

Bridging Eastern Europe

Information Industry
Dynamics

Rolv Eide - CEO
Wolters Kluwer Legal, Tax &
Regulatory Europe

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Agenda

- Wolters Kluwer in Eastern Europe
- A Deeper Dive Into Eastern European Market
- The Right Moment? Lessons Learned



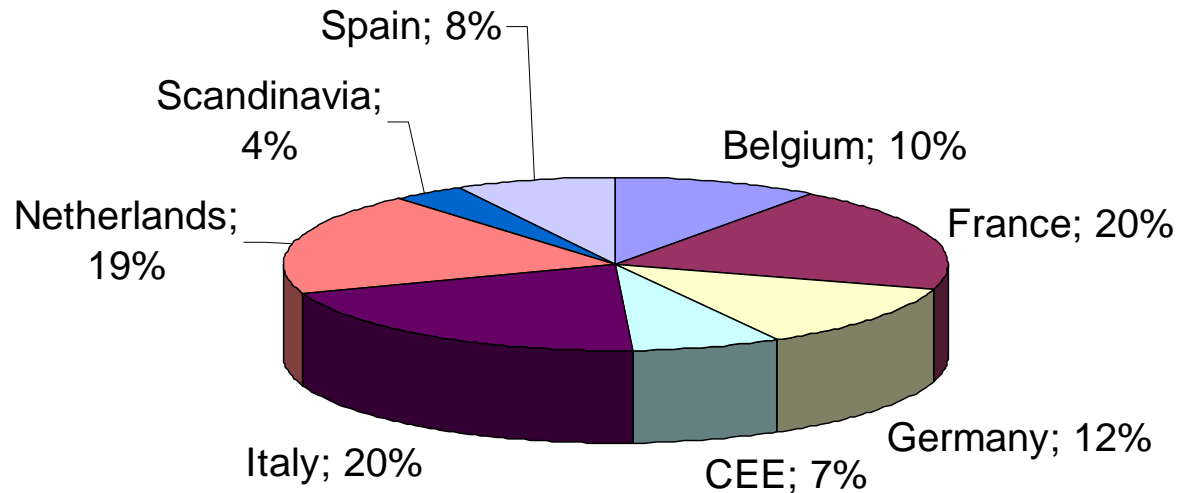
About Wolters Kluwer Globally

- Global information services and publishing company
- Leading positions in core markets: health, tax, accounting, corporate, financial services, legal, and regulatory
- Revenues of €3.4 billion, with 50% from online
- Market Capitalization approx €5.5 billion
- Euronext listed (AEX index)
- Approximately 19,500 employees in more than 33 countries

The Professional's First Choice

Provide the information, tools, and solutions to help professionals make their most critical decisions effectively and improve their productivity

Wolters Kluwer Legal, Tax & Regulatory Europe Present in 18 Countries

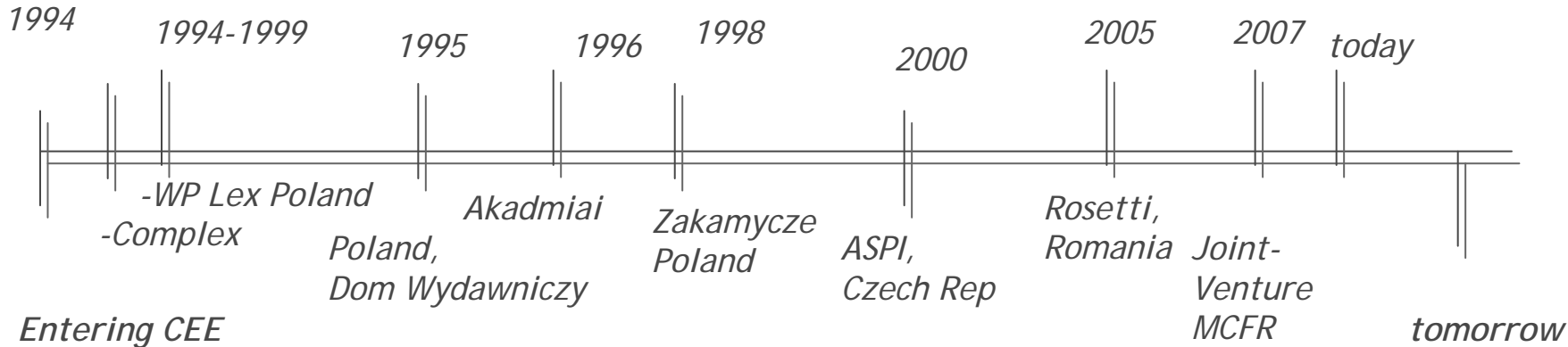


Key Brands/Customers LTRE

- A3 Software, ASPI, Carl Heymanns, IPSOA, LA LEY, Lamy, Luchterhand, Kluwer, Norstedts Juridik, Teleroute
- Corporations, governments, professionals in: legal, tax and accounting, human resources, public and government administration, health, safety, and environment, and transport

LTRE Revenues of €1,249m, representing approx. 37% of total Wolters Kluwer revenues (2007)

Wolters Kluwer in Eastern Europe



- Main Brands such as ABC, ASPI, CompLex, Iura, Lex, Oficyna, Wolters Kluwer Poland, Wolters Kluwer Romania, Wolters Kluwer Russia (joint-venture MCFR)
- Worldwide experience with main target groups: lawyers, accountants, notaries, judges, HR, and the public sector as provider of further integrated and software solutions
- Biggest legal and accountancy content provider in Europe

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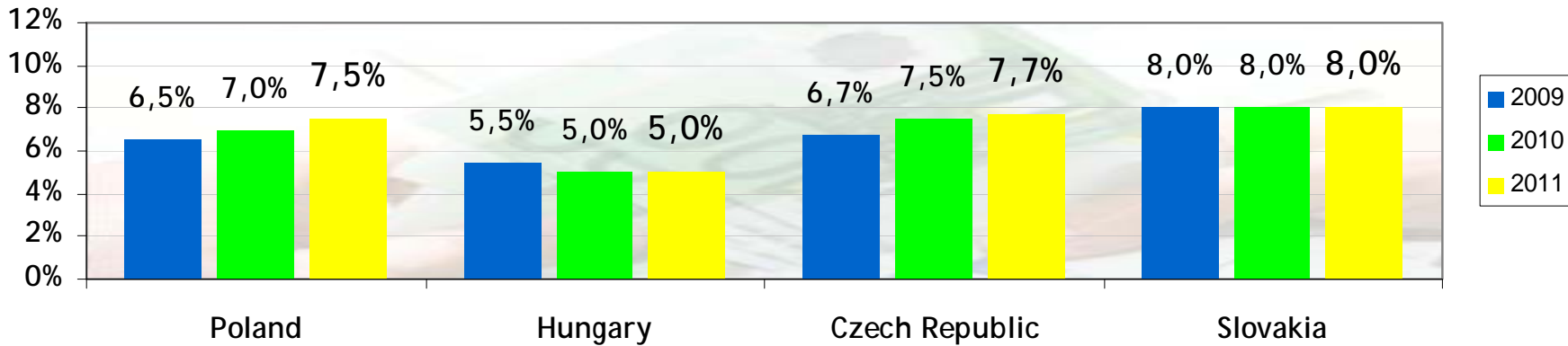
Macro-Economic Key Figures Eastern Europe

Economic Environment 2006/08	GDP Average Growth Rates (%)		Unemployment Rates (%)			Inflation Rates (%)		
	'04-'07	'08-'11	2009	2010	2011	2009	2010	2011
Romania	6,2	4,7	4.3	4.1	3.7	4.5	3.6	3.2
Russia	7,3	6,0	6.6	6.5	6.3	10.5	8.5	7.5
Poland	5,4	4,6	8.6	8.0	7.5	3.4	2.8	2.5
Czech Republic	6,0	4,7	6.1	5.8	5.8	3.7	2.9	2.5
Slovakia	7,7	6,1	7.5	7.6	7.2	3.7	3.0	2.8
Hungary	3,5	3,4	7.1	7.1	7.2	3.4	2.7	2.4

Source: Corporate Network, EIU

Macro-Economic Key Figures - Continued

Macro-Economic Development of Wages in EE 2009 - 2011



Macro-Economic Key Figures - Continued

Comparables EE vs Germany	CZ	HU	PO	Ro	RU	SLO	GER
GDP (\$ in billion)	124	109	303	98,6	764	46,4	2,795
GDP per Head (in \$)	12,190	10,820	7,880	5,330	8,590	8,590	33,800
Mobile Phone usage per 100 people	115.2	92.3	75.7	61.8	83.6	84.1	95.8
Computers per 100 people	24.0	15.0	19.1	11.3	12.1	37.5	54.5
Internet hosts per 1000 people	147.3	116.5	129.9	53.9	16.4	90.0	158.3

Comparison Eastern Europe to Germany
Source: The Economist - 2008

Market Dynamics in Eastern Europe

Macro

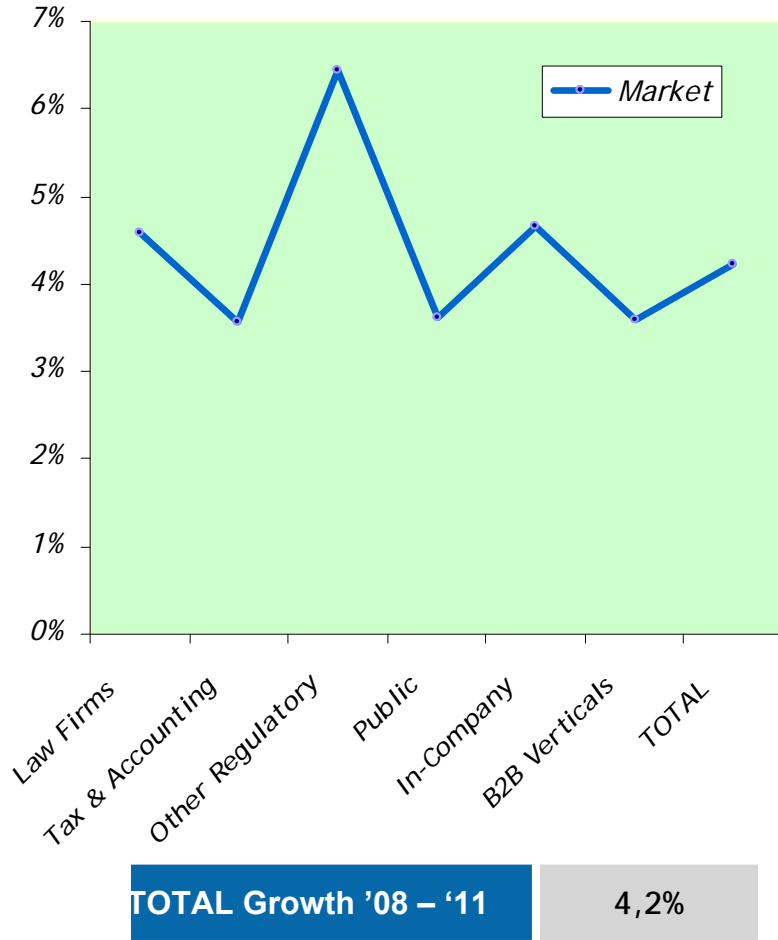
- Differentiated macro economic picture by country
- Growth is promising, especially compared to Western Europe
- Differences between maturity levels in markets EE countries
- Possibility of risk of recession when encountering overheated economy
- High economic growth lead to shortage of work force & pressure on salaries mainly in capital cities

Micro

- Competition is strengthening with new & traditional players - low price offers
- Customers expect higher added value products

Market Growth

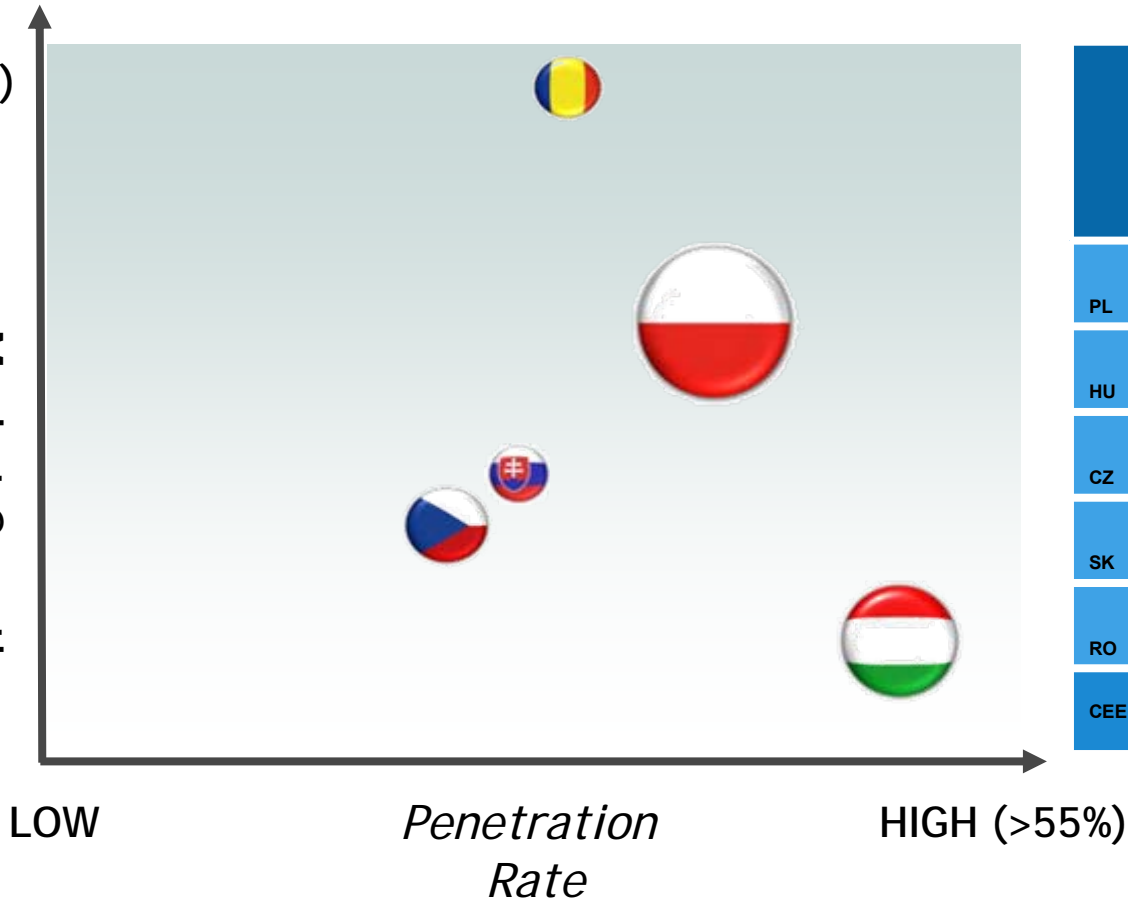
Market Growth CEE



Market vs. WKCE Growth 2009 - 2011

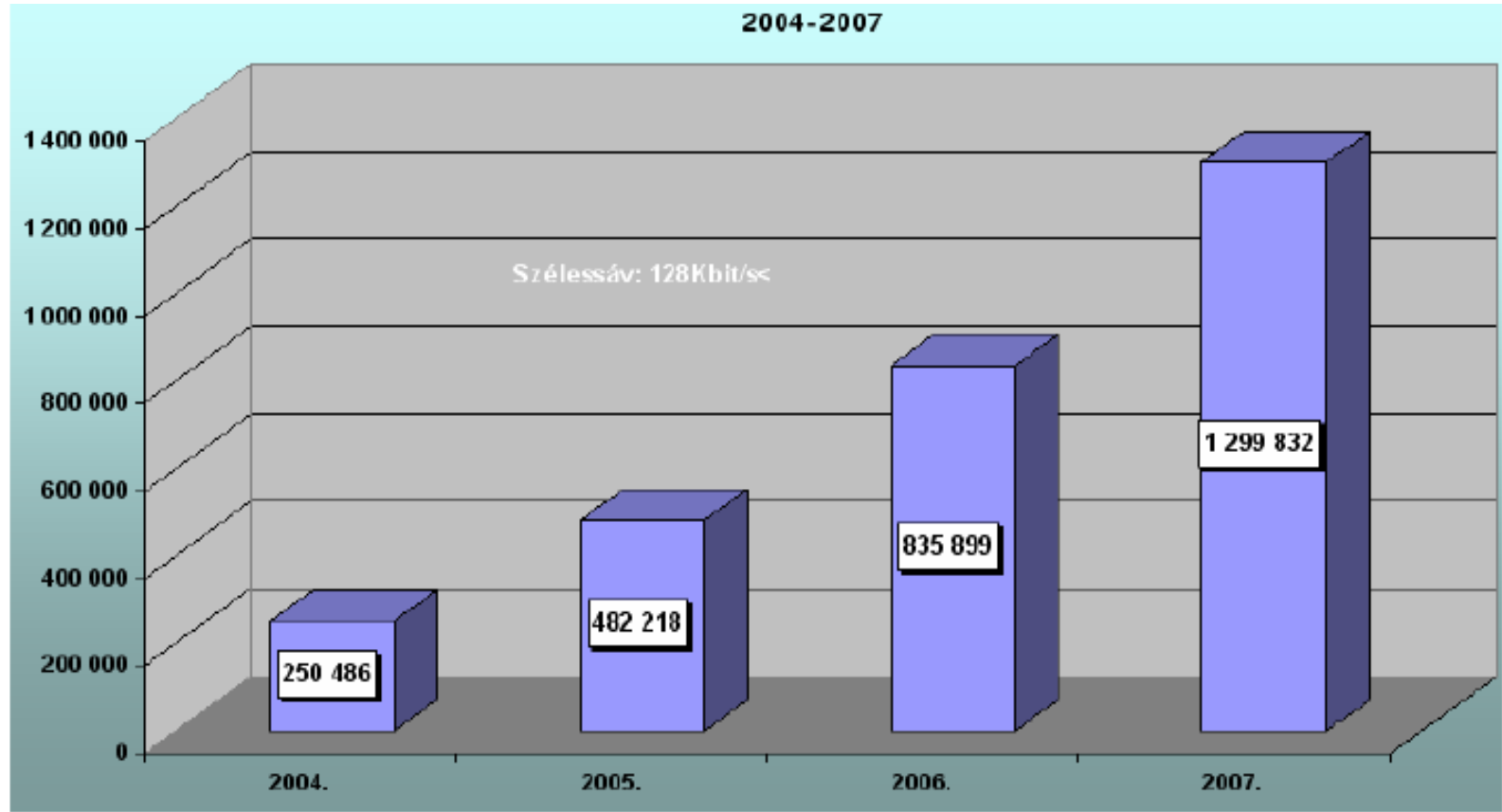
HIGH
(>10%)

Market Growth



	Market Growth 08 → 11	WKCE Growth 08 → 11
PL	5,5%	8,3%
HU	0,7%	5,8%
CZ	2,5%	6,0%
SK	3,0%	6,1%
RO	11,8%	22,1%
CEE	4,2%	6,4%

Broadband Internet Subscriptions Evolution in Hungary

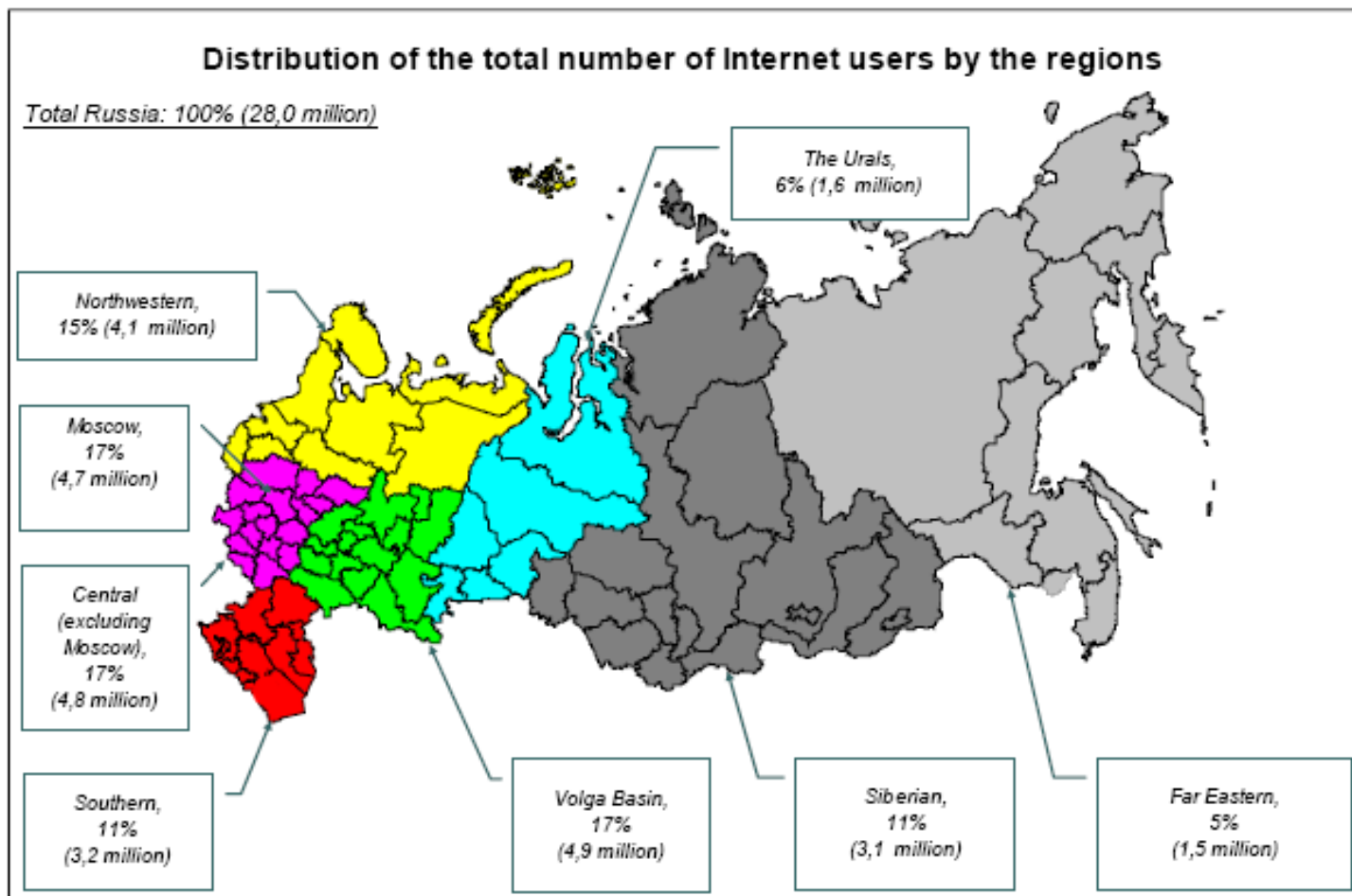


Source: National Telecommunication Authority website, 'Broadband Access Situation in Hungary' (2007) - overview 2004-2007; <http://www.nhh.hu/dokumentum.php?cid=14769>

Some Internet Facts on Russia

- Russia Has Fastest Growing Internet Population in Europe - up 27 percent to 17.5 million visitors, followed by France (up 21 percent to 31.5 million visitors), Spain (up 15 percent to 16.2 million visitors), and Ireland (up 15 percent to 1.6 million visitors). In the USA the growth rate is -2 percent.
- The total number of European Internet users grew 8 percent during the past year to 241.8 million visitors in June 2008.
- U.K. Internet users spent the greatest amount of time online, averaging 28.5 hours per user per month, while German Internet users recorded the most page views, averaging 2,906 pages per visitor. Russia ranked near the bottom in terms of page views.

(source: Comscore, Aug 27, 08)



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- Why Eastern Europe?
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Direction of Eastern European Publishing Markets

- High % of electronic products compared to print
- Increase of vertical information to higher integration in customer workflow
- Growing demand for tailored solutions with added-value for specific customer segments
- Improving communications infrastructure increase high potential online information products
- Continuing stream of new legislation; legal system stabilizes, more attractive jurisprudence; trend to high quality products

...Remaining Competitive - Verticalization

Status Quo

- Large horizontal databases offered
- Partly low differentiation
- High market coverage

Verticalization Benefits

- Up- & Cross-Selling opportunities
- Adding customer value
- Further differentiation

Activities

CZ - Vertical ASPI

- Vertical versions for Gov ASPI, FirmASPI
- Notaries
- Tax office

PL - Vertical electronics

- E-learning
- Software
- Leonardo

HU - Vertical Jogtar

- New modules
- Plus generation
- Premium plus generation



Lessons Learned - Overcoming Challenges to Grow in Eastern Europe

■ Challenges:

- Local competition
- Necessity of speed
- Integration within own company and culture - active interaction of key management with key personnel

■ Learning Curve:

- Central and Eastern Europe is NOT 1 entity; each country has its unique characteristics and is best understood and managed supported by local involvement
- Cultural differences/need for bridging business culture West and East

- Entering new and emerging markets requires a realistic and granular business approach



Key Take-aways

The Macro Economic Outlook is still Pointing toward Continued Strong Growth

The Volume of New Legislation as well as Other Regulatory Requirements is Expected to Remain High

A Relative much Stronger Growth of Electronic vs Print

Increase of Vertical Information Leads to Higher Integration in Customer Workflow

Customer Relationships Key to Providing Essential Features/ Functionality, Keeping Cultural Differences into Account

Long-term Commitment to Investments in Eastern Markets to Increase Leading Professional Publishing Positions



The Professional's First Choice

Provide information, tools,
and solutions to help
professionals make their
most critical decisions
effectively and improve
their productivity