

form Vendor Syndication Solutions B2B Managed Services Diable E-commerce Solutions Co-branded Email Campaigns EDI Content Syndication Solutions E-commerce Consultancy Services Syndication Solutions B2B Managed Services Dynamic Co-brandising Award winning E-commerce Platform EDI & XML Solutions Solutions B2B Managed Services Dynamic Constant Syndication Solutions B2B Managed Services Dynamic Constant Constant Solutions B2B Managed Services Dynamic Constant Constant Distribution for the Channel E-invoicing Solutions Services Enter Syndicated Storefronts Annual Report 2009

## stributor Syndication Solutions

aigns EDI & XML Solutions

ommerce Consultancy Services

**Co-branded Marketing Materials** 

ne Channel E-invoicing Solutions

form EDI & XML Solutions

calable E-commerce Solutions

ed Services Dynamic Co-branded

g Solutions Data Synchronization

**Solution Implementation Time** 

**Web Content Syndication** 

## **Total Integrated E-commerce**

Annual Report for the financial year 2009

# JJJ/JBO elke dag beter

## Jumbo

Thanks to TIE and the TIE Freeconnect solution it is possible for us in conjunction with our suppliers to reduce the delivery costs of our supermarkets and that is good for our customers. Per order the amounts involved are relative small, but annually we receive from our suppliers hundreds of thousands documents like orders, invoices, etc so the potential cost savings for us and our suppliers are substantial. Arjan Klok. Applicatiebeheer IT ERP/EDI Jumbo Supermarkten.

User of the TIE Kinetix Business Integration Platform since 1994.



## TIE bridges the gap between online and traditional business

TIE bridges the gap between online and traditional business, helping industry and supply chain partners to achieve electronic business collaboration without limitations

For 20 years, we have been providing customers with solutions for Business Interoperability and the power to connect applications and processes with those of their external trading partners. To that end, TIE solutions address our customers' most pressing issues in Business-to-Business Integration, Data Synchronization, Trading Partner Collaboration, and Digital Channel Communications. Our products have proven to lower costs, increase sales, optimize business processes, and improve efficiency, while removing the barriers to e-Business information exchange for thousands of customers in multiple worldwide case studies.

TIE provides its software as either a license or service (SaaS). Our services are designed to enhance the value of our software and deliver essential business benefits. Our expert resources and carefully selected partners ensure that we can provide all of our customers with quality service and superior value. With decades of experience to share, TIE remains a key contributor to the development and implementation of global E-commerce standards. Today, we are the partner that industry leaders turn to for business-to-business success.

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)

	2009	2008	
Financial Results			
Total Income	11,190	9,788	
Depreciation and Amortization Expense	(360)	(269)	
Impairment Losses	-	(723)	
Net Income	530	(2,098)	
Equity			
Total Shareholders' Equity	2,417	449	
Total Equity Instruments	1,661	1,735	
Total Equity	4,078	2,184	
Employees (expressed as full time equivalents)			
Average Number of Employees	88	86	
Per Share of Ordinary Shares			
Net Income	0.01	(0.04)	
Shareholders' Equity	0.04	0.01	
Number of Shares Outstanding at Year End (x 1.000)	64,977	54,755	
Weighted Average Number of Shares Outstanding (x 1,000)	58,346	53,095	
Weighted Average Number of Shares adjusted for calculation	72,397	54,664	
dilluted earnings per share (x 1,000)			
Share Price			
Last Trading Day in reporting period	0.20	0.10	
Highest	0.25	0.28	
Lowest	0.07	0.09	

## Highlights 2009

### 2008 2009

		•	•		
October	November	December	January	February	March
TIE announced that	TIE announced the	TIE announced that it	TIE announced that	TIE announced that	TIE announced that
Siemens Enterprise	purchase of the	has acquired 51% of	WECARE4 has select-	Voestalpine Railpro	the HI.nl webshop,
Communication	remaining 49,75%	the shares in Mambo-	ed TIE to implement	has selected TIE	using the TIE Kinetix
GmbH has selected	of the shares in TIE	Five B.V.;	TIE Kinetix for their	Kinetix Business	E-commerce platfor
TIE Digital Channel	France S.A.S., and		European business	Integration Platform	received two Grahar
Management solu-	therefore, now holds		integration;	for integration with	Telecom Awards for
tions for global trial;	100% interest;			its most important	the best telecom
				customers;	e-tailer;
TIE announced that	TIE announced that				
Lekker van der Laan	it has settled its dis-			TIE announced that	TIE announced the
Dekker has selected	pute with RetailCon-			it has placed new	appointment of J.B.
TIE for E-invoicing	nect B.V.;			shares following the	Sundelin, CEO of TIE
and PIM. Unfortu-				conversions of con-	to the board of Ness
nately, the company				vertible bonds with a	European research
went bankrupt in				principle amount of €	initiative;
				325k in total;	
February, 2009;					
TIE announced a				TIE announced that	
tentative agreement				Management and	
to acquire Mambo-				staff of TIE have	
Five B.V.;				invested in the	
				Company;	
April	May	June	July	August	September
TIE announced that	TIE announced that it	TIE and CNET Content	TIE announced that	TIE announces that it	TIE announced that
Siemens Enterprise	has acquired an ad-	Solutions announced	CEO Jan Sundelin has	has appointed Stuart	it shall place new
Communication	ditional 24,5% of the	Global partnership;	exercised 800,000	Drysdale to build	shares following the
GmbH has selected	shares of MamboFive		options in total;	Company's business	conversion of a con-
TIE Kinetix Content	B.V.; TIE now holds	TIE announced		in Asia-Pacific and	vertible bond with a
Syndication Platform	75.5% of the shares in	the release of the		Japan;	principle amount of
for its global partner	MamboFive B.V.;	Business Integration			€ 700k on October 1
program;		Smart Start in the			2009;
		Netherlands;			

TIE announced that it

the Company's business in EMEA;

it has placed new shares following the conversion of convertible bonds with a principle amount of For any additional information of events which have taken place in 2009, please consult the Company's website and the press releases issued by the Company.

## Quantore Europe B.V.

"The multi vendor content syndication solution of TIE Kinetix enables us to distribute consistent and up to date product and marketing information of our entire portfolio to all of our members. This way we are able to efficiently and effectively facilitate our members as well as our suppliers. Now we can act as a marketing distributor adding value within the entire sales channel and increase online conversion rates." says Marc Gijsbrechts, ICT Manager, Quantore Europe B.V.

Quantore

User of the Business Integration Platform and Content Syndication Platform since 2006.

## TIE Kinetix Solutions

TIE Kinetix is the total electronic concept for sharing and exchanging business information in the most virtual ways possible. Critical information needs to flow continuously and accurately out into the market, through a variety of channels, in order to effectively create demand for products and services. Signals from the consumer must be consolidated, interpreted, and acted upon to ensure that your business can outlast and out-perform your competitors. Once the demand becomes an order, it must be efficiently processed and communicated to the suppliers and logistics providers who can fulfill the demand. TIE Kinetix is the platform for connecting businesses and merging supply and demand in the most technologically efficient ways, saving our customers millions of dollars in productivity and higher sales performance.

### Business Integration Solution Platform

Regardless of whether your company operates in the real world or online, every business requires the power to connect applications and processes with the systems of their supply chain partners. This connection ensures that any action in the supply chain results in an immediate and accurate response from your partners, suppliers and logistics providers, irrespective of the ERP systems in use. Content Syndication Solution

**TIE Kinetix** 

### **E-commerce Solution**

The MamboFive Commerce Suite, TIE Kinetix's E-commerce Solution, is a complete, scalable and proven solution for E-commerce that enables you to take your company online in both a simple and professional manner.. Whether you are active in B2B, B2C, or a combination of both, our platform allows the transition of doing business via the Internet without any

complications. With this solution, you may become the owner of a webshop over which you have total control, while allowing you to achieve seamless integration with existing ERP systems (Exact, Unit4, BaaN, Oracle, SAP WMS and many others).

### Content Syndication Solution

The TIE Kinetix Content Syndication Solution provides the on-line control, collaboration and customization needed to increase web traffic, optimize marketing costs and reduce costly content syndication. The Content Syndication Solution provides businesses with the tools to manage their rich digital marketing materials and distribute them online from a common source. Manufacturers are able to assist their partners by updating any reseller's or distributor's web site with the latest content updates, marketing campaigns and product information. This enables resellers and distributors to attract, educate and deliver the critical product information that end users demand. As a result, the manufacturer's investment in product marketing is protected, due to consistent and controllable product information, throughout delivery and partner use – all the while maximizing the resellers' and distributors' online sales and branding efforts.

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, while limiting their initial investment. All solutions are designed to enhance the value of the software, while providing 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.



### Lixer

Lixir is a major supplier of wine, champagne and other liqors in France. The group works both the internal French, as well as the international market. Lixir produces and markets strong brands like: Grant's, Glenfiddich, Piper Heidsieck, Cointreau, Passoã, etc... Lixir uses TIE France products and services to automate and dematerialize it's EDI flow. This has allowed the group to effciently manage around 5000 messages per month. These messages are exchanged with logistic partners and clients, and includes order messages, dematerialized invoices and transport messages.

User of the TIE Kinetix Business Integration Platform since 2008.

## Table Of Contents

- 5 Profile TIE
- 6 Financial Highlights
- 7 Highlights 2009
- 9 TIE Kinetix Solutions
- 11 Table Of Contents
- 13 Important Information
- 14 Management Board
- 15 Management Board's Letter
- 16 Report From The Supervisory Board
- 20 TIE: Keeping Your Business Virtual
  - 20 Technology Leadership
  - 20 TIE Kinetix
  - 21 General
  - 21 Services
  - 23 Business Integration Platform
  - 24 Content Syndication Platform
  - 27 E-commerce Platform
- 29 Report from The Management Board
  - 29 Operating Expenses
  - 29 Productivity
  - 29 Strategic Long Term Investments
  - 30 Strategic Alliances
  - 30 Research & Development
  - 30 Cash Flow
  - 30 General Management
  - 30 Management Statement
  - 30 Outlook
  - 31 Management's Discussion And Analysis
  - 34 Targets For Financial Year 2010
  - 35 Risk Assessment
- 37 Corporate Governance
  - 37 Management Board
  - 37 In Control Statement
  - 38 Supervisory Board

- 39 The Shareholders
- 40 General
- 41 Corporate Responsibility
- 42 Consolidated Financial Statements of TIE Holding N.V. For The Year 2009
  - 42 Consolidated Balance Sheet As At September 30, 2009
  - 44 Consolidated Income Statement For The Year Ended September 30, 2009
  - 45 Consolidated Statement Of Changes In Equity For The Year Ended September 30, 2009
  - 46 Consolidated Cash Flow Statement For The Year Ended September 30, 2009
  - 47 Notes To The Consolidated IFRS Financial Statements
  - 60 Notes To The Consolidated Balance Sheet
  - 72 Notes To The Consolidated Income Statement
  - 79 Commitments And Contingent Liabilities
  - 80 Main Shareholders
  - 80 Related Party Transactions
  - 80 Pending Litigation
  - 81 Subsequent Events
  - 82 Dutch GAAP TIE Holding N.V. Balance Sheet As At September 30, 2009
  - 84 Dutch GAAP TIE Holding N.V. Income Statement For The Year Ended September 30, 2009
  - 84 Notes To The Company Financial Statements
  - 85 Notes To The Company Balance Sheet
  - 89 Notes To The Company Income Statement
  - 90 Other Information
  - 91 Auditor's Report
- 92 Where To Find TIE...

## **City Sports**

"TIE's support is first class. They are easy to work with, know their stuff really well, and get excited about the product. This makes the program an overwhelming success in my eyes." - Dylan Bruntil, Director of Information Technology at City Sports.

User of the TIE Kinetix Business Integration Platform since 2005.

## 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 contained within this report and the Financial Statements 2009 (October 1, 2008 – September 30, 2009).

### **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 forwardlooking statements either 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.

## Management Board



## The Management Board currently consists of one person.

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  $\in$  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 € 250 million to € 300 million.

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

### 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: **1,600,000** Number of options in the Company: **1,099,845** Convertible Bond, relating to number of shares: **265,000** 

## Management Board's letter

To the shareholders,

It is with great pleasure that I present our 2009 annual report for TIE Holding N.V. This report highlights our financial results, major activities and accomplishments. Clearly, 2009 was a year of worldwide upheaval, both in economic terms and geopolitical instability. Despite these formidable challenges, the Company has reported its highest yearly operating income, without sacrificing revenue growth, since the Company was listed.

The Company executed its strategic plans for growth, cutting costs and increasing productivity over the previous year. In the United States, the Company reached a partnership agreement that included the sales of its EDGE desktop business to Intertrade Systems, a Canadian company, in order to focus more on the TIE Kinetix portfolio. We are poised to expand our global reach with the appointment of a new Director of Europe, Africa and the Middle East (EMEA). A new Managing Director has been installed in Australia to develop business opportunities in the Pacific Rim countries.

Our Business Integration Platform, the core of our business, has been enhanced with the Smart Start solution. Today, over 5,000 customers use TIE's EDI solutions every day for transferring data to business partners worldwide. This roster of users includes Sodexo, Epicor, Jumbo Supermarkets, and Chanel.

The MamboFive B.V. investment has added an important E-commerce dimension to our business by offering our customers a comprehensive and scalable solution for companies desiring to engage in webbased business.

Our Content Syndication platform has been significantly enhanced with the release of Version 1.5. A strategic relationship has been forged with the CBS interactive division, CNET. Several important projects were executed during the year, including Siemens Enterprise Communications and Microsoft (UK).

The TIE Kinetix platform is now fully available in the market as an "on-demand", managed service solution. This helps customers to electronically connect their business processes faster than ever, while increasing sales effectiveness, speed to market, and reducing the cost and workload on information technology. Today, customers can instantly turn on solutions that demonstrably increase their ROI without installing or maintaining hardware or software.

Our technical leadership in delivering solutions, combining our three platforms, has been validated this year through the adoption of TIE Kinetix by CBS Interactive, Microsoft, Siemens and Quantore.

As the world economies improve, our outlook for growth remains positive. We will further enhance our products, expand our global reach and invest in the resources needed to ensure our technological leadership and execute our strategic plan.

Sincerely, Jin. J.B. Sund CEO 1 lolding N.V.

## Report from the Supervisory Board

### To the shareholders,

The 2009 financial year confirms that the company remains on the right track, following several very disappointing years and a complete restructuring of the company. Despite a less favorable financial market situation, the company displayed consistently in that operational profit could be generated within the limits of its long-term business plan.

While the total costs were carefully controlled, the product portfolio was further completed with the acquisition of MamboFive B.V., and the marketing and sales efforts were strengthened. Such progress allowed the Supervisory Board of TIE Holding N.V. to focus on consolidation of the results achieved thus far on risk management and business development.

### **Organizational aspects**

The Supervisory Board currently consists of three members, two of them considered independent. The third member, Mr Peter van Schaick, holds 23.74% of the shares in TIE, through Alto Imaging Group N.V.. Therefore, Mr. van Schaick cannot 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. The Supervisory Board notes that its composition is in line with the profile of the Supervisory Board. Each board member has his specific field of complementary expertise.

### **General Business**

The Supervisory Board 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 actual results versus the targets set in the annual operating plan. 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 realize a healthy profit level. First of all, the company has shown an ability to grow autonomously. TIE became cash flow positive (from operating activities) in the last quarter of the 2008 year and has been cash positive ever since.

Additionally, the Supervisory Board monitored the cost structure of the company and advised

the Management Board on all aspects.

The financial structure has been further improved by issuing of shares and Convertible Bonds to third party investors and 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 a loan, has been handled by the Supervisory Board with great care, ensuring procedures "at arms length". 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;

The Supervisory Board monitored the acquisition process of MamboFive B.V. carefully and agreed to its acquisition. The acquisition of MamboFive B.V., an e-business company specializing in webshop applications, was 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.

#### Audit Committee;

The Supervisory Board as a whole monitored the accounting and reporting processes in its functions as an audit committee. In order to ensure the quality of the financial reporting process and to discuss the findings on the financial statements, the Supervisory Board has met with the company's external auditors Ernst & Young, both in and out of the Management Board's presence.

### Meetings of the Supervisory Board

During the 2009 year, the Supervisory Board returned to a more normal meeting schedule of once per quarter. With all members of the Supervisory Board heavily involved in all the meetings, no members were frequently absent. During the course of these meetings, the Supervisory Board evaluated the performance of the Management Board, which was not present.

#### 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 wellbalanced 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 March 11, 2009, the General Meeting of Shareholders adopted the Compensation Policy for 2009. The remuneration of members of the Management Board has been 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 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 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).

### 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 upon the realization of short-term targets and variable compensation in the form of option based on the realization of long-term targets. The salary includes base salary, holiday allowance, pension arrangements and lease vehicles. Members of the Management Board 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 Management Board 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 regularly evaluate the remuneration structure 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 determined the performance targets for individual members of the Management Board, based on a long-term operating plan. 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 are based on the Company's strategic agenda, which includes financial targets. Since these targets contain commercially sensitive information, the exact targets are not being disclosed. However, the information is available for the external auditor of TIE;

The Chairman of the Management Board updates 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 prepared an evaluation of the past financial year. The evaluation includes 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, if 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 2009 financial year.

### **Remuneration report J.B. Sundelin**

At the annual shareholders meeting held on March 11, 2009, the General Meeting of Shareholders agreed to a remuneration amounting to  $\in$  216k for Jan Sundelin and to a detailed bonus policy 2009-2013. The remuneration ( $\in$  223k including expenses, net of option expense) was paid to CAPTA Management B.V., Jan's consultancy Company.

The Supervisory Board evaluated the performance of the CEO along the references laid down in the bonus policy 2009-2013. The bonus rewarded to Mr. Sundelin consists of  $\in$  10.8k in cash and 750,000 options, which shall be paid to Mr. Sundelin, after the financial statements 2009 have been adopted by the annual meeting of shareholders on March 10, 2010.

The severance package of Jan Sundelin is in line with best practice provision II.2.8 of the Code. The remuneration of the Management Board is disclosed in detail on page 76.

### **Remuneration Supervisory Board**

Details of the Supervisory Board remuneration are disclosed on page 76. 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

Gender Male, Age 63 Nationality Dutch Principal position CEO & President, Cebra B.V. Other relevant positions None Date of initial appointment May 2003 Current term of office ends May 2012 Supervisory Board memberships of ther public companies None



### Peter van Schaick Gender Male, Age 55

Nationality Dutch Principal position CEO Alto Imaging Group N.V. Other relevant positions None Date of initial appointment May 2007 Current term of office ends May 2011 Supervisory Board memberships of other public companies None



### Erik Honée

Gender Male, Age 52 Nationality Dutch Principal position Consultant M&A Diligence Services B.V. Other relevant positions None Date of initial appointment May 2008 Current term of office ends May 2012 Supervisory Board memberships of other public companies None

## TIE Kinetix: Keeping your business virtual

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 E-commerce.

Regardless of whether a business operates in the real world or online, the power to connect applications and processes with those of its industry and supply chain partners is a bare necessity. It improves operational efficiency, reduces costs, and provides a platform for business information exchange communications. Real time integration of marketing, sales and fulfillment throughout the supply chain has a major impact on reducing cost and increasing revenue throughout the supply chain, and thereby increases the profits of all supply chain partners.

TIE understands the needs of its customers, assisting them to improve their efficiency and decrease their costs. TIE connects businesses by means of TIE Kinetix, which consists of the three application areas: marketing, sales, and fulfillment, as described in the next chapter.

With the TIE Kinetix Platform, TIE delivers a twofold 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 changing through the adoption of Services Orientated business models and Architectures (SOA) and through Software as a Service (SaaS). The future generations of software applications will be developed and validated in such a way that parties/companies communicating on a global or European scale will benefit from a technical-based transformation into businessbased semantic communications. This will allow the lowering of costs by enabling these companies to increase e-Business among themselves and/or their customers. TIE is well positioned in the SOA field as a reselected core partner, SME Board member, and steering committee vice chair of the European Technical Platform on Software and Services NESSI (www.nessi-europe.eu). NESSI is supported by the European Commission, chaired by Siemens, whose Board contains the likes of Telefonica, Thales, IBM, HP, AtosOrigin, etc., and represents over 400 members from SMEs, such as TIE, through to Large Industrials and Academics.

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

Furthermore, TIE is a key player, selected for its expertise, in a number of European co-funded projects, such as STASIS (Semantic Interoperability), NEXOF-RA (Services/SOA Reference Architecture), SOA4ALL (Semantic web) and NESSI2010 (Coordination of NESSI), awarded in 2009 NetChallenge (SME Business Networks), all highly relevant to the business area in which the Company operates. The three-year STASIS project was technically finalized in September 2009 and is expected to be fully approved.TIE is currently evaluating how its results can assist its portfolio from a knowledge and product point of view.

### **TIE Kinetix**

Companies in the supply chain need to work together to maximize their revenue. Collaboration and efficient processes for sharing data and information to facilitate marketing, sales and fulfillment across all companies in the supply chain is essential to reduce cost and maximize revenue. By connecting the information, data, transaction and content throughout the supply chain, combined with comprehensive reporting and analysis, it provides manufacturers and distributors a total control and insight of all activities in the supply chain.TIE Kinetix is the total electronic concept for sharing and exchanging business information in the most virtual ways possible. Critical information needs to flow continuously and accurately into the market through a variety of channels in order to effectively create demand for products and services. Signals from the consumer must be consolidated, interpreted, and acted upon to ensure that your business can outlast and outperform your competitors. Once the demand becomes an order, it must be processed in the most efficient ways, and communicated to the suppliers and logistics providers that can fulfill the demand. TIE Kinetix is the platform for connecting businesses and merging supply and demand in the most technologically efficient ways, saving our customers millions of dollars in productivity and higher sales performance.

- TIE Kinetix compasses the 3 integrated platforms:
- TIE Kinetix Business Integration Platform: Connecting businesses to enhance fulfillment in the supply chain. As explained on page 23.
- TIE Kinetix Content Syndication Platform: Marketing & Information throughout the supply chain. As explained on page 24.
- TIE Kinetix E-commerce Platform: Comprehensive and scalable E-commerce platform. As explained on page 27.

### 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/ distributor, and finally, reaching the end-user, who buys goods or services through an online webshop.

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, while 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 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 provides 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.

## Nature's Finest

### Sodexo

sodexo

With the TIE Verification Manager the data in the catalogue of Sodexo are always up to date which brings considerable savings in terms of time. With an average of 30,000 invoices per month, the accuracy of the catalogue data means that invoice loss has been drastically reduced, and incoming invoices are automatically made available to our SAP system thanks to the TIE Business Intergation Platform software; Arno Cok, Supply Chain Catelogue Manage Benelux Sodexo.

User of the TIE Kinetix Business Integration Platform since 2001.



## **Business Integration Platform**

# Every business requires the power to connect applications and processes with the applications of their supply chain partners

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 updates 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 also 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, sent and booked. This results in a cost reduction and improves efficiently. This example is based on our e-Invoicing 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 Messaging, Data Synchronization and Data Verification. Therefore, 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 partners worldwide; this customer base is build over the 22 years of TIE's existence. Our latest solutions as Data Quality and e-Invoicing are in use by Sodexo, Eriks, Poiesz supermarket, Jumbo supermarket, Sikkens, Intratuin, Railpro, Moonen Packaging, Johnson, Homz, AMR Research, Epicor, Homax, Clopay, Chanel and many more.



Control the consistency of online communication and require a total marketing communication solution for the entire channel

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. Traditional companies, in particular, 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 Solution provides these traditional companies with the tools to create their product information and distribute it online. From one Master Data Management data and content source (the "single source of truth"), manufactures and distributors assist their partners in the supply chain by updating any reseller's or distributor's web site with the latest products updates, actions and information in real time, eliminating any delay in the go-to-market. This enables resellers and distributors to serve, attract and convince the end-users. Meanwhile, the manufacturer and distributor'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 and distributors, 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 and distributor's marketing power. With the infrastructure of a Content Syndication Platform, they can provide resellers and distributors with dynamic online merchandising tools that can be used to leverage the 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 and distributors use the Content Syndication Platform today to syndicate content to business partners. Companies ahead of the curve in their markets, such as Microsoft, Kyocera, Siemens, Leolux, Quantore and Panasonic, are all driving for more market and better market penetration on line.

# SIEMENS

## Baierbrunner Straße

G

Siemens Aktiengesellschaft

Siemens Enterprise Communications GmbH & Co.KG

## Siemens

We reduce the time to get information into the market and are obviously pleased that accurate, complete and up to date information about our products and solutions is available to the market and is being actively promoted by our partners.

Adrian Honey, Director of Global Indirect Channel Marketing at Siemens Enterprise Communications

User of the TIE Kinetix Content Syndication Platform since 2008.



## HI.nl

Thanks to the TIE MamboFive Commerce Suite, we can continue to react quickly to changes, tailor campaigns effectively to new trends and stay constantly on the move; Peter van der Schaar, Channelmanager Hi.nl.

User of TIE Kinetix E-commerce Platform since 2005.



E-commerce Platform

A comprehensive scalable and proven E-commerce Platform to get every business online, whether you are doing B2B or B2C

While E-commerce and supply chain management technologies have matured, there is still considerable potential for improvement and advancement. The TIE E-commerce Platform is a comprehensive scalable and proven E-commerce Platform to launch your business online. Whether you are performing B2B or B2C or combining those two, this is now possible with the Platform, enabling the merchant to be in full control of its webshop(s). Seemless integration with existing ERP Platforms is available (Exact, Unit4, BaaN, Oracle, SAP WMS and many more).

The TIE Kinetix E-commerce Platform already handles over 10 million visitors per month for several mid and large-sized companies. Companies like KPN-HI, Ahold, Simac-ICT and Vodafone are using the Platform to enable their businesses online, resulting in lower costs for order intake and lower costs in sales.

## BuyYourWine

ICT meets Wine. The great thing about the TIE Kinetix MamboFive Commerce suite is that it's child's play to add to and change the range, the prices or special offers. Majo Diepman and Monique Greven owners of BuyYourWine.nl.

User of the TIE Kinetix E-commerce Platform since 2005.

## Report from the Management Board

Though worldwide economical circumstances were tough, TIE enjoyed its best financial year since the Company was listed on the NYSE Euronext. In 2009, the Company harvested the first result of the reorganization started in the 2008 fiscal year, resulting in achieving the 2009 targets:

- Development and release of the Smart Start Business Integration Solution;
- Development, release and marketing of the Content Syndication Solution in both the US and worldwide markets. A strategic partnership was agreed with CNET for the worldwide sale of our Content Syndication Solution. We obtained A-brand customers like Siemens and Microsoft;
- The first total TIE Kinetix solution was sold to WECARE4;
- Company sales are up by 14%;
- Cross selling on a global level was achieved by our sales teams in US and Netherlands, and was further supported by the move of our corporate marketing manager to the US;
- The E-commerce Solution can be fully integrated with the Content Syndication Solution and Business Integration Solution; first steps to accelerate the sale of the E-commerce Solution on a worldwide basis have been made;
- We optimized our internal business processes by achieving higher productivity from our consultancy team;
- The cash flow from operations was positive, € 568k over the entirety of 2009;
- We appointed 2 sales directors, one for EMEA (excluding Netherlands and France) and another for Asia-Pacific, in order to reach for geographical expansion into new markets.

Our staff, Sales, R&D, Consultancy, Support, Finance & Legal, have been aptly challenged, and therefore, fully devoted in reaching the tough targets we established. The Management Board appreciates the contributions to success made by all employees and managers worldwide.

### **Operating Expenses**

During 2009, operating expenses were sufficiently reduced, resulting from the cost-cutting program started during the fiscal year 2008. Employee costs remained stable, as additional costs that resulted from the MamboFive B.V. acquisition (10 months) in 2009 could be set off against 2008 reorganization costs.

Depreciation costs, excluding impairment effects, have increased, resulting from the depreciation of assets purchased through MamboFive B.V. as well as amortizing new developed software upon release.

Other operating expenses decreased by almost

20% (adjusting MamboFive B.V. 10 months), resulting predominantly from reducing costs.

### Productivity

We focused on a tight control and focus on billable hours in which excellent results were obtained in the Netherlands and France, coming very close to 80% utilization. The US market was affected considerably by the economical crisis, resulting in a decrease of consulting staff. Additionally, we continue to investigate the possibilities of implementing the knowledge obtained through the TIE RDI Projects (EU) to TIE Kinetix. This results in increased efficiency and truly provides our customers with the benefits of the research performed.

### Strategic Long Term Investments by TIE

TIE has appointed two sales directors for the EMEA and Asian-Pacific market in order to look for geographical expansion into new markets, as well as further development of our global alliances with CNET and Epicor.

### **Strategic Alliances**

We entered into a global alliance with CNET in order to promote the Content Syndication Solutions on a worldwide basis to A-brands. The Company continued the global partnership with EPICOR in relation to our Business Integration Platform. TIE maintains 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 existing customer base, while acquiring new customers and enhancing its market presence. The pilots with Microsoft UK and Siemens Enterprise Communications GmbH for the TIE Kinetix Content Syndication Solutions have resulted in, respectively, a partnership with Microsoft UK and a global partnership with Siemens Enterprise Communications GmbH.

In October 2009, a partnership was announced with Intertrade Systems in Canada, which supports our long-term strategy to focus our efforts on the medium and enterprise market for our Business Integration Solution by providing additional network capacity within the North American market.

### **Research and Development**

In June 2009, Business Integration Smart Start was launched into the market, enabling users to reduce costs by bringing together Electronic Data Interchange (EDI) and transport of messages through Freeconnect.

In July 2009, TIE was announced as one of the partners in the EU net challenge project to develop visionary collaborative business environment for small and medium enterprises.

In October 2009, the Translator 4.0 was released, allowing users to transform their electronic business documents from one format into another, thus opening up their ERP and other business software for integration with that of their partners in a controlled manner.

### **Cash flow**

The ABN-AMRO facility ended per October 1, 2008, an amount of  $\in$  435k was redeemed. In December 19, 2008, the Company completed the Sales Purchase Agreement of MamboFive B.V. An amount of  $\in$  200k was paid on that date, while an amount of  $\in$  300k was paid on February 27, 2009. Funding for the second part of the transaction was raised through convertible bonds amounting to  $\in$  326k, predominantly paid by the Companies' management/managers.

The Company paid an amount of  $\in$  400k to the landlord of its old premises in the Netherlands on

December 20, 2008, resulting from an agreement reached in November 2007.

The positive 2009 cash flow from operations amounted  $\in$  568k. During 2009, we managed to obtain additional funding of  $\in$  326k to secure the purchase of MamboFive B.V.

On September 30, 2009, TIE obtained a credit facility from Rabobank, amounting to  $\in$  350k for the Netherlands operations.

### **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.

Since May 1, 2008, Zwier van Puijenbroek is hired as financial director of the Company. Zwier is currently not a member of the Management Board of the Company.

### **Management Statement**

Pursuant to the implementation of the Transparency Directive 2004/109/EC into Dutch legislation per December 24, 2008, the Management Board states that to its knowledge a) the accounts in this Annual Report give a true and fair view of the assets, liabilities and financial position and profit and loss of TIE Holding N.V. and its subsidiaries; b) the management report in this Annual Report gives a true and fair view of TIE Holding N.V. as per the balance sheet date and the state of affairs during the financial year to which this report relates and c) the annual management report describes the material risks the Company is facing.

### Outlook

The Management Board strongly believes that the reorganization initiated in the 2008 fiscal year has begun to pay off and has contributed significantly to the results of 2009. The acquisition of Mambo-Five B.V. completed the TIE Kinetix Platform, consisting of Business Integration Platform, Content Syndication Platform and E-commerce Platform. During 2009, significant efforts have been made in integrating the functionality offered by the three platforms, which collectively offer different solutions to our customers. In 2010, the integration will be completed, resulting in an important step for further growth of the Company. The focus on new technologies (such as Content Syndication), further geographical expansion, and the entering of new markets will help us to further progress the Company. Part of the future growth will involve new acquisitions.

### **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 MamboFive B.V. (included in the consolidation and fully integrated in the Netherlands segment as of December 1, 2008) is of key importance in understanding the development of both revenues and expenses in 2009 in comparison to 2008.

All amounts are in  $\in x$  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:

Annual Result of Operations and Financial Position	2009	2008
Total Income	11,190	9,788
Direct Purchase Costs	(1,367)	(1,412)
Operating Expenses	(9,064)	(10,257)
Net Income	530	(2,098)
Shareholders' Equity	2,417	449
Equity	4,078	2,184
Cash flow from operating activities	568	(359)

The net result for 2009 totaled a profit of  $\in$  530k, compared to a loss of  $\in$  -2,098k in 2008. The underlying operating income has grown by 14%. Organically, revenue has grown by  $\in$  679k (7%) and the MamboFive B.V. acquisition, included as of December 1, 2008, resulted in a growth of  $\in$  723k (7%). Operating expenses decreased by  $\in$  1,193k after excluding MamboFive B.V. costs by  $\in$  1,763k.

Shareholders' equity increased predominantly, resulting from the net profit, conversion of Convertible Bonds and excersizing options. At year end of 2009, Shareholders' equity amounts to  $\in 2,417k$ (2008;  $\in 449k$ ). Equity increased to  $\in 4,078k$  at 2009 year end from  $\in 2,184k$  at 2008 year end. The Company managed to attract additional funding by the issue of Convertible Bonds to third party investors, related party investors, and members of the Company's management. Equity includes Convertible Bonds amounting to  $\in 1,661k$  (2008  $\in 1,735k$ ).

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

### **Total Income**

The following table, as displayed below, provides the breakdown of Total Income and Income Net of Direct Purchase Costs by category for 2009 and comparative 2008 (and the percentage of total net revenues represented by each category) for the financial years indicated.

SaaS pertains to all hosting, webEDI (TiedByTIE) and Value Added Network services. These services are generally provided on the basis of a 12, 24 or 36 months 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; 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 remaining 55% of consultancy revenues are classified as non recurring revenue. Recur-

Total Income and Income Net of Direct Purchase Costs		2009		2008
Licenses	1,212	11%	1,505	15%
Maintenance and Support	3,243	29%	3,068	31%
Consultancy	2,458	22%	1,931	20%
Software as a Service	3,472	31%	2,730	28%
Total Revenues	10,385	93%	9,234	94%
Other Income	805	7%	554	6%
Total Income	11,190	100%	9,788	100%
Direct Purchase Costs	(1,367)	(12%)	(1,412)	(14%)
Income Net of Direct Purchase Costs	9,823	88%	8,376	86%

### Report from the Management Board

ring revenues are a more stable basis of growth for the Company. Since 2008, management continued its focus on building a recurring revenue stream.

Development of recurring revenues versus nonrecurring revenues is shown below:



The growth of recurring revenue over 2009 compared to 2008 is largely due to the continued growth in SaaS and Other Income (EC projects) and the recurring SaaS revenue from the acquisition of MamboFive B.V..

Revenues by region:

Revenues by region:	2009		2008	
The Netherlands	5,509	<b>49</b> %	4,390	45%
North America	3,846	34%	3,836	39%
Rest of World	1,835	16%	1,562	16%
Total Income	11,190	100%	9,788	100%



Revenue development over the last 5 years:

Total Income overall increased by  $\in$  1402k, representing an increase of 14%. This growth was realized in The Netherlands (11%) and Rest of World (3%). TIE France income, included in Rest of World, increased by 17% to  $\in$  1,057k, while the international business driven from The Netherlands operation increased by 17% to  $\in$  772k. Total Income

in North America stabilized as measured in Euro, while in USD sales in North America, it declined by 10% as a result of the economic crisis.

The Netherlands revenues reflect a growth of 25% due to particularly increased revenue from SaaS, Maintenance and Support and Other Income. The organic growth of the Netherlands was about 9%; the remaining growth of another 16% (€ 723k) resulted from the MamboFive B.V. acquisition (10 months). SaaS revenue is still growing as the market increasingly 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 2009, this figure increased due to participating in (new) projects such as SOA4ALL, STASIS, NetChallange, NESSI2010 and NEXOF-RA. 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 spinoff from these projects into TIE Kinetix. Reviews of the STASIS project have yielded positive feedback with interest from the **European Commission Semantic Interoperability** center (SEMIC.EU) as well as its Dutch equivalent. The Netherlands license revenue remained stable compared to 2008; however, 2008 included € 100k of a license agreement with Lekker van der Laan Dekker, whose company went bankrupt in early 2009, as an amount of € 85K was impaired.

Total income in the North American territory stabilized (in Euro) as a result of favorable currency effects during the start of the year. In USD, the income decreased by 10%. SaaS revenue, however, increased in the North Americas by 54% from € 603k in 2008 to € 931k in 2009. In USD, SaaS revenue increased to USD 1,257k compared to USD 906k in 2008, a growth of 39%. This recurring revenue growth was offset by lower license, Consultancy revenues, and slightly lower Maintenance and Support revenue.

Rest of World revenues reflects a 20% growth. TIE France showed an overall growth of  $\in$  151k (17%), including 76% growth in SaaS revenues, 9% on Licenses and 4% in maintenance and support, while Consultancy decreased by 10%. The international revenues driven from the Netherlands showed an overall growth of 18%, while SaaS showed a growth of  $\in$  28k (11%), Maintenance and Support showed a growth of  $\in$  45k (22%) and Consultancy an increase of  $\in$  62k (124%). Meanwhile, License sales decreased by  $\in$  17K (11%).

The Direct purchase costs decreased to 12% of Total Income in 2009 (2007: 14%), resulting from cost cuts on hosting services and lower volume of third party licenses sold.

Operating Expenses	2009		2008	
Employee Benefits	6,496	72%	6,558	64%
Depreciation, Amortization and Impairments	360	4%	992	10%
Other Operating Expenses	2,208	24%	2,707	26%
Total Operating Expenses	9,064	100%	10,257	100%

### **Operating Expenses**

The table above shows a breakdown of the total operating expenses for the financial years indicated.

Operating expenses have decreased in total by  $\in 1,193k$ .

The employee costs decreased by  $\in$  62k compared to 2008. The acquisition of MamboFive B.V. had an effect on employee benefits of  $\in$  455k in 2009 (10 months). In 2008, the Company recorded additional costs resulting from redundancy costs amounting to  $\in$  450k. Employee Benefits include Stock Option Expenses. All Stock Option plans include a vesting period, which means the expense is spread over the vesting period (as of October 1, 2004). The vesting Stock Option Expense in 2009 amounts to approximately  $\in$  292k, compared to  $\in$  169k in 2008.

The decrease of the depreciation costs is discussed in more detail 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

Depreciation, Amortization and Impairment	2009	2008
Depreciation and amortization of Fixed Assets	360	269
Impairments	-	723
Total	360	992

The impairment test performed for each of the Cash Generating Unit (CGU) per 2009 year end revealed that there was no need for further impairment. Due to the impairments of 2007 and 2008, depreciation and amortization costs for 2008 were relatively low; in 2009 depreciation and amortization costs increased, resulting from amortization of capitalized R&D costs and depreciation on acquired MamboFive B.V. fixed assets.

### **Financial income and/or Expense**

Financial income and/or Expense	2009	2008
Interest Income	15	5
Interest Expenses	(46)	(58)
Exchange gains/ (losses)	(2)	3
Total	(33)	(50)

The interest expense in 2009 and 2008 pertains to the interest costs for use of the loans and deferred interest on the MamboFive B.V. acquisition as discussed in more detail on page 58. During the year, no credit facility has been used.

#### **Income Taxes**

Based on the improving economic outlook and results of the fiscal unity in The Netherlands, TIE has recognized a tax asset per 2009 year end of  $\in$  243k, based upon the AOP and business plans. More details are discussed on page 64.

Based on the improving economic outlook for TIE Commerce Inc in the North American territory, management has recognized an additional Tax Asset in 2006, amounting to  $\in$  1.8m (USD 2.3m) to account for temporary differences, resulting in a total Deferred Tax Asset of  $\in$  2.6m (USD 3.3m) per 2006 year end. Per 2009 year end, the Deferred Tax Assets on temporary differences amounts to  $\in$  1.5m (USD 2.2m).

Each year proceeding 2006 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 not a result of 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.

### Report from the Management Board

### **Cash Position**

On September 30, 2009, the Company held positive cash and cash equivalents of € 457k (2008 € 1,088k); the credit facility, obtained from Rabobank on September 30, 2009 was not used in during the 2009 fiscal year (the credit line with ABN-AMRO was ended and fully repaid for an amount of € 435k on October 1, 2008). The net cash position amounted to € 457k (2008: 653k).

The Company issued various Convertible Bonds against cash for an amount of  $\in$  361k, predominantly by various managers of the Company for a total amount of  $\in$  356k.

Alto Imaging Group N.V., a related party, held 2 loans: one loan amounts to  $\in$  200k and was repaid on December 31, 2009, and the other loan, amounting to  $\in$  105k, was repaid on November 28, 2008.

On December 20, 2008, the Company fully paid the rental debt to the landlord of the old corporate office in accordance to the contractual obligations as agreed in November 2007 amounting to  $\in$  400k.

For the acquisition of MamboFive B.V., the Company paid a cash amount of  $\in$  200k on December 19, 2008 and  $\in$  300k on February 27, 2009. More details are disclosed on page 58.

In 2009, the Company had a positive cash flow from its operations of  $\in$  568k (2008: -  $\in$  359k). We expect that the future cash flow will be sufficient to cover the negative working capital per balance sheet date.

### **Development (R&D)**

During 2009, the Company capitalized R&D for the amount of € 557k (2008: € 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. Significant R&D effort is being invested in the EC supported, SO4ALL, NESSI2010, NetChallange and NEXOF-RA and STASIS projects. These projects have not been capitalized but are expensed through the Income Statement, since it is uncertain that they generate future benefits.

### Targets for Financial Year 2010

TIE's focus for the coming years is to consist of the three Platform solutions. The Platforms will be further developed and integrated, and intensified marketing and sales efforts will take place. The first step has been made by the introduction of a new website www.TIEGlobal.com and the introduction of the TIE magazine. TIE aims to grow geographically by entering new markets worldwide, especially in EMEA and Asia-Pacific area, while improving synergy between existing markets. On a national level, TIE focuses on entering new sectors and vertical markets. Financially, TIE's objective is to accomplish a significant revenue growth, while reporting an operational positive cash flow quarter over quarter.

Internal business processes have been improved during 2009. We will continue to focus on additional improvement where necessary. Furthermore, TIE will focus on product development. This does not only imply development of new products, but also in further improving and integrating our existing 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, both 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 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 E-commerce 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% per year. With our unique proposition, we intend to enter new worldwide markets 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 in multiple countries. By offering our customers a clear Return on Investments and offering products that can be 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, while providing 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. Companies in new geographical worldwide markets, where TIE currently does not have a strong customer base, and others that are active in sectors and markets in the Netherlands, USA and France are all considered valuable additions to the Company. The Company has the financial, legal and technical knowledge to smoothly perform acquisitions.

### **Costs and Capital Expenditure**

Management continuously focuses on improving efficiency in order to control or reduce costs. This includes the flexibility and ability to increase/decrease staff, based on business plans and developments. It also includes efficiency benefits to be obtained through improving the cooperation between divisions and countries. The Company does not expect large capital expenditure on investments in fixed assets or the replacement thereof.

### **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 the help of E-commerce, both internally and externally. 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 E-commerce worldwide. The knowledge obtained through the participations of these projects safeguard the development of our own software.

## Concrete targets for the coming financial year:

- Continue focusing on the three Platforms, which collectively present our TIE Kinetix solution 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 sell the new version to existing customers and new customers worldwide. Build strategic application partnerships, in line with the partnership, with Epicor;
- Continue to build our Freeconnect EDI community in the Netherlands;
- Continue to focus on the Content Syndication Platform in the US, Asian-Pacific and EMEA markets attracting A-brand customers. Build our strategic alliance with CNET for the sale and marketing of our Content Syndication Platform worldwide;
- Fully integrate the MamboFive E-commerce B2B and B2C solution into the total offering of TIE and enter existing and new markets with our TIE Kinetix E-commerce Platform;
- Achieve synergies between the business processes in the United States, the Netherlands and France by streamlining the organization and its business processes. Empower crossselling 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.

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, 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 we must also keep in mind that every sale is accompanied by an implementation, and TIE must 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 staff members. Motivation bonuses and training to sales, technical, legal and administrative staff are scheduled for 2010.

### **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, including the unwillingness of existing B2Bi players to cooperate rather than compete on a new generation of products, the possible inability to retain staff members and qualified management, and the unwillingness of investors to raise additional funding to invest in TIE's growth. Additionally, the Company's activities expose it to a variety of risks, including market risks (currency risk and interest rate risk) credit risk, and liquidity risk. Financial instruments held are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). The risks are monitored on a recurring basis at a Management Board level, applying input received from Management in the individual geographical areas, with whom the Management Board has contact on regular basis. The risk analysis focuses predominantly on business risks that result in managerial decisions on investing in Research and Development and entering new markets. Financing and funding decisions are made at Management Board level, guaranteeing that management is aware of any changes and developments. Individual debtors with collectability 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. Fair values disclosed are calculated based on current interest rates, taking into account 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 Currency Risk is discussed on page 54 of this report.

### **Credit Risk**

The Credit risk is discussed on page 55 of this report.

### **Liquidity Risk**

The Liquidity Risk is discussed on page 56 of this report.

### **Interest Rate Risk**

The Interest Rate Risk is discussed on page 57 of this report.
## Corporate Governance

Per January 1, 2010, the amended Dutch corporate governance code (Code Frijns) officially replaces the prior Dutch corporate governance code, also known as Code Tabaksblat. Last year, the Company already decided to take into account the new corporate governance code. With this active approach, the Company emphasizes its commitment to transparency and corporate governance, and maintains its status as early adaptor.

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 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 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.

In this annual report, the Company does not take other corporate governance codes into account. TIE considers Code Frijns and Code Tabaksblat as the leading codes in the Netherlands. Both Codes can be found on the website of the Monitoring Committee (www.commissiecorporategovernance.nl).

#### **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 corporate social responsibility issues. The Management Board is accountable for this to both the Supervisory Board and 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. More information on the composition of the Management Board can be found on page 14 of the annual report.

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 ensure 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 costs. It also provides for strong procedures to control purchasing, order fulfillment and support. To all TIE employees worldwide, it

### Corporate Governance

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 free up internal resources.

Operating since 2004, and the My-TIE functionality and design are continuously developed 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 the Management Board 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 2009, 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 a 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 decisionmaking, 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, 2009;

The internal risk management and control system has worked properly in financial year 2009 and there are no indications to believe that the internal risk management and control system will not continue to function properly in financial year 2010.

The Management Board has discussed the internal risk management and control system with the Supervisory Board.

#### **Supervisory Board**

The role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and its affiliated enterprise as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprise, and shall take into account the relevant interests of the Company's stakeholders. The Supervisory Board 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. More information on the composition of the Supervisory Board can be found in the report from the Supervisory Board on page 16-18 of the annual report.

Since the Supervisory Board comprises only three members, no separate remuneration committee and selection and appointment committee have been appointed. The activities of the audit committee are performed by the Supervisory Board as a whole. 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 23.74% the outstanding shares of TIE through Alto Imaging Group N.V., reported several conflicts of interest.

On February 24, 2009, Peter van Schaick, through Alto Imaging Group N.V., invested  $\in$  69.5k in the Company. The ten-year Convertible Bond issued in return had a conversion price amounting to  $\in$  0.10 and a one-year lock-up.

A conflict of interest was also deemed present when Peter van Schaick, through Jalak Investments B.V. offered TIE a loan amounting to  $\in$  100k, against an annual interest rate amounting to 6%. The agreement was entered into on June 25, 2009 for a term of a half year.

These agreements have been concluded on terms at least customary in this sector and the resolutions regarding both the loan and the 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.

Additionally, on May 19, 2009, Peter van Schaick through Alto Imaging Group N.V., converted a € 395K convertible bond into ordinary shares.

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

On February 24, 2009, Jan Sundelin invested € 26.5k in the Company. The ten-year Convertible Bond issued in return had a conversion price amounting to € 0.10 and a one-year lock-up. Additionally, 265,000 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. The Convertible Bond was initially issued to CAPTA Management B.V., this has been corrected on June 19, 2009.

The agreement regarding the investment has been concluded on terms at least customary in this sector and the resolutions 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.

Additionally, on March 11, 2009, the General Meet-

ing of Shareholders decided to grant Jan Sundelin 750,000 options.

On June 19, 2009, Jan Sundelin converted a € 800k convertible bond into ordinary shares.

On July 2 and 8, 2009, Jan Sundelin exercised 800,000 options in total.

#### **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's authorized share capital amounts to  $\in$  20 million, divided into 200 million ordinary shares, with a nominal value of  $\in$  0.10. As per October 1, 2009, the number of outstanding shares amounts to 71,976,818. Currently the two main shareholders are P.P van Schaick (through Alto Imaging Group N.V., 23.74%) and C.J.W.A. Komen (through DW Vastgoed Beleggingen B.V., 10.42%).

The Company has adopted the rules for large Companies ("structuurregeling"). As a result thereof, the Supervisory Board appoints new members of the Management Board. The General Meeting of Shareholders appoints members of the Supervisory Board. The General Meeting of Shareholders may amend the Articles of Association.

The General Meeting of Shareholders provided the Management Board on March 11, 2009 with the authorization to issue new shares and rights to acquire shares (options, warrants, convertibles) and to restrict or exclude any pre-emptive rights for a period of 18 months.

The anti-takeover provision consisting of a foundation called 'Stichting Preferente Aandelen TIE' has been terminated. The directors of the foundation decided to liquidate the foundation on

### **Corporate Governance**

February 18, 2009; the Chamber of Commerce filed the termination on March 24, 2009.

#### General

Currently, the Company deviates from one best practice provision. On March 11, 2009, Jan Sundelin received 750,000 options, after a resolution of the General Meeting of Shareholders. On February 24, 2009, Jan Sundelin received 265,000 options as appreciation of his investment in TIE. 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 results of the Company and/or the investment made and not to the achievement of specified targets, the Company currently deviates from best practice provision II.2.4 of the Code.

Improving the corporate governance structure of the Company and following all developments on corporate governance 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 of the Company for questions regarding corporate governance at any time. The documents in connection with the corporate governance structure of the Company are available on the corporate website http://www.TIEglobal.com. These documents are subject to further review.

## 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. Therefore, TIE 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 applicants equal opportunities, and does not tolerate any form of harassment or unfair or unlawful discrimination based on race, age, gender, sexual orientation, disability or national origin.

TIE is driven to attract, develop, reward and retain a 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 has continued on a voluntary basis, 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 positions.

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 period, the period 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 impending results 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 lies TIE's aim of creating value for all stakeholders and communities in which we operate. TIE will abide by all human rights and support the development of them 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 2009

### Consolidated Balance Sheet as at September 30, 2009

(Notes to the Consolidated Balance Sheet from page 47 onwards)

Assets (€ x 1,000)	Notes	September 30, 2009		September 30, 2008		
Non Current Assets						
Intangible fixed assets	1)					
Goodwill		2,546		1,457		
Other intangible fixed assets		1,334		788		
			3,880		2,245	
Tangible fixed assets	2)					
Property, Plant and Equipment		180		122		
			180		122	
Financial fixed assets	3)					
Deferred Tax Asset		1,780		1,918		
Loans and Receivables		40		22		
			1,820		1,940	
Total Non Current Assets			5,880		4,307	
Current Assets	4)					
Non Current Assets held for sale			198		-	
Trade Receivables and Other Receivables:						
Trade Receivables		1,817		1,488		
Taxation and Social Security		10		15		
Other Receivables and Prepayments		714		533		
			2,541		2,036	
Cash and Cash Equivalents			457		1,088	
Total Current Assets			2,998		3,124	
Total Assets		_	9,076	_	7,431	

Equity and Liabilities (€ x 1,000)	Notes	September 30, 2009		September 30, 2008		
Equity	5)					
Shareholders' Equity		2,417		449		
Convertible Bonds		1,661		1,735		
Capital and Reserves attributable			_			
to equity holders of TIE			4,078		2,184	
Minority Interest			-		-	
	Total Equity		4,078		2,184	
Non Current Liabilities	6)					
Loans Payable		-		200		
Settlement Liability		-		91		
Provisions		8		7		
Total Non Curr	ent Liabilities		8		298	
Current Liabilities	7)					
Provisions short term		19		394		
Settlement Liabilities short term		94		241		
Short Term Debt		805		540		
Trade Creditors		494		672		
Deferred Revenue		1,981		1,814		
Affiliated Companies		4		4		
Taxation and Social Security		149		215		
Income tax		52		4		
Other Payables and Accruals		1,392		1,065		
Total Curre	ent Liabilities		4,990		4,949	
Total Equity a	and Liabilities	_	9,076	_	7,431	

The Company's financial year runs from October 1st until September 30th. The 2009, financial year 2009, which covers the period October 1, 2008 through September 30, 2009, is referred to as 2009. The comparative pertaining to the period of October 1, 2007 through September 30, 2008 is referred as 2008.

### Consolidated Financial Statements of TIE Holding N.V. for the year 2009

### Consolidated Income Statement for the year ended September 30, 2009

(Notes to the Consolidated Income statement from page 47 onwards)

(€ x 1,000)	Notes	2009		2008		
Revenues						
Licenses		1,212		1,505		
Maintenance and Support		3,243		3,068		
Consultancy		2,458		1,931		
Software as a Service		3,472		2,730		
Total Revenues			10,385		9,234	
Other Income			805		554	*)
Total Income			11,190		9,788	
Direct Purchase Costs			1,367		1,412	
Income Net of Direct Purchase Costs			9,823		8,376	
Operating Expenses	8)					
Employee Benefits		6,496		6,558	*)	
Depreciation, Amortization Expense and Impairment losses		360		992		
Other Operating Expenses		2,208		2,707		
			0.044		40.257	
Total Operating Expenses			9,064		10,257	
lotal Operating Expenses			9,064		10,257	
Operating Income			759		(1,881)	
	9)	_				
Operating Income	9)	_	759		(1,881)	
Operating Income Interest and other Financial Income	9) 10)	_	<b>759</b> 15		(1,881) 5	
Operating Income Interest and other Financial Income Interest and other Financial Expense		_	<b>759</b> 15		(1,881) 5	
Operating Income Interest and other Financial Income Interest and other Financial Expense Share in Profit (Loss) of Associates			<b>759</b> 15 (48) -		(1,881) 5 (55) -	· ·
Operating Income Interest and other Financial Income Interest and other Financial Expense Share in Profit (Loss) of Associates Income before Tax	10)		759 15 (48) - 726		(1,881) 5 (55) - (1,931)	· ·
Operating Income Interest and other Financial Income Interest and other Financial Expense Share in Profit (Loss) of Associates Income before Tax Corporate Income Tax	10)		759 15 (48) - 726 (196)		(1,881) 5 (55) - (1,931) (167)	· ·
Operating Income Interest and other Financial Income Interest and other Financial Expense Share in Profit (Loss) of Associates Income before Tax Corporate Income Tax Net Income	10)		759 15 (48) - 726 (196)		(1,881) 5 (55) - (1,931) (167)	· ·
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:	10)		759 15 (48) - 726 (196) 530		(1,881) 5 (55) - (1,931) (167) (2,098)	
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:         Shareholders TIE	10) 11)		759 15 (48) - 726 (196) 530 -		(1,881) 5 (55) - (1,931) (167) (2,098)	
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:         Shareholders TIE         Minority interest         Net result per share - basic	10)		759 15 (48) - 726 (196) 530 - 0.01		(1,881) 5 (55) - (1,931) (167) (2,098) - (2,098) - (0.04)	
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:         Shareholders TIE         Minority interest         Net result per share - basic         Weighted average shares outstanding - basic (thousands)	10) 11)		759 15 (48) - 726 (196) 530 - 530 - 0.01 58,346		(1,881) 5 (55) - (1,931) (167) (2,098) - (2,098) - (0.04) 53,095	
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:         Shareholders TIE         Minority interest         Net result per share - basic	10) 11)		759 15 (48) - 726 (196) 530 - 0.01		(1,881) 5 (55) - (1,931) (167) (2,098) - (2,098) - (0.04)	
Operating Income         Interest and other Financial Income         Interest and other Financial Expense         Share in Profit (Loss) of Associates         Income before Tax         Corporate Income Tax         Net Income         Attributable to:         Shareholders TIE         Minority interest         Net result per share - basic         Weighted average shares outstanding - basic (thousands)	10) 11)		759 15 (48) - 726 (196) 530 - 530 - 0.01 58,346		(1,881) 5 (55) - (1,931) (167) (2,098) - (2,098) - (0.04) 53,095	

\*) As from 2009, incoming WBSO has been deducted from employee expenses. The 2008 comparatives have been restated accordingly.

# Consolidated Statement of Changes in Equity for the year ended September 30, 2009

	Share	Retained	Foreign Cur-	Share-	'Convertible	Equity attribut-	Minerity	"Tota
(€x1,000)	Capital (Incl Surplus)	Earnings	rency transla- tion Reserve	Equity	Bonds"	able to equity- holders of TIE	Minority Interest	Equity'
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)
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
Foreign currency translation reserve	-	-	10	10	-	10	-	10
Net Income recognized directly in Equity	-	-	10	10	-	10	-	10
Net Income recognized in the Income Statement	-	530		530	-	530	-	530
Total recognized net income for 2009	-	530	10	540	-	540	-	540
Shares Issued and Share premium	1,115	-	-	1,115	-	1,115	-	1,115
Issued Convertible Bonds	-	-	-	-	961	961	-	961
Converted Convertible Bonds	-	-	-	-	(1,035)	(1,035)	-	(1,035)
Share based payments	-	292	-	292	-	292	-	292
Other movements	-	21	-	21	-	21	-	21
Minority Interest	-	-	-	-	-	-	-	-
Balance per September 30, 2009	53,645	(50,765)	(463)	2,417	1,661	4,078	-	4,078

### Consolidated Financial Statements of TIE Holding N.V. for the year 2009

### Consolidated Cash Flow Statement for the year ended September 30, 2009

(€ x 1,000)	Notes	2009		2008		
Income before tax			726		(1,931)	
Non Cash Adjustments:						
Share based payments expense	8	292		169		
Depreciation, amortization and Impairments	8	360		992		
Increase (decrease) provisions for redundancy and rent building (one time items)	7	(635)		555	*)	
Loss on financial fixed assets		-		120		
Increase (decrease) provisions		24		(237)	*)	
Other movements		2		8		
			43		1,607	
Working Capital Movements		(204)		(240)		
(Increase) decrease in debtors		(281)		(219)		
(Decrease) increase in deferred revenue		147		8		
(Decrease) increase in current liabilities		(69)	(202)	196	(1E)	
			(203)		(15)	
Cash generated (applied) in operations			566		(339)	
Interest paid			(13)		(25)	
Interest received	9		15		5	
Income taxes paid			-		-	
Net Cash flow from operating activities			568		(359)	
Disinvestment in financial fixed assets		(18)		(23)		
Investments in intangible fixed assets		(10)		(482)		
Investments in tangible fixed assets		(87)		(102)		
Acquisition of a subsidiaries net of cash acquired		(332)		(104)		
(MamboFive and TIE France)		(332)		(101)		
Dividend paid MamboFive to former shareholders		(191)		-		
(years prior to acquisition)		()				
Net Cash flow generated / (used) in investing activities			(1,200)		(718)	
					````	
Increase (decrease) bank overdrafts/loans		(439)		214		
Issue of Convertible bonds		361		1,410		
Costs of shares and bonds issued		-		(10)		
Shares issued and share premium		80	_	336	-	
Net Cash flow generated / (used) by financing activities		_	2		1,950	
Net increase (decrease) in Cash and Cash Equivalents			(630)		873	
Currency Exchange Rate Difference on opening balance Cash and			(1)		(4)	
Cash Equivalents						
Opening balance Cash and Cash Equivalents			1,088		219	
Closing balance Cash and Cash Equivalents		_	457		1,088	
		_				

\*) one time items adjusted for in comparatives 2008, no effect on the Cash Flow from operating activities.

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 around 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 of 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 ending September 30, 2009 are authorized for issuing through a resolution of the Management Board dated January 21, 2010.

The General Meeting of Shareholders, to be held on March 10, 2010, will be requested to decide on the Consolidated Financial Statements.

### Statement of Compliance

The consolidated financial statements of the Company, included on pages 42 to 81, 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 principal accounting policies applied in the preparation of these consolidated financial statements are detailed below. These policies have been consistently applied to all the presented years, unless stated otherwise.

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

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

### **Going Concern Considerations**

Based on the 2010 operating plan, the Company expects further improvement of its cash inflow, resulting from increased sales and tight cost control. Management believes it will have adequate cash to run its operations for the next year. Since the second half-year of 2008, the Company has maintained a positive cash flow from its operations, a situation that continued in 2009. During 2009, all important financial obligations were paid on time.

Additional funding (issue of Convertible Bonds) through management, staff and third-parties was obtained to fund the acquisition of MamboFive B.V. In October 2009, the Company obtained a credit facility for the Cash Generating Unit in the Netherlands with Rabobank.

It is Management Board's intention to repay or convert into Equity Instruments the full amount of debt in accordance to the underlying agreements. Based on all items discussed above, Management believes 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'), allowing it 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, which is the date on which the Company obtains control. It will continue to be consolidated until the date in which 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values on the acquisition date. The excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets acquired is recognized as goodwill. Minority interests are presented separately in both the consolidated balance sheet and income statement. Where losses attribut-

able to the minority in a consolidated subsidiary exceed the minority interest in the subsidiary's equity, both the excess and any additional losses applicable to the minority are allocated to the Company, except to the extent that the minority shareholder has a binding obligation and can make an additional investment to cover the losses.

#### Segment Information

The Company operates mainly in one business segment (Master Data Management 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. Those are 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 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 liabilities are translated against the closing rate at the balance sheet date. Non-monetary items carried at a cost are translated by using the exchange rate at the date of the transaction. Exchange rate differences on monetary items are recognized in income whenever they arise.

Inter-company monetary items, which in substance form part of an enterprise net investment, are translated against the closing rate at the 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.

## Significant Accounting Judgments and Estimates

Application of the Company's accounting policies in preparation of these financial statements requires management to apply judgment that involves assumptions and estimates concerning future events, including assessing likelihood, timing, and the 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 require complex estimates or significant judgment are discussed below.

#### **Impairment of Assets**

Impairment of assets (intangible and tangible) is tested on a CGU 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 to determine net present values of future cash flows for CGU's in order to compare with asset-carrying values.

The models applied to determine 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.

### Intangible Fixed Assets

#### **Development Costs**

Product development costs are eligible for capitalization only when a projected outcome is determined technically feasible and deemed probable that future economic benefits will flow from the released product. Also, these economic benefits must be 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. This not only establishes a potential market for the product under development, but also estimates potential sales volumes.

#### **Digital Channel Intangible Asset**

The concept Digital Channel ('DC') has been identified as a separate intangible asset upon acquisition. The Digital Channel concept has been fully merged into the TIE Kinetix Content Syndication Platform. 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.

#### **Customer Base:**

The Customer Base of recent acquisitions has been identified as a separate intangible asset upon acquisition. The asset has been recognized at fair value. Since there is no direct active market for the Customer Base to use for valuation, a valuation model has been used to determine the fair value of the asset. This valuation model encompasses management's judgment and estimate 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.

#### **Deferred Tax Asset**

In establishing deferred tax assets, management's judgment is required in assessing probability and the 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 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 a cost without 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 Concept**

Upon initial recognition of the assets and liabilities and activities during 2006, a separate intangible fixed asset representing the Digital Channel Concept (€ 800k) was recognized. The fair value has been determined as described on page 61 under Digital Channel Intangible Asset. Based on the expectation that the Digital Channel Concept can be 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 is reassessed periodically and adjusted when circumstances give rise to such action. The Digital Channel Concept is fully integrated in the TIE Kinetix Content Syndication Platform.

#### **Development Costs**

Projects for the development of software are broken down into a research phase and 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 a 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 is reassessed periodically and adjusted when circumstances give rise to such action.

#### Software

Software purchased from third parties, as well as the related development and implementation costs, are recognized at a cost without 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 these assets is reassessed periodically and adjusted when circumstances give rise to such action.

### Tangible Fixed Assets

#### **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 without accumulated depreciation and impairments. Costs include expenses directly attributable to the acquisition of the asset and the expense 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 separately depreciated.

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.

An annual assessment is performed to establish whether circumstances exist to 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 CGU for assets that do not generate an independent cash flow. Impairment losses for CGU's as a whole are first charged against the Goodwill balances of the CGU. Any remaining impairments are allocated to the assets of the CGU 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 differences between the net disposal proceeds and the carrying value of the asset. Gains and/or losses on de-recognition are accounted for in income.

### **Financial Fixed Assets**

#### **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 asset 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.

### **Current Assets**

#### **Trade Receivables**

Trade Receivables are recognized at amortized cost price. The provision for uncollectability is established on an item-by- 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 and releases from the provision are accounted for in income.

#### **Non-Current Assets held for sale**

Non-Current Assets are classified as assets held for sale and stated at the lower of the carrying amount (purchase price less amortized costs) and fair value minus the costs to sell. The Non-Current Assets have been sold after the balance sheet date at a higher value than the carrying amount.

#### **Deferred Sales Commissions**

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

#### **Deferred Initial Set up Costs**

The Company has entered into multiple year contracts in which SaaS services are provided in return for a monthly fee. Setup 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 include cash in hand, deposits, and 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 indicate 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 that are 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 its liabilities. If applicable, split accounting has been applied for. Distributions to holders of equity instruments are recognized directly in Equity net of tax. For Convertible Bonds in which a liability component has been identified with respect to interest payments in cash, a liability is established 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

#### Loans

Loans due after more than 12 months following the balance sheet date are stated at their initial carrying value.

#### **Provisions**

The Company recognizes a provision in cases in which a present obligation resulting from a past event, with a probable future outflow of resources, settles the obligation at an amount that can be reliably estimated.

Provisions are measured at the present value of the future outflow 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**

For the purpose of the consolidated cash flow statement, cash and cash equivalents are defined above, net of outstanding bank overdrafts.

#### Loans

Loans, due within 12 months after the balance sheet date, are stated at their initial carrying value.

#### **Other Debts**

Other Debts are stated at their present value of the expected future obligation. The change in the time value of the future obligation is recognized under financial expenses.

#### **Other Liabilities**

Other liabilities are stated at the amounts at which they were incurred.

### Revenues

#### **Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and be reliably measured. Revenue is measured at the fair value of the consideration received, excluding taxes and following the deduction of discounts and rebates as well as the transferring of all significant risks and rewards. 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 has been shipped to the client. At that point:

- A non-revocable agreement has been reached;
- The 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 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**

While consultancy services are generally provided over a short period of time, the outcome of the transaction can be reliably estimated. Revenues are recognized in the period in which the service is provided on a percentage of completion.

#### Software as a Service (SaaS)

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

Other SaaS 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.

#### **Other Income**

EU grants are accounted for under other incomes. EU grants pertaining to the SOA4ALL, NESSI2010, NEXOF-RA, Stasis and Net-Challange projects are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. These EU 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 subscriptions as well as amounts invoiced in advance on software design, installation, and consultancy projects.

#### **Direct Purchase Costs**

Direct Purchase Costs represent the cost directly associated with revenue. This includes hosting costs, third party consultants, and costs of third-party software.

### **Employee Benefits**

#### **Short term Employee Benefits**

Short-term Employee Benefits entail salaries payable over past service, short-term compensated absences in which they are expected to occur within twelve months after the end of the period in which the employee renders the related service, profit sharing, or bonus arrangements. A liability is set up to the extent that amounts are due based on rendered services. WBSO received as a grant on wage tax has been deducted upon the employee benefits expenses.

#### **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 a 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. While 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 its discretionary contributions. These discretionary payments are recognized in income if and when they are paid into the plan.

### Share Based Payments

The Company has launched Stock Options Plans for the TIE staff that entitles staff members to receive equity instruments it has issued. These Stock Options Plans are classified as Equity Settled Instruments. Stock Options granted under the annual Stock Options Plan have a vesting period of three years after issuance. Stock Options granted under another Stock Options Plan contain a vesting period amounting to one to three years. 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.

When a Stock Option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the Stock Option is recognized immediately. However, if a new Stock Option is awarded in substitution of the cancelled Stock Option, the substitution is treated as if it is a modification of the original.

An additional expense is recognized to the extent the modification results in an increased fair value of the modified Stock Options, compared to the original ones.

### Leases

Arrangements have been assessed to determine the extent in which 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 of 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 is accounted for separately from other components.

Classified as operating leases are ones in which a significant portion of the risks and reward of ownership are retained by the lessor. 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 outstanding shares.

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 equals 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 Stock Options is in excess of the average market price of the shares during the period. Convertible Bonds are considered nondilutive 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.

#### 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:

- IFRS7 Financial Instruments, amendments on disclosure, have been applied to for reclassification of financial assets, if applicable. Effective for financial years beginning on or after July 1, 2008, limited effect on disclosure;
- IFRS8 Operating Segments, replacing IAS14, early adopted in 2008. Effective for financial years beginning on or after January 1, 2009, no effects expected as the segments determined in accordance with IFRS 8 are mainly the same

as the business segments previously indentified under IAS 14;

IFRIC 14 IAS19 The Limit on a Defined Benefit Asset. This interpretation became effective for the financial year beginning on or after January 1, 2008. The interpretation does not apply to TIE and therefore has no impact on the financial position or performance of TIE.

## Future Changes in Accounting Policies and Disclosures

A number of standards and/or interpretation which have been issued, but are not yet effective, may impact future financial statements. These standards and interpretations are:

- IFRS 2: Share based payment, Vesting Conditions and Cancellations; amendments issued in January 2008, effective for financial years beginning on or after January 1, 2009. TIE did not promptly adopt the amendments;
- IFRS3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements, issued in January 2008, effective for financial years beginning on or after July 1, 2009. The changes mainly impact loss-making subsidiaries, acquisitions/disposal of non-controlling interests (minority interest) and deferred tax assets linked to unrecognized tax benefits. TIE did not promptly adopt the revised standards;
- IAS1: Revised presentation of Financial Statements, effective for financial years beginning on or after January 1, 2009. TIE did not early adopt the revised standard; upon adoption presentation and disclosure changes can occur;
- IAS23: Capitalization of Borrowing Costs, effective for financial years beginning on or after January 1, 2009. TIE did not promptly adopt the revised standard, upon adoption minor impact is expected;
- IAS32: Puttable financial instruments and obligations arising on liquidation, effective for financial years beginning on or after January, 2009. TIE did not promptly adopt the amended standard; upon adoption, no impact is expected;
- IAS39: Reclassification of financial instruments: recognition and measurement, effective for financial years beginning on or after July 1, 2009. TIE did not promptly adopt the amended standard; upon adoption, no impact is expected;
- IFRIC17 Distribution of non-cash assets to owners is prospectively applicable for financial years beginning on or after July 1, 2009. As TIE does not have the intention to distribute non-cash assets to owners, no impact from this interpretation is expected;
- IFRIC18 Transfer of Assets from customers, effective for financial years beginning on or after

July 1, 2009. As TIE has no intention to receive assets from customers, no impact from this interpretation is expected.

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

### Post Balance Sheet Events

These financial statements include the effects of events occurring between balance sheet date and the date these financial statements are authorized for issue, to the extent that these events provide evidence of conditions that existed at the balance sheet date. While effects of events that arise postbalance sheet date are disclosed, they have not resulted in an adjustment of the financial statements.

### Financial Risk Management

The Company's activities expose it to a variety of risks, including market (currency risk and interest rate risk), credit, and liquidity risks. Financial instruments are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). 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. Fair values disclosed are calculated based upon current interest rates, taking into account 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 2009 (2008 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 various 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, however, is affected directly by changes in the currency exchange rates affecting the weighted average rate

applied for translating the USD-denominated profits to Euro. The Company does not hedge this risk.

Based on actual net income from the US for 2009, sensitivity of the consolidated net income to the weighted average €/USD exchange rate and Shareholders Equity to the €/USD exchange rate is specified in table €/USD below.

Reference rates include 1.46550 for the year-end closing rate, USD against the Euro. For net income, the average rate of USD against the Euro was 1.54998.

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

#### **Credit Risk**

The Company has assessed its credit risk. The Company has no significant concentrations of credit risk, outside of the fact that a significant proportion of its clients in the Netherlands are Food Industry-related. This risk has been reduced with the acquisition of MamboFive B.V. as well as the continual growth of the Company. 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 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 collectability issues, the Company takes an impairment charge to cover the potential loss.

The table (Loans and Receivables and Trade Receivables) below reflects the outstanding balances for Loans and Receivables and Trade Receivables with current balances (to be received within 12 months).

	effect in € on Inc	effect in € on Income with an 5%		effect in € on Equity with an 5%		
€/USD	increase of	decrease of	increase of	decrease of		
2009	(1)	1	117	(105)		
2008	(11)	13	119	(107)		

Trade Receivebles	Less than	31 to	61 to	tln excess	Total
by region	30 day	60 days	90 days	of 90 days	2009
The Netherlands	512	130	18	180	840
The Americas	469	34	42	36	581
Rest of World	267	76	14	39	396
Total	1,248	240	74	255	1,817
	Less than	31 to	61 to	In excess	Total
	Less than 30 days	31 to 60 days	61 to 90 days	In excess of 90 days	Total 2008
The Netherlands					
The Netherlands The Americas	30 days	60 days	90 days	of 90 days	2008
	<b>30 days</b> 386	<b>60 days</b> 13	<b>90 days</b> 27	of 90 days 125	<b>2008</b> 551
The Americas	<b>30 days</b> 386 296	60 days 13 12	<b>90 days</b> 27 60	of 90 days 125 147	<b>2008</b> 551 515

Movements in the provision for doubtful debt		2009	2008
	Balance as at October 1	555	743
Charges/(released) to profit and loss account		(500)	(392)
Impairments		260	209
Currency exchange rate differences		-	(5)
	Balance as at Sepember 30	315	555

The table above (Trade Receivebles by region) reflects the gross outstanding Trade Receivebles balance as per September 30, 2009, (and comparatives per September 30, 2008) broken down into balances that 1) have not passed their due dates, and 2) balances that have passed their due dates. The latter category is further broken down into categories detailing the extent to which they have passed their due dates. The "less than 30 day" outstanding category represents receivables that have not yet passed their respective due dates.

The table of movements in the provision for doubtful debt (excluding recoverable VAT) is detailed above.

#### **Liquidity Risk**

The Company has a history of temporary cash crunches, which have been resolved either through issuing additional shares and/or 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 thereby reducing the incoming cash to pay for the operation. The repayment of short term debt  $\in$  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 TIE shareholding totaling 23.74%. To date, management has raised sufficient funds to fund operations in the event that cash crunches may 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. It also evaluates funding opportunities, like issuing new shares and/or Convertible Bonds and obtaining a new credit facility with Rabobank of € 350k, further limiting the liquidity risk. Management of the Company has secured the payment of cash component of the acquisition of Mambo-Five B.V. by issuing additional Convertible Bonds to third-party investors, related party investors, and management of the Company, as specified in note 5 below.

Summary of financial liabilities based on contractual undiscounted payments per year end 2009 and comparatives 2008, is shown page 57.

#### **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 due to changes in market interest rates. The exposure of the Company to this risk is limited, due to the nature of the financial instruments it holds as well as 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 2009 year end are non-interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At 2009 year end, the Company held  $\in$  739k short term interest bearing debt. The average outstanding balance during 2009 equaled  $\in$  673k. The weighted average interest rate totals 5.5%. The full interest charge pertaining to this debt, accounted for in income, equals  $\in$  15k on the loans and  $\in$  18k resulting from the remaining debt in relation to the purchase of MamboFive B.V., as discussed on page 58. The interest rate on the outstanding loans totals 6% (fixed).

The interest risk on the credit facility totals maximal  $\in$  3.5k (up or down) upon each percent change (higher respectively lower) in the interest rate by use of the full credit facility. Interest rate per year-end equals 8.45%.

Summary of financial liabilities	Less than 12 months	> 1 year < 5 years	> 5 years	Total 2009
Loans	366	-	-	366
Provisions	19	8	-	27
Rental Provision	-	-	-	-
Indemnity Claims	94	-	-	94
ABN-Amro Credit Facility	-	-	-	-
Taxation and Social Security	201	-	-	201
Trade and other Payables	1,671	-	-	1,671
Total	2,351	8	-	2,359

	Less than12 months	> 1 year < 5 years	> 5 years	Total 2008	
Loans	123	212	-	335	
Provisions	-	-	-	-	
Rental Provision	400	-		400	
Indemnity Claims	230	98		328	
ABN-Amro Credit Facility	435	-	-	435	
Taxation and Social Security	219	-	-	219	
Trade and other Payables	855	-	-	855	
Total	2,262	310	-	2,572	

Purchase consideration			
Cash Paid	500		
Convertible Bond Issued	450		
Convertible Bond to issue at fair value	421		
Purchase Price		1,371	
Direct costs relating to the acquisition		6	
Total Purchase price consideration		1,377	
Net fair value of acquired assets and liabilities		367	
Goodwill excluding Customer base		1,010	
Customer Base		262	
Total Intangible Assets resulting from Business Combination		1,272	

### **Business Combinations**

#### **Acquisitions 2009**

#### MamboFive B.V.

On December 19, 2008 TIE completed the acquisition of MamboFive B.V. With the acquisition of MamboFive B.V., TIE obtained access to an E-commerce Platform based on the MamboFive Commerce Suite. The purchase schedule, as agreed in the Sales Purchase Agreement (SPA), is as follows:

- 51% on December 19, 2008, cash paid € 200k on December 19, 2008 and € 300k on February 27, 2009;
- 24.5% on April 1, 2009, by issue of a Convertible Bond of € 450k;
- 24.5% on or after April 1, 2010, call option for TIE, by the issue of a Convertible Bond of € 450k.

As TIE obtained control with the intention acquiring the full 100%, the former shareholders will not be entitled to the results of MamboFive B.V., as of the effective purchase date. TIE is the only party entitled to call the last tranche. MamboFive B.V. has been 100% consolidated since the effective purchase date per December 1, 2008; The Convertible Bond that had not yet been issued is disclosed as debt against its fair value.

As of September 30, 2009, TIE holds 75.5% of the shares in MamboFive B.V., based on completion of the first and second tranches, as described above. Details of purchase consideration are shown in the table above.

The intangible assets are attributable to the significant synergies expected to be realized after the acquisition of MamboFive B.V. by TIE. As sales of MamboFive B.V. are predominantly handled in the Netherlands, MamboFive B.V. revenues have been fully integrated in the Netherlands. The contribution of MamboFive B.V. to Total Income totals  $\notin$  723k and a result of  $\notin$  210k (10 months), as determined before allocation of head office expenses and income tax.

The assets and liabilities acquired through this acquisition are shown on page 59 (table assets and liabilities acquired 2009).

#### **TIE France S.A.S.**

The acquisition of the remaining 49.75% of the shares in TIE France SAS does not form a separate business combination in accordance to IFRS 3; the details of the transaction are disclosed below, based on IAS8.

On October 29, 2008, TIE completed the purchase of the remaining 49.75% of the shares in the TIE France S.A.S., effective per October 1, 2008. The purchase price equaled  $\in$  291k;  $\in$  75k was paid in cash,  $\in$  150k as Convertible Bond and the remaining  $\in$  66k is paid on December 16, 2009. Goodwill amounts to  $\in$  278k and the net asset value to  $\in$  13k.

Assets and liabilities acquired 2009	"Book value"	"Fair value"	
Customer Base	-	262	
Tangible Fixed Assets	50	50	
Trade receivables	180	209	
Other Current Assets	23	18	
Cash and Cash Equivalents	243	243	
Trade Creditors	(35)	(35)	
Deferred Revenues	-	(23)	
Other Current Liabilities	(108)	(166)	
Dividend to former shareholders	(191)	(191)	
Net Assets	161	367	
Purchase consideration settled in cash		(500)	
Dividend out of MamboFive to former shareholders (years prior to acquisition)		(191)	
Cash and Cash equivalents acquired		243	
Cash outflow on acquisition		(448)	

### **Acquisition 2008**

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. The Company gained full control over the systems per March 1, 2008 on which date Sinfox B.V. was fully integrated into the Dutch Cash Generating Unit. Details of the purchase considertion and th assets and liabilities acquired are shown in the tables below.

Purchase consideration 2008		
Purchase Price	52	.5
Direct costs of acquisition	1	0
Total Purchase Price	Consideration 53	5
Net Fair Value of acquired assets and liabilities	21	5
Goodwill excluding C	ustomer Base 32	0
Customer Base	18	1
Total Intangible Assets resulting from Business	Combination 50	1

Assets and liabilities acquired 2008		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	-

### Notes to the Consolidated Balance Sheet

### **1) Intangible Fixed Assets**

The movements in Intangible Assets are summarized below:

Intangible Fixed Assets	Goodwill	CSP Trademark	Customer Base	Software develop- ment costs	Purchased Software	Total	
Accumulated investments per September 30, 2007	2,359	800	-	2,156	894	6,209	
Accumulated amortization per September 30, 2007	-	-	-	(1,479)	(658)	(2,137)	
Accumulated impairments per September 30, 2007	(891)	(480)	-	(319)	(165)	(1,855)	
Carrying value as per September 30, 2007	1,468	320	-	358	71	2,217	

Movements 2008						
Additions	-	-	-	394	88	482
Acquired through Business Combinations	320	-	181	-	-	501
Amortization	-	-	-	(149)	(48)	(197)
Impairments	(320)	-	(181)	(150)	(62)	(713)
Translation adjustments investments	(11)	-	-	(35)	(7)	(53)
Translation adjustments amortization	-	-	-	-	8	8
Movements 2008	(11)	-	-	60	(21)	28
Accumulated investments per September 30, 2008	2,668	800	181	2,515	975	7,139
Accumulated amortization per September 30, 2008	-	-	-	(1,628)	(698)	(2,326)
Accumulated impairments per September 30, 2008	(1,211)	(480)	(181)	(469)	(227)	(2,568)
Carrying value as per September 30, 2008	1,457	320	-	418	50	2,245
Movements 2009						
Additions	-	-	-	548	3	551
Acquired through Business Combinations	1,288	-	262	-	-	1,550
Americation		-	(20)	(226)	(27)	(273)
Amortization			(=0)	()	()	(=: 0)

Movements 2009							
Additions	-	-	-	548	3	551	
Acquired through Business Combinations	1,288	-	262	-	-	1,550	
Amortization	-	-	(20)	(226)	(27)	(273)	
Impairments (reversal of impairment)	-	-	-	-	-	-	
Divestments	(198)	-	-	-	(3)	(201)	
Translation adjustments investments	(1)	-	-	(5)	(1)	(7)	
Translation adjustments amortization	-	-	-	13	2	15	
Movements 2009	1,089	-	242	330	(26)	1,635	
Accumulated investments per September 30, 2009	3,757	800	443	3,058	974	9,032	
Accumulated amortization per September 30, 2009	-	-	(20)	(1,841)	(723)	(2,584)	
Accumulated impairments per September 30, 2009	(1,211)	(480)	(181)	(469)	(227)	(2,568)	
Carrying value as per September 30, 2009	2,546	320	242	748	24	3,880	
Useful life	Indefinite	Indefinite	10 years	3 years	3 years		

Allocation of Intangible Fixed Assets 2009	The Nether- lands TIE	The Netherlands MamboFive	North America	Rest of World	Total 2009	
Goodwill	1,211	1,010	660	877	3,758	
Digital Channel Concept	480	-	160	160	800	
Customer Base	181	262	-	-	443	
Software Development Cost	959	-	246	-	1,205	
Software	240	-	7	5	252	
	Total 3,071	1,272	1,073	1,042	6,458	

Allocation of Intangible Fixed Assets 2008		The Netherlands	North America	Rest of World	Total 2008	
Goodwill		1,211	858	599	2,668	
Digital Channel Concept		480	160	160	800	
Customer Base		181	-	-	181	
Software Development Cost		593	295	-	888	
Software		246	24	5	275	
	Total	2,711	1,337	764	4,812	

The movement in goodwill relates to the goodwill paid for the acquisition of MamboFive B.V. ( $\in$  1,010k as disclosed on page 58) and the purchase of the remaining shares of TIE France S.A.S. ( $\in$  278k). The divestment predominantly relates to reclassification of the Goodwill paid ( $\in$  198k) for the EDGE software, which is classified as Non-Current assets held for sale.

The movement of the Customer Base relates to the value of the Customer Base of MamboFive B.V. and the amortization there upon.

The movement of the software development costs predominantly consists of the year's capitalized-developed software and the depreciation there upon.

#### Impairments

Allocation of Intangible Fixed Assets tested for impairment per September 30, 2009 and comparative number per September 30, 2008 are shown in the tables above (Allocation of Intangible Fixed Assets).

Intangible assets carried on the face of the respective balance sheets have been allocated to the Cash Generating Units (CGU) in a manner consistent with previous years. As MamboFive B.V. is yet to be operationally integrated, it is treated as a separate CGU within the Netherlands. Holding assets have been allocated consistently with previous years on a revenue distribution basis. Holding assets pertain to the investment in MY-TIE, the corporate ERP system. Allocation is based on usage of the system derived from revenues earned by CGU's. The Netherlands intangibles (prior to impairment) include the DC trademark ( $\in$  800k) and DC related goodwill ( $\in$  1,485k). Consistent with the 2007 impairment test, these assets have been allocated to the CGU Netherlands TIE, North America and ROW. The allocation applied is consistent with previous years and revenue based: NL\_TIE 60%, US 20% and ROW 20% based on expected revenues.

The main movements in 2009 consist of:

- Acquisition MamboFive B.V. as disclosed on page 58;
- Reclassification of Goodwill to Non-Current Assets held for sale amounting to € 198k, as disclosed on page 65;
- The other movements consist of capitalized software development costs and purchased software, and amortization thereupon, as well as Foreign Currency movements for the North American CGU.

All CGU show an expected positive future cash flow, based on the Annual Operating Plan 2010 and business plan 2010-2014. Based on the outcome of the test, no further impairment is required.

Impairment tests are performed on a CGU level using a discounted cash flow model (value in use). The starting point for the tests is the Annual Operating Plan approved by Management Board and Supervisory Board for the next financial year.

### Notes to the Consolidated Balance Sheet

Projected cash flows 2009	The Nether- lands TIE	The Netherlands MamboFive	North America	Rest of World	Total 2009	
Projected Cash Flows	5 years	5 years	5 years	5 years	5 years	
Growth of Net Cash Flows per annum						
(EUR x 1,000)	135 - 375	0 - 230	40 - 235	0 -185	175 - 1,025	
Discount Rate	15%	15%	15%	15%	15%	

Projected cash flows 2008	The Nether- lands	North America	Rest of World	Total 2008	
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%	

The projected cash flows, as shown above, based on the Annual Operating Plan have been run through a variety of scenarios using the above assumptions for 2009 and comparative assumptions for 2008.

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 2008, and based on the Company's 5 year Business Plan, as well as AOP 2010. For 2009/2010, in North America, redundancy fees to be paid to the former CEO  $\in$  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 15%. Applying a 20% discount rate would reduce the Net Present Value of future cash flows by 12%. 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 impairment. This is caused by the fact that some of the assets allocated to the North American Cash Generating Unit are denominated in Euro. 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.

### 2) Tangible Fixed Assets

Property, Plant and Equipment

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

Tangible Fixed Assets	Fittings	Hardware	Total	
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,		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 21	18	39	
Accumulated investments per September 30, 2008	2,080	1,111	3,191	
Accumulated amortization per September 30, 2008	(1,904)	(1,005)	(2,909)	
Accumulated impairments per September 30, 2008	(104)	(56)	(160)	
Carrying value as per September 30,	2008 72	50	122	
Movements 2009				
Additions	54	37	91	
Acquired through Business Combinations	50	7	57	
Depreciation in profit and loss	(64)	(23)	(87)	
Impairment	-	-	-	
Divestments	(29)	(63)	(92)	
Depreciation on divestments	29	63	92	
Translation adjustments investments	(3)	(2)	(5)	
Translation adjustments amortization	(3)	5	2	
Movements	2009 34	24	58	
Accumulated investments per September 30, 2009	2,152	1,090	3,242	
Accumulated amortization per September 30, 2009	(1,942)	(960)	(2,902)	
Accumulated impairments per September 30, 2009	(104)	(56)	(160)	
Carrying value as per September 30,	2009 106	74	180	
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.

### Notes to the Consolidated Balance Sheet

#### 3) Financial Fixed assets

Deferred Taxes

Balance as at October 1,	2009	2008
From US operations	1,537	1,918
From Dutch operations	243	-
Balance as at September 30,	1,780	1,918

The deferred tax and movements thereupon are discussed below.

#### **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 the detailed breakdown of movements in the deferred tax amount is provided below:

Temporary Differences	2009	2008
Goodwill	2,344	2,869
Depreciation of fixed assets	206	203
Deferred Revenue	1,096	1,237
Bad debt impairments	44	151
Indemnity claim	94	274
Other items	60	61
Total Temporary Differences	3,844	4,795
Deferred Tax Asset at 40%	1,537	1,918
Deferred Tax Liability at 40%	-	-
Net deferred Tax Asset	1,537	1,918

Movements	2009	2008
Balance as at October 1,	1,918	2,136
Debited to Income	(374)	(157)
Net Currency translation effect	(7)	(61)
Balance as at September 30,	1,537	1,918

The amount debited to income (€ 374k) pertains to the temporary differences detailed above. The principle item included in this amount is the tax pertaining to the change in the temporary difference between the carrying value and the tax base of the Goodwill and deferred revenues. In addition to the temporary differences, there is a Loss Carry Forward in the US amounting to € 2.5m (USD 3.7m), 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 12 to 20 years, starting with the losses incurred in 2001. The potential tax benefit pertaining to these losses approximates € 0.9m (2008: € 0.8m) and USD 1.3m (2008: USD 1.1m) and remains unrecognized. The full Deferred Tax Asset potential in the United States amounts to € 2.4m (2008: € 2.7m) and USD 3.5m (2008: USD 3.9m).

#### **The Netherlands**

In the Netherlands, the available but substantially unrecognized loss carry forward totals  $\in$  36.2m (2008:  $\in$  36.1m), which is available to offset future taxable income for a maximum period of 9 years. The first year to expire under current tax law is the loss originating from 2002, which will expire in 2011. The gross amount of the Netherlands deferred tax asset amounts to  $\in$  9.2m (2008:  $\in$  9.2m). The company has recognized an amount of  $\in$  243k as deferred tax asset in the Netherlands. For income tax purposes, the company considers a 2-year period as fair and reasonable for estimating the deferred tax asset, based on its business expectation for the next two years as well as the results of 2009.

#### **Loans and Receivables**

(Net of impairments):

Loans and Receivables	2009	2008	
Balance as at October 1,	22	119	
Issued	10	24	
Acquired through Business Com- binations	12	-	
Redeemed	(4)	(1)	
Impairment	-	(121)	
Other changes	-	1	
Balance as at September 30	40	22	

The balance consists of:

- the remaining balance amounting to € 18k of the 6% interest bearing employee loan on June 3, 2008 for 5 years;
- the remaining balance amounting to € 10k of a employee relocation loan issued on July 17, 2009 for 3 years;
- Acquired through MamboFive B.V. acquisition,

a loans receivable from Stichting MamboFive of  $\in$  6k and a loan to Viral Ventures amounting to  $\in$  6k;

The fully impaired loan to Samar B.V. amounting to € 122k; There is an ongoing legal dispute with Samar B.V. See page 80.

The subordinated loan to Retail Connect B.V. totaling  $\in$  184k has been set off against the valuation allowance, based on the final agreement between parties on November 10, 2008; the amount has been impaired in previous years.

The fair value of the three and five year loans per 2009 year end totals  $\in$  24k (2008:  $\in$  20k). Since none of these instruments are actively traded, this fair value has been determined by using a valuation model, taking into consideration the future cash flows emerging from these instruments discounted at the current market rate of 8.4% (2008: 8.4%). Loans and Receivables valuation allowance:

Loans and Receivables valuation allowance	2009	2008
Balance as at October 1,	306	184
Additions charged to Income	-	22
Released to Income	-	-
Bad debt charged to (used from) valuation allowance	(184)	100
Balance as at September 30	122	306

The valuation allowance consists of the impaired Samar loans (described above) totaling  $\in$  122k. The movement of  $\in$  184k resulted from the settlement with Retail Connect B.V., described above, as is further discussed on page 80.

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

### 4) Current Assets

#### **Non-Current Assets Held for Sale**

In 2009, TIE decided to sell the EDGE software being sold in the North American segment. The book value (consisting of Goodwill) of the EDGE software totals € 198k. TIE is continuing to integrate the EDI software into one program language. Strategically, the EDGE software does not fit in the Business Integration Platform. On October 7, 2009, TIE sold the EDGE Software to Intertrade Systems in Canada. The recognized profit in Q1 2010 of the sale totals € 176k. The above transaction resulted in a partnership in which Intertrade Systems connects to the TIE Kinetix Business Integration Platform to provide additional network capacity in the North American market.

## Trade Receivables and Other Receivables

Trade Receivables	2009	2008	
Trade Debtors	2,132	2,043	
Less: valuation allowance	(315)	(555)	
Trade debtors net of valuation allowance	1,817	1,488	
Taxation and social security prepaid	10	15	
Deferred Sales Commissions	-	13	
Deferred Initial Set Up Costs	5	21	
Other Receivables	116	94	
Subsidized projects	382	125	
Projects to be invoiced (WIP)	98	77	
Employees	6	37	
Prepayments	107	166	
Total	2,541	2,036	

#### **Trade Receivables**

As from October 1, 2008, and during the 2009 fiscal year, the receivables are not collateralized. Per 2008 year end, an amount of  $\in$  435k was collateralized under the ABN-AMRO credit facility. The fair value of these Trade Debtors totals  $\in$  1,817k (2008:  $\in$  1,488k).

#### **Other Receivables and Prepayments**

Other Receivables predominantly consist of security deposits for rental agreements. Subsidized projects consist of EU projects completed and awaiting final approval and settlement.

Projects to be invoiced relate to work that has been performed, but not yet invoiced.

Prepayments include prepaid rent, car lease, and insurance premiums.

#### **Cash and Cash Equivalents**

Under this heading, the company only includes cash at banks, potentially short term deposits, and payments in transfer. The reported cash balance was available at balance sheet date; there were no restrictions with respect to availability.

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

### Notes to the Consolidated Balance Sheet

### 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, while limiting funding through Debt as much as possible due to the liquidity risks attached to Debt. This implies that 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**

The company's authorized share capital amounts to  $\in$  20 million, consisting of 200 million ordinary shares with a nominal value of  $\in$  0.10 each. At the shareholders meeting held on March 11, 2009, the General Meeting of Shareholders of TIE authorized the TIE Management Board, for a period of 18 months, 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 totalling 18 months.

The Stichting Preferente Aandelen has been dissolved per February 18, 2009.

Share capital at par value:

(€ x 1,000)	2009	2008
Common Shares	20,000	10,000
Cumulative Preference Shares	0	10,000
Total	20,000	20,000

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

(number of shares)	2009	2008
Balance as at October 1,	54,755,390	50,869,676
Issued	10,221,428	3,885,714
Redeemed	-	-
Balance as at September 30,	64,976,818	54,755,390
ln € (x 1,000)	6,498	5,476

During 2009 10,221,428 (2008: 3,885,714) shares were issued at an average price of  $\in$  0.11 (2008:  $\in$  0.31) per share. Movements in Issued Capital in nominal values and Share Premium Account are shown on page 67.

### Equity Settled Share Based Payments

#### **Annual Stock Options Plan**

The General Meeting of Shareholders determined on March 11, 2009 that in each financial year, a maximum of 1.5 million Stock Options can be issued under an Annual Stock Options Plan for staff members. All un-awarded Stock Options can be carried over to subsequent years.

The Stock Options granted under the Annual Stock Options Plan have a three-year vesting period and a subsequent exercise period of 7 years. Staff members leaving the Company within the vesting period lose their Stock Options, which then become available for re-issuance.

During 2009, a total of 180,000 (2008: 1,555,000) Stock Options have been issued at an average strike price of  $\in$  0.155.

Per February 24, 2009 a total of 2,965,000 Stock Options have been issued to key staff members who have funded the Company, by means of Convertible Bonds, for an amount  $\in$  247k. Per August 4, 2009 a total of 400,000 options have been issued to a key staff member who has funded the Company, by means of a Convertible Bond for an amount of  $\in$  40k. These Stock Options have a lockup period of one year.

The weighted remaining average life time of the stock options is 8.37 years (2008: 8.75 years).

Movements in the number of Stock Options to staff members and management of the Company are shown on page 67 (Movements of Stock Options).

Balance of Stock Option fair value at issue to be expensed is shown on page 67 (Balance of Stock Option fair value).

Movements in Issued Ca	Movements in Issued Capital and Share Premium (€ x 1,000)		Issued Capital		Share Premium Account	
(€ x 1,000)			2008	2009	2008	
	Balance as at October 1,		5,087	47,054	46,242	
Shares Issued		1,022	389	93	817	
Cost of Issue		-	-	-	(10)	
Other Movements	Other Movements		-	21	5	
	Balance as at September 30,		5,476	47,168	47,054	

Movements of Stock Options	Average strike price	2009	Average strike price	2008	
Options outstanding Octobe	r 1, 0.205	7,651,667	0.343	5,327,940	
Options granted during the year	0.130	5,665,000	0.100	4,205,000	
Options excercised during the year	0.100	(800,000)	-	-	
Options Cancelled	0.169	(1,099,647)	0.363	(1,881,273)	
Options outstanding September	30, 0.186	11,417,020	0.205	7,651,667	

Balance of Stock Option fair value		2009	2008	
	Balance as at October 1,	283,438	273,910	
Fair value of stock option issued		272,843	179,897	
Expense for the year		(291,531)	(168,898)	
Other movements		-	(1,471)	
Changes in lapsing estimates		(14,786)	-	
	Balance at September 30,	249,964	283,438	

The aforementioned balance reflects the future expense of outstanding Stock Options at balance sheet date, based on management's current best estimate of the number of Stock 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 2009,

using an interest rate of 3.55% (2008: 3.75%), a calculated forfeiture of 15% (2008: 15%) and a calculated volatility of 59% (2008: 44%). Volatility was determined using the square root of share-price movements.

Stock Options outstanding to staff members and management of the Company, as per September 30, 2009, can be broken down as follows:

Stock Options	lssue Date	Options Granted	Converted	Lapsed/ Forfeiture	Outstanding Options	Weighted average exer- cise price	Maturity Date	
2005 Former Management Board	Feb 23, 2005	500,000	-	-	500,000	€ 0.41	Apr 01, 2015	
2007 Management Board	Sep 30, 2007	218,171	-	133,326	84,845	€ 0.26	Oct 01, 2017	
2008 Management Board	Jun 03, 2008	800,000	800,000	-	-	€ 0.10	Jun 03, 2018	
2009 Management Board	Feb 24, 2009	265,000	-	-	265,000	€ 0.10	Feb 24, 2019	
2009 Management Board	Mar 11, 2009	750,000	-	-	750,000	€ 0.10	Mar 11, 2019	
Sub Total Management Board		2,533,171	800,000	133,326	1,599,845			
2005 Netherlands (2001)	Apr 01, 2005	216,033	-	-	216,033	€ 0.46	Apr 01, 2012	
2005 USA (2001)	Apr 01, 2005	57,000	-	-	57,000	€ 0.46	Apr 01, 2012	
2005 Netherlands	Sep 30, 2005	556,965	-	319,170	237,795	€ 0.34	Oct 01, 2015	
2005 USA	Sep 30, 2005	485,254	-	152,416	332,838	€ 0.34	Oct 01, 2015	
2005 France	Sep 30, 2005	119,000	-	36,000	83,000	€ 0.34	Oct 01, 2015	
2006 Netherlands	Sep 30, 2006	541,602	-	252,785	288,817	€ 0.33	Oct 01, 2016	
2006 USA	Sep 30, 2006	574,650	-	164,214	410,436	€ 0.33	Oct 01, 2016	
2006 France	Sep 30, 2006	133,200	-	53,119	80,081	€ 0.33	Oct 01, 2016	
2007 Netherlands	Sep 30, 2007	513,832	-	129,573	384,259	€ 0.26	Oct 01, 2017	
2007 USA	Sep 30, 2007	417,922	-	75,772	342,150	€ 0.26	Oct 01, 2017	
2007 France	Sep 30, 2007	107,633	-	22,147	85,486	€ 0.26	Oct 01, 2017	
2008 Netherlands	Jun 03, 2008	1,600,000	-	500,000	1,100,000	€ 0.10	Jun 03, 2018	
2008 USA	Jun 03, 2008	250,000	-	-	250,000	€ 0.10	Jun 03, 2018	
2008 Netherlands	Sep 30, 2008	1,005,000	-	127,000	878,000	€ 0.10	Sep 30, 2018	
2008 USA	Sep 30, 2008	550,000	-	114,720	435,280	€ 0.10	Sep 30, 2018	
2009 Netherlands	Feb 24, 2009	2,450,000	-	-	2,450,000	€ 0.10	Feb 24, 2019	
2009 USA	Feb 24, 2009	250,000	-	-	250,000	€ 0.10	Feb 24, 2019	
2009 France	Feb 24, 2009	50,000	-	14,000	36,000	€ 0.10	Feb 24, 2019	
2009 International	Jun 01, 2009	100,000	-	-	100,000	€ 0.17	Jun 01, 2019	
2009 Asia	Aug 04, 2009	450,000	-	-	450,000	€ 0.18	Aug 04, 2019	
2009 International	Sep 30, 2009	30,000	-	-	30,000	€ 0.20	Sep 30, 2019	
Sub Total personnel		10,458,091	-	1,960,916	8,497,175			
Total	Sep 30, 2009	12,991,262	800,000	2,094,242	10,097,020			

Stock Options Third Party Investors	Issue Date	Options Granted	exercise price	Maturity Date	
Third Party Investors	Jun 03, 2008	500,000	€ 0.10	Jun 03, 2018	
Third Party Investors	Jun 19, 2009	25,000	€ 0.18	Jun 19, 2019	
Tota	l	525,000			

Movements Stock Options Third Party Investors	Weighted Aver- age strike price	2009	Weighted Aver- age strike price	2008	
Options outstanding October 1,	€ 0.318	1,100,000	€ 0.418	1,100,000	
Options granted during the year	€ 0.180	25,000	€ 0.100	500,000	
Options Cancelled	€ 0.500	(600,000)	€ 0.320	(500,000)	
Options outstanding September 30,	€ 0.104	525,000	€ 0.318	1,100,000	

A total number of 4,345,000 Stock Options have been awarded to the staff members and the Management Board in 2009. The movement in Stock Options of the Management Board in 2009 is discussed on page 76.

#### Stock Options held by Third Party Investors:

Stock Options outstanding with non staff members as per September 30, 2009, are shown above (Stock Options Third Party Investors).

Movements in non-staff members Stock Options are shown above (Movements Stock Options Third Party Investors).

The outstanding non-staff member Stock Options were 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 Stock Options.

Outstanding non-staff member Stock Options do not have vesting periods, but do contain a oneyear lock-up period and no requirement to be expensed. Considerations received for these Gross Equity Settled Instruments at issue were credited to equity.

The Stock Options that expired during the 2009 fiscal year have not been excercized.

#### **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 its liabilities. The conversion rates are fixed, and all Convertible Bonds are non-interest bearing.

Distributions to holders of Equity Instruments are recognized directly in equity net of tax. Movements in the balance of outstanding Convertible Bonds are as follows:

Movements in the balance of out- standing Convertible Bonds	2009	2008	
Balance as at October 1,	1,735,000	870,000	
Issued	961,000	1,735,000	
Converted in common shares	(1,035,000)	(870,000)	
Redeemed	-	-	
Balance at September 30,	1,661,000	1,735,000	

### Notes to the Consolidated Balance Sheet

The Balance outstanding as per September 30, 2009 consists of the following Convertible Bonds:

Convertible Bonds	lssue date	Maturity date	Conversion rate in €	2009	2008
Related Party	February 22, 2008	January 1, 2018	€ 0.14	-	325,000 *)
Related Party	June 3, 2008	June 3, 2018	€ 0.10	-	660,000
Related Party	November 11, 2008	November 11, 2013	€ 0.10	150,000	-
Related Party	February 24, 2009	February 24, 2019	€ 0.10	316,000	-
Related Party	April 1, 2009	April 1, 2014	€ 0.10	388,547	-
Related Party	August 4, 2009	August 4, 2019	€ 0.18	40,000	-
	Sub Total Related Pa	rty		894,547	985,000
Third Party Investors	June 3, 2008	June 3, 2018	€ 0.10	-	50,000
Third Party Investors	September 30,2008	October 1, 2018	€ 0.10	700,000	700,000
Third Party Investors	April 1, 2009	April 1, 2014	€ 0.10	61,453	-
Third Party Investors	June 19, 2009	June 19, 2019	€ 0.18	5,000	-
	Sub Total Third Party Investo	ors		766,453	750,000
	Total Convertible Bor	nds		1,661,000	1,735,000

\*) Conversion period with lock-up for the bondholder until January 1, 2011, TIE can convert as of February 22, 2009.

The movement in Convertible Bonds in 2009 held by the Management Board is discussed on page 76.

#### **Minority interest**

As a result of the purchase of 49.75% of the remaining shares in TIE France S.A.S. on November 10, 2008, the Company now holds 100% (through its 100% subsidiary Gordian Investments B.V.) of the shares of TIE France S.A.S. Due to the fact that the Company indirectly held 50.25%, TIE France S.A.S. was already included in the consolidated financial statements at 100%. At the acquisition date, the minority share was set at nil as TIE France S.A.S. contained a negative net asset value.

### 6) Non Current Liabilities

#### Long Term Debt

Long Term Debt	2009	2008	
Balance as at October 1,	200	-	
Loans Taken out	-	-	
Loan repayments	-	-	
Movements	(200)	200	
Balance as at September 30	-	200	

The loan is due on January 1, 2010 and classified as short term debt.

#### **Provisions**

Provisions		Redundancy Claims	Provision	2009	2008	
	Balance as at October 1,	91	7	98	320	
Additions/strengthening		-	1	1	95	
Interest effects from discountin	g	-	-	-	(4)	
Movements to current		(91)	-	(91)	(313)	
	Balance as at September 30	-	8	8	98	
Net effect on income () = gain		-	1	1	91	

The Company has entered into a termination agreement with its former CEO, which ends per March 31, 2010. The balance has moved to short term liabilities.

The strengthening of the provision in 2008, relates predominantly to the above termination agreement; the movement to current in 2008 predominantly relates to rent, see below under 7) current liabilities (provisions).

The provision relates to a retirement provision in France as discussed on page 53.

### 7) Current Liabilities

#### **Provisions**

The Provisions are per September 30, 2009, are detailed below.

The Company paid € 400k to the landlord of the old office building in the Netherlands, as agreed in November 2007 and payable on December 31, 2008. The Company paid the full amount on December 20, 2008.

The redundancy claims consist of the payments under the termination agreement with the former CEO, as agreed in April 2008 and ending per March 31, 2010, and a former manager of TIE France whose contract was terminated per December 2008.

The risk provision consists of a provision for the deposit amount and costs of the former rental building in France and recoverable vat on doubtful debts in France.

The other movements relate to the movement from non-current liabilities to current liabilities.

#### **Short Term Debt**

Short Term Debt	2009	2008	
ABN-Amro Credit Facility	-	435	
Loan Alto Imaging Group N.V.	200	105	
Loan Jalak Investments B.V.	100	-	
Purchase TIE France S.A.S.	66	-	
Purchase MamboFive B.V.	439	-	
Total	805	540	

The ABN-AMRO Credit facility was redeemed and paid back in full on October 1, 2008.

The loans from Alto Imaging Group N.V. consist of  $\in$  105k loan issued on November 28, 2007 and paid back on December 1, 2008 and  $\in$  200k loan issued on August 24, 2007 and payable on January 1, 2010, which, last year, was classified as longterm liability. The interest charged on both loans amounts to 6% per year. The fair value of the loan amounts to  $\in$  199k and is based upon the difference between the interest rate on the loan (6%) and market rate (8.45%). The loan was repaid on December 31, 2009.

The loan from Jalak Investments B.V. was issued on June 25, 2009 and repaid in full on November 30, 2009. The interest charged on the loan amounts to 6% annually.

The remaining part of the purchase price of TIE France S.A.S. of  $\in$  66k was paid on December 16, 2009.

As described on page 58, the last payment of the acquisition of MamboFive B.V. amounts to  $\in$  450k and will be paid by means of a Convertible Bond. The amount is discounted by 5% as of the purchase date. The interest is charged to the P&L accounts and added to the outstanding debt. The fair value per September 30, 2009 amounts to  $\in$  439k.

Provisions		Rentals	Redundancy claims	Risk Provisions	2009	2008	
	Balance as at October 1,	394	241	-	635	97	
Additions/strengthening		-	13	19	32	460	
Interest effects from discounting		6	(2)	-	4	(8)	
Payments made against provision		(400)	(235)	-	(635)	(185)	
Exchange difference		-	(14)	-	(14)	(5)	
Release to income for the year		-	-	-	-	(37)	
Other movements		-	91	-	91	313	
Ва	lance as at September 30	-	94	19	113	635	

### Notes to the Consolidated Balance Sheet

#### **Deferred Revenue**

Deferred Revenue represents the unearned portion of revenues earned over a specific period. The maintenance and support agreement entitle the user to support and updates of the software. These maintenance contracts are deferred (100%) and recognized over the related contract period, usually 12 months.

Consulting fees are recognized upon the performance based on the completion method. The deferred revenue is the difference between the amount invoiced and revenue recognized. In the event of overspending, the outstanding amount is expensed through the P&L.

SaaS contracts consist of a subscription fee, which is deferred and recognized over the related contract period.

#### **Taxation and Social Security**

The Taxation and Social Security balance can be broken down as follows:

Taxation and Social Security	2009	2008
Payroll Tax	43	51
Social Security Contributions	40	56
VAT/Sales tax US	66	108
Total Taxes and Social Security	149	215
Income tax	52	4

#### **Other Payables and Accruals**

Other Payables and Accruals consist of:

Other Payables and Accruals	2009	2008	
Accrued expenses	891	655	
EC and other Grants	216	180	
Pension Premiums	27	1	
Interest Payable	27	30	
Supervisory Board Compensation	16	23	
Other accruals and payables	215	176	
Total	1,392	1,065	

Other Payables and Accruals include accrual for holiday allowance, holiday days not taken, pension accrual, prefunded amounts received on EU projects and accrued expenses.

### Notes to the Consolidated Income Statement

#### **Segment Information**

The Company operates mainly in one business segment, but also 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 reflect the same as those 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 Results, summarized Assets and Liabilities and other selected Income Statement Items are shown on page 73, for the year ending September 30, 2009. The 2008 comparatives are shown on page 74.
Segment Results Revenues	"The Netherlands"	"North America"	Rest of World	"Holding and Eliminations"	Total 2009
Licenses	576	410	227	-	1,213
Maintenance and Support	898	1,895	449	-	3,242
Consultancy	1,384	610	465	-	2,459
Software as a Service	1,849	931	691	-	3,471
Total Revenue	4,707	3,846	1,832	-	10,385
Other Income	802	0	3	-	805
Total Income	5,509	3,846	1,835	-	11,190
Direct Purchase Costs	(967)	(377)	(23)	-	(1,367)
Income Net of Direct Purchase Costs	4,542	3,469	1,812	-	9,823

Employee Benefits	2,834	2,264	824	574	6,496
Depreciation and Amortization Expense and Impairment Losses	136	193	13	18	360
Other Operating Expenses	896	650	214	448	2,208
Total Operating expenses	3,866	3,107	1,051	1,040	9,064
Operating Income	676	362	761	(1,040)	759
Interest and Other Financial Income	12	1	1	1	15
Interest and other Financial Expense	(13)	-	-	(35)	(48)
Income before Tax	675	363	762	(1,074)	726
Corporate Income Tax	(17)	(393)	(29)	243	(196)
Net Income	658	(30)	733	(831)	530

Summarized Assets and Liabilities Assets		"The Netherlands"	"North America"	"Rest of World"	"Holding and Eliminations"	Total 2009
Intangible Fixed Assets		1,774	1,064	1,042	-	3,880
Tangible Fixed Assets		97	39	44	-	180
Financial Fixed Assets		12	1,565	-	243	1,820
Current Assets		1,519	1,094	523	60	3,196
	Total Assets	3,402	3,762	1,609	303	9,076

Liabilities						
Non Current Liabilities		-	-	8	-	8
Current Liabilities		2,113	1,407	515	955	4,990
	Total Liabilities	2,113	1,407	523	955	4,998
Deferred Tax Asset		-	1,537	-	243	1,780

Other Selected Income Statement Items	"The Netherlands"	"North America"	"Rest of World"	"Holding and Eliminations"	Total 2009
Capital Expenditure 1)	1,722	118	401	-	2,241
Depreciation and Amortization	131	194	16	18	359
Other Non Cash Expenses	214	68	12	(3)	291
FTE at year end	47	28	16	-	91

1) Capital expenditure consists of tangible and intangible assets.

Segment Results Revenues		"The Netherlands"	"North America"	Rest of World	"Holding and Eliminations"	Total 2008
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
	<b>Total Revenues</b>	3,838	3,835	1,561	-	9,234
Other Income		552	*) 1	1	-	554
	Total Income	4,390	3,836	1,562	-	9,788
Direct Purchase Costs		(891)	(490)	(31)	-	(1,412)
Income Net of D	virect Purchase Costs	3,499	3,346	1,531	-	8,376

Operating Expenses					
Employee Benefits	2,710 *)	2,548	760	540	6,558
Depreciation and Amortization Expense and Impair- ment Losses	736	205	7	44	992
Other Operating Expenses	1,060	673	217	757	2,707
Total Operating expenses	4,506	3,426	984	1,341	10,257
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)
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)

\*) As from 2009, WBSO has been deducted from employee expenses, 2008 comparatives have been restated accordingly.

Summarized Assets and Liabilities Assets		"The Netherlands"	"North America"	"Rest of World"	"Holding and Eliminations"	Total 2008	
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 2008
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 tangible and intangible assets.

#### Notes to the Consolidated Income Statement

Other non-cash expenses referred to above pertain to the Stock Option expense accounted for in 2009.

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:

FTE per department	2009	2008
Research and Development	18	15
Sales and Marketing	20	19
Consulting and Support	35	35
General and Administrative	18	16
Total	91	85

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

Geographical distribution of assets	2009	2008
The Netherlands	4,957	2,854
North America	3,123	3,607
Rest of World	996	970
Total	9,076	7,431

The assets in the Netherlands include 100% of the TIE Holding N.V. assets. (Accounts op page 42)

#### 8) Operating Expenses

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

Direct Purchase Costs 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:

Employee benefits	2009	2008	
Salaries	4,762	4,321	
Salaries variable component	281	332	
Social Security Charges	638	634	*)
Contributions to Post Employment arrangements	198	189	
Share based payments	292	169	
Termination Benefits	6	408	
Other Employe Benefits	320	505	
Total	6,497	6,558	

\*) comparative figures adjusted for WBSO.

The acquisition of MamboFive B.V. contributed to the above employee benefit costs for an amount of  $\in$  455k (10 months).

The WBSO grants received for 2009, amounting to  $\in$  163k (2008:  $\in$  65k) have been deducted from the social security charges.

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 in 2008 include the terminations costs under the termination agreement as described in notes, 6 and 7 above, to be paid or paid to the former CEO for  $\in$  359k and  $\in$  50k for a former employee of TIE France S.A.S.

For 2009 the average number of employees was 88 (2008: 84).

#### Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Management Board, amounted to  $\in$  266k (2008:  $\in$  273k, including  $\in$  33k of the former CEO up to November 21, 2007).

The CEO and only member of the Management Board received the following remuneration:

Management Board remuneration	2009	2008
Remuneration	216	216
Expenses	8	7
Bonus	10	-
Stock Option Expense	32	17
Total	266	240

Remunerations of Jan Sundelin are paid to his personal management B.V., CAPTA Management B.V. Based on the operational result of the company, Jan Sundelin will be rewarded on March 10, 2010 with 750,000 options for the 2009 year (2008: 750,000 options). Additionally, he receives a bonus of  $\in$  10,800.

On February 24, 2009, Jan Sundelin received 265,000 options as part of the Stock Option Plan for Management of TIE. The strike price is  $\in$  0.10 per share, based on the closing rate of TIE shares on February 23, 2009.

On February 24, 2009, TIE announced that Jan Sundelin invests  $\in$  26,5k in the company, as part of the financing of the acquisition of MamboFive B.V.

On July 2 and 8, 2009, TIE announced that Jan Sundelin exercised 50,000 and 750,000 options, respectively, which he received on June 3, 2008 as part of the investment plan.

At year end, Jan Sundelin held the following number of shares, option and Convertible Bonds, as detailed in the table below.

### Remuneration of the Supervisory Board

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. All members are entitled to a remuneration of  $\in$  10k per year, the Chairman  $\in$  20k per year. The total amount of compensation of the Supervisory Board for 2009 amounted to  $\in$  40.0k (2008;  $\in$  42.5k).

#### Depreciation and Amortization Expense and Impairment Losses

Depreciation and Amortization Expense and Impairment Losses	2009	2008	
Depreciation and amortization	360	269	
Impairments	-	723	
Total	360	992	

Depreciation and Amortization charges have increased in 2009 due to increased amortization of capitalized R&D costs (in 2008 amortization was low due to 2007 en 2008 impairments), depreciation on purchased office equipment of Mambo-Five B.V., and amortization on Customer Base of MamboFive B.V. The impairment test performed year-end determined that no additional impairments were required for any of the CGU's.

On the 2008 half-year results, an impairment test was performed, resulting in the impairment of the Sinfox acquisition, totaling  $\in$  500k. Capitalized R&D totaled  $\in$  150k, purchased Software totaled  $\in$  62k, and other assets were  $\in$  11k.

#### **Other Operating Expenses**

Other Operating Expenses		2009	2008	
Accomodation Expenses		453	692	
Communications		331	315	
Professional Services		506	684	
Other		918	1,016	
	Total	2,208	2,707	_

Shares, Stock Options and Convertible Bonds held by the Management Board	No. of Shares	No. of Stock Options	Convertible Bonds	
Opening balance October 1, 2008	-	884,845	€ 80,000	
Acquired or granted	1,600,000	1,015,000	€ 26,500	
Sold or cancelled	-	-	-	
Excersized or converted	-	(800,000)	€ (80,000)	
Closing balance September 30, 2009	1,600,000	1,099,845	€ 26,500	

Compared to previous years, accommodation expenses decreased, due to lower rental costs that resulted from the new corporate office and a onetime profit on accommodation costs. Professional services in 2008 included additional audit charges for costs overrun for the annual accounts 2007, advice on IFRS matters in 2008, legal issues, and the temporary replacement of a legal officer, due to illness. Other costs decreased mainly through lower expenses of office supplies € 183k (2008: € 241k) and lower General and Administrative costs € 139k (2008: € 248k), which resulted primarily from lower bad debts costs in 2009 € 30k (2008: € 116k). Saving is partially absorbed by higher marketing costs 2009 € 349k (2008: € 317k), and travel costs € 246k (2008: € 209k).

The acquisition of MamboFive B.V. contributed for  $\in$  90k (10 months) in the above costs.

#### **Research and Development Expenses:**

Research and Development Expenses	2009	2008
Employee Benefits	1,112	869
Other R&D related expenses	132	49
Capitalized Development expenses	(557)	(391)
Amortization of Capitalized Developmet expenses	228	169
Impairments	-	150
	915	846

A number of projects executed by the R&D team in the Netherlands have funding from the European Commission. The EU grants received have been accounted for under Other Income. The EU grants in 2009 amounted to  $\in$  787k (2008:  $\in$  617k).

In 2008, an amount of € 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 performed at 2008 year end and the improved results of The Dutch Cash Generating Unit, management did not impair the capitalized R&D costs over the second 2008 half-year. 2008 has been restated for comparison reasons.

#### 9) Financial income and/or Expense

Financial income and/or Expense	2009	2008	
Interest Income	15	5	
Interest Expenses	(46)	(58)	
Exchange gains/(losses)	(2)	3	
Total	(33)	(50)	_

The interest expense in 2009 pertains predominantly to the loans used to fund cash flow needs on a short-term basis and the interest accrued on the payable to the former MamboFive B.V. shareholders, as discussed on page 71.

#### 10) Corporate Income Tax

The company operates predominantly in the Netherlands and North America. Applicable tax rates are 25.5% (2008: 25.5%) for the Netherlands, France 40% (2008: 40%), and for the US 34% (2008: 34%) for federal tax and 6% (2008: 6%) for state tax. 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 to reflect the Company's financial year, which runs from October 1 through September 30.

The effective tax rate based on income before taxes is 27.0% (2008: 8.6%); the weighted average tax rate amounts to 32.4% (2008: 26.0%). Recognition of deferred income tax assets, tax losses carried forward and non-deductable expenses are causing the difference.

#### Notes to the Consolidated Income Statement

Reconciliation between standard and effective income tax is as follows:

Income Tax Reconciliation	2009	2008
Net Income	726	(2,098)
Corporate Tax	(196)	(167)
Net Income (loss) before tax	530	(1,931)
Income tax calculated using statutory tax rate (25,5)	(185)	535
Effect of different local statutory tax rates	(50)	(33)
Adjusting items:		
Non Deductible Expenses	(77)	(30)
Capitalized deferred taxes on loss carry forward	243	
Addition to / or utilization of unrecognized tax losses	(127)	(639)
	(196)	(167)*)
Capitalized deferred taxes on loss carry forward	243	-
Changes in deferred tax assets as a result of recognition/write off of deductible temporary differences	(374)	(157)
Current Income Tax Charge	(47)	(7)
Other tax items	(18)	(3)
Income Tax reported in the Income Statement	(196)	(167)

\*) compared figures have been revised to improve transparency.

The changes in the Deferred Tax Asset are discussed on page 64 in detail. The main item represented in the reversal of the Deferred Tax Asset in 2009 is the reduction of the temporary difference pertaining to Goodwill and both the deferred revenue in the USA and deferred tax asset for the Netherlands, based on loss carry forward. All Dutch subsidiaries of TIE Holding N.V., except Sinfox B.V and MamboFive 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.

#### 11) 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.

Basic Earnings per Share	2009	2008	
Net income attributable to equity holders of TIE	530	(2,098)	
Distributions on Convertible Bonds through income	-	-	
Net Income adjusted for calcula- tion of basic earnings per share	530	(2,098)	
		·	
Weighted average number of shares outstanding	58,346	53,095	
Basic Earnings per share (€ per share)	0.01	(0.04)	

#### **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 Stock Options.

Stock Options are considered non-dilutive when the exercise price of the options is 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

Diluted Earnings per Share	2009	2008	
Net Income adjusted for calcula- tion of basic earnings per share	530	(2,098)	
Weighted average number of shares outstanding	58,346	53,095	
Dilutive effect of stock options outstanding at September 30,	1,560	1,569	
Dilutive effect on Convertible Bonds	12,491	-	
Weighted average number of shares adjusted for calculation of diluted earnings per share	72,397	54,664	
Dilluted Earnings per share (€ per share)	0.01	(0.04)	

changes to income and expense per ordinary share obtainable upon conversion exceeds the Basic Earnings per Share.

A total of 3,607,740 Stock Options have been excluded from the calculation of the Diluted Earnings per Share as the exercise price of these Stock 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, 2009 amounted to  $\in$  15k.

Under the rental agreements concluded, the annual rental charge, including service costs for all TIE offices, is approximately  $\in$  0.5m (2008:  $\in$  0.5m). The remaining terms of leases in the Netherlands

is 3.5 years (office Hoofddorp) and 0.5 years (office Utrecht), while United States is 1.5 years, and France 2.75 years. Rentals due within one year amount to  $\in$  0.3m, rentals due between one and five years are approximately  $\in$  0.5m.

The amounts payable within one year and between one and five years under the above contracts are summarized in the table Leases below.

#### Collateral

Per year-end, there are no assets pledged as collateral (2008:  $\in$  435k).

The Company obtained a credit facility with Rabobank of  $\in$  350k per September 30, 2009 based upon the debtors of TIE Nederland B.V. Per year end the credit facility is not used.

#### **TIE HOLDING N.V. and subsidiaries**

The consolidated financial statements include the financial data of TIE Holding N.V., Hoofddorp and its subsidiaries as shown in the table Subsidiaries of TIE Holding N.V..

Leases		2009		2008		
		< 1year	> 1 year < 5 years	< 1year	> 1 year < 5 years	
Office Leases		342	448	308	675	
Hosting Contracts		108	27	120	60	
Operational leases company cars		149	329	175	107	
Operational leases servers and photocopiers		30	23	30	53	
	Total	629	827	633	895	

Subsidiaries of TIE Holding N.V.	Statutory Seat	2009	2008
TIE Nederland B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Product Development B.V.	Hoofddorp, The Netherlands	100%	100%
TIE International B.V.	Hoofddorp, The Netherlands	100%	100%
Sinfox B.V.	Arnhem, The Netherlands	100%	100%
MamboFive B.V.	Utrecht, The Netherlands	100%	-
Gordian Investments B.V.	Hoofddorp, The Netherlands	100%	100%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
TIE France S.A.S.	Montpellier, France	100%	50.25%
TIE Asia-Pacific Ltd.	Hongkong, People's Republic of China	100%	100%
Nextoria B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	-	100%
Nspyre Solutions B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	-	100%

Effective per October 1, 2008 the Company acquired the remaining 49.75% of the shares in TIE France S.A.S..

Effective per December 1, 2008 the Company acquired 51% of the shares in MamboFive B.V., on April 1, 2009 another 24.5% of the shares were acquired. Per September 30, 2009 the Company holds 75.5% of the shares.

On September 17, 2009 the Company Nspyre Solutions B.V. was dissolved.

On September 21, 2009 the Company Nextoria B.V. was dissolved.

#### Main shareholders:

The main shareholders excluding potential interest of TIE are:

- Alto Imaging N.V. (Jalak Investments B.V.) ≈ 23.74% (total interest < 25%);</li>
- DW vastgoed beleggingen B.V. ≈ 10.42% (total interest < 15%);</li>
- Mr. Sundelin ≈ 3.29% (total interest < 5%).</p>

#### **Related Party Transactions**

On November 10, 2008, the dispute between Retail Connect B.V. (33% shareholding as per September 30, 2009, valued at zero) and TIE has been resolved. All receivables as well as the shareholding have been impaired in previous years. Retail Connect will be dissolved next year.

From the supervisory board, Mr. Peter van Schaick has an interest through Alto Imaging N.V. of 23.74% of the shares. On June 25 2009, TIE received a loan from Jalak Investments of  $\in$  100k, which was repaid on November 30, 2009. The applied interest was 6% on annual basis.

Alto Imaging N.V., which is controlled by Mr. van Schaick, has an outstanding loan of  $\in$  200k, originating from August 24, 2007, bearing an annual interest of 6%. This loan was repaid on December 31, 2009.

Alto Imaging N.V. holds a Convertible Bond amounting to  $\in$  69.5k. The Convertible Bonds was issued on February 24, 2009, as part of the finance plan for the acquisition of MamboFive B.V. The strike price is  $\in$  0.10 and based on the closing trading price one day before submission. The lock-up period is one year and the maturity date is February 24, 2019. The Convertible Bond issued to Alto Imaging on June 3, 2008 of  $\in$  395k was converted into shares on June 19, 2009.

Mr. Sundelin, CEO of TIE, has a shareholding of 3.29% in TIE, as stated above. The remuneration, Convertible Bonds, Options and number of Shares held are disclosed on page 76.

The Convertible Bonds outstanding under related parties per September 30, 2009 are discussed on page 70. The outstanding options under related parties per September 30, 2009 are discussed on page 68.

The Shareholders of MamboFive B.V. received, as part of the transaction Convertible Bonds amounting to  $\in$  389k on April 1, 2009 at a strike price of  $\in$  0.10, a one year lock-up period. The bonds, which are disclosed on page 70, mature on April 1, 2014. Two managers and former Shareholders of MamboFive B.V. are further entitled to approximately 80% of the outstanding short-term debt, as disclosed on page 71, On April 1, 2010, TIE has the option to acquire the remaining 24,5% shareholding of MamboFive B.V., which will be paid by means of Convertible Bonds, based on the previous day closing price of TIE shares.

On November 11, 2008, the manager of TIE France S.A.S. received a Convertible Bond of  $\in$  150k at a strike price of  $\in$  0.10, with a one year lock-up period. The bond matures on November 11, 2013 and is disclosed on page 70, under the Convertible Bonds.

#### Pending Litigation

Currently, the Company is involved in one legal proceeding.

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.

On November 20, 2009, TIE initiated an investigation on a potential infringement on the Content Syndication Platform. An independent third party has compared the software of both companies.

#### Subsequent Events

On October 7, 2009, the Company sold the EDGE software to Intertrade Systems in Canada. The sale of the EDGE business is consistent with the Company's new focus on the TIE Kinetix portfolio. The net income of the transaction, after deduction of Goodwill, amounts to  $\in$  176k and will be reported in the first quarter 2010.

On November 20, 2009, TIE initiated an investigation on a potential infringement on the Content Syndication Platform. An independent third party has compared the software of both companies.

## Dutch GAAP TIE Holding NV Balance Sheet as at September 30, 2009 (Before proposed appropriation of results)

Assets (€ x 1,000)	Notes	2009		2008		
Fixed assets	13)					
Intangible Fixed Assets						
Goodwill		1,209		198		
Other intangible fixed assets		7		25		
Total Intangible Fixed Assets	-		1,216		223	
Tangible fixed assets			-		-	
Financial fixed assets						
Subsidairies		5,407		-		
Deferred Tax Asset		243		4,114		
			5,650		4,114	
Total fixed assets			6,866		4,337	
Current assets	14)					
Other Receivables		31		25		
Cash and cash equivalents		41		650		
Total current assets			72		675	
Total assets			6,938		5,012	

	Notes	2009		2008		
Shareholders' equity	15)					
Issued and paid-up share capital		6,498		5,476		
Share premium		46,420		46,606		
Other Legal reserves		748		448		
Foreign Currency Translation Reserve		(463)		(473)		
Retained earnings		(51,316)		(49,510)		
Net Result		530		(2,098)		
			2,417		449	
Convertible Bonds			1,661		1,735	
Total Equity			4,078		2,184	
Provisions			332		1,258	
Non Current Liabilities	16)					
Loans payable			-		200	
Current Liabilities	17)					
Loans payable		739		105		
Creditors		1,758		1,228		
Affiliated Companies		31		37		
Total Current Liabilities			2,528		1,370	
Total Liabilities and Equity			6,938		5,012	

#### Dutch GAAP TIE Holding NV Income Statement for the year ended September 30, 2009

Dutch GAAP TIE Holding NV Income Statement for the year ended September 30, 2009

(€ x 1,000)	2009	2008
Result of participating interests after tax	1,652	(407)
Other income after tax	(1,122)	(1,691)
Net Result	530	(2,098)

#### **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 Chamber of Commerce 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 79 of the Consolidated Financial Statements.

The Company financial statements for the year ended September 30, 2009 are authorized for issue through a resolution of the Management Board dated January 21, 2010.

The General Meeting of Shareholders, to be held on March 10, 2010, will be 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 Title 9 of Book 2 of the Dutch Civil Code.

Based on article 2:362(8) of the Dutch 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 Title 9 of Book 2 of the Dutch Civil Code.

The Company has opted to prepare a condensed profit and loss account in accordance with the exemption provided by article 2:402 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 47.

#### Notes to the Company Balance Sheet

#### 12) Fixed Assets

Intangible Fixed Assets

Intangible Fixed Assets	Goodwill	Purchased Software	Total
Accumulated investments per September 30, 2007	6,390	481	6,871
Accumulated amortization per September 30, 2007	(6,192)	(354)	(6,546)
Accumulated impairments per September 30, 2007	-	(57)	(57)
Carrying value as per September 30, 2007	198	70	268
Movements 2008			
Additions	-	-	-
Acquired through Business Combinations	320	-	320
Amortization	-	(45)	(45)
Impairments	(320)	-	(320)
Movements 2008	-	(45)	(45)
Accumulated investments per September 30, 2008	6,710	481	7,191
Accumulated amortization per September 30, 2008	(6,192)	(399)	(6,591)
Accumulated impairments per September 30, 2008	(320)	(57)	(377)
Carrying value as per September 30, 2008	198	25	223
Movements 2009			
Additions	-	-	-
Acquired through Business Combinations	1,011	-	1,011
Amortization	-	(18)	(18)
Movements 2009	1,011	(18)	993
	7 70 4	10.1	0.202
Accumulated investments per September 30, 2009	7,721	481	8,202
Accumulated amortization per September 30, 2009	(6,192)	(417)	(6,609)
Accumulated impairments per September 30, 2009	(320)	(57)	(377)
Carrying value as per September 30, 2009	1,209	7	1,216
Useful life	Indefinite	3 years	

The movement of goodwill results from the acquisition of MamboFive B.V., as discussed on page 58.

Purchased Software consists of purchased third party software used of the My TIE internal support system.

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

#### Notes to the Company Balance Sheet

#### **Tangible Fixed Assets**

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 in the table Financial Fixed Assets below:

Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2008: 0% and 5.5%). This funding is accounted for as part of the net investment in subsidiaries. There are currently no repayment schedules, nor does management have the intention to recall these funds.

In 2008 and years prior, 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 summarized in the table Subsidiaries below.

The deferred tax asset is discussed on page 64.

#### 13) Current Assets

Other Receivables

Current Assets	2009	2008	
Taxations and social security contributions	12	-	
Other receivables and prepayments	19	25	
	31	25	

Taxation and social security contributions relates to VAT recoverable.

Financial Fixed Assets		2009	2008
Total Subsidiaries as per Oc	ctober 1,	4,114	3,974
Share in Net income		1,652	(408)
Investments		(1,004)	-
Capital Contributions		260	172
Divestitures/ movements of IC funding		(102)	(342)
Dividends paid		-	-
Transfer to (from) provision for Equity Deficit		332	1,258
Foreign Currency Exchange Rate Differences		10	(369)
Other movements		145	(171)
Total subsidiaries as per Septer	mber 30,	5,407	4,114
Deferred Tax Asset		243	-
Total Financial Fixed Assets		5,650	4,114

Subsidiaries	Statutory Seat	2009	2008	
TIE Nederland B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%	
TIE Product Development E	3.V. Hoofddorp, The Netherlands	100%	100%	
TIE International B.V.	Hoofddorp, The Netherlands	100%	100%	
Sinfox B.V.	Arnhem, The Netherlands	100%	100%	
MamboFive B.V.	Utrecht, The Netherlands	100%	-	
Gordian Investments B.V.	Hoofddorp, The Netherlands	100%	100%	
TIE Commerce Inc.	Burlington, MA, USA	100%	100%	
TIE Asia-Pacific Ltd.	Hongkong, People's Republic of China	100%	100%	

#### 14) Shareholders' Equity

The Company's authorized share capital amounts to  $\in$  20 million, consisting of 200 million ordinary shares with a nominal value of  $\in$  0.10 each. On September 30, 2009, a total of 64,976,818 ordinary shares (2008: 54,755,390) of  $\in$  0.10 each, were paidup and called.

The Stichting Preferente Aandelen has been dissolved per February 18, 2009.

Shareholders' Equity is shown in the table below. For the movement in shares, we refer to page 66-67.

#### Legal reserves:

- 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 (€ 748k).

#### Equity Settled Share Based Payments

#### **Annual Stock Options Plan**

For the Annual Stock Option Plan for staff members, we refer to page 66, Note 5 of the Consolidated Balance Sheet under Annual Stock Options Plan.

#### **Other Stock Options**

For the Other Stock Options, we refer to page 69 Note 5 of the Consolidated Balance Sheet under Other Stock Options.

#### **Convertible Bonds**

For the issued and outstanding Convertible Bonds, we refer to page 69, Note 5 of the Consolidated Balance Sheet under Convertible Bonds.

Shareholders' Equity	Share Capital	Paid in Surplus	Foreign Currency Translation Reserve	Other Legal Reserves	Retained Earnings	Share- holders' Equity
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
Shares issued and Share Premium	1,022	93	-	-	-	1,115
Costs of Shares issued	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	10	-	-	10
Shares Based Payments	-	-	-	-	292	292
Distribution to Equity Holders	-	-	-	-	-	-
Transfers to (from) legal reserve	-	(300)	-	300	-	-
Other Movements	-	21	-	-	-	21
Net Income 2009	-	-	-	-	530	530
Balance per September 30, 2009	6,498	46,420	(463)	748	(50,786)	2,417

#### 15) Non-Current Liabilities

#### Provision for Equity Deficit Subsidiaries

In 2009 and years prior, some subsidiaries held a negative net investment value. For these subsidiaries, a provision for Equity Deficit was established.

Provision for Equity Deficit Subsidiaries	2009	2008
Opening Balance as per October 1,	1,258	687
Movements from (to) Financial Fixed Assets	(926)	571
Closing Balance as per September 30,	332	1,258

#### **Long Term Debt**

The loan per September 30, 2008 of  $\in$  200k is due within one year and classified under current liabilities below.

#### 16) Current Liabilities

The loans, which are discussed in detail on page 71, refer to the Loans from Alto Imaging N.V. ( $\in$  200k), Jalak Investments B.V. ( $\in$  100k) and the purchase of MamboFive B.V. ( $\in$  439k).

Current Liabilities	2009	2008
Loans	739	105
Trade creditors	80	125
Taxations and social security contributions	11	32
Inter-company payable	1,561	1,000
Other payable and accruals	106	71
Affliated Companies	31	37
Total	2,528	1,370

The payable for taxes and social security relates to wage tax (2009) and vat (2008).

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

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. and Jalak Investments B.V.

#### Notes to the Company Income Statement

#### Holding expenses

Expenses accounted for consist of the ones related to the Holding activities of TIE Holding N.V, including allocated employee benefits. TIE Holding N.V. had 6 employees during 2009 (2008: 0). The remuneration of the Supervisory Board amounting to  $\in$  10k for members and  $\in$  20k for the chairman are included in the company's expenses. For a detailed description of the remuneration of the sole member of the Management Board, we refer to page 76 of the Notes to the Consolidated Financial Statements.

This includes Legal and Consultancy fees amounting to  $\in$ 101k (2008:  $\in$ 230k) 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  $\in$  66k (2008:  $\in$  129k) for the Holding; for the total, Company audit fees amount to  $\in$  90k (2008:  $\in$  203k). The tax consulting fees from Ernst & Young Belastingadviseurs LLP amount to  $\in$  13k (2008:  $\in$  14k).Fees from Ernst & Young Accountants LLP, as well as audit-related ones, amount to  $\in$  15k (2008:  $\in$  21k). The increase of auditing expenses in 2008 was related to the reorganization and IFRS accounting.

#### Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately  $\in$  9.2m (related losses amounting to approximately  $\in$  36.2m). Foreign loss carry forward pertaining to approximately  $\notin$  0.9m of the unrec-

ognized losses (of approximately  $\in$  2.5m) will be available for the next 11 to 20 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 Dutch subsidiaries of TIE Holding N.V., except for MamboFive B.V. and 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.

#### 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 Product Development B.V. and Gordian Investment B.V. pursuant to article 2:403 of the Dutch Civil Code.

Hoofddorp, January 21, 20 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 profit of  $\in$  530k be added to 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, as well as two percentage points at the first day of the financial year in guestion 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 previously referred to 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.

- 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, showing that this is authorized.
- 4. hares 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 partially 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, 2009 and subsequent financial years. Payment of dividends can be made either in cash or in stock.

#### **Subsequent Events**

See disclosure on page 80.

## 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, 2009 of TIE Holding N.V., Hoofddorp, as set out on page 42 to 89. 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 81 comprise the consolidated balance sheet as at September 30, 2009, 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 82 to 89 comprise the Company balance sheet as at September 30, 2009, the Company profit and loss account for the year then ended and the notes.

#### **Management's responsibility**

Management 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, 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

#### **Opinion with respect to the Company financial statements**

In our opinion, the Company financial statements give a true and fair view of the financial position of TIE Holding N.V. as at September 30, 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

#### 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, January 21, 2010

Ernst & Young Accountants LLP

/s/ E.J. Pieters

## Where to find TIE...

#### **TIE Commerce Inc**

St. Paul Office 1360 Energy Park Drive St. Paul, MN 55108, North America E-Mail: info@TIEcommerce.com Tel: +1-651-999 86 00 Fax: +1-651-999 88 80

#### **TIE Commerce Inc**

Boston Office 24 New England Executive Park Burlington, MA 01803-5080 North America E-Mail: info@TIEcommerce.com Tel: +1-781-272 4252 Fax: +1-781-272 5485

#### MamboFive BV NEW ADDRESS PER MARCH 1, 2010:

't Goylaan 9, 3525 AA Utrecht The Netherlands E-mail: contact@mambofive.com Tel: +31-30-636 08 49 Fax: +31-30-636 08 50

#### **TIE Holding NV**

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## Clopay

"Outsourcing our managed EDI services to TIE has been one of the best business decisions that Clopay could have made." Carmel Hirth, Director of IT for Clopay

User of the TIE Kinetix Business Integration Platform since 2006.

## Microsoft

To deliver our latest technology and marketing information directly and more efficiently, through to our partners; which in turn is expected to deliver a richer experience to end customers" says Clare Barclay, Director of Partner Strategy & Programmes, Microsoft UK.

Windows 7 Professional

User of the TIE Kinetix Content Syndication Platform since 2007.

### **Epicor**

"Epicor 9 Demand Management with TIE's Advanced EDI technology gives our clients an unparalleled solution for managing, exchanging, and reconciling their electronic data. TIE's combination of business integration technologies and award winning support provides our joint customers with a common interface for securely managing and exchanging large volumes of data, reducing turnaround time on their processes and eliminating potential data entry errors."

> Rodney E. Winger, Sr. Director, Product Marketing Manufacturing, Supply Chain & Mobile Applications Epicor Software Corporation

Global partner of the TIE Kinetix Business Integration Platform since 1998.

# Special thanks

Special thanks to the following companies for having cooperated for the quotes and photographs for this annual report, and for being our customers.

Jumbo Supermarkten B.V.	page 4
Quantore Europe B.V.	page 8
Lixir S.A.S.	page 10
City Sports Inc	page 12
Sodexo B.V.	page 22
Siemens Enterprise Communication GmbH & Co KG	page 25
HI.nl	page 26
Buyyourwine.nl	page 28
Clopay Corp.	Page 94
Microsoft UK	page 95
Epicor Software Corporation	page 96

## Total Integrated E-commerce

Annual Report for the financial year 2009