



TEMENOS

The Banking Software Company

Agenda

09:00 – 09:05	Welcome and Overview	Max Chuard – Director M&A & IR
09:05 – 09:50	Growing in an Uncertain World	Guy Dubois – CEO
09:50 – 10:20	Harnessing the Forces of Change: Has the Time for Global Core Banking Arrived?	Joao Caldeira – Deloitte
10:20 – 10:45	Break	
10:45 – 11:15	Customer Presentation: Swissquote	Lino Finini – Head of Back Office and Banking Applications, Swissquote
11:15 – 11:45	Market Leadership through Product Innovation	Andre Loustau – CTO Mark Winterburn – Head of PBG John Schlesinger – Chief Architect
11:45 – 12:15	Customer Centricity drives our Growth	Mark Cullinane – COO
12:15 – 12:30	Mid-term Financial Goals	David Arnott – CFO
12:30 – 13:00	Q&A	Team
13:00 – 14:00	Buffet Lunch	



Growing in an uncertain world

Guy Dubois, CEO



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Temenos Investor Day

- 1. Our market supports sustainable, mid-term growth**
- 2. Our value proposition answers the industry's challenges**
- 3. We have the strategy to extend our leadership**
- 4. We are outlining mid-term financial goals and have the right team to deliver**

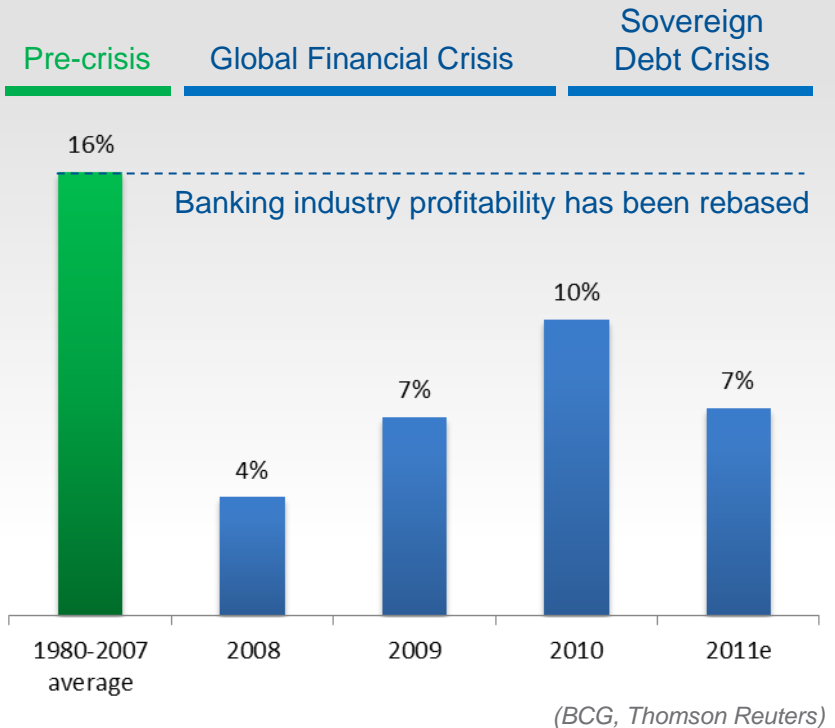


The Banking Market Today

Market shocks keep coming



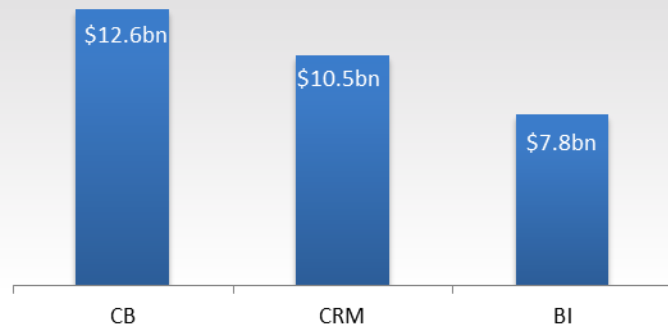
RoE Levels Pre- And Post-Crisis



The crisis has exposed the structural problems in the banking industry

Core Banking Market Dynamics

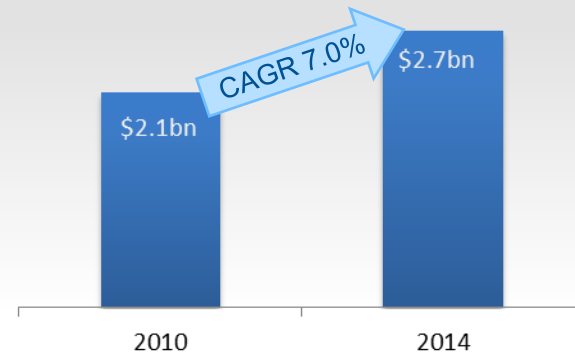
1 Core banking market is big...



Spend on Core Banking vs. Selected Software Markets (2010)

(Celent, IDC – represents internal and external spend on licence & maintenance)

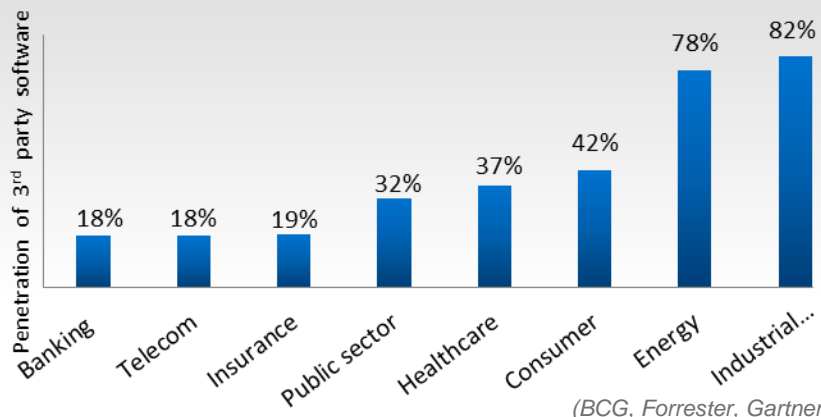
2 ...growing...



Third-Party Core Banking Spend (Licences & Maintenance)

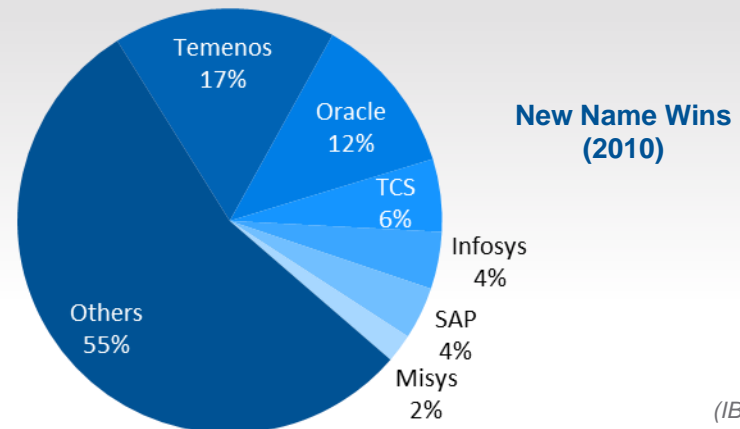
(Celent, IDC, Temenos)

3 ...underpenetrated...



(BCG, Forrester, Gartner)

4 ...and highly fragmented



(IBS)

Core Banking Drivers

1 The need to overcome global challenges...

More demanding,
less loyal customers

Higher funding costs

Higher capital
requirements

Heightened
competition

2 ...and address immediate priorities...

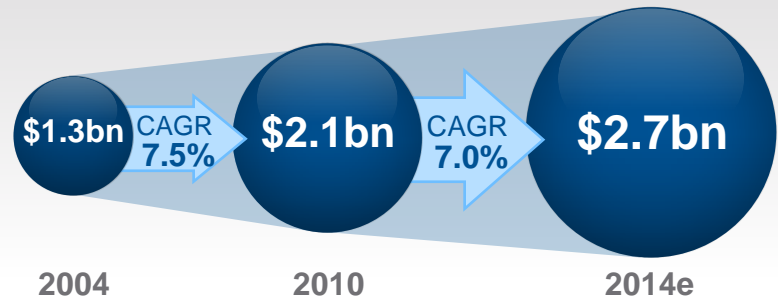
Cut costs

Improve customer
profitability

Move into more
profitable areas

Extract economies
of scale

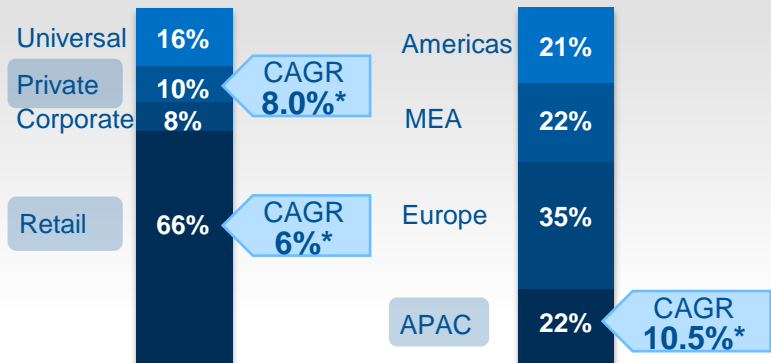
3 ...is making core renewal a much more important strategic priority...



Core banking market growth (licences and maintenance)

(Celent, Gartner, Temenos)

4 ...with clear pockets of faster growth



Split of core banking spend by geography and segments (2010)

(Gartner, Ovum, Temenos, *CAGR 2010-2014e)

Temenos' Value Proposition

Value Proposition

Our products are **open**, **integrated**, **componentised** and **upgradable**, supported by a dedicated professional services organisation & a strong partner ecosystem.

We deliver superior business value by productising the domain experience of more than 1,000 customers into best practice banking models, processes and innovative software products.

Benefits

Low cost, highly automated, scalable system

Rapid launch of personalised products, single view of customer and risk

Impact

Sustainably lower costs

Economies of scale

Greater wallet share

Lower asset provisions

Market development

Temenos offers the market leading value proposition

Temenos' Value Proposition - Evidenced

Greater wallet share

Techcombank has been growing profit per customer by an average of 25% since going live with T24



Lower asset provisions

Bank of Shanghai had NPLs of 1.12% in 2010 (70% below average*) despite an asset CAGR of 26% (7x average*)



Market development

Credit Agricole took €2.6bn in new deposits in 12m after opening a new online private bank using T24



Sustainably lower costs

Schroders Private Banking lowered cost to income by 10.7 points after centralising operations with T24



Economies of scale

EFG has integrated 24 acquisitions onto its IT platform yet spends less than one third of industry average on IT**

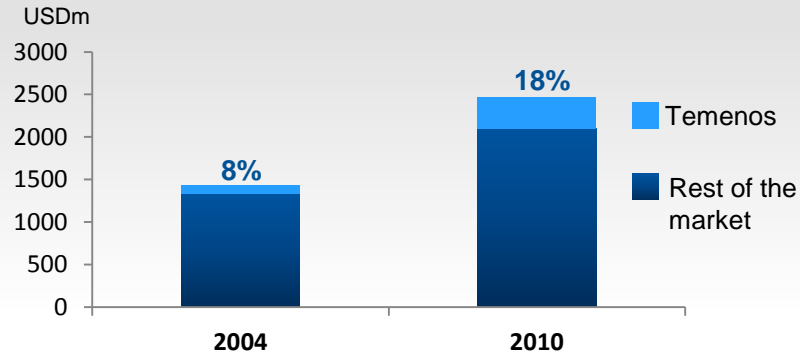


Temenos customers are leveraging the software to deliver superior profitability

*Average of top 1,000 banks – The Banker; ** industry average derived from BCG research

Temenos' Leading Position

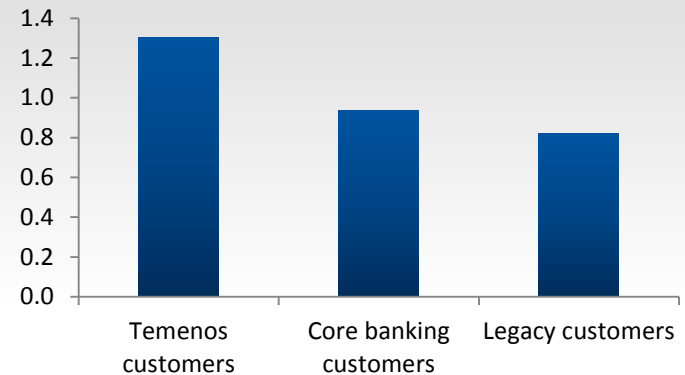
1 Market Share



Temenos Market Share 2004 vs. 2010 (Licence & Maintenance)

(Company accounts, IBS, Temenos)

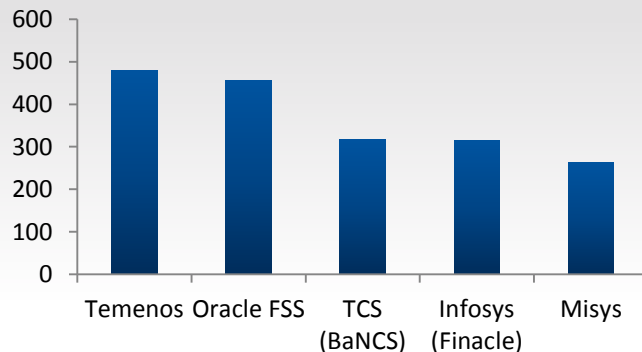
2 Customer Profitability



Return on Assets % (2010)

(The Banker, IBS, Temenos)

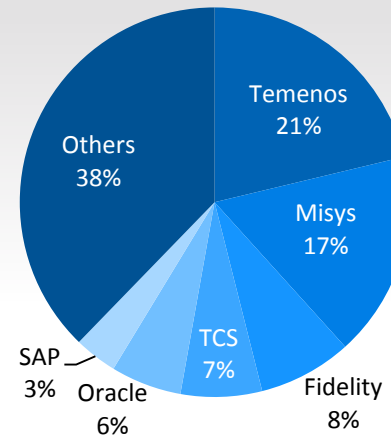
3 Revenues



LTM Core Banking Revenues (\$M) to Sept 2011

(Company accounts)

4 Installed Base

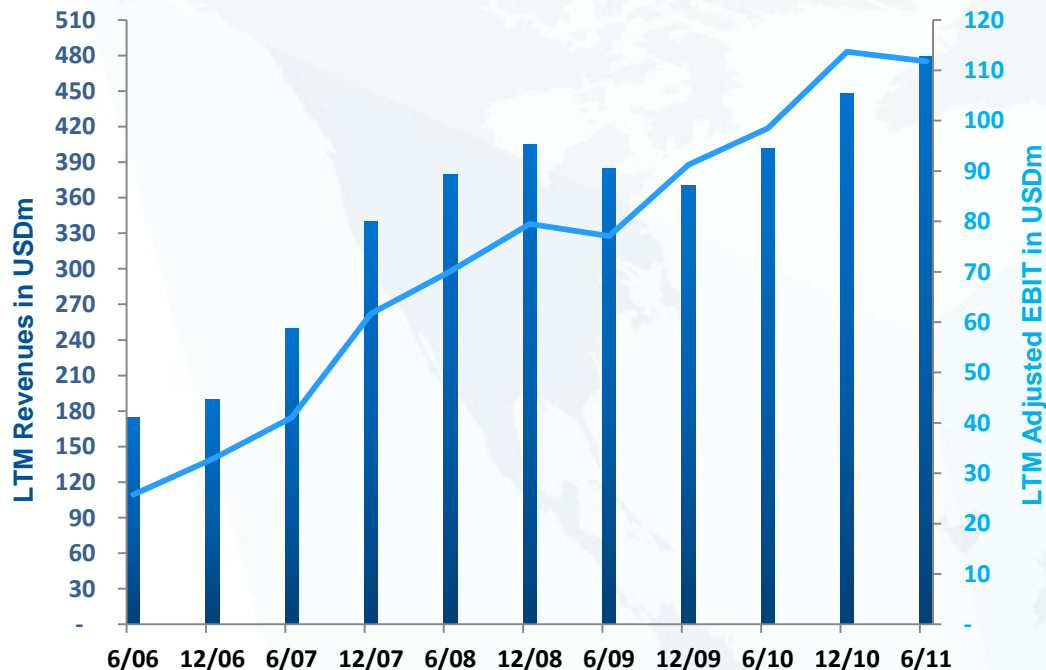


Vendor Installed Base Expressed As % of Total (2010)

(Capgemini, IBS)

Temenos Growth Record

LTM Revenues and Adjusted EBIT H1-2006 to H2-2011



2011 YTD Performance

Like-for-Like Revenues +1.5%
Adjusted EBIT -12%

High exposure to Europe

Sales weighted to new customers

Services in transition

Temenos has delivered >30% compound growth in profits in the last 5 years

Temenos' Recent Business Performance

Year to Date 2011		vs. 2010
34	Number of new banks signed	+10%
36	Number of customer go-lives	+24%
18.5%	Estimated market share	+150bps
>97%	Maintenance renewal rate	unchanged
#1	On the IBS Sales League Table	unchanged
1,700	Number of partners consultants	+350

Temenos is still in the ascendancy – extending its lead

Temenos' Strategic Priorities

- 1 Extend leadership with innovative apps built on superior architecture
- 2 Place a relentless focus on sales to drive growth
- 3 Create a profitable, knowledge led, expert services organisation
- 4 Continue to strengthen our partner ecosystem
- 5 Exploit growth opportunities with bolt-on acquisitions
- 6 Deliver strong results with continued focus on margin and cash

We will strengthen execution and competitive advantage to deliver growth

Progress To Date

Strategic Priorities		Year to date Progress	
1	Product Leadership	<ul style="list-style-type: none">• Completed largest ever benchmark with Microsoft• Creation of Product Business Group (PBG)	✓
2	Sales	<ul style="list-style-type: none">• Increased penetration of Asia market - 17% to 27%*• Completed re-tooling of the sales organisation	✓
3	Services	<ul style="list-style-type: none">• Appointed head of Customer Loyalty & Maint. business• Appointed new head of CSG	✓
4	Partners	<ul style="list-style-type: none">• New partnerships (Wipro, IBM)• Over 1,700 trained partner consultants	✓
5	M&A	<ul style="list-style-type: none">• 10 cross sales of Odyssey products to existing customers• Closed Primisyn acquisition in BI market	✓
6	Financials	<ul style="list-style-type: none">• Launched cost efficiency programme to take out \$25m• Continued growth of maintenance stream to ~\$200m	✓

*license sales Q311 v Q111

Mid-term Strategic Goals

Strategic Priorities	Targeted Directions	Key Metrics
1 Product Leadership	<ul style="list-style-type: none"> • Leader in chosen sectors eg Retail, WM • Exploit market leading architecture 	Top 2 # 1
2 Sales	<ul style="list-style-type: none"> • Grow share of sales to customer base • Focus on key geos - Asia & Americas • Focus on tier 1/2 	46% to >55%* 35% to >40%* 19% to >25%*
3 Services	<ul style="list-style-type: none"> • Return services to profitability • Drive services as a business • Continue focus on customer satisfaction 	double digit c. 25% revenues Best in class
4 Partners	<ul style="list-style-type: none"> • Grow certified consultants • Increase partner-sourced licences 	1,700 to >3,000 10% to >15-20%
5 M&A	<ul style="list-style-type: none"> • Continue to deliver significant IRR • Earnings accretive transactions 	>13% Within 12 months

*% of total license sales

Mid-term Financial Goals

- 1 Return to 10-15% annual licence growth
- 2 Restore Services to double-digit margins
- 3 Keep Services Contribution to c. 25% of total revenues
- 4 Increase Adj. EBIT margins by 100-150bps on average p.a.
- 5 Maintain 100% conversion of EBITDA into Cash from Ops

We aim for consistent and sustainable growth

Temenos' Competitive Advantages

Temenos' 10 Sustainable Competitive Advantages

- | | |
|--|---|
| 1. Flexible, configurable system built on open architecture | ✓ |
| 2. Packaged front to back integrated suite with best of breed components | ✓ |
| 3. Greatest functional breadth | ✓ |
| 4. Platform independence | ✓ |
| 5. Country-specific configurations out of box | ✓ |
| 6. Over 500 documented banking processes built in | ✓ |
| 7. Highest R&D | ✓ |
| 8. Market leader | ✓ |
| 9. Extensive partner network | ✓ |
| 10. Lowest TCO | ✓ |

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Leadership Team





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