Business Update & Financial Results

Quarter ended 30 June 2007

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 25 July 2007. 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 25 July 2007.**

Presentation Overview

Agenda	Speaker	Position
Introduction	Max Chuard	Director
Business Update	Andreas Andreades	CEO
Financial Results	David Arnott	CFO

Business Update

Andreas Andreades
CEO

TEMENOS VISION AND SUMMARY

TEMENOS' VISION is to become the leading global brand in financial services software

TEMENOS TODAY is the provider of choice for the world's leading financial institutions:

Supporting two product lines for core processing:

TEMENOS T24™ (T24): Private, Universal, Wholesale and Retail Banks

COREBANKING (TCB): Large scale Retail Banks

International Client Base: 590+ institutions in more than 100 countries

HQ Geneva, listed on SWX Exchange (TEMN) and global presence through 43 offices

Business update

- Outstanding H1 performance with excellent cashflow and earnings growth
- Our outlook for 2007 is ahead of our strategic plan and targets for 2007 based on strong demand for our products and excellent execution
- 2008 and 2009 revised upwards to reflect higher 2007 outlook, with top line target organic growth of between 20% and 25% per annum for 2008 and 2009. This increases our organic 2006 to 2009 CAGR from 20% - 25% to 25% - 30%. The rationale for the revision is as follows:
  - We continue to have product superiority and our investment and product roadmap is compelling
  - Our win ratio is consistently high at above 80%
  - Our growth initiatives are already delivering significant results
  - Our distribution is in place and becomes more effective through our services initiatives of model bank, business consulting and TAM
  - Management is focused on executing the business plan
  - Integration of ACTIS.BSP is ahead of plan
  - Our partnership with Metavante is developing successfully

Q2 2007 RESULTS – KEY POINTS

- Excellent second quarter with strong sales performance and business momentum. Revenues grew by 32% in the quarter and EBIT by 34% compared to Q2 06.

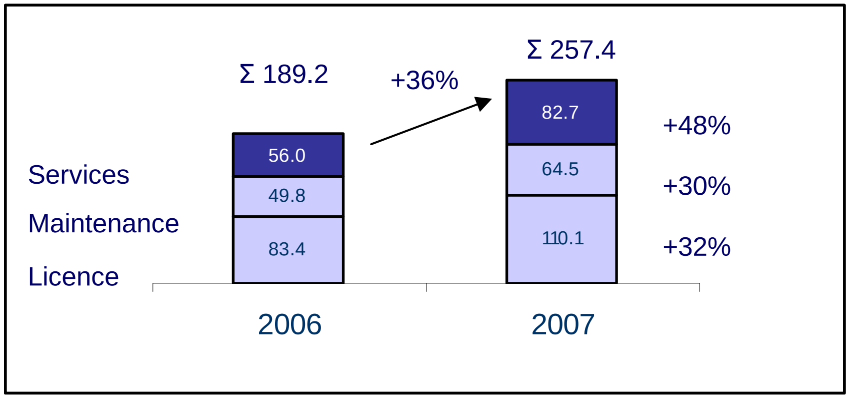
- Licence revenues for the quarter were flat compared to Q2 06, lapping an unusually high comparative quarter which included revenue from two large Tier 1 retail deals. Maintenance revenue growth for the quarter accelerated to 48% compared to Q2 06 resulting from our strong T24 signings growth over the last 12 months. Service margin was 3% for the quarter compared to -16% for Q2 2006 as we continue to benefit from our services initiatives.

- Business model significantly ahead of three year strategic plan targets – 12 month comparisons favourable and point to excellent top line and licence revenues growth, cost leverage and cash flow generation. In the 12 months to 30 June 07:
  - Revenues up 36%
  - Licence Revenues up 32% (T24 up 42%, TCB flat)
  - Maintenance Revenues up 30%
  - Service Revenues up 48%
  - Operating costs up 33%
  - EBITDA up 47%
  - EBIT up 53%
  - Diluted EPS up 32%
  - Cash Flow from Operations more than tripled to US$44.0m compared to US$13.6m in the 12 months to 30 June 2006

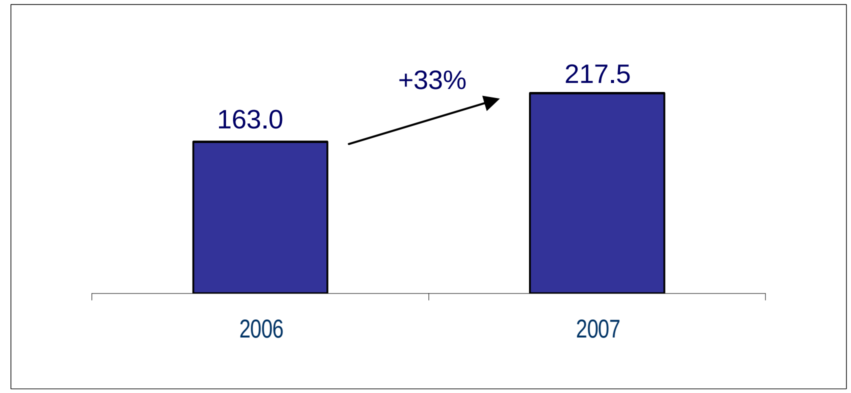
- 2007 Outlook
  - Based on our continued strong business momentum and better than expected execution on Metavante we are increasing our 2007 outlook for revenues and profitability. This is the second upgrade for 2007 and the sixth consecutive quarterly upgrade (refer to slides 26 & 27).

12 MONTHS TO 30 JUNE - BUSINESS UPDATE

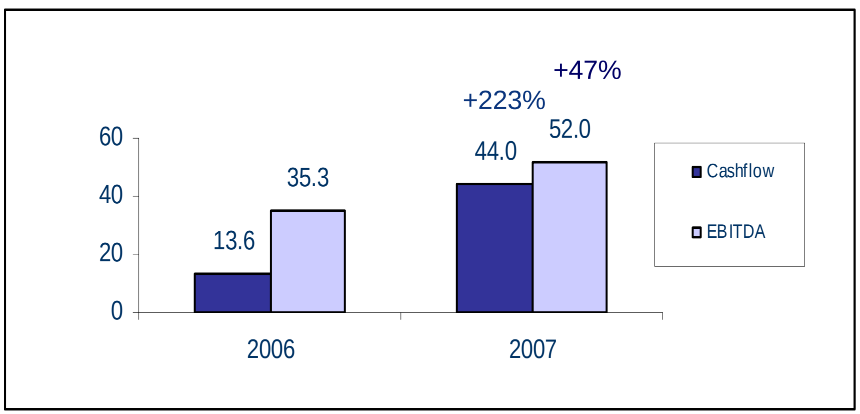
Revenues (US$ m)



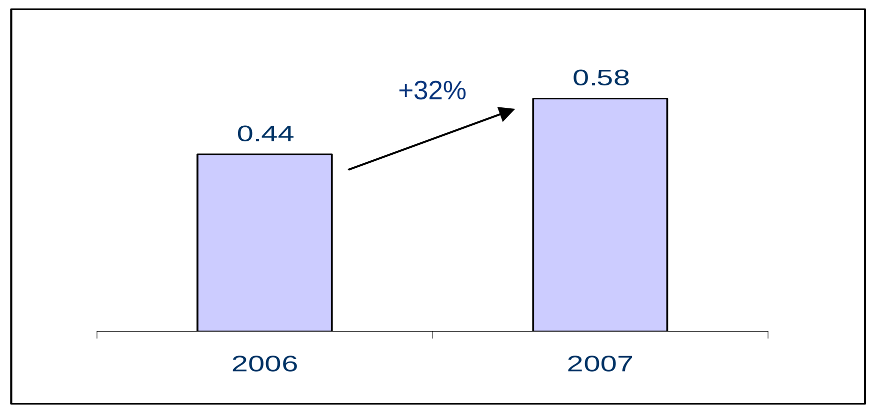
Costs (US$ m)



Cash Flow from Operations and EBITDA (US$ m)

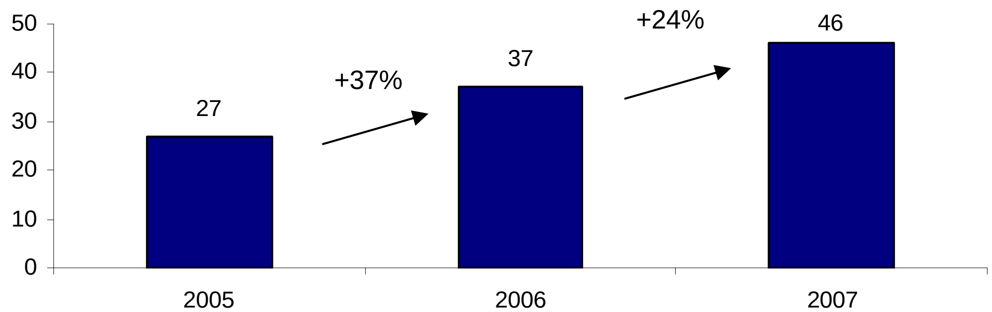


Fully Diluted EPS (US$ per share)



SALES PERFORMANCE – BUSINESS UPDATE (contd)

- T24 continues to perform strongly, with licence revenues up 42% in the LTM.
- New client wins under our licensing model totalled 12 in the quarter (2006: 10) and totalled 46 in the LTM (2006: 37).



- Revenues and licence revenues growth per geography:

	Growth LTM Q2 2007 vs Q2 2006		
	EMEA	**Asia**	**Americas**
Licensing	25%	-19%	168%
Total revenues	31%	14%	93%

- Licence revenues growth per segment:

	Growth LTM Q2 2007 vs Q2 2006	
	Retail/Universal	**Private/Wholesale**
Licensing	42%	16%

UPDATE ON GROWTH INITIATIVES

- Misys Replacement Programme:
  - **This initiative is specifically designed to provide users of Misys with a low risk, cost-efficient and fast-track upgrade path to T24.**
  - **Since the launch of our replacement programme the following number of Misys customers have selected T24:**
    - **2005: 1**
    - **2006: 4**
    - **1H 2007: 3 (Q1= 1, Q2=2)**
    - **Full year 2007 target: 8**
- ARC:
  - **ARC has already been sold to 9 clients and sales are expected to accelerate following the General Availability ("GA") release in Q2 2007.**
- T-Risk:
  - **T-Risk has been selected by 13 banks to date, and pipeline remains strong.**

UPDATE ON GROWTH INITIATIVES (contd)

ACTIS.BSP

- **Integration of ACTIS.BSP is progressing well**
- **Clients have welcomed the acquisition and the product direction**
- **We have already started marketing our T24 German model bank**
- **Our business case assumed a first T24 deal in 2008. We currently believe we will conclude at least one deal in 2007**
- **We target to double our existing user base over the next 3-5 years and to reach EBITDA of US$ 11.0 million by 2011 compared to US$ 2.0 million for 2007**

SERVICES UPDATE

- Services revenue grew by 84% for the quarter and by 48% in the 12 months to 30 June 07. Services revenue growth lags licence revenue growth by about nine to twelve months.
- Services margin for the quarter was 3% compared to -16% in Q2 2006.
- Services margin for the half year to 30 June 07 was 2% compared to -16% in the same period last year.
- Our Model Bank offering has been adopted for projects starting from Q4 2006 onwards and has proven to shorten implementation timeframes by 50% and improve margin and cashflow.
- TEMENOS Application Management proving successful with uptake from both existing and new clients. Up to 40% of our 2007 services revenue growth is expected to come from our Application Management business.
- As previously communicated we expect services net margin to reach 10-15% for 2008.
- We target a services revenue mix of 30% to 35% of total revenues. We will continue to direct excess business to partners to enable continued group margin improvement.

PRODUCT ROADMAP

TEMENOS continues to invest in four main product areas:

1. Focus on the Customer – enterprise wide Banking, not departmental (*ARC phase 2*)
   - **Integrated and service oriented customer approach**
   - **Customer Acquisition, Retention and Cross Sell capability**
   - **Customer and product targeting**
2. Focus on agility and innovation to differentiate and be in the market first (*SOA integration, product builder, predefined workflows, structured products*)
   - **Consistent channel delivery, CRM, workflow management and a flexible banking engine**
   - **Product building and distribution capability for fast time to market and fast time to volume for innovative and exciting products**
3. Enterprise wide, real time, information and control to manage capital (*Data Warehouse, Enterprise Risk Framework*)
   - **Comprehensive data management capability across the enterprise at C level**
   - **Alignment of data with operational objectives**
4. Focus on improved efficiency to deal with increasing and specialised competition (*TCB R7 and Java)*
   - **Modern technology and open standards which increasingly reduce costs and ensure longevity of investments**
   - **Enterprise wide platforms providing STP and ease of integration**

ACQUISITIONS UPDATE

- Organic growth model on track delivering exceptional EPS growth (2007 outlook: +47%)

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

- TEMENOS has a significant pipeline of potential acquisitions in its core business areas:
  - **Strengthen delivery capability and distribution in key markets**
  - **Acquire client base**
  - **Enhance product**

- We target companies with revenues of between US$20 million and US$50 million.

- Management continues with a disciplined approach to conducting acquisitions and will stay focused on delivering shareholder value.

THE NEXT 3 YEARS – OUR STRATEGIC PLAN

- Sustain organic revenue growth for 2008 and 2009 of 20 - 25% per annum on new 2007 base. This would represent a 3 year organic CAGR of 28% given our 2007 outlook.

- Establish a profitable and growing services business model.

- Deliver a compelling, growing and profitable partnership for the US market with our US partner.

- Consolidate a clear leadership in high end mainframe-based retail banking with TCB, leveraging the significant up-front investment we have already made in the product. Continue to grow our investment in T24, our flagship product.

- Demonstrate a successful acquisition model to enhance organic growth.

- Deliver improving margins of 2% to 3% per annum through:
  - increasing cumulative maintenance at an accelerated growth rate
  - leveraging the significant TCB investment we have already made
  - improving services margin
  - growing our US revenue mix

Financial Results

David Arnott
CFO

Q2 2007 & 12 MONTHS TO 30 JUNE 2007- FINANCIAL HIGHLIGHTS

Revenue

- **Q2 07 Revenues up 32%** at **USD 73.5 million** compared to **USD 55.8 million in Q2 06 (12 mths to Jun 07: up 36%).**

Operating Costs

- **Q2 07 Operating Costs up 32%** at **USD 66.1 million** compared to **USD 50.3 million in Q2 06 (12 mths to Jun 07: up 33%).**

EBIT

- **Q2 07 EBIT up 34.4%** at **USD 7.4 million** compared to **USD 5.5 million in Q2 06 (12 mths to Jun 07: up 53%).**

EBITDA

- **Q2 07 EBITDA up 45.6%** at **USD 11.2 million** compared to **USD 7.7 million in Q2 06 (12 mths to Jun 07 : up 47%).**

Earnings Per Share

- **Q2 07 diluted EPS down 31%** at **USD 0.10** compared to **USD 0.15 in Q2 06 (12 mths to Jun 07 : up 32%).**

Cash Flows from Operations

- **Q2 07 Cash Flows from Operations up 1007%** at **USD 14.7 million** compared to **USD 1.3 million in Q2 06 (12 mths to Jun 07 : up 223%).**

INCOME STATEMENT

USD million	Quarter ended 30 June			12 mths to 30 June		
	2007	**2006**	***Growth***	**2007**	**2006**	***Growth***
Revenues						
Licensing	29.1	29.2	0%	110.1	83.4	32%
Maintenance	19.1	12.9	48%	64.5	49.8	30%
Services	25.3	13.8	84%	82.7	56.0	48%
Total revenues	**73.5**	**55.8**	**32%**	**257.4**	**189.2**	**36%**
Operating costs	**66.1**	**50.3**	**32%**	**217.5**	**163.0**	**33%**
EBIT	**7.4**	**5.5**	**34%**	**39.9**	**26.2**	**53%**
EBITDA	**11.2**	**7.7**	**46%**	**52.0**	**35.3**	**47%**
Net profit	**6.3**	**8.8**	**(28)%**	**35.7**	**25.8**	**38%**
Diluted EPS (in USD per share)	**0.10**	**0.15**	**(31)%**	**0.58**	**0.44**	**32%**
Adjusted EPS (in USD per share)	**0.11**	**0.15**	**(28)%**	**0.59**	**0.44**	**34%**
Cashflow from operations	**14.7**	**1.3**	**1007%**	**44.0**	**13.6**	**223%**

NET EARNINGS ANALYSIS

USD million	Quarter ended 30 June			12 mths to 30 June		
	2007	**2006**	***Growth***	**2007**	**2006**	***Growth***
EBIT	**7.4**	**5.5**	**34%**	**39.9**	**26.2**	**53%**
Foreign Exchange	(0.2)	4.7		0.0	3.8	
Other Financing	(0.9)	(0.1)		(1.4)	(0.7)	
Tax	(0.0)	(1.3)		(2.8)	(3.5)	
Net Earnings	**6.3**	**8.8**	**(28)%**	**35.7**	**25.8**	**38%**
Tax Rate	0%	13%		7%	12%	

• Foreign Exchange results from mark to market adjustment of our foreign currency forward contracts.

• Our natural hedge has increased from 63% in 2006 to a forecast 75% in 2007 and 85% in 2009. We have hedged the majority of the residual exposure for 2007 and 2008 with forward contracts.

• Effective tax rate of 0% following tax restructuring (see appendices).

CURRENCY MOVEMENTS

USD millions	Q2 07	Q2 06	%	12 mths to		
	%			Jun 07	Jun 06	
Revenue – as reported	73.5	55.8	32%	257.3	189.2	36%
Currency impact	n/a	1.3		n/a	4.8	
Revenue adj. for Currency	**73.5**	**57.2**	**28%**	**257.3**	**194.0**	**33%**
Operating costs – as reported	(66.1)	(50.3)	32%	(217.5)	(163.0)	33%
Currency impact	n/a	(2.2)		n/a	(7.5)	
Operating expenses adj. for Currency	**(66.1)**	**(52.5)**	**26%**	**(217.5)**	**(170.5)**	**28%**
EBIT reported	**7.4**	**5.5**	**34%**	**39.9**	**26.2**	**53%**
EBIT adjusted	**7.4**	**4.7**	**57%**	**39.9**	**23.5**	**69%**
Net operating currency impact		**(0.9)**			**(2.7)**	

- **At constant currency our LTM EBIT growth is $2.7m better than reported. Actis is breakeven and has no impact on reported EBIT**

CASH COST LEVERAGE

	Q2 2007	Q2 2006	Growth	LTM 2007	LTM 2006	Growth
Product revenue	**48.2**	**42.0**	**15%**	**174.7**	**133.2**	**31%**
Like for like adjustments	-2.2	0.9		-3.5	3.4	
Like for like product revenue	**46.0**	**42.9**	**7%**	**171.2**	**136.6**	**25%**
Product costs	**41.6**	**34.3**	**21%**	**138.4**	**98.7**	**40%**
Like for like & non-cash adjustments	**-7.6**	**1.4**		**-7.5**	**8.5**	
Like for like product costs	**34.0**	**35.7**	**-5%**	**130.9**	**107.2**	**22%**
Reported product EBIT	**6.6**	**7.7**	**-15%**	**36.2**	**34.5**	**5%**
Like for like product EBIT	**12.0**	**7.2**	**66%**	**40.3**	**29.4**	**37%**
Service revenue	**25.3**	**13.8**	**84%**	**82.7**	**56.0**	**48%**
Like for like adjustments	-2.1	0.4		-2.7	1.4	
Adjusted service revenue	**23.2**	**14.2**	**64%**	**80.0**	**57.4**	**39%**
Service costs	**24.5**	**16.0**	**53%**	**79.1**	**64.3**	**23%**
Like for like & non-cash adjustments	-1.1	0.8		-1.6	3.0	
Adjusted service costs	**23.4**	**16.8**	**39%**	**77.4**	**67.3**	**15%**
Reported services EBIT	**0.8**	**-2.2**	**n/a**	**3.6**	**-8.3**	**n/a**
Like for like services EBIT	**-0.2**	**-2.6**	**n/a**	**2.6**	**-9.9**	**n/a**

Adjusted for Actis, forex and non-cash costs

CASH COST LEVERAGE

	Q2 2007	Q2 2006	Growth	LTM 2007	LTM 2006	Growth
Total revenue	**73.5**	**55.8**	**32%**	**257.4**	**189.2**	**36%**
Like for like adjustments	-4.3	1.3		**-6.1**	**4.8**	
Adjusted total revenue	**69.2**	**57.1**	**21%**	**251.2**	**194.0**	**30%**
Total costs	**66.1**	**50.3**	**31%**	**217.5**	**163.0**	**33%**
Like for like & non-cash adjustments	**-8.7**	**2.2**		**-9.2**	**11.5**	
Adjusted total costs	**57.4**	**52.5**	**9%**	**208.3**	**174.5**	**19%**
Reported Total EBIT	**7.4**	**5.5**	**35%**	**39.9**	**26.2**	**53%**
Like for like Total EBIT	**11.8**	**4.6**	**157%**	**42.9**	**19.5**	**120%**

Adjusted for Actis, forex and non-cash costs

CASHFLOW CONVERSION – 12 MONTHS TO 30 JUNE

USD million	EBITDA	Cash Flow from Operations	% EBITDA conversion 2007	2006
T24	53.1	42.1	79%	81%
TCB	(1.1)	1.9	n/a	n/a
TOTAL	**52.0**	**44.0**	**85%**	**39%**

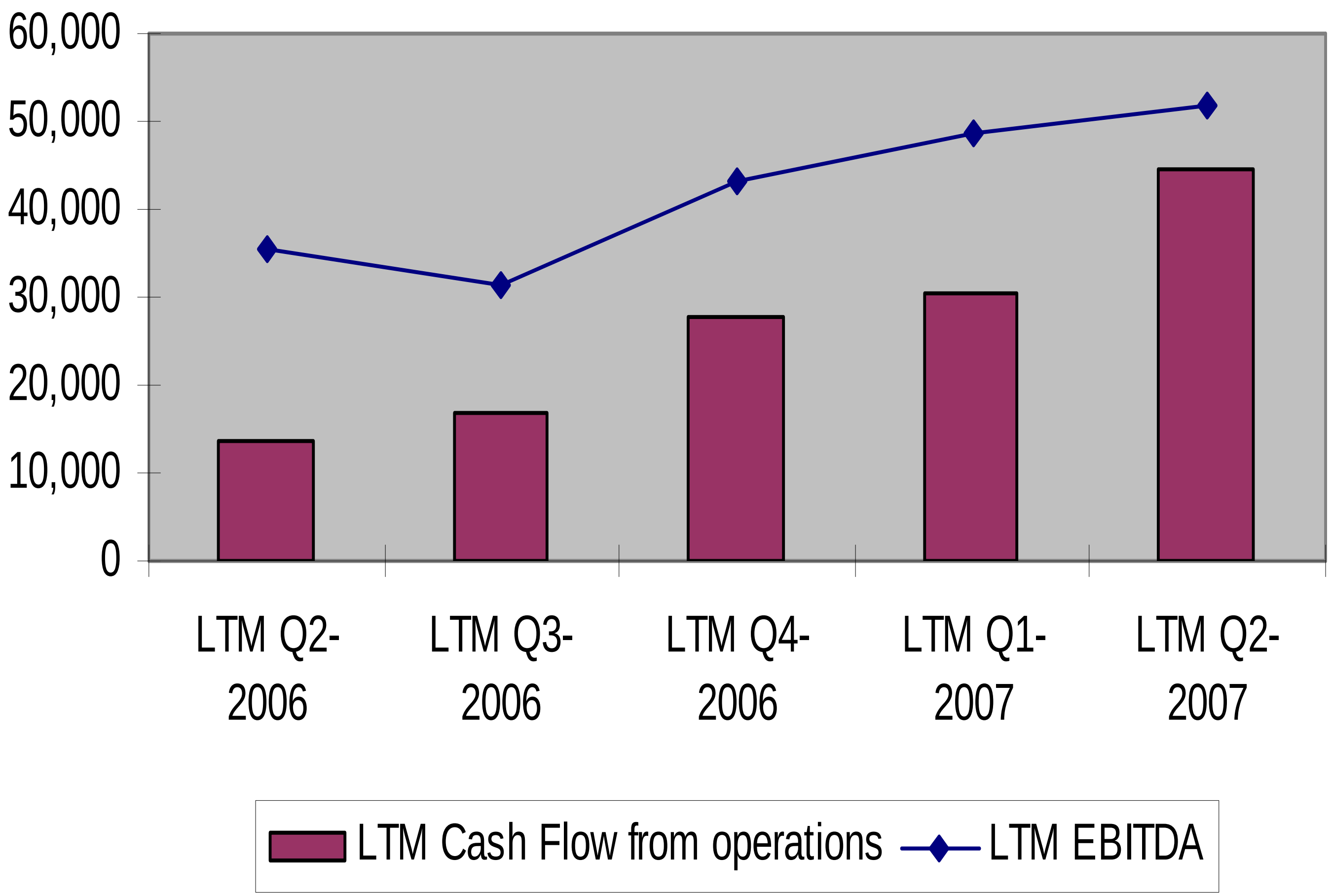
• Cash flow from operations for 12 mths to 30 June 07 growing by 223% compared to the same period in 2006 driven by increase in conversion rate from 39% to 85%.

• 12 mths to 30 June 07 T24 conversion of EBITDA to Cash Flow from Operations at 79% consistent with full year assumptions. At this rate of conversion working capital needs reduce and DSOs will also reduce over the next few quarters.

• 2007 cash flow from operations will benefit from a marginally cash flow positive TCB business.

• We continue to target to convert approx.75% of EBITDA into cash flow from operations for 2007 (2006: 64%). We continue to target cashflow growth ahead of EBITDA growth in the future.

12 MONTH ROLLING CASHFLOW FROM OPERATIONS (US$'000)



Cashflow generation continues to exceed EBITDA growth

STOCK BUY BACK

- In Q2 2007 we continued our stock buyback programme and purchased 655,100 shares for an average price of CHF27.80 and a total consideration of US$15.6 million, resulting in total buyback year to date of US$32 million at an average price of CHF 23.6.

- In 2008 and 2009 we expect to continue to use Free Cash Flow to repurchase stock in order to restrict stock option dilution to around 3% per annum.

2007 OUTLOOK

USD million	Previous	Change	Revised	2006	Growth
Licence revenues	120 - 125	5.0	125 - 130	97.9	30%
Total revenues	290.0	10.0	300.0	216.3	39%
EBIT	55.0	2.0	57.0	33.3	71%
EBIT margin	19%	-	19%	15%	4 pts
EPS	83 cents	3 cents	86 cents	57 cents	51%
Adjusted EPS*	86 cents	3 cents	89 cents	57 cents	56%

- Adjusted EPS: EPS adjusted for amortisation of acquired assets
- Compared to 2006 the dilution due to below the line items (currency tax & net financing costs) is 6.8 cents/share, the impact of stock options is 2.6 cents/share and the impact of the convertible is 2.4 cents/share. This is unchanged to prior quarters.

OUTLOOK ASSUMPTIONS

In arriving at our 2007 outlook we have made the following assumptions:

- **Tax rate:**
  Zero effective tax rate (see slide 38)
- **Foreign exchange:**
  USD 1 : EUR 0.72
  USD 1 : CHF 1.21
  USD 1 : GBP 0.49
- **Number of shares for diluted EPS*:**
  69.4m
  * including impact of convertible

Appendices

2007 OUTLOOK EPS calculation

USD million	convertible as debt	convertible as equity
Outlook operating profit	57.0	57.0
Net Financial Costs & Foreign Exchange	-2.3	-2.3
Tax	0.0	0.0
Outlook net earnings	54.7	54.7
add back convertible interest expense	0.0	4.8
Net earnings for EPS	**54.7**	**59.5**
Outlook Dilutive shares	62.1	62.1
add shares underlying convertible	-	7.3
Dilutive shares for EPS	**62.1**	**69.4**
Diluted EPS	0.88	0.86
Outlook EPS (lower of the two methods)		**0.86**
Adjusted EPS		**0.87**

The dilutive impact of our Convertible Bond for the three years 2007-2009 this is an average of 4% per year. Investing free cashflow in stock repurchases will restrict stock option dilution to approximately 3% per year.

OPERATING COSTS BY QUARTER

USD million	Q2 06	Q3 06	Q4 06	Q1 07	Q2 07
Reported costs	50.3	44.4	51.9	55.1	66.1
Non-trend costs	(15.3)	(6.9)	(13.4)	(9.0)	(12.5)
Trend costs	35.0	37.5	38.5	46.1	53.6
Headcount	1497	1648	1724	1947	2128

RESEARCH AND DEVELOPMENT

USD millions	Q2 07	Q2 06	%	12 mths to		
	%			Jun 07	Jun 06	
R&D costs – as reported	14.4	9.2	57%	42.2	28.3	49%
Capitalised development costs	3.4	3.6		14.6	13.9	
Non cash items	(3.5)	(2.0)		(10.3)	(7.6)	
Less Actis	(2.3)	-		(3.1)	-	
Currency impact		-		-	1.4	
Cash R&D costs	**12.0**	**10.8**	**11%**	**43.4**	**36.0**	**21%**
Of which:						
T24	**62%**	**50%**		**60%**	**55%**	
TCB	**38%**	**50%**		**40%**	**45%**	

- **Capitalised development decreasing as % of cash R&D at 34% for 12 mths to Mar 07 vs 40% for 2006**
- **In 2007 forecast for Capitalisation and for Depreciation & Amortisation at approx US$16 million each**

SERVICES

USD millions	Q2 07	Q2 06	%	12 mths to		
	%			Jun 07	Jun 06	
Service revenues	25.3	13.8	84%	82.7	56.0	48%
Less Actis	(2.2)	-		(2.8)		
Currency impact	n/a	0.4		n/a	1.4	
Service revenues underlying	**23.1**	**14.2**	**63%**	**79.9**	**57.4**	**39%**
Service costs – as reported	24.5	16.0	53%	79.1	64.3	23%
Less Actis	(1.1)	-		(1.6)	-	
Currency impact	n/a	0.8		n/a	3.0	
Service costs underlying	**23.4**	**16.8**	**39%**	**77.5**	**67.3**	**15%**
Service margin as reported	0.8	(2.2)		3.6	(8.3)	
Service margin underlying	(0.3)	(2.6)		2.4	(9.9)	
% Service margin as reported	3 %	(16%)		4%	(15%)	
% Service margin underlying	(1%)	(18%)		3%	(17%)	

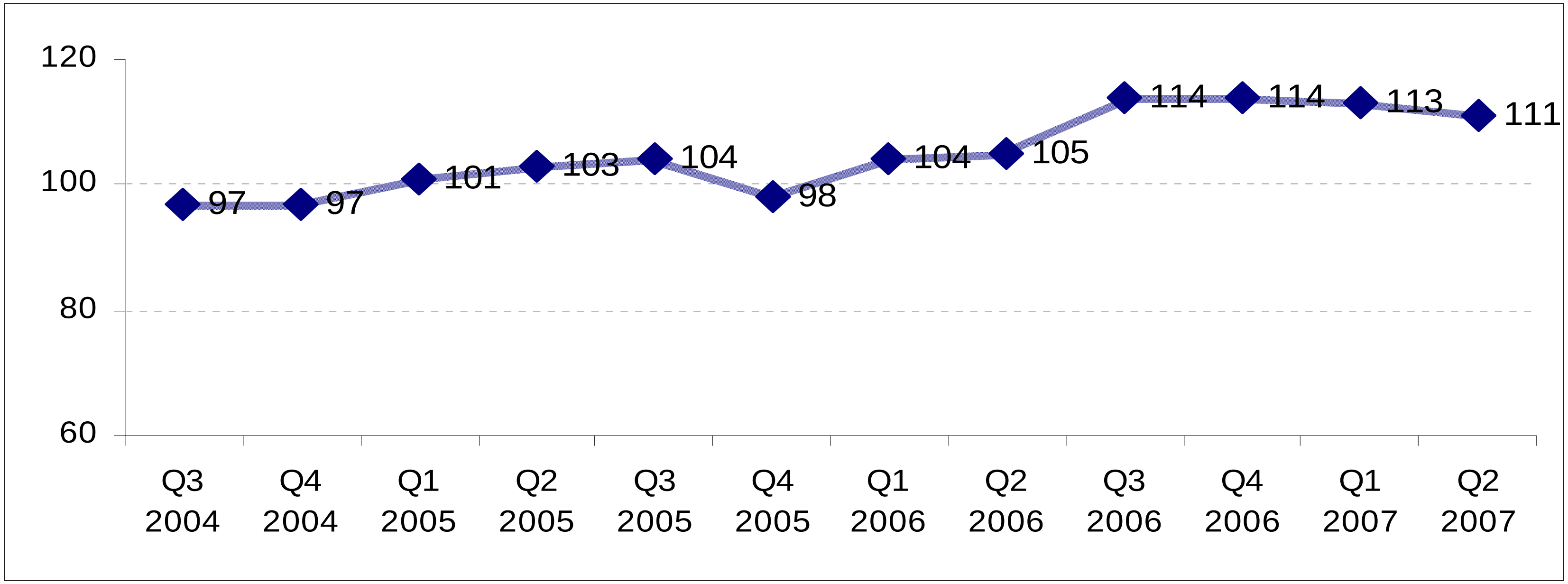
GENERAL & ADMINISTRATIVE COSTS

USD millions	Q2 07	Q2 06	%	12 mths to		
	%			Jun 07	Jun 06	
G&A costs – as reported	11.9	9.3	28%	41.7	29.2	43%
Less Actis	(0.4)	-		(0.7)	-	
Less non-cash	(3.0)	(1.6)		(6.3)	(2.1)	
Currency impact	n/a	0.4		n/a	1.5	
G&A costs underlying	**8.5**	**8.1**	**5%**	**34.7**	**28.6**	**21%**

SALES AND MARKETING

USD millions	Q2 07	Q2 06	%	12 mths to		
	%			Jun 07	Jun 06	
S&M costs – as reported	15.4	15.8	(0.3)%	54.6	41.1	33%
Less Actis	(0.1)	-		(0.2)	-	
Currency impact	n/a	1.0		n/a	1.6	
Less non-cash	(1.7)			(1.7)		
S&M costs underlying	**13.6**	**16.8**	**(19)%**	**52.7**	**42.7**	**23%**

DSOs ANALYSIS



- DSO definition (see below) based on using average 12 month receivables. This allows trend comparisons without the distortion of deal lumpiness and seasonality.

- Medium term trend at approximately 100 days.

* DSOs defined as average of lagging 12 months receivables and divided by lagging 12 months revenues adjusted for maintenance invoicing (see appendix for calculation).

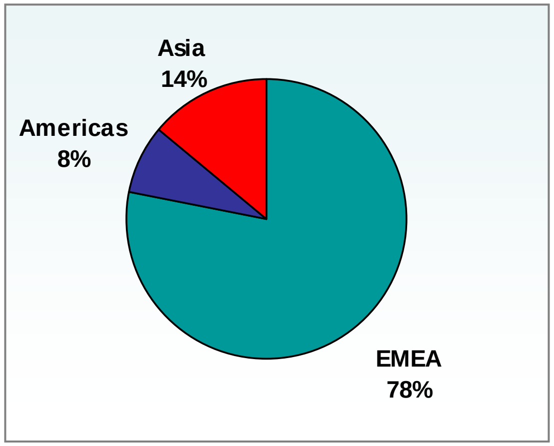
CALCULATION OF DSO's

	DSOs	Average receivables ('000 USD)	12 mths revenues*('000 USD)
Q1 2005	101	74,707	192,967
Q2 2005	103	75,924	191,579
Q3 2005	104	76,746	192,471
Q4 2005	98	80,463	214,174
Q1 2006	104	87,245	217,145
Q2 2006	105	95,790	236,646
Q3 2006	114	106,666	242,216
Q4 2006	114	116,396	265,530
Q1 2007	113	127,454	292,671
Q2 2007	111	137,352	321,099

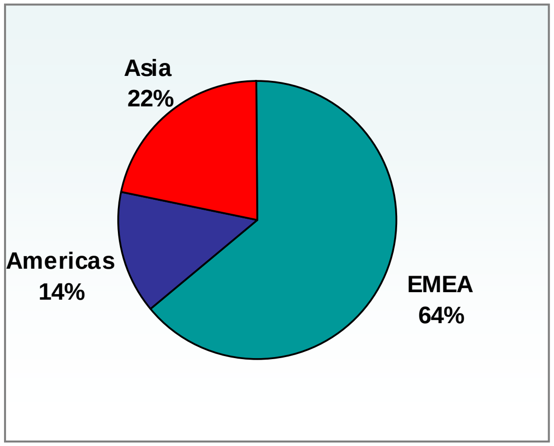
* revenues adjusted for maintenance invoicing
• DSO's = (Average receivables divided by 12 month revenues*)*52*5

REVENUES BY REGION 12MONTHS TO 30 JUNE

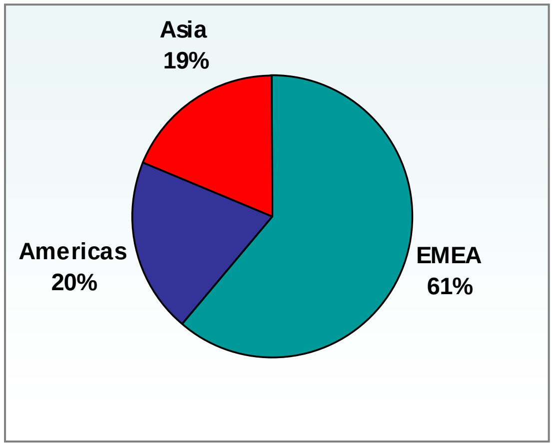
Revenues - Full Year 2003



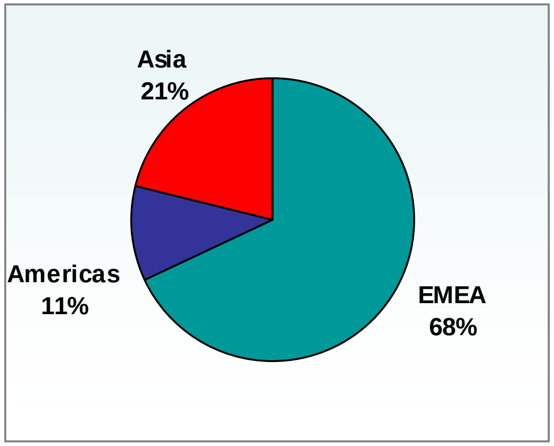
Revenues - LTM Q2 2006



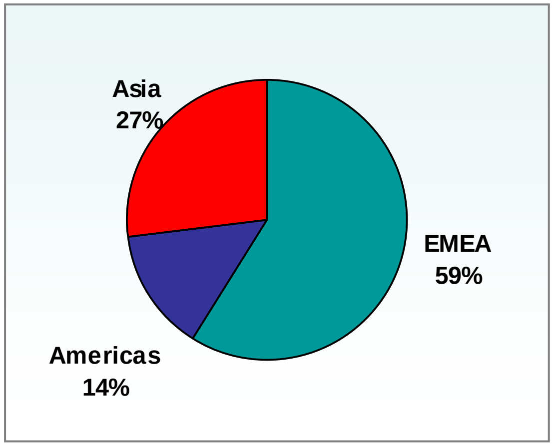
Revenues - LTM Q2 2007



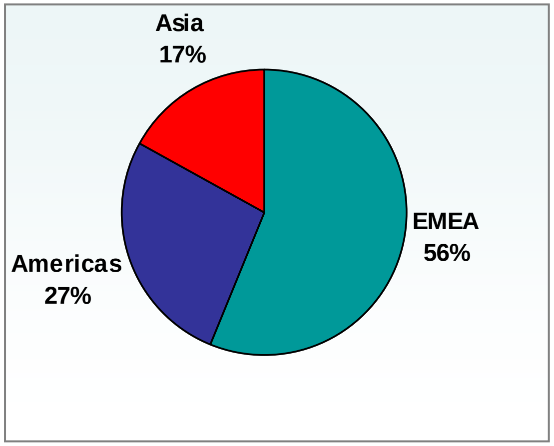
Licence Revenues - Full Year 2003



Licence Revenues - LTM Q2 2006



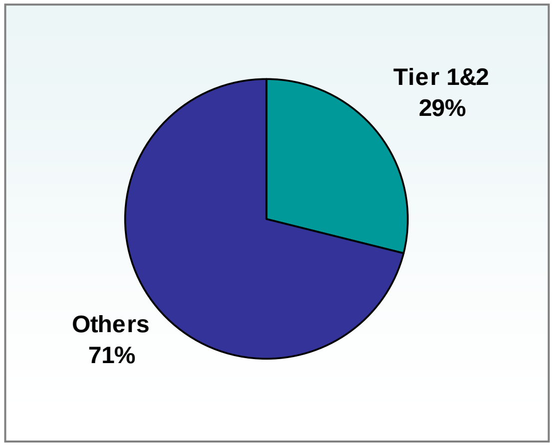
Licence Revenues - LTM Q2 2007



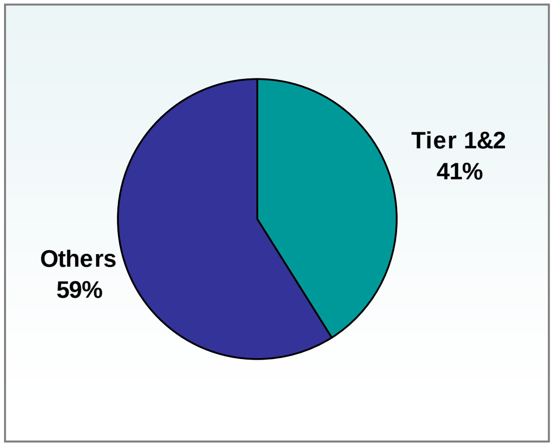
(1) On a $ basis

LICENCES BY TIER & SEGMENT

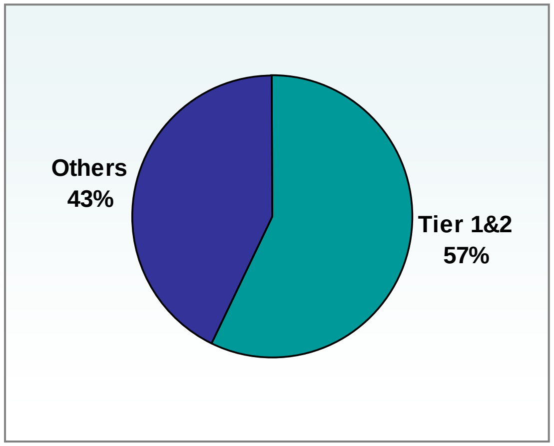
Full Year 2003



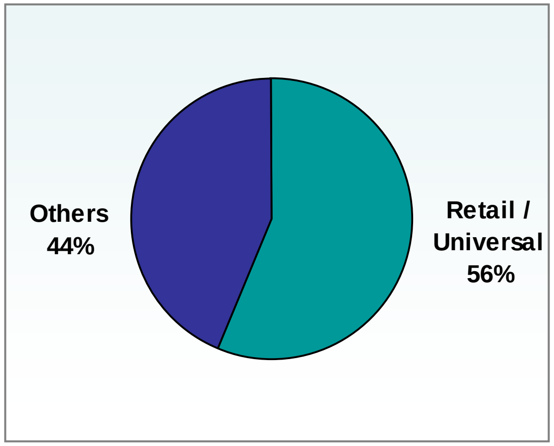
LTM Q2 2006



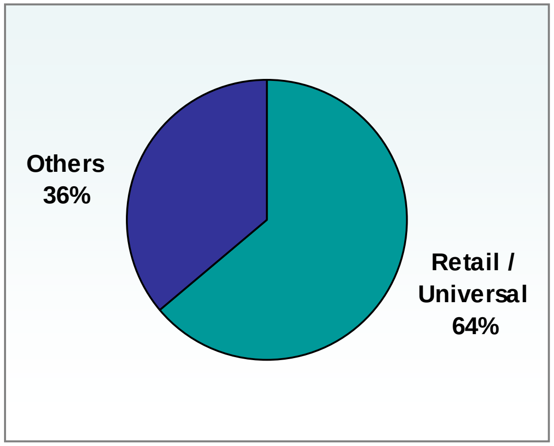
LTM Q2 2007



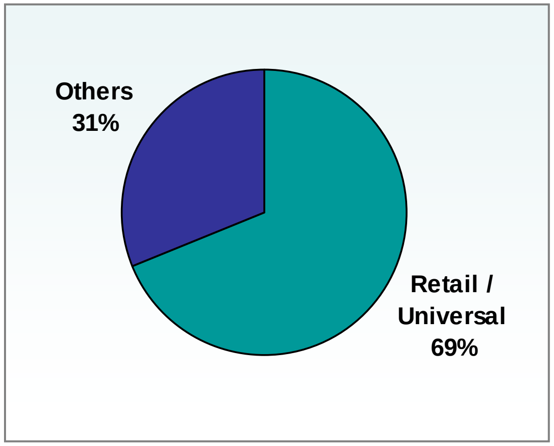
Full Year 2003



LTM Q2 2006



LTM Q2 2007



(1) On a $ basis

EFFECTIVE TAX RATE

- Temenos has significant unrecognised deferred tax assets (DTAs) relating to losses carried forward as well as arising from our agreement with the Swiss authorities reached during 2005 to repatriate the group's IP to Switzerland. The majority of these DTAs are currently not recognised on our balance sheet (figures as at 31 December 2006):

US$ m.		of which:	
Deferred tax asset arising from:	Total DTA	recognised	unrecognised
Loss carryforwards	**35.8**	1.5	34.3
Swiss IP repatriation agreements	**47.8**	3.9	43.9
	83.6	**5.4**	**78.2**
		6%	94%

- DTAs are recognised to the extent that realisation of the related tax benefit through future taxable profits is probable. As we continue to improve our profitability it will become increasingly appropriate to recognise these DTAs on our balance sheet.

- Excluding the impact of DTAs, our Effective Tax Rate for the next 7 years will be between 11% and 13%, as previously communicated (no change). This rate is expected to be significantly reduced by the recognition of DTAs in the next few years.

- For 2007, based on our forecast Profit before Tax, our underlying tax rate of 11-13% implies a tax charge of approximately US$6 million. We expect to reduce this to approximately zero by recognising approximately the same amount of DTAs in the year (approximately 8% of currently unrecognised DTAs).

ANALYST COMMENTS

TEMENOS "…offers the strongest overall core banking functionality, without particular functional weak spots. TEMENOS also scored best on international versatility: If a bank needs a strong core banking solution that can comprehensively support multiple languages and character sets in terms of presentation and storage or that needs a strong Islamic banking offering, TEMENOS is one of the core banking vendors to short-list…"

The Forrester Wave™: Core Banking Suites, Q1 2007, Jan 2007. ***Forrester***

"T24 was a best of suite solution that has surprising breadth of functionality as well as a large installed customer base using the product for commercial lending."

Commercial Lending: Global Trends and the Systems that Enable Them, Dec 2006. ***Celent***