OFFERING CIRCULAR
9 May 2001

# Wolters Kluwer nv

(Incorporated in The Netherlands as a public company with limited liability)

## EUR 225,000,000
## 6.875 per cent. Perpetual Cumulative Subordinated Bonds 2001

### Issue price: 100 per cent.

The Bonds have no final maturity date and may not be repaid except as set forth under Condition 4 (Redemption and Purchase) and 8 (Events of Default).

Interest on the Bonds will accrue at the rate of 6.875 per cent. per annum from, and including, 14 May 2001 and be payable, subject as provided in the Conditions, annually in arrear commencing on 14 May 2002 without withholding or deduction for or on account of Netherlands withholding taxes, unless the withholding or deduction of such Netherlands withholding taxes is required by law, in which event Wolters Kluwer nv will pay additional amounts. See Condition 6 (Taxation).

In the event that Wolters Kluwer nv has not declared or made available for payment any dividend on any class of its share capital in the twelve months immediately preceding any Interest Payment Date the interest due on such date may at the option of Wolters Kluwer nv not then be paid. All Arrears of Interest, as defined in Condition 3 (Interest), shall become due in full on the date upon which a dividend is next made available for payment on any class of share capital of Wolters Kluwer nv and in the other circumstances more fully set forth under such Condition 3 (Interest).

Application has been made to list the Bonds on the Official Segment of the stock market of Euronext Amsterdam N.V. ('Euronext Amsterdam'). This Offering Circular constitutes a prospectus for the purpose of the Listing and Issuing Rules of Euronext Amsterdam.

The Bonds will initially be represented by a temporary global bond (the 'Temporary Global Bond') in bearer form, without interest coupons, which is expected to be deposited with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ('Necigef') in Amsterdam on or about 14 May 2001 (the 'Closing Date'). The Bonds have been accepted for clearance through Euroclear Bank S.A./N.V. as operator of the Euroclear System and through Clearstream Banking, société anonyme, Luxembourg ('Clearstream, Luxembourg'). Interests in the Temporary Global Bond will be exchangeable for definitive Bonds in bearer form, with interest coupons attached, not earlier than 40 days and not later than 90 days after the Closing Date upon certification as to non-U.S. beneficial ownership. The definitive Bonds will be issued in bearer form in denominations of EUR 1,000 (K-form) and in denominations of EUR 100, EUR 1,000, EUR 10,000 and EUR 100,000 (CF-form).

**ABN AMRO** **Rabobank International**

**Credit Suisse First Boston**
**Dexia Capital Markets**
**F. van Lanschot Bankiers N.V.**
**KBC International Group**
**Deutsche Bank**
**Fortis Bank**
**ING Barings/BBL**
**Prudential-Bache Securities**
**Schroder Salomon Smith Barney**

*Wolters Kluwer nv (the 'lssuer' or the 'Company'), having made all reasonable enquiries, confirms that, to the best of its knowledge and belief as of the date hereof, (i) this Offering Circular (hereafter referred to as 'this Offering Circular') contains all information with regard to the Issuer and the Bonds which is material in the context of the issue of the Bonds, (ii) such information is true, accurate and not misleading, (iii) the opinions and intentions expressed herein are honestly held, and (iv) there are no other facts the omission of which makes this Offering Circular as a whole or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.*

*The consolidated balance sheet, profit and loss account and cash flow statement contained in this Offering Circular have been derived from the consolidated financial statements of the Issuer which have been prepared in conformity with accounting principles generally accepted in The Netherlands ('Dutch G.A.A.P.').*

*In connection with the issue and offering of the Bonds, no person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers (as defined under 'Subscription and Sale'). Neither the delivery of this Offering Circular, nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to its date.*

*The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.*

*This Offering Circular does not constitute, and may not be used for purposes of an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.*

*In connection with the issue of the Bonds, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank International') may (for its own account and not as an agent of the Issuer or any of the Managers) over-allot or effect transactions in the open market or otherwise in connection with the distribution of the Bonds with a view to stabilising or maintaining the price of the Bonds at levels other than those which might prevail in the open market. Such stabilising, if commenced, may be discontinued at any time, but will in any event be discontinued 30 days after the Closing Date.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the 'Securities Act') and are Bonds in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on offers and sales of Bonds and on distribution of this Offering Circular including restrictions under the laws of the United Kingdom, see 'Subscription and Sale'.*

*In this Offering Circular references to 'NLG' are to Netherlands Guilders and references to 'EUR' are to Euro.*

***Incorporation by Reference***

*The audited annual reports of the Issuer for the financial years ended 31 December 2000, 1999 and 1998 are hereby incorporated by reference. Copies of the consolidated and non-consolidated annual reports are available, free of charge, at the specified offices of the Fiscal Agent and any Paying Agent specified in the Terms and Conditions of the Bonds. The Articles of Association of the Issuer (lastly amended by deed of 16 April 1999) are also incorporated by reference. Copies thereof will also be available upon request, free of charge, at the specified offices of the Fiscal Agent and any Paying Agent as long as the Bonds are outstanding.*

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# TERMS AND CONDITIONS OF THE BONDS

*This is the form of the Terms and Conditions of the Bonds which (subject to completion and amendment) will be applicable to the Bonds represented by the Temporary Global Bond and to each of the Bonds in definitive form (K-form and CF-form), respectively and will be attached to the Temporary Global Bond and endorsed on the Bonds in definitive K-form, respectively.*

The issue of EUR 225,000,000 6.875 per cent. Perpetual Cumulative Subordinated Bonds 2001 (the 'Bonds') by Wolters Kluwer nv (the 'Issuer') is made in accordance with a resolution of its Executive Board adopted on 26 February 2001, which decision was approved by its Supervisory Board on 26 March 2001. The Bonds will be issued with the benefit of a fiscal agency agreement to be dated on or about 14 May 2001 (the 'Fiscal Agency Agreement') between the Issuer and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank Nederland') as Fiscal and Principal Paying Agent (the 'Fiscal Agent'). Certain statements in these Terms and Conditions of the Bonds are summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement, copies of which are available for inspection at the specified office of the Fiscal Agent referred to hereinafter and the offices of any Paying Agent. The expression 'Fiscal Agent' shall also refer to any substitute fiscal agent. The expression 'Paying Agent' shall refer to any additional paying agent that may be appointed under the Fiscal Agency Agreement in addition to the Principal Paying Agent.

The holders of the Bonds (the 'Bondholders') and the holders of the interest coupons (in the case of Bonds in K-form) and coupon sheets (in the case of Bonds in CF-form) (the 'Couponholders') appertaining to the Bonds (the 'Coupons') are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement. The expressions Coupons shall, unless the context requires otherwise, include talons for further Coupons in respect of Bonds in K-form ('Talons'). References herein to 'Conditions' are, unless the context otherwise requires, to the numbered paragraphs below.

**1. Form, Denomination and Transfer**

The Bonds are in bearer form serially numbered with Coupons attached on issue. Under Netherlands law the valid transfer of title to a bond or coupon requires – inter alia – delivery (levering) thereof.

The Bonds are available in denominations of EUR 1,000 (K-form) and in denominations of EUR 100, EUR 1,000, EUR 10,000 and EUR 100,000 each (CF-form), each with bearer Coupons for the payment of interest attached on issue. The Bonds in K-form will be numbered from 1 onwards, preceded by the letter A. The Bonds in CF-form will be numbered from 1 onwards, preceded by, the letters FC for the denomination of EUR 100, the letters FA for the denomination of EUR 1,000, the letters FX for the denomination of EUR 10,000 and the letters FM for the denomination of EUR 100,000.

Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Fiscal Agent and any Paying Agent may treat the holder of any Bond and the holder of any Coupon as the absolute owner(s) thereof (whether or not such Bond or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof to the extent permitted by applicable law) for the purpose of making payment and for all other purposes.

**2. Status of the Bonds, Subordination and Loss Absorption**

The Bonds and Coupons constitute subordinated and unsecured obligations of the Issuer ranking pari passu without any preference among themselves and will, in the event of bankruptcy, dissolution or liquidation of the Issuer, be subordinated in right of payment to the prior payment in full of all Senior Debt of the Issuer, present and future.

For the purposes of this Condition 2:

– 'Senior Debt' means the principal of and premium, if any, and interest on any Indebtedness of the Issuer currently outstanding or to be issued hereafter unless such Indebtedness by the terms of the instruments by which it is created or evidenced, is not senior in right or payment to the Bonds. The Issuer's outstanding Subordinated Indebtedness will not be considered Senior Debt.

– 'Subordinated Indebtedness' means any Indebtedness of the Issuer the right to payment of which is, or is expressed to be or is required by any present or future agreement of the Issuer to be, subordinated in the event of the bankruptcy, dissolution or liquidation of the Issuer.

– ‘Indebtedness’ means all indebtedness for money borrowed that is created, assumed, incurred or guaranteed in any manner or for which the Issuer is otherwise responsible or liable.

By virtue of the above subordination:

(a) all payments to the Bondholders will, in the event of the bankruptcy, dissolution or liquidation of the Issuer only be made after, and any set-off by any Bondholder shall be excluded until, all Senior Debt admissible in any such bankruptcy, dissolution or liquidation of the Issuer has been satisfied in full following which the obligations in respect of the Bonds shall rank at least pari passu with all other Subordinated Indebtedness; and

(b) creditors of the Issuer who are not holders of Senior Debt may, subject to any subordination provisions that may be applicable to such creditors, recover more rateably than the Bondholders.

If the Issuer would not otherwise be solvent, the amount of principal and of sums which would otherwise be payable as interest in respect of the Bonds will be available to meet the losses of the Issuer.

**3. Interest**

The Bonds bear interest from, and including, 14 May 2001 (the ‘Closing Date’) at the rate of 6.875 per cent. per annum payable, subject as provided in these Conditions, annually in arrear on each Interest Payment Date (as defined below), the first such payment to be made on 14 May 2002.

The Bonds will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the principal in respect thereof is improperly withheld or refused. In such event, interest will continue to accrue (after as well as before any judgement) up to, but excluding, the date on which, upon further presentation, payment in full of the principal thereof is made or (if earlier) the seventh day after notice is duly given to the holder of such Bond in accordance with Condition 10 that upon further presentation of such Bond being duly made such payment will be made, provided that upon further presentation thereof being duly made such payment is in fact made.

Whenever it is necessary to compute an amount of interest in respect of any Bond for a period of less than a full year, such interest shall be calculated on the basis of the actual number of days elapsed in the relevant calculation period (including the first day but excluding the last day) divided by the actual number of days (365 or 366) in the respective Interest Period.

Interest in respect of the Bonds is payable on each Interest Payment Date not being an Optional Interest Payment Date (both as defined below) in respect of the Interest Period (as defined below) ending on the day immediately preceding such date. Interest in respect of the Bonds accrued in the Interest Period ending on the day immediately preceding any Optional Interest Payment Date may at the option of the Issuer not be paid on such date and failure to pay shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Bonds not paid on an Optional Interest Payment Date, together with any other interest in respect thereof not paid on any other Optional Interest Payment Date, shall, so long as the same remains unpaid, constitute ‘Arrears of Interest’. All Arrears of Interest in respect of all Bonds for the time being outstanding (as defined in the Fiscal Agency Agreement) shall become due in full on, and only on, whichever is the earliest of (i) the date upon which a dividend is next made available for payment on any class of share capital of the Issuer, (ii) the date fixed for any repayment pursuant to Condition 4(a) or (iii) the date on which the Issuer is adjudicated bankrupt or on which an order is made or an effective resolution is passed for the dissolution or liquidation of the Issuer. If notice is given by the Issuer of its intention to pay the whole or any part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiry of such notice. Where Arrears of Interest are paid in part, each partly payment shall be made pro rata to the Bondholders and shall be in respect of the full amount of the Arrears of Interest accrued due to the relevant Interest Payment Date or consecutive Interest Payment Dates furthest from the date of payment. Arrears of Interest shall not themselves bear interest.

As used herein:

‘Interest Payment Date’ means 14 May of each year, commencing 14 May 2002.

‘Optional Interest Payment Date’ means any Interest Payment Date following a period of twelve months immediately preceding such Interest Payment Date, in which no dividend has been declared or made available for payment on any class of share capital of the Issuer.

‘Interest Period’ means the period from and including one Interest Payment Date (or, as the case may be, the Closing Date) up to but excluding the next (or first) Interest Payment Date.

The calculations and determinations under this Condition 3 shall (save in the case of wilful default, bad faith or manifest error) be final and binding on the Issuer, the Bondholders and the Couponholders.

**4. Redemption and Purchase**

The Bonds have no final maturity date and may not be repaid except in accordance with the provisions of this Condition 4 or Condition 8.

(a) The Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 10, repay on 14 May 2008 or on any Interest Payment Date thereafter all, but not some only, of the Bonds at their principal amount together with accrued interest and all Arrears of Interest. Upon the expiration of such notice the Issuer shall be bound to repay all the Bonds at their principal amount together with accrued interest and all Arrears of Interest.

(b) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable), at their nominal amount (together with interest accrued to the date fixed for redemption and any Arrears of Interest), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the issue date of the Bonds, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Notices under this Condition shall be given without delay in accordance with Condition 10.

(c) The Issuer may at any time purchase Bonds (provided that all unmatured Coupons appertaining thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Bonds so purchased by the Issuer may be held or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders must be available to all Bondholders alike. Any Bonds purchased by the Issuer may not be resold.

**5. Payments and exchange of Talons**

(a) The name of the initial Fiscal Agent and its initial specified office are set out below.

(b) Payments of principal and interest in respect of the Bonds will only be made against presentation and surrender of Bonds or, in case of payments of interest due on an Interest Payment Date and Arrears of Interest, in the case of Bonds in K-form, against surrender (or, in the case of a partial payment, endorsement) of the relevant Coupons, at the specified office of a Paying Agent by a euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in Amsterdam, as the holder may specify, or, in the case of Bonds in CF-form, in conformity with the agreement concluded between the Issuer and the ‘Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.’ in Amsterdam (the ‘Obligatiekantoor’), under which agreement the Issuer has accepted the rules and regulations of the Obligatiekantoor. All such payments are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

(c) Upon the date the Bonds become due, each Bond in K-form which is presented for payment must be presented together with all unmatured Coupons and Talons appertaining thereto (whether or not attached) and unmatured Coupons and Talons appertaining to the Bonds (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no exchange shall be made in respect of such Talons. If the date on which the Bonds become due is not an Interest Payment Date, the interest accrued from the preceding Interest Payment Date (or the Closing Date, as the case may be) on any Bond shall be payable only against presentation of such Bond. In addition, in the event of a bankruptcy, dissolution or liquidation of the Issuer, each Bond in K-form which is presented for payment must be presented together with all Coupons appertaining thereto (whether or not attached) in respect of Arrears of Interest, failing which the amount of Arrears of Interest due on any such missing Coupons (or, in the case of payment not being made in full, that proportion of such amount which the amount so paid bears to the total amount payable in respect of such Bond (inclusive of Arrears of Interest and accrued interest)) will be deducted from the sum due for payment on presentation of such Bond. In the case of any such missing Coupon, the amount so deducted will be payable in the manner mentioned above against presentation and surrender of such Coupon within a period of five years from the Relevant Date (as defined below) in relation to the payment of the principal of such Bond.

For the purposes of these Conditions, 'unmatured Coupon' means a Coupon in respect of which the applicable Interest Payment Date falls after the date on which the Bond to which such Coupon appertains becomes due or, in the case of a purchased Bond to be cancelled under Condition 4(c), is purchased; 'unmatured Talon' means a Talon in respect of which the Interest Payment Date on and after which it may be exchanged falls on or after the date on which the Bond to which such Talon appertains becomes due or, in the case of a purchased Bond to be cancelled under Condition 4(c), is purchased; and the 'Relevant Date' means the date on which a payment of principal or interest first becomes due, but, if the full amount of the money payable has not been received by the Fiscal Agent on or prior to such date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly published in accordance with Condition 10.

(d) If the date for payment in respect of any Bond is not a day on which banks are open for business in the place of presentation of the relevant Bond or Coupon the holder thereof shall not be entitled to payment until the next day following such day, or to any interest or other payment in respect of such delay. In the case of payment by transfer to a euro account as referred to above, the Issuer shall not be obliged to credit such account until the day in the place of such account on which banks are open for business next following the day on which banks are open for business in the place of the specified office of the relevant Paying Agent to which the relevant Bond or Coupon is presented for payment, and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ('TARGET') system is operating.

(e) The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another additional or other Paying Agents and/or approve any change in the specified office of any Paying Agent, provided that so long as any of the Bonds remains outstanding the Issuer will maintain a Paying Agent with a specified office in a city within the European Union which, so long as the Bonds are listed on Euronext Amsterdam, shall be in The Netherlands. In the event of any such variation, termination, appointment or change in specified office, notice thereof will be given by the Issuer to the Bondholders in accordance with Condition 10.

(f) On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet in respect of a Bond in K-form matures, the Talon comprised in such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet in respect of the 40 Interest Payment Dates immediately following such Interest Payment Date (including a further Talon), subject to the provisions of Condition 7, provided that the Issuer may, by notice to the Bondholders in accordance with Condition 10, at any time or from time to time require any such exchange to be effected at the specified office(s) of one or certain Paying Agents specified in such notice.

**6. Taxation**

All payments of principal and interest will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Bond or Coupon presented for payment:

(i) by or on behalf of a holder thereof who is liable to such taxes or duties in respect of such Bond or Coupon by reason of such holder having some connection with The Netherlands, other than by reason only of the holding of such Bond or Coupon or the receipt of the relevant payment in respect thereof;

(ii) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Bond or Coupon is presented for payment; or

(iii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or

(iv) where such withholding is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting on 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(v) by or on behalf of a Bondholder, Couponholder or Talonholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond, Coupon or Talon to another Paying Agent in a Member State of the EU.

As used in these Conditions, 'Relevant Date' in respect of any Bond or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Bondholders that, upon further presentation of the Bond or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) 'principal' shall be deemed to include any premium payable in respect of the Bonds, (ii) 'interest' shall be deemed to include all interest amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (iii) 'principal' and/or 'interest' shall be deemed to include any additional amounts that may be payable under this Condition.

**7. Prescription**

Claims against the Issuer for payment of the Bonds and Coupons shall be prescribed and become void unless made five years from the date on which such payment becomes due.

Coupon sheets issued in exchange for a Talon shall not include any Coupons which are void pursuant to this Condition 8 or Condition 4(c) or any Talon which would be void pursuant to Condition 4(c).

**8. Events of Default**

The holder of any Bond may give written notice to the Issuer and the Fiscal Agent that such Bond is, and such Bond shall accordingly immediately become, due and repayable at par, together with interest accrued to the date of repayment, in any of the following events ('Events of Default') unless, prior to the time when the Issuer receives such notice, the relevant Event of Default shall have been cured or otherwise made good:

(i) if default is made in the payment of any interest due on the Bonds or any of them and such default continues for a period of 15 days next following the service by any Bondholder on the Issuer of a written notice of such default; or

(ii) if the Issuer fails to perform or observe any of its other obligations under the Bonds and such failure continues for a period of 30 days next following the service by any Bondholder on the Issuer of a written notice requiring the same to be remedied; or

(iii) if the Issuer is in default in the fulfilment of a payment obligation in respect of any other indebtedness represented by bonds, notes or debentures having an outstanding principal amount in excess of EUR 25,000,000 or its equivalent in other currencies or any guarantee of such indebtedness and such default is not remedied, in the case that notice of default is required in respect of such indebtedness or guarantee, within a period of 15 days next following the receipt by the Issuer from the relevant creditor of such notice of default or, in the case that no notice of default is required in respect thereof, within a period of 15 days next following the receipt by the Issuer from any Bondholder of written notice of such default, except in any such case where the Issuer is prevented, directly or indirectly, by any government or other authority from fulfilling the relevant obligations, or unless (in the case of any creditor or creditors becoming entitled to declare such indebtedness so due and payable) either (a) such creditor or creditors are not taking any action in respect of the same or (b) such creditor or creditors are taking action in respect of the same but any such action is being contested in good faith by the Issuer on the basis of independent legal advice and such creditor (or creditors) has (or have) not obtained an enforceable judgement against the Issuer in respect of the same.

(iv) if the Issuer applies for its bankruptcy or becomes bankrupt or applies for (provisional) suspension of payments ('(voorlopige) surséance van betaling') or is wound up or if the Issuer offers a compromise to all its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or if such measures are officially decreed; or

(v) if the Issuer merges or is amalgamated with any other incorporated or unincorporated legal entity, unless the legal entity surviving such merger or amalgamation expressly and effectively or by law assumes, or continues to be liable for, all the obligations of the Issuer with respect to the Bonds.

**9. Replacement of Bonds and Coupons**

Should any Bond or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable law, at the specified office of the Fiscal Agent on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, indemnity, security and otherwise as the Issuer may reasonably require. All costs arising in connection therewith may be charged to the claimant. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

**10. Notices**

(a) Any notice to the Bondholders will be valid if published for so long as the Bonds are listed on Euronext Amsterdam, in at least one daily newspaper of wide circulation in The Netherlands (which is expected to be Het Financieele Dagblad) and in the English language in the Euronext Official Daily List (Officiële Prijscourant) of Euronext Amsterdam N.V. Such notices shall be deemed to have been given on the date of such publication in the Official Price List of Euronext Amsterdam N.V. or, if published more than once, on the first date of such publication.

(b) Any notice hereunder to the Issuer or the Fiscal Agent shall be in the English language and shall be given by sending the same by registered mail or by delivering the same by hand. Any notice sent by mail shall be deemed to have been given, made or served at the time of delivery.

Any such notice to the Issuer shall be delivered or despatched to the following address:
Wolters Kluwer nv
Attn. Corporate Treasurer
Apollolaan 153
P.O. Box 75248
1070 AE Amsterdam

or such other address as the Issuer may notify to the Bondholders in accordance with Condition 10(a).

Any notice to the Fiscal Agent shall be delivered or despatched to its address.

**11. Substitution under guarantee**

(a) The Issuer or any previous substitute of the Issuer under this Condition may, and the Bondholders and the Couponholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this Condition may, at any time be substituted by any company (incorporated in any country in the world) controlling, controlled by or under common control with the Issuer as the principal debtor in respect of the Bonds and the Coupons (any such company, the 'Substituted Debtor'), provided that:

(i) such documents shall be executed by the Substituted Debtor and the Issuer or any previous substitute as aforesaid as may be necessary to give full effect to the substitution (together the 'Documents') and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Bondholder and Couponholder to be bound by these conditions and the provisions of the Fiscal Agency Agreement as fully as if the Substituted Debtor had been named in the Bonds and the Coupons and the Fiscal Agency Agreement as the principal debtor in respect of the Bonds and the Coupons in place of the Issuer or any previous substitute as aforesaid;

(ii) without prejudice to the generality of sub-paragraph (i) hereof, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Bondholder and Couponholder has the benefit of a covenant in terms corresponding to the provisions of Condition 6 above with the substitution for the references to The Netherlands (or any previously substituted territory as the case may be) with references to the territory or territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes;

(iii) the Documents shall contain a warranty and representation (a) that the Substituted Debtor and the Issuer (or any previous substitute as aforesaid) have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by Wolters Kluwer nv of the Guarantee (as defined below) in respect of the obligations of the Substituted Debtor, that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by the Substituted Debtor and the Guarantee (as defined below) given by Wolters Kluwer nv are each valid and binding in accordance with their respective terms and enforceable by each Bondholder and Couponholder; and

(iv) Condition 8 shall be deemed to be amended so that all Bonds shall also become due and repayable under the said Condition if the Guarantee (as defined below) shall cease to be valid or binding on or enforceable against Wolters Kluwer nv;

and (if the Substituted Debtor is not Wolters Kluwer nv) upon the Documents becoming valid and binding obligations of the Substituted Debtor Wolters Kluwer nv hereby irrevocably and unconditionally guarantees in favour of each Bondholder and Couponholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee of the Issuer herein referred to as the 'Guarantee').

(b) Upon the Documents becoming valid and binding obligations of the Substituted Debtor and the Issuer and subject to notice having been given in accordance with paragraph (d) below the Substituted Debtor shall be deemed to be named in the Bonds and the Coupons as the principal debtor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Bonds and the Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Bonds and the Coupons.

(c) The Documents referred to in paragraph (a) above shall be deposited with and held by the Fiscal Agent for so long as any Bonds and Coupons remain outstanding and for so long as any claim made against the Substituted Debtor or (if the Substituted Debtor is not Wolters Kluwer nv) Wolters Kluwer nv by any Bondholder in relation to the Bonds or the Documents or by any Couponholder in relation to the Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and (if the Substituted Debtor is not Wolters Kluwer nv) Wolters Kluwer nv acknowledge the right of every Bondholder and Couponholder to the production of the Documents for the enforcement of any of the Bonds or the Coupons or the Documents.

(d) Not later than 15 business days after the execution of the Documents, the Issuer and the Substituted Debtor shall give notice thereof to the Bondholders and the Couponholders in accordance with Condition 10.

(e) For the purposes of this Condition 11 the term 'control' means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in like relationship to such first-mentioned company, and for this purpose 'voting shares' means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof, and 'controlling', 'controlled' and 'under common control' shall be construed accordingly.

**12. Meetings of the Bondholders and modification**

The Fifth Schedule to the Fiscal Agency Agreement contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including modifications by Extraordinary Resolution (as defined) of the Terms and Conditions of the Bonds. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing a majority of not less than one quarter in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons present in person or by proxy whatever the majority; except that at any meeting the business of which includes the modification of certain of these Terms and Conditions the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing not less than three quarters or, when passed at an adjourned meeting of Bondholders, not less than one quarter in principal amount of the Bonds for the time being outstanding or present.

Any resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not, and on the Couponholders.

**13. Governing Law**

The Bonds, the Coupons and the Fiscal Agency Agreement are governed by and shall be construed in accordance with the laws of The Netherlands.

Any legal action or proceedings arising out of or in connection with the Bonds, the Coupons or the Fiscal Agency Agreement will be submitted to the exclusive jurisdiction of the competent court in Amsterdam, The Netherlands, and its appellate courts.

**14. Further Issues**

The Issuer may from time to time without the consent of the Bondholders or the Couponholders, create and issue further bonds having the same Terms and Conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Terms and Conditions include (unless the context requires otherwise) any such bonds issued pursuant to this Condition and forming a single series with the Bonds.

**15. Additional Obligations**

So long as the Bonds are listed on Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20, Sections a-g of Schedule B of the Listing and Issuing Rules (Fondsenreglement) of Euronext Amsterdam N.V. or any amended form of the said provisions as in force at the date of the issue of the Bonds.

# USE OF PROCEEDS

The net proceeds to be received by the Issuer of the issue of the Bonds, amounting to approximately EUR 220,500,000, will be used to refinance existing bank facilities, as well as for general corporate purposes. The costs associated with the issue are estimated at EUR 4,500,000.

# DESCRIPTION OF WOLTERS KLUWER

(the 'Company' or the 'Issuer')

**Overview**

The Issuer is a public company incorporated with limited liability under Netherlands law on 1 May 1836. The registered office of the Company is in Amsterdam, Apollolaan 153. The Articles of Association were most recently amended by deed on 16 April 1999, executed before R.P. Voogd, Civil-Law Notary practising in Rotterdam, The Netherlands. The certificate of no objection of the Minister of Justice to this amendment was issued on 15 April 1999 under number N.V. 9202.

**Company History**

The Company is the result of a series of mergers. The first merger took place in 1968 between J.B. Wolters Uitgeversmaatschappij (Publishers) – founded in 1836 – and P. Noordhoff – founded in 1856 –, thereby becoming Wolters Noordhoff. The second merger took place in 1972 between Wolters Noordhoff and Samsom Sijthoff, thereby resulting into the Wolters Samsom Group. In 1987 a third merger took place between Wolters Samsom Group and Kluwer. At that time Wolters Samsom was an international publisher. Its main publishing areas were education, government publications and publications for professionals.

Kluwer was founded in 1889. Kluwer operations in publishing were primarily known for its' legal and scientific publications. In the legal area, Kluwer held a strong position in The Netherlands. The market positions of Wolters Samsom and Kluwer complemented each other.

**Share capital**

The Company's authorised share capital comprises 1,196,250,000 shares, divided into 596,000,000 ordinary shares of EUR 0.12 and 250,000 cumulative preference shares of EUR 1.92 and 600,000,000 preference shares of EUR 0.12, making a total share capital of EUR 144,000,000. As of 31 December 2000, the total issued and paid up share capital comprised 280,317,470 ordinary shares of EUR 0.12 and 1 cumulative preference share of EUR 1.92. Shares are listed on the Euronext Amsterdam and on the Zurich, Geneva and Frankfurt Stock Exchanges where they are traded in the form of depository receipts as well as, in the United States, in the form of over-the-counter ADR's of such depository receipts. The shares (and/or depository receipts) are held by shareholders (and/or holders of depository receipts) all over the world.

**Management Structure**

*Supervisory Board*

| | | |
|---|---|---|
| H. de Ruiter (Chairman) | : | Appointed in 1994, current term until 2002.<br>*Position:* Former Executive Board Member of nv Koninklijke Nederlandsche Petroleum Maatschappij and member of the Group Executive Board of the Royal Dutch Shell Group.<br>*Supervisory Directorships:* Chairman of the Supervisory Boards of Koninklijke Ahold nv and Beers nv, Vice Chairman of the Supervisory Boards of Aegon nv and Corus Group Plc. and Member of the Supervisory Boards of Heineken N.V., Koninklijke Vopak nv and nv Koninklijke Nederlandsche Petroleum Maatschappij.<br>*Additional positions:* Member of the Executive Committees of a number of foundations. |
| J.V.H. Pennings (Deputy Chairman) | : | Appointed in 1995, current term until 2003.<br>*Position:* Former Chairman of the Executive Board of Océ nv.<br>*Supervisory Directorships:* Chairman of the Supervisory Boards of Royal Grolsch nv, Koninklijke IBC BV, Essent nv and Koninklijke Ahrend nv, and member of the Supervisory Board of Océ nv.<br>*Additional positions:* Chairman of a Regional Development Board and member of the Executive Committees of a number of foundations. |
| A.H.C.M. Walravens | : | Appointed in 1978, current term until 2003.<br>*Position:* Consultant.<br>*Supervisory Directorships:* Chairman of the Supervisory Board of Tauw Beheer nv and member of the Supervisory Boards of Achmea Holding nv, CSM nv, Connexxion nv and EUREKO nv. |

| | | |
|---|---|---|
| | | *Additional positions:* Member of the Supervisory Council of Zilveren Kruis Ziekenfonds and OWM Ziekenfonds PWZ u.a., Director Presidents MBA and International Executive Development Center, Slovenia. |
| N.J. Westdijk | : | Appointed in 1993, current term until 2005.<br>*Position:* Former Chairman of the Executive Board of Koninklijke Pakhoed nv.<br>*Supervisory Directorships:* Non-Executive Member of the Executive Board of Fortis N.V, Chairman of the Supervisory Board of ENECO Energie nv and Member of the Supervisory Board of Connexxion Holding and VastNed Group.<br>*Additional positions:* Member of the Executive Committees of a number of foundations. |
| K.A.L.H. van Miert | : | Appointed in 2000, current term until 2004.<br>*Position:* President Nyenrode University as of April 2000.<br>*Supervisory Directorships:* Member of the Supervisory Board of Royal Philips Electronics N.V., member of the Executive Board of Persgroep nv (Belgium) and Agfa-Gevaert bv and member of a number of Advisory Boards a.o. KPMG-Ned., SairGroup, Rabobank and Goldman Sachs International. |

Mr B.H. ter Kuile was a member of the Supervisory Board from 1986 until 4 May 2001, when he resigned at his own request.

*Executive Board*

| | | |
|---|---|---|
| R. Pieterse | : | Chairman of the Executive Board as of 9 March 2000<br>Member of the Executive Board as of 19 February 1988 |
| J-M. Detailleur | : | Member of the Executive Board as of 1 January 1999 |
| H.J. Yarrington | : | Member of the Executive Board as of 1 January 1999 |

The Annual General Meeting of Shareholders of Wolters Kluwer on 4 May 2001, was given notice of the intention to appoint Ms. N. McKinstry as Member of the Executive Board with effect from 1 June 2001.

**Objectives and Strategy**

The Company seeks to maintain an optimum balance between continuity in its markets and sustained improvement in results, by pursuing a consistent strategy based on long term objectives which underpins the wide range of high-quality products and services it sells in its markets.

The Company's market-oriented and innovative approach places the emphasis on the development, both in-house and through co-makership with authors and customers, and availability of information in the media (print and electronic) required by the user. The Company is also actively engaged in strengthening its market position through acquisitions of other businesses.

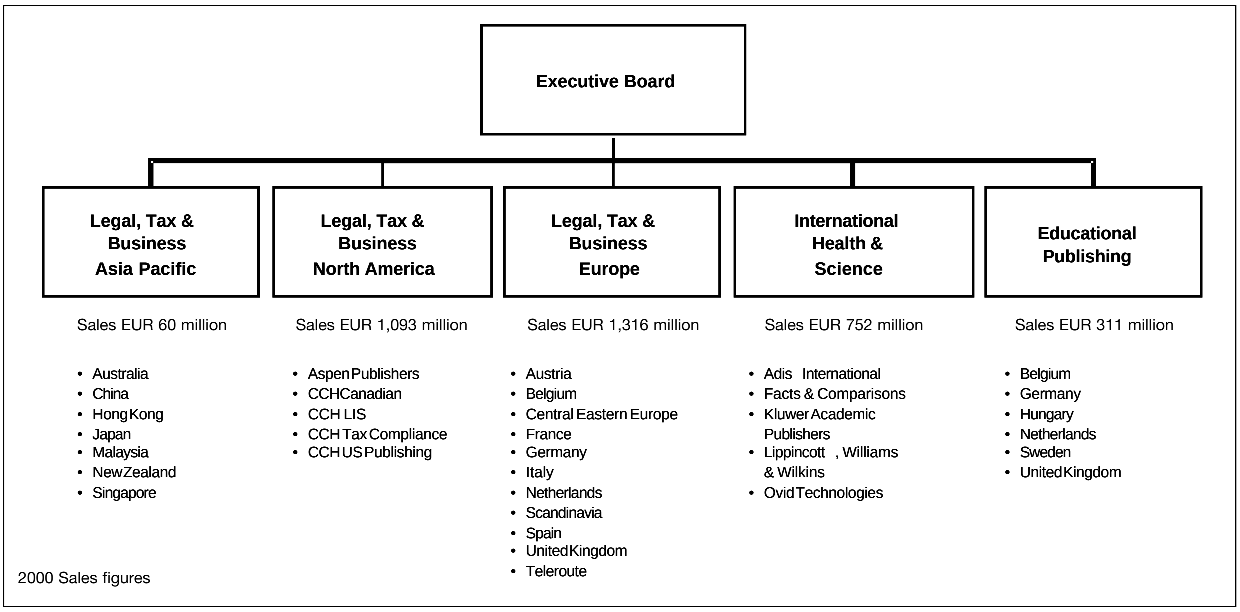
Over the past years, the Company has divested the printing and bookshop activities, as these were no longer considered core activities, and focused on the professional markets. At the same time, the Company started to acquire many, generally small to medium sized (often non listed) companies throughout Europe and the USA. Between 1987 and 1997 four larger acquisitions took place: in 1990 the medical publishing company Lippincott in the USA; in 1991 IPSOA, leader in tax law publishing in Italy; in 1993 Liber, the foremost educational publisher in Sweden; in 1996 CCH, the leading publisher in tax law and business information in the United States, Canada, Australia and New Zealand. Major acquisitions since then include the medical publisher Waverly, the scientific publisher Plenum as well as the electronic (medical/scientific) information provider Ovid Technologies.

Growth was realised through organic expansion of the existing operations and via acquisitions of mostly small to medium sized companies operating in its core activities. The Company aims at a balanced growth path by means of organic growth and through acquisitions.

**Organisation**

The Company has a flat and largely decentralised organisation structure. The communication lines are short, which results in a flexible and decisive approach. The publishing policy and marketing take place at national levels. Operating companies retain their own imprints, and have a clear identity, working close to their markets. Publishing Platforms, international exchange of know-how and the Management Information System create cohesion among the various countries and operating companies.

*Realign business in five clusters*
Wolters Kluwer has realigned its businesses in five operational clusters to help focus the attention on specific customer groups. This should improve service to all customers and facilitate the aggressive pursuit of cluster-specific online strategies. The following organizational structure became effective in April 2000:




With the creation of five organizational clusters, Wolters Kluwer recognizes that each of these business groupings has unique Internet challenges and opportunities. As a result, the company has developed an individual Internet strategy for each cluster. These strategies envision offering quickly all existing content, services, and software on the Internet platform and creating new Internet-specific products, services, and productivity tools. The cluster-specific strategies also envision new web business and e-commerce activities for the professional communities.
The new organization structure will enable the better coordination of investments across all Wolters Kluwer businesses and will facilitate a distinct branding, partnering, and e-business development strategy for each cluster.

**Main areas of business**
The Company is a leading multidomestic publishing group which is active in 25 countries as at December 2000. The Company addresses the professional market. Its core activities are:

– *Legal, Tax and Business publishing (68% of 2000 net sales):* The content of the product is legal and fiscal information, brought to the client on paper (various formats) or by means of electronic carriers (CD-ROM, on-line etc.). The targeted client groups are professionals in these specific fields; lawyers, accountants, tax advisors, etc. The business activities generate some advertising sales, although these are a small part of the total sales level.

– *International Health & Science (21% of 2000 net sales).* Health Publishing: health information, both educational and more scientific, for medical specialists/students, nurses, institutional customers etc. Paper and electronic products. Scientific Publishing (various subjects): Scientific information, written by scientists, aimed at the academia/universities. Journals, books and 'on-line' products. This is a true international part of the business. The English language is mostly used.

– *Educational Publishing and Professional Training (12% of 2000 net sales).* Educational Publishing: teaching methods and educational products in the many formats customary for the national markets; primary, secondary, tertiary/vocational levels as well as academic information. Professional Training: training programs both tailor made and 'off the shelf' in the fields of accounting, marketing, communication and general management. The Professional Training activities are in the process of being sold.

**Press release 27 March 2001**
*The following is taken from a press release issued by Wolters Kluwer on 27 March 2001 regarding the Full Year 2000 results. The Annual Report 2000 of Wolters Kluwer was released on 17 April 2001. It should*

*be noted that the Annual General Meeting of Shareholders referred to in the press release took place on 4 May 2001. The annual accounts for 2000 were approved and dividend was declared as per the proposal in the press release below.*

"*Wolters Kluwer Full Year 2000 Results*

**Creating the right conditions for sustainable double-digit growth**

- Double-digit growth of sales, up 19% (12% at constant rates); organic sales growth at 5%
- Operating income (EBITA), before Internet and reorganizations, up 16% (+7% at constant rates)
- EBITA after impact additional (Internet) product development investment (EUR 47 million) and reorganization provisions (EUR 60 million) up 7% (–2% at constant rates)
- Additional (Internet) product development program (EUR 250 million over three years) on schedule
- Internet sales boosted to EUR 228 million (1999: EUR 48 million)
- Acquisitions: 37 transactions, increasingly high growth software companies
- Ordinary net income before amortization of goodwill in line with forecast: slightly above 1999 level at EUR 412 million
- Outlook 2001: ordinary net income before amortization of goodwill approximately 5% higher than the level realized in 2000

| EUR million | **2000** | **1999** [1] | **%** |
|---|---|---|---|
| Sales | 3,664 | 3,081 | 19 |
| Internet sales | 228 | 48 | |
| EBITA | 789 | 735 | 7 |
| EBITA margin | 21.5% | 23.9% | |
| Ordinary profit before tax and amortization of goodwill | 611 | 589 | 4 |
| Ordinary net income before amortization of goodwill | 412 | 410 | |
| Earnings per share (before amortization of goodwill) | 1.47 | 1.48 | |
| Employees (average FTEs) | 19,009 | 17,452 | |

**Rob Pieterse**, Chairman of the Executive Board of Wolters Kluwer, about 2000:
'Most of our businesses have performed very well, with double-digit sales and operating income growth, especially our star performer Legal, Tax & Business North America. Internet sales have been boosted to almost a quarter of a billion euros and are profitable. This clearly shows that earlier product development investments are paying off. The results in Europe improved substantially in the second half of the year, but do not yet meet our standards. We have created significant provisions in 2000 for reorganizations to bring Europe in good shape again. We focus more on internally generated sales growth, without neglecting acquisition growth. The revitalization effort now taking place will make the company more robust and better able to face the future. By focusing more strongly on the opportunities presented by workflow tools and software built around our content, we expect to enhance the growth potential of our existing business.

We have reinforced the necessary change in approach by taking action in a number of areas. An internal portfolio review is being executed in our most important clusters in Europe and North America. This review is aimed at identifying those areas, which can achieve sustainable high growth and show good profitability.

(1) The 1999 figures have been restated to make them comparable with the figures of 2000. Last year, results on divestments were presented as part of our operating income (EBITA). With effect from 2000, results on divestments are presented as a separate item, not included in operating income. The reason for this change is to improve the insight into the structural profitability of Wolters Kluwer's business.
The 1999 figures are restated for this change. As a result, the 1999 EBITA now amounts to EUR 735 million, compared with EUR 781 million reported previously.

Because we are almost recession proof, I am confident that Wolters Kluwer in 2001 will be able to deliver an ordinary net income before amortization of goodwill that is approximately 5% higher than the level realized in 2000.'

**Highlights 2000**

*Double-digit sales growth, up 19% (12% at constant rates).* Sales reached EUR 3,664 million in 2000 which was an increase of 19% compared to 1999. Organic sales growth remained unchanged at 5% (1999: 5%), largely due to limited organic growth in Europe in the first half of the year.

*Double-digit growth of EBITA before additional (Internet) product development and reorganization provisions.* All clusters showed double-digit growth of EBITA (before taking into account (Internet) product development spending and reorganization provisions), except Legal, Tax & Business Europe. However, additional (Internet) product development (EUR 47 million) and provisions for reorganizations in Legal, Tax & Business Europe and Education (EUR 60 million) resulted in total EBITA growth of 7% (–2% at constant rates).

*Additional (Internet) product development program of EUR 250 million to drive future growth on schedule.* In March 2000, we announced a three-year additional investment program of EUR 250 million committed to the execution of new product development programs, often related to Internet-based information tools and services. In 2000, the first part, some EUR 47 million, was invested, with the aim of creating conditions for future growth.

*Internet sales boosted to EUR 228 million.* The year 2000 showed the first signs that previous investments in new product development are paying off. The year ended with almost a fivefold increase of total Internet sales (to EUR 228 million). More important perhaps, is the fact that the Internet sales are returning profits at least in line with the Wolters Kluwer average.

*Successful acquisition program.* We successfully completed 37 transactions with total annualized sales of EUR 211 million for a combined price tag of EUR 458 million. More than a third of the acquisitions in 2000 were software companies, active in the fields of tax, accounting, human resources and health.

*Ordinary net income before amortization of goodwill: slightly above 1999 level*
Ordinary net income before amortization of goodwill ended at EUR 412 million, slightly above the 1999 level of EUR 410 million. This was in line with expectations as profit growth was reinvested in new product development in order to create the basis for sustainable double-digit growth.

**Group Financials**

Sales in the year 2000 grew by nearly 19% to EUR 3,664 million (+12% at constant rates). Operating income before amortization of goodwill (EBITA) increased more than 7% from EUR 735 million to EUR 789 million. Excluding the additional (Internet) product development spending (EUR 47 million) and reorganization provisions, EBITA increased by 16% to EUR 896 million (up 7% at constant rates). Largely as a result of this additional spending and the reorganization provision of EUR 60 million, the EBITA margin fell from 23.9% in 1999 to 21.5% in 2000, within the 21-22% range we had forecast.

During 2000, many projects were initiated, aimed both at bringing our existing products online and developing new products. After spending a relatively modest amount of EUR 8 million in the first half of 2000, total investment for the full year 2000 came out at EUR 47 million, in line with our plans. For 2001, an additional investment in (Internet-related) product development of around EUR 100 million is foreseen (an increase of EUR 53 million compared to 2000).

In line with expectations, the new benchmark ordinary net income before amortization of goodwill increased modestly from EUR 410 million in 1999 to EUR 412 million in 2000. Due to some dilution resulting from stock dividend and stock options, cash earnings per share (based on the weighted average number of shares, 'fully diluted' basis) came out at EUR 1.47 per share versus EUR 1.48 in 1999. Excluding the net effect of additional product development spending, the increase in ordinary net income before amortization of goodwill would have been approximately 8%.

The cash flow from operating activities, which does not include proceeds from divestments, fell marginally from EUR 564 million in 1999 to EUR 552 million in 2000, mainly due to additional (Internet) product development spending, lower results for Legal, Tax & Business Europe, higher working capital requirements and increased financial expenses.

Our most important cash flow benchmark, ordinary free cash flow, provides insight into the cash flow from operating activities which is available for dividend payment, debt reduction and acquisitions, after taking account of the required net investments in fixed assets and the cash effect of acquisition provisions. This cash flow benchmark declined by 6% to EUR 363 million, providing a figure of EUR 1.30 for the ordinary free cash flow per share (based on the weighted average 'fully diluted' number of shares), compared to EUR 1.39 in 1999.

Internet-based sales increased nearly fivefold, rising from EUR 48 million in 1999 to EUR 89 million in the first half of 2000 and EUR 228 million (6% of sales) for the full year 2000. Paper products still account for some three quarters of total sales and although loose-leaf sales (22% of sales) now show a modest decline organically, journals (20% of sales) still show a healthy organic growth rate. However, electronic sales (Internet, other online and CD-ROM) demonstrate by far the strongest growth rate (+47%). Demand continues to vary greatly among geographic regions and professions, but we clearly expect the relative importance of electronic sales to grow. Especially fully web-based sales, will continue to rise strongly in the coming years.

More than half (53%) of our sales is currently subscription-driven (1999: 53%). For the Internet, upfront subscription agreements represent about two thirds. Advertising accounted for merely 5% of sales, with training and other sales making up the remainder.

| | 2000 | In % | 1999 | In % |
|---|---|---|---|---|
| Internet sales | 228 | 6 | 48 | 2 |
| Other online sales | 75 | 2 | 89 | 3 |
| Subtotal | 303 | 8 | 137 | 5 |
| CD-ROM | 507 | 14 | 415 | 13 |
| Total electronic sales | 810 | 22 | 552 | 18 |
| Print sales | 2,722 | 74 | 2,395 | 78 |
| Training | 132 | 4 | 134 | 4 |
| **Total EUR million** | **3,664** | **100** | **3,081** | **100** |

**Performance of the clusters in 2000**

*Legal, Tax and Business Europe – strong improvement second half*
Sales up 8% at EUR 1,316 million (1999: EUR 1,216 million), EBITA –14% at EUR 237 million (1999: EUR 275 million)

- Strong performances in France, Italy, and at Teleroute.com and JobNews.nl
- Results ten Hagen & Stam (the Netherlands) showed strong recovery in HY2 to break-even
- Reorganization charge (EUR 34 million) and additional (Internet) product development (EUR 18 million) impact on EBITA
- New CEO operational as of January 1, 2001: portfolio review under way
- Reorganizations announced/started in the Netherlands, Belgium, Spain and the UK aimed at improving efficiency, quality and competitive power
- Priority 2001: focus resources on growth areas

The Legal, Tax and Business Europe cluster experienced many changes throughout the year. With effect from January 1, 2001, this cluster has its own CEO, David Smith (British nationality) who oversees all operations of our extensive European network.

During the first six months of the year under review, organic sales growth fell short of expectations and the organic EBITA came under pressure. In the second half of 2000, organic sales growth picked up noticeably and a substantial part of the shortfall in organic results reported in the first half-year was recovered in the July-December period.

The Wolters Kluwer activities in France and Italy, the recruitment web site JobNews.nl and Teleroute.com performed extremely well. Teleroute.com, Europe's leading online freight exchange system for the transport industry, is making excellent progress, rapidly moving its business to a fully web-based environment.

During the year new leadership was installed for Wolters Kluwer Netherlands, the largest cluster component, with annual sales close to EUR 400 million. Following a thorough review by the new management team, Wolters Kluwer Netherlands announced a major restructuring program. This entails the formation of three separate publishing companies: Kluwer, ten Hagen & Stam and Bohn Stafleu van Loghum. Ten Hagen & Stam reported disappointing results in the first half year, but in the second half, the performance of this company improved significantly, as a result of the measures taken, leading to sales equal to 1999 and an almost break-even situation for the full year.

Restructuring measures are also being implemented in several other European organizations, most notably Belgium, Spain and the United Kingdom. All these reorganizations are aimed at improving efficiency, quality and competitive power.

**Jean-Marc Detailleur**, Member of the Executive Board of Wolters Kluwer, responsible for Legal, Tax & Business Europe:
'The European cluster experienced a difficult year. Therefore we have taken some fundamental measures, and have announced restructuring programs throughout the cluster. I am confident that the new management team will bring Europe up to speed again. Everyone is clearly focused on establishing significant, sustainable and profitable growth.'

*Legal, Tax and Business North America – star performer*
Sales up 38% at EUR 1,093 million (1999: EUR 789 million), EBITA up 31% at EUR 333 million (1999: EUR 255 million)

- Sales surpassed the EUR 1 billion level (up 38%)
- Strong organic growth at CCH Legal Information Services and Aspen Publishers
- Bankers Systems (acquisition 1999) performed above expectation
- Tax Research Network achieved great market acceptance
- Loislaw acquired to further develop segment of small & medium-sized legal firms
- Additional (Internet) product development spending has EUR 12 million impact on EBITA
- Priority 2001: extend leading market position into software tools and services

Reported sales of the North American operations surpassed the EUR 1 billion level in 2000 (up 38%). During 2000, LTB North America spent an additional EUR 12 million on product development, largely focused on Internet activities. Nearly 40% of sales are now derived from electronic products, including both CD-ROMs and Internet-related items. Fully web-based sales now account for 10% of the total as a result of both incremental new product sales and the ongoing product migration from CD-ROM and loose- leaf publications.

Organic growth picked up as the year progressed and on a full year basis the organic EBITA increase, before taking into account additional (Internet) product development spending, more or less equaled organic sales growth (7%). The CCH Legal Information Services (LIS) and Aspen Publishing operating companies reported particularly strong organic expansion and CCH Tax Compliance performed very well.

Acquisitions continue to form an important part of the LTB North America growth strategy. During the year 2000, a healthy flow of companies was acquired. These include certain business publishing assets of Harcourt Inc. acquired by Aspen Publishers, and also DPC and KnowledgePoint, acquired by CCH, and A-plus, which has been incorporated into CCH Tax Compliance. Bankers Systems Inc. (BSI) acquired in 1999, has in the meantime been further strengthened by the acquisitions earlier this year of CBF Systems and Tsoft, which are also active in the growth area of banking regulation.

Our legal publisher Aspen Publishers benefited from the positive acceptance of new editions and made good progress with further building out its position with small and mid-sized legal firms. Organic growth at Aspen Publishers exceeded expectations, due in particular to exceptional performance by the law & business division. An important event for Aspen Publishers was the acquisition of Loislaw, announced at the end of the year 2000. Loislaw is a US provider of primary and secondary source material for legal research that is delivered on a subscription basis over the Internet. Aspen's extensive line of analytical materials, combined with Loislaw's source data, helps create valuable Internet applications that will bring greater value to the attorney, corporate and education markets. Furthermore the advantages of Aspen's effective marketing capabilities will strongly lift the sales of Loislaw.

**Hugh Yarrington**, Member of the Executive Board of Wolters Kluwer, responsible for Legal, Tax & Business North America:
'In North American legal, tax and accounting, we are clearly the number one player in our markets. In 2000, we capitalized on our leading position and reached the EUR 1 billion milestone, with strong organic performance and a continuation of an aggressive acquisition strategy. The strong organic sales growth of 7% is credible proof that we are successful in what is worldwide our most profitable market.'

*Legal, Tax and Business Asia Pacific – strong efficiency improvement*
Sales up 7% at EUR 60 million (1999: EUR 56 million), EBITA 23% at EUR 12 million (1999: EUR 10 million)

Improved cost control and efficiency drives margin enhancement
Strong organic growth in Asia (Malaysia, Singapore and Hong Kong)
Acquisition of (stakes in) workflow software companies (MAUS, EBC and LawNow)
Additional (Internet) product development spending has EUR 2 million impact on EBITA
Priority 2001: further expansion into Asia

Legal, Tax and Business Asia Pacific enjoyed an excellent year, with organic EBITA rising by 27% before taking into account additional (Internet) product development spending, leading to an impressive improvement in the EBITA margin. This reflects greatly improved cost-control in combination with a strong focus on pursuing a myriad of growth opportunities. Australia continues to be the core market for this cluster, but the increasing focus on the Asian countries, such as Singapore, Malaysia and Hong Kong is paying off with significant organic growth in this region.

*International Health & Science – strong sales growth reported*
Sales up 25% at EUR 752 million (1999: EUR 599 million), EBITA up 18% at EUR 179 million (1999: EUR 152 million)

Strong organic sales growth at Adis International (pharmaceutical), Ovid Technologies (STM – Internet online), Facts & Comparisons (drug information)
Acquisition of Springhouse creates leading position in nursing market
Kluwer Academic Publishers shows healthy organic sales growth
Additional (Internet) product development spending has EUR 13 million impact on EBITA
Priority 2001: acceleration of electronic delivery of content and software tools

Our International, Health & Science business enjoyed another good year, benefiting from both solid underlying growth and a number of strategic acquisitions during the year. Organic sales growth was 5%, in part driven by strong performances of Ovid Technologies, Adis International and Facts & Comparisons. Acquisitions had a significant impact on sales growth, particularly with the integration of the nursing publisher Springhouse into Lippincott, Willliams & Wilkins. The cluster's reported sales increased with 25% ending slightly above EUR 750 million level, some 20% of Wolters Kluwer sales.

Internet sales now represent 9% of total sales. In the course of the year, an additional EUR 13 million was charged against EBITA for (Internet) product development, including for example, Clineguide.com, a point-of-care research-based software product and Drugfacts.com, aimed at the pharmaceutical market.

Kluwer Academic Publishers, one of the world's leading publishers of academic books and journals, reported strong journal sales in 2000, while book sales were somewhat lower than last year. Internet sales grew rapidly, as further progress was made with the rollout of Kluwer Online.

**Hugh Yarrington**, Member of the Executive Board of Wolters Kluwer, responsible for International Health & Science:
'Being a number one in the global health information market, we have invested significantly in the electronic delivery of content and software tools. Although expectations about the impact of the Internet on the medical professions are promising, it is only just starting to have an impact on the working life of doctors. However, in the institutional market integration of the Internet is further ahead, illustrated by the tremendous sales growth of Ovid's web product.'

*Education – good progress cluster integration*
Sales up 8% at EUR 311 million (1999: EUR 287 million), EBITA up 20% at EUR 54 million (1999: EUR 45 million)

- Strong performance in the Netherlands, Belgium and Hungary
- No. 2 position in UK established with acquisition of Thomas Nelson
- Reorganization charge (EUR 11 million) and additional (Internet) product development (EUR 3 million) impact on EBITA
- Reorganization Germany progressing
- Priority 2001: expand e-learning activities

Education focused strongly on improving operational excellence in the year 2000. Moreover, the integration of Thomas Nelson with effect from January was an important event. This company was successfully integrated into the existing UK educational activities and moved Wolters Kluwer to a number 2 position in the United Kingdom. In the Netherlands, Wolters-Noordhoff, our largest educational publisher, was able to combine internal operational improvements with favorable market conditions affecting both the primary and secondary education markets. Belgium and Hungary also performed well, and in Germany we made good progress in integrating the various companies active in this market.

In the year under review the German educational publishing operations were reorganized. The previously independently operating publishers in the German market were concentrated to eliminate internal competition and to focus on a joint market approach.
A charge of EUR 11 million has been taken (against EBITA 2000) for planned further reorganizations in this cluster, which will be implemented during the course of 2001.

The first signs of successful new product development were visible in 2000. Important online activities progressed well: the online learning project in cooperation with the Goethe Institute and a home learning program built around exam training.

*Professional training*
In March 2000, Wolters Kluwer announced the planned divestment of the Professional Training activities, a group of companies active in the field of providing training services and solutions to major corporations, non-profit organizations and professionals. In the course of 2000, it became apparent that a divestment of the group in pieces would create the most value for Wolters Kluwer. Wolters Kluwer completed three transactions and sold Krauthammer International, IEC, and HQ, representing EUR 47 million of sales, around one third of total cluster sales. The group of remaining companies displayed satisfactory performance. Currently negotiations about a transfer of ownership of these businesses are in progress.

**Dividend**
With the introduction of the new performance benchmark (ordinary net income before amortization of goodwill), the dividend base and the payout ratio have been redefined. The Dutch Tax Reform 2001 as it has become relevant for Dutch private investors, has an impact on the balance between the choice for cash or shares. Wolters Kluwer has decided to maintain the opportunity for shareholders to re-invest their dividend. Instead of a discount (1999: approximately 4%) we will offer a premium of approximately 2%.

On the basis of a payout ratio of approximately one third, expressed as a percentage of the new benchmark ordinary net income before amortization of goodwill, we propose to distribute a dividend of EUR 0.50 (1999: EUR 0.46) in cash per ordinary share/depositary receipt for the financial year 2000.

The cash dividend will be put before the Annual General Meeting of Shareholders on May 4, 2001 as will be the proposal for the stock dividend premium, after which shareholders will be asked to make their choice known by May 15, 2001 at the latest. The stock dividend will be determined on May 15, 2001 (after close of trading). Dividend will be payable as from May 17, 2001.

**Outlook Wolters Kluwer – Ordinary net income before amortization of goodwill up approximately 5%**
Wolters Kluwer serves professional markets with mainly 'must-have' products, integrating content with software and services. Our exposure to cyclical income sources such as advertising is very limited. Hence, we do not expect much impact from a weakening economy as forecast for the coming year.
However, our results will be affected by the further acceleration of our additional (Internet) product development investment from EUR 47 million in 2000 to approximately EUR 100 million in 2001.
This investment will be charged to the profit and loss account and will curtail our 2001 profit growth, as previously announced.
Taking into account the higher level of additional (Internet) product development spending, we expect our year 2001 ordinary net income before goodwill amortization to increase approximately 5%, measured in constant currencies.

Due to phasing in 2000 of the additional (Internet) product development spending towards the second half of the year, we expect this year's profit growth to be realized during the July-December period.

*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. These statements are subject to risks and uncertainties, and actual results and events could differ materially from what is expected presently. Factors leading thereto may include without limitations general economic conditions, conditions in the markets in which Wolters Kluwer is engaged, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting Wolters Kluwer's business."*

# CAPITALISATION (1)

The following table summarises the Group's consolidated reserves and its consolidated medium-and long-term debt securities as at 31 December 2000[2].

| | (EUR millions) |
|---|---|
| Issued Share Capital | 34 |
| Reserves | 1,597 |
| Net income current year | 199 |
| Minority interests | 3 |
| Subordinated convertible bond loans | 5 |
| Subordinated bond loans | 590 |
| Guarantee equity | 2,428 |
| Bond loan [3] | 1,527 |
| Loans from credit institutions (> 1 year) [3] | 347 |
| Bankers (< 1 year) | 224 |
| **Total Capitalisation** | **4,526** |

*Notes:*

(1) This table should be read in conjunction with the financial statements incorporated by reference herein.

(2) There has been no material change to the capitalisation of the Group since 31 December 2000.

(3) This capitalisation table is not adjusted for the present issue, but the issue of the present Bonds will have as an immediate effect an increase of 'Bond loan' and a decrease of 'Loans from credit institutions'.

# FINANCIAL FIGURES

**Consolidated profit and loss account**

| EUR million | | **2000** | | **1999**[1] | | **1998**[2] |
|---|---|---|---|---|---|---|
| **Net sales** | | **3,664** | | **3,081** | | **2,739** |
| Cost of raw materials, subcontracted work and other external expenses | 976 | | 822 | | 752 | |
| Personnel costs | 1,072 | | 870 | | 763 | |
| Depreciation | 89 | | 78 | | 64 | |
| Other operating expenses | 738 | | 576 | | 497 | |
| Total operating costs | | 2,875 | | 2,346 | | 2,076 |
| **Operating income before amortization of goodwill (EBITA)** | | **789** | | **735** | | **663**[3] |
| Amortization of goodwill | | – 121 | | – 89 | | – 68 |
| Operating income after amortization of goodwill | | 668 | | 646 | | 595 |
| Financing results | | – 178 | | – 146 | | – 125 |
| ncome before taxation | | 490 | | 500 | | 470 |
| Taxation on income | | – 186 | | – 165 | | – 156 |
| Income after taxation | | 304 | | 335 | | 314 |
| Minority interests | | – 1 | | – 7 | | – 5 |
| Results on divestments (before taxation) | 39 | | 46 | | – | |
| Taxation on results on divestments | – 3 | | – 16 | | – | |
| Results on divestments (after taxation) | | 36 | | 30 | | – |
| **Net income** | | **339** | | **358** | | **309** |
| **Benchmark figures** | | | | | | |
| Net sales | | 3,664 | | 3,081 | | 2,739 |
| EBITDA | | 878 | | 813 | | 732 |
| EBITA | | 789 | | 735 | | 668 |
| EBITA marge % | | 21.5% | | 23.9% | | 24.4% |
| **Ordinary net income before amortization of goodwill** | | **412** | | **410** | | **371** |
| EPS before amortization of goodwill and results on divestments 'fully diluted' | | EUR 1.47 | | EUR 1.48 | | EUR 1.34 |
| **Reconciliation between net income and benchmark figure** | | | | | | |
| **Net income** | | **339** | | **358** | | **309** |
| Amortization of goodwill | | 121 | | 89 | | 68 |
| Tax on amortization | | – 12 | | – 7 | | – 6 |
| Results on divestments (after taxation) | | – 36 | | – 30 | | – |
| **Ordinary net income before amortization of goodwill** | | **412** | | **410** | | **371** |

(1) The 1999 figures are restated.
(2) The figures for the years 1998 have been translated from NLG into EUR for easy reference. The rate of conversion is NLG 2.20371 for EUR 1.00.
(3) Difference with reported figures due to expenses related to the attempted merger with Reed-Elsevier which were at that time accounted for as extraordinary items.

**Consolidated balance sheet**

| EUR million | | 2000 | | 1999[1] | | 1998[2] |
|---|---|---|---|---|---|---|
| Intangible fixed assets | 4,998 | | 4,334 | | 3,574 | |
| Tangible fixed assets | 296 | | 281 | | 246 | |
| Financial fixed assets | 30 | | 32 | | 22 | |
| Total fixed assets | | 5,324 | | 4,647 | | 3,842 |
| Stocks/inventories | 215 | | 206 | | 189 | |
| Accounts receivable | 895 | | 735 | | 595 | |
| Cash and cash equivalents | 79 | | 108 | | 117 | |
| Total current assets | 1,189 | | 1,049 | | 901 | |
| Current liabilities | – 1,841 | | – 1,564 | | – 1,212 | |
| Working capital | | – 652 | | – 515 | | – 311 |
| **Capital employed** | | **4,672** | | **4,132** | | **3,531** |
| Subordinated bond loans | 595 | | 595 | | 596 | |
| Bond loans | 1,527 | | 977 | | 227 | |
| Loans from credit institutions | 347 | | 791 | | 1,495 | |
| Long-term loans | | 2,469 | | 2,363 | | 2,318 |
| Provisions | | 370 | | 275 | | 193 |
| Minority interests | | 3 | | 6 | | 9 |
| Issued share capital | 34 | | 33 | | 31 | |
| Share premium reserve | 85 | | 81 | | 71 | |
| Revaluation reserve | 286 | | 192 | | 17 | |
| Other reserve | 1,425 | | 1,182 | | 892 | |
| Shareholders' equity | | 1,830 | | 1,488 | | 1,011 |
| **Total financing** | | **4,672** | | **4,132** | | **3,531** |
| Weighted average number of shares 'fully diluted' | | 284,203 | | 281,161 | | 278,905 |
| Net interest bearing debt | | 2,614 | | 2,363 | | 2,202 |
| Guarantee equity | | 2,428 | | 2,089 | | 1,616 |
| Shareholders' equity to capital employed | | 0.39 | | 0.36 | | 0.29 |
| Guarantee equity to total assets | | 0.37 | | 0.37 | | 0.34 |

[1] The 1999 figures are restated.

[2] The figures for the years 1998 have been translated from NLG into EUR for easy reference. The rate of conversion is NLG 2.20371 for EUR 1.00.

**Consolidated cash flow statement**

| EUR million | | 2000 | | 1999[(1)] | | 1998[(2)] |
|---|---|---|---|---|---|---|
| Operating income before amortization of goodwill (EBITA) | 789 | | 735 | | 668 | |
| Depreciation | 89 | | 78 | | 64 | |
| EBITDA | 878 | | 813 | | 732 | |
| Autonomous movements in working capital | – 54 | | – 12 | | 43 | |
| **Cash flow from operations** | | **824** | | **801** | | **775** |
| Financing costs | – 186 | | – 133 | | – 128 | |
| Paid corporate income tax | – 126 | | – 127 | | – 122 | |
| Appropriations of reorganization provisions | – 15 | | – 13 | | – 12 | |
| Other | 55 | | 36 | | 8 | |
| | | – 272 | | – 237 | | – 254 |
| **Cash flow from operating activities** | | **552** | | **564** | | **521** |
| Net expenditure fixed assets | – 124 | | – 117 | | – 74 | |
| Appropriations of acquisition provisions | – 65 | | – 61 | | – 76 | |
| Acquisition spending | – 492 | | – 353 | | – 982 | |
| Divestments of activities | 87 | | 46 | | – | |
| **Cash flow investments** | | **– 594** | | **– 485** | | **– 1,132** |
| **Cash flow deficit/surplus** | | **– 42** | | **79** | | **– 611** |
| Exercise of stock options | 3 | | 11 | | 24 | |
| Movements in long-term loans | – 23 | | – 156 | | 753 | |
| Movements in bank debts | 115 | | 107 | | – 68 | |
| Dividend payments | – 64 | | – 61 | | – 54 | |
| Repurchased shares | – 19 | | – | | – | |
| **Cash flow financing** | | **12** | | **– 99** | | **655** |
| **Net cash flow** | | **– 30** | | **– 20** | | **44** |
| Cash and cash equivalents as at January 1 | 108 | | 117 | | 72 | |
| Exchange differences on cash and cash equivalents | 1 | | 11 | | 1 | |
| | | 109 | | 128 | | 73 |
| Cash and cash equivalents as at December 31 | | 79 | | 108 | | 117 |
| **Benchmark figures** | | | | | | |
| **Ordinary free cash flow** | | **363** | | **386** | | **371** |
| Ordinary free cash flow per share 'fully diluted' | | EUR 1.30 | | | | |
| **Reconciliation between cash flow from operating activities and benchmark figure** | | | | | | |
| **Cash flow from operating activities** | | **552** | | **564** | | **521** |
| Net expenditure fixed assets | | – 124 | | – 117 | | – 74 |
| Appropriations of acquisition provisions | | – 65 | | – 61 | | – 76 |
| **Ordinary free cash flow** | | **363** | | **386** | | **371** |

(1) The 1999 figures are restated.

(2) The figures for the years 1998 have been translated from NLG into EUR for easy reference. The rate of conversion is NLG 2.20371 for EUR 1.00.

# NETHERLANDS TAXATION

**General**

The following describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Bonds, Coupons, or Talons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Bonds, Coupons or Talons. Each Bondholder, Couponholder or Talonholder should consult a professional adviser with respect to the tax consequences of an investment in the Bonds, Coupons or Talons. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

**Withholding Tax**

No Netherlands withholding tax is due upon payments on the Bonds, Coupons or Talons provided that such income will not depend nor be deemed to depend on profits realised or distributed by the Issuer.

**Corporate Income Tax and Individual Income Tax**

*Residents of the Netherlands*

If the Bondholder, Couponholder or Talonholder is subject to Netherlands corporate income tax and the Bonds, Coupons or Talons are attributable to its (deemed) business assets, income derived from the Bonds, Coupons or Talons and gains realised upon acquisition, holding, redemption and disposal of the Bonds, Coupons or Talons are taxable.

If the Bondholder, Couponholder or Talonholder is an individual, resident or deemed to be resident of the Netherlands (including the non resident individual holder who has opted to be taxed as a resident of the Netherlands), the income derived from the Bonds, Coupons or Talons and the gains realised upon the acquisition, holding, redemption and disposal of the Bonds, Coupons or Talons are taxable at the progressive rates of the Income Tax Act 2001, if:

(i) the Bondholder, Couponholder or Talonholder has an enterprise or an interest in an enterprise, to which enterprise the Bonds, Coupons or Talons are attributable; or

(ii) the Bondholder, Couponholder or Talonholder is considered to perform activities with respect to the Bonds, Coupons or Talons that exceed 'regular, active portfolio management' (normaal, actief vermogensbeheer); or

(iii) the Bondholder, Couponholder or Talonholder, or a related party to the Bondholder, Couponholder or Talonholder has a substantial interest or a deemed substantial interest in the, as defined in section 4.3 of the Income Tax Act 2001.

If the above-mentioned conditions (i), (ii) or (iii) do not apply to the individual holder, the actual income derived from the Bonds, Coupons or Talons and the actual gains realised with respect to the Bonds, Coupons or Talons will not be taxable. Instead, the individual holder will be taxed at a flat rate of 30% on deemed income from 'savings and investments' (sparen en beleggen). This deemed income amounts to 4% of the average of the individual's 'yield basis' (rendementsgrondslag) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The Bonds, Coupons or Talons will be included in the individual's yield basis.

*Non-residents of the Netherlands*

A Bondholder, Couponholder or Talonholder that is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes is not taxable in respect of income derived from the Bonds, Coupons or Talons and capital gains realised upon the disposal, transfer or alienation of the Bonds, Coupons or Talons, unless:

(i) the Bondholder, Couponholder or Talonholder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which enterprise the Bonds, Coupons or Talons are attributable; or

(ii) the Bondholder, Couponholder or Talonholder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Bonds, Coupons or Talons are attributable; or

(iii) in case of an individual Bondholder, Couponholder or Talonholder, such Bondholder, Couponholder or Talonholder is considered to perform activities in the Netherlands with respect to the Bonds, Coupons or Talons that exceed 'regular active portfolio management'; or
(iv) in case of an individual Bondholder, Couponholder or Talonholder, such Noteholder, or a related party to the Noteholder has a substantial interest or a deemed substantial interest in the Issuer, as defined in section 4.3 of the Income Tax Act 2001.

**Gift and Inheritance Taxes**

*Residents of the Netherlands*
Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Bonds, Coupons or Talons by way of gift by, or on the death of, a Bondholder, Couponholder or Talonholder who is a resident or deemed to be a resident of the Netherlands at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift. Applicable tax treaties may override deemed residency.

*Non-residents of the Netherlands*
No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Bonds, Coupons or Talons by way of gift by, or as a result of the death of, a Bondholder, Couponholder or Talonholder who is neither a resident nor deemed to be a resident of the Netherlands, unless
(i) such holder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which Netherlands enterprise or part thereof, as the case may be, the Bonds, Coupons or Talons are or were attributable; or
(ii) the Bonds, Coupons or Talons are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death, other than by way of securities or through an employment contract; or
(iii) in the case of a gift of the Bonds, Coupons or Talons by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

**Other Taxes and Duties**
No net wealth tax, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a Bondholder, Couponholder or Talonholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Bonds, Coupons or Talons.

# PROPOSED EU SAVINGS DIRECTIVE

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. It is proposed that, subject to a number of important conditions being met, Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments, and subject to the proposals not being required to be applied to Bonds, Coupons or Talons issued before 1st March, 2001. The proposals are not yet final, and they may be subject to further amendment and/or clarification.

Bondholders, Couponholders or Talonholders who are individuals should note that, if this proposal is adopted in its current form, the provisions relating to additional amounts, referred to in Condition 6 'Taxation' may not apply in respect of any withholding tax imposed as a result thereof.

# SUBSCRIPTION AND SALE

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., ABN AMRO Bank N.V. (together the 'Joint Lead Managers'), Banque Internationale à Luxembourg (on behalf of Dexia Capital Market, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Fortis Bank N.V., F. van Lanschot Bankiers N.V., ING Bank N.V., KBC International Group, Prudential-Bache Securities and Salomon Brothers International Limited (Schroder is a trademark of Schroder Holdings plc and is used under licence by Salomon Brothers International Limited) (together with the Joint Lead Managers, the 'Managers') have agreed with the Issuer, pursuant to a Subscription Agreement dated on or about 9 May 2001 to subscribe and pay for the Bonds in an aggregate principal amount of EUR 225,000,000 at the issue price of 100 per cent. of their principal amount. The Issuer has agreed to pay to the Managers a combined underwriting and management commission of 0.5 per cent. and a selling concession of 1.5 per cent. of the aggregate principal amount of the Bonds. The Managers are entitled to terminate the Subscription Agreement in certain circumstances prior to the payment to the Issuer. The Issuer has agreed to pay certain expenses relating to the issue of the Bonds to the Joint Lead Managers.

The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted; persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

In particular the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act') and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or, (ii) otherwise until 40 days after the later of the commencement of the offering or the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, any offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each Manager has agreed that (i) it has not offered or sold and, prior to the expiry of the period of six months from the Closing Date, will not offer or sell any Bonds to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Bonds to a person who is of a kind described in Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom the document may otherwise lawfully be issued or passed on.

# GENERAL INFORMATION

The present issue of EUR 225,000,000 6.875 per cent. Perpetual Cumulative Subordinated Bonds 2001 issued by Wolters Kluwer nv the Terms and Conditions of which are set forth in this Offering Circular, has been duly authorised by the Issuer pursuant to a resolution of the Executive Board of the Issuer adopted on 26 February 2001, which decision was approved by its Supervisory Board on 26 March 2001.

The Fiscal Agency Agreement with respect to the Bonds will be available for inspection at the specified offices of the Fiscal Agent and the Paying Agents (as such terms are defined in the Terms and Conditions of the Bonds).

As long as any of the Bonds are outstanding, copies of the most recent annual report and published half-yearly interim financial statements of the Issuer will be made available, free of charge, at the specified office of the Fiscal Agent and the Paying Agent.

**Listing**

For the purpose of the listing requirements of Euronext Amsterdam, all members of the Supervisory Board and the Executive Board elect domicile at Apollolaan 153, Amsterdam.

**Clearing**

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code is 12893698, the ISIN is NL0000119105 and the Amsterdam Security Code (Fondscode) is 11910.

**Litigation**

Neither the Issuer nor any of its subsidiaries is involved in, nor are there to the best of the knowledge and belief of the Issuer pending or threatened against any of them or itself, any litigation, arbitration or administrative proceedings which are likely to be decided adversely to the Issuer or any of its subsidiaries and which are or are likely to be material in the context of the issue of the Bonds.

**No Material Adverse Change**

There has been no material adverse change in the context of the issue of the Bonds in the financial position of the Issuer since 31 December 2000.

**Incorporation by Reference and Availability of Documents**

The audited annual reports of the Issuer for the financial years ended 31 December 2000, 1999 and 1998 are hereby incorporated by reference. Copies of the consolidated and non-consolidated annual reports are available, free of charge, at the specified offices of the Fiscal Agent and any Paying Agent specified in the Terms and Conditions of the Bonds. The Articles of Association of the Issuer (lastly amended by deed of 16 April 1999) are also incorporated by reference. Copies thereof will also be available upon request, free of charge, at the specified offices of the Fiscal Agent and any Paying Agent as long as the Bonds are outstanding.

**Auditors**

The consolidated financial figures for 1998, 1999 and 2000 as included on page 23 to 25 of this prospectus have been derived from the financial statements for 1998, 1999 and 2000 that have been audited by KPMG.

**Main Subsidiaries**

The following companies are the main subsidiaries, owned (in)directly by Wolters Kluwer nv, as per 31 December 2000:

| | | |
|---|---|---|
| ADIS INTERNATIONAL LTD. | New Zealand | 100% |
| AKADEMISCHE ARBEITSGEMEINSCHAFT VERLAGS- UND VERWALTUNGS GMBH | Germany | 100% |
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**Commercial Register and Company address**

The Issuer is registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 33202517.

Wolters Kluwer's company address is at Apollolaan 153, P.O. Box 75248, 1070 AE Amsterdam, The Netherlands, telephone +31 (20) 607 0400, fax +31 (20) 607 0490.

The Corporate website of the Company on the Internet can be accessed at: http://www.wolterskluwer.com.

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