Wolters Kluwer

Wolters Kluwer 2014 Full-Year Report

February 18, 2015 – Wolters Kluwer, a global leader in professional information services, today released its 2014 full-year results.

Highlights

- **Revenues up 3% in constant currencies and up 2% organically.**
  - Leading, high growth positions grew 7% organically (48% of total revenues).
  - Digital & services revenues grew 5% organically (80% of total).
  - North America and Asia Pacific drove organic growth.
- **Adjusted operating margin 21.0%, within guidance range, reflects increased restructuring.**
- **Diluted adjusted EPS €1.57, up 3% in constant currencies, in line with guidance.**
- **Adjusted free cash flow €516 million, up 1% in constant currencies, exceeding expectation.**
- **Net-debt-to-EBITDA improved to 2.1x at year-end (2013: 2.2x).**
- **Proposed 2014 dividend increase to €0.71 per share to be paid in cash.**
- **Outlook 2015: expect diluted adjusted EPS to rise at mid-single-digit rate in constant currencies.**
- **Reviewing strategic options for Transport Services (1% of revenues).**
- **Announcing up to €140 million share buy-back program in 2015, including anti-dilution buy-back.**

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"Group-wide organic growth improved to 2%, following a strong fourth quarter. Our leading, high growth businesses and digital products across all divisions are driving this growth and supporting the transformation of the company. The macro-economic environment in Europe remains uncertain, but our strategy is delivering results and we are confident we will meet our guidance for 2015."

Key Figures 2014 Full-Year:

Year ended December 31 *(in millions of euros, unless otherwise stated)*	**2014**	**2013**	**Δ**	**Δ CC**	**Δ OG**
Business performance – benchmark figures					
Revenues	3,660	3,565	+3%	+3%	+2%
Adjusted operating profit	768	765	0%	0%	-1%
Adjusted operating margin	21.0%	21.5%			
Adjusted net profit	470	467	+1%	+3%	
Diluted adjusted EPS (€)	1.57	1.56	+1%	+3%	
Adjusted free cash flow	516	503	+3%	+1%	
Net debt	1,897	1,988	-5%		
IFRS results					
Revenues	3,660	3,565	+3%		
Operating profit	569	619	-8%		
Profit for the year	474	346	+37%		
Diluted EPS	1.58	1.15	+37%		
Net cash from operating activities	645	630	+2%		

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); 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 2015 Outlook

In 2015, we intend to further sharpen our portfolio towards our leading, high growth businesses, to step up organic investment in digital products, and to continue to drive efficiencies, particularly in low growth or declining operations. We expect the adjusted operating margin to increase in 2015. This includes anticipated 2015 restructuring costs of €30-€35 million (2014: €36 million), mainly in Legal & Regulatory Solutions. The table below provides our guidance for the full-year.

2015 Outlook

Performance indicators	2015 guidance
Adjusted operating profit margin	21.0%-21.5%
Adjusted free cash flow	€500-€525 million
Return on invested capital	≥ 8%
Diluted adjusted EPS	Mid-single-digit growth

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (EUR/USD 1.33). Guidance for EPS growth reflects the announced share repurchases. Adjusted operating profit margin and ROIC are in reported currency.

Our guidance is based on constant exchange rates. Wolters Kluwer generates more than half of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2014 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite 1.0 euro-cent change in diluted adjusted EPS. Currency is expected to have a more significant influence on results in 2015 than in recent years.

We expect adjusted net financing costs of approximately €100 million, excluding the impact of exchange rate movements on currency hedging and intercompany balances. We expect the benchmark effective tax rate to be between 27% and 28% in 2015. We expect a cash conversion ratio in line with our historic average of 95%, and capital expenditure between 4% and 5% of revenue.

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

2015 Outlook by Division

Legal & Regulatory: we expect Corporate Legal Services (CLS) to achieve organic revenue growth, albeit at a more moderate pace in the second half. This is expected to be more than offset by organic decline in Legal & Regulatory Solutions, due to continued weakness in print formats. Margins are expected to contract modestly, due to cost inflation, additional product investment and restructuring.

Tax & Accounting: we expect underlying revenue momentum to be similar to 2014, with growth in software solutions more than offsetting ongoing decline in print publishing and bank product revenues. First half growth is expected to be more muted due to normal seasonal sales patterns. We expect margins to improve modestly.

Health: we foresee steady revenue performance, supported by robust growth in Clinical Solutions. The combined Medical Research, Professional & Education is likely to see growth in digital revenues offset by continued decline in print formats. Margins are expected to rise despite increased product investment and additional restructuring.

Financial & Compliance Services: organic growth in our Finance, Risk & Compliance and Audit units is likely to moderate from the strong double-digit growth achieved in 2014. Market conditions for Originations are mixed, with U.S. refinancing volumes still declining, but new lending regulations providing opportunities for growth.

Strategy

Wolters Kluwer provides legal, tax, accounting, health and financial compliance professionals the essential information, software and services they need to make decisions with confidence. Our strategy, which aims to accelerate our organic revenue growth and improve returns, is centered on the following three imperatives:

- **Expand our leading, high growth positions**. We are focusing the majority of our investment on high growth segments in our portfolio where we have achieved market leadership. These positions, which include Corporate Legal Services, Tax & Accounting software, Clinical Solutions, and Finance, Risk & Compliance and Audit, provide global expansion opportunities. In addition, we will continue to drive growth in digital solutions and services across all divisions.
- **Deliver solutions and insights.** We continuously invest in our products and services to deliver the tailored solutions and insights our professional customers need in order to make critical decisions and increase their productivity. We are investing in mobile applications, cloud-based services and integrated solutions. Product investment, including capital expenditure, is expected to remain approximately 8-10% of revenues in the coming years.
- **Drive efficiencies.** We will continue to drive efficiencies in areas such as sourcing, technology, real estate, organizational processes, and distribution channels. These operational excellence programs will deliver cost savings to support investments and margin expansion, while mitigating cost inflation.

Dividend Policy and 2014 Dividend

Wolters Kluwer has a progressive dividend policy under which the company expects to increase the dividend per share each year. At the upcoming Annual General Meeting of Shareholders, we will propose increasing the dividend over the 2014 financial year to €0.71 per share (2013: €0.70). Dividends will be paid in cash on May 13, 2015 for ordinary shareholders, or on May 20, 2015 for holders of American Depository Receipts (ADRs). Shareholders can choose to reinvest their Wolters Kluwer 2014 dividends by purchasing further shares through the Dividend Reinvestment Plan (DRIP) provided by ABN AMRO Bank NV.

Anti-Dilution Policy and Share Buy-Back 2015

Wolters Kluwer has a policy to offset the dilution caused by its annual performance share issuance with share repurchases. In line with this policy, the company intends to repurchase up to €40 million in shares in 2015. Given the improvement in our leverage over the past few years, the company announces its intention to return cash to shareholders by repurchasing an additional up to €100 million in shares, bringing the total intended buy-back up to €140 million in 2015.

Full-Year 2014 Results

Benchmark Figures

Group revenues increased 3% overall to €3,660 million, up 3% in constant currencies. Excluding both the impact of exchange rate movements and the effect of acquisitions and divestitures, organic revenue growth was 2%, an improvement on the prior year (2013: 1%). The fourth quarter saw improved transactional revenues and some benefit from one time sales.

Revenues from North America (55% of total revenues) increased 3% organically, with all four divisions enjoying growth in this region. Revenues from Europe were flat on an organic basis, as growth in the Financial & Compliance Services, Tax & Accounting and Health divisions was offset by decline in Legal &

Regulatory Solutions Europe. Asia Pacific and Rest of World, which represented 8% of group revenues in 2014, grew 7% organically, driven by Financial & Compliance Services, Health, and Tax & Accounting.

Adjusted operating profit was stable at €768 million in constant currencies. The adjusted operating margin eased to 21.0% (2013: 21.5%), as expected, and within our guidance range (20.5%-21.5%). Full-year restructuring costs amounted to €36 million, higher than originally announced in February 2014 (€25-€30 million) as additional actions were carried out in the fourth quarter, largely in Legal & Regulatory Solutions in Europe. Excluding restructuring costs in both 2013 and 2014, the adjusted operating profit margin would have increased by 10 basis points.

Adjusted net financing costs declined to €113 million (2013: €117 million), reflecting the benefits of last year's debt refinancing and a €12 million loss on currency hedging and revaluation of intercompany balances mainly due to the appreciation of the U.S. Dollar to EUR/USD 1.21 at 31 December, 2014. As a reminder, adjusted net financing costs exclude the financing component of employee benefits, results of investments available-for-sale, and disposal and/or revaluation gains/losses on equity-accounted investees.

Adjusted profit before tax was €654 million, up 1% from €647 million in 2013. The benchmark effective tax rate on adjusted profit before tax was 27.6%, unchanged from the prior year. Diluted adjusted EPS was €1.57, up 1% overall and up 3% in constant currencies.

IFRS Reported Figures

Reported operating profit declined 8% to €569 million (2013: €619 million) due to lower disposal gains, higher exceptional costs, and higher amortization of acquired intangibles.

Reported financing results amounted to a negative €56 million (2013: negative €128 million) and included adjusted net financing costs of €113 million, employee benefits financing costs of €5 million, a €14 million loss on investments available-for-sale, and a €76 million revaluation gain on our 38% minority interest in Datacert triggered by the purchase of the remaining 62% in April 2014. Profit before tax from continuing operations thus increased 5% to €512 million (2013: €490 million).

The reported effective tax rate declined to 7.4% (2013: 28.0%) mainly as a result of the non-taxable revaluation gain on Datacert and a positive tax impact related to previously divested assets. The positive tax impact was partially offset by the taxable transfer of assets within the Group as part of the consolidation of our platform technology. There were no discontinued operations in 2014 (2013: €7 million loss). Total profit for the year increased 37% to €474 million (2013: €346 million) and diluted EPS increased 37% to €1.58 per share.

Cash Flow

Adjusted cash flow from operations was €764 million (2013: €727 million), up 5% overall and up 3% at constant currencies. The cash conversion ratio was significantly better than expected at 100% (2013: 95%) as a result of prudent working capital management and strong inflows in the fourth quarter. The full year saw an autonomous working capital contribution of €4 million (2013: absorption €22 million). Capital expenditures amounted to €148 million (4.0% of revenues), stable compared to €148 million in 2013 (4.2% of revenues).

Adjusted free cash flow was €516 million, up 3% overall and up 1% in constant currencies. This was despite an increase in paid financing costs, due to an additional coupon payment, and an increase in corporate income tax paid, due to timing of payments. The net use of restructuring provisions amounted to €9 million compared to €11 million in the prior year.

Acquisition spending, net of cash acquired, was €178 million (2013: €192 million), including €18 million related to earn-outs on past acquisitions (mainly Prosoft). The majority of the acquisition spending relates to the acquisition of the remaining 62% of Datacert. Smaller acquisitions included Financial Tools, now part of our Financial & Compliance Services division, LexisNexis Poland in Legal & Regulatory Solutions, and Chinese audit software provider Dingxin Chuangzhi in Tax & Accounting.

Cash proceeds from disposals, net of tax, were €29 million (2013: €63 million), relating mainly to the divestment of Canadian legal assets as well as a reduction in corporate income tax paid in relation to previously divested assets.

Net Debt and Leverage

Net debt reduced to €1,897 million as of December 31, 2014, compared to €1,988 million at December 31, 2013. The leverage ratio net-debt-to-EBITDA was 2.1x at year-end, improving from 2.2x at year-end 2013. Our target leverage ratio remains 2.5x.

Operating and Divisional Review

Group organic growth of 2% was driven by three of our four divisions: Tax & Accounting, Health, and Financial & Compliance Services. Within Legal & Regulatory, Corporate Legal Services achieved 5% organic growth, partially offsetting 3% decline in Legal & Regulatory Solutions.

Divisional Summary – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Revenues					
Legal & Regulatory	1,497	1,447	+3%	+4%	-1%
Tax & Accounting	946	965	-2%	-1%	+3%
Health	816	775	+5%	+5%	+5%
Financial & Compliance Services	401	378	+6%	+6%	+4%
Total revenues	**3,660**	**3,565**	**+3%**	**+3%**	**+2%**
Adjusted operating profit					
Legal & Regulatory	305	313	-3%	-3%	-6%
Tax & Accounting	250	259	-3%	-3%	-3%
Health	197	175	+13%	+11%	+11%
Financial & Compliance Services	65	64	+1%	+0%	-2%
Corporate costs	(49)	(46)	+6%	+6%	+6%
Total adjusted operating profit	**768**	**765**	**0%**	**0%**	**-1%**

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

Across all divisions, digital products continued to drive the group's growth. Total digital revenues reached €2,472 million, up 8% in constant currencies and up 6% organically. Services revenues, which includes legal representation, consulting, training, events and other services, were stable overall. Print formats declined 9% on an organic basis, with printed book revenues declining 10% and looseleaf, journal and other print subscriptions down 8%. Print now represents only 20% of total revenues.

Revenues by Media – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Digital	2,472	2,286	+8%	+8%	+6%
Services	453	454	0%	0%	0%
Print	735	825	-11%	-10%	-9%
Total Revenues	**3,660**	**3,565**	**+3%**	**+3%**	**+2%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth. Revenue split by media format reflects updated product classifications introduced in 2014.

Legal & Regulatory

- Corporate Legal Services achieved 5% organic growth, buoyed by 4th quarter transaction volumes.
- Legal & Regulatory Solutions declined 3% organically, similar to 2013 performance.
- Margin contraction primarily due to increased restructuring costs.

Legal & Regulatory – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Revenues	1,497	1,447	+3%	+4%	-1%
Adjusted operating profit	305	313	-3%	-3%	-6%
Adjusted operating margin	20.3%	21.6%			
Operating profit	246	311	-21%		
Net capital expenditure	54	48			
Ultimo FTEs	7,527	7,263			

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

Wolters Kluwer Legal & Regulatory revenues increased 4% at constant currencies, reflecting the net transfer of certain publishing assets from Tax & Accounting and the net effect of acquisitions (Datacert and LexisNexis Poland in 2014) and divestments (mainly Best Case Solutions in 2013 and Canadian legal assets in 2014). On an organic basis, the division's revenues declined 1% (2013: 1% decline). The divisional adjusted operating profit margin declined 130 basis points, reflecting mainly increased restructuring costs and margin-dilutive transfers and disposals.

Corporate Legal Services (33% of divisional revenues) revenues grew 14% at constant currencies, reflecting the consolidation of Datacert, which became wholly-owned in April 2014. Organic growth was better than expected at 5%, driven by strong transaction volumes in the final weeks of the year. CLS transaction revenues rose 7% organically for the full year (first half 2014: 3%) helped by a relatively easy comparable in the fourth quarter and a number of large, one-time customer projects. *CT Corporation* performed well in both Small Business and Corporate segments, with strong renewal rates for legal representation services. *CT Lien Solutions* was impacted by the down-cycle in UCC filings, but one-time law firm projects more than compensated for this in the second half. *Corsearch* experienced increased search volumes, particularly in Europe. In *Enterprise Legal Management (ELM) Solutions,* the new name for the combined *Datacert* and *TyMetrix*, revenue growth was strong and the integration plan is on track.

Legal & Regulatory Solutions (67% of divisional revenues) revenues were stable at constant currencies. The net transfer into the division of European tax and accounting publishing assets and the acquisition of LexisNexis Poland were offset by organic revenue decline of 3% and the effect of several small disposals. Print revenue trends deteriorated in the second half, particularly in Europe, and additional restructuring actions were implemented to reduce the cost base. Digital revenues grew 3% organically (Europe 3%; North America 5%), but this was more than offset by the decline in print. Among our digital products, legal software solutions delivered double-digit organic growth, led by products such as *Kleos*, our legal practice management solution for law firms in Europe.

Tax & Accounting

- Software revenues (69% of divisional revenues) up 5% organically, growing in all regions.
- Print subscriptions, books, training, and bank products remain weak.
- Margin down 40 basis points due to increased restructuring costs.

Tax & Accounting – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Revenues	946	965	-2%	-1%	+3%
Adjusted operating profit	250	259	-3%	-3%	-3%
Adjusted operating margin	26.4%	26.8%			
Operating profit	179	178	+1%		
Net capital expenditure	38	49			
Ultimo FTEs	5,688	5,842			

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

Wolters Kluwer Tax & Accounting revenues declined 1% in constant currencies due to the net transfer of publishing assets from Tax & Accounting into the Legal & Regulatory division. Organic growth improved to 3% (2013: 1%), benefitting from favorable timing and one time sales. The adjusted operating margin declined as a result of the increase in restructuring costs announced at the start of 2014. Restructuring, which was mainly in North America and Asia Pacific, was aimed at making editorial and production costs more flexible and establishing centers of excellence in software development. IFRS operating profit increased 1% reflecting lower amortization of intangibles.

In January 2015, Tax & Accounting completed the acquisition of SBS Software, a provider of accounting and payroll solutions which will be combined with our software business in Germany.

Tax & Accounting North America (56% of divisional revenue) achieved 5% organic growth in software revenues, benefitting in the second half from some favorable timing effects. Software growth was partially offset by declines in print formats and bank product fees. Our foundation (on-premise) software suite for professionals saw good growth, while our new cloud-based software suite, *CCH Axcess*, attracted both existing and new customers seeking productivity gains. In publishing (now named Research & Learning), *CCH Intelliconnect* was enhanced with browser search and *Quick Answers*.

Tax & Accounting Europe (33% of divisional revenue), now essentially a software business having transferred nearly all of its publishing assets into the Legal & Regulatory division, further improved its organic growth rate. Despite the weak economic backdrop, performance was good in most countries, particularly Germany, Spain and Scandinavia. Investment in cloud-based and collaborative solutions continues. *Twinfield*, our collaborative accounting solution in The Netherlands, saw double-digit organic growth and launched a solution for the German market in the fourth quarter.

Tax & Accounting Asia Pacific & Rest of World (11% of divisional revenue) also achieved improved organic growth, enhanced slightly by one-time sales in the fourth quarter. In Asia Pacific, growth in software products was partially offset by decline in print subscriptions and books. *CCH Integrator* introduced a cloud-based module to help customers comply with New Zealand goods and services tax. In September 2014, we acquired Dingxin Chuangzhi, establishing a position in the Chinese audit software market. Prosoft, our Brazilian tax software provider, grew revenues at a double-digit rate organically.

Health

- Clinical Solutions achieved double-digit organic growth globally.
- Medical Research and Professional & Education, now combined, saw digital growth offset by print decline.
- Margin up 150 basis points, supported by the ongoing shift in business mix.

Health – Year ended December 31

(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Δ**	**Δ CC**	**Δ OG**
Revenues	816	775	+5%	+5%	+5%
Adjusted operating profit	197	175	+13%	+11%	+11%
Adjusted operating margin	24.1%	22.6%			
Operating profit	162	140	+16%		
Net capital expenditure	49	44			
Ultimo FTEs	2,807	2,779			

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

Wolters Kluwer Health revenues increased 5% in constant currencies, all of which was organic growth. Adjusted operating profit increased 11% organically, benefitting from operating leverage and the ongoing mix shift towards Clinical Solutions. As a result, IFRS operating profit increased 16%.

Clinical Solutions (45% of divisional revenue) achieved double-digit organic growth, with strong performances across most product areas and in all regions of the world. *UpToDate*, our leading clinical decision support tool, saw continued robust growth as it completed its global launch of the *UpToDate Anywhere* mobile access platform and introduced its 22nd medical specialty, *Palliative Care*. The product is now used by over 1 million clinicians in over 170 countries. We sustained investment in new products: *UpToDate Clinical Consultant*, a Chinese language version of the product, is on course to see its first launch in second half 2015. Our clinical drug information, documentation and informatics platforms also performed very well on a global basis. Throughout 2014, Clinical Solutions products *ProVation Order Sets, Sentri7, UpToDate,* and *Lexicomp* continued to receive high ratings from KLAS, the leading U.S. health IT research firm.

Medical Research, Professional & Education (55% of divisional revenue) revenues were broadly flat on an organic basis, as good growth in digital products was offset by continued decline in print formats. In Medical Research, our online platform *Ovid* achieved good growth in subscription revenues. The offering added new digital products based around our Professional & Education titles and expanded its journal content. Print journal revenues continued to decline as readership migrates to online usage. *Lippincott Williams & Wilkins (LWW)* won five new society contracts during the year, including *PAIN®,* and published new society titles, including the *Journal of the American Academy of Orthopaedic Surgeons*. Medknow in India grew strongly and now provides open access publishing services to over 350 journals. In Professional & Education, digital revenues, including learning and reference solutions such as *Lippincott's Nursing Advisor, Lippincott's Nursing Procedures & Skills*, *PrepU,* and *DocuCare*, grew over 50% organically. This performance was more than offset by a 12% decline in printed books.

In early 2015, Medical Research and Professional & Education, which already share brands, content and back-office functions, are being merged in order to facilitate closer collaboration around new products, sales and marketing.

Financial & Compliance Services

- Finance, Risk & Compliance and Audit units combined achieved double-digit organic growth.
- Originations unit was impacted by downturn in U.S. mortgage refinancing market.
- Margin declined due to lower transactional revenues and planned increase in restructuring.

Financial & Compliance Services – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Revenues	401	378	+6%	+6%	+4%
Adjusted operating profit	65	64	+1%	0%	-2%
Adjusted operating margin	16.3%	17.1%			
Operating profit	33	30	+8%		
Net capital expenditure	7	7			
Ultimo FTEs	2,415	2,339			

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

Wolters Kluwer Financial & Compliance Services increased its revenues by 6% in constant currencies, including the effect of acquisitions, most notably Financial Tools in January 2014. On an organic basis, revenues grew 4%, following strong software license and professional services sales in the fourth quarter. Adjusted operating profit was stable in constant currencies. The adjusted operating profit margin decline reflects lower FS transactional revenues, higher personnel-related costs, and an increase in restructuring costs. IFRS operating profit increased 8%, due to lower acquisition integration costs.

Finance, Risk & Compliance (47% of divisional revenues) achieved double-digit organic growth, primarily as a result of software license sales, professional advisory and product implementation fees relating to new customer wins for our enterprise risk management and financial risk & regulatory reporting solutions. These software solutions, as well as our financial crime control and audit management applications, were recently brought together under a single brand, *OneSumX*. Growth was strong in all regions, especially in North America and Europe. Recurring revenues, which comprise software maintenance fees and service subscriptions, grew steadily. During 2014, Wolters Kluwer Financial Services was ranked 4th globally in the *Chartis Research RiskTech 100* ranking and was named Quadrant Leader in the Enterprise Governance Risk & Compliance category.

Audit (11% of divisional revenue) delivered robust organic growth for the full year, more than absorbing the effect of a product rationalization program started in 2013. Our *TeamMate* internal audit solution won new customers around the world, particularly in the U.S., South America and the Middle East & Africa. Investment continues on the next generation platform. In the fourth quarter, a *TeamMate* data analytics module was launched.

Originations (32% of divisional revenue) saw top line decline, due largely to the downturn in the U.S. mortgage refinancing market. FS transactional revenues declined 6% for the full year (first half 2014: 21% decline), benefitting in the fourth quarter from a change in IRA rollover regulations. Margins were impacted by lower mortgage-related transaction revenues and increased restructuring and severance costs.

Transport Services (10% of divisional revenue) revenues declined, with trends improving towards the end of the year. The transition to a subscription-based pricing model is nearly complete and further restructuring was undertaken during 2014 to optimize the cost base. Management announced it is conducting a review of strategic alternatives for the unit, including divestment.

Corporate

Corporate expenses increased 6% at constant currencies, due to increased FTEs and personnel costs as well as higher advisory fees. The increase in IFRS operating costs reflects non-recurring items recorded in 2013.

Corporate – Year ended December 31

(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Δ**	**Δ CC**	**Δ OG**
Adjusted operating profit	(49)	(46)	+6%	+6%	+6%
Operating profit	(51)	(40)	+27%		
Net capital expenditure	0	0			
Ultimo FTEs	112	106			

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Financial Statements for the year ended December 31, 2014, and 2013

This report has been prepared in accordance with IFRS. The full-year figures for 2014 and 2013 in this report are derived from the 2014 consolidated financial statements, which will be published on March 11, 2015.

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Condensed Consolidated Statement of Profit or Loss

(in millions of euros, unless otherwise stated)

	Full year	
	2014	2013
Continuing operations:		
Revenues	**3,660**	**3,565**
Cost of sales	1,173	1,143
Gross profit	**2,487**	**2,422**
Sales costs	690	674
General and administrative costs	1,221	1,168
Total operating expenses	1,911	1,842
Other operating income and (expense)	(7)	39
Operating profit	**569**	**619**
Financing results	(56)	(128)
Share of profit of equity-accounted investees, net of tax	(1)	(1)
Profit before tax	**512**	**490**
Income tax expense	(38)	(137)
Profit for the year from continuing operations	**474**	**353**
Discontinued operations:		
Profit/(loss) from discontinued operations, net of tax	-	(7)
Profit for the year	**474**	**346**
Attributable to:		
▪ Owners of the Company	473	345
▪ Non-controlling interests	1	1
Profit for the year	**474**	**346**
Earnings per share (EPS) (€)		
Basic EPS from continuing operations	1.60	1.19
Basic EPS from discontinued operations	-	(0.02)
Basic EPS	1.60	1.17
Diluted EPS from continuing operations	1.58	1.17
Diluted EPS from discontinued operations	-	(0.02)
Diluted EPS	1.58	1.15

Condensed Consolidated Statement of Comprehensive Income

(in millions of euros)

	Full Year	
	2014	2013
Comprehensive income:		
Profit for the year	**474**	**346**
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	325	(147)
Gains/(losses) on cash flow hedges	(15)	21
Items that will not be reclassified to the statement of profit or loss:		
Re-measurements on defined benefit plans	(45)	32
Income tax on other comprehensive income	16	(13)
Other comprehensive income/(loss) for the year, net of tax	**281**	**(107)**
Total comprehensive income for the year	**755**	**239**
Attributable to:		
▪ Owners of the Company	758	241
▪ Non-controlling interests	(3)	(2)
Total	**755**	**239**

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Condensed Consolidated Statement of Cash Flows
(in millions of euros)

	Full Year	
	2014	2013
Cash flows from operating activities		
Profit for the year from continuing operations	474	353
Adjustments for:		
Financing results	56	128
Share of profit of equity-accounted investees, net of tax	1	1
Income tax expense	38	137
Amortization, impairments, and depreciation	332	317
Additions to provisions	32	23
Fair value changes to contingent considerations	(4)	(4)
Book (profit)/loss on divestments of operations	(12)	(58)
Share-based payments	22	14
Autonomous movements in working capital	4	(22)
Paid financing costs	(135)	(115)
Paid corporate income tax	(116)	(99)
Appropriation of provisions for restructuring	(43)	(33)
Other	(4)	(12)
Net cash from operating activities	**645**	**630**
Cash flows from investing activities		
Capital expenditure	(148)	(148)
Disposal of discontinued operations, net of cash disposed of	-	(10)
Acquisition spending, net of cash acquired	(178)	(192)
Receipts from divestments, net of tax	29	63
Dividends received	2	2
Cash (used) from settlement of derivatives	(27)	6
Net cash used in investing activities	**(322)**	**(279)**
Cash flows from financing activities		
Repayment of loans	(977)	(378)
Proceeds from new loans	668	708
Collateral paid	(20)	-
Repurchased shares	(25)	(27)
Dividends paid	(209)	(204)
Net cash from/(used) in financing activities	**(563)**	**99**
Net cash from/(used) in continuing operations	**(240)**	**450**
Net cash used in discontinued operations	**-**	(3)
Net cash from/(used) in continuing and discontinued operations	**(240)**	**447**
Cash and cash equivalents less bank overdrafts at January 1	643	215
Exchange differences on cash and cash equivalents and bank overdrafts	10	(19)
	653	196
Cash and cash equivalents less bank overdrafts at December 31	**413**	**643**
Add: Bank overdrafts at December 31	122	112
Cash and cash equivalents at December 31	**535**	**755**

Wolters Kluwer

Condensed Consolidated Statement of Financial Position
(in millions of euros)

	December 31, 2014		December 31, 2013	
Non-current assets				
Goodwill and intangible assets	5,172		4,592	
Property, plant, and equipment	131		124	
Investments in equity-accounted investees	17		31	
Financial assets	15		27	
Deferred tax assets	85		88	
Total non-current assets		5,420		4,862
Current assets				
Inventories	120		104	
Trade and other receivables	1,253		1,110	
Income tax receivable	39		33	
Cash and cash equivalents	535		755	
Total current assets	1,947		2,002	
Current liabilities				
Deferred income	1,375		1,214	
Trade and other payables	384		368	
Income tax payable	41		38	
Short-term provisions	30		33	
Borrowings and bank overdrafts	125		117	
Short-term bonds	-		700	
Other current liabilities	469		444	
Total current liabilities	2,424		2,914	
Working capital		(477)		(912)
Capital employed		**4,943**		**3,950**
Non-current liabilities				
Long-term debt		2,304		1,909
Deferred tax liabilities		339		321
Employee benefits		176		126
Provisions		3		10
Total non-current liabilities		2,822		2,366
Equity				
Issued share capital	36		36	
Share premium reserve	87		87	
Other reserves	1,983		1,441	
Equity attributable to the owners of the Company		2,106		1,564
Non-controlling interests		15		20
Total equity		2,121		1,584
Total financing		**4,943**		**3,950**

Condensed Consolidated Statement of Changes in Total Equity

(in millions of euros)

			2014
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,564**	**20**	**1,584**
Total comprehensive income for the year	758	(3)	755
Share-based payments, net of tax	16		16
Cash dividend 2013	(207)	(2)	(209)
Repurchased shares	(25)		(25)
Other	0	0	0
Balance at December 31	**2,106**	**15**	**2,121**

			2013
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	**1,538**	**20**	**1,558**
Total comprehensive income for the year	241	(2)	239
Share-based payments, net of tax	11		11
Cash dividend 2012	(204)	0	(204)
Repurchased shares	(24)		(24)
Other	2	2	4
Balance at December 31	**1,564**	**20**	**1,584**

Wolters Kluwer

Notes to the Condensed Consolidated 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 condensed consolidated financial statements ('financial statements') for the year ended December 31, 2014, comprise the Group and the Group's interests in associates and a joint venture.

Note 2 Basis of preparation

Statement of compliance
The accounting policies applied in these financial statements are the same as those applied in the 2014 Annual Report which will be published on March 11, 2015. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2013.

The consolidated financial statements, as included in our Annual Report, were authorized for issue by the Executive Board and Supervisory Board on February 17, 2015.

Judgments and estimates
The preparation of the 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 expense.

In preparing these 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 2013 Annual Report. Reference is made to Note 3 'Accounting Estimates and Judgments' to the Consolidated Financial Statements of the Group. Further reference is made to Note 27 'Financial Risk Management'. Note 27 outlines the Group's exposure to market risks, currency risks, interest rate risks, liquidity risks, and credit risks, which have not substantially changed since the issuance of our 2013 Annual Report. Actual results in the future may differ from these estimates and current risk judgments.

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

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

Exchange rates to the euro	2014	2013
U.S. dollar (average year)	1.33	1.33
U.S. dollar (at December 31)	1.21	1.38

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 financial statements are the same as those applied in Wolters Kluwer's 2014 Annual Report. The new standards that became effective as of January 1, 2014, have no significant impact on the 2014 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 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 from continuing operations. These figures are presented as additional information and do not replace the information in the consolidated statement of profit or loss and in the consolidated statement of cash flows. The term 'adjusted' is not a defined term under IFRS.

Reconciliation of benchmark figures

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	*Full Year*	
	2014	2013
Operating profit	569	619
Amortization of publishing rights and impairments	192	185
Non-benchmark items in operating profit	7	(39)
Adjusted operating profit	**768**	**765**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	*Full Year*	
	2014	2013
Total financing results	(56)	(128)
Non-benchmark items in total financing results	(57)	11
Adjusted net financing costs	**(113)**	**(117)**

Reconciliation between profit for the year and adjusted net profit

(in millions of euros)	*Full Year*	
	2014	2013
Profit for the year from continuing operations attributable to the owners of the Company (A)	473	352
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	191	183
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(67)	(62)
Tax benefit on previously divested assets	(112)	-
Tax impact on consolidation of platform technology	40	-
Non-benchmark items, net of tax	(55)	(6)
Adjusted net profit (B)	**470**	**467**

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

(in millions of euros)	*Full Year* 2014	2013
Net cash from operating activities	645	630
Capital expenditure	(148)	(148)
Acquisition related costs	11	6
Paid divestment expenses	2	3
Dividends received	2	2
Appropriation of Springboard provisions, net of tax	4	10
Adjusted free cash flow (C)	**516**	**503**

Per share information

(in euros, unless otherwise stated)	*Full Year* 2014	2013
Total number of shares outstanding at December 31[1]	295.1	295.3
Weighted average number of shares (D)[1]	295.9	295.7
Diluted weighted average number of shares (E)[1]	299.9	299.5
Basic EPS (A/D)	1.60	1.19
Diluted EPS (minimum of Basic EPS and (A/E))	1.58	1.17
Adjusted EPS (B/D)	1.59	1.58
Diluted adjusted EPS (minimum of ordinary EPS and (B/E))	1.57	1.56
Diluted adjusted EPS in constant currencies	1.59	1.55
Adjusted free cash flow per share (C/D)	1.74	1.70
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and (C/E))	1.72	1.68

1) In millions of shares.

Summary of non-benchmark items

(in millions of euros)	*Full Year* 2014	2013
Included in 'other operating income and (expense)':		
Divestment related results	10	47
Additions to acquisition integration provisions	(5)	(6)
Transactional tax on internal transfers	(5)	-
Acquisition related costs	(11)	(6)
Fair value changes contingent considerations	4	4
Total non-benchmark income/(costs) in operating profit	**(7)**	**39**
Included in total financing results:		
Divestment related results on equity-accounted investees	-	12
Revaluation gain on equity-accounted investee following step acquisition	76	-
Employee benefits financing component	(5)	(5)
Result on divestment of investment available-for-sale	(14)	-
Write-down of investments available-for-sale	-	(18)
Total non-benchmark income/(costs) in total financing results	**57**	**(11)**
Total non-benchmark items before tax	**50**	**28**
Tax on non-benchmark items	5	(22)
Non-benchmark items, net of tax	**55**	**6**

Benchmark tax rate

(in millions of euros, unless otherwise stated)	*Full Year* 2014	2013
Income tax expense	38	137
Tax benefit on amortization of publishing rights and impairments	67	63
Tax benefit on previously divested assets	112	-
Tax impact on consolidation of platform technology	(40)	-
Tax benefit/(expense) on non-benchmark items	5	(22)
Tax on adjusted profit before tax (F)	**182**	**178**
Adjusted net profit (B)	470	467
Adjustment for non-controlling interests	2	2
Adjusted profit before tax (G)	**654**	**647**
Benchmark tax rate (F/G) (%)	**27.6**	**27.6**

Cash conversion ratio

(in millions of euros, unless otherwise stated)	*Full Year* 2014	2013
Adjusted operating profit (H)	768	765
Amortization and impairment of other intangible assets	110	101
Depreciation of property, plant, and equipment	30	31
Adjusted EBITDA	**908**	**897**
Autonomous movements in working capital	4	(22)
Capital expenditure	(148)	(148)
Adjusted operating cash flow (I)	**764**	**727**
Cash conversion ratio (I/H) (%)	**100**	**95**

Return on invested capital (ROIC)

(in millions of euros, unless otherwise stated)	*Full Year* 2014	2013
Adjusted operating profit (H)	768	765
Allocated tax	(212)	(211)
Net operating profit after allocated tax (NOPAT) (J)	**556**	**554**
Average invested capital (K)	6,525	6,394
ROIC-ratio (J/K) (%)	**8.5**	**8.7**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros)	*Full Year* 2014	2013
Revenues		
Legal & Regulatory	1,497	1,447
Tax & Accounting	946	965
Health	816	775
Financial & Compliance Services	401	378
Total revenues	**3,660**	**3,565**
Operating profit		
Legal & Regulatory	246	311
Tax & Accounting	179	178
Health	162	140
Financial & Compliance Services	33	30
Corporate	(51)	(40)
Total operating profit	**569**	**619**

Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014.

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	*Full Year* 2014	2013
Profit for the year attributable to the owners of the Company		
From continuing operations (A)	473	352
From discontinued operations (B)	-	(7)
Profit for the year attributable to the owners of the Company (C)	**473**	**345**
Weighted average number of shares		
in millions of shares		
Outstanding ordinary shares at January 1	301.9	301.9
Effect of issued shares	-	-
Effect of repurchased shares	(6.0)	(6.2)
Weighted average number of shares (D) for the year	**295.9**	**295.7**
Basic EPS from continuing operations (€) (A/D)	1.60	1.19
Basic EPS from discontinued operations (€) (B/D)	-	(0.02)
Basic EPS (€) (C/D)	1.60	1.17
Diluted weighted average number of shares		
in millions of shares		
Weighted average number of shares (D)	295.9	295.7
Long-Term Incentive Plan	4.0	3.8
Diluted weighted average number of shares (E) for the year	**299.9**	**299.5**
Diluted EPS from continuing operations (€) (minimum of basic EPS and [A/E])	1.58	1.17
Diluted EPS from discontinued operations (€) (minimum of basic EPS and [B/E])	-	(0.02)
Diluted EPS (€) (minimum of basic EPS and [C/E])	1.58	1.15

Note 8 Acquisitions and Divestments

Acquisitions
Acquisition spending in 2014 was €178 million (2013: €192 million), including deferred and contingent consideration payments of €18 million (2013: €2 million). Acquisition related costs amounted to €11 million in 2014 (2013: €6 million). Acquisitions made in 2014 had annualised revenues of €76 million and adjusted operating profit of €18 million.

In 2014, the following significant acquisitions were completed:

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

On April 7, 2014, Wolters Kluwer Corporate Legal Services completed the acquisition of 62% of the shares of Third Coast Holdings, Inc. which it did not already own. Third Coast Holdings is the parent company of Datacert, one of the world's leading providers of enterprise legal management solutions, including legal billing and matter management solutions, serving corporate general counsel and law firms. Datacert serves more than 120 corporations in over 140 countries and has approximately 330 employees. The purchase price consideration for 100% of the shares was €230 million, of which €142 million was paid in cash for the part of the shares which Wolters Kluwer did not already own. The entity had annualized revenues of approximately €49 million in 2014.

On September 1, 2014, Wolters Kluwer Legal & Regulatory Solutions completed the acquisition of LexisNexis legal business in Poland and simultaneously the divestment of its Canadian legal publishing activities. The acquisition extends our portfolio of digital information offerings for the Polish law firm, government, and corporate segments. The Canadian legal assets sold include print and digital information products for law firms, corporate counsel, and human resources professionals.

On September 16, 2014, Wolters Kluwer Tax & Accounting completed the acquisition of Dingxin Chuangzhi, a leading Chinese audit software provider for professional accounting firms, based in Beijing. The acquisition aligns with Wolters Kluwer's strategy to expand its leading, high growth position in tax and accounting software and broadens the existing Wolters Kluwer China tax and accounting product portfolio. Dingxin Chuangzhi has 50 employees and serves over 1,000 clients in the Greater China region.

Acquisitions

(in millions of euros)	*Full Year*	
	2014	2013
Consideration payable in cash	178	202
Fair value of previously held equity-accounted investee	88	3
Non-controlling interests	-	3
Deferred and contingent considerations	6	33
Total consideration	**272**	**241**
Non-current assets	223	171
Current assets	33	22
Current liabilities	(35)	(17)
Deferred tax liability	(76)	(53)
Fair value of net identifiable assets/(liabilities)	**145**	**123**
Goodwill on acquisitions	**127**	**118**
Cash effect of acquisitions:		
Consideration payable in cash	178	202
Cash acquired	(18)	(12)
Deferred and contingent considerations paid	18	2
Acquisition spending, net of cash acquired	**178**	192

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

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

Contingent consideration
The acquisitions completed in 2014 resulted in a maximum undiscounted contingent consideration of €9 million. The fair values of the 2014 contingent considerations amount to €3 million as at December 31, 2014.

Divestment related results on operations, equity-accounted investees, and investments available-for-sale

(in millions of euros)	*Full Year* 2014	2013
Divestments of operations:		
Consideration receivable in cash	11	59
Consideration receivable	**11**	**59**
Non-current assets	2	15
Current assets	0	2
Current liabilities	(3)	(11)
Provision for restructuring commitments	-	(2)
Deferred tax liability	-	(1)
Non-controlling interests	-	(1)
Net identifiable assets and (liabilities)	**(1)**	**2**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	-	1
Book profit/(loss) on divestments of operations	**12**	**58**
Restructuring of stranded costs following divestments	-	(9)
Curtailment gain on employee benefits	-	1
Divestment expenses	(2)	(3)
Divestment related results, included in other operating income and (expense)	**10**	**47**
Divestments of equity-accounted investees and investments available-for-sale:		
Consideration receivable in cash	-	35
Fair value of divested equity-accounted investee	88	-
Carrying value of equity-accounted investee	(12)	(23)
Carrying value of investments available-for-sale	(14)	-
Divestment related results included in financing results	**62**	**12**
Cash effect of divestments:		
Consideration receivable in cash	11	94
Received/(paid) corporate income tax	18	(31)
Receipts from divestments, net of tax	**29**	**63**

In 2014, the Group gave up the 38% stake in Datacert, previously held as an equity-accounted investee, as part of the 100% step acquisition of this entity. The fair value of this equity interest immediately before acquisition date was €88 million. The (non-cash) revaluation gain of €76 million on the 38%-minority interest was triggered by the purchase of the remaining 62% in April, 2014 (as part of the step acquisition) and is recognized in financing results.

Divestment related results also include the book gain on the divestment of our Canadian legal assets as part of the LexisNexis transaction.

The corporate income tax received of €18 million in 2014 mainly relates to the reduction in tax payments related to previously divested assets.

In 2013, other operating income and expense included a total book gain of €47 million on the divestment of Best Case Solutions. In addition, the 2013 financing result included a book gain on the sale of an equity-accounted investee, AccessData.

Note 9 Provisions for Restructuring Commitments

Provisions for restructuring commitments

(in millions of euros)	*Full Year* 2014	2013
Position at January 1	10	4
Add: short-term commitments	33	58
Total at January 1	**43**	**62**
Movements:		
Additions to provisions for restructuring	32	23
Additions to provisions related to discontinued operations	0	3
Total additions	32	26
Appropriation of provisions for restructuring	(43)	(33)
Disposal of discontinued operations	0	(10)
Divestments of operations	0	(2)
Exchange differences and other movements	1	0
Total movements	**(10)**	**(19)**
Total at December 31	33	43
Less: short-term commitments	(30)	(33)
Position at December 31	**3**	**10**

The additions in 2014 include €27 million of restructuring charges related to the increase in restructuring announced at the beginning of the year, mainly in Tax & Accounting and Legal & Regulatory.

Appropriations in 2014 include €30 million relating to operational restructuring. The remainder of the appropriations are related to spending on acquisition integration and Springboard provisions.

Note 10 Issuance, Repurchase, and Repayments of debt

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

In May 2014, Wolters Kluwer issued a new ten-year Eurobond of €400 million. The bonds have been priced at an issue price of 99.164 per cent and will carry an annual coupon of 2.500%.

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

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	December 31, 2014	December 31, 2013
Gross debt:		
Bonds	1,875	1,479
Private placements	384	384
Other long-term loans	8	7
Deferred and contingent acquisition payments	6	23
Total long-term loans	2,273	1,893
Derivative financial instruments	31	16
Total long-term debt	2,304	1,909
Borrowings and bank overdrafts	125	117
Short-term bond	-	700
Deferred and contingent acquisition payments	21	18
Derivative financial instruments	2	0
Total short-term debt	148	835
Total gross debt	**2,452**	**2,744**
Minus:		
Cash and cash equivalents	(535)	(755)
Collateral	(20)	-
Derivative financial instruments:		
Non-current receivable	-	-
Current receivable	-	(1)
Net debt	**1,897**	**1,988**
Net-debt-to-EBITDA ratio	2.1	2.2

Note 11 Share Buy-Back, Equity issuance, Dividends, LTIP

On October 7, 2014, the Company completed its previously announced share buy-back program. For the full year 2014 the Company repurchased 1,180,565 ordinary shares, for a total consideration of €25 million (average purchase price per share €21.18).

In 2014, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued.

The annual dividend over the 2013 financial year totalled €207 million (2012: €205 million) and was paid in May 2014. The 2013 dividend per share was €0.70 (2012 dividend per share: €0.69).

The LTIP 2011-13 vested on December 31, 2013. Total Shareholder Return (TSR) ranked eight relative to its peer group of 15 companies, resulting in a pay-out of 75% of the conditional base number of shares awarded to the Executive Board and a pay-out of 100% of the conditional number of shares awarded to Senior Executives. The EPS performance for LTIP 2011-2013 resulted in a 150% pay-out for the Executive Board. A total number of 1,062,797 shares were released on February 20, 2014.

The LTIP 2012-14 vested on December 31, 2014. Total Shareholder Return (TSR) ranked sixth relative to its peer group of 15 companies, resulting in a pay-out of 100% of the conditional base number of shares awarded to the Executive Board and Senior Executives. The EPS performance for LTIP 2012-2014 grant resulted in a 150% pay-out for the Executive Board and Senior Executives. A total number of 1,582,983 shares will be released on February 19, 2015.

Under the LTIP 2014-16 grant, 1,218,821 shares were conditionally awarded to the Executive Board and Senior Executives in 2014. In 2014, 255,746 shares were forfeited under the outstanding long-term incentive plans.

At December 31, 2014, the Executive Board jointly held 137,436 shares (2013: 123,350 shares), of which 123,350 shares (2013: 123,350 shares) were held by Ms. McKinstry and 14,086 shares (2013: nil shares) by Mr. Entricken.

Divisional Supplemental Information – Year ended December 31

(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Change** Organic	Acquisition/ Divestment[1)]	Currency
Legal & Regulatory					
Revenues	1,497	1,447	(12)	68	(6)
Adjusted operating profit	305	313	(20)	12	0
Adjusted operating profit margin	20.3%	21.6%			
Tax & Accounting					
Revenues	946	965	24	(36)	(7)
Adjusted operating profit	250	259	(7)	(2)	0
Adjusted operating profit margin	26.4%	26.8%			
Health					
Revenues	816	775	40	0	1
Adjusted operating profit	197	175	20	0	2
Adjusted operating profit margin	24.1%	22.6%			
Financial & Compliance Services					
Revenues	401	378	15	6	2
Adjusted operating profit	65	64	(1)	1	1
Adjusted operating profit margin	16.3%	17.1%			
Corporate					
Adjusted operating profit	(49)	(46)	(3)	0	0
Total Wolters Kluwer					
Revenues	3,660	3,565	67	38	(10)
Adjusted operating profit	768	765	(11)	11	3
Adjusted operating profit margin	21.0%	21.5%			

Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014. [1)] Acquisition/divestment column includes the contribution from 2014 acquisitions and 2013 acquisitions before these became organic (12 months from their acquisition date), the impact of 2013 and 2014 divestments, and the effect of asset transfers between divisions.

Divisional Revenues by Type – Year ended December 31

(in millions of euros, unless otherwise stated)	2014	2013	Δ	Δ CC	Δ OG
Legal & Regulatory					
Digital and services subscriptions	730	673	+9%	+9%	+2%
Print subscriptions	242	265	-9%	-7%	-9%
Other recurring revenues	55	55	-1%	0%	+3%
Total recurring revenues	**1,027**	**993**	**+3%**	**+4%**	**-1%**
Print books	134	140	-5%	-5%	-10%
CLS transactional	215	191	+13%	+13%	+7%
Other non-recurring	121	123	-1%	0%	-3%
Total Legal & Regulatory	**1,497**	**1,447**	**+3%**	**+4%**	**-1%**
Tax & Accounting					
Digital and services subscriptions	678	665	+2%	+3%	+4%
Print subscriptions	38	54	-29%	-27%	-4%
Other recurring revenues	135	131	+3%	+3%	0%
Total recurring revenues	**851**	**850**	**0%**	**+1%**	**+3%**
Print books	40	54	-26%	-26%	-7%
Other non-recurring	55	61	-10%	-9%	+4%
Total Tax & Accounting	**946**	**965**	**-2%**	**-1%**	**+3%**
Health					
Digital and services subscriptions	498	439	+13%	+13%	+13%
Print subscriptions	60	67	-10%	-10%	-8%
Other recurring revenues	91	88	+3%	+2%	+2%
Total recurring revenues	**649**	**594**	**+9%**	**+9%**	**+9%**
Print books	115	128	-10%	-11%	-11%
Other non-recurring	52	53	-2%	-2%	-1%
Total Health	**816**	**775**	**+5%**	**+5%**	**+5%**
Financial & Compliance Services					
Digital and services subscriptions	249	239	+5%	+4%	+3%
Print subscriptions	1	1	-21%	-23%	-23%
Total recurring revenues	**250**	**240**	**+5%**	**+4%**	**+3%**
FS transactional	37	39	-5%	-5%	-6%
Other non-recurring[1)]	114	99	+14%	+13%	+11%
Total Financial & Compliance Services	**401**	**378**	**+6%**	**+6%**	**+4%**
Total Wolters Kluwer					
Digital and services subscriptions	2,155	2,016	+7%	+7%	+5%
Print subscriptions	341	387	-12%	-10%	-8%
Other recurring revenues	281	274	+2%	+2%	+1%
Total recurring revenues	**2,777**	**2,677**	**+4%**	**+4%**	**+3%**
Print books	289	322	-11%	-11%	-10%
CLS transactional	215	191	+13%	+13%	+7%
FS transactional	37	39	-5%	-5%	-6%
Other non-recurring	342	336	+2%	+2%	+3%
Total revenues	**3,660**	**3,565**	**+3%**	**+3%**	**+2%**

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth. Legal & Regulatory and Tax & Accounting include the net effect of the transfer of certain assets in Europe from Tax & Accounting to the Legal & Regulatory division in 2014. Revenue split by media type reflects updated product classifications introduced in 2014. [1)] Including license & implementation fees.

Wolters Kluwer

About Wolters Kluwer

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

Wolters Kluwer reported 2014 annual revenues of €3.7 billion. The group serves customers in over 170 countries, and employs over 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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

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

Financial Calendar

March 11, 2015	Publication of 2014 Annual Report
April 22, 2015	Annual General Meeting of Shareholders
April 24, 2015	Ex-dividend date
April 27, 2015	Dividend record date
May 13, 2015	First-Quarter 2015 Trading Update
May 13, 2015	Dividend payment date
May 20, 2015	ADR dividend payment date
July 29, 2015	Half-Year 2015 Results
November 4, 2015	Third-Quarter 2015 Trading Update
February 24, 2016	Full-Year 2015 Results

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Forward-looking Statements

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.