TEMENOS™

The Banking Software Company

Business Update & Financial Results

Quarter ended 30 September 2007

Presentation Overview

Agenda	Speaker	Position
Introduction	Ben Robinson	Investor Relations
Financial Update	David Arnott	CFO
Strategy and Business Update	Andreas Andreades	CEO
Q&A	David Arnott Andreas Andreades Max Chuard	 Director

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 31 October 2007. 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 31 October 2007.**

Financial Update

David Arnott
CFO

Income Statement Highlights

	Q3 2007	Q3 2006	△ yoy
Licence	28.0	13.4	109%
Revenue	70.8	44.8	58%
EBIT	6.2	0.5	1140%
Adjusted EPS*	0.17	(0.01)	n/a

*Adjusted for amortisation of acquired intangibles

USDm, except EPS USD

Income Statement Detail

	Q3 07	Q3 06	△	LTM 07	LTM 06	△
Licences	28.0	13.4	+109%	124.7	82.9	+50%
Maintenance	19.3	14.3	+35%	69.5	52.2	+33%
Services	23.5	17.1	+37%	89.1	60.4	+48%
Total revenue	**70.8**	**44.8**	**+58%**	**283.3**	**195.5**	**+45%**
R&D	(14.9)	(9.2)	+62%	(47.9)	(32.1)	+49%
Cost of services	(21.6)	(16.6)	+30%	(84.1)	(66.3)	+27%
Sales and marketing	(19.6)	(10.9)	+80%	(63.3)	(43.6)	+45%
G&A	(8.4)	(7.6)	+11%	(42.4)	(31.5)	+34%
Total operating costs	**(64.6)**	**(44.3)**	**+45%**	**(237.7)**	**(173.5)**	**+37%**
EBIT	**6.2**	**0.5**	**1,140%**	**45.7**	**22.0**	**+108%**
Margin	9%	1%		16%	11%	

l-f-l cash cost P&L

	Q3 07	Q3 06	△	LTM 07	LTM 06	△
Total revenue	70.8	44.8	58%	283.4	195.5	45%
Like for like* adjs.	(5.7)	1.1		(11.8)	5.3	
Adj. total revenue	**65.1**	**45.9**	**42%**	**271.6**	**200.8**	**35%**
Total costs	64.6	44.3	45%	237.8	173.5	37%
l-f-l* and non cash** adjs.	(7.7)	2.4		(20.0)	6.4	
Adj. total cost	**56.9**	**46.7**	**23%**	**217.8**	**180.0**	**21%**
Reported EBIT	6.2	0.5	1140%	45.7	22.0	108%
Life for Like EBIT	**8.2**	**(0.8)**	n/a	**53.8**	**20.8**	**159%**
				20%	**10%**	

*like for like: Adjusted for Actis and forex

**Adjusted for stock option costs and D&A

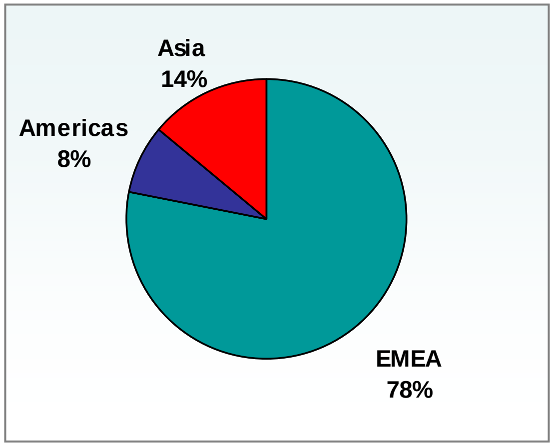
Income Statement Detail

	Q3 07	Q3 06	△	LTM 07	LTM 06	△
EBIT	6.2	0.5	1140%	45.7	22.0	**108%**
Other income/ expense	3.7	(1.0)	n/a	3.3	2.3	**43%**
Tax	0	0	n/a	(2.9)	(2.7)	**7%**
Net earnings	**9.9**	**(0.5)**	**n/a**	**46.1**	**21.6**	**113%**
Diluted EPS	0.16	(0.01)	n/a	0.73	0.37	**97%**

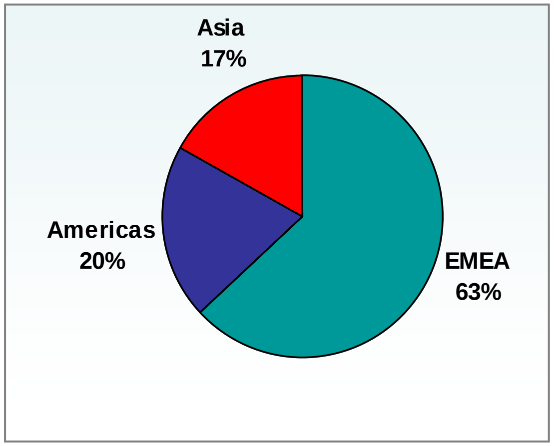
- Other income/expense relates chiefly to FX gains/losses
- Natural hedge has increased from 63% in 2006 to forecast 75% in 2007 (85% in 2009). Residual is hedged using derivatives.

REVENUES BY REGION 12MONTHS TO 30 JUNE

Revenues - Full Year 2003

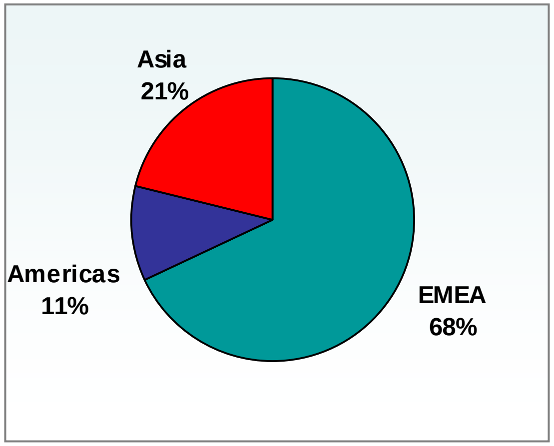


Revenues - LTM Q3 2007

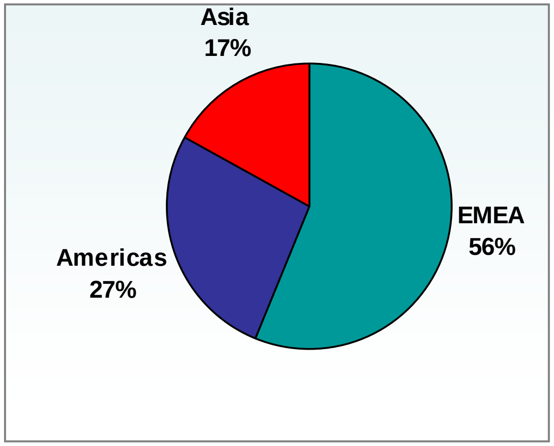


- **More global**
- **More diversified**

Licence Revenues - Full Year 2003



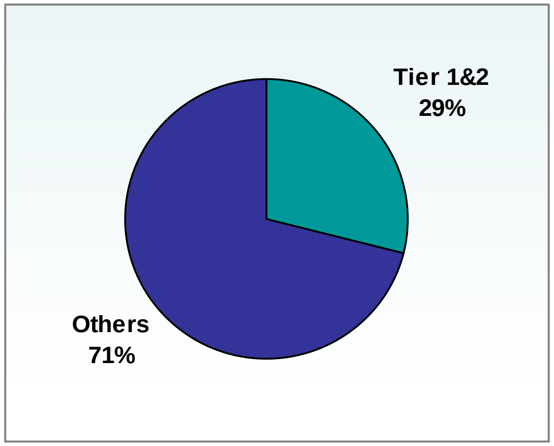
Licence Revenues - LTM Q3 2007



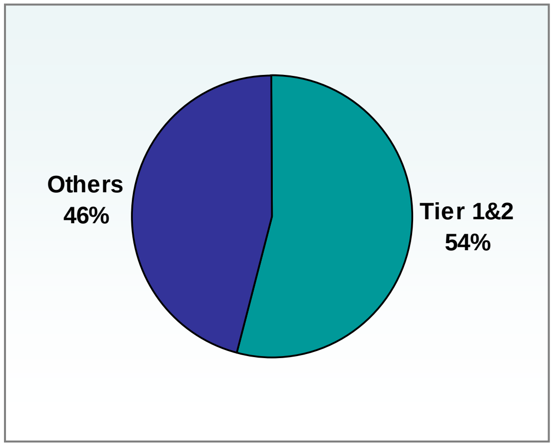
(1) On a $ basis

Licences by Tier & Segment

Full Year 2003

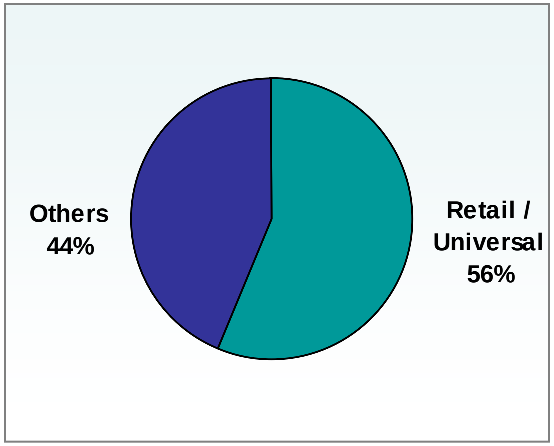


LTM Q3 2007

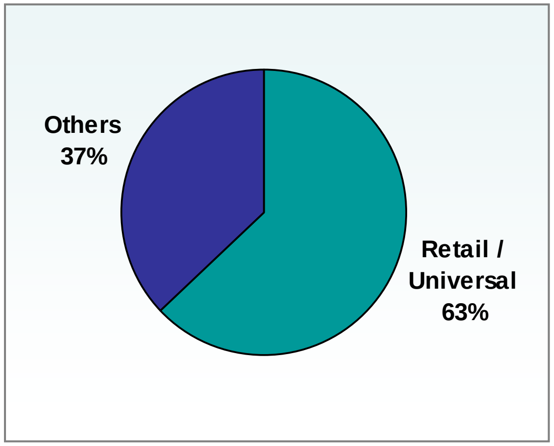


- **Larger deal size**
- **More diversified**

Full Year 2003



LTM Q3 2007



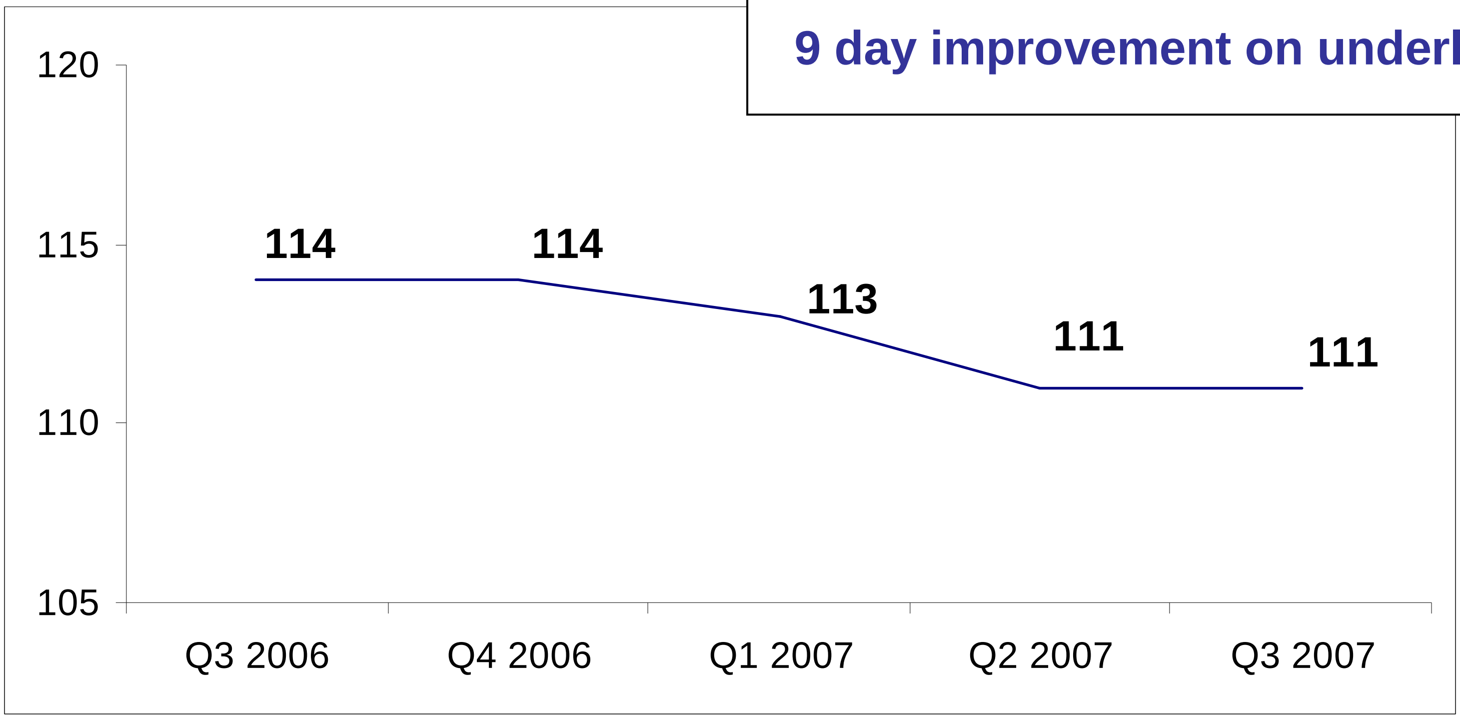
(1) On a $ basis

Cashflow Conversion – 12 Months to 30 Sept

USD million	EBITDA	Cash Flow from Operations	% EBITDA conversion 2007	2006
T24	61.8	38.5	62%	95%
TCB	(2.2)	(0.9)	n/a	n/a
TOTAL	**59.6**	**37.6**	**63%**	**53%**

- Cash flow from ops. + 126% vs. EBITDA + 89%
- LTM operating cashflow to end October at 73%
- We expect full year operating cashflow of USD55m (75% EBITDA conversion), unchanged from prior guidance

DSOs* Analysis



9 day improvement on underlying basis

- 3 day improvement in headline numbers
- But absorbed 6 day deterioration due to change in revenue mix
- Medium term target is 100 days

* DSOs defined as average of lagging 12 months receivables and divided by lagging 12 months revenues adjusted for maintenance invoicing (see appendix for calculation).

Strategy and Business Update

Andreas Andreades
CEO

Business update

We continue to execute ahead of our plan:

- Superior products
- Compelling investment and product roadmap
- Win ratio at above 80%
- Multiple growth initiatives, which are already starting to deliver
- Broad geographical reach
- Services initiatives of model bank, business consulting and TAM
- A Management focused on execution
- Metavante partnership

Business update

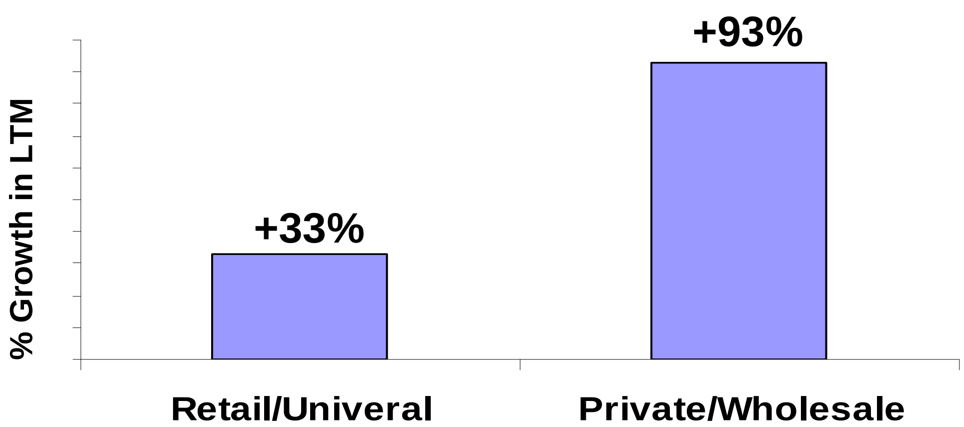
- Global growth concerns not impacting our business...
  - Drivers for core system replacement structural, not cyclical
  - Exposure to (US) mortgage or investment banks minimal
- ...and pipeline remains very strong
  - for rest of year (October 07 well ahead of October 06)...
  - ...and next year, with excellent visibility
- Metavante
  - Joint development roadmap on target
  - Sub-prime developments – no clear picture has emerged
  - Business case unchanged, robust pipeline building up

Update on licence sales

Strong growth in new clients…

- New clients in Q3 at 9 vs. 9 in the prior year (but larger deal size).
- In LTM, no. of new clients is 45 (2006: 40).

… and in private/wholesale (off a much smaller base)



Update on Growth Initiatives

- **Misys Replacement Programme:**
  - Since the launch of our replacement programme the following number of Misys customers have selected T24:
    - 2005: 1
    - 2006: 4
    - YTD 2007: 4 (Q1= 1, Q2=2, Q3=1)
    - Full year 2007 target: 8
- **ARC:**
  - ARC has already been sold to 16 clients (7 in Q3), reflecting the anticipated acceleration in sales following the General Availability (“GA”) release.
- **T-Risk:**
  - T-Risk has been selected by 16 banks to date, and pipeline remains strong.

Actis.BSP/ German Market

Our target:

- To double existing client base over 3-5yrs
- EBITDA USD11m by 2011

Our progress:

- **2 T24 deals** in Germany by end of 2007
- Our business case assumed a first T24 deal in 2008
- Actis clients happy to upgrade to T24 over time – licence upside and no risk of attrition

Services Update

IMPROVING SALES AND MARGINS

- **New Head of Services**
  - Introducing tighter KPIs, processes and project execution
- **Model Bank**
  - Used in projects from Q4 2006 onwards
  - Proven to shorten implementation timeframes by 50%.
- **TEMENOS Application Management**
  - Up to 40% of 2007 services profit growth to come from Application Management

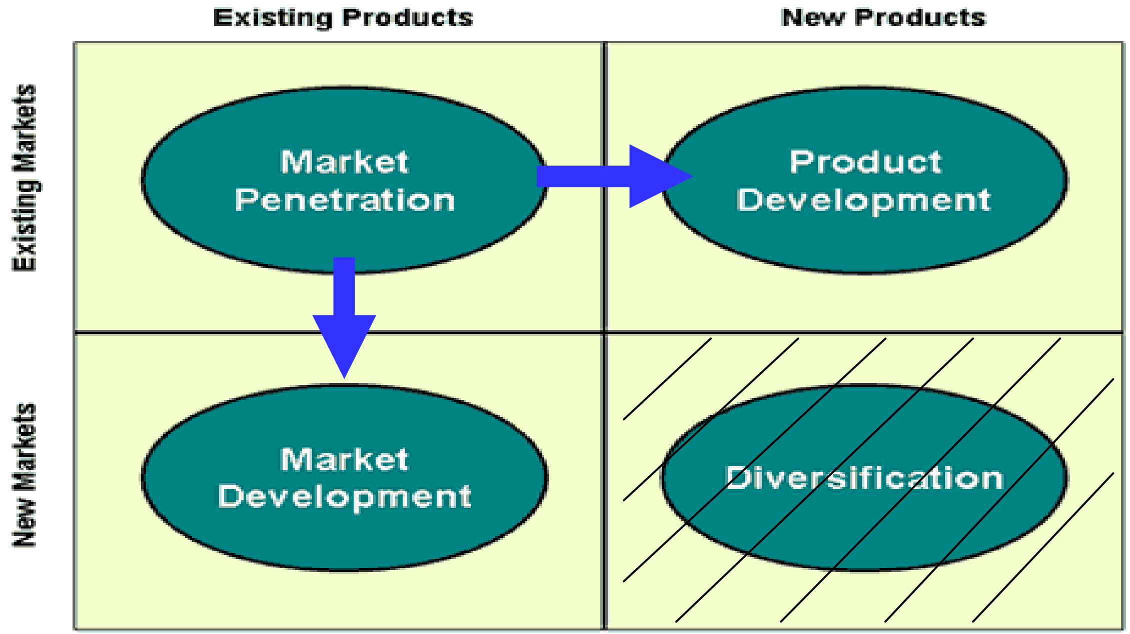
Q3 2007:

- Revenue up by 37% yoy; by 48% on LTM basis
- Margin at 8% (up from 3% in prior year)

Margin expectation of **10-15%** for **2008** (unchanged).

Acquisition update

- To complement accelerating organic growth model to achieve leadership in growing market. Targeting companies with revenues of USD20-50m to:
  - **Strengthen delivery capability and distribution in key markets**
  - **Acquire client base**
  - **Enhance product**



- We have already compiled a shortlist of companies representing a good fit

2007 Outlook

	Previous	Update	Revised	yoy △
Licences	125-130	10	135-140	38%-43%
Revenue	300	10-15	310-315	43%-46%
Costs	(243)	(8-13)	(256)	
EBIT	57	2	59	77%
EBIT margin	19%		19%	400bps
Adjusted EPS*	0.89	3 cents	0.92	61%

We have increased our 2007 outlook to reflect:

- Q3 Outperformance
- Better visibility
- Investment to prepare business for 2008

*Adjusted for amortisation of acquired intangibles

All nos. in USDm, except EPS USD

TEMENOS™

The Next 2 Years – Our Strategic Plan

CONTINUED STRONG REVENUE GROWTH OFF A HIGHER BASE…

20 - 25% organic revenue growth p.a for 2008 and 2009

… PLUS MARGIN EXPANSION

2% to 3% margin improvement each year through:

- increasing cumulative maintenance at an accelerated growth rate
- leveraging the significant TCB investment we have already made
- improving services margin
- growing our US revenue mix
- G&A and infrastructure economies of scale

SIGNIFICANT AND SUSTAINED EPS GROWTH

The Next 2 Years – Our Strategic Plan

CONTINUED STRONG CASH CONVERSION…

We expect to convert **75% of EBITDA** into cash in 2008

… PLUS STOCK BUY BACKS TO LIMIT DILUTION

We will continue to use free cash flow to buy back shares.

This way we can limit stock option dilution to 3% of net earnings

SIGNIFICANT AND SUSTAINED VALUE CREATION

Appendices

2007 OUTLOOK EPS calculation

USD million	convertible as debt	convertible as equity
Outlook operating profit	59.0	59.0
Net Financial Costs & Foreign Exchange	-2.2	-2.2
Tax	0.0	0.0
Outlook net earnings	56.8	56.8
add back convertible interest expense	0.0	4.8
Net earnings for EPS	**56.8**	**61.6**
Outlook Dilutive shares	62.1	62.1
add shares underlying convertible	-	7.3
Dilutive shares for EPS	**62.1**	**69.4**
Diluted EPS	0.91	0.89
Outlook EPS (lower of the two methods)		**0.89**
Adjusted EPS		**0.92**

The dilutive impact of our Convertible Bond for the three years 2007-2009 this is an average of 4% per year. Investing free cashflow in stock repurchases will restrict stock option dilution to approximately 3% per year.

Operating Costs by Quarter

USD million	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07
Reported costs	44.4	51.9	55.1	66.1	64.6
Non-trend costs*	(6.9)	(13.4)	(9.0)	(12.5)	(10.1)
Trend costs**	37.5	38.5	46.1	53.6	54.5
Headcount	1648	1724	1947	2128	2173

•Includes cost of sales, marketing, variable costs (bonuses, commissions) and stock options

** Not adjusted for FX

Research and Development

USD millions	Q3 07	Q3 06	%	12 mths to Sept 07	12 mths to Sept 06	%
R&D costs – as reported	14.9	9.2	62%	47.9	32.1	49%
Capitalised development costs	4.1	4.1		15.6	15.1	
Non cash items	(3.6)	(1.8)		(12.1)	(7.9)	
Less Actis	(2.5)	-		(6)	-	
Currency impact	-	0.4		-	1.6	
Adj. cash R&D costs	**12.9**	**11.9**	**8%**	**45.4**	**40.9**	**11%**
Of which:						
T24	**8.6**	**6.4**		**29.1**	**21.6**	
TCB	**4.3**	**5.5**		**16.3**	**19.3**	

- **Capitalised development decreasing as % of cash R&D at 34% for 12 mths to Sept 07 vs 37% for 2006**
- **In 2007 forecast for Capitalisation and for Depreciation & Amortisation at approx US$16 million each**

Services

USD millions	Q3 07	Q3 06	%	12 mths to Sep 07	Sep 06	%
Service revenues	23.5	17.1	37%	89.1	60.4	48%
Less Actis	(2.2)	-		(4.9)	-	
Currency impact	-	0.5		-	1.6	
Service revenues underlying	**21.3**	**17.6**	**21%**	**84.2**	**62**	**36%**
Service costs – as reported	21.6	16.6	30%	84.0	66.3	27%
Less Actis	(1.4)	-		(3.1)	-	
Currency impact	-	0.8		-	3.3	
Less Non cash	(0.3)	(0.1)		(1.5)	(1.2)	
Service costs underlying	**19.9**	**17.3**	**15%**	**79.4**	**68.4**	**16%**
Service contribution as reported	1.9	0.5		5.1	(5.9)	
Service contribution underlying	1.4	0.3		4.8	(6.4)	
% Service margin as reported	8%	3%		6%	(11%)	
% Service margin underlying	**7%**	**2%**		**6%**	**(10%)**	

General & Administrative Costs

USD millions	Q3 07	Q3 06	%	12 mths to Sep 07	12 mths to Sep 06	%
G&A costs – as reported	8.4	7.6	10%	42.4	31.5	35%
Less Actis	(0.4)	-		(1.1)	-	
Less non-cash	(1.4)	(1.6)		(7.3)	(5.3)	
Currency impact	-	0.4	-	-	0.6	
G&A costs underlying	**6.6**	**6.4**	**3%**	**34.0**	**26.8**	**27%**

Sales and Marketing

USD millions	Q3 07	Q3 06	%	12 mths to Sep 07	12 mths to Sep 06	%
S&M costs – as reported	19.6	10.9	80%	63.3	43.6	45%
Less Actis	(0.5)	-		(0.8)	-	
Currency impact	-	0.5		-	1.8	
Less non-cash	(1.6)	(0.2)		(3.6)	(1.7)	
S&M costs underlying	**17.5**	**11.2**	**56%**	**58.9**	**43.7**	**35%**

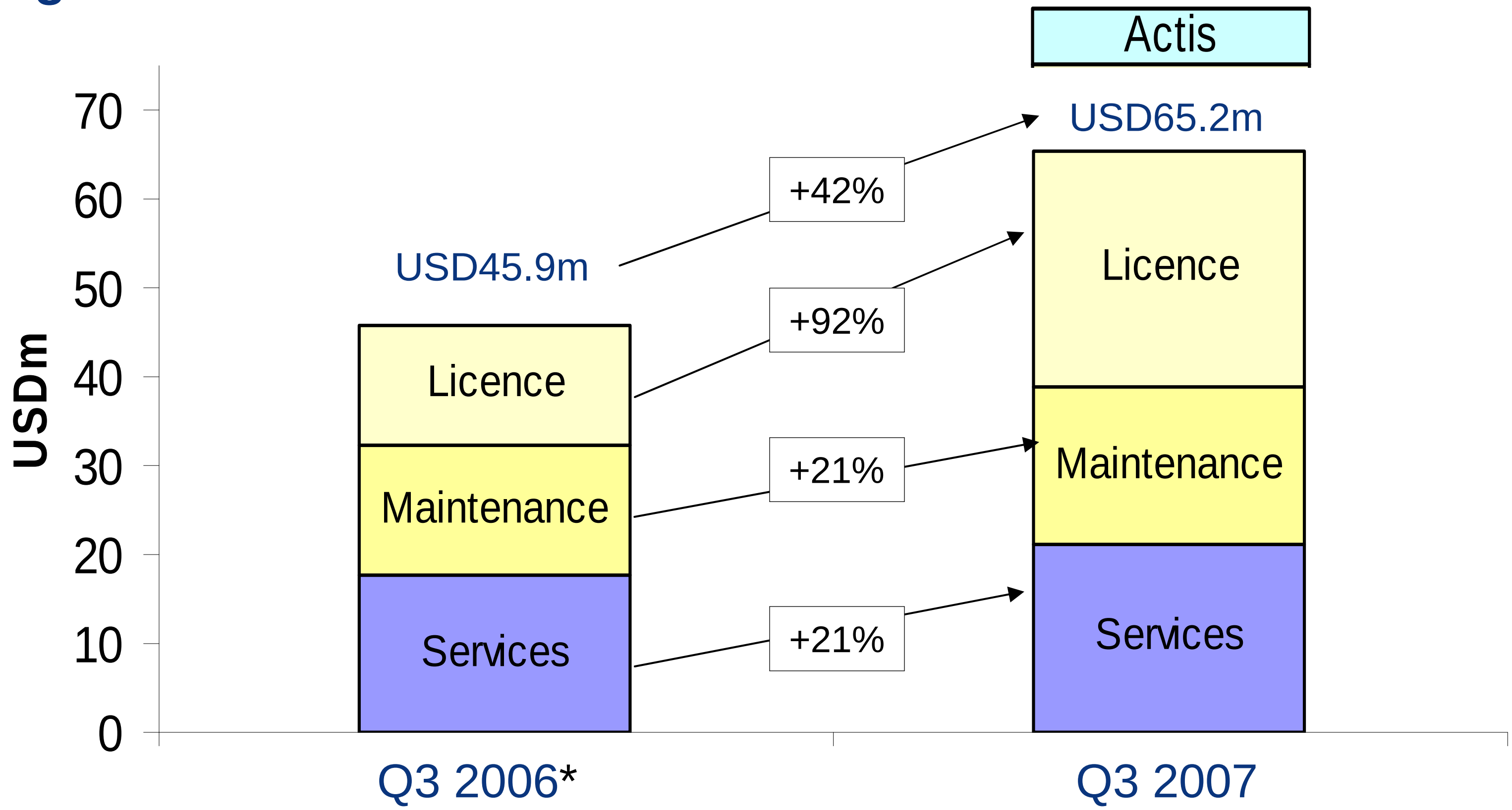
CALCULATION OF DSO's

	DSOs	Average receivables	12 mths revenues*
Q3 2006	114	106,666	242,216
Q4 2006	114	116,396	265,530
Q1 2007	113	127,454	292,671
Q2 2007	111	137,352	321,099
Q3 2007	111	148,992	349,278

* revenues adjusted for maintenance invoicing
DSO's = (Average receivables divided by 12 month revenues)*52*5

Revenue and receivables numbers in USD 000s

Organic revenues



- Strong organic growth in each revenue line
- Actis added $5.7m in Q3 07

*2006 restated at 2007 FX (adding $1.1m to total revenue)

EFFECTIVE TAX RATE

- Temenos has significant unrecognised deferred tax assets (DTAs). These arise from:
  - **losses carried forward**
  - **agreement reached with the Swiss authorities in 2005 to repatriate the group's IP to Switzerland.**

US$ m.		of which:	
Deferred tax asset arising from:	Total DTA	recognised	unrecognised
Loss carryforwards	**35.8**	1.5	34.3
Swiss IP repatriation agreements	**47.8**	3.9	43.9
	83.6	**5.4**	**78.2**
		6%	94%

- Unrecognised deferred tax assets become recognisable as we continue to demonstrate sustained profitability

- For roughly next 5 years, we expect to be able to reduce the group tax rate to **zero** by offsetting DTAs against the yearly tax charges.

- Thereafter, we expect a tax rate of around 11%

Outlook Assumptions

In arriving at our 2007 outlook we have made the following assumptions:

- **Tax rate:**

  Zero effective tax rate (see previous slide)

- **Foreign exchange:**

  USD 1 : EUR 0.71

  USD 1 : CHF 1.19

  USD 1 : GBP 0.49

- **Number of shares for diluted EPS*:**

  69.4m

  * including impact of convertible

ANALYST COMMENTS

TEMENOS "…offers the strongest overall core banking functionality, without particular functional weak spots. TEMENOS also scored best on international versatility: If a bank needs a strong core banking solution that can comprehensively support multiple languages and character sets in terms of presentation and storage or that needs a strong Islamic banking offering, TEMENOS is one of the core banking vendors to short-list…"

The Forrester Wave™: Core Banking Suites, Q1 2007, Jan 2007. ***Forrester***

"T24 was a best of suite solution that has surprising breadth of functionality as well as a large installed customer base using the product for commercial lending."

Commercial Lending: Global Trends and the Systems that Enable Them, Dec 2006. ***Celent***