Cloud Computing

Chris Cartwright
CEO Corporate & Financial Services

Investor/Analyst Day: Innovation & Technology
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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

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

**Deployment Model**
- Delivery of applications remotely on shared basis via the Internet
- -- rather than via installed software and IT infrastructure

**Business Model**
- Applications and supporting IT resources (network, hardware, software) consumed as a “service”
- -- rather than managed internally as assets (rent vs. own)

Cloud Computing

- "Software as a Service"
- "Virtualization"
- "Hosted Software"
- "Web 2.0"
- "Application Service Provider (ASP)"
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

- 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 smooths cost of ownership
Gartner Group predicts that SaaS will grow to $19.3B by the end of 2011.
SaaS increases our value to customers and our business performance

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
2007 Revenue: €3,413 million

- Legal, Tax & Regulatory Europe: 37%
- Corporate & Financial Services: 15%
- Tax, Accounting & Legal: 26%
- Corporate Legal Services: 66%
- Financial Services: 34%

AppOne - A Case Study in Software as a Service
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

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<th>A large market...</th>
<th>... But a fragmented market</th>
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<td>Independent used car dealers: 40,000</td>
<td>88% of independent dealers finance 20 or less units per month</td>
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<tr>
<td>Used car sales per year: 40 million units</td>
<td>More than 250 lenders split volume from the largest 12% of independent dealerships</td>
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<td>Used vehicles sold by independent dealers: 12.8 million units (32%)</td>
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AppOne enables used auto dealers to facilitate loans for consumers and for lenders to reliably access an under-served market.

**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**

- Local, limited credit relationships

**With AppOne**

- National, broadened credit relationships

### 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
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

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

Adjacent Market Opportunities
- New cars
- Marine/Sports vehicles
- Recreational vehicles
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**
- **AppOne** core platform automates credit applications

**Add New Functionality**
- **DocOne** document printing engine automates deal paperwork
- **Wolters Kluwer centralized library** of state and federal forms
- **Third-party online checks:** e.g. credit bureaus, Kelly, Carfax, LexisNexis, others

**Exploit Networking**
- **PortalOne** enables lenders to transact with a network of dealers
- **Dealer Due Diligence** vets each dealers who applies to join network
- **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:

- AppOne core platform automates credit applications
- DocOne document printing engine automates deal paperwork
- Wolters Kluwer centralized library of state and federal forms
- Third-party online checks: e.g. credit bureaus, Kelly, Carfax, LexisNexis, others
- PortalOne enables lenders to transact with a network of dealers
- Dealer Due Diligence vets each dealers who applies to join network
- 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.
SaaS is enabling AppOne to expand its installed base of dealers rapidly and grow the number of loan applications.
CT TyMetrix - A Case Study in Software as a Service

2007 Revenue: €3,413 million

- Legal, Tax & Regulatory Europe: 37%
- Corporate & Financial Services: 15%
- Tax, Accounting & Legal: 26%
- Health: 22%
- Corporate Legal Services: 66%
- Financial Services: 34%
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.
SaaS has proven to be an attractive model for CT TyMetrix customers
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SaaS has allowed CT TyMetrix to serve different segments of our existing corporate law market, expand into adjacent markets, and offer our services internationally.
SaaS has helped us drive CT TyMetrix’s rapid growth and become the market leader.
Transwide - A Case Study in Software as a Service

2007 Revenue: €3,413 million

- Tax, Accounting & Legal: 26%
- Corporate & Financial Services: 15%
- Health: 22%
- Legal, Tax & Regulatory Europe: 37%
- IT/SP: 27%
- FR: 19%
- SC: 3%
- NL: 18%
- GER/CEE: 18%
- TLR: 6%
- BEL: 9%
Transwide uses a SaaS model to connect all parties in the logistics ecosystem and facilitate the full range of shipping transactions.
SaaS deployment gives Transwide and its customers important benefits not available with previous installed-software offerings

- Faster, easier, cheaper to roll-out than competitors’ installed-software products
- Additional transport modules available without installing new software -- driving greater adoption of add-on modules
- Immediate connections among all transport partners -- eliminating former need to establish individual links between parties
The SaaS model has created network effects and driven rapid growth

45000+ users

Jan 11 Feb 07 Mar 07 Apr 07 May 07 Jun 07 Jul 07 Aug 07 Sep 07 Oct 11 Nov 11 Dec 11 Jan 12 Feb 12 Mar 12

5000+ carriers

Jan 07 Feb 07 Mar 07 Apr 07 May 07 Jun 07 Jul 07 Aug 07 Sep 07 Oct 07 Nov 07 Dec 07 Jan 08 Feb 08 Mar 08 Apr 08 May 08 Jun 08 Jul 08 Aug 08

76% use Transwide every day

Number of shippers and carriers doubled since 2006

One third of carriers have relationships with four or more shippers

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

Conventional enterprise software: multiple versions / customization

SaaS: single, unified platform

Wolters Kluwer’s Customer Insight Process
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?