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## **Trintech Reports First Quarter Fiscal Year 2011 Financial Results**

**Revenues of \$8.5 million, Adjusted  
EBITDA Net Income from continuing operations of \$1 million  
and Net Income of \$22.4 million**

Dublin, Ireland/Dallas, US – May 26, 2010 – Trintech Group Plc (NASDAQ: TTPA), a leading provider of integrated financial governance, risk management and compliance (GRC) solutions for commercial, financial and healthcare markets, today announced its first quarter 2011 financial results. Following the sale of its healthcare business to The Advisory Board Company on April 1, 2010, Trintech is required to present its financial results on a continuing and discontinued basis. This requirement has resulted in the presentation of financial results showing first quarter revenues for the continuing business (the Financial Governance, Risk and Compliance or Financial GRC business) of \$8.5 million and adjusted EBITDA net income for the continuing business of \$1 million. The net income in the quarter for the continuing business amounted to \$482,000 and the net income for the continuing and discontinued businesses amounted to \$22.4 million, which included a gain on sale of the healthcare business of \$21.8 million.

### **Highlights:**

- Revenues from continuing operations amounted to \$8.5 million for Q1 of the 2011 fiscal year which was 9% higher compared to Q1 of the prior year.
- Trintech generated an adjusted EBITDA net income from continuing operations of \$1.0 million for Q1 of the 2011 fiscal year which represented 30% growth compared to \$770,000 in the corresponding period in the prior year. Adjusted EBITDA basic and diluted net income from continuing operations per equivalent ADS was \$0.06 for Q1 of the 2011 fiscal year compared to \$0.05 for the same period in the prior year.
- Trintech generated \$27.7 million cash for Q1 of the 2011 fiscal year and increased its cash balances to \$47.6 million at the end of the quarter. This included net proceeds from the sale of the healthcare business of \$26.7 million and compared to overall cash utilized of \$450,000 for Q1 of the prior year.
- Gross margin from continuing operations amounted to \$6.2 million in Q1 of the 2011 fiscal year, representing 74% of revenues, compared to \$5.6 million and 72% in Q1 of the prior year.
- Trintech increased expenditure in research and development from continuing operations by 11% from \$1.2 million in Q1 of the 2010 fiscal year to \$1.3 million in the same quarter of the 2011 fiscal year.
- Trintech increased expenditure in sales and marketing from continuing operations by 15% from \$2.0 million in Q1 of the 2010 fiscal year to \$2.3 million in the same quarter of the 2011 fiscal year.

- General and administrative expenses from continuing operations remained flat for the quarter at \$1.9 million compared to Q1 of the 2010 fiscal year.
- Net income from continuing operations increased to \$482,000 in Q1 of the 2011 fiscal year from \$33,000 in Q1 of the 2010 fiscal year. After incorporating net income from discontinued operations of \$21.9 million, the total net income for the quarter ended April 30, 2010 was \$22.4 million compared with a net loss of \$411,000 for the same period of the prior year.
- Basic and diluted net income per equivalent ADS from continuing operations for the quarter ended April 30, 2010 was \$0.03, compared with a basic and diluted net income per equivalent ADS of \$0.00 for the quarter ended April 30, 2009. Basic and diluted net income per equivalent ADS from continuing and discontinued operations for the quarter ended April 30, 2010 was \$1.35 and \$1.30 respectively, compared with a basic and diluted net loss per equivalent ADS of \$0.03 for the quarter ended April 30, 2009.

Cyril McGuire, Chairman and Chief Executive Officer said, "Our performance in Q1 of the 2011 fiscal year was strong with impressive business momentum building in our continuing operations in the Financial GRC market. Revenue grew robustly by over 9% in the first quarter due to new client wins and greater customer confidence in technology spending, with impressive growth in adjusted EBITDA net income of over \$1.0 million representing 30% growth over the prior year. Net income of \$22.4 million was achieved in the quarter following the successful sale of our healthcare business which was completed on April 1, 2010. Operating performance metrics continued to improve with margin expansion and cash generation exceeding our internal targets. We also boosted our investments in product development by 11% and sales and marketing activities by 15% in the quarter to deliver new innovative products and services to our growing client base in the Financial GRC market. Our outlook is positive as we create a more strategically focused Trintech in the expanding Financial GRC market which is well positioned for revenue and earnings growth as the broader global economy continues its recovery."

Paul Byrne, President, added, "Trintech continues to deliver robust revenue and profit growth through an extremely productive and highly skilled organization. This success will continue to be underpinned by the on-going need for corporate organizations to improve financial transparency and efficiency as they rebuild after the economic downturn. In addition, the evolution of and growth in corporate and financial regulation and demand for greater visibility of risk and compliance by company boards has, we believe, the potential to further accelerate demand for Trintech's financial GRC platform."

## **Recent Highlights include:**

Trintech announced an ongoing relationship with Rackspace<sup>®</sup> Hosting ( NYSE:RAX) to provide customers with Trintech's next-generation Unity Financial GRC Software Suite in a hosted environment via Rackspace servers.

Trintech announced that Calpine Corporation – a major U.S. power company delivering clean electricity to customers in 16 states across the United States and Canada – selected its Unity Xtensible Financial

Reporting (XFR) software with embedded support for report tagging and generation of XBRL-compliant financial statements.

Trintech announced that National Vision, Inc. selected its ReconNET software for financial process compliance. ReconNET is a component of Trintech's Unity platform, a suite of modular software that enables companies to meet their financial governance, risk management and compliance goals. National Vision, Inc. (NVI) is the fourth largest optical retailer in the United States.

Trintech announced that Zebra Technologies selected its Unity Financial Close software for financial process compliance. Unity Financial Close is a component of Trintech's Unity platform, a suite of modular software that enables companies to meet their financial governance, risk management and compliance goals.

Trintech announced that Toyota Financial Services selected its ReconNET and AssureNET GL software for financial process compliance. Both solutions are part of Trintech's Unity platform, a suite of modular software that enables companies to meet their financial governance, risk management and compliance goals.

Trintech announced the successful conclusion of its fourteenth annual US-based Customer Conference held May 12-14 at the Sandestin Golf & Beach Resort in Destin, Florida. The Conference attracted more than 230 attendees, including finance, accounting and treasury professionals from leading organizations, such as, Intel, Target, Hewlett Packard, FedEx Office, Sony Pictures Entertainment, Sprint, Yahoo!, Wal-Mart Stores, KPMG, HSBC and more.

## **Results Overview:**

Revenues from continuing operations for the first quarter ended April 30, 2010 increased by 9% to \$8.5 million compared to \$7.7 million for the corresponding quarter in the prior year.

Software license revenues from continuing operations for the first quarter ended April 30, 2010 were \$5.4 million compared to \$4.8 million for the quarter ended April 30, 2009, representing growth of 12%. The growth was primarily due to increased new license business which grew by almost 30% compared to Q1 of the prior year.

Service revenues from continuing operations for the quarter ended April 30, 2010 were \$3.1 million compared to \$2.9 million for the quarter ended April 30, 2009, representing growth of 6%. The growth was primarily due to an increase in professional service revenues from our GRC business from our ReconNET and Unity products.

Total gross margin from continuing operations for the quarter ended April 30, 2010 was \$6.2 million, an increase of 12% from \$5.6 million for the quarter ended April 30, 2009. The overall gross margin percentage from continuing operations increased by 2% in Q1 of the 2011 fiscal year to 74% from 72% in Q1 of the 2010 fiscal year. The increase in gross margin was due to an increase in license revenue. The

increase in gross margin percentage in Q1 of the 2011 fiscal year was due to an increase in service margin caused by improved utilization of staff compared to Q1 of the 2010 fiscal year.

Total operating expenses from continuing operations for the quarter ended April 30, 2010 were \$5.7 million, an increase of 2% from \$5.6 million in the corresponding quarter in the prior year. Adjusted EBITDA operating expenses from continuing operations for the quarter ended April 30, 2010 were \$5.4 million, an increase of 9% from \$4.9 million for the corresponding period in the prior year. The increase was largely due to an additional use of engineering contractors on product development, sales and marketing costs and travel due to increased sales activity.

The provision for income taxes from continuing operations was \$97,000 for Q1 of the fiscal 2011 compared to \$36,000 for the corresponding period in the prior year arising primarily from state taxes in the US and tax on interest income in Ireland.

Trintech's balance sheet is substantially stronger than at January 31, 2010 with cash balances of \$47.6 million as of April 30, 2010. The cash flow statement has been prepared on a combined continuing and discontinued basis. Net cash generated for the three months ended April 30, 2010 was \$27.7 million, which included net proceeds from the sale of the healthcare business of \$26.7 million, cash generated from operations of \$826,000, proceeds from the issuance of ordinary shares of \$228,000, a decrease in restricted deposits of \$170,000, payments on the purchase of property and equipment of \$155,000, capital lease payments of \$49,000 and the negative effect of exchange rate differences on cash and cash equivalents of \$68,000.

Trintech will host a conference call to discuss its financial results and its business outlook at 15:30hrs (UK Time), Wednesday, May 26. Please see advisory for information on the call.

*A web simulcast of Trintech's conference call reviewing our performance for Q1 fiscal year 2011 and our business outlook for Q2 fiscal year 2011 will be broadcast live, Wednesday, May 26, 2010 at 15:30 hrs (UK Time), 10:30 hrs (NY Time) and 07:30 hrs (CA Time) and thereafter for 1 year at [www.trintech.com/investor](http://www.trintech.com/investor). An instant telephone replay will also be available for 10 days by dialing **+44 1452 55 00 00** and entering the following access number **(57225731 #)**.*

#### **About Trintech Group**

Trintech Group Plc (NASDAQ: TTPA) is a leading global provider of integrated financial governance, risk management and compliance (GRC) software solutions for commercial, financial, and healthcare markets. Trintech's recognized expertise in reconciliation process management, financial data aggregation, financial close and reporting, risk management, and compliance enables customers to gain greater visibility and control of their financial processes leading to better overall business performance.

For more information on how Trintech can help you increase confidence in business performance and reduce financial risk, please contact us online at [www.trintech.com](http://www.trintech.com) or at our principal business office in Addison, Texas, or through an international office in Ireland, the United Kingdom, or the Netherlands.

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**Forward Looking Statements**

This news release contains "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any "forward looking statements" in this press release are subject to certain risks and uncertainties that could cause actual results to differ materially from those stated. "Forward looking statements" in this press release include statements, among others, relating to business momentum in our continuing operations, our business outlook and our position for revenue and earnings growth, the expansion of the Financial GRC market, the needs of corporate organizations to improve financial transparency and efficiency and the impact of the evolution of and growth in corporate and financial regulation and demand for greater visibility of risk and compliance by company boards on the demand for our financial GRC platform. Factors that could cause or contribute to such differences include Trintech's ability to accurately predict future sales and market trends, accurately predict and meet customer needs and to successfully position itself in the market, ensure the performance of its products and services, and improve the performance of its organization and ensure the long term health of its business. Actual performance may also be affected by other factors more fully discussed in Trintech's Form 20-F for the fiscal year ended January 31, 2010 filed with the US Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)) and subsequent filings with the US Securities and Exchange Commission. Lastly, Trintech assumes no obligation to update these forward-looking statements.

**TRINTECH GROUP PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(U.S. dollars in thousands)*

	April 30, <u>2010</u> (unaudited)	January 31, <u>2010</u> (audited)
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 47,601	\$ 19,929
Restricted cash	-	170
Accounts receivable, net of allowance for doubtful accounts of \$98 and \$97 at April 30, 2010 and January 31, 2010, respectively	5,111	4,583
Prepaid expenses and other current assets	1,141	1,059
Net current deferred tax asset	122	199
Assets held for sale and in discontinued operations	-	7,703
Total current assets	<u>53,975</u>	<u>33,643</u>
<i>Non-current assets</i>		
Property and equipment, net	1,028	1,005
Intangible assets, net	1,640	1,843
Goodwill	20,290	20,290
Total non-current assets	<u>22,958</u>	<u>23,138</u>
Total assets	<u>\$ 76,933</u>	<u>\$ 56,781</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<i>Current liabilities</i>		
Accounts payable	\$ 805	\$ 463
Accrued payroll and related expenses	1,546	966
Income taxes payable	194	101
Other accrued liabilities	1,189	1,186
Deferred revenues	8,879	8,481
Liabilities held for sale and in discontinued operations	-	3,981
Total current liabilities	<u>12,613</u>	<u>15,178</u>
<i>Non-current liabilities</i>		
Income taxes payable	164	127
Net non-current deferred tax liability	122	199
Deferred rent less current portion	371	404
Total non-current liabilities	<u>657</u>	<u>730</u>
Series B preference shares, \$0.0027 par value		
10,000,000 authorized at April 30, 2010 and January 31, 2010, respectively		
None issued and outstanding	-	-
Shareholders' equity:		
Ordinary Shares, \$0.0027 par value: 100,000,000 shares authorized; 33,454,384 shares issued and 33,307,371 and 33,095,914 shares outstanding at April 30, 2010 and January 31, 2010, respectively	90	90
Additional paid-in capital	253,527	253,372
Treasury shares (at cost, 147,014 and 358,470 at April 30, 2010 and January 31, 2010, respectively)	(217)	(529)
Accumulated deficit	(185,505)	(207,880)
Accumulated other comprehensive loss	(4,232)	(4,180)
Total shareholders' equity	<u>63,663</u>	<u>40,873</u>
Total liabilities and shareholders' equity	<u>\$ 76,933</u>	<u>\$ 56,781</u>

**TRINTECH GROUP PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
*(U.S. dollars in thousands, except share and per share data)*

	<u>Three months ended April 30,</u>	
	<u>2010</u>	<u>2009</u>
Revenues:		
License	\$ 5,370	\$ 4,806
Service	<u>3,093</u>	<u>2,926</u>
Total revenues	<u>8,463</u>	<u>7,732</u>
Cost of revenues:		
License	610	556
Amortization of purchased technology	62	62
Service	<u>1,568</u>	<u>1,559</u>
Total cost of revenues	<u>2,240</u>	<u>2,177</u>
Gross margin	6,223	5,555
Operating expenses:		
Research and development	1,327	1,194
Sales and marketing	2,275	1,977
General and administrative	1,949	1,937
Restructuring charges	-	226
Amortization of purchased intangible assets	<u>141</u>	<u>238</u>
Total operating expenses	<u>5,692</u>	<u>5,572</u>
Income (loss) from operations	531	(17)
Interest income, net	5	25
Exchange gain, net	<u>43</u>	<u>61</u>
Income before provision for income taxes	579	69
Provision for income taxes	<u>(97)</u>	<u>(36)</u>
Net income from continuing operations	<u>\$ 482</u>	<u>\$ 33</u>
Income (loss) from discontinued operations	126	(444)
Gain on sale of discontinued operations	<u>21,767</u>	<u>-</u>
Net income (loss) from discontinued operations, net of tax	<u>21,893</u>	<u>(444)</u>
Net income (loss)	<u>\$ 22,375</u>	<u>\$ (411)</u>
Weighted-average shares used in computing basic and diluted net income (loss) per Ordinary Share		
Basic	<u>33,167,141</u>	<u>32,734,874</u>
Diluted	<u>34,515,021</u>	<u>32,738,857</u>
Continuing operations	\$ 0.01	\$ 0.00
Discontinued operations	<u>0.66</u>	<u>(0.01)</u>
Basic income (loss) per Ordinary Share	<u>\$ 0.67</u>	<u>\$ (0.01)</u>
Continuing operations	\$ 0.01	\$ 0.00
Discontinued operations	<u>0.64</u>	<u>(0.01)</u>
Diluted income (loss) per Ordinary Share	<u>\$ 0.65</u>	<u>\$ (0.01)</u>
Continuing operations	\$ 0.03	\$ 0.00
Discontinued operations	<u>1.32</u>	<u>(0.03)</u>
Basic income (loss) per equivalent ADS	<u>\$ 1.35</u>	<u>\$ (0.03)</u>
Continuing operations	\$ 0.03	\$ 0.00
Discontinued operations	<u>1.27</u>	<u>(0.03)</u>
Diluted income (loss) per equivalent ADS	<u>\$ 1.30</u>	<u>\$ (0.03)</u>

**TRINTECH GROUP PLC**  
**RECONCILIATION OF NET INCOME FROM CONTINUING OPERATIONS**  
**TO ADJUSTED EBITDA NET INCOME FROM CONTINUING OPERATIONS**  
*(U.S. dollars in thousands)*

	<u>Three months ended April 30,</u>	
	<u>2010</u>	<u>2009</u>
Net income from continuing operations	\$ 482	\$ 33
Adjustments:		
Depreciation	109	108
Amortization of purchased intangible assets	203	300
Share-based compensation	118	92
Restructuring charges	-	226
Interest income, net	(5)	(25)
Income taxes	97	36
	<u>1,004</u>	<u>770</u>
Adjusted Earnings Before Interest, Taxation, Depreciation, Amortization, Share-based compensation and Restructuring Charges (EBITDA) net income from continuing operations	\$ <u>1,004</u>	\$ <u>770</u>
Adjusted Basic and diluted EBITDA net income per Ordinary Share from continuing operations	\$ <u>0.03</u>	\$ <u>0.02</u>
Adjusted Basic and diluted EBITDA net income per equivalent ADS from continuing operations	\$ <u>0.06</u>	\$ <u>0.05</u>

**Note:** Management believes Adjusted EBITDA net income from continuing operations is an important measure of Company performance without consideration of the non-operating income and expense adjusted above as it presents a clearer view of operational performance changes between the comparative periods.

**TRINTECH GROUP PLC**  
**RECONCILIATION OF OPERATING EXPENSES FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA**  
**OPERATING EXPENSES FROM CONTINUING OPERATIONS**  
*(U.S. dollars in thousands)*

	<u>Three months ended April 30,</u>	
	<u>2010</u>	<u>2009</u>
Total operating expenses from continuing operations	\$ 5,692	\$ 5,572
Adjustments:		
Restructuring charges	-	(226)
Depreciation	(100)	(100)
Amortization of purchased intangible assets	(141)	(238)
Share-based compensation	(99)	(86)
	<u>5,352</u>	<u>4,922</u>
Adjusted EBITDA operating expenses from continuing operations	\$ <u>5,352</u>	\$ <u>4,922</u>

**Note:** Management believes Adjusted EBITDA operating expenses from continuing operations is an important measure of Company performance without consideration of the non-operating expense adjusted above as it presents a clearer view of operational performance changes between the comparative periods.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
*(U.S. dollars in thousands)*

	Three months ended April 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 22,375	\$ (411)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	109	167
Amortization	203	593
Gain on sale of discontinued operations, net	(21,767)	-
Share-based compensation	118	99
Effect of changes in foreign currency exchange rates	(5)	(21)
Changes in operating assets and liabilities:		
Accounts receivable	(397)	2,444
Prepaid expenses and other current assets	(542)	(208)
Accounts payable	376	(606)
Accrued payroll and related expenses	507	(441)
Deferred revenues	76	(67)
Other accrued liabilities	(227)	(295)
<b>Net cash provided by operating activities</b>	<b>826</b>	<b>1,254</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(155)	(17)
Proceeds relating to sale of discontinued operations, net	26,720	-
Payments relating to acquisitions	-	(2,870)
Decrease in restricted cash deposits	170	1,143
<b>Net cash provided by (used in) investing activities</b>	<b>26,735</b>	<b>(1,744)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital leases	(49)	(39)
Issuance of ordinary shares	228	41
<b>Net cash provided by financing activities</b>	<b>179</b>	<b>2</b>
Net increase (decrease) in cash and cash equivalents	27,740	(488)
Effect of exchange rate changes on cash and cash equivalents	(68)	38
Cash and cash equivalents at beginning of period	19,929	17,363
<b>Cash and cash equivalents at end of period</b>	<b>\$ 47,601</b>	<b>\$ 16,913</b>
Supplemental disclosure of cash flow information		
Interest paid	1	\$ 5
Taxes received	(19)	\$ (4)

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