TEMENOS

Financial results & business update

Quarter ended 31 March 2013

23 April 2013

Disclaimer

Any remarks that we may make about future expectations, plans and prospects for the company constitute forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors.

In particular, the forward-looking financial information provided by the company in this conference call represent the company's estimates as of 23 April 2013. We anticipate that subsequent events and developments will cause the company's estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to 23 April 2013.

Agenda

Business update	David Arnott, CEO
Financial update	Max Chuard, CFO
Summary	David Arnott, CEO
Q&A	

Summary

Solid Q1 performance across all metrics

Multi-product strategy gaining momentum

Sustainably lower cost base underpinning margin expansion

Strong cash conversion

Acquisition of TriNovus to accelerate US growth and enter US SaaS market

Refinancing and bond issue completed to lock-in flexible, low cost, long term funding

Strategy validated – all KPIs performing well

Q1 financial overview

LFL licence revenues up 5% - the second consecutive quarter of growth

Maintenance revenues remain resilient with LFL growth of 4%

Services revenues stable and margin improving as revenue mix shifts

Non-IFRS EBIT more than doubled with margin up 7 percentage points

LTM cash conversion of 111%

Solid financial performance – on track to deliver full year guidance

Q1 sales and operational overview

Multi-product approach is working

- Strong and high quality pipeline across all products
- Gradual improvement in core banking
- Europe resilient with growth in the quarter, all other markets gaining traction
- Strong sales into the installed base
- Almost half of licence sales from tier 1 and 2 customers
- Significant deal with tier 1 PWM customer – validating product strategy

7 new customer wins in Q1 (Q1 2012: 7)

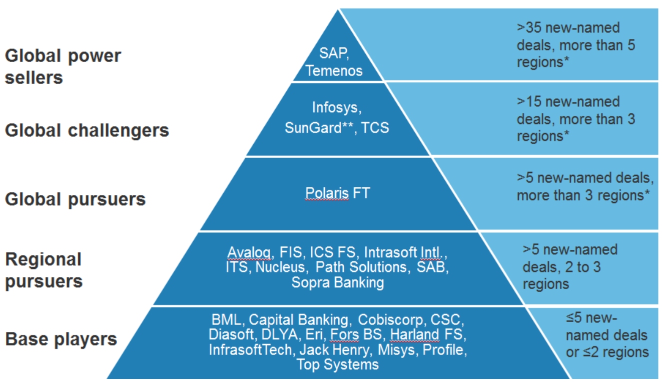
Services strategy delivering - 19 go-lives in Q1 (Q1 2012: 15)

Multi-product strategy gaining momentum

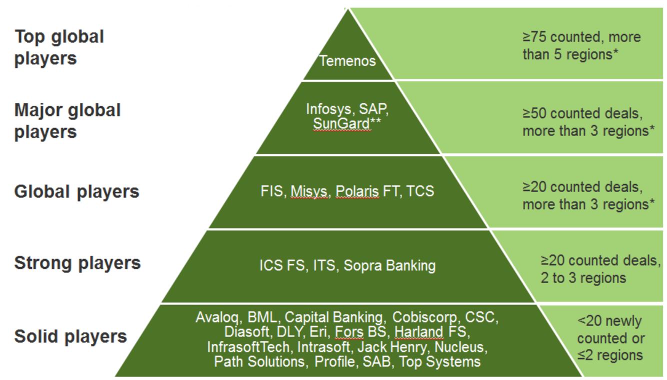
Competitive landscape

- Sole vendor at the top of both pyramids
- 8th consecutive year as “Global Power Seller”

New-named clients



All counted deals



- 1st position – 14th year in top 2 places
- 34 deals – twice nearest competitor

Taking market share in a consolidating marketplace

Source: Forrester “Global Banking Platform deals 2012”, published April 2013
Source: International Banking Systems “Sales League Table 2013 (results Jan-Dec 2012)”, published March 2013

Update on US

TriNovus signed 57 new clients in Q1 including State Bank & Trust, Intercontinental Bank and Sunwest Bank

Integration on track

- SaaS versions of Insight and AML going to market in Q2
- Early adopters for US SaaS version of T24 identified

Launching Social Comply to non-US customers at TCF

TriNovus to be included from Q2 – SaaS revenues separately disclosed (see appendix)

ADR started trading today (TMSNY)

Momentum building in the US

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2013 guidance	David Arnott, CEO
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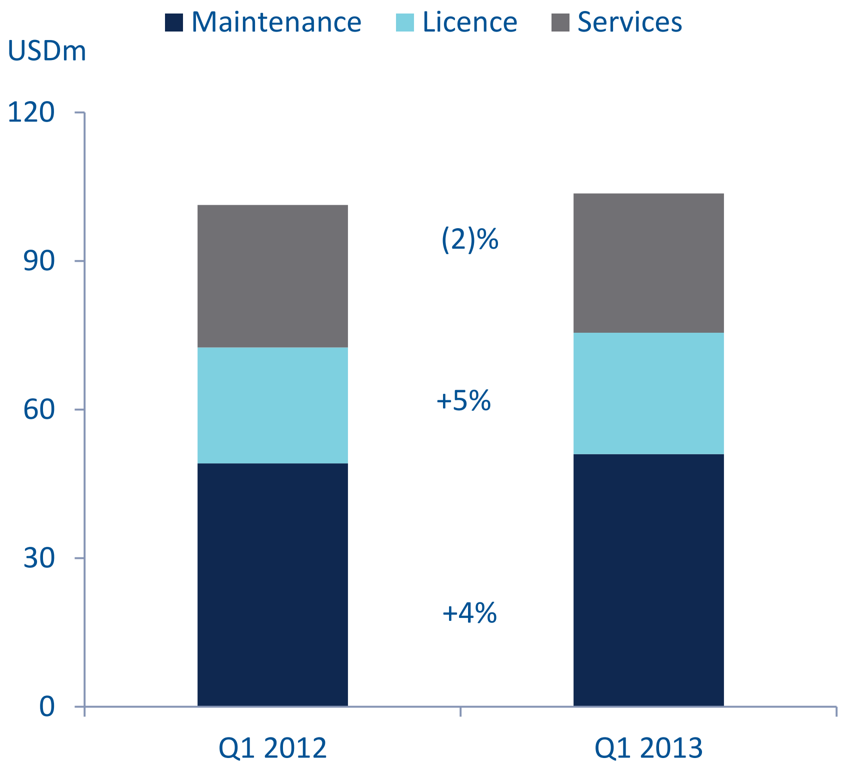
Non-IFRS income statement - operating

In USDm	Q1 13	Q1 12	Y-o-Y	LTM 13	LTM 12	Y-o-Y
Licences	24.5	23.5	4.3%	126.2	141.4	(10.8)%
Maintenance	51.0	48.5	5.1%	204.1	197.0	3.6%
Services	28.1	28.4	(0.8)%	123.2	132.2	(6.8)%
Total revenue	**103.6**	**100.3**	**3.3%**	**453.5**	**470.7**	**(3.7)%**
Operating costs	90.2	94.1	(4.2)%	360.8	381.7	(5.5)%
EBIT	**13.5**	**6.3**	**114.7%**	**92.7**	**89.0**	**4.2%**
Margin	13.0%	6.2%	6.7% pts	20.4%	18.9%	1.5% pts
EBITDA	**21.6**	**14.8**	**46.6%**	**126.7**	**119.4**	**6.1%**
Margin	20.9%	14.7%	6.2% pts	27.9%	25.4%	2.6% pts

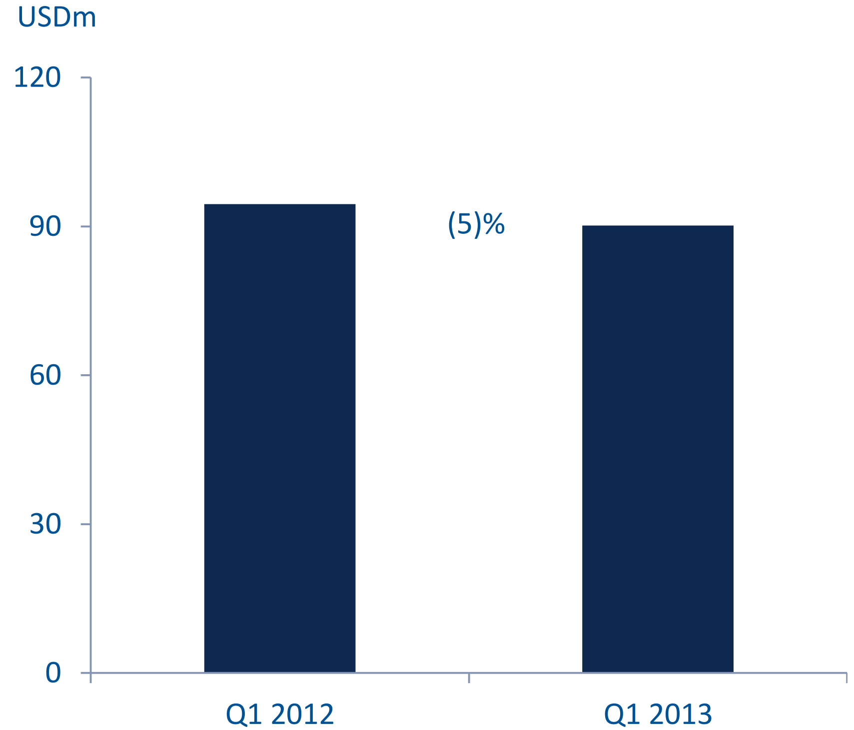
A lower cost base coupled with recovering top line sees profits double

Like-for-like revenue and costs

Q1 like-for-like revenue up 2%



Q1 like-for-like non-IFRS costs down 5%



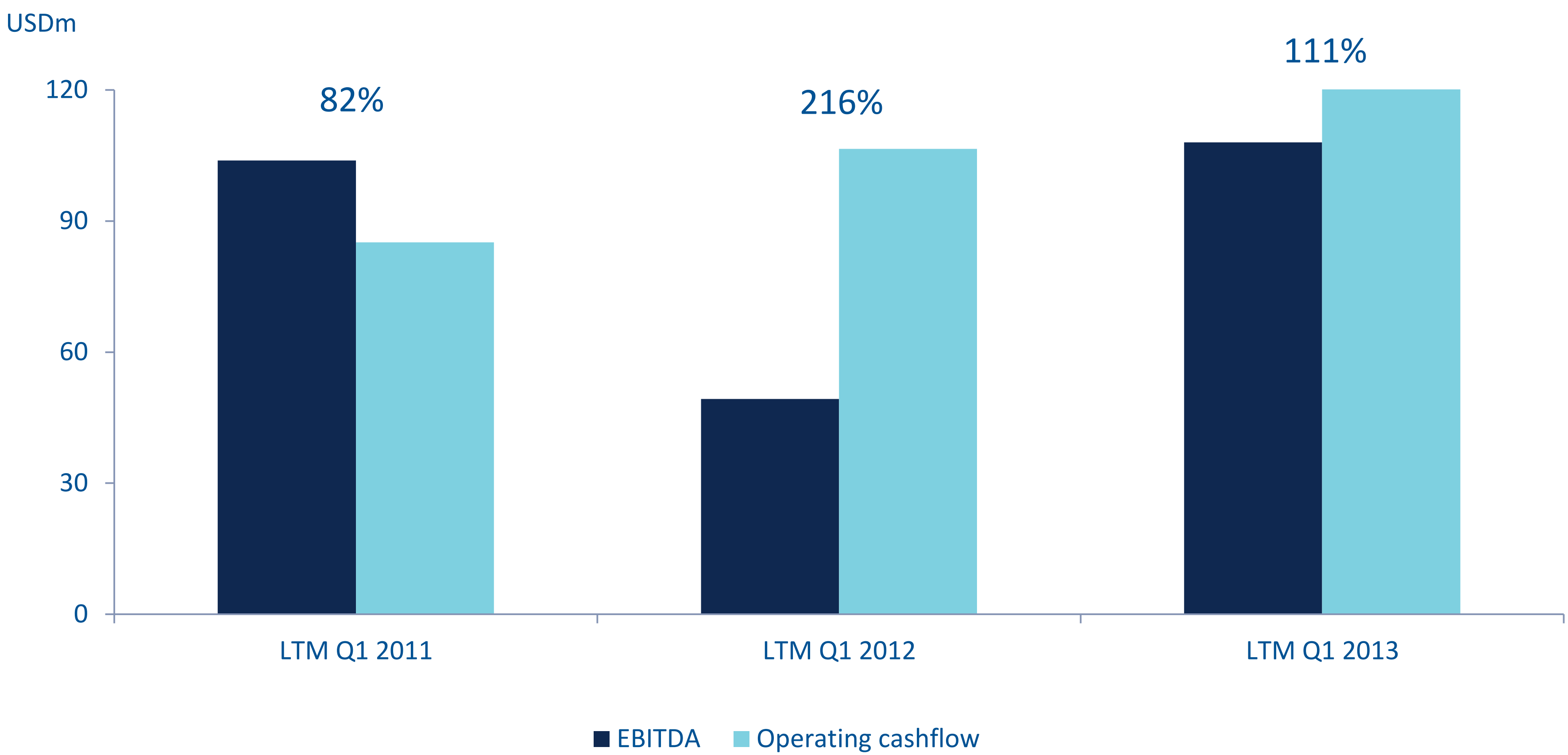
LFL revenue up 2% with costs down 5%

Non-IFRS income statement – non-operating

In USDm, except EPS	Q1 13	Q1 12	Y-o-Y	LTM 13	LTM 12	Y-o-Y
EBIT	**13.5**	**6.3**	**114.7%**	**92.7**	**89.0**	**4.2%**
Net finance charge	(1.6)	(2.0)	23.7%	(7.3)	(8.9)	17.9%
FX loss	(0.6)	(1.9)	67.6%	(2.2)	(7.7)	71.3%
Tax	(2.5)	(2.1)	(8.9%)	(13.0)	(14.2)	9.8%
Net profit	**8.7**	**0.2**	**NA**	**70.1**	**58.1**	**21.0%**
EPS (USD)	**0.13**	**0.00**	**NA**	**1.01**	**0.83**	**21.7%**

Well controlled financing and tax structure drive faster growth in EPS

Cash conversion



Strong cash conversion – on track to deliver full year commitments

Balance sheet – debt and financing

In USDm	31 March 13	Comment
Credit facilities	210.1	USD 350m facility and CHF 100m bond, due in 2017
Others	0.6	
Total debt	**210.7**	
Cash	(92.8)	Held in short term deposits
Net debt	**117.9**	1.1x LTM EBITDA
Treasury shares	(58.2)	Reflects market value as of 31 March 2013
Net debt and financing	**59.7**	0.6x LTM EBITDA
LTM EBITDA	108.0	

Low leverage provides flexibility to support strategic objectives

Bond issue and refinancing

Bank debt refinancing and bond issue in March 2013 to take advantage of favourable market conditions and lock in low cost, long term financing

CHF 100m senior unsecured bond – 2.75% coupon, matures July 2017

First ever public debt issuance

Oversubscribed - evidencing capital market confidence in Temenos

Starts trading on 25 April 2013

USD 350m banking facilities – mature in March 2017

USD 100m term loan and a revolving credit facility of USD 250m

Same five large financial institutions as the previous facilities

Interest rate of LIBOR plus 1.5% to 2.8% depending on level of leverage

Low-cost, long-term & flexible financing in place to support strategy

2013 guidance (post TriNovus acquisition)

Non-IFRS revenue growth of 4.5% to 7.5% (implying revenue of USD 469m to USD 482m)*

Licence growth of 5% to 10% (implying licence revenue of USD 131m to USD 137m)*

Non-IFRS cost base of USD 368m reaffirmed with **non-IFRS EBIT margin of 21.7% to 23.2%** (implying non-IFRS EBIT of USD 102m to USD 112m)*

100%+ conversion of EBITDA into operating cashflow

Tax rate of 17% to 18%

* Currency assumptions in Appendix
See Appendix for definition of non-IFRS

2013 guidance reaffirmed

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TCF 2013 - Abu Dhabi

14- 16 May 2013

- Great venue
- Lots of new product launches
- Separate Investor track
- Eminent industry speakers
- Meet senior management
- Hear directly from our customers

Biggest and best attended to date

Summary

Solid Q1 performance across all metrics

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Acquisition of TriNovus to accelerate US growth and enter US SaaS market

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Strategy validated – all KPIs performing well

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Appendices

New look non-IFRS income statement from Q2 2013

In USDm	Comments for FY 2013
Licence revenues	Expected growth of 5% to 10%
SaaS revenues	Expected to be c.USD 5.5m
Total software licensing	
Maintenance	
Services	
Total revenue	Expected growth of 4.5% to 7.5%
Operating costs	Expected to be USD 368m
EBIT	Expected to be USD 102m to USD 112m
EBIT margin	Expected to be 21.7% to 23.2%

FX assumptions underlying 2013 guidance

In preparing the 2013 guidance, the Company has taken the actual Q1 2013 results and for the remainder of 2013 assumed the following (with comparisons at announcement of Q4 and FY 2012 results):

- USD to Euro exchange rate of 0.780 (from 0.778);
- USD to GBP exchange rate of 0.658 (from 0.631); and
- USD to CHF exchange rate of 0.950 (from 0.938).

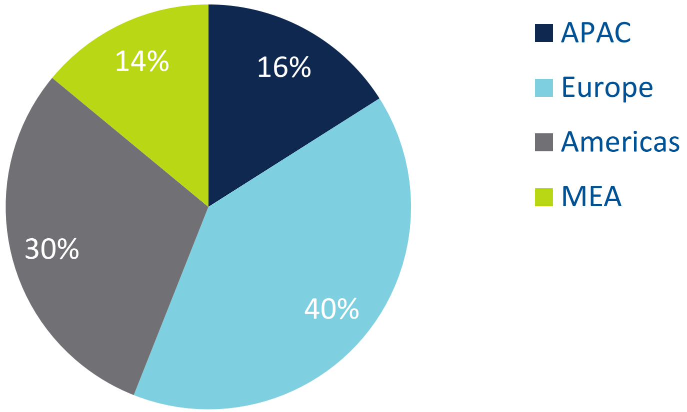
Net earnings reconciliation

In USDm, except EPS	Q1 13	Q1 12
IFRS net earnings	**3.7**	**(11.4)**
Acquisition related charges	0.3	5.0
Amortisation of acquired intangibles	2.6	3.4
Restructuring	2.3	3.2
Taxation	(0.2)	-
Net earnings for non-IFRS EPS	**8.7**	**0.2**

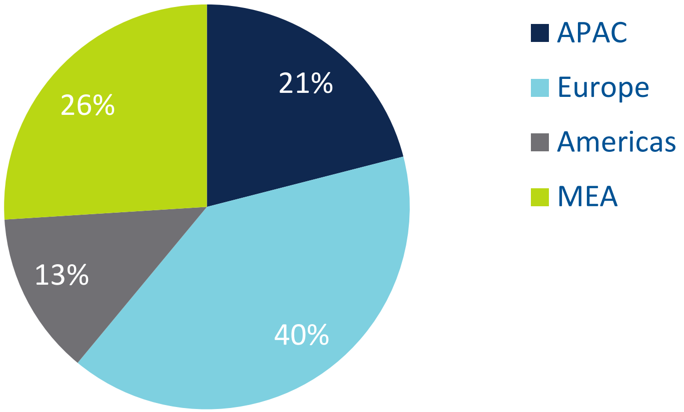
No. of dilutive shares	70.0	69.6
Non-IFRS EPS (USD)	**0.13**	**0.00**

Licence revenue breakdown by geography

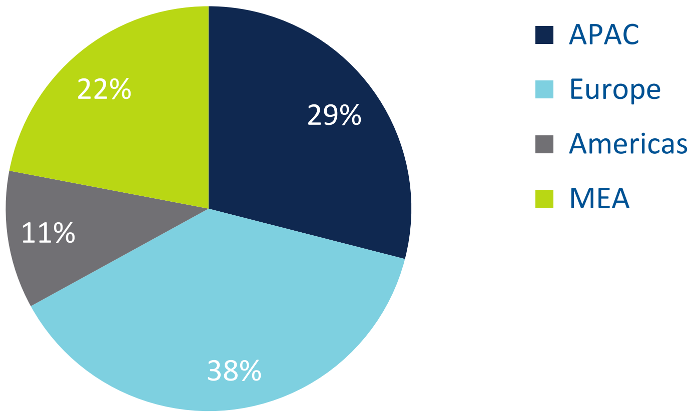
Q1 2012



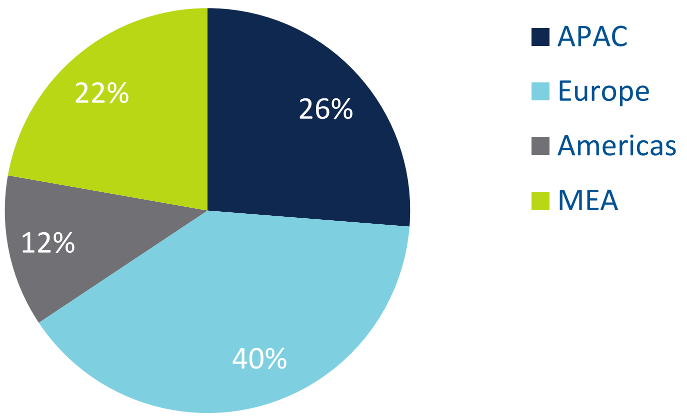
Q1 2013



LTM Q1 2012

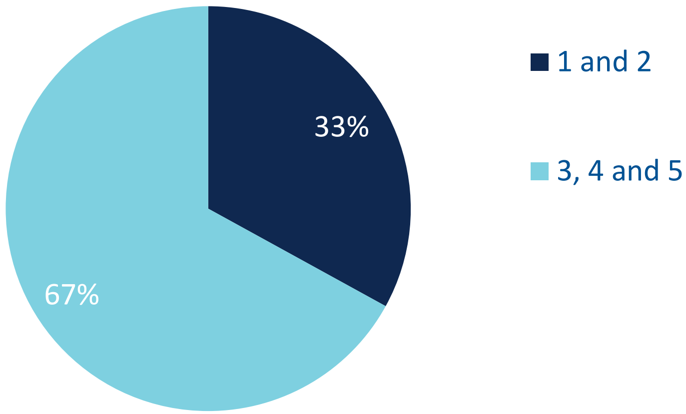


LTM Q1 2013

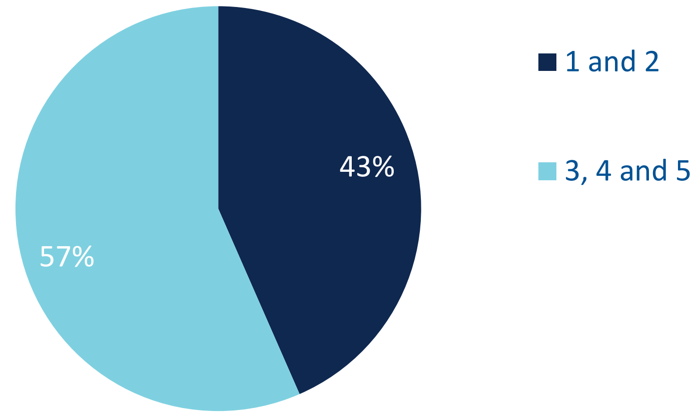


Licence revenue breakdown by customer tier

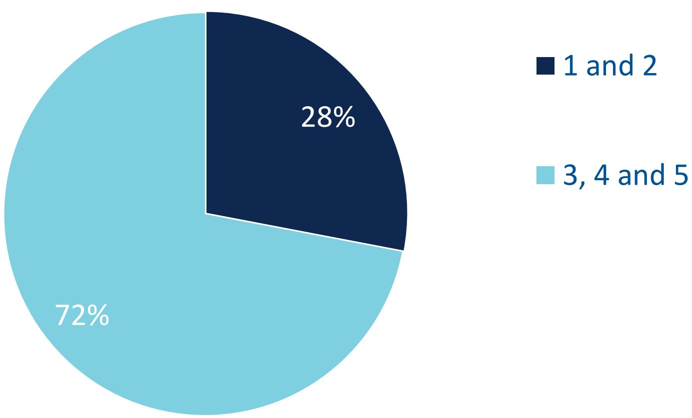
Q1 2012



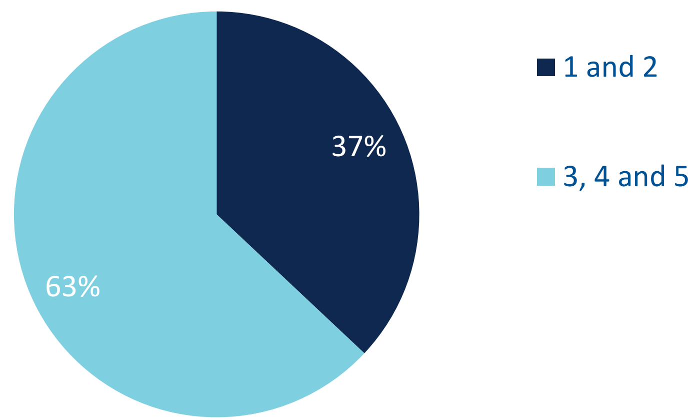
Q1 2013



LTM Q1 2012

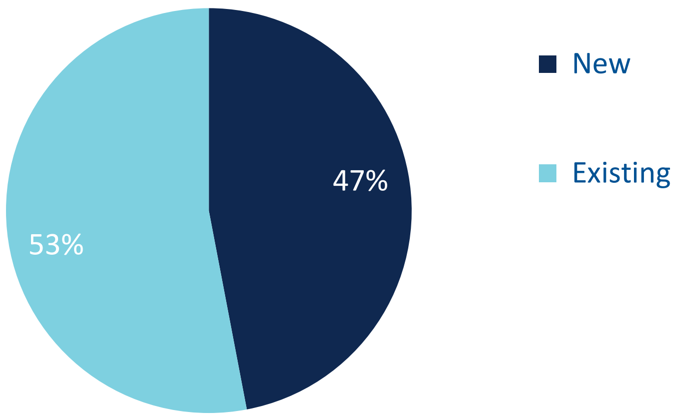


LTM Q1 2013

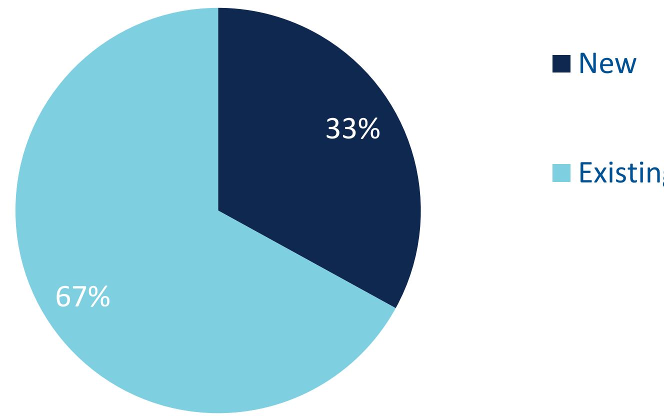


Licence revenue breakdown by new / existing customer

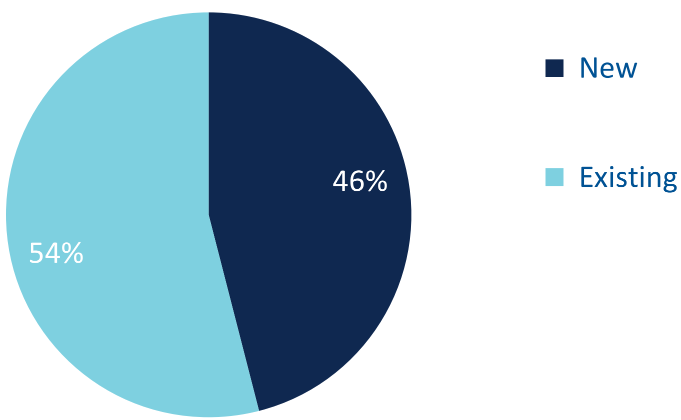
Q1 2012



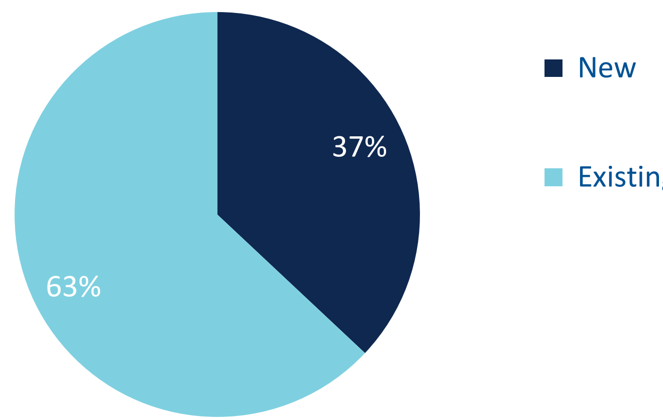
Q1 2013



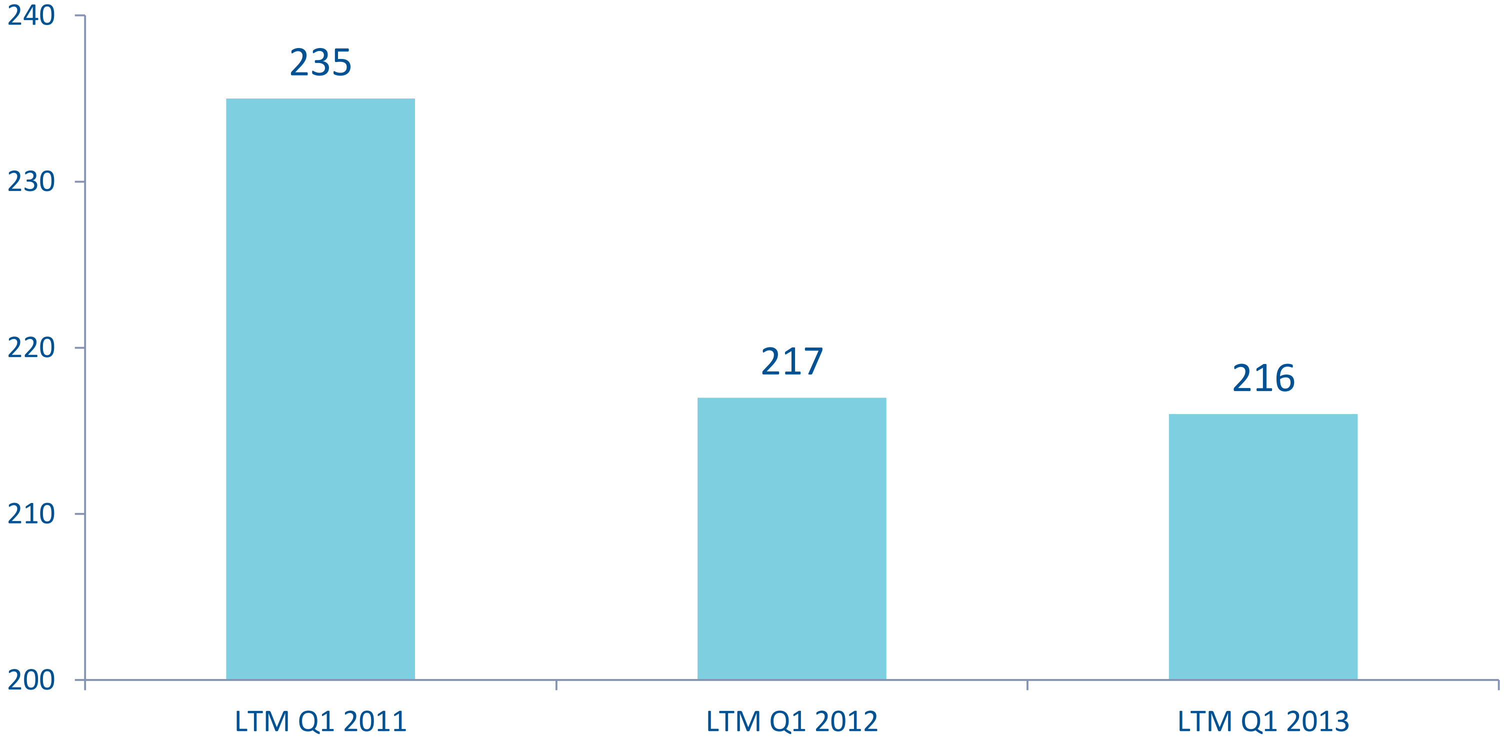
LTM Q1 2012



LTM Q1 2013



DSOs



Continuous reduction in DSOs in line with strategy

ADR

Details of ADR	
Type of ADR program	Sponsored Level I ADR Program
Ratio	1 ADR = 1 ordinary share
US CUSIP	87974R208
Stock Symbol	TMSNY
Depositary bank	BNY Mellon
Swiss custodian bank	UBS

BNY MELLON

For further information about our program or ADRs in general

- please call BNY Mellon on +1 212 815 2293 or
- visit the ADR website of BNY Mellon at www.bnymellon.com/dr

ADR commenced trading today

Definition of Non-IFRS adjustments

Deferred revenue write-down
Adjustments made resulting from acquisitions

Discontinued activities
Discontinued operations at Temenos that do not qualify as such under IFRS

Acquisition related charges
Relates mainly to advisory fees and integration costs

Amortisation of acquired intangibles
Amortisation charges as a result of acquired intangible assets

Restructuring
Costs incurred in connection with a restructuring plan implemented and controlled by management
Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan

Taxation
Adjustments made to reflect the associated tax charge relating to the above items

Reconciliation from IFRS to non-IFRS

	IFRS revenue measure
+	Deferred revenue write-down
=	**Non-IFRS revenue measure**

	IFRS profit measure
+ / -	Discontinued activities
+ / -	Acquisition related charges
+ / -	Amortisation of acquired intangibles
+/-	Restructuring
+ / -	Taxation
=	**Non-IFRS profit measure**

Reconciliation from IFRS EBIT to non-IFRS EBIT

USDm	Q1 2013
IFRS EBIT	**8.2**
Deferred revenue write-down	-
Discontinued activities	-
Acquisition-related charges	0.3
Amortisation of acquired intangibles	2.6
Restructuring	2.3
Non-IFRS EBIT	**13.5**

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Thank you

www.temenos.com