

Annual Report 1999

TietoEnator 

Building the Information Society

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Building the Information Society

INFORMATION FOR SHAREHOLDERS

Annual General Meeting

TietoEnator Corporation's Annual General Meeting will be held at the company's head office, Kutojantie 6-8, Espoo, Finland, on Wednesday, 29 March 2000, commencing at 5.00 pm.

Shareholders wishing to attend the AGM are kindly requested to notify the company not later than by 4.00 pm (Finnish time) on 24 March 2000, to

Ms Anne Rontu,
P.O. Box 33, FIN-02631 Espoo, Finland,
or by telephone +358-9-8626 2203,
or by e-mail anne.rontu@tietoanator.com,
or at the company's Internet address:
www.tietoanator.com/agm2000.

Letters of authorization should arrive by mail at the company's postal address prior the AGM.

Right to attend

In order to attend the AGM, shareholders must be registered no later than on 24 March 2000 in the Company's shareholder register maintained by APK, the Finnish Central Securities Depository Ltd.

Shareholders who have not yet transferred their shares to book-entry accounts are also entitled to attend the AGM provided that these shareholders have notified and clarified to the company their title to the shares and before the AGM begins, and that they are able to show their share certificates or provide other documentary evidence that their shares have not been transferred to book-entry accounts.

Shareholders wishing to participate in the AGM and whose holdings are nominee registered or registered at VPC AB, the Swedish Central Securities Register Depository, are required to register their shares in the Company's shareholder register maintained by APK for the duration of the AGM. This request should be submitted to VPC AB or, in the case of nominee-registered shares, to the nominee. VPC AB should receive the registration request by March 20, 2000 in order for a shareholder to be registered as a shareholder on record date 24 March 2000. Unless VPC registered shareholders request otherwise, the shares temporarily registered with APK will be re-transferred to VPC register immediately after the close of the AGM.

Dividend payment

The Board of Directors proposes to the AGM that a dividend of EUR 0.49 per share be paid on the financial year 1999. The dividend will be paid to shareholders who are registered in the shareholder register maintained by APK or in the register maintained by VPC AB on the record date for dividend payment. The Board has decided that the record date for dividend payment will be 3 April 2000. Should the AGM approve the Board's proposal, the dividend will be paid on 14 April 2000. VPC AB will arrange the dividend payment to VPC registered shares in Swedish krona.

Those shareholders who have not transferred their shares to book-entry accounts will be paid the dividend when their shares have been transferred.

Publication of interim reports in 2000

January - March	27 April 2000
January - June	1 August 2000
January - September	31 October 2000

Publications

The annual report and interim reports are available in English, Finnish and Swedish may be obtained from the following addresses:

TietoEnator Corporation,
Kutojantie 10, P.O. Box 33, FIN-02631, Finland
or by telephone +358 9 862 6000
or by telefax +358 9 862 63091
TietoEnator Corporation,
Kronborgsgränd 1, SE-164 87, KISTA, Sweden
or by telephone +46 8 632 1400
or by telefax +46 8 632 1420
or by e-mail: info@tietoanator.com

The annual report, interim reports and stock exchange bulletins are also published on TietoEnator's Internet pages, www.tietoanator.com.

Change of address

Shareholders whose addresses have changed are kindly requested to notify these changes to the custodian of the register containing their book-entry accounts.

TietoEnator 

Building the Information Society

TietoEnator

TietoEnator is a leading European provider of high-value-added IT services.

The Group specializes in developing and managing its customer's business operations in the emerging Network and Information Society.

Most of the products and services in this new world are produced, distributed and consumed digitally via networks.

TietoEnator is playing an active role in building this global society.

TietoEnator aims to be a strategic IT partner to its customers.

This requires focusing on businesses in which the company can achieve superior expertise and, in this way, offer significant added value to its customers.

TietoEnator's services are consulting, development and integration of IT systems, operation and network management and software products.

The scope of services covers everything from the supply of single information systems to taking responsibility for a customer's entire IT operation.



Highlights of 1999

- Tieto and Enator combined to form TietoEnator on 7 July 1999
- Combination process successful
- Net sales grew by 14 % to EUR 1,229 million
- Operating profit (EBIT) increased by 3 % to EUR 108 million corresponding to 9 % of net sales
- Combination costs estimated to be EUR 16 million
- A dividend of EUR 0.49 per share has been proposed
- The average number of personnel increased 10 % and was 11,058
- Development from horizontal to vertical organization continued
- Concentration on core businesses - withdrawal from the Defence sector and Network Infrastructure businesses
- Long term growth target raised to 20 %; operating profit (EBIT) to exceed 10 %
- Growth is based on
 - ready-made solutions in global markets
 - partnerships in Europe
- International spearhead solutions are mobile and Internet banking, mobile telecommunications and media, digital government services, and the digital forest chain

Key Indicators

	1999	1998	Change %
Net sales, MEUR	1,229.1	1,079.2	+13.9
Operating profit, MEUR	107.7	105.0	+2.6
Operating margin, %	8.8	9.7	
Pre-tax profit, MEUR	109.3	107.0	+2.2
Earnings per share, EUR	0.90	0.96	-6.3
Earnings per share (excl. amortization of goodwill), EUR	1.04	1.08	-3.7
Earnings per share (incl. dilutions by warrants), EUR	0.88		
Shareholders' equity per share	4.59	4.09	+12.2
Dividend per share	0.49	0.49	
Investments, MEUR	102.8	71.0	+44.8
Return on equity, %	21.2	25.2	
Return on capital employed, %	29.5	33.6	
Gearing, %	-13.2	-15.9	
Equity ratio, %	52.8	56.8	
Average number of employees	11,058	10,089	+9.6
Personnel on 31 December	11,098	10,335	+7.4

CEO's Review

Building the information society

TietoEnator operates in the heart of the digital economy, creating complex information systems. When we state in our corporate mission that we are building the information society, we mean that we design, host and act as consultants for the digital operations of our customers. Our consulting and system development and integration activities have specialized in individual customers and business sectors because assuming responsibility for building and managing extremely demanding information systems requires in-depth know-how of the customer's operations and business sector and of the latest technology.

TietoEnator has for many years specialized in sectors in which the Nordic countries represent the leading edge worldwide. By divesting its equipment sales operations and distribution of off-the-shelf software products, TietoEnator has throughout the 1990s focused on IT services with higher added value, in other words on its own software products, on development and integration services for IT systems and on complex support services.

Internet everywhere

The way in which TietoEnator's resources are focused and organized is based on a vision of society in which most products and services are produced, distributed and consumed in digital form through IT networks. In the information society, servers and terminals, with the network that links them together, are becoming the most important production plant and distribution channel in our society. Creating electronic services both in servers and, on a large scale, also in terminals, affects every business sector and constitutes a massive task. And this, precisely, is the task of TietoEnator.

As production and distribution in networks is spreading everywhere, network expertise must also be everywhere. We do not see e-business as distinct from the rest of our business. TietoEnator's Finance Sector has for several years been building Internet banking systems that in terms of numbers of users are the largest in the world. Similarly, creating fixed and wire-

less network systems already forms a central part of services for data communications, the public sector and the manufacturing industry. It is no longer conceivable that the more than 2,500 experts already developing TietoEnator's Internet systems today should be formed into a separate Internet unit. The importance of customer and industry expertise is not diminishing in the Internet world even though the industry structures are undergoing dramatic change.

New stage of growth

The year 1999 was a time of building the conditions necessary for major growth at TietoEnator. Combining the resources of Tieto and Enator is our response to the changes taking place in the customer base and in customer needs, to the disappearance of national boundaries in Europe, and to the new opportunities that the digital revolution is opening up. The new company can serve customers as a strategic partner with greater resources in a wider geographical area. The merger also places the company in a significantly stronger position for product development. At the same time, the company's skill and experience in combining large expert organizations spread over national boundaries has grown in a way that will support the next steps in the company's development.

The major restructuring carried out particularly in the operations in Sweden and the refocusing of resources there also have the goal of reinforcing the company's capacity for growth. The company has withdrawn from the defence industry and from network building with its heavy emphasis on equipment, and this now directs attention towards, and frees capital for, the company's areas of focus that are growing rapidly.

IT systems successfully managed the start of the new millennium, and this will also have a positive impact on growth potential, as will the release of customer resources for utilizing the opportunities offered by digital production and distribution. TietoEnator's own development and changes in our operating environment make it possible to raise the company's growth target to 20 % and to maintain the profit target at more than 10 %.



Partner in Europe, solutions throughout the world

TietoEnator's growth is based on growth in ready-made solutions in global markets and operation in partnership in Europe. TietoEnator's spearhead solutions in the global markets are mobile and Internet banking, mobile data communications and media, digital government and the digital forest chain. The same strong North European business sectors also form the basis for growth in partnerships in Europe. The increasing complexity of IT environments and the lack of personnel will boost demand for the outsourcing of IT operations and for a strong IT partner.

In our experience, cooperation with customers that starts with vertical solutions will often expand into a diverse partnership. The main tools for growth, in both solutions and partnership, are organic growth, company acquisitions focusing on individual business areas, and alliances at corporate level. We will increase our investments at all three levels.

Investments in people and products

Personnel resources, and the lack of them, are a factor that limits growth in the sector at the moment. TietoEnator is responding to this challenge by increasing its investments in skills and productivity, in incentive schemes and in product development. A key goal set for product development is to raise the productivity of software work to a new level through new ways of working.

The world is developing in the direction we wish it to. During the 1990's TietoEnator has positioned itself in those Nordic vertical markets where the Nordic countries and companies have become the world leaders. That is why the opportunities offered by our operating environment for creating both customer and shareholder value are extremely attractive and why we are excellently placed to take advantage of them. I express my sincere thanks to our demanding customers and my skilled colleagues.

Matti Lehti



Human Resources

Business needs guide all human resources activities

We are entering the new era of the “digital economy” and the information society. This is a global society where technology and knowledge are the core elements. TietoEnator is operating in the center of this fast-changing world, and has defined its mission as “Building the Information Society”. TietoEnator’s vision is to be a leading provider of high-value-added IT services in Europe. All human resource development activities are based on these strategic objectives and aim to offer employees real opportunities for personal and professional growth in a motivating and rewarding work environment.

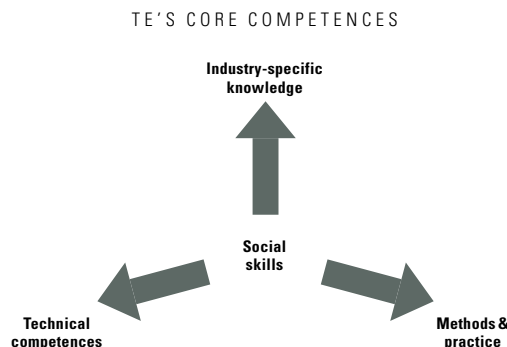
TietoEnator works as the partner of its customers in those segments of the market where it can maintain superior expertise, a strong market position and solid profitability. It is the task of human resources development to offer the competences that enable TietoEnator to sustain this position in its established markets and to achieve it in other target markets. To this end, human resources development aims to support continuous learning both by the organization as a whole and by individuals, and to attract new employees who have the potential to strengthen core competences.

All TietoEnator’s human resources activities are based on the common values of the Group and will contribute to implementing and strengthening them. The common values can be summarized in three key expressions: Participation, Customer Benefit and Personal Growth.

In TietoEnator’s steering system, the planning, reporting and rewarding processes are based on Balanced Scorecard perspectives. Balanced Scorecard thinking helps to translate the common visions, strategies, values and goals into daily activities. In addition to financial targets, the Balanced Scorecard system also takes into account goals for effective work processes, customer satisfaction and the continuous improvement of employee know-how and innovation.

Creating value from managing competence

In competence management TietoEnator focuses on core competencies in which it aims to create know-how in leading international standards. By combining industry-specific knowledge and professional working methods with leading technical know-how, TietoEnator creates added value for its customers. Social skills are required for working in a consultative and proactive way and for building strong and lasting customer relationships.



TietoEnator has developed approaches for managing these core competences through tools for identifying, developing, measuring, transferring and capturing knowledge and expertise.

Identifying competence

TietoEnator’s competence development model is based on the business visions and strategies of the company’s business areas, business units and teams. One of the most important challenges for a knowledge company such as TietoEnator is to continuously identify and develop competences. The following diagram (page 8) portrays TietoEnator’s approach to evaluating existing competence and identifying future needs at both team and individual levels.

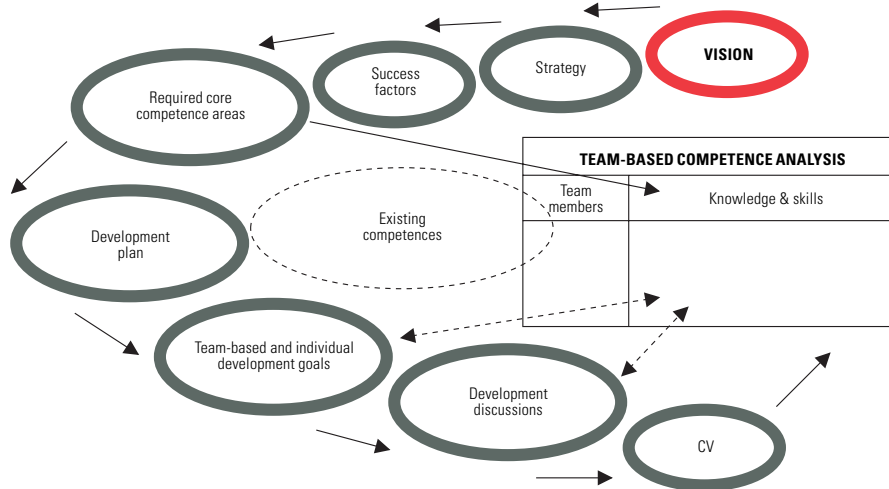
Developing competence

TietoEnator applies a wide range of learning solutions in developing competence, including on-the-job training, job rotation, internal and external training, intranet-based learning solutions, competence networks, action learning and exchange of knowledge and experiences through databases. To achieve good results, it is essential that the entire organization is committed to continuous development of competence.

To meet the challenges of the information society and internationalization, TietoEnator has two Group-wide senior management development programs: TietoEnator International Management Program and TietoEnator Executive Development Program. The main goals of these programs are to ensure sufficient, high-standard senior management resources for internationalization and growth, and to provide the conditions for developing the related knowledge, skills and attitudes within the corporation.

Human Resources

TEAM-BASED COMPETENCE ANALYSIS



TietoEnator combines individual competence development with business development.

TietoEnator identifies future competence needs at both team and individual level.

In addition to these Group-wide programs, TietoEnator conducts management training programs at business area and country levels. Other areas for internal competence development are project management, personal skills and systems development. This competence development is mainly country-based and varies from country to country.

As a international framework for the development of the fast growing e-business, TietoEnator has started to develop a learning concept called eBizAcademy. It includes shorter seminars, e-business modules, both internal and external courses, competence networks, e-learning solutions and training paths for different target groups in TietoEnator. The purpose of the eBizAcademy is to combine learning solutions from all parts of the Group and find new ones in order to increase the overall competence level in e-business.

Transferring competence

For a corporation like TietoEnator organized around industry-specific business areas, it is a major challenge to transform individual skills into collective know-how and to transfer this know-how across team, business unit and business area boundaries. Efficient transfer of competence is, however, a prerequisite for a learning organization.

Much of TietoEnator's knowledge transfer takes place through sharing best practices using knowledge networks. Knowledge networks can be formed on a permanent or non-permanent basis. They aim at the effective reuse of products and service models as well as at developing new competence.

Other methods for transferring competence are seminars on current topics and mentoring. Mentoring takes place on a one-to-one and group basis, with the goal of transferring know-

ledge from an experienced person to someone who is less experienced to accelerate the learning process.

TietoEnator's professional management system is called the Toolbox. It contains TietoEnator's guiding principles, business strategy, policies and common business system. The Toolbox is also TietoEnator's way of transforming individual competence into organizational capital. Employees gather and process knowledge in the Toolbox and establish ways of acting in a structured manner by recycling experience and competence gained in earlier assignments.

Attracting new talent a major challenge

TietoEnator aims to achieve organic net growth of approximately 1,000 persons in the year 2000. This means a need to recruit 2,000 people if personnel turnover continues at the same level of 10 % as in the previous year. The need for new personnel is greatest in the fastest-growing business area, Finance and Services.

This is a challenging goal in a field where a shortage of skilled employees is hampering growth. TietoEnator wishes to attract and retain the most talented and motivated employees in different markets. As a large international company and a leading actor in its market, TietoEnator can offer its employees excellent opportunities for professional and personal development. Experienced professionals and recently graduated young people form roughly equal proportions of those recruited.

The Internet has now become a major tool in recruitment alongside the numerous more established forms. It is a time- and cost-effective method for attracting new employees. TietoEnator actively recruits on its own home page and on various internal and external job databases.

TietoEnator is paying particular attention to building a corporate image among potential employees and other stakeholder groups. In studies made among university students, TietoEnator has ranked among the most attractive employers in Sweden, Finland and Norway. The Group aims to further strengthen that position so that it becomes the preferred employer for existing and potential employees with the highest qualifications in all its main national markets.

Competitive motivational schemes

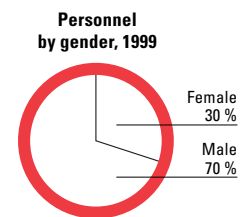
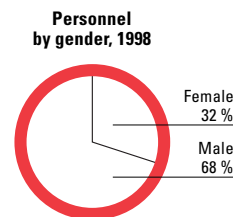
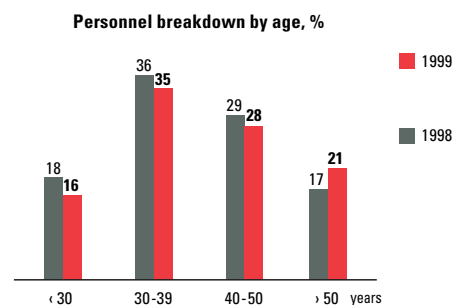
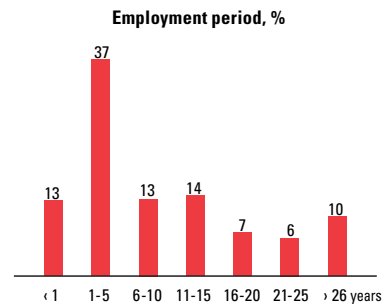
Motivation and job satisfaction come from many different sources, so TietoEnator wishes to offer its employees tasks that are both challenging and rewarding. As a leading provider of high-value-added IT services in Northern Europe, TietoEnator is in a position to offer its employees opportunities to work in projects involving the latest developments in IT, as a partner of the largest and most advanced companies in various sectors. The proportion of TietoEnator personnel working in projects that involve e-business solutions is already 25 %, and this figure is rising rapidly.

All employees participate in TietoEnator's financial compensation scheme, which operates on three levels. In addition to fixed salaries, there is a bonus system based on team results. The third level of compensation consists of the various bond with warrants programs that have been issued to all employees. These programs aim to ensure that employees can also benefit from the company's success as shareholders, through an increase in corporate value.

The merger process

When the merger process of Tieto and Enator started in the spring of 1999, human resource aspects were given high priority. In a company like TietoEnator, where operations rely entirely on the innovation and expertise of its personnel, it is essential that employees are treated in a way that makes them feel confident and motivated to work towards common goals.

Since Tieto and Enator had different countries of origin, it was also essential to take cross-cultural aspects into consideration. Cultural differences were identified and analyzed from a very early stage in the merger to create the grounds for mutual understanding. The purpose of this work was to find the national strengths on which to build the new organization and corporate culture. Periodic attitude surveys have been taken during and since the merger process in all parts of the company. The purpose of these measurements has been to determine how the organization feels about the process and to provide data to guide the development of communications strategies.



In the latest study carried out in October 1999, almost 90 % of those who answered had a positive attitude towards the merger, indicating that the merger has broad support among the employees of TietoEnator. Those who were critical about the handling of the process mentioned insufficient information about objectives, strategies and the aim of the merger as the primary reason for their negative attitude.

One of the main goals of the merger was to improve the international competitiveness of TietoEnator. It is therefore encouraging to see that more than 80 % of employees believe that the merger will in fact increase international competitiveness. This study further confirms that the merger process has progressed successfully from a human resources perspective.



Group Overview

TIETOENATOR

Tieto and Enator merged to form TietoEnator Corporation on 7 July 1999. The merger enhanced the Group's international competitive edge in selected sectors in Northern and Continental Europe. It also laid a solid foundation for continued future growth. The foundation of a knowledge company in a rapidly changing environment is the company's mission, vision, objectives, values and business concept. TietoEnator has formulated these Guiding Principles as follows:

Mission

Building the Information Society

Vision

TietoEnator's vision is to be a leading provider of high-value-added IT services in Europe. Leading as defined by TietoEnator means leadership in expertise, market share and profitability.

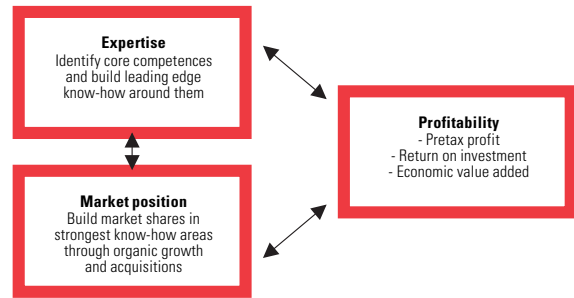
Objectives

TietoEnator's objectives are:

- Organic growth at least in pace with market growth
- Additional growth through acquisitions
- Operating profit margin (EBIT) to exceed 10 %
- Each business area to create shareholder value
- The employer preferred by IT professionals.

Values

The leading values of the company are Participation, Customer Benefit and Personal Growth. TietoEnator's work requires strong involvement and commitment. It has to create strong added value for its customers as well as offering its employees a continuous opportunity to grow and develop as individuals and team members.

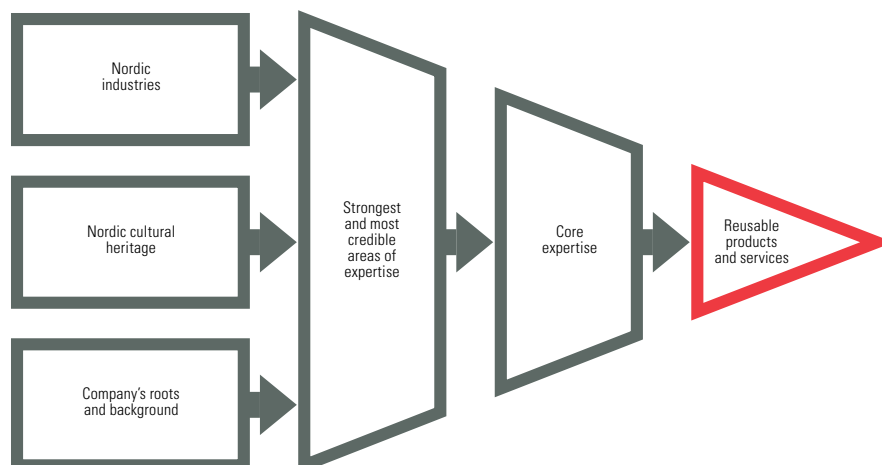


Business concept

TietoEnator focuses on high-value-added IT services as the partner of its customers in segments of the market where it can maintain superior expertise, a strong market position and solid profitability.

When building the information society by consulting, designing and hosting customers' core businesses in servers and networks, it is essential for TietoEnator to work in close cooperation with customers and to be their strategic partner. To become a credible strategic partner, an IT services provider must possess a strong knowledge of its customers' businesses combined with solid expertise in the latest information technology. This is why vertical specialization is vital for TietoEnator's success.

TietoEnator focuses on vertical markets that represent the strongest Nordic industries and the most in-depth accumulated expertise of Enator and Tieto. These sectors are Telecommunications, Finance, Public Services and the Forest Industry. In addition to these vertical customer segments, TietoEnator also serves the postal, retail, energy, media, travel and tourism, transportation, logistics and process and manufacturing sectors. Within them TietoEnator elaborates on its expertise to create reusable products and services.



Group Overview

TietoEnator's service portfolio covers consulting, development and integration of IT systems, processing and network management, and application services. The latter include systems for financial and personnel management and technology consulting.

TietoEnator's ambition is to be a truly European company with a strong Nordic background selling its core products and services to all parts of the world. TietoEnator's growth is based on ready-made solutions in global markets and operating in partnership with the customers in Europe. The spearheads in global markets are mobile and Internet banking, mobile data communications and media, digital government and the digital forest chain. When acquiring companies in new markets, TietoEnator mainly buys market share and expertise. Products, concepts and components have an especially important role in establishing new market shares and customer relationships. An additional source of international growth is expansion together with key customers in new markets.

IT-MARKETS AND TIETOENATOR 1999

Market trends

The Nordic market for IT services had an aggregate value of approximately EUR 9.5 billion in 1999 and during the year grew at an average rate of 15 %. Growth was especially vigorous, over 20 %, in System Integration, Customer Application Development, Desktop Management, Network Consulting & Integration and Network Operations Outsourcing. Hardware and processing services, however, grew noticeably more slowly than the market average. Market growth is expected to slow somewhat in the next few years with annual growth forecast to reach about 12 % between 2000 and 2003. (Source: International Data Corporation)

TietoEnator's market position

TietoEnator is well positioned in the transition to the information society. The Group's strong experience and expertise in financial services, telecommunications and public services places TietoEnator at the hub of this transition. The most data-intensive services are the ones carried over to the networks first and they represent the most rapidly growing sectors as well. TietoEnator has a strong position in Finland and Sweden as well as an established presence in Norway. Nordic countries are more advanced in the wide use of digital services than any other part of the world. TietoEnator is also the leading Nordic provider of processing and network services, personnel

management services and embedded systems related to product development.

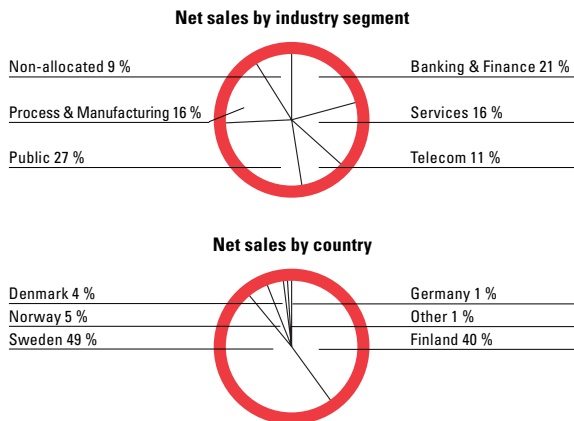
In recent years wide attention has been given to growth companies specializing in the development and implementation of Internet user-interfaces and e-commerce. In the longer term, however, the core of Digital Economy development will be formed by applications and services for business sectors along with integration of network applications into existing IT systems and system maintenance services. These segments will also attract the largest investments in the future.

The greatest challenges facing customers are the need to build networked business processes and systems while continuing development of their existing systems, as well as integration of these new operations into complete functional entities. This is TietoEnator's core business and for this reason TietoEnator seeks to work in partnership with its customers - major corporations and organizations representing selected business sectors - to develop effective business systems based on electronic networking.

TietoEnator has chosen to develop e-business applications and services within all of its vertical business areas. Through this "eBusiness Everywhere" model the company can offer customers solutions optimized to the needs of their own businesses. Expertise in selected vertical sectors will also give TietoEnator a clear competitive advantage as the growth of e-business gains pace in the next few years. Some 25 % of TietoEnator's employees now work, directly or indirectly, with Digital Economy applications and services. As old and new systems become increasingly integrated the division between mainline business and e-business is becoming increasingly blurred.

Development in 1999

The effects of the TietoEnator combination were felt throughout 1999. The integration proceeded well and even better than expected. The two groups were operated as separate entities before the technical combination took place in July. However, the financial statements are consolidated for the full year. Since planning of the combination started in January and continued intensively until July, the performance of both groups was influenced by the combination during the entire first half of the year. Integration and development of TietoEnator were started during the second half. As part of the formation, TietoEnator decided to withdraw from businesses seen as non-strategic, but representing one fifth of the Group's total volume.



Y2K was a major topic during the year. TietoEnator's customers addressed the issue seriously and no disturbing complications occurred. Some minor problems appeared but all were corrected immediately. In Finland, TietoEnator spent some 650 man-years on customer projects. In other countries TietoEnator was mainly required to support the Y2K readiness of smaller customers and products.

Group net sales grew by 13.9 % to EUR 1,229.1 million (1,079.2). Excluding exchange rate effects, growth was 13.4 %. Organic growth in local currency for comparable units was 7.3 %. Growth was strongest in the Finance sector owing to Entra, which was consolidated from the beginning of February 1999. Defence Sweden continued to show weak growth due to poor demand. Geographically, growth was 14 % in Finland, 9 % in Sweden and 40 % in other countries.

Operating profit (EBIT) was EUR 107.7 million (105.0), which corresponded to an 8.8 % profit margin. The figure includes non-recurring income of EUR 20.0 million from gains on property sales and divestments. Costs related to the combination are estimated to be EUR 16 million. This includes external combination costs and internal effects of restructuring and inefficiencies. Operating profit also includes a provision of EUR 15.2 million (14.9) for annual bonuses and the personnel development and training fund.

Earnings per share were EUR 0.90 (0.96), and EUR 1.04 (1.08) excluding amortization of goodwill and non-recurring items.

The averaged number of employees increased by 9.6 % to 11,058 (10,089) during the year. Altogether 1,584 new employees were taken on. Together with 1,079 departures and structural changes the number of full-time employees totalled 11,098 (10,335) at the year-end. Employee turnover decreased from 11.3 % to 9.8 % during 1999.

Organic growth slowed during the fourth quarter, mainly because of reorganizations. As in the preceding years, Tieto Enator offered a bond with warrants to all company employees according to the guidelines of its personnel incentive system.

MEGATRENDS

Market

The Nordic countries, along with North America and certain countries in Asia, represented the spearhead of development in information technology throughout the 1990s. In the Nordic countries, this trend has generated a body of world-class knowledge and technical expertise and a leading global position in sectors including wireless communications, payment systems, Internet banking, smart-card applications, network securitization software and outsourcing of IT services. It is no exaggeration to say that in wireless communications and on-line banking, the Nordic countries are fuelling evolution in Europe towards the information society.

The most dramatic changes in our environment and the strongest drivers of demand for IT services are connected with the transition to the information society. We are witnessing the Digital Revolution in which microprocessors will be integral to all the machines and equipment we use and also interconnected via both hardwired and wireless information networks.

Other major external processes having an impact on TietoEnator's work are European integration, consolidation among customer companies, increasing global competition and IT-Telco media convergence.

We are moving towards a society where more and more information, services and products will be distributed via electronic networks. We have now entered a new era where the traditional and network-based business processes of companies are becoming integrated and support each other. Typically, for example, information, order and payment transactions are transmitted via electronic networks while the products to which they relate are still being manufactured, warehoused and distributed in the traditional manner.

It will not be long before many products and services are transmitted entirely via networks. Today, for example, this already applies widely to software, documents and sound recordings. Taken a little further, the Digital Economy represents the opportunity to distribute new functions to embedded systems via networks. This will mean that all products will be identical when manufactured and then variants linked to them

Group Overview

by embedded systems. Consumers will be able to vary the functions of their products, such as the engine capacity of the car they are buying, on the Net and pay an extra charge for these additional functions based on use. By the time development reaches this stage, many traditional industrial sectors will have been transformed into service operations. In other words, the Digital Revolution is having a profound impact on corporate business logic and in many cases will force companies to completely reinvent themselves.

Major steps have been taken towards the Digital Economy in recent years. One example in the Nordic countries is the progression from basic e-banking services, already widely popular, to the era of on-line billing. This means that instead of moving hard copies of bills from one place to another, bills will now be seen only in on-line bank accounts. This might sound like a simple advance, but its forthcoming wide adoption will bring immensely important changes to the way both companies and citizens in general manage payments and accounting, and it will also affect a large number of business sectors.

Companies will gradually move entirely to digital accounting, which will also make it feasible to outsource this function. Companies, in turn, will be able to concentrate increasingly on value creation in their core businesses, which again will enhance their overall profitability through increased specialization.

TietoEnator

High-value-added services is the area where many of TietoEnator's strengths, opportunities and business development challenges reside, being reflected in the following issues:

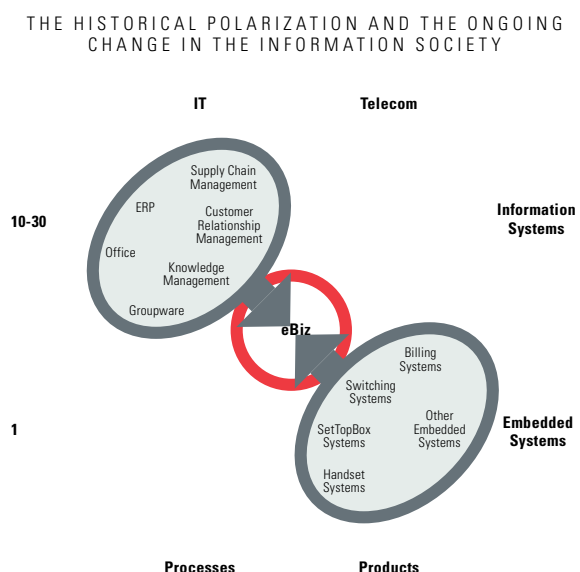
- Convergence of information systems and embedded systems
- Digital Business Consulting
- Verticalization
- Reuse
- Outsourcing and Application Service Provisioning
- Integration of existing and new business models and systems

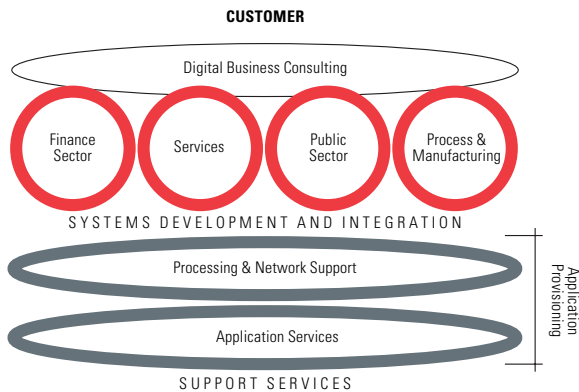
• Convergence of information systems and embedded systems

In the past, software development was polarized into two largely distinct worlds: management information systems, such as ERP (Enterprise Resource Planning), and embedded systems related to product development, such as mobile handset software. Methods, tools, architectures, typical size of software, cost drivers and many other aspects used to be different in these worlds. As a whole the market size of an information system used to be larger by several orders of magnitude than that of embedded systems. However, the situation is changing rapidly, especially in the telecom, data and media integration and in the context of wireless communications and terminals. This change is one of the most fundamental drivers of the Information Society. This historical polarization and the ongoing change are illustrated below.

Methods and tools are converging. Embedded systems are growing in size very rapidly. Problems and drivers are becoming similar. The market size of embedded software development is increasing very fast, which is closing the gap. The point at which these two worlds are converging is electronic business, or eBiz. This new world will reflect a huge need for services providing both information and embedded software development in a well integrated manner. The market today suffers a scarcity of such services and service providers.

TietoEnator is well positioned as an IT service provider with Scandinavian origins. It is strong on both sides and is able to deliver high-value-added integrated solutions and services, also in broader international markets. TietoEnator will focus on these growth opportunities.





• Digital Business Consulting

The Digital Economy is a playing field for fast movers. Many market segments have been and obviously will be conquered by companies that are first to launch new network-based services and are able to continue rapid business upgrades. Business management faces several new requirements in this race. Business planning and system implementation must be much closer to each other than in the past; business management must participate much more deeply in the planning and implementation process. The same team must be responsible for both phases. Business management must also ensure that the process is continuous. Fast executors cannot afford to keep anything else in-house than their absolute core competences.

All these changes create a tremendous need for business management consulting services capable of taking responsibility for setting up and running the IT systems. The bottleneck will be implementation, and especially the integration part of it. In this very demanding world, IT service providers will be brutally divided into those who can deliver and those who cannot, whatever they promise.

TietoEnator already has 250 management consultants today and will invest substantially to strengthen its capabilities in high-value-added management consulting services tightly integrated with implementation and operating services. The company has termed this strengthening initiative Digital Business Consulting.

• Verticalization

In the past most IT services were generic. Customers used to provide their own best competences in industry and operations while service providers brought the technical skills necessary for implementation. The Digital Economy will be very different in this respect as well. As the business environment becomes ever more competitive, business managers cannot afford to use their own best resources in IT projects; nor can

they afford the luxury of teaching their IT service provider all the special features of their industry and operations. It would be all too slow and too rigid.

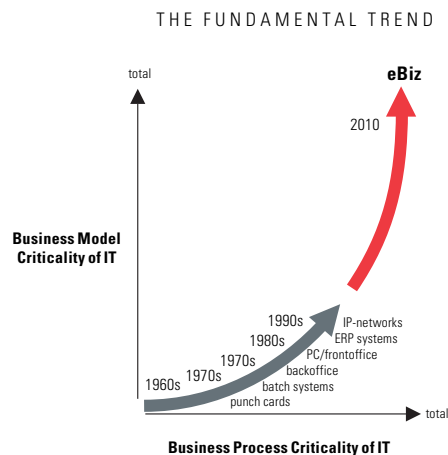
This is creating a strong need for IT service providers who can bring all the competences required by their industrial and partner-customers, and who are able to take increasing responsibility for development. This need is also becoming increasingly cross-border in nature.

As a vertically specialized IT service provider, TietoEnator combines state-of-the-art technical expertise with industry and partner-customer competences in a high-value-added package. Creating profound industry and partner-customer competences takes years, in some industries even decades. Tieto Enator started vertical specialization in the early 1980s and intensified this process further in the 1990s. Many IT service providers have only just begun this transformation and most new media companies have not started.

• Reuse

In the past the implementation of information systems could take years. From the business perspective, this was not so dangerous because the intention was mostly to trim business processes based on existing, stable business models. Protracted, massive system projects were also good business for IT service providers. It was a fairly easy business to manage, selling hours in volumes.

In the Digital Economy the business model will be a moving target. Systems will be implemented more and more for future business models; they will be enablers of new business models. In such a fast moving environment, system implementation projects cannot take years, in some cases not even months. Despite this time compression, however, businesses are increasingly dependent on their systems. System reliability and



Group Overview

performance requirements will become increasingly tougher. The short-term temptation to create quick-and-dirty systems may lead sooner or later to business failures. IT will be progressively more critical to business. This evolution is illustrated in the picture The Fundamental Trend.

The most obvious response to the challenge of business criticality will be reuse of software components, objects and products. Reuse will make it possible to ramp up systems much faster and to create long-term reliability and performance into the system base. Therefore, the need for reuse-oriented IT services and IT service providers will grow dramatically in the Digital Economy. On the other hand, labour costs will increase as well, and IT service providers will be under heavy pressure to raise productivity. Reuse will be one means to achieve this.

In recent years TietoEnator has invested substantially in reuse and related capabilities and these investments will intensify further in the future.

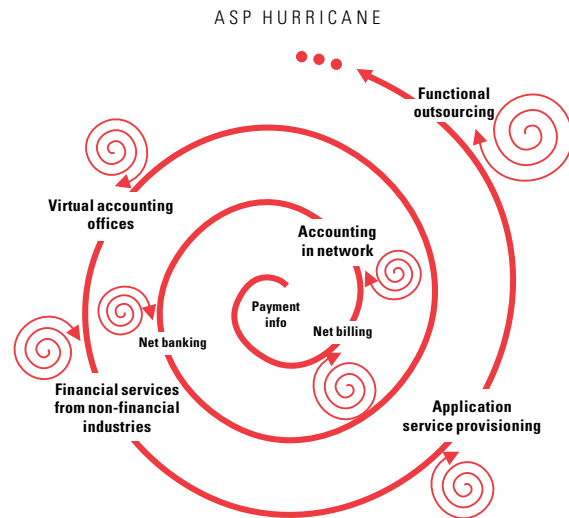
• Outsourcing and Application Service Provisioning, ASP

One largely invisible consequence of the evolution described above is an exponentially growing technical and business complexity, illustrated in the picture above. Trends in technical architectures have made this complexity issue even worse as PCs have become fatter and fatter with software content. Trouble related to system reliability, efforts needed to manage the nightmare of continuous software upgrades and the extra time that people spend on these issues have become a matter of macroeconomic proportions, carving off percentage points of economic growth and slowing down the transition to the Digital Economy.

The tide has turned, in this respect as well. In the Digital Economy user devices will not be behemoths like the PCs in use today. User devices will be easy-to-use and ultra-reliable products, upgradable and reconfigurable "over-the-air". To put it simply, these products will have only browser software. Most of the application logic and functionality will reside behind the network, in the servers and server farms. This trend is often called Application Service Provisioning, ASP.

ASP will be one of the most fundamental trends of the future, changing business models not only generically but also particularly in the IT services industry itself. Software will no longer be sold as traditional licenses only, but in the form of services as well. Pricing models will take entirely new forms.

Models based on transactions and profit and risk sharing will become more common, perhaps even dominant. The technical requirements related to functionality, security, perform-



ance and scalability will be crucial factors. The ASP phenomenon will pave the way for more generic functional outsourcing, driving evolution further towards the Digital Economy, as illustrated in the picture ASP Hurricane.

There will be a tremendous need for ASP services - not only technical ASP services but also high-value-added functional outsourcing services - and of course providers capable of meeting the challenge. Only the strongest providers will be up to the challenge owing to its size.

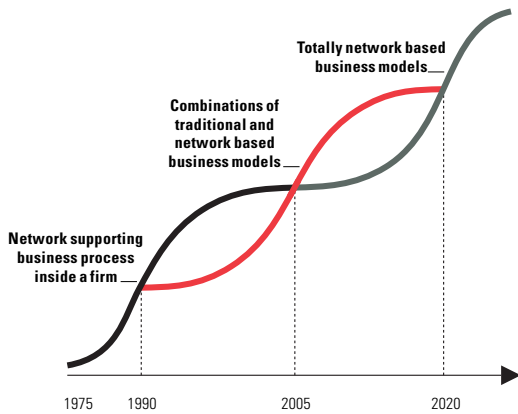
Scandinavia will be among the pioneering areas because of its highly developed payment, card and mobile phone infrastructure and its advanced culture for outsourcing. TietoEnator itself has a large-scale application software business which will be driving ASP development. TietoEnator is among the very few IT service providers in Scandinavia with the foundation to become a strong ASP provider in the Digital Economy. TietoEnator has started its ASP investments and will intensify them further in the near future. The company has also been in the functional outsourcing business for years, for example in the payroll office market.

• Integration of existing and new business models and systems

When considering economic development, IT systems and networks were first adopted in internal applications within companies. This phase of evolution started decades ago and it still prevails as a major source of economic growth in the so-called New Economy.

The Internet boom we are experiencing today has created a new source of economic growth, namely the combination of conventional and new network-based business models in

NETWORKS & GNP



companies that are mobilizing substantial investments in network-related business development.

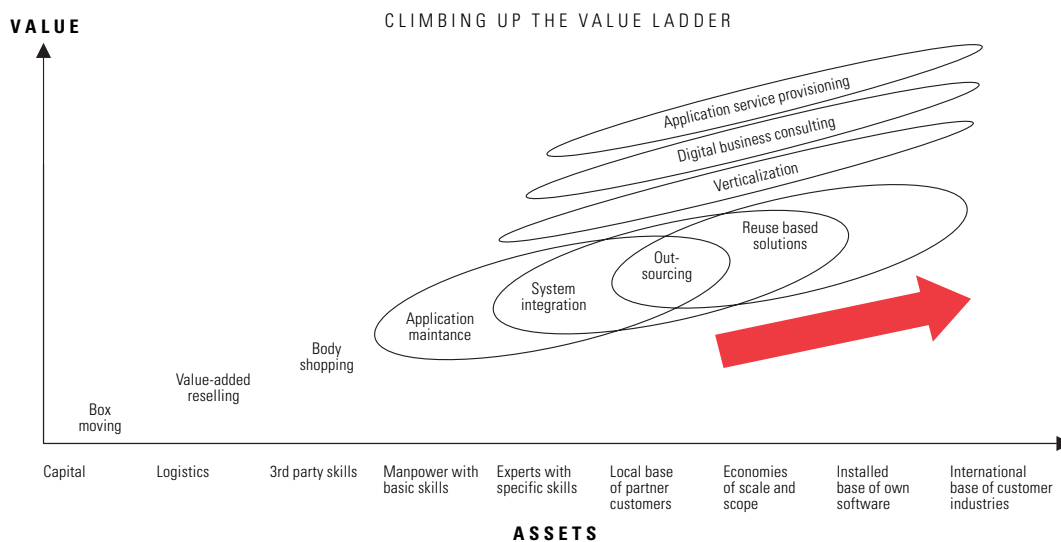
However, this phase has just started and it will intensify in the foreseeable future. Most prominent examples of electronic business represent rather the second than the third phase. Take, for example, the bookstore Amazon, the icon of eBiz. Amazon is still relying on quite conventional publishing and products; material logistics is still needed, and so on. On the horizon, the third phase will be totally network-based business models, but significant advancement in user devices and their massive adoption are needed before the third phase really takes off at the macroeconomic level. This evolution is illustrated in the picture Networks & GNP.

In the second phase, mainstream demand for IT services will not come from new upstart companies growing rapidly and challenging the old industrial structures, though this segment of the IT service business will be important. Instead it will come from representatives of various industries waking up and increasing their investments in network-based business models.

For these people, the most important bottleneck will not be inventing new, innovative business models so much as integration of existing business models and network-based business models. There will be a tremendous need for IT services and providers capable of handling this integration.

High-value-added services

All the multidimensional, complex evolution described above can be crystallized in the mirror image processes of outsourcing / purchasing services, on the one hand, and climbing up the value ladder on the other. In the Digital Economy, businesses must focus only on the creation of core value and core competences. Creation of non-core value and competences will be outsourced or purchased as services from the market. In the Digital Economy, successful IT service providers will climb up the value ladder, fostering those competences which their customers do not possess. This evolution is illustrated in the picture Climbing up the Value Ladder.





Business Areas

TietoEnator focuses on high-value-added IT services in those segments of the market where it can maintain superior expertise, a strong market position and solid profitability. TietoEnator concentrates on customer sectors that represent the strongest Nordic industries. TietoEnator's service portfolio covers consulting, development and integration of IT systems, processing and network management, and application services.

Finance Sector

TietoEnator's Finance Sector is the leading provider of information technology services to the finance sector in the Nordic countries. Its core business is the development, integration and outsourcing of information systems. The service portfolio also includes sector-specific consulting services and off-the-shelf software for finance sector organizations. As an IT partner to its clients, Finance Sector aims to produce solutions and services which create clear added value for their businesses.

Services

The Services business area offers professional IT services to the telecom, energy, postal, retail, media, transportation, logistics, and the travel and tourism industries. Its goal is to enhance the business efficiency and profitability of its customers by developing digital business systems and IT services.

Public Sector

The Public Sector business area focuses on customers within government, municipalities, defense and, in Sweden, regional governments. The main services of the business area include management consulting, professional services for system development, maintenance and customer support, general applications, and specialized applications for segments such as social welfare, education and healthcare. In Finland the business area also provides information services.

Process & Manufacturing

TietoEnator produces IT services for international process industry and manufacturing companies. The Process & Manufacturing business area develops IT solutions and services for the entire customer value chain. Its strengths are an in-depth knowledge of its customers' business, state-of-the-art methods and practices, off-the-shelf product solutions, and enterprise software developed by the world's leading vendors.

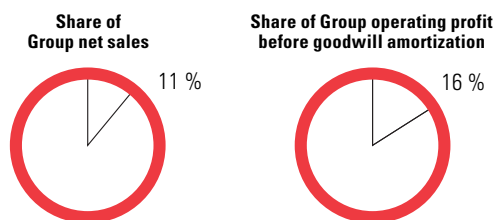
Processing & Network Support

Processing & Network Support supplies e-business services, networked information management services, mainframe services, and consulting and management services requiring special expertise, to TietoEnator's prime customers. The activities of this business area are grouped under the Totalpro service package.

Application Services

The Application Services business area operates throughout the private and public sectors. It provides leading software applications and support services for financial and personnel management and logistics. Customers are free to choose these applications as network versions or in the form of services provided by TietoEnator. Application Services also offers consulting services requiring top-level technical expertise for the products it represents.

Finance Sector



Finance Sector	Jan-Dec 99	Jan-Dec 98
Net sales (mgt responsibility), MEUR	178	124
Net sales	140	89
- per employee (mgt responsibility), EUR 1,000	123	124.4
Operating profit before goodwill amortization, MEUR	18	16
- margin, %	13.1	17.8
- per employee *, EUR 1,000	15.5	21.4
Full-time employees (Average)	1,447	995
Full-time employees (Dec 31)	1,490	1,036

*) number of employees reduced by minority interests

Products and services

Finance Sector's service strategy is based on long-term partnership with its clients. Its product and service portfolio includes a comprehensive range of IT consulting services as well as development of system solutions, integration, outsourcing, maintenance and its own applications.

Much of the service supplied by Finance Sector involves developing applications based on new technologies and integrating these applications into existing databases. Banking applications, such as WAP technology, that are Internet-based or used with mobile phones represent Finance Sector's cutting-edge expertise. Another important know-how area is formed by payment and loyalty card management systems and transaction handling applications.

Markets

Finance Sector's markets are growing rapidly. Information technology is emerging as a crucial competitive strength in the finance sector and is the focus of rapidly increasing investment.

Finance Sector's domestic market is Northern Europe, where it provides a broad range of services in close partnership with its clients. Central and central-eastern Europe are also rapidly growing market areas. Solutions based on the most advanced technology are of crucial importance to organizations expanding into Europe and the global marketplace.

Competitive position

TietoEnator is the leading supplier of IT services to the finance sector in the Nordic and Baltic countries. It is one of the main service providers in Northern Europe along with the largest global players.

TietoEnator's strong position in the finance market is the result of specialization in this sector along with solid technological expertise, especially as a pioneering developer of Internet and WAP applications.

Performance in 1999

Finance Sector's net sales rose 57 % in 1999 to EUR 140 million. This rapid growth was due to acquisitions outside Finland and the start of investments in new network technology in the domestic market. Acquisitions substantially increased the amount of net sales generated in the international markets. Demand at the start of the year was largely determined by the need to complete Y2K projects. Towards the year-end, however, demand began to reflect the development of new IT systems supporting the businesses of Finance Sector's clients. The business area's financial performance developed well, likewise. The operating profit was EUR 18 million, 13 % of net sales. Personnel increased 45 %, totalling 1,490 employees at the close of the period.

Cooperation with Finance Sector's partner-customers developed strongly during the year. New framework agreements were concluded with the OKOBANK Group Central Cooperative and the HEX Group.

Tieto Object object-based models were supplied to several customers. New Internet and mobile phone applications were developed extensively with customer companies. As an example, Finance Sector developed the first banking services in the world for use with WAP mobile phones, as well as Internet services that represent the leading edge worldwide.

In the insurance sector Tieto Entra developed the e-Folder concept in cooperation with Sampo insurance company. In eFolder, all information related to one customer is collected into an electronic folder and the customer has access to this information via an Extranet. eFolder is also a secured channel for entering transactions such as insurance claims.

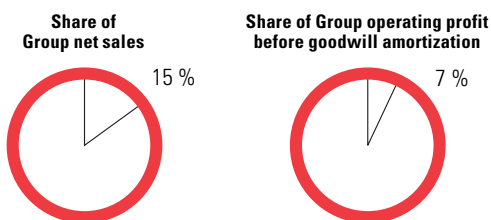
The business area's geographical presence was strengthened when a contract for the Access Gateway Software that supports GSM banks was signed in the Philippines with Wireless Services Asia (WSA). WSA markets the software and operates as a system integrator to the banks in South East Asia. Expansion was also evident in Russia where Tieto Konts set up a branch office in Moscow and gained several contracts for new payment systems to Russia.

In total, Finance Sector works in partnership with almost 300 clients outside Finland.

Prospects

Finance Sector's prospects are bright. Demand is being increased by the finance sector's need to renew outdated information systems and to enhance business operations using the rapid advances in information technology. Especially rapid growth and development are evident in Internet services, a field in which TietoEnator has world-class cutting-edge expertise. Internationalization and industrial consolidation will call for major system investments in Finance Sector's domestic market and elsewhere in Europe.

Services



Services	Jan-Dec 99	Jan-Dec 98
Net sales, MEUR	193	161
- per employee, EUR 1,000	107.5	99.6
Operating profit before goodwill amortization, MEUR	9	18
- margin, %	4.4	11.3
- per employee, EUR 1,000	4.7	11.3
Full-time employees (Average)	1,793	1,616
Full-time employees (Dec 31)	1,842	1,688

Products and services

The Services business area provides high-value-added professional IT services to selected customer segments. Its aim is to improve the efficiency and profitability of its customers' business processes. The business area serves the Telecom, Energy, Postal, Retail, Media, Transportation, Logistics, and the Travel and Tourism industries.

The Services business area's activities form a comprehensive service chain that includes digital business consulting, IT strategy consulting, development and integration of IT systems, outsourcing and maintenance of software applications, and application development.

Markets

Services is the most international of TietoEnator's business areas. It has a strong market presence in Finland, Sweden and Norway and it is strengthening its foothold in Denmark, Germany, Estonia, Latvia and Lithuania. Approximately 35 % of its employees work outside Finland and Sweden.

The business area's major clients include Sonera, Telenor, Telia, Mannesmann, Nokia and Ericsson in the telecoms sector; Statoil, Fortum and Sydkraft in the energy sector; SAS, Lufthansa, the Finnish and Swedish state railways in the transport sector; and major postal and retail sector companies in all the Nordic countries.

Competitive position

In Finland, Services is the market leader in the telecom and postal sectors and one of the two leading providers to the energy and retail sectors. In Sweden, TietoEnator holds market leadership in competence consulting areas such as CTI (Computer Telephony Integration) and CRM (Customer Relationship Management).

The business area's competitive profile varies considerably from country to country. In addition to large international groups there are also niche competitors on each market segment.

Performance in 1999

The Services business area's net sales increased 20 % to EUR 193 million during the year, compared to average market growth of 10 %. Demand for services declined in the latter half of the year as clients concentrated on stabilizing their IT environments for the change of millennium. Profits showed encouraging growth in most sectors but several operations in Sweden recorded losses due to internal reorganization. For this reason the operating profit of EUR 9 million was weaker than in the previous year. Corrective measures have been taken and are expected to return the Swedish operations to profitability during 2000. Personnel increased 11 % and totalled 1,842 at the close of the period.

Typical of Services' activities during the year were the development and integration of e-commerce systems and new digital operating concepts. Among the business area's major new orders, Services gained a central role in the development of Sonera's Zed, Smart-Trust and SMS services. It signed contracts to supply Call Center application software to Lattelekom in Latvia and CRM software to Mannesmann Mobilfunk in Germany. A new information system ordered by Telenor Mobil will provide mobile phone users with information on the weather, sport and news. An agreement was also signed to develop a new version of the Nyman & Schultz Travelorder system based on Lotus Notes. The business area also gained a foothold in important new market segments. Examples include a contract to develop the infrastructure and architecture of Sanoma-WSOY's Lumeveräjätä multiportal, consulting services for DigiTV-foorum, and the order to supply the production systems for Finland Post's Voutila sorting center.

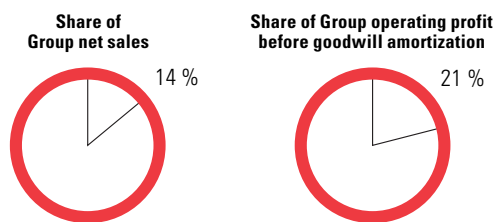
Dansk Informations Teknologi A/S with 75 employees was acquired during the year, as was a 20 % holding in the Finnish new-media company Visual Systems Ltd.

Prospects

The Service business area will continue to focus on the telecom, energy and postal sectors, all of which are expected to show further vigorous growth in demand for high-value-added services. Internet and WAP applications will take an increasingly large share of project implementations. Its goal is to achieve higher than average growth and a leading market presence in selected focus areas in Europe.

In the next few years Services intends to expand into other European countries, especially in the telecom sector and in Germany through organic growth and acquisitions.

Public Sector



Public Sector	Jan-Dec 99	Jan-Dec 98
Net sales (mgt responsibility), MEUR	192	174
Net sales	188	171
- per employee (mgt responsibility), EUR 1,000	108.5	101.8
Operating profit before goodwill amortization, MEUR	25	19
- margin, %	13.2	11.2
- per employee*, EUR 1,000	14.3	11.5
Full-time employees (Average)	1,767	1,712
Full-time employees (31 Dec)	1,741	1,740

*) number of employees decreased by minority interests

Products and services

TietoEnator Public Sector offers customers services and products for building the IT solutions of the future within the public sector, often referred to as "Digital Government". This normally involves solutions based on new technologies such as Internet and mobile communications, occasionally combined with traditional technology. Services comprise mainly solutions and applications designed specifically for the public sector within financial and business systems, personnel administration, social welfare and education sectors and health and medical care.

Markets

Public Sector offers solutions for all segments within public administration. The main areas are the government and local authorities sectors. TietoEnator Public Sector's services are aimed at improving the customer's possibilities to develop and supervise operations, improve efficiency and enhance the value of services to the end-user, that is, the citizens.

Within the government sector, Public Sector's services cover a wide range of applications, such as tax administration, population registers, personnel administration as well as financial systems. Particularly in Finland, TietoEnator holds a strong position as an IT supplier to government agencies. TietoEnator cooperates with a number of ministries and authorities, including the Finnish tax board, the Finnish Parliament and the Bank of Finland.

In the local authorities sector, Public Sector offers solutions for social welfare, healthcare, education and libraries, which facilitate easier and more rapid management of information, by the local administration as well as the citizens. TietoEnator has been a cooperation partner with the local authorities in Sweden for more than 30 years.

Competitive position

Public Sector has a leading market position in Finland and Sweden and also holds a favorable market position in Norway and Denmark. Public Sector's strong market position is based on close and extensive cooperation with many of its customers as well as in-depth knowledge about the different areas of operations.

Performance in 1999

Development in the Public Sector was positive during 1999. Sales rose 10 % compared with 1998, amounting to EUR 188 million. Operating profit improved significantly in 1999 to EUR 25 million (19 in 1998). The number of employees in the business area was 1,741 at year-end, a slight increase compared with a year earlier.

The new Population Information System (PIS) was launched in Finland in October. The system was developed for the Finnish population register and contains information about the population, properties and apartments. The system was the largest development and implementation project in Finland in recent years.

The web-based information system for libraries (Intro Active) was installed in the Tampere City Library in Finland. The system offers customers greater flexibility in the use of library services. With Intro Active, the customer can personally check the availability of a publication via the Internet, reserve publications, etc. The system is an example of how the public sector's information services are becoming increasingly Internet based.

In cooperation with the Eskilstuna Municipality in Sweden, TietoEnator established a workflow-based case management/information system for all municipal operations. The new system, designated ENA, enhances the efficiency of municipal administration while also providing citizens with the possibility of rapidly gaining access to all documents via the Internet.

The City of Helsingborg, Sweden, signed an agreement in 1999 with TietoEnator covering development of a system to rationalize the city's invoice-handling procedures. As a result of a contract with Electronic Commerce PEBS AB, a company owned jointly by TietoEnator and Sweden Post, TietoEnator will deliver the web-based solution e-fact to Helsingborg.

Procapita and Efficca – TietoEnator's concepts mainly for the municipalities' core operations in education, care and welfare, were highly successful during the year.

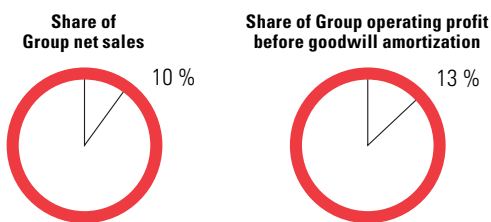
Prospects

Future prospects for Public Sector remain favorable. As a result of the technical adjustments related to the year 2000 and the euro, many customers delayed investments. Since the millennium shift is now passed, there are prospects that customers will invest in new, more future-oriented investments.

An increasing portion of Public Sector's services are Internet/intranet based. The large Internet penetration in the Nordic countries has resulted in increased pressure on the public sector to make information within the central system available to citizens on the Internet. E-commerce is also increasing in the public sector and deliveries to local authorities will to an increasing extent be handled electronically. In the years ahead, greater emphasis will be placed on e-commerce and e-relations, so-called Digital Government, within Public Sector.

Public Sector's goal in the future is to strengthen its position as a supplier of IT solutions to government and local authorities in Northern Europe. Growth will occur mainly through company acquisitions as well as organically. Attractive countries include the Netherlands and Germany, whose public sectors to an extent are similar to public administrations in the Nordic countries. Public Sector's competitiveness lies in its major lead in IT and the Internet and in-depth knowledge about the area of operations.

Process & Manufacturing



Process & Manufacturing	Jan-Dec 99	Jan-Dec 98
Net sales, MEUR	131	120
- per employee, EUR 1,000	112.9	103.8
Operating profit before goodwill amortization, MEUR	15	12
- margin, %	11.7	9.7
- per employee, EUR 1,000	13.2	10.1
Full-time employees (Average)	1,164	1,159
Full-time employees (31 Dec)	1,146	1,182

Products and services

TietoEnator's Process & Manufacturing business area provides IT services for process and manufacturing industry. Its services cover the entire customer value chain. Its competitive strengths are an in-depth knowledge of its customers' business, state-of-the-art methods and practices, off-the-shelf product solutions, and enterprise software developed by the world's leading vendors.

Markets

Process & Manufacturing meets its customers' needs where they are operating, working with them in close and long-standing partnership. Its main markets are Finland and Sweden.

The business area supplies product solutions such as production management systems for papermills around the world, the focus being on Continental Europe.

Process & Manufacturing's customers are Nordic forest industry, telecommunications, process and manufacturing companies with global operations.

Competitive position

In professional services the business area's position in Finland is strong and it ranks as one of the world's top IT system providers to the forest industry.

In embedded systems – that is, IT systems embedded in products for telecommunications, defence and automotive industry customers – the business area is the market leader in Sweden and is gaining a presence in Finland.

International IT consulting companies increased their market share in Process & Manufacturing's sector.

At the end of the year, demand moved clearly towards new enterprise-level electronic business solutions. The market position of suppliers of standard IT systems is expected to improve, as new business solutions are added to existing systems.

Performance in 1999

Demand was strong in all high-value-added services and especially in the electronics industry. Man-hour requirements as such weakened towards the end of the year, notably in Sweden. The business area recorded total sales of EUR 131 million. Sales increased 9 %. The shortage of skilled personnel has hampered sales growth somewhat. Process & Manufacturing's operating profit reached EUR 15 million, up 32 % from a year earlier. Its performance was profitable except in the Swedish units, where cost-cutting measures are in progress to raise profitability.

Personnel increases during the year were most evident in Finland, where employee turnover has also been low. In Sweden competition for IT professionals has been fierce and this has resulted in significant employee turnover and required intensive recruiting. Process & Manufacturing had 1,146 employees at the end of the year.

Contracts were signed for forest industry papermill production systems in several European countries during the year. Customers included Ahlstrom, AssiDomän and StoraEnso.

In embedded systems, the Swedish units focused on third-generation UMTS (Universal Mobile Telecommunications Systems) technology, gaining several assignments in UMTS systems and simulation applications. The business area also delivered first-generation WAP applications in Finland and Sweden with customers including StoraEnso.

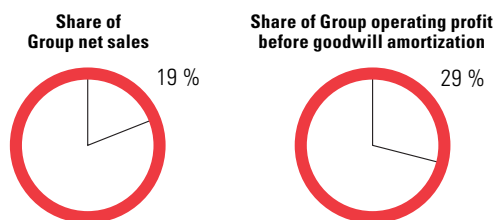
Process & Manufacturing responded actively to the rapid pace of technology development. It strengthened its consulting and technical system development services in electronic business solutions. It also set up Java competency centres in Stockholm and Gothenburg, and made investments in Middleware and Lotus systems. In the embedded systems segment, the business area also gained recognition for its expertise in Windows CE and EPOC32 operating systems.

Prospects

A shift of focus will be seen in deliveries of ERP (Enterprise Resource Planning) systems from basic systems to value-added services such as customer management, product data management and document management.

Demand will remain strong for high-value-added services. Demand will be especially lively in consulting, in delivery of electronic business solutions for enterprises and in embedded systems supporting customers' own product development.

Processing & Network Support



Processing & Network Support	Jan-Dec 99	Jan-Dec 98
Net sales, MEUR	250	226
- per employee, EUR 1,000	158.9	159.7
Operating profit before goodwill amortization, MEUR	34	30
- margin, %	13.5	13.5
- per employee, EUR 1,000	21.4	21.5
Full-time employees (Average)	1,575	1,415
Full-time employees (31 Dec)	1,668	1,427

Products and services

The Totalpro service package, which encompasses all the services provided by this business area, ranges from performing needs analyses of IT environments to defining design and quality criteria, implementation of the IT environment, system start-up, round-the-clock supervision, correction of malfunctions, and reporting of information on all service areas. The Totalpro brand is registered throughout Europe.

The business area's aim is to free its customers to concentrate on developing their own strategies and businesses and, through specialization, to provide them with cost and quality benefits.

Markets

Processing & Network Support offers its services primarily to the existing and future customers in TietoEnator's four customer sectors. This allows it to combine ongoing processing and network support services with the business development projects of its customers in the most effective and beneficial way possible.

Processing & Network Support's business concept is best suited to corporations and organizations with large-scale information networks. For this reason most of its clients are major companies and public authorities. Processing & Network Support also collaborates closely with TietoEnator's business areas to develop efficient operating models for smaller organizations. Customers in these cases benefit through functionality, quality, reliability and cost-efficiency resulting from common elements in their IT systems and shared hardware resources at TietoEnator.

This business area operates mainly in Finland and Sweden. With a market share in excess of 11 % in the Nordic countries, it is the second largest supplier in this region and outranked only by IBM. Processing & Network Support also provides direct support to clients in Belgium, Germany and Great Britain.

Competitive position

Besides its comprehensive Totalpro package, the business area's strong position in the Nordic countries to a fundamental understanding of its clients' businesses, which is also attributable further reinforced by close collaboration with TietoEnator's customer sectors. This unique operating model offers clients the opportunity to achieve substantial cost savings in their IT investments.

Totalpro is the leading brand in this sector in Finland with a market share of 47 %. In Sweden Totalpro has a market share of more than 10 %.

Performance in 1999

Demand for Processing & Network Support's services strengthened further on the previous year. Growth was most pronounced in e-commerce services. Net sales rose 11 % and totalled EUR 250 million. Profits showed positive development as well. Operating profit amounted to EUR 34 million. Personnel increased 11 % and totalled 1,668 at the end of the year.

Several major new contracts were secured in the field of e-business. These included designing the architecture of Sanoma-WSOY's Internet services and Multimedia Delivery Europe, an EU-funded development project related to digitalization of teaching methods. In Finland the business area established a new company called Certal Oy specializing in e-business securitization services together with the largest banks, the biggest telecoms operator and Finland Post. Processing & Network Support also gained significant outsourcing contracts from Apoteketsbolaget and Celsius Bofors in Sweden, and Metsäliitto Group and Metra Group in Finland.

The business area's Competence Center was placed in operation at the start of the year. This unit brings together areas of special expertise that can be used to the benefit of all Processing & Network Support's customers. The Competence Center currently offers consulting and project services for IT modelling and development, as well as e-mail services, development and maintenance services for Domino servers, and SAP R/3 services for planning and implementation of resource management systems.

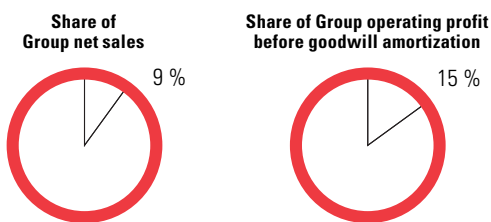
Prospects

Outsourcing of IT services is likely to become more prevalent in the next few years, which will mean higher demand for Processing & Network Support's services. Similarly, demand for e-commerce service is growing vigorously as the range of services expands and the number of users increases.

Demand for the Competence Center services and for integration consulting will rise faster than the average in this business area. Furthermore, new areas of expertise and services will be developed during 2000 which, for example, will enable safe use of wireless IT systems via the Internet.

In 2000 Processing & Network Support aims to strengthen its position and raise its market shares, especially in Sweden. Its activities will be further expanded in the future to cover other countries in Europe through organic growth and acquisitions. Its internationalization will take place in close cooperation with TietoEnator's verticalized business areas.

Application Services



Application Services	Jan-Dec 99	Jan-Dec 98
Net sales, MEUR	120	106
- per employee, EUR 1,000	123.2	122.8
Operating profit before goodwill amortization, MEUR	18	16
- margin, %	15.1	15.2
- per employee, EUR 1,000	18.7	18.7
Full-time employees (Average)	975	863
Full-time employees (31 Dec)	996	916

Products and services

Application Services provides software applications and support services for financial and personnel management and payroll administration. The business area has developed its own software packages, Tieto Persona and Tieto Economa, which can be tailored to meet the individual needs of its clients.

An essential aspect of application services today is the ability to provide wide-ranging consulting support in database, document and knowledge management and in application development. TietoEnator's Application Services is also the Scandinavian representative of mainly American products for professional management and maintenance of information systems.

Markets

Application Services operates throughout the private and public sectors. Its main market is the Nordic countries. The international offices of its Nordic clients also form an important international market segment.

The business area's clients are mainly medium-sized companies and organizations and the SME sector although its customer portfolio also includes a number of corporations with global operations. Unification of financial management practice, driven by the EU, is creating a new potential market for Application Services.

Competitive position

TietoEnator's Application Services is the leading Nordic provider in its sector. The business area's strong market position is based on its solid technical expertise, accumulated over many years. This has enabled it to build up a large customer base, leading to high volume and profitability. Its off-the-shelf software applications are designed to incorporate the best financial and personnel management practices applied in different business sectors. This ensures that their introduction is rapid, effective and cost-effective. The business area's professional service supports this process to ensure that customers receive the products best suited to their individual needs.

As part of a large IT group, Application Services can provide sufficient human and financial resources to carry through large-scale development projects. Its people are experts in the latest, and older, information technology. They are also thoroughly familiar with the

financial and personnel management needs of different business sectors, and in this way support TietoEnator's strong market position.

Performance in 1999

Application Services generated net sales of EUR 120 million in 1999, up 13 % on the preceding year. Demand was extremely strong at the start of the year; sales were boosted sharply, especially in the area of financial management, by the changes and updates required by the Y2K issue and adoption of the euro. Growth in consulting services was lower, however, since customers deferred many of their other technically demanding system development projects to concentrate on the Y2K and euro changes. Interest in new-generation digital applications picked up considerably at the end of the year.

The business area's result of operations improved across the board. The operating profit was EUR 18 million, 15 % of net sales, representing an increase of 13 % compared with a year earlier. Personnel rose 13 % and totalled 996 at year-end.

Application Services made further substantial R&D investments during the year. Its personnel management applications were developed vigorously and new versions of all its main products were brought to market. The development of personnel management Internet applications received top priority. Tieto Persona Foorumi, an Internet service allowing clients to manage payroll and personnel management information on-line, was launched in Finland. Tieto-Persona Link enables companies to digitize payroll information flow between them and their stakeholders.

The international version of Tieto Persona was launched in April at an international users conference in Sweden. During the year Tieto Persona was also exported to new markets in Denmark. The first contracts there were signed with Dako A/S and ASG A/S. A major contract was signed with Sanoma-WSOY, Finland's largest media company, to develop and introduce a new personnel management system.

Development of Tieto Economa focused on the introduction of new financial management modules in Finland and Norway. The new international version of Tieto Economa was completed in June and the first contracts for this application were gained in Sweden. Several projects were started involving development of digital financial management systems.

In the area of document management, Application Services closed an extremely important deal with Ericsson to supply Documentum as a foundation for Web-based document and knowledge management infrastructure for 80,000 users worldwide. A large Documentum supply contract was also concluded with the Danish parliament.

Prospects

Application Services will continue to grow strongly. The unusually high level of demand during the year, coupled with customers' major investments in Y2K and euro projects, could cause demand to dip temporarily at the beginning of 2000. However, the rapid development of new technology is expected to raise demand once again during the second half of the year. Similarly, demand could reach new peaks by 2002, fuelled by changes necessary for the introduction of the euro.

Application Services will focus strongly on developing digital reporting and data transfer systems for intranets and extranets.



Report of the Board of Directors

TietoEnator Corporation was formed by the combination of Tieto Corporation in Finland and Enator AB (publ) in Sweden on 7 July 1999. TietoEnator focuses on high-value-added IT services in segments of the market where it can maintain superior expertise, a strong market position and solid profitability. The Group is one of the leading providers of IT services in Europe. The combination enhanced the Group's international competitive edge and laid a solid foundation for continued future growth.

The combination was implemented through a public offer by Tieto to Enator's shareholders in which Tieto offered 0.725 Tieto shares in exchange for one Enator share. The offer was approved by shareholders representing 98 % of the Enator shares and voting rights. Since then, TietoEnator Corporation has purchased the remaining minority shares so that at the end of the year only 0.19 % of the Enator shares remained in the possession of minority shareholders. The compulsory redemption procedure has been commenced.

The TietoEnator shares are quoted on the Helsinki Exchanges and the OM Stockholm Exchange.

TietoEnator's Board of Directors since 7 July 1999

TietoEnator's Board of Directors has eight ordinary members, who are elected by the Annual General Meeting, and an additional two members and their personal deputies, who are appointed to represent the employees. The Board members are Olof Lund, former Chairman of the Board of Enator; Aulis Salin, President and CEO, Sonera Corporation; Bengt Braun, President and CEO, Bonnier AB; Professor Thomas Falk, Director, Federation of Swedish Industries; Kalevi Kontinen, Executive Vice President, MeritaNordbanken Plc; Matti Lehti, President and CEO, TietoEnator Corporation; Kaj-Erik Relander, Executive Vice President, Sonera Corporation; and Anders Ullberg, CFO of SSAB. The Chairman of the Board is Olof Lund and the Deputy Chairman is Aulis Salin. The employees representatives are Eeva Luoto and Paul Wiberg and their deputies are Juha Reinisalo and Bo Persson.

Business operations

TietoEnator provides consulting, system development, integration and maintenance services. Supporting these services are a profound knowledge of its customers' businesses combined with superior IT expertise. The Group serves customers in the finance, telecommunications, energy, postal, retail, media, transport, logistics, travel and tourism, public services, and process and manufacturing sectors. It also provides services unrelated to these specific customer sectors: processing and network services, and software services for financial, personnel and logistics management. The largest IT invest-

ments required by the emerging "digital economy" relate to core business systems. Building and maintaining such systems requires a profound knowledge of the business sectors involved, coupled with the highest level of IT expertise. TietoEnator plays a crucial role in the development of its customers' digital business systems.

Changes in Group structure

Following its strategy of concentration on its core businesses, TietoEnator decided to withdraw from the Defence and Network Infrastructure Hardware businesses.

TietoEnator's services for the Swedish defence industry were merged with Celsius Aerotech AB on 1 January 2000 to form a new group called Aerotech Telub, which is 57 % owned by Celsius and 43 % owned by TietoEnator. Aerotech Telub has annual net sales of EUR 252 million and approximately 2,600 employees. This deal reduced TietoEnator's personnel by about 1,000 employees and its annual net sales by some EUR 107 million. TietoEnator also sold Information och Media AB to Aerotech Telub in January 2000. Information and Media's core operations are information supply and documentation and its main customers include the Swedish defence industry. The company has annual net sales of approximately EUR 15 million and 160 employees.

Hardware is not part of TietoEnator's core business. For this reason TietoEnator has decided to reduce its holdings to below 50 % in the Swedish company Dotcom AB and Danish NetDesign A/S, both of which specialize in network infrastructure hardware. The target is to accomplish this during the first half of 2000.

At the end of 1998, Tieto Corporation and the Swedish company Entra Data AB decided to combine their banking, financing and insurance operations. The combination was implemented by a privileged issue of Entra shares to Tieto. As an internal reorganization, Entra Data AB acquired Enator's banking and finance sector operations in Sweden.

In compliance with the conditions set by the Finnish Competition Authority, Enator AB's Finnish subsidiary Enator-ryhmä Oy was sold in November 1999 to a new company formed by investors.

Management changes

Juhani Strömberg was appointed Senior Vice President, Development and a member of the Group Management Board after Kenth-Åke Jönsson became President and CEO of Atle IT. Mr Strömberg was previously responsible for new businesses in the Processing & Network Support business area.

Eric Österberg has been appointed Senior Vice President, Corporate Communications and a member of the Group Management Board following the resignation of Kjell Westerback. Mr Österberg leaves Ericsson to join TietoEnator on 1 May 2000.

Report of the Board of Directors

Changes in legal structure

	% share	Net sales	No of employees	Combination/ acquisition or divestment	Business
Combinations and acquisitions					
Enator AB	100			1 Jan 1999	
Entra Data AB	56*)	MEUR 37	385	1 Feb 1999	IT financial services
Dansk Informations Teknologi A/S, DIT	100	MEUR 8	75	1 July 1999	Solutions to unemployment benefit funds and trade unions
NetDesign A/S	100	MEUR 18	59	1 May 1999	Data networks and qualified guidance, training and service
Visual Systems Ltd	20	MEUR 2	38	19 Aug 1999	Development and marketing of network applications
Aerotech Holding AB *) voting rights 50 %	43	MEUR 252	2,600	1 Jan 2000	Swedish defence-related operations
Divestments					
Enator-ryhmä Oy	100	MEUR 11	120	1 Nov 1999	Development of business intelligence and business support systems
Defence business including the following companies: Enator Communications AB Enator Communications A/S Enator Driftentreprenader AB Enator Internservice AB Enator Miltest AB Enator Moveo AB Enator Teleanläggningar AB Enator Telub AB Telub AB Enator Holding AB	100	MEUR 107	1,000	1 Jan 2000	Swedish defence-related operations
TietoEnator Information och Media AB including the following commission agents: TietoEnator Information Management AB TietoEnator Inforum AB TietoEnator Utbildning AB	100	MEUR 15	160	1 Jan 2000	Swedish defence-related operations

Financial objectives

The overall objective is to improve shareholder value through growth, profitability and efficient use of capital. The specific financial targets are:

- organic growth at least in pace with market growth
- additional growth through acquisitions
- operating profit margin (EBIT) to exceed 10 %
- each business area to create shareholder value.

Capital efficiency also means avoiding overcapitalization of the balance sheet. The gearing target is between 0 % and 30 %. Excess liquidity can be distributed to shareholders if distributable funds permit, using both dividends and share buybacks.

Financial development

The combination of Enator and Tieto took place on 7 July 1999 but TietoEnator's accounts have been consolidated according to the pooling method from the beginning of the year. The financial statements for prior years are pro forma consolidated.

Group net sales rose 13.9 % to EUR 1,229.1 million (1,079.2). Excluding exchange rate effects, growth was 13.4 %. Organic growth in local currency for comparable units was 7.3 %. Growth was strongest in the Finance sector owing to Entra, which has been consolidated from the beginning of February 1999. Defence Sweden continued to show weak growth due to poor demand. Geographically, growth was 14 % in Finland, 9 % in Sweden and 40 % outside these countries.

Net sales and operating profit by business area

EUR million	Net sales			Operating profit			Margin	
	Jan-Dec 99	Jan-Dec 98	Growth	Jan-Dec 99	Jan-Dec 98	Change	Jan-Dec 99	Jan-Dec 98
Finance Sector								
- Under TietoEnator management	178	124	+44 %					
- In proportion to TietoEnator holding	140	89	+57 %	18.4	15.8	+16 %	13.1 %	17.8 %
Services	193	161	+20 %	8.5	18.2	-53 %	4.4 %	11.3 %
Public Sector								
- Under TietoEnator management	192	174	+10 %					
- In proportion to TietoEnator holding	188	171	+10 %	24.8	19.3	+29 %	13.2 %	11.2 %
Process & Manufacturing	131	120	+9 %	15.4	11.7	+32 %	11.7 %	9.7 %
Processing & Network Support	250	226	+11 %	33.8	30.4	+11 %	13.5 %	13.5 %
Application services	120	106	+13 %	18.2	16.1	+13 %	15.1 %	15.2 %
Group eliminations I	-72	-54	+33 %					
TietoEnator business areas	950	819	+16 %	119.1	111.5	+7 %	12.5 %	13.6 %
Reorganization								
Network Infrastructure	145	113	+28 %	-1.7	2.4	-171 %	-1.2 %	2.1 %
Defence Sweden	122	130	-6 %	9.8	12.5	-22 %	8.1 %	9.6 %
Other	21	23		-8.7	-12.2			
Group eliminations II	-9	-6	+41 %					
Total net sales / operating profit before goodwill amortization	1,229	1,079	+14 %	118.5	114.2	+4 %	9.6 %	10.6 %
Amortization of goodwill				-10.8	-9.2	+17 %		
OPERATING PROFIT (EBIT)				107.7	105.0	+3 %	8.8 %	9.7 %

Operating profit (EBIT) was EUR 107.7 million (105.0), which corresponded to an 8.8 % profit margin. The figure includes non-recurring income of EUR 20.0 million from gains on property sales and divestments. Costs related to the combination are estimated to be EUR 16 million. This includes external combination costs and internal effects of restructuring. Operating profit also includes a provision of EUR 14.7 million (14.7) for annual bonuses and the personnel development and training fund.

All the business areas except Services increased their operating profits. Services has changed its strategy towards verticalization (telecom, energy, retail). This together with higher costs in new technology projects has a negative impact on the result. The impact of new technology projects has been about EUR 8 million. Weaker demand of low value added services also affected the profitability of services in Sweden and in

Norway. The decrease in the Finance sector's margin is due to Entra.

Operating profits declined in the units under divestment. After the divestment decisions the main emphasis in these businesses has been on rationalization and on preparing for divestment, which weakened profitability.

Earnings per share were EUR 0.90 (0.96), and EUR 1.04 (1.08), excluding amortization of goodwill.

Return on capital employed was 29.5 % (33.6) and return on equity 21.2 % (25.2 %).

The order backlog, which comprises only those services ordered with binding contracts, totalled EUR 478.8 million on 31 December 1999. The order backlog for Network Infrastructure and Defence Sweden, which totalled EUR 93.6 million, has been excluded from this figure.

Report of the Board of Directors

• Repayment from SPP

According to information from the Swedish Staff Pension Society (SPP), a sum of EUR 31 million deriving from SPP's consolidation surplus has been allocated to companies within the TietoEnator Group. This is not reflected in the financial statements. To date, SPP has not stated how or when these funds will be made available.

• Investments

Direct investments in fixed assets and other long-term assets totalled EUR 102.8 million. EUR 38.4 million was spent on machinery and equipment, EUR 40.7 million on subsidiary shares and EUR 10.9 million on property investments related to the Group's main business premises in Espoo was spent.

Capitalized leasing commitments due to a change in accounting principles were EUR 19.9 million.

• Financing

Cash flow from operations totalled EUR 117.2 million. Capital expenditures were EUR 56.9 million and EUR 22.5 million was spent in acquisitions. Divestment of Group companies and sale of fixed assets increased the Group cash by EUR 34.8 million. Dividend payments were EUR 33.5 million. EUR 16.0 million was spent on redemption of the Enator minority.

The increases in share capital, disapplying shareholders' pre-emptive subscription rights, and the bonds with warrants are described under Shares and Shareholders.

Total assets amounted to EUR 702.6 million (561.0). The equity ratio was 52.8 % (56.8 %) and gearing was -13.2 % (-15.9 %). The company had cash and bank reserves of EUR 113.8 million (84.6) and uncommitted credit limits of EUR 20 million.

Personnel

The average number of employees increased by 9.6 % to 11,058 (10,089) during the year. During the year 1,584 new employees were employed. Together with leaves of 1,079 and structural changes the full time employees totalled 11,098 (10,335) at the year-end. Employee turnover decreased from 11.3 % to 9.8 % during 1999.

TietoEnator devoted further efforts and resources to personnel recruitment and competence development. Personnel development focused principally on maintaining and improving the expertise required for e-business.

As in earlier years, personnel remuneration also included annual bonuses and bonds with warrants.

Development

The thrust of the Group's development focused on network-based business concepts and applications. Work started on development of the new eBiz concept for e-business. eBiz aims to offer customers the best package of products and expertise for their specific needs, regardless of how these products and areas of expertise are organized within TietoEnator.

Short-term prospects

Demand for IT services will remain strong and will focus on electronic services. Following the millennium shift, digitization of production and distribution is now the main demand driver. Information networks are emerging as the most important service channel in our society, encompassing the production, distribution and consumption of all products and services that can be digitized. This trend is especially pronounced in the Nordic countries, which have become the forerunners in wireless communications and Internet banking.

TietoEnator's focus on strong North European vertical markets and high-value-added services throughout the 1990s favours the company's development in the new Information Society. Tieto's and Enator's pooling of resources, which has proceeded as planned, now enables the company to take the next steps forward: further consolidating our presence in Europe and pushing the strongest solutions to the global market. TietoEnator's international spearhead solutions are mobile and Internet banking, mobile telecommunications and media, digital government and the digital forest chain. Investments in growth will rise and acquisitions will have a greater impact on the Group's growth than in the preceding year. TietoEnator's long-term growth target has been raised to 20 %. In 2000 growth, excluding reorganization, is expected to be higher than in 1999. However, the first half is expected to be below and second half above the average for the year. Growth in the first months is slowed by TietoEnator's internal restructuring measures carried out in 1999 and by the gradual increase in investment activity by customers following the critical millennium shift.

Non-recurring items arising as planned from last year's combination will continue to have some impact on the Group's result in 2000. Structural changes, notably in Sweden, will generate both costs and income, which are expected to result in a net positive impact in 2000. Personnel costs, a crucial factor in our performance, are expected to develop as in the preceding year. The increase in investments in research and development, intellectual capital and acquisitions will strengthen our long-term profit growth at the expense of short-term profitability. The Group is expected to report a stronger result in 2000 than a year earlier.

Net sales by country, 1 Jan - 31 Dec 1999

MEUR	1999 1-12	Growth %	Share %	1998 1-12	Share %
Finland	489	14	40	429	40
Sweden	598	9	49	548	51
Norway	62	6	5	58	5
Denmark	48	167	4	18	2
Germany	16	33	1	12	1
Other	17	21	1	14	1
	1,229	14	100	1,079	100

Personnel on average by Business Area

	1999 1-12	Growth %	Share %	1998 1-12	Share %
Finance Sector	1,447	45	13	995	10
Services	1,793	11	16	1,616	16
Public Sector	1,767	3	16	1,712	17
Process & Manufacturing	1,164	0	11	1,159	11
Processing & Network Support	1,575	11	14	1,415	14
Application services	975	13	9	863	9
Reorganization:					
- Network Infrastructure	760	18	7	642	6
- Defence Sweden	1,241	-6	11	1,327	13
Other	336	-7	3	360	4
	11,058	10	100	10,089	100

Personnel on average by country

	1999 1-12	Growth %	Share %	1998 1-12	Share %
Finland	4,768	5	43	4,540	45
Sweden	5,220	10	47	4,757	47
Norway	581	16	5	499	5
Denmark	247	111	2	117	1
Germany	106	9	1	97	1
Latvia	84	121	1	38	0
Other	52	27	1	41	0
	11,058	10	100	10,089	100

The personnel figures include all the personnel in the associated companies under TietoEnator's management. Calculating total personnel in relation to TietoEnator's holding in these companies, TietoEnator had 10,756 (9,799) employees.

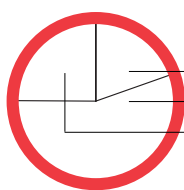
Income Statements

EUR 1,000	Note	GROUP		PARENT COMPANY	
		1 Jan-31 Dec1999	1 Jan-31 Dec1998	1 Jan-31 Dec1999	1 Jan-31 Dec1998
Net sales		1,229,057	1,079,233	333,640	255,164
Other operating income	1	26,972	4,826	8,002	12,823
Costs of revenue	2	214,218	188,808	29,913	25,119
Personnel expenses	3,4	606,146	511,692	146,983	118,515
Depreciation	8,9	46,029	38,102	18,505	17,211
Amortization of goodwill	8	10,791	9,553	2,773	2,417
Other operating expenses		272,433	231,784	95,120	63,881
Share of associated companies' results		1,315	868	-	-
Operating profit		107,727	104,988	48,348	40,844
Financial income and expenses	5	1,578	1,964	13,734	5,979
Profit before extraordinary items, appropriations and taxes		109,305	106,952	62,082	46,823
Extraordinary items	6	-	24,604	12,501	9,561
Change in depreciation difference		-	-	3,936	3,357
Direct taxes	7	-37,177	-32,217	-23,271	-15,311
Minority interests		-3,051	-976	-	-
Profit for the period		69,077	98,363	55,248	44,430

Comments to Income Statements

Net sales rose by 13.9 % or by EUR 149.9 million to EUR 1,229.1 million. Excluding exchange rate effects, growth was 13.4 %. Organic growth in local currency for comparable units was 7.3 %.

Other operating income includes a gain on property sales and divestments of non-strategic businesses totalling EUR 20.0 million which can be regarded as non-recurring.



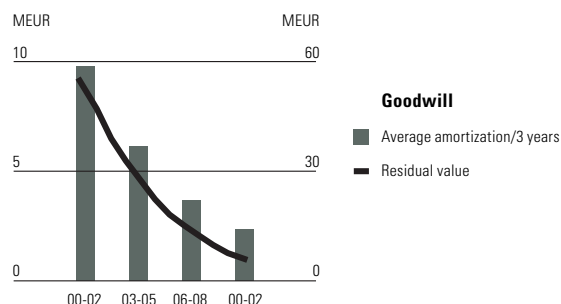
Cost structure

Costs of revenue	19.6 %
Personnel expenses	55.5 %
Other operating expenses	24.9 %

Personnel expenses grew by 18.5 % and were 49.3 % (47.4 %) compared with net sales. The average number of personnel was 11,058 (10,089). The average development for the salaries of IT consultants and similar employees was 4-6 % in Finland and 4-10 % in Sweden. The result-based bonuses were EUR 13.2 million (11.9).

New acquisitions added EUR 0.8 million to the amortization of goodwill. The remaining goodwill on 31 Dec 1999 is amortized annually as presented in the chart.

In addition to normal business-related expenses other operating expenses include a provision of EUR 2.0 (3.0) million for the personnel training and development fund. During the financial year, EUR 0.5 million (0.2) was used. At the end of the year, the provision totalled EUR 6.0 million.



Other operational expenses include approximately EUR 10 million in external costs that are related to the combination of Tieto and Enator. They include advisors fees and other expenses related to the legal combination process, new company profile and expenses related to the integration process.

Tax expense reported for the year includes taxes payable on profit for the year and changes in deferred taxes. The Group's non-utilized tax loss carryforwards are taken into account when calculating deferred tax. Accordingly they do not have any effect on earnings per share but reduce the future cash payments of taxes. The tax rate has been 28 % in Finland and Sweden, but will increase to 29 % in Finland in 2000. Effective tax rate at Group level is 34 %, mainly due to consolidated goodwill and other permanent differences.

Minority interests have increased because of Entra.

Balance Sheets

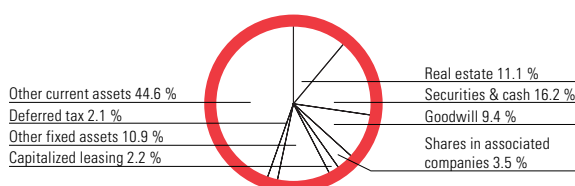
EUR 1,000	Note	GROUP		PARENT COMPANY	
		31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
ASSETS					
Fixed assets					
Intangible assets	8	76,782	56,169	19,697	20,774
Tangible assets	9,11	156,842	128,301	66,004	66,552
Financial investments	10,11,12	26,643	21,150	956,507	35,630
Fixed assets, total		260,267	205,619	1,042,208	122,957
CURRENT ASSETS					
Inventories		5,714	5,398	-	23
Long-term receivables	13,15,21				
Loan receivables		3,047	2,568	17,929	19,228
Deferred tax assets		14,773	15,217	-	-
Prepaid expenses and accrued income		683	603	403	549
		18,503	18,389	18,332	19,777
Current receivables	14,15				
Trade receivables		237,455	183,333	50,612	43,025
Loan receivables		15	660	563	1,718
Other receivables		6,729	5,798	-	-
Group contribution received		-	-	12,501	9,561
Prepaid expenses and accrued income		60,067	57,169	8,523	8,011
		304,266	246,960	72,199	62,316
Securities		32,302	26,311	-	-
Cash in hand and at bank		81,547	58,332	30,364	18,520
Current assets, total		442,332	355,390	120,895	100,636
		702,599	561,009	1,163,103	223,593

Comments to the Balance sheets

The balance sheet total increased by 25.2 % from EUR 561.0 million to EUR 702.6 million during 1999. At the end of 1999 the equity ratio was 52.8 % (56.8 %) and gearing -13.2 % (-15.9 %).

The total amount of fixed assets increased by EUR 54.6 million or 26.6 %. Growth was relatively highest in intangible assets which increased by EUR 20.6 million. This was due to acquisitions. Tangible assets increased by EUR 28.5 million. Investments were EUR 102.8 million. Financial leasing amounted to EUR 15.6 million and was capitalized at the end of 1999 but not at the end of the preceding year.

Breakdown of total assets 31 Dec, 1999



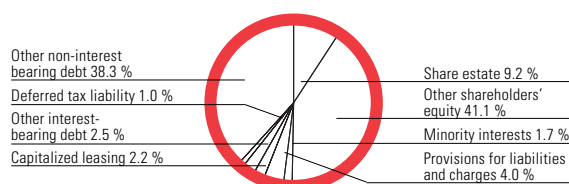
EUR 1,000	Note	GROUP		PARENT COMPANY	
		31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	16				
Share capital		64,716	64,994	64,716	44,857
Share issue		264	1,600	264	1,600
Share premium fund		5,694	22,002	907,666	37,588
Other funds		63,203	53,700	-	-
Retained earnings		150,246	72,829	31,612	12,789
Profit for the year		69,077	98,362	55,248	44,430
		353,200	313,487	1,059,506	141,264
Minority interests		12,254	1,894	-	-
Accumulated appropriations					
Depreciation difference		-	-	-	3,879
Provisions for liabilities and charges	17	28,096	22,797	6,405	4,931
Liabilities	18,20,21				
Non-current liabilities					
Bonds		2,247	1,332	2,247	1,332
Loans from financial institutions		4,506	4,251	3,039	4,251
Pension loans		-	151	-	151
Deferred tax liability		6,722	934	-	-
Other non-current liabilities		19,007	2,085	582	958
Accrued liabilities and deferred income		491	157	82	154
		32,973	8,910	5,950	6,846
Current liabilities	19,20				
Loans from financial institutions		444	335	-	-
Advances received		10,623	6,151	280	319
Trade payables		66,513	44,266	13,684	6,768
Other current liabilities		27,338	27,365	44,656	22,480
Accrued liabilities and deferred income		171,158	135,804	32,622	37,106
		276,076	213,921	91,242	66,673
Liabilities, total		309,049	222,831	97,192	73,519
		702,599	561,009	1,163,103	223,593

Comments to the balance sheets

The total amount of shareholders' equity rose by EUR 39.7 million or 12.7 % during 1999. This was mainly caused by the profit for the period of EUR 69.1 million, and dividend distribution which was EUR 33.5 million. Minority interest in the balance sheet increased considerably from EUR 1.9 million to EUR 12.3 million in 1999. Consolidation of the Entra Group accounts for the majority of this change.

Non-current liabilities increased substantially from EUR 8.9 million to EUR 33.0 million. Most of this resulted from the change in accounting principles for finance leasing contracts. In addition, deferred tax liability increased by EUR 5.8 million.

Breakdown of total shareholders' equity and liabilities 31 Dec, 1999



Cash Flow

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
Cash flow arising from operations				
Operating profit	107,727	104,988	48,348	40,844
Adjustments to operating profit	24,058	40,075	16,297	9,131
Change in net working capital	11,824	11,544	-1,456	3,191
Cash generated from operations	143,609	156,607	63,189	53,166
Net financial items received	1,352	5,869	1,014	565
Income taxes paid	-27,808	-28,244	-23,198	-18,218
Net cash from operations	117,153	134,232	41,005	35,513
Cash flow from investing activities				
Acquisition of Group companies, net of acquired cash	-22,500	-8,078	-32,941	-2,132
Investments in other shares	-5,184	-4,156	-2,610	-1,246
Redemption of Enator minority	-15,967	-	-	-
Capital expenditures	-56,932	-57,457	-29,577	-32,003
Disposed Group companies, net of disposed cash	15,439	-	-	-
Sale of other shares	822	1,335	35	1,297
Sale of fixed assets	19,328	13,405	15,297	11,166
Net cash used in investing activities	-64,994	-54,951	-49,796	-22,918
Cash flow from financing activities				
Change in long-term loans	-3,113	-5,648	-824	-1,003
Change in short-term loans	-957	-16,675	21,560	-4,521
Change in long-term receivables	-479	998	1,219	-4,087
Change in short-term receivables	645	-139	1,232	-
Paid dividends and donations	-33,474	-20,124	-25,601	-15,929
Share issue and exercise options	2,596	4,929	2,596	4,013
Purchase of own shares	-	-32,379	-	-32,379
Dividend received and group contributions	1,098	459	20,453	24,836
Net cash used in financing activities	-33,684	-68,579	20,635	-29,070
Change in cash flows	18,475	10,702	11,844	-16,475
Liquid assets on 1 January	-84,643	-80,091	-18,520	-36,577
Restructuring effects and exchange differences	-10,731	6,150	-	1,582
Liquid assets on 31 December	113,849	84,643	30,364	18,520
	18,475	10,702	11,844	-16,475

Notes to the Financial Statements

ACCOUNTING PRINCIPLES

Consolidated financial statements

The combination of Tieto and Enator has been classified as a uniting of interests in accordance with Finnish accounting standards (FAS) and the financial statements have been prepared by applying the pooling of interests method. Under the pooling of interests method the cost of the shares is eliminated against the share capital acquired. Any difference is adjusted against consolidated equity.

The consolidated financial information for 1999 has been compared with pro forma combined financial statements.

The consolidated financial statements include the parent company TietoEnator Corporation and all subsidiaries in which the parent company has direct or indirect control as defined in FAS.

Companies acquired during the financial period have been consolidated from their date of acquisition and divested companies up until the date of divestment.

TietoEnator Corporation holds more than 50 % of the shares, carrying voting rights of less than 50 %, of associated companies for which it has management responsibility. TietoEnator Corporation is responsible for managing the business operations of these companies. Since such associated companies have a considerable impact on the consolidated result, they are consolidated item for item in the Group income statement in proportion to TietoEnator's holding in them. In the balance sheet, they have been included by one-line consolidation.

Other associated companies are consolidated according to the equity method both in the income statement and balance sheet. The Group's profit share of the associated companies is shown as a separate entry before the operating profit. The book values of the shares are shown in the Notes to the Financial Statements.

Intra-group transactions are eliminated in consolidation.

Intra-group shareholdings have been eliminated using the purchase method, where only profit arising from the subsidiaries' business transactions after the acquisition date is included in consolidated equity. The excess arising from the elimination of subsidiary acquisition costs is considered as goodwill, which is amortized over 3-20 years. In the elimination of intra-group shareholdings the acquired equity at the time of the purchase is adjusted for appropriations, net of deferred tax.

Internal dividends and non-realized income from inventories and fixed assets are excluded from the result.

In the balance sheet, intra-group receivables and liabilities are eliminated from the appropriate balance sheet items.

The deferred tax in accumulated appropriations, temporary differences and confirmed losses has been noted. The change in deferred tax assets or liabilities is included in the taxes for the period.

Minority interest is separated from consolidated shareholders' equity, appropriations and profit, and entered as a separate item.

Foreign currency items

Foreign currency transactions are recorded at the rate prevailing on the transaction date. Foreign currency items at the end of the financial period are valued at the average exchange rates on the balance sheet date. Foreign exchange items are hedged using derivative instruments. In the consolidated financial statements, the income statements of foreign subsidiaries are translated into euros using the average annual rates calculated on the basis of the average rates at the end of each month. The balance sheets are translated using the average rate on the balance sheet date.

Translation differences arising from the application of the purchase method are shown as consolidated equity adjustment items in retained earnings.

Exchange gains and losses on net financial liabilities are reported in the income statement under financial items, while other exchange gains or losses are included in operating profit. The exchange rate differences of hedged items are adjusted by the valuation differences of derivative contracts made for hedging purposes.

Revenue recognition

Material fixed price work in progress is recognized in proportion to the degree of completion. Loss-making projects are entered in full under expenses. Work performed on an hourly basis is recognized during the period in which the work is performed. Licence sales is recognized at handover to the customer and maintenance fees over the contract period.

Pension arrangements

The Group has different pension schemes in accordance with national requirements or practices. In Finland the pension obligations are administered both through pension insurance institutions and by the TietoEnator Group's own pension trust and pension fund. Pension obligations are fully in funded.

In Sweden the pension obligations are handled both through pension insurance institutions and by pension provisions.

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

Significant items not related to the regular business operations of the Group are included under extraordinary items.

Valuation of fixed assets

Depreciation is charged according to plan, based on the original acquisition cost and the useful economic life of the fixed assets.

The Group uses the following depreciation periods:

	Years
Intangible assets (software)	1-3
Goodwill	
- from operations	3-5
- from subsidiaries	3-20
Other capitalized expenditures	5
Buildings	40-50
Data processing equipment	3-5
Other machinery and equipment	5-8
Other tangible assets	10

The amortization periods of goodwill on consolidation are decided separately in each case to correspond with the estimated economic life. For acquisitions of companies with stable marketing and technological conditions, and in which the acquisitions are long-term and strategic in nature, goodwill is amortized over a period up to 20 years.

Losses on the sale of fixed assets are entered as an increase in depreciation according to plan, and sales profits are recorded as other operating income.

Leasing

Leasing agreements have been classified in accordance with FAS in financial and operating leases. Significant assets procured under financial leasing agreements have been capitalized as fixed assets. The annual rents have been disclosed as depreciation and interest expenses in the income statement.

Notes to the Financial Statements

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
The distribution of net sales is presented in the Report of the Board of Directors				
1. OTHER OPERATING INCOME				
Gain on sales of fixed assets	5,951	1,988	4,981	1,591
Rental income	1,548	1,007	2,946	2,127
Merger gains	-	-	-	8,907
Other income	19,473	1,831	75	199
	26,972	4,826	8,002	12,823
2. COSTS OF REVENUE				
External services and purchases	214,443	188,325	30,148	24,940
For own use	-274	-61	-249	-61
Increase (-) or decrease (+) in inventories	49	544	14	240
	214,218	188,808	29,913	25,119
3. PERSONNEL EXPENSES				
Wages and salaries	453,175	384,602	117,518	95,217
Pension costs	46,940	37,749	16,750	12,811
Other statutory pay-related social costs	106,031	89,341	12,715	10,487
	606,146	511,692	146,983	118,515

Other operating expenses includes rents for benefit cars and voluntary non pay-related social costs such as the staff canteen, healthcare and hobby clubs.

Average personnel in the parent company during financial year 1999 was 3,230 and in the preceding year 2,673.

4. MANAGEMENT REMUNERATION

	The President and CEO
	Matti Lehti
Salary	EUR 166,583
Pension age	60
Pension	60 % of the salary that insurance are based on
Period of notice	12 months
Severance payment	-
Bonus for year 1998	EUR 41,074
Bonus for year 1999	-

Salaries, fees and benefits paid to the members of the Board of Directors, the President and CEO and the deputy CEO were EUR 783,331. The current Chairman of the Board received a fee of EUR 21,192.

There were no loans to Group management on 31 December 1999. At the end of 1999 the amount was EUR 87,000.

Pension commitments of the members of the TietoEnator Management Group

The retirement age of three members of TietoEnator Management Group is 60 and the pension level is maximum of 65 % of the salary on which the insurance contributions are based.

In accordance with the terms of a special agreement the retirement age for one member of TietoEnator Management Group is 62, after which 70 % of the final salary will be paid until the age of 65. The pension is supplemented to also provide for a higher pension after 65.

The pension level is such that the pension level based on Sweden's standard ITP plan for proportions of salary between 20 and 30 times the base amount is also paid for a salary amount exceeding 30 base amounts.

For other members of TietoEnator Management Group, the retirement age is 65 and the pension level is 60 % of the salary on which the insurance contributions are based. For one of these members the pension level is determined by a monthly premium, which is 35 % of the salary on which the insurance contributions are based.

Termination and severance payments of the members of the TietoEnator Management Group

If the Company terminates employment, two members of the Management Group are entitled to all employment benefits for 12 months from the date of termination after which salary is paid for another 12 months on condition that salary is not received from other employment. One member is entitled to all employment benefits for a period of two years from the date of termination.

The Company is the terminating party for other members of the TietoEnator Management Group, when the period of notice varies from 3 months to 6 months. One of these other members is entitled to 6 months' additional salary and one to 12 months' additional total compensation.

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
5. FINANCIAL INCOME AND EXPENSES				
Income from securities and investments treated as equity				
Dividend income from Group companies	-	-	4,687	-
Dividend income from associated companies	-	-	6,156	3,772
Dividend income from other companies	164	37	49	37
	164	37	10,892	3,809
Imputation tax credit	382	193	2,413	1,481
	546	230	13,305	5,290
Income from securities and investments treated as non-current debt				
From Group companies	-	-	725	875
From associated companies	-	-	-	-
From other companies	56	105	56	105
	56	105	781	980
Other interest and financial income				
From Group companies	-	-	53	41
From associated companies	-	-	-	-
From other companies	4,332	4,777	1,161	1,837
	4,332	4,777	1,214	1,878
Writedowns of investments	-	-	26	-
Interest and other financial expenses				
From Group companies	-	-	-346	-553
From associated companies	-	-	-	-
From other companies	-3,356	-3,148	-1,246	-1,616
	-3,356	-3,148	-1,592	-2,169
Financial income and expenses, total	1,578	1,964	13,734	5,979
6. EXTRAORDINARY INCOME				
Group contributions received	-	-	12,501	9,561
Unrealized tax receivables arising in prior years	-	24,604	-	-
	-	24,604	12,501	9,561
7. DIRECT TAXES				
For extraordinary items	-	-	3,500	2,677
For the operations in the financial period	30,525	24,160	19,739	12,886
For prior periods	80	-6	32	-252
Change in deferred tax liabilities/assets	6,572	8,063	-	-
	37,177	32,217	23,271	15,311
8. FIXED ASSETS, INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost, 1 Jan.	19,496	20,296	14,421	11,611
Increases	6,069	4,027	5,556	5,220
Decreases	-2,415	-4,827	-2,490	-2,409
Acquisition cost, 31 Dec.	23,150	19,496	17,487	14,421
Accumulated depreciation, 1 Jan.	14,844	16,348	10,023	8,532
Accumulated depreciation in decreases	-2,937	-4,662	-2,466	-585
Depreciation in the period	4,292	3,158	3,327	2,076
Accumulated depreciation, 31 Dec.	16,199	14,844	10,884	10,023
Book value, 31 Dec.	6,951	4,652	6,603	4,398

Notes to the Financial Statements

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
Acquired goodwill				
Acquisition cost, 1 Jan.	23,752	22,270	23,584	24,001
Increases	3,396	2,853	436	806
Decreases	-723	-1,370	-235	-1,222
Acquisition cost, 31 Dec.	26,425	23,752	23,785	23,584
Accumulated amortization, 1 Jan.	12,272	10,197	10,714	9,317
Accumulated amortization in decreases	532	-449	-	-1,021
Amortization in the period	2,900	2,523	2,773	2,417
Accumulated amortization, 31 Dec.	15,704	12,272	13,487	10,714
Book value, 31 Dec.	10,721	11,480	10,298	12,870
Goodwill on consolidation				
Acquisition cost, 1 Jan.	73,922	69,187	-	-
Increases	29,908	4,735	-	-
Decreases	-943	-	-	-
Acquisition cost, 31 Dec.	102,887	73,922	-	-
Accumulated amortization, 1 Jan.	38,507	31,790	-	-
Accumulated amortization in decreases	1,409	-	-	-
Depreciation in the period	7,891	6,717	-	-
Accumulated amortization, 31 Dec.	47,807	38,507	-	-
Book value, 31 Dec.	55,080	35,415	-	-
Other long-term expenditure				
Acquisition cost, 1 Jan.	6,430	5,632	4,938	3,919
Increases	801	1,811	552	1,777
Decreases	-106	-1,013	-86	-758
Acquisition cost, 31 Dec.	7,125	6,430	5,404	4,938
Accumulated depreciation, 1 Jan.	2,392	1,715	1,966	1,525
Accumulated depreciation in decreases	261	-133	165	-132
Depreciation in the period	595	810	635	573
Accumulated depreciation, 31 Dec.	3,248	2,392	2,766	1,966
Book value, 31 Dec.	3,877	4,038	2,638	2,972
Advance payments and work in progress				
Acquisition cost, 1 Jan.	583	0	533	-
Increases	-	583	30	533
Transfers	-430	0	-406	-
Acquisition cost, 31 Dec.	153	583	157	533
Book value of intangible assets, total 31 Dec.	76,782	56,169	19,697	20,774
9. FIXED ASSETS, TANGIBLE ASSETS				
Land				
Acquisition cost, 1 Jan.	9,370	10,124	7,056	7,807
Increases	-	0	-	-
Decreases	-1,051	-754	-1,109	-752
Acquisition cost and book value, 31 Dec.	8,319	9,370	5,947	7,056
Buildings				
Acquisition cost, 1 Jan.	69,016	63,451	29,803	36,627
Increases	27,781	12,472	14,912	-
Decreases	-18,309	-6,907	-13,134	-6,825
Acquisition cost, 31 Dec.	78,488	69,016	31,581	29,803
Accumulated depreciation, 1 Jan.	16,614	16,574	9,129	9,777
Accumulated depreciation in decreases	-9,886	-1,204	-4,573	-1,684
Depreciation in the period	2,247	1,244	647	1,036
Accumulated depreciation, 31 Dec.	8,975	16,614	5,203	9,129
Book value, 31 Dec.	69,513	52,402	26,378	20,674

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
Machinery and equipment				
Acquisition cost, 1 Jan.	171,566	161,587	79,760	67,785
Increases	57,421	39,273	15,825	30,774
Decreases	-23,613	-29,293	-12,011	-18,799
Acquisition cost, 31 Dec.	205,374	171,566	83,574	79,760
Accumulated depreciation, 1 Jan.	117,575	104,902	52,965	40,661
Accumulated depreciation in decreases	-21,552	-18,066	-11,786	-909
Depreciation in the period	38,440	30,739	13,896	13,212
Accumulated depreciation, 31 Dec.	134,463	117,575	55,075	52,965
Book value, 31 Dec.	70,911	53,991	28,499	26,795
Other tangible assets				
Acquisition cost, 1 Jan.	1,910	788	266	284
Increases	2,906	1,156	-	16
Decreases	-1,131	-34	-46	-34
Acquisition cost, 31 Dec.	3,685	1,910	220	266
Accumulated depreciation, 1 Jan.	1,343	365	163	152
Accumulated depreciation in decreases	-1,000	469	-	-
Depreciation in the period	456	509	-	10
Accumulated depreciation, 31 Dec.	799	1,343	163	163
Book value, 31 Dec.	2,886	567	57	103
Advance payments and work in progress				
Acquisition cost, 1 Jan.	11,970	5,355	11,925	1,228
Increases	4,836	10,740	4,797	11,023
Transfers	-11,593	-4,125	-11,599	-326
Acquisition cost, 31 Dec.	5,213	11,970	5,123	11,925
Book value of tangible assets, total 31 Dec.	156,842	128,301	66,004	66,552
10. INVESTMENTS				
Shares in Group companies				
Acquisition cost, 1 Jan.	-	-	24,862	27,065
Increases	-	-	918,743	3,661
Decreases	-	-	-567	-5,865
Acquisition cost, 31 Dec.	-	-	943,038	24,862
Writedowns	-	-	-	-29
Book value, 31 Dec.	-	-	943,038	24,832
Shares in associated companies				
Acquisition cost, 1 Jan.	18,931	12,362	10,224	6,405
Increases	5,947	6,569	2,498	3,842
Decreases	-47	0	-1	-24
Acquisition cost, 31 Dec.	24,831	18,931	12,721	10,224
Writedowns	-132	-132	-132	-132
Book value, 31 Dec.	24,699	18,799	12,589	10,092
Other shares				
Acquisition cost, 1 Jan.	2,374	1,485	706	749
Increases	373	1,261	112	143
Decreases	-860	-372	-18	-186
Acquisition cost, 31 Dec.	1,887	2,374	800	706
Writedowns	-23	-23	-	-
Book value, 31 Dec.	1,864	2,351	800	706
Investments, total 31 Dec.	26,563	21,150	956,427	35,630
Long-term investment loans receivable	80	-	80	-

Notes to the Financial Statements

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
11. TAXATION VALUES OF FIXED ASSETS				
Land in Finland and Sweden	6,693	6,634	1,749	3,039
Buildings in Finland and Sweden	38,627	41,741	16,248	21,991
Shares and securities in Finland				
Shares in Group companies	34,060	19,049	32,879	18,110
Shares in associated companies	12,744	15,763	12,744	15,763
Shares in other companies	2,910	2,035	2,341	1,414

If no taxation value is available, the book value is used.

12. INVESTMENTS

	Number	Share %		Nominal value	Book value EUR 1,000
31 December 1999					
Subsidiary shares owned by the parent company					
Dansk Informations Teknologi A/S, DIT, Denmark	1,002	100.0	DKK	1,000	13,078
Oy EDI Management Finland Ltd, Finland	1,000	100.0	FIM	300	120
Enator AB, Sweden	33,613,773	99.8	SEK	34,114	901,972
Entra Data AB, Sweden	8,284,378	55.7*)	SEK	2,072	4,348
Kiinteistö Oy Tietokilo 1-2, Finland	2,500	100.0	FIM	25,000	11,341
SIA TietoEnator, Latvia	1	100.0	LVL	125	196
Tieto Danmark A/S, Denmark	1	100.0	DKK	500	9
TietoEnator Applications Oy, Finland	45,675	100.0	EUR	768	4,515
TietoEnator Eesti AS, Estonia	400	100.0	EEK	640	111
TietoEnator N.V., Belgium	100	100.0	BEF	2,500	29
TietoEnator Sweden AB, Sweden	31,000	100.0	SEK	3,100	763
TietoEnator Technology Oy, Finland	173,226	100.0	EUR	520	1,715
Tieto France S.A.R.L., France	400	100.0	FRF	400	60
Tieto GmbH, Germany	200	100.0	DEM	200	106
Tieto Innovation Oy, Finland	300	100.0	FIM	300	50
Tieto Konts Financial Systems SIA, Latvia	42	67.7	LVL	50	1,848
Tieto Norge AS, Norway	7,000	100.0	NOK	7,000	1,927
Tieto U.K., Great Britain	270,000	100.0	GBP	270	369
Totus Oy, Finland	200	100.0	FIM	1,000	279
UAB TietoEnator, Lithuania	10	100.0	LTL	400	194
Dormant subsidiaries (3 in total)					9
					943,039

*) 50 % of the voting rights

Shares in Group companies owned by the subsidiaries

Adaptive Performance AB, Sweden	313,864	100.0	SEK	314	526
AerotechTelub Communications AB, Sweden	1,000	100.0	SEK	100	12
AerotechTelub Contracting AB, Sweden	5,000	100.0	SEK	100	139
Enator Communications A/S, Denmark		100.0			
AerotechTelub Datorservice AB, Sweden	1,000	100.0	SEK	100	12
AerotechTelub Internservice AB, Sweden	40,000	100.0	SEK	1,000	6,690
AerotechTelub Miltest AB, Sweden	4,000	100.0	SEK	100	55
AerotechTelub Systems AB, Sweden	1,000	100.0	SEK	100	12
Enator Elektroniksystem AB, Sweden	10,000	100.0	SEK	100	117
Enator Industriteknik AB, Sweden	10,000	100.0	SEK	100	117
Enator Informationssystem Mid AB, Sweden	10,000	100.0	SEK	100	23
Enator Informationssystem Syd AB, Sweden	10,000	100.0	SEK	100	11
Enator Informationssystem Väst AB, Sweden	10,000	100.0	SEK	100	160
Enator Kommunikationslösningar AB, Sweden	10,000	100.0	SEK	100	1,518
Enator Media Systems AB, Sweden	208,500	100.0	SEK	10	755
Abonnet Data i Kristianstad AB, Sweden		100.0			
Mälardata AS, Norway		100.0			
Enator Moveo AB, Sweden	2,500	100.0	SEK	100	35
Enator Percom AB, Sweden	1,000	100.0	SEK	100	12
Enator Produktionsystem AB, Sweden	10,000	100.0	SEK	100	136
Enator Teknik Karlstad AB, Sweden	10,000	100.0	SEK	100	7
Enator Tekniksystem AB, Sweden	10,000	100.0	SEK	100	117
Enator Telecom Consultants AB, Sweden	10,000	100.0	SEK	100	33

31 December 1999	Number	Share %		Nominal value	Book value EUR 1,000
Enator Telemedica AB, Sweden	510	51.0	SEK	1,000	60
Entra BMT AB, Sweden	2,000	100.0	SEK	200	234
Entra Business Objects AB, Sweden	15,000	100.0	SEK	150	112
Oy Entra Business Objects Ab, Finland	200	100.0	FIM	200	16
Entra Capital Solutions AB, Sweden	100,000	100.0	SEK	100	753
Entra Data AS, Norway	500	91.0	NOK	500	66
Entra Financial Software A/S, Denmark	1	100.0	DKK	500	36
Entra Financial Software AB, Sweden	100,000	100.0	SEK	100	206
Entra Finansservice AB, Sweden	100,000	100.0	SEK	100	12
Entra Internet Solutions AB, Sweden	47,525	95.1	SEK	475	371
Entra Juristdata AB, Sweden	2,500	100.0	SEK	250	2,255
Entra Phantom AB, Sweden	5,000	100.0	SEK	500	58
Entra Softica AB, Sweden	10,000	100.0	SEK	250	2,128
Entra Storage Solutions AB, Sweden	5,000	100.0	SEK	500	58
Entra System 10 AB, Sweden	3,000	100.0	SEK	3,000	934
Entra Teknik AB, Sweden	100,000	100.0	SEK	100	243
Entra Visuell Information AB, Sweden	1,000	100.0	SEK	100	409
Memtek Holding AB, Sweden	1,100	100.0	SEK	110	1,156
Netdesign A/S, Denmark	4,576	100.0	DKK	500	7,010
Primator Invest AB, Sweden	1,020	100.0	SEK	102	245
Programmera i Sverige AB, Sweden	1,530	51.0	SEK	100	1,485
Programmera Cobol AB, Sweden		100.0			
Programmera Design AB, Sweden		100.0			
Programmera Förvaltning AB, Sweden		100.0			
Programmera Projektledning AB, Sweden		100.0			
Programmera Rekrytering AB, Sweden		100.0			
Programmera Utveckling AB, Sweden		100.0			
Telub AB, Sweden	100	100.0	SEK	10,000	8,505
Telub Holding AB, Sweden	9,152,108	100.0	SEK	2	12,752
Tieto Axo AS, Norway	14,003	100.0	NOK	1,400	791
TietoEnator Adedata AB, Sweden	1,000,000	100.0	SEK	10	7,007
TietoEnator Affärsintegration AB, Sweden	10,000	100.0	SEK	100	164
TietoEnator Affärskomponenter AB, Sweden	1,000	100.0	SEK	1,000	257
TietoEnator Affärssystem AB, Sweden	10,000	100.0	SEK	100	140
TietoEnator Affärsutveckling AB, Sweden	10,000	100.0	SEK	100	51
TietoEnator Applications AB, Sweden	16,000	100.0	SEK	16,000	1,612
TietoEnator Aros Tech AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator Bilssystem AB, Sweden	1,000	100.0	SEK	100	292
TietoEnator Business Solutions AB, Sweden	10,000	100.0	SEK	100	200
TietoEnator Comtech AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator Connection AB, Sweden	10,000	100.0	SEK	100	12
TietoEnator Consulting A/S, Denmark	5	100.0	DKK	200,000	120
TietoEnator Consulting AS, Norway	1,084,332	100.0	NOK	10	4,076
Netconsult AS, Norway		100.0			
TietoEnator Consulting GmbH, Germany	-	80.0	DEM	-	1,005
Enator International GmbH, Germany		100.0			
Enator Munchen GmbH, Germany		100.0			
Enator Nord GmbH, Germany		100.0			
Enator Rhein Main GmbH, Germany		100.0			
Softprojekt GmbH, Germany		100.0			
TietoEnator Dotcom AB, Sweden	863,930	100.0	SEK	10	8,228
TietoEnator Elektroniska Affärer AB, Sweden	1,000	100.0	SEK	100	222
TietoEnator Energy AB, Sweden	1,000	100.0	SEK	100	44
TietoEnator IN-Center AB, Sweden	3,000	100.0	SEK	1,000	350
TietoEnator Information & Management AB, Sweden	1,000	100.0	SEK	100	12
TietoEnator Information & Media AB, Sweden	10,000	100.0	SEK	100	1,872
TietoEnator Inforum AB, Sweden	5,000	100.0	SEK	100	71
TietoEnator Medical AB, Sweden	1,000	100.0	SEK	100	12
TietoEnator Network Business AB, Sweden	1,000	100.0	SEK	100	12
TietoEnator Objective Management AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator Processing & Support AB, Sweden	1,000	100.0	SEK	100	7,778
TietoEnator Public Partner AB, Sweden	1,000	100.0	SEK	100	12

Notes to the Financial Statements

31 December 1999	Number	Share %		Nominal value	Book value EUR 1,000
TietoEnator PublicSector AB, Sweden	90,000	100.0	SEK	100	24,292
TietoEnator PublicSector Sverige AB, Sweden	1,000	100.0	SEK	100	12
TietoEnator Restra AB, Sweden	10,000	100.0	SEK	100	228
TietoEnator Retail AB, Sweden	10,000	100.0	SEK	100	610
TietoEnator Services Sweden AB, Sweden	8,748,352	100.0	SEK	5	24,650
TietoEnator Syscom AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator System Design AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator Systempartner AB, Sweden	10,000	100.0	SEK	100	80
TietoEnator Systemutveckling AB, Sweden	10,000	100.0	SEK	100	67
TietoEnator Techdoc AB, Sweden	10,000	100.0	SEK	100	117
TietoEnator Technology A/S, Denmark	5	100.0	DKK	1,000	1,120
TietoEnator Technology AB, Sweden	40,000	100.0	SEK	4,000	662
TietoEnator Technology AS, Norway	230,000	100.0	NOK	2,300	1,085
TietoEnator Teknik AB, Sweden	2,000	100.0	SEK	100	38
TietoEnator Telemeknik AB, Sweden	1,000	100.0	SEK	100	12
TietoEnator Test Solutions AB, Sweden	2,500	100.0	SEK	250	721
TietoEnator Trigon AB, Sweden	1,000	100.0	SEK	100	701
TietoEnator Utbildning AB, Sweden	1,000	100.0	SEK	100	12
Tieto Entra Oy, Finland	30,150	100.0	FIM	6,030	242
TietoEntra e-Finance Partner AB, Sweden	2,500	100.0	SEK	250	2,126
Enator Fond och Finans AB, Sweden		100.0			
Enator Information och Säkerhet AB, Sweden		100.0			
Enator IT-Konsult AB, Sweden		100.0			
Tieto Hultdt & Lillevik AS, Norway	2,000	100.0	NOK	2,000	1,485
Tieto Poland Sp.z.o.o., Poland	1	100.0	PLN	4	1
Tieto Tradeware AB, Sweden	9,930	96.0	SEK	993	922
TimberSoft AB, Sweden	1,000	100.0	SEK	100	297
WITS Västra Värmlands IT-Konsult AB, Sweden		52.0	SEK	100	6
Dormant subsidiaries (29 in total)					25,756
					169,750

Shares in associated companies, other shares and securities

Associated companies owned and managed by the parent company

Fidenta Oy	6,000	60,0 *)	FIM	600	202
Tietokarhu Oy	8,000	80,0**)	FIM	800	269
Tietoleonia Oy	9,000	60,0 *)	FIM	900	303
TKP Tieto Oy	900	60,0 *)	FIM	900	2,523
					3,296

*) 40 % of the voting rights **) 20 % of the voting rights

Shares in associated companies owned by the parent company

Atkos Printmail Oy	49	49.0	FIM	490	2,884
FD Finansidata Oy	30,000	30.0	FIM	3,000	757
Kiinteistö Oy Villa Upinniemi	17,500	35.0	FIM		1,458
Merita Systems Oy	200	40.0	FIM	200	34
Oy Samlink Ab	39,563	28.8	FIM	3,956	2,162
Oy Visual Systems Ltd	50	20.0			1,998
					9,292

Shares in associated companies owned by the subsidiaries

Elcon Finansiering AB	250	50.0			-
Elektronisk Handel PEBS AB	5,000	50.0	SEK		58
Prototum AB	750	50.0	SEK	75	2,336
Wasa joint venture Poland		50.0			-
					2,394

31 December 1999	Number	Share %		Nominal value	Book value EUR 1,000
Other shares and securities owned by the parent company					
Bostadsrättsföreningen Almen 10, Solna	-	-		-	81
Certall Finland Oy	84	10	EUR	84	98
Delectia Oy	1,000	16.7	FIM	100	17
Helsinki Stock Exchange Ltd	24,400		FIM	150	25
HPY Holding	71,850				258 *)
Jyväskylän Teknoliakeskus Oy	40	8.0	FIM	400	67
Tapiolan Monitoimiareena Oy	14				118
Other shares and securities					136
					800

*) Market value EUR 2.7 million

Other shares and securities owned by subsidiaries					
As Oy Postipuuntie, Espoo	53		FIM	21	45
Bankserviss SIA	13	10.4			92
Bostadsrättslägenhet					70
HPY Holding	4,650				22*)
Kiinteistö Oy Nukanleikkaaja	578		FIM	6	604
Malmator AB	1000	50.0			34
Management Technology Produktutveckling AB	30	30.0			82
Oy Pickala Golf Ab	1		FIM	10	18
Tampereen Monitoimiareena Oy	8		FIM	15	21
Vierumäen Kuntorinne Oy	80		FIM	20	194
Other shares and securities					166
					1,348

*) Market value EUR 0.2 million

The list does not include companies with a book value of less than EUR 16,819 in the balance sheet of TietoEnator or companies that are dormant. A complete list as required by the Companies Act is included in the company's official financial statements.

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
13. NON-CURRENT RECEIVABLES				
Loan receivable from Group companies	-	-	16,789	17,274
Receivables from associated companies	-	-	-	-
14. CURRENT RECEIVABLES				
Receivables from Group companies				
Trade receivables	-	-	1,241	865
Loan receivables	-	-	563	1,718
Group contributions receivables	-	-	12,501	9,561
Prepaid expenses and accrued income	-	-	386	846
	-	-	14,691	12,991
Receivables from associated companies				
Trade receivables	2,612	820	2,232	815
Prepaid expenses and accrued income	-	2	-	2
	2,612	822	2,232	817
15. PREPAID EXPENSES AND ACCRUED INCOME				
Net sales	24,988	3,659	670	448
Licence fees	5,138	3,205	3,756	1,826
Rents	4,337	4,262	561	707
Social costs	2,883	4,040	969	2,335
Mainframe computer costs	4,146	3,125	412	37
Other	19,258	13,261	2,558	3,207
	60,750	31,552	8,926	8,560

Notes to the Financial Statements

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
16. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	64,994	34,935	44,857	14,798
Transfer from share issue	294	-	294	-
Share issue	-	-	20,137	-
Annulling of own shares purchased	-1,001	-	-1,001	-
Bonus issue	-	29,613	-	29,613
Exercise of option rights	429	446	429	446
Share capital, 31 Dec.	64,716	64,994	64,716	44,857
Share issue, exercise of option rights, 1 Jan	1,600	1,600	1,600	1,600
Transfer to share capital	-294	-	-294	-
Transfer to share premium fund	-1,306	-	-1,306	-
Increase 1999	264	-	264	-
Share issue, exercise of option rights, 31 Dec	264	1,600	264	1,600
Share premium fund, 1 Jan.	22,002	49,648	37,588	65,235
Share issue	-	-	865,868	-
Transfer from share issue	1,306	-	1,306	-
Bonus issue	-	-29,613	-	-29,613
Annulling of own shares purchased	1,001	-	1,001	-
Exercise of option rights	1,903	1,967	1,903	1,967
Pooling adjustment	-20,518	-	-	-
Share premium fund, 31 Dec.	5,694	22,002	907,666	37,588
Other funds, 1 Jan.	53,700	55,939	-	-
Other changes	9,503	-2,239	-	-
Other funds, 31 Dec.	63,203	53,700	-	-
Retained earnings, 1 Jan	171,191	126,383	57,219	61,099
Dividend distribution	-33,474	-20,124	-25,607	-15,864
Purchase of own shares	-	-32,379	-	-32,379
Other changes	12,529	-1,051	-	-67
Retained earnings, 31 Dec.	150,246	72,829	31,612	12,789
Profit for the period	69,077	98,362	55,248	44,430
	219,323	171,191	86,860	57,219
Shareholders' equity, total	353,200	313,487	1,059,506	141,264
17. PROVISIONS				
Personnel training and development fund	5,986	4,512	5,986	4,512
Provision for pension commitments	21,938	18,285	419	419
Other provisions	172	-	-	-
	28,096	22,797	6,405	4,931

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
18. NON-CURRENT LIABILITIES				
Debts to Group companies	-	-	-	-
Debts falling due after five years				
Pension loans	-	254	-	105
1996 bond with warrants to employees - parent company				
Loan principal	FIM 5,911,300			
Number of warrants	585,330 of which 345,570 unexercised			
Interest	5 %			
Subscription period	1 Dec. 1998 - 31 Jan. 2002			
Subscription terms	6 shares for FIM 27.17 per share in exchange for one warrant			
Loan repayment	14 June 2000			
1998 bond with warrants to employees - parent company				
Loan principal	FIM 2,000,000			
Number of warrants	200,000			
Interest	4 %			
Subscription period	15 Jun. 2001 - 31 May 2004			
Subscription terms	6 shares for FIM 175.17 per share in exchange for one warrant			
Loan repayment	15 June 2001			
I/1999 bond with warrants to employees - parent company				
Loan principal	EUR 505,950			
Number of warrants	1,399,795			
Interest	4 %			
Subscription period	2 May 2002 - 31 May 2005			
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant			
Loan repayment	1 June 2002			
II/1999 bond with warrants to employees - parent company				
Loan principal	EUR 410,624			
Number of warrants	1,366,040			
Interest	4 %			
Subscription period	2 May 2002 - 31 May 2005			
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant			
Loan repayment	1 June 2002			
Warrants to employees - parent company				
Number of warrants	212,868			
Subscription period	1 May 2001 - 30 May 2003			
Subscription terms	1 share for EUR 41 per share in exchange for one warrant			

Notes to the Financial Statements

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
19. CURRENT LIABILITIES				
Debt owed to Group companies				
Trade payables	-	-	2,359	377
Other debt	-	-	30,804	9,244
Accrued liabilities and deferred income	-	-	310	3,938
	-	-	33,473	13,559
Debt owed to associated companies				
Trade payables	63	149	29	149
Accrued liabilities and deferred income	-	11	-	11
	63	160	29	160
20. ACCRUED LIABILITIES AND DEFERRED INCOME				
Net sales	21,419	18,643	668	549
Holiday pay and related indirect payroll costs	71,399	56,578	17,963	15,701
Other periodized wages and salaries and related indirect payroll costs	11,374	9,611	7,298	6,569
Other	67,457	51,129	6,775	14,441
	171,649	135,961	32,704	37,260
21. DEFERRED TAX ASSETS AND LIABILITIES				
Deferred tax assets				
From appropriations	312	-	312	-
From temporary differences	15,063	16,642	1,857	1,389
Deferred tax liabilities				
From appropriations	2,112	1,536	-	918
From temporary differences	5,212	805	-	-
22. CONTINGENT LIABILITIES				
For TietoEnator obligations				
Pledges	2,626	-	-	-
Mortgages	2,271	-	-	-
On behalf of Group companies				
Guarantees	-	-	13,406 *)	2,613 *)
On behalf of associated companies				
Guarantees	1,346	1,009	1,346	1,009
Other TietoEnator obligations				
Rent commitments due in 2000 (1999)	29,474	25,573	11,896	11,149
Rent commitments due later	74,349	52,217	36,444	22,193
Lease commitments due in 2000 (1999)	19,133	12,277	18,246	10,211
Lease commitments due later	17,951	18,231	16,796	16,065
Guarantee commitments	42	58	42	-
Rent guarantees	22	88	236	22
Other commitments	19,616	20,933	217	1,332

Leasing commitments are principally three-year leasing agreements which do not have redemption clauses.

Enator's operating lease agreements are not included in the 1998 figures.

Parent company's lease commitments include financial leasing agreements that on Group level have been capitalized as fixed assets.

*) Does not include the unused limits guaranteed by the parent company, which totalled EUR 4,976,557 (4,459,839) on 31 December 1999.

EUR 1,000	GROUP		PARENT COMPANY	
	31 Dec 1999	31 Dec 1998	31 Dec 1999	31 Dec 1998
Derivative contracts				
Currency derivatives				
Forward contracts				
Value of underlying instruments	16,931	4,226	16,931	4,226
Market value of currency forward contracts	-345	23	-345	23

The warrants held by the personnel create employer's social charges when the benefit is taxed. The estimated amount at the end of 1999 was EUR 23 million. Such expenses are recorded as incurred.

RISK MANAGEMENT

Financial Risk Management

The Group Treasury at TietoEnator is centrally responsible for managing the company's financial exposure. Its goal is to minimize the negative impact of the financial markets on the company's operations and on the profitability of the entire Group. The Group Treasury Policy specifies the principles underlying the management of funding and liquidity risks, interest-rate risks, foreign exchange risks and credit risks. The Group Treasury Policy also contains instructions regarding money market and currency instruments. The Group monitors and reports financial risks regularly.

Foreign-exchange risk

Foreign-exchange risk is defined as the foreign-exchange-rate sensitivity of the income statement, the balance sheet and the financial state of the Group.

TietoEnator's commercial transaction exposure is relatively minor since the company's business operations are local in scope; the income and expenses of Group companies are normally generated in the same currency. Licence purchases denominated in US dollars pose a short-term currency risk. Intra-group financial transactions, especially in Swedish krona, form most of the initial transaction exposure. Larger foreign exchange transactions occur at irregular intervals and for this reason the Group's foreign exchange exposure may vary somewhat.

The company's policy is to hedge all significant foreign exchange commitments. During 1999 TietoEnator used only currency forward contracts and swaps for hedging. Currency derivatives normally have a duration of less than 12 months.

TietoEnator does not have a significant economic exposure. Customers in this service business require all companies to have a local presence, and for that reason TietoEnator's foreign exchange profile is similar to that of its competitors.

At the end of 1999 the translation exposure of TietoEnator's shareholders' equity was approximately EUR 400 million, of which almost 45% was denominated in foreign currency. The most impor-

tant currency is the Swedish krona (38 %). A 10 % decrease in the value of the Swedish krona against the euro would reduce non-restricted shareholders' equity at the end of the 1999 financial year by about EUR 14 million. The translation exposure is not hedged.

Interest-rate risk

The basis for managing the interest-rate risk is the gearing target (0 %-30 %) set for the balance sheet structure. The target is set to prevent overcapitalization. Since business operations are profitable, the cash flow is extremely strong. An accumulation of excess capital is natural if these funds cannot be invested in the business operations at the same pace. The organic growth of the Group also does not absorb funds. At the end of 1999 gearing was -13.2 %.

The interest-rate risk exposure did not pose any major risks, nor was it hedged during 1999.

Credit risk

TietoEnator companies are responsible for the credit risk associated with accounts receivable.

Financial instruments contain an element of risk that the counterparties may be unable to meet the terms of their contracts. The Group aims to minimize this risk by setting credit limits on counterparties.

Money market investments are made based on high creditworthiness. Current investments are also monitored. Treasury management does not expect the counterparties to default given their high credit ratings.

Liquidity risk

One of Group Treasury's main objectives is to ensure that the company's liquidity remains sufficiently strong. Cash management and the liquidity of investments are key elements in managing the liquidity risk. The Group also has uncommitted credit lines available so that it can maintain flexibility in funding.

DIFFERENCES BETWEEN FINNISH AND SWEDISH ACCOUNTING STANDARDS

The combination of Tieto and Enator does not meet the criteria for a uniting of interests in accordance with Swedish accounting standards. Under Swedish accounting standards, the combination would have been classified as an acquisition and accounted for applying the purchase method. The application of the purchase method would have resulted in a goodwill of EUR 763 million with a corresponding increase in shareholders' equity.

According to Swedish accounting standards such goodwill shall be amortized over the estimated economic life. Considering the strategic nature of the business combination an estimated life of 20 years would have been applied.

The annual amortization would be EUR 38 million and the corresponding effect on earnings per share EUR 0.50. The remaining balance as of 31 December, 1999 would have been EUR 725 million.

TietoEnator has consolidated the associated companies with management responsibility item for item in the income statement in proportion to its holdings. In the balance sheet they have been included by one line consolidation. The applied consolidation

method is not recognised by Swedish accounting standards under which the equity method would have been used. The applied consolidation method reflects the classification of the income statement, but differences in the share of net income of the associated companies compared to the equity method do not occur.

Deferred tax on timing differences and tax loss carryforward has been accounted for in TietoEnator pro forma figures commencing 1 January, 1998. The combined accumulated effect of the change in accounting principle has been disclosed as an extraordinary income in the TietoEnator pro forma combined income statement. The 1998 change in deferred tax assets has been disclosed as income tax.

In the TietoEnator pro forma combined financial statements 1998 only the financial leasing agreements of Enator have been accounted for as financial leases. Commencing on 1 January, 1999 all significant financial leasing agreements have been disclosed as financial leases.

Calculation of Key Ratios

$$\text{Return on capital employed \%} = \frac{\text{Profit before extraordinary items + financial expenses}}{\text{Balance sheet total - interest-free liabilities (12-month average)}} \times 100$$

$$\text{Return on equity \%} = \frac{\text{Profit before extraordinary items - direct taxes}}{\text{Shareholders' equity + minority interests (12-month average)}} \times 100$$

$$\text{Gearing \%} = \frac{\text{Interest-bearing debt + advance payments - cash at hand and in bank - securities included in current assets}}{\text{Shareholders' equity + minority interests}} \times 100$$

$$\text{Equity ratio \%} = \frac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total - advance payments received}} \times 100$$

$$\text{Interest-bearing net debt} = \text{Interest-bearing debt - cash in hand and in bank - securities included in current assets}$$

$$\text{Earnings per share} = \frac{\begin{array}{l} \text{Profit before extraordinary items} \\ \text{-/+ minority interest in year-end profit/loss - direct taxes} \\ \text{= Profit (numerator)} \end{array}}{\text{Adjusted 12-month average of shares}}$$

$$\text{Shareholders' equity per share} = \frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the year-end}}$$

$$\text{Price/earnings ratio} = \frac{\text{Share price at the year end}}{\text{Earnings per share}}$$

Financial Figures

FOUR-YEAR FIGURES

	1999	1998	1997	1996
Net sales, MEUR	1,229.1	1,079.2	949.5	844.9
Operating profit, MEUR	107.7	105.0	71.7	52.6
As % of net sales	8.8	9.7	7.6	6.2
Profit before extraordinary items and taxes, MEUR	109.3	107.0	73.0	53.4
As % of net sales	8.9	9.9	7.7	6.3
Total assets, MEUR	702.6	561.0	511.8	450.4
Return on equity, %	21.2	25.2	21.7	22.4
Return on capital employed, %	29.5	33.6	26.6	24.1
Equity ratio, %	52.8	56.8	54.7	51.6
Investments, MEUR	102.8	71.0	73.0	54.0
As % of net sales	8.4	6.6	7.7	6.4
Average personnel during the financial year	11,058	10,089	9,282	8,581
Personnel on 31 December	11,098	10,335	9,281	8,824

KEY FIGURES BY QUARTER

	1999 1-3	1999 4-6	1999 7-9	1999 10-12	1999 1-12	1998 1-3	1998 4-6	1998 7-9	1998 10-12	1998 1-12
Net sales, MEUR	291.6	315.1	278.3	344.1	1,229.1	261.4	283.0	240.1	294.7	1,079.2
Operating profit before goodwill amortization, MEUR	34.8	21.1	26.6	36.0	118.5	26.2	25.1	29.3	34.0	114.6
Net financial items, MEUR	0.3	0.6	0.3	0.4	1.6	0.9	0.3	0.5	0.3	2.0
Profit before taxes, MEUR	32.7	19.0	23.6	34.0	109.3	24.6	23.2	27.3	31.9	107.0
Earnings per share, EUR	0.28	0.15	0.22	0.26	0.90	0.22	0.20	0.24	0.29	0.96
Earnings excl. amortization of goodwill per share, EUR	0.31	0.18	0.26	0.29	1.04	0.25	0.23	0.27	0.32	1.08
Equity per share, EUR	4.14	4.23	4.45	4.59	4.59	3.67	3.81	3.76	4.09	4.09
Equity ratio %	52.0	52.1	55.8	52.8	52.8	53.7	55.2	56.2	56.8	56.8
Interest-bearing net debt, MEUR	-56.5	-41.0	-33.0	-61.9	-61.9	-53.1	-46.8	-36.9	-56.4	-56.4
Gearing %	-13.8	-8.9	-6.2	-13.2	-13.2	-14.7	-12.0	-8.4	-15.9	-15.9
Investments, MEUR	21.8	26.4	31.8	22.8	102.8	16.3	19.8	13.2	21.7	71.0
Personnel at end of period	10,882	11,251	11,282	11,098	11,098	9,861	10,130	10,265	10,335	10,335
Average personnel	10,701	11,092	11,095	11,157	11,058	9,778	9,982	10,253	10,317	10,089
Net sales per employee, EUR 1000 *)	28.0	29.2	25.8	31.7	114.3	27.5	29.1	24.1	29.4	110.1
Personnel expenses per employee, EUR 1000 *)	14.4	14.6	12.5	15.1	56.4	13.6	14.2	11.6	12.8	52.2
Operating profit before goodwill amortization per employee, EUR 1000 *)	3.3	2.0	2.5	3.3	11.0	2.8	2.6	2.9	3.4	11.7

*) The personnel figure used in the denominator is the number of employees in the associated companies calculated in proportion to TietoEnator's holding in these companies. Personnel expenses include salaries, pension costs and other pay-related social costs.

Shares and Shareholders

Share capital and shares

The Annual General Meeting of Tieto Corporation on 11 March 1999 decided to reduce the share capital by nullifying 1,191,080 shares that the company had repurchased in 1998.

To technically fulfill the combination of Enator AB and Tieto Corporation, an Extraordinary General Meeting (EGM) of Tieto Corporation shareholders, held on 12 May 1999, decided to raise the share capital with a privileged share issue to Enator AB's shareholders. This issue of 23,946,083 shares was registered on 7 July.

During the year, 860,532 new shares were subscribed with the Tieto 1996 warrants. These increases in the share capital were registered in the following way:

- on 5 January 350,232 shares
- on 17 March 224,658 shares
- on 13 April 16,692 shares
- on 15 June 42,138 shares
- on 24 August 66,684 shares
- on 2 November 21,762 shares
- on 14 December 138,366 shares

TietoEnator's issued and registered share capital on 31 December 1999 totalled EUR 64,716,261.75 (76,957,113 shares). The shares have no par value and each share is entitled to one vote. Based on the former Enator warrants and the warrants attached to the 1996, 1998 and 1999 bonds, the total number of shares may increase further:

- by 317,430 shares from 1 December 1998
- by 1,755,990 shares from 1 December 2000
- by 212,868 shares from 1 May 2001
- by 1,200,000 shares from 15 June 2001
- by 2,765,835 shares from 2 May 2002.

Share listing

TietoEnator shares are listed on the HEX Helsinki Exchange and OM Stockholm Exchange.

Board authorizations

At the end of the year, the Board of Directors had no authorizations to issue shares.

The Annual General Meeting authorized the Board of Directors to purchase the company's own shares in order to develop the company's capital structure and reduce its negative gearing. This authorization is valid until 11 March 2000.

1996-9 bonds with warrants to company employees

The bonds with warrants form part of TietoEnator's personnel incentive scheme which aims to ensure that employees may also benefit from the company's success as shareholders.

Tieto Corporation issued a bond with warrants to all Tieto employees in spring 1999. In total 56.1 % of the employees placed subscriptions. The total amount of the bond is EUR 505,950. A total of 1,399,795 shares may be subscribed for a price of EUR 36.30 per share between 2 May 2002 and 31 May 2005.

TietoEnator Corporation issued a similar bond with warrants to all Enator employees in autumn. In total 46.2 % of the former Enator employees subscribed. The total amount of the bond is EUR 410,624. A total of 1,366,040 shares may be subscribed for a price of EUR 36.30 per share between 2 May 2002 and 31 May 2005.

As part of the combination of Enator AB and Tieto Corporation, the former Enator employees holding Enator warrants were offered a right to exchange their warrants for TietoEnator warrants. A total of 212,868 shares may be subscribed for a price of EUR 41 per share between 1 May 2001 and 30 May 2003.

The bonds with warrants are specified in the notes to the financial statements.

Shareholders

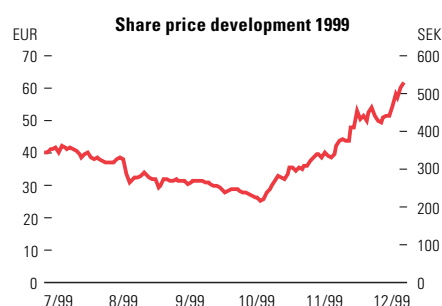
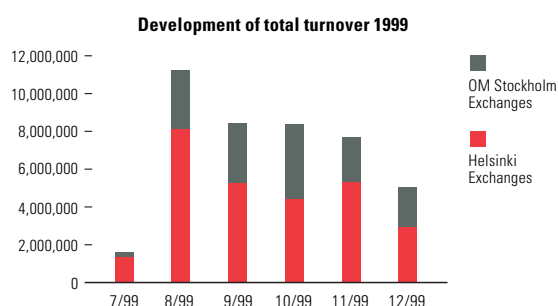
There were 6,411 shareholders on 31 January 2000. Nominee-registered and foreign shareholders amounted to 60.2 %.

The Board of Directors, CEO and Deputy CEO owned 0.0512 % of the share capital and the votes. Based on the bonds with warrants, they can increase their aggregate holding to 0.1303 % of the shares.

Share price development and trading

The turnover for TietoEnator shares from July, that is the combination, till the end of the year was EUR 973.2 million (27,599,507 shares) in Helsinki and SEK 4,428.4 million (14,887,180 shares) in Stockholm. The average share price was EUR 35.26. The share price at the end of the year was EUR 62.00. The highest quoted price was EUR 62.00 and the lowest EUR 25.00. At the end of the year the market capitalization of the share capital was EUR 4,771.3 million.

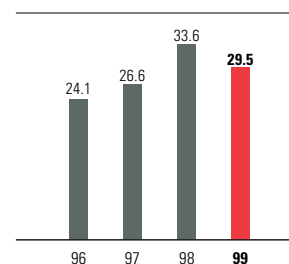
From July until the end of the year, the TietoEnator share rose 54.6 % compared with an increase of 79.6 % for the HEX index of the Helsinki Exchange and 42.5 % for the SX index of Stockholm.



Shareholders on 31 January 2000

	% of shares
Corporations	19.5
Financial and insurance institutions	7.2
Public organizations	6.7
Non-profit organizations	1.2
Households	5.2
Nominee-registered and foreign	60.2
Total	100.0

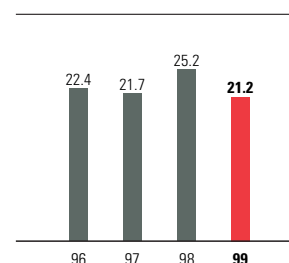
Return on capital employed, %



Principal shareholders on 31 January 2000

	Shares	% of shares
Nominee registered	40,494,475	52.6
Sonera Group	15,596,455	20.2
Robur Funds	3,710,796	4.8
Pohjola Group	1,577,200	2.0
Sampo-Varma Group	1,324,201	1.7
Ilmarinen Mutual Pension Insurance Company	1,278,140	1.7
Suomi Mutual Life Assurance Company	930,000	1.2
Fourth National Pension Fund	823,500	1.1
OP Funds	687,100	0.9
The Local Government Pensions Institution	581,920	0.8
Tapiola Group	543,900	0.7
Others	9,467,236	12.3
Total	77,014,923	100.0

Return on equity, %



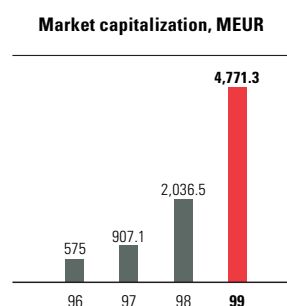
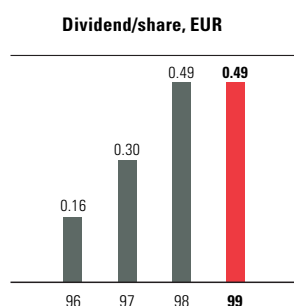
Ownership structure on 31 January 2000

Number of shares	Shareholders		Shares	
	No.	%	No.	%
1 - 100	2,351	36.7	146,140	0.2
101 - 500	1,939	30.2	515,159	0.7
501 - 1,000	827	12.9	622,942	0.8
1,001 - 5,000	1,051	16.4	2,278,958	3.0
5,001 - 100,000	216	3.4	4,269,753	5.5
100,001 - 999,999,999,999	27	0.4	69,149,451	89.8
Pending list			32,520	0.0
Total	6,411	100.0	77,014,923	100.0

Shares and Shareholders

	1999	1998	1997	1996
Share price development				
Share capital at year-end, EUR	64,716,262	44,857,047	14,798,116	14,784,661
Number of shares	76,957,113	53,341,578	8,798,560	8,790,560
Adjusted number of shares at year-end	76,957,113	53,341,578	52,791,360	52,743,360
Adjusted average for the year	76,690,738	52,568,723	52,749,144	52,613,526
Per-share data				
Earnings per share, EUR	0.90	0.97	0.60	0.39
Earnings per share (incl. dilution by warrants), EUR	0.88			
Shareholders' equity per share, EUR	4.59	3.10	2.90	2.44
Share price development and trading				
<u>On Helsinki Exchange</u>				
Highest price (adjusted), EUR	62.00	38.52	18.78	10.90
Lowest price (adjusted), EUR	25.00	16.65	10.37	4.07
Average price (adjusted), EUR	35.89	27.75	13.14	6.51
Turnover, No.	45,971,802	19,484,547	2,712,073	3,161,283
Turnover of new shares, No.				
Turnover (adjusted), No.	45,971,802	26,402,953	16,272,438	18,967,698
Turnover (adjusted) of new shares, No.				
<u>On OM Stockholm Exchange</u>				
Highest price, SEK	527.00			
Lowest price, SEK	220.00			
Average price, SEK	297.47			
Turnover, No.	14,887,180			
Market capitalization, EUR million	4,771.3	2,036.5	907.1	575.0
Dividend				
Dividend paid, EUR 1000	33,737	25,607	15,864	8,279
Nominal dividend, EUR	0.49	0.49	1.80	0.94
Adjusted dividend, EUR	0.49	0.49	0.30	0.16
Payout ratio, %	54.4	50.4	50.0	40.4
Share price weighted ratios				
<u>On Helsinki Exchange</u>				
Price/earnings ratio (P/E)	69	39	28	28
Dividend yield, %	0.8	1.3	1.8	1.4
<u>On OM Stockholm Exchange</u>				
Price/earnings ratio (P/E)	68			
Dividend yield, %	0.8			

Information concerning shares and shareholders including per-share data are based on actual figures and reflect the Group structure prevailing in the respective financial years. The significant change in 1999 is due to the combination of Tieto and Enator.



Proposal of the Board of Directors

	EUR 1,000
The Group's shareholders' equity totalled	353,200
Retained earnings and profit for the period included in shareholders' equity totalled	219,323
of which distributable funds total	215,427
Distributable funds in the parent company	86,859
The Board of Directors proposes that the distributable funds mentioned above be used as follows:	
- a dividend of EUR 0.49 per share be paid to shareholders	37,737
- the remainder be carried forward	49,122

Espoo, 17 February, 2000

Olof Lund	Bengt Braun
Thomas Falk	Kalevi Kontinen
Eeva Luoto	Kaj-Erik Relander
Aulis Salin	Anders Ullberg
Paul Wiberg	Matti Lehti, President and CEO

Auditors' Report

To the Shareholders of TietoEnator Corporation

We have audited the accounting, the financial statements and the corporate governance of TietoEnator Corporation for the financial year 1999. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express our opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements, which disclose a net income in the consolidated income statement of 69,077 thousand EUR, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's result of operations and financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of the distributable equity is in compliance with the Companies' Act.

Espoo, February 17, 2000

TILINTARKASTAJIEN OY - ERNST & YOUNG

Authorized Public Accountant Firm

Sven-Erik Guarnieri
Authorized Public Accountant

Tomi Englund
Authorized Public Accountant

Corporate Governance

Pursuant to the provisions of the Finnish Companies Act and TietoEnator Corporation's Articles of Association, the control and management of the company is divided between the shareholders at a General Meeting of Shareholders, the Board of Directors and the President and CEO of the company.

The Annual General Meeting

The Annual General Meeting is the company's highest decision-making body. Its duties are regulated by the Finnish Companies Act. The most important matters that the General Meeting decides on are the election of the members of the Board of Directors and the auditors, the adoption of the financial statements and decisions on the discharge of liability and distribution of profits.

The Board of Directors

According to the Articles of Association, the Board of Directors of TietoEnator Corporation consists of not less than 6 and not more than 12 members. The tasks and responsibilities of the Board members conform to the relevant legislation and are not separately determined.

The Annual General Meeting elects the Board of Directors. The term of office of a member of the Board commences from the close of the Annual General Meeting that elected the member and continues up to the end of the next Annual General Meeting. In addition to the Board members elected by the Annual General Meeting, the personnel of the company is entitled to elect 2 personnel's representatives and their personal deputies to the Board.

The Board of Directors chooses a Chairman and a Vice-Chairman amongst its members. Matti Lehti, the President and CEO of the company, is also a member of the Board.

During 1999, The Board of Directors convened 19 times.

The President of the company

The Board of Directors appoints the President and CEO of the company. Mr Matti Lehti has been the President and CEO of the company since 1988.

The tasks of the President and CEO of the company are stipulated by the Finnish Companies Act and no special tasks have been assigned in addition to the tasks stipulated by law. The Managing Director takes care of the company's day to day administration according to the instructions and regulations issued by the Board.

Management remuneration and other benefits

The Annual General Meeting decides the fees of the members of the Board of Directors.

The members of the Board of Directors may, in addition to the Board fee, be paid a separate fee for separate consultancy assignments. During the fiscal year 1999 the members of the Board were not paid any consultancy fees. No Board fee is paid to the personnel's representatives or the President and CEO of the company for membership of the Board of Directors.

The Board of Directors decides the salary, remuneration and other benefits received by the President and CEO of the company.

The salaries, fees and benefits paid to the members of the Board of Directors, the President and CEO and the deputy CEO are shown under Note 4 in the Notes to the Financial Statements. In addition, the salaries, fees and benefits paid to the President and CEO as well as the pension commitments are shown under Note 4 in the Notes of the Financial Statements.

The pension commitments of other members of the management i.e. the members of the Management Group are also shown under Note 4 in the Notes of the Financial Statements.

The holdings in the company of the President and CEO and Members of the Board of Directors and the Group Management are shown on pages 58-61.

Board of Directors



OLOF LUND

Olof Lund

(Born 1930)
Chairman

Chairman

Board member

Member

TietoEnator shares

MSc (Eng.)

Member of the Board of TietoEnator since 1999

President and CEO, Celsius Corporation, 1995-97

Chairman of the Board and CEO, Celsius Group, 1990-95

SIAR Foundation

The Association for Development of Sound Accounting Principles

Pharmacia & Upjohn Inc.

LKAB

FPG/AMFK

The Federation of Swedish Industries

Swedish Academy of Military Sciences

1.305



AULIS SALIN

Aulis Salin

(Born 1938)
Deputy Chairman

TietoEnator shares

MSc, LLM

President and CEO, Sonera Corporation

Member of the Board of TietoEnator since 1999

President and CEO, Telecom Finland 1994-99

Executive Vice President,

Posts and Telecommunications, 1990-93

Deputy Director General,

Posts and Telecommunications, 1985-89

0



BENGT BRAUN

Bengt Braun

(Born 1946)

Chairman

Deputy Chairman

Board member

TietoEnator shares

LLB, BSc (Bus. Admin.)

President and CEO, The Bonnier Group

Member of the Board of TietoEnator since 1999

The World Association of Newspapers

Oriflame International AB

Alma Media

Skandia Insurance Co.

AB Bonnierföretagen

Tidningsutgivareföreningen

362



THOMAS FALK

Thomas Falk

(Born 1944)

Board member

Member

TietoEnator shares

PhD (Econ.)

Director, Federation of Swedish Industries

Visiting Professor, Royal Institute of Technology, Stockholm

Member of TietoEnator Board since 1999

Partner of CEPRO Management Consultants, 1994-97

President of the Swedish Institute for Systems Dev., 1992-94

Director, Business Development, Cap Gemini, 1989-92

Nordbanken Fonder AB

SwT-yrkesutbildning

The Royal Swedish Academy of Engineering Sciences

72



KALEVI KONTINEN

Kalevi Kontinen

(Born 1941)

Chairman,

Supervisory Board

Deputy Chairman

Board Member

TietoEnator shares

DEng.

MeritaNordbanken, Executive Vice President,

member of the Group Executive Board

Member of the Board of TietoEnator since 1990

Union Bank of Finland Ltd, member of the Board, 1984-95

Oy Datatie Ab

HEX Oy

Merita Bank Ltd

1.100



MATTI LEHTI

Matti Lehti

(Born 1947)

Deputy Chairman

Board Member

TietoEnator shares

TietoEnator warrants

PhD (Econ.)

TietoEnator Corporation, President and CEO

Member of the Board of TietoEnator since 1988

Deputy Managing Director, Rautakirja Oy, 1986-89

Helsinki School of Economics and Business Administration

Employers' Confederation of Service Industries

Jaakko Pöyry Group

Patria Industries Oy

Setec Oy

Foundation for Economic Education

15.002

Right to subscribe for 94.998 shares



KAJ-ERIK RELANDER

Kaj-Erik Relander

(Born 1962)

Chairman

Board Member

TietoEnator shares

MSc (Econ.), MBA

Sonera Corporation, Executive Vice President

Member of the Board of TietoEnator since 1998

Director of Business Development, SITRA (The Finnish National Fund for Research and Development), 1989-94

Project Manager, SITRA, 1988-89

Printing Network of Europe Oy

F-Secure Corporation

Helsinki School of Economics and Business Administration,

Student Economic Committee

Helmet Capital Fund Management Oy

Oy Maxrona Ab

0



ANDERS ULLBERG

Anders Ullberg

(Born 1946)

Chairman

Board member

TietoEnator shares

MBA

Executive Vice President and CFO, SSAB Svenskt Stål AB

Member of the Board of TietoEnator since 1999

Vice President, Corporate Controll,

Swedyards (Celsius Group), 1978-84

Eneqvistbolagen AB

Hällde Maskiner AB

Mercur Planeringspråk AB

Nordbanken Region Stockholm

Skandia Fonder

Skandia Kapitalförvaltning

1.000



EEVA LUOTO

Eva Luoto

(Born 1947)

Chairman

TietoEnator shares

TietoEnator warrants

Diploma of Business Studies

TietoEnator Corporation, Government Service, Secretary

Personnel representative on Board of TietoEnator since 1998

Various office and organizational assignments

Tietoväki ry

0

Right to subscribe for 895 shares



PAUL WIBERG

Paul Wiberg

(Born 1946)

TietoEnator shares

TietoEnator warrants

BSc (Eng.)

Project Manager, TietoEnator Processing & Support AB

Personnel representative on Board of TietoEnator since 1999

217

Right to subscribe for 666 shares

Group Management



Matti Lehti

(Born 1947)

President and CEO

Joined Tieto in 1989

TietoEnator shares: 15.002

Right to subscribe for 94.998 shares



Åke Plyhm

(Born 1951)

Senior Executive Vice President

and Deputy CEO

President and CEO, Enator AB 1996-1999

TietoEnator shares: 290

Right to subscribe for 2.710 shares



Håkan Friberg

(Born 1948)

Senior Vice President,

Human Resources

Joined Enator in 1993

TietoEnator shares: 0

Right to subscribe for 2.710 shares



Tuija Soanjärvi

(Born 1955)

Senior Vice President and CFO

Joined Tieto in 1986

TietoEnator shares: 0

Right to subscribe for 30.895 shares



Juhani Strömberg

(Born 1953)

Senior Vice President,

Development

Joined Tieto in 1976

TietoEnator shares: 6

Right to subscribe for 0 shares



Veli Pohjolainen

(Born 1947)
Senior Executive Vice President,
Finance Sector
Joined Tieto in 1975
TietoEnator shares: 13.600
Right to subscribe for 78.495 shares



Pentti Heikkinen

(Born 1960)
Senior Vice President,
Services
Joined Tieto in 1996
Worked for VTKK Group Ltd 1993-1996
TietoEnator shares: 120
Right to subscribe for 18.955 shares



Lars Gahnström

(Born 1943)
Senior Vice President,
Public Sector
Joined Enator in 1998
TietoEnator shares: 0
Right to subscribe for 2.710 shares



Pentti Huusko

(Born 1948)
Senior Vice President,
Process & Manufacturing
Joined Tieto in 1986
TietoEnator shares: 0
Right to subscribe for 45.895 shares



Juhani Lano

(Born 1948)
Senior Executive Vice President,
Processing & Network Support
Joined Tieto in 1990
Worked for Carelcomp Ltd 1990-93
TietoEnator shares: 0
Right to subscribe for 51.895 shares



Hannu Niilo-Rämä

(Born 1947)
Senior Vice President,
Application Services
Joined Tieto in 1973
TietoEnator shares: 60
Right to subscribe for 45.895 shares

Auditors

Authorized Public Accountants
Tilintarkastajien Oy - Ernst & Young
Tomi Englund, LLM, APA

Deputies

Risto Järvinen, APA
Kristian Hallböck, APA

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