

# TIE Holding N.V. Unaudited Condensed Consolidated Interim Financial Statements

For the period ended December 31, 2006

## Key Financials

**Q1\_2007    Q1\_2006**

### Financial Results

Revenues	2,438	2,159
Revenue Related Expenses	220	294
Employee Benefits	1,554	1,181
Depreciation, Amortization and Impairment Losses	174	154
Other Operating Expenses	616	515
Net Income	(130)	12

### Equity

Total Shareholders' Equity	2,406	1,017
Total Equity Instruments	2,140	-
Minority Interest	22	-
Total Equity	4,568	1,017

### Employees (expressed as full time equivalents)

Average Number of Employees	86	79
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### Per Share of Ordinary Shares

Net Income	(0.00)	(0.00)
Shareholders' Equity	0.06	0.02
Number of Shares Outstanding at Quarter End (x 1,000)	43,821	41,071
Weighted Average Number of Shares Outstanding (x 1,000)	43,821	41,071
Weighted average number of shares adjusted for calculation diluted earnings per share (x 1,000)	50,297	41,523

### Share Price

Last Trading Day in Quarter	0.38	0.31
Highest	0.41	0.38
Lowest	0.32	0.30

## UNAUDITED FINANCIAL INFORMATION

### Financial Results

#### Introduction

Net income for the quarter amounts to EUR -130k (2006: EUR 12k). This is ahead of budget for 2007.

Revenues for the quarter amount to EUR 2,438k (2006: EUR 2,159k) The first three months of 2007 show a continued development of SaaS revenues which now make up approximately one quarter of the Company's revenues.

#### Revenues

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

##### Revenues by category

	Q1_2007		Q1_2006	
Licenses	474	19%	538	25%
Maintenance and Support	826	35%	839	39%
Consultancy	532	22%	569	26%
Software as a Service	548	22%	210	10%
Other Income	58	2%	3	-
<b>Total Revenues</b>	<b>2,438</b>	<b>100%</b>	<b>2,159</b>	<b>100%</b>

License revenues are down compared to the first quarter of 2006. This is a result of increased sales focus on and demand for SaaS.

The SaaS relative share of revenues is increasing. This is a result of the Digital Channel acquisition but this also reflects the increase in SaaS revenues from the traditional TIE products. SaaS revenues are reflected in income over the period the service is provided. This means SaaS sales filter into income with some delay. The Company expects to further increase the SaaS share in revenue in the course of 2007.

Productivity on in house consultants is high. The Company is maximizing the use of TIE staff to fill Consultancy needs in combination with contracting third party consultants to fulfill further demand.

Other income includes government grants with respect to the EC supported STASIS and the SEAMless development projects.

##### Revenues by Segment

	Q1_2007		Q1_2006	
The Netherlands	1,066	44%	744	34%
North America	1,032	42%	1,156	54%
Rest of the World	340	14%	259	12%
<b>Total Revenues</b>	<b>2,438</b>	<b>100%</b>	<b>2,159</b>	<b>100%</b>

Revenues in the Netherlands were on budget and show an increase compared to prior year. This increase amounting to EUR 322k is predominantly attributable to the additional revenues from Digital Channel.

## UNAUDITED FINANCIAL INFORMATION

Revenues in North America decreased slightly in USD, from USD 1,374k to USD 1,334k. Due to currency exchange rate developments there is a significant decrease in revenues expressed in EUR. The USD to EUR exchange rate for the first quarter of 2007 was 1.2920 compared to 1.1891 over the same period in 2006.

Revenue in the Rest of the World shows significant autonomous growth in TIE France from EUR 115k in the first quarter in 2006 to EUR 248k over the first quarter of 2007.

### Operating Expenses

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

Operating expenses by category

	Q1_2007		Q1_2006	
Revenue Related Expenses	220	9%	294	14%
Employee Benefits	1,554	60%	1,181	55%
Depreciation, Amortization and Impairments	174	7%	154	7%
Other Operating Expenses	616	24%	515	24%
<b>Total Operating Expenses</b>	<b>2,564</b>	<b>100%</b>	<b>2,144</b>	<b>100%</b>

Operating expenses have increased across the board as a result of the aforementioned acquisition of Digital Channel in the fourth quarter of 2006.

Revenue related expenses have been reduced compared to the first quarter of 2006 due to lower cost of consultancy, specifically in the United States and lower cost of third party software reflecting that the Company has sold less third party software but maintained prior year's license revenue level. The first quarter of 2007 does include additional expenses pertaining to the Digital Channel products. The Company is looking to reduce these expenses significantly in the second quarter of 2007 by introducing new software that will allow for a more efficient process and will reduce current workloads allowing for stepped up growth.

Employee Benefits have increased compared to the first quarter of 2006 due to the additional staff from the Digital Channel Acquisition. Furthermore management at a holding level has been strengthened. Mr Chris van Overbeeke was appointed CFO by the Supervisory Board on November 28, 2006 and mr Jan Sundelin has been proposed as a Management Board member awaiting approval by the Annual General Shareholders Meeting on February 14, 2007 General Shareholders Meeting.

Other Operating Expenses are also higher as a result of the Digital Channel Acquisition.

### Depreciation, Amortization and Impairment

Based on the impairment tests performed at year-end 2006 no impairments were taken on the tangible and intangible fixed assets.

	Q1_2007	Q1_2006
Depreciation, amortization of Fixed Assets	174	154
Impairments	-	-
<b>Total Depreciation &amp; Amortization</b>	<b>174</b>	<b>154</b>

## UNAUDITED FINANCIAL INFORMATION

### Financial Income and/or Expense

	Q1_2007	Q1_2006
Interest Income	2	2
Interest expenses	(5)	(2)
Exchange gains/(losses)	(1)	(3)
<b>Total</b>	<b>(4)</b>	<b>(3)</b>

The interest expense pertains to the Credit Facility that became available in 2005 and which was used to fund cash flow needs on a short term basis. The Credit Facility was drawn upon to an amount of EUR 452k at December 31, 2006 which is reflected in the interest expenses.

### Net Income

#### Net Income by Segment

	Q1_2007	Q1_2006
The Netherlands	(242)	(196)
North America	56	166
Rest of the World	56	42
<b>Total Net Income</b>	<b>(130)</b>	<b>12</b>

Net income by segment represents net income per operating segment after allocation of holding expenses. Holding expenses are allocated to the operating segments on a revenue basis. The profit contribution of the North American activities was affected negatively by currency exchange rate developments.

### Cash Position

On December 31, 2006 the Company had cash and cash equivalents of EUR 275k. Management is confident that with the means available sufficient funding for operational needs can be raised.

### Financial Position

The Equity position of the Company remains strong. Shareholders' Equity as per December 31, 2006 amounts to EUR 2,413k (December 31, 2005: EUR 2,647k).

The minority interest reported refers to the 49.75% shareholders' share in the net asset value of TIE France. In previous periods the reported balance was nil as the Company had covered the full extent of the losses occurred and was recovering them from more recent profits. All prior losses have now been recovered.

### Development (R&D)

In the first three months of financial year 2007, the Company has capitalized EUR 86k. The current carrying value of capitalized development expenses amounts to EUR 708k against EUR 748k at year-end. Significant R&D effort is being put in the EC supported STASIS and SEAMless projects.

## UNAUDITED FINANCIAL INFORMATION

### Interim Consolidated Balance Sheet

at December 31, 2006

#### Assets

	(EUR x 1,000)	Notes	December 31, 2006 (unaudited)	September 30, 2006 (audited)
Non Current Assets				
Intangible fixed assets				
Goodwill			2,387	948
Other intangible fixed assets			1,768	1,102
			<u>4,155</u>	<u>2,050</u>
Tangible fixed assets				
Property, Plant and Equipment			<u>274</u>	<u>280</u>
			274	280
Financial fixed assets				
Deferred Tax Asset			2,512	836
Loans and Receivables			157	301
Associates			0	0
Other			<u>0</u>	<u>0</u>
			<u>2,669</u>	<u>1,137</u>
Total Non Current Assets			7,098	3,467
Current Assets				
Trade Debtors and Other Receivables				
Trade Debtors			1,833	1,752
Social Security Prepaid			13	0
Other Receivables and Prepayments			<u>411</u>	<u>297</u>
			2,257	2,049
Cash and Cash Equivalents			<u>275</u>	<u>435</u>
Total Current Assets			2,532	2,484
Total Assets			<u><u>9,630</u></u>	<u><u>5,951</u></u>

## UNAUDITED FINANCIAL INFORMATION

### Equity and Liabilities

			<b>December 31, 2006</b>	<b>September 30, 2006</b>
	(EUR x 1,000)	Notes	(unaudited)	(audited)
<b>Equity</b>				
Shareholders' Equity			2,406	1,017
Convertible Bonds			<u>2,140</u>	<u>0</u>
Capital and Reserves attributable to equity holders of TIE			4,546	1,017
Minority Interest			<u>22</u>	<u>0</u>
Total Equity			4,568	1,017
<b>Non Current Liabilities</b>				
Provisions			<u>340</u>	<u>867</u>
Total Non Current Liabilities			340	867
<b>Current Liabilities</b>				
Provisions			338	260
Credit Facility			452	275
Trade Creditors			622	704
Deferred Revenue			2,055	1,994
Affiliated Companies			4	4
Taxation and Social Security			213	174
Other Payables and Accruals			<u>1,038</u>	<u>656</u>
Total Current Liabilities			4,722	4,067
Total Equity and Liabilities			<u>9,630</u>	<u>5,951</u>

## UNAUDITED FINANCIAL INFORMATION

### Interim Consolidated Income Statement

For the three months ended December 31, 2006

		For the three months ended December 31, (unaudited)	
		2006	2005
(EUR x 1,000)			
<b>Revenues</b>			
Licenses	474	538	
Maintenance and Support	826	839	
Consultancy	532	569	
Software as a Service	548	210	
Other Income	58	3	
<b>Total Revenue</b>		<b>2,438</b>	<b>2,159</b>
Book profit sold fixed assets / subsidiary		-	-
<b>Operating Expenses</b>			
Revenue Related Expenses	220	294	
Employee Benefits	1,554	1,181	
Depreciation and Amortization Expense and Impairment Losses	174	154	
Other Operating Expenses	616	515	
<b>Total Operating Expenses</b>		<b>2,564</b>	<b>2,144</b>
<b>Operating Income</b>		<b>(126)</b>	<b>15</b>
Interest and other Financial Income	2	2	
Interest and other Financial Expense	(6)	(5)	
Share in Profit (Loss) of Associates	-	-	
<b>Income before Tax</b>		<b>(130)</b>	<b>12</b>
Corporate Income Tax	-	-	
<b>Net Income</b>		<b>(130)</b>	<b>12</b>
Attributable to:			
Shareholders TIE	(152)	12	
Minority interest	22	-	
Net result per share – basic	(0.00)	(0.00)	
Weighted average shares outstanding – basic (thousands)	43,821	41,071	
Net result per share – diluted	(0.00)	0.00	
Weighted average share diluted (thousands)	50,297	41,523	

## UNAUDITED FINANCIAL INFORMATION

### Interim Consolidated Statement of Changes in Equity

For the three months ended December 31, 2006

	2006 (unaudited)	2005 (unaudited)
(EURx1,000)		
<b>Balance per September 30,</b>	<b>4,789</b>	<b>993</b>
Foreign currency translation reserve	<u>(130)</u>	<u>(17)</u>
<b>Net Income recognized directly in Equity</b>	<b>(130)</b>	<b>(17)</b>
Net Income recognized in the Income Statement	<u>(130)</u>	<u>12</u>
<b>Total recognized net income for the period</b>	<b>(260)</b>	<b>(5)</b>
Shares Issued and Share premium	-	-
Cost of Shares Issued	-	-
Repurchase of Stock options	-	-
Issued Convertible Bonds	-	-
Share based payments	<u>39</u>	<u>29</u>
	<u>39</u>	<u>29</u>
<b>Balance per December 31,</b>	<b><u>4,568</u></b>	<b><u>1,017</u></b>



## UNAUDITED FINANCIAL INFORMATION

### Interim Consolidated Cash Flow Statement

	For the three months ended December 31, (unaudited)	
(EUR x 1,000)	2006	2005
Income before tax	(130)	12
Depreciation, amortization and Impairments	174	154
(Increase) decrease in debtors	428	(187)
(Decrease) increase in deferred revenue	(452)	376
(Decrease) increase in current liabilities	409	(158)
	<u>385</u>	<u>31</u>
	429	197
Increase (decrease) provisions	(530)	(39)
Share based payments expense	39	29
Realized gain on sold fixed assets		
Other movements		(2)
	<u>(491)</u>	<u>(12)</u>
<b>Cash flow generated / (applied) in operating activities</b>	<u>(62)</u>	<u>185</u>
Investments in financial fixed assets		
Disinvestment in financial fixed assets	13	12
Investments in intangible fixed assets	(101)	(166)
Disinvestments tangible fixed assets		
Investments in tangible fixed assets	(4)	(25)
Investments in business combinations		
Interest received	2	2
Dividend received		
<b>Cash flow generated / (used) in investing activities</b>	<u>(90)</u>	<u>(177)</u>
Distribution to Bondholders		(17)
Interest paid	(5)	
Increase (decrease) bank overdrafts/loans short term	177	275
Issue of convertible bonds		
Costs of shares and bonds issued		
Shares issued and share premium		
<b>Cash flow generated / (used) by financing activities</b>	<u>172</u>	<u>258</u>
Net increase (decrease) in Cash and Cash Equivalents	20	266
Currency Exchange Rate Difference on opening balance		
Cash and Cash Equivalents	(7)	3
Opening balance Cash and Cash Equivalents	262	166
<b>Closing balance Cash and Cash Equivalents</b>	<u>275</u>	<u>435</u>

## **UNAUDITED FINANCIAL INFORMATION**

### ***Corporate Information***

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

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

The unaudited interim condensed consolidated financial statements for the three months ended December 31, 2006 are authorized for issue through a resolution of the Management Board dated February 14, 2007.

### ***Basis of Preparation***

The unaudited interim condensed consolidated financial statements for the three months ended December 31, 2006 have been prepared in accordance with IAS 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at September 30, 2006.

The accounting policies adopted in preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in preparation of the Company's annual financial statement for the year ended September 30, 2006, which the exception of the following amendments and new standards mandatory for annual periods starting on or after January 1, 2007 that have been adopted early and are of relevance for interim financial statements:

- IFRS8 Operating Segments
- IFRIC8 Scope of IFRS2
- IFRIC10 Interim Financial Reporting and Impairment
- IFRIC11 IFRS2 – Group and Treasury Share Transactions

### ***Subsequent Events***

On January 17, 2007 the shareholding in the associate Retail Connect BV was increased from 18% to 33.3%. The Company received these additional shares for a payment of EUR 1 per share.

In January 2007 for the first time in the history of the Company, employees exercised their stock options. As a result of the execution of the 2003 TIE Employee Stock Option Plan, the Company issued 257,119 new ordinary shares. The 2003 TIE Employee Stock Option Plan will expire in April 2007. Potentially this will result in the issue of in total 679,060 new shares.

TIE will issue 2,485,714 ordinary shares following the conversion of a convertible bond held by Stayer Holding BV. The convertible bond with a principal amount of EUR 870,000 at a conversion price of EUR 0.35, was issued in connection with the acquisition of Digital Channel last year. The transaction will be completed this week. The total number of shares in issue following this placement will amount to 46,563,558.