Wolters Kluwer 2014 Half-Year Report

Alphen aan den Rijn (July 30, 2014) - Wolters Kluwer, a global leader in professional information services, today released its 2014 half-year results.

Highlights

- **Full-year 2014 guidance reiterated.**
- **First-half revenues up 2% in constant currencies and up 1% organically.**
  - Leading, growing positions (47% of total revenues) on average grew 6% organically.
  - Digital revenues (68% of total) grew 5% organically, more than offsetting print decline.
  - Digital and services revenues now account for 81% of total revenues (HY 2013: 78%)
- **First-half adjusted operating profit margin declined, as expected, due to restructuring costs.**
  - Restructuring costs of €19 million in first half; continue to expect €25-30 million for full year.
- **First half diluted adjusted EPS €0.63, up 1% at constant currencies.**
- **Adjusted free cash flow €136 million, up 1% at constant currencies.**
- **Net-debt-to-EBITDA of 2.6x, following dividend and acquisition payments in second quarter.**
- **Acquisition of Datacert in April builds on our leading growth position in Corporate Legal Services.**
- **Announcing renewal of €600 million multi-currency credit facility.**

Interim Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"In the first half of the year, we continued to build on and invest in our leading, growing positions and digital solutions, and these areas delivered sustained organic growth. Trends in Europe are still quite varied, but we are encouraged by recent performance of digital products in this region. Our planned restructuring program is well underway and we remain confident of achieving the guidance we set out at the start of the year."

Key Figures 2014 Half-Year

Six months ended June 30 *(in millions of euros, unless otherwise stated)*	**2014**	**2013**	**Δ**	**Δ CC**	**Δ OG**
Business performance - benchmark figures					
Revenues	1,716	1,742	-1%	+2%	+1%
Adjusted operating profit	313	334	-6%	-3%	-4%
Adjusted operating profit margin (%)	18.2%	19.2%			
Adjusted net profit	190	197	-4%	+1%	
Diluted adjusted EPS (€)	0.63	0.66	-4%	+1%	
Adjusted free cash flow	136	140	-3%	+1%	
Net debt	2,227	2,276	-2%		
IFRS results[1]					
Revenues	1,716	1,742	-1%		
Operating profit	214	285	-25%		
Profit for the period[2]	200	164	+23%		
Diluted EPS (€)[2]	0.67	0.55	+23%		
Net cash from operating activities	188	199	-6%		

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG - % Organic growth. Benchmark and IFRS figures are for continuing operations unless otherwise noted. Benchmark figures are performance measures used by management. See Note 5 of this Interim Financial Report for a reconcilation from IFRS to benchmark figures. [1)] International Financial Reporting Standards as adopted by the European Union. [2)] Includes discontinued operations in 2013.

Full-Year 2014 Outlook

We reiterate the full-year guidance set out in February this year. Our full-year 2014 margin guidance includes anticipated restructuring costs of €25-€30 million, of which €19 million occurred in the first half. The table below provides our 2014 guidance.

Performance indicators	2014 Guidance
Adjusted operating profit margin	20.5%-21.5%
Adjusted free cash flow	≥ €475 million
Return on invested capital	≥ 8%
Diluted adjusted EPS	Low single-digit growth

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (EUR/USD 1.33).

Our guidance is based on constant exchange rates. Wolters Kluwer generates more than half of its revenue and adjusted operating profit in North America. As a rule of thumb, based on our 2013 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite 1.0 euro-cent change in adjusted diluted EPS.

Our guidance assumes no significant change in the scope of operations. We may make further disposals which could be dilutive to margins and earnings in the near term. Additional information underlying our guidance is provided in the table below.

Additional information	
Adjusted net financing costs[1]	Approximately €100 million
Benchmark effective tax rate	27.5%-28.0%
Cash conversion ratio	Approximately 95%

1) In constant currencies (EUR/USD 1.33).

Outlook by Division

Legal & Regulatory: we expect Corporate Legal Services to achieve good organic growth, although momentum in CLS transactional revenues is expected to slow this year. For the division as a whole, including Legal & Regulatory Solutions, we anticipate organic revenue decline due to the continued economic uncertainty in large parts of Europe, weakness in print formats, and lower U.S. law school enrollments. Continued softness in revenue combined with additional restructuring costs and the effect of dilutive disposals and transfers is expected to lead to a lower margin in 2014. In 2014, certain European Tax & Accounting publishing activities were transferred to our Legal & Regulatory publishing operations in order to drive further economies of scale.

Tax & Accounting: we expect our software businesses to achieve good organic growth, partly offset by trends in bank products, print publishing, and training. We expect to see some margin contraction in 2014 due to increased restructuring.

Health: we expect another strong year for Clinical Solutions. Market conditions for print journals and books are expected to remain soft. The positive effect from the ongoing mix shift towards Clinical Solutions should benefit the full-year margin despite continued investment in new digital product development and global expansion.

Financial & Compliance Services: we expect positive organic growth in our Finance, Risk & Compliance unit this year, with second-half growth skewed to the fourth quarter. Audit is also expected to grow, with the effect of an ongoing product rationalization still impacting the second half. This positive performance is likely to be partially offset by declines in Originations transactional revenue and Transport Services.

Anti-dilution Policy with regard to Performance Shares

Wolters Kluwer has a policy to offset the dilution of its annual performance share issuance with share repurchases. To accomplish this in 2014, the Company intends to repurchase up to €25 million in shares in the remainder of 2014.

Strategy

Wolters Kluwer provides legal, tax, accounting, health and financial compliance professionals the essential information, software and services they need to make decisions with confidence. Our strategy focuses on accelerating our organic revenue growth and improving returns. In 2014, we are taking further actions along the three pillars of our strategy:

Expand our leading, high growth positions. We are focusing the majority of our investment on high growth segments in our portfolio where we have achieved market leadership. These positions, which include Corporate Legal Services, Tax & Accounting software, Clinical Solutions, and Finance, Risk & Compliance and Audit, provide global expansion opportunities. In addition, we will continue to drive growth in digital solutions and services across the divisions.

Deliver solutions and insights. We continuously invest in our products and services to deliver the tailored solutions and insights our professional customers need in order to make critical decisions and increase their productivity. We are investing in mobile applications, cloud-based services and integrated solutions. Product investment, including capital expenditure, is expected to remain approximately 8-10% of revenues in the coming years.

Drive efficiencies. We will continue to drive efficiencies in areas such as sourcing, technology, real estate, organizational processes, and distribution channels. These operational excellence programs will deliver cost savings to support investments and margin expansion, while mitigating cost inflation.

First-Half 2014 Results

The interim financial statements have not been audited or reviewed.

Financial Review

First-half revenues declined 1% overall due to currency, in particular the strength of the Euro against the U.S. Dollar and other currencies. Excluding the effect of exchange rate movements, revenues rose 2%, reflecting 1% organic growth and 1% net contribution from acquisitions and divestitures.

Revenues from North America increased 1% organically (HY 2013: +2%), slowing in Legal & Regulatory and Financial & Compliance Services due to lower transaction revenues associated largely with U.S. lending markets. Revenues generated in Europe were flat on an organic basis (HY 2013: -2%), benefitting from improved trends in Legal & Regulatory and Financial & Compliance Services in the region. Revenues derived from Asia Pacific and the Rest of World rose 6% organically (HY 2013: +8%), supported by strong performances by the Health and Financial & Compliance Services divisions in China, India, and other parts of Asia.

Benchmark Figures

First-half adjusted operating profit was €313 million, down 6% overall and down 3% at constant currencies. The adjusted operating profit margin declined to 18.2% (HY 2013: 19.2%) due to the previously announced increase in restructuring costs. Excluding restructuring costs, which were €19 million in the first half (HY2013: €4 million), the adjusted operating margin was broadly stable, as cost inflation and the effects of dilutive disposals and currency were offset by efficiency savings in the first half.

Adjusted net financing costs declined to €49 million (HY 2013: €61 million), benefitting from the Eurobond debt refinancing completed in 2013. Adjusted net financing costs exclude a €76 million revaluation gain on the previously held minority equity interest in Datacert (see IFRS Reported Figures below) and a €2 million employee benefits financing charge. Equity-accounted investees, which no longer include Datacert in the second quarter, registered a small loss of €1 million. Adjusted profit before tax declined 4% overall but increased 1% at constant currencies.

The tax rate on adjusted profit before tax was 27.7%, in line with the comparable period (HY 2013: 27.7%). Adjusted net profit declined 4% overall due to the effect of exchange rate movements, but increased 1% in constant currencies, largely driven by the decline in adjusted net financing costs. Similarly, diluted adjusted EPS of €0.63 fell 4% overall, but increased 1% in constant currencies.

IFRS Reported Figures

Operating profit, which includes amortization of acquired intangibles as well as non-benchmark items, decreased 25% to €214 million (HY 2013: €285 million). The prior period included €50 million of disposal gains.

Financing result was a positive €25 million (HY 2013: cost of €51 million) due to a €76 million revaluation gain on the previously held 38% minority equity interest in Datacert, which was triggered by the acquisition of the remaining 62% of Datacert shares. This revaluation gain was not taxable, leading our reported tax rate to fall to 15.8% (HY 2013: 29.3%). Due to the Datacert revaluation gain, reported profit for the period from continuing operations increased 21% to €200 million (HY 2013: €166 million).

There were no discontinued operations in the period (HY 2013: loss of €2 million). Following the sale of our French Pharma-related publishing assets in September 2013, all assets that were recorded under discontinued operations in 2013 have been completely divested.

Cash Flow

Adjusted operating cash flow increased 5% overall and 7% at constant currencies to €295 million (HY 2013: €282 million). Cash conversion increased to 94% (HY 2013: 85%) primarily due to lower working capital outflows as a result of timing of receivables collection. Capital expenditure was also lower at €63 million (HY 2013: €70 million). We continue to expect cash conversion to be approximately 95% in full year 2014 (FY 2013: 95%).

The positive development in adjusted operating cash flow was offset by increases in paid corporate income tax and paid financing costs, as well as increased cash spending on restructuring. As a result, adjusted free cash flow increased 1% at constant currencies to €136 million (HY 2013: €140 million).

First-half net acquisition spending was €166 million (HY 2013: €170 million) mainly relating to the acquisition of the remaining 62% of the shares of Datacert (€127 million net of cash acquired) and Financial Tools, as well as earn-outs for earlier acquisitions. There were no material divestments in the first half (HY 2013: €75 million). Cash dividend payments increased to €207 million (HY 2013: €205 million).

Balance Sheet and Net Debt

Net debt at June 30, 2014, was €2,227 million compared to €1,988 million at December 31, 2013, increasing as a result of the net cash outflow during the period due to dividends and acquisitions. The leverage ratio net-debt-to-EBITDA (12 month rolling basis) was 2.6x as of June 30, 2014, compared to 2.2x at December 31, 2013 and 2.6x as of June 30, 2013. Our target net-debt-to-EBITDA ratio remains 2.5x.

On May 7, 2014, we issued a new ten-year €400 million Eurobond with an annual coupon of 2.5%. Proceeds of the bond were used to refinance exisiting debt and for general corporate purposes. Today, we are announcing an amendment to, and extension of, our multi-currency credit facility with a new 5-year maturity and improved terms. The new €600 million revolving credit facility will mature in 2019 and includes two one-year extension options.

Operating and Divisional Review

Organic growth of 1% in the first half was supported by Tax & Accounting, Financial & Compliance and, importantly, by Health. Adjusted operating profit in Tax & Accounting and Legal & Regulatory reflects the step up in restructuring announced at the beginning of the year.

Divisional Revenues and Adjusted Operating Profit *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Revenues					
Legal & Regulatory	710	707	0%	+3%	-1%
Tax & Accounting	454	483	-6%	-2%	+1%
Health	365	364	0%	+5%	+5%
Financial & Compliance Services	187	188	0%	+3%	+1%
Total revenues	**1,716**	**1,742**	**-1%**	**+2%**	**+1%**
Adjusted operating profit					
Legal & Regulatory	128	135	-5%	-2%	-4%
Tax & Accounting	106	121	-12%	-8%	-9%
Health	73	72	0%	+4%	+4%
Financial & Compliance Services	28	28	+1%	+3%	+1%
Corporate	(22)	(22)	-1%	-1%	-1%
Total adjusted operating profit	**313**	**334**	**-6%**	**-3%**	**-4%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG - % Organic growth. Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014.

Across all divisions, digital products continued to drive the group's organic growth, with total digital revenues rising 7% at constant currencies and 5% on an organic basis. Services revenues were stable, while print products declined 10% on an organic basis.

Revenues by Media *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Digital[1]	1,157	1,120	+3%	+7%	+5%
Services	230	239	-4%	-1%	0%
Print	329	383	-14%	-11%	-10%
Total revenues	**1,716**	**1,742**	**-1%**	**+2%**	**+1%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG - % Organic growth.

[1] Includes digital-related services.

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Legal & Regulatory

- Corporate Legal Services revenues up 3% organically.
- Legal & Regulatory Solutions organic decline abates further, helped by digital revenue growth.
- Margins contracted, as expected, due to increased restructuring and other factors.

Legal & Regulatory *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Revenues	710	707	0%	+3%	-1%
Adjusted operating profit	128	135	-5%	-2%	-4%
Adjusted operating profit margin (%)	18.0%	19.0%			
Operating profit	96	160	-40%		
Net capital expenditure (CAPEX)	21	21			
Ultimo FTEs	7,590	7,474			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG - % Organic growth. Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014.

Legal & Regulatory revenues increased 3% at constant currencies, reflecting the effect of the net transfer of publishing assets from Tax & Accounting into the division, the consolidation of Datacert from April 7, 2014, and the effect of several non-core divestments made last year. On an organic basis, revenues declined 1% and adjusted operating profit declined 4%. The margin contracted, as expected, due to an increase in restructuring costs announced earlier this year, as well as the effect of lower revenue, cost inflation, and margin dilution from transfers and disposals. Reported operating profit declined 40%, reflecting the decline in underlying profits as well as the absence of disposal gains. On July 22, 2014, Wolters Kluwer Legal & Regulatory announced the acquisition of LexisNexis legal business in Poland and simultaneously the divestment of its Canadian legal publishing activities.

Corporate Legal Services (32% of divisional revenues) increased revenues by 9% at constant currencies including acquisitions, most notably Datacert, which became fully consolidated from April 7, 2014. Organic growth was 3% compared to 6% in the first half of 2013. Service subscription revenue grew steadily but, as expected, CLS transactional revenue growth decelerated to 3% (HY 2013: 8%). Transactional revenue trends reflect a decline in UCC filing volumes associated with U.S. commercial lending markets and lower law firm invoice volumes, but good growth in corporate and trademark services. The Datacert acquisition and integration with TyMetrix is performing well. The combined business is the leading provider of enterprise legal management software, serving over 350 of the world's largest corporate legal departments and over 25,000 law firms.

Legal & Regulatory Solutions (68% of divisional revenues) revenues were stable at constant currencies, as the net transfer of certain publishing assets from the Tax & Accounting division compensated for underlying revenue decline and the effect of non-core disposals (Best Case and various European assets sold in 2013). Market conditions remain uncertain as law firms and governments control their spending. Organic revenues declined 3%, moderating from a 4% decline in the first half of 2013. Digital products achieved 3% organic growth, offset by continued decline in print products, including loose leafs and books, which account for 42% of Legal & Regulatory Solutions revenue. In Europe, the rate of organic revenue decline abated (HY 2014: -2% versus HY 2013: -4%) driven by growth in digital products. As planned, restructuring was stepped up in order to mitigate the impact of revenue decline, with efforts focused on sourcing, editorial and production processes, technology and real estate costs. Investments in new product development were increased, in particular on productivity solutions such as legal practice management software (*Kleos*) and legal process software (*Iter, SmartDocx*). *Kleos* reached a milestone of 7,000 users across 8 countries in June. In the U.S., the *Dailies* suite was expanded to nine offerings, including the newly launched *Health Reform Knowledge Center*. In May, we launched *WK Trademark Navigator*, providing an integrated online source of in-depth expert content.

Tax & Accounting

- Software revenue (68% of divisional revenue) grew 4% organically, increasingly supported by cloud-based solutions.
- Trends in publishing and bank product services remain weak.
- Margin decline reflects planned restructuring initiatives.

Tax & Accounting *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Revenues	454	483	-6%	-2%	+1%
Adjusted operating profit	106	121	-12%	-8%	-9%
Adjusted operating profit margin (%)	23.4%	25.1%			
Operating profit	71	84	-15%		
Net capital expenditure (CAPEX)	15	24			
Ultimo FTEs	5,614	5,878			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG – % Organic growth. Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014.

Tax & Accounting revenues declined 2% at constant currencies, as the net transfer of assets to the Legal & Regulatory division and several small disposals outweighed the contribution from acquisitions. On an organic basis, revenues increased 1%. Tax & Accounting software revenues (68% of divisional revenues) grew 4% organically in the first half, increasingly supported by cloud-based solutions such as *CCH Axcess*, *iFirm* and *Twinfield*. The adjusted operating profit margin declined by 170 basis points due to the increase in restructuring costs announced earlier this year. Restructuring actions focused on the U.S. and Asia in the first half, and included outsourcing print and editorial functions and facility consolidation. Reported operating profit declined to €71 million.

North America (57% of divisional revenues) saw positive organic growth, driven by 4% growth in tax software solutions. Market conditions and revenue trends for publishing content and bank product services remain weak. *CCH Axcess*, our cloud-based software platform for CPAs launched in 2013, has attracted new customers and encouraged existing client migrations. The award-winning solution was voted a 'Top New Product of 2014' by *AccountingToday* magazine. We are unique in the market having introduced, in March, a solution which leverages the new IRS-approved electronic signature technology: *CCH eSign*, which saves our customers time when filing their clients' IRS forms, was awarded *CPA Practice Advisor Magazine's* '2014 Tax & Accounting Technology Innovation Award'. At CCH Small Firm Services, the decline in bank product revenues was partially mitigated by growth in software revenue and recently the unit was ranked among the top 25 mid-size call centers in the U.S. by BenchMarkPortal. Our publishing business introduced content and platform enhancements and in May was awarded the 2014 CODiE award for best enterprise mobile application for *CCH Mobile*.

Europe (33% of divisional revenues) sustained positive organic growth, despite mixed economic conditions across the continent. The net transfer of certain publishing assets to our Legal & Regulatory division enables the European business to focus on software for tax and accounting professionals and developing new cloud-based solutions. Spain, Germany, and Scandinavia performed well and Twinfield in the Netherlands achieved strong double-digit organic growth.

Asia Pacific and Rest of World (10% of divisional revenues) revenues increased at constant currencies due to the contribution of Prosoft, acquired in May 2013. In Asia Pacific, software solutions such as the *CCH iFirm* practice management solution (Acclipse) performed well, but trends in print publishing weakened and timing of product releases affected underlying growth. In Brazil, Prosoft performed well, in line with expectations.

Health

- Clinical Solutions sustained double-digit organic growth.
- In Medical Research and Professional & Education, digital growth broadly offset print decline.
- Margins stable, reflecting phasing of investment in new products.

Health *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Revenues	365	364	0%	+5%	+5%
Adjusted operating profit	73	72	0%	+4%	+4%
Adjusted operating profit margin	19.9%	19.9%			
Operating profit	58	53	+10%		
Net capital expenditure (CAPEX)	24	22			
Ultimo FTEs	2,770	2,713			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG – % Organic growth.

Excluding the effect of currency, revenues and adjusted operating profit increased 5% and 4%, respectively. Despite a tough comparable in the second quarter, organic revenue growth accelerated compared to the prior year (HY 2013: 4%). The adjusted operating profit margin was stable, largely due to phasing of investment in new digital products. Reported operating profit increased to €58 million.

Clinical Solutions (46% of divisional revenues) achieved double-digit organic revenue growth, driven by *UpToDate, Health Language, Pharmacy OneSource* and *Medicom*. *UpToDate*, our clinical decision support tool, is now sold in over 160 countries and approaching 1 million users. Earlier this year, *UpToDate Anywhere*, which enables institutions to offer their clinicians access seamlessly via mobile devices, became available globally. Our drug information unit saw positive organic growth, supported by Medi-Span. *ProvationMedical*, which provides medical documentation software and order sets, faced a tough comparable in the second quarter. In February, Wolters Kluwer Health was ranked third overall software vendor in the recent 2013 *Best in KLAS* awards, with *Sentri-7* (*Pharmacy OneSource*) ranked as Category Leader in the Surveillance segment. Investment in innovation continues, including a Sepsis disease management solution and a Chinese version of UpToDate.

Medical Research revenues (39% of divisional revenues) were broadly stable, as sustained organic revenue growth in digital products — *Ovid* and *Lippincott Williams & Wilkins's* (LWW) digital journals — was largely offset by ongoing and expected decline in print journal subscriptions. Advertising markets are showing signs of stabilising and digital advertising in our journal apps increased. Ovid expanded its offerings with third party and in-house content, including new medical journals, e-book titles and medical conference abstracts. LWW won a number of society journal contracts, including the *Journal of the American Academy of Orthopaedic Surgeons* and *PAIN*, and expanded its author-paid content with now more than 150 LWW journal titles offering hybrid open access and the first fully open access LWW title launched in the field of Neurology. Our open access platform in India, MedKnow, saw double-digit organic growth.

Professional & Education (15% of divisional revenues) saw organic revenue and margin decline in the seasonally smaller first half, as markets for print books remain weak and distributor ordering patterns shifted relative to the prior year. Digital revenues, which includes products such as *Lippincott Nursing Procedures, PrepU* and the newly launched medical patient simulator *vSim for Nursing*, grew 49% organically and now represent approximately 25% of the unit's revenues.

Financial & Compliance Services

- Finance, Risk & Compliance and Audit combined achieved double-digit organic growth.
- Originations unit impacted by decline in U.S. mortgage refinancing market.
- Margins improved slightly, despite loss of high-margin transactional income.

Financial & Compliance Services *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Revenues	187	188	0%	+3%	+1%
Adjusted operating profit	28	28	+1%	+3%	+1%
Adjusted operating profit margin	14.8%	14.6%			
Operating profit	11	11	+7%		
Net capital expenditure (CAPEX)	3	3			
Ultimo FTEs	2,362	2,349			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG – % Organic growth.

Excluding the effect of currency, revenues and adjusted operating profit both increased 3%, reflecting organic growth and acquisitions, mainly Financial Tools purchased in January 2014. Organic growth of 1% was better than anticipated following a strong second quarter when several new bank customers in Europe implemented solutions early. Margins improved slightly. Reported operating profit was €11 million.

Finance, Risk & Compliance (46% of divisional revenues) achieved double-digit organic growth, driven mainly by new customer implementations for our risk and regulatory reporting solutions (based on the integrated FRSGlobal and Finarch offerings) and our enterprise risk management systems (*ARCLogics*). *GainsKeeper* software for investment firms continued to perform well. *ARCLogics* was rated '2014 GRC Platform of the Year' by *Operational Risk* magazine, while Chartis ranked Wolter Kluwer Financial Services a Category Leader in both 'Enterprise GRC Solutions' and 'Operational Risk Management Systems'.

Audit (10% of divisional revenues) delivered robust organic growth in the first half, driven by new customer wins for *TeamMate* internal audit software, particulary in the Americas and Europe. Results came despite the revenue impact of a still on-going product rationalisation program.

Originations (32% of divisional revenues), the leading provider of mortgage document solutions for banks in the U.S., experienced a 21% decline in transaction revenues related to the downturn in the U.S. mortgage refinancing market. Software recurring revenues held up relatively well. Financial Tools is performing to plan.

Transport Services (12% of divisional revenues) revenues declined as it completes its transition to a more subscription-based revenue model combining transport management software with freight exchange.

Corporate

Corporate Costs *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Adjusted operating profit	(22)	(22)	-1%	-1%	-1%
Operating profit	(22)	(23)	-2%		
Net capital expenditure (CAPEX)	0	0			
Ultimo FTEs	106	103			

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG – % Organic growth.

Risk Management

In the 2013 Annual Report, the Company described certain risk categories that could have a material adverse effect on its operations and financial position. Those risk categories are deemed to be incorporated and repeated in this report by reference. In the Company's view, the nature and potential impact of these risk categories on the business are not materially different for the second half of 2014.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the Half-Year Report, which includes the Interim Report of the Executive Board and the condensed consolidated interim financial statements for the six months ended June 30, 2014. The condensed consolidated interim financial statements for the six months ended June 30, 2014 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The responsibility of the Executive Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Interim Report of 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 half-year under review. Such an overview contains a selection of some of the main developments in the first six months of the financial year and can never be exhaustive. This Interim Report also contains the current expectations of the Executive Board for the second half of the financial year. With respect to these expectations, reference is made to the disclaimer about forward-looking statements at page 29 of this half-year report. As required by provision 5:25d (2)(c) of the Dutch act on financial supervision (*Wet op het financieel toezicht*) and on the basis of the foregoing, the Executive Board confirms that to its knowledge:

- The condensed consolidated interim financial statements for the six months ended June 30, 2014, 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 Interim Report of the Executive Board includes a fair overview of the situation at the balance sheet date, the course of affairs during the first six months of the financial year of the company and the undertakings included in the consolidation taken as a whole, and the expected course of affairs for the second half of 2014 as well as an indication of important events that have occurred during the six months ended June 30, 2014, and their impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the second half of 2014, and also includes the major related parties transactions entered into during the six months ended June 30, 2014.

Alphen aan den Rijn, July 29, 2014

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Financial Statements for the six months ended June 30, 2014, and 2013

Unaudited Condensed Consolidated Statement of Income

(in millions of euros, unless otherwise stated)

	Six months ended June 30	
	2014	2013
Continuing operations:		
Revenues	**1,716**	**1,742**
Cost of sales	567	571
Gross profit	**1,149**	**1,171**
Sales costs	329	334
General and administrative costs	599	596
Total operating expenses	928	930
Other operating income and (expense)	(7)	44
Operating profit	**214**	**285**
Financing results	25	(51)
Share of profit of equity-accounted investees, net of tax	(1)	0
Profit before tax	**238**	**234**
Income tax expense	(38)	(68)
Profit for the period from continuing operations	**200**	**166**
Discontinued operations:		
Profit/(loss) from discontinued operations, net of tax	-	(2)
Profit for the period	**200**	**164**
Attributable to:		
▪ Owners of the Company	201	164
▪ Non-controlling interests	(1)	0
Profit for the period	**200**	**164**
Earnings per share (EPS) (€)		
Basic EPS from continuing operations	0.68	0.56
Basic EPS from discontinued operations	-	0.00
Basic EPS	0.68	0.56
Diluted EPS from continuing operations	0.67	0.55
Diluted EPS from discontinued operations	-	0.00
Diluted EPS	0.67	0.55

Unaudited Condensed Consolidated Statement of Comprehensive Income

(in millions of euros)

	Six months ended June 30	
	2014	2013
Comprehensive income:		
Profit for the period	**200**	**164**
Other comprehensive income:		
Items that are or may be reclassified subsequently to the statement of income:		
Net gains/(losses) on hedges of net investments and exchange differences on translation of foreign operations	38	(17)
Gains/(losses) on cash flow hedges	(5)	14
	33	(3)
Items that will not be reclassified to the statement of income:		
Remeasurements on defined benefit plans	(12)	21
Income tax on other comprehensive income	5	(8)
	(7)	13
Other comprehensive income for the period, net of tax	**26**	**10**
Total comprehensive income for the period	**226**	**174**
Attributable to:		
▪ Owners of the Company	227	176
▪ Non-controlling interests	(1)	(2)
Total	**226**	**174**

Unaudited Condensed Consolidated Statement of Cash Flows

(in millions of euros)

	Six months ended June 30	
	2014	2013
Cash flows from operating activities		
Profit for the period from continuing operations	200	166
Adjustments for:		
Financing results	(25)	51
Share of profit of equity-accounted investees, net of tax	1	0
Income tax expense	38	68
Amortization, impairments, and depreciation	159	157
Additions to provisions	16	5
Fair value changes on contingent considerations	0	(1)
Book (profit)/loss on divestments of operations	0	(51)
Share-based payments	10	8
Autonomous movements in working capital	(22)	(46)
Paid financing costs	(110)	(102)
Paid corporate income tax	(55)	(38)
Appropriation of provisions for restructuring	(23)	(17)
Other	(1)	(1)
Net cash from operating activities	**188**	**199**
Cash flows from investing activities		
Capital expenditure	(63)	(70)
Acquisition spending, net of cash acquired	(166)	(170)
Receipts from divestments, net of tax	0	75
Dividends received	2	2
Net cash used in investing activities	**(227)**	**(163)**
Cash flows from financing activities		
Repayment of loans	(704)	(377)
Proceeds from new loans	468	697
Repurchased shares	-	(14)
Dividends paid	(207)	(205)
Net cash from/(used) in financing activities	**(443)**	**101**
Net cash from/(used) in continuing operations	**(482)**	**137**
Net cash used in discontinued operations	**-**	**0**
Net cash from/(used) in continuing and discontinued operations	**(482)**	**137**
Cash and cash equivalents less bank overdrafts at January 1	643	215
Exchange differences on cash and cash equivalents and bank overdrafts	1	(8)
	644	207
Cash and cash equivalents less bank overdrafts at June 30	**162**	**344**
Add: Bank overdrafts at June 30	118	159
Cash and cash equivalents at June 30	**280**	**503**

Unaudited Condensed Consolidated Statement of Financial Position

(in millions of euros)

	June 30, 2014		December 31, 2013		June 30, 2013	
Non-current assets						
Goodwill and intangible assets	4,840		4,592		4,778	
Property, plant, and equipment	123		124		134	
Investments in equity-accounted investees	15		31		33	
Financial assets	27		27		49	
Deferred tax assets	89		88		76	
Total non-current assets		5,094		4,862		5,070
Current assets						
Inventories	113		104		106	
Trade and other receivables	903		1,110		916	
Income tax receivable	44		33		23	
Cash and cash equivalents	280		755		503	
Assets held for sale	-		-		1	
Total current assets	1,340		2,002		1,549	
Current liabilities						
Deferred income	1,152		1,214		1,140	
Trade and other payables	298		368		310	
Income tax payable	35		38		36	
Short-term provisions	24		33		47	
Borrowings and bank overdrafts	192		117		161	
Short-term bonds	-		700		700	
Other current liabilities	306		444		356	
Total current liabilities	2,007		2,914		2,750	
Working capital		(667)		(912)		(1,201)
Capital employed		**4,427**		**3,950**		**3,869**
Non-current liabilities						
Long-term debt		2,310		1,909		1,902
Deferred tax liabilities		355		321		293
Employee benefits		138		126		150
Provisions		13		10		4
Total non-current liabilities		2,816		2,366		2,349
Equity						
Issued share capital	36		36		36	
Share premium reserve	87		87		87	
Other reserves	1,469		1,441		1,377	
Equity attributable to the owners of the Company		1,592		1,564		1,500
Non-controlling interests		19		20		20
Total equity		1,611		1,584		1,520
Total financing		**4,427**		**3,950**		**3,869**

Unaudited Condensed Consolidated Statement of Changes in Total Equity

(in millions of euros)

			2014
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,564**	**20**	**1,584**
Total comprehensive income for the period	227	(1)	226
Share-based payments, net of tax	8		8
Cash dividend 2013	(207)		(207)
Repurchased shares	-		-
Other	-		-
Balance at June 30	**1,592**	**19**	**1,611**

			2013
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,538**	**20**	**1,558**
Total comprehensive income for the period	176	(2)	174
Share-based payments, net of tax	6	-	6
Cash dividend 2012	(205)	-	(205)
Repurchased shares	(15)	-	(15)
Other	-	2	2
Balance at June 30	**1,500**	**20**	**1,520**

Wolters Kluwer

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Note 1 Reporting entity

Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a market-leading global information services company. These unaudited condensed consolidated interim financial statements ('interim financial statements') for six months ended June 30, 2014, comprise the Group and the Group's interests in associates and a joint venture.

Note 2 Basis of preparation

Statement of compliance
These interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting, as adopted by the European Union. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2013.

The interim financial statements for six months ended June 30, 2014, has been abridged from the Wolters Kluwer's 2013 Financial Statements. These interim financial statements have not been audited or reviewed. The interim financial statements were authorized for issue by the Executive Board and Supervisory Board on July 29, 2014.

Judgments and estimates
The preparation of the interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to Wolters Kluwer's 2013 Annual Report. Reference is made to Note 3 'Accounting Estimates and Judgments' to the Consolidated Financial Statements of Wolters Kluwer. Further reference is made to Note 27 'Financial Risk Management'. Note 27 outlines Wolters Kluwer's exposure to market risks, currency risks, interest rate risks, liquidity risks, and credit risks, which have not substantially changed since the issuance of our 2013 Annual Report. Actual results in the future may differ from these estimates and current risk judgments.

Estimates and judgments are being continuously evaluated and are based on historic experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

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

Exchange rates to the euro	2014	2013
U.S. dollar (at June 30)	1.36	1.31
U.S. dollar (average six months)	1.37	1.31
U.S. dollar (at December 31)		1.38

Note 3 Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in Wolters Kluwer's 2013 Annual Report. The new standards that became effective as of January 1, 2014, have no significant impact on the 2014 consolidated financial statements.

Note 4 Seasonality

Some of the Group's businesses are impacted by seasonal purchasing patterns. Revenues of Wolters Kluwer's tax and regulatory businesses are strongest in the fourth and first quarters, in line with statutory (tax) filing requirements. The cash flow is typically strongest in the fourth quarter as calendar-year subscription renewals are received.

Note 5 Benchmark Figures

Wherever used in this half-year report, the term 'adjusted' refers to figures adjusted for non-benchmark items and amortization and impairment of goodwill and publishing rights.
Adjusted figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business from continuing operations. These figures are presented as additional information and do not replace the information in the consolidated statement of income and in the consolidated statement of cash flows. The term 'adjusted' is not a defined term under IFRS.

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	Six months ended June 30	
	2014	2013
Operating profit	214	285
Amortization of publishing rights and impairments	92	93
Non-benchmark items in operating profit	7	(44)
Adjusted operating profit	**313**	**334**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2014	2013
Total financing results	**25**	**(51)**
Non-benchmark items in total financing results	(74)	(10)
Adjusted net financing costs	**(49)**	**(61)**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2014	2013
Profit for the period from continuing operations attributable to the owners of the Company (A)	**201**	**166**
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	91	92
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(32)	(32)
Non-benchmark items, net of tax	(70)	(29)
Adjusted net profit (B)	**190**	**197**

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

(in millions of euros)	Six months ended June 30	
	2014	2013
Net cash from operating activities	188	199
Capital expenditure	(63)	(70)
Acquisition related costs	6	2
Paid divestment expenses	1	1
Dividends received	2	2
Appropriation of Springboard provisions, net of tax	2	6
Adjusted free cash flow (C)	**136**	**140**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2014	2013
Total number of shares outstanding at June 30[1]	296.3	295.6
Weighted average number of shares (D)[1]	296.1	296.1
Diluted weighted average number of shares (E)[1]	299.7	299.7
Adjusted EPS (B/D)	0.64	0.66
Diluted adjusted EPS (minimum of adjusted EPS and (B/E))	0.63	0.66
Diluted adjusted EPS in constant currencies	0.63	0.66
Adjusted free cash flow per share (C/D)	0.46	0.47
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and (C/E)	0.45	0.47

1 In millions of shares

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2014	2013
Included in 'other operating income and (expense)':		
Divestment related results	(1)	50
Additions to acquisition integration provisions	0	(5)
Acquisition related costs	(6)	(2)
Fair value changes contingent considerations	0	1
Total non-benchmark income/(costs) in operating profit	**(7)**	**44**
Included in total financing results:		
Divestment related results on equity-accounted investees	76	12
Financing component employee benefits	(2)	(2)
Total non-benchmark income/(costs) in total financing results	**74**	**10**
Total non-benchmark items	**67**	**54**

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2014	2013
Income tax expense	38	68
Tax benefit on amortization of publishing rights and impairments	32	32
Tax benefit on non-benchmark items	3	(25)
Tax on adjusted net profit (F)	73	75
Adjusted net profit (B)	190	197
Adjustment for non-controlling interests	0	1
Adjusted profit before tax (G)	**263**	**273**
Benchmark tax rate (F/G) (in %)	**27.7**	**27.7**

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2014	2013
Adjusted operating profit (H)	**313**	**334**
Amortization and impairment of other intangible assets	53	48
Depreciation of property, plant, and equipment	14	16
Adjusted EBITDA	**380**	**398**
Autonomous movements in working capital	(22)	(46)
Capital expenditure	(63)	(70)
Adjusted operating cash flow (I)	**295**	**282**
Cash conversion ratio (I/H) (in %)	**94**	**85**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2014	2013
Revenues		
Legal & Regulatory	710	707
Tax & Accounting	454	483
Health	365	364
Financial & Compliance Services	187	188
Total revenues	**1,716**	**1,742**
Operating profit		
Legal & Regulatory	96	160
Tax & Accounting	71	84
Health	58	53
Financial & Compliance Services	11	11
Corporate	(22)	(23)
Total operating profit	**214**	**285**

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2014	2013
Profit for the period attributable to the owners of the Company		
From continuing operations (A)	201	166
From discontinued operations (B)	-	(2)
Profit for the period attributable to the owners of the Company (C)	**201**	**164**
Weighted average number of shares		
in millions of shares		
Number of outstanding ordinary shares at January 1	301.9	301.9
Effect of treasury shares	-	-
Effect of issued shares		-
Effect of repurchased shares	(5.8)	(5.8)
Weighted average number of shares (D)	**296.1**	**296.1**
Basic EPS from continuing operations (€) (A/D)	0.68	0.56
Basic EPS from discontinued operations (€) (B/D)	-	0.00
Basic EPS (€) (C/D)	0.68	0.56
Diluted weighted average number of shares		
in millions of shares		
Weighted average number of shares (D)	296.1	296.1
Long-Term Incentive Plan	3.6	3.6
Diluted weighted average number of shares (E)	**299.7**	**299.7**
Diluted EPS from continuing operations (€) (minimum of basic EPS and [A/E])	0.67	0.55
Diluted EPS from discontinued operations (€) (minimum of basic EPS and [B/E])	-	0.00
Diluted EPS (€) (minimum of basic EPS and [C/E])	0.67	0.55

Note 8 Discontinued Operations

In 2013, Wolters Kluwer substantially completed the sale of its pharma business. As of 2011 this planned sale was presented as discontinued operations.

Adjusted operating profit for the pharma business in 2014 was nil (HY 2013: operating loss of €2 million).

Note 9 Acquisitions and Divestments

Acquisitions
Total acquisition spending in first half of 2014 was €166 million (HY 2013: €170 million), including deferred and contingent considerations payments of €16 million (HY 2013: €2 million). Acquisition related costs were €6 million (HY 2013: €2 million).

In the first half of 2014, the largest acquisitions completed were Financial Tools (U.S.) in the Financial & Compliance Services division and Datacert (U.S.) in Legal & Regulatory division.

On January 3, 2014, Wolters Kluwer acquired 100% of the shares of Financial Tools, Inc., the provider of CASH Suite, an enterprise-wide financial analysis and credit risk management solution for U.S. commercial lenders. Financial Tools has approximately 30 employees.

On April 7, 2014, Wolters Kluwer completed the acquisition of 62% of the shares of Third Coast Holdings, Inc. which it did not already own. Third Coast Holdings is the parent company of Datacert, one of the world's leading providers of enterprise legal management solutions, including legal billing and matter management solutions, serving corporate general counsel and law firms. Datacert serves more than 120 corporations in over 140 countries and has approximately 330 employees. The purchase price consideration for 100% of the shares was €230 million, of which €142 million was paid in cash for the part of the shares which Wolters Kluwer did not already own. The entity had annual revenues of €43 million in 2013.

Acquisitions

(in millions of euros)	Six months ended June 30	
	2014	2013
Consideration payable in cash	166	177
Fair value of previously held equity-accounted investee	88	3
Non-controlling interest	0	(2)
Deferred and contingent considerations	3	12
Total consideration	**257**	**190**
Non-current assets	143	109
Current assets	28	16
Current liabilities	(26)	(15)
Deferred tax liability	(46)	(38)
Fair value of net identifiable assets	99	72
Goodwill on acquisitions	**158**	**118**
Cash effect of the acquisitions:		
Consideration payable in cash	166	177
Cash acquired	(16)	(9)
Deferred and contingent considerations paid	16	2
Acquisition spending, net of cash acquired	**166**	**170**

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 which will be completed within 12 months from the acquisition date.

The goodwill recognized for the acquisitions represents a payment in anticipation of the future economic benefits to be derived by Wolters Kluwer as a result of the acquisition. These future economic benefits relate to revenue opportunities (such as cross-selling) or cost efficiencies (such as sharing of infrastructure).

Contingent consideration

The acquisitions completed in 2014 resulted in a maximum undiscounted contingent consideration of €3 million, based on probability of achieving the contractual agreed upon targets.

In the first half of 2014, the Group recognized fair value changes in the statement of income for the amount of €0 million (HY 2013: €1 million) for acquisitions stemming from previous years.

Divestments

In the first half of 2014, the Group gave up the 38% stake in Datacert, previously held as an equity-accounted investee, as part of the 100% step-up acquisition of this entity. The fair value of this equity interest immediately before the acquisition date was €88 million. The (non-cash) book profit on the sale of the previously held minority stake amounts to €76 million and is recognized in financing results.

In the first half of 2013, the Legal & Regulatory division made two divestitures in North America, Best Case Solutions and the minority stake in AccessData, in order to focus on areas of more strategic interest.

Divestment related results on operations and equity-accounted investees

(in millions of euros)	Six months ended June 30	
	2014	2013
Divestments of operations:		
Consideration receivable in cash	0	56
Consideration receivable	**0**	**56**
Non-current assets	-	8
Current assets	-	1
Current liabilities	-	(4)
Net identifiable assets and liabilities	**0**	**5**
Book profit/(loss) on divestments of operations	**0**	**51**
Divestment expenses	(1)	(1)
Divestment related results included in other operating income and (expense)	**(1)**	**50**
Divestments of equity-accounted investees:		
Consideration receivable in cash	0	35
Fair value of equity-accounted investee previously held	88	-
Carrying value of equity-accounted investee	(12)	(23)
Divestment related results included in total financing results	**76**	**12**
The cash effect of divestments:		
Consideration receivable in cash	0	91
Paid corporate income tax	-	(16)
Receipts from divestments, net of tax	**0**	**75**

The €76 million revaluation gain on the previously held 38% minority equity interest in Datacert is not taxable, leading our reported tax rate to fall to 15.8% (HY 2013: 29.3%).

Note 10 Provisions

Provisions for restructuring commitments

(in millions of euros)	Six months ended June 30	
	2014	2013
Position at January 1	10	4
Add: short-term commitments	33	58
Total at January 1	**43**	**62**
Movements:		
Additions to provisions for restructurings	16	0
Additions to acquistion integration provisions	0	5
Total additions to provisions	16	5
Appropriation of provisions for restructuring	(23)	(17)
Exchange differences and other movements	1	1
Total movements	**(6)**	**(11)**
Total at June 30	37	51
Less: short-term commitments	(24)	(47)
Position at June 30	**13**	**4**

The first half of 2014 includes restructuring charges as result of the step up in restructurings announced at the beginning of the year for Tax & Accounting and Legal & Regulatory.

Appropriations in 2014 mainly relate to operational business restructurings.

Note 11 Issuance, repurchase, and repayments of debt

In January 2014, the company fully redeemed the ten-year Eurobond (2003-2014) of €700 million with an annual coupon of 5.125%.

In May 2014, Wolters Kluwer issued a new ten-year Eurobond of €400 million. The bonds have been priced at an issue price of 99.164 per cent and will carry an annual coupon of 2.5%. The net proceeds of the bond will be used to refinance existing debt and for general corporate purposes.

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2014	December 31, 2013	June 30, 2013
Gross debt			
Bonds	1,875	1,479	1,478
Private placements	391	384	401
Total long-term loans	2,266	1,863	1,879
Other long-term obligations	31	30	17
Derivative financial instruments	13	16	6
Total long-term debt	2,310	1,909	1,902
Borrowings and bank overdrafts	192	117	161
Short-term bonds	-	700	700
Other short-term obligations	4	18	11
Derivative financial instruments	1	0	5
Total short-term debt	197	835	877
Total gross debt	**2,507**	**2,744**	**2,779**
Minus:			
Cash and cash equivalents	(280)	(755)	(503)
Derivative financial instruments:			
Non-current receivable	-	-	0
Current receivable	0	(1)	-
Net debt	**2,227**	**1,988**	**2,276**
Net-debt-to-EBITDA (on a rolling basis) ratio	2.6	2.2	2.6

Other short-term and long-term obligations include deferred and contingent acquisition payments.

Note 12 Equity issuance, Dividends, LTIP

In the first six months of 2014, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2011-13 vested on December 31, 2013. Total Shareholder Return (TSR) ranked eight relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board and a pay-out of 100% of the conditional number of shares awarded to other senior managers. The EPS LTIP 2011-2013 grant ended at a 150% pay-out to the Executive Board. A total number of 1,062,797 shares were released on February 20, 2014.

Under the 2014-16 LTIP grant, 1,188,321 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2014. In the first six months of 2014, 92,700 shares were forfeited under the long-term incentive plans

The annual cash dividend of €207 million (in 2013: €205 million) was paid in May 2014. The 2013 dividend of €0.70 per share was fully distributed in cash.

At June 30, 2014, Ms. McKinstry held 123,350 shares (2013: 123,350 shares). Mr. Entricken held 10,286 shares (2013: nil shares) in the company.

Note 13 Related Party Transactions

There were no major related parties transactions entered into during the six months ended June 30, 2014.

Note 14 Events after Balance Sheet date

On July 22, 2014, Wolters Kluwer Legal & Regulatory announced the acquisition of LexisNexis legal business in Poland and simultaneously the divestment of its Canadian legal publishing activities. The acquisition will extend Wolters Kluwer's portfolio of high-quality digital information offerings for the Polish law firm, government, and corporate segments. Simultaneously, Wolters Kluwer also announced that it has signed an agreement to divest its Canadian legal publishing activities. The Canadian legal assets to be sold include print and online information products for law firms, corporate counsel, and human resources professionals. The net effect of both transactions is not material. Wolters Kluwer expects the transaction to generate a return above its cost of capital within three to five years.

On July 29, 2014, Wolters Kluwer signed an amendment to, and extension of, our €600 million multi-currency credit facility with a 5-year maturity and improved terms, The new €600 million multi-currency credit facility will mature in July 2019 and includes two one-year extension options.

Wolters Kluwer

Supplemental Information

Growth Breakdown by Division *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ Organic	Δ Acq/Div[1]	Δ Currency	Δ Total
Wolters Kluwer						
Revenues	1,716	1,742	17	14	(57)	**(26)**
Adjusted operating profit	313	334	(12)	4	(13)	**(21)**
Adjusted operating profit margin	18.2%	19.2%				
Legal & Regulatory						
Revenues	710	707	(7)	27	(17)	**3**
Adjusted operating profit	128	135	(5)	2	(4)	**(7)**
Adjusted operating profit margin	18.0%	19.0%				
Tax & Accounting						
Revenues	454	483	5	(16)	(18)	**(29)**
Adjusted operating profit	106	121	(10)	1	(6)	**(15)**
Adjusted operating profit margin	23.4%	25.1%				
Health						
Revenues	365	364	17	0	(16)	**1**
Adjusted operating profit	73	72	3	0	(2)	**1**
Adjusted operating profit margin	19.9%	19.9%				
Financial & Compliance Services						
Revenues	187	188	2	3	(6)	**(1)**
Adjusted operating profit	28	28	0	1	(1)	**0**
Adjusted operating profit margin	14.8%	14.6%				
Corporate						
Revenues	-	-				
Adjusted operating profit	(22)	(22)	0	0	0	**0**

[1]Acquisition/divestment column includes the contribution from 2014 acquisitions and 2013 acquisitions before these became organic (12 months from their acquisition date), the impact of 2013 and 2014 divestments, and the effect of asset transfers between divisions.

Wolters Kluwer

Revenues by Type

Recurring revenues (78% of total revenues) increased 2% organically, with digital and services subscriptions more than offsetting decline in print subscriptions. Print books revenues (7% of total) declined 11% organically. CLS transactional revenues rose 3% organically. FS transactional revenues declined 21%. Other non-recurring revenues, which includes license and implementation fees, training and consulting, advertising and other one-off sales, was flat organically.

Revenues by Type *(in millions of euros, unless otherwise stated)*

Six months ended June 30	2014	2013	Δ	Δ CC	Δ OG
Wolters Kluwer					
Digital and services subscriptions	1,022	987	+4%	+7%	+5%
Print subscriptions	172	198	-12%	-10%	-9%
Other recurring	140	148	-6%	-3%	-2%
Total recurring revenues	**1,334**	**1,333**	**0%**	**+4%**	**+2%**
Print books	114	134	-15%	-12%	-11%
CLS transactional	101	96	+4%	+9%	+3%
FS transactional	17	22	-24%	-20%	-21%
Other non-recurring	150	157	-4%	-1%	0%
Total revenues	**1,716**	**1,742**	**-1%**	**+2%**	**+1%**
Legal & Regulatory					
Digital and services subscriptions	350	336	+4%	+7%	+2%
Print subscriptions	123	134	-8%	-6%	-8%
Other recurring	28	28	-2%	-1%	+3%
Total recurring revenues	**501**	**498**	**+1%**	**+3%**	**-1%**
Print books	58	60	-3%	-2%	-9%
CLS transactional	101	96	+4%	+9%	+3%
Other non-recurring	50	53	-4%	-2%	-4%
Total Legal & Regulatory	**710**	**707**	**0%**	**+3%**	**-1%**
Tax & Accounting					
Digital and services subscriptions	319	322	-1%	+3%	+3%
Print subscriptions	20	29	-30%	-27%	-8%
Other recurring	76	81	-7%	-3%	-2%
Total recurring revenues	**415**	**432**	**-4%**	**0%**	**+2%**
Print books	14	22	-38%	-33%	-3%
Other non-recurring	25	29	-16%	-12%	-2%
Total Tax & Accounting	**454**	**483**	**-6%**	**-2%**	**+1%**
Health					
Digital and services subscriptions	234	213	+10%	+15%	+15%
Print subscriptions	29	34	-15%	-11%	-10%
Other recurring	36	39	-8%	-4%	-4%
Total recurring revenues	**299**	**286**	**+5%**	**+9%**	**+9%**
Print books	42	52	-20%	-16%	-16%
Other non-recurring	24	26	-6%	-2%	-1%
Total Health	**365**	**364**	**0%**	**+5%**	**+5%**
Financial & Compliance Services					
Digital and services subscriptions	119	116	+2%	+6%	+4%
Print subscriptions	0	1	-22%	-18%	-18%
Total recurring revenues	**119**	**117**	**+2%**	**+5%**	**+4%**
FS transactional	17	22	-24%	-20%	-21%
Other non-recurring[1]	51	49	+4%	+7%	+6%
Total Financial & Compliance Services	**187**	**188**	**0%**	**+3%**	**+1%**

Δ - % Change; Δ CC - % Change constant currencies (EUR/USD 1.33); Δ OG - % Organic growth. 1) Incl. license & implementation fees.

About Wolters Kluwer

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

Wolters Kluwer reported 2013 annual revenues of €3.6 billion. The group serves customers in over 150 countries, and employs over 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

Wolters Kluwer shares are listed on NYSE Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

For more information about our products and organization, visit www.wolterskluwer.com, follow @Wolters_Kluwer on Twitter, or search for Wolters Kluwer videos on YouTube.

Calendar

November 5, 2014	Third-Quarter 2014 Trading Update
February 18, 2015	Full-Year 2014 Results

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