



TEMENOS

The Banking Software Company



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Financial Results & Business Update

Quarter ended 30 September 2011

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 13 October 2011. 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 13 October 2011.

Agenda

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

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1. Solid Q3 against tough comparative, despite deteriorating market conditions
2. 11 new banks signed, demonstrating that core banking drivers are intact
3. We withdraw our licence outlook, given increased macro uncertainty
4. We continue to give an outlook on total revenue and adjusted EBIT margin
5. We will protect future profitability through new efficiency programme

Resilient performance, but uncertainty remains

Q3 Income Statement Highlights

- Licence revenue (USD 37.7m) was flat against Q3 2010 which was up 41%
- Maintenance trending towards USD 200m on a LTM basis (40% of LTM total)
- Services revenue up 15% y/y, loss continues to narrow
- Total revenues (USD 121m), up 16% y/y
- Like-for-Like costs +1% in quarter, demonstrating costs are under control
- Adjusted EBIT margins 8 pts lower due to unseasonably high comparative

Business progressing, despite tough comparables

Q3 Operating Highlights

- 11 new banks signed vs 9 in Q3 2010, including 2 Tier 1 banks
- Three replacements of competitor products
- Excluding Europe, licence revenues +40%
- APAC demonstrates momentum, representing 27% of LTM licence revenues
- 9 T24 Go-lives and 6 additional go-lives from PWM
- 8% of licence revenues led by partners; 2 go-lives led by partners
- Business intelligence fastest growing product in Q3

New business activity strong, buoyed by Asia

- Visited many stakeholders, providing comprehensive view of the business
- Confirmed market opportunity and validated business model
- Focus on sales execution, services delivery model, and organizational alignment
- Organic growth has priority, but tracking M&A opportunities
- Strategic plan will be communicated on our investor day, December 2nd 2011

Market potential confirmed

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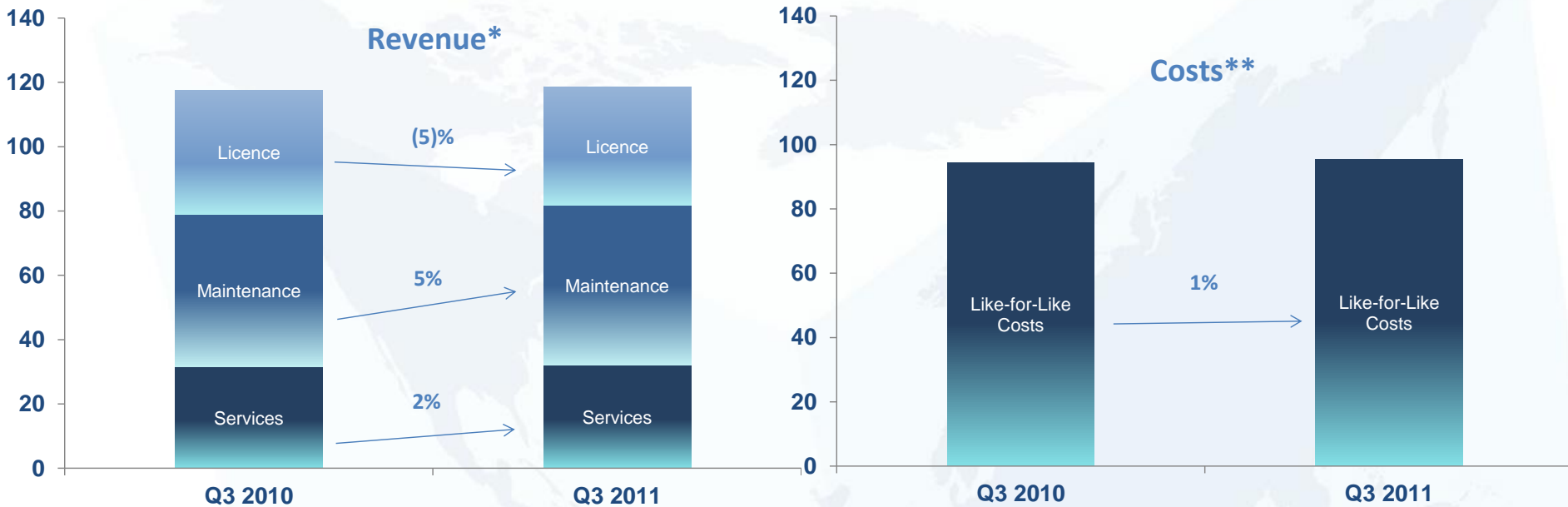
Income Statement Highlights

in USDm	Q3 11	Q3 10	Δ	LTM 11	LTM 10	Δ
Licences	37.7	37.7	0%	165.9	143.2	16%
Maintenance	49.6	37.1	34%	195.1	138.7	41%
Services	33.6	29.2	15%	135.3	134.9	0%
Total Revenue	120.9	104.0	16%	496.3	416.8	19%
Adj. operating costs	(97.1)	(74.8)	30%	(389.9)	(314.2)	24%
Adj. EBIT	23.8	29.2	(19)%	106.3	102.6	4%
Margin	20%	28%	(8 ppt)	21%	25%	(4 ppt)
Adj. EBITDA	31.5	35.7	(12)%	135.6	127.3	7%
Margin	26%	34%	(8 ppts)	27%	31%	(4 ppt)

Solid quarterly results, given environment

Like-for-Like Revenue and Cost Performance

Total revenue and costs +1%



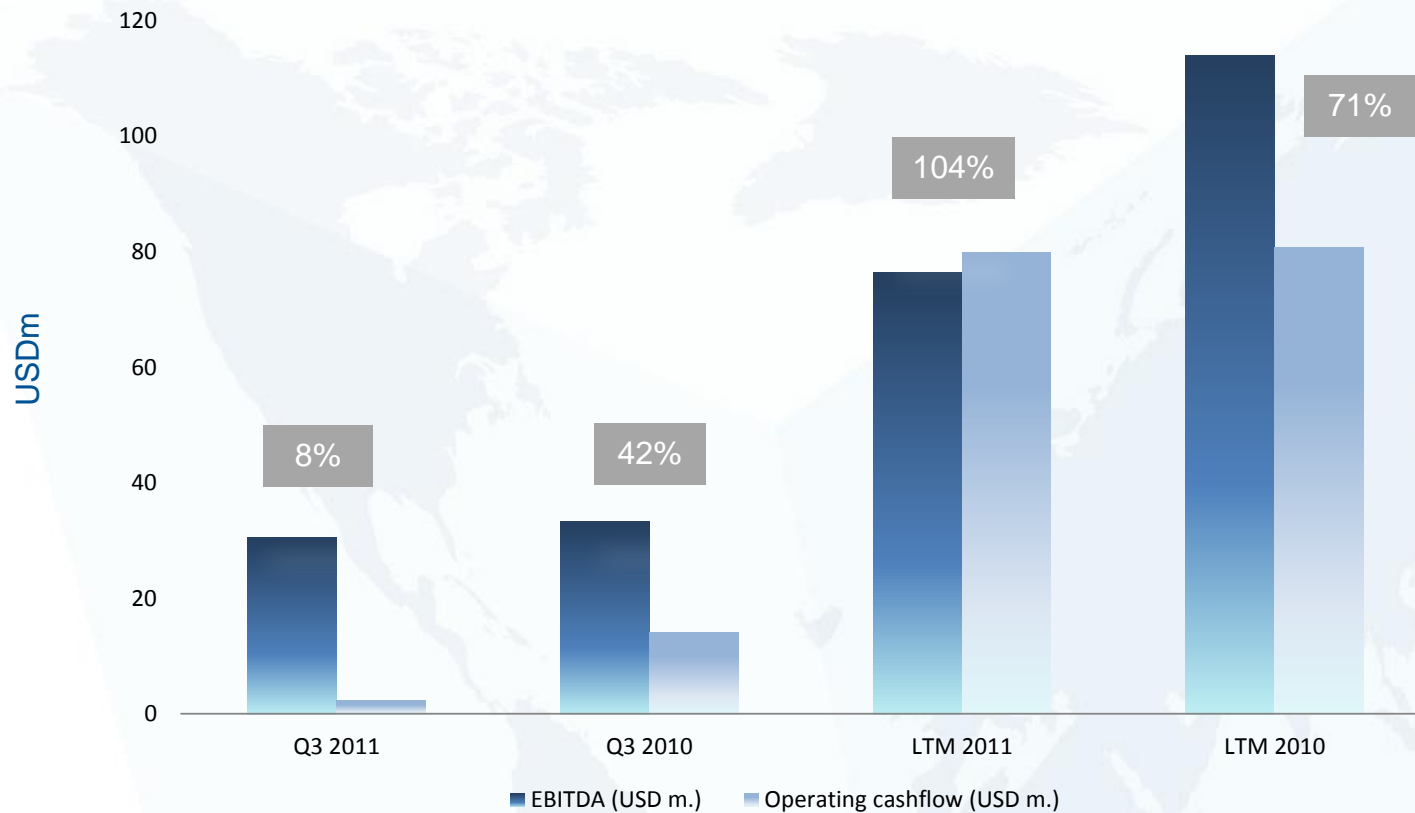
* Q3 2010 adjusted for FX and acquisitions

** Includes pro-forma Odyssey costs, and excludes FX, restructuring and amortization of acquired intangibles

Continue to demonstrate good cost control

Cash Flow Conversion

EBITDA conversion into operating cash flow – Q3 & LTM 2010/11



LTM cash conversion strong despite seasonally weak Q3

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Key Performance Indicators	Outlook	Implied Range
Total Revenue Growth	5%-14%	USDm 470-510
Adj. EBIT Margin	18-26%	
EBITDA Conversion to Cashflow	100%	
Tax Rate	10%-12%	
Efficiency Program Charge (Q4)	USD 15-25m	

Robust performance against headwinds

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Despite uncertainty, business is resilient

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Appendices

Adjusted EPS Reconciliation

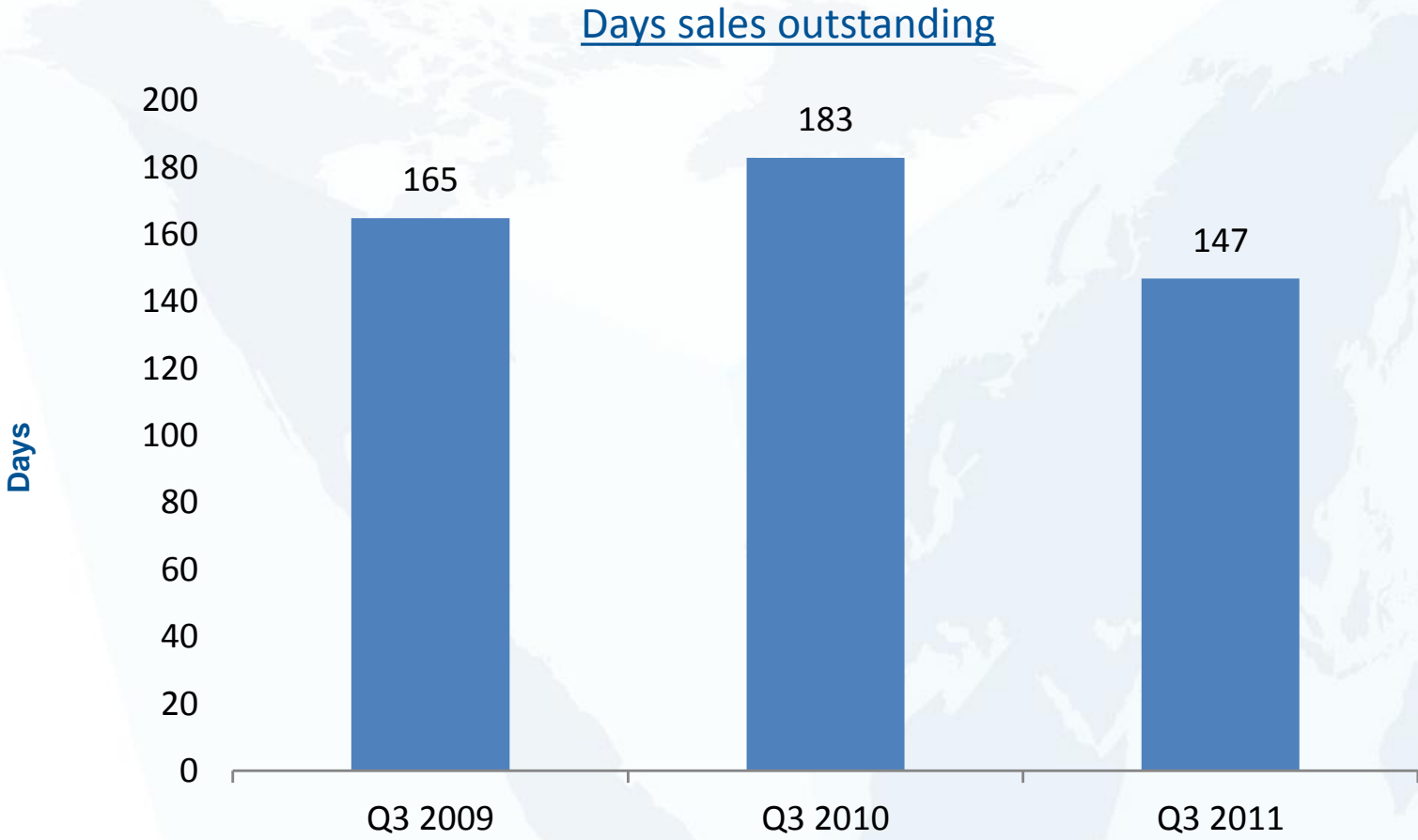
	Q3 2011 (USDm)	Q3 2010 (USDm)
Net Earnings	12.5	21.9
Amortization of acquired intangible assets	4.5	3.2
Bond interest	-	1.5
Restructuring	1.0	2.3
Earnings for adjusted EPS	18.0	28.9
Number of Dilutive Shares	69.9	72.3
Adjusted EPS	0.26	0.40

Non-Operating Items

in USDm	Q3 11	Q3 10	y-o-y Δ	LTM 11	LTM 10	y-o-y Δ
Adjusted EBIT	23.8	29.2	(18)%	106.3	102.5	4%
Net finance charge	(2.4)	(2.3)	4%	(12.2)	(8.9)	37%
FX loss	(1.3)	0.5	n/m	(2.2)	0.7	n/m
Tax	(2.3)	(0.2)	n/m	(3.2)	(0.5)	n/m
Bond Interest	-	1.5	n/m	1.6	5.9	(46%)
Adjusted Net Profit for EPS	17.8	28.7	(38)%	90.3	99.7	(9)%
Adjusted EPS*	0.26	0.40	(35)%	1.26	1.38	(9)%

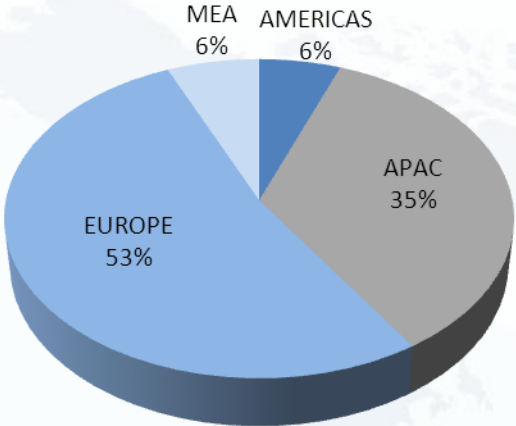
* USD per share see appendix for reconciliation

DSOs Trend

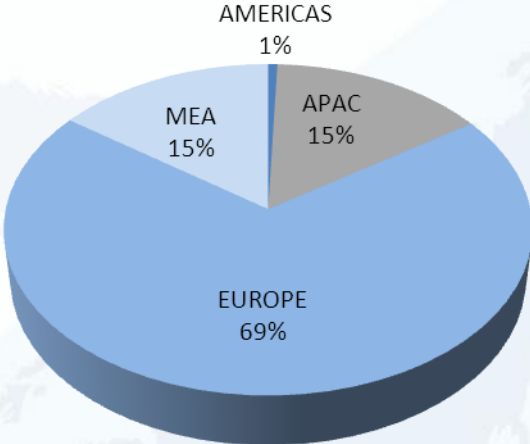


Geographical breakdown of licence revenue

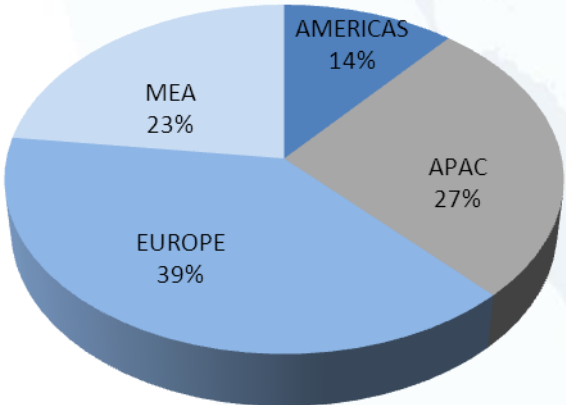
Q3 2011



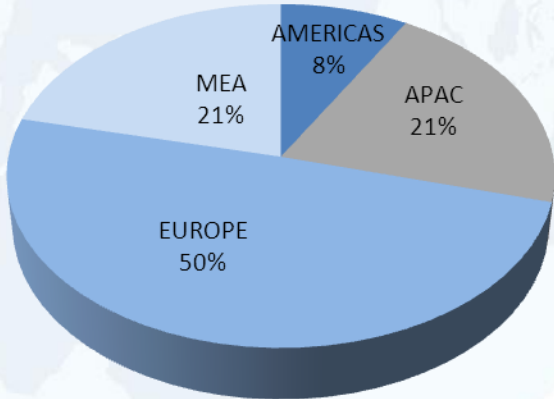
Q3 2010



LTM 2011

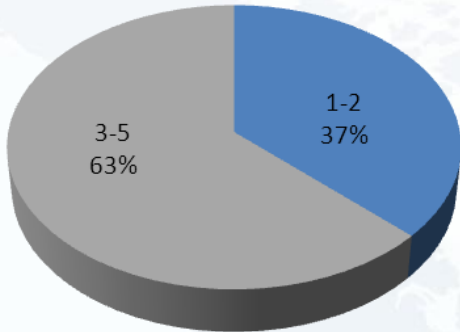


LTM 2010

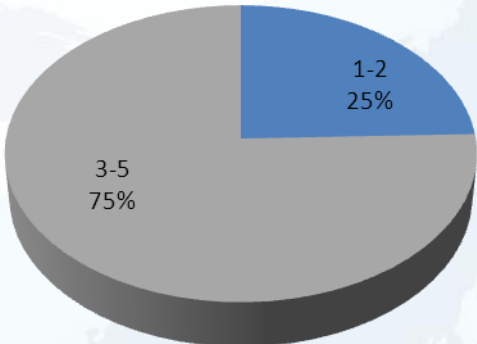


Breakdown of Licence Revenue by Customer Tier

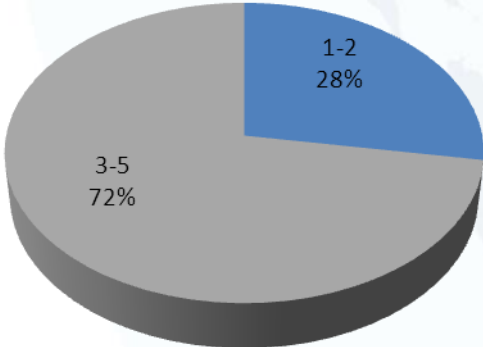
Q3 2011



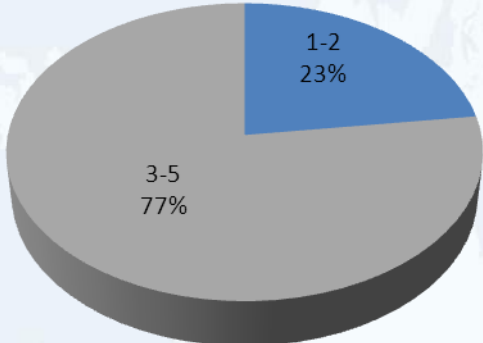
Q3 2010



LTM 2011



LTM 2010





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Thank You