



TEMENOS

The Banking Software Company



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Business Update & Financial Results

Quarter ended 30 September 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 represent the company's estimates as of 23 October 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 23 October 2012.

Agenda

1 Strategy and Business update | David Arnott | CEO

2 Financial update | Max Chuard | CFO

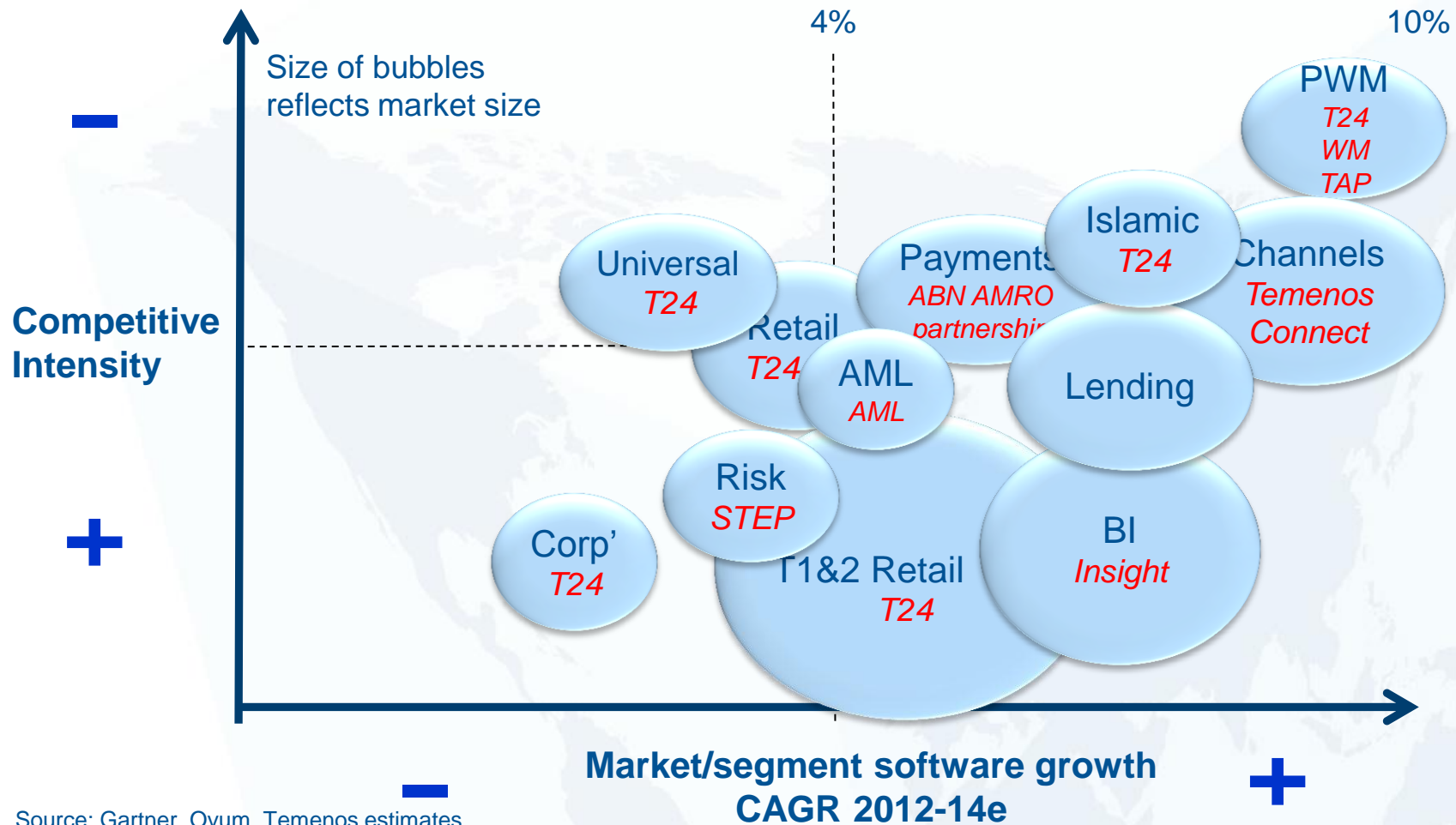
3 Outlook | David Arnott | CEO

4 Q & A

- 1 Structural growth in EM helping to offset weakness in Europe
- 2 Demand for shorter timeframe projects with quicker payback
- 3 Strong demand for BI, PWM and Channels
- 4 Fundamentals remain intact

Well positioned to capitalise on market growth

Banking software market landscape



Source: Gartner, Ovum, Temenos estimates

Well-positioned in key markets and segments

- 1 Licence trend improved against strong comparative
- 2 Better execution resulting in better control of the quarter
- 3 7 go lives in Q3 (31 YTD) incl. first bank live in the Cloud in Kenya
- 4 9 new customer wins (11 in Q3 2011, 5 in Q2 2012)
- 5 Improved position within the 'Leader' Magic Quadrant by Gartner
- 6 Organisational changes made to improve alignment and execution

Solid execution drives improving Licence trend

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ORACLE



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FRONT OFFICE



TECHNOLOGIES

FRSGlobal
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SYNTELLECT

Systar
MANAGE WITH VISION

AutoFORM
LaserNet

Validata
enabling business change

Services Partner

Deloitte.



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- 1 Licence revenue down 20% (at constant currency)
- 2 Maintenance resilient (up 6% at constant currency)
- 3 Services continues to reduce dependency on Licences
- 4 Good progress on cost savings with 80% already locked-in
- 5 Adjusted EBIT down 14% vs down 31% LTM
- 6 Operating cash inflow of USD 11.4m; LTM cash conversion of 164%

All KPIs improving – full year outlook reiterated

Acquisition of edge IPK

- Positions Temenos strongly in an exciting and fast-growing market
- Closed on 1 October 2012; earnings neutral in 2012
- 45 employees
- Leading product allows:
 - Common user experience across all channels
 - Model of build once, deploy multiple times
 - Web designers to work independently of architects
 - New functionality e.g. online customer acquisition



**Gartner | 2011
COOL VENDOR**

Marquee Client Base



The leader in the UXP market

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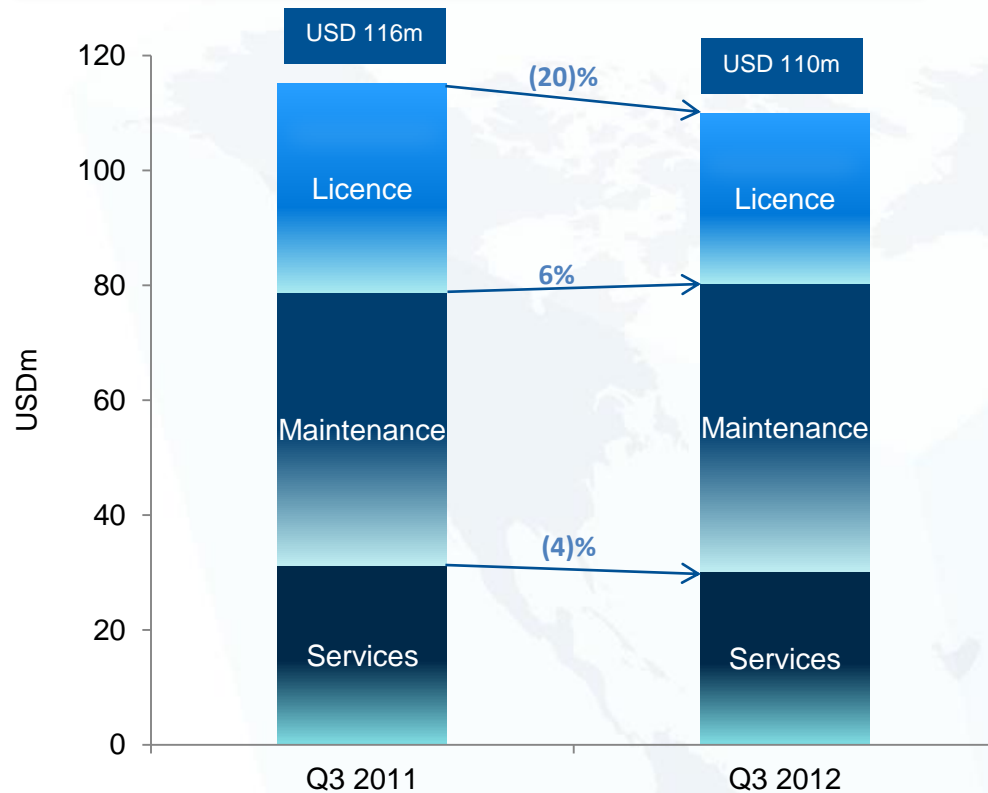
Income statement highlights

in USDm	Q312	Q3 11	△	LTM 12	LTM 11	△
Licences	29.6	37.7	(21)%	118.3	165.9	(29)%
Maintenance	50.2	49.6	1%	198.7	195.1	2%
Services	30.2	33.6	(10)%	126.0	135.3	(7)%
Total Revenue	110.0	120.9	(9)%	443.0	496.3	(11)%
Adj. operating costs	(89.4)	(97.0)	(8)%	(370.2)	(389.9)	(5)%
Adj. EBIT	20.6	23.8	(14)%	72.9	106.3	(31)%
Margin	18.7%	19.7%	(1.0)% pts	16.4%	21.4%	(5.0)% pts
Adj. EBITDA	29.2	31.5	(7)%	104.9	135.6	(23)%
Margin	26.6%	26.1%	0.5% pts	23.7%	27.3%	(3.7)% pts

Sales and margin trends improving

Like-for-like revenue and cost performance

Like-for-like revenue



Like-for-like costs



* Revenue adjusted for FX

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

LFL revenue down 5%; costs coming down

Update on cost efficiencies

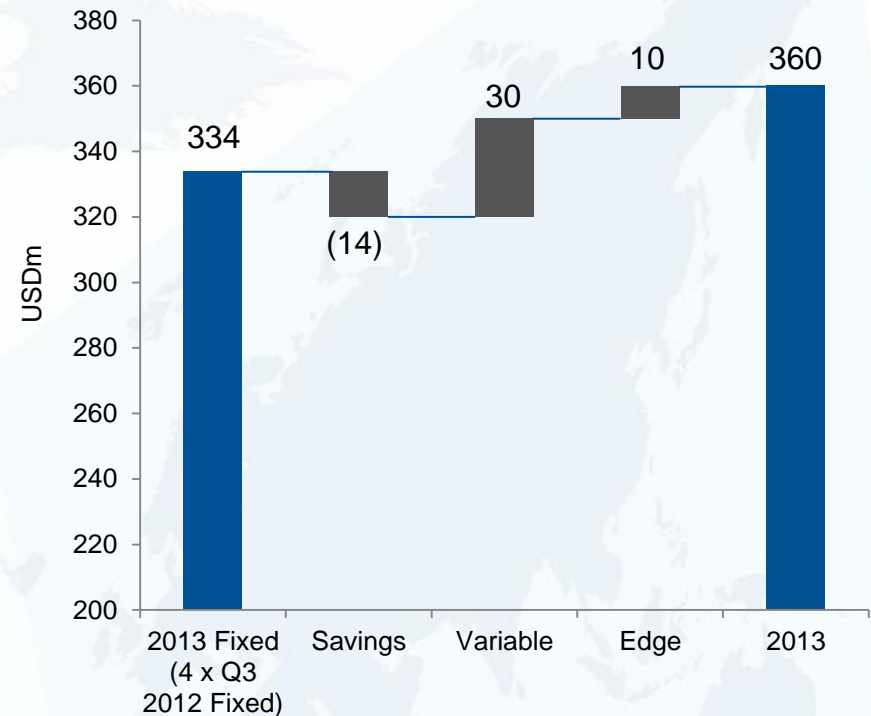
Cost Area	Source of Savings	Progress?
Sales & Marketing	<ul style="list-style-type: none">• Simplified structure• Refocus	✓
G&A	<ul style="list-style-type: none">• Office consolidation• Offshoring / nearshoring	✓
R&D	<ul style="list-style-type: none">• Efficiencies from acquisitions• Offshoring / nearshoring	✓
Services	<ul style="list-style-type: none">• Changing skills mix• Simplified structure	✓

Significant progress made on cost savings

2013 cost base

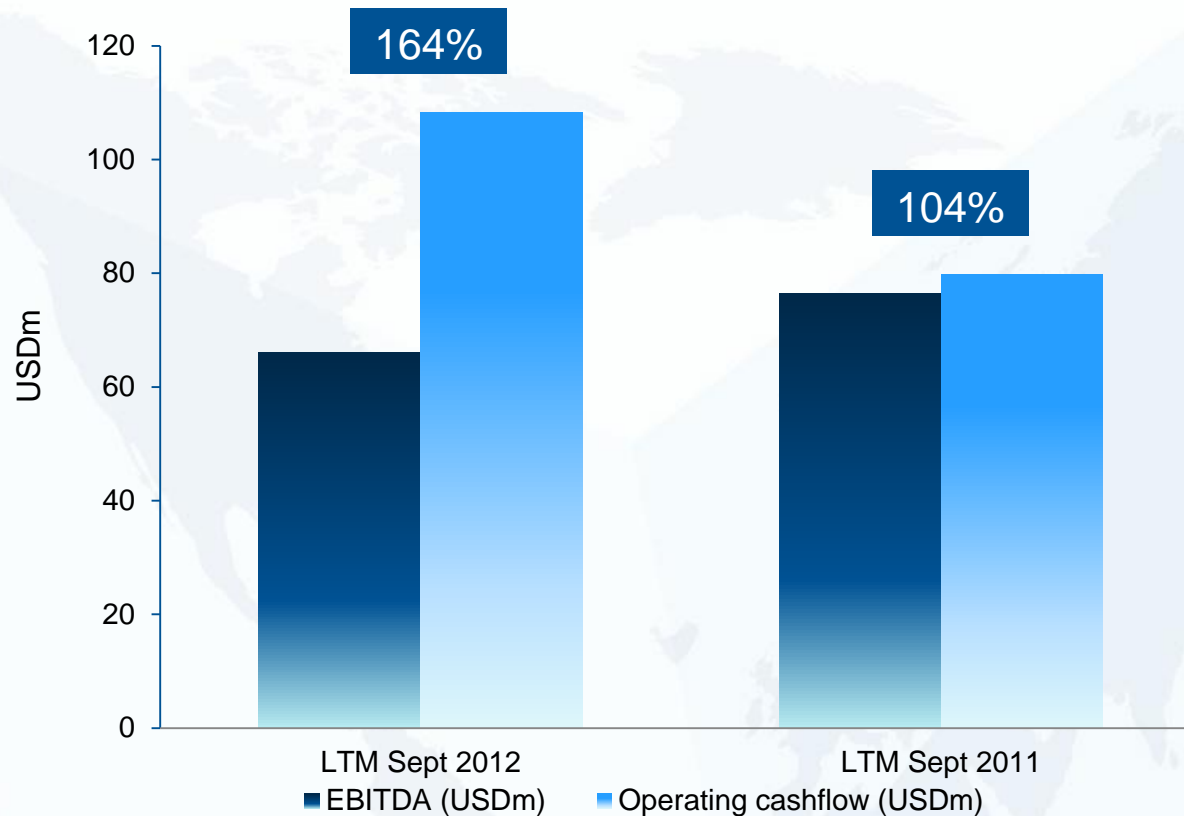
Actual costs (in USDm)	Q3 2012
Variable costs	5
Fixed costs	84
Total adjusted costs	89
Annual savings (in USDm)	
Realised in Q3 2012 (run-rate)	6
“Locked-in”	10
To come	4
Total	20

Bridge to 2013 cost base



80% of cost savings locked in - cost base target in 2013 reiterated

LTM operating cashflow as a % of EBITDA



Strong Q3 cashflows – 100% cash conversion in 2012 reiterated

Balance sheet – debt and financing

in USDm	30 Sept 12	Comments
Credit facilities	248.5	USD 350m facility, due in 2014
Others	0.4	
Total debt	248.9	
Cash	(72.6)	Held in ST deposits
Net debt	176.3	
Treasury Shares	(44.7)	Held at market value as of 30 Sept 12
Net debt & financing	131.6	

Continue to expect to be under 1x leveraged at year end

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A strong pipeline...

- Thorough and deep review of Q4 pipeline conducted
- “Quality” of the pipeline improves reliability and visibility
- Half of pipeline is existing customer business
- Business Intelligence, PWM and Middle East & Asia remain key growth areas

...backed by improving execution

- Execution improved throughout Q3
- Greater focus and accountability
- Rising win rates
- Discounts down / average selling prices up

Pipeline supports full year outlook

Reiterating FY outlook

Key Performance Indicator	Outlook	Implied range
Total Revenue	-5% to +1%	USD438-466m
Adjusted EBIT Margin*	19% to 22%	USD83-103m
Operating Cash to EBITDA	100%	

Based on spot rates at the end of September 2012

*Adjusted EBIT adjusts for exceptional items and amortisation of acquired intangibles

NB. Not adjusted for edge IPK acquisition due to immateriality

Full year outlook reiterated

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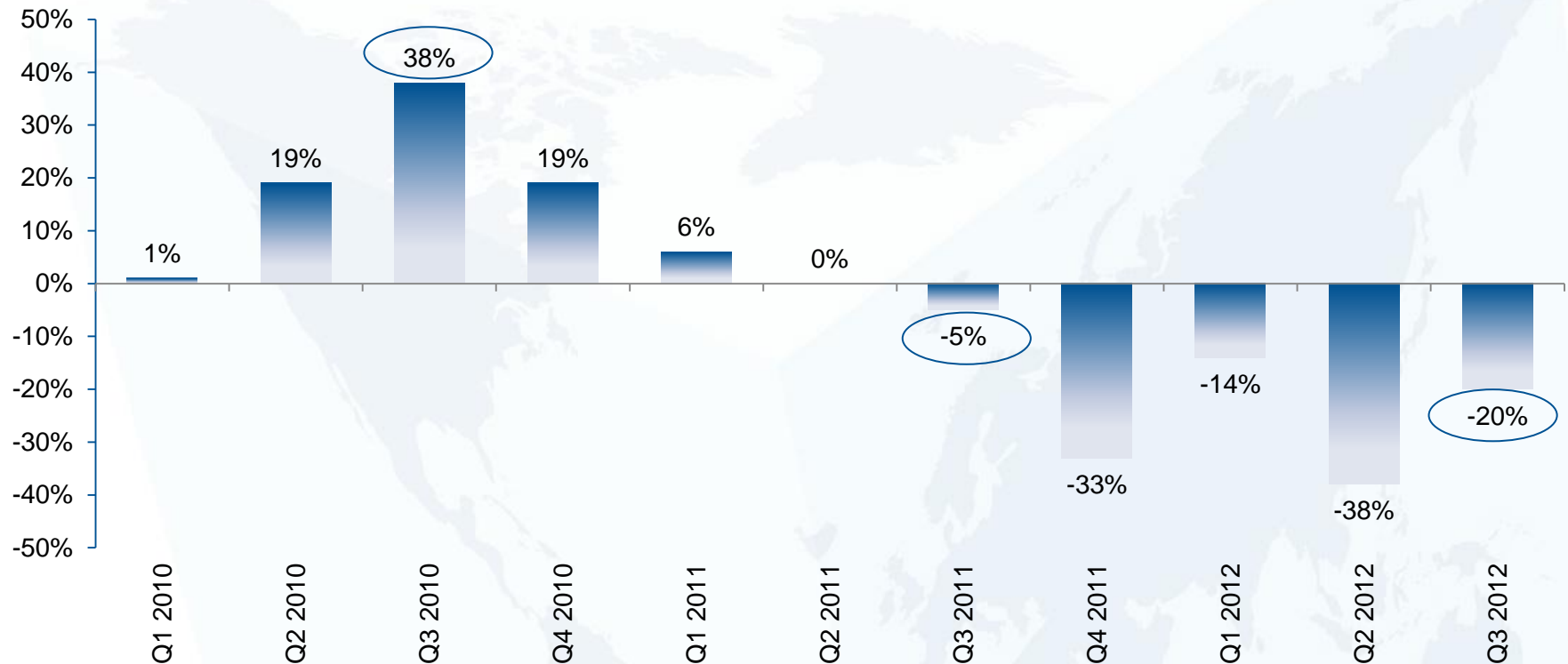
4 Q & A



Appendices

Licence growth

Like-for-like, year-on-year Licence growth



Q4 is an easier comparative

Non-operating items

in USDm	Q312	Q3 11	△	LTM 12	LTM 11	△
Adj. EBIT	20.6	23.8	(14)%	72.9	106.3	(31)%
Net finance charge	(2.1)	(2.4)	(11)%	(8.3)	(12.2)	(32)%
FX loss	(0.2)	(1.3)	(84)%	(6.3)	(2.2)	NM
Tax	(3.1)	(2.3)	37%	(18.2)	(3.2)	NM
Adj. net profit	15.2	17.9	(15)%	40.1	88.7	(55)%
Adj. EPS	0.22	0.26	(15)%	0.57	1.26	(55)%

Adjusted EPS Reconciliation

USDm, except EPS (USD)	Q3 12	Q3 11
Net Earnings	6.7	12.5
Amortization of acquired intangible assets	3.1	4.5
Adjusting costs *	5.4	1.0
Earnings for adjusted EPS	15.2	18.0
Number of Dilutive Shares	69.5	69.9
Adjusted EPS	0.22	0.26

* Restructuring and one-off non-recurring charges

FX rates underlying outlook

USD/EUR 0.778

USD/GBP 0.619

USD/CHF 0.940

DSOs in Q3

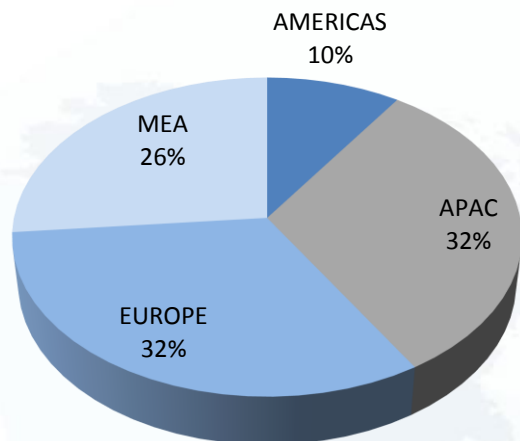


* Includes deferred revenues

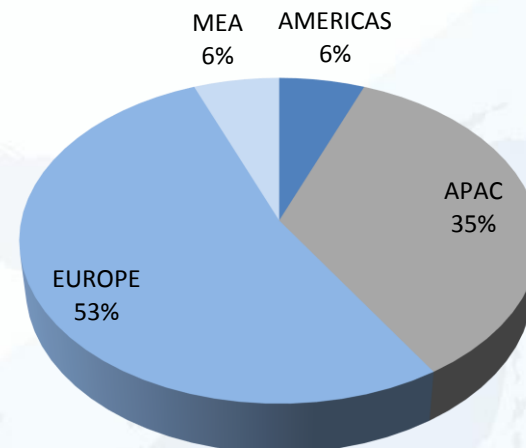
Reduction in DSOs continues

Breakdown of Licence revenue by geography

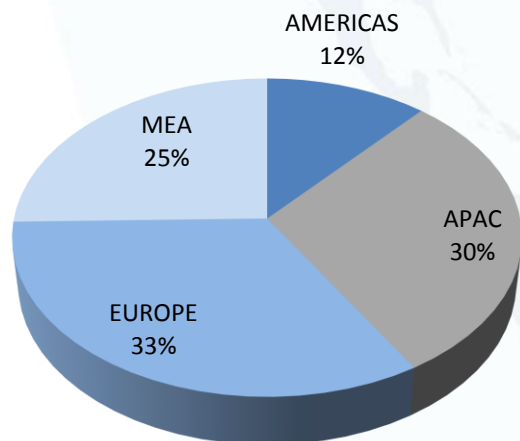
Q3 2012



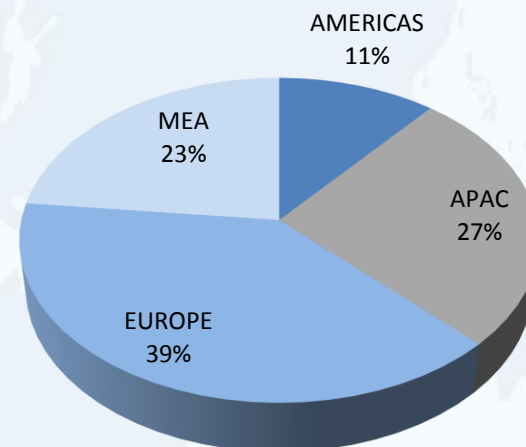
Q3 2011



LTM 2012

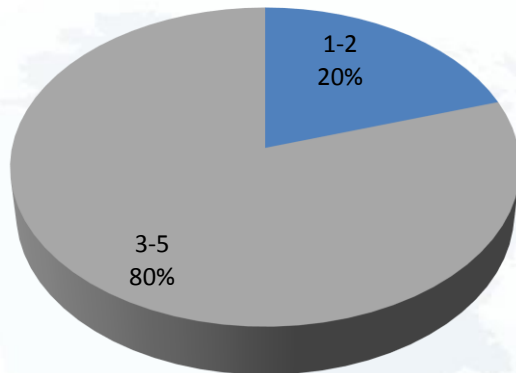


LTM 2011

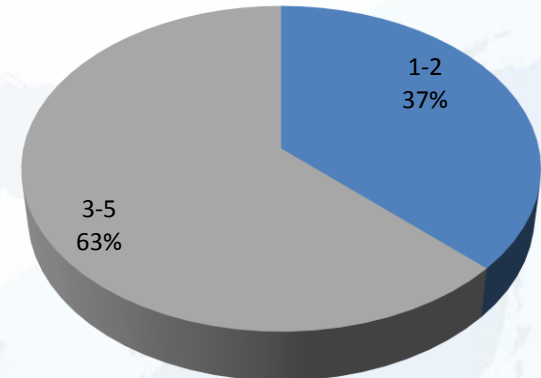


Breakdown of Licence revenue by customer tier

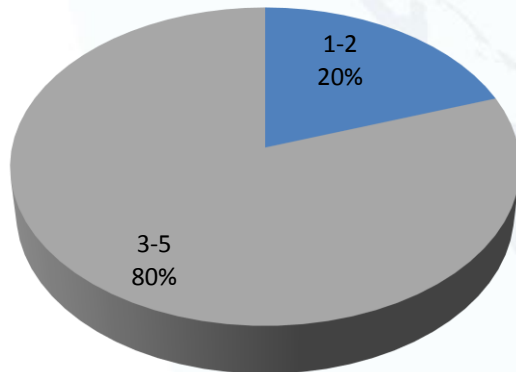
Q3 2012



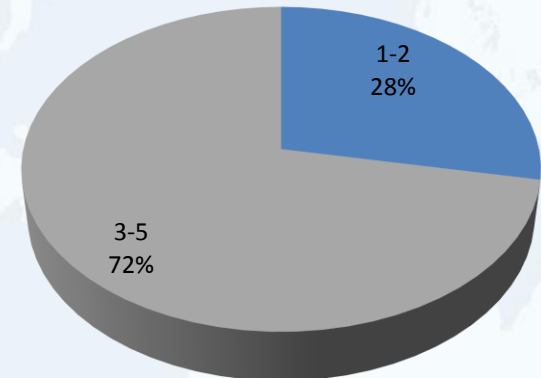
Q3 2011



LTM 2012

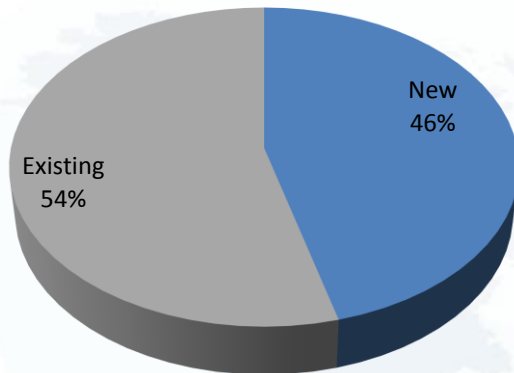


LTM 2011

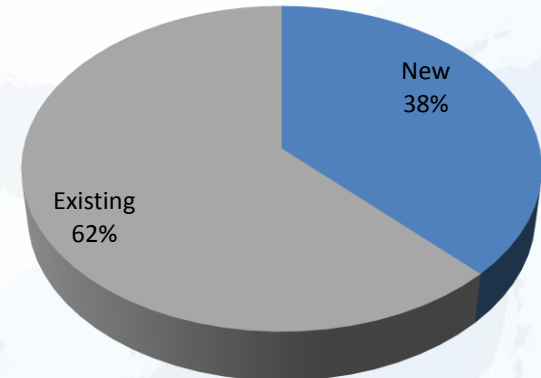


Breakdown of Licence revenue by existing / new customer

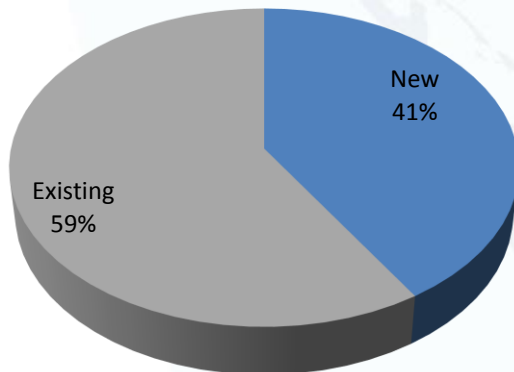
Q3 2012



Q3 2011



LTM 2012



LTM 2011

