TEMENOS
The Banking Software Company

CUSTOMER SUCCESS IN THE DIGITAL AGE

INTERIM REPORT
2015

About us
At a glance

Founded in 1993, Temenos is the market leading provider of mission critical software to financial institutions globally with more than 2,000 customers in over 150 countries worldwide. Temenos software provides financial institutions with a single, real-time view across the enterprise, enabling them to maximise returns while streamlining costs.

Our vision is to provide the software solution of choice for the transformation of the financial services industry – for all providers, everywhere.

Our mission statement is to extend our product leadership supported by both a professional services group and a strong partner ecosystem, delivering success for our customers, consistent, profitable growth for our Company and providing a great place for our employees to realise their ambitions.

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For the most up-to-date Investor Information and Press Releases, please refer to our website.

www.temenos.com

Read further on our website

Consolidated statement of profit or loss (condensed)
for the six months ended 30 June

Unaudited

	2015 USD 000	2014 USD 000
Revenues		
Software licensing	**56,729**	60,262
SaaS & subscription	**10,858**	3,768
Total software licensing	**67,587**	64,030
Maintenance	**113,198**	109,519
Services	**48,359**	48,286
Total revenues	**229,144**	221,835
Operating expenses		
Cost of sales	**70,782**	56,916
Sales and marketing	**38,610**	44,645
General and administrative	**40,252**	32,605
Other operating expenses	**62,930**	50,325
Total operating expenses	**212,574**	184,491
Operating profit	**16,570**	37,344
Finance costs – net	**(7,689)**	(5,787)
Profit before taxation	**8,881**	31,557
Taxation (note 3)	**(1,410)**	(5,517)
Profit for the period	**7,471**	26,040
Attributable to:		
Equity holders of the Company	**7,471**	26,040
Earnings per share (in USD) (note 11):		
basic	**0.11**	0.38
diluted	**0.11**	0.37

Notes on pages 6 to 13 are an integral part of these interim consolidated financial statements.

Consolidated statement of comprehensive income (condensed)
for the six months ended 30 June

Unaudited

	2015 USD 000	2014 USD 000
Profit for the period	**7,471**	26,040
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	**1**	5
	1	5
Items that are or may be subsequently reclassified to profit or loss		
Available-for-sale financial assets	**(21)**	193
Cash flow hedge	**345**	3,922
Currency translation difference	**(21,230)**	355
	(20,906)	4,470
Other comprehensive income for the period, net of tax	**(20,905)**	4,475
Total comprehensive income for the period	**(13,434)**	30,515
Attributable to:		
Equity holders of the Company	**(13,434)**	30,515

Notes on pages 6 to 13 are an integral part of these interim consolidated financial statements.

Consolidated statement of financial position (condensed)

Unaudited

	30 June 2015 USD 000	31 December 2014 USD 000
Assets		
Current assets		
Cash and cash equivalents	**59,669**	192,610
Trade and other receivables	**241,887**	231,647
Other financial assets	**4,358**	3,143
Total current assets	**305,914**	427,400
Non-current assets		
Property, plant and equipment (note 12)	**17,887**	14,089
Intangible assets (note 12)	**751,912**	437,808
Trade and other receivables	**18,514**	22,298
Other financial assets	**4,342**	388
Deferred tax asset	**20,320**	23,865
Total non-current assets	**812,975**	498,448
Total assets	**1,118,889**	925,848
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**84,015**	79,834
Other financial liabilities	**1,477**	2,841
Deferred revenues	**160,264**	179,894
Income taxes payable	**8,173**	14,177
Borrowings (note 13)	**13,858**	12,860
Provisions for other liabilities and charges	**1,086**	649
Total current liabilities	**268,873**	290,255
Non-current liabilities		
Trade and other payables	**4,287**	–
Other financial liabilities	**3,592**	4,140
Income tax liabilities	**1,782**	1,782
Borrowings (note 13)	**495,622**	279,232
Provisions for other liabilities and charges	**581**	958
Deferred tax liabilities	**28,943**	1,087
Retirement benefit obligations	**6,865**	6,356
Total non-current liabilities	**541,672**	293,555
Total liabilities	**810,545**	583,810
Shareholders' equity		
Share capital	**228,357**	228,357
Treasury shares	**(147,175)**	(152,942)
Share premium and capital reserves	**(56,609)**	(59,187)
Fair value and other reserves	**(101,545)**	(80,639)
Retained earnings	**385,316**	406,449
Total equity	**308,344**	342,038
Total liabilities and equity	**1,118,889**	925,848

Notes on pages 6 to 13 are an integral part of these interim consolidated financial statements.

Consolidated statement of cash flows (condensed)
for the six months ended 30 June

Unaudited

	2015 USD 000	2014 USD 000
Cash flows from operating activities		
Profit before taxation	**8,881**	31,557
Adjustments:		
Depreciation, amortisation and impairment of financial assets	**39,060**	31,658
Impairment charge of property, plant and equipment	**37**	117
Cost of share options	**8,371**	7,871
Foreign exchange loss on non-operating activities	**2,268**	149
Interest expenses, net	**5,681**	3,763
Net (profit)/loss from financial instruments	**(2,551)**	318
Other finance costs	**2,266**	1,643
Changes in:		
Trade and other receivables	**508**	(8,940)
Trade and other payables, provisions and retirement benefit obligations	**(6,248)**	(7,371)
Deferred revenues	**(28,962)**	(18,838)
Cash generated from operations	**29,311**	41,927
Income taxes paid	**(6,186)**	(6,135)
Net cash generated from operating activities	**23,125**	35,792
Cash flows from investing activities		
Purchase of property, plant and equipment, net of disposals	**(3,252)**	(2,521)
Purchase of intangible assets, net of disposals	**(2,513)**	(2,056)
Capitalised development costs (note 12)	**(21,507)**	(19,481)
Acquisitions of subsidiaries, net of cash acquired (note 7)	**(297,726)**	–
Disposal of subsidiary or business, net of cash disposed	**7**	31
Settlement of financial instruments	**1,353**	306
Interest received	**28**	66
Net cash used in investing activities	**(323,610)**	(23,655)
Cash flows from financing activities		
Dividend paid	**(28,605)**	(26,597)
Acquisition of treasury shares	**–**	(5,211)
Proceeds from/(repayments of) borrowings (note 13)	**12,623**	(10,018)
Proceeds from issuance of bond (note 13)	**190,568**	112,338
Interest payments	**(3,998)**	(1,035)
Payment of other financing costs	**(1,601)**	(1,095)
Payment of finance lease liabilities (note 13)	**(27)**	(86)
Net cash generated from financing activities	**168,960**	68,296
Effect of exchange rate changes	**(1,416)**	(745)
Net (decrease)/increase in cash and cash equivalents in the period	**(132,941)**	79,688
Cash and cash equivalents at the beginning of the period	**192,610**	115,649
Cash and cash equivalents at the end of the period	**59,669**	195,337

Notes on pages 6 to 13 are an integral part of these interim consolidated financial statements.

Consolidated statement of changes in equity (condensed)

Unaudited

	Share capital USD 000	Treasury shares USD 000	Share premium and capital reserves USD 000	Fair value and other reserves USD 000	Retained earnings USD 000	Total USD 000
Balance at 1 January 2014	**239,798**	**(131,775)**	**16,442**	**(59,225)**	**342,928**	**408,168**
Profit for the period	–	–	–	–	26,040	26,040
Other comprehensive income for the period, net of tax	–	–	–	4,470	5	4,475
Total comprehensive income for the period	–	–	–	4,470	26,045	30,515
Dividend paid	–	–	–	–	(26,597)	(26,597)
Cost of share options	–	–	8,126	–	–	8,126
Exercise of share options	–	24,969	(24,969)	–	–	–
Acquisition of treasury shares	–	(7,433)	–	–	–	(7,433)
Costs associated with equity transactions	–	–	(35)	–	–	(35)
	–	17,536	(16,878)	4,470	(552)	4,576
Balance at 30 June 2014	**239,798**	**(114,239)**	**(436)**	**(54,755)**	**342,376**	**412,744**
Balance at 1 January 2015	**228,357**	**(152,942)**	**(59,187)**	**(80,639)**	**406,449**	**342,038**
Profit for the period	–	–	–	–	7,471	7,471
Other comprehensive income for the period, net of tax	–	–	–	(20,906)	1	(20,905)
Total comprehensive income for the period	–	–	–	(20,906)	7,472	(13,434)
Dividend paid	–	–	–	–	(28,605)	(28,605)
Cost of share options	–	–	8,371	–	–	8,371
Exercise of share options	–	5,767	(5,767)	–	–	–
Costs associated with equity transactions	–	–	(26)	–	–	(26)
	–	5,767	2,578	(20,906)	(21,133)	(33,694)
Balance at 30 June 2015	**228,357**	**(147,175)**	**(56,609)**	**(101,545)**	**385,316**	**308,344**

Notes on pages 6 to 13 are an integral part of these interim consolidated financial statements.

Notes to the consolidated interim financial statements
for the period ended 30 June 2015

Unaudited

1. General information

TEMENOS Group AG ("the Company") was incorporated in Glarus, Switzerland on 7 June 2001 as a stock corporation (Aktiengesellschaft). Since 26 June 2001 the shares of TEMENOS Group AG have been publicly traded on the SIX Swiss Exchange. On incorporation, TEMENOS Group AG succeeded TEMENOS Holdings NV in the role of the ultimate holding company of the Group. From 23 May 2006 the Company moved its seat of incorporation to Geneva, Switzerland. The registered office is 2 Rue Ecole de Chimie, Geneva.

The Company and its subsidiaries (the "TEMENOS GROUP" or "the Group") are engaged in the development, marketing and sale of integrated banking software systems. The Group is also involved in supporting the implementation of the systems at various client locations around the world as well as in offering help desk support services to existing users of TEMENOS software systems. The client base consists of mostly banking and other financial services institutions.

2. Basis of preparation

This condensed interim financial information for the six month ended 30 June 2015 has been prepared in accordance with IAS 34 'Interim financial reporting' and are unaudited. The consolidated interim financial report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014 which have been prepared in accordance with IFRS's.

3. Accounting policies

Except as described below, the accounting policies are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2014.

Standards, amendments and interpretations adopted by the Group
The following standards, amendments and interpretations have been adopted by the Group for the 1st time on or after 1 January 2015. Unless otherwise stated, their application has not resulted in a significant impact on the Group's consolidated financial statements.

- "2010-2012 cycle" annual improvements.
- "2011-2013 cycle" annual improvements.
- IFR7 (amendment included in the "2012-2014 cycle" annual improvements).

Taxation
Income tax is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The tax charge for the period ended 30 June 2015 consisted of tax on profits, withholding tax and deferred tax movements due to the reversal of timing differences.

4. Seasonality of operations

The Group is not significantly influenced by seasonal or cyclical fluctuations although software licensing revenue, profit and cash collection tend to been stronger in the second half of the year and specifically the final quarter.

5. Significant events and transactions during the period

There were no material changes in respect of the Group's contingent liabilities, including litigation settlement, since the last annual reporting date.

There have been no substantive changes in the Group's exposure to financial risks and the Group has not suffered from significant adverse effect. Nature of the risks as well as the Group's policies and objectives reported in the consolidated financial statements at 31 December 2014 remain the same.

6. Estimates

The preparation of these consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Group's consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

7. Business combination

Akcelerant Software LLC
On 9 February 2015, the Group acquired 100% of the share capital of Akcelerant Software LLC based in USA.

Akcelerant is a leading provider of software and services to the financial industry. The company offers multiple product lines and holds strong relationships with numerous best-of-breed service providers. Today, more than 500 financial institutions in North America are using Akcelerant technology.

The acquisition will significantly increase Temenos' competitiveness and accelerate business growth in the US market. It will also provide complementary products to the Group's portfolio of banking technology solutions.

The goodwill arising from the acquisition is mainly attributable to the cross-selling opportunities with the acquired customer base and the expansion of the Group's presence into the US market.

The goodwill recognised is expected to be tax deductible for income tax purposes.

	USD 000
Fair value of the consideration transferred at acquisition date:	
Cash consideration	49,282
Contingent consideration	4,898
Total	54,180

	Total USD 000
Fair value of the identifiable assets acquired and liabilities assumed:	
Trade and other receivables	3,301
Property, plant and equipment	209
Intangible assets	27,134
Trade and other payables	(1,439)
Deferred revenues	(3,159)
Total	26,046
Goodwill	28,134
Acquisition-related costs included in "General and administrative" line in the statement of profit or loss	430

Consideration paid in cash	49,282
Cash and cash equivalents acquired	–
Cash outflow on acquisition	49,282

The fair value of the trade and other receivables approximates its carrying value and it is expected to be fully recoverable.

The revenue and profit or loss contributed by the acquiree in the period between the date of acquisition and the reporting date are USD 7.2 million and USD 1.7 million loss, respectively. This information includes the amortisation of the acquired intangible assets with the related tax effect.

Had the acquisition occurred on 1 January 2015, the Group's consolidated statement of profit or loss would have reported a pro-forma revenue of USD 230.5 million and a pro-forma profit of USD 6.9 million. These amounts reflect the adjustment of the acquired deferred income liability and the amortisation of the acquired intangible assets with the related tax effect, assuming that the fair value adjustments applied from 1 January 2015.

The contingent consideration arrangement requires the Group to pay in cash an earn-out contribution based on the completion of a yearly revenue target over the earn out period ending 31 December 2017. The agreement requires a payment of USD 1.7 million each year from 2015 to 2017 provided that the yearly target is achieved. The selling shareholders are also entitled to an additional consideration if the cumulative revenue over the entire period exceeds a revenue threshold. However, this additional contribution is limited to a maximum amount of USD 1 million. The potential undiscounted consideration value is between nil and USD 6 million.

The initial accounting has been provisionally completed at 30 June 2015. The Group is still evaluating the fair value of the acquired intangible assets.

Notes to the consolidated interim financial statements
for the period ended 30 June 2015

Unaudited

7. Business combination (continued)

MULTIFONDS
On 4 March 2015, the Group acquired 100% of the share capital of Multifonds a leading global provider of fund administration software, based in Luxembourg.

Founded in 1995 and headquartered in Luxembourg, Multifonds provides software to financial services institutions globally, predominantly in the third-party fund administration market. Multifonds' software allows fund administrators to perform key accounting functions such as intra-day valuations and end-of-day NAV calculations as well as to support fund administrators in key investor servicing and transfer agency functions such as investor dealing and shareholder record keeping. Multifonds has over 470 employees in 14 offices globally.

The acquisition will give Temenos additional scale, access to highly complementary products, client relationships with more than 30 of the world's largest financial institutions, and exposure to the fast-growing fund administration market.

The goodwill arising from the acquisition is mainly attributable to the cross-selling opportunities with the acquired customer base and the expansion of the Group's presence into the fund administration market.

None of the goodwill is expected to be deductible for tax purposes.

	USD 000
Fair value of the consideration transferred at acquisition date:	
Cash consideration	272,634
Total	272,634

	Total USD 000
Fair value of the identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	24,190
Trade and other receivables	17,046
Property, plant and equipment	2,947
Intangible assets	130,768
Deferred tax asset	233
Trade and other payables	(8,955)
Income taxes payable	(1,015)
Deferred revenues	(11,667)
Deferred tax liabilities	(29,724)
Total	123,823
Goodwill	148,811
Acquisition-related costs included in "General and administrative" line in the statement of profit or loss	3,777

Consideration paid in cash	272,634
Cash and cash equivalents acquired	(24,190)
Cash outflow on acquisition	248,444

The fair value of the trade and other receivables approximates its carrying value and it is expected to be fully recoverable.

The revenue and profit or loss contributed by the acquiree in the period between the date of acquisition and the reporting date are USD 12.9 million and USD 6.4 million loss, respectively. This information includes the amortisation of the acquired intangible assets with the related tax effect.

Had the acquisition occurred on 1 January 2015, the Group's consolidated statement of profit or loss would have reported a pro-forma revenue of USD 234.6 million and a pro-forma profit of USD 2.3 million. These amounts reflect the adjustment of the acquired deferred income liability and the amortisation of the acquired intangible assets with the related tax effect, assuming that the fair value adjustments applied from 1 January 2015.

The initial accounting has been provisionally completed at 30 June 2015. The Group is still evaluating the fair value of the acquired intangible assets.

8. Segment information

The Chief Operating Decision Maker ("CODM") has been identified as the Group's Chief Executive Officer ("CEO"). He regularly reviews the Group's operating segments in order to assess performance and to allocate resources.

The CODM considers the business from a product perspective and, therefore, recognises the reporting segments as: "Product" and "Services". Other representation of the Group's activity such as regional information is also presented to the CODM but it is not primarily used to review the Group's performance and to make decisions as how to allocate resources.

The "Product" segment is primarily engaged in marketing, licensing and maintaining the Group's software solutions, including software development fees for requested functionality, as well as providing hosting arrangements. The "Services" segment represents various implementation services such as consulting and training.

The CODM assesses the performance of the operating segments based on the operating result. This measure includes the operating expenses that are directly or reasonably attributable to the reporting segments. Unallocated expenses mainly comprise of restructuring costs, termination benefits, acquisition-related costs, share-based payment expenses, offices-related expenses and any other administrative or corporate overheads that cannot be directly attributable to the operating segments. Unallocated revenues represent the fair value adjustments recognised on the deferred income liability acquired in business combinations.

	Product		Services		Total	
	2015 USD 000	2014 USD 000	**2015 USD 000**	2014 USD 000	**2015 USD 000**	2014 USD 000
External revenues	**188,198**	173,549	**48,516**	48,286	**236,714**	221,835
Operating contribution	**73,373**	71,830	**6,367**	2,981	**79,740**	74,811

Intersegment transactions are recognised as part of the allocated expenses. They are based on internal cost rates that excludes any profit margin.

There have been no differences from the last annual consolidated financial statements with regards to the basis of segmentation or to the basis of measurement of segment profit or loss.

There has been no material change in the assets reported to the CODM from the amount disclosed in the consolidated financial statements for the year ended 31 December 2014.

Reconciliation to the Group's consolidated interim financial statements

	30 June 2015 USD 000	30 June 2014 USD 000
Total operating profit for the reportable segments	**79,740**	74,811
Depreciation and amortisation	**(34,780)**	(25,128)
Unallocated revenues	**(7,572)**	–
Unallocated operating expenses	**(20,818)**	(12,339)
Finance costs – net	**(7,689)**	(5,787)
Profit before taxation	**8,881**	31,557

Notes to the consolidated interim financial statements
for the period ended 30 June 2015

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9. Fair value measurement

The following table provides the level of the fair value hierarchy within which the carrying amounts of the financial assets and liabilities measured at fair value are categorised.

- Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: Inputs for the asset or liability that are not based on observable market data.

Balance at 30 June 2015

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets at FVTPL				
Forward foreign exchange contracts	**–**	**1,574**	**–**	**1,574**
Equity securities	**120**	**–**	**–**	**120**
Derivatives used for hedging				
Forward foreign exchange contracts	**–**	**2,784**	**–**	**2,784**
Cross currency swap	**–**	**4,222**	**–**	**4,222**
Total	**120**	**8,580**	**–**	**8,700**

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at FVTPL				
Forward foreign exchange contracts	**–**	**1,168**	**–**	**1,168**
Contingent consideration	**–**	**–**	**4,898**	**4,898**
Derivatives used for hedging				
Forward foreign exchange contracts	**–**	**309**	**–**	**309**
Cross currency swap	**–**	**3,592**	**–**	**3,592**
Total	**–**	**5,069**	**4,898**	**9,967**

Balance at 31 December 2014

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets at FVTPL				
Forward foreign exchange contracts	–	787	–	787
Equity securities	156	–	–	156
Derivatives used for hedging				
Forward foreign exchange contracts	–	2,588	–	2,588
Total	156	3,375	–	3,531

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at FVTPL				
Forward foreign exchange contracts	–	1,631	–	1,631
Derivatives used for hedging				
Forward foreign exchange contracts	–	1,590	–	1,590
Cross currency swap	–	3,760	–	3,760
Total	–	6,981	–	6,981

There were no transfers between Level 1 and 2 during the period.

Assets and liabilities in level 2
- Forward foreign exchange contracts: The fair value is based on forward exchange rate (provided by brokers) with the resulting value discounted using a free risk curve plus appropriate credit risk.
- Cross currency swap: The fair value is measured by discounting the contractual cash flows using observable curves for both currencies that reflect currency basis spreads and counterparty credit risk. The resulting value from the leg in foreign currency is translated using the spot exchange rate at the reporting date.

Assets and liabilities in level 3
- Contingent consideration arose from the acquisition of Akcelerant Software LLC and is measured using the "income approach" methodology. Future revenue projection is based on the expectation of the future signings from the evaluation of the current pipeline and the future renewals expected from the acquired subscription revenue base. Since the initial accounting is still not yet finalised, no gains or losses were recognised either in profit or loss or in the other comprehensive income. Unless any downturn is particularly severe and pervasive, change in the unobservable inputs would not have a significant effect on the fair value of the contingent consideration.

The Group continuously reviews the assumptions and estimates used in determining the fair value of items falling within level 3 and it reports any significant change to the CFO as part of its monthly internal management reporting cycle.

There were no changes in valuation techniques during the period.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the reporting period when the event or change in circumstances occurred.

The Group has elected to use the exception provided by paragraph 48 of IFRS 13 'Fair Value Measurement' to measure the credit risk element attributable to the Group's own credit risk (net short position) or the counterparty's credit risk (net long position) on a net basis for the financial assets and financial liabilities governed by a master netting agreement.

10. Financial instruments measured at amortised costs

The following table provides the fair value and the carrying amount of the Group's financial instruments measured at amortised cost; excluding cash and cash equivalents, current trade and other receivables, current trade and other payables and current borrowing as their carrying amounts represent a reasonable approximation of their fair values.

	30 June 2015		31 December 2014	
	Carrying amount USD 000	**Fair value USD 000**	Carrying amount USD 000	Fair value USD 000
Financial assets				
Non-current trade and other receivables	**18,514**	**18,275**	22,298	21,855
Total	**18,514**	**18,275**	22,298	21,855
Financial liabilities				
Non-current trade and other payables	**1,042**	**1,009**	–	–
Non-current borrowings:				
Other loans	**33**	**33**	64	64
Unsecured bonds	**401,311**	**409,955**	200,770	202,147
Bank borrowings	**94,278**	**90,549**	78,398	76,782
Total	**496,664**	**501,546**	279,232	278,993

11. Earnings per share

Basic
Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	2015	2014
Profit attributable to equity holders of the Company (USD 000)	**7,471**	26,040
Weighted average of ordinary shares outstanding during the period (in thousands)	**65,712**	68,091
Basic earnings per share (USD per share)	**0.11**	0.38

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11. Earnings per share (continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the periods presented in these consolidated interim financial statements, the Group has only one category with a potential dilutive effect: "Share options".

For the period ended 30 June 205 and 30 June 2014, this category was fully dilutive.

	2015	2014
Profit used to determine diluted earnings per share (USD 000)	**7,471**	26,040
Weighted average of ordinary shares outstanding during the period (in thousands)	**65,712**	68,091
Adjustments for:		
– Share options (in thousands)	**1,651**	1,599
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**67,363**	69,690
Diluted earnings per share (USD per share)	**0.11**	0.37

12. Property, plant and equipment and intangible assets

	Property, plant and equipment USD 000	Intangible assets USD 000
Six months ended 30 June 2015		
Opening balance as at 1 January 2015 (USD 000)	14,089	437,808
Additions	3,706	5,154
Acquisition through business combination (note 7)	3,156	334,847
Disposals & impairment	(45)	–
Capitalised development costs	–	21,507
Charge for the period	(2,808)	(31,972)
Foreign currency exchange differences	(211)	(15,432)
Closing net book amount as at 30 June 2015 (USD 000)	**17,887**	**751,912**

13. Borrowings

	30 June 2015 USD 000	31 December 2014 USD 000
Current		
Obligations under finance leases	**3**	30
Other loans	**59**	58
Unsecured bonds	**3,796**	2,731
Bank borrowings	**10,000**	10,041
Total current	**13,858**	12,860
Non-current		
Obligations under finance leases	**–**	–
Other loans	**33**	64
Unsecured bonds	**401,311**	200,770
Bank borrowings	**94,278**	78,398
Total non-current	**495,622**	279,232
Total borrowings	**509,480**	292,092

Movements in borrowings is analysed as follows:

Six months ended 30 June 2015	
Opening balance as at 1 January 2015 (USD 000)	292,092
Repayments net proceeds from borrowings	12,596
Proceeds from issuance of bond	190,568
Interest expense	1,066
Foreign currency exchange differences	13,158
Closing net book amount as at 30 June 2015 (USD 000)	**509,480**

In May 2015, the Group issued a senior unsecured bond with a nominal value of CHF 175 million and a coupon of 2% paid annually on 17 June. The bond will mature on 17 June 2022 at a redemption price of 100% of the principal amount.

14. Share capital

As at 30 June 2015, the issued shares of Temenos Group AG comprised 69,888,362 common shares of a nominal value of CHF 5 each. All issued shares are fully paid.

The changes in the number of issued and outstanding shares for the period ended 30 June 2015 are summarised below:

	Number
Total number of shares issued, as at 1 January	69,888,362
Treasury shares	(4,270,359)
Total number of shares outstanding, as at 1 January	65,618,003
Movement in treasury shares	157,469
Total number of shares outstanding, as at 30 June 2015	65,775,472

As at 30 June 2015 the number of treasury shares held by the Group amounted to 4,112,890 (30 June 2014: 3,863,500), out of which 3,270,794 shares are to be cancelled in the 3rd quarter of the year (capital reduction approved at the 2015 Annual General Meeting of Shareholders).

Temenos Group AG also has conditional and authorised capital, comprising:

Authorised shares available until 6 May 2017	13,900,000
Conditional shares that may be issued on the exercise of employee share options	7,177,782
Conditional shares that may be issued in conjunction with financial instruments	6,607,904

15. Dividends

A dividend of CHF 26,317 thousand (CHF 0.40 per share) in respect of the financial year ended 31 December 2014 was paid during the period.

16. Events occurring after the reporting period.

There are no reportable events that occurred after the reporting period.

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