

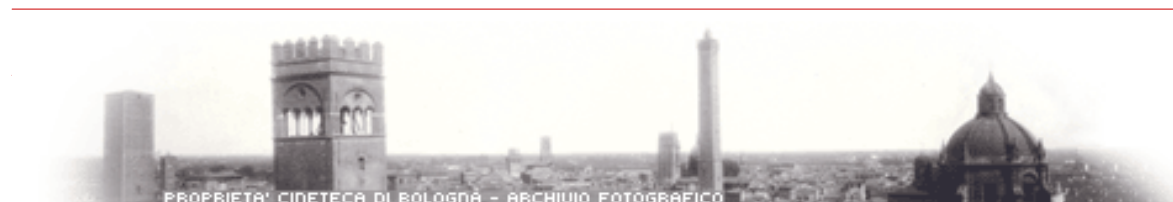
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# STAR Conference

*A new leading Group geared for growth*

Mr. Giuseppe Caruso, CEO  
Mr. Paolo Vanoni, CFO

London, 27 September 2006



TAS GRUPPO  
N.C.H.

# Disclaimer

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*This presentation contains forward-looking information and statements about TAS Gruppo N.C.H.. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally (but not only) identified by the words "aims", "expects," "anticipates," "believes," "intends," "estimates" and similar expressions. Although the management of TAS Gruppo N.C.H. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of TAS Gruppo N.C.H. shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of TAS Gruppo N.C.H., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to, those contained in this presentation. Except as required by applicable law, TAS Gruppo N.C.H. does not undertake any obligation to update any forward-looking information or statements..*

## ***The New Group***

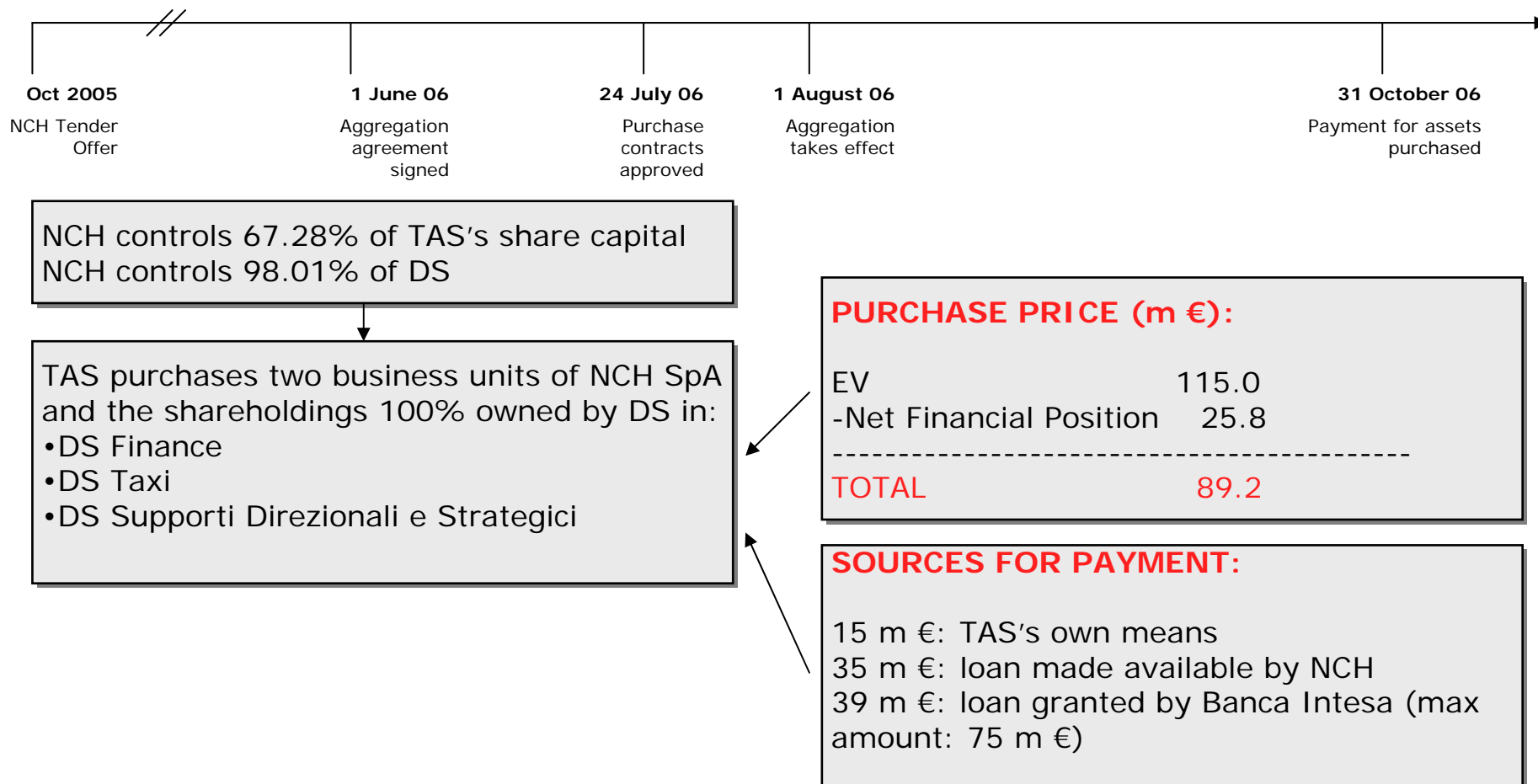
*Financials*

*Market Challenges and Opportunities*

*Growth Strategy*

*Final Remarks*

# The NCH-TAS deal



# The new Group

**NCH SpA**

**TWO NCH BRANCHES PURCHASED BY TAS**

**TAS SpA**  
(67%)

**APIA SA (CH)**  
(90%)

**TAS France (F)**  
(100%)


**BUSINESS UNIT**

**DS Data System SpA**

- EM
- NPS
- SISFIN
- C&RB
- MIS
- NEPTUNE
- SMATWARE
- MIRO

- DS SDS Srl** (95%)
- DS G&E** (58%)
- DS Iberia Sa (Spa)** (90%)
- Imagena Srl** (78%)
- DS Taxi Srl** (100%)
- DS France Sarl (Fra)** (1%)
- DS Fashion Srl** (100%)
- DS Finance Srl** (100%)

- Sotad Partecipazioni Srl** (100%)
  - Fortè Italia Srl** (99%)
  - Fortè Sw Iberia Sl (Spa)** (99%)
  - DS France Sarl (Fra)** (99%)
  - Tradence Inc. (USA)** (100%)

 Purchased areas/companies

# Core strengths and rationale for the deal

## Mission and Business Model

The Group aims to become **the leading financial software and service provider in Europe**, with a clear focus on critical segments, such as **payment systems and electronic money**.

## Core Strengths

The Group can leverage on:

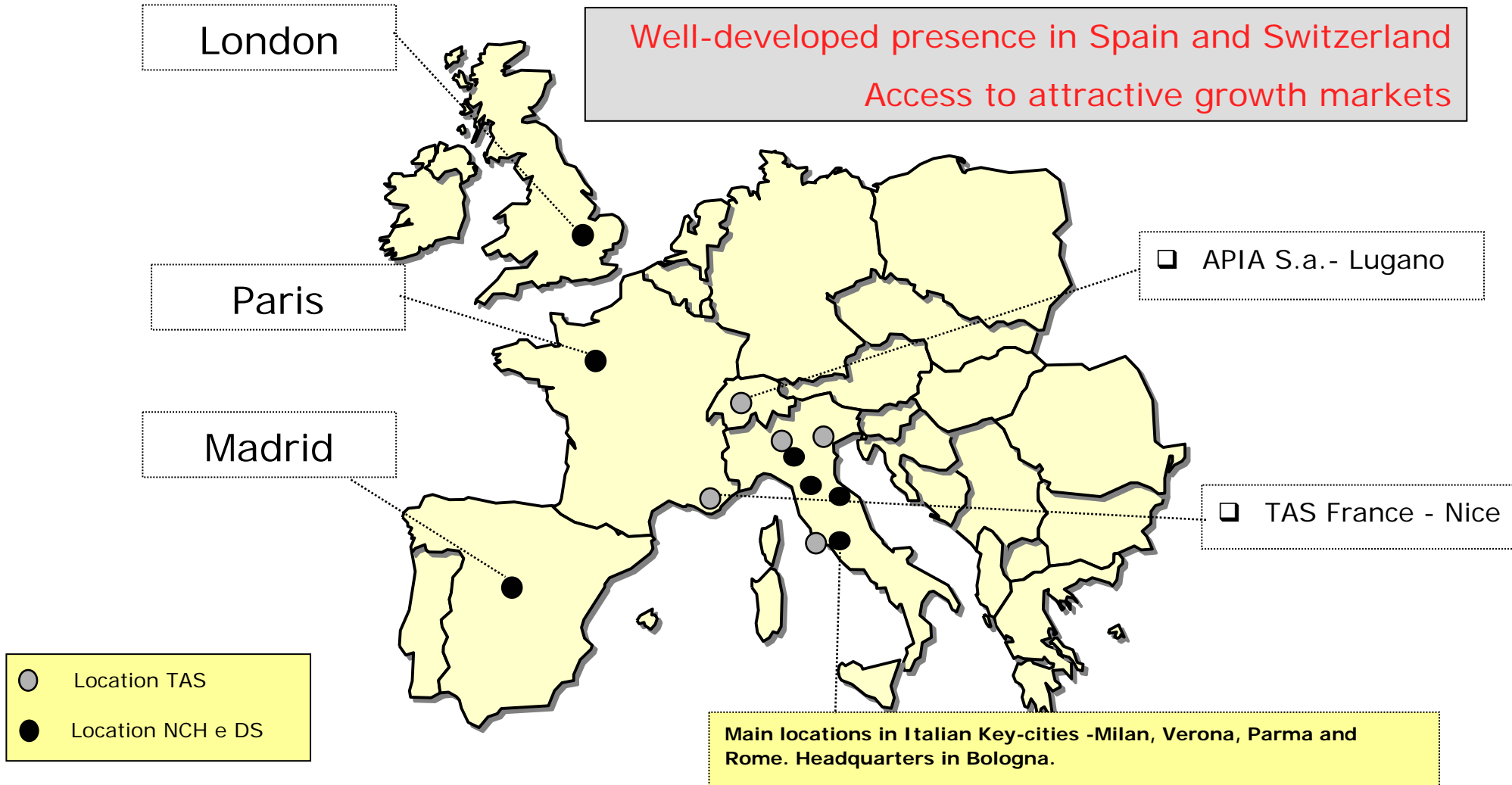
- a selected **European presence**
- an integrated **product offer**
- a well-established network of **partnerships** – the one with SWIFT being the most strategic
- an unchallenged domestic **leadership**.

## Rationale

The main objective being **to capture synergies**, the Group aims to:

- **enlarge target markets**, both in terms of clients and of geographical areas,
- **enhance synergies in product portfolio**, creating unique integrated solutions,
- **optimize and increase partnerships** – both commercial and technological, in order to complete the offer range and to improve penetration,
- **increase its own visibility** thanks to the larger scale gained,
- achieve a **re-leveraging**, making the capital structure more efficient.

# A selected international presence



# An integrated offer

Industry	Activity
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Banking

- Finance & trading
- Electronic Money and ATM multivendor
- Payment systems
- Corporate and retail banking



Banking

Other sectors

- Finance and trading
- Servizi e ICT\*
- Moda e beni di lusso
- PA
- Manufacturing



Banking

- Finance and trading
- Commercial Banking



The integrated businesses are **complementary**. The Group can achieve sizeable synergies in terms of **Know-how, solutions and clients.**



# A well-established network of partnerships

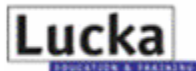
## Network and Payment Systems



## Electronic Money and Retail



## Software Engineering



## Technology



## Institutions (Banking System and University)



# Leading position in Italy

The new Group benefits from a **strong market positioning** in Italy both from NCH and TAS activities.

## **NCH**

More than 65% of POS and ATMs, and about 70% of credit-debit cards in Italy are managed through NCH software (e.g. Banca Intesa, MontePaschi).

## **TAS**

TAS serves 9 out of the 10 largest Italian banking groups and over 100 financial institutions in Italy.

**Impressive overall client base** with a clear focus on two segments with the highest level of IT spending in Italy - **Banking and Public Administration** (especially Ministeries).

*The New Group*

***Financials***

*Market Challenges and Opportunities*

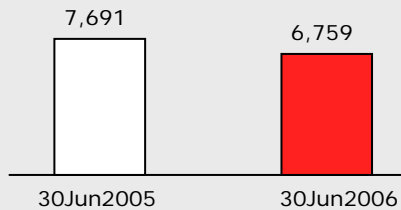
*Growth Strategy*

*Final Remarks*

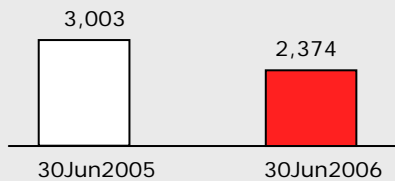
# TAS-standalone 1H06 results

- P&L performance influenced by a **non-recurring item** posted in 2Q05 – revenues about €1mn - due to the late finalization of a 2004 contract.
- Sound cash flow generation allowed a **€2.9mn increase in Net Financial Position**, notwithstanding an investment expansion.
- **Margins remain very healthy** – 35% at the EBIT level and 27% at the bottom line.

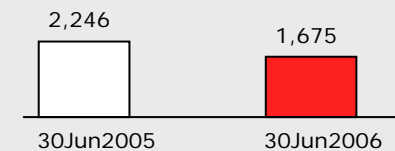
## Revenues (k €)



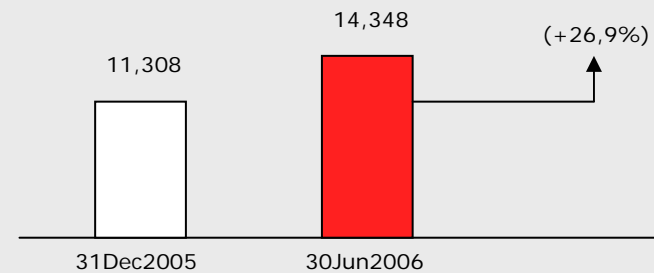
## EBIT (k €)



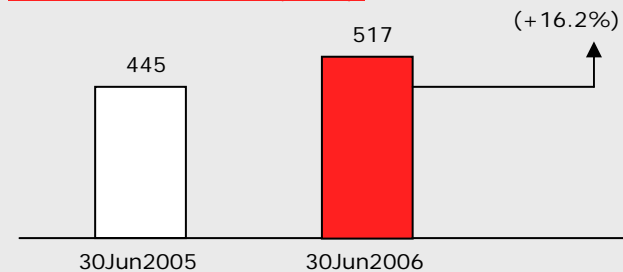
## Net Profit (k €)



## Net Financial Position (k €)



## Investments (k €)



# FY05 pro-forma results

- The aggregation takes effect starting from 1° August 2006, therefore the sole set of pro-forma data is the one for FY05.
- Even FY06 figures will be biased by the mismatching from revenues (over 5 months) and costs (over 4 months).

## FY05 PRO-FORMA RESULTS

	(m €)	%
Revenues	72,638	100.0
EBIT	12,944	18.8
EBT	8,277	11.4
Net Profit	4,192	5.7

## KEY FEATURES

- Approximately 60% of revenues are recurring: licenses or pay-per-use fees.
- High impact of R&D spending: around 10% of sales revenues.
- Positive impact of IFRS in FY06 results, due to the capitalization of most R&D expenses, not fully visible so far.
- Strong seasonality, typical of IT businesses, implies that roughly 60% of revenues from licenses are concentrated in Q4.

*The New Group*

*Financials*

***Market Challenges and Opportunities***

*Growth Strategy*

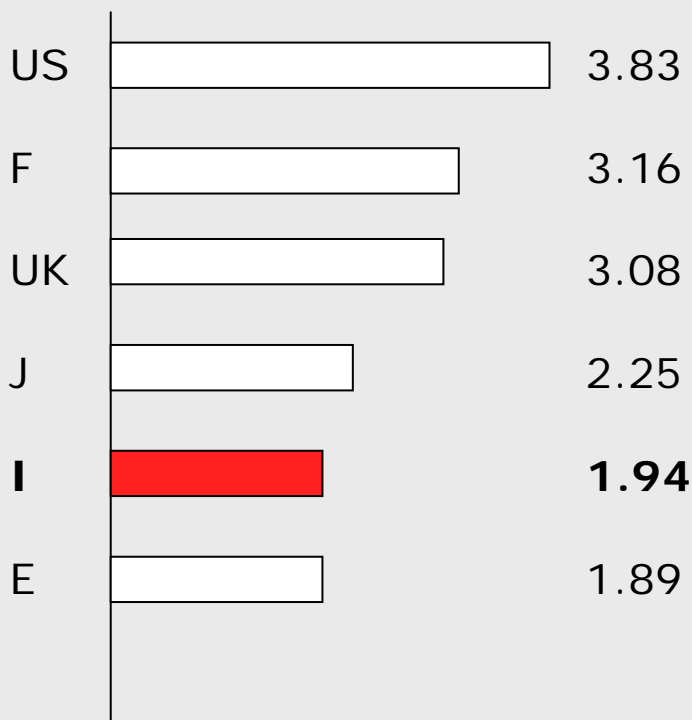
*Final Remarks*

# Italian mkt: scope for a 'vertical' approach

*In spite of a sizeable gap...*

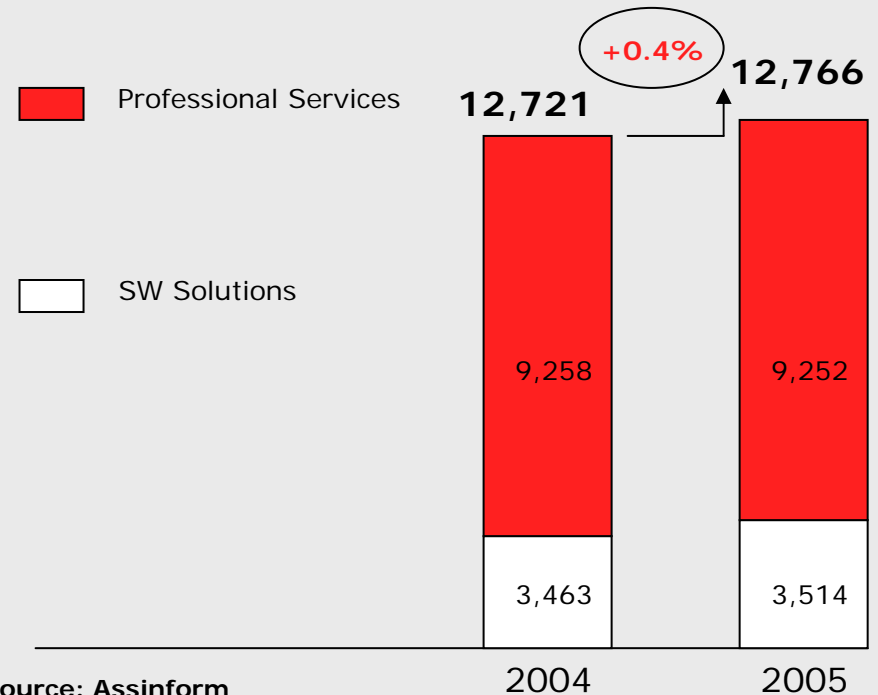
*...the Italian market growth remains sluggish*

## IT Spending/GDP( % - 2005)



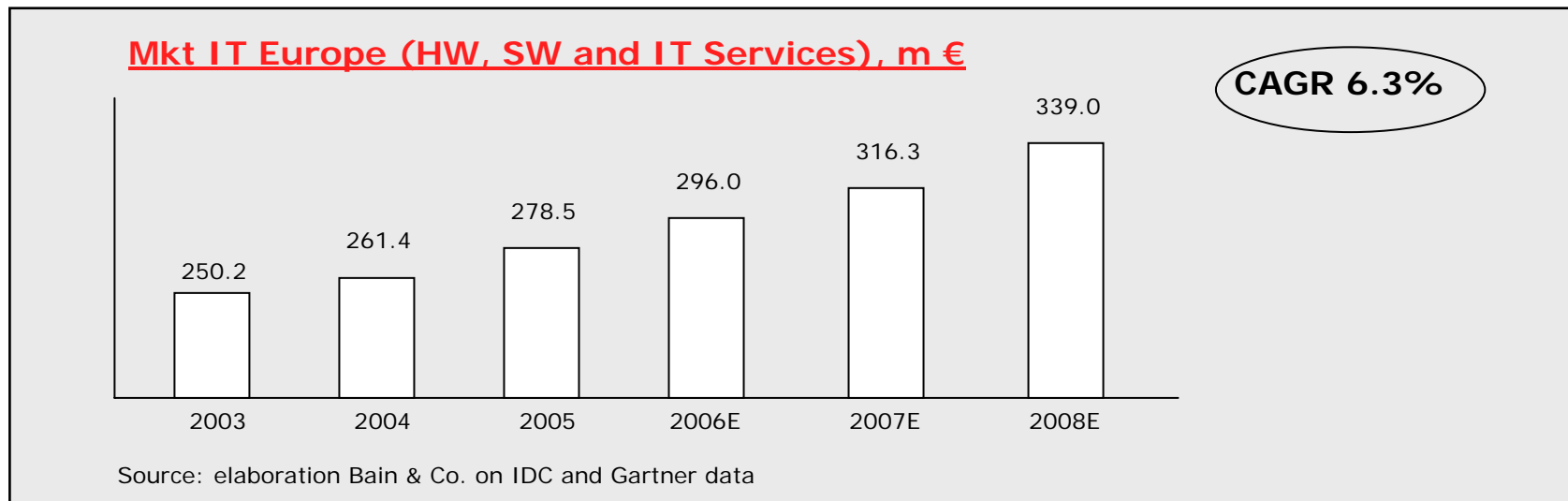
Source: Assinform

## SW Solutions and Professional IT Services (m €)



Source: Assinform

# ...while European demand goes on growing



Over the 2003-2008 period **Eastern Europe** (+13.6%), **Spain, Ireland and Greece** grow at a faster pace than the average.

**UK, Germany and France** in the meantime represent over 55% of total market demand

**IT Mkt in Europe – 2005 Breakdown**

IT Services	44%
HW	36%
SW	20%

Source: Bain & Co.



**Software** is the component providing the highest margins (35% of total profit pool).

Over the next three years **Banking and PA** sectors are expected to show the faster growth rates.

Source: Bain & Co.



# Growth in Europe also driven by regulations

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**European financial institutions will have to comply with relevant regulatory changes over the next 3 years, influencing the demand for products which represent the core of the Group's new offer**

	<i><b>TIMING</b></i>
<b>TARGET II</b> (payment clearing and settlement)	Nov.07- May08
<b>SEPA</b> (creation of a domestic payment market - Eurozone)	2008-2010
<b>MiFID</b> (Market in Financial Instruments Directive)	By 2006

On the back of longstanding relationships with Central Banks, the Group has **developed products** which enable clients to be **compliant** with the new requirements

**In Italy in particular the Group can further benefit from the introduction of new regulations of crimes and market abuse**

*The New Group*

*Financials*

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***Growth Strategy***

*Final Remarks*

# Core strategy

## Expand **present strengths**:

1. Good level of European presence
2. Integrated product offer with critical competences
3. Strong network of partnerships
4. Wide base of domestic clients: leadership

## **3 PILLARS FOR THE 2006-2008 BUSINESS PLAN:**

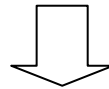
1. **RE-THINK PRODUCT PORTFOLIO/BUSINESS MODEL**
2. **MOVE FOCUS FROM THE DOMESTIC MKT TO EUROPE**
3. **PURSUE EFFICIENCY**

*Leverage on competitive advantages in order to achieve profitable growth*

# Product Strategy

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- Provide **unique solutions**, integrating different products within the Group portfolio
- **Enhance proprietary offer** in dynamic and rewarding **segments**
- Fully exploit **strategic partnerships** to complete the offer range
- Use **new technologies** to improve product appeal (open platforms) and enter new niches (electronic money messaging)



***Growing focus on PRODUCTS, rather than on SERVICES, in order to avoid price pressures***

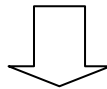
# Business model evolution

*The business model of TAS remains focused on vertical competences such as in electronic money and payment systems.*

*Nonetheless, some adaptive changes are needed, in order to:*

- 1. complete the offer range*
- 2. increase the share of wallet of present clients*
- 3. capture new clients*

*while keeping the business profitable*



- **Push recurring fees (licenses)**
- **Outsource non-critical services**
- **Increase the number of strategic technological and commercial partners**

# Marketing strategy

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- **Maintain the leading positioning on the domestic market** (electronic money and systems), by favouring client loyalty and providing innovative solutions.
- **Capture new clients:**
  - 1) large clients, through innovative value propositions
  - 2) small-mid banks, through new business models like service centres.
- Increase the number of **international clients** exploiting good references (ABN Amro) and vertical know-how developed in Italy.
- Increase **visibility of the NCH brand** in Italy and abroad.

# Internationalisation

*TAS aims to **selectively expand its presence on the European scene**, in order to catch growth opportunities mainly arising from compliance requirements of new regulations.*

## SELECTED AREAS

- Leverage the presence in Spain and Switzerland
- Target Eastern European Countries and Benelux

## VERTICAL OFFER

- Leverage vertical know-how developed in Italy on specific products (Target II, SWIFT business solutions, RMA)

## ALLIANCES/ M&A

- Put up strategic alliances with local players
- Evaluate M&A opportunities: focus on synergies in terms of know-how

*The Group aims to achieve **growing efficiency through an optimisation of costs** for investment and for product development.*

- Exploit **benefits from the integration underway**, in particular in Back Office and in Sales & Marketing activities.
- Increase **staff productivity** through a better allocation of both production and corporate headcounts.
- Increase the use of **offshore resources** (Indian company) in order to achieve a partial delocalisation of production (control of the project would stay in Italy).
- **Outsource non-core activities.**
- Shape **standard framework** in order to develop new products based on **open technology.**



# Enhancing the management team

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*The newly appointed management is committed to quickly lead the integration and to push growth*

## **TIMING**

11 September 2006

By year-end

Early in 2007

## **APPOINTMENT**

Mr. Giuseppe Caruso, CEO

Head of Human Resources

Head of Sales and Marketing

# Capital strategy

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Cash flow generation is expected to fully fund planned investments, which should remain stable at 12% of sales turnover, in order to drive organic growth.

M&A opportunities may arise only in case of companies with multiples in line with the ones at which the Group itself trades.

## SOURCES TO FUND GROWTH

Banca Intesa underwritings  
42 m € over the next 6 years  
33 m € evergreen

TAS's 35 m € credits provide further flexibility

*The New Group*

*Financials*

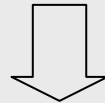
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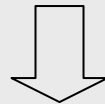
***Final Remarks***

*The new TAS Group can leverage on  
Scale, Leadership, International Presence, Specialized Offer, Partnerships*

***to capture growth opportunities on the European scene***



*Clear strategy  
Committed management team  
Strong cash flow generation capacity  
Credit Flexibility*



***TAS is geared for healthy growth***

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Q&A