

**Bernstein 5<sup>th</sup> Annual  
Pan European  
Strategic Decision  
Conference 2008**



September 24, 2008 - London

**Nancy McKinstry**  
*CEO and Chairman of the  
Executive Board*



# Forward-looking Statements

This presentation contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties, that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions, conditions in the markets in which Wolters Kluwer is engaged, behavior of customers, suppliers and competitors, technological developments, the implementation and execution of new ICT systems or outsourcing, legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions and divestments. In addition, financial risks, such as currency movements, interest rate fluctuations, liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Agenda

- Introduction
- Strategy
- 2008 Half Year Results
- Recent Acquisitions
- Q&A

# *Wolters Kluwer Introduction*



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# Wolters Kluwer

## *The Professional's First Choice:*

Provide the information, tools, and solutions to help professionals make their most critical decisions effectively and improve their productivity

- Global information services and publishing company
- Leading positions in core markets: health, tax, accounting, corporate services, financial services, law, and regulation
- Euronext listed (AEX index)
- Market Capitalization €4.7 billion (US\$ 6.8 billion)
- 2007 Revenues of €3.4 billion (US\$ 4.7 million)
- Approximately 19,500 employees
- In more than 33 countries across 5 continents



# The Professional's First Choice

*Global information services company focused on professionals*

## HEALTH

Wolters Kluwer Health is the leading global provider of information and business intelligence for healthcare professionals, serving physicians, nurses, allied health professionals, pharmacists, academics, payers, and the life sciences with solutions for research and development, at the point-of-learning, the point-of-dispensing, and the point-of-care.

## CORPORATE & FINANCIAL SERVICES (CFS)

Wolters Kluwer Corporate & Financial Services has a leading, comprehensive portfolio of products, services, and solutions to empower professionals in the legal, banking, securities, and insurance markets in the United States and the United Kingdom.

## TAX, ACCOUNTING & LEGAL (TAL)

















Wolters Kluwer Tax, Accounting & Legal is a premier provider of research, software, and workflow tools in tax, accounting, audit, and in specialized key practice areas in the legal and business compliance markets in the United States, Canada, Asia Pacific, and Europe.

## LEGAL, TAX & REGULATORY EUROPE (LTRE)

Wolters Kluwer Legal, Tax & Regulatory Europe is the leading provider of a broad range of information, software, and services to professional customers in the European markets for legal, tax and accounting, human resources, public and government administration, health, safety, and environment, and transport.

# The Professional's First Choice

*Leading positions in the markets served*

	Health	Corporate & Financial Services	Tax, Accounting & Legal	Legal, Tax & Regulatory Europe
Health				
Tax				
Accounting				
Banking				
Securities				
Legal				
Legal Education				
Corporate				
Public				

# The Professional's First Choice

*Customers are at the center of our growth*

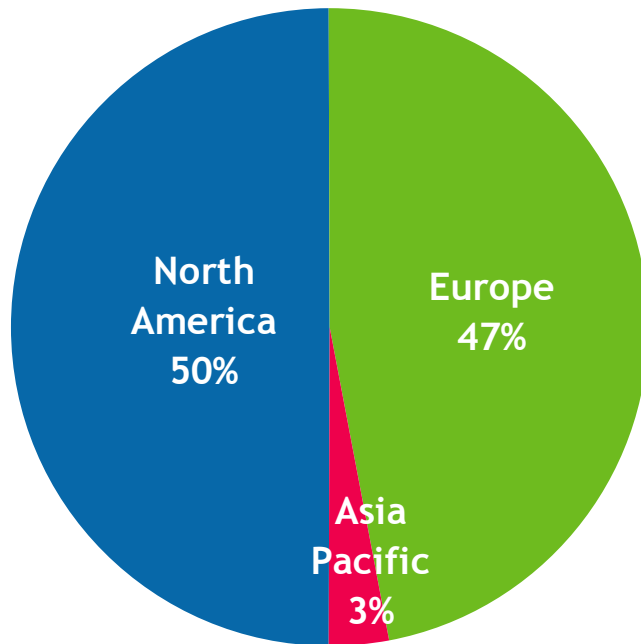
Health	Corporate & Financial Services	Tax, Accounting & Legal	Legal, Tax & Regulatory Europe
Hospital administrators	Banks	Accounting firms	Corporations
Life sciences professionals	Brokerage companies	Business compliance professionals	Government agencies
Managed care professionals	Broker-dealers and investment advisors	Corporate legal counsel	Professionals in:
Nurses and allied health professionals	Corporate law departments	Corporate tax and auditing departments	- Accounting
Pharmacists	Credit unions	Law firms	- Banking
Physicians	Indirect lenders	Legal educators	- Finance
Professional society members	Insurance firms		-Fiscal
Students & teachers in healthcare professions	Law firms		-Human resources
	Mortgage lenders		- Insurance
	Mutual fund companies		- Legal
	Thrift institutions		- Regulatory
			- Securities
			- Transport



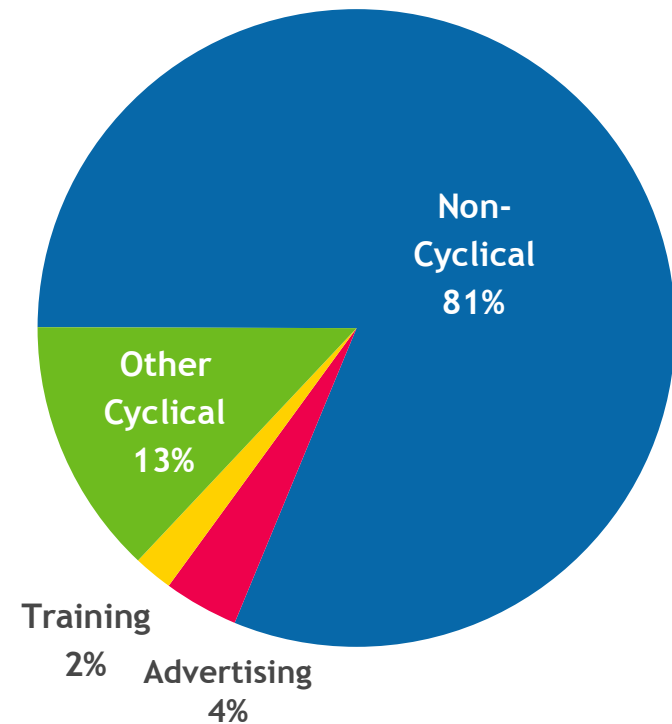
# Diversified and Defensive Portfolio

*Good visibility with stable performance*

Revenue by Geography  
Half-Year 2008: €1,608 Million



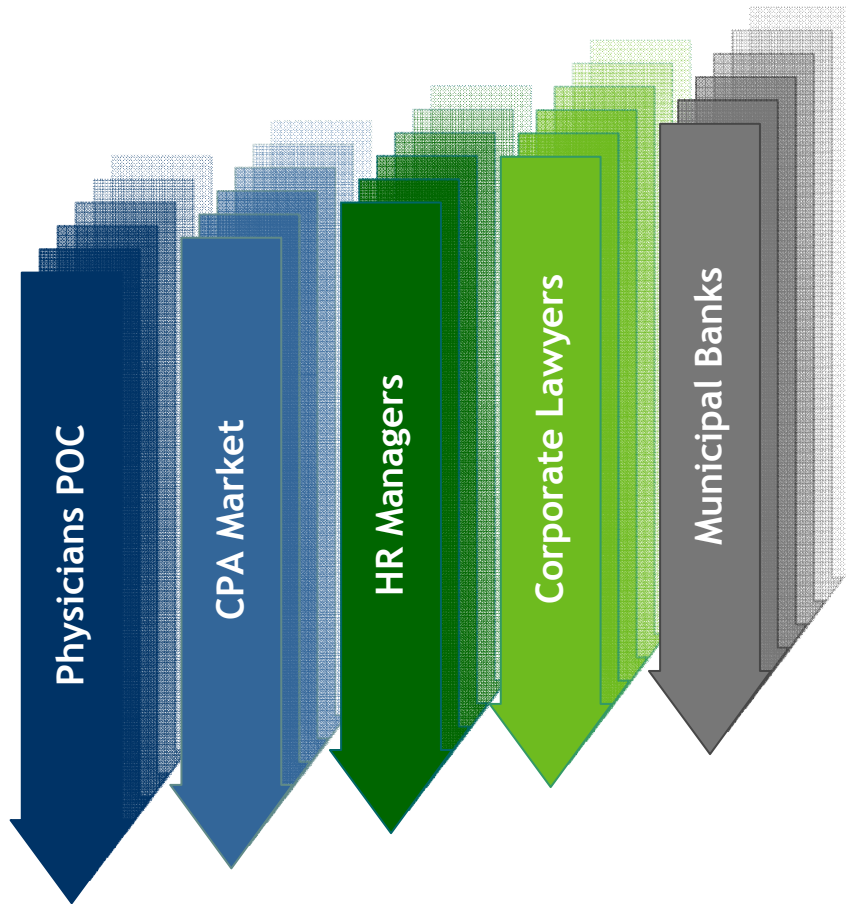
Revenue by Type  
Half-Year 2008: €1,608 million



# Diversified and Defensive Portfolio

*Distinct vertical markets benefit from deep positions*

## WK Verticals Examples



## WK Assets

Well established brands

Unique market footprint

Deep customer knowledge

High degree of proprietary content

Technology solutions

Long-term relationships

# *Wolters Kluwer Strategy*



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# Successful Transformation over Recent Years

## 2003-2006 Strategy

- Strengthened Market Positions and Portfolio
- Restructured Cost Base and Increased Operational Rigor
- Developed Significant Presence in Online and Software
- Re-allocated Capital to Higher Growth Markets
- Achieved Major Increase in Shareholder Value

## Wolters Kluwer Today

- Leader in core markets
- Clear momentum around organic growth
- Local focus, global scale
- Product depth and breadth with focus on essential customer content and workflow tools
- Operational discipline
- Strong organizational capabilities

# Our Strategy for Accelerating Profitable Growth

- Expand product offerings
- Enhance market execution
- Invest in product development and sales & marketing



- Expand into adjacent customer and market segments
- Extend product suite of productivity tools and services
- Extend footprint in emerging markets
- Expand existing products globally
- Use global platforms to leverage scale

- Build customer insight programs
- Instill culture of continuous improvement



1  
Grow Our  
Leading  
Positions

# Growing The Core Is A Critical Focus For All Our Businesses

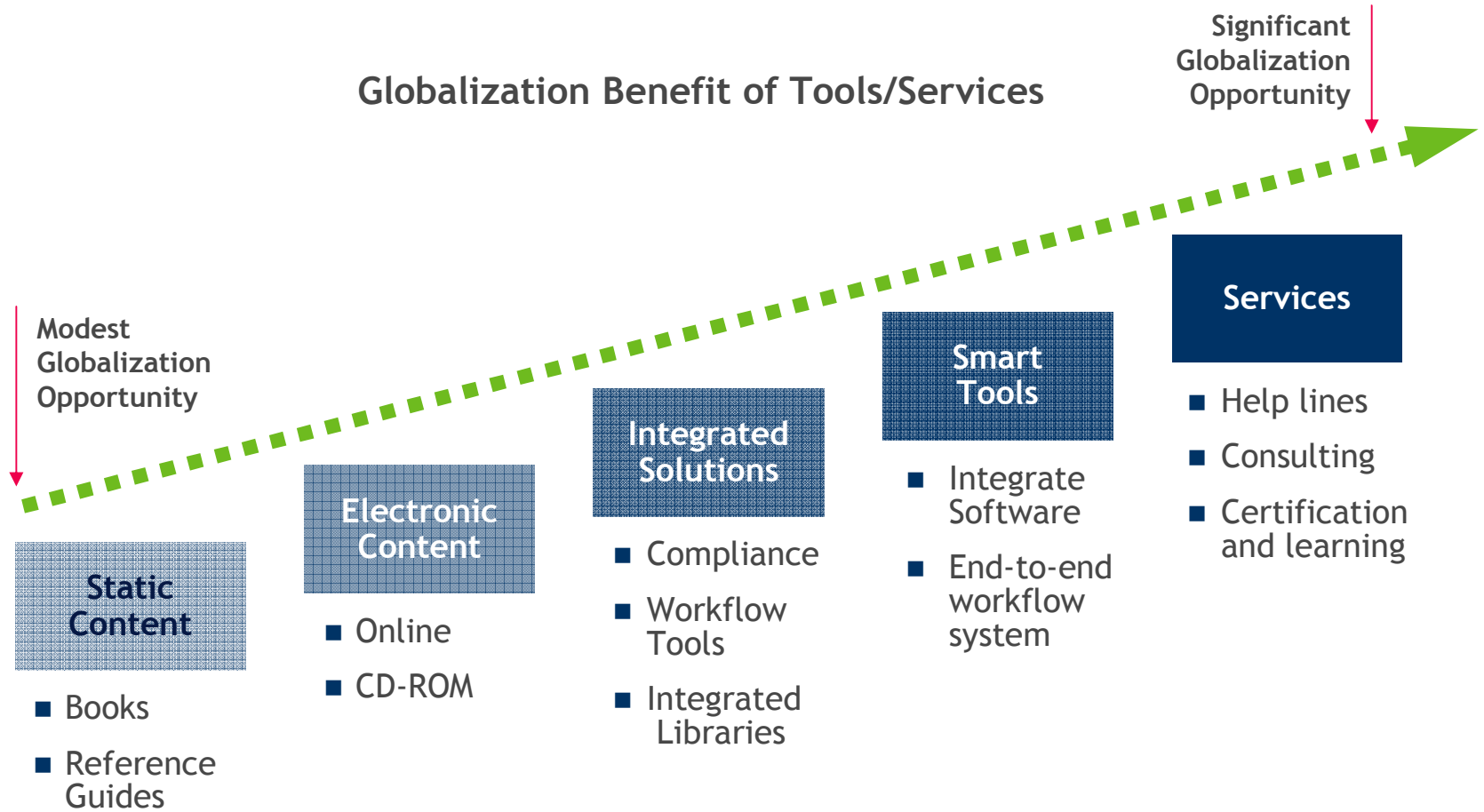
## Strategic Initiatives

- Broaden coverage of core customer needs
- Expand range of integrated offerings; annual product development spend at approximately 8-10% of revenues
- Enhance core market execution; marketing & sales spend at 17-18% of revenues



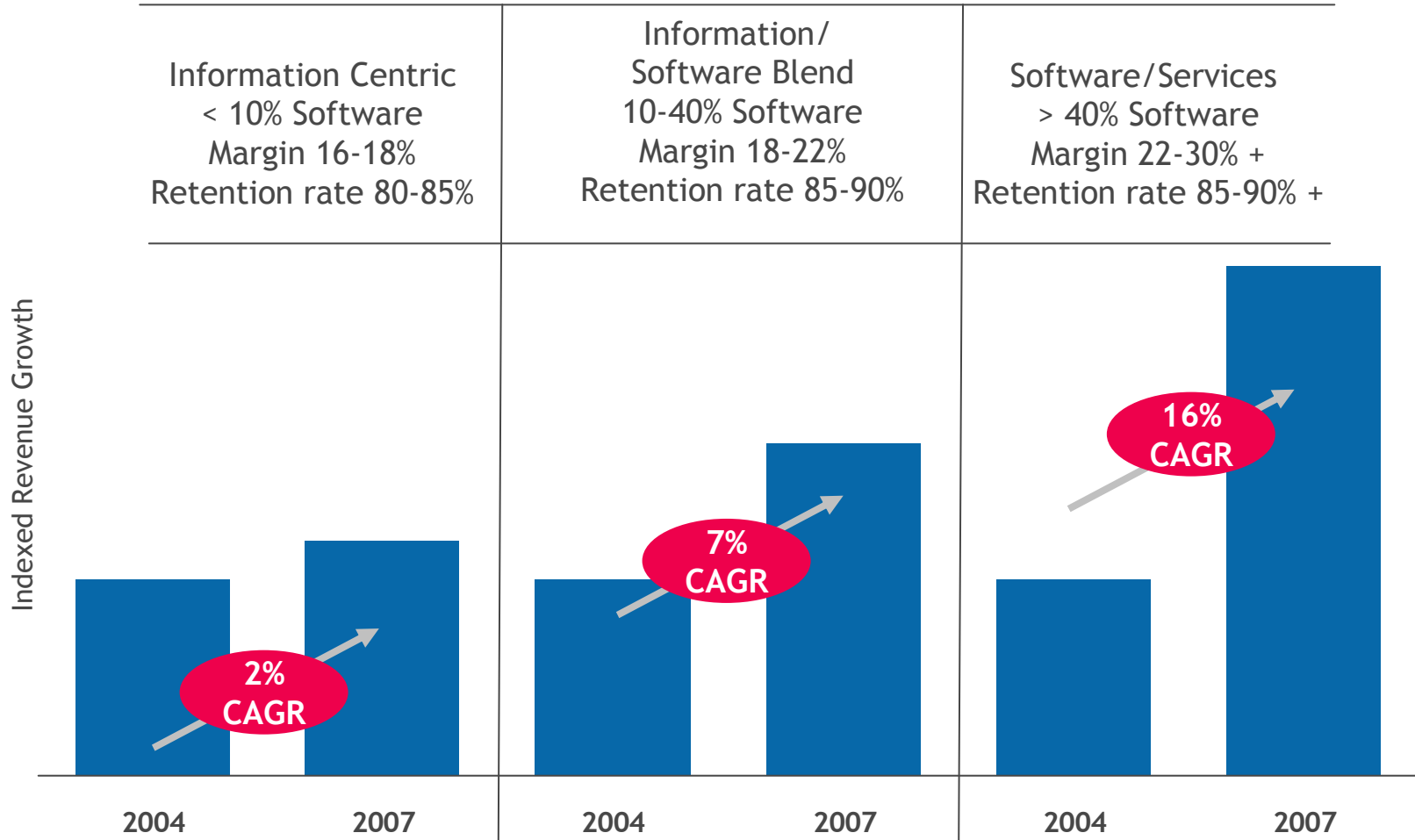
# Moving Further Into Software Solutions And Services ...

## Globalization Benefit of Tools/Services





# ... will improve revenue growth and profitability







Capture  
Key  
Adjacent  
Markets

## Add Adjacent Markets to Core, Driven By Our Customers' Needs

### Strategic Initiatives

- Expand into Adjacent Customers Segments and Markets
- Extend Productivity-based Tools and Services
- Seed Investments and Partnerships in Promising Market Opportunities

Capture  
Key  
Adjacent  
Markets

## Adjacent Market Expansion has Increased Our Competitive Position

Division	Adjacent Market	Acquisition
Corporate & Financial Services	E-Discovery	Discovery Cracker
	Indirect lending	AppOne, Banco
Tax, Accounting & Legal	Internal audit product for corporations & governments	TeamMate
	Workflow tools for law students	Teaching Law and Study Desk
Legal, Tax & Regulatory Europe	Expansion to Russia	MCFR
	Expands tax and accounting software and tax advisory positions in Spain	MicroLab/FITAX
	Solidifies legal information offerings in Portugal	Jurinform



Exploit  
Global  
Scale and  
Scope

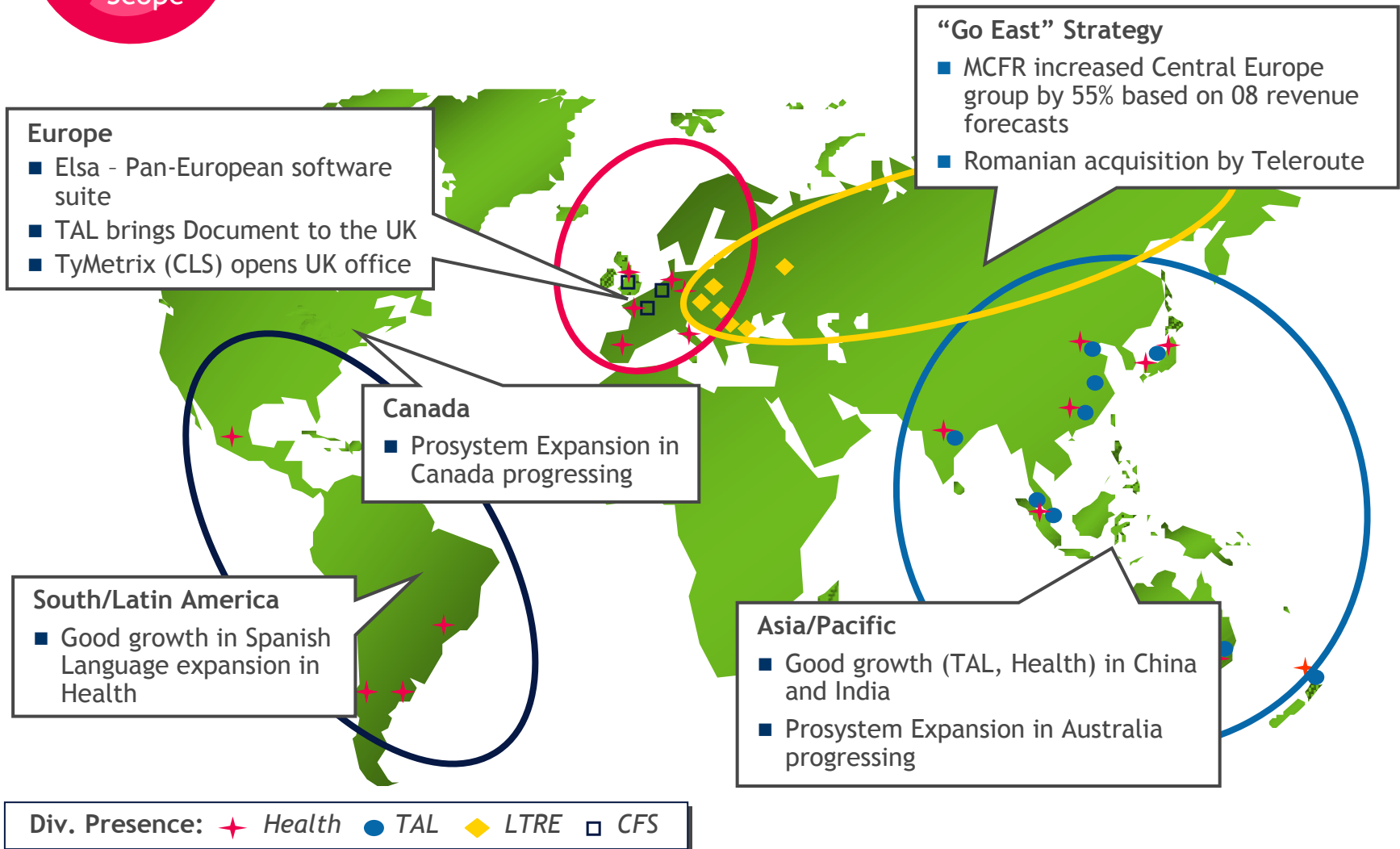
## Investing to capture longer-term globalization opportunities

### Strategic Initiatives

- Leverage WK local brands/global scale and know-how to build a larger footprint in emerging markets (e.g., China and India)
- Focus on those offerings – software and services – that have global scale and attractive local market potential
- Use global platforms to provide local customization at lower-cost

Exploit  
Global  
Scale and  
Scope

# Cross Border Initiatives Gaining Traction and Expanding Global Reach





Institutionalize  
Operational  
Excellence

Institutionalizing operational excellence  
will further support profitable growth

## Strategic Initiatives

- Atlas Platform Development
- Lean Six Sigma Initiatives
- Customer Insight Programs
- European Process Optimization Project (EPO)
- Data Center Consolidation
- Global Sourcing
- Project Springboard





# ...and Will Drive the Next Level of Operational Efficiencies for Wolters Kluwer over the Next Four Years

## Opportunity

**Multi-Generational Technology Plan**

Rationalize portfolio of 3,000 applications and save 8-12% of current IT spend through consolidation and simplification

**Content Supply Chain**

Re-engineer and standardize content manufacturing process to support next generation print and online publishing

**Supply Management**

Expand global sourcing initiatives to address larger portion of €1.3B supplier spend

**Offshoring**

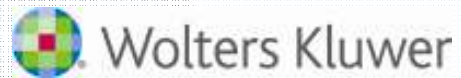
Extend the scope of our offshoring initiatives



**Goal:**  
2011 Run Rate Savings:

**€50M to €75M**

*Wolters Kluwer  
2008 Half Year  
Results*



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## Highlights Half-Year 2008

*Positive earnings growth, profit margins, and cash flow performance despite weaker market conditions*

20% diluted ordinary EPS growth<sup>1</sup>

4% Revenue growth<sup>1</sup> (1% organic growth)

8% Electronic revenue growth<sup>1</sup>

Resilient profit margin despite weaker market conditions

Solid free cash flow underpins strong balance sheet

Reiterate progressive dividend policy

<sup>1</sup> At constant currencies EUR/USD = 1.37



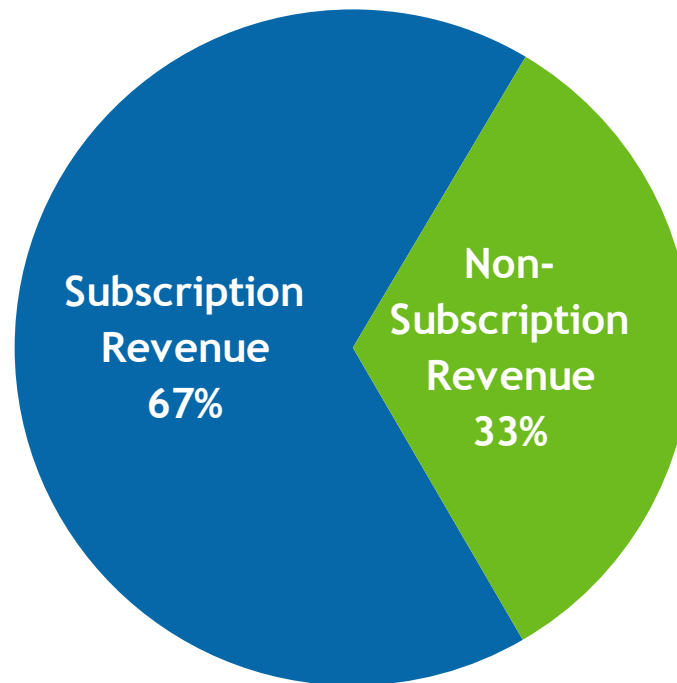
# Half-Year 2008 Revenue Growth

*Good growth from core subscription base*

## Subscription Revenue

- 67% of total revenue
- 5% growth in constant currencies
- Continued migration from print to electronic products
- Double-digit growth in electronic products
- Solid growth in service products

Half-Year 2008 Revenue  
€1,608 Million



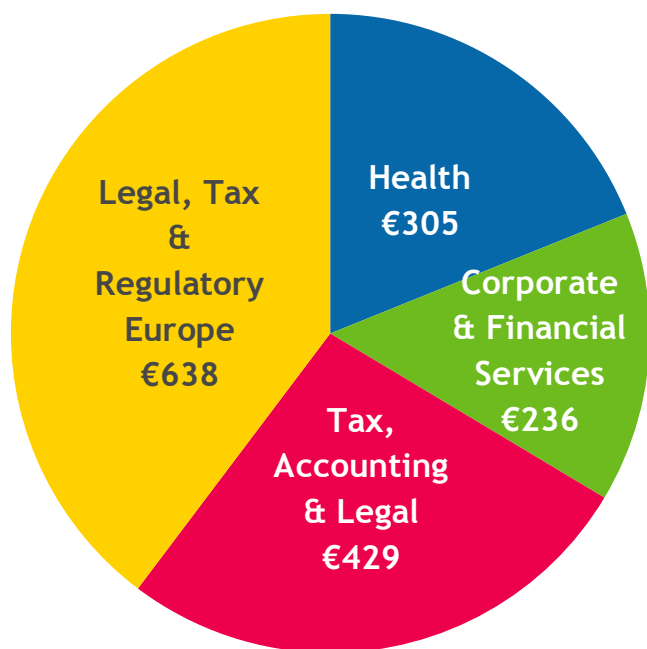
## Non- Subscription Revenue

- 33% of total revenue
- 2% growth in constant currencies
- Electronic: Flat growth due to lower transaction volumes
- Books: Flat growth due to wholesaler inventory management actions
- Advertising: 7% decline due to market conditions

# Revenue Growth

*Good growth in core subscription base and higher margin electronic products*

Revenue: Six Months Ended June  
2008 - €1,608 million



Revenue: Six Months Ended June 30				
€ millions	2008	2007	Δ CC	Δ OG
Health	305	354	(2%)	(2%)
CFS	236	268	1%	0%
TAL	429	451	8%	3%
LTRE	638	604	6%	3%
<b>Wolters Kluwer</b>	<b>1,608</b>	<b>1,677</b>	<b>4%</b>	<b>1%</b>

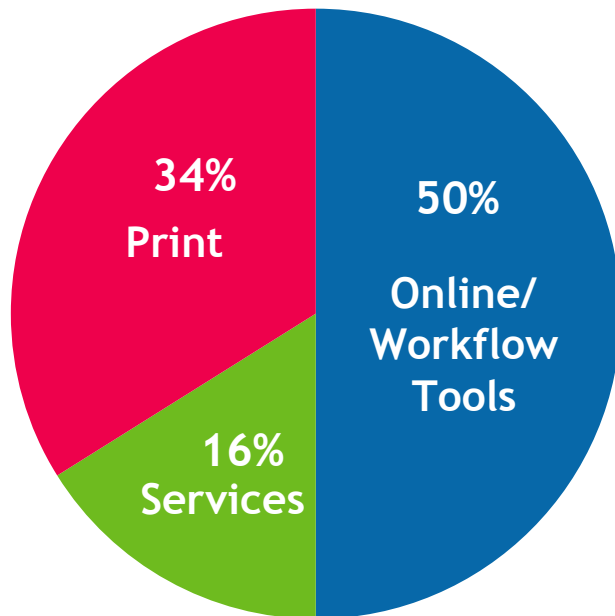
Δ CC - % Change at constant currency EUR/ USD 1.37

Δ OG - % Organic growth

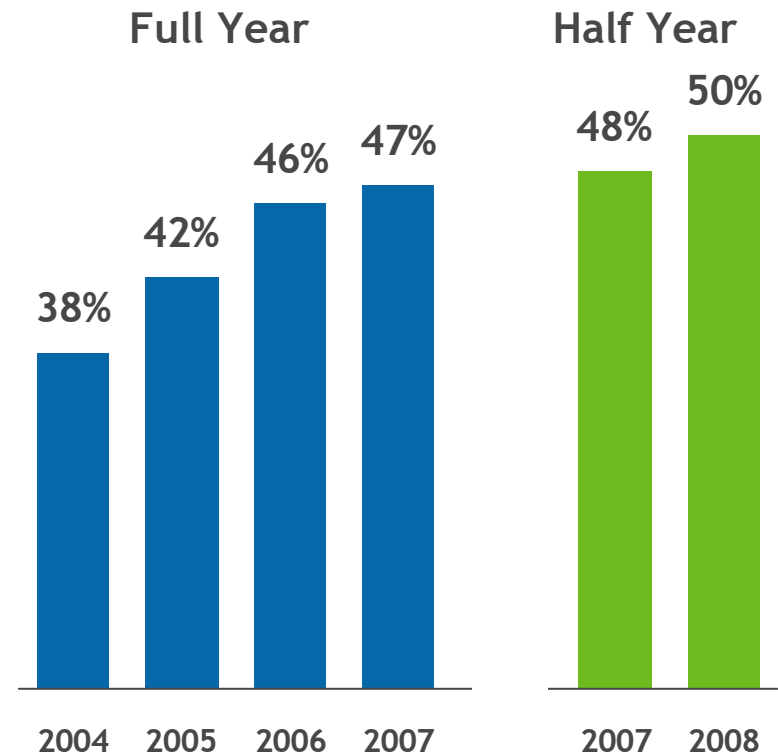
# Innovative Information, Software, and Services

*Continued growth in higher margin electronic products now comprising 50% of total revenue*

Half-Year 2008 Revenue  
€1,608 Million



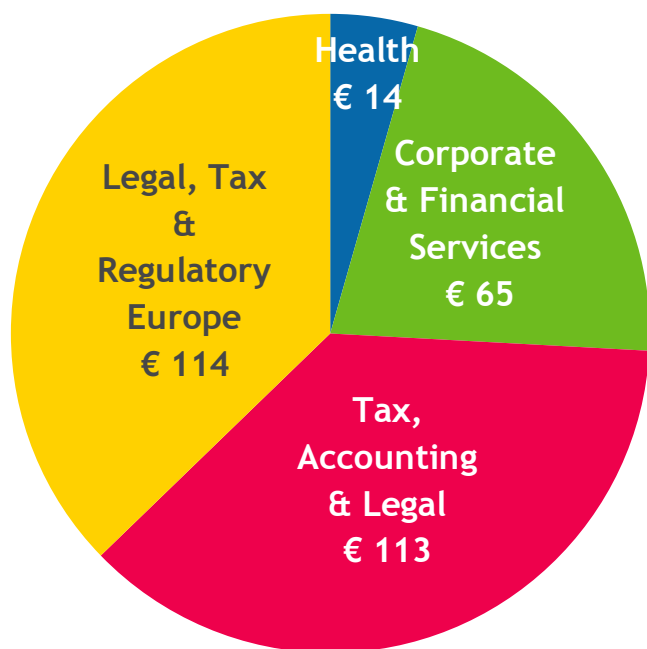
Electronic Revenue as a %  
of Total



# Ordinary EBITA

*Growth in higher margin electronic products, improving retention rates, and operating efficiencies*

Ordinary EBITA: Six Months Ended  
June 2008 - €288 million



Ordinary EBITA %: Six Months Ended June 30				
€ millions	2008	2007	Δ CC	Δ OG
Health	4.6%	8.2%	(43%)	(43%)
CFS	27.6%	26.9%	4%	6%
TAL	26.4%	25.0%	14%	7%
LTRE	17.9%	17.9%	5%	3%
<b>Wolters Kluwer</b>	<b>17.9%</b>	<b>18.1%</b>	<b>4%</b>	<b>1%</b>

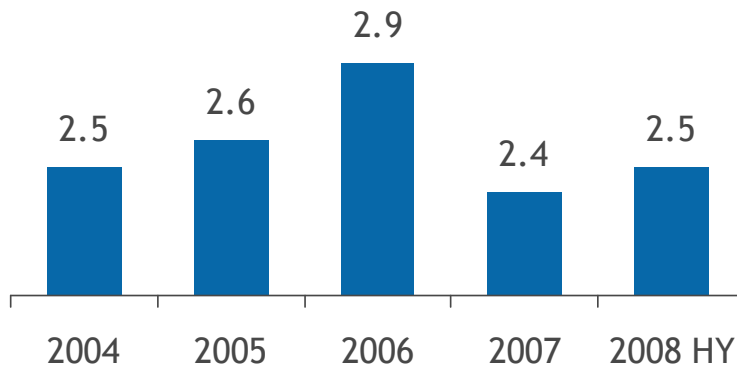
Δ CC - % Change at constant currency EUR/ USD 1.37

Δ OG - % Organic growth

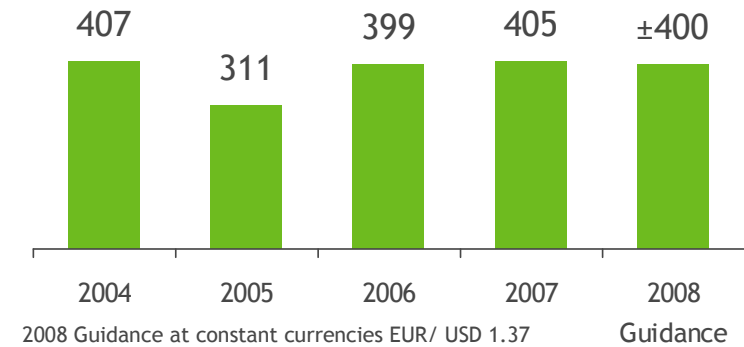
Note: Pie chart excludes €18 million in corporate costs

# Solid Financial Position

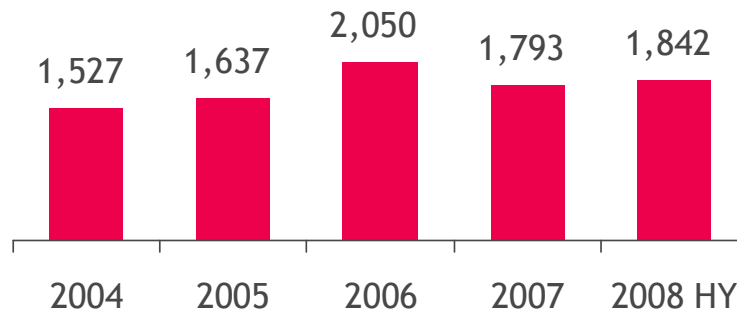
## Net Debt/ EBITDA



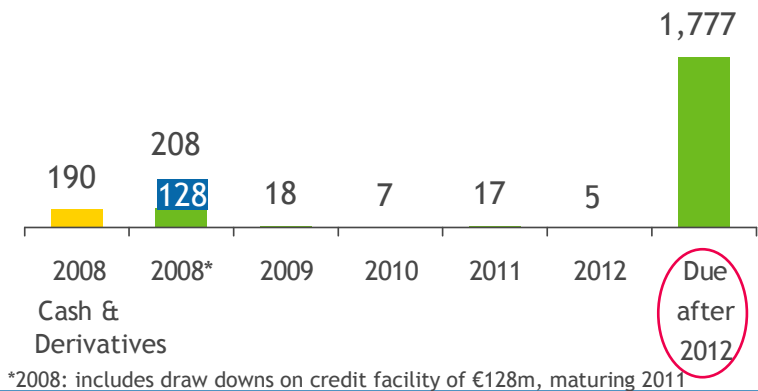
## Free Cash Flow (EUR million)



## Net Debt (EUR million)



## Debt Maturity Profile (EUR million)



## Updated Outlook

*Organic revenue growth outlook adjusted to 3%, reiterate all other key performance indicators*

Key Performance Indicators	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Target 2008
Organic Revenue Growth	-2%	1%	2%	3%	4%	3%
Ordinary EBITA Margin	18%	16%	16%	17%	20%	20%
Free Cash Flow	€393m	€456m	€351m	€399m	€405m	±€400 m <sup>1</sup>
ROIC (after tax)	7%	7%	7%	7%	8%	8%
Ordinary diluted EPS	€1.18	€1.02	€1.06	€1.10	€1.38	€1.52- €1.57 <sup>1</sup>

Note: 2006, 2007, and 2008 figures represent continuing operations and exclude Education

<sup>1</sup>At constant currencies EUR/USD = 1.37

*Wolters Kluwer  
Recent Acquisitions*

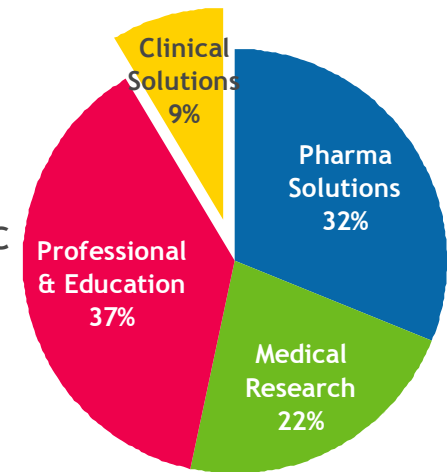


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# UptoDate

- Leading evidence-based electronic clinical information resource
- Strengthen WK Health's portfolio in the growing point of care and electronic medical record markets
- UpToDate is expected to generate annualized projected revenue of \$80 million in 2008
- UpToDate has demonstrated consistent double digit organic revenue growth over the last four years
- Approximately 250 employees in more than 3 countries (mainly US)
- Headquarters: Waltham, Massachusetts US
- Private-held company
- Closing Expected Q4, 2008 - pending regulatory approval
- More information on [www.uptodate.com](http://www.uptodate.com)

## Health

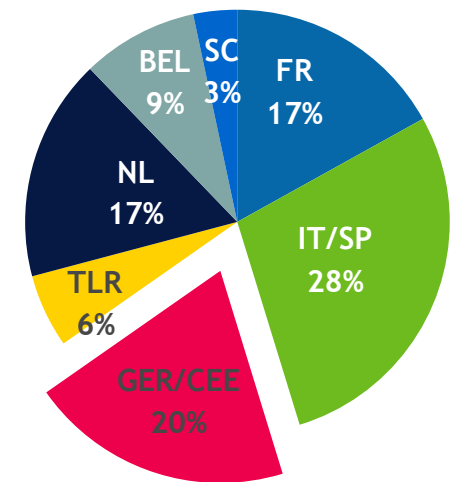




# Addison Software and Service GmbH

- Leading provider of software solutions for the German tax market
- Strengthen LTRE Germany's leading position as professional information solutions provider for advisors in tax, accounting, and human resources
- Annual revenues in 2007 were approximately €48 million
- Approximately 340 employees
- Headquarters: Ludwigsburg, Germany
- Private-held company
- Closing Expected Q4, 2008 - pending regulatory approval

## LTRE





# Summary

**Diversified and defensive portfolio**

**80% of revenue is non-cyclical**

**Strong electronic revenue growth**

**Improving retention rates**

**Strong profitability**

**Solid financial position**

**Solid foundation for the future**



# Q&A

# Health Highlights



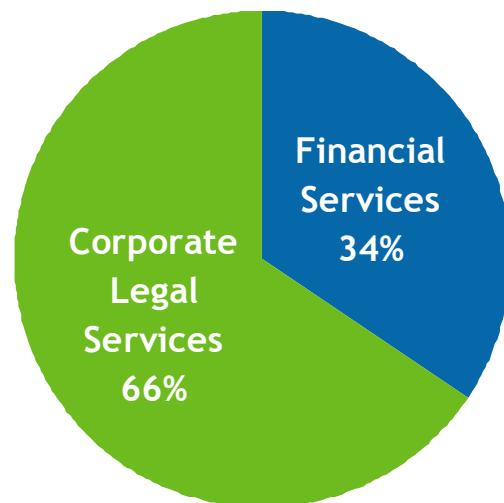
- **Medical Research:** Strong growth driven by Ovid subscription renewals and new products
- **Clinical Solutions:** Good growth driven by new sales of ProVation Medical and Medi-Span
- **Pharma Solutions:** Double-digit growth in brand analytics products offset soft promotion spend and the loss of one large data contract.
- **Professional & Education:** Reduced wholesaler order volume offsets positive online growth.
- **Margins impacted by data contract loss and restructuring expenditures**

Millions	Half Year			
	2008	2007	Δ CC	Δ OG
Revenue (EUR)	305	354	(2%)	(2%)
Revenue (USD)	467	471		
Ordinary EBITA (EUR)	14	29	(43%)	(43%)
Ordinary EBITA (USD)	23	38		
Ordinary EBITA Margin	4.6%	8.2%		

Δ CC - % Change at constant currency EUR/USD 1.37

Δ OG - % Organic growth

# CFS Highlights



Millions	Half Year			
	2008	2007	Δ CC	Δ OG
Revenue (EUR)	236	268	1%	0%
Revenue (USD)	360	356		
Ordinary EBITA (EUR)	65	72	4%	6%
Ordinary EBITA (USD)	100	96		
Ordinary EBITA Margin	27.6%	26.9%		

Δ CC - % Change at constant currency EUR/USD 1.37

Δ OG - % Organic growth

## ■ Corporate Legal Services:

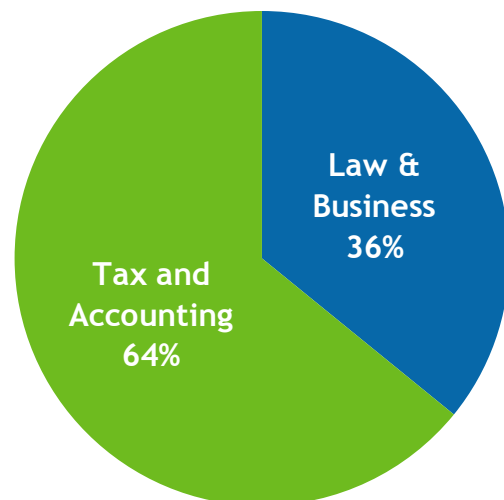
- Good results in representation.
- Lower volumes in transactions associated with M&A and IPOs

## ■ Financial Services:

- Solid growth in analytics, fraud, securities and insurance products.
- Reduced lending activity impacts transaction volume.

## ■ Good margin improvement driven by operational excellence initiatives and subscription growth

# TAL Highlights



	Half Year			
	2008	2007	Δ CC	Δ OG
Revenue (EUR)	429	451	8%	3%
Revenue (USD)	654	598		
Ordinary EBITA (EUR)	113	113	14%	7%
Ordinary EBITA (USD)	172	149		
Ordinary EBITA Margin	26.4%	25.0%		

Δ CC - % Change at constant currency EUR/ USD 1.37

Δ OG - % Organic growth

## ■ Tax and Accounting:

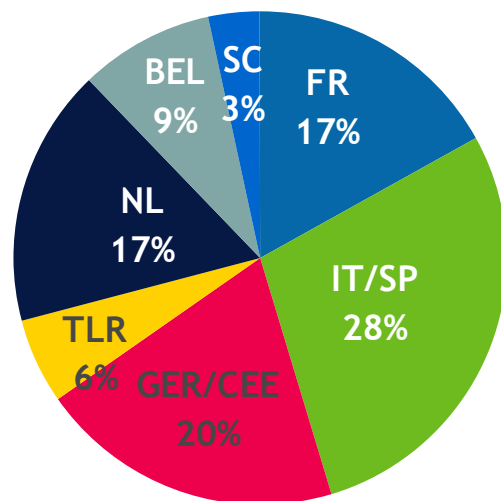
- Strong new software sales and improved retention
- Double-digit growth at Small Firm Services, contributed by all business lines
- Good growth in Canada and Asia Pacific

## ■ Law & Business:

- First-half revenue comparables impacted by strong publishing schedules in 2007
- U.K. growth boosted by GEE and MYOB acquisitions

- Margin improvement driven by Small Firm Services, restructuring in the U.K. and offshoring and outsourcing initiatives.

# LTRE Highlights



Millions	Half Year			
	2008	2007	Δ CC	Δ OG
Revenue (EUR)	638	604	6%	3%
Ordinary EBITA (EUR)	114	108	5%	3%
Ordinary EBITA Margin	17.9%	17.9%		

Δ CC - % Change at constant currency EUR/USD 1.37

Δ OG - % Organic growth

- Double-digit organic revenue growth of electronic products drives these products to 46% of total revenue (2007: 43%)
- Improving retention rates and new sales efforts
- Strong growth continued in Spain, Italy, Belgium, and Central and Eastern Europe
- Germany showed marked improvement through new products and new sales efforts
- Weakening advertising market impacted France and the Netherlands