



TEMENOS

The Banking Software Company



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Financial Results & Business Update

Quarter and year ended 31 December 2011

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No statement in this presentation is intended as a profit forecast and no statement in this presentation should be interpreted to mean that earnings per Temenos registered share for the current or future financial years would necessarily match or exceed the historical published earnings per Temenos registered share.

Agenda

- 1 Introduction** | Ben Robinson | Strategy Director
- 2 Strategy and Business update** | Guy Dubois | CEO
- 3 Financial update** | David Arnott | CFO
- 4 Summary and Closing Remarks** | Guy Dubois | CEO
- 5 Q & A**

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2011 Overview

- 1 We faced difficult macroeconomic conditions all year...
- 2 ...negatively impacting licensing and profits
- 3 We saw no material change in competitive environment
- 4 We grew licences to existing customers, in Middle East and Asia
- 5 We took action to reduce our cost base
- 6 We conducted a strategic review and are implementing its findings

A difficult year, but company still extremely well-placed

2011 Highlights

- 1 Strong growth in MEA, Asia and in existing customer sales
- 2 Significant new releases of flagship products
- 3 40 new customers wins
- 4 12% partner brought licences
- 5 Strong cashflow underpinned by growing maintenance base
- 6 Achievement of milestones in Odyssey & Primisyn acquisitions

Resilient performance in context of market turmoil

Q4 Operating Highlights

- 1 9 new customers added in the quarter...
- 2 ...including a significant retail deal in China
- 3 Strong growth in sales to existing customers (+42%)
- 4 7 institutions went live on our solutions
- 5 IBM added as services partner - key to success in T1/T2 retail
- 6 A record funnel of deals at 31 December 2011

Company is executing on strategic priorities

Q4 Financial Highlights

- 1 Strong operating cash of USD125m in the quarter...
- 2 ...underpinned by maintenance – now at c.USD200m annually
- 3 Net debt now below USD100m
- 4 Service business achieved profitability in the quarter
- 5 Restructuring plan effected in line with our Q3 announcement...
- 6 ...reducing our fixed cost base

Strong cash & business readied in case of continued difficult conditions

Observations on Q4 Developments

- 1 Banking sector remained in a state of uncertainty
- 2 New customers delayed decisions...
- 3 ...and we could only partly mitigate fall through sales to base
- 4 Pricing was better than a year ago
- 5 We noted no significant change in the competitive environment
- 6 Our funnel grew by more than value of delayed deals

We executed on the factors within our control

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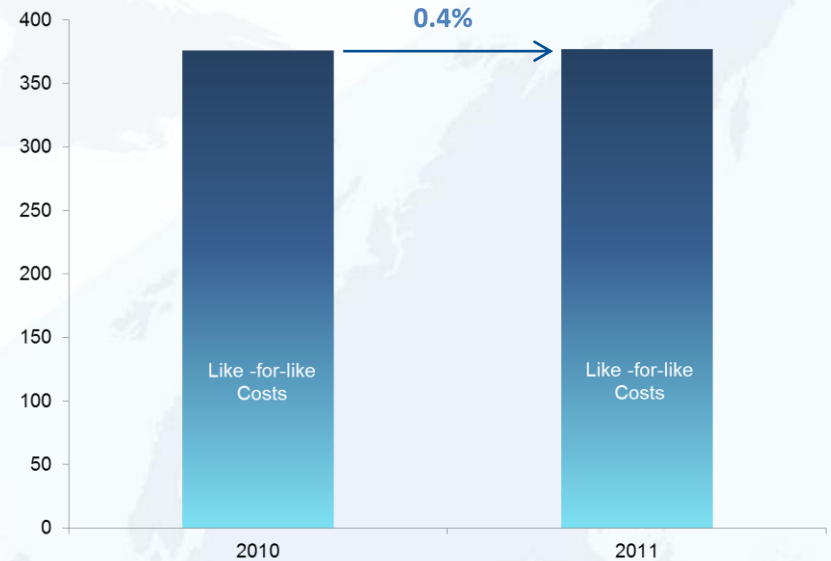
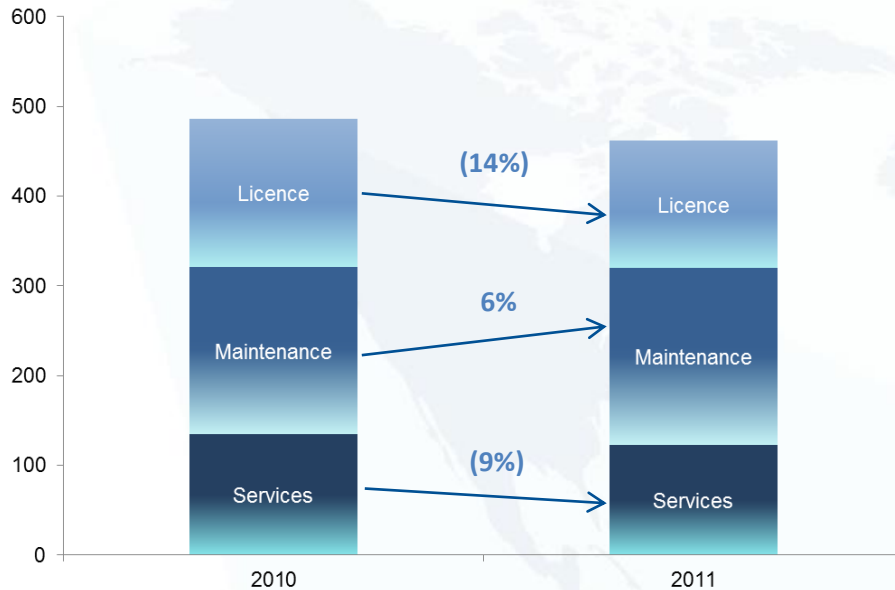
Income Statement Highlights

in USDm	Q4 11	Q4 10	y-o-y Δ	FY 2011	FY 2010	y-o-y Δ
Licences	41.1	60.9	(33%)	146.0	160.1	(9%)
Maintenance	49.9	47.7	5%	197.3	154.8	28%
Services	36.0	41.2	(13%)	130.1	133.1	(2%)
Total Revenue	127.0	149.8	(15%)	473.5	448.0	6%
Adj. operating costs	(91.8)	(96.0)	(4%)	(385.8)	(314.2)	23%
Adj. EBIT	35.2	53.8	(35%)	87.7	113.7	(23%)
Margin	28%	36%	(8 ppt)	18%	25%	(7 ppt)
Adj. EBITDA	41.2	60.1	(31%)	116.8	138.7	(16%)
Margin	32%	40%	(8 ppt)	25%	31%	(6 ppt)

Lower licences partly mitigated by strong cost control

FY 2011 Like-for-Like Revenue and Cost Performance

Like-for-like Revenue* (5%) and like-for-like costs** flat



*FY 2010 adjusted for FX and acquisitions

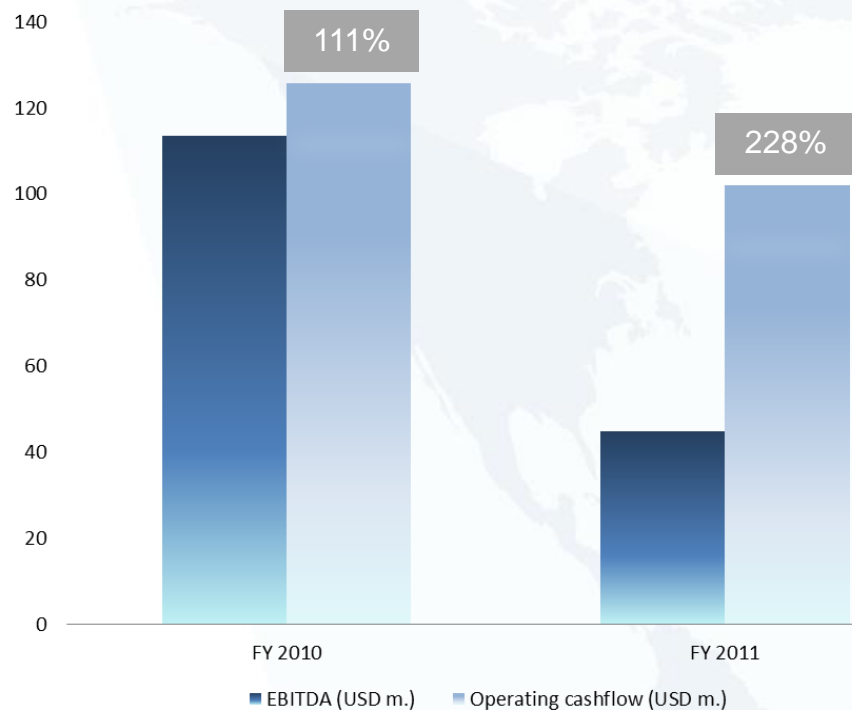
** Includes pro-forma Odyssey costs, and excludes FX, restructuring and amortization of acquired intangibles

Actions taken on costs protect future profitability

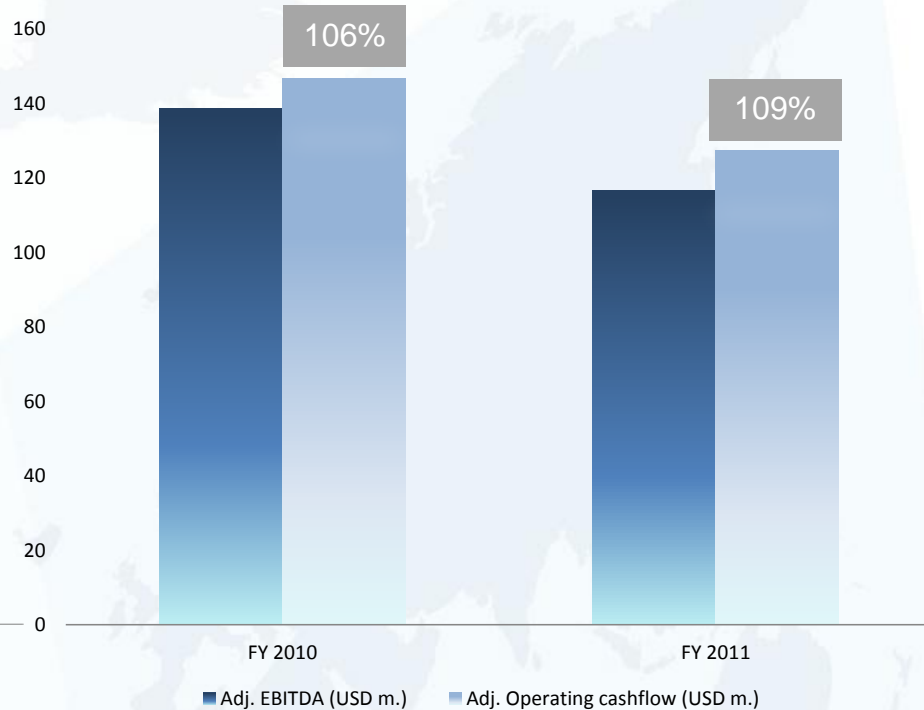
Cash Flow Conversion

EBITDA conversion into operating cash flow

Reported



Adjusted



Strong cash flow generation – in excess of EBITDA

Non-Operating Items

in USDm	Q4 11	Q4 10	y-o-y Δ	FY 2011	FY 2010	y-o-y Δ
Adjusted EBIT	35.2	53.8	(35%)	87.7	113.7	(23%)
Net finance charge	(2.5)	(6.1)	(60%)	(8.6)	(12.9)	(33%)
FX loss	(2.7)	0.5	n/m	(5.4)	1.1	n/m
Tax	(9.0)	-	n/m	(12.2)	(0.5)	n/m
Bond Interest	-	1.6	n/m	-	6.0	n/m
Adjusted Net Profit for EPS	20.9	49.8	(58%)	61.4	107.4	(43%)
Adjusted EPS*	0.30	0.68	(56%)	0.87	1.47	(41%)

* See slide 22 in the appendix for EPS reconciliation

We absorbed the majority of move towards long-term tax rate in 2011

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CEO Agenda Update

- 1 Strategic review completed and new strategy in execution
- 2 Investor day held in London on 2 December
- 3 Organisational structure revamped
- 4 Management team strengthened
- 5 New sales tooling and territory model introduced
- 6 Services organisation re-energised and partnerships strengthened

We are aligned and equipped to deliver strategic goals

Mid-term Financial Outlook

- 1 Return to 10-15% annual licence growth
- 2 Return services to double-digit margins
- 3 Keep services contribution to 25% of total revenues
- 4 Increase EBIT margins by 100-150bps on average p.a.
- 5 Maintain 100% conversion of EBITDA into Cash from Ops

We reiterate our mid term financial goals for the business

Possible All Share Merger With Misys

1 Possible all share merger with Misys announced on 7 February 2012

2 Discussions continue with Misys

3 The announced exchange ratio is 4.1 Misys shares to 1 Temenos share

4 Parties continue to believe combination would be one of the leading companies in the financial services software industry

5 The benefits of the proposed combination would include

- Enhanced scale and growth prospects and a global, blue-chip customer base
- Complementary fit of Temenos' presence in banking, wealth management and business-intelligence with Misys' presence in core and transaction banking, treasury capital markets and lending
- Significant cost synergies potential

Agenda

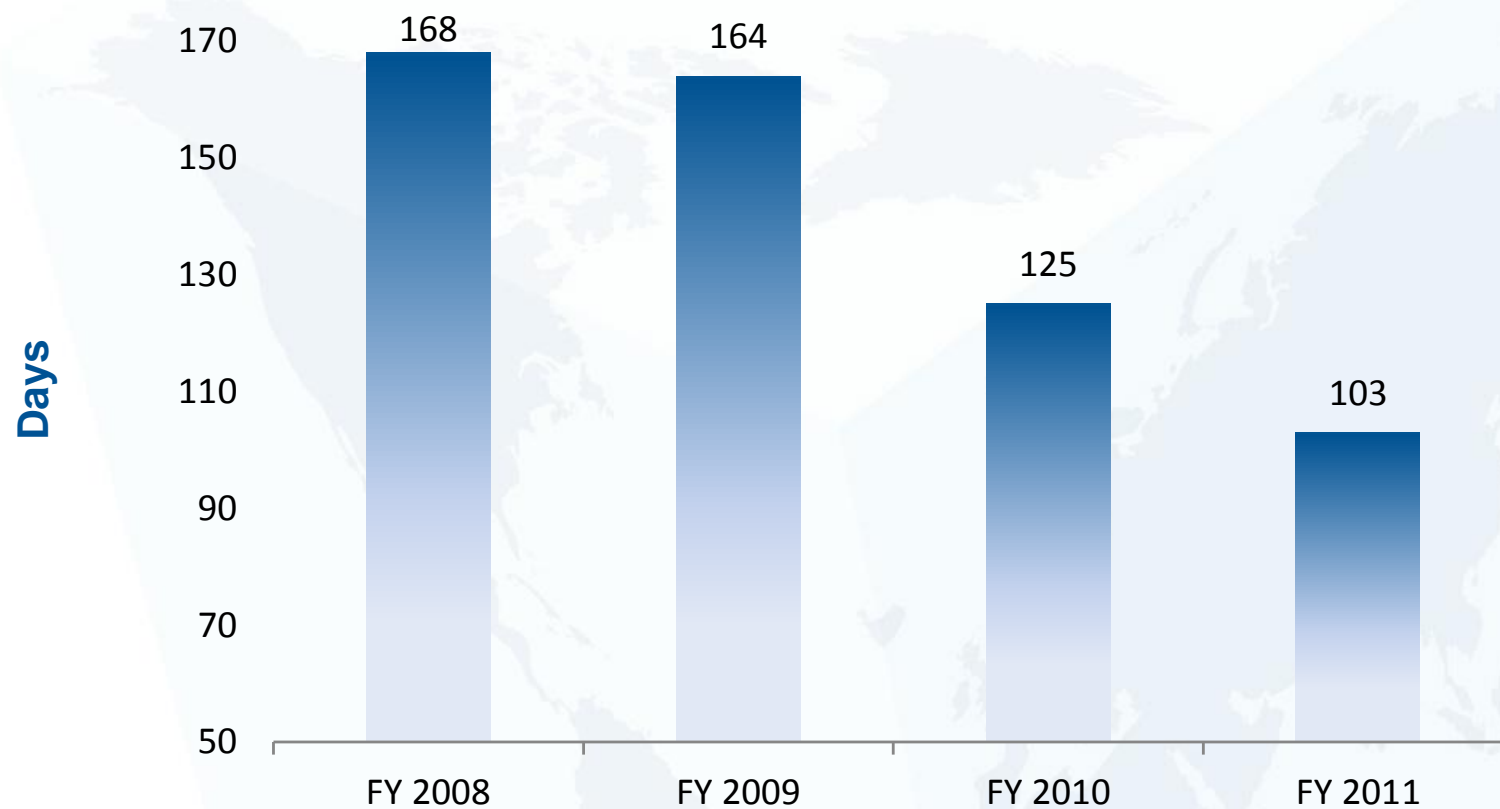
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Appendices

Adjusted EPS Reconciliation

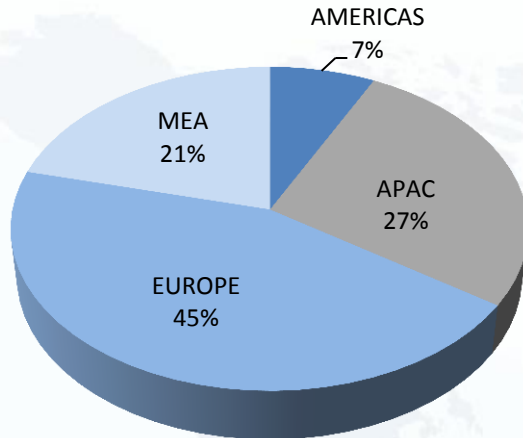
USDm, except EPS (USD)	Q4 11	Q4 10	FY 2011	FY 2010
Net Earnings	(8.0)	31.7	(28.3)	61.4
Amortization of acquired intangible assets	4.3	4.7	17.7	14.9
Bond interest	-	1.6	-	6.0
Restructuring	24.6	11.8	72.0	25.1
Earnings for adjusted EPS	20.9	49.8	61.4	107.4
Number of Dilutive Shares	69.5	73.6	70.8	73.2
Adjusted EPS	0.30	0.68	0.87	1.47

DSOs Trend

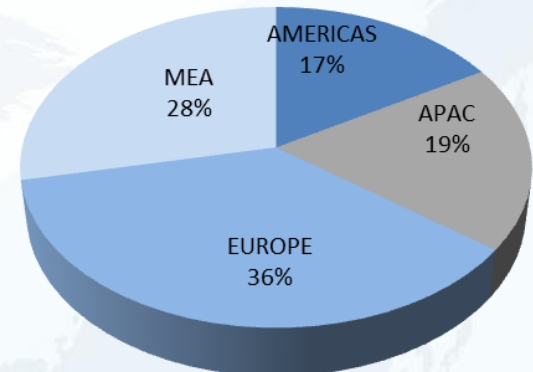


Breakdown of Licence Revenue by Major Geographies

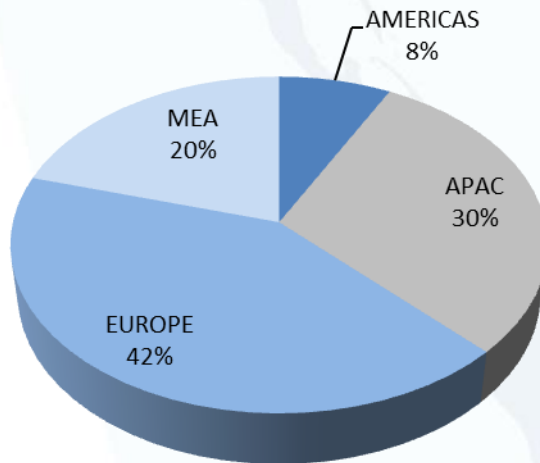
Q4 2011



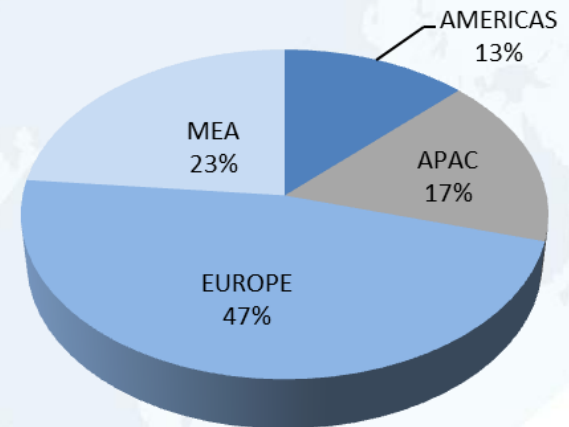
Q4 2010



FY 2011

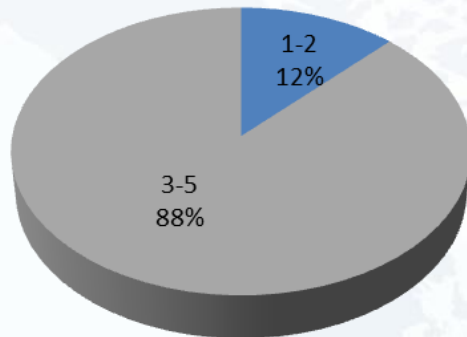


FY 2010

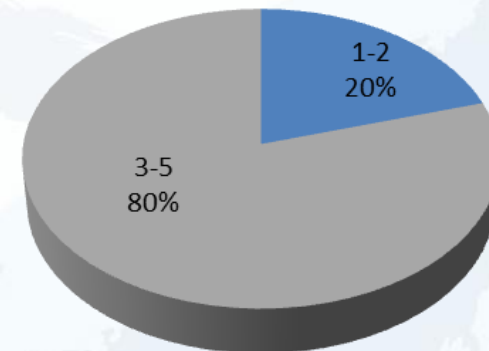


Breakdown of Licence Revenue by Customer Tier

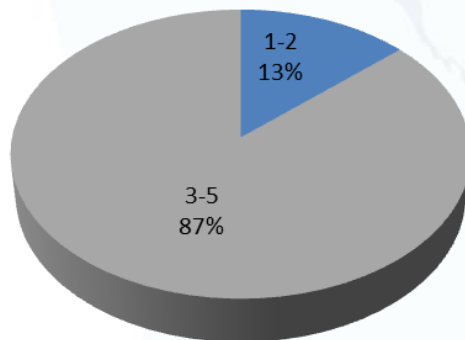
Q4 2011



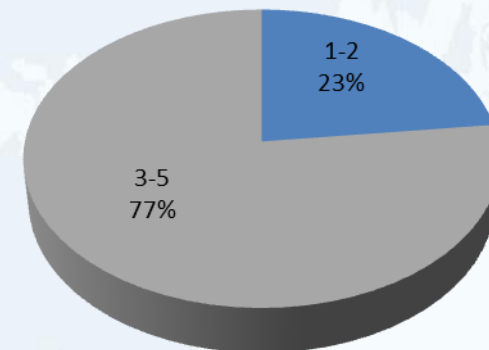
Q4 2010



FY 2011



FY 2010





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Thank You