

Acquisition of Financial Objects

17 September 2008



TEMENOS

The Banking Software Company

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 17 September 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 17 September 2008.

1. Transaction summary – Max Chuard

2. Rationale for the deal

3. Integration plan

4. Financial impact

5. Q&A

- An offer of 60p per share was made for Financial Objects on 2 July 2008
- This offer valued the company at GBP 27.2m (USD 49.0m*)
- The change of ownership of Financial Objects took effect from 11 September and Board composition changed
- On 11 September Financial Objects was de-listed from the London Stock Exchange
- From 11 September, all Financial Objects figures consolidated into the Temenos financial statements
- The deal will be financed in full by existing debt facilities

*converted at exchange rate of 1.8

1. Transaction summary

2. Rationale for the deal – Max Chuard

3. Integration plan

4. Financial impact

5. Q&A

- Enhances Temenos' position as the leading vendor in the market with addition of >50 core banking customers
- Adds important scale across the business as well as complementary IP (e.g. in wealth management)
- Creates a 2,000 person powerhouse in India with addition of Financial Objects' facility in Bangalore



Combined entity better placed to exploit significant market opportunity

- Significant cost synergies e.g. through removal of PLC costs
- Potential for significant revenue synergies through cross-selling and combining sales organisations in Northern Europe



Acquisition accretive to earnings from the outset

Acquisition Criteria	Financial Objects
Revenue USD 20-50m	2007 revenues of GBP 21.2m(USD38.2*)
Accretive to earnings	The transaction to be accretive from 2008
Strengthen distribution/delivery	Strong presence in the UK & Nordics
Acquire client base	>50 banking clients
No Diversification	Primarily focused on financial services market

* Converted at exchange rate of 1.8

1. Transaction summary

2. Rationale for the deal

3. Integration plan – Andreas Andreades

4. Financial impact

5. Q&A

Financial Objects has 2 banking products:

- IBIS
 - activebank
- } Combined base of >50 clients

As well as wealth management products

- We have confirmed continued support for banking product range
- Key value proposition - to assist those Financial Objects customers who want to migrate to modern technology, T24 Model Bank provides a simple, low risk upgrade path to T24
 - We have migrated Financial Objects customers in the past, so can build on this experience
- Significant synergies in IP and go-to-market between wealth management and private banking

Financial Objects has the following other divisions:

- Credit risk - c.25% of revenues
- Other software - c. 15% of revenues

- These divisions are both profitable and growing...
- ... and represent a key part of the acquired product portfolio (but c.2.5% of total group revenues)
- These businesses will be run on a standalone basis

1. Transaction summary

2. Rationale for the deal

3. Integration plan

4. Financial impact – David Arnott

5. Q&A

- We consolidate Financial Objects for period 11/9- 31/12
- Expected to add USD11m to revenues and USD0.01 to adjusted EPS*
- We take a restructuring charge of USD1m...
 - We will have borne all the restructuring charges...
 - ...and completed the restructuring exercise by the end of 2008
 - We begin 2009 with a materially lower cost base in acquired business
- ...without diluting operating income for the year

* Includes interest charge of USD1.2m

	Previous	Financial Objects	Revised	y-o-y Δ
Licences	176.5	+2	178.5	20%
Revenue	433	+11	444	34%
Costs	344.4	+11	355.4	
EBIT	88.6	0.0	88.6	42%
EBIT margin	20.5%	-	20%	+110bps
Adjusted EPS*	1.39	+0.01	1.40	36%

- We reiterate our outlook from Q2 and increase adjusted EPS by USD0.01
- Stated EBIT remains USD88.6m...
- ...but pre-amortisation and non-cash restructuring charge, EBIT is USD1.6m higher

All nos. in USDm, except EPS USD

*Adjusted for amortisation of acquired intangibles and restructuring charge (2008 outlook: USD5.6m including Informer & FO amortisation and restructuring); no of fully diluted shares 70.2m

	USDm
Revenue*	40.0
Revenue synergies	0.0
Revenue contribution	40.0
Costs**	(33.7)
Cost synergies	3.1
EBITA	9.4

Cost synergies

- Of the USD3.1m in 2009, USD1.3m represents PLC costs***
- Figure to rise to USD5m in 2010 as remaining synergies materialise

* Consensus estimate for revenue in 2009

** Before amortisation

*** Listing costs, audit and other advisory fees, executive and non-executive remuneration

- No revenue synergies have been assumed in projections
- Nonetheless, there remains significant potential for revenue synergies:
 - Potential to sell T24 to Financial Objects customer base
 - Potential for selling wealth management functionality to T24 base
- These revenue synergies should start to be seen in 2009
 - We will give an update with our 2009 outlook

Revenue	40.0
EBITA	9.4
EBITA margin	24%
Interest charge	3.9
Adjusted EPS	0.08

An EBITA contribution of USD9.4m

...translates to a margin of 24%...

...and EPS accretion of USD0.08

All amounts in USDm except EPS in USD

1. Transaction summary

2. Rationale for the deal

3. Integration plan

4. Financial impact

5. Q&A