TIE HOLDING N.V.

Annual Report for the financial year 2008

Connecting Businesses

Annual Report for the financial year 2008

Profile TIE

TIE bridges the gap between online and traditional business, through contributing to the online business of our customers. TIE is a strong provider of solutions that have proven to lower costs, increase revenue and optimize business processes.

TIE Kinetix empowers several platforms such as Business Integration and Content Syndication which meet the evolving needs of our customers. Our power to connect different applications and processes of our customer with those of your external trading partners makes TIE unique. With the addition of our latest eCommerce platform, we can provide our customers with complete, state of the art solutions for al their Business-to-Business integration and operational issues. With decades of experience, stretching involvement in the European Projects and Standardization Committee of the United Nations, we are a key contributor to the development and implementation of global eCommerce standards. Connecting businesses, remaining at the forefront of technology, providing quality, superior value, a clear Return on Investment (ROI) and usability to our customers and transparency constitute TIE's core values.

Founded in 1987, we continually strive to meet the expectations of all our stakeholders, such as customers, business partners, resellers, employees and shareholders. We serve our customers and handle our relationships from our offices in the United States, France and the Netherlands. TIE's headquarter is located in Hoofddorp, the Netherlands.

TIE's shares are listed on the stock exchange of Amsterdam (NYSE Euronext), as of March 2000.

Financial Highlights

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

	2008	2007
Financial Results		
Total Income	**9,853**	9,692
Depreciation and Amortization Expense	**(269)**	(613)
Impairment Losses	**(723)**	(2,004)
Net Income	**(2,098)**	(3,368)
Equity		
Total Shareholders’ Equity	**449**	1,271
Total Equity Instruments	**1,735**	870
Total Equity	**2,184**	2,141
Employees (expressed as full time equivalents)		
Average Number of Employees	**86**	84
Per Share of Ordinary Shares		
Net Income	**(0.04)**	(0.07)
Shareholders’ Equity	**0.01**	0.02
Number of Shares Outstanding at Year End (x 1.000)	**54,755**	50,870
Weighted Average Number of Shares Outstanding (x 1,000)	**53,095**	46,779
Weighted Average Number of Shares adjusted for calculation dilluted earnings per share (x 1,000)	**54,664**	47,028
Share Price		
Last Trading Day in reporting period	**0.10**	0.26
Highest	**0.28**	0.42
Lowest	**0.09**	0.25

Highlights 2008

October 2007
- TIE launches a new look and feel for TIE Kinetix.

December 2007:
- TIE achieves "Powered by SAP NetWeaver" certification.

January 2008:
- TIE announces the acquisition of Sinfox, a Dutch based EDI company. The acquisition is completed in February 2008.

February 2008:
- Release TIE Messaging Portal version 4;
- Release of the TIE eInvoicing solution, a shrink wrapped solution for electronic invoicing.

April 2008:
- TIE reaches a settlement with Th.H. Raman, former CEO of the Company;
- TIE's headquarter moves from Schiphol-Rijk to Hoofddorp;
- TIE secures EU investment funding for three major Research and Development projects.

June 2008:
- TIE completes the financial restructuring. Management of TIE invest in the Company;
- J.B. Sundelin is appointed CEO of the Company;
- Mr.Drs. E. Honee is appointed member of the Supervisory Board of TIE;
- Microsoft UK pilots the new TIE Kinetix DCM system with selected UK resellers.

August 2008:
- TIE reports a positive Net Income for the first time in almost two years. Net Income for the third fiscal quarter 2008 amounted to a profit;
- TIE completes the TIE Kinetix DashBoard version 1.0.

September 2008:
- Moonen selects the TIE Kinetix eInvoicing Solution;
- Clopay selects the TIE Kinetix eInvoicing Solution;
- TIE introduces a new FreeConnect service;
- TIE grants 1.5 million employee stock options to its employees.

For any additional information of events which have taken place in 2008, please consult the Company's website and the press releases issued by the Company.

TIE Kinetix product portfolio

TIE Kinetix comprises the following platforms

TIE Kinetix
Business Integration Platform: the platform for integration of basic information into any back office system. The Platform includes solutions as Messaging, eInvoicing, Data Synchronization and Data Verification. Products used for Business Integration are the TIE Messaging Portal (Europe) and/or eVision (United States).

TIE Kinetix
Content Syndication Platform: the platform for ultimate brand management. These solutions ensure that content information of all sorts and from all kinds of applications will be delivered to predetermined end-users. The Platform includes solutions as Digital Channel Management, Channel Mailer (e-mail marketing), Narrow Casting, Shop in Shop and Product Information Box.

TIE Kinetix
eCommerce
Platform: The Commerce Suite is a comprehensive scalable and proven eCommerce platform for business online in a B2B and/or B2C environment. It enables the merchant to remain control over his webshop. Seemless integration with and between existing ERP platforms is available.

All software is provided under a license or as a service. Software as a Service (SaaS) provides our customers with the benefits of new solutions, whilst limiting their initial investment.
All solutions are designed to enhance the value of the software and provide quality and usability to our customers. Our expert resources and carefully selected resellers focus on a clear return on investment for our customers. TIE Kinetix lowers costs, increases revenue and optimizes business processes. TIE Kinetix connects businesses.

Management Board's letter

To the shareholders,

It is with great pleasure that I present our 2008 annual reports for TIE Holding N.V. This report highlights our financial results and changes we have made to become a driving force in the markets we serve. Clearly these are turbulent times in the world, both economically and politically. The Company underwent massive changes in 2008 and I feel positive that these changes will lead to a "new" and stronger TIE.

The Company underwent a change in management and restructuring. This was achieved through rationalizing our cost base and sharpening our productivity by removing fat without touching muscle. In addition to these cost reduction actions, we were able to refinance our business. We secured and repaid loans and obtained over one million Euros funded by several investors and members of our management team. Whilst we have achieved a substantial decrease in our cost structure, we will continue to monitor carefully our costs and seek ways to further make reductions to insure profitability. Our highly qualified and motivated staff devoted themselves during this transition to ensure the continued operation of the business. Thanks to this devotion and management focus the restructuring was successful. Our Supervisory Board was enormously helpful with their advice and support during the turnaround.

The Company has developed and is implementing a business strategy for growth. Our investment in new platform development will occur through organic growth and partnerships. We recognize fully the potential of the Web and especially the advantages of the second generation, Web 2.0. Our strategy for growth segments our offerings into three platforms all under the umbrella of TIE KINETIX. Our mainstay Business Integration Platform offers customers the ability to lower their costs and increase productivity, and their ROI through the power to connect applications and processes with the applications of their supply chain partners including important task of electronic Invoicing. This solution is especially relevant during these times when organizations must improve their productivity through cost savings. The TIE KINETIX MamboFive eCommerce platform provides customers with easy access to develop a complete on-line web shop. By offering a turnkey software solution through the acquisition of MamboFive we now have a strong position in this important growing market. The third leg of our strategy is to enter the exciting and growing market for what is called content syndication. The TIE KINETIX Content Syndication platform gives companies the ability to control their marketing communications with their channel partners offering consistent and creative content on a regular basis. Capturing attention on the web has become increasingly difficult because of the clutter on dealers and resellers web pages. Our software solution ensures that eyeballs are directed to a vendor's products and services by using vendor created information including the use of visual and audio rich media.

Our growth in revenue will be achieved by focusing on both vertical and new geographic markets. Our management team is fully charged to make these changes happen. Thanks to their professionalism and devotion we believe we are poised for growth and profitability in 2009 and beyond.

J.B. Sundelin,
CEO, TIE Holding N.V.

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 2008 (October 1, 2007-September 30, 2008).

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 N.V.

In addition, from time to time, TIE Holding N.V., 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 N.V.

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.

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Management Board

The Management Board currently consists of one person.

J.B. Sundelin (Jan)

Chief Executive Officer (as of June 2008)

Date of birth: October 21, 1960

Nationality: Swedish

Date of initial appointment member of the

Management Board: February 14, 2007.

Current term of office: 4 years

Number of shares in the Company: 0

Number of options in the Company: 884,845

Convertible Bond, relating to number

of shares: 800,000

Jan brings 15 years of executive management to TIE. Most recently, he served as CEO and president of TallyGenicom EMEA, where he was responsible for more than EUR 170 million revenue. He helped the organization return to profitability by rationalizing operations and restructuring their sales channels, and was responsible for sales and marketing in more than 60 countries. Previously, Jan served as senior vice president of strategic planning and global sales and marketing for Minolta-QMS Mobile, a company he joined in 1989 as a sales manager and later served as EMEA president. During his tenure as senior vice president of global sales and marketing, Jan was instrumental in increasing worldwide sales from EUR 250 million to EUR 300 million.

Jan Sundelin is not a member of the Supervisory Board of another listed Company.

Remuneration

The remuneration of the members of the Management Board for 2008 was determined by the General Meeting of Shareholders, according to 2:135 paragraph 3 of the Dutch Civil Code. At the shareholders meeting held on February 13, 2008, the General Meeting of Shareholders agreed to amend the Articles of Association, with as result that currently the Supervisory Board determines the remuneration of the individual members of the Management Board, taking into account the Remuneration Policy set by the General meeting of Shareholders.

At the annual shareholders meeting held on February 13, 2008, the General Meeting of Shareholders agreed to a remuneration amounting to EUR 216k for Jan Sundelin. The remuneration (EUR 223k including expenses, net of option expense) was paid to CAPTA Management B.V., Jan's management consultancy company. No bonus arrangement was proposed at the annual shareholders meeting. Notwithstanding the forgoing, and due to the excellent performance of the CEO, the Supervisory Board currently intends to provide Jan Sundelin a bonus afterwards for financial year 2008. The bonus consists of 750,000 options, for which a proposal will be provided to the annual meeting of shareholders on March 11, 2009.

Further details regarding the remuneration are described in the remuneration report, included in the report from the Supervisory Board in this annual report and in the Compensation Policy published on the corporate website.

Report from the Supervisory Board

To the shareholders,

The financial year 2008 has been a crucial year for the Company, in which an essential turnaround has been completed. The Management Board and the entire organizational structure has been changed, a major decrease of the cost structure has been achieved, the financial structure has been improved, and the product portfolio has been extended in order to meet the market demands and, at the same time, to decrease the risks for the Company in view of the major change in the world-wide financial situation.

The Supervisory Board of TIE Holding N.V. spent much time in the strategy and planning of this turnaround project, but spent also much time in advising the Management Board and monitoring the progress. During this project there has been an intensive interaction between the Management Board and the Supervisory Board.

Organizational aspects

After the resignation of the founder of the Company as member of the Board of Management on November 21, 2007, the Management Board consisted of one person, Jan Sundelin. As Acting CEO, he led the Company through an organizational restructuring and a financial restructuring. Following the accomplishment of the restructuring in June 2008, the Supervisory Board agreed to appoint Jan Sundelin CEO of the Company.

On February 14, 2008, Dick Benschop resigned from the Supervisory Board of TIE. He was not able to meet the increasing demands on members of the Supervisory Board in terms of time spend. The Supervisory Board nominated Erik Honée for the vacancy and the General Meeting of Shareholders appointed him as member of the Supervisory Board on June 25, 2008. With his competences in the legal aspects, the earlier defined competence profile of the Supervisory Board was met and the composition of the Supervisory Board is fully in line with the profile. The Supervisory Board currently consists of three members. Two of these members are independent. The third member, Mr Peter van Schaick, holds 29.9% of the shares in TIE, through Alto Imaging Group N.V. Therefore Mr. van Schaick can not be considered independent according to best practice provisions II.2.2 of the Code. Notwithstanding the forgoing, the Supervisory Board is construed in line with best practice provision III.2.1 of the Code.

General Business

The Supervisory Board supervised and monitored the following:

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

The Supervisory Board discussed the objectives of the Company and monitored the development of the results and the actual results versus the targets set in the annual operating plan. The Supervisory Board agreed to restructure the internal organization, allowing for more accountability of the employees and better management of the business processes in relation to agreed targets. The Company aims at growing the business substantially in order to reach the scale, required for a public company, to cover the costs of being "public" and to realize a healthy profit level. First of all the Company has to show to be able to grow autonomously. TIE is now growing and became cash flow positive in the last quarter of the year, as promised to the shareholders.

Additionally, the Supervisory Board monitored the cost structure of the Company. During the financial year, the cost basis of the companies has been decreased substantially. This could be achieved for a significant part by reaching an agreement with the landlord and subsequently to move the Company's headquarter to a new location, and by discontinuing the relation with the company that provided for the catering and house holding. The Supervisory Board advised the Management Board on all aspects and monitored the progress carefully.

The financial structure has been improved by the emission of shares and by issuing Convertible Bonds to third party investors and to members of the management of the company. The Supervisory Board acknowledges the commitment to these members.

The relation with Alto Imaging Group N.V., providing TIE with two loans, has been handled by the Supervisory Board with great care, ensuring procedures "at arms length". Part of a loan has been converted into a Convertible Bond. Any details on these transactions are discussed in the chapter Corporate Governance.

- **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 insists to continue to monitor the consequences of the financial crisis very closely. 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 have been adequately reflected in the Company's processes and accounting principles.

- **The merger and acquisition strategy.**

Prior to the start of the financial year, the Supervisory Board defined acquisition guidelines. Additionally, the Supervisory Board monitored the acquisition processes and agreed to the acquisition of Sinfox and TIE France. Also, the acquisition of MamboFive received the approval from the Supervisory Board. The acquisition of MamboFive, an e-business company, specialized in webshop applications, is modeled in such a way that the financial risks involved are minimized. It is foreseen that this acquisition contributes to the profit, completes the product portfolio, and finally further strengthens the marketing power of the Company.

- **The 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 Accountants LLP, both with and without the Management Board being present.

Meetings of the Supervisory Board

During the major part of the year, the Supervisory Board met almost every month and had frequent contact, in order to monitor the turnaround process. In the course of the year the turnaround process achieved its major results and evaluated into a continuous improvement process, allowing the Supervisory Board to convene on a quarterly basis. All members of the Supervisory Board were heavely involved in all the meetings, no members were frequently absent. The Supervisory Board continuously monitors its own functioning, safeguarding the quality of the advice it offers to the Management Board. Additionally, at the end of the financial year, the Supervisory Board reviewed its performance. The evaluation took place outside the Supervisory Board meeting.

During the course of these meetings, the Supervisory Board evaluated the performance of the Management Board, without the Management Board being present. After the finalization of the financial restructuring, the evaluation led to the appointment of Jan Sundelin as CEO of the Company. At the end of the financial year 2008, the Supervisory Board held another evaluation outside the official meeting regarding the functioning of the Management Board. As a result of this evaluation, the Supervisory Board proposes to grant Jan Sundelin 750,000 options, due to the fact that he led the Company, as sole member of the Board of Management, through a very tumultuous and vital period and reached satisfactory results. Jan Sundelin managed to decrease the cost structure, to restructure the organization, to implement a professional management style, to strengthen the market power of the Company and to complete the product portfolio.

Compensation Policy

This Compensation Policy outlines the terms and conditions of employment of members of the Management Board of the Company. The objective of this Compensation Policy is to provide a structure that attracts, retains and motivates qualified and expert members of the Management Board by providing a well balanced and incentive based compensation.

According to article 135 of book 2 of the Dutch Civil Code, the Compensation Policy will be determined by the General Meeting of Shareholders. On February 13, 2008, the General Meeting of Shareholders adopted the Compensation Policy for 2008. As a result of a change in the Articles of Association effective as of March 27, 2008, the remuneration of members of the Management Board will be determined by the Supervisory Board within the limits of the Compensation Policy.

Term of appointment:

- All members of the Management Board will be appointed for a maximum period of four (4) years. On expiry of the four-year term, a member of the Management Board may be reappointed for a successive terms of four years each.

Termination of employment:

- Termination of the (employment) contract requires the statutory notice period, unless otherwise determined in the (employment) contract with a member of the Management Board.
- The (employment) contract with a member of the Management Board will terminate if he reaches the age of retirement, on the date as provided in the relevant pension scheme.
- Upon termination of the (employment) contract by the Company (or by a competent court on request of the Company) and unless the contract is terminated for a cause specified in article 7:678 or 7:685 juncto 7:678 of the Dutch Civil Code, the member of the Management Board will be entitled to a severance payment.
- Taking into account the relevant article in his (employment) contract, a member of the Management Board may be entitled to a specified amount of severance, if TIE terminates his (employment) contract as a result of a specified event and gives notice of termination within the specified period. These events may include a material change of the role and responsibilities of the member of the Management Board as a result of the acquisition of more than 50% of the shares in the Company by a third party (change of ownership). In the current contract with Jan Sundelin such arrangement currently does not apply.

Severance Package:

- Members of the management Board are offered a severance package with a maximum of one (1) year's salary, unless this would be manifestly unreasonable.

Remuneration

- The remuneration of a member of the Management Board may comprise the following components: salary, variable compensation in the form of a cash bonus based on the realization of short term targets and variable compensation in the form of option based on the realization of long term targets. The Supervisory Board believes that a good combination of the various components ensures the Company's short and long term objectives. The salary includes base salary, holiday allowance, pension arrangements and lease vehicles. Making sure the base salary is in proportion ensures no exceptional risks are taken and the Management Board acts in line with the Company's targets. Members of the Management do not participate in the annual stock option plan (as of February 13, 2008).
- The remuneration levels are set to reflect the requirements, performance and responsibilities regarding a position in the Board of Management and the targets of the Company.
- The Supervisory Board will review the salary level regularly, considering circumstances that would justify adjustments, such as changes in the individual's responsibilities, the individual as well as collective performance, developments in the business environment and developments in the salary level of personnel in the Company. The Supervisory Board shall evaluate the remuneration structure regularly in order to ensure that it meets the objective of the Compensation Policy.
- The (employment) contract with a member of the Management Board includes an arrangement for the reimbursement of all reasonable expenses incurred in the performance of its duties.
- The variable part of the remuneration is designed to strengthen the Management Board member's commitment to the Company and its objectives. The bonus level may vary between the members of the Management Board due to differences in their responsibilities, specific objectives, and contributions to the Company as a whole and base salary.
- An annual bonus is linked to previously determined and objectively measurable performance targets. The Supervisory Board shall determine the performance targets for individual members of the Management Board. These performance targets reflect the individual responsibilities of a member of the Management Board, such as, but not limited to, financial results and/or operational results per focus area. The performance targets will be based on the Company's strategic agenda, which includes financial targets. If these targets contain commercially sensitive information, the exact targets shall not be disclosed.
- The Chairman of the Management Board shall update the Supervisory Board on the achievement against the individual performance criteria on a quarterly basis. After the end of a financial year, the Management Board shall prepare an evaluation of the past financial year. The evaluation shall include the extent to which the individual performance targets have been met. On the basis of this evaluation and its own investigation, the Supervisory Board reviews the performance of the members of the Management Board and decides whether the performance targets are met and therefore a member of the Management Board should receive his bonus. The Supervisory Board may take special circumstance into consideration in determining the achievement of the targets.

Shares

- The members of the Management Board will not be offered any TIE-shares without financial consideration, unless the specific approval of the Supervisory Board has been obtained (i.c. the shares are offered (as part of) an annual bonus). Shares in the Company, held by a member of the Management Board, are long-term investments.

Loans

- The Company does not grant its Management Board members any personal loans, guarantees or the like, unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans shall be granted.

Remuneration Report

In this report, the Supervisory Board provides an overview of the remuneration received by the Management Board in financial year 2008.

Remuneration report Th. H. Raman

On November 21, 2007, Th. H. Raman resigned his position from the Management Board. The original severance package for Th. H. Raman amounted to 4 times his annual salary. However, Th. H. Raman and the Company settled and the total costs involved for the settlement amounted to EUR 400k.

As a result of the arrangement with Th. H. Raman, published on April 3, 2008, he currently holds the following options.

Year	Exercise price	End date	Th. H. Raman
Feb 2005	0.41	Apr 2015	500,000
		Total:	500,000

On May 19, 2008, Th. H. Raman notified the AFM that he (through CSD Investments B.V.) is no longer a main shareholder in TIE Holding N.V. Per September 30, 2008 Th. H. Raman directly holds 49,704 shares in TIE Holding N.V.

Overview of remuneration received prior to the resignation:

Remuneration	
Salary	33k
Fixed expenses	0k
Options	0
Total:	33k

Remuneration report J.B. Sundelin

At the annual shareholders meeting held on February 13, 2008, the General Meeting of Shareholders agreed to an unchanged remuneration amounting to EUR 216k for Jan Sundelin. The remuneration (EUR 223k including expenses, excluding option expenses) was paid to CAPTA Management B.V., Jan's consultancy Company. In the Supervisory Board's opinion the base salary of J.B. Sundelin is high in relation to the financial results of the Company. Due to the fact that J.B. Sundelin's mission was to secure a turnaround for the Company and he has put himself in a risky position, thus requiring extreme dedication and excellent turnaround-skills, the Supervisory Board believes this justifies his base salary. Nonetheless, the Supervisory Board has no intention to adjust his base salary in the coming 5 years.

Remuneration	
Salary	216k
Bonus	*
Fixed expenses	7k
Options	17k
Total:	240k

** No bonus arrangement was proposed at the annual shareholders meeting. Notwithstanding the forgoing, and due to the excellent performance of the CEO, the Supervisory Board currently intends to provide Jan Sundelin a bonus afterwards for financial year 2008. The bonus consists of 750,000 options, for which a proposal will be provided to the annual meeting of shareholders on March 11, 2009.*

The contract with J.B. Sundelin was amended. The severance package stays in line with best practice provision II.2.8 of the Code.

On June 3, 2008, J.B. Sundelin received 800,000 options as part of the Stock Option Plan for Management of TIE. The strike price amounts to EUR 0.10 per share, equal to the closing rate of the TIE shares on June 2, 2008. These options can not be exercised prior to June 3, 2009.

As of September 30, 2008, J.B. Sundelin holds the following options; none of them can be exercised due to the lock-up at that moment.

Year	Exercise price	Lock-up end on	End date	J.B. Sundelin
Sept 30, 2007	0.26	Sept 30, 2010	Oct 1, 2017	84,845
June 3, 2008	0.10	June 3, 2009	June 3, 2018	800,000
Total:				884,845

On June 3, 2008, TIE announced that J.B. Sundelin invests EUR 80k in the Company, as part of the financial restructuring. TIE has issued a 10 years Convertible Bond to J.B. Sundelin, with a one-year lock-up and at a conversion price of EUR 0.10.

The remuneration of the Management Board is disclosed extensively in the attached 2008 financial statements.

Bonus policy 2009-2013

The Supervisory Board composed a bonus policy for J.B. Sundelin for the next five years, which is described below and approval from the General Meeting of Shareholders will be requested based on article 2:135 paragraph 4 of the Dutch Civil Code, at the annual shareholders meeting on March 11, 2009. The scenario analyses as described in best practice provision II.2.1. of the Code have taken place. At all times, the Supervisory Board reserves the right to adjust the bonus due to exceptional circumstances and the claw back article as referred to in best practice provision II.2.11 of the Code will apply.

The proposed bonus plan is based on the forecasted operational results for the years 2009-2013. The five year plan was prepared by the Management Board and approved by the Supervisory Board. Due to the fact that the forecasted operating results are to be kept confidential, the basis (operational result) for the calculation of the bonus plan remains also confidential. Apart from the financial indicators, non-financial indicators are taken into account to be eligible for a bonus, in options or in the shape of max 5% of the base salary. These indicators include acquisitions, the internal organization and the productportfolio and the product development process.

The maximum number of options available annually for the execution of the bonus policy for J.B. Sundelin amounts to 3 million options.

With regard to the operating results the proposed bonus plan is as follows:

Operational result	Number of options
<75% AOP	0
75% - 90%	500,000
90% - 110%	750,000
110% - 130%	1,000,000
>130%	1,500,000

An additional bonus is eligible, provided that the targets for the operational result have been met for a cumulative period of 3 resp. 5 years. The long-term bonus will be determined as follows:

Extra bonus first 3 years	Number of options
net result <90%	0
net result 90% - 110%	750,000
net result 110% - 130%	1,000,000
net result >130%	1,500,000

Extra bonus first 5 years	Number of options
<90%	0
90% - 110%	750,000
110% - 130%	1,000,000
>130%	1,500,000

With regard to acquisitions, the following guide line applies:

Acquisitions	bonus
<25% contribution to operational result	€ 2,700
25% - 75% contribution	€ 5,400
> 75% contribution	€ 10,800

This bonus will be payable either in cash or in options.

With regard to the internal organization, the Supervisory Board shall take into account to which extent the employees have achieved their individual targets, the circumference of the (voluntary) dismissal and the size of absence through illness.

With regard to the products and product development, the Supervisory Board shall, for the coming year, take into account the quality of the software development process.

Remuneration Supervisory Board

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. The Supervisory Board proposes not to make any amendments in the remuneration of the Supervisory Board for the coming years.

A.F.L. Veth
Chairman, Supervisory Board TIE Holding N.V.

	Ton Veth	Peter van Schaick	Erik Honée
Gender	Male	Male	Male
Age	62	54	51
Nationality	Dutch	Dutch	Dutch
Principal position	CEO & President, Cebra B.V.	CEO Alto Imaging Group N.V.	Consultant M&A Diligence Services B.V.
Other relevant positions	None	None	None
Date of initial appointment	May 2003	May 2007	June 2008
Current term of office ends	May 2012	May 2011	June 2012
Supervisory Board memberships of other public companies	None	None	None

TIE: Connecting Businesses

Since its foundation in 1987, TIE has been active in the Business-to-Business Master Data Management. TIE bridges the gap between online and traditional business, through contributing to the online business of our customers. TIE´s solutions enable customers to extend the limits of electronic business collaboration and achieve maximum eCommerce.

Regardless of whether a business operates in the real world or online, the power to connect applications and processes with those of their industry and supply chain partners is a bare necessity and improves operational efficiency, reduces costs and provides a - for business information exchange en communications. TIE understands the needs of its customers and supports them in improving their efficiency and decreasing their costs. TIE connects businesses by means of TIE Kinetix, which consists of three application areas as described in the next chapter.

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. Above all, TIE's products and solutions offer a clear Return on Investment.

Technology Leadership

Not only do we offer our customers state-of-the-art products, we also ensure technology leadership for the future.

The Global Economy is expected to change through the adoption of Services Orientated business models and Architectures (SOA) and through Software as a Service (SaaS).
The next generations of software applications will be developed and validated in such way that parties/companies communicating on a Global or European scale will benefit from technical based transformation into business based semantic communications enabling the lowering of costs by enabling them to increase eBusiness among them and/or their customers.

TIE is well positioned in the SOA field as core partner and steering committee vice chair in the European Technical Platform on Software and Services Nessi (www.nessi-europe.eu). Nessi is supported by the European Commission, chaired by Thalys and represents 350 members.

Recognizing the importance of EDI/XML for business integration, TIE actively supports the maintenance of the UN/EDIFACT standard by having a seat in the technical assessment groups in Europe (CEN/ISSS eBES) and globally (UN/CEFACT forum) in the United Nations.

Further more, TIE is a key player, selected for its expertise, in a number of European co-founded projects, such as STASIS (Sematic Interoperability), NEXOF-RA (Services/SOA Reference Architecture), SOA4ALL (Semantic web) and NESSI2010 (Coordination of NESSI) which are all highly relevant to the business area in which the company operates.

TIE Kinetix

TIE Kinetix compasses the following 3 platforms:

TIE Kinetix Business Integration Platform

Regardless of whether they operate in the real world or online, every business requires the power to connect applications and processes with the applications of their supply chain partners. This connection ensures that any action in the supply chain – for example, a stock replenishment order – results in 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 and centralizing your product information, Business Integration eliminates paperwork and the risk of human error in supply chain activities. It will allow efficient and reliable exchanges of product information with business partners, both upstream and downstream. This results in a more manageable, more predictable, and therefore more profitable supply stream.

For example, by connecting together, synchronizing data, and establishing immediate and structured verification of all data, an invoice is automatically generated, send and booked. This results in a cost reduction and improves efficiently. This example is based on our eInvoicing solution, but the TIE Kinetix Business Integration platform is not limited thereto.

The solutions for integration of basic information into any back office system also include solutions such as Messaging, Data Synchronization and Data Verification. For we offer our customers a clear Return on Investment and a minimal risk of implementation.

Today over 5,000 customers use daily TIE EDI solutions to transfer data to business partner's world wide; this customer base is build over the 22 years TIEs' existance. Our latest solutions as Data Quality and e-Invoicing are in use by Sodexo, Eriks, Poiesz supermarket, Jumbo supermarket, Sikkens, Intratuin, Railpro, Moonen Packaging, Lekker van der Laan Dekker, and many more.

TIE Kinetix Content Syndication Platform

What many companies are lacking, regardless of the strength of their supply chains is an effective means of online communication with resellers and consumers. They are unable to control the consistency of online communication and require a total marketing communication solution for the entire channel. Especially traditional companies experience difficulties in ensuring consistency in online product marketing and require a solution for ultimate brand management for the communication with all their resellers and distributors, whether the company has a dozen or hundreds of outlets, each with their own marketing agenda's and strategies.

TIE Kinetix Content Syndication Platform provides these traditional companies with the tools to create their product information and distribute it online. From one Master Data Management data source (the "single source of truth"), manufactures assist their resellers and distributors by updating any reseller's of distributor's web site with the latest products updates, actions and information. This enables resellers and distributors to serve, attract and convince the end-users. Meanwhile, the manufacturer's investment in product marketing is protected due to consistent and controllable information delivery and use, without handcuffing the resellers and distributors in their online sales and branding efforts.

For manufacturers, Content Syndication fills in a critical void. Today, many of them lack the ability to "activate" the channel and motivate resellers and distributors to be more proactive with the manufacturer's marketing power. With the infrastructure of a Content Syndication platform, manufacturers can provide resellers and distributors with dynamic online merchandising tools that can be used to leverage the manufacturers' product marketing in email campaigns and on the reseller's and distributor's 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.

Many A-Brands use the Content Syndication Platform today to syndicate contents to business partners. Companies that are a head of the curve in there markets WeCare4, Microsoft, Kyocera, Siemens, Leolux, Quantore, Canon, Overland Storage all driving for more market and better market penetration on line.

TIE Kinetix MamboFive eCommerce Platform

While eCommerce and supply chain management technologies have matured, there is still considerable potential for improvement and advancement. The TIE MamboFive Commerce Suite is a comprehensive scalable and proven e-commerce platform to get your business online. Whether you are doing B2B or B2C or combining those two, it is possible with the platform. It enables the merchant to be in full control of his webshop. Seemless integration with existing ERP platforms are available (Exact, Unit4, BaaN, Oracle, SAP WMS and many more).

The TIE Kinetix MamboFive ecommerce Platform already handles over 10 million visitors a month for several mid-sized and large companies. Companies like KPN-HI, Ahold, Simac-ICT and Vodafone are using the platform to enable their business on-line. Resulting in lower cost for orderintake and lower the cost in sales.

General

The three platforms enclose a total electronic-concept for sharing business information, from basic information to complex content information, throughout the full chain from manufacturer to reseller or distributor and finally reaching the end-user, who buys goods or services through an online web-shop.

All software is provided under a license or as a service. Software as a Service (SaaS) provides our customers with the benefits of new solutions, whilst limiting their initial investment.

All solutions are designed to enhance the value of the software and provide quality and usability to our customers. 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. Workflow capabilities monitor your processes completely unattended and report exceptions when they occur in any desired format. Our expert resources and carefully selected resellers focus on a clear return on investment for our customers.

TIE Kinetix lowers costs, increases revenue and optimizes business processes. TIE Kinetix connects businesses.

Services

TIE's commitment to customer success extends beyond delivering software and solutions. 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.

“Microsoft UK pilots the new TIE Kinetix Content Syndication Platform with selected UK resellers. Also, Siemens Enterprise Communications GmbH has selected the TIE Kinetix Content Syndication Platform for a global trial.”

Report from the Management Board

In 2008, TIE went through a complete reorganization, in order to secure a bright future for the Company. Management set themselves the following targets:

- **Cash flow positive operation as of Q4 FY 2008;**
- **Lower overhead costs without cutting in our business development;**
- **Focus on productivity in the Netherlands and on the Holding level;**
- **Invest in the US market to accelerate growth, enter new markets and attract new customers.**
- **Build strategic alliance with key global players;**
- **Introduce new solutions which will generate ROI for our existing customers.**

Fully devoted to achieve these targets, two very hectic and demanding quarters followed. In a relatively short period a successful turnaround was realized. Aforementioned targets were achieved and the reorganization was a success. The Management Board appreciates the contributions to this success made by all employees worldwide and of course the management. All performed outstanding work.

Overhead costs

The overhead costs had to be lowered and therefore cost cutting measures had to be taken. To safeguard the future of the Company, these measures were not to cut in our business development. Part of the costs cutting measures implied the movement of our headquarters to a different location. The move also implied discontinuing the partnership with the facility provider at the old location, thus lowering the facility costs.

We achieved a substantial decrease of overhead costs and will continue to seek ways to further reduce our costs.

Productivity

We established a tremendous boost in productivity due to improved internal communication and focus on billable hours, whilst enlarging the individual commitment to the Company and accountability for the performance of each employee. As a result thereof more work can be done in the same amount of time, leading to a cost reduction. Additionally, we continuously investigate the possibilities of implementing the knowledge obtained through the European Projects to TIE Kinetix. This results in efficiency and truly provides our customers the benefits of the research performed.

Investment in US market

TIE attracted a new sales director in the United States. Additionally, the focus has been expanded to the Content Syndication Platform, which results in attention in new markets and additional customers.

Strategic Alliances

Microsoft UK pilots the new TIE Kinetix Content Syndication Platform with selected UK resellers. Also, Siemens Enterprise Communications GmbH has selected the TIE Kinetix Content Syndication Platform for a global trial. The Company continued the global partnership with EPICOR in relation to our Business Integration Platform. TIE has relationships with the following leading software and technology vendors: Microsoft (Gold Level Partner), Microsoft Navision, EPICOR, SAP, Oracle, Exact, Unit 4 Agresso and other global system integrators. TIE believes that these relationships better enable the Company to sell additional products to its exsiting customer base, acquire new customers and enhance its market presence.

Development

In the course of 2008, TIE developed and introduced several new solutions to the market. Last February we released version 4 of the TIE messaging Portal and the TIE eInvoicing solution. In august we completed the TIE Kinetix DashBoard, version 1.0, followed by the completion of the TIE Kinetix Content Syndication Platform solution version 2.0 in December.

Cash flow positive

In June 2008 we completed the financial restructuring: we had secured a EUR 500k Credit Facility which expired on October 1, 2008, issued shares and convertible bonds, secured and repaid loans and secured funding through several investors and our management for a total of over one million Euro. For the period July, August and September 2008, we managed to be cash flow positive, a huge improvement for the Company and crucial for its future.

General Management

On November 26, 2007, Jan Sundelin, former Chief Sales Officer commenced his task of Interim CEO. After the finalization of the financial restructuring, the Supervisory Board appointed him as Chief Executive Officer of the Company. As CEO, Jan Sundelin was offered the opportunity to implement the new strategy for the coming years.

After the departure of the former CFO, the Company attracted a new part-time financial director, Zwier Jan van Puijenbroek. Zwier is currently not a member of the Management Board of the Company.

Outlook

The Management Board strongly believes that in 2008, important steps forward towards autonomous growth have been set and therefor the future of the Company is secured. With the completion of the financial restructuring, we set the first steps to secure our survival. With the internal reorganization, we streamlined the Company and enlarged the commitment. With the acquisition of MamboFive, we completed our product offering. TIE opened the way to the future and a healthy, profitable organization. We prepared ourselves for growth and are committed to realize the targets set for the coming years.

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 Sinfox B.V. (included in the consolidation and fully integrated in the Netherlands operations as of March 1, 2008) is of key importance understanding the development of both revenues and expenses in 2008 compared to 2007.

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:

	2008	2007
Total Income	9,853	9,692
Direct Purchase Costs	(1,412)	(1,133)
Operating Expenses	(10,322)	(11,643)
Net Income	(2,098)	(3,368)
Shareholders' Equity	449	1,271
Equity	2,184	2,141

The net result for the year 2008 amounted to a loss of EUR -2,098k, compared to a loss of EUR -3,368k in 2007. The 2008 result includes a EUR 723k (2007: EUR 2,004k) loss as a result of an impairment charge taken, based on an impairment test performed at March 31, 2008. The 2008 year end impairment test did not result in additional impairment expenses. The underlying operating income between the two years is at a comparable level.

Shareholders' Equity decreased as a result of the loss. At year end 2008 Shareholders' Equity amounts to EUR 449k (2007; EUR 1,271k). Equity increased to EUR 2,184k at year end 2008 from EUR 2,141k at year end 2007, as the Company managed to attract additional funding by the issue of Convertible Bonds to third party investors, related party investors and members of the Companies management. Equity includes Convertible Bonds amounting to EUR 1,735k (2007 EUR 870k).

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

Total Income

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

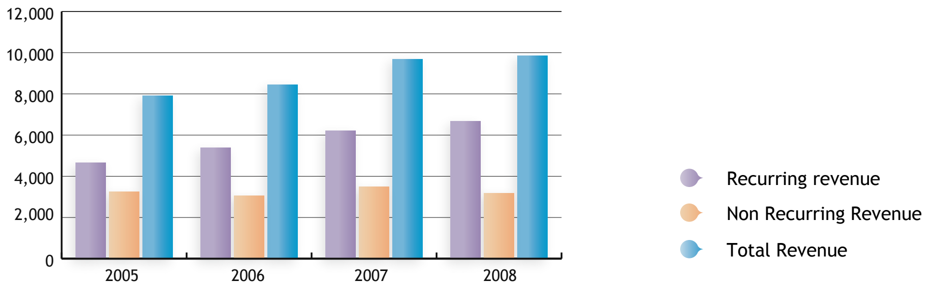
Total Income and Income Net of Direct Purchase Costs by category:

	2008		2007	
Licenses	1,505	15%	2,099	22%
Maintenance and Support	3,068	31%	2,998	31%
Consultancy	1,931	20%	1,894	20%
Software as a Service	2,730	28%	2,355	24%
Total Revenues	**9,234**	**94%**	**9,346**	**96%**
Other Income	619	6%	346	4%
Total Income	**9,853**	**100%**	**9,692**	**100%**
Direct Purchase Costs	(1,412)	(14%)	(1,133)	(12%)
Income Net of Direct Purchase Costs	**8,441**	**86%**	**8,559**	**88%**

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. Revenues are accounted for on a percentage of completion bases. This means increasing sales in this category will result into income with a delay.

SaaS, Maintenance and Support and Other Income generate what may be considered as recurring revenues, while 45% of consultancy revenue is considered as recurring generated from installed base. Licenses and the remaning 55% of consultancy revenues are classified as non recurring revenue. Recurring revenues are a more stable basis for growth for the Company. In 2008 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 2008 compared to 2007 is largely due to the continued growth in SaaS and Other Income (EC projects).

Revenues by region:

	2008		2007	
The Netherlands	4,455	45%	4,020	41%
North America	3,836	39%	4,227	44%
Rest of World	1,562	16%	1,445	15%
Total Income	9,853	100%	9,692	100%

Total Income overall increased EUR 161k, representing an increase of 2%. This growth was realized in The Netherlands (11%) and Rest of World (8%). TIE France income, included in Rest of World, increased by 5% to EUR 903k, while the international business driven from The Netherlands operation increased by 12% to EUR 659k. Total Income in North America decreased by 9% measured in EUR as a result of the decrease of the USD, in USD the growth in North America amounted to 4%.

Breakdown of Total Income and Income net of Direct Purchase Costs per region into categories for 2008:

	The Netherlands	North America	Rest of World	Total
Licenses	559	711	235	1,505
Maintenance and Support	881	1,791	396	3,068
Consultancy	759	730	442	1,931
Software as a Service	1,639	603	488	2,730
Total Revenues	**3,838**	**3,835**	**1,561**	**9,234**
Other Income	617	1	1	619
Total Income	**4,455**	**3,836**	**1,562**	**9,853**
Direct Purchase Costs	(891)	(490)	(31)	(1,412)
Income Net of Direct Purchase Costs	**3,564**	**3,346**	**1,531**	**8,441**

Breakdown of Total Income and Income net of Direct Purchase Costs per region into categories for 2007:

	The Netherlands	North America	Rest of World	Total
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
Total Revenues	**3,692**	**4,221**	**1,433**	**9,346**
Other Income	328	6	12	346
Total Income	**4,020**	**4,227**	**1,445**	**9,692**
Direct Purchase Costs	(676)	(422)	(35)	(1,133)
Income Net of Direct Purchase Costs	**3,344**	**3,805**	**1,410**	**8,559**

Netherlands revenues show a growth of 11% due to particularly increased revenue from SaaS, Maintenance and Support and Other Income. SaaS revenue is still growing as the market more and more understands the benefits of using the services the Company offers on a subscription basis. Other Income consists of Government Grants pertaining to EC funded research programs and National Research. In 2008 this increased due to participating in new projects such as SOA4ALL, NESSI2010 and NEXOF-RA as well as continuing with STASIS. The projects TIE is involved in are closely related to the core competences of both the Company and the evolution of ICT-SOA and Semantics. Management is actively seeking spin off from these projects into the TIE Kinetix. Reviews of the first 2 years of the STASIS project have yielded positive feedback with interest from the European Commissions Semantic Interoperability center (SEMIC.EU) as well as its Dutch equivalent. Netherlands license revenue remained stable compared to 2007, however 2007 included EUR 170k of a license agreement to Keunen Holding, which receivable was impaired in 2007 as a result of non-payment. An amount of EUR 30k was recovered in 2008.

Under adverse currency exchange rate developments North America revenue in EURO decreased 9%, in USD a growth of 4% was accomplished despite difficult market circumstances in the second half of the year as a result of the credit crisis. However SaaS revenue in the North Americas increased 63% from EUR 371k in 2007 to EUR 603k in 2008. In USD this amounted to USD 906k compared to USD 496k in 2007, resulting in a growth percentage of 83%. This recurring revenue growth was offset by lower License, Maintenance and Support revenues.

Rest of World revenues shows an 8% growth. TIE France showed a modest growth of EUR 47k (5%) overall, including 87% growth in Consultancy revenues, 4% on Licences while 9% decrease in maintenance and support, and 32% decrease in SaaS revenue were disappointing. The international revenues driven from the

Netherlands showed a growth of EUR 67k (11%), both SaaS (EUR 78k, 44%) and Licences (EUR 44k, 42%) grow strong, while Maintenance and Support showed a decrease of EUR 42k (-17%) and Cosultancy a decrease of EUR 5k (-10%).

The Direct purchase costs increased to 14% of Total Income in 2008 (2007: 11%) caused by the purchase of third party licenses and products.

Operating Expenses

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

	2008		2007	
Employee Benefits	6,623	64%	6,228	53%
Depreciation, Amortization and Impairments	992	10%	2,617	22%
Other Operating Expenses	2,707	26%	2,798	24%
Total Operating Expenses	**10,322**	**100%**	**11,643**	**100%**

Operating expenses have decreased in total by EUR 1,321k.

The employee costs increased by EUR 395k, as a result of redundancy costs of EUR 450k and the employee costs resulting from the acquisition of Sinfox BV amounting to EUR 175k. Without these effects these costs would have decreased by 230k.

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 2008 amounts to approximately EUR 169k, compared to EUR 163k in 2007.

The Depreciation, Amortization and Impairment expense which includes an impairment charge amounting to EUR 723k (2007: EUR 2,004k) is discussed below.

Other Operating expenses have slightly decreased, and are discussed in more detail in note 8 of the Consolidated Balance sheet.

Depreciation, Amortization and Impairment

Based on the impairment tests performed at March 31, 2008, year-end 2008 and at year-end 2007. The methodology applied for this test is discussed extensively on page 70 of this Annual Report 2008. The conclusion of the impairment test performed at March 31, 2008 was that all intangible assets carried on the balance sheet of the Netherlands Cash Generating Unit should be impaired. Based on the impairment test carried out at year end 2008 and the improved results in the second half year resulting from higher sales and lower costs resulting from measures taken in 2008 no additional impairment was required. For the year 2008 this has resulted in an impairment charge in income amounting to EUR 723k (2007 EUR 2,004k).

	2008	2007
Depreciation and amortization of Fixed Assets	269	613
Impairments	723	2,004
Total	**992**	**2,617**

Financial income and/or Expense

	2008	2007
Interest Income	5	6
Interest Expenses	(58)	(51)
Exchange gains/(losses)	3	(7)
Total	**(50)**	**(52)**

The interest expense in 2008 and 2007 pertains to the interest costs for use of the Credit Facility and loans. The credit facility, amounting to EUR 500k at balance sheet date has been ended after balance sheet date.

Income Taxes

Based on the improving economic outlook for TIE Commerce Inc in the North American territory management in 2006 has recognized an additional Tax Asset for 2006 EUR 1.8m (USD 2.3m) to account for temporary differences. Per year end 2008 the Deferred Tax Assets on temporary differences amounts to EUR 1.9m (USD 2.8m). No Deferred Tax Asset is recognized for the Netherlands activities.

In the years after 2006, each year sees a partial reversal of the Deferred Tax Asset set up in 2006. This reversal is mainly 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 predominantly caused by the amortization of US based Goodwill to income for tax purposes, whereas this item 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, 2008 the Company held a positive cash and cash equivalents of EUR 1,088k (2007 EUR 219k), the credit facility was drawn upon to an amount of EUR 435k (2007: EUR 326k) out of a total of EUR 500k, resulting in a net cash and cash equivalents position of EUR 653k (2007: EUR -107k). The credit facility was ended and repaid after September 30, 2008.

To fund the Company various Convertible Bonds were issued against cash; to third party investors amounting to EUR 750k and various managers of the Company amounting to EUR 265k.

Alto Imaging Group N.V., a related party, held 2 loans. A EUR 200k loan was agreed on August 24, 2007 and a EUR 500k loan was agreed upon November 28, 2007. On June 3, 2008 the Company agreed with Alto Imaging Group N.V. to extend the EUR 200k loan to January 1, 2010; the EUR 500k loan was partially converted in a Convertible Bond of EUR 395k and EUR 105k is repaid per November 28, 2008.

Development (R&D)

In the fourth quarter of financial year 2008, the Company has capitalized EUR 96k. For the full year this amounted to EUR 389k. 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 March 31, 2008 the carrying amount at year end was reduced to EUR 418k (carrying value at year end 2007; EUR 358k).

Significant R&D effort is being invested in the EC supported, SO4ALL, NESSI2010 and NEXOF-RA and STASIS projects. These projects have not been capitalized but are expensed through the Income Statement as it is uncertain that they generate future benefits.

Summary of Normalized Income 2008

	2008		2007	
Income before tax (loss)		**(1,931)**		**(3,136)**
Impairmant	723		2,004	
Indemnity Costs	450		-	
Facility Costs	120		-	
Additional audit fees	100		-	
Legal expenses	120		50	
Personnel	120		-	
Other Costs	25		10	
Subtotal		1,658		2,064
Normalized Income before tax (loss)		**(273)**		**(1,072)**

During 2008 (and 2007) the Company incurred various non-recurring and special items. The normalized 2008 Income before tax out of the operations amounts to a loss of EUR 273k (2007: EUR 1,072k).

Impairment as based on the impairment test per March 31, 2008 resulting in the impairment of Goodwill and R&D costs amounting to EUR 723k (2007: EUR 2,004k) for the Netherlands Cash Generating Unit.

Indemnity costs relating for 2 managements members, including the previous CEO, amounting to EUR 450k (2007: nil);

The impairment of a loan receivable from the facility supplier in the old TIE Netherlands Building amounting to EUR 120k (2007: nil).

Additional audit fees of EUR 100k (2007: nil) were made to complete 2007 annual reports as also various costs made for changes in IFRS presentations and discussions about.

Temporary legal support at the beginning of the year for various legal issues amounting to EUR 120k (2007: EUR 50k).

Inproductivity of one of the sales employees, the costs incurred by the company were EUR 120k (2007: nil).

Relocations of the corporate office and various small items amounting to EUR 25k (2007: EUR 10k).

All these costs were incurred during the first half year of the year. During the second half of the year the Company became profitable and in the fourth quarter even cash flow positive.

> “TIE’s objective is to accomplish a significant revenue growth and to be able to report an operational positive cash flow quarter over quarter”

Targets for Financial Year 2009

TIE's focus for the coming years is on TIE Kinetix consisting of the three platform solutions. The platforms will be further developed and integrated and intensified marketing and sales efforts will take place.

Financial year 2009 has to be a year of growth. TIE also focuses to grow geographically by entering new markets worldwide. On a national level, TIE focuses on entering new sectors and vertical markets. Financially, TIE's objective is to accomplish a significant revenue growth and to be able to report an operational positive cash flow quarter over quarter.

As already indicated, TIE continues to investigate possibilities to further reduce our costs in close connection with obtaining efficiency benefits. TIE continues to monitor all internal business processes, looking for ways to improve efficiency and prevent duplication of efforts.

Furthermore, TIE will focus on product development. This does not only imply development of new products, but also on research and on the implementation of the knowledge obtained through the research in our products.

TIE Kinetix Platforms

TIE's mission is to provide our customers with solid, future-proof software that is of the highest level of usability, now and in the future and to assist our customers with in-depth expertise. Throughout the Company's history, TIE has been among the first providers of new concepts and new technology. The TIE Kinetix platforms constitute a unique Master Data Management proposition. The TIE Kinetix Business Integration Platform, the TIE Kinetix Content Syndication Platform and the TIE Kinetix eCommerce Platform are the basis for the future.

Growth

In the coming financial year our target is to realize sustainable and profitable growth. TIE's aim is to achieve long-term autonomous revenue growth of 10%-15% a year. With our unique proposition we intend to enter new markets worldwide that offer prospects for profitable and long-term growth, in order to strengthen our international presence. On a national level we intend to enter new sectors and vertical markets. Our solutions have proven that we can support customers of all sizes and in multiple countries. By offering our customers a clear return of investments and offering products which can by used by our customers without having to change the entire infrastructure, we can convince them of the value of our solutions. We shall provide our existing customers with updated products and new releases and provide new customers with our total solution for Master Data Management.

Furthermore, growth is not limited to autonomous growth, but we will also explore opportunities for strategic acquisitions. Especially companies in new geographical markets worldwide and companies active in sectors and markets in the Netherlands, USA and France, where TIE currently does not have a strong customer base are considered a valuable addition to the Company. The Company has the financial, legal and technical knowledge on board to smoothly perform acquisitions.

Efficiency

Management is investigating further ways to reduce costs and to obtain efficiency benefits. This includes efficiently benefits to be obtained through improving the cooperation between divisions and countries.

Product development

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 with help of eCommerce internal as well as external. 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. With its participation in European Projects as well as being part of the standardization committee in the United Nations, TIE continuously monitors new standards and developments in eCommerce world wide. The knowledge obtained through the participations of the projects safeguard the development of our own software.

Targets for Financial Year 2009

Concrete targets for the coming financial year:

- Focus on the three platform solutions as a total product offering for our existing and new customers;

- Develop and release new updates of the software in the Business Integration Platform. Market and sale these new version to existing customers and new customers worldwide. Build strategic application partnerships, in line with the partnership with Epicor.

- Release and market the Content Syndication Platform in the US market (scheduled for January 28, 2009), attracting A-brand customers. Implement the Content Syndication Platform worldwide and build strategic alliance for the sale and marketing of the products contained in the platform.

- Fully integrate the MamboFive web-shop solutions into the total offering of TIE and enter existing and new markets with our TIE Kinetix eCommerce platform.

- Achieve synergies between the business processes in the United States, the Netherlands and France by streamlining the organization and its business processes. Empower cross-selling on a global level.

- Optimize the internal business processes utilizing all potential of the internal system called My-TIE, with the focus on ensuring additional cost savings. Enlarge the productivity of the employees by improving the numbers for billable hours.

By achieving these targets, we secure a healthy business with a positive cash flow quarter over quarter, thus creating long-term value for all stakeholders.

The success of these initiatives is highly dependent on a number of factors. An important element is the general economic development and the effects of the financial crisis on the sales. Should the current general economic trend continue then this may put many investments by customers on hold, not only in the United States but also in Europe. These risks as well as the risks connected with financial instruments are discussed extensively in the Company financial statements from page 42 onwards.

Another factor is the manner in which the Company is able to market the three platforms worldwide and deliver the solutions to its customers. It is very important to communicate effectively and cost efficiently, but also we have to keep in mind that every sale is accompanied by an implementation and TIE has to guarantee sufficient and adequate resources to successfully implement solutions. An important factor is the motivation of the staff. Management is well aware of the fact that the ultimate success of the Company lies with its employees. Motivation bonuses and training to sales, technical, legal and administrative staff are scheduled for 2009.

Risk Assessment

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 adopted and handles in accordance with 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 2008 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%	(11)	13

Based on net investment in the US companies as per year end 2008 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%	119	(107)

Reference rates are 1.46000 for the year end closing rate USD against the EUR and 1.53081 for the average rate against 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. However the current economical crisis could lead to bankruptcy of various customers. As a result of this management monitors outstanding receivables closely and regularly reassess the oustanding receivables. 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 takes 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. During 2008 the Company managed to attrack additional funding through its management and through third party investors. The payment of short term debt, relating to the agreement with the landlord of the old Netherlands rental building of EUR 400k as per December 31, 2008 was done in time and management succeeded to pass this critical point in time. 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. Another critical point is the second part of purchase price for 51% of the shares in MamboFive amounting to EUR 300k and due on March 1, 2009. The Company has adequate commitment from various managers and related parties to fund the purchase price.

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 2008 are non interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At year end 2008 the company held EUR 540k short term debt. The average balance outstanding during 2008 amounted to EUR 752k. The weighted average interest rate amounts to 7.7%. The full interest charge pertaining to this debt accounted for in income amounts to EUR 81k.

A 100 basis point increase in interest rates would have an effect on net income of EUR (6,6k).

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

Since balance sheet date the Credit Facility has been ended and redeemed. The loans have been extended as described below against an interets rate of 6%.

Corporate Governance

On December 10, 2008 the Corporate Governance Code Monitoring Committee, chaired by Mr. Jean Frijns, presented the amended Dutch corporate governance code. The amended corporate governance code will come into force with effect from the financial year starting on or after January 1, 2009. Due to TIE's broken financial year, the amended corporate governance code replaces the code issued in December 2003, also known as Code Tabaksblat, as of October 1, 2009.

The Company pursues the status of early adaptor and has followed and will continue to follow all developments regarding corporate governance worldwide and the Dutch corporate governance code. Therefore, the Company has decided to already take into account the amended corporate governance code. In this annual report, any reference to the Code shall imply reference to the amended Dutch corporate governance code.

The Code regulates the relations between the Management Board, the Supervisory Board and the shareholders and contains (a) principles, which are general concepts of proper corporate governance and (b) best practice provisions, which are detailed standards governing the conduct of aforementioned entities, resulting from and elaborating the principles of the Code.

Corporate governance is not limited to a set of regulations; it must be tailored to the specific situation of the company. A deviation may therefore be justified by the specific circumstances of the company. A company may deviate from the principles and the best practice provisions contained in the Code, provided that it shall give a proper explanation in the annual report, as to why such deviation has been made ("apply or explain").

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 principles and/or provisions of the Code is included. The strength of corporate governance is based on the extent to which the Company, the Management Board, the Supervisory Board and also the shareholders endorse it. In this respect and in order to gain a full understanding of the corporate governance structure of the Company, this chapter, the other chapters of this annual report and all regulations and documents regarding corporate governance (available on the website) should be read together.

Management Board

The role of the Management Board is to manage the Company. Under the Code, this means that it is responsible for achieving the Company's targets, strategy and policy, results and the development thereof and the corporate social responsibility issues. 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 take into account the relevant interests of all stakeholders rather than the interests of any particular stakeholder.

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 (primary and secondary) 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.

The current sole member of the Management Board, Jan Sundelin, has been appointed in the General Meeting of Shareholders of February 14, 2007, for a period of four years. His severance package is in line with best practice provision II.2.7 of the Dutch Corporate Governance Code.

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.

In Control Statement

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 financial Year 2008, no material changes have been made to My-TIE.

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, abuse, 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, in orderly and legitimate conduct of its business, nor can it provide absolute insurance that a misstatement in the financial reporting would be prevented or detected. In this context reasonable assurance 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 makes the following statement:

- The Management Board is of the opinion that it has implemented an internal risk management and control system that is adequate and effective, suitable for the Company's business;
- The internal risk management and control system provide a reasonable assurance that the financial reporting does not contain any errors of material importance; the financial statements therefore provide as far as the Management Board is aware, a fair view of the financial position, the assets and liabilities and the financial results of the Company and consolidated enterprises as at September 30, 2008.
- The internal risk management and control system has worked properly in financial year 2008 and there are no indications to believe that the internal risk management and control system will not continue to function properly in financial year 2009.

The Management Board has discussed the internal risk management and control system with the Supervisory Board.The Management Board additionally states that the annual report provides, as far as the Management Board is aware, a fair view of the report over financial year 2008, the position of the Company and the consolidated enterprises as well as the strategy for financial year 2009.

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 enterprises, 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 shall have due regard for the corporate social responsibility issues that are relevant to the Company. 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. Each member of the Supervisory Board 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. 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 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.

Any (apparent) conflict of interest between the Company and a member of the Supervisory Board shall be avoided. In Financial Year, Peter van Schaick, member of the Supervisory Board and owner of 29.9% the outstanding shares of TIE through Alto Imaging Group N.V., reported several conflicts of interest.

A conflict of interest was deemed present when Peter van Schaick, through Alto Imaging Group N.V. offered TIE a loan amounting to EUR 500k, against an annual interest rate amounting to 6%. The agreement was entered into on November 28, 2007 for a term of one year.

As part of the financial restructuring, Peter van Schaick, through Alto Imaging Group N.V. offered to extend the loan provided on August 30, 2007. The loan, amounting to EUR 200k was extended on June 3, 2008 for a period ending on January 1, 2010.

Additionally, as part of the financial restructuring, Peter van Schaick, through Alto Imaging Group N.V. offered to convert the aforementioned EUR 500k loan, partially in a ten year Convertible Bond. The agreement was signed on June 3, 2008 and the Convertible Bond, amounting to EUR 395k, with a conversion price amounting to EUR 0.10 and a one year lock-up was issued on the same date.

These agreements have been concluded on terms at least customary in this sector and the resolutions regarding both the loans and the conversion of a loan in a Convertible Bond have been approved by the Supervisory Board; Mr. Peter van Schaick did not participate in the decision-making process. Therefore, the Company complied with the rules of procedure and provision III.6.1 - III.6.4 of the Code.

In financial year 2008, Jan Sundelin, member of the Management Board, also reported conflicts of interest to the Supervisory Board.

On May 19, 2008, TIE converted a Convertible Bond issued to Stayer Holding N.V. As Jan Sundelin's interest in Stayer Holding N.V. is not material and conversion did not imply any additional agreement, no conflict of interest was deemed to exist.

As part of the financial restructuring, Jan Sundelin invested EUR 80k in the Company. The ten year Convertible Bond issued in return had a conversion price amounting to EUR 0.10 and a one year lock-up. Additionally 800,000 conditional options were granted to Jan Sundelin, with a vesting period of one year and a full term of ten years. These agreements are in line with the agreements made with the rest of the management who invested in TIE as part of the financial restructuring.

These agreements have been concluded on terms at least customary in this sector and the resolutions regarding granting the options as well as the Convertible Bond have been approved and signed by the Supervisory Board; Jan Sundelin did not participate in the decision-making process. Therefore, the Company complied with the rules of procedure and provision II.3.2 to II.3.4 of the Code.

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

The 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'. After the resignation of Th.H. Raman from the foundation, the management of Stichting Preferente Aandelen TIE is composed two directors, Mr. E.B.J. Meulenbroek and Mrs. R. de Wever. Due to the fact that TIE sees no future use for the foundation, TIE has requested the current directors of the foundation to terminate the foundation.

General

At the General Meeting of Shareholders held 2006 the Company gave full explanation regarding the corporate governance structure of the Company and reported the deviations from the best practice provisions of the Code Tabaksblat. These deviations included the appointment and severance package regarding a member 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. All deviations were put to a vote and the General Meeting of Shareholders gave their approval.

In the years thereafter, the Company has taken several measures at its own initiative or as a result of the IFRS requirements, to further apply the Code Tabaksblat. J.B. Sundelin has been appointed as member of the Management Board for a period of four years and his severance package is in line with the Code. With the resignation of Th.H. Raman from the Management Board of TIE on November 21, 2007, the Company no longer deviates from best practice provision II.1.1 and II.2.8 (the former II.2.7; regarding appointment period and severance package).

Jan Sundelin, the sole member of the Management Board currently has 884,845 options. 84,845 of these options have been granted with the execution of the 2007 annual employee stock option plan on September 30, 2007. Currently, members of the Management Board no longer obtain options under the annual employee stock option plan.

The remaining 800,000 options have been granted to Jan Sundelin as appreciation of his investment in TIE. These options, granted on June 3, 2008, together with an 80k Convertible Bond are part of the total restructuring plan. Because the options have a lock-up amounting to one year, the Company deviated from best practice provision II.2.1. Code Tabaksblat. Due to the fact that granting the options are related to the investment made and not to the achievement of other targets, the Company currently deviates from best practice provision II.2.4 of the Code.

The Company intends to follow best practice provisions II.2.4. of the Code with future granting of options. Notwithstanding the forgoing, the Company considers deviations due to investments made by members of the Management Board in the Company as part of a larger investment plan, thus accompanied by investments made by other members of the management or staff of TIE, legitimate.

In the past two year two changes of the Articles of Association have taken place. The first amendment included, amongst other things, the possibility to use a registration date. As of the BAVA held in May 2007, shareholder of TIE have to register their shares in order to participate and vote at a shareholders meeting.

The last amendment of the Articles of Association has taken place on February 13, 2008. As a result thereof, the Supervisory Board currently determines the remuneration of the individual members of the Management Board, taking into account the Compensation Policy.

In line with IFRS requirements, 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. Additionally, in the course of financial year 2006, the Management Board appointed the current Secretary of the Company.

Regarding the final deviation reported at the General Meeting of Shareholders held in 2006, the deviation as a result of the determination of rules regarding the holding of and effecting transactions in securities by the Management Board of TIE, adjustments have been made in the best practice provision in the process of amending Code Tabaksblat. 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 Insider Knowledge (TIE Company). Therefore the Supervisory Board did not need to draw up regulations regarding ownership of and transactions in other securities. In the amended Code, it is stated that the Company has to draw up regulations as referred to in best practice provision III.6.5. The Company has therefore not changed the procedure regarding the determination of the Regulations Insider Knowledge.

Although TIE has had limited time to implement the Code, of which the final version has been presented in December 2008, the Company has completed the initial process of the implementation of al all principles and best practice provisions in the applicable regulations and processes. Currently, TIE does not report any material deviations other than those described herein.

Improving the corporate governance structure of the Company and implementing the Code is a continuous process, which can count on the perpetual commitment of both the Supervisory Board and the Management Board of the Company. At the General Meeting of Shareholders we shall discuss all relevant aspects with our shareholders. Notwithstanding the foregoing, please contact the Secretary to the Company for questions regarding corporate governance at any time.

With regard to the implementation of the new corporate governance code, 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 of will be posted on the corporate website http://www.TIEglobal.com

“TIE is driven to attract, develop, reward and retain highly competent staff and aims to provide all employees with safe and healthy work conditions.”

Corporate Responsibility

In order to ensure the objective of growing into a profitable and healthy company that produces benefits for all its stakeholders, TIE is committed to achieve the optimum balance between people, technology, the environment and worldwide laws and principles.

Human Resources

TIE considers its employees the most important resources and driving force behind achieving ultimate success. TIE therefore acts as a responsible employer, providing incentives and training to its employees for personal success. The know-how and expertise of the employees is of great value for TIE.

TIE has a highly diverse and multicultural workforce. TIE offers its employees and applicant's equal opportunities, and does not tolerate any form of harassment or unfair or unlawful discrimination based of race, age, gender, sexual orientation, disability or national origin.

TIE is driven to attract, develop, reward and retain highly competent staff and aims to provide all employees with safe and healthy work conditions.

TIE recognizes the employees' right to organize themselves in order to protect their own rights. As of 1999, TIE has a Worker's Council (Ondernemingsraad) in the Netherlands. As of 2005, this Worker's Council is continued on a voluntary base, due to the number of employees in the Netherlands.

The language the Company uses in official announcements and communication is English, as the main international business language.

TIE has a whistleblower's policy in place, allowing employees to report suspected irregularities without jeopardizing their position.

Also, TIE has regulations on insider knowledge in place, preventing trading with insider knowledge. Every employee, executive, specified person, Management Board member and Supervisory Board member is to inform the Compliance Officer of its intention to trade in TIE shares prior to any transaction. The Compliance Officer is the legal specialist of the Company, ensuring that every employee, executive, specified person, Management Board member and Supervisory Board member abides by the applicable laws and restrictions. The closed periods, the periods in which every employee, executive, specified person, Management Board member and Supervisory Board member is prohibited from trying to execute and/or executing a transaction TIE shares, irrespective of whether or not he or she possesses insider knowledge, is communicated at the start of every closed period.

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

Environment

As a software company, TIE's operations have minimal effect on the environment. Nonetheless, TIE seeks ways to reduce the negative impact on the environment. For instance, TIE offers flexible working hours to its employees in order to avoid traffic jams and the results thereof on the environment. Furthermore, TIE fully endorses a paperless office, through extensive and efficient use of My-TIE as a communication and document registration tool.

Code of Conduct

TIE has a Code of Conduct in place, concreting important aspects on corporate responsibility. The Code of Conduct is subject to evaluation and may be amended. On the basis of TIE's Code of Conduct lays TIE's aim of creating value for all stakeholders and communities in which we operate. TIE will abide by all human rights and will support the development of human rights wherever it operates within the legitimate role of business. TIE rejects any restrictions to free trade other than duly enacted national and international laws.

Consolidated Financial Statements of TIE Holding N.V. for the year 2008

Consolidated Balance Sheet as at September 30, 2008

(Before proposed appropriation of results)
(Notes to the Consolidated Balance Sheet from page 68 onwards)

Assets

(EUR x 1,000)	Notes	2008		2007	
Non Current Assets					
Intangible fixed assets	1)				
Goodwill		1,457		1,468	
Other intangible fixed assets		788		749	
			2,245		2,217
Tangible fixed assets	2)				
Property, Plant and Equipment		122		83	
			122		83
Financial fixed assets	3)				
Deferred Tax Asset		1,918		2,136	
Loans and Receivables		22		119	
Associates		-		-	
			1,940		2,255
Total Non Current Assets			**4,307**		**4,555**
Current Assets	4)				
Trade Debtors and Other Receivables					
Trade Debtors		1,488		1,330	
Taxation and Social Security		15		22	
Other Receivables and Prepayments		533		442	
			2,036		1,794
Cash and Cash Equivalents			1,088		219
Total Current Assets			**3,124**		**2,013**
Total Assets			**7,431**		**6,568**

Equity and Liabilities

(EUR x 1,000)	Notes	2008		2007	
Equity	5)				
Shareholders' Equity		449		1,271	
Convertible Bonds		1,735		870	
Capital and Reserves attributable to equity holders of TIE			2,184		2,141
Minority Interest			-		-
Total Equity			**2,184**		**2,141**
Non Current Liabilities	6)				
Loans Payable		200		-	
Settlement Liability		91		12	
Provisions		7		308	
Total Non Current Liabilities			**298**		**320**
Current Liabilities	7)				
Provisions short term		394		97	
Settlement Liabilities short term		241		-	
Short Term Debt		540		526	
Trade Creditors		672		706	
Deferred Revenue		1,814		1,761	
Affiliated Companies		4		4	
Taxation and Social Security		219		81	
Other Payables and Accruals		1,065		932	
Total Current Liabilities			**4,949**		**4,107**
Total Equity and Liabilities			**7,431**		**6,568**

The Company's financial year runs from October 1st until September 30th. Financial year 2008, covering the period October 1, 2007 until September 30, 2008 is referred to as 2008. The comparatives pertaining to the period October 1, 2006 until September 30, 2007 are referred as 2007.

Consolidated Income Statement for the year ended September 30, 2008

(Notes to the Consolidated Income statement from page 86 onwards)

(EUR x 1,000)	Notes	2008		2007	
Revenues					
Licenses		1,505		2,099	
Maintenance and Support		3,068		2,998	
Consultancy		1,931		1,894	
Software as a Service		2,730		2,355	
Total Revenues			**9,234**		**9,346**
Other Income			619		346
Total Income			**9,853**		**9,692**
Direct Purchase Costs			1,412		1,133
Income Net of Direct Purchase Costs			**8,441**		**8,559**
Operating Expenses	8)				
Employee Benefits		6,623		6,228	
Depreciation and Amortization Expense and					
Impairment losses		992		2,617	
Other Operating Expenses		2,707		2,798	
Total Operating Expenses			**10,322**		**11,643**
Operating Income			**(1,881)**		**(3,084)**
Interest and other Financial Income	9)		5		6
Interest and other Financial Expense			(55)		(58)
Share in Profit (Loss) of Associates	10)		-		-
Income before Tax			**(1,931)**		**(3,136)**
Corporate Income Tax	11)		(167)		(232)
Net Income			**(2,098)**		**(3,368)**
Attributable to:					
Shareholders TIE			(2,098)		(3,368)
Minority interest			-		-
Net result per share - basic	12)		(0.04)		(0.07)
Weighted average shares outstanding - basic (thousands)			53,095		46,779
Net result per share - diluted			(0.04)		(0.07)
Weighted average number of shares fully diluted (thousands)			54,664		47,028

As of 2008 the presentation of the Income Statement has been revised. In the Total Income line segmentation between Total Revenues and Other Income is introduced. The Direct Purchase Costs, which were included under Revenue Related Expenses before are deducted from Total Income resulting in a subtotal for Income Net of Direct Purchase Costs. 2007 Comparatives have been restated accordingly.

Consolidated Statement of Changes in Equity for the year ended September 30, 2008

(EURx1,000)	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation Reserve	Shareholders Equity	“Convertible Bonds”	Equity attributable to equity-holders of TIE	Minority Interest	“Total Equity”
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 Instrument 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
Minority Interests		(0)		(0)		(0)	0	-
Balance per September 30, 2007	**51,329**	**(49,679)**	**(379)**	**1,271**	**870**	**2,141**	**-**	**2,141**
Foreign currency translation reserve	-	-	(94)	(94)	-	(94)	-	(94)
Net Income recognized directly in Equity	**-**	**-**	**(94)**	**(94)**	**-**	**(94)**	**-**	**(94)**
Net Income recognized in the Income Statement	-	(2,098)	-	(2,098)	-	(2,098)	-	(2,098)
Total recognized net income for 2008	**-**	**(2,098)**	**(94)**	**(2,192)**	**-**	**(2,192)**	**-**	**(2,192)**
						-		-
Shares Issued and Share premium	1,206	-	-	1,206	-	1,206	-	1,206
Cost of Shares Issued	(10)	-	-	(10)	-	(10)	-	(10)
Distributions to Equity Instrument Holders	-	-	-	-	-	-	-	-
Issued Convertible Bonds	-	-	-	-	1,735	1,735	-	1,735
Converted Convertible Bonds	-	-	-	-	(870)	(870)	-	(870)
Share based payments	-	169	-	169	-	169	-	169
Other movements	5	-	-	5	-	5	-	5
Minority Interest			-	-		-	-	-
Balance per September 30, 2008	52,530	(51,608)	(473)	449	1,735	2,184	-	2,184

The EUR 1,206k pertaining to shares issued includes the shares issued in connection with the conversion into common shares TIE Holding N.V. of a Convertible Bond (EUR 870k) and placement with professional investor (EUR 336k).
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, 2008

(EUR x 1,000)		2008		2007
Income before tax		**(1,931)**		**(3,136)**
Non Cash Adjustments:				
Share based payments expense	169		163	
Depreciation, amortization and impairments	992		2,617	
Gain on desinvestments fixed assets	-		-	
Loss on financial fixed assets	120		-	
Increase (decrease) provisions	318		(248)	
Other movements	8		27	
		1,607		2,559
Working Capital Movements				
(Increase) decrease in debtors	(219)		43	
(Decrease) increase in deferred revenue	8		33	
(Decrease) increase in current liabilities	196		(292)	
		(15)		(216)
Cash generated (applied) in operations		(339)		(793)
Interest paid		(25)		(51)
Interest received		5		6
Income taxes paid		-		-
Net Cash flow from operating activities		**(359)**		**(838)**
Investments in financial fixed assets	-		-	
Disinvestment in financial fixed assets	(23)		60	
Investments in intangible fixed assets	(482)		(402)	
Disinvestments tangible fixed assets	-		-	
Investments in tangible fixed assets	(109)		(70)	
Investments in business combinations net of cash acquired	(104)		-	
Dividend received	-		-	
Net Cash flow generated / (used) in investing activities		**(718)**		**(412)**
Increase (decrease) long term loans	200		-	
Distribution to Bondholders	-		(20)	
Increase (decrease) bank overdrafts/loans short term	14		331	
Issue of Convertible Bonds	1,410		-	
Costs of shares and bonds issued	(10)		(25)	
Shares issued and share premium	336		939	
Net Cash flow generated / (used) by financing activities		**1,950**		**1,225**
Net increase (decrease) in Cash and Cash Equivalents		873		(25)
Currency Exchange Rate Difference on opening balance Cash and Cash Equivalents		(4)		(18)
Opening balance Cash and Cash Equivalents		219		262
Closing balance Cash and Cash Equivalents		**1,088**		**219**

Notes to the Consolidated Cash Flow Statement

The improvement in cash generated in operations from EUR -838k to EUR –359k is largely due to the increase in provisions not leading to a direct cash outflow and the write of on financial fixed assets (loan to Samar B.V.). The required funds have been generated through a series of share issues which netted to EUR 326k after deduction of issuance costs and the issuance of convertible bonds against cash amounting to EUR 1,410k. Additionally funds were obtained through the Short Term Loan from Alto Imaging Group N.V. amounting to EUR 500k, which was partially converted on June 3, 2008 into a Convertible Bond of 395k; renewal of the timetable of the EUR 200k loan from Alto Imaging Group N.V., which loan is now repayable on January 1, 2010 and the increased utilization of the ABN AMRO Credit Facility (EUR 109k). The EUR 109k 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. Current tax flows in France amounted to EUR 7k. On October 1, 2008 the Company has redeemed and ended the Credit Facility.

Movements in 2008 current assets, deferred revenues and current liabilities take into consideration the balances (outstanding at balance sheet date) acquired in Sinfox B.V. Of the total purchase price consideration of EUR 535k an amount of EUR 210k was paid in cash. The cash acquired amounted to EUR 106k (including a downpayment of EUR 103k) resulting in a net cash effect of EUR 104k.

Notes to the Consolidated IFRS Financial Statements

General information and summary of significant accounting policies

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 in the Netherlands with its registered address at Antareslaan 22-24 Hoofddorp. Subsidiaries are located in France, the Netherlands and the US. TIE is listed on the NYSE EuroNext in Amsterdam.

The consolidated financial statements for the year ended September 30, 2008 are authorized for issue through a resolution of the Management Board dated February 17, 2009.

In accordance with this resolution, the Annual General Meeting of Shareholders, to be held on March 11, 2009, is requested to decide on the Consolidated Financial Statements.

Statement of Compliance

The consolidated financial statements of the Company, included on pages 42 to 94, have been prepared in accordance with the International Financial Reporting Standards and its interpretations as adopted by the European Union ("IFRS").

Basis of Preparation

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 judgements and estimates critical to the presentation are discussed in detail on page 52 onwards.

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 consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR x 1,000) unless otherwise indicated.

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, including the acquisition of MamboFive B.V. and acquiring 100% of the shares of TIE France SAS, the Company expects to improve future cash inflows through increased sales, reduction of costs and further improve its financial position as reported in these financial statements. Management believes it will have adequate cash to fund its operations. The Company has extended repayment of the loan of EUR 200k till January 1, 2010 and has raised a further EUR 500k in November 2007 to fund operations, which was converted into a Convertible Bond of EUR 395k and a loan of EUR 105k. Further during 2008 the Company has successfully issued new shares to raise funds, totaling EUR 326k after deduction of costs. Furthermore the company attracted funding through the issue of Convertible Bonds to third party investors EUR 750k and management of the Company EUR 265k. The termination of the credit line per October 1, 2008 has been subsequently absorbed by the Company. At year end 2008 Equity amounts to EUR 2.2 million (2007: EUR 2.1m). 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. Management of the Company together with third party investors are prepared to invest in the Company and raise funding required to meet obligations resulting from the acquisition of MamboFive B.V. These obligations, to the previous shareholders of MamboFive B.V. amount to EUR 300k (plus interest) and are due on March 1, 2009. The additional funding will cover a substantial part of the investment.

It is Management Board's intention to repay or convert into Equity Instruments the full amount of debt in accordance to the underlying agreements.

The Company does not expect that the actual cash requirements to exceed anticipated levels, nor that the Company will not generate sufficient revenues to fund its operations. During the third quarter of 2008 the company was profitable; in the last quarter of the fiscal year 2008 the Company became also cash flow positive. As the Company had reduced and still continues to seek ways to reduce overhead and other costs the uncertainty about the continuation of the Company to continue its operations on a medium to long term basis has declined substantially. The release of new (product) solutions, as described before, offers new opportunities to the Company. Shareholders of the Company may face further dilutive effects of share issues made to raise funds for this purpose. By the issue of securities, associated rights, preferences or privileges may be taken into account.

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. The credit crisis and the effects thereof in the real economy leading to a serious slow down of economics as wel as a significant decrease in investment levels 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 help 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.

Based on all items discussed above Management 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 all 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. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

All intra-company balances, transactions and income and expenses resulting from intra-company transactions are eliminated in full.

The purchase method of accounting is applied to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of transfer, plus costs directly attributable to the acquisition. Indentifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initialy measured at their fair values on the acquisition date. The excess of the cost of an acquisition over the fair value of the companies' share of the indentifiable net assets acquired is recognized as goodwill. Minority interests are presented separately in both the consolidated balance sheet and the consolidated income statement. Where losses attributable to the minority in a consolidated subsidiary exceed the minority interest in the subsidiary's equity, the excess and any further losses applicable to the minority are allocated to the Company, except to the extent that the minority shareholder has a binding obligation and is able to make an additional investment to cover the losses.

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. When control is obtained in successive share purchases, each significant transaction is accounted for seperately.

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

Name	Statutory seat	2008 Percentage	2007 Percentage
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%
Sinfox BV	Arnhem, The Netherlands	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%

Sinfox B.V. is included in the consolidated balance sheet and the consolidated income statement of March 1, 2008. The Company acquired, through Gordian Investments B.V., 49,75%of the remaining interest in TIE France S.A.S. as per October 29, 2008, effective per October 1, 2008.

The Company holds a participation of 33% in Retail Connect B.V. (2007: 33%). At the General Shareholders Meeting of Retail Connect B.V. held on December 4, 2007 shareholders agreed to discontinue operations of Retail Connect B.V. The liquidation of Retail Connect B.V. is still in process. On June 5th 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. (in which 33% of the shares are hold by the Company). On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs.

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 N.V. 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 N.V. and the US subsidiary TIE Commerce is denominated in USD. All transactions are accounted for at the transaction rate at TIE Holding N.V. 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.

Adoption of New and Revised International Financial Reporting Standards

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 in 2007; during 2008 no additional changes occurred, except IAS1. 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.

- IAS1 Amendment Presentation of Financial Statements regarding Capital Disclosures
- IFRS7 Financial Instruments; Disclosures
- 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 (no effects)
- IFRIC11 IFRS2 Group and Treasury Share Transactions (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 in 2007 has not affected the Company's financial position or performance since. The related disclosures are to be found throughout these financial statements. The comparative information provides IFRS7.

The standard IFRS8 requires disclosures' regarding the Company's operating segments. Management decided that the operating segments under IFRS8 were the same as the geographical segments identified earlier under IAS14 in 2007, this still applies in 2008. Segment disclosures are included on page 64 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 and IAS32 Presentation of Financial Statements (Revised/amendments no effects expected)
- IAS23 Borrowing Costs (no effects expected)
- IAS27 Consolidated and Separate Financial Statements (Amendment, no effects expected)
- IAS39 Financial Instruments (Amendment, no effects expected)
- IFRS1 First Time Adoption (Amendment, no effects expected)
- IFRS2 Share-based Payment- Vesting Conditions and Cancellations (Amendment, no effects expected)
- IFRS3 Business Combinations (Revised, no effects expected)
- IFRIC12 Service Concession Arrangements (no effects expected)
- IFRIC13 Customer Loyalty Programmes (no effects expected)
- IFRIC14 IAS19 The Limit on a Defined Benefit Asset (no effects expected)
- IFRIC15 Agreements for Contruction of Real Estate (no effects expected)
- IFRIC16 Hedges of a Net Investment in a Foreign Operation (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.

Impairment losses are disclosed in accordance with IFRS 7.20E.

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), 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 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. Impairment loss is disclosed in accordance with IFRS 7.20E.

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.

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 financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are recognized when they are considered to be realizable in the future, which is reassessed at each balance sheet date. Deferred income tax assets are measured at the tax rates that are expected to apply to the year when the assets is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

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 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 amortized cost price. 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. All estimates are done in accordance of IFRS 7.16, 7.21 and 7.B5.

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 for. 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.

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, net of outstanding bank overdrafts. Trade receivables collaterized under the Credit Facility are disclosed in accordance to IFRS 7.14.

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), Digital Channel 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 managements 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 SOA4ALL, NESSI2010, NEXOF-RA, Stasis 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 participates 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 one/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.

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 arise 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, as required by IFRS7.8, 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 2008 (2007 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, in accordance to IFRS 7.40, for 2008 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%	(11)	13

Based on net investment in the US companies as per year end 2008 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%	119	(107)

Reference rates are 1.46000 for the year end closing rate USD against the EUR and 1.53081 for the average against 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 assessed its credit risk in accordance to IFRS 7.34, 7.37 and 7.40 as analyzed below. 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 however closely monitors the developments of the credit crisis, especially in the US industries like the automotive and home products.

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 takes 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:

	2008 Carrying Value	2008 Current Balance	2007 Carrying Value	2007 Current Balance
Loans and Receivables	22	22	119	51
Trade Receivables	1,488	1,488	1,330	1,330

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 those have not yet passed their due date.

Breakdown of outstanding balances as per September 30, 2008

	Less than 30 days	31 to 60 days	61 to 90 days	In excess of 90 days	Total
The Netherlands	386	13	27	125	551
The Americas	296	12	60	147	515
Rest of World	290	53	24	55	422
Total	**972**	**78**	**111**	**327**	**1,488**

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**

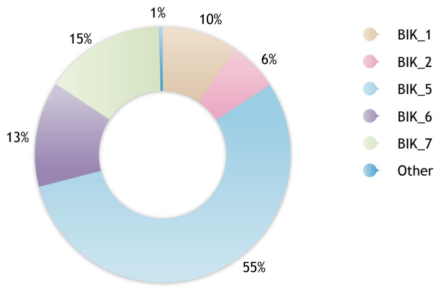
The movements in the provision for doubtful debt can be detailed as follows:

	2008	2007
Balance as at October 1,	743	442
Stengthening charges to profit and loss account	(392)	424
Impairments	209	(108)
Currency exchange rate differences	(5)	(15)
Balance as at September 30	555	743

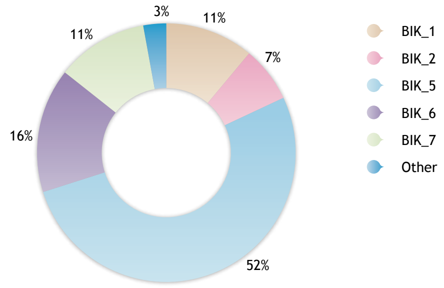
The following charts show the Companies client base broken down into geographical areas and industries in both balances outstanding in EUR and number of clients and at year end 2008. The industry segmentation is based on the standard industry classifications BIK and SIC, the latter referring to the standard 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

Balance outstanding 2008

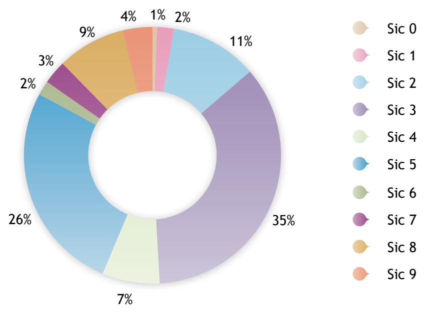


Distribution of number of debtors over industries

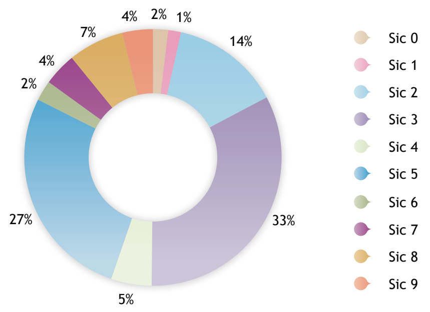


The Americas

Balance outstanding 2008

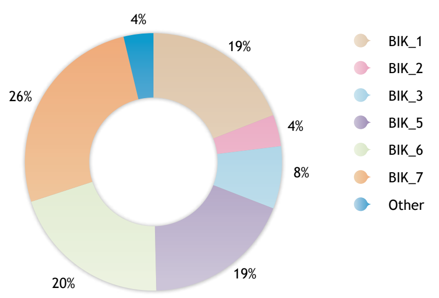


Distribution of number of debtors over various industries

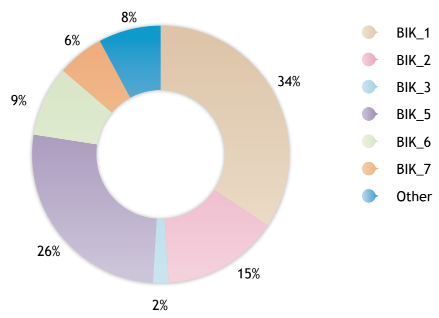


Rest of world

Balance outstanding 2008



Distribution of number of debtors over industries



The charts above 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 of food production (SIC 3) wholesale companies in various types of products (SIC 5), of construction companies (SIC 2), stores (BIK 5), of logistical companies (BIK 6) in various guises (storage, shipping, air transport and trucking companies) and a variety of service industries (BIK 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 mitigate the credit risk exposure of the company.

The maximum credit risk exposure as per September 30, 2008 amounts to EUR 2.0m (2007: EUR 2.1m).

Liquidity Risk

The Company has a history of temporary cash crunches which have been resolved either through issuing additional shares and Convertible Bonds to fund operations. These cash crunches usually occur in a period in which the debtor balance reduces, also due to seasonal effects, and therefore reducing the incoming cash to pay for the operation. The repayment of short term debt EUR 400k as per December 31, 2008, relating to the agreement with the landlord of the old Netherlands rental Building is secured through a guarantee issued by Alto Imaging Group N.V. a related party with a shareholding just under 30%. 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 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. Management of the Company has secured the payment of cash component of the acquisition of MamboFive B.V. by issuing additional Convertible Bonds to third party investors, related party investors and management of the Company as specifies in note 5 below.

Summary of financial liabilities based on contractual undiscounted payments per year end 2008:

	Less than 3 months	3 to 12 months	> 1 year < 5 years	> 5 years	Total
Loans	123	-	212	-	335
Rental Provision	400	-	-	-	400
Indemnity Claims	95	135	98	-	328
ABN-Amro Credit Facility	435	-	-	-	435
Taxation and Social Security	219	-	-	-	219
Trade and other Payables	513	342	-	-	855
Total	**1,785**	**477**	**310**	**-**	**2,572**

Summary of financial liabilities based on contractual undiscounted payments per year end 2007:

	Less than 3 months	3 to 12 months	> 1 year < 5 years	> 5 years	Total
Loans	-	208	-	-	208
Rental Provision	-	-	308	-	308
Indemnity Claims	-	25	-	-	25
Sales tax provision	-	72	-	-	72
ABN-Amro Credit Facility	326	-	-	-	326
Taxation and Social Security	81	-	-	-	81
Trade and other Payables	543	362	-	-	905
Total	**950**	**667**	**308**	**-**	**1,925**

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 2008 are non interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At year end 2008 the company held EUR 540k short term debt. The average balance outstanding during 2008 amounted to EUR 752k. The weighted average interest rate amounts to 7.7%. The full interest charge pertaining to this debt accounted for in income amounts to EUR 58k. The interest rate on the oustanding loans amount to 6% (fixed).

On October 1, 2008 the Credit Facility was redeemed. As a result of this the Company will not be materially impacted from interest fluctuations.

Business Combinations

During 2008, on February 22, TIE obtained control over Sinfox B.V. transferred under the agreement reached with Inventive Adventure B.V. and Macrobius Beheer B.V. Sinfox offers low end EDI solutions in the Dutch market.

Purchase Price	525
Direct costs of acquisition	10
Total Purchase Price Consideration	**535**
Net Fair Value of acquired assets and liabilities	215
Goodwill excluding Customer Base	**320**
Customer Base	181
Total Intangible Assets resulting from Business Combination	**501**

The cost of the acquisition and the recognized Goodwill balance reflects management's expectation that the combination of the TIE products and Sinfox low end EDI products has significant potential for generating revenues in excess of levels as per acquisition date. As part of the Company the products can be introduced effectively in all TIE markets, which increase its earnings potential as well as Sinfox customers can benefit from TIE products. The Company gained full control over the systems per March 1, 2008 of which date Sinfox B.V. was fully integrated into the Dutch Cash Generating Unit.

The Goodwill balance recognized was impaired during the second quarter of our bookyear based upon the results from an impairment test of the Dutch Cash Generating Unit. The impairment is discussed in detail on page 70 under impairments.

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

	Book value	Fair value
Sinfox Customer Base	-	181
Property, Plant and Equipment	4	4
Trade Debtors	46	46
Other Current Assets	107	107
Cash and Cash Equivalents	3	3
Trade Creditors	(15)	(15)
Deferred revenues	(86)	(72)
Other Current Liabilities	(39)	(39)
Net Total	**20**	**215**

The Customer Base of Sinfox B.V. consisting of client contracts and future earnings thereoff could be seperately measured from the Goodwill. However the intangible assets for the trademark, brandname, technological expertise, intellectual property and work force have also been indentified as intangibles however the determination of the intangible asset can not be measured reliably at a reasonable expense (IAS 38.38 & 40) and are not seperated from the Goodwill.

The total purchase price amounting to EUR 525k was funded by the issue of Convertible Bonds (two in total) amounting to EUR 325k while EUR 200k of the total purchase price was paid in cash. For further details please refer to the disclosure regarding Convertible Bonds in the Notes to the Consolidated Balance Sheet. 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.

In the second quarter of the business year the assets resulting from this Business Combination were impaired following the impairment test carried out per March 31, 2008. Please refer to page 70 for a detailed disclosure regarding these impairments.

In 2007 no business combinations were effected.

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 reporting 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, 2008 or further details of items in the segment Profit and Loss account are:

Reporting Information

Segment Results for the year ended September 30, 2008

Revenues	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Licenses	559	711	235	-	1,505
Maintenance and Support	881	1,791	396	-	3,068
Consultancy	759	730	442	-	1,931
Software as a Service	1,639	603	488	-	2,730
Total Revenues	**3,838**	**3,835**	**1,561**	**-**	**9,234**
Other Income	617	1	1	-	619
Total Income	**4,455**	**3,836**	**1,562**	**-**	**9,853**
Direct Purchase Costs	(891)	(490)	(31)	-	(1,412)
Income Net of Direct Purchase Costs	**3,564**	**3,346**	**1,531**	**-**	**8,441**
Operating Expenses					
Employee Benefits	2,775	2,548	760	540	6,623
Depreciation and Amortization Expense and Impairment Losses	736	205	7	44	992
Other Operating Expenses	1,060	673	217	757	2,707
Total Operating expenses	**4,571**	**3,426**	**984**	**1,341**	**10,322**
Operating Income	**(1,007)**	**(80)**	**547**	**(1,341)**	**(1,881)**
Interest and Other Financial Income	3	2	1	(1)	5
Interest and other Financial Expense	(26)	-	-	(29)	(55)
Share in Profit (Loss) of Associates	-	-	-	-	-
Income before Tax	**(1,030)**	**(78)**	**548**	**(1,371)**	**(1,931)**
Corporate Income Tax	-	(160)	(7)	-	(167)
Net Income	**(1,030)**	**(238)**	**541**	**(1,371)**	**(2,098)**

Summarized Assets and Liabilities per Segment as per September 30, 2008

Assets	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Intangible Fixed Assets	143	1,338	764	-	2,245
Tangible Fixed Assets	40	65	17	-	122
Financial Fixed Assets	-	1,940	-	-	1,940
Current Assets	858	940	650	676	3,124
Total Assets	**1,041**	**4,283**	**1,431**	**676**	**7,431**
Liabilities					
Non Current Liabilities	-	91	7	200	298
Current Liabilities	2,840	1,306	430	373	4,949
Total Liabilities	**2,840**	**1,397**	**437**	**573**	**5,247**
Deferred Tax Asset	-	1,918	-	-	1,918

Other Selected Income Statement Items	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
Recurring revenue	2,520	2,394	884	-	5,798
Non recurring revenue	1,935	1,442	678	-	4,055
Total Revenue	**4,455**	**3,836**	**1,562**	**-**	**9,853**
Capital Expenditure [1]	879	153	55	-	1,087
Depreciation and Amortization	13	205	7	44	269
Impairments	723	-	-	-	723
Other Non Cash Expenses	86	74	12	(3)	169
Termination Benefits	-	400	50	-	450
FTE at year end	39	30	16	-	85

1) Capital expenditure consists of fixtures & fittings, hardware and intangible assets.

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 2008. The Termination benefits amounting to EUR 450k is included under Employee Benefits in the Consolidated Income Statement. The Termination Benefits are material in the context of net income for the segment and are therefore disclosed separately.

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:

Revenues	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
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
Total Revenues	**3,692**	**4,221**	**1,433**	**-**	**9,346**
Other Income	328	6	12	-	346
Total Income	**4,020**	**4,227**	**1,445**	**-**	**9,692**
Direct Purchase Costs	(676)	(422)	(35)	-	(1,133)
Income Net of Direct Purchase Costs	**3,344**	**3,805**	**1,410**	**-**	**8,559**
Operating Expenses					
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	**6,081**	**3,194**	**999**	**1,369**	**11,643**
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)**

*) As from 2008 the presentations of the Income Statement has been revised. Introducing segmentation between Revenues and Other Income, included in the Total Income line. Direct Purchase Costs, which were included under operating expenses as Revenue Related Expenses have been deducted from Total Income resulting in a subtotal Income Net of Direct Purchase Costs. The 2007 above have been restated accordingly.

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

Assets	The Netherlands	North America	Rest of World	Holding and Eliminations	Total
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	2,213	2,160	980	-	5,353
Non recurring revenue	1,807	2,066	466	-	4,339
Total Revenue	**4,020**	**4,226**	**1,446**	**-**	**9,692**
Capital Expenditure 1)	242	199	27		468
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

1) Capital expenditure consists of fixtures & fittings, hardware and intangible assets.

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.

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:

	2008	2007
Research and Development	15	16
Sales and Marketing	19	18
Consulting and Support	35	34
General and Administrative	16	14
Total	**85**	**82**

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:

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

	2008	2007
The Netherlands	2,854	2,120
North America	3,607	4,060
Rest of World	970	388
Total	**7,431**	**6,568**

Notes to the Consolidated Balance Sheet

1) Intangible Fixed Assets

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

	2008	2007
Goodwill	1,457	1,468
Digital Channel Concept	320	320
Software Development Costs	418	358
Software	50	71
Total	**2,245**	**2,217**

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.

	2008	2007
Net book value per October 1,	**1,468**	**2,404**
Acquired through Business Combinations	320	-
Impairments	(320)	(891)
Translation adjustment	(11)	(45)
Net book value per September 30,	**1,457**	**1,468**

The movements in the Goodwill balance are as follows:

The business combination with Sinfox B.V. was formalized as per February 22, 2008. The Sinfox activities have been fully integrated into TIE Nederland B.V. as of March 1, 2008. The full acquisition consideration amounted to EUR 535k. Total Goodwill amounted to EUR 320k. The Sinfox Client Base is included under Other Intangibles (EUR 181k).

Software Development Cost and Purchased Software

	Software development costs	Purchased Software
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**
Movements 2007		
Additions	276	126
Acquired through Business Combinations	-	-
Amortization	(316)	(164)
Impairments	(319)	(165)
Translation adjustments investments	(127)	(31)
Translation adjustments amortization	96	30
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**
Movements 2008		
Additions	394	88
Acquired through Business Combinations	-	-
Amortization	(149)	(48)
Impairments	(150)	(62)
Translation adjustments investments	(35)	(7)
Translation adjustments amortization	-	8
Movements 2008	**61**	**(21)**
Accumulated investments per September 30, 2008	2,515	975
Accumulated amortization per September 30, 2008	(1,628)	(698)
Accumulated impairments per September 30, 2008	(469)	(227)
Carrying value as per September 30, 2008	**418**	**50**
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

	2008	2007
Digital Channel Trade Mark (Intangible)	320	800
Impairments	-	(480)
Net book value per September 30,	**320**	**320**

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.

Customer Base

	2008	2007
Customer Base (Sinfox)	181	-
Impairments	(181)	-
Net book value per September 30,	**-**	**-**

The Customer Base arising from the acquisition of Sinfox B.V., has been impaired based on the impairment test held on March 31, 2008 as described under impairments below.

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. 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	1,211	858	599	2,668
Digital Channel Concept	480	160	160	800
Customer Base (Sinfox)	181	-	-	181
Software Development Cost	593	295	-	888
Software	246	24	5	275
Total	**2,711**	**1,337**	**764**	**4,812**

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 2007. Holding assets have been allocated consistently with 2007 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 and the Goodwill and Client Base of the Sinfox acquisition which is charged to The Netherlands CGU. Holding assets, excluding the TIE Commerce and Sinfox related goodwill, pertain to the investment in MY-TIE, the corporate ERP system. Allocation is based on usage of the system derived from revenues earned by GCU's.

The Netherlands intangibles (prior to impairment) include the DC trademark (EUR 800k) and DC related goodwill (EUR 1,485k). Consistent with the 2007 impairment test these assets have been allocated to all three CGU's. The Distribution applied in 2008, consistent with 2007 impairment test, is: NL 60%, US 20% and ROW 20% and is revenue based.

The main movements consist of the Goodwill and Customer Base of Sinfox B.V. amounting to EUR 320k respectivelly EUR 181k and fully absorbed by The Netherlands CGU. The other movements consist of capitalized Software Development costs and purchased Software, and amortization there upon, as well as Foreign Currency movements for the North American CGU.

Comparative distribution as applied in the 2007 impairment tests was 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 Cost	320	358	-	678
Software	164	58	13	235
Total	**1,855**	**1,444**	**772**	**4,071**

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)	(520) - (170)	(135) - 65	77 - 152	(578) - 47
Shock Losses	No	No	No	No
Projected Cash Flows	5 years	5 years	5 years	5 years
Growth of Net Cash Flows per annum				
(EUR x 1,000)	150 - 300	50 - 350	0 - 70	200 - 720
Discount Rate	15%	15%	15%	15%

Comparative assumptions in the 2007 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)	(1,380) - (420)	400	560	(400) - 550
Shock Losses	Yes	No	No	No
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%

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 cash flow projection is calculated on a consistent basis as in 2007 and based on the Companies 5 years Business Plan.

For 2008/2009 in The Netherlands a one time cash lay out of EUR 400k for rent of the old office is anticipated; for North America redundancy fees to be paid to the former CEO for 2008/2009 and 2009/2010 of respectively EUR 190k and EUR 95k are anticipated.

The aforementioned assumptions have varying sensitivities. Using a 10% discount rate would significantly improve the Net Present Value of future cash flows by 18%. Applying a 20% discount rate would reduce the Net Present Value of future cash flows by 15%. The discount rate has been based on the Weighted Average Cost of Capital (WACC) of the Company. A sensitivity specially applicable to the North American Cash Generating Unit pertains to the development of the USD against the EURO. A significant detoriation 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 EURO. A significant detoriation of the USD against the EURO would reduce fututure 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 tests performed in the second quarter of 2008 and the revision at year end 2008 have resulted in impairment charges in the Netherlands Cash Generating Unit. The impairment intangible asset balance amounts to EUR 713k and consists of Goodwill (EUR 320k) and Customer base (EUR 181k) of the Sinfox acquisition; Capitalized R&D expenses (EUR 150k) and purchased software (EUR 62k).

The impairment test performed at March 31, 2008 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 713k and consists of Goodwill, Sinfox Customer Base, Capitalized R&D expenses and purchased software. The impairment test performed year end determined that no additional impairments were required for any of the Cash Generating Units.

The full impairment, in accordance to IFRS 7.20E, amounts to EUR 723k and can be broken down as follows:

	2008	2007
Goodwill (Intangible)	320	890
Digital Channel Trade Mark (Intangible)	-	480
Customer Base (Sinfox-Intangible)	181	-
Software Development Costs (Intangible)	150	319
Purchased Software (Intangible)	62	165
Fittings and Fixtures (Tangible)	4	100
Hardware (Tangible)	6	50
Total	**723**	**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 & Fittings	Hardware	Total
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 and loss	(62)	(61)	(123)
Impairment	(100)	(50)	(150)
Translation adjustments investments	(97)	(97)	(194)
Translation adjustments amortization	91	94	185
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**
Movements 2008			
Additions	53	45	98
Acquired through Business Combinations	1	6	7
Depreciation in profit and loss	(31)	(31)	(62)
Impairment	(4)	(6)	(10)
Translation adjustments investments	(24)	(24)	(48)
Translation adjustments amortization	26	28	54
Movements 2008	**22**	**18**	**40**
Accumulated investments per September 30, 2008	2,080	1,111	3,191
Accumulated amortization per September 30, 2008	(1,903)	(1,005)	(2,908)
Accumulated impairments per September 30, 2008	(104)	(56)	(160)
Carrying value as per September 30, 2008	**73**	**50**	**123**
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 March 31, 2008 has resulted in impairment of the tangible assets acquired to the purchase of Sinfox and lease hold improvements relating in the old rental office by Netherlands Cash Generating Unit. The impaired tangible asset balance amounts to EUR 10k (2007: 150k) and consists of leasehold improvement and computer hardware. For the methodology applied in this impairment test please refer to page 70.

3) Financial Fixed assets

Deferred Taxes

United States

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 15 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, 2006	**2,617**	**-**	**2,617**
Movements 2007			
Debited to Income	(199)	-	(199)
Net currency translation effect	(282)	-	(282)
Balance at September 30, 2007	**2,136**	**-**	**2,136**
Movements 2008			
Debited to Income	(157)	-	(157)
Net currency translation effect	(61)	-	(61)
Balance at September 30, 2008	**1,918**	**-**	**1,918**

The amount debited to income (EUR 157k) 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.

In addition to the temporary differences there is a Loss Carry Forward in the US amounting to EUR 2.3m (USD 3.3m), which is not taken into consideration in the above deferred tax asset. Based on the current tax legislation in the United States the federal loss carry forward potential has a remaining life of between 13 to 19 years, starting with the losses incurred in 2000. The gross amount of this tax asset pertaining to these losses approximates EUR 0.8m (2007; EUR 0.9m) and USD 1.1m (2007; USD 1.3m) and remains unrecognized. The full Deferred Tax Asset potential in the United States amounts to EUR 2.7m (2007; EUR 3.0m) and USD 3.9m (2007 USD 4.3m)).

A detailed breakdown of the temporary differences per September 30, 2008 is as follows:

	Carrying value	Tax Base	Temporary Difference
Goodwill	362	3.231	2,869
Depreciation of fixed assets	364	567	203
Deferred Revenue	(1,237)		1,237
Bad debt impairments	(151)		151
Indemnity claim	(274)		274
Other items	(61)		61
	(997)	**3.798**	**4,795**
Deferred Tax Asset at 40%			1,918
Deferred Tax Liability at 40%			-
Net deferred Tax Asset			**1,918**

A comparative breakdown of the temporary differences per September 30, 2007 is shown below:

	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**

The Netherlands

In the Netherlands the available but wholly unrecognized loss carry forward amounts to EUR 36.1m (2007 EUR 34.6m), 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 deferred tax asset amounts to EUR 9.2m (2007; EUR 8.8m), which to date remains unrecognized.

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)

	2008	2007
Balance as at October 1,	**119**	**179**
Issued	24	-
Redeemed	(1)	(60)
Impairment	(121)	-
Other changes	1	-
Balance as at September 30	**22**	**119**

The balance includes a subordinated loan to Retail Connect B.V. 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 B.V. As the Company currently is involved in an on going legal dispute with SAMAR B.V. and has serious doubts about the credibility of SAMAR B.V., a valuation allowance has been set up for the full remaining balance. The allowance has been charged to other operating expenses. SAMAR B.V. has started legal proceedings against the Company however the Management Board is confident in the outcome of the legal procedure and does not expect any further costs, except legal costs.

On June 30, 2008 a 6% interest bearing employee loan was issued to the CEO of TIE Commerce INC for an amount of USD 34k. Per balance sheet date the oustanding amount is EUR 22k.

The fair value of these loans year end 2008 amounts to EUR 20k (2007: EUR 114k). 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 the current market rate of 8.4% (2007: 7.1%).

Loans and receivables valuation allowance:

	2008	2007
Balance as at October 1,	**184**	**184**
Additions charged to Income	22	-
Released to Income	-	-
Bad debt charged to valuation allowance	100	-
Balance as at September 30	**306**	**184**

The valuation allowance pertains to a subordinated loan to Retail Connect B.V. 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 2009.

The movement in the valuation allowance results from impairment of the loan issued to SAMAR B.V. in 2005 of which the remaining balance amounts to EUR 122k. TIE has ended the contract, for services relating to the old premises with SAMAR B.V. on April 1, 2008. SAMAR B.V. has started legal proceedings against the Company however the Management Board is confident in the outcome of the legal procedure does not expect any further costs, except legal costs. TIE has serious doubts about the collectability of the loan and therefore impaired the full amount under other operating expenses.

Total interest income from Loans and Receivables amounted to EUR 4k (2007: EUR 6k). No interest is being accrued on the impaired subordinated loan to Retail Connect (EUR 184k). Interest rates on these loans vary from 0% to 6%.

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 B.V. agreed to discontinue Retail Connect B.V. The liquidation of Retail Connect B.V. is still in process. On June 5th 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. (in which 33% of the shares are hold by the Company). On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs. Carrying value of the investment at year end 2008 was maintained at zero (2007: EUR 0).

4) Current Assets

Trade Debtors and Other Receivables

	2008	2007
Trade Debtors	2,043	2,073
Less: valuation allowance	(555)	(743)
Trade debtors net of valuation allowance	**1,488**	**1,330**
Deferred Sales Commissions	13	34
Deferred Initial Set Up Costs	21	38
Taxation and social security prepaid	15	22
Other Receivables	94	118
Subsidized projects	125	51
Projects to be invoiced (WIP)	77	53
Employees	37	1
Prepayments	166	147
Total	**2,036**	**1,794**

Trade Debtors

At year-end 2008 EUR 435k (2007: EUR 326k) out of an eligible total of EUR 525k of these trade receivables were collateralized under the ABN-AMRO Credit Facility. As from October 1, 2008 the receivables are not collateralized and the facility has been repaid and ended.

The fair value of these Trade Debtors amounts to EUR 1,488k (2007: EUR 1,319k)

Deferred Sales Commissions

Deferred Sales Commissions movements can be detailed as follows:

	2008	2007
Balance as at October 1,	**34**	**50**
Deferred Sales Commissions	-	22
Amortization	(21)	(25)
Other movements	-	(9)
Currency Exchange rate effect	-	(4)
Balance as at September 30,	**13**	**34**

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 is expected to be amortized within the next year.

Deferred Initial Set up Costs

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

	2008	2007
Balance as at October 1,	**38**	-
Deferred Initial Set Up Costs	-	47
Amortization	(16)	(10)
Currency Exchange rate effect	(1)	1
Balance as at September 30,	**21**	**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 2008. At September 30, 2008 Cash and Cash Equivalents consisted of the following:

	2008	2007
Cash at Banks	1,088	219
Total	**1,088**	**219**

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. Out the EUR 500k ABN-AMRO Credit Facility EUR 435k was utilized at balance sheet date. Interest rates have increased from 7.1% in 2007 to 8.4% in 2008, on October 1, 2008 the Company has redeemed and ended the credit facility.

The Fair Value of Cash and Cash Equivalents approximate 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.

Share Capital

By resolution of the General Meeting of Shareholders on February 14, 2007 the Company's authorized share capital was increased and 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.
At the shareholders meeting of February 13, 2008, the General Meeting of Shareholders of TIE authorized the Management Board of TIE for a period amounting to three years, to issue shares, convertible bonds, options and warrants. The authorization is maximized to the authorized share capital of the Company. Additionally the General Meeting of Shareholders authorized the Management Board of TIE to restrict and/or exclude priority rights for a period amounting to three years.
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 N.V., its subsidiaries and all related parties. No preference shares are outstanding at year end 2008. No preference shares are outstanding or have ever been issued. TIE has requested the current directors of the foundation to terminate the foundation.

Share capital at par value:

(x 1,000)	2008	2007
Common Shares	10,000	10,000
Cumulative Preference Shares	10,000	10,000
Total	**20,000**	**20,000**

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

(number of shares)	2008	2007
Balance as at October 1,	**50,869,676**	**43,820,725**
Issued	3,885,714	7,048,951
Redeemed	-	-
Balance as at September 30,	**54,755,390**	**50,869,676**
In EUR (x 1,000)	**5,476**	**5,087**

During 2008 3,885,714 (2007: 7,048,951) shares were issued at an average price of EUR 0.31 (2007: EUR 0.31) per share. Of these shares 2,485,714 were issued to Stayer B.V. in the conversion of a convertible bond of EUR 870k. An additional 1,400,000 shares were issued in a private placement with a professional investor. The proceeds of these share issues amounted to EUR 336k, averaging EUR 0.24 per share. Movements in Issued Capital can be detailed as follows:

(EUR x 1,000)	2008	2007
Balance as at October 1,	**5,087**	**4,382**
Shares Issued	389	705
Balance as at September 30,	**5,476**	**5,087**

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

(EUR x 1,000)	2008	2007
Balance as at October 1,	**46,242**	**44,758**
Shares Issued	817	1,504
Cost of Issue of Equity Instruments	(10)	(25)
Other Movements	5	5
Balance as at September 30,	**47,054**	**46,242**

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, 2008 a total of 1,555,000 (2007: 1,257,558) options have been issued through the regular Employee Stock Option Plan at a strike price of EUR 0.10 to all qualifying employees in the Netherlands and the United States. Per June 3, 2008 a total of 2,650,000 options have been issued to key employees who have funded the company, by means of Convertible Bonds, for an amount EUR 265k. This includes 800,000 stock options issued to the Management Board. The weighted remaining average life time of the stock options is 8.75 years (2007: 7 years).

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

	Average strike price	2008	Average strike price	2007
Options outstanding October 1,	**0.343**	**5,327,940**	**0.359**	**4,950,449**
Options granted during the year	0.100	4,205,000	0.260	1,257,558
Options excercised during the year		-	0.297	(672,060)
Options Cancelled	0.363	(1,881,273)	0.339	(208,007)
Options outstanding September 30,	**0.205**	**7,651,667**	**0.343**	**5,327,940**

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

	2008	2007
Balance as at October 1,	**273,910**	**331,120**
Fair value of stock option issued	179,897	105,787
Expense for the year	(168,898)	(162,997)
Other movements	(1,471)	-
Changes in lapsing estimates	-	-
Balance at September 30,	**283,438**	**273,910**

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 2008 using an interest rate of 3,75%, a calculated forfeiture of 15% and a calculated volatility of 44%. 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, 2008 can be broken down as follows:

	Issue Date	Options Granted	Cancelled	Outstanding Options	Weighted average exercise price	Maturity Date
2003 Former Management Board	Feb 03, 2004	350,000	350,000	-	EUR 0.32	Oct 01, 2007
2004 Former Management Board	Sep 30, 2004	45,753	45,753	-	EUR 0.47	Apr 01, 2008
2005 Former Management Board	Feb 23, 2005	500,000	-	500,000	EUR 0.41	Apr 01, 2015
2005 Former Management Board	Sep 30, 2005	71,713	71,713	-	EUR 0.34	Oct 01, 2015
2006 Former Management Board	Sep 30, 2006	176,747	176,747	-	EUR 0.33	Oct 01, 2016
2007 Management Board & Former	Sep 30, 2007	218,171	133,326	84,845	EUR 0.26	Oct 01, 2017
2008 Management Board	Jun 03, 2008	800,000	-	800,000	EUR 0.10	Jun 03, 2018
Sub Total Management Board		**2,162,384**	**777,539**	**1,384,845**		
2004 Netherlands	Sep 30, 2004	472,564	472,564	-	EUR 0.47	Apr 01, 2008
2004 USA	Sep 30, 2004	315,040	315,040	-	EUR 0.41	Apr 01, 2008
2005 Netherlands (2001)	Apr 01, 2005	216,033	-	216,033	EUR 0.46	Apr 01, 2012
2005 USA (2001)	Apr 01, 2005	57,000	-	57,000	EUR 0.46	Apr 01, 2012
2005 Netherlands	Sep 30, 2005	556,965	270,358	286,607	EUR 0.34	Oct 01, 2015
2005 USA	Sep 30, 2005	485,254	117,263	367,991	EUR 0.34	Oct 01, 2015
2005 France	Sep 30, 2005	119,000	13,000	106,000	EUR 0.34	Oct 01, 2015
2006 Netherlands	Sep 30, 2006	541,602	198,630	342,972	EUR 0.33	Oct 01, 2016
2006 USA	Sep 30, 2006	574,650	108,984	465,666	EUR 0.33	Oct 01, 2016
2006 France	Sep 30, 2006	133,200	18,343	114,857	EUR 0.33	Oct 01, 2016
2007 Netherlands	Sep 30, 2007	513,832	82,386	431,446	EUR 0.26	Oct 01, 2017
2007 USA	Sep 30, 2007	417,922	48,656	369,266	EUR 0.26	Oct 01, 2017
2007 France	Sep 30, 2007	107,633	3,649	103,984	EUR 0.26	Oct 01, 2017
2008 Netherlands	Jun 03, 2008	1,600,000	-	1,600,000	EUR 0.10	Jun 03, 2018
2008 USA	Jun 03, 2008	250,000	-	250,000	EUR 0.10	Jun 03, 2018
2008 Netherlands	Sep 30, 2008	1,005,000	-	1,005,000	EUR 0.10	Sep 30, 2018
2008 USA	Sep 30, 2008	550,000	-	550,000	EUR 0.10	Sep 30, 2018
Sub Total personnel		**7,915,695**	**1,648,873**	**6,266,822**		
Total	**Sep 30, 2008**	**10,078,079**	**2,426,412**	**7,651,667**		

A total number of 4,205,000 options have been awarded to the personnel and the Management Board. A total number of 7,651,667 options are outstanding at balance sheet date. A total number of 1,384,845 options are held by the (former) Management Board; 884,845 are held by the CEO Mr. J. Sundelin and 500,000 are held by the former CEO Mr. Th.H. Raman.

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

	Shares	Stock Options
Opening balance October 1, 2007	3,886,918	1,362,384
Granted or acquired	-	800,000
Cancelled or sold	(3,837,214)	(777,539)
Closing balance September 30, 2008	49,704	1,384,845

Mr. P. van Schaick, member of the TIE Supervisory Board (appointed May 2007) holds indirectly through Alto Imaging Group N.V. 29.9% of the shares in TIE Holding N.V. (through shares and Convertible Bond).

On September 30, 2008 CSD Investments B.V. holds no shares in TIE Holding N.V. (2007: 5,064,285). Mr. Th.H. Raman holds 75% of the issued share capital of CSD Investments B.V. and therefore indirectly held a shareholding in TIE Holding N.V. This indirect shareholding is included in the table above. Mr. Th.H. Raman directly holds 49,704 shares in Tie Holding N.V. per September 30, 2008.

Other Stock Options

Options outstanding with non employees as per September 30, 2008:

	Issue Date	Options Granted	Weighted average exercise price	Maturity Date
Delta Lloyd Bank N.V.	Dec 20, 2000	100,000	EUR 0.50	Dec 01, 2008
Delta Lloyd Bank N.V.	Mar 01, 2004	500,000	EUR 0.50	Mar 01, 2009
DW Vastgoed Beleggingen B.V.	Jun 03, 2008	500,000	EUR 0.10	Jun 03, 2018
Total		**1,100,000**		

Movements in non-employee stock options are as follows:

	Average strike price	2008	Average strike price	2007
Options outstanding October 1,	**0.418**	**1,100,000**	0.418	1,100,000
Options granted during the year	0.100	500,000	-	-
Options excercised during the year	-	-	-	-
Options Cancelled	0.320	(500,000)	-	-
Options outstanding September 30,	**0.318**	**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.

The option issued on December 20, 2000 is expired without excersizing on December 1, 2008.

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. The conversion rates are fixed. All Convertible Bonds are non-interest bearing.

Distributions to holders of Equity Instruments are recognized directly in equity net of tax. Distribution during 2008 amounted to EUR nil (2007 EUR nil).

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

	2008	2007
Balance as at October 1,	**870,000**	2,140,000
Issued	1,735,000	-
Converted in common shares	(870,000)	(1,270,000)
Redeemed	-	-
Balance at September 30,	**1,735,000**	870,000

The Balance outstanding as per September 30, 2008 consists of the following bonds:

Convertible Bond	Issue date	Maturity date	Conversion rate in EUR	2008	2007
Stayer Holding B.V.	August 24, 2006	July 1, 2016	0.35	-	870,000
Macrobius Beheer B.V. [1]	February 22, 2008	January 1, 2018	0.14	162,500	-
Inventive Adventure B.V. [1]	February 22, 2008	January 1, 2018	0.14	162,500	-
Alto Imaging Group N.V. [2]	June 3, 2008	June 3, 2018	0.10	395,000	-
J. Sundelin [2]	June 3, 2008	June 3, 2018	0.10	80,000	-
P. vd Boom [2]	June 3, 2008	June 3, 2018	0.10	80,000	-
A. v Buuren [2]	June 3, 2008	June 3, 2018	0.10	50,000	-
J. Brey [2]	June 3, 2008	June 3, 2018	0.10	50,000	-
S. Campbell [2]	June 3, 2008	June 3, 2018	0.10	30,000	-
B. Tervo [2]	June 3, 2008	June 3, 2018	0.10	25,000	-
DW vastgoed beleggingen B.V. [2]	September 30,2008	October 1, 2018	0.10	700,000	-
Total			Total	1,735,000	870,000

1) Conversion period with lock-up for the bondholder till January 1, 2011, TIE can convert as of February 22, 2008.
2) Conversion period with 1 year lock-up from issue date

Alto Imaging Group N.V. is a related party which at year end held a shareholding in TIE in of 29.9% of shares (shares and Convertible Bond) outstanding.

Macrobius Beheer B.V. is the personal management B.V. of Mr. J. Brey, who is sales director of TIE Netherlands B.V.; Inventive Adventure B.V. is the management B.V. of Mr. W. Nefkens, who is now employed by TIE Netherlands B.V. These Convertible Bonds are issued as partial payment of the Sinfox B.V. acquisition.

DW vastgoed beleggingen B.V. and Mr. A. van Buuren are third party investors.

The other bonds belong to the Companies' management, including Mr. J. Sundelin, who is member of the management board.

No collateral has been pledged against this bond.

The bonds are expected to be converted into common shares of the Company on or prior to maturity date of the individual bond.

Minority interest

The subsidiary TIE France S.A.S. 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 S.A.S. At acquisition date the minority share was set at nil as the Company has a negative net asset value. The remaining 49.75% was purchased by the Company on November 10, 2008.

The minority's share in the losses of TIE France S.A.S. 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 the minority's entire share of the losses previously absorbed by the majority shareholder are recovered.

	2008	2007
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	1	(6)
Charges (allocated) to Majority Shareholder	(1)	6
Balance as at September 30,	**-**	**-**
Balance remaining to be recovered	5	6

6) Non Current Liabilities

Long Term Debt

	2008	2007
Balance as at October 1,	**-**	-
Loans Taken out	-	-
Loan repayments	-	-
Movements	200	-
Balance as at September 30	**200**	-

On June 3, 2008 the Company and Alto Imaging Group N.V. agreed to extend the one year loan agreement of August 24, 2007. The maturity date was extended from August 27, 2008 to January 1, 2010. The 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 of 29.9% of shares (shares and Convertible bonds) outstanding. The fair value of the loan amounts to EUR 194k. The fair value is based upon the difference between interest rate of the loan (6%) and market rate (8.1%).

Provisions

Settlement Liability

	2008	2007
Balance as at October 1,	**12**	-
Additions/strengthening	95	12
Interest effects from discounting	(4)	-
Changes in estimate	-	-
Exchange differences	-	-
Movements to current	(12)	-
Balance as at September 30	**91**	12
Net effect on income () = gain	91	12

In April 2008 the company has reached a termination agreement with Mr. Th.H. Raman, terminating his contract per March 31, 2010. The total termination costs amount to EUR 400k, of which EUR 359k salary costs and EUR 40k other costs related to his termination and have been charged to the P&L. The provision is discounted using a discount rate of 5.3%, the non-current component is EUR 91k and the current component is EUR 183k.

Provisions

	2008	2007
Balance as at October 1,	**308**	336
Additions/strengthening	-	8
Changes in estimate	-	(36)
Exchange differences	-	-
Movements to current	(301)	-
Balance as at September 30	**7**	308
Net effect on income () = gain	-	(28)

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 The Netherlands. 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. As a result of this the provision, amounting to EUR 394k has been classified under the current liabilities. The difference, amounting to EUR 6k is expensed to income in the period form October 1 till December 31, 2008. The Company has paid the amount due on December 20, 2008.

7) Current Liabilities

Provisions

	2008	2007
Balance as at October 1,	**97**	**338**
Additions/strengthening	460	29
Interest effects from discounting	(8)	-
Payments made against provision	(185)	(83)
Exchange difference	(5)	(9)
Release to income for the year	(37)	(178)
Other movements	313	-
Balance as at September 30,	**635**	**97**
Net effect on income () = gain	415	(149)

In November 2007 an agreement was reached with the landlord of the Netherlands office building. The 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. The net amount payable is carried on the balance sheet amounting to EUR 394k. The difference, amounting to EUR 6k is expensed to income in the period form October 1 till December 31, 2008. The Company has paid the amount due on December 20, 2008.

The current component of termination provision includes the payments due to Mr. Th. H. Raman in 2009, as decribed under long term liabilities. In Tie France a redundancy provision is set for an employee, resulting in the release of the indemnity claim carried from prior years. An agreement was reached in December 2008 resulting in full payment of the provision.

Following a number of Sales Tax related audits by tax authorities of individual States in the United States a Sales Tax provision of USD 102k has been set up to cover losses. During 2007 a tax assessment was received from two states pertaining to this issue. In 2008 final settlement was reached for USD 55k.

Movements for 2008 for these individual components are as follows:

	Rentals	Redundancy claims	sales tax	Indemnity claim	total
Balance as at October 1,	**-**	**-**	**72**	**25**	**97**
Additions/strengthening	93	367	-	-	460
Interest effects from discounting	-	(8)	-	-	(8)
Payments made against provision	-	(130)	(55)	-	(185)
Exchange difference	-	-	(5)	-	(5)
Release to income for the year	-	-	(12)	(25)	(37)
Other movements	301	12	-	-	313
Balance as at September 30,	**394**	**241**	**-**	**-**	**635**

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 540k.

On November 28, 2007 the Company entered into a one year loan agreement with Alto Imaging N.V. with a principal amount of EUR 500k and an interest of 6%. On June 3, 2008 the loan agreement was revised resulting in the conversion of an amount of EUR 395k into a Convertible Bond. See under note 5 Convertible Bonds.

On June 3, 2008 the Company agreed to extend the one year debt agreement of August 24, 2007 of EUR 200k with Alto Imaging Group N.V. to January 1, 2010. Alto Imaging Group N.V. is a related party which at year end held a shareholding in TIE in of 29.9% of shares (shares and Convertible Bond) outstanding.

	2008	2007
Balance as at October 1,	**200**	**-**
Loans Taken out	500	200
Loan repayments	-	-
Movements	(595)	-
Balance as at September 30,	**105**	**200**

The fair value of this short term loan amounts to EUR 104k. The fair value is based upon the difference between interest rate of the loan (6%) and market rate (8.1%). The loan has been repaid upon its maturity date.

	2008	2007
ABN-AMRO Credit Facility (variable interest)	435	326
	435	**326**

Bank accounts are both EUR and USD denominated. EUR 435k out of a total of EUR 500k (2007: EUR 600k) available under a Credit Facility with ABN-AMRO was utilized at balance sheet date. The interest charged amounts to EUR 8.4%. The Credit Facility had been ended and repaid per October 1, 2008. The fair value of this financial liability amounts to EUR 435k.

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.

	2008	2007
Balance as at October 1,	**1,761**	**1,827**
Deferred Revenues	3,779	3,833
Amortization	(3,649)	(3,918)
Other Movements	(77)	19
Balance as at September 30	**1,814**	**1,761**

Taxation and Social Security

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

	2008	2007
Payroll Tax	51	60
Social Security Contributions	56	63
VAT/Sales tax US	108	(42)
Income tax	4	-
Total	**219**	**81**

The 2007 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:

	2008	2007
Accrued expenses	655	463
EC and other Grants	180	27
Pension Premiums	1	118
Interest Payable	30	8
Supervisory Board Compensation	23	60
Accrued expenses Management Board	-	34
Other accruals and payables	176	222
Total	**1,065**	**932**

Notes to the Consolidated Income Statement

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:

	2008	2007
Salaries	4,321	4,203
Salaries variable component	332	296
Social Security Charges	699	648
Contributions to Post Employment arrangements	189	204
Share based payments	169	163
Termination Benefits	408	-
Other Employe Benefits	505	714
Total	**6,623**	**6,228**

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.

The terminations benefits include the terminations costs under the terminiation agreement as described in note 6 and 7 above, to be paid or paid to Mr. Raman for EUR 359k and EUR 50k for an employee of TIE France S.A.S.

For 2008 the average number of employees was 84 (2007: 84).

Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Management Board, amounted to EUR 417k (2007: EUR 779k).

	2008	2007
Salaries, Wages and Social Security Contributions	400	721
Post-Employment Benefits	-	3
Share-based Payments	17	55
Total	**417**	**779**

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 for the individual members of the Management Board is specified below. No variable component was rewarded in 2008 (2007: nil).

Mr. J. Sundelin ((acting) CEO as of November 21, 2007)	**2008**	**2007**
Renumeration	223	224
Stock Option Expense	17	-
Total	**240**	**224**

Renumerations of Mr. J. Sundelin are paid to his personal management B.V., CAPTA Management B.V. Per June 3rd 2008 Mr. J. Sundelin is appointed as CEO.

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.

Mr. Ch.P. van Overbeeke (CFO, resigned per April 10, 2008)	**2008**	**2007**
Renumeration for period until April 10, 2008	144	243
Total	**144**	**243**

Renumerations of Mr. Ch.P. van Overbeeke are paid to his personal management B.V., ACERNUM Consulting B.V.

Mr. Th.H. Raman (CEO, resigned as CEO of TIE Holding per November 21, 2007)	2008	2007
Renumeration for period until November 21, 2007	33	257
Stock Option Expense	-	55
Total	33	312

Renumeration of Mr. Th. H. Raman up to his resignation date as CEO of TIE Holding N.V., see also under note 6 & 7.

Renumeration of the Supervisory Board

The General Meeting of Shareholders sets the renumeration of the members of the Supervisory Board. All members are entitled to a renumeration of EUR 10k per year, the Chairman EUR 20k per year. The total amount of compensation of the Supervisory Board for 2008 amounted to EUR 42.5k (2007; 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.

	2008	2007
Commisions Payable	233	225
Deferred to balance sheet	-	(23)
Amortization to income	20	25
Total	253	227

Depreciation and Amortization Expense and Impairment Losses

	2008	2007
Depreciation and amortization	269	613
Total	269	613

Depreciation and Amortization charges have decreased in 2008 due the 2007 impairment of capitalized R&D costs in the Netherlands Cash Generating Unit.

On the half year results 2008 an impairment test was performed, resulting in the impairment of the Sinfox acquisition, totalling to EUR 500k, capitalized R&D EUR 150k, purchased Software EUR 62k and other assets EUR 11k.

The impairment test performed year end determined that no additional impairments were required for any of the Cash Generating Units.

	2008	2007
Impairments	723	2,004
Total	723	2,004

Other Operating Expenses

	2008	2007
Accomodation Expenses	692	970
Communications	315	329
Professional Services	684	340
Other	1,016	1,159
Total	2,707	2,798

Accommodation expenses have decreased compared to prior year due to provision for rentals in prior years and the move to a cheaper headquarters in April 2008. Professional services includes in 2008 included additional audit charges for costs overrun for the annual accounts 2007, advice on IFRS matters in 2008, legal issues and temporary replacement of legal officer due to illness. Other costs decreased mainly through lower bad debts costs in 2008 Eur 115k (2007: EUR 405k), which saving is partially absorbed by higher marketing costs 2008 EUR 317k (2007: EUR 188k).

Research and Development Expenses

	2008	2007
Employee Benefits	723	1,075
Other R&D related expenses	42	60
Capitalized Development expenses	(391)	(276)
Amortization of Capitalized Developmet expenses	169	316
Impairments	150	320
Total	693	1,495

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 2008 amounted to EUR 617k (2007: EUR 343k). An amount of EUR 150k was impaired in connection with the impairment test performed at March 31, 2008. This amount consists of the full balance of capitalized R&D costs for the Netherlands Cash Generating Unit at March 31, 2008. Based on the impairment test done at year end 2008 and the improved results of The Dutch Cash Generating Unit management did not impair the capitalized R&D costs over the second half year 2008. The 2007 impairment has resulted in a decrease of amortization expenses in 2008 of approximately EUR 147k.

9) Financial income and/or Expense

The interest expense in 2008 pertains predominantly to the Credit Facility and loans which were used to fund cash flow needs on a short term basis.

	2008	2007
Interest Income	5	6
Interest Expenses	(58)	(51)
Exchange gains/(losses)	3	(7)
Total	**(50)**	**(52)**

10) Share in Profit (Loss) of 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 B.V. agreed to discontinue Retail Connect B.V. The liquidation of Retail Connect B.V. is still in process. On June 5th 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. (in which 33% of the shares are hold by the Company). On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs. Carrying value of the investment at year end 2008 was maintained at zero (2007: EUR 0).

11) Corporate Income Tax

The Company operates predominantly in the Netherlands and North America. Applicable tax rates are 25.5% (2007: 25.5%) for the Netherlands and 34% (2007: 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.

	2008	2007
Current Income Tax Charge	(7)	-
Changes in Deferred Tax Asset due to initial recognition or reversal of Temporary Differences	(157)	(199)
Other Tax Items	(3)	(33)
Income Tax reported in the Income Statement	**(167)**	**(232)**

The changes in the Deferred Tax Asset are discussed on page 74 in detail. The main item represented in the reversal of the Deferred Tax Asset in 2008 is the reduction of the temporary difference pertaining to Goodwill. Reconciliation between standard and effective income tax is as follows:

	2008	2007
Accounting Profit (Loss) before Tax	(2,098)	(3,136)
Income tax calculated using the weighted average of applicable statutory tax rates	502	717
Adjusting items:		
Goodwill amortization	48	(381)
Movements in Lease Provision	24	(52)
Revenue timing differences	(8)	60
Bad debt impairments	(21)	53
Other Non Deductible Expenses	30	54
Redundancy Expenses	127	-
Addition to / or utilization of unrecognized tax losses	**(702)**	**(451)**
Changes in deferred tax assets as a result of recognition/write off of deductible temporary differences	(157)	(199)
Current Income Tax Charge	(7)	-
Other tax items	(3)	(33)
Income Tax reported in the Income Statement	**(167)**	**(232)**

All Netherlands subsidiaries of TIE Holding N.V., except Sinfox B.V. 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.

	2008	2007
Net income attributable to equity holders of TIE	(2,098)	(3,368)
Distributions on Convertible Bonds through income	-	-
Net Income adjusted for calculation of basic earnings per share	**(2,098)**	**(3,368)**
Weighted average number of shares outstanding	**53,095**	**46,779**
Basic Earnings per share (EUR per share)	**(0.04)**	**(0.07)**

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.

	2008	2007
Net Income adjusted for calculation of basic earnings per share	**(2,098)**	**(3,368)**
Weighted average number of shares outstanding	53,095	46,779
Dilutive effect of stock options outstanding at September 30,	1,569	249
Dilutive effect on Convertible Bonds	-	-
Weighted average number of shares adjusted for calculation of diluted earnings per share	**54,664**	**47,028**
Dilluted Earnings per share (EUR per share)	(0.04)	(0.07)

A total of 4,046,667 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

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, 2008 amounted to EUR 15k.

Under the rental agreements concluded, the annual rental charge, including service costs for all TIE offices, is approximately EUR 0.5m (2007: EUR 1.0m). Due to the movement of TIE in the Netherlands to a new office a significant reduction of lease and service costs has been rached. The remaining term of the leaseof the old premises in The Netherlands at reporting date was approximately 1.5 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 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 N.V., currently holding a shareholding (shares and Convertible Bond) of 29.9%, has acted as a guarantor for the amount payable referred to above. The effects of this agreement have been included in the schedule below.

The remaining terms of leases in the United States is 2.5 years and in France 0.75 years. Rentals due within 1 year amount to EUR 0.3m, rentals due between 1 and 5 years approximate EUR 0.7m.

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

	< 1year	Between 1 and 5 years
Office Leases	308	675
Hosting Contracts	120	60
Operational leases company cars	175	107
Operational leases servers and photocopiers	30	53
Total	**633**	**895**

Collateral

Assets pledged as collateral are Trade Receivables amounting to EUR 435k out of an eligible total of EUR 525k (2007: EUR 326k). The Credit Facility has been redeemed and ended per October 1, 2008.

Related Party Transactions

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.

Retail Connect B.V. (33% shareholding as per September 30, 2008) 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 B.V. (33% shareholding) revoking all rights of use of TIE software by RetailConnect B.V. and entered into negotiations with FashionUnited eBusiness B.V., RetailConnect B.V.'s sole customer, regarding revised rates and service levels. TIE granted temporary rights of use of the RetailConnect Information Warehouse to FashionUnited eBusiness B.V. 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 B.V. and their customers has been revoked. A loan to Retail Connect B.V. outstanding at September 30, 2007 amounting to EUR 184k was impaired in full in 2004.

On June 5th, 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs.

On August 30, 2007 TIE has secured a loan by Alto Imaging Group N.V., a related party currently holding 29.9% of the shares (shares and Convertible Bond) 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 June 3, 2008 the loan was extended till January 1, 2010.

On November 28, 2007 TIE secured a second loan by Alto Imaging Group N.V., a related party currently holding 29.9% of the shares (shares and Convertible Bond) 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. On June 3, 2008 the loan was partially converted into a Convertible Bond of EUR 395k. The remainder of the loan and interets there upon was repaid on its maturity date.

On February 22, 2008 the Company acquired Sinfox B.V., the purchase price of EUR 525k, was partially paid in cash EUR 200k and the remaining was paid by 2 Convertible Bonds (Macrobius Beheer B.V. and Inventive Adventure B.V.) of EUR 162.5k each to the former owners of Sinfox B.V, who now work for TIE Nederland B.V.

On June 3, 2008 the Company issued to its management and managing board Convertible Bonds amounting to EUR 265k and 2.65m options. These bonds funded the short term liquidity needs of the Company.

As at September 30, 2007 Mr. Th. H. Raman, founder and CEO upto November 21, 2007 held an indirect interest in TIE Holding N.V.; His personal holding company Conceptive Systems Design Nederland B.V., owns 75% of CSD Investments BV which held approximately 10% in TIE Holding N.V. This shareholding was reduced during the year, as from May 19, 2008 the CSD Investments B.V. held no shares in TIE Holding N.V.

On December 30, 2004 the Company entered into an agreement with SAMAR B.V., this company is owned by Mr. R. Raman. This agreement pertained to the sale of a part of the business, 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 subletters in said building. Under this agreement the Company would purchase 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. As TIE moved to the new office building the agreement was terminated.

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 oustanding balance per year September 30, 2008 amounts to EUR 122k and had been fully impaired.

SAMAR B.V. has started legal proceedings against the Company however the Management Board is confident in the outcome of the legal procedure and does not expect any further costs, except legal costs.

Pending Litigation

Currently the Company is involved in two legal proceedings.
Two former employees of TIE, Mr Mors and Mr. Vegter have initiated legal proceedings against TIE in 2003. All claims were dismissed in April 2005. In June 2005 Mr. Mors and Mr. Vegter took their case to a higher court. The oral pleading in the appeal took place in October 2008. Currently the Company awaits the outcome of the appeal, which is currently scheduled for March 3, 2009 (but may be postponed). The Management Board is confident in the outcome of the appeal and subsequently does not expect any additional costs other than legal costs.

Since December 2007 the Company has been involved in discussions and consequently in legal proceedings with SAMAR B.V.. All claims in the summary proceedings have been instantly dismissed at the court hearing of February 15, 2008. Currently, the standard procedure is in the phase of replication and reply by rejoinder. The Management Board is confident in the outcome of the legal procedure and does not expect any further costs, except legal costs.

Subsequent Events

TIE Holding N.V. acquired on October 29, 2008 49.75% of the shares in TIE France S.A.S. This brings the Companies shareholding in TIE France S.A.S. to 100%. The shares were transferred on November 10, 2008 and as a result thereof, the Change of Control arrangement with R. Lücke, was terminated. The purchase price in total amounts to Euro 291k, of which EURO 141k will be paid in cash and EURO 150k through a Convertible Bond. The preliminary purchase price allocation indicates a Goodwill amounting to EUR 182k and intangible assets of EUR 97k, for customer base, name, and management of TIE France S.A.S. Since Tie France S.A.S. has been consolidated impact on the financial results will be limited.

TIE Holding N.V. has signed a tentative agreement on October 22, 2008 to acquire MamboFive B.V., a company building web-shop Platforms. Following the completion of the financial, technical en legal due diligence, and the signing of the agreement for the purchase of 51% of the shares, TIE shall pay a purchase price amounting to EUR 200k. The purchase price for the first 51% of the shares also contains a short term 5% annual interest bearing loan amounting to EUR 300k. On March 1, 2009, TIE is required to pay the loan and interest to the shareholders of MamboFive B.V. The purchase price allocation is under consideration as a result of this the Goodwill and intangible assets have not yet been determined.
Regarding an additional 24.5% of the shares, TIE receives an option to buy them per April 1, 2009 for a purchase price of EUR 450k, payable through a Convertible Bond. In order to acquire the final 24.5% of the shares, TIE receives an option to buy them for a purchase price of EUR 450k payable through a Convertible Bond.

On December 11, 2008 the Sale Purchase Agreement was signed to acquire 51% of the shares of MamboFive B.V. in accordance to the conditions as set above. The shares and benefits are at risk of TIE (51%) effectively per December 1, 2008. Upon transfer of the shares TIE has paid the purchase price of EUR 200k. Due to the nature of the transaction the Purchase Price Allocation was not yet fully completed.

On June 5, 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. (in which 33% of the shares are hold by the Company). On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs.

One of the Company's customers, Lekker van der Laan Dekker B.V. has filed for a moratorium on February 5, 2009 and subsequently has been declared bankrupt on February 9, 2009. Based on the Company's policy the Company has set up a provision for uncollectability. The provision for uncollectability for the potential loss on the remaining outstanding balance of Lekker van der Laan Dekker B.V. per September 30, 2008 is considered to be adequate. As a result of the bankruptcy of Lekker van der Laan Dekker B.V. the Company has again reassessed the other debtors outstanding and there is no requirement for additional provisioning. Though there is an impact on the Company's cash flow, management does not expect that the bankruptcy of Lekker van der Laan Dekker B.V. leads to cash problems.

Dutch GAAP TIE Holding NV
Balance Sheet as at September 30, 2008

(Before proposed appropriation of results)

Assets

(EUR x 1,000)	Notes	2008		2007	
Fixed assets	13)				
Goodwill		198		198	
Other intangible fixed assets		25		70	
Total Intangible Fixed Assets			**223**		**268**
Tangible fixed assets			-		-
Financial fixed assets			4,114		3,974
Total fixed assets			**4,337**		**4,242**
Current assets	14)				
Debtors		25		133	
Cash and cash equivalents		650		1	
Total current assets			**675**		**134**
Total assets			**5,012**		**4,376**

Liabilities and Equity

	Notes	2008		2007	
Shareholders' equity	15)				
Issued and paid-up share capital		5,476		5,087	
Share premium		46,606		45,854	
Legal reserves		448		388	
Foreign Currency Translation Reserve		(473)		(379)	
Retained earnings		(49,510)		(46,311)	
Net Result		(2,098)		(3,368)	
			449		1,271
Convertible Bonds			1,735		870
Total Equity			**2,184**		**2,141**
Non Current Liabilities	16)				
Loans payable			200		-
Provisions			1,258		687
Current Liabilities	17)				
Loans payable		105		200	
Creditors		1,228		1,331	
Affiliated Companies		37		17	
Total Current Liabilities			**1,370**		**1,548**
Total Liabilities and Equity			**5,012**		**4,376**

Dutch GAAP TIE Holding NV Income Statement for the year ended September 30, 2008

(EUR x 1,000)	2008	2007
Result of participating interests after tax	(407)	(1,969)
Other income after tax	(1,691)	(1,399)
Net Result	(2,098)	(3,368)

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 Antareslaan 22-24, 2132JE Hoofddorp. 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 51 of the Consolidated Financial Statements.

The Company financial statements for the year ended September 30, 2008 are authorized for issue through a resolution of the Management Board dated February 17, 2009.

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 49.

Notes to the Company Balance Sheet

13) Fixed Assets

Intangible Fixed Assets

Goodwill

	2008	2007
Accumulated investments as per October 1,	6,390	6,390
Accumulated depreciation, amortization as per October 1,	(6,192)	(6,192)
Accumulated impairments as per October 1,	-	-
Carrying value as per October 1,	**198**	**198**
Investments	320	-
Depreciations and amortization	-	-
Impairments	(320)	-
Carrying value as per September 30,	**198**	**198**
Accumulated investments as per September 30,	6,710	6,390
Accumulated depreciation, amortization as per September 30,	(6,192)	(6,192)
Accumulated impairments as per October 1,	(320)	-
Net book value as per September 30,	**198**	**198**
Useful life	Indefinite	Indefinite

Other intangible fixed assets consist 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

	2008	2007
Accumulated investments as per October 1,	481	412
Accumulated depreciation, amortization as per October 1,	(354)	(211)
Accumulated impairments as per October 1,	(57)	-
Carrying value as per October 1,	**70**	**201**
Investments	-	69
Depreciations and amortization	(45)	(143)
Impairments	-	(57)
Carrying value as per September 30,	**25**	**70**
Accumulated investments as per September 30,	481	481
Accumulated depreciation, amortization as per October 1,	(399)	(354)
Accumulated impairments as per October 1,	(57)	(57)
Net book value as per September 30,	**25**	**70**
Useful life	3 years	3 years

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

Tangible Fixed Assets

	2008	2007
Accumulated investments as per October 1,	41	41
Accumulated depreciation, amortization as per October 1,	(41)	(40)
Accumulated impairments as per October 1,	-	-
Carrying value as per October 1,	**-**	**1**
Investments	**-**	-
Depreciations and amortization	-	(1)
Impairments	-	-
Carrying value as per September 30,	**-**	-
Accumulated investments as per September 30,	41	41
Accumulated depreciation, amortization as per October 1,	(41)	(41)
Accumulated impairments as per October 1,	-	-
Net book value as per September 30,	**-**	-
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:

	2008	2007
Opening Balance as per October 1,	**3,974**	5,871
Share in Net income	(408)	(1,969)
Capital Contributions and Acquisitions	172	123
Divestitures/ movements of IC funding	(513)	(389)
Dividends paid	-	-
Transfer to (from) provision for Equity Deficit	1,258	687
Foreign Currency Exchange Rate Differences	(369)	(348)
Other movements	-	(1)
Closing Balance as per September 30,	**4,114**	3,974

Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2007: 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. Direct subsidiaries of the Company are:

Name	Statutory seat	Percentage 2008	Percentage 2007
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%
Sinfox BV	Arnhem, The Netherlands	100%	100%
Gordian Investments BV	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%

14) Current Assets

Debtors

	2008	2007
Taxations and social security contributions	-	109
Other receivables and prepayments	25	24
	25	**133**

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, 2008 a total of 54,755,390 ordinary shares (2007: 50,869,676) of EUR 0.10 each, are paid-up and called-up, amounting to an issued and paid-up share capital of EUR 5,475,539 (2007: EUR 5,086,968).

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 N.V., its subsidiaries and all related parties. No preference shares are outstanding at year end 2008.

Shareholders' Equity is broken down as follows:

	Share Capital	Paid in Surplus	Foreign Currency Translation Reserve	Other Legal Reserves	Retained Earnings	Shareholders' Equity
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
Costs of Shares issued	-	(25)	-	-	-	(25)
Foreign Currency Translation Reserve	-	-	(348)	-	-	(348)
Shares Based Payments	-	-	-	-	163	163
Distribution 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**
Shares issued and Share Premium	389	817	-	-	-	1,206
Costs of Shares issued	-	(10)	-	-	-	(10)
Foreign Currency Translation Reserve	-	-	(94)	-	-	(94)
Shares Based Payments	-	-	-	-	169	169
Distribution to Equity Holders	-	-	-	-	-	-
Transfers to (from) legal reserve	-	(60)	-	60	-	-
Other Movements	-	5	-	-	-	5
Net Income 2008	-	-	-	-	(2,098)	(2,098)
Balance per September 30, 2008	**5,476**	**46,606**	**(473)**	**448**	**(51,608)**	**449**

For the movement in shares we refer to page 78.

The Foreign 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 418k). 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.

Equity Settled Share Based Payments

Employee Stock Option Plan
For the Employee Stock Option Plan we refer to page 79 Note 5 of the Consolidated Balance Sheet under Employee Stock Option Plan.

Other Stock Options
For the Other Stock Options we refer to page 81 Note 5 of the Consolidated Balance Sheet under Other Stock Options.

Convertible Bonds
For the issued and oustanding Convertible Bonds we refer to page 81 Note 5 of the Consolidated Balance Sheet under Convertible Bonds.

16) Non-Current Liabilities

Provision for Equity Deficit Subsidiaries

	2008	2007
Opening Balance as per October 1,	**687**	-
Movements from (to) Financial Fixed Assets	571	687
Closing Balance as per September 30,	**1,258**	687

In 2008 and previous years some subsidiaries had a negative net investment value. For these subsidiaries a provision for Equity Deficit was set up.

Long Term Debt

	2008	2007
Balance as at October 1,	-	-
Loans Taken out	-	-
Loan repayments	-	-
Movements	200	-
Balance as at September 30	200	-

On June 3, 2008 the Company and Alto Imaging Group N.V. agreed to extend the one year loan agreement of August 24, 2007. The maturity date was extended from August 27, 2008 to January 1, 2010. The 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 of 29.9% of shares (shares and Convertible Bond) outstanding. The fair value of the loan amounts to EUR 194k.

17) Current Liabilities

Short Term Debt

On November 28, 2007 the Company entered into a one year loan agreement with Alto Imaging N.V. with a principal amount of EUR 500K and an interest of 6%. On June 3, 2008 the loan agreement was revised resulting in the conversion of an amount of EUR 395K into a Convertible bond. We refer to note 5 Convertible Bonds on page 82.

On June 3, 2008 the Company agreed to extend the one year debt agreement of August 24, 2007 of EUR 200k with Alto Imaging Group N.V. to December 31, 2009. Alto Imaging Group N.V. is a related party which at year end held a shareholding in TIE in of 29.9% of shares (shares and Convertible Bond) outstanding.

	2008	2007
Balance as at October 1,	**200**	-
Loans Taken out	500	200
Loan repayments	-	-
Movements	(595)	-
Balance as at September 30	**105**	200

The fair value of this short term loan amounts to EUR 104k. The fair value is based upon the difference between interest rate of the loan (6%) and market rate (8.1%). The loan has been repaid upon its maturity date.

Creditors

	2008	2007
Trade creditors	125	198
Taxations and social security contributions	32	-
Inter-company payable	1,000	828
Other payable and accruals	71	305
Total	**1,228**	**1,331**

The inter-company payable is an outstanding with TIE International B.V., TIE Commerce Inc. and Sinfox B.V. No interest is due on this balance.

Affiliated Companies

The balance reflects the outstanding balances with the Stichting Source Code and Trust Office and the accrued interest payable on the loans from Alto Imaging Group N.V.

Notes to the Company Income Statement

Holding expenses

Expenses accounted for consist of expenses related to the Holding activities of TIE Holding N.V. This includes allocated employee benefits. TIE Holding N.V. had no employees during 2008 (2007: 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 75 of the Notes to the Consolidated Financial Statements.

Legal and Consultancy fees amounting to EUR 230k (2007: EUR 76k) are included as well as a stock option expense, listing fee and amortization charges pertaining to Holding assets.

The audit fees from Ernst & Young Accountants LLP amount to EUR 129k (2007: EUR 70k) for the Holding; for the total Company audit fees amount to EUR 203k (2007: EUR 141k). The tax consulting fees from Ernst & Young Belastingadviseurs LLP amount to EUR 14k (2007: EUR 26k). The audit related and other fees from Ernst & Young Accountants LLP amount to EUR 21k (2007: nil). The increase of auditing expenses in 2008 is related to reorganization and relates IFRS accounting thereto.

Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately EUR 9.2m (related losses amounting to approximately EUR 36.1m). Foreign loss carry forward pertaining to approximately EUR 0.8m of the unrecognized losses of approximately EUR 1.9m 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, except for Sinfox B.V., of TIE Holding N.V. 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 B.V., TIE International B.V., TIE Product Development B.V. and Gordian Investments B.V. Based on this, TIE Holding N.V. 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 B.V., TIE International B.V., TIE Product Development B.V. and Gordian Investment B.V. pursuant to Article 403, Book 2 of the Dutch Civil Code.

Amsterdam (Schiphol-Rijk), February 17, 2009

J.B. Sundelin

CEO, TIE Holding N.V.

Other information

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 -2,098k 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, 2008 and subsequent financial years. Payment of dividends can be made either in cash or in stock.

Subsequent Events

TIE Holding N.V. acquired on October 29, 2008 49.75% of the shares in TIE France S.A.S. This brings the Companies shareholding in TIE France S.A.S. to 100%. The shares were transferred on November 10, 2008 and as a result thereof, the Change of Control arrangement with R. Lücke, was terminated. The purchase price in total amounts to Euro 291k, of which EURO 141k will be paid in cash and EURO 150k through a Convertible Bond. The preliminary purchase price allocation indicates a Goodwill amounting to EUR 182k and intangible assets of EUR 97k, for customer base, name, management of TIE France S.A.S. Since Tie France S.A.S. has been consolidated impact on the financial results will be limited.

TIE Holding N.V. has signed a tentative agreement on October 22, 2008 to acquire MamboFive B.V., a company building web-shop Platforms. Following the completion of the financial, technical en legal due diligence, and the signing of the agreement for the purchase of 51% of the shares, TIE shall pay a purchase price amounting to EUR 200k. The purchase price for the first 51% of the shares also contains a short term 5% annual interest bearing loan amounting to EUR 300k. On March 1, 2009, TIE is required to pay the loan and interest to the shareholders of MamboFive B.V. The purchase price allocation is under consideration as a result of this the Goodwill and intangible assets have not yet been determined.

Regarding an additional 24.5% of the shares, TIE receives an option to buy them per April 1, 2009 for a purchase price of EUR 450k, payable through a Convertible Bond. In order to acquire the final 24.5% of the shares, TIE receives an option to buy them for a purchase price of EUR 450k payable through a Convertible Bond.

On December 11, 2008 the Sale Purchase Agreement was signed to acquire 51% of the shares of MamboFive B.V. in accordance to the conditions as set above. The shares and benefits are at risk of TIE (51%) effectively per December 1, 2008. Upon transfer of the shares TIE has paid the purchase price of EUR 200k. Due to the nature of the transaction the Purchase Price Allocation was not yet fully completed.

On June 5, 2008 TIE Holding N.V. and TIE Nederland B.V. have been summoned by Retail Connect B.V. (in which 33% of the shares are hold by the Company). On November 10, 2008 the dispute was resolved and parties entered into a settlement agreement. As expected, no costs were involved except, legal costs.

One of the Company's customers, Lekker van der Laan Dekker B.V. has filed for a moratorium on February 5, 2009 and subsequently has been declared bankrupt on February 9, 2009. Based on the Company's policy the Company has set up a provision for uncollectability. The provision for uncollectability for the potential loss on the remaining outstanding balance of Lekker van der Laan Dekker B.V. per September 30, 2008 is considered to be adequate. As a result of the bankruptcy of Lekker van der Laan Dekker B.V. the Company has again reassessed the other debtors outstanding and there is no requirement for additional provisioning. Though there is an impact on the Company's cash flow, management does not expect that the bankruptcy of Lekker van der Laan Dekker B.V. leads to cash problems.

Auditor’s report

To: Management Board TIE Holding N.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended September 30, 2008 of TIE Holding N.V., Hoofddorp, the Netherlands as set out on page 42 to 104. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements as set out on page 42 to 94 comprise the consolidated balance sheet as at September 30, 2008, 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 94 to 104 comprise the company balance sheet as at September 30, 2008, the company profit and loss account for the year ended and the notes.

Management’s responsibility

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 Management Board report 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, 2008 and of its result and its cash flow 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, 2008 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 note ‘’Going Concern Considerations” in the financial statements which indicates that the company incurred a net loss of EUR 2,098,000 during the year ended September 30, 2008 and, as of that date, the company’s current liabilities exceeded its current assets by EUR 1,825,000. These conditions, along with other matters as set forth in 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 f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

The Hague, the Netherlands, February 17, 2009

Ernst & Young Accountants LLP

/s/ H. Hollander

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