Cloud Computing

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Investor/Analyst Day: Innovation & Technology

September 25, 2008

London

Wolters Kluwer

Agenda

- What is Cloud Computing
- Challenges and Vision
- Business Impact of Innovation

Like Wolters Kluwer, our customers have strong reasons to outsource more of their IT infrastructure and software

Competition	Competition is driving a need for businesses to implement new applications faster
Internal Resource Constraints	Professional needs for new software applications are expanding faster than the internal IT resources required to implement and maintain them
Installation and Maintenance Burdens	Laborious, costly, and disruptive software installation is required to implement, maintain, and upgrade applications
Managing IT Risks	Remote access for employees, partners, or customers creates risks for internal IT security
Need for Cost Flexibility	Traditional fixed-cost pricing models don't allow customers to scale software costs in response to growth or contraction of their own businesses

"Cloud Computing" is the next step in deploying IT resources, and benefits Wolters Kluwer as both a consumer and provider of software applications to professional markets

Cloud Computing

"Software as a Service"   "Virtualization"

"Hosted Software"

"Web 2.0"

"Application Service Provider (ASP)"

| Deployment Model	Business Model
Delivery of applications remotely on shared basis via the Internet –– rather than via installed software and IT infrastructure	Applications and supporting IT resources (network, hardware, software) consumed as a "service" -- rather than managed internally as assets (rent vs. own)

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We already exploit cloud computing by delivering "software as a service" (SaaS), giving our customers the functionality of installed software, but through a shared, hosted service over the Internet
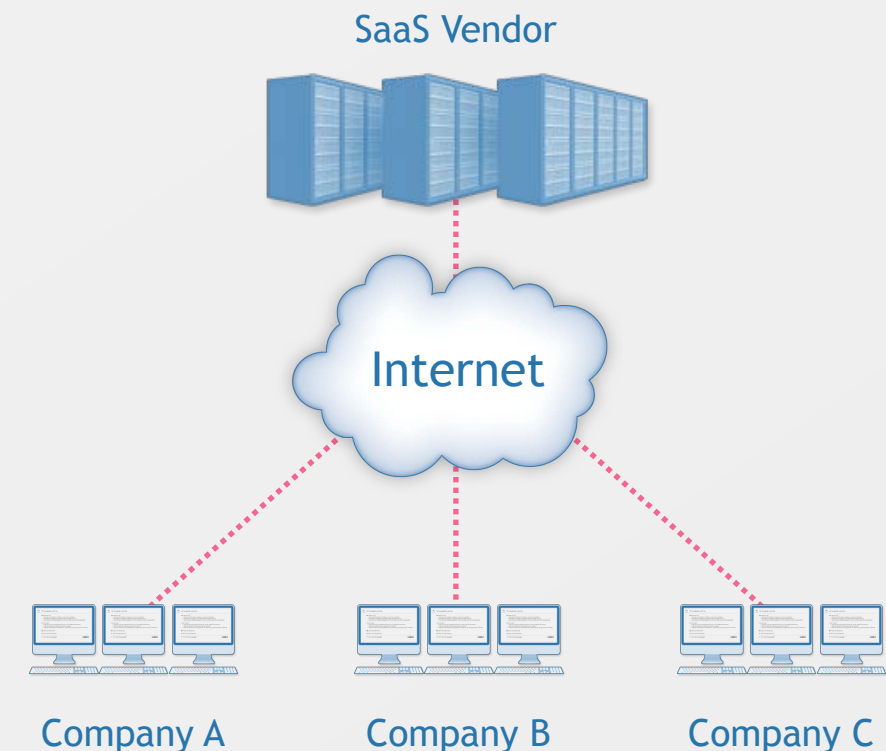
Traditional Software Model

Proprietary internal IT resources

Company A   Company B   Company C
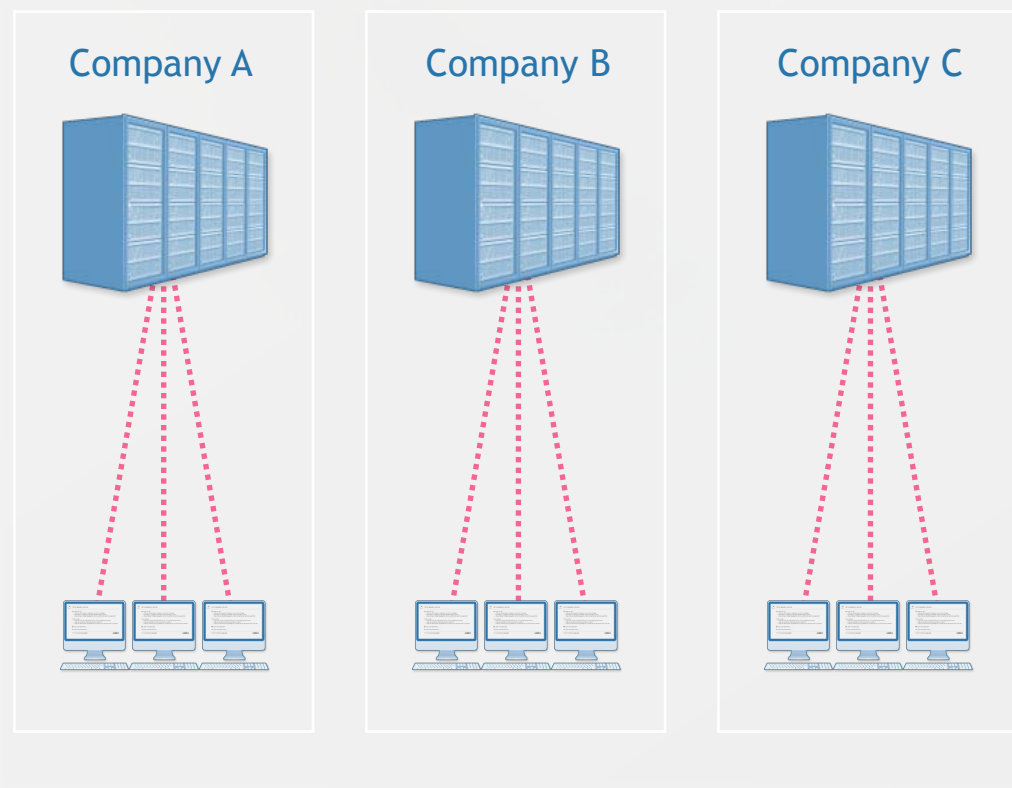
Software as a Service (SaaS) Model

Remote, shared services

SaaS Vendor

Internet
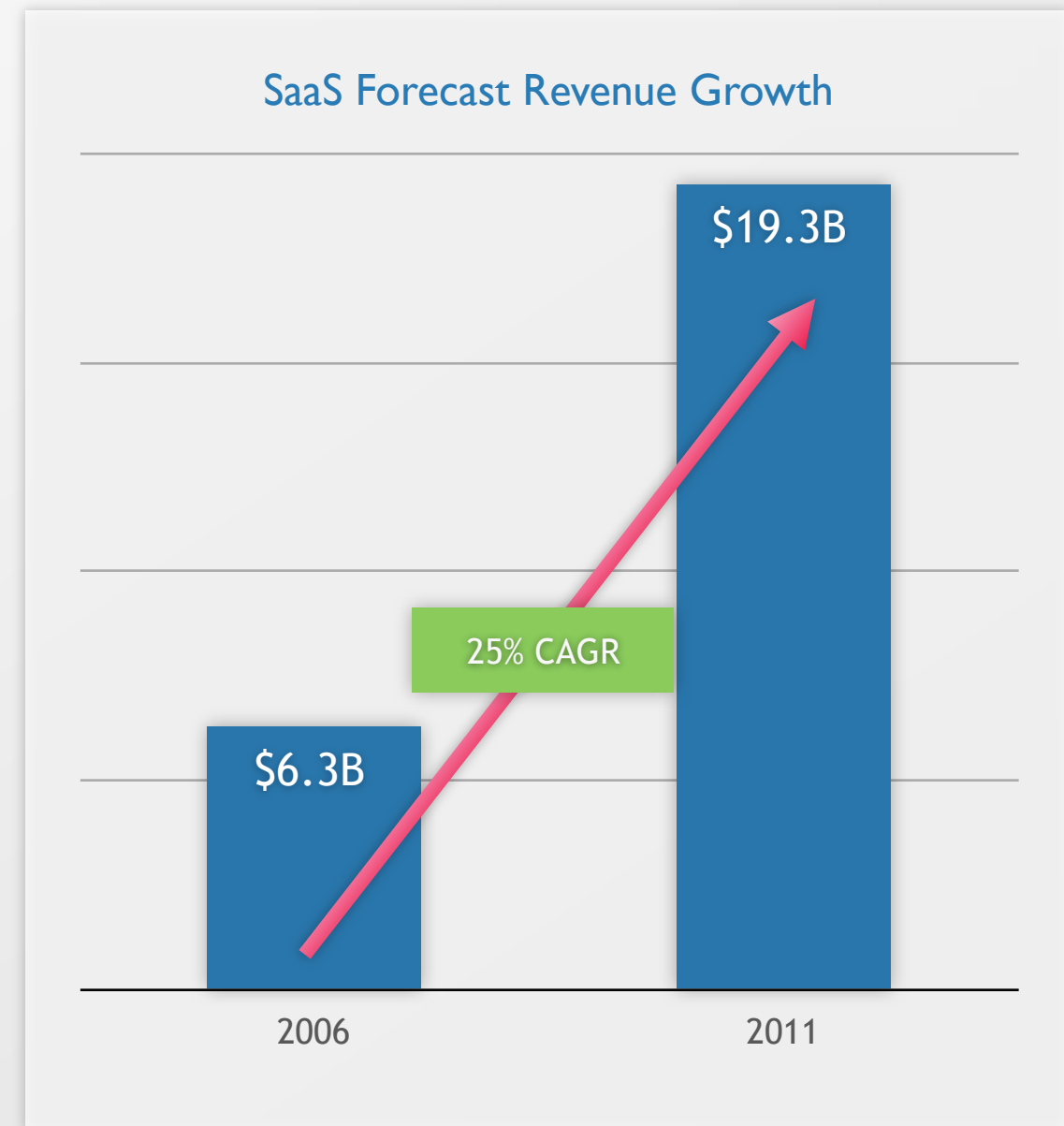
Company A   Company B   Company C

SaaS provides clear operational and financial benefits in how customers deploy, manage, and pay for software

Software as a Service (SaaS)

- Remotely-hosted services can be deployed, supported, and upgraded more easily and cheaply

- Capacity expands dynamically as needed -- without need to own infrastructure necessary to support peak loads

- Total ownership costs are reduced through shared economics

- Remote users are easy to install and support

- "Utility" pricing reduces capital outlay and smoothes cost of ownership

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Gartner Group predicts that SaaS will grow to $19.3B by the end of 2011

Software as a Service (SaaS)

SaaS Forecast Revenue Growth

$19.3B

25% CAGR

$6.3B

2006

2011

SaaS increases our value to customers and our business performance

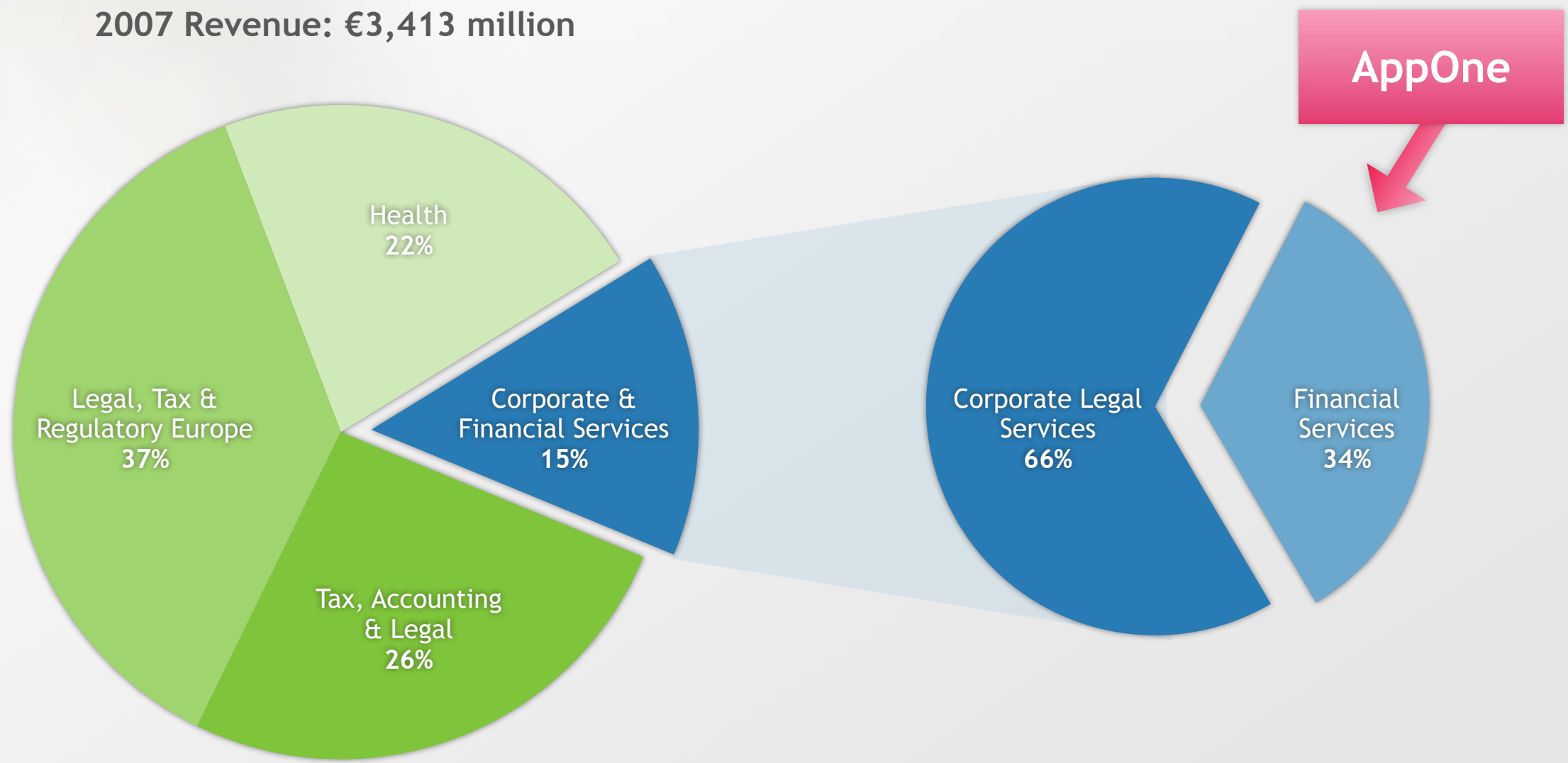| Implement Shared, Hosted Software	Add New Functionality	Exploit Networking

Customer Benefits

- Faster, cheaper implementation
- Lower total cost of ownership
- Remote access

- Increased user productivity
- Faster enhancements
- Upgrade without installing new software

- Applications extended beyond the enterprise to customers' partners and clients

Wolters Kluwer Benefits

- Lower software development and maintenance costs
- New users added faster

- Greater user satisfaction
- Faster time to market
- Lower enhancement costs
- Incremental revenues

- New users
  – via our customers' extended enterprises
- Higher customer switching barriers
- Higher retention

AppOne – A Case Study in Software as a Service

2007 Revenue: €3,413 million

AppOne

Health
22%

Legal, Tax &
Regulatory Europe
37%

Corporate &
Financial Services
15%

Tax, Accounting
& Legal
26%

Corporate Legal
Services
66%

Financial
Services
34%

AppOne provides credit options to the U.S. used auto market

- A platform that helps independent used auto dealerships obtain loans for their customers

- Connects independent dealerships with lenders to provide finance and aftermarket products otherwise not readily available to them

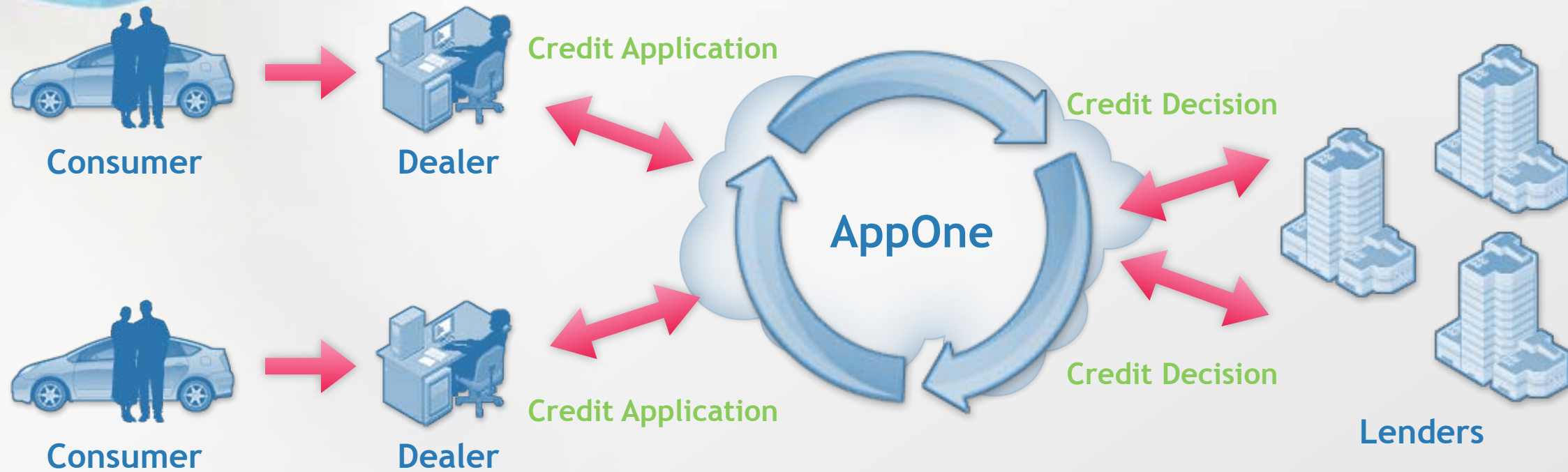- Gives lenders ready access to a fragmented independent dealer market

A large market…
- Independent used car dealers: 40,000   - Used car sales per year: 40 million units   - Used vehicles sold by independent dealers: 12.8 million units (32%)

… But a fragmented market
88% of independent dealers finance 20 or less units per month   - More than 250 lenders split volume from the largest 12% of independent dealerships

AppOne enables used auto dealers to facilitate loans for consumers and for lenders to reliably access an under-served market

Consumer → Dealer → **Credit Application** → **AppOne** → **Credit Decision** → Lenders

Consumer → Dealer → **Credit Application** → **AppOne** → **Credit Decision** → Lenders

Dealer needs…

- Get quick loan approval for consumer
- Complete loan process with minimal labor
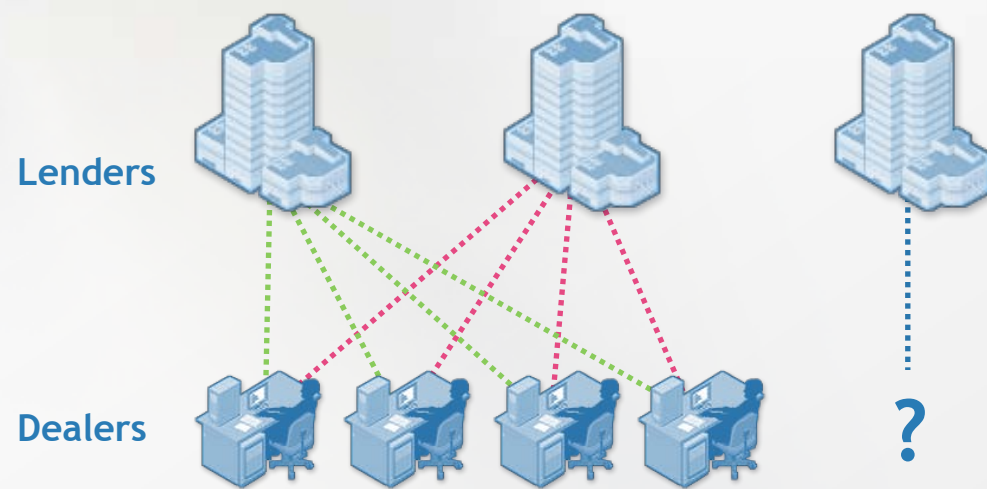- Upsell additional services (e.g., insurance)

Lender needs…

- Gain access to fragmented market of dealers
- Obtain complete, correct, compliant loan applications
- Minimize loan loss risk

AppOne is re-shaping how lenders and used car dealers conduct business

Before AppOne	With AppOne
Local, limited credit relationships	National, broadened credit relationships

Lenders

Dealers

?

AppOne

Burdens

- Find/establish/maintain individual lender-dealer relationships
- Different documentation and compliance for each lender
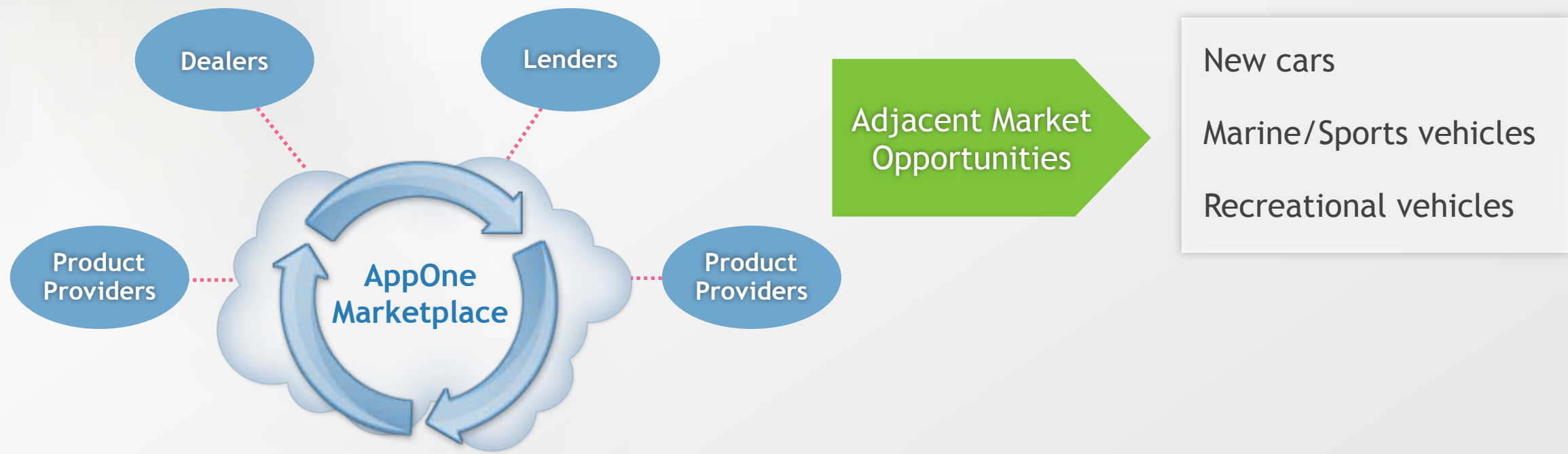- Training by each lender required

Benefits

- Increased access among dealers and lenders
- Higher loan completion due to application pre-screening
- Improved, centralized compliance
- Fewer errors
- Upsell opportunities through marketplace

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AppOne is becoming a marketplace for commerce among dealers, lenders, and product and service providers

- Insurance
- Leases
- Bulk purchasing
- Lien perfection
- Titling and registration
- Vehicle history reports
- Vehicle service contracts
- Others

AppOne is positioned to expand into adjacent markets for consumer lending

Dealers

Lenders

Product Providers

Product Providers

AppOne Marketplace

Adjacent Market Opportunities

New cars

Marine/Sports vehicles

Recreational vehicles

- Insurance
- Leases
- Bulk purchasing
- Lien perfection
- Titling and registration
- Vehicle history reports
- Vehicle service contracts
- Others

AppOne's evolution reflects Wolters Kluwer's vision that SaaS can enhance customer value and build competitive barriers by exploiting the power of networking

| Implement Shared, Hosted Software	Add New Functionality	Exploit Networking
AppOne core platform automates credit applications	**DocOne** document printing engine automates deal paperwork	**PortalOne** enables lenders to transact with a network of dealers
	Wolters Kluwer centralized library of state and federal forms	**Dealer Due Diligence** vets each dealers who applies to join network
	Third-party online checks: e.g. credit bureaus, Kelly, Carfax, LexisNexis, others	**RECON** – proprietary scoring of each dealer's credit
		AppOne Marketplace will let third parties offer incremental products and services

# We have filed patents on three elements of AppOne's business

Implement Shared, Hosted Software	Add New Functionality	Exploit Networking

AppOne core platform automates credit applications

DocOne document printing engine automates deal paperwork

PortalOne enables lenders to transact with a network of dealers

Wolters Kluwer centralized library of state and federal forms

Dealer Due Diligence vets each dealers who applies to join network

Patents Pending

Third-party online checks: e.g. credit bureaus, Kelly, Carfax, LexisNexis, others

RECON – proprietary scoring of each dealer's credit

AppOne Marketplace will let third parties offer incremental products and services

SaaS also lets us take advantage of synergies between Wolters Kluwer businesses

For example, **RefundOne**, a collaboration between AppOne and CCH Tax and Accounting, helps dealers facilitate auto loans using a consumer's expected tax refund
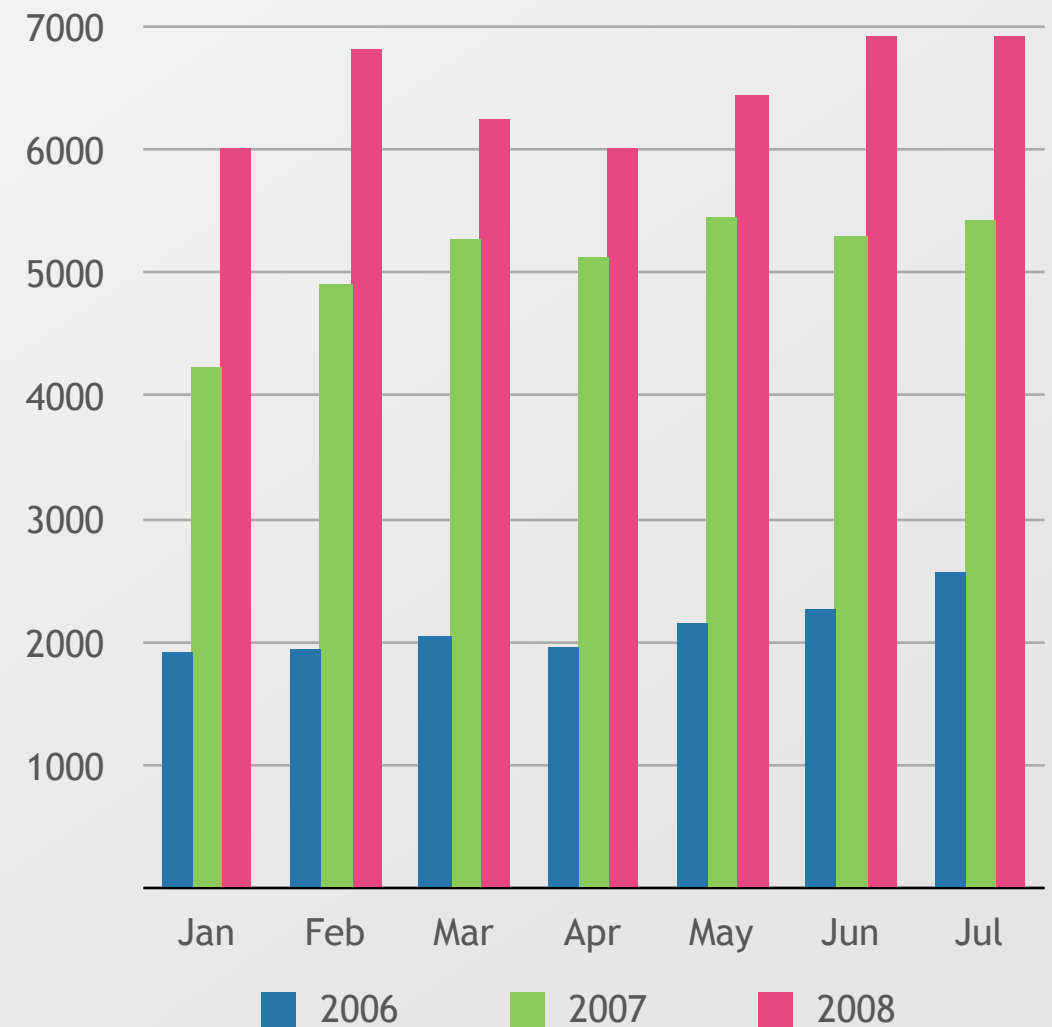

W2 data

AppOne

Verify expected tax refund

Consumer

Dealer

CCH Tax and Accounting
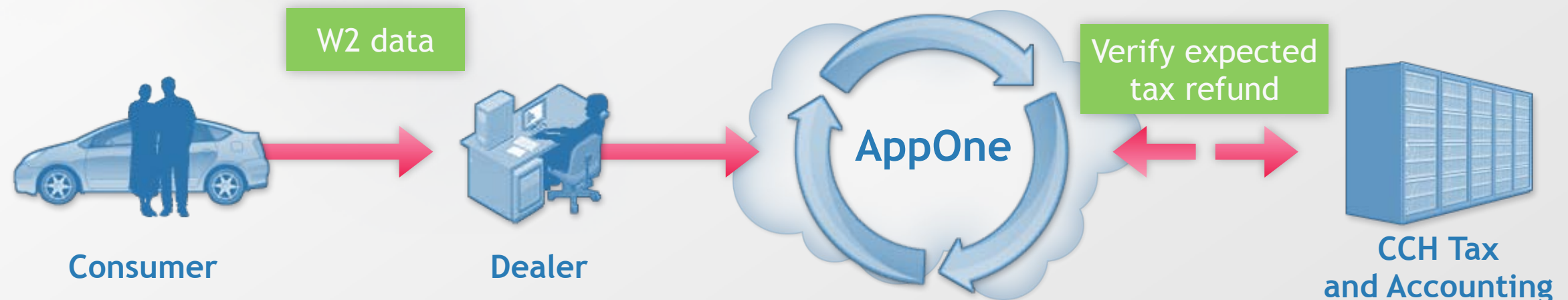
SaaS is enabling AppOne to expand its installed base of dealers rapidly and grow the number of loan applications
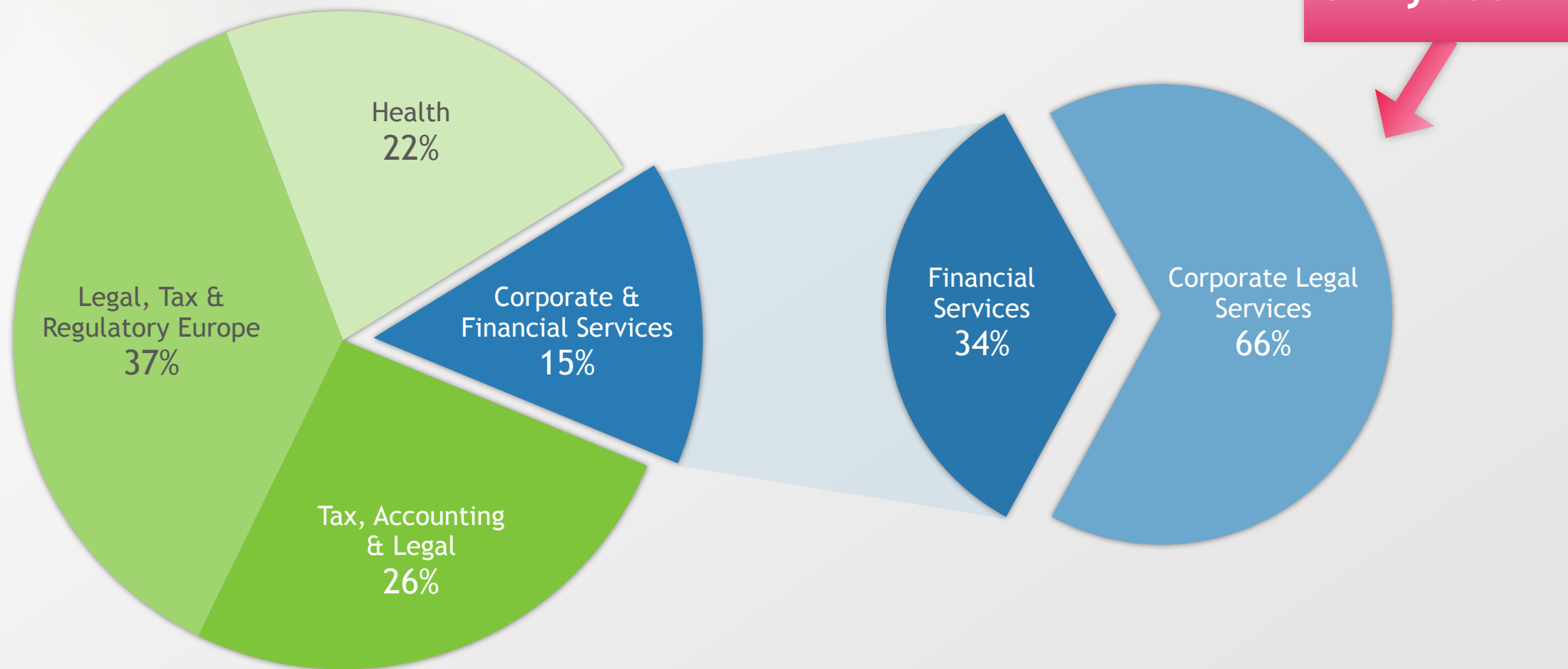
Growth Of Dealers Using AppOne
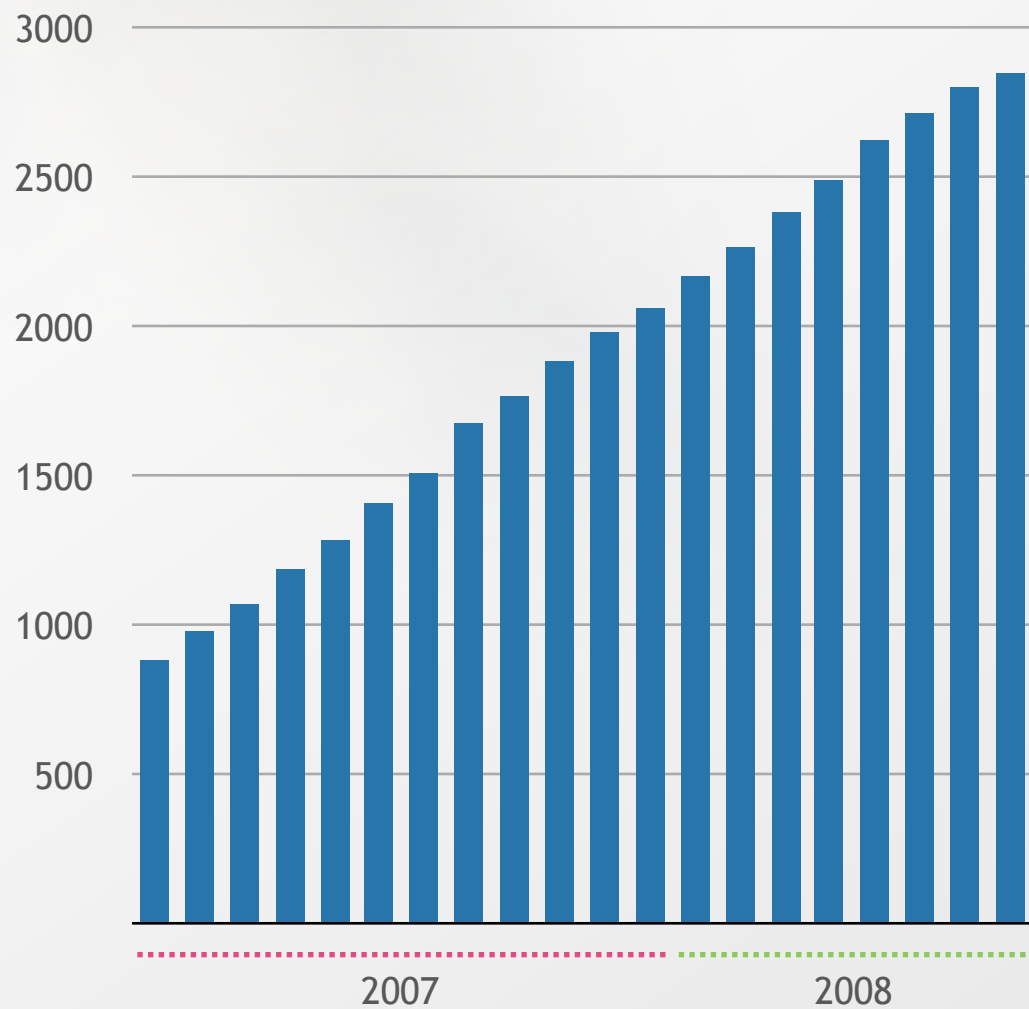
Applications Flowing Through AppOne
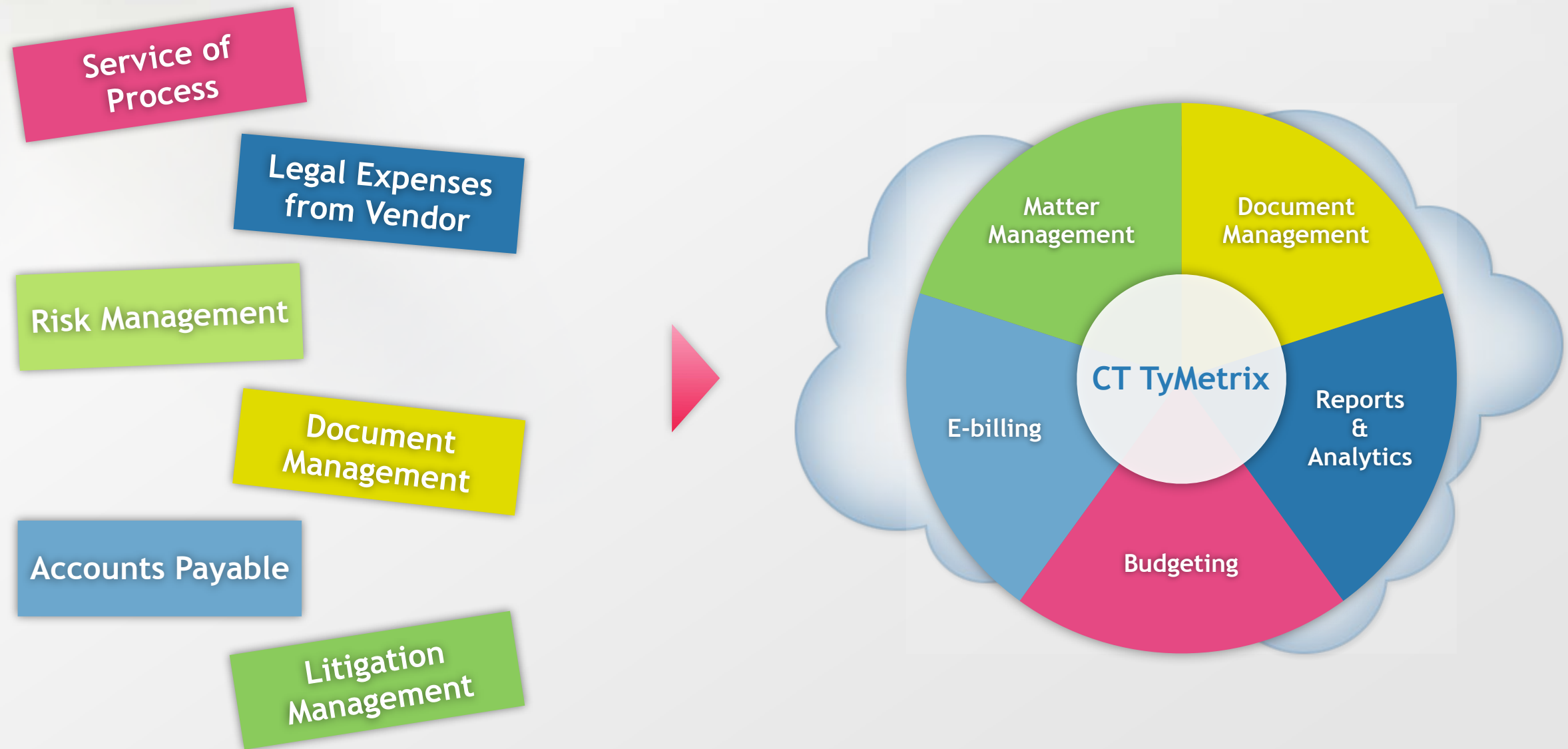
Same Month Comparison 2006-2008

2006   2007   2008

CT TyMetrix - A Case Study in Software as a Service

2007 Revenue: €3,413 million

CT TyMetrix

Health
22%

Legal, Tax &
Regulatory Europe
37%

Corporate &
Financial Services
15%

Tax, Accounting
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Financial
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34%

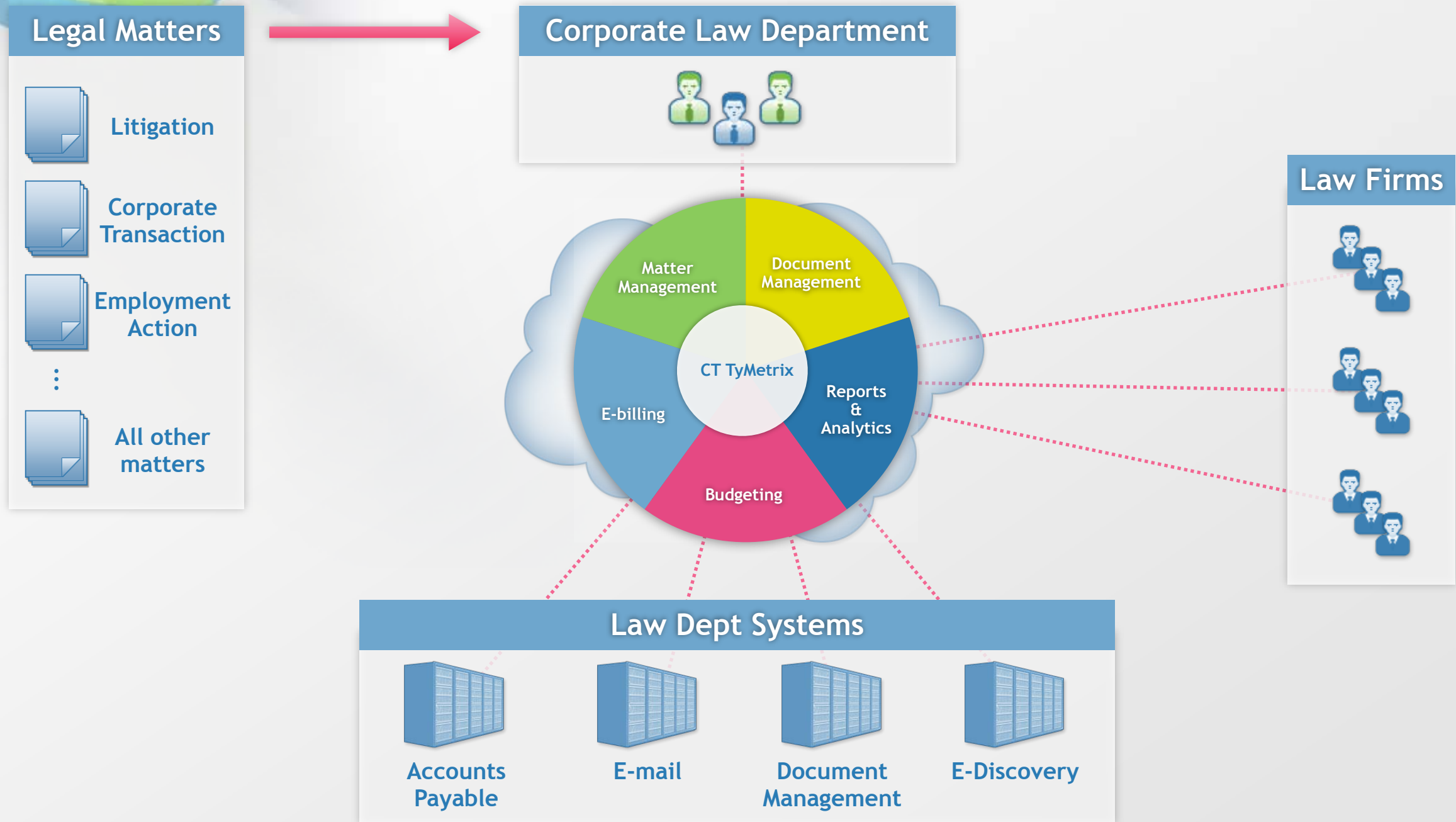Corporate Legal
Services
66%

CT TyMetrix was the first vendor in its market to use a SaaS model, replacing siloed software packages with a unified productivity suite for corporate law departments
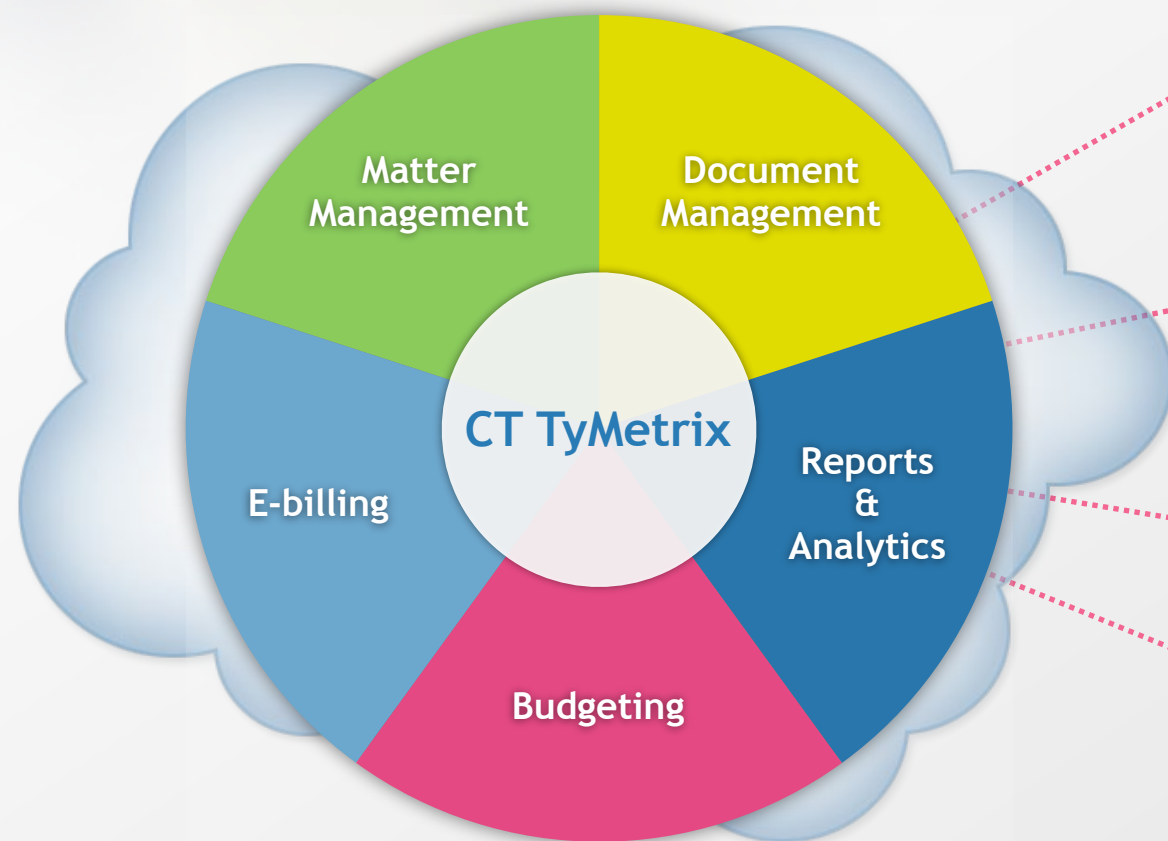
Service of Process

Legal Expenses from Vendor

Risk Management

Document Management

Accounts Payable

Litigation Management

Matter Management

Document Management

E-billing

CT TyMetrix

Reports & Analytics

Budgeting
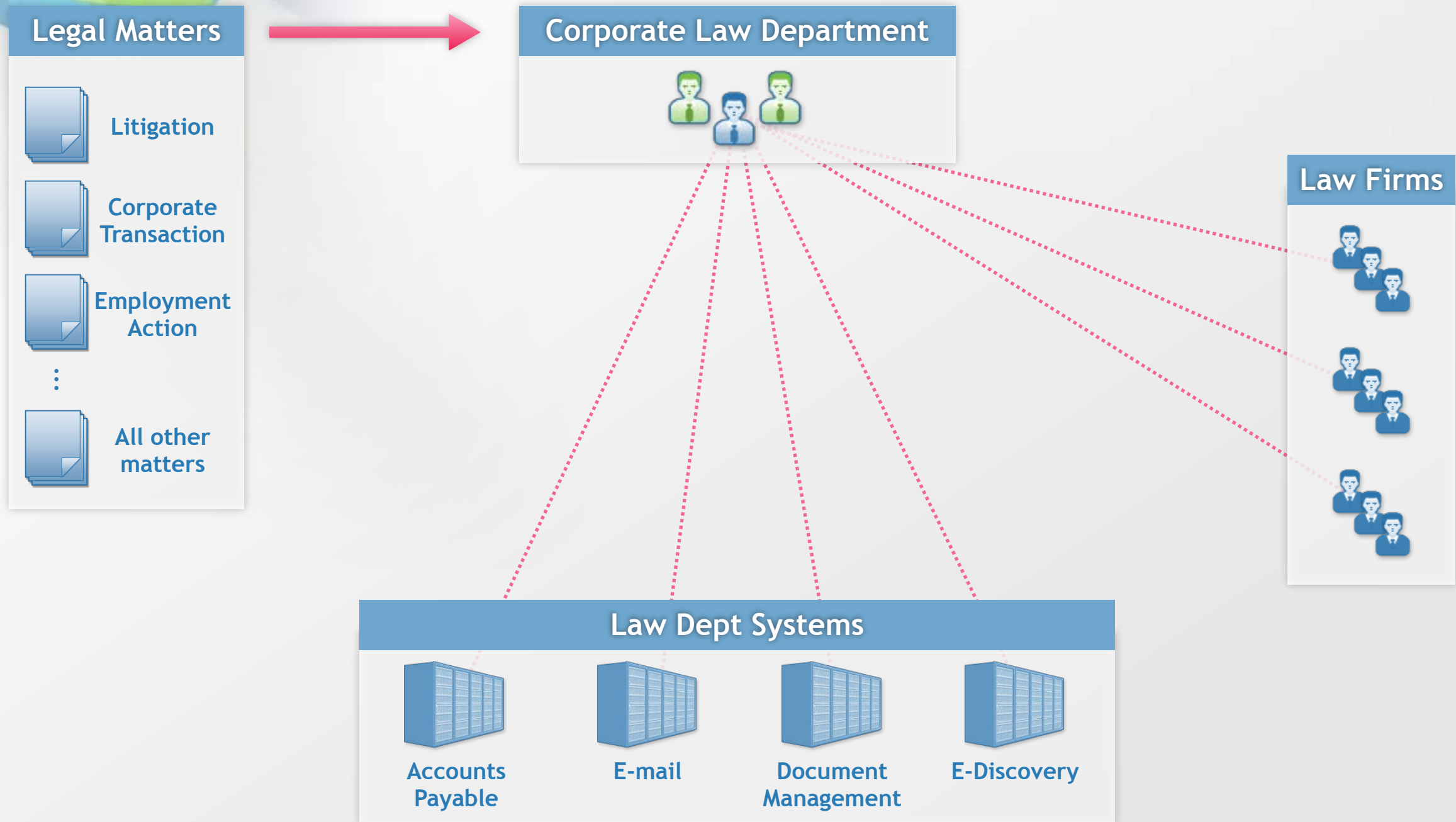
SaaS has proven to be an attractive model for CT TyMetrix customers

SaaS has proven to be an attractive model for CT TyMetrix customers

Legal Matters

- Litigation
- Corporate Transaction
- Employment Action
- ⋮
- All other matters

Corporate Law Department

Law Firms

Matter Management
Document Management
CT TyMetrix
E-billing
Reports & Analytics
Budgeting

Law Dept Systems

Accounts Payable | E-mail | Document Management | E-Discovery

SaaS has allowed CT TyMetrix to serve different segments of our existing corporate law market, expand into adjacent markets, and offer our services internationally

Segment-Specific Versions

- High-End Version
- Middle Market Version
- Insurance Litigated Claims Version

Integration of Related Wolters Kluwer Services

- Service of Process
- Litigation Support
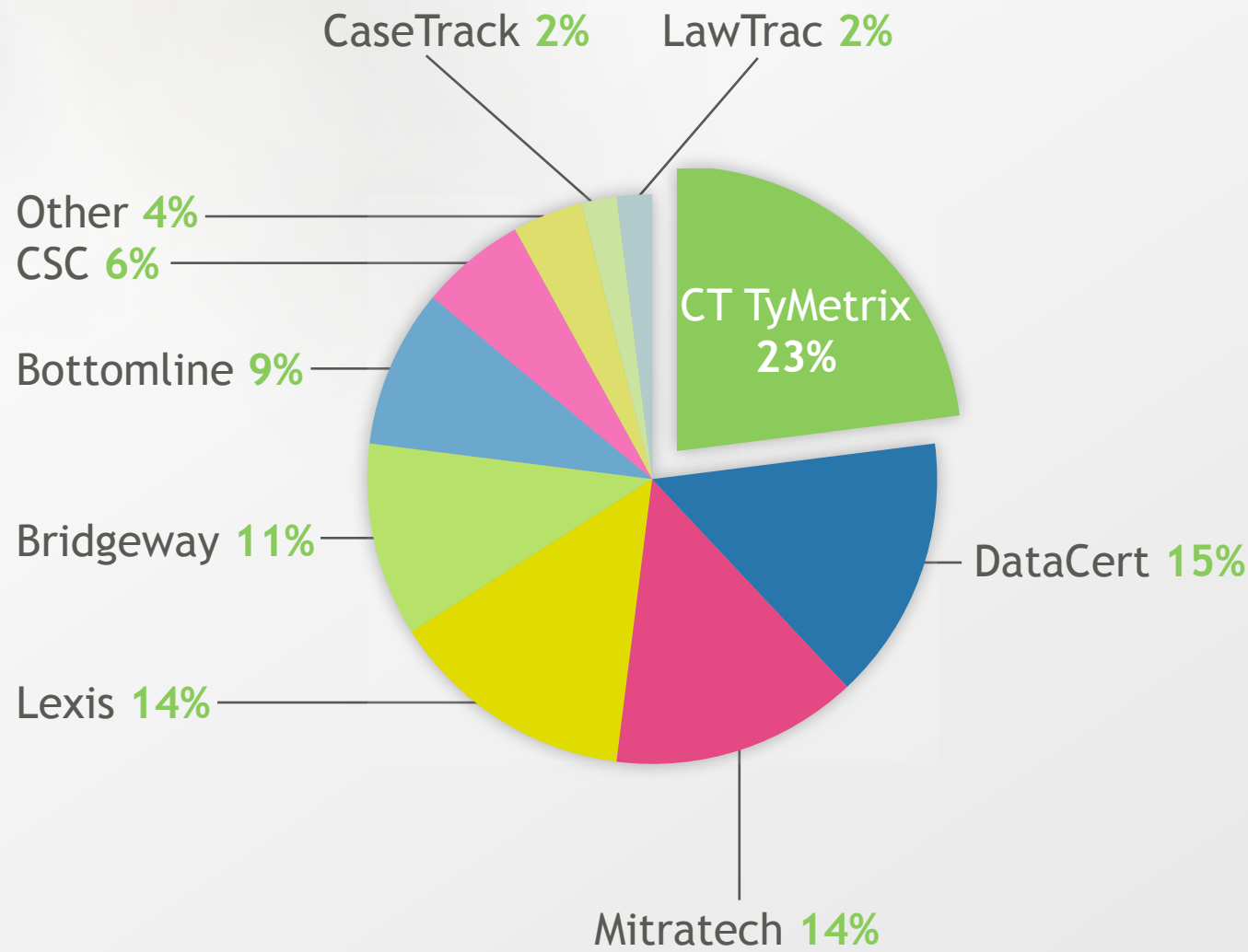- Trademark Services

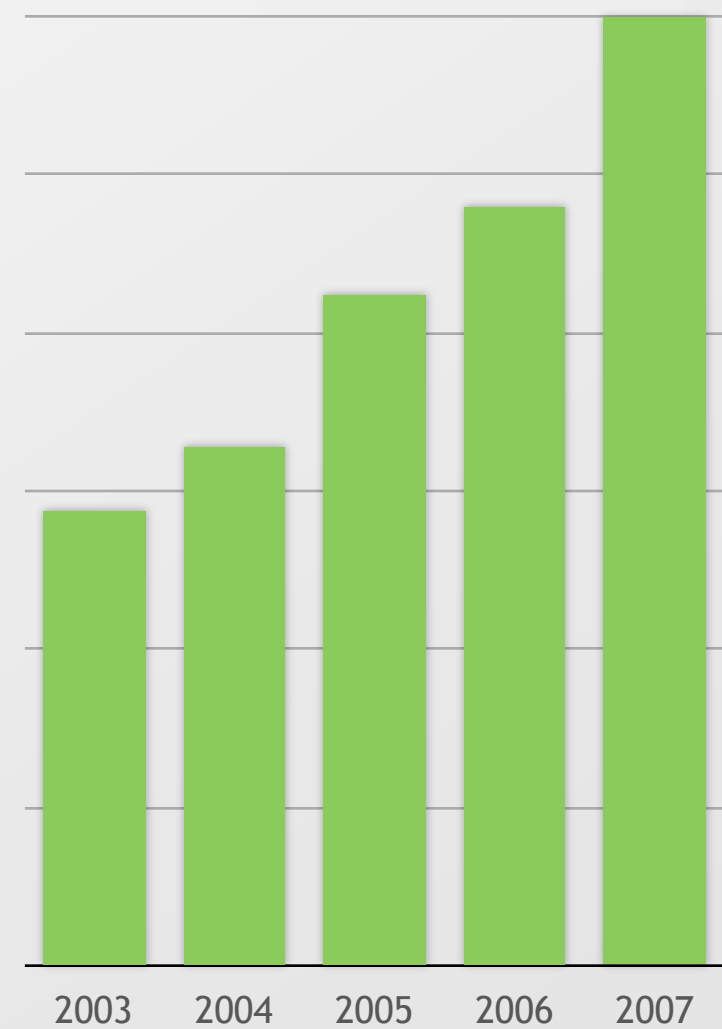**Adjacent Market Opportunity**

- Insurance Claims Collaboration

International Expanson

- Canada
- U.K. and Europe
- Global

Matter Management
Document Management
E-billing
CT TyMetrix
Reports & Analytics
Budgeting

SaaS has helped us drive CT TyMetrix's rapid growth and become the market leader

Market Share by Revenue

CaseTrack **2%**   LawTrac **2%**

Other **4%**
CSC **6%**

Bottomline **9%**

CT TyMetrix **23%**

Bridgeway **11%**

DataCert **15%**

Lexis **14%**

Mitratech **14%**

Number of Clients Doubled Since 2003

2003 2004 2005 2006 2007

Transwide - A Case Study in Software as a Service

2007 Revenue: €3,413 million

Transwide

Tax, Accounting & Legal
26%

Corporate & Financial Services
15%

Health
22%

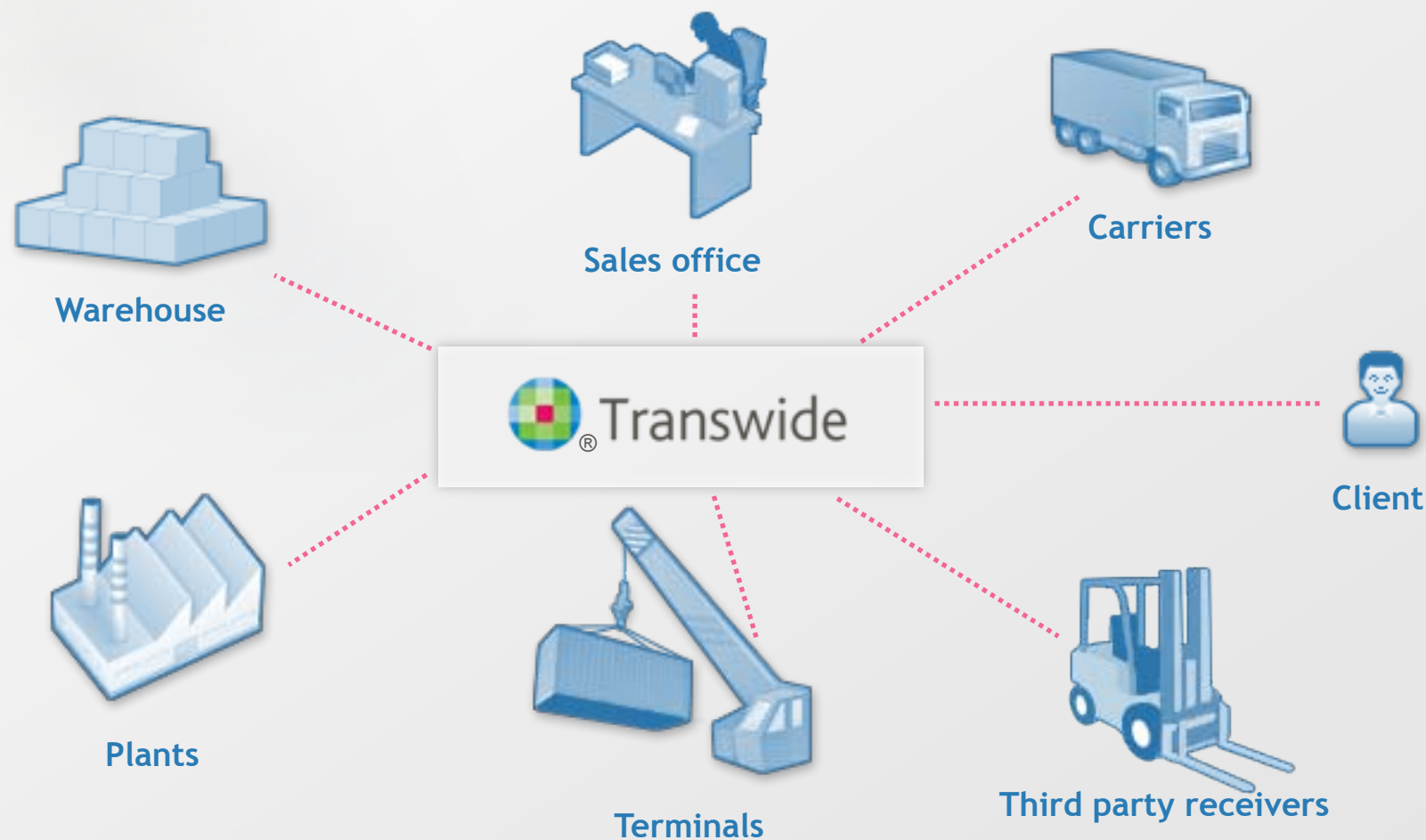Legal, Tax & Regulatory Europe
37%

IT/SP
27%

GER/CEE
18%

TLR
6%

NL
18%

FR
19%

SC
3%

BEL
9%
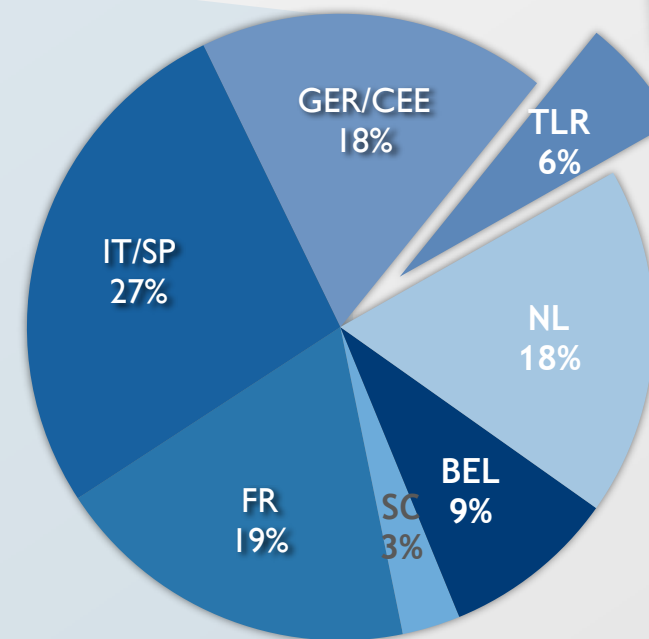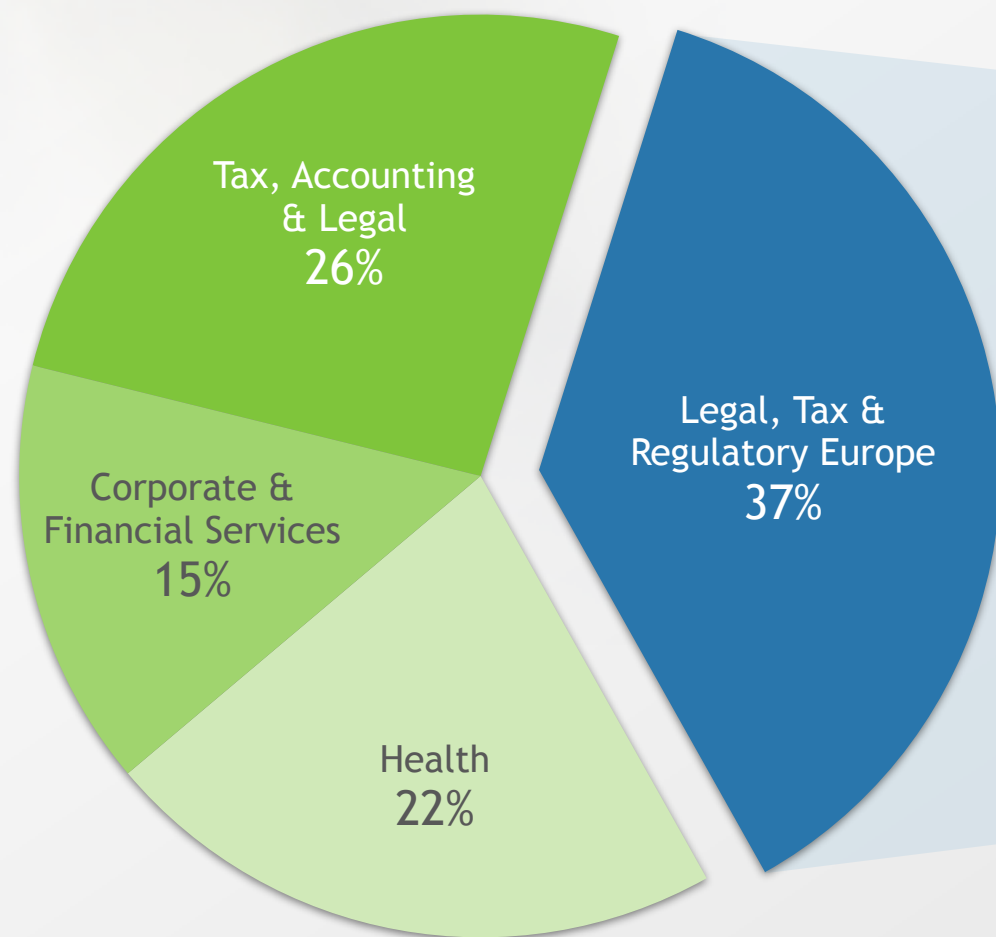
Transwide uses a SaaS model to connect all parties in the logistics ecosystem and facilitate the full range of shipping transactions

Transport Order > Slot Booking > Loading/ Unloading > Shipment Tracking > Unloading > Carrier Payment > Performance Measurement

Warehouse

Sales office

Carriers

Transwide

Client

Plants

Terminals

Third party receivers

SaaS deployment gives Transwide and its customers important benefits not available with previous installed-software offerings

| Implement Shared, Hosted Software	Add New Functionality	Exploit Networking

- Immediate connections among all transport partners -- eliminating former need to establish individual links between parties

- Additional transport modules available without installing new software -- driving greater adoption of add-on modules

- Faster, easier, cheaper to roll-out than competitors' installed-software products

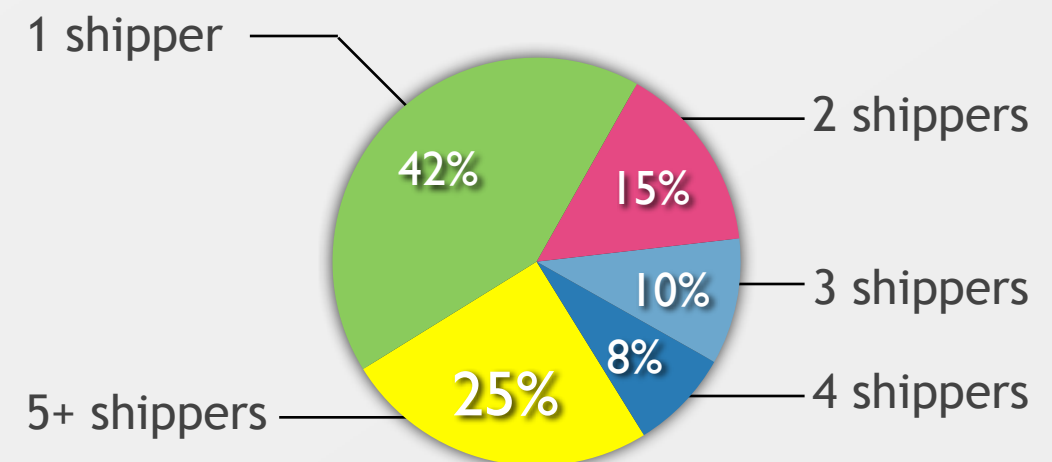# The SaaS model has created network effects and driven rapid growth
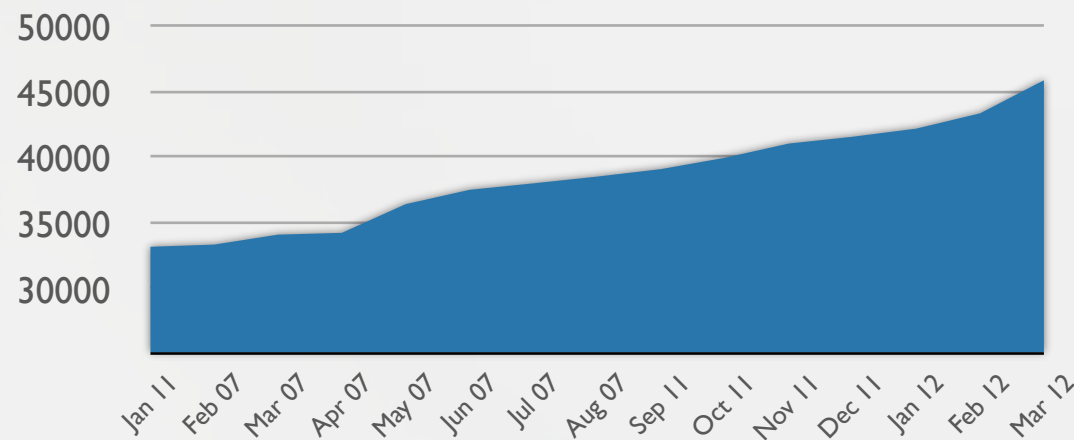
45000+ users
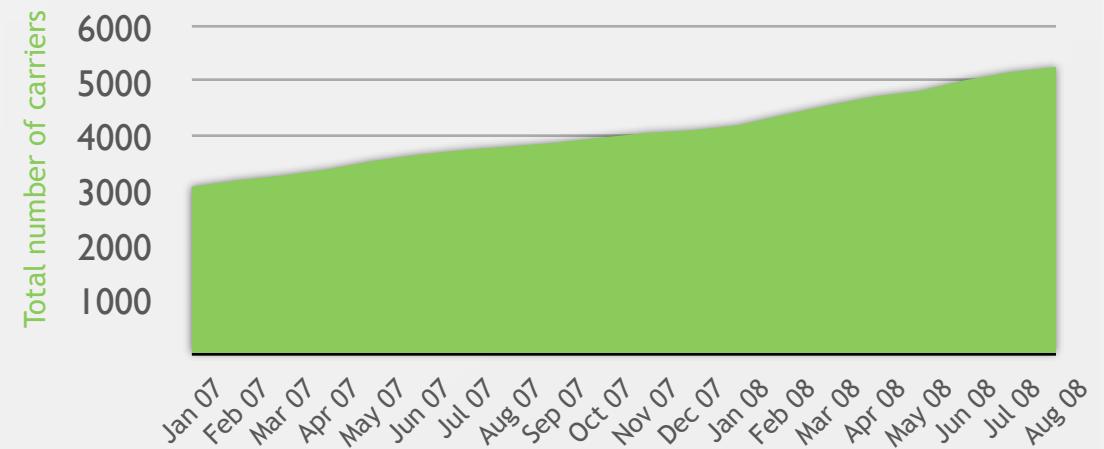
76% use Transwide every day

Number of shippers and carriers doubled since 2006

One third of carriers have relationships with four or more shippers

5000+ carriers

Percentage of Carriers Serving Multiple Shippers

1 shipper — 42%
2 shippers — 15%
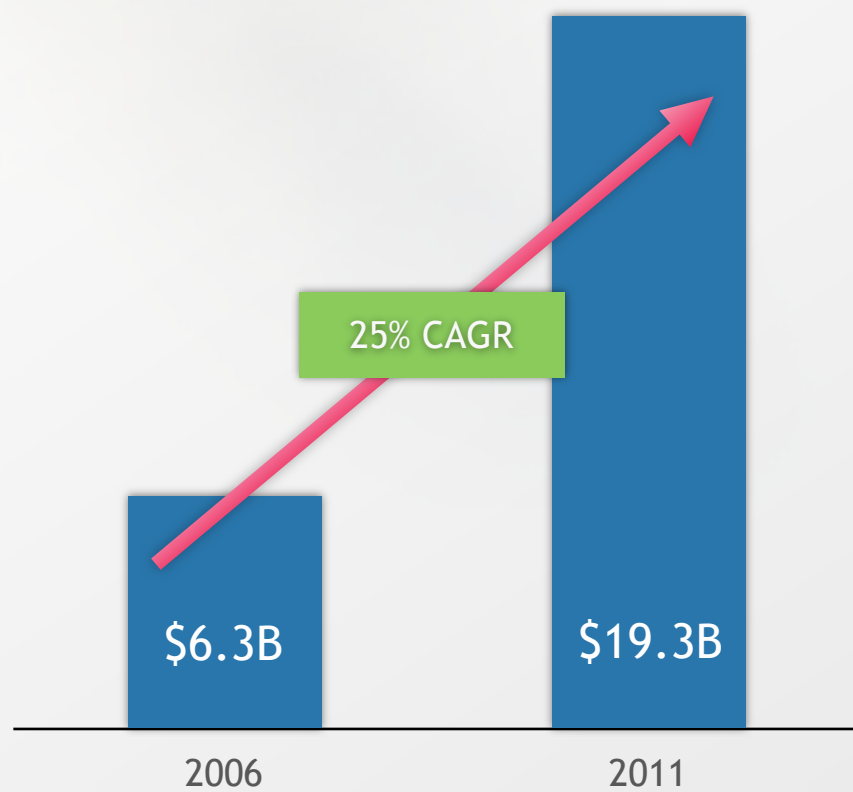3 shippers — 10%
4 shippers — 8%
5+ shippers — 25%

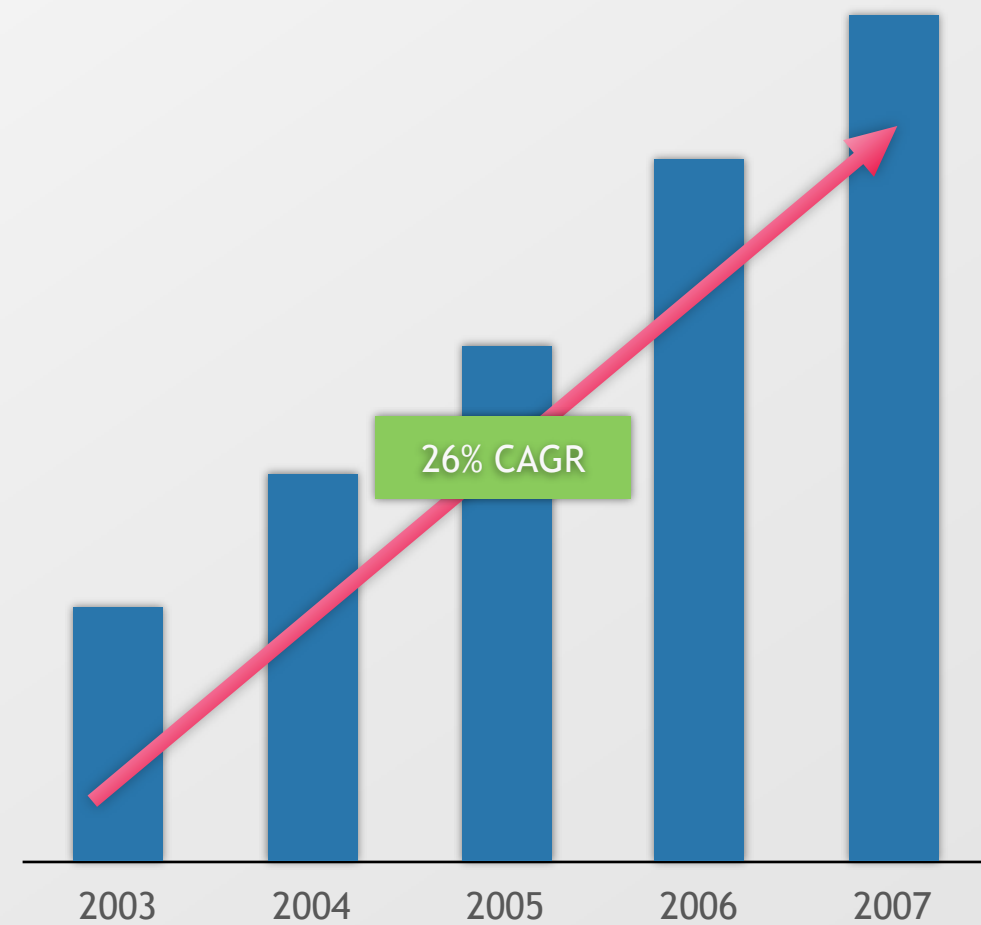The SaaS model encourages customers to subscribe to and deploy multiple Transwide modules
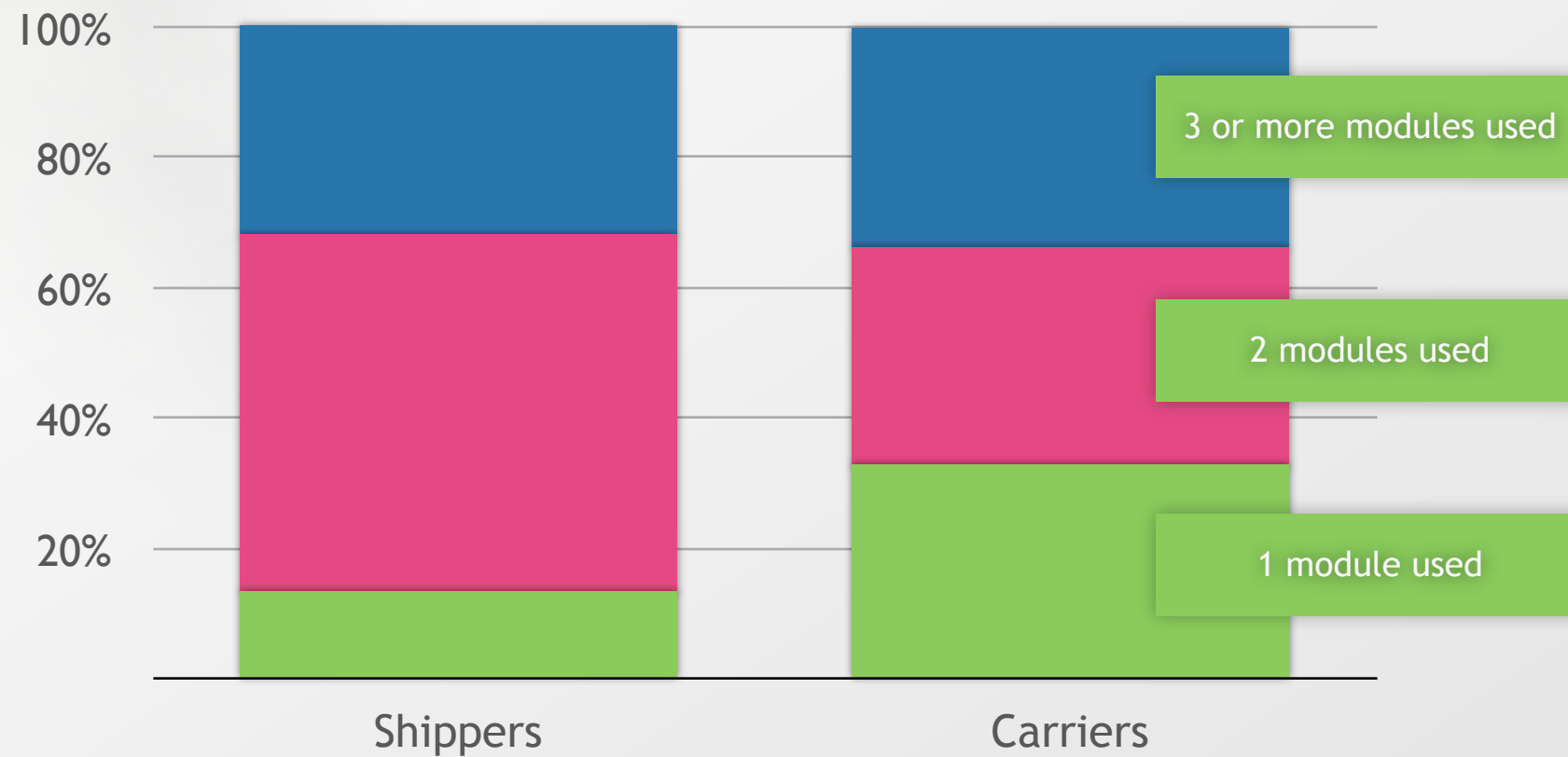
Wolters Kluwer's SaaS businesses are growing well

Gartner Group Projection of SaaS Growth

Historical Growth of Wolters Kluwer's SaaS Businesses

25% CAGR

$6.3B — 2006
$19.3B — 2011

26% CAGR

2003   2004   2005   2006   2007

SaaS requires in-depth knowledge of user needs to achieve a common solution that can satisfy a critical mass of users

Wolters Kluwer's **Customer Insight** Process

Conventional enterprise software: multiple versions / customization

SaaS: single, unified platform

We will continue to invest in translating customer needs into shared solutions, especially those supporting workflows and networks of commercial relationships

- Deep understanding of customer needs and workflows translates into successful solutions through our proven **Customer Insight** process

- Exploiting synergies between various Wolters Kluwer businesses brings added efficiencies and value to our customers

- Extending applications with connectivity to establish "marketplaces" creates competitive barriers to entry

Questions?