

Wolters Kluwer Health plays a leading role in driving medical excellence.

Its products and services are used by professionals and organizations in almost every aspect of healthcare and across the world to advance knowledge and its application to improve patient care.

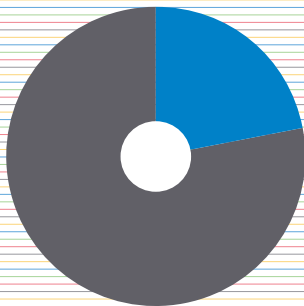
# Divisions

# Health

## 2006 revenues

### Health

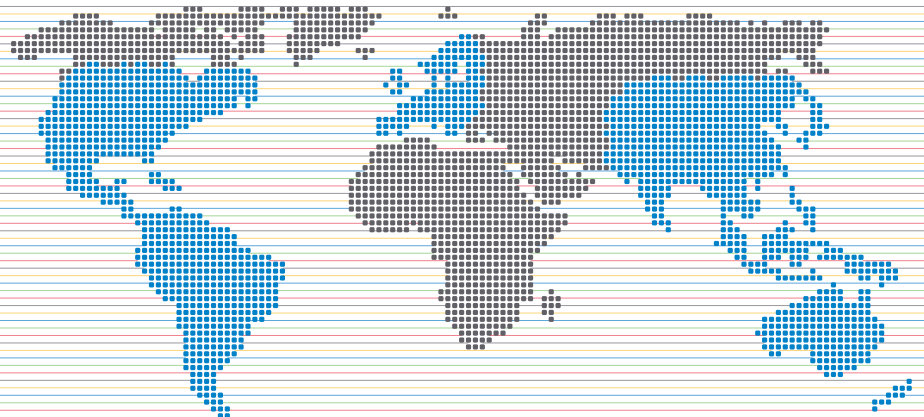
22% of total revenues



■ €823 million  
■ \$1,036 million

## Regional spread of operations and employees

Health has operations and customers worldwide, with approximately 2,700 employees.



## Wolters Kluwer Health

Wolters Kluwer Health is uniquely positioned to make a major contribution to the transformation of healthcare through the application of information. Its leading brands, deep content, advanced platforms, and extensive relationships across the healthcare system provide an unmatched opportunity to create integrated solutions.

The division is organized into four market-centered business units to serve the information needs of its diverse customers.

*Pharma Solutions* provides marketing and publications services, business intelligence products, and advanced analytical tools and services to support life sciences professionals from discovery through development and distribution.

*Medical Research* offers medical, scientific, and academic information research solutions for medical and academic researchers.

*Professional & Education* produces textbooks and point-of-learning systems for healthcare education, as well as reference books and journals for physicians, nurses, allied healthcare professionals, and students.

*Clinical Solutions* delivers critical information, tools, and workflow solutions at the point-of-care, including referential and embedded drug information, evidence-based medicine guidelines, synoptic content, and documentation and coding.

## 2006 accomplishments

In 2006, Wolters Kluwer Health continued to focus on strengthening its leading positions while building broader platforms that deliver increased value to customers and create sustainable competitive advantage and growth.

The division launched numerous products to drive future growth in its core businesses, including a robust frontlist of new educational and professional titles; thePoint, an online point-of-learning platform for nursing, medical, and health professionals, students, and educators; new journals including *Nursing2006 Critical Care* and *Men in Nursing*; new tools integrating its Facts & Comparisons and Medi-Span products; and new business intelligence products to serve the pharmaceutical industry.

Health made significant investments in its sales organization, including introducing new channel models, expanding its sales coverage in a number of key global markets, and increasing its sales support in key customer segments.

The acquisition of Healthcare Analytics and ProVation Medical significantly expanded Health's market positions in pharmaceutical data solutions and in procedural documentation and coding, respectively. The division also continued to expand its global positions, extending its Spanish-language program in Spain and Latin America, as well as increasing its direct operations in India and China.

*Pharma Solutions'* primary focus in 2006 was centered on integrating the Healthcare Analytics acquisition. This group, formed from the acquisition of NDC's Information Management business in 2005, is an important component of the division's long-term growth strategy. The unit also achieved new sales growth from expansion of the Spanish-language business and the introduction of new business intelligence solutions. This performance was

offset by softness in pharmaceutical promotion programs such as books, vouchers, and medical communications related to new product launches.

In 2006, Healthcare Analytics renewed its service contracts for 2007 with key pharmaceutical customers, but experienced significant price compression in its traditional targeting and compensation product lines.

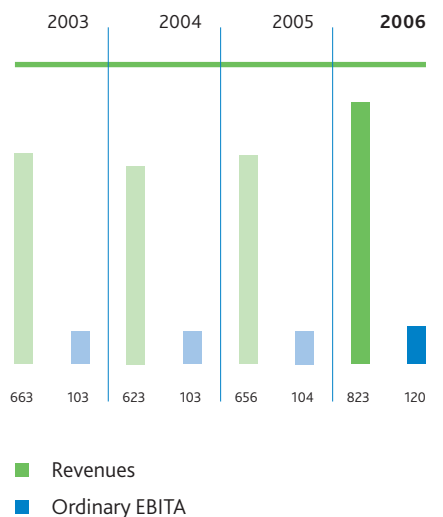
*Medical Research* continued to generate strong growth from its core online platform, Ovid, throughout 2006. The unit further increased its market leadership with the successful launch of the LWW Archive, a journal archive product available through the Ovid platform. Ovid introduced PubFusion 2.0, an online content management system for publishers, pharmaceutical companies, and other businesses. In order to better capitalize on future growth opportunities, the unit created two functional groups: Medical Research, which will focus on further strengthening the division's online content and tools, and LWW Journals (now part of Professional & Education), which will focus on enhancing the publishing and journals business by creating new content and expanding key society and industry relationships.

*Professional & Education's* nursing and medical segments delivered strong results driven by greater sales of existing products combined with an aggressive new product development program. In nursing education, growth in new adoptions was supported by new products, enhanced sales coverage, and increased school enrollments. The introduction of thePoint, an online point-of-learning platform, was rewarded by strong adoption during the year. In medicine, the unit benefited from a very strong frontlist, particularly in radiology.

*Clinical Solutions* delivered strong performance in its core Medi-Span and ProVation products. The unit launched a number of new products, including Integrated Facts & Comparisons (iF&C), Price Rx, and ProVation MultiCare™. iF&C, which combines F&C and Medi-Span capabilities to provide enhanced user productivity, saw positive market acceptance from pharmacy customers. This helped to offset the continued decline in F&C's core print products as customers migrate to online solutions. The launch of Price Rx, a software tool that allows for accurate price tracking of prescription drugs, was also well-received by pharmaceutical manufacturers and payers. ProVation MultiCare is the first procedural documentation and coding solution to serve the entire multi-care team, including the surgeon, anesthesiologist, and nurses. The unit continued to make progress toward building a leading position in the point-of-care market by expanding its relationships with electronic medical record partners, including signing a long-term contract with AllScripts for custom content and e-prescribing information.

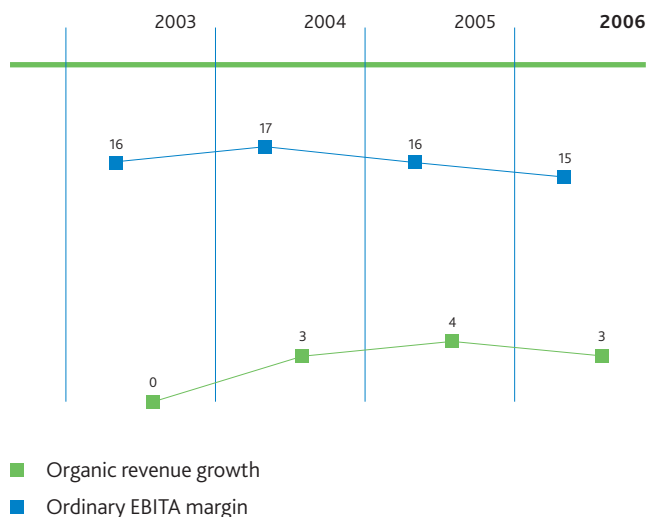
## Revenues and ordinary EBITA, 2003-2006

in millions of euros



## Organic revenue growth and ordinary EBITA margin, 2003-2006

in %



## Financial performance

Health's 2006 revenues reached €823 million, an increase of 25% over 2005, mainly as a result of the acquisition of Healthcare Analytics, which was added to the Pharma Solutions unit. Organic revenue growth was 3%, with particularly good performance at the Professional & Education unit with strong sales in the Nursing segment and positive results at Ovid, fueled in part by new online archive offerings of historical content. Organic growth for 2006 was impacted by lower journal print revenues, in part as a result of a loss of a key journal at Medical Research, as announced in 2005, and softness in marketing and advertising spending among its key pharmaceutical customers. Ordinary EBITA margin declined from 16% to 15% driven largely by increased investments, such as thePoint, Ovid's next-generation platform, expansion of sales operations in the United States and globally, additional data purchases for Healthcare Analytics, and higher royalty expenses.

## Financial performance

in millions of euros (unless otherwise indicated)

	2006	2005
Revenues	823	656
Ordinary EBITA	120	104
Ordinary EBITA margin (%)	15	16
CAPEX	21	11
FTEs ultimo (number)	2,679	2,168

## 2007 focus

In 2007, Wolters Kluwer Health will continue to expand its leading position in Professional & Education, with primary focus on extending both book and journal proprietary content positions in core therapeutic areas under its Lippincott Williams & Wilkins brand, as well as continuing to expand its global footprint. Recent and pending product introductions and sales force investments are intended to increase Clinical Solutions' leading position in the point-of-care market. In 2007, the business also will launch new specialties for its ProVation documentation and coding solutions, new workflow capabilities in its Clin-eguide evidence-based medicine solutions, and new enhancements in its ClinicalResource@Ovid synoptic content solutions. In the drug information area, the business will further strengthen its leading

position in the retail pharmacy space and increase its share of the hospital pharmacy, electronic medical records, and pharmaceutical manufacturers segments.

The Medical Research business will introduce its next-generation Ovid platform, OvidSP, setting the stage for rapid development and customer enhancements over the coming years. These enhancements will preserve Ovid's position as the most relevant medical and academic search platform. Health will strengthen its positions in the pharmaceutical data market by building out the Source® product suite at Healthcare Analytics, especially its anonymous patient-level data offerings, and launching the first phase of its new technology platform that will greatly increase integration and customization for customers. The division also will continue to develop local content in select markets, including China, Spain, and Latin America.

Lastly, the division's drive for operational excellence will continue with the expansion of its Lean Six Sigma program throughout the organization, focused on improving the speed, quality, and cost efficiency of all its functional areas.



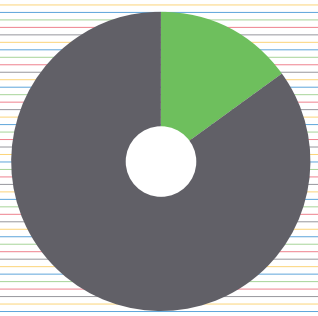
Wolters Kluwer Corporate & Financial Services is a leading U.S. services and solutions provider for legal, banking, securities, and insurance professionals.

The division's offerings include comprehensive content, technology, analytics, services, and solutions in the areas of compliance, litigation, governance, and intellectual property.

# Divisions

# Corporate & Financial Services

**2006 revenues**  
**Corporate & Financial Services**  
*15% of total revenues*



■ €534 million  
■ \$670 million

**Regional spread of operations and employees**  
*Corporate & Financial Services has operations and customers in the United States, with approximately 3,200 employees.*



The division is organized into two customer-facing units – Corporate Legal Services and Wolters Kluwer Financial Services – that meet the unique needs of the professionals it serves.

*Corporate Legal Services (CLS)* provides intelligent software and service solutions that empower legal professionals to more effectively manage information, speed workflows, and make critical decisions. CLS is the market leader in corporate compliance and governance services and solutions for:

- managing statutory representation, corporate entity compliance transactions, and jurisdictional and securities compliance;
- UCC products and services for corporate due diligence, secured lending, bankruptcy, and real estate;
- matter management and e-billing software and services, litigation support software, and eDiscovery services;
- innovative trademark research offerings.

*Wolters Kluwer Financial Services (WKFS)* brings together industry-leading brands that provide innovative regulatory compliance solutions using its industry and content expertise, analytics, technology, and services to improve processes and minimize customers' compliance risk. The unit's comprehensive solutions include integrated software, documents, analytics, training, and consulting and advisory services in the critical areas of lending, new accounts, deposits, securities, corporate actions and capital changes, anti-money laundering, and insurance compliance.

## **2006 accomplishments**

Corporate & Financial Services (CFS) delivered another year of strong organic growth and margin expansion fueled by improving growth and execution in its core markets and steady progress in executing its product and market segment extension strategy. CLS continued its extension into the litigation support and services market while WKFS successfully penetrated the national bank market with its innovative Expere compliance content product. In keeping with Wolters Kluwer's commitment to customer focus, CFS continued its focus on collaboration with customers throughout the product development process, including with one of the top five U.S. banking institutions in the implementation of Expere. CFS units also expanded their operational excellence initiatives in the areas of Lean Six Sigma, offshoring, and software development quality.

## **Corporate Legal Services**

CLS showed significant growth in 2006 across all of its markets and products. To improve its customer focus and execution, CLS reorganized its operations into four market-facing groups: CT Compliance & Governance, UCC Solutions, Litigation Solutions, and Trademark Solutions.

*CT Compliance & Governance* achieved solid growth in its registered agent services, corporate transactions, and UCC solutions, along with strong sales of its hCue corporate governance software, and also reached an all-time high renewal rate for registered agent services. CT's hCue was named Records Management Software of the Year by *Law Technology News*® in 2006. Twelve new products were launched, including the industry's first business entity monitoring solution, which helps customers mitigate risk by sending them timely email notification of changes in the status of business entities. CLS successfully integrated The Delaware Company into its BizFilings line of business, providing an even stronger presence for the unit's registered agent

business. CCH's Business Owner's Toolkit also was integrated into the BizFilings portfolio, further capitalizing on synergies in reaching the small business marketplace.

*UCC Solutions* delivered rapid organic growth from continued gains in market share due to strong operations execution, effective selling, and an ongoing stream of product innovations including real-time state UCC searching, a new mortgage lien filing system, automated monitoring for corporate and UCC events, and a new order processing system. This growth is attributed directly to significant efforts over the last three years in understanding clients, including ongoing customer intimacy initiatives, market research, workflow analysis, feedback from its Customer Advisory Board, and customer validation. CLS's Executive Bridge Network, where each department head takes executive ownership of key accounts, has further led to greater customer understanding and contact throughout the unit.

*Litigation Solutions* more than doubled the number of new agreements, representing a 192% increase in new contract value while securing very high retention rates for its CT TyMetrix product. CT Summation and CT Summation CaseVault experienced solid product innovation and growth in the market. Both products were recognized by the readers of *Law Technology News*® as 2006 Products of the Year in the Litigation Support Software and Electronic Data Discovery categories respectively.

*Trademark Solutions* achieved significant growth in the flagship Corsearch® Advantage™, supported by dramatic expansion of the product to include access to trademark research in 25 additional countries outside the United States and Canada.

## **Wolters Kluwer Financial Services**

The Financial Services unit began 2006 by re-branding itself as Wolters Kluwer Financial Services, which better conveys the broad range of compliance and workflow automation products it offers across the banking, insurance, securities, and mortgage markets. After only one year, a brand audit showed that awareness of the brand is high and its overall impression is very favorable. A new corporate portal for WKFS was launched, [www.WoltersKluwerFS.com](http://www.WoltersKluwerFS.com), which supports the new identity and includes online catalogs for purchasing WKFS products.

WKFS's improved financial performance was driven by better execution in its core markets, the increased breadth and depth of its product portfolio in high-priority segments, and cost reductions achieved by integrating acquisitions and streamlining, standardizing, and automating key processes through its adoption of Lean Six Sigma as a continuous improvement methodology.

WKFS also successfully launched the Expere products into the market after several years in development. Expere allows customers to manage their compliance documentation in one master XML-based content library, incorporate business rules specific to their organization, and then deliver required documentation through integration with different delivery platforms serving various sales channels. The Expere family of integrated compliance products has provided WKFS with a strategic entry into the large bank market.

PCI's continued investment in its professional consulting team has facilitated strong sales of banking analytics enterprise-class solutions to customers, including one of the top five mortgage originators in the United States. WKFS's financial intelligence solutions also contributed to revenue growth

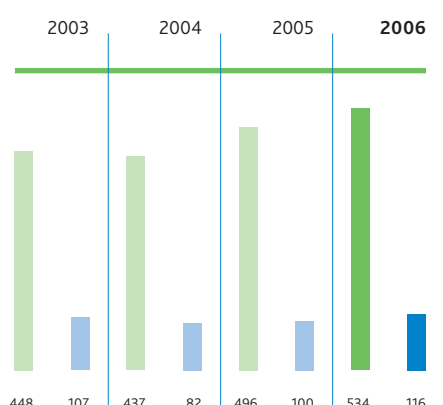
after being aligned with PCi. In addition, the 2006 acquisition of GulfPak has been fully integrated into WKFS, expanding growth opportunities in the Southeastern United States and strengthening the unit's leading position in the community and regional bank market.

As part of the GainsKeeper suite of tax-planning investment tools, WKFS launched BasisPro, which enables investors to accurately determine a stock's cost basis. The NILS insurance business achieved the highest organic sales growth in the past nine years due to major product enhancements, improved publication currency, and the consolidation of the Uniform Forms product into NILS INSource insurance content platform.

The realignment and increase of WKFS's sales resources at the end of 2005 also helped to increase revenues in 2006.

### Revenues and ordinary EBITA, 2003-2006

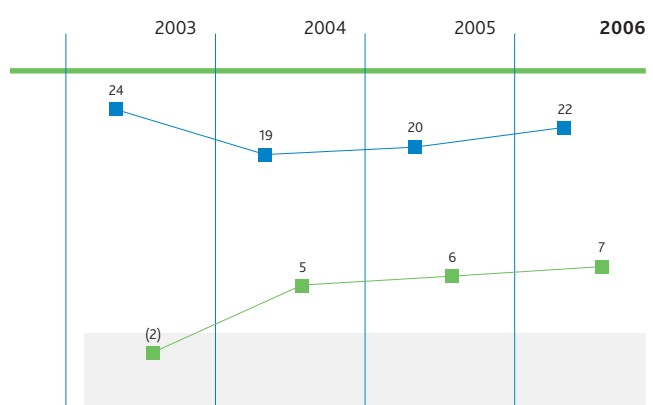
in millions of euros



- Revenues
- Ordinary EBITA

### Organic revenue growth and ordinary EBITA margin, 2003-2006

in %



- Organic revenue growth
- Ordinary EBITA margin

## Financial performance

With revenues in 2006 reaching €534 million, CFS achieved total growth of 8% and organic revenue growth of 7% over 2005 results. This success is due both to strong markets for its products and services and to the effective execution of its strategy to serve multiple market segments in the deep vertical markets in which it competes with a suite of complementary and integrated products that consistently improves in breadth, depth, and ease of use. Both CLS and WKFS increased organic sales growth and expanded profit margins in 2006. CFS's ordinary EBITA margin increased from 20% in 2005 to 22% in 2006.

### Financial performance

in millions of euros (unless otherwise indicated)

	2006	2005
Revenues	534	496
Ordinary EBITA	116	100
Ordinary EBITA margin (%)	22	20
CAPEX	24	12
FTEs ultimo (number)	3,187	2,932

## 2007 focus

The division will continue its focus on supporting Wolters Kluwer's strategy to accelerate profitable growth in 2007. CLS will grow its leading positions by expanding the functionality of its core platforms in each of its key market areas, including CT's hCue and CTAdvantage.com in Compliance & Governance; iLienOnline in UCC Solutions; CT Summation iBlaze/WebBlaze and Enterprise, CT Summation CaseVault, and CT TyMetrix 360° in Litigation Solutions; and Corsearch® Advantage™ in the Trademark Solutions area. The unit also will focus on growth through key adjacencies such as motor vehicle in UCC Solutions and new market segments of the corporate legal and insurance claims businesses. Operational excellence will continue to be a focus in 2007 with Lean Six Sigma methodologies being implemented in key areas such as back-office fulfillment functions.

WKFS will continue to leverage its leading market position to retain and grow core customers by delivering more electronic and integrated solutions and intensifying customer intimacy initiatives. The unit will expand its strategic advisory services and consulting offerings for the banking market and increase value-added content solutions supporting indirect lending transactions. It will continue to improve sales and marketing effectiveness in reaching new markets. WKFS also will extend its Lean Six Sigma initiatives, with particular focus on improving integration of acquisitions and completing the expansion of SAP in back-office functions.

Wolters Kluwer Tax, Accounting & Legal is a market-leading provider of research, software, and workflow tools in tax and accounting and in specialized key practice areas in the legal and business compliance markets.

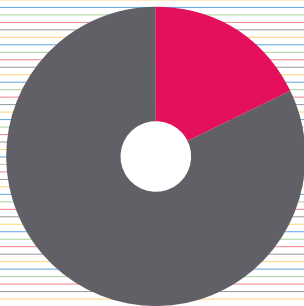
# Divisions

## Tax, Accounting & Legal

### 2006 revenues

#### Tax, Accounting & Legal

18% of total revenues



■ €678 million  
■ \$849 million

### Regional spread of operations and employees

Tax, Accounting & Legal has operations and customers in the United States, Canada, Europe, and Asia Pacific, with approximately 4,500 employees.



## **Wolters Kluwer Tax, Accounting & Legal**

The division is organized into two customer-facing units – Wolters Kluwer Tax and Accounting and Wolters Kluwer Law & Business – to meet the unique needs of the markets it serves.

*Wolters Kluwer Tax and Accounting*, which operates in the market as CCH, a Wolters Kluwer business, continues to extend its leadership position in tax and accounting research and compliance by delivering innovative integrated research and software solutions that provide a strategic business advantage to its customers. Customers include professionals in small, medium, and large accounting firms and corporate tax and auditing departments that rely on the unit's research, software, and workflow solutions to help enhance their productivity and increase value to their clients. The Tax and Accounting unit holds major market positions in the United States, Canada, and Asia Pacific.

*Wolters Kluwer Law & Business* is a leading information and solutions provider in key legal practice specialties and business compliance areas. It delivers market-leading proprietary educational, analytical, and primary law content and related forms and workflow tools in such specialty areas as securities, corporate law, banking, bankruptcy, trade regulation/antitrust, franchising, environmental law, intellectual property, employment law, human resources, pension, healthcare, and international law. Customers include law firms, corporate counsel, law schools, and business and compliance professionals. In 2006, the Law & Business unit primarily served the U.S. market.

### **2006 accomplishments**

Tax, Accounting & Legal (TAL) continued its strong contribution to the success of Wolters Kluwer's three-year strategy throughout 2006. In the tax and accounting market, TAL continued to grow its presence, further extending its market leadership in tax and accounting through organic growth and by reaching new customers in small and midsize firms through strategic acquisitions. In the legal market, the division continued to strengthen its niche position in strategic legal specialty areas. Both units continue to benefit from changes in the legal and regulatory climate in the United States, including the ongoing impact of Sarbanes-Oxley as well as ongoing tax and pension reform initiatives. TAL began implementing Lean Six Sigma initiatives throughout the division in 2006, and, at the unit level, Law & Business achieved cost savings from editorial production outsourcing as well as the move to print on demand, new sourcing initiatives, and leveraging newsletter production within an existing in-house facility.

### **Wolters Kluwer Tax and Accounting**

The Tax and Accounting unit successfully continued its efforts to create the most comprehensive suite of tax and accounting content and tools in the industry through both acquisition and organic growth. The acquisitions of ATX/Kleinrock and TaxWise, which serve the small and midsize firm market, now strategically position CCH as the only provider that spans the integrated research and software needs of firms across all market segments. This market position provides the unit with future growth opportunities as it continues to build out its product suites to serve the broad spectrum of customer needs. Organic growth was strong in 2006 as customers more fully adopted CCH's core paperless workflow solutions, including ProSystem fx Document, Engagement, and Tax.

CCH has made in-depth customer knowledge a top priority. The unit's goal is to serve as a strategic partner to professionals and continuously learn from its customers so that it can respond with the best solutions to meet customer requirements. CCH's focus on customer learning has included more than 1,000 hours spent side-by-side with customers, and this knowledge is embedded in products being created by CCH today.

During the year, CCH also focused on maintaining market leadership and positioning itself for future growth through investments in its research platform, knowledge management, and .Net initiatives. CCH also advanced its globalization efforts with strong performance in Asia Pacific and Canada where it is successfully rolling out country-specific versions of ProSystem fx products.

In 2006 CCH Canadian, which holds the leading position in the tax preparation market, became the first provider to offer an integrated suite of value-added tools to support the needs of accountants by leveraging ProSystem fx product technology for the Canadian market.

Tax and Accounting further solidified its position among customers as their first choice, with 100% of the Top 100 firms partnering with CCH. Additionally, CCH continued to build on its leading position in China with organic growth of over 40% for the year and positioned itself for future growth through increased investments in sales and marketing management.

## Wolters Kluwer Law & Business

Wolters Kluwer Law & Business continued to show profitable organic growth through the extension of its superior content and an increased array of workflow tools, supported by market forces that included increased regulatory complexity in key areas such as pension and securities law. During the year, Law & Business introduced 12 online libraries, which give practitioners access to an unparalleled collection of materials from the unit's major imprints, Aspen Publishers, CCH, and Kluwer Law International. This action further supports the unit's focus on integrating Aspen Publishers and CCH content where possible, providing customers with unique insight and analysis combined with primary resources in the context of their day-to-day work.

Wolters Kluwer Law & Business is capitalizing on the increasing adoption of technology by its customers to deliver not only content, but also actionable knowledge. For example, the online integrated libraries Law & Business successfully launched during the year embed an innovative taxonomy approach which adds data intelligence as well as tools to its comprehensive content, thereby providing content in context, and enabling customers to act on information within their workflows.

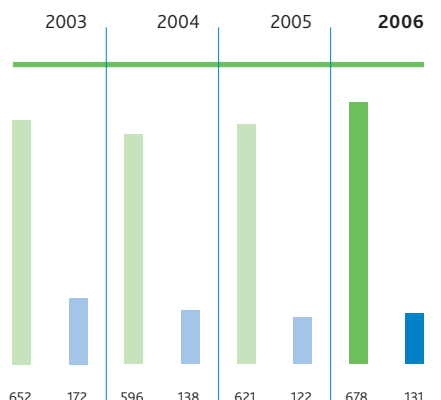
Law & Business, the second largest provider in the U.S. law school market with expertly authored casebooks and a complete line of study aids, achieved double-digit growth in the law school market in 2006. The unit introduced its first all-electronic courseware for legal writing and research, and launched AspenLaw Studydesk software, enabling the electronic integration of a law student's work with Aspen's study aids.

Law & Business also further developed its position through its Kluwer Law International brand as a leader in the fast-growing segment of English-language international and European legal content.

Supporting its integrated focus, the unit adopted the new external-facing identity of Wolters Kluwer Law & Business, creating a single presence in the legal and business compliance markets.

## Revenues and ordinary EBITA, 2003-2006

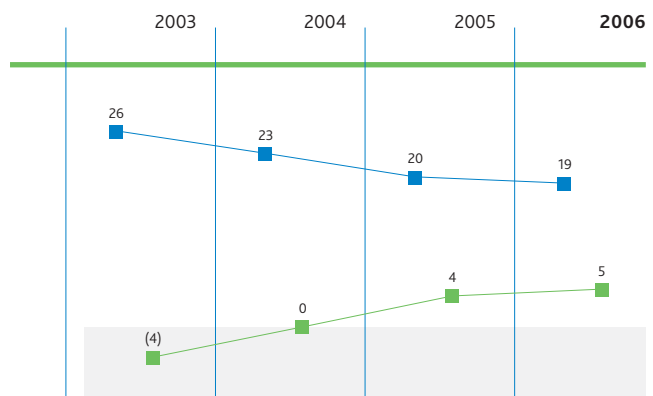
in millions of euros



■ Revenues  
■ Ordinary EBITA

## Organic revenue growth and ordinary EBITA margin, 2003-2006

in %



■ Organic revenue growth  
■ Ordinary EBITA margin

## Financial performance

In 2006, TAL recorded revenues of €678 million, an increase of 9% over 2005 with organic revenue growth of 5%. Organic revenue growth was mainly driven by CCH in the United States, which experienced strong demand for its workflow tools for tax, accounting, and audit professionals. Wolters Kluwer Law & Business also realized solid organic growth, reflecting the success of the unit's online research products and its law school publishing program. The division expanded its portfolio of workflow-oriented software products by targeted acquisitions, such as ATX/Kleinrock and TaxWise/UTS. The ordinary EBITA margin decreased from 20% in 2005 to 19% in 2006, mainly due to the investments made in the division's next-generation research and .Net platforms.

## Financial performance

in millions of euros (unless otherwise indicated)

	2006	2005
Revenues	678	621
Ordinary EBITA	131	122
Ordinary EBITA margin (%)	19	20
CAPEX	12	11
FTEs ultimo (number)	4,463	3,876

## 2007 focus

Supporting the company's strategy to accelerate profitable growth, CCH will focus on growing its market leadership across all segments from small to large firms and on further executing on its paperless office and integrated content and software strategies. The integration of the ATX/ Kleinrock and TaxWise acquisitions will be a key priority in 2007.

The unit also will continue globalization of the ProSystem *fx* suite, expanding applications in Canada and Australia as well as exploring opportunities in New Zealand and Malaysia. Further expansion into emerging markets will continue, particularly in India and China, with plans for several subscription and co-published titles in China. Wolters Kluwer Law & Business will focus on four core areas related to profitable growth during 2007: content creation and enhancements; electronic revenue growth; workflow

tools and solutions development; and operational efficiencies. At the start of 2007, Wolters Kluwer U.K. will begin reporting to Wolters Kluwer Law & Business, leveraging synergies across the units. Across the division, operational excellence will continue to be driven through broadened Lean Six Sigma and additional outsourcing initiatives.



Wolters Kluwer Legal, Tax & Regulatory Europe offers a broad range of information, software, and services to law firms, accounting firms, corporations, and governments. In each country where it is present, the division has established strong partnerships with its customers to enable innovative product development, delivery of integrated online and software solutions, and access to key authors and subject matter experts.

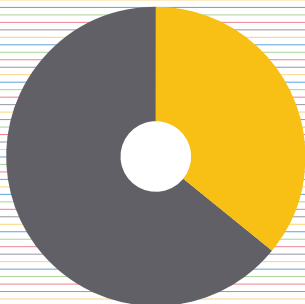
# Divisions

# Legal, Tax & Regulatory Europe

### 2006 revenues

#### Legal, Tax & Regulatory Europe

36% of total revenues



■ €1,342 million  
■ \$1,686 million

### Regional spread of operations and employees

*Legal, Tax & Regulatory Europe has operations and customers across Europe, with approximately 7,900 employees.*



The division is organized into units by country and focuses on the growth potential of six customer segments:

- legal;
- fiscal/financial;
- human resources;
- public and government administration;
- health, safety, and environment;
- transport.

As the market leader in Europe, many of the division's brands have a strong heritage in local markets.

## **2006 accomplishments**

The Legal, Tax & Regulatory Europe (LTRE) division continued to contribute to the success of Wolters Kluwer's three-year strategy throughout 2006, most importantly, restoring vital top-line growth to the division. LTRE further extended its market leadership through aggressive growth of its electronic products, strategic expansion into new geographical and market areas, and focused investments in sales and marketing.

The division successfully capitalized on increased regulatory requirements which expanded the group of professionals requiring training, productivity tools, and digital access to information on their desktop. Supporting this success has been a commitment to working closely with customers to thoroughly understand their workflows as part of the division's ongoing product development initiatives. For example, in Italy, the development of Suite LaLegge – a product suite providing all the tools an attorney needs to manage a case – included more than 250 hours of input from customers, opinion leaders, and experts from across the legal market before it was introduced. In its first nine months on the market, more than 2,000 customers in mid-sized legal offices purchased Suite LaLegge.

Kluwer, the Netherlands, also capitalized on customer demand for greater access to information from their desktop. Navigator Pro, which launched to a very strong reception in 2006, is designed for professionals in law, accountancy, tax, public administration, and business. By integrating information from Kluwer, the customer, and third parties with a state-of-the-art search engine, Navigator enables professionals to conduct all their research from their desktop via a single, integrated search solution, saving valuable time and delivering direct results.

Revenues from electronic products showed significant growth, more than offsetting the decline of print. Particularly strong results came from the division's focus on providing integrated information solutions. Wolters Kluwer Belgium launched MonKEY, a powerful, intelligent search engine providing a single gateway to up-to-date information, tools, checklists, models, and forms tailored to customers' needs. Strategically, MonKEY enables Wolters Kluwer Belgium to reach deeper into its customers' workflows and serves as a cornerstone of the unit's strategy for developing a virtual office for Belgian tax, accountancy, audit, and financial professionals. Other information solutions introduced include Jogtár, a Hungarian market-leading legal reference tool for European Union and Hungarian regulation, and a number of electronic workflow solutions in Italy, including Break Point for high-end tax professionals and Legal Library, an online resource for legal professionals. France also experienced strong revenue performance from its online portfolio, including Lamyline Reflex for legal professionals. In Spain, the launch of Todos gives legal professionals easy access to Spain's

databases through state-of-the-art search engines, based on semantic search.

LTRE successfully expanded into new markets and geographies in 2006. In partnership with legal publisher Coimbra Editora, LTRE entered the Portuguese legal market, leveraging Wolters Kluwer's expertise in content, knowledge management, and technology with Coimbra Editora's author network and in-country knowledge. CISS strengthened its leading position in Spain's legal information sector through the incorporation of FITAX, the market-leading information provider for tax advice services in the Basque region. As result of merging the CISS and FITAX databases, customers gained comprehensive access to nationwide business and accountancy information. Wolters Kluwer Belgium expanded into Luxembourg to provide country-specific solutions to professionals in that market.

Strong revenue growth, increased sales of electronic products and services, as well as increased book sales in Central and Eastern Europe demonstrate the potential of these emerging markets for the division.

Restructuring efforts in the United Kingdom continued, and, at the start of 2007, this group began reporting to Wolters Kluwer Law & Business, leveraging synergies across the units.

The acquisition of Carl Heymanns Verlag KG further expanded Wolters Kluwer's leadership in the academic and legal publishing market in Germany, and, on a smaller scale, the acquisition of Schulinck in the Netherlands broadened the position in the Dutch governmental market.

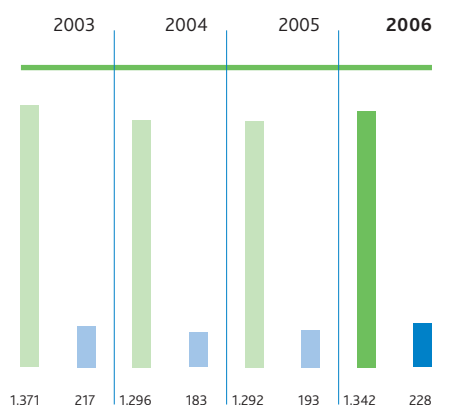
Strategic investments were made in sales and marketing across the division, supporting Wolters Kluwer's focus on knowing customers and growing customer share. These investments, which included training, new remuneration and reward schemes, and additional staff to strengthen local teams, already have resulted in revenue growth. Examples include an exclusive contract with the Polish Parliament to provide government professionals with legal information, an agreement with the Dutch government to make the digital information resources that Wolters Kluwer delivers to local government officials also available to the public, and an exclusive contract with the French Association of University Libraries to provide 43 of its libraries with online service for legal professionals.

LTRE's cross-divisional supply chain optimization initiatives focus on increasing efficiencies and reducing costs. In 2006, these efforts resulted in considerable streamlining of the paper and print process, including significantly reducing the number of paper suppliers and printers.

The transport business of Wolters Kluwer, known in the market under the well-respected brand names of Teleroute, Transwide, and Nolis, focuses on serving customers with freight exchange information, software, and services across Europe. In 2006 the unit continued to invest in integrated complete solutions and strengthen its customer relationships. Teleroute signed agreements with Schenker and GEFICO, two of the main logistics companies in Europe, and pursued its geographical expansion in Eastern Europe by extending its presence in Romania and Bulgaria. Transwide began its expansion overseas by making its first steps in the United States.

## Revenues and ordinary EBITA, 2003-2006

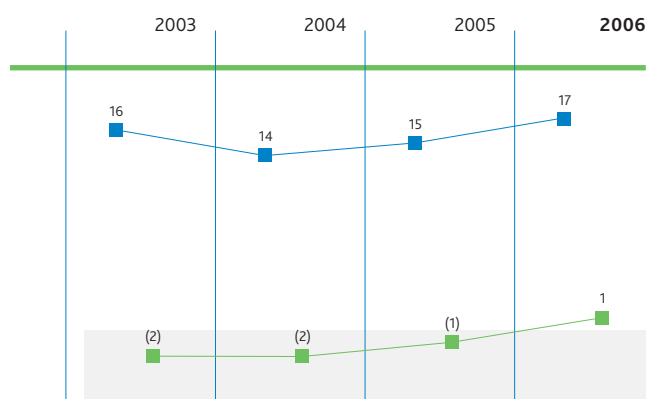
in millions of euros



■ Revenues  
■ Ordinary EBITA

## Organic revenue growth and ordinary EBITA margin, 2003-2006

in %



■ Organic revenue growth  
■ Ordinary EBITA margin

## Financial performance

The LTRE division generated revenues of €1,342 million, 4% above 2005 with organic revenue of 1%. Strong organic revenue growth was achieved in Central and Eastern Europe, Spain, Italy, and, to a lesser extent, France. Belgium and the Netherlands also generated modest growth. Restructuring efforts in the United Kingdom continued in 2006. Across Europe, electronic product offerings saw growth that more than offset the decline of the legacy print products. The ordinary EBITA margin improved from 15% in 2005 to 17% in 2006, resulting from positive organic revenue growth and the positive effects of the restructuring program.

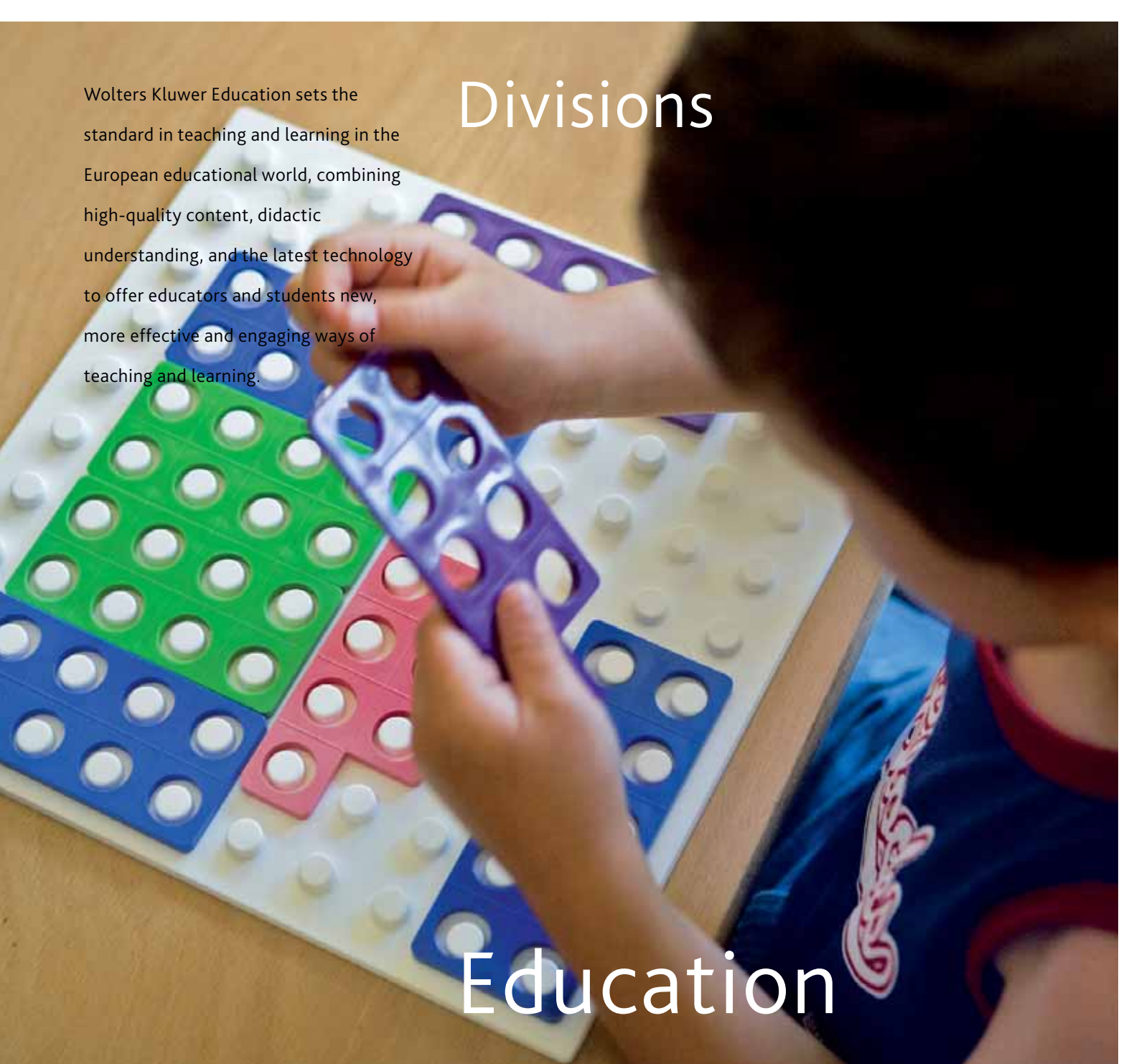
## Financial performance

in millions of euros (unless otherwise indicated)

	2006	2005
Revenues	1,342	1,292
Ordinary EBITA	228	193
Ordinary EBITA margin (%)	17	15
CAPEX	37	44
FTEs ultimo (number)	7,145	7,051

## 2007 focus

In 2007, LTRE's key growth initiatives will include expanding its leading positions through greater application of customer insight, continuing to drive online migration, and enhancing sales and marketing approaches. The division will further expand into adjacent markets such as e-learning segments and extend its global reach through continued expansion in Eastern Europe. LTRE will exploit its global scale by rolling out successful products across Europe as well as continuing development of ATLAS, Wolters Kluwer's global research platform for legal, tax, and regulatory markets. LTRE's operational excellence initiatives throughout Europe will include implementing standardized, common finance processes and launching new sourcing initiatives in such areas as pre-press production, marketing and sales, human resources services, and information technology.



# Divisions

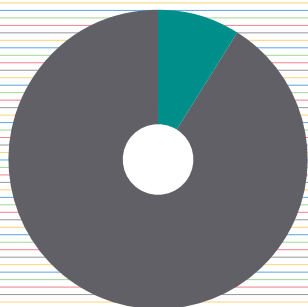
Wolters Kluwer Education sets the standard in teaching and learning in the European educational world, combining high-quality content, didactic understanding, and the latest technology to offer educators and students new, more effective and engaging ways of teaching and learning.

# Education

## 2006 revenues

### Education

9% of total revenues



■ €316 million  
■ \$399 million

## Regional spread of operations and employees

Education has operations and customers in seven European countries, with approximately 1,450 employees.



Education holds leading positions in primary, secondary, and vocational education, with educational resources that support teachers and motivate students of all abilities. The division collaborates with high-caliber partners and associates to create value for its customers and to strengthen its position as a premier provider of teaching and learning solutions in seven European countries: the Netherlands, Sweden, the United Kingdom, Germany, Belgium, Austria, and Hungary.

### 2006 accomplishments

Education continued to focus on meeting the changing requirements of customers through the development of superior and innovative content in 2006. The division added to its successful portfolio of blended learning resources, ensuring that print and electronic material, including an online test and assessment service, are designed in parallel and inextricably linked to iconic brands. The division's strategic approach to integrated publishing has provided a solid platform for growth and increased profitability.

Maintaining Education's position as the first choice among educators as well as students is the objective behind the division's new pan-European Flexible Learning Solutions (FLS) initiative. In 2006, the division conducted an extensive survey into the electronic education market across Europe. The research identified a very apparent demand for integrated electronic resources, particularly in the primary and secondary markets. The FLS program will provide a common technology platform across the entire division that will allow Education to respond swiftly to market demands for e-learning resources. FLS, which represents a significant investment for the division, provides a foundation for future product innovation and flexibility while also offering the division tremendous economies of scale and a shared vision of product development. Most importantly, it positions Education to continue to grow and progress as the leading choice in European educational publishing.

Bildungsverlag EINS achieved positive results in 2006. Continued customer focus has resulted in the unit entering the German kindergarten market for the first time in response to customer demand for resources with more instructional content. To ensure the same high-quality solutions as it delivers in its other markets, a suite of early learning resources has been developed in collaboration with experts in research and practice in kindergarten teaching and learning. Products launched in 2006 have been well-received by the market, which places Bildungsverlag EINS in an excellent position to exploit this growth opportunity.

Nelson Thornes achieved impressive double-digit growth in a declining U.K. market as the unit began publishing support resources for math and science as part of its exclusive endorsement agreement with the Assessment and Qualifications Alliance (AQA), Britain's largest examination board. Nelson Thornes is the only publisher officially endorsed by the AQA and the resources, developed in close cooperation with the AQA, are designed to raise standards and complement all teaching styles and learning abilities. EBITA margins also improved due to stronger trading performance, operational improvements, and efficiencies of scale. The unit is currently developing new GCE-level (General Certificate of Education) resources with the AQA in preparation for major curriculum changes due in 2008.

Results in the Netherlands were impacted by negative curriculum effects and an increased competitive environment, particularly in primary education. However, Wolters-Noordhoff achieved good results from the launch of new flexible learning products and a promising start was made to a

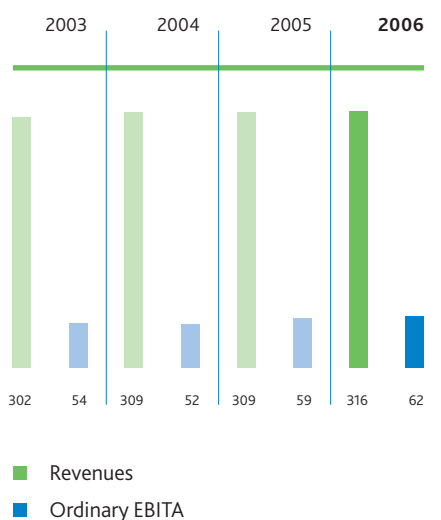
vocational health e-learning project developed in collaboration with Amsterdam Medical Center (AMC), one of the largest academic medical centers in Europe. The unit also assumed a lead role in a division-wide effort to streamline paper, print, and binding across the division, which resulted in significant cost savings and strong gross margin. For 2007, Wolters-Noordhoff will publish a new, 53rd edition of the market-leading Bosatlas.

A Belgian government decision to invest more in French education and the launch of successful new publishing projects, particularly in the Flemish primary market, resulted in solid growth for Wolters Plantyn. Revenues from electronic resources as a percentage of total revenues continued a steady year-on-year increase, which is expected to continue as the unit develops its blended learning portfolio.

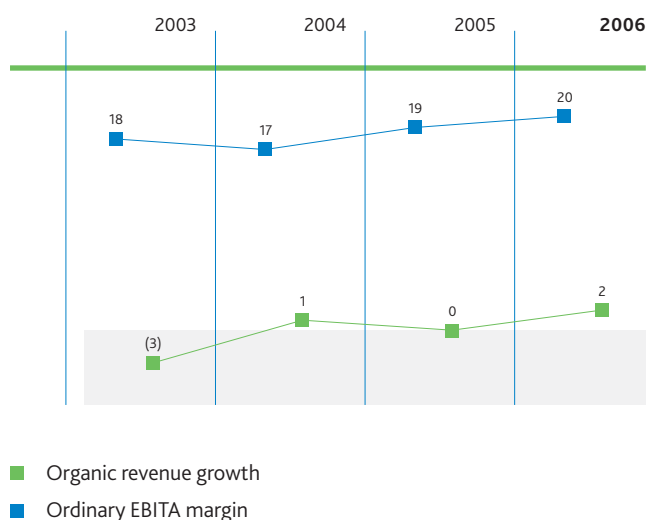
In Sweden, Liber reclaimed market share in its core markets as a result of improved, more customer-focused sales and marketing. The unit performed strongly across all sectors, particularly higher education, Liber Hermods, and Liber Distribution. Driven by FLS technology, Liber is developing innovative new e-learning resources for delivery in 2008. In Hungary, Műszaki Kiadó achieved positive organic growth results due mainly to winning a contract from the Hungarian Ministry of Education to develop e-learning resources in vocational education.

In late 2006 Wolters Kluwer began exploring strategic alternatives for the Education division, which may include the sale of all or part of the Education business. This decision is based on Wolters Kluwer's strategic direction for 2007 and beyond, as well as the strong market position of the Education division and its future growth plans. The goal of any changes in the Education division will be focused on providing the business with the best opportunities for future expansion and enhancing shareholder value.

**Revenues and ordinary EBITA, 2003-2006**  
in millions of euros



**Organic revenue growth and ordinary EBITA margin, 2003-2006**  
in %



## Financial performance

The Education division achieved revenues of €316 million, an increase of 2% over 2005. Organic revenue growth was 2%, mainly as a result of the strong performance in the United Kingdom, driven by the contribution of new products resulting from the AQA relationship. The ordinary EBITA margin increased from 19% to 20%, reflecting the contribution of increased revenues and the effect of cost saving programs, particularly around procurement.

### Financial performance

*in millions of euros (unless otherwise indicated)*

	2006	2005
Revenues	316	309
Ordinary EBITA	62	59
Ordinary EBITA margin (%)	20	19
CAPEX	6	7
FTEs ultimo (number)	1,297	1,292

### 2007 focus

In 2007, Education will continue focus on knowing and learning from customers and meeting their needs as it develops the European-wide Flexible Learning Solutions initiative, offering a common platform for growth and increased profitability. In support of this goal, the division is expanding from its position of providing books and e-learning components to also more broadly offering testing and assessment, continuing professional development products, and online services across its core markets. Starting in 2008, the division expects to begin delivering new products across Europe using the FLS platform.