

## Sensitivity

<i>in millions</i>	Amount	Exchange rate movement	Interest rate movement
Fair value hedge	€200	–	€(5)
Cash flow hedge	\$200	€0	€6
Net investment hedge	\$215	€2	€0

For the effective part of the hedge, the sensitivity of the hedging item is offset by the sensitivity of the hedged item.

The multi-currency roll-over credit facility is not included in this sensitivity analysis since this is not a derivative financial instrument. However, the U.S. dollar draw-down (\$890 million at December 31, 2006) serves as a net investment hedge. See the → Notes to the Consolidated Financial Statements – Derivative financial instruments and hedging activities for the principal accounting policies.

## Employee Benefits

note 20

Employee benefits	2006	2005
Pensions and post-employment plans	168	227
Other (post-)employment obligations	19	23
<b>Total</b>	<b>187</b>	<b>250</b>

### PROVISION FOR PENSIONS

The provision for pensions relates to defined benefit plans. The following weighted average principal actuarial assumptions were used to determine the net periodic pension and post-retirement plans' expense and net liability at the balance sheet date.

#### Economic assumptions

<i>in %</i>	2006	2005
<b>Pension schemes</b>		
Discount rate	4.7	4.3
Expected return on plan assets	5.8	5.3
Expected rate of salary increases	3.3	3.5
<b>Post-retirement plans</b>		
Discount rate	5.4	5.3
Medical cost trend rate	5.0	5.0

The expected rate of return on plan assets on individual categories of plan assets are determined by reference to relevant market indices. The overall expected rate of return on plan assets is based on the weighted average of each asset category. The mortality tables used are generally accepted in the applicable countries. The average increase in salaries is based on the non-closed pension plans. The medical cost trend rate is capped at 5% as stipulated by the Group's post-retirement medical plan in the United States.

Plan liabilities and assets	Pension plans		Post-employment plans	
	2006	2005	2006	2005
<b>Plan liabilities</b>				
Fair value at January 1	1,014	919	89	85
Current service cost	15	15	3	2
Interest cost	43	43	4	4
Benefits paid by fund	(35)	(33)	(3)	(6)
Actuarial (gain) or loss	(42)	49	(3)	(9)
Contributions by plan participants	5	6	–	–
Curtailment (gain) or loss	(4)	–	–	–
Exchange rate differences	(19)	30	(7)	13
Plan amendments	(4)	(15)	–	–
■ Fair value at December 31	973	1,014	83	89
<b>Plan assets</b>				
Fair value at January 1	918	817	–	–
Expected return on plan assets	46	28	–	–
Actuarial gain or (loss)	29	58	–	–
Benefits paid by fund	(35)	(33)	(3)	(6)
Contributions by the employer	22	16	3	6
Contributions by plan participants	5	6	–	–
Exchange rate differences	(16)	26	–	–
■ Fair value at December 31	969	918	–	–
<b>Funded status</b>				
Funded status at December 31	4	96	83	89
Unrecognized past service costs	10	11	13	16
Asset ceiling	36	–	–	–
Reclassification of Medicare Part D to financial assets	–	–	22	15
■ Net liability at December 31	50	107	118	120
<b>Pension cost</b>				
Current service cost	15	15	3	2
Interest cost	43	43	4	4
Expected return on plan assets	(46)	(47)	–	–
Amortization unrecognized past service costs	(1)	1	(1)	(1)
Plan amendments and curtailment	(8)	–	–	–
■ <b>Total pension costs</b>	<b>3</b>	<b>12</b>	<b>6</b>	<b>5</b>

Post-employment plans consist of the post-retirement medical benefit plan in the United States and the Italian TFR plan.

The asset ceiling of €36 million in 2006 relates to the pension scheme in the Netherlands where the overfunding of the defined benefit plan cannot likely be recovered, based on the current terms of the plan, through refunds or reductions of future contributions.

The curtailment gain of €4 million in 2006 relates to a change in the pension plan in the United Kingdom where all active scheme members'

benefits ceased to be linked to their final salary and they effectively became deferred members.

The plan amendment of €4 million in 2006 also relates to a change in the pension plan in the United Kingdom where the scheme rules were changed to allow a higher amount of retirement pension to be commuted for tax-free cash, in line with new governmental rules. Allowing for this rule change (and making an assumption that members opt to utilize the higher cash allowance) has the effect of a plan amendment.

The reclassification of the Medicare Part D subsidy of €22 million (2005: €15 million) refers to the U.S. Medicare Prescription Drug subsidy (see → note 13).

The pre-tax cumulative amount of actuarial gains and (losses) recognized in the statement of recognized income and expenses (SORIE) is as follows:

Actuarial gains and (losses)	2006	2005
Position at January 1	(56)	(59)
Recognized in SORIE	38	3
<b>Cumulative amount at December 31</b>	<b>(18)</b>	<b>(56)</b>

The actual return on plan assets for the year ended December 31, 2006 amounted to €75 million (2005: €86 million).

The funded status for the years 2004-2006 is as follows:

Funded status	2006	2005	2004
Present value of defined benefit obligation	(1,056)	(1,103)	(993)
Fair value of plan assets	969	918	817
Funded status	(87)	(185)	(176)

The experience adjustments, defined as the effects of differences between the previous actuarial assumptions and what has actually occurred, amount to 1% of the plan assets and liabilities.

The sensitivity for a 1% change in the discount rate is:

### Sensitivity

*in millions of euros*

	Medical costs	Service costs	Plan liabilities
Baseline	2	16	(1,056)
Discount rate -1%	2	21	(1,210)
Discount rate +1%	2	12	(928)

The actual medical cost trend rate in the United States exceeds the applied medical cost trend rate which is capped at 5% according to the plan rules. Consequently, the sensitivity for a 1% change in the assumed medical cost trend rate is nil. The baseline service costs of €16 million relate to the pension plans as well as the Italian TFR.

#### Proportion of plan assets

in %	2006	2005
Equities	50	58
Bonds	50	42
<b>Total</b>	<b>100</b>	<b>100</b>

The overall expected rate of return on assets (EROA) of 5.8% in 2006 is based upon the long-term EROA per asset class. For equities, an overall long-term EROA of 7.4% is applied and for bonds 4.2%.

Wolters Kluwer estimates the contributions to be paid to the plans during 2007 at €20 million (2006: €25 million).

## Provisions for Restructuring Commitments

note 21

Provisions for restructuring commitments	2006	2005
Position at January 1	13	33
Add: short-term commitments	44	51
<b>Total at January 1</b>	<b>57</b>	<b>84</b>
<b>Movements</b>		
Addition charged as exceptional restructuring expense	0	20
Addition charged to ordinary operating result	15	1
<b>Total additions</b>	<b>15</b>	<b>21</b>
Appropriation of restructuring provisions	(37)	(51)
Exchange differences and other movements	(1)	3
<b>Total appropriations</b>	<b>(38)</b>	<b>(48)</b>
Total at December 31	34	57
Less: short-term commitments	(22)	(44)
<b>Position at December 31</b>	<b>12</b>	<b>13</b>