



Marco Guida
CEO

**LUGANO SMALL & MID CAP
INVESTOR DAY**



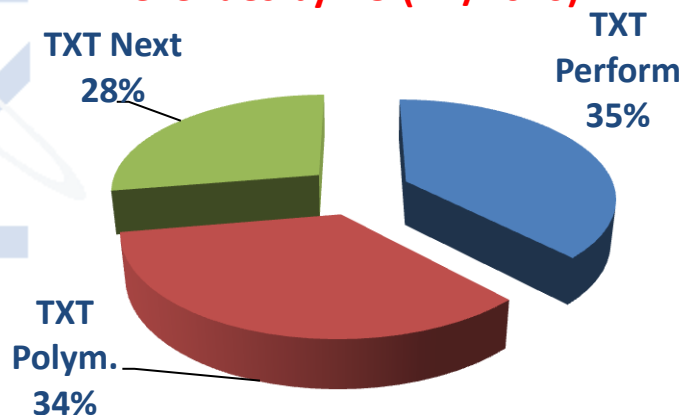
I Edizione
Splendide Royal Hotel
28 settembre 2010

TXT: three solution-oriented divisions

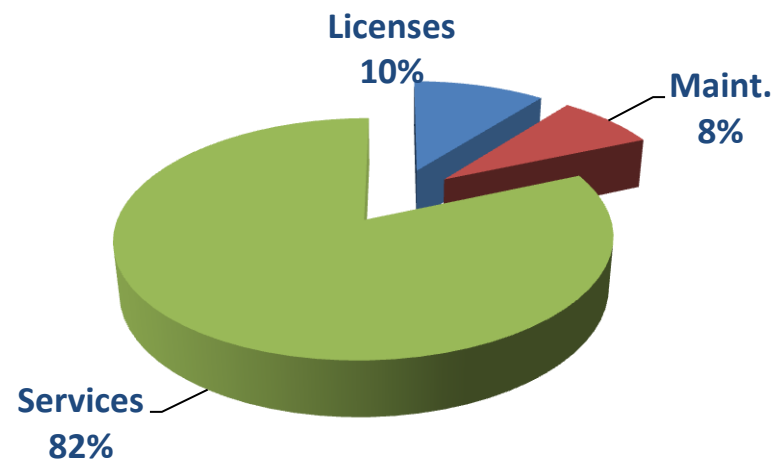
TXT Perform	TXT Polymedia	TXT Next
Demand & Supply Chain Management Solutions Core Product: 	Solutions and value-added services for Media & Channel Integration Core-product: TXT Polymedia Video®	Advanced system integration and IT services

- Specialization on industries/segments;
- Focus on value-adding, core processes;
- Innovation

Revenues by BU (H1/2010)

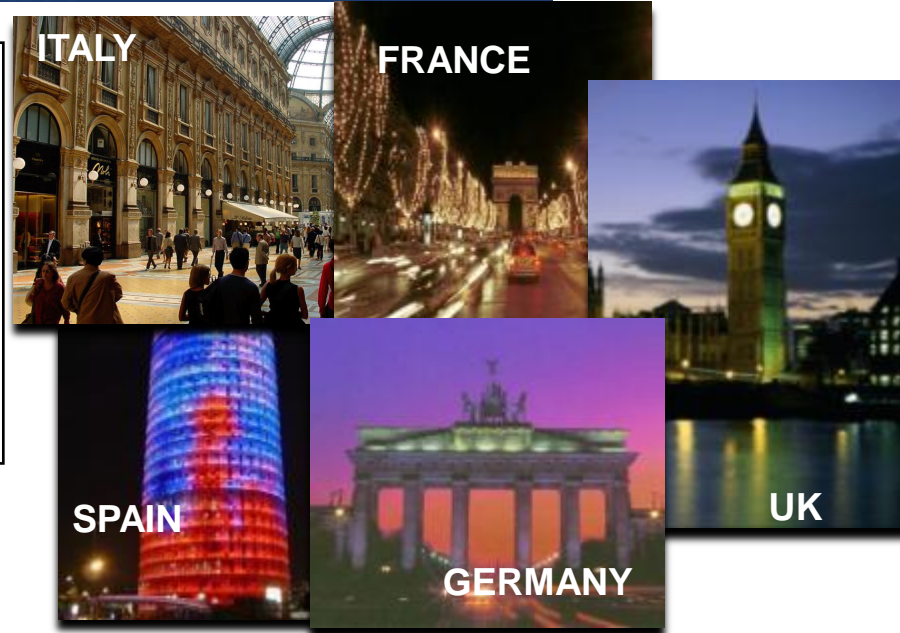


Revenues by stream (H1/2010)

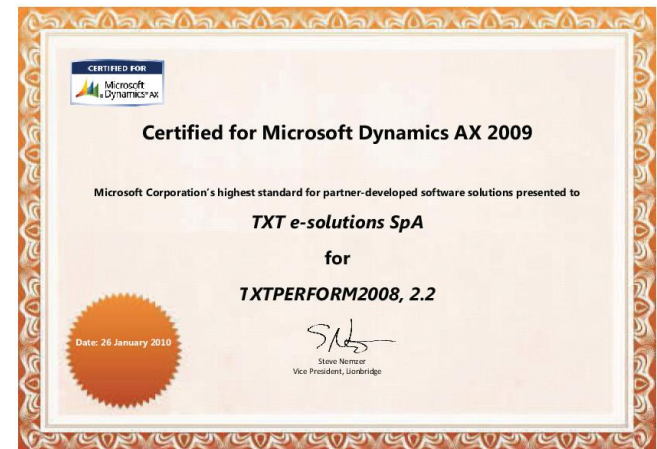
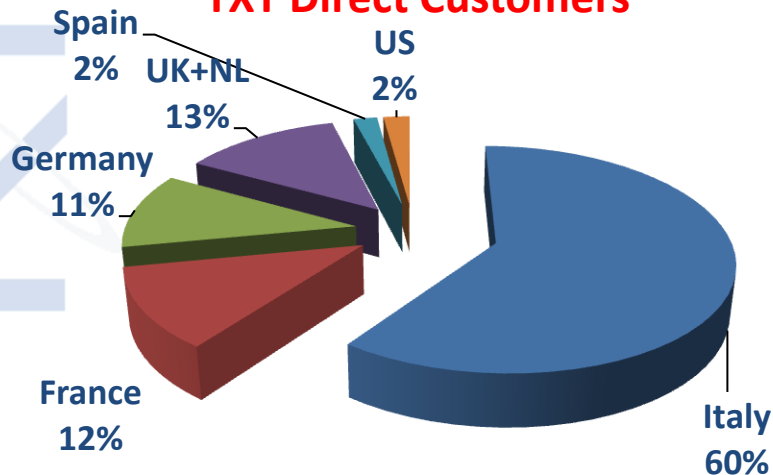


TXT: an International Company

- Strong presence in Europe
- 900+ customers world-wide
 - ~500 Direct Customers
 - ~300 in Italy
- 450 clients wwide via Microsoft Channel



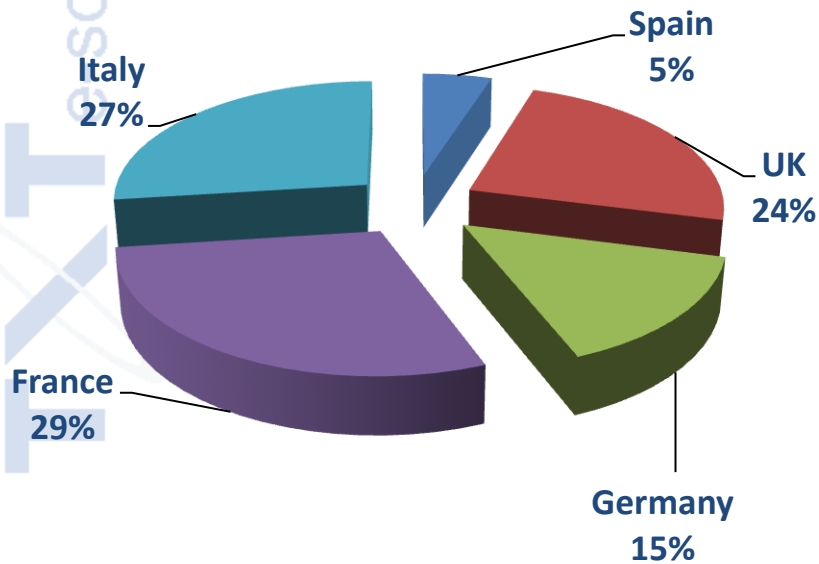
TXT Direct Customers



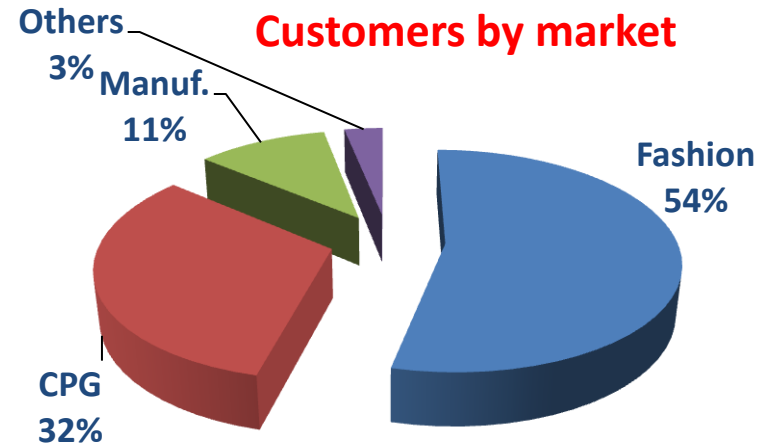
TXT Perform: Key Facts & Figures

- 20 years experience in Supply Chain Planning
- 200+ Consultants in Europe
- 12 Sales & Delivery offices in 5 Countries
- 340 Mid-Large active customers in Europe

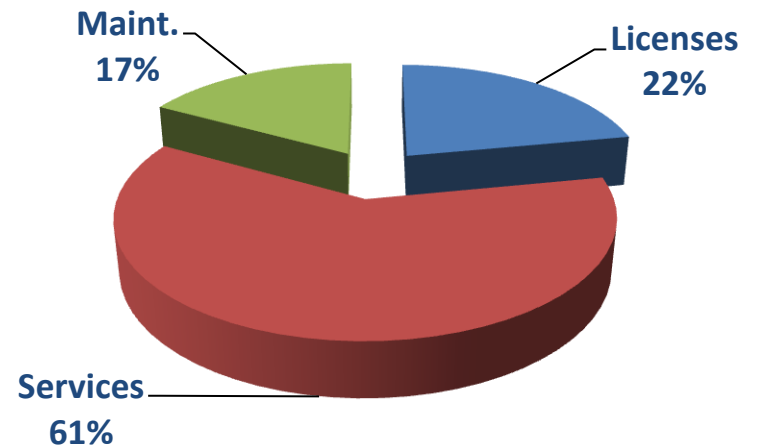
Revenues by country



Customers by market



Revenues by stream



Strong Customer Base, mainly in Consumer Driven Markets



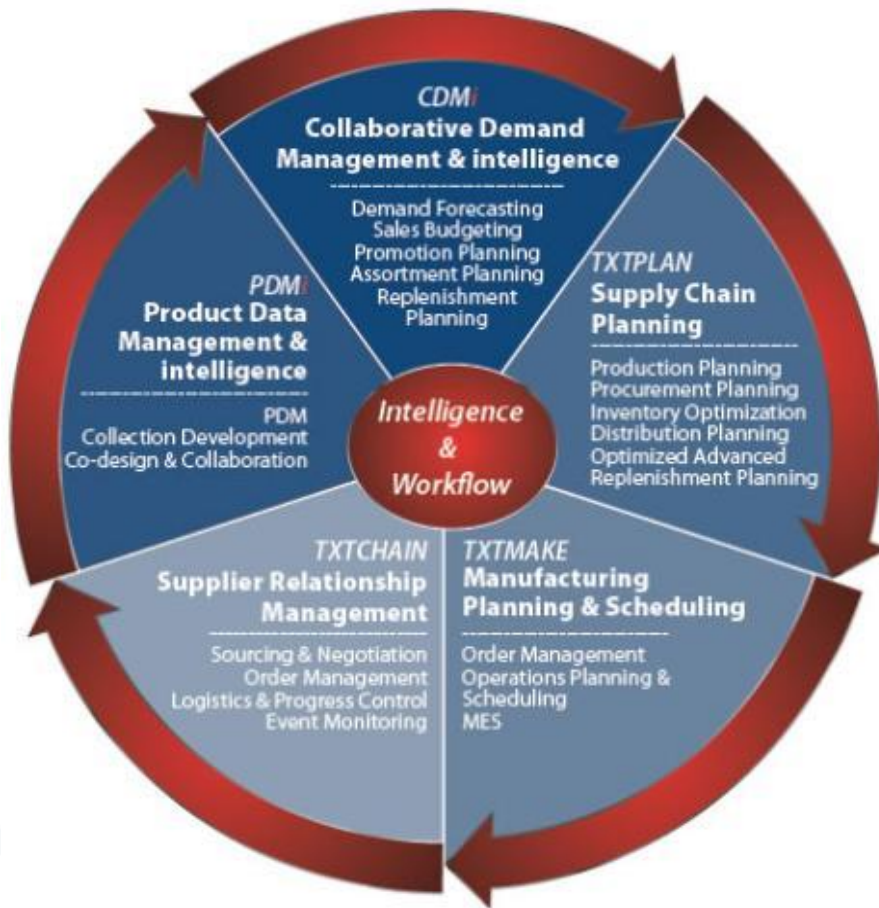
... “Inventory reduction by 15% following European rollout”

... “Time to market and stock outs reduced by 10% and 50% respectively”

... “Up to 4 times faster product development cycle time with TXT’s PDM solution”

... “£2 million in reduced inventory and order cycle time cut up by up to 50%”

... “on shelf availability improved by 30% and overall profit margins boosted by 1.2%”



TXTPERFORM
value chain intelligence for superior business performance **2008**

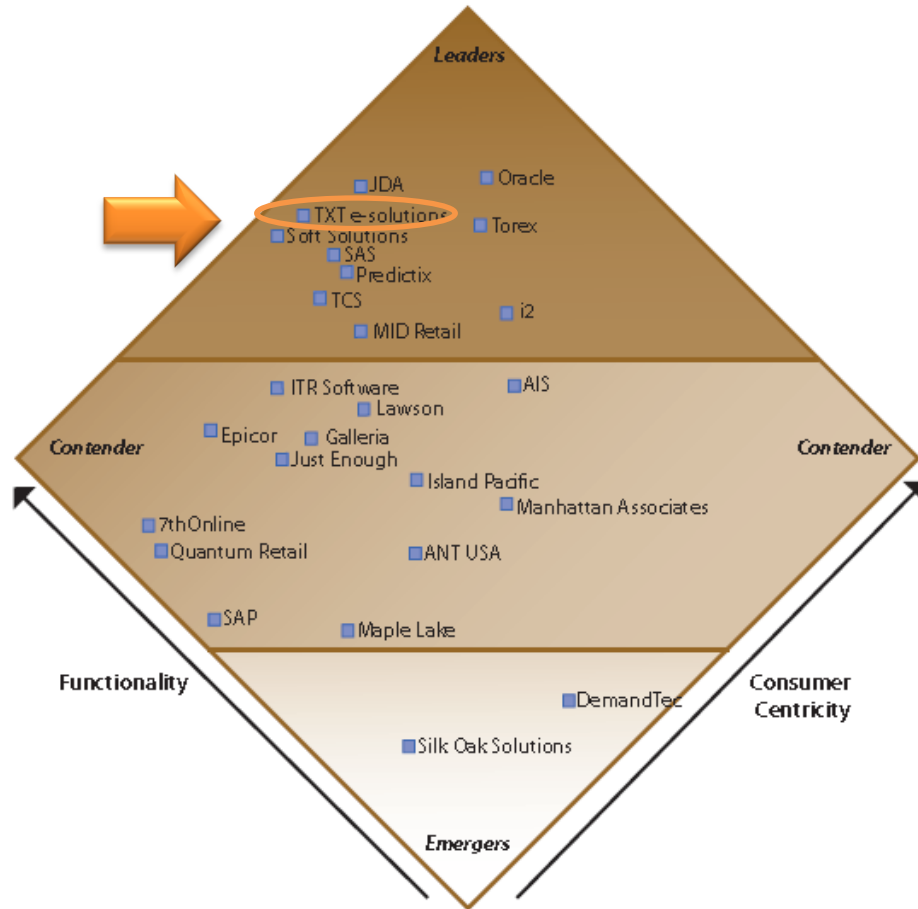
Supply Chain to better manage your value chain processes and improve your business performance.....

.....thus creating improved margins for TXT



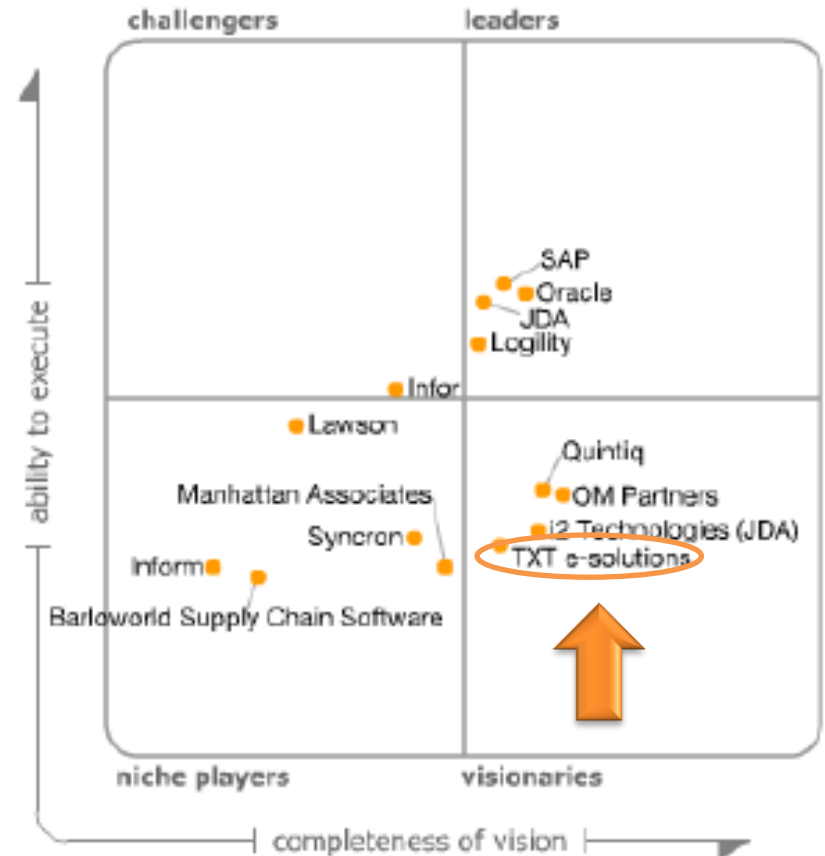
- #1 in Core Functional Scope !!!
- #3 Overall (functionality and market presence) !!!

Figure 2: Assortment vendorevaluation diamond



Source: AMR Research, 2010
©2010 AMR Research, Inc. 3

Figure 1. Magic Quadrant for Supply Chain Planning for Pr



As of September 2010

Source : Gartner (September 2010)

2009: a NEW strategy for TXT Perform



▶ **FOCUS on Europe & more consolidated Countries**

▶ **FOCUS on higher-end of market:**

- Large customers / projects / deals;
- More recurrent revenues
- Drive 80% of revenues
- Revenues from existing clients
 - ~65% of total revenues
 - ~30% of licence revenues

Table 5: SCM license and alternate revenue and share by customer company size, 2007

Customer Revenue	Revenue, 2007 (\$M)	Revenue Share, 2007
Less Than \$30M	224	9%
\$30M to \$250M	501	20%
\$250M to \$1B	734	30%
\$1B or More	1,010	41%
Total	2,469	100%

Source: AMR Research, 2008

▶ **FOCUS on well referenced industries & segments**

- Fashion & Luxury
- Specialty Retail
- Consumer Packaged Goods
- (& Manufacturing)

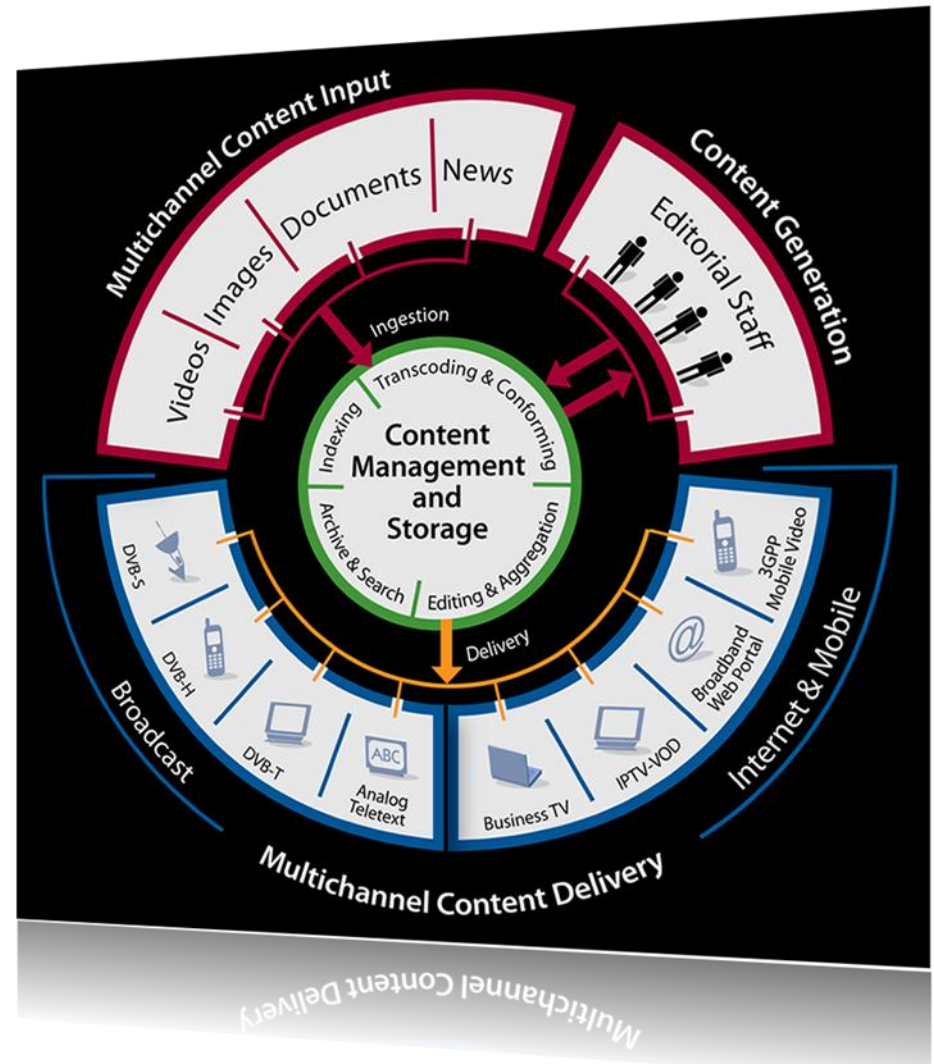
▶ **FOCUS on value-creating processes**



- *Innovative solutions and value added services to monetize video content and brands on multiple digital media.*

Unique market position in Media and Telco space, ten years experience, first class references.

- *Continuous innovation*
- *pioneer in interactive business applications*
- *Polymedia is the platform of choice for sophisticated multimedia content management.*



Products

Polymedia Video: Multi-Channel CMS + Media Asset Management

Polymedia Mobile: TV to consumer interaction

Polymedia Advertising: Ad server, profiling & target advertising

Polymedia Live Ingest: video acquisition and multiformat video encoding

Polymedia Show: advanced Video player with new video adv formats

Business Applications

To rapidly setup new and effective business initiatives with online video content:

- Free + advertising
 - Innovative video ad- formats
- Premium content pay:
 - Streaming & download

Within a consistent reference model and interface:

MEDIA in a BOX

Enabling Services

Polymedia Service Platform:

- Enterprise server farm: Sun Solaris, Linux, Microsoft
- System, networking, security and DB management
- Application management: mission critical applications, Billing, CRM, Business Portals
- Functional & application testing

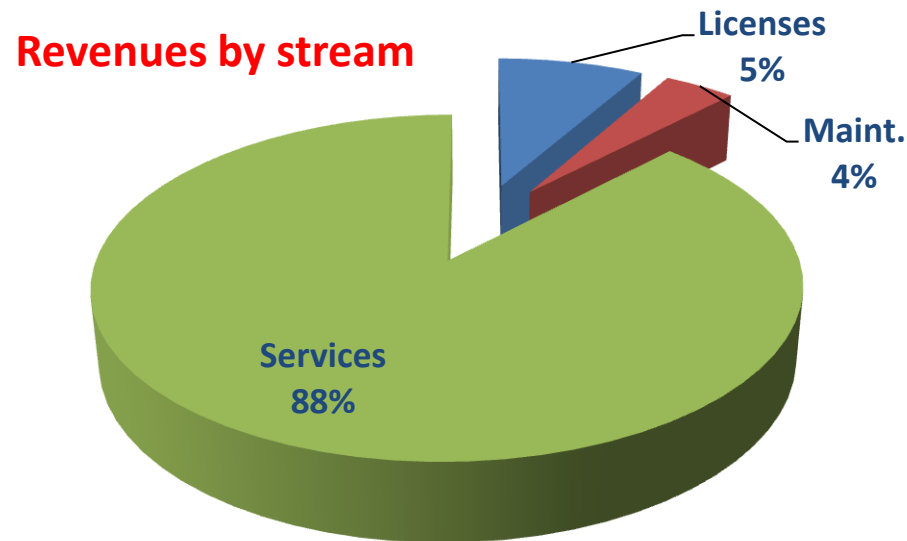
Software platform supporting the complete life cycle of multimedia content items



- VideoJukeBox
- Video enabled e-commerce
- TV Recorder
- Web TV
- Catch-up TV
- UGC Formats
- Web 2.0 Video Portals
- iPhone apps

- Full outsourcing available in "as-a-service" model
- Hosting, Housing, Internet Bandwidth
- 1st level 24x7 help desk
- 2nd level system support
- 3rd level application management

- 16 m€ in revenues, profitable year after year
- 150 highly qualified consultants
- 50 customers
- Strong Partnerships with International System Integrators
- Strong intellectual property and innovation, 2 patents
- Internationally recognized, IBC Innovation Award, Amsterdam 2009.



Broadcasters



Internet TV, Mobile VAS,
VOD Store, DTT



MAM, Internet TV, Mobile VAS



CMS for Web and Mobile



Internet TV and Mobile VAS



Global EPG for DTT



e-commerce platform,
Internet TV

Publishers



CMS for News Portals



MAM for Multimedia Web Site,
Internet TV



MAM for Multimedia Web Site



Interactive DTT



e-commerce platform

Telcos



MAM for IPTV, WEB and Mobile



MAM for IPTV, WEB and Mobile



MAM for IPTV



Content Aggregation for IPTV



Customer BI, Mobile VAS,
Testing Services



Specialized Professional Services

Industries



Internet TV



Intranet TV



Extranet, E-learning



CMS for WEB Portal



CMS for Intranet



Ad Platform



CRM&BI



Application management

- ▶ **High-Growth Market Opportunities:**
 - ▶ **New Media, New Devices, New Formats, New Business Models ...**
 - ▶ **... Everywhere**

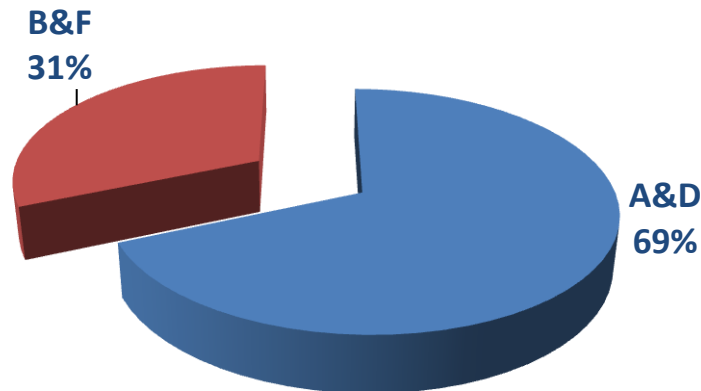
- ▶ **Companies having in “content” a key asset (e.g. media, telco, ...):**
 - ▶ TXT Polymedia enables them to monetize it via innovative business models ...
 - ▶ ... offering a new generation of **Media Asset Management** solution to *create, manage and sell* consumer-driven content via *multi-device* interaction

- ▶ **Companies that base success on their “brands” and on direct relationships with consumers (e.g. fashion, consumer goods, retail, banks, utilities, ...):**
 - ▶ TXT Polymedia supports them to effectively connect Brands and Consumers ...
 - ▶ ... offering innovative solutions for via video-based and multi-channel user interaction (targeted advertising, video-based e-commerce, digital signage, etc.)

- *Deep domain knowledge on mission and business critical markets*
- *Operating in two main markets: **Aerospace & Defence** and **Banking & Finance***
- *Creating long lasting relationships with influential customers and meeting their evolving needs*
- *13,5 M€ Revenue, profitable year after year*
- *40 Customers*
- *Strong Partnerships with International Software Vendors*



Revenues by market



Long lasting relationships

A blue arrow points upwards from 1985 to Today, indicating the growth of relationships. The arrow starts with a red dot at the bottom and ends with a red dot at the top. A small image of a helicopter is placed on the arrow.

1985: AgustaWestland, AleniaAeronautica (A Finmeccanica Company), Galileo Avionica, SIEMENS, ELSAG DATAMAT, DANIELI AUTOMATION.

Today: MINISTERO DELLA DIFESA REPUBBLICA ITALIANA, MAGNETI MARELLI, OTO MELARA (Una Società Finmeccanica), SELEX (Sensors and Airborne Systems, A Finmeccanica Company), bticino, ENAV S.p.A. (SOCIETÀ NAZIONALE PER L'ASSISTENZA AL VOLO).

A blue arrow points upwards from 1993 to Today, indicating the growth of relationships. The arrow starts with a red dot at the bottom and ends with a red dot at the top. A small image of a bank building is placed on the arrow.

1993: BPM (BANCA POPOLARE DI MILANO), BANCA MEDIOLANUM (GRUPPO BANCARIO MEDIOLANUM).

Today: BARCLAYS, Deutsche Bank, SECSERVIZI, BORSA ITALIANA ITALIAN EXCHANGE, BANCO POPOLARE (GRUPPO BANCARIO), BNP PARIBAS, Sigla Credit (Il prestito che libera le idee), INTESA SANPAOLO, UBI Banca, Webank (www.webank.it, Gruppo Bancario di Milano).

Growth Opportunities

- Italy:
 - Move into “similar” HT industries
 - Extend footprint in A&D: PLM
- International (UK): core A&D Market

- Italy only
- More of AM activities in our core application domains
- Complement technology-driven offering with domain-specific know-how



**LUGANO SMALL & MID CAP
INVESTOR DAY**



I Edizione
Splendide Royal Hotel
28 settembre 2010

2009 & H1/2010 Financials

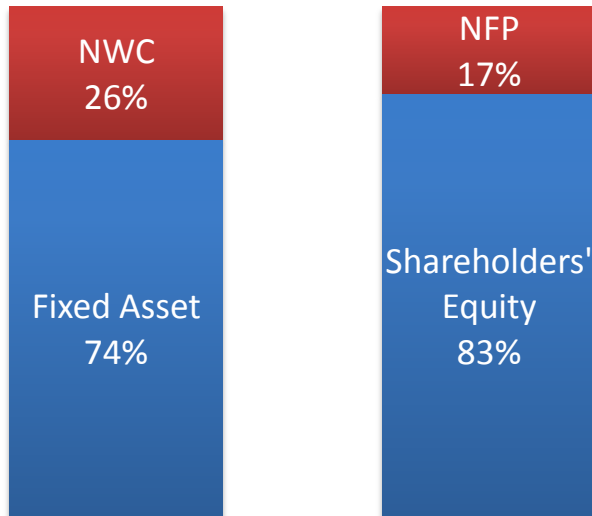
(€ millions)	30/06/2010	%	30/06/2009	%	VAR %
TXT Perform	10,4	38	9,3	35	12,3
TXT Polymedia	9,5	34	10,0	38	(4,6)
TXT Next	7,6	28	7,0	27	9,1
Total Revenues	27,6	100	26,3	100	5,0
Licenses & maintenance	5,1	19	3,9	15	31,1
Services	11,5	42	10,8	41	6,2
Projects and other income	11,0	40	11,6	44	(5,0)
Total Revenues	27,6	100	26,3	100	5,0

Income Statement First Half 2010

	H1 2010	%	H1 2009	%	VAR 10/09 %
<i>(€ thousand)</i>					
REVENUES	27.578	100,0	26.267	100,0	5,0
Direct costs	14.841	53,8	14.183	54,0	4,6
GROSS MARGIN	12.737	46,2	12.084	46,0	5,4
R & D costs	1.743	6,3	2.200	8,4	(20,8)
Commercial costs	4.805	17,4	6.202	23,6	(22,5)
G & A costs	3.467	12,6	3.898	14,8	(11,1)
GROSS OPERATING RESULT (EBITDA)	2.722	9,9	(216)	(0,8)	n.m.
Amortization and depreciation	1.905	6,9	2.219	8,4	(14,2)
OPERATING RESULT (EBIT)	817	3,0	(2.435)	(9,3)	n.m.
Financial income (expenditure)	(163)	(0,6)	(226)	(0,9)	(27,9)
RESULT BEFORE TAXES (EBT)	654	2,4	(2.661)	(10,1)	n.m.
Taxes	(550)	(2,0)	414	1,6	n.m.
NET INCOME (LOSS)	104	0,4	(2.247)	(8,6)	n.m.

- In First Half 2010 EBITDA improves from -0.2m€ in 2009 to 2.7m€ (9.9% of revenues), or +2.9m€ due to:
 - 25% recovery of revenues (+1.3m€) and related gross margin improvement: +0.7m€.
 - 75% indirect cost reduction: -2.2m€, due to:
 - ✓ Focus **sales activities** on those customers segments and geographical areas more business profitable in the short term.
 - ✓ Personnel job rotation and cost **reduction of external consulting** to align direct cost structure to revenue streams of each business unit.
 - ✓ **Reduction of R&D costs**, considering that the development of our offering is now essentially completed.
 - ✓ Closing of one **business line** with negative profitability.
 - ✓ Actions on **overhead costs**, including marketing, traveling, consulting and costs of operating offices.

H1 2010 FINANCIAL STRUCTURE



- Net Debt at 3.3m€ vs Net Equity of 16.7m€: ratio D/E <0.2x
- Important reduction of Net Debt
 - Vs 1 year ago: -5.0m€ (from 8.3m€ to 3.3m€)
 - Vs end 2009: -3.9m€ (from 7.2m€ to 3.3m€)
- 140% of Net Debt made of Long term loans (R&D grants)

- Large and fidelised international customer base
- Recognised leadership in each of the target markets
- Diversified by industry, geography and go-to-market:
 - Low business “volatility”
 - Not just 1 option for growth & profit
- Dynamic, flexible and fast-reacting team
- After restructuring last year, back to profit and cash generation in 2010
- Virtually no debt
- Currently trading at discounted multiples vs. peers