expertise to help our customers get it right. Our range of solutions for risk, compliance, and enterprise risk management support our customers in managing complex challenges.

Challenge #1
Supporting Banks in Europe to Manage Critical Risks

Financial organizations across the EU are facing new kinds of systemic risks, many of which are triggered by the euro zone crisis that continues to pose a severe threat to the global economy. Reaching consensus among individual countries and EU institutions in addressing these risks can prove to be difficult, adding another layer of complexity and uncertainty.

Challenge #2
Solving Enterprise Risk Management Challenges for Financial Organizations

Restoring trust in the financial services system is critical to future economic recovery. Financial services providers must demonstrate achievement of their regulatory obligations while performing stress tests, liquidity analysis, and scenario planning. Lack of a fully-integrated Enterprise Risk Management program challenges financial services providers of all sizes and across the globe.

Challenge?

Challenge #3
Manage Complexity for Banks in India

The aftermath of the financial crisis has led to regulators around the world insisting on more detailed reporting information and transparent processes. As a result, new guidelines have been developed, such as the Reserve Bank of India requirement that data from commercial banks' IT systems must be sent automatically and seamlessly. Furthermore, all returns have to be generated automatically without manual intervention, with a view to ensuring accuracy and integrity of data flow and reporting.

Challenge #4
Improved Risk Assessment Tool

The current economic climate coupled with regulatory and compliance pressures have put strain on audit functions and budgets. Regulators and boards of directors are demanding that organizations manage risk more transparently. Increased compliance efforts and Sarbanes Oxley have led to increased controls testing and audit for fraud.

Challenge #5
A Y2K Moment for Healthcare

The ICD-9 coding system for classification of health conditions is scheduled to be replaced in the U.S. on October 1, 2013. The entire U.S. healthcare system will shift to ICD-10 - what some are calling a Y2K moment for healthcare. The new coding system impacts every aspect of claims processing, reimbursement, clinical documentation, payer relations and coding, as well as audit, compliance, and risk management programs.

Solution #1

Building upon the successful acquisition of FRSGlobal, Wolters Kluwer Financial & Compliance Services expanded its enterprise risk management offerings into Europe, providing banks with actionable regulatory intelligence and the tools they require to comply with regulatory requirements, address a single key risk, or work toward a holistic risk management strategy. European banks can now meet the challenges of Solvency II, Basel III, and other global regulatory guidelines as the euro zone continues to deal with uncertainty. With the evolving picture of risk and compliance, these organizations can make more informed decisions that support their goals.

Solution #2

Financial organizations around the world trust Wolters Kluwer Financial Services' *ARC* Logics solution to help manage their enterprise risk and compliance requirements. *ARC* Logics' modular approach enables organizations to fulfill immediate risk management objectives in a targeted, cost-effective manner while allowing for future expansion.

ARC Logics provides financial services organizations, such as Legal & General, a U.K.-based provider of risk, savings, and investment management products, with a complete, yet cost-effective ERM solution to manage risk across business units and provides them a single view of risk across the organization. This in turn enables strategic decision making at all levels of the organization.

Solution!

Solution #3

Wolters Kluwer Financial Services has incorporated the latest reporting requirements from the Reserve Bank of India into its FRSGlobal regulatory reporting solution. The enhanced solution has been designed to address the ever more complex reporting requirements faced by banks operating in India, and saves customers' valuable time and resources by hosting a single data repository and automating end-to-end report compilation.

Solution #4

More than 85,000 auditors across the world rely on TeamMate to improve every facet of the internal audit process, including risk assessment, scheduling, planning, execution, review, report generation, trend analysis, committee reporting and storage. TeamMate helps auditors better assess the risks facing their organization and simplify each step of the audit process.

Recent enhancements provide internal auditors with expanded views of audit data via customizable dashboards and a powerful risk assessment system that allows auditors to better identify linkage between scored risks and underlying controls.

Solution #5

To help manage the challenge of switching to ICD-10, MediRegs, part of Wolters Kluwer Law & Business, has developed tools, educational resources, and expert support for U.S. healthcare organizations. These ICD-10 solutions deliver a complete understanding of the reimbursement consequences of this complex new coding vocabulary. In addition, Wolters Kluwer subject-matter experts are providing information resources that help clarify the transition. Also, ProVation Medical, part of Wolters Kluwer Health, will provide ICD-10 codes as part of its clinical documentation software solutions. Once implemented, the added granularity of ICD-10 will mean better clinical decision support, better reporting, fewer rejected claims, better outcomes analysis, and ultimately, better healthcare.

Sharing Expertise with the Community

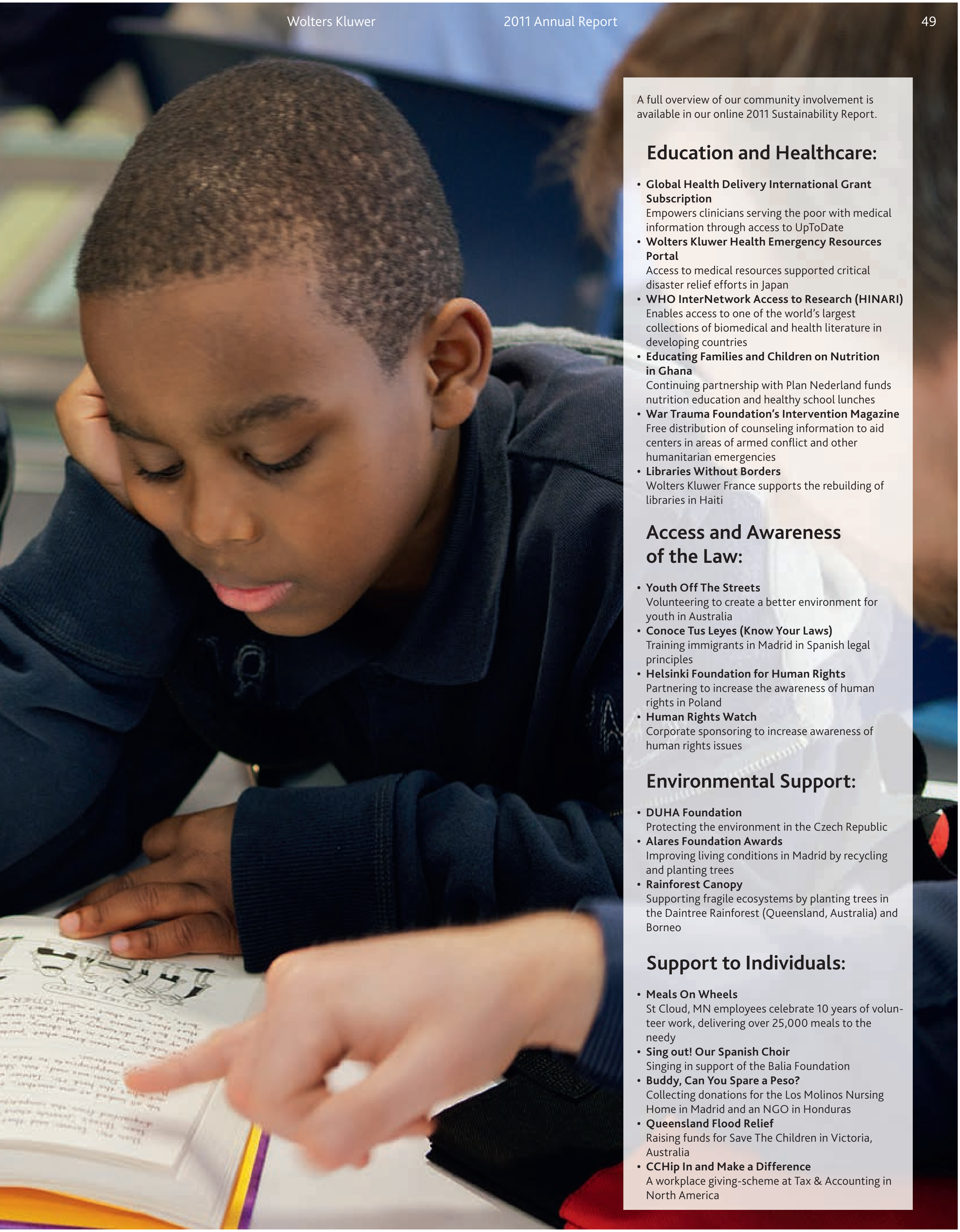
In Our Neighbor-hood

Wolters Kluwer is committed to improving the quality of life in the communities in which we are active. We share our knowledge and expertise in many ways and support our neighborhoods around the world through a wide variety of local community involvement. We value and respect our neighbors.

Philadelphia Reads

This ten-year-old program partners public school children with Wolters Kluwer mentors, helping children to develop a life-long love of reading through in-school, after-school, Saturday enrichment and summer programs.

Visit the online 2011 Sustainability Report



A full overview of our community involvement is available in our online 2011 Sustainability Report.

Education and Healthcare:

- **Global Health Delivery International Grant Subscription**
  Empowers clinicians serving the poor with medical information through access to UpToDate
- **Wolters Kluwer Health Emergency Resources Portal**
  Access to medical resources supported critical disaster relief efforts in Japan
- **WHO InterNetwork Access to Research (HINARI)**
  Enables access to one of the world's largest collections of biomedical and health literature in developing countries
- **Educating Families and Children on Nutrition in Ghana**
  Continuing partnership with Plan Nederland funds nutrition education and healthy school lunches
- **War Trauma Foundation's Intervention Magazine**
  Free distribution of counseling information to aid centers in areas of armed conflict and other humanitarian emergencies
- **Libraries Without Borders**
  Wolters Kluwer France supports the rebuilding of libraries in Haiti

Access and Awareness of the Law:

- **Youth Off The Streets**
  Volunteering to create a better environment for youth in Australia
- **Conoce Tus Leyes (Know Your Laws)**
  Training immigrants in Madrid in Spanish legal principles
- **Helsinki Foundation for Human Rights**
  Partnering to increase the awareness of human rights in Poland
- **Human Rights Watch**
  Corporate sponsoring to increase awareness of human rights issues

Environmental Support:

- **DUHA Foundation**
  Protecting the environment in the Czech Republic
- **Alares Foundation Awards**
  Improving living conditions in Madrid by recycling and planting trees
- **Rainforest Canopy**
  Supporting fragile ecosystems by planting trees in the Daintree Rainforest (Queensland, Australia) and Borneo

Support to Individuals:

- **Meals On Wheels**
  St Cloud, MN employees celebrate 10 years of volunteer work, delivering over 25,000 meals to the needy
- **Sing out! Our Spanish Choir**
  Singing in support of the Balia Foundation
- **Buddy, Can You Spare a Peso?**
  Collecting donations for the Los Molinos Nursing Home in Madrid and an NGO in Honduras
- **Queensland Flood Relief**
  Raising funds for Save The Children in Victoria, Australia
- **CCHip In and Make a Difference**
  A workplace giving-scheme at Tax & Accounting in North America

Sales in North China

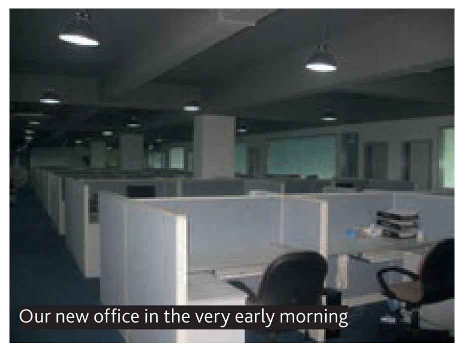
A Day in the Life

Luo Wei shares his experience of some of his customer meetings in Huhhot, a city in north-central China and the capital of the Inner Mongolian Autonomous Region, which took place in April 2011.

Sales representatives are on the road and meet with customers every day: in their offices, their companies, or in this case - at different hospitals in China. They have long-term relationships with customers and understand their specific needs. Through their regular contact, we learn a lot about the latest and most eminent trends in each of our businesses and regions.


In the train to Huhhot, capital of the Inner Mongolian Autonomous Region

Luo Wei, 32, joined Medicom in July 2004. During the past seven years he has grown to be an excellent salesperson and is now the company's marketing manager for North China, responsible for sales and technical support in 13 provinces, autonomous regions, or municipalities. The sales revenue in his regions has increased from less than 1 million yuan in 2004 to more than 6 million yuan in 2011.


Our new office in the very early morning


On my way to a customer in Yanji, a major city in northeastern Jilin Province

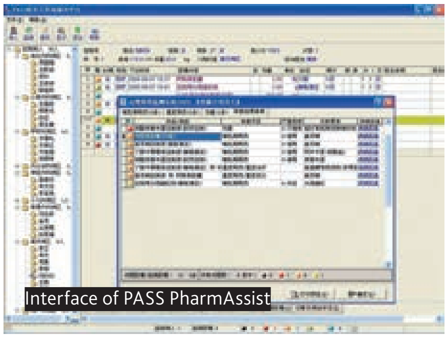
Date: **April 12, 2011**

Day: **Tuesday**

Place: **Beijing**

Weather: **Fine**

In the early morning, I embark on a trip to the city of Huhhot to visit the Affiliated Hospital of Inner Mongolia Medical College. In a conversation yesterday, Mr. Yao Lei, Director of the Information Office of the hospital, already a customer of our Prescription Automatic Screening System (PASS), told me he was highly interested in PASS PharmAssist, a brand-new product of ours. This prompted me to set off immediately for a visit.


Interface of PASS PharmAssist

Date: **April 13, 2011**
Day: **Wednesday**
Place: **Huhhot**
Weather: **Cloudy**

The presentation of PASS PharmAssist to Mr. Yao Lei and engineer Wang Hui went well. "This product is great. This is precisely what we need badly now. We are still doing these statistical sheets manually, and a single sheet would not come out after a whole month's labor. And the results are not sufficiently accurate either," said Mr. Yao. The product was equally well received by the pharmacy Director Wang Jin and pharmacist Bao Lidao. From their rapid flow of questions I could sense their need for the latest technical solutions.


The Yanji Railway Station

Date: **April 16, 2011**
Day: **Saturday**
Place: **Huhhot**
Weather: **Fine**

During my return trip to Beijing, scenes of my hospital visits returned to me: winding queues of patients, hard-working doctors, and sometimes also quarrels between doctors and patients' families. I must admit that China is the place of the biggest medical challenges in the world.

Date: **April 14, 2011**
Day: **Thursday**
Place: **Huhhot**
Weather: **Fine**

I arrived at the hospital on time for the scheduled meeting with the president, accompanied by the directors. I was impressed by President Li's direct, on-point remarks and only learned later that he put off a meeting to see me. In the afternoon, Yao asked me if we can set up a notification function, to tell doctors whether the drugs they are prescribing are covered by local medical insurance. We integrated this the same day, which really impressed them as they had anticipated that it would take months to set up. In the evening Yao insisted on treating me to mutton hot pot, a specialty here, and his hospitality was simply too much for me to decline.


The delicious mutton hot pot

Date: **April 17, 2011**
Day: **Sunday**
Place: **Beijing**
Weather: **Fine**

I had the rare comfort of staying indoors, but calls from clients seeking advice came in as usual despite the weekend. Actually I love answering calls, and I especially enjoy the enthusiasm on the other end of the line when I can help.


Award of Best Performance was presented

Date: **April 15, 2011**
Day: **Friday**
Place: **Huhhot**
Weather: **Fine**

Over the years I have developed the habit of visiting my clients whenever I take a business trip to a city. Today I visited Director He Leping working at the information office of the Inner Mongolia People's Hospital and Director Ma Liya of the No.253 PLA Hospital. Their questions showed an urgent need for IT assistance in hospitals as well as the need to support health professionals in working more efficiently. To me this highlights the important need for our products to be professional, intelligent, and user-friendly.


Yanda International Hospital in Beijing suburbs

Could you tell me about your people and organization?

We have four market-leading, global operating divisions and employ more software engineers than editors. Our 19,000 employees see innovation as an integral part of their work and they are encouraged to develop and expand their professional horizons through company-wide initiatives.

→ *Developing New Generations of Leaders*, page 54

Nikkei, Tokyo, Japan

#2 Leadership

For professionals who seek actionable knowledge and not just information, our expertise and focus on innovation makes us the leading source of insight they need to advance their knowledge. Customers trust Wolters Kluwer as the go-to resource to guide them in their daily activities and to help them achieve their goals. We have many leading experts and highly talented professionals among our global workforce and together with authors, partners, and customer we deliver leading solutions that create real value in the fields of medicine, law, financial services, and accounting.

Essay #2 - Leadership
by Diane Holman

Developing New Generations of Leaders

Diane Holman is the Chief Talent Development Officer at Wolters Kluwer and was appointed to this role in the summer of 2011. She shared her thoughts on talent and leadership at Wolters Kluwer's annual Leadership Forum

Volumes have been written about the subject of leadership. They address the questions we all have about leaders and leadership. How to define it? How to recognize it? How to nurture and develop it in ourselves and others? Genuine leadership is a benefit to an organization and for the individual leader, it creates a positive direction for the future. The development of talented leaders is of crucial concern for Wolters Kluwer as we build a strong foundation for future growth, led by the leaders of tomorrow.

"Joining Wolters Kluwer was an easy decision for me. Having been in the talent and leadership practice for many years, the chance to continue my work on a global level was the growth opportunity I was looking for. Wolters Kluwer sees tremendous future growth in emerging global markets. To me the most exciting opportunity is to develop leaders with a global mindset who can explore new businesses, markets, and ways of working together. By learning from each other, celebrating our individual and cultural differences, and using our collective knowledge and ideas, we can build the Wolters Kluwer of tomorrow."

Interested in joining Wolters Kluwer? Visit our career section:

Wolters Kluwer's vision for leadership is to be known as a builder of global talent that attracts the leaders of tomorrow. We need a pipeline of leaders who have bold ideas, strategic perspective, customer focus, and are capable of courageous decision making. Many would say this is ambitious. However, I say it is an imperative. The pace of change in the world today compels us to think and act differently. We need to ask ourselves four essential questions:

1. Do our people have the leadership capabilities to maintain a competitive advantage?
2. What is the profile of the future Wolters Kluwer leader?
3. How do we manage our talent globally?
4. Are we building a sustainable pipeline of talent for the future?

As a builder of global talent, Wolters Kluwer's talent development initiatives are 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.

Wolters Kluwer's investment in a global talent development strategy involves a number of steps.

Our first step is to shape our culture by communicating the profile of attributes and behaviors we expect of future leaders at Wolters Kluwer.

Wolters Kluwer's employees are the foundation for our success. To deliver value-adding solutions to customers, employees at Wolters Kluwer work as a team and with great commitment, each employee contributing in their area of specialty. Read more on page 58.

We need leaders who are comfortable with change. Our business and industry is changing rapidly and our leaders need to be able to anticipate customer needs. They need to be risk takers, willing to foster a culture of innovation, and empowered to develop their employees. As an international company, we need leaders with a global mindset who explore new businesses, markets, and ways of working together. We take employee engagement and the focus on our customers seriously. Internal engagement surveys and tools such as Net Promoter Score help leaders tailor their style to the needs of employees and customers.

"The Leadership Forum is a 2-day session in which middle managers get together to connect with colleagues, share their expertise, and learn from external best practices. I had the opportunity to attend the 5th annual Leadership Forum. This session pushed me to think differently in terms of realizing Wolters Kluwer's need for a broader customer focus and innovative thinking." 2011 Leadership Forum Participant

The next step is to build capabilities through leadership development programs that are anchored in and driven by Wolters Kluwer's strategy, informed by contemporary practices, and aligned to the profile of the future leader. We practice a philosophy of "leaders developing leaders" wherein our more senior leaders will share their wisdom and knowledge with the next wave of talent.

"I have learned a lot about my own leadership abilities in sessions where our leaders have shared their experiences, both successes and failures. 'Leaders teaching leaders' is an integral part of creating a learning culture at Wolters Kluwer." 2011 Leadership Forum Participant

The final step is to create a robust talent pipeline that will ensure there are leaders in place to assume the role at the right time. We are committed to investing in future leaders by assessing their potential, tracking their performance, and providing them with development opportunities, including mentoring and varied job assignments.

"I am currently on a six-month assignment with Wolters Kluwer Australia. This has been beneficial to both me and the business. I've had the opportunity to enrich my professional career by gaining valuable experience operating in another country. Successful companies invest in talent development, and I am excited to see Wolters Kluwer is part of that group." Pablo Villanueva, Sales & Marketing Manager, Wolters Kluwer Spain

Leadership is a matter of choice. People must step up and express a willingness to take on new assignments, build their capabilities, take calculated risks, and reap the rewards. As a company, Wolters Kluwer has chosen to make opportunities for leadership available to those who measure up. It's an exciting time to choose to be a leader.

Best of 2011:

Leading Awards

Wolters Kluwer's leading solutions were recognized by many different awards over 2011. This is just a small selection.

Nursing Made Incredibly Easy!
Magazine of the Year
Lippincott Williams & Wilkins took home the esteemed 2011 Magazine of the Year award for Nursing Made Incredibly Easy! by the American Society of Healthcare Publication Editors (ASHPE). This recognition is a true testament to the expertise and quality of the publishing and editorial teams.

OneFile
CODiE Winner for Best Document Management Solution
The web-based loan processing solution was purpose-built for lenders with their direct input to help them eliminate the costly, tedious paper handling process associated with mortgage origination. The CODiE Awards hold the distinction of being the technology industry's only peer-reviewed awards program.

Kluwer Training
Best Learning, Coaching, & Development Company
Kluwer Training in Belgium has been recognized for its exceptionally high quality service and for innovative solutions that make an effective contribution to attaining the objectives of HR departments. It won the HR Excellence Award for 'Best Learning, Coaching, & Development Company' for the second consecutive year.

Corsearch
Top Honors in the World Trademark Review Survey
As the leading provider of the most innovative solutions to protect local and global brands and trademarks, Corsearch was ranked first in the watching category and second in the searching category by in-house counsel and private practitioners as part of World Trademark Review's annual Global Trademark Survey.

CCH Global Integrator
2011 Top New International Tax Product by Accounting Today
Global Integrator helps companies do business in locations around the world through multi-jurisdictional functionality that improves accuracy and efficiency. Accounting Today has recognized Global Integrator as best International Tax Product.

Which areas are you investing in?

We invest in innovation and expansion. It's no surprise that talent and capabilities, product leadership, continuous improvement as well as emerging markets, new product development, and new business model innovations are important for us. We also invest in understanding the next generation of innovative leaders.

→ *The App Maker,* page 44

You Tell Us, We Listen

Our customers tell us that what we do matters to them. To deliver value-adding solutions to customers, employees at Wolters Kluwer work together as a team, with great individual commitment, each employee contributing in their area of specialty.

Team LA LEY

Rosa González Yuste
Document Analysis Center Manager (Section Legislation)

Carolina Menéndez
Editor of IURIS magazine

Cristina Retana
Chief Content Officer

Consuelo Canseco
Criminal and Civil Publications Manager

Dori Fuentes
Document Analysis Center Manager (Section Jurisprudence)

Sonsoles Navarro
Labor Publications Manager

Inés Rodriguez
Tax & Accounting Publications Manager

Dolors Crevillen
Commerce Publications Manager

Fernando Cameo
General Publications Manager

Mercedes Rey
Editor of Diario LA LEY

Lourdes Marín
Tax Publications Manager

Marta Tovar
Cyclical Publications Manager

Sandra Núñez, Researcher at Collegi d'Advocats de Terrassa in Catalonia:

"Hay que ver, qué maravilla de Especial. No dejáis de sorprenderme. Creo que la suscripción con Wolters Kluwer es la que pago con más alegría… ☺ ¡Sois los mejores! Feliz noche de Reyes, que os traigan muchos regalos, porque os los merecéis."

"What a wonderful Special Issue! You never stop surprising me. The Wolters Kluwer subscription is the one I pay for most happily… ☺ You are the best! Happy Night of the Three Wise Men. I hope that they bring many presents to you, because you really deserve them."

Sandra is commenting on a special issue of Wolters Kluwer's LA LEY, analyzing a law published by the Spanish government on December 31 and prepared by the expert team within five days. It was issued to customers on January 5, a bank holiday in Spain celebrating the Three Wise Men.

Jamie Fowler, National Tax Strategic Solutions Managing Partner, Grant Thornton

"Grant Thornton selected CCH based on the company's longstanding tax law authority, customer focus, and its demonstrated commitment to delivering content in context. CCH focuses on delivering the right answer, and also understanding how and when professionals conduct research, which is evidenced by CCH's long-term strategy and support of mobile computing."

Grant Thornton has chosen Wolters Kluwer Tax & Accounting's IntelliConnect, part of the CCH product line, as primary platform for subscription research content and workflow tools for the firm's tax professionals in the U.S.

Team IntelliConnect

Andrew Hoechstetter
Director of National and Government Accounts

Dave Clark
Senior Technical Engineer

Elizabeth Weissman
Director, Agile Publishing Solutions

Tina Rajski
Product Manager, Tax Solution Set; Platforms

Karen Heslop
Senior Manager

Mark LoVullo
Manager, Training and Consulting, Research Products

John Falk
Director, Product Support

Renee Davis-Malott
Vice President, Sales – Global and National Accounts

Jill Weinstein
Technical Product Manager

Mark Friedlich
Director of Publishing, Tax, Accounting, and Audit

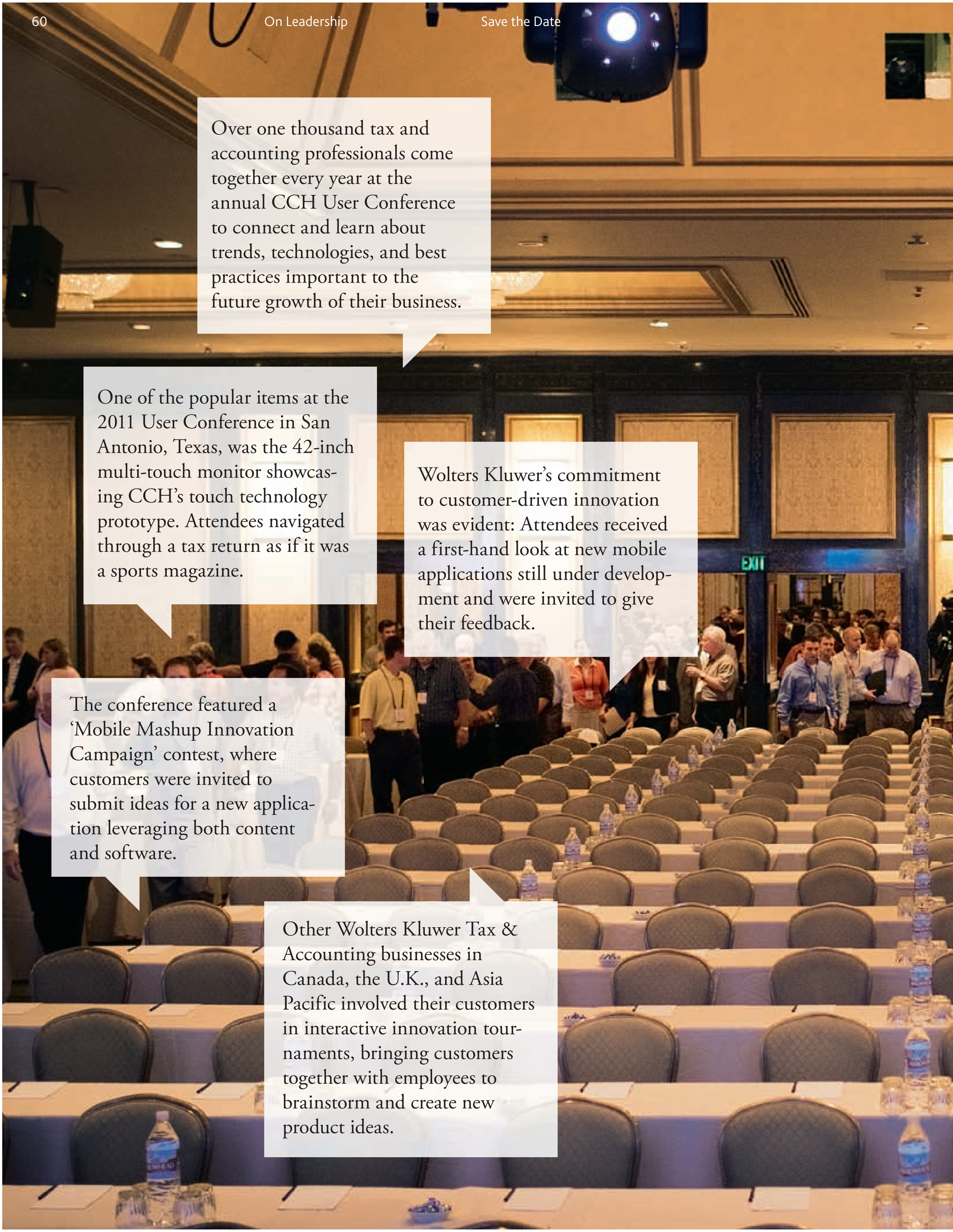
Jeff Margulis
Director, Research Platform

Jose Espinosa
Manager, Customer Application Support and Engineering

Tracy G. Mortenson
Director, Editorial and Platform

Greg Tatham
Vice President, Global Platform Organization, Product Solutions

Tanya Rose
Director of Product Management, Tax Solution Set



Over one thousand tax and accounting professionals come together every year at the annual CCH User Conference to connect and learn about trends, technologies, and best practices important to the future growth of their business.

One of the popular items at the 2011 User Conference in San Antonio, Texas, was the 42-inch multi-touch monitor showcasing CCH's touch technology prototype. Attendees navigated through a tax return as if it was a sports magazine.

Wolters Kluwer's commitment to customer-driven innovation was evident: Attendees received a first-hand look at new mobile applications still under development and were invited to give their feedback.

The conference featured a 'Mobile Mashup Innovation Campaign' contest, where customers were invited to submit ideas for a new application leveraging both content and software.

Other Wolters Kluwer Tax & Accounting businesses in Canada, the U.K., and Asia Pacific involved their customers in interactive innovation tournaments, bringing customers together with employees to brainstorm and create new product ideas.

Top Notch for the Professional

Join Us!

The CCH User Conference brings together thousands of leading experts and professionals each year and has become an important event for the North American tax and accounting industry.

We look forward to welcoming tax and accounting professionals at our next CCH User Conference taking place from November 4-7, 2012 in San Diego, California.

Advancing the Business

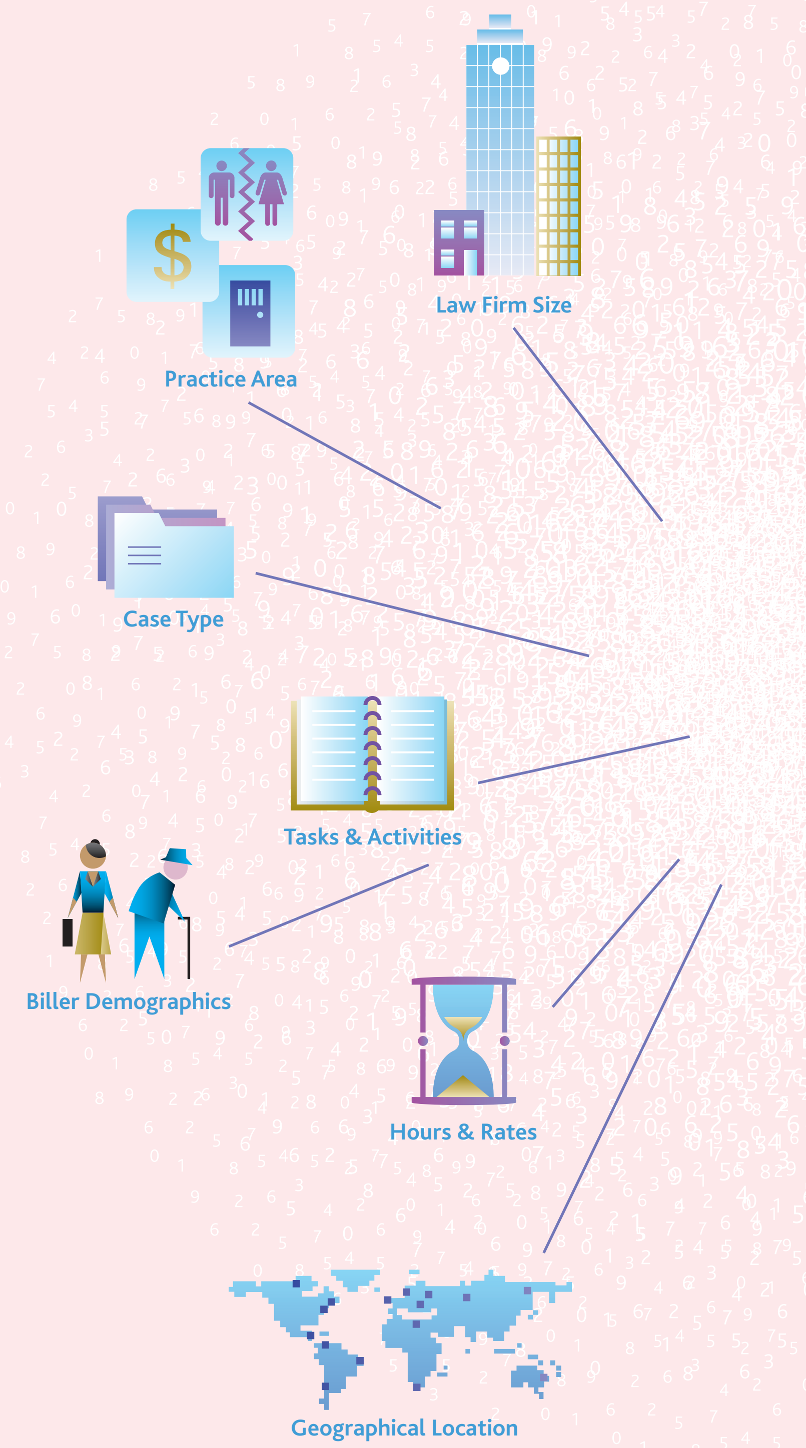
Big Data

Professionals in many industries, driven by cost pressures and the need for greater transparency, prioritize value-for-price in decision making. Wolters Kluwer realizes that there are opportunities to extract value from the massive amounts of data generated as a by-product of providing professional services. Harnessed in a responsible way and analyzed intelligently, this data provides valuable analytics and insights to help professionals make the right decisions and stay competitive. This is an important focus for us today and a basis for future growth opportunities.

TyMetrix Legal Analytics, from Wolters Kluwer Corporate Legal Services, aggregates tens of billions of dollars in global legal spend and performance data in LegalVIEW, the world's largest permission-based contributory data warehouse of legal performance data. Combining this data with unparalleled analytical and legal domain expertise, TyMetrix provides benchmarks, models, and insights to law firms, legal departments, and other professionals involved in managing the business of law.

1

Legal invoice data is highly detailed, which allows for rich analytics across multiple dimensions.



2

The data is analyzed to extrapolate trends and offer insight into legal spend.

$24 bln
Global Legal Spend Data

70 mln
Activities Captured

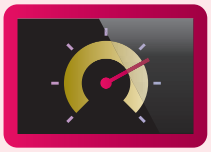
188,000
Individual Billers

238 mln
Hours of Legal Services

11,000
Law Firms & Vendors

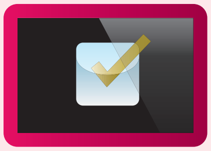
3

Data is transformed through advanced modeling, mining, and analysis into reports, interactive tools, services, and other products.

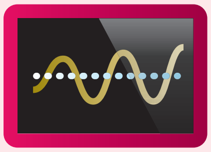


LegalVIEW Online
Software & technology products & tools
- *Dashboards* – Helping legal executives create and visualize KPIs critical to managing their business
- *Analyzers* – Helping individual users look up and analyze key data like rates and matters

LegalVIEW Publications
Research reports publishing insights, benchmarks, and analyses
- *Real Rate Report* – An annual publication written in partnership with the Corporate Executive Board's General Counsel Roundtable, which does deep mining and statistical analysis of rate and billing trends. The 2012 report is due out in Spring, 2012



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



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

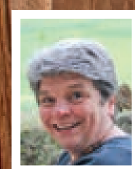
175+ Years Lead the Way

Once Upon a Time

Our 175+ years of history stretch across many geographies and areas of expertise. A majority of our employees or partners have been relying on our insights and information long before they joined us.

Chantal Gelmers
Chantal, a Nyenrode alumni, has worked with Wolters Kluwer for 16 years. Her career includes several business development roles and she currently heads all of our HR functions in the Netherlands. Chantal lives in the town of Dieren with her partner and two young children.

Matt Sullivan
Matt, a lawyer by training, has over 15 years' experience in the information industry. Matt has lived and worked in Singapore, Malaysia, Hong Kong, Japan, China, India, Australia, and New Zealand. Recently, Matt and his wife returned to Sydney, where he leads the CCH operations in Australia and New Zealand.



Carol Taylor
Carol Taylor, a nursing textbook author with Wolters Kluwer since 1987, is a founding member and previous Director of the Center for Clinical Bioethics, a Senior Research Scholar at the Kennedy Institute of Ethics, and Professor in the Department of Medicine and in the School of Nursing & Health Studies at Georgetown University.

1792 1850 1900 1950

1792: Lippincott opens office in Philadelphia.

1815: Carl Heymanns Verlag founded.

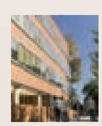
1836: Wolters founded.

1889: Kluwer starts business.

1895: Lamy enters publishing market with Bulletin des Transport.

1913: CCH publishes first Income Tax Reporter.

Chantal Gelmers
1975: I heard about Wolters Kluwer already in primary school because it was the publisher of our books.



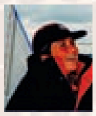
Carol Taylor
1979: I started teaching at the Holy Family University and got involved in text revisions for Wolters Kluwer.

1985: Operations start in China.

1989: Launch of the legal information system LEX in Poland.

1991: Italian IPSOA joins Wolters Kluwer.

1995: First legal database in Germany provided by Wolters Kluwers.



Chantal Gelmers
1996: I was recruited to join the marketing team at Kluwer Rechtswetenschappen in Deventer.

2003: Wolters Kluwer presents first 'Three-Year Strategy' to deliver sustained value to customers and shareholders.

2006: Launch Strategy 'Accelerating Profitable Growth'.

2009: Wolters Kluwer chosen as best place to work for in Spain.

Chantal Gelmers
2010: After working in different functions and disciplines, I moved to my current position as HR Director.

2011: Acquisition of SASGAS in China.

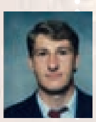
2011: Kleos rolled out to 5 countries after initial launch in Belgium.

2011: Acquisition of Medknow, a leading open access journal publisher in India.

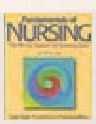
2011: Wolters Kluwer proven to save lives by a Harvard research report.

2011: ProSystem *fx* SaaS suite expansion continued.

1990 2000 2005 2010 2011 2012

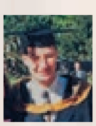


Matt Sullivan
1992: A senior colleague at my first job recommended the CCH Reporter as THE go-to resource.



Carol Taylor
2001: Together with co-authors, we published the Fourth Edition of Fundamentals of Nursing.

1996: Major step into the U.S. market with acquisition of CCH Inc.



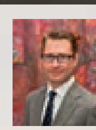
Matt Sullivan
1991: At Law School, I used the Australian Corporations & Securities Law Reporter which turned out to be a real treasure trove.

2005: Global Wolters Kluwer Talent Management Program set up.

2006: Wolters Kluwer Health office opens in New Delhi.

2010: Wolters Kluwer acquires FRSGlobal establishing leadership in the area of risk management.

2009: Strategy 'Maximizing Value for Customers' kicks-off.



Matt Sullivan
2010: After an enjoyable time working in Asia for Wolters Kluwer, I returned home to Australia.

Carol Taylor
2012: I participated in a series of seminars arranged by Wolters Kluwer Health in cities around India.

2011: Springboard program successfully completed enhancing global capabilities.

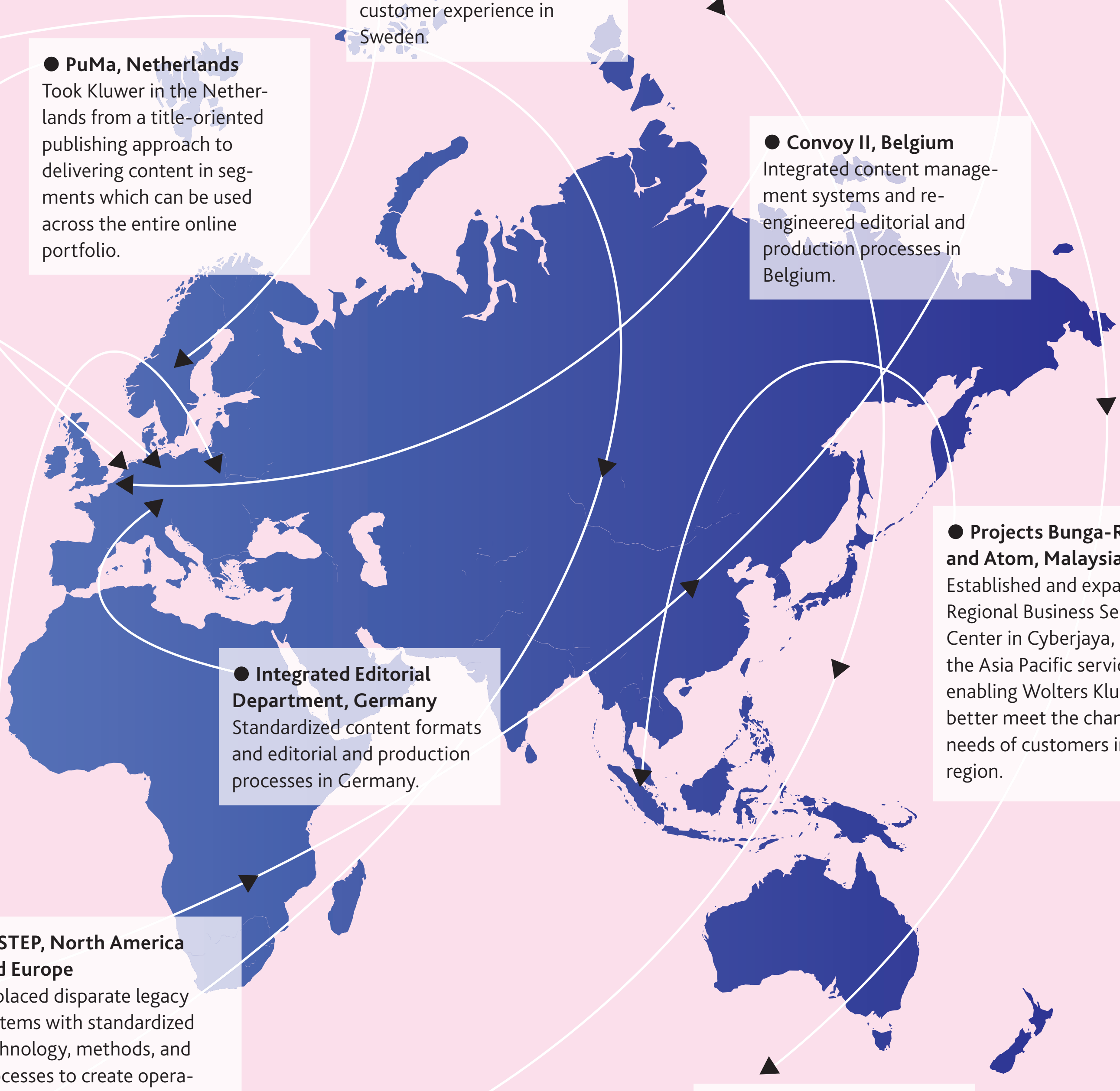
2011: Wolters Kluwer Global Innovation Award for employees launched.

Successfully Completed

145 Projects

2011 marked the successful completion of the four-year Springboard program which has enabled us to create global capabilities, increase efficiency, reduce time to market for new products, and create a far more agile platform for execution.
Although the official program has ended, the improvements seen in operational excellence, capacity for growth, and cost improvements have created enduring and sustainable value that we expect to deliver continuous benefits.

The run-rate savings from the program were €191 million at the end of the 2011. Springboard is freeing up resources for innovation and creating value for our customers and shareholders, accelerating profitable growth. A selection of some of the successfully completed projects are included here.



● Sourcing Initiatives, U.S. and Europe
Reduced vendor costs and maximized value through sourcing multiple direct and indirect spending categories.

● CRM Update, Sweden
Redefined and reengineered Customer Relationship Management to better understand customers' needs and improve the overall customer experience in Sweden.

● Back-Office Applications, Global
Centralized IT back-office staff and offshore application development, maintenance, and support activities.

● PuMa, Netherlands
Took Kluwer in the Netherlands from a title-oriented publishing approach to delivering content in segments which can be used across the entire online portfolio.

● Convoy II, Belgium
Integrated content management systems and re-engineered editorial and production processes in Belgium.

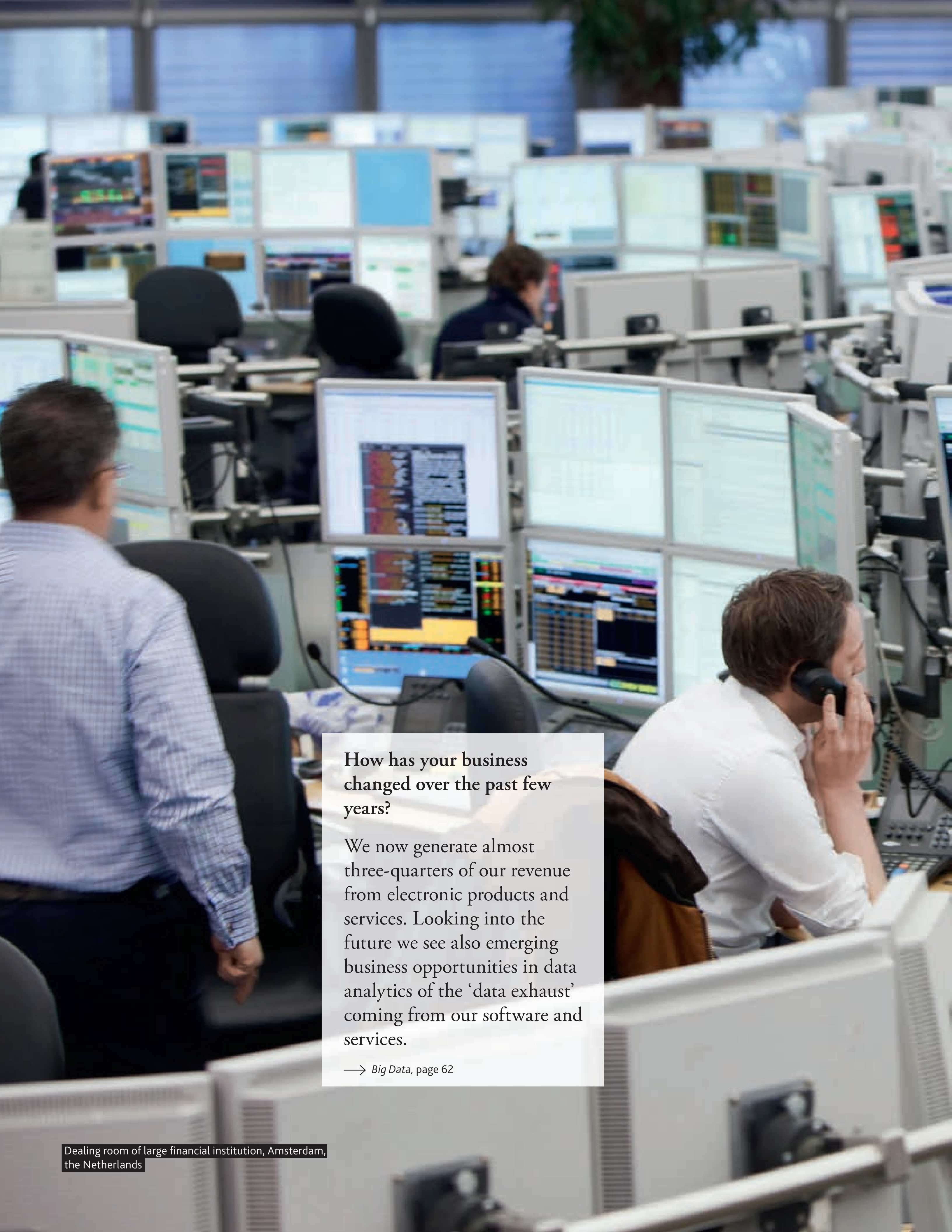
● Projects Bunga-Raya and Atom, Malaysia
Established and expanded the Regional Business Services Center in Cyberjaya, central to the Asia Pacific service area, enabling Wolters Kluwer to better meet the changing needs of customers in the region.

● Integrated Editorial Department, Germany
Standardized content formats and editorial and production processes in Germany.

● STEP, North America and Europe
Replaced disparate legacy systems with standardized technology, methods, and processes to create operational efficiencies based on best practices already available in the business.

● Real Estate Consolidation,Global
Reduced real estate footprint through multiple initiatives.

● Total Cost of Ownership, Global
Achieved significant savings through an IT housekeeping program, reviewing operating IT inventory, identifying best practices, and sharing ways to optimize our infrastructure spend.



How has your business changed over the past few years?

We now generate almost three-quarters of our revenue from electronic products and services. Looking into the future we see also emerging business opportunities in data analytics of the 'data exhaust' coming from our software and services.

→ *Big Data*, page 62

Dealing room of large financial institution, Amsterdam, the Netherlands

#3 Innovation

Innovation drives our growth. The world is changing at an ever-increasing pace, and changes in demographics and new ways of using information are driving demand for innovative solutions and productivity tools. Wolters Kluwer succeeds because our products anticipate change and meet customer needs. We enable innovation through the expertise of our employees and customers who collaborate in the rapid development and testing of new and creative solutions.

John Barker is Vice President of Strategy & Competitive Intelligence in Wolters Kluwer's Global Platform Organization. Two years ago, John launched a series of webinars for his colleagues which developed into a very successful peer-to-peer discussion platform within our company on the latest developments in the industry. Participants hear from experts and examine innovations that truly matter to customers. You can read more from John on our Intelligent Solutions blog.

Essay #3 - Innovation
by John Barker

Connecting the Dots

Innovation is at the heart of our work at Wolters Kluwer. We foster innovation in many different ways. You can read more about that in different chapters of this Annual Report. In this blog post John Barker, one of our senior innovation and technology experts, shares his views on some exciting aspects of innovation at the company.

Innovation has been an essential component of Wolters Kluwer throughout its 175-year history. There are direct connections between Jan-Berend Wolters' and Aebele Everts Kluwer's innovations in textbook publishing from the 1800's and today's innovations at Wolters Kluwer in mobility, collaboration, advanced search, and the evolution towards hybrid content-software solutions.

Hybrid content-software solutions support integrated, digital workflows. In the Intelligent Solutions blog post "New Workflows in Hybrid Content-Software Solutions for Professionals," John describes this in more detail, using tax preparation software as an example.

Wolters Kluwer adopts a broad definition of innovation as the execution of new ideas that generate business value. We innovate by making internal processes more efficient, such as changing our editorial processes so that editors can explain the effect of new legislative developments in near real time. Process innovation enables automated generation of hypertext links among important primary and secondary sources of law, which frees up more time for editors to author commentaries.

New products and solutions for customers are another form of innovation. Wolters Kluwer businesses in specific countries develop core competencies through research and development that become available for use at Wolters Kluwer globally. For example, Wolters Kluwer Spain's LA LEY Digital improves relevance-ranking of search results and generates dynamic summaries through the use of genetic algorithms. The focus is on better interpreting the intent of the lawyer's or accountant's search query to find the shortest route to an answer. Lawyers and accountants in France, Belgium, Italy, the United States, and beyond, are benefiting from our Spanish colleagues' expertise.

A value-added service in many public search engines has been auto-complete, helping users find the shortest route to an answer. Read more about some best practices from the professional world in John's blog post "Auto-Complete and Pre-Search Suggested Searches for Searchers."

Wolters Kluwer Italy is also focusing on generating better outcomes for legal professionals' search queries. ITER Processuali, a hybrid content-software solution, walks lawyers through the processes for selecting the proper court for filing a civil action. Each workflow step links the customer to primary and secondary analytical sources, as well as intelligent interactive forms, for actually filing the action. We are extending the technology to any other relatively standardized processes in legal and regulatory compliance globally at Wolters Kluwer.

One of the innovation programs and awards at Wolters Kluwer is an Innovation Tournament to stimulate new ideas that lots of people have in the company. Read more on page 74.

Wolters Kluwer fosters innovation deliberately through several techniques. It stimulates creative thinking through formal global, regional, and business-unit-specific innovation programs and awards. We hold virtual meetings and face-to-face meetings to share knowledge and generate new ideas. Any solution that wins an award is studied carefully by Wolters Kluwer team members globally. In some instances, an idea or solution translates 100% to another geographic location after it has, of course, been localized for language. In other instances, there are many modifications to the solution in order for it to bring full productivity to our professional customers. The mere act of sharing an idea itself generates new ideas.

Creating business value at Wolters Kluwer is focused on combining content and software into hybrid content-software solutions. We are exploring ways to leverage traditional content and software assets in mobile devices, such as smartphones and tablet devices, in ways that are optimized for each device. We see emerging interactive video, audio, text, and software solutions in tablets such as the iPad. We see a layer of collaboration emerging in which practitioners join their commentary with that of Wolters Kluwer's editors.

I truly am looking forward to the next 175 years of innovation at Wolters Kluwer.

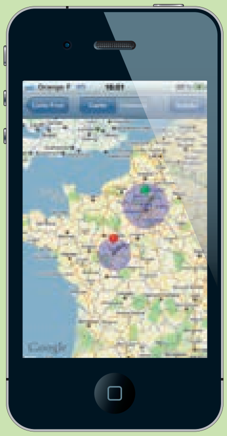
Best of 2011:

Mobile Innovation

Professionals' use of mobile devices is accelerating. They demand the flexibility and increased productivity now enabled by mobile access to work anywhere, anytime. You can find almost 200 mobile products in our online stores.

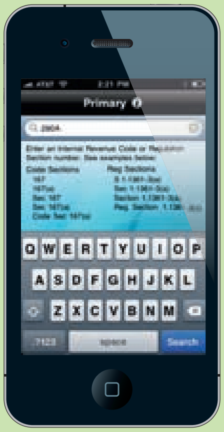
UpToDate App
Treat Your Patients Anywhere
Health professionals can get clinical knowledge from UpToDate anytime and anywhere. The app allows users to easily search a complete database of evidence-based recommendations. Auto-complete, mobile-optimized calculators and bookmarking functions make it intuitive to use. A downloadable offline version of the app is also available, providing access even without a network connection.

iRecherche by Nolis
Freight Exchange on Your Smartphone
Truck drivers and freight forwarders can connect with each other while mobile, making it easier than ever before to use tools and information on the road, which is critical in the transport industry. iRecherche allows access to the different features of the Nolis freight exchange and seamlessly integrates with mapping functions.



LEX News
Constant Content Updates
Legal professionals in Poland can stay up-to-date, whenever and wherever they are with legal news, information on new legislation, case laws, and selected economic and political news from LEX, delivered directly to their smartphone.

hCue iPad App
Making Entity Management and Corporate Transaction Workflow Mobile
Developed in 2011, this app is built on valuable feedback from current clients. Leveraging social media via the hCue LinkedIn group has been key in the development process. The app allows users to access their entity and compliance data anytime and anywhere.



CCH Mobile
Connect with News, Research Information, and Productivity Tools
At work, at home, or on-the-go, accountants can now stay connected to the expertise they need with access to key tools and information, including Tax Tracker News, Internal Revenue Code and Regulations, Tax Tools and Calculators, and Smart Charts.

How experienced is Wolters Kluwer?

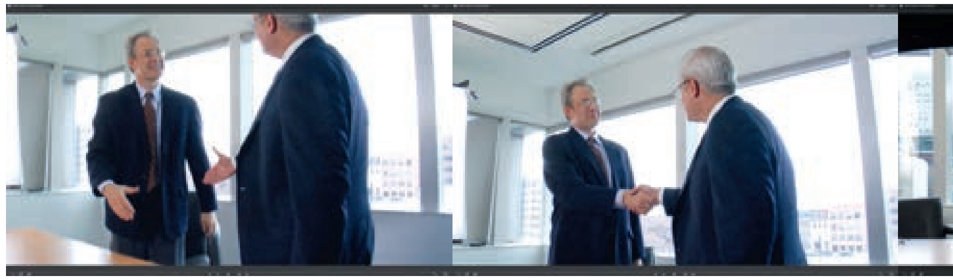
We have a rich history of more than 175 years. Together we have thousands of years of expertise in our fields. This is the starting point for our global team of experts, authors, partners, to deliver demonstrative value to customers.

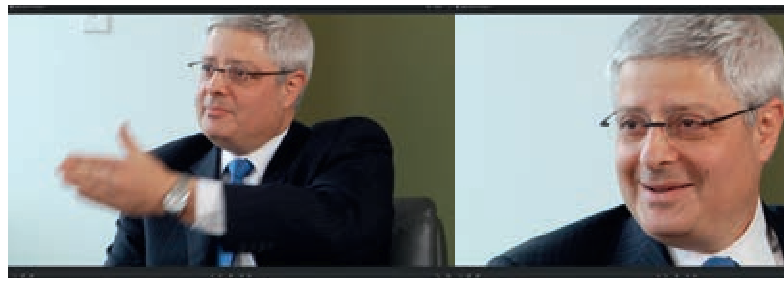
→ *Once Upon a Time*, page 64

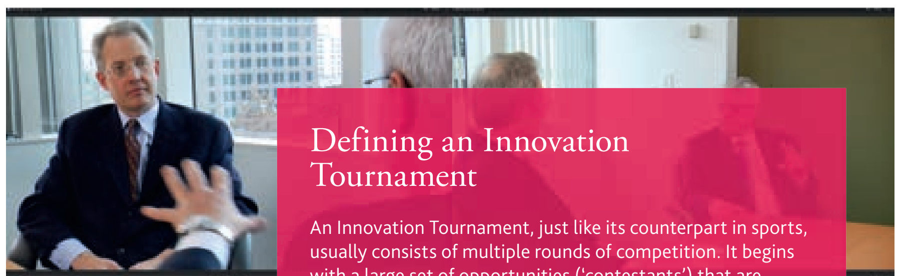
Imagine the Possibilities

Taking It to the Next Level

In 2012, Wolters Kluwer plans to launch an exciting Innovation Tournament to stimulate new ideas across the company. Andres Sadler, our head of strategy and the driving force behind our innovation programs, sat down with a specialist on Innovation Tournaments, Dr. Karl Ulrich of the Wharton School of Business of the University of Pennsylvania. Take a look at the highlights of their conversation.

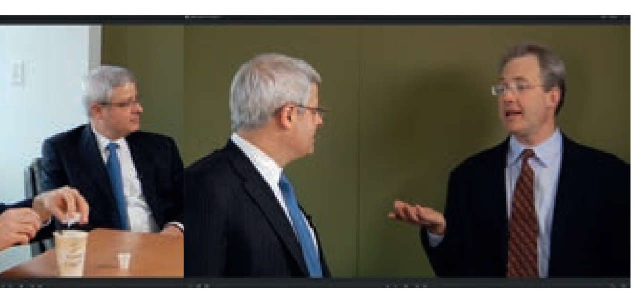






Defining an Innovation Tournament

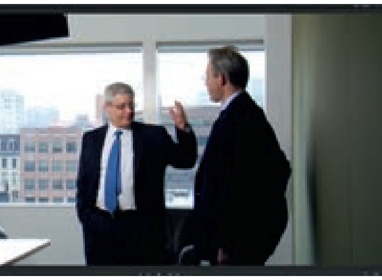
An Innovation Tournament, just like its counterpart in sports, usually consists of multiple rounds of competition. It begins with a large set of opportunities ('contestants') that are compared with each other. A filtering process selects a subset to move to the next stage (into the 'playoffs') and, from those, picks one or more winners. Tournaments are common corporate innovation processes, but they also pervade other human endeavors including sports, entertainment (e.g. the reality television programs American Idol and Survivor), and the process of selecting elected officials in democratic societies.

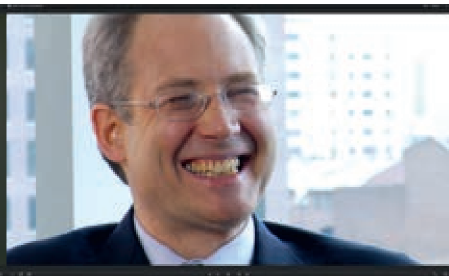


Andres Sadler: Wolters Kluwer is always looking for ways to raise the innovation quotient within our company. We innovate around products, business models, and customer needs. In 2011 we held a successful Innovation Tournament at our Senior Management Council and Leadership Forum attended by 200 executives. This tournament produced interesting ideas. In 2012, our goal is to extend this process to all 19,000 staff by launching a company-wide Innovation Tournament. Dr. Ulrich, you've written a book on this topic. What challenges do you find companies like ours face?

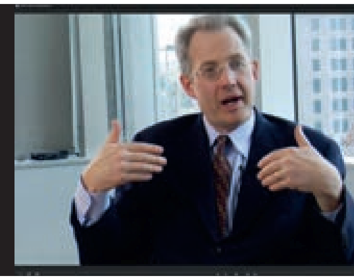
Karl Ulrich: When you say we need to be more innovative, one of the key questions is who do you involve? How broadly do you cast the net? You need to reach individuals at all levels in the company who can share innovative ideas. Then you need to decide how to filter the ideas so the good ones rise to the top.

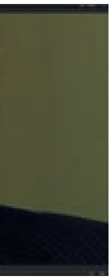
Andres: We need to involve people who are close to the customer to bring innovation to the core of our company, don't you agree?





Dr. Karl Ulrich is the Vice-Dean of Innovation and CIBC Professor of Entrepreneurship and e-Commerce at the Wharton School of Business of the University of Pennsylvania. He is the co-author of Product Design and Development, a textbook used by a quarter of a million students worldwide. His most recent book is Innovation Tournaments (Harvard Business Press, 2009). Dr. Karl Ulrich is a consultant to Wolters Kluwer.





Karl: I absolutely agree with that. A primary uncertainty you're trying to resolve with innovation is - how real is the need? How many customers have this need, and how deep is the pain that they feel. And if you can resolve that uncertainty, how can you create a solution for them?

Andres: Exactly, we need to understand our customers to be able to create the right solutions. Tell me, what's the real potential of an Innovation Tournament?

Karl: Imagine if you could get 15 minutes of attention from each employee dedicated to innovation opportunities. Just imagine they could think of two ideas each, right? Imagine the possibilities! You'd be at 40,000 ideas or something like that. I mean, it would be a remarkable achievement, and that's what's so powerful about engaging the whole organization in an Innovation Tournament. You're essentially deploying this huge number of parallel independent exploration activities and saying: "hey everyone, come back and tell us what you found." The wealth of diversity that results from that parallel exploration is very powerful.

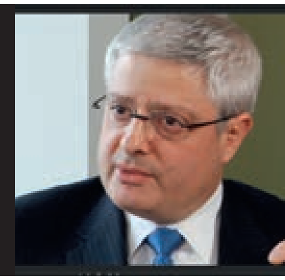
Andres: How do you allow for the fact that many of the ideas suggested won't in fact make it? For every good idea worth pursuing, there can be thousands that are not.

Karl: Say you're thinking about running a pizza restaurant and you have your choice between making 100 really good pizzas every night or making 99 inedible pizzas and one pizza that is so fantastic that it's the best pizza in the world. Any rational operations manager or small business owner would choose making 100 pretty good pizzas every night, but that's the wrong answer in innovation, and that's because you don't have to eat the pizza in innovation. It's inexpensive to throw away 99 bad ideas if you've got one great idea, and so that requires a different kind of managerial thinking which says it's okay to have a lot of variance, it's okay to have some good ideas and some bad ideas as long as we have an efficient process for identifying which are the best ideas.

Andres: Others have succeeded with Innovation Tournaments. I believe Merck tried 10,000 different compounds and just one of those eventually made it to a drug that paid for all the other ideas that didn't make it. That's the power we have to incorporate within our organization. And there are other examples of successful tournaments?

Karl: Indeed. Netflix ran a tournament to see who could

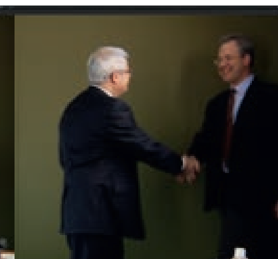
Andres Sadler is Senior Vice President, Corporate Strategy at Wolters Kluwer. Before joining Wolters Kluwer in this role, Mr. Sadler was a Partner at Accenture's Strategy and Business Architecture Practice. Prior to that, he was a Principal at Booz, Allen & Hamilton where he led engagements focused on strategy development, operations improvement, and technology planning for media and entertainment companies.



improve the prediction of which movie you should be serving to what customer next and improve that by 10%. It took one-and-a-half or two years to get to the winner. They had a leader board, and it became a badge of pride as to where your team was on that leader board. There was some fascinating behavior that came about because of that. One of the things that happened was that the winning team collaborated with another team.

Andres: So, in summary what you're saying is that the methodology you propose for an Innovation Tournament is as follows: Instead of trying to determine ahead of time the few areas that are worth dedicating time to and trying to figure out a priori those that we should shepherd through the process, the power is in the number of ideas and there is a benefit from just having a lot of ideas coming through.

Karl: Exactly. The central idea behind an Innovation Tournament is to generate or identify a large number of raw opportunities and then to apply one or more development steps and filters to those opportunities until eventually you've identified the exceptional few.



For the full conversation between Andres Sadler and Karl Ulrich, go to our online Annual Report.

The Courtroom of Tomorrow

Wolters Kluwer is known for its innovation, expertise, and leadership in the legal profession. We offer high quality products, solutions, and services for lawyers, legal counsels, judges, attorneys, paralegals, and trademark specialists. The introduction of new technologies drives change in all professions and the law is no exception.

Kleos
A cloud-based practice management tool, initially developed in Belgium and rolled out across Europe.

ITER Processuali
A hybrid content-software solution developed in Italy, supporting all steps of a legal procedure workflow.

Tekst & Commentaar
A collection of legal texts and expert commentary, considered one of the most reliable sources by courtrooms in the Netherlands, available as eBook and print.

LaLeyDigital.es
A semantic search platform for customers in Spain, with genetic algorithms that suggest search terms.

RBSource
A web-based tool for securities law research, based on the industry-leading Securities Red Book.

China Law & Reference
The largest law reference database for the Chinese lawyer, and the only one with bi-lingual integration of non-Chinese content.

Jurion
A legal information platform that contains the expertise of the legal profession in Germany.

iLeaves
A set of loose-leaves containing thousands of pages, available on a tablet.

Fidura
A work-flow tool for legal professionals in the Netherlands.

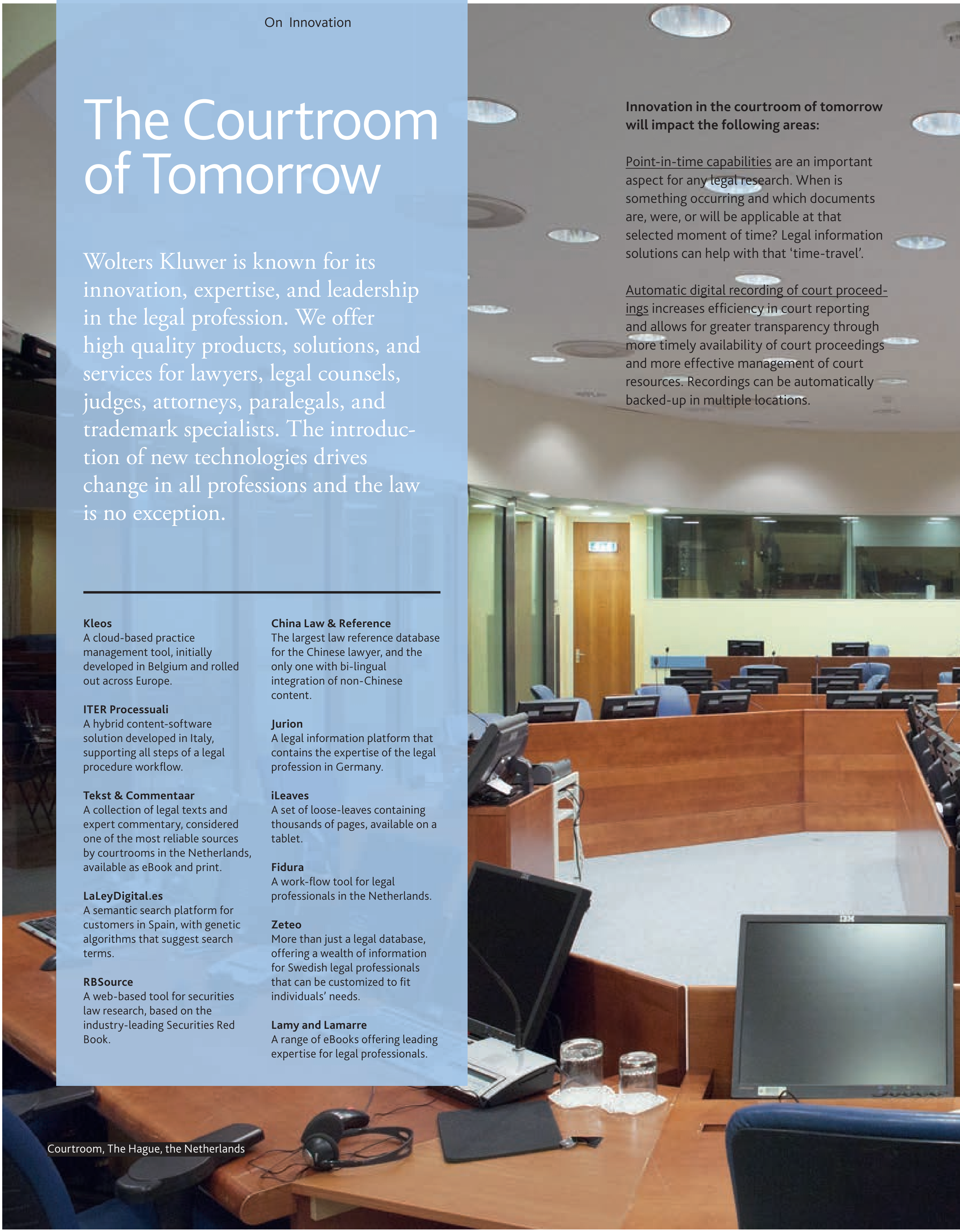
Zeteo
More than just a legal database, offering a wealth of information for Swedish legal professionals that can be customized to fit individuals' needs.

Lamy and Lamarre
A range of eBooks offering leading expertise for legal professionals.

Innovation in the courtroom of tomorrow will impact the following areas:

Point-in-time capabilities are an important aspect for any legal research. When is something occurring and which documents are, were, or will be applicable at that selected moment of time? Legal information solutions can help with that 'time-travel'.

Automatic digital recording of court proceedings increases efficiency in court reporting and allows for greater transparency through more timely availability of court proceedings and more effective management of court resources. Recordings can be automatically backed-up in multiple locations.



Courtroom, The Hague, the Netherlands

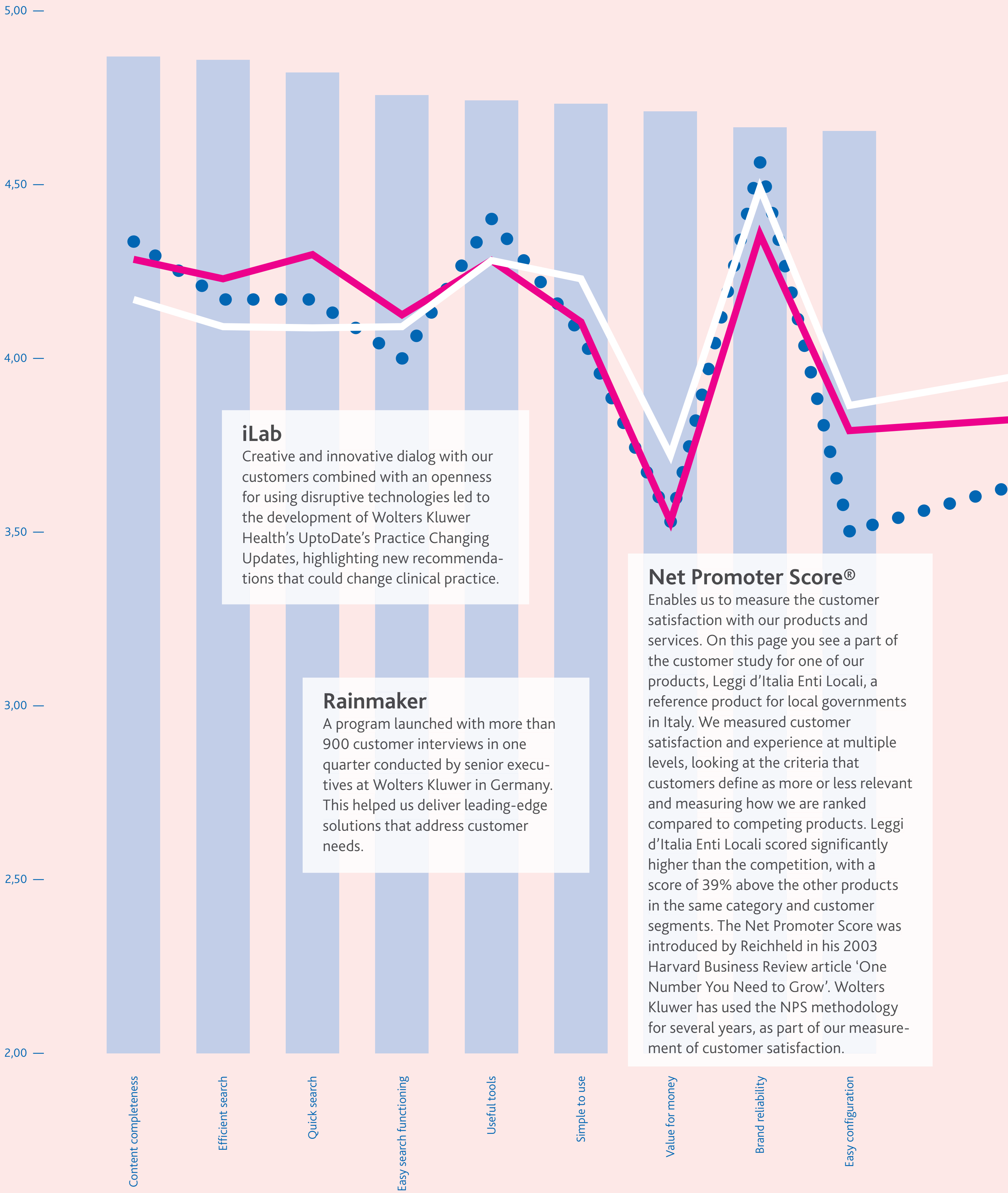
Video conferencing systems are used in courtrooms today to make it possible for persons in remote locations to be a witness without having to travel to the courtroom. Remote witnesses can see and hear the court proceedings and respond to questions.

Use of mobile devices are helpful for looking up a case, regulation, law, etc. that might be relevant in a court proceeding without having to leave the room. It's also useful to communicate with office staff to request that a document be sent via email or in-person to the court.

New methods to present evidence digitally, for example an iPad connected to a digital projector, could display images or videos for a jury or presiding judge – particularly useful in accident reconstruction or for medical illustrations. One day we might see jurors accessing tablet computers to consider evidence.

eJustice management supports the digital exchange of information such as dates, memorandums, events as well as transactions between lawyers and courts on procedures or payment of court fees.

Expert Systems are computerized systems that replicate the thinking of a human expert and can support lawyers preparing for a court hearing. Exciting possibilities lie ahead in integrating artificial intelligence into the legal practice.



iLab

Creative and innovative dialog with our customers combined with an openness for using disruptive technologies led to the development of Wolters Kluwer Health's UptoDate's Practice Changing Updates, highlighting new recommendations that could change clinical practice.

Rainmaker

A program launched with more than 900 customer interviews in one quarter conducted by senior executives at Wolters Kluwer in Germany. This helped us deliver leading-edge solutions that address customer needs.

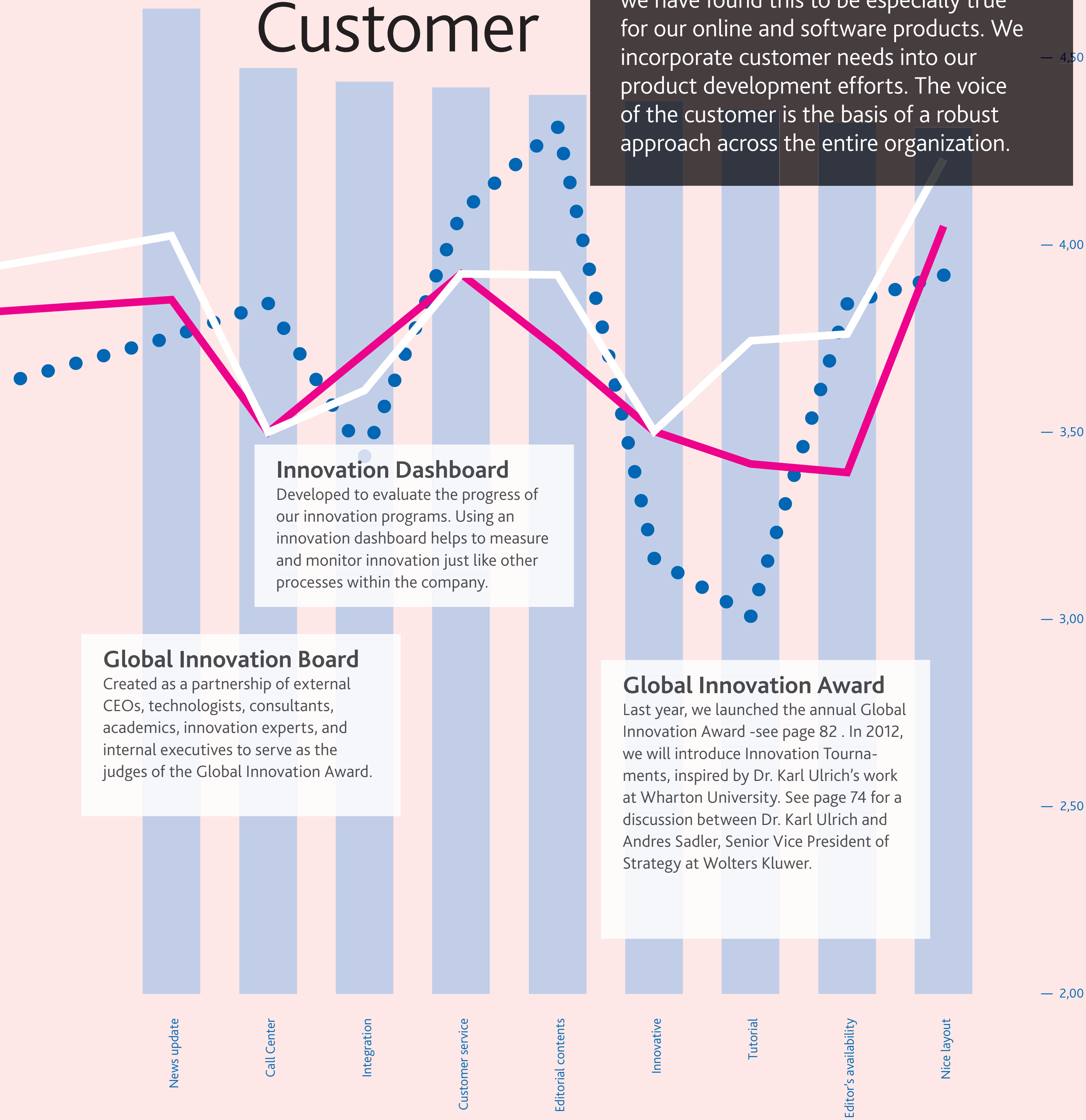
Net Promoter Score®

Enables us to measure the customer satisfaction with our products and services. On this page you see a part of the customer study for one of our products, Leggi d'Italia Enti Locali, a reference product for local governments in Italy. We measured customer satisfaction and experience at multiple levels, looking at the criteria that customers define as more or less relevant and measuring how we are ranked compared to competing products. Leggi d'Italia Enti Locali scored significantly higher than the competition, with a score of 39% above the other products in the same category and customer segments. The Net Promoter Score was introduced by Reichheld in his 2003 Harvard Business Review article 'One Number You Need to Grow'. Wolters Kluwer has used the NPS methodology for several years, as part of our measurement of customer satisfaction.

our product: Leggi d'Italia Enti Locali, competing product #1, ● ● ● competing product #2
Bars represent 'Importance of criteria' (Average value). Lines represent 'Product Performance Rating' (5: important; 1: unimportant)

The Voice of the Customer

Studies of successful innovation initiatives point to the importance of a high degree of customer interaction as part of the development process. At Wolters Kluwer, we have found this to be especially true for our online and software products. We incorporate customer needs into our product development efforts. The voice of the customer is the basis of a robust approach across the entire organization.



Innovation Dashboard

Developed to evaluate the progress of our innovation programs. Using an innovation dashboard helps to measure and monitor innovation just like other processes within the company.

Global Innovation Board

Created as a partnership of external CEOs, technologists, consultants, academics, innovation experts, and internal executives to serve as the judges of the Global Innovation Award.

Global Innovation Award

Last year, we launched the annual Global Innovation Award -see page 82 . In 2012, we will introduce Innovation Tournaments, inspired by Dr. Karl Ulrich's work at Wharton University. See page 74 for a discussion between Dr. Karl Ulrich and Andres Sadler, Senior Vice President of Strategy at Wolters Kluwer.

United Family Hospital - China

Improving Patient Care

Dr. Rutstein, MD, MPH, Vice President for Medical Affairs at United Family Hospital (UFH) in Beijing, welcomed a delegation from Wolters Kluwer in September 2011. Beijing United Family Hospital (the UFH flagship facility) is China's first and largest foreign-invested provider of full-service, premium-quality healthcare. Medical practitioners in Chinese public hospitals attend to 60 patients a day on average, however they might see 100 patients in a single day. The only way for practitioners to effectively manage such a large number of patients is to practice evidence-based medicine.

Nancy, Carlos, Fanny, Jim, and Shasha visiting the UFH

As healthcare workflows in China become more digitized and move towards evidence-based medicine, UFH provides an interesting model for Chinese healthcare practitioners and government officials to study. The Chinese government is focused on healthcare reform to conform standards of care, and an increasing number of doctors in China are preparing to pursue graduate school degrees.

Dr. Rutstein shared his view on quality of patient and healthcare and the opportunities and challenges in China. He brings a wealth of experiences from his 24-year career in the United States government. Prior to joining UFH in 2011, Dr. Rutstein held the rank of Rear Admiral in the U.S. Public Health Service and served as the Deputy Surgeon General of the United States. As China prepares for significant changes to its healthcare system, professionals like Dr. Rutstein bring valued

"We find ourselves serving more and more as a model for Chinese public officials who are trying to deliver premium healthcare, based on science and evidence, as a standard that is both predictable in terms of the process and the outcomes, and to apply that to the largest population on earth."

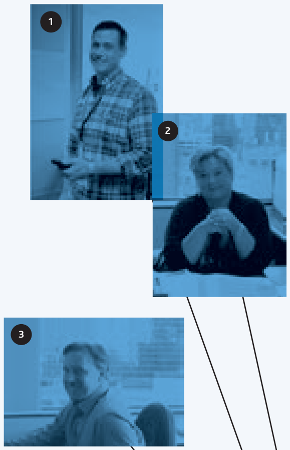
Dr. Rutstein, September 2011

Wolters Kluwer in China offers quality, innovative solutions for healthcare professionals in China. Our healthcare information products and services, including UpToDate, Lippincott Williams & Wilkins, and Ovid, have been used by practitioners, pharmacists, hospitals, health insurers, and physician offices for more than 60 years in over 150 countries. Early in 2011, Wolters Kluwer announced a joint venture with Medicom, a leading China drug information provider, to deliver clinical decision support to doctors in China. Medicom offers the most robust suite of Chinese drug information products in use by hospitals in China.

Engaging Ideas

2011 Global Innovation Award

Wolters Kluwer ran an Innovation Award for employees worldwide. Over 240 submissions demonstrated the wealth of innovative ideas and people at Wolters Kluwer. Four winners were selected based on the creativity of their solution, the magnitude of its impact, and long-term sustainability. Also in 2012, Wolters Kluwer will hold a Global Innovation Award for employees supported by an Innovation Tournament. Read more about that on page 74.



TyMetrix Legal Analytics
Wolters Kluwer Corporate Legal Services

"TyMetrix is revolutionizing how legal services are bought and sold. By leveraging information from invoices submitted through its legal eBilling platform, TyMetrix has developed pricing benchmarks, statistical models, and other insights that will forever change the business of law."

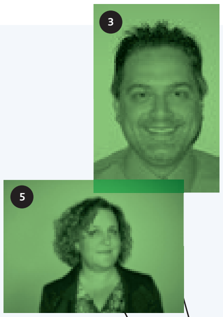
The team:
1 Craig Raeburn
2 Julie Peck
3 John Weber

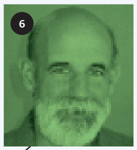
Most Promising Innovation

Disclosure Manager
Wolters Kluwer Financial & Compliance Services

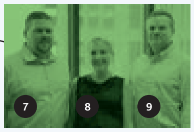
"Disclosure Manager is an innovative, worry-free solution. It changes the way the mortgage industry looks at the initial disclosure process and, in doing so, the value they place on Wolters Kluwer Financial Services."

The team:
1 Mark Chlan
2 Bill Trobec
3 Kevin Kuretich
4 Dean Polsfut
5 Crystal Coker
6 Tom Markman
7 Drew Sandberg
8 Angela Coenen
9 Art Tyszka
10 Sandi Rodriguez
11 Joe Belanger
12 Jeff Worth





Greatest Value at Point of Use Innovation

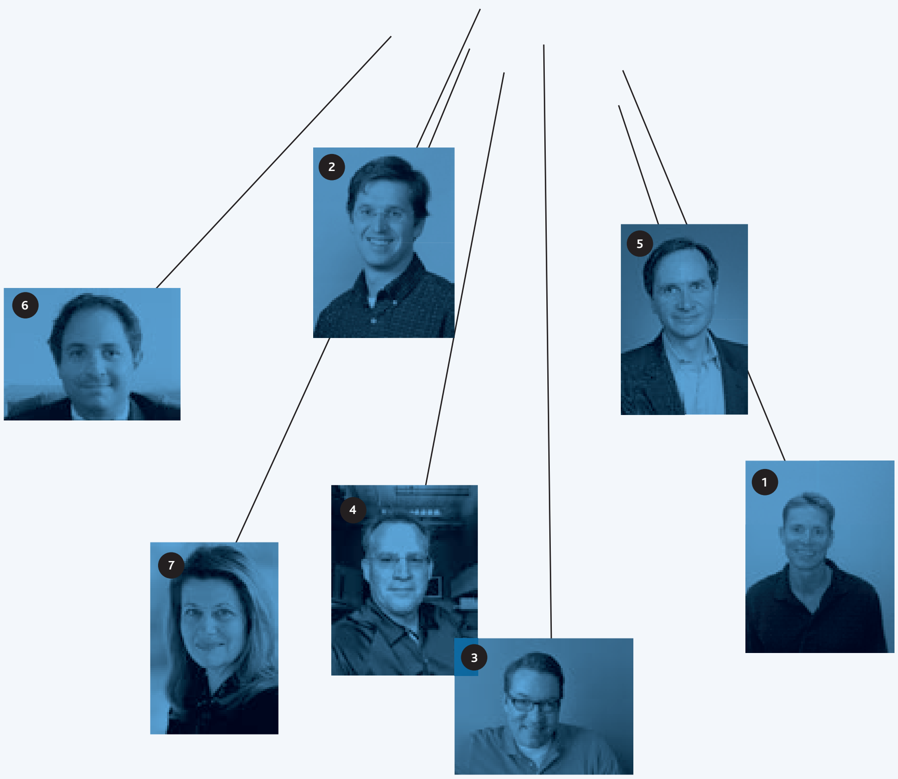


Kleos
Wolters Kluwer Legal & Regulatory

“Apart from being geographically scalable, Kleos is also extendable to other segments. It is a fundamental building block in moving law firms towards the cloud and creating a flexible and secure virtual office.”

The team:
1 Claudine Weyn
2 Carlo Lospalluto
3 Marco Losavio
4 Ralph Versweyveld
5 Filip Balduck
6 Salvador Férnandez
7 Francis Balcaen
8 Cristel Deham
9 Martine De Schepper
10 Paul Malfait

Most Transformative Innovation



Clinical Solutions: iLab
Wolters Kluwer Health

“Creative and innovative dialogue with our customers, combined with an openness for using disruptive technologies and discovery-driven planning, will lead to new markets and products that we can only begin to imagine today.”

The team:
1 Andre L’Heureux
2 Steve Claypool
3 Sean Benson
4 Dave Del Toro
5 Peter Bonis
6 Howard Strasberg
7 Linda Peitzman

Which areas of the world are you active in?

We have customers in more than 150 countries, offices in over 35 countries, and our revenue is spread globally with 6% coming from fast-growing, emerging markets, 44% from Europe, and 50% from North America.

⟶ *Company profile*, page 08

Business Center, Kuala Lumpur, Malaysia

Supervisory Board and Remuneration

Profile Supervisory Board

Adri Baan
Dutch, 1942, Chairman, appointed in 2002, current term until 2014, member of the Audit Committee and member of the Selection and Remuneration Committee

Position:
Former Executive Board Member of Royal Philips Electronics nv

Supervisory directorships and other positions:
- Chairman of the Supervisory Board and member of the Audit Committee of Koninklijke Volker Wessels Stevin nv
- Member of the Supervisory Board and of the Audit Committee of Imtech nv
- Member of the Supervisory Board, Chairman of the Remuneration Committee, and member of the Audit Committee of Océ nv
- Chairman of the Board of Directors (Non-Executive Director) and member of the Audit Committee of Dockwise Ltd. (Bermuda)
- Senior adviser Warburg Pincus LLC
- Member of the Supervisory Boards of The University of Amsterdam and Academic Medical Centre, Amsterdam

Peter Wakkie
Dutch, 1948, Deputy Chairman, appointed in 2005, current term until 2013, member of the Selection and Remuneration Committee

Position:
- Founding partner of law firm Spinath & Wakkie
- Former Chief Corporate Governance Counsel and member of the Executive Board of Royal AHOLD nv

Supervisory directorships and other positions:
- Member of the Supervisory Board of ABN AMRO Group N.V.
- Member of the Supervisory Board of BCD Holdings nv
- Member of the Supervisory Board of TomTom nv
- Member of the Dutch Monitoring Committee Corporate Governance

Bruno Angelici
French, 1947, appointed in 2007, current term until 2015, member of the Audit Committee

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

Supervisory directorships and other positions:
- Member of the Board (Non-Executive director) of Smiths Group plc (United Kingdom)
- Member of the Board (Non-Executive director) of Novo Nordisk A/S (Denmark)
- Member of the Global Advisory Board of Takeda Pharmaceuticals Ltd. (Japan)

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

Position:
- Chief Executive Officer of SNCF Voyages (France)

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

Len Forman
American, 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:
- Member of the Board (Non-Executive Director) and Chairman of the Audit Committee of TechTarget Inc. (United States)

Stuart James
Australian, 1948, appointed in 2006, current term until 2014, member of the Selection and Remuneration Committee

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

Supervisory directorships and other positions:
- Non-Executive Director and Chairman of Prime Financial Group Ltd., Progen Pharmaceutical Ltd., Pulse Health Ltd. (Australia)
- Non-Executive Director of Greencross Ltd. and Phosphagenics Ltd. (Australia)

Henk Scheffers
Dutch, 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 and of the Audit Committee of AON Nederland bv
- Member of the Supervisory Board and member of the Audit Committee of Royal BAM Group nv
- Member of the Supervisory Board and Chairman of the Audit Committee of Royal FrieslandCampina nv
- Member of the Supervisory Board of Made in Scotland
- Member of the Investment Committee of NPM Capital nv

Report of the Supervisory Board

Financial statements
The Executive Board submitted the 2011 financial statements to the Supervisory Board. The Supervisory Board also took notice of the report and the statement by KPMG Accountants nv (as referred to in Article 27, paragraph 3 of the company's Articles of Association), which the Supervisory Board discussed with KPMG. Taking KPMG's report into account, the members of the Supervisory Board signed the 2011 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 25, 2012. 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 €0.68 per share in cash, or, at the option of shareholders, in stock. Stock payments will be determined on May 11, 2012, after close of trading. Upon approval by the Annual General Meeting of Shareholders, the payments will be made as from May 15, 2012.

Activities
The Supervisory Board held seven meetings in 2011. One meeting was partly held without the members of the Executive Board being present. Three of the Board Members attended all meetings, three Board Members missed one meeting, and one Board Member missed two meetings. One of the meetings was combined with a working visit to Wolters Kluwer in Germany. During that meeting, several managers of Wolters Kluwer Germany gave presentations. The Supervisory Board also held several conference calls to discuss specific matters. 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.

Evaluations
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. 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. The Chairman of the Supervisory Board had individual meetings with each of the Supervisory Board Members to discuss the outcome of the written self-assessment on the functioning of the Supervisory Board.

To further increase the quality of the evaluation, the Supervisory Board has engaged an external party to assist in drafting questionnaires for the Supervisory Board evaluation over 2011 and to assist in reviewing the responses. The evaluation consists of five questionnaires to review the performance of the Supervisory Board, the Audit Committee, the Selection and Remuneration Committee, and the Chairman, next to a review of the Supervisory Board by the Executive Board Members (an upward review). The outcome of this evaluation was discussed early 2012 in a meeting without the Executive Board Members being present.

Strategy
The Executive Board has kept the Supervisory Board closely informed about the execution of the strategy for 2010-2012, Maximizing Value for Customers, as announced on November 4, 2009. Throughout the year, the Supervisory Board has discussed the company's strategy on various occasions. In relation to the strategy the Supervisory Board discussed portfolio management and capital allocation with the Executive Board. The divisional CEOs were invited to two Supervisory Board meetings in 2011 to present the strategy and three-year Business Developments Plans of their divisions. During one of the meetings, several external experts shared their views on the media industry with the Supervisory Board. The Supervisory Board was also extensively informed about the innovation activities within Wolters Kluwer, including the developments with respect to delivering information and services via mobile devices ("mobility"). The Supervisory Board is supportive of the increased focus on innovation throughout the entire company under the leadership of the Executive Board, including the institution of Innovation Awards. In addition to the overall strategy, the Executive Board and several managers from the divisions and business units gave presentations about specific strategic subjects, such as developments within certain regions or lines of business, potential acquisition candidates, and emerging business opportunities within certain business units. The Supervisory Board also spoke about opportunities in emerging economies for various Wolters Kluwer divisions. Competitor analyses are also an important aspect of the strategic discussions. The Supervisory Board values the extensive information and discussions about strategy-related subjects.

Mergers and acquisitions
The Supervisory Board discussed (potential) acquisitions and divestments with the Executive Board. The Executive Board informed the Supervisory Board about all pending acquisition activity, including smaller acquisitions for which no formal Supervisory Board approval is required. The Supervisory Board also discussed the general acquisition criteria and investment priorities with the Executive Board and reviewed

the performance of previous acquisitions. Acquisitions are an important contributor to the transformation of the company's portfolio towards higher-value electronic products and to geographic expansion. Acquisitions that were completed in 2011 after approval of the Supervisory Board were National Registered Agents, Inc. (NRAI) and Lexicomp, Inc. Through the NRAI acquisition, Wolters Kluwer Corporate Legal Services strengthens its position as a leading provider of legal compliance and corporate governance solutions. The Lexicomp acquisition fits in the strategy of the Health division to build out its Clinical Solutions business as part of the strong focus on the point-of-care market. Managers of the Corporate Legal Services and the Health division gave presentations with respect to the acquisitions, thus enabling the Supervisory Board to get a good picture of the acquisition candidates and to ask questions to the managers who are directly responsible for the implementation and management of the companies after acquirement.

The Supervisory Board also approved the resolution to divest the Pharma Solutions business, part of Wolters Kluwer's Health & Pharma Solutions division, and the related impairment. This divestment was discussed with both the Executive Board and division management. Part of this divestment (the Marketing & Publishing Services) was completed in 2011.

Various activities

The Supervisory Board was kept informed about the Springboard Program. The program was finalized by the end of 2011. Springboard has helped the Company to achieve cost containment and increased efficiency. In addition to general updates about the program, the Supervisory Board approved a contract regarding outsourcing of technology infrastructure.

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

The Supervisory Board discussed talent management and succession planning within Wolters Kluwer. Due to talent management overviews that are provided to the Supervisory Board, in combination with the opportunity to meet executives and managers during presentations and working visits, the Supervisory Board has an increasingly better picture of management talent at Wolters Kluwer. Mr. Forman attended one of the global management meetings of Wolters Kluwer which brought together the top executives and the high potential managers at Wolters Kluwer. This gave him the opportunity to speak to managers from a broad cross section of the business, and also to get a better view on various innovation initiatives within the company.

The Supervisory Board was kept informed about the progress of the share buy-back of €100 million that was executed in 2011 after approval from the Supervisory Board. The buy-back was completed in the third quarter of the year.

The Supervisory Board was well informed about Investor Relations. Updates were given during several meetings, and a former analyst presented during one of the meetings to give the Supervisory Board a better view on investor dynamics in the market. Furthermore, the Vice President of Investor Relations attended one of the Supervisory Board meetings to provide an update.

Other subjects discussed were the budget, the financial outlook for 2011, the dividend policy and the proposed dividend, use of free cash flow, the financing of the company, the outcome of the annual impairment test, annual and interim financial results and press releases, competitive developments, technology developments, remuneration, sustainability, and human resources. During several meetings, managers and employees of various Wolters Kluwer divisions and businesses gave presentations on these specific subjects.

Audit Committee

The Audit Committee met four times in 2011, 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. Mr. Baan, who previously stepped down as member of the Audit Committee, was appointed as member of the Audit Committee again in 2011, with a view on continuity, also in light of the upcoming retirement of Mr. Scheffers. The Audit Committee currently consists of Mr. Scheffers (Chairman), Mr. Angelici, 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, tax planning, impairment testing, the Treasury policy, the financing of the company, hedging, the quarterly reports and full-year report of KPMG, the revised auditor independence policy, and internal risk management and control systems including IT systems. 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.

Selection and Remuneration Committee
The Selection and Remuneration Committee met four times in 2011 and had one conference call. The Committee currently consists of Mr. Forman (Chairman), Mr. Baan, Mr. James, and Mr. Wakkie. 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 2011, based on a recommendation of the Committee, the base salary of the Executive Board Members increased with 3%. The Supervisory Board resolved to use revenues from electronic products as a percentage of total revenues as new target within the Short-Term Incentive Plan to reflect the commitment of the Company to improving its sustainability efforts. Electronic products reduce paper consumption and increase productivity which contributes to sustainability of Wolters Kluwer and its customers. On April 27, 2011, the Annual General Meeting of Shareholders approved the proposal to amend the Long-Term Incentive Plan of the Executive Board by adding diluted earnings per share as a second performance measure, in addition to relative total shareholder return. Notwithstanding the strong performance of the Company and management, the Supervisory Board has agreed with the Executive Board that in light of the general public discussion about executive remuneration in the Netherlands, and in the context of the current macroeconomic situation, the base salary of the Executive Board Members will not increase in 2012. For more information about the remuneration policy of the Executive Board see Remuneration Report and note 31 of the Consolidated Financial Statements.

The Selection and Remuneration Committee has also reviewed the remuneration of the members of the Supervisory Board. Taking into consideration the increased responsibilities of Supervisory Board members, market practice, and the fact that the last increase of remuneration took place in 2007, it was proposed at the Annual General Meetings of Shareholders of April 27, 2011, to increase the remuneration of the members of the Supervisory Board. This proposal was approved. The details about Supervisory Board remuneration can be found in note 31 of the Consolidated Financial Statements.

Based on a nomination from the Selection and Remuneration Committee, the Supervisory Board proposed to the Annual general Meeting of Shareholders of April 27, 2011, to reappoint Jack Lynch, whose term expired in 2011, as member of the Executive Board. This proposal was approved.

Composition
In 2011, the first term of Mr. B.F.J. Angelici expired. Mr. Angelici was reappointed at the Annual General Meeting of Shareholders in 2011.

In 2012, the second term of Mr. H. Scheffers will expire. Mr. Scheffers has informed the Supervisory Board that he is not available for reappointment.

At the General Meeting of Shareholders that will be held on April 25, 2012, the Supervisory Board will propose to appoint Mr. D.R. Hooft Graafland as new member of the Supervisory Board.

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

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

Alphen aan den Rijn, February 21, 2012

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

Retirement of Mr. Scheffers
We would like to thank Henk Scheffers for his contribution to the Supervisory Board. Mr. Scheffers became a member of the Supervisory Board in 2004. He has been member of the Audit Committee since his appointment and became Chairman of this Committee in 2005. With his financial expertise and general management experience, Mr. Scheffers made an important contribution to the Supervisory Board and Audit Committee meetings. We express our great appreciation for the commitment and extensive knowledge sharing over the last eight years.

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

Executive Board
N. McKinstry
B.L.J.M. Beerkens
J.J. Lynch

Remuneration Report

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

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

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

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

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

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

Employment contracts
In line with the Corporate Governance Code, as a policy, future appointments of Executive Board members will take place for a period of four years. In line with the Code, 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. Mr. Lynch was reappointed for a second period of four years at the Annual General Meeting of Shareholders of April 27, 2011. The existing contracts of Ms. McKinstry and Mr. Beerkens, who were appointed before the introduction of the first Dutch Corporate Governance Code and have employment contracts for an indefinite period of time, will be honored. Periods of notice vary between 30 days and one year. Severance arrangements with Executive Board members are either specifically determined in employment contracts or will be determined based on local laws. With respect to future Executive Board appointments, the company will, as a policy, comply with the best practice provision that severance remuneration in the event of dismissal will not exceed a one year salary. Therefore, upon reappointment by the Annual General Meeting of Shareholders in 2011, the contract of Mr. Lynch was amended to reflect this best practice provision. However, the company will honor existing contracts and arrangements with current Executive Board members who were appointed before the introduction of the first Dutch Corporate Governance Code.

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

Executive Board remuneration 2011 and 2012
Fixed and variable compensation and other considerations for members of the Executive Board in 2011 are detailed in note 31 of the Consolidated Financial Statements.

In 2011, the base salary of the Executive Board Members increased with 3%. Notwithstanding the strong performance of the Company and management, the Supervisory Board has agreed with the Executive Board that in light of the general public discussion about executive compensation in the Netherlands, and in the context of the current macro-economic situation, the base salary of the Executive Board Members will not increase in 2012.

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

The STIP bonus for performance in 2011 (pay-out in 2012) for the members of the Executive Board was based on the achievement of targets with respect to free cash flow (33.3%), ordinary net income (33.3%), revenue performance (28.3%), and a new sustainability related target, revenues from electronic products as a percentage of total revenues (5%). The Supervisory Board selected this target because electronic products reduce paper consumption and increase productivity which contributes to sustainability for Wolters Kluwer and its customers. Consistent with the changes to the remuneration policy 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 2011 and payable in March 2012, will be 130.37% for Ms. McKinstry, 100.40% for Mr. Beerkens, and 80.42% for Mr. Lynch. Since these bonuses are related to 2011 performance, the amounts are included in the total remuneration for 2011 as shown in note 31 of the Consolidated Financial Statements.

For 2012, the Supervisory Board has approved the same pay-out targets for Executive Board members as in 2011: 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.
For 2012, the Supervisory Board has approved the same measures as in 2011: Free cash flow (33.3%), ordinary net income (33.3%), revenue performance (28.3%), and revenues from electronic products as a percentage of total revenues (5%).

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

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

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

TSR peer group and incentive zones
In 2011, the TSR peer group consisted of the following companies: Arnoldo Mondadori, Axel Springer, Daily Mail & General, Dun & Bradstreet, Grupo PRISA, John Wiley & Sons, Lagardère, McGraw-Hill, Pearson, Reed Elsevier, T&F Informa, Thomson Reuters, Trinity Mirror, United Business Media, and McClatchy. This peer group is consistent with the peer group at the launch of the plan in 2004, with the exception of 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, Supermedia, and Yell Group. In case of delisting of a peer group company due to a takeover, the Supervisory Board can resolve to replace that peer group company either by the acquiring company, or by one of the secondary tier companies.

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

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

TSR Ranking 2008-10 and 2009-11

For the three-year performance period 2008-10, Wolters Kluwer has reached the tenth position in the TSR Ranking. As a result, in 2011, the Executive Board members received 0% of the number of conditional rights on shares that were awarded in 2008.

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

EPS Targets and pay-out schedules

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

Conditional share awards

The conditional share awards for the Executive Board 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 2010-12 and 2011-13 can be found in note 31 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 2012-14 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. Because the fair value of TSR Related Shares can be different from the fair value of EPS Related Shares, the number of conditionally awarded TSR Related Shares can deviate from the number of conditionally awarded EPS Related Shares.

Senior management remuneration

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

Alphen aan den Rijn, February 21, 2012

Selection and Remuneration Committee

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

2011 Financial Statements

Consolidated Statement of Income

in millions of euros, unless otherwise stated

		2011		2010
Continuing operations				
Revenues note 3		3,354		3,308
Cost of sales		1,108		1,117
Gross profit note 3		**2,246**		**2,191**
Sales costs note 7		631		619
General and administrative costs:				
General and administrative operating expenses note 8	1,018		927	
Amortization of publishing rights and impairments note 10	161		147	
Total general and administrative costs		1,179		1,074
Total operating expenses note 3		1,810		1,693
Operating profit note 3		**436**		**498**
Finance income note 11		6		8
Finance costs note 11		(124)		(137)
Profit/(loss) on divestments of operations note 6		(8)		0
Share of profit of equity-accounted investees, net of tax note 16		0		1
Profit before tax		**310**		**370**
Income tax expense note 12		(68)		(74)
Profit for the year from continuing operations		**242**		**296**
Discontinued operations				
Profit/(loss) from discontinued operations, net of tax note 5		(124)		(9)
Profit for the year		**118**		**287**
Attributable to:				
• Equity holders of the Company		120		288
• Non-controlling interests note 13		(2)		(1)
Profit for the year		**118**		**287**
Earnings per share (EPS) (€) note 4				
Basic EPS from continuing operations		0.82		1.00
Basic EPS from discontinued operations		(0.42)		(0.03)
Basic EPS		0.40		0.97
Diluted EPS from continuing operations		0.81		0.99
Diluted EPS from discontinued operations		(0.41)		(0.03)
Diluted EPS		0.40		0.96

Consolidated Statement of Comprehensive Income

in millions of euros

	2011	2011	2010	2010
Comprehensive income:				
Profit for the year		**118**		**287**
Other comprehensive income:				
Exchange differences on translation of foreign operations	85		193	
Exchange differences on translation of equity-accounted investees	0		0	
Recycling of foreign exchange differences on loss of control note 5	(1)		-	
Net gains/(losses) on hedges of net investments in foreign operations	(33)		(78)	
Effective portion of changes in fair value of cash flow hedges	9		33	
Net change in fair value of cash flow hedges reclassified to statement of income note 11	(16)		(34)	
Actuarial gains/(losses) on defined benefit plans note 25	(32)		(28)	
Income tax on other comprehensive income note 18	10		4	
Other comprehensive income/(loss) for the year, net of tax		**22**		**90**
Total comprehensive income for the year		**140**		**377**
Attributable to:				
• Equity holders of the Company	143		376	
• Non-controlling interests	(3)		1	
Total		**140**		**377**

Consolidated Statement of Cash Flows

in millions of euros

		2011		2010
Cash flows from operating activities				
Operating profit	436		498	
Adjustments for non-cash items:				
Amortization, impairments, and depreciation note 10	269		249	
Acquisition integration costs note 2	18		5	
Additions to Springboard provisions note 2	102		57	
Share-based payments note 28	16		16	
Autonomous movements in working capital	23		8	
Paid financing costs	(129)		(123)	
Paid corporate income tax note 18	(112)		(70)	
Appropriation of provisions for restructuring note 26	(75)		(80)	
Paid divestment expenses note 6	(1)		(1)	
Other	(11)		(27)	
Net cash from operating activities		**536**		**532**
Cash flows from investing activities				
Capital expenditure	(143)		(138)	
Disposal of discontinued operations, net of cash disposed of note 5	37		-	
Acquisition spending, net of cash acquired note 6	(299)		(251)	
Receipts from divestments of operations note 6	4		(1)	
Dividends received from equity-accounted investees note 16	1		1	
Cash from settlement of derivatives	(9)		(20)	
Net cash used in investing activities		**(409)**		**(409)**
Cash flows from financing activities				
Proceeds from exercise of share options note 28	0		5	
Repayment of loans	(172)		(217)	
Proceeds from new loans	127		246	
Movements in bank overdrafts	(7)		1	
Repurchase of own shares note 27	(100)		-	
Dividends paid	(127)		(118)	
Net cash used in financing activities		**(279)**		**(83)**
Net cash from/(used in) continuing operations		**(152)**		**40**
Net cash flow from/(used in) discontinued operations note 5		**(12)**		**(2)**
Net cash from/(used in) continuing and discontinued operations		**(164)**		**38**
Cash and cash equivalents at January 1	458		409	
Exchange differences on cash and cash equivalents held	1		11	
		459		420
Cash and cash equivalents at December 31 note 21		**295**		**458**

Consolidated Statement of Financial Position

in millions of euros, at December 31

		2011		2010
Non-current assets				
Goodwill and intangible assets note 14	4,729		4,584	
Property, plant, and equipment note 15	142		148	
Investments in equity-accounted investees note 16	65		63	
Financial assets note 17	89		73	
Deferred tax assets note 18	80		89	
Total non-current assets		5,105		4,957
Current assets				
Inventories note 19	81		85	
Trade and other receivables note 20	1,099		1,052	
Income tax receivable note 18	30		5	
Cash and cash equivalents note 21	295		458	
Assets held for sale note 5	81		-	
Total current assets	1,586		1,600	
Current liabilities				
Deferred income	1,208		1,142	
Trade and other payables	388		337	
Income tax payable note 18	26		43	
Short-term provisions note 26	60		24	
Borrowings and bank overdrafts note 23	346		377	
Other current liabilities note 22	439		457	
Liabilities held for sale note 5	50		-	
Total current liabilities	2,517		2,380	
Working capital		(931)		(780)
Capital employed		**4,174**		**4,177**
Non-current liabilities				
Long-term debt:				
Bonds	1,481		1,480	
Private placements	445		429	
Perpetual cumulative subordinated bonds	225		225	
Other long-term loans	7		7	
Total long-term debt note 23		2,158		2,141
Deferred tax liabilities note 18		251		243
Employee benefits note 25		182		152
Provisions note 26		22		10
Total non-current liabilities		2,613		2,546
Equity				
Issued share capital note 27	36		36	
Share premium reserve	88		88	
Legal reserves	(149)		(198)	
Other reserves	1,565		1,686	
Equity attributable to the equity holders of the Company		1,540		1,612
Non-controlling interests note 13		21		19
Total equity		1,561		1,631
Total financing		**4,174**		**4,177**

Consolidated Statement of Changes in Total Equity

In millions of euros

	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Translation reserve	Treasury shares	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at January 1, 2010	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,540**	**1,334**	**21**	**1,355**
Total comprehensive income/(loss) for the year	0	0	0	(79)	186	0	269	376	1	377
Transactions with owners of the Company, recognized directly in equity										
Share-based payments							16	16		16
Tax on share-based payments							(4)	(4)		(4)
Release LTIP shares	0					7	(7)	0		0
Cash dividend 2009							(115)	(115)	(3)	(118)
Stock dividend 2009	1	(1)						0		0
Exercise of share options						10	(5)	5		5
Other movements			7				(7)	0		0
Balance at December 31, 2010	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,687**	**1,612**	**19**	**1,631**
Balance at January 1, 2011	36	88	33	(27)	(204)	(1)	1,687	1,612	19	1,631
Total comprehensive income/(loss) for the year				(40)	84		99	143	(3)	140
Transactions with owners of the Company, recognized directly in equity										
Share-based payments							16	16		16
Tax on share-based payments							(4)	(4)		(4)
Release LTIP shares						1	(1)	0		0
Cash dividend 2010							(127)	(127)	0	(127)
Stock dividend 2010	0	0				35	(35)	0		0
Exercise of share options							0	0		0
Repurchase own shares						(100)		(100)		(100)
Other movements			5				(5)	0	5	5
Balance at December 31, 2011	**36**	**88**	**38**	**(67)**	**(120)**	**(65)**	**1,630**	**1,540**	**21**	**1,561**

Notes to the Consolidated Financial Statements

Significant Accounting Policies note 1

General

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

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

The consolidated financial statements of the Company at and for the year ended December 31, 2011, comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates and jointly controlled entities. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied.

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

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

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

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, 2011, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission. If non-IFRS terminology is used in these financial statements, reference is made to Glossary.

These financial statements were authorized for issue by the Executive Board and Supervisory Board on February 21, 2012.

Basis of preparation

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 32 of the Consolidated Financial Statements.

Basis of measurement

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

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

Effect of new accounting standards

There were no relevant new accounting standards, amendments and interpretations that became effective for the year ended December 31, 2011 that have a material impact on the Group's results and equity. The following standards, interpretations and amendments have been issued with effective date of January 1, 2011:

- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments';
- Amendment to IFRIC 14 'Prepayments of a Minimum Funding Requirement';
- Amendment to IAS 24 'Related Party Disclosures';
- Amendment to IAS 32 'Financial Instruments: Presentation'; and
- Improvements to IFRSs 2010.

Effect of forthcoming accounting standards

A number of new standards, amendments, and interpretations are not yet effective for the year ended December 31, 2011 and, if applicable, have not been adopted earlier in preparing these consolidated financial statements. The following new standards, amendments, and interpretations have been considered:

- Amendments to IAS 12 'Income taxes' – deferred tax: recovery of underlying assets;
- IFRS 9 'Financial Liabilities: Recognition and measurement'.
- IFRS 10 'Consolidated Financial Statements';
- IFRS 11 'Joint Arrangements';
- IFRS 12 'Disclosures of Involvement with Other Entities';
- IFRS 13 'Fair Value Measurements';
- IAS 19 'Employee Benefits' (amended 2011);
- IAS 27 (2011) 'Separate Financial Statements', which supersedes IAS 27 (2008); and
- IAS 28 (2011) 'Investments in Associates and Joint Ventures' which supersedes IAS 28 (2008).

These standards are expected to become effective as at January 1, 2013, if EU endorsed.

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

IAS 19 'Employee benefits' (amended 2011) prohibits the deferred recognition of actuarial gains and losses on employee benefit plans by excluding the so-called 'corridor method' and the deferral effect of unvested past service costs amortizing over the remaining average vesting period. As a consequence the actual net defined benefit liability or asset will be recognized in the balance sheet. This change will have limited impact on the Group results as the Group already applies the proposed immediate recognition of actuarial gains and losses in other comprehensive income since 2005. In addition, the amended standard requires calculation of the net interest costs on the net defined benefit liability or asset using the discount rate measuring the defined benefit obligation. As a consequence the expected return on assets will no longer be recognized in the income statement. The amended standard will result in a reduction of profit if the discount rate applied to the defined benefit obligation is a lower rate than the rate used to determine the expected return on plan assets.

Based on the actuarial assumptions prevailing at year-end 2011 and the reported plan assets as at December 31, 2011, the new standard will result in higher net periodic pension costs affecting the profit after tax by approximately €3 million.

The other standards effective from January 1, 2013 are not expected to have a significant impact on the results and equity of the Group.

Discontinued operations

IFRS 5 'Non-current assets held for sale and discontinued operations' defines a component of an entity as a part of the entity that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, represents a separate major line of business, and is part of a single coordinated overall plan to dispose of a separate major line of business.

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

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

Accounting for business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after January 1, 2010
For acquisitions on or after January 1, 2010, the Group measures goodwill at the acquisition date as: The fair value of the consideration transferred, plus the recognized amount of any non-controlling interests in the acquiree, plus, if the business is achieved in stages, the fair value of the existing equity interest in the acquiree, and less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase is recognized immediately in the statement of income.

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

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

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

Acquisitions between January 1, 2004 and January 1, 2010
For acquisitions between January 1, 2004 and January 1, 2010, 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 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 is separately recognized. These future economic benefits relate to, for example, opportunities with regard to cross-selling or cost efficiencies, such as sharing of infrastructure.

Costs related to acquisitions, other than those associated with the issue of debt or equity securities that the Group incurred in connection with business combinations were capitalized as part of the costs of acquisition.

Acquisitions prior to January 1, 2004
As part of transition to IFRSs, the Group elected to restate only those business combinations that occurred after January 1, 2004. For acquisitions prior to January 1, 2004, goodwill represents the amount recognized under the Group's previous accounting framework, Dutch GAAP and was directly recognized in equity up to 1996. Between January 1, 1997 and December 31, 2003, goodwill and publishing rights were recognized in the balance sheet and amortized over the useful life.

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

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

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

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

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

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. Subsidiaries are de-consolidated from the date that control ceases.

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

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

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

The Group's share of its associates' post-acquisition profits or losses is recognized in the statement of income, 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
Intra-group balances and transactions, and income and expenses, and any unrealized gains and losses arising from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Unrealized gains arising from transactions between the Group and its equity-accounted investees and joint ventures are eliminated to the extent of the Group's interest in the equity-accounted investees and joint ventures.

Foreign currency

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

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

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

Main currency exchange rates to the euro	**2011**	2010
U.S. dollar (at December 31)	1.29	1.34
U.S. dollar (average)	1.39	1.33

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 provision based on previous experience and other relevant factors.

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

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

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

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

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

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

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

The fair value of the shares based on the EPS condition, a non-market performance condition under IFRS 2, is equal to the opening share price of the Wolters Kluwer shares in the year at the grant date, adjusted by the present value of the future dividend payments during the three years' performance period. The amount recognized as an expense in a year is adjusted to reflect the number of shares awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market conditions at the vesting date.

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.

Finance income and costs include the subsequent fair value changes on contingent considerations classified as debt and recognized at acquisition date.

Principles of valuation and presentation of assets and liabilities

Intangible assets

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

Goodwill is measured as the excess of the fair value of the consideration transferred, plus the recognized amount of any non-controlling interests in the acquiree, and less the net recognized amount (generally recognized at fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase is recognized immediately in the statement of income. If the business is achieved in stages, the fair value of the existing equity interest in the acquiree is also taken into account.

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
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 cost at fair market value and the cost 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 cost that would currently be required to replace the asset.

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

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

Other intangible assets
Other intangible assets mainly relate to 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 statement of income as impairment.

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

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

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

Property, plant, and equipment
Property, plant, and equipment, consisting of land and buildings, and other assets such as machinery and equipment, office equipment and vehicles, is valued at cost less accumulated depreciation and any impairment losses. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful life of each part of an item of property, plant, and equipment. Land is not depreciated.

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

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

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

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

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

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

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Group shall estimate the recoverable amount of that asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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 at the lower of fair value or 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 costs for each accounting period. The depreciation policy for these depreciable leased assets is consistent with that for depreciable assets that are owned.

The minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding finance lease liability.

Financial assets

Financial assets include investments, loans and 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 or equity-accounted investees (joint ventures and/or associates) are classified as investments. Investment available-for-sale is 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.

Loans and receivables

Loans to and receivables from third parties are measured at amortized cost. Grants and subsidies are recognized at fair value.

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

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

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

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

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 statement of income. If a hedging relationship is terminated and the derivative financial instrument is not sold, future changes in its fair value are recognized in the statement of income.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset, liability, or unrecognized firm commitment that are attributable to the hedged risk. The gain or loss relating to the ineffective part of the hedging instrument is also recognized in the statement of income within finance income or costs. Changes in the fair value of the risk being hedged of the hedged item are also recognized in the statement of income within finance income or costs. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized 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 in the statement of income within finance income or costs. Amounts accumulated in equity are reclassified to the statement of income in the same periods the hedged item affects profit or loss. The gain or loss relating to the effective part of derivate financial instruments is recognized in the statement of income within the line where the result from the hedged transaction is recognized.

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

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

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

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

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

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 statement of income 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 statement of income except to the extent that it relates to business combinations and/or items directly recognized in equity or other comprehensive income.

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

The Group recognizes deferred tax liabilities for all taxable temporary differences between the carrying amounts of assets or liabilities in the balance sheet for financial reporting purposes and its tax base for taxation purposes. Deferred tax liabilities are not recognized for temporary differences arising on:
- the initial recognition of goodwill,
- investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, or
- the initial recognition of an asset or liability in a transaction, which is not a business combination and that at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

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

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

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

Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Long-term service benefits

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

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

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

Termination benefits

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

Short-term benefits

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

Provisions

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

Restructuring

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

A constructive obligation to restructure arises only when the Group has a detailed formal plan for the restructuring and has raised a valid expectation to those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

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

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 items and expenses that are not cash flows (such as amortization, depreciation, additions to and/or releases of restructuring provisions, and the costs of the equity settled share-based payments), and for autonomous movements in consolidated working capital (excluding impact from acquisitions and foreign currency differences). Cash payments to employees and suppliers are all recognized as cash flow from operating activities. Cash flows from operating activities also include the paid financing costs of operating activities, income taxes paid on all activities, acquisition and divestment related costs, and spending on restructuring provisions.

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

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

Dividends received relate to dividend received from equity-accounted investees and other investments.

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 settlement from derivatives are classified under cash flows from investing activities.

Cash flows from financing activities
The cash flows from financing activities comprise the cash receipts and payments from issued and repurchased shares, 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.

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

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

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held ('treasury shares'). Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares, for the effects of all dilutive potential ordinary shares which comprise share options and LTIP-shares granted.

Benchmark Figures note 2

Benchmark figures refer to 'ordinary figures' which means that figures are 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 from continuing operations. These figures are presented as additional information and do not replace the information in the statements of income and cash flows. All figures are from continuing operations, unless stated otherwise.

Benchmark figures	**2011**	2010	Change in actual currencies (%)	Change in constant currencies (%)
Revenues	3,354	3,308	1	4
Ordinary EBITA	728	716	2	4
Ordinary EBITA margin (%)	21.7	21.6		
Ordinary net income	444	436	2	3
Ordinary free cash flow	443	446	(1)	1
Cash conversion ratio (CAR) (%)	98	96		
Return on invested capital (ROIC) (%)	8.9	8.9		
Net debt note 23	2,168	2,035	7	
Net-debt-to-EBITDA (ratio)	3.1	2.7		
Net-debt-to-EBITDA, excluding Springboard costs (ratio)	2.7	2.5		
Net interest coverage (ratio)	6.2	5.6		
Diluted ordinary EPS (€)	1.47	1.45	2	
Diluted ordinary EPS in constant currencies (€)	1.51	1.48		3
Diluted ordinary free cash flow per share (€)	1.47	1.49	(1)	1

Reconciliation of benchmark figures

Reconciliation between operating profit and ordinary EBITA	**2011**	2010
Operating profit	436	498
Amortization of publishing rights and impairments	161	147
EBITA	**597**	**645**
Non-benchmark costs in operating profit	131	71
Ordinary EBITA	**728**	**716**

Return on invested capital (ROIC)	**2011**	2010
Ordinary EBITA	728	716
Allocated tax	(195)	(183)
Net operating profit after allocated tax (NOPAT)	**533**	**533**
Average invested capital	6,019	6,002
ROIC (NOPAT/Average invested capital) (%)	**8.9**	**8.9**

Reconciliation between profit for the year and ordinary net income	2011	2010
Profit for the year from continuing operations attributable to the equity holders of the Company (A)	244	297
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	157	144
Tax on amortization and impairments of publishing rights and goodwill	(54)	(51)
Profit/(loss) on divestments of operations, net of tax	9	0
Non-benchmark costs in operating profit, net of tax	88	46
Ordinary net income (B)	**444**	**436**

Reconciliation between cash flow from operating activities and ordinary free cash flow	2011	2010
Net cash from operating activities	536	532
Capital expenditure	(143)	(138)
Acquisition related costs	9	8
Paid divestment expenses	1	1
Dividends received	1	1
Appropriation of Springboard provisions, net of tax	39	42
Ordinary free cash flow (C)	**443**	**446**

Per share information (in €)	2011	2010
Weighted average number of shares (D) (in millions of shares)	298.4	296.4
Diluted weighted average number of shares (E) (in millions of shares)	301.5	300.3
Ordinary EPS (B/D)	1.49	1.47
Diluted ordinary EPS (minimum of ordinary EPS and [B/E])	1.47	1.45
Diluted ordinary EPS in constant currencies	1.51	1.48
Basic EPS (A/D)	0.82	1.00
Diluted EPS (minimum of basic EPS and [A/E])	0.81	0.99
Ordinary free cash flow per share (C/D)	1.48	1.51
Diluted ordinary free cash flow per share (minimum of ordinary free cash flow per share and [C/E])	1.47	1.49

Non-benchmark costs in operating profit	2011	2010
Included in general and administrative costs:		
Acquisition integration costs note 26	18	5
Springboard costs:		
Personnel-related restructuring costs	50	25
Onerous contracts	6	0
Third party costs	33	26
Other exceptional costs	13	6
Additions to Springboard provisions note 26	102	57
Asset write-offs note 14	2	1
Total Springboard costs	104	58
Acquisition related costs	9	8
Total non-benchmark costs in operating profit	**131**	**71**

Benchmark tax rate	2011	2010
Income tax expense	68	74
Tax benefit on amortization of publishing rights and impairments	54	51
Tax benefit on profit/(loss) on divestment of operations	(1)	0
Tax benefit on non-benchmark costs	43	25
Tax on ordinary income (F)	**164**	**150**
Ordinary net income (B)	444	436
Adjustment for non-controlling interests	2	2
Ordinary income before tax (G)	**610**	**588**
Benchmark tax rate (F/G) (%)	**27**	**26**

Calculation of cash conversion ratio	2011	2010
Ordinary EBITA (H)	728	716
Amortization of other intangible assets note 14	76	73
Depreciation of property, plant, and equipment note 15	30	28
Ordinary EBITDA	834	817
Autonomous movements in working capital	23	8
Cash flow from operations (I)	**857**	**825**
Capital expenditure (J)	143	138
CAR-ratio ([I-J]/H) (%)	**98**	**96**

Reconciliation between operating profit and ordinary EBITA from discontinued operations	2011	2010
Operating profit	(5)	(17)
Amortization of publishing rights and impairments	4	28
Non-benchmark costs in operating profit	4	-
Ordinary EBITA	**3**	**11**

Non-benchmark costs in operating profit

Non-benchmark costs relate to expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group and are excluded from the benchmark figures:

- Springboard costs;
- Restructuring costs;
- Acquisition integration costs;
- Acquisition related costs; and
- Fair value changes of contingent considerations.

Springboard
The Springboard restructuring 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.

All Springboard program initiatives were initiated before the end of 2011. After 2011, no new non-benchmark costs will be incurred under this program.

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

Acquisition integration costs
Acquisition integration costs are those one-time non-recurring cost incurred by the Group to integrate activities acquired by business combination.

Acquisition related costs
Acquisition related costs are one-time non-recurring cost incurred by the Group resulting from acquisition activities. The acquisition related costs are directly attributable to acquisitions, such as legal fees, broker's cost, and audit fees, and have been included in the general and administrative expenses in the Group's consolidated statement of income.

Fair value changes contingent considerations
Results from changes in fair value of contingent considerations are not considered to be part of ordinary operational business results.

Segment Reporting note 3

Segment reporting by division	Legal & Regulatory		Tax & Accounting		Health	
	2011	2010	**2011**	2010	**2011**	2010
Revenues third parties	**1,451**	**1,471**	**931**	**922**	**639**	**608**
Cost of sales	487	503	289	292	230	238
Gross profit	**964**	**968**	**642**	**630**	**409**	**370**
Sales cost	246	250	172	164	133	127
General and administrative costs:						
General and administrative operating expenses	470	427	243	228	158	139
Amortization of publishing rights and impairments	50	52	61	57	24	18
Total operating expenses	766	729	476	449	315	284
Operating profit	**198**	**239**	**166**	**181**	**94**	**86**
Amortization of publishing rights and impairments	50	52	61	57	24	18
Non-benchmark costs in operating profit	76	34	30	24	8	3
Ordinary EBITA	**324**	**325**	**257**	**262**	**126**	**107**
Depreciation and amortization of other intangible assets	42	44	32	28	23	21
Goodwill and publishing rights at December 31	1,349	1,273	1,382	1,323	1,108	1,141
Capital expenditure	45	49	54	41	33	32
Ultimo number of FTEs	7,704	7,714	5,675	5,481	2,425	2,053

The four global operating divisions are based on strategic customer segments: Legal & Regulatory, Tax & Accounting, Health, and Financial & Compliance Services. This segment information by division is based on the Group's management and internal reporting structure. The Executive Board reviews the financial performance of its segments and the allocation of resources based on ordinary EBITA. Ordinary EBITA excludes exceptional restructuring expenses as these expenses are clearly distinct from the ordinary activities of the Group. Internal deliveries between the divisions are conducted on an at arm's length basis with terms comparable to transactions with third parties. These revenues are limited and therefore not presented separately and have been eliminated. Costs and capital expenditure incurred on behalf of the segments by Global Shared Services/Global Platform Organization and associated FTEs are allocated. Third party revenues reported to the Executive Board are measured in a manner consistent with that in the statement of income.

There are no major customers with a revenue stream that exceeds 10% or more of the Group's total revenues.

Non-current liabilities, including interest-bearing liabilities, are not considered to be segment liabilities but rather are primarily managed by the central treasury and tax function. Working capital is not managed at operating segment level but at country/regional level.

Financial & Compliance Services		Corporate		Total continuing operations	
2011	2010	**2011**	2010	**2011**	2010
333	**307**			**3,354**	**3,308**
102	84			1,108	1,117
231	**223**	**0**	**0**	**2,246**	**2,191**
80	78			631	619
100	90	47	43	1,018	927
26	19	0	1	161	147
206	187	47	44	1,810	1,693
25	**36**	**(47)**	**(44)**	**436**	**498**
26	19	0	1	161	147
13	7	4	3	131	71
64	**62**	**(43)**	**(40)**	**728**	**716**
9	8	0	0	106	101
525	538	-	-	4,364	4,275
9	15	0	0	143	138
2,077	2,018	98	97	17,979	17,363

Geographical segments

The geographical information can be summarized as follows:

Revenues were generated in the following regions:	**2011**	%	2010	%
The Netherlands	210	6	224	7
Europe (excluding The Netherlands)	1,264	38	1,221	37
North America	1,688	50	1,692	51
Asia Pacific	162	5	149	4
Rest of the world	30	1	22	1
Total	**3,354**	**100**	**3,308**	**100**

Total non-current assets per region:	**2011**	%	2010	%
Europe	1,792	35	1,843	37
North America	3,253	64	3,093	62
Asia Pacific	60	1	21	1
Rest of the world	0	0	0	0
Total	**5,105**	**100**	**4,957**	**100**

Earnings per Share note 4

Basic earnings per share

The calculation of basic earnings per share at December 31, 2011 was based on the profit of €120 million (2010: €288 million) attributable to the ordinary equity holders of the Company, and a weighted average number of ordinary shares outstanding of 298.4 million (2010: 296.4 million), calculated as follows:

Profit for the year attributable to the equity holders of the Company	**2011**	2010
From continuing operations (A)	244	297
From discontinued operations (B)	(124)	(9)
Profit for the year attributable to the equity holders of the Company (C)	**120**	**288**

Weighted average number of shares in millions of shares	**2011**	2010
Outstanding ordinary shares at January 1 note 27	298.6	292.0
Effect of stock dividend	1.6	3.2
Effect of issued shares	0.6	1.2
Effect of repurchased shares	(2.4)	-
Weighted average number of shares (D)	**298.4**	**296.4**
Basic EPS from continuing operations (€) (A/D)	0.82	1.00
Basic EPS from discontinued operations (€) (B/D)	(0.42)	(0.03)
Basic EPS (€) (C/D)	0.40	0.97

Diluted earnings per share

The calculation of diluted earnings per share at December 31, 2011 was based on the profit of €120 million (2010: €288 million) attributable to the ordinary equity holders of the Company, and a diluted weighted average number of ordinary shares outstanding of 301.5 million (2010: 300.3 million), after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Diluted weighted average number of shares (E) in millions of shares	**2011**	2010
Weighted average number of shares (D)	298.4	296.4
Long-Term Incentive Plan	3.1	3.9
Share options	0.0	0.0
Diluted weighted average number of shares (E)	**301.5**	**300.3**
Diluted EPS from continuing operations (€) (minimum of basic EPS and [A/E])	0.81	0.99
Diluted EPS from discontinued operations (€) (minimum of basic EPS and [B/E])	(0.41)	(0.03)
Diluted EPS (€) (minimum of basic EPS and [C/E])	0.40	0.96

Discontinued Operations and Assets Held for Sale note 5

Discontinued operations

On July 27, 2011, Wolters Kluwer announced the planned sale of its Pharma business. The Health division will focus on its leading positions in professional information and clinical decisions support going forward. The majority of the Pharma business was included in the Health division. The operations of the Pharma business have been presented as discontinued operations. Prior year amounts in the statement of income and statement of cash flows have been represented.

In connection with the planned sale an impairment loss of €112 million was recorded and presented as result from discontinued operations.

The following table summarizes the results of the Pharma business included in the consolidated statement of income as discontinued operations for 2011 and 2010.

Results from discontinued operations	**2011**	2010
Revenues	217	248
Expenses	(222)	(265)
Operating profit	(5)	(17)
Income tax	3	8
Results from operating activities, net of tax	**(2)**	**(9)**
Impairment	(112)	-
Income tax on impairment	0	-
Profit/(loss) on sale of discontinued operations, net of tax	(10)	-
Profit/(loss) from discontinued operations, net of tax	**(124)**	**(9)**

The loss for the year from discontinued operations is fully attributable to the equity holders of the Company.

Cash flow from discontinued operations

Cash flows from discontinued operations	**2011**	2010
Net cash from/(used in) operating activities	(8)	5
Net cash from/(used in) investing activities	(4)	(7)
Net cash from/(used in) financing activities	-	-
Net cash flow from/(used in) discontinued operations	**(12)**	**(2)**

On December 23, 2011, the Group completed the sale of its Marketing & Publishing Services (MPS) business. The sale represents approximately 35% of the Group's Pharma business in terms of revenue, with Adis and inScience Communications as the leading brands, and encompasses approximately 450 employees globally. The proceeds from this divestment are expected to be used for general corporate purposes including the reduction of debt levels in line with the company's stated objectives and investments in the business.

Effect of disposal of discontinued operations on the financial position of the Group

The following table summarizes the consideration receivable, the result from discontinued operations and the cash proceeds on the sale of MPS.

Discontinued operations disposed of during the year	**2011**
Consideration receivable in cash	41
Non-current note receivable note 17	8
Working capital to be settled	(1)
Total consideration receivable	**48**
Non-current assets	47
Current assets	27
Current liabilities	(18)
Net identifiable assets and liabilities	**56**
Costs incurred	(9)
Recycling of foreign exchange differences on loss of control recognized in Other Comprehensive Income	1
Profit/(loss) on sale of discontinued operations before tax	(16)
Income tax discontinued operations	6
Profit/(loss) on sale of discontinued operations, net of tax	**(10)**
The cash effect of the disposal is:	
Consideration received in cash	41
Cash and cash equivalents disposed of	(4)
Net cash flow from disposal of discontinued operations	**37**

Disposal group held for sale

The following table summarizes the assets and liabilities of the Pharma business classified as held for sale in the consolidated statement of financial position at December 31, 2011:

	2011
Assets held for sale	
Goodwill and intangible assets	33
Property, plant, and equipment	5
Financial assets	1
Inventories	4
Trade and other receivables	34
Income tax receivable	4
Total	**81**
Liabilities held for sale	
Deferred income	18
Trade and other payables	26
Deferred tax liabilities	6
Total	**50**

Acquisitions and Divestments note 6

Acquisitions			**2011**	2010
	Carrying amount	Fair value adjustments	Recognized values	Recognized values
Consideration payable in cash			306	251
Fair value of equity-accounted investees note 16			2	-
Deferred considerations:				
Non-current note 24			3	2
Current			5	5
Total consideration payable			**316**	**258**
Intangible assets	10	210	220	175
Other non-current assets	8	-	8	7
Trade and other receivables	29	-	29	11
Other current assets	15	-	15	14
Deferred income	(34)	-	(34)	(16)
Other current liabilities	(17)	-	(17)	(16)
Non-current liabilities	(2)	-	(2)	-
Restructuring provisions note 26	(2)	-	(2)	(2)
Deferred tax	3	(21)	(18)	(43)
Fair value of net identifiable assets and liabilities	**10**	**189**	**199**	**130**
Non-controlling interests			5	-
Goodwill on acquisitions			**122**	**128**
The cash effect of the acquisitions is:				
Consideration payable in cash			306	251
Cash acquired			(15)	(10)
Deferred considerations paid			8	10
Acquisition spending, net of cash acquired			**299**	**251**

Acquisition spending

Total acquisition spending in 2011 was €299 million (2010: €251 million) including payments of €8 million for acquisitions made in previous years and €43 million for acquired tax benefits. Acquisition related costs amounted to €9 million in 2011 (2010: €8 million).

The goodwill recorded in connection with the 2011 acquisitions represents future economic benefits specific to Wolters Kluwer arising from assets that do not qualify for separate recognition as intangible assets. This includes amongst others synergies in skilled workforce and technology costs, the leverage of know-how, the opportunity to portfolio enrichment, the benefits of high barriers of key source information, and complete penetration in the area of information provisioning in certain markets.

The goodwill recognized in 2011 includes an amount of €90 million that is deductible for income tax purposes.

Contribution of acquisitions	Revenues	Ordinary EBITA	Profit for the year
Totals excluding the impact of 2011 acquisitions	3,312	720	120
Contribution of 2011 acquisitions	42	8	(2)
Totals for the year 2011	**3,354**	**728**	**118**
Pro-forma contribution of 2011 acquisitions for the period January 1, 2011 up to acquisition date	48	14	4
Pro-forma totals for the year 2011	**3,402**	**742**	**122**

The above pro-forma information does not purport to represent what the actual results would have been had the acquisitions actually been concluded on January 1, 2011, nor is the information necessarily indicative for future results of the acquired operations. In determining the contributions by the acquisitions, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same as if acquisition had occurred on January 1, 2011.

Contingent consideration

Acquisitions completed after January 1, 2011 did not include any significant contingent considerations. In some acquisitions, the Group has agreed to pay the sellers over a certain period additional considerations of €3 million (undiscounted) if the acquiree's cumulative revenues and/or EBITA exceeds certain thresholds over the agreed upon periods.

Provisional fair value accounting

The fair value of the identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation in 2012. The acquisition accounting will be revised if new information, obtained within one year from acquisition date about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, or for any additional provisions that existed at the acquisition date.

The main acquisitions completed in 2011 were the following:

On May 26, 2011, the Company acquired 100% of the shares of Lexicomp, Inc. Lexicomp is a leading provider of drug information and clinical content for pharmacists, clinicians, and hospitals internationally. Lexicomp is included in the Health division and has 150 employees. The annualized revenues are approximately €24 million.

On June 14, 2011, the Company acquired 100% of the shares of Twinfield BV. Twinfield is a Dutch-based pioneer and market leader in online accounting software, serving professionals in the Netherlands, the United Kingdom, and Scandinavia. Twinfield is included in the Tax & Accounting division and has 75 employees. The annualized revenues are approximately €8 million.

On August 31, 2011 the Company completed the acquisition of 100% of the shares of National Registered Agents, Inc. ("NRAI"). Through this acquisition, Wolters Kluwer CLS strengthens its position as a leading provider of legal compliance and corporate governance solutions. NRAI provides registered agent services to small and mid-sized businesses and the legal community that supports them. NRAI is included in the Legal & Regulatory business and has approximately 140 employees. The annualized revenues are approximately €36 million.

Divestments of operations
In 2011 and 2010, there were a number of divestments of operations to optimize the portfolio.

Divestments of operations	**2011**	2010
Consideration receivable in cash	4	4
Consideration receivable in assets	-	31
Consideration receivable	**4**	**35**
Non-current assets	11	30
Current assets	1	9
Current liabilities	(1)	(7)
Provisions	0	2
Net identifiable assets and liabilities	**11**	**34**
Divestment expenses	(1)	(1)
Profit/(loss) on sale of divestments	**(8)**	**0**
The cash effect of the disposals is:		
Consideration receivable in cash	4	4
Cash included in divested operations	0	(5)
Receipts from divestments of operations	**4**	**(1)**

Consideration receivable in assets related to the 25%-equity interest in the Access Data Group obtained in 2010 (see note 16). Result on divestments of operations in 2010 included a book gain of €4 million on the sale of the 25.9% equity interest in Boekhandels Groep Nederland early 2010, offset by losses on other divestments.

Sales Costs note 7

Sales costs	**2011**	2010
Marketing and promotion costs	187	190
Sales costs	360	338
Customer support costs	69	69
Changes in bad debt provisions	15	22
Total	**631**	**619**

Sales costs relate to direct internal personnel expenses and direct external costs incurred for marketing and sales activities. The sales costs increased mainly due to higher costs as result of continuing focus on increasing the strength of the sales force.

General and Administrative Operating Expenses note 8

General and administrative operating expenses	2011	2010
Publishing and editorial costs	191	189
General and administrative expenses	696	667
Springboard costs note 2	104	58
Acquisition integration costs note 26	18	5
Acquisition related costs note 6	9	8
Total	**1,018**	**927**

The general and administrative operating expenses increased compared to last year due to the launch of additional Springboard programs and the impact of acquisitions, partly offset by the effects of cost containment programs and favorable foreign currency effects.

Personnel Expenses note 9

Personnel expenses	2011	2010
Salaries and wages	1,051	1,008
Social security charges	138	139
Costs of defined contribution plans	49	42
Expenses related to defined benefit plans note 25	2	2
Equity-settled share-based payment transactions note 28	16	16
Total	**1,256**	**1,207**

Savings in personnel expenses from cost containment programs (Springboard related staff reductions) were offset by an increase in personnel expenses resulting from annual merit increases, and the net impact of 2011 acquisitions and divestments.

Amortization, Impairments, and Depreciation note 10

Amortization, impairments, and depreciation	2011	2010
Amortization of publishing rights note 14	161	147
Impairments of goodwill and publishing rights note 14	0	0
Total amortization of publishing rights and impairments	161	147
Amortization of other intangible assets note 14	76	73
Impairments of other intangible assets note 14	2	1
Depreciation of property, plant, and equipment note 15	30	28
Total	**269**	**249**

Financing Results note 11

Financing results	2011	2010
Finance income		
Interest income on short-term bank deposits	4	6
Derivatives – foreign exchange contracts	2	1
Other finance income	0	1
Total finance income	6	8
Finance cost		
Interest expense:		
Bank borrowings and overdrafts	(3)	(5)
Bonds and private placements	(118)	(108)
Items in hedge relationships:		
Interest rate swaps	(3)	(10)
Foreign exchange gains/(losses) on loans subject to cash flow hedge	(16)	(33)
Net change in fair value of cash flow hedges reclassified from Other comprehensive income	16	34
Fair value changes of cash flow hedge	-	(2)
Ineffective portion of hedging	0	0
Other finance costs:		
Net foreign exchange gains/(losses) and other finance costs	2	(11)
Derivatives – foreign exchange contracts	0	0
Amortization of debt instruments	(2)	(2)
Total finance costs	(124)	(137)
Total financing results	**(118)**	**(129)**

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

Income Tax Expense note 12

Recognized in statement of income	2011	2010
Current tax expense	86	124
Adjustment previous years	(7)	2
Benefit previously unrecognized tax loss	(4)	(6)
Deferred tax expense:		
Origination and reversal of temporary differences note 18	(7)	(46)
Taxation on income in statement of income	**68**	**74**

Reconciliation of the effective tax rate	%	2011	%	2010
Profit before tax		310		370
Normative income tax expense	29	91	30	112
Tax effect of:				
Intra-group financing activities	(12)	(37)	(10)	(36)
Tax exemption on results on divestments of operations	3	9	0	(3)
Non-deductible costs and other items	2	5	0	1
Taxation on income in statement of income	**22**	**68**	**20**	**74**

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

Non-Controlling Interests note 13

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

Ownership in %	2011	2010
Akadémiai (Budapest, Hungary)	74.0	74.0
Wolters Kluwer Russia Publishing Holding bv (Amsterdam, Netherlands)	55.0	55.0
CCH Prosystems India Private Limited, (Bangalore, India)	60.0	-
Medicom (Chengdu, China)	55.0	-

Non-controlling interests of consolidated participations in the profit for the year of the Group in 2011 were €(2) million (2010: €(1) million). Non-controlling interests in the equity of consolidated participations, totaling €21 million (2010: €19 million), are based on third-party shareholding in the underlying shareholders' equity of the subsidiaries.

The non-controlling interests acquired in 2011 are measured initially at the proportionate share of the acquiree's identifiable net assets.

Summary financial information based on 100% ownership	2011	2010
Revenues	42	37
Ordinary EBITA	5	3
Net profit	(4)	(3)
Total assets	63	56
Total liabilities	28	13
Total equity	35	43

The Group's share in the funding of the non-controlling interests is not significant.

Goodwill and Intangible Assets note 14

Intangible assets	Goodwill	Publishing rights	Other	2011	2010
Position at January 1					
Purchase value	3,218	2,187	647	6,052	5,689
Accumulated amortization and impairments	(170)	(960)	(338)	(1,468)	(1,463)
Book value at January 1	3,048	1,227	309	4,584	4,226
Movements					
Investments	-	-	121	121	107
Acquisitions through business combinations	122	210	10	342	306
Divestments of operations note 6	(11)	-	-	(11)	(30)
Disposals of assets	-	-	(1)	(1)	(1)
Net expenditures	111	210	130	451	382
Amortization note 10	-	(161)	(76)	(237)	(220)
Impairments note 2	0	-	(2)	(2)	(1)
Reclassifications	(19)	33	-	14	(23)
Transfer to assets held for sale	(154)	(40)	(8)	(202)	-
Exchange differences and other movements	82	27	12	121	220
Total movements	**20**	**69**	**56**	**145**	**358**
Position at December 31					
Purchase value	3,097	2,429	782	6,308	6,052
Accumulated amortization and impairments	(29)	(1,133)	(417)	(1,579)	(1,468)
Book value at December 31	**3,068**	**1,296**	**365**	**4,729**	**4,584**

Reclassifications include the additionally recognized publishing rights and related deferred tax liability from the final outcome of the purchase price allocation of 2010 acquisitions.

Impairment testing cash-generating units containing goodwill

Carrying amounts of goodwill and publishing rights per global operating division	Goodwill	Publishing rights	2011	2010
Legal & Regulatory	1,021	328	1,349	1,273
Tax & Accounting	928	454	1,382	1,323
Health	813	295	1,108	1,141
Financial & Compliance Services	306	219	525	538
Total	**3,068**	**1,296**	**4,364**	**4,275**

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 its value in use. The value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The value-in-use calculations in 2011 were determined in a similar manner as in 2010. The cash flow projections are based on actual operating results and Business Development Plans, as approved by the Executive Board.

The annual impairment test carried out in 2011 showed that the recoverable amount for all groups of CGUs for goodwill impairment testing exceeded the carrying amounts.

Changes in composition of cash generating units containing goodwill

The Group's announced new strategy, and consequently its transformation in 2010 towards a global organization focused on key customer segments, and the implementation of a regional structure within the Divisions, resulted in a change in operating segments and also in the composition of one or more groups of cash generating units to which goodwill has been allocated. A regional structure was created to ensure further integration of the countries, to facilitate cross-selling and cross-country realization of synergies from past and future acquisitions. Consequently, the internal reporting structure of the Group changed in 2010 and different management information is provided to the Executive Board.

In 2010, goodwill was reallocated to operating segments and regions within an operating division, at which level goodwill will be monitored, as follows:

- Goodwill for which it could be determined to which operating division it belongs has been directly allocated to a division; and
- All other goodwill that had to be reallocated has been reallocated using a relative value approach.

Key assumptions used in discounting cash flows

The period over which the Group estimates its cash flow projections is five years. After five years cash flow projections are extrapolated using an appropriate perpetual growth rate that is consistent with the long-term average market growth rate and that does not exceed 2% (2010: 3%).

The estimated pre-tax cash flows are discounted to their present value using a pre-tax weighted average cost of capital (WACC) between 8.7% and 10.9% (2010: between 8.4% and 10.6%).

In determining the WACC the Group used the following assumptions:

Assumptions WACC	2011	2010
Risk free rate (in %)	3.9	3.2
Market risk premium (in %)	5.0	5.0
Tax rate (in %)	25.0	25.5
Re-levered beta	0.8	1.0

The risk free-rate of 3.9% is based on the long-term yield on Dutch government bonds with a maturity of 30 years (2010: 3.2% based on the long-term yield on Dutch government bonds with a maturity of 15 years). Management is of the opinion that the yield on Dutch government bonds with 30-years maturity is a better approximation of the risk free rate in 2011.

In addition to the WACC and the perpetual growth rate the following key assumptions were used in the projections:

- Revenue growth: based on actual experience, an analysis of market growth and the expected development of market share; and
- Ordinary EBITA-margin development: based on actual experience and management's long-term projections; Ordinary EBITA is deemed to be the best approximation for estimating future cash flows.

Sensitivity analysis

The impairment 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. If the pre-tax discount rate would increase by 0.5%, none of the CGUs would need to recognize impairment. The average perpetual growth rate for the Group is 1.9% (2010: 2.5%). If the perpetual growth rate would decline by 150 basis points, none of the CGUs would be impaired either.

Property, Plant, and Equipment note 15

Property, plant, and equipment	Land and buildings	Other fixed assets	**2011**	2010
Position at January 1				
Purchase value	124	385	509	502
Accumulated depreciation	(55)	(306)	(361)	(367)
Book value at January 1	69	79	148	135
Movements				
Investments	2	22	24	34
Acquisitions through business combinations	3	3	6	2
Disposals of assets	0	(1)	(1)	(2)
Net expenditures	5	24	29	34
Depreciation note 10	(3)	(27)	(30)	(28)
Transfer to assets held for sale/reclassifications	(2)	(5)	(7)	2
Exchange differences and other movements	1	1	2	5
Total movements	**1**	**(7)**	**(6)**	**13**
Position at December 31				
Purchase value	129	403	532	509
Accumulated depreciation	(59)	(331)	(390)	(361)
Book value at December 31	**70**	**72**	**142**	**148**

Investments in Equity-accounted Investees note 16

Investments in equity-accounted investees	**2011**	2010
Position at January 1	63	30
Acquisitions through business combinations	2	2
Dividends received	(1)	(1)
Share of profit in equity-accounted investees (net of tax)	0	1
Change in control	(2)	31
Foreign exchange differences and other movements	3	0
Position at December 31	**65**	**63**

The caption 'Change in control' in 2010 related to a share transaction in which the Group entered into an external partnership whereby the net assets of one of its subsidiaries, CT Summation, were contributed to a third party resulting in a 25%-equity interest in the Access Data Group. This equity-interest is accounted for as an equity-accounted investee.

Summary financial information on net equity-accounted investees (at 100%) and the Group's weighted proportionate share	Total net equity-accounted investees		Group's share	
	2011	2010	**2011**	2010
Total assets	98	88	28	26
Total liabilities	70	62	20	19
Total equity	28	26	8	7
Revenues	150	115	47	39
Net profit/(loss) for the year	(3)	(1)	0	1

Financial assets note 17

Financial assets	**2011**	2010
Investments	1	1
Note receivable note 5	8	-
Other receivables	29	28
Derivative financial instruments note 23	51	44
Total	**89**	**73**

The note receivable in 2011 relates to a 10% interest-bearing U.S. dollar denominated receivable, maturing in March 2014. The borrower may prepay this promissory note in full or in part at any time prior to maturity date.

The U.S. Medicare Prescription Drug, Improvement, and Modernization Act introduced a tax-free federal subsidy to sponsors of retiree healthcare benefit plans that provides a benefit that is at least actuarially equivalent to the Medicare Part D benefit. The Group's subsidy has been actuarially determined at €20 million (2010: €16 million), which has been reflected as a financial asset under 'Other receivables'.

Deferred Tax Assets and Liabilities note 18

Deferred tax assets and liabilities	Assets	Liabilities	2011	2010
Intangible assets	29	(419)	(390)	(372)
Property, plant, and equipment	3	(54)	(51)	(46)
Employee benefits	66	(2)	64	55
Interest carry-forward	146	-	146	142
Tax value of loss carry-forwards recognized	30	-	30	30
Other items	87	(57)	30	37
Tax assets/(liabilities)	361	(532)	(171)	(154)
Set off of tax	(281)	281	0	0
Net tax assets/(liabilities)	**80**	**(251)**	**(171)**	**(154)**

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, 2011	Balance at January 1	Acquisitions/ disposals	Recognized in statement of income note 12	Discon- tinued operations	Recognized in equity	Exchange differences and other movements	Balance at December 31
Intangible assets	(372)	(32)	17	6	-	(9)	(390)
Property, plant, and equipment	(46)	-	(4)	-	-	(1)	(51)
Employee benefits	55	-	(3)	-	11	1	64
Interest carry-forward	142	-	(1)	-	-	5	146
Tax value of loss carry-forwards recognized	30	-	1	-	-	(1)	30
Other items	37	-	(3)	-	(5)	1	30
Total	**(154)**	**(32)**	**7**	**6**	**6**	**(4)**	**(171)**

Movement in temporary differences, 2010	Balance at January 1	Acquisitions/ disposals	Recognized in statement of income note 12	Discon- tinued operations	Recognized in equity	Exchange differences and other movements	Balance at December 31
Intangible assets	(329)	(46)	23	-	-	(20)	(372)
Property, plant, and equipment	(45)	-	2	-	-	(3)	(46)
Employee benefits	46	-	(3)	-	9	3	55
Interest carry-forward	113	-	22	-	-	7	142
Tax value of loss carry-forwards recognized	28	-	0	-	-	2	30
Other items	42	-	2	-	(9)	2	37
Total	**(145)**	**(46)**	**46**	**-**	**0**	**(9)**	**(154)**

The 2011 movement in deferred tax liabilities from acquisitions of €32 million (2010: €46 million) includes €18 million with regard to acquisitions made in 2011 (2010: €43 million) and €14 million (2010: €3 million) that relates to the final outcome of the purchase price allocation of prior year acquisitions.

Movements in overall tax position	**2011**	2010
Position at January 1		
Tax receivable	5	28
Tax payable	(43)	(28)
Deferred tax assets	89	107
Deferred tax liabilities	(243)	(252)
Overall tax position	(192)	(145)
Movements		
Total income tax expense	(68)	(74)
Deferred tax on acquisitions/disposals	(32)	(46)
Deferred tax on items recognized immediately in equity	(4)	(4)
Deferred tax on items recognized immediately in other comprehensive income	10	4
Paid corporate income tax	112	70
Transfer to assets held for sale/liabilities to held for sale	1	-
Exchange differences and other movements	6	3
Total movements	**25**	**(47)**
Position at December 31		
Tax receivable	30	5
Tax payable	(26)	(43)
Deferred tax assets	80	89
Deferred tax liabilities	(251)	(243)
Overall tax position	**(167)**	**(192)**

Unrecognized deferred tax assets

The Group has not recognized deferred tax assets that relate to unused tax losses amounting to €61 million (2010: €43 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 37% (2010: 37%) expires within the next 5 years, 17% (2010: 14%) expires after 5 years, and 46% (2010: 49%) carries forward indefinitely.

Deferred tax on items recognized immediately in other comprehensive income and immediately in equity			**2011**			2010
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Exchange differences on translation of foreign operations	51	(1)	50	115	(5)	110
Gains/(losses) on cash flow hedges	(7)	0	(7)	(1)	0	(1)
Actuarial gains/(losses) on defined benefit plans	(32)	11	(21)	(28)	9	(19)
Total tax in other comprehensive income	**12**	**10**	**22**	**86**	**4**	**90**
Share-based payments	16	(4)	12	16	(4)	12
Total tax in equity	**16**	**(4)**	**12**	**16**	**(4)**	**12**

Inventories note 19

Inventories	2011	2010
Raw materials	3	4
Work in progress	27	23
Finished products and trade goods	51	58
Total	**81**	**85**

At December 31, 2011, the provision for obsolescence deducted from the inventory book values amounted to €34 million (2010: €38 million). In 2011, an amount of €6 million was recognized as an expense for the change in the provision for obsolescence (2010: €6 million) and is presented as part of cost of sales in the statement of income.

Trade and Other Receivables note 20

Trade and other receivables	2011	2010
Trade receivables	960	934
Prepayments	121	101
Derivative financial instruments note 23	-	1
Other receivables	18	16
Total	**1,099**	**1,052**

Trade receivables are shown net of impairment losses amounting to €53 million (2010: €52 million).
The fair value of the receivables is equal to the carrying amount. Impairment losses on trade receivables are presented as part of sales costs in the statement of income.

Cash and Cash Equivalents note 21

Cash and cash equivalents	2011	2010
Deposits	80	302
Cash and bank balances	215	156
Total	**295**	**458**

All deposits are demand deposits that are readily convertible into cash. Bank balances include an amount of approximately €2 million (2010: €2 million) of restricted cash.

Other Current Liabilities note 22

Other current liabilities	2011	2010
Salaries, holiday allowances	149	146
Royalties payable	69	77
Social security premiums and other taxation	55	52
Pension-related payables	9	9
Derivative financial instruments note 23	13	12
Interest payable	82	84
Deferred acquisition payments note 23	5	8
Other liabilities and accruals	57	69
Total	**439**	**457**

Financial Instruments note 23

Long-term debt	Nominal value	Effective interest rate (in %)	Nominal interest rate (in %)	Repayment commit-ments 1-5 years	Repayment commit-ments >5 years	**2011**	2010
Bonds 2003-2014	€ 700	5.240	5.125	699	-	699	698
Bonds 2008-2018	€ 750	6.472	6.375	-	746	746	746
Bonds 2008-2028	€ 36	6.812	6.748	-	36	36	36
Private placement 2008-2038	¥ 20,000	3.330	3.330	-	199	199	183
Private placement 2010-2020	€ 250	4.425	4.200	-	246	246	246
Perpetual cumulative subordinated bonds	€ 225	7.270	6.875	-	225	225	225
Deferred acquisition payments				7	-	7	4
Other long-term loans				-	-	0	3
Total long-term loans				**706**	**1,452**	**2,158**	**2,141**
Derivative financial instruments				-	-	0	0
Total long-term debt				**706**	**1,452**	**2,158**	**2,141**

Net debt	**2011**	2010
Total long-term debt	**2,158**	**2,141**
Borrowings and bank overdrafts		
Multi-currency roll-over credit facility	193	352
Other bilateral U.S. dollar bank loans	116	-
Other short-term loans	24	6
Bank overdrafts	13	19
Total borrowings and bank overdrafts	**346**	**377**
Deferred acquisition payments note 22	5	8
Derivative financial instruments note 22	13	12
Total short-term debt	**364**	**397**
Gross debt	**2,522**	**2,538**
Minus:		
Cash and cash equivalents note 21	(295)	(458)
Note receivable note 5	(8)	-
Derivative financial instruments:		
Non-current receivable note 17	(51)	(44)
Current receivable note 20	-	(1)
Net debt	**2,168**	**2,035**

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

Loan maturity
The following amounts of gross debt at December 31, 2011, are due within and after five years:

Gross debt	2011
2013	2
2014	701
2015	0
2016	3
Due after 2016	1,452
Long-term debt	2,158
Short-term debt (2012)*	364
Total	**2,522**

* 2012 includes short-term borrowings on facilities and bank loans (€309 million)

Bonds
Wolters Kluwer has unsubordinated bonds outstanding for an amount of €1,481 million as at December 31, 2011 (2010: €1,480 million).

On November 19, 2003, Wolters Kluwer issued a ten-year unsubordinated Eurobond with a nominal value of €700 million. The coupon on the bonds is 5.125% with an issue price of 99.618 per cent.

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

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

Private placements
On February 26, 2008, Wolters Kluwer entered into four bilateral private loan agreements for a total amount of ¥20 billion (2011: €199 million; 2010: €183 million) with a maturity of 30 years. The loans denominated in Japanese yen were swapped to euro. The Company has collateral of €18 million received in cash for this cross currency interest rate swap.

On July 28, 2010, Wolters Kluwer entered into a bilateral private loan agreement for a total amount of €250 million (€246 million at year-end 2011) with a maturity of 10 years. The receipt of the cash proceeds took place in December 2010. The private loan has been priced at an issue price of 98.567 per cent and carries an annual coupon of 4.20%.

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

Multi-currency roll-over credit facility
In July 2010, Wolters Kluwer signed a €600 million multi-currency roll-over credit facility with a five year maturity in 2015. The credit facility is for general corporate purposes. The multi-currency roll-over facility is subject to customary conditions, including a financial credit covenant. The credit facility covenant is defined as that the consolidated net senior borrowings (excluding fully subordinated debt) to ordinary EBITDA shall not exceed 3.5. In 2011, the Group is comfortably within the thresholds stipulated in the financial covenants of the credit facility.

Other bilateral bank loans
In 2011, Wolters Kluwer signed for €116 million ($150 million) short-term loans with a one year maturity. These loans are used for general corporate purposes.

There were no defaults or breaches on the loans and borrowings during 2011 and 2010.

Financial Risk Management and Financial Risks note 24

The Group's activities are exposed to a variety of financial risks including currency, interest, liquidity, and credit risk. Financial risk identification and management for currency, interest, liquidity risk, and credit risk is carried out by the central treasury department (Corporate Treasury), whereby the treasury operations are conducted within a framework of policies and guidelines (Treasury Policy), which have been approved by the Executive Board/CFO and Audit Committee. The Treasury Policy may change on an annual basis in light of market circumstances and market volatility, and is based on a number of assumptions concerning future events, subject to uncertainties and risks that are outside the Group's control. A Treasury Committee, comprised of the Vice President Corporate Accounting, Controller Corporate Office, Vice President Corporate Treasurer, and representatives of the Corporate Treasury and Back-Office, meets quarterly to review treasury activities and compliance with the Treasury

Policy and reports directly to the Executive Board/CFO and the Audit Committee. The Treasury Back-Office reports deviations directly to the CFO and the Corporate Treasurer.

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

The Group's funding activities are carried out by Corporate Treasury, using a mixture of long-term capital market instruments and committed credit facilities. A variety of instruments is used to ensure optimal financial flexibility and capital efficiency. The borrowings, together with cash generated from operations, are on-lent or contributed as equity to the operating companies. The Group targets a net-debt-to-EBITDA ratio of approximately 2.5, however, the Group could temporarily deviate from this relative indebtedness ratio. At December 31, 2011, the net-debt-to-EBITDA ratio is 3.1 (2010: 2.7) and the net-debt-to-EBITDA-ratio, excluding Springboard costs is 2.7 (2010: 2.5).

All treasury activities – in particular the use of derivative financial instruments – are subject to the principle of risk minimization and are transacted by specialist treasury personnel. For this reason, financial transactions and risk positions are managed in a central treasury management and payment system. The Group does not purchase or hold derivative financial instruments for speculative purposes.

The Group's risk profile is defined and reviewed regularly. Although economic environment has become more challenging as a consequence of the turbulence on financial markets, the exposure to financial risks for the Company has not significantly changed, nor the approach to these risks.

Currency risk

The Group has identified transaction and translation risks as the main currency risks. The transaction risk exposure within individual Wolters Kluwer entities is considered to be immaterial. The prices that Wolters Kluwer charges its customers for products and services are mainly denominated in the customers' local currencies. Given the nature of the business, almost all related cost are also incurred in those local currencies. Derivative financial instruments to hedge transaction risks are therefore not frequently used.

Translation risk is the risk that exchange rate gains or losses arise from translating the statement of income, balance sheet, and cash flow statement of foreign subsidiaries to the Group's presentation currency (the euro) for consolidation purposes.

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

Approximate impact of 1% decline of the U.S. dollar against the euro	**2011**	2010
Revenues	(20)	(19)
Ordinary EBITA	(5)	(4)
Operating profit	(3)	(3)
Ordinary net income	(3)	(3)
Profit for the year	(2)	(2)
Shareholders' equity at December 31	(22)	(19)
Ordinary free cash flow	(3)	(4)

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 €155 million ($200 million) at December 31, 2011.

The Group had U.S. dollar debt outstanding for a total notional amount of €469 million ($607 million) at December 31, 2011 (2010: €510 million or $681 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 18% (2010: 21%).

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 2011, approximately 66% (2010: 21%) was payable in U.S. dollars and resulting currency results have been recognized in the statement of income. Based on the percentage of 66% 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, 2011, with all other variables held constant, would result in a decrease of approximately €0.8 million of the finance costs (2010: approximately €0.3 million).

Interest rate risk

The Group is exposed to interest rate risk, mainly with regard to the euro and the U.S. dollar. The Group aims to mitigate the impact on its results and cash flow of interest rate movements, both by arranging fixed or variable rate funding and by possible use of derivative financial instruments. Currently the Group's interest rate position (excluding cash and cash equivalents) is almost fully fixed rather than floating; of the total interest portfolio (excluding cash and cash equivalents) approximately 12% per year-end 2011 (2010: 8%) was variable rate and 88% (2010: 92%) carried a fixed rate.

Assuming the same mix of variable and fixed interest rate instruments, an instantaneous increase of interest rates of 1% compared to the rates on December 31, 2011, with all other variables held constant, would result in a increase of approximately €3 million of the finance costs (2010: approximately €2 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, 2011, the Group has access to the unused part of the committed credit facilities of €407 million in total (2010: €619 million) and has cash and cash equivalents of €295 million, (receivable) derivative financial instruments of €51 million, and a non-current divestment receivable of €8 million, minus other short-term loans, deferred (short-term) acquisition payments, bank overdrafts and (current payable) derivative financial instruments of in total €55 million. The headroom was €706 million at year-end 2011 (2010: €1,077 million). No property has been collateralized or in any other way secured under debt contracts.

Credit risk

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

Financial instruments and excess cash at financial institutions

The Group is exposed to credit risks due to its use of derivatives and because of excess cash deposited at banks.

It is the Group's practice to conclude financial transactions under ISDA (International Swap Dealers Association) master agreements. Cash is invested and financial transactions are concluded only with financial institutions with strong credit ratings (at least a credit rating of A-/A3). Furthermore, credit limits per counterparty are in place and are monitored periodically. At December 31, 2011, there were no material credit risk concentrations outstanding while the average weighted credit rating of counterparties was A+ (2010: 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.

Trade receivables

The Group has a natural exposure to credit risk in its operational business. This exposure of the Group's operating companies to credit risk is inherently limited, as there is no customer who represents more than 1% of the Group's revenues and a substantial part of the transactions is prepaid by customers. The Group's operating companies actively monitor the solvency of their key accounts.

Trade receivables include an amount of €282 million (2010: €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	**2011**	2010
Past due up to 30 days	113	107
Past due between 30 and 90 days	68	71
Past due over 90 days	101	93
Total past due, not impaired	**282**	**271**

Fair value of financial instruments

Fair value of financial instruments	**December 31, 2011**		December 31, 2010	
	Carrying value	Fair value	Carrying value	Fair value
Non-current note receivable	8	8	-	-
Trade receivables	960	960	934	934
Assets held for sale	81	81	-	-
Trade and other payables	(388)	(388)	(337)	(337)
Liabilities held for sale	(50)	(50)	-	-
Bonds	(1,481)	(1,632)	(1,480)	(1,635)
Private placements	(445)	(417)	(429)	(393)
Perpetual cumulative subordinated bonds	(225)	(219)	(225)	(219)
Derivative financial instruments:				
Non-current receivable	51	51	44	44
Current receivable	0	0	1	1
Non-current payable	0	0	0	0
Current payable	(13)	(13)	(12)	(12)
Total derivative financial instruments	**38**	**38**	**33**	**33**

The fair value has been determined by the Group based on market data and appropriate valuation methods/quotes. Valuation methods include:

- Level 1: reference to quoted prices (unadjusted) in active markets for similar assets and liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data. The valuation method can be based on discounted cash flow analysis, or other instruments that are substantially identical. The fair value of outstanding bonds at the balance sheet date can deviate from the value at which they have been recorded in the balance sheet (the carrying value).

Financial instruments	2011		Level 1	Level 2	Level 3	2010
	Carrying value	Fair value				Fair value
Assets						
Non-current note receivable	8	8	-	8	-	-
Non-current derivatives receivable	51	51	-	51	-	44
Current derivatives receivable	-	-	-	-	-	1
Total assets	**59**	**59**	**-**	**59**	**-**	**45**
Liabilities						
Bonds 2003-2014 (in €)	699	735	735	-	-	747
Bonds 2008-2018 (in €)	746	855	855	-	-	845
Bonds 2008-2028 (in €)	36	42	-	42	-	43
Private placement 2008-2038 (in ¥)	199	179	-	179	-	160
Private placement 2010-2020 (in €)	246	238	-	238	-	233
Perpetual cumulative subordinated bonds (in €)	225	219	219	-	-	219
Long-term deferred acquisition payments	7	7	-	-	7	4
Other long-term loans	-	-	-	-	-	3
Current derivatives payable	13	13	-	13	-	12
Non-current derivatives payable	-	-	-	-	-	0
Total liabilities	**2,171**	**2,288**	**1,809**	**472**	**7**	**2,266**

The following table shows a reconciliation of long-term deferred acquisition payments and other long-term loans for fair value measures in level 3 of the fair value hierarchy:

Fair value hierarchy level 3	2011	2010
Balance at January 1	7	27
Arising from business combinations note 6	3	2
Releases against intangibles assets	-	(12)
Settlements/movements to short-term	(3)	(10)
Balance at December 31	**7**	**7**

Hedge accounting
At year-end the outstanding derivative financial instruments qualify for hedge accounting under IFRS. To apply for hedge accounting requires the hedge to be highly effective. In 2011, the result recorded in the statement of income as a result of ineffectiveness of hedging is: cash flow hedge, €0 million and net investment hedge, €0 million.

Sensitivity analysis
A sensitivity analysis on the derivative financial instruments portfolio yields the following results assuming an instantaneous 1% decline of the U.S. dollar and Japanese yen against the euro from their levels at December 31, 2011, and an instantaneous 1% increase of the U.S. dollar, Japanese yen, and euro interest rates respectively.

Sensitivity in millions	Hedged risk	Amount	Type instrument	Exchange rate movement	Interest rate movement
Fair value hedge	Fair value fluctuations due to movements in the applicable market benchmark interest rates	-	Interest rate swaps	-	-
Cash flow hedge	Changes in ¥ floating interest payments and ¥ exchange rates	¥ 20,000	(Cross currency) Interest rate swaps	(2)	(10)
Net investment hedge	Changes of the U.S. dollar net investments due to fluctuations of U.S. dollar exchange rates	$200	Forward contracts	2	0

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

The multi-currency roll-over credit facility and other bank loans are not included in this sensitivity analysis since these are not derivative financial instruments. However, of the total dollar denominated debt of $400 million only $350 million ($470 million at December 31, 2010) serves as a net investment hedge at December 31, 2011.

Employee Benefits note 25

Employee benefits	**2011**	2010
Pensions and post-employment plans	168	138
Other (post-) employment obligations	14	14
Total	**182**	**152**

Provision for pensions and post-employment plans

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

Assumptions in %	**2011**	2010
Pension schemes		
Discount rate for pension obligations	5.1	5.2
Discount rate for net periodic pension expense	5.2	5.5
Expected return on plan assets	5.5	5.9
Expected rate of salary increases	3.0	3.0
Post-employment plans		
Discount rate for obligations	4.4	5.0
Discount rate for net periodic pension expense	5.0	5.6
Medical cost trend rate	3.0	3.0

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 2010-2060 (2009: 2005-2050);
- U.S.: 2011 Pension Protection Act ('PPA') Treasury Table, being the current standard mortality table; and
- U.K.: Self-administered pension schemes ('SAPS') (Year of Birth) – 1 year medium cohort projection 1% underpin.

Plan liabilities and assets	Pension plans		Post employment plans	
	2011	2010	**2011**	2010
Plan liabilities				
Fair value at January 1	932	879	61	54
Current service cost	6	6	2	2
Interest cost	47	47	3	3
Benefits paid by fund	(38)	(40)	(4)	(4)
Actuarial (gains)/losses	1	23	3	3
Contributions by plan participants	4	4	-	-
Other	(1)	(4)	-	0
Exchange rate differences	8	17	2	3
Fair value at December 31	**959**	**932**	**67**	**61**
Plan assets				
Fair value at January 1	971	885	0	0
Expected return on plan assets	53	51	-	-
Actuarial gains/(losses)	18	26	-	-
Benefits paid by fund	(38)	(40)	(4)	(4)
Contributions by the employer	8	32	4	4
Contributions by plan participants	4	4	-	-
Other	0	0	-	-
Exchange rate differences	6	13	-	-
Fair value at December 31	**1,022**	**971**	**0**	**0**
Funded status				
Unfunded/(funded) status at December 31	(63)	(39)	67	61
Unrecognized past service cost	4	5	5	6
Asset ceiling	135	89	-	-
Reclassification of Medicare Part D to financial assets	-	-	20	16
Net liability at December 31	**76**	**55**	**92**	**83**
Pension cost				
Current service cost	6	6	2	2
Interest cost	47	47	3	3
Expected return on plan assets	(53)	(51)	-	-
Amortization unrecognized past service cost	(1)	(1)	(1)	(1)
Plan amendments and curtailments	(1)	(2)	-	(1)
Total pension costs note 9	**(2)**	**(1)**	**4**	**3**

Post-employment plans consist of the post-retirement medical benefits plan in the United States, Canada and the Italian TFR ('Trattamento di fine Rapporto') plan.

The 2011 asset ceiling of €135 million (2010: €89 million) relates mainly to the pension schemes in the Netherlands and, to a lesser extent, in the UK. In these defined benefit plans the over-funding of the defined benefit plans cannot likely be recovered, based on the current terms of the plans, through refunds or reductions in future contributions.

The reclassification of the Medicare Part D subsidy of €20 million (2010: €16 million) refers to the U.S. Medicare Prescription Drug subsidy (see Note 17).

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

Actuarial gains/(losses)	**2011**	2010
Position at January 1	(94)	(66)
Recognized in Other comprehensive income	(32)	(28)
Cumulative amount at December 31	**(126)**	**(94)**

The actual return on plan assets for the year ended December 31, 2011, amounted to a gain of €71 million (2010: a gain of €77 million).

The funded status for the years 2011-2007 and the related experience gains and losses over the years is as follows:

Funded status	**2011**	2010	2009	2008	2007
Present value of defined benefit obligation	(1,026)	(993)	(933)	(907)	(935)
Fair value of plan assets	1,022	971	885	817	976
Funded/(unfunded) status	**(4)**	**(22)**	**(48)**	**(90)**	**41**
Experience gains/(losses) plan assets	18	26	39	(177)	(30)
Experience gains/(losses) plan liabilities	4	9	0	(19)	(20)

The funded status of the pension plans in 2011 was mainly affected by lower interest rates resulting in higher valuation of the investments in bonds.

Experience adjustments are defined as all adjustments (like changes in plan populations and data corrections) other than changes of actuarial assumptions (differences between the current and the previous year's actuarial assumptions like changes in discount rate, mortality tables, indexation, and future salary rate increases).

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

Sensitivity in millions	Medical cost	Gross service cost	Plan liabilities
Baseline	2	8	1,026
Discount rate -1%	2	10	1,185
Discount rate +1%	2	7	898

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

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 3% (2010: 3%) according to the plan rules. Consequently, the sensitivity for a 1% change in the assumed medical cost trend rate is nil.

The baseline gross service cost of €8 million (2010: €9 million) relates to the pension plans as well as the Italian TFR.

The overall expected rate of return on assets (EROA) for the year 2012 is 5.5% (January 1, 2011: 5.5%) and is based upon the long-term EROA per asset class. For equities, a long-term average weighted EROA of 7.7% (2010: 7.6%) is applied and for bonds an average weighted return of 4.5% (2010: 4.1%).

The Group's employer contributions to be paid to the defined benefit plan assets in 2012 are estimated at €19 million.

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 %	**2011**	2010
Equities	29	34
Bonds	63	57
Other	8	9
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.

Provisions for Restructuring Commitments note 26

Provision for restructuring commitments	Springboard	Acquisition integration	Restructuring	**2011**	2010
Position at January 1	9	1	0	10	10
Add: short-term commitments	17	1	6	24	36
Total at January 1	26	2	6	34	46
Movements					
Acquisitions through business combinations	-	-	2	2	2
Addition due to divestments of operations	-	-	2	2	2
Addition to Springboard/acquisition integration note 2	102	18	-	120	63
Total additions	102	18	4	124	67
Appropriation of provisions for restructuring	(61)	(11)	(3)	(75)	(80)
Transfer to liabilities held for sale	(1)	-	-	(1)	-
Exchange differences and other movements	0	0	0	0	1
Total movements	**40**	**7**	**1**	**48**	**(12)**
Total at December 31	66	9	7	82	34
Less: short-term commitments	(47)	(7)	(6)	(60)	(24)
Position at December 31	**19**	**2**	**1**	**22**	**10**

The majority of the provisions relate to severance programs, restructurings and onerous contracts.

Capital and Reserves note 27

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 298.7 million per December 31, 2010, to 301.7 million per December 31, 2011. The 2011 increase in issued share capital was due to the issuance of 2010 stock dividend and the vesting of the 2008-10 LTIP plan.

The Company holds 5.1 million of shares in treasury at December 31, 2011 (2010: 0.1 million), which have not been cancelled; the increase is due to the €100 million share buy-back program in 2011. At December 31, 2011, the net number of shares outstanding is 296.6 million (2010: 298.6 million).

Legal reserve participations
Legal reserve participations contain appropriations of profits of group companies, which are allocated to a legal reserve based on statutory and/or legal requirements. This reserve is not available for distribution.

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

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

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

In 2011 the Company executed a share buy-back program of €100 million. The company repurchased 7.2 million of ordinary shares under this program at an average stock price of €13.88.

Treasury shares are recorded at cost, representing the market price on the acquisition date.

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 €0.68 per share in cash or in shares at a ratio to be determined and announced on May 11, 2012. Of the 2010 dividend of €0.67 per share, 63.7% was distributed as cash dividend (2009 dividend: 59.5%).

Number of shares
For a reconciliation of average number of shares and earnings per share, see note 4.

Number of shares in thousands	Number of ordinary shares		Number of treasury shares		Total outstanding shares	
	2011	2010	**2011**	2010	**2011**	2010
At January 1	298,659	292,799	(49)	(761)	298,610	292,038
Stock dividend	2,395	5,166	2,105	-	4,500	5,166
Repurchased own shares	-	-	(7,205)	-	(7,205)	-
Long-Term Incentive Plan	607	694	27	297	634	991
Stock options	0	0	20	415	20	415
At December 31	**301,661**	**298,659**	**(5,102)**	**(49)**	**296,559**	**298,610**

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.

Share-based Payments note 28

Long-Term Incentive Plan
In 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.

For the conditional TSR awards that were awarded up to and including 2011 (including the LTIP 2008-10, 2009-11, 2010-12 and 2011-13) the pay-out of shares after three years fully depends on the Group's Total Shareholder Return (TSR) relative to a pre-defined group of 15 peer companies. Vesting of these conditional grants is subject to the non-market condition that the participant stays with the Group until the plan's maturity. The expense of the TSR based LTIP is recognized ratably in the statement of income over the performance period.

Actual awards at the end of the performance period will range anywhere from 0% to 150% of the norm pay-out. There will be no pay-out for the Executive Board Wolters Kluwer ends below the eighth position in the TSR Ranking, 150% for first or second position, 125% for third or fourth position, 100% for fifth or sixth position, and 75% pay-out for seventh or eighth position.

In 2011, the Annual general Meeting of Shareholders of Wolters Kluwer approved an additional performance condition based on Diluted Earnings per Share (EPS) at constant currencies for the LTIP awards to be made to the Executive Board, in addition to the existing performance condition based on Total Shareholder Return (TSR). This change only relates to the conditional LTIP awards granted to the Executive Board made in 2011 and future years; the terms and conditions of the LTIP awards to Senior Executives and other employees remained unchanged in 2011. As a consequence, for the LTIP grant 2011-13 to the Executive Board, the LTIP awards depend partially on the TSR performance (50% of the value of the conditionally awarded rights on shares) and partially on the EPS performance (50% of the value of the conditionally awarded rights on shares). The amount recognized as an expense in a year is adjusted to reflect the number of shares awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market conditions at the vesting date.

For the EPS related shares, there will be no pay-out if the performance over three years is less than 50% of the target. In case of overachievement of the target, the Executive Board members can earn up to a maximum of 150% of the conditionally awarded shares. See for more details Remuneration Report.

In 2011, €16 million has been recognized within personnel expenses in the statement of income (2010: €16 million) related to the total cost of the LTIP 2009-11, 2010-12, and 2011-13.

LTIP 2010-12 and 2011-13	Executive Board		Senior Executives	
	LTIP 2011-13	LTIP 2010-12	LTIP 2011-13	LTIP 2010-12
Fair value at grant date	12.12	11.08	14.67	13.46
Share price at grant date	16.40	15.30	16.40	15.30
Expected volatility	31%	31%	31%	31%
Expected life	3 years	3 years	3 years	3 years
Expected dividends	2%	2%	2%	2%
Risk free interest rate	1.25%	1.89%	1.25%	1.89%

LTIP 2008-10
The LTIP 2008-10 vested on December 31, 2010. On Total Shareholder Return (TSR) Wolters Kluwer ranked tenth relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board and a pay-out of 75% to the senior executives. As a result, 635,475 shares were released on February 24, 2011.

LTIP 2009-11
The LTIP 2009-11 vested on December 31, 2011. On Total Shareholder Return (TSR) Wolters Kluwer ranked eleventh relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board and in a pay-out of 50% of the conditional base number of shares awarded to senior executives. The shares will be released on February 23, 2012.

LTIP 2009-11
number of shares

Total grant	1,517,237
Forfeited in previous years	(171,550)
Shares outstanding at January 1, 2011	1,345,687
Forfeited and vested during year	(63,650)
Effect of 0% vesting based on TSR ranking Executive Board	(475,887)
Effect of 50% vesting based on TSR ranking senior executives	(403,075)
Vested at December 31, 2011	**403,075**

LTIP 2010-12 and LTIP 2011-13

LTIP 2010-12 and 2011-13 Base numbers of shares at 100% pay-out	LTIP 2010-12	LTIP 2011-13	Total
Conditionally awarded grant 2010	1,499,358	-	1,499,358
Forfeited in previous years	(56,637)	-	(56,637)
Shares outstanding at January 1, 2011	1,442,721	0	1,442,721
Conditionally awarded grant 2011	-	1,430,187	1,430,187
Forfeited and vested in 2011	(89,933)	(61,600)	(151,533)
Outstanding at December 31, 2011	**1,352,788**	**1,368,587**	**2,721,375**

The fair value of each conditionally awarded share under the running LTIP grants, as determined by an outside consulting firm, for the Executive Board and for the senior managers of the Group was summarized as follows:

Fair value of conditionally awarded shares under each LTIP-grant	Executive Board		Senior Executives	
	Fair value (€)	Vesting (in %)	Fair value (€)	Vesting (in %)
LTIP 2011-13	12.12	-	14.67	-
LTIP 2010-12	11.08	-	13.46	-
LTIP 2009-11	9.13	0	11.27	50
LTIP 2008-10	14.71	0	18.49	75
LTIP 2007-09	14.55	75	17.91	100

The fair value of a conditionally awarded share under the LTIP 2011-13 increased compared to previous year, mainly as a result of the share price of Wolters Kluwer at January 1, 2011.

The fair value of the conditionally awarded shares under the LTIP 2011-13 grant to the Executive Board based on the Earnings per Share (EPS) vesting condition was €14.38.

Stock option plans
Early 2011, all remaining outstanding options were exercised, for a total value of €0.3 million (2010: €4.9 million) that was received by the Company. No stock option plans are outstanding at December 31, 2011 (2010: 20,000 options).

Related Party Transactions note 29

The Company has a related party relationship with its subsidiaries (Wolters Kluwer nv has filed a list of the subsidiaries at the Trade Register in The Hague), equity-accounted investees, joint venture, the pension funds, and members of the Supervisory Board and the Executive Board. Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. For transactions with key management reference is made to Note 31 Remuneration of the Executive Board and Supervisory Board.

Related party transactions
The Group has one joint venture accounted for under the proportionate share method in the consolidated financial statements of the Group. The revenues of this joint venture on a 100% basis amount to €13 million (2010: € 12 million).

Joint venture transactions	**2011**	2010
Sales of goods and services bought from joint venture	9	9
Services provided to joint venture	(3)	(3)
Net amounts payable	3	4

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

Commitments and Contingent Liabilities note 30

Leases
The Group leases a number of offices under operating leases. The leases typically run for a period of 3-10 years, with an option to renew the lease. Lease payments are increased to reflect market rentals. None of the leases include contingent rentals.

At December 31, 2011, annual commitments under rental and operational lease agreements amounted to €67 million (2010: €60 million). The average term of these commitments is approximately 4.8 years (2010: 4.5 years).

Non-cancelable operating lease rentals are payable as follows:

Non-cancelable operating lease rentals	**2011**	2010
Less than one year	19	20
Between one and five years	44	43
More than five years	31	41

Some of the leased property is sublet by the Group. Sublease payments of €3 million (2010: €3 million) are expected to be received during the following financial year. The Group has recognized a provision of €3 million related to these subleases (2010: €2 million).

Non-current assets include €1 million (2010: €2 million) relating to finance lease arrangements. The amount due within the first year is €1 million (2010: €1 million), the amount due in the second to fifth years is nil (2010: €1 million). The present value of the lease payments does not differ materially from the nominal value.

Guarantees
At December 31, 2011, the Group has outstanding guarantees regarding royalty payments to societies during the coming years of €4 million (2010: €4 million).

The Group has issued formal guarantees for bank credit facilities for a total amount of €132 million (2010: €131 million) on behalf of a number of its foreign subsidiaries. At December 31, 2011, €40 million of these credit facilities had been utilized (2010: €1 million). At December 31, 2011, other bank guarantees had been issued at the request of the Company or its subsidiaries for a total amount of €8 million (2010: €8 million). These guarantees mainly relate to rent for real estate. In addition, parental performance guarantees to third parties have been issued for €14 million (2010: €2 million).
The Group has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €9 million (2010: €9 million).

Legal and judicial proceedings, claims
The Group is involved in legal and judicial proceedings and claims in the ordinary course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists.

A liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the financial performance and position.

Remuneration of the Executive Board and Supervisory Board note 31

The table below provides the accounting costs of the total compensation of the Executive Board recognized in the statement of income, including the cost recognized for share-based payments compensation:

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

Remuneration costs for the Executive Board in thousands of euros	Salary	Bonus[1]	Pension	Social security	Other Benefits	Share-based payments (LTIP)[2]	Tax gross up	**2011**	2010
N. McKinstry, Chairman	1,023	1,115	25	14	259	2,839	(28)	5,247	5,533
B.J.L.M. Beerkens	622	625	132	8	25	1,060	-	2,472	2,470
J.J. Lynch, Jr.	481	387	18	18	26	749	112	1,791	2,016
Total	**2,126**	**2,127**	**175**	**40**	**310**	**4,648**	**84**	**9,510**	**10,019**

1 Ms. McKinstry's compensation is €1,022,726. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,190,330 × 130.37% (equivalent to €1,114,823).

2 LTIP share-based payments are based on IFRS accounting policies and therefore do not reflect the actual pay-out or value of performance shares released upon vesting.

The table below provides the 2011 remuneration of the members of the Executive Board that has actually been paid out in 2011 or will be paid in 2012; the vesting of the LTIP shares for the Executive Board resulted in no pay-out in 2011 and 2010:

Remuneration of the Executive Board based on actual pay-out in thousands of euros	Salary	Bonus[1]	Pension	Social security	Other Benefits	Share-based payments (LTIP)	Tax gross up	**2011**	2010
N. McKinstry, Chairman	1,023	1,115	25	14	259	-	(28)	2,408	2,755
B.J.L.M. Beerkens	622	625	132	8	25	-	-	1,412	1,427
J.J. Lynch, Jr.	481	387	18	18	26	-	112	1,042	1,341
Total	**2,126**	**2,127**	**175**	**40**	**310**	**-**	**84**	**4,862**	**5,523**

1 Ms. McKinstry's compensation is €1,022,726. The bonus is calculated on a dollar denominated equivalent of total salary as: $1,190,330 × 130.37% (equivalent to €1,114,823).

Social security costs paid by the Company in a year related to shares that were released under LTIP are included in the remuneration. The tax gross up relates to the tax expense that was paid by the Company in 2011 relating to tax equalization for salary and benefits per the contracts between the Company and Ms. McKinstry and Mr. Lynch.

The 2011 bonuses as presented above relate to the performance year 2011 and will be paid in 2012.

The 2011 pension contributions as presented above reflect the accrued pension cost for the financial year 2011.

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

LTIP 2009-11

The LTIP 2009-11 vested on December 31, 2011. On Total Shareholder Return (TSR) Wolters Kluwer ranked eleventh relative to its peer group of 15 companies, resulting in a pay-out of 0% of the conditional base number of shares awarded to the Executive Board members.

LTIP 2009-11 number of shares	Outstanding at January 1, 2011	Deduction on conditional number of shares (100%)	Pay-out/ Vested December 31, 2011
N. McKinstry, Chairman	297,134	(297,134)	0
B.L.J.M. Beerkens	113,520	(113,520)	0
J.J. Lynch, Jr.	65,233	(65,233)	0
Total	**475,887**	**(475,887)**	**0**

LTIP 2010-12 and LTIP 2011-13

The Executive Board members have been conditionally awarded the following conditional number of shares based on a 100% pay-out, subject to the conditions of the LTIP for 2010-12 and 2011-13, as described in the Remuneration Report.

LTIP 2010-12 and 2011-13 base numbers of shares at 100% pay-out	Conditionally awarded TSR based shares LTIP 2010-12	Conditionally awarded TSR based shares LTIP 2011-13	Conditionally awarded EPS based shares LTIP 2011-13	Total conditionally awarded based shares December 31, 2011
N. McKinstry, Chairman	255,250	122,748	103,457	481,455
B.L.J.M. Beerkens	95,412	44,921	37,861	178,194
J.J. Lynch, Jr.	71,542	35,410	29,845	136,797
Total	**422,204**	**203,079**	**171,163**	**796,446**

The fair value of each conditionally awarded share under the running LTIP grants to the Executive Board members, as determined by an outside consulting firm, was as follows:

Fair value of conditionally awarded shares under each LTIP-grant	Fair value (€) of awarded TSR shares	Fair value (€) of awarded EPS shares	Vesting (in %)
LTIP 2011-13	12.12	14.38	-
LTIP 2010-12	11.08	-	-
LTIP 2009-11	9.13	-	0
LTIP 2008-10	14.71	-	0

The plans have a performance period of three years.

Shares Owned by Executive Board Members

At December 31, 2011, the Executive Board jointly held 178,100 shares (2010: 170,000 shares), of which 120,350 shares (2010: 112,500 shares) were held by Ms. McKinstry and 57,750 shares by Mr. Beerkens (2010: 57,500 shares).

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

Remuneration of Supervisory Board members in thousands of euros	Member of Selection and Remuneration Committee	Member of Audit Committee	**Remuneration 2011**	Remuneration 2010
A. Baan, Chairman	•	•	74	57
P.N. Wakkie, Deputy Chairman	•		62	51
B.F.J. Angelici		•	59	44
B.M. Dalibard			52	42
L.P. Forman	•	•	67	51
S.B. James	•		57	44
H. Scheffers		•	62	47
Total			**433**	**336**

Shares Owned by Supervisory Board Members

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

Accounting Estimates and Judgments note 32

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. Actual results may differ from those estimates, and may result in material adjustments within the next financial year(s).

Policies that are critical for the presentation of the financial position and financial performance of the Group and that require estimates and judgments are 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 statement of income. The assets and liabilities as well as the costs are based upon actuarial and economic assumptions. The main economic assumptions are:

- discount rate;
- expected return on plan assets;
- asset mix of the fund;
- indexation ambition;
- average increase salaries; and
- medical trend rate.

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

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

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 that manages the business with which the goodwill is associated. The future cash flows are based on Business Development Plans, prepared by management and approved by the Executive Board of the Group and covers a five years period.

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

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

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

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

Legal and judicial proceedings, claims
For legal and judicial proceedings and claims against the Company and its operating entities, a liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability, and consequently may affect the actual result. The prediction of the outcome and the assessment of a possible loss by management are based on management's judgments and estimates. Management usually consults lawyers and other specialists for support.

Financial Statements of Wolters Kluwer nv

Statement of Income of Wolters Kluwer nv

in millions of euros	2011	2010
Results from subsidiaries, net of tax note 34	126	188
Other income, net of tax	(6)	100
Profit for the year	**120**	**288**

Balance Sheet of Wolters Kluwer nv

in millions of euros and before appropriation of results, at December 31		2011		2010
Non-current assets				
Intangible assets	23		24	
Property, plant, and equipment	0		0	
Financial assets note 34	3,986		2,597	
Total non-current assets		**4,009**		**2,621**
Current assets				
Accounts receivable note 35	668		2,010	
Cash and cash equivalents	96		312	
Total current assets	764		2,322	
Current liabilities note 36	994		1,098	
Working capital		(230)		1,224
Capital employed		**3,779**		**3,845**
Non-current liabilities				
Long-term debt:				
Bonds note 23	1,481		1,480	
Private placements note 23	445		429	
Perpetual cumulative subordinated bonds note 23	225		225	
Derivative financial instruments note 23	0		0	
Total long-term debt		2,151		2,134
Long-term debt to subsidiaries		66		83
Deferred tax liabilities		19		13
Provision for restructuring commitments		1		1
Provision for employee benefits		2		2
Total non-current liabilities		**2,239**		**2,233**
Issued share capital	36		36	
Share premium reserve	88		88	
Legal reserves	(149)		(198)	
Other reserves	1,565		1,686	
Shareholders' equity note 37		1,540		1,612
Total financing		**3,779**		**3,845**

Notes to the Financial Statements of Wolters Kluwer nv

Significant Accounting Policies [note 33]

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

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

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

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

For the following disclosures reference is made to the notes to the consolidated financial statements:
- Financial Instruments [note 23];
- Capital and reserves [note 27];
- Share-based payments [note 28];
- Related party transactions [note 29]; and
- Remuneration of the Executive Board and Supervisory Board [note 31].

Financial Assets note 34

Financial assets	2011	2010
Equity value of subsidiaries	1,474	(402)
Long-term receivables from subsidiaries	2,461	2,955
Derivative financial instruments	51	44
Total	**3,986**	**2,597**

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

Subsidiaries	2011	2010
Equity value of subsidiaries at January 1	(402)	(486)
Movements related to results from subsidiaries, net of tax	126	188
Movements related to exchange differences	155	7
Movements related to net capital payments	1,681	-
Movements related to dividend payments	(63)	(87)
Actuarial gains/(losses) on defined benefit plans, net of tax	(23)	(24)
Equity value of subsidiaries at December 31	**1,474**	**(402)**

Accounts Receivable note 35

Accounts receivable	2011	2010
Receivables from subsidiaries	651	2,004
Derivative financial instruments	-	1
Current tax receivable	16	2
Other receivables	1	3
Total	**668**	**2,010**

Current Liabilities note 36

Current liabilities	2011	2010
Debts to subsidiaries	578	630
Multi-currency roll-over credit facility	193	352
Other bilateral U.S. dollar bank loans	77	-
Bank overdrafts	27	3
Derivative financial instruments	13	12
Interest payable	82	84
Other liabilities	24	17
Total	**994**	**1,098**

Shareholders' Equity note 37

Shareholders' Equity			Legal reserves			Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2010	**35**	**89**	**26**	**52**	**(390)**	**(18)**	**1,422**	**118**	**1,334**
Exchange differences on translation foreign operations					191				191
Net gains/(losses) on hedges of net investments in foreign operations				(78)					(78)
Effective portion of changes in fair value of cash flow hedges				33					33
Net change in fair value of cash flow hedges reclassified to statement of income				(34)					(34)
Actuarial gains/(losses) on defined benefit plans							(28)		(28)
Income tax on other comprehensive income					(5)		9		4
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(79)	186	0	(19)	0	88
Profit for the year								288	288
Total comprehensive income/(loss) for the year	0	0	0	(79)	186	0	(19)	288	376
Appropriation of profit previous year							118	(118)	0
Share-based payments							16		16
Tax on share-based payments							(4)		(4)
Release LTIP shares	0					7	(7)		0
Cash dividend 2009							(115)		(115)
Stock dividend 2009	1	(1)							0
Exercise of share options						10	(5)		5
Other movements			7				(7)		0
Balance at December 31, 2010	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,399**	**288**	**1,612**

Shareholders' Equity			Legal reserves			Oher reserves			
	Issued share capital	Share premium reserve	Legal reserve partici-pations	Hedge reserve	Trans-lation reserve	Treasury shares	Retained earnings	Undistri-buted profit	Share-holders' equity
Balance at January 1, 2011	**36**	**88**	**33**	**(27)**	**(204)**	**(1)**	**1,399**	**288**	**1,612**
Exchange differences on translation foreign operations					86				86
Exchange differences on translation equity -accounted investees					0				0
Recycling of foreign exchange differences on loss of control					(1)				(1)
Net gains/(losses) on hedges of net investments in foreign operations				(33)					(33)
Effective portion of changes in fair value of cash flow hedges				9					9
Net change in fair value of cash flow hedges reclassified to statement of income				(16)					(16)
Actuarial gains/(losses) on defined benefit plans							(32)		(32)
Income tax on other comprehensive income					(1)		11		10
Other comprehensive income/(loss) for the year, net of tax	0	0	0	(40)	84	0	(21)	0	23
Profit for the year								120	120
Total comprehensive income/(loss) for the year	0	0	0	(40)	84	0	(21)	120	143
Appropriation of profit previous year							288	(288)	0
Share-based payments							16		16
Tax on share-based payments							(4)		(4)
Release LTIP shares						1	(1)		0
Cash dividend 2010							(127)		(127)
Stock dividend 2010	0	0				35	(35)		0
Exercise of share options							0		0
Repurchase of own shares						(100)			(100)
Other movements			5				(5)		0
Balance at December 31, 2011	**36**	**88**	**38**	**(67)**	**(120)**	**(65)**	**1,510**	**120**	**1,540**

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

Audit Fees note 38

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 2011 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.5	1.0	3.5
Other assurance services	0.2	0.3	0.5
Tax advisory services	-	1.1	1.1
Other non-audit services	0.0	0.1	0.1
Total	**2.7**	**2.5**	**5.2**

Audit fees 2010 in millions of euros	KPMG Accountants N.V.	Other KPMG member firms and affiliates	Total KPMG
Statutory audit of annual accounts	2.8	0.7	3.5
Other assurance services	0.2	0.2	0.4
Tax advisory services	-	1.2	1.2
Other non-audit services	0.1	-	0.1
Total	**3.1**	**2.1**	**5.2**

Commitments and Contingent Liabilities note 39

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 Group has issued formal guarantees for bank credit facilities for a total amount of €132 million (2010: €131 million) on behalf of a number of its foreign subsidiaries. At December 31, 2011, €40 million of these credit facilities had been utilized (2010: €1 million). In addition, parental performance guarantees to third parties have been issued for €14 million (2010: €2 million).

The Company has issued a guarantee on behalf of one of its foreign subsidiaries for an amount of €9 million (2010: €9 million).

Other

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

Details of Participating Interests note 40

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

Alphen aan den Rijn, February 21, 2012

Supervisory Board

A. Baan, Chairman
P.N. Wakkie, Deputy Chairman
B.F.J. Angelici
B. 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

Independent Auditor's Report

Report on the financial statements
We have audited the accompanying 2011 financial statements of Wolters Kluwer nv, Alphen aan den Rijn. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of income, comprehensive income, changes in total equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2011, the company statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Executive Board, and the Corporate Governance and Risk Management paragraphs in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2011 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Wolters Kluwer nv as at December 31, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Executive Board, and the Corporate Governance and Risk Management paragraphs, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the Report of the Executive Board, and the Corporate Governance and Risk Management paragraphs to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, February 21, 2012

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 in millions of euros	**2011**	2010
Proposed cash distribution	202	200

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 €0.68 per share in cash or in shares at a ratio to be determined and announced on May 11, 2012.

Other Information

Corporate Governance

General

Corporate governance is an important subject for Wolters Kluwer. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of the company. An outline of the broad corporate governance structure will be provided in this chapter. Wolters Kluwer complies with all of the Principles and Best Practice Provisions of the Dutch Corporate Governance Code (the 'Code'), unless stipulated otherwise in this chapter. Potential material future corporate developments might justify deviances from the Code at the moment of occurrence. The Code is available on www.commissiecorporategovernance.nl.

Executive Board

The Executive Board is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results, and corporate social responsibility/ sustainability issues that are relevant to the company. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure of appointment and dismissal of members of the Executive Board is explained in article 15 of the company's Articles of Association. The Executive Board currently consists of Ms. N. McKinstry (CEO and Chairman of the Executive Board), 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. In line with the Code, the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board were adopted and approved by the Annual General Meeting of Shareholders in 2004. In connection with a number of changes to the remuneration policy and to the LTIP, these subjects were submitted to the Annual General Meeting of Shareholders again in 2007. The Annual General Meeting of Shareholders adopted and approved the amendments. The Annual General Meeting of Shareholders held on April 27, 2011, approved the proposal to change the Long-Term Incentive Plan of the Executive Board. As a result hereof, Diluted Earnings per Share has been added as a second performance measure to the Executive Board LTIP 2011-2013 and future plans, in addition to Relative Total Shareholder Return. Wolters Kluwer has added a target focused on corporate sustainability to the Short-Term Incentive Plan for 2011, which is in line with Best Practice Provision II.2.3 of the Code. The Supervisory Board resolved to use revenues from electronic products as a percentage of total revenues as the new sustainability related target. Electronic products reduce paper consumption and increase productivity which contributes to sustainability of Wolters Kluwer and its customers.

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

Term of appointment

In line with Best Practice Provision II.1.1 of the Code, as a policy, future appointments of Executive Board members will take place for a period of four years. 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, until 2011. The Annual General Meeting of Shareholders held on April 27, 2011, reappointed Mr. Lynch as member of the Executive Board for a second period of four years. The existing contracts with Ms. McKinstry and Mr. Beerkens, who were appointed before the introduction of the first Dutch Corporate Governance Code and have employment contracts for an indefinite period of time, will be honored.

Severance arrangements

The company recognizes a change in market practice with respect to severance arrangements. With respect to future Executive Board appointments, the company will, as a policy, comply with Best Practice Provision II.2.8 of the Code that stipulates that remuneration in the event of dismissal may not exceed a one year salary. Therefore, after reappointment by the Annual General Meeting of Shareholders in 2011, the contract of Mr. Lynch has been amended to reflect this Best Practice Provision. However, the company will honor existing arrangements with current Executive Board members who were appointed before the introduction of the first Dutch Corporate Governance Code.

Memberships of supervisory boards

Ms. McKinstry currently is member of the supervisory board of three listed companies, which exceeds the number of two supervisory board positions as recommended in Best Practice Provision II.1.8 of the Code. This is a temporary deviation. The company benefits from the knowledge and experience that Ms. McKinstry acquires in these positions.

Code of Conduct on Insider Trading
Wolters Kluwer has a 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 after publication of the full-year results and the half-year results respectively, and of a maximum of two weeks after publication of the trading updates of the first and the third quarter. There are also restrictions on trading in securities of peer group companies.

Risk management
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 key finance professionals throughout the company;
- A standard planning and reporting cycle on a divisional and operational entity level, consisting of the annual Business Development Plans (three-year strategic plan), the annual budget, quarterly forecasts, and monthly financial reporting;
- Periodic business reviews in which divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board;
- A Risk Committee facilitating the internal process of enterprise risk management. The Committee meets every quarter and aims at getting oversight of the main risks and controls within the company;
- Standard financial and non-financial procedures and policies including the Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers & Acquisitions Manual, and Whistleblower Policy, as well as Letters of Representation signed quarterly by all divisional and operating company CEOs and CFOs and senior corporate staff members;
- 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. Since 2009, the internal audit department has been using TeamMate, a Wolters Kluwer *ARC* Logics product;
- Reporting control issues arising from management reviews, internal audits, and external audits and the status of remediating the issues to the Audit Committee on a quarterly basis; and
- The Wolters Kluwer Internal Control Framework, consisting of approximately 100 key controls, is 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.

Sustainability
The Executive Board is committed to corporate social responsibility/sustainability. A sustainability report is published every year. In addition, a separate section of the company's website is dedicated to sustainability. The company is listed in the Dow Jones Sustainability Index. For more information, reference is made to the Sustainability Report.

Supervisory Board
Wolters Kluwer has a two-tier board structure. The Executive Board members are responsible for the day-to-day operations of the company. The role of the Supervisory Board is to supervise the policies of the Executive Board and the general affairs of the company and its enterprise, taking into account the relevant interests of the company's stakeholders, and to advise the Executive Board. The Supervisory Board also has due regard for corporate social responsibility/sustainability issues which may be relevant to Wolters Kluwer. The By-Laws of the Supervisory Board include a list of Executive Board resolutions that have to be approved by the Supervisory Board. These resolutions include the operational and financial aims of the company, the strategy designed to achieve those aims, resolutions in which there are conflicts of interest with Executive Board members that are of significant interest for the company or the Executive Board member, acquisitions or divestments of which the value is at least equal to one percent of the consolidated sales of the company, the issuance of new shares or granting of rights to subscribe for shares, the issue of bonds or other external financing of which the value exceeds 2.5% of annual consolidated revenues, and a proposal to amend the Articles of Association. The By-Laws of the Supervisory Board can be found on the company website www.wolterskluwer.com.

Appointment and composition
The General Meeting of Shareholders appoints the members of the Supervisory Board. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 21 of the company's Articles of Association. The Supervisory Board currently consists of Mr. A. Baan (Chairman), Mr. P.N. Wakkie (Deputy Chairman), Mr. B.F.J. Angelici, Ms. B.M. Dalibard, Mr. L.P. Forman, Mr. S.B. James, and Mr. H. Scheffers. At present, all Supervisory Board members are independent from the company. The second term of Mr. Scheffers expires in 2012. Mr. Scheffers is not available for reappointment. At the General Meeting of Shareholders that will be held on April 25, 2012, the Supervisory Board will propose to appoint Mr. D.R. Hooft Graafland as new member of the Supervisory Board.
The number of supervisory board memberships of all

Supervisory Board members is limited to such extent that the proper performance of their duties is assured. None of the Supervisory Board members is a member of more than five supervisory boards of Dutch listed companies, with any chairmanships counting as two memberships. The Supervisory Board recognizes the importance of diversity. Elements of diversity include nationality, gender, age, and expertise. In its current composition, the Supervisory Board to a large extent reflects these various elements. More specifically, the current composition of the Supervisory Board comprises expertise within the broad information industry as well as specific market segments in which the company operates, such as healthcare, and reflects the international nature of the company.

Provision of information

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

Remuneration and Code of Conduct on Insider Trading

The Annual General Meeting of Shareholders shall determine the remuneration of the Supervisory Board members. The remuneration shall not depend on the results of the company. The Supervisory Board members do not receive shares or stock options by way of remuneration, nor shall they be granted loans. The Annual General Meeting of Shareholders held on April 27, 2011, adopted the proposal to increase the remuneration of the members of the Supervisory Board. The members are bound by the same Code of Conduct on Insider Trading as the Executive Board members. At present, none of the Supervisory Board members owns any securities in Wolters Kluwer.

Audit Committee

As part of its responsibilities, the Audit Committee focuses on the operation of internal risk management and control systems, and on the role and functioning of the internal audit department and external auditors. The Audit Committee consists of at least three people. Currently, the Audit Committee consists of Mr. H. Scheffers (Chairman), Mr. B.F.J. Angelici, 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.

Selection and Remuneration Committee

The Supervisory Board also has installed a Selection and Remuneration Committee. Because appointments and remuneration are often closely related, the Supervisory Board sees no advantages in two separate committees. Installing two separate committees consisting of the same members would only increase the administrative burden. The Chairman of the Supervisory Board will not be the Chairman of the Selection and Remuneration Committee. The Selection and Remuneration Committee currently consists of Mr. L.P. Forman (Chairman), Mr. A. Baan, Mr. S.B. James, 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.

Voting at Shareholders Meeting

In 2011, Wolters Kluwer again took active steps to try to reach the highest possible percentage of shares present or represented at the Annual General Meeting of Shareholders. These steps included making standard proxy forms and voting instruction forms available online, enabling shareholders to give voting instructions electronically prior to the meeting, and actively contacting larger shareholders with the question whether they intended to vote during the Annual General Meeting of Shareholders. As a result, approximately 56% of the issued capital of the company was present or represented at the Annual General Meeting of Shareholders in 2011.

Amendment Articles of Association

A resolution to amend the Articles of Association may only be passed at the proposal of the Executive Board subject to the approval of the Supervisory Board.

Issuance of shares
The Articles of Association of the company determine that shares shall be issued at the proposal of the Executive Board and by virtue of a resolution of the General Meeting of Shareholders, subject to designation of the Executive Board by the General Meeting of Shareholders. At the Annual General Meeting of Shareholders of April 27, 2011, the Executive Board has been granted the authority for a period of 18 months to issue new shares, with exclusion of pre-emptive rights, subject to approval of the Supervisory Board. The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting, to be increased by a further 10% of the issued capital on that date in the case the issuance is effectuated in connection with, or on the occasion of, a merger or acquisition.

Acquisition of own shares
Acquisition of own shares may only be effected if the General Meeting of Shareholders has authorized the Executive Board for the purpose, and while respecting the restrictions imposed by the Articles of Associations of the company. At the Annual General Meeting of Shareholders of April 27, 2011, the authorization to acquire own shares has been granted to the Executive Board for a period of 18 months. The authorization is limited to a maximum of 10% of the issued capital on the date of the meeting.

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

External auditor
The external auditor is appointed by the General Meeting of Shareholders. 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 is available on the company's website www.wolterskluwer.com.

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

Preference shares
Wolters Kluwer and the Wolters Kluwer Preference Shares Foundation (the Foundation) have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives. All members of the Board of the Foundation are independent of the company.

Major shareholdings per December 31, 2011
According to the Dutch Act on financial supervision, shareholders with an interest of 5% or more of the issued capital are required to notify their interest with the Authority Financial Markets. As at December 31, 2011 the following shareholders notified an interest of 5% or more in the company: Bestinver Gestion SGIIC S.A. has a 5.02% interest (disclosed on 24 May 2011). Silchester International Investors LLP has a 10.04% interest (disclosed on July 27, 2011), of which 5.04% via its affiliate Silchester International Investors International Value Equity Trust (disclosed on August 1, 2011).

Change of control
The employment contracts of the Executive Board members and a small group of senior executives contain stipulations with respect to a change of control of the company. According to these stipulations, in case of a change of control, the relevant persons will receive 100% of the number of conditional rights on shares awarded to them with respect to pending Long-Term Incentive Plans of which the performance period has not yet been ended. In addition,

they can receive cash compensation if their employment agreement would end following a change of control.

Information pursuant to Decree Clause 10 Take-over Directive

The information specified in both clause 10 of the 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 2011 can be found under Press.

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

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

Legal structure

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

Risk Management

This section provides an overview of the risks inherent in the business and Wolters Kluwer's approach to risk management and actions to mitigate risks.

Strategic Risks	Operational Risks	Legal & Compliance Risks	Financial & Reporting Risks
> Products, markets and competition > Mergers, acquisitions and divestments	> Technological developments > Information security > Business continuity > People and organization	> Compliance > Intellectual property > Claims and insurable risks	> Treasury > Post employment benefits > Tax > Financial reporting

Wolters Kluwer broadly classifies risks into the following categories: strategic, operational, legal and compliance, financial and reporting. In line with the Amended Dutch Corporate Governance Code, the following risk overview outlines the main risks the company has assessed up to the date of this Annual Report. It is not the intention to provide an exhaustive description of all possible risks. Nor are the risk factors themselves stated in any order of importance.

Strategic risks

The company aims to achieve its three-year 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.

Products, markets and competition

Wolters Kluwer focuses on providing professionals with information, software tools and solutions to help them deliver quality results more efficiently and 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 renewal of these subscriptions and contracts has an important impact on the future of the company's business. The company mitigates renewal risks by maintaining regular interaction with its customers through renewal programs, conferences and advisory boards.

In addition, 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 innovative products, providing its customers with state-of-the-art technological solutions. These products are developed in close collaboration with customers, based on multi-generation product development plans. The development and successful implementation of these innovative products are key contributors to successful execution of the company strategy.

Global and regional economic conditions may have a negative effect on especially several cyclical products. These include training activities, advertising, pharma promotional product lines, new product introductions, certain book programs, and lending and corporate formation-related transactions. These activities represent approximately 29% of the company's consolidated revenues. The impact of these economic conditions on the overall portfolio will depend on the severity of the economic slowdown, the countries affected and potential government responses.

High growth economies such as China and India are increasingly important for Wolters Kluwer's growth strategy. Different cultures, legislative systems and required licenses to operate can make successful expansion in these countries challenging. To mitigate the challenges in these economies, the company works closely together with local business partners and investors supported by local management.

Overall, no single individual customer represents more than 1% of Wolters Kluwer's consolidated revenues. The portfolio is spread in terms of markets and geography, with 50% of revenues in North America, 44% of revenues in Europe, 5% of revenues in Asia Pacific and 1% of revenues in the rest of the world.

Mergers, acquisitions and divestments

The strategic growth objectives of the company are supported by acquisitions. Risks with respect to the acquisitions primarily relate to the integration of the acquisitions, changing economic circumstances, competitive dynamics, retaining key personnel and the ability to realize expected synergies. When acquiring new businesses, Wolters Kluwer carries out a comprehensive due diligence process using internal and external expertise. Besides indemnities and warranties, the company also assesses whether the risks can be mitigated through deal structures such as earn-out agreements to retain management and to assure alignment between the purchase price and the performance of the acquired company. The company has strict strategic and financial criteria for acquiring new businesses and is very selective in where and how to invest. Generally, acquisitions are expected to be accretive to ordinary earnings per share in year one and cover their weighted average cost of capital within three to five years. An acquisition integration plan is agreed to by the Executive Board prior to completing an acquisition. Such plans are actively monitored for at least three years after the acquisitions are completed.

Execution of the company's strategy is also supported by divestment of non-core activities. The ability to successfully divest operations can depend on economic and market circumstances, competitive dynamics, contractual obligations, retention of key personnel, the buyer's ability to realize synergies and other factors. The depressed global economy could lead the company to postpone transactions that cannot be concluded at reasonable terms and conditions. To mitigate risks related to material divestments, the company usually carries out a vendor due diligence and engages external experts for due diligence and execution of the transaction.

Operational risks

Technological developments

Electronic platforms and networks are important means of delivering Wolters Kluwer's products and services. The company strives to continuously improve and streamline its IT environment and infrastructure. A number of projects were successfully completed in 2011 creating enhanced global capabilities and next-generation platforms, which in turn are increasing our ability to launch new products and achieve other strategic objectives. (See page 66 for list of key projects completed).

Even as the company continues to improve its IT environment and performance through multi-year initiatives, new technology related initiatives are inherently complex and subject to many execution risks during the development and implementation phases. A roadmap for consolidation and simplification of IT infrastructure and for implementing more service capabilities to support customers in the cloud has already been set. In addition, efforts on centralizing IT back office operations have started for more effective management of all the ERP (Enterprise Resource Planning) systems on which the business runs.

The company also relies on the performance of third parties, especially with respect to the outsourcing and offshoring of certain Finance & Accounting activities, software development and maintenance activities, as well as data center services. To manage execution risks by third parties, risk transfer and performance management are governed by detailed operating and service agreements with outside providers. Additionally, oversight boards and program management teams monitor the progress and performance, and financial stability of vendors during the term of these agreements.

Information security

The company is also exposed to IT security threats which could compromise the confidentiality, availability and integrity of data and information. The Executive Board approved an enhanced Global IT Security Policy in 2011.

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

Business continuity

The business units have identified risks which could have significant impact on business continuity and developed continuity plans to minimize the impact of those risks. The company routinely assesses potential threats to the operations which could lead to major incidents and reviews the appropriateness of incident responses and continuity plans.

People and organization

The ability of the company to attract talent and retain highly skilled, experienced, and motivated people plays an important part in the continued successful execution of the strategy. The company ensures its ability to attract the appropriate level of talent through a combination of competitive rewards, including market based remuneration, pay for performance, with short-term and long-term incentives aligned with individual and company achievements, and benefits benchmarked against local markets. The company mitigates the loss of personnel through formal talent management programs that incorporate succession planning, company-sponsored learning programs, tuition refund at external universities, and consistently applied performance appraisal systems. Retention is also stimulated through offering opportunities for growth within the company through job posting programs and internal slating programs. The HR executives also monitor employee turnover across different categories, including performing structured exit interviews and identification of key drivers for leaving. HR and the business managers work together to take appropriate and fast action where needed.

Legal and compliance risks

Compliance
The company can be exposed due to non-compliance with laws, regulations or internal policies. Non-compliance could potentially lead to fines, restrictions to carry out certain activities, third party claims and loss of reputation. Compliance is part of the internal control framework of the company, for example through the letters of representation and internal audits. Furthermore, several training programs are currently in place to create awareness about these subjects among employees. In the coming years, the programs will be further extended to other countries with additional topics added to the program.

Intellectual property
Wolters Kluwer actively protects its intellectual property rights, which is important to safeguard its portfolio of information, software and services. Intellectual property rights could be challenged, limited, invalidated, circumvented, or infringed. 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. Changes in legislation could have an impact on the ability to protect intellectual property rights.

Claims and insurable risks
The company may be exposed to claims by third parties relating to products, services (including Software-as-a-Service) or informational content provided or published by the company. Such claims may be based on legal theories such as alleged negligence, product liability, breach of contract or infringement of third party intellectual property rights. Generally, such claims may be subject to the applicable laws of the jurisdiction in which the product or service was purchased or used, the allegedly improper activity was deemed to have occurred or where the content was provided. They may also involve any applicable laws of the relevant countries in which Wolters Kluwer companies operate.

Wolters Kluwer manages and transfers these risks by striving to produce high quality products, services and content; and by including customary and appropriate disclaimers and limitations of liability in its contracts. Further, the company expects its employees to strictly comply with intellectual property laws and regulations. The company's insurance program may cover certain types of claims exposures.

The company manages a range of insurable risks by arranging for insurance coverage for first party (property damage, business interruption) and third party (casualty, commercial general liability, errors and omissions, directors' and officers', employment practices, and criminal) liability exposures. In addition to its global insurance program, the company also protects against more localized risks, such as automotive and workers compensation, by way of local insurance cover.

To mitigate specifically against property damage and business interruption risks, the company has implemented a centralized worldwide risk control program. Accompanied by insurers and collaborating with business continuity management, company risk managers perform regular loss control visits to key operating company and supplier locations and work with our operating companies to cost effectively implement recommendations for continued improvement.

Financial and reporting risks

Treasury risks
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, by matching the currency profile of income and expenses and of assets and liabilities. When natural hedges are not present, Wolters Kluwer strives to realize the same effect with the aid of derivative financial instruments. For this purpose, hedging ranges have been identified and policies and governance are in place, including authorization procedures and limits. The company only purchases or holds derivative financial instruments with the aim of mitigating risks and most of these instruments qualify for hedge accounting as defined in IAS 39. The company does not purchase or hold derivative financial instruments for speculative purposes. In line with IFRS requirements, detailed information on financial risks and policies is provided in note 24 of the Consolidated Financial Statements. Treasury policies on market (currency and interest), liquidity and credit risk are reviewed by the Audit Committee, with quarterly reporting by the Treasury Committee to the Audit Committee on the status of these financial risks.

Post-employment benefits
The 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 higher risks relating to additional funding required for its defined benefit plans, namely the pension and post-retirement medical plans in the United States and the pension plans in the Netherlands, the United Kingdom, Canada, Australia and Belgium. These plans are affected by the annual developments on the international financial markets and may be further affected by future developments on these markets. The 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 North America 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 net periodic defined benefit plan costs are based on annual actuarial calculations. A 1% decrease of the discount rate would increase the annual defined benefit plan gross service cost by approximately €2 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 for 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 18 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 and/or revenues.

In addition, Wolters Kluwer regularly reviews its global tax planning with input from cross functional teams, including representatives from both global and regional finance and tax functions. This process is supplemented with inventory of filing requirements and potential risks by jurisdiction to understand the range and scope of their obligations.

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

The Executive Board is responsible for internal risk management and controls 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, achieve strategic and operational objectives, ensure the reliability of the financial reporting, and comply with relevant laws and regulations. The internal control systems are 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.

Internal risk management and control systems

High-quality financial reporting is of the utmost importance for Wolters Kluwer to provide 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 key finance professionals throughout the company;
- A standard planning and reporting cycle on a divisional and operational entity level, consisting of an annual Business Development Plan (three-year strategic plan), an annual budget, quarterly forecasts and monthly financial reports;
- Periodic business reviews in which divisional and operating company management discuss the progress against plan and actions to mitigate business risks with the Executive Board.
- A Risk Committee facilitates the internal process of enterprise risk management. The Committee meets every quarter and aims at getting oversight of the main risks and controls within the company;
- Standard financial and non-financial procedures and policies including the Insider Trading Code, Risk Manual, Company Values and Business Principles, Accounting Manual, Internal Audit Department Manual, Mergers &

Acquisitions Manual, and Whistleblower Policy, as well as Letters of Representation signed quarterly by all divisional and operating company CEOs and CFOs and senior corporate staff members. 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. Since 2009, the internal audit department has been using TeamMate, a Wolters Kluwer *ARC* Logics product.

- Reporting and monitoring control issues arising from management reviews, internal audits, and external audits and status of remediating the issues to the Audit Committee on a quarterly basis.

Internal Control Framework

The Wolters Kluwer Internal Control Framework (ICF) consists of approximately 100 key controls, designed to ensure that the results of the business are adequately reflected in its internal and external financial reporting. The company employs approximately 25 internal control officers, who are located in the main operating entities. They play an important role in tailoring the key controls to the business processes in their respective operating entities, testing the key controls, and reporting the outcome of testing to management and internal and external auditors. Where needed, action plans are designed and implemented to address important risks. Wolters Kluwer endeavors to include acquisitions in the ICF within one year after the acquisition date. To keep the framework robust, a financial reporting risk assessment was introduced into the ICF. 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. In addition to monitoring the controls and test results through *ARC* Logics, a Wolters Kluwer product, the tool was expanded to track the business continuity plans.

The company continues to improve its risk management and control systems. In 2011, the general IT controls framework was updated to reflect the requirements of the enhanced Global IT Security Policy. In the coming years, the company will give high priority to improving design and effectiveness, further integrating risk management and control systems into its daily operations, tailoring the key controls to the risks associated with the business processes within the operating entities, and adjusting these controls as business processes change. Testing of the key controls will also expand, aimed both at assurance and process optimization.

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 2011 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 2011 does not contain any errors of material importance;
- The company's risk management and control systems as regards financial reporting risks worked properly in 2011;
- The 2011 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 2011 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 21, 2012

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 Wolters Kluwer Preference Shares Foundation

Activities
The Board of the Wolters Kluwer Preference Shares Foundation met twice in 2011. The matters discussed included the full-year 2010 results, the half-year 2011 results, the execution of the strategy, the financing of the company, acquisitions and divestments, developments in the market, and the general course of events at Wolters Kluwer. A representative of the Executive Board of the company and corporate staff attended the meetings in order to give the Board of the Foundation information about the developments within Wolters Kluwer. The Board of the Foundation also followed developments of the company outside of Board meetings, among others through receipt by the Board members of press releases. As a result, the Board of the Foundation has a good view on the course of events at Wolters Kluwer. The Board of the Foundation also closely monitored the developments with respect to corporate governance and relevant Dutch legislation, and discussed that topic during the meetings. Furthermore, the composition of the Board of the Foundation was discussed. All members of the Board of the Foundation are independent of the company. The Foundation acquired no preference shares during the year under review.

Exercise of the preference shares option
Wolters Kluwer and the Foundation have concluded an agreement based on which preference shares can be taken by the Foundation. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives.

Composition of the Board of the Wolters Kluwer Preference Shares Foundation
No changes to the composition of the Foundation took place in 2011. 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 21, 2012

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

Information for Shareholders and Investors

The company strives to be open with shareholders and the investment community, and is committed to a high degree of transparency in its financial reporting. Wolters Kluwer manages 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.

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 quarterly financial information. The company does not assess, comment upon, or correct, other than factually, any analyst report or valuation prior to publication. The company is committed to 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.

2011 activities for shareholders and investors included:
- A full presentation by management of half-year and full-year results;
- 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.

Share information in euros, unless otherwise indicated	**2011**	2010
Diluted earnings per share	0.40	0.96
Diluted ordinary earnings per share in constant currencies	1.52	1.50
Diluted ordinary earnings per share	1.48	1.48
Diluted ordinary free cash flow per share, from continuing operations	1.47	1.49
Basic earnings per share	0.40	0.97
Ordinary earnings per share	1.50	1.50
Ordinary free cash flow per share, from continuing operations	1.48	1.51
Proposed dividend / cash distribution per share	0.68	0.67
Weighted average number of shares issued[1]	298.4	296.4
Weighted average number of shares fully diluted[1]	301.5	300.3
Highest quotation	17.93	16.80
Lowest quotation	11.49	14.42
Quotation at December 31	13.36	16.40
Average daily trading volume of Wolters Kluwer on Euronext Amsterdam nv (thousands of shares)	1,047	1,071

[1] In millions of shares

Trading Volumes

Shares of Wolters Kluwer Stock are traded across a variety of venues, including Euronext and alternative platforms.

Cumulative daily volumes by trade reporting venue	2007 (%)	2008 (%)	2009 (%)	2010 (%)	**2011 (%)**
Euronext	97	69	59	53	50
Alternative Platforms	3	31	41	47	50
Total	**100**	**100**	**100**	**100**	**100**

Source: Thomson Reuters Datastream

Capital stock

The ordinary shares have a nominal value of €0.12.
The number of ordinary shares issued amounted to 301,660,875 on December 31, 2011 (December 31, 2010: 298,659,420). The diluted weighted average number of ordinary shares used to compute the diluted per share figures was 301.5 million (2010: 300.3 million).

Market capitalization at December 31, 2011

On the basis of issued ordinary shares (excluding own shares held by the company): €4.0 billion (2010: €4.9 billion).

Estimated geographical spread of Wolters Kluwer shares

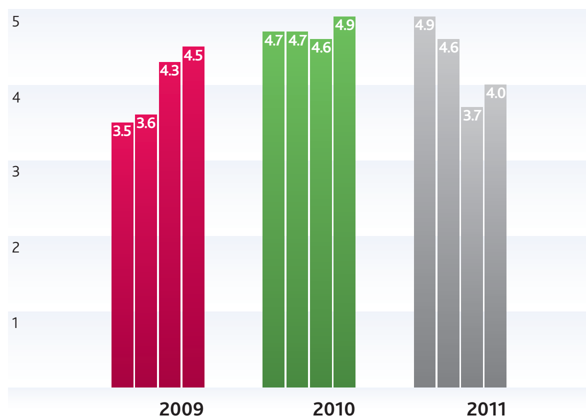
Institutional investors hold the majority (86%) of the shares in Wolters Kluwer stock. With over 350 institutional investors in 36 countries, ownership is spread across international markets. Investors in North America had an estimated interest of 20% in the company in 2011 (2010: 26%), while European shareholders, including the United Kingdom, held an estimated interest of 78% (2010: 71%).

Indices in %	**2011**	2010
AEX	1.58	1.63
FTSE Euro 300	0.08	0.09
DJ Euro Stoxx Media	6.44	7.07
DJS Media	3.43	3.94

Wolters Kluwer is included in approximately 51 equity indices.
Source: Bloomberg

Quarterly market capitalization

in billions of euros



Shareholders exceeding 5%

In accordance with the Act on financial supervision (*Wet op het financieel toezicht*):

- Bestinver Gestion SGIIC S.A.: 5.02% interest (disclosed on 24 May 2011);
- Silchester International Investors LLP: 10.04% interest (disclosed on July 27, 2011), of which 5.04% via its affiliate Silchester International Investors International Value Equity Trust (disclosed on August 1, 2011).

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)

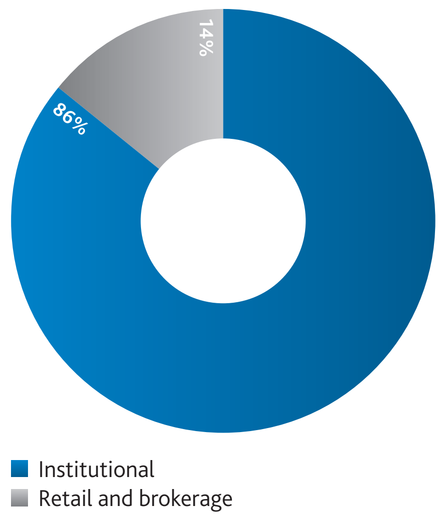
Wolters Kluwer bonds listed in Luxembourg:

- 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)

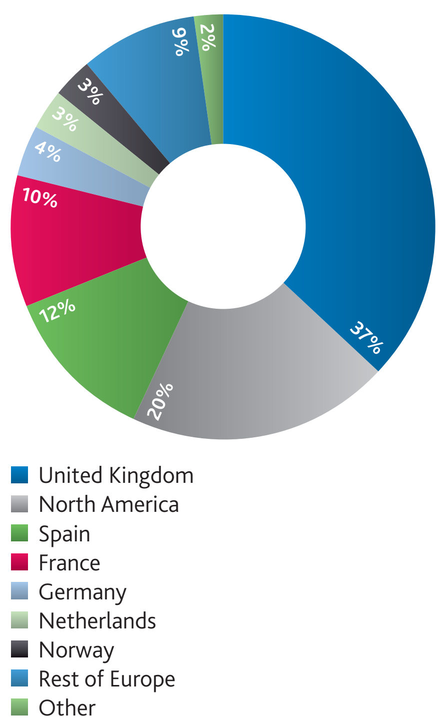
Wolters Kluwer bonds listed in Frankfurt:

- 4.20% senior Wolters Kluwer nv Bonds, 2010/2020, €250 million (ISIN code XS0522820801)

Estimated shareholder composition



Estimated shares by geography



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

Credit ratings

In 2011, rating agencies reviewed Wolters Kluwer's credit rating. Standard & Poor's maintained the long-term rating at BBB+ with stable outlook. Moody's Investors Service maintained the rating at Baa1 but lowered the outlook to negative.

Dividend and share buy-back

In accordance with its progressive dividend policy, at the 2012 Annual General Meeting of Shareholders, Wolters Kluwer will propose a dividend distribution of €0.68 per share, a 1.5% increase over last year, to be paid on May 15, 2012. On May 11, 2012, the stock dividend conversion rate will be set on the basis of the volume weighted average share price of Wolters Kluwer during the period from May 7 up to and including May 11, 2012.

In 2011, the company successfully executed a share buy-back program of €100 million with a total of 7.2 million of ordinary shares purchased at an average stock price of €13.88. The total number of shares outstanding as of 31 December 2011 was 296.6 million.

While solid cash flow performance continues to support the company's objective to invest for long-term growth, it also presents an opportunity to provide additional shareholder returns. As such, the company announced on February 22, 2012, its intention to execute a new share buy-back program of up to €100 million in 2012.

Calendar

- March 13, 2012 Publication of 2011 Annual Report
- April 25, 2012 Annual General Meeting of Shareholders
- April 27, 2012 Ex-dividend quotation
- April 27 – May 11, 2012 Choice period stock dividend
- May 2, 2012 Dividend record date
- May 9, 2012 Trading update
- May 11, 2012 Stock dividend ratio date
- (after the close of trading)
- May 15, 2012 Cash distribution payable
- May 22, 2012 ADR Cash distribution payable
- July 25, 2012 Half-Year 2012 results
- November 7, 2012 Trading update
- February 20, 2013 Full-Year 2012 results

5-Year Key Figures

	2011*	2010*	2009	2008	2007
Revenues	3,354	3,308	3,425	3,374	3,413
Operating profit	436	498	234	503	546
Profit for the year from continuing operations, attributable to equity holders of the Company	244	297			329
Profit for the year, attributable to equity holders of the Company	120	288	118	313	917
Ordinary EBITDA	834	817	783	756	747
Ordinary EBITA	728	716	682	678	667
Ordinary net income	444	436	427	423	421
Ordinary free cash flow	443	446	424	395	405
(Proposed) Dividend/cash distribution	202	200	193	186	180
Acquisition spending	299	251	54	667	198
Capital expenditure	143	138	123	140	125
Amortization of other intangible assets and depreciation property, plant, and equipment	106	101	101	78	80
Amortization of publishing rights and impairments	161	147	368	124	121
Shareholders' equity	1,540	1,612	1,334	1,414	1,178
Guarantee equity	1,786	1,856	1,580	1,672	1,439
Net debt	2,168	2,035	2,007	2,254	1,793
Capital employed	4,174	4,177	3,655	3,774	2,474
Total assets	6,691	6,557	6,053	6,388	5,276
Ratios					
As % of revenues:					
Operating profit	13.0	15.0	6.8	14.9	16.0
Profit for the year from continuing operations, attributable to equity holders of the Company	7.3	9.0	3.4	9.3	9.6
Ordinary EBITDA	24.9	24.7	22.9	22.4	21.9
Ordinary EBITA	21.7	21.6	19.9	20.1	19.5
Ordinary net income	13.2	13.2	12.5	12.5	12.3
ROIC	8.9	8.9	8.5	9.1	9.1
Dividend proposal in % of ordinary net income	45.4	45.9	45.1	44.0	42.7
Pay-out in % of profit for the year, attributable to equity holders of the Company	167.5	69.5	163.4	59.3	19.6
Cash conversion (%)	98	96	96	88	91
Net interest coverage	6.2	5.6	5.7	5.7	6.5
Net debt to EBITDA	3.1	2.7	2.9	3.2	2.4
Net gearing	1.4	1.3	1.5	1.6	1.5
Shareholders' equity/capital employed	0.37	0.39	0.36	0.37	0.48
Guarantee equity to total assets	0.27	0.28	0.26	0.26	0.27

* 2011 is based on figures for continuing operations; 2010 figures are represented for discontinued operations

	2011*	2010*	2009	2008	2007
Information per share (€)					
On the basis of fully diluted:					
Diluted EPS from continuing operations	0.81	0.99			1.08
Diluted EPS from discontinued operations	(0.41)	(0.03)			1.93
Diluted earnings per share	0.40	0.96	0.40	1.09	3.01
Diluted ordinary EPS from continuing operations	1.47	1.45	1.45	1.47	1.38
Diluted ordinary EPS from discontinued operations	0.01	0.03			(0.02)
Diluted ordinary earnings per share for the Group	1.48	1.48	1.45	1.47	1.36
Diluted ordinary free cash flow per share	1.47	1.49	1.44	1.37	1.33
Weighted average number of shares, diluted (millions)	301.5	300.3	293.8	288.3	304.7
Ordinary EPS from continuing operations	1.49	1.47			1.40
Ordinary EPS from discontinued operations	0.01	0.03			(0.02)
Ordinary earnings per share for the Group	1.50	1.50	1.47	1.49	1.38
Basic EPS from continuing operations	0.82	1.00			1.10
Basic EPS from discontinued operations	(0.42)	(0.03)			1.95
Basic earnings per share	0.40	0.97	0.41	1.10	3.05
Ordinary free cash flow per share	1.48	1.51	1.46	1.39	1.35
(Proposed) Dividend/cash distribution per share	0.68	0.67	0.66	0.65	0.64
Weighted average number of shares issued (millions)	298.4	296.4	290.1	284.6	300.5
Stock exchange					
Highest quotation	17.93	16.80	16.26	22.53	24.40
Lowest quotation	11.49	14.42	11.25	11.82	20.00
Quotation at December 31	13.36	16.40	15.30	13.54	22.48
Average daily trading volume Wolters Kluwer on Euronext Amsterdam nv, number of shares (thousands of shares)	1,047	1,071	1,327	1,842	1,794
Employees					
Headcount at December 31	18,721	18,319	19,341	20,063	19,544
In full-time equivalents at December 31	17,979	17,363	18,207	19,271	18,620
In full-time equivalents average per annum	18,806	18,225	19,957	20,290	19,827

* 2011 is based on figures for continuing operations; 2010 figures are represented for discontinued operations

Glossary

Average invested capital
The average of the previous year-end invested capital and the current year-end invested capital.

Basic earnings per share
The profit or loss attributable to the ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the period.

Capital 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 EBITDA plus or minus autonomous movements in working capital.

Cash flow: Ordinary free cash flow
Cash flow from operating activities less net capital expenditure, plus acquisition and divestment related costs, plus appropriation of Springboard costs (after taxation), plus dividends received from equity-accounted investees and investments.

Ordinary free cash flow is the cash flow available for payments of dividend to shareholders, acquisitions, down payments of debt, and repurchasing of shares.

Constant currencies
Income, expense, and cash flows in local currencies are recalculated to euro, using the average exchange rates of the previous calendar year.

Continuing operations
The Group, 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 LTIP are included in the diluted earnings per share calculation if the conditions are satisfied at balance sheet date.

Diluted ordinary earnings per share
Minimum of:
- Ordinary net income divided by the weighted average number of shares (ordinary earnings per share); and
- Ordinary net income, including a correction of interest (net of taxes) to income of unsubordinated convertible bonds on assumed conversion, divided by the diluted weighted average number of shares.

Share options that are not in the money and related interest are excluded from the diluted earnings per share calculation. Shares conditionally awarded under LTIP are included in the diluted earnings per share calculation if the conditions are satisfied at balance sheet date.

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 less amortization of publishing rights and impairments of goodwill and publishing rights.

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.

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 accumulated amortization on publishing rights and goodwill amortized and goodwill written-off to equity (excluding publishing rights and goodwill impaired and/or fully amortized), less any related deferred tax liabilities.

KPI
Key performance indicator.

Net capital expenditure
Calculated as capital expenditure less the net book value of disposed assets.

Net gearing
Net debt divided by total equity.

Net debt
Sum of (long-term) loans, borrowings and bank overdrafts, and deferred acquisition payments minus cash and cash equivalents, (non-current) divestment receivables, and the net fair value of derivative financial instruments.

Net 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, foreign exchange differences on financial instruments, and fair value changes of contingent considerations.

Net interest coverage
Calculated as the ratio between ordinary EBITA and 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.

Non-benchmark items
Non-benchmark items relate to expenses arising from circumstances or transactions that, given their size or nature, are clearly distinct from the ordinary activities of the Group and are excluded from the benchmark figures: Springboard costs, restructuring costs, acquisition integration costs, and acquisition expenses as included in operating profit, results from discontinued operations, and fair value changes of contingent acquisition considerations in net financing results.

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

Ordinary earnings per share
Ordinary net income divided by the weighted average number of shares.

Ordinary EBITA
EBITA adjusted for non-benchmark items in operating profit.

Ordinary EBITA margin
Calculated as ordinary EBITA as a percentage of revenues.

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

Ordinary income before tax
Calculated as ordinary EBITA including net financing results, income from investments, and results of equity-accounted investees.

Ordinary net income (= benchmark net profit)
Profit for the period attributable to the equity holders of the Company, excluding the after-tax effect of non-benchmark items, results on divestments of operations, results from discontinued operations, amortization of publishing rights, and impairments of goodwill and publishing rights.

Organic revenue growth
Calculated as revenue of the period divided by revenue of the period in the previous reporting period, excluding the impact of acquisitions and divestments of operations above a minimum threshold, all translated at constant currencies.

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, which is allocated to the equity holders of the Company and the equity holders of non-controlling interests.

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 divestments of operations, discontinued operations, and where applicable currency effects).

Working capital
Current assets less current liabilities.

Working capital: non-operating working capital
Non-operating working capital is the total of receivables/payables of derivative financial instruments, the short-term part of the restructuring provision, acquisition payables, interest receivable/payable, income tax receivable/payable, and borrowings and bank overdrafts.

Working capital: operating working capital
Operating working capital is working capital minus non-operating working capital minus cash and cash equivalents.

Index

Contact Information

Wolters Kluwer nv
Zuidpoolsingel 2
P.O. Box 1030
2400 BA Alphen aan den Rijn
The Netherlands

info@wolterskluwer.com
www.wolterskluwer.com

Chamber of Commerce
Trade Registry No. 33.202.517

Corporate Communications
Vice President, Caroline Wouters
+31 172 641 421
info@wolterskluwer.com

Investor Relations
Vice President, Jon Teppo
+31 172 641 407
ir@wolterskluwer.com

General Counsel/Company Secretary
Vice President, Maarten Thompson
+ 31 172 641 450
companysecretary@wolterskluwer.com

Sustainability
sustainability@wolterskluwer.com

Corporate Human Resources
Senior Vice President, Kathy Baker

Accounting & Control
Senior Vice President, Sander van Dam

Corporate Strategy
Senior Vice President, Andres Sadler

Mergers & Acquisitions North America
Senior Vice President, Elizabeth Satin

Mergers & Acquisitions Europe, Rest of World
Vice President, Pieter Roeloffs

About this report
The Annual Report is available as an iPad app, online, and as a limited edition print version.

Wolters Kluwer also issued a 2011 Sustainability Report, available online per March 13, 2012.

Production & Concept
Wolters Kluwer Corporate Communications
Taco Anema

Photography & Art direction
Taco Anema
Portraits by individual Wolters Kluwer employees

Design & layout
Lesley Moore

Illustrations on pages 40,54,70
Anje Jager

DTP
Strak (Haiko Oosterbaan)

Printing & Binding
TUIJTEL

Paper
This annual report is printed on Munken Polar paper, FSC® SCS-COC-007225 certified, produced by Arctic Paper and Hello Silk paper FSC SCS-COC-007225 certified. Wolters Kluwer believes that it has a responsibility to contribute to the sustainable use of resources.

The printed edition of the 2011 Annual Report is a climate-neutrally print production.

carbon neutral
natureOffice.com | NL-001-968569
print production

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C007225

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.

In this report we showed you the world of our customers; this is also our world.

We meet and work together in cities worldwide. We understand the needs of our customers - from the Bundestag in Berlin, where politicians and public officers work on new legislation; to large ballrooms in Dallas, with thousands of professionals gathering for a conference; to the skyscrapers in Shanghai and Kuala Lumpur, and new, advanced hospitals in Beijing; to the international courts and C-suite boardrooms, where critical decisions are taken; to the Japanese stock exchange and dealing rooms worldwide, where compliance is eminent 25/8; to Wolters Kluwer offices, where our employees work every day to serve customers better.

Cover photo:
Reichstag, home of the Bundestag; Berlin, Germany

Visit the
2011 Annual Report
online and
download
the iPad app.