Financial Results & Business Update

Quarter ended 30 June 2008

30 July 2008

TEMENOS

The Banking Software Company

Presentation Overview

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

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 30 July 2008. 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 30 July 2008.

Financial Update

David Arnott
CFO

The Banking Software Company

Income Statement Highlights – Q2 2008

TEMENOS

	Q2 2008	Q2 2007	△ yoy
Licence revenue	33.8	29.1	16%
Total revenue	96.0	73.5	31%
EBIT	10.1	7.4	36%
Adjusted EPS*	0.15	0.11	36%

*Adjusted for amortisation of acquired intangibles (Q208: USD0.5m)

USDm, except EPS USD

Income Statement Detail

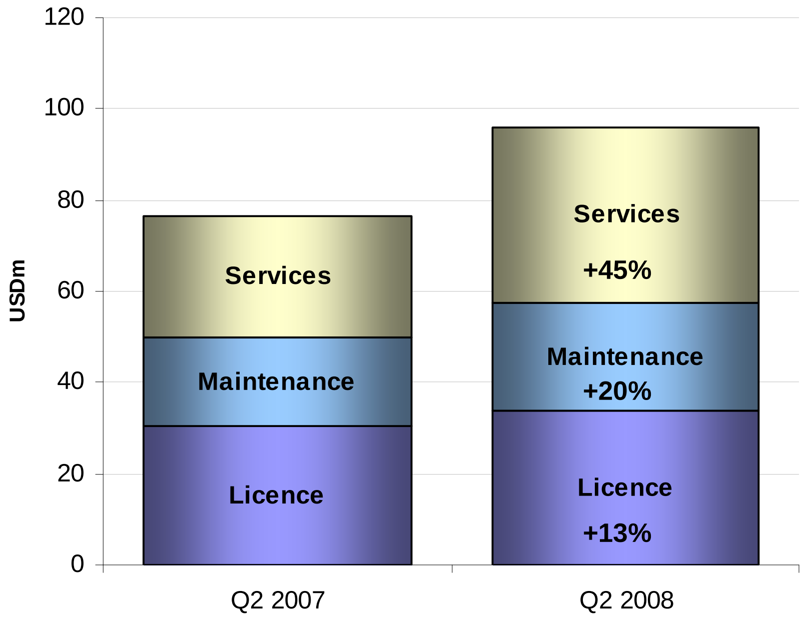
TEMENOS

	Q2 08	Q2 07	△	LTM 08	LTM 07	△
Licences	33.8	29.1	+16%	161.2	110.1	+46%
Maintenance	23.7	19.1	+24%	88.5	64.6	+37%
Services	38.5	25.3	+52%	130.8	82.7	+58%
Total revenue	**96.0**	**73.5**	**+31%**	**380.4**	**257.4**	**+48%**
R&D	(20.3)	(14.4)	+41%	(70.3)	(42.2)	+67%
Cost of services	(37.5)	(24.5)	+53%	(122.2)	(79.1)	+54%
Sales and marketing	(16.6)	(15.4)	+8%	(77.3)	(54.6)	+42%
G&A	(11.5)	(11.9)	-3%	(44.1)	(41.7)	+6%
Total operating costs	**(85.8)**	**(66.1)**	**+30%**	**(313.8)**	**(217.5)**	**+44%**
EBIT	**10.1**	**7.4**	**+36%**	**66.6**	**39.9**	**+67%**
Margin	10.6%	10.1%	**+50bps**	17.5%	15.5%	**+200bps**

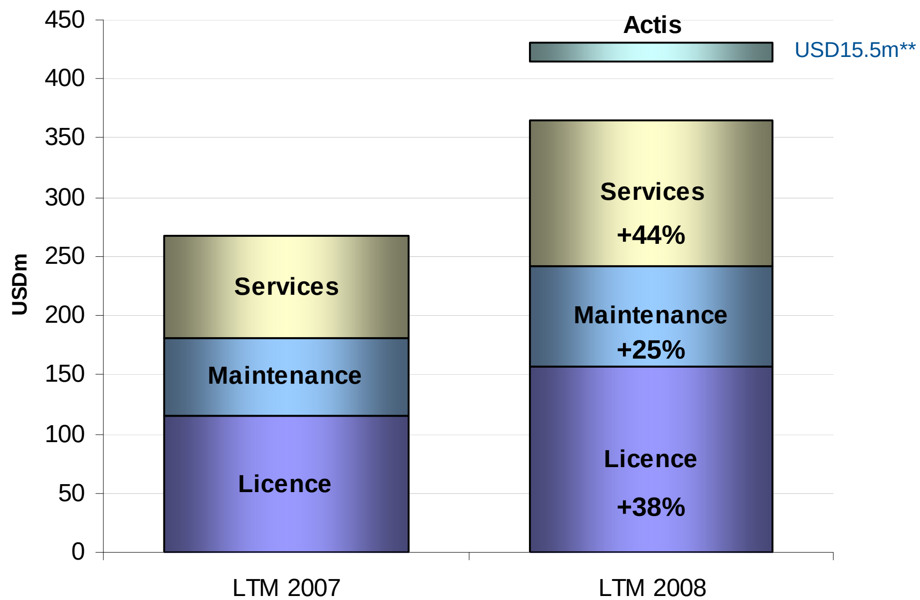
Like-for-like* revenue growth

TEMENOS

l-f-l growth in Q2 +25%



LTM l-f-l growth +37%



2007 restated at 2008 FX (adds USD3m to Q2 07 and USD9.8 to LTM 07)

* Adjusted for FX movements and any contribution from acquisitions

**Actis was acquired in March 2007 and so adjustment is made for 8 months to Feb 08 only

Non-operating income and expense

TEMENOS

	Q2 08	Q2 07	△	LTM 08	LTM 07	△
EBIT	**10.1**	**7.4**	**+36%**	**66.6**	**39.9**	**+67%**
Net Finance charge	(0.8)	(0.9)	(11%)	(3.3)	(1.4)	+136%
FX (loss)/gain	(0.8)	(0.2)	+300%	6.1	0	n/a
Tax	0.1	0.0	n/a	0.5	(2.8)	n/a
Net earnings	**8.6**	**6.3**	**37%**	**69.8**	**35.7**	**96%**
Adjusted EPS*	**0.15**	**0.11**	**36%**	**1.12**	**0.60**	**87%**

- Tax assets used to offset tax charges in the quarter
- FX gain/loss on translation of derivatives and closing balances

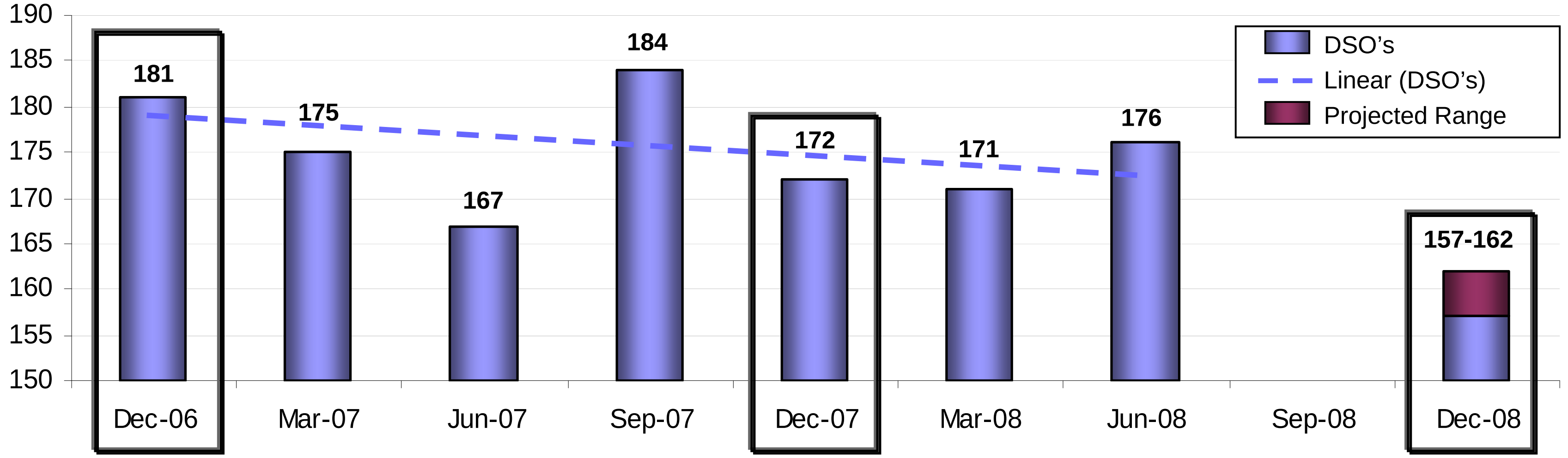
EPS growth of 36% for the quarter and 87% for LTM

*Adjusted for amortisation of acquired intangibles

DSOs – on course for year end target

TEMENOS

- Small increase in DSOs in quarter, but trend remains clearly downwards
- On course to meet forecast of 10- 15 day improvement in DSOs by end of 2008.



Sustained improvement driven by

Shorter implementation times (down from average of 18 months in 06 to 9-12 months)

Improving payment terms:

In aggregate in H1, now stand at:

60% up-front
20% on dates
20% on milestones

DSOs: closing receivables less deferred revenue divided by 12 month sales multiplied by 365 days

EBITDA conversion* – full year forecast reiterated

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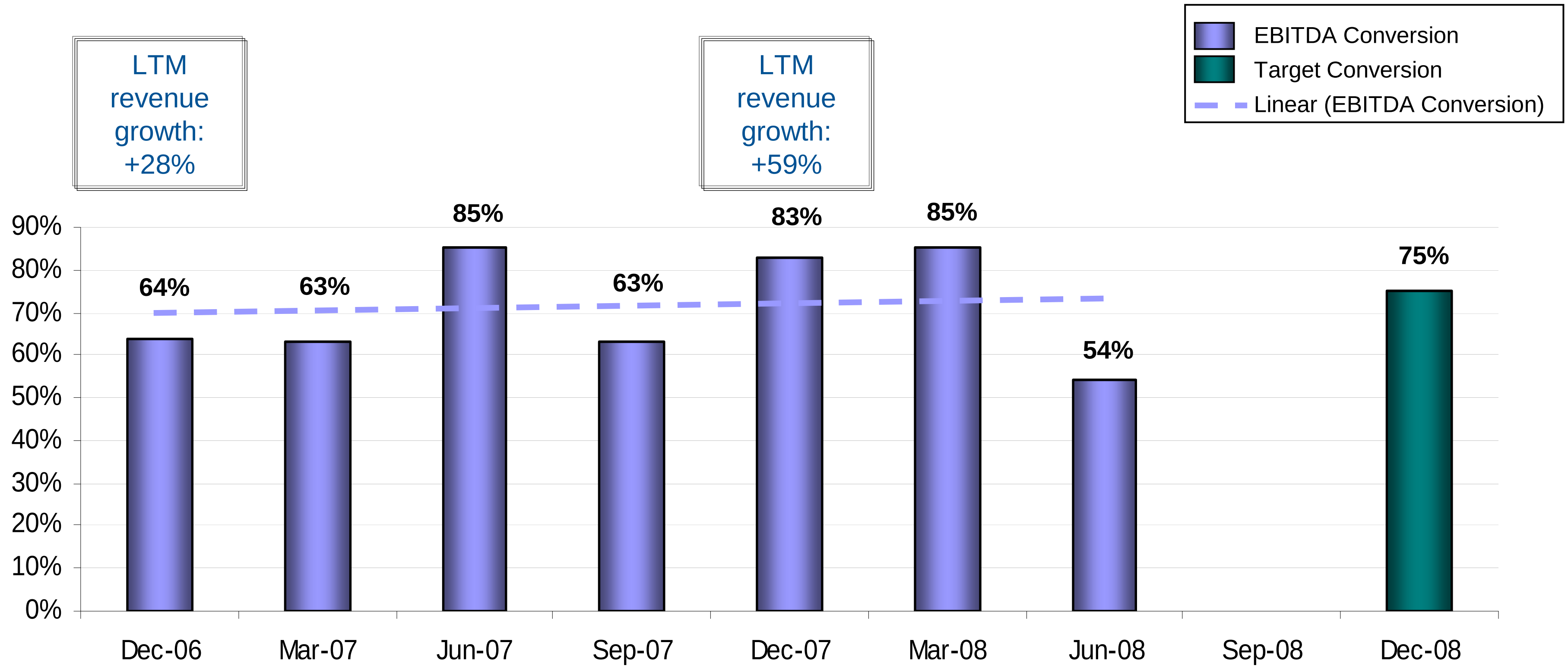
- EBITDA conversion lower in Q2, but trend sustained.
- Target for FY of 75% operating cash conversion on track.



* Conversion of LTM EBITDA in LTM operating cash flow

Share buyback

Temenos is actively pursuing its policy of returning free cash flow to shareholders through buybacks:

- In 2008, we have takeover board approval to buy back **USD60.0m**…
- …and so far have purchased USD30.3m at an average price of **CHF23.9**
- Remainder of buyback to take place between now and 31/12

- In 2006, we purchased USD13.7m (vs. FCF of USD10.0m) at an average price of CHF15.0
- In 2007, we purchased USD34.7m (vs. FCF of USD40.2m) at an average price of CHF24.2

Financing and balance sheet

On balance sheet cash:	USDm
At Start of year:	93.1
Plus free cashflow generated during 2008	60.0
Less returned to shareholders through buyback	(60.0)
Forecast cash at end of year	**93.1**
Acquisition facility*:	175.0
Less anticipated use for	
Financial Objects	(54.4)
Informer	(19.0)
Remaining facility	**101.6**
Working capital facility*:	**45.0**
Total available funding as at December 31 2008	**239.7**

Our acquisition financing strategy is to use debt over equity where possible. We have put in place a facility to support acquisitions on very favourable terms.

*USD220m credit facility now in place with consortium of tier 1 banks split USD175m for acquisitions and USD45m for working capital facility. Facility available for drawdown up to end of 2010 with repayment up to end of 2012. Margin of between LIBOR +100bps and +175bps.

Acquisition Update

Max Chuard
Director of M&A & IR

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The Banking Software Company

FINANCIAL OBJECTS

Realising value from technology

- A recommended cash acquisition of Financial Objects at 60p per share was announced on 3 July 2008, to be implemented by scheme of arrangement
- By the announcement date, Temenos had irrevocable undertakings to vote in favour of the scheme from 46.7% of shareholders
- Meetings to obtain Financial Objects shareholder approval to be held on 11 August 2008, deal expected to close on 10 September 2008
- The acquisition will give rise to significant synergies, cost savings and cross selling opportunities
- The acquisition is expected to be earnings neutral in 2008 and accretive in 2009

Informer

- On 18 July 2008 Temenos acquired the core banking assets of Informer SA for USD40.3m
- This purchase gives Temenos:
  - 15 T24/Globus clients with corresponding maintenance stream
  - 100 staff, including 60 systems implementers
  - Increased presence in Greece, Eastern Europe and the Balkans
  - An immediate entry into Romania and Egypt
- In 2008 the acquisition is expected to add USD8m revenue and USD0.02 adjusted EPS
- In 2009 the acquisition is expected to add USD20m revenue and USD0.08 adjusted EPS

Acquisitions – performance against objectives

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	Financial Objects	Informer SA
Revenue USD20-50m	√	√
Accretive to earnings	√	√
Strengthen Distribution/ delivery	√	√
Acquire Client Base	√	√
Diversification	✕	✕

No diversification:
Temenos remains 100% committed to core banking domain

Acquisition strategy – no change to stated aims

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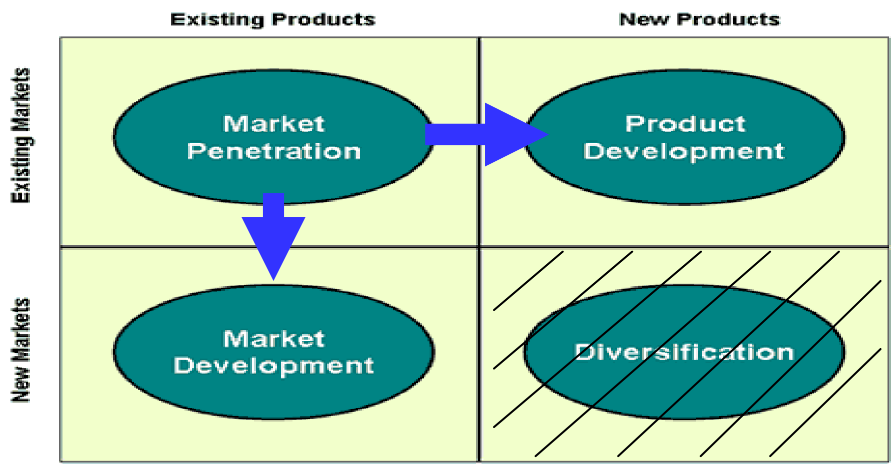
We continue to look for:

- Bolt-on acquisitions to boost organic growth
- USD20-50m revenue
- Accretive
- Geographic expansion into markets where underrepresented
- Market penetration through buying up customer bases
- Entry into adjacent markets
- Pipeline continues to build strongly



Strategy and Business Update

Andreas Andreades
CEO

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The Banking Software Company

Business update – still executing strongly

We continue to grow ahead of our plan on both T24 and TCB, underpinned by:

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

Product roadmap – T24 R08 and TCB R08

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Temenos has spent more than USD140m on R&D in the last 3 years

At our Temenos Client Forum in May, we announced the latest releases of T24 and TCB. In total, there were over 150 enhancement, including:

T24 R08

- **Retail product builder**, modelled on industrial product processing, enabling faster configuration and launch of new products
- **ARC Internet Banking** – offers clients a fully operational, fully integrated internet banking website
- **New release of Model Bank**, with 2,500 standard screens, 1,100 standard enquiries and >300 best practice processes
- First release of **Data Warehouse**, including online Extract, Transform and Load (ETL); a data warehouse data model; and a data mart

TCB R08

- **Enterprise Customer Information Management (ECIM)** enabling a single view of any customer relationship across all systems, not just TCB.

  First phase of **componentisation of TCB**, enabling separate implementation of customer file
- A new engine for the dynamic creation of data components
- A **unique global processing** feature that can handle concurrent processing from different time zones on the same software image
- Comprehensive auditing and logging system

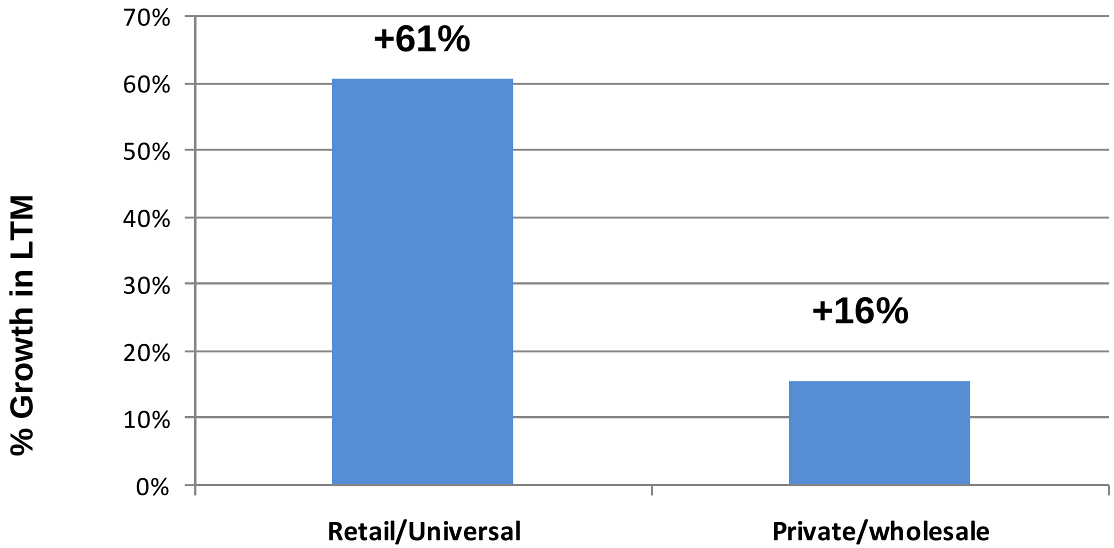
* In cash terms

Business update - licence sales

Strong growth in sales to new customers…

- New clients in H108 at 22 vs. 21 in H107 (+5%)…
- …but new client licences up 75% at constant currency...
- …and T24 licencing up 37%
- …reflecting better pricing (+20% in LTM), continued flow of new business

… particularly in retail/universal



- **Increasing sales coverage**
  - Broadening and deepening geographical coverage still biggest driver of sales growth
  - Our client base stands at over 600 banks…
    …out of 22,000 banks worldwide
  - We aim to have c.60 quota-carrying salespeople by the year end (52 at 30 June 2008)
  - We are organising TCB under global reporting lines…
    ….and are seeking out more Metavante-type distribution agreements

- **Update on Partnership with Metavante for TCB:**
  - Joint development is on track, first release already launched
  - Partnership is strong at all levels
  - The pipeline is building satisfactorily, and we are seeing a significant shift in the level of interest.
  - Sub-prime is throwing up opportunities for our core replacement strategy even if causing slowdown in peripheral software markets
  - We are actively looking to sign our first deal in 2008

- **Introducing Metavante agreement for T24:**
  - Joint sales and marketing agreement (for US market only)
  - To target foreign banking institutions in the US, target list of c.120 banks, smaller universal banks
  - Offer T24 on licence and hosted bases
  - Temenos salesforce augmented by addition of Metavante resources
  - Leverage Metavante's relationships, distribution network and hosting capabilities
  - Expect first joint deal in 2008

- **ARC:**
  - ARC has so far been sold to 42 clients (11 in Q2)
  - Sales to existing clients up to 55% in quarter from 34% in LTM, as we begin to target the T24 customer base…
  - …but penetration of existing T24 base still less than 2%
  - ARC now represents 5% of total licences (on LTM basis)
  - So far, good uptake of Internet Banking modules…
  - …from H2 2008 and 2009, expect faster adoption of CRM modules

Improving Sales and Margins, Becoming Best in Class

- **Model Bank**
  - Used in projects from Q4 2006 onwards
  - Proven to shorten implementation timeframes by 50%
- **TEMENOS Application Management**
  - TAM progressing in line with plan – headcount up to 326
  - TAM has now achieved Level 3 CMMI compliance
- **TEMENOS Management Consulting**
  - Gaining traction, integral part of implementation methodology
- **Rising Margins**
  - Margin expectation of 10-15% in 2008 unchanged
  - Improvement in H2 afforded by higher utilisation and lower use of external resources

Q2 2008 highlights

- Revenue up by 52% yoy
- Margin at 3% (3% in PY)
- 8 Clients taken live
- 12 clients upgraded
- 144 active projects

Business update – our forecasts in context

> “The velocity of core banking replacement is accelerating. There will be activity as banks turn from [research and development] to fully fledged implementations in most regions”
>
> **Don Free, Gartner Group****

The banking sector/ IT spending

- Banks face challenging times
- Banks forced to raise USD331bn* to recapitalise balance sheets
- Undercapitalised banks undergoing strategic reviews

Temenos' customer/demand profile

- Strong emerging market demand (two thirds of new licences in LTM)
- Minimal exposure to the investment banking sector
- Exposure to the US chiefly through Metavante - annual contracted revenues intact
- Clients diversified across retail, universal, private and wholesale banks
- Drivers for core systems structural, not cyclical and as prevalent as ever
- Long sales cycle of between 9 and 12 months gives us excellent visibility over licences

Our forecasts – continually assessed

- Outlook is based on sustainable medium term growth rate
- Outlook assumes no mega-deals
- Conservative forecasts for western Europe
- Outlook well-covered by deals in the pipeline
- We monitor the pipeline every week

*Source: Bloomberg

*Source: Computer weekly, 16th July 2008

Updated 2008 outlook

TEMENOS

	Previous	Update	Informer	Revised	y-o-y △
Licences	175		+1.5	176.5	19%
Revenue	415	+10	+8	433	29%
Costs	327.5	+9	+7.9	344.4	
EBIT	87.5	+1	+0.1	88.6	42%
EBIT margin	21.1%			20.5%	160bps
Adjusted EPS*	1.36	+0.01	+0.02	1.39	35%

- We increase EBIT outlook to USD88.6m, giving 42% growth
- We keep margin target of 21% for year (+2% on 2007) but on a much larger business
- Expect services share of mix to fall back in 2009 as we extend partner programme
- Informer adds USD0.02 to adjusted EPS outlook for year

All nos. in USDm, except EPS USD

*Adjusted for amortisation of acquired intangibles (2008 outlook: USD4.0m including Informer element); no of fully diluted shares 70.2m

Looking forward – no change to management assumptions

We see no reason to change the guidance we have given for 2009, even though now off higher base (given increase to 08 outlook):

- **20 - 25% organic revenue growth** for 2009, but off higher base
- **200-300bps margin improvement**
- **Continued cashflow acceleration based on further DSO reduction**

We anticipate significant and sustained EPS growth and value creation

Taken together, this gives:

- an 06-09 revenue CAGR of 37% vs. our 3 year plan* of 23%
- an 06-09 EPS CAGR of 50% vs. our 3 year plan* of 37%

* Covering 07-09,announced at Q4 2006 results

Appendices

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The Banking Software Company

Research and Development

USD millions	Q2 08	Q2 07	%	12 mths to Jun 08	12 mths to Jun 07	%
R&D costs – as reported	20.3	14.4	41%	70.3	42.2	67%
Capitalised development costs	4.9	3.5		17.2	15.6	
Non cash items	(4.7)	(3.5)		(12.4)	(7.6)	
Less Actis*	0.0	0.0		(7.6)	(0.8)	
Currency impact	n/a	0.7		n/a	2.8	
Adj. cash R&D costs	**20.5**	**15.1**	**36%**	**67.5**	**52.2**	**29%**

- Capitalised development decreasing as % of cash R&D at 25% for 12 mths to Mar 08 vs 30% for 2007

* Adjustment only affects LTM numbers, acquisition made in Q1 07

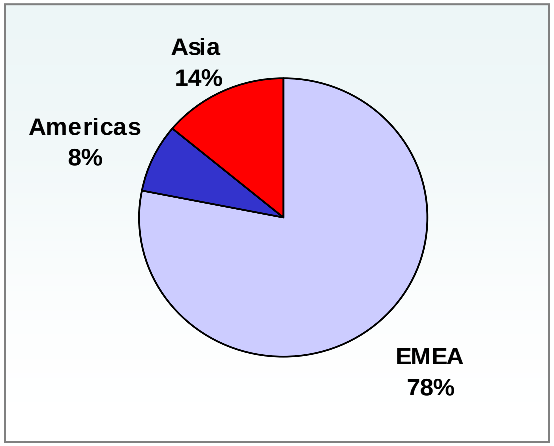
Sales and Marketing

USD millions	Q2 08	Q2 07	%	12 mths to Jun 08	12 mths to Jun 07	%
S&M costs – as reported	16.6	15.4	8%	77.3	54.6	42%
Less Actis*	0.0	0.0		(1.1)	(0.1)	
Currency impact	n/a	0.8		n/a	2.7	
Less non-cash	(1.1)	(3.0)		(3.5)	(2.1)	
S&M costs underlying	**15.5**	**13.2**	**17%**	**72.7**	**55.1**	**32%**

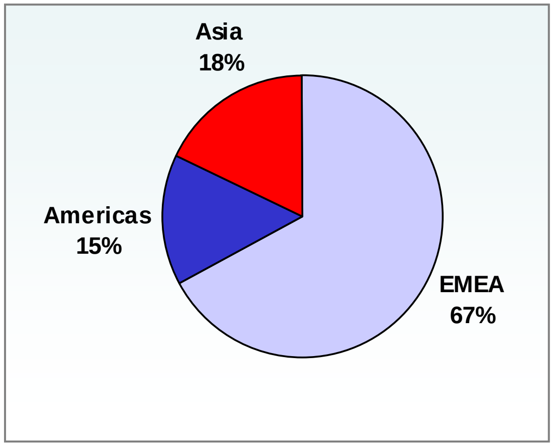
* Adjustment only affects LTM numbers, acquisition made in Q1 07

REVENUES BY REGION LTM Q2 2008 vs. 2003

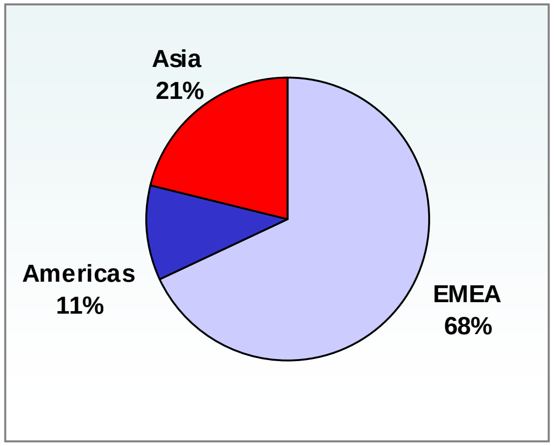
Revenues - Full Year 2003



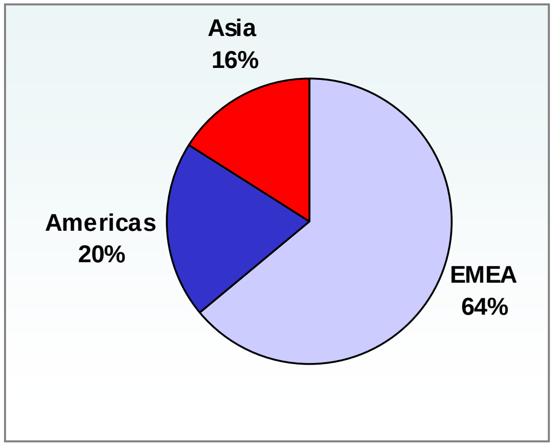
Revenues – LTM Q2 2008



Licence Revenues - Full Year 2003



Licence Revenues – LTM Q2 2008

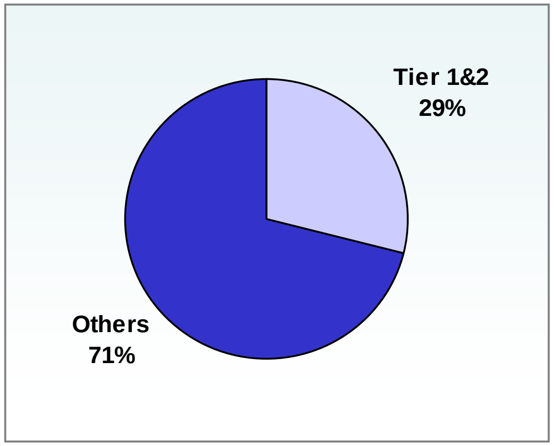


- **More global**
- **More diversified**

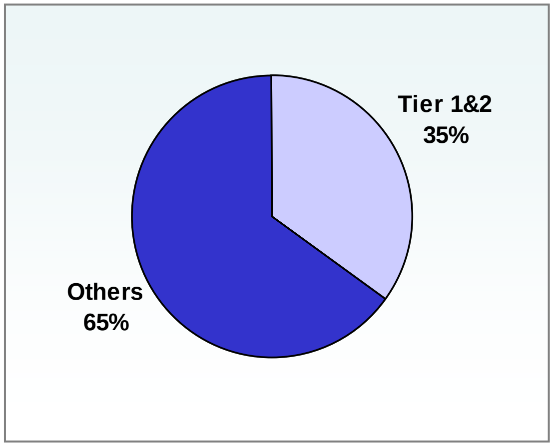
(1) On a $ basis

Licences by Tier & Segment

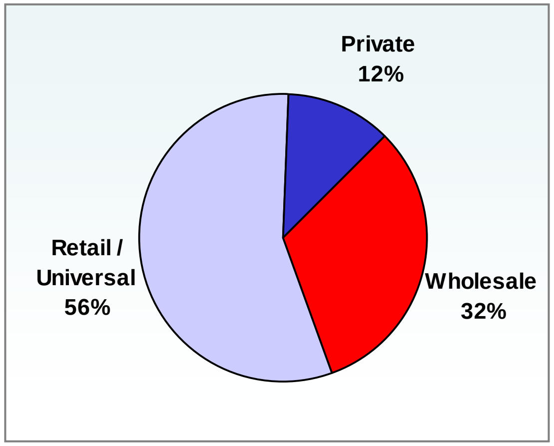
Full Year 2003



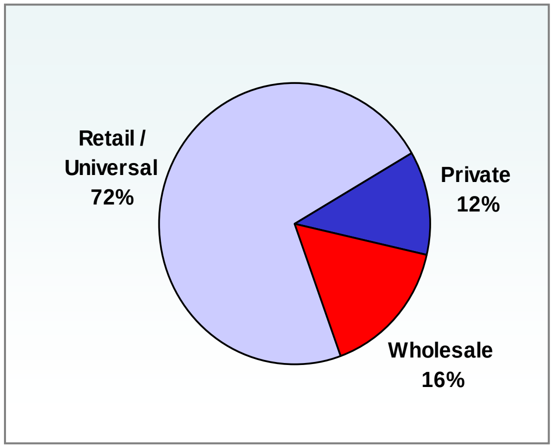
LTM Q2 2008



Full Year 2003



LTM Q2 2008



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

(1) On a $ basis

Impact of deferred tax assets on the effective tax rate

TEMENOS

- As at 31 December 2007 the Group has significant unrecognised deferred tax assets (DTAs). These arise from:
  - Losses carried forward
  - Taxable temporary differences arising from repatriation of the group's software intellectual property to Switzerland in 2006

USDm

Deferred tax arising from:	Total potential DTA	Recognised	Unrecognised
Tax losses carried forward	46.5	5.3	41.2
Repatriation of the IP to Switzerland	39.3	17.1	22.2
	85.8	22.4	63.4

- Deferred tax assets related to losses and temporary differences become increasingly recognisable as we gain improved visibility over future profits in the relevant jurisdictions
- Recognition of deferred tax assets on losses and temporary differences will reduce the group's effective tax rate for 2008 and thereafter
- For 2008 we assume that recognition of deferred tax assets will fully offset the income tax charge resulting in a zero or negative overall tax charge
- The majority of the group's income is attributable to Swiss entities. Income is currently reduced by intellectual property amortisation and after amortisation is subject to tax at a rate of approximately 11%.

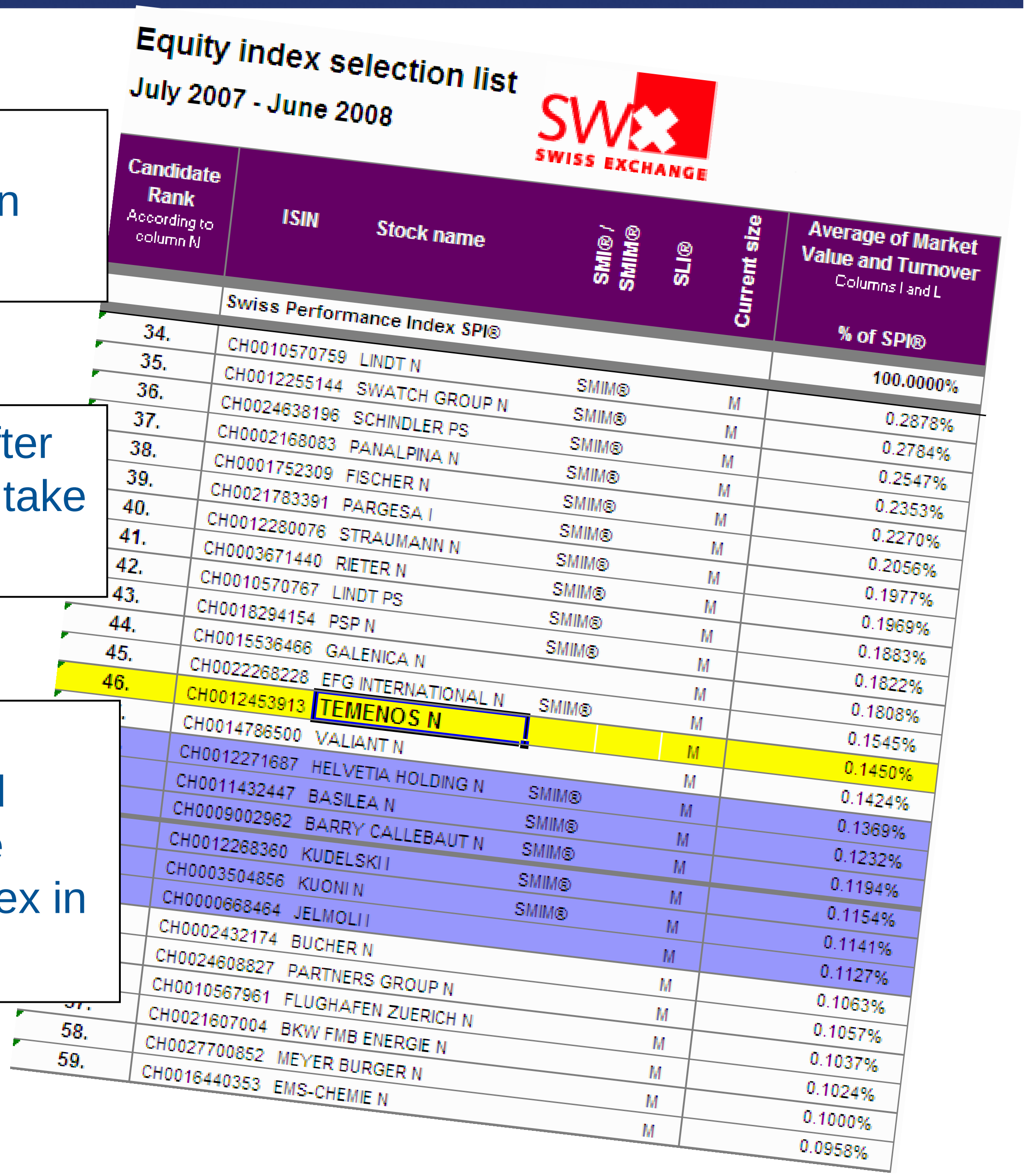
TEMENOS enters the SMIM

TEMENOS

- On 8/7/2008, Swiss Exchange announces that Temenos will join SMIM (mid-cap) index

- The adjustments will be made after closing on September 19th, and take effect on September 22nd

- Selection is based on average market capitalisation and traded volumes from July 2007 to June 2008. Temenos entered the index in 46th place.



Equity index selection list

July 2007 - June 2008

SWX SWISS EXCHANGE

Candidate Rank According to column N	ISIN	Stock name	SMI® / SMIM®	SLI®	Current size	Average of Market Value and Turnover Columns I and L % of SPI®
		Swiss Performance Index SPI®				100.0000%
34.	CH0010570759	LINDT N	SMIM®		M	0.2878%
35.	CH0012255144	SWATCH GROUP N	SMIM®		M	0.2784%
36.	CH0024638196	SCHINDLER PS	SMIM®		M	0.2547%
37.	CH0002168083	PANALPINA N	SMIM®		M	0.2353%
38.	CH0001752309	FISCHER N	SMIM®		M	0.2270%
39.	CH0021783391	PARGESA I	SMIM®		M	0.2056%
40.	CH0012280076	STRAUMANN N	SMIM®		M	0.1977%
41.	CH0003671440	RIETER N	SMIM®		M	0.1969%
42.	CH0010570767	LINDT PS	SMIM®		M	0.1883%
43.	CH0018294154	PSP N	SMIM®		M	0.1822%
44.	CH0015536466	GALENICA N			M	0.1808%
45.	CH0022268228	EFG INTERNATIONAL N	SMIM®		M	0.1545%
46.	CH0012453913	TEMENOS N			M	0.1450%
	CH0014786500	VALIANT N			M	0.1424%
	CH0012271687	HELVETIA HOLDING N	SMIM®		M	0.1369%
	CH0011432447	BASILEA N	SMIM®		M	0.1232%
	CH0009002962	BARRY CALLEBAUT N	SMIM®		M	0.1194%
	CH0012268360	KUDELSKI I	SMIM®		M	0.1154%
	CH0003504856	KUONI N	SMIM®		M	0.1141%
	CH0000668464	JELMOLI I			M	0.1127%
	CH0002432174	BUCHER N			M	0.1063%
	CH0024608827	PARTNERS GROUP N			M	0.1057%
	CH0010567961	FLUGHAFEN ZUERICH N			M	0.1037%
57.	CH0021607004	BKW FMB ENERGIE N			M	0.1024%
58.	CH0027700852	MEYER BURGER N			M	0.1000%
59.	CH0016440353	EMS-CHEMIE N			M	0.0958%

Leading the IBS league table

TEMENOS

First place in the 2007 IBS Sales League Table

Corebanking Positions

Position	Product	Company	Deals
1	T24	TEMENOS	44
2	TCS BANCS	TCS	24
3	Flexcube	i-flex	20

- Top two positions in the IBS Sales League Table for 9 out of the last 10 years
- Second place vendor has 20 fewer wins

Annual Sales League Table

1st January 2007 – 31st December 2007

Product	Supplier	New name customers signed in 2007 (previous years in brackets, with the most recent first). See below for keys	
T24	Temenos	44	(40,32,28,24,32,36,42,34,33,19,15,10,29,7,9)
K+TP	Reuters	25	(15,8)
TCS Bancs (Universal)	TCS Financial Solutions	24	(13,5,5,4*,6,4,4,0,0,1,2)
Calypso	Calypso Technology	22	(14,15,8,6,7,2,3,1)
	I-flex Solutions	20**	(43,38,36,36,36,29,37,8,0,2)
nagement	SAP	16	(7,1,1,1)
	Murex	15	(5*)
	Path Solutions	14	(5,5,3)
	Infosys	13	(3*,13,14,9,8,11,9,2)
	Neptune Software	11	(5,8,2,5,3,4,1)
	Misys	11	(6,6,8,14,8,25,25,15,25,24,9,8,7,5)
	Misys	11	(14,17,16,10,5,11,8,5)
Banks	ICS	10	(11)
Olympic	ERI	9	(7,4,6,3,14,18,18,24,23,25)
OmniEnterprise	Infrasoft	9	(12,11,10)
	Fidelity	8	(3,2,1,2,5,4,12*)
	Delta Informatique	7	(9,3,7,12,9)
	Misys	7	(10,5,2,9,10,6,8,9,17,21,12,13,17,26,16)
	Pexim Solutions	7	
	SAB	7	(6,8)
	Open Solutions	7+	
TCS Bancs (Retail)	TCS Financial Solutions	7	(12,9,4,2,3,6,6,6,8,5,7,5)

TEMENOS' awards

TEMENOS' products are multi award winning. In 2007, awards included:

T24 was named no.1 best-selling core banking system in 2007 in the IBS Journal's annual sales league table. Martin Whybrow, editor, commented, *"The company has an established, strong product combined with a large and professional sales organisation."*

T24 won the best core banking product at the European banking technology awards. TEMENOS system beat off competition from both I-flex and Misys. David Bannister, editor of Banking Technology added *"The companies that won in these categories can be justifiably proud that their products and services are known and recognised in the wider market"*

TEMENOS eMerge on T24 won The Banker's marketing technology of the year award. Stephen Timewell, editor-in-chief noted *"The judging panel were impressed by not only the technology, but how truly cost effective it was in terms of implementation as well as the level of service offered by Temenos."*

Thank You

TEMENOS
The Banking Software Company