Financial Review & 2005 Plan

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2004

2004 update

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•We have exceeded our signings target for the first 9 months of 2004

•Revenue growth driven by clean contracts and robust maintenance growth

•Services on YAGO driven by accelerated use of partners

•All cost lines are well in control, demonstrating operating leverage

•We are on track to deliver on our operating profit guidance (a 77% YOY increase)

Forecast P&L - 2004

USD million	1H '04	2H '04	2004	3 year plan*	2003	index '03
Revenues	*78*	*76-86*	154-164	150-160	147	+8%
Operating costs	*70*	*66-81*	134-145	130-145	136	+3%
Operating profit	*8*	*9-14*	17-22	15-20	11	+77%
EBIT margin	10%	12-16%	11-14%	10-12%	7%	+77%
EBITDA	*15*	*17-22*	32-37	30-35	25	+38%

* As presented to analysts and investors on Nov 26th 2003

Revenues ahead of plan for 2004

USD million	3 Year Plan	Movement	Current Guidance
Revenues per 3 year plan	**150-160**		
Higher than planned ILF signings		+ 6.0	
Currency impact		+ 2.0	
Previous revenue guidance		**158-168**	
Acceleration of services model towards partners			(4.0)
Revised revenue guidance			**154-164**

Costs in line with plan for 2004

USD million	3 Year Plan	Movement	Current Guidance
Operating Costs per 3 year plan	**130-145**		
Currency impact		+ 3.0	
Investment to fund growth		+ 2.0	
Previous cost guidance		**135-150**	
New services model		(4.0)	
Revised cost guidance			**134-145**

Operating profit ahead of 2004 plan

USD million	3 Year Plan	Movement	Current Guidance
Operating profit per 3 year plan	**15-20**		
Higher than planned signings		+6.0	
Currency impact		(1.0)	
Investment for growth		(2.0)	
Other		(1.0)	
Previous operating profit guidance		**17-22**	
Services margin impact from new services model		-	
New operating profit guidance			**17-22**

Cash Flows

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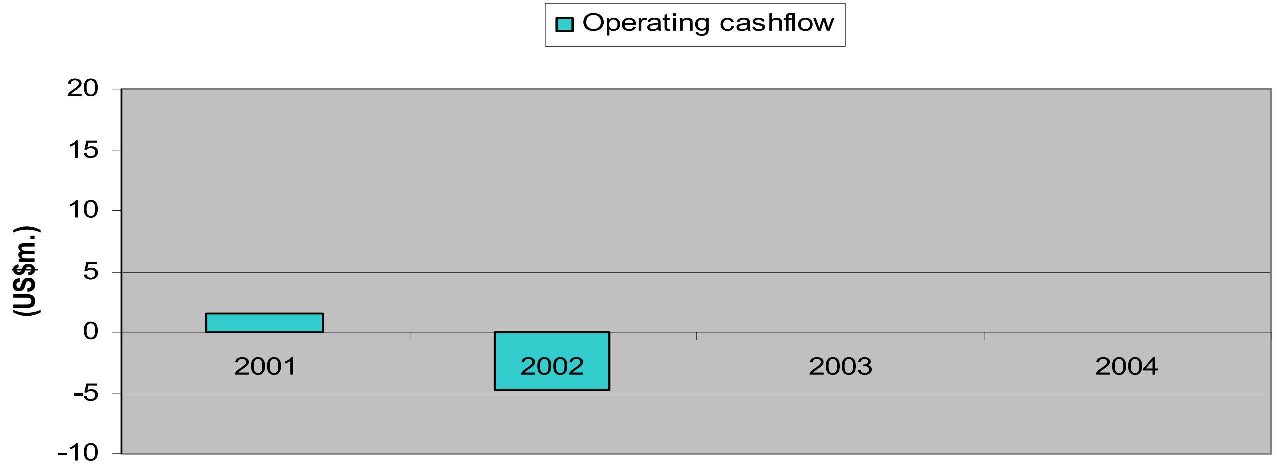
	IPO- Dec 03	2004	Total
Cash Jan 1	**-**	**32**	**-**
Net cash proceeds from IPO	90	-	90
Repayment of debt	(25)	(5)	(30)
Capital spending	(47)	(10)	(57)
Operating cash flows	14	15-20	29-34
Cash Dec 31	**32**	**32-37**	**32-37***



*** Additional undrawn working capital facility of $25m bringing available cash to $57 – $62 m**

Acquisition of minority stake in Temenos Eastern Europe

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• On September 20th we agreed the purchase of the 49% minority stake in Temenos Eastern Europe from Informer for a consideration of US$15.5m.

• This acquisition strengthens Temenos' commitment to more than a dozen countries in eastern Europe, including Hungary, Poland, Bulgaria, Romania and Egypt.

• Payments will be spread over 5 years to match incremental cashflows arising from the transaction.

•We anticipate that in excess of 50% of the consideration is covered by incremental maintenance from existing clients.

•For 2005 we estimate that 8 -10% of licence fees will come from eastern Europe.

2005-2007 strategic plan

Leverage remains intact to drive strong margin growth

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US$m	2004	2007	CAGR	COMMENTS
Signings	68	115	20%	Corebanking 44% in 2007
Revenues	159	253	17%	Licence and Maintenance represent 70% of mix
Operating costs	140	202	13%	Operational leverage remains strong
Operating profit	19	51	40%	
Operating margin	12%	20%	2.66%pa	
COSTS				
Cost of licencing	3%	3%		
R&D	21%	19%		Continued investment in product is core to model
Services	32%	27%		Target sustainable 10% services margin
Sales &marketing	17%	19%		We will continue to invest in our sales and marketing activities
G&A	15%	12%		Good operational leverage in place for support functions
	88%	80%		

CAPEX 5% to 10% of revenues annually

IFRS 2, Stock option accounting

- IFRS 2, Stock option accounting, adopted by ASB in 2004. Applicable for all accounting periods beginning after January 1, 2005.
- Temenos will adopt IFRS2 in our 2005 accounts and provide full disclosure of assumptions and sensitivity analysis with our 2005 results.
- We intend to use the Black & Scholes model to value options, using a volatility of 40-45% (Temenos 2004 actual to date: 43%)

IFRS 2, Stock option accounting – P&L impact

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Grant date & no. of shares	2005 US$m	2006 US$m	2007 US$m
Pre 2004	0.5		
2004 – 1.5 million	0.5		
2005 – 2.0 million	2.3	0.8	
2006			
2007 – 2.2 million			2.4
TOTAL	**3.3**	**0.8**	**2.4**

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2005

2005 Budget Summary

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- **Target ILF signings of US$80m +18% vs 2004**
  - Includes 2-4 TCB deals (2004 includes 2 TCB deals)
  - TCB 30% of total signings mix
  - T24 70% of total signings mix
- Licence and maintenance at 70% of revenues, Services approximately 30%
- Modest cost growth vs. 2004:
  - D&A reduction of US$ 3 million
  - IFRS 2 US$3.3 million
  - Adverse Currency impact of US$ 2 million
- Operating profit margin of +3 pts vs 2004 to approximately 15%

ILF Signings Sales Plan

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	2004	2005
No of quota carrying sales people	22	24
Average quota	4	4.5
Total internal ILF signings target	88	107
Success rate	75%	75%
ILF Signings Target	68	80

ILF Signings: Source of growth - Product

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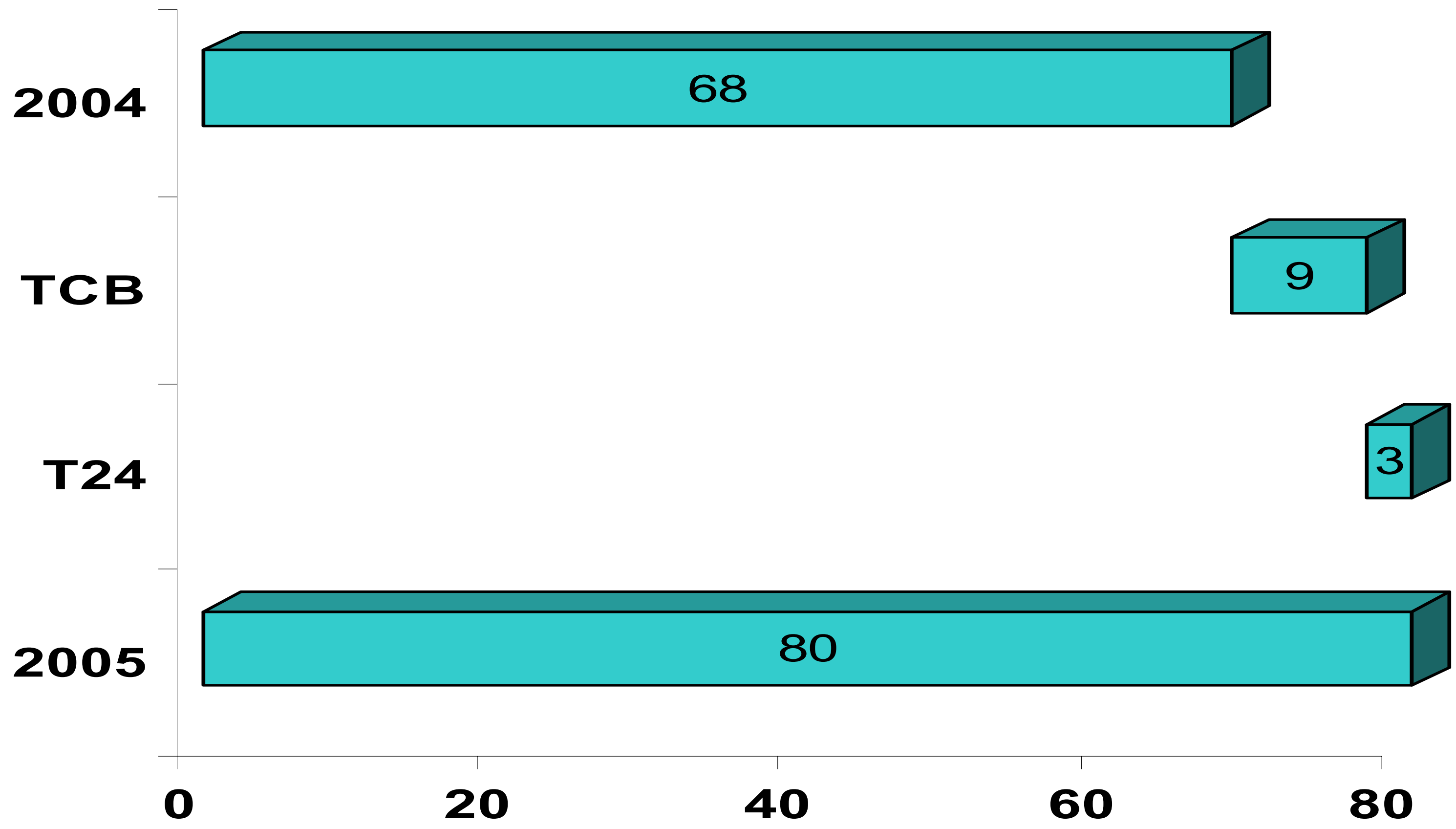
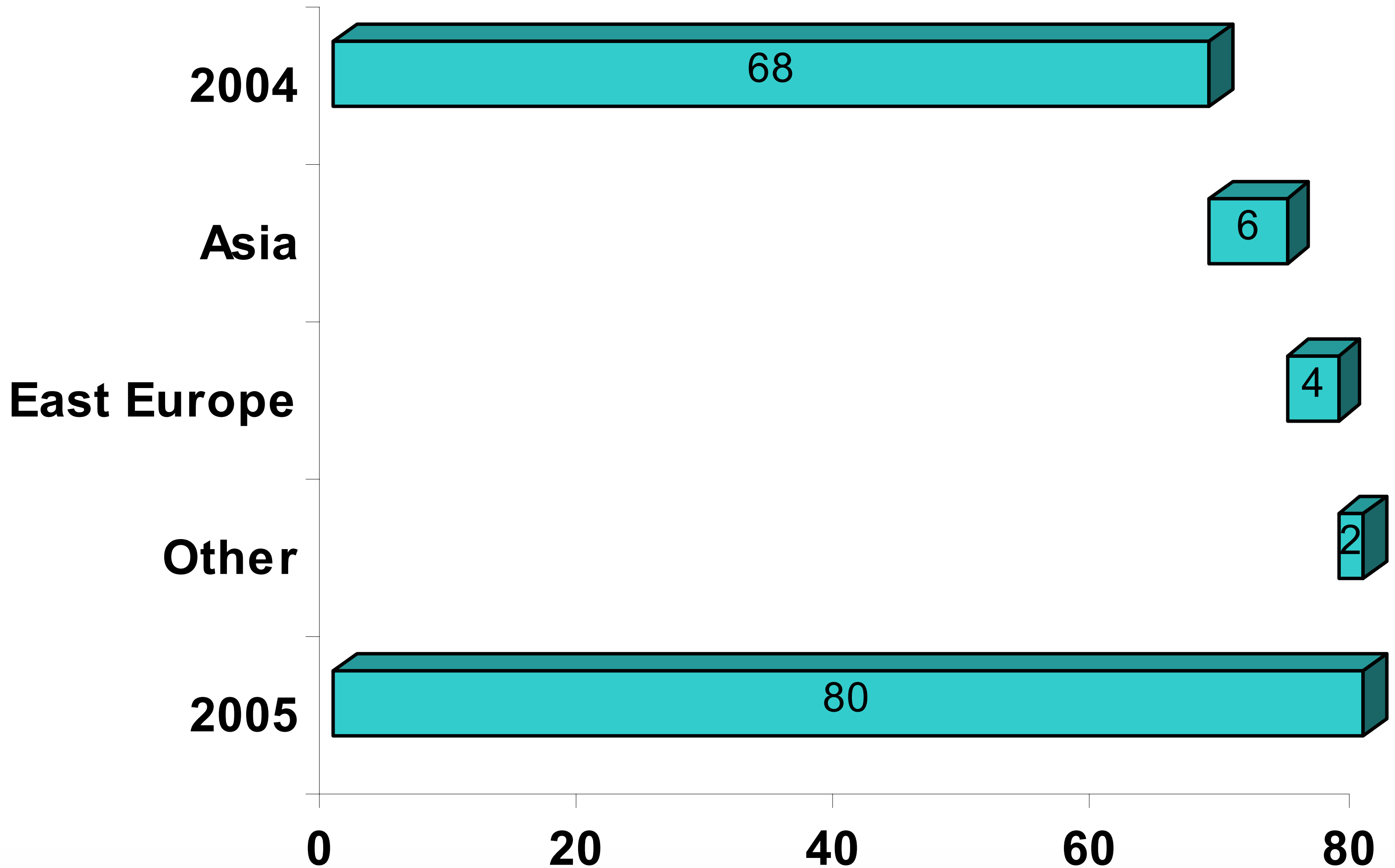


ILF Signings: Source of growth -region

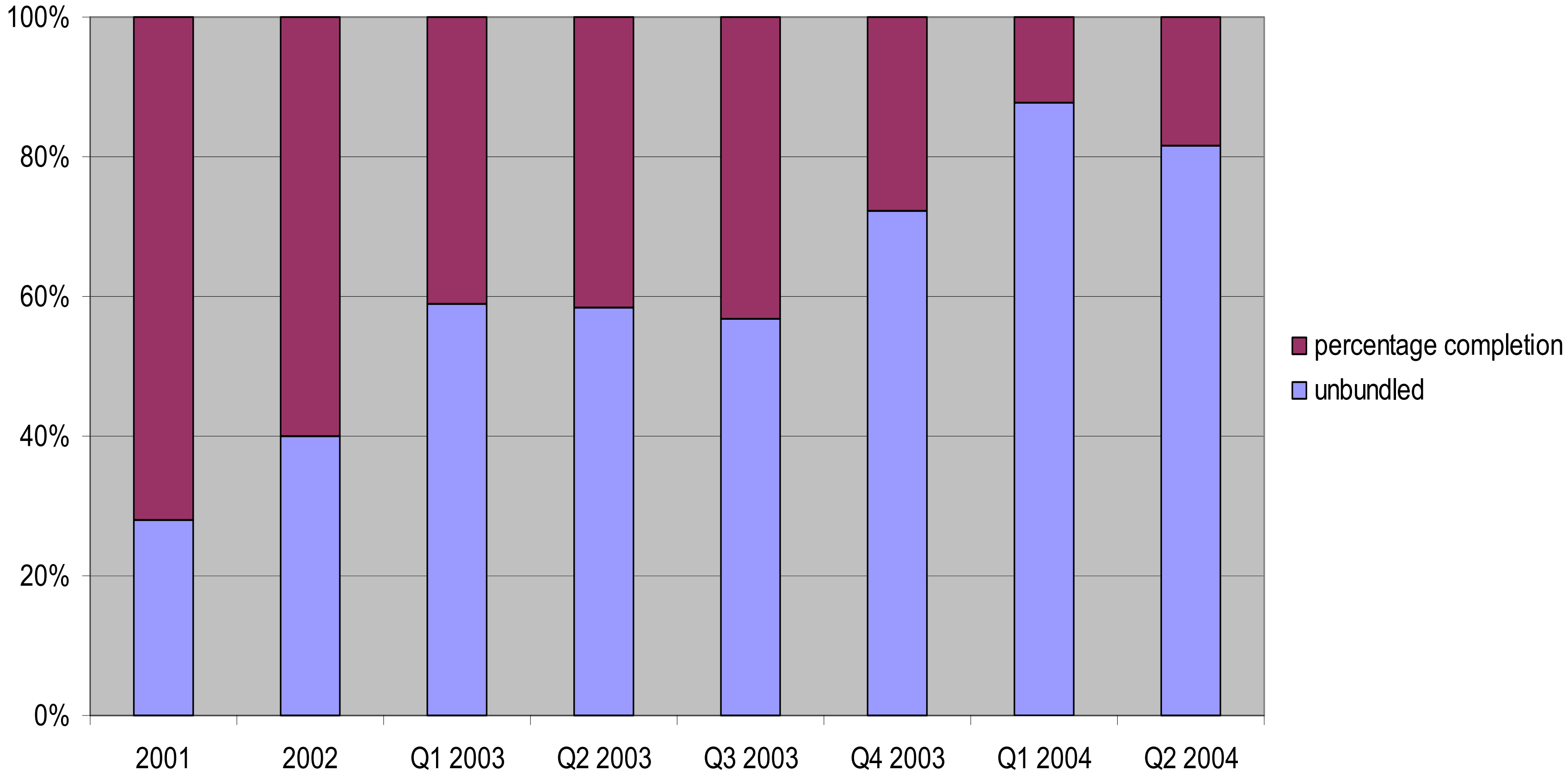


Additional slides

Revenue Recognition

- We recognise ILF revenues under US GAAP “SOP 97-2”
- Historically most of our ILF revenues have been recognised under the % completion method as our offering has been less packaged.
- Over recent years our licensing offering has become increasingly packaged as a result of high product and service investment to open up implementation capability to 3rd parties (68% of 2004 wins will be primed by a 3rd party vs. 55% in 2003).
- Where we sell a packaged offering and have « VSOE » over ILF pricing, US GAAP prescribes that ILF is unbundled from services and recognised when 4 base criteria are met.
- This results in ILF recognition that is more closely correlated to operational milestones such as delivery or go-live.
- A greater percentage of unbundling may bring greater volatility, but typically does not result in earlier recognition of ILF.

Licensing Revenue Recognition



Matured product offering and business model as well as more use of third partners enables us to recognise revenues more on a milestone basis rather than percentage of completion