

Acquisitions and Disposals

note 3

Acquisitions			2006	2005
	Carrying amount	Fair value adjustments	Recognized values	
Non-current assets	23	406	429	144
Current assets	38	-	38	62
Current liabilities	(97)	(9)	(106)	(65)
Non-current liabilities	(1)	-	(1)	-
Provisions	(2)	-	(2)	(1)
Deferred tax	16	(87)	(71)	(26)
■ Net identifiable assets and liabilities	(23)	310	287	114
Goodwill on acquisitions			542	249
■ Consideration			829	363
The cash effect of the acquisitions is:				
■ Consideration payable			829	363
■ Cash acquired			(7)	(11)
■ Deferred payments			(49)	5
■ Acquisition spending			773	357

Total acquisition spending in 2006 was €773 million, including payments for acquisitions made in previous years. This includes an amount of €9 million relating to costs that are directly attributable to acquisitions, such as legal fees, broker's costs, and audit fees.

Since the acquisition date, these acquisitions have contributed €187 million to revenues, €24 million to ordinary EBITA, and €(22) million to profit for the year. If all acquisitions had been executed on January 1, 2006, full-year 2006 revenues for the Group would have been €3,758 million, ordinary EBITA €641 million, and profit for the year €315 million.

The fair value of the acquirees' identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation in 2007 which will be completed within 12 months from the acquisition date.

Main acquisitions completed

Healthcare Analytics (NDCHealth Information Management) (Phoenix, AZ, USA)

On January 6, 2006, Wolters Kluwer completed the acquisition of the Information Management business of NDCHealth Corporation, a provider of healthcare information solutions. The business, renamed Healthcare Analytics, has approximately 380 employees and is part of the Health division. Healthcare Analytics has annual revenues of approximately \$165 million (€140 million). The purchase price of \$382 million (€324 million) was paid in cash. Goodwill on this acquisition amounts to €233 million and identified intangible assets to €168 million.

Sage Practice Solutions line (Pensacola, FL, USA)

On January 16, 2006, Wolters Kluwer announced the acquisition of the Sage Practice Solutions line of business, including Sage Practice Manager, Write-up, and Document Manager, from Sage Software. Sage Software offers business management software and services to small and mid-sized business customers in North America. Sage Practice Solutions has approximately 50 employees and annual revenues of approximately \$7 million (€6 million), and is part of the Tax, Accounting & Legal division.

ProVation Medical, Inc. (Minneapolis, MN, USA)

On January 23, 2006, Wolters Kluwer completed the acquisition of ProVation Medical, Inc., a privately-held company providing medical documentation, coding, and workflow solutions to hospitals and ambulatory surgery centers in the United States. ProVation Medical is part of the Health division, has annual revenues of approximately \$13 million (€11 million) and approximately 100 employees.

Carl Heymanns Verlag (Cologne, Germany)

On May 8, 2006, Wolters Kluwer acquired Carl Heymanns Verlag KG, one of Germany's leading academic and legal publishers. Carl Heymanns Verlag is part of the Legal, Tax & Regulatory Europe division, has annual revenues of approximately €15 million and approximately 130 employees.

GulfPak (Jackson, MS, USA)

On August 15, 2006, Wolters Kluwer announced the agreement to acquire GulfPak Corporation, a leading provider of automated lending and account origination solutions to U.S. financial organizations. GulfPak provides its compliance-based technology solutions to more than 700 financial organizations. GulfPak has approximately 37 employees, has annual revenues of approximately \$9 million (€7 million), and is part of the Corporate & Financial Services division.

ATX/Kleinrock (Rockville, MD, USA)

On August 30, 2006, Wolters Kluwer acquired the assets of ATX/Kleinrock, a supplier of tax preparation, accounting and tax research software solutions to more than 48,000 tax professionals and CPAs throughout the United States. ATX/Kleinrock has almost 300 employees, has annual revenues of approximately \$40 million (€31 million), and is part of the Tax, Accounting & Legal division.

TaxWise (Rome, GA, USA)

On October 11, 2006, Wolters Kluwer acquired the stock of TaxWise Corporation. TaxWise and its subsidiary, Universal Tax Systems, Inc. (UTS), provide tax and accounting software solutions to more than 9,300 accounting professionals, enrolled agents, and tax preparers across the United States. TaxWise has 300 full-time employees, annual revenues of approximately \$53 million (€42 million), and is part of the Tax, Accounting & Legal division.

Disposals	2006	2005
Non-current assets	7	–
Current assets	7	–
Current liabilities	(7)	–
■ Net identifiable assets and liabilities	7	–
Book profit on disposals	9	4
■ Consideration	16	4
The cash effect of the disposals is:		
■ Consideration receivable	16	4
■ Cash disposed of	(2)	–
■ Other assets obtained	–	8
■ Cash from receivables	(1)	1
■ Receipts from disposal of activities	13	13

Segment (Beek, the Netherlands)

On January 23, 2006, Wolters Kluwer announced the sale of Segment B.V. Segment was part of the Legal, Tax & Regulatory Europe division, with annual revenues of approximately €5 million and approximately 40 employees.

CT Insurance Services (Minneapolis, MN, USA)

On February 28, 2006, Wolters Kluwer's Corporate & Financial Services division divested two product lines, Xchange software and Financial/Securities Exam Training, accounting for annual revenues of approximately \$8 million (€7 million) and 41 employees.

Cedam Scolastica (Padova, Italy)

On December 22, 2006, Wolters Kluwer completed the sale of the school book part of Cedam. Cedam Scolastica was part of the Legal, Tax & Regulatory Europe division, with annual revenues of approximately €5 million and 5 employees.

Personnel Expenses

note 4

Personnel expenses	2006	2005
Salaries and wages	1,061	932
Social security charges	157	143
Costs of defined contribution plans	26	20
Costs of defined benefit plans	9	17
Share-based payments	17	12
■ Total	1,270	1,124

The average number of employees, expressed in full-time equivalents, in 2006 is 19,704 (2005: 18,467).