Okay, great. Thank you very much. Good morning, everyone. Thank you for joining us here today in Amsterdam and via the webcast. Welcome to our 2012 results presentation. Today’s presentation contains forward-looking statements and, of course, we caution that actual results may differ materially from what is stated in these forward-looking statements due to a number of risks and uncertainties, which you can see on page two.

So, without further ado, I’m going to hand over to the CEO of Wolters Kluwer, Nancy McKinstry.

Thank you, Meg. Welcome, everybody, happy to see you all here. I’m pleased to present our results for 2013 -- sorry, 2012, my goodness, already thinking ahead. As usual, I will give you a brief opening set of remarks on the results and then I will hand it over to Boudewijn Beerkens, our CFO, who will talk about the results in more detail. Then I’ll come back and talk a little bit about the strategy for the next three years. And then, of course, give you an outlook for 2013.

So, without further ado, we are pleased with our 2012 results as, despite the macro-economic challenge in Europe, we achieved positive organic growth of 1%. Our North American businesses saw an acceleration of growth to 4% organic. And our Online Software and Services revenues also grew 4% organically.

We increased our ordinary EBITA margin to 21.8% and we increased our ordinary free cash flow by 8%. Very importantly, we improved our leverage. And finally, as you’ll hear later today, we have set out our strategic priorities for the next few years.
So with those brief remarks I’ll now turn it over to Boudewijn who will talk about the results in more detail.

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Thank you, Nancy. Welcome, everyone. Let me take you through the numbers for 2012, starting with the financial highlights for the year.

Compared to 2011 revenues were up 7% in 2012, benefiting from a stronger dollar. In constant currencies revenue grew 2% and, despite the tough conditions in Europe, organic growth was up 1%. Ordinary EBITA increased by 8%, also supported by the stronger dollar. Excluding the effect of currency, EBITA was up 2% and stable on an organic basis.

The margin increased to 21.8% for the full year, following an improvement in the second half. Diluted ordinary EPS was EUR1.58, up 8%, and up 1% in constant currencies, in line with guidance. Ordinary free cash flow increased 15%, to over EUR500m, an increase of 8% in constant currencies.

The strong free cash flow helped to reduce our net debt by 4% and, combined with an increase in EBITDA, our net debt to EBITDA ratio improved to 2.4, which is better than the 2.5 target. In all, we performed in line with the guidance that we gave around this time last year.

So now let’s look at revenue and EBITA for the divisions.

Health and Financial Compliance Services performed very well in 2012. Both had double-digit revenue growth and accelerated their organic revenue growth to 5%. Our Legal and Regulatory division was affected by the economic conditions in Europe, which could not be completely offset by the growth we achieved in North America.

Tax and Accounting operational performance was relatively stable. In terms of ordinary EBITA Health was the star performer last year, achieving a double-digit increase in profit overall and on an organic basis. I will discuss the divisions in more detail later on.

So now let’s look at the revenue by type.

Our portfolio continues to shift towards Electronic products and away from Print. The current Electronic and Services revenue grew 5% at constant currencies and 3% on an organic basis. Print subscriptions continued to decline and now represent only 12% of Group revenue. Books revenue, the majority of which is Print, declined 4% organically.

What was notable about 2012 is the strong performance in certain transactional revenue streams. Corporate Legal Services transactions were up 9% organically, following a rebound in M&A volumes at the end of the year. This came on top of good growth in commercial lending volumes.

And we saw a 19% organic growth in Financial Services transactions, driven by the new and expanded contracts of mortgage document services, as well as a modest revival in refinancing volumes. Here in particular we are facing tough comparables as we enter 2013.

Let’s take a closer look at the divisions, starting with Legal and Regulatory.

Legal and Regulatory experienced 2% organic decline in revenues but managed to keep its margin stable. North America performed well, accelerating to 5% organic growth, with Corporate Legal Services leading the way with 6% organic growth. As mentioned, CLS benefited from the strong transactional revenue growth of 9%.

[Law] business, our US legal operations, was broadly flat last year. The unit has been launching new products, including, for example, RBSource, a new online solution for securities lawyers, which is performing well.

European revenues were affected by the economic conditions. Print products in particular suffered as customers keep an eye on their budgets. Despite the difficult conditions we managed to keep our margins stable as we offset wage inflation with Springboard savings and other restructuring benefits. In addition, the margin was also supported by currency and the continuing shift towards Electronic products and Services.
Turning to Tax and Accounting, Tax and Accounting saw a return to growth in the second half of 2012, boasting 1% organic growth for the full year. Organic growth was fuelled by a 5% growth in Tax and Accounting Software, which accounts for 56% of divisional revenues.

Tax Software products are growing in all geographies and in all customer segments. Software growth more than offset decline in Print publishing and the expected decline in US Bank product revenues.

The [EBITDA] margin also improved in the second half, ending up at 26.7% for the year. Year on year the margin was still down, reflecting investments in customer services in Europe, sales and marketing globally, underlying cost inflation and the impact from lower Bank product transactions.

Around the world we are investing in Cloud-based solutions. In the US we introduced the CCH Open-integration platform and in Asia Pacific we expanded our capabilities with the acquisition of Acclipse, which provides SaaS-based collaborative solutions for tax and accounting professionals.

Next our Health division. Clinical Solutions maintained its double-digit organic growth, driven by strong performance across the board, including UpToDate, Provation and the Drug Information businesses. This more than offset the weakness in hard-copy journals and books and supported the accelerated organic growth of 5% for the division.

The good revenue growth and the ongoing shift in higher-margin products, Electronic products, resulted in a strong rise in ordinary EBITDA, bringing the margin to nearly 22%, in line with the Group average.

The Health division has been in several innovative -- has been investing in several new, innovative products, including, for example, Provation Medical’s new automated order sets. And a few weeks ago we completed the acquisition of Health Language, a leading player in medical terminology management, which will become part of Clinical Solutions.

Finally, our Financial and Compliance Services division grew 5% organically as the result of several factors; double-digit organic growth at Everest Global, which is at the core of our regulatory reporting capabilities in our Finance, Risk and Compliance unit; strong growth also in the Originations and Compliance units on the back of new and expanded contracts for mortgage document services; and double-digit growth in the Audit, Risk and Compliance unit as it continues to expand its global customer base for its internal audit software product, TeamMate.

These strong performances more than offset weakness in our European Transport Services business. The divisional margin was broadly stable, reflecting investments to extend our global capabilities and the impact of lower freight postings in Transportation Services. The acquisition of FinArch in July further strengthened our leading position in regulatory reporting software, extending our reach to over 50 countries.

Now let’s turn to the P&L. Ordinary income before tax grew 3% at constant currencies, as the result of the increase in EBITA. Ordinary net income was flat and diluted our ordinary EPS was up 1% at constant currencies, in line with our guidance.

We absorbed an increase in our effective tax rate, which was the result of the rising proportion of profits from North America. For 2013 we expect the tax rate to be broadly in line with 2012. The weighted average number of shares was down slightly, as we completed our EUR135m share buyback in order to offset the dilution caused by the stock dividend and performance shares.

Now a few words on the IFRS figures. The main points to note are that amortization of acquired intangibles increased due to last year’s acquisitions and the effect of a stronger dollar. Non-benchmark cost includes exceptional Springboard cost, acquisition-related cost and gains or losses on disposals. This line fell sharply because there were no Springboard charges in 2012.

The total tax rate increased as the share of profits from North America grew. In discontinued operations we recorded a EUR22m loss, which included losses associated with Healthcare Analytics which we sold in May and the remaining pharma assets which is in process of being divested. Diluted EPS increased to EUR1.07, primarily due to higher operating profits and reduced losses in discontinued operations.

Now let’s turn to cash flow. Ordinary free cash flow increased 15% overall and 8% in constant currencies. Cash conversion was stronger than anticipated in the fourth quarter and rose to 99% for the year, compared to 98% in 2011. We expect the cash conversion ratio to revert to more
normal levels in 2013, around 95% to 96%. Lower financing and lower tax payments also supported the increase in free cash flow. This strong free cash flow allowed us to reduce our net debt.

In addition, the free cash flow was used to returns to shareholders in the form of dividends and share buybacks. Acquisition spends was EUR115m, much less than the prior year, and I will say more about that in a moment. The change in fair value of derivatives mainly relate to changes in currencies, the yen and the dollar, and movements in interest rates. Bottom line was an EUR82m decline in net debt, which helped lower our leverage ratio to 2.4.

On acquisitions there are two significant acquisitions in 2012, FinArch and Acclipse. The remaining acquisitions last year were small. We expect acquisitions to deliver an after-tax return on investments above our weighted average cost of capital within three to five years. And, as you can see from this slide, we expect the more recent acquisitions will create value much sooner. In aggregate, each year our acquisitions are EPS accretive in their first full year.

A few words on the balance sheet. The main items to notice here is the reduction in assets and liabilities following a weaker US dollar at the year end compared to 2011 and the decline in long-term debt as the result of the reclassification of the EUR225m perpetual bond to current liabilities, following the announcement today of our intent to call this bond in 2013.

Our balance sheet is very solid, so let’s discuss leverage. Our net debt to EBITDA ratio improved from 3.1 to 2.4 at year end. In fact, it was 2.35 to be precise. Our target remains 2.5. This is a level with which we are very comfortable, given the high level of recurring revenues and the strong free cash flow.

Today we announced our intention to issue a new benchmark Eurobond in order to take advantage of current low interest rates and to refinance our existing bonds. The proceeds of the new bond, if successful, will go partly to redeem our 2014 bond and our EUR225m bond perpetual. We expect the new funds to carry a lower interest rate than the perpetual. There will be a temporarily negative carry due to the overlap of the bonds, but starting in 2014 we expect to reduce our effective interest rate.

The chart on the right shows our maturity profile today. Following the bond issue we will have extended our -- most of our debt beyond 2017. This will create a well spread debt maturity profile, providing ample support for our strategy going forward.

Let me [show] you our dividend policy. We have proposed a dividend of EUR0.69 per share, in accordance with our progressive dividend policy. We also have decided to abolish the stock dividend option and this means we will pay all dividend in cash only, starting with the 2012 dividend.

This was a natural evolution of our decision last summer to buy up the dilution caused by the share issuance each year for the stock dividend. The end result will have no impact on cash flow and will, in fact, eliminate execution risk associated with buying back shares after the dividend dates. Furthermore, it’s the most cost effective and tax efficient way of ensuring that shareholders are not diluted.

As you will have seen, last year we repurchased EUR135m worth of shares to counter dilution from the stock dividend in performance shares. As we have now abolished the stock dividend option our anti-dilution policy requires us to only buy up dilution caused by our performance shares. At present we estimate that this will amount to share buybacks of up to EUR20m in 2013.

So, in summary, we are pleased with our 2012 financial performance; organic revenue growth up 1%; a strong performance in Health and Financial and Compliance Services more than offset the challenge we face in our European Legal and Regulatory business; Margin increased to 21.8%, supported in particular by our Health division; growth in our Electronic products; and cash savings which helped offset investments and wage inflation; ordinary free cash flow up 15% overall and 8% in constant currencies, reflecting the quality of our portfolio and helping to improve our leverage to 2.4.

I will now hand it over to Nancy who will give you an update on how we continue to transform Wolters Kluwer.
Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Thank you, Boudewijn. I’d like to give you an update on our strategic priorities over the next few years.

First, to just recap the amount of transformation that we’ve undergone, our business has been transformed over the last decade through substantial changes in our portfolio and by organizing around four global markets.

We have divested over 50 assets, most of which were legacy Print businesses that generated total revenues of EUR760m. We’ve also strengthened our portfolio through organic investments and the acquisition of Digital and Software businesses such as Addison, Tax Software, UpToDate and FRSGlobal. The acquisitions brought a total of EUR854m worth of revenues to Wolters Kluwer.

These actions have fuelled the transformation of the portfolio and today we’re focused on four global markets; Legal and Regulatory, Tax and Accounting, Health and Financial and Compliance Services.

Our actions have significantly shifted the mix of the portfolio. Print has been reduced from 52% of our revenues in 2004 to 26% of our revenues in 2012. Today 74% of our revenues come from Online, Software and Services. The growth in these Digital products have more than offset the decline in Print in 2012.

As a result of the portfolio changes and the investments we’ve made in globalization our geographic footprint has also shifted. Europe has reduced in importance from 52% of the Group revenues in 2004 to 40% in 2012. We expect this percentage to continue to decline as we continue to rebalance the position in the region.

Revenues from North America have increased to 54% of the Group and Asia and Rest of World have increased to 6% of our revenues. And we expect that this region will gain in importance over the coming years.

Throughout the transformation, and despite the global financial crisis, we have steadily improved our ordinary EBITA and free cash flow margins. The quality and the predictability of our revenues have improved as well. Today 74% of our revenues are recurring, primarily coming from subscriptions and software licenses.

Our revenues from Electronic products have proven to be resilient, with high customer retention. Growth in these Digital products and revenues have accelerated since the financial crisis and we expect continued growth going forward, as we sustain our investments in building Online and Software solutions.

If you look at our customer base, what our customers would tell you is that they no longer want pure information. They want answers, they want insights and they want productivity tools.

So what makes us unique at Wolters Kluwer is that we’ve learned how to combine expert knowledge with specialized software and services to provide solutions that help our customers make better decisions, and help our customers improve their productivity. Across all four divisions we will continue to deliver our leading expertise through products and services that help our professionals make better decisions.

The other thing that is positive from our perspective is the general market trends. If you look at what is affecting us, it’s clear that all of these trends support our strategy around driving for solutions that improve productivity. All of our customers face increased pressure to be more effective and efficient. Many of our customers face increased volumes and complexity around compliance.

Just a quick example of that is if you look at the Dodd Frank Act, which came out in North America, there’s over 398 rules that apply to US banks that have to be implemented as part of that Act and today only about 37% of those rules have been implemented. So that means that for our banking customers there’s going to continue to be a stream of compliance coming out.

Third major trend is that we clearly see that the number of professionals will continue to grow in emerging markets. In China, for example, there’s only about 220,000 lawyers today and that number is expected to grow to be 2m by 2020. Physicians are expected to go from 2m today to about
3m, so a huge growth in those number of professionals. Traditional research and pure information is becoming more commoditized and so our strategy around building solutions very much meets, head on, that trend in the marketplace.

And, finally, our customers are increasingly becoming connected and focused on mobility in their daily work. As a result of that we've been investing in building our mobile applications. We have about 350 apps today and we'll continue to invest both in SaaS-based solutions as well as mobility.

So what does that mean for our strategy going forward? Our strategy is focused on accelerating our organic growth and improving our returns over the longer term. So we have three priorities; first, expand our leading, high-growth positions; second, deliver solutions and insights that help our customers; and three, drive efficiencies. And I'll talk about each one of these.

This is a very important slide. If you look at the past changes that we've made in our portfolios and the organic investments that we've made in the business, each one of our divisions now has a large, fast-growing business with a leading market position. These businesses in sum represent a significant proportion of our total portfolio and we will continue to direct the majority of our investment into these areas.

These positions include financial, audit, risk and compliance. We are now ranked among the world's top-10 providers and we're ranked number one in regulatory reporting by [Charteris]. This unit experienced 9% organic growth last year.

Second major area is Clinical Solutions. We are a global leader and we have consistently grown at double-digit levels in this space. Tax and Accounting Software, where we are growing in all regions of the world, including Europe. And Corporate Legal Services, where we are a strong market leader and we have good growth opportunities both in terms of product line expansions as well as global extensions.

Outside of these four areas there are clearly other product lines in the portfolio where we have strong market-leading positions and also offer us good growth opportunities. So we will continue to invest there as well. And these will contribute to the overall growth of Wolters Kluwer.

The other thing that we will be doing is to continue to invest in faster-growing geographies around the world while rebalancing our European footprint. So if you look at Europe, there are clearly segments that are growing. Our Corporate Legal Services business grew 24% last year, Tax and Accounting Software grew 2%, FRSGlobal grew 13%, and Legal Software, in the form of our product line called Kleos, also saw rapid growth.

So we will continue to invest in those areas and at the same time we will continue to harvest our Print products and exit businesses that no longer offer us long-term growth opportunities. And an example of that is the Media businesses that we divested in our Dutch business last year.

So that will -- these two actions will help us rebalance our footprint in Europe. And at the same time we will continue to invest in places like China and India and other high-growth geographies. And these markets will increase in their importance in terms of the revenues that they contribute to Wolters Kluwer.

So now let me talk about the second strategic priority that we have, which is to deliver solutions and insights. We are very much focused on tailoring our products such that they provide a specific solution to a specific customer group. And this is designed to help our customers make better decisions and increase their productivity.

We will continue to re-invest 8% to 10% of our revenues, including CapEx, back in developing new and enhanced products. And we will also continue to have a close collaboration with our customers in order to drive innovation across the Group.

So I wanted to give you some examples of what that means within the business. If you look at our customer base, all of our customers are adapting mobile solutions in a very rapid way. So if you look at our Health business, today 40% of our medical journals within Lippincott have already developed an app for tablets and smartphones.

And by making these investments what we see is that the level of engagement that our physicians are -- working with our journals has increased quite substantially. So we are able to be much more interactive with our customers because they're using these apps. And in addition we're able to increase our advertising revenues, because the app development allows us to offer multimedia business models which are attractive.
Second example is around our Global Integrator. I think Global Integrator is a terrific example of how we're helping our customers drive to better outcomes. It's a product in our Tax and Accounting space. It's a global product serving multinational companies. And if you look at the results of that product line the revenues more than doubled in 2012.

And, finally, RBSource is a great example of a product that is tailored specifically to serving the workflow of a specific group. In this case it’s securities attorneys. And this product has been very well adopted by the market. Today more than 25% of our large legal customers are already subscribers to this product.

So these are just three examples, but I hope it gives you a flavor of how we're driving innovation across the Company and where we will continue to invest.

The third part of our strategy is around efficiencies. We have had a great and successful track record of driving cost efficiencies in the business. We completed our Springboard program in 2011. And if you look at the run-rate savings that we’ve achieved through last year, they now total EUR217m.

These savings have helped us offset our cost increases, notably wage inflation, while allowing us to expand our margins. So we will continue to look for efficiencies across the business. In fact, we see opportunities in sourcing, technology, real estate and distribution channels.

All of the restructuring costs that we will need to incur to achieve these efficiencies will come from cost savings and are part of our [EBITDA] and part of the guidance that we’ve given you for this year. And we plan, as part of 2013, to continue to do some restructuring across the Group.

So, in summary, we have successfully transformed Wolters Kluwer into a Digital business. Our strategy is focused on accelerating [our] growth and getting improvements in our long-term operating margins.

We have three priorities; expand our leading, high-growth positions; deliver solutions and insights that help our customers drive for productivity improvements; and three, drive efficiencies. The objectives behind this strategy are to accelerate our growth, improve our long-term operating margins.

Very importantly, we expect that the revenues coming from Online, Software and Services will continue to grow and become the dominant part of our overall revenue stream. And we expect that we will see increasing revenues coming from emerging markets.

So, with that, I’d now like to turn it over to the outlook for 2013, beginning with a few words about each of our divisions.

For Legal and Regulatory we expect conditions to remain challenging in Europe. However, we expect growth in North America. In Tax and Accounting we expect to see a fairly steady year, with seasonal patterns similar to 2012. We expect Health to see good organic growth. And there is scope for margin improvement in this division, despite continued investments in new products and in global expansion.

And, finally, in Financial and Compliance Services we expect to see good growth in Finance, Risk and Compliance, while we expect our European Transport business to remain challenged.

So our overall guidance includes the following; ordinary EBITA margins between 21.5% and 22%; ordinary free cash flow of equal or greater than EUR475m; ROIC to be above our WACC; and ordinary EPS growth to be low-single digits.

So, with that, I’d like to just say a few concluding remarks before we go to Q&A. As you will have seen, we’ve announced that Kevin Entricken will succeed Boudewijn Beerkens as our CFO and, therefore, it’s the last time that Boudewijn will be with us to present our results.

Boudewijn and I have worked together for many years. It's been a very strong and positive working relationship. I want to thank you for all of the contributions that you've made to the successful transformation of the business. I greatly admire Boudewijn’s expertise and his commitment to the business and I wish him nothing but the best in his future role.
I also want to welcome Kevin Entricken. Many of you may remember Kevin. He -- when he was our Vice-President of Investor Relations. Kevin is currently our CFO of our Health Group and so he will bring a great expertise and knowledge around our business, as well as his financial skills. So I look forward to working with Kevin in his new role.

So, again, thank you to Boudewijn and welcome to Kevin.

So, with that, I'd like to now turn it over to Q&A. Okay, I have to sit down first. Okay, Claudio, I saw your hand up first. You get the nod.

QUESTIONS AND ANSWERS

Claudio Aspesi - Bernstein - Analyst

Thank you. Claudio Aspesi from Bernstein. You have rising cash flows, your debt levels are below your target, but your cash returns to shareholders for the past two years have been flat, at around EUR225m for your total. And it looks from your guidance that it will be the same in 2013 between buybacks and dividends.

Why are you holding back cash? Is it because you are building up for -- cash for acquisitions? Is it because in the current economy you prefer to be more flexible? Or is there any other thinking behind this?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, why don't I start and then turn it over to Boudewijn? Just as it relates to acquisitions, I'll let Boudewijn talk about the returns to shareholders.

As it relates to acquisitions our strategy has not changed. Our strategy is very much focused on driving organic investments in the business, which is what the 8% to 10% reinvestment relates to. And we really look to make bolt-on acquisitions, primarily of Software and Online businesses, within the areas of high growth. And that's [been] very much consistent with what we've done in the past. So you should not expect that we will do anything transformational as it relates to acquisitions.

Boudewijn Beerkens - Wolters Kluwer NV - CFO

And in terms of returns to shareholders I showed you the slide that we have been buying back shares, combining that with a progressive dividend policy, combining that -- balancing that also with sufficient investments in the business. We set ourselves a target of 2.5 times' net debt to EBITDA, so we are happy that we're finally below that target for the first time in a few years.

So I think if you basically saw how we have been actually handling -- on the one hand, managing and investing in the business and, on the other hand, keeping our leverage ratio closer to 2.5 times, I think you would have seen that going beyond the EUR225m tax returns to -- for our cash returns to shareholders would have actually not been very sensible.

Also don't forget our progressive dividend policy is a policy, so we don't like to change policies on a frequent basis. This is something shareholders should be able to rely on and, therefore, modest increases year on year are something -- also for the long term something we feel we are able to afford and continue to afford in the next couple of years. So those trade-offs actually have been managing our decisions.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, Sami?
Sami Kassab - Exane BNP Paribas - Analyst

Thank you. Good morning, everybody. It's Sami at Exane BNP Paribas. I have three questions, if I may? The first one is in the Tax and Accounting division the weakness with the Bank products have been going on for a few quarters now. Can you remind us of the size of revenues you generate from these products and update us on the legislation regarding tax refund anticipation loans and, consequently, what you would expect there in 2013?

Secondly, can you comment on the net sales you've seen in Q4, especially in Europe? Are you seeing sales improve in Q4 or deteriorate further?

And lastly, in terms of the loose-leaf declines, would you expect the rate to stay broadly flat in terms of decline or the rate of decline in loose-leaves to accelerate over time, please? Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay. I'll start with Bank products. Boudewijn will remember how much it is of the total portfolio; it's very small. So the trends in Bank products we expected, so Bank products are performing in line with our expectations.

They are in decline as -- both because customers are doing more of their own direct filing of their tax returns, as well as some regulatory changes that are underway. So today they only consider -- they only consist of refund-anticipation credits. So refund-anticipation loans have gone out of the market completely.

And what -- I'll be very quick on this. What a refund-anticipation credit is, is that these are tax preparers or tax payers that don't have bank accounts, right, so they go to the tax preparer. They need to have a vehicle to pay the tax preparer as well as get their money from the government, right, their refund, and so the refund-anticipation credit allows that whole process to occur.

So those are still active in the market and they will continue, in my opinion, to be active in the market, because they serve a customer need. But Bank products are a very small part of our overall revenues, I think about --

Boudewijn Beerkens - Wolters Kluwer NV - CFO

EUR40m.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

-- EUR40m in total for the Group, so it's small. Net sales, the trends that we're seeing in Europe are -- you clearly saw that overall revenues' growth deteriorated from the first half of 2012 to the second half of 2012. Retention is holding up nicely. So what you see is new sales continues to be challenged.

What we're expecting for 2013 is no significant deterioration in the trend and no significant improvement in the trend. So we're really expecting a steady state. For the full year you probably should expect that the first half will be less growth than the second half, because that is pretty typical of the patterns.

So what we're doing in Europe is very much as I indicated with my remarks. We are investing where there is growth. And there are growth pockets in Europe. And at the same time we are harvesting some of our more traditional products and, in some cases, exiting businesses where we don't see a long-term growth future.
On loose-leaf subscriptions, they again represent now a very -- relatively small part of our overall portfolio. They have been in structural decline across the globe for 15 years now. We continue to see them decline. I don't expect that the rate of decline will increase dramatically. Even within Europe I think that you'll just continue to see them steadily decline.

Sami Kassab - Exane BNP Paribas - Analyst
Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman
Yes, Hans, and then we'll come back to you.

Hans Slob - Rabo Bank - Analyst
Yes, Hans Slob, Rabo Bank. On your business in Europe, maybe could you take us through transformation that you would like to achieve? Are you planning any disposals, such as you've done in the Netherlands? And what are your restructuring plans for Europe? What are you doing exactly in order probably to maintain the margins?

And with regard to that maybe could you give an update on the restructuring expenses we should expect going through the P&L in '13 versus '12?

And, thirdly, the succession planning with regard to the departure of Jack Lynch, maybe could you give an update on that?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman
Okay. Let me just write them down so we don't forget. Okay, so let's start with the transformation in Europe and as it relates to planned disposals.

As you have heard, right, we've disposed a lot of businesses over the last decade, upwards of 50 businesses, accounting for EUR760m. So we consistently go through the portfolio as part of our planning process and what comes out of that process is certain assets where either we don't have a strong leading position or ones where we don't see the future growth or profitability being that substantial.

So you should expect that we will continue to find divestment opportunities within Europe. They tend to be at the product line level, and so that is what you should expect, so it's pieces within an existing country.

The second thing that you should expect is that we continuously discontinue products, so in the past we've called that product pruning. We did that last year, in Europe primarily, and we will continue to do that in Europe. So that also does affect, of course, the growth rate.

And, finally, there's certain product lines within Europe where we're just deliberately creating smaller activities there. So, for example, in books, if we had 100 new titles coming out, for example, in 2010 we might only be bringing out 25 new titles in 2013, because the market is -- demand is just not there. So those are how we are transforming on the divesting side.

I think what's very importantly is on the investing side we are still investing in Software products, both in Legal, Tax, Corporate Legal Services, Financial Services, and we're also still investing in all kinds of Software products. And that's really going to be the future of the business.

And I think the other thing that's important to remember that's going on in Europe is that we are gaining share. Now, I know it's hard to see that maybe, perhaps in the total financial results, but what you clearly see in this kind of market is the stronger players are getting stronger and the weaker players are getting weaker and, in some cases, exiting. And so I think as the markets rebound we will be even better positioned within the European portfolio.
Do you want to add something before we go to your --?

**Hans Slob - Rabo Bank - Analyst**
Yes, well, if you would look at those smaller product lines in Europe which are maybe not core, what percentage of your overall business would that represent?

**Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman**
Yes, that is not the guidance we're going to give, because, as you would expect, in some cases we choose to harvest for cash and profitability, in other cases we choose to divest. So as we make these things occur we certainly will send out press releases and let people know.

On the second question, which is what are we doing from a cost perspective, I think one of the things that we feel very positive about is if you look at the results, primarily in Legal and Regulatory, which is the largest -- which is the division that has the largest European footprint, their margins held up nicely last year despite the headwinds around growth. So I think that should tell you that we're good at cost management and restructuring.

We're continuing to restructure in Europe. It's primarily going -- coming in the form of off-shoring certain activities to lower-cost countries, sourcing real estate, all of the things that you've heard us talk about for a number of years. And we will continue to do that. What we have guided you is you should expect some margin contraction in Legal and Regulatory in 2013 relative to 2012, but that will be made up elsewhere in the businesses around Wolters Kluwer to get to the overall guidance that we've given you.

And then I'll just quickly touch on succession for Jack and then let Boudewijn talk about restructuring expenses. As we indicated, we, for the time being, will be a two-person Board, myself and, in the future, Kevin. And we're still in discussions with our Supervisory Board about the long-term composition of the Executive Board.

**Boudewijn Beerkens - Wolters Kluwer NV - CFO**
As you maybe recall, the Springboard problem has come to an end at the end of 2011 and, therefore, we did not see any further exceptional restructuring cost back in the P&L. And I think we also give a table on page 20 of the press release where we actually stipulate that specifically. So any restructuring costs of new initiatives are actually absorbed in the ordinary EBITDA and, hence, there is no plan for an additional large-scale Springboard-like product of projects in 2013. So you will actually see that we'll absorb these costs in the normal course of business.

**Hans Slob - Rabo Bank - Analyst**
And Schleupen restructuring you can offset with the cost savings, so it will be margin neutral?

**Boudewijn Beerkens - Wolters Kluwer NV - CFO**
Yes. Basically what you will see is that the -- one of the reasons why you saw that the range of the outlook for 2013 and the margin is slightly smaller than what you have seen previously, because actually we use the savings from the restructuring initiatives to fund the restructuring initiatives in the first place, but also to offset autonomous cost inflation we have in our cost base year on year.

**Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman**
Yes, and just to conclude on that, [as you will] -- I think you will have seen this in the press release, the other negative is the change in accounting for IAS --
Boudewijn Beerkens - Wolters Kluwer NV - CFO

19.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

-- 19. Thank you, which I will let Boudewijn explain to you, since it's a rather complicated thing, if anybody wants to know.

Okay, other questions? Yes, please.

Andrea Beneventi - Cheuvreux - Analyst

Thank you, it's Andrea Beneventi from Cheuvreux. Three questions, if I may, the first on Tax and Accounting. You saw one percentage point of margin compression in 2012. How much of it is related to investments -- expensed investments in the sales force and product and how much is due to tough trading?

The second question is on Health. Is there any further divestiture embedded in your EBITA guidance for Health, please?

And the last one, how much -- what type of labor cost inflation you expect in 2013 and how does it compare to 2012, please?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay. So on the first one, on TAA, what I would say is that there's two major factors creating the contraction in the margin. One is investments in both sales and marketing as well as some back-office technologies as we're upgrading systems to next-generation product lines. And then the second is the mix of products, so as Print continues to decline and Bank products decline they tend to both be high-margin activities.

So I don't know the exact percentage of what is what from the overall decline, but those are the factors. So what -- and what you should expect is we've guided for this year is that the margins should stay relatively stable in '13 to 2012 levels.

On Health, the -- Health has had a great performance, as you know, one of our key areas for growth. If you look at the divestments the only thing that's left is in discontinued operations, which are some remaining very small pharma assets in France and those -- that process is still underway. So you should not expect other major divestments other than that.

And then labor cost inflation, 2% to 3% is about what we would experience around the globe, and that's pretty consistent with what we saw in 2012.

Meg Geldens - Wolters Kluwer NV - VP, IR

We have a few people on conference call that would like to ask questions.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay, do you want to --? Okay, then we'll come back.
Meg Geldens - Wolters Kluwer NV - VP, IR

Mia, if you could put through the callers who are on the conference call, please.

Operator

(Operator Instructions).

Meg Geldens - Wolters Kluwer NV - VP, IR

Sorry, did I get that wrong? Is there nobody on the conference call with a question?

Operator

We have a question from Mr. Ruchi Malaiya from Citigroup. Please go ahead, Mr. Malaiya. Your line is open.

Ruchi Malaiya - Citigroup - Analyst

Thanks for taking my question. I was just wondering, given your margin guidance range of 21.5% to 22% that does include a scenario whereby you could see year-on-year margins decline, what -- under what scenario would you anticipate margins to be declining year on year? If you could just lay out for the lower end of your expectations, or do you actually, in fact, have more confidence that we should still see progression?

And, secondly, do you have in mind a target spend for acquisitions this year? I know you already guided on the gearing level, 2.5 times, but is there a maximum spend for acquisitions that you have in mind? Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay, Boudewijn, you want to go ahead?

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes. On the margin guidance, yes -- well, there are a few factors that play into the margin, right? On the one hand, as Nancy mentioned before, the IAS 19 guidance change. That has been factored, by the way, in our outlook. And we indicated that the impact like for like on ordinary EBITDA margin is about 20 basis points and on ordinary EPS it's about two-thirds. That's one. So that has been factored in the guidance, therefore, the range is small -- quite a little bit smaller.

Secondly, we do also include the restructuring costs, as I just indicated earlier, into ordinary EBITDA, which also, given the fact that the cost inflation is around 2% to 3% every year, we continue restructuring and bring -- and look for efficiencies in the organization to offset that.

And then, thirdly, it comes in the end down to the top line. And, as you have seen, we're very proud of the good organic growth of 4% in North America. We have see 8% organic growth in Asia Pacific. And Europe at the moment, as no surprise to anybody, is the lagger. I think if you would see an improved economic environment in Europe you'll see actually, accordingly, a solid lift in top line, but also in bottom line, happening in the outlook.

And in terms of target size for acquisitions?
Yes, and the balance sheet I think that was the question. I think we said we're not changing our acquisition strategy, which has been around bolt-on acquisitions. And then I don't know if you want to say anything about the 2.5.

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes. Again, as I indicated before, we are happy with the 2 -- we set a target with 2.5, so we're happy with the 2.4. It doesn't mean now that we see ourselves [in a] free float or in a glut of acquisitions because the money's available.

Acquisition strategy and investments in the business is far more linked to the strategy, the opportunities we find and that we are capable of executing on acquisitions within the financial criteria we have set ourselves and communicated to you; EPS accretive in the first year; and the return has to be meeting or exceeding our WACC within three to five years.

That is determining how much acquisition money we spend and not whether the liquidity's available, because within Wolters Kluwer liquidity for these type of things has never been an issue and I don't anticipate it ever will be.

Ruchi Malaiya - Citigroup - Analyst

Thank you very much.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, please.

Operator

(Multiple speakers). And our next question comes from --

Maurits Heldring - ABN AMRO - Analyst

Maurits Heldring, ABN AMRO. Thank you for taking my question. I've got a question on Europe. There have been a couple of management changes recently in Europe, notably, France CEO, Spain, and also a couple of developments in Germany. Are those changes related to what you call the rebalancing of the operations, or is that a coincidence that that's happened? Can you please give some background on the management changes in Europe? Thanks.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes. Most of the management changes in Europe were triggered by people getting promotions and moving elsewhere and, therefore, we have an active talent management program. And that was the case in Spain, the UK and other places. So in any company our size you globally are going to have movement of management in the business.

So we actually are quite happy that we are able to continue to grow our leadership within the Company. That's a deliberate strategy on our part, because we see that the managers that come from within can hit the ground running very fast and continue to drive the business. So that's one factor.
I do think we will continue to make change in Europe. It’s the nature of what we have to do both to grow the business. So we’re adding people, for example, in some of the growth areas, but it also means as we harvest some of the other more mature product lines there’s also going to be resources pulled from those businesses. But I see this very much as a normal course of business in Wolters Kluwer.

Yes, let’s go here and then we’ll go back to Sami.

Margo Joris - KBC Securities - Analyst

And then, secondly, you mention the tough comparables in your outlook statement for the Financial and Compliance business. What do you -- how do you look at the outlook on the top line? Do we expect you can keep the 5% growth this year?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay, I'll take the first. You want to take the second? On Print, we've set no specific target for what Print will represent in terms of our overall revenues for '13, but a couple of quick remarks.

One is that most of the customers that are buying our Print products, whether they're loose-leaves, which are the subscription products, or books, tend to also be buying other products from us, Software products, Online products. So they clearly see a need for those products in their daily work. So, as a result of that, the decline has always been very measured over the many years, so I think that you will see a measured decline continue.

I also think that what you will see is that our exposure will continue to get little -- less and less over time. I think the one thing that clearly is going on is the tablets have had a positive effect, I think, on moving some customers off of some of our journal products and off of some of the books, so that's all to the good. But I don't see that Print will completely disappear, certainly, not in 2013.

And then you want to talk about comparables for Financial Services?

Boudewijn Beerkens - Wolters Kluwer NV - CFO

Yes. The reference for tough comparables were mainly related to the transactional revenues that [were] generated within -- very strong at [19%]. Actually, if you look at the press release, on the last page where it says ‘divisional revenues by type’ you see clearly that the Electronic and Service subscription increase of 3% organically that is a trend that we feel is -- will continue to drive growth going onwards.

The transactional revenues always is hard to predict year on year, but we still believe that Financial and Compliance Service overall will remain one of our faster-growing engines in the Company.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Go ahead. Yes.

Peter Olofsen - Kepler Capital Markets - Analyst

Peter Olofsen, Kepler Capital Markets. Two questions, first of all on Legal and Regulatory in Europe. I understand that the decline there is heavily impacted by the decline in Print, but it seems that Electronic sales were also down a little bit. Could you help me understand what’s driving the decline in Electronic sales? Is there some attrition there? What’s driving it?
And then, in Health, Clinical Solutions has been growing double digits for a couple of years now. Looking at penetration of that market is a double-digit growth rate sustainable, or could it drop to a single-digit growth rate?

Nancy McKinstry  - Wolters Kluwer NV - CEO and Chairman

Okay. First, on the Electronic sales -- and, again, this is page 30 of the press release. What you see is that Electronic and Service subscriptions were flat overall for L&R, which implies that we saw some growth in North America and some decline in Europe.

What we see is that retention is holding up well overall in Wolters Kluwer and, really, it’s a question of new sales activities. So we -- in all -- most of our products we never have a 100% retention, right? You have something less than that in the normal churn of the customer base. So it’s really more of a new sales issue directly tied to the economy.

But if you look at where we're investing, we’re still investing to drive innovation in our Online products across Europe and as we continue to do that we're continuing to support long-term growth.

On the second question about Clinical Solutions, we still believe that they will be able to continue to grow at double-digit levels over the medium and long term, driven by really three things. One is we have a terrific market position, so we've put together a very unique set of assets that is very hard for anyone else to duplicate. Two is we still have a lot of room to go to penetrate hospitals, both in the US and, even more, in places like China and other geographies, so we both have -- we have a lot of runway on penetration and globalization.

And then the third thing is we're -- this is one of our most innovative units and we're working on brand new categories. I think some of you have heard me talk about some of the things we're doing in disease management with the sepsis pilot that's going on right now. So if any of those things take off -- and of course you never know if those things are going to succeed until they do, but we're working on enough of those things that we expect to see, not only just new products coming out, but potentially what I would call a new category of products. So that’s all what we see supporting the double-digit growth there.

Meg Geldens  - Wolters Kluwer NV - VP, IR

We've got a couple of questions (multiple speakers).

Nancy McKinstry  - Wolters Kluwer NV - CEO and Chairman

So, Sami, sorry, I know you guys have questions (multiple speakers). Yes, there's one here and then we'll come back.

Meg Geldens  - Wolters Kluwer NV - VP, IR

Yes, so let me give you -- I've got two coming in that were emailed in. One is from Pavel at Natixis. He was asking about MedKnow. Can you comment on the trends at MedKnow? And are the margins better in Open Access than they are in traditional academic publishing at Lippincott?

Nancy McKinstry  - Wolters Kluwer NV - CEO and Chairman

Okay. And then we'll go to a couple in the room as well. Okay. So MedKnow is a Open Access platform that we purchased a couple of years ago based in India. So what we’re -- our strategy is basically we see these things being symbiotic, Open Access on one hand and Paid on the other hand, the Paid being very much a western kind of enterprise, Open Access being much more of a developing world. We now have more journals on Open Access than we do the Paid model, so we're getting rapid expansion of that journal base.
It’s profitable. Its margin are, in fact, more profitable than the Paid model, given that in the Paid model you work very closely with societies and, of course, they take a big chunk of the revenue stream. So while small today, as I say, you have to keep it in prospective, small in terms of overall revenue, clearly, a model that we think can be a successful add-on to the traditional Paid model.

So there and then maybe Sami. Yes.

Unidentified Audience Member

Thanks, Nancy. At the Investor Day on F&CS I think you argued that the growth in that division had also been driven by stronger new customer wins.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes.

Unidentified Audience Member

Can you comment on customer wins in that division, H2 versus H1?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

HQ (multiple speakers) yes.

Unidentified Audience Member

H2 --

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Certainly, customer wins come in many different flavors, right? I think on the transactional side, to the question that was asked here up front, is we have 19% growth in transactions in FS, and that was partially driven by volume. But also we are a BPO for many large lenders, some of the places that all of you work for, and -- on the mortgage side and so we've added a couple of big contracts there. That is hard to duplicate year on year.

And then there's other wins that we are clearly getting within our financial reporting, our regulatory reporting group of FRSGlobal and FinArch. There, we clearly had more wins in the second half than we did in the first half, which is pretty typical as the year unwinds. And, again, it's hard to completely predict the timing, but we certainly expect that FRSGlobal and FinArch will continue to grow in 2013.

Unidentified Audience Member

Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, please.
Kris Kippers - Petercam - Analyst

Yes, good morning, Kris Kippers, Petercam. One remaining question regarding your presentation last year. You inserted an interesting slide for the capital allocation from which it appeared that 80% was related to higher growth and mid single-digit growth. How's this evolution 2012 and how does it evolve in 2013 as you get an idea of how you're going to invest, of course, in growth pockets [in] other regions? Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes. I think clearly the lion's share of our investment is going into the high-growth markets. And if you looked at the slide we showed today what you should walk away from today is that the investment will be in those four areas that we identified, as well as in online and mobile solutions across the portfolio. So it's targeting at the high-growth areas the majority of divestments.

Kris Kippers - Petercam - Analyst

Okay, thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay. Yes, please.

Sander van Oort - Kempen & Co. - Analyst

Sander van Oort with Kempen. Three questions, if I may, first of all on the savings. You report a total savings of EUR217m, so I was wondering -- of course, over-delivering on your original guidance of EUR210m. So am I right in assuming that the EUR7m of over-delivering is it purely due to new initiatives which were started in 2013, or is it just the additional savings from Springboard which were higher than expected?

Then secondly, on the book sales, which were down 4% organically -- and I think that this shows quite a good improvement in the second half versus the first half, when they were down 6%. So are we -- am I right in assuming that the worst is behind, or are there some technicalities which maybe distort the picture a bit?

And then thirdly, on Tax -- Tax and Accounting, I think your peer reported quite a steep decline in the government segment in Tax and Accounting, so I was wondering do you also see these steep declines of up to 30% in this segment, or is it something company-specific?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes. I'll take the first one, you take the first two -- I'll take the last one, I mean, you take the first two.

Boudewijn Beerkens - Wolters Kluwer NV - CFO

I'll take the first two.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay. So just quick on the -- in Tax & Accounting, we don't have the same kind of government business that our peers do, where theirs is really focused on the services around property tax and property tax collection. The only government business we have in Tax & Accounting is serving
the IRS and that's been a business that we've done for many, many years. So, A, it's a relatively small percentage of our business and, B, it's doing fine.

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

On the savings, yes, indeed we did over-exceed some of the savings that we anticipated to get from Springboard initiatives. By the way, one of the reasons why Europe actually held margin stable had to do with the fact that some of those over-deliverance were in that region. And so they were mostly not new initiatives, but they were actually part of larger initiatives that will continue to be executed over multiple years.

So in that sense I think we feel confident that future savings can still be reaped. But, as you can imagine, if you start a project of -- with a little bit sizeable and you plan for, let's say, two years or three years' execution, but while you are in the project you suddenly find in year two and three that there are further saving opportunities, so little bit of a mix.

The point is, yes, over-deliverance mainly in Europe. Secondly, they will be a part of the normal restructuring efforts and efficiency initiatives that we -- that [will] initiate in the years to come are partly also continuations of old initiatives that we have been working on so far.

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

And then books. Didn't you ask a question about books? Yes. It was in which division again? Refresh my -- or overall?

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

Overall, just the -- for the full (inaudible).

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

Yes. And your question was why -- whether books will continue to decline at --?

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

I think when looking at the second half, organic sales decline of, I think, minus 2% versus minus 6% for the first half, there was quite an improvement, so -- and of course much better than I think the longer-term guidance of between minus 4% or minus 6%. So I was wondering have we seen the trough and is this a new normal, or whether there's some technicalities in the publishing calendar [also] which impacted the second half in a positive way?

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

Yes. Publishing calendar can always impact, so that is -- but that will -- we have that problem every year, right, so there might be some impact. One of the other one-off impacts is that Lexicomp that we acquired in 2011 became organic in 2012 and part of their revenue is also in books, so that helped partly improve the second half of 2012.

**Meg Geldens - Wolters Kluwer NV - VP, IR**

I've got a question emailed in and then I think there are two people queuing on the conference call. This is from Mick Dempsey. He has two questions. He is wondering, in your statements about refining -- our portfolio refinements and rebalancing Europe, whether if you make notable disposals you would consider buybacks to offset dilution from disposals.
And his second question is, in your outlook you suggest a margin reduction in Legal and Regulatory and stable margin in Tax. Does that imply significant margin improvement in Health and FCS combined?

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

Yes. This is how you get dangerously trapped into giving margin guidance at the divisional level, but let me see how we can walk that tightrope.

Clearly, as we indicated in my remarks, we do expect there will be some contraction in Legal and Regulatory, largely coming from the European businesses. But that will be made up, so to speak, largely in the Health division where we have some room margin expansion. And you can see that, given the growth characteristics of Health and the kinds of products that we sell in Health, there is good relationship and good leverage between growing the top line and seeing the margin expansion.

And then on disposals, would we consider buying up, do you want to take that one, the dilutive effect?

*Boudewijn Beerkens - Wolters Kluwer NV - CFO*

Yes. Again, it’s a decision we have to make at that moment in time, depending of course on what kind of alternative investment opportunities we would have. In the end it’s still the intention of course to have Wolters Kluwer grow year on year and expand at least its positions. And our pipeline every year is healthy, but we are very critical on what we would like to purchase. Now, if there would be a material gap between one and the other, I think, clearly this is something that future management will take in consideration.

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

Is there anyone else on the phone, Meg, or do you want to --?

*Meg Geldens - Wolters Kluwer NV - VP, IR*

I understood there are two people on the call that want to ask questions. Is that right?

*Operator*

Yes, indeed. Next in line is Sarah Simon from Berenberg. Please go ahead. Your line is open. And speak loud and clearly.

*Sara Simon - Berenberg - Analyst*

Yes. Hi, it’s Sarah from Berenberg here, just a couple of questions, if I may. Firstly, can you give us some indications on what you think is going to happen to cash tax rate for 2013 and maybe into the medium term?

And the second one was on the assets that went organic, if you like, which you referred to one of those earlier, in 2012, can you give us an idea of how – what kind of rate of growth they were generating?

And then the final question was can you just remind us about the Health Language deal, what kind of revenues we’re talking about from that business? Thanks.
Do you want to take the first two (inaudible)?

Yes. The first question was around the cash tax rate and the expenses around our tax position. I think, as you have seen over time, that the tax expense and the cash tax expenses or outflows actually become more and more close to each other. And I think that is therefore a trend that will -- is there to continue.

In previous years we had sometimes quite sizeable refunds. I think we currently -- with the current tax structures we have in place I think you should not expect a lot of material changes in that sense. So I think if you follow the effective tax rates that we indicated to you for 2012 being more or less similar with -- in 2013, that also the tax expenses will be similar.

Second and third question was around the assets organic and their rate of growth. Well, you do know that on average the acquisitions we make are in the high-growth and, often, high-margin type of businesses. We always have indicated to you that the average growth rate of acquisitions and the average margin of acquisitions is higher than the average of Wolters Kluwer today.

So, as a result of that, without going into too many -- too much specifics, I can say that they had a positive impact on our organic growth in the year. And that's a trend probably that you will continue to see in the years to come if we are capable of making good acquisitions.

And she wanted us to cover Health Language. She wanted to know how big the revenues were --

Boudewijn Beerkens (Inaudible).

-- which we haven't disclosed yet, so --

No.

Yes. So on Health -- well, sorry.
Boudewijn Beerkens - Wolters Kluwer NV - CFO
Yes. We haven’t disclosed the revenues on Health Language, so I think that is information we normally don’t share.

Sarah Simon - Berenberg - Analyst
But is it that the purchase price is in line in terms of multiples with the other deals that you’ve done recently?

Boudewijn Beerkens - Wolters Kluwer NV - CFO
Okay, if that’s the question then that is definitely the case. Correct, yes.

Sarah Simon - Berenberg - Analyst
Okay. Thanks.

Operator
Thank you. And our next question is from Giasone Salati from Espirito Santo Investments. Please go ahead. Your line is open. And speak loud and clear.

Giasone Salati - Espirito Santo Investments - Analyst
Hi, good afternoon. Just two questions, please, first on guidance for EPS, the low single-digit growth. If we assume conservatively about EUR200m of acquisitions, which is actually below the average over the last few years, we already get about a 5% contribution to the bottom line. Are we saying that all in all the existing business is probably not growing or maybe growing backwards a little bit?

And, secondly, I wondered -- I wonder if you can give us a little bit of visibility on the timing of the CFO succession. And specifically I guess we’re interested in understanding if the current guidance and targets are coming from the exiting CFO, Boudewijn, or if Kevin had some time, say, three months or two weeks to have to these -- to go through these and feel comfortable with them.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman
Yes. Go ahead, Boudewijn.

Boudewijn Beerkens - Wolters Kluwer NV - CFO
I will take the first question and Nancy the second, okay?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman
Yes, sure.

Giasone Salati - Espirito Santo Investments - Analyst
I hope you don’t mind open questions.
Boudewijn Beerkens - Wolters Kluwer NV - CFO

No, not at all. Not at all. Well, your first remark was about EPS growth. The reason the EPS growth is single digits and low single digits has to do -- particularly in 2012, and that's a trend that will continue in 2013, where we see, on the one hand, the [EBITDA] and the operational performance improve and, on the other hand, we see that the tax and financing costs are actually increased. Those two actually work against each other and, therefore, EPS growth is on the low end.

But if you refer then to acquisitions, yes, acquisitions do actually have a positive impact on growth, not on organic growth, but on growth and on EPS. But don't forget that the EUR200m you were referring to, first, should have happened on January 1, which is never the case. For example, also in 2012 the majority of the acquisitions actually happened in the second half of 2012.

So that doesn't really add a lot to top line and bottom line for the year, but you do see actually the consideration paid in the cash flow and also in the balance sheet. So normally what you would expect is that the positive influence of acquisitions is evenly spread over years.

And in the last comment, if we -- I don't know whether you're referring EUR200m purchase wise or revenue, but if you would buy EUR200m in revenue at a business -- at a business that's growing 5% and with a good margin, then most likely that would cost you anywhere around EUR0.5m. And, as you've seen from our average acquisition spend in the past, it's lower than that. So the impact of acquisitions therefore is far smaller than what you would assume.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

And then in terms of the --

Giasone Salati - Espirito Santo Investments - Analyst

I was thinking EUR200m -- just -- sorry, just to clarify, I was thinking about EUR200m of consideration at about 10 times' earnings, which would add EUR200m to the bottom line, keeping the net debt at 2.4. But we can discuss this offline I guess.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Okay. And then in terms of the guidance, clearly, the way we do budgets and create guidance is a team effort, lots of involvement from a very strong finance team, as well as Boudewijn and myself, as well as the Supervisory Board. So we have a great deal of confidence in the guidance that we've given you and I'm sure that Kevin will echo that as well.

Giasone Salati - Espirito Santo Investments - Analyst

Excellent, thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, thanks. Other questions, Meg? No?

Meg Geldens - Wolters Kluwer NV - VP, IR

There's no more on the conference call. Anybody in the room?
Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

There's one more in the room here I think.

Andrea Beneventi - Cheuvreux - Analyst

Yes, Andrea Beneventi, Cheuvreux, a slightly broader question, please. Could you give us some color on the trading conditions that you are seeing in the US legal market at the beginning of 2013? Your guidance seems quite assertive on goals this year. Are you seeing better trading than last year? And for products, apart from CLS, what type of trends are you seeing there?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Yes, in the -- I think you're asking about the Law and Business unit, which is our traditional information business. They had a roughly flat organic growth in 2012, really driven by good growth in the Online and the Software businesses, a good year of legal ed. And then on the -- the decline side is really the Print portfolio, the traditional loose-leaf business and some traditional books.

So as we -- so we see very much that the market is -- in the US, for traditional information and Software products, is steadily improving. You see that the results in Law and Business in '12 was better than '11, so we would expect in '13 to again see the market improve a little bit. And we have a good market position in that space, because we're very much focused on the business of law and focused on specialty areas of law.

Andrea Beneventi - Cheuvreux - Analyst

Can I ask you what is driving this improvement? By clients, or is it better budgets?

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

I think for us the -- two things. The market is improving because you're not seeing big restructurings happen among the law firms and so you are seeing that budgets will either be at, maybe slightly above for many, many customers.

And then specifically for us, as Wolters Kluwer, we've been driving a lot of innovation in the Group. You saw that from the example I gave with this product RBSource. So we have new things to talk about our customers with and that creates opportunities. So it's a solid performer within the portfolio for us at Wolters Kluwer.

Andrea Beneventi - Cheuvreux - Analyst

Thank you, Nancy.

Nancy McKinstry - Wolters Kluwer NV - CEO and Chairman

Great. Other comments, otherwise we have some refreshments for you all? We hope you will join us in the next room and look forward to chatting with a few of you. Thank you.