Business Update & Financial Results
Quarter ended 30 September 2012
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 represent the company’s estimates as of 23 October 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 23 October 2012.
Agenda

1. **Strategy and Business update** | David Arnott | CEO
2. **Financial update** | Max Chuard | CFO
3. **Outlook** | David Arnott | CEO
4. **Q & A**
Market overview

1. Structural growth in EM helping to offset weakness in Europe
2. Demand for shorter timeframe projects with quicker payback
3. Strong demand for BI, PWM and Channels
4. Fundamentals remain intact

Well positioned to capitalise on market growth
Banking software market landscape

Well-positioned in key markets and segments

Source: Gartner, Ovum, Temenos estimates
## Business overview

1. Licence trend improved against strong comparative

2. Better execution resulting in better control of the quarter

3. 7 go lives in Q3 (31 YTD) incl. first bank live in the Cloud in Kenya

4. 9 new customer wins (11 in Q3 2011, 5 in Q2 2012)

5. Improved position within the ‘Leader’ Magic Quadrant by Gartner

6. Organisational changes made to improve alignment and execution

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**Solid execution drives improving Licence trend**
### Partner strategy

#### Technology Partner
- IBM
- Oracle
- HP

#### Complementary Solution Partner
- ACTIVIDENTITY
- FRSGlobal
- AutoFORM LaserNet
- Systar
- Validata

#### Services Partner
- Deloitte
- Capgemini
- Wipro
- Cognizant

- Plus 3 Regional and 14 Local

#### Powered by Temenos
- LUUP Mobile Payment Solutions
- Wipro
Financial overview

1. Licence revenue down 20% (at constant currency)
2. Maintenance resilient (up 6% at constant currency)
3. Services continues to reduce dependency on Licences
4. Good progress on cost savings with 80% already locked-in
5. Adjusted EBIT down 14% vs down 31% LTM
6. Operating cash inflow of USD 11.4m; LTM cash conversion of 164%

All KPIs improving – full year outlook reiterated
Acquisition of edge IPK

- Positions Temenos strongly in an exciting and fast-growing market
- Closed on 1 October 2012; earnings neutral in 2012
- 45 employees
- Leading product allows:
  - Common user experience across all channels
  - Model of build once, deploy multiple times
  - Web designers to work independently of architects
  - New functionality e.g. online customer acquisition

The leader in the UXP market
Agenda

1. Strategy and Business update | David Arnott | CEO
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3. Outlook | David Arnott | CEO
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## Income statement highlights

<table>
<thead>
<tr>
<th>in USDm</th>
<th>Q312</th>
<th>Q3 11</th>
<th>Δ</th>
<th>LTM 12</th>
<th>LTM 11</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licences</td>
<td>29.6</td>
<td>37.7</td>
<td>(21)%</td>
<td>118.3</td>
<td>165.9</td>
<td>(29)%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>50.2</td>
<td>49.6</td>
<td>1%</td>
<td>198.7</td>
<td>195.1</td>
<td>2%</td>
</tr>
<tr>
<td>Services</td>
<td>30.2</td>
<td>33.6</td>
<td>(10)%</td>
<td>126.0</td>
<td>135.3</td>
<td>(7)%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>110.0</td>
<td>120.9</td>
<td>(9)%</td>
<td>443.0</td>
<td>496.3</td>
<td>(11)%</td>
</tr>
<tr>
<td>Adj. operating costs</td>
<td>(89.4)</td>
<td>(97.0)</td>
<td>(8)%</td>
<td>(370.2)</td>
<td>(389.9)</td>
<td>(5)%</td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>20.6</td>
<td>23.8</td>
<td>(14)%</td>
<td>72.9</td>
<td>106.3</td>
<td>(31)%</td>
</tr>
<tr>
<td>Margin</td>
<td>18.7%</td>
<td>19.7%</td>
<td>(1.0)% pts</td>
<td>16.4%</td>
<td>21.4%</td>
<td>(5.0)% pts</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>29.2</td>
<td>31.5</td>
<td>(7)%</td>
<td>104.9</td>
<td>135.6</td>
<td>(23)%</td>
</tr>
<tr>
<td>Margin</td>
<td>26.6%</td>
<td>26.1%</td>
<td>0.5% pts</td>
<td>23.7%</td>
<td>27.3%</td>
<td>(3.7)% pts</td>
</tr>
</tbody>
</table>

Sales and margin trends improving
Like-for-like revenue and cost performance

Like-for-like revenue

- **USD 116m**
- Licence: (20)%
- Maintenance: 6%
- Services: (4)%

Q3 2011 vs Q3 2012

USDm

Like-for-like costs

- **USD 110m**
- Licence
- Maintenance: (3)%
- Services

Q3 2011 vs Q3 2012

USDm

* Revenue adjusted for FX
** Costs adjusted for FX, amortisation of acquired intangibles, restructuring, and adjusting costs

LFL revenue down 5%; costs coming down
## Update on cost efficiencies

<table>
<thead>
<tr>
<th>Cost Area</th>
<th>Source of Savings</th>
<th>Progress?</th>
</tr>
</thead>
</table>
| Sales & Marketing | • Simplified structure  
                         | • Refocus                                             | ✓         |
| G&A            | • Office consolidation  
                         | • Offshoring / nearshoring                            | ✓         |
| R&D            | • Efficiencies from acquisitions  
                         | • Offshoring / nearshoring                            | ✓         |
| Services       | • Changing skills mix  
                         | • Simplified structure                               | ✓         |

Significant progress made on cost savings
# 2013 cost base

## Actual costs (in USDm) - Q3 2012

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable costs</td>
<td>5</td>
</tr>
<tr>
<td>Fixed costs</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total adjusted costs</strong></td>
<td>89</td>
</tr>
</tbody>
</table>

## Annual savings (in USDm)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised in Q3 2012 (run-rate)</td>
<td>6</td>
</tr>
<tr>
<td>“Locked-in”</td>
<td>10</td>
</tr>
<tr>
<td>To come</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20</td>
</tr>
</tbody>
</table>

## Bridge to 2013 cost base

<table>
<thead>
<tr>
<th></th>
<th>USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Fixed</td>
<td>334</td>
</tr>
<tr>
<td>Savings</td>
<td>30</td>
</tr>
<tr>
<td>Variable</td>
<td></td>
</tr>
<tr>
<td>Edge</td>
<td>10</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td>360</td>
</tr>
</tbody>
</table>

80% of cost savings locked in - cost base target in 2013 reiterated
Cash conversion

LTM operating cashflow as a % of EBITDA

Strong Q3 cashflows – 100% cash conversion in 2012 reiterated
### Balance sheet – debt and financing

<table>
<thead>
<tr>
<th>in USDm</th>
<th>30 Sept 12</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit facilities</td>
<td>248.5</td>
<td>USD 350m facility, due in 2014</td>
</tr>
<tr>
<td>Others</td>
<td>0.4</td>
<td>Held in ST deposits</td>
</tr>
<tr>
<td>Total debt</td>
<td>248.9</td>
<td>Held at market value as of 30 Sept 12</td>
</tr>
<tr>
<td>Cash</td>
<td>(72.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>176.3</td>
<td></td>
</tr>
<tr>
<td>Treasury Shares</td>
<td>(44.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Net debt &amp; financing</strong></td>
<td><strong>131.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

Continue to expect to be under 1x leveraged at year end
Agenda

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Confidence for Q4

A strong pipeline…

• Thorough and deep review of Q4 pipeline conducted

• “Quality” of the pipeline improves reliability and visibility

• Half of pipeline is existing customer business

• Business Intelligence, PWM and Middle East & Asia remain key growth areas

…backed by improving execution

• Execution improved throughout Q3

• Greater focus and accountability

• Rising win rates

• Discounts down / average selling prices up

Pipeline supports full year outlook
Reiterating FY outlook

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Outlook</th>
<th>Implied range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>-5% to +1%</td>
<td>USD438-466m</td>
</tr>
<tr>
<td>Adjusted EBIT Margin*</td>
<td>19% to 22%</td>
<td>USD83-103m</td>
</tr>
<tr>
<td>Operating Cash to EBITDA</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Based on spot rates at the end of September 2012

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

NB. Not adjusted for edge IPK acquisition due to immateriality
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
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<tbody>
<tr>
<td>1</td>
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<td>David Arnott</td>
</tr>
<tr>
<td>4</td>
<td><strong>Q &amp; A</strong></td>
<td></td>
</tr>
</tbody>
</table>
Licence growth

Like-for-like, year-on-year Licence growth

Q4 is an easier comparative
## Non-operating items

<table>
<thead>
<tr>
<th>in USDm</th>
<th>Q312</th>
<th>Q3 11</th>
<th>△</th>
<th>LTM 12</th>
<th>LTM 11</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBIT</td>
<td>20.6</td>
<td>23.8</td>
<td>(14)%</td>
<td>72.9</td>
<td>106.3</td>
<td>(31)%</td>
</tr>
<tr>
<td>Net finance charge</td>
<td>(2.1)</td>
<td>(2.4)</td>
<td>(11)%</td>
<td>(8.3)</td>
<td>(12.2)</td>
<td>(32)%</td>
</tr>
<tr>
<td>FX loss</td>
<td>(0.2)</td>
<td>(1.3)</td>
<td>(84)%</td>
<td>(6.3)</td>
<td>(2.2)</td>
<td>NM</td>
</tr>
<tr>
<td>Tax</td>
<td>(3.1)</td>
<td>(2.3)</td>
<td>37%</td>
<td>(18.2)</td>
<td>(3.2)</td>
<td>NM</td>
</tr>
<tr>
<td>Adj. net profit</td>
<td>15.2</td>
<td>17.9</td>
<td>(15)%</td>
<td>40.1</td>
<td>88.7</td>
<td>(55)%</td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>0.22</td>
<td>0.26</td>
<td>(15)%</td>
<td>0.57</td>
<td>1.26</td>
<td>(55)%</td>
</tr>
</tbody>
</table>
# Adjusted EPS Reconciliation

<table>
<thead>
<tr>
<th>USDm, except EPS (USD)</th>
<th>Q3 12</th>
<th>Q3 11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Earnings</strong></td>
<td>6.7</td>
<td>12.5</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>3.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Adjusting costs *</td>
<td>5.4</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Earnings for adjusted EPS</strong></td>
<td>15.2</td>
<td>18.0</td>
</tr>
<tr>
<td>Number of Dilutive Shares</td>
<td>69.5</td>
<td>69.9</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>0.22</td>
<td>0.26</td>
</tr>
</tbody>
</table>

* Restructuring and one-off non-recurring charges
# FX assumptions

## FX rates underlying outlook

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/EUR</td>
<td>0.778</td>
</tr>
<tr>
<td>USD/GBP</td>
<td>0.619</td>
</tr>
<tr>
<td>USD/CHF</td>
<td>0.940</td>
</tr>
</tbody>
</table>
DSOs Trend

DSOs in Q3

Reduction in DSOs continues

* Includes deferred revenues
Breakdown of Licence revenue by geography

**Q3 2012**
- AMERICAS: 10%
- APAC: 32%
- EUROPE: 32%
- MEA: 26%

**Q3 2011**
- AMERICAS: 6%
- APAC: 35%
- EUROPE: 53%
- MEA: 6%

**LTM 2012**
- AMERICAS: 12%
- APAC: 30%
- EUROPE: 33%
- MEA: 25%

**LTM 2011**
- AMERICAS: 11%
- APAC: 27%
- EUROPE: 39%
- MEA: 23%
Breakdown of Licence revenue by customer tier

Q3 2012

1-2: 20%
3-5: 80%

Q3 2011

1-2: 37%
3-5: 63%

LTM 2012

1-2: 20%
3-5: 80%

LTM 2011

1-2: 28%
3-5: 72%
Breakdown of Licence revenue by existing / new customer

**Q3 2012**
- Existing: 54%
- New: 46%

**LTM 2012**
- Existing: 59%
- New: 41%

**Q3 2011**
- Existing: 62%
- New: 38%

**LTM 2011**
- Existing: 37%
- New: 63%