

Annual Report 2000



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Annual General Meeting

Shareholders' meeting

SysOpen Plc's Annual General Meeting will be held on Thursday 29 March 2001 at 5 p.m. at SysOpen's premises in Helsinki, Pasilankatu 4 B. Meeting room door will be opened and ballots will be distributed at 4.30 p.m.

Shareholders entered in the company shareholder register by 19 March 2001, maintained by the Finnish Central Securities Depository Ltd, are entitled to attend the meeting.

Shareholders wishing to attend the Annual General Meeting must notify the company in advance by 4.00 p.m. on 23 March 2001. Notifications must arrive before the deadline. Please submit any proxies in conjunction with notification.

Please register with:

SysOpen Plc

Tiina Purho

Pasilankatu 4 B, 00240 Helsinki, Finland

Tel. +358 424 20201, Fax +358 424 2020 700

info@sysopen.fi

Payment of dividend

SysOpen's Board of Directors will propose to the Annual General Meeting that a per-share dividend of FIM 0.65 be paid for the financial year 2000. Should the Board's proposal be approved, the dividend will be paid to shareholders entered on the record date, 3 April 2001, in the shareholder register maintained by the Finnish Central Securities Depository Ltd. Dividend payment date is 10 April 2001.

Contact information for investors

For Annual Reports and other publications, please contact:

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Disclosure of financial information in 2001

Interim reports will be published as follows:

Report for January-March on 10 May 2001

Report for January-June on 15 August 2001

Report for January-September on 8 November 2001

The Annual Report, interim reports and stock exchange bulletins are available on our website at <http://www.sysopen.fi>.

Change of address

We kindly ask shareholders to notify any change of address to each shareholder's respective book-entry securities register.

Integrated eSolutions

SysOpen is one of the leading IT service providers in Finland.

We focus on integrated e-Business solutions (Integrated e-Solutions) for large and medium-sized companies and public corporations. Integrating operational systems with new Internet and Wireless solutions is one of our key strengths.

SysOpen has offices in Helsinki, Espoo, Tampere, Kuopio, Varkaus, Jyväskylä, Stockholm and London. SysOpen Group employs more than 300 IT professionals.

Our expertise consists of three complementary areas: Consulting Services, Enterprise Application Solutions and Software Solutions.

Consulting Services

Meeting the challenge and reaping the benefits of e-Business requires realistic business development and the exploitation of existing architecture and systems solutions.

Our key focus areas in logistics planning and consulting services include strategies, order and supply chain management as well as the development of production and distribution logistics. Our strength is to integrate our business and IT solutions expertise into the opportunities provided by new technology.

Enterprise Application Solutions (EAS)

The Enterprise Application Solutions (EAS) unit supplies customised mission critical IT solutions particularly in the field of e-Business for large and mid-size companies. Our implementations are often based on object and component technologies enabling flexible and scalable systems.

Solutions are partly integrated in the company's core business and partly into existing systems. Integration is an integral part of project implementation expertise. Quality and strong technological expertise in ever-changing markets guarantee successful and expanding business operations on an ongoing basis.

Software Solutions

We are determined to expand our Software Solutions business with a view to achieving reusability for our high-tech expertise. We aim to launch software solutions suitable for various distribution channels and international markets. In Finland, we hold a leading market share in selected software solution applications.

Regional offices

In line with SysOpen's selected growth strategy, we have also expanded our operations outside the Helsinki metropolitan area. The regional organisation consists of offices in Tampere, Jyväskylä, Varkaus and Kuopio with their main task of implementing customised integrated IT solutions (Enterprise Application Solutions) for their selected customers. In addition, the regional organisation contributes to product development as well as to providing Group key customers with consulting, development and maintenance services.

Key figures

		2000	1999
Turnover	MEUR	23.0	10.8
Change in turnover	%	112	37
Turnover ^{*)}	MEUR	24.9	15.3
Change in turnover ^{*)}	%	63	93
Operating profit before goodwill amortisation (EBITA)	MEUR	3.2	1.8
% of turnover	%	14	16
Operating profit (EBIT)	MEUR	2.9	1.6
% of turnover	%	13	15
Profit after financial items	MEUR	3.0	2.1
Earnings per share	EUR	0.21	0.18
Shareholders' equity per share	EUR	1.37	1.22
Equity ratio	%	76	77
Return on investment	%	26	28
Return on equity	%	18	20
Gearing ratio	%	- 49	- 70
Personnel on average	personnel	267	117

^{*)} pro forma turnover (including acquisitions)



Customers

In line with our strategy, we focus on integrated e-Business solutions (Integrated e-Solutions) for the needs of large and mid-size organisations. Our customers originate largely from the telecommunications, service, logistics and industry sectors as well as from the financial sector.

Co-operation with our customers is based on long-term projects and customer relationships as well as on quality and mutual trust. We aim to support our customer's business development through partnerships and networking. The added value for the customer is generated through mutual learning and improved productivity. The closer the customer relationship, the more benefits the co-operation bring.

Our domestic customers include, among others: ABB, Asiakastieto, Atria, Finanssidata, Finnair, HEX-Helsinki Exchanges, Kesko, LEL Employment Pension Fund, the Finnish Maritime Administration,

Nokia Corporation, Nordea, Radiolinja, RAY (Finland's Slot Machine Association), Sampo, Siemens, Sonera Corporation, Stockmann, Finland Post, Ministry of Foreign Affairs and VR Group.

Overseas customers include, among others: Hallmark Cards, Ricoh, Medway Ports, and Holiday Autos International.

Partnership network

Our partnership network is large in the fields of Enterprise Application Solutions and Software Solutions, in particular. These companies represent industry leading technological solutions, including BEA Systems, Create!form International, Elisa Communications, IBM, Lexmark, Microsoft, Oracle, Sonera Corporation, Solid Information Technology, Sun Microsystems, Sybase and Xerox.



7 March

SysOpen Plc's Board of Directors decided to set new Group growth targets for 2000. The new target for pro forma turnover was set at FIM 200 million. The target turnover of 20 per cent would come from international business operations. Despite vigorous business growth, company profits were expected to remain at a healthy level.

16 March

The Board of Directors specified a new Group-wide "Integrated e-Solutions Provider" strategy, on the basis of which Group services were reorganised into three business areas: Consulting Services, Enterprise Application Solutions and Software Solutions.

21 March

SysOpen increased its 49 per cent shareholding in CallCom Oy, a manufacturer of telephony, information and access solutions, to 100 per cent by buying the remaining shares from Siemens Osakeyhtiö.

28 March

By acquiring QL-Systems Oy, a manufacturer of leading logistics applications based in Espoo, the Group enhanced its expertise in logistics.

4. April

By acquiring Benefect Oy, a Helsinki-based provider of operational applications for trade unions and unemployment funds, the Group strengthened its service sector and expertise in the use of electronic products and services.

4. May

By acquiring Sypal Oy based in Varkaus, the Group reinforced its competence in telecommunication projects, for example. Due to Sypal Oy's acquisition, SysOpen obtained a 41.2 per cent stake in Visy Oy, which develops automatic image recognition applications designed for industry and traffic.

1 September

Owing to the lengthy but fruitless negotiations over a business acquisition in the UK, SysOpen Plc's Board of Directors decided to set new growth targets for 2000. Excluding major company acquisitions, the target for consolidated pro forma turnover was set at EUR 24 million, a year-on-year increase of 57 per cent. The proportion of international business operations was expected to rise significantly in 2001. Profitability for 2000 as a whole was expected to remain healthy as planned (EBITA more than 15 per cent).

1 November

SysOpen bought the entire share capital of Tietovalmis Group Oy, which is a Jyväskylä-based company specialising in customised software solutions and integration services.

7 November

SysOpen announced the implementation of eGate, a passenger boarding system, for Finnair eGate, a wireless automated check-in system, makes it easier and faster for passengers to board aircraft. Busy travellers can simply walk onto the aircraft without having to produce their tickets at the check-in or at the gate. The eGate service is part of SysOpen's OpenID product family.

30 November

SysOpen's Board of Directors set new targets to be achieved within the framework of "Integrated e-Solutions Vision 2003" by the end of the year 2003. First, SysOpen would be the leading integrated e-Business solutions provider in Finland. Second, the Group's internationalisation process would be based on the global focus on the Group's core competencies of product and vertical solutions. Third, with 1,000 IT professionals on the payroll, turnover would exceed FIM 500 million, of which 40 per cent would come from overseas business operations. Finally, profitability would remain at a healthy level (EBITA 15 per cent).

SysOpen strengthened its position and profitability

Even though the IT sector in general saw a subtle slowdown toward the end of 2000, we continued to strengthen our position in e-Business solutions and were able to keep growing and maintaining profitability. Demand for our services remained strong throughout the year. This was due largely to the right strategic choices and decisions made in previous years.

How did SysOpen perform?

For SysOpen, which celebrated its 10th anniversary, the year 2000 was the first-ever full financial year as a public limited company.

Consolidated turnover increased by 112 per cent year-on-year to FIM 137 million. Profitability remained healthy despite business expansion and operating profit before goodwill amortisation rose by 82 per cent to FIM 19 million. The final quarter was good and growth was profitable. Healthy profitability was also manifested in our equity ratio, which stood at 76 per cent. Earnings per share continued to grow from FIM 1.05 to FIM 1.25.

The year 2000 saw five company acquisitions, which considerably expanded our Software Solutions business, and we also extended our coverage to Varkaus and Jyväskylä.



Integrated e-Business solutions

Implementations of Enterprise Application Solutions (EAS), SysOpen's core business area, increased towards the end of the year, accounting for 74 per cent of consolidated turnover. Software Solutions and Consulting Services accounted for 15 per cent and 11 per cent of consolidated turnover, respectively.

Implementations were divided fairly evenly among four sectors. Implementations for the service and telecom sectors accounted for almost a third of turnover. The share of logistics and industry rose to 24 per cent and financial business to 18 per cent.

Enterprise Application Solutions, our core business, and Consulting Services as well as our market-leader products showed healthy profitability. The object and component technology projects, as well as our long-standing customer relationships, are indisputable cornerstones of the Group's profitability.

Our high profitability in 2000 was based on SysOpen's long experience as a systems provider, our on-going policy of continuing professional technical education and efficient day-to-day management ensuring high utilisation rates.

We will keep focusing on integrated e-Solutions and business-process development. Our services will be targeted at our key customers and allocated to object-technology projects.

Personnel

Our ambition to develop our organisation and personnel on an ongoing basis is manifested in our efficient high quality business operations. This is how we strengthen all SysOpen employees' market value. This will also in the long run contribute to the company's market value.

Our quality processes require, in addition to developing professional skills, considerable contributions to employee well-being and human resources. Sustained high employee satisfaction and modest employee turnover, prove that our business processes function well.

At the end of the financial year, the number of employees, for the first time, exceeded 300 IT professionals. In addition to company acquisitions, our organic growth added to the number of employees by 17 per cent.

Both existing employees and new starters have the opportunity to participate in SysOpen's professional technical education program.

Spending on product development and company acquisitions

Product development spending on services and software solutions accounted for more than 10 per cent of consolidated turnover. The focus of service development was on integration and the consulting services' implementation process, including its quality development on an ongoing basis, as well as on enhancing expertise in object and component technologies. Software product development focused on market-leader products, telecom products as well as on new software components based on object and component technologies.

Thanks to product development spending, OpenID product family became an attractive software solution for logistical needs. It has market potential and promising market prospects. During the current year, we will put more and more effort into this product line in terms of higher spending on marketing, sales and product development.

We will also carry out company acquisitions both at home and, in particular, abroad. The key criteria for acquisitions will remain synergy and profitability.

Internationalisation

In internationalisation we fell short of the targets set for the financial year. International operations remained at 4 per cent of consolidated turnover. The main reason for the low figure was the cancellation of a planned acquisition in the UK.

We will keep growing organically abroad, especially in the UK, and aim to acquire profitable companies that support our strategy. During the next three years, we are planning to raise the share of our overseas business operations to 40 per cent of consolidated turnover - the target set by the Board of Directors. All this business expansion will, however, be based on profitable domestic business operations.

Future

SysOpen has grown into one of the major experts in and providers of integrated IT solutions in Finland. In line with our vision for the next three years, we will keep focusing on profitable growth, strengthening our position as a major Finnish integrated e-Business solutions provider and increasing consolidated turnover to more than FIM 500 million. This will also form the basis for our overseas expansion, with healthy profitability high on the agenda nonetheless.

It gives me great pleasure to thank all of the Group's employees for their professional contribution during the time we have remained one of the few profitable IT companies in Finland. Special thanks also to our customers and partners, who continue to trust in our expertise and state-of-the-art IT solutions. I would also like to thank our shareholders for their trust in the company's management and personnel as well as in the selected strategy, which aims to increase earnings per share and shareholder value.



Jorma Kylätie
Managing Director



Goal-driven strategy bears fruit

During 2000, SysOpen adhered to its growth strategy by acquiring companies as well. The acquisition process established a year earlier was made more efficient, accurate and faster. This has been helpful since identifying strategically right candidate firms is a prerequisite for success.

The integration phase in the acquisition process was high on the Group's agenda because it is vital to swiftly and smoothly integrate the acquired companies' personnel and business with the Group's business operations. This is how we provide solid foundations for achieving our common goals and quickly achieving synergy benefits after the acquisition.

We also intensified the evaluation phase early in the process so that the search for potential candidates and the preliminary analysis can be carried out much quicker. The goal-driven acquisition strategy bore fruit, and we were fortunate to identify the right candidate firms among a great number of potential companies.

Strengthening competitive position - on a profitable basis

Company acquisitions aim to strengthen SysOpen's competitive position in the market as well as supporting existing businesses. In selecting potential acquisition targets, one of the key criteria has been geographical coverage and expansion.

Many aspects were considered when evaluating the price of acquisitions. One of the most important criteria included an increase in earnings per share and shareholder value. An increase in SysOpen's market capitalisation also provides more solid foundations for future acquisitions. In line with its growth strategy, SysOpen will continue to actively follow the acquisition policy adopted - still focusing on profitability.

International market awaiting

In early 2000, we embarked on implementing our international growth strategy. We entered into negotiations with a number of candidates, but with no tangible results.

Towards the end of the year, acquisition activity was intensified to give a boost to our pursuit of international expansion. We succeeded in establishing a number of overseas contacts and partners which will help to provide a solid basis for future international growth.

Company acquisitions in 2000

During 2000, SysOpen acquired five companies that supported the Group's Integrated eSolutions strategy and internationalisation and contributed to branching out into software products.

Accessibility solutions

In March, the Group purchased the entire share capital of CallCom Oy, an Espoo-based company specialising in software products. CallCom is a leading provider of information service and accessibility service solutions for the companies' telephone traffic.

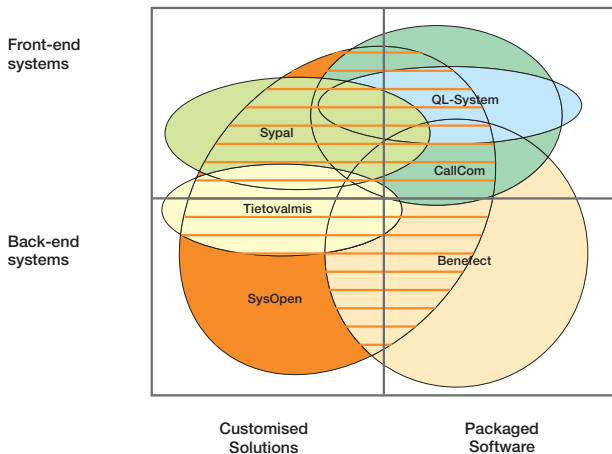
Logistics applications

In late March, the Group acquired QL-Systems Oy, an Espoo-based company specialising in the development of logistics applications especially on the Internet- and Windows-based platforms.

Applications for trade unions and unemployment funds

In early April, the Group acquired Benefect Oy, a software firm specialising in applications designed for trade unions and unemployment funds. Within Finland the company is a market leader in trade union applications and the second biggest provider of systems designed for unemployment funds.

Positioning the acquisitions by service



Customised solutions

In May, the Group acquired Sypal Oy, a company based in Varkaus and Kuopio specialising in customised applications. In late 2000, Sypal held a 27.7 per cent stake in Visy Oy, which is one of the leading developers of automatic image recognition applications designed for industry and traffic.

In November, SysOpen acquired Tietovalmis Group Oy based in Jyväskylä. Founded in 1989, Tietovalmis Group Oy is a software firm specialising in customised applications and integration services. The company develops and implements missioncritical solutions for large companies in industry and trade.



*SysOpen Tower,
the new headquarters*



Investments in information technology will keep growing for the next few years as well. Gartner Dataquest forecasts that the annual growth rate of European IT service markets for 1999 – 2000 is as follows: IT consulting services 18 per cent, application new development and integration 15 per cent, application maintenance and support services 14 per cent.

The annual growth rate of the Finnish consulting service market in 2001 is estimated as high as at 29 per cent more than in the previous year. SysOpen is strongly and profitably following this path as well.

The underlying reasons for increasing investments include, among other things, changes in the organisations' operating and business models, proliferating e-service, networking and e-commerce solutions as well as changes in the way organisations exploit and adopt technological solutions.

Gartner suggests that organisations will spend approximately 5 per cent of their turnover on information technology. Those organisations completely engaged in and even dependent on IT business will be the most ardent IT spenders. In this case we refer to mission-critical IT solutions.

Changes in business models

Business steers the development and adoption of various IT solutions. The aim of information technology is to enable companies to re-engineer their operations and business with a view of gaining efficiencies and achieving higher quality.

It is highly important that IT solutions supporting new business models and the existing solutions be in 'dialogue'. This means integration between applications.

Global information networks enable, support and speed up the dispersion of business and service processes. Business processes physically split into sub-processes carried out by several suppliers. From the viewpoint of management and steering, the dispersed processes should be logically integrated with each other, which will stress the growing need for IT consulting and IT solutions integration.

SysOpen as an integration partner

IT project cycles have become more intense. The changing business environment and new business requirements provide challenges for the goal-setting, planning, implementation, adoption and further development of IT solutions. The partner has to understand its customer's business and the challenges provided by the changing business environment, be knowledgeable of key technologies, be quick in changing the solution to meet the changing business needs and, on top of that, maintain the solutions.

This ever-complicating business environment is extremely challenging. To meet these challenges requires that the integrator have adequate resources and professional skills required by the business environment. This has been an essential part of SysOpen's goal-driven growth strategy as an integration partner.

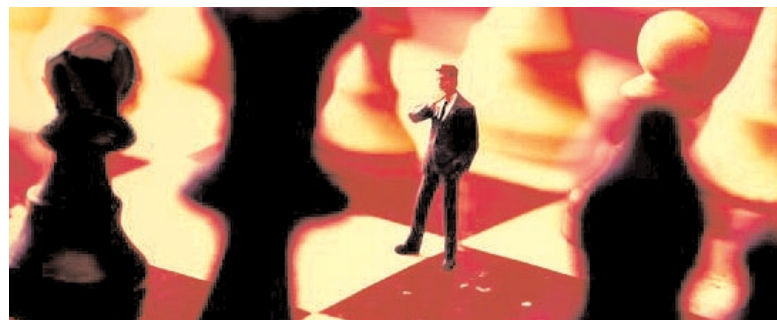
SysOpen - Integrated eSolutions

In line with its strategy, SysOpen's three business areas cater to large and mid-size organisations by providing integrated e-Business solutions (Integrated eSolutions):

- Consulting Services
- Enterprise Application Solutions (EAS)
- Software Solutions



Consulting Services

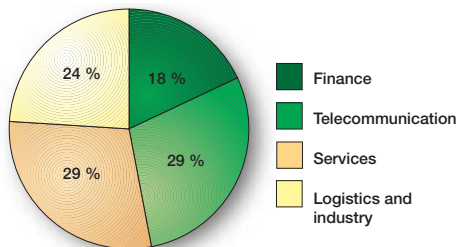


Enterprise Application Solutions (EAS)

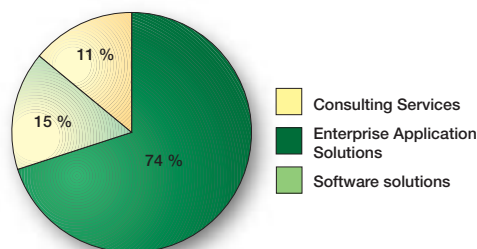


Software Solutions

Customers by sector



Share of turnover by business area



Integration

A key IT service which involves putting together several individual information systems. The result of integration is a functional aggregate system.

Object-oriented technology

Object oriented technology is a method of creating information systems by using objects as the basic elements of application. Objects link the information and the relevant processing rules together to form an undivided whole. Applications are composed of objects that transmit messages to each other. Object-oriented technology is particularly well suited to systems that must be able to accommodate rapid changes in mature business activities.

Component technology

The purpose of component technology is to produce parts of an application; components that can be re-used and combined to make other applications. Components are often produced using object technology.



Pekka Särkinen,
Director



The challenging electronic business

A growing challenge is for companies to develop their businesses by exploiting new technologies.

Meeting the challenge and reaping the benefits of e-Business solutions requires realistic business development as well as the exploitation of existing architecture and systems solutions.

Increasingly, electronic commerce and development of related services and service processes require expertise in the planning of e-Business strategies and skills in systems solutions.

As wireless services proliferate, consulting services will play an ever-important role.

Developing e-Business processes and architecture on an extensive basis and opting for the right methods and tools calls for expertise in leading-edge technologies as well as professional management skills. Skills in project and risk management are also a highly important requirement.

In co-operation with SysOpen's other business units and partners, Consulting Services can comprehensively analyse the customer's business needs.

Logistics solutions consulting

Our key focus areas in logistics planning and consulting services include strategies, order and supply chain management as well as the development of production and distribution logistics. We integrate our business and IT solutions expertise into the opportunities provided by new technology by designing efficient supply chains. We put particular emphasis on wireless technologies, and integrating them with the customer's main systems is one of the key issues in supply-chain investments.

We provide consulting services and solutions for logistics projects from preliminary analyses and process simulations to system implementation and maintenance.

Risk management

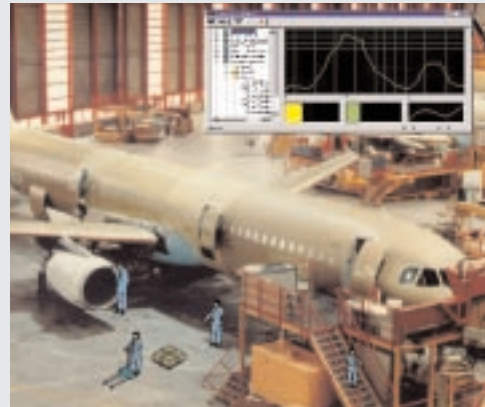
In addition to business development and the opportunities provided by new technologies, risk and data security management also plays a pivotal role. Risk management services, an integral part of SysOpen's consulting services, aims to ensure that the customer's information system operates as efficiently and cost-effectively as possible and that the operational risks involved are minimised. Demand for risk management services has increased as a result of growing needs for data security and the shift of companies towards preventative risk analysis and risk management.

Services

As a consulting service provider, we harness our wide experience in operational planning, preliminary analyses, logistics planning, information systems and standards specifications, need analyses, selecting appropriate architecture and technical tools as well as in business-related risk management.

As a highly experienced consulting service provider, our strength and the added value we generate to our long-standing customers include technological expertise, reliability, independence, knowledge of new and old technology as well as integration expertise.

The Consulting Services unit accounts for 11 per cent of consolidated turnover.



Simulation

From a scale model to a well-functioning solution

From a scale model to a well-functioning solution
Simulation provides huge opportunities for testing the function of various methods and procedures before their roll-out and adoption. By means of scale models, it is also possible to further develop existing methods and procedures and compare alternative solutions – on a computer screen.

Plenty of advantages

It is ever-more important for successful companies to develop business on an ongoing basis. Simulation allows risk-free testing of new, more efficient and cost-effective methods. As the testing environment simulates real conditions, it is easy to implement various complicated logistics models, unpredictable error situations and varying process times during simulation.
Simulation helps companies avoid misinvestments, intensify their resource allocation and improve customer service.

With long experience and strong expertise

EP-Logistics Oy, part of SysOpen Group, specialises in logistics consulting services and has for almost two decades exploited simulation in the development of logistics, in particular. The company's services include the simulation of production plants, supply chains and ports. The company has also been engaged in customised projects regarding the development of customer service, employee and information flow as well as of materials handling systems. Organisations such as Atria, Esso, the Civil Aviation Administration, the Finnish Maritime Administration, Valio and VR Group have successfully made use of simulation.



Päivi Hokkanen,
Director



Enterprise Application Solutions are provided on a project implementation basis

The Enterprise Application Solutions (EAS) unit implements customised IT solutions for mission-critical applications designed for large and mid-size companies and the public sector. The focus is on electronic systems that can be extended flexibly. SysOpen has a proven track record as an expert in large operational systems. Our technical implementation is characterised by our wide experience, holistic approach as well as our sophisticated software production and implementation processes. Our implementations are most often based on object and component technologies enabling flexible and scalable systems.

Integration expertise

Solution implementation calls for understanding complicated architectures as well as expertise in integrating new and old systems.

Solutions are integrated with the customers' existing operational systems. Operational systems are more and more often based on web-based solutions. Integration is a vital part of our project implementation expertise. Engineering and implementing Internet- and mobile-based solutions require highly experienced IT professionals accustomed to building mission-critical solutions.

Expert services

Our projects may also involve assignments related to system work and integration, the focus being on software development and its technical implementation. The assignments include project management, information systems and standards specifications, architecture and software engineering, programming, testing, systems rollout as well as training and maintenance related to the rollout of the systems.

Quality and technology - success factors

SysOpen's wide experience and expertise in traditional technologies coupled with extensive training in new technologies provide excellent opportunities to thrive in the changing and expanding markets. IT systems development tools and platforms, which play a crucial role in IT systems development, are regarded as highly important in the practical implementation of Enterprise Application Solutions.

We invest in improving and maintaining our employees' professional skills in the following technological areas: Java, C++, C, Visual Basic, XML, WML, CORBA, EJB, COM+, Oracle, MTS, MSMQ, WebLogic, WebSphere, UML and Rational Rose.

SysOpen's services are based on a quality system, which was granted an SFS-EN ISO 9001 certificate in 1994. The system is being developed, extended and monitored on an ongoing basis. We make sizeable investments in quality with a view to improving productivity and customer satisfaction.

Even though technologies change, our objective is to ensure that information systems are efficient and error-free, and that they are perfectly suited for their purpose during their planned life cycle.

With 74 per cent share of consolidated turnover, Enterprise Application Solutions is the Group's main business area.



Multi-letter

Directly into the electronic mail box

Multi-letter is a new service concept co-developed by Finland Post and SysOpen. The new Internet-based solution enables the receipt of personal mails (e.g. invoices, pay slips) over the Internet. A company sends a letter in the electronic format to the Post Office, which forwards it to an addressee either electronically or as a traditional letter, whichever way the addressee prefers.

For customer relationship management

The multi-letter service is primarily designed for companies willing to streamline their customer communication and to target over-the-Internet services at consumers. For example, the company can attach a personalised message or provide an invoice or statement of account in one go. The multi-letter may also show a link to the sender's customer-service websites or electronic marketplace. Luotto-kunta, Talentum and Canal Digital were among the first companies to adopt the multi-letter service.

This electronic service provides consumers with a safe channel to electronically run errands and an opportunity to receive personal mail. For example, an e-mailed electronic invoice can directly be sent to the web bank for debiting. This is how the customer avoids re-keying account and reference numbers.



Wireless eGate - towards a ticketless flight

SysOpen has implemented eGate, a passenger boarding system, for Finnair on a pilot project basis. eGate, a wireless automated check-in system, makes it easier and faster for passengers to board aircraft. Busy travellers can simply walk through onto the aircraft without having to produce their tickets at the check-in or even at the gate.

eGate is based on RFID technology (Radio Frequency Identification Technology). The RFID tag is integrated into the customer card. When the passenger passes through eGate, the system identifies the passenger, without him having to take the ticket out of his hand luggage. The system compares the identified information with the passenger list information and, if there is a match, allows the passenger to board the aircraft.

SysOpen's OpenID

eGate is based on SysOpen's OpenID product family. The system is based on object, component and RFID technologies. Since RFID is affordable, wireless and reliable, it is becoming ever-widely used in the fields of logistics, automatic data collection and personalised services, for instance.

OpenID software offers a solution for identifying and monitoring logistic objects and their data transmission and collection. OpenID supports two-way communication with the object subject to identification, which makes it ideal for the RFID solutions.

SysOpen has implemented eGate solutions in co-operation with Oy Ideos Ltd., the Group's associated company based in Kuopio. The service has been piloted in Finnair's Helsinki-Oulu and Helsinki-Kuopio routes since the end of 2000.





Veli Matti Nokso-Koivisto,
Director



We have been determined to expand our Software Solutions business with a view of obtaining reusability for our high-tech expertise. Our aim is to launch software solutions fit for various distribution channels and international markets. In Finland, we hold a leading market share in selected software solution applications.

Long-term and persistent investments in object and component technologies provide productive and flexible product development. This leads to substantial customer benefits in terms of high quality and reliability. Heavy investments in object and component technologies for many years have enhanced SysOpen's experience and expertise. The lead we have taken and the experience gained in this field over the years are used in the development of our proprietary software solutions.

The Software Solutions unit accounts for 15 per cent of consolidated turnover.

OpenID product family

The OpenID product family enables identification and monitoring of logistic objects and their data transmission and collection. OpenID supports two-way communication with the object subject to identification, which makes it ideal to be used in ever-more spreading identification systems such as RFID. OpenID enables the implementation of extensive personalised customer service and logistic systems based on remote identification.

OpenPort portal frame

OpenPort involves all of the key infrastructure and management services needed in portal solutions. It incorporates a scalable and high-performance platform for new-architecture systems, including features such as embedded personalisation services, data security solutions, multi-language management and content multi-channel distribution. OpenPort is suitable for scalable and high-capacity portal solutions.

CallCom accessibility systems

Topas AVEC, a member of the CallCom product family, is a personnel accessibility system used by companies and other organisations. It is specifically designed to meet the accessibility requirements of today's organisations built on mobile technology. Independent of time and place, this modern system provides up-to-date information on employees as well as their accessibility. All authorised staff have access to the groupware's calendar and accessibility information via the Intranet, e-mail and SMS. Topas AVEC is also ideal for companies whose call services are completely based on mobile technology.

Benefect products

SysOpen's Benefect information systems are specifically designed for the needs of trade unions, various associations and unemployment funds. They are used for managing information on members and employers, for collecting membership fees and union dues as well as for calculating and paying earnings-related unemployment benefits. Unions and unemployment funds carry out many of their daily routines with these applications.

The Benefect product line is a Finnish market leader in the trade unions' membership information management system. Benefect's product features related to the use of electronic services will be extended to serve the union organisation and members.



Topas AVEC

Key to total accessibility management

Topas AVEC is a market leader in real-time accessibility and information systems. This software has been co-developed with customers to cover the full range of strict service requirements for the companies' and other organisations' voice and data communication. Independent of time and place, this modern system provides up-to-date information on employees and their accessibility. The services based on mobile and Intranet technologies are an integral part of the aggregate system. The system also takes account of the future challenges of telecommunications, such as voice and data convergence.

For the use of the entire personnel

Topas AVEC, including its by-products, is designed to be used in the Windows NT environment. The system's features include scalability and state-of-the-art component architecture. An Internet-based TopasWeb service can be incorporated into the basic systems, which enables the personnel to have easy access to services provided by the system. Via the mobile, it is easy and fast to maintain and update personal information and monitor the whole organisation's accessibility and phone-directory data.

Focus on customer needs

Topas AVEC is fully integrated custom-built software. Customers are free to choose the software modules preferred to support their own information technology and telecommunication environment. The product is designed for sophisticated customers both in large and small organisations. ABB, Stockmann and Partek Corporation, among others, have adopted Topas AVEC.



During the financial year, the number of new Group employees increased by 109, mainly due to company acquisitions. Organic growth was 17 per cent. The total number of employees grew by 57 per cent, including the personnel of acquired companies.

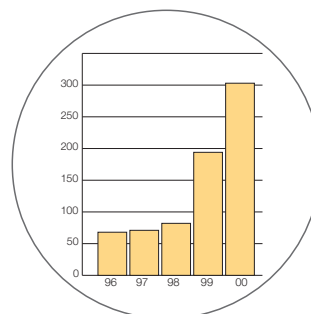
At the year-end SysOpen employees totalled 303. The average number of employees for the year was 267. In 2000, employee turnover was 11.8 per cent. The average age of staff is 36. Males account for 76 per cent and females account for 24 per cent of the personnel. The Board of Directors have set a target number of employees by the end of 2003 of 1,000.

In order to achieve the targets of business expansion and the specified Group vision by the end of 2003 additional efforts will be made in the areas of recruitment, employee competence development as well as improvements in the working environment and co-operation.

The challenges faced by the new recruits and the employees of the acquired companies include learning new working practices and corporate culture as well as internalising best practices and processes.

We have risen to this challenge by reorganising the human resource function and intensifying induction schemes for recruits. The induction scheme focuses on adapting the recruits to uniform Group-wide practices based on our quality system.

**Number of employees
1996 to 2000**



Personnel profile

Our personnel are characterised by high professional skills, goal-orientation and a good job motivation. These qualities are recognised by our customers, partners and companies in the industry. By being involved in the development work of services, personnel have influence on their own work and, thus, on their pay, professional development and career path.

The prospects outlined by the vision 2003 imply the personnel's proactive approach to future development, their responsibility for continuously maintaining skills as well as their willingness and ability to perform various tasks within the organisation - including the international arena.

Human resource development

Requirements set by future business development and business focus form the basis for personnel development and training at SysOpen. In addition to vocational and induction training, the Group offers managerial training with a view to providing senior staff and managers with skills needed in everyday management and leadership. Also, the Group promotes self-education and out-of-hours training. Of the company's personnel, 48 per cent are university graduates, 44 per cent college graduates and 18 per cent of the employees have various educational backgrounds.

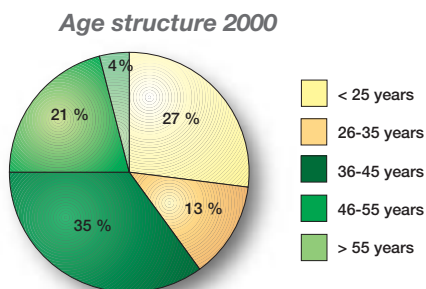
OpenCollege

SysOpen supports self-education in a wide variety of ways. One of the most visible forms of on-the-job education is OpenCollege, an in-company training facility that provides the personnel with the opportunity to develop their skills on the job. In 2000, the Group supported certified training programmes, among other things, in the following subjects: Sun Java, BEA WebLogic, IBM and Microsoft MCSD.

Leisure-time activities at OpenClub

SysOpen's OpenClub is a recreation and leisure club for all the Group's employees. During the year, the club provided those interested in physical exercise with opportunities to play, among other things, indoor bandy, soccer, basketball and golf. New leisure activities include diving and glider flying, and the Group also supports bands made up of Group employees.

In addition, Group employees have access to four holiday cabins in Ruka, Vierumäki and Tahkovouri.



Kai Laitinen
Key Consultant, M.Sc.(Tech.)

Kai Laitinen is a Key Consultant in various application development projects. He is primarily involved in developing the architectures of Internet- and mobile-based applications. Moreover, Kai is engaged in process description related to the development of information systems and in various other tasks ranging from systems specifications to software programming.

Kai says that things worth appreciating at his work today are a good atmosphere, competent supervisors, nice and skilled colleagues as well as customer contacts, which enable him to participate in a wide variety of projects and assignments. He is also very pleased to have a chance to work on traditional and leading-edge technologies

Kati Laakso
IT Consultant, BBA

Kati Laakso is an IT Consultant at SysOpen. Kati's job includes programming and software engineering.

Kati considers it highly important that the company provides career and training opportunities. She also appreciates that SysOpen provides in-house training programmes, for instance for those in pursuit of project manager tasks. OpenCollege gives an overview of the industry and its business environment and future prospects.

In particular, Kati thinks highly of the fact that employee satisfaction is high on SysOpen's agenda. For instance, the Group supports leisure-time activities by giving away sports vouchers to its employees. So, Kati spends most of her leisure time swimming, jogging and doing karate.

Corporate Governance

*Board of Directors
(from left to right):
Risto Linturi, Jorma Kylätie,
Matti Savolainen, Timo Tiihonen,
Kari Karvinen.*



SysOpen's corporate governance is based on the Finnish Companies Act and the company's Articles of Association. The shareholders' meeting, the Board of Directors and the Managing Director share the responsibility for the company's supervision and management. Auditors are in charge of external audit. The Managing Director, in support of the management group, is in charge of the day-to-day management of business.

Shareholders' meeting

The company's highest decision-making body is the Annual General Meeting, in which shareholders exercise their voting rights regarding company matters. Each company share entitles the holder to one vote at a shareholders' meeting. The Annual General Meeting must be held annually on a date within six months from the day on which the financial year ended. An Extraordinary General Meeting must be held when the Board of Directors deems it necessary or when it is requested in writing by a company auditor or shareholders who hold at least one tenth of all company shares.

Board of Directors

The Board of Directors is in charge of corporate governance and the appropriate organisation of company operations. In accordance with the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of five members elected by the Annual General Meeting. The Board of Directors elects its Chairman and Vice-Chairman from among its members. The Annual General Meeting decides on the emoluments payable to the Board of Directors. The Managing Director and other persons employed by the company are not entitled to separate emoluments for their Board membership. Other Board members may receive fees for various consulting assignments in addition to their regular emoluments.

Managing Director

The Managing Director is in charge of the company's day-to-day management in accordance with the instructions and regulations issued by the Board of Directors. The Board of Directors appoints the Managing Director and decides on his salary, other remuneration and benefits. Since 1997 the company's Managing Director has been Mr Jorma Kylätie, who is also a member of the Board of Directors.

Audit

In accordance with the Articles of Association, the company must have one or two regular auditors; at least one of whom must be an Authorised Public Accountant approved by the Central Chamber of Commerce. In addition, the company has one deputy auditor. The Annual General Meeting elects auditors until further notice and decides on their remuneration. SysOpen's auditor is KPMG Wideri Oy Ab, a public accountant firm with Authorised Public Accountant Mr Ari Ahti as the principal auditor and Mr Mauri Palvi, Authorised Public Accountant, as the deputy auditor.

Management group

Chaired by the Managing Director, the company's management group is in charge of the company's business operations. The management group is made up of the following members as of 16 October 2000: Managing Director Jorma Kylätie (Chairman), Director Päivi Hokkanen (Enterprise Application Solutions), Director Veli Matti Nokso-Koivisto (Software Solutions), Director Timo A. Rantanen (Domestic market), Chairman of the Board Matti Savolainen (Human Resources), Director Pekka Särkkinen (Consulting Services) and Director Pirkko Valtonen (Corporate Communications).

Insider guidelines

The company adheres to the recommendation governing the insider guidelines of listed companies issued by Hex Plc (former HEX Helsinki Exchanges) on 28 October 1999 and entered into force on 1 March 2000.

Members of the Board of Directors

Matti Savolainen, born 1948, M.Sc.

Chairman of the Board of Directors. One of SysOpen's founders, Board member since 1990. SysOpen's Human Resource Director.

Kari Karvinen, born 1959, M.Sc.

Vice-Chairman of the Board of Directors. One of SysOpen's founders, Board member since 1990. Part-time expert in SysOpen's special assignments.

Jorma Kylätie, born 1959, M.Sc.

Board member. One of SysOpen's founders, Board member since 1990. SysOpen's Managing Director, CEO.

Risto Linturi, born 1957, M.Sc.(Eng.)

Board member since 1999. An independent consultant at his family company R.Linturi Oyj.

Timo Tiihonen, born 1948, M.Sc.(Eng.), M.Sc.(Econ.)

Board member since 1999. Senior Advisor at CapMan Capital Management Oy.

Shareholding of the Board members and the Managing Director

According to the share register on 31 December 2000, SysOpen Plc's Board members, the Managing Director included, held a total of 4,710,127 company shares, accounting for 50.95 per cent of share capital and voting rights. The Managing Director holds a total of 1,520,659 company shares, representing 16.45 per cent of share capital and voting rights at the year-end.

Päivi Hokkanen
Director
Enterprise Application
Solutions
SysOpen Plc

Barry Keattch
Director of Operations
SysOpen Limited

Ari Kempainen
Sales Director
SysOpen Plc

Bo-Erik Knös
Managing Director
SysOpen Sweden AB

Jorma Kylätie
Managing Director, CEO
SysOpen Plc

Kaisu Kylätie
Director of Finance
SysOpen Plc

Pekka Kähkipuro
Director of Technology
SysOpen Plc

Veli Matti Nokso-Koivisto
Director
Software Solutions
SysOpen Plc

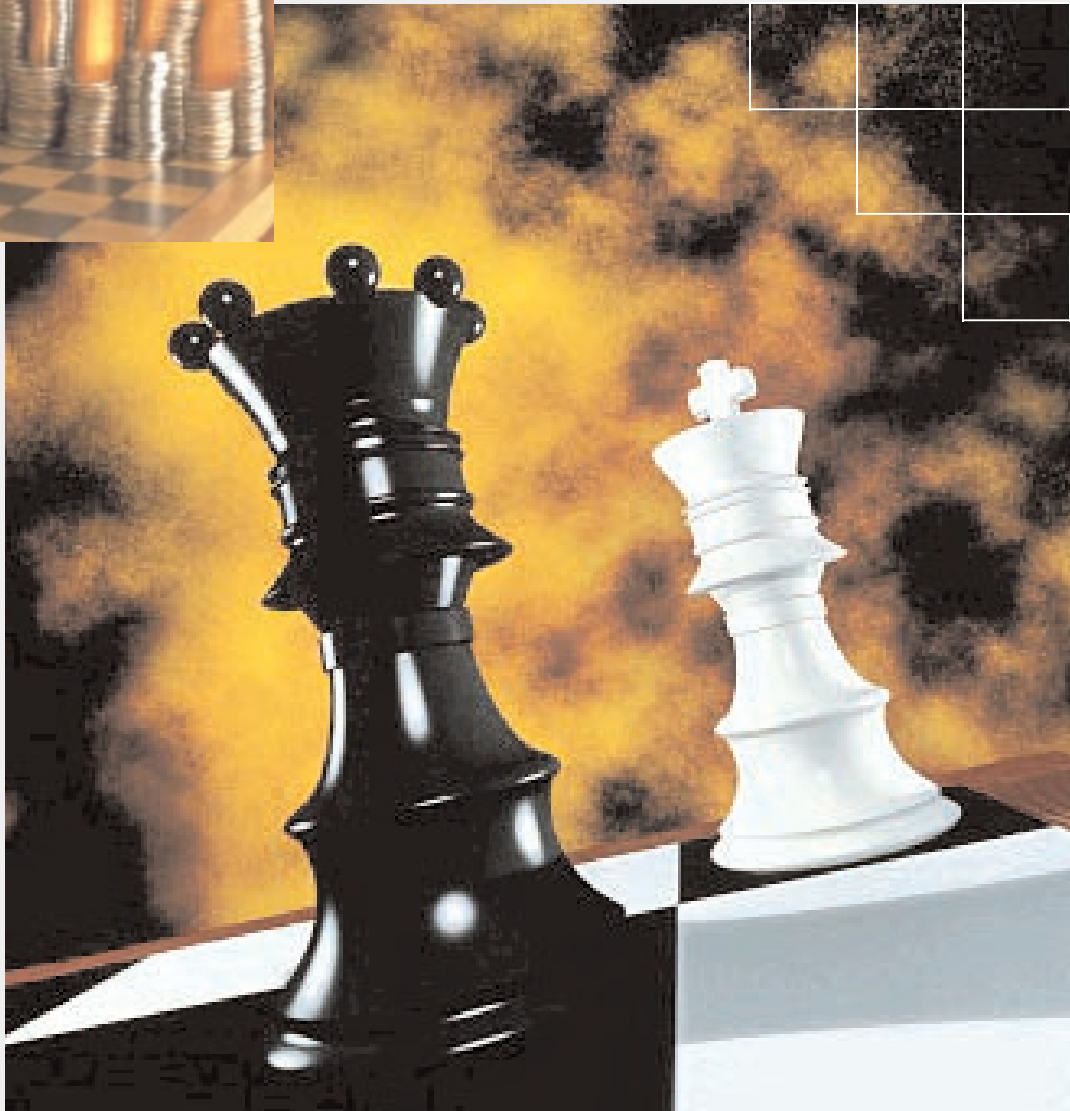
Timo A. Rantanen
Director, Regional Operations
SysOpen Plc

Arto Sahla
Executive Vice President
(as of 1 April 2001)
SysOpen Plc

Matti Savolainen
Director
Human Resources
Chairman of the Board of
Directors
SysOpen Plc

Pekka Särkkinen
Director
Consulting Services
SysOpen Plc

Pirkko Valtonen
Director
Corporate Communications
SysOpen Plc



SysOpen - major business partner at the forefront of technological innovations

During 2000, there were significant changes in the Finnish IT market. The number and variety of IT-suppliers of e-Business, mobile, Internet and web technologies grew. Despite the general market fluctuation and trend changes, SysOpen strengthened its position as a leading provider of integrated e-Business information systems.

The investments that SysOpen has continued to make in the area of latest technological developments and other areas, such as the continuous staff development program, have allowed us to expand operations significantly. Consequently, SysOpen has reinforced its position as a major technology partner for its key customers.

Solid strategy with planned growth

Throughout 2000, SysOpen has continued to follow its growth strategy announced in 1999 during IPO. In addition to the company's organic growth there were five acquisitions: CallCom Oy, Benefect Oy, QL-Systems Oy, SypalOy and Tietovalmis Group Oy.

SysOpen will continue to follow its growth strategy, which includes identifying further potential acquisition targets that are consistent with the Group's core business. The strategy ensures that SysOpen continues to have the technical skills to meet customers' technological needs. As another benefit of the strategy, SysOpen continues to be profitable and remains a good investment for shareholders.

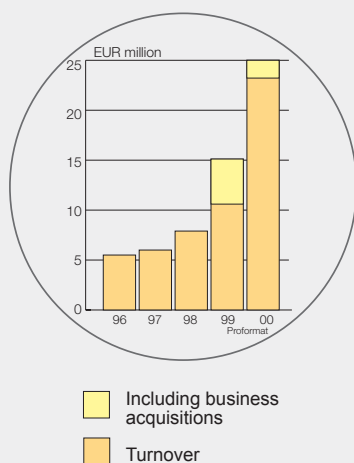
In November 2000, the Board of Directors announced a three year strategic plan which included the following objectives to be achieved by the end of December 2003: revenue to exceed EUR 84 million, profitability to remain consistently high, number of employees to exceed 1000 and 40% of the revenue to come from international operations.

Growth targets will continue to be achieved by acquisitions as well as organic growth. Various measures have been introduced to underpin the latter. They include increasing the commitment of employees, introducing the employee training and development scheme and investing in new and emerging technologies.

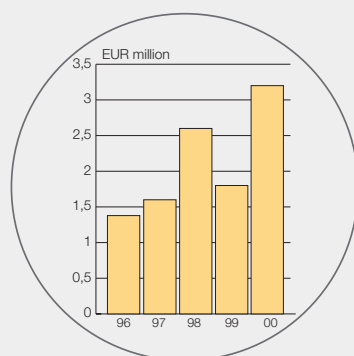
Potential acquisition targets are selected carefully to ensure that their operations are consistent with SysOpen's core business areas and that they will maintain their present level of profitability in the future.

SysOpen is committed to continuous monitoring of and, where necessary, improving internal processes to continue to provide customers with sufficient delivery capacity, maintain high levels of customer satisfaction and, thus, increase the high level of profitability.

Turnover



Turnover (EBITA) (before depreciation on goodwill)



Turnover

The pro forma turnover of the SysOpen Group was EUR 24.9 million (EUR 15.3 million in 1999), which includes the costs and consolidated turnover of the acquisitions. The turnover, which shows a growth of 63%, exceeded the target of EUR 24 million set by the Board of Directors.

The turnover of the Group during the financial year was EUR 23.0 million (EUR 10.8 million in 1999), growth 112%. International operations comprised 4% of the Group's turnover.

Turnover for the final quarter of the year almost doubled (EUR 7 million) compared to the corresponding period in 1999 (EUR 3.6 million). This represents a growth rate of 93%, the highest growth to date in SysOpen's 10-year history.

Performance

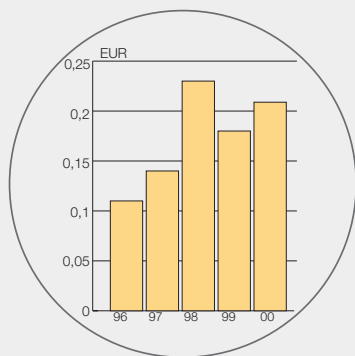
The net operating profit before depreciation of goodwill (EBITA) was EUR 3.2 million, 14% of the turnover, which represents a growth of 82% compared to 1999 (EUR 1.8 million). Despite the extraordinary costs, most importantly the unsuccessful UK acquisition negotiations and the costs of the 10th anniversary celebrations, the profit almost reached the board's target of 15%.

During the last quarter, the net operating profit before depreciation increased up to EUR 1.4 million, which is nearly 20% of the quarter's net turnover. The quarter was the most profitable period of the year 2000. The net operating profit before depreciation was 236% higher compared to the corresponding period in 1999 (EUR 0.4 million).

The profit before appropriations and taxes was EUR 3.0 million (EUR 2.1 million), which represents a growth rate of 42%. The profit for the financial year was EUR 1.9 million (EUR 1.5 million). The growth rate of the Group was 32%.

Profit per share picked up and ended at EUR 0.23 (EUR 0.18 in 1999).

Earning per share



Investments

SysOpen continues to make major capital investments in the development of services, software components and products, to name the most important areas. EUR 0.21 million was invested in the OpenPort platform and the information, messaging and call systems of the telecommunications sector. Investments in the development of services and software component engineering are treated as direct costs and continue to be included in overheads.

The costs of the development of services and component engineering totalled 10,1% of the Group's turnover.

Recognised as a leading Finnish software developer, SysOpen continues to invest in leading edge technology such as reusable code. As a result, the software product business unit continues to grow. Following the acquisitions made in 1999, synergy benefits, which provide excellent opportunities for further development, have been identified between business units. Worth mentioning are the OpenID product family and the OpenPort platform.

SysOpen made some arrangements in the ownership of subsidiaries in order to focus the business operations on areas of primary competence more effectively.

During the financial year the company increased its ownership in Midecraft Ltd to 50%. Midecraft's expertise is in delivering IT expertise for Telecom customers.

SysOpen's ownership in Visy Oy decreased to 27.7% due to an issue of share capital to other shareholders. Visy Oy became a part of the SysOpen Group in the acquisition of Sypal Oy and it is one of the leading companies in the development of automatic image recognition applications designed for industry and traffic.

Ownership in Oy Ideos Ltd was held at 25,3%. Ideos plays a central role as SysOpen's partner in RFID (radio frequency identification) technology.

SysOpen decreased its ownership from 20% down to 17% in the Australian CLS Research Pty Ltd. CLS Research Pty Ltd made changes in its operations, the location of its headquarters and its name. The company now operates in the United States under the name Create!form International. Create!form International supplies the software for electronic printing and document output management in the international market.

Gross investments during the financial year totalled EUR 1.1 million (EUR 1.0 million). Fixed assets have been booked at the original acquisition cost less planned depreciation. The planned depreciation period for Group goodwill is five years.

Financing

At the end of the financial year, the consolidated balance sheet total was EUR 16.7 million (EUR 13.4 million). The equity ratio was 76 % (77 %) and liquid assets totalled EUR 6.3 million (EUR 7.3 million).

Business areas

According to the streamlined strategy, the Group primarily focused on providing integrated eBusiness solutions (Integrated eSolutions) for large and medium-sized companies in three business areas. Integrating the companies' operative systems into new Internet and wireless solutions is in a central role. At the end of the financial year, the distribution of the turnover between the three business areas was as follows:

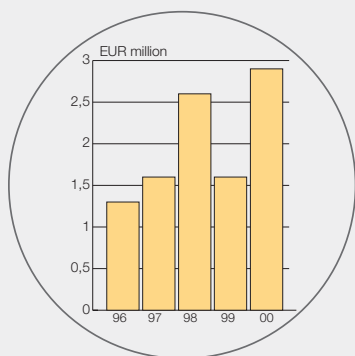
- Enterprise Application Solutions (EAS) - integrated IT solutions for e-business (74% of net turnover)
- Software Solutions - packaged software solutions based on firmware (15% of net turnover)
- Consulting Services - consulting services focusing on business, logistics and information technology (11% of net turnover)

High profitability was sustained in the two main business areas, Enterprise Application Solutions and Consulting Services.

Demand was very good especially in the areas of e-Business and wireless solutions and respective consulting services.

Long term investments in object oriented and component technologies rewarded SysOpen in the form of high reusability and profitability. The Group has utilised the technological advantage by strengthening its market share in integrated e-Business solutions and in OpenPort and OpenID software products. The business sector of software solutions operated at a small loss due to investments in software development, but the demand on professional consulting resources was strong.

Operating profit (EBIT)



Personnel

SysOpen recognises that continued strong and profitable growth is only possible with knowledgeable, professional and committed personnel.

By the end of 2000 the company employed 303 IT professionals in total. The number shows an increase of 134 employees compared to 1999 and represents a growth rate of 79%. Organic growth was 17%. As a part of the company's personnel development strategy, a new share option scheme was introduced and accepted in the General Meeting in November 2000.

The personnel turnover during the period was 11.8%.

The building of SysOpen's new corporate headquarters, SysOpen Tower, continues. From September 2001 on, this brand new 16-storey and 70-metre building in the Helsinki-Pitäjänmäki area will provide accommodation for almost all of SysOpen's local personnel. The owner and landlord of the new premises is Sampo-Leonia.

Management

The regular members of the Board of Directors were Kari Karvinen, Jorma Kylätie, Risto Linturi, Matti Savolainen and Timo Tiihonen throughout the financial year. Matti Savolainen acted as the Chairman of the Board and Jorma Kylätie as the Managing Director and CEO for the entire financial year.

In 2000 SysOpen Plc's authorised Public Accountant was Ari Ahti from KPMG Wideri Oy Ab.

Share capital

At the beginning of the financial year 2000 SysOpen Plc's share capital was FIM 4,150,226.50, which was divided into 8,300,533 shares.

In connection with the acquisition of Callcom Oy on 20 March 2000, the Board of Directors decided to raise the share capital to FIM 4,154,884, divided into 8,309,768 shares. The decision was based on the authorisation granted by the extraordinary shareholders' meeting on 1 December 1999.

In connection with the acquisition of QL-Systems Oy 27 March 2000, the Board of Directors decided to raise the share capital to FIM 4,186,134, divided into 8,372,268 shares. The decision was based on the authorisation granted by the extraordinary shareholders' meeting on 1 December 1999.

On 30 March 2000, the Board of Directors was authorised by the Annual General Meeting to raise the share capital of the company in one or more lots in a manner whereby the shares to be issued in the new issue and/or on the basis of option rights and/or in connection with a convertible loan may altogether increase the company's share capital by the maximum of FIM 830,053. Consequently, the aggregate maximum number of shares eligible for subscription is now 1,660,106.

In connection with the acquisition of Benefect Oy on 13 April 2000, the Board of Directors decided to raise the share capital to FIM 4,348,382, divided into 8,696,764 shares. The decision was based on the authorisation of the shareholders' meeting on 30 March 2000.

In connection with the acquisition of Sypal Oy on 10 May 2000, the Board of Directors decided to raise the share capital to FIM 4,434,452, divided into 8,868,904 shares. The decision was based on the authorisation of the shareholders' meeting on 30 March 2000.

In connection with the acquisition of Tietovalmis Oy on 1 November 2000, the Board of Directors decided to raise the share capital to FIM 4 621 952, divided into 9,243,904 shares. The decision was based on the authorisation of the shareholders' meeting on 30 March 2000.

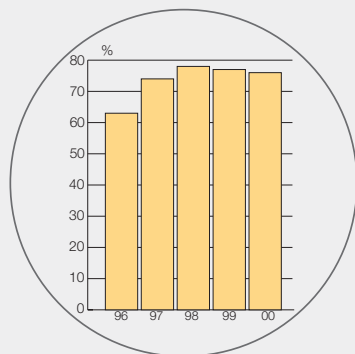
The extraordinary shareholders' meeting of SysOpen Plc held on 23 November 2000 approved the following proposals of the Board of Directors:

The proposal to cancel the remaining part of the Board of Directors' authorisation given on 30 March 2000 by the Annual General Meeting to increase the share capital;

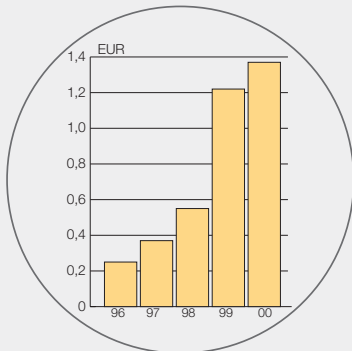
The proposal to authorise the Board of Directors to decide on increasing the share capital in one or more lots in a manner whereby the shares to be issued in the new issue and/or on the basis of option rights and/or in connection with a convertible loan may altogether increase the company's share capital by the maximum of FIM 924,390, so that the aggregate maximum number of shares eligible for subscription is 1,848,780 shares, each with an accounting equivalent value of FIM 0.5.

The extraordinary shareholders' meeting of Sysopen Plc decided to authorise the company's Board of Directors to decide on repurchasing a maximum of 5 per cent of SysOpen Plc's shares from the market at market price. The shares will be used to further develop the capital structure of the company and to finance business acquisitions or other arrangements. The authorisation also includes the right to hand over the shares against contribution in kind or otherwise under specific conditions. During 2000, however, no shares were bought, because the company possessed insider information on upcoming company acquisitions. The possession of the information would have compromised any deals that would have been made.

Equity ratio



Shareholders' equity per share



At the end of the financial year 2000, seven subsidiaries were merged into SysOpen Plc: SysOpen Audit Team Oy, SysOpen Consulting Oy, SysOpen Solutions Oy, SysOpen EDOM Team Oy, SysOpen Optimus Oy, QL-Systems Oy and SysOpen Dycom Oy. The mergers were aimed at clarifying the structure of the Group.

Stock options

The extraordinary shareholders meeting of SysOpen Plc on 23 November 2000 authorised the Board of Directors to grant a maximum of 400,000 warrants to the persons belonging to the boards of directors, other management and staff of the Group and Group companies as decided by the Board of Directors of SysOpen Plc as well as to the Company's wholly-owned subsidiaries. The warrants enable a maximum of 400,000 new shares to be subscribed for between 2001 and 2004. The E-warrants are the first warrants that can be subscribed for. Their price will be determined by the average price of the share in the Helsinki stock exchange in November 2000 weighted with the volume of trade.

The option rights shall be granted to the above-mentioned parties deviating from the shareholders' pre-emptive subscription right for the purpose of enhancing their commitment and motivation. The proposal for deviation from the shareholders' pre-emptive subscription right is made because the option rights are intended as a part of the company's incentive program, and therefore constitutes a weighty financial reason for the company.

Share trading on the Helsinki stock exchange

At the end of the financial year SysOpen Plc had 2,777 registered shareholders.

The development of share price followed the trends of the IT market. SysOpen's lowest closing price was EUR 5.35 and highest EUR 23.00. The average price was EUR 12.79. At year-end the trading price was EUR 5.80. The capitalization value of the company was approximately EUR 54 million at the end of the financial year.

Dividend

At the Annual General Meeting the Board of Directors of SysOpen Plc will propose that a dividend of EUR 0.11 per share, FIM 6.0 million, be distributed to the shareholders. The numbers represent 52.4% of the total consolidated profit for the financial year. The Board will propose that the remainder of the year's profit be placed on the company's profit account as shareholders' equity.

Major events following the closing of the financial year

During the first quarter, 9 January 2001, there was a preliminary agreement signed with Stonesoft Corporation. The agreement concerned SysOpen's intention to purchase Stonesoft E-Solutions Oy. On 12 February 2001, the parties announced that the negotiations had been unsuccessful and closed due to the fact that the parties were not able to achieve mutual understanding on the terms of the agreement.

Outlook

In the future, SysOpen will continue to implement its growth strategy by means of both organic growth and acquisitions. SysOpen is currently negotiating for new acquisitions both in Finland and abroad.

The demand for services provided by SysOpen is estimated to remain high and no signs of decrease in demand are visible. The Board of Directors' view is that the level of profitability and demand in the two main business areas, integrated e-Business Solutions and Consulting Services, will remain high in the foreseeable future. In the area of Software Solutions, the business is expected to improve due to investments in software development, sales and marketing. The forecast for Software Solutions is positive: business will improve and turn profitable.

As a whole, the Group's profitability is estimated to stay on a good level (EBITA 15%) and correspond with the Group's goals.

Helsinki, 28 February 2001

SysOpen Plc, The Board of Directors

Matti Savolainen

Kari Karvinen

Risto Linturi

Timo Tiihonen

Jorma Kylätie

Consolidated profit and loss account

1 EUR = 5.94573 FIM

	1.1.–31.12.2000 FIM	1.1.–31.12.2000 EUR	1.1.–31.12.1999 FIM	1.1.–31.12.1999 EUR
Turnover	136,725,412	22,995,564	64,407,496	10,832,563
Other operating income	647,188	108,849	466,382	78,440
Materials and services	– 4,578,555	– 770,058	– 1,187,372	– 199,702
Personnel expenses	– 77,678,942	– 13,064,660	– 36,001,933	– 6,055,090
Depreciations and value adjustments	– 3,329,828	– 560,037	– 1,738,918	– 292,465
Depreciation on goodwill	– 1,804,010	– 303,413	– 684,026	– 115,045
Other operating expenses	– 32,670,680	– 5,494,814	– 15,436,090	– 2,596,164
Operating profit	17,310,585	2,911,431	9,825,539	1,652,537
Financial income and expenses	492,460	82,826	2,747,344	462,070
Profit before appropriations and taxes	17,803,045	2,994,257	12,572,883	2,114,607
Direct taxes	– 5,876,417	– 988,342	– 3,845,848	– 646,825
Minority interest	– 457,048	– 76,870	– 6,458	– 1,086
Profit for the financial year	11,469,580	1,929,045	8,720,577	1,466,696

Consolidated balance sheet

1 EUR = 5.94573 FIM

	31.12.2000 FIM	31.12.2000 EUR	31.12.1999 FIM	31.12.1999 EUR
ASSETS				
Fixed assets				
Intangible assets				
Development expenses	1,271,595	213,867		
Intangible rights	2,725,365	458,374	1,100,064	185,017
Other long-term expenses	812,094	136,584	449,481	75,597
Group goodwill	6,544,711	1,100,741	6,335,122	1,065,491
Intangible assets	11,353,765	1,909,566	7,884,667	1,326,106
Tangible assets				
Land and water areas	100,000	16,819		
Buildings and constructions	926,016	155,745		
Machinery and equipment	7,261,744	1,221,338	5,365,723	902,450
Tangible assets	8,287,760	1,393,901	5,365,723	902,450
Financial assets				
Participating interests	836,242	140,646	1,279,155	215,138
Other investments	6,410,889	1,078,234	5,166,506	868,944
Financial assets	7,247,132	1,218,880	6,445,661	1,084,082
Fixed assets	26,888,657	4,522,347	19,696,051	3,312,638
Current assets				
Stocks				
Work in progress			623,253	104,824
Short-term debtors				
Trade debtors	26,159,387	4,399,693	13,739,291	2,310,783
Receivables from participating interests	2,984,122	501,893		
Loan debtors	80,010	13,457		
Prepayments and accrued income	5,888,783	990,422	2,052,279	345,169
Other debtors	336,531	56,601		
Short-term debtors	35,448,834	5,962,066	15,791,570	2,655,951
Investments	11,703,524	1,968,391	31,845,218	5,355,981
Cash at banks and in hand	25,664,599	4,316,476	11,840,140	1,991,369
Current assets	72,816,956	12,246,933	60,100,181	10,108,125
ASSETS	99,705,613	16,769,280	79,796,233	13,420,763
LIABILITIES				
Shareholders' equity				
Share capital	4,621,952	777,357	4,150,266	698,025
Share premium account	42,862,810	7,209,007	34,151,188	5,743,817
Profit brought forwards	16,494,500	2,774,176	13,169,269	2,214,912
Profit for the financial year	11,469,580	1,929,045	8,720,577	1,466,696
Shareholders' equity	75,448,842	12,689,584	60,191,300	10,123,450
Minority interest	488,536	82,166	31,488	5,296
Creditors				
Creditors payable after more than one year				
Loans from financial institutions	455,591	76,625	1,100,000	185,007
Pension loans			116,920	19,665
Trade creditors			26,234	4,412
Total creditors payable after more than one year	455,591	76,625	1,243,154	209,083
Creditors payable within one year				
Loans from financial institutions			144,399	24,286
Advanced received	425,641	71,588	1,536,789	258,469
Trade creditors	1,791,517	301,312	888,028	149,356
Other short-term debts	7,931,373	1,333,961	4,500,694	756,962
Accruals and deferred income	13,164,113	2,214,045	11,260,380	1,893,860
Creditors payable within one year	23,312,645	3,920,905	18,330,292	3,082,934
Total creditors	23,768,235	3,997,530	19,573,446	3,292,017
TOTAL LIABILITIES	99,705,613	16,769,280	79,796,233	13,420,763

Source and application of funds, group

1 EUR = 5.94573 FIM

	1.1. - 31.12.2000		1.1 - 31.12.1999	
	FIM	EUR	FIM	EUR
Business operations				
Income financing				
Operating profit	17,310,585	2,911,431	9,825,539	1,652,537
Depreciations	5,133,838	863,449	2,422,944	407,510
Financial income and expenses	2,238,483	376,486	2,747,344	462,070
Taxes	- 5,082,512	- 854,817	- 3,845,848	- 646,825
Total	19,600,394	3,296,550	11,149,979	1,875,292
Change in working capital				
Current business receivables				
Increase (-) / decrease (+)	- 11,908,769	- 2,002,911	- 1,274,380	- 214,335
Non-interest bearing current liabilities				
Increase (+) / decrease (-)	3,721,492	625,910	5,234,863	880,441
Total	- 8,187,277	- 1,377,001	3,960,483	666,105
Cash flow from business operations	11,413,117	1,919,548	15,110,462	2,541,397
Capital expenditure				
Acquisitions of fixed assets	- 5,582,062	- 938,835	- 4,213,523	- 708,664
Sale of fixed assets	760,740	127,947	141,820	23,852
Development expenses	- 1,434,108	- 241,200		
Shares and interests	- 3,846,866	- 646,996	- 1,791,000	- 301,225
Total	- 10,102,296	- 1,699,084	- 5,862,703	- 986,036
Cash flow before financing activities	1,310,821	220,464	9,247,759	1,555,361
Financing				
Long-term loans drawn down				
Pitkääikaisten lainojen lyhennykset	- 2,232,709	- 375,515		
Payment of dividends	- 5,395,346	- 907,432	- 11,100,000	- 1,866,886
Share issue			21,059,157	3,541,896
Total	- 7,628,055	- 1,282,947	9,959,157	1,675,010
Calculated increase (+) / decrease (-)	- 6,317,235	- 1,062,483	19,206,916	3,230,371
Investments + cash at banks and in hand				
	1.1.	43,685,358	7,347,350	24,478,442
	31.12.	37,368,123	6,284,867	43,685,358
Change		- 6,317,235	- 1,062,483	19,206,916

Profit and loss account for the parent company

1 EUR = 5.94573 FIM

	1.1.–31.12.2000		1.1.–31.12.1999	
	FIM	EUR	FIM	EUR
Turnover	10,540,384	1,772,765	8,152,081	1,371,082
Other operating income	4,200	706	43,279	7,279
Materials and services	– 881,894	– 148,324	– 1,184,621	– 199,239
Personnel expenses	– 6,474,692	– 1,088,965	– 3,043,633	– 511,902
Depreciations and value adjustments	– 667,466	– 112,260	– 434,615	– 73,097
Other operating profit	– 4,504,607	– 757,620	– 2,530,665	– 425,627
Operating profit	– 1,984,074	– 333,697	1,001,827	168,495
Financial income and expenses	13,815,876	2,323,664	14,165,992	2,382,549
Profit before appropriations	11,831,802	1,989,966	15,167,819	2,551,044
Extraordinary items	2,406,362	404,721		
Profit before taxes	14,238,164	2,394,687	15,167,819	2,551,044
Income taxes	– 3,436,264	– 577,938	– 4,278,156	– 719,534
Profit for the financial year	10,801,900	1,816,749	10,889,663	1,831,510

Balance sheet for the parent company

1 EUR = 5.94573 FIM

	31.12.2000		31.12.1999	
	FIM	EUR	FIM	EUR
ASSETS				
Fixed assets				
Intangible assets				
Development expenses	417,723	70,256		
Intangible rights	1,255,796	211,210	187,847	31,594
Other long-term expenses	271,333	45,635	153,832	25,873
Intangible assets	1,944,852	327,101	341,680	57,466
Tangible assets				
Land and water areas	100,000	16,819		
Buildings and structures	926,016	155,745		
Machinery and equipment	4,409,784	741,672	1,014,698	170,660
Tangible assets	5,435,800	914,236	1,014,698	170,660
Financial assets				
Shares in subsidiaries	14,908,620	2,507,450	11,847,174	1,992,552
Participating interests	2,185,812	367,627	3,018,004	507,592
Other investments	4,360,712	733,419	1,455,055	244,723
Financial assets	21,455,144	3,608,496	16,320,233	2,744,866
Fixed assets	28,835,796	4,849,833	17,676,611	2,972,992
Current assets				
Short-term debtors				
Trade debtors	15,960,534	2,684,369	49,245	8,282
Amounts owed by group undertakings	9,328,572	1,568,953	4,613,578	775,948
Receivables from participating interests	303,600	51,062		
Loan debtors	38,658	6,502		
Other debtors	19,259	3,239	398,133	66,961
Prepayments and accrued income	4,200,261	706,433	210,612	35,422
Short-term debtors	29,850,885	5,020,558	5,271,568	886,614
Investments				
Other investments	10,903,946	1,833,912	30,917,219	5,199,903
Cash at banks and in hand	14,785,204	2,486,693	3,286,804	552,801
Current assets	55,540,034	9,341,163	39,475,591	6,639,318
TOTAL ASSETS	84,375,830	14,190,996	57,152,201	9,612,310
LIABILITIES				
Shareholders equity				
Share capital	4,621,952	777,357	4,150,266	698,025
Share premium account	42,862,810	7,209,007	34,151,188	5,743,817
Profit brought forward	10,057,364	1,691,527	4,563,048	767,450
Profit for the financial year	10,801,900	1,816,749	10,889,663	1,831,510
Shareholders' equity	68,344,026	11,494,640	53,754,165	9,040,802
Creditors				
Creditors payable after more than one year				
Loans from financial institutions	95,591	16,077		
Creditors payable within one year				
Advanced received	382,991	64,415		
Trade creditors	1,244,202	209,260	180,821	30,412
Amounts owed to group undertakings	2,971,919	499,841	1,193,898	200,799
Other creditors	4,146,954	697,468	350,322	58,920
Accruals and deferred income	7,190,146	1,209,296	1,672,995	281,378
Creditors payable within one year	15,936,214	2,680,279	3,398,036	571,509
Creditors	16,031,805	2,696,356	3,398,036	571,509
LIABILITIES	84,375,830	14,190,996	57,152,201	9,612,310

Source and application of funds, parent company

1 EUR = 5.94573 FIM

	31.12.2000		31.12.1999	
	FIM	EUR	FIM	EUR
Business operations				
Income financing				
Operating profit	- 1,984,074	- 333,697	1,001,826	168,495
Depreciations	667,466	112,260	434,615	73,097
Financial income and expenses	10,502,509	1,766,395	14,165,992	2,382,549
Taxes	- 1,187,837	- 199,780	- 1,190,762	- 200,272
Total	7,998,063	1,345,178	14,411,671	2,423,869
Change in working capital				
Current business receivables increase (-) / decrease (+)	- 12,069,171	- 2,029,889	- 3,229,993	- 543,246
Non-interest bearing current liabilities increase (+) / decrease (-)	2,195,563	369,267	2,332,778	392,345
Total	- 9,873,608	- 1,660,622	- 897,215	- 150,901
Cash flow from business operations	- 1,875,545	- 315,444	13,514,456	2,272,968
Capital expenditure				
Acquisition of fixed assets	- 2,832,504	- 476,393	- 1,617,525	- 272,048
Sale of fixed assets	451,598	75,953	140,500	23,630
Shares and interests	- 3,846,866	- 646,996	- 1,791,000	- 301,225
Total	- 6,227,772	- 1,047,436	- 3,268,025	- 549,642
Cash flow before financing	- 8,103,317	- 1,362,880	10,246,431	1,723,326
Financing				
Payment of dividends	- 5,395,346	- 907,432	- 11,100,000	- 1,866,886
Share issue			21,059,157	3,541,896
Total	- 5,395,346	- 907,432	9,959,157	1,675,010
Increase (+) / decrease (-) in liquid assets	- 13,498,664	- 2,270,312	20,205,588	3,398,336
Investments + cash at banks and in hand				
1.1.	34,204,022	5,752,704	13,998,434	2,354,368
31.12.	20,705,358	3,482,391	34,204,022	5,752,704
Change	- 13,498,664	- 2,270,312	20,205,588	3,398,336
Integrated investments + cash at banks and in hand	4,983,792	838,214	-	-
Total	25,689,150	4,320,605		

Notes to the financial statements

Consolidated financial statements

The consolidated financial statements include the accounts of the Parent Company, SysOpen Plc., and each of those subsidiaries in which the Parent Company holds, directly or indirectly, over 50 per cent of the voting rights. The accounts of the companies acquired during the financial year are consolidated as of the date of acquisition and those of the companies divested during the financial year are consolidated until the date of divestment. Intra-Group shareholding is eliminated according to the acquisition cost method, and, hence the subsidiaries' profit made after the date of acquisition is included in consolidated shareholders' equity. For subsidiaries acquired through a share swap, the share acquisition cost entered in the Parent Company's balance sheet is included in consolidated shareholders' equity. From March to May 2000, the Group purchased 51 per cent of Callcom Oy's share capital and acquired QL-System Oy, Benefect Oy and Sypal Oy. The Group mainly financed the acquisitions by issuing a total of 568,371 new shares. In November 2000, the Group acquired Tietovalmis Group Oy. The acquisition was financed by issuing a total of 375,000 new shares. In conjunction with the share swaps, the balance sheet value is defined as the estimated net asset value of the acquired companies on the date of the share swap. The total number of the shares issued amounted to 943,371 with their total market capitalisation of approximately FIM 59 million on the trading dates. If the acquisition costs had been marked to market prevailing on the trading dates, they would have been entered in Group goodwill and, correspondingly, increased the issue premium fund by FIM 49 million. Items arising from the elimination of subsidiaries are treated as goodwill, which is amortised over a five year period. Intra-group transactions, deliveries, receivables and payables are eliminated. Minority interest is excluded from consolidated shareholders' equity and shown as a separate item. Associated companies are consolidated according to the equity method.

Items denominated in foreign currencies

Foreign currency transactions are recorded at the exchange rate valid on the transaction date. In the consolidated financial statements, foreign Group companies' profit and loss accounts are translated into Finnish mark using an annual average exchange rate based on average rates at the end of each month. Balance sheet values are based on the exchange rates on the balance sheet date. Adjustments arising from the application of the acquisition cost method are treated as items correcting the Group's non-restricted shareholders' equity. Exchange rate gains and losses are entered in the profit and loss account. No derivative contracts were used.

Income recognition

Work performances are recognised as income on the basis of the degree of their completion and maintenance fees are recognised as income over the contract period. Long-term projects are recognised as income on the basis of the degree of their completion. Degree of completion is calculated on the basis of the real costs incurred and a total cost estimate. Projects of this type were not in progress during 2000.

Pension schemes

Finnish companies have a statutory pension insurance scheme. The foreign subsidiaries' pension scheme is based on local practices.

Research and development

Research and development costs of FIM 1,271,595 were capitalised during the financial year.

Leasing

Leasing payments are expensed on an annual basis. The Group is not bound by any major financial leasing liabilities.

Deferred tax liabilities and assets

Deferred tax assets in the consolidated financial statements are based on the temporary difference between the date of taxation and the date of closing the accounts, and they are calculated by using the tax rate for the following years enacted on the date of closing the accounts. The value of deferred tax assets in the balance sheet is a probable estimate.

Extraordinary items

Extraordinary items include significant items not pertaining to the Group's business.

Fixed assets and depreciation

Fixed assets are recorded at cost and valued at cost less planned depreciation. Planned depreciation has been changed to comply with the maximum depreciation permitted by the Business Income Tax Act. Planned depreciation is calculated as follows:

Buildings and structures	Net expenditure	4%
Machinery	Net expenditure	25%
Equipment	Net expenditure	25%
Computer software	Straight line	5 yrs
Other long-term assets	Straight line	5 yrs
Group goodwill	Straight line	5 yrs

Marketable securities

Marketable securities are valued at market or lower.

Notes to the profit and loss account

1,000 FIM	Group		Parent company	
	2000	1999	2000	1999
Turnover by Market Area				
Finland	133,321	63,165	10,540	8,152
Other countries	3,404	1,242		
Total	136,725	64,407	10,540	8,152
Other operating income				
Profit from the sale of fixed assets	13	41	–	40
Subsidies	675	346	–	–
Other	– 41	79	4	3
Total	647	466	4	43
Materials and services				
Materials and supplies	1,946	395	37	82
External services	2,632	792	844	1,103
Total	4,578	1,187	881	1,185
Personnel expenses				
Salaries and remunerations	62,604	29,211	5,224	2,481
Pension costs	11,224	4,964	946	403
Indirect personnel costs	3,851	1,827	304	132
Total	77,679	36,002	6,474	3,016
Management salaries and remunerations				
	884	776	884	776
Depreciation according to plan				
Depreciation on tangible and intangible assets	3,330	1,739	667	435
On Group goodwill	1,804	684	–	–
Total	5,134	2,423	667	435
FINANCIAL INCOME AND EXPENSES				
Income from participating interests				
	– 1,746	–	–	–
Dividends received				
From Group companies	–	–	11,831	11,541
From others	7	46	2	43
Total dividends received	7	46	11,833	11,584
Other financial income and interest receivable				
From Group companies	–	–	–	–
From others	2,345	2,723	1,983	2,585
Total	2,345	2,723	1,983	2,585
Other financial expenses and interest payable				
To group companies	–	–	–	–
To others	– 114	– 22	–	– 5
Other financial expenses and interest payable	– 114	– 22	–	– 5
Total financial income and expenses	492	2,747	13,816	14,166
DIRECT TAXES				
Income tax on ordinary activities	6,895	3,846	3,436	4,278
Deferred change in tax liabilities	– 1,019	–	–	–
Total	5,876	3,846	3,436	4,278
Average number of personnel during the year				
	267	117	17	9
Distribution of personnel				
Active management	22	10	6	6
Consultants and IT professionals	251	176	8	1
Administration	30	8	12	5

Notes to the balance sheet

1,000 FIM	Group		Parent company	
	2000	1999	2000	1999
FIXED ASSETS				
Development expenses				
Opening balance 1 Jan.				
Increases	1,434		417,723	
Decreases				
Depreciation	- 163		-	
Balance sheet value 31 Dec.	1,271		417,723	
INTANGIBLE RIGHTS				
Opening balance 1 Jan.	1,100	515	188	58
Increases	2,451	829	1,202	177
Decreases				
Depreciation	- 826	- 244	- 134	- 47
Balance sheet value 31 Dec	2,725	1,100	1,256	188
Other long-term expenses				
Opening balance 1 Jan..	449	42	154	29
Increases	613	483	170	174
Decreases				
Depreciation	- 250	- 76	- 53	- 49
Balance sheet value 31 Dec	812	449	271	154
Group goodwill				
Opening balance 1 Jan.	6,335	102		
Increases	2,014	6,917		
Depreciation	- 1,804	- 684		
Balance sheet value 31 Dec	6,545	6,335		
TANGIBLE ASSETS				
Land and water areas				
Opening balance 1 Jan.				
Increases	100		100	
Decreases				
Depreciation				
Balance sheet value 31 Dec	100		100	
Buildings and structure				
Opening balance 1 Jan.				
Increases	964		964	
Decreases				
Depreciation	- 38		- 38	
Balance sheet value 31 Dec	926		926	
Machinery and equipment				
Opening balance 1 Jan.	5,366	1,627	1,015	227
Increases	4,709	5,158	4,289	1,126
Decreases	- 760	-	- 452	-
Depreciation	- 2,053	- 1,419	- 442	- 338
Balance sheet value 31 Dec	7,262	5,366	4,410	1,015
Financial assets				
Subsidiary shares				
Opening balance 1 Jan.			11,847	426
Increases			10,908	11,421
Decreases			- 7 846	-
Balance sheet value 31 Dec			14,909	11,847

Notes to the balance sheet

1,000 FIM	Group		Parent company	
	2000	1999	2000	1999
Participating interests				
Opening balance 1 Jan.	1,279	1,212	3,018	1,212
Increases	2,156	67	380	1,806
Decreases	- 2,599	-	- 1,212	-
Balance sheet value 31 Dec.	836	1,279	2,186	3,018
Other investments				
Opening balance 1 Jan.	5,166	2,993	1,455	1,736
Increases	4,897	2,454	2,906	-
Decreases	- 3,652	- 281	-	- 281
Closin balance 31 Dec.	6,411	5,166	4,361	1,455
CURRENT ASSETS				
Short-term debtors				
Trade debtors	26,159	13,739	15,960	49
Amounts owed by group undertakings	-	-	9,328	-
Receivables from participating interests	2,984	-	304	-
Other debtors	6,305	2,052	4,258	609
Total debtors	35,448	15,791	29,850	5,272
INVESTMENTS				
Book value	11,704		10,904	
Replacement price	12,125		11,325	
SHAREHOLDERS' EQUITY				
Share capital 1 Jan.	4,150	150	4,150	150
Rights issue	472	4,000	472	4,000
Share capital 31 Dec.	4,622	4,150	4,622	4,150
Share premium account				
Share premium account 31 Dec.	42,863	34,151	42,863	34,151
Profit brought forward 1 Jan.	21,890	27,024	15,452	18,513
Other change	-	96	-	-
Bonus issue	-	- 2,850	-	- 2,850
Payment of dividends	- 5,395	- 11,100	- 5,395	- 11,100
Profit for the financial year	11,469	8,720	10,802	10,889
Shareholders' equity	75,449	60,191	68,344	53,753
CREDITORS				
Creditors payable after more than one year				
Loans from financial institutions	456	1,100	95	-
Pension loans	-	117	-	-
Trade creditors	-	26	-	-
Creditors payable after more than one year!!!!				
Loans from financial institutions	-	145	-	-
Advances received	426	1,537	383	-
Trade creditors	1,791	888	1,244	181
Amounts owed to group undertakings	-	-	2,972	1,194
Other creditors	7,931	4,500	4,147	350
Accruals and deferred income	13,164	11,260	7,190	1,673
Total creditors	23,768	19,573	16,031	3,398
PLEDGES AND CONTINGENT LIABILITIES				
Rent liabilities	6,197	6,763	1,655	2,719
Rent liabilities for the Sysopen Tower	29,911	-	29,911	-

Shares and interest owned by the Group and the parent company

Shares and interests owned by the Group and the parent company

	Registered office	Group interest	Parent interest
Group companies			
Sysopen Design Oy	Helsinki	100%	100%
Sysopen Development Oy	Kuopio	100%	100%
Sysopen Limited	Dardford	100%	100%
Sysopen Object Team Oy	Helsinki	80%	80%
Sysopen Partners Oy	Helsinki	100%	100%
Sysopen Project Oy	Helsinki	100%	100%
Sysopen Sweden Ab	Tukholma	100%	100%
Sysopen Tools Oy	Helsinki	100%	100%
EP-Logistics Oy	Helsinki	100%	100%
Callcom Oy	Espoo	84%	51%
Benefect Oy	Helsinki	100%	100%
Sypal Oy	Varkaus	100%	100%
Tietovalmis Group Oy	Jyväskylä	100%	100%
Tietovalmis Oy	Jyväskylä	100%	

Companies in which the Group has a participating interest

Oy Ideos Ltd	Kuopio	25.30%	25.30%
Midecraft Oy	Espoo	50.00%	50.00%
Visy Oy	Varkaus	27.70%	

Other shares and interests owned by the parent co (1,000 FIM)

Nord Golf Oy	73
Pickala Golf Oy	61
Kiint. Oy Rukan Kuukkeli	371
Vierumäen Loma-aika Oy	823
Vierumäen Kuntoharju Oy	1,605
Vierumäki Golf Oy	102
Rikuniemen Huolto Oy	36
Helsingin Puhelin Oyj	30
Tele, puhelinliittymä	5
Radiolinja Oy	5
Yrittäjien Oikeussuoja Oy	1
Tampereen Puhelin Oyj	36
CFI (USA)	1,212
	4,360

Group's financial indicators

1,000 FIM 1,000 EUR		31.12.2000	31.12.1999	31.12.1998	31.12.1997	31.12.1996
Turnover	FIM	136,725	64,407	47,136	35,700	32,522
	EUR	22,995	10,832	7,928	6,004	5,470
Increase in turnover, %		112%	37%	32%	10%	35%
Operating profit	FIM	17,310	9,826	15,442	9,575	7,514
	EUR	2,911	1,653	2,597	1,610	1,264
% of turnover		13%	15%	33%	27%	23%
Profit before extraordinary items and taxes	FIM	17,803	12,573	16,414	9,729	7,736
	EUR	2,994	2,115	2,761	1,636	1,301
% of turnover		13%	20%	35%	27%	24%
Return on equity, %		18%	20%	50%	40%	48%
Return on investment, %		26%	28%	70%	59%	68%
Interest-bearing liabilities	FIM	455	1,243	0	0	0
	EUR	76	209	0	0	0
% Investments + cash at banks and in hand	FIM	37,368	43,685	24,478	14,515	12,905
	EUR	6,285	7,347	4,117	2,441	2,170
Net gearing		-49%	-70%	-87%	-77%	-94%
Equity ratio, %		76%	77%	78%	74%	63%
Gross investments in fixed assets	FIM	6,642	5,863	1,685	2,797	535
	EUR	1,117	986	283	470	90
% of turnover		5%	9%	4%	8%	2%
Research and development	FIM	1,271				
	EUR	214				
% of turnover		0.9%				
Personnel at the year-end		303	194	82	71	68
Personnel on average		267	117	77	69	63

Group's per-share ratios

Earnings/share	FIM	1.25	1.05	1.38	0.82	0.66
	EUR	0.21	0.18	0.23	0.14	0.11
Shareholders' equity /share	FIM	8.16	7.25	3.26	2.2	1.5
	EUR	1.37	1.22	0.55	0.37	0.25
Dividend/share (2000 proposal)	FIM	0.65	0.65	1.33	0.28	0.25
	EUR	0.11	0.11	0.22	0.05	0.04
Dividend/earnings, %		52 %	62%	108%	38%	41%
Effective dividend yield, %		2 %	1%			
Price/earnings (P/E)		25.55	113.25			
Lowest share trading price	FIM	28.84	54.11			
	EUR	4.85	9.1			
Highest share trading price	FIM	154.59	123.67			
	EUR	26	20.8			
Average share price	FIM	76.05	58.74			
	EUR	12.79	9.88			
Market capitalisation at the year-end	FIM	318,778	966,900			
	EUR	53 615	162,621			
Number of shares traded		3,883,453	3,389,351			
Share trading, %		43%	41%			

The weighted average of the share-issue adjusted number of shares during the financial year is 9,129,364. The dilution-adjusted number of shares at the year-end was 9,175,453. Number of shares at the year-end was 9,243,904.

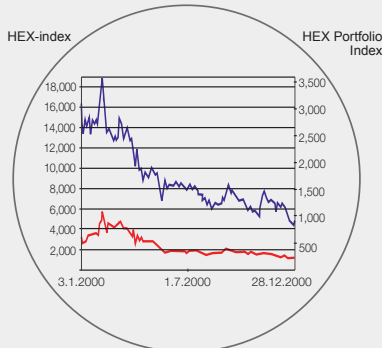
Calculation of Key Figures

Return on investment % (ROI)	$\frac{\text{Profit/loss before extraordinary items, provisions and taxes + interest payable and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average)}} \times 100$
Return on equity % (ROE)	$\frac{\text{Profit or loss before extraordinary items, provisions and taxes - taxes}}{\text{Shareholders' equity + minority interest untaxed reserves and depreciation difference less (deferred) tax liability (average)}} \times 100$
Equity ratio (%)	$\frac{\text{Shareholders' equity + minority interest + untaxed reserves and depr. difference less (deferred) tax liability}}{\text{Balance sheet total - advances received}^{1)}} \times 100$
Earnings/share	$\frac{\text{Profit before extraordinary items, provisions and taxes - taxes +/- minority interest}}{\text{Share-issue adjusted average number of shares during the year}}$
Dividend/share	$\frac{\text{Total dividend}}{\text{Share-issue adjusted number of shares at the year-end}}$
Dividend/earnings %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Net gearing	$\frac{\text{Interest-bearing liabilities – cash at banks and in hand}}{\text{Shareholders' equity + minority interest + untaxed reserves and depreciation difference less deferred tax liability}}$
Effective dividend yield %	$\frac{\text{Dividend per share}}{\text{Share-issue adjusted last trading price of the year}}$
Price/earnings ratio (P/E)	$\frac{\text{Share-issue adjusted last trading price of the year}}{\text{Earnings per share}}$

1) SysOpen has booked accrued maintenance charges under short-term creditors in the balance sheet which have been taken into account as advances received in the calculation of equity ratio.

Shares and shareholders

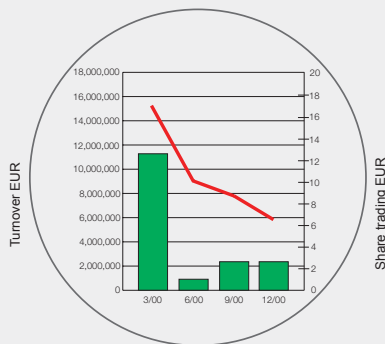
HEX Index and HEX Portfolio Index



3 January - 29 December 2000

— NM List Index
— SysOpen Plc

Share price development and turnover 1 January - 29 December 2000



— Share trading EUR
■ Turnover EUR

Information on company shares

SysOpen has one series of shares and the nominal value of a share is FIM 0.50. The company's share capital totals FIM 4,621,952 and the total number of shares at the end of the year was 9,243,904.

Stock options

The extraordinary shareholders meeting of SysOpen Plc on 23 November 2000 authorised the Board of Directors to grant a maximum of 400,000 warrants to the persons belonging to the boards of directors, other management and staff of the Group and Group companies as decided by the Board of Directors of SysOpen Plc as well as to the Company's wholly-owned subsidiaries. The warrants enable a maximum of 400,000 new shares to be subscribed for between 2001 and 2004. The E-warrants are the first warrants that can be subscribed for. Their price will be determined by the average price of the share in the Helsinki stock exchange in November 2000 weighted with the volume of trade.

The option rights shall be granted to the above-mentioned parties deviating from the shareholders' pre-emptive subscription right for the purpose of enhancing their commitment and motivation. The proposal for deviation from the shareholders' pre-emptive subscription right is made because the option rights are intended as a part of the company's incentive program, and therefore constitutes a weighty financial reason for the company.

Share trading on the Helsinki Exchanges

At the end of the financial year SysOpen Plc had 2 777 registered shareholders.

Share price development followed the IT market trend. SysOpen's lowest closing price was 5.35 EUR and highest 23.00 EUR. The average price was 12.79 EUR. At the year end the trading price was 5.80 EUR. The company's market capitalization was approximately EUR 54 million in the end of the financial year.

Management ownership

Members of the Boards of Directors of SysOpen Plc. Group companies and the Group's Managing Director owned a total of 4,710,127 company shares on 31 December 2000. These shares represent 51 percent of the company's shares and voting rights. Total number of options subscribed by members of the Board was 28,000.

Dividend

At the Annual General Meeting the Board of Directors of SysOpen Plc. will propose that a dividend of EUR 0.11 per share, FIM 6,0 million, to be distributed from the year's profits. This represents 52.4% of the total consolidated profit for the financial year. The Board will propose that the remainder of the year's profit to be placed on the company's profit account as shareholders' equity.

Shares and shareholders

Major Shareholder 31 December 2000

Shareholders	No. of shares owned	Proportion of all shares, %
Karvinen Kari	1,613,009	17.45
Savolainen Matti	1,570,659	16.99
Kylätie Jorma	1,520,659	16.45
Leonia kasvuosake sijoitusrahasto	203,650	2.20
Evli Finland Small Tech	189,400	2.05
Ahonen Olli	187,500	2.03
Sneck Seppo	184,000	1.99
Lähteenmäki Virve	138,408	1.50
Sijoitusrahasto Alfred Berg Finland	112,550	1.22
Rahkamaa Kimmo	110,902	1.20
Other	3,413,167	36.92
Total	9,243,904	100.00

Members of the Boards of Directors of SysOpen Plc. Group companies and the Group's Managing Director owned a total of 4,710,127 company shares on 31 December 2000.

These shares represent 51 per cent of the company's shares and voting rights.

Total number of options subscribed by members of the Board was 28,000.

Distribution of shareholding 31 December, 2000

No. of shares	No. of ownership	% Share/number of votes	%
1 – 100	1,123	40.44	89,728 0.97
101 – 1,000	1,397	50.31	544,213 5.89
1,001 – 10,000	199	7.17	595,679 6.44
10,001 – 100,000	41	1.48	1,446,468 15.65
100,001 – 1,000,000	14	0.50	1,863,489 20.16
1,000 001 –	3	0.11	4,704,327 50.89
Total	2,777	100.00	9,243,904 100.00

Shareholders by sector 31 December, 2000

	No. of shares of owned	%
Companies	486,928	5.27
Financial and insurance institutions	860,590	9.31
Public corporations	69,500	0.75
Non-profit organisations	157,000	1.70
Private households	7,656,976	82.83
Foreign holding	12,910	0.14
Waiting list	–	–
Total	9,243,904	100.00

SYSOPEN PLC.

Helsinki, February 28, 2001

Matti Savolainen Kari Karvinen Risto Linturi

Timo Tiihonen Jorma Kylätie
Managing Director

AUDITORS' REPORT

To the shareholders of SysOpen Plc.

We have examined the bookkeeping, financial statements and administration of SysOpen Plc for the financial year 2000. The financial statements drawn up by the Board of Directors and the President & CEO comprise a report on operations by the Board of Directors, parent company and consolidated income statements, balance sheets and notes to the financial statements. Based on our audit, we now issue a report concerning the financial statements and administration.

We have conducted our audit in accordance with generally accepted auditing standards. The bookkeeping, the accounting principles and the content and manner of presentation have been examined to a sufficient degree to obtain reasonable assurance that the financial statements are free from material misstatement. As regards the administration, we have examined the compliance of actions by Board of Directors and by the President & CEO with the requirements of the Finnish Companies Act.

Our statement notes that the financial statements have been drawn up pursuant to the Finnish Accounting Act and other rules and regulations governing annual financial statements. The financial statements present adequately and fairly the Group's and parent company's performance and financial status in accordance with the Accounting Act. The financial statements can be approved and the members of the parent company's Board of Directors and the President & CEO can be released from liability for the financial year now audited. The Board of Directors' proposal for the disposal of profit complies with the Finnish Companies Act.

Helsinki, February 28, 2001

KMPG Wideri Oy

Ari Ahti

Authorised Public Accountant



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