

TRINTECH GROUP PLC
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009

GROUP FINANCIAL STATEMENTS
For the year ended 31 January 2009

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TRINTECH GROUP PLC

GROUP INFORMATION

Directors.....	Executive Cyril P. McGuire (CEO and Chairman) R. Paul Byrne (President)
	Non-Executive Trevor D. Sullivan Dr. Jim Mountjoy Kevin C. Shea (American) Robert M. Wadsworth (American)
Secretary.....	Joseph Seery
Registered Office.....	Block C, Central Park, Leopardstown, Dublin 18.
Solicitors.....	A & L Goodbody, International Financial Services Centre, North Wall Quay, Dublin 1. Wilson Sonsini Goodrich and Rosati, 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 2009

The directors present their report and audited group financial statements for the year ended 31 January 2009.

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 major internal provider of integrated financial governance, transaction risk management and compliance solutions for commercial, financial and healthcare markets worldwide. 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 reconciliation and financial governance products from our Governance, Risk and Compliance or GRC (formerly referred to as Funds Management Systems or FMS) division includes: ReconNET for high volume transaction processing environments, AssureNET GL for general ledger account reconciliation, review and certification, Unity for financial close, enterprise compliance and risk management applications, On-Demand Services for providing Software-as-a-Service ("SaaS") and hosting services for ReconNet and AssureNet as well as DataFlow Transaction Network service for data collection and delivery.

The group's revenue enhancement, reconciliation and transaction management product from our Healthcare division includes: ClearContracts, a SaaS application 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. In addition, ClearContracts provides executive visibility of contract performance and yield and allows healthcare providers to model expected revenues arising from negotiated contract changes.

The group has a customer base of over 600 organisations including retail chains, commercial companies, financial institutions and healthcare providers and its sales and marketing efforts are divided by region as follows:

- 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 88% of the Company's total turnover in fiscal 2009.

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

Turnover from continuing operations was US\$39.7 million for the year ended 31 January 2009 ("fiscal 2009") compared to US\$32.9 million for the year ended 31 January 2008 ("fiscal 2008"). The loss on ordinary activities before taxation for fiscal 2009 amounted to US\$3.9 million compared to a loss of US\$4.6 million in the previous year. Following a taxation charge of US\$1.4 million and a minority interest charge of US\$460,000, a retained loss of US\$5.7 million was incurred in fiscal 2009. In fiscal 2008, following a tax 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. The basic loss per ordinary share amounted to US\$0.18 in fiscal 2009 compared to a basic loss per ordinary share of US\$0.12 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 reflect the Payments business/segment as a discontinued operation. The gain on sale is reflected in the fiscal 2007 and 2009 results. The group divested its Payments business to reinforce its strategic focus on its financial governance, transaction risk management and compliance business. The net loss in fiscal 2009 for the continuing business amounted to US\$6.6 million. The Company has two business segments: GRC and Healthcare (also known as Concuity).

TRINTECH GROUP PLC
DIRECTORS' REPORT (continued)
For the year ended 31 January 2009

GRC Business

GRC is primarily engaged in marketing and selling licenses for the Company's financial governance, transaction risk management and compliance software and related maintenance, development and installation services. GRC includes the business of DataFlow which is engaged in the retrieval, processing, aggregation and delivery of all transaction data in daily bank statements. The GRC business generated turnover of US\$34.3 million in fiscal 2009 and US\$28.5 million in fiscal 2008. The GRC business has in excess of 580 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\$8.8 million subject to final adjustment related to performance related contingent consideration. The group does not expect to pay any performance related contingent consideration to the former shareholders of Movaris. The total purchase costs comprise US\$7.1 million in cash, 1,015,500 ordinary shares amounting to US\$1.2 million valued at the time of the closing of the acquisition and transaction costs of US\$372,000. The ordinary shares were subject to a lock-up arrangement that expired on 14 February 2009. 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.

Healthcare Business

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 primarily operates on a SaaS model. This division generated turnover of US\$5.4 million for fiscal 2009 and US\$4.4 million for fiscal 2008 and has in excess of 20 customers.

REVIEW OF GROUP RESULTS

Fiscal Year Ended 31 January 2009 Compared To Fiscal Year Ended 31 January 2008

Turnover

	Year ended 31 January 2009	Year ended 31 January 2008	Increase from prior year	Percentage change from prior year
	(U.S. dollars in thousands)			
License turnover.....	19,614	16,640	2,974	18%
Service turnover.....	<u>20,050</u>	<u>16,288</u>	<u>3,762</u>	<u>23%</u>
Total turnover.....	<u>39,664</u>	<u>32,928</u>	<u>6,736</u>	<u>20%</u>

Total Turnover. There were no customers who individually accounted for more than 10% of total turnover in either period.

License. The increase in license turnover in fiscal 2009 was primarily due to turnover generated from the Movaris business acquired in February 2008, strong AssureNet license sales and strong maintenance renewals for all products.

Service. The increase in service turnover in fiscal 2009 was primarily due to turnover generated from the Movaris business, an increase in turnover from SaaS services in our GRC and Healthcare divisions and strong GRC service turnover.

TRINTECH GROUP PLC

**DIRECTORS' REPORT (continued)
For the year ended 31 January 2009**

Cost of sales

	<u>Year ended 31 January 2009</u>	<u>Year ended 31 January 2008</u>	<u>Increase from prior year</u>	<u>Percentage change from prior year</u>
	US\$'000	US\$'000	US\$'000	
License.....	2,246	1,578	668	42%
Amortisation of purchased technology...	1,012	725	287	40%
Service.....	<u>10,156</u>	<u>8,492</u>	<u>1,664</u>	<u>20%</u>
Total Cost of Sales.....	<u>13,414</u>	<u>10,795</u>	<u>2,619</u>	<u>24%</u>

Total Cost of Sales. Although total turnover increased by 20% in fiscal 2009 compared to the prior year, the total cost of sales increased by 24%. This had the effect of decreasing gross margin by 1% compared to last year.

License. The increase in the cost of license sales in absolute dollars and in percentage terms in fiscal 2009 compared to the prior year was due to increased third party license costs and headcount associated with the newly acquired Movaris business and additional salary costs related to the existing business. The cost of license sales as a percentage of license revenues in fiscal 2009 increased to 11% compared to 9% in the prior year.

Amortisation of purchased technology. The increase in amortisation of purchased technology in fiscal 2009 relates to the Movaris acquisition in the first quarter of fiscal 2009.

Service. Service cost of sales increased in fiscal 2009 in absolute dollars but reduced marginally in percentage terms compared to service cost of sales in the prior year. The increase in absolute dollars was primarily due to costs associated with servicing the customers of the newly acquired Movaris business, an increase in salary costs and increased maintenance charges associated with servicing the SaaS business in the healthcare division.

Operating Expenses

	<u>Year ended 31 January 2009</u>	<u>Year ended 31 January 2008</u>	<u>Increase from prior year</u>	<u>Percentage change from prior year</u>
	US\$'000	US\$'000	US\$'000	
Distribution costs.....	11,801	10,798	1,003	9%
Research and development.....	6,023	4,926	1,097	22%
General and administrative.....	13,606	12,518	1,088	9%

Distribution costs. The increase in distribution costs in fiscal 2009 was primarily due to additional sales and marketing expenses associated with the Movaris business acquired in the first quarter of fiscal 2009 which was partly offset by a reduction in costs due to reduced sales personnel in the Healthcare business.

Research and development. The increase in research and development expenses in fiscal 2009 was primarily due to higher average headcount and additional external contractor costs associated with the Movaris business acquired in fiscal 2009.

General and administrative. The increase in general and administrative expenses in fiscal 2009 was primarily due to an increase in amortisation due to the acquisition of the Movaris business in fiscal 2009. This increase was partially offset by a reduction in corporate salary costs and occupancy costs relating to the Dallas and Dublin offices.

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued) **For the year ended 31 January 2009**

Income (loss) from discontinued operations, net of tax. In August 2006, the Company 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. All prior period statements, except the consolidated statements of cash flows, have been restated accordingly.

In fiscal 2009, the Company realised a gain of US\$920,000, net of legal charges from a settlement of indemnification claims by VeriFone Holdings, Inc. that were part of the escrow amount held back against any claims arising from the sale of the payments business to VeriFone Holdings, Inc in September 2006.

The Company had no net income (loss) from discontinued operations for fiscal 2008.

Interest receivable and similar income. Interest receivable and similar income, decreased to US\$355,000 in fiscal 2009 compared to US\$1.2 million in fiscal 2008. 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 charge of US\$1.4 million in fiscal 2009 compared to a credit of US\$1.2 million in fiscal 2008. The charge was primarily due to the write off of a net deferred tax asset of US\$1.7 million relating to US tax loss carry forwards and deductible timing differences which had been recognised in the prior year. The write off in fiscal 2009 was due to additional losses incurred by our US operations as a result of the acquisition of the Movaris business in February 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 2009, the group had three forward exchange contracts maturing in fiscal 2010 to sell US\$729,000 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 2009 was negative US\$51,000.

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 under exchange gain in the group profit and loss account. At 31 January 2009, the group had no currency options.

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DIRECTORS' REPORT (continued) For the year ended 31 January 2009

KEY PERFORMANCE INDICATORS

The key financial indicators of the group are set out below:

	<u>2009</u>	<u>2008</u>	<u>% Change from prior year</u>
1. Turnover (US\$'000)	39,664	32,928	20%
2. Operating expenses (US\$'000).....	31,099	27,798	12%
3. EBITDA operating expenses (US\$'000).....	25,289	23,000	10%
4. Net loss (US\$'000).....	(5,715)	(3,771)	(52%)
5. EBITDA net income (loss) (US\$'000).....	1,630	(327)	598%
6. Basic net loss per ordinary share (US cents).....	(0.18)	(0.12)	(50%)
7. Cash at bank and in hand (US\$'000).....	17,363	23,766	(27%)
8. DSO's (days)	53	64	17%
9. Working capital (US\$'000).....	9,081	16,958	(46%)

EBITDA operating expenses is stated after adjusting operating expenses for depreciation, amortisation and share-based payment.

EBITDA net income (loss) is stated after adjusting loss for the financial year for interest, taxation, depreciation, amortisation, share-based payment, profit on disposal of discontinued operations 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 global provider of integrated financial governance, transaction risk management and compliance solutions. 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 through investment in new products and markets. 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 new markets.

IDC, a global market intelligence firm, estimates that the global market for financial compliance software will grow at a compound annual growth rate, or CAGR, of 16.5% from US\$1 billion in 2006 to US\$2.2 billion in 2010. This growth is being driven by significant investment by companies to maintain Sarbanes-Oxley compliance and other regulatory compliance and strengthen and make more secure transaction process management platforms; initiatives by multinational companies to globally adopt proven transaction risk management solutions; growing demand for revenue enhancing solutions by medium-sized financial institutions as well as increased focus on automation and efficiency in the face of increasing competition and increasing automation of the revenue cycle by healthcare providers to grow revenue and improve cash flow

In 2006, the Gartner Group estimated that organisations were expanding investments in software to support corporate governance, risk management and compliance. They estimated total software revenue for this emerging market to grow by approximately 24% annually through 2010.

In a 2008 report on the governance, risk and compliance (GRC) landscape, a leading US market research company noted that there was US\$32 billion in planned spend for GRC-related activities in 2008.

The Healthcare Advisory Board, a US healthcare market intelligence firm, estimated that healthcare providers experience up to 8% to 14% revenue leakage due to inappropriate healthcare insurance company denials and underpayments, representing more

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued) **For the year ended 31 January 2009**

than US\$60 billion in lost revenue per annum, making revenue cycle management the new frontier of healthcare investment following the automation of patient records and the process of submitting claims to insurers.

In fiscal 2009, 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, combined with the acquisition of Concuity and Movaris, they 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 revenues for our solutions in the financial governance market, where there is demand for an integrated suite of governance applications;
- Maintain direct sales resources and invest in indirect channels through strategic partnerships to increase market share for our key products;
- Expand demand for compliance and financial control modules (AssureNet and Unity) across our existing customer base;
- Extract cost synergies from acquisitions and from existing business to drive growth in Earnings before Interest, Tax, Amortization and Depreciation or EBITDA;
- Maintain high level of recurring revenue streams with strong financial position and no debt; and
- 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.

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:

- *Conditions and changes in the national and global economic and political environments may adversely affect our business and financial results.*

Adverse economic conditions in markets that we operate may harm our business.

- *The group will depend on sales of our financial governance, transaction risk management, and compliance software and services to customers located in the United States for a large majority of our total revenues.*

For fiscal 2009, U.S. customers accounted for 88% 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.

- *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.

- *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.

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued) **For the year ended 31 January 2009**

- *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 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 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 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.*

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.*
- *Regulatory compliance, including the cost of complying with legislative actions and potential new accounting pronouncements, may result in increased costs that would affect the group's future financial position and results of operations. We have already incurred, and will continue to incur, significant increased costs associated with our compliance with the internal control requirements of the Sarbanes-Oxley Act of 2002. Moreover, if deficiencies in our internal control over financial reporting are identified that are deemed to be material weaknesses or significant deficiencies, the market price of our shares could decline and we could be subject to sanctions or investigations by regulatory authorities.*

The group disclosed a material weakness in its internal controls over the completeness and accuracy of the US tax calculations in its Form 20-F for the year ended 31 January 2009, filed with the United States Securities and Exchange Commission on 29 May 2009.

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued) **For the year ended 31 January 2009**

Subsequent to 31 January 2009, as part of its efforts to remediate the material weakness, management retained new external independent resources with more expertise and clearly specified the roles and responsibilities of management and these other resources in the preparation and review of the Company's current and deferred income taxes balances. The material weakness will not be considered remediated until the revised internal controls are operational for a period of time and are tested and management has concluded that the controls are operating effectively.

- *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.

RESEARCH AND DEVELOPMENT

Research and development expenses increased from US\$4.9 million in fiscal 2008 to US\$6.0 million in fiscal 2009. The increase in research and development expenses in fiscal 2009 was mainly due to development costs related to the Movaris business acquired in February 2008.

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. Kevin C. Shea and Dr. Jim Mountjoy will retire by rotation, and, being eligible, offer themselves for re-election.

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued)
For the year ended 31 January 2009

DIRECTORS' AND SECRETARY'S INTEREST

The directors and secretary who held office on 31 January 2009 had the following interests in the ordinary shares of the Company and the group:

	At 31 January 2009	At 31 January 2008
	<u>Number of shares</u>	<u>Number of shares</u>
Cyril P. McGuire.....	6,916,748	6,916,748
R. Paul Byrne.....	64,305	64,305
Joseph Seery.....	10,000	—
Trevor D. Sullivan.....	2,670	2,670
Kevin C. Shea.....	200	200
Robert M. Wadsworth.....	—	—
Dr. Jim Mountjoy.....	—	—

	At 31 January 2009	At 31 January 2008
	<u>Number of options over shares</u>	<u>Number of options over shares</u>
R. Paul Byrne.....	1,500,588	1,300,588
Cyril P. McGuire.....	408,334	208,334
Robert M. Wadsworth.....	290,000	210,000
Dr. Jim Mountjoy.....	250,000	160,000
Kevin C. Shea.....	230,000	140,000
Trevor D. Sullivan.....	200,000	120,000
Joseph Seery.....	123,070	73,070

TRINTECH GROUP PLC

DIRECTORS' REPORT (continued) For the year ended 31 January 2009

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.

PARENT COMPANY SHARES

Trintech Group PLC, through a subsidiary Trintech Limited, held 595,552 of its own ordinary shares with a nominal value of US\$1,608 as of 31 January 2009.

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

29 June 2009

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 2009 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 31. 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 2009 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
29 June 2009

TRINTECH GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2009

	<u>Notes</u>	Continuing operations- Acquisitions <u>2009</u>	Continuing operations- Continuing <u>2009</u>	Total <u>2009</u>	Continuing operations <u>2008</u>	Total <u>2008</u>
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	2	4,178	35,486	39,664	32,928	32,928
Cost of sales.....		<u>(1,751)</u>	<u>(11,663)</u>	<u>(13,414)</u>	<u>(10,795)</u>	<u>(10,795)</u>
Gross profit.....		2,427	23,823	26,250	22,133	22,133
Operating expenses						
Distribution costs.....		(2,029)	(9,772)	(11,801)	(10,798)	(10,798)
Research and development.....		(1,699)	(4,324)	(6,023)	(4,926)	(4,926)
General and administrative.....		(924)	(12,682)	(13,606)	(12,518)	(12,518)
Exchange gain.....		<u>—</u>	<u>331</u>	<u>331</u>	<u>444</u>	<u>444</u>
		(4,652)	(26,447)	(31,099)	(27,798)	(27,798)
Operating loss	3, 4	(2,225)	(2,624)	(4,849)	(5,665)	(5,665)
Exceptional item – restructuring...	5	<u>(121)</u>	<u>(131)</u>	<u>(252)</u>	<u>—</u>	<u>—</u>
Loss on ordinary activities before interest		(2,346)	(2,755)	(5,101)	(5,665)	(5,665)
Profit on disposal of discontinued operations.....	5			920		—
Interest payable and similar charges	6			(35)		(129)
Interest receivable and similar income.....				<u>355</u>		<u>1,167</u>
Loss on ordinary activities before taxation				(3,861)		(4,627)
Tax on loss on ordinary activities.	7			<u>(1,394)</u>		<u>1,203</u>
Loss on ordinary activities after taxation				(5,255)		(3,424)
Minority interests.....				<u>(460)</u>		<u>(347)</u>
Loss for the financial year				<u>(5,715)</u>		<u>(3,771)</u>
Basic and diluted loss per ordinary share	8			<u>(0.18)</u>		<u>(0.12)</u>

Approved by the Board on 29 June 2009

Trevor D. Sullivan

Cyril P. McGuire

Directors

TRINTECH GROUP PLC

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 January 2009**

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Loss for the year attributable to ordinary shareholders.....	(5,715)	(3,771)
Exchange differences on retranslation of net assets of subsidiary undertakings.....	<u>240</u>	<u>(1,152)</u>
Total recognised losses relating to the year.....	<u>(5,475)</u>	<u>(4,923)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 January 2009**

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Shareholders' funds at beginning of year.....	28,204	31,079
Loss for the financial year.....	(5,715)	(3,771)
Share-based payment.....	729	1,248
Premium on shares issued, net of expenses.....	1,240	627
Exchange differences on retranslation of net assets of subsidiary undertakings.....	240	(1,152)
Purchase of ordinary share capital.....	(100)	—
Reissue of ordinary share capital.....	232	211
Discount on treasury shares reissued.....	<u>(108)</u>	<u>(38)</u>
Shareholders' funds at end of year.....	<u>24,722</u>	<u>28,204</u>

TRINTECH GROUP PLC
GROUP BALANCE SHEET
As at 31 January 2009

	<u>Notes</u>	<u>2009</u>		<u>2008</u>	
		US\$'000	US\$'000	US\$'000	US\$'000
FIXED ASSETS					
Intangible assets.....	9		15,152		13,009
Tangible assets.....	10		<u>1,430</u>		<u>1,597</u>
			16,582		14,606
CURRENT ASSETS					
Debtors.....	12	7,725		7,882	
Deferred tax asset.....	13	252		2,118	
Restricted cash.....	14	1,313		338	
Cash at bank and in hand.....		<u>17,363</u>		<u>23,766</u>	
			<u>26,653</u>		<u>34,104</u>
CREDITORS (amounts falling due within one year)					
Trade and other creditors.....	15	14,441		14,825	
Deferred acquisition consideration.....	25	2,970		2,137	
Income taxes payable.....		<u>161</u>		<u>184</u>	
			<u>17,572</u>		<u>17,146</u>
NET CURRENT ASSETS			<u>9,081</u>		<u>16,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			25,663		31,564
CREDITORS (amounts falling due after more than one year)					
Deferred rent less current portion.....			537		427
Finance leases due after more than one year.....	25		42		190
Income taxes payable.....			110		119
Deferred acquisition consideration.....			<u>—</u>		<u>2,369</u>
			<u>689</u>		<u>3,105</u>
PROVISION FOR LIABILITIES	16		<u>252</u>		<u>255</u>
NET ASSETS			<u>24,722</u>		<u>28,204</u>
CAPITAL AND RESERVES					
Called up share capital.....	17	90		87	
Share premium account.....	20	248,810		247,573	
Other reserves.....	19	(990)		(2,091)	
Profit and loss account deficit.....	20	<u>(223,188)</u>		<u>(217,365)</u>	
Shareholders' funds			24,722		28,204
MINORITY INTEREST			<u>—</u>		<u>—</u>
			<u>24,722</u>		<u>28,204</u>

Approved by the Board on 29 June 2009

Trevor D. Sullivan
Cyril P. McGuire

Directors

TRINTECH GROUP PLC
COMPANY BALANCE SHEET
As at 31 January 2009

	<u>Notes</u>	<u>2009</u>		<u>2008</u>	
		US\$'000	US\$'000	US\$'000	US\$'000
FIXED ASSETS					
Financial assets.....	11		162,744		162,420
CURRENT ASSETS					
Cash at bank and in hand.....		546		132	
Debtors.....	12	<u>3</u>		<u>—</u>	
			<u>549</u>		<u>132</u>
TOTAL ASSETS			163,293		162,552
CREDITORS (amounts falling due within one year).....	15		<u>146,070</u>		<u>144,301</u>
NET ASSETS			<u>17,223</u>		<u>18,251</u>
CAPITAL AND RESERVES					
Called up share capital.....	17	90		87	
Share premium account.....	20	248,810		247,573	
Other reserves.....	19	6,888		6,159	
Profit and loss account deficit.....	20	<u>(238,565)</u>		<u>(235,568)</u>	
Shareholders' funds			<u>17,223</u>		<u>18,251</u>

Approved by the Board on 29 June 2009

Trevor D. Sullivan
Cyril P. McGuire

Directors

TRINTECH GROUP PLC
GROUP CASH FLOW STATEMENT
for the year ended 31 January 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
		US\$'000	US\$'000
Net cash inflow (outflow) from operating activities	21	<u>3,358</u>	<u>(1,535)</u>
Returns on investments and servicing of finance			
Interest paid.....		(2)	(24)
Interest received.....		414	1,142
Dividends paid to minority interests.....		(460)	(347)
Finance lease interest paid.....		<u>(30)</u>	<u>(34)</u>
		<u>(78)</u>	<u>737</u>
Taxation			
Overseas taxes paid.....		<u>(222)</u>	<u>(123)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets.....		(271)	(581)
Proceeds on sale of tangible fixed assets.....		<u>—</u>	<u>338</u>
		<u>(271)</u>	<u>(243)</u>
Acquisitions and disposals			
Payments relating to the acquisition of subsidiary undertakings and businesses.....	24	(8,816)	(971)
Proceeds from (payments relating to) sale of business.....		<u>920</u>	<u>(331)</u>
		<u>(7,896)</u>	<u>(1,302)</u>
Cash outflow before financing		<u>(5,109)</u>	<u>(2,466)</u>
Financing			
Issue of share capital, net of expenses.....	17	124	800
Purchase of ordinary share capital.....	19	(100)	—
Capital element of finance leases repaid.....	22	(146)	(93)
Increase in restricted cash deposits.....	14	<u>(975)</u>	<u>(338)</u>
		<u>(1,097)</u>	<u>369</u>
Decrease in cash in the year	23	<u>(6,206)</u>	<u>(2,097)</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS For the year ended 31 January 2009

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 major internal provider of integrated financial governance, transaction risk management and compliance solutions for commercial, financial and healthcare markets worldwide. 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 products from our Governance, Risk and Compliance or GRC (formerly known as Funds Management Systems or FMS) division includes: ReconNET for high volume transaction processing environments, AssureNET GL for general ledger account reconciliation, review and certification, Unity for financial close, enterprise compliance and risk management applications, On-Demand Services for providing Software as-a-Service (“SaaS”) and hosting services for ReconNet and AssureNet as well as DataFlow Transaction Network service for data collection and delivery.

The group’s revenue enhancement, reconciliation and transaction management product from our Healthcare (also known as Concuity) division includes: ClearContracts, a SaaS application 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. In addition, ClearContracts provides executive visibility of contract performance and yield and allows healthcare providers to model expected revenues arising from negotiated contract changes.

The group has a customer base of over 600 organisations including retail chains, commercial companies, financial institutions and healthcare providers and its sales and marketing efforts are divided by region as follows:

- 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 88% of the Company’s total turnover in fiscal 2009.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with Irish generally accepted accounting practice (“Irish GAAP”), with the exception of financial assets and liabilities which have been accounted for at fair value.

(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 Movaris 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 Movaris business for the period to 31 January 2009 from its acquisition date of 14 February 2008.

(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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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.

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 payment

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 2009 was US\$622,000 (2008: US\$1.75 million) and the value of unrecognised tax losses was US\$8.9 million (2008: US\$4.3 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 revenues are 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

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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; 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 revenues are 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 revenues allocable to the software services are recognized as the services are performed. Only the group's discontinued operations for fiscal 2007 had contracts where services were considered essential to the functionality of the software and the amount of revenue recognized was based on the total license and service fees under the agreement and the percentage of completion achieved. The revenues were allocated to license and service revenues based on the fair value of the service portion with the residual value allocated to the license portion of the arrangement. 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 customization 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 SaaS. With hosting 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. We consider the applicability of Emerging Issues Task Force ("EITF") No. 00-03, "Application of SOP 97-2 to arrangements that include the right to use software stored on another entity's hardware" on a contract-by-contract basis. Hosting arrangements 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

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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 SaaS term-based arrangements, where the customer does not have the contractual right to take possession of software, SaaS fees are recognised on a monthly basis over the term of the contract commencing when the customer has access to the software. For SaaS 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 SaaS hosting operations is recognised in accordance with SAB 104, generally over the term of the contract. SaaS agreements are generally one to five years in duration and provide for quarterly billing. Revenue related to 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 SaaS hosting agreement.

(g) Cost of revenues

Cost of license revenues 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 revenues 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 current assets. 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 2009 and fiscal 2008.

(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.

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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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 2009 and 2008.

(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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

(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 (i.e. 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.

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.

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

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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:

<u>USD 1 =</u>	Average rates		Year-end rates	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Euro.....	0.68279	0.72609	0.78027	0.67249
Pound Sterling.....	0.54884	0.49853	0.70057	0.50282

(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 Company entered into a new facility lease for the Dallas premises in August 2006. The new facility lease is for 7.5 years 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 2009, US\$85,000 was recorded as a current liability and US\$340,000 was recorded as a non-current liability.

The Company entered into a new lease agreement for its San Jose facility in January 2009. The new facility is under a 62 months lease and expires in February 2014. The lease agreement included a lease incentive for tenant improvements of

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

US\$249,000 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 2009, US\$48,000 was recorded as a current liability and US\$197,000 was recorded as a non-current liability.

(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 re-measured 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 2009 and 31 January 2008 did not qualify as accounting hedges as of those dates. The fair value losses and gains on derivatives held as of 31 January 2009 and 31 January 2008 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

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

1. ACCOUNTING POLICIES – (Continued)

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.

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.

2. SEGMENTAL INFORMATION

The group views its operations as split between two segments: GRC (formerly referred to as FMS) and Healthcare.

Prior to fiscal 2007, the group split its operations between Payments and its GRC segment. 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. As a result, the financial results reflect the Payments business/segment as a discontinued operation. All prior period statements, except the consolidated statements of cash flows, have been restated accordingly.

Continuing operations – This represents the results of our two segments: GRC and Healthcare.

GRC 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. GRC includes the business of DataFlow which is engaged in the retrieval, processing, aggregation and delivery of all transaction data in daily bank statements. The GRC business generated turnover of US\$34.3 million in fiscal 2009 and US\$28.5 million in fiscal 2008. The GRC business has in excess of 580 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 primarily operates on a SaaS model. This division generated turnover of US\$5.4 million for fiscal 2009 and US\$4.4 million for fiscal 2008. The Healthcare business has in excess of 20 customers.

Discontinued operations – The financial results reflect the Payments business/segment as a discontinued operation. The gain on the sale of this business segment is reflected in the fiscal 2009 and fiscal 2007 results.

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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

2. SEGMENTAL INFORMATION – (Continued)

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Turnover – continuing operations</i>		
United States of America.....	34,882	29,601
Republic of Ireland.....	452	32
Europe.....	3,268	2,251
Rest of World.....	<u>1,062</u>	<u>1,044</u>
Total.....	<u>39,664</u>	<u>32,928</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Loss on ordinary activities before taxation</i>		
United States of America.....	(3,410)	1,423
Republic of Ireland.....	(1,541)	(7,088)
Europe.....	(46)	(48)
Rest of World.....	<u>1,136</u>	<u>1,086</u>
Total.....	<u>(3,861)</u>	<u>(4,627)</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Fixed Assets</i>		
United States of America.....	9,536	3,270
Republic of Ireland.....	7,002	11,298
Europe.....	44	38
Total.....	<u>16,582</u>	<u>14,606</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Net Assets</i>		
United States of America.....	7,546	2,266
Republic of Ireland.....	7,398	7,759
Europe.....	(130)	(513)
Rest of World.....	<u>9,908</u>	<u>18,692</u>
Total.....	<u>24,722</u>	<u>28,204</u>

The group does not report indirect operating expenses, interest income and expense, capital expenditure or identifiable assets and liabilities other than trade debtors, accrued revenue and deferred costs 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 2009

2. SEGMENTAL INFORMATION – (Continued)

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Turnover per segment</i>		
GRC.....	34,311	28,547
Healthcare.....	<u>5,353</u>	<u>4,381</u>
	<u>39,664</u>	<u>32,928</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Operating profit (loss) per segment</i>		
GRC.....	4,745	4,815
Healthcare.....	<u>(1,600)</u>	<u>(2,480)</u>
	3,145	2,335
Unallocated amounts:		
Central overheads.....	(2,856)	(4,706)
Amortisation of intangible assets.....	(5,469)	(3,738)
Exchange gain	<u>331</u>	<u>444</u>
Total operating loss.....	<u>(4,849)</u>	<u>(5,665)</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Operating net assets per segment</i>		
GRC.....	5,428	4,944
Healthcare.....	<u>1,131</u>	<u>1,106</u>
	6,559	6,050
<i>Unallocated assets</i>		
Intangible assets.....	15,152	13,009
Tangible assets.....	1,430	1,597
Debtors.....	1,166	1,832
Deferred tax asset.....	252	2,118
Restricted cash.....	1,313	338
Cash at bank and in hand.....	17,363	23,766
Creditors.....	<u>(18,513)</u>	<u>(20,506)</u>
Total net assets.....	<u>24,722</u>	<u>28,204</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

3. OPERATING LOSS

Operating loss is arrived at after charging (crediting):

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Directors' emoluments:		
Salaries.....	365	619
Pension.....	75	70
Share-based payment.....	319	457
Fees.....	151	102
Auditors' remuneration.....	206	193
Depreciation.....	742	699
Amortisation of intangible assets.....	5,469	3,738
Loss (gain) on forward exchange contracts.....	30	(134)
Operating leases – land & buildings.....	<u>1,192</u>	<u>1,013</u>

4. EMPLOYMENT

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

	<u>2009</u>	<u>2008</u>
	<u>Number</u>	<u>Number</u>
United States of America.....	217	190
Republic of Ireland.....	6	6
Rest of Europe.....	<u>15</u>	<u>12</u>
	<u>238</u>	<u>208</u>

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

	<u>2009</u>	<u>2008</u>
	<u>Number</u>	<u>Number</u>
Research and development.....	37	31
Professional and support services.....	118	102
Sales and marketing.....	54	46
Administration.....	<u>29</u>	<u>29</u>
	<u>238</u>	<u>208</u>

The staff costs comprise:

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Wages and salaries.....	17,393	19,855
Share-based payment.....	729	1,248
Pension costs.....	172	132
Social welfare costs.....	<u>1,650</u>	<u>1,527</u>
	<u>19,944</u>	<u>22,762</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

4. EMPLOYMENT– (Continued)

The share-based payment of US\$729,000 (2008: US\$1.2 million) arose from equity-settled share-based transactions.

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

	2009	2008
	US\$'000	US\$'000
<i>Other</i>		
Profit on disposal of discontinued operations	<u>920</u>	<u>—</u>
Restructuring	<u>(252)</u>	<u>—</u>

Profit on disposal of discontinued operations

In fiscal 2009, the group realised a gain of US\$920,000, net of legal charges from a settlement of indemnification claims by VeriFone Holdings, Inc. that were part of the escrow amount held back against any claims arising from the sale of the payments business to VeriFone Holdings, Inc in September 2006.

Restructuring

Due to the difficult business trading environment in the US in fiscal 2009, the group established a restructuring plan in the second quarter of fiscal 2009 to rationalise, integrate and align the resources of the group. This restructuring plan includes workforce reductions and abandoning of excess lease facilities. The workforce reduction was designed to eliminate duplicate staff positions following the acquisition of the Movaris business and to enable the group to better align the cost structure during the current economic downturn, which has adversely impacted revenues, elongated selling cycles, and delayed, suspended or reduced the demand for certain products. The lease facility reductions will allow the group to consolidate its workforce within the offices better matching their size and needs; it also is expected to allow the group to match operational costs more closely with projected need levels. Prior to implementation of the restructuring plan, both the workforce and the facilities were larger than necessary for the group's level of business activity.

The restructuring plan resulted in costs incurred primarily for workforce reduction across certain business functions and additional abandoned excess lease facilities in San Jose, California. During fiscal 2009, the group incurred US\$252,000 in restructuring expense of which US\$222,000 related to severance costs for workforce reductions and US\$30,000 related to the abandonment of additional 15% of excess lease facilities in San Jose. The US\$252,000 restructuring charge for fiscal 2009 comprised US\$212,000 and US\$40,000 for the GRC and Healthcare segments, respectively.

The business environment has not significantly improved as we moved into fiscal 2010 and as a result, the group had additional workforce reductions of US\$234,000 in the first quarter of fiscal 2010 of which US\$226,000 related to the GRC segment and US\$8,000 related to the Healthcare segment. The group expects to incur US\$25,000 in additional restructuring charges relating to workforce reductions in the second quarter of fiscal 2010. The cumulative amount of restructuring charges under the plan through 30 April 2009 was US\$486,000.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Interest payable on overdrafts wholly repayable within five years.....	1	24
Finance lease interest.....	34	34
Accretion of discount.....	<u>—</u>	<u>71</u>
	<u>35</u>	<u>129</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Current taxation</i>		
Ireland - corporation tax at 12.5% (2008: 12.5%).....	—	—
Deposit interest tax.....	27	—
Withholding tax.....	<u>—</u>	<u>35</u>
Irish taxation.....	27	35
Overseas taxation.....	<u>132</u>	<u>253</u>
Total current taxation charge.....	159	288
<i>Deferred taxation</i>		
Origination and timing differences.....	<u>1,235</u>	<u>(1,491)</u>
Total taxation charge (credit) on loss on ordinary activities.....	<u>1,394</u>	<u>(1,203)</u>
<i>Effective taxation rate</i>		
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Loss on ordinary activities before taxation.....	<u>(3,861)</u>	<u>(4,627)</u>
As a percentage of loss before taxation:		
- current taxation.....	(4%)	(6%)
- total taxation (current and deferred).....	(36%)	26%

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

7. TAX ON LOSS ON ORDINARY ACTIVITIES – (Continued)

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

	<u>2009</u>	<u>2008</u>
	%	%
Irish corporation taxation rate.....	(12.5)	(12.5)
Losses (income) subject to higher rates of taxation.....	23.2	(10.7)
Operating losses (unutilised) utilised.....	(13.2)	12.8
Income not subject to taxation.....	2.5	3.3
Loss from Irish manufacturing operations relieved at lower rates.....	(0.3)	3.6
State and local taxes.....	(3.7)	(2.8)
Other.....	—	0.3
	<u>(4.0)</u>	<u>(6.0)</u>
	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Net deferred tax assets</i>		
Net operating loss carry forwards and timing differences.....	8,854	5,925
Amounts not recognised.....	<u>(8,854)</u>	<u>(4,038)</u>
Net deferred tax assets.....	<u>—</u>	<u>1,887</u>

Net deferred tax assets as of 31 January 2009 consists of US\$622,000 relating to US operating loss carry forwards (“NOLs”) offset by US\$622,000 relating to US deductible timing differences. The deferred tax asset in respect of the NOLs is expected to be recognised over the next three fiscal years based on current financial projections for the group’s US operations.

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Net deferred tax assets</i>		
Opening net deferred tax asset at 1 February.....	1,887	396
(Charge) credit for the year.....	(1,235)	1,491
Acquired from Movaris acquisition (refer note 24).....	<u>(652)</u>	<u>—</u>
Closing net deferred tax asset as at 31 January.....	<u>—</u>	<u>1,887</u>

As at 31 January 2009, the group has net operating tax loss carry forwards (“NOLs”) of approximately US\$43.1 million for tax purposes, which will be available for offset against future taxable income.

Significant judgment is required in determining the group’s worldwide income tax expense provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of income sharing and cost reimbursement arrangements among related entities, the process of identifying items of income and expense that qualify for preferential tax treatment and segregation of foreign and domestic income and expense to avoid double taxation.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

8. LOSS PER ORDINARY SHARE

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

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Numerator</i>		
Numerator for basic and diluted loss per ordinary share—loss for the financial year.....	<u>(5,715)</u>	<u>(3,771)</u>
Numerator for basic and diluted loss per ordinary share—loss for the financial year- continuing operations.....	<u>(6,635)</u>	<u>(3,771)</u>
Numerator for basic and diluted income per ordinary share—income for the financial year- discontinued operations.....	<u>920</u>	<u>—</u>
Denominator for basic and diluted loss per ordinary share—weighted average ordinary shares.....	<u>31,921,345</u>	<u>31,362,813</u>
Denominator for diluted income per ordinary share – discontinued operations.....	<u>33,001,888</u>	<u>31,362,813</u>
Basic and diluted loss per ordinary share – total.....	<u>(0.18)</u>	<u>(0.12)</u>
Basic and diluted loss per ordinary share - continuing operations.....	<u>(0.21)</u>	<u>(0.12)</u>
Basic income per ordinary share - discontinued operations.....	<u>0.03</u>	<u>—</u>
Diluted income per ordinary share - discontinued operations.....	<u>0.03</u>	<u>—</u>

The denominator for basic and diluted loss per ordinary share for fiscal 2009 excludes 1,015,500 ordinary shares which were issued as part of the Movaris acquisition on 14 February 2008. These ordinary shares were subject to a lock-up arrangement that expired on 14 February 2009, and as such were not subject to trading. If these ordinary shares would have been included in the denominator, basic and diluted loss per ordinary share (total and continuing) would have been US\$0.01 lower.

9. INTANGIBLE ASSETS

	<u>Trademarks</u>	<u>Technology</u>	<u>Goodwill</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Cost</i>				
At 1 February 2008.....	357	7,147	85,392	92,896
Additions during year.....	67	743	8,186	8,996
Adjustments to goodwill.....	—	—	(16)	(16)
Reduction in deferred consideration.....	—	—	(153)	(153)
Exchange adjustment.....	<u>(33)</u>	<u>(978)</u>	<u>(11,017)</u>	<u>(12,028)</u>
At 31 January 2009	<u>391</u>	<u>6,912</u>	<u>82,392</u>	<u>89,695</u>
<i>Amortisation</i>				
At 1 February 2008.....	212	5,907	73,768	79,887
Amortised during year.....	100	1,012	4,357	5,469
Exchange adjustment.....	<u>(23)</u>	<u>(907)</u>	<u>(9,883)</u>	<u>(10,813)</u>
At 31 January 2009	<u>289</u>	<u>6,012</u>	<u>68,242</u>	<u>74,543</u>
<i>Net book amounts</i>				
At 31 January 2009	<u>102</u>	<u>900</u>	<u>14,150</u>	<u>15,152</u>
At 31 January 2008.....	<u>145</u>	<u>1,240</u>	<u>11,624</u>	<u>13,009</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

10. TANGIBLE ASSETS

	<u>Motor vehicles</u>	<u>Office, furniture and fittings</u>	<u>Computer and office equipment</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Cost</i>				
At 1 February 2008.....	28	1,425	3,619	5,072
Additions during year.....	—	297	242	539
Acquisition during year.....	—	—	56	56
Disposals during year.....	—	(24)	(37)	(61)
Exchange adjustment.....	—	(26)	(255)	(281)
At 31 January 2009	<u>28</u>	<u>1,672</u>	<u>3,625</u>	<u>5,325</u>
<i>Depreciation</i>				
At 1 February 2008.....	28	678	2,769	3,475
Charged during year.....	—	159	583	742
Disposals during year.....	—	(24)	(36)	(60)
Exchange adjustment.....	—	(17)	(245)	(262)
At 31 January 2009	<u>28</u>	<u>796</u>	<u>3,071</u>	<u>3,895</u>
<i>Net book amounts</i>				
At 31 January 2009	<u>—</u>	<u>876</u>	<u>554</u>	<u>1,430</u>
At 31 January 2008.....	<u>—</u>	<u>747</u>	<u>850</u>	<u>1,597</u>

Included in the cost of tangible assets above is an amount for financed leased assets of US\$443,000 (2008: US\$413,000) for computer and office equipment. The depreciation charge for the year in respect of these assets was US\$158,000 (2008: US\$93,000).

Refer to note 24 for further details on the Movaris acquisition.

<u>Future tangible asset purchase commitments</u>	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Authorised by the Directors but not contracted for.....	<u>262</u>	<u>495</u>

11. FINANCIAL ASSETS

	<u>2009</u>	<u>2008</u>
COMPANY	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.....	12,372	12,048
Trintech Limited.....	2	2
Trintech Technologies Limited.....	—	—
Slan Limited.....	12,100	12,100
Trintech UK Limited.....	—	—
	<u>162,744</u>	<u>162,420</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

11. FINANCIAL ASSETS – (Continued)

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Balance at 1 February.....	162,420	161,731
Additions.....	729	1,248
Impairments.....	<u>(405)</u>	<u>(559)</u>
Balance at 31 January.....	<u>162,744</u>	<u>162,420</u>

Capital contributions to subsidiary companies were made during the year of US\$729,000 (2008: US\$1.2 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\$154 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.

At 31 January 2009, 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 to commercial, financial and healthcare markets in North America.
Trintech Limited	Block C, Central Park, Leopardstown, Dublin 18, Ireland.	100%	Licensing of patented technology.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

11. FINANCIAL ASSETS – (Continued)

Trintech Technologies Limited	Block C, Central Park, Leopardstown, Dublin 18, Ireland.	100%	Sale of financial governance, transaction risk management and compliance to commercial and financial markets in Europe and Australia and the licensing of its 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 software solutions to commercial and financial markets in the United Kingdom.
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.
Movaris Inc.	15851 Dallas Parkway, Suite 855, Addison, Texas 75001, United States of America.	100%	Sale of financial governance, transaction risk management and compliance solutions to commercial, financial and healthcare markets in North America.

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

12. DEBTORS

	<u>2009</u>	<u>2008</u>
GROUP	US\$'000	US\$'000
<i>Amounts falling due within one year</i>		
Trade debtors.....	5,827	5,872
Prepayments and accrued income.....	1,861	1,907
Other financial assets (note 28).....	—	40
Value added tax.....	<u>37</u>	<u>63</u>
	<u>7,725</u>	<u>7,882</u>

At 31 January 2009, trade debtors with a nominal value of US\$267,000 (2008: US\$24,000) were impaired and fully provided for. Movements in the provision for impairment of trade debtors were as follows:

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

12. DEBTORS – (Continued)

<u>Provision for impairment for trade debtors</u>	Total
	US\$'000
At 1 February 2007.....	252
Credit for the year.....	(62)
Utilised during the year.....	<u>(166)</u>
At 31 January 2008.....	24
Charge for the year.....	296
Utilised during the year.....	<u>(53)</u>
At 31 January 2009.....	<u>267</u>

The group had bad debt write-offs amounting to US\$53,000 in fiscal 2009, which were fully covered by the bad debt provision.

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		
			0 - 30 days	30-60 days	> 60 days
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2009	5,827	2,134	2,379	665	649
2008	5,872	2,548	2,710	359	255

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
COMPANY		
<i>Amounts falling due within one year</i>		
Prepayments.....	<u>3</u>	<u>—</u>

<i>Amounts falling due after more than one year</i>		
Due from subsidiary undertakings, net of provision of US\$209.1 million (2008: US\$207.0 million) for uncollectible amounts.....	<u>—</u>	<u>—</u>

13. DEFERRED TAX ASSET

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
GROUP		
Amounts expected to be utilised within one year.....	252	1,118
Amounts expected to be utilised after more than one year.....	<u>—</u>	<u>1,000</u>
	<u>252</u>	<u>2,118</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

13. DEFERRED TAX ASSET – (Continued)

Deferred tax assets as of 31 January 2009 consists of US\$622,000 relating to US net operating loss carry forwards (“NOLs”) offset by US deductible timing differences of US\$370,000. The deferred tax asset in respect of the NOLs is expected to be recognised over the next three 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 2009, the group had US\$1.3 million in restricted cash. The group held US\$970,000 in restricted funds in escrow with The F&M Bank & Trust Company. These funds were held on deposit as at 31 January 2009 and were paid to the ex-owners of Assurity Technologies Inc. in February 2009 as the final acquisition performance related payment in respect of the purchase of certain assets from Assurity Technologies Inc. The Company also had US\$338,000 in restricted cash deposits with Silicon Valley Bank against an annual renewable letter of credit facility for a capital lease. The capital lease expires on 22 May 2010. The deposit and the letter of credit expired on 20 May 2009 and the Company has renewed the letter of credit for the amount outstanding on the capital lease. Should the Company default on its lease obligations, the amount due under the capital lease will be payable to the lessor.

15. TRADE AND OTHER CREDITORS

	<u>2009</u>	<u>2008</u>
GROUP	US\$’000	US\$’000
<i>Amounts falling due within one year</i>		
Trade creditors.....	703	514
PAYE and PRSI.....	84	67
Value added tax.....	25	25
Accruals	3,345	5,771
Finance lease obligations (note 25).....	162	130
Deferred income.....	<u>10,122</u>	<u>8,318</u>
	<u>14,441</u>	<u>14,825</u>

Revolving credit facility: Bank overdraft facility and overdrafts

The group has an unsecured overdraft facility of €2.4 million (approximately US\$3.1 million) from Bank of Ireland. Advances under this facility bear interest at the Bank’s prime overdraft rate, 2.5% as at 31 January 2009. The group had no bank overdraft at 31 January 2009. The facility does not have a stated expiration date, but all amounts drawn there under are repayable on demand.

	<u>2009</u>	<u>2008</u>
COMPANY	US\$’000	US\$’000
<i>Amounts falling due within one year</i>		
Amounts due to subsidiary undertakings.....	<u>146,070</u>	<u>144,301</u>

Amounts due to subsidiary undertakings have been reclassified to amounts due within one year as these loans are interest free and repayable on demand.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

16. PROVISIONS FOR LIABILITIES

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
GROUP		
Warranty reserve.....	—	24
Deferred tax liability.....	<u>252</u>	<u>231</u>
	<u>252</u>	<u>255</u>
 <i>Warranty reserve</i>	 <u>2009</u>	 <u>2008</u>
	US\$'000	US\$'000
Balance at beginning of year.....	24	106
Movement in provision.....	(24)	(76)
Amount used to cover expenses.....	<u>—</u>	<u>(6)</u>
Balance at end of year.....	<u>—</u>	<u>24</u>

The group had an undiscounted warranty reserve of US\$nil at 31 January 2009 and 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.

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Deferred tax liability</i>		
Balance at beginning of year.....	231	254
Movement in provision.....	<u>21</u>	<u>(23)</u>
Balance at end of year.....	<u>252</u>	<u>231</u>

The group has an undiscounted deferred tax liability of US\$252,000 at 31 January 2009 to cover future reversal of deductible timing differences in the US.

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>2009</u>	<u>2008</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>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

17. SHARE CAPITAL – (Continued)

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of US\$0.0027 each		
At beginning of year		
32,413,719 (2008: 31,875,219) shares.....	87	86
Issued during the year		
1,040,666 (2008: 538,500) shares.....	<u>3</u>	<u>1</u>
At end of year 33,454,385 (2008: 32,413,719) shares.....	<u>90</u>	<u>87</u>

In fiscal 2009, the Company issued 1,040,666 ordinary shares with a nominal value of US\$2,891. Included in this amount were 1,015,500 ordinary shares issued to fund the purchase of Movaris on 14 February 2008. The Company received cash of US\$124,000 for 137,440 ordinary shares (gross of shares repurchased, refer note 19) that were issued. The proceeds were used for general working capital purposes.

In fiscal 2008, the Company issued 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.

The company also re-issued treasury shares as described in Note 19.

18. SHARE-BASED PAYMENT

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 Company and for the purpose of attracting and retaining the best available personnel to promote the success of the Company's business. The aggregate number of shares which may be issued pursuant to the Company's share-based compensation plans is 5,000,000 ordinary shares (2,500,000 equivalent ADSs) to be allocated among the plans by the Board of Directors. The 5,000,000 ordinary share limit will be reduced by the number of shares authorized for issuance in accordance with the options granted or rights acquired under the other plans. The aggregate share limit of 5,000,000 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 2009, there were outstanding options to purchase an aggregate of 6,232,014 ordinary shares (3,116,007 equivalent ADSs) at exercise prices ranging from US\$0.50 to US\$2.96 per ordinary share and expiration dates ranging from April 2009 to January 2016 under the Company's share-based compensation plans. As of 31 January 2009, the Company's directors and executive officers held net options to purchase an aggregate of 3,965,992 ordinary shares (1,982,996 equivalent ADSs) at exercise prices ranging from US\$0.54 to US\$2.91 per ordinary share and expiration dates ranging from June 2009 to November 2015.

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 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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

18. SHARE-BASED PAYMENT – (Continued)

The purpose of the 2007 Plan is to establish an employees' share option scheme within the meaning of Section 2 of the Companies (Amendment) Act 1983 as a long term incentive plan to promote the long-term success of the Company and the creation of shareholder value by (a) encouraging key employees to focus on critical long-range objectives; (b) encouraging the attraction and retention of key employees with exceptional qualifications and (c) linking key employees directly to shareholder interests through increased share ownership. The 2007 Plan seeks to achieve this purpose by providing for awards in the form of options.

The 2007 Plan is administered by the Company'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 2007 Plan at any time.

In fiscal 2009, the Company granted 2,281,600 ordinary shares (1,140,800 equivalent ADSs) under the 2007 Plan at exercise prices ranging from US\$0.57 to US\$1.32 per ordinary share (US\$1.13 to US\$2.61 per ADS). Of the 2,281,600 ordinary shares referenced above, 1,418,000 ordinary shares (709,000 equivalent ADSs) were granted to the directors and key member of management at an exercise price of US\$1.22 per ordinary share (US\$2.44 per ADS). These options can only vest in the event of a change in control of the Company and include 1,064,000 ordinary shares (532,000 equivalent ADSs) relating to the directors and senior management.

As of 31 January 2009, no ordinary shares (no equivalent ADSs) have been issued upon the exercise of share options granted under the 2007 Plan and 2,098,542 ordinary shares (1,049,271 equivalent ADSs) are subject to outstanding options. The weighted exercise price for all outstanding options to purchase equivalent ADSs under the 2007 Plan is US\$2.56.

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 (the "Directors and Consultants 2007 Plan") and our shareholders approved the same on 25 July 2007. The Directors and Consultants Share 2007 Plan 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.

The purpose of the Directors and Consultants 2007 Plan is to establish a share option plan as a long term incentive plan to promote the long-term success of the Company and the creation of shareholder value by (a) encouraging directors and consultants to focus on critical long-range objectives; (b) encouraging the attraction and retention of directors and consultants with exceptional qualifications and (c) linking directors and consultants directly to shareholder interests through increased share ownership. The Directors and Consultants 2007 Plan seeks to achieve this purpose by providing for awards in the form of options.

The Directors and Consultants 2007 Plan is administered by the Company'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 2007 Plan at any time.

In fiscal 2009, the Company granted 360,000 ordinary shares (180,000 equivalent ADSs) under the Directors and Consultants 2007 Plan at exercise prices ranging from US\$0.58 to US\$1.23 per ordinary share (US\$1.16 to US\$2.45 per ADS). Of the 360,000 ordinary shares referenced above, 200,000 ordinary shares (100,000 equivalent ADSs) were granted to directors at an exercise price of US\$1.22 per ordinary share (US\$2.44 per ADS) and can only vest in the event of a change in control of the Company.

As of 31 January 2009, no ordinary shares (no equivalent ADSs) have been issued upon the exercise of share options granted under this scheme and 510,000 ordinary shares (255,000 equivalent ADSs) are subject to outstanding options. The weighted exercise price for all outstanding options to purchase equivalent ADSs under this scheme is US\$2.63.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

18. SHARE-BASED PAYMENT – (Continued)

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 Trintech'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 ending 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 2009, 759,636 Ordinary Shares (379,818 equivalent ADSs) had been issued under this plan. The weighted exercise price for all outstanding options to purchase equivalent ADSs under the 1999 employee purchase plan is US\$3.03.

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 was to attract and retain the best available personnel to promote the success of the Company's business. We were 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 Company's key employees and executive directors as well as those of the Company's subsidiaries were eligible to receive grants of non-statutory options. In addition, US resident employees and executive directors were 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 was administered by the Company's Compensation Committee, which selected the persons to whom options would 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 made all other decisions relating to the operation of the scheme. The board of directors could amend or modify the 1997 scheme at any time.

As of 31 January 2009, 2,468,906 ordinary shares (1,234,453 equivalent ADSs) have been issued upon the exercise of share options granted under the 1997 scheme and 3,158,472 ordinary shares (1,579,236 equivalent ADSs) are subject to outstanding options. The weighted exercise price for all outstanding options to purchase equivalent ADSs under the 1997 scheme is US\$3.75.

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 was to attract and retain the best available directors and consultants and to promote the success of the Company's business.

Under the directors and consultants scheme, all of the Company's directors and consultants as well as those of the Company's subsidiaries were eligible to receive grants of non-statutory options. In addition, US resident directors and consultants were 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 was administered by the Company's Compensation Committee, which selected the persons to whom options would be granted, determined the number of shares to be made subject to each grant and prescribed other terms and conditions, including the type and amount of consideration to be paid upon exercise and the vesting schedules in

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

18. SHARE-BASED PAYMENT – (Continued)

connection with each grant and made all other decisions relating to the operation of the scheme. The Board of Directors could amend or modify the directors and consultants scheme at any time.

As of 31 January 2009, 160,710 ordinary shares (80,355 equivalent ADSs) have been issued upon the exercise of share options granted under the 1998 scheme and 465,000 ordinary shares (232,500 equivalent ADSs) are subject to outstanding options. The weighted exercise price for all outstanding options to purchase equivalent ADSs under the 1998 scheme is US\$3.67.

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, 2009, 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 2009 is US\$729,000 (2008: US\$1.2 million).

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

	<u>31 January 2009</u>		<u>31 January 2008</u>	
	<u>Options</u>	<u>WAEP</u>	<u>Options</u>	<u>WAEP</u>
Outstanding at beginning of year	4,509,214	\$1.91	5,407,312	\$1.98
Granted.....	2,641,600	1.16	1,019,500	1.98
Cancelled.....	(640,050)	1.40	(908,486)	2.96
Forfeited.....	(277,500)	2.31	(446,696)	1.80
Exercised (1).....	<u>(1,250)</u>	<u>0.60</u>	<u>(562,416)</u>	<u>1.12</u>
Outstanding at end of year (2).....	<u>6,232,014</u>	<u>\$1.63</u>	<u>4,509,214</u>	<u>\$1.91</u>
Exercisable at end of year.....	<u>3,451,726</u>	<u>\$1.90</u>	<u>2,801,652</u>	<u>\$1.86</u>

(1) The weighted average share price at the date of exercise for the options exercised is US\$1.16 for the current year (2008: US\$1.98).

(2) For the share options outstanding as at 31 January 2009, the weighted average remaining contractual life is 4.29 years (2008: 4.30 years).

The weighted average fair value of options granted during the year was US\$0.55 (2008: US\$0.91). The range of exercise prices for options outstanding at the end of the year was US\$0.50 -US\$2.96 (2008: US\$0.50 - US\$7.38).

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 2009 and 31 January 2008.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

18. SHARE-BASED PAYMENT – (Continued)

	<u>2009</u>	<u>2008</u>
Expected dividend yield (%).....	0.00	0.00
Expected share price volatility (%).....	0.58	0.49
Historical share price volatility (%).....	0.58	0.49
Risk-free interest rate (%).....	2.68	4.25
Expected life of option (years).....	4.60	4.60
Weighted average exercise price of options granted (US\$).....	1.16	1.98
Weighted average exercise price (US\$).....	0.60	1.12

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 2009</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	(1,011)	6,159	(7,239)	(2,091)
Purchase of ordinary share capital	(100)	—	—	(100)
Reissue of ordinary share capital	232	—	—	232
Share-based payment.....	—	729	—	729
Exchange differences on retranslation of net assets of subsidiary undertakings.....	—	—	240	240
At end of year.....	<u>(879)</u>	<u>6,888</u>	<u>(6,999)</u>	<u>(990)</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.....	—	6,159	—	6,159
Share-based payment.....	—	729	—	729
At end of year.....	<u>—</u>	<u>6,888</u>	<u>—</u>	<u>6,888</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

19. OTHER RESERVES – (Continued)

<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>
	US\$'000	US\$'000	US\$'000	US\$'000
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>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
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>

Treasury shares

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. 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.

During the year ended 31 January 2009, Trintech Limited, a subsidiary company, purchased in the market 139,224 of Trintech Group PLC's ordinary shares of US\$0.0027 each, at a total cost of US\$100,000, as part of its share buy-back programme. Purchased ordinary shares net of reissued ordinary shares, represent some 1.78% of the issued ordinary share capital at 31 January 2009. In fiscal 2009 the Company reissued 136,190 ordinary shares for cash and received total proceeds of US\$232,000. The discount of US\$108,000 on the reissue of treasury shares has been recorded through the profit and loss in reserves.

At 31 January 2009, Trintech Limited held 595,552 treasury shares with a nominal value of US\$0.0027 each at an average price of US\$1.48. The total amount of ordinary shares repurchased through 31 January 2009 under the share buy-back programme is 1,506,940 at a total cost of US\$2.2 million and an average price of US\$1.43. The amount of ordinary shares reissued through 31 January 2009 is 898,806 with total proceeds arising of US\$1.25 million and an average price of US\$1.39.

At 31 January 2009, the subsidiary has an unexpired authority to repurchase further shares up to a maximum value of US\$2.8 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 2009 is US\$729,000 (2008: US\$1.2 million). Refer to Note 18 for further details.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

19. OTHER RESERVES – (Continued)

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 2009</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	87	247,573	(217,365)
Retained loss for the financial year.....	—	—	(5,715)
Premium on shares issued, net of expenses.....	3	1,237	—
Discount on treasury shares reissued.....	—	—	(108)
At end of year.....	<u>90</u>	<u>248,810</u>	<u>(223,188)</u>
COMPANY			
At beginning of year	87	247,573	(235,568)
Retained loss for the financial year.....	—	—	(2,889)
Premium on shares issued, net of expenses.....	3	1,237	—
Discount on treasury shares reissued.....	—	—	(108)
At end of year.....	<u>90</u>	<u>248,810</u>	<u>(238,565)</u>
<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>

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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

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

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Operating loss.....	(4,849)	(5,665)
Depreciation.....	742	699
Amortisation of intangible assets.....	5,469	3,738
Share-based payment.....	729	1,248
Decrease in debtors.....	62	166
Increase (decrease) in creditors.....	1,288	(1,210)
Effects of changes in foreign currency exchange rates.....	<u>(83)</u>	<u>(511)</u>
Net cash inflow (outflow) from operating activities.....	<u>3,358</u>	<u>(1,535)</u>

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

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Decrease in cash.....	(6,206)	(2,097)
Capital element of finance leases repaid.....	<u>146</u>	<u>93</u>
Change in net funds resulting from cash flow.....	(6,060)	(2,004)
New finance leases.....	(30)	(413)
Exchange movement.....	<u>(197)</u>	<u>97</u>
Movement in net funds in the year.....	(6,287)	(2,320)
Net funds at beginning of year.....	<u>23,446</u>	<u>25,766</u>
Net funds at end of year.....	<u>17,159</u>	<u>23,446</u>

23. ANALYSIS OF NET FUNDS

	At 1 February <u>2008</u>	Cash flow <u>US\$'000</u>	Exchange movements <u>US\$'000</u>	Non-cash movements <u>US\$'000</u>	At 31 January <u>2009</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents.....	23,766	(6,206)	(197)	—	17,363
Finance lease obligations.....	<u>(320)</u>	<u>146</u>	<u>—</u>	<u>(30)</u>	<u>(204)</u>
Net funds.....	<u>23,446</u>	<u>(6,060)</u>	<u>(197)</u>	<u>(30)</u>	<u>17,159</u>

24. ACQUISITIONS AND DIVESTURES

On 14 February 2008, the Company acquired the outstanding shares of Movaris, Inc., a privately held company in the U.S. for an initial consideration of US\$8.8 million subject to final adjustment related to performance related contingent consideration. The Company does not expect to pay any performance related contingent consideration to the former shareholders of Movaris. The total purchase costs comprise US\$7.1 million in cash, 1,015,500 ordinary shares amounting to US\$1.2 million valued at the time of the closing of the acquisition and transaction costs of US\$372,000. The ordinary shares were subject to a lock-up arrangement that expired on 14 February 2009. The initial total purchase costs of US\$8.8 million has been allocated, based on their respective fair values, to non-current assets (purchased technology and acquired customer base) of US\$810,000, goodwill of US\$8.2 million and net liabilities assumed of US\$240,000.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

24. ACQUISITIONS AND DIVESTURES – (Continued)

In connection with the acquisition of Movaris, we assumed Movaris's contractual obligations related to its deferred revenue. Movaris's deferred revenue was derived primarily from maintenance services. We estimated our obligation related to the Movaris deferred revenue using the cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the obligation plus a normal profit margin. The sum of the costs and operating profit approximates, in theory, the amount that we would be required to pay a third party to assume the support obligation. The estimated costs to fulfill the support obligation were based on the historical direct costs related to providing the support. As a result, we recorded an adjustment to reduce the carrying value of deferred revenue from US\$1.2 million to US\$612,000, which represents our estimate of the fair value of the contractual obligations assumed.

The Company determined the purchase price allocation based on estimates of the fair values of the tangible and intangible assets acquired and liabilities assumed. These estimates were arrived at after utilising recognised valuation techniques and the assistance of valuation consultants.

An analysis of the net liabilities of the Movaris business acquired during the year is shown below:

	Book Value acquired US\$'000	Fair value adjustments US\$'000	Fair value acquired US\$'000
Tangible assets.....	56	—	56
Current assets.....	2,523	—	2,523
Trade and other creditors.....	(1,173)	(382)	(1,555)
Deferred tax liability.....	—	(652)	(652)
Deferred income.....	<u>(1,216)</u>	<u>604</u>	<u>(612)</u>
Net liabilities acquired at fair value.....	190	(430)	(240)
Goodwill at acquisition.....			8,186
Purchased technology.....			743
Trademarks.....			<u>67</u>
			<u>8,756</u>
<i>Satisfied by:</i>			
Cash payments.....			7,145
Ordinary shares issued.....			1,239
Transaction costs.....			<u>372</u>
			<u>8,756</u>

The acquisition of the Movaris business has been deemed to be a material transaction and separate disclosure of the profit and loss and statement of gains and losses of the acquired business has therefore been made below.

	12 months ended 31 December 2007 (unaudited)	1 month ended 31 January 2008 (unaudited)
	US\$'000	US\$'000
Turnover	6,478	430
Operating loss.....	(5,652)	(283)
Loss before tax.....	(5,652)	(283)
Total recognised losses.....	(5,652)	(283)

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

24. ACQUISITIONS AND DIVESTURES – (Continued)

The above unaudited pro forma financial information has been prepared using United States generally accepted accounting principles.

On 1 February 2006, the group acquired substantially all the assets of Assurity Technologies, Inc., a privately held group in the U.S., for a total initial consideration of US\$2.1 million and performance related cash consideration of US\$3.1 million. The total purchase costs comprised US\$2.0 million in cash, assumed liabilities of US\$89,000, additional performance related payments of US\$705,000 earned by the acquired business for fiscal 2007, US\$1 million earned by the acquired business for fiscal 2008, US\$1.3 million earned by the acquired business for fiscal 2009 and transaction costs of US\$58,000. 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 million was paid in the quarter ended 30 April 2008. The fiscal 2009 performance related consideration of US\$1.3 million was partially paid in the quarter ended 31 July 2008 (US\$352,000). The balance of the consideration was paid in the quarter ended 30 April 2009. The total purchase costs of US\$5.2 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\$4.4 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 was subject to the following adjustments:

- an escrow amount of US\$2.0 million which was 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. In the quarter ended 31 October 2008, the group reached agreement with VeriFone Holdings Inc. on indemnification claims by VeriFone that were part of the escrow amount and received a final settlement of US\$920,000, net of legal charges and therefore nothing further is held in escrow.
- the cash payment to VeriFone made on the date of sale by the Group 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 negative working capital adjustment of US\$315,000, which was paid in the quarter ended 31 July 2007.

On 5 December 2006, the Company 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. The consideration comprised initial consideration of US\$6.5 million and a performance based earn-out payable over two years, which will comprise a guaranteed amount of US\$2 million less offset for any claims against the seller. The company paid the performance based earn-out of US\$1.9 million, net of claims against the seller in the quarter ended 30 April 2009. The total purchase costs comprised US\$5.5 million in cash, guaranteed performance related payment net of claims against seller of US\$1.9 million, assumed liabilities of US\$658,000 (relating to deferred revenue balance only) and transaction costs of US\$336,000. The 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, acquired customer base and trademarks and trade names) of US\$4.9 million, goodwill of US\$3.8 million and net liabilities assumed of US\$331,000.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

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.....	5,196	1,123	1,968	2,083	22
Acquisition deferred consideration.....	2,970	2,970	—	—	—
Finance lease obligations (refer below).....	204	162	42	—	—
Total	8,370	4,255	2,010	2,083	22

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) 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>2009</u>	<u>2008</u>
	US\$'000	US\$'000
<i>Within one year:</i>		
Buildings.....	191	38
<i>Between two and five years:</i>		
Buildings.....	38	468
<i>After more than five years:</i>		
Buildings.....	<u>894</u>	<u>680</u>
	<u>1,123</u>	<u>1,186</u>

Finance lease obligations

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

	<u>2009</u>	<u>2008</u>
	US\$'000	US\$'000
Within one year	162	130
Between two and five years.....	<u>42</u>	<u>190</u>
	<u>204</u>	<u>320</u>

26. CONTINGENCIES

There are no contingencies outstanding as of 31 January 2009.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

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 2009, 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 2009.

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 2009, 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 2009 and 2008 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\$267,000 and US\$24,000 at 31 January 2009 and 2008 respectively. The group generally requires no collateral from its customers. The group had bad debt write-offs amounting to US\$53,000 in fiscal 2009, which were fully covered by the bad debt provision. 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, Luxemburg and Ireland. At 31 January 2009, US\$17.4 million was invested in cash and cash 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 2009, the group had three forward exchange contracts maturing in fiscal 2010 to sell US\$729,000 and receive euro in return. These derivative instruments are recorded at fair

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

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 2009 was negative US\$51,000.

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 2009, 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>2009</u>	<u>Fair Value as of</u> <u>31 January</u> <u>2009</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).....	729	(51)	1.3762

At 31 January 2009, the group has hedged 100% of its forecasted foreign currency exposure, extending to 31 July 2009.

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 and the pound is used as the majority of the group's foreign current transactions and net assets are in euro and in pounds.

	<u>Increase / (decrease)</u> <u>in US dollar rate versus</u> <u>euro and pound rate</u>	<u>Effect on loss</u> <u>before taxation</u> <u>(US\$'000)</u>	<u>Effect on equity</u> <u>(US\$'000)</u>
2009	+10%	251	(487)
	-10%	(251)	487
2008	+10%	284	(151)
	-10%	(284)	151

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 2009, 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.

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

	Increase (decrease) in basis points	Effect on loss before taxation (US'000)
2009	100 (100)	166 (166)
2008	100 (100)	106 (318)

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 cash flows 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 2009 based on contractual undiscounted payments.

<u>Year ended 31 January 2009</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.....	703	—	—	703
Finance lease obligations.....	162	42	—	204
Deferred consideration.....	<u>2,970</u>	<u>—</u>	<u>—</u>	<u>2,970</u>
	<u>3,835</u>	<u>42</u>	<u>—</u>	<u>3,877</u>

<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>—</u>	<u>4,506</u>
	<u>2,781</u>	<u>2,559</u>	<u>—</u>	<u>5,340</u>

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued)
For the year ended 31 January 2009

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

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>2009</u>			<u>2008</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.....	17,363	17,363	23,766	23,766
Restricted cash.....	1,313	1,313	338	338
Trade debtors, net.....	5,827	5,827	5,781	5,781
Forward currency contracts.....	(51)	(51)	40	40
<i>Financial liabilities</i>				
Trade creditors.....	703	703	514	514
Deferred consideration.....	2,970	2,970	4,506	4,506
Finance leases.....	204	204	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 2009 and 31 January 2008 did not qualify as accounting hedges as of those dates. The fair value losses and gains on derivatives held as of 31 January 2009 and 31 January 2008 were recognised in the group profit and loss account.

As of 31 January 2009, the group had three forward exchange contracts maturing in fiscal 2010 to sell US\$729,000 and receive euro in return. The fair value of the contracts as of 31 January 2009 was negative US\$51,000. The group does not expect this fair value to reduce prior to the maturity of the contracts.

General and administrative expenses includes an exchange loss of US\$30,000 relating to foreign currency exchange contracts in fiscal 2009 and an exchange gain of US\$134,000 in fiscal 2008.

	<u>2009</u>		<u>2008</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	(U.S. dollars in thousands)			
Forward exchange contracts				
Fair value.....	=	<u>51</u>	<u>40</u>	=

TRINTECH GROUP PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS - (Continued) For the year ended 31 January 2009

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (Continued)

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 2009 and 31 January 2008. The group is not subject to externally imposed capital requirements.

29. RELATED PARTY TRANSACTIONS

Huttoft Group, an unlimited group which is wholly-owned by certain directors of the Group, owns a special non-voting class of shares in Trintech Limited (Ireland), one of the Group's Irish subsidiaries. All of the voting shares in the subsidiary are owned by the Group. The shares do not entitle the holders thereof to receive any share of the assets of the Group on a winding up. Trintech Limited (Ireland) may, from time to time, declare dividends to Huttoft Group and Huttoft Group 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 Group in these financial statements. There were no dividend payments due to Huttoft Group as of 31 January 2008 or 2009. The amount of dividends included as minority interest was US\$347,000 for fiscal 2008, and US\$460,000 for fiscal 2009.

In July 2008, the Group's shareholders approved an agreement between First Analysis Securities Corporation and the Group, which gives the board the authority to engage in the repurchase of the Group's outstanding ordinary shares. Under the program, up to US\$5.0 million of the Group's ordinary shares could be acquired by purchasing American Depositary Shares on the open market, or in negotiated or block trades. The Group repurchased 69,612 ADSs (equivalent to 139,224 ordinary shares) under this program at a cost of approximately US\$100,000 in fiscal 2009. As of 31 January 2009, approximately US\$2.8 million remained available for future repurchases under this program.

The Group 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.

30. COMPARATIVE FIGURES

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

31. APPROVAL OF SHAREHOLDERS' FINANCIAL STATEMENTS

The shareholders' financial statements were approved and authorised for issue by the directors on 29 June 2009.