E-Invoicing / E-Billing

European Market Overview & Forecast

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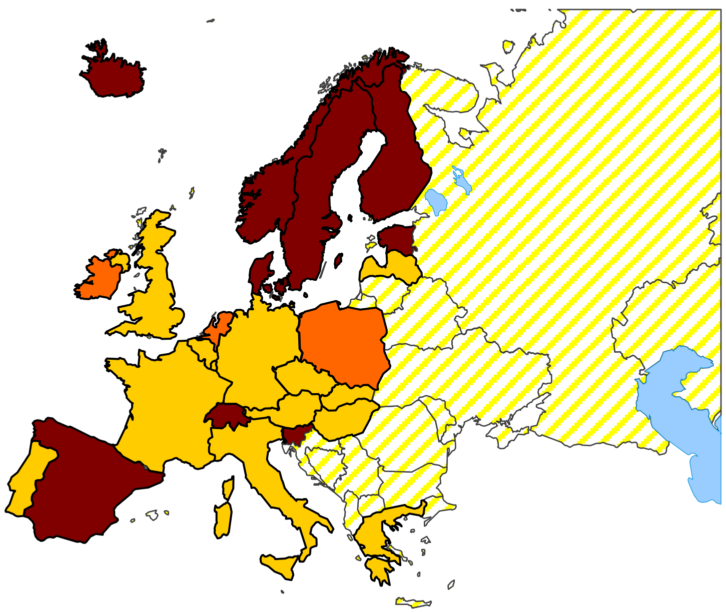
Market Penetration 2010

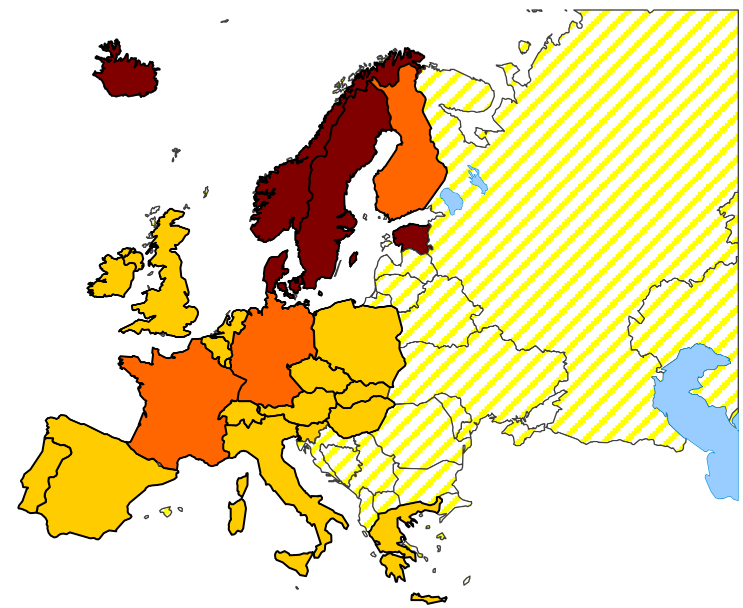
(Electronic share of total volume of 30 billion)

2010 (E)

B2B



B2C



12-50% | 6-11.9% | 1-5.9% | <1%

E-Invoicing/E-Billing Market Figures

Europe	2009 (E)	2010 (E)
Participants Companies Consumers	 1.6 million 41 million	 2.5 million (+60%) 56 million (+35%)
Electronic volume – B2C – B2B	1,600 million - 690 - 910	2,190 million (+37%) - 925 (+34%) - 1,265 (+39%)
Electronic with paper summary invoice	250 million	200 million (partially replaced with fully electronic processes)
Service providers	400	440 (+10%)

Rolling update of these figures during the year as many service providers do not publish figures before May

Number of Users Increasing Sharply

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Consumers

- Large suppliers (mainly from telcos, utilities, the credit/customer card industry) push clients to accept electronic invoices, or receive penalty, e.g. charged EUR 2.50 per paper invoice

Companies

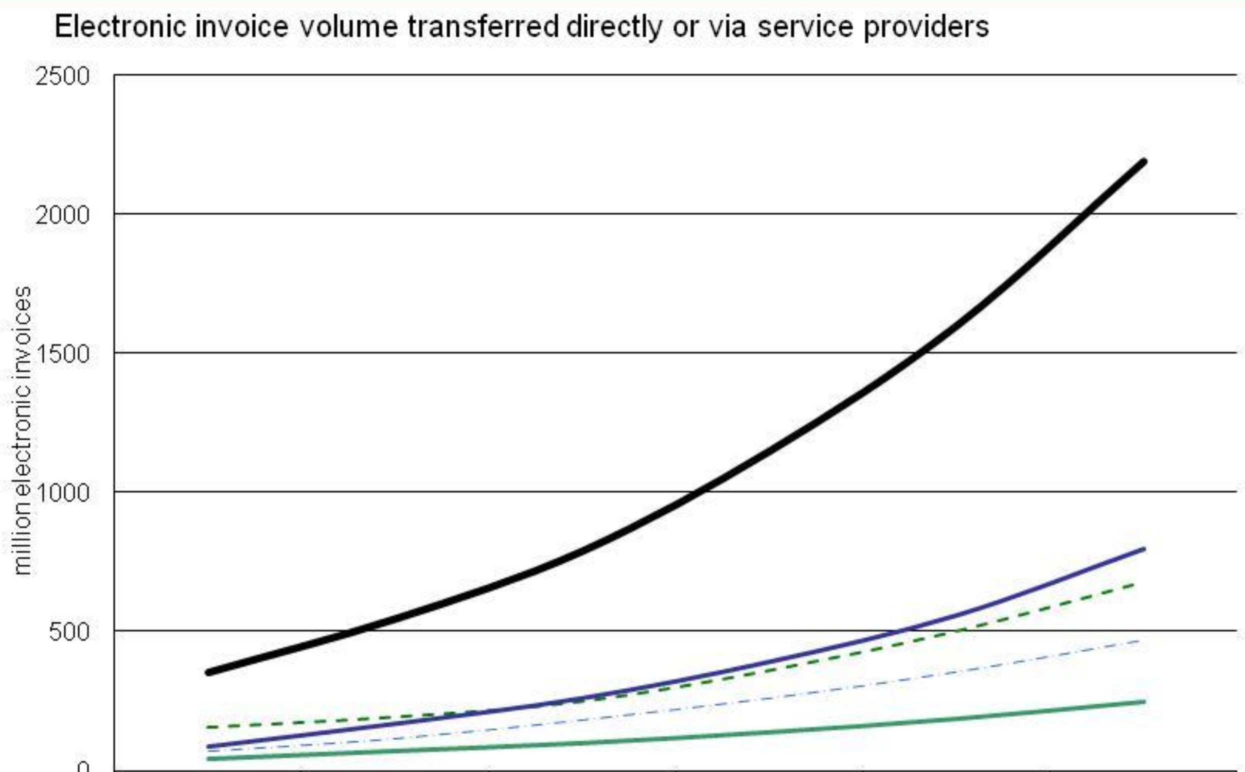
- Pushed by their trading parties to send/receive electronic invoices
- Past worries about compliance issues have disappeared and are no longer a hindrance
- New user-friendly and efficient market offerings especially for SMEs

On a daily basis in 2010, I expect as new E-Invoicing users:

- 40,000 consumers
- 2,600 enterprises

Channels Used for Electronic Invoices

Processed volume



	2005	2006	2007	2008	2009 (E)	2010 (E)
B2C Biller Direct	155	192	248	360	502	679
B2C Consolidator	43	71	100	139	187	248
B2B Direct	72	117	184	261	355	468
B2B Consolidator	85	168	260	390	557	795
Total (millions)	355	548	791	1150	1601	2191

Rolling update of these figures during the year as many service providers do not publish figures before May

Number of Service Providers Still Growing

- Every month four new operators on my screen
  - SME focussed providers
  - Providers in certain geographical regions: countries with government initiatives, such as Spain and Sweden, Southern and Central/Eastern Europe
  - Providers from the financial services industry segment
- Every month one disappearing from my screen (turn downs)
- Total increment of new service providers in 2010: around 40
- Substantial volume of PDF invoices bypassing most operators, but around 30% of them now also support PDF invoices
- Thesis: Major consolidation will occur if market penetration surpasses 15% → 2011/2012

Market Trends 2010

General

- Increased popularity of projects aiming to increase transparency & Cash Management, automate processes and reduce costs; optimisation of Order-to-Cash and Purchase-to-Pay processes with E-Invoicing as one key component
- Projects in the public sector; international: PEPPOL and national projects in Italy, Spain, Sweden, Switzerland
- Market maturity; compliance issues are no longer seen as a hindrance to practice E-Invoicing (except in some countries)
- Shift of development and operation costs to third parties; replace fixed costs with variable costs

Market Trends 2010
User segments

- Small and medium sized businesses as new user group, prompted by appropriate and efficient market solutions and pressure from large trading parties
- Broader usage of the most successful on-boarding model
  - Opt-out
  - Incentives for E-Invoices and penalty for paper invoices

Market Trends 2010
Third-party providers / operators

- Internationalisation
- Strong growth of processed invoice volume; improvement of financial stability
- Appropriate solutions for SMEs
- Increasing number of interconnection partners
- Young generation of operators with new techniques and business models