Wolters Kluwer

Wolters Kluwer 2017 Half-Year Report

July 28, 2017 – Wolters Kluwer, a global leader in information services and solutions for professionals, today released its half-year 2017 results.

Highlights

- **Full-year outlook reiterated.**
- **Revenues up 4% in constant currencies and up 2% organically.**
  - Digital & services revenues up 4% organically (88% of total revenues).
  - Recurring revenues grew 4% organically (78% of total revenues).
  - All main geographic regions delivered positive organic growth.
- **Adjusted operating profit margin up 70 basis points to 20.7%.**
- **Diluted adjusted EPS €0.99, up 10% in constant currencies.**
- **Adjusted free cash flow €257 million, up 9% in constant currencies.**
- **Net-debt-to-EBITDA 1.9x as of June 30, 2017, compared to 1.7x a year ago.**
- **Interim dividend of €0.20 per share, to be paid in September.**
- **Completed disposal of Transport Services; agreed sale of certain U.K. publishing assets.**
- **Share buyback increased by €100 million to mitigate dilution following recent disposals.**
  - €150 million completed year to date; expect buyback to total up to €300 million in 2017.

Interim Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"Our first half performance was in line with our expectations and we remain on course to meet our full year guidance. Non-recurring revenues were subdued, as expected, but subscription and other recurring revenues sustained 4% organic growth. Organic investment continues and we are bringing to market some exciting new expert solutions to support our customers. We improved our operating margin through our ongoing efficiency initiatives and we are making progress on integrating recent acquisitions."

Key Figures Half-Year 2017:

Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Business performance - benchmark figures					
Revenues	2,174	2,042	+6%	+4%	+2%
Adjusted operating profit	450	408	+10%	+7%	+6%
Adjusted operating profit margin	20.7%	20.0%			
Adjusted net profit	287	260	+11%	+7%	
Diluted adjusted EPS (€)	0.99	0.88	+13%	+10%	
Adjusted free cash flow	257	229	+12%	+9%	
Net debt	2,257	1,814	+24%		
IFRS results					
Revenues	2,174	2,042	+6%		
Operating profit	396	317	+25%		
Profit for the period	266	199	+33%		
Diluted EPS (€)	0.92	0.67	+36%		
Net cash from operating activities	342	326	+4%		

Δ: % Change; Δ CC: % Change constant currencies (€/$ 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 2017 Outlook

Our guidance for full year 2017 is provided in the table below. We expect to deliver solid organic growth, to drive further margin improvement, and to grow diluted adjusted EPS at a mid-single-digit rate in constant currencies.

Full-Year 2017 Outlook

Performance indicators	Guidance
Adjusted operating margin	22.5%-23.0%
Adjusted free cash flow	€675-€725 million
ROIC	9.5%-10.0%
Diluted adjusted EPS	Mid-single-digit growth

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/$ 1.11). Guidance for EPS growth includes an assumption regarding share buybacks as announced for 2017. Guidance for adjusted operating profit margin and ROIC is in reported currency and assumes an average EUR/USD rate in the range of EUR/USD 1.05/1.10.

Our guidance for adjusted free cash flow and diluted adjusted EPS is based on constant exchange rates. In 2016, Wolters Kluwer generated more than 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2016 currency profile, each 1 U.S. cent move in the average €/$ exchange rate for the year causes an opposite change of approximately two euro cents in diluted adjusted EPS.

Restructuring costs are included in adjusted operating profit. We expect these costs to return to normal levels of €15-€25 million this year (2016: €29 million). We expect adjusted net financing costs of approximately €110 million, excluding the impact of exchange rate movements on currency hedging and intercompany balances. We expect the benchmark effective tax rate to increase to approximately 27.5%. Capital expenditure is expected to be in the range of 5%-6% of total revenues (2016: 5.2%) with the cash conversion ratio anticipated at approximately 95%.

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

Full-Year 2017 Outlook by Division

Health: we expect good organic growth for the full-year, comparable to 2016, and improved margins driven by efficiency savings and the ongoing mix shift towards Clinical Solutions.

Tax & Accounting: we expect solid organic growth, in line with 2016 and reflecting normal seasonal selling patterns. The full-year margin is expected to be stable.

Governance, Risk & Compliance: we expect full-year organic growth to be similar to 2016, with growth to be second-half-weighted due to expected timing of larger contracts and a challenging first-half comparable for non-recurring revenues. The full-year adjusted operating profit margin is expected to increase due to operating efficiencies.

Legal & Regulatory: we expect organic revenue decline, in line with 2016 trend, due to more moderate growth in digital products following a large customer migration in 2016. The full-year margin is expected to be stable.

Strategic Priorities 2016-2018

On February 24, 2016, we announced our strategic priorities for 2016-2018. This strategic plan ("*Growing our Value*") prioritizes expanding our market coverage, increasing our focus on expert solutions, and driving further operating efficiencies and employee engagement. Our strategy 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 priorities 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 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.

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.

As of June 30, 2017, our net-debt-to-EBITDA ratio was 1.9x (HY 2016: 1.7x).

Dividend Policy and 2017 Interim Dividend

Wolters Kluwer has a progressive dividend policy under which the company aims to increase the dividend per share each year. Under this progressive dividend policy, we remain 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 in February 2017, the interim dividend for 2017 was set at 25% of the prior year's total dividend, or €0.20 per share. This interim dividend will be distributed on September 19, 2017, or

September 26, 2017, for holders of Wolters Kluwer ADRs. Shareholders can choose to reinvest both interim and final dividends by purchasing additional Wolters Kluwer shares through the Dividend Reinvestment Plan (DRIP) administered by ABN AMRO Bank NV.

Share Buyback Program 2016-2018

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

On February 24, 2016, we announced our intention to repurchase up to €600 million in shares over the three-year period 2016-2018. This amount includes repurchases made to offset performance share issuance. We expected to spend approximately €200 million in each year. In 2016, we completed €200 million of share repurchases under this program. In 2017 to date, we have executed €150 million of share repurchases (4.0 million shares) under this program.

Following the completion of the disposal of Transport Services on June 30 and the announcement today of our agreement to divest certain U.K. publishing assets, we now intend to spend an additional €100 million on share repurchases during 2017 in order to mitigate the earnings dilution expected from these two divestments. As a result, we now expect to spend up to €300 million on share buybacks in 2017 (of which €150 million has already been completed). The three-year share buyback program (2016-2018) therefore now totals up to €700 million, of which €350 million has already been completed in 2016 and 2017.

For the period starting July 31, 2017 up to and including October 30, 2017, we have engaged a third party to execute share buybacks for a maximum of €100 million on our behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and Wolters Kluwer's Articles of Association. These shares will be used for capital reduction purposes or to meet obligations arising from share-based incentive plans.

Assuming global economic conditions do not deteriorate substantially, we believe this level of cash return leaves us ample headroom for investment in the business, including acquisitions.

Cancellation of Ordinary Shares

Repurchased shares are added to and held as treasury shares. At the 2017 Annual General Meeting, shareholders approved a resolution to cancel for capital reduction purposes any or all ordinary shares held in treasury or to be acquired by the company as authorized by shareholders, up to a maximum of 10% of issued share capital on April 20, 2017. As authorized by shareholders, the Executive Board has determined the number of ordinary shares to be cancelled is 11.6 million. Wolters Kluwer intends to cancel these shares in the second half of 2017. Part of the shares held in treasury will be retained and used to meet future obligations under share-based incentive plans.

Half-Year 2017 Results

Benchmark Figures

Group revenues rose 6% overall and 4% in constant currencies to €2,174 million. Exchange rate movements had a positive impact on revenues as the effect of a stronger U.S. dollar during the first six months of 2017 outweighed the effect of the devaluation of the British pound. The net effect of acquisitions and disposals completed in 2016 and first half 2017 was to add 2% to revenues. Organic revenue growth, which excludes both the impact of exchange rate movements and the effect of acquisitions and divestitures, was 2%, slowing modestly as expected from the comparable period (HY 2016: 3%).

Revenues from North America (63% of total revenues) grew 3% organically (HY 2016: 4%), slowing in Health and Governance, Risk & Compliance, but accelerating in Tax & Accounting and Legal & Regulatory. Revenues from Europe (30% of total revenues) grew 1% organically (HY 2016: 1%), with Health and Tax & Accounting accelerating, but Governance, Risk & Compliance and Legal & Regulatory slowing in this region. Revenues from Asia Pacific and Rest of World (7% of total revenues) grew 1% organically (HY 2016: 2%), as slower growth in Tax & Accounting offset stronger growth in all other divisions.

Adjusted operating profit increased 10% overall and 7% in constant currencies to €450 million. The adjusted operating profit margin increased 70 basis points to 20.7% (HY 2016: 20.0%), driven by Health and Governance, Risk & Compliance where margins benefitted from efficiency savings, operational gearing, and favorable timing of expenses.

Restructuring costs were €10 million (HY 2016: €8 million). The most significant part was incurred in Legal & Regulatory, while the remainder was spread across the other three divisions. Restructuring costs increased in Tax & Accounting and in Governance, Risk & Compliance relative to the prior year.

Adjusted net financing costs increased to €55 million (HY 2016: €51 million) reflecting the issuance of a new €500 million 10-year Eurobond in March 2017 and the revaluation of intercompany balances at period-end exchange rates.

Adjusted profit before tax was €395 million (HY 2016: €357 million), an increase of 8% in constant currencies. The benchmark effective tax rate on adjusted profit before tax was 27.3% (HY 2016: 27.2%). Adjusted net profit was €287 million (HY 2016: €260 million), an increase of 7% in constant currencies.

Diluted adjusted EPS was €0.99, up 13% overall and up 10% in constant currencies, largely reflecting the growth in net profit and a 2% reduction in diluted weighted average shares outstanding due to the share buyback program.

IFRS Reported Figures

Reported operating profit increased 25% to €396 million (HY 2016: €317 million), reflecting the growth in adjusted operating profit and a €52 million net gain on divestments, partly offset by fair value changes in contingent considerations and higher amortization of acquired intangibles.

The net gain on divestments of €52 million (HY 2016: €1 million loss) largely relates to the disposal of our Transport Services unit in June 2017.

Reported financing results amounted to a cost of €58 million (HY 2016: €54 million cost) including the financing component of employee benefits of €3 million (HY 2016: €3 million).

Profit before tax increased 28% to €338 million (HY 2016: €263 million). The reported effective tax rate declined to 21.2% (HY 2016: 24.4%), largely due to the tax-exempt nature of the disposal gain.

Total reported net profit for the year increased 33% to €266 million (HY 2016: €199 million) and diluted earnings per share increased 36% to €0.92 (HY 2016: €0.67).

Cash Flow

Adjusted operating cash flow was €441 million (HY 2016: €366 million), up 18% in constant currencies. The cash conversion ratio was 98% (HY 2016: 90%), due to lower working capital outflows and capital expenditures. Working capital outflows reduced to €9 million (HY2016: €25 million), largely timing related. Capital expenditures fell to €96 million (HY 2016: €101 million) and included a €12 million one-time disposal related to our real estate consolidation program. Depreciation and amortization of other intangible assets increased to €96 million (HY 2016: €84 million).

Adjusted free cash flow was €257 million, up 9% in constant currencies, with the growth in adjusted operating cash flow tempered by higher corporate income taxes paid. Paid financing costs were stable at €81 million (HY 2016: €81 million). Corporate income taxes paid amounted to €108 million (HY 2016: €60 million), the prior year having benefitted from favorable timing of payments. The net change in restructuring provisions of €8 million reflects €15 million cash spend on efficiency programs and net additions to provisions of €7 million.

Dividends paid to shareholders totaled €172 million reflecting the final dividend over 2016.

First half acquisition spending, net of cash acquired and including costs, amounted to €303 million (HY 2016: €32 million), largely relating to the acquisition of Tagetik in Tax & Accounting in April 2017. Net cash proceeds from divestitures was €77 million, mainly reflecting the sale of our Transport Services unit in June 2017.

During the first six months, we spent €136 million in cash on share buybacks. As of July 27, 2017, a total of €150 million of share buybacks has been completed this year.

Net Debt and Leverage

Net debt at June 30, 2017 was €2,257 million, an increase of €330 million from December 31, 2016, reflecting the payment of the final dividend (€172 million), share buybacks (€136 million), and acquisition spending (€300 million), mainly relating to Tagetik.

As of June 30, 2017, the net-debt-to-EBITDA ratio was 1.9x (HY 2016: 1.7x)

Operating and Divisional Review

Our Health and Tax & Accounting divisions delivered consistent organic growth, while Governance, Risk & Compliance and Legal & Regulatory caused a deceleration in overall organic growth to 2%. The adjusted operating profit margin increased due to improvement in Health and in Governance, Risk & Compliance.

Divisional Summary - Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Revenues					
Health	562	507	+11%	+8%	+5%
Tax & Accounting	613	562	+9%	+7%	+3%
Governance, Risk & Compliance	557	537	+4%	+1%	+2%
Legal & Regulatory	442	436	+1%	+1%	-2%
Total revenues	**2,174**	**2,042**	**+6%**	**+4%**	**+2%**
Adjusted operating profit					
Health	133	106	+25%	+21%	+19%
Tax & Accounting	146	143	+2%	-1%	-2%
Governance, Risk & Compliance	156	141	+11%	+8%	+7%
Legal & Regulatory	42	42	0%	0%	+2%
Corporate	(27)	(24)	+13%	+12%	+12%
Total adjusted operating profit	**450**	**408**	**+10%**	**+7%**	**+6%**

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

Recurring revenues, which include subscriptions and other renewing revenue streams, grew 4% organically (HY 2016: 4%). Non-recurring revenues exhibited mixed trends, as expected. Print book revenues fell 6% organically (HY 2016: -11%), benefitting from the timing of orders and publishing schedules. Legal Services (LS) transactional revenues growth slowed to 4% (HY 2016: 5%) while Financial Services (FS) transactional revenues (3% of group revenues) decelerated to 2% against a challenging comparable (HY 2016: 13%). Other non-recurring revenues, primarily one-off and perpetual software license and implementation fees, declined 5% (HY 2016: -1%), largely as expected.

Revenues by Type - Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Digital and service subscription	1,426	1,293	+10%	+8%	+5%
Print subscription	116	134	-13%	-14%	-10%
Other recurring	157	170	-7%	-10%	+1%
Total recurring revenues	**1,699**	**1,597**	**+6%**	**+4%**	**+4%**
Print books	94	98	-5%	-6%	-6%
LS transactional[1]	125	114	+9%	+6%	+4%
FS transactional[2]	59	62	-5%	-8%	+2%
Other non-recurring[3]	197	171	+16%	+15%	-5%
Total revenues	**2,174**	**2,042**	**+6%**	**+4%**	**+2%**

Δ: % Change; Δ CC: % Change constant currencies (€/$ 1.11); Δ OG: % Organic growth. Note: 1. GRC Legal Services transactional revenues. 2. GRC Financial Services transactional revenues. 3. Other non-recurring revenues includes includes perpetual and other non-recurring software license & implementation fees.

Health

- Clinical Solutions revenues grew 9% organically.
- Health Learning, Research & Practice improved organic growth to 2%.
- Margin increase reflects efficiency programs, mix shift and favorable timing of expenses.

Health – Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Revenues	562	507	+11%	+8%	+5%
Adjusted operating profit	133	106	+25%	+21%	+19%
Adjusted operating margin	23.7%	20.9%			
Operating profit	109	87	+25%		
Net capital expenditure	25	33			
Ultimo FTEs	3,061	2,918			

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

Wolters Kluwer Health revenues increased 8% in constant currencies and 5% on an organic basis. The difference between organic and constant currency growth reflects the acquisition of Emmi Solutions in November 2016. Adjusted operating profit increased 21% in constant currencies, driven by lower restructuring costs, efficiency savings across the division, the ongoing mix shift towards Clinical Solutions, and favorable timing of costs. IFRS operating profit rose 25%, reflecting the increase in adjusted operating profit.

Digital revenues grew 8% organically and now comprise 86% of the division's revenues. Print products (13% of divisional revenues) declined 8% organically, with print subscriptions down 9% and hard copy books down 6%. Services, which include training and events, declined 1%.

Clinical Solutions (52% of divisional revenues) delivered strong 9% organic growth. UpToDate, our leading clinical decision support tool, realized double-digit organic growth, driven by customer wins and the continued roll-out of UpToDate AnyWhere globally. Growth was particularly strong in the U.S. and in Asia Pacific & Rest of World. UpToDate, which now reaches over 1.3 million users worldwide, continued to invest in global sales and marketing and in advanced solutions. Our clinical drug information businesses sustained robust organic growth, supported by steady growth in the U.S. and improved performance at Medicom in China. The integration and performance of Emmi Solutions, a provider of patient engagement solutions to hospitals, is proceeding to plan. Our clinical software unit recorded mixed trends, with strong growth in the surveillance product dampened by a soft first half in documentation due to a challenging comparable. POC Advisor, which uses real-time surveillance and analytics to deliver highly accurate sepsis alerts, signed additional customers.

Health Learning, Research & Practice (48% of divisional revenues) improved its organic growth to 2% (HY 2016: 1%) and delivered higher margins. Digital revenues (71% of the unit's revenues) grew 6% organically (HY 2016: 7%), more than offsetting a 7% decline in printed journals and books (HY 2016: -10%). Organic growth was supported by solid renewals for our medical research platform (Ovid), further expansion of our list of open access journals, and double-digit organic growth for our digital learning and practice solutions for nurses. In continuing medical education, Learner's Digest recorded high single-digit growth driven by its mobile-delivered comprehensive reviews (*Clinical Compendia*). HLRP saw continued recovery in Europe while Latin American markets remained difficult.

Tax & Accounting

- Software revenues grew 6% organically around the world.
- Newly-formed Corporate Performance Solutions unit brings together CCH Tagetik and TeamMate.
- Margins reflect increased investment and restructuring.

Tax & Accounting – Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Revenues	613	562	+9%	+7%	+3%
Adjusted operating profit	146	143	+2%	-1%	-2%
Adjusted operating margin	23.7%	25.5%			
Operating profit	101	110	-8%		
Net capital expenditure	29	32			
Ultimo FTEs	6,696	6,249			

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

Wolters Kluwer Tax & Accounting revenues increased 7% in constant currencies, including the effect of the acquisition of Tagetik in April 2017. Organic growth was 3%, in line with the comparable period. The adjusted operating profit margin declined due to higher product development and restructuring costs. In addition, the inclusion of Tagetik had a dilutive effect on the margin. The decline in IFRS operating profit was due to changes in the fair value of contingent considerations.

Software revenues (73% of divisional revenues) grew 6% organically (HY 2016: 5%). As expected, this growth was tempered by ongoing declines in print formats, training services, and bank products.

Tax & Accounting North America (56% of divisional revenues) sustained good organic growth, driven by software solutions for professionals at small, medium and large firms. Both on-premise and cloud-based solutions performed well. Our U.S. cloud-based suite, CCH Axcess, has increased its users more than 50% from a year ago. In June, we introduced the first cloud-based tax software solution for professionals in Canada, CCH iFirm Tax. Our U.S. corporate tax software unit also delivered strong organic growth. Research & Learning, which provides print and online information and training, saw continued softness in revenues. In May, the unit launched CCH AnswerConnect, an intuitive solution enabling professionals to quickly find expert answers on U.S. federal and state tax codes.

Tax & Accounting Europe (28% of divisional revenues) delivered 5% organic growth, with all countries achieving growth. The European operation continues to invest in building a secure suite of cloud-based, collaborative solutions for accountants, tax advisors and their clients. In Germany, the Addison OneClick portal is seeing double-digit growth in usage and subscribers.

Tax & Accounting Asia Pacific & Rest of World (8% of divisional revenues) revenues declined modestly on an organic basis. In Australia and New Zealand, software growth was offset by print declines. Our predictive intelligence tool, CCH iQ, won a Gold Stevie for innovation in technology at the Asia-Pacific Stevie Awards. In Brazil, economic conditions remain difficult, while India and China faced challenging comparables.

Corporate Performance Solutions (8% of divisional revenues) brings together our global internal audit solution, TeamMate, and the corporate performance management suite acquired in April, Tagetik. TeamMate continued to perform strongly, delivering double-digit organic growth driven by steady recurring software revenue growth and strong new license sales in Europe. The recently launched cloud version, TeamMate+, has been well-received. The integration of CCH Tagetik is progressing. Revenues increased at a double-digit rate year on year (pro forma basis), driven by new and expanded customer contracts.

Governance, Risk & Compliance

- Recurring revenues grew 3% organically.
- Total non-recurring revenues were flat on an organic basis.
- Margins increased due to efficiency programs and favorable timing of expenses.

Governance, Risk & Compliance – Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Revenues	557	537	+4%	+1%	+2%
Adjusted operating profit	156	141	+11%	+8%	+7%
Adjusted operating margin	28.0%	26.1%			
Operating profit	185	114	+62%		
Net capital expenditure	25	22			
Ultimo FTEs	4,399	4,519			

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

Wolters Kluwer Governance, Risk & Compliance revenues increased 1% in constant currencies and 2% organically. The effect of the disposal of AppOne in October 2016 outweighed the contribution from two smaller acquisitions, VCorp and Triad. Adjusted operating profit increased 8% in constant currencies, despite higher restructuring costs, due to the results of efficiency programs across the division and favorable timing of expenses. IFRS operating profit includes a €55 million book profit on the disposal of Transport Services on June 30, 2017, and lower amortization of acquired intangibles.

Recurring revenues (58% of divisional revenues) demonstrated steady 3% organic growth (HY 2016: 3%). Non-recurring revenues (42% of divisional revenues) were flat on an organic basis (HY 2016: 4%) as transactional revenue growth was offset by declines in software license and other non-recurring fees.

Legal Services (56% of divisional revenues) sustained 3% organic growth (HY 2016: 3%), as good momentum in recurring revenues helped mitigate the effect of slower growth in LS transactional revenues and a decline in license and other non-recurring sales for our enterprise legal management software (ELM). In legal representation, CT delivered good organic growth despite a decline in M&A-related transactional activity. VCorp and Triad performed well. In trademark services, Corsearch achieved positive growth against a challenging comparable. ELM launched LegalVIEW Bill Analyzer, which leverages artificial intelligence and legal experts to simplify the legal invoice review process and generate significant savings for corporate legal and claims departments.

Financial Services (40% of divisional revenues) organic revenue growth slowed to 1% (HY 2016: 3%) mainly due to a marked slowdown in FS transactional revenue growth to +2% (HY 2016: 13%) and a decline in non-recurring license fees. Lien Solutions, which provides UCC search and filing services on a transactional basis, delivered good but slower growth, reflecting a more subdued U.S. commercial lending market. Our mortgage (Expere and Compliance One) and other compliance solutions posted stable revenues overall, as steady growth in recurring revenues was offset by lower non-recurring fees amidst a weaker residential refinancing market. In investment compliance, Gainskeeper performed well. Finance, Risk & Reporting saw sustained organic growth in recurring maintenance revenues, but despite strong new customer wins in Europe, total license sales were lower than a year ago.

Transport Services (4% of divisional revenues) recorded 2% organic decline in the first half. The unit has now been divested.

Legal & Regulatory

- Digital revenues, now 61% of divisional revenues, grew 3% organically.
- Print and services continued to decline, as expected.
- The adjusted operating margin eased slightly.

Legal & Regulatory – Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Revenues	442	436	+1%	+1%	-2%
Adjusted operating profit	42	42	0%	0%	+2%
Adjusted operating margin	9.5%	9.7%			
Operating profit	28	30	-8%		
Net capital expenditure	17	14			
Ultimo FTEs	4,345	4,277			

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

Wolters Kluwer Legal & Regulatory revenues increased 1% at constant currencies, with the effect of the acquisition of Enablon in July 2016 partly offset by the impact of the disposal of our French trade media assets and certain smaller non-core assets in Europe. On an organic basis, total revenues declined 2% compared to a 1% decline in the first half of 2016. The adjusted operating profit margin eased slightly due to higher product development costs and the inclusion of Enablon. IFRS operating profit reflects higher amortization of acquired intangibles.

Across the division, digital revenues grew 3% organically and reached 61% of divisional revenues. Print products continued to decline, in part due to product pruning.

Legal & Regulatory Information Solutions (92% of divisional revenues) recorded a 2% organic revenue decline, deteriorating slightly from the prior period (HY 2016: 1% decline) which had benefitted from one-off and timing factors. Digital revenues increased 3% organically, but this growth was more than offset by decline in print formats and training services, as expected. In Europe, we invested in digital productivity tools for legal and compliance professionals, including a predictive intelligence tool, Jurimetría, for lawyers in Spain and a General Data Protection Regulation (GDPR) compliance offering for general counsels in Belgium. We continued to drive cost savings by automating editorial and production and leveraging technology across jurisdictions. We selectively pruned print formats and training services. Market conditions remain subdued, with public sector budgets constrained. Our U.S. operation delivered modest but positive organic growth, as strong momentum in digital products was sufficient to offset the ongoing decline in print. The Cheetah legal research platform performed strongly, with over half our IntelliConnect subscribers now migrated and significant growth from new customers. During the first half, Cheetah expanded its content with cybersecurity law and also introduced *Standard Fed Plus*, an innovative tax law research tool recently recognized in the SIIA's 2017 CODiE awards. U.S. compliance solutions also performed strongly.

Legal & Regulatory Software (8% of division), which includes the division's centralized legal software unit and Enablon, recorded high single-digit organic growth. Law firm practice management tool, Kleos, continued migrating and adding customers to its new platform and now has 15,000 users. Our legal management solution for small and mid-sized corporations, Effacts, posted strong double-digit growth. In environmental, health and safety (EHS) compliance, Enablon delivered overall positive organic revenue growth (pro forma), driven by over 20% growth in recurring revenues. Non-recurring license fees for the on-premise solution were lower than in the comparable period. Enablon introduced an important upgrade of its platform, adding enhanced functionality for mobile users and predictive applications, and this week received top ratings in Verdantix' 2017 Green Quadrant EH&S software report.

Corporate Expenses

Corporate costs increased 12% in constant currencies, reflecting increased personnel in corporate functions and higher advisory fees mainly due to tax.

Corporate – Six months ended June 30

€ million (unless otherwise stated)	**2017**	**2016**	**Δ**	**Δ CC**	**Δ OG**
Adjusted operating profit	(27)	(24)	+13%	+12%	+12%
Operating profit	(27)	(24)	+13%		
Net capital expenditure	0	0			
Ultimo FTEs	116	104			

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

Risk Management

In the 2016 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 2017.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2017 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, 2017. The condensed consolidated interim financial statements for the six months ended June 30, 2017 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 the 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 on page 33 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, 2017, 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 2017 as well as an indication of important events that have occurred during the six months ended June 30, 2017, 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 2017, and also includes the major related parties transactions entered into during the six months ended June 30, 2017.

Alphen aan den Rijn, July 27, 2017

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

The content of this Half-Year Report has not been audited or reviewed by an independent external auditor.

Unaudited Condensed Consolidated Interim Financial Statements for the six months ended June 30, 2017, and 2016

Unaudited Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Revenues	**2,174**	**2,042**
Cost of sales	672	649
Gross profit	**1,502**	**1,393**
Sales costs	406	392
General and administrative costs	740	682
Total operating expenses	1,146	1,074
Other operating income and (expense)	40	(2)
Operating profit	**396**	**317**
Financing results	(58)	(54)
Share of profit of equity-accounted investees, net of tax	0	0
Profit before tax	**338**	**263**
Income tax expense	(72)	(64)
Profit for the period	**266**	**199**
Attributable to:		
▪ Owners of the Company	266	199
▪ Non-controlling interests	0	0
Profit for the period	**266**	**199**
Earnings per share (EPS) (€)		
Basic EPS	0.93	0.68
Diluted EPS	0.92	0.67

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30	
	2017	2016
Comprehensive income:		
Profit for the period	**266**	**199**
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	(226)	(56)
Gains/(losses) on cash flow hedges	6	19
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	4	(13)
Income tax on other comprehensive income	(1)	5
Other comprehensive income for the period, net of tax	**(217)**	**(45)**
Total comprehensive income for the period	**49**	**154**
Attributable to:		
▪ Owners of the Company	49	154
▪ Non-controlling interests	0	0
Total	**49**	**154**

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	Six months ended June 30	
	2017	2016
Cash flows from operating activities		
Profit for the period	266	199
Adjustments for:		
Financing results	58	54
Share of profit of equity-accounted investees, net of tax	0	0
Income tax expense	72	64
Amortization, impairments, and depreciation	190	173
Additions to provisions	7	6
Fair value changes to contingent considerations	9	0
Book (profit)/loss on divestments of operations	(56)	0
Share-based payments	10	10
Autonomous movements in working capital	(9)	(25)
Paid financing costs	(81)	(81)
Paid corporate income tax	(108)	(60)
Appropriation of provisions for restructuring	(15)	(14)
Other	(1)	0
Net cash from operating activities	**342**	**326**
Cash flows from investing activities		
Capital expenditure	(96)	(101)
Acquisition spending, net of cash acquired	(300)	(30)
Receipt from divestments, net of cash disposed	77	0
Dividends received	1	1
Net cash used in investing activities	**(318)**	**(130)**
Cash flows from financing activities		
Repayment of other long-term loans	(16)	(4)
Proceeds from new loans	497	1
Collateral received/(paid)	(2)	-
Repurchased shares	(136)	(67)
Dividends paid	(172)	(167)
Net cash from/(used in) financing activities	**171**	**(237)**
Net cash flow	**195**	**(41)**
Cash and cash equivalents less bank overdrafts at January 1	389	527
Exchange differences on cash and cash equivalents and bank overdrafts	(52)	(10)
	337	517
Cash and cash equivalents less bank overdrafts at June 30	**532**	**476**
Add: Bank overdrafts used for cash management purposes at June 30	477	312
Cash and cash equivalents at June 30 in the Statement of Financial Position	**1,009**	**788**

Unaudited Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	June 30, 2017		December 31, 2016		June 30, 2016	
Non-current assets						
Goodwill and intangible assets	6,103		6,113		5,449	
Property, plant, and equipment	107		126		124	
Investments in equity-accounted investees	8		10		8	
Financial assets	27		30		52	
Deferred tax assets	86		83		80	
Total non-current assets		6,331		6,362		5,713
Current assets						
Inventories	110		118		129	
Trade and other receivables	1,146		1,375		1,055	
Income tax receivable	38		18		30	
Cash and cash equivalents	1,009		940		788	
Total current assets	2,303		2,451		2,002	
Current liabilities						
Deferred income	1,444		1,555		1,398	
Trade and other payables	333		414		315	
Income tax payable	8		23		19	
Short-term provisions	17		27		25	
Borrowings and bank overdrafts	480		556		313	
Short-term bond	750		-		-	
Other current liabilities	446		627		372	
Total current liabilities	3,478		3,202		2,442	
Working capital		(1,175)		(751)		(440)
Capital employed		**5,156**		**5,611**		**5,273**
Non-current liabilities						
Long-term debt		2,049		2,314		2,319
Deferred and other tax liabilities		511		479		341
Employee benefits		181		191		208
Provisions		2		1		1
Total non-current liabilities		2,743		2,985		2,869
Equity						
Issued share capital	36		36		36	
Share premium reserve	87		87		87	
Legal reserves	235		458		298	
Other reserves	2,050		2,040		1,978	
Equity attributable to the owners of the Company		2,408		2,621		2,399
Non-controlling interests		5		5		5
Total equity		2,413		2,626		2,404
Total financing		**5,156**		**5,611**		**5,273**

Unaudited Condensed Consolidated Interim Statement of Changes in Total Equity

(in millions of euros)			2017
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**2,621**	**5**	**2,626**
Total comprehensive income for the period	49	0	49
Share-based payments	10	-	10
Final cash dividend 2016	(172)	-	(172)
Repurchased shares	(100)	-	(100)
Balance at June 30	**2,408**	**5**	**2,413**

(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	10	-	10
Cash dividend 2015	(167)	-	(167)
Repurchased shares	(70)	-	(70)
Balance at June 30	**2,399**	**5**	**2,404**

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, 2017, 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, 2016.

The interim financial statements for six months ended June 30, 2017, have been abridged from Wolters Kluwer’s 2016 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 27, 2017.

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 2016 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’, which outlines Wolters Kluwer’s exposure to a variety of risks, including market risk, currency risk, interest rate risk, liquidity risk, and credit risk. These risks have not substantially changed since the issuance of our 2016 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	2017	2016
U.S. dollar (at June 30)	1.12	1.11
U.S. dollar (average six months)	1.08	1.12
U.S. dollar (at December 31)		1.05

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 2016 Annual Report. There are no new standards that became effective as of January 1, 2017.

Effect of forthcoming accounting standards
A number of new standards and amendments are not yet effective for the year ended December 31, 2017, and have not been adopted earlier in preparing these interim consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 will supersede the current revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations when it becomes effective on or after January 1, 2018. IFRS 15 allows companies to either adopt the standard fully retrospectively, restating comparatives, or applying a modified retrospective approach. The company is still in the process of considering the appropriate method of adoption. There are no new developments from what was disclosed in the 2016 Financial Statements.

IFRS 9 – Financial Instruments
IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 is effective on or after January 1, 2018. The group expects no significant changes to the classification of financial instruments or to the accounting of its hedging relationship, and is currently assessing the impact of the new standard on the impairment provision for trade receivables and other financial instruments.

IFRS 16 – Leases
IFRS 16 is the new standard on lease accounting and will result in recognition of almost all leases in the balance sheet, as there is no longer a distinction between operating and finance lease. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. A practical expedient is applicable for short-term and low-value leases.

IFRS 16 is effective on or after January 1, 2019. The Group will not adopt this standard early. The group has started with the assessment of this new standard and expects it has no material impact on net profit, but will result in presentation changes in the statement of profit or loss and the statement of financial position. The group has not yet decided which transition approach will be used for this standard. The group is currently assessing the impact of the new standard and there are no new developments from what was disclosed in the 2016 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, 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	
	2017	2016
Operating profit	396	317
Amortization of publishing rights and impairments	94	89
Non-benchmark items in operating profit	(40)	2
Adjusted operating profit	**450**	**408**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2017	2016
Profit for the period attributable to the owners of the Company (A)	266	199
Amortization of publishing rights and impairments	94	89
Tax on amortization and impairments of publishing rights and goodwill	(33)	(31)
Non-benchmark items, net of tax	(40)	3
Adjusted net profit (B)	**287**	**260**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2017	2016
Total financing results	(58)	(54)
Non-benchmark items in total financing results	3	3
Adjusted net financing costs	**(55)**	**(51)**

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

(in millions of euros)	Six months ended June 30	
	2017	2016
Net cash from operating activities	342	326
Capital expenditure	(96)	(101)
Acquisition related costs	3	2
Paid divestment expenses	4	1
Dividends received	1	1
Tax on internal restructuring	5	-
Net tax benefit on previously divested assets and consolidation of platform technology	(2)	-
Adjusted free cash flow (C)	**257**	**229**

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2017	2016
Included in 'other operating income and (expense)':		
Divestment related results	52	(1)
(Additions to)/releases acquisition integration provisions	0	1
Acquisition related costs	(3)	(2)
Fair value changes to contingent considerations	(9)	0
Total non-benchmark income/(costs) in operating profit	**40**	**(2)**
Included in total financing results:		
Employee benefits financing component	(3)	(3)
Total non-benchmark income/(costs) in total financing results	**(3)**	**(3)**
Total non-benchmark items before tax	**37**	**(5)**
Tax on non-benchmark items	3	2
Non-benchmark items, net of tax	**40**	**(3)**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Total number of ordinary shares outstanding at June 30[1)]	285.5	291.5
Weighted average number of ordinary shares outstanding (D)[1)]	286.8	292.8
Diluted weighted average number of ordinary shares (E)[1)]	289.4	295.9
Adjusted EPS (B/D)	1.00	0.89
Diluted adjusted EPS (minimum of adjusted EPS and [B/E])	0.99	0.88
Diluted adjusted EPS in constant currencies	0.98	0.89
Adjusted free cash flow per share (C/D)	0.89	0.78
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and [C/E])	0.89	0.77

[1)] In millions of shares

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Income tax expense	72	64
Tax benefit on amortization of publishing rights and impairments	33	31
Tax benefit on non-benchmark items	3	2
Tax on adjusted profit before tax (F)	**108**	**97**
Adjusted net profit (B)	287	260
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (G)	**395**	**357**
Benchmark tax rate (F/G) (%)	**27.3**	**27.2**

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Adjusted operating profit (H)	450	408
Amortization and impairment of other intangible assets	81	69
Depreciation of property, plant, and equipment	15	15
Adjusted EBITDA	**546**	**492**
Autonomous movements in working capital	(9)	(25)
Capital expenditure	(96)	(101)
Adjusted operating cash flow (I)	**441**	**366**
Cash conversion ratio (I/H) (%)	**98**	**90**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Revenues		
Health	562	507
Tax & Accounting	613	562
Governance, Risk & Compliance	557	537
Legal & Regulatory	442	436
Total revenues	**2,174**	**2,042**
Operating profit		
Health	109	87
Tax & Accounting	101	110
Governance, Risk & Compliance	185	114
Legal & Regulatory	28	30
Corporate	(27)	(24)
Total operating profit	**396**	**317**

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2017	2016
Profit for the period attributable to the owners of the Company (A)	**266**	**199**
Weighted average number of shares		
In millions of shares		
Outstanding ordinary shares at January 1	301.9	301.9
Effect of repurchased shares	(15.1)	(9.1)
Weighted average number of shares (B) for the period	**286.8**	**292.8**
Basic EPS (A/B) (€)	0.93	0.68
Diluted weighted average number of shares		
Weighted average number of shares for the period (B)	286.8	292.8
Long-Term Incentive Plan	2.6	3.1
Diluted weighted average number of shares (C) for the period	**289.4**	**295.9**
Diluted EPS (minimum of basic EPS and [A/C]) (€)	0.92	0.67

Note 8 Acquisitions and Divestments

Acquisitions

Total acquisition spending in first half of 2017 was €300 million (HY 2016: €30 million), including deferred and contingent considerations payments of €6 million (HY 2016: €3 million). Acquisition related costs were €3 million (HY 2016: €2 million).

The main acquisition completed in the first half of 2017 was:

On April 6, 2017, Wolters Kluwer Tax & Accounting announced the completion of the acquisition of Tagetik for a final net consideration of €290 million, net of cash. Tagetik is a leading provider of corporate performance management solutions, supporting the processes and workflow of the Office of the CFO. The acquisition of Tagetik tightly aligns with our vision to expand our position in the faster growing areas of the corporate tax and accounting market.

In 2016, Tagetik achieved net revenues of approximately €57 million (un-audited), of which approximately 35% is recurring in nature. The majority of revenues are derived from Europe, followed by North America and Asia Pacific. Margins currently reflect investment in product development and sales and marketing to drive revenue growth. The acquisition is expected to deliver a return on invested capital above Wolters Kluwer's after tax weighted average cost of capital (8%) in 3 to 5 years and is expected to have positive but immaterial impact on Wolters Kluwer adjusted earnings in the first full year. The company has approximately 450 employees and is headquartered in Lucca, Italy with a North American head office in Stamford, Connecticut.

Divestments

On June 30, 2017, Wolters Kluwer Governance, Risk & Compliance announced the completion of the divestment of its Transport Services unit, following a binding offer of approximately €83 million in cash in April 2017. In 2016, Transport Services generated revenues of €40 million and had approximately 220 employees in 11 countries. The business, which is mainly based in Europe, focuses on transport management solutions, an area no longer considered core to Wolters Kluwer. The Transport Services unit has been reported as part of the Governance, Risk & Compliance division. All else being equal, the sale of the unit is expected to have a slightly dilutive effect on adjusted earnings per share.

Acquisitions

(in millions of euros)	Six months ended June 30	
	2017	2016
Consideration payable in cash	297	27
Deferred and contingent considerations	0	2
Total consideration	**297**	**29**
Non-current assets	190	27
Current assets	34	2
Current liabilities	(29)	0
Non-current liabilities	(12)	0
Deferred tax liability	(42)	0
Fair value of net identifiable assets/(liabilities)	**141**	**29**
Goodwill on acquisitions	**156**	**0**
Cash effect of the acquisitions:		
Consideration payable in cash	297	27
Cash acquired	(3)	0
Deferred and contingent considerations paid	6	3
Acquisition spending, net of cash acquired	**300**	**30**

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
In the first half of 2017, the Group recognized fair value changes in the statement of profit or loss for the amount of €9 million (HY 2016: €0 million) for acquisitions from previous years.

Divestment related results on operations

(in millions of euros)	*Full Year*	
	2017	*2016*
Divestments of operations:		
Consideration receivable in cash	83	0
Consideration receivable in assets	0	-
Consideration receivable	**83**	**0**
Non-current assets	25	0
Current assets	16	0
Current liabilities	(14)	0
Provisions for restructuring commitments	0	0
Deferred tax liability	0	-
Net identifiable assets and liabilities	**27**	**0**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	0	-
Book profit/(loss) on divestments of operations	**56**	**0**
Divestment expenses	(4)	(1)
Divestment related results, included in other operating income and (expense)	**52**	**(1)**
Cash effect of divestments:		
Consideration receivable in cash	83	0
Cash included in divested operations	(6)	-
Receipts from divestments, net of cash disposed	**77**	**0**

Note 9 Provisions

Provisions for restructuring commitments

(in millions of euros)	Six months ended June 30	
	2017	2016
Position at January 1	1	1
Add: short-term commitments	27	33
Total at January 1	**28**	**34**
Movements:		
Additions to provisions for restructuring	7	7
Release of acquisition integration provisions	0	(1)
Additions to acquisition integration provisions	0	0
Total additions	**7**	**6**
Appropriation of provisions for restructuring	(15)	(14)
Exchange differences and other movements	(1)	0
Total movements	**(9)**	**(8)**
Total at June 30	19	26
Less: short-term commitments	(17)	(25)
Position at June 30	**2**	**1**

The additions to provisions for restructuring in the first half of 2017 mainly relate to the division Legal & Regulatory.

Note 10 Issuance, repurchase, and repayments of debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2017	December 31, 2016	June 30, 2016
Gross debt			
Bonds	1,626	1,878	1,878
Private placements	409	410	422
Other long-term loans	8	17	7
Deferred and contingent acquisition payments	6	9	12
Total long-term debt	2,049	2,314	2,319
Borrowings and bank overdrafts	480	556	313
Bonds	750	-	-
Deferred and contingent acquisition payments	14	8	4
Total short-term debt	1,244	564	317
Total gross debt	**3,293**	**2,878**	**2,636**
Minus:			
Cash and cash equivalents	(1,009)	(940)	(788)
Derivative financial instruments:			
Non-current receivable	(11)	(11)	(33)
Current receivable	(16)	0	(1)
Net debt	**2,257**	**1,927**	**1,814**
Net-debt-to-EBITDA ratio (on a rolling basis)	1.9	1.7	1.7

On March 14, 2017, the Group issued a new €500 million 10-year Eurobond. The bonds were sold at an issue price of 99.659 per cent and carry an annual coupon of 1.500 per cent. The settlement date has been set at March 22, 2017. The securities were placed with a broad range of institutional investors across Europe.The senior unsecured bonds will mature on March 22, 2027. The net proceeds of the offering will be used to refinance existing debt and for general corporate purposes.

The bonds are listed on the Official List of the Luxembourg Stock Exchange.

Note 11 Equity, Dividends, LTIP

In the reporting period, Wolters Kluwer repurchased 3.7 million ordinary shares for a total consideration of €138 million (average share price of €37.58). These repurchases were made as part of the three-year share buyback program (2016-2018) announced in February 2016. The repurchased shares are added to and held as treasury shares, which totalled 16.4 million at June 30, 2017.

A final dividend of €0.60 per share was approved at the Annual General Meeting of Shareholders in April 2017 and was paid in the second quarter. The final dividend brings the total dividend over the 2016 financial year to €0.79 per share, an increase of 5% compared to the 2015 dividend. For 2017, the interim dividend will again be set at 25% of the prior year’s total dividend, equivalent to €0.20 per share.

In the first six months of 2017, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2014-16 vested on December 31, 2016. Total Shareholder Return (TSR) ranked first relative to the peer group of 15 companies, resulting in a pay-out of 150% 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 140%. A total number of 1,430,347 shares were released on February 23, 2017.

Under the 2017-19 LTIP grant, 745,967 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2017. In the first six months of 2017, 55,187 shares were forfeited under the long-term incentive plans.

The 2016 dividend of €0.79 per share amounting to €227 million (2015 dividend: €220 million) was fully distributed in cash. This 2016 dividend was paid in two parts, an interim dividend of €55 million in the second half of 2016 and a final dividend of €172 million in the first half of 2017.

At June 30, 2017, Ms. McKinstry held 292,014 shares (December 31, 2016: 218,945 shares) in the Company. Mr. Entricken held 34,636 shares (December 31, 2016: 30,836 shares).

The Supervisory Board member, Mr. Noteboom, held 4,865 shares in the company (December 31, 2016: 4,865 shares).

Note 12 Related Party Transactions

There were no major related parties transactions entered into during the six months ended June 30, 2017.

Note 13 Events after Balance Sheet date

On July 28, we announced we have reached agreement on the divestment of certain U.K. information and publishing assets for €13 million. The assets to be sold had revenues of €28 million in 2016 and are reported as part of the Legal & Regulatory division.

Wolters Kluwer

Divisional Supplemental Information - Six months ended June 30

(in millions of euros, unless otherwise stated)	2017	2016	Change Organic	Acquisition/ Divestment[1]	Currency
Health					
Revenues	562	507	27	14	14
Adjusted operating profit	133	106	21	2	4
Adjusted operating profit margin	23.7%	20.9%			
Tax & Accounting					
Revenues	613	562	18	20	13
Adjusted operating profit	146	143	(3)	2	4
Adjusted operating profit margin	23.7%	25.5%			
Governance, Risk & Compliance					
Revenues	557	537	9	(4)	15
Adjusted operating profit	156	141	10	1	4
Adjusted operating profit margin	28.0%	26.1%			
Legal & Regulatory					
Revenues	442	436	(7)	11	2
Adjusted operating profit	42	42	1	(1)	0
Adjusted operating profit margin	9.5%	9.7%			
Corporate					
Adjusted operating profit	(27)	(24)	(3)	0	0
Total Wolters Kluwer					
Revenues	2,174	2,042	47	41	44
Adjusted operating profit	450	408	26	4	12
Adjusted operating profit margin	20.7%	20.0%			

Note: 1) Acquisition/divestment column includes the contribution from 2017 acquisitions and 2016 acquisitions before these became organic (12 months from their acquisition date), the impact of 2017 and 2016 divestments, and the effect of asset transfers between divisions, if any.

Revenues by Media Format - Six months ended June 30

€ million (unless otherwise stated)		2017	2016	Δ	Δ CC	Δ OG
Digital	76%	1,660	1,504	+10%	+8%	+4%
Services	12%	266	259	+3%	0%	+1%
Print	12%	248	279	-11%	-12%	-8%
Total revenues	**100%**	**2,174**	**2,042**	**+6%**	**+4%**	**+2%**

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

Divisional Revenues by Type - Six months ended June 30

(in millions of euros, unless otherwise stated)	2017	2016	Δ	Δ CC	Δ OG
Total Wolters Kluwer					
Digital and services subscriptions	1,426	1,293	+10%	+8%	+5%
Print subscriptions	116	134	-13%	-14%	-10%
Other recurring revenues	157	170	-7%	-10%	+1%
Total recurring revenues	**1,699**	**1,597**	**+6%**	**+4%**	**+4%**
Print books	94	98	-5%	-6%	-6%
LS transactional[1]	125	114	+9%	+6%	+4%
FS transactional[2]	59	62	-5%	-8%	+2%
Other non-recurring	197	171	+16%	+15%	-5%
Total revenues	**2,174**	**2,042**	**+6%**	**+4%**	**+2%**
Health					
Digital and services subscriptions	404	354	+14%	+11%	+8%
Print subscriptions	29	31	-8%	-11%	-11%
Other recurring revenues	49	58	-16%	-20%	+17%
Total recurring revenues	**482**	**443**	**+9%**	**+6%**	**+7%**
Print books	33	35	-5%	-6%	-6%
Other non-recurring	47	29	+61%	+58%	-6%
Total Health	**562**	**507**	**+11%**	**+8%**	**+5%**
Tax & Accounting					
Digital and services subscriptions	449	407	+10%	+8%	+6%
Print subscriptions	15	17	-8%	-9%	-8%
Other recurring revenues	87	90	-3%	-6%	-6%
Total recurring revenues	**551**	**514**	**+7%**	**+5%**	**+4%**
Print books	11	11	-6%	-9%	-9%
Other non-recurring	57	37	+40%	+39%	+3%
Total Tax & Accounting	**613**	**562**	**+9%**	**+7%**	**+3%**
Governance, Risk & Compliance					
Digital and services subscriptions	323	305	+6%	+3%	+3%
Print subscriptions	0	0	0%	0%	0%
Total recurring revenues	**323**	**305**	**+6%**	**+3%**	**+3%**
LS transactional[1]	125	114	+9%	+6%	+4%
FS transactional[2]	59	62	-5%	-8%	+2%
Other non-recurring[3]	50	56	-10%	-11%	-11%
Total Governance, Risk & Compliance	**557**	**537**	**+4%**	**+1%**	**+2%**
Legal & Regulatory					
Digital and services subscriptions	250	227	+10%	+9%	+3%
Print subscriptions	72	86	-15%	-16%	-10%
Other recurring revenues	21	22	-3%	-3%	0%
Total recurring revenues	**343**	**335**	**+2%**	**+2%**	**-1%**
Print books	50	52	-5%	-5%	-4%
Other non-recurring	49	49	0%	-1%	-5%
Total Legal & Regulatory	**442**	**436**	**+1%**	**+1%**	**-2%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.11); Δ OG: % Organic growth. Note: 1. GRC Legal Services transactional revenues. 2. GRC Financial Services transactional revenues. 3. Other non-recurring revenues includes perpetual and other non-recurring software license & implementation fees.

About Wolters Kluwer

Wolters Kluwer is a global leader in information services and solutions for professionals in the areas of health, tax & accounting, finance, risk and 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 2016 annual revenues of €4.3 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 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 28, 2017	Ex-dividend date: 2017 interim dividend
August 29, 2017	Record date: 2017 interim dividend
September 19, 2017	Payment date: 2017 interim dividend ordinary shares
September 26, 2017	Payment date: 2017 interim dividend ADRs
November 1, 2017	Nine-Month 2017 Trading Update
February 21, 2018	Full-Year 2017 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).