

TRINTECH GROUP PLC
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008

GROUP FINANCIAL STATEMENTS
For the year ended 31 January 2008

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TRINTECH GROUP PLC
DIRECTORS' REPORT
For the year ended 31 January 2008

GROUP INFORMATION

Directors..... **Executive**
Cyril P. McGuire (CEO and Chairman)
R. Paul Byrne (President)

Non-Executive
Kevin C. Shea (American)
Trevor D. Sullivan
Robert M. Wadsworth (American)
Dr. Jim Mountjoy

Secretary..... Joseph Seery

Registered Office..... Block C,
Central Park,
Leopardstown,
Dublin 18.

Solicitors..... A. & L. Goodbody,
IFSC,
North Wall Quay,
Dublin 1.

Wilson Sonsini Goodrich and Rosati,
Professional Corporation,
650 Page Mill Road,
Palo Alto, CA 94304,
USA.

Bankers..... Bank of Ireland,
Stillorgan,
Co. Dublin.

Silicon Valley Bank,
3003 Tasman Drive,
Santa Clara, CA 95054,
USA.

Auditors..... Ernst & Young,
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2.

TRINTECH GROUP PLC
DIRECTORS' REPORT
For the year ended 31 January 2008

The directors present their report and audited group financial statements for the year ended 31 January 2008.

PRINCIPAL ACTIVITIES

The Company is a holding company for its wholly-owned subsidiaries and as such, does not trade. Through its subsidiaries, the group is a leading global provider of integrated financial governance, transaction risk management and compliance solutions. The group enables companies to achieve excellence in financial governance and performance management through a comprehensive platform of account reconciliation, accounting compliance, and financial reporting applications across the financial lifecycle.

The group's financial governance, transaction risk management and compliance solutions include: ReconNET for high volume transaction reconciliation; AssureNET GL for general ledger reconciliation and certification; On-Demand solutions for application service provider ("ASP") services for ReconNET and AssureNET; the DataFlow Transaction Network for data collection and delivery; and ClearContracts, a Software-as-a-Service application ("SaaS") which enables healthcare providers to optimise contract profitability by reconciling payments received from their patients' insurers to amounts they should have received from claims under the terms of their respective contracts.

The group has a customer base of over 580 retail chains, commercial companies, financial institutions and healthcare providers and targets its sales and marketing efforts at three principal regions:

- Europe, Middle East and Africa;
- North and South America; and
- the Asia- Pacific region.

The group's principal market is the United States, which represents 90% of the group's total turnover in fiscal 2008.

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

Turnover from continuing and discontinued operations was US\$32.9 million for the year ended 31 January 2008 ("fiscal 2008") compared to US\$39.0 million for the year ended 31 January 2007 ("fiscal 2007"). The loss on ordinary activities before taxation for fiscal 2008 amounted to US\$4.6 million compared to a loss of US\$2.5 million in the previous year. Following a taxation credit of US\$1.2 million and a minority interest charge of US\$347,000, a retained loss of US\$3.8 million was incurred in fiscal 2008. In fiscal 2007, following a tax charge of US\$151,000 and a minority interest charge of US\$714,000, a retained loss of US\$3.4 million was incurred. The basic loss per ordinary share amounted to US\$0.12 in fiscal 2008 compared to a basic loss per ordinary share of US\$0.11 in the previous year.

On 1 September 2006, the group sold substantially all of the Payments business (excluding its German business) to VeriFone Holdings, Inc. As a result, the financial results contained in the accompanying consolidated financial statements reflect the Payments business as a discontinued operation. The gain on sale is reflected in the fiscal 2007 results. In addition, the group closed its German business in the quarter ended 31 October 2006. The group now has two business segments: the Funds Management Systems division ("FMS") and the Healthcare division ("Healthcare").

FMS is primarily engaged in marketing and selling licenses for the group's financial governance, transaction risk management and compliance software and related maintenance, development and installation services. FMS includes the business of DataFlow which is engaged in the retrieval, processing, aggregation and delivery of all transaction data in daily bank statements. The FMS business generated revenues of US\$28.5 million in fiscal 2008 and US\$25 million in fiscal 2007. The FMS business has in excess of 550 customers.

The Healthcare division was formed in June 2006, to help healthcare providers, payers and financial institutions optimise the claim to payment transaction process, including transaction reconciliation and workflow management of exceptions. The

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Healthcare division generated revenues of US\$4.4 million for fiscal 2008 and US\$781,000 in fiscal 2007, which related to the Concuity business for the two months ended 31 January 2007. The business has in excess of 20 customers.

On 14 February 2008, the group acquired the outstanding shares of Movaris, Inc., a privately held company in the U.S. for an initial consideration of US\$8.4 million subject to final adjustment related to performance related contingent consideration. Movaris solutions integrate and manage the financial close and other governance, risk and compliance processes. Movaris solutions encompass Sarbanes-Oxley compliance, financial close, account reconciliation, governance, risk and compliance (GRC), and enterprise risk manager applications.

The FMS business continued to perform strongly in fiscal 2008 and the group continued its investment program to drive financial governance, transaction risk management and compliance revenue growth in new vertical markets. While these investments will have a negative impact on earnings in the short term, they combined with the acquisition of Movaris, present opportunities within the FMS existing target markets and position the group for long term growth.

The below review of group financial results relate to continuing operations only.

Fiscal Year Ended 31 January 2008 Compared To Fiscal Year Ended 31 January 2007

Turnover

	<u>Year ended</u> <u>31 January 2008</u>	<u>Year ended</u> <u>31 January 2007</u>	<u>Increase from</u> <u>prior year</u>	<u>Percentage change</u> <u>from prior year</u>
	US\$'000	US\$'000	US\$'000	
License.....	16,640	14,397	2,243	16%
Service.....	<u>16,288</u>	<u>11,400</u>	<u>4,888</u>	43%
Total Turnover.....	<u>32,928</u>	<u>25,797</u>	<u>7,131</u>	<u>28%</u>

License. The increase in license turnover in fiscal 2008 was primarily due to higher product sales in the US and Europe, Middle East and Africa ("EMEA") markets and increased turnover generated from maintenance renewals from our existing customers.

Service. The increase in service turnover in fiscal 2008 was due to higher turnover from the inclusion of products from the Healthcare business for a full year in fiscal 2008 (2 months included in fiscal 2007), higher service turnover from the AssureNET product line and increased turnover from the provision of ASP and hosting services from our existing FMS products.

Cost of sales

	<u>Year ended</u> <u>31 January 2008</u>	<u>Year ended</u> <u>31 January 2007</u>	<u>Increase</u> <u>from prior year</u>	<u>Percentage change</u> <u>from prior year</u>
	US\$'000	US\$'000	US\$'000	
License.....	1,578	1,135	443	39%
Amortisation of purchased technology.....	725	293	432	147%
Service.....	<u>8,492</u>	<u>5,368</u>	<u>3,124</u>	<u>58%</u>
Total Cost of Sales.....	<u>10,795</u>	<u>6,796</u>	<u>3,999</u>	<u>59%</u>

Total Cost of Sales. Although total turnover increased by 28% in fiscal 2008 compared to the prior year, the total cost of sales increased by 59%. This had the effect of decreasing gross margin by 6% compared to last year.

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License. The increase in the cost of license sales in absolute dollars in fiscal 2008 compared to the prior year was due to higher reseller costs and higher headcount associated with delivery of maintenance services. The higher reseller costs were primarily due to the sale of a new product xINET in fiscal 2008. The cost of license sales as a percentage of license turnover in fiscal 2008 increased to 9% compared to 8% in the prior year.

Amortisation of purchased technology. The increase in amortisation of purchased technology in fiscal 2008 relates to the Concuity acquisition in the fourth quarter of fiscal 2007.

Service. Service cost of sales increased in fiscal 2008 in absolute and in percentage terms compared to service cost of sales in the prior year. These costs represented 52% of service turnover in fiscal 2008 compared to 47% in the prior year. The increase was primarily due to the inclusion of additional costs related to the Healthcare business and increased external costs associated with provision of additional ASP and hosting services.

Operating Expenses

	<u>Year ended</u> <u>31 January 2008</u>	<u>Year ended</u> <u>31 January 2007</u>	<u>Increase (decrease)</u> <u>from</u> <u>prior year</u>	<u>Percentage</u> <u>change</u> <u>from prior year</u>
	US\$'000	US\$'000	US\$'000	
Distribution costs.....	10,798	7,126	3,672	52%
Research and development.....	4,926	4,964	(38)	(1%)
General and administrative.....	12,518	9,933	2,585	26%

Distribution costs. The increase in distribution costs in fiscal 2008 was primarily due to increased costs relating to the FMS business due to increased headcount, higher commissions, additional marketing expenses and the impact of the weakening dollar against the pound compared to the prior year. These costs were associated with the increased investment in growing the sales and distribution network for our financial governance, transaction risk management and compliance products both in the United States and internationally. The increase in absolute dollars in fiscal 2008 was also partially due to an additional ten months of Healthcare costs in the 2008 fiscal year. This business was acquired in December 2006 and only two months of costs are included in the prior year.

Research and development. The marginal decrease in research and development expenses in fiscal 2008 was primarily due to a reduction in the number of development staff personnel in the FMS division. The reduction in fiscal 2008 expenditure associated with the development of the next generation of our FMS product platform more than offset the increase in costs associated with the Healthcare division. This business was acquired in December 2006 and only two months of costs are included in the prior year.

General and administrative. The increase in general and administrative expenses in fiscal 2008 was primarily due to the weakening dollar against the euro, the inclusion of additional costs relating to the healthcare business in fiscal 2008 and higher professional costs.

The below review of group financial results relate to continuing and discontinued operations.

Discontinued operations. In August 2006, the group entered into a definitive agreement to sell its Payments business (excluding the German element of this business) to VeriFone Holdings, Inc. The sale was completed on 1 September 2006. As a result of this transaction, the Payments business is reported as discontinued operations in the accompanying consolidated financial statements.

Profit on disposal of discontinued operations. Arising from the sale of the Payments business, the group recorded a gain on disposal of US\$5.4 million in fiscal 2007.

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Exceptional item-restructuring. The group recorded restructuring charges of US\$2.8 million in fiscal 2007. The restructuring charge related mainly to the exit charges on facilities amounting to US\$2.3 million and staff termination, redundancy and restructuring charges related to the closure of the office in Germany amounting to US\$0.5 million.

The group had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements were terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006 respectively resulting in a payment of US\$2.3 million in fiscal 2007.

Interest receivable and similar income. Interest receivable and similar income, decreased to US\$1.2 million in fiscal 2008 compared to US\$1.4 million in fiscal 2007. The decrease was due to lower deposit balances and lower US interest rates compared to the prior year.

Tax on loss on ordinary activities. Tax on loss on ordinary activities was a credit of US\$1.2 million in fiscal 2008 compared to a charge of US\$151,000 in fiscal 2007. The credit was primarily due to the recognition of a net deferred tax asset of US\$1.9 million relating to US tax loss carry forwards and deductible timing differences as of 31 January 2008.

FINANCIAL RISK MANAGEMENT

The group's operations are exposed to foreign exchange risk arising from cash flows and financial instruments that are denominated in currencies other than our reporting currency or that of the relevant subsidiary conducting the business. The purpose of our foreign currency management is to manage the effect of exchange rate fluctuations on certain foreign currency denominated turnover, costs and eventual cash flows and on foreign currency denominated assets and liabilities.

The terms of currency instruments used for hedging purposes are consistent with the timing of the transactions being hedged. The group does not use derivative financial instruments for trading or speculative purposes. The group uses derivative financial instruments, such as forward exchange contracts, to hedge certain forecasted foreign currency denominated transactions expected to occur within the next 12 months. As a policy the group only hedges anticipated foreign currency sales and purchase transactions for which the group has a firm commitment to a customer or supplier. As of 31 January 2008, the group had two forward exchange contracts maturing in fiscal 2009 to sell US\$1.3 million and receive euro in return. These derivative instruments are recorded at fair value and changes in fair value are recorded under exchange gain in the group profit and loss account. The fair value of the contracts as of 31 January 2008 was US\$40,000 positive.

Furthermore, the group manages the currency exposure of certain receivables and payables using derivative instruments, such as currency options. The gains or losses on these instruments provide an offset to the gains or losses recorded on the foreign currency receivables and payables. These derivative instruments are recorded at fair value and changes in fair value are recorded under exchange gain in the group profit and loss account. At 31 January 2008, the group had no currency options.

KEY PERFORMANCE INDICATORS

The key financial indicators are set out below:

	<u>2008</u>	<u>2007</u>	<u>% Change from prior year</u>
1. Turnover (US\$'000)	32,928	39,019	(16%)
2. Operating expenses (US\$'000).....	27,798	31,647	(12%)
3. EBITDA operating expense (US\$'000)..	22,113	26,731	(17%)
4. Net loss (US\$'000).....	(3,771)	(3,367)	12%
5. EBITDA net loss (US\$'000).....	(327)	(2,331)	(86%)
6. Basic net loss per ordinary share (US cents)	(0.12)	(0.11)	9%
7. Cash at bank and in hand (US\$'000).....	23,766	25,766	(8%)
8. DSO's (days) continued activities	65	82	(21%)
9. Working capital (US\$'000).....	16,958	20,089	(16%)

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EBITDA operating expenses are operating expenses before interest, taxation, depreciation, amortisation, gain on sale of business and restructuring charges.

EBITDA net loss is earnings before interest, taxation, depreciation, amortisation, gain on sale of business and restructuring charges.

DSO's represent debtor days outstanding and is calculated by dividing trade debtors at the end of the year by turnover for that year and multiplying by the number of days in the year.

LIKELY FUTURE DEVELOPMENT

The group's mission is to be a leading provider of integrated financial governance, transaction risk management, and compliance solutions. We enable companies to achieve excellence in financial governance and performance management through a comprehensive platform of account reconciliation, accounting compliance, and financial reporting applications across the financial lifecycle.

The group is growing its financial software solutions and services business through capitalising on an increasing demand for financial governance, transaction risk management, compliance and revenue and cost cycle management solutions globally; offering new products and services from acquisitions completed by the group to its existing customer base; and continuing to grow its market share of the healthcare market. The future growth of the group will be underpinned by a strong core customer base and an established market position. The group proposes to expand this business franchise through investment in new products and markets, particularly outside of the United States, and will continue to seek further acquisition opportunities in the target markets.

In fiscal 2008, the group continued an investment program to drive financial governance revenue growth in new vertical markets. While these investments will have a negative impact on earnings in the short term, they, combined with the acquisition of Concuity and Movaris, present growth opportunities within our target markets and position the group for long term growth.

The key components of the group's strategy are:

- Continue to increase revenue for our solutions in the financial governance market, where there is demand for an integrated suite of governance applications;
- Expand direct sales resources and indirect channels through strategic partnerships to increase market share for our key products;
- Expand demand for the Unity product set across our existing customer base;
- Establish our Lifecycle Management (LCM) Payments product in the financial services market. This product enables financial service organisations to offer disbursement reconciliation and management services on an ASP basis to their customers;
- Extract cost synergies from acquisitions to drive growth in EBITDA.
- Develop the Healthcare market growth opportunity particularly in the top 1,000 healthcare facilities in the United States, where significant investment is being made to improve transaction efficiency and reduce revenue leakage; and
- Acquire complementary products, customers and partnerships to accelerate growth in existing markets and expand into new markets.

PRINCIPAL RISKS AND UNCERTAINTIES

Under Irish Company law (Statutory Instrument 116.2005 –European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), the group is required to provide a description of the principal risks and uncertainties which it faces. The principal risks and uncertainties which the group faces are set out below:

- *The group will depend on sales of its financial governance and services to customers located in the United States for a large majority of the group's total turnover.*

TRINTECH GROUP PLC
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For fiscal 2008, U.S. customers accounted for approximately 90% of the group's turnover. Any material reduction in demand for the group's products and services in the United States could adversely affect the group's business, financial condition and results of operations.

- *New versions and releases of our products may contain errors or defects.*

The group's software products are complex and, accordingly, may contain undetected errors or be subject to intermittent failures when first introduced or as new versions are released. This may result in the loss of, or delay in, market acceptance of the group's products.

- *The group has incurred losses during much of its operating history and the group may not be able to consistently maintain profitability.*

The group may, in the future, incur losses on both a quarterly and annual basis. Moreover, the group expects to continue to incur significant costs of services and substantial operating expenses. Therefore, the group will need to increase its turnover to achieve and maintain quarterly profitability and a positive cash flow. The group may not be able to generate sufficient turnover to consistently achieve or sustain profitability.

- *The group's businesses collect, use and retain personal customer information and enable customer transactions, which presents security risks, requires the group to incur expenses and could harm its business.*

Although the group has sophisticated network and application security, internal control measures, and physical security procedures to safeguard our systems, there can be no assurance that a security breach, loss or theft of personal information will not occur, which could harm the business, customer reputation and results of operations. If the business expands to new industry segments that are regulated for privacy and security, or to countries outside the United States that have more strict data protection laws, compliance requirements and costs will increase.

- *The group's software and transaction services business model will present risks and may have an adverse effect on its financial performance.*

On 1 September 2006, the group finalised the sale of its Payments business to VeriFone Holdings, Inc. and, as a result, the group now has a software and transaction services business model. This will involve growing organically our FMS business and positioning our Healthcare business for future growth. If the software and transaction services business model is not successful, this may have an adverse effect on the financial performance.

- *The group could be subject to potential product liability claims and third party liability claims related to products and services.*

Any errors, defects or other performance problems could result in financial or other damages to the group's customers. A product liability claim brought against the group, even if not successful, would likely be time consuming and costly and could seriously harm the group's business.

- *The group may be unsuccessful in developing and selling new products or in penetrating new markets.*

The group's competitiveness and future success depend on its ability to develop, market and sell new products and services on a timely and cost effective basis. A fundamental shift in technologies in any of the group's markets could harm its competitive position within these markets.

- *The group may fail to adequately integrate acquired products, technologies or businesses.*

Over the past several years, the group evaluated opportunities to acquire additional product offerings, complementary technologies and businesses and made a number of acquisitions, including the acquisition of Movaris, Inc. in February 2008. Turnover from the acquired businesses may not be sufficient to support the costs associated with those businesses, thereby adversely affecting the group's operating margins in the future.

- *The group depends on a few key personnel to manage and operate.*

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The loss of certain members of the group's senior management, including the group's Chief Executive Officer and President, could have a material adverse effect on the group's business and prospects.

- *If the group is unable to retain and attract highly skilled personnel with experience in retail software and transaction services industries, the business may be unable to grow.*

The group is dependent upon the ability to attract and hire, when necessary, as well as train and retain highly skilled technical, sales and marketing, engineering, support and other highly skilled personnel with knowledge in funds management, reconciliation workflow, transaction risk management, compliance, internet and other technologies.

- *The group's quarterly and annual operating results are difficult to predict because they can fluctuate significantly. This limits your ability to evaluate the group's historical financial results and increases the likelihood that the group's results will fall below market analysts' expectations, which could cause the price of the group's ADSs to drop rapidly and severely.*
- *Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to the compliance policies and increases the cost of compliance.*

The group is committed to maintaining high standards of corporate governance and public disclosure, and its efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

- *The group's business is subject to currency fluctuations that can adversely affect the group's operating results.*

Due to the group's multinational operations, the group's business is subject to fluctuations based upon changes in the exchange rates between the currencies in which the group collects turnover or pays expenses and the US Dollar.

- *To be successful, the group needs to effectively respond to future changes in the rapidly developing markets in which the group sells its software products and services.*

The markets for the group's financial governance, transaction management and compliance software and services are rapidly evolving and changing.

- *The group's success depends its ability to manage and expand the group's software direct sales force.*

The group has sold the group's software products almost exclusively through the group's direct sales force. The group's future turnover growth will depend in large part on the group's ability to recruit, train and manage additional software sales personnel worldwide and generate increased sales productivity from the group's existing sales force.

RESEARCH AND DEVELOPMENT

Research and development expenses decreased from US\$9.2 million in fiscal 2007 to US\$4.9 million in fiscal 2008. This decrease of 46% was primarily due to the sale of the Payments business in fiscal 2007.

IMPORTANT EVENTS SINCE THE YEAR-END

On 14 February 2008, the group acquired the outstanding shares of Movaris, Inc., a privately held company in the U.S. for an initial consideration of US\$8.4 million subject to final adjustment related to performance related contingent consideration. The total purchase costs comprise US\$7.1 million in cash, 507,765 Trintech American Depositary Shares (ADSs) amounting to US\$1.3 million valued at the time of the closing of the acquisition and transaction costs of US\$311,000. In addition, the group will be required to pay additional performance related contingent cash consideration in the event the closing price of one ADS does not equal or exceed US\$6 for at least ten consecutive business days in the period commencing with the six month anniversary of the closing date and ending on 31 December 2009 subject to Movaris achieving revenue and EBITDA milestones in the six month period following the closing date.

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Movaris solutions integrate and manage the financial close and other governance, risk and compliance processes. Movaris solutions encompass Sarbanes-Oxley compliance, financial close, account reconciliation, governance, risk and compliance (GRC), and enterprise risk manager applications.

On 29 February 2008, the group was notified by VeriFone Holdings, Inc. that it is making claims, for the full amount of funds held in the escrow, in relation to the sale of the Payments business. Disputes involving the escrow are subject to a negotiation period between the parties after which either party may require arbitration to resolve disputes. At this point, the group has not been given sufficient information which substantiates VeriFone's claims and the group intends to vigorously contest such claims.

DIVIDENDS

The directors do not propose the payment of a dividend for the year.

BOOKS AND ACCOUNTING RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. To achieve this, the directors have appointed appropriate accounting personnel, including a Vice President Finance, Group, in order to ensure that those requirements are complied with.

The books and accounting records are maintained at the group's registered office at Block C, Central Park, Leopardstown, Dublin 18, Ireland.

DIRECTORS

The present directors are as listed on page 2.

Mr. Trevor D. Sullivan and Mr. R. Paul Byrne will retire by rotation, and, being eligible, offer themselves for re-election.

DIRECTORS' AND SECRETARY'S INTEREST

The directors and secretary who held office on 31 January 2008 had the following interests in the ordinary shares of the Company and the group:

	At 31 January 2008 Number of shares	At 31 January 2007 Number of shares
Cyril P. McGuire.....	6,916,748	6,138,948
R. Paul Byrne.....	64,305	64,305
Kevin C. Shea.....	200	10,000
Trevor D. Sullivan.....	2,670	2,670
Robert M. Wadsworth.....	—	—
Dr. Jim Mountjoy.....	—	—
Joseph Seery.....	—	—
	At 31 January 2008 Number of options over shares	At 31 January 2007 Number of options over shares
Cyril P. McGuire.....	208,334	488,334
R. Paul Byrne.....	1,300,588	1,130,588

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Kevin C. Shea.....	140,000	332,500
Trevor D. Sullivan.....	120,000	90,000
Robert M. Wadsworth.....	210,000	180,000
Dr. Jim Mountjoy.....	160,000	130,000
Joseph Seery.....	73,070	13,070

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standard Board and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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PARENT COMPANY SHARES

Trintech Group PLC, through a subsidiary Trintech Limited, held 592,518 of its own ordinary shares with a nominal value of US\$1,600 as of 31 January 2008.

AUDITORS

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors,

Trevor D. Sullivan
Cyril P. McGuire

Directors

27 June 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINTECH GROUP PLC

We have audited the group and parent company financial statements (the "financial statements") of Trintech Group PLC for the year ended 31 January 2008 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 32. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and transactions with the group is not given and, where practicable, include such information in our report.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINTECH GROUP PLC
– (Continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the group and of the parent as at 31 January 2008 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion the company balance sheet does not disclose a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Ernst & Young,
Chartered Accountants and Registered Auditors

Dublin, Ireland
27 June 2008

TRINTECH GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2008

	<u>Notes</u>	<u>Continuing operations</u> <u>2008</u>	<u>Discontinued operations</u> <u>2008</u>	<u>Total</u> <u>2008</u>	<u>Continuing operations</u> <u>2007</u>	<u>Discontinued operations</u> <u>2007</u>	<u>Total</u> <u>2007</u>
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	2	32,928	—	32,928	25,797	13,222	39,019
Cost of sales.....		<u>(10,795)</u>	<u>—</u>	<u>(10,795)</u>	<u>(6,796)</u>	<u>(7,079)</u>	<u>(13,875)</u>
Gross profit.....		22,133	—	22,133	19,001	6,143	25,144
Operating expenses:							
Distribution costs.....		(10,798)	—	(10,798)	(7,126)	(2,533)	(9,659)
Research and development.....		(4,926)	—	(4,926)	(4,964)	(4,237)	(9,201)
General and administrative.....		(12,518)	—	(12,518)	(9,933)	(3,236)	(13,169)
Exchange gain.....		<u>444</u>	<u>—</u>	<u>444</u>	<u>382</u>	<u>—</u>	<u>382</u>
		(27,798)	—	(27,798)	(21,641)	(10,006)	(31,647)
Operating loss	3, 4	(5,665)	—	(5,665)	(2,640)	(3,863)	(6,503)
Profit on disposal of discontinued operations.....	5	—	—	—	—	5,390	5,390
Exceptional item – restructuring...	5	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,813)</u>	<u>(2,813)</u>
Loss on ordinary activities before interest		(5,665)	—	(5,665)	(2,640)	(1,286)	(3,926)
Interest payable and similar charges	6			(129)			(23)
Interest receivable and similar income.....				<u>1,167</u>			<u>1,447</u>
Loss on ordinary activities before taxation				(4,627)			(2,502)
Tax on loss on ordinary activities.....	7			<u>1,203</u>			<u>(151)</u>
Loss on ordinary activities after taxation				(3,424)			(2,653)
Minority interests.....				<u>(347)</u>			<u>(714)</u>
Loss for the financial year				<u>(3,771)</u>			<u>(3,367)</u>
Basic and diluted loss per ordinary share	8			<u>(0.12)</u>			<u>(0.11)</u>

Approved by the Board on 27 June 2008

Trevor D. Sullivan
Cyril P. McGuire

TRINTECH GROUP PLC

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 January 2008**

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Loss for the year attributable to ordinary shareholders.....	(3,771)	(3,367)
Exchange differences on retranslation of net assets of subsidiary undertakings.....	<u>(1,152)</u>	<u>(2,453)</u>
Total recognised losses relating to the year.....	<u>(4,923)</u>	<u>(5,820)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 January 2008**

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Shareholders' funds at beginning of year.....	31,079	35,098
Loss for the financial year.....	(3,771)	(3,367)
Share-based payment.....	1,248	1,880
Premium on shares issued, net of expenses.....	627	719
Exchange differences on retranslation of net assets of subsidiary undertakings.....	(1,152)	(2,453)
Purchase of ordinary share capital.....	—	(896)
Reissue of ordinary share capital.....	211	123
Discount on treasury shares reissued.....	<u>(38)</u>	<u>(25)</u>
Shareholders' funds at end of year.....	<u>28,204</u>	<u>31,079</u>

TRINTECH GROUP PLC

GROUP BALANCE SHEET
As at 31 January 2008

	<u>Notes</u>	<u>2008</u>		<u>2007</u>	
		US\$'000	US\$'000	US\$'000	US\$'000
FIXED ASSETS					
Intangible assets.....	9		13,009		17,083
Tangible assets.....	10		<u>1,597</u>		<u>1,566</u>
			14,606		18,649
CURRENT ASSETS					
Debtors.....	12	7,882		7,237	
Deferred tax asset.....	13	2,118		650	
Restricted cash.....	14	338		—	
Cash at bank and in hand.....		<u>23,766</u>		<u>25,766</u>	
		<u>34,104</u>		<u>33,653</u>	
CREDITORS (amounts falling due within one year)					
Trade and other creditors.....	15	14,825		12,542	
Deferred acquisition consideration.....	25	2,137		772	
Income taxes payable.....		<u>184</u>		<u>250</u>	
		<u>17,146</u>		<u>13,564</u>	
NET CURRENT ASSETS			<u>16,958</u>		<u>20,089</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			31,564		38,738
CREDITORS (amounts falling due after more than one year)					
Deferred rent less current portion.....			427		511
Capital leases due after more than one year.....	25		190		—
Income taxes payable.....			119		135
Deferred acquisition consideration.....	25		<u>2,369</u>		<u>6,653</u>
			<u>3,105</u>		<u>7,299</u>
PROVISION FOR LIABILITIES	16		<u>255</u>		<u>360</u>
NET ASSETS			<u>28,204</u>		<u>31,079</u>
CAPITAL AND RESERVES					
Called up share capital.....	17	87		86	
Share premium account.....	20	247,573		246,947	
Other reserves.....	19	(2,091)		(2,398)	
Profit and loss account deficit.....	20	<u>(217,365)</u>		<u>(213,556)</u>	
Shareholders' funds			28,204		31,079
MINORITY INTEREST			<u>—</u>		<u>—</u>
			<u>28,204</u>		<u>31,079</u>

Approved by the Board on 27 June 2008

Trevor D. Sullivan
Cyril P. McGuire

Directors

TRINTECH GROUP PLC
COMPANY BALANCE SHEET
As at 31 January 2008

	<u>Notes</u>	<u>2008</u>		<u>2007</u>	
		US\$'000	US\$'000	US\$'000	US\$'000
FIXED ASSETS					
Financial assets.....	11		162,420		161,731
CURRENT ASSETS					
Cash at bank and in hand.....			<u>132</u>		<u>293</u>
TOTAL ASSETS			162,552		162,024
CREDITORS (amounts falling due after more than one year).....	15		<u>144,301</u>		<u>135,746</u>
NET ASSETS			<u>18,251</u>		<u>26,278</u>
CAPITAL AND RESERVES					
Called up share capital.....	17	87		86	
Share premium account.....	20	247,573		246,947	
Other reserves.....	19	6,159		4,911	
Profit and loss account deficit.....	20	<u>(235,568)</u>		<u>(225,666)</u>	
Shareholders' funds			<u>18,251</u>		<u>26,278</u>

Approved by the Board on 27 June 2008

Trevor D. Sullivan
Cyril P. McGuire

Directors

TRINTECH GROUP PLC

**GROUP CASH FLOW STATEMENT
for the year ended 31 January 2008**

	<u>Notes</u>	<u>2008</u> US\$'000	<u>2007</u> US\$'000
Net cash outflow from operating activities	21	<u>(1,535)</u>	<u>(8,214)</u>
Returns on investments and servicing of finance			
Interest paid.....		(24)	(23)
Interest received.....		1,142	1,466
Dividends paid to minority interests.....		(347)	(714)
Finance lease interest paid.....		<u>(34)</u>	<u>—</u>
		<u>737</u>	<u>729</u>
Taxation			
Overseas taxes (paid) received.....		<u>(123)</u>	<u>50</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets.....		(581)	(694)
Proceeds on sale of tangible fixed assets.....		<u>338</u>	<u>—</u>
		<u>(243)</u>	<u>(694)</u>
Acquisitions and disposals			
Payments relating to the acquisition of subsidiary undertakings and businesses.....	24	(971)	(9,147)
(Payments) proceeds from sale of business.....		(331)	5,390
Proceeds from legal settlement.....		<u>—</u>	<u>2,64</u>
		<u>(1,302)</u>	<u>1</u> <u>(1,116)</u>
Cash outflow before financing		<u>(2,466)</u>	<u>(9,243)</u>
Financing			
Issue of share capital, net of expenses.....	17	800	817
Purchase of ordinary share capital.....	19	—	(896)
Capital element of finance leases repaid.....	22	(93)	—
Increase in restricted cash deposits.....	14	(338)	—
Repayments under bank overdraft facility.....	22	<u>—</u>	<u>(192)</u>
		<u>369</u>	<u>(271)</u>
Decrease in cash in the year	23	<u>(2,097)</u>	<u>(9,516)</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 31 January 2008

1. ACCOUNTING POLICIES

(a) Organisation

Trintech Group PLC (the “Company”) is incorporated as a public limited company under the laws of the Republic of Ireland. Trintech Group PLC and its wholly-owned subsidiaries (collectively, the “group”) is a leading global provider of integrated financial governance, transaction risk management and compliance solutions. The group enables companies to achieve excellence in financial governance and performance management through a comprehensive platform of account reconciliation, accounting compliance, and financial reporting applications across the financial lifecycle.

The group’s financial governance, transaction risk management and compliance solutions include: ReconNET for high volume transaction reconciliation; AssureNET GL for general ledger reconciliation and certification; On-Demand solutions for application service provider (“ASP”) services for ReconNET and AssureNET; the DataFlow Transaction Network for data collection and delivery; and ClearContracts, a Software-as-a-Service application (“SaaS”) which enables healthcare providers to optimise contract profitability by reconciling payments received from their patients’ insurers to amounts they should have received from claims under the terms of their respective contracts.

The group has a customer base of over 580 retail chains, commercial companies, financial institutions and healthcare providers and targets its sales and marketing efforts at three principal regions:

- Europe, Middle East and Africa;
- North and South America; and
- the Asia- Pacific region.

The group’s principal market is the United States, which represents 90% of the group’s total turnover in fiscal 2008.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with Irish generally accepted accounting practice (“Irish GAAP”).

(c) Basis of consolidation

The group financial statements consolidate the results of Trintech Group PLC and all its subsidiary undertakings drawn up to 31 January each year. The Concuity business has been included in the group financial statements using the acquisition method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of the Concuity business for the two month period to 31 January 2007 in the prior year from its acquisition on 1 December 2006. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The group profit and loss account and statement of cash flows also includes the results and cash flows of the Payments business for the seven month period to 1 September 2006 in the prior year, the date of its sale outside the group.

(d) Significant accounting estimates and assumptions

The preparation of the group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Share-based payments

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires the most appropriate inputs to the valuation model indicating the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are discussed in note 18.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised tax losses at 31 January 2008 was US\$1.75 million (2007: US\$650,000) and the value of unrecognised tax losses was US\$4.3 million (2007: US\$4 million). Further details are disclosed in note 7.

(e) Turnover

Turnover represents the value of goods and services supplied to external customers and excludes intercompany sales and value added tax.

(f) Revenue recognition

The group's revenue is derived from license fees and charges for services.

Revenue is recognised on product sales when persuasive evidence of an arrangement exists, delivery has occurred, the related fee is fixed or determinable and collectability is reasonably assured.

The group recognises license revenue in accordance with the Securities and Exchange Commission's Staff Accounting Bulletins (SAB) No. 101, "Revenue Recognition in Financial Statements", as amended by SAB No. 104 "Revenue Recognition", issued by the staff of the SEC in December 2003, the American Institute of Certified Public Accountants' Statement of Position ("SOP") 97-2, "Software Revenue Recognition", as amended by SOP 98-9, "Modification of SOP 97-2, Software Revenue Recognition, with Respect to Certain Transactions" except where these criteria conflict with the requirements of Irish GAAP and in particular, Application Note G "Revenue Recognition" to Financial Reporting Standard 5 "Reporting the Substance of Transactions" ('Application Note G') issued by the Accounting Standards Board. Such conflicts relate primarily to the requirement under Irish GAAP to recognise revenue to the extent that the group has obtained a right to consideration in exchange for its performance rather than in accordance with the set of rules in SOP 97-2, and the requirement to take account of the time value of money in determining the revenue to recognise for arrangements with extended payment terms under Irish GAAP in contrast to the SOP 97-2 presumption that revenue be recognised only as payments become due in such circumstances. For license arrangements that do not require significant production, modification or customisation of the software, the group recognises license revenue when: (1) persuasive evidence of an arrangement with a customer exists; (2) delivery to the customer has occurred; (3) the fee to be paid by the customer is fixed or determinable; and (4) collection is probable.

If the license fee due from the customer is not fixed or determinable, revenue is recognised as payment becomes due, assuming all other revenue recognition criteria have been met. We assess whether fees are fixed or determinable at the time of sale and recognise revenue if all other revenue recognition requirements are met. Our standard payment terms are net 30;

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

however, terms may vary based on the country in which the agreement is executed. Payments that are due within six months are generally deemed to be fixed or determinable based on our successful collection history on such arrangements, and thereby satisfy

the required criteria for revenue recognition. If collection of the fees from the customer is not considered probable, revenue is recognised when the fee is collected. Revenue arrangements with resellers are recognised, net of fees, when persuasive evidence is received that the reseller has sold the products to an end user customer and all other revenue criteria are met.

SOP 97-2, as amended, generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of the elements. Revenue recognised from multiple-element arrangements is allocated to various elements of the arrangement based on the relative fair values of the elements specific to the group. The group's determination of fair value of each element in multi-element arrangements is based on vendor-specific objective evidence ("VSOE"). The group limits its assessment of VSOE for each element to either the price charged when the same element is sold separately or the price established by management, having the relevant authority to do so, for an element not yet sold separately.

If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognised using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognised as revenue.

Revenue allocated to maintenance and support is recognised ratably over the maintenance term, typically one year. Revenue allocated to implementation, training and other service elements is recognised as the services are performed. The group obtains VSOE for maintenance from substantive renewal rates based on consistent percentages of the license fee.

Service revenue is derived mainly from implementation and training services. Services are provided primarily on a time and materials basis for which revenue is recognised in the period that the services are provided.

Arrangements that include services are evaluated to determine whether those services are essential to the functionality of other elements of the arrangement. When services are not considered essential, the revenue allocable to the software services is recognised as the services are performed. If the group provides services that are considered essential to the functionality of the software products the amount of revenue recognised is based on the total license and service fees under the agreement and the percentage of completion achieved. The percentage of completion is measured by monitoring progress using records of actual time incurred to date in the project compared to the total estimated project requirements, which corresponds to the costs related to earned revenues. Estimates of total project requirements are based on prior experience of customisation of similar software and delivery of similar services and are reviewed and updated regularly by management. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are first determined, in the amount of the estimated loss on the entire contract. No such estimated losses were identified in any of the periods presented.

The group also offers hosting arrangements, known as Application Service Provision ("ASP"). With ASP arrangements, the group installs and runs software applications through its own or third-party's servers giving customers access to the application via the internet or a dedicated line. ASPs are within the scope of SOP 97-2 if the customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty and it is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software without significant penalty. Assuming all other revenue recognition criteria have been met, and VSOE has been established for the hosting element, revenue is recognised on the portion of the fee attributable to the license on delivery, while the portion of the fee related to the hosting element would be recognised ratably as the service is provided.

In ASP term-based arrangements, where the customer does not have the contractual right to take possession of software, ASP fees are recognised on a monthly basis over the term of the contract commencing when the customer has access to the software. For ASP arrangements, we evaluate whether each of the elements in these arrangements represents a separate unit of accounting, as defined by Emerging Issues Task Force (EITF) 00-21, using all applicable facts and circumstances, including whether (i) we sell or could readily sell the element unaccompanied by the other elements, (ii) the element has stand-alone value to the customer, (iii) there is objective reliable evidence of the fair value of the undelivered item, and (iv) there is a general right of return. Revenue from our ASP hosting operations is recognised in accordance with SAB 104, generally over the term of the contract. ASP hosting agreements are generally one to five years in duration and provide for quarterly billing. Revenue related to

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

the customer's initial set up and implementation that we determine not to have a stand-alone value to the customer is deferred and subsequently recognised over the expected term of the ASP hosting agreement.

(g) Cost of revenue

Cost of license revenue includes shipping, software documentation, labor, third-party license fees and other costs associated with the delivery of software products from which license revenue is derived and the cost of providing after-sale support and maintenance services to customers and amortisation of acquired technology costs. Cost of service revenue includes labor, travel and other non-recoverable costs associated with the delivery of services to customers.

The group defers sales commission and implementation costs on Healthcare SaaS contracts. The deferred commission amounts are recorded as an asset and then amortised over the future revenue streams of the Healthcare customer contracts. Amortisation of deferred commissions is included in distribution costs in the group profit and loss account. The implementation costs incurred prior to revenue recognition are deferred and amortised over the remaining contract term which typically ranges from 24 months to 60 months. These deferred costs are included in debtors. Amortisation of deferred implementation costs is included in cost of sales.

(h) Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

The group has not capitalised any development costs for fiscal 2008 and fiscal 2007.

(i) Goodwill, purchased technology and trademarks

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in various business acquisitions. Goodwill is being amortised on a straight-line basis over six years. The carrying value of goodwill is subject to an annual impairment review.

Purchased technology and trademarks are recorded at their fair value at the date of acquisition and are being amortised on a straight-line basis over three years. The carrying value of purchased technology and trademarks is subject to an annual impairment review.

An impairment review is performed on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the group considers important which could trigger an impairment review include, but are not limited to, (1) significant under performance relative to historical or expected operating results, (2) significant changes in the manner of use of the acquired assets or the strategy for the group's overall business, (3) significant negative industry or economic trends, (4) a significant decline in the group's share price for a sustained period, and (5) the group's market capitalisation relative to net book value. When the group determines that the carrying value of goodwill may not be recoverable, the group tests for impairment using a projected discounted cash flow model with a discount rate commensurate with the risk inherent in the group's current business model.

No impairments were recognised for fiscal 2008 and 2007.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's

recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

The group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The group performs its annual impairment test of goodwill as at 31 January.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as of 31 January either individually or at the cash generating unit level, as appropriate.

(k) Impairment of financial assets

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

(l) Taxation

Current taxation represents the amount expected to be paid or recovered in respect of tax on the profits for the year and is calculated using the taxation rates and laws that have been enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(m) Foreign currency translation

The consolidated financial statements are presented in US Dollars (“USD”), which is the Company’s functional currency and the group’s presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment, at which time they are recognised in the profit and loss. Tax charges and tax credits attributable to exchange differences on those borrowings are also dealt with in equity. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Prior to 1 February 2007 the group’s presentation currency was in Euros. The group elected to change its presentation currency in fiscal 2008 to USD because the USD is the currency:

- that mostly influences its sales prices;
- of the country where the majority of the group’s transactions take place;
- where the majority of the group’s funds are held; and
- that reflects the global performance of the group as a whole.

In fiscal 2007, the group’s results included the Payments business and as a result the group elected to use Euros as its presentational currency. Following the sale of the Payments business in September 2006, the overall nature of the group changed and the US Dollar became the dominant currency in the group.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit and loss account.

The Euro is the functional currency of the group's subsidiaries in Ireland and Germany. The USD is the functional currency of the parent company, Trintech Group PLC and the Company's subsidiaries in the United States and the Cayman Islands. The United Kingdom pound sterling (Stg£) is the functional currency of the group's UK subsidiary.

These financial statements are presented in USD. Results and cash flows of subsidiary undertakings based in non-USD countries have been translated into USD at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of the non-USD subsidiary undertakings at average rates, and on restatement of the operating net assets at closing rates, are dealt with in reserves, net of differences on related currency borrowings. All other translation differences are included in arriving at operating loss.

Rates used for translation of results and balance sheets into USD:

USD 1 =	Average rates		Year-end rates	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Euro.....	0.72609	0.79256	0.67249	0.77196
Pound Sterling.....	0.49853	0.54055	0.50282	0.51200

(n) Revenue grants

Revenue grants received in respect of categories of revenue expenditure are credited to the profit and loss account in the year in which the expenditure to which they relate is charged.

(o) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed using the straight-line method over estimated useful lives of the assets as follows:

Motor vehicles, computer and office equipment, fixtures and fittings – 3 years.

Leasehold improvements are depreciated over the lesser of the leasehold improvements useful life or the lease term.

(p) Leasing

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the group are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the related rental obligations is charged to the profit and loss account so as to produce a constant rate of charge. Operating lease rentals are charged to the profit and loss account.

The group entered into a new lease agreement for its Dallas facility in fiscal 2007. The new facility is under a 7.5 year lease and expires in January 2014. The lease agreement included a lease incentive for tenant improvements of US\$638,000 which was recorded in tangible assets as leasehold improvements and as a deferred rent liability. The deferred rent liability will be amortised over the lease term as a reduction of rent expense. At 31 January 2008, US\$84,000 was recorded as a current liability and US\$427,000 was recorded as a non-current liability.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

(q) Derivative financial instruments and hedging

Financial instruments include (i) borrowings, (ii) cash, deposits and liquid investments and (iii) forward contracts and other derivatives. The group uses forward exchange contracts to hedge certain operational cash flow exposures resulting from changes in foreign currency exchange rates expected to occur within the next 12 months. The group enters into these foreign exchange contracts to hedge anticipated sales or purchase transactions in the normal course of business for which there is a firm commitment from a customer or to a supplier. The terms of these contracts are consistent with the timing of the transactions being hedged. The group does not use such instruments for trading or speculative purposes.

The group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The derivative instruments held by the group as at 31 January 2008 and 31 January 2007 did not qualify as accounting hedges as of those dates. The fair value losses and gains on derivatives held as of 31 January 2008 and 31 January 2007 were recognised in the group profit and loss account.

(r) Fair values of financial instruments

The carrying amount of cash, short-term investments, accounts receivable and accounts payable reported in the balance sheet approximates the fair value of these financial instruments.

(s) Share-based payment

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become entitled to the award. Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all the other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in 'other reserves'.

When the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of the modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

1. ACCOUNTING POLICIES (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the profit and loss account.

The group has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to equity-settled awards granted after 7 November 2002 that had not vested before 1 February 2006.

(t) Pensions and other post employment benefits

The group contributes to certain employee private pension plans but does not operate a pension plan or provide for other post employment benefits on behalf of its employees.

(u) Reclassification

Certain amounts from prior periods have been reclassified to conform to the current period presentation.

In fiscal 2008, the group concluded that it was appropriate to show its accounts receivable and deferred revenue balances net of advanced billings. Advanced billings consist of post-contract customer support amounts which have been invoiced as of the end of the period but the term of the support has not commenced or payment has not been received. Advanced billings which were netted from accounts receivable and deferred revenue were US\$842,000 at 31 January 2008. The group reclassified US\$931,000 of advanced billings from accounts receivable and deferred revenue at 31 January 2007 to conform to the current period presentation. These reclassifications had no impact on the group's working capital, group profit and loss account and other than changes between accounts receivable and deferred revenue within changes in operating assets and liabilities, had no impact on the group cashflow statement.

2. SEGMENTAL INFORMATION

Prior to fiscal 2007, the group split its operations between Payments and its Funds Management Systems ("FMS") businesses. On 1 September 2006, the group sold substantially all of the Payments business (excluding its German business) to VeriFone Holdings, Inc. As a result, the financial results reflect the Payments business as a discontinued operation. In addition, the group closed its German business in the quarter ended 31 October 2006. The group now has two business segments: the FMS business and the Healthcare business.

Continuing operations – This represents the results of our two main business/segments: FMS and Healthcare.

FMS is primarily engaged in marketing and selling licenses for the group's financial governance, transaction risk management and compliance software and related maintenance, development and installation services. FMS includes the business of DataFlow which is engaged in the retrieval, processing, aggregation and delivery of all transaction data in daily bank statements. The FMS business generated revenues of US\$28.5 million in fiscal 2008 and US\$25 million in fiscal 2007. The FMS business has in excess of 550 customers.

The Healthcare division was formed in June 2006, to help healthcare providers, payers and financial institutions optimise the claim to payment transaction process, including transaction reconciliation and workflow management of exceptions. The Healthcare division generated revenues of US\$4.4 million for fiscal 2008 and US\$781,000 in fiscal 2007, which related to the Concuity business for the two months ended 31 January 2007. The business has in excess of 20 customers.

Discontinued operations – The financial results reflect the Payments business/segment as a discontinued operation. The gain on sale is reflected in the fiscal 2007 results.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

2. SEGMENTAL INFORMATION (continued)

Geographical analysis

The geographical analysis of turnover is based on destination. There is no material difference between this analysis and the split of turnover and operating loss by origin.

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Turnover – continuing operations</i>		
United States of America.....	29,601	23,592
Republic of Ireland.....	32	31
Europe.....	2,251	1,236
Rest of World.....	<u>1,044</u>	<u>938</u>
Total.....	<u>32,928</u>	<u>25,797</u>

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Loss on ordinary activities before taxation</i>		
United States of America.....	1,423	(1,025)
Republic of Ireland.....	(7,088)	4,077
Europe.....	(48)	(4,658)
Rest of World.....	<u>1,086</u>	<u>(896)</u>
Total.....	<u>(4,627)</u>	<u>(2,502)</u>

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Fixed Assets</i>		
United States of America.....	3,270	4,247
Republic of Ireland.....	11,298	14,394
Europe.....	<u>38</u>	<u>8</u>
Total.....	<u>14,606</u>	<u>18,649</u>

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Net Assets</i>		
United States of America.....	2,266	1,999
Republic of Ireland.....	7,759	6,502
Europe.....	(513)	99
Rest of World.....	<u>18,692</u>	<u>22,479</u>
Total.....	<u>28,204</u>	<u>31,079</u>

The group does not report indirect operating expenses, interest income and expense, capital expenditure or identifiable assets and liabilities other than trade debtors and accrued revenue by class of business segment. Reconciliations of segment profits and losses to consolidated operating loss before tax are shown below:

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

2. SEGMENTAL INFORMATION (continued)

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Turnover per segment</i>		
Payments.....	—	13,222
FMS.....	28,547	25,016
Healthcare.....	<u>4,381</u>	<u>781</u>
	<u>32,928</u>	<u>39,019</u>
	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Operating (loss) profit per segment</i>		
Payments.....	—	(3,863)
FMS.....	4,815	4,760
Healthcare.....	<u>(2,480)</u>	<u>(1,205)</u>
	2,335	(308)
Unallocated amounts:		
Central overheads.....	(4,706)	(4,202)
Amortisation of intangible assets.....	(3,738)	(2,375)
Exchange gain	<u>444</u>	<u>382</u>
Total operating loss.....	<u>(5,665)</u>	<u>(6,503)</u>
	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Operating net assets per segment</i>		
FMS.....	4,944	4,821
Healthcare.....	<u>928</u>	<u>960</u>
	5,872	5,781
<i>Unallocated assets</i>		
Intangible assets.....	13,009	17,083
Tangible assets.....	1,597	1,566
Debtors.....	2,010	1,456
Deferred tax asset.....	2,118	650
Restricted cash.....	338	—
Cash at bank and in hand.....	23,766	25,766
Creditors.....	<u>(20,506)</u>	<u>(21,223)</u>
Total net assets.....	<u>28,204</u>	<u>31,079</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

3. OPERATING LOSS

Operating loss is arrived at after charging (crediting):

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Directors' emoluments:		
Salaries.....	619	529
Pension.....	70	63
Share-based payment.....	457	598
Fees.....	102	77
Auditors' remuneration.....	193	160
Depreciation.....	699	631
Amortisation of intangible assets.....	3,738	2,375
(Gain) loss on forward exchange contracts.....	(134)	4
Operating leases – land & buildings.....	<u>1,013</u>	<u>2,189</u>

4. EMPLOYMENT

The average number of group employees by region was as follows:

	<u>2008</u>	<u>2007</u>
	<u>Number</u>	<u>Number</u>
United States of America.....	190	150
Europe.....	18	89
Rest of World.....	<u>—</u>	<u>15</u>
	<u>208</u>	<u>254</u>

The average number of persons employed by the group (including executive directors) during the year was as follows:

	<u>2008</u>	<u>2007</u>
	<u>Number</u>	<u>Number</u>
Research and development.....	31	34
Professional and support services.....	102	72
Sales and marketing.....	46	34
Administration.....	29	26
Discontinued operations.....	<u>—</u>	<u>88</u>
	<u>208</u>	<u>254</u>

The staff costs comprise:

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Wages and salaries.....	19,855	22,869
Share-based payment.....	1,248	1,880
Pension costs.....	132	272
Social welfare costs.....	<u>1,527</u>	<u>1,968</u>
	<u>22,762</u>	<u>26,989</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

4. EMPLOYMENT (Continued)

The share-based payment of US\$1.2 million (2007: US\$1.9 million) arose from equity-settled share-based transactions. Wages and salaries and social welfare costs include US\$8.0 million relating to discontinued operations for fiscal 2007.

The group does not operate a pension scheme for its employees however it does make pension contributions on behalf of certain employees.

5. EXCEPTIONAL ITEMS

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Other</i>		
Profit on disposal of discontinued operations	—	<u>(5,390)</u>
Restructuring	—	<u>2,813</u>

Profit on disposal of discontinued operations

In August 2006, the group entered into a definitive agreement to sell its Payments business (excluding the German element of this business) to VeriFone Holdings, Inc. (“VeriFone”). The sale was completed on 1 September 2006. As a result of this transaction, the Payments business is reported as discontinued operations in these consolidated financial statements. The group recorded a profit on sale of the Payments business of US\$5.4 million for fiscal 2007.

Restructuring

The restructuring charge in fiscal 2007 related mainly to the exit charges on Dublin facilities amounting to US\$2.3 million and staff redundancy costs and restructuring charges related to the closure of the office in Germany amounting to US\$0.5 million. The group had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements were terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006, respectively resulting in a payment of US\$2.3 million in fiscal 2007.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Interest payable on overdrafts wholly repayable within five years.....	24	23
Finance lease interest.....	34	—
Accretion of discount	<u>71</u>	<u>—</u>
	<u>129</u>	<u>23</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Current taxation</i>		
Ireland - corporation tax at 12.5% (2007: 12.5%).....	—	—
Withholding tax.....	35	—
Irish taxation.....	35	—
Overseas taxation.....	253	265
Total current taxation charge	<u>288</u>	<u>265</u>
<i>Deferred taxation</i>		
Origination and timing differences.....	<u>(1,491)</u>	<u>(114)</u>
Total taxation (credit) charge on loss on ordinary activities.....	<u>(1,203)</u>	<u>151</u>
 <i>Effective taxation rate</i>		
	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Loss on ordinary activities before taxation.....	<u>(4,627)</u>	<u>(2,502)</u>
As a percentage of loss before taxation:		
- current taxation.....	(6%)	(11%)
- total taxation (current and deferred).....	26%	(6%)

The following table relates the applicable Republic of Ireland statutory rate to the effective current taxation rate of the group:

	<u>2008</u>	<u>2007</u>
	%	%
Irish corporation taxation rate.....	(12.5)	(12.5)
(Income) losses subject to higher rates of taxation.....	(10.7)	5.6
Operating losses utilised (unutilised)	12.8	(8.1)
Income not subject to taxation.....	3.3	3.3
Loss from Irish manufacturing operations relieved at lower rates.....	3.6	0.7
State and local taxes.....	(2.8)	(7.0)
Other.....	0.3	7.0
	<u>(6.0)</u>	<u>(11.0)</u>
 <u>2008</u> <u>2007</u>		
	US\$'000	US\$'000
<i>Net deferred tax assets</i>		
Net operating loss carry forwards and timing differences.....	5,925	4,363
Amounts not recognised.....	<u>(4,038)</u>	<u>(3,967)</u>
Net deferred tax assets.....	<u>1,887</u>	<u>396</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

7. TAX ON LOSS ON ORDINARY ACTIVITIES (Continued)

Net deferred tax assets as of 31 January 2008 consists of US\$1.748 million relating to US net operating loss carry forwards (“NOLs”) and US\$139,000 relating to US deductible timing differences. The deferred tax asset in respect of the NOLs is expected to be recognised over the next two fiscal years based on current financial projections for the group’s US operations.

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Net deferred tax assets</i>		
Opening net deferred tax asset at 1 February.....	396	282
Origination and reversal of timing differences.....	<u>1,491</u>	<u>114</u>
Closing net deferred tax asset as at 31 January.....	<u>1,887</u>	<u>396</u>

As at 31 January 2008, the group has net operating tax loss carry forwards (“NOLs”) of approximately US\$41.5 million for tax purposes, which will be available for offset against future taxable income.

8. LOSS PER ORDINARY SHARE

The computation of basic and diluted earnings per share is set out below:

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Numerator</i>		
Numerator for basic and diluted loss per ordinary share—loss for the financial year.....	<u>(3,771)</u>	<u>(3,367)</u>
Numerator for basic and diluted loss per ordinary share—loss for the financial year- continued.....	<u>(3,771)</u>	<u>(2,047)</u>
Numerator for basic and diluted loss per ordinary share—loss for the financial year- discontinued.....	<u>—</u>	<u>(1,320)</u>
Denominator for basic and diluted loss per ordinary share—weighted average ordinary shares.....	<u>31,362,813</u>	<u>30,646,534</u>
Basic and diluted loss per ordinary share.....	<u>(0.12)</u>	<u>(0.11)</u>
Basic and diluted loss per ordinary share- continued operations.....	<u>(0.12)</u>	<u>(0.07)</u>
Basic and diluted loss per ordinary share- discontinued operations.....	<u>—</u>	<u>(0.04)</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

9. INTANGIBLE ASSETS

	<u>Trademarks</u>	<u>Technology</u>	<u>Goodwill</u>	<u>Total</u>
<i>Cost</i>	US\$'000	US\$'000	US\$'000	US\$'000
At 1 February 2007.....	326	6,238	77,106	83,670
Additions during year.....	—	—	546	546
Reduction in deferred consideration.....	—	—	(2,140)	(2,140)
Exchange adjustment.....	<u>31</u>	<u>909</u>	<u>9,880</u>	<u>10,820</u>
At 31 January 2008.....	<u>357</u>	<u>7,147</u>	<u>85,392</u>	<u>92,896</u>
 <i>Amortisation</i>				
At 1 February 2007.....	131	4,473	61,983	66,587
Amortised during year.....	73	725	2,940	3,738
Exchange adjustment.....	<u>8</u>	<u>709</u>	<u>8,845</u>	<u>9,562</u>
At 31 January 2008.....	<u>212</u>	<u>5,907</u>	<u>73,768</u>	<u>79,887</u>
 <i>Net book amounts</i>				
At 31 January 2008.....	<u>145</u>	<u>1,240</u>	<u>11,624</u>	<u>13,009</u>
At 31 January 2007.....	<u>195</u>	<u>1,765</u>	<u>15,123</u>	<u>17,083</u>

10. TANGIBLE ASSETS

	<u>Motor vehicles</u>	<u>Office, furniture and fittings</u>	<u>Computer and office equipment</u>	<u>Total</u>
<i>Cost</i>	US\$'000	US\$'000	US\$'000	US\$'000
At 1 February 2007.....	28	1,699	3,608	5,335
Additions during year.....	—	91	962	1,053
Disposals during year.....	—	(429)	(1,294)	(1,723)
Exchange adjustment.....	<u>—</u>	<u>64</u>	<u>343</u>	<u>407</u>
At 31 January 2008.....	<u>28</u>	<u>1,425</u>	<u>3,619</u>	<u>5,072</u>
 <i>Depreciation</i>				
At 1 February 2007.....	24	805	2,940	3,769
Charged during year.....	4	205	490	699
Disposals during year.....	—	(399)	(993)	(1,392)
Exchange adjustment.....	<u>—</u>	<u>67</u>	<u>332</u>	<u>399</u>
At 31 January 2008.....	<u>28</u>	<u>678</u>	<u>2,769</u>	<u>3,475</u>
 <i>Net book amounts</i>				
At 31 January 2008.....	<u>—</u>	<u>747</u>	<u>850</u>	<u>1,597</u>
At 31 January 2007.....	<u>4</u>	<u>894</u>	<u>668</u>	<u>1,566</u>

The group entered into a new lease agreement for its Dallas facility in fiscal 2007. The new facility is under a 7.5 year lease and expires in January 2014. The lease agreement included a lease incentive for tenant improvements of US\$638,000 which was recorded in office, furniture and fittings and as a deferred rent liability. The deferred rent liability will be amortised over the lease term as a reduction of rent expense. At 31 January 2008, US\$84,000 was recorded as a current liability and US\$427,000 was recorded as a non-current liability.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

Included in the cost of tangible assets above is an amount for financed leased assets of US\$413,000 (2007: US\$Nil) for computer and office equipment. The depreciation charge for the year in respect of these assets was US\$93,000 (2007: US\$Nil).

10. TANGIBLE ASSETS (Continued)

<u>Future tangible asset purchase commitments</u>	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Authorised by the Directors but not contracted for	<u>495</u>	<u>462</u>

11. FINANCIAL ASSETS

COMPANY	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Unlisted investments in ordinary shares, at cost</i>		
Trintech GmbH.....	—	—
Trintech Group Finance Limited.....	138,270	138,270
Trintech Inc.....	12,048	11,350
Trintech Limited.....	2	2
Trintech Technologies Limited.....	—	—
Slan Limited.....	12,100	12,100
Trintech UK Limited	<u>—</u>	<u>9</u>
	<u>162,420</u>	<u>161,731</u>
	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Balance at 1 February.....	161,731	148,883
Additions.....	1,248	25,635
Disposals.....	—	(9,010)
Impairments.....	<u>(559)</u>	<u>(3,777)</u>
Balance at 31 January.....	<u>162,420</u>	<u>161,731</u>

In fiscal 2007, the Company made capital contributions to Trintech Limited (formerly Checkline PLC) and Exceptis Technologies Limited of US\$9 million. Subsequently, Trintech Limited and Exceptis Technologies Limited were sold to VeriFone Holdings, Inc. as part of the sale of the Payments business on 1 September 2006.

Slan Limited was incorporated in August 2006 as part of the restructuring of the group in advance of the sale of the Payments business to VeriFone, Holdings Inc.

Capital contributions to subsidiary companies were made during the year of US\$1.2 million (2007: US\$1.9 million) in connection with share-based payment transactions whereby options to subscribe for ordinary shares in the parent entity were granted to subsidiary company employees.

The Company has a related liability with Trintech Group Finance Limited (“TGFL”) of US\$142 million.

Following a review by the directors of the carrying value of the investments, an adjustment was recorded to write-down the investments to their recoverable amount.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

11. FINANCIAL ASSETS (continued)

At 31 January 2008, the Company had the following wholly owned subsidiary undertakings. All shareholdings are in ordinary shares.

<u>Group companies</u>	<u>Registered office</u>	<u>Holding</u>	<u>Nature of business</u>
Trintech GmbH	Block C, Central Park, Leopardstown, Dublin 18, Ireland.	100%	Dormant.
Trintech Group Finance Limited	PO Box 309, Grand Cayman, Cayman Islands, British West Indies.	100%	Management of the group's surplus cash.
Trintech Inc.	15851 Dallas Parkway, Suite 855, Addison, Texas 75001, United States of America.	100%	Sale of financial governance, transaction risk management and compliance solutions.
Trintech Limited	Block C, Central Park, Leopardstown, Dublin 18, Ireland.	100%	Licensing of patented technology.
Trintech Technologies Limited	Block C, Central Park, Leopardstown, Dublin 18, Ireland.	100%	Sale of financial governance, transaction risk management and compliance solutions and the licensing of intellectual property to group companies.
Trintech UK Limited	Highstone House, 165 High Street, Barnet, Hertfordshire, EN5 5SU, England.	100%	Sale of financial governance, transaction risk management and compliance solutions.
Slan Limited	PO Box 309, Grand Cayman, Cayman Islands, British West Indies.	100%	Investment holding company.
CW & Associates, Inc.	15851 Dallas Parkway, Suite 855, Addison, Texas 75001, United States of America.	100%	Provider of a data transaction network supporting customers' bank reconciliation processes by aggregating bank account statement data and delivering it to customers daily in electronic form.

In the opinion of the directors, the value to the Company of the unlisted investments is not less than the book amounts shown above.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

12. DEBTORS

	<u>2008</u>	<u>2007</u>
GROUP	US\$'000	US\$'000
<i>Amounts falling due within one year</i>		
Trade debtors.....	5,872	5,781
Prepayments and accrued income.....	1,907	1,404
Other financial assets (note 28).....	40	—
Value added tax.....	<u>63</u>	<u>52</u>
	<u>7,882</u>	<u>7,237</u>

At 31 January 2008, trade debtors with a nominal value of US\$24,000 (2007: US\$252,000) were impaired and fully provided for. Movements in the provision for impairment of trade debtors were as follows:

<u>Provision for impairment for trade debtors</u>	Total
	US\$'000
At 1 February 2006.....	168
Charge for the year.....	228
Utilised during the year.....	<u>(144)</u>
At 31 January 2007.....	252
Credit for the year.....	(62)
Utilised during the year.....	<u>(166)</u>
At 31 January 2008.....	<u>24</u>

The group had bad debt write-offs amounting to US\$166,000 in fiscal 2008, which related to the Concuity acquisition and which were fully covered by the bad debt provision recognised on acquisition.

As at 31 January, the ageing analysis of the trade debtor balance was as follows:

	Total	Neither past due or impaired	Past due but not impaired			
			< 30 days	30-60 days	60-90 days	>90 days
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2008	5,872	2,548	2,710	359	170	85
2007	5,781	2,680	2,430	549	122	—

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

12. DEBTORS (continued)

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
COMPANY		
<i>Amounts falling due after more than one year</i>		
Due from subsidiary undertakings, net of provision of US\$207.0 million (2007: US\$197.7 million) for uncollectible amounts.....	<u> </u>	<u> </u>

13. DEFERRED TAX ASSET

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
GROUP		
Amounts expected to be utilised within one year.....	1,118	650
Amounts expected to be utilised after more than one year.....	<u>1,000</u>	<u> </u>
	<u>2,118</u>	<u>650</u>

Deferred tax assets as of 31 January 2008 consists of US\$1.748 million relating to US net operating loss carry forwards (“NOLs”) and US\$370,000 relating to US deductible timing differences. The deferred tax asset in respect of the NOLs is expected to be recognised over the next two fiscal years based on current financial projections for the group’s US operations. Refer to note 7 for further details.

14. RESTRICTED CASH

At 31 January 2008, the group had US\$338,000 in restricted cash deposits with Silicon Valley Bank against an annual renewable letter of credit facility for a certain capital lease. The capital lease expires in May 2010. The deposit and the letter of credit expire on 20 May 2008 and will be renewed for the amount outstanding on the capital lease. Should the group not renew the letter of credit or default on its lease obligations, the amount due under the capital lease will be payable to the lessors.

15. TRADE AND OTHER CREDITORS

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
GROUP		
<i>Amounts falling due within one year</i>		
Trade creditors.....	514	1,304
PAYE and PRSI.....	67	58
Value added tax.....	25	90
Accruals	5,771	4,058
Finance lease obligations (note 25).....	130	—
Deferred income.....	<u>8,318</u>	<u>7,032</u>
	<u>14,825</u>	<u>12,542</u>

Revolving credit facility: Bank overdraft facility and overdrafts

The group has agreed an unsecured overdraft facility of US\$3.6 million (€2.4 million) with Bank of Ireland. Advances under this facility will bear interest at the Bank’s prime overdraft rate, 4.81% as at 31 January 2008. As of 31 January 2008, there was US\$Nil outstanding under the facility. The facility does not have a stated expiration date, but all amounts drawn thereunder are repayable on demand.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

15. TRADE AND OTHER CREDITORS (continued)

	<u>2008</u>	<u>2007</u>
COMPANY	US\$'000	US\$'000
<i>Amounts falling due after more than one year</i>		
Amounts due to subsidiary undertakings.....	<u>144,301</u>	<u>135,746</u>

Amounts due to subsidiary undertakings represent loans due to subsidiary companies which are interest free with no repayment date specified.

16. PROVISIONS FOR LIABILITIES

	<u>2008</u>	<u>2007</u>
GROUP	US\$'000	US\$'000
Warranty reserve.....	24	106
Deferred tax liability.....	<u>231</u>	<u>254</u>
	<u>255</u>	<u>360</u>
 <i>Warranty reserve</i>	 <u>2008</u>	 <u>2007</u>
	US\$'000	US\$'000
Balance at beginning of year.....	106	3,817
Movement in provision.....	(76)	48
Amount transferred on sale of payments business.....	—	(2,236)
Amount used to cover expenses.....	<u>(6)</u>	<u>(1,523)</u>
Balance at end of year.....	<u>24</u>	<u>106</u>

The group completed the sale of the Payments business on 1 September 2006 to VeriFone Holdings, Inc. Under the terms of the agreement, VeriFone paid the group US\$12.1 million in cash for all the outstanding shares of a newly formed subsidiary which, prior to closing, held substantially all the assets and liabilities of the Payments business. This cash payment to VeriFone was adjusted by an amount equal to the remaining warranty provision (approximately US\$2.2 million) which was related to intermittent failures experienced with certain hardware products deployed in the marketplace.

The group had an undiscounted warranty reserve of US\$24,000 at 31 January 2008 to cover future warranty claims arising from past sales of product sold to German customers. The German part of the Payments business was not sold to VeriFone. This business was closed down in the quarter ended 31 October 2006.

Deferred tax liability

The group has an undiscounted deferred tax liability of US\$231,000 at 31 January 2008 to cover future reversal of deductible timing differences in the US.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

17. SHARE CAPITAL

The Company's authorised share capital comprises 100,000,000 ordinary shares of US\$0.0027 par value per share and 10,000,000 Series B redeemable convertible preference shares of US\$0.0027 par value per share, which may be issued with such special, qualified, preferred, deferred or other rights or privileges or conditions as to capital, dividends, rights of voting or other matters as the directors may decide.

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Authorised</i>		
100,000,000 ordinary shares of US\$0.0027 each.....	270	270
10,000,000 Series B redeemable convertible preference shares of US\$0.0027 each.....	<u>27</u>	<u>27</u>
	<u>297</u>	<u>297</u>
	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of US\$0.0027 each		
At beginning of year		
31,875,219 (2007: 31,290,027) shares.....	86	85
Issued during the year		
For cash 538,500 (2007: 585,192) shares.....	<u>1</u>	<u>1</u>
At end of year 32,413,719 (2007: 31,875,219) shares.....	<u>87</u>	<u>86</u>

In fiscal 2008, the Company issued a further 538,500 ordinary shares for cash with a nominal value of US\$1,454 and received net proceeds of US\$800,000. The proceeds were used for general working capital purposes. In fiscal 2007, the Company issued 585,192 ordinary shares for cash with a nominal value of US\$1,580 and received net proceeds of US\$817,000. These proceeds were also used for general working capital purposes.

The Company also reissued treasury shares as described in note 19.

18. SHARE-BASED PAYMENTS

Share Option Schemes

We currently maintain option schemes for the benefit of employees. These schemes were created for the benefit of employees, directors and consultants to the group and for the purpose of attracting and retaining the best available personnel to promote the success of the group's business. The aggregate number of shares which may be issued pursuant to the group's share-based compensation plans is 11,500,000 ordinary shares to be allocated among the plans by the Board of Directors. The 11,500,000 ordinary share limit will be reduced by the number of shares authorised for issuance in accordance with the options granted or rights acquired under the other plans. The aggregate share limit of 11,500,000 ordinary shares can only be altered by an ordinary resolution approved by shareholders representing a majority of the Company's ordinary shares then outstanding.

As of 31 January 2008, there were outstanding options to purchase an aggregate of 4,509,214 ordinary shares at exercise prices ranging from US\$0.50 to US\$7.38 per ordinary share and expiration dates ranging from February 2008 to December 2014 under the group's share-based compensation plans. As of 31 January 2008, the group's directors and executive officers held net options to purchase an aggregate of 3,021,992 ordinary shares at exercise prices ranging from US\$0.54 to US\$2.91 per ordinary share and expiration dates ranging from August 2008 to July 2014.

Trintech Group PLC 2007 Share Option Scheme

The Trintech Group PLC 2007 Share Option Scheme (the "2007 Plan"), which provides for the grant of options to purchase Ordinary Shares of the Company, was approved by our Board of Directors on 21 May 2007 and by our shareholders on 25 July

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

18. SHARE-BASED PAYMENTS (Continued)

2007. Under the 2007 Plan, non-temporary employees and executive directors holding salaried employment or office with the Company or any subsidiary companies are eligible to participate. Generally, all options granted have a seven-year term and commence vesting at a rate of one twelfth of the total per quarter for each of the quarters in the three years commencing on the anniversary date of the grant. The exercise price of each share option is the fair market value of the share on the date of grant.

As of 31 January 2008, no ordinary shares have been issued upon the exercise of share options granted under the 2007 scheme and 314,100 ordinary shares are subject to outstanding options.

Trintech Group PLC Directors and Consultants Share Option Scheme 2007

On 21 May 2007, our Board of Directors approved the Directors and Consultants Share Option Scheme 2007 and our shareholders approved the same on 25 July 2007. The Directors and Consultants Share Option Scheme 2007 provides for the grant of options to purchase Ordinary Shares of the Company to all directors and consultants of the Company and its subsidiaries, with limited exceptions for controlling shareholders. Generally, all options granted have a seven-year term and are exercisable one year after the date of the grant. The exercise price of each share option is the fair market value of the share on the date of grant.

As of 31 January 2008, no ordinary shares have been issued upon the exercise of share options granted under this scheme and 150,000 ordinary shares are subject to outstanding options.

Trintech Group PLC Employee Share Purchase Plan for US employees

In August 1999, the Company obtained shareholder approval for the establishment of the Trintech 1999 Employee Share Purchase Plan for the group's U.S. employees. The 1999 employee share purchase plan is intended to qualify under Section 423 of the U.S. Internal Revenue Code of 1986 and has historically contained consecutive, overlapping, twenty-fourth month offering periods. Each offering period included four six-month purchase periods. Effective for offering periods commencing on or after 1 September, 2007, the Purchase Plan will be implemented by six-month offering periods. Offering periods that commenced prior to 1 September 2007 were terminated after shares were purchased for the purchase period ended 31 August 2007. The offering periods generally start on the first trading day on or after 1 March and 1 September of each year.

The 1999 Employee Share Purchase Plan permits participants to purchase Ordinary Shares of the Company at 85% of the lower of the fair market value on the first day of the applicable offering period or on the last day of the six-month purchase period, through payroll deductions of up to 15% of the participant's compensation.

As of 31 January 2008, 623,446 Ordinary Shares had been issued under this plan.

Trintech Group PLC Share Option 1997 Scheme

We established the share option 1997 scheme on 28 May 1997. The 1997 scheme was approved by the Company's shareholders on 21 November 1997. The purpose of the 1997 scheme is to attract and retain the best available personnel to promote the success of the Company's business. We are required to keep available sufficient authorized but un-issued shares to satisfy the Company's obligations under the plan.

Under the 1997 scheme, all of the group's key employees and executive directors as well as those of the Company's subsidiaries are eligible to receive grants of non-statutory options. In addition, US resident employees and executive directors are eligible to receive grants of incentive stock options intended to qualify under Section 422 of the U.S. Internal Revenue Code of 1986.

The 1997 scheme is administered by the group's Compensation Committee, which selects the persons to whom options will be granted, determines the number of shares to be made subject to each grant and prescribes other terms and conditions, including the type and amount of consideration to be paid upon exercise and the vesting schedules in connection with each grant and makes all other decisions relating to the operation of the scheme. The board of directors may amend or modify the 1997 scheme at any time.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

18. SHARE-BASED PAYMENTS (Continued)

As of 31 January 2008, 2,463,680 ordinary shares have been issued upon the exercise of share options granted under the 1997 scheme and 3,560,114 ordinary shares are subject to outstanding options.

The 1997 scheme expired in May 2007.

Trintech Group PLC Directors and Consultants 1998 Share Option Scheme

On 22 April 1998, we established the directors and consultants share option scheme. The purpose of the scheme is to attract and retain the best available directors and consultants and to promote the success of the group's business.

Under the directors and consultants scheme, all of the group's directors and consultants as well as those of the Company's subsidiaries are eligible to receive grants of non-statutory options. In addition, US resident directors and consultants are eligible to receive a grant of incentive stock options intended to qualify under Section 422 of the U.S. Internal Revenue Code of 1986. The directors and consultants scheme is administered by the group's Compensation Committee, which selects the persons to whom options will be granted, determines the number of shares to be made subject to each grant and prescribes other terms and conditions, including the type and amount of consideration to be paid upon exercise and the vesting schedules in connection with each grant and makes all other decisions relating to the operation of the scheme. The Board of Directors may amend or modify the directors and consultants scheme at any time.

As of 31 January 2008, 160,710 ordinary shares have been issued upon the exercise of share options granted under the 1998 scheme and 485,000 ordinary shares are subject to outstanding options.

The 1998 scheme expired in April 2008.

Trintech Group PLC Employee Savings Related Share Option Scheme for Irish Employees

In August 1999, the Company obtained shareholder approval for the establishment of the Trintech 1999 Employee Savings Related Share Option Scheme for our Irish employees. The 1999 savings related scheme applies to all of our qualifying Irish employees and is intended to be an approved scheme under Schedule 12A to the Taxes Consolidation Act 1997 of the Republic of Ireland. The eligible employees may apply for an option to purchase Ordinary Shares of the Company at a discount of 15% to the market value of Ordinary Shares on the last day on which the Ordinary Shares were traded before grant. Participants must enter into approved savings arrangements, the purpose of which is to fund the cost of the exercise of the option. As of 31 January, 2008, no shares had been issued under this scheme.

The expense recognised for share-based payments arising from equity-settled transactions in respect of employee services received during the year to 31 January 2008 is US\$1.2 million (2007: US\$1.9 million).

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year.

	31 January 2008		31 January 2007	
	<u>Options</u>	<u>WAEP</u>	<u>Options</u>	<u>WAEP</u>
Outstanding at beginning of year	5,407,312	\$1.98	5,251,234	\$2.92
Granted.....	1,019,500	1.98	1,227,050	1.70
Cancelled.....	(908,486)	2.96	(371,354)	15.36
Forfeited.....	(446,696)	1.80	(114,426)	2.21
Exercised (1).....	<u>(562,416)</u>	<u>1.12</u>	<u>(585,192)</u>	<u>1.23</u>
Outstanding at end of year (2).....	<u>4,509,214</u>	<u>\$1.91</u>	<u>5,407,312</u>	<u>\$1.98</u>
Exercisable at end of year.....	<u>2,801,652</u>	<u>\$1.86</u>	<u>3,472,114</u>	<u>\$2.00</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

18. SHARE-BASED PAYMENTS (Continued)

(1) The weighted average share price at the date of exercise for the options exercised is US\$1.98 for the current year (2007: US\$1.70).

(2) For the share options outstanding as at 31 January 2008, the weighted average remaining contractual life is 4.30 years (2007: 4.25 years).

The weighted average fair value of options granted during the year was US\$1.82 (2007: US\$2.10). The range of exercise prices for options outstanding at the end of the year was US\$0.50 -US\$7.38 (2007: US\$0.50 - US\$49.50).

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black-Scholes method, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the method used for the years ended 31 January 2008 and 31 January 2007.

	<u>2008</u>	<u>2007</u>
Expected dividend yield (%).....	0.00	0.00
Expected share price volatility (%).....	0.49	0.62
Historical share price volatility (%).....	0.49	0.62
Risk-free interest rate (%).....	4.25	4.78
Expected life of option (years).....	4.60	6.16
Weighted average share price (US\$).....	1.98	1.70
Weighted average exercise price (US\$).....	1.12	1.23

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options grant were incorporated into the measurement of fair value.

19. OTHER RESERVES

<u>Year ended 31 January 2008</u>	<u>Treasury shares</u>	<u>Share-based payment</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
GROUP				
At beginning of year	(1,222)	4,911	(6,087)	(2,398)
Reissue of ordinary share capital	211	—	—	211
Share-based payment.....	—	1,248	—	1,248
Exchange differences on retranslation of net assets of subsidiary undertakings.....	—	—	(1,152)	(1,152)
At end of year.....	<u>(1,011)</u>	<u>6,159</u>	<u>(7,239)</u>	<u>(2,091)</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

19. OTHER RESERVES (Continued)

	<u>Treasury shares</u>	<u>Share-based payment</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
COMPANY				
At beginning of year.....	—	4,911	—	4,911
Share-based payment.....	—	1,248	—	1,248
At end of year.....	<u>—</u>	<u>6,159</u>	<u>—</u>	<u>6,159</u>

	<u>Treasury shares</u>	<u>Share-based payment</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
GROUP				
At beginning of year.....	(449)	3,031	(3,634)	(1,052)
Purchase of ordinary share capital.....	(896)	—	—	(896)
Reissue of ordinary share capital.....	123	—	—	123
Share-based payment.....	—	1,880	—	1,880
Exchange differences on retranslation of net assets of subsidiary undertakings.....	—	—	(2,453)	(2,453)
At end of year.....	<u>(1,222)</u>	<u>4,911</u>	<u>(6,087)</u>	<u>(2,398)</u>

	<u>Treasury shares</u>	<u>Share-based payment</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
COMPANY				
At beginning of year.....	—	3,031	—	3,031
Share-based payment.....	—	1,880	—	1,880
At end of year.....	<u>—</u>	<u>4,911</u>	<u>—</u>	<u>4,911</u>

Treasury shares

During the year ended 31 January 2007, Trintech Limited, a subsidiary company, purchased in the market 533,720 of Trintech Group PLC's ordinary shares of US\$0.0027 each, at a total cost of US\$896,000, as part of its share buy-back programme. In fiscal 2008 the Company reissued 123,608 ordinary shares for cash and received total proceeds of US\$211,000. The discount of US\$38,000 on the reissue of treasury shares has been recorded through the profit and loss in reserves. Purchased ordinary shares net of reissued ordinary shares, represent some 1.83% of the issued ordinary share capital at 31 January 2008.

At 31 January 2008, Trintech Limited held 592,518 treasury shares with a nominal value of US\$0.0027 each at an average price of US\$1.71. The total amount of ordinary shares repurchased through 31 January 2008 under the share buy-back programme is 1,367,716 at a total cost of US\$2.1 million and an average price of US\$1.50. The amount of ordinary shares reissued through 31 January 2008 is 775,198 with total proceeds arising of US\$1,040,000 and an average price of US\$1.34.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

19. OTHER RESERVES (Continued)

At 31 January 2008, the subsidiary has an unexpired authority to repurchase further shares up to a maximum value of US\$2.9 million.

Share-based payment

The expense recognised for share-based payments arising from equity-settled transactions in respect of employee services received during the year to 31 January 2008 is US\$1.2 million (2007: US\$1.9 million). Refer to Note 18 for further details.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

20. RESERVES

<u>Year ended 31 January 2008</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Profit and loss account</u>
	US\$'000	US\$'000	US\$'000
GROUP			
At beginning of year	86	246,947	(213,556)
Retained loss for the financial year.....	—	—	(3,771)
Premium on shares issued, net of expenses.....	1	626	—
Discount on treasury shares reissued.....	—	—	(38)
At end of year.....	<u>87</u>	<u>247,573</u>	<u>(217,365)</u>
 COMPANY			
At beginning of year	86	246,947	(225,666)
Retained loss for the financial year.....	—	—	(9,864)
Premium on shares issued, net of expenses.....	1	626	—
Discount on treasury shares reissued.....	—	—	(38)
At end of year.....	<u>87</u>	<u>247,573</u>	<u>(235,568)</u>
 Year ended 31 January 2007			
	<u>Share capital</u>	<u>Share premium</u>	<u>Profit and loss account</u>
	US\$'000	US\$'000	US\$'000
GROUP			
At beginning of year	86	246,228	(210,164)
Retained loss for the financial year.....	—	—	(3,367)
Premium on shares issued, net of expenses.....	—	719	—
Discount on treasury shares reissued.....	—	—	(25)
At end of year.....	<u>86</u>	<u>246,947</u>	<u>(213,556)</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

20. RESERVES (Continued)

COMPANY

At beginning of year	86	246,228	(209,849)
Retained loss for the financial year.....	—	—	(15,792)
Premium on shares issued, net of expenses.....	—	719	—
Discount on treasury shares reissued.....	—	—	(25)
At end of year.....	<u>86</u>	<u>246,947</u>	<u>(225,666)</u>

The parent company has availed of the exemptions in section 148(8) of the Companies Act, 1963 from laying its individual profit and loss account before the annual general meeting and the exemption in section 7(1A) of the Companies (Amendment) Act, 1986 from filing its individual profit and loss account with the Registrar of Companies.

21. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Operating loss.....	(5,665)	(6,503)
Exceptional item – restructuring.....	—	(2,813)
Depreciation.....	699	631
Loss on disposal of tangible fixed assets.....	—	8
Amortisation of intangible assets.....	3,738	2,375
Share-based payments.....	1,248	1,880
Decrease in stocks.....	—	513
Decrease (increase) in debtors.....	166	(372)
Decrease in creditors.....	(1,210)	(2,499)
Effects of changes in foreign currency exchange rates.....	<u>(511)</u>	<u>(1,434)</u>
Net cash outflow from operating activities.....	<u>(1,535)</u>	<u>(8,214)</u>

22. RECONCILIATION OF NET CASH OUTFLOW TO MOVEMENT IN NET FUNDS

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Decrease in cash.....	(2,097)	(9,516)
Repayments under bank overdraft facility.....	—	192
Capital element of finance leases repaid.....	<u>93</u>	<u>—</u>
Change in net funds resulting from cash flow.....	(2,004)	(9,324)
New finance leases.....	(413)	—
Exchange movement.....	<u>97</u>	<u>126</u>
Movement in net funds in the year.....	(2,320)	(9,198)
Net funds at beginning of year.....	<u>25,766</u>	<u>34,964</u>
Net funds at end of year.....	<u>23,446</u>	<u>25,766</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

23. ANALYSIS OF NET FUNDS

	At 1 February <u>2007</u>	<u>Cash flow</u>	<u>Exchange movements</u>	<u>Non-cash movements</u>	At 31 January <u>2008</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents.....	25,766	(2,097)	97	—	23,766
Finance lease obligations.....	<u>—</u>	<u>93</u>	<u>—</u>	<u>(413)</u>	<u>(320)</u>
Net funds.....	<u>25,766</u>	<u>(2,004)</u>	<u>97</u>	<u>(413)</u>	<u>23,446</u>

24. ACQUISITIONS AND DIVESTURES

On 1 February 2006, the group acquired substantially all the assets of Assurity Technologies, Inc., a privately held company in the U.S., for a total initial consideration of US\$2.8 million subject to final adjustment relating to performance related contingent cash consideration. The initial purchase costs comprised US\$2.0 million in cash, assumed liabilities of US\$89,000, additional performance related payment of US\$705,000 earned by the acquired business for fiscal 2007 and transaction costs of US\$43,000. In addition, the group will be required to pay additional performance related contingent cash consideration equal to 30% of net income plus 10% of gross revenues, as defined in the purchase agreement for fiscal 2008 and fiscal 2009. The fiscal 2007 performance related consideration of US\$705,000 was paid in the quarter ended 30 April 2007. The fiscal 2008 performance related consideration of US\$1.0 million was paid in the quarter ended 30 April 2008. In addition the group has accrued US\$1.5 million relating to the fiscal 2009 performance related consideration. These amounts will result in an increase in the purchase price of the acquired business, and a corresponding increase in the goodwill recorded.

The initial total purchase costs of US\$2.8 million has been allocated, based on their respective fair values, to non-current assets (purchased technology and acquired customer base) of US\$747,000, goodwill of US\$2.1 million and net assets acquired of US\$39,000. The assets, liabilities and operating results of the acquired business have been included in the accompanying financial statements from the date of acquisition.

The group completed the sale of its Payments business on 1 September 2006 to VeriFone Holdings, Inc. Under the terms of the agreement, VeriFone paid the group US\$12.1 million in cash for all the outstanding shares of a newly formed subsidiary which, prior to closing, held substantially all the assets and liabilities of the Payments business. The purchase price is subject to the following adjustments:

- an escrow amount of US\$2.0 million which is being held for a period of 18 months following the closing to cover claims that might arise under representations and warranties and certain other obligations provided in the share purchase agreement. On 29 February 2008, the group was notified by VeriFone Holdings, Inc. that it is making claims for the full amount of funds held in escrow, in relation to the sale of the Payments business. Disputes involving the escrow are subject to a negotiation period between the parties after which either party may require arbitration to resolve disputes. At this point, the group has not been given sufficient information which substantiates VeriFone's claims and the group intends to vigorously contest such claims.
- the cash payment to VeriFone of an amount equal to the remaining warranty provision (approximately US\$2.2 million) which was related to intermittent failures experienced with certain hardware products deployed in the marketplace.
- a working capital adjustment of US\$315,000, which was paid in the quarter ended 31 July 2007.

On 5 December 2006, the group announced the acquisition of substantially all of the assets and assumption of certain liabilities of Concuity, Inc., a private company specialising in technology solutions for the healthcare industry, for an expected total cash consideration of up to US\$7.5 million. The consideration comprised the initial cash consideration paid on closing of US\$5.5 million and a performance based earn-out payable over two years, which is now at a guaranteed amount of US\$2 million.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

24. ACQUISITIONS AND DIVESTURES (Continued)

The recognition of the performance based earnout has resulted in an increase in the purchase price of the acquired business, and a corresponding increase in the goodwill recorded. The total purchase costs comprised US\$5.5 million in cash, guaranteed performance related payment of US\$2 million, assumed liabilities of US\$658,000 (relating to deferred revenue balance only) and transaction costs of US\$352,000. The fiscal 2007 results include the results of the Concuity business for the 2 month period ended 31 January 2007. The initial total purchase costs of US\$8.4 million, comprising the cash paid and related transaction costs has been allocated, based on their respective fair values, to non-current assets (purchased technology and trademarks and trade names) of US\$4.6 million, goodwill of US\$3.5 million and net liabilities assumed of US\$331,000.

The group incurred additional costs of US\$542,000 in fiscal 2008 relating to prior year acquisitions of which US\$342,000 relating to restructuring activities.

25. COMMITMENTS

The group has commitments under operating leases to make payments in the next year on leases, which expire as follows:

Contractual obligations

	Payments due by period				
	<u>Total</u>	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(U.S. dollars in thousands)				
Operating lease obligations.....	5,155	1,186	1,661	1,516	792
Acquisition deferred consideration.....	4,506	2,137	2,369	—	—
Finance lease obligations (refer below).....	320	130	190	—	—
Total	9,981	3,453	4,220	1,516	792

Operating lease obligations represent future commitments and are not included in the Group Balance Sheet. Acquisition deferred consideration represents estimated accrued future payments to the vendors of Assurity and Concuity. These amounts are included within Creditors (short term and long term) on the face of the group balance sheet.

Operating lease obligations

The group has commitments under operating leases to make payments in the next year on leases, which expire as follows:

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
<i>Within one year:</i>		
Buildings.....	38	68
<i>Between two and five years:</i>		
Buildings.....	468	414
<i>After more than five years:</i>		
Buildings.....	<u>680</u>	<u>655</u>
	<u>1,186</u>	<u>1,137</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

25. COMMITMENTS (Continued)

Finance lease obligations

Finance lease obligations, net of interest, are due as follows:

	<u>2008</u>	<u>2007</u>
	US\$'000	US\$'000
Within one year	130	—
Between two and five years.....	<u>190</u>	<u>—</u>
	<u>320</u>	<u>—</u>

26. CONTINGENCIES

There are no contingencies outstanding as of 31 January 2008, other than those disclosed in note 31.

27. GUARANTEES

Pursuant to the provision of Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of Trintech Technologies Limited and Trintech Limited, two of its subsidiary undertakings in the Republic of Ireland for the financial year ended 31 January 2008, as a result, such subsidiaries have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986. The Company has fair valued this guarantee at US\$Nil at 31 January 2008.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's investment policy requires us to invest funds in excess of current operating requirements in marketable securities such as commercial paper, corporate bonds and U.S. government agency fixed income securities. As stated in the group's investment policy, we are averse to principal loss and seek to ensure the safety and preservation of invested funds by limiting default and market risks. We mitigate default risk by investing in only investment-grade securities.

As of 31 January 2008, the group's cash at bank and in hand consisted primarily of highly liquid investments with maturity of three months or less.

It is, and has been throughout 2008 and 2007 the group's policy that no trading in derivatives shall be undertaken.

The main risks arising from the group's financial statements are credit risk, foreign currency risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

The group sells its products primarily to commercial, financial and healthcare markets. The group performs ongoing credit evaluations on its customers and maintains reserves for potential credit losses. Generally such losses have been within management's expectations. The group had an allowance for doubtful accounts of US\$24,000 and US\$252,000 at 31 January 2008 and 2007 respectively. The group generally requires no collateral from its customers. The group had bad debt write-offs amounting to US\$166,000 in fiscal 2008, which related to the Concuity acquisition and which were fully covered by the bad debt provision recognised on acquisition. There are no significant concentrations of credit risk within the group.

The group invests its excess cash in low-risk, short-term deposit accounts and commercial paper with high credit-quality banks in the United States, United Kingdom and Ireland. At 31 January 2008, US\$23.8 million was invested in cash and cash

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

equivalent accounts. The group performs periodic evaluations of the relative credit standing of all of the financial institutions dealt with by the group, and considers the credit risk to be minimal.

Foreign currency risk

Due to the group's multinational operations, the group's business is subject to fluctuations based upon changes in the exchange rates between the currencies in which we collect revenues or pay expenses and the US dollar. In particular, the value of the US dollar to the euro and the pound sterling impacts the group's operating results.

Our operations are exposed to foreign exchange risk arising from cash flows and financial instruments that are denominated in currencies other than our reporting currency or the relevant subsidiary conducting the business. The purpose of our foreign currency management is to manage the effect of exchange rate fluctuations on certain foreign currency denominated revenues, costs and eventual cash flows and on foreign currency denominated assets and liabilities.

The terms of currency instruments used for hedging purposes are consistent with the timing of the transactions being hedged. We do not use derivative financial instruments for trading or speculative purposes. We use derivative financial instruments, such as forward exchange contracts, to hedge certain forecasted foreign currency denominated transactions expected to occur within the next 12 months. As a policy we only hedge anticipated foreign currency sales and purchase transactions for which we have a firm commitment to a customer or supplier. As of 31 January 2008, the group had two forward exchange contracts maturing in April 2008 and July 2008 to sell US\$1.3 million and receive euro in return. These derivative instruments are recorded at fair value and changes in fair value are recorded in earnings under exchange gain, net in the group profit and loss account. The aggregate fair value of the contracts as of 31 January 2008 was US\$40,000.

Furthermore, the group manages the currency exposure of certain receivables and payables using derivative instruments, such as currency options. The gains or losses on these instruments provide an offset to the gains or losses recorded on the foreign currency receivables and payables. These derivative instruments are recorded at fair value and changes in fair value are recorded in earnings under exchange gain, net in the group profit and loss account. At 31 January 2008, the group had no currency options.

The table below provides information about the derivative financial instruments we have entered into that are sensitive to foreign currency exchange rates. The table presents fair values, notional amounts (at the contract exchange rates) and the weighted-average contractual foreign currency exchange rates.

<u>Foreign Currency Risk</u>	<u>Contract Notional Amounts</u> <u>Expected Maturity Date</u> <u>2008</u>	<u>Fair Value as of</u> <u>31 January</u> <u>2008</u>	<u>Weighted-average</u> <u>Contractual</u> <u>Exchange Rate</u>
(U.S. dollars in thousands)			
Derivatives used to manage anticipated cash flows (Receive euro, Sell U.S. dollars).....	1,321	40	1.4438

At 31 January 2008, the group has hedged 100% of its forecasted foreign currency exposure, extending to 31 July 2008.

The following table demonstrates the sensitivity of a reasonably possible change in US dollar exchange rate versus the euro, with all other variables held constant, of the group's loss before tax (due to changes in the fair value of net monetary assets and liabilities). The sensitivity of the movement of the euro is used as the majority of the group's foreign current transactions and net assets are in euro.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Increase / (decrease) in US dollar rate versus <u>euro rate</u>	Effect on loss before taxation <u>(US\$'000)</u>	Effect on equity <u>(US\$'000)</u>
2008	+10%	284	(151)
	-10%	(284)	151
2007	+10%	665	(642)
	-10%	(665)	642

Interest rate risk

Our interest expenses and income are sensitive to changes in interest rates, as all of our cash reserves are subject to interest rate changes. Excess liquidity is invested in short-term interest-bearing investments. Such short-term interest-bearing investments consist primarily of money market funds. As of 31 January 2008, there were no outstanding short-term loans and there were no outstanding borrowings under our revolving lines of credit or our short-term credit facilities.

Interest rate risk table

The following table demonstrates the sensitivity of a reasonably possible change in US interest rates, with all other variables held constant, of the group's loss before tax (through the impact of floating rate borrowings). There is no impact on the group's equity. The majority of the group's cash balances are held in USD.

	Increase (decrease) <u>in basis points</u>	Effect on loss before taxation <u>(US'000)</u>
2008	100	106
	(100)	(318)
2007	100	105
	(100)	(403)

Liquidity risk

The group monitors its risk of a shortage of funds by reviewing cash balances on a weekly basis. This review considers the maturity of both its financial investments and financial assets (accounts receivable, other financial assets) and projected cashflows from operations.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and finance leases. The group's policy is to source funds directly from operations and to minimise the use of funds held in money market funds for operational purposes.

The table below summarises the maturity profile of the group's financial liabilities at 31 January 2008 based on contractual undiscounted payments.

<u>Year ended 31 January 2008</u>	<u>0-1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>Total</u>
(U.S. dollars in thousands)				
Trade creditors.....	514	—	—	514
Finance lease obligations.....	130	190	—	320
Deferred consideration.....	<u>2,137</u>	<u>2,369</u>	—	<u>4,506</u>
	<u>2,781</u>	<u>2,559</u>	—	<u>5,340</u>

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

<u>Year ended 31 January 2007</u>	<u>0-1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>Total</u>
(U.S. dollars in thousands)				
Trade creditors.....	1,304	—	—	1,304
Deferred consideration.....	<u>772</u>	<u>6,653</u>	<u>—</u>	<u>7,425</u>
	<u>2,076</u>	<u>6,653</u>	<u>—</u>	<u>8,729</u>

Fair Values

Set out below is a comparison by category of carrying amounts and fair values of the group's financial statements that are carried in the financial statements:

	<u>As of 31 January</u>			
	<u>2008</u>			<u>2007</u>
	<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	<u>Fair</u>
	<u>Amount</u>	<u>Value</u>	<u>Amount</u>	<u>Value</u>
(U.S. dollars in thousands)				
<i>Financial assets</i>				
Cash and cash equivalents.....	23,766	23,766	25,766	25,766
Restricted cash.....	338	338	—	—
Trade debtors, net.....	5,781	5,781	5,872	5,872
Forward currency contracts.....	40	40	(4)	(4)
<i>Financial liabilities</i>				
Trade creditors.....	514	514	1,304	1,304
Deferred consideration.....	4,506	4,506	7,425	7,425
Finance leases.....	320	320	—	—

The fair value of forward contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Hedging activities

The group uses forward exchange contracts to hedge certain operational cash flow exposures resulting from changes in foreign currency exchange rates expected to occur within the next 12 months. The group enters into these foreign exchange contracts to hedge anticipated sales or purchase transactions in the normal course of business for which there is a firm commitment from a customer or to a supplier. The terms of these contracts are consistent with the timing of the transactions being hedged. The group does not use such instruments for trading or speculative purposes.

The derivative instruments held by the group as of 31 January 2008 and 31 January 2007 did not qualify as accounting hedges as of those dates. The fair value losses and gains on derivatives held as of 31 January 2008 and 31 January 2007 were recognised in the group profit and loss account.

As of 31 January 2008, the group had two forward exchange contracts maturing in April 2008 and July 2008 to sell US\$1.3 million and receive euro in return. The fair value of the contracts as of 31 January 2008 was US\$40,000. The group does not expect this fair value to reduce prior to the maturity of the contracts.

General and administrative expenses includes an exchange gain of US\$134,000 relating to foreign currency exchange contracts in fiscal 2008 and an exchange loss of US\$4,000 in fiscal 2007.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	2008	2007		
Assets	Liabilities	Assets	Liabilities	
(U.S. dollars in thousands)				
Forward exchange contracts				
Fair value.....	<u>40</u>	=	=	<u>4</u>

Capital management

The group defines capital as cash at bank and in hand.

The group's objectives for managing capital is to meet liabilities as and when they fall due and in doing so to ensure that the group will continue as a going concern.

This is achieved through the maintenance of sufficient cash resources to meet the liquidity requirements of the group in the short term, in addition to the investment of surplus funds in money market funds and commercial paper with maturities of less than three months.

No changes were made in the objectives, policies or processes during the years ended 31 January 2008 and 31 January 2007. The group is not subject to externally imposed capital requirements.

29. RELATED PARTY TRANSACTIONS

The group had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements were terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006 respectively resulting in a payment of US\$2.3 million restructuring charge in fiscal 2007.

Huttoft Company, an unlimited company which is wholly-owned by certain directors of the Company, owns a special non-voting class of shares in Trintech Limited (Ireland), one of the Company's Irish subsidiaries. All of the voting shares in the subsidiary are owned by the Company. The shares do not entitle the holders thereof to receive any share of the assets of the Company on a winding up. Trintech Limited (Ireland) may, from time to time, declare dividends to Huttoft Company and Huttoft Company may declare dividends to its shareholders out of these amounts. Any such dividends paid by Trintech Limited (Ireland) are treated as minority interest by the Company in these financial statements. There were no dividend payments due to Huttoft Company as of 31 January 2007 or 2008. The amount of dividends included as minority interest was US\$714,000 for fiscal 2007 and US\$347,000 for fiscal 2008.

In July 2007, the Company's shareholders re-approved an agreement, which gives the board the authority to engage in the repurchase of the Company's outstanding ordinary shares. Under the program, up to US\$5.0 million of the Company's ordinary shares could be acquired by purchasing American Depositary Shares on the open market, or in negotiated or block trades. The Company repurchased 1,367,316 ordinary shares at a cost of approximately US\$2.1 million from fiscal 2003 to fiscal 2008. As of 31 January 2008 approximately US\$2.9 million remained available for future repurchases under this program.

The Company believes that the terms of all transactions with related parties are comparable to those that would be attainable by us in the ordinary course of business from unaffiliated third parties under similar circumstances.

TRINTECH GROUP PLC
NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)
For the year ended 31 January 2008

30. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to current year presentation.

31. IMPORTANT EVENTS SINCE THE YEAR-END

On 14 February 2008, the group acquired the outstanding shares of Movaris, Inc., a privately held company in the U.S. for an initial consideration of US\$8.4 million subject to final adjustment related to performance related contingent consideration. The total purchase costs comprise US\$7.1 million in cash, 507,765 Trintech American Depositary Shares (ADSs) amounting to US\$1.3 million valued at the time of the closing of the acquisition and transaction costs of US\$311,000. In addition, the group will be required to pay additional performance related contingent cash consideration in the event the closing price of one ADS does not equal or exceed US\$6 for at least ten consecutive business days in the period commencing with the six month anniversary of the closing date and ending on 31 December 2009 subject to Movaris achieving revenue and EBITDA milestones in the six months period following the closing date. These payments will result in an increase in the purchase price of the acquired business, and a corresponding increase in the goodwill recorded.

Movaris solutions integrate and manage the financial close and other governance, risk and compliance processes. Movaris solutions encompass Sarbanes-Oxley compliance, financial close, account reconciliation, governance, risk and compliance (GRC), and enterprise risk manager applications.

On 29 February 2008, the group was notified by VeriFone Holdings, Inc. that it is making claims, for the full amount of funds held in escrow, in relation to the sale of the Payments business. Disputes involving the escrow are subject to a negotiation period between the parties after which either party may require arbitration to resolve disputes. At this point, the group has not been given sufficient information which substantiates VeriFone's claims and the group intends to vigorously contest such claims.

32. APPROVAL OF SHAREHOLDERS' FINANCIAL STATEMENTS

The shareholders' financial statements were approved and authorised for issue by the directors on 27 June 2008.