Financial Results & Business Update

Quarter and year ended 31 December 2010

16 February 2011

TEMENOS

The Banking Software Company

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 16 February 2011. 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 16 February 2011.

Agenda

TEMENOS

Introduction	Sarah Bowman	Investor Relations
Strategy and Business update	Andreas Andreades	CEO
Financial update	David Arnott	CFO
Acquisition Update	Max Chuard	Director, M&A and IR
Outlook and Summary	Andreas Andreades	CEO
Q&A		

Agenda

TEMENOS

Introduction	Sarah Bowman	Investor Relations
Strategy and Business update	**Andreas Andreades**	**CEO**
Financial update	David Arnott	CFO
Acquisition Update	Max Chuard	Director, M&A and IR
Outlook and Summary	Andreas Andreades	CEO
Q&A		

Highlights from FY and Q4 2010

Excellent Q4 and full year results

USDm	Q4 2010	FY 2010	FY Objective		
Licence Revenue	60.9m	160.1 (+19% LfL)	161m (+15% LfL)	✓	
Total Revenues	149.8m	448.0m	451-461m		Lower services
Adjusted EBIT	53.8m	113.7m	110-115m	✓	
Adjusted EBIT growth	26%	25%		✓	
EBITDA Conversion	212%	111%	100%	✓	
Tax Rate	0%	0%	0%	✓	

2010 Strategic review

Strategic Objective	Achievement
Grow the partner network	Added Capgemini & further local partners Partners now bring 6% of licence revenue
Product extensions to enhance growth	15% of total licence revenues
Stand-alone services	Support expansion of partner program
Execute on M&A strategy	Integrated Viveo; acquired Odyssey & FE Mobile
Strengthen balance sheet	Refinancing and call of convertible

Overview of FY sales

Core sales robust

→ 46 new core banking customers in 2010 vs 43 in 2009
→ Tier 1 customers continue to be strong in the mix
→ Pipeline continues to grow sequentially and fully supports our outlook

Revenue synergies from acquisitions are materialising

→ 4 V-Bank replacements, showing rapid uptake by Viveo customer base in first year after acquisition
→ 4 IBIS replacements with significant further pipeline for 2011

Partner strategy delivering incremental revenues

→ 6% of total licence revenues sourced by partners representing 7 percentage points of growth

We believe that the market grew 5% in 2010 and estimate that Temenos gained 4 percentage points of market share including acquisitions

Update on product extension sales

Product extensions account for 15% of total licence revenues in 2010

	2007	2008	2009	2010
% of licence revenues	<5%	5%	10%	15%

ARC

Biometrics

ARC Mobile

T-Risk

Insight

AML

STeP

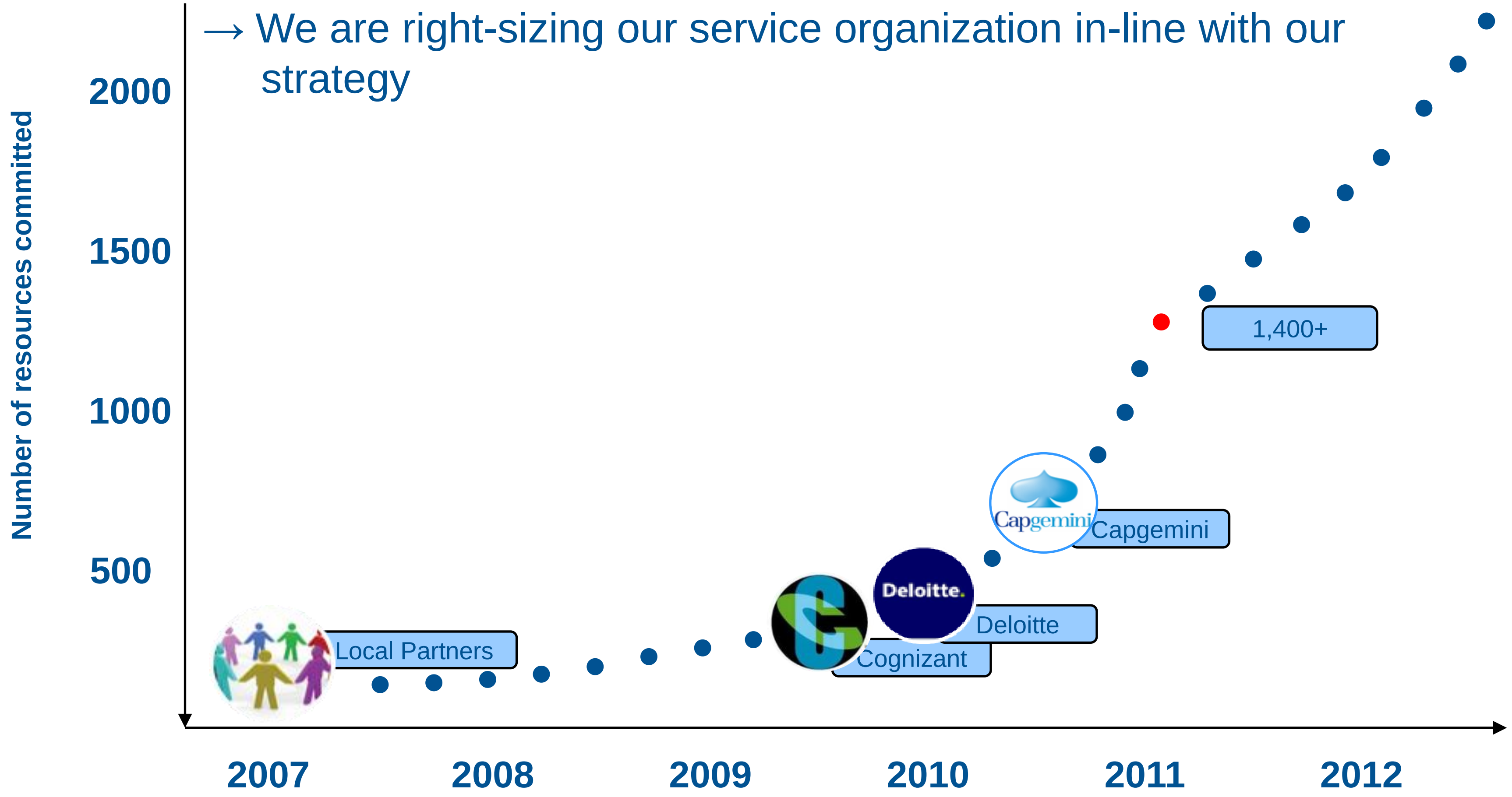
We achieved a sequential quarterly increase in average deal size, now 36% above the average of 2009.

Number of partner resources committed

→ Partner assumption of service activities is a key to our growth strategy

→ We have improved visibility over committed partner resources

→ We are right-sizing our service organization in-line with our strategy



Update on partners

Cognizant
- Full utilization for 350+ resources

Deloitte
- Expanding geographical scope of partnership

Capgemini
- Have set up competency centers in China and India. 300+ trained resources. Rolling out testing workshops

Microsoft
- 30 leads over the year
- Banks up to 6m accounts implementing on the Microsoft platform
- 1/3 of new business running on SQL server
- Launched T24 into the cloud on the Windows Azure platform

Oracle
- Benchmark testing on Exadata platform shows strong scalability

Agenda

TEMENOS

Introduction	Sarah Bowman	Investor Relations
Strategy and Business update	Andreas Andreades	CEO
Financial update	**David Arnott**	**CFO**
Acquisition Update	Max Chuard	Director, M&A and IR
Outlook and Summary	Andreas Andreades	CEO
Q&A		

Income statement highlights

	Q4 2010 (USDm)	Q4 2009 (USDm)	y-o-y ∆	FY 2010 (USDm)	FY 2009 (USDm)	y-o-y ∆
Licence revenues	60.9	44.0	*38%*	160.1	126.0	*27%*
Total revenues	149.8	118.6	*26%*	448.0	370.3	*21%*
Adj. EBIT	53.8	42.7	*26%*	113.7	91.3	*25%*
Adjusted EPS*	0.68	0.58	*17%*	1.47	1.23	*20%*

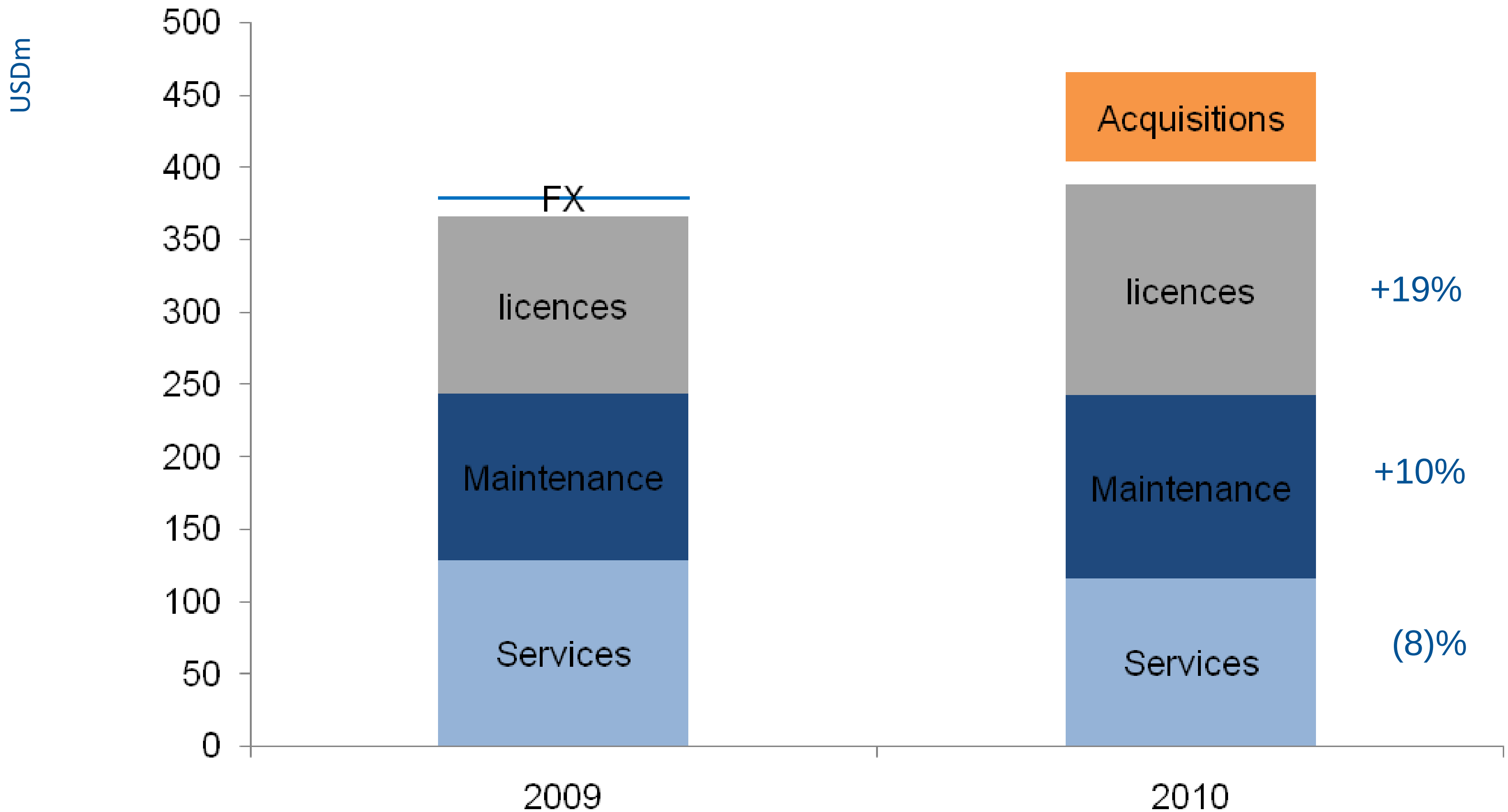
** in USD; see appendix for reconciliation*

Financial statement highlights

in USDm	Q4 10	Q4 09	△	FY 10	FY 09	△
Licences	60.9	44.0	38%	160.1	126.0	27%
Maintenance	47.7	31.6	51%	154.8	117.1	32%
Services	41.2	43.0	(4)%	133.1	127.2	5%
Total Revenue	**149.8**	**118.6**	**26%**	**448.0**	**370.3**	**21%**
Total operating costs	**(112.4)**	**(78.0)**	**44%**	**(374.3)**	**(290.1)**	**29%**
Adj. EBIT	**53.8**	**42.7**	**26%**	**113.7**	**91.3**	**25%**
Margin	36%	36%	*(3bps)*	25%	25%	*74bps*
Adj. EBITDA	**60.1**	**48.7**	**23%**	**138.7**	**113.4**	**22%**
Margin	40%	41%	*(90bps)*	31%	31%	*36bps*
Op. Cashflow	**102.6**	**57.5**	**78%**	**125.8**	**117.9**	**7%**
% of EBITDA	212%	118%		111%	107%	

FY like-for-like revenues

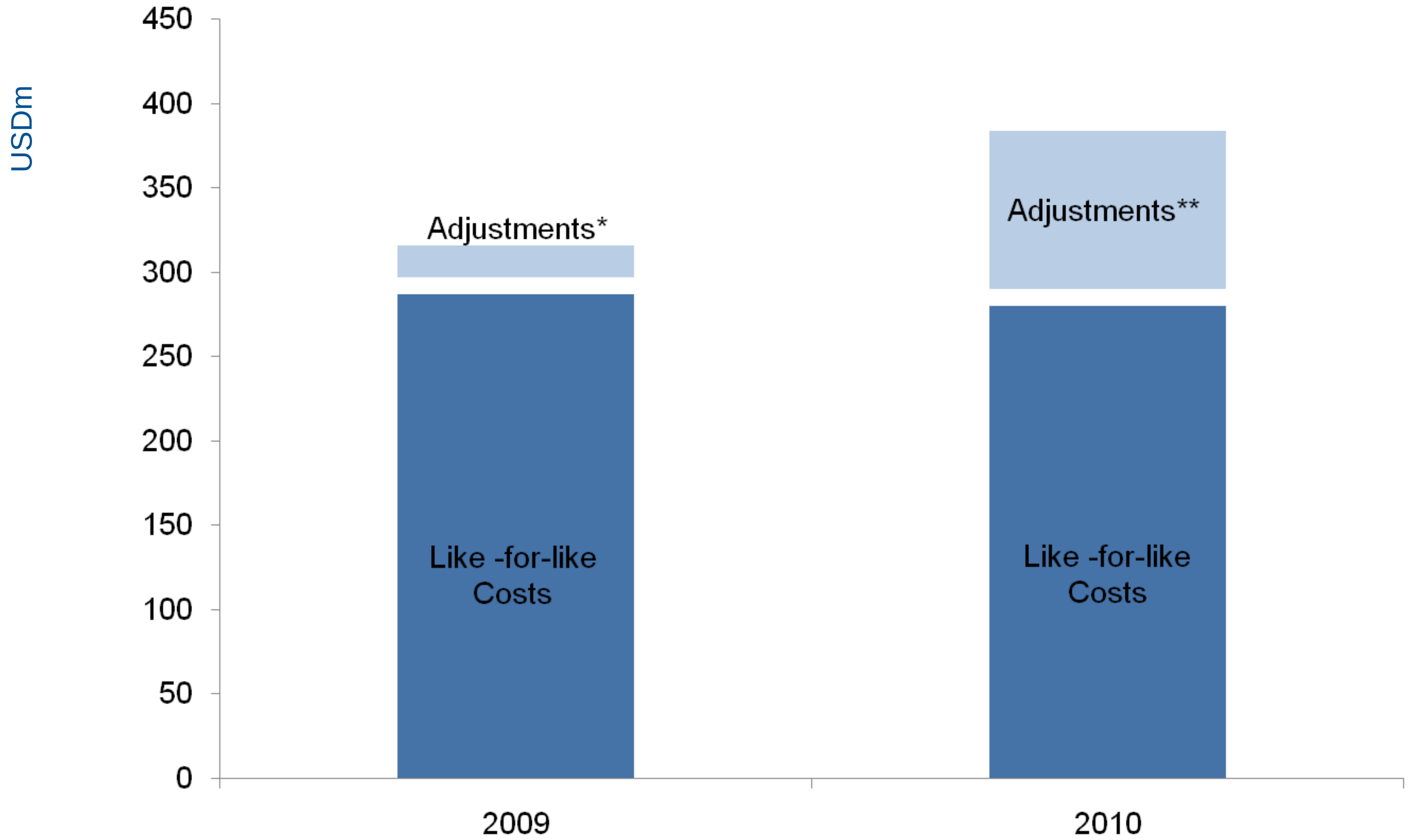
Like-for-like total revenue +7%...



FY like-for-like costs

TEMENOS

...vs. like-for-like costs -2%



*Excludes FX, restructuring and amortization of acquired intangibles

** Excludes restructuring, Viveo & Odyssey stand alone costs and amortization of acquired intangibles

Margin development

Strong improvement in product margin driving overall margin growth

Adj. Margin	FY 2009	FY 2010	Bps △
Product	28.3%	34.9%	660
Service	17.5%	2.9%	(1460)
EBIT	24.6%	25.4%	80

Income statement

TEMENOS

	Q4 2010 (USDm)	Q4 2009 (USDm)	y-o-y ∆	FY 2010 (USDm)	FY 2009 (USDm)	y-o-y ∆
Adjusted EBIT	**53.8**	**42.7**	***26%***	**113.7**	**91.3**	***25%***
Net finance charge*	(6.1)	(2.0)	*(202)%*	(13.0)	(7.7)	*(69)%*
FX (loss)/gain	0.5	0.1	*400bps*	1.1	(3.7)	*n/a*
Tax	(0.0)	(0.1)	*n/a*	(0.4)	(0.3)	*n/a*
Adjusted Net Profit	**48.2**	**40.6**	***19%***	**101.4**	**79.6**	***27%***
Adjusted EPS**	**0.68**	**0.58**	***17%***	**1.47**	**1.23**	***20%***

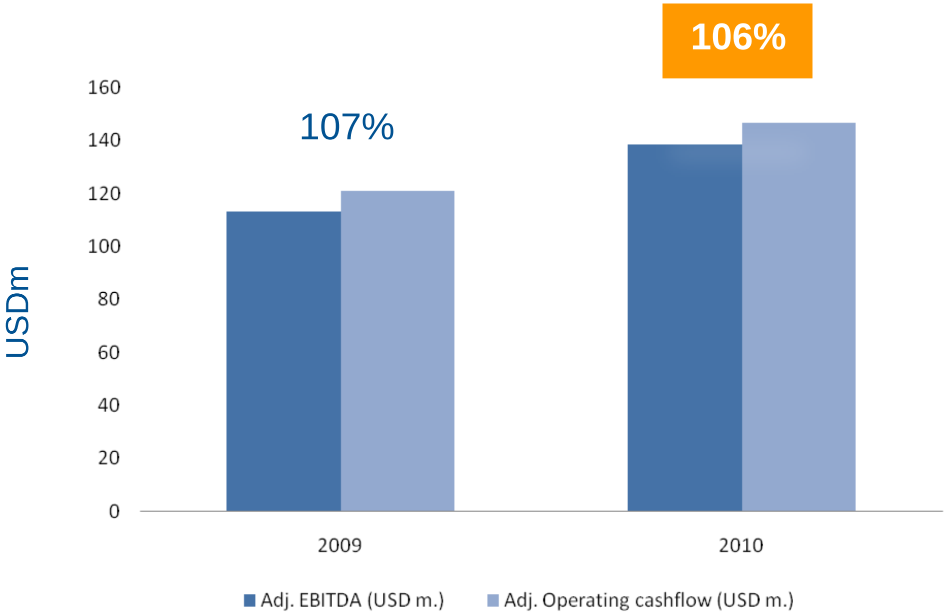
** USD 2.6m one off costs from Odyssey and debt facility*

*** USD per share; see appendix for reconciliation*

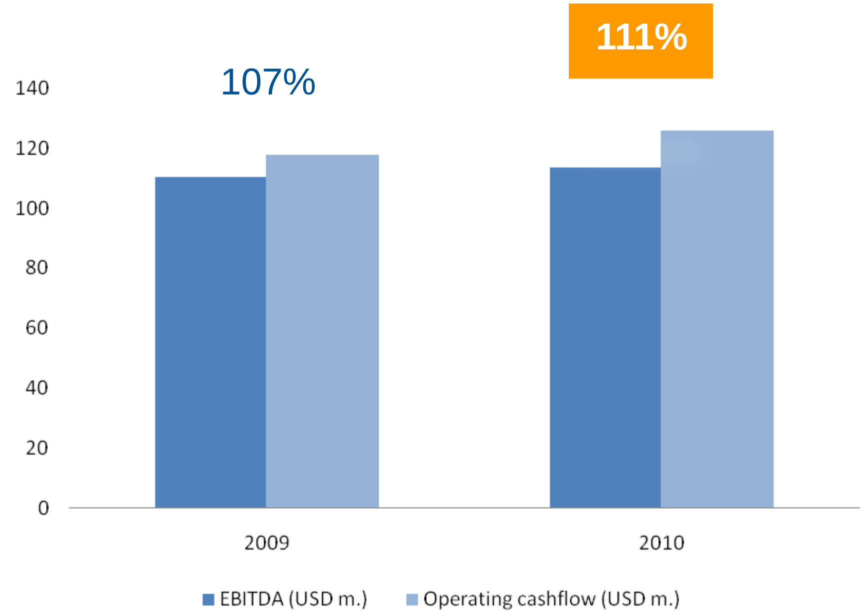
Update on cash

Guidance of 100% EBITDA conversion* for FY 2010 exceeded

Adjusted EBITDA conversion



EBITDA conversion



* EBITDA conversion = operating cashflow/EBITDA as a percentage.
EBITDA is adjusted for the restructuring charge and adjusted cash flow is adjusted for the cash portion of the restructuring charge

Balance sheet – debt and financing

	FY 2010 (USDm)	Comments
Credit facilities	181.4	USD 350m facility, due in 2014
Other	1.2	
TOTAL DEBT	**182.6**	
CASH	**169.5**	Held in ST deposits & treasury shares
NET DEBT	**13.1**	
Net Debt to EBITDA	**0.1x**	Better than expectation of 0.2x

Very low leverage despite two recent, major acquisitions.

Convertible bond

CHF 132.25m Convertible bond called

→ Bond converted 100% into shares
→ Approx. 7.3m shares issued as per year end 2010
→ Shares will be fully registered by end of February 2011

Key benefits
→ Lowers net indebtedness
→ Removes potential refinancing risk and FX risk
→ Simplifies capital structure and EPS calculation
→ Saves cash coupon payment of ca. USD 2m annually

Restructuring of services

Transition to new business model

- Partners are taking a greater load of service business
- Extended use of model bank
- Smaller, yet higher skilled internal team
- Services declined from 34% of total revenues to under 30% in 1 year

- This has allowed us to reduce our headcount
- Q4 restructuring charge of USD 4m
- Expected restructuring charge of a similar amount in 2011
- We believe services margins will be around 5-10% in 2011

Medium term expectations

- Services to remain within the range of 25-30% of total revenues
- Service margins of 10-15%

Agenda

Introduction	Sarah Bowman	Investor Relations
Strategy and Business update	Andreas Andreades	CEO
Financial update	David Arnott	CFO
Acquisition Update	**Max Chuard**	**Director, M&A and IR**
Outlook and Summary	Andreas Andreades	CEO
Q&A		

Viveo update

In our first year of integration…

Faster than expected uptake of T24
→ 4 migrations from V-Bank in our first year post acquisition
→ Expect a continuation of this trend

Viveo revenues are now fully integrated into T24
→ AML & STeP fully integrated into T24 sales
→ Pipeline of deals strong

Restructuring essentially complete
→ We brought Viveo margins in line with group margins by YE 2010

Odyssey update

TEMENOS

Integration progressing in advance of expectations

Launched our Private Wealth Management division
→ Brings focus; dedicated, sales, pre-sales and delivery team
→ Critical mass; largest, dedicated PWM software provider globally
→ Confirm position as PWM market leader
→ PWM currently fastest growing of all core banking verticals

Product roadmap on target
→ Can address all tiers with integrated, front-to-back solution
→ Market reaction positive, clients supportive

Integration and strategy
→ Accelerated integration begun in Q4 2010
→ Expect to bring Odyssey to group margins by YE 2011(12 months ahead of initial plan)

Acquisition update

We continue to screen potential candidates...

→ Our acquisition expertise and integration track record are sound
→ We have the internal capacity to manage further acquisitions
→ Environment continues to present interesting opportunities
→ Temenos balance sheet is very strong

...and maintain our adherence to strict acquisition criteria

→ Acquisitions must be accretive within the first 12 months
→ Geographic expansion into markets where underrepresented
→ Increase market penetration through purchasing customer bases
→ Access to complimentary products
→ Aim to leverage global sales organization, market leadership and R&D investment in leading product set.

Agenda

TEMENOS

Introduction	Sarah Bowman	Investor Relations
Strategy and Business update	Andreas Andreades	CEO
Financial update	David Arnott	CFO
Acquisition Update	Max Chuard	Director, M&A and IR
Outlook and Summary	**Andreas Andreades**	**CEO**
Q&A		

We have achieved our goals in 2010…

- ✓ Strategic and financial objectives achieved

…and are in a position to extend further our market lead in 2011

- → We enter the year with a strong pipeline and good momentum
- → Our product set is broad, differentiated and enjoys the highest R&D in the industry
- → Product extensions increase our reach
- → Our partner programme progresses ahead of plan
- → Our acquisitions are accretive and extend our market share
- → We have a very efficient capital structure

Our market

TEMENOS

2010 was the first year of the recovery…

→ Stable deal volume and few megadeals in the overall market
→ Equates to relatively slow growth – we estimate around 5%

… but we predict stronger growth in 2011…

Based on analyst commentary…

Gartner

"uptick in demand for core banking revitalization is undeniable*"

Aite

"Aite Group forecasts that approximately 700 financial institutions worldwide will replace their core solutions during 2011**"

… and clearer understanding of value delivered and strategic need.

- Modern core banking essential for banks to deliver sustainable growth
  - → Scalability, STP, product innovation in emerging markets
  - → Efficiency, sustainable funding, regulation and improved service in developed world
- 76% of the World's fastest growing banks run modern systems***

* Gartner Inc., Magic Quadrant for International Retail Core Banking, September 2010
** Aite Group, Evaluating the Vendors of Global Core Banking systems, October 2010
***Source: The Banker top 1000 banks 2010; IBS BOSS guide; Temenos customer list

Outlook

Key Performance Indicator	Outlook	Implied range
L-f-L Licence Revenue*	15-20%	USD 197-205m
Total Revenue**	22-26%	USD 546-564m
Adj. EBIT margin	26-27%	
EBIT margin	20-21%	
EBITDA Conversion into CF from Ops	100%	
Tax Rates	8-10%	Cash tax to be 5%

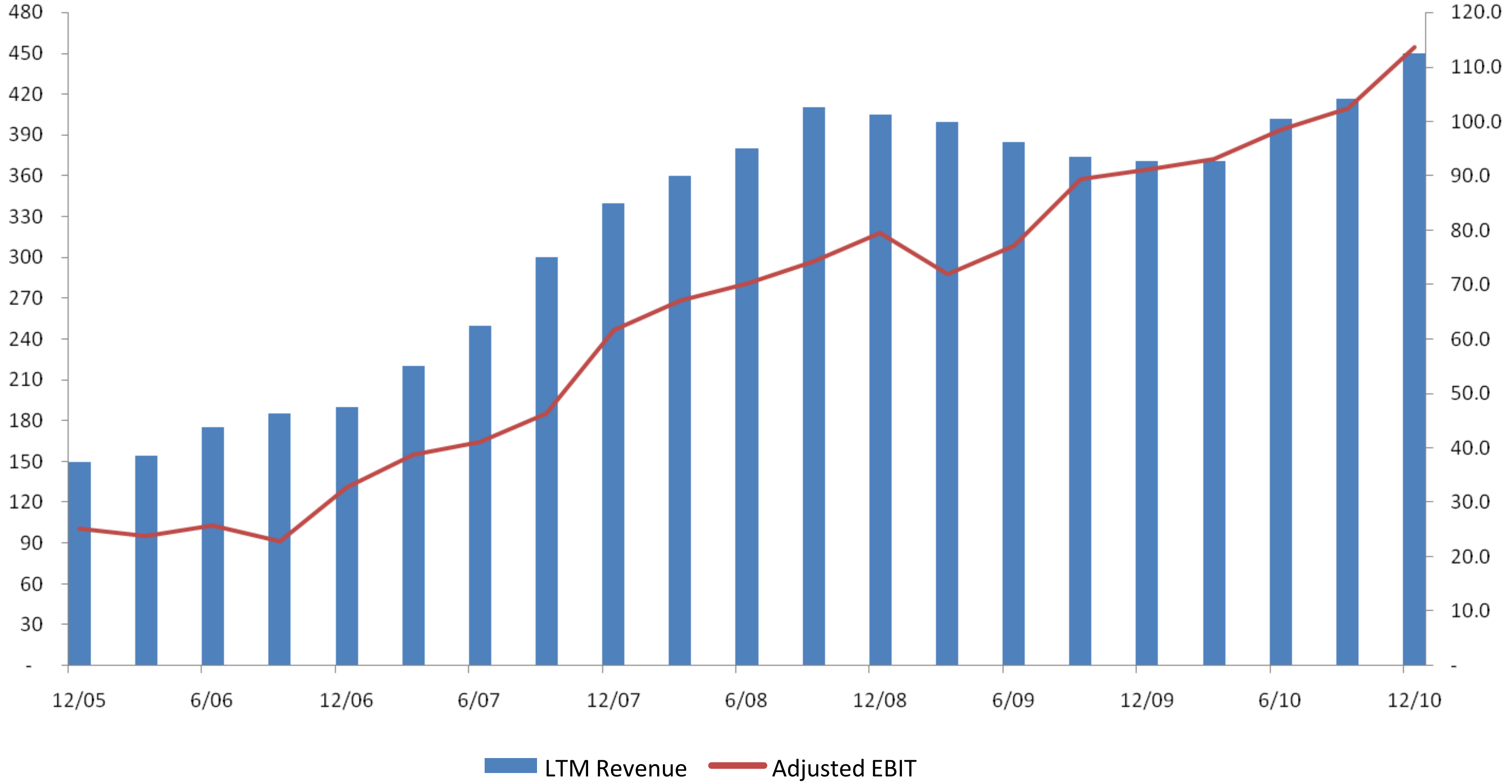
* Base adjusted for Odyssey contribution and constant currencies. See Slide 37 in the appendix for reconciliation
**Stated at constant currencies. See average 2010 FX rates on slide 37 in the appendix for reconciliation

Closing comments

TEMENOS

LTM revenues and adj. EBIT since Q4 2005 (USDm)

Adjusted EBIT CAGR of 35%



Agenda

TEMENOS

Introduction	Investor Relations	Investor Relations
Strategy and Business update	Andreas Andreades	CEO
Financial update	David Arnott	CFO
Acquisition Update	Max Chuard	Director, M&A and IR
Outlook and Summary	Andreas Andreades	CEO
Q&A		

Appendices

The Banking Software Company

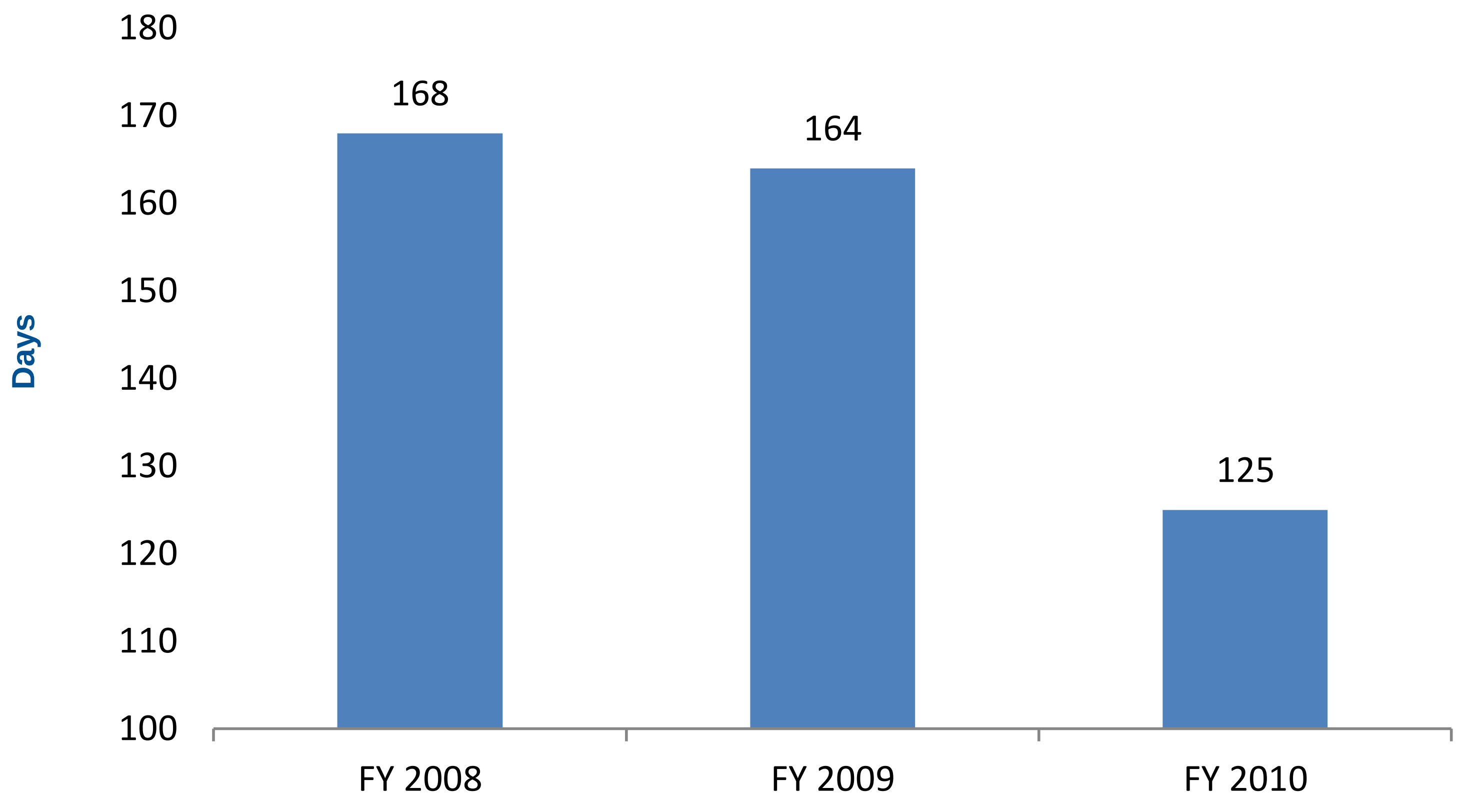
Adjusted EPS reconciliation

TEMENOS

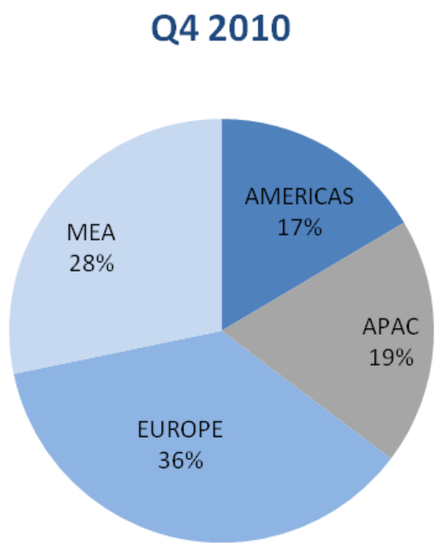
	Q4 2010 (USDm)	Q4 2009 (USDm)	FY 2010 (USDm)	FY 2009 (USDm)
Net Earnings	**31.7**	**38.6**	**61.4**	**68.6**
Amortisation of acquired intangible assets	4.7	1.9	14.9	8.1
Bond Interest	1.6	1.5	6.0	5.6
Restructuring	11.8	0.0	25.1	3.0
Earnings for adj. EPS	**49.8**	**42.0**	**107.4**	**85.3**
Number of dilutive shares	**73.6**	**71.9**	**73.2**	**69.5**
Adjusted EPS	**0.68**	**0.58**	**1.47**	**1.23**

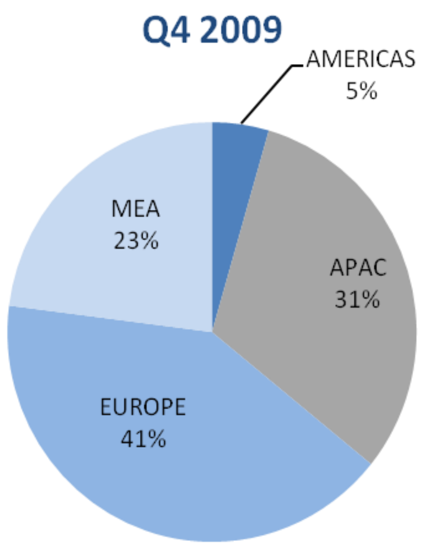
DSOs trend

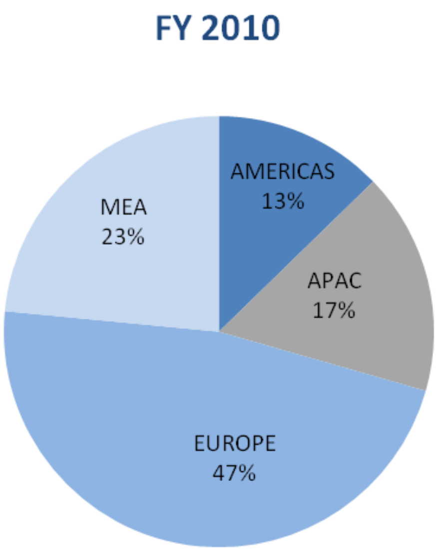
TEMENOS

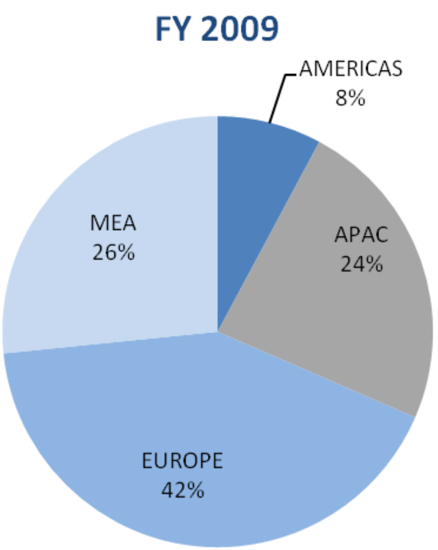


Geographical breakdown of licence revenue

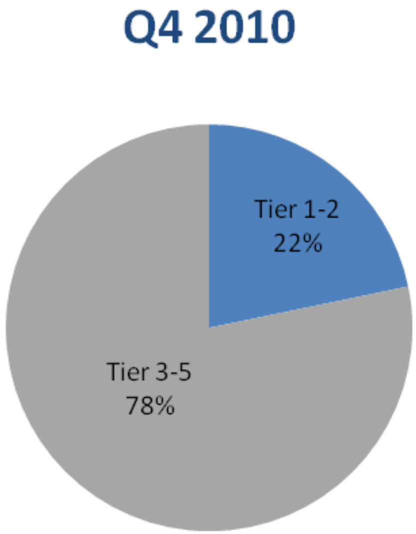


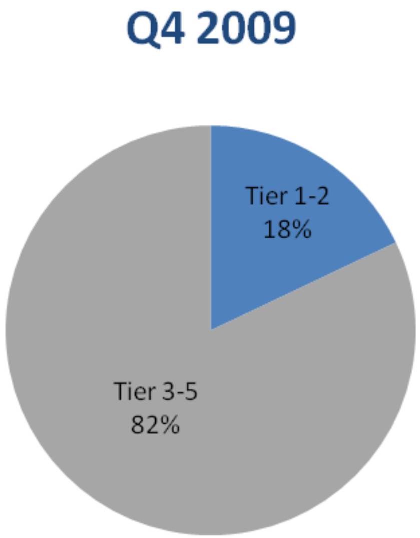


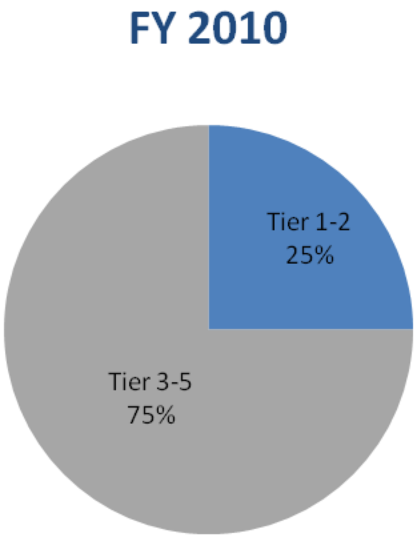


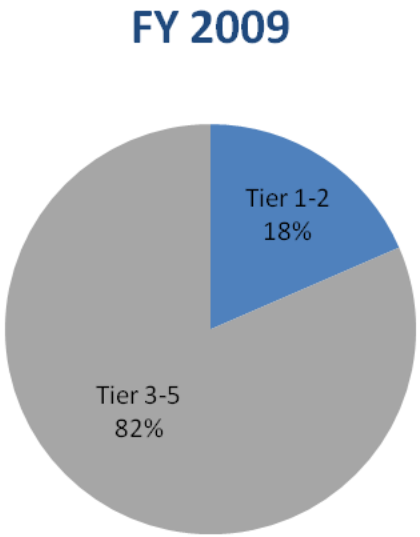


Breakdown of number of deals by customer tier









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

Calculating like-for-like revenue

Base for 2011 L-f-L licence calculation

USDm	2010	2010 Pro forma*	LfL growth outlook	Implied outlook
Licence Revenue	160.1	171.2	15-20%	197-205

* Includes 9.5 months of Odyssey revenues, i.e. for the period not owned

2010 Average FX rates for base of constant currency calculation

Currency	2010 Average Rate
CHF/USD	1.0598
EUR/USD	0.7476
GBP/USD	0.6446

Diluted share count

Diluted share count – 5 year evolution*

	2007	2008	2009	2010	2011	Average
Diluted shares (m)	69.4	69.1	69.5	73.2	75.0	2%

We expect the share option plan to lead to 2-3% dilution per annum**, consistent with the last 5 years

* 2011 is expected average number of diluted shares for the year, assuming USD/CHF rate of 0.97
**We base this number on Temenos' expectations for development of the share price

Thank You

TEMENOS

The Banking Software Company