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Division Overview

Legal & Regulatory

- Strong performance from Corporate Legal Services fuels 5% growth organically in North America.
- Operating margin improvement and strong cash flow support growth investments.
- Measured market recovery continues; relative improvement in both the U.S. and Europe.
- Innovation driving online, software, and service revenues which now represent 63% of revenues.

(All amounts are in millions of euros unless otherwise indicated)

Six months ended June 30	2011	2010	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	299	302	(1%)	1%	(1%)
Print subscription	156	165	(6%)	(6%)	(6%)
Other non-cyclical	25	25	0%	1%	14%
Total recurring revenues	480	492	(3%)	(1%)	(2%)
CLS transactional	74	66	12%	17%	17%
Books	56	61	(8%)	(8%)	(8%)
Other cyclical	85	85	0%	1%	3%
Total Revenues	695	704	0%	0%	0%
Operating profit	90	93			
Ordinary EBITA	136	131	4%	6%	4%
Ordinary EBITA margin	19.6%	18.6%			
Net capital expenditure (CAPEX)	16	19			
Ultimo FTEs	7,684	7,978			

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

Division revenues of €695 million were in line with HY 2010 in constant currencies, with the organic trend improving from -3% at HY 2010 to 0% in HY 2011. Subscription revenue (69% of division revenues) benefitted from improved retention rates and increased new sales levels. Online revenues posted 9% organic growth driven by product innovation. These results were offset by ongoing pressure on print-based revenues across the division. The rate of subscription print decline did abate compared with prior year, reflecting improved retention levels.

North American revenues, which constitute 38% of the division's revenues, grew 5% organically. These results were fueled by sustained recovery of the corporate market, with Corporate Legal Services (CLS) posting 8% organic growth, driven by increased volumes of corporate and lending transactions and strong performance from TyMetrix and Corsearch. Transactional revenue across the unit saw organic growth of 17%. In June, CLS announced the acquisition of NRAI, subject to regulatory approval, a leading provider of registered agent and corporate services.

Law & Business saw positive growth in the U.S., driven by 6% growth in online revenues, improved retention, and strong performance in Legal Education. This performance was largely offset by continued declines in print products. Europe declined 3%, impacted by the pace of market recovery, which continued to pressure print and cylical product lines and new sales, although the underlying trend is improving in most countries.

Despite measured market recovery, the division's ordinary EBITA margin improved to 19.6% (HY 2010: 18.6%), reflecting the contribution of higher margin electronic solutions, improved growth in the CLS business, stringent cost management, and the contribution from Springboard initiatives. Strong profitability from this division continues to fuel growth investments across the business.

Looking forward: For the remainder of the year, the Company expects conditions to remain solid in the U.S., with strong volumes of corporate and lending transactions at CLS continuing and with measured improvements expected in the broader legal markets. Continued investment in higher value online and software solutions is expected to fuel growth, while the rate of print decline is expected to remain stable.

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Tax & Accounting

- Strong growth of tax and accounting software suite across all geographies.
- Expanded global footprint through good growth in the global corporate market, strategic acquisitions in Belgium and the Netherlands, and double-digit growth in emerging markets.
- Half-year impact of small firm segment revenue phasing is expected to be mitigated at full year.
- Online, software, and services revenues now represent 85% of total revenues.

(All amounts are in millions of euros unless otherwise indicated)

Six months ended June 30	2011	2010	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	282	275	3%	4%	3%
Print subscription	46	50	(8%)	(7%)	(7%)
Other non-cyclical	98	105	(7%)	(6%)	(6%)
Total recurring revenues	426	430	(1%)	0%	0%
Books	21	24	(13%)	(10%)	(10%)
Other cyclical	20	20	0%	(2%)	(3%)
Total revenues	467	474	(2%)	(1%)	(1%)
Operating profit	89	102			
Ordinary EBITA	129	137	(6%)	(6%)	(6%)
Ordinary EBITA margin	27.6%	28.9%			
Net capital expenditure (CAPEX)	18	18			
Ultimo FTEs	5,570	5,481			

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

Tax & Accounting revenues declined 1% organically to €467 million in the first half year (HY2010: €474 million). Half-year results were impacted by a change in the composition and phasing of bank products sales (approximately 2% of annual division revenues), which was reflected in revenues from the small firm segment in North America. As a result of structural changes to its bank product line, revenues are expected to be more heavily weighted towards the second half of the year, positively impacting non-cyclical revenues for the full year. Excluding bank product sales, divisional organic growth was approximately 2%, with 6% growth in global software.

North American revenues, which constitute 65% of the portfolio, grew 3% organically (excluding bank products). This performance was supported by strong growth in software solutions and a record year of tax return e-filings, which increased nearly 12% year-over-year. European revenues were materially in line with 2010, as software revenue growth of 5% was offset by declines in print and cyclical activities such as training and advertising, particularly in the Netherlands.

The division also extended its footprint through two acquisitions that deliver cutting edge tax technology solutions in the tax and accounting markets. TopPower, a Belgium based provider of tax and accounting software was acquired in May 2011. In the Netherlands, the division acquired Twinfield, a pioneer and market leader in SaaS accounting software.

Ordinary EBITA declined 6% to €129 million, with an ordinary EBITA margin of 27.6% (2010: 28.9%). Positive contribution of high-margin software revenue growth, improving retention rates, and the contribution from Springboard initiatives were more than offset by the bank product restructuring.

Looking forward: In the second half year, performance for the division is expected to be driven by strong growth of tax and accounting software in all geographies, solid retention in subscription products, and a recovery of bank product revenue following restructuring. For the full year, management expects divisional organic revenue growth to be better than 2010 levels.

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Health & Pharma Solutions

- Product innovation supports organic growth of 12% in electronic and service subscriptions.
- Strong growth in Medical Research supported by online products and international sales.
- Double-digit organic growth delivered by Clinical Solutions; strategic acquisitions of Medicom and Lexicomp extend market leadership.
- Planned divestment of pharma business improves focus on leading market positions in professional information and clinical decision support solutions.

All amounts are in millions of euros unless otherwise indicated)

Six months ended June 30	2011	2010	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	153	135	13%	19%	12%
Print subscription	38	43	(12%)	(7%)	(7%)
Other non-cyclical	16	13	23%	37%	37%
Total recurring revenues	207	191	8%	15%	10%
Books	59	63	(6%)	(1%)	(1%)
Other cyclical	29	30	(4%)	(2%)	(2%)
Total revenues	295	284	4%	9%	6%
Operating profit	36	35			
Ordinary EBITA	51	47	9%	19%	16%
Ordinary EBITA margin	17.3%	16.5%			
Net capital expenditure (CAPEX)	16	16			
Ultimo FTEs	2,365	1,913			

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

The Health & Pharma Solutions division had a strong first half year. Revenues grew 9% in constant currencies (6% organic) to €295 million, supported by 12% organic growth in electronic and service subscriptions, with strong contributions from Clinical Solutions and Ovid online products.

At Medical Research, Ovid grew 7% organically driven by new product launches and strong international sales. These results were partially offset by the declines in print journals. In May, the unit launched OvidMD, a clinical tool designed especially for physicians.

Clinical Solutions delivered strong double-digit organic growth driven by UpToDate, ProVation Medical, and the drug information product lines. The unit also strengthened its position in the growing point-of-care market with two strategic transactions. In January, the divsion entered into a joint venture with Chinese drug information provider Medicom, expanding its clinical decision support and drug information business into the rapidly growing China market. In May, Lexicomp, a leading global drug information provider, was acquired bringing the division's clinical solutions products to over 500,000 pharmacists and clinicians in 149 countries.

Ordinary EBITA grew 16% organically to €51 million with the ordinary EBITA margin rising to 17.3% (HY 2010: 16.5%). These results reflect the solid flow-through of revenue growth to profitability, the positive impact from higher margin electronic products, and Springboard cost savings.

Looking forward: The Company expects continued strong growth in electronic products, spearheaded by the Clinical Solutions business and Ovid. Given the strong sales noted at the close of the quarter, the growth rate for the division is expected to normalize over the course of the year while continuing to exceed prior year levels. The strength of the portfolio and product mix is expected to improve ordinary EBITA margin through the year.

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Financial & Compliance Services

- Strong organic growth of 6% in electronic and service subscriptions is fueled by global expansion of the business and strong performance in financial compliance software.
- Increased mortgage activity contributed to strong growth in transaction revenues.
- Electronic revenue growth contribution to profitability is balanced by timing and investments in expanding global leading market positions.

(All amounts are in millions of euros unless otherwise indicated)

Six months ended June 30	2011	2010	Δ	Δ CC	Δ OG
Revenues					
Electronic & service subscription	86	71	21%	24%	6%
Print subscription	2	2	27%	13%	13%
Other non-cyclical	10	5	85%	83%	31%
Total recurring revenues	98	78	26%	28%	8%
FS transactional	27	24	11%	14%	14%
Other cyclical	37	41	(9%)	(4%)	(13%)
Total revenues	162	143	14%	17%	3%
Operating profit	12	17			
Ordinary EBITA	29	30	(4%)	0%	0%
Ordinary EBITA margin	17.8%	21.0%			
Net capital expenditure (CAPEX)	4	6			
Ultimo FTEs	2,024	1,678			

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

Divisional revenues grew 17% in constant currencies to €162 million, driven by 3% organic growth and a significant contribution from acquisitions, most notably FRSGlobal. Growth was supported by 8% organic growth in recurring revenues as customers adoption of compliance software solutions remained strong. Electronic, software, and services revenues now represent 92% of divisional revenues.

The core financial services unit (70% of division revenues) delivered 7% organic growth fueled by strong performance in mortgage document services and risk and compliance product lines. Audit, Risk, and Compliance (*ARC* Logics; 11% of division revenues) also had a strong half year, posting double-digit organic growth and pushing expansion across international markets. This result was partially offset by lower volumes in the Transport Services business (19% of division revenues).

Global expansion remains central to the divisional growth strategy, and contributed to 40% growth outside of the U.S. in the first half-year. *ARC* Logics for Financial Services expanded its enterprise risk management offering to the European marketplace, while FRSGlobal grew its customer base, particularly in Asia.

Ordinary EBITA was in line with 2010, with an ordinary EBITA margin of 17.8% (HY 2010: 21.0%) impacted by the lower transaction volumes at Transport Services and the phasing of investments to expand global leading positions.

Looking forward: It is expected that the division's growth in 2011 will be supported by stable lending volumes in the U.S., continued adoption of the *ARC* Logics product suite, and rapid global expansion through its recent acquisition, FRSGlobal. This will be tempered by continued weakness in the volumes that support the transport business. Due in part, to the phasing of investments that support international expansion, the Company expects margins to improve through the course of the second half year.

Corporate

(All amounts are in millions of euros unless otherwise indicated)

Six months ended June 30	2011	2010	Δ	Δ CC	Δ OG
Operating profit	(21)	(21)			
Ordinary EBITA	(20)	(21)	(4%)	(4%)	(4%)
Net capital expenditure (CAPEX)	0	0			
Ultimo FTEs	102	93			

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