Good morning, everyone. Thank you very much for joining us here in Amsterdam today and on the webcast, if you're joining that way. Welcome to Wolters Kluwer first-half 2014 results presentation.

Just briefly before we start, as usual today's presentation contains forward-looking statements and we caution that actual results may differ materially from what is contemplated in these statements due to a number of risks and uncertainties. Please read page 2 of the presentation.

And with that I would like to hand it over to Nancy McKinstry, our Chief Executive Officer.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Thanks, Meg. Welcome, everyone. It's a pleasure to be here to talk about our half-year 2014 results. We have the usual format in which I will give you some opening highlights and then turn it over to Kevin Entricken, our CFO. Then come back describe our results by division and also give you an update on the progress against our strategy, talk about the outlook for the remainder of 2014 and then of course, have plenty of time for Q&A.

We are pleased with our half-year results of 2014 and we are on track to meet our full year guidance. Our organic growth was driven by our leading, high growth businesses and our other digital solutions, which more than offset the challenges we still face in Europe and print markets generally.

The Group margin declined as expected due to the increase in restructuring that we announced earlier this year. Cash generation is strong and we strengthened our balance sheet by refinancing some of our debt at improved terms. We are executing on our strategy which aims to extend our digital transformation in the coming years.

Our strategy, as many of you know, aims to expand our leading growth positions, invest in solutions that improve our customers' outcomes and productivity and drive efficiencies across the Company.

In the first half, our leading growth businesses achieved organic growth of 6% on average and now account for 47% of our total revenues. We continue to focus organic investment in these businesses and we are also continuing to transform our portfolio through selective divestments and acquisitions.

In April of this year, we expanded our leading position in corporate legal services through the acquisition of Datacert. And last week we divested our Canadian legal business while expanding our position in Poland where we are the market leader.
Second, we are investing organically 8% to 10% of our total revenues back in the business, driving digital information solutions. I’m encouraged that many of the products that we have been developing, several of them launched in the first half of this year and I’ll talk more about them later.

Digital revenues now account for 68% of our total revenues and they grew 5% organically. If you combine our digital revenues with our services revenues, that accounts for 81% of our total portfolio and those revenues grew 4% organically.

On our last objective, which is to drive efficiencies, we are making very good progress on our planned restructuring programs and things are going according to plan.

So with those opening remarks, I’d now like to turn it over to Kevin who will talk about the results in more detail.

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Thank you, Nancy, and welcome, everyone. I’m pleased to be able to speak about our first-half results for 2014 and I’d like to start by looking at our headline figures.

In constant currencies, revenues were up 2% reflecting organic growth of 1% and the net effect of acquisitions and disposals. Overall, first half revenues were down 1% due to currency, most importantly, the weaker US dollar. In constant currencies adjusted operating profits declined 3%, reflecting our restructuring programs that we announced last February. I’ll have more to say on this a little later.

Overall, adjusted operating profits were down 6% also largely due to currencies. The adjusted operating profit margin was 18.2% due to restructuring. This was in line with our expectations and we remain confident in meeting our full year guidance range for margin.

Diluted adjusted earnings per share was EUR0.63, up 1% in constant currencies.

Adjusted free cash flow declined 3% to EUR136m. The decline was entirely due to currencies. In constant currencies, adjusted free cash flow increased by 1%, slightly better than expected. I’ll come back to this later as well.

Finally, net debt to EBITDA at the half year was 2.6 times similar to this time last year and very close to our target which remains 2.5 times.

And now I’d like to go into revenues in a little bit more detail, starting with the divisions.

Group-wide organic growth was 1%. Legal and regulatory underlying revenues declined by 1% while tax and accounting posted 1% organic growth. Both of these results were consistent with what we saw last year in the first half.

Health achieved 5% organic growth fuelled by clinical solutions. And financial and compliance services also posted 1% organic growth after a strong second quarter where several of our European customers implemented financial and risk solutions earlier than we had anticipated.

Now let’s turn to revenues by region. Revenues in North America increased organically by 1%, easing slightly from the 2% organic growth we saw last year. This reflects the continued decline in legal print markets and lower volumes in both UCC lien filings and mortgage refinancing activity.

Revenues from Europe were flat organically, an improvement over the 2% underlying decline we saw last year. This improvement is mainly due to the new customer implementations in the second quarter in financial and compliance services.

Additionally, we saw the rate of decline in the legal and regulatory solutions business in Europe abate from a 4% decline last year to a 2% decline this year.

Underlying revenues from Asia Pacific and the rest of the world grew 6% organically as compared to 8% growth a year ago. Our tax business in Asia saw timing effects and a weaker publishing market. Health saw a robust growth in Asia, albeit slightly slower than last year.
Now I’d like to take a look at the revenues by media format. Here you can see that digital products continue to be the driver of revenues and growth. Digital revenues grew 5% organically reaching nearly EUR1.2m -- EUR1.2b in the first six months. Digital revenues are growing in each of our divisions including our European legal and regulatory solutions businesses. With this growth, digital formats now account for two-thirds of total revenue. Half of this is software.

Underlying services revenues was in line with the prior year. We saw growth in corporate legal services offset by weaker performance in tax and accounting bank products, training and consulting and financial and compliance services, mortgage originations, consulting and transport services.

Underlying print revenues declined 10% and now comprises 19% of total revenues.

Now I’d like to turn to profits. Our adjusted operating profit was EUR313m in the first half, down 3% in constant currencies.

The adjusted operating profit margin was 18.2% as compared to 19.2% in the prior year. This reflects our increased restructuring cost planned for this year. We'll talk more of this on the next slide.

But looking at the divisions, the legal and regulatory margin declined 100 basis points due to increased restructuring costs, the impact of lower revenue, cost inflation and margin dilutive transfers and disposals.

The tax and accounting margin declined 170 basis points largely due to the increased restructuring programs.

The health margin was stable at 19.9% and here we saw our underlying improvement in profitability temporarily offset by the phasing of investments in growth initiatives.

Financial and compliance services margin improved slightly despite the loss of high margin transactional revenue.

Now, let me cover the restructuring program that we announced back in February. In the first half we spent EUR19m on restructuring, reducing our adjusted profit margin by 90 basis points. Last year at the same time, we spent EUR4m on restructuring and severance. The step-up in restructuring explains the decline in the margin for the Group in the first half. Excluding these restructuring costs, the underlying margin was broadly in line with the prior year.

For the full year we continue to expect to see EUR25m to EUR30m in restructuring costs in line with what we had guided in February. The second-half margin is normally higher than the first-half margin. The restructuring impact on margin will be less in the second half than it was in the first half.

In tax and accounting, the restructuring was weighted towards the first half of the year. In legal, we expect the restructuring to more steadily flow throughout the year.

We are confident in our full-year margin guidance and that we will be in the range of the guidance we've given you from 20.5% to 21.5%.

Now let me turn to the rest of the income statement, starting with adjusted numbers. Adjusted net financing costs declined by EUR12m to EUR49m in total as a result of our refinancing activities over the last year. Our effective tax rate on adjusted profits is in line with last year at 27.7%.

Adjusted net profit after tax was EUR190m, up 1% in constant currencies. Similarly, diluted adjusted earnings per share was up 1% in constant currencies to EUR0.63 per share.

And now a few words on IFRS figures. Our reported operating margin decreased 25% to EUR214m. The prior year included the disposal gain of EUR50m largely related to our divestment of Best Case Solutions.
Reported net financing result was a positive figure of EUR25m. This positive result was due to a EUR76m revaluation gain triggered by our acquisition of the remaining 62% of Datacert that we had not previously owned. This gain was non-cash and tax neutral to book profit. The reported tax rate fell to 15.8% as a result of this non-taxable revaluation gain.

Net profit for the period was up 23% and diluted earnings per share of EUR0.67 was also up 23%.

Now turning to cash flow. Cash conversion of adjusted operating profit improved to 94% as compared to 85% in the same period last year. This was due to lower capital expenditures and working capital outflows. The working capital improvement was due to favorable timing on collections. We continue to expect our cash conversion to be approximately 95% for the full year.

The increase in operating cash flow was offset by an increase in paid financing costs of EUR8m to a total of EUR110m. This was expected and relates to the additional coupon payment we paid in the first half.

We also had a EUR16m increase in income taxes paid to EUR56m. This was also expected as last year benefited from refunds and delayed tax payments which reversed this year.

Finally, our net cash outflow on restructuring was EUR4m as compared to EUR9m in the prior year. As a result, adjusted free cash flow improved 1% in constant currencies to EUR136m.

Now let's take a look at our uses of cash and our change in net debt. We've spent EUR172m on acquisitions, primarily for the remaining shares of Datacert, the acquisition of Financial Tools and earn-outs. We're encouraged by the early results of these acquisitions as they are performing in line with our expectations.

We paid dividends of EUR207m in May and as a result there was a net outflow during the first half of the year, increasing our net debt to just over EUR2.2b.

Now a few words on our leverage. Our 12-month rolling net debt to EBIT ratio was 2.6 times in line with where we were in the half year last year. As a reminder, we generate most of our cash in the second half. In fact, most of our cash generation is in the fourth quarter, based on the renewal season of our products. As a result, we expect the leverage to reduce again in the second half of this year.

And now a few words on our recent refinancing initiatives. As you have seen in May of this year we issued a new EUR400m bond. The proceeds of this euro bond will be used for general corporate purposes and refinancing existing debt. Importantly, it gives us 10-year funding at a very attractive interest rate. The coupon on this bond was 2.5%. We'll see the benefits of this exercise moving forward.

And today we're announcing the renewal of our multi-currency credit facility. The new EUR600m facility replaces the existing facility and now matures in 2019. The new facility has improved pricing and includes two one-year extension options.

So in summary, we are pleased with our results for the first half of 2014 and we are on track to meet our full-year guidance. Organic growth was 1%, despite continuing challenges in Europe and in print markets worldwide.

We are pleased that our leading high growth positions and digital revenues are sustaining strong organic growth. Our lower operating profit margin reflects the planned step-up in restructuring activities.

Free cash flow was EUR136m up 1% in constant currencies and our net debt to EBITDA ratio was in line with the comparable period last year.

And with that I'd now like to hand it back to Nancy who will give you more insight into our divisions and progress on our strategy.
Thanks, Kevin. So now beginning the overview of each of our divisions, starting with legal and regulatory. Legal and regulatory revenues increased 3% at constant currencies. This reflects the net transfer of publishing assets from our tax and accounting division and the first few months contribution from Datacert where we acquired a 100% control in April of this year.

Organically, revenues declined 1% in line with last year. The adjusted operating profit margin contracted 100 basis points as expected due to the increase in restructuring as well as the impact from the revenue decline and modest dilution from both the transfers as well as some disposals.

Corporate legal services organic growth was 3%. Service subscription revenues maintained steady organic growth, but as expected the rate of growth for our transactional revenues decelerated. This reflects the decline in UCC filing volumes in the commercial lending area as well as lower law firm invoice volumes in legal spend management. Corporate transactions such as trademark services and annual report filings saw strong growth.

Legal and regulatory solutions declined 3% organically, which is an improvement over the minus 4% that we saw in 2013. Market conditions remain mixed and uncertain but we are encouraged by the digital growth, where we saw 3% organic revenue growth in those digital products. Digital revenues now account for 46% of the unit’s revenues.

We also expanded our restructuring programs focused on editorial and production processes as well as technology optimization.

Tax and accounting revenues declined 2% at constant currencies. This was due to the net transfer of the assets into the legal and regulatory division as well as several small disposals which more than offset the contribution that we got from Prosoft which we acquired in May of last year.

Organically, total revenues grew 1% in line with last year driven by good growth in our software product lines globally. The adjusted operating profit margin declined by 170 basis points, driven entirely by the increase in restructuring in the division.

In North America, software revenues grew 4% organically which partially offset the declines that we saw in publishing as well as in bank product revenues. CCH Axcess, our cloud based software platform is performing well and leads the market in SaaS solutions for professional customers.

Our European tax and accounting business saw positive organic growth despite the mixed economic conditions across the continent. This business is now focused solely on the software area and will focus its investments in building out cloud-based solutions.

Asia Pacific and the rest of the world revenue declined mainly due to challenging print markets as well as timing effects in terms of certain product launches. The software businesses are performing well. Prosoft in Brazil is growing nicely and is performing in line with our expectations.

Turning now to health, health achieved 5% organic growth in the first half. This strong performance was driven by our clinical solutions unit which now accounts for 46% of the total revenues of the division. The adjusted operating profit margin was stable at 19.9% and this is due to the timing of some of the investments we’re making in the division.

Clinical solutions achieved double-digit revenue growth with most areas achieving organic growth above 10%. UpToDate is now sold in over 160 countries and we are approaching 1m users. We are investing in a Chinese language version of UpToDate and we are on course to launch this product in 2015.

Health Language, which we acquired last year, is growing at double-digit levels and is performing in line with our expectations.

Medical research organic revenues were broadly stable as sustained growth in digital products was largely offset by the expected and ongoing decline in print journals. Here we are investing in content and expanding functionality as well as expanding our open access product portfolio.
Professional and education saw organic revenue decline in the first half. Markets for print books remained weak and distributor ordering patterns shifted relative to prior year. Digital revenues however grew very well. They grew 49% in the first half and they now represent 25% of the revenues in P&E. Our digital nursing education products in particular are performing well.

Finally, our financial and compliance service revenues increased 3% at constant currencies reflecting organic growth and acquisitions namely Financial Tools which we purchased in January of this year.

Organic growth of 1% was better than anticipated following a strong second quarter when several new bank customers implemented our software solutions early and margins improved slightly.

Finance, risk and compliance achieved double-digit organic growth, driven by good performance from our risk and reporting solutions which is based on the integration of our FRSGlobal and FinArch product lines.

Audit also delivered robust organic growth in the first half driven by new customer wins for TeamMate's internal audit product particularly in Europe and in the Americas.

The origination business experienced a decline in transaction volumes related to the downturn in the US mortgage refinancing market. However, our recurring revenues held up relatively well.

And finally, our European transport services unit saw revenue declines as we are completing the repositioning of that business from a transaction business model to a subscription model.

So now I'd like to update you on the progress against our strategy. Our strategy aims to accelerate our organic growth and increase returns. We have three priorities.

The first is to expand our leading high growth positions. We are allocating the majority of our capital to four areas -- clinical solutions, tax and accounting software, corporate legal services and finance, risk, compliance and audit.

Second strategy priority is to deliver solutions and insights that improve our customers' productivity and outcome. Here we are investing in mobile applications, cloud-based services and integrated solutions. And here we are investing 8% to 10% of our revenues back in building these organic activities.

And the third objective is to drive efficiencies. Here we are focused on cost reductions in areas such as technology, editorial processes, real estate and sourcing.

So how are we doing? On the first objective, our high growth positions continue to deliver strong organic revenue growth. These positions grew in the first half at 6% organically on average and they now represent 47% of the total Group revenues.

Clinical solutions, finance, risk and compliance both achieved double-digit organic revenue growth in the first half. For clinical solutions the growth was driven by product innovations such as some of the mobile applications we’re delivering in UpToDate as well as by international expansion and new product innovation in general.

Our finance, risk and compliance solutions achieved double-digit growth driven by new sales for our regulatory reporting and enterprise risk management solutions.

In audit, as I mentioned, TeamMate had a very good first half bringing on a number of new customers both in Europe and in the Americas.

Corporate legal services grew 3% organically. Transaction activity was slower in the first half as we expected, but software revenues grew nicely.
And finally, tax and accounting software grew 4% organically with strong performance in the US professional segment, where our CCH Axcess cloud-based solution is being well received by the market.

Datcert is a substantial bolt-on acquisition to our corporate legal services unit. This is a business that we know well, having been a shareholder for over 10 years. We've now bought out the remaining shares that we didn't own for EUR127m and this will enable us to bring together Datcert with our Tymetrix unit to achieve operational synergies.

Both Tymetrix and Datcert are leaders in this space providing legal billing software and other solutions that help corporations manage their legal spend. Both corporations serve law firms and -- both companies serve law firms and corporations. However, they serve slightly different segments as well as have different technology solutions.

So apart from the operating synergies that we expect to get from the combination, the combination will also help us build out our legal analytics product line as well as expand more aggressively internationally.

We expect that the acquisition will cover our weighted cost of capital in three to five years including our integration benefits. And the integration is going well and we're off to a good start.

So now on to the second priority we have which is to deliver solutions and insights. Here we are prioritizing organic investments. As I mentioned, we are reinvesting 8% to 10% of our revenues back and driving innovation, particularly in digital products. All of the products that we're building are designed to help our customers make better decisions as well as improve their productivity.

So I wanted to just highlight three products that have been delivered in the last six months, because I think they are representative of the kind of innovation that is going on at Wolters Kluwer. The first one is a product called CCH eSign in our tax and accounting group. This product was launched to support the new IRS requirements for Form 8879. We are the only provider in the marketplace that has this solution.

What it does is it allows accountants to capture and obtain electronic signatures from their clients. This saves them an enormous amount of time relative to having -- going out and getting those hard-copy signatures. The product integrates seamlessly with both CCH Axcess as well as ProSystem and, as a result of that integration, provides them with tremendous productivity benefits. So this product is already being very well received by the customer base.

Second example comes from our US law and business group. Here we launched the Health Reform KnowlEDGE center which was launched in the first quarter of this year. And it provides a single, customizable source for reliable information about the Affordable Care Act. It's used by professionals and corporations, legal and the health market. And it again provides our customers with significant productivity benefits.

And then the last example comes from professional education and health. We've launched the virtual simulation learning tool. This was a joint effort with Laerdal Medical. And the new simulator is focused on the nursing market where it provides an interactive learning experience that helps nursing instructors teach better and safer patient care.

So again just three examples of what's happening in the Company, but very illustrative of the type of innovation that we're driving.

So now on to the last priority we have which is to drive efficiencies across the Group. We've made a lot of good progress in the first half and along the restructuring that we're doing. Tax and accounting is well on their way with their initiatives. In the first half we've finalized and completed the outsourcing of our remaining printing operations. And we've made substantial progress on streamlining the editorial processes, both in the US and in Asia Pacific, as well as we've moved to build out our software development centers of excellence in a few locations around the globe. So very good progress within tax and accounting.

Also good progress within legal and regulatory. There we are focused on outsourcing and automating editorial and production processes. They made good progress in the first half and that work will continue in the second half.
So all in all, our restructuring and our efficiency programs are tracking very well for the year.

So now a few words about our outlook for 2014. For legal and regulatory, we expect corporate legal services to achieve good organic growth, although momentum in CLS’s transactional revenues is expected to slow this year. For the division as a whole, including legal and regulatory solutions, we anticipate organic revenue decline. Continued softness in revenues, combined with increased restructuring and the dilutive effect from disposals and transfers is expected to reduce the margin in this division in 2014.

For tax and accounting, we expect our software businesses to deliver good organic growth, partially offsetting the trends that we see in bank products, print publishing and training. We expect to see margin contraction in 2014 due to the increased restructuring in this division.

For health, we expect another strong year for clinical solutions, but continued soft market conditions for print journals and books. The ongoing mix shift towards clinical solutions should benefit the full-year margin in this division.

And finally for financial and compliance services, we expect positive organic growth from both finance, risk compliance and audit, with this growth in the second half being skewed towards the fourth quarter. This positive performance will be partially offset by declines in the origination transaction volume as well as transport services.

So if you look at our guidance for 2014, it remains unchanged from February. We expect our adjusted operating profit margin to be between 20.5% and 21.5%, including restructuring costs of between EUR25m and EUR30m. We expect free cash flow of approximately -- or at least EUR475m in constant currencies. We expect our ROIC to exceed our WACC. And we expect EPS growth in low single digits in constant currencies.

So all in all, we are very well positioned to achieve our 2014 guidance and we remain confident in our growth prospects. Thanks very much and we'll now turn it over to Q&A. So any questions?

QUESTIONS AND ANSWERS

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

So any questions? Yes, Hans.

Hans Slob - Rabobank - Analyst

Yes, Hans Slob, Rabobank. A couple of questions. Could you update us on the restructuring going on in legal and regulatory, especially in Europe? If you look at the division, the number of FTEs has gone up in the first half, I think with 116. Should we expect that the impact from the restructurings will be much more visible in H2 in terms of headcount?

Secondly on the refinancing of the balance sheet, what was the blended interest rate on the gross debt? And do you see room to further improve it maybe going into 2015, or have you seen the low?

And last is the restructuring cost guidance, EUR25m, EUR30m for this year. Is this some kind of new normal also for the next years, or is this really one-off and should we expect a clear drop in 2015 for that above-the-line restructuring costs? Thank you.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Okay. I'll take the first one on Europe and then ask Kevin to take the last two questions. So within Europe we're making good progress on the restructuring. It's a combination of efficiencies that we achieve with our suppliers as well as some FTE reduction. What you see for the legal and regulatory division as a whole is that there's some ins and outs. So the FTE count, we did reduce FTEs that are very much tied to these restructuring
efforts. Conversely, however, we had the transfer of the tax and accounting publishing assets into the division. So therefore, obviously, those employees came with that transfer and we had the effect of Datacert. So that's why you see it balancing out.

Hans Slob - Rabobank - Analyst

So there was an underlying decline I suppose.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Yes. There was an underlying decline if you normalize for the transfers and the acquisitions, yes.

Hans Slob - Rabobank - Analyst

Okay.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Yes. Kevin, you want to --

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Sure. On the refinancing, as you've seen we have done a new eurobond at EUR400m. We're announcing this morning the refinancing of our multi-currency credit facility. All in all the blended rate moving forward, Hans, will be about 5% on all of our debt.

And as far as the restructuring, we are guiding you to EUR25m to EUR30m for this year. I would say that in our tax and accounting business, a lot of that restructuring was done in the first half and I would say we're nearly complete with tax and accounting. With legal and regulatory it's more evenly spread throughout the year. And we will continue restructuring in legal and regulatory as long as we see the challenging conditions that we've been seeing in recent years.

Hans Slob - Rabobank - Analyst

You mean there will be some next year but less because in tax and accounting you've done --

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Tax and accounting is a one-off done this year.

Hans Slob - Rabobank - Analyst

Yes.

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Legal and regulatory likely more as that -- as we continue to see the challenges in that market.
Sander van Oort - Kempen & Co - Analyst

Good morning. Sander van Oort, Kempen & Co. Two questions. First of all, the print decline minus 10% looks like a bit of a worsening versus the trends we’ve seen in the past few years. This is a new structural decline or it has to do something with timing or something like that?

Secondly on the net financing costs, guidance for this year of EUR100m is unchanged despite the refinancing but also, on the other hand, of course on the acquisition of Datacert. So is this all compensating or is that just on the conservative side, given the lower financing rates for the new financing package.

And then thirdly, maybe on the recent announcement of the asset swap Canada, Poland. To what extent are there any synergies; this is low margin, high margin, maybe you can elaborate a little bit there on the financials of these -- the businesses you sold and the businesses you acquired.

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Yes, absolutely. When you take a look at the print decline in our financials this year, yes, a 10% decline. One of the things that’s worth mentioning though is that we are seeing a very good growth in electronic books. So people are moving away from print products to electronic products, particularly in our health business where we’ve seen very good growth in electronic books or electronic study aids. And they now make up about 25% of the health revenues in P&E.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Do you want to talk about the redefinition because that’s part of that, right?

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

No, that’s just -- it’s just the print decline so that would include all of that.

As far as the net finance costs, yes, we would guide you to EUR100m for the remainder of the year. Do remember we did do the EUR400m bond, so that is a new bond. So EUR400m -- so the EUR100m is where we would guide you to for the full year.
Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

And then on the swap, what you see is this is a classic example of the kind of thing that we're doing from a portfolio transformation perspective, right, building out our leading positions. So we lead today in Poland and so this expands that leading position. The margin of the business that we bought, not very high, so we will get a lot of operational efficiencies and improve that. In Canada, conversely, we were the number three player in the market with a very small legal business; a profitable legal business but quite small. So that will come out of the portfolio. So I think it's a very good example of again what we're trying to do, particularly to remake our legal and regulatory portfolio.

Yes, please.

Ruben Devos - KBC Securities - Analyst

Yes. Ruben Devos from KBC Securities. I have two questions from my side, one related to legal. The European decline decelerated again 2%. I was wondering at what point in time you believe eventually the tide to turn. And then also could you provide us with a breakdown of client behavior trends you've seen, both in the central as the northern and southern part of Europe?

Then second question relate to health. Your clinical solutions products already represents [46%] of your overall health revenues. I was wondering what's your ambition on these products and in the long term what level do you believe your share to converge here? And what role does your promising PrepU and Lippincott products play in this health story? Thank you.

Ruben Devos - KBC Securities - Analyst

Okay. So, Kevin, why don't you take the trends in Europe --

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Sure, absolutely.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

And I'll take the health question. Yes.

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Yes indeed, we have seen the rate of decline in our legal and regulatory solutions business in Europe go from a negative 4% last year to a negative 2% this year. We are seeing the most challenging conditions in the south of Europe, so Italy, Spain, France; better conditions in northern Europe certainly.

Going forward I think it's still too early to call it the bottom. We see our customers being very careful with their spending so I'm not sure I can say we'll see growth over the next quarter or so. So we still continue to watch that very closely.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

And certainly for the full year we are guiding that we expect, within legal and regulatory, Europe to still be negative. But we are, as I say, as Kevin says, we're cautiously optimistic about the improved underlying trend.
Within health, we’re very, obviously, excited about the position that we have in clinical solutions. We believe that we can sustain double-digit growth for quite some time because of the combination of both still a very good opportunity to grow our penetration in the US market, to expand internationally where we’re really just scratching the surface, as well as the level of innovation that’s going on there. So we’ve a couple of very exciting products that are in beta that again we want to watch and see what happens. So then that is very good; continuing to go strongly.

How it relates to our more traditional content businesses, two things. We have a number of products where we integrate between our clinical solutions products and our content products, so things around our order sets, etc. they pull the content from professional education and from MR.

The other thing that we see going on, that Kevin touched on, was that we’re starting to see stronger adoption of our customers for e-solutions, particularly in professional education. Our nursing e-solutions where we’re the market leader, they grew 49% in the first half. Now, it’s off a small base, but again it’s very encouraging to see that we’re starting to see the transformation of those very traditional product lines. So over time we of course would expect that the whole division will become really a digital business.

Yes, Hans.

Meg Geldens - Wolters Kluwer NV - VP, IR
I think we have some call -- some questions coming in by phone. Do you want to put the first one through?

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board
Oh sorry, Hans.

Meg Geldens - Wolters Kluwer NV - VP, IR
Sorry to interrupt but --

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board
Yes.

Meg Geldens - Wolters Kluwer NV - VP, IR
I think Sami Kassab is on line, is that right?

Sami Kassab - Exane BNP Paribas - Analyst
Good morning, Nancy, good morning Kevin. It’s Sami from --

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board
Sami, could you speak up, we can’t -- sorry Sami. You’re going to have to start again, we can’t hear you.
Sami Kassab - Exane BNP Paribas - Analyst

Okay. Sorry for that, Nancy. I have three questions. The first one, the US law and business division, can you comment as to what's going on there. We see Europe improving, we see CLS growing and yet the whole division is down. It suggests that law -- L&R solutions in the US have been going down maybe 5%, 6%, 7%. Can you please come back on what's happening there?

Secondly, you mentioned increased new product spending in L&R. Do we have to think that the 8% to 10% spend at the Group level is to increase or is this increase offset by a decrease elsewhere?

And lastly, you guided for EUR25m to EUR30m restructuring target in 2014. Is it fair to expect that number to go down and shifting towards historical numbers, and can you remind me what the historical numbers should be for me to play with? Are we talking about EUR5m, EUR10m recurring restructuring charges on an ongoing basis?

And being that I'm on a conference call going on at the same time, excuse me if this is a repeat of what you've already said, Nancy.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Okay. I didn't catch the very last part of your question, but we'll start and then you can jump in at the end. So I'll take the first two and then ask Kevin to talk about restructuring relative to history and some color commentary on the future.

So beginning with the US law and business unit, they did decline in the first half. That's really been driven by three factors. One is that our front list -- as you know, we do a lot of these two or three-year editorial cycles. So we knew coming into 2014 that our front list was not going to be as strong as it was in the prior year. Legal [ed] enrollments continue to be down. And we're continuing to see the decline in the print product line. Conversely, we continue to see good growth in our digital business.

Within legal and regulatory and broadly we believe that the 8% to 10% reinvestment in new products is at an appropriate level. We have had that level for quite some years. We expect that level to continue. Within legal and regulatory we are investing. The investment is going very much to digital solutions and that level will be adequate in the medium term to drive the type of innovation that we expect from that division.

Kevin, you want to talk about restructuring?

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Sure. Yes, Sami, we have announced EUR25m to EUR30m in restructuring this year. We spent EUR19m in the first half. That guidance I would imagine will probably be to the upper end of that range by the end of the year.

Typically in the past what we've seen in restructuring, this year in the first half EUR4m. For the full year last year we were in the low teens, so that's probably what we would normally spend.

As we've said, I would imagine that we'd be complete with the tax and accounting restructuring largely in the first half of this year. The legal and regulatory restructuring will be more evenly spread over the balance of this year. And I could imagine seeing more restructuring in Europe as we go forward.

Sami Kassab - Exane BNP Paribas - Analyst

You mean in 2015 the restructuring charges will be higher than the low teens of 2013?
Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Well, we haven’t given any indication for 2015 at this time, but we’ll certainly update you as we get to the end of the year.

Sami Kassab - Exane BNP Paribas - Analyst

Thank you.

Meg Geldens - Wolters Kluwer NV - VP, IR

Then we -- I’ve got some e-mailed questions if there are none from the room?

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Hans, did you want to ask something before we go (multiple speakers).

Hans Slob - Rabobank - Analyst

Yes, two quick ones. In tax and accounting, yes, we’ve seen in recent years a continuous drag from those bank product lines, which continue to decline. Is there any sign that those declines will abate or that those will stabilize or that the impact is becoming less on the total of tax and accounting, that we see revenues accelerate there?

A second question is on subscription renewal rates. Is there improvements or is it stable year on year, and maybe differences between the divisions, but what’s the overall trend in subscription renewal rates?

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Yes. So on bank products it’s a very small part of the overall revenues for -- certainly for us as a corporation and even for the division, within tax and accounting. It is a structural decline so we do not expect that that will turn around and that is certainly baked into our expectations. As it becomes smaller and smaller, as you’d expect, and the software part is growing, it will become less material in the future.

On the subscription trends in general, retention rates are either stable or improving. Particularly we again see very strong retention rates in software products and stable retention or even slightly improving rates in the content products.

Hans Slob - Rabobank - Analyst

Thanks.

Meg Geldens - Wolters Kluwer NV - VP, IR

Okay. I’ve got a question from Nick Dempsey, Barclays. He says you’ve commented that health books, the markets remain weak, (inaudible) also pointed to improving trends, especially in nursing. Is the difference just due to mix or are they taking share in nursing?
Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Yes, I would say that nursing we’re doing really well in nursing. There’s two segments right, nursing and medicine, right. In nursing I would say we’re doing quite well because we have these e-solutions that are growing very nicely. I would say in general for books, both nursing and medicine, markets continue to be weak as people are moving towards online product lines. But if you look at the BookScan data which is the market share data, our share is either stable or increasing. So we’re not losing share, we’re just seeing the migration to the e-solutions.

Meg Geldens - Wolters Kluwer NV - VP, IR

Question from Mary Pollock from Credit Insights. So could you provide some color on your expected acquisition spend for the full year? And any update on the pipeline?

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Kevin?

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

I’d certainly say that in the first half of this year you saw our acquisitions spend at EUR166m which was very close to what we spent last year. We really don’t comment or speculate on future acquisitions. So we will continue to evaluate the portfolio in looking to strengthen it, not only through organic investments, but by smaller bolt-on acquisitions and through disposals, where we believe it appropriate.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Anything, any other questions? Yes, please.

Sander van Oort - Kempen & Co - Analyst

Two questions on the cash flow statement. First of all, on the working capital which is lower in the first half of this year versus last year. This is a continuation also likely for the remainder of the year or will we see a step-up in the second half of the year?

And secondly on the working capital, I think in the past you’ve warned that it’s not – that we shouldn’t expect continuation of positive contribution from working capital. I think in the first half you again added EUR22m working capital improvement. So it is sustainable or should we expect unwinding in the second half of the year?

Kevin Entricken - Wolters Kluwer NV - CFO & Member of the Executive Board

Yes. I would say on the working capital we were pleased with our cash collections in the first half of the year; I think they benefited some from timing. We’ll probably give some of that back in the second half of the year. I’d continue to guide you to a cash conversion rate of about 95% for a business like ours. That’s really a reasonable place for us to be, so I would continue to say that that’s what you should probably model.

CapEx also, I think CapEx also benefited from some timing. I do expect we will see more capital expenditures in the second half of the year as well.

Nancy McKinstry - Wolters Kluwer NV - CEO & Chairman of the Executive Board

Anything else, Meg, or any other questions from the room?
Okay, I think there’s -- there don’t seem to be questions from the callers, but I think we’ve got a question here from Henk Slotboom. Could we get a bit more color on the allocation of the EUR19m restructuring spend in the first half, how much was in L&R and how much in tax and accounting; ballpark numbers if possible.

Sure, of the EUR19m I would say probably EUR11m or EUR12m was done in tax and accounting, the balance legal and regulatory.

Yes. Yes, so any other questions?

Nobody on the call have questions? Alastair? (Inaudible).

Okay. Yes. Well, thank you very much. We certainly have refreshments outside and we look forward to catching up with some of you and thanks for joining us this morning.