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PRESENTATION

Kevin Entricken - Wolters Kluwer NV - VP IR

Good afternoon, thank you joining us. I’m Kevin Entricken, Vice President of Investor Relations. I’d like to welcome you to the 2009 full year results presentation. This afternoon’s presentation will be delivered by Nancy McKinstry, CEO and Chairman of our Executive Board, and Boudewijn Beerkens, CFO and Member of our Executive Board. Also joining us is Jack Lynch, Member of the Executive Board.

Today’s presentation is being simultaneously webcast. For those of you that are joining us on the web you may use the icon on your screen to submit a question. I’ll then redirect your question to the Board. I’d like to ask you to read the forward-looking statement on page 2 of your presentation and also included in your press release.

So with that I’d like to turn the floor over to Nancy.
Thanks, Kevin. Welcome, everybody. It’s a pleasure to be here this afternoon to talk about our results for 2009. In addition to giving you a recap of our results I’ll also briefly summarize our strategy for maximizing value for customers. Then turn it over to Boudewijn who will give you our financial performance in more detail as well as the recap of our operating performance for each of our divisions. Then I’ll return to the podium and talk about our 2010 outlook and provide you with some summary remarks before we go to Q&A.

So let us begin. Wolters Kluwer delivered good operating performance in 2009 despite continued challenge in economic conditions. Our resilient subscription portfolio delivered strong performance, underpinned by stable retention rates and solid growth in electronic and services subscription revenues. Revenues were in line with prior year in constant currencies while underlying revenues were off 3% due to the impact of the challenging economic conditions, which pressured our cyclical product line. We were however pleased to see stabilization in these product lines as we closed out last year.

The Company also delivered consistent profitability despite the impact of the economy on our higher margin cyclical product lines. This was driven by 8% growth in higher margin electronic products, contributions from prior year acquisitions and, of course, the contribution from our Springboard program which delivered in excess of our expectations.

Free cash flow was strong reflecting good year-end cash collections across all divisions and diligent management of our working capital. As a result net debt was reduced by 11%. Our strong free cash flow, as well as our solid operating margins, supports the continued investment of 8% to 10% of our revenues in future growth opportunities. Our strong financial position enables us to recommend an increased dividend of EUR0.66 per share.

I’m also pleased with our strategic accomplishments in 2009. Despite a challenging economic backdrop our past investments are clearly paying off. This is evidenced by the 3% organic growth that we saw in our online and software products. We delivered good growth performance in our health platform and grew our online and software revenues across Europe. We continue to expand in higher growth segments and geographies including global governance, risk and compliance, as well as China and India. Our investments in innovation continued and in 2009 we launched three major next generation platforms, two in tax and accounting and one in our health division.

2009 marked the completion of our three-year strategy. We have successfully transformed our portfolio by growing online and software solutions. We’ve extended our market positions into higher growth adjacent segments and we’ve leveraged our global scale to achieve operating efficiencies. In November of 2009 we launched our 2010 to 2012 strategy, maximizing value for our customers. This is an important next step in our evolution as a company and I’ll touch on that a bit more in a few slides.

Wolters Kluwer enjoys the benefit of a resilient portfolio. Recurring revenues, which include subscription and other non-cyclical products, make up over 70% of our total portfolio. Underlying recurring revenues were broadly in line with prior year. With stable retention rates across the business, subscription revenues demonstrated a solid performance compared with the previous year including 3% organic growth in electronic and services revenues.

Cyclical product lines, which make up almost 20% of our total revenues, declined 11%. This was due to contractions in the advertising and pharma promotion markets as well as declining transaction volumes in our corporate lending and our business formations product lines. And weakness in other cyclical product lines such as training and consulting.

Underlying book revenues, which make up approximately 10% of the total, declined 4% driven by soft demand across all divisions. Despite these conditions customers continued to demand integrated online and software solutions, which drove 8% growth in our electronic products. Today electronic revenues now comprise 52% of our portfolio, an increase over the 49% of last year.
Despite the challenges of the global economy Walters Kluwer delivered consistent profitability and ordinary EBITA margin. We met or exceeded the guidance on all of our key performance indicators. The portfolio is solid and resilient. Our 2009 financial performance demonstrates that the investment we’ve made in new products and in operational excellence initiatives are yielding good results.

Now I’d like to recap our strategy for maximizing value for customers. Our vision as the professional’s first choice remains core to our strategy. We are focused on helping our customers deliver results more efficiently. Our strategy for maximizing value for customers is an important next step in the transformation of Wolters Kluwer.

The strategy is focused on helping professionals deliver better results by providing them with superior information and intelligent solutions. As a result Wolters Kluwer can capitalize on key growth opportunities and expand our leading global market position. We will deliver against three strategic priorities. First deliver value at the point of use, second expand across processes, customers and networks, and three, raise innovation and effectiveness to through our global capabilities.

We have a strong foundation to execute this strategy to drive our growth. Our portfolio is resilient and transformed. Wolters Kluwer has significant global scale in all of our key markets. We are number one in the global tax and accounting market and we hold strong number two positions in health and legal and regulatory. We continue to see healthy growth in our higher margin online, software and services products lines.

And most importantly we see attractive growth opportunities in each one of our divisions. Particularly in segments where we have a significant competitive advantage such as in the clinical decisions support segment of our health business. Our leading market positions, our investments in the business, and our solid financial position provides support for our long term growth ambitions.

We have grown our investments in new and enhanced products by 14%. These investments have been critical for driving our online and software growth through both the launch of innovative products as well as in platforms such as OvidSP, IntelliConnect and the next generation of ProSystem fx.

Our strategic focus is to produce better results for customers through superior information and intelligent solutions. While high quality proprietary information will always remain at the core of our product offerings, we are more and more building tools and solutions that are designed to help our customers by reducing complexity, enhancing the accuracy of their decision making and improving their productivity. Over time we’re moving more and more towards producing intelligent solutions and collaborative networks which help our customers produce better results by connecting them with their clients and other stakeholders that they need to interact with in order to accomplish their work.

Very importantly our strategy is market driven. Our customers today are facing significant growth in legal regulations as well as greater enforcement of compliance requirements. As a result our products need to provide them precise, high quality information that will help them manage this complexity. In addition, our customers are focused on delivering their own results very efficiently. As a consequence of that they are looking for us to help them provide them with tools that increase their productivity.

Finally our professionals live in a connected world. In this context we are developing applications that allow our customers to connect to our tools independently of where they are. This combination of unique information and intelligent solutions allows Wolters Kluwer to generate better results for our customers.

A key focus of our strategy is to deliver value at the point of use. Here’s an example from our US law and business unit. The product is called Emanuel ExamEdge, and it simulates the actual multi-choice exam that law students take in order to pass the bar review in the US. This product takes our high quality content and builds it into an interactive application for the iPhone. This enables the law student to study for the exam anywhere at any time. The value proposition is focused on delivering a
successful outcome for the student rather than just delivering information. And it provides the student with an answer whenever and wherever they need it. This ability to deliver value at the point of use is a key component of our strategy for growth.

Expanding our solutions across customer processes and networks is also a core priority within our strategy. Through our integrated products we add value by automating tasks, providing intelligence through content linking, and connecting customers with other stakeholders. Customers who use our intelligent products achieve better results through increased accuracy, enhanced compliance and of course improved productivity.

Following the transaction flow of our customers also provides Wolters Kluwer with a roadmap for expanding our value propositions whether these new activities are delivered through organic expansion, through partnerships with other providers or through acquisitions.

Here’s an example of the activities that are associated with procuring a mortgage in the United States. This example comes from our financial services unit. They provide information and intelligent solutions which help our customers manage the workflow of a mortgage from the moment the customer comes into the bank to ask and inquire about a mortgage, all the way through the completion and the servicing of that mortgage. By providing our customers with an end-to-end solution we increase customer satisfaction and retention and therefore drive profitable growth at Wolters Kluwer.

A third leg of our strategy is to raise innovation through global capabilities. To that end we have launched IntelliConnect in the US, Australia, New Zealand, Singapore, Malaysia, China and India. IntelliConnect is built off of our global Atlas platform and it allows us to leverage common development across the business. This does two things for us, it increases our speed to market with new capabilities and, of course, it lowers our costs to develop and serve our customers with online products.

Our global capabilities will also help us gain further operational efficiencies. The global back office initiative within our Springboard program builds on our efforts to standardize and simplify our core systems and processes. In short we are moving functions that do not create value for our customers, and do not provide Wolters Kluwer with a competitive advantage, to our global shared services organization where they can leverage scale to get better cost efficiencies.

Our strategy will deliver higher value for our customers and as a result higher value for our shareholders. We will leverage our market positions through global platforms and products, which will increase customer satisfaction and productivity. By growing online and intelligent solutions we also increase customer retention, which will accelerate our growth potential.

Our strategy for maximizing value for customers supports double digit growth in online and software revenues over the medium term. Online software and service revenues are also expected to grow to be at least 75% or more of our total portfolio. We expect ordinary EBITA margins will steadily improve over the medium term as our portfolio continues to shift towards higher margin electronic products. Additionally, our operational excellence initiatives, including Springboard, will continue to underpin support of our margin expansion.

Ordinary EBITA and ordinary earnings per share will improve continuously over this period in constant currency. Our free cash flow is expected to remain strong and to be equal or greater than EUR400m, reflecting the resiliency and the growth within our customer base. And finally our return on invested capital will exceed 8%.

So with those remarks I’d now like to turn it over to Boudewijn, who will give you more details on our financial performance as well as a recap of each one of our divisions.

**Boudewijn Beerkens - Wolters Kluwer NV - CFO**

Thank you, Nancy. Wolters Kluwer’s solid financial performance is evidence of its resilient portfolio and strong fundamentals. Revenues grew 2% over the prior year and our stable subscription portfolio provided support during these challenging times.
As expected cyclical revenues were pressured due to economic conditions. Despite these conditions profitability was consistent with the prior year. The Company delivered a 20% ordinary EBITA margin in line with our guidance. Free cash flow was strong, EUR424m growing 7% over the prior year, exceeding guidance. And diluted ordinary earnings per share was EUR1.45 in actual currencies and EUR1.41 in constant currencies, in line with guidance.

Each division of the Company demonstrated solid performance. This performance was driven by strong growth in higher margin electronic products, the contribution of key strategic acquisitions completed in the prior year including UpToDate, IntelliTax and Addison and project Springboard. The benefits of the currency movements also contributed to growth as the average euro dollar rate moved from $1.47 in 2008 to $1.39 in 2009.

Performance in Health & Pharma Solutions was improved from previous years demonstrating the payoff of restructuring efforts in that division. LTRE performance was impacted more than the North American businesses given the fact that the economic slowdown started later in the European region. Despite challenging market conditions I’m pleased with each division’s contribution, which allowed the Company to deliver stable profitability.

Health & Pharma Solutions continued to make progress in the second half. Recurring revenues grew 2% organically. This was driven by electronic and service subscription product growth. Medical Research and Clinical solutions each delivered high single digit organic growth. UpToDate also contributed strong to revenue growth delivering double-digit growth. Total revenue growth was impacted by the effect of the economy on our cyclical product lines. These included advertising and pharma promotional products.

While challenging, the decline in our journal advertising was less than the overall industry. Books revenues were down reflecting the impact of moving our online sales from a traditional wholesaler channel to an online distribution partner. As you know traditional wholesalers purchase inventory in advance while our new online partner orders on a just in time basis. This created a timing effect on orders in 2009. Excluding the timing effect revenues were in line with prior year.

The division continued to invest to drive future growth and strengthen its market positions. UpToDate expanded its leading position in clinical decision support by adding new specialty areas such as neurology and expansion of its mobility offerings. Ovid delivered high single digit organic growth with particularly strong performance in Asia and the Middle East. Clinical Solutions grew its market position in hospitals by adding new customers to its ProVation software product line.

In 2009 ordinary EBITA grew 31%. The ordinary EBITA margin improves 240 basis points over the prior year. This improvement was driven by prior year restructuring programs, contribution from the Springboard project and the addition of UpToDate to the portfolio.

Corporate & Financial Services was impacted by the continued effect of economic cycle on transactional product lines. These products make up approximately one-third of the divisions revenue. This performance was partially offset by a 1% organic revenue growth in recurring subscription revenues. Growth in subscription revenues was driven by good customer retention.

CLS cyclical revenues includes transactions related to M&A, IPO and UCC Lien searches. Revenues were down double digits due to reduced volumes. Similarly financial services transactions were off 2% year on year, while mortgage transactions delivered growth over the period -- over the prior year, indirect lending volumes continued to be challenging.

The division continued to grow its customer base and leading position in 2009. CT TyMetrics metrics extended its leadership in software as a service solution for legal customers. Financial services extended its leadership position through a series of new tools to help financial institutions address new regulatory changes. Additionally, good performance was delivered by the financial services, securities and insurance product lines.

The division’s 2009 ordinary EBITA margin was 25% as compared to 28% in the prior year. The impact of lower high margin cyclical revenues was partly offset by the contribution of Springboard program and diligent cost measures.
Tax, Accounting & Legal also showed resilient performance in recurring revenues. Electronic subscription products including software and publishing delivered 4% organic growth. Print declined due to a weaker demand and as customers migrated to electronic solutions and software. Other non-cyclical revenues include software related services, tax form click transactions and bank products also experienced weaker demand.

As a result of the weak environment, weak economic environment, books and cyclical products declined. Strong performance in legal textbooks for the student market was offset by weaker professional sales in the business and tax market. Other cyclical revenues declined due largely to weakness in the HR, health and safety, training and consultancy services within the UK.

The US tax and accounting and Canadian market products delivered strong growth in software sales lead by the core tax products, Documents, Scan and TeamMate. Additionally the launch of the next generation ProSystem fx suite included software as a service versions. This new platform sets the stage for continued growth in electronic revenues. Law and business continued to deliver driving double-digit growth in workflow solutions. This included best-case solutions, software used by legal professionals for bankruptcy filings, and MediRegs software used by hospitals to document compliance with regulatory and care standards. Our legal education textbook business also delivered strong growth.

Despite challenging market conditions ordinary EBITA margins increased 50 basis points to 26%. This improvement was made possible by the contribution of the Springboard program and the addition of the higher margin IntelliTax acquisition to the portfolio.

Legal, Tax & Regulatory Europe also saw resilient recurring revenues and growth in electronic products. Revenues from electronic and service subscriptions delivered organic revenue growth of 4%. The Addison acquisition also contributed to growth. Overall recurring subscription revenues benefited from stable retention rates and good electronic product performance. New sales of subscriptions were pressured by the weak economy.

Print declined due to weaker demand and as customers migrated to electronic solutions and software. The division was also impacted by the economic effect on its transactional product lines, which include books, advertising and other cyclical. Transactional products make up 13% of total revenues. Advertising declined largely impacting France and the Netherlands. Other cyclical products, which include training, consulting and transport services businesses declined across Europe. Book sales saw weaker demand as professionals delayed purchases.

The division continued to strengthen its leadership positions by expanding its workforce solutions. These advances included A3Equipo for human resources professional in Spain that provides software solutions for payroll. And SE compliance in Belgium, which provides legal compliance information and tools for safety and environmental professionals.

The division's ordinary EBITA margin was 20%, slightly off from the prior year. Revenue weakness in the higher margin transactional product lines was offset by the contribution of the higher margin Addison acquisition, the Springboard program, division restructuring actions and diligent cost measures.

Clearly, Springboard has been a positive contributor to our financial performance and I'm pleased with this progress. Execution of the program to date has exceeded our expectations. This early success allowed us to raise the total program savings last November. We've been able to accelerate the execution of several initiatives allowing us to pull forward savings from outer years into 2009. Increased program savings during the year was driven by sourcing initiatives, global shared services expansion, and additional business optimization initiatives in Europe. All divisions met or exceeded their expected saving targets during the year.

Total cost savings increased by EUR68m in '09 to EUR84m. Program costs incurred to support these savings was EUR70m and in line with our expected cost to savings ratio. Longer term, run rate savings are expected to reach EUR140m to EUR160m by 2011. The current performance of the program underpins our confidence in achieving our medium term goals. Non-recurring program costs of EUR220m to EUR240m through 2011 will be treated as exceptional costs.
Now a brief review of the profit and loss. Exceptional costs include EUR70m in restructuring expenses related to project Springboard and EUR10m in non-recurring cost of acquisition integration. Amortization increased in the period due to additions in intangible assets from acquisitions of the prior year. These acquisitions included UpToDate, Addison, and IntelliTax.

The Company recorded an impairment loss of EUR203m in the third quarter. The charge is related to weaker market conditions resulting in lower expected long term growth rates. Advertising, training and pharmaceutical promotion market was primarily affected. This non-cash charge has no impact on the diluted ordinary earnings per share.

Finance expenses were in line with the prior year. Higher cost of funding, as a result of prior year’s refinancing and a higher average net debt, was offset by favorable currency movements. The effective tax rate decreased to 3% in ’09 from 18% in ’08. This resulted from lower profit in relatively high tax countries, the release of tax provisions and a onetime benefit from the Italian substitute tax. And as a result profit from the continuing operations was EUR110m driven by higher amortization and exceptional costs as well the impairment loss.

I’m also quite satisfied with the robust delivery of free cash flow. This demonstrates our financial diligence and confirms that our focus on working capital management pays off. Free cash flow grew 7% to EUR424m. Improvement in the autonomous movement in working capital is mainly the results of strong collection results at the close of the year. This offset higher financing payments related to refinancing activities of the prior year. And as a result cash flow from operating activities was broadly in line with the prior year.

Capital expenditures were slightly down as compared to last year but continue to be approximately 4% of revenue. Non-product related expenditures were down in the year while spending on product development initiatives increased compared to 2008. And I’m pleased with the improvement of cash conversion to 96% in the period.

In closing, I would like to highlight Wolters Kluwer’s solid financial position. We are realizing stable performance in the core recurring revenues despite the challenging economic backdrop. Higher margin electronic revenue growth, acquisitions, Springboard and the stringent cost containment measures continue to drive resilient profit margins. Our free cash flow generation also continues to be strong. We have reduced our net debt by 11% during 2009, reducing the net debt to EBITA ratio to 2.9 times from 3.2 times in the previous year. This is in line with management intention to move closer of its target of 2.5 times over the medium term.

Looking at our net debt maturity profile prior year refinancing initiatives have pushed out maturities beyond 2013, increased liquidity and improved headroom which is currently in excess of EUR800m, well above the EUR500m threshold. And as a result we have a comfortable financial position for 2010 and beyond. Our balance sheet will continue to support the execution of our strategy to maximize value for customers and for shareholders.

Thank you, and with that I turn the floor back to Nancy.

Nancy McKinstry - Wolters Kluwer NV - CEO

Thank you, Boudewijn. I’d now like to give you are views on our outlook for 2010. As we mentioned, we began to see stabilizing market conditions at the close of 2009. While customers continue to be cautious about incremental spending, the negative trends in the cyclical product lines began to ease at the end of last year. So as we look forward to 2010 Wolters Kluwer expects market conditions will continue to stabilize with a slow but steady economic recovery.

North America business units are likely to see an earlier recovery compared to Europe where we continue to see that improvement will be a bit uneven on a country by country basis. Subscription products and other recurring revenues are expected to benefit from stable retention rates, partially offset by the impact of weaker 2009 new sales. Cyclical revenues are expected to stabilize
in 2010 with the exception of advertising and our books product lines are also expected to stabilize. We also expect that electronic revenues will continue to show good growth as customers demand online information and software solutions to drive efficiency.

The ordinary EBITA margin is expected to be 20% to 21% underpinned by the migration of our revenues towards more profitable electronic products and the continuing contribution from our project Springboard. Free cash flow will also continue to be strong and is expected to be EUR400m or greater. Ordinary earnings per share is expected to be between EUR1.41 and EUR1.45, and will be impacted by higher effective tax rates and higher finance expenses.

In summary, I'm pleased that Wolters Kluwer continues to show good resilience in 2009 despite the difficult economic conditions. While market contractions were felt, the fundamentals of our Company and we benefit from a diversified and defensive business. The strength of Wolters Kluwer is underpinned by our resilient portfolio, our growing online and software revenues, our strong and solid profitability, and our consistently strong free cash flow. Our transformed portfolio is well positioned for growth and we see significant growth opportunities in all the segments where we lead. Our solid financial position supports our growth ambitions.

I'm pleased that Wolters Kluwer is delivering value for our shareholders. If you look at the last several years it shows improvements in earnings per share, free cash flow, dividend per share and return on invested capital. With our portfolio transformed, and our focus on our strategy for maximizing value for customers, I'm confident that we will continue to maximize value for our shareholders as well.

Thank you very much and now we'll open for Q&A. Have to wait until I sit back down. Okay, Sami, please.

**QUESTIONS AND ANSWERS**

**Sami Kassab** - Exane BNP Paribas - Analyst

Thank you, Nancy. Good afternoon it's Sami Kassab, Exane BNP Paribas. I have a few questions if I may. The first one can you elaborate a little bit on the new sales activity in Q4 '09. We've heard other companies suggesting that subscription sales had diverted to growth. Can you comment on how the year ended for your new sales trend?

**Nancy McKinstry** - Wolters Kluwer NV - CEO

Yes, what we saw in the fourth quarter is two things. One is good retention across the board. We do a lot of our subscription retention activities in the fourth quarter. And two, we did see improved new selling we had in particular in our tax, US tax and accounting software product line in our TeamMate product line, which is a global product line, as well as clinical solutions and other software products.

So I would say that clearly it as improved but still obviously at overall lower levels than say 2007. But there was an easing in the customers' budgets as it relates to buying new products.

**Sami Kassab** - Exane BNP Paribas - Analyst

You say it was down versus 2007, was it down versus 2008 as well.
Nancy McKinstry - Wolters Kluwer NV - CEO

No, it was improved, in some of our segments it was improved over 2008. All I meant was that we clearly haven’t seen a recovery back to the boom years of 2007 but we’re clearly seeing an easing in the economic contraction.

Sami Kassab - Exane BNP Paribas - Analyst

Now, second question, given the improvement in the product mix, given what we heard from some of your competitors Thomson Reuters talking about 2012, do you think that a return to mid-single digit growth is something you’re confident about going into the outer years of the three-year plan?

Nancy McKinstry - Wolters Kluwer NV - CEO

We, as we indicated in the press release, we’re not giving specific organic growth guidance. But what we can say is that back in 2007 we achieved 4% organic growth, our portfolio is stronger and more resilient today. We have continued to invest in the business even during the economic downturn, so we have a number of next generation platforms that we've launched. We have a very robust pipeline of new products, and we have really reached the tipping point within the portfolio where more than 50% of our revenues now come from online and software.

So if I were to characterize the situation of the business, we are more resilient and healthier than we were back even in 2007. (multiple speakers) we’re confident in the future. And in addition to feeling good about our portfolio, the other thing that I think bodes very well for Wolters Kluwer is if you look at the macro trends that are affecting our customer group, the three things we see over and over again. One is more compliance regulation and enforcement, that is what we do well. I mean that is essentially our core value proposition. Two, we see greater globalization of our customers and we have a very substantial global footprint so that will help us.

And, finally, we see that all of our customers are really focused on productivity, and we’ve been building and marketing workflow tools and intelligent solutions now for many years. So we have a very strong product offering to meet those needs. So as we see conditions ease we’re quite confident in the long term growth prospects of the business.

Sami Kassab - Exane BNP Paribas - Analyst

Thank you. Last question if I may. Reed Elsevier mentioned a permanent step up in its CapEx through revenue ratios from 4% to 5%, what’s your outlook for your CapEx?

Nancy McKinstry - Wolters Kluwer NV - CEO

Boudewijn.

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Well, we have been pretty consistent in our story here, right. We invested 8% to 10% year-on-year and we continue to do so. Again just to put it in perspective, in relative terms we keep the debt level but given our revenue development the absolute numbers we invest year after year are also increasing. But we are confident that the 8% to 10% is more than enough.

Sami Kassab - Exane BNP Paribas - Analyst

So the CapEx to sales should remain around 4% in 2010?
Boudewijn Beerkens - Wolters Kluwer NV - CFO
Correct.

Sami Kassab - Exane BNP Paribas - Analyst
And lastly, the change in the impairment, the EUR200m impairment is due to your view on long-term growth rates being lower in three segments. I'm familiar with the advertising and the Pharma Solutions business or Pharma promotion business, I'm less familiar with the message on the Training segment. I know Training is small but can you comment as to why you've cut your long-term growth rate for the Training business?

Boudewijn Beerkens - Wolters Kluwer NV - CFO
Yes, it's we have also impaired our -- a small portion of our Russian business which was related to Training.

Sami Kassab - Exane BNP Paribas - Analyst
Okay, thank you.

Maurits Heldring - Fortis Bank - Analyst
Good afternoon. Maurits Heldring from Fortis Bank, Netherlands. Two questions. First one, in '09 we saw Print declining by 7% on an underlying basis, can you say what your expectation is for '010? Do you think that trend will level off or do you expect that to accelerate?

And the second question is on the margin expansion you see in '010, you see a slight margin expansion. You also stated that you expect the US business to lead the rebound and that tax rates will go up because of the higher profitability of higher tax countries, which I read as the US. So if we take this all together does that mean that the margin in the European business, LTRE will come down? I mean I know you don't give guidance on divisional level but maybe you can comment on my reasoning there? Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO
Okay. First on print. If you look at the print subscription business that declined by 7% there's really three things that drove that. One is we do see an acceleration of customers from print to online, so there were many of our larger customers that had multiple subscriptions of the same print product in addition to having full access to the equivalent online. So they dropped some of those multiple subscriptions in this economic downturn. Now that is a onetime event that won't continue.

Second thing, though, that we do see that will be in decline is that customers in some of our other product lines, like HR and what we would call less must-have information, some of those customers again renewed at lower rates than we see in some of our core products. So we would expect that print will continue to decline, that's been an ongoing trend. But that the rate of decline would abate in 2010 and beyond because some of these onetime factors. We also expect print -- sorry books, which is still largely a print business, that will, we expect that that will stabilize in 2010.

Now on the margin expansion, as we did indicate, we expect that North America will lead the recovery from an economic perspective. And, as you noted, our margin is -- margins are higher in the US. What that means for Europe is that Europe, we
anticipate that they will have stable margins year-over-year because we've been continuing to do a lot of things around global shared services and a lot of the Springboard activities. So we don’t expect major margin pressure within the European operation.

Okay? Yes, please, from the back.

Simon Wallis - ING - Analyst

This is Simon Wallis from ING. Two questions. The first is you've set an aspiration of about 75% of revenues coming from online software and services. I'm wondering how important a role will acquisitions play in achieving that aspiration, and what kind of level of investment spend you're going to need to get there? Or are we more talking about organic development?

Nancy McKinstry - Wolters Kluwer NV - CEO

Yes. We clearly are focused on organic development as the primary driver of our continued portfolio migration. If you look at the comparative number today, today we're at about 66% to 68% in those categories, so that would grow to the 75% or more. That will come largely from really four things happening. One is the continued migration of our customers from print products to online. Two is the consistent investments in, of 8% to 10%, in new products and enhanced products, again fuels greater average spending on the part of our customers.

Three, we have more and more global products that are being rolled out that again fall into those categories. And, finally, we anticipate over the next three years that the cyclical transaction products that are also electronic in nature will rebound from 2008 and 2009 level. The investments that we need to accomplish those goals remain at the 8% to 10% kind of numbers that we had mentioned earlier.

Simon Wallis - ING - Analyst

Great, thank you. One -- second question, slide 38, this is a little bit technical, but slide 38 mentions a return on invested capital of 8.5%, but it rebases the prior year. So could you just explain what you've done to rebase the historical ROICs please?

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes. We actually restated the ROIC to try to make our ROIC more in line with economic reality. And, as a result, we, what we exclude from the invested capital base are fully amortized assets who have, due to their -- the end of their amortization period, have no economic contribution any more to note back. Let me give you a very simple example. We have a platform that is going to be replaced by Atlas, our new Atlas global platform. Now we decommissioned that platform and it has no value whatsoever. So that platform has been completely amortized and, as a result, will be taken out of the equation.

In the meantime, of course, we have had -- we have invested heavily in building Atlas that -- those capitalized items are still of course part of the invested capital base, and will remain so. So, overall, we believe this is a better reflection of the true economics of return.

Michel Veul - SNS Securities - Analyst

Yes, several questions please. Michel Veul, SNS. I wonder could you maybe elaborate a little bit on the price rises for 2010? And I can remember you pointed to probably 3% in 2010, did it work out? And what else, I wonder could you maybe elaborate also on the average spend per existing customer to get us kind of feeling what's going on what happened in 2009 and what do you anticipate for next year, or for this year, please?
Nancy McKinstry - Wolters Kluwer NV - CEO
I didn’t catch -- could you repeat the last part of the question? I understood the price increase question but just the last (multiple speakers)?

Michel Veul - SNS Securities - Analyst
What -- the average spend of the existing customer base, basically is it in line with the price rises?

Nancy McKinstry - Wolters Kluwer NV - CEO
Okay. Sure. What we, as you know, we typically take our price increases in the fall of the prior year for the new year. In 2009, we set an average price increase, and of course we have thousands and thousands of products but 2% to 3% was our expectation. That reflects that, as part of our 8% to 10% investments in new and enhanced products, we are always adding new features and content sets, etc. to our products. So we enhance the value year-on-year. So we have been able to get those price increases throughout the renewal cycle.

Now, obviously we still have more months of 2010 but we do not anticipate that to be an issue. I would say that of course there were more conversations with customers around price and probably a bit more discounting at the high end of the market. But in aggregate we feel comfortable that we will realize the 2% to 3% in price.

Yes, Boudewijn, you want to do the second part of the question? The second part is on average spending per customer, yes.

Boudewijn Beerkens - Wolters Kluwer NV - CFO
(Multiple speakers).

Nancy McKinstry - Wolters Kluwer NV - CEO
This is really, the focus for us has been to continue to upsell and cross-sell our customer base, and it becomes much more attractive and efficient for us to do that when we have software products where we’re adding new modules that connect and work with the core product that the customer has. So if you look at our Tax and Accounting business for example, we’ve been able to raise the customer spending from about $5,000, say three years ago, to closer to $10,000 this past year. And that’s been because they’re buying more of these modules.

So, on average, the customer spend does -- is continuing to rise. Now, with that said, I would characterize 2009 as a relatively weak environment for new sales. So if you look at the average customer spend increase from ’08 to ’09 and ’09 to ’10, ’07 to ’08 was much higher and then it’s been a little bit less obviously since that period. But customers still are buying, particularly the newer solutions that we have that help them with the productivity, that help them connect themselves with their clients. Those have all been doing well in the marketplace.

Michel Veul - SNS Securities - Analyst
Thank you. Another question, if I may. It’s related to the Health business. The book business went down by 4% and you stated that that’s due to a change in the traditional wholesaler model to online distribution. I may be not correct, but I think you mentioned that that process has been finalized (inaudible) already during the half year results. Could you maybe tell us what happened with your market share in the respect the sell to and the sell-through?
And secondly, are the adjustments to -- related to the wholesalers now and distribution are now finalized, or is it still continuing?

**Nancy McKinstry** - Wolters Kluwer NV - CEO

Yes, do you want to go? Go ahead.

**Boudewijn Beerkens** - Wolters Kluwer NV - CFO

(Technical difficulty). But the -- what -- with the wholesalers we did indeed at half year make the cut over, but the key difference is, what I said in my speech, is that wholesalers, traditional wholesalers, normally order in advance for the following season. Online partners don't do that, they basically order nearly just in time. So we'll see a shift from '09 in '10 as the online partners order more directly.

**Nancy McKinstry** - Wolters Kluwer NV - CEO

But typically what would happen, just to make that a little bit more specific, is the wholesalers typically would order in November and December for the January school season. But, as Boudewijn indicated, with the online that just comes when the student's ordering, so you don't have that forward-buying process. But the issue that related to the overstocking of the wholesalers that we talked about at the half year, that's completely behind us.

Okay, I saw a question. Yes, please.

**Sander van Oort** - Kempen & Co - Analyst

Sander van Oort, Kempen & Co., Amsterdam. Three questions if I may. First on the marketing and sales as a percentage of sales, they went down from 18.9% to 18.3%. I was wondering can it be explained by the Springboard cost savings or is it just the lower media rates you're benefiting from? And is it therefore likely that the percentages -- that your rates will go up in '10 again?

Second question on the --- can you elaborate a bit on the developments in Europe on the country basis?

And, thirdly, on the acquisition integration costs can we expect some spillover in '10 or does this imply that now all the acquisitions have been fully integrated and these expenses will not reoccur again?

**Nancy McKinstry** - Wolters Kluwer NV - CEO

Okay. I will take the European question, and then ask Boudewijn to talk about marketing and sales as a percentage and the integration costs. On Europe, as you all know, we operate in 18 countries, and so if I look at our performance across Europe we grew our online and software products well throughout the European countries, despite the difficult economic circumstances. So you'll notice that we had 4% organic growth in electronic and service subscriptions. So what you're seeing is that, again, we've reached this tipping point in Europe where more than 50% of the revenues now in Europe are online and software.

Where we saw the strongest effect of the economy is on advertising, which is predominantly in the Netherlands and in France. We also saw the economic cycle affect book sales really across Europe and things like training and consulting. If you look at it regionally, Central and Eastern Europe continued to grow organically. Germany continued to also grow well. Where the -- that's sort of on the top, the upper end. Where we saw weakness is in Spain and Italy, very much driven by the economic cycle there. So that's the -- and then countries that I didn't mention would fall somewhere in the middle.
And as we come out of -- as we are seeing stabilization and we expect recovery, we expect that to be uneven in Italy where we expect Northern and Central Europe to do -- recover more quickly. We're not expecting that we see much recovery in the Southern part of Europe in 2010. Boudewijn, on --

**Boudewijn Beerkens - Wolters Kluwer NV - CFO**

Yes. The marketing sales cost are primarily, as a percentage of revenues, slightly lower due to the fact that we had lower sales commissions given the current economic environment. And, secondly, given the pressure on new sales, in certain cases people were actually retiming their marketing costs when they felt that our -- the customer base was not ready for, let's say, a new innovative solution, given the fact that we saw some pressure on the new sales, that they basically delayed those marketing campaigns into a later stage. Those were actually the two main contributions to a slightly lower percentage. But if you see in absolute terms the differences year-on-year are marginal.

On the question on the acquisition integration costs, we'll, you will continue to see acquisition integration costs year after year as Wolters Kluwer on average is -- we'll always do a few acquisitions year-on-year. I think -- and this number is slightly high, given the fact that we did large acquisitions in 2008. An addition you will see in the future is the change in IFRS in relation to the costs associated with doing transactions. As you know, in the past they were all part of the deal cost. Now they have to be expensed, so in that line you will also see deal-associated costs popping up in that -- on that -- in that classification.

**Hans Slob - Rabo Securities - Analyst**

Yes, Hans Slob, Rabo Securities. A couple of questions on your Health business. You saw that the Clinical Tools business gained some traction at the end of 2009, do you see that continuing into 2010?

And, secondly, on your Healthcare Analytics business, how is that performing? Is there still a lot of price pressure or -- and can you offset with new customers?

And, lastly, in the medium term do you still see a 20% margin attainable for your Healthcare business?

**Nancy McKinstry - Wolters Kluwer NV - CEO**

Okay. Hans, I did -- I missed the very first part of your first question. I'm sorry there's a little bit of echo.

**Hans Slob - Rabo Securities - Analyst**

Yes, the Clinical Tools business, if you see the -- (multiple speakers).

**Nancy McKinstry - Wolters Kluwer NV - CEO**

Clinical Tools, yes.

**Hans Slob - Rabo Securities - Analyst**

-- positive momentum continue in 2010.
Okay. Sure. The three questions. On Clinical Solutions, we continued to see very good growth both in our UpToDate business that grew at double-digit levels, which is now integrated within Clinical Solutions. As well as the core Clinical Solutions business grew at high single digit organic level, largely driven by the expansion of our ProVation product lines into things like order sets for hospitals. As well as in the Medi-Span area, which is a drug database product that’s sold into the – into pharmacies. So we still see that there is some pressure on hospital budgets, but clearly there was an easing of that in the latter part of 2009 compared to the latter part of 2008.

In addition, we’re extremely well positioned in those markets in terms of having leading products. So we expect to see good growth continue in that group.

On Healthcare Analytics, they outperformed their largest competitor. They had slightly negative performance year-over-year relative to the largest person in the market that had, I think, minus 4% organic growth. And they were -- and what that shows you is that, while there’s still price compression on the core T&C business, we’re continuing to see good organic growth in the Brand Analytics and Managed Care product line.

The other thing is that business has stabilized, as we look at the pipeline, how many projects have they sold coming out of ‘09 into ’010. And the -- we call that scheduled revenue. If you look at the scheduled revenue coming into ’010, that level is higher than what it was when we came into ’09. So still a competitive business but we are clearly demonstrating our ability to compete there.

And then finally in our expectations on the margin side for Health has not changed. We still expect that in the medium term we can get the Health business to perform in line with the Wolters Kluwer average from a margin perspective.

Sorry. Yes please.

Thijs Berkelder at Petercam. A question on your, let’s say, cyclical revenues and specifically the transactional businesses in CFS. Overall, you’re saying on cyclical you expect a stabilization in 2010. Can you maybe be a bit more specific on the separate segments, what, let’s say, what do you see in the mortgage-related transaction business in the UCC Lien, and of course in the corporate lending information?

And then, maybe specifically also in H1 and H2, 2010, in the comparison base is of course changing rapidly during the year of 2010.

Okay, let’s see if I can add some color commentary as they say. If you look at our cyclical product lines there was a number of different components. There was the lending pieces, which include mortgage and direct lending in our Financial Services group. There was the UCC Lien and our corporate transactions in CLS. There’s advertising, which is mostly in Health and in Europe, and then there is training and other kinds of cyclical products. So if we take each of those in piece parts.

In the -- on the mortgage area, we did see improved year-over-year volume levels. That was partially offset, however, by continued low levels in indirect lending. Indirect lending is other consumer and commercial lending. That continues to be constrained in the market. So we are anticipating that, as we mentioned, that the cyclical pressure on those product lines will continue to ease throughout 2010. I think that will be a slow and steady recovery over the four quarters.
On the UCC part and the corporate part, we again did see some improved volume levels at the close of 2009. And we anticipate that we will see, again, a steady and measured improvement in those volumes throughout 2010. And then on advertising, we are expecting no real recovery either on the Health side or in Europe. We did do better than the industry numbers in both of those areas, but still double-digit declines were seen in those markets.

And then finally, on Training, we would expect that as customers feel more confident in making discretionary purchases that we will see again a steady improvement in the training market. But you should anticipate that it will be a gradual improvement over the four quarters in all of these areas, with the exception of advertising.

Yes, please.

**Cristina de Brenan - ING - Analyst**

My name is [Cristina de Brenan] from ING. My question is related to 2010 outlook and, specific to the EBITA margin, that Wolters Kluwer is impressively increasing its electronic revenues and the part in the total revenues. However, these are higher margins products but it’s not really reflected, in my opinion, in the forecast. So what is the reason behind that?

**Nancy McKinstry - Wolters Kluwer NV - CEO**

Okay. If you look at our margin guidance for 2010, we have -- are guiding 20% to 21% margins, which is an improvement over the guidance we gave you at the equivalent time last year of 19% to 20%. It reflects a couple of things on both sides of the ledger. On the positive, as you noted, we are clearly continuing to grow our online and software products faster than their equivalent print products. So we do get margin improvement from that mix shift.

Second, we continue to expect the contribution from Springboard that will positively affect that. Offsetting those two major factors would be the normal cost increases that we experience, particularly wage inflation which we do expect in 2010. As well as other costs that we would, again other suppliers of products and services to us.

**Boudewijn Beerkens - Wolters Kluwer NV - CFO**

To add to that, the reason also why we are confident that the growth in electronic products will continue, and therefore deliver the higher margin, also has to do with to an excellent point that Nancy mentioned, the globalization, right. As part of our strategy we will globalize sometimes some of our software products and online products more on a global basis, that will accelerate actually and will support our growth rate in that segment.

And secondly, where we said that the cyclical revenues we expect that to stabilize and a slightly up-tick compared to 2009, they carry very high margin and therefore also will benefit our EBITA in 2010.

**Kevin Entricken - Wolters Kluwer NV - VP IR**

Nancy, we have a few questions from our web participants. First, on Springboard. Are there areas of Springboard that have delivered the better results early on and now there are other areas of the program where further benefits can be realized later in the program? This comes from Tim Nollen of Macquarie.

**Nancy McKinstry - Wolters Kluwer NV - CEO**

Jack.
Jack Lynch - Wolters Kluwer NV - Member of the Executive Board

Yes, obviously we feel good about the progress we’re making in Springboard. I think, as Boudewijn pointed out, there are two areas that -- where we overachieved in Springboard. The first being in sourcing and the second being in business optimization. These are work streams where the time to capture the savings is less than the more IT-dependent transformational kinds of initiatives and multi-generation technology planning, content supply chain reengineering, offshoring, many of those programs are still under construction right now and will deliver savings in 2010, 2011.

Kevin Entricken - Wolters Kluwer NV - VP IR

Thank you. We've got some questions on interest charge and tax charge from Paul Gooden at RBS. What is the increase in the interest charge related to, the 10% increase?

And on the tax charge the guidance of 25% next year, is that a medium term guidance?

Boudewijn Beerkens - Wolters Kluwer NV - CFO

The increase in the interest charge is related to the fact that the 2010 interest charge is actually a normalized number. We had the benefit of currency movements in 2009 that actually brought down our financing charges. And therefore we consider that to be a one-off. And the fact that it's 10% higher of course has to do with the refinancing, the higher debt level and the higher average net debt. And as a result of that, of course, also higher financing costs.

On the effective tax rate of 25%, as you know, it’s a mix of profitability across the globe. So if we see, and it’s logical that we anticipate a slightly higher effective tax rate given the fact that the US and Anglo-Saxon countries probably will lead to recovery. And as a result we also anticipate higher profitability first in these countries. So I would feel comfortable to consider 25% as a medium term outlook number or percentage.

Kevin Entricken - Wolters Kluwer NV - VP IR

Thank you. We've got a question from Colin Tennant at Nomura. The acquisition margins, the margins on the acquisitions are quite high, 37%. Are those margins sustainable?

And a follow-up to that question, in LTRE it's -- the highest component of that business is -- continues to be print. What are the prospects of LTRE returning to growth?

Nancy McKinstry - Wolters Kluwer NV - CEO

Okay. In terms of the first question, Boudewijn, are you wanting to take that?

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes, sure.

Nancy McKinstry - Wolters Kluwer NV - CEO

Okay, and then I will talk about (multiple speakers).
Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes, we feel that the margins within the -- the margins from the acquisitions are sustainable. We feel very bullish about the acquisitions we made. They fit perfectly from a strategic perspective in our portfolio. And in many cases we also have been able to benefit from large synergies that we were able to achieve by integrating those businesses already in the existing product suites and existing portfolio. So in that sense the answer is clearly yes.

Nancy McKinstry - Wolters Kluwer NV - CEO

And if you look at the Europe, and you see that both in the presentation and in the press release, if you look at the components of our recurring revenue more than half now is coming from electronic and service subscriptions. So again we reached this, as we keep referring to, the tipping point where more of the business is coming from the higher margin, higher retained products. What that means is, if you recall all the large loose-leaf kind of products that existed within Europe, a large proportion of that has already migrated.

So the parts of the business that adversely affected the growth in Europe have been coming from the cyclical product lines. As well as the books business, which was again affected really by soft demand coming from the economy. So we anticipate in Europe that we will continue to see good organic growth in our online and services portfolio. We can -- we will see, we expect to see a stabilization in the books business. And, as we indicated on the cyclical part, particularly that that's tied to advertising, we're not expecting any improvement.

Kevin Entricken - Wolters Kluwer NV - VP IR

Nancy, we have a question from Paul Sullivan at Barclays. With regard to portfolio management, is there any room in the future for further disposals within the Group?

Nancy McKinstry - Wolters Kluwer NV - CEO

We are very pleased with the overall composition of our portfolio, so we -- you should not anticipate that there will be any major disposals. We go through, as you know, an annual planning cycle with all of our units. As a result of that we will often divest very small product lines where we see somebody else being a better owner than ourselves. That work will continue but you should not anticipate any major portfolio changes.

Kevin Entricken - Wolters Kluwer NV - VP IR

And a final question from Tim Nollen at Macquarie. In this recession has the migration from print to electronic accelerated? And what would that mean for the future decline in the print part of the portfolio?

Nancy McKinstry - Wolters Kluwer NV - CEO

What the -- we clearly have seen there's two kinds of print migration, right. There's the print migration of, again, these multi-volume loose-leaf products from print to online, and then there's our books business. What we've seen is that the migration from -- of the loose-leaf product did accelerate in the downturn, largely because of what I indicated before where many of our customers had multiple subscriptions of the same print product. And during the recession they dropped some of those subscriptions. We would anticipate that again that's a one-time event and we'll go back to slower levels of decline within the loose-leaf business.
On the books side, we continue to see that books will be a good business over the medium term. What you see in books is that a -- online books and some of the new e-readers, that's a very fast-growing area of the business but it's a very small base right now. So we still believe that there'll be a substantial book business for the next couple of years. Now what we guided in the medium term is that, in total, the print part of our portfolio would be 25% or less as we reach the end of the 2012 period. And that's predicated on, again, the gradual decline on the loose-leaf side, and still a good print part of the books business still remaining intact.

Kevin Entricken - Wolters Kluwer NV - VP IR
Thank you, Nancy.

Nancy McKinstry - Wolters Kluwer NV - CEO
Are there questions? Sure.

Sander van Oort - Kempen & Co - Analyst
Sander van Oort, Kempen. Two questions on the Springboard. First of all, and as a follow-up on the Health medium term potential, can we assume that when the Springboard cost savings plan has been finalized that also this [20%] margin is in reach as it's an underlying goal of Springboard cost savings plan to lift the Health margins to the Wolters Kluwer average?

And secondly, I'm a bit puzzled by the phasing of the cost savings because, if I remember correctly, in '08 you realized some EUR60m which was only achieved in the fourth quarter so there's a run-rate of EUR64m. In '09, you achieved EUR66m, and then, when looking at your targets, these cost savings are -- have dropped to EUR41m in '010 and then to EUR15m to EUR35m in '011. All right, I think that the double running costs should diminish going forward and also the benefits from the new platforms should increasingly kick in. And so what's explaining the lower cost savings in the next two years, whereas you would expect a ramp-up of these cost savings?

Nancy McKinstry - Wolters Kluwer NV - CEO
Okay. I'm going to hand off to Jack.

Jack Lynch - Wolters Kluwer NV - Member of the Executive Board
Yes. I think in the first question is regarding the Health margins, and as Nancy mentioned, really the margin improvement comes from three things. The contribution of acquisitions, our portfolio evolution from print, the higher growth, higher margin electronic products, and then Springboard. So those three factors will contribute to improving margins at Health.

The second question is I think the phasing of the savings over the Springboard program. And, as I mentioned earlier, we've overachieved in two of our -- the five work streams in business optimization and sourcing. But we still have IT dependent transformational programs that are in flight right now, so to speak, and will deliver savings in 2010 and 2011. So that's why you see good progress in 2008, 2009, but you'll see not the same pacing, if you will, from 2010 and 2011.

Nancy McKinstry - Wolters Kluwer NV - CEO
Yes, you have a question? Okay, well if there are none we thank you all very much. We have refreshments outside and we hope to see you there. So thank you for coming.