Wolters Kluwer

Wolters Kluwer 2016 Half-Year Report

July 29, 2016 – Wolters Kluwer, a global leader in professional information services, today released its 2016 half-year results.

Highlights

- **Full-year outlook reiterated, with guidance for adjusted free cash flow raised.**
- **Revenues up 2% in constant currencies and up 3% organically.**
  - Digital & services revenues grew 5% organically (86% of total revenues).
  - Recurring revenues grew 4% organically (78% of total).
  - All main geographic regions delivered positive organic growth.
- **Adjusted operating profit margin improved to 20.0%, helped by lower restructuring charges.**
- **Diluted adjusted EPS €0.88, up 6% in constant currencies.**
- **Adjusted free cash flow €229 million, up 34% in constant currencies.**
- **Net-debt-to-EBITDA 1.7x compared to 2.1x a year ago.**
- **Interim dividend of €0.19 cash per share to be paid in September.**

Interim Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"We were pleased with our first half results. We achieved 3% organic growth and improved our operating margins and cash flow. Better performance in Europe helped us overcome a challenging comparable in the U.S. and slower growth in Asia Pacific and Rest of World. We are continuing to see a positive response from customers to the innovative expert solutions we are bringing to the market. I am confident in our full year outlook."

Key Figures 2016 Half-Year:

Six months ended June 30 *(in millions of euros, unless otherwise stated)*	**2016**	**2015**	**Δ**	**Δ CC**	**Δ OG**
Business performance – benchmark figures					
Revenues	2,042	2,015	+1%	+2%	+3%
Adjusted operating profit	408	391	+4%	+5%	+4%
Adjusted operating margin	20.0%	19.4%			
Adjusted net profit	260	235	+10%	+5%	
Diluted adjusted EPS (€)	0.88	0.79	+12%	+6%	
Adjusted free cash flow	229	170	+35%	+34%	
Net debt	1,814	2,069	-12%		
IFRS results					
Revenues	2,042	2,015	+1%		
Operating profit	317	281	+13%		
Profit for the period	199	162	+23%		
Diluted EPS (€)	0.67	0.55	+23%		
Net cash from operating activities	326	267	+22%		

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth. Benchmark (adjusted) figures are performance measures used by management. See Note 5 for a reconciliation from IFRS to benchmark figures. IFRS: International Financial Reporting Standards as adopted by the European Union.

Full-Year 2016 Outlook

Our full-year 2016 outlook is unchanged, except that we have raised our guidance range for adjusted free cash flow by €50 million. We expect to deliver margin improvement and to grow diluted adjusted EPS at a mid-single-digit rate in constant currencies this year. Our guidance for full-year 2016 is provided in the table below.

2016 Outlook

Performance indicators	2016 guidance
Adjusted operating profit margin	21.5%-22.0%
Adjusted free cash flow	€650-€675 million
Return on invested capital	> 9%
Diluted adjusted EPS	Mid-single-digit growth

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

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

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

Our guidance assumes no significant additional change in the scope of operations. We may make further disposals which could be dilutive to margins and earnings in the near term.

2016 Outlook by Division

Health: we expect another year of good organic revenue growth, similar to 2015, supported by robust organic growth in Clinical Solutions and a gradually improving trend in Health Learning, Research & Practice. Margins are expected to improve slightly even as we continue to invest to drive organic growth.

Tax & Accounting: we expect full-year underlying revenue growth to slightly improve on 2015 levels, driven by continued mix shift towards software solutions. Margins are expected to be maintained for the full year, despite higher investment.

Governance, Risk & Compliance: we continue to expect positive but slower organic growth in the full year, given demanding comparables for transactional and non-recurring license and implementation fees. Full-year margins are expected to improve slightly.

Legal & Regulatory: we expect full-year organic revenue decline to be similar to 2015, with print and services trends expected to deteriorate in the third and fourth quarter. Margins are expected to improve due mainly to lower restructuring costs. Efficiency savings are expected to fund wage inflation and increased product investment.

Strategic Priorities 2016-2018

In February 2016, we announced our strategic priorities for the next three years (2016-2018). Our plan is to build on the strategic direction we have been following in the past three years, by expanding our market coverage, increasing our focus on expert solutions, and continuing to drive efficiencies. Our 2016-2018 strategic plan aims to sustain and, in the long run, further improve our organic growth rate, margins and returns as we continue to focus on growing value for customers, employees and shareholders. Our strategic priorities for the next three years are:

- **Expand market coverage:** We will continue to allocate the majority of our capital towards leading growth businesses and digital products, and extend into market adjacencies and new geographies where we see the best potential for growth and competitive advantage. Expanding our market reach will also entail allocating funds to broaden our sales and marketing coverage in certain global markets. We intend to support this organic growth strategy with value-enhancing acquisitions whilst continuing our program of small non-core disposals.
- **Deliver expert solutions:** Our plan calls for increased focus on expert solutions that combine deep domain knowledge with specialized technology and services to deliver expert answers, analytics and productivity for our customers. To support digital growth across all divisions, we intend to accelerate our ongoing shift to global platforms and to cloud-based integrated solutions that offer mobile access. Our plan is to also expand our use of new media channels and to create an all-round, rich digital experience for our customers. Investment in new and enhanced products will be sustained in the range of 8-10% of total revenues in coming years.
- **Drive efficiencies and engagement:** We intend to continue driving scale economies while improving the quality of our offerings and agility of our organization. These operating efficiencies will help fund investment and wage inflation, and support a rising operating margin over the long term. Through increased standardization of processes and technology planning, and by focusing on fewer, global platforms and software applications, we expect to free up capital to reinvest in product innovation. Supporting this effort are several initiatives to foster employee engagement.

Leverage Target and Financial Policy

Wolters Kluwer uses its cash flow to invest in the business organically or through acquisitions, to maintain optimal leverage, and provide returns to shareholders. We regularly assess our financial position and evaluate the appropriate level of debt in view of our expectations for cash flow, investment plans, interest rates and capital market conditions.

As of June 30, 2016, our net-debt-to-EBITDA ratio was 1.7x, below our target of 2.5x. While we may temporarily deviate from our leverage target at times, we continue to believe that, in the longer run, a net-debt-to-EBITDA ratio of around 2.5x remains appropriate for our business given the high proportion of recurring revenues and resilient cash flow.

Dividend Policy and 2016 Interim Dividend

Wolters Kluwer has a progressive dividend policy under which the company aims to increase the dividend per share each year. We are committed to increasing the total dividend per share each year, with the annual increase dependent on our financial performance, market conditions, and our need for financial flexibility.

As announced on February 24, 2016, the interim dividend for 2016 was set at 25% of the prior year's total dividend, or €0.19 per ordinary share. This interim dividend will be distributed on September 14, 2016.

Dividend dates for 2016 are provided on page 30. Shareholders can choose to reinvest both interim and final dividends by purchasing additional Wolters Kluwer shares through the Dividend Reinvestment Plan (DRIP) provided by ABN AMRO Bank NV.

Anti-Dilution Policy and Share Buyback Program

Wolters Kluwer has a policy to offset the dilution caused by our annual performance share issuance with share repurchases.

In February 2016, we announced our intention to buy back shares for up to €600 million over the three year period 2016-2018, including anti-dilution repurchases. Assuming global economic conditions do not deteriorate substantially, we believe this level of cash return leaves us with ample headroom for investment in the business, including acquisitions.

In the year to date, we repurchased 2.0 million ordinary shares for a total consideration of €70 million (average price €34.52), of which €3 million was settled in July, as part of this buyback program. The repurchased shares are added to and held as treasury shares. It remains our intention to buy back up to €600 million in shares in the period 2016-2018, spread evenly over the three years.

Half-Year 2016 Results

Benchmark Figures

Group revenues increased 1% overall and 2% in constant currencies to €2,042 million. Organic revenue growth, which excludes both the impact of exchange rate movements and the effect of acquisitions and divestitures, was 3%, an improvement on the comparable period (HY 2015: 2%). Disposals made in 2015 and first half 2016 outweighed the effect of acquisitions on revenues.

By geographic market, North American revenues (61% of total) increased 4% organically (HY 2015: 5%), slowing as expected due to challenging comparables in Governance, Risk & Compliance. Europe (31% of total) grew 1% on an organic basis (HY 2015: 2% decline), improving in Legal & Regulatory, Tax & Accounting and Governance, Risk & Compliance. Revenues from Asia Pacific and Rest of World (8% of total) grew 2% organically (HY 2015: 6%) with varying trends by market.

Adjusted operating profit increased 4% overall and 5% in constant currencies to €408 million. The adjusted operating margin increased 60 basis points to 20.0% (HY 2015: 19.4%), driven primarily by lower restructuring costs compared to the first half of 2015. Efficiency savings, operational gearing and the effect of loss-making disposals were largely balanced by increased investment in revenue growth. Restructuring costs were €8 million compared to €22 million in the comparable period. Approximately half of restructuring costs were in the Legal & Regulatory division. We continue to guide to restructuring expenses between €15 million and €25 million for the full year 2016.

Adjusted net financing costs reduced to €51 million (HY 2015: €67 million), with foreign exchange losses of €1 million (HY 2015: €16 million) recorded in the period. As a reminder, adjusted net financing costs exclude the financing component of employee benefits, results of investments available-for-sale, and book gains/losses on equity-accounted investees.

Adjusted profit before tax was €357 million (HY 2015: €324 million), an increase of 6% in constant currencies. The benchmark effective tax rate on adjusted profit before tax was 27.2% (HY 2015: 27.5%).

Diluted adjusted EPS was €0.88, up 12% overall and up 6% in constant currencies.

IFRS Reported Figures

Reported operating profit increased 13% to €317 million (HY 2015: €281 million), reflecting the increase in adjusted operating profit and lower amortization of acquired intangibles.

Reported financing results amounted to a cost of €54 million (HY 2015: €69 million cost), and included adjusted net financing cost of €51 million and the financing component of employee benefits of €3 million. Profit before tax increased 24% to €263 million (HY 2015: €212 million).

The reported effective tax rate increased to 24.4% (HY 2015: 23.4%), due mainly to an increased proportion of profits from countries with higher tax rates. Total profit for the six month period increased 23% to €199 million (HY 2015: €162 million) and diluted earnings per share increased 23% to €0.67 (HY 2015: €0.55).

Cash Flow

Adjusted operating cash flow was €366 million (HY 2015: €340 million), up 8% overall and up 8% in constant currencies. This reflects a cash conversion ratio of 90% (HY 2015: 87%). Working capital outflows in the first half were reduced. Capital expenditure amounted to €101 million (5% of revenues) reflecting investment in product development, particularly in Tax & Accounting and Governance, Risk & Compliance. We continue to expect capital expenditure to be 5% of total revenues for the full year.

Adjusted free cash flow was €229 million, up 34% in constant currencies, reflecting the increase in adjusted operating cash flow and lower taxes paid. Paid financing costs amounted to €81 million (HY 2015: €82 million) and corporate income taxes paid were €60 million (HY 2015: €68 million). The net reduction in restructuring provisions of €8 million reflects cash spent on efficiency programs.

Dividends paid to shareholders totaled €167 million in relation to the final dividend over 2015. This compares to €211 million in the first half of 2015, which represented the total dividend over the 2014 financial year. The 2016 interim dividend (approximately €56 million) will be paid in September 2016.

First half 2016 acquisition spending, net of cash acquired, was €30 million (HY 2015: €38 million), including €3 million related to earn-outs on past acquisitions. Acquisition spending relates mainly to the acquisitions of Triad Professional Services in Governance, Risk & Compliance (February 2016), PrepU adaptive learning technology in Health (April 2016), and CPE Link in Tax & Accounting (June 2016).

Cash spent on share repurchases amounted to €67 million in the first half, with a further €3 million settled in July.

Balance Sheet, Net Debt and Leverage

Net debt was €1,814 million as of June 30, 2016, compared to €1,788 million at December 31, 2015 and €2,069 million as of June 30, 2015. The twelve month rolling net-debt-to-EBITDA ratio was 1.7x at the end of June 2016 compared to 2.1x a year ago.

Operating and Divisional Review

Total digital revenues reached €1,504 million, up 6% in constant currencies and up 5% organically (HY 2015: 6%). Digital revenues grew well in all divisions, led by our expert solutions. Services revenues, which includes legal representation, consulting, training, events and other services, increased 2% organically (HY 2015: 1%). Print revenues fell 9% organically (HY 2015: 9% decline) including print books down 11% (HY 2015: 10% decline). The disposals impacting the first half of the year were mainly of print-oriented assets and services businesses in the Legal & Regulatory division.

Revenues by Media - Six months ended June 30

(in millions of euros, unless otherwise stated)	**2016**	**2015**	**Δ**	**Δ CC**	**Δ OG**
Digital	1,504	1,424	+6%	+6%	+5%
Services	259	271	-5%	-5%	+2%
Print	279	320	-13%	-12%	-9%
Total Revenues	**2,042**	**2,015**	**+1%**	**+2%**	**+3%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Three of our divisions – Health, Tax & Accounting, and Governance, Risk & Compliance – achieved good underlying revenue growth. The Legal & Regulatory division saw organic revenue decline moderate to 1%. The adjusted operating profit margin improvement was driven by Health and Legal & Regulatory.

Divisional Summary - Six months ended June 30

(in millions of euros, unless otherwise stated)	**2016**	**2015**	**Δ**	**Δ CC**	**Δ OG**
Revenues					
Health	507	465	+9%	+9%	+5%
Tax & Accounting	562	553	+1%	+3%	+3%
Governance, Risk & Compliance	537	521	+3%	+3%	+3%
Legal & Regulatory	436	476	-9%	-8%	-1%
Total revenues	**2,042**	**2,015**	**+1%**	**+2%**	**+3%**
Adjusted operating profit					
Health	106	93	+15%	+15%	+13%
Tax & Accounting	143	149	-4%	-3%	-2%
Governance, Risk & Compliance	141	138	+2%	+2%	+2%
Legal & Regulatory	42	33	+28%	+30%	+15%
Corporate costs	(24)	(22)	+9%	+9%	+9%
Total adjusted operating profit	**408**	**391**	**+4%**	**+5%**	**+4%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11)

Health

- Clinical Solutions delivered 10% organic growth.
- Health Learning, Research & Practice grew 1% organically.
- Margins increased, mainly reflecting lower restructuring costs and changing business mix.

Health – Six months ended June 30

(in millions of euros, unless otherwise stated)	**2016**	**2015**	**Δ**	**Δ CC**	**Δ OG**
Revenues	507	465	+9%	+9%	+5%
Adjusted operating profit	106	93	+15%	+15%	+13%
Adjusted operating margin	20.9%	19.9%			
Operating profit	87	76	+16%		
Net capital expenditure	33	34			
Ultimo FTEs	2,918	2,849			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Wolters Kluwer Health revenues increased 9% in constant currencies and 5% organically. The 2015 acquisition of Learner's Digest International added 4% to revenues. Organic growth was in line with the first half of 2015 (HY 2015: 5%). Adjusted operating profit increased 13% organically, with higher investment offset by lower restructuring costs, operating leverage, and the effect of mix shift. IFRS operating profit increased 16%.

<u>Clinical Solutions</u> (50% of divisional revenue) achieved 10% organic growth and improved margins, even as the group increased investment. Our leading clinical decision support tool, *UpToDate*, sustained double-digit organic growth driven by new customer wins and upgrades to *UpToDate Anywhere*. Growth remained strong in the U.S. and about a third of revenues now come from non-U.S. markets. Our drug information group achieved robust organic growth, despite weakness in China, and is investing to expand internationally. Our documentation, order sets and other medical informatics solutions saw positive growth, as strong performance by *ProVation* offset weakness elsewhere. Investment was increased to expand global sales and marketing, build out the Mandarin edition of *UpToDate* launched last year, and develop next generation clinical solutions.

<u>Health Learning, Research & Practice</u> (50% of divisional revenue) delivered 1% organic growth (HY 2015: 0%) and increased margins as restructuring costs reduced. Growth in digital formats (68% of unit revenues) is starting to outweigh the ongoing decline in printed medical journals and books. *Ovid*, our online medical research platform, delivered good organic growth and continued to invest in platform improvements. In journals, organic revenue growth was supported by our growing portfolio of open access titles and a number of third party society journals joining our publishing list. The books business, which absorbed an 18% decline in the print format, is being transformed by digital solutions for nursing education (*Lippincott CoursePoint+, vSim for Nursing, DocuCare, PrepU)* and nursing practice (*Lippincott's Nursing Procedures, Lippincott Advisor*). Combined, these new solutions grew more than 25% underlying. Learner's Digest International, a provider of continuing medical education for physicians, which was added to the portfolio in September 2015, is starting to leverage Wolters Kluwer Health's reach into institutions.

Tax & Accounting

- Software revenues grew 5% organically, growing in all main regions of the world.
- Print formats and bank products remained challenged, as expected.
- Margins declined, as expected, due to increased investment into new products.

Tax & Accounting – Six months ended June 30

(in millions of euros, unless otherwise stated)	**2016**	**2015**	**Δ**	**Δ CC**	**Δ OG**
Revenues	562	553	+1%	+3%	+3%
Adjusted operating profit	143	149	-4%	-3%	-2%
Adjusted operating margin	25.5%	27.0%			
Operating profit	110	109	0%		
Net capital expenditure	32	23			
Ultimo FTEs	6,249	5,972			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting revenues rose 3% in constant currencies, supported by organic growth of 3% (HY 2015: 3%). Adjusted operating profit declined 3% in constant currencies and 2% on an underlying basis as we re-invested savings achieved in 2015 into new product development. We expect the full-year margin to be broadly in line with 2015. Total IFRS operating profit was stable at €110 million, reflecting lower amortization of acquired intangibles.

Tax & Accounting North America (58% of divisional revenue) delivered good organic growth. Software solutions, now organized as a single, customer-focused group for North America, continued to drive growth, increasing revenues 4% organically. Both our on-premise solutions for U.S. professionals, *CCH ProSystem fx,* and our integrated cloud-based suite, *CCH Axcess*, saw steady organic growth. *CCH Axcess* continues to see strong adoption among medium and large firms. In the smaller firm segment in the U.S., software renewal rates edged up while bank product volumes continued to fall. The introduction of *CCH iFirm,* a cloud-based practice management platform, in U.S. small firms and Canada is generating new revenues. In Research & Learning, our digital tax research platform *CCH IntelliConnect* saw improved renewal rates following the 2015 launch of *CCH CodeConnect,* which helps users quickly find practical answers concerning the U.S. tax code. Print formats declined, as expected. Our professional learning business expanded its capabilities in mandatory continuing professional education (CPE) with the bolt-on acquisition of CPE Link.

Tax & Accounting Europe (29% of divisional revenue) sustained good organic growth with all countries delivering positive growth. Our European software solutions performed well. Investment remains focused on building a suite of cloud-based, collaborative solutions to support the daily workflow of European tax advisors and their clients. In Germany, we launched *Addison OneClick 2.0*, a collaborative solution for tax advisors leveraging the capabilities of *Addison, Twinfield* and *Basecone*.

Tax & Accounting Asia Pacific & Rest of World (8% of divisional revenue) saw organic growth in low single digits, partly due to the absence of some phasing benefits in the comparable period. In Australia and New Zealand growth was subdued by decline in print formats. In Brazil, software revenues were down slightly in a challenging economy. Our Chinese audit solution, Dingxin Chuanzhi, recorded double-digit growth in revenues.

Audit (5% of divisional revenue), which comprises our internal audit software suite *TeamMate,* achieved double-digit organic growth, driven with particularly strong performance in Europe. Margins declined due increased investment in a next generation platform now in early pilot stage.

Governance, Risk & Compliance

- Recurring revenues (57% of divisional total) grew 3% organically (HY 2015: 4%).
- Non-recurring revenues saw organic growth moderate to 4% (HY 2015: 10%).
- The adjusted operating profit margin declined slightly, due to phasing of costs.

Governance, Risk & Compliance – Six months ended June 30

(in millions of euros, unless otherwise stated)	2016	2015	Δ	Δ CC	Δ OG
Revenues	537	521	+3%	+3%	+3%
Adjusted operating profit	141	138	+2%	+2%	+2%
Adjusted operating margin	26.1%	26.5%			
Operating profit	114	101	+13%		
Net capital expenditure	22	9			
Ultimo FTEs	4,519	4,381			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Wolters Kluwer Governance, Risk & Compliance increased revenues by 3% in constant currencies. Organic growth slowed to 3% (HY 2015: 7%) due mainly to slower growth in non-recurring revenues, including transactional revenues and software license and implementation fees. Recurring revenues, which include software maintenance and legal services subscription revenues, slowed modestly. The adjusted operating profit margin eased slightly, mainly due to product mix and the phasing of costs. IFRS operating profit increased by 13%, reflecting lower amortization of acquired intangibles.

Legal Services (54% of divisional revenues), which comprises the former Corporate Legal Services excluding *CT Lien Solutions*, delivered good, albeit slower, organic growth of 3% (HY 2015: 7%), in the face of a challenging comparable. Growth in Legal Services transactional revenues was 5% (HY 2015: 12%). In *CT Corporation*, law firm transactional volumes reduced driven by a lower level of M&A activity. Small business formations and filings remained strong, driven by favorable customer response to a new bundled service offering. In trademark, *Corsearch* achieved robust but slower organic growth, as expected, as trademark search volumes moderated against double-digit growth in the comparable period. *Enterprise Legal Management* delivered good organic growth, benefitting from customer renewals and new wins.

Financial Services (42% of divisional revenues), which includes all units focused on financial services customers, delivered 3% organic growth, against a challenging comparable (HY 2015: 7%), particularly for license and implementation fees. *CT Lien Solutions* delivered better-than-expected, double-digit organic growth in transactions driven by continued strength in commercial lending markets and product innovation. *Originations* revenues were stable and better than expected as a drop in license and implementation revenues (following last year's TILA-RESPA one-time event) was compensated by a sharp rise in mortgage filing volumes in the second quarter and new customer wins for *Expere*. *Finance, Risk & Reporting*, which was again ranked among the top ten in *Chartis' RiskTech100* list, performed well due to growth in recurring software maintenance revenues following last year's new customer wins; non-recurring implementation fees decreased. Among the remaining solutions, *Gainskeeper*, which provides cost-basis tax reporting, showed strong growth.

Transport Services (4% of divisional revenue) saw its rate of revenue decline abate. Growth in transport management software and Eastern Europe helped offset weakness elsewhere.

Legal & Regulatory

- Digital revenues (55% of divisional revenues) grew 4% organically.
- Print revenues continued to decline, as expected.
- Profitability improved, mainly due to lower restructuring costs and disposals.

Legal & Regulatory – Six months ended June 30

(in millions of euros, unless otherwise stated)	2016	2015	Δ	Δ CC	Δ OG
Revenues	436	476	-9%	-8%	-1%
Adjusted operating profit	42	33	+28%	+30%	+15%
Adjusted operating margin	9.7%	6.9%			
Operating profit	30	17	+77%		
Net capital expenditure	14	18			
Ultimo FTEs	4,277	5,285			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Wolters Kluwer Legal & Regulatory revenues declined 8% in constant currencies, mainly due to the effect of the non-core disposals made in late 2015. On an organic basis, divisional revenues declined 1% (HY 2015: 4% decline). Revenues benefitted from timing and one-off factors, as expected. The adjusted operating profit margin increased as a result of significantly lower restructuring costs and the effect of certain 2015 disposals. Efficiency programs in the areas of editorial and production continue. IFRS operating profit increased to €30 million helped by lower amortization of acquired intangibles.

Digital solutions (55% of divisional revenues) grew 4% organically, improving from a year ago (HY 2015: 1%). Our leading digital research offerings in Europe and the U.S. benefitted from ongoing investment and product upgrades introduced in 2015 and 2016. *Cheetah*, our new legal research platform in the U.S., continues to be well-received by customers and in the second quarter the product was expanded with the new *Cheetah for Tax Law*. Our legal software solutions saw increased momentum supported by an enhanced version of *Kleos*, the firm management solution used by over 11,000 lawyers in nine countries.

Print products (37% of divisional revenues) declined 8% organically while services (8% of divisional revenues) were broadly stable. Both formats were helped by one-off factors and timing which we expect will reverse in second half.

After the period end, on July 1, we completed the acquisition of Enablon, a leading compliance software provider in the fast-growing environmental, health and safety (EHS) segment. Enablon revenues have grown 15% organically over the past three years (CAGR 2012-2015) and are expected to reach approximately €55 million in 2016 (annual revenues). We also completed the disposal of our French trade media assets (annualized revenues €22 million) on July 1, bringing the total annualized revenues divested over the past twelve months for this division to approximately €100 million.

Corporate

Corporate expenses reflect an increase in personnel-related costs, mainly in human resources, and higher payroll taxes.

Corporate – Six months ended June 30

(in millions of euros, unless otherwise stated)	2016	2015	Δ	Δ CC	Δ OG
Adjusted operating profit	(24)	(22)	+9%	+9%	+9%
Operating profit	(24)	(22)	+12%		
Net capital expenditure	0	0			
Ultimo FTEs	104	101			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth.

Risk Management

In the 2015 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 2016.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2016 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, 2016. The condensed consolidated interim financial statements for the six months ended June 30, 2016 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 30 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, 2016, 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 2016 as well as an indication of important events that have occurred during the six months ended June 30, 2016, 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 2016, and also includes the major related parties transactions entered into during the six months ended June 30, 2016.

Alphen aan den Rijn, July 28, 2016

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

Unaudited Condensed Consolidated Interim Financial Statements for the six months ended June 30, 2016, and 2015

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros, unless otherwise stated)	Six months ended June 30 2016	2015
Revenues	**2,042**	**2,015**
Cost of sales	649	648
Gross profit	**1,393**	**1,367**
Sales costs	392	386
General and administrative costs	682	696
Total operating expenses	1,074	1,082
Other operating income and (expense)	(2)	(4)
Operating profit	**317**	**281**
Financing results	(54)	(69)
Share of profit of equity-accounted investees, net of tax	0	0
Profit before tax	**263**	**212**
Income tax expense	(64)	(50)
Profit for the period	**199**	**162**
Attributable to:		
▪ Owners of the Company	199	163
▪ Non-controlling interests	0	(1)
Profit for the period	**199**	**162**
Earnings per share (EPS) (€)		
Basic EPS	0.68	0.55
Diluted EPS	0.67	0.55

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30	
	2016	2015
Comprehensive income:		
Profit for the period	**199**	**162**
Other comprehensive income:		
Items that are or may be reclassified subsequently to the statement of profit or loss:		
Net gains/(losses) on hedges of net investments and exchange differences on translation of foreign operations	(56)	261
Gains/(losses) on cash flow hedges	19	1
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	(13)	7
Income tax on other comprehensive income	5	(2)
Other comprehensive income for the period, net of tax	**(45)**	**267**
Total comprehensive income for the period	**154**	**429**
Attributable to:		
▪ Owners of the Company	154	428
▪ Non-controlling interests	0	1
Total	**154**	**429**

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	Six months ended June 30	
	2016	2015
Cash flows from operating activities		
Profit for the period	199	162
Adjustments for:		
Financing results	54	69
Share of profit of equity-accounted investees, net of tax	0	0
Income tax expense	64	50
Amortization, impairments, and depreciation	173	184
Additions to provisions	6	19
Fair value changes to contingent considerations	0	(1)
Share-based payments	10	10
Autonomous movements in working capital	(25)	(45)
Paid financing costs	(81)	(82)
Paid corporate income tax	(60)	(68)
Appropriation of provisions for restructuring	(14)	(21)
Other	0	(10)
Net cash from operating activities	**326**	**267**
Cash flows from investing activities		
Capital expenditure	(101)	(84)
Acquisition spending, net of cash acquired	(30)	(38)
Receipt from divestments, net of cash disposed	0	0
Dividends received	1	1
Net cash used in investing activities	**(130)**	**(121)**
Cash flows from financing activities		
Repayment of other long-term loans	(3)	-
Collateral received/(paid)	-	7
Repurchased shares	(67)	(134)
Dividends paid	(167)	(211)
Net cash used in financing activities	**(237)**	**(338)**
Net cash used	**(41)**	**(192)**
Cash and cash equivalents less bank overdrafts at January 1	527	413
Exchange differences on cash and cash equivalents and bank overdrafts	(10)	30
	517	443
Cash and cash equivalents less bank overdrafts at June 30	**476**	**251**
Add: Bank overdrafts used for cash management purposes at June 30	312	259
Cash and cash equivalents at June 30 in the Statement of Financial Position	**788**	**510**

Unaudited Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	June 30, 2016		December 31, 2015		June 30, 2015	
Non-current assets						
Goodwill and intangible assets	5,449		5,550		5,398	
Property, plant, and equipment	124		128		141	
Investments in equity-accounted investees	8		9		16	
Financial assets	52		21		15	
Deferred tax assets	80		80		88	
Total non-current assets		5,713		5,788		5,658
Current assets						
Inventories	129		140		136	
Trade and other receivables	1,055		1,316		1,086	
Income tax receivable	30		43		41	
Cash and cash equivalents	788		812		510	
Total current assets	2,002		2,311		1,773	
Current liabilities						
Deferred income	1,398		1,522		1,362	
Trade and other payables	315		392		326	
Income tax payable	19		26		25	
Short-term provisions	25		33		25	
Borrowings and bank overdrafts	313		286		261	
Other current liabilities	372		511		372	
Total current liabilities	2,442		2,770		2,371	
Working capital		(440)		(459)		(598)
Capital employed		**5,273**		**5,329**		**5,060**
Non-current liabilities						
Long-term debt		2,319		2,306		2,308
Deferred and other tax liabilities		341		346		358
Employee benefits		208		199		179
Provisions		1		1		7
Total non-current liabilities		2,869		2,852		2,852
Equity						
Issued share capital	36		36		36	
Share premium reserve	87		87		87	
Other reserves	2,276		2,349		2,069	
Equity attributable to the owners of the Company		2,399		2,472		2,192
Non-controlling interests		5		5		16
Total equity		2,404		2,477		2,208
Total financing		**5,273**		**5,329**		**5,060**

Unaudited Condensed Consolidated Interim Statement of Changes in Total Equity

(in millions of euros)			2016
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**2,472**	**5**	**2,477**
Total comprehensive income for the period	154	0	154
Share-based payments, net of tax	10	-	10
Final cash dividend 2015	(167)	-	(167)
Repurchased shares	(70)	-	(70)
Balance at June 30	**2,399**	**5**	**2,404**

(in millions of euros)			2015
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**2,106**	**15**	**2,121**
Total comprehensive income for the period	428	1	429
Share-based payments, net of tax	8	-	8
Cash dividend 2014	(211)	-	(211)
Repurchased shares	(139)	-	(139)
Balance at June 30	**2,192**	**16**	**2,208**

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 the six months ended June 30, 2016, 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, 2015.

The interim financial statements for six months ended June 30, 2016, has been abridged from the Wolters Kluwer's 2015 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 28, 2016.

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 and uncertainty were the same as those that applied to Wolters Kluwer's 2015 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 26 'Financial Risk Management'. Note 26 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 2015 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	2016	2015
U.S. dollar (at June 30)	1.11	1.12
U.S. dollar (average six months)	1.12	1.12
U.S. dollar (at December 31)		1.09

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

Note 3 Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in Wolters Kluwer's 2015 Annual Report. There are no new standards that became effective as of January 1, 2016.

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, where applicable, amortization and impairment of goodwill and publishing rights. Adjusted figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business. These figures are presented as additional information and do not replace the information in the consolidated interim statement of profit or loss and in the consolidated interim 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	
	2016	2015
Operating profit	317	281
Amortization of publishing rights and impairments	89	106
Non-benchmark items in operating profit	2	4
Adjusted operating profit	**408**	**391**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2016	2015
Total financing results	(54)	(69)
Non-benchmark items in total financing results	3	2
Adjusted net financing costs	**(51)**	**(67)**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2016	2015
Profit for the period attributable to the owners of the Company (A)	199	163
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	89	105
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(31)	(37)
Non-benchmark items, net of tax	3	4
Adjusted net profit (B)	**260**	**235**

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

(in millions of euros)	Six months ended June 30	
	2016	2015
Net cash from operating activities	326	267
Capital expenditure	(101)	(84)
Acquisition related costs	2	2
Paid divestment expenses	1	1
Dividends received	1	1
Transactional tax on internal restructuring	-	5
Net tax benefit on previously divested assets and consolidation of platform technology	-	(22)
Adjusted free cash flow (C)	**229**	**170**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2016	2015
Total number of shares outstanding at June 30[1)]	291.5	291.8
Weighted average number of shares outstanding (D)[1)]	292.8	295.5
Diluted weighted average number of shares (E)[1)]	295.9	299.2
Adjusted EPS (B/D)	0.89	0.80
Diluted adjusted EPS (minimum of adjusted EPS and [B/E])	0.88	0.79
Diluted adjusted EPS in constant currencies	0.89	0.84
Adjusted free cash flow per share (C/D)	0.78	0.58
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and [C/E])	0.77	0.57

[1)] In millions of shares

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2016	2015
Included in 'other operating income and (expense)':		
Divestment related results	(1)	(1)
(Additions to)/releases acquisition integration provisions	1	(2)
Acquisition related costs	(2)	(2)
Fair value changes to contingent considerations	0	1
Total non-benchmark income/(costs) in operating profit	**(2)**	**(4)**
Included in total financing results:		
Employee benefits financing component	(3)	(2)
Total non-benchmark income/(costs) in total financing results	**(3)**	**(2)**
Total non-benchmark items before tax	**(5)**	**(6)**
Tax on non-benchmark items	2	2
Non-benchmark items, net of tax	**(3)**	**(4)**

Wolters Kluwer

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2016	2015
Income tax expense	64	50
Tax benefit on amortization of publishing rights and impairments	31	37
Tax benefit on non-benchmark items	2	2
Tax on adjusted profit before tax (F)	**97**	**89**
Adjusted net profit (B)	260	235
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (G)	**357**	**324**
Benchmark tax rate (F/G) (%)	**27.2**	**27.5**

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2016	2015
Adjusted operating profit (H)	408	391
Amortization and impairment of other intangible assets	69	62
Depreciation of property, plant, and equipment	15	16
Adjusted EBITDA	**492**	**469**
Autonomous movements in working capital	(25)	(45)
Capital expenditure	(101)	(84)
Adjusted operating cash flow (I)	**366**	**340**
Cash conversion ratio (I/H) (%)	**90**	**87**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2016	2015
Revenues		
Health	507	465
Tax & Accounting	562	553
Governance, Risk & Compliance	537	521
Legal & Regulatory	436	476
Total revenues	**2,042**	**2,015**
Operating profit		
Health	87	76
Tax & Accounting	110	109
Governance, Risk & Compliance	114	101
Legal & Regulatory	30	17
Corporate	(24)	(22)
Total operating profit	**317**	**281**

Wolters Kluwer

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2016	2015
Profit for the period attributable to the owners of the Company (A)	**199**	**163**
Weighted average number of shares		
In millions of shares		
Outstanding ordinary shares at January 1	301.9	301.9
Effect of repurchased shares	(9.1)	(6.4)
Weighted average number of shares (B) for the period	**292.8**	**295.5**
Basic EPS (A/B) (€)	0.68	0.55
Diluted weighted average number of shares		
Weighted average number of shares for the period (B)	292.8	295.5
Long-Term Incentive Plan	3.1	3.7
Diluted weighted average number of shares (C) for the period	**295.9**	**299.2**
Diluted EPS (minimum of basic EPS and [A/C]) (€)	0.67	0.55

Note 8 Acquisitions and Divestments

Acquisitions

Total acquisition spending in first half of 2016 was €30 million (HY 2015: €38 million), including deferred and contingent considerations payments of €3 million (HY 2015: €20 million). Acquisition related costs were €2 million (HY 2015: €2 million). Acquisitions completed in the first half of 2016 had annualized revenues of €6 million and adjusted operating profit of €1 million.

In the first half of 2016, the following acquisitions were completed:

On June 1, 2016, Wolters Kluwer Tax & Accounting acquired CPE Link, a leading online provider of continuing professional education (CPE) for accountants, tax preparers, and financial advisors. The acquisition will expand and complement Wolters Kluwer's existing learning portfolio and enable us to reach a broader range of customers. CPE Link, based in San Jose, CA, and founded in 2008, has five full-time employees and serves more than 10,000 practitioners in the tax and accounting space. Through its proprietary web-based learning management system (LMS), CPE Link offers an easy way for today's practitioners to meet all their mandatory CPE requirements and keep up with the latest industry changes via live webcasts, and multi-media, mobile friendly on-demand courses. The transaction is expected to have a positive but immaterial impact on adjusted EPS, while generating a return on investment above Wolters Kluwer's cost of capital within 3 to 5 years.

On April 15, 2016, Wolters Kluwer Health Learning, Research & Practice acquired the adaptive learning technology that powers the PrepU quizzing tool for nursing education. The technology acquisition allows Wolters Kluwer Health to build on its existing PrepU solution and further innovate this pioneering technology for its nursing education product suite, including licensure exam preparation for nurses in the U.S. and Canada. Three former employees comprising the PrepU technology team have joined Wolters Kluwer Health. The transaction is expected to have a positive but immaterial impact on adjusted EPS, while generating a return on investment above Wolters Kluwer's cost of capital within 3 to 5 years.

On February 2, 2016, Wolters Kluwer Governance, Risk & Compliance acquired substantially all of the assets of Triad Professional Services, LLC, a provider of U.S. legal and compliance products and services. The acquisition furthers Wolters Kluwer's leadership position in U.S. legal and compliance products and services, broadening capabilities in key industry verticals. Triad, which has become part of the CT Corporation suite of products and services, is based in Alpharetta, Georgia, and has approximately 15 employees. The acquisition is expected to deliver a return above Wolters Kluwer's cost of capital within 3 to 5 years or sooner and is expected to be earnings enhancing in its first full year.

Acquisitions

(in millions of euros)	Six months ended June 30	
	2016	2015
Consideration payable in cash	27	19
Deferred and contingent considerations	2	6
Total consideration	**29**	**25**
Non-current assets	27	15
Current assets	2	2
Current liabilities	0	(2)
Deferred tax liability	0	(1)
Fair value of net identifiable assets/(liabilities)	**29**	**14**
Goodwill on acquisitions	**0**	**11**
Cash effect of the acquisitions:		
Consideration payable in cash	27	19
Cash acquired	0	(1)
Deferred and contingent considerations paid	3	20
Acquisition spending, net of cash acquired	**30**	**38**

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 2016 resulted in a maximum achievable undiscounted contingent consideration of €1 million, based on achieving contractual agreed upon targets. The fair values of the 2016 contingent considerations amount to €1 million at June 30, 2016.

In the first half of 2016, the Group recognized fair value changes in the statement of profit or loss for the amount of €0 million (HY 2015: €1 million) for acquisitions from previous years.

Divestments
Besides some divestment related expense, there were no material divestments in the first half of the year.

Note 9 Provisions

Provisions for restructuring commitments

(in millions of euros)	Six months ended June 30	
	2016	2015
Position at January 1	1	3
Add: short-term commitments	33	30
Total at January 1	**34**	**33**
Movements:		
Additions to provisions for restructuring	7	17
Release of acquisition integration provisions	(1)	-
Additions to acquisition integration provisions	0	2
Total additions	**6**	**19**
Appropriation of provisions for restructuring	(14)	(21)
Exchange differences and other movements	0	1
Total movements	**(14)**	**(20)**
Total at June 30	26	32
Less: short-term commitments	(25)	(25)
Position at June 30	**1**	**7**

The additions to and appropriations of provisions for restructuring in the first half of 2016 mainly relate to the divisions Legal & Regulatory and Health.

Note 10 Issuance, repurchase, and repayments of debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2016	December 31, 2015	June 30, 2015
Gross debt			
Bonds	1,878	1,877	1,876
Private placements	422	399	392
Other long-term loans	7	10	9
Deferred and contingent acquisition payments	12	11	9
Derivative financial instruments	-	9	22
Total long-term debt	2,319	2,306	2,308
Borrowings and bank overdrafts	313	286	261
Deferred and contingent acquisition payments	4	6	3
Derivative financial instruments	0	2	20
Total short-term debt	317	294	284
Total gross debt	**2,636**	**2,600**	**2,592**
Minus:			
Cash and cash equivalents	(788)	(812)	(510)
Collateral	-	-	(13)
Derivative financial instruments:			
Non-current receivable	(33)	-	-
Current receivable	(1)	-	-
Net debt	**1,814**	**1,788**	**2,069**
Net-debt-to-EBITDA ratio (on a rolling basis)	1.7	1.7	2.1

In June 2016, the Group concluded an extension of the €600 million multi-currency revolving credit facility maturing in July 2020, to €550 million maturing in July 2021. The relevant terms and conditions remain unchanged.

Note 11 Equity, Dividends, LTIP

In 2016, Wolters Kluwer repurchased 2.0 million ordinary shares for a total consideration of €70 million (average share price of €34.52). These repurchases were made as part of the share buyback program for up to €600 million over three years (2016-2018), announced in February 2016. The repurchased shares are added to and held as treasury shares, which total 10.4 million at June 30, 2016.

A final dividend of €0.57 per share was approved at the Annual General Meeting of Shareholders in April 2016 and was paid in the second quarter. The final dividend brings the total dividend over the 2015 financial year to €0.75 per share, an increase of 6% compared to the 2014 dividend. For 2016, the interim dividend will again be set at 25% of the prior year’s total dividend, equivalent to €0.19 cent per share.

In the first six months of 2016, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2013-15 vested on December 31, 2015. Total Shareholder Return (TSR) ranked third relative to the peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board and Senior Management. The EPS-condition based shares resulted in a pay-out of 150%. A total number of 1,783,399 shares were released on February 25, 2016.

Under the 2016-18 LTIP grant, 826,866 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2016. In the first six months of 2016, 84,292 shares were forfeited under the long-term incentive plans.

The 2015 dividend of €0.75 per share amounting to €220 million (2014 dividend: €211 million) was fully distributed in cash. This 2015 dividend was paid in two parts, an interim dividend of €53 million in the second half of 2015 and a final dividend of €167 million in the first half of 2016.

At June 30, 2016, Ms. McKinstry held 218,945 shares (December 31, 2015: 128,350 shares) in the Company. Mr. Entricken held 22,736 shares (December 31, 2015: 20,236 shares).

The Supervisory Board member, Mr. Noteboom, held 4,865 shares in the company (December 31, 2015: 4,865 shares).

Note 12 Related Party Transactions

There were no major related parties transactions entered into during the six months ended June 30, 2016.

Note 13 Events after Balance Sheet date

On July 1, 2016, Wolters Kluwer completed the acquisition of 100% of the shares of Enablon. Enablon is a leading global compliance software provider of environmental, health, safety and sustainability and operational risk management software and SaaS solutions, serving major corporations worldwide across a range of industries. Enablon generated software and services revenues of approximately €45 million in 2015 (of which approximately 57% was derived from North America, around 39% from Europe and the remainder from Asia Pacific and the rest of the world), and revenues are expected to grow to approximately €55 million in 2016. Enablon will become an operating unit of the Legal & Regulatory division, and will be able to leverage Wolters Kluwer's extensive market reach to expand its offerings globally. The acquisition is expected to be approximately 1% accretive to adjusted earnings in the first full calendar year after closing. Wolters Kluwer expects to achieve a return on invested capital above its after tax weighted average cost of capital within three to five years of completion. Enablon has approximately 340 employees, with global headquarters in Courbevoie, France, and North American headquarters in Chicago. The consideration was €254 million, paid in July 2016.

On July 1, 2016, Wolters Kluwer completed the divestment of its French trade media assets to Info6TM, a private B2B media company. The planned divestment was originally announced on January 14, 2016. The divestment follows an exclusive period of consultations with local staff representatives, in accordance with French legal requirements. The unit had revenues of €22 million in 2015 and approximately 170 employees. The divestment is in line with Legal & Regulatory’s strategy to focus on legal information and software solutions for law firms, corporate counsel, and other legal and compliance professionals. The divestment is expected to result in a net loss of approximately €17 million.

Divisional Supplemental Information – Six months ended June 30

(in millions of euros, unless otherwise stated)	**2016**	**2015**	**Change** Organic	Acquisition/ Divestment[1]	Currency
Health					
Revenues	507	465	25	18	(1)
Adjusted operating profit	106	93	12	1	0
Adjusted operating profit margin	20.9%	19.9%			
Tax & Accounting					
Revenues	562	553	17	0	(8)
Adjusted operating profit	143	149	(3)	(1)	(2)
Adjusted operating profit margin	25.5%	27.0%			
Governance, Risk & Compliance					
Revenues	537	521	17	0	(1)
Adjusted operating profit	141	138	3	0	0
Adjusted operating profit margin	26.1%	26.5%			
Legal & Regulatory					
Revenues	436	476	(5)	(32)	(3)
Adjusted operating profit	42	33	5	5	(1)
Adjusted operating profit margin	9.7%	6.9%			
Corporate					
Adjusted operating profit	(24)	(22)	(2)	0	0
Total Wolters Kluwer					
Revenues	2,042	2,015	54	(14)	(13)
Adjusted operating profit	408	391	15	5	(3)
Adjusted operating profit margin	20.0%	19.4%			

Note: 1) Acquisition/divestment column includes the contribution from 2016 acquisitions and 2015 acquisitions before these became organic (12 months from their acquisition date), the impact of 2016 and 2015 divestments, and the effect of asset transfers between divisions, if any.

Divisional Revenues by Type – Six months ended June 30

(in millions of euros, unless otherwise stated)	2016	2015	Δ	Δ CC	Δ OG
Total Wolters Kluwer					
Digital and services subscriptions	1,293	1,250	+3%	+4%	+5%
Print subscriptions	134	159	-16%	-16%	-9%
Other recurring revenues	170	162	+5%	+5%	+6%
Total recurring revenues	**1,597**	**1,571**	**+2%**	**+2%**	**+4%**
Print books	98	112	-13%	-12%	-11%
LS transactional[1]	114	105	+8%	+9%	+5%
FS transactional[2]	62	55	+13%	+13%	+13%
Other non-recurring	171	172	-1%	0%	-1%
Total revenues	**2,042**	**2,015**	**+1%**	**+2%**	**+3%**
Health					
Digital and services subscriptions	354	314	+13%	+13%	+7%
Print subscriptions	31	32	-3%	-5%	-5%
Other recurring revenues	58	47	+25%	+26%	+28%
Total recurring revenues	**443**	**393**	**+13%**	**+13%**	**+8%**
Print books	35	43	-19%	-18%	-18%
Other non-recurring	29	29	+3%	+2%	+2%
Total Health	**507**	**465**	**+9%**	**+9%**	**+5%**
Tax & Accounting					
Digital and services subscriptions	407	395	+3%	+5%	+5%
Print subscriptions	17	19	-12%	-10%	-10%
Other recurring revenues	90	92	-3%	-2%	-2%
Total recurring revenues	**514**	**506**	**+1%**	**+3%**	**+3%**
Print books	11	12	-8%	-4%	-4%
Other non-recurring	37	35	+4%	+6%	+3%
Total Tax & Accounting	**562**	**553**	**+1%**	**+3%**	**+3%**
Governance, Risk & Compliance					
Digital and services subscriptions	305	306	-1%	0%	+3%
Print subscriptions	0	0	0%	0%	0%
Total recurring revenues	**305**	**306**	**-1%**	**0%**	**+3%**
LS transactional[1]	114	105	+8%	+9%	+5%
FS transactional[2]	62	55	+13%	+13%	+13%
Other non-recurring[3]	56	55	+2%	+3%	-6%
Total Governance, Risk & Compliance	**537**	**521**	**+3%**	**+3%**	**+3%**
Legal & Regulatory					
Digital and services subscriptions	227	235	-4%	-3%	+4%
Print subscriptions	86	108	-21%	-20%	-10%
Other recurring revenues	22	23	-7%	-7%	0%
Total recurring revenues	**335**	**366**	**-9%**	**-8%**	**0%**
Print books	52	57	-9%	-8%	-8%
Other non-recurring	49	53	-8%	-7%	0%
Total Legal & Regulatory	**436**	**476**	**-9%**	**-8%**	**-1%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth. Note: 1. LS (Legal Services) transactional revenues includes the former CLS transactional revenue less CT Lien Solutions transactional revenues. 2. FS (Financial Services) transactional revenues includes the former FS transactional and CT Lien Solutions transactional revenues. 3. Including license & implementation fees.

About Wolters Kluwer

Wolters Kluwer is a global leader in professional information services and solutions for professionals in the areas of health, tax & accounting, finance, risk & compliance, and legal. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2015 annual revenues of €4.2 billion. The group serves customers in over 180 countries, maintains operations in over 40 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 Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) 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 and follow us on Twitter, Facebook, LinkedIn, and YouTube.

Financial Calendar

August 29, 2016	Ex-dividend date: 2016 interim dividend
August 30, 2016	Record date: 2016 interim dividend
September 14, 2016	Payment date: 2016 interim dividend ordinary shares
September 21, 2016	Payment date: 2016 interim dividend ADRs
November 2, 2016	Nine-Month 2016 Trading Update
February 22, 2017	Full-Year 2016 Results

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Forward-looking Statements and Other Important Legal Information

This 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.

Elements of this press release contain or may contain inside information about Wolters Kluwer within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).