TIE Holding NV
Annual report for the financial year 2007

Keeping Your Business Virtual

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Important Information

Investors in the Ordinary Shares are reminded that their investment carries financial risks. Investors should therefore take careful notice of the entire contents of and disclosures in this Report and the Financial Statements 2007 (October 1, 2006-September 30, 2007).

Cautionary Statement on Forward-Looking Information

Certain statements contained in this Report are "forward-looking statements". Such statements may be identified by among others:

- The use of forward-looking wording such as "believes", "expects", "may", "anticipates" or similar expressions;
- By discussions of strategy that involve risks and uncertainties;
- By discussions of future developments with respect to the business of TIE Holding NV.

In addition, from time to time, TIE Holding NV, or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with approval of an authorized executive officer of TIE Holding NV.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied in such statements. Important factors which could cause actual results to differ materially from the information set forth in any forward-looking statements include, but are not limited to:

- General economic conditions
- Performance of financial markets
- Levels of interest rates
- Currency exchange rates
- Changes in laws and regulations
- Changes in policies of Dutch and foreign governments, and
- Competitive factors, on a national and/or global scale
- TIE's ability to attract and retain qualified management and personnel
- TIE's ability to successfully complete ongoing research & development efforts
- TIE's ability to integrate acquisitions and manage the continuous growth of the company
- TIE's ability to anticipate and react to rapid changes in the market

Many of these factors are beyond TIE's control or ability to predict. Given these uncertainties, investors are cautioned not to place undue reliance on any forward-looking statement.

Financial Highlights

(EUR in thousands except number of employees and per share amounts)

Financial Results

	2007	2006
Revenues	9,692	8,434
Depreciation and Amortization Expense	(613)	(662)
Impairmant losses	(2,004)	-
Net Income	(3,368)	1,041

Equity

	2007	2006
Total Shareholders' Equity	1,271	2,649
Total Equity Instruments	870	2,140
Total Equity	2,141	4,789

Employees (expressed as full time equivalents)

	2007	2006
Average Number of Employees	84	81

Per Share of Ordinary Shares

	2007	2006
Net Income	(0.07)	0.02
Shareholders' Equity	0.02	0.06
Number of Shares Outstanding at Year End (x 1,000)	50,870	43,821
Weighted Average Number of Shares Outstanding (x 1,000)	46,779	42,553
Fully Diluted Weighted Average Number of Shares Outstanding (x 1,000)	47,028	43,531

Share Price

	2007	2006
Last Trading Day in Financial Year	0.26	0.33
Highest	0.42	0.46
Lowest	0.25	0.30

Letter to the Shareholders

2007 was the year we celebrated our 20th Anniversary with our clients, partners, employees and friends. After a operationally challenging year in 2006 we were looking for continued growth in both revenue and profitability in 2007. In a number of ways we were disappointed. The US market developed very promisingly and still shows excellent potential for the future. The development of the US currency has however affected both our top line (revenues) and bottom line (net income). Also the expenses in the US subsidiary exceeded the growth pace of revenues. This combined with lower than expected sales in the Netherlands resulted in disappointing results. The Supervisory Board concluded that intervention was required and on the explicit request of the Supervisory Board Dick Raman decided to step down as CEO of the Company. Dick Raman founded this Company over 20 years ago, brought the Company public and has played a critical role in building TIE to what it is today

For TIE, 2008 will be again a challenging year, positioning the Company's exiting new product proposition TIE Kinetix™ in the rapidly growing Master Data Management market. We believe our position to be unique. From our EDI background we bring the notion that, in order to successfully integrate product information into a single data source, one must use an 'inside-out' perspective rather than the 'inside-in' perspective that we see from our competitors. Sharing data is not something companies do internally only. Increasingly it is a business requirement or rather necessity to share or distribute product information, both logistical information as well as marketing information, with third parties including your suppliers and (future) customers. Doing this virtually is an excellent and (cost) efficient way to achieve this and reach an ever growing public. This is a two way street. Through TIE Kinetix™ data flows can be used to improve for instance product design, production planning, purchasing, reducing stock levels or distributing them more efficiently, etc. The list is endless. TIE Kinetix™ is a true business (process) improvement tool.

For the year 2008 we will endorse a strong focus of our activities in a number of specific areas. Focus in product development, intending to further optimize and expand the TIE Kinetix™ functionalities in the short term.

Focus on sales by identifying five specific vertical markets (solutions within TIE Kinetix™) that will receive additional marketing and sales focus. These vertical markets deliver a direct and measurable ROI (Return on Investment) when implemented and include paperless invoicing (eInvoicing), Data Quality Solutions (SAP X1 Certified), Content Distribution Management (CDM), Data Synchronization and High End Messaging Solutions.

And finally focus internally, focus on productivity and reducing cost of running the operation. We have been reducing up the issues that have been slowing us down for some time now. Also instilling a new sense of pride in our people, pride with respect to our high quality products, our client base and our potential.

It is important to realize that these things will take time to take effect. We are confident they will and are inspired by the fact that our customers and staff continue to believe in TIE, in the quality of both our products and our service.

J. Sundelin,
Acting CEO, TIE Holding NV

Report from the Supervisory Board
To the General Meeting of Shareholders

The Supervisory Board of TIE Holding N.V. exercises supervision over the policies adopted by the Management Board and the general business of the Company. Furthermore, the Supervisory Board provides the Management Board with advice and therefore there is a close and frequent consultation between the members of the Supervisory Board and the Members of the Management Board.

General Business

The Supervisory Board supervised and monitored the operation of the business of TIE in terms of:

- The achievement of the objectives of the Company and of its management

The Supervisory Board discussed the objectives of the Company and monitored the development of results and the actual results versus the targets set in the annual operating plan. The Supervisory Board supervised the measures taken to ensure an effective organizational structure and last year decided to nominate Jan Sundelin to the Board of Management as Chief Sales Officer, with global responsibility for Sales & Marketing. His appointment was confirmed by the General Meeting of Shareholders on February 14, 2007. November 2007 we reached a conclusion with respect to the position of Dick Raman, Founder and CEO. This is discussed further below.

In this Annual Report the Company discusses its operational and financial objectives, as well as the strategy to achieve these objectives and related parameters, which have been submitted to the Supervisory Board for approval. The Management Board as well as the local management teams have set clear performance objectives for 2008. The emphasis is on growth and achieving profitability, whilst continuing to focus on customer success and satisfaction. The Supervisory Board endorses this approach.

- The corporate risk profile and the internal risk management and control system

The Supervisory Board discussed the Company's risk profile with the Management Board. The Supervisory Board recognizes that the risk profile of TIE is adequately understood, monitored and acted upon by the Management Board. The Supervisory Board is satisfied with the structure and operation of the internal risk management and control system and is convinced that its (financial) consequences of have been adequately reflected in the Company's business processes and accounting policies.

- The corporate merger and acquisition strategy

The Supervisory Board discussed the strategic options for growth that satisfied the requirements of being both Earnings and Shareholder Value enhancing. Further opportunities to enhance the TIE Kinetix™ product proposition within the aforementioned framework are being sought actively.

- Corporate financial reporting process

The Supervisory Board monitored the accounting and reporting processes. In order to ensure the quality of the financial reporting process and to discuss the findings on the financial statements, the Supervisory Board has met with the Company's external auditors Ernst & Young, both with and without members of the Management Board being present.

Policies

The Supervisory Board supervised and monitored the implementation of the following policies:

- Compliance with legislation and regulations

The Supervisory Board monitored compliance with the requirements of EuroNext and the government and is for this purpose assisted by the Secretary to the Board.

- The Compensation Policy of the Management Board

The Compensation Policy was implemented in accordance with the decision by the General Meeting of Shareholders. The Management Board received a remuneration amounting to 536k. No bonuses were awarded over 2007 to members of the Management Board. As part of the issue of the 2007 Employee Stock Option Plan, members of the Management Board did receive 218,171 stock options.

The principal components of the Compensation Policy are summarized below:

- Management Board members are appointed for a maximum period of four years.
- Termination requires statutory notice.
- A Severance package is in place which, under certain conditions may be called upon by a Management Board member should a material change of the role and responsibility of that Management Board member take place as a result of a change in ownership of the Company. Severance pay is maximized at a full years salary. A separate agreement (4 year maximum) was in place for mr Th. H. Raman. This arrangement is continued under his new assignment.
- Remuneration of Management Board members will in principle consist of a salary, a variable component in the form of a bonus and participation in an employee stock option plan. Salary levels are intended to reflect the requirements and responsibilities of the respective role and position of the Management Board member. Salary levels are reviewed annually.
- An annual bonus scheme is set based on objectively measurable performance criteria to be set by the Supervisory Board and approved by the General Meeting of Shareholders.
- The Stock option plan allows 1% of the authorized share capital to be offered in stock options to the employees of the Company. Upon termination of employment all stock options are cancelled.
- Members of the Management Board will not be offered any shares in the Company without financial consideration, unless the explicit prior approval of the General Meeting of Shareholders has been obtained.
- No loans will be awarded to members of the Management Board other than in the normal course of business and on terms applicable to the personnel as a whole.

The Compensation Policy is subject to further review; any subsequent changes will be submitted for approval to the General Meeting of Shareholders.

The remuneration of the Management Board is disclosed extensively in the attached 2007 financial statements.

Meetings of the Supervisory Board

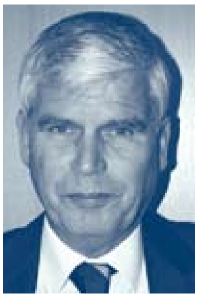
During the financial year 2007, the Supervisory Board held quarterly meetings, which were attended by all board members either in person or by telephone. For discussions on specific items, additional meetings and conference calls were set up.

During the course of these meetings, the Supervisory Board evaluated the functioning of the Board as a whole and the functioning and independence of its individual members. The Supervisory Board discussed the desired profile, composition and competence of the Board.

John Cutts indicated that his other responsibilities required more time. Ton Veth succeeded him as chairman of the Supervisory Board in 2007. John Cutts then subsequently resigned as a member of the Supervisory Board to be succeeded by Peter van Schaick in May 2007, who also took over his portfolio on the Supervisory Board.

The Supervisory Board also evaluated the performance of the Management Board, without the members of the Management Board being present. The Supervisory Board decided that the Company's performance in relation to the targets as set by the General Meeting of Shareholders at the beginning of the year and the recovery plan being implemented was unsatisfactory. On November 21, 2007 the Chairman of the Management Board and founder of the Company, Dick Raman was requested to resign his position as CEO. Jan Sundelin will be acting CEO until the position can be filled on a more permanent basis.

A.F.L. Veth
Chairman, Supervisory Board TIE Holding NV

	Ton Veth	Peter van Schaick	Dick Benschop
			
Gender	Male	Male	Male
Age	61	53	50
Nationality	Dutch	Dutch	Dutch
Principal position	CEO & President, Cebra B.V.	CEO Alto Imaging Group N.V.	Vice President and Managing Director Shell Gas & Power
Other positions	None		None
Date of initial appointment	May 2003	May 2007	June 2005
Current term of office ends	May 2007	May 2011	June 2009
Supervisory Board memberships of other public companies	None	None	None

Company Profile

TIE technology bridges the gap between online and traditional business, and helps industry and supply chain partners achieve electronic business collaboration without limitations. For 20 years we have been providing customers with solutions for Business Interoperability — the power to connect applications and processes with those of their external trading partners and we are taking that external perspective into the arena of Master Data Management.

To that end, TIE solutions address our customers' most pressing issues in Business-to-Business Integration and Operations, Data Synchronization, Trading Partner Collaboration, eInvoicing and Digital Channel Communications. They are proven to lower costs, increase sales, optimize business processes, and improve efficiency while removing the barriers to eBusiness information exchange for thousands of customers in multiple industries worldwide.

TIE provides its software both as a license and as a service (SaaS). All of our services are designed to enhance the value of our software and deliver essential business benefits. Our expert resources and carefully selected partners ensure that we can provide all of our customers with quality service and superior value.

With decades of experience to share, TIE remains a key contributor to the development and implementation of global eCommerce standards. Today we are the partner that industry leaders turn to for business-to-business success.

Founded in 1987, TIE is a listed company (since 2000) with offices in the United States, France, and the Netherlands.

Vision Statement

"Keeping your business virtual"

Regardless of whether a business operates in the real world or online, the power to connect applications and processes with those of their supply chain partners is a bare necessity. While many traditional companies have been through the process when it comes to establishing their (virtual) supply chains, there are growing numbers of online merchants struggling to understand how this works. As their businesses continue to grow at an incredible pace, online companies are realizing that Business Interoperability is more than just a matter of customer service or operational efficiency. It is a matter of survival.

The most basic definition of Business Interoperability is the ability to exchange information, and most companies are able to do this today using a wide range of technical solutions, from EDI to XML to value-added network services. But as more and more business is conducted electronically, the definition of Business Interoperability needs to be expanded. Companies have the ability to share data, but are they confident that the information is accurate, up to date, and being shared in an efficient manner? Is it in a format that all of their trading partners are able to process? This identifies the importance of Master Data Management (MDM) as an important subject that is well recognized nowadays.

Traditional companies are maximizing cost efficiency of the supply chain. Online companies are eager to plug into the supply chain as a matter of survival. And the savviest among all these companies are looking for ways to transform their supply chain into more of a profit center. We see these trends often in the retail sector, where the large retailers are imposing more and more demands on their suppliers to synchronize product information and tighten up business processes, and manufacturers are putting pressure on their resellers to be more active in marketing their products. By improving their Business Interoperability, companies can meet these demands and gain an all-important competitive edge in what is an increasingly "virtual" supply chain.

Mission Statement

"TIE will remain at the forefront of technology by playing an active role in supply chain communication and Master Data Management. Through this we will continue to provide our customers with solid, future-proof software tools and in-depth expertise for bridging the eBusiness Gap and achieving operational excellence."

TIE's mission is to provide its customers with software that is at the highest level of usability, now and in the future. Throughout the Company's history, TIE has been among the first providers of new concepts and new technology as we are now with our unique Master Data Management proposition. The work that TIE is performing in global standardization has enabled the Company to provide customers with software that supports the latest standards and developments in the field of eCommerce and Supply Chain Management. TIE is determined to maintain the leadership position it has established in these fields.

The Company's long-term objective is growth. As a software vendor, growth in software revenue only requires marginal increase in cost, which establishes the potential for high profits. In that sense it makes no difference how the software is delivered: as a license or as a service. TIE's focus now is enabling online and traditional companies to collaborate electronically with their trading partners in the supply chain. TIE software integrates into applications both internally and externally. TIE's strengths are based on the company's accrued knowledge as one of the world's first Internet companies, 20 years of experience linking trading partners in the supply chain and establishing trading communities, and playing a key role in the development and implementation of global eBusiness standards. TIE's target customers for our Master Data Management solution are primarily large and medium-sized organizations. TIE ensures however, that its clients can support relationships with trading partners of any size. TIE emphasizes business value, not technology.

TIE Product Development creates an integrated set of products that are targeted for reselling via TIE Subsidiaries and TIE Solution Providers as part of their overall solution offering. The products are generic and can be configured into solutions that can be pre-configured for efficient deployment in specific industries, or adapted to a local market practice. They deliver 'whole products' in terms of the software, training, and documentation. TIE also provides its software as a hosted or outsourced service, referred to as software as a service (SaaS).

TIE International handles reselling relationships in areas where TIE does not have a subsidiary. TIE offers Agents and Resellers an extensive range of standard (packaged) products and the appropriate training and certification.

At the regional level, TIE Subsidiaries support local resellers that use TIE software to render solutions for our local customers. They help customers to achieve efficiency and cost savings by streamlining their interactions with their partners in the supply chain. TIE Subsidiaries have in-depth knowledge in many vertical markets such as retail, health care, automotive, transport, and finance.

Bridging the eBusiness Gap

From the consumer's perspective, the differences between a brick-and-mortar department store and an online retailer are very apparent. What consumers are not privy to, however, is the business that's being performed behind the scenes — stock replenishment, distribution, reseller communications, and more. There the activities of online and traditional businesses are remarkably similar.

Traditional companies have been through the trenches when it comes to establishing their supply chains, though there is always room for improvement. They continue to rely heavily on EDI as a means to exchange business information and support complex trading partner relationships. While major changes are not expected in supply chain management over the next five years, traditional companies will likely use that time opportunistically, seeking ways to maximize supply chain efficiency, optimize processes, cut costs, and improve their bottom lines.

For many online merchants, however, supply chain management is an area in which they find themselves far behind. Many small and medium-sized online companies have achieved critical mass, with no lack of demand for their products or services. What they do lack, however, is the knowledge and infrastructure necessary to leverage the supply chain. They have not made the same investments in the supply chain as their traditional counterparts or the large online retailers, which means their fulfillment is predominantly manual and their back-office is inefficient and unable to scale.

The answer for these smaller online companies is to latch on to the experiences and mechanisms of the traditional supply chain. In this way the gap can begin to close between online and traditional business. By adopting real-world eBusiness methods, online companies can standardize their business practices according to an already proven and time-tested traditional model. But traditional companies can also learn something from their online counterparts when it comes to the supply chain — how to exploit the Internet as a means to optimize processes and increase sales.

The "Virtual" Supply Chain

The key to building a successful supply chain is simple: automate processes whenever possible, eliminating paperwork and data entry while reducing the risk of human error. For traditional companies and their online counterparts, that means managing business processes in the supply chain electronically for as much — and as long — as possible.

Broadening the "virtual" supply chain delivers immediate dividends by lowering the cost of doing business and reducing the time to market for products and services. But there are other benefits, as well. For starters, it allows them more time to focus on their core business. This is especially critical for online companies. In most cases they know nothing about supply chain management, but they know a great deal about conducting business online. The time and resources spent facilitating raw materials providers, distributors, and other trading partners can drag a small business down. But when the supply chain is managed online and fully automated, it allows them to focus on more important business agendas in sales, marketing, and operations. It also makes them easier to do business with, and thus a more attractive partner to large distributors and manufacturers.

The virtual supply chain also provides a future-proof foundation for growth. Over the last decade, the supply chain has grown increasingly tighter. It's a trend that will undoubtedly continue as more and more business is being conducted online. Companies without the necessary infrastructure, knowledge, and eBusiness experience are likely to find themselves left behind as the virtual supply chain takes off — if it hasn't happened to them already.

Finally, the virtual supply chain leads to an efficient platform for business information exchange. Traditional companies wanting to maximize their supply chain efficiency optimize processes, and cut costs will find that increasing their virtual participation is the way to go.

An added bonus are compliance benefits. For instance for companies operating under SOX legislation the "Virtual" Supply Chain offers great benefits, in the form of audit trails, standardized reliable automated controls, elimination of human error etc.

Business Interoperability

Regardless of whether they operate in the real world or online, every business needs the power to connect applications and processes with their supply chain partners. It's called Business Interoperability, and it ensures that any action in the supply chain - for example, a stock replenishment order - sparks an immediate and accurate response from your partners, i.e. your supplier and your logistic company but also updating stock level information for the web shops of your sales partners.

By eliminating the need for human interaction, Business Interoperability eliminates paperwork and the risk of human error in supply chain activities. It also makes the

supply chain more manageable, more predictable, and therefore more profitable. For example, by connecting their resellers with real-time product information and marketing campaigns, manufacturers can drive more sales through the channel. Also, by plugging into the traditional supply chain, online retailers can establish a more efficient order fulfillment process that yields higher profits.

A prime example of Business Interoperability is the GCI (Global Commerce Initiative) GUSI model. This Global Upstream Supply Initiative defines the complete business model between the industry and its raw material suppliers. TIE has actively contributed to the initiative and has implemented the result in its solutions. This way, the solution is not just a technically working piece of software, but it delivers a complete business interoperability model blueprint ready to implement and use.

Master Data Management

The Business Interoperability issue has an internal perspective for companies as well. Business Intraoperability if you will. As much as companies need to share data with business partners they also need to share data internally. Master Data Management represents a set of tools and processes aimed at supplying business processes at the right time the correct data from a reliable, manageable single source of truth. This data would typically pertain to customers, products, employees or possibly vendor. Imagine all the business processes using or generating product data. The range spans the full operational cycle of a typical manufacturing company, from product design to purchasing to production to stock keeping, sales and marketing and logistics. Applying a single source of truth principle for all these business processes but also in exchanging data with your external partners obviously has huge advantages such as less to no redundancy, less errors, no consistency issues etc. The potential for cost savings is significant.

A critical component of the TIE vision with respect to Master Data Management is the inside out perspective taken from our Business Interoperability experience. The need to share data both externally and internally means using consistent data formats for both and is just plain common sense. The fact that external communication requires consistency with accepted data standards makes these standards the right place to start designing an internal environment. This is a preferable solution to combining 'inside in' and 'outside out' propositions that may be offered by separate solution providers.

The Digital Channel

Regardless of the strengths of their supply chains, what many traditional companies are lacking is an effective means of communicating with resellers and end users online. More to the point, they are unable to control the consistency of online communication. It is easier for pure online retailers to accomplish this; however, traditional companies must find a way to consistently market their products online through resellers and distributors that can number anywhere from dozens to hundreds of outlets, each with their own marketing agendas.

Digital Channel Communication provides these traditional companies with the tools to create their product information and distribute it online, from for instance an Master Data Management data source, to resellers and end users, all the while controlling the way in which the information is being used - without handcuffing the resellers' online sales and branding efforts. Meanwhile the manufacturers' investment in product marketing is protected because the information reaching end users is consistent.

For manufacturers, Digital Channel fills a critical void. Today, many of them lack the ability to "activate" the channel and motivate resellers to be more proactive with the manufacturer's marketing power. With the infrastructure of Digital Channel, manufacturers can provide resellers with dynamic online merchandising tools that can be used to leverage the manufacturers' product marketing in email campaigns and on the resellers' Web sites. It enables these partners to connect in ways that are critical to businesses moving forward, especially given the independence and technical savvy of today's consumer.

Conclusions

While eCommerce and supply chain management technologies have matured, there is still considerable potential for improvement and advancement. Master Data Management and Business Interoperability are important methods to accomplish both. In order to achieve true interoperability, there must be cross-industry agreement on a number of eBusiness standards, and progress will be measured by how rapidly such standards and related concepts are adopted. TIE continues to work with determination towards the development, promotion, and implementation of such standards, understanding that an open, flexible, and interoperable eCommerce infrastructure is beneficial to the health and profitability of every business community.

Keeping your Business Virtual

Since its foundation in 1987, TIE has been active in Business-to-Business Integration, not only in software development but the standardization process as well. When the Internet started to expand, TIE understood that it would trigger many new applications essentially aimed at doing business more efficiently. TIE believes that eCommerce is not revolutionary but evolutionary, and evolving as an eCommerce company requires an existing body of knowledge about doing business electronically. TIE has been building such a body of knowledge for more than 20 years.

The Internet continues to offer opportunities to take Business-to-Business Integration and collaboration to new levels. Success does not depend solely on technology, however, but also on understanding the business processes and semantics involved. To make Business-to-Business Integration and eCommerce work, trading partners must agree on specific ways of doing business and restructure their business processes accordingly, to allow them to be automated. As a key contributor to the development and implementation of global eCommerce standards, TIE is positioned to play a leading role in this endeavor.

TIE develops and delivers XML/EDI™-based software solutions, which enable trading partners in the supply chain to do business electronically. TIE specializes in Master Data Management solutions and Business-to-Business Integration for vertical trade communities, connecting applications in different companies and synchronizing their business processes. Our 'inside out' solutions are the core for a truly holistic end-to-end integration solution. In combination with the Digital Channel Solution, bringing reliable product information to the eBusiness Point of Sale and allowing focused marketing and highly sophisticated marketing data analysis, the TIE product offering is a uniqueproposition.

Products

The TIE Master Data Management product suite branded TIE Kinetix™ enables customers to extend the limits of electronic business collaboration and achieve maximum Business Interoperability. By giving customers the power to connect processes and applications with those of their industry and supply chain partners, the TIE Kinetix™ product suite improves operational efficiency, reduces costs, and provides a platform for business information exchange and communications. Moreover, it is the only connection an organization needs when doing business with thousands of trading partners from around the world.

Manufacturers invest millions of dollars to create demand for their products and even more to fulfill it. Yet somehow it's never fast enough for today's Internet-savvy consumer, who expects every action to spark an immediate business response. That's a tall order, however, when so many barriers exist to impede the supply chain.

With Business Interoperability, organizations gain the ability to connect with trading partners on a new level, one that stretches the limits of electronic business collaboration. Suppliers, manufacturers, distributors, and resellers can communicate, share information, and participate in critical business processes, all in real time. They can achieve a higher level of performance not only for themselves, but for their end users as well.

By optimizing their business processes and enhancing their ability to collaborate, TIE helps trading partners deliver what today's consumer demands: immediate responses, higher quality, and instant results. TIE does more than help organizations activate the supply chain. Like the Newton's Cradle, we help them gain momentum with every business connection.

With the TIE Kinetix™ product suite, TIE can deliver a two-fold advantage to our customers: optimizing their internal business processes and enhancing their ability to connect with external trading partners and customers. It allows customers to build a powerful electronic framework for business collaboration without the obstacles that can impede an organization's ability to create and fulfill demand.

TIE Kinetix™ encompasses the following:

Master Data Management - Centralizing your product information will resolve many consistency and redundancy issues and will allow efficient and reliable exchanges of product information with business partners, both upstream and down stream. This solution includes data quality management tools such as automated consistency checks with agreed industry standards, verification of data elements with company specific reference values and a secure data storage function allowing customers to share and distribute enriched product information with business partners and apply this data in company business processes from a 'single source of truth'. The solution integrates with any brand ERP system. It has specifically been certified for SAP XI 3.0 and will leverage the investments in SAP Netweaver.

To make maximum use of existing data pools for data synchronization with your supply chain partners, the TIE MDM solution offers certified connections to data pools like GS1DAS powered by 1SYNC.

Business Integration - TIE provides the technology to integrate internal business processes including linking them to those of external trading partners. We help customers automate the exchange of business information with a complete package for business integration: industry-leading XML/EDI and database translation engines, secure communications via Internet protocols and value-added network services (VANS), and flexible adapters for the most popular back-office applications (e.g., Microsoft, Oracle, SAP, and Epicor). Furthermore, customers can count on TIE business integration solutions to support the latest industry standards.

Supply Chain Collaboration - TIE provides a wide range of solutions dedicated to enabling close collaboration between organizations and their suppliers. For example, organizations can manage a shared inventory with their suppliers. The availability of forecast, production, and transaction information allows for collaborative planning and process optimization. Organizations can also achieve deeper supply chain integration with key suppliers.

Digital Channel - TIE provides a total marketing communications solution for the entire channel. It helps manufacturers connect to and activate their channels, ensuring consistency in product marketing and making channel-wide communications easier and more cost-effective. Meanwhile, Digital Channel lets resellers take advantage of dynamic merchandising tools and activities, from email marketing campaigns to marketing via the reseller's Web site. These analytical tools can not only be used to focus marketing efforts and increase sales but also to provide feedback to critical business processes such as effectively managing stock levels (both geographical distribution and quantity) and Product Development, providing valuable input as to product features and design characteristics appreciated by the end users.

Reporting & Analytics - All TIE solutions are completed with reporting facilities to monitor and analyze the processes supported. A dashboard provides a comprehensive overview of all Key Performance Indicators and allows access to more detailed information such as internet traffic analysis throughout the Digital Channel controlled by TIE Kinetix™. Workflow capabilities monitor your processe s completely unattended and report exceptions when they occur in any desired format.

Services

TIE's commitment to customer success extends beyond delivering software. We have developed a world-class support services organization to complement our industry-leading products, helping to ensure that our customers derive the greatest possible value from deploying out software.

TIE offers complementary services including consulting, education services, customer service and support. TIE aims to provide these services through partners, resellers, and system integrators.

Additionally TIE offers:

VAN Services - TIE offers all the advantages of a full-service private network that safeguards transactions between business partners and allows you to connect to any type of Value-Added Network instantly.

Outsourcing and Hosting Services - In today's market companies are accustomed to entrusting IT services to specialists. TIE provides an online application service based on the domains above that help companies take advantage of the Internet. TIE provides the resources required to fill any in-house gaps associated with solution configuration, operation, and support, and can address short-term or long-term requirements.

Strategy

TIE's objective is to be a leading provider of Master Data Management & Communication software. To achieve this objective, TIE intends to pursue the following strategies:

Significantly grow the Company

The primary aim is to grow TIE's revenue significantly. With TIE being a larger company, it will be a more attractive supplier for larger, multi-national companies, which increases the potential deal size of (implementation) projects and a serious expansion of TIE's current market. It will attract more attention from financial analysts and therefore investors, which improves access to the international capital market and positively affects the share price. It will also achieve economies of scale for the TIE Holding organization and in product development and marketing

This cannot only be achieved via organic growth of revenue alone, although autonomous growth in our home markets is an important pillar in our strategy. Organic growth will be achieved through up selling to existing customers as well as introducing new clients to the TIE Kinetix™ Proposition.

Finally, an important part of the necessary growth will be achieved by acquiring companies that enhance earnings, enhance profits, are cash flow positive, expand TIE's market reach, customer base, and offerings with a focus on Master Data Management and Business Interoperability. TIE may acquire businesses, products, or technologies that it believes will enhance earnings, are cash flow positive and expand the Company's current product offering.

Maintain Technological Leadership

TIE has a history of technology leadership and dedication to continuous product improvement. TIE provides comprehensive product suites that enable customers to rapidly and efficiently streamline business processes internally and across the supply chain. TIE will continue to promote and embrace existing and emerging industry standards and participate in the research necessary to provide a future proof product and services suite.

Leverage and Expand Strategic Alliances/Partnerships

TIE believes that relationships with leading software and other technology vendors, as well as system integrators, provide opportunities to gain customers in markets where its products and services are in demand. TIE intends to leverage its established relationships and forge new alliances to enhance marketing, selling, and implementation initiatives. TIE believes that many of these vendors and system integrators seek to partner with strong technology providers that will enable them to more rapidly satisfy customer needs. TIE has relationships with the following leading software and technology vendors: Microsoft (Gold Level Partner), SAP, Oracle, Epicor, RCM, CGS, and global system integrators. TIE believes that these relationships better enable it to sell additional products to its existing customer base, acquire new customers, and enhance its market presence.

Expand Customer Base

TIE has a large and growing customer base across a wide variety of industries. TIE has made substantial progress in maintaining and extending its relationships with its existing customer base. The strategic importance of TIE solutions allows it to develop strong relationships with the key technology decision makers within its customer base. In addition, the strategic selling approach facilitates broad adoption of TIE products throughout a company. Accordingly, TIE intends to generate incremental sales from its existing customer base through the introduction of new and enhanced products.

As the one of the few listed companies focused on Business Interoperability, there is an opportunity for expanding the customer base beyond what it is today. TIE can be the vehicle to consolidate a number of European B2Bi companies, utilizing access to the capital markets directly or indirectly to fund the acquisitions.

Risk Profile

Today's unstable geo-political and monetary environment is a key risk that is largely beyond TIE's control. Further risks of this type include the entry of more and larger players into the Master Data Management and B2Bi market, creating more confusion amongst users leading to inertia in the market place. The positioning of the Company providing a unique perspective on these markets assists in mitigating this risk. Competitors however are likely to catch up at some time in the future. Other risks may be influenced by TIE. Such include the unwillingness of existing B2Bi players to cooperate rather than compete on a new generation of products, the possible inability to retain key employees and qualified management, and the possibility that investors might lose interest in investing in TIE stock, leading to inability to raise funds to invest in TIE's growth.

Additionally the Company activities expose it to a variety of risks including market risks (including currency risk and interest rate risk) credit risk and liquidity risk. Financial instrument held are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). In order to provide the users of these financial statements disclosures allowing them to evaluate the significance of financial instruments for the company's financial position and performance as well as the nature and extent of aforementioned risks and the manner in which management manages those risks management has decided to early adopt IFRS 7.

Management monitors risk on a recurring basis at a Management Board level applying input received from Management in the individual geographical areas, of which the members of the Management Board are part or in regular contact with. The risk analysis focuses predominantly on business risks resulting in managerial decisions on investing in Research and Development, entering new markets. Financing and funding decisions are made at Management Board level, guaranteeing management is aware of any changes and developments. Individual debtors with collectibility issues are discussed on an item by item basis.

The Company neither holds nor issues financial instruments for trading or hedging purposes.

Fair value

The Company does not hold any financial assets or liabilities accounted for at fair value through the Profit and Loss Account. Where relevant fair value approximations have been made and disclosed. Fair values disclosed are calculated based on current interest rates taking into the terms and conditions of the financial asset or liability. In most cases fair values will equal the carrying value of the item.

Currency Risk

The Company operates across the globe in different currency environments and is exposed to foreign exchange risks, mainly with respect to the US dollar. To minimize the exposure it is the intention to balance assets and liabilities in dollars as much as possible.

The Company's consolidated net income is however affected directly by changes in the currency exchange rates affecting the weighted average rate applied for translating the USD denominated profits to EUR. The Company does not hedge this risk.

Based on actual net income from the US for 2007 sensitivity of the consolidated net income to the weighted average EUR/USD exchange rate can be quantified as follows:

	effect in EUR with increase of	**effect in EUR with decrease of**
5%	18	(17)
10%	39	(32)
20%	87	(58)

Based on net investment in the US companies as per year end 2007 sensitivity of shareholders equity to the EUR/USD exchange rate can be quantified as follows:

	effect in EUR with increase of	**effect in EUR with decrease of**
5%	115	(104)
10%	243	(198)
20%	546	(364)

Reference rates are 1.4185 for the year end closing rate USD against the EUR and 1.31246 for net income.

Management has provided an analysis of the effects of multiple scenarios all within a range that may be considered reasonably likely to occur rather than limiting the analysis to a single scenario. Especially the currency exchange rate development of the USD against the EUR has been volatile and unpredictable in the recent past.

Credit Risk

The Company has no significant concentrations of credit risk, outside of the fact that a significant proportion of its clients in the Netherlands are Food Industry related. This risk has been reduced with the acquisition of Digital Channel as this positively affected the relative share of these clients in both revenue and outstanding debtor balances.

Management has policies in place to ensure that sales of products are made to customers with an appropriate credit history. In relevant situations credit risk is mitigated through collateralizing outstanding balances.

In the event of collectibility issues the Company take an impairment charge to cover the potential loss.

Liquidity Risk

The Company has a history of temporary cash crunches which have been resolved either through issuing additional shares to fund operations. These cash crunches usually occur in a period in which the debtor balance reduces, also due to seasonal effects, and therefore the collateral underlying the Credit Facility reduces. This means incoming cash then must be applied to repay the Credit Facility. The repayment of short term debt EUR 200k as per August 30, 2008 and an additional EUR 500k as per November 28, 2008 are also critical points in time which require planning to have the necessary funds available. To date management has been able to raise sufficient funds to fund operations should cash crunches occur. The cash position of the company is monitored closely by management.

The remaining liquidity risk exposure of the Company originating from financial instruments is limited due to the fact that the majority of the financial instruments outstanding have no mandatory cash settlement option. This means repayment of debt will take place through conversion into common shares TIE Holding N.V. The majority of outstanding financial instruments are non-interest bearing. Again this limits the exposure to liquidity risk. Management regularly assesses the outstanding debt position as well as the outstanding equity instruments and evaluates funding opportunities.

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company to this risk is limited due to the nature of the financial instruments the Company holds and the fact that assets are held to maturity and the convertible bonds are expected to be converted into common shares either on or prior to maturity date. The convertible bonds outstanding at year end 2007 are non interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At year end 2007 the company held EUR 526k short term debt. The average balance outstanding during 2007 amounted to EUR 317k. The weighted average interest rate amounts to 6.6%. The full interest charge pertaining to this debt accounted for in income amounts to EUR 51k.

A 100 basispoint increase in interest rates would have an effect on net income of EUR (5)k.

A 100 basispoint decrease in interest rates would have an effect on net income of EUR 5k.

A 200 basispoint increase in interest rates would have an effect on net income of EUR (11)k.

A 200 basispoint decrease in interest rates would have an effect on net income of EUR 11k.

Since balance sheet date the interest rate on the Credit Facility was increased to 7.1%. At the same time the Facility was reduced from a EUR 600k maximum to a EUR 500k maximum.

An even more comprehensive risk disclosure can be found in the attached 2007 financial statements.

Actions For the Coming Year

- Focus the Company's activities on those activities that provide the required yield in terms of revenue and profitability;
- Branding TIE as a Master Data Management solution (TIE Kinetix™) provider with a unique angle that can make a difference;
- Putting TIE on the map as a main provider for Internet companies that need to hook in to the traditional supply chain;
- Continued investments in marketing in order to create market understanding, visibility, and brand awareness especially in the US market;
- Building the Software as a Service (SaaS) offerings as an alternative for software as a license and increase recurring revenues there from;
- Expanding SaaS platform with new functionality, so existing customers can use this new way of communicating with business partners. Start offering this service with key ERP and Implementation partners in the European and U.S. market place;
- Pursuing technical partnerships with companies that can provide additional technology components;
- Pursuing commercial partnerships with Application Integration Platform vendors and Business Consultants, to whom TIE can provide additional expertise and products;
- Achieve further synergies between the U.S. and Europe in cross-selling products, avoiding duplication of efforts, and streamlining product management;
- Focusing our in- and external activities on well defined product-market combinations;
- Continuing to optimize the internal business processes, as well as the communications with customers and business partners, fully utilizing the potential of the internal system 'My-TIE'.

On December 9, 2003, the Corporate Governance Committee, Chaired by Mr. Morris Tabaksblat issued a new Corporate Governance code that applies to all listed companies incorporated in the Netherlands. This code is based on the principle accepted in the Netherlands that a company is a form of long-term collaboration between the various stakeholders, such as shareholders, employees, finance providers and other groups and individuals who directly or indirectly influence (or are influenced by) the achievement of the aims of the company.

In this respect, the Management Board and the Supervisory Board have overall responsibility to take into account the interests of the different stakeholders, with a view to ensuring the continuity of the enterprise. In doing so, the Company endeavors to create long-term shareholder value. Good entrepreneurship, including integrity and transparency of decision-making by the Management Board, and proper supervision thereof, including accountability for such supervision, are essential.

The Dutch Corporate Governance Code contains (a) principles, which are general concepts of proper Corporate Governance and (b) best practice provisions, which are detailed regulations resulting from, and giving a further specification of the principles of the code.

By means of an administrative decree dated December 23, 2004 on the determination of further regulations regarding the content of the annual report, the Dutch legislator designated the Dutch Corporate Governance Code as a code of conduct as referred to in Article 2:391 paragraph 5 of the Civil Code. Based on this designation, each listed company is required to include a description in its annual report, of its compliance with the principles and best practice provisions of the Dutch Corporate Governance Code applicable to the Management Board and Supervisory Board. A listed company may deviate from the principles and the best practice provisions, provided that it shall give a proper explanation in the annual report, as to why such deviation has been made (“apply or explain”). This designation is applicable to annual reports regarding the financial year starting on or after January 1, 2004.

The Management Board and the Supervisory Board are responsible for the Corporate Governance structure of the Company and compliance with the code; they are accountable for this to the General Meeting of Shareholders. Starting financial year 2003, the Company has taken several measures to comply with the Dutch Corporate Governance Code and has already included in its annual report a description on its Corporate Governance structure. At the General Meeting of Shareholders held in 2006, the Management Board gave full explanation regarding the Corporate Governance structure of the Company and the deviations regarding best practice provisions in the Corporate Governance code. All deviations from the Code (to be discussed in this chapter) were put before the General Meeting of Shareholders, and the General Meeting of Shareholders approved. The Company fully complied with the Dutch Corporate Governance Code (explanation constitutes compliance after approval by the General Meeting of Shareholders).

In this annual report, a further analysis will be given on what further measures the Company has taken to apply the code, or as the case may be, an explanation for deviations from the provisions of the code is included. In this respect, this chapter and the other chapters of this annual report should be read together in order to gain a full understanding of the Corporate Governance approach of the Company.

Management Board

The role of the Management Board is to manage the Company. Under the Dutch Corporate Governance Code, this means that it is responsible for achieving the Company’s aims, strategy and policy, and results. The Management Board is accountable for this to the Supervisory Board and to the General Meeting of Shareholders. In discharging its role, the Management Board shall be guided by the interests of the Company and its affiliated enterprises.

The Management Board shall provide the Supervisory Board in a timely fashion with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the Company activities and for financing the Company. Related developments have been and shall be reported to the Supervisory Board.

During the financial year 2007 the Management Board was expanded with Jan Sundelin as Chief Sales Officer. Jan Sundelin has been appointed in the General Meeting of Shareholders of February 14, 2007, in agreement with the Dutch Corporate Governance code, for a period of four yearsand has been offered a severance package in line with best practice provision II.2.7 of the Dutch Corporate Governance Code.

The CEO & President, Dick Raman is the founder of the Company, which was established in 1987. As such he was not appointed for a limited period of four years and receives a severance pay of three months salary for each year of service, with a maximum of four years salary. On November 21, 2007 Dick Raman resigned his position as CEO of the Company at the explicit request of the Supervisory Board.

The remuneration of the Management Board is, in accordance with article 2:135 sub 3 of the Dutch Civil Code, determined by the General Meeting of Shareholders. Due to this deviation from provision III.5.10 of the Dutch Corporate Governance Code, it is agreed that a member of the Management Board will not participate in the voting process by the General Meeting of Shareholders regarding their own remuneration.

The remuneration of the members of the Management Board includes costs to the Company such as salary, pension, car and fixed expenses. At the last meeting the remuneration of Dick Raman was increased by 5% from the previous year to EUR 257k, excluding stock option expenses (EUR 55k for 2007). On February 14, 2007 the General Meeting of Shareholders approved a bonus arrangement for the members of the Management Board amounting to 25% of the remuneration should the Company reach desired targets of a significant increase in revenue, net profitability and equity. These objectives were not reached and therefore the members of Management Board will not receive a bonus over 2007. The remuneration of Jan Sundelin for 2007 , including expenses amounted to EUR 224k. and was paid to CAPTA Management B.V., his personal holding company. The Supervisory Board will not propose a Management Board bonus arrangement for finanial year 2008.

In general, on the last day of each financial year, all TIE employees, including members of the Management Board are granted options. These options to acquire shares are not a component of the employee's remuneration; they are an incentive to work for TIE. Options can only be exercised after three-years for a period of seven years. If an employee leaves the Company, the options are cancelled and are available for distribution amongst the remaining or new personnel. The option exercise price is set at the closing price of the publicly traded shares of the Company on the last working day of the financial year.

In case the General Meeting of Shareholders determines to grant the Management Board rights to acquire shares as part of a bonus, these options will be conditional on the fulfillment of predetermined criteria. This does not apply to the options that are granted under the Employee Stock Option Plan on the last day of each financial year and therefore approval regarding deviation from provision II.2.1. has been requested and obtained from the General Meeting of Shareholders.

Shares in the Company, held by a member of the Management Board, are long-term investments. The Management Board has drawn up (and the Supervisory Board gave approval to) regulations concerning insider knowledge and the holding of and affecting transactions in securities relating to the Company and other securities, The Regulations 2007 Insider Knowledge (TIE Company). Therefore the Supervisory Board did not need to draw up regulations regarding ownership of and transactions in other securities by the Management Board members. The General Meeting of Shareholders has approved this deviation from the first sentence of provision II.2.6 and III.7.3 of the Dutch Corporate Governance Code.

No Management Board member is a member of the Supervisory Board of another listed Company.

Any (apparent) conflict of interest between the Company and a member of the Management Board shall be avoided. All transactions in which a conflict of interest exists or is deemed to exist must be concluded on terms at least customary in the sector concerned. Resolutions for entering into such transaction must be approved by the Supervisory Board.

More information regarding the remuneration of the Management Board can be found in the Compensation Policy of the Company and in the Report of the Supervisory Board included in this annual report.

Risk Management

For a company the size of TIE, the risks are relatively easy to determine and have been contained as much as possible. As a software company there are particular risks that need to be considered. Most important here is that not only the software is developed in the right way, but especially that the right software is developed. As Microsoft Gold partner and after many different certifications from GS1, ETSI and the Drummond Group, there is reasonable certainty that the development process is solid. The Company follows the Rational Development Process from IBM to ensure this. The Company also plays an active role in Global eBusiness Standardization, which provides insights future developments in eBusiness.

In order to assure adequate and effective internal risk management and control systems, all internal business processes are aligned according to the internal instrument called My-TIE. This system gives the Management Board complete visibility on all transactions that have taken place anywhere within the Company and provides detailed reports on revenue en costs. It also provides for strong procedures to control purchasing, order fulfillment and support. For all TIE employees world wide, it provides information on policies and procedures, customers and prospects, human resources, assets, documentation and pricing of products and services and it is the platform to collaborate with other employees, customers and resellers. The system has been outsourced in order to ensure 24/7 global availability and to free up internal resources.

The My-TIE system has been in operation since 2004 and functionality and design are developed continuously to further improve supporting business processes. My-TIE has also proven to be a very effective instrument of the internal risk management and control system. Any shortcomings that come to light as management continues to evaluate processes and procedures, also in light of changing circumstances and business processes, are addressed and resolved as soon as possible.

In view of the above, the Management Board believes that with the implementation of My-TIE as system of monitoring and reporting, it has taken adequate steps to implement an appropriate risk management and internal control system. This system provides, with reasonable certainty, reliable internal and external reports, adequate information to determine in how far the Company is achieving the strategic goals it has set and assurance that the Company is operating within the boundaries of the law. My-TIE significantly reduces, but cannot fully eliminate the possibility of poor judgment in decision-making, human errors, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of other unforeseeable circumstances. Another limiting factor is the need to consider the relative costs and benefits of risk responses. A properly designed and implemented risk management and internal control system will therefore provide reasonable but not absolute assurance that a company will not be hindered in achieving its business objectives, or in orderly and legitimate conduct of its business. In this context reasonable certainty refers to a degree of assurance that would be satisfactory for a prudent manager in the management of his affairs in the given circumstances.

Notwithstanding the forgoing and in view of the above, the Management Board is of the opinion that it has implemented a system that is adequate and effective, suitable for the Company's business and in compliance with the requirements of provision II.1.4 of the Dutch Corporate Governance Code. The Management Board has discussed the internal risk management and control systems with the Supervisory Board.

Supervisory Board

The role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and its affiliated enterprise, as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprise, and shall take into account the relevant interests of the Company's stakeholders. The Supervisory Board is responsible for the quality of its own performance.

The composition of the Supervisory Board is such that the members are able to act critically and independently of one another and of the Management Board and any particular vested interests. The board comprises of three members; each shall be capable of assessing a broad outline of the overall strategy of the Company and its business. As a whole the composition shall be such that it enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and others stakeholders.

Of the three Supervisory Board Members mr Peter van Schaick, through his 100% shareholding in Alto Imaging Group N.V. holds approximately 25% of the share of TIE Holding N.V. He can therefore not be considered an independent member of the Supervisory Board.

The Supervisory Board shall be constituted in a balanced manner as to reflect the nature and variety of the Company's businesses and the desirability to have available expertise in different fields, thus covering the areas of finance, management/legal/Corporate Governance and the Company's business, the national and international B2B Integration market.

Since the Supervisory Board comprises only three members, no separate committees have been appointed.

The remuneration of the Supervisory Board is determined by the General Meeting of Shareholders. The remuneration of the Chairman of the Supervisory Board amounts to EUR 20k per year and the other two members of the Supervisory Board receive a remuneration of EUR 10k per member per year. The members of the Supervisory Board will not be granted any shares and/or rights to shares in the Company. No options to acquire shares in the Company concerning the members of the Supervisory Board are outstanding.

As of October 1, 2007 a personal liability insurance is in place for members of the Supervisory Board or the Management Board.

Any (apparent) conflict of interest between the Company and a member of the Supervisory Board shall be avoided.

This financial year two transactions, in which a conflict of interest was deemed to exist following the rules of procedure, were reported to the Supervisory Board. Both transactions involved Peter van Schaick, member of the Supervisory Board, and also through his shareholding (100%) of Alto Imaging Group N.V. owner of approximately 25% of the outstanding shares of TIE Holding N.V.

On July 31, 2007, the Management Board entered into a resolution regarding the conversion into ordinary shares TIE Holding N.V. of a Covertible Bond with Alto Imaging Group N.V. with a principal amount of EUR 400k. This Convertible Bond was issued in connection with financing of the acquisition of Digital Channel. The second transaction was the issue of short term debt with a principal amount of EUR 200k and an interest rate of 6% for the term of one year by Alto Imaging Group N.V. to TIE Holding N.V.. Under this arrangement no collateral was provided by the Company.

These transactions have been concluded on terms at least customary in this sector and the resolution regarding both the conversion of the Convertible Bond and the Debt issue have been approved by the Supervisory Board; therefore the Company complied with the rules of procedure and provision III.6.4. of the Dutch Corporate Governance Code.

Further details regarding the Supervisory Board to be found in the Report of the Supervisory Board included with this annual report.

The Shareholders and General Meeting of Shareholders

Responsible Corporate Governance requires the fully-fledged participation of shareholders in the decision-making in the General Meeting of Shareholders. It is in the interest of the Company that as many shareholders as possible take part in the decision-making in the General Meeting of Shareholders. In order to increase the participation of the shareholders, the Company regularly issues press releases and maintains a mailing list of interested shareholders. As of January 1, 2007 the Dutch legislator provides the possibility to make use of electronic communication devices with regard to the decision making process in the General Meeting of Shareholders. The Company continues to review these possibilities to vote and to allow shareholders to attend meetings through the Internet. Given the size of the Company, the Management Board is of the opinion that such measures, in the short term, will not add to the transparency or the decision making process.

The Company has an anti-takeover provision in a foundation established at the time of the initial public offering called 'Stichting Preferente Aandelen TIE'. The objective of the Stichting Preferente Aandelen TIE is to protect the interests of TIE Holding NV, its subsidiaries and all related parties. The management of Stichting Preferente Aandelen TIE is composed of three directors. Two of these directors are independent, and one director is related to the Company. The independent directors are Mr. E.B.J. Meulenbroek and Mrs. R. de Wever. The third director, Drs. Th.H. Raman, has agreed to resign his position as per November 21, 2007 and will be replaced as soon as a suitable candidate has been found.

In order to protect TIE from a hostile takeover, the Stichting Preferente Aandelen has the right to acquire Preference Shares in TIE. The acquisition, holding of and the exercise of voting rights on these shares shall take place in order to serve the aforementioned objective of Stichting Preferente Aandelen TIE. Due to the implementations of European guidelines, this protection mechanism has been the subject of further evaluation. Ongoing preparations will ultimately lead to elimination of this anti-takeover provision in 2008.

General

At the General Meeting of Shareholders 2006 the Company reported deviations from the best practice provisions of the Dutch Corporate Governance Code. These included deviations regarding, the appointment and severance package regarding the current members of the Management Board, granting options to the Management Board, the determination of the remuneration of the Management Board, the determination of rules regarding the holding of and effecting transactions in securities, a statement regarding the value of the options, a formally appointed Secretary of the Company and the use of a registration date.

In the course of financial year 2006, the Management Board appointed a Secretary of the Board, after obtaining approval of the Supervisory Board. The Secretary of the Board shall ensure that the Supervisory Board and the Management Board act in accordance with its legal obligations and regulations, the Articles of Association, and their rules of procedure. The Secretary of the Company assists all members of the Supervisory Board and Management Board and in particular the Chairman and President.

Additionally, inline with the requirements of IFRS, as of the financial statements of 2006 the Company discloses in the notes to the Financial Statements the fair value of the options granted to the Management Board and the TIE employees. These disclosures are also included in the 2007 financial statements.

With the resignation of Drs. Th.H. Raman on November 21, 2007 a further issue has been resolved. Not withstanding the fact that a severance package for mr Raman remains in place. The current sole member of the Management Board J. Sundelin is appointed for a maximum term of four year in accordance with Best Practice II.1.1 of the Corporate Governance Code.

As of the Extraordinary Meeting of Shareholders held on May 8 , 2007 the Company uses a registration date in connection with attendance and voting rights at such meetings. Improving the Corporate Governance structure of the Company and resolving further issues is a continuous process which can count on the continued commitment of both the Supervisory Board and the Management Board of the Company.

All documents as available regarding the Corporate Governance structure are subject to further review and adaptations may be made.

For your convenience these documents, as well as any publications or announcement in connection with the Corporate Governance structure of the Company, are available or will be posted on the corporate website http://www.TIEglobal.com.

Introduction

In 2007 TIE celebrated its 20th anniversary. The celebration of this achievement was shared with clients, partners, employees and friends of TIE alike and across the globe. These 20 years represent a wealth of experience in the industry, a battle at the forefront of global standardization. The Company has experienced both success and disappointment during these 20 years. With the current product portfolio and our vision for the future TIE will continue building on that experience, assisting our clients in being successful in an increasingly virtual business environment.

General Management

On February 14, 2007 J. Sundelin was appointed to the Management Board of TIE, assuming the role of Chief Sales Officer. Increased management power, also through the appointment of a CFO (Ch.P. van Overbeeke) in November of 2006, brought additional expertise to the Company. The role of J. Sundelin was twofold. Firstly global coordination of sales efforts, integrating the corporate product portfolio into a single global offering. Secondly as managing director of the Netherlands activities, aimed at turning the business around. In the Netherlands a number of initiatives have been developed intending to reduce costs and increase efficiency. Sales power was increased by attracting a senior sales manager with an excellent track record, sales training has been provided and a number of focused sales initiatives have been implemented. As with the introduction of high added value solutions pricing has been adjusted upwards significantly lead time have increased as well. The number of accounts closed with contract values in excess of EUR 100k is growing however.

Technology Leadership

In the course of 2007 TIE completed its involvement in the SEEMLESS project sponsored by the European Committee successfully. SEEMLESS, a derivative of the SEEMseed project, an exceptionally forward looking endeavor to create a web based market allowing companies to collaborate in a dynamic manner bypassing cultural and technological constraints, is aimed at small and medium sized enterprises specifically. These companies form the back bone of the European economy. Since the fourth quarter of 2006 TIE is involved in the STASIS project (2006 - 2009). The STASIS project's objectives are very close to the core business of TIE. The STASIS project means to address the 'semantic gap' presently posing serious challenges to intra EU electronic business interaction. In 2008 in addition to the STASIS project TIE will be included in three more technology development projects which are highly relevant to the business area the Company operates in including a project called SOA4ALL.

Business Development

Service Oriented Architectures and SaaS are generally regarded as areas of growth. Increasingly the Company is capitalizing on this market offering TIE products in a service mode, building a recurring revenue base that surpassed license revenues in size and will be pushed to grow further. Future mergers and acquisitions will likely focus on this area. In the summer of 2007 the proposed acquisition of a small Netherlands based EDI company was discontinued temporarily. In January 2008 this process was revitalized. Completion will allow TIE to create a cost efficient operation aim at providing a solid basic EDI solution to the market at a highly competitive rate.

Two of the real challenges of 2007 were the conceptual integration of the Digital Channel concept into the TIE Kinetix offering and the development and release of the next generation of DCM software. Sizable development efforts were invested into the development of DCM aimed at integrating the technology with the TIE Master Data Management Solution allowing for the fully automated distribution and updating of product information. So far the concept has convinced customers like Microsoft and Quantore. With the roll out of the new software in the second quarter of 2008 many more should follow.

The launch of TIE Kinetix™ represents the future of the Company. From this Holistic but Modular Master Data Management proposition the Company provides a unique high added value product to the market. Additional investments will be required to further develop and expand the possibilities of the solution but as it stands today it represent a unique take on how to manage and distribute product information, both internally and externally. TIE Kinetix™ and a number of core components will be marketed actively and extensively in 2008, also by utilizing the marketing power of the Digital Channel.

Outlook

In order to make important steps towards autonomous growth we believe have made some important steps. The first one is to focus the efforts of the Company in the Netherlands. Focus with respect to sales and marketing efforts is of the highest importance. To this end five vertical markets have been defined which address issues on the agenda of any responsible CEO, CFO and COO of any company.

These five vertical markets are:

- Electronic Invoicing (eInvoicing), both incoming and outgoing eInvoicing offers huge potential for cost savings, efficiency benefits, reduction of the risk of human error and advantages from a compliance perspective. eInvoicing is a market expected to grow dramatically over the next five years as both businesses as well as local and national governments are embracing this technology.
- Data Quality Solutions, efficient corporate operations, including exchanges with your trading partners and communication with consumers, are dependent on accurate reliable information being available with minimal effort. TIE DQS are the core of our 'single source of truth' philosophy.
- Product Content Distribution, ideally sourced from our DQS allows for a consistent and controlled distribution of sales and marketing product information from a single source to an unlimited number of web pages.
- Data Synchronization Solution, a solution specifically directed at the GS1 DAS retail product data pool
- Messaging Solutions ranging from highly complex high end solutions to simple basic EDI solutions.

The recently announced acquisition of SinfoX a basic EDI solution provider in the Netherlands is contributing to achieving the intended focus as well. An organization will be created specifically for low end EDI clients that will provide optimal service at minimal cost. This organization will be physically separated from the High End Solution organization to provide minimal disruption and maximize cost savings. Basic EDI solutions form a significant part of the TIE client base and provide an excellent potential for up selling to more significant solutions in the future, The combined client base in this market in the Netherlands since the acquisition exceeds 1,000 clients.

Focused up selling means all TIE customers have been reviewed and a short list has been developed of specific existing customers which will be targeted with respect to the five vertical markets identified above.

Focus in Product Development is intended to achieve two things. Firstly to dedicate resources to developing short term. deliverables that can be implemented and marketed, and secondly to specifically target the EC supported projects, meet the related deadlines and deliverables and maximize support funding by delivering a high quality contribution.

Focus on Cost Savings is another process being implemented in 2008. The agreement reached with the landlord of the Netherlands offices resulting in the early termination of this contract is of great financial significance. Management is investigating further avenues to reduce costs and improve the result from operations.

Opportunities for strategic acquisitions will be explored and the Company has the financial and legal expertise on board to smoothly integrate new acquisitions. The Company is looking for acquisitions that complement the TIE Kinetix™ MDM product suite, strengthen the bottom line and generate a positive cash flow. Management is currently entertaining discussions with several parties.

In summary the objective of Management for 2008 is to greatly reduce the need to attract new capital to fund operations and ultimately achieve a positive cash flow from operations (2007; EUR -844k), possibly as soon as the fourth quarter of 2008.

The success of these initiatives is highly dependent on a number of factors. An important element is general economic development. As the Company is moving into a high added value segment, the related investment size for customers increases. Should the current general economic trend continue then this may put many investments by customers on hold, both in the European theater as well as the North American theater. Adverse currency exchange rate differences could potentially affect both the Company's top and bottom line. This risk as well as the risks connected with financial instruments are discussed extensively in the Company financial statements from page 47 onwards.

Another factor is the manner in which the Company is able to market the five vertical markets and deliver solutions to the customer. It is firstly important to communicate effectively and cost efficiently and secondly to have adequate resources available to then implement solutions sold. A third area of importance is staff motivation. Management is well aware of the fact that the ultimate success of the company lies with its employees. Motivation and training are items on the agenda for 2008.

Management's Discussion and Analysis

The following section contains a discussion and analysis of financial position and results of the Company. In comparing the operations of the respective years, the acquisition of Digital Channel (included in the consolidation as of July 1, 2006) is of key importance understanding the development of both revenues and expenses in 2007 compared to 2006.

All amounts are in EUR x 1,000 unless stated otherwise.

Annual Result of Operations and Financial Position

The following table sets forth the main items in the Company's income statement for the respective financial years:

	2007	**2006**
Revenues	9,692	8,434
Operating Expenses	(12,776)	(9,209)
Net Income	(3,368)	1,041
Shareholders' Equity	1,271	2,649
Equity	2,141	4,789

The net result for the year 2007 amounted to a loss of EUR -3,368k, compared to a net profit of EUR 1,041k in 2006. The net loss of EUR -3,368k contains some minor adjustments compared to the loss of EUR -3,334k reported on November 28, 2007. The difference of EUR -34k pertains to a number of minor items resulting from audit finding in the Company's year end closing process that were processed.

The 2006 profit included a tax benefit of EUR 1,8m, an addition to the Deferred Tax Asset already in place regarding the US activities. The 2007 result includes a EUR 2m loss as a result of an impairment charge taken as a result of an impairment test performed at year end. The underlying operating income between the two years is at a comparable level.

Shareholders' Equity has decreased significantly as a result of the loss and at year end 2007 amounts to EUR 1,271k (2006; EUR 2,649k). Equity dropped from EUR 4,789k at year end 2006 to EUR 2,141k at year end 2007. This balance includes a Convertible Bond amounting EUR 870k.

The development of Revenues and Operating Expenses is discussed in detail below.

Revenues

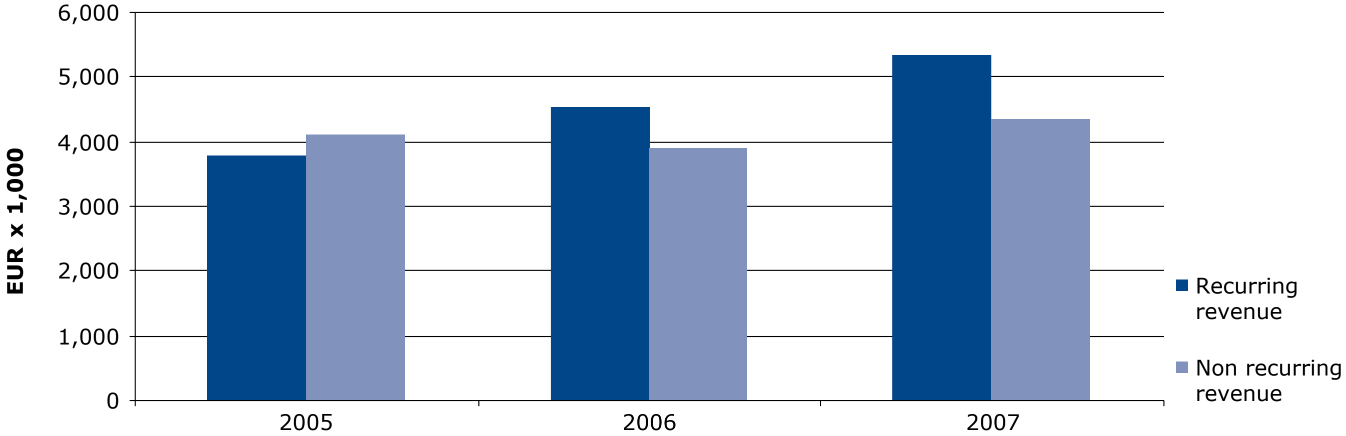
The following tables provide the breakdown of revenues by category and region (and the percentage of total net revenues represented by each category) for the financial years indicated:

Revenues by category

	2007		**2006**	
Licenses	2,099	22%	1,999	24%
Maintenance and Support	2,998	31%	3,249	39%
Consultancy	1,894	20%	1,860	22%
Software as a Service	2,355	24%	1,295	15%
Other Income	346	3%	31	0%
Total Revenues	9,692	100%	8,434	100%

SaaS pertains to all hosting, webEDI (TiedByTIE) and Value Added Network services. These services are generally provided on the basis of a 12, 24 of 36 month contract whereby fees are based on actual use of the service or a subscription fee or a combination of thereof. SaaS revenue also includes revenue from marketing channel management branded as Digital Channel, these services are provided on a subscription basis with a fixed contract period, generally 12 months. Other revenues consist of revenues from marketing campaigns, which are invoiced on a pay as you go basis. Revenues are accounted for on a percentage of completion basis. This means increasing sales in this category will filter into income with a delay.

SaaS and Maintenance and Support generate what may be considered recurring revenues, licenses, consultancy and other income are classified as non recurring revenue. Recurring revenues are a more stable basis for growth for the Company. In 2007 management continued its focus on building a recurring revenue stream.
Development of recurring revenues versus non recurring revenues is shown below:



The growth of recurring revenue over 2007 compared to 2006 is largely due to the inclusion for a full year of Digital Channel revenues compared to a single quarter in 2006. In addition however there was significant autonomous growth in TiedbyTIE services in the Netherlands as well as hosting revenues in the North Americas.
Revenues by region:

	2007		**2006**	
The Netherlands	4,020	41%	2,844	34%
North America	4,227	44%	4,170	49%
Rest of the World	1,445	15%	1,420	17%
Total Revenues	**9,692**	**100%**	**8,434**	**100%**

Revenues overall increased EUR 1.258k, representing an increase of 15%. The majority of this growth was realized in The Netherlands (41%). Netherlands revenues reflect 12 months of Digital Channel SaaS revenue amounting to EUR 741k (2006; EUR 185k).

Revenues in North America increased by 1% in measured in EUR, in USD growth amounted to 9%. TIE France revenues, included in Rest of World increased by 29% to EUR 855k, this growth was offset by lower revenues from international business driven from The Netherlands operation.

Breakdown of revenues per region into categories for 2007:

	The Netherlands	**North America**	**Rest of World**	**Total**
Revenues				
Licenses	562	1,349	188	2,099
Maintenance and Support	750	1,789	459	2,998
Consultancy	917	712	265	1,894
Software as a Service	1,463	371	521	2,355
Other Income	328	6	12	346
Total Revenue	**4,020**	**4,227**	**1,445**	**9,692**

Breakdown of revenues per region into categories for 2006:

	The Netherlands	North America	Rest of World	Total
Revenues				
Licenses	569	1,102	328	1,999
Maintenance and Support	676	2,087	486	3,249
Consultancy	731	883	246	1,860
Software as a Service	848	88	359	1,295
Other Income	20	10	1	31
Total Revenue	**2,844**	**4,170**	**1,420**	**8,434**

Netherlands revenues show strong development in SaaS, Consultancy and Other Income. SaaS revenue growth includes a large Digital Channel related component as well as TiedbyTIE growth. Consultancy revenues in 2007 included Digital Channel related consulting work as well. These activities were discontinued in the course of 2007. Other Income consists of Government Grants pertaining to EC funded research programs. The Company is increasingly involved in these programs and the level of activity can be expected to increase in 2008 and 2009. The projects TIE is involved in are closely related to the core competences of the Company and management is actively seeking spin off from these projects into the TIE Kinetix™ MDM product suite. The SEEMSEED project was completed successfully in 2006, Reviews of the first year of the STASIS project in 2007 have yielded positive feedback. Netherlands license revenue includes EUR 170k revenues from the licensing agreement with Keunen Holding BV announced in the second quarter of 2007. As a result of non payment of fees the receivable pertaining to this transaction has been impaired in full against income under bad debt expenses in the fourth quarter of 2007. There are ongoing negotiations with Keunen Holding BV to determine whether there are any possibilities for recovery. The transaction was partially collateralized through 12% of the shares in Stayer Holding BV.

Under adverse currency exchange rate developments North America achieved little revenue growth. SaaS revenue in the North Americas increased 421% from EUR 88k in 2006 to EUR 371k in 2007. In USD that amounted to USD 496k compared to USD 109k, resulting in a growth percentage of 455%. This recurring revenue growth was offset by lower Maintenance and Support revenues. SaaS sales were very promising in the last quarter of 2007 and a significant volume future SaaS revenues was booked. After implementation these sales will commence generating revenue in 2008 and add to the bottom line, and laying the foundation under significant growth of SaaS revenue in 2008. License revenues have increased 22%, also due to the success of the EPICORE partnership as well as the first TIE Kinetix™ contracts being realized. Based on the added value delivered TIE Kinetix™ solutions are priced in a higher category than traditionally customary for TIE products. Rest of World revenues show level growth. TIE France however showed promising growth of EUR 193k (29%) overall, including 75% growth in license revenues, 48% growth in maintenance and support, 11% growth in Consultancy revenues and 32% growth in SaaS revenues. These positive developments were offset by lower international revenues driven from the Netherlands.

Operating Expenses

The following table provides a breakdown of the total operating expenses for the financial years indicated:

	2007		2006	
Revenue Related Expenses	1,133	9%	984	11%
Employee Benefits	6,228	49%	5,244	57%
Depreciation, Amortization and Impairments	2,617	20%	662	7%
Other Operating Expenses	2,798	22%	2,319	25%
Total Operating Expenses	**12,776**	**100%**	**9,209**	**100%**

Operating expenses have increased across all categories as a result of the aforementioned acquisition of Digital Channel. This is the main driver of the increased expenses in 2007 compared to 2006. 2006 included a reorganization expense amounting to EUR 200k and related interim management expenses amounting to EUR 120k. The conversion to IFRS in 2006 resulted in additional audit and consulting fees of approximately EUR 300k. Higher management related expenditure as a result of the hiring of mr Sundelin as CSO and mr Van Overbeeke (CFO) in 2007 partially offset these positive effects in 2007.

Employee Benefits include Stock Option Expenses. All option plans issued since October 1, 2004 have a vesting period, which means the expense, is spread over the vesting period. The vesting stock option expense in 2007 amounts to approximately EUR 163k, compared to EUR 113k in 2006.

The Depreciation. Amortization and Impairment expense which includes an impairment charge amounting to EUR 2,004k is discussed below.

Depreciation, Amortization and Impairment

Based on the impairment tests performed at year-end 2007 . The methodology applied for this test is discussed extensively on page 58 of this Annual Report 2007. The conclusion of this test was that all fixed assets carried on the balance sheet of the Netherlands Cash Generating Unit should be impaired. This has resulted in an impairment charge in income amounting to EUR 2,004k.

	2007	**2006**
Depreciation, Amortization of Fixed Assets	613	662
Impairments	2,004	-
Total Depreciation & Amortization	**2,617**	**662**

Financial income and/or Expense

	2007	**2006**
Interest Income	6	8
Dividend Income	-	-
Interest expenses	(51)	(18)
Exchange gains/(losses)	(7)	(5)
Total	**(52)**	**(15)**

The interest expense in 2007 and 2006 pertains to the Credit Facility that became available in 2005 and which is being applied to fund cash flow needs on a short term basis. The credit facility, amounting to EUR 600k at balance sheet date has been reduced to EUR 500k in 2007 after balance sheet.

Income Taxes

Based on the improving economic outlook for the North American activities management in 2006 has recognized an additional Tax Asset for 2006 EUR 1.8m (USD 2.3m), bringing the balance of the Deferred Tax Asset to EUR 2.6m (USD 3.3m). No Deferred Tax Asset is recognized for the Netherlands activities.
2007 sees a partial reversal of the Deferred Tax Asset set up in 2006. This reversal is the result of a reduction in temporary differences between the tax basis of assets and their carrying value, and expressly not a result of a change in the economic outlook for the North American activities to which the Deferred Tax Asset pertains. The reversal of the temporary differences is caused by the amortization of Goodwill to income for tax purposes, whereas this items has already been expensed for commercial purposes. The annual fiscal amortization charge amounting to approximately USD 750k is the main driver of this reversal.

Cash Position

On September 30, 2007 the Company held a negative cash and cash equivalents position of EUR 107k, including a credit facility drawn upon to an amount of EUR 326k out of a total of EUR 500k, which has been reduced by the bank from EUR 600k. The reduction of the credit facility took place after September 30, 2007.

To fund the Company a loan was attracted from a related party amounting to EUR 200k. Management has put in place additional initiatives to raise sufficient funding for operational needs and improving liquidity. A further loan amounting to EUR 500k has been secured since balance sheet date. Both loans have been issued by Alto Imaging Group N.V.

Development (R&D)

In the fourth quarter of financial year 2007, the Company has capitalized EUR 59k, For the full year this amounted to EUR 276k. Technological feasibility for development goals set for these development projects was established and management believes the finished product will improve the Company's potential in the marketplace. However, due to the impairment charge taken at September 30, 2007 the carrying amount at year end was reduced to 358k (carrying value at year end 2006; EUR 748k).

Significant R&D effort is being and has been applied to the EC supported STASIS and SEAMless projects.

Consolidated Balance Sheet as at September 30, 2007

(Before proposed appropriation of results)

(Notes to the Consolidated Balance Sheet from page 56 onwards)

Assets

(EUR x 1,000)	Notes		**2007**		**2006**
Non Current Assets					
Intangible fixed assets	1)				
Goodwill		1,468		2,404	
Other intangible fixed assets		749		1,823	
			2,217		4,227
Tangible fixed assets	2)				
Property, Plant and Equipment		83		299	
			83		299
Financial fixed assets	3)				
Deferred Tax Asset		2,136		2,617	
Loans and Receivables		119		179	
Associates		-		-	
			2,255		2,796
Total Non Current Assets			**4,555**		**7,322**
Current Assets	4)				
Trade Debtors and Other Receivables					
Trade Debtors		1,330		1,564	
Taxation and Social Security		22		-	
Other Receivables and Prepayments		442		407	
			1,794		1,971
Cash and Cash Equivalents			219		262
Total Current Assets			**2,013**		**2,233**
Total Assets			**6,568**		**9,555**

Equity and Liabilities

(EUR x 1,000)	Notes	2007		2006	
Equity	5)				
Shareholders' Equity		1,271		2,649	
Convertible Bonds		870		2,140	
Capital and Reserves attributable to equity holders of TIE			2,141		4,789
Minority Interest			-		-
Total Equity			**2,141**		**4,789**
Non Current Liabilities	6)				
Provision Employee Benefit		12		-	
Provisions		308		336	
Total Non Current Liabilities			**320**		**336**
Current Liabilities	7)				
Provisions		97		338	
Short Term Debt		526		195	
Trade Creditors		706		786	
Deferred Revenue		1,761		1,827	
Affiliated Companies		4		4	
Taxation and Social Security		81		179	
Other Payables and Accruals		932		1,101	
Total Current Liabilities			**4,107**		**4,430**
Total Equity and Liabilities			**6,568**		**9,555**

The Company's financial year runs from October 1st until September 30th. Financial year 2007, covering the period October 1, 2006 until September 30, 2007 is referred to as 2007. The comparatives pertaining to the period October 1, 2005 until September 30, 2006 are referred as 2006.

Consolidated Income Statement for the year ended September 30, 2007

(Notes to the Consolidated Income statement from page 74 onwards)

(EUR x 1,000)	Notes	2007	2007	2006	2006
Revenues					
Licenses		2,099		1,999	
Maintenance and Support		2,998		3,249	
Consultancy		1,894		1,860	
Software as a Service		2,355		1,295	
Other Income		346		31	
Total Revenue			**9,692**		**8,434**
Book profit sold fixed assets / subsidiary			-		17
Operating Expenses	8)				
Revenue Related Expenses		1,133		984	
Employee Benefits		6,228		5,244	
Depreciation and Amortization Expense and Impairment Losses		2,617		662	
Other Operating Expenses		2,798		2,319	
Total Operating Expenses			**12,776**		**9,209**
Operating Income			**(3,084)**		**(758)**
Interest and other Financial Income	9)		6		8
Interest and other Financial Expense			(58)		(23)
Share in Profit (Loss) of Associates	10)		-		-
Income before Tax			**(3,136)**		**(773)**
Corporate Income Tax	11)		(232)		1,814
Net Income			**(3,368)**		**1,041**
Attributable to:					
Shareholders TIE			(3,368)		1,041
Minority interest			-		-
Net result per share - basic	12)		(0.07)		0.02
Weighted average shares outstanding - basic (thousands)			46,779		42,553
Net result per share - diluted			(0.07)		0.02
Weighted average share diluted (thousands)			47,028		43,531

Consolidated Statement of Changes in Equity for the year ended September 30, 2007

(EURx1,000)	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation Reserve	Share-holders Equity	Convertible Bonds	Equity attribu-table to equity holders of TIE	Minority Interest	Total Equity
Balance per September 30, 2005	**48,575**	**(47,614)**	**32**	**993**	**-**	**993**	**-**	**993**
Foreign currency translation reserve	-	-	(63)	(63)	--	(63)	-	**(63)**
Net Income recognized directly in Equity	**-**	**-**	**(63)**	**(63)**	**-**	**(63)**	**-**	**(63)**
Net Income recognized in the Income Statement	-	1,041	-	1,041	-	1,041	-	**1,041**
Total recognized net income for 2006	**-**	**1,041**	**(63)**	**978**	**-**	**978**	**-**	**978**
Shares Issued and Share premium	710	-	-	710	-	710	-	**710**
Cost of Shares Issued	(20)	-	-	(20)	-	(20)	-	**(20)**
Repurchase of Stock options	(125)	-	-	(125)	-	(125)	-	**(125)**
Issued Convertible Bonds	-	-	-	-	2,140	2,140	-	**2,140**
Share based payments	-	113	-	113	-	113	-	**113**
Balance per September 30, 2006	**49,140**	**(46,460)**	**(31)**	**2,649**	**2,140**	**4,789**	**-**	**4,789**
Foreign currency translation reserve	-		(348)	(348)	-	(348)	-	**(348)**
Net Income recognized directly in Equity	**-**		**(348)**	**(348)**	**-**	**(348)**	**-**	**(348)**
Net Income recognized in the Income Statement	-	(3,368)	-	(3,368)	-	(3,368)	-	**(3,368)**
Total recognized net income for 2007	**-**	**(3,368)**	**(348)**	**(3,716)**	**-**	**(3,716)**	**-**	**(3,716)**
Shares Issued and Share premium	2,209	-	-	2,209	-	2,209	-	**2,209**
Cost of Shares Issued	(25)	-	-	(25)	-	(25)	-	**(25)**
Distributions to Equity Holders	-	(20)	-	(20)	-	(20)	-	**(20)**
Issued Convertible Bonds	-	-	-	-	-	-	-	**-**
Converted Convertible Bonds	-	-	-	-	(1,270)	(1,270)	-	**(1,270)**
Share based payments	-	163	-	163	-	163	-	**163**
Other movements	5	6	-	11	-	11	-	**11**
Balance per September 30, 2007	**51,329**	**(49,679)**	**(379)**	**1,271**	**870**	**2,141**	**-**	**2,141**

The EUR 2,209k pertaining to shares issued includes the shares issued in connection with the conversion into common shares TIE Holding N.V. of the Convertible Bonds (EUR 1,270k).

The foreign Currency Translation Reserve represents the foreign currency exchange differences from the translation of the financial statements of the foreign subsidiaries.

For a further breakdown of movements in Share Capital please refer to note 5.

Consolidated Cash Flow Statement for the year ended September 30, 2007

(EUR x 1,000)	2007		2006	
Income before tax		(3,136)		(773)
Non Cash Adjustments:				
Share based payments expense	163		80	
Depreciation, amortization and Impairments	2,617		662	
Gain on disinvestments of fixed assets	-		(17)	
Increase (decrease) provisions	(248)		(493)	
Other movements	27		49	
		2,559		314
Working Capital Movements				
(Increase) decrease in debtors	43		(6)	
(Decrease) increase in deferred revenue	33		(108)	
(Decrease) increase in current liabilities	(292)		346	
		(216)		232
Cash generated (applied) in operations		(793)		(227)
Interest paid		(51)		(20)
Interest received		6		9
Net Cash flow from operating activities		**(838)**		**(238)**
Investments in financial fixed assets	-		-	
Disinvestment in financial fixed assets	60		155	
Investments in intangible fixed assets	(402)		(495)	
Disinvestments tangible fixed assets	-		17	
Investments in tangible fixed assets	(70)		(123)	
Investments in business combinations net of cash acquired	-		(374)	
Net Cash flow generated / (used) in investing activities		**(412)**		**(820)**
Distribution to Bondholders	(20)		-	
Increase (decrease) bank overdrafts/loans short term	331		195	
Issue of Convertible bonds	-		400	
Costs of shares and bonds issued	(25)		(20)	
Shares issued and share premium	939		585	
Net Cash flow generated / (used) by financing activities		**1,225**		**1,160**
Net increase (decrease) in Cash and Cash Equivalents		(25)		102
Currency Exchange Rate Difference on opening balance Cash and Cash Equivalents		(18)		(6)
Opening balance Cash and Cash Equivalents		262		166
Closing balance Cash and Cash Equivalents		**219**		**262**

Notes to the Consolidated Cash Flow Statement

The reduction in cash generated in operations from EUR -238k to EUR -838k is largely due to the reduction of outstanding short term liabilities. The required funds have been generated through a series of share issues which netted EUR 914k. Additionally funds were obtained through the Short Term Loan from Alto Imaging Group NV amounting to EUR 200k and the increased utilization of the ABN AMRO Credit Facility (EUR 131k). The EUR 131k represents the net movement of the Credit Facility over the period, the actual balance moves on a daily basis as the amount drawn is reduced with the receipt of payments from for instance customers and increases due to payment of expenses etc. There were no current tax cash flows in either 2007 or 2006.

Movements in 2006 in current assets, deferred revenues and current liabilities take into consideration the balances (outstanding at balance sheet date) acquired in the Digital Channel Business Combination. EUR 360k of the total purchase price was paid in cash. Cash acquired amounted to EUR -14k (overdraft). The net cash effect of the business combination therefore amounted EUR 374k.

The presentation of the Consolidated Cash Flow Statement has been revised in 2007. The presentation in the revised model is more in line with a generally accepted presentation of cash flows. Changes include a more detailed segmentation of cash flows from operating activities which now also include interest cash flows, both interest paid and interest received. The comparatives for 2006 have been adjusted accordingly. This has resulted in a restated net cash flow from operating activities amounting to EUR -238k compared to EUR -227k reported in 2006. The difference pertains to the incoming and outgoing interest cash flows.

Notes to the Consolidated Financial Statements

Corporate Information

TIE Holding N.V. and its subsidiaries (together the Company) develops, sells and distributes software and services in the B2B Integration sector globally through a network of subsidiaries and resellers, the Company has been active not only in the software development but in the standardization process as well.

TIE Holding N.V. is a public company incorporated in the Netherlands with its registered address at Beech Avenue 180, Schiphol-Rijk. Subsidiaries are located in France, the Netherlands and the US. TIE is listed on the EuroNext Stock Exchange of Amsterdam.

The consolidated financial statements for the year ended September 30, 2007 are authorized for issue through a resolution of the Board of Directors dated January 29, 2008.

In accordance with this resolution, the Annual General Meeting of Shareholders, to be held on February 13, 2008, is requested to decide on the Consolidated Financial Statements.

Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of the Company, included on pages 32 to 84, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations as adopted by the European Union.

The preparation of these financial statements in accordance with IFRS requires management to use certain critical accounting estimates and exercise judgment in applying the Company's accounting policies including assumptions and estimated regarding future results and or developments including the likelihood, timing and amount of future cash flows and events. Applied judgments and estimates critical to the presentation are discussed in detail from page 41 onwards.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR x 1,000) unless otherwise indicated.
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The Company has opted to prepare a condensed profit and loss account in accordance with the exemptions provided by Article 402, Part 9, Book 2 of the Dutch Civil Code in the Company Only Financial Statements.

Going Concern Considerations

Based upon its current year operating plan, the Company expects to improve future cash inflows through increased sales and improve its financial position as reported in these financial statements. Management believes it will have adequate cash to fund its operations, also through the availability of a credit facility in The Netherlands. A proportion of the balance of the trade receivables outstanding is pledged as collateral for this credit facility. The Company has raised debt to an amount of EUR 200k in addition to the Credit Facility in august 2007 and has raised a further EUR 500k in November 2007 to fund operations. Furthermore during 2007 the Company has successfully issued new shares to raise funds, totaling EUR 914k after deduction of costs. The latest share issue of 1.4m shares on October 22, 2007 raised an additional EUR 326k and brought the total number of outstanding shares to 52.3m. At year end 2007 Equity amounts to EUR 2.1 million (2006: EUR 4.8m). It is corporate policy to fund both acquisitions and cash needs with Equity Instruments as much as possible and limit the amount of debt outstanding. It is management's intention to repay or convert into Equity Instruments the full amount of debt, both short term and long term, as soon as circumstances allow.

The Company does not expect the actual cash requirements to exceed anticipated levels, nor that the Company will not generate sufficient revenues to fund its operations. There is however a material uncertainty as to whether the Company will be able to continue its operations medium to long term. The circumstances under which these uncertainties have emerged are continued operational losses for an extended period of time in combination with the associated negative cash flow. These facts are the result of expense levels in excess of revenues generated by the Company. These expenses are partially related to overhead and the fact that the Company is a listed Company and has certain rules and regulation to meet and partially due to sizable investments that have been made in product development.

Shareholders of the Company may face further dilutive effects of share issues made to raise funds for this purpose. Securities issued may also have associated rights, preferences or privileges.

The Company conducts a significant part of its business in the United States. Earnings and cash flows are therefore exposed to volatility of the US Dollar exchange rate against the Euro. The Company does not hedge against these risks. Global economic and political circumstances might have an adverse effect on the future operations and financial position of the Company as well.

The Company operates in a highly competitive environment subject to rapid technological change and globalization. Although the Management Board believes it remains at the forefront of technological developments, rapid changes in technology could also have an adverse effect of the financial position of the Company.

Cost containment and profit improvement measures taken in 2008, 2007 and prior years to improve the cash flow from operations are having an effect on the business at present. Further measures are being implemented to continue improvements, specifically in the Netherlands.

On all items discussed above the Company believes it to be appropriate that the accompanying financial statements have been prepared on a 'going concern' basis.

Basis of Consolidation

The consolidated financial statements include the financial statements of TIE Holding N.V. and its subsidiaries. Subsidiaries are entities over which the Company has direct or indirect power to determine financial and operating policies ('control') so as to obtain economic benefits from its activities. The assessment of control is based on the substance of the relationship between the Company and the entity and, among other things, considers existing and potential voting rights that are presently exercisable and convertible.

The subsidiary's assets, liabilities and contingent liabilities are measured at fair value on the acquisition date and are subsequently accounted for in accordance with the Company's accounting principles and financial year. Intra-group transactions are eliminated. Minority interests are initially stated at their share in the net assets on the acquisition date and subsequently adjusted for the minority's share in changes in the subsidiary's equity. Minority interests are presented separately in both the consolidated balance sheet and the consolidated income statement.

The purchase method of accounting is applied to account for business combinations. The excess of the cost of acquisition, comprising the consideration paid to acquire the interest and the directly related costs, over the Group's share in the net fair value of assets, liabilities and contingent liabilities acquired is recognized as goodwill. When control is obtained in successive share purchases, each significant transaction is accounted for separately. The identifiable assets, liabilities and contingent liabilities are stated at fair value when control is obtained.

Subsidiaries are deconsolidated when control ceases to exist. Any difference between the net proceeds and the carrying amount of the subsidiary is recognized in the income statement.

These accounting principles have been applied to the interests in subsidiaries acquired since the date of transition to IFRS on October 1, 2004. Business combinations have that occurred prior to this date have not been restated.

The consolidated financial statements include the financial data of TIE Holding NV, Hoofddorp and its subsidiaries:

Name	**Statutory seat**	**Percentage**	
		2007	**2006**
TIE Nederland BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Product Development BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE International BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
Gordian Investments BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
Nextoria BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
Nspyre Solutions BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE France SAS	Montpellier, France	50.25%	50.25%

Segment Information

The Company operates mainly in one business segment (MDM B2B integration) but operates in different countries through subsidiaries. All subsidiaries provide similar products and services. Consequently the segment-reporting is based on the economic environment in which these products and services are provided based upon the major markets of TIE:

- The Netherlands
- North America
- The Rest of the World

This breakdown is consistent with the Company's organizational structure and internal reporting structure based on the requirements of the Management Board. The geographical segments are based on the location of the TIE markets and customers.

Assets, liabilities, revenues and expenses include all items directly attributable to the segment and those revenues and expenses that can be allocated on a reasonable basis to that segment. Holding expenses are disclosed separately.

Foreign Currency Translation

Foreign operations prepare their financial statements in the currency of the primary environment in which they operate (functional currency). For consolidation purposes foreign operations are translated into EURO, the functional currency of TIE Holding NV and the designated presentation currency. Assets and liabilities are translated using the closing rate at balance sheet date. Income and expenses are translated using weighted average exchange rates or at the actual rate at the date of the transaction if more appropriate. All resulting exchange rate differences are recognized in a special component of equity. In the event of a sale of a foreign operation the relevant component of the special component of equity pertaining to the entity sold will be released from Equity and included in the realized gain or loss on the sale.
At balance sheet date monetary assets and monetary liabilities are translated against closing rate at balance sheet date. Non-monetary items which are carried at cost are translated using the exchange rate at the date of the transaction. Exchange rate differences on monetary items are recognized in income when they arise.

Inter-company monetary items, which in substance form part of an enterprise net investment, are translated against the closing rate at balance sheet date. An inter-company current account between TIE Holding NV and the US subsidiary TIE Commerce is denominated in USD. All transactions are accounted for at the transaction rate at TIE Holding NV. Currency Exchange Rate Differences are taken to the special component of Equity.

Upon transition to IFRS on October 1, 2004 the foreign currency translation equity component was reset to zero.

Changes in Accounting Policies and Disclosures

The accounting policies are consistent with the accounting policies applied in prior year's consolidated financial statements with the exception of the following.

The Company has (early) adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Company. They did however in some instances give rise to additional or revised disclosures as well as revisions to accounting policies as described below.

- IFRS7 Financial Instruments; Disclosures (early adoption)
- IFRS8 Operating Segments (early adoption)
- IFRIC4 Determining whether an Arrangement contains a Lease (no effects)
- IFRIC8 Scope of IFRS2 (no effects)
- IFRIC9 Reassessment of Embedded Derivatives (no effects)
- IFRIC10 Interim Financial Reporting and Impairment (early adoption, no effects)
- IFRIC11 IFRS2 Group and Treasury Share Transactions (early adoption, no effects)

The principal effects of these changes in standards that apply to the financial statements of the Company are:

Under IFRS7 Financial Instruments; Disclosures a number of additional disclosures have been prepared providing additional information regarding the nature of the Company's financial instruments and the risk profile arising from financial instruments. The implementation of this standard has not affected the Company's financial position or performance. The related disclosures are to be found throughout these financial statements.

The accounting standard IFRS8 requires disclosures regarding the Company's operating segments. Management decided the operating segments under IFRS8 were the same as the geographical segments identified earlier under IAS14. Segment disclosures are included on page 52 and comparatives have been included and or revised accordingly.

Future Changes in Accounting Policies and Disclosures

A number of standards and or interpretation which have been issued but are not yet effective may affect future financial statements. These standards and Interpretations are:

- IAS1 Amendment Presentation of Financial Statements regarding Capital Disclosures
- IAS23 Borrowing Costs (no effects expected)
- IFRIC12 Service Concession Arrangement (no effects expected)
- IFRIC13 Customer Loyalty Programmes (no effects expected)
- FRIC14 IAS19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (no effects expected)

The Company intends to adopt these standards as per the required date of adoption subject to EU endorsement of these standards.

Significant Accounting Judgments and Estimates

Application of the Company's accounting policies in preparation of these financial statements requires management to apply judgment involving assumptions and estimates concerning future events including assessing likelihood, timing and amounts of these future events. There can be no assurance that actual results will not differ materially from these estimates. Accounting policies that are critical to the financial statements presentation and that require complex estimates or significant judgment are discussed below.

Intangible Fixed Assets

Development Costs

Product development costs are eligible for capitalization only when a projected outcome is determined technically feasible and it is deemed probable that future economic benefits will flow from the released product and these economic benefits are expected to exceed capitalized development cost.

In determining both technical and economic feasibility of a project management exercises judgment with respect to the current economic and technical environment as well as expected developments therein. Not only establishing a potential market for the product under development but also estimating potential sales volumes.

Digital Channel Intangible Asset

The Brand name and concept Digital Channel ('DC') has been identified as a separate intangible asset upon acquisition. This asset has been recognized at fair value. As no active market for this asset exists a valuation model was used to determine the fair value of this asset. This valuation model encompasses management's judgment and estimates with respect to the following elements:

- Renewal rate customer contracts
- Discount rate
- Net Cash Flow starting point
- 10 years of CF discounted
- No new business
- Impairments of Assets

Impairment of assets is tested on a Cash Generating Unit level. In assessing whether there are indications for impairment management considers changes in the economic and technological environment, sales trends and other indicative data. When testing for impairment a model is applied that determines net present values of future cash flows for Cash Generating Units for comparison with asset carrying values.
The models applied determining the net present value of these future cash flows encompasses management's judgment and estimates with respect to the following elements:

- Discount rate
- Reasonable reliably estimable future cash flows
- Estimated business growth rates

Deferred Tax Asset

In establishing deferred tax assets management's judgment is required in assessing probability and extent of future taxable profits.

Detailed Description of Accounting Principles

Intangible Fixed Assets

Goodwill

Goodwill is recognized as an intangible asset for interests in subsidiaries and joint ventures acquired after October 1, 2004 and is measured as the positive difference between the cost of the business combination and the Company's interest in the net fair value of the entity's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill is carried at cost less accumulated impairment charges.

Upon disposal of an entity in relation to which a goodwill balance is held the remaining goodwill balance will be taken to income as part of the gain or loss on disposal of the entity.

Digital Channel Trademark
Upon initial recognition of the assets and liabilities and activities (as per July 1, 2006) obtained through the business combination with Stayer BV, Advinet Plus Effectieve Internetoplossingen BV, Sales and Marketing Partners Ltd and The Knowledge Factory BV, formalized August 24, 2006, a separate intangible fixed asset representing the Digital Channel Trademark (EUR 800k) was recognized. The initial carrying value (EUR 800k) represents the fair value of the Trademark as per July 1, 2006. This fair value was determined by applying a discounted cash flow model using assumptions and managements' best estimates regarding renewal rates, net cash flows and useful life. Future cash flows were discounted using a discount rate of 15%. Subsequent recognition is at cost less accumulated impairment charges.

Based on the expectation that the Digital Channel concept can successfully managed by current and future TIE management, the current level of competition, the international potential for the concept and the high technology standard it is management's opinion that the period over which this asset will generate net cash inflow is indeterminate. Therefore the useful life of the assets is indefinite and no amortization will be applied. The useful life of this asset are reassessed periodically and adjusted when circumstances give rise to such action.

Development Costs
Projects for development of software are broken down into a research phase and a development phase. The costs pertaining to research are expensed immediately. The development costs are recognized as an intangible asset after establishing the technical feasibility of the project, future economic benefits from the project are deemed probable and sufficient resources are available and devoted to the project to facilitate successful completion.

Development costs are carried at cost minus amortization and accumulated impairments. Development costs are amortized based on an expected useful life of three years. The useful life assessment is based on the current experience and the present economic and technological environment. The useful life of this asset are reassessed periodically and adjusted when circumstances give rise to such action.

Software
Software purchased from third parties and the related development and implementation costs are recognized at cost less accumulated amortization and impairment charges and are amortized based upon a straight-line method over an estimated useful life of three years. The useful life of this asset are reassessed periodically and adjusted when circumstances give rise to such action.

Impairment
Intangible Fixed Assets with an indefinite useful life are tested for impairment annually, however if at any intermediate time events and circumstances would give rise to do so, an impairment test will be conducted. Intangible Fixed Assets with a finite useful are reviewed periodically to assess whether indications of an impairment exist. When this is the case an impairment test is performed.

Impairment is determined by assessing the recoverable amount of a cash-generating unit to which the Intangible Fixed Assets relate against the carrying amount of the Intangible Fixed Assets. Impairment losses for Cash Generating Units are first charged against goodwill balances of that specific Cash Generating Unit. Any remaining impairments are allocated to the other assets of the Cash Generating Unit as a whole.

Thus resulting in a carrying value for both Development Costs and Software based on cost minus amortization and impairments.

Property, Plant and Equipment
Office equipment (including Furniture, Fixtures and Office Machinery), Hardware and Leasehold Improvements are recognized as Property, Plant and Equipment and measured at cost less accumulated depreciation and impairments. Costs include expenses directly attributable to the acquisition of the asset and the cost of replacing a part of the Property, Plant and Equipment when that cost is incurred and the recognition criteria are met. Each component of an item of Property, Plant and Equipment with an initial carrying value (cost) significant in relation to the total cost of the item is depreciated separately.

Property, Plant and Equipment is depreciated against income on a straight-line basis over its estimated useful life to its estimated residual value (generally nil). Depreciation periods are as follows:

- Leasehold Improvements - 10 years or the term of the lease
- Hardware - 3 years
- Office equipment - 4 years

Useful life estimates are based on management's best estimate of the amount of time over which economic benefits from these assets will flow to the Company. For Leasehold improvements this period has been limited to the term of the rental agreements of the respective office buildings. Computer hardware is generally replaced after a maximum of three years of service.

Annually an assessment is performed establishing whether circumstances exist that would call for an impairment of an individual asset. Residual values and useful lives are reviewed annually and are adjusted when appropriate. Assets are impaired to recoverable value when carrying values are found to be in excess of the recoverable amount of the individual or as part of a Cash Generating Unit for assets that do not generate an independent cash flow. Impairment losses for Cash Generating Units as a whole are first charged against the Goodwill balances of the Cash Generating Unit. Any remaining impairments are allocated to the assets of the Cash Generating Unit as a whole. Any reversal of an impairment loss is immediately recognized in income.

The carrying amount of an asset is derecognized in the event that no future economic benefit is expected to arise from its use or disposal. Gains and or losses on derecognition are the difference between the net disposal proceeds and the carrying value of the asset. Gains and or losses on derecognition are accounted for in income.

Financial Fixed Assets

Associates

Associates are entities over which TIE has significant influence over financial and operating policy decisions but not control. Associates are accounted for under the equity method. Shareholdings in associates are initially recognized at cost. This includes any goodwill arising on acquisition. The carrying value is subsequently adjusted to reflect the change in the Company's share in the net assets of the associate. The Company's share in net income (loss) is reflected in income. The Company's share in losses is recognized until the equity investment and other qualifying financial investments are reduced to zero. Gains and losses on transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

Associates are subjected to an impairment test as described above when there is an indication that the item may be impaired.

The Company holds a participation of 33% in Retail Connect B.V. (2006: 18%) The increase is the result of the decision of one of the other three shareholders in Retail Connect B.V. to distribute equally the shares held over the remaining shareholders at no consideration. At the General Shareholders Meeting of Retail Connect BV held on December 4, 2007 shareholders agreed to discontinue operations of Retail Connect BV.

Deferred Tax Assets

Deferred Tax Assets reflect the net tax effect of losses carried forward and temporary timing differences between the carrying amounts of assets (for instance Goodwill) for financial reporting purposes and the amounts determined for income tax purposes. Deferred tax assets are recognized only when future profits against which the losses carried forward can be utilized are deemed probable.

Tax assets are measured applying tax rates that have been enacted or substantively enacted by the balance sheet date.

The Deferred Tax Asset is re-evaluated annually taking into consideration the unrecognized Deferred Tax Asset as well as changes in the outlook and economic drivers underlying the recognition of the Deferred Tax Asset.

Loans and Receivables

Loans and receivables are measured at amortized cost using the effective interest method net of impairments. This involves calculating the net present value of future cash flows using the current market rate at the time of initial recognition of the asset. Interest is accounted for in the income statement at the effective interest rate at the time of the initial recognition of the asset. Impairments are only considered when there are indications of an impairment.

The difference between the effective interest rate and the (notional) interest receivable is allocated to the asset balance changing its carrying value.

Trade Receivables

Trade receivables are recognized at amount receivable less a provision for uncollectability. The provision for uncollectability is set up on an item for item basis when there is evidence of uncollectability. The provision represents the difference between the carrying value of the trade receivable and management's best estimate of the future cash flow resulting from the item.

All strengthening of and releases from the provision are accounted for in income.

Deferred Sales Commissions

Sales commission arrangements with employees and non-employees are deferred and expensed over the period the related revenue is accounted for. This means sales commissions relating to license fees are expensed immediately whereas sales commissions relating to service provided over an extended period of time are deferred and amortized over that period.

Deferred Initial Set Up Costs

The Company has entered into multiple year contracts where in return for a monthly fee SaaS services are provided. Set up costs such as mappings and preparation of hardware and connectivity require an initial investment from the Company. Such expenses are capitalized and amortized over the life of the contract. These expenses are recovered through the monthly SaaS fees collected from the client, however, in the event of an early termination of the arrangement the client, under the terms and conditions of the contract is required to pay at a minimum the remaining balance of capitalized expenses.

Other Receivables and Prepayments

Other receivables and prepayments are recognized at the amounts at which they are incurred or receivable.

Cash & Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits and possible other short term highly liquid investments with original maturities of three months or less.

Equity

Shareholders' Equity

Financial instruments issued by the Company to the extent that they evidence a residual interest in the assets of the Company are classified as Equity.

All proceeds from the issue of equity instruments or considerations paid for the purchase of equity instruments are recognized in Equity. Incremental external costs directly attributable to the issuing of TIE equity instruments are also recognized in Equity, net of tax.

Dividends and other distributions to holders of equity instruments are recognized in Equity net of tax. A liability for dividends payable is not recognized until the dividends have been declared and approved by the General Meeting of Shareholders.

Convertible Bonds

Convertible bonds issued by the Company have been classified as Equity based on the fact that under the terms and conditions of these bonds there is evidence of a residual interest in the Company's assets after deducting all of the Company's liabilities. Where applicable split accounting has been applied. Distributions to holders of equity instruments are recognized directly in equity net of tax.

For Convertible Bonds where a liability component has been identified with respect to interest payments in cash a liability is set up against Equity.

Non Employee Stock Options

Stock Options issued to non employees are Gross Settled Stock Options under the terms of the respective contracts and therefore qualify as Equity Instruments. Any considerations received for such options will be accounted for in Equity. Any cash flows at settlement are accounted for in Equity as well.

Minority Interests

Minority interests represent the minority shareholder's interest in the net asset value of consolidated subsidiaries. Should losses attributable to the minority exceed the minority interest in the subsidiaries equity the excess losses are attributed to the Company except to the extent that the minority shareholder has both an obligation and the means to cover these losses. These additional losses will be clawed back from future profits when these occur.

Non Current Liabilities

Provisions

In the circumstance of a present obligation as a result of an obligating past event with a probable future outflow of resources to settle the obligation at an amount that can be estimated reliably the Company recognizes a provision.

Provisions are measured at the present value of the future outflow expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the time value of future outflows is recognized under expenses. The time value is considered a material component.

To the extent that future events are likely to occur and are expected to have an effect on the amount required to settle a recognized liability these future events are taken into consideration in determining the appropriate provision level. Provisions are reviewed at each balance sheet date and will be adjusted to reflect the current best estimate.

Current Liabilities

Credit Facility

Bank overdrafts under the ABN-AMRO Credit Facility are shown under current liabilities on the balance sheet.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding bank overdrafts.

Revenues

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and can be measured reliably. Revenue is measured at the fair value of the consideration received excluding taxes and after deduction of discounts and rebates and after all significant risks and rewards have been transferred.

The Company generates income from the following sources:

- Software license fees
- Maintenance and Support
- Consultancy Services
- Software as a Service
- Other income

Licenses

Revenues from software licenses are recognized when the purchase agreement has been reached with the customer and the software is shipped to the client. At that point in time a:

- Non-revocable agreement has been reached;
- Delivery of the software has been made;
- The fee is determinable;
- The collection of the receivable outstanding is deemed probable by management.

Maintenance and Support

Maintenance subscriptions include relevant updates and upgrades of TIE products and (telephone) support. The related revenues are generally invoiced in advance for a twelve-month period and therefore deferred and recognized over the contract period.

Consultancy Services

Consultancy services are generally provided over a short period of time and the outcome of the transaction can be estimated reliably. Revenues thereof are recognized in the period in which the service is provided on a percentage of completion basis.

Software as a Service (SaaS)

SaaS pertains to all hosting, webEDI (TiedByTIE) and Value Added Network services. These services are generally provided on the basis of a 12, 24 of 36 month contract whereby fees are based on actual use of the service or a subscription fee or a combination of thereof.

Additionally SaaS revenue includes revenues from marketing channel management branded as Digital Channel, these services are provided on a subscription basis with a fixed contract period, generally 12 months. Other revenues consist of revenues from marketing campaigns, which are invoiced on a pay as you go basis. Revenues are accounted for on a percentage of completion basis.

Other Income

Government grants are accounted for under other income. Government grants pertaining to the SEEMseed and SEEMless projects are recognized only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. These government grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate.

Deferred Revenues

Deferred revenues consist of the unearned portion of revenues pertaining to maintenance and digital channel subscriptions as well as amounts invoiced in advance on software design, installation and consultancy projects.

Revenue Related Expenses

Revenue related expenses represent the cost directly associated with revenue. This includes hosting costs, third party consultants and cost of third party software.

Employee Benefits

Short term Employee Benefits

Short-term employee benefits entail salaries payable over past service, short-term compensated absences where the absences are expected to occur within twelve months after the end of the period in which the employee render the related service, profit sharing or bonus arrangements. A liability is set up to the extent that amounts are due based on rendered services.

In the event of non-accumulating absences a liability is recognized (expensed) as soon as the absence occurs.

Termination Benefits

Termination benefits are the result of the Company's decision to terminate an employee's employment before normal retirement date. Termination benefits are expensed immediately when the Company is demonstrably committed to terminate employment prior to normal retirement date. The termination benefits include all termination of employment related expenses.

Post Employment Benefits

The Company operates with insured defined contribution pension plans in the Netherlands. Under the terms and conditions of this plan the Company has no obligation towards the employees covered under the plan other than to pay a fixed contribution. The contributions payable are recognized as an expense in income. To the extent that the paid amount exceeds the amount due for services rendered, an asset is recognized. Plan contributions payable to third party insurer are recognized as a liability.

There are no collective or individual pension plans in the foreign subsidiaries. TIE France has an arrangement resulting in a retirement bonus which qualifies as a post employment arrangement under IFRS. The present value of this retirement bonus liability is recognized on the face of the balance sheet, movements in this liability are accounted for in income. In the US the Company staff participate in a Corporate 401(k) savings plan with discretionary contributions by the Company. These discretionary payments are recognized in income if and when they are paid into the plan.

Share Based Payments

The Company has issued employee stock option plans that entitle employees to receive equity instruments issued by the Company. These Stock Option Plans are classified as Equity Settled Instruments. Stock Options issued after January 1, 2005 will have a vesting period of three years after issuance. The expense resulting from the options is based on the fair value of the options at grant date. The expense is recognized in income, with the offsetting entry in Equity, over the term in which the services are rendered i.e. the vesting period of the options. The expense reflects management's best estimate of the number of stock options expected to vest.

Any considerations received net of any directly attributable transaction costs are accounted for in Equity upon exercise of the options.

Where a Stock Option Plan is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the option is recognized immediately. However, if a new Option Plan is awarded in substitution of the cancelled plan and is designation as such the cancelled options and the substitution options are treated as if they are a modification of the original options.

Modifications to Stock Option Plans are expensed at a minimum to the amount of the original stock option plan. An additional expense is recognized to the extent the modification result in an increased fair value of the modified options compared to the original option.

Leases

Arrangements have been assessed to determine to what extent the fulfillment is dependent on the use of a specific asset and secondly whether the arrangement conveyed the right of use of that specific asset. Arrangements satisfying both criteria have been classified Leases. Reassessment if these arrangements will take place under the following circumstances:

- change in the terms of the contract
- exercise of a renewal option
- a change in determination of the arrangement
- the asset subject to the arrangement undergoes substantial physical change

To the extent that an arrangement contains, among other components, a lease, the lease element of the arrangement is accounted for separately from other components.

Leases in which a significant portion of the risks and reward of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The implementation of IFRIC4 has not impacted the 2007 financial statements of the Company.

Earnings per Share
Basic earnings per share are calculated by dividing net income attributable to equity holders of TIE after deduction of interest on Convertible Bonds, by the weighted average number of shares outstanding.

Diluted earnings per share take into effect the dilutive effect of convertible instruments and stock options upon exercise or conversion. The dilutive effect of these instruments amounts to the number of shares issuable under the terms and conditions of these arrangements for no consideration. Stock options are considered non-dilutive when the exercise price of the options in excess of the average market price of the shares during the period. Convertible bonds are considered non-dilutive when the related interest net of tax and other changes to income and expense per ordinary share obtainable upon conversion exceed the basic earnings per share.

Post Balance Sheet Events
These financial statements include the effects of events, that have occurred between balance sheet date and the date when these financial statements are authorized for issue, to the extent that these events give evidence of conditions that existed at balance sheet date. Effects of events that arose post balance sheet are disclosed but have not resulted in an adjustment of the financial statements.

Risk Management
The Company activities expose it to a variety of risks including market risks (including currency risk and interest rate risk) credit risk and liquidity risk. Financial instrument held are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). In order to provide the users of these financial statements disclosures allowing them to evaluate the significance of financial instruments for the company's financial position and performance as well as the nature and extent of aforementioned risks and the manner in which management manages those risks management has decided to early adopt IFRS 7.

Management monitors risk on a recurring basis at a Management Board level applying input received from Management in the individual geographical areas, of which the members of the Management Board are part or in regular contact with. The risk analysis focuses predominantly on business risks resulting in managerial decisions on investing in Research and Development, entering new markets. Financing and funding decisions are made at Management Board level, guaranteeing management is aware of any changes and developments. Individual debtors with collectibility issues are discussed on an item by item basis.

The Company neither holds nor issues financial instruments for trading or hedging purposes.

Fair value
The Company does not hold any financial assets or liabilities accounted for at fair value through the Profit and Loss Account. Where relevant fair value approximations have been made and disclosed. Fair values disclosed are calculated based on current interest rates taking into the terms and conditions of the financial asset or liability. In most cases fair values will equal the carrying value of the item.

Reclassification of Financial Assets
No reclassification of financial assets has been applied in 2007 (2006 none).

Derecognition of Financial Assets
All items derecognized during this financial year have been taken from the face of the balance sheet if and when substantially all risks and rewards of ownership have been transferred.

Currency Risk
The Company operates across the globe in different currency environments and is exposed to foreign exchange risks, mainly with respect to the US dollar. To minimize the exposure it is the intention to balance assets and liabilities in dollars as much as possible.

The Company's consolidated net income is however affected directly by changes in the currency exchange rates affecting the weighted average rate applied for translating the USD denominated profits to EUR. The Company does not hedge this risk.

Based on actual net income from the US for 2007 sensitivity of the consolidated net income to the weighted average EUR/USD exchange rate can be quantified as follows:

	effect in EUR with increase of	effect in EUR with decrease of
5%	18	(17)
10%	39	(32)
20%	87	(58)

Based on net investment in the US companies as per year end 2007 sensitivity of Shareholders Equity to the EUR/USD exchange rate can be quantified as follows:

	effect in EUR with increase of	effect in EUR with decrease of
5%	115	(104)
10%	243	(198)
20%	546	(364)

Reference rates are 1.4185 for the year end closing rate USD against the EUR and 1.31246 for net income.

Management has provided an analysis of the effects of multiple scenarios all within a range that may be considered reasonably likely to occur rather than limiting the analysis to a single scenario. Especially the currency exchange rate development of the USD against the EUR has been volatile and unpredictable in the recent past.

Credit Risk

The Company has no significant concentrations of credit risk, outside of the fact that a significant proportion of its clients in the Netherlands are Food Industry related. This risk has been reduced with the acquisition of Digital Channel as this positively affected the relative share of these clients in both revenue and outstanding debtor balances.

Management has policies in place to ensure that sales of products are made to customers with an appropriate credit history. In relevant situations credit risk is mitigated through collateralizing outstanding balances.

In the event of collectibility issues the Company take an impairment charge to cover the potential loss.

The following table shows the outstanding balances for loans and receivables and Trade Debtors with current balances (to be received within 12 months) broken out:

	2007 Carrying value	2007 Current Balance	2006 Carrying Value	2006 Current Balance
Loans and Receivables	119	51	168	49
Trade receivables	1,330	1,330	1,564	1,564

The following table shows the gross outstanding Trade Debtor balance as per September 30, broken down into balances that have not passed their due date and balances that have passed their due date. The latter category is broken down further into categories detailing the extent to which they have passed their due date. The less than 30 days outstanding category represent receivables that have not yet passed their due date.

Breakdown of balances outstanding as per September 30, 2007

	Less than 30 days	31 to 60 days	61 to 90 days	In excess of 90 days	Total
The Netherlands	80	7	9	98	194
The Americas	534	19	40	198	791
Rest of World	180	64	5	96	345
Total	**794**	**90**	**54**	**392**	**1,330**

Breakdown of balances outstanding as per September 30, 2006

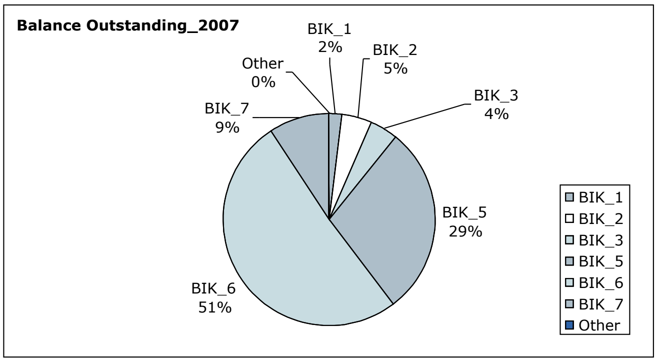
	less than 30 days	31 to 60 days	61 to 90 days	In excess of 90 days	Total
The Netherlands	280	19	40	111	450
The Americas	298	45	78	195	616
Rest of World	305	46	1	146	498
Total	**883**	**110**	**119**	**452**	**1,564**

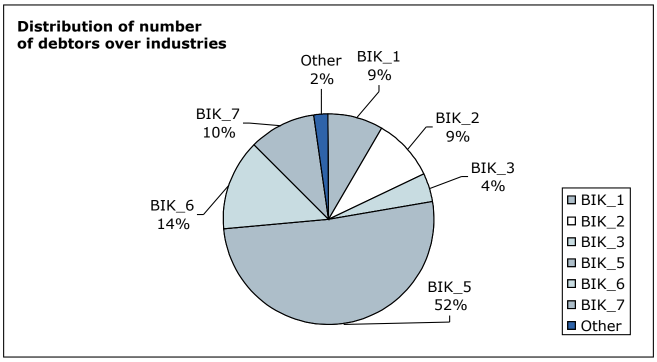
The movements in the provision for doubtful debt can be detailed as follows:

Balance as at October 1,	**442**	**410**
Strengthening charged to profit and loss account	424	68
Impairments	(108)	(30)
Currency exchange rate differences	(15)	(6)
Balance at September 30	**743**	**442**

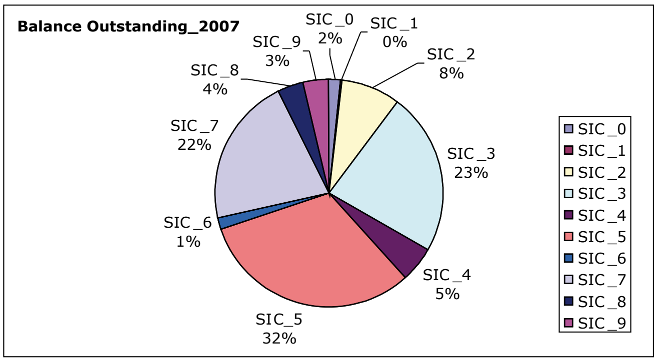
The following charts show the Companies client base broken down into geographical areas and industries in both balances outstanding in EUR and number of clients and at year end 2007. The industry segmentation is based on the standard industry classifications BIK and SIC, the latter referring to the standard applied in The Americas, aggregated to the highest level. For a further explanation of these codes we refer to public sources widely available through the internet.

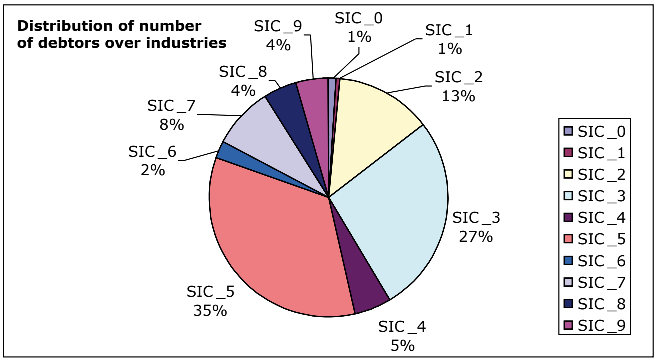
The Netherlands



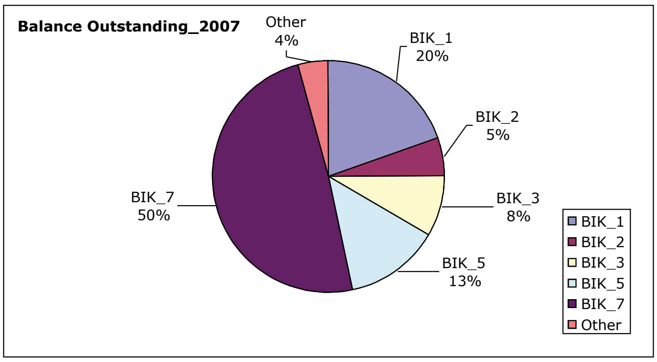


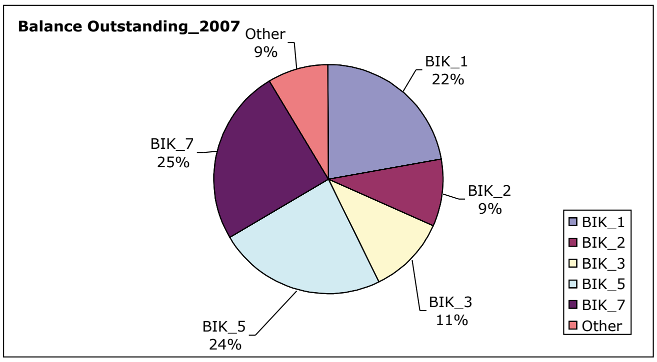
The Americas





Rest of world





The charts on the previous page illustrate a reasonable spread over multiple industries and a spread of balances outstanding across multiple debtors. Categories with the largest relative share of balances outstanding consisting wholesale companies in various types of products (SIC 5), of logistical companies (BIK 6) in various guises (storage, shipping, air transport and trucking companies) and a variety of service industries (BIK 7 and SIC 7) including IT. This category includes the outstanding balances with the (international) resellers of TIE software. Although both sectors show a combination of a high relative share in monetary terms and a much lower relative share in number of items outstanding indicating a relatively high invoice amount management is of the opinion that the spread across industries and the variation therein across geographical areas mitigates the credit risk exposure of the company.

The maximum credit risk exposure as per September 30, 2007 amounts to EUR 2.1m (2006: EUR 2.4m)

Liquidity Risk
The Company has a history of temporary cash crunches which have been resolved either through issuing additional shares to fund operations. These cash crunches usually occur in a period in which the debtor balance reduces, also due to seasonal effects, and therefore the collateral underlying the Credit Facility reduces. This means incoming cash then must be applied to repay the Credit Facility. The repayment of short term debt EUR 200k as per August 30, 2008 and an additional EUR 500k as per November 28, 2008 are also critical points in time which require planning to have the necessary funds available. To date management has been able to raise sufficient funds to fund operations should cash crunches occur. The cash position of the Company is monitored closely by management.

The remaining liquidity risk exposure of the Company originating from financial instruments is limited due to the fact that the majority of the financial instruments outstanding have no mandatory cash settlement option. This means repayment of debt will take place through conversion into common shares TIE Holding N.V. The majority of outstanding financial instruments are non-interest bearing. Again this limits the exposure to liquidity risk. Management regularly assesses the outstanding debt position as well as the outstanding equity instruments and evaluates funding opportunities.

Interest Rate Risk
Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company to this risk is limited due to the nature of the financial instruments the Company holds and the fact that assets are held to maturity and the convertible bonds are expected to be converted into common shares either on or prior to maturity date. The convertible bonds outstanding at year end 2007 are non interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At year end 2007 the Company held EUR 526k short term debt. The weighted balance outstanding during 2007 amounts to EUR 317k. The average interest rate amounted to 6.6%. The full interest charge pertaining to this debt accounted for in income amounts to EUR 51k. The sensitivities to changes in the interest rate based on the amount of debt carried on the face of the balance sheet as per September 30, 2007 can be expressed as follows:

- A 100 basispoint increase in interest rates would have an effect net income by EUR (5)k.
- 100 basispoint decrease in interest rates would have an effect net income by EUR 5k.
- 200 basispoint increase in interest rates would have an effect net income by EUR (11)k.
- 200 basispoint decrease in interest rates would have an effect net income by EUR 11k.

Since balance sheet date the interest rate on the Credit Facility was increased to 7.1%. At the same time the Facility was reduced from a EUR 600k maximum to a EUR 500k maximum.

Business Combinations

In 2007 no business combinations were effected.

During 2006, on July 1, TIE obtained control over the Assets and Liabilities transferred under the agreement reached with Stayer Holding B.V., Advinet Plus Effectieve Internetoplossingen BV, Sales & Marketing Partners Ltd and The Knowledge Factory B.V., together operating under the name Digital Channel. The Digital Channel concept is a unique concept in the Dutch market linking consumers to retailers by providing reliable product information in the chain where it matters.
Among others Digital Channel is providing services under the following channels:

- IT Channel
- Office Channel
- Supplies Channel
- Telecom Channel

Additionally Digital Channel provides services to clients developing a web presence or in developing a specific concept.

Purchase Price	2,100
Direct costs of acquisition	35
Total Purchase Price Consideration	**2,135**
Net fair value of acquired assets and liabilities	650
Goodwill excluding DC Concept and Contract Base	**1,485**
DC Trademark	800
Total Intangible Assets resulting from Business Combination	**2,285**

The cost of the acquisition and the recognized Goodwill balance reflects management's expectancy that the combination of the TIE products and Digital Channel has significant potential for generating revenues in excess of levels as per acquisition date. As part of the Company the Digital Channel products can be introduced effectively in all TIE markets, which increases its earnings potential as well.

The Goodwill balance recognized was determined provisionally on the basis of the information available up to September 30, 2006 and has not been revised under IFRS3. The purchase price allocation has therefore become final. The provisional allocation of assets resulting from this business combination to cash generating units has also been finalized. The definitive asset allocation is discussed in detail on page 58 under impairments.

The assets and liabilities acquired through this transaction are as follows:

	Book Value	Fair Value
Digital Channel Trademark	1,600	800
Software	22	22
Property, Plant and Equipment	16	16
Trade debtors	279	272
Bank Overdraft	(14)	(14)
Deferred revenues	(339)	(339)
Trade creditors	(107)	(107)
Net total	**1,457**	**650**

The issue of convertible bonds (three in total) amounting to EUR 2,140 funded the Digital Channel Business Combination. For further details please refer to the disclosure regarding Convertible Bonds in the Notes to the Consolidated Balance Sheet. EUR 360k of the total purchase price was paid in cash. Aggregate Revenue and Net Income and revenue as required under IFRS3.70 has not been disclosed, as it is costly and impractical to provide reliably as businesses were integrated after the Business Combination.

At year end 2007 part of the assets resulting from this Business Combination were impaired following an impairment test. Please refer to page 58 for a detailed disclosure regarding these impairments.

Segment Information

The Company operates mainly in one business segment, but operates in different countries through subsidiaries. All subsidiaries provide similar products and services. For management purposes the Company is divided into geographical segments. Net revenues by Segment are based primarily on the location of the customer. In preparing this segment information the accounting principles applied are the same as those applied in the preparation of the Consolidated Balance Sheet and Consolidated Income Statement. Any transactions between reporting segments are accounted for at cost. These items are adjusted for the segment information presented below under Holding and Eliminations.

Segment items included in the Segment Balance Sheet as per September 30, 2007 or further details of items in the segment Profit and Loss account are:

Geographic Information

Segment Results for the year ended September 30, 2007

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Revenues					
Licenses	562	1,349	188	-	2,099
Maintenance and Support	750	1,789	459	-	2,998
Consultancy	917	712	265	-	1,894
Software as a Service	1,463	371	521	-	2,355
Other Income	328	6	12	-	346
Total Revenue	**4,020**	**4,227**	**1,445**	**-**	**9,692**
Book profit on sold assets	-	-	-	-	-
Operating Expenses					
Revenue Related Expenses	676	422	35	-	1,133
Employee Benefits	2,751	2,136	768	573	6,228
Depreciation and Amortization Expense and Impairment Losses	2,271	195	6	145	2,617
Other Operating Expenses	1,059	863	225	651	2,798
Total Operating expenses	**6,757**	**3,616**	**1,034**	**1,369**	**12,776**
Operating Income	**(2,737)**	**611**	**411**	**(1,369)**	**(3,084)**
Interest and Other Financial Income	6	-	-	-	6
Interest and other Financial Expense	(43)	(5)	(9)	(1)	(58)
Share in Profit (Loss) of Associates	-	-	-	-	-
Income before Tax	**(2,774)**	**606**	**402**	**(1,370)**	**(3,136)**
Corporate Income Tax	-	(230)	(2)	-	(232)
Net Income	**(2,774)**	**376**	**400**	**(1,370)**	**(3,368)**

Summarized Assets and Liabilities per Segment as per September 30, 2007

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Assets					
Intangible Fixed Assets	-	1,445	772	-	2,217
Tangible Fixed Assets		74	9	-	83
Financial Fixed Assets	119	2,136	-	-	2,255
Current Assets	353	1,118	510	32	2,013
Total Assets	**472**	**4,773**	**1,291**	**32**	**6,568**
Liabilities					
Non Current Liabilities	300	-	20	-	320
Current Liabilities	1,802	1,316	417	572	4,107
Total Liabilities	**2,102**	**1,316**	**437**	**572**	**4,427**
Deferred Tax Asset	-	2,136	-	-	2,136

Other Selected Income Statement Items

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Recurring revenue	2,212	2,160	980	-	5,352
Non recurring revenue	1,807	2,066	466	-	4,339
Total Revenue	**4,019**	**4,226**	**1,446**	**-**	**9,692**
Depreciation and Amortization	267	195	5	146	613
Impairments	2,004				2,004
Other Non Cash Expenses	42	66	10	48	166
FTE at year end	37	29	16	-	82

Recurring revenues consist of Maintenance and Support revenues as well as SaaS revenues which are in principle based on longer running subscriptions to services. The remaining revenue categories consisting of License fees Consultancy fees and Other Income are included under non recurring. No further breakdown of revenues into products or services is available. The cost to prepare such a disclosure would be excessive. Other non cash expenses referred to above pertain to the stock option expense accounted for in 2007

Segment items included in the Segment Balance Sheet as per September 30, 2006 or further details of items in the segment Profit and Loss account for the year then ended are:

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Revenues					
Licenses	569	1,102	328	-	1,999
Maintenance and Support	676	2,087	486	-	3,249
Consultancy	731	883	246	-	1,860
Software as a Service	848	88	359	-	1,295
Other Income	20	10	1	-	31
Total Revenue	**2,844**	**4,170**	**1,420**	**-**	**8,434**
Book profit on sold assets	-	17	-	-	17
Operating Expenses					
Revenue Related Expenses	509	450	25	-	984
Employee Benefits	2,175	1,978	612	479	5,244
Depreciation and Amortization Expense and Impairment Losses	397	127	9	129	662
Other Operating Expenses	878	866	66	509	2,319
Total Operating expenses	**3,959**	**3,421**	**712**	**1,117**	**9,209**
Operating Income	**(1,115)**	**766**	**708**	**(1,117)**	**(758)**
Interest and Other Financial Income	8	-	-	-	8
Interest and other Financial Expense	(23)	-	-	-	(23)
Share in Profit (Loss) of Associates	-	-	-	-	-
Income before Tax	**(1,130)**	**766**	**708**	**(1,117)**	**(773)**
Corporate Income Tax	-	1,825	(21)	10	1,814
Net Income	**(1,130)**	**2,591**	**687**	**(1,107)**	**1,041**

Summarized Assets and Liabilities per Segment as per September 30, 2006

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Assets					
Intangible Fixed Assets	1,553	2,122	552	-	4,227
Tangible Fixed Assets	173	116	9	1	299
Financial Fixed Assets	179	2,617	-	-	2,796
Current Assets	598	989	664	(18)	2,233
Total Assets	**2,503**	**5,844**	**1,225**	**(17)**	**9,555**
Liabilities					
Non Current Liabilities	336	-	-	-	336
Current Liabilities	2,139	1,134	528	629	4,430
Total Liabilities	**2,475**	**1,134**	**528**	**629**	**4,766**
Deferred Tax Asset	-	2,617	-	-	2,617

Other Selected Income Statement Items

	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Recurring revenue	1,524	2,175	845	-	4,544
Non recurring revenue	1,320	1,995	575	-	3,890
Total Revenue	**2,844**	**4,170**	**1,420**	**-**	**8,434**
Depreciation and Amortization	397	127	9	129	662
Impairments	-	-	-	-	-
Other Non Cash Expenses	37	68	8	-	113
Termination Benefits	115	-	-	-	115
FTE at year end	38	35	13	-	86

Recurring revenues consist of Maintenance and Support revenues as well as SaaS revenues which are in principle based on longer running subscriptions to services. The remaining revenue categories consisting of License fees Consultancy fees and Other Income are included under non recurring. No further breakdown of revenues into products or services is available. The cost to prepare such a disclosure would be excessive.

Other non cash expenses referred to above pertain to the stock option expense accounted for in 2006. The termination benefits amounting to EUR 115k are included under Employee Benefits in the Consolidated Income Statement.

During the second quarter of 2006 a reorganization was put into effect in The Netherlands. The Termination Benefits paid are material in the context of net income for the segment and are therefore disclosed separately. Recurring revenues and Non-recurring revenues reflect the difference between revenues of a recurring nature from a continuing business relationship such as maintenance and SaaS revenues. Non-recurring revenues are revenues resulting from a single transaction such as license sales.

In addition to the primary segment disclosures above the following provides an overview of the number of FTE per department within TIE. The breakdown shows the number of FTE per department at year-end:

	2007	2006
Research and Development	16	15
Sales and Marketing	18	18
Consulting and Support	34	36
General and Administrative	14	17
Total	**82**	**86**

The actual geographical distribution of assets differs from the asset distribution disclosed above as part of the segment information. The geographical distribution of assets is disclosed below:

	2007	2006
The Netherlands	2,120	4,676
North America	4,060	4,527
Rest of World	388	352
Total	**6,568**	**9,555**

The assets in the Netherlands include 100% of the TIE Holding assets.

(Accounts on page 32)

1 Intangible Fixed Assets

The Intangible Fixed Asset balance breaks down into the following components:

	2007	2006
Goodwill	1,468	2,404
Digital Channel trademark	320	800
Software Development Costs	358	748
Software	71	275
Total	**2,217**	**4,227**

Movements in these balances are disclosed in further detail below.

Goodwill
Goodwill is measured as the positive difference between the cost of the business combination and the Company's interest in the net fair value of the entity's identifiable assets, liabilities and contingent liabilities.

The movements in the Goodwill balance are as follows:

	2007	2006
Net book value per October 1,	2,404	940
Acquired through Business Combinations	-	1,485
Impairments	(891)	-
Translation adjustment	(45)	(21)
Net book value per September 30,	**1,468**	**2,404**

The business combination with Digital Channel was formalized as per August 24, 2006. Assets and liabilities transferred effectively as per July 1, 2006. Control over assets and liabilities and related economic risk was transferred to the Company as of that date (July 1, 2006). The Digital Channel activities have been fully integrated into TIE Nederland BV. The full acquisition consideration amounted to EUR 2,135k. Total Goodwill amounted to EUR 1,485k. The Digital Channel Concept and Client Base is included under Other Intangibles (EUR 800k).

Software Development Cost and Purchased Software

	Software development costs	Purchased software
Accumulated investments per October 1, 2005	1,666	687
Accumulated amortization per October 1, 2005	(902)	(394)
Accumulated impairments per October 1, 2005	-	-
Carrying value as per October 1, 2005	**764**	**293**
Translation adjustment investments	(48)	(16)
Translation adjustment amortization	39	16
Additions	389	106
Acquired through Business Combinations	-	22
Amortization	(396)	(146)
Movements 2006	**(16)**	**(18)**
Accumulated investments per September 30, 2006	2,007	799
Accumulated amortization per September 30, 2006	(1,259)	(524)
Accumulated impairments per September 30, 2006	-	-
Carrying value as per September 30, 2006	**748**	**275**
Translation adjustment investments	(127)	(31)
Translation adjustment amortization	96	30
Additions	276	126
Acquired through Business Combinations	-	-
Amortization	(316)	(164)
Impairments	(319)	(165)
Movements 2007	**(390)**	**(204)**
Accumulated investments per September 30, 2007	2,156	894
Accumulated amortization per September 30, 2007	(1,479)	(658)
Accumulated impairments per September 30, 2007	(319)	(165)
Carrying value as per September 30, 2007	**358**	**71**
Useful Life	3 years	3 years

Development projects have an average life of between 3 and 6 months. Amortization commences at completion of the project when a product is introduced to the market. The average remaining amortization period amounts to 2.5 years.

Digital Channel Trademark

	2007	2006
Digital Channel Trademark	800	800
Impairments	(480)	-
Net book value per September 30,	**320**	**800**

The period over which the Digital Channel Trademark will generate future cash flows has no foreseeable limit. Therefore the useful life of the Digital Channel Trademark is determined to be indefinite. This assessment will be evaluated on an annual basis.

Impairments

Intangible Fixed Assets with an indefinite life are tested for impairment annually, however if at any intermediate time events and circumstances would give rise to do so an impairment test will be conducted. The latter applies also to Intangible Fixed Assets with a definite life. These are tested for impairment should events and circumstances give rise to do so. An impairment is determined by assessing the recoverable amount (value in use) of a cash-generating unit to which the Intangible Fixed Assets relate against the carrying amount of these Intangible Fixed Assets.

Impairment losses for Cash Generating Units are first charged against goodwill balances of that specific Cash Generating Unit. Any remaining impairments are allocated to the other assets of the Cash Generating Unit as a whole.

Distribution of Intangible Fixed Assets tested for impairment is as follows:

	The Netherlands	North America	Rest of World	Total
Goodwill	891	868	599	2,358
Digital Channel Concept	480	160	160	800
Software Development Costs	320	358	-	678
Software	164	58	13	235
Total	**1,855**	**1,444**	**772**	**4,071**

The asset distribution has been revised compared to 2006, comparatives have been included below. Intangible assets carried on the face of the respective balance sheets have been allocated to the three Cash Generating Units (CGU) in a manner consistent with 2006, with somewhat modified assumptions however. These modified assumptions pertain specifically to the allocation of DC related intangible assets on the face of the balance sheet. These have been allocated provisionally in 2006 and this allocation has been reviewed and revised in the 2007 financial statements.

Holding assets have been allocated consistently with 2006 on a revenue distribution basis with the exclusion of the TIE Commerce related Goodwill balance which is allocated to the North American CGU as a whole. Holding assets, excluding the TIE Commerce related goodwill, pertain to the investment in MYTIE, the corporate ERP system. Allocation is based on usage of the system derived from revenues earned by GCU's.

NL intangibles (prior to impairment) include the DC trademark (EUR 800k) and DC related goodwill (EUR 1,485k). Consistent with 2006 these assets have been allocated to all three CGU's; Netherlands, North America and RoW. The distribution applied in 2006, NL 45%; US 45%; RoW10%, and was revenue based. This revenue based allocation has been updated based on current knowledge and revised assessments of future developments regarding the Digital Content Manager (DCM) related revenues specifically. The revised distribution applied in the 2007 impairment test is NL 60%; US 20%; RoW 20% is consistent with management's current best estimate of future revenue distribution of DC revenues. The revised allocation reflects short term revenue growth from international DCM, offset by a delay in the development of the DCM sales in the North Americas. The revised distribution does not express a revision of managements view on the potential of the DCM product in the North American market. This has remained unchanged.

Comparative distribution as applied in the 2006 impairment tests was as follows:

	The Netherlands	North America	Rest of World	Total
Goodwill	668	1,285	451	2,404
Digital Channel Concept	360	360	80	800
Software Development Costs	367	381	-	748
Software	159	96	20	275
Total	**1,554**	**2,122**	**551**	**4,227**

Impairment tests are performed on a Cash Generating Unit level using a discounted cash flow model (value in use). Starting point for the tests is the Annual Operating Plan approved by Management for the next financial year.

The projected cash flows from the Annual Operating Plan have been run through a variety of scenarios using the following assumptions:

	The Netherlands	North America	Rest of World	Total
Net Cash Flow starting Point after allocation of Holding expenses (EUR x 1,000)	(1,380) - (420)	400	560	(400) - 550
Shock Losses	Yes	No	No	Yes
Projected Cash Flows	5 years	5 years	5 years	5 years
Growth of Net Cash Flows per annum (EUR x 1,000)	100 - 500	0	0	100 - 500
Discount Rate	15%	15%	15%	15%

Comparative assumptions applied in the 2006 impairment tests were as follows:

	The Netherlands	North America	Rest of World	Total
Net Cash Flow starting Point after allocation of Holding expenses (EUR x 1,000)	(400) - 400	900	0 - 200	500 - 1,500
Shock Losses	Yes	No	No	Yes
Projected Cash Flows	5 years	5 years	5 years	5 years
Growth rate Net Cash Flows (%)	0% - 100%	0%	0%	0% - 100%
Discount Rate	15%	15%	15%	15%

Running multiple scenarios resulted in a number of outcomes with varying balances of net cash inflow. Impairment decisions have been based on outcomes of these scenarios close to the average of the various outcomes.

The net cash flow starting point is based on the actual net cash flow for the year. Future net cash flows are then based on the annual operating plan for the next year taking into account both possible adverse and positive deviations from this annual operating plan. These deviations are based on managements past experience and take into consideration the one time affects specific expenses and possible delays in the realization of revenues from existing and future pipeline.

The Netherlands Cash Generating Unit is most sensitive to impairments based on the intangible assets carried by this Cash Generating Unit and the Net Cash Flow the Cash Generating Unit is generating. Estimated future cash flows are based on a substantiated annual operating plan defining revenue targets, markets and product propositions as well as expense levels, and take into consideration expense savings that will be realized in future years due to certain contracts expiring. Future revenue growth is based on expected development in specific software markets (Master Data Management, Enterprise Marketing Platform and Electronic Data Interchange) as published by analysts as well as managements best estimate for the Company specifically.

The Cash Generating Units North America and Rest of World have been tested based on a single scenario using managements best estimate of the future net cash flow taken from past performance and annual operating plan for the next year. For these two Cash Generating Units management has not take into consideration a growth rate. The resulting highly conservative value in use was tested against the carrying value of the applicable assets and found to be highly sufficient.

The aforementioned assumptions have varying sensitivities. Using a 10% discount rate would significantly improve the Net Present Value of future cash flows (20%). Applying a 20% discount rate would reduce the Net Present Value of future cash flows by a bandwidth of 15% to 25%. Variations in Net Cash Flow starting points translate into a change in the NPV at a rate of approximately 300% (at 15% discount rate). The discount rate has been based on the Weighted Average Cost of Capital (WACC) of the Company. A sensitivity specifically applicable to the North American Cash Generating Unit pertains to the development of the USD against the EURO. A significant deterioration of the USD against the EURO could potentially result in an impairment. This is caused by the fact that some of the assets allocated to the North American Cash Generating Unit are denominated in EUR. A 20% deterioration of the USD against the EUR would reduce future cash flows sufficiently to potentially lead to an impairment.

Additional projected cash flow years can be expected to have limited effect under the applied discount rate. Additional years would add less than 50% of the Projected Net Cash Flow decreasing to nil.

The impairment test performed at year end 2007 has resulted in a full impairment of both the tangible and intangible assets of the Netherlands Cash Generating Unit. The impaired intangible asset balance amounts to EUR 1,854k and consists of Goodwill, part of the carrying value Digital Channel Trademark, Capitalized R&D expenses and purchased software.

The full impairment amounts to EUR 2,004k and can be broken down as follows:

	2007	2006
Goodwill (Intangible)	890	-
Digital Channel Trademark (Intangible)	480	-
Software development cost (Intangible)	319	-
Purchased Software (Intangible)	165	-
Fittings and Fixtures (Tangible)	100	-
Hardware (Tangible)	50	
Total	**2,004**	**-**

All impairments pertain to assets allocated or carried on the face of the balance sheet of the Netherlands Cash Generating Unit.

2 Tangible Fixed Assets

Property, Plant and Equipment
Movements in Property, Plant and Equipment are shown below:

	Fixtures and Fittings	Hardware	Total
Accumulated investments per October 1, 2005	2,098	1,111	3,209
Accumulated amortization per October 1, 2005	(1,907)	(1,019)	(2,926)
Accumulated impairments per October 1, 2005	-	-	-
Carrying value as per October 1, 2005	**191**	**92**	**283**
Movements 2006			
Additions	84	39	123
Acquired through Business Combinations	1	15	16
Depreciation in profit or loss	(61)	(59)	(120)
Translation adjustment investments	(41)	(45)	(86)
Translation adjustment amortization	40	43	83
Movements 2006	**23**	**(7)**	**16**
Accumulated investments per September 30, 2006	2,142	1,120	3,262
Accumulated amortization per September 30, 2006	(1,928)	(1,035)	(2,963)
Accumulated impairments per September 30, 2006	-	-	-
Carrying value as per September 30, 2006	**214**	**85**	**299**
Movements 2007			
Additions	5	61	66
Acquired through Business Combinations	-	-	-
Depreciation in profit or loss	(62)	(61)	(120)
Impairment	(100)	(50)	(150)
Translation adjustment investments	(97)	(97)	(194)
Translation adjustment amortization	91	94	182
Movements 2007	**(163)**	**(53)**	**(216)**
Accumulated investments per September 30, 2007	2,050	1,084	3,134
Accumulated amortization per September 30, 2007	(1,899)	(1,002)	(2,901)
Accumulated impairments per September 30, 2007	(100)	(50)	(150)
Carrying value as per September 30, 2007	**51**	**32**	**83**
Useful life	4 to 10 years	3 years	

At balance sheet date there are no restrictions on title. No items of Property Plant and Equipment have been pledged as security against liabilities. The fair value of the Property, Plant and Equipment is deemed to be a close approximation of the carrying value.

Impairments

The impairment test performed at year end 2007 has resulted in a full impairment of both the tangible and intangible assets of the Netherlands Cash Generating Unit. The impaired tangible asset balance amounts to EUR 150k and consists of leasehold improvement and computer hardware. For the methodology applied in this impairment test please refer to page 58.

3 Financial Fixed assets

Deferred Taxes

A Deferred Tax Asset is recognized for temporary differences regarding among other items the amortization of goodwill, in the US. Goodwill is amortized for tax purposes over a 20 year period but is not amortized under IFRS. Goodwill was under previous GAAP amortized in 5 years. Deferred Revenues have a tax basis of nil and are therefore causing the recognition of a tax asset.

The Deferred Tax Asset pertains in full to the activities of the Company in the United States and represents these temporary differences to the extent management expects to recover these items from probable future taxable income. The recognized deferred tax asset represents the full deferred tax asset available for temporary differences in the United States.

A summary of movements in the deferred tax amount is provided below:

	Temporary Differences	Loss Carry Forward	Total
Balance at September 30, 2005	**689**	**131**	**820**
Movements 2006			
Credited against Income	1,961	(126)	1,835
Net currency translation effect	(33)	(5)	(38)
Balance at September 30, 2006	**2,617**	**-**	**2,617**
Movements 2007			
Credited against Income	-	-	-
Debited to Income	(199)	-	(199)
Net currency translation effect	(282)	-	(282)
Balance at September 30, 2007	**2,136**	**-**	**2,136**

The amount debited to income (EUR 199k) pertains to the differences in the temporary differences detailed below. The principle item included in this amount is the tax amount pertaining to the change in the temporary difference between the carrying value and the tax base of the Goodwill.

The total losses available for carry forward in the US amounting to EUR 3.4m (USD 4.8m) will be available for the next 13 to 19 years depending on the nature of the item. The gross amount of this tax asset pertaining to these losses approximates EUR 0.8m (2006; EUR 0.8) and USD 1.1m (2006; USD 1.0m) and remains unrecognized. The full Deferred Tax Asset potential in the United States amounts to EUR 5.5m (2006; EUR 6.3m) and USD 7.8m (2006 USD 8.0m)). In the Netherlands the available but wholly unrecognized loss carry forward amounts to EUR 34.6m (2006 EUR 32.6m), which is available to offset future taxable income for a maximum period of 9 years. The first year to expire under current tax law are the losses originating from 2002 which will expire in 2011. The gross amount of the Netherlands tax asset amounts to EUR 8.8m (2006; EUR 9m), which to date remains unrecognized.

A detailed breakdown of the temporary differences per September 30, 2007 is as follows:

	Carrying value	Tax Base	Temporary Difference
Goodwill	373	3,858	3,485
Depreciation of fixed assets	434	642	208
Deferred Revenue	(1,293)		1,293
Bad debt impairments	(215)		215
Other items	(139)		139
	(840)	4,500	**5,340**

Deferred Tax Asset at 40%	2,136
Deferred Tax Liability at 40%	-
Net deferred Tax Asset	**2,136**

A comparative breakdown of the temporary differences per September 30, 2006 is shown below:

	Carrying value	Tax Base	Temporary Difference
Goodwill	418	5,138	4,721
Depreciation of fixed assets	921	1,146	225
Deferred Revenue	(1,407)		1,407
Bad debt impairments	(123)		123
Other items	(67)		67
	(258)	6,284	**6,542**

Deferred Tax Asset at 40%	2,617
Deferred Tax Liability at 40%	-
Net deferred Tax Asset	**2,617**

Loans and Receivables

Loans and receivables are measured at amortized cost using the effective interest method. This involves calculating the net present value of future cash flows using the current market rate at the time of initial recognition of the asset. Interest is accounted for in the income statement at the effective interest rate at the time of the initial recognition of the asset.

The difference between the effective interest rate and the (notional) interest receivable where applicable is allocated to the asset balance changing its carrying value.

Loans and receivables (net of impairments)

	2007	2006
Balance as at October 1,	**179**	**331**
Issued		-
Redeemed	(60)	(152)
Balance at September 30,	**119**	**179**

The balance includes a subordinated loan to Retail Connect amounting to EUR 184k for which a valuation allowance has been created leading to a net balance of nil. This loan has no final maturity date. In 2005 a five year EUR 250k 4% loan, repayable in monthly annuity installments was issued to SAMAR BV.

The fair value of these loans year end 2007 amounts to EUR 114k (2006: EUR 178k). As none of these instruments are actively traded this fair value has been determined using a valuation model taking into consideration the future cash flows emerging from these instruments discounted at a current market rate set at 7.1%.

Loans and receivables valuation allowance

	2007	2006
Balance as at October 1,	**184**	**184**
Additions charged to Income	-	-
Released to Income	-	-
Bad Debt charged to valuation allowance	-	-
Balance at September 30,	**184**	**184**

The valuation allowance pertains to a subordinated loan to Retail Connect amounting to EUR 184k for which a valuation allowance has been created leading to a net balance of nil. Shareholders have agreed to discontinue operations through Retail Connect in 2007. The license to use TIE software was revoked in May 2007. The Company will be disbanded and discontinued in 2008.Total interest income from Loans and Receivables amounted to EUR 6k (2006: EUR 8k). No interest is being accrued on the impaired subordinated loan to Retail Connect (EUR 184k). Interest rates on these loans vary from 0% to 4%.

The risk exposure from these financial assets is predominantly credit risk. This risk is assessed by management and mitigated through collateralizing the loan where possible.

Investments in Associates

The Company holds 33% of the shares of Retail Connect B.V., this participation was impaired to nil in 2003 due to consistent and sizable losses and negative equity position. On December 4, 2007 shareholders of Retail Connect BV agreed to discontinue Retail Connect BV and liquidate. Carrying value of the investment at year end 2007 was maintained at zero (2006: EUR 0).

4 Current Assets

Trade Debtors and Other Receivables

	2007	2006
Trade debtors	2,073	2,006
Less: valuation allowance	(743)	(442)
Trade debtors net of valuation allowance	**1,330**	**1,564**
Deferred Sales Commissions	34	50
Deferred Initial Set Up Costs	38	-
Taxation and social security - prepaid	22	-
Other receivables	169	108
Projects to be invoiced (WIP)	53	84
Employees	1	17
Prepayments	147	148
Total	**1,794**	**1,971**

Included under other receivables is an amount receivable from Th.H. Raman amounting to EUR 4.0k (USD 5.7k)

Trade Debtors

At year-end 2007 EUR 326k (2006: EUR 223k) out of an eligible total of EUR 543k of these trade receivables were collateralized under the ABN-AMRO Credit Facility.

The fair value of these Trade Debtors amounts to EUR 1,319k (2006: EUR 1,554k)

Deferred Sales Commissions

Deferred Sales Commissions movements can be detailed as follows:

	2007	2006
Balance as at October 1,	**50**	**-**
Deferred Sales Commissions	22	66
Amortization	(25)	(15)
Other movements	(9)	-
Currency exchange rate effect	(4)	(1)
Balance at September 30,	**34**	**50**

Sales Commissions Arrangements in the United States to which this balance sheet item pertains have been revised in the course of 2007. No new items have been deferred since and the balance outstanding can be expected to be amortized approximately in full over 2008.

Deferred Initial Set Up Costs

Deferred Initial Set Up Costs movements can be detailed as follows:

	2007	2006
Balance as at October 1,	**-**	**-**
Deferred Initial Set Up Costs	47	-
Amortization	(10)	-
Currency exchange rate effect	1	-
Balance at September 30,	**38**	**-**

Deferred initial set up costs of SaaS contracts are reimbursed by clients over the term of the respective contracts.

Other

Projects to be invoiced relates to costs made for a finished project on which the European commission granted subsidies for an amount of EUR 25k which is awaiting final approval and settlement, hosting service still to be invoices EUR 22k and other projects in progress on which expense has been capitalized EUR 37k. Prepayments Include prepaid rent, car lease payments and prepaid insurance premiums.

Cash and Cash Equivalents

Under this heading the Company only includes cash at banks, potentially short term deposits and payments in transfer. This policy has not been revised in 2007. At September 30, 2007 Cash and Cash Equivalents consisted of the following:

	2007	2006
Cash at banks	219	262
Total	**219**	**262**

The reported cash balance was available at balance sheet date; there were no restrictions with respect to availability.

Bank accounts are both EUR and USD denominated. EUR 326k out of a total of EUR 600k available under a credit facility with ABN-AMRO was utilized at balance sheet date. Since then the credit facility has been reduced from EUR 600k to EUR 500k and interest rates have increased from 5.5% to 7.1%.

The Fair Value of Cash and Cash Equivalents approximates the nominal value of these items.

5 Equity

Shareholders' Equity

Management policy with respect to managing Capital, consisting of all components of Equity including the Convertible Bonds, is to maintain a positive Equity and limit funding through Debt as much as possible due to the liquidity risks attached to Debt. This means Business Combinations, Investments and Operations are funded primarily by issuing Equity Instruments, also in the event of a cash component payable arising from a Business Combination. Due to market conditions in 2007 in combination with an increased need for cash management attracted EUR 331k of short term debt in 2007. An additional short term debt of EUR 500k was attracted from Alto Imaging Group N.V. on November 28, 2007 to fund short term cash requirements.

Share Capital

By resolution of the Annual General Meeting of Shareholders on February 14, 2007 the Company's authorized share capital was increased and now amounts to EUR 20,0 million, divided into 100 million cumulative preference shares and 100 million ordinary shares with a nominal value of EUR 0.10 each. In order to protect TIE from a hostile takeover, the Stichting Preferente Aandelen has the right to acquire preference Shares in TIE. The objective of the Stichting Preferente Aandelen TIE is to protect the interests of TIE Holding NV, its subsidiaries and all related parties. No preference shares are outstanding at year end 2007. No preference shares are outstanding or have ever been issued.

Share capital at par value:

		2007	2006
Common Shares		10,000	5,000
Cumulative Preference Shares		10,000	2,500
	Total	**20,000**	**7,500**

The movements in the number of Common Shares outstanding can be summarized as follows:

	(number of shares)	2007	2006
	Balance as at October 1,	**43,820,725**	**41,070,725**
Issued		7,048,951	2,750,000
Redeemed		-	-
	Balance at September 30,	**50,869,676**	**43,820,725**
	In EUR (x 1,000)	**5,087**	**4,382**

During 2007 7,048,951 shares were issued at an average price of EUR 0.31 per share. Of these shares 2,485,714 were issued to Stayer BV and 1,441,177 to Alto Imaging Group N.V. in the conversion of convertible bonds of EUR 870k and EUR 400k respectively. An additional 2,450,000 shares were issued in two private placements with professional investors. The proceeds of these share issues amounted to EUR 721k, averaging EUR 0.29 per share. A further 672,060 shares have been issued in 2007 as personnel stock option schemes were exercised for the first time in the history of the Company.

Movements in Issued Capital can be detailed as follows:

	(EUR x 1,000)	2007	2006
	Balance as at October 1,	**4,382**	**4,107**
Shares Issued		705	275
	Balance at September 30,	**5,087**	**4,382**

Movements in the Share Premium Account can be detailed as follows:

(EUR x 1,000)	2007	2006
Balance as at October 1,	**44,758**	**44,468**
Shares Issued	1,504	435
Cost of Issue of Equity Instruments	(25)	(20)
Consideration paid for repurchased Equity Instruments	-	(125)
Other Movements	5	-
Balance at September 30,	**46,242**	**44,758**

Equity Settled Share Based Payments

Employee Stock Option Plan

The General Meeting of Shareholders determined that in each financial year a maximum of 1% of the authorized share capital could be issued as employee options. Any un-awarded options can be carried over to subsequent years.

TIE Stock Options generally have a three-year vesting period and a subsequent exercise period of 7 years. Employees leaving the Company within the vesting period lose their options, which then become available for re-issuance under future stock option plans.

Per September 30, 2007, a total of 1,257,558 (2006: 1,426,199) options have been issued through the regular Employee Stock Option Plan at a strike price of EUR 0.26 to all qualifying employees in the Netherlands, France and the United States. This includes 218,171 stock options issued to the Management Board.

Movements in the number of stock options to employees and management of the Company:

	Average strike price	2007	Average strike price	2006
Options outstanding October 1,	**0.359**	**4,950,449**	**0.405**	**4,495,224**
Options granted during the year	0.260	1,257,558	0.330	1,426,199
Options exercised during the year	0.297	(672,060)	-	-
Options cancelled	0.339	(208,007)	0.539	(970,974)
Options outstanding September 30,	**0.343**	**5,327,940**	**0.359**	**4,950,449**

Balance of stock option fair value at issue to be expensed:

	2007	2006
Balance as at October 1,	**331,120**	**280,454**
Fair value of stock options issued	105,787	163,638
Expense for the year	(162,997)	(112,972)
Changes in lapsing estimates	-	-
Balance at September 30,	**273,910**	**331,120**

The aforementioned balance reflects the future expense of stock options outstanding at balance sheet date based on management's current best estimate of the number of options that will actually vest. This balance is not reflected on the face of the balance sheet.

A Black & Scholes model was used to calculate the fair value of the stock option plans, for 2007 using an interest rate of 3%, a calculated forfeiture of 14% and a calculated volatility of 33%. Volatility was determined using the square root of share price movements.

Stock options outstanding to employees and management of the Company as per September 30, 2007 can be broken down as follows:

	Issue Date	Options Granted	Cancelled	Outstanding options	Weighted average exercise price	Maturity Date
2003 Management Board	Feb 3, 2004	350,000	-	350,000	EUR 0.32	Oct 2007
2004 Netherlands	Sep 30, 2004	472,564	(119,493)	353,071	EUR 0.47	Apr 2008
2004 Management Board	Sep 30, 2004	45,753	-	45,753	EUR 0.47	Apr 2008
2004 USA	Sep 30, 2004	315,040	(64,440)	250,600	EUR 0.41	Apr 2008
2005 Management Board	Feb 23, 2005	500,000	-	500,000	EUR 0.41	Apr 2015
2005 Netherlands (2001)	Apr 1, 2005	216,033	-	216,033	EUR 0.46	Apr 2012
2005 USA (2001)	Apr 1, 2005	57,000	-	57,000	EUR 0.46	Apr 2012
2005 Management Board	Sep 30, 2005	71,713	-	71,713	EUR 0.34	Oct 2015
2005 Netherlands	Sep 30, 2005	556,965	(189,297)	367,668	EUR 0.34	Oct 2015
2005 USA	Sep 30, 2005	485,254	(58,704)	426,550	EUR 0.34	Oct 2015
2005 France	Sep 30, 2005	119,000	-	119,000	EUR 0.34	Oct 2015
2006 Management Board	Sep 30, 2006	176,747	-	176,747	EUR 0.33	Oct 2016
2006 Netherlands	Sep 30, 2006	541,602	(79,910)	461,692	EUR 0.33	Oct 2016
2006 USA	Sep 30, 2006	574,650	(27,205)	547,445	EUR 0.33	Oct 2016
2006 France	Sep 30, 2006	133,200	(6,090)	127,110	EUR 0.33	Oct 2016
2007 Management Board	Sep 30, 2007	218,171	-	218,171	EUR 0.26	Oct 2017
2007 Netherlands	Sep 30, 2007	513,832	-	513,832	EUR 0.26	Oct 2017
2007 USA	Sep 30, 2007	417,922	-	417,922	EUR 0.26	Oct 2017
2007 France	Sep 30, 2007	107,633	-	107,633	EUR 0.26	Oct 2017
Total	**Sep 30, 2007**	**5,873,079**	**(545,139)**	**5,327,940**		

A total number of 1.257,558 options have been awarded to the personnel and the Management Board. A total number of 5,327,940 options is outstanding at balance sheet date.

The shareholdings as well as the stock options held by the Management Board are as follows:

	Shares	Stock Options
Opening balance October 1, 2006	**4,938,964**	**1,192,917**
Granted or acquired	88,704	218,171
Cancelled or sold	(1,140,750)	-
Exercised	-	(48,704)
Adjustment	-	-
Closing balance September 30, 2007	**3,886,918**	**1,362,384**

The Stock Options granted to the Management Board outstanding as at September 30, 2007 have the following terms:

Year	Exercise price	End Date	Total
Feb 2004	0.32	Oct 2007	350,000
Sep 2004	0.47	Apr 2008	45,753
Feb 2005	0.41	Apr 2015	500,000
Sep 2005	0.34	Oct 2015	71,713
Sep 2006	0.33	Oct 2016	176,747
Sep 2007	0.26	Oct 2017	218,171
Total			**1,362,384**

1) Included in Netherlands 2003 in overview above.

Out of this total number of stock options 1,277,539 are in the name of Th.H. Raman, and 84,845 are in the name of J. Sundelin.

On September 30, 2007 CSD Investments BV holds 5,064,285 shares in TIE Holding NV (2006: 6,585,285). Drs. Th.H. Raman holds 75% of the issued share capital of CSD Investments BV and therefore indirectly a shareholding in TIE Holding N.V. This indirect shareholding is included in the table above. The other shareholders of CSD Investments BV are R.P. Stolwijk, R.F. Raman, and L. Wouters.

P. van Schaick, member of the TIE Supervisory Board (appointed May 2007) through Alto Imaging Group NV holds just under 25% of the shares in TIE Holding NV.

Other Stock Options
Options outstanding with non employees as per September 30, 2007:

	Date	Options Granted	Weighted average exercise price	End Date
Delta Lloyd Bank N.V.	Dec 20, 2000	100,000	EUR 0.50	Dec 2008
M Manders	Nov 18, 2003	500,000	EUR 0.32	Nov 2007
Delta Lloyd Bank	Mar 1,2004	500,000	EUR 0.50	Mar 2009
Total		**1,100,000**		

The Company repurchased the options to Berkshire Investments in January 2006. Subsequently 1,250,000 new shares were issued and paid up at nominal value (EUR 125,000).

Movements in non-employee stock options are as follows:

	Average strike price	2007	Average strike price	2006
Options outstanding October 1,	**0.418**	**1,100,000**	**0.418**	**1,100,000**
Options granted during the year		-		-
Options repurchased		-		-
Options cancelled		-		-
Options outstanding September 30,	**0.418**	**1,100,000**	**0.418**	**1,100,000**

The outstanding non-employee options were all issued in relation to credit facilities offered to the Company by the various lenders. It is the Company's policy and intention to issue new shares upon exercise of these options.

Non employee stock options outstanding do not have vesting periods, nor a requirement to be expensed. Considerations received for these Gross Equity Settled Instruments at issue were credited to equity at issue.

Convertible Bonds
Convertible bonds issued by the Company have been classified as Equity based on the fact that under the terms and conditions of these bonds there is evidence of a residual interest in the Company's assets after deducting all of the Company's liabilities.

Distributions to holders of Equity Instruments are recognized directly in Equity net of tax. Distribution during 2007 amounted to EUR 20k (2006 EUR nil), interest paid under the EUR 400k convertible bond to Alto Imaging Group N.V. was paid in shares upon conversion at maturity date.

Movements in the balance of outstanding convertible bonds are as follows:

	2007	2006
Balance as at October 1,	**2,140,000**	**-**
Issued	-	2,140,000
Converted into common shares	(1,270,000)	-
Redeemed	-	-
Balance at September 30,	**870,000**	**2,140,000**

The Balance outstanding as per September 30, 2007 consists of the following bonds:

Convertible Bond	Issue Date	Maturity date	Conversion rate	Interest rate	2007	2006
Alto Imaging Group N.V. 3)	July 31, 2006	July 31, 2007	3) 0.353	5%		400,000
Stayer Holding B.V. 1)	August 24, 2006	July 1, 2010	0.35	-		870,000
Stayer Holding B.V. 2)	August 24, 2006	July 1, 2016	0.35	-	870,000	870,000
Total					**870,000**	**2,140,000**

1) The conversion period equals start date for the issuer; the bondholder can convert from February 1, 2007 onwards. This conversion right was exercised.
2) The conversion period equals start date for the issuer; the bondholder can convert from July 1, 2009 onwards.
3) Variable conversion rate. If at conversion date the market price of the stock is below the listed rate then the conversion rate will be reset to the average market price of the 30 days prior to conversion date.

No collateral has been pledged against this bond.

The fair value of this bond amounts to approximately EUR 0.65 million. The exposure to interest rate risk on this instrument is marginal. The bond is expected to be converted into common shares of the Company on or prior to maturity date.

Minority interest
The subsidiary TIE France SAS in which the Company holds 50.25% of the issued share capital has been included in the consolidated financial statements at 100%. The minority interest represents the interest of the minority shareholder in the net asset value of the TIE France SAS. At acquisition date the minority share was set at nil as the Company has a negative net asset value.

The minority's share in the losses of TIE France SAS since acquisition has been charged to the Company, which is the majority shareholder. The 2006 profit as well as future profits will be allocated to the majority shareholder until all of the minority's share of the losses previously absorbed by the majority shareholder are recovered.

	2007	2006
Balance as at October 1,	**-**	**-**
Minority Share in Net asset value TIE France SAS at acquisition date	-	-
Minority Share in subsequent profits (losses) of TIE France SAS	(6)	64
Charged (allocated) to Majority Shareholder	6	(64)
Balance as at September 30,	**-**	**-**
Balance remaining to be recovered	**6**	**-**

6 Provisions

	2007	2006
Balance as at October 1,	**336**	**906**
Additions / strengthening	8	-
Changes in estimate	(36)	(334)
Other movements	-	(236)
Balance as at September 30,	**308**	**336**
Net effect on income	(28)	(334)

The Company set up a provision for rentals against income at the end of 2003 covering future losses from the remaining term of the office rental based on the surface area no longer in use by the Company in both The Netherlands and The United States. Subsequently tenants were found for the available office space and the future rental income has been reflected in the balance of the provision.

In November 2007 an agreement was reached with the landlord of the Netherlands office building. This agreement effectively terminated the lease per March 31, 2008, compared to the original term ending in 2010. Under this agreement a final payment of EUR 400k is due per December 31, 2008. Under these changed circumstances, which affect the situation that existed as per year end, the rental provision has been recalculated taking into account future lease expenses for the floor space occupied by the Company and interest allocation. Earnings from subletting are no longer relevant for the calculation. The rental provisions are set at a discounted value using a discount rate of 7.1% (2005: 5.5%)

7 Current Liabilities

Provisions

	2007	2006
Balance as at October 1,	**338**	**260**
Additions / strengthening	29	81
Payments made against the provision	(83)	-
Exchange difference	(9)	-
Release to income for the year	(178)	(239)
Changes in estimate	-	-
Other movements	-	236
Balance as at September 30,	**97**	**338**
Net effect on income () = gain	(149)	(158)

The Company set up a provision for rentals against income at the end of 2003 covering future losses from the remaining term of the office rental based on the surface area no longer in use by the Company in both The Netherlands and The United States. The short term component of these provisions is recognized under current liabilities.

In TIE France a provision for risks has been taken over which respect to a possible indemnity claim from an employee who has been made redundant in the year 2001. Consistent with year end 2006 management expects this claim to be settled within 12 months from balance sheet date.

NSpyre Earn Out provision was settled in full with the prior shareholders of NSpyre for an amount of EUR 54k, the remaining amount of the provision was released to income.

Following a number of Sales Tax related audits by tax authorities of individual States in the United States a Sales Tax provision has been set up to cover losses. During 2007 a tax assessment was received from two states pertaining to this issue. One tax assessment has been settled in full (USD 37k) in the course of 2007, the second tax assessment is being challenged by the Company. Management is of the opinion that the balance of the provision (USD 102k) is adequate to cover any future payments resulting from this tax assessment.

Movements for 2007 for these individual components are as follows:

	Rentals	Indemnity claim	NSpyre Earn out	Sales tax	Total
Balance as per October 1,	**174**	**25**	**58**	**81**	**338**
Additions / strengthening	-	-	-	29	29
Payments made against provision	-	-	(54)	(29)	(83)
Exchange difference	-	-	-	(9)	(9)
Release to income for the year	(174)	-	(4)	-	(178)
Changes in estimate	-	-	-	-	-
Other movements	-	-	-	-	-
Balance as per September 30,	**-**	**25**	**-**	**72**	**97**

Short Term Debt

The Short Term Debt balance consists of a short term loan and the outstanding balance of a credit facility, the combination totaling 526k.

On August 24, 2007 the Company entered into a one year debt agreement with Alto Imaging Group N.V. The principal amount of this debt amounted to EUR 200k due in 365 days. Interest due on the principal amounts to 6%. Alto Imaging Group N.V. is a related party which at year end held a shareholding in TIE in excess of 24% of shares outstanding.

	2007	2006
Balance as at October 1,	**-**	**-**
Loans taken out	200	-
Loan repayments	-	-
Other movements	-	
Balance as at September 30,	**200**	**-**

The fair value of this short term loan amounts to EUR 198K.

	2007	2006
ABN-AMRO Credit Facility (variable interest)	326	195
Total	**326**	**195**

Bank accounts are both EUR and USD denominated. EUR 326k out of a total of EUR 600k (2006: EUR 600k) available under a credit facility with ABN-AMRO was utilized at balance sheet date.

The fair value of this financial liability amounts to EUR 326k, which is effectively the same as the carrying value due to the fact that the interest rate applied to the credit facility is reset every periodically and therefore current. Until 2007 the interest on the Credit Facility was set at it's floor rate as per the facility agreement. In 2007 interest rates in the EURO region have increased which resulted in the interest rate charged being increase above the applicable floor rate of 5.5% to 6.1%. Since balance sheet date ABN AMRO have reduced the facility from EUR 600k to EUR 500k and have added an additional interest charge of 100 base points resulting in an interest rate of 7.1%.

Deferred Revenue

Deferred revenue represents the unearned portion of revenues earned over a specific period. This consists of revenues resulting from Maintenance and Support, Consulting fees and SaaS revenues. Deferred revenues are amortized to income over the period in which the service is provided. Related sales commissions are deferred and amortized on the same basis.

	2007	2006
Balance as at October 1,	1,827	1,596
Deferred revenues	3,833	3,632
Amortization	(3,918)	(3,401)
Other movements	19	-
Balance as at September 30,	**1,761**	**1,827**

Taxation and Social Security

The taxation and social security balance can be broken down as follows:

	2007	2006
Accrued Capital Tax	-	21
Payroll tax	60	54
Social security contributions	63	49
VAT/Sales tax US	(42)	55
Total	**81**	**179**

The sales tax balance included pertains to current sales tax payable over recent revenues generated within the US.

Other Payables and Accruals

Other Payables and Accruals consist of:

	2007	2006
Accrued expenses	490	605
Pension premiums	118	153
Interest payable	8	7
Supervisory Board Compensation	60	40
Accrued expenses Management Board	34	60
Other accruals and payables	222	236
Total	**932**	**1,101**

Accrued expenses include an accrual for audit fees. Also included under accrued expenses are prefunded amounts received under the EC subsidized research projects (EUR 27k).

(Accounts on page 34)

8 Operating Expenses

The Consolidated Income Statement has been prepared using a classification based on the nature of the expenses. The expense categories identified have been included below for further disclosure.

Revenue Related Expenses

Revenue related expenses consist of expenses directly associated with revenue. This includes third party software licenses, consultant fees and hosting costs.

Employee Benefits

Employee benefits can be broken down as follows:

	2007	2006
Salaries	4,203	3,561
Salaries variable component	296	142
Social security charges	648	638
Contributions to Post Employment Arrangements	204	144
Share based payments	163	113
Termination Benefits	-	115
Other Employee Benefits	714	531
Total	**6,228**	**5,244**

The contributions to Post Employment Arrangements include premiums payable with respect to the Netherlands operations' Defined Contribution Post Employment Plan as well as the discretionary employer contributions to the tax facilitated retirement plan (401(k)) in the United States.

For 2007 the average number of employees was 84 (2006: 81).

Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Management Board, amounted to EUR 779k (2006: EUR 480k).

	2007	2006
Salaries, Wages and Social Security Contributions	721	433
Post-Employment Benefits	3	2
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-based Payments	55	45
Total	**779**	**480**

The Shareholders set the terms and conditions of employment for the Management Board on an annual basis. In setting the terms and conditions a policy of motivation and bonding is leading. Part of the remuneration is determined to be variable as a connection between performance and remuneration is deemed to be appropriate. The variable part of the remuneration is dependent on specific objectives proposed by the Supervisory Board and adopted by the General Shareholders Meeting.

The fixed remuneration and variable part of it for the individual members of the Management Board are as follows:

Drs Th. H. Raman (CEO, resigned November 21, 2007)	**2007**	**2006**
Remuneration	257	245
Variable Component	-	61
Stock Option expense	55	45
Total	**312**	**351**

No bonus was awarded to Drs Th. H. Raman amounting in 2007 (2006: EUR 61k).

J. Sundelin (CSO, acting CEO as of November 21, 2007)	**2007**	**2006**
Remuneration	224	37
Variable Component	-	-
Stock Option expense	-	-
Total	**224**	**37**

Remunerations for mr J. Sundelin are paid to his personal management BV, CAPTA Management B.V..

Additionally Chief Financial Officer (CFO) Mr Ch.P. van Overbeeke has been designated key management personnel, Mr Van Overbeeke however is not a member of the Management Board.

Drs Ch.P. van Overbeeke (CFO)	**2007**	**2006**
Remuneration	243	92
Variable Component	-	-
Stock Option expense	-	-
Total	**243**	**92**

Remunerations for mr Ch.P. van Overbeeke are paid to his personal management BV, ACERNUM Consulting B.V..

Under Trade Creditors, outstanding payables are recorded against Key Management Personnel amounting to EUR 121k in total. This balance pertains to remuneration payable. This balance has since then reduced to an amount representing a single month's fee.

Remuneration of the Supervisory Board

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. All members are entitled to a remuneration of EUR 10k per year, the Chairman EUR 20k per year. The total amount of compensation of the Supervisory Board for 2007 amounted to EUR 40k (2006; EUR 40k)

Sales Commissions

Sales staff operates under a commission arrangement. Under this arrangement sales commissions are paid out based on fixed amounts per type of contract or set percentages of income generated. Sales Commissions are accounted for in a manner consistent with the revenues from which sales commissions are derived.

	2007	**2006**
Commissions payable	225	153
Deferred to balance sheet	(23)	(66)
Amortization to income	25	15
Total	**227**	**102**

Depreciation and Amortization Expense and Impairment Losses

	2007	2006
Depreciation and amortization	613	662
Total	**613**	**662**

Depreciation and Amortization charges have decreased in 2007 due to lower Capitalized Expenses compared to prior year.

As per year end 2007 impairment tests were performed (see also the Impairments disclosure on page 58). The resulting impairments pertaining to intangible and tangible assets of the Netherlands Cash Generating Unit were taken to income.

	2007	2006
Impairments	2,004	-
Total	**2,004**	**-**

Other Operating Expenses

	2007	2006
Accommodation expenses	970	626
Communications	329	306
Professional services	340	760
Other	1,159	627
Total	**2,798**	**2,319**

Accommodation expenses have increased compared to prior year due to a release of the provision for rentals in 2006 in excess of the release in 2007. Professional services includes in 2006 included significant additional expenses in connection with the IFRS conversion and legal expenses in connection with the reorganization in The Netherlands in the second quarter of 2006. This accounts for the reduction in expense levels in 2007. The category other includes additional expenses pertaining to bad debt of EUR 250k compared to a net release in 2006.

Research and Development Expenses

	2007	2006
Employee Benefits	1,075	829
Other R&D related expenses	60	48
Capitalized Development Expenses	(276)	(396)
Amortization of Capitalized Development Expenses	316	396
Impairments	320	-
Total	**1,495**	**877**

A number of projects executed by the R&D team in the Netherlands have funding from the European Commission. The government grants received have been accounted for under Other Income. The government grants in 2007 amounted to EUR 343k, 2006: EUR 25k). Significant additional expenses were incurred in relation to these projects.

An amount of EUR 320k was impaired in connection with the impairment test performed at year end 2007. This amount consists of the full balance of capitalized R&D costs for the Netherlands Cash Generating Unit at year end 2007. This impairment will have an effect of approximately EUR 150k on amortization expenses in 2008.

9 Financial income and/or Expense

	2007	2006
Interest Income	6	8
Dividend Income		-
Interest expenses	(51)	(18)
Exchange gains/(losses)	(7)	(5)
Total	**(52)**	**(15)**

The interest expense in 2007 pertains predominantly to the Credit Facility which was used to fund cash flow needs on a short term basis.

10 Share in Profit (Loss) of Associates

The carrying value of the Associate Retail Connect BV has been impaired to nil in 2003. No income or dividends have been received since. Retail Connect BV has been continuously loss making from the set up in 2001. Shareholders have agreed to discontinue operations on December 4, 2007.

11 Corporate Income Tax

The Company operates predominantly in the Netherlands and North America. Applicable tax rates are 25,5% (2006: 29.6%) for the Netherlands and 40% (2006: 40%) for the US. These rates represent a weighted average rate as income tax returns are filed on a calendar year basis whereas these financial statements have been drawn up reflecting the Company's financial year, which runs from October 1 until September 30.

	2007	2006
Current Income Tax Charge	-	-
Changes in Deferred Tax Asset due to initial recognition or reversal of Temporary Differences	(199)	1,835
Other Tax Items	(33)	(21)
Income Tax reported in the Income Statement	**(232)**	**1,814**

The changes in the Deferred Tax Asset are discussed on page 62 in detail. The main item represented in the reversal of the Deferred Tax Asset in 2007 is the reduction of the temporary difference pertaining to Goodwill.

A reconciliation between standard and effective income tax is as follows:

	2007	2006
Accounting Profit (Loss) before Tax	(3,136)	(773)
Income tax calculated using applicable statutory tax rates	717	140
Adjusting items:		
Goodwill amortization	(381)	(210)
Movements in Lease Provision	(52)	(161)
Revenue timing differences	60	(107)
Bad debt impairments	53	(11)
Other Non Deductible Expenses	54	33
Addition to / or utilization of unrecognized tax losses	(451)	316
Changes in deferred tax assets as a result of recognition/write off of deductible temporary differences	(199)	1,835
Other tax items	(33)	(21)
Income Tax reported in the Income Statement	**(232)**	**1,814**

All Netherlands subsidiaries of TIE Holding NV and the holding company form a tax unit and are jointly and severally liable for all tax liabilities originating within the tax unit.

12 Earnings per Share

Basic Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to equity holders of TIE after deduction of accrued interest on Convertible Bonds, by the weighted average number of shares outstanding.

	2007	2006
Net income attributable to equity holders of TIE	(3,368)	1,041
Distributions on Convertible Bonds through income	-	-
Net income adjusted for calculation of basic earnings per share	**(3,368)**	**1,041**
Weighted average number of shares outstanding	46,779	42,553
Basic earnings per share (EUR per share)	**(0.07)**	**0.02**

Diluted Earnings per Share

Diluted earnings per share take into effect the dilutive effect of convertible instrument and stock options upon exercise or conversion. The dilutive effect of these instruments amounts to the number of shares issuable under the terms and conditions of these arrangements for no consideration. The fair value of future service for (partially) unvested stock options has been taken into consideration by adjusting the exercise price for these options.

Stock options are considered non-dilutive when the exercise price of the options in excess of the average market price of the shares during the period. Convertible bonds are considered non-dilutive when the related interest net of tax and other changes to income and expense per ordinary share obtainable upon conversion exceeds the basic earnings per share.

	2007	2006
Net income adjusted for calculation of basic earnings per share	**(3,368)**	**1,041**
Weighted average number of shares outstanding	46,779	42,553
Dilutive effect of stock options outstanding at September 30,	249	283
Dilutive effect of Convertible Bonds	-	695
Weighted average number of shares adjusted for calculation of diluted earnings per share	**47,028**	**43,531**
Diluted earnings per share (EUR per share)	**(0.07)**	**0.02**

A total of 5,170,382 stock options have been excluded from the calculation of the diluted earnings per share as the exercise price of these options exceeded the TIE Holding N.V. average share price over the period. The convertible bonds outstanding at year-end are considered dilutive and have been included from date of issue.

Commitments and Contingent Liabilities

Sales Tax

Following Sales Tax audits by two States in the United States a number of issues with applying correct tax codes and identifying taxable items have been identified. The Company has investigated the nature and magnitude of this issue, which, due to the way Sales Tax is set and collected in the United States, is highly complex.

The additional sales tax to be declared and paid for one of the two States has been settled in 2007. The outstanding Tax Assessment is being disputed by management. The outcome of this process is expected to be reasonable approximation of the level of the provision for this issue available at year end (USD 102k).

Leases (including rental agreements)

Company cars were contracted under an operating lease agreement (4 year term) in The Netherlands only. The monthly lease charge at September 30, 2007 amounted to EUR 15k.

Under the rental agreements concluded, the annual rental charge, including service costs for all TIE offices, is approximately EUR 1.0m (2006: EUR 1.0m). The remaining term of the lease in The Netherlands at reporting date was approximately 2.5 years, however on November 20, 2007 an agreement was reached with the landlord of the TIE offices in The Netherlands. Said agreement effectively terminates the current lease which would have ended May 2010 per March 31, 2008, and reduces the costs to the company with immediate effect. A final settlement payment by TIE amounting to EUR 400k is due December 31, 2008. Alto Imaging Group NV, currently holding a shareholding in excess of 24%, has acted as a guarantor for the amount payable referred to above. The effects of this agreement have been included in the schedule below.

TIE maintains an option to extend the lease as per March 31, 2008 under revised terms and conditions. Should TIE choose not to exercise this option Alto Imaging Group NV has the option to lease the office space currently occupied by TIE.

The remaining terms of leases in the United States 3.5 years and in France 1.75 years. Rentals due within 1 year amount to EUR 0.3m, rentals due between 1 and 5 years approximate EUR 0.8m.

In summary, detailing amounts payable within one year and between 1 and five years under this contracts this means:

	< 1 year	between 1 and 5 years
Operational leases servers and photocopiers	30	83
Hosting Contracts (annually renewed)	120	-
Office leases	270	765
Operational leases company cars	170	227
Total	**590**	**1,075**

Collateral

Assets pledged as collateral are Trade Receivables amount to EUR 326k out of an eligible total of EUR 543k (2006: EUR 223k).

Related Party Transactions

As at September 30, 2007, Drs. Th. H. Raman, Founder and Chief Executive Officer of the Company, through his personal holding company Conceptive Systems Design Nederland BV, owned 75% of CSD Investments BV, which in turn is a large (app. 10%) shareholder in TIE Holding N.V.

CSD Investments BV was founded in 1998 as a venture capital company whose activities include investing in joint ventures and/or partnerships in new technologies, educational programs, research projects and sales, consulting, and support activities principally in the technology markets. In the past TIE has entered into certain agreements with entities owned or controlled by CSD Investments B.V. and Conceptive Systems Design Nederland B.V., and has recognized revenue and reimbursement of expenses from, and incurred costs for goods and services provided by, such related parties.

Under the arrangement with the Stichting Source Code the Source Code of the Company's software in the event of default of the company will be transferred to the Stichting Source Code and made available to the clients of TIE who desire access and have included this arrangement in their software purchase. To maintain this arrangement a minor fee is collected from the customers of TIE and by paid by TIE to the Stichting Source Code.

On December 30, 2004 The Company entered into an agreement with SAMAR B.V., this company is owned by R. Raman. This agreement pertained to the sale of a part of the businesses, including assets to an amount of EUR 250k, of TIE called FaciliTIE, providing the facility services in the TIE offices in the Netherlands, to both TIE as well as sub letters in said building. Under this agreement the Company would purchase facility services from SAMAR B.V. for a predetermined period of time matching the termination date of the lease contract of the TIE offices, being May 2010. Fees for services to be provided by SAMAR B.V. were initially set at EUR 27,5k per month. Additional fees may be due should additional services outside the terms of the contract be required. Of SAMAR B.V.. As at September 30, 2007 no monthly fees were outstanding.

Also on December 30, 2004 a 5 year loan was granted to SAMAR B.V. to an amount of EUR 250k, carrying 4% interest. The balance outstanding as per September 30, 2007 of this loan is EUR 119k.

Retail Connect BV (33% shareholding as per September 30, 2007) serves as a conduit for services provided in the fashion industry. TIE products are being offered through Retail Connect under this arrangement. On May 16, 2007 TIE discontinued the licensing agreement with RetailConnect BV (33% shareholding) revoking all rights of use of TIE software by RetailConnect BV and entered into negotiations with FashionUnited eBusiness BV, RetailConnect BV's sole customer, regarding revised rates and service levels. TIE granted temporary rights of use of the RetailConnect Information Warehouse to FashionUnited eBusiness BV pending such an agreement. Parties did not reach an agreement satisfactory to both parties which ultimately resulted in breaking off negotiations and discontinuing operations as per November 30, 2007 at which date all right of use of TIE software by FashionUnited eBusiness BV and their customers has been revoked. A loan to Retail Connect BV outstanding at September 30, 2007 amounting to EUR 184k was impaired in full in 2004.

On August 30, 2007 TIE has secured a loan by Alto Imaging Group NV, a related party currently holding in excess of 24% of the shares of TIE, amounting to EUR 200k with a 1 year term and at 6% interest. This loan funded the short term liquidity needs of the Company.

On November 28, 2007 TIE secured a second loan by Alto Imaging Group NV, a related party currently holding in excess of 24% of the shares of TIE, amounting to EUR 500k with a 1 year term and at 6% interest. This loan also was applied to fund the short term liquidity needs of the Company.

Subsequent Events

On October 22, 2007 a Private Placement of 1,400,000 shares raised EUR 326k to strengthen the Company's cash position. The total number of shares issued following the Private Placement as per October 22, 2007 amounts to 52,269,676.

On November 21, 2007 the Company announced CEO Dick Raman stepping down from the CEO position of the Company. He will continue as CEO of TIE Commerce, the US based subsidiary of TIE. His duties are being attended by Jan Sundelin until a new CEO can be appointed.

The Company reached an agreement with the landlord of the Netherlands offices on November 20, 2007. The bottom line effect of the changes agreed upon amounts to EUR 300k for 2008 (2009; EUR 345k). The short term impact on cash flow is even greater, EUR 465k for 2008, with little effect in 2009 compared to previous arrangement.

Said agreement effectively terminates the current lease which would have ended May 2010 per March 31, 2008, and reduces the costs to the company with immediate effect. A final settlement payment by TIE amounting to EUR 400k is due December 31, 2008. All sub letters under said terminated agreement will be offered lease agreements by the landlord of the premises. Until such time, or should sub letters wish not to come to such an agreement the contract provides for TIE to lease these specific office spaces with the right to sublet from said landlord and sublet under matching conditions to the current sub letters.

Alto Imaging Group NV, currently holding a shareholding in excess of 24%, has acted as a guarantor for the amount payable referred to above. TIE maintains an option to extend the lease as per March 31, 2008 under revised terms and conditions. Should TIE choose not to exercise this option Alto Imaging Group NV has the option to lease the office space currently occupied by TIE.

On November 28, 2007 TIE has secured a loan by Alto Imaging Group NV, a related party currently holding in excess of 24% of the shares of TIE, amounting to EUR 500k with a 1 year term and at 6% interest. This loan funds the short term liquidity needs of the Company.

Since December 2007 management has been involved in negotiations with SAMAR BV to revise terms and conditions of the current facility services agreement. These negotiations have resulted in legal proceeding which are expected to be finalized in 2008.

On January 8, 2008 TIE announced the acquisition of SinfoX (100% of the shares), a Dutch-based EDI software company. With the addition of Sinfox, that has annual revenue of approximately EUR 320k, TIE will be able to deliver its Business-to-Business integration know-how and solutions to the customers of SinfoX who are predominantly in the Do-It-Yourself, Hardlines and Food industry. The transaction is expected to close no later that January 31, 2008 after completion of a formal roll forward of earlier due diligence procedures during the month of January. Payment for this transaction, totaling EUR 525k, will take place by issuing Convertible Bonds (EUR 325k) to the owners of SinfoX with a lock up period of three years and a cash component (EUR 200k). The current management of SinfoX will transfer to TIE and will remain involved in the further development of the business. As the transaction has not been completed yet, no purchase price allocation has been performed. It would be premature to disclose carrying values and fair values of assets and the goodwill resulting from the transaction.

The Supervisory Board of TIE has on January 15, 2008 entered into an agreement with CAPTA Management BV, represented by mr J. Sundelin (acting CEO), securing mr Sundelin's services for a period of six months after a replacement CEO has been contracted. The agreement also stipulates that should mr Sundelin decide to resign from TIE at the end of aforementioned period he will be awarded a full years management fee amounting to EUR 216k. Should mr Sundelin accept an alternative position within the Company no compensation will be awarded.

Dutch GAAP TIE Holding NV Balance Sheet as at September 30, 2007

(Before proposed appropriation of results)

Assets

(EUR x 1,000)	Notes	**2007**		**2006**	
Fixed assets	13)				
Goodwill		198		198	
Other intangible fixed assets		70		201	
Total Intangible Fixed Assets			268		399
Tangible fixed assets			-		1
Financial fixed assets			3,974		5,871
Total fixed assets			**4,242**		**6,271**
Current assets	14)				
Debtors		133		22	
Cash and cash equivalents		1		-	
Total current assets			**134**		**22**
Total assets			**4,376**		**6,293**

Liabilities and Equity

	Notes	2007		2006	
Shareholders' equity	15)				
Issued and paid-up share capital		5,087		4,382	
Share premium		45,854		43,980	
Legal reserves		388		778	
Foreign Currency Translation Reserve		(379)		(31)	
Retained earnings		(46,311)		(47,501)	
Net Result		(3,368)		1,041	
			1,271		2,649
Convertible Bonds			870		2,140
Total Equity			**2,141**		**4,789**
Provisions	16)		687		-
Current Liabilities	17)				
Short Term Debts		200		-	
Creditors		1,331		1,487	
Affiliated Companies		17		17	
Total Current Liabilities			**1,548**		**1,504**
Total Liabilities and Equity			**4,376**		**6,293**

Dutch GAAP TIE Holding NV Income Statement for the year ended September 30, 2007

	2007	2006
Result of participating interests after tax	(1,969)	2,097
Other income after tax	(1,399)	(1,056)
Net Result	**(3,368)**	**1,041**

Notes to the Company Financial Statements

Corporate Information

TIE Holding N.V. and its subsidiaries (together the Company) develops, sells and distributes software and services in the B2B Integration sector all over the world through a network of subsidiaries and resellers, the Company has been active not only in the software development but in the standardization process as well.

TIE Holding N.V. is a public company incorporated and domiciled in the Netherlands, organized under Dutch Law and recorded in the Commercial Register of Haarlem under its registered address at Beech Avenue 180, 1119 PS AMSTERDAM (Schiphol-Rijk). TIE is listed on the EuroNext Stock Exchange of Amsterdam. The TIE subsidiaries are located in France, the Netherlands and the U.S.A. (IAS 126a). A list of TIE Companies is included on page 39 of the Consolidated Financial Statements.

The Company financial statements for the year ended September 30, 2007 are authorized for issue through a resolution of the Management Board dated January 29, 2008.

In accordance with this resolution, the Annual General Meeting of Shareholders is requested to approve the Company financial statements.

Basis of Preparation

These financial Statements have been prepared in accordance with accounting principles generally accepted in the Netherlands as embodied in Part 9 of Book 2 of the Netherlands Civil Code.
Based on article 2:362.8 of the Netherlands Civil Code, the valuation principles applied are based on International Financial Reporting Standards (IFRS), as applied in the preparation of the consolidated financial statements of the Company. Companies are allowed to apply IFRS valuation principles in their financial statements prepared under Part 9 of Book 2 of the Netherlands Civil Code
The Company has opted to prepare a condensed profit and loss account in accordance with the exemptions provided by Article 402, Part 9, Book 2 of the Dutch Civil Code.
Subsidiaries and associates are accounted for at net asset value determined on the basis of IFRS as applied in the Consolidated Financial Statements. For details on the accounting policies applied in the Consolidated Financial Statements please refer to the Notes to the Consolidated Financial Statements, starting page 38.

Notes to the Company Balance Sheet

13 Fixed Assets

Intangible Fixed Assets

Goodwill

	2007	2006
Accumulated investments as per October 1,	6,390	6,390
Accumulated depreciation and amortization as per October 1,	(6,192)	(6,192)
Accumulated impairments as per October 1,	-	-
Carrying value as per October 1,	**198**	**198**
Investments	-	-
Depreciation and amortization	-	-
Impairments	-	-
Carrying value as per September 30,	**198**	**198**
Accumulated investments as per September 30,	6,390	6,390
Accumulated depreciation and amortization as per September 30,	(6,192)	(6,192)
Accumulated impairments as per September 30,	-	-
Net book value as per September 30,	**198**	**198**
Useful life	Indefinite	Indefinite

Other intangible fixed assets consists of purchased third party software for the major part used for the My TIE internal support system. Movements are summarized below:

Other Intangible Fixed Assets

	2007	2006
Accumulated investments as per October 1,	412	353
Accumulated depreciation and amortization as per October 1,	(211)	(83)
Accumulated impairments as per October 1,	-	-
Carrying value as per October 1,	**201**	**270**
Investments	69	58
Depreciation and amortization	(143)	(127)
Impairments	(57)	-
Carrying value as per September 30,	**70**	**201**
Accumulated investments as per September 30,	481	412
Accumulated depreciation and amortization as per September 30,	(354)	(211)
Accumulated impairments as per September 30,	(57)	-
Carrying value as per September 30,	**70**	**201**
Useful life	3 years	3 year

For the purpose of impairment tests holding assets are allocated to Cash Generating Units.

Tangible Fixed Assets

	2007	2006
Accumulated investments as per October 1,	41	41
Accumulated depreciation, amortization and impairment expense as per October 1,	(40)	(39)
Carrying value as per October 1,	**1**	**2**
Investments (disinvestments)	-	-
Depreciation and amortization	(1)	(1)
Impairments	-	-
Carrying value as per September 30,	**-**	**1**
Accumulated investments as per September 30,	41	41
Accumulated depreciation, amortization and impairment expense as per September 30,	(41)	(40)
Carrying value as per September 30,	**-**	**1**
Useful life	3 years	3 years

Tangible fixed assets pertained to a single computer, which has depreciated to nil in 2007.

Financial Fixed Assets

Financial fixed assets relate to the Company's share in subsidiaries. The movements are summarized below:

	2007	2006
Opening Balance as per October 1,	**5,871**	**1,900**
Share in Net income	(1,969)	2,097
Capital Contributions and Acquisitions	123	2,069
Divestitures / Net repayment of debt included in net investment	(389)	(2)
Dividends paid	-	-
Transfer to (from) provision for Equity Deficit	687	(126)
Foreign Currency Exchange Rate Differences	(348)	(63)
Other movements	(1)	(4)
Closing Balance as per September 30,	**3,974**	**5,871**

Capital Contributions and Acquisitions include the funding provided for the acquisition of Digital Channel by TIE Nederland B.V.. Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2006: 0% and 5.5%). This funding is accounted for as part of the net investment in subsidiaries. There are no repayment schedules nor does management have the intention to recall these funds.

In 2005 and previous years some subsidiaries had a negative net investment value. For these subsidiaries a provision for Equity Deficit was set up. At year end 2006 the provision for Equity Deficit was zero.

Direct subsidiaries of the Company are:

Name	**Statutory seat**	**Percentage** 2007	2006
TIE Nederland BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Product Development BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE International BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
Gordian Investments BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%

14 Current Assets

Debtors

	2007	2006
Taxation and social security contributions	109	-
Other receivables and prepayments	24	22
Total	**133**	**22**

15 Shareholders' Equity

The Company's authorized share capital amounts to EUR 20.0m, consisting of 100 million cumulative preference shares and 100 million ordinary shares with a nominal value of EUR 0.10 each. On September 30, 2007 a total of 50,869,676 ordinary shares (2006: 43,820,725) of EUR 0.10 each, are paid-up and called-up, amounting to an issued and paid-up share capital of EUR 5,086,968 (2006: EUR 4,382,072).

In order to protect TIE from a hostile takeover, the Stichting Preferente Aandelen has the right to acquire preference Shares in TIE. The objective of the Stichting Preferente Aandelen TIE is to protect the interests of TIE Holding NV, its subsidiaries and all related parties. No preference shares are outstanding at year end 2007.
Shareholders' Equity is broken down as follows:

	Share Capital	Paid in Surplus	Foreign Currency Trans-lation Reserve	Other Legal Reserves	Retained Earnings	Share-holders' Equity
Balance per September 30, 2005	**4,107**	**43,671**	**32**	**797**	**(47,614)**	**993**
Shares Issued and Share premium	275	435	-	-	-	710
Stock option repurchase	-	(125)	-	-	-	(125)
Cost of Shares Issued	-	(20)	-	-	-	(20)
Foreign currency translation reserve	-	-	(63)	-	-	(63)
Share based payments	-	-	-	-	113	113
Transfers to (from) legal reserve	-	19	-	(19)	-	-
Net Income 2006	-	-	-	-	1,041	1,041
Balance per September 30, 2006	**4,382**	**43,980**	**(31)**	**778**	**(46,460)**	**2,649**
Shares Issued and Share premium	705	1,504				2,209
Cost of Shares Issued		(25)				(25)
Foreign currency translation reserve			(348)			(348)
Share based payments					163	163
Distributions to Equity Holders					(20)	(20)
Transfers to (from) legal reserve		390		(390)		
Other movements		5			6	11
Net Income 2007					(3,368)	(3,368)
Balance per September 30, 2007	**5,087**	**45,854**	**(379)**	**388**	**(49,679)**	**1,271**

During 2007 7,048,951 shares were issued at an average price of EUR 0.31 per share. Of these shares 2,485,714 were issued to Stayer BV and 1,441,177 to Alto Imaging Group N.V. in the conversion of convertible bonds of EUR 870k and EUR 400k respectively. An additional 2,450,000 shares were issued in two private placements with professional investors. The proceeds of these share issues amounted to EUR 721k, averaging EUR 0.29 per share. A further 672,060 shares have been issued in 2007 as personnel stock option schemes were exercised for the first time in the history of the Company.

The Toreign Currency Translation Reserve represents the foreign currency exchange differences from the translation of the financial statements of the foreign subsidiaries.

The Other Legal Reserves pertain to the capitalized software development costs (EUR 358k). An additional legal reserve amounting to EUR 30k has been taken, to cover the increase in the shareholders equity of Nspyre, which was financed through a loan to the former shareholder of Nspyre now an employee of TIE. Furthermore a legal reserve was been formed for an amount of EUR 3k relating to unpaid shares of Nspyre, this item was reversed in 2007 when payment obligations were fulfilled in combination with settlement of the earn out provision.

Equity Settled Share Based Payments

Employee Stock Option Plan

The General Meeting of Shareholders determined that in each financial year a maximum of 1% of the authorized share capital could be issued as employee options. Any un-awarded options can be carried over to subsequent years.

TIE Stock Options generally have a three-year vesting period and a subsequent exercise period of 7 years. Employees leaving the Company within the vesting period lose their options, which then become available for re-issuance under future stock option plans.

Per September 30, 2007, a total of 1,257,558 (2006: 1,426,199) options have been issued through the regular Employee Stock Option Plan at a strike price of EUR 0.26 to all qualifying employees in the Netherlands, France and the United States. This includes 218,171 stock options issued to the Management Board.

Movements in the number of stock options to employees and management of the Company:

	Average strike price	2007	Average strike price	2006
Options outstanding October 1,	**0.359**	**4,950,449**	**0.405**	**4,495,224**
Options granted during the year	0.260	1,257,558	0.330	1,426,199
Options exercised during the year	0.297	(672,060)	-	-
Options cancelled	0.339	(208,007)	0.539	(970,974)
Options outstanding September 30,	**0.343**	**5,327,940**	**0.359**	**4,950,449**

Balance of stock option fair value at issue to be expensed:

	2007	2006
Balance as at October 1,	**331,120**	**280,454**
Fair value of stock options issued	105,787	163,638
Expense for the year	(162,997)	(112,972)
Changes in lapsing estimates	-	-
Balance at September 30,	**273,910**	**331,120**

The aforementioned balance reflects the future expense of stock options outstanding at balance sheet date based on management's current best estimate of the number of options that will actually vest. This balance is not reflected on the face of the balance sheet.

A Black & Scholes model was used to calculate the fair value of the stock option plans, for 2007 using an interest rate of 3%, a calculated forfeiture of 14% and a calculated volatility of 33%. Volatility was determined using the square root of share price movements.

Stock options outstanding to employees and management of the Company as per September 30, 2007 can be broken down as follows:

	Issue Date	Options Granted	Cancelled	Outstanding options	Weighted average exercise price	Maturity Date
2003 Management Board	Feb 3, 2004	350,000	-	350,000	EUR 0.32	Oct 2007
2004 Netherlands	Sep 30, 2004	472,564	(119,493)	353,071	EUR 0.47	Apr 2008
2004 Management Board	Sep 30, 2004	45,753	-	45,753	EUR 0.47	Apr 2008
2004 USA	Sep 30, 2004	315,040	(64,440)	250,600	EUR 0.41	Apr 2008
2005 Management Board	Feb 23, 2005	500,000	-	500,000	EUR 0.41	Apr 2015
2005 Netherlands (2001)	Apr 1, 2005	216,033	-	216,033	EUR 0.46	Apr 2012
2005 USA (2001)	Apr 1, 2005	57,000	-	57,000	EUR 0.46	Apr 2012
2005 Management Board	Sep 30, 2005	71,713	-	71,713	EUR 0.34	Oct 2015
2005 Netherlands	Sep 30, 2005	556,965	(189,297)	367,668	EUR 0.34	Oct 2015
2005 USA	Sep 30, 2005	485,254	(58,704)	426,550	EUR 0.34	Oct 2015
2005 France	Sep 30, 2005	119,000	-	119,000	EUR 0.34	Oct 2015
2006 Management Board	Sep 30, 2006	176,747	-	176,747	EUR 0.33	Oct 2016
2006 Netherlands	Sep 30, 2006	541,602	(79,910)	461,692	EUR 0.33	Oct 2016
2006 USA	Sep 30, 2006	574,650	(27,205)	547,445	EUR 0.33	Oct 2016
2006 France	Sep 30, 2006	133,200	(6,090)	127,110	EUR 0.33	Oct 2016
2007 Management Board	Sep 30, 2007	218,171	-	218,171	EUR 0.26	Oct 2017
2007 Netherlands	Sep 30, 2007	513,832	-	513,832	EUR 0.26	Oct 2017
2007 USA	Sep 30, 2007	417,922	-	417,922	EUR 0.26	Oct 2017
2007 France	Sep 30, 2007	107,633	-	107,633	EUR 0.26	Oct 2017
Total	**Sep 30, 2007**	**5,873,079**	**(545,139)**	**5,327,940**		

A total number of 1.257,558 options have been awarded to the personnel and the Management Board. A total number of 5,327,940 options is outstanding at balance sheet date.

The shareholdings as well as the stock options held by the Management Board are as follows:

	Shares	Stock Options
Opening balance October 1, 2006	**4,938,964**	**1,192,917**
Granted or acquired	88,704	218,171
Cancelled or sold	(1,140,750)	-
Exercised	-	(48,704)
Adjustment	-	-
Closing balance September 30, 2007	**3,886,918**	**1,362,384**

The Stock Options granted to the Management Board outstanding as at September 30, 2007 have the following terms:

Year	Exercise price	End Date	Total
Feb 2004	0.32	Oct 2007	350,000
Sep 2004	0.47	Apr 2008	45,753
Feb 2005	0.41	Apr 2015	500,000
Sep 2005	0.34	Oct 2015	71,713
Sep 2006	0.33	Oct 2016	176,747
Sep 2007	0.26	Oct 2017	218,171
Total			**1,362,384**

1) Included in Netherlands 2003 in overview above.

Out of this total number of stock options 1,277,539 are in the name of Th.H. Raman, and 84,845 are in the name of J. Sundelin.

On September 30, 2007 CSD Investments BV holds 5,064,285 shares in TIE Holding NV (2006 : 6,585,285). Drs. Th.H. Raman holds 75% of the issued share capital of CSD Investments BV and therefore indirectly a shareholding in TIE Holding N.V. This indirect shareholding is included in the table above. The other shareholders of CSD Investments BV are R.P. Stolwijk, R.F. Raman, and L. Wouters.

Other Stock Options

Options outstanding with non employees as per September 30, 2007:

	Date	Options Granted	Weighted average exercise price	End Date
Delta Lloyd Bank N.V.	Dec 20, 2000	100,000	EUR 0.50	Dec 2008
M Manders	Nov 18, 2003	500,000	EUR 0.32	Nov 2007
Delta Lloyd Bank	Mar 1,2004	500,000	EUR 0.50	Mar 2009
Total		**1,100,000**		

The Company repurchased the options to Berkshire Investments in January 2006. Subsequently 1,250,000 new shares were issued and paid up at nominal value (EUR 125,000).

Movements in non-employee stock options are as follows:

	Average strike price	2007	Average strike price	2006
Options outstanding October 1,	**0.418**	**1,100,000**	**0.418**	**1,100,000**
Options granted during the year		-		-
Options repurchased		-		
Options cancelled		-		-
Options outstanding September 30,	**0.418**	**1,100,000**	**0.418**	**1,100,000**

The outstanding non-employee options were all issued in relation to credit facilities offered to the Company by the various lenders. It is the Company's policy and intention to issue new shares upon exercise of these options. Non employee stock options outstanding do not have vesting periods, nor a requirement to be expensed. Considerations received for these Gross Equity Settled Instruments at issue were credited to equity at issue.

Convertible Bonds

Convertible bonds issued by the Company have been classified as Equity based on the fact that under the terms and conditions of these bonds there is evidence of a residual interest in the Company's assets after deducting all of the Company's liabilities.

Distributions to holders of Equity Instruments are recognized directly in equity net of tax. Distribution during 2007 amounted to EUR 20k (2006 EUR nil), interest paid under the EUR 400k convertible bond to Alto Imaging Group N.V. was paid in shares upon conversion at maturity date.

Movements in the balance of outstanding convertible bonds are as follows:

	2007	2006
Balance as at October 1,	**2,140,000**	**-**
Issued	-	2,140,000
Converted into common shares	(1,270,000)	-
Redeemed	-	-
Balance at September 30,	**870,000**	**2,140,000**

The Balance outstanding as per September 30, 2007 consists of the following bonds:

Convertible Bond	Issue Date	Maturity date	Conversion rate	Interest rate	2007	2006
Alto Imaging Group N.V. 3)	July 31, 2006	July 31, 2007	3) 0.353	5%		400,000
Stayer Holding B.V. 1)	August 24, 2006	July 1, 2010	0.35	-	-	870,000
Stayer Holding B.V. 2)	August 24, 2006	July 1, 2016	0.35	-	870,000	870,000
Total					**870,000**	**2,140,000**

1) The conversion period equals start date for the issuer; the bondholder can convert from February 1, 2007 onwards. This conversion right was exercised.
2) The conversion period equals start date for the issuer; the bondholder can convert from July 1, 2009 onwards.
3) Variable conversion rate. If at conversion date the market price of the stock is below the listed rate then the conversion rate will be reset to the average market price of the 30 days prior to conversion date.

No collateral has been pledged against this bond.

The fair value of this bond amounts to approximately EUR 0.65 million. The exposure to interest rate risk on this instrument is marginal. The bond is expected to be converted into common shares of the Company on or prior to maturity date.

16 Provisions

Provision for Equity Deficit Subsidiaries

	2007	2006
Opening balance as per October 1,	**-**	**126**
Movements from (to) Financial Fixed Assets	687	(126)
Closing balance September 30,	**687**	**-**

In 2007 and previous years some subsidiaries had a negative net investment value. For these subsidiaries a provision for Equity Deficit was set up.

17 Current Liabilities

Short Term Debt

On August 24, 2007 the Company has entered into a one year debt agreement with Alto Imaging Group N.V. The principal amount of this debt amounted to EUR 200k due in 365 days. Interest due on the principal amounts to 6%. Alto Imaging Group N.V. is a related party which at year end held a shareholding in TIE in excess of 24% of shares outstanding.

	2007	2006
Balance as at October 1,	**-**	**-**
Loans taken out	200	-
Loan repayments	-	-
Other movements	-	
Balance as at September 30,	**200**	**-**

The fair value of this short term loan amounts to EUR 198k.

Creditors

	2007	2006
Trade creditors	198	230
Taxation and social security contributions	-	35
Inter-company payable	828	828
Other payables and accruals	305	394
Total	**1,331**	**1,487**

The inter-company payable is an outstanding with TIE International. No interest is due on this balance.

Affiliated Companies

The amount reported reflects the outstanding current balances to Conceptive Systems Design Nederland B.V. (CSD Nederland BV) and CSD Investments B.V. The loan granted by CSD Investments at 8% through the deposit placed at Berkshire Investments on behalf of TIE mid 2004 was settled against the outstanding current balance of CSD Nederland through a cession agreement by the end of September, the remaining current balance as reported is interest free. The balance also includes interest payable on the EUR 200k loan from Alto Imaging Group NV.

Notes to the Company Income Statement

Holding expenses

Expenses accounted for consist of expenses related to the Holding activities of TIE Holding NV. This includes allocated employee benefits. TIE Holding NV had no employees during 2007 (2006: 0). The remuneration of the Supervisory Board, members EUR 10k and chairman EUR 20k are included in the Company expenses. For a detailed description of the remuneration of the members of the Management Board we refer to page 74 of the Notes to the Consolidated Financial Statements.

Audit, Legal and Consultancy fees amounting to EUR 146k (2006 EUR 494k) are included as well as a stock option expense, listing fee and amortization charges pertaining to Holding assets.

Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately EUR 9m (related losses amounting to approximately EUR 30m). Foreign loss carry forward pertaining to approximately EUR 1 of the unrecognized will be available for the next 13 to 19 years depending on the nature of the item. The tax loss carry forward originating from the Netherlands has been reduced to 9 years in 2007.

All Netherlands subsidiaries of TIE Holding NV and the holding company form a tax unit and are jointly and severally liable for all tax liabilities originating within the tax unit.

Commitments and Contingent Liabilities

Taxes

The company has formed a financial unit for corporate income tax and VAT with TIE Nederland BV, TIE International BV, TIE Product Development BV and Gordian Investments BV. Based on this, TIE Holding NV is jointly and severally liable for the corporate income tax liabilities of the financial unit as a whole.

Other

The Company has issued guarantees in respect of TIE Nederland BV, TIE International BV, TIE Product Development B.V. and Gordian Investment BV pursuant to Article 403, Book 2 of the Dutch Civil Code.

Amsterdam (Schiphol-Rijk), January 29, 2008

J. Sundelin
Acting CEO, TIE Holding NV

Appropriation of Net Result

According to Article 26 of the Company's articles of association, the annual meeting of shareholders determines the appropriation of the Company's net result for the year. The Management Board proposes that the net loss of EUR -3,368k will be deducted from Retained Earnings in Shareholders' Equity.

Article 26 of the Articles of Association reads as follows:

1. From the profits achieved during the previous financial year will first be paid, if possible, a percentage on the cumulative preference shares equal to the marginal interest rate for special loans of the European Central Bank, plus two percentage points as at the first day of the financial year in question of the nominal amount of said shares. In the event that the result achieved in any given financial year is not sufficient to pay the percentage stated above, no addition to the reserves will take place in the subsequent years other than that required by law, nor shall any amount be paid on the ordinary shares before the holders of cumulative preference shares have been paid the dividend to which they are entitled, and the dividend for the previous financial year has been paid. No further payments can be made on cumulative preference shares than that referred to above in this paragraph.

   The residual profits available after application of the above provision in this paragraph shall be at the disposal of the General Meeting.
2. The Company can only make payments in as much as its shareholders' equity is greater than the paid-up and called-up part of the issued capital plus the reserves, which must be maintained by law.

3. Payment of profits shall not take place until after adoption of the annual accounts, which show that this is authorized.
4. Shares or depositary receipts on shares held by the Company and shares or depositary receipts on shares which the Company holds in usufruct shall not be taken into account in the calculation of the profit distribution.
5. The General Meeting can only decide to make interim payments at the proposal of the Supervisory Board. A decision to pay an interim dividend from the profits in the current financial year can be taken by the Executive Board only with the prior approval of the Supervisory Board. Payments as referred to in this paragraph may only be made if the provision of par. 2 of this article has been met.
6. The General Meeting can decide that dividends shall be paid fully or partly in the form of shares in the Company's capital.
7. Unless the General Meeting sets a different term, dividends are paid within fourteen days of being set.
   Claims for payments in cash shall lapse, in as much as these payments have not been collected within five years and one day of the date on which they became payable.
8. A deficit may only be offset against the reserves prescribed by law, if and to the extent permitted by law.

Dividend policy

Over the past financial years TIE has not declared or paid dividends to its shareholders.

The Management Board intends to retain any future earnings for investment in the further development and expansion of the Company (including through acquisitions) and does not foresee that the Company will pay dividends next year.

The Ordinary Shares are fully entitled to the dividend, if any, for the financial year ending September 30, 2007 and subsequent financial years. Payment of dividends can be made either in cash or in stock.

Subsequent Events

On October 22, 2007 a Private Placement of 1,400,000 shares raised EUR 326k to strengthen the Company's cash position. The total number of shares issued following the Private Placement as per October 22, 2007 amounts to 52,269,676.

On November 21, 2007 the Company announced CEO Dick Raman stepping down from the CEO position of the Company. He will continue as CEO of TIE Commerce, the US based subsidiary of TIE. His duties are being attended by Jan Sundelin until a new CEO can be appointed.

The Company reached an agreement with the landlord of the Netherlands offices on November 20, 2007. The bottom line effect of the changes agreed upon amounts to EUR 300k for 2008 (2009; EUR 345k). The short term impact on cash flow is even greater, EUR 465k for 2008, with little effect in 2009 compared to previous arrangement.

Said agreement effectively terminates the current lease which would have ended May 2010 per March 31, 2008, and reduces the costs to the Company with immediate effect. A final settlement payment by TIE amounting to EUR 400k is due December 31, 2008. All sub letters under said terminated agreement will be offered lease agreements by the landlord of the premises. Until such time, or should subletters wish not to come to such an agreement the contract provides for TIE to lease these specific office spaces with the right to sublet from said landlord and sublet under matching conditions to the current sub letters.

Alto Imaging Group NV, currently holding a shareholding in excess of 24%, has acted as a guarantor for the amount payable referred to above. TIE maintains an option to extend the lease as per March 31, 2008 under revised terms and conditions. Should TIE choose not to exercise this option Alto Imaging Group NV has the option to lease the office space currently occupied by TIE.

On November 28, 2007 TIE has secured a loan by Alto Imaging Group NV, a related party currently holding in excess of 24% of the shares of TIE, amounting to EUR 500k with a 1 year term and at 6% interest. This loan funds the short term liquidity needs of the Company.

Since December 2007 management has been involved in negotiations with SAMAR BV to revise terms and conditions of the current facility services agreement. These negotiations have resulted in legal proceeding which are expected to be finalized in 2008.

On January 8, 2008 TIE announced the acquisition of SinfoX (100% of the shares), a Dutch-based EDI software company. With the addition of Sinfox, that has annual revenue of approximately EUR 320k, TIE will be able to deliver its Business-to-Business integration know-how and solutions to the customers of SinfoX who are predominantly in the Do-It-Yourself, Hardlines and Food industry. The transaction is expected to close no later than January 31, 2008 after completion of a formal roll forward of earlier due diligence procedures during the month of January. Payment for this transaction, totaling EUR 525k, will take place by issuing Convertible Bonds (EUR 325k) to the owners of SinfoX with a lock up period of three years and a cash component (EUR 200k). The current management of SinfoX will transfer to TIE and will remain involved in the further development of the business. As the transaction has not been completed yet, no purchase price allocation has been performed. It would be premature to disclose carrying values and fair values of assets and the goodwill resulting from the

transaction.The Supervisory Board of TIE has on January 15, 2008 entered into an agreement with CAPTA Management BV , represented by mr J. Sundelin (acting CEO), securing mr Sundelin's services for a period of six months after a replacement CEO has been contracted. The agreement also stipulates that should mr Sundelin decide to resign from TIE at the end of aforementioned period he will be awarded a full years management fee amounting to EUR 216k. Should mr Sundelin accept an alternative position within the Company no compensation will be awarded.

Auditor’s Report

To: The Management Board of TIE Holding NV

Report on the financial statements

We have audited the accompanying financial statements for the year ended September 30, 2007 of TIE Holding N.V., Schiphol-Rijk, the Netherlands as set out on page 32 to 97. The financial statements consist of the consolidated financial statements and the Company financial statements. The consolidated financial statements as set out on page 32 to 84 comprise the consolidated balance sheet as at September 30, 2007, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The Company financial statements as set out on page 84 to 97 comprise the Company balance sheet as at September 30, 2007, the Company profit and loss account for the year then ended and the notes.

Management’s responsibility

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report from the Management Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of TIE Holding N.V. as at September 30, 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the Company financial statements

In our opinion, the Company financial statements give a true and fair view of the financial position of TIE Holding N.V. as at September 30, 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Emphasis of Matter

We draw attention to the note "Going Concern Considerations" in the financial statements which indicates that the Company incurred a net loss of € 3,368,000 during the year ended September 30, 2007 and, as of that date, the Company's current liabilities exceeded its total current assets by € 2,094,000. These conditions, along with other matters as set forth in the note "Going Concern Considerations", indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Management Board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

The Hague, the Netherlands, January 29, 2007

for Ernst & Young Accountants

/s/ H. Hollander

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