

The Misys turnaround

Mike Lawrie, Chief Executive
8 March 2007

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There are several factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. A summary of some of the potential risks faced by Misys is set out in the Company's most recent Annual Report.

Misys undertakes no obligation to revise or update any forward-looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

- 3–5 year turnaround programme
- Signed non-binding heads of agreement with Sesame management to purchase Sesame
- New focused strategies to increase value add to customers and begin to grow revenue
- New leadership team
 - Accountable and aligned to shareholder interests
- New financial model to improve return to shareholders
 - Margin improvement and increased focus on profitability
 - Efficient capital structure
 - Most of investment required in people and products can be funded by cost savings, re-focusing development and improving productivity
- One off charges
 - goodwill associated with Sesame and capitalised software we will no longer develop
 - cash charge with payback in about 18 months
- Beginning to execute

Installed base

- 1,200 Financial institutions
- 110,000 Physician users
- 1,200 Hospitals

Substantial expertise

- 30 years experience in Banking
- 25 years experience in Healthcare

Market position

- Top 3 market positions in Banking and Healthcare
- Customers in more than 120 countries

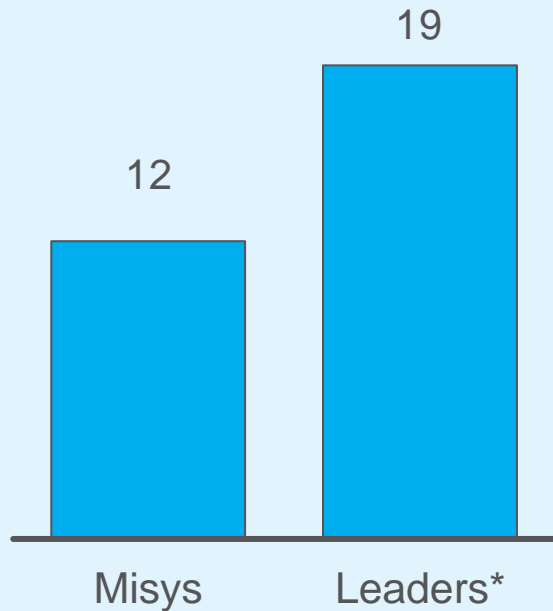
Global footprint

- Global distribution and development centres
- Leading emerging market footprint

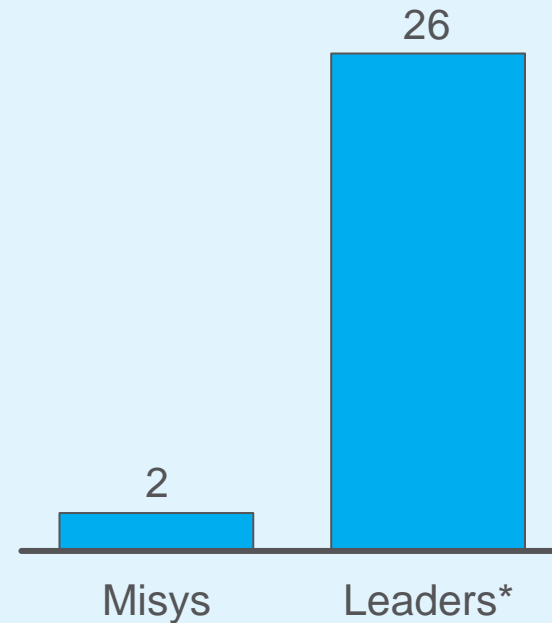
Product-push company, leveraging global direct sales distribution with holding company management structure and little investment in integration of products

Results of previous strategy

Operating margin**
(2001-06) %



Revenue growth (incl. acquisitions)
% CAGR (2001-06)



* Leaders Group: I-flex Solutions Ltd, Infosys Technologies Ltd, Temenos Group AG, Cerner, QSII

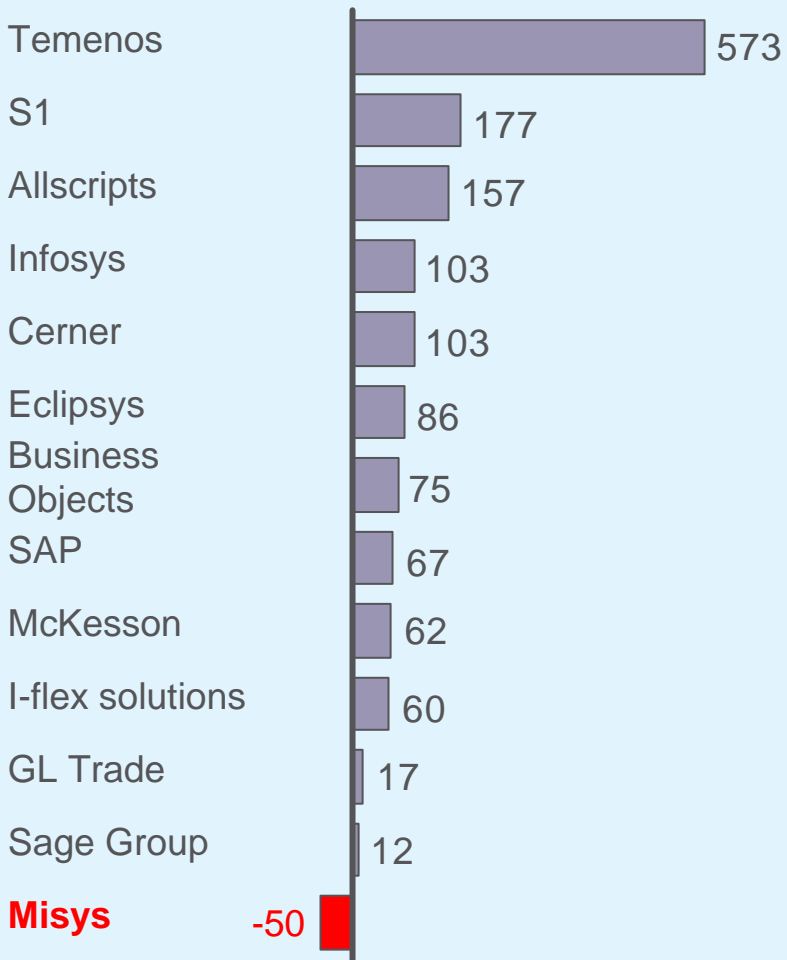
** Based on fiscal year adjusted reported financials (May'06 financials for Misys) and adjusted for stock option expensing

Misys trails its competitors in several key capital markets indicators



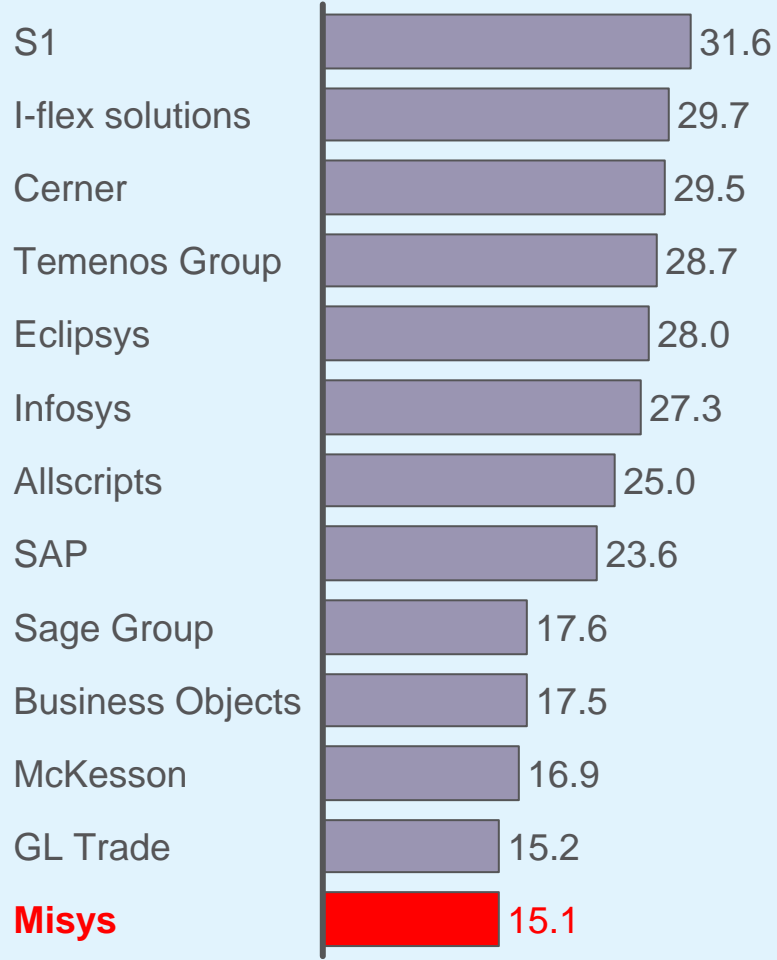
Total shareholder return (TSR)

Cumulative 2001–05 TSR; %



P/E ratio (Nov 2006)

12 month forward looking P/E consensus



Source: Bloomberg and DataStream

Sale Terms and Status

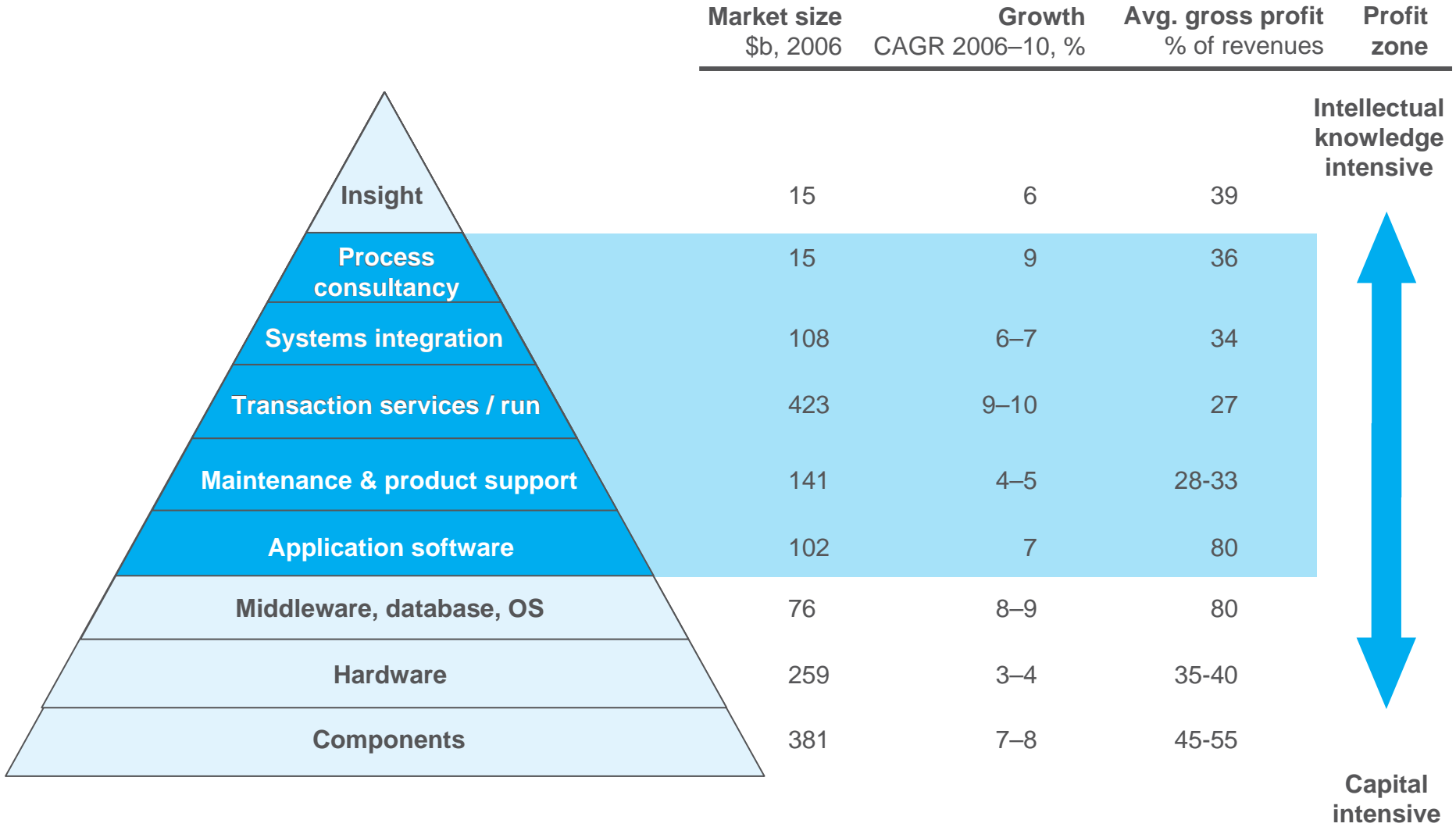
- Non-binding heads of agreement signed with Sesame management to purchase Sesame
- Sale price is £90m over 8-10 years + equity (40%)
- £105m cash and guarantee invested in the business
- Key criteria:
 - Cap all liabilities
 - De-consolidate
- Impact on Revenue: (£350m)*
- Impact on EPS: (1-2p)*
- Loss on disposal £50m principally goodwill write off
- Subject to final documentation, Financial Services Authority and shareholder approval

To be the leading application software and services provider to the financial services and healthcare industries by providing customers integrated, comprehensive solutions

1. Build a **solution orientation** and expand along the value chain
2. **Focused strategy** and **integrated portfolio** for each business unit
- **Treasury & Capital Markets, Services, Core Banking, Healthcare**
3. Develop **winning partnerships / collaborations**
4. **Revitalise** the organisation
5. Continuously **innovate** to capture market opportunities
6. Improve **financial performance**

1

Build a solution orientation and expand along the value chain



2 Focused strategy and integrated portfolio for each business unit

Treasury &
Capital
Markets

- Growth strategy

Services

- Growth strategy

Core
Banking

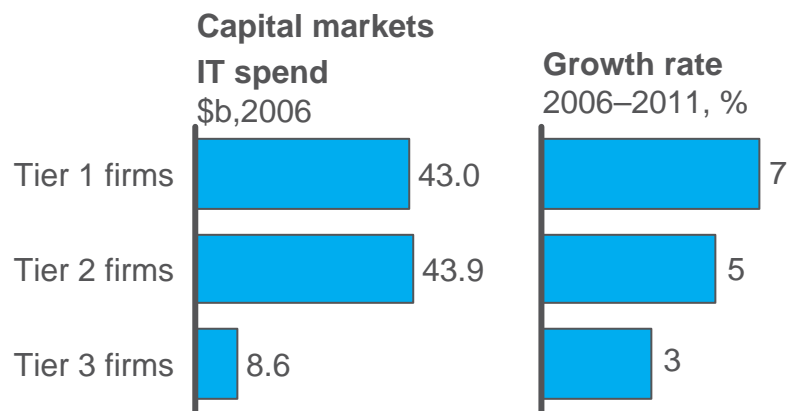
- Increased profitability strategy

Healthcare

- Focus and differentiation strategy

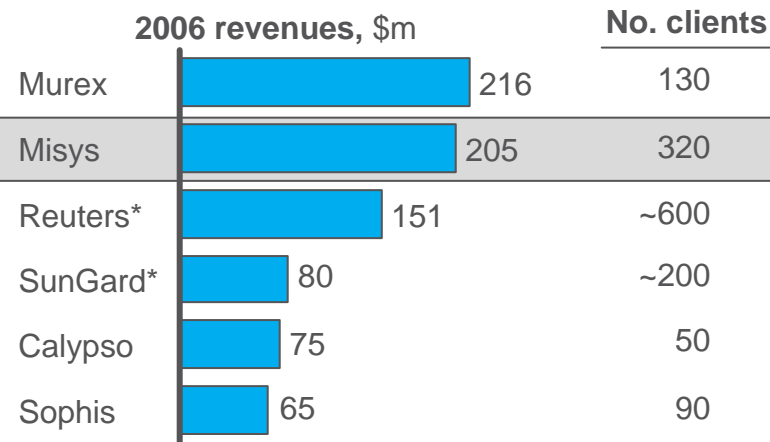
2 Treasury & Capital Markets - growth strategy

Market



Source: IDC Financial Insights

Competition



* TCM product only (estimates)

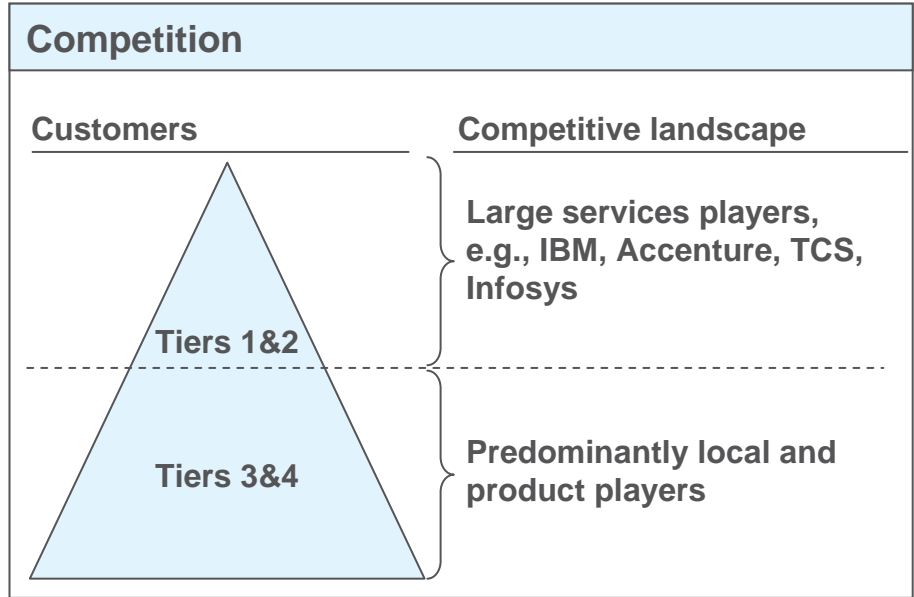
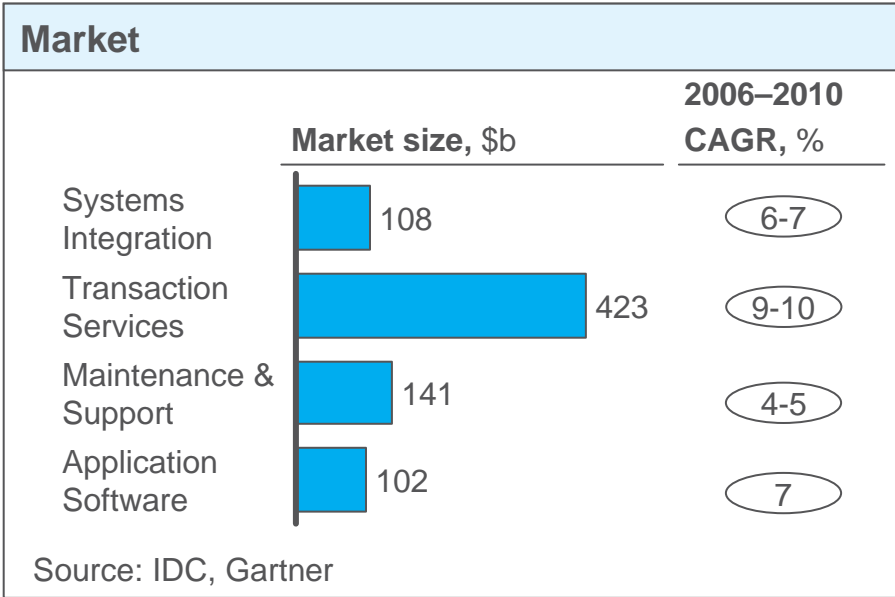
Misys strengths

- Large installed base including many Tier 1 and 2 capital markets firms
- Strong product set – consistently among industry leaders
- Products modernized to fully support services oriented architecture- .Net and Java J2EE
- Building offshore development resource pools in India and Eastern Europe

Actions

- Expand distribution to capture market share
- Accelerate new product releases and expand product footprint (eg. buy-side)
- Build up services capacity
- Deliver ASP (software as a service) offering for new markets
- Potential consolidator role in the industry and expand into other asset classes

2 Services- growth strategy

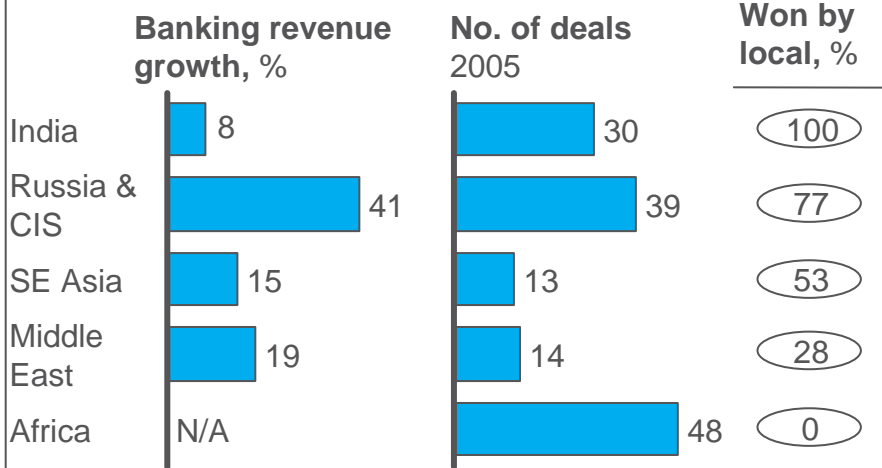


- ### Misys strengths
- Large installed base across Treasury & Capital Markets, Core Banking and Healthcare
 - Deep healthcare and banking domain expertise in Misys products and customer processes
 - Large development and support resource pools in India, Eastern Europe, Philippines
 - Trusted business partner to key customers

- ### Actions
- Implement consistent go-to-market processes
 - Expand services footprint along the value chain
 - Scale up off-shore delivery model
 - Build new skills through targeted acquisitions/ partnerships

2 Core Banking - profitability strategy

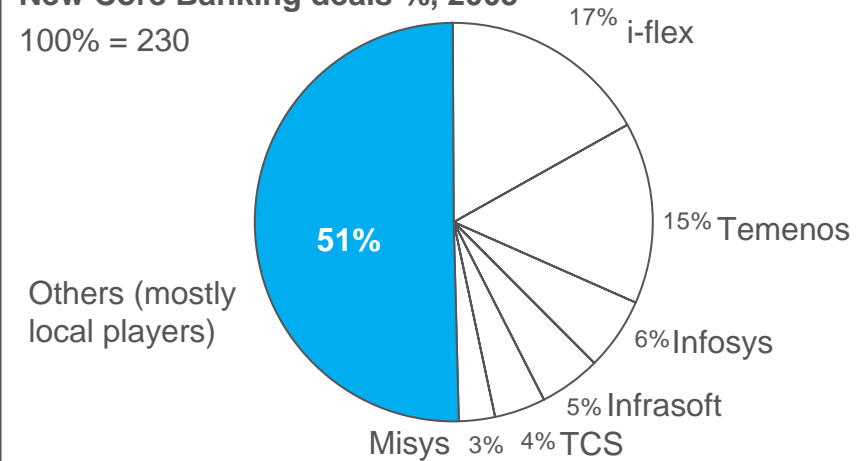
Market



Competition

New Core Banking deals %, 2005

100% = 230



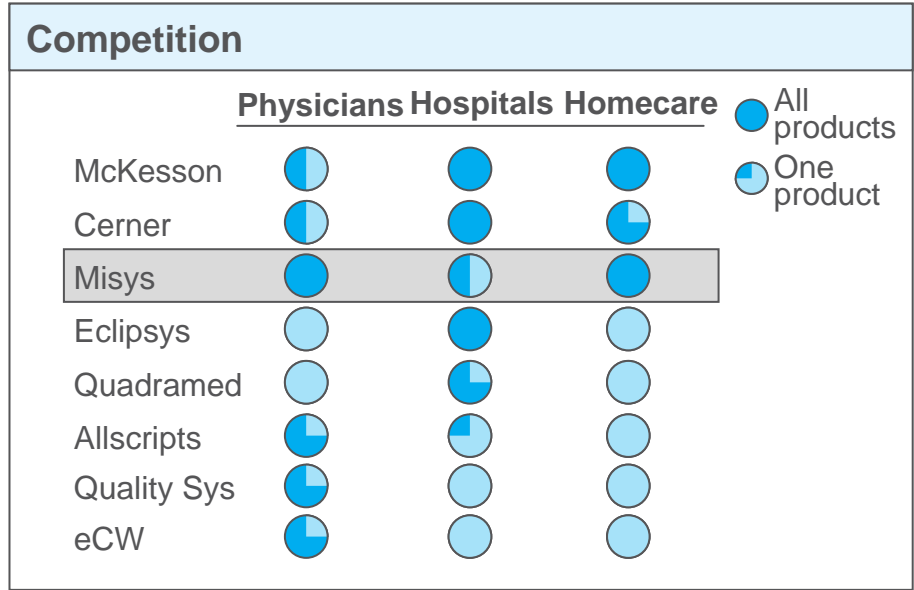
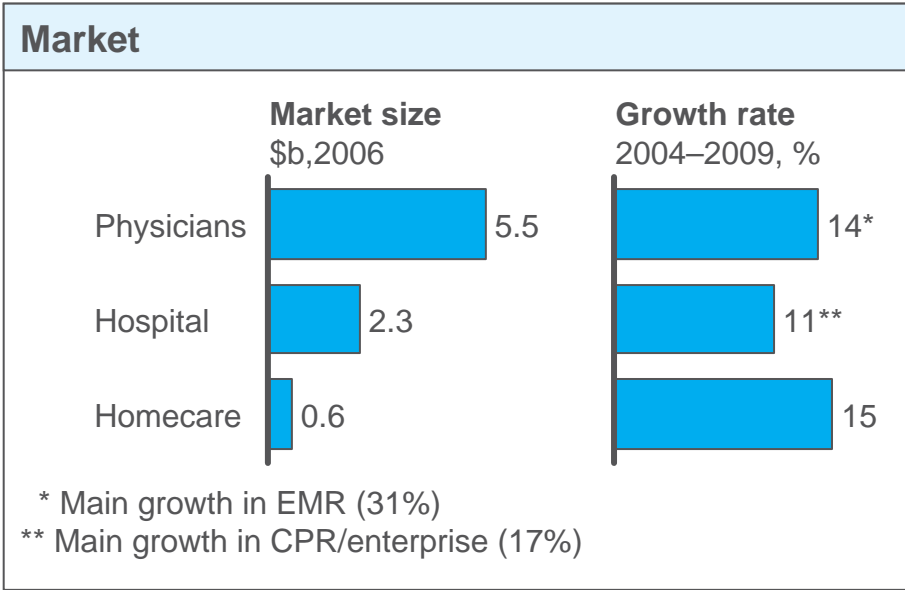
Misys strengths

- Cutting edge service-oriented product and channel platform – Misys BankFusion
- Largest installed customer base in industry
- Distribution/presence in all key growth geographies
- Deep expertise in core banking processes

Actions

- Focus and consolidate product line around Misys BankFusion platform
- Give customers maximum flexibility with support for all products
- Grow through partnerships in new geographies and market sectors
- Re-focus salesforce to the opportunity
- Build and expand professional services offering

2 Healthcare- focus and differentiation strategy



- ### Misys strengths
- Installed base of 110,000 physicians (ambulatory)
 - Industry's largest service and support organisation in physicians segment
 - Full suite of software for the physicians office
 - Deep expertise in physician connectivity and transaction services – 480m transactions processed per year

- ### Actions
- Focus on ambulatory and connected communities
 - Integrate and revitalise product line
 - Build value add services
 - Deliver ASP (software as a service) offering for physicians and prioritise small practices

3 Develop winning partnerships / collaborations

SI partners

- Bring complementary skills to deliver customer solutions in key growth geographies such as China, Middle East, India

Development partners/ developer community

- Accelerate development of components based on our SOA (services oriented architecture) product and channel platforms
- Outsourcing / global sourcing

Customers

- Pilot our new platforms, components and services
- Advise us on our strategic investment in products and services

Technology & Independent Software Vendor partners

- Provide technology infrastructure (e.g., SOA)
Provide applications and components that integrate with our solutions

4 Revitalise the organisation


- Building a **world class leadership** team totally **aligned** with shareholders interests



Eileen McPartland
EVP
GM, Global Sales & Services



Ed Ho
EVP
GM, Treasury & Capital Markets



Vern Davenport
EVP
GM, Healthcare



Guy Warren
EVP
GM, Core Banking



Peter McCullagh
EVP
Chief Marketing Officer



Paul Musselman
EVP
Strategy & Corporate Development



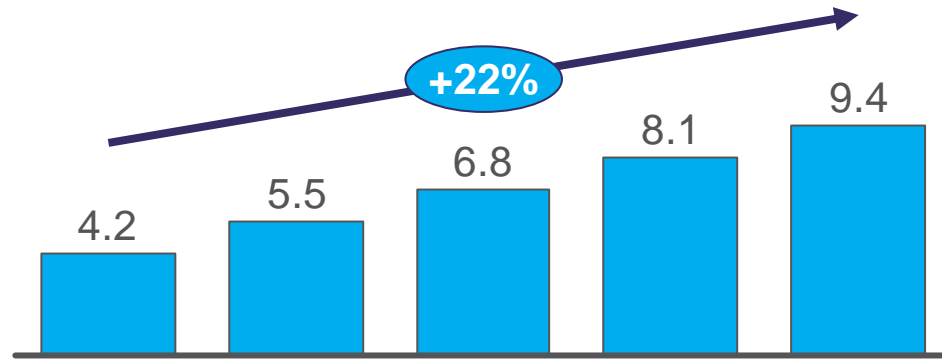
Cory Eaves
Acting CTO

4 Revitalise the organisation

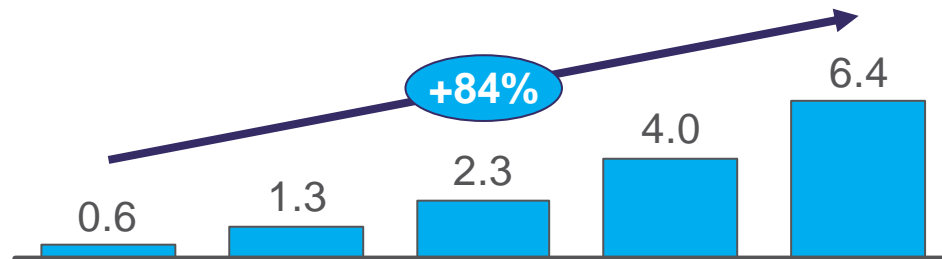
- Building a **world class** leadership team totally **aligned** with shareholders interests
- **Engage** with customers and partners to create a customer and market driven organisation
- Develop a culture that is open and thrives on **winning**
- Drive the business based on **facts**
- Install **management systems**
- Establish **accountability** for delivering results

5 Continuously innovate to capture market opportunity

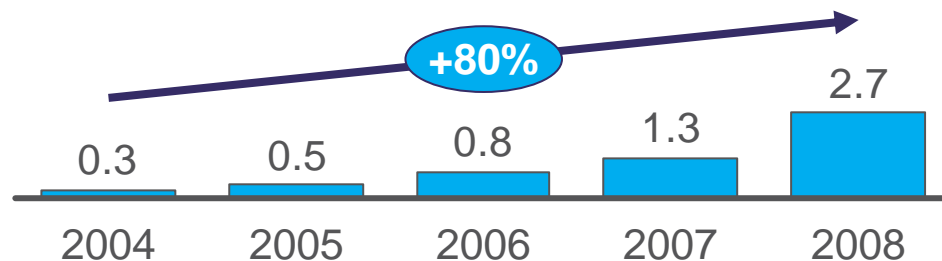
Worldwide ASP
(software as a
service) market, \$b



Worldwide SOA
(services oriented
architecture)- driven
software market, \$b

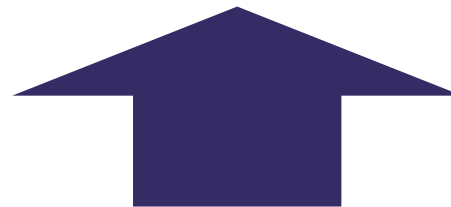


Open source
business
applications, \$b



6 Improve financial performance

	Past (2001-06)	FY09-10*	FY2011+*
Revenue growth (CAGR)	0-2%	2-4%	4-6+%
Operating margins	14-9%	15 -18%	18-20+%



Get productivity and cost structure to peer levels

- Consolidate development sites & real estate

Implement a global operating model

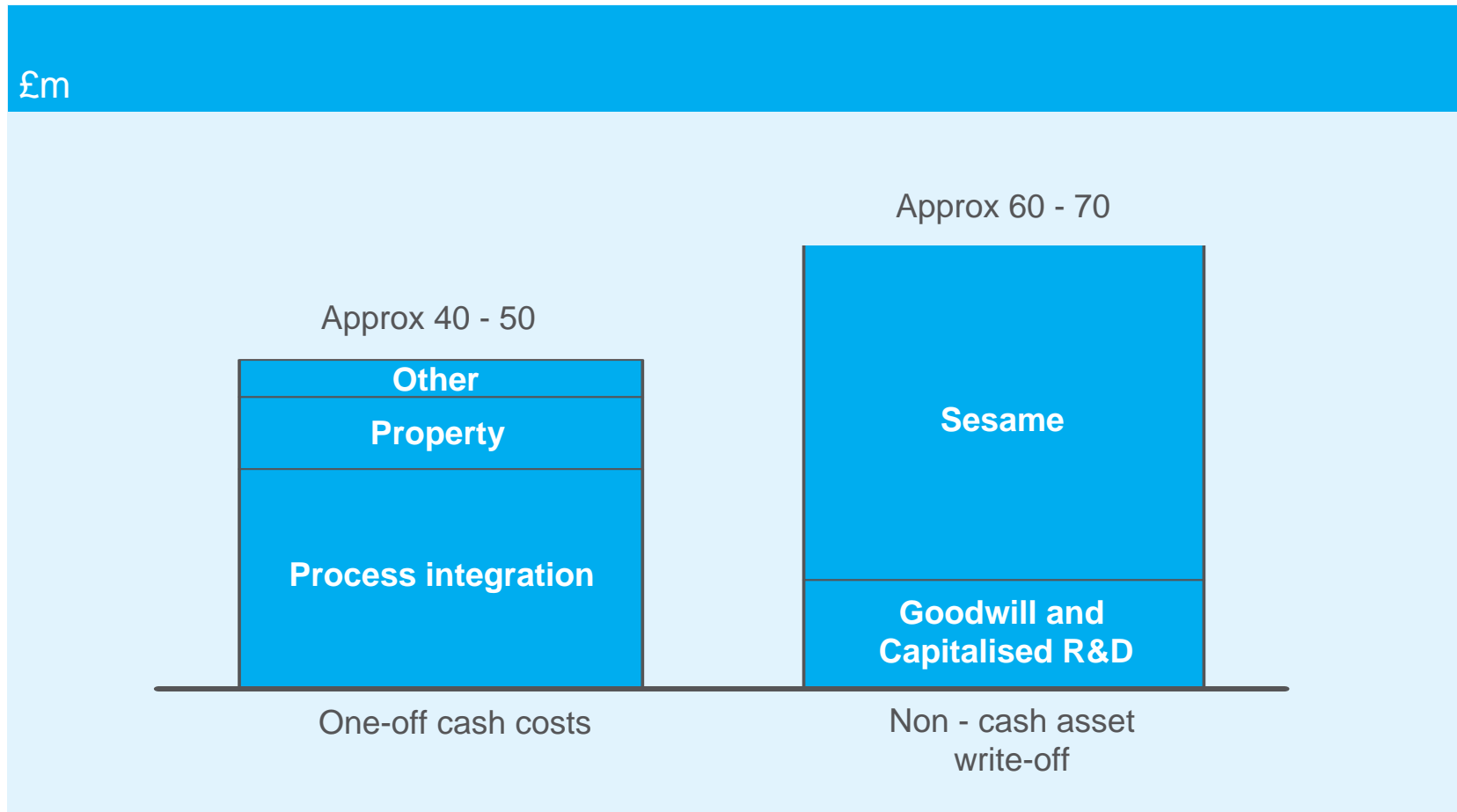
- Back office process integration

* Excluding Sesame

6 Sources of P&L cost savings

Category	Annual P&L run-rate savings, £m
• Procurement	10–15
• Development	~20
– Location consolidation	
– Productivity improvement	
• G&A (back-office)	2–4
– HR	
– Finance	
– IT	
• Customer facing	5–7
– Sales	
– Service	
– Support	
– De-layering	
	<hr/> <hr/> ~£40m

6 One-off charges: cash payback over 1-2 years

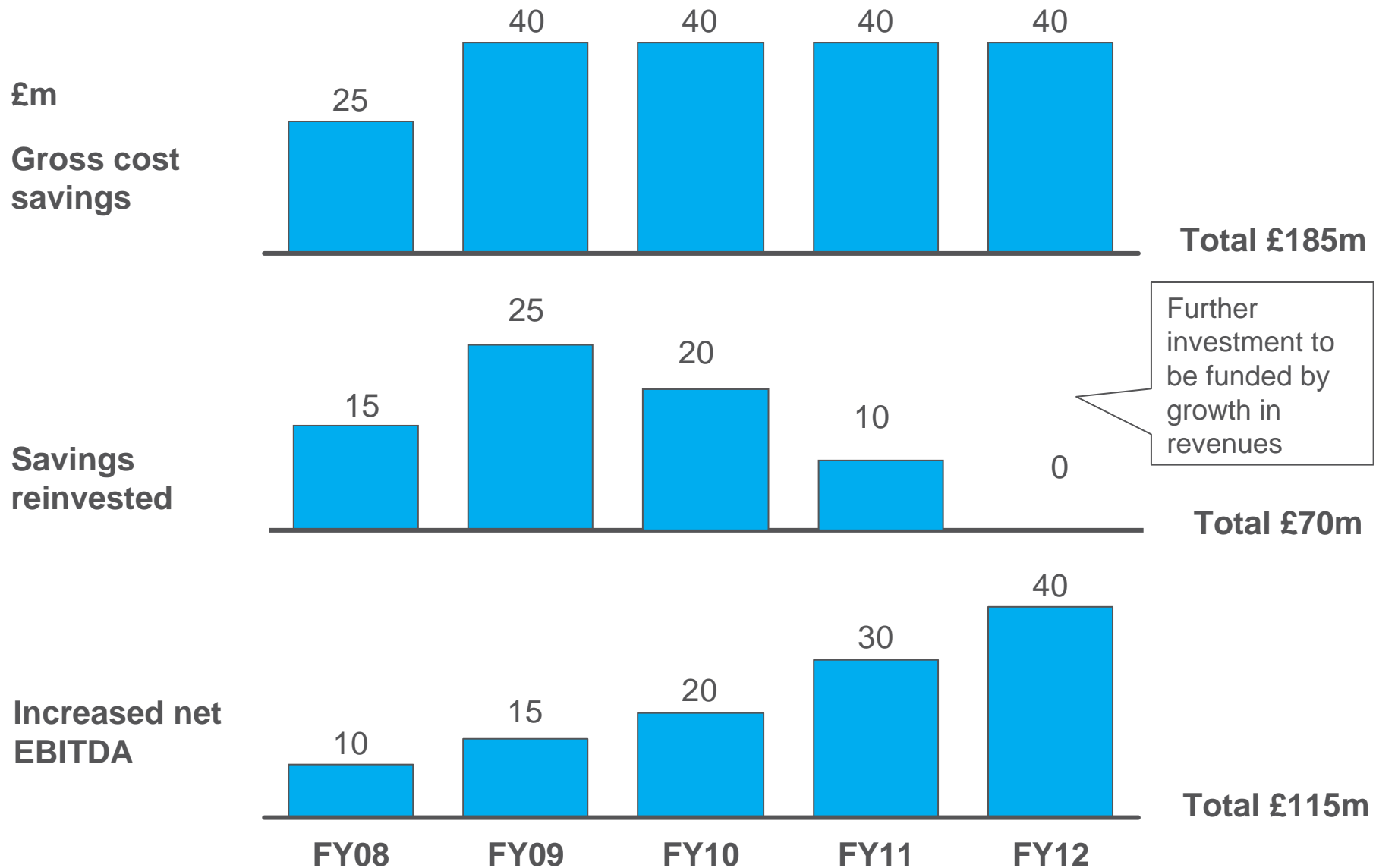


- Cash profile: FY07- up to £15m; FY08 - £25m; remainder to follow in out years

6 Re-investment of P&L cost savings (2008-12)

<u>Category</u>	<u>Re-investment, £m</u>
• Management systems <ul style="list-style-type: none">– Sales-force automation– Performance management– Development tools– Common HR– Services tools	2–5
• Reinvest in products / development	30-35
• Reinvest / rebalance customer facing resources, including services	30-35
	<hr/> ~ £70m <hr/>

6 Sources and uses of P&L cost savings*

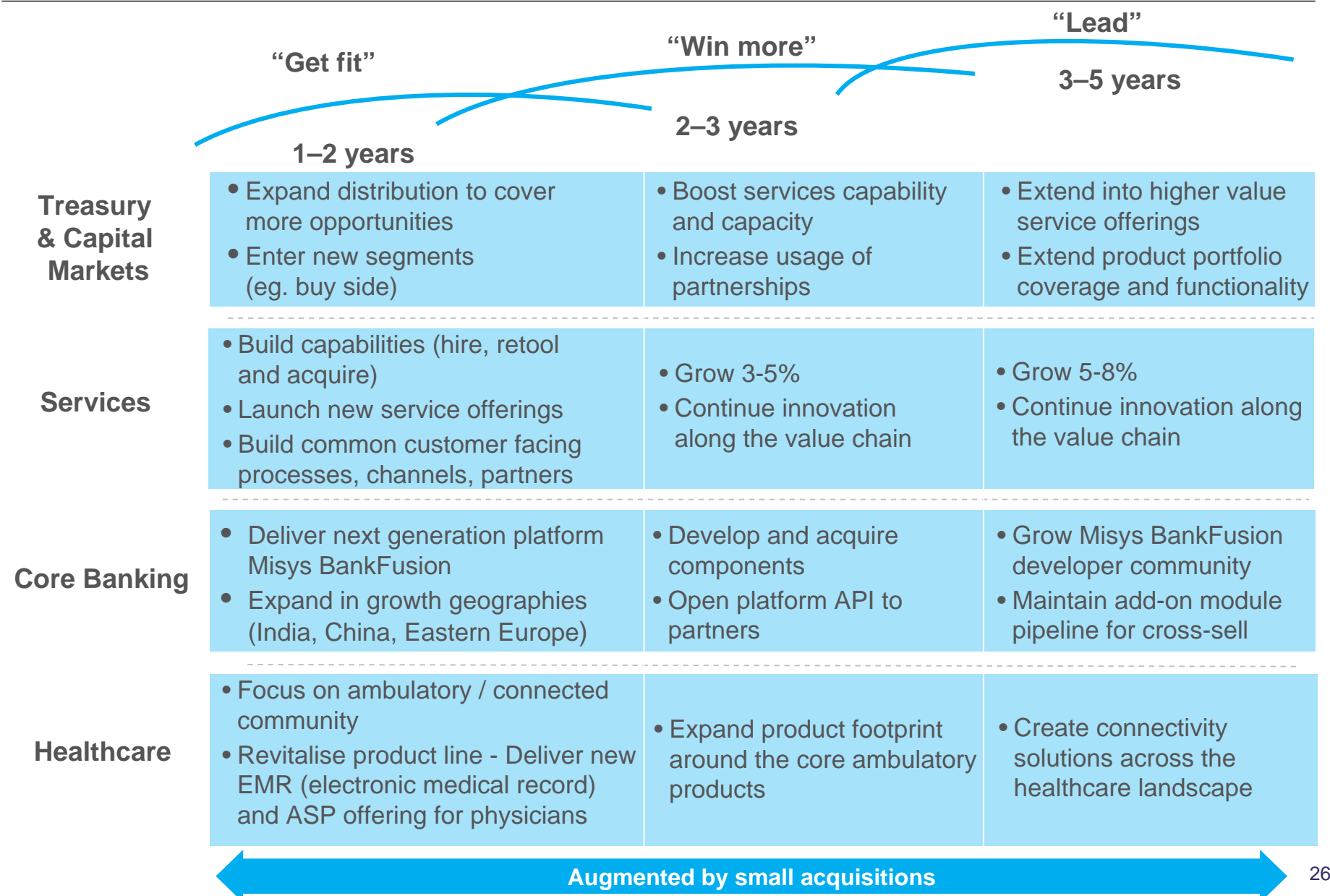


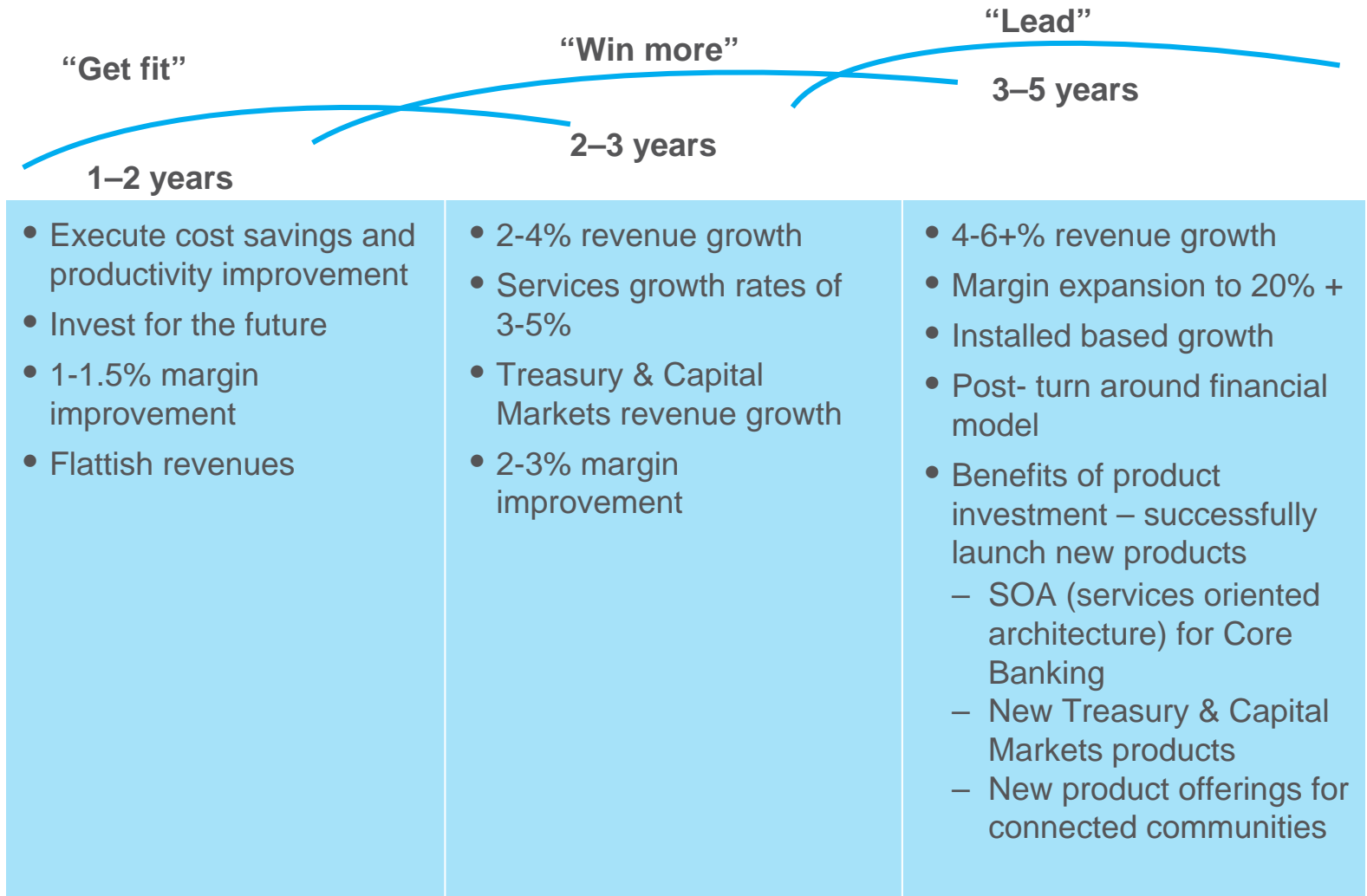
*Excludes exceptional / cash impact of one-off restructuring charges

6 Financial model

	2007 consensus forecasts	Mid point of turnaround FY 2009-10	End of turnaround FY2011-12+
Group Revenue (growth)	0%	2-4%	4-6+%
TCM	6%	4-6%	6-8+%
Core Banking		2-4%	4-6+%
Healthcare		(7%)	4-6+%
Services (included above)	n/a	3-5%	5-8+%
Operating margin, %	9%*	15-18%	18-20+%
EBITDA	100-105*	110-130	150-170
Capex	(10)	(10)	(10)
Capitalised software	(15)	(15)	(10)
Free cash flow from operations	<u>75-80</u>	<u>85-105</u>	<u>130-150</u>
Debt capacity 3x EBITDA	300-315*	330-390	450-510

Delivery timescale





Cumulative over time 

The turnaround strategy will build on our strengths

Installed base

- 1,200 Financial institutions
- 110,000 Physician users
- 1,200 Hospitals

Substantial expertise

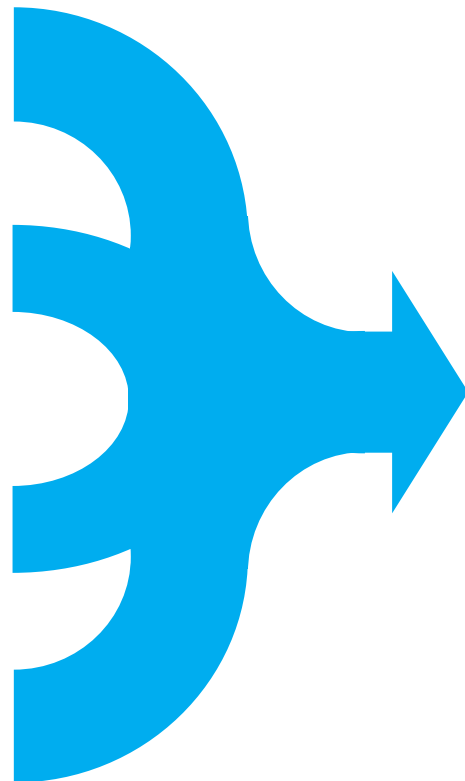
- 30 years experience in Banking
- 25 years experience in Healthcare

Market position

- Top 3 market positions in Banking and Healthcare
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Global footprint

- Global distribution and development centres
- Leading emerging market footprint



- Leveraging internal capabilities and external partners to help us sell and deliver **complete solutions**
- Our combined **software and services** offering presents a substantial opportunity within the Misys installed base
- Total focus on **driving increased value for customers and shareholders**

- **This is a 3 – 5 year turnaround – no quick fix and execution is critical**
- **Building a team with depth of expertise that can execute with urgency**
- **We are beginning to execute this strategy and will report on progress at trading update in June**
- **Each of the business unit General Managers will hold a detailed analyst review later in the calendar year**

Questions