

P R E S S R E L E A S E

The Netherlands, Breukelen, November 20, 2013

Trading update Q4: Revenue up 14% for the year 2013 and down 4% for the fourth quarter. Impairment loss and one time effects impact net result.

TIE Kinetix N.V. ("TIE") reports the following highlights with regard to Q4 of 2013 (July 1, 2013 - September 30, 2013) and full year 2013 (October 1, 2012 - September 30, 2013).

Operational Performance:

- Revenue for the Q4, 2013 amounts to € 3,323k, a decrease of 3.7% compared to the same period in 2012 (€ 3,451k) caused by the loss of customer CNET earlier in the year.
- Net Income for the Q4, 2013 amounts to a loss of € 690k, which includes an impairment loss of € 679k. (Q4, 2012: net income profit of €560k, consisting of an impairment gain of € 64k and an operational profit of € 448k).
- SaaS revenue is € 1,230k for Q4, 2013 (37% of revenue), a decrease of 1% compared to € 1,237k in the same period in 2012 (36% of revenue). Many new SaaS accounts have been signed, which has almost completely balanced the loss of CNET revenue earlier in the year.
- Revenue for 2013 amounts to € 14,293k an increase of 14% compared to 2012 (€12,494k).
- Net Income for 2013 amounts to a loss of €1,280k, compared to a profit of € 652k for 2012; this partly caused by higher one time legal fees (€ 120k), office integration and moving costs (€ 77k), higher costs of investor relations activity (€ 105k), severance payments and temporary staff (€ 203K), other non-recurring costs (€ 46k) and an impairment loss (€ 679k).
- The net cash flow from operating activities for 2013 amounts to € 992k (2012: € 1,030k).

Mr. Jan Sundelin, CEO of TIE, comments:

"The 2012 acquisition of Ascention did not bring TIE what we expected. Sales performance both on the acquired product suite and on the TIE products was disappointing and key staff was lost after the acquisition. We have taken action to improve the functionality of the acquired products and have rolled out a marketing campaign for the TIE products. Our action plan will result in improved performance in 2014.

The loss of customer CNET has made us reconsider our solution offering in the US. With our modular packaging of the CSP solution, we are now able to speed up considerably our US sales whilst at the same time we are reducing the sales cycle. Our lead generation program looks promising and in Q4, 7 new accounts have been signed.

In The Netherlands our business developed well as our E-commerce revenue continues to steadily increase with 16% this year. The relation with our large customers KPN and T-Mobile developed according to plan.

The acquisition of TFT will bring the required expansion for our company. TFT has valuable knowledge on hosting large customers in a complex environment and has ample experience with Google Search Engine Optimization. We will add this knowledge to the current TIE solutions. We have comprised an elaborate integration plan covering both the front end of our business, selling TIE products in the TFT customer base, the back office of our operations.”

Starting fiscal year 2013 and up to this moment, the Company reported the following highlights on:

- 01-10-2012 TIE acquires ascention and expands coverage to DACH region
- 10-10-2012 Court dismisses six of the seven grievances but orders Samar to repay €250k to TIE
- 15-10-2012 TIE is technology provider in European Union Project “ARUM” and receives funds amounting to € 964k
- 23-10-2012 TIE Investor Event
- 21-11-2012 Trading Update Q4: Total Comprehensive Income up 79% for the year 2012 and up 51% for the fourth quarter
- 21-11-2012 TIE: 2012 Annual Results €703k (2011 €393k), due to an improvement in operating activities and due to capitalization of deferred tax assets
- 10-12-2012 TIE is technology provider in European Union Projects “SIMPLI-CITY” and INTUITEL” and received funds amounting to € 866k
- 30-01-2013 TIE: Publication of Annual Report and Agenda for the Annual General Meeting of Shareholders, including the first time provision of financial guidance
- 13-02-2013 TIE: Q1 2013 Trading Update: Profitable Q1, Total Comprehensive Income €16k (2011: €113k)
- 12-03-2013 Update pending litigation: Samar requests for suspension of payments (‘surseance van betaling’)
- 12-03-2013 TIE assigns SNS Securities as Liquidity Provider
- 18-03-2013 TIE signs four year contract with Leaseweb to host European infrastructure
- 26-04-2013 TIE maintains 2013 annual guidance but revises net income guidance due to expiration of the three year content syndication contract with CNET per May 1, 2013
- 05-08-2013 TIE launches Social Media Syndication for impactful channel marketing
- 22-05-2013 TIE announces 1st half year results FY2012 on investor and analyst event
- 13-06-2013 TIE launches self-service content syndication solution

- 14-08-2013 Trading update Q3
- 14-08-2013 TIE appoints new CFO
- 20-09-2013 Update pending litigation: court reverses previous ruling
- 24-09-2013 TIE selected to empower the Infor Partner Network with content syndication

Subsequent Event

- 11-10-2013 TIE announces major acquisition in Germany (TFT)
- 15-10-2013 TIE convenes Extra Ordinary general Meeting of shareholders on November 28, 2013.
- 29-10-2013 TIE is technology provider in EU projects SAM and ALFRED

Financial and Cash Position:

Shareholders' Equity amounts to € 4,044k on September 30, 2013 (€ 5,357k on September 30, 2012). On September 30, 2013 the Company held a net cash position of € 204k (September 30, 2012 € 747k).

The net cash flow from operating activities for the year amounted to € 992k (2012: €1,030k).

Impairment of Intangible Assets:

TIE performed an annual impairment test on the carrying value of its tangible and intangible assets. Based on the results of the impairment test, management decided to impair TIE Ascention for the full amount (€ 679k). Management considered that Ascention did not bring what was expected. Sales performance both on the acquired product suite and on the TIE products fell short of expectation and senior sales staff was lost after the acquisition.

The CGU's are:

- TIE Netherlands (Business Integration)
- TIE France (Business Integration)
- TIE Commerce (Business Integration)
- TIE MamboFive (E-commerce)
- TIE CSP (Content Syndication)
- TIE Ascention

As in prior years a DCF valuation model was used to determine the value in use, with a 15% WACC and 10 years horizon.

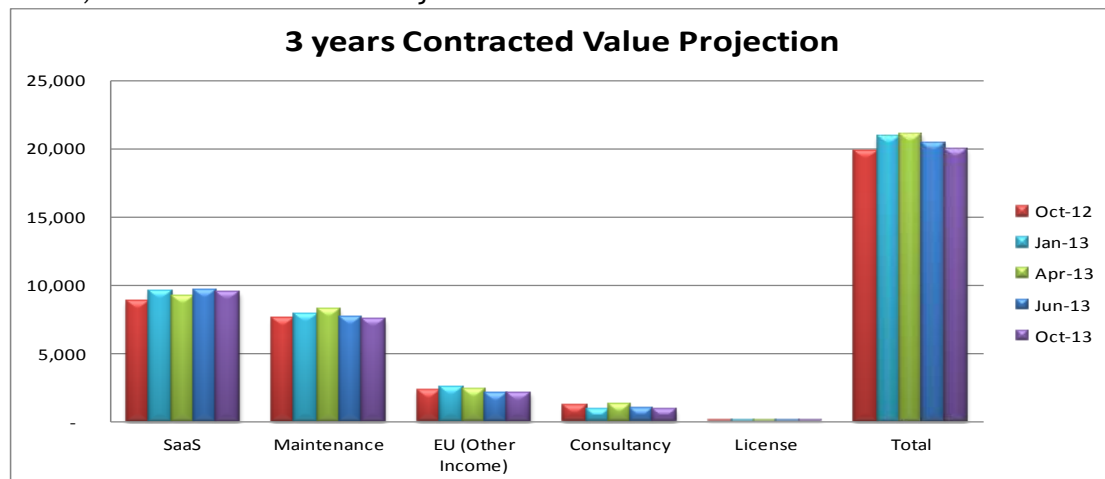
Income Taxes:

TIE carrying value of the Deferred Tax Asset in the Netherlands amounts to € 353k (2012: € 376k) and amounts in the US to \$ 1.290k in the US (2012: \$ 1.318k).

Contracted Value: Projections

The Contracted Value is calculated for the next three years, using the following assumptions:

SaaS and Maintenance & Support Contracts run between 12 and 36 months with an automatic renewal for 12 months. As contracts may renew during this three year period shown, the Contracted Value is adjusted based on historical churn rates.



3 years Contracted Value Projection per Oct 1 2012, January 1, April 1, July 1 and October 1, 2013 in Millions of €.

The Total Contracted Value is stable € 19,9 mln to October 1, 2013 (2012: € 19,8 mln) for the next 3 years.

In spite of the growth of SaaS Income for all TIE solutions from € 4,6 mln to € 4,8 mln for the year, the Contracted Value of SaaS increased from € 8,8 mln per October 1, 2012 to € 9.4 mln to October 1, 2013, for the next 3 years. The loss of CNET as customer was compensated by new CSP order in Q4 and contract extensions of KPN-Hi and T-Mobile.

Maintenance and Support Contracted Value stabilized at € 7,5 mln (2012: € 7,5 mln).

Consultancy shows a decrease from € 1,1 mln per October 1, 2012 to € 0,9 mln per October 2013, as the DACH region did not developed as expected.

License activities have been included based upon their current contract values.

EU projects (other income) are included based on the actual contracts and decreased slightly from € 2,2 mln per October 1, 2012 to € 2,1 mln per October 1, 2013.

Annual Accounts:

The financial results of TIE presented here are unaudited. The audit of the Financial Statements will not be completed until the publication thereof in January 2014.

Segmentation:

Based on the management information used and the relative share of the various operating segments the Company now recognizes the following operational segments:

- The Netherlands
- TIE MamboFive (E-commerce)
- North America
- France
- Rest of World
- DACH

Litigation: Samar claim

On March 11, 2013 the Court granted Samar B.V. (Samar) request for suspension of payments. On June 28, 2013 the suspension of payments was ended and followed by declaration of bankruptcy. On September 20, 2013 the Higher Court reversed the declaration of bankruptcy. The case was referred back to the Lelystad Court implying that the period of Suspension of Payments should not have been revoked.

Since December 2007, the company has been involved in discussions and subsequently in legal proceedings with Samar. All claims in the summary proceedings were instantly dismissed at the court hearing of February 15, 2008. On July 7, 2010, the court of Haarlem unexpectedly granted all claims by Samar. In Q4 2010, TIE paid damages to Samar of € 804k. In April 2012, a hearing took place for which in advance both TIE and Samar have provided the court with substantiated findings.

On October 10, 2012 the High Court decided that Samar needs to repay TIE an amount of € 250k. However the High Court dismissed six out of seven grievances submitted by TIE. The Company is currently in the process of claiming back the € 250k. As the amount has not been recovered yet, the amount has not been recorded as a receivable in the Company's books. Final settlement may be adjusted upwards or downwards in the procedure regarding the assessment of the damages.

Subsequent Events:

On October 11, 2013 TIE announced the acquisition of TOMMOROW FOCUS Technologies GmbH (TFT) per December 2, 2013. The acquisition is subject to approval of the Extraordinary General Meeting of Shareholders on November 28, 2013. TFT has around 50 employees and generated revenue of € 8.2 mln in its financial year 2012.

The acquisition will strengthen TIE's position in the German e-commerce market and in other European countries. Together with TFT, TIE plans to generate further sustainable growth. TIE will take over the entire workforce at TFT and benefit from the expertise of the employees. Mr. Erik Jan Hengstmengel will retain his position as Managing Director at TFT, and the company will remain based in Munich. The seller (Tomorrow Focus, part of the Burda Group) signed a long-term framework agreement designed to maintain the successful collaboration with TFT.

The purchase price of TFT will be financed as follows:

- partly via a loan provided by seller under market conditions.
- partly via a non-recourse locally funded bank loan under market conditions.
- partly via private placement of new Tie Kinetix NV shares

On October 15, 2013 TIE announced the convocation of an Extraordinary General Meeting of Shareholders to obtain shareholder approval for the acquisition of TFT and the issuance of TIE Kinetix NV shares. The final purchase price will be determined based on the acquisition balance sheet as per December 2, 2013.

Consolidated Balance Sheet

On September 30,

Assets (€ x 1,000)	2013	2012
	(unaudited)	
Non Current Assets		
Intangible fixed assets		
Goodwill	2,186	2,203
Other intangible fixed assets	<u>1,754</u>	<u>1,952</u>
	3,940	4,155
Tangible fixed assets		
Property, Plant and Equipment	<u>453</u>	<u>135</u>
	453	135
Financial fixed assets		
Loans and Receivables	44	44
Deferred Tax Asset	<u>1,309</u>	<u>1,396</u>
	1,353	1,440
Total Non Current Assets	<u>5,746</u>	<u>5,730</u>
Current Assets		
Trade Debtors and Other Receivables:		
Trade Debtors	2,072	1,819
Income Tax Receivable	-	10
Taxation and Social Security	14	16
Other Receivables and Prepayments	<u>967</u>	<u>760</u>
	3,053	2,605
Cash and Cash Equivalents	<u>204</u>	<u>747</u>
Total Current Assets	<u>3,257</u>	<u>3,352</u>
Total Assets	<u>9,003</u>	<u>9,082</u>

Consolidated Balance Sheet

On September 30,

Equity and Liabilities

(€ x 1,000)

	2013	2012
	(unaudited)	
Equity		
Shareholders' Equity	4,044	5,357
Convertible Bonds	45	45
Total Equity	4,089	5,402
Non Current Liabilities		
Loans	171	138
Deferred Tax Liability	19	34
Contingent Consideration	44	44
Provisions	23	18
Total Non Current Liabilities	257	234
Current Liabilities		
Short Term Debt	160	34
Trade Creditors	837	530
Deferred Revenue	1,864	1,646
Taxation and Social Security, Income tax	273	249
Other Payables and Accruals	1,523	987
Total Current Liabilities	4,657	3,446
Total Equity and Liabilities	9,003	9,082

Consolidated Income Statement

For the year ended September 30,

(€ x 1,000)	2013	2012*)
	(unaudited)	
Revenues		
Licenses	1,220	1,069
Maintenance and Support	2,934	3,022
Consultancy	4,007	3,029
Software as a Service	4,820	4,596
Revenues	12,981	11,716
EU Projects	958	690
Onetime income	397	123
Other Income	(43)	(35)
Revenue	14,293	12,494
Third party hire	(736)	(135)
Direct Purchase Costs	(1,422)	(1,120)
Income Net of Direct Purchase Costs	12,135	11,239
Operating Expenses		
Employee Benefits	8,395	7,262
Onetime expenses	551	219
Accommodation Expenses	658	535
Professional Services	578	486
Communication Expense	476	355
Office & Computer Supplies	336	236
General & Administrative	162	337
Marketing Expenses	348	275
Travel Expenses	485	344
Total Operating Expenses	11,989	10,049
EBITDA	146	1,190
Depreciation and Amortization	687	632
Reversal of Impairment CSP trade mark	-	(280)
Impairment	679	216
Depreciation, Amortization & Impairments Costs	1,366	568
EBIT	(1,220)	622
Interest and other Financial Income	2	5
Interest and other Financial Expense	(16)	(1)
Income/(loss) before Tax	(1,234)	626
Corporate Income Tax	(46)	26
Net Income/(loss)	(1,280)	652
Other Comprehensive Income		
Exchange differences on translating of foreign operations	(33)	51
Total Comprehensive Income net after Tax	(1,313)	703
Attributable to Shareholders:		
Income after Tax	(1,280)	652
Comprehensive Income net after Tax	(1,313)	703
Net result per share - basic	(1.37)	0.70
Weighted average shares outstanding - basic (thousands)	933	933
Net result per share - diluted	(1.37)	0.75
Weighted average number of shares fully diluted (thousands)	935	935

*) numbers adjusted for comparison

Consolidated Cash Flow Statement

For the 12 months ended 30 September,

(€ x 1,000)	2013	2012
Income before tax	(1,234)	626
<i>Adjustments:</i>		
Share based payments expense	38	116
Depreciation and amortization	687	632
Impairments	679	216
Reversal of Impairment CSP trade mark	-	(280)
Increase (decrease) provisions	<u>6</u>	<u>2</u>
	1,410	686
<i>Working Capital Movements</i>		
(Increase) decrease in debtors and other receivables	(487)	(551)
(Decrease) increase in deferred revenue	260	69
(Decrease) increase in current liabilities	<u>1,053</u>	<u>196</u>
	826	(286)
Cash generated (applied) in operations	<u>1,002</u>	<u>1,026</u>
Interest paid	(12)	(1)
Interest received	<u>2</u>	<u>5</u>
Net Cash flow from operating activities	992	1,030
Investments in intangible fixed assets	(245)	(570)
Acquisition of subsidiary net of cash acquired	(904)	(35)
Investments in tangible fixed assets	<u>(415)</u>	<u>(68)</u>
Net Cash flow generated / (used) in investing activities	(1,564)	(673)
Increase (decrease) long term loans	<u>33</u>	<u>-</u>
Net Cash flow generated / (used) by financing activities	<u>33</u>	<u>-</u>
Net increase (decrease) in Cash and Cash Equivalents	(539)	357
Currency Exchange Rate Difference on opening balance		
Cash and Cash Equivalents	(4)	10
Opening balance Cash and Cash Equivalents	<u>747</u>	<u>380</u>
Closing balance Cash and Cash Equivalents	204	747

Consolidated Income Statement

For the 3 months ended September 30,

(€ x 1,000)	2013	2012*)
	(unaudited)	(unaudited)
Revenues		
Licenses	323	393
Maintenance and Support	710	784
Consultancy	867	797
Software as a Service	<u>1,230</u>	<u>1,237</u>
Revenues	3,130	3,211
EU Projects	234	250
Onetime income	1	-
Other Income	<u>(42)</u>	<u>(10)</u>
Revenue	<u>3,323</u>	<u>3,451</u>
Third party hire	(173)	(57)
Direct Purchase Costs	<u>(405)</u>	<u>(379)</u>
Income Net of Direct Purchase Costs	<u>2,745</u>	<u>3,015</u>
Operating Expenses		
Employee Benefits	2,009	1,844
Onetime expenses	43	81
Accommodation Expenses	132	143
Professional Services	147	97
Communication Expense	135	87
Office & Computer Supplies	79	67
General & Administrative	59	101
Marketing Expenses	65	52
Travel Expenses	<u>134</u>	<u>95</u>
Total Operating Expenses	<u>2,803</u>	<u>2,567</u>
EBITDA	<u>(58)</u>	<u>448</u>
Depreciation and Amortization	80	148
Reversal of Impairment CSP trade mark	-	(280)
Impairment	<u>679</u>	<u>216</u>
Depreciation, Amortization & Impairments Costs	<u>759</u>	<u>84</u>
EBIT	<u>(817)</u>	<u>364</u>
Interest and other Financial Income	1	-
Interest and other Financial Expense	<u>(6)</u>	<u>-</u>
Income/(loss) before Tax	<u>(822)</u>	<u>364</u>
Corporate Income Tax	132	196
Net Income/(loss)	<u>(690)</u>	<u>560</u>
Other Comprehensive Income		
Exchange differences on translating of foreign operations	<u>(17)</u>	<u>(39)</u>
Total Comprehensive Income net after Tax	<u>(707)</u>	<u>521</u>
Attributable to Shareholders of TIE:		
Income after Tax	(690)	560
Comprehensive Income net after Tax	(707)	521
Net result per share - basic	(0.74)	0.60
Weighted average shares outstanding - basic (thousands)	933	933
Net result per share - diluted	(0.74)	0.56
Weighted average number of shares fully diluted (thousands)	935	935

*) numbers adjusted for comparison

Segment info:
For the twelve months ended September 30, 2013

	The Netherlands	TIE MamboFive	North America	France	DACH	Rest of World	Holding and Eliminations	Total
Revenues								
Licenses	454	-	515	96	143	12	-	1,220
Maintenance and Support	689	-	1,774	167	121	183	-	2,934
Consultancy	443	1,341	775	274	966	208	-	4,007
Software as a Service	1,233	767	2,111	375	8	326	-	4,820
Revenues	2,819	2,108	5,175	912	1,238	729	-	12,981
EU Projects	958	-	-	-	-	-	-	958
Other Income	459	165	278	296	174	187	(1,205)	354
Revenue	4,236	2,273	5,453	1,208	1,412	916	(1,205)	14,293
Third Party Hire	117	39	110	2	466	-	2	736
Other Direct Purchase Costs	592	546	822	167	150	351	(1,206)	1,422
Income Net of Direct Purchase Costs	3,527	1,688	4,521	1,039	796	565	(1)	12,135
Operating Expenses								
Employee Benefits	2,230	1,149	2,758	674	677	13	894	8,395
Onetime expenses	29	46	8	93	-	-	375	551
Other Operating Expenses	588	223	831	214	279	139	769	3,043
Total Operating expenses	2,847	1,418	3,597	981	956	152	2,038	11,989
EBITDA	680	270	924	58	(160)	413	(2,039)	146
Depreciation & Amortization Expenses	217	126	104	14	24	131	71	687
Impairments	-	-	-	-	679	-	-	679
EBIT	463	144	820	44	(863)	282	(2,110)	(1,220)
Interest and Other Financial Income	-	-	-	1	-	-	1	2
Interest and other Financial Expense	(1)	(11)	-	-	(3)	-	(1)	(16)
Income/(loss) before Tax	462	133	820	45	(866)	282	(2,110)	(1,234)
Corporate Income Tax	-	(1)	(37)	(2)	-	-	(6)	(46)
Net Income/(loss)	462	132	783	43	(866)	282	(2,116)	(1,280)

For the twelve months ended September 30, 2012*)

	The Netherlands	TIE MamboFive	North America	France	Rest of World	DACH	Holding and Eliminations	Total
Revenues								
Licenses	431	9	413	63	153	-	-	1,069
Maintenance and Support	881	-	1,828	182	131	-	-	3,022
Consultancy	408	1,297	728	311	221	-	65	3,029
Software as a Service	1,235	617	1,952	560	232	-	-	4,596
Revenues	2,955	1,923	4,921	1,116	737	-	65	11,716
EU Projects	690	-	-	-	-	-	-	690
Other Income	122	(14)	223	123	185	-	(551)	88
Revenue	3,767	1,909	5,144	1,239	922	-	(486)	12,494
Third Party Hire	54	6	105	2	-	-	-	167
Other Direct Purchase Costs	302	287	679	59	310	-	(549)	1,088
Income Net of Direct Purchase Costs	3,411	1,616	4,360	1,178	611	-	63	11,239
Operating Expenses								
Employee Benefits	1,796	981	2,611	910	82	-	882	7,262
One time expenses	-	-	-	90	-	-	129	219
Other Operating Expenses	620	337	729	263	203	-	416	2,568
Total Operating expenses	2,416	1,318	3,340	1,263	285	-	1,427	10,049
EBITDA	995	298	1,020	(85)	326	-	(1,364)	1,190
Depreciation and Amortization Expense	285	47	107	22	148	-	23	632
Reversal of Impairment	(280)	-	-	-	-	-	-	(280)
Impairment of Goodwill	-	-	-	216	-	-	-	216
EBIT	990	251	913	(323)	178	-	(1,387)	622
Interest and Other Financial Income	-	-	1	-	-	-	4	5
Interest and other Financial Expense	-	(1)	-	-	-	-	-	(1)
Income/(loss) before Tax	990	250	914	(323)	178	-	(1,383)	626
Corporate Income Tax	-	-	(69)	(2)	-	-	97	26
Net Income/(loss)	990	250	845	(325)	178	-	(1,286)	652

*) numbers adjusted for comparison

About TIE Kinetix

TIE Kinetix transforms the digital supply chain by providing Total Integrated E-commerce solutions. These solutions maximize revenue opportunities by minimizing the energy required to market, sell and deliver online. Customers and partners of TIE Kinetix constantly benefit from innovative, field tested, state-of-the-art technologies, which are backed by over 25 years of experience and prestigious awards. TIE Kinetix makes technology to perform, such that customers and partners can focus on their core business.

TIE Kinetix is a public company (NYSE Euronext: TIE Holding), and has offices in the United States, the Netherlands, France, Australia, UK, Spain, Germany, Austria and Switzerland.

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