Wolters Kluwer 2014 Third-Quarter Trading Update

November 5, 2014 – Wolters Kluwer, a global leader in professional information services, today released its scheduled 2014 third-quarter trading update.

Highlights

- **Full-year 2014 guidance reiterated.**
- **Nine-month revenues up 2% in constant currencies and up 1% organically.**
  - Leading, growing positions (47% of total revenues) up 7% organically.
  - Digital products (67% of total) up 5% organically, more than offsetting decline in print.
  - North America (54% of total) and Asia Pacific & ROW (8% of total) driving growth.
- **Nine-month adjusted operating profit margin declined in line with our expectations, reflecting planned restructuring costs.**
- **Nine-month adjusted free cash flow declined modestly in constant currencies, on track to meet our full-year guidance.**
- **Net-debt-to-EBITDA improved and is expected to be 2.5x or better by year-end 2014.**

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:
"Our leading, high growth positions continued to achieve strong organic revenue growth in the third quarter, supporting the transformation of our portfolio. Market conditions in Europe remain a challenge, but our digital products in this region are delivering good organic growth, and we are driving further efficiencies in the print operations. Datacert and other recent acquisitions are performing well. I am confident we will deliver on our guidance for the full year."

Nine Months to 30 September

In constant currencies, nine months revenues grew 2%, including organic growth of 1%. The effect of acquisitions, mainly Datacert, more than offset the effect of disposals made in 2013 and 2014. In reported currencies, nine-months revenues were flat due to the effect of exchange rate movements, in particular the strength of the Euro against the U.S. Dollar and other currencies during the first nine months of the year.

Total recurring revenues (77% of total revenues) increased 2% organically in the first nine months, in line with the trend seen in the first half of the year. Transactional revenues declined overall, as expected, due to structural decline in printed books and cyclical decline in transaction revenues related to the downturn in the U.S. mortgage refinancing market in our Financial & Compliance Services division.

The nine-month adjusted operating profit margin declined modestly, attributable to the increase in restructuring costs which we announced at the start of the year. For the full year, restructuring costs are expected to be at the upper end of the range indicated in February, at approximately €30 million.

Legal & Regulatory: Nine-month organic revenue trend for the division was -1%, in line with the first half. Corporate Legal Services (CLS) maintained steady organic growth in subscription revenues and saw transaction volumes pick up in the third quarter driven by company formations and trademark search. Legal & Regulatory Solutions saw a slight deterioration in revenue trends in the third quarter, mainly relating to print revenues in Europe; digital products continued to see organic growth. Our expectation for the full year is unchanged: we expect CLS to achieve good organic growth, albeit slower than in 2013 as a result of the current downcycle in UCC-3 filings. For the division as a whole, we anticipate organic revenue decline due to continued challenges in the European legal market and the U.S. legal education segment. We continue to expect revenue trends combined with additional restructuring costs and the effect of dilutive disposals and transfers to lead to a lower margin in 2014.

Tax & Accounting: Nine-month organic growth was 2%, broadly in line with first half performance. Tax & accounting software solutions sustained organic growth momentum in all regions of the world, including Europe. This performance continues to be partially offset by weakness in publishing and training globally, and U.S. bank products. Prosoft in Brazil is experiencing robust organic growth. For the full year, we continue to expect our software businesses to achieve good organic growth, partly offset by trends in publishing, training and bank products. We expect to see some margin contraction in 2014 due to increased restructuring which was weighted towards the first half of the year.

Health: Nine-month organic growth for the division was 5%, similar to the first half. Clinical Solutions achieved double-digit organic growth in the first nine months. Medical Research delivered solid growth in digital revenues, which more than offset the ongoing decline in print journal subscriptions. Professional & Education digital learning solutions continue to grow rapidly, but this was outweighed by declines in printed books. For the full year, the Health division is on track to see good organic growth and margin improvement.

Financial & Compliance Services: Organic growth for the first nine months was 2%, an improvement on the first half trend, following a better than expected third quarter. Finance, Risk & Compliance saw strong growth in the third quarter on the back of upfront licensing and implementation revenues. Our Audit unit's organic growth is positive for the nine month period, despite a tough comparable in the third quarter and the effect of product rationalization. The Originations unit continues to be impacted by the market-wide downturn in U.S. mortgage refinancing volumes. Our European Transport Services business saw revenue decline, albeit at a slower rate, and continues to transition to a subscription model. For the full year, we continue to expect the division to see positive organic growth and a broadly stable margin.

Cash Flow, Acquisitions, Divestitures, and Net Debt

Nine-month cash conversion improved slightly compared to the first half of the year. For the full year, we continue to expect cash conversion of around 95% (FY 2013: 95%). Adjusted free cash flow declined in constant currencies, mainly reflecting higher tax paid and higher interest paid. Our guidance for full-year 2014 adjusted free cash flow remains unchanged at ≥ €475 million in constant currencies.

In the nine months to September 30, net acquisition spending including earnouts amounted to €165 million. The main acquisitions were Datacert (remaining 62%), Financial Tools, LexisNexis Poland, and Dingxin Chuangzhi. The largest disposal in the year to September 30 was our legal publishing operation in Canada.

On October 7, 2014, we completed the share buy-back program announced at the start of the year, purchasing a total of approximately 1.2 million shares for a total consideration of €25 million.

Twelve month rolling net-debt-to-EBITDA was 2.5x as of September 30, 2014, improving from 2.6x at the end of June 2014. By year-end, we expect this leverage ratio to be in line with, or better than, our target of 2.5x.

Full-Year 2014 Outlook

Our full-year 2014 guidance is unchanged. Our full-year margin guidance includes restructuring costs, which are expected to be around €30 million, at the upper end of the range set out in February 2014 (€25-€30 million).

Performance indicators	2014 Guidance
Adjusted operating profit margin	20.5%-21.5%
Adjusted free cash flow	≥ €475 million
Return on invested capital	≥ 8%
Diluted adjusted EPS	Low single-digit growth

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (EUR/USD 1.33).

Our guidance is based on constant exchange rates. Wolters Kluwer generates more than half of its revenue and adjusted operating profit in the United States. As a rule of thumb, based on our 2013 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite 1.0 euro-cent change in adjusted diluted EPS. The average EUR/USD rate during the first nine months of 2014 was 1.36, compared to 1.32 in the first nine months of 2013. The closing rate at September 30, 2014 was 1.26.

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Our guidance assumes no significant change in the scope of operations. We may make further disposals which could be dilutive to margins and earnings in the near term. Additional information underlying our guidance is provided in the table below.

Additional information	
Adjusted net financing costs	Approximately €100 million
Benchmark effective tax rate	27.5%-28.0%
Cash conversion ratio	Approximately 95%

Assumptions underlying our guidance assume constant currencies (EUR/USD 1.33).

We continue to expect adjusted net financing costs to be approximately €100 million in constant currencies in the full year. Adjusted net financing costs exclude the employee benefits financing component, disposal gains on equity-accounted investees, and other non-benchmark items.

We continue to expect the effective tax rate on adjusted income before tax to be between 27.5%-28.0% in full-year 2014.

IFRS reported profits for 2014 will include the revaluation gain on our 38% minority interest in Datacert, triggered by our acquisition of the remaining 62% of Datacert in April of this year. We expect the full-year tax rate on IFRS reported profits to reduce significantly primarily as a result of this non-taxable revaluation gain and the effect of expected tax benefits related to disposals in prior years.

About Wolters Kluwer
Wolters Kluwer is a global leader in professional information services. Professionals in the areas of legal, business, tax, accounting, finance, audit, risk, compliance and healthcare rely on Wolters Kluwer's market leading information-enabled tools and software solutions to manage their business efficiently, deliver results to their clients, and succeed in an ever more dynamic world. Wolters Kluwer reported 2013 annual revenues of €3.6 billion. The group serves customers in over 150 countries, and employs over 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on NYSE Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY). For more information about our products and organization, visit www.wolterskluwer.com, follow @Wolters_Kluwer on Twitter, like us on Facebook, follow us on LinkedIn, or follow WoltersKluwerComms on YouTube.

Financial Calendar

December 9, 2014	Investor Seminar, Wolters Kluwer Tax & Accounting
February 18, 2015	Full-Year 2014 Results
March 11, 2015	Publication of 2014 Annual Report
April 22, 2015	Annual General Meeting
April 24, 2015	Ex-Dividend date
April 27, 2015	Dividend record date
May 13, 2015	First-Quarter 2015 Trading Update
May 13, 2015	Dividend payment date
May 20, 2015	ADR Dividend payment date
July 29, 2015	Half-Year 2015 Results
November 4, 2015	Third-Quarter 2015 Trading Update

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Forward-looking Statements
This press release 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

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