TEMENOS REPORTS OUTSTANDING RESULTS:

- EXCELLENT START TO THE YEAR WITH STRONG SALES PERFORMANCE AND CONTINUING BUSINESS MOMENTUM. REVENUE GREW BY 64% IN THE QUARTER AND NET PROFIT BY MORE THAN 8 TIMES

- LICENCE REVENUES FOR THE QUARTER EXCEEDED OUR TARGET AND GREW AT 110% COMPARED TO Q1 2006

- REVENUE, EBIT, EBITDA AND EPS OUTLOOK FURTHER INCREASED FOR 2007

For immediate release:

Geneva, Switzerland, Wednesday 25TH April 2007, TEMENOS Group AG (SWX: TEMN), a provider of integrated core banking software, today announced its first quarter 2007 results.

Highlights – First Quarter 2007

- **Excellent start to the year with strong sales performance and business momentum. Revenues grew by 64% in the quarter and net profit by more than 8 times.**

- **Licence revenues for the quarter exceeded our target and grew at 110% (organic: 104%) compared to Q1 06. Acceleration of maintenance revenues growth for the quarter at 26% (organic: 22%) compared to Q1 06. Service margin was breakeven for the quarter compared to -16% for Q1 2006.**

- **Business model on target – 12 month comparisons favourable and point to excellent top line and licence revenue growth, cost leverage and cash flow generation. In the 12 months to 31 March 07:**
    - **Revenues up 41%**
    - **Licence Revenues up 67%**
    - **Service Revenues up 26%**
    - **Operating costs up 36%**
    - **EBITDA up 47%**
    - **EBIT up 67%**
    - **Diluted EPS up 97%**
    - **Cash Flow from Operations up 99% at US$30.6m compared to US$15.4m in the 12 months to 31 March 2006**

- **2007 Outlook**
  Based on our Q1 sales performance and the acquisition of Actis.BSP we are increasing our 2007 outlook for revenues and profitability

Andreas Andreades, Chief Executive, commented:

"It is a pleasure to report on such an outstanding performance and to increase our outlook for the second time for 2007. The business has performed exceptionally well across the board. We have been able to deliver above plan revenue and licence growth and continue to deliver significant profit improvement. With a complete management team now well established, our sales and services execution are moving into a higher gear. Our products are exceptionally well placed to deliver client value and our competitive position is continuously improving against all market players. Finally we have put in place the cornerstone of our United States and TCB strategies with the conclusion of an exclusive joint development and distribution partnership agreement with Metavante Corp, a leading US software and services provider. The management team is focused on delivering on our 2007 and three year plan commitments".

Sales Performance

T24 Licence revenues grew strongly in Q1 2007, up 53% compared to Q1 2006, and up 81% in the 12 months to March 2007 compared to the same period the previous year. TCB licence revenues grew by 480% in the quarter compared to Q1 2006, and by 12% for the 12 months to 31 March 2007 compared to the same period the previous year.

We won 9 new name clients during the quarter (6 in Q1 06) bringing the total for the 12 months to 31 March 2007 to 44 (35 in 06), up 26%. This is the result of better territory coverage, consistent execution and higher win rates against competition.

In February 2007 we signed an exclusive joint development and distribution agreement with Metavante, a leading US software and services provider. This relationship will form the core of our TCB growth for the next 3-5 years. The partnership will focus on Tier 1 US banks as well as international outsourcing opportunities and will generate minimum contractual revenues for Temenos of US$ 102 million in the period to 2012.

Growth in Licence revenue for last twelve months came across the board as a result of both improved territory coverage and increased Tier 1 and Tier 2 penetration. Asia Licence revenue grew by 59%, Americas by 75% and EMEA by 68%. Total revenues in the twelve months to 31 March 2007 grew by 63% in Asia, 58% in the Americas and 30% in EMEA. In the twelve months to 31 March 2007, EMEA represents 61% of revenues (2006: 65%), Americas 18% (2006: 16%) and Asia 21% (2006: 19%).

The share of Licence revenue from Tier 1 and Tier 2 institutions grew to 45% in the twelve months to 31 March 2007 compared to 39% a year earlier as we successfully have sold and implemented our products in larger banks for the past 3 years. The share of our retail and universal banking Licence revenue was 68% for the twelve months to 31 March 2007. We have achieved a balanced segmental mix with private and wholesale settling at approximately 35% and retail and universal representing approximately 65%, which leaves us very well positioned to grow across a diversified portfolio.

During the quarter price dynamics were good across all regions and business lines, including licensing and services, on robust spending on Corebanking replacement.

Update on growth initiatives

Misys replacement Programme

Following the success of our Misys Equation user replacement programme launched in February 2006, we announced in March 2007 a tailored upgrade for Midas users with Temenos T24 Model Bank. This initiative is specifically designed to provide users of Midas and Midas Plus with a low risk, cost-efficient and fast-track upgrade path. Since the launch of our replacement programmes for Equation and Midas, six Misys customers have selected T24 of which five are live. Our pipeline shows ongoing strong demand.

Implementation timeframes are now down to between six to nine months, enabling faster time to market and improving ROI. We expect acceleration in the number of banks converting from Misys products as we mature our campaigns.

ARC

ARC, our new front end offering, has already been sold to three clients and sales are expected to accelerate following the General Availability release in Q2 2007. ARC offers a unique value proposition offering a front to back fully integrated offering which reduces the need for an expensive, highly complex and difficult to support integration layer.

T-Risk

T-Risk, our risk management and Basel II offering acquired in Q1 2006, is now fully integrated into our product suite, and has been selected by seven banks. Our pipeline shows strong demand which we expect to further increase as more of our clients go live.

Operational Review

Total revenues for Q1 2007 grew by 64% compared to Q1 2006. Excluding acquisitions revenues increased 59%. On a 12 month basis, total revenues reached US$ 239.6 million, a growth of 41% over the same period last year. The main drivers for growth are the following:

Licence revenue growth continues significantly above trend in the quarter at 110% across both products as a result of better territory coverage, consistent execution on project milestones and higher win rates against competition. T24 licence revenues grew by 53% in the quarter and TCB by 480%. This strong performance brings 12 month licence revenues to US$ 110.2 million compared to US$ 65.9 million in the same period last year, an increase of 67%.

Maintenance revenues grew to US$ 16.2 million in Q1 2007, up 26% on the comparable period last year, or 22% when adjusted for the impact of acquisitions. The rate of maintenance revenue growth has accelerated from 21% on a 12 month basis to 26% in the quarter. Maintenance revenues benefit from our strong signings momentum. Deferred revenues have increased by 58% between March 31 2006 and March 31 2007, indicating that the rate of increase in our maintenance revenues will continue to accelerate for the rest of 2007.

Service revenues increased by 60% in Q1 2007 compared to the same period last year. Our services business was breakeven in Q1 2007 compared to -16% in Q1 2006 as a result of our strong licensing business growth plus the success of our Model Bank and Temenos Application management ("TAM") service initiatives which are shortening implementation timeframes and increasing margins. On a 12 month basis our services margin was +1% (2006: -11%).

Our service strategy to achieve both faster revenue growth and margin improvement is gaining traction. All projects for deals signed since Q4 2006 use our Model Bank offering. Our TAM business is proving successful and has been taken by a significant number of our new and existing clients. As previously communicated we expect services revenues to grow by 20-25% over the medium term and for net margins to reach 10-15% for 2008.

Total operating costs in Q1 2007 increased by 51% to US$ 55.1 million, compared to US$ 36.4 million for Q1 2006. We have undertaken the majority of our 2007 investment at the start of the year to allow us to benefit from the additional resources during 2007. Q1 2007 contains higher non trend costs than the comparative period. Non trend costs consist of costs which are correlated to profit or revenue or are otherwise unevenly distributed throughout the year. Underlying costs excluding costs of ACTIS.BSP increased by 32%, supporting our full year outlook.

On a 12 month basis total operating costs increased by 36% compared to 2006, reflecting our investment in sales, services and R&D. We continue to invest in sales to broaden coverage and take advantage of a growing market and services in line with our services growth strategy. We also invest in R&D to bring new product to market and leverage our unique product architecture and client base in order to continue to deliver exceptional growth. In the last 12 months we have invested in product initiatives including Temenos ARC, our front office suite and risk management product, as well as to support TCB initiatives in the United States and internationally.

EBIT for Q1 2007 was US$ 5.2 million compared to US$ 0.5 million for the same period last year, an increase of 969%. Adjusting for the foreign exchange impact, the increase in profitability is US$ 1.1 million higher. On a 12 month basis EBIT was US$ 38.0 million compared to US$ 22.8 million for the same period last year, up 67%. We continue to grow EBIT at a faster rate than revenue growth as we leverage our product, sales organisation and distribution.

Net Profit for the quarter was US$ 4.2 million, compared to US$ 0.5 million for the same period last year, resulting in diluted EPS of US$ 0.07 per share on a fully diluted basis compared to US$ 0.01 per share for the comparative period. Dilution of earnings below the operating profit level relates to US$ 1 million of net financing costs and foreign exchange movements, representing a partial reversal of the exchange gains realised in 2006. Our effective tax rate for Q1 2007 was 0%, in line with our outlook for the year.

On a 12 month basis net profit has more than doubled to US$ 38.1 million compared to US$ 18.4 million for 2006, up 107%. This resulted in diluted EPS of US$ 0.63 per share on a fully diluted basis compared to US$ 0.32 per share for the comparative period, up 97%. The 5% difference between the net earnings increase and the EPS increase represents 3% Minority Interest which is reflected in Net Earnings but absorbed within EPS and 2% dilution impact of employee stock options.

Cash flow from Operations was US$ 5.8 million in Q1 2007 compared to US$ 2.7 million for the same period last year. On a 12 month basis cash flow from operations was US$ 30.6 million compared to US$ 15.4 million for the comparable period, up 99%. T24 generated US$ 36.0 million of cash flow from operations in the last 12 months, converting 69% of EBITDA into cash and in line with our expectations, while US$ 5.4 million was invested in our TCB business, down from US$ 16.7m invested in the 12 months to 31 December 2006. We are bringing TCB to a marginally cash flow positive position in 2007 through completing our existing projects and our US partnership. These initiatives are expected to deliver approximately 75% conversion of EBITDA to cash flow from operations for 2007. With capitalised development and depreciation and amortisation equal for 2007 at approximately US$ 16 million each, cash flow generation will continue to significantly exceed EBITDA growth. DSOs have begun to decrease, and we reiterate our medium term guidance for DSOs of around 100 days based upon shortened implementations around our use of Model Bank, as well returning TCB to positive cash flows following a period of investment.

Acquisitions

In March 2007 we acquired ACTIS.BSP for US$ 19 million in cash. The acquisition will provide Temenos with an effective route to market in Germany and an additional client base of over 30 financial institutions, along with expertise of ACTIS.BSP's 144 staff. The transaction is expected to generate an IRR in excess of 20% and will generate US$ 2 cents per share of Adjusted EPS (EPS adjusted for the impact of amortisation of acquired assets) and adjusted EPS of US$ 5 cents in 2008. This transaction will contribute approx. US$ 15 million of revenues to Temenos in 2007.

The majority of Banks are expected to replace their Corebanking systems in the next 5 years. Vendor growth over the next 3-5 years will determine long term leadership in our market. TEMENOS intends to take advantage of the opportunity to complement an accelerating organic growth model with acquisitions in order to achieve this leadership.

Our strategy in this respect is to focus on transactions which strengthen our core business rather than any diversification transactions. These would relate to the acquisition of product such as the Basle II /risk solution transaction, or the acquisition of a client base such as our recent acquisition of ACTIS.BSP, or the strengthening of our delivery capability and distribution.

Management is committed to following a disciplined approach on potential transactions to ensure that we enter into accretive transactions that enhance shareholder value.

Business Outlook

We see increased and robust growth in core spending for retail, universal and private banks on a global basis. Core system replacement represents today either the top or the number two priority for CIOs of large institutions driven by the inadequacy of current systems to provide a platform for growth. The ability to retain customers, introduce new innovative products and cross sell effectively is core to banks' strategy today. This is not a cyclical event but a compelling case for restructuring. The evidence from market research organisations about trends in the market place is overwhelming and is consistent with what we see today. Acceleration in efforts made by Tier 1 western European banks to evaluate core system replacement requirements is demonstrated by our recent success.

Our value proposition centres on the ability of banks to manage their client relationships effectively, launch new products effortlessly, quickly provide a modern technology platform on which this is done and manage their IT infrastructure effectively. This is 100% aligned with market needs.

2007 Outlook

Strong sales performance and business momentum, plus the acquisition of ACTIS.BSP allow us to increase our revenue and profitability outlook for 2007 for the second time:

- Our revised outlook is for revenues of US$ 290 million, up from a previous outlook of US$ 270 million. Of this additional US$ 20 million, US$ 5 million comes from improved market visibility and US$ 15 million comes from our acquisition of ACTIS.BSP. Excluding acquisitions, this new outlook represents an increase of 25% over 2006.
- Our improved revenue outlook coupled with our operating leverage allow us to raise our outlook for EBIT from US$ 54 million to US$ 55 million, an increase of 65% over 2006. We have been able to maintain our 20% operating profit margin outlook before the impact of acquisitions.
- We have increased our outlook for EPS to US$ 0.83 cents per share from US$ 0.81 cents per share. This represents an increase of 46% over 2006. Following our very strong earnings growth over the past year, our CHF 132.5 million outstanding Convertible Bond is treated as equity in our EPS calculation, and we are reflecting the 7.3m underlying shares in our number of dilutive shares, and are therefore treating our convertible bond as equity rather than debt. This reduces reported earnings per share by US$2 cents in 2007, which was already reflected in our outlook. This represents a 2% EPS dilution for 2007. For the three years 2007-2009 dilution will be an average of 4% per year.
- Following the acquisition of ACTIS.BSP we have also introduced a new metric, Adjusted EPS, which adjusts reported EPS for the amortisation of acquired assets. For 2007 our outlook for adjusted EPS is US$ 0.86 cents per share. This represents an increase of 51% over 2006.

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About TEMENOS

Founded in 1993, TEMENOS Group AG is a provider of integrated modular core banking systems to over 580 financial institutions worldwide. TEMENOS software provides banks with a single, real-time view of the client across the enterprise, enabling banks to maximize returns while streamlining costs. Whether providing 24/7 functionality to the wholesale, retail and private banking sectors, partnering with central banks on core system replacement, or working with the World Bank on solutions for the emerging markets, TEMENOS knows banking. The company has a transparent approach to its operations and brings to bear its experience, expertise, commitment and professionalism on every project.
Headquartered in Geneva, Switzerland, the company has 42 offices in 31 countries and is listed in Zurich on the SWX Swiss Exchange (TEMN). www.temenos.com

Any statements in this press release about future expectations, plans and prospects for the company and statements containing the words "believes", anticipates", "plans", "expects", "will" and similar expressions, 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 press release represents the company's estimates as today's date. 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. These forward-looking statements should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to today's date.

TEMENOS GROUP AG

consolidated income statement

All amounts are expressed in thousands of US dollars except earnings per share

	Three months to 31 March 2007	Three months to 31 March 2006	**Twelve months to 31 March 2007**	Twelve months to 31 March 2006
Revenues				
Software licensing	**23'380**	*11'108*	**110'169**	*65'916*
Maintenance	**16'226**	*12'856*	**58'331**	*48'323*
Services	**20'644**	*12'881*	**71'172**	*56'329*
Total revenues	**60'250**	*36'845*	**239'672**	*170'568*
Operating costs				
Services	**20'672**	*14'978*	**70'625**	*62'406*
Software development and maintenance	**10'682**	*7'495*	**36'954**	*24'863*
Sales and marketing	**14'563**	*7'788*	**55'062**	*33'723*
General and administrative	**9'171**	*6'101*	**39'037**	*26'823*
Total operating costs	**55'088**	*36'362*	**201'678**	*147'815*
Operating profit	**5'162**	*483*	**37'994**	*22'753*
Other income (expenses)				
Interest income (expense) - net	**(298)**	*(72)*	**(227)**	*(531)*
Financial instrument related expenses	**(93)**	*(74)*	**(324)**	*(320)*
Fair value gain (loss) from financial instruments, net	**(374)**	*(306)*	**5'286**	*(1'042)*
Foreign exchange (losses) gains - net	**(168)**	*507*	**(421)**	*(32)*
Total other income (expenses)	**(933)**	*55*	**4'314**	*(1'925)*
Profit before taxation	**4'229**	*538*	**42'308**	*20'828*
Taxation	**-**	*(70)*	**(4'166)**	*(2'407)*
Profit for the period	**4'229**	*468*	**38'142**	*18'421*
Attributable to:				
Equity holders of the Company	**4'327**	*542*	**38'230**	*18'790*
Minority interest	**(98)**	*(74)*	**(88)**	*(369)*
	4'229	*468*	**38'142**	*18'421*
Earnings per share (in US$):				
basic	**0.08**	*0.01*	**0.67**	*0.34*
diluted	**0.07**	*0.01*	**0.63**	*0.32*

TEMENOS GROUP AG

consolidated balance sheets

All amounts are expressed in thousands of US dollars

	31 March 2007	31 December 2006	31 March 2006
Assets			
Current assets			
Cash and cash equivalents	**76'834**	*111'368*	*116'618*
Trade and other receivables	**142'924**	*138'740*	*105'736*
Prepayments and other assets	**12'260**	*12'606*	*4'463*
Total current assets	**232'018**	*262'714*	*226'817*
Non-current assets			
Property, plant and equipment	**10'944**	*10'873*	*10'575*
Intangible assets	**83'094**	*53'722*	*43'525*
Trade and other receivables	**22'140**	*19'323*	*2'347*
Deferred tax assets	**15'671**	*5'534*	*2'515*
Total non-current assets	**131'849**	*89'452*	*58'962*
Total assets	**363'867**	*352'166*	*285'779*
Liabilities and equity			
Current liabilities			
Trade and other payables	**61'729**	*55'503*	*37'093*
Deferred revenues	**48'432**	*44'973*	*30'609*
Income taxes payable	**17'310**	*5'727*	*2'946*
Borrowings	**40**	*1'220*	*-*
Total current liabilities	**127'511**	*107'423*	*70'648*
Non-current liabilities			
Borrowings	**104'676**	*103'674*	*97'338*
Deferred tax liabilities	**1'258**	*1'258*	*-*
Other long-term payables	**3'755**	*3'668*	*3'540*
Total liabilities	**237'200**	*216'023*	*171'526*
Shareholders' equity			
Share capital	**170'867**	*168'828*	*165'933*
Treasury shares	**-**	*(2'974)*	*(196)*
Share premium	**(86'188)**	*(66'521)*	*(58'501)*
Fair value and other reserves	**(3'764)**	*(4'719)*	*(598)*
Retained earnings	**45'525**	*41'198*	*7'295*
Total shareholders' equity	**126'440**	*135'812*	*113'933*
Minority interest	**227**	*331*	*320*
	126'667	*136'143*	*114'253*
Total liabilities and equity	**363'867**	*352'166*	*285'779*

TEMENOS GROUP AG

consolidated cash flow statement

All amounts are expressed in thousands of US dollars

	Three months to 31 March 2007	Three months to 31 March 2006	**Twelve months to 31 March 2007**	Twelve months to 31 March 2006
Cash flows from operating activities				
Profit before taxation	**4'229**	*538*	**42'308**	*20'828*
Adjustments:				
Depreciation and amortisation	**3'195**	*2'500*	**10'462**	*10'163*
Profit on disposal of available-for-sale investment	**-**	*-*	**-**	*-*
Losses (gains) on disposal of assets	**69**	*(81)*	**411**	*(37)*
Interest (income) expense - net	**298**	*72*	**227**	*531*
Fair value (gains) losses from financial instruments	**374**	*(305)*	**(4'675)**	*431*
Financial instrument related expenses	**93**	*74*	**324**	*320*
Changes in working capital:				
Trade and other receivables and prepayments	**(4'872)**	*4'031*	**(60'519)**	*(23'274)*
Trade and other payables	**4'678**	*(1'267)*	**30'211**	*4'967*
Deferred revenues	**(2'301)**	*(2'899)*	**11'866**	*1'441*
Cash generated from operations	**5'763**	*2'663*	**30'615**	*15'370*
Income taxes paid	**(389)**	*(88)*	**(1'572)**	*(1'436)*
Net cash generated from operating activities	**5'374**	*2'575*	**29'043**	*13'934*
Cash flows from investing activities				
Purchase of property, plant and equipment	**(464)**	*(1'405)*	**(2'914)**	*(3'924)*
Disposal of property, plant and equipment	**4**	*-*	**266**	*156*
Purchase of intangible assets	**(768)**	*(307)*	**(2'589)**	*(1'192)*
Capitalised development costs	**(3'324)**	*(3'177)*	**(15'741)**	*(12'392)*
Acquisitions	**(19'358)**	*(226)*	**(22'951)**	*(4'496)*
Disposal of available-for-sale investment	**-**	*300*	**-**	*1'800*
Cash effect from financial instruments	**921**	*-*	**1'666**	*-*
Interest received	**941**	*62*	**5'010**	*222*
Net cash used in investing activities	**(22'048)**	(4'753)	**(37'253)**	(19'826)
Cash flows from financing activities				
Proceeds from issuance of shares, net of related expenses	**209**	*3'422*	**959**	*4'580*
Proceeds from issuance of convertible bond, net of related expenses	**-**	*100'015*	**(926)**	*100'015*
Acquisition of treasury shares	**(16'430)**	*-*	**(30'022)**	*(88)*
Interest payments	**(1'693)**	*(43)*	**(1'961)**	*(440)*
Payment of financial instrument related expenses	**(19)**	*(129)*	**(36)**	*(359)*
Payment of finance lease liabilities	**(62)**	*(110)*	**(327)**	*(247)*
Net cash (used in) generated from financing activities	**(17'995)**	*103'155*	**(32'313)**	*103'461*
Effect of exchange rate changes	**135**	*57*	**739**	*(215)*
Increase (decrease) in cash and cash equivalents in the period	**(34'534)**	*101'034*	**(39'784)**	*97'354*
Cash and cash equivalents at the beginning of the period	**111'368**	*15'584*	**116'618**	*19'264*
Cash and cash equivalents at the end of the period	**76'834**	*116'618*	**76'834**	*116'618*