



LexisNexis Firm Manager

April 2013

LexisNexis Firm Manager®

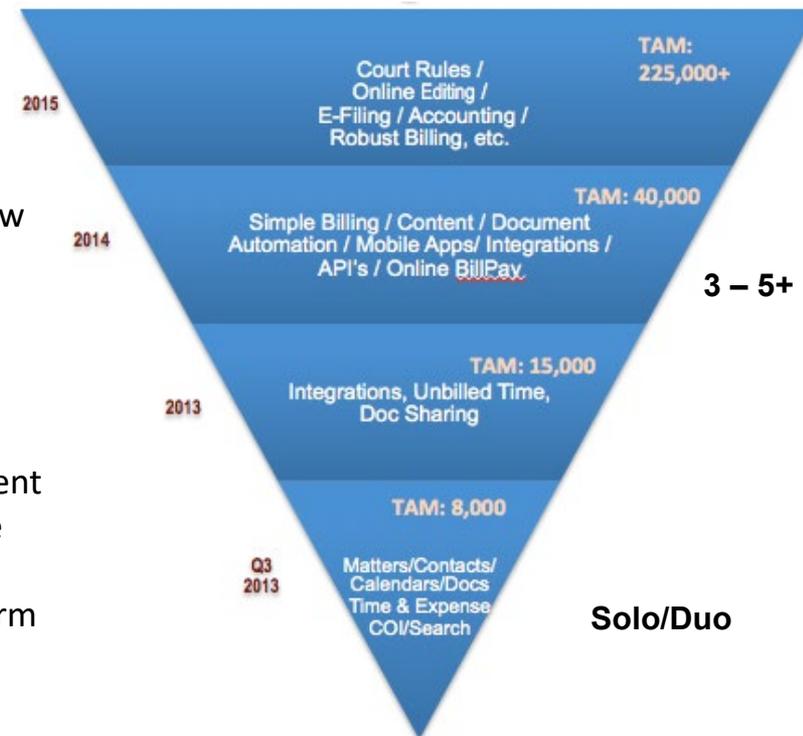
Firm Manager will be the world's best cloud-based practice management solution for small law firms

- **Firm Manager will change the way small law firms operate**
 - Firm Manager is cloud-based legal practice management, creating an easy to use all-in-one solution for contact & calendar management, case management, and time tracking & billing
- **Firm Manger consists of the small law application and a global platform foundation that is New Lexis compatible (for workflow & content integration)**
 - Firm Manager forms the foundation for the BLSS Small Law strategy to the cloud, creating the next gen platform for migration of small law premise products
 - The Firm Manager platform is also architected to reside on New Lexis, enabling future usage of Firm Manager code (shared services) in multiple geographies
- **The market opportunity for cloud-based (SaaS) practice management is very strong**
 - The micro law market (solo/duos) consists of 450k firms with 50% white space and 23K new firms entering each year
 - SaaS penetration is growing rapidly. SaaS is projected to win 50% of micro law practice management deals by 2015, and 85% by 2020
 - We see market investment in newly launched TR's Firm Central, infusion of \$6M investment in Clio and \$15M of growth capital investment for Total Attorneys
- **The initial launch of Firm Manager revealed application user interface and performance challenges which needed to be addressed**
 - The use of Microsoft Silverlight as the core UI technology for a web-based application proved to not meet customer expectations for design and performance
 - Design of the initial setup experience & how users learn/master key workflows needed to be much more intuitive for this “do-it-yourself” customer segment
 - The initial large size of the Firm Manager team, plus a heavily weighted offshore model for an early stage innovation investment, resulted in sub-optimal customer knowledge and product development execution.
- **So in August 2012 we reset the team, narrowing focus and creating a milestone-driven development model for proving product & market viability**
 - Hired key product management and development leadership with small market, SaaS expertise. Shrunk dev team from 40+ to 11 co-located FTEs
 - Defined a plan and clear milestones to deliver a successful Firm Manager minimally viable product (MVP) by Q3 2013
 - Significantly increased voice of customer and UAT throughout the development process to ensure we achieve key metrics for: Adoption, Usage & Satisfaction
 - MVP is in user acceptance now with upcoming milestones of 55 UAT users (May), BETA testing with a goal of 100 BETA users (August).
 - Will make the decision to continue (and fund go-to-market per the original investment case) in 2nd half of 2013 based on MVP market viability

The world's best cloud-based practice management solution for small law firms. . . changing the way small firms operate

It's cloud-based legal practice management, creating an easy to use all-in-one solution for small law firms that enables them to have more time to practice law and not get bogged down in contact /calendar /case /matter /document management and billing

1. **Easies and Fastest** - Delivering a superior ease-of-use vs. other cloud, premised-based or manual solutions
1. **Growth Platform** - Forms the foundation for the BLSS Small Law strategy to the cloud, creating the next gen global platform foundation for migration of small law premise products. Offers consumable modularly, for a right-for-me – good, better, best solution - that provides complexity that grows as they do
2. **Seamless integration of LexisNexis capabilities** (content, adjacent workflows). Architected to reside on New Lexis, enabling future usage of Firm Manager code (shared services) in multiple geographies. increases the value of running their practice on Firm Manager.

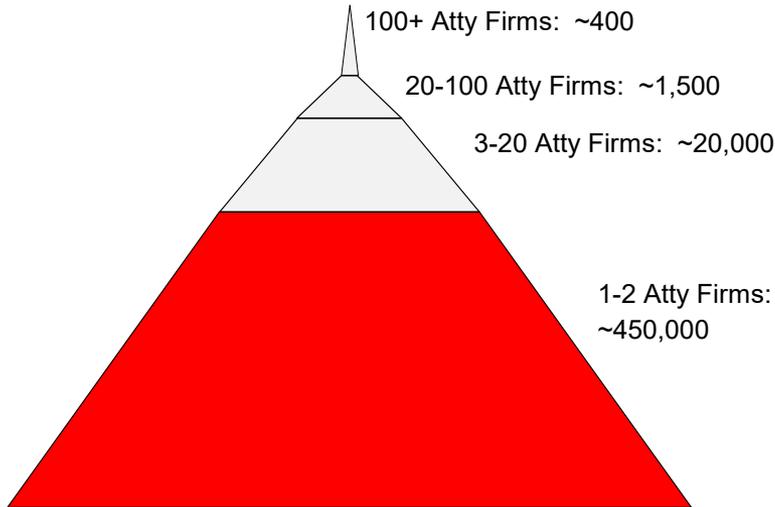


Firm Manager - Market / Competitive Trends

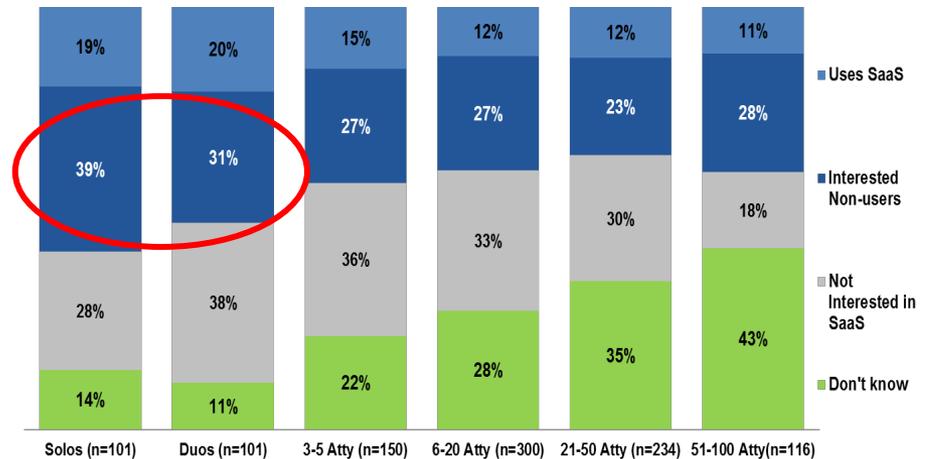
The market opportunity for cloud-based (SaaS) practice management is very strong.

1. The micro law market (solo/duos) consists of 450k firms with 50% white space and 23K new firms entering each year
2. SaaS penetration is growing rapidly. SaaS is projected to win 50% of micro law practice management deals by 2015, and 85% by 2020
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US Law Firm Market



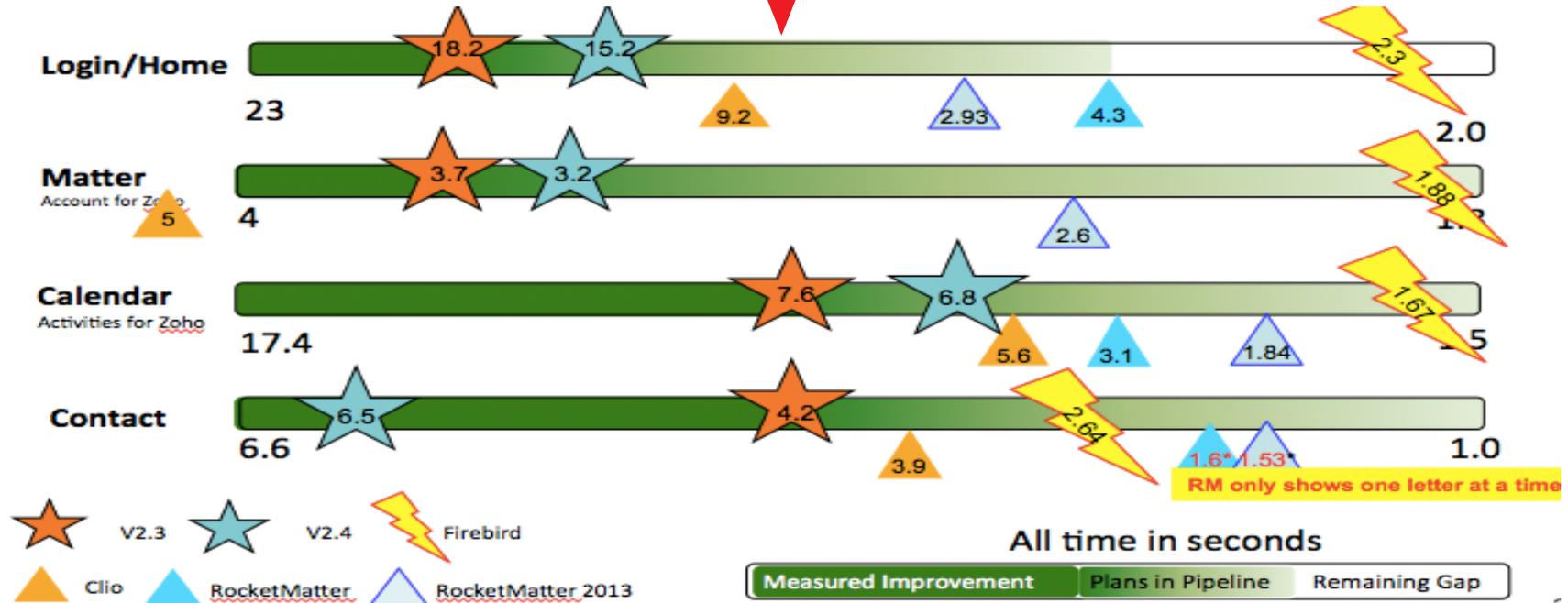
SaaS Use and Interest by Size and Segment
(% that use or are interested) (Q82, Q83)



We Solved the Speed/Performance Challenge

81% improvement overall in speed

In benchmark tests it surpasses the top 2 competitors – Clio (67%) & RocketMatter (11%)



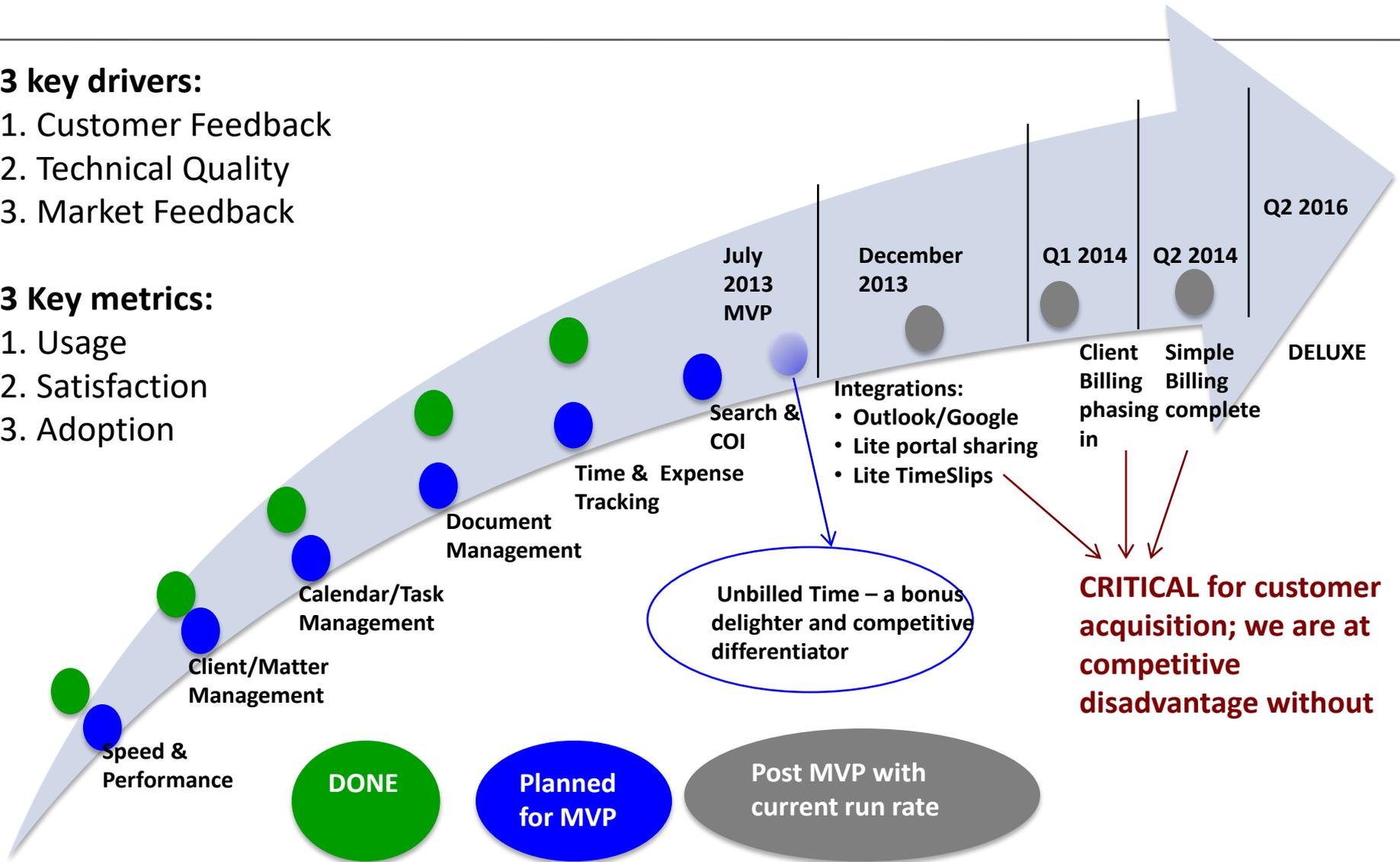
Product Roadmap Is On Track

3 key drivers:

1. Customer Feedback
2. Technical Quality
3. Market Feedback

3 Key metrics:

1. Usage
2. Satisfaction
3. Adoption



Firm Manager Milestones

Going to do April - July

What success looks like in July

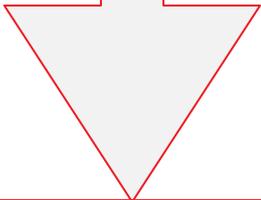
What's next August - Sept

<p>Customer Feedback</p>	<ul style="list-style-type: none"> • Obtain UAT metrics by end of May • Obtain BETA metrics by mid July • Ongoing customer feedback 	<ul style="list-style-type: none"> • Measured UAT Metrics of: <ul style="list-style-type: none"> • Usage – 3x • Satisfaction score of 3.5 on ease of use • Adoption – 3 functions • NPS – positive • BETA Metrics (from 5 AOPs) of: <ul style="list-style-type: none"> • Usage – 3x week • Overall Satisfaction score of 3.5 • Adoption – 3 functions for 3 weeks • NPS – positive • Have confirmation of 'must have' functionality – Integrations and billing • No product surprises re: what we need to build in Q4– no need to pivot due to something broken 	<p>1. What's we need to do - August - September</p> <ul style="list-style-type: none"> • Execute on the plans for the soft launch for MVP by mid August • Launch MVP • Launch price test • Drive customer acquisition for MVP • Continue to measure metrics • Begin to build out remaining 'must have' functionality (integrations) for Q4 and for q1 (billing)
<p>Product Development</p>	<ul style="list-style-type: none"> • 3rd party benchmark validation of speed • Finish for BETA: <ul style="list-style-type: none"> • Conflict of Interest – part 2 • Streamlined registration • Application email styling • Build out of AWS for BETA ready late May • Prepare for MVP Release <ul style="list-style-type: none"> • Begin Unbilled activities for MVP • MVP functionality ready for release • Build out of production environment for soft launch of MVP 	<ul style="list-style-type: none"> • Speed validated within ½ second of internally benchmarked scores • BETA deployed in BETA environment • Production environment ready for soft launch of MVP 	<p>2. Funding we need – July – Sept</p> <ul style="list-style-type: none"> • in July – \$27,900 • in August - \$18,450 • in Sept. - \$22,950 <p>• What we need in October to prepare for launch in January, only if results through Sept are positive: \$164,950</p>
<p>Customer /Market Adoption</p>	<ul style="list-style-type: none"> • UAT <ul style="list-style-type: none"> • Recruit UAT users (April/May) • BETA <ul style="list-style-type: none"> • Recruit BETA users (May/June) • Update website to capture BETA participants (May) • Develop email campaigns to target BETA participants (May) • Negotiate with at least 3 bar associations and law schools to get their support for acquiring members as users (April – July) • Soft Launch <ul style="list-style-type: none"> • Update website to acquire users for pre (soft) launch of MVP (June/July) • Develop email campaigns to acquire users for pre (soft) launch of MVP (June/July) • Recruit 6 CICs for pilot channel test (June) • Develop social campaign to acquire users (May – July) 	<ul style="list-style-type: none"> • Recruited 55 users for user acceptance testing (UAT) from the following: <ul style="list-style-type: none"> • NC Bar (10) • Legal tech west (10) • ABA tech show (10) • Florida Bar (20) • GP solo (20) • Seminars (20) • ABA family law (15) • Newly admitted (5) • Recruited 100 users for BETA from: <ul style="list-style-type: none"> • Washington Bar (10) • Minnesota Bar (15) • ABA Annual (10) • LA Consumer Attys (10) • Michigan State Bar (15) • Seminars 9 (20) • Website and email campaigns (165) • Program targeting newly admitted (50) • Successful pilot with CICs and 3 bar associations committed to support launch 	<p>3. What success looks like</p> <ul style="list-style-type: none"> • Success metrics <ul style="list-style-type: none"> • Usage – 3x week • Overall Satisfaction score of 3.5 • Adoption – 3 functions for 3 weeks • NPS – positive • Acquire 270 users • Get users from: <ul style="list-style-type: none"> • Convert 50% of BETA users to MVP users • Wisconsin Bar (10) • Milofest (5) • Online/Email campaigns (225) • Newly Admitted – Law School (50) • Timeslips and CIC initiative (40)

3-Phased Launch Plan Minimizes Risk

A 3-phased plan allows us to *Launch and Iterate* in the first 2 phases to achieve the success metrics **prior** to Major Launch:

1. **Pre-launch** - User Acceptance in April - May; BETA in June - July
2. **Soft launch** - August – December 2013
3. **Major launch** in January 2014 to generate \$450K in revenue in 2014



SUCCESS METRICS

1. Usage - 3x / week
2. Satisfaction – combination of NPS and average 3.5 satisfaction score
3. Adoption – use 3 functions for at least 3 weeks

The launch Drives Customer Acquisition and Revenue

The launch is designed to generate \$450K in revenue, re-establish LN with a competitive cloud offering, generate customer goodwill and PR, deliver 2,100 organic users and 2,200 rebate users in 2014

1. Major launch at LegalTech. Leverages our bar association/community relationships and 2013 BETA users and targets existing premise based competitor customers
2. Offers an innovative \$1M rebate* program which will target unhappy non-AMP users and bar members

**~ 2,100 users in 2014
with revenue in Q1 2014**

**~2,200 users in 2014
with revenue in Q1 2015**

* Users sign-up for program which gives them a \$500 rebate (pays for their year subscription) if they agree to use FM. They provide their cc# and we charge their 'annual' fee and then immediately rebate it.

Growth Projection Assumptions / Execution Priorities

An aggressive and high ramp of users early on leading to a compounding effect in the later years

3 KEY DRIVERS for Revenue Growth

- 1. Product superiority (matter management, sharing/portal, speed, content) and improved trial log-in process**
- 2. Kick start 2014 customer acquisition beginning in 2013**
 - 1. Disruptive consumer/ retail-like approach to Business model innovation:** \$1M rebate program provides FM at no charge for up to 12 months with expected 50% conversion in 2015; freezes the market; competition slow to copy
 - 2. Targeted channels and users:** Mix of Guerilla marketing tactics leverages key relationships (channel, Bar association, existing customers, social and online media) and minimizes risk (no big swing point of failure)
 - 3. Different BETA/Pre-launch approach:** >250 carry over as paying customers in 2014
- 3. More effective market penetration with higher conversion in 2016**
 - 1. Accelerated delivery of Simple Billing (2014) and of Deluxe product (end of 2015)**
 - 2. Full year of 2 Tiered portfolio (functionality/pricing) in market in 2016**
 - 3. Aggressive conversion** of existing LN premise customers, competitive premise users, switchers and non consumption; going after the 1 - 5 size attorney space in 2016 (26,514 firms with >2% growth in penetration of LFPM tools)

Year	BLSS		
	Revenue	Firms	Mkt share
2013	\$13K	18	0%
2014	\$450K	2,230	.5%
2015	\$2.8M	2,958	.6%
2016	\$5.8M	7,243	1.4%

Risks and Opportunities 2014

Revenue Risks	Opportunities
<p>Delay in Time to Market of the Soft Launch Impacts Revenue</p> <ol style="list-style-type: none"> 1. Success metrics: <ul style="list-style-type: none"> • Failure on key customer metrics 2. Development: <ul style="list-style-type: none"> • Failure on understanding customer problem/need • Delay in delivery in Q1 3. Customer Acquisition: (we minimized risk with small programs) <ul style="list-style-type: none"> • Failure to convert BETA/MVP users • Failure to get rebate participation or organic users • Competitors become more aggressive 	<ol style="list-style-type: none"> 1. Flex the LN Muscle and be seen as innovative <ul style="list-style-type: none"> • Rebate program freezes market 2. We can accelerate development of billing 3. We knock customer acquisition out of the park <p style="text-align: center;">Growth Opportunities</p> <ol style="list-style-type: none"> 1. Acquisition of third party for customer base <ul style="list-style-type: none"> • Competitive cloud offering • Premise offering 2. Accelerate <ul style="list-style-type: none"> • Deluxe functionality • FM as front end to Premise offerings • DRIVE • Partner Eco System

Appendix

Customer Acquisition Programs for 4305 Users in 2014

Targeted Group	Tactics	Projected Users in 2014
1. BETA and pre launch users	Leverage bar associations, seminars and website	250 converted to paying in April
2. Rebate program	Targeted program	2000 Rebate users – January 2014 - 1000 GP solo - 100 ABA Family law - 500 existing strategic/goodwill customers - 100 Chicago Bar - 100 Florida Bar - 100 NY state Bar 200 in Q3 from Legal tech West
3. ORGANIC Growth – 1855 paying users		
Newly Admitted to bar	Targeted program	130 users
Existing AMP customers	Email marketing, telephonic sale	73 users (1.5% of Time Matters) 57 users (.75% of PC Law)
Existing Non AMP users	Email marketing, CICs, telephonic sales	350 users (5% of Time Matters) 145 users (1.5% of PC Law)
Time Slips users	CICs Ongoing marketing	50 users 250 users
White Space	<ul style="list-style-type: none"> • ABA Tech Show • LegalTech West • GP Solo • Local Bar association events • Online and social marketing campaigns • Seminar Series • Telephonic & direct marketing to existing LN customers 	800 users

Milestones

Issue	What We're Doing	Success Metrics			What's Next	Success Metrics	
	April-July	May	June	July	August-September		
Customer engagement	Obtain UAT metrics end of May Obtain BETA metrics by mid July Ongoing customer feedback	UAT Usage – 3x UAT Ease of Use > 3.5 UAT Adopt 3 Functions UAT Positive NPS Confirmation of 'must have' functionality – Integrations and billing	UAT Usage – 3x UAT Ease of Use > 3.5 UAT Adopt 3 Functions x 3 weeks UAT Positive NPS	BETA Usage – 3x BETA Ease of Use > 3.5 BETA Adopt 3 Functions x 3 weeks BETA Positive NPS	Monitor Metrics Continued Usability on additional f/f	Usage – 3x / week Overall Satisfaction > 3.5 Adopt 3 Functions x 3 weeks Positive NPS Unit Satisfaction >3/5	
Product delivery	3rd party validation of speed Finish BETA functionality Build out AWS PROD for BETA/MVP Continue building MVP feature/func.	BETA deployed in PROD PROD ready for BETA Regression	Speed validated within 122 second of internally benchmarked scores CERT Ready for MVP Regression	PROD ready for MVP Regression MVP deployed in AWS CERT	Launch MVP August Continue building MVP feature/func.	Successful Launch in August Continue to meet deployment dates Continue to get Usability / 6 week	
GO-To-Market	Recruit UAT users (April/May) Recruit BETA users (May/June) Update website to capture BETA participants Develop email campaigns to target BETA Negotiate with bar associations to get support Negotiate with and law schools to get support Update website to acquire users MVP launch Develop email campaigns to acquire MVP users Recruit CICs for pilot channel test Develop social campaign to acquire users	Complete Recruiting of 55 UAT users ABA Tech & Advisory Board (10) Seminars (30) ABA family law (10) Chicago Bar (5)	Recruit 100 BETA users as follows: Legal tech west (5) GP solo (10)	Florida Bar (10) Web Marketing (15) NC Bar (10)	Prior FM "Losses" (10) Web Marketing (15) Washington Bar (10) Minnesota Bar (15)	Execute MVP launch by mid August Drive customer acquisition for MVP	Retain 270 users from following ABA Annual (10) LA Consumer Attys (10) Michigan State Bar (15) Seminars 7 more! (150) Website and email (165) Newly admitted (50) Wisconsin Bar (10) Milofest (5) Online/Email campaigns (225) Timeslips and CIC initiative (40) Convert 50% of BETA users

Assumptions RE: Customer Acquisition

Conversions

- Convert 50 beta users to paying in April 2014
- Convert 250 pre-launch users to paying in Feb. 2014
- Use Marketing and CICs to migrate 1.5% Time Matters AMP and .75% of PC Law AMP to Basic starting in July 2014

New customer acquisition 2100 before attrition + 2200 rebate users

- Use email Marketing, D2M, Telephonic, and CICs to convert 5% of the Time Matters solo/duo Non AMP customer in 2014. Increase to 6% in 2015. Increase to 7% in 2016 (spread across Basic and Deluxe).
- Use email Marketing, , D2M, Telephonic, and CICs to convert 1.5% of the PC Law solo/duo Non AMP customers starting in July 2014. Increase to 2.5% in 2015. Increase to 3.5% in 2016 (spread across Basic and Deluxe).
- Uses CICs to acquire 50 Timeslips users to use Firm Manager's Case and Matter Management with a light Timeslips integration. Start paying in Feb. 2014
- Ongoing marketing and CICs to acquire 300 Timeslips users to paying Basic product throughout 2014; 300 again using Basic in 2015
- 1200 new users from ongoing marketing in 2014 spread across the year; growing to 2300 new users (solo/duo and 3-5 users) in 2015
- 30 law school students who convert to paying July 2014; 100 in 2015
- * 2000 rebate users in Q1 (1000 from GP Solo, 1000 from Legaltech launch), 200 in July to promote the billing launch at LegalTech west (only 6 month rebate)

*GP Solo needs a way to retain and provide value to the newly admitted members to renew their membership. We want to team with GP Solo and provide the benefit of the rebate program for each lawyer who renews their membership (up to 1,000).

Important: We need preliminary approve for the rebate program early May as we plan to have discussions immediately to put in front of the business leaders for GP Solo at their Spring conference May 23-24th.

Firm to user average is 2

Changes from Prior Investment Review

The overall financial view has changed since last year - the revenue has shifted to the right due to the heavy cost of investment in product improvements and market learning, and this has led to low NPV in later years.

1. Delays in Revenue

2. Increased GPD spending

- \$0.6M in 2012 (stabilize performance)
- \$0.2M in 2013 (billig functionality)
- \$0.6M in 2014 (Billing & Deluxe)
- \$0.6M in 2015 (run rate increase for additional products)

3. Reductions in Marketing

- Reductions of \$0.4M in 2013
- Approx. flat in 2014 & 2015
- Reduced in future years due to being tied to % of revenue (revenue was higher in prior version)

4. Changes in Product Management

- Increase in 2012 \$0.3M (Product Champion, PM)
- Reductions in headcount \$0.2M-\$0.3M in 2013 (Analyst)

Assumptions RE: Pricing & Product

Product:

- Q4 (integration with Outlook or Google, Time slips and Watchdog)
- Q1 2014 BASIC billing starting to phase in: (Invoicing (Jan) , WIP...) with monthly/quarterly billing functionality phased in for completion by June 2014
- July 2014 BASI billing available
- Q3 2015 DELUXE Beta

Launch Pricing

- **Basic product**
 - **Beta Period** - May – July, 2013. Free through March 2014. Then \$44.99 per month starting in **April 2014** through end of 2014.
 - **Pre-launch** - Aug – Dec, 2013. Free through end of 2013. Everyone gets 30 day free trial in January. \$44.99 per month starting in **Feb. 2014** through end of 2014.
 - **Launch** – Jan, 2014. Everyone gets 30 day free trial, then \$44.99 per month starting in **Feb. 2014** through end of 2014.
 - **July 2014**. BASIC Billing available. Everyone gets 30 day free trial, then \$54.99 per month through end of 2014.
 - **2nd user pricing** starting in January is \$29.99 (1.5 ratio for firms).
 - Newly admitted All law school grads will get FM free for 6 months if actively use, then \$24.99 a user for first year.
 - Timeslips users would pay \$44.99 through end of 2014.
 - Need to consider annual contract.
- **Deluxe product launch Q3. 2015**
 - **Beta Period** – TBD2015. Free through 2015. Everyone gets 30 day free trial. Then \$69.99 per month starting in January 2016. Pricing needs to be tested
 - Instead of 2nd user pricing, a **tiered pricing** model based on # of users after solo/duo attorneys. 1 – 2 attorneys, price/attorney \$69.99. Firms of 3-5 pay \$170 – 280. Firms 6 -10. \$336- \$560. Tiers need to be tested. Need to consider annual contract.
 - Admin pricing would be \$39.99

Assumptions: Cost

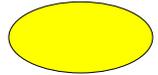
- Development
 - Run rate is ~\$2M in 2013; \$2.4M each year 2014 – 2017
 - Included in run rate is \$250K to FM for billing in 2013; \$250K to FM for billing in 2014
 - Included in run rate is Deluxe: at \$1.7M in 2014
 - In 2018 it becomes 18% of revenue and then flat lining to 15% in 2023
- Marketing and Sales
 - \$750K MAPP in 2014, includes main launch and billing launch
 - \$850K MAPP in 2015, includes announcement of deluxe
 - MAPP is 10% of revenue for 2016 and beyond
 - Total cost is ~20% of revenue after 2016
- FTEs
 - 2013: add 1 PM (focus on billing) in July/August, add 1 marketing July, 1 Aug, 1, and Sept 1
 - 2014: add online marketing lead
 - 2015: add 1 PM, 1 marketing

Firm Manager Key Learnings

	No Surprise	Surprise	What we're doing or starting to do
Market opportunity	<ul style="list-style-type: none"> Size of market virtually the same, level of SaaS interest growing Interest by CICs in offering FM 	<ul style="list-style-type: none"> Our Non AMP and AMP Time Matters and PC Law users increasing interest in Cloud offering – even with less functionality 	<ul style="list-style-type: none"> Target both Non AMP and AMP users in 2014 Specific channel focus
Competition	<ul style="list-style-type: none"> Thomson's launch of Firm Central (their micro cloud offering) at LegalTech 2013 	<ul style="list-style-type: none"> Anecdotal feedback from press/advisors – they are not impressed with Firm Central 	<ul style="list-style-type: none"> Accelerating the development of billing functionality and deluxe product in portfolio
SaaS Marketing & Sales spend	<ul style="list-style-type: none"> Strong organic growth requires sufficient investment in marketing functions. Typical SaaS marketing spend is 12-15% of revenue; more spent for launches. 	<ul style="list-style-type: none"> The aggressive marketing by both CLIO and Rocket Matter. 	<ul style="list-style-type: none"> Aggressive launch planned for LegalTech 2014 Very targeted and carefully thought out marketing plan Increasing in later years the marketing/sales spend to be more in line with industry norms
Product	<ul style="list-style-type: none"> Product is superior to competitors in speed/performance and ease of use Positive feedback from VOC 	<ul style="list-style-type: none"> User delight in the conflict of interest feature, calendar and in the depth of matter related detail Delay in registration process to trial activation (GEIS fulfillment) led to 94% abandonment 	<ul style="list-style-type: none"> Using 3rd party to validate our performance benchmark so we can promote it Prior to launch – UAT, BETA and getting Success metrics – usage, satisfaction, adoption Product will have seamless trial activation – customers get in directly into product – still some challenge until DRIVE
Structure	<ul style="list-style-type: none"> The team restructure to be light weight, flat and H-3 like, combined with Agile processes, and a Product Champion has enabled team to meet milestones Dedicated marketing team has provided E2E focus and clear visibility/data on marketing levers for customer acquisition/retention 	<ul style="list-style-type: none"> Structure of group originally set up as an established Premise based product (not startup) Inconsistent awareness of 'what's an H3' across LN Challenge in recruiting talent 	<ul style="list-style-type: none"> Continuing the H3 like team structure with flat development organization and dedicated marketing team Utilization of Agile and rapid experiment/build/test/learn data driven processes

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Firm Manager USD	Cumulative to 2011	2012	2013	2014	2015	2016-2021+	Total
Current Forecast							
Total Development Expenditure	5,934	--	--	--	--	--	5,934
Incremental Benefits	23	34	13	453	2,807	33,479	36,810
Incremental Costs	5,253	4,531	3,677	4,985	5,894	24,799	49,139
Net Cash Flow	(11,164)	(4,497)	(3,664)	(4,531)	(3,087)	8,680	(18,263)
Add: Capitalized Costs	5,370	--	--	--	--	--	5,370
Less: Amort & Depreciation	882	1,374	1,300	908	683	223	5,370
Net Profit (Loss)	(6,676)	(5,871)	(4,964)	(5,439)	(3,770)	8,457	(18,263)
Variance Against Original Plan							
Total Development Expenditure	(64)	191	243	288	326	947	1,931
Incremental Benefits	(2,646)	(4,290)	(6,313)	(8,760)	(9,730)	(22,146)	(53,885)
Incremental Costs	(1,696)	(1,093)	771	1,105	2,000	9,813	10,901
Net Cash Flow	(4,406)	(5,192)	(5,299)	(7,367)	(7,403)	(11,386)	(41,053)
Add: Capitalized Costs	(2,625)	191	243	288	326	947	(630)
Less: Amort & Depreciation	(129)	(794)	(656)	(217)	(158)	702	(1,252)
Net Profit (Loss)	(1,909)	(6,177)	(6,198)	(7,871)	(7,888)	(11,631)	(41,674)
Variance Against Last Forecast							
Total Development Expenditure	--	8	17	80	101	739	945
Incremental Benefits	0	(35)	(409)	(1,754)	(2,623)	(15,593)	(20,414)
Incremental Costs	0	(953)	522	(521)	(776)	1,357	(372)
Net Cash Flow	0	(980)	130	(2,195)	(3,299)	(13,497)	(19,841)
Add: Capitalized Costs	--	8	17	80	101	739	945
Less: Amort & Depreciation	0	0	0	0	33	358	391
Net Profit (Loss)	0	(988)	113	(2,275)	(3,367)	(13,878)	(20,395)

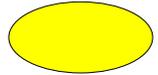
Investment Review - Project Evaluation	2013
Strategic Impact	Strong
Financial Impact	Poor
Financial Return	Mixed
Growth Performance	Mixed
Project Management	Good
Overall Assessment vs Plan	Mixed
Overall Assessment vs Prior Review	Good

5 Year Summary	Original Business Case	Prior Forecast	Current Forecast
WACC	15.0%	15.0%	15.0%
Pre-tax NPV	(3,235)	(14,771)	(16,464)
Internal Rate of Return			

10 Year Summary	Original Business Case	Prior Forecast	Current Forecast
WACC	15.0%	15.0%	15.0%
Pre-tax NPV	5,129	(7,712)	(15,265)
Internal Rate of Return	27.8%	1.3%	

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Total Development Expenditure	5,934	--	--	--	--	--	5,934
Incremental Benefits	23	34	13	453	2,807	33,479	36,810
Incremental Costs	5,253	4,531	3,677	4,985	5,894	24,799	49,139
Net Cash Flow	(11,164)	(4,497)	(3,664)	(4,531)	(3,087)	8,680	(18,263)
Add: Capitalized Costs	5,370	--	--	--	--	--	5,370
Less: Amort & Depreciation	882	1,374	1,300	908	683	223	5,370
Net Profit (Loss)	(6,676)	(5,871)	(4,964)	(5,439)	(3,770)	8,457	(18,263)
Variance Against Original Plan							
Total Development Expenditure	(64)	191	243	288	326	947	1,931
Incremental Benefits	(2,646)	(4,290)	(6,313)	(8,760)	(9,730)	(22,146)	(53,885)
Incremental Costs	(1,696)	(1,093)	771	1,105	2,000	9,813	10,901
Net Cash Flow	(4,406)	(5,192)	(5,299)	(7,367)	(7,403)	(11,386)	(41,053)
Add: Capitalized Costs	(2,625)	191	243	288	326	947	(630)
Less: Amort & Depreciation	(129)	(794)	(656)	(217)	(158)	702	(1,252)
Net Profit (Loss)	(1,909)	(6,177)	(6,198)	(7,871)	(7,888)	(11,631)	(41,674)
Variance Against Last Forecast							
Total Development Expenditure	--	8	17	80	101	739	945
Incremental Benefits	0	(35)	(409)	(1,754)	(2,623)	(15,593)	(20,414)
Incremental Costs	0	(953)	522	(521)	(776)	1,357	(372)
Net Cash Flow	0	(980)	130	(2,195)	(3,299)	(13,497)	(19,841)
Add: Capitalized Costs	--	8	17	80	101	739	945
Less: Amort & Depreciation	0	0	0	0	33	358	391
Net Profit (Loss)	0	(988)	113	(2,275)	(3,367)	(13,878)	(20,395)

Investment Review - Project Evaluation	2013
Strategic Impact	Strong
Financial Impact	Poor
Financial Return	Mixed
Growth Performance	Mixed
Project Management	Good
Overall Assessment vs Plan	Mixed
Overall Assessment vs Prior Review	Good

5 Year Summary	Original Business Case	Prior Forecast	Current Forecast
WACC	15.0%	15.0%	15.0%
Pre-tax NPV	(3,235)	(14,771)	(16,464)
Internal Rate of Return			

10 Year Summary	Original Business Case	Prior Forecast	Current Forecast
WACC	15.0%	15.0%	15.0%
Pre-tax NPV	5,129	(7,712)	(15,265)
Internal Rate of Return	27.8%	1.3%	