



TEMENOS

**Deutsche Bank
Swiss Equities Conference**

Wednesday 12th May, 2004

08.30 am Track 3

- 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 May 12th, 2004. 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 May 12th, 2004.

Speaker

Andreas Andreades

Max Chuard

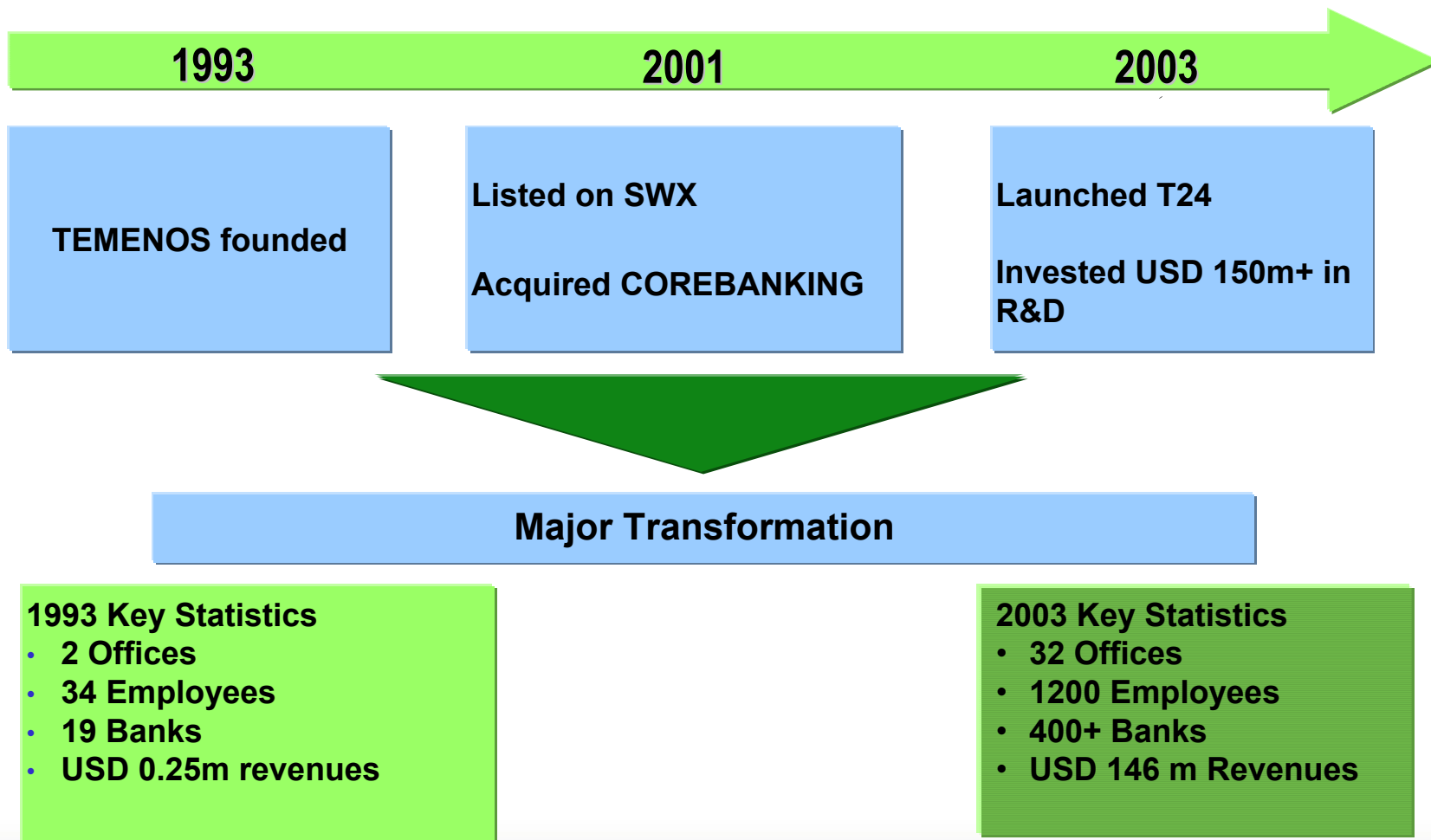
Position

CEO

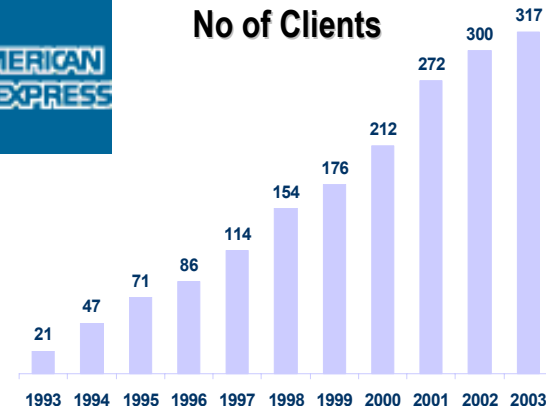
Director

Corporate Finance & IR

A vision transformed into the leading provider of banking software systems.



400+ Banks in 100+ Countries

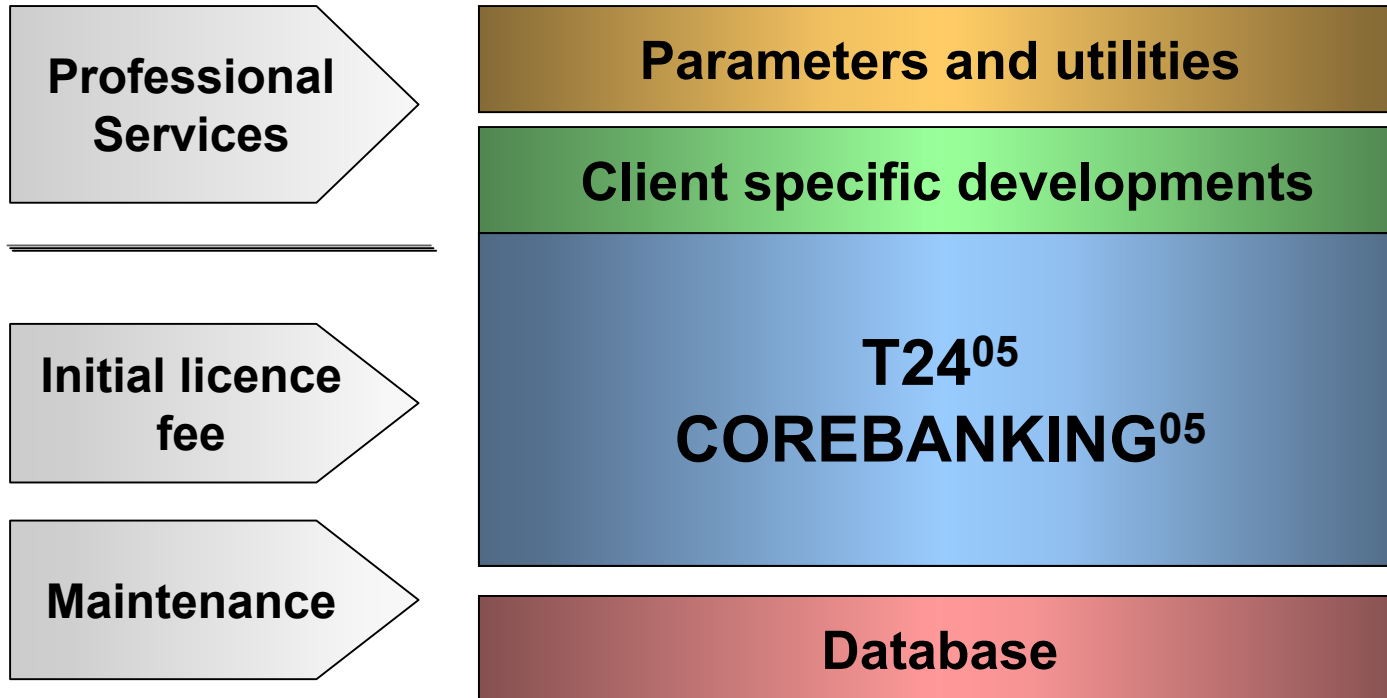


World-wide Support



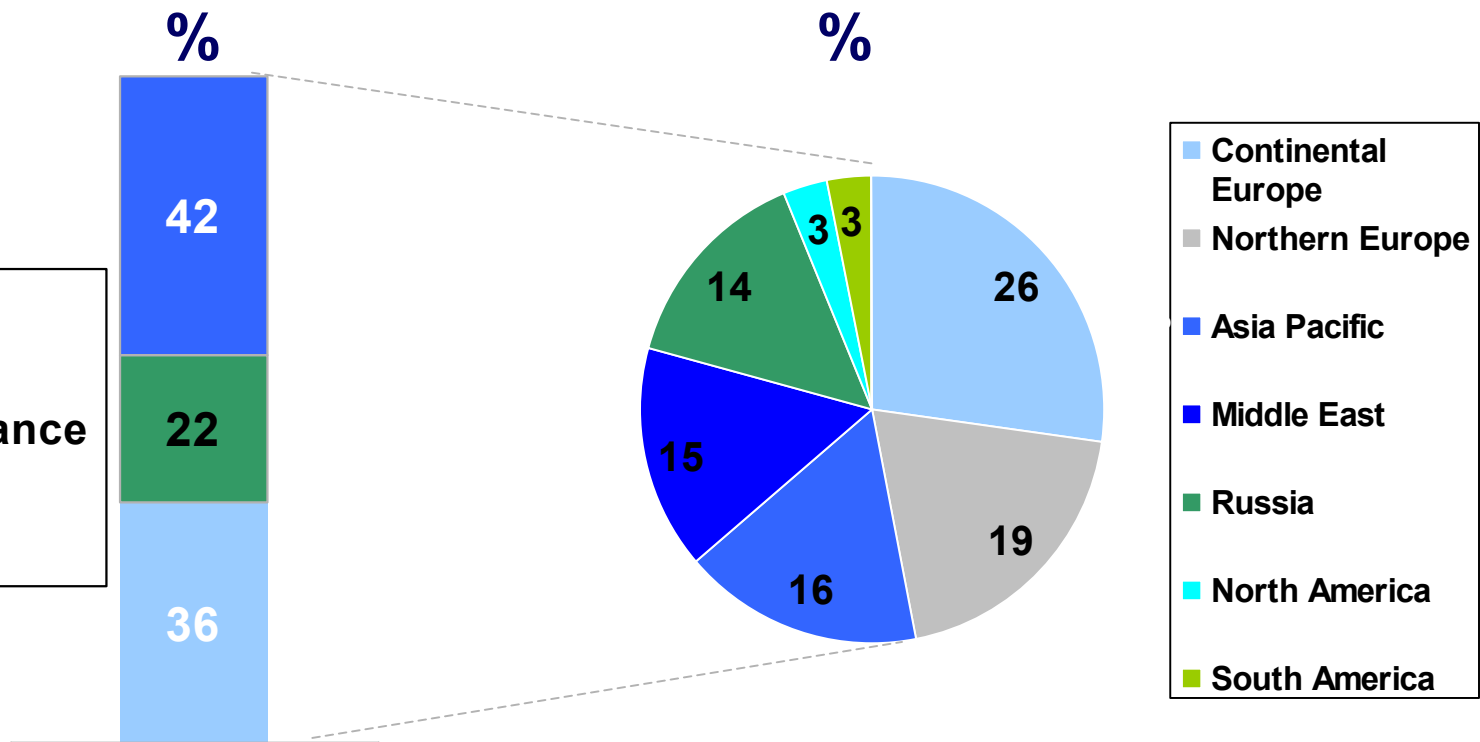
- TEMENOS T24: Multi platform, multi database, open technology, non stop processing
 - Most functionally rich
 - Most technologically advanced, “disruptive technology”
- TEMENOS CoreBanking: native MVS OS 390
 - Leverage sunk investment in mainframe market
 - Leverages IBM alliance

- Upfront Initial Licence Fees
- Maintenance – 5 year standard non cancellable, 21% - 24 hours Help Desk
- Services – Implementation support, services, training

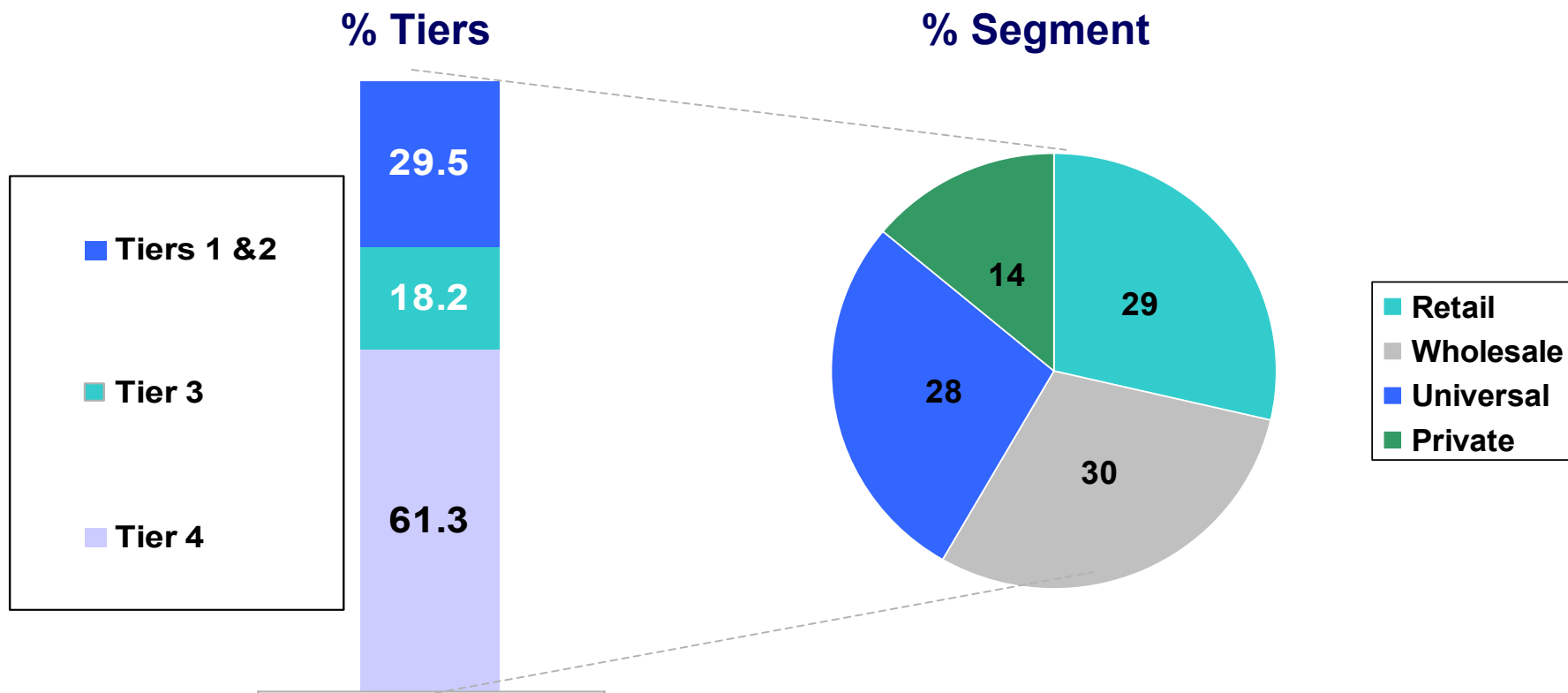


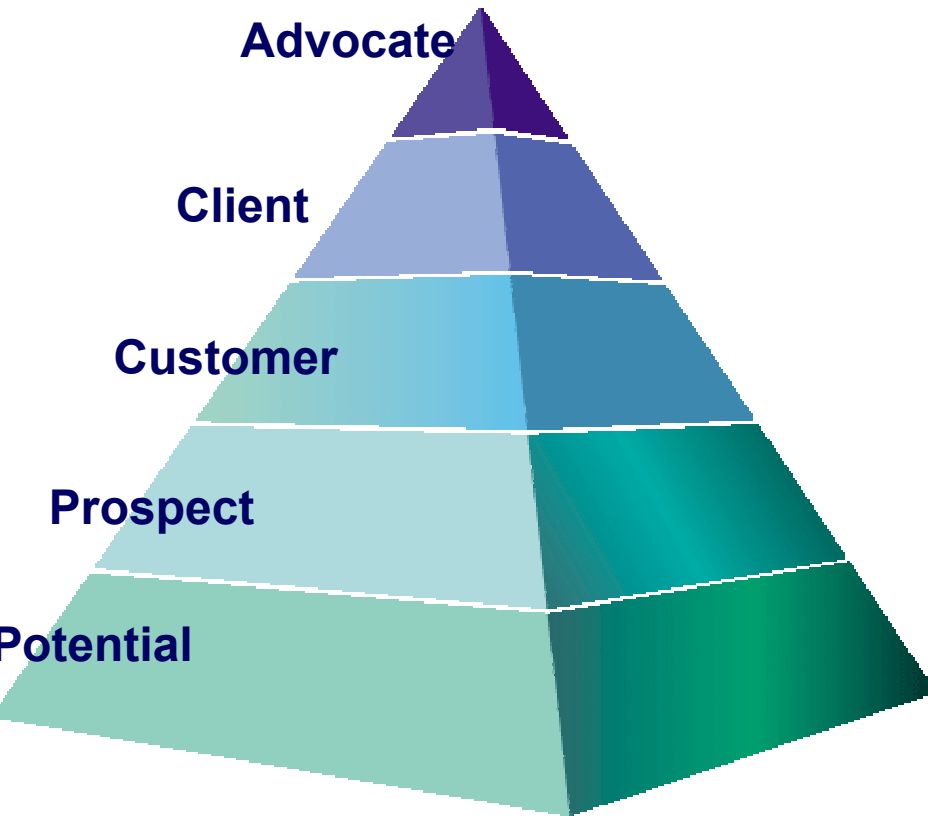
Revenue Mix 2003

Regional Mix 2003

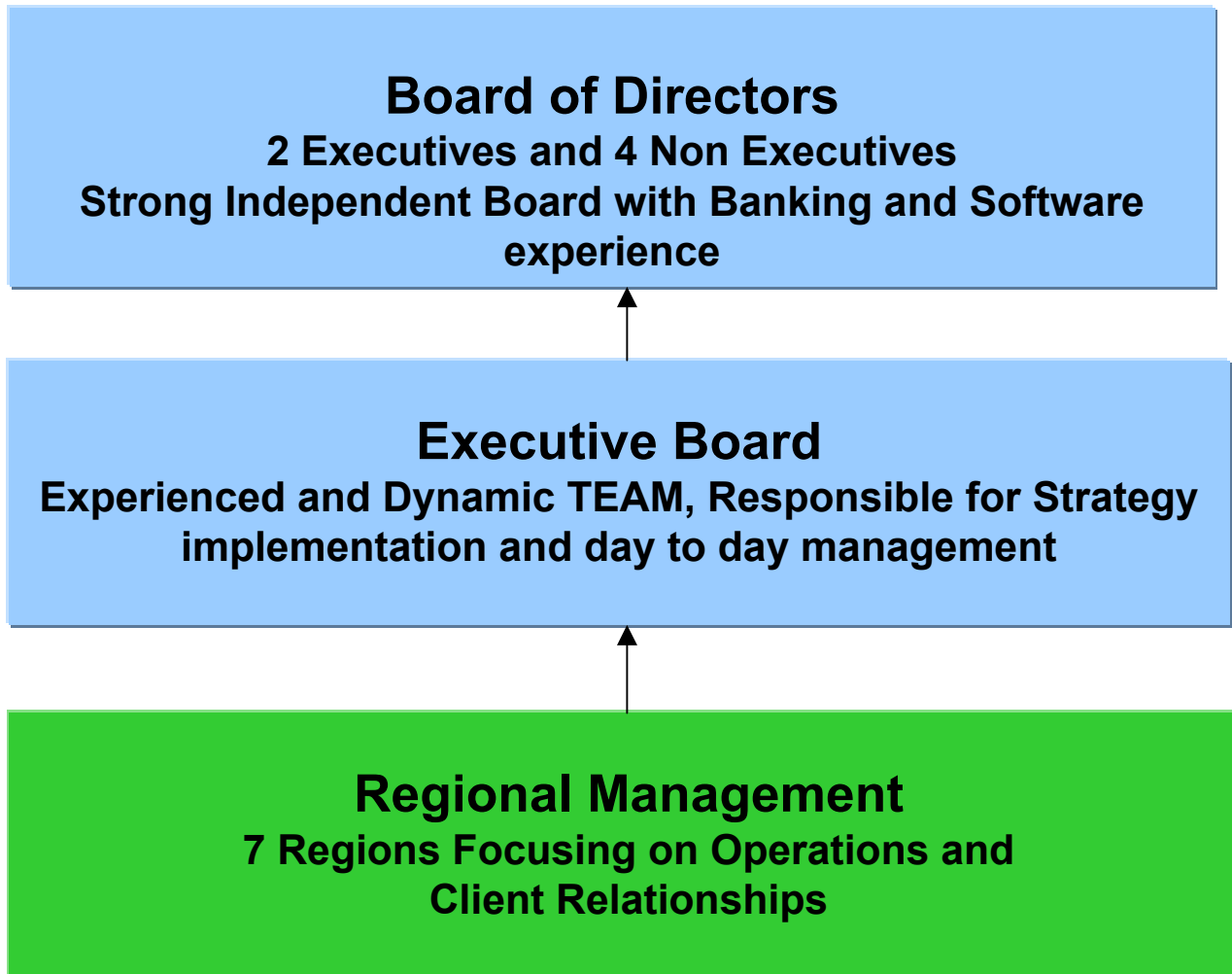


Revenue Mix 2003

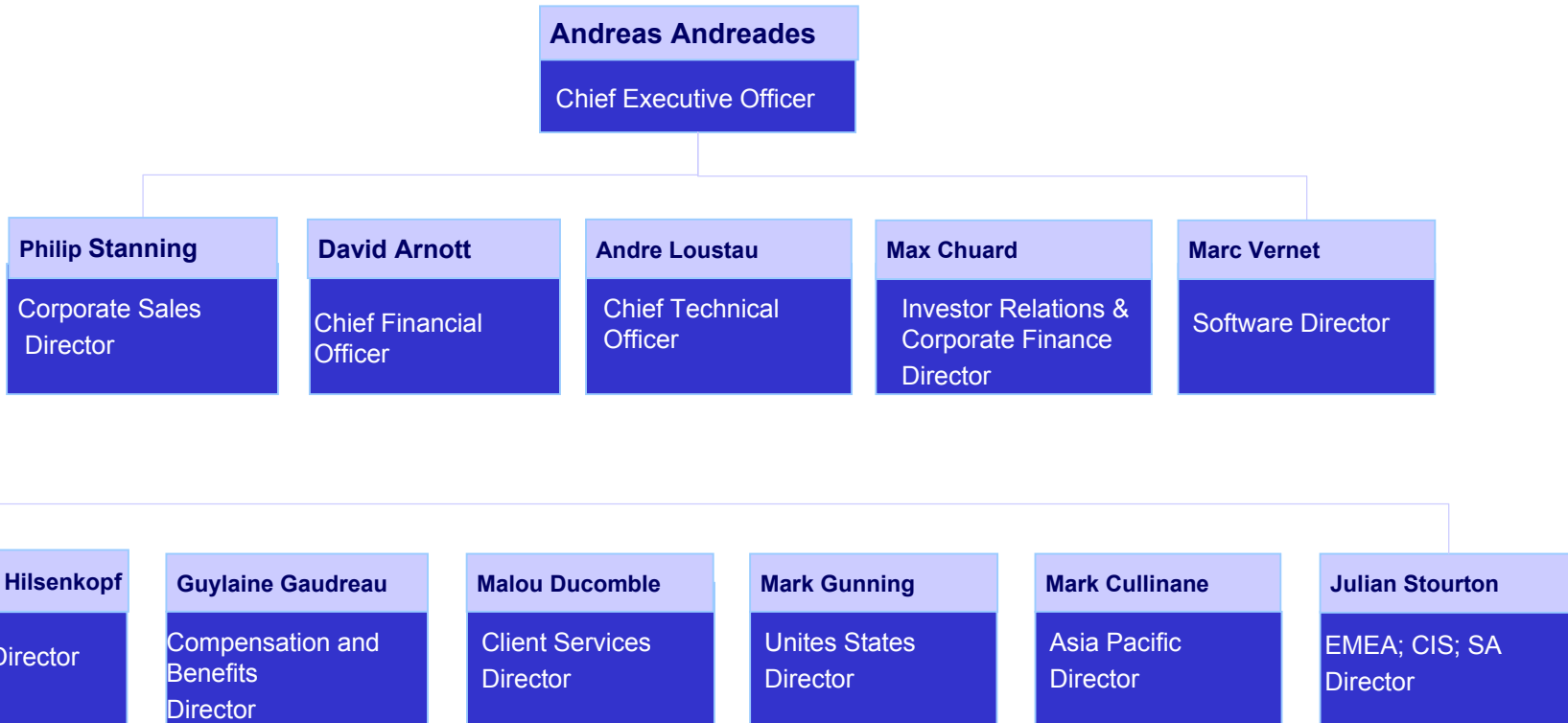




- TEMENOS strives to make every client an advocate
- TEMENOS accepts nothing less than total client satisfaction
- A satisfied client will promote products and services to others
- TEMENOS pools its complementary skills with its customers to achieve a common goal
- TEMENOS embarks on each project in partnership with its clients



Executive Board

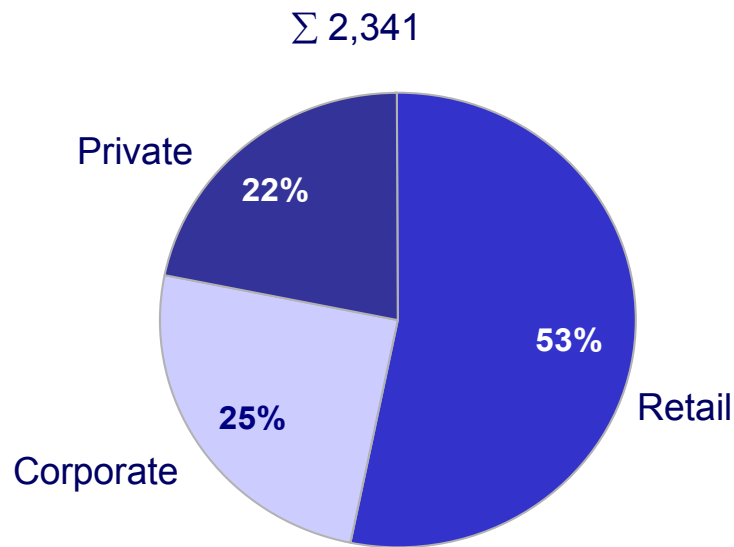


TEMENOS Client Segmentation

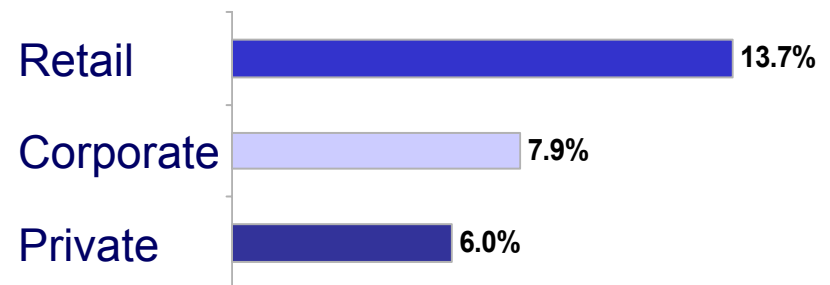
Size Asset [USD bn]	Tier 4 + 5 <10	Tier 3 10-50	Tier 2 50-250	Tier 1 >250
Type Client Segments	Retail Mass < USD 0.1 m Affluent USD 0.1-1 m	Private HNWI ¹⁾ > USD 1 m	Wholesale SME < 1,000 employees Multinational >1,000 employees	Universal Covering all client segments
Regional coverage Number of branches, country presence	Local Urban < 10 branches	Domestic National < 50 branches	International Multinational > 50 branches > 2 countries	Global All continents > 100 branches

Initial license fee and maintenance [USD m]

Spending for packaged banking software licenses [USD m]



Annual growth rates per banking type [CAGR 2001/2005]



- Legacy applications too costly to run – more than 75% of maintenance market dates prior to 1990's
- CIOs expected to bring maintenance costs of legacy applications down
- Transaction processing volume growth is exponential
- Regulation – BASLE II will have over reaching effects
- Difficulty is to predict timing

TEMENOS an Integrated Banking Solution



Among hundreds of independent software vendors, TEMENOS is one of a few offering an universal banking solution

Major players by segment

Vendor	Products	Retail Banking	Private Banking	Wholesale Banking	Universal Banking
TEMENOS	T24/Corebanking				
I-Flex	Flexcube, Microbanker				
Misys	Equation, Opics, Midas, Summit, Bankmaster				
Sungard	Quantum, Apsys				
ERI Bancaire	Olympic				
London Bridge	Phoenix				
Fiserv	ICBS				
Trema	Finance Kit				

- We continue to see increased deal flows in Europe in all regions both for TEMENOS T24 and TEMENOS Corebanking.
- We continue to see strong demand in retail banking where we continue to gain market share in line with our plan.
- We have already signed USD 5.0 million of new licences in Q2 which put us in an excellent position to reach our Q2 ILF target of USD 16.0 million and our half year target of USD 31.7 million (which itself is 42.8% higher than last year). We maintain our full year ILF target of 68.0 million (+ 33.3% year on year)
- We continue to win the significant majority of deals in which we compete

The following new deals were signed during the quarter:

- Bank for Agriculture and Agricultural Cooperatives (BAAC) in Thailand with IBM and Thai Equipment Research
- Anglo Irish Bank Corporation in the UK and Ireland
- Overseas Private Investment Corp. in the US
- Banque de France in France
- Another significant Tier 1 Bank (as yet undisclosed)



Financials

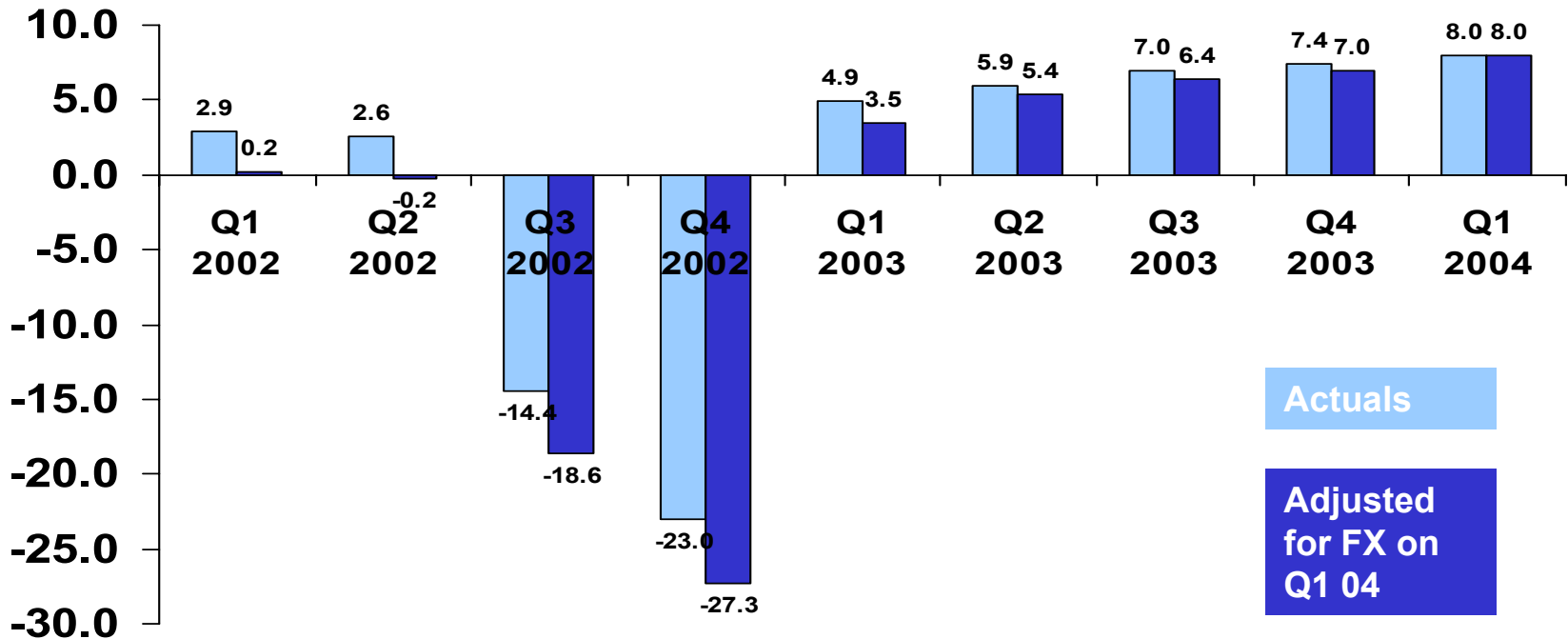
USD million

Twelve months ended December 31

	2003	2002	2001
Revenues			
Licensing	59.7	36.6	61.5
Maintenance	32.2	28.0	24.8
Services	54.2	48.7	54.5
Total Revenues	146.1	113.3	140.9
Expenses			
Cost of Licences	6.7	3.2	3.5
Services	48.8	53.2	50.8
Software development	30.1	34.9	30.8
Sales and marketing	23.4	42.9	22.4
General and admin.	24.7	22.3	17.2
Amortisation of goodwill	1.7	1.2	0.6
Total	135.4	157.7	125.3
Operating profit (loss)	10.7	(44.4)	15.6
EBITDA	25.2	(31.6)	23.3
Net profit / (loss)	10.9	(49.5)	5.9
US GAAP Net Profit	11.5	(51.5)	4.6

USD million

Quarterly EBITDA



- TEMENOS has generated USD 8.0 million of EBITDA for the quarter compared to USD 4.9 million for the same period last year

Balance Sheet

USD million	Dec 2003	Sept 2003	Dec 2002
Receivables	39.7	35.0	20.5
Accrued revenue	31.0	26.4	20.3
Less Deferred revenue	<u>(35.9)</u>	<u>(23.9)</u>	<u>(22.2)</u>
Net	34.8	37.5	18.6
Cash	31.7	21.7	24.0
Unutilised facility	15.0	15.0	15.0
Less Debt	<u>(5.0)</u>	<u>(7.5)</u>	<u>(10.0)</u>
Available Cash	41.7	29.2	29.0

- Working capital doubled year on year despite strong operating cash inflow achieved in year
- In February 2004 we renegotiated a US\$25m working capital facility, and repaid the remaining US\$5m. of debt

Q1 2004 Profit & Loss

USD million

Quarter ended March 31

Quarter ended Dec 31

	2004	2003	<i>Growth</i>	2003	<i>Growth</i>
Revenues					
Licensing	17.4	12.4	40.9%	16.8	4.0%
Maintenance	8.9	7.3	21.5%	8.6	2.9%
Services	13.4	13.2	1.3%	13.5	(0.7)%
Total Revenues	39.7	32.9	20.7%	38.9	2.1%
Expenses					
Cost of Licences	1.9	1.0	88.0%	1.5	30.0%
Services	11.7	11.1	5.2%	13.3	(12.1)%
Software development	8.4	8.0	4.4%	6.4	30.4%
Sales and marketing	6.6	5.8	13.9%	6.0	10.3%
General and admin.	7.0	5.5	28.3%	6.7	5.0%
Amortisation of goodwill	0.4	0.4	3.5%	0.4	6.2%
Total	36.0	31.8	13.2%	34.3	5.1%
Other operating income	1.0	-	-	-	-
Operating profit	4.7	1.1	345.2%	4.6	2.2%
EBITDA	8.0	4.9	61.7%	7.4	7.4%
Net profit	4.1	1.2	248.6%	5.1	(18.8)%

Q1 2004 Balance Sheet

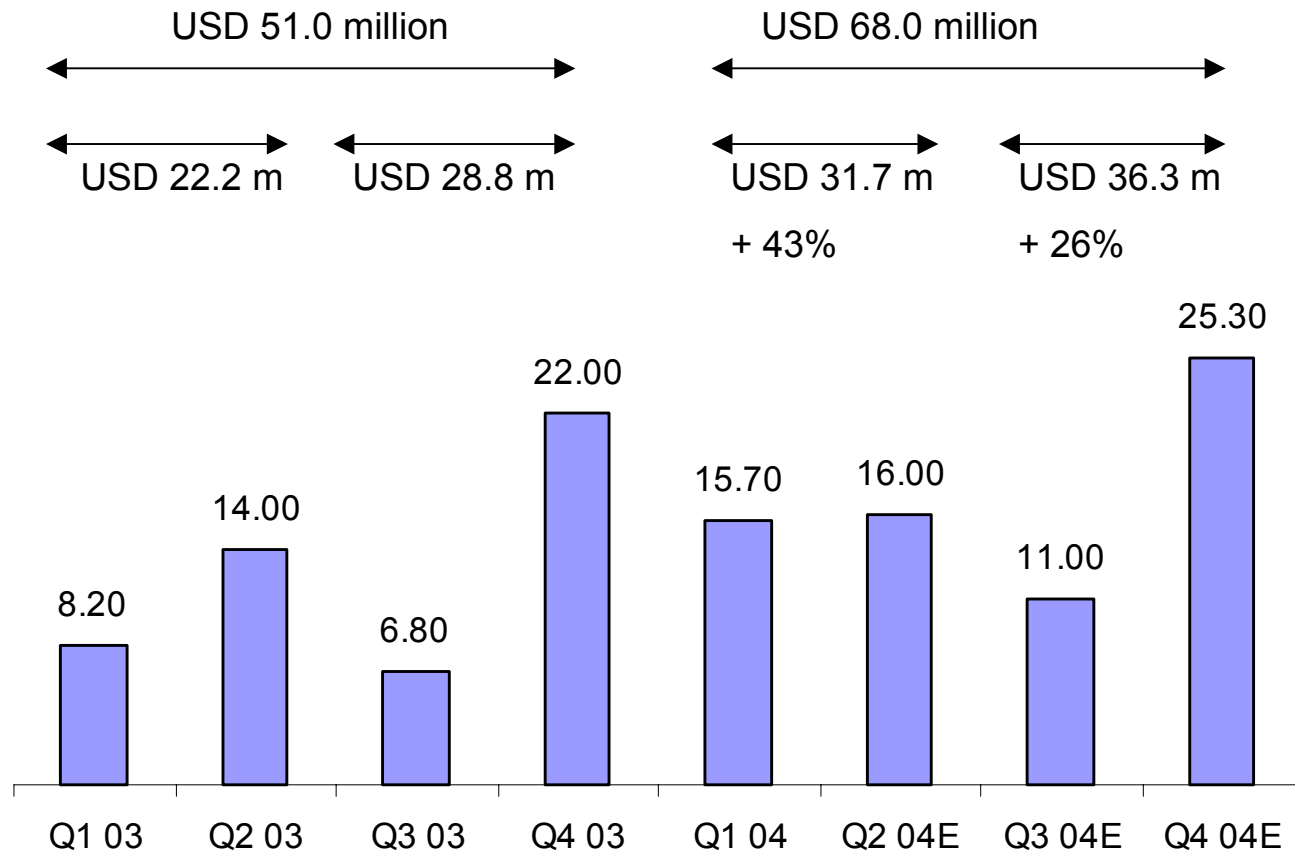
USD million	March 2004	Dec 2003	March 2003	Dec 2002
Receivables	34.4	39.7	37.9	20.5
Accrued revenue	35.8	31.0	22.0	20.3
Less Deferred revenue	<u>(31.1)</u>	<u>(35.9)</u>	<u>(33.3)</u>	<u>(22.2)</u>
Net	39.1	34.8	26.6	18.6
Cash	26.2	31.7	17.5	24.0
Unutilised facility / debt	25.0	15.0	15.0	15.0
Less Debt	<u>(0.0)</u>	<u>(5.0)</u>	<u>(7.5)</u>	<u>(5.0)</u>
Available Cash	51.2	41.7	25.0	34.0

- In February 2004 we renegotiated a US\$25m working capital facility, and repaid the remaining US\$5million of debt

Q1 2004 Cash flow

US\$ million	Qtr ended March 31st		
	2004	2003	Last 12months
Cash at beginning of period	31.7	24.0	17.5
Operating cash flow	(1.4)	(3.4)	18.4
Capital spending	(0.8)	(2.8)	(3.9)
Debt repayment	(5.0)	(0.0)	(10.0)
Other (Financing costs, FX impact, and minority interest etc)	1.7	(0.3)	4.2
Cash at end of period	26.2	17.5	26.2

TEMENOS Signings targets



USD million	Start of the Year	Movement	End of the Year
Previous Gross Revenue Guidance	150.0 – 160.0		
based on USD 51.0 million ILF signings			
Revenue upside due to higher ILF signings		+ 6.0	
Foreign Exchange		+ 2.0	
New Gross Revenue Guidance			158.0 – 168.0
based on USD 60.0 million ILF signings			
Previous Operating Profit Guidance	15.0 – 20.0		
Revenue upside due to higher ILF signings		+5.0	
Foreign Exchange		-1.0	
Additional costs in line with revised 2005 target		-2.0	
New Operating Profit Guidance			17.0 – 22.0
EBITDA Guidance	30.0 – 35.0	+2.0	32.0 – 37.0
EPS Guidance (USD per share)	0.23 – 0.29	+0.03	0.26 – 0.32

TEMENOS 2004 Operating Costs Run Rate



Guidance (USD million)	Implied Guidance	Expectations
Previous Implied Cost Guidance	130.0 – 145.0	139.0
Forex		+ 3.0
Additional Costs in line with revised 2005 target		+ 2.0
New Implied Cost Guidance	136.0 – 151.0	144.0

USD million	Q1 04	Assumption	FY04 Run Rate
Operating Costs	36.0	4 x 36.0	144.0

Even Conservative Growth Assumptions Drive EBIT Growth

(US\$m).	2003	2004	2006
Revenues	145	158 -168	192-216
Operating costs	<u>135</u>	<u>136 -151</u>	<u>160-165</u>
EBIT	10	17-22	33-40
EBITDA	25	32-37	43-50
Percentage of revenues			
Revenues	100%	100%	100%
Cost of licencing	4%	4%	4%
R&D	23%	20-21%	17-18%
Services	33%	30-32%	29-30%
Sales & marketing	16%	16-17%	19-20%
General & admin.	<u>18%</u>	<u>16-17%</u>	<u>15-16%</u>
	94%	85-90%	80-84%
EBIT margin	7%	10-14%	16-20%
EBITDA margin	17%	20-23%	21-25%