

Financial Results & Business Update

Quarter ended 30 September 2010

27 October 2010



TEMENOS
The Banking Software Company

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 27 October 2010. 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 27 October 2010.

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Andreas Andreades

CEO

Financial update

David Arnott

CFO

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Max Chuard

Director, M&A and IR

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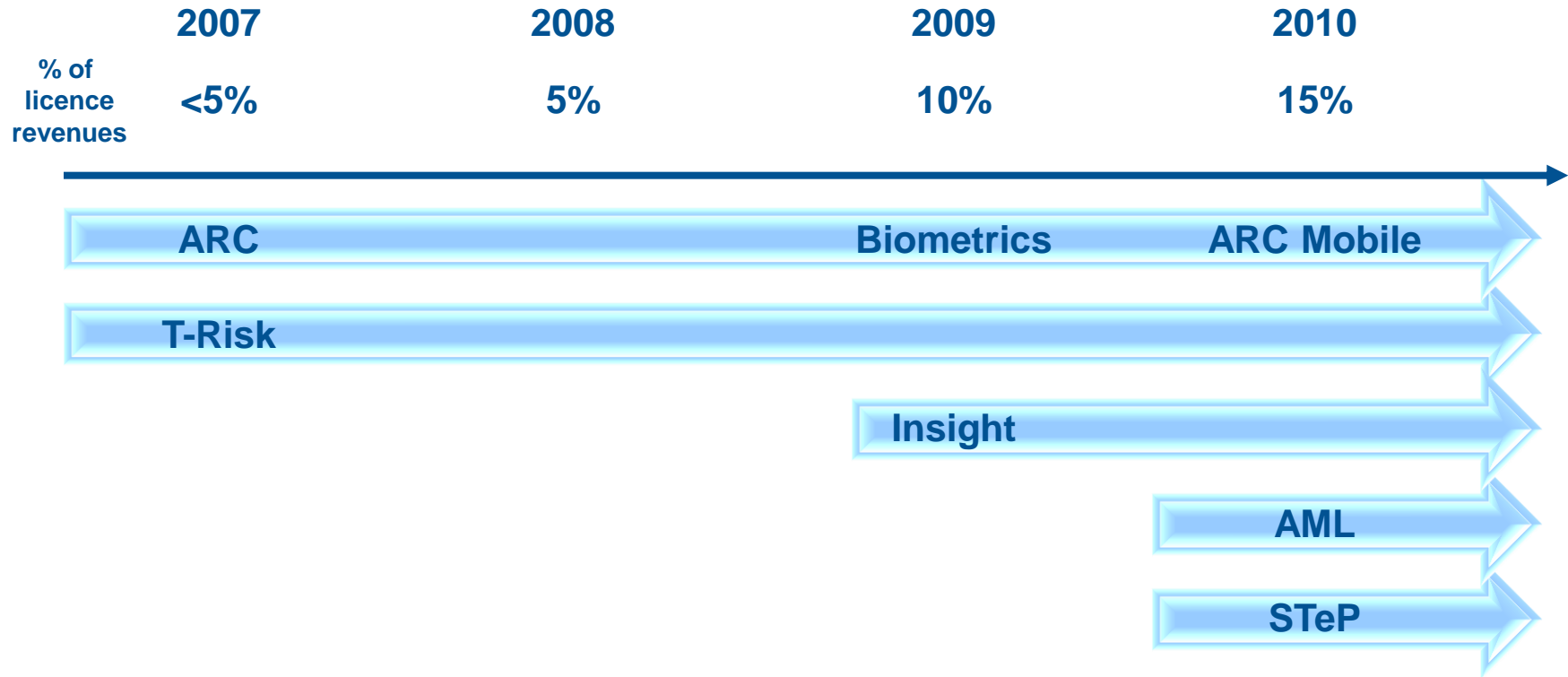
Q&A

Market conditions continue to improve

- Licence revenue growth accelerates...
 - Licence growth +41% in the quarter, +38% like-for-like
 - Pipeline continues to grow sequentially even after a strong quarter
- ...on the back of increasing deal size...
 - Number of new clients unchanged vs Q3 09 at 9
 - Average deal size including existing customers increases by ca. 25% vs Q3 09
- ...and fuelled by an improvement in customer mix
 - Tier 1-2 banks license mix returns to pre-crisis levels
 - Higher proportion of larger, multi-site deals
 - Strong performance in Europe

- Organic growth drivers gain momentum...
 - Partner strategy delivers with continued joint signings and first partner sourced deals
 - Add-on products are increasingly integrated into T24 sales
- Partners deliver a greater share of services
 - Over 50% of implementation activities currently undertaken by partners
 - Testing, data migration and interface work to be assumed by partners
 - Capacity utilization therefore lower than previously expected as partner programme progresses ahead of plan
 - Temenos services to specialise on higher value-add service activities
- Acquisition of Odyssey creates global leader in PWM market
 - Company acquired for under 3x maintenance revenues
 - Acquisition expected to be 6% accretive to 2011 adjusted EPS
- We reconfirm pre-Odyssey outlook
 - Total revenue guidance remains unchanged
 - L-f-L license growth rate expands to 15% from 12%
 - Odyssey acquisition adds to revenue from closing date

Add-on revenues continue to grow as a percentage of licence revenues



Compelling value proposition exists for combining add-on products to T24 licences – we successfully execute our strategy to capture a greater percentage of spend within the client base

Microsoft – High performance benchmark sets new standards for speed and scalability. We are the “go to” vendor for lowest TCO offering. Strong demand seen in pipeline.

Oracle – engaged in benchmark testing on Exadata platform. Over 50% of new T24 customers continue to take Oracle database.

Cognizant – have won first testing contract. Have 400 trained resources and have taken first full T24 implementation live.

Deloitte – Expand the global scope of our partnership into new geographies. Have begun training implementation resources.

Capgemini – Actively building up Temenos practice

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Income statement highlights – Q3 2010

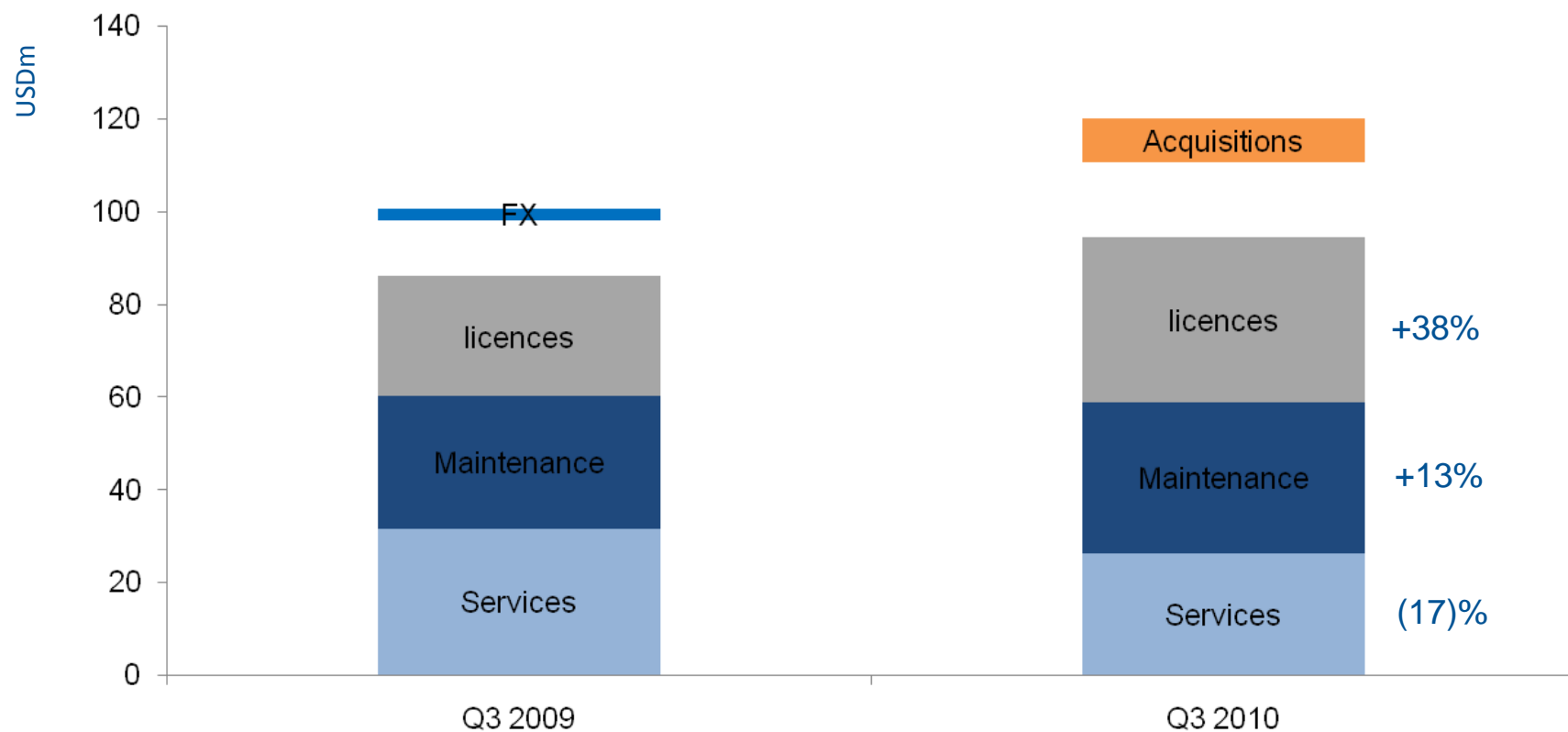
	Q3 2010 (USDm)	Q3 2009 (USDm)	y-o-y Δ
Licence revenues	37.7	26.8	41%
Total revenues	104.0	88.6	17%
Adj. EBIT	29.2	25.2	16%
Adjusted EPS*	0.40	0.34	18%

** in USD; see appendix for reconciliation*

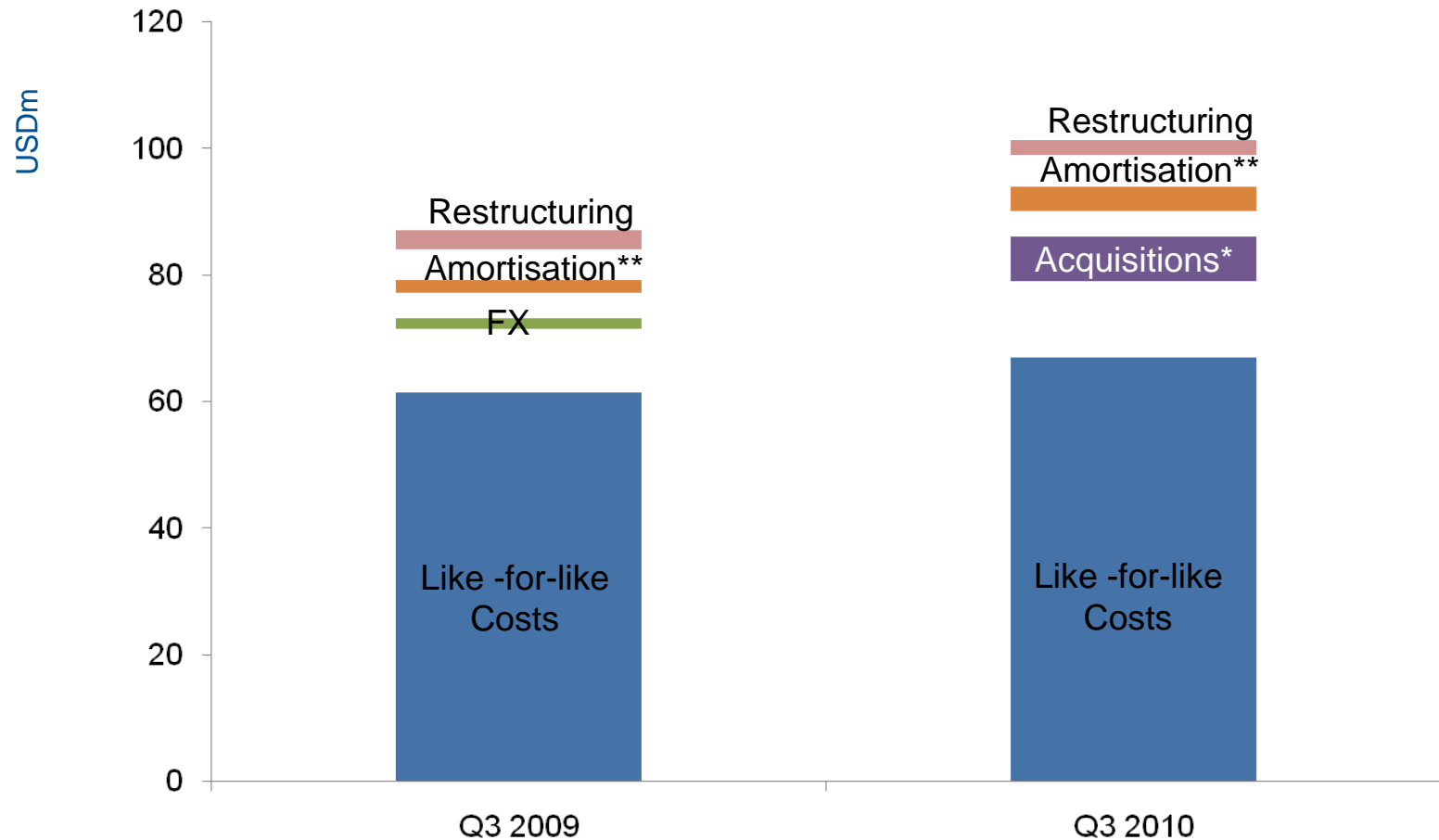
Financial statement highlights

in USDm	Q3 10	Q3 09	△	LTM 10	LTM 09	△
Licences	37.7	26.8	41%	143.2	131.9	9%
Maintenance	37.1	29.2	27%	138.7	113.9	22%
Services	29.2	32.5	(10)%	134.9	128.1	5%
Total Revenue	104.0	88.6	17%	416.8	373.9	11%
Total operating costs	(80.4)	(68.2)	18%	(339.7)	(298.2)	14%
Adj. EBIT	29.2	25.2	16%	102.6	88.5	16%
Margin	28%	28%	(30bps)	25%	24%	99bps
Adj. EBITDA	35.7	31.0	15%	127.3	110.9	15%
Margin	34%	35%	(70bps)	31%	30%	80bps
Adj. Op. Cashflow	15.3	34.6	(56)%	89.3	109.7	(19)%
% of Adj. EBITDA	43%	112%		70%	99%	

Like-for-like total revenue +10%...



...vs. like-for-like costs +9%



*Includes Viveo standalone costs

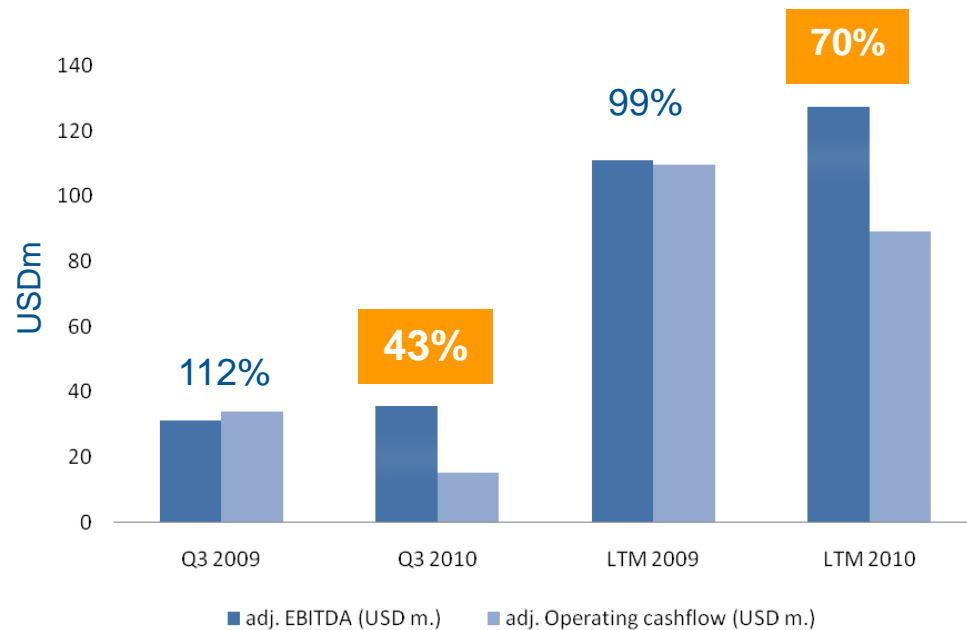
**This represents amortisation of acquired intangibles

	Q3 2010 (USDm)	Q3 2009 (USDm)	y-o-y Δ
Adjusted EBIT	29.2	25.2	16%
Net finance charge	(2.3)	(2.1)	(9)%
FX (loss)/gain	0.5	(0.6)	n/a
Tax	(0.2)	(0.1)	n/a
Adjusted Net	27.2	22.4	21%
Adjusted EPS*	0.40	0.34	18%

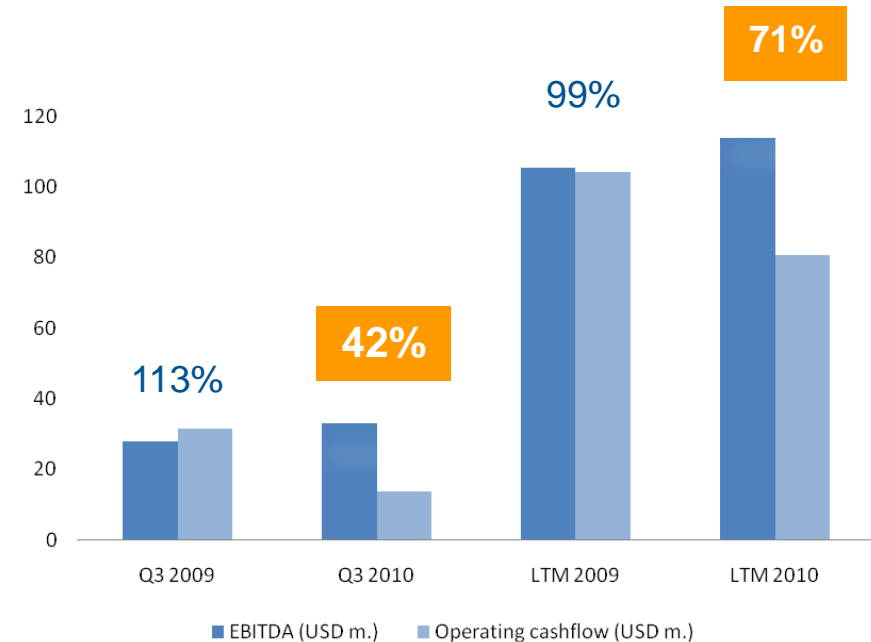
* USD per share; see appendix for reconciliation

Still on track to reach 100% cash conversion by year end

Adjusted EBITDA conversion



EBITDA conversion



- In early October 2010 we refinanced our existing bank facility, (USD 220m, expiration 2012) with a new bank facility for USD 350m*. Royal Bank of Scotland led the successful bookbuilding process.
- In addition to refinancing existing debt, the facility will be used to fund working capital, and for future acquisitions.
- Despite investing USD 190m in acquisitions over 12 months and excluding our convertible, we expect to have leverage of less than 0.2x EBITDA on our balance sheet by December 31st 2010.

* Key terms of bank facility are in the appendix

	Q3 2010 (USDm)	Comments
Convertible bond	145.7	1.5% coupon, matures 2013 (converts at CHF18.6)
Credit facilities*	161.0	
Other	1.0	Obligations under finance leases
TOTAL DEBT	307.7	
CASH	177.0	Held in ST deposits & treasury shares
NET CASH (excl. convert)	15.0	Treating convert as equity
NET DEBT (incl. convert)	130.7	Treating convert as debt

* Refinanced – see previous slide

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Restructuring is essentially complete

- Court case vs Viveo Works Council decided in favour of Temenos
- We expect the restructuring to be completed by year-end

We have executed our restructuring plan well

- Primarily through disposals we have improved margins by 15ppts
- We are on track for margins to be in line with group margins by 2011

AML & STeP are fully integrated into T24

- Add-on strategy successful

We are currently leveraging the Viveo customer base

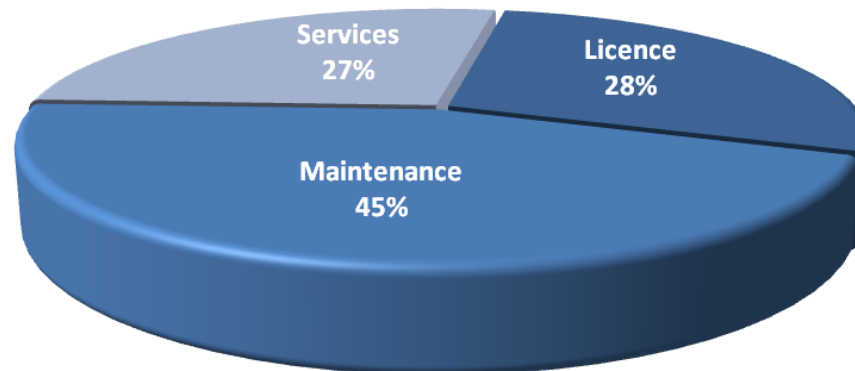
- First deals signed for V-Bank replacement
- Pipeline promising

Overview of Odyssey



- Established in 1995
- 400 Full time employees
- Headquartered in Luxembourg with 14 offices globally
- Acquisition for an EV of USD 101.3m
- Transaction closed on October 18, 2010
- Odyssey to be consolidated from closing date

On projected 2011 revenues of USD 80m, we expect the following revenue split:



We expect Odyssey to be 6% accretive to 2011 adj. EPS and achieve group margins within 2 years

Through the acquisition of Odyssey we intend to:

- Create the leader in private wealth platform solutions
- Create scale in private banking
- Gain market share in a growing market
- Offer broader product portfolio
- Offer significant synergies through complementary offering and customers

		Temenos - Private Banking	Odyssey	Combined
Revenue	Total FY10	USD 56m	USD 75m	> USD 130m
Number of clients	Total	68	110	168
	Tier 1/2	24	51	68
	In the US	3	12	15
Client base complementary	Tier 1 clients	Deutsche Bank, Credit Suisse, EFG	BNP, ABN, Unicredito, RBC, Soc Gen, ING	
Products	Private Banking	T24 Private Wealth	Triple'A Plus	T24 Private Wealth Plus
	Wealth Management	T24 Private Wealth	Wealth Manager	T24 for Wealth Management

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Another strong quarter underlines improving market dynamics

IT pivotal part of banks' business plans to address:

- Stricter and more fragmented regulation
- Shoring up deposit base
- Rapid growth (especially in emerging markets)
- Improving customer experience (and rebuilding of trust)
- M&A integration
- Unsustainable IT cost base

Temenos grows ahead of the market due to...

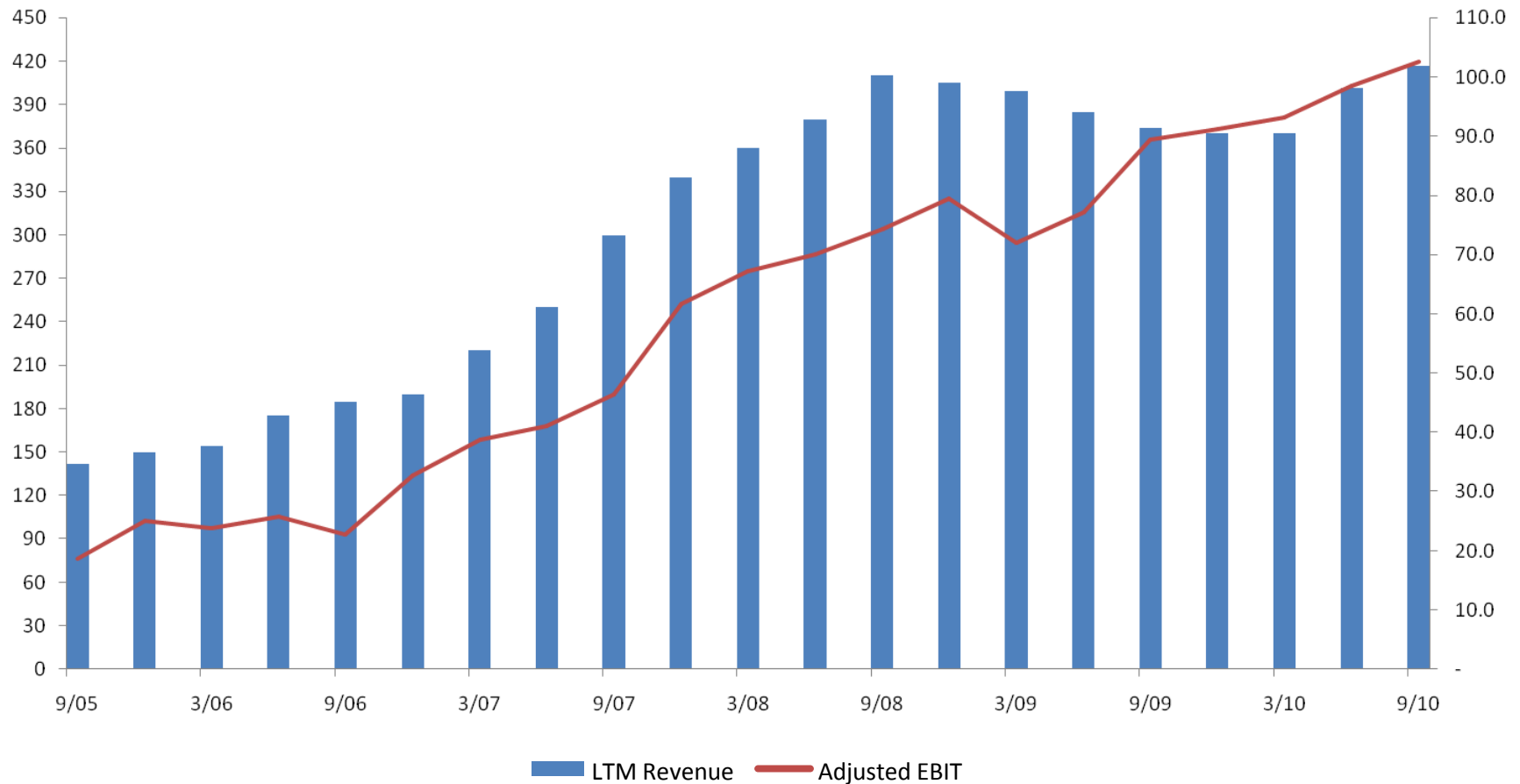
- Superior products and breadth of product set
- Market leadership
- Solid execution
- Industry focus
- Superior partners
- Broadest reference base

Guidance Ranges USDm	Previous outlook	New outlook	Outlook incl. Odyssey
Total Revenue	435-445	435-445	451-461*
Licence Revenue	150m (12% I-f-I)	155m (15% I-f-I)	161m (15% I-f-I)
Adj EBIT	110-115	110-115	110-115
EBITDA Conversion	100%	100%	100%
Tax Rates	0%	0%	0%

* Q4 F/X rates are EUR/USD rate of 1.37, GBP/USD rate of 1.56 and a CHF/USD rate of 1.03

LTM revenues and adj. EBIT since Q3 2005 (USDm)

Adjusted EBIT CAGR of 40%



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Appendices

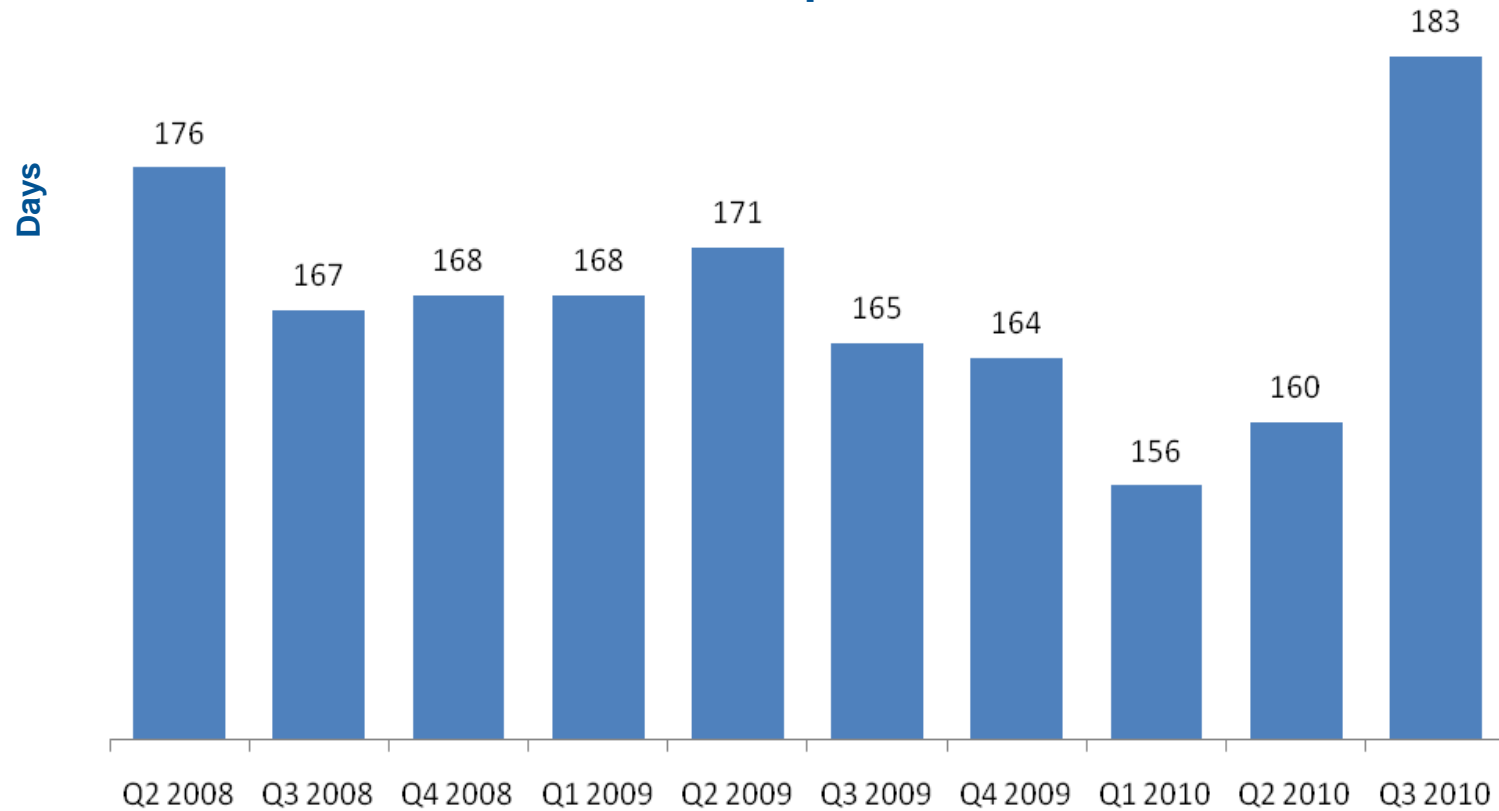


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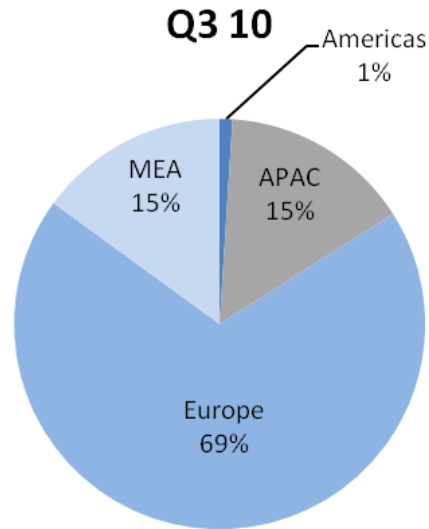
Adjusted EPS reconciliation

	Q3 2010 (USDm)	Q3 2009 (USDm)
Net Earnings	21.9	17.4
Amortisation of acquired intangible assets	3.2	1.9
Bond interest	1.5	1.4
Restructuring	2.3	3.0
Earnings for adjusted EPS	28.9	23.7
Number of dilutive shares	72.4	69.4
Adjusted EPS	0.40	0.34

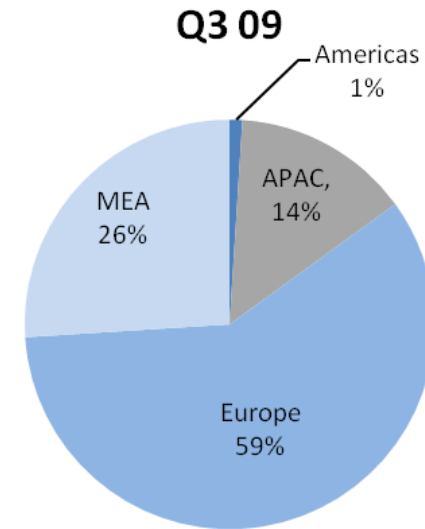
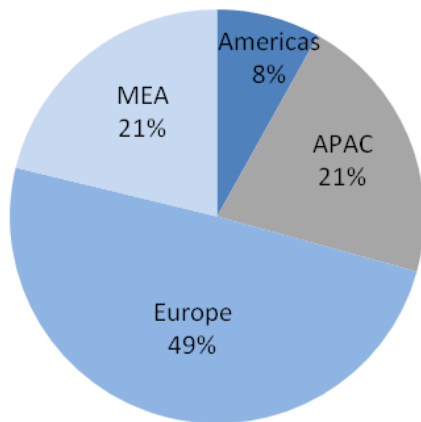
DSOs – last 10 quarters



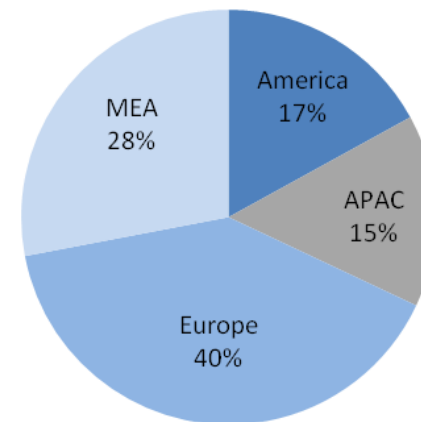
Geographical breakdown of licence revenue



LTM 10

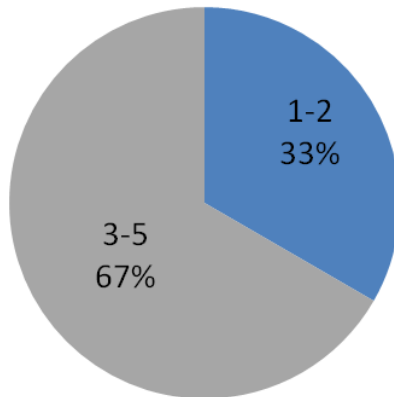


LTM 09

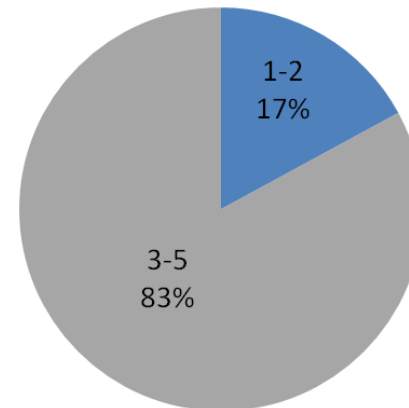


Breakdown of license revenues by customer tier

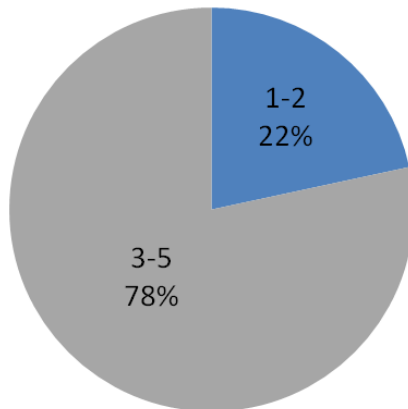
Q3 10



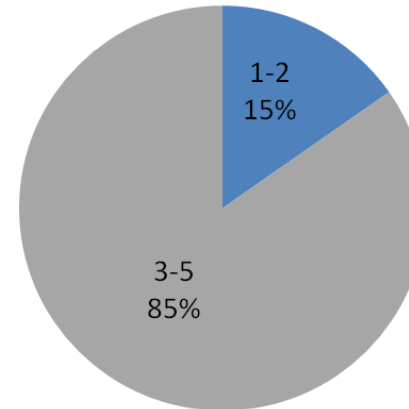
Q3 09



LTM 10

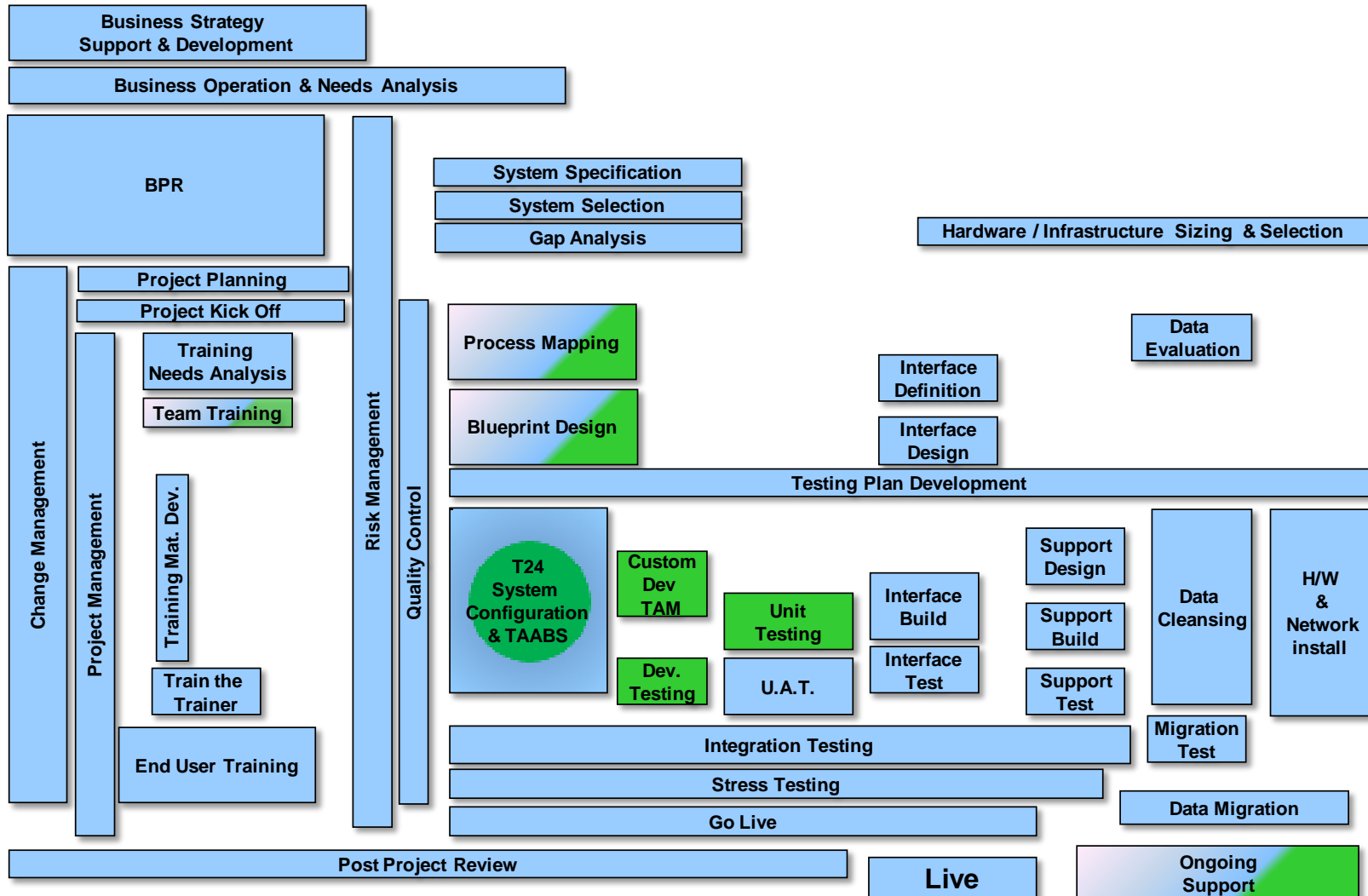


LTM 09



Proportion of Tier 1-2 customers has returned to pre-crisis levels – last seen in 2007

How will services be split between Temenos and the different partners?



- The key terms of the facility are:
 - Maturity Q2 2014 giving 3 full years access to capital
 - USD 100m term loan, USD 250m RCF
 - Strong banking syndicate comprising RBS, Credit Suisse, Barclays and HSBC as MLAs as well as Banque Cantonale de Vaud
 - Full investment grade terms (based on LMA standard documentation, investment grade margin grid and financial covenants, USD 10m amortisation per year)
 - This facility replaces the existing bank facility and existing debt balances will be rolled into the new term loan facility

Thank You & Questions



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