

E-Billing & E-Invoicing

Market Comparison Europe - US



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Market size and characteristics



	<u>Europe</u>	<u>United States</u>
No. of countries	51	1
Bill/invoice volume	29* billion	34* billion
Bill payment by consumers	<ul style="list-style-type: none">•Cash via post counter or bank•Internet banking, EBPP•Direct debit (in Germany up to 90% of all consumer bills)•Checks almost irrelevant	<ul style="list-style-type: none">•Paper checks (roughly 60%)•Electronic check images•Internet banking, EBPP
Invoice payment by enterprises	<ul style="list-style-type: none">•Electronic fund transfer•Direct debit	<ul style="list-style-type: none">•Paper checks (roughly 60%)•Electronic check images•Electronic fund transfer

*) Including all bills/invoices, most still paper based

E-Billing / E-Invoicing market overview

Figures as of autumn 2006



	<u>Europe</u>	<u>United States</u>
No. of B2B & B2C service providers	170	50
E-Invoicing volume of a top5 B2B service provider	5-10 million	2-5 million
No. of B2B users	360,000	> 50,000
No. of B2C users	14.8 million	15 million
B2B volume market penetration	2.8%	2.3%
B2C volume market penetration	1.7%	2.5%
Annual growth rates	25-80%	20-30%
B2B solution and service market 2010	EUR 1,170 million	EUR 340-385 million

Europe

- Most providers act in all roles, for billers, consumers, AR and AP departments; currently the main focus is full service for all customer segments in the domestic market
- Strong drivers are meanwhile the government initiatives; currently 15 countries with initiatives or at least strong support; by 2010 it is expected that electronic invoices will be obligatory in most countries for all invoices from and to the government
→ enabler for new service providers

United States

- Most providers in a focussed role
 - Biller service provider
 - Consolidator
 - Customer service provider
 - AR or AP focussed services
- Very few initiatives from the government

Reasons for importance of service providers in Europe



- Dozens of countries and languages
- Relatively fragmented landscape with 23 small and medium size enterprises (SMEs); most are much too small for a Biller or Buyer Direct implementation, especially if the invoices cross the borders.
- Laws & regulations: The EU directive is adapted to local laws in 27 different ways.
- Most service providers offer any-to-any data formatting as well as as economical and easy access for SMEs.
- An increasing number of service providers are linked to other service providers (e-invoice roaming), offering participants an end-to-end service with a single point of contact.