



TEMENOS

The Banking Software Company



TEMENOS

The Banking Software Company



Investor Call – 2012 Outlook

14 March 2012

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 14 March 2012. 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 14 March 2012.

Agenda

- 1 **Introduction** | Sarah Bowman | Investor Relations
- 2 **Business Update and Outlook** | Guy Dubois | CEO
- 3 **Financial update** | David Arnott | CFO
- 4 **Q & A**

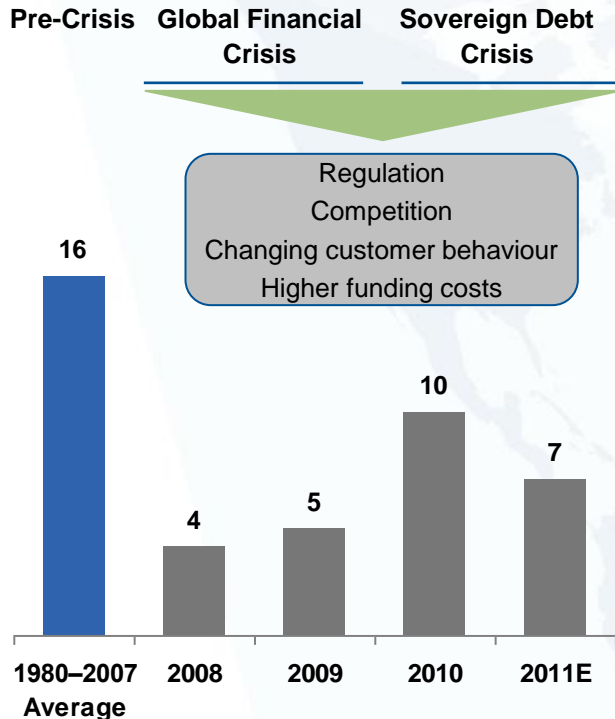
Agenda

- 1 Introduction | Sarah Bowman | Investor Relations**
- 2 Business Update and Outlook | Guy Dubois | CEO**
- 3 Financial update | David Arnott | CFO**
- 4 Q & A**

Core Banking Market Dynamics

Financial services industry profitability has been rebased

Return on Equity (%)



Source: BCG, Thomson Reuters Datastream

System renewal will improve return on equity

1. Market development

- Rapid launch of new products and services
- Faster time to market

2. Wallet share

- Single view of customer
- Personalised and integrated products

3. Lower risk & cost of compliance

- Single view of risk
- Process agility to adapt to changing regulations

4. Economies of scale

- Leverage investments to extract scale economies
- Integrate acquisitions easily onto common platform

5. Sustainable cost reduction

- Higher automation and Straight-Through Processing
- Consolidating systems and hardware

Market Conditions

- 1 Market remains difficult, especially in Europe
- 2 LTRO should help, but significant uncertainty remains
- 3 Emerging markets performing better
- 4 Existing business also more resilient
- 5 Pricing robust, but absence of megadeals
- 6 Trends confirmed by latest IBS League Table results

Conditions still uncertain, but with a few brighter spots

Temenos' position

- 1 Market-leading value proposition
- 2 Continue to extend market leadership in 2011
- 3 Largest installed base in the industry
- 4 Pricing robust
- 5 Well-exposed to fast-growing markets

Very well-positioned to benefit from any recovery in end markets

Temenos' Strategic Priorities

- 1 Extend leadership with innovative apps built on superior architecture
- 2 Place a relentless focus on sales to drive growth
- 3 Create a profitable, knowledge led, expert services organisation
- 4 Continue to strengthen our partner ecosystem
- 5 Exploit growth opportunities with accretive acquisitions
- 6 Deliver strong results with continued focus on margin and cash

We will strengthen execution and competitive advantage to deliver growth

Key Performance Indicator	Outlook	Implied Range
Total Revenue Growth	-5% to +6%	USD450-500m
Adj. EBIT Margin*	19% to 22%	USD85-110m
Adjusted Operating Cash** to Adjusted EBITDA***	100%	

Percentage and USD ranges calculated based on spot rates at the end of January 2012 – see appendix for details

*Adjusted EBIT adjusts for exceptional items and amortisation of acquired intangibles

**Operating cash adjusted for one-off cash outflows in relation to restructuring

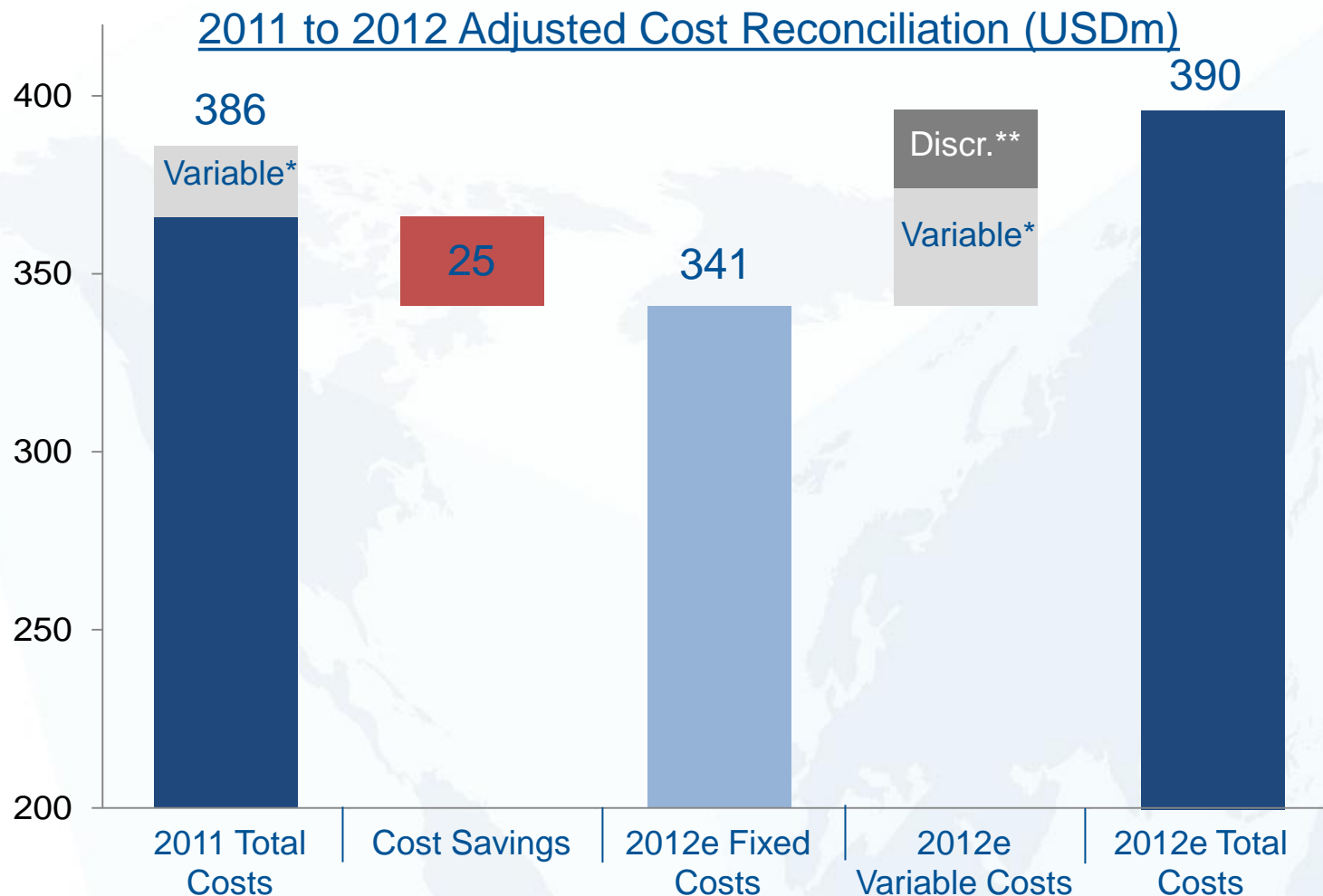
***EBITDA adjusted for one-off restructuring costs

We are focused on delivering higher margins in 2012

Agenda

- 1 Introduction | Sarah Bowman | Investor Relations**
- 2 Business Update and Outlook | Guy Dubois | CEO**
- 3 Financial update | David Arnott | CFO**
- 4 Q & A**

2012 Cost Reconciliation



Margin protected even at low end of revenue range through variable costs

*These are costs that flex with either revenue or profit;

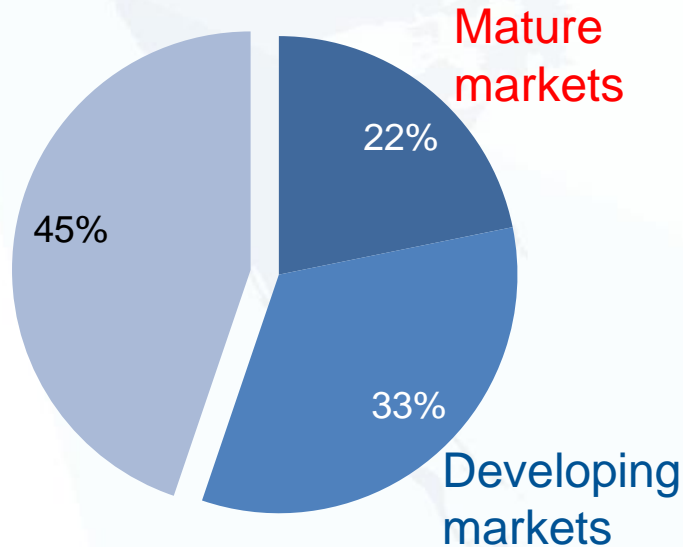
** These are discretionary items like bonuses

2011 vs. 2010 Licence Composition

2010 Licence Revenue Split

Existing customers

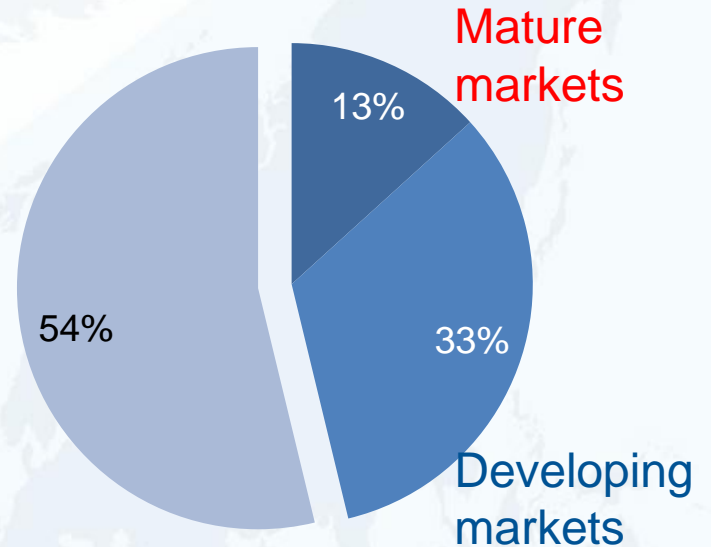
New customers



2011 Licence Revenue Split

Existing customers

New customers



Our exposure to the most difficult markets decreased in 2011 to under 15%

Mid-term Financial Goals

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

We aim for consistent and sustainable growth

Agenda

- 1 Introduction | Sarah Bowman | Investor Relations**
- 2 Business Update and Outlook | Guy Dubois | CEO**
- 3 Financial update | David Arnott | CFO**
- 4 Q & A**

Appendices

FX and other assumptions

FX Spot Rates underlying Outlook

USD/EUR 0.761

USD/GBP 0.635

USD/CHF 0.916



TEMENOS

The Banking Software Company



Thank You