

**Temenos reports Q4 and full year results - figures well ahead of
management outlook and consensus estimates and company raises
outlook -**

Geneva, Switzerland, February 27, 2008 – Temenos Group AG (SWX: TEMN), a market leading provider of mission-critical core banking software systems, today announced its financial results for the fourth quarter and full year 2007.

Financial Highlights

USDm	2007	2006	% Δ	Consensus	% diff
Licence revenue	148.8	97.9	52%	138.8	7%
Total revenue	329.9	216.3	53%	313	5%
EBIT	62.5	33.3	88%	59.4	5%
Adjusted EPS	1.03	0.58	78%	0.93	11%

Q4 Operating Highlights

- 19 new core banking clients signed in the quarter (49 for the full year), including:
 - Two T24 deals in Germany (our plan assumed no deals in 2007), demonstrating Temenos' much improved presence and execution following the acquisition of Actis.BSP earlier in the year.
 - Endorsement of Temenos' Islamic banking offering through the deal with Bank Islam in Malaysia and a large Islamic Bank in Saudi Arabia.
 - Mauritius Commercial Bank, the leading bank in Mauritius and a high-profile win against Infosys.
 - Banco Popular de Costa Rica, a top three retail bank in Costa Rica - a new market for Temenos - and a win against Fiserv.
- An acceleration in the take-up of ARC, Temenos' front-office CRM solution, with 10 new clients added in the quarter bringing the total to 28.
- Going live in 8 months at Volkswagen Bank in China, demonstrating T24's richness of functionality and adaptability to new market segments
- Winning *Banking Technology's* "Best Core Banking Product" award 2007

Commenting on the results, CEO Andreas Andreades said, "I am pleased to be able to report another set of outstanding results. Both our businesses, T24 and TCB, have had their best year ever and we have exceeded the markets expectations for revenues, earnings and cash. Although we are alive to the changes in a challenging macroeconomic environment, these results demonstrate that, to date, we have not experienced any slowdown as a result of the credit crunch affecting financial institutions. Indeed, based on our robust pipeline of future deals (which stretches out for more than 12 months), we are happy to be raising guidance again – the ninth consecutive quarter we have done so. We are confident that the factors driving core banking system replacement (competitive pressures for growth and customer service, cost-cutting, regulation) are too compelling to ignore and believe that Temenos is very well placed to continue to capitalise on the opportunities in this growing market."

Revenue

Revenue for the fourth quarter was USD125.3m, up from USD78.8m in the same period last year, representing growth of 59%. For the full year, revenue reached USD329.9m, 53% above the 2006 figure, with all revenue lines experiencing strong growth. Q4 and full year revenues were 16% and 5% above consensus estimates, respectively.

Operating profit

Operating profit for the quarter was USD43.7m, compared with USD26.9m in the same period last year, an increase of 62%. Operating profit for the year was USD62.5, compared to USD33.3m in 2006, representing a rise of 88%. Operating profit was 5% and 8% above consensus for the year and the quarter, respectively. Margin for the year at 19% was 350 basis points above the prior year, reflecting a favourable change in the sales mix, good cost control and continued improvement in services margins, which reached 7.4% (versus -2.4% in 2006).

Net income and Earnings Per Share (EPS)

Net income was USD44.3m in the quarter (73% higher than in 2006) and USD64.7m for the full year (88% higher than in 2006). Adjusted EPS, which excludes amortisation of acquisition-related intangibles, was USD0.66 in the quarter, a 61% increase over 2006 (USD0.41), and USD1.03 in the full year – a 78% increase over 2006 (USD0.58). Adjusted EPS was 11% ahead of consensus estimates for the year and 17% of consensus estimates for the quarter, reflecting the operating profit outperformance, but also a larger than expected foreign exchange gain.

Cash

Temenos also enjoyed strong cash conversion across both our businesses, T24 and TCB. Cashflow from operations was USD64.8m for the year, 18% ahead of management guidance of USD55m, representing an EBITDA conversion of 83% and an increase of 136% over the prior year.

Outlook

The company's outlook for 2008 assumes a zero tax rate, a USD/EUR rate of USD0.68, a USD/CHF rate of USD1.09 and a USD/GBP rate of USD0.50.

The 2008 outlook is for licences sales of USD173m, 16% up on 2007 levels; total revenue of USD400m, 21% above 2007; EBIT of USD85, 36% above 2007 levels and a margin of 21.3%; and adjusted EPS of USD1.33, 30% above the 2007 figure.

At 13.30 GMT/ 14.30 CET/ 9.30 EDT, today, February 27, Andreas Andreades, CEO, David Arnott, CFO, and Max Chuard, Head of M&A and IR, will host a conference call to present results and offer an update on business outlook. Listeners can access the conference call using the following dial in numbers:

+41 (0) 91 610 56 00 (Europe)
+1 (1) 866 291 4166 (USA)
+44 (0) 207 107 0611 (UK)

A playback will also be available for up to 48 hours after the call, using the following numbers:

+41 91 612 4330 (Europe)
+1 (1) 866 4162558 (USA)
+44 207 108 6233 (UK)

Pin: ID 14405 #

Presentation slides for the call can be accessed using the following link

<http://www.temenos.com/Investor-Relations/New-Presentations/>

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About Temenos

Founded in 1993 and listed on the Swiss Stock Exchange (SWX: TEMN), Temenos Group AG is a global provider of banking software systems in the Retail, Corporate & Correspondent, Universal, Private, Islamic and Microfinance & Community banking markets. Headquartered in Geneva with 44 offices worldwide, Temenos serves over 600 customers in more than 120 countries.

Temenos' software products provide advanced technology and rich functionality, incorporating best practice processes that leverage Temenos' experience in over 600 implementations around the globe.

Temenos' advanced and automated implementation approach, provided by its strong Client Services organisation, ensures efficient and low-risk core banking platform migrations. Temenos annually invests around 20% in R&D, significantly more than its peers, into a single fully packaged upgradeable software release, which ensures all Temenos customers benefit from modern technology and support indefinitely.

For more information please visit 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

All amounts are expressed in thousands of US dollars

except earnings per share

consolidated income statement

	Three months to 31 December 2007	Three months to 31 December 2006	Twelve months to 31 December 2007	Twelve months to 31 December 2006
Revenues				
Software licensing	68,305	44,250	148,777	97,897
Maintenance	21,738	14,926	76,337	54,961
Services	35,266	19,643	104,746	63,409
<i>Total revenues</i>	<u>125,309</u>	<u>78,819</u>	<u>329,860</u>	<u>216,267</u>
Operating expenses				
Sales and marketing	22,250	13,782	71,777	48,287
Services	30,236	17,314	97,001	64,931
Software development and maintenance	17,042	7,894	57,061	33,767
General and administrative	12,061	12,946	41,518	35,967
<i>Total operating expenses</i>	<u>81,589</u>	<u>51,936</u>	<u>267,357</u>	<u>182,952</u>
Operating profit	<u>43,720</u>	<u>26,883</u>	<u>62,503</u>	<u>33,315</u>
Other income (expenses)				
Interest income (expense) - net	(754)	6	(2,721)	(1)
Financial instrument related expenses	5	(70)	(393)	(305)
Faire value gain (loss) from financial instruments, net	(1,128)	2,042	181	5,354
Foreign exchange gain (loss) - net	2,145	(299)	4,840	254
<i>Total other income (expenses)</i>	<u>268</u>	<u>1,679</u>	<u>1,907</u>	<u>5,302</u>
Profit before taxation	<u>43,988</u>	<u>28,562</u>	<u>64,410</u>	<u>38,617</u>
Taxation gain (loss)	273	(2,921)	273	(4,236)
Profit for the period	<u>44,261</u>	<u>25,641</u>	<u>64,683</u>	<u>34,381</u>
Attributable to:				
Equity holders of the Company	44,228	25,569	64,674	34,445
Minority interest	33	72	9	(64)
	<u>44,261</u>	<u>25,641</u>	<u>64,683</u>	<u>34,381</u>
Earnings per share (in US\$):				
<i>basic</i>	0.76	0.44	1.11	0.60
<i>diluted</i>	0.65	0.41	1.00	0.57

TEMENOS GROUP AG

All amounts are expressed in thousands of US dollars

	31 December 2007	30 September 2007	31 December 2006
Assets			
Current assets			
Cash and cash equivalents	93,062	51,812	111,368
Trade receivables	187,068	162,940	134,218
Other receivables	14,306	16,813	17,128
<i>Total current assets</i>	<u>294,436</u>	<u>231,565</u>	<u>262,714</u>
Non-current assets			
Property, plant and equipment	16,446	14,869	10,873
Intangible assets	93,535	89,895	53,722
Trade receivables	25,936	24,721	17,910
Other receivables	1,453	1,781	1,413
Deferred tax assets	25,771	16,593	5,534
<i>Total non-current assets</i>	<u>163,141</u>	<u>147,859</u>	<u>89,452</u>
<i>Total assets</i>	<u><u>457,577</u></u>	<u><u>379,424</u></u>	<u><u>352,166</u></u>
Liabilities and equity			
Current liabilities			
Trade and other payables	79,408	66,623	55,019
Deferred revenues	57,535	44,759	44,973
Income taxes payable	19,964	13,843	5,727
Borrowings	1,842	853	1,384
Provisions for other liabilities and charges	104	42	320
<i>Total current liabilities</i>	<u>158,853</u>	<u>126,120</u>	<u>107,423</u>
Non-current liabilities			
Borrowings	116,332	112,230	104,074
Deferred tax liabilities	4,469	3,611	1,258
Trade and other payables	487	3,075	3,268
<i>Total liabilities</i>	<u>280,141</u>	<u>245,036</u>	<u>216,023</u>
Shareholders' equity			
Share capital	170,867	170,867	168,828
Treasury shares	(696)	(1,736)	(2,974)
Share premium	(92,589)	(92,066)	(66,521)
Fair value and other reserves	(6,354)	(4,623)	(4,719)
Retained earnings	105,872	61,644	41,198
<i>Total shareholders' equity</i>	<u>177,100</u>	<u>134,086</u>	<u>135,812</u>
Minority interest	336	302	331
<i>Total liabilities and equity</i>	<u><u>457,577</u></u>	<u><u>379,424</u></u>	<u><u>352,166</u></u>

TEMENOS GROUP AG

consolidated cash flow statement

All amounts are expressed in thousands of US dollars

	Three months to 31 December 2007	Three months to 31 December 2006	Twelve months to 31 December 2007	Twelve months to 31 December 2006
Cash flows from operating activities				
Profit before taxation	43,988	28,562	64,410	38,617
<u>Adjustments:</u>				
Depreciation and amortisation	4,731	2,590	15,973	9,767
Other non-cash items	3,186	(544)	17,113	345
<u>Changes in working capital:</u>				
Trade and other receivables and prepayments	(25,067)	(28,550)	(58,877)	(51,616)
Trade and other payables	11,025	12,243	19,532	19,134
Deferred revenues	12,788	9,144	6,638	11,268
<i>Cash generated from operations</i>	50,651	23,445	64,789	27,515
Income taxes paid	(1,386)	(136)	(3,759)	(1,271)
<i>Net cash generated from operating activities</i>	49,265	23,309	61,030	26,244
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,602)	(850)	(6,750)	(3,855)
Disposal of property, plant and equipment	50	14	70	262
Purchase of intangible assets	386	(819)	(3,169)	(2,128)
Disposal of intangible assets	-	-	35	-
Capitalised development costs	(6,032)	(4,670)	(16,946)	(15,594)
Acquisitions	(3,038)	(3,573)	(23,733)	(3,813)
Disposal of available-for-sale investment	-	-	-	300
Cash effect from financial instruments	1,245	745	3,722	745
Interest received	431	1,046	2,249	4,125
<i>Net cash used in investing activities</i>	(8,560)	(8,107)	(44,522)	(19,958)
Cash flows from financing activities				
Proceeds from issuance of shares, net of related expenses	-	333	209	4,172
Proceeds from issuance of convertible bond, net of related expenses	-	-	-	99,089
Acquisition of treasury shares	-	(6,776)	(34,815)	(13,592)
Interest payments	(183)	(88)	(2,020)	(311)
Payment of financial instrument related expenses	(229)	-	(297)	(146)
Payment of finance lease liabilities	(54)	(133)	(379)	(375)
<i>Net cash (used in) generated from financing activities</i>	(466)	(6,664)	(37,302)	88,837
Effect of exchange rate changes	1,011	370	2,488	661
Increase (decrease) in cash and cash equivalents in the period	41,250	8,908	(18,306)	95,784
Cash and cash equivalents at the beginning of the period	51,812	102,460	111,368	15,584
Cash and cash equivalents at the end of the period	93,062	111,368	93,062	111,368