



# Wolters Kluwer Corporate Legal Services

---

**Investor Seminar**  
June 3, 2013 | London



**Wolters Kluwer**  
When you have to be right

# Forward-looking Statements

*This presentation contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties, that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions, conditions in the markets in which Wolters Kluwer is engaged, behavior of customers, suppliers and competitors, technological developments, the implementation and execution of new ICT systems or outsourcing, legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions and divestments. In addition, financial risks, such as currency movements, interest rate fluctuations, liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

# Welcome



## Richard Flynn

Group President and CEO

Wolters Kluwer Corporate Legal Services



## Sandeep Sacheti

Vice President, Customer Insights & Operational Excellence

Wolters Kluwer Corporate Legal Services

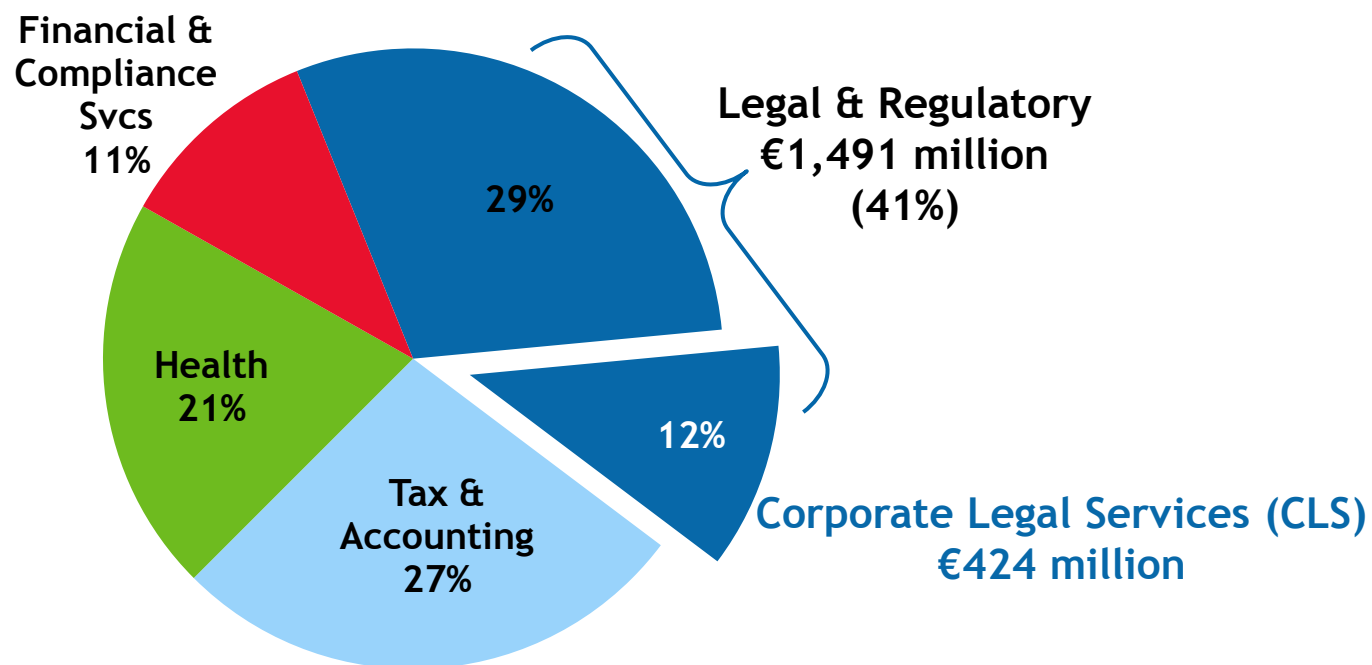
# Agenda

- Richard Flynn:
  - ▶ CLS in Context of Wolters Kluwer
  - ▶ Overview of Corporate Legal Services
  - ▶ Legal Dynamics and CLS Growth Strategy
  
- Sandeep Sacheti:
  - ▶ Harnessing the Power of Big Data
  
- Q&A

# Wolters Kluwer Portfolio

*Corporate Legal Services Contributes 12% of Revenue*

Wolters Kluwer FY2012  
Revenues €3,603 million



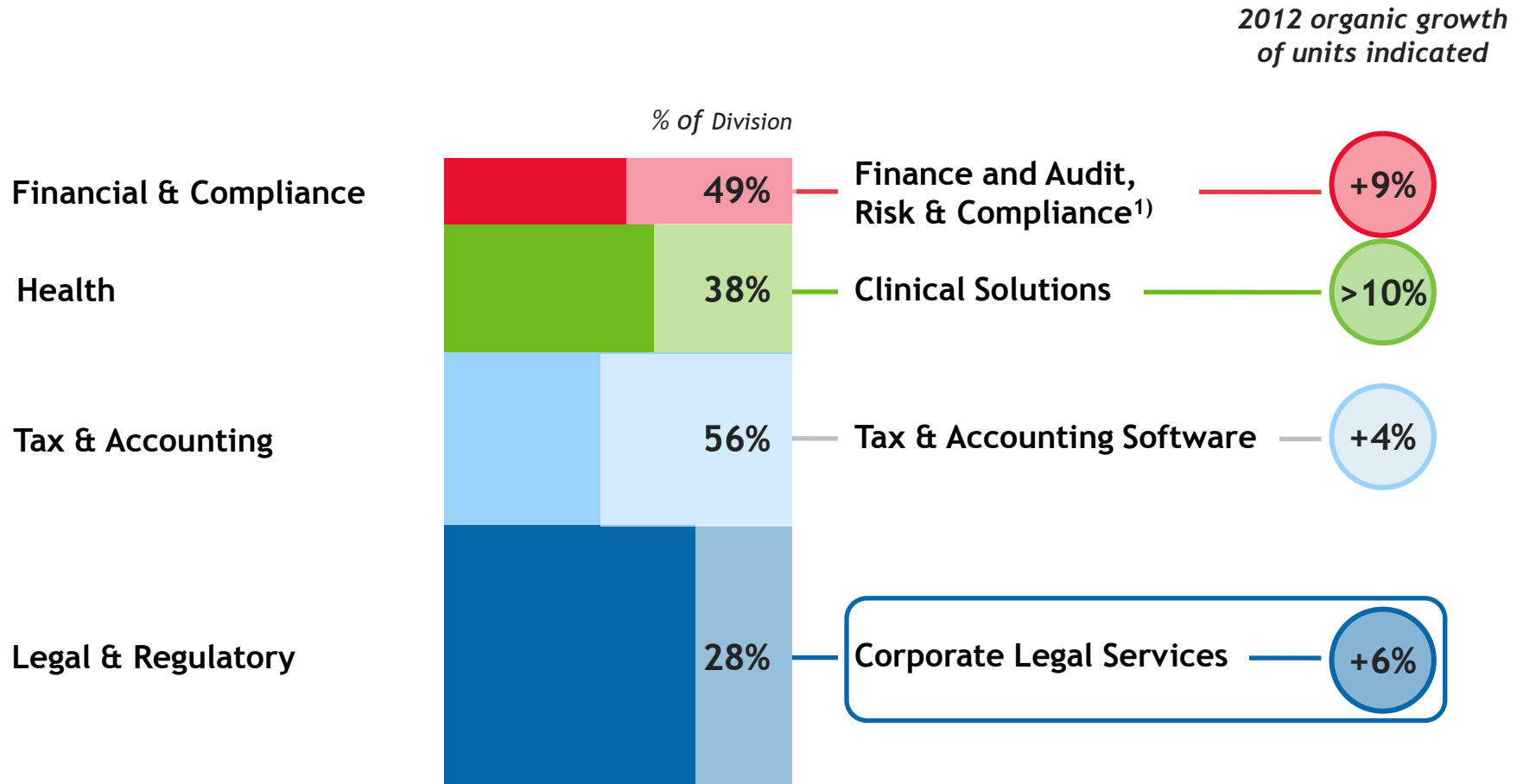
# Wolters Kluwer Strategy

*Our Strategy Aims to Accelerate Profitable Growth*



# Leading, High-Growth Positions

## Corporate Legal Services: Key Growth Area



<sup>1)</sup> Includes the Finance, Risk & Compliance and Audit, Risk & Compliance units within the F&CS division

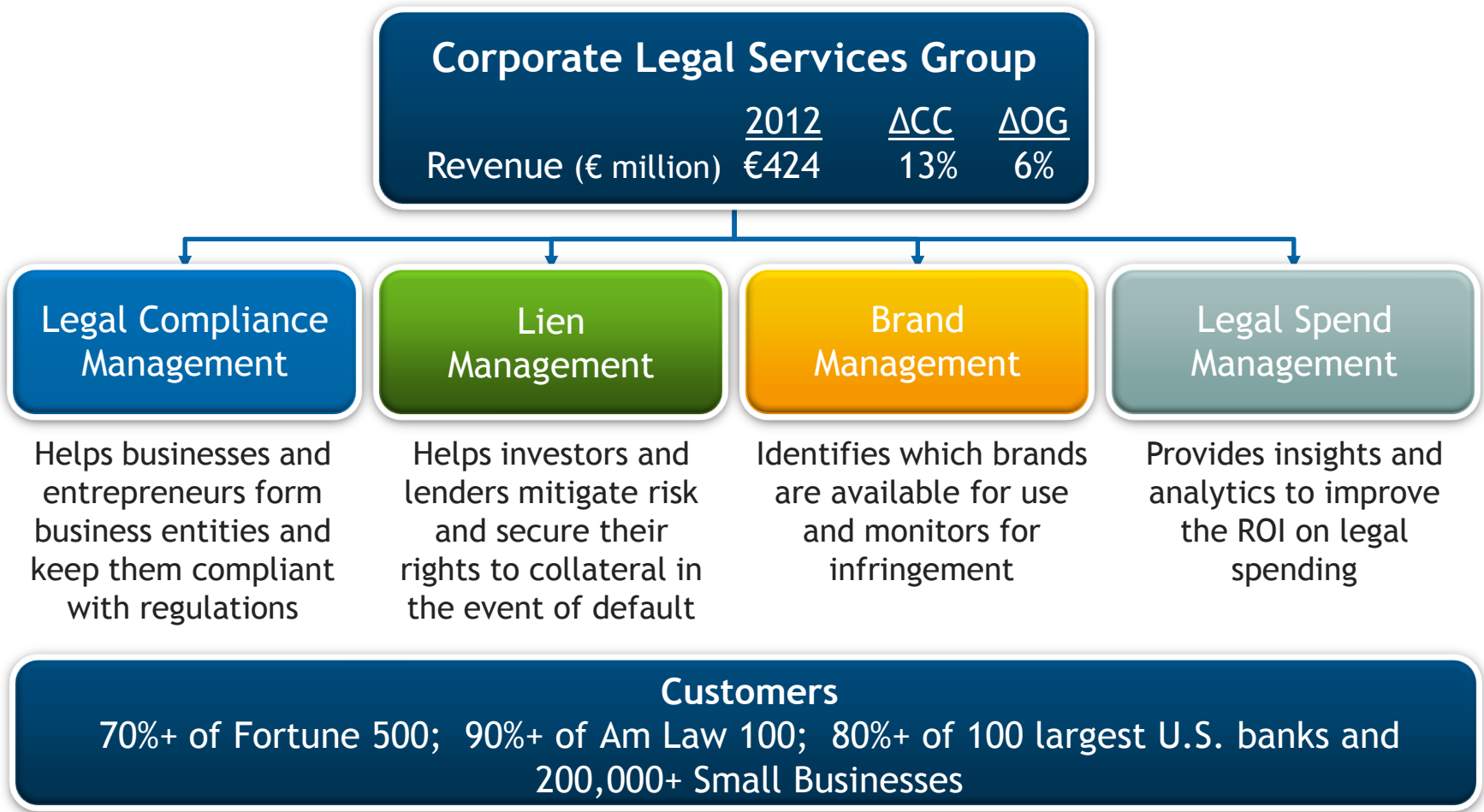


# Overview of Corporate Legal Services



# Corporate Legal Services Group

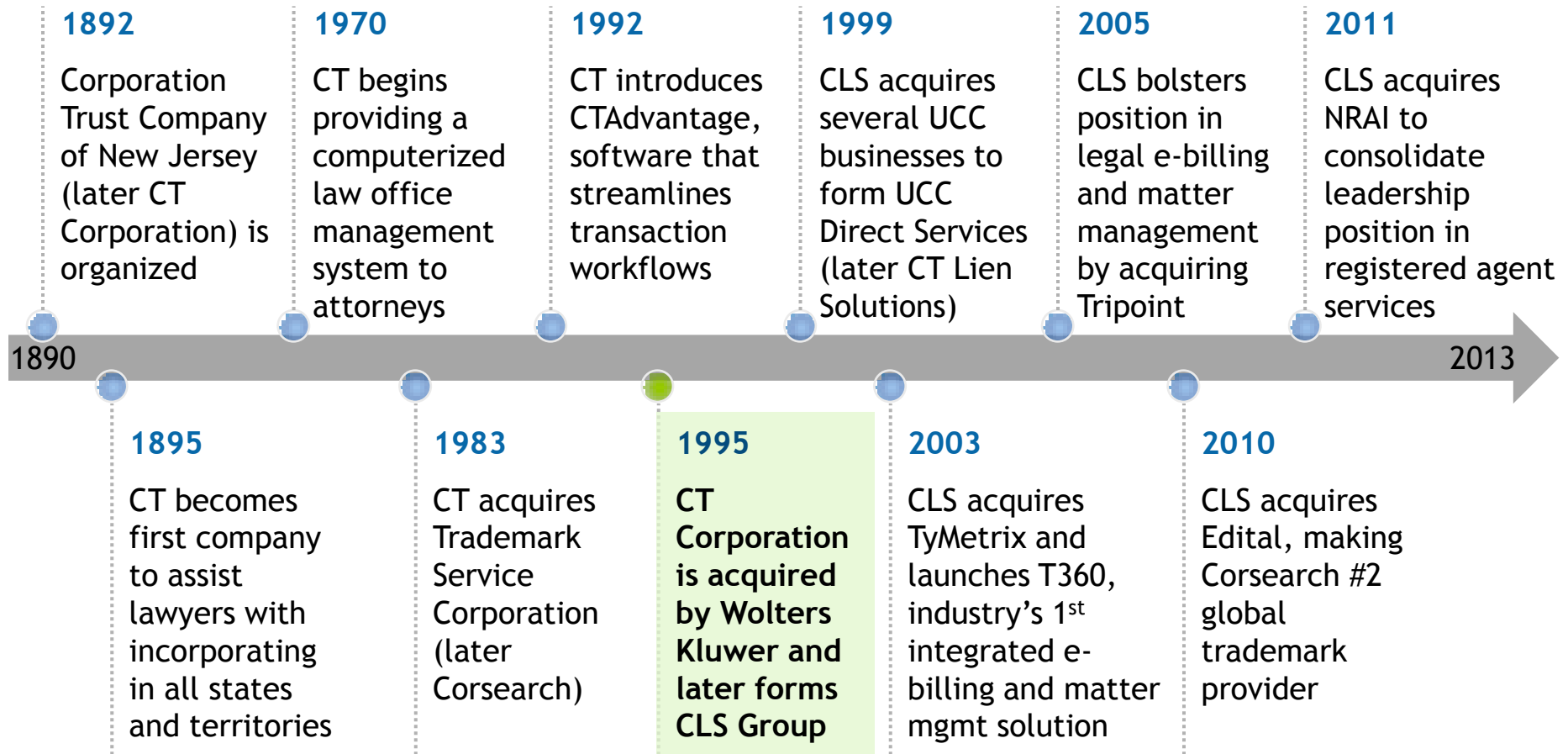
## Portfolio Overview



ΔCC % change in constant currencies (EUR/USD 1.39); ΔOG % Organic Growth

# Corporate Legal Services History

## *A Rich History of Leadership*



# Market Overview

*Strong Market Leadership*



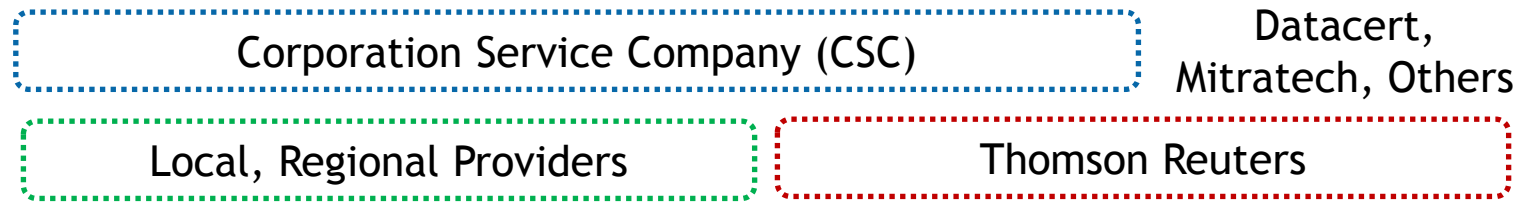
## Market Position

#1 Registered Agent	#1 in UCC Search & Filing	#2 Trademark Research	#1 Legal e-Billing Software
---------------------	---------------------------	-----------------------	-----------------------------

## Leading Brands



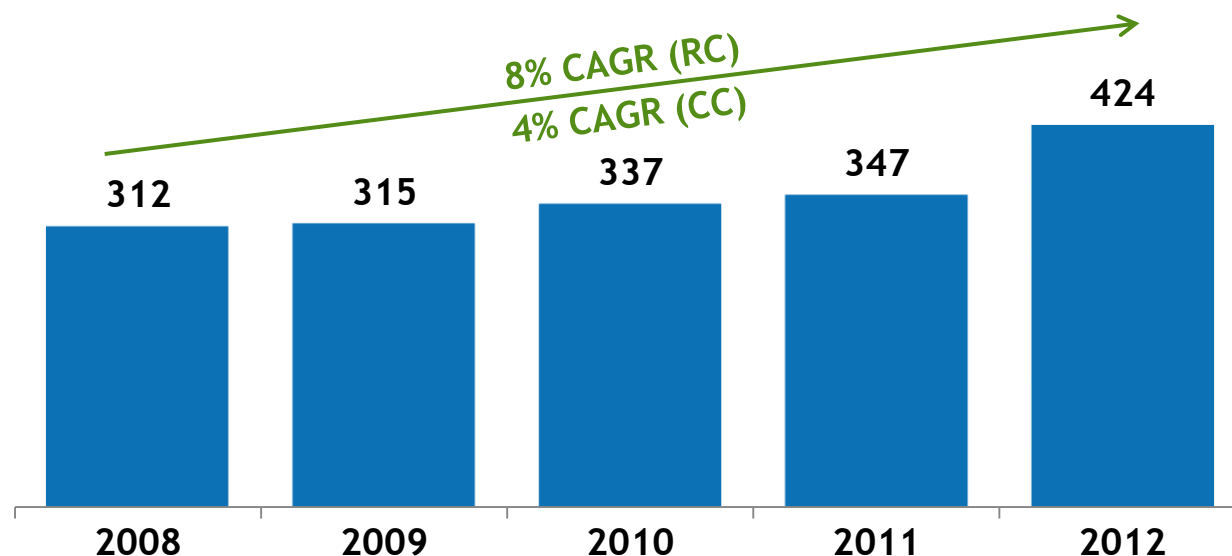
## Major Competitors



# Strong Revenue Growth

*Organic Growth Momentum*

CLS Revenues (€ million)



## Organic Growth

Total CLS Revenue	-3%	-4%	+4%	+6%	+6%
Transactional Revenue	-10%	-11%	+12%	+12%	+9%

*Ordinary EBITA Margins Above Wolters Kluwer Average*

RC: reporting currencies; CC: constant currencies

# Revenue Drivers & Profile

*Economic Resilience; Substantial Recurring Revenues; International Expansion Opportunity*

## Demand Drivers

### Economic Activity

- Business Formation & Expansion
- Mergers & Acquisitions
- Commercial Lending
- New Product Development
- Foreclosures

### Business Activity

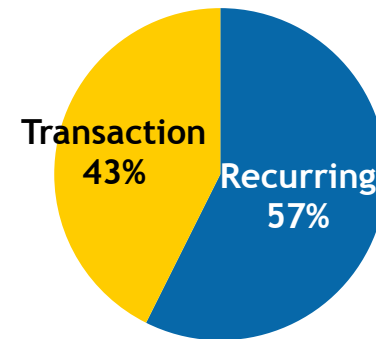
- Globalization
- Outsourcing
- Litigation

### Government Activity

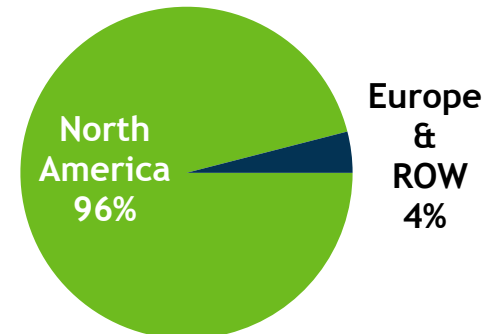
- Regulation
- Tax Incentives

## Revenue Profile

### 2012 Revenue by Type

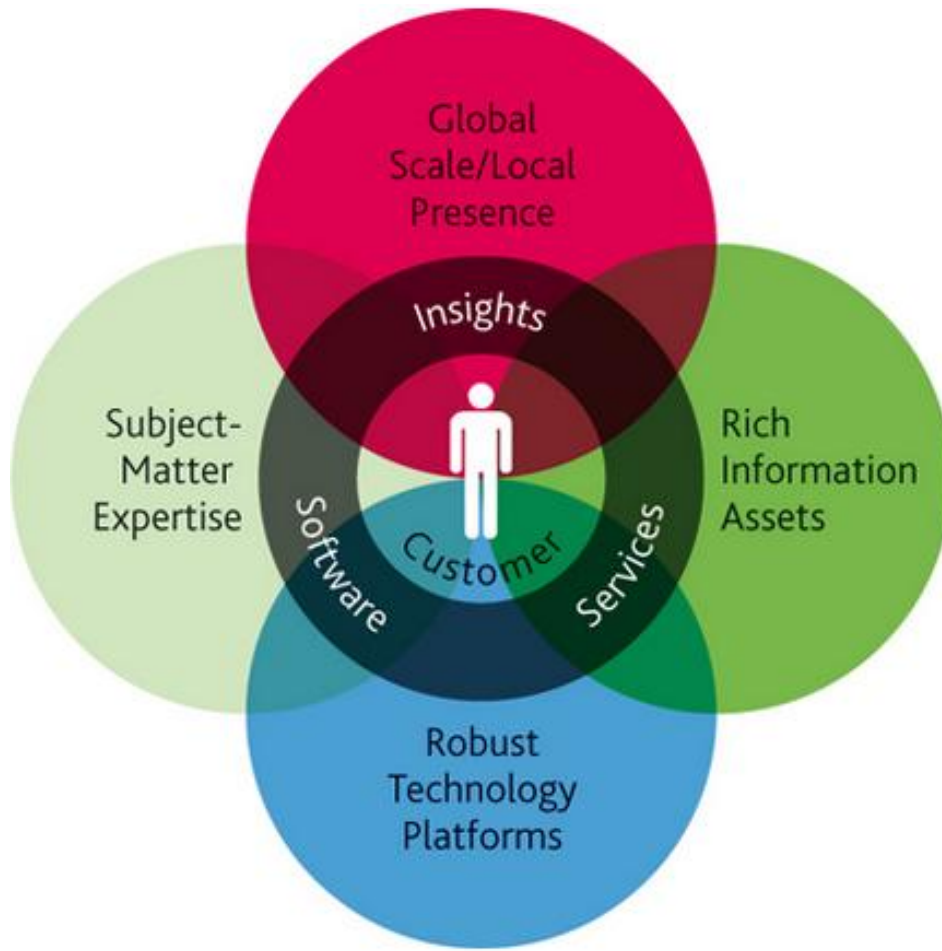


### 2012 Revenue by Geography



# Competitive Advantage

*Difficult-to-Replicate Value Bundle*



- Subject-matter authority
- Personalized service
- Deeply embedded in “mission-critical” customer workflows
- Long-standing customer relationships

# CT Corporation

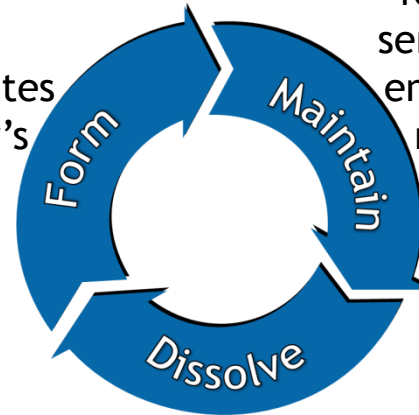
*Helping Businesses Maintain Good Standing*

## Customer Need

- Consumer goods manufacturer (Company) would like to enter U.S. market
- Company engages a U.S. law firm to assist with the market expansion effort
- Company lacks any knowledge of U.S. law and is seeking a reliable partner to ensure ongoing compliance

## CLS Solution

- 1 U.S. law firm uses CT Corporation to register the company with Secretary of State offices and designates CT as the Company's registered agent
- 2 CT Corporation files required government forms and forwards service of process to ensure the company remains compliant
- 3 If the company is acquired, merged out or ceases to conduct business, CT Corporation assists in making sure it's done right



# CT Lien Solutions

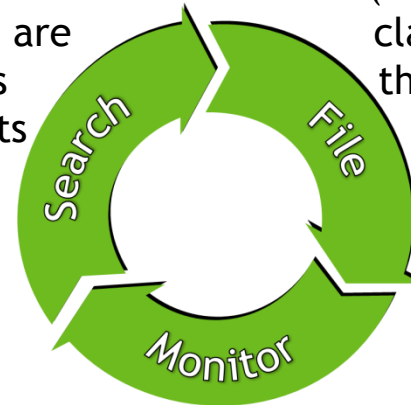
## Mitigating Risk in Secured Lending and M&A Deals

### Customer Need

- U.S. bank (Lender) wants to extend a \$50 million loan to a large food producer (Borrower)
- Borrower is pledging farm equipment and receivables as collateral for the loan
- Lender needs to secure its rights to borrower's assets in the event of default

### CLS Solution

- 1 Lender uses CT Lien Solutions to search state/county records to determine if there are any existing claims (liens) on the assets
- 2 Lender files an original financing statement (UCC-1) to secure its claim to the asset in the event of default



- 3 CT Lien Solutions monitors lien to ensure lender's claim remains valid for life of loan



# Corsearch

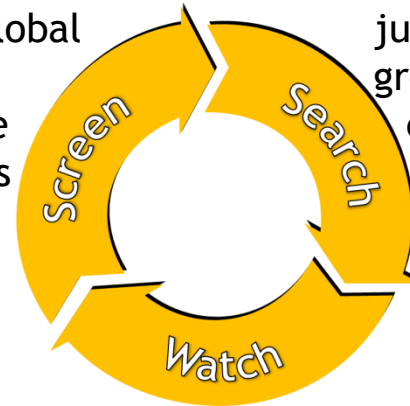
## Clearing and Protecting Brands Globally

### Customer Need

- Large Toy Manufacturer is planning a new product launch and wants to make sure the brand is legally available for use globally
- Key to the future success of the company, it is also imperative that the brand not be infringed throughout its useful life

### CLS Solution

1 The company leverages Corsearch Screening to perform a quick, online search of global data sources to initially determine whether a brand is available for use



2 Corsearch performs more comprehensive searches in targeted jurisdictions to provide greater confidence and evidence of a brand's availability for use

3 Corsearch watches the company's brands after they are registered to ensure they are not being infringed upon

# TyMetrix

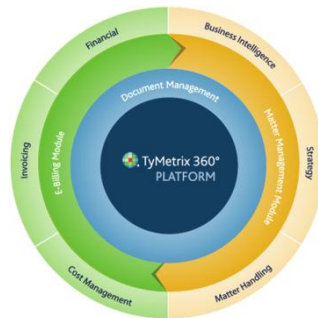
## Driving Legal Market Efficiency Globally

### Customer Need

- U.K.-based entertainment company wants to only work with law firms that are truly dedicated to their needs
- The company desires improved value-for-price and is interested in making holistic changes to accomplish this objective (not short-term discounts)

### CLS Solution

- 1 The company implements TyMetrix T360 to capture and gain visibility into law firm invoice data and to manage matters more effectively
- 2 The company uses its new found insight to reduce its law firm panel by 50% and determines which firm would provide the most value by matter
- 3 The company leverages legal analytics benchmark data to renegotiate fees and move toward fixed fee relationships in three years

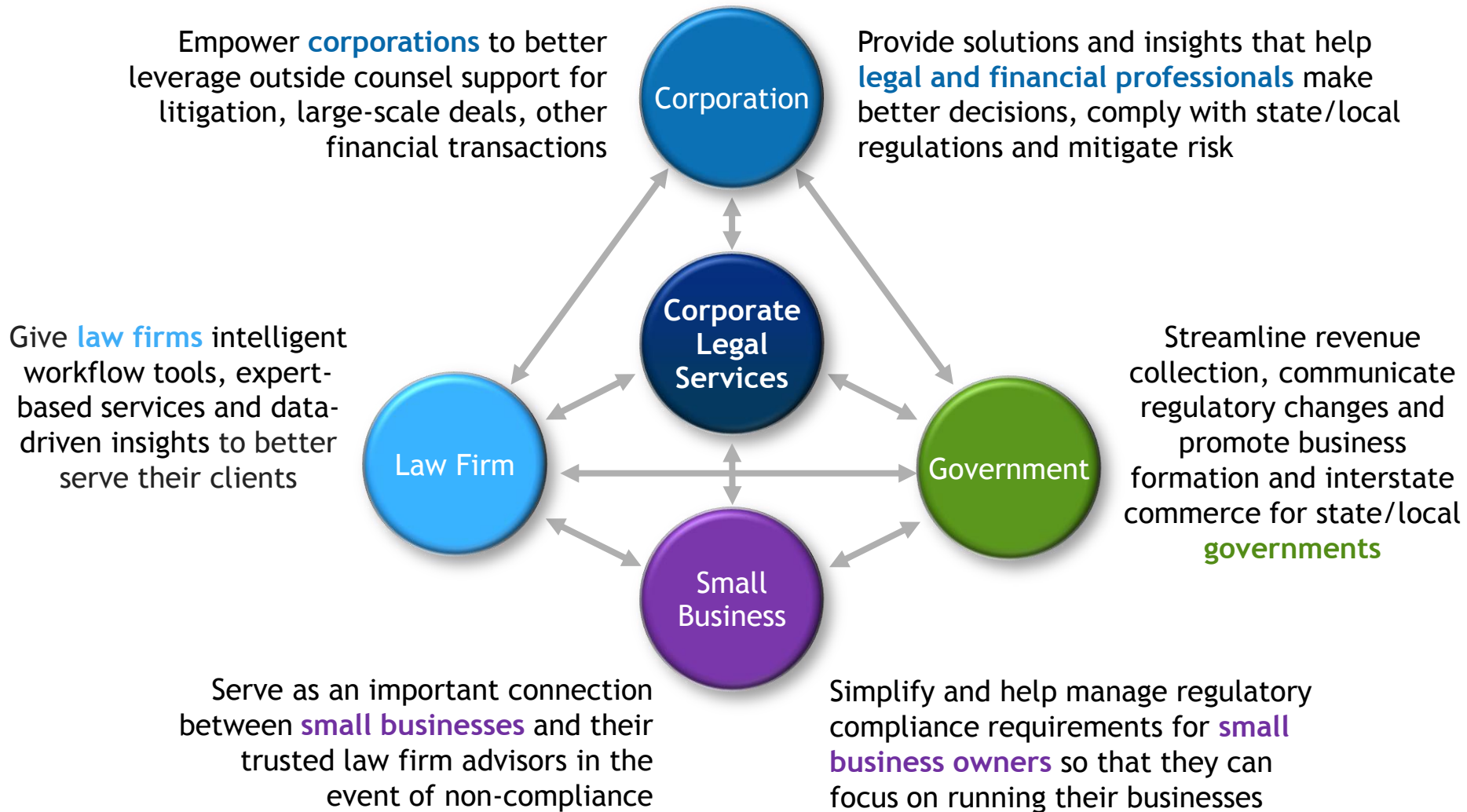


transform raw numbers  
into meaningful **INSIGHT**  
with TyMetrix 360\*



# Connecting the Legal Community

*Where Legal Compliance, Business and Law Intersect*





# Legal Dynamics and CLS Growth Strategy

# Legal Services Market Dynamics

## Market Disruption

*Q. Which of the following legal market trends do you think are temporary and which will be permanent?*

<u>YES - PERMANENT TREND</u>	<u>2009 Response</u>	<u>2011 Response</u>	<u>2013 Response</u>
More price competition	42.4%	89.6%	95.6%
More non-hourly billing	27.9%	74.9%	79.5%
More contract attorneys	28.3%	59.6%	74.6%
Fewer equity partners	22.8%	68.4%	72.1%
Smaller first-year classes	11.4%	39.6%	62.2%
Lower PPP/Slowdown in PPP	13.2%	15.6%	55.6%
Outsourcing legal work	11.5%	41.1%	46.4%

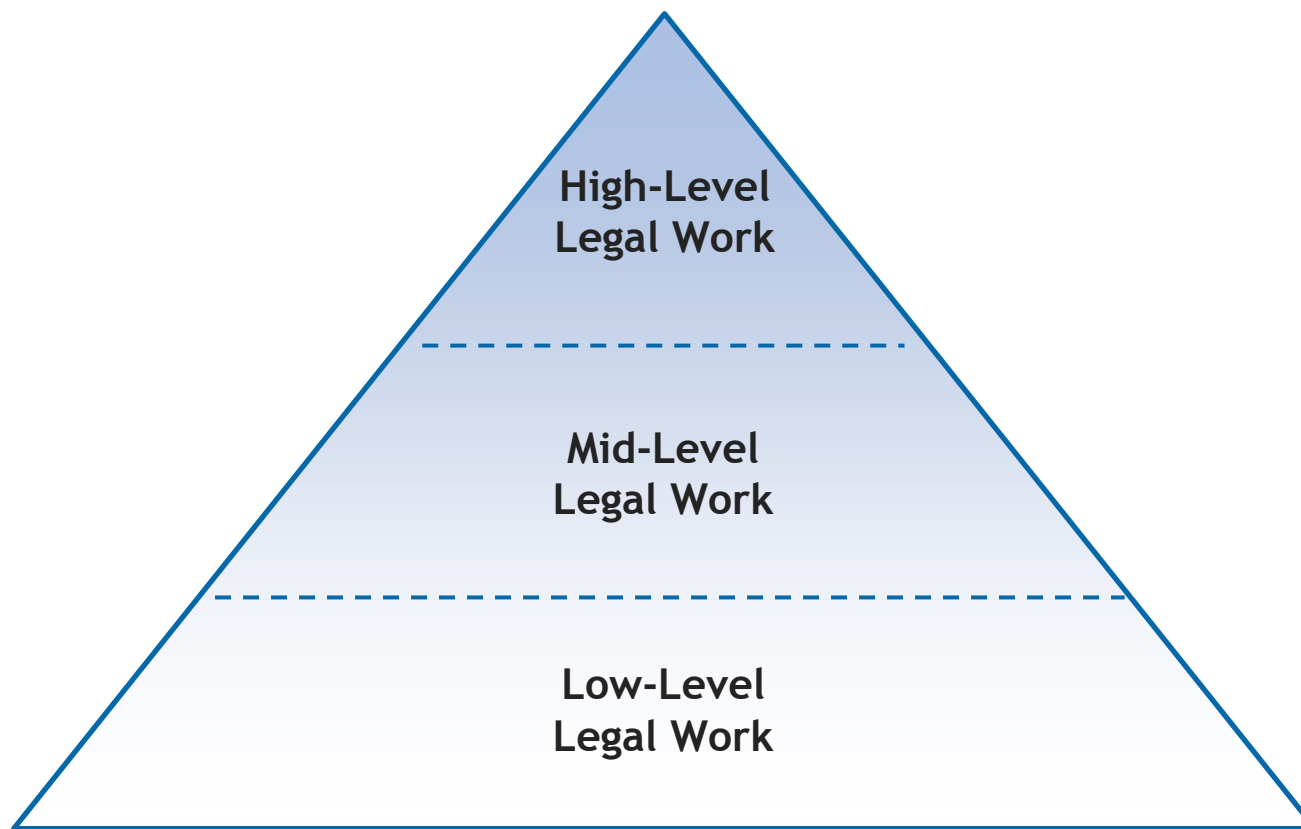
PPP = Profits per Partner

Sources: Law Firms in Transition 2013, Altman Weil; Law Firms in Transition 2011, Altman Weil Survey

# Legal Services Market Dynamics

*Unprecedented Opportunities for Service Providers*

## Global Corporate Legal Services Market

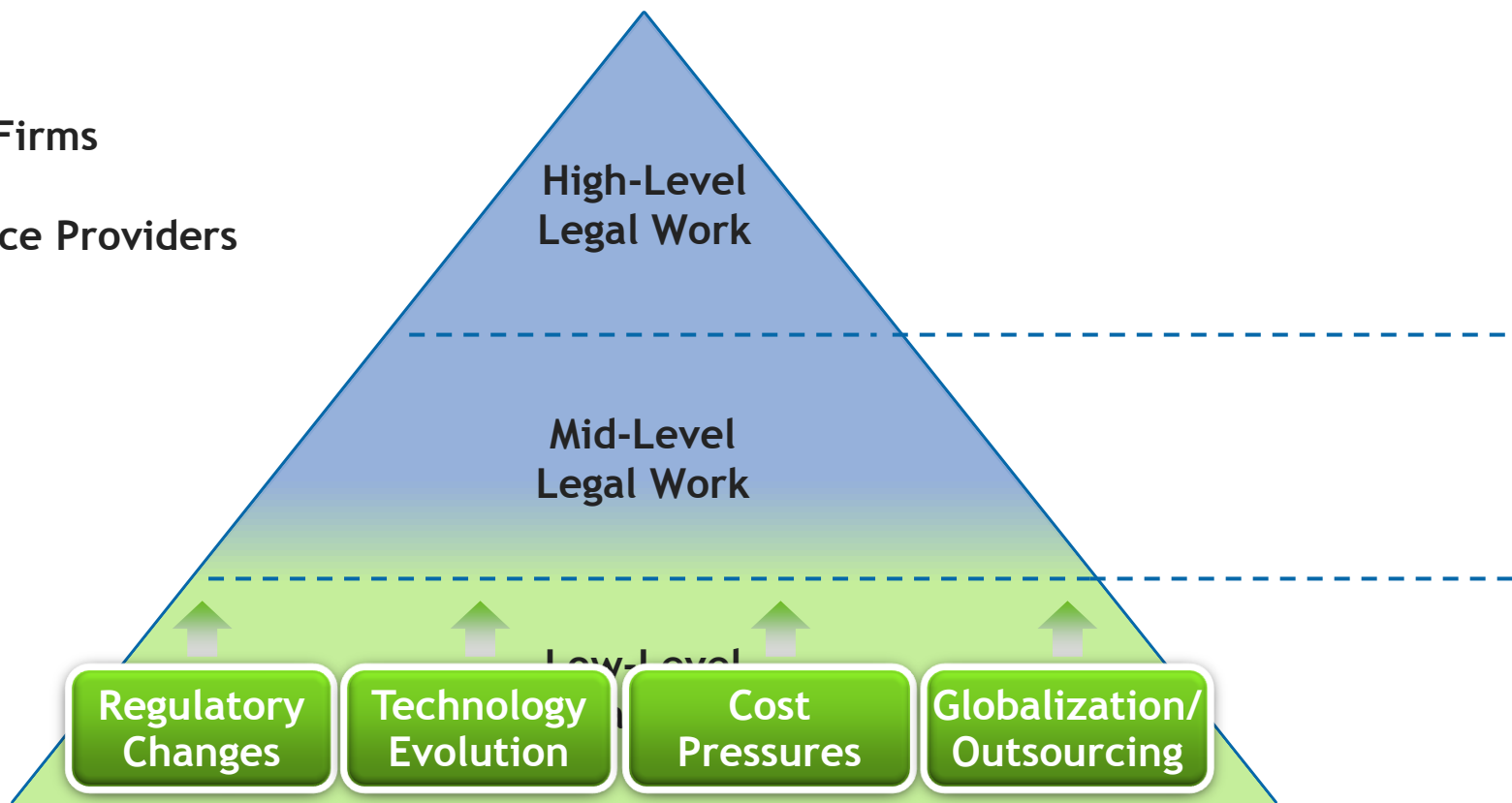


# Legal Services Market Dynamics

*Unprecedented Opportunities for Service Providers*

## Global Corporate Legal Services Market

- Law Firms
- Service Providers



# CLS Growth Strategy

*Grow Leadership Positions & Enter New Markets*

## Protect and Grow the Core

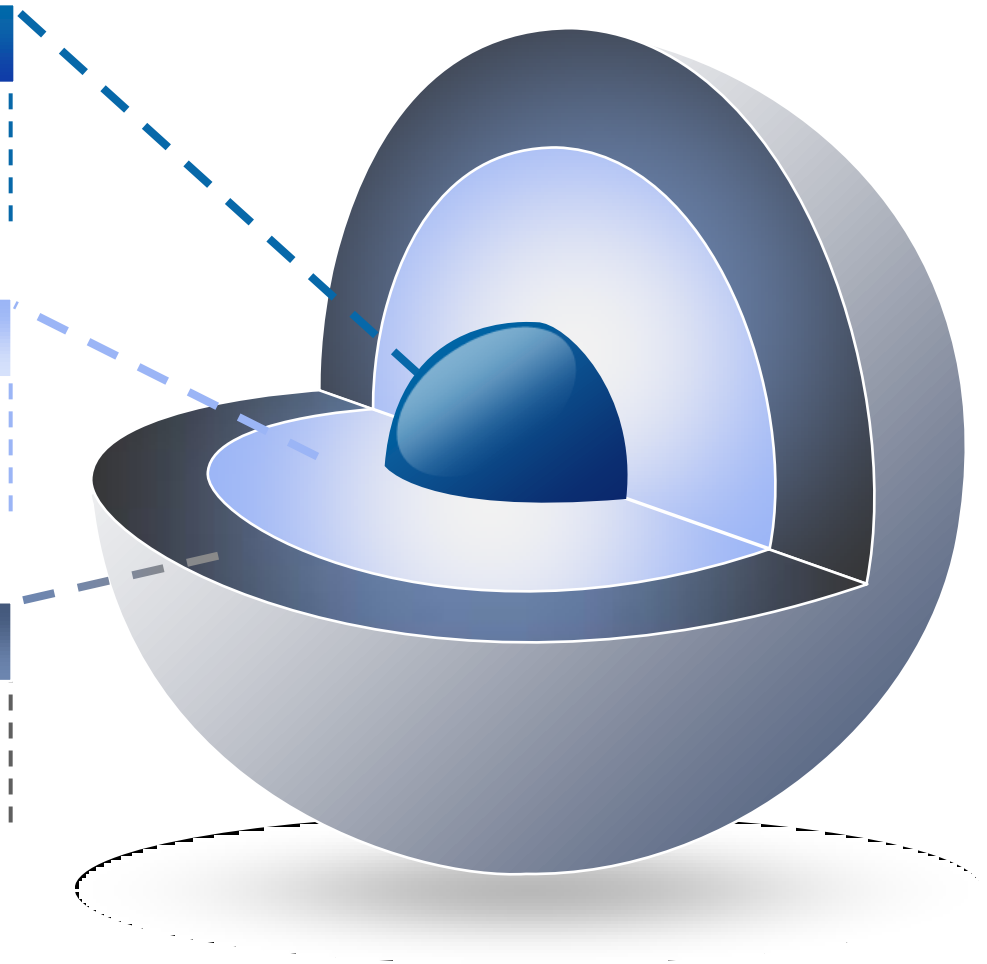
- Grow Share of Wallet
- Drive Operational Efficiencies

## Expand Into High-Growth Markets

- Extend into Product Adjacencies
- Expand Internationally (EMEA)

## Innovate Using Big Data

- Develop Segment-Specific Strategies
- Create New Business Models





# Drive Operational Efficiencies

*Mission Critical: Service of Process*

## Large Scale Operation

- Service of Process (SOP): delivery of a writ, summons, or other legal papers to the person required to respond to them<sup>1</sup>
- CT Corporation receives and reviews 15,000 service of process every day
- We determine the legal response required and route to responsible individuals



## Mission Critical Service

<sup>1</sup> Source: <http://legal-dictionary.thefreedictionary.com/Service+of+Process>

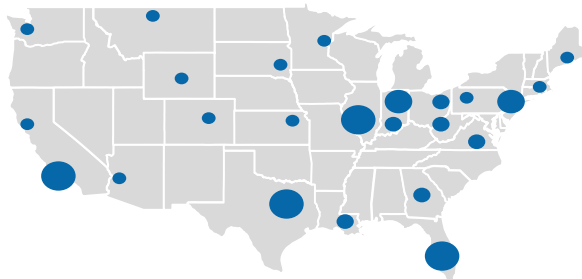
# Drive Operational Efficiencies

## Core Process Redesign

We recently transformed our service of process handling process to enhance the customer experience and create incremental investment capacity to fund growth

### Yesterday

*50 locations*



### Going Forward

*4 specialized locations*



### Opportunity

- Stellar quality but speed and cost could be improved
- Comprehensive coverage but did not scale well

### Benefits

- Improved delivery time and scalability with central processing
- Created incremental investment capacity to fund growth

# Drive Operational Efficiencies

Core process redesign also identified significant opportunity to increase volumes, delight customers and preserve our premium value

## Strong Customer Response

### Efficiency / Productivity

- Saves customers time and money

“I would love it if CT could take over our garnishment P.O. Box. It would free up staff time and stop a lot of overtime.”

- *Payroll Lead, Major Retailer*

3x

### Risk Mitigation

- Timely routing based on risk profile and client workflow

“I prefer that SOP is served on CT because CT takes care of getting it to right person.”

- *AGC, Top 5 Bank*

13x

### Quality / Consistency

- All legal documents can be managed effectively

“I like CTAdvantage for managing SOP - its very easy to use.”

- *Attorney, Financial Institution*

0.6x

**Strategic Fit and Strong Ability to Capture Opportunity**

Current Volume

**2-3X Additional document volume**

- Can be addressed with existing infrastructure/ops
- Allows us to align price with the value delivered

# Extend into Product Adjacencies

*Leveraging a Proven Model in Adjacent Product Categories*

## Lien Management Workflow

Perform Lien  
Due Diligence

File a Lien  
on the Asset

Manage Lien  
for Life of Loan

### UCC Records



C&I Loans Outstanding at  
US Commercial Banks =  
\$1.5+ trillion

### Mortgage Records



Total US Mortgage  
Debt Outstanding =  
\$13+ trillion


### Vehicle Records



Annual US Commercial  
Vehicle Registrations =  
~1.2 million units

# Example: Legal Process Outsourcing

## *Outsourcing Legal Services - Mortgage Assignments*

Customer Need	CLS Solution	Mutual Benefit
<ul style="list-style-type: none"><li>▪ Large global lenders want a more efficient and cost effective way to file mortgage assignments prior to foreclosing on a property</li></ul>	<ul style="list-style-type: none"><li>▪ Enable lenders to utilize iLienRED to prepare, submit and manage their mortgage assignments</li></ul> 	<ul style="list-style-type: none"><li>▪ Dramatically reduced cost for banks to file assignments</li><li>▪ Multimillion-dollar engagement for CT Lien Solutions</li></ul>

**Market pressures on lenders are driving them to service providers to seek more efficient alternatives for legal support services**

# Expand Internationally

## *Edital Acquisition - Lynchpin to European Growth*

Before 2010, Corsearch and Edital were regional players competing against one global service provider



- #2 US trademark research provider
- 15 trademark databases
- Strong US market expertise and Corsearch Advantage platform



- #2 European trademark research provider
- 33 trademark databases
- Strong European market expertise and search automation tools

# Expand Internationally

## *Edital Acquisition - Lynchpin to European Growth*

Today Corsearch is recognized as a premier global trademark service provider, driving strong growth in Europe



- #2 Global Trademark Services provider, growing faster than the market
- Significantly bolstered screening and watch services (90+ databases)
- Double-digit organic growth in Europe
- Integrated, best-of-breed, global customer experience

**Corsearch Europe 2012 Organic Growth = 23%**

ΔCC % change in constant currencies (EUR/USD 1.39)



# Harnessing the Power of Big Data



# Corporate Legal Services Group

*Harnessing the Power of Legal Big Data*

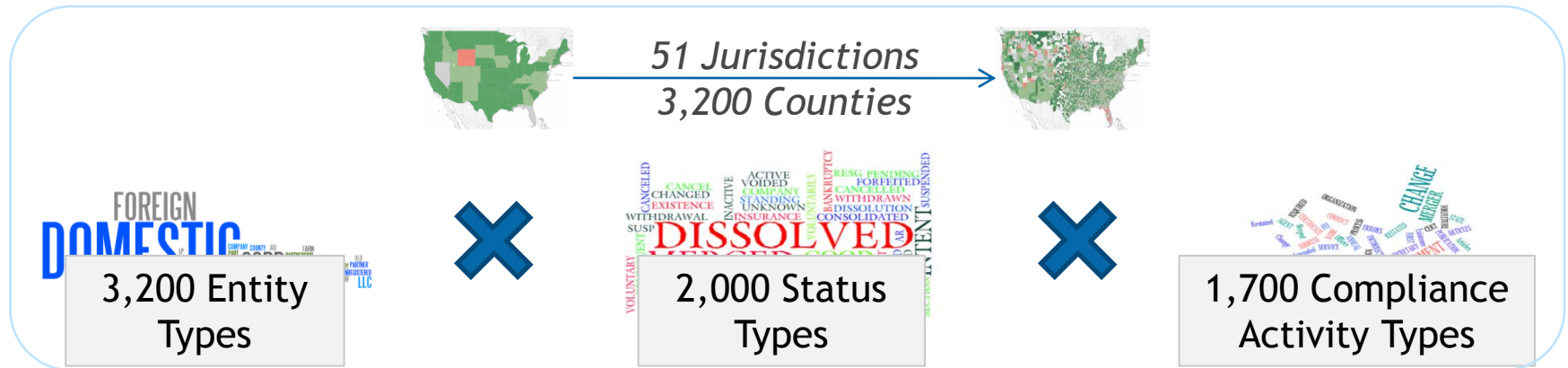
Legal Compliance  
Management

Lien  
Management

Brand  
Management

Legal Spend  
Management

We house detailed information on the 20+ million businesses in the US that drive \$15 trillion into the economy



238 Million

Business  
Records



# Corporate Legal Services Group

Harnessing the Power of Legal Big Data

Legal Compliance  
Management

Lien  
Management

Brand  
Management

Legal Spend  
Management

We have unique insights into US litigation trends and the legal challenges faced by the many of largest and most complex corporations in the world



238 Million

Business  
Records



2.5 Terabytes

Service of  
Process



# Corporate Legal Services Group

Harnessing the Power of Legal Big Data

Legal Compliance  
Management

Lien  
Management

Brand  
Management

Legal Spend  
Management

We have comprehensive data on secured lending transactions, providing insights into segment-specific lending trends and portfolio risk



238 Million  
Business  
Records

2.5 Terabytes  
Legal  
Documents

55 Million  
Lien  
Filings

# Corporate Legal Services Group

*Harnessing the Power of Legal Big Data*

Legal Compliance  
Management

Lien  
Management

Brand  
Management

Legal Spend  
Management

We have visibility into new product development cycles, global brand trends and the challenges multinationals face in protecting trillions in brand equity



Global  
Brand Portfolio Watching



238 Million  
Business  
Records

2.5 Terabytes  
Legal  
Documents

55 Million  
Lien  
Filings

60 Million  
Global  
Trademarks



# Corporate Legal Services Group

*Harnessing the Power of Legal Big Data*

Legal Compliance  
Management

Lien  
Management

Brand  
Management

Legal Spend  
Management

We have the most comprehensive data on legal spending globally and uniquely understand the wave of market efficiency engulfing the legal services market

Invoices From:

- T360 Customer
- Non-Customer



**285K+**  
**Lawyers &**  
**Paralegals**

**120M+** Tasks  
& Activities

**425+ M Billed**  
**Hours**

238 Million  
Business  
Records

2.5 Terabytes  
Legal  
Documents

55 Million  
Lien  
Filings

60 Million  
Global  
Trademarks

\$43.5 Billion  
Legal  
Invoices

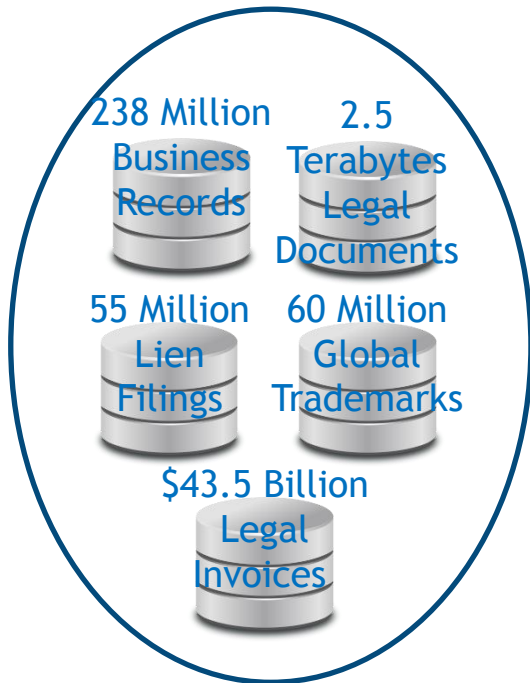


# Corporate Legal Services Group

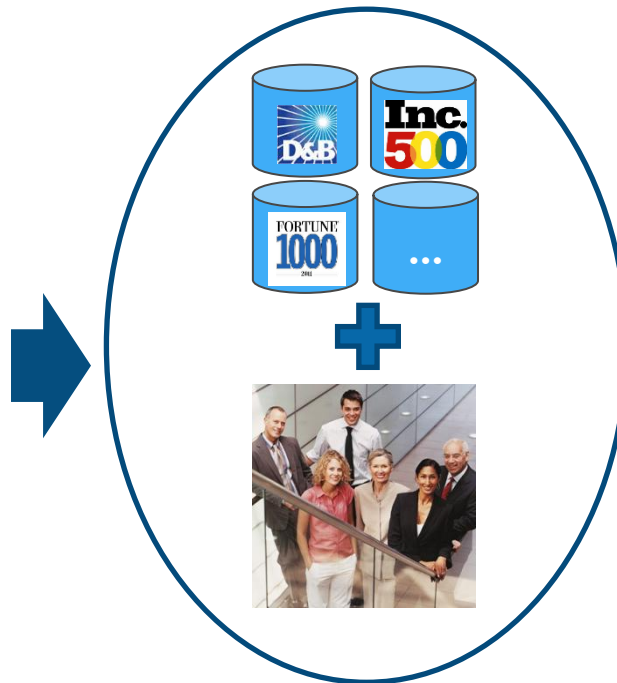
*Harnessing the Power of Legal Big Data*

We have amassed rich, powerful data assets and combined them with codified subject-matter expertise to create the most comprehensive, proprietary information set on the markets we serve

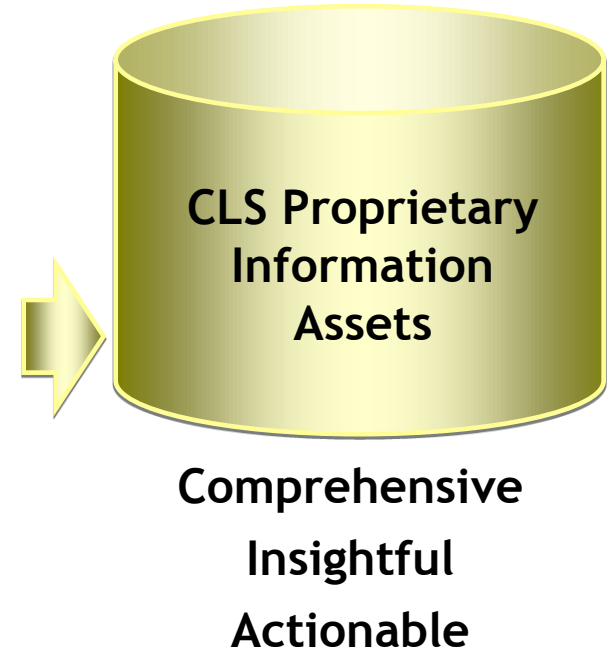
## Service Data



## 3<sup>rd</sup> Party Data + SME



## Market Potential



# TyMetrix Legal Analytics

*Leveraging Data to Create Value for Customers*

## T360° Invoice Data



## TyMetrix LegalVIEW Open Database



## Products & Services

***“I don’t know where to begin. The data is incredible...”***

- Leonard (‘Lenny’) Gail, Massey & Gail

# TyMetrix Legal Analytics

## Illustrative Example

### Case Summary

Case Type: Litigation

Industry: Manufacturing

Category: Product Liability

Jurisdiction: Tucson, AZ

Claim Type: Bodily Injury

Allegation: \$500K damages

Litigation Severity Index 72

	<u>Low</u>	<u>Average</u>	<u>High</u>	<b>Average Cost Profile</b>			
<b>Range of Total Case Cost of Similar Cases</b> (125 cases)	\$135K	\$275K	\$525K				
				<u>Legal Fees</u>	<u>% of Fees</u>	<u>Hours Billed</u>	<u>% of Hours</u>
<b>Range of Settlements</b> (250 cases)	\$125K	\$250K	\$450K	Partner	\$9K 36%	15	19%
<b>Range of Legal Fees</b> (125 cases)	\$10K	\$25k	\$75k	Associate	\$11K 44%	28	35%
				Paralegal	\$5K 20%	36	46%
				<b>Total</b>	<b>\$25K</b>	<b>79</b>	



# TyMetrix Legal Analytics

Media Coverage

## New York Law Journal

### Mid-Sized Firms Show Caution in Boosting Billing Rates

April 19, 2012

By Christine Simmons

## THE WALL STREET JOURNAL

LAW | Updated April 9, 2013, 4:48 p.m. ET

### On Sale: The \$1,150-Per-Hour Lawyer

*Lawyer Fees Keep Growing, But Don't Believe Them. Clients Are Demanding, and Getting, Discounts*

By JENNIFER SMITH

## POLITICO

### TOP LAWYERS: \$873 PER HOUR

April 16, 2012

By Ben White

## THE WALL STREET JOURNAL

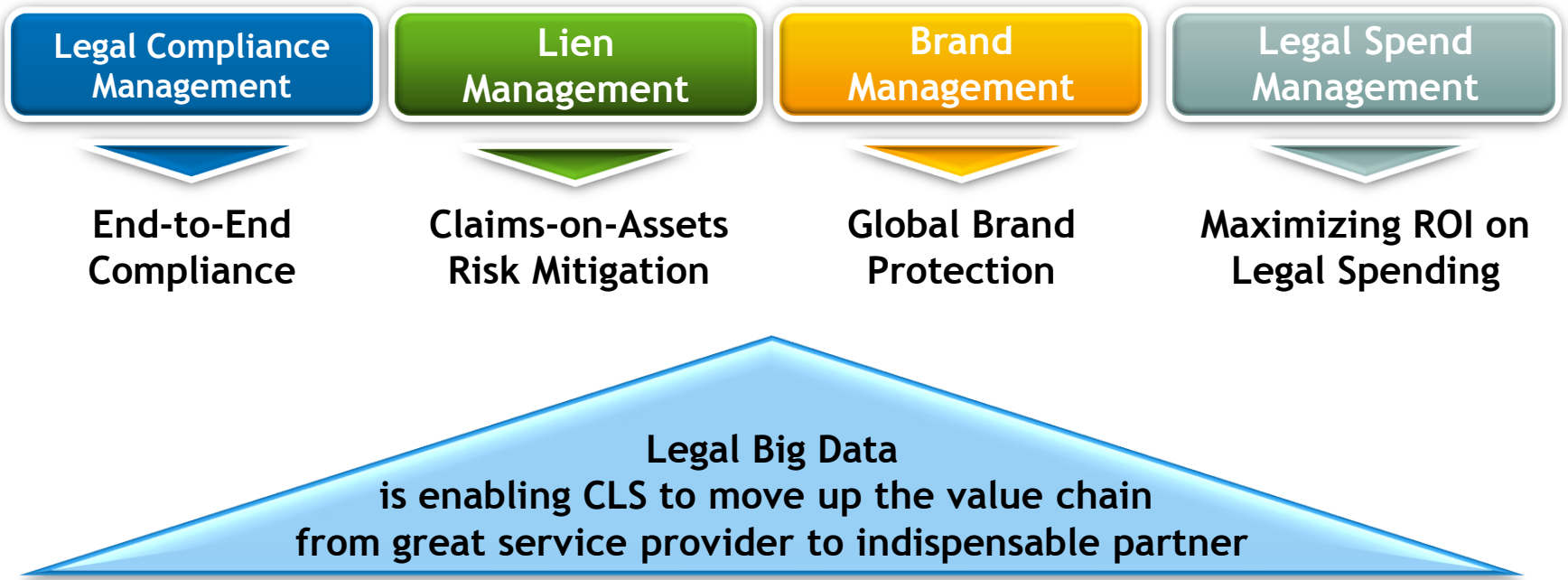
### Biggest Lawyers Grab Fee Bounty

April 16, 2012

By Jennifer Smith

# Corporate Legal Services Group

*Harnessing the Power of Legal Big Data*



238 Million  
Business  
Records

2.5 Terabytes  
Legal  
Documents

55 Million  
Lien  
Filings

60 Million  
Global  
Trademarks

\$43.5 Billion  
Legal  
Invoices

# Corporate Legal Services Summary

*Market Leader ... Well Positioned for Growth*

Key growth area for Wolters Kluwer

Strong brand awareness as recognized market leaders

Well positioned to capitalize on favorable trends in legal services

Solid growth fundamentals accelerated by product and market expansion

Selectively targeting high-growth assets to augment organic growth



# Wolters Kluwer Corporate Legal Services

---

**Investor Seminar**  
June 3, 2013 | London



**Wolters Kluwer**  
When you have to be right