

Wolters Kluwer 2015 Full-Year Report

February 24, 2016 - Wolters Kluwer, a global leader in professional information services, today released its 2015 full-year results.

Highlights

- Revenues up 3% in constant currencies and up 3% organically.
 - Digital & services revenues grew 5% organically (83% of total revenues).
 - Recurring revenues grew 3% organically (76% of total).
 - North America and Asia Pacific drove organic growth.
 - Leading, high growth positions grew 7% organically (51% of total).
- Adjusted operating profit margin improves to 21.4%, in line with guidance.
- Diluted adjusted EPS €1.96, up 5% in constant currencies, in line with guidance.
- Adjusted free cash flow €647 million, up 7% in constant currencies, better than expected.
- Return on invested capital increased to 9.3% (2014: 8.5%).
- Net-debt-to-EBITDA improved to 1.7x at year-end (2014: 2.1x).
- Proposed full-year total dividend of €0.75 per share, up 6%.
- Outlook 2016: diluted adjusted EPS expected to grow at mid-single-digit rate in constant currencies.
- Announcing intention to buy back up to €600 million shares over three years (2016-2018), including anti-dilution buyback.

Nancy McKinstry, CEO and Chairman of the Executive Board, commented:

“I am pleased to report we accelerated organic growth to 3%, despite the tough comparable we faced in the fourth quarter and the challenges that remain in some of our European markets. Our strategy of expanding our leading, high growth positions, delivering innovations that help our customers excel, and driving efficiencies, has supported our growth and increased margins and returns. We are confident we can deliver another year of margin improvement and earnings growth in 2016.”

Key Figures 2015 Full-Year:

Year ended December 31 <i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Business performance - benchmark figures					
Revenues	4,208	3,660	+15%	+3%	+3%
Adjusted operating profit	902	768	+17%	+2%	+3%
Adjusted operating margin	21.4%	21.0%			
Adjusted net profit	583	470	+24%	+4%	
Diluted adjusted EPS (€)	1.96	1.57	+25%	+5%	
Adjusted free cash flow	647	516	+26%	+7%	
Net debt	1,788	1,897	-6%		
Return on invested capital (ROIC)	9.3%	8.5%			
IFRS results					
Revenues	4,208	3,660	+15%		
Operating profit	667	569	+17%		
Profit for the year	423	474	-11%		
Diluted EPS (€)	1.42	1.58	-10%		
Net cash from operating activities	843	663	+27%		

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth. Benchmark (adjusted) figures are performance measures used by management. See Note 5 for a reconciliation from IFRS to benchmark figures. IFRS: International Financial Reporting Standards as adopted by the European Union.

Full-Year 2016 Outlook

Our guidance for full-year 2016 is provided in the table below. We expect to deliver margin improvement and to grow diluted adjusted EPS at a mid-single-digit rate in constant currencies this year.

2016 Outlook

Performance indicators	2016 guidance
Adjusted operating profit margin	21.5%-22.0%
Adjusted free cash flow	€600-€625 million
Return on invested capital	> 9%
Diluted adjusted EPS	Mid-single-digit growth

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (EUR/USD 1.11). Guidance for EPS growth assumes the announced share repurchases are equally spread over 2016-2018. Adjusted operating profit margin and ROIC are in reported currency.

Our guidance is based on constant exchange rates. In 2015, Wolters Kluwer generated more than half of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2015 currency profile, a 1 U.S. cent move in the average EUR/USD exchange rate for the year causes an opposite change of approximately one and a half euro-cents in diluted adjusted EPS.

Restructuring costs, which are included in adjusted operating profit, are expected to start returning to normal levels: we expect these costs to be around €15-€25 million in 2016 (2015: €46 million). We expect adjusted net financing costs of approximately €105 million, excluding the impact of exchange rate movements on currency hedging and intercompany balances. We expect the benchmark effective tax rate to return to the range of 27%-28% in 2016. We expect a cash conversion ratio of approximately 95%, with capital expenditure rising to around 5% of total revenue.

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.

2016 Outlook by Division

The outlook below reflects the new divisional structure introduced in August 2015.

Health: we expect another year of good organic revenue growth in Health, supported by robust organic growth in Clinical Solutions (the Clinical Effectiveness and Clinical Software Solutions units) and a gradually improving trend in Health Learning, Research & Practice. Margins are expected to improve slightly as we continue to invest to drive organic growth.

Tax & Accounting: we expect underlying revenue growth to improve slightly in 2016, driven by continued mix shift towards software solutions. The first half is, however, expected to see more muted growth due to normal seasonal sales patterns. Margins are expected to ease in the first half, but to be maintained for the full year.

Governance, Risk & Compliance: we expect positive, but slower organic growth in 2016, as the division faces challenging comparables for transactional and non-recurring license and implementation fees, particularly in the first half. Margins are expected to improve slightly.

Legal & Regulatory: for the full-year, we expect organic revenue decline to be similar to 2015, with print trends continuing to outweigh growth in digital. Organic growth in the first half is expected to benefit from timing and one-off factors. Margins are expected to improve due to lower restructuring costs. Efficiency savings are expected to fund wage inflation and increased product investment.

Strategic Priorities 2016-2018

Every three years, we review and update our strategic priorities and this year we are commencing our strategic plan for 2016-2018. This plan builds on the strategic direction we have been following in the past three years during which we prioritized capital allocation towards specific leading, high growth businesses and focussed on delivering solutions that bring insights and productivity benefits to our customers. We also stepped up efforts to drive operating efficiencies. This strategy has delivered accelerated organic growth in the past two years and has improved operating margins and return on invested capital in 2015. Our 2016-2018 strategic plan aims to sustain and, in the long run, further improve our organic growth rate, margins and returns as we continue to focus on growing value for customers, employees and shareholders. Our strategic priorities for the next three years are:

- **Expand market coverage:** We will continue to allocate the majority of our capital towards leading growth businesses and digital products, and extend into market adjacencies and new geographies where we see the best potential for growth and competitive advantage. Expanding our market reach will also entail allocating funds to broaden our sales and marketing coverage in certain global markets. We intend to support this organic growth strategy with value-enhancing acquisitions whilst continuing our program of small non-core disposals.
- **Deliver expert solutions:** Our plan calls for increased focus on expert solutions that combine deep domain knowledge with specialized technology and services to deliver expert answers, analytics and productivity for our customers. To support digital growth across all divisions, we intend to accelerate our ongoing shift to global platforms and to cloud-based integrated solutions that offer mobile access. Our plan is to also expand our use of new media channels and to create an all-round, rich digital experience for our customers. Investment in new and enhanced products will be sustained in the range of 8-10% of total revenues in coming years.
- **Drive efficiencies and engagement:** We intend to continue driving scale economies while improving the quality of our offerings and agility of our organization. These operating efficiencies will help fund investment and wage inflation, and support a rising operating margin over the long term. Through increased standardization of processes and technology planning, and by focusing on fewer, global platforms and software applications, we expect to free up capital to reinvest in product innovation. Supporting this effort are several initiatives to foster employee engagement.

Leverage Target and Financial Policy

Wolters Kluwer uses its cash flow to invest in the business organically or through acquisitions, to maintain optimal leverage, and provide returns to shareholders. We regularly assess our financial position and evaluate the appropriate level of debt in view of our expectations for cash flow, investment plans, interest rates and capital market conditions. Over the past four years, our leverage has improved significantly and we finished 2015 with net-debt-to-EBITDA of 1.7x, below our target of 2.5x. While we may temporarily deviate from our leverage target at times, we continue to believe that, in the longer run, a net-debt-to-EBITDA ratio of around 2.5x remains appropriate for our business given the high proportion of recurring revenues and resilient cash flow.

Dividend Policy and 2015 Dividend

Wolters Kluwer has a progressive dividend policy under which the company aims to increase the dividend per share each year.

In July 2015, we announced our intention to move to semi-annual dividend frequency, starting with an interim dividend for 2015. The 2015 interim dividend was set at 25% of the prior year's total dividend, or €0.18 per ordinary share, and was distributed on October 12, 2015.

In light of our current below-target leverage and our strong 2015 operating performance, we will propose a final dividend of €0.57 per ordinary share at the 2016 Annual General Meeting of Shareholders. If approved, this will bring the total dividend over the 2015 financial year to €0.75 per share, an increase of 4 eurocents per share or 6% compared to the dividend for the 2014 financial year (2014: €0.71). If approved, the 2015 dividend will mark the 10th consecutive annual increase in dividend per share.

Under our progressive dividend policy, we remain committed to increase the total dividend per share each year, with the annual increase dependent on our financial performance, market conditions, and our need for financial flexibility.

For 2016, we intend to again set the interim dividend at 25% of prior year total dividend.

Dividend dates for 2016 are provided on page 34. Shareholders can choose to reinvest both interim and final dividends by purchasing additional Wolters Kluwer shares through the Dividend Reinvestment Plan (DRIP) provided by ABN AMRO Bank NV.

Anti-Dilution Policy and Share Buyback Program

Wolters Kluwer has a policy to offset the dilution caused by our annual performance share issuance with share repurchases. Including these anti-dilution repurchases, we announce today our intention to buy back shares for up to €600 million over the period 2016-2018. Assuming global economic conditions do not deteriorate substantially, we believe this level of cash return will leave us ample headroom for investment in the business, including acquisitions.

Full-Year 2015 Results

Benchmark Figures

Group revenues increased 15% overall to €4,208 million, up 3% in constant currencies. Excluding both the impact of exchange rate movements and the effect of acquisitions and divestitures, organic revenue growth was also 3%, an improvement on the prior year (2014: 2%). The effect of 2014 and 2015 acquisitions on revenues was almost entirely offset by the effect of disposals.

Revenues from North America (59% of total revenues) increased 5% organically (2014: 3%) with all divisions delivering improved organic growth in this region. Revenues from Europe (33% of total revenues) declined 1% on an organic basis (2014: 0%). Revenues from Asia Pacific and Rest of World (8% of total revenues) grew 4% organically (2014: 7%).

Adjusted operating profit increased to €902 million, up 17% overall and up 2% in constant currencies. The adjusted operating margin increased 40 basis points to 21.4% (2014: 21.0%), in line with our guidance range (21.0%-21.5%). The margin improvement reflects favorable mix shift, efficiency savings and currency, partially offset by increased restructuring, investment and other costs. Full-year restructuring costs increased to €46 million (2014: €36 million), higher than we had previously estimated (€35 million) as additional measures were initiated in the fourth quarter. Approximately 65% of restructuring costs in 2015 were in Legal & Regulatory, with the remainder spread across the other divisions.

Adjusted net financing costs rose to €119 million (2014: €113 million), reflecting a €17 million loss on currency hedging and revaluation of intercompany balances, due primarily to the appreciation of the U.S. Dollar to EUR/USD 1.09 at year-end 2015. As a reminder, adjusted net financing costs exclude the financing component of employee benefits, results of investments available-for-sale, and book gains/losses on equity-accounted investees.

Adjusted profit before tax was €783 million, up 3% in constant currencies (2014: €654 million). The benchmark effective tax rate on adjusted profit before tax was 25.5% (2014: 27.6%), reflecting a one-time favorable adjustment relating to deferred tax assets. We expect the benchmark tax rate to return to 27%-28% in 2016.

Diluted adjusted EPS was €1.96, up 25% overall and up 5% in constant currencies.

IFRS Reported Figures

Reported operating profit increased 17% to €667 million (2014: €569 million), reflecting the increase in adjusted operating profit, lower acquisition-related costs, higher amortization of acquired intangibles, and a loss recorded on the disposal of the Russian business (55% interest) partly offset by a net book profit on the sale of certain non-core UK assets.

Reported financing results amounted to a negative €125 million (2014: negative €56 million) and included adjusted net financing costs of €119 million, the financing component of employee benefits (€5 million), and a €1 million net loss on the disposal of equity-accounted investees. Profit before tax increased 6% to €542 million (2014: €512 million).

The reported effective tax rate increased to 21.9% (2014: 7.4%). In 2014, the tax rate reflected a non-taxable revaluation gain on Datacert and a positive tax impact relating to previously divested assets partly offset by a tax charge on internal asset transfers. In 2015, the tax rate reflects a one-time favorable adjustment relating to deferred tax assets. Due to the higher tax rate, total profit for the year declined 11% to €423 million (2014: €474 million) and diluted EPS declined 10% to €1.42 per share (2014: €1.58).

Cash Flow

Adjusted operating cash flow was €903 million (2014: €764 million), up 4% in constant currencies. The cash conversion ratio was 100%, better than expected due to strong working capital inflows in the final weeks of the year. Following outflows in the first half, the full year saw a net autonomous working capital inflow of €18 million (2014: €4 million). Capital expenditures were €188 million (4.5% of revenues), up 13% in constant currencies, reflecting increased investment in product development, particularly in Health and Tax & Accounting.

Adjusted free cash flow was €647 million, up 7% in constant currencies. Paid financing costs decreased to €101 million (2014: €135 million). This benefit was partly offset by higher corporate income tax paid of €141 million (2014: €98 million), reflecting timing of tax payments.

Acquisition spending, net of cash acquired, was €179 million (2014: €178 million), including €21 million related to earn-outs on past acquisitions. The majority of 2015 acquisition spending related to the purchase of Learner's Digest International, a U.S. continuing medical education provider (September 2015). Smaller acquisitions included SBS Software in Germany (January 2015), SureTax in the U.S. (June 2015) and Effects in the Netherlands (July 2015).

Cash proceeds from disposals, net of cash disposed, were €24 million (2014: €11 million), relating mainly to the divestment of our interest in the Russian business (September 2015) and certain non-core UK assets (December 2015).

Dividends paid to shareholders totaled €263 million (2014: €209 million) and consisted of the dividend over 2014 (€211 million), paid in May 2015, and the 2015 interim dividend (€52 million) paid in October 2015. Share repurchases totaled €140 million.

Balance Sheet, Net Debt and Leverage

Net debt reduced to €1,788 million as of December 31, 2015, compared to €1,897 million at December 31, 2014. The leverage ratio net-debt-to-EBITDA was 1.7x at year-end 2015, improving from 2.1x at year-end 2014.

Operating and Divisional Review

Across all divisions, digital products continued to drive the group's growth. Total digital revenues reached €2,962 million, up 7% in constant currencies and up 6% organically (2014: 6%). Services revenues, which includes legal representation, consulting, training, events and other services, increased 3% organically (2014: 0%). Print formats declined 7% on an organic basis (2014: 9% decline) and now account for 17% of total revenues. Within print, book revenues fell 5% organically (2014: 10% decline) while print journal and other hard copy subscriptions declined 9% (2014: 8% decline).

Revenues by Media - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Digital	2,962	2,472	+20%	+7%	+6%
Services	523	453	+16%	0%	+3%
Print	723	735	-1%	-9%	-7%
Total Revenues	4,208	3,660	+15%	+3%	+3%

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Last July, we announced a new divisional organization, which became effective in August 2015. The Corporate Legal Services unit was combined with the Financial & Compliance Services division to create a new division called Governance, Risk & Compliance. At the same time, we transferred the Audit unit from Financial & Compliance Services to the Tax & Accounting division. The tables below provide revenues, adjusted operating profit, and growth rates under both the new and the previous divisional structure. Health, Tax & Accounting, and Governance, Risk & Compliance achieved good underlying revenue growth and maintained or increased margins. Legal & Regulatory saw organic revenue decline of 2% and margins impacted by the planned increase in restructuring.

Divisional Summary - Year ended December 31 - New Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues					
Health	1,022	816	+25%	+6%	+5%
Tax & Accounting	1,132	989	+14%	+4%	+3%
Governance, Risk & Compliance	1,065	854	+25%	+7%	+5%
Legal & Regulatory	989	1,001	-1%	-5%	-2%
Total revenues	4,208	3,660	+15%	+3%	+3%
Adjusted operating profit					
Health	247	197	+25%	+5%	+4%
Tax & Accounting	311	261	+19%	+7%	+8%
Governance, Risk & Compliance	298	232	+29%	+9%	+8%
Legal & Regulatory	96	127	-24%	-28%	-23%
Corporate costs	(50)	(49)	+4%	0%	0%
Total adjusted operating profit	902	768	+17%	+2%	+3%

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33)

Under the previous divisional structure, divisional revenues and adjusted operating profit performed as follows.

Divisional Summary - Year ended December 31 - Previous Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues					
Legal & Regulatory	1,626	1,497	+9%	0%	0%
Tax & Accounting	1,078	946	+14%	+3%	+3%
Health	1,022	816	+25%	+6%	+5%
Financial & Compliance Services	482	401	+20%	+6%	+6%
Total revenues	4,208	3,660	+15%	+3%	+3%
Adjusted operating profit					
Legal & Regulatory	320	305	+5%	-8%	-7%
Tax & Accounting	295	250	+18%	+6%	+7%
Health	247	197	+25%	+5%	+4%
Financial & Compliance Services	90	65	+37%	+21%	+21%
Corporate costs	(50)	(49)	+4%	0%	0%
Total adjusted operating profit	902	768	+17%	+2%	+3%

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

The following pages 8-11 discuss performance under the new divisional structure. See page 12 and 13 for a discussion of our performance under the previous divisional structure.

Health

- Clinical Solutions delivered 10% organic growth globally, driven by *UpToDate*.
- Health Learning, Research & Practice improved organic growth to 1%.
- Margins were maintained, reflecting increased investment and restructuring.

Health - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,022	816	+25%	+6%	+5%
Adjusted operating profit	247	197	+25%	+5%	+4%
Adjusted operating margin	24.1%	24.1%			
Operating profit	209	162	+29%		
Net capital expenditure	68	49			
Ultimo FTEs	2,964	2,807			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Wolters Kluwer Health revenues increased 6% in constant currencies and 5% organically. Organic growth was in line with the prior year. Adjusted operating profit increased 4% organically, and margins were maintained, as the benefits of operating leverage and mix shift were offset by increased investment and restructuring. IFRS operating profit increased 29% overall.

Clinical Solutions (47% of divisional revenue) delivered 10% organic growth, supported by continued double-digit growth around the world for our clinical decision support tool, *UpToDate*. Investment in new product development and global sales and marketing was increased to capture future organic growth opportunities. *UpToDate* reached 1.1 million users in 180 countries in 2015. The Chinese language version, *UpToDate Clinical Consultant*, was formally launched during the year and started signing hospitals and online health providers as customers. In December, *UpToDate* unveiled its 23rd medical specialty, *Sports Medicine*. Our drug information businesses (*Lexicomp*, *Medi-Span*, *Facts & Comparisons*, and *Medicom* in China) sustained robust organic growth, despite more moderate momentum in China. Our award-winning medical documentation and informatics solutions, experienced subdued performance, as they faced a challenging comparable of double-digit growth in 2014 and experienced longer lead times to sign larger customers. Following a successful pilot at Alabama's Huntsville hospital, our Sepsis surveillance platform is on track to recruit early adopters in 2016. Effective August 1, 2015, Clinical Solutions was organized into two groups: Clinical Effectiveness and Clinical Software Solutions.

Health Learning, Research & Practice (53% of divisional revenue) achieved 1% organic growth, an improvement on recent years (2014: 0%). During the year, we integrated our Medical Research and Professional & Education units, incurring additional restructuring costs. Digital formats (59% of unit revenues) saw robust organic growth and outweighed the unit's ongoing decline in print. Our digital research platform, *Ovid*, maintained good growth and invested in platform enhancements. Journal readership continues to migrate from print to online and mobile formats. *LWW* won three new society publishing contracts in 2015, including *The Journal of Bone and Joint Surgery (JBJS)*, and its open access journals achieved strong double-digit organic growth. *Medknow*, our open access publishing platform in India, performed well. *LWW*'s printed medical books continued to decline, but its digital, subscription-based learning solutions, including *Lippincott CoursePoint+*, *DocuCare*, *PrepU* and *Lippincott's Nursing Procedures and Skills*, together delivered 38% organic growth. In September, Learner's Digest International became part of Health Learning Research & Practice extending our capabilities into continuing medical education for physicians on a leading digital platform.

Tax & Accounting

- Software revenues grew 6% organically, including our internal Audit software business.
- Print subscriptions, books, bank products, training and other services remain weak.
- Margins increased due to lower restructuring costs, efficiencies and operational gearing.

Tax & Accounting - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,132	989	+14%	+4%	+3%
Adjusted operating profit	311	261	+19%	+7%	+8%
Adjusted operating margin	27.5%	26.4%			
Operating profit	228	186	+22%		
Net capital expenditure	48	38			
Ultimo FTEs	6,164	5,867			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting (including the transferred Audit unit) revenues rose 4% in constant currencies, supported by organic growth of 3% (2014: 3%) and the effect of bolt-on acquisitions. Adjusted operating profit increased 7% in constant currencies and 8% on an underlying basis. Margins advanced as lower restructuring costs and efficiency savings were partly reinvested in new product development as planned. Total IFRS operating profit increased to €228 million.

Tax & Accounting North America (57% of divisional revenue) achieved good organic growth driven by software and other digital products. Print formats, bank product fees, and training continued to decline. *CCH ProSystem fx*, our leading on-premise solution for U.S. professionals, performed well, while our cloud-based suite, *CCH Axcess*, continues to migrate existing users and draw new customers, particularly among medium and large firms. In the smaller firm segment in the U.S. and Canada, we launched *CCH iFirm*, a cloud-based practice management platform. Our corporate tax business was expanded with the acquisition of telecoms tax calculation specialist, SureTax. In Tax Research & Learning, print formats remain in decline, but our digital platform *CCH IntelliConnect* saw improved momentum following the roll-out of an advanced answer tool, *CCH CodeConnect*, among other enhancements. In September, Wolters Kluwer Tax & Accounting was recognized by International Tax Review as *Americas Tax Innovator of the Year*.

Tax & Accounting Europe (29% of divisional revenue) also delivered good organic growth, supported by most countries. Our European on-premise software products performed well. The cloud-based collaborative accounting solution *Twinfield* delivered double-digit organic growth. SBS Software, a provider of accounting and payroll solutions, acquired in January 2015, has now been integrated into our existing operation in Germany. We continue to invest to build out our cloud-based and collaborative solutions offerings in Europe.

Tax & Accounting Asia Pacific & Rest of World (9% of divisional revenue) saw organic growth abate to low single-digit levels as momentum slowed in Asia Pacific and Brazil. In Asia Pacific, growth in software products was partially offset by decline in print subscriptions and books. Our Chinese audit software unit, Dingxin Chuangzhi, delivered good growth. In Brazil, Prosoft delivered positive organic growth despite a deteriorating economic environment.

Audit (5% of divisional revenue) achieved double-digit organic growth, driven by new software sales for our market-leading internal audit software application *TeamMate*, and adoption of the analytics module. The global unit increased margins despite investment in its next generation platform and the opening of two new hosting centers in Toronto and Sydney to support the cloud-based version.

Governance, Risk & Compliance

- Recurring revenues (58% of divisional revenues) grew 4% organically.
- CLS transactions rose 8% while software license and other non-recurring fees were up 14%.
- The adjusted operating margin improved due to operating efficiencies and integration savings.

Governance, Risk & Compliance - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,065	854	+25%	+7%	+5%
Adjusted operating profit	298	232	+29%	+9%	+8%
Adjusted operating margin	28.0%	27.1%			
Operating profit	225	164	+38%		
Net capital expenditure	31	24			
Ultimo FTEs	4,413	4,215			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Wolters Kluwer Governance, Risk & Compliance increased revenues by 7% in constant currencies, reflecting organic growth of 5% and the full year effect of the Datacert acquisition which became fully consolidated from April 2014. The adjusted operating profit margin increased by 90 basis points, due to operational efficiencies in Finance, Risk & Compliance and Transport Services, as well as synergies from the integration of Datacert and *Tymetrix*. IFRS operating profit increased by 38%, reflecting the improved underlying margin, lower acquisition-related costs, but higher amortization of acquired intangibles.

Corporate Legal Services (60% of divisional revenues) grew revenues by 8% in constant currencies, partly reflecting the full year inclusion of Datacert. Organic growth was 6%, reflecting 8% growth in CLS transaction revenues (2014: 7%) along with solid growth in recurring service subscription revenues. In the fourth quarter, CLS organic growth slowed to 2% against a challenging comparable. *CT Corporation* enjoyed robust growth for the year, driven by higher transaction revenues from filing services for corporations and law firms and solid subscription renewals for legal representation services. *Corsearch* delivered robust growth as a result of higher trademark search volumes and one-time projects. The unit invested in expanding its trademark databases and introduced predictive analytics. *Enterprise Legal Management*, formed from the integration of *Datacert* and *TyMetrix*, achieved robust organic growth for the year supported by new customer wins and subscription renewals. *CT Lien Solutions* benefitted from a strong recovery in UCC search and filing volumes related to the U.S. commercial lending cycle.

Originations (15% of divisional revenues) delivered high single-digit organic growth, buoyed by non-recurring software license and professional services fees as we helped bank customers prepare for the significant regulatory changes under TILA-RESPA rules which became effective in early October. Recurring software maintenance revenues grew steadily. FS transactional revenues declined for the full year against a tough comparable in the fourth quarter.

Finance, Risk & Compliance (21% of divisional revenues) achieved 6% organic growth, against double-digit organic growth in the prior year. Non-recurring software license and implementation fees were higher than the prior year due to new customer wins in Europe and Asia Pacific, in particular for our *OneSumX* regulatory reporting solutions. Recurring revenues, which comprise software maintenance fees and service subscriptions, grew at a steady pace. For the 6th consecutive year, Wolters Kluwer ranked among the top ten in the *Chartis RiskTech 100* ranking, with leading positions in regulatory reporting, IFRS 9, operational risk management, and enterprise GRC and stress testing systems categories.

Transport Services (4% of divisional revenue) revenue decline continues to moderate while restructuring efforts delivered an improvement in margin. The unit is expanding in transport management software and growing in Eastern Europe.

Legal & Regulatory

- Digital revenues saw positive organic growth in still challenging legal information markets.
- Print revenues continued to decline in line with our expectations.
- Margins contracted, as expected, due to a significant step up in restructuring.

Legal & Regulatory - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	989	1,001	-1%	-5%	-2%
Adjusted operating profit	96	127	-24%	-28%	-23%
Adjusted operating margin	9.7%	12.7%			
Operating profit	55	108	-49%		
Net capital expenditure	41	37			
Ultimo FTEs	4,411	5,548			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Wolters Kluwer Legal & Regulatory (the former Legal & Regulatory Solutions unit) revenues declined 5% in constant currencies, in part due to the effect of recent disposals that will also have an impact in 2016. On an organic basis, divisional revenues declined 2% (2014: 3% decline). The adjusted operating profit margin contracted, largely as expected, due to increased costs, including a planned step up in restructuring programs to drive efficiencies. IFRS operating profit decreased by 49% including results on disposals.

Digital revenues grew 1% organically and now account for 48% of the division's revenues. Across Europe, we rolled out enhancements to our core digital research offerings, improving content and ease of use. In the U.S., the launch of our new legal research platform, *Cheetah*, offering enhanced usability and greater speed and accuracy of research results, was well-received by customers. We increased investment in legal and regulatory compliance software and workflow solutions. *Kleos*, our legal practice management solution for law firms in Europe, achieved double-digit organic growth and now has over 11,000 professional users across 10 countries. In July, we acquired Effects, a small but rapidly growing provider of legal management software for corporate legal departments.

Growth in digital revenues continued to be more than offset by decline in print revenues. Print subscriptions saw consistent 10% decline, as expected. The trend in print books moderated, in large part due to publishing schedules and front list composition. Print formats accounted for 41% of divisional revenues. Restructuring efforts were centered on automating and offshoring editorial and production functions, streamlining our technology landscape, and reducing our real estate footprint.

During the year, we made several disposals, including the business in Russia (55% interest), the HR consulting and tax fee protection services units in the UK, and smaller assets in the U.S. and Germany. In early 2016, we received a binding offer for the division's trade media assets in France and we are currently in consultations with employee representatives.

Corporate

Corporate expenses were held stable in constant currencies and on an underlying basis.

Corporate - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Adjusted operating profit	(50)	(49)	+4%	0%	0%
Operating profit	(50)	(51)	0%		
Net capital expenditure	0	0			
Ultimo FTEs	103	112			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Review of Performance under Previous Divisional Structure

Legal & Regulatory

Legal & Regulatory revenues, including Corporate Legal Services, were stable in constant currencies and on an organic basis (2014: 1% organic decline). The divisional adjusted operating profit margin declined as increased restructuring and other costs were only partly offset by efficiency savings, improving business mix and the effect of currency translation. Corporate Legal Services achieved 6% organic growth (2014: 5%). Legal & Regulatory Solutions revenues declined 2% organically (2014: 3% decline).

Legal & Regulatory - Year ended December 31 (Previous Division Structure)

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,626	1,497	+9%	0%	0%
Adjusted operating profit	320	305	+5%	-8%	-7%
Adjusted operating margin	19.7%	20.3%			
Operating profit	237	246	-4%		
Net capital expenditure	63	54			
Ultimo FTEs	6,494	7,527			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Tax & Accounting

Wolters Kluwer Tax & Accounting revenues, excluding Audit, rose 3% in constant currencies and 3% organically (2014: 3%). Margins increased as lower restructuring costs and efficiency savings were partly reinvested in new product development. Total IFRS operating profit increased to €215 million. Software revenues, excluding Audit, grew 5% organically. Print formats, bank products, training and other services remain weak.

Tax & Accounting - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	1,078	946	+14%	+3%	+3%
Adjusted operating profit	295	250	+18%	+6%	+7%
Adjusted operating margin	27.4%	26.4%			
Operating profit	215	179	+20%		
Net capital expenditure	48	38			
Ultimo FTEs	5,990	5,688			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Health

There was no change in scope to the Health division. See page 8.

Financial & Compliance Services

Financial & Compliance Services revenues increased 6% in constant currencies, all of which was organic. Adjusted operating profit increased 21% in constant currencies and the adjusted operating profit margin improved, reflecting operating efficiencies and lower FS transactional revenues. IFRS operating profit reflects the increase in adjusted operating profits.

Financial & Compliance Services - Year ended December 31

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Revenues	482	401	+20%	+6%	+6%
Adjusted operating profit	90	65	+37%	+21%	+21%
Adjusted operating margin	18.6%	16.3%			
Operating profit	56	33	+70%		
Net capital expenditure	9	7			
Ultimo FTEs	2,504	2,415			

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth.

Corporate

There was no change in scope to the Corporate entity. See page 11.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Financial Statements for the years ended December 31, 2015, and 2014

This report has been prepared in accordance with IFRS. The full-year figures for 2015 and 2014 in this report are derived from the 2015 consolidated financial statements as included in the 2015 Annual Report, which will be published on March 9, 2016.

Condensed Consolidated Statement of Profit or Loss
Condensed Consolidated Statement of Comprehensive Income
Condensed Consolidated Statement of Cash Flows
Condensed Consolidated Statement of Financial Position
Condensed Consolidated Statement of Changes in Total Equity
Notes to the Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Profit or Loss
(in millions of euros, unless otherwise stated)

	Full year	
	2015	2014
Revenues	4,208	3,660
Cost of sales	1,323	1,173
Gross profit	2,885	2,487
Sales costs	789	690
General and administrative costs	1,408	1,221
Total operating expenses	2,197	1,911
Other operating income and (expense)	(21)	(7)
Operating profit	667	569
Financing results	(125)	(56)
Share of profit of equity-accounted investees, net of tax	0	(1)
Profit before tax	542	512
Income tax expense	(119)	(38)
Profit for the year	423	474
<i>Attributable to:</i>		
▪ Owners of the Company	423	473
▪ Non-controlling interests	0	1
Profit for the year	423	474
Earnings per share (EPS) (€)		
Basic EPS	1.44	1.60
Diluted EPS	1.42	1.58

Condensed Consolidated Statement of Comprehensive Income
(in millions of euros)

	Full Year	
	2015	2014
<i>Comprehensive income:</i>		
Profit for the year	423	474
<i>Other comprehensive income:</i>		
<i>Items that are or may be reclassified subsequently to the statement of profit or loss</i>		
Net gains/(losses) on hedges of net investments and exchange differences on translation of foreign operations	315	325
Recycling of foreign exchange differences on loss of control	15	-
Gains/(losses) on cash flow hedges	7	(15)
Income tax on other comprehensive income	(1)	(2)
<i>Items that will not be reclassified to the statement of profit or loss:</i>		
Remeasurements on defined benefit plans	(11)	(45)
Income tax on other comprehensive income	1	18
Other comprehensive income for the year, net of tax	326	281
Total comprehensive income for the year	749	755
<i>Attributable to:</i>		
▪ Owners of the Company	750	758
▪ Non-controlling interests	(1)	(3)
Total	749	755

Condensed Consolidated Statement of Cash Flows
(in millions of euros)

	Full Year	
	2015	2014
Cash flows from operating activities		
Profit for the year	423	474
<i>Adjustments for:</i>		
Financing results	125	56
Share of profit of equity-accounted investees, net of tax	0	1
Income tax expense	119	38
Amortization, impairments, and depreciation	385	332
Additions to provisions	43	32
Fair value changes to contingent considerations	(2)	(4)
Book (profit)/loss on divestments of operations	11	(12)
Share-based payments	19	22
Autonomous movements in working capital	18	4
Paid financing costs	(101)	(135)
Paid corporate income tax	(141)	(98)
Appropriation of provisions for restructuring	(43)	(43)
Other	(13)	(4)
Net cash from operating activities	843	663
Cash flows from investing activities		
Capital expenditure	(188)	(148)
Acquisition spending, net of cash acquired	(179)	(178)
Receipts from divestments, net of cash disposed	24	11
Dividends received	3	2
Cash from settlement of derivatives	(33)	(27)
Net cash used in investing activities	(373)	(340)
Cash flows from financing activities		
Repayment of loans	(1)	(977)
Proceeds from new loans	1	668
Collateral	20	(20)
Repurchased shares	(140)	(25)
Dividends paid	(263)	(209)
Net cash from/(used) in financing activities	(383)	(563)
Net cash flow	87	(240)
Cash and cash equivalents less bank overdrafts at January 1	413	643
Exchange differences on cash and cash equivalents and bank overdrafts	27	10
	440	653
Cash and cash equivalents less bank overdrafts at December 31	527	413
Add: Bank overdrafts at December 31	285	122
Cash and cash equivalents at December 31	812	535

Condensed Consolidated Statement of Financial Position
(in millions of euros)

	December 31, 2015	December 31, 2014
Non-current assets		
Goodwill and intangible assets	5,550	5,172
Property, plant, and equipment	128	131
Investments in equity-accounted investees	9	17
Financial assets	21	15
Deferred tax assets	80	85
Total non-current assets	5,788	5,420
Current assets		
Inventories	140	120
Trade and other receivables	1,316	1,222
Income tax receivable	43	39
Cash and cash equivalents	812	535
Total current assets	2,311	1,916
Current liabilities		
Deferred income	1,522	1,344
Trade and other payables	392	384
Income tax payable	26	41
Short-term provisions	33	30
Borrowings and bank overdrafts	286	125
Other current liabilities	511	469
Total current liabilities	2,770	2,393
Working capital	(459)	(477)
Capital employed	5,329	4,943
Non-current liabilities		
Long-term debt	2,306	2,304
Deferred and other tax liabilities	346	339
Employee benefits	199	176
Provisions	1	3
Total non-current liabilities	2,852	2,822
Equity		
Issued share capital	36	36
Share premium reserve	87	87
Other reserves	2,349	1,983
Equity attributable to the owners of the Company	2,472	2,106
Non-controlling interests	5	15
Total equity	2,477	2,121
Total financing	5,329	4,943

Condensed Consolidated Statement of Changes in Total Equity
(in millions of euros)

	2015		
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	2,106	15	2,121
Total comprehensive income for the year	750	(1)	749
Share-based payments	19		19
Cash dividend 2014	(211)	0	(211)
Interim cash dividend 2015	(52)		(52)
Repurchased shares	(140)		(140)
Other	0	(9)	(9)
Balance at December 31	2,472	5	2,477

	2014		
	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance at January 1	1,564	20	1,584
Total comprehensive income for the year	758	(3)	755
Share-based payments, net of tax	16		16
Cash dividend 2013	(207)	(2)	(209)
Repurchased shares	(25)		(25)
Other	0	0	0
Balance at December 31	2,106	15	2,121

Notes to the Condensed Consolidated Financial Statements

Note 1 Reporting entity

Wolters Kluwer nv ('the Company') with its subsidiaries (together 'the Group') is a market-leading global information services company. These condensed consolidated financial statements for the year ended December 31, 2015, comprise the Group and the Group's interests in associates and a joint venture.

Note 2 Basis of preparation

Statement of compliance

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the 2015 Annual Report which will be published on March 9, 2016. The consolidated financial statements included in the Annual Report 2015 were authorized for issue by the Executive Board and Supervisory Board on February 23, 2016. In accordance with article 393, Title 9, Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified auditor's opinion on the 2015 Annual Report. The Annual Report 2015 has not yet been published by law and still has to be adopted by the Annual General Meeting on April 21, 2016.

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. However, they do not include all the information required for a complete set of IFRS financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2014.

Judgments and estimates

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to Wolters Kluwer's 2014 Annual Report. Reference is made to Note 3 'Accounting Estimates and Judgments' to the Consolidated Financial Statements of Wolters Kluwer. Further reference is made to Note 27 'Financial Risk Management'. Note 27 outlines Wolters Kluwer's exposure to market risks, currency risks, interest rate risks, liquidity risks, and credit risks, which have not substantially changed since the issuance of our 2014 Annual Report. Actual results in the future may differ from these estimates and current risk judgments.

Estimates and judgments are being continuously evaluated and are based on historic experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Functional and presentation currency

The condensed consolidated financial statements are presented in euro, which is the Company's functional and presentation currency. Unless otherwise stated, the financial information in these financial statements is in euro and has been rounded to the nearest million.

Exchange rates to the euro	2015	2014
U.S. dollar (average year)	1.11	1.33
U.S. dollar (at December 31)	1.09	1.21

Comparatives

Where necessary, certain reclassifications have been made to the prior year financial information and the notes thereto to conform to the current year presentation and to improve insights.

Note 3 Significant accounting policies

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in Wolters Kluwer's 2015 Annual Report. The new standards that became effective as of January 1, 2015, have no significant impact.

Note 4 Seasonality

Some of the Group's businesses are impacted by seasonal purchasing patterns. Revenues of Wolters Kluwer's tax and regulatory businesses are strongest in the fourth and first quarters, in line with statutory (tax) filing requirements. The cash flow is typically strongest in the fourth quarter as calendar-year subscription renewals are received.

Note 5 Benchmark Figures

Wherever used in this report, the term 'adjusted' refers to figures adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and publishing rights.

Adjusted figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business from continuing operations. These figures are presented as additional information and do not replace the information in the condensed consolidated statement of profit or loss and in the condensed consolidated statement of cash flows. The term 'adjusted' is not a defined term under IFRS.

Reconciliation of benchmark figures

Reconciliation between operating profit and adjusted operating profit (in millions of euros)

	Full Year	
	2015	2014
Operating profit	667	569
Amortization of publishing rights and impairments	214	192
Non-benchmark items in operating profit	21	7
Adjusted operating profit	902	768

Reconciliation between total financing results and adjusted net financing costs (in millions of euros)

	Full Year	
	2015	2014
Total financing results	(125)	(56)
Non-benchmark items in total financing results	6	(57)
Adjusted net financing costs	(119)	(113)

Reconciliation between profit for the year and adjusted net profit

<i>(in millions of euros)</i>	<i>Full Year</i>	
	2015	2014
Profit for the year attributable to the owners of the Company (A)	423	473
Amortization of publishing rights and impairments (adjusted for non-controlling interests)	213	191
Tax on amortization and impairments of publishing rights and goodwill (adjusted for non-controlling interests)	(81)	(67)
Tax benefit on previously divested assets	-	(112)
Tax impact on consolidation of platform technology	-	40
Non-benchmark items, net of tax	28	(55)
Adjusted net profit (B)	583	470

Reconciliation between net cash from operating activities and adjusted free cash flow

<i>(in millions of euros)</i>	<i>Full Year</i>	
	2015	2014
Net cash from operating activities	843	663
Capital expenditure	(188)	(148)
Acquisition related costs	4	11
Paid divestment expenses	2	2
Dividends received	3	2
Transactional tax on internal restructuring	5	-
Net tax benefit on previously divested assets and consolidation of platform technology	(22)	(18)
Appropriation of Springboard provisions, net of tax	-	4
Adjusted free cash flow (C)	647	516

Per share information

<i>(in euros, unless otherwise stated)</i>	<i>Full Year</i>	
	2015	2014
Total number of shares outstanding at December 31 ¹	291.7	295.1
Weighted average number of shares (D) ¹	293.6	295.9
Diluted weighted average number of shares (E) ¹	297.4	299.9
Adjusted EPS (B/D)	1.98	1.59
Diluted adjusted EPS (minimum of adjusted EPS and (B/E))	1.96	1.57
Diluted adjusted EPS in constant currencies	1.67	1.58
Adjusted free cash flow per share (C/D)	2.21	1.74
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and (C/E))	2.18	1.72

¹⁾ In millions of shares.

Summary of non-benchmark items
(in millions of euros)

	<i>Full Year</i>	
	2015	2014
<i>Included in 'other operating income and (expense)':</i>		
Divestment related results	(14)	10
Additions to acquisition integration provisions	(5)	(5)
Transactional tax on internal restructuring	-	(5)
Acquisition related costs	(4)	(11)
Fair value changes contingent considerations	2	4
Total non-benchmark income/(costs) in operating profit	(21)	(7)
<i>Included in total financing results:</i>		
Divestment related results on equity-accounted investees	(1)	76
Employee benefits financing component	(5)	(5)
Result on divestment of investment available-for-sale	-	(14)
Total non-benchmark income/(costs) in total financing results	(6)	57
Total non-benchmark items, before tax	(27)	50
Tax on non-benchmark items	(1)	5
Non-benchmark items, net of tax	(28)	55

Benchmark tax rate
(in millions of euros, unless otherwise stated)

	<i>Full Year</i>	
	2015	2014
Income tax expense	119	38
Tax benefit on amortization of publishing rights and impairments	81	67
Tax benefit on previously divested assets	-	112
Tax impact on consolidation of platform technology	-	(40)
Tax benefit/(expense) on non-benchmark items	(1)	5
Tax on adjusted profit before tax (F)	199	182
Adjusted net profit (B)	583	470
Adjustment for non-controlling interests	1	2
Adjusted profit before tax (G)	783	654
Benchmark tax rate (F/G) (%)	25.5	27.6

Cash conversion ratio
(in millions of euros, unless otherwise stated)

	<i>Full Year</i>	
	2015	2014
Adjusted operating profit (H)	902	768
Amortization and impairment of other intangible assets	131	110
Depreciation and impairment of property, plant, and equipment	40	30
Adjusted EBITDA	1,073	908
Autonomous movements in working capital	18	4
Capital expenditure	(188)	(148)
Adjusted operating cash flow (I)	903	764
Cash conversion ratio (I/H) (%)	100	100

Return on invested capital (ROIC) calculation
(in millions of euros, unless otherwise stated)

	<i>Full Year</i>	
	2015	2014
Adjusted operating profit (H)	902	768
Allocated tax	(230)	(212)
Net operating profit after allocated tax (NOPAT) (J)	672	556
Average invested capital (K)	7,207	6,525
ROIC-ratio (J/K) (%)	9.3	8.5

Note 6 Segment Reporting
Divisional revenues and operating profit
(in millions of euros, unless otherwise stated)

	<i>Full Year</i>	
	2015	2014
Revenues		
Health	1,022	816
Tax & Accounting	1,132	989
Governance, Risk & Compliance	1,065	854
Legal & Regulatory	989	1,001
Total revenues	4,208	3,660
Operating profit		
Health	209	162
Tax & Accounting	228	186
Governance, Risk & Compliance	225	164
Legal & Regulatory	55	108
Corporate	(50)	(51)
Total operating profit	667	569

Note 7 Earnings per Share
Earnings per share (EPS)
(in millions of euros, unless otherwise stated)

	<i>Full Year</i>	
	2015	2014
Profit for the year attributable to the owners of the Company (A)	423	473
Weighted average number of shares <i>in millions of shares</i>		
Outstanding ordinary shares at January 1	301.9	301.9
Effect of repurchased shares	(8.3)	(6.0)
Weighted average number of shares (D) for the year	293.6	295.9
Basic EPS (€) (A/D)	1.44	1.60
Diluted weighted average number of shares <i>in millions of shares</i>		
Weighted average number of shares (D)	293.6	295.9
Long-Term Incentive Plan	3.8	4.0
Diluted weighted average number of shares (E) for the year	297.4	299.9
Diluted EPS (€) (minimum of basic EPS and [A/E])	1.42	1.58

Note 8 Acquisitions and Divestments
Acquisitions

Total acquisition spending, net of cash acquired, in 2015 was €179 million (2014: €178 million) including deferred and contingent consideration payments of €21 million (2014: €18 million). Acquisition related costs amounted to €4 million in 2015 (2014: €11 million). Acquisitions made in 2015 had annualized revenues of €44 million and adjusted operating profit of €7 million.

In 2015, the main acquisitions were:

On January 1, 2015, Wolters Kluwer Tax & Accounting completed the acquisition of 100% of the shares of SBS Software GmbH, a leading German provider of accounting and payroll solutions. SBS Software has more than 100 employees and serves over 6,000 customers. The purchase price consideration was €11 million. The entity has annualized revenues of approximately €7 million.

On June 30, 2015, Wolters Kluwer Tax & Accounting acquired the assets of SureTax LLC, a provider of comprehensive and technologically advanced tax calculation engines for telecommunications businesses in the U.S. market. SureTax has 7 employees and serves over 100 customers. The purchase price consideration was €10 million, of which €5 million was paid in cash and €5 million relates to an earn-out arrangement over a 36 month post-acquisition period.

On September 1, 2015, Wolters Kluwer Health completed the acquisition of 100% of the shares of Learner's Digest International LLC, a leading provider of independent continuing medical education (CME) to physicians in the U.S. Its innovative mobile medical education platform enables clinicians to stay current on the latest medical research, guidelines, and standards of clinical care and to efficiently meet their CME requirements. The company has become an operating unit of Wolters Kluwer Health Learning, Research & Practice (HLRP). The purchase price consideration was \$150 million which was paid in cash. The entity had revenues of approximately \$39 million in 2014 and 112 employees.

Acquisitions
(in millions of euros)

	<i>Full Year</i>	
	2015	2014
Consideration payable in cash	161	178
Fair value of previously held equity-accounted investee	-	88
Deferred and contingent considerations	13	6
Total consideration	174	272
Non-current assets	140	223
Current assets	8	33
Current liabilities	(30)	(35)
Deferred tax liability	(7)	(76)
Fair value of net identifiable assets/(liabilities)	111	145
Goodwill on acquisitions	63	127
<i>Cash effect of acquisitions:</i>		
Consideration payable in cash	161	178
Cash acquired	(3)	(18)
Deferred and contingent considerations paid	21	18
Acquisition spending, net of cash acquired	179	178

The fair value of the 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 which will be completed within 12 months from the acquisition date.

The goodwill recognized for the acquisitions represents a payment in anticipation of the future economic benefits to be derived by Wolters Kluwer as a result of the acquisition. These future economic benefits relate to revenue opportunities (such as cross-selling) or cost efficiencies (such as sharing of infrastructure).

Contingent consideration

The acquisitions completed in 2015 resulted in a maximum achievable undiscounted contingent consideration of €18 million. The fair values of the 2015 contingent considerations amount to €9 million at December 31, 2015.

Divestment related results on operations and equity-accounted investees
(in millions of euros)

	<i>Full Year</i>	
	2015	2014
<i>Divestments of operations:</i>		
Consideration receivable in cash	31	11
Consideration receivable	31	11
Non-current assets	30	2
Current assets	36	0
Current liabilities	(29)	(3)
Deferred tax liability	(1)	-
Non-controlling interests	(9)	-
Net identifiable assets and liabilities	27	(1)
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	(15)	-
Book profit/(loss) on divestments of operations	(11)	12
Restructuring of stranded costs following divestments	(1)	-
Divestment expenses	(2)	(2)
Divestment related results, included in other operating income and (expense)	(14)	10
<i>Divestments of equity-accounted investees:</i>		
Consideration receivable in cash	3	-
Fair value of divested equity-accounted investee	2	88
Carrying value of equity-accounted investees	(6)	(12)
Carrying value of investments available-for-sale	-	(14)
Divestment related results included in financing results	(1)	62
<i>Cash effect of divestments:</i>		
Consideration receivable in cash	34	11
Cash included in divested operations	(10)	0
Receipts from divestments, net of cash disposed	24	11

Divestment related results on operations and equity-accounted investees

On September 3, 2015, Wolters Kluwer Legal & Regulatory completed the divestment of its 55% interest in Wolters Kluwer Russia Publishing Holding bv to the company's minority shareholders. This holding company owned 100% of the Russian legal and regulatory business, MCFR. The divestment was precipitated by impending limits on foreign ownership in Russian media companies. In 2014, the Russian business was fully consolidated in the Wolters Kluwer accounts and had revenues of €39 million. The divestment resulted in a one-time loss of €18 million, of which the majority is foreign exchange related.

On December 10, 2015, Wolters Kluwer Legal & Regulatory completed the sale of its U.K.-based HR consulting and tax fee protection services units. In 2014, these activities were fully consolidated in the Wolters Kluwer accounts and had revenues of approximately €31 million and approximately 270 employees. The divestment resulted in a book profit of €7 million.

The divestment related results included in financing results of € (1) million consists of a €3 million loss on the disposal of an equity-accounted investee and a €2 million revaluation gain on Datacert.

Note 9 Provisions for Restructuring Commitments
Provisions for restructuring commitments
(in millions of euros)

	<i>Full Year</i>	
	2015	2014
Position at January 1	3	10
Add: short-term commitments	30	33
Total at January 1	33	43
<i>Movements:</i>		
Additions to provisions for restructuring	43	32
Appropriation of provisions for restructuring	(43)	(43)
Exchange differences and other movements	1	1
Total movements	1	(10)
Total at December 31	34	33
Less: short-term commitments	(33)	(30)
Position at December 31	1	3

Additions of €43 million mainly relate to the restructuring programs announced in February 2015 and expanded during the year. The majority of restructuring was in Legal & Regulatory, with the remainder spread across the other divisions.

The majority of the provisions relates to severance programs, restructurings, and onerous contracts and will be settled within the next twelve months (€33 million). The remaining long-term part of the provisions (€1 million) is expected to be settled in 2017 and beyond.

Note 10 Issuance, Repurchase, and Repayments of debt

The Company had no significant events in its long-term debt.

Reconciliation gross debt to net debt

<i>(in millions of euros, unless otherwise stated)</i>	December 31, 2015	December 31, 2014
Gross debt		
Bonds	1,877	1,875
Private placements	399	384
Other long-term loans	10	8
Deferred and contingent acquisition payments	11	6
Derivative financial instruments	9	31
Total long-term debt	2,306	2,304
Borrowings and bank overdrafts	286	125
Deferred and contingent acquisition payments	6	21
Derivative financial instruments	2	2
Total short-term debt	294	148
Total gross debt	2,600	2,452
Minus:		
Cash and cash equivalents	(812)	(535)
Collateral	-	(20)
Net debt	1,788	1,897
Net-debt-to-EBITDA ratio	1.7	2.1

Note 11 Share Buyback, Dividends, LTIP

Wolters Kluwer has a policy to offset the dilution caused by its annual performance share issuance with share repurchases. In line with this policy, the company announced in 2015 its intention to repurchase up to €40 million in shares in 2015. In addition the company announced its intention to return cash to shareholders by repurchasing an additional €100 million in shares, bringing the total intended buyback to €140 million in 2015. Under this program, which was completed on July 1, 2015, 5.0 million shares were repurchased for a total consideration of €140 million (average price €28.13). In 2015, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued.

The annual dividend over the 2014 financial year totalled €211 million (financial year 2013: €209 million) and was paid in May 2015. Wolters Kluwer moved to semi-annual dividend frequency in 2015 starting with an interim dividend for 2015. On September, 22, 2015, the Supervisory Board and Executive Board of Wolters Kluwer resolved to distribute an interim dividend of €0.18 per share on October 12, 2015. The 2014 dividend per share was €0.71 (2013 dividend per share: €0.70).

The LTIP 2012-14 vested on December 31, 2014. Total Shareholder Return (TSR) ranked sixth relative to its peer group of 15 companies, resulting in a pay-out of 100% of the conditional base number of shares awarded to the Executive Board and Senior Management. The EPS performance for LTIP 2012-2014 grant resulted in a 150% pay-out for the Executive Board and Senior Management. A total number of 1,582,983 shares were released on February 19, 2015, at a volume weighted average price of €28.08.

The LTIP 2013-15 vested on December 31, 2015. Total Shareholder Return (TSR) ranked third relative to its peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board and Senior Management. The EPS performance for LTIP 2013-2015 grant resulted in a 150% pay-out for the Executive Board and Senior Management. A total number of 1,783,399 shares will be released on February 25, 2016. As a result of that release, the percentage of own shares Wolters Kluwer holds will drop below the 3% threshold, and consequently Wolters Kluwer will notify the Dutch Authority for the Financial Markets (AFM) thereof in accordance with the applicable Dutch laws.

Under LTIP 2015-17 grant, 1,027,117 shares were conditionally awarded to the Executive Board and Senior Management in 2015. In 2015, 60,202 shares were forfeited under outstanding long-term incentive plans.

At December 31, 2015, the Executive Board jointly held 148,586 shares (2014: 137,436), of which 128,350 shares (2014: 123,350 shares) were held by Ms. McKinstry and 20,236 shares (2014: 14,086 shares) by Mr. Entricken.

Note 12 Events after balance sheet date

Wolters Kluwer Legal & Regulatory announced on January 14, 2016, that it has received a binding offer from ATC, a private B2B media company in France, to purchase Legal & Regulatory's French trade media assets. Wolters Kluwer's intended divestment is in line with the division's strategy to focus on legal information and software solutions for law firms, corporate counsel, and other compliance professionals. The French trade media unit, a part of the division's business in France, includes publishing and events serving the transport, tourism, HR, and social work verticals. The unit had revenues of €22 million in 2015 and approximately 170 full-time employees.

Wolters Kluwer Governance, Risk & Compliance announced on February 2, 2016, that it has signed an agreement to acquire the assets of Triad Professional Services, LLC, a provider of U.S. legal and compliance products and services. The acquisition furthers Wolters Kluwer's leadership position in U.S. legal and compliance products and services, broadening capabilities in key industry verticals. Triad, which will become part of the CT Corporation suite of products and services, is based in Alpharetta, Georgia and has approximately 15 employees.

Divisional Supplemental Information - Year ended December 31 - New Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Change		
			Organic	Acquisition/ Divestment ⁽¹⁾	Currency
Health					
Revenues	1,022	816	40	10	156
Adjusted operating profit	247	197	8	3	39
Adjusted operating profit margin	24.1%	24.1%			
Tax & Accounting					
Revenues	1,132	989	34	3	106
Adjusted operating profit	311	261	21	(3)	32
Adjusted operating profit margin	27.5%	26.4%			
Governance, Risk & Compliance					
Revenues	1,065	854	46	12	153
Adjusted operating profit	298	232	17	2	47
Adjusted operating profit margin	28.0%	27.1%			
Legal & Regulatory					
Revenues	989	1,001	(24)	(21)	33
Adjusted operating profit	96	127	(27)	(8)	4
Adjusted operating profit margin	9.7%	12.7%			
Corporate					
Adjusted operating profit	(50)	(49)	1	0	(2)
Total Wolters Kluwer					
Revenues	4,208	3,660	96	4	448
Adjusted operating profit	902	768	20	(6)	120
Adjusted operating profit margin	21.4%	21.0%			

(1) Acquisition/divestment column includes the contribution from 2014 and 2015 acquisitions before these became organic (12 months from their acquisition date), the impact of 2014 and 2015 divestments, and the effect of asset transfers between divisions.

Divisional Supplemental Information - Year ended December 31 - Previous Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Change		
			Organic	Acquisition/ Divestment ⁽¹⁾	Currency
Legal & Regulatory					
Revenues	1,626	1,497	4	(10)	135
Adjusted operating profit	320	305	(20)	(5)	40
Adjusted operating profit margin	19.7%	20.3%			
Tax & Accounting					
Revenues	1,078	946	30	3	99
Adjusted operating profit	295	250	17	(3)	31
Adjusted operating profit margin	27.4%	26.4%			
Health					
Revenues	1,022	816	40	10	156
Adjusted operating profit	247	197	8	3	39
Adjusted operating profit margin	24.1%	24.1%			
Financial & Compliance Services					
Revenues	482	401	22	1	58
Adjusted operating profit	90	65	14	(1)	12
Adjusted operating profit margin	18.6%	16.3%			
Corporate					
Adjusted operating profit	(50)	(49)	1	0	(2)
Total Wolters Kluwer					
Revenues	4,208	3,660	96	4	448
Adjusted operating profit	902	768	20	(6)	120
Adjusted operating profit margin	21.4%	21.0%			

(1) Acquisition/divestment column includes the contribution from 2014 and 2015 acquisitions before these became organic (12 months from their acquisition date), the impact of 2014 and 2015 divestments, and the effect of asset transfers between divisions.

Divisional Revenues by Type - Year ended December 31 - New Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Health					
Digital and services subscriptions	660	498	+32%	+12%	+11%
Print subscriptions	66	60	+10%	-6%	-6%
Other recurring revenues	113	91	+24%	+5%	+2%
Total recurring revenues	839	649	+29%	+10%	+8%
Print books	124	115	+8%	-8%	-8%
Other non-recurring	59	52	+13%	-5%	-5%
Total Health	1,022	816	+25%	+6%	+5%
Tax & Accounting					
Digital and services subscriptions	812	703	+15%	+6%	+5%
Print subscriptions	37	38	-4%	-8%	-7%
Other recurring revenues	161	135	+19%	+2%	+2%
Total recurring revenues	1,010	876	+15%	+4%	+4%
Print books	39	40	-2%	-14%	-9%
Other non-recurring	83	73	+14%	+5%	+2%
Total Tax & Accounting	1,132	989	+14%	+4%	+3%
Governance, Risk & Compliance					
Digital and services subscriptions	621	504	+24%	+6%	+4%
Print subscriptions	1	1	+5%	-12%	-12%
Total recurring revenues	622	505	+24%	+6%	+4%
CLS transactional	278	215	+29%	+8%	+8%
FS transactional	42	37	+14%	-5%	-5%
Other non-recurring ¹	123	97	+26%	+14%	+14%
Total Governance, Risk & Compliance	1,065	854	+25%	+7%	+5%
Legal & Regulatory					
Digital and services subscriptions	468	450	+4%	0%	+1%
Print subscriptions	210	242	-13%	-14%	-10%
Other recurring revenues	52	55	-5%	-8%	-7%
Total recurring revenues	730	747	-2%	-5%	-3%
Print books	136	134	+2%	-2%	-2%
Other non-recurring	123	120	+3%	-4%	-2%
Total Legal & Regulatory	989	1,001	-1%	-5%	-2%
Total Wolters Kluwer					
Digital and services subscriptions	2,561	2,155	+19%	+6%	+5%
Print subscriptions	314	341	-8%	-12%	-9%
Other recurring revenues	326	281	+16%	+1%	0%
Total recurring revenues	3,201	2,777	+15%	+3%	+3%
Print books	299	289	+4%	-6%	-5%
CLS transactional	278	215	+29%	+8%	+8%
FS transactional	42	37	+14%	-5%	-5%
Other non-recurring	388	342	+13%	+3%	+3%
Total revenues	4,208	3,660	+15%	+3%	+3%

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth. (1) Including license & implementation fees.

Divisional Revenues by Type - Year ended December 31 - Previous Divisional Structure

<i>(in millions of euros, unless otherwise stated)</i>	2015	2014	Δ	Δ CC	Δ OG
Legal & Regulatory					
Digital and services subscriptions	826	730	+14%	+3%	+2%
Print subscriptions	210	242	-13%	-14%	-10%
Other recurring revenues	52	55	-5%	-8%	-7%
Total recurring revenues	1,088	1,027	+6%	-2%	-1%
Print books	136	134	+2%	-2%	-2%
CLS transactional	278	215	+29%	+8%	+8%
Other non-recurring	124	121	+3%	-4%	-2%
Total Legal & Regulatory	1,626	1,497	+9%	0%	0%
Tax & Accounting					
Digital and services subscriptions	778	678	+15%	+5%	+5%
Print subscriptions	37	38	-4%	-8%	-7%
Other recurring revenues	161	135	+19%	+2%	+2%
Total recurring revenues	976	851	+15%	+4%	+4%
Print books	39	40	-2%	-14%	-9%
Other non-recurring	63	55	+13%	+5%	+1%
Total Tax & Accounting	1,078	946	+14%	+3%	+3%
Health					
Digital and services subscriptions	660	498	+32%	+12%	+11%
Print subscriptions	66	60	+10%	-6%	-6%
Other recurring revenues	113	91	+24%	+5%	+2%
Total recurring revenues	839	649	+29%	+10%	+8%
Print books	124	115	+8%	-8%	-8%
Other non-recurring	59	52	+13%	-5%	-5%
Total Health	1,022	816	+25%	+6%	+5%
Financial & Compliance Services					
Digital and services subscriptions	297	249	+19%	+4%	+4%
Print subscriptions	1	1	+5%	-12%	-12%
Total recurring revenues	298	250	+19%	+4%	+4%
FS transactional	42	37	+14%	-5%	-5%
Other non-recurring ¹	142	114	+25%	+12%	+12%
Total Financial & Compliance Services	482	401	+20%	+6%	+6%
Total Wolters Kluwer					
Digital and services subscriptions	2,561	2,155	+19%	+6%	+5%
Print subscriptions	314	341	-8%	-12%	-9%
Other recurring revenues	326	281	+16%	+1%	0%
Total recurring revenues	3,201	2,777	+15%	+3%	+3%
Print books	299	289	+4%	-6%	-5%
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Total revenues	4,208	3,660	+15%	+3%	+3%

Δ: % Change; Δ CC: % Change constant currencies (EUR/USD 1.33); Δ OG: % Organic growth. (1) Including license & implementation fees.

About Wolters Kluwer

Wolters Kluwer N.V. (AEX: WKL) is a global leader in professional information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2015 annual revenues of €4.2 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries, and employs 19,000 people worldwide.

Wolters Kluwer shares are listed on 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 solutions and organization, visit www.wolterskluwer.com, follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [YouTube](#).

Financial Calendar

February 24, 2016	Full-Year 2015 Results
March 9, 2016	Publication of 2015 Annual Report
March 9, 2016	Publication of 2015 Sustainability Report
April 21, 2016	2016 Annual General Meeting of Shareholders
April 25, 2016	Ex-dividend date: 2015 final dividend
April 26, 2016	Record date: 2015 final dividend
May 11, 2016	First-Quarter 2016 Trading Update
May 12, 2016	Payment date: 2015 final dividend ordinary shares
May 19, 2016	Payment date: 2015 final dividend ADRs
July 29, 2016	Half-Year 2016 Results
August 29, 2016	Ex-dividend date: 2016 interim dividend
August 30, 2016	Record date: 2016 interim dividend
September 14, 2016	Payment date: 2016 interim dividend ordinary shares
September 21, 2016	Payment date: 2016 interim dividend ADRs
November 2, 2016	Nine-Month 2016 Trading Update
February 22, 2017	Full-Year 2016 Results

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Forward-looking Statements

This report 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; and 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.