TEMENOS

The Banking Software Company

Financial Results & Business Update

Quarter ended 30 June 2012

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 represents the company's estimates as of 25 July 2012. 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 25 July 2012.

Agenda

1 **Introduction** | Chris McGinnis | Investor Relations

2 **Strategy and Business update** | David Arnott | CEO

3 **Financial update** | Max Chuard | CFO

4 **Outlook and Summary** | David Arnott | CEO

5 **Q & A**

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Q2 Market & Sales Summary

1. Disappointing quarter – licences down 38%
2. Improvement in trend not achieved due to new name sales execution
3. Installed base sales resilient, but couldn’t offset new name weakness
4. Emerging markets holding up well in 1H – large wins in APAC & MEA
5. Retail strong; PWM and Universal strong but couldn’t lap comps
6. Low volumes – 5 new name customers vs. 10 in PY

Q2 weighed down by difficult market, poor execution and tough comps

Q2 Financial & Operating Highlights

1 Maintenance revenue shows resilience with 6% growth

2 Services recovery continues – margins improve 400bps in LTM

3 8 Go Lives, no slowdown despite drop in new licences

4 Launch of Temenos Enterprise Framework Architecture (TEFA)

5 ABN AMRO and Temenos payments project initiated

6 New T24 release version R12

We are hitting our operational goals

CEO priorities

1. Market fundamentals intact
2. Strategic priorities reconfirmed
3. Flatter management structure
4. Processes simplified to improve execution
5. USD20m cost cut programme to protect profitability
6. Cost base of USD350m in 2012

Strategic priorities confirmed; profitability protected

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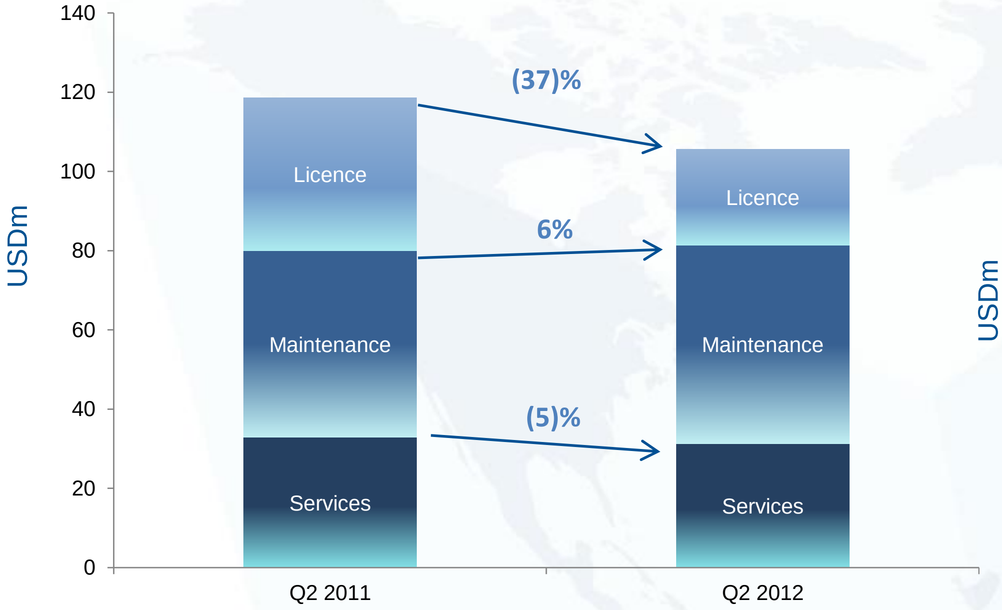
Income Statement Highlights

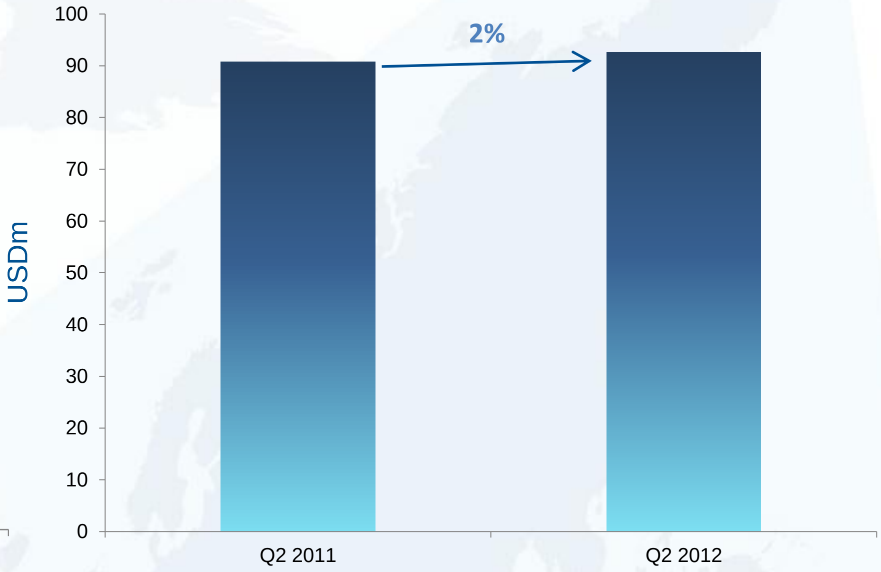
in USDm	Q2 12	Q2 11	Δ	LTM 12	LTM 11	Δ
Licences	24.2	39.2	(38)%	126.4	165.9	(24)%
Maintenance	50.1	49.0	2%	198.1	182.6	8%
Services	31.3	34.2	(8)%	129.4	130.9	(1)%
Total Revenue	**105.6**	**122.5**	**(14)%**	**453.9**	**479.4**	**(5)%**
Adj. operating costs	**(94.8)**	**(98.8)**	**(4)%**	**(377.8)**	**(367.6)**	**3%**
Adj. EBIT	**10.8**	**23.7**	**(55)%**	**76.1**	**111.8**	**(32)%**
Margin	10%	19%	(9)% pts	17%	23%	(6)% pts
Adj. EBITDA	**19.6**	**31.9**	**(39)%**	**107.1**	**139.8**	**(23)%**
Margin	19%	26%	(7)% pts	24%	29%	(5)% pts

Revenues stable other than new licence sales

Q2 2012 Like-for-Like Revenue and Cost Performance

Like-for-like Revenue* -11% and like-for-like costs** +2%



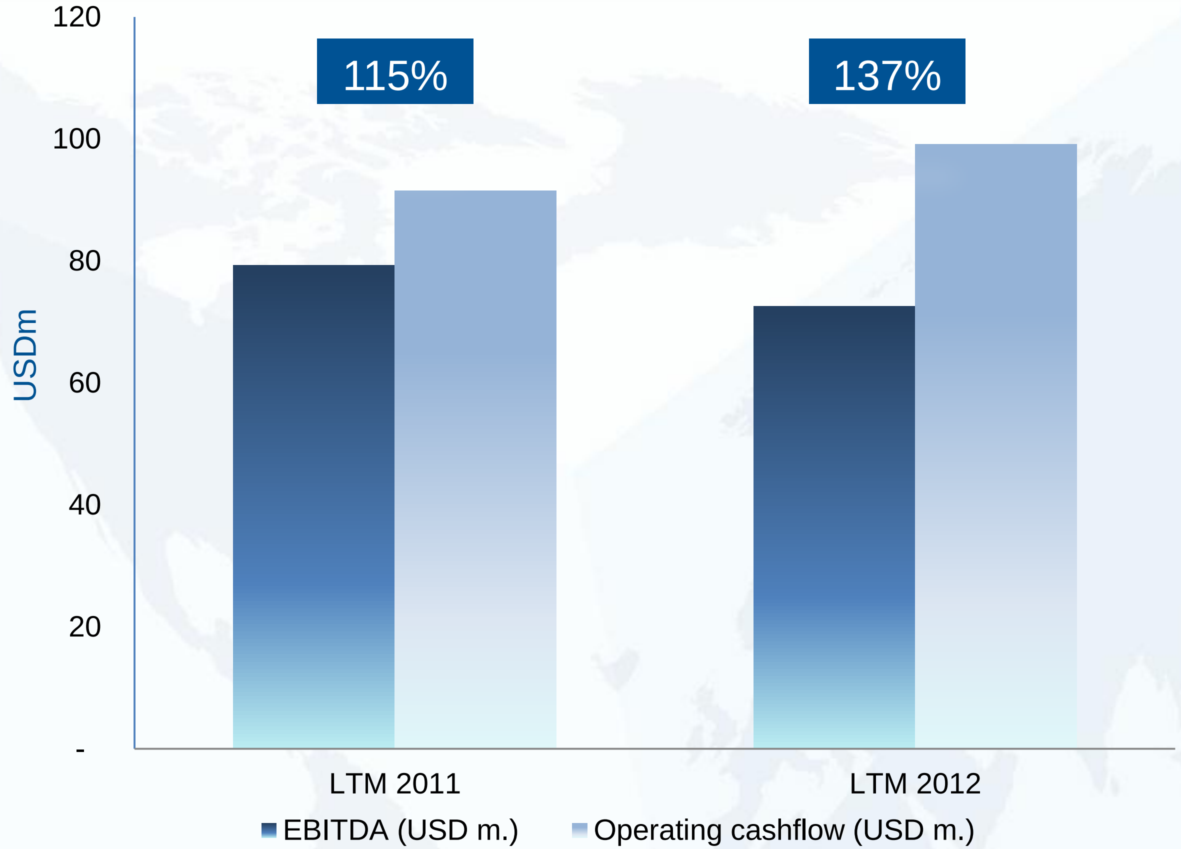


**Adjusted for FX*
*** Adjusted for FX, amortisation of acquired intangibles, restructuring, and adjusting costs*

Maintenance revenue resilient

EBITDA conversion into Operating Cash Flow

Cash conversion at 137% in LTM



Improving LTM cash conversion

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Non-Operating Items

in USDm	Q2 12	Q2 11	△	LTM 12	LTM 11	△
Adjusted EBIT	**10.8**	**23.7**	**(55)%**	**76.1**	**111.8**	**(32)%**
Net finance charge	(1.6)	(2.0)		(8.2)	(12.1)	
FX gain/(loss)	(1.5)	(1.8)		(7.4)	(0.4)	
Tax	(3.9)	(0.8)		(17.4)	(1.2)	
Adjusted Net Profit for EPS	**3.8**	**19.1**	**(80)%**	**42.8**	**98.4**	**(57)%**
Adjusted EPS*	**0.05**	**0.27**	**(82)%**	**0.83**	**1.36**	**(56)%**

* See slide 21 in the appendix for EPS reconciliation

Despite high charge in Q2 and LTM, we reconfirm long-term tax rate

Balance Sheet – Debt and Financing

in USDm	30 June 12	Comments
Credit facilities	223.2	USD 350m facility, due in 2014
Others	0.5	
Total debt	223.7	
Cash	(59.1)	Held in ST deposits
Net debt	164.6	
Treasury Shares	(51.2)	Held at market value as of 30/6/12
Net debt & financing	**113.4**	

Under 1x leveraged by year-end 2012

Cost Efficiencies Plan

Cost Area	Source of Savings
Sales & Marketing	• Simplified structure • Refocus
G&A	• Office consolidation • Offshoring/nearshoring
R&D	• Efficiencies from acquisitions • Offshoring/nearshoring
Services	• Changing skills mix • Simplified structure

Further net USD20m of cost cuts taking base to USD350m in 2013

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2012 Outlook

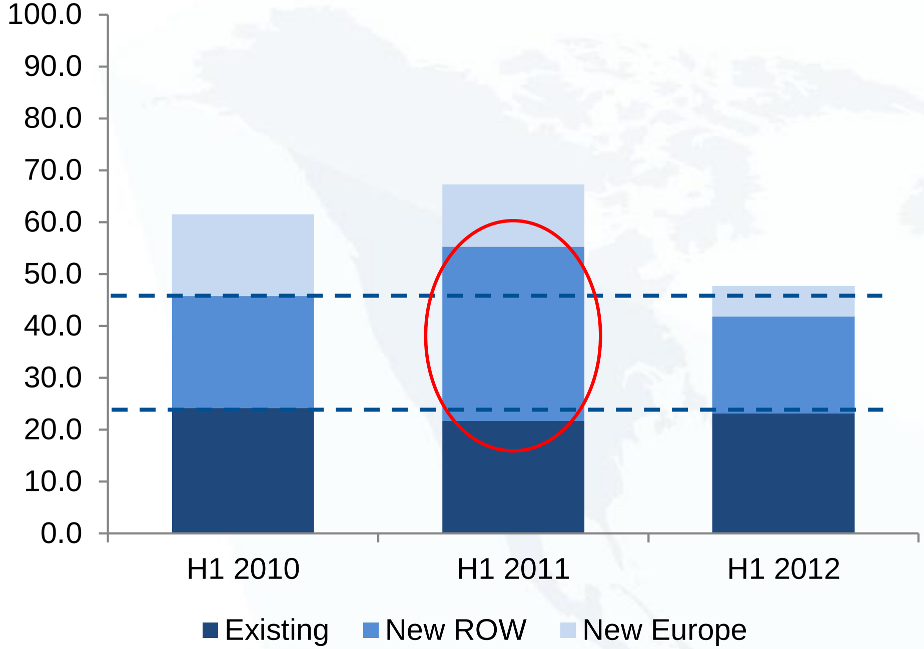
Key Performance Indicator	Outlook	Implied Range
Total Revenue	-5% to +1%	USD437-464m
Adjusted EBIT Margin*	19% to 22%	USD83-102m
Operating Cash to EBITDA	100%	

Based on spot rates at the end of June 2012 – see appendix for details
*Adjusted EBIT adjusts for exceptional items and amortisation of acquired intangibles

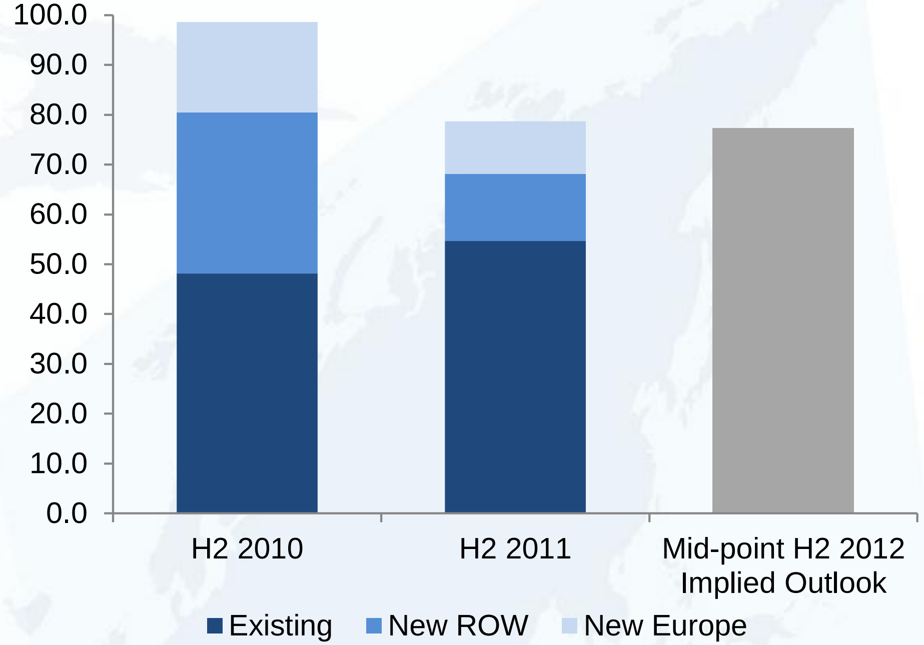
Revenue outlook narrowed; margins maintained

Historical Licence Revenue Breakdown

H1 Historical Licence Breakdown (USDm)*



H2 Historical Licence Breakdown (USDm)*



*Based on signings revenues

Existing business predictable - underpins outlook

Conclusion

1. H2 revenue outlook achievable – given mix and extra focus
2. Cost cuts to deliver cost base of USD350m in 2013
3. Sales organisation refocused and re-energised to deliver 2012
4. Product is extending lead with TEFA, PWM suite and R12
5. Maintenance resilient; services gaining traction

Appendices

Adjusted EPS Reconciliation

USDm, except EPS (USD)	Q2 12	Q2 11
Net Earnings	**(0.0)**	**(21.8)**
Amortization of acquired intangible assets	3.2	4.6
Adjusting costs *	0.7	36.3
Earnings for adjusted EPS	**3.8**	**19.1**
Number of Dilutive Shares	69.6	72.7
Adjusted EPS	**0.05**	**0.27**

* Restructuring and one-off non-recurring charges

Understanding tax

We have now reached our long-term tax rate of 17%-18%

In 2011 tax charges were taken mostly in Q4

2012 charge will be smoother, hence higher LTM charge

Certain jurisdictions have higher tax rates, and certain elements of the tax expense are relatively fixed, meaning tax rate can fluctuate as a percentage of profits

Cash tax charges remain significantly lower for medium term

FX assumptions

FX rates underlying outlook

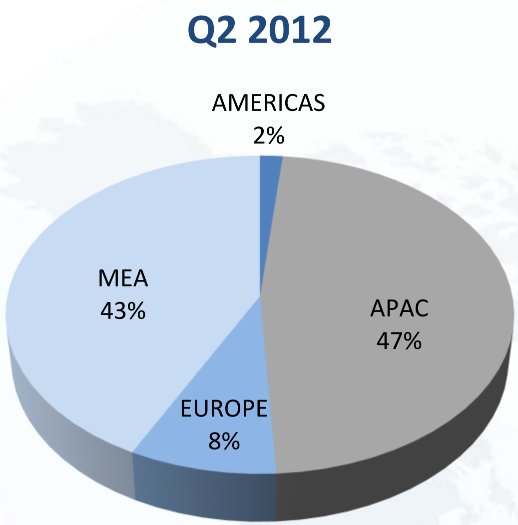
USD/EUR	0.790
USD/GBP	0.635
USD/CHF	0.949

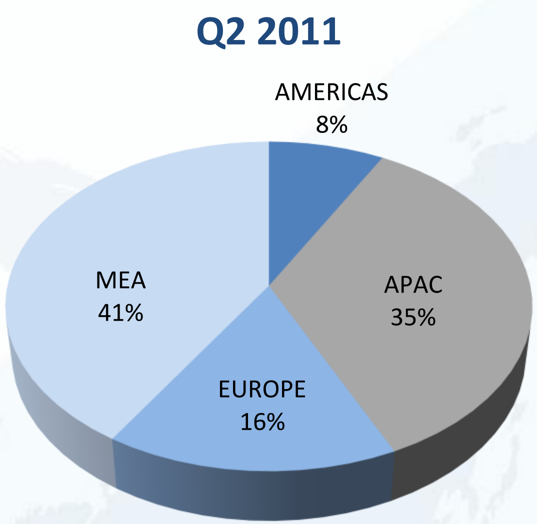
DSOs Trend

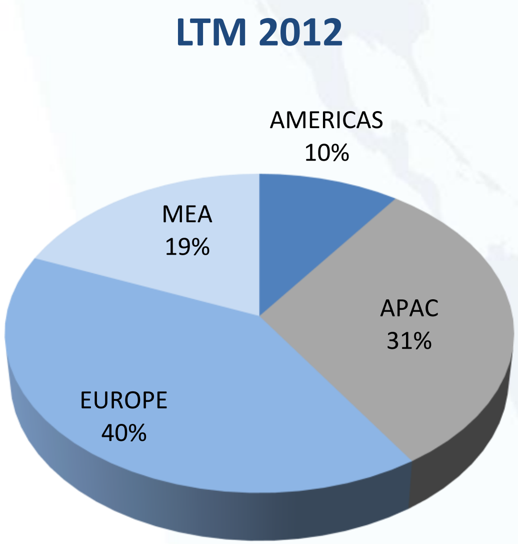
* Includes deferred revenues

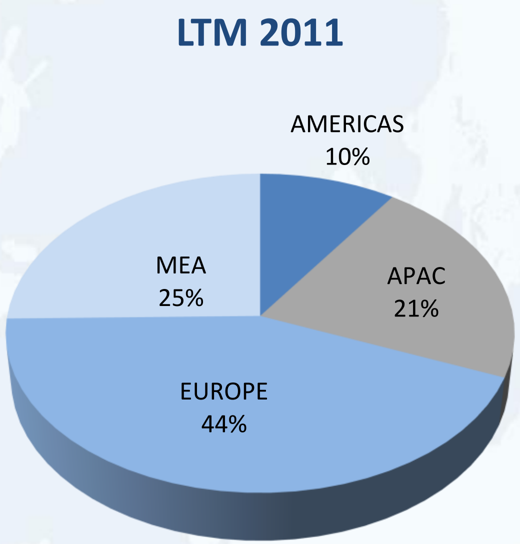
Sustained reduction of DSOs continues

Breakdown of Licence Revenue by Geography



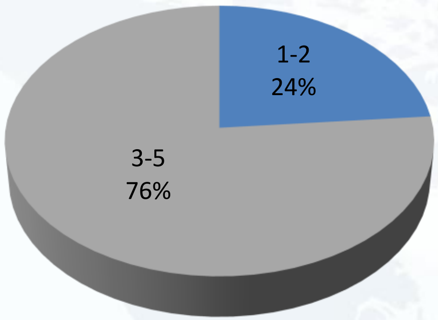




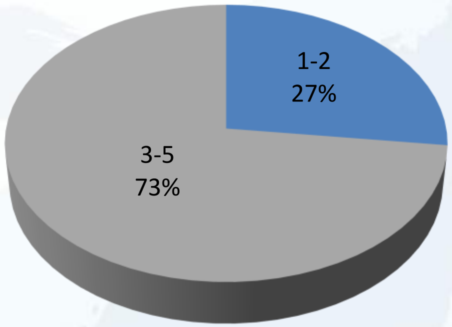


Breakdown of Licence Revenue by Customer Tier

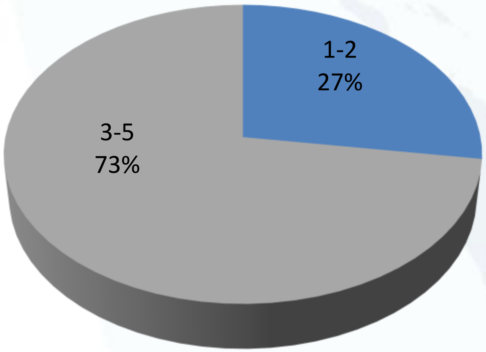
Q2 2012



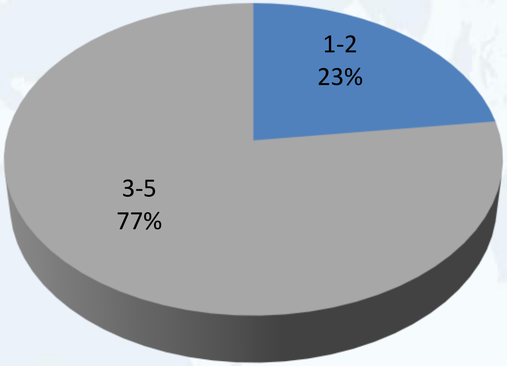
Q2 2011



LTM 2012

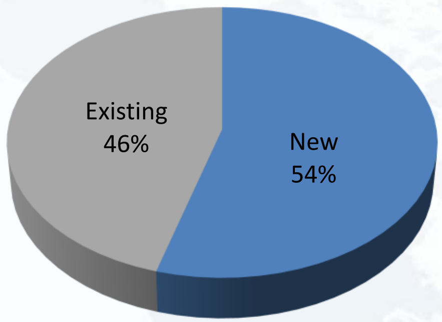


LTM 2011

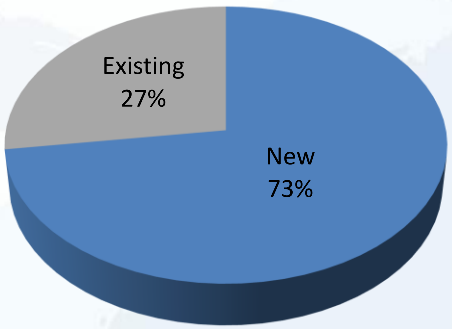


Breakdown of Licence Revenue by Existing/New Customer

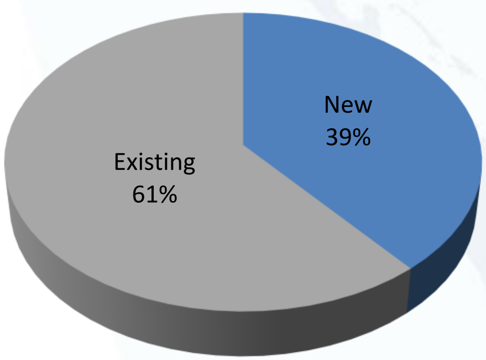
Q2 2012



Q2 2011



LTM 2012



LTM 2011