





TietoEnator is a leading supplier of high-value-added IT services in Europe. The Group specializes in developing and managing its customers' business operations in the digital economy. A major part of all products and services in this society are produced, distributed and consumed digitally via data networks. TietoEnator is playing an active role in building this global society.

TietoEnator provides consulting, systems development and integration, operation and support, product development services, and software services. TietoEnator aims to be a strategic IT partner to its customers. This requires focusing on businesses in which the company can achieve superior expertise and, in this way, offer significant added value to its customers.

Contents	Page
Key Figures	1
Highlights of 2000	1
CEO's Review	2
Human Resources	4
Group Overview	8
Business Areas	12
Future Trends	20
Financial Statements	24
Report by the Board of Directors	25
Income Statements	30
Balance Sheets	32
Cash Flow	34
Notes to the Financial Statements	35
Risk Management	47
Calculation of Key Ratios	48
Financial Figures	49
Shares and Shareholders	50
Proposal of the Board of Directors	53
Auditors' Report	54
Corporate Governance	55
Board of Directors	56
Group Management	58
Contacts	60
Information for the Shareholders	61

KEY FIGURES

	2000	1999	Change %
Net sales, MEUR	1 119.9	1 229.1	-9
Operating profit, MEUR	103.5	107.7	-4
Operating margin, %	9.2	8.8	
Pre-tax profit, MEUR	106.9	109.3	-2
Earnings per share, EUR	0.88	0.90	-2
Earnings excl. amortization of goodwill per share, EUR	1.04	1.04	
Earnings per share (incl. dilutions by warrants), EUR	0.87		
Shareholders equity per share, EUR	4.33	4.59	-6
Dividend per share, EUR	0.49	0.49	
Investments, MEUR	82.0	102.3	-20
Return on equity, %	19.6	21.2	
Return on capital employed, %	27.7^{*)}	29.5	
Gearing, %	-9.4	-13.2	
Equity ratio, %	57.5	52.8	
Personnel on average	9 934	11 058	-10
Personnel on 31 Dec	10 032	11 098	-10

^{*)}Adjusted for the divestment of defence 28.8%.

HIGHLIGHTS OF 2000

- Business area net sales rose by 6%
- Operating profit EUR 82.4 million
- Margins remained strong in high-value-added services
- Market recovering at end of the year
- Enhanced verticalization and key-customer focus
- Further concentration on high-value-added services
- Withdrawal from slow-growth defence and hardware reselling businesses
- New significant partnership agreements with large corporations and cities
- Spearhead solutions within bank & finance and telecom going international
- Acquisition of key competence within finance, forest, telecom and web design

• CEO's Review

The dotcom boom has bust – building the information society goes on

The hype surrounding new technology and new business opportunities is evaporating. The bursting of the dotcom bubble and the ensuing consolidation among new-media companies is in fact accelerating the work to build the true Information Age of the future. Large organizations are waking up to the possibilities offered by digital production and distribution and this is pushing development of the information society forward more powerfully than the enthusiasm of a diminishing band of pioneers. The limited resources available are now being allocated anew and more effectively than when the Internet revolution started.

Any production and distribution that can be digitalized will be moved to information networks simply because this way customers will get their products and services faster, at lower cost and with less impact on the environment. The change of millennium turned out to be an important watershed in the development of information technology. Before this point IT was essentially an administrative tool whereas today it has become an irreplaceable tool for management.

TietoEnator is building the Information Society

TietoEnator's mission and motto is Building the Information Society. By information society, we mean a social community in which most products and services are produced, distributed and consumed digitally using data networks. The increasing complexity of the digital environment and the ever-growing need for expertise are driving more and more customers to seek the support of a strategic information technology partner. TietoEnator is building the future information society by consulting, developing and hosting its customers' digital business processes. At its widest, this task requires us to take responsibility for our customer's entire digital production and distribution function. To do this, we need solid expertise in the latest information technology combined with a profound knowledge of each customer's business sector. Naturally, we can only gain and maintain such a sufficient level of knowhow in a few selected sectors.



The leading idea in TietoEnator's strategy is specialization in areas in which Nordic companies excel, creating close partnerships with customers in these sectors, and taking our spearhead products, the results of our knowhow, to the global markets. During 2000 TietoEnator took several important steps towards putting this strategy into effect. We concluded several new partnership agreements while deepening existing partnership relationships in the finance sector, the communications and media sector, public administration, and the energy and forest sectors. Our investments in Entra and MAS substantially boosted our finance and forest sector applications in Central Europe. We divested our majority holdings in companies specializing in IT systems and network infrastructure for the defence industry and withdrew completely from several unprofitable and non-core business units in Sweden, in order to devote further resources to developing our core businesses.

External and internal structural change accelerates growth

The year 2000 was an important transition period for TietoEnator, both outside and within the company. Large customers across the board started to make investments in digital production and distribution, albeit rather cautiously in certain sectors. The increasing adoption of digital production and Internet services is raising the share of IT investments as a proportion of total investments. Growth is fastest in the most IT-intensive sectors, which also form the bulk of TietoEnator's field of operations.

The Group's growth will accelerate this year fuelled both by new partnership agreements and acquisitions, and by the divestment of those parts of the company that were growing slowly or had weak profitability. This year we will also continue to focus heavily on forming even closer partnerships and refining the spearhead products of our vertical sectors. One aspect of this work will be to enhance co-ordination and co-operation between our business areas. The Services business area will henceforth concentrate on its strongest knowhow and be renamed Telecom and Media. Information systems serving the physical production and distribution of goods will be concentrated in Production and Logistics, formerly the Process & Manufacturing business area.

Achieving our long-term growth target, top-line growth over 20 %, will require acquisitions in addition to organic growth. The latter could generate roughly half of the target. With the recent major combination merger now completed, we are free to concentrate on normal acquisitions and the takeover of our customers' internal IT companies through partnership agreements.

TietoEnator's geographical growth scenario is based on strong partnerships in selected business sectors in the Nordic countries, coupled with global sales of our spearhead IT solutions. Both areas continue to offer the company substantial potential for growth. Our largest short-term investments will be focused on closer partnerships in the Nordic countries and acquisitions supporting our spearhead products in Central Europe.

Unrivalled expertise cannot be copied

The differences in financial performance among IT companies widened considerably last year. The most important reason for the clear gap that emerged was the added value of products and services. Low-added-value services such as the leasing of consulting resources and hardware sales declined in profitability in sharp contrast to previous years, whereas high-value-added services continued to perform strongly. The former's sensitivity to business cycles and competition was the reason behind TietoEnator's policy throughout the 1990s to concentrate on high-value-added services and achieving superior expertise. The results of this policy were clearly evident in last year's figures compared to many of our competitors, despite our ongoing withdrawal from low-value-added services in Sweden.

Unrivalled expertise cannot be copied. It takes many years to build up, a process that cannot take place without specialization and high investments in personnel training and development. In the coming years TietoEnator's most important investments will focus on its people. Key projects now in the pipeline include our online TE Academy training system and reformulation of our top management training programme.

TietoEnator's long-term commitment to high-value-added services and partnerships offers us an outstanding opportunity to take an active role in building the information society now that customers are placing ever higher priority on choosing the right IT partner for their needs. The decisive strides we made during 2000 were possible only through the world-class expertise of our employees and the continued confidence of our customers. My heartfelt thanks to all of you in both these groups.



Matti Lehti



TietoEnator's mission, Building the Information Society, implies the ability to foresee the direction of change, to identify emerging opportunities and to move quickly to exploit them.



• Focusing on Growth

One of the three core values defined in TietoEnator's Guiding Principles is personal growth; growth both as a professional and as a human being. Since an organization can only reach its targets through efficient co-operation, growth also means growing as a member of an organization. Similarly, it is also crucial to grow together with customers in order to gain a genuine understanding of their changing needs; the ability to create real added value for customers can only be based on an appreciation of mutual interests and targets.

For these reasons the concept of personal growth has a central role in TietoEnator's human resources ideology. This concept played a visible role in TietoEnator's brand building activities during 2000 through a campaign called "Grow Where It Is Most Essential".

The TE Academy, building a learning organization

TietoEnator's mission, Building the Information Society, implies the ability to foresee the direction of change, to identify emerging opportunities and to move quickly to exploit them. To help its customers operate profitably, TietoEnator must lead the way in forming the Information Society and for this reason the company is preparing its personnel for the digital economy by introducing a new learning platform, the TE Academy.

The TE Academy aims to provide TietoEnator's personnel with the tools for understanding the changes that the digital economy is introducing and thereby creating new opportunities for growth. It will also be an umbrella for all training and competence development within TietoEnator.

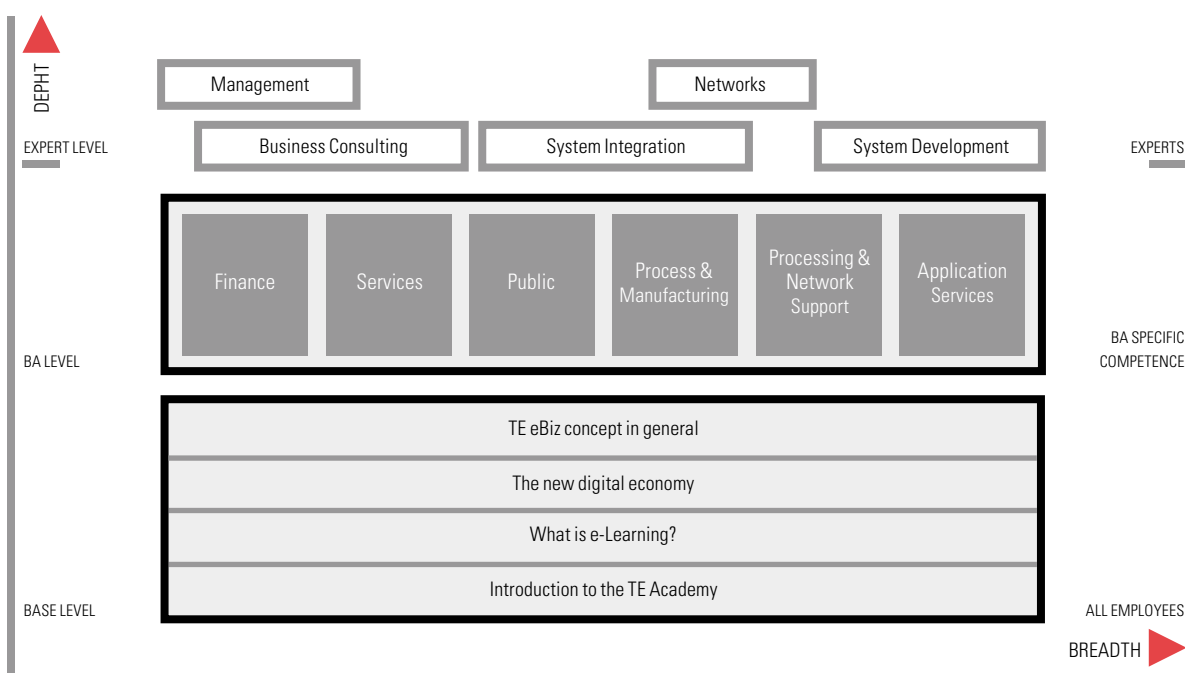
The idea behind the TE Academy is to offer skills development and training at three levels. The basic level, for all employees, covers among other things the meaning of e-business; a second and deeper level deals with issues specific to the business areas, and the third level is intended for technicians, engineers and other specialists. The goal is to launch a wide set of training tools for relevant subjects.

Most of the TE Academy will be network-based and a large part of its content will be available in e-learning format. Other methods will also be used, however, such as classroom activities, seminars and mentoring. In principle, there are no limitations to the learning solutions that may be deployed.

A part of the TE Academy will be virtual "knowledge communities" – discussion networks for exchanging information and solving problems via digital channels. These virtual communities are expected to generate not only cross-border learning but also new ideas and new business for TietoEnator.

Both TietoEnator and its customers work in a changing and competitive environment where e-business is estimated to grow many times over within the next few years. Competition is extremely tough, in the recruitment market as well, and it is therefore crucial that TietoEnator succeeds in retaining its current employees. In this respect the TE Academy plays a dual role. On the one hand it is meant to be a tool for increasing TietoEnator's competitive strength. On the other hand the TE Academy will help in positioning TietoEnator as an attractive employer and developing and retaining its employees. A long-term goal is to create the basis for an attitude of continuous learning within the company.

Competence development levels in TE Academy



Business-driven competence management

In addition to being a learning platform, the TE Academy has also provided tools for business-driven competence management. The objectives have been to provide the organization with a Best Practice model and tools for vision- and business-driven competence planning, to equip TietoEnator better to implement its strategy and reach its vision.

Since TietoEnator is a competence-intensive company, competence management is of the utmost importance to exploiting present and future business opportunities. Therefore TietoEnator has to excel in defining its competence development needs, in developing proper action, and in motivating and supporting learning and competence development.

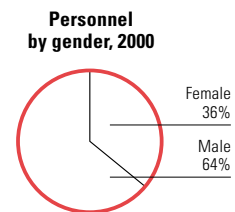
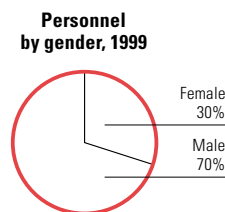
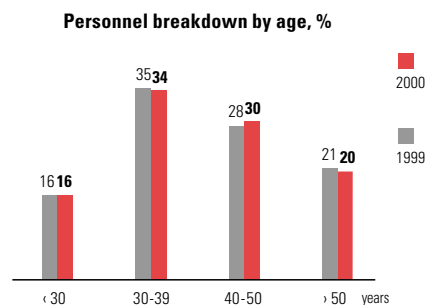
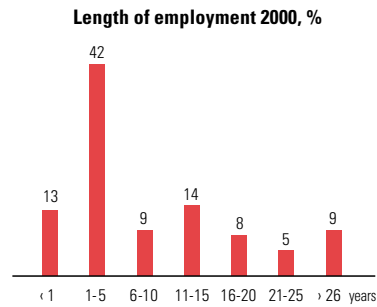
All competence management in TietoEnator is based on the fact that competition tomorrow will be profoundly different from competition today. A business strategy needs to be expressed in competence terms before it can be implemented: existing competence, competence needs now and tomorrow, and development plans derived from these.

Competence management development by the TE Academy has resulted in the production and launch of a competence management model as an e-learning workbook. The main content of the model is a four-step approach. It comprises identification of competence challenges, assessment of critical competencies, preparation of a competence action plan, and integration of the main development activities to a team's scorecard. The model aims to implement the company's business strategies as well as create a competitive edge for future growth and value-creation for customers, shareholders and employees.

Top management development – building a platform for change

TietoEnator is launching a new top management development program as the next significant step in developing a company that is strategically coherent, globally adept and organizationally prepared to take full advantage of the opportunities of the new digital economy and future international acquisitions. Called "Building a Platform for Change", the program is being developed in cooperation with IMD, one of the world leading business schools. It is designed to reflect the challenges of globalization in a fast-changing environment and to accelerate international growth and new e-business development.

The program's purpose is to take TietoEnator closer to its vision by developing global leadership talent, building a truly knowledge-sharing community of leaders, and increasing cross-business strategic thinking to change management skills focused on TietoEnator's challenges.



Financial compensation scheme

All employees participate in TietoEnator's three-level financial compensation scheme. In addition to basic salaries, there is a bonus system normally based on team results. The third level of compensation consists of bonds with warrants offered to all employees. These programs are intended to provide long-term motivation by ensuring that employees can benefit from the company's increased stock market value.

A year of moderate growth

The number of employees grew by 4% during 2000 both through organic growth and acquisitions. Market growth was slow in some sectors of the economy during part of the year, which curbed the recruitment process somewhat.

Personnel turnover rose from the previous year's 10% to 13%. Most of the business units had a turnover rate of below 10%. However, a few units, especially those still being restructured, experienced significantly higher turnover rates. In comparison, the turnover rate of TietoEnator's peers in continental Europe is often over 15% and in the USA often over 20%.

In 2000 training expenses averaged approximately EUR 2000 per employee, representing roughly 2% of net sales, and the average time spent in training was two weeks.

Systematic work was continued in order to attract, recruit and retain the most talented and motivated employees in different markets. Special attention was given during the year to retention issues. A comparative survey was carried out to find the best practices of employee retention both within TietoEnator and in other companies, and the results were used to draw up an action plan. The existing recruitment processes of the business areas were evaluated in order to unify their strategies and guidelines for recruitment. A recruiting approach that is more proactive and focused on specific target groups is needed in today's labour market where competition for the best talent is fierce.

Through competence development, recruitment and acquisitions, TietoEnator has managed to maintain a leading position concerning competence within some hot spearhead areas such as mobile Internet, mobile banking, the digital economy and visual systems. The turbulence in some sectors of the IT market towards the end of the year made it easier for TietoEnator to recruit and retain some highly competent people.

Aiming for growth and profit

In TietoEnator's steering system, the planning, reporting and rewarding processes are based on Balanced Scorecard thinking, which helps to translate the common visions, strategies, values and goals into daily activities.

During 2001 TietoEnator will focus intensely on improving its growth and profit levels. To encourage positive development, rewarding under the Balanced Scorecard system will be based solely on improved growth and profit.



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



• Building the Information Society

Mission

TietoEnator's mission is Building the Information Society. TietoEnator defines the Information Society, or Digital Economy, as an economy in which a major part of all products and services are produced, distributed and consumed in a digital form over data networks. TietoEnator sees its role as an architect and operator of the digital economy consulting, developing and hosting its customers' digital businesses.

Vision

TietoEnator's vision is to be the leading provider of high-value-added IT services in Europe in selected vertical markets. Leading, according to this vision, means leadership in expertise, market share and profitability.

Leadership is built up from a strong commitment and continuous improvements to customer value and quality. A company cannot be leading in everything. To be leading requires a strong focus.

Objectives

TietoEnator's objectives are:

- Revenue growth 20%
 - Organic growth at least in pace with market growth
 - Additional growth through acquisitions
- Operating profit margin (EBIT) to exceed 10%
- Each business area to create shareholder value
- The employer preferred by IT professionals

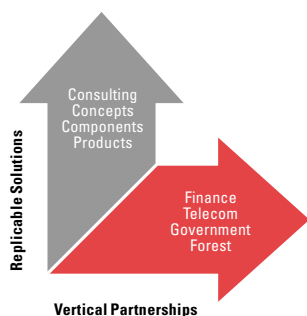
Profile and values

TietoEnator profiles itself as a dynamic and professional European IT services company with a strong Nordic background. The company's values are customer benefit, participation, and personal growth. TietoEnator requires strong involvement and commitment from its employees, but in return it offers continuous opportunity to grow and develop as an individual and team member, creating strong added value for its customers.

Business concept

TietoEnator's strategy is to focus on high-value-added IT services, partnering customers in segments of the market where it can maintain superior expertise, a strong market position and solid profitability.

TIETOENATOR BUSINESS CONCEPT



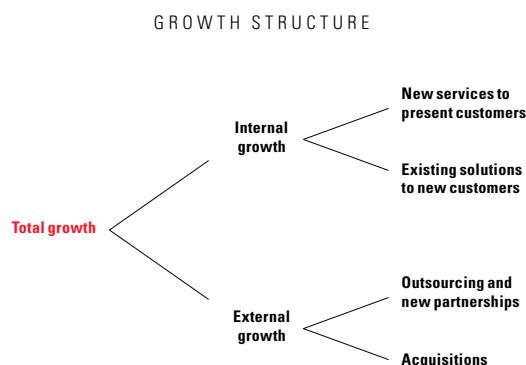
When building the information society by consulting, developing and hosting customers' core businesses in servers, networks and terminals, TietoEnator seeks to act very close to its customers as their strategic partner. To become a credible strategic partner, an IT services provider must possess a strong knowledge of its customers' businesses combined with solid expertise in the latest information technology. For this reason vertical specialization is so vital for TietoEnator's success.

TietoEnator focuses on sectors that represent the strongest Nordic industries and deepest accumulated expertise of Enator and Tieto. These sectors are bank & finance, telecommunications, public services and the forest industry.

Within these sectors TietoEnator further builds upon its expertise to develop reusable products and services comprising consulting, concepts, components and ready-made products.

In the IT value chain TietoEnator's main strengths are in developing and managing the most complex data systems and also in network and application support. This enables the company to provide its customers with a comprehensive systems management service that includes operating services and systems maintenance.

TietoEnator's growth targets can only be achieved through a combination of organic growth and acquisitions. Investments are needed for both internal development and acquiring new business units. The criteria for allocating resources are derived from TietoEnator's strategy. TietoEnator invests in products and services where it can achieve and maintain superior expertise, a strong market position and solid profitability.



TietoEnator's growth is based on growth in ready-made solutions in the global markets and operation in partnership in the Nordic and in continental Europe. TietoEnator's spearhead solutions in the global markets are mobile and Internet banking, mobile data communications and media, digital government, and the digital forest chain. The same strong North European business sectors also form the basis for growth in partnerships in Europe.

Market trends

The Nordic IT markets slowed down substantially during 2000. During the previous year the average growth in TietoEnator's markets was roughly 15%, while in 2000 the growth rate in the same markets reached some 10% on average. Hardware and applications grew significantly slower than the market average, while high-value-added segments such as digital consulting, outsourcing and system development and integration showed weak but comparably more favourable development.

After recovering from the Y2K effects, market growth in the Nordic countries is expected by leading market analysts to return to the levels of 10-15%. The fastest growing markets will, according to the analysts, be outsourcing / processing and services for the manufacturing industries, while the public sector will grow by just over 10% from 2000 to 2001 (source: PAC Group, Richard Holway Ltd).

TietoEnator's market position

TietoEnator combines a deep knowledge of the finance, telecom, public services and forest sectors and the innovative with the technical skills of system development, implementation and integration. This gives TietoEnator a strategic position as well as an important task as the world makes the transition in steps to the digital information society.

The transition has been ongoing for several years, and it will take several more before the process is complete. Society will then be in a state where the majority of services and products are produced, distributed and consumed in digital form via computer networks, routers and servers. TietoEnator is one of the enablers of this transition, and by the nature of its verticals TietoEnator finds itself at the very hub of the process.

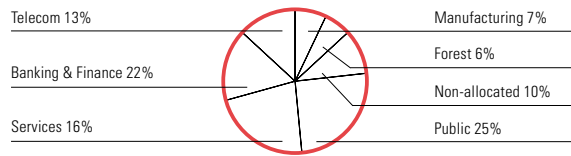
The rapid growth of mobile telecommunications and the high penetration of PC computers and mobile phones in the Nordic countries, combined with the leading positions of Nordic companies in Finance and Telecommunications, has made this part of Europe a testbed and forerunner for new breeds of technology. Two of the world's three major mobile communications vendors are based here – and both are customers of TietoEnator, as indeed are the majority of Nordic telecom operators. The Nordic banks are the leaders within mobile and internet banking, both in terms of actual users and in the array of services available – TietoEnator holds long relationships with these banks and plays a leading role in building, implementing, hosting and developing their systems.

TietoEnator is also the leading provider of processing and network services, personnel management services and embedded systems for high-tech products, mostly within the mobile telecommunications arena.

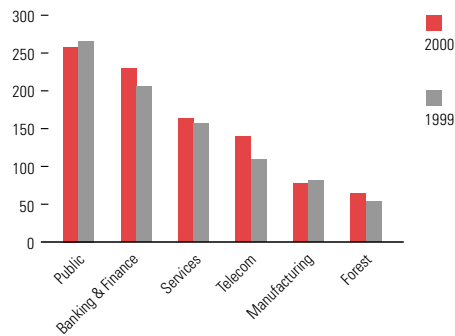
Critical systems

During the last year of the 1990s both market analysts and customers focused very hard on the companies placed at the front end of the web interface, companies mostly active within web design and user interface solutions for e-commerce. Today we

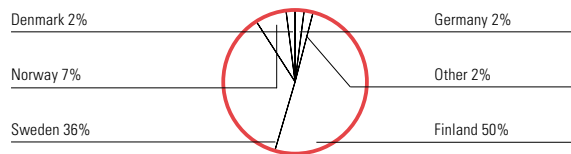
Net Sales by Industry Segment, 2000



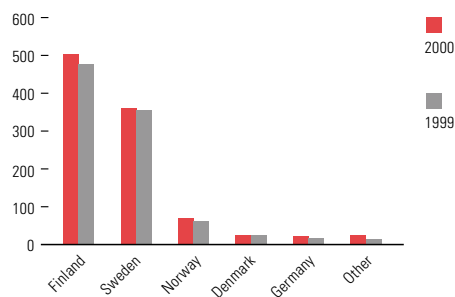
MEUR Net Sales by Industry Segment, 2000 and 1999



Net Sales by Country, 2000



MEUR Net Sales by Country, 2000 and 1999



see much more emphasis given to the core of digital economy development; that is, applications and services for different business sectors, integration of network applications into existing IT systems and total systems integration. This is a natural development since the systems of today and tomorrow are, and will be, extremely critical for the customer's businesses.

Criticality has two aspects. IT systems are becoming circulatory in enterprises; without them everything else grinds to a halt. The other aspect is that an e-business system that does not fully support the owner's business models, or even worse is not operational 24 hours a day, 7 days a week, will very rapidly have a negative effect on the owner's image and brand.

It is here that TietoEnator takes the lead by being one of the few companies with the resources and strength, within its selected verticals, to give its customers full support on all levels – defining adequate systems, building and implementing them and, if the customer requires, operating them. This is also the core of TietoEnator's business and it is why TietoEnator strives to work at all times in partnership with the major corporations and organizations that form the majority of its customers.

During 2000 customers grew increasingly pragmatic and professional in their approach, distancing themselves from the e-commerce frenzy of the late 1990s. This has led to substantially longer sales lead times than earlier, largely because customers now want to be completely certain of choosing the right business model, the right system and the right vendor for the system. It is also more evident that the companies looking for systems are the traditional long-standing large companies of the old economy now entering the digital economy. These customers are also looking for stable partners and allies – allies that can provide the whole chain of top-line services.

Very soon after its establishment TietoEnator chose to develop e-business applications within all of its vertical specialities, instead of forming one or more specialized e-business competence centres. This "everywhere" model makes it possible to offer customers solutions that are optimized and customized to the needs of their separate businesses. This gives TietoEnator an important competitive edge; not least because new and old systems are becoming more and more entangled and integrated, making the previously distinct line of division between mainline business and e-business increasingly blurred.

Development in 2000

The integration of the former Tieto and former Enator into TietoEnator continued during the year 2000. The integration work proceeded well and in some aspects faster than originally expected. No undesired or unexpected spin-offs took place.

Most synergy effects have become visible indirectly in cases where competencies in some areas have been used to increase market penetration in others. Examples of this are the logistics business for the national post authorities in the Nordic countries, and within the embedded systems area where the competence of

former Enator has been essential for finding new customers among European and international telecommunications vendors.

TietoEnator continued to withdraw from businesses seen as non-strategic after the merger. Consequently most of the defence activities were sold to Celsius at the beginning of the year, and at the end of the year the subsidiary Dotcom was sold to the private equity company Atle IT. The latter divestment means that from late December TietoEnator no longer consolidate any business related to reselling or installing hardware.

TietoEnator also continued to focus on high-value-added services in its chosen sectors. The restructuring measures taken to ensure this affected several of the business areas. The clear target was that all businesses that could not be refocused and brought into the verticals and TietoEnator's key customer-oriented strategy within a reasonable period should be either divested or closed down. This work accelerated during the latter part of the year and will be completed during the first part of 2001. More than 80% of TietoEnator's business is now positioned within the prioritised high-value-added markets and the company's exposure in the low-value-added markets, such as resource consulting and hardware, has substantially decreased.

Market recovering

The aftermath of the Y2K hit the IT sector harder and longer than expected. The small positive signs towards the end of the first quarter rapidly evaporated and the overall market went into a sluggish and hesitant mode. The trend of weak demand for low-value-added IT services continued during the whole year, while the demand for high-value-added services grew, but more slowly than expected. During the last months of the year, however, small signs of improvement became increasingly visible. Demand for outsourcing solutions and e-commerce services grew and the application market started to recover, the first sign being a fast growing prospect base.

The aggregate net sales of the Group's strategic business areas rose 6% to EUR 1,005.6 million (950.5). Among TietoEnator's customer segments, growth was most pronounced in telecom, 28%, followed by forest segment, 20%, and banking and finance, 12%. Public segment's net sales decreased 3%. The Group's consolidated net sales was EUR 1,119.9 million (1,229.1).

Operating profit before non-recurring items was EUR 82.4 million (103.8), corresponding to a margin of 7.4% (8.5%). The aggregate margins for the six business areas amounted to 11.6%. Earnings per share were EUR 0.88 (0.90) and, excluding amortisation of goodwill EUR 1.04 (1.04).

The average number of business area employees increased by 4% to 9,081 during the year. The Group had an average of 9,934 (11,058) employees during the year and 10,032 (11,098) at December 31, 2000. This decrease was mainly due to the changed ownership in defence.

As in preceding years, TietoEnator offered a bond with warrants to all employees. The personnel participation rate in this option loan was well over 60%.



In the IT value chain TietoEnator's main strengths are in developing and managing the most complex data systems and also in network and application support.



• Providing high-value-added IT services

TietoEnator focuses on high-value-added IT services in those segments of the market where it can maintain superior expertise, a strong market position and solid profitability. TietoEnator concentrates on customer sectors that represent the strongest Nordic industries. TietoEnator provides consulting, system development and integration, operation and support, product development and software services.

Finance Sector

TietoEnator's Finance Sector is the leading provider of information technology services to the finance sector in the Nordic countries. Its core business increasingly involves the development of e-finance solutions and their integration into existing information systems. The business area also provides sector-specific consulting services and off-the-shelf software for finance sector organizations. As an IT partner to its clients, Finance Sector aims to produce solutions and services that enable its customers to achieve clear improvements in competitive strength, greater operational efficiency and better services.

Services

The core segments served by the Services business area are Telecom, Energy, Logistics, Retail, Media, Travel and Tourism, and Transport. Services is responsible for providing professional IT services to customers in these sectors, where its goal is to enhance their efficiency and profitability by applying digital business models and IT services.

Public Sector

TietoEnator Public Sector offers products and services for building information technology solutions of the future in the public sector (Digital Government). The business area's services are either customer-specific IT systems or products, or a combination of the two, and cover social services, health and medical care, schools, church parishes, and public finance and personnel administration.

Process & Manufacturing

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

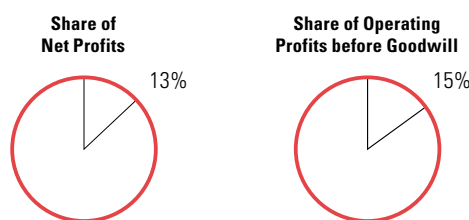
Processing & Network Support

Processing & Network Support offers management and monitoring services for IT systems and networks to ensure continuous operation for customers' business needs. The offering consists of a family of service products with TotalPro as its trademark and covering e.g. 24 h / 7 d service time, mainframe services, ERP system management, eBusiness support, IT security solutions and consulting.

Application Services

Application Services provides leading-edge software applications and support services for financial and personnel management and key account management. The business area offers strong expertise in digital systems. In network-based software and services it provides significant added value for its customers' financial and personnel management processes. Application Services also offers a high level of expertise in content management through the American technology products that it represents.

• Finance Sector



Finance Sector	Jan-Dec 00	Jan-Dec 99
Net sales (Mgmt responsibility), MEUR	197	178
Net sales	157	140
- per employee (mgmt respons), EUR 1,000	126.8	122.8
Operating profit before goodwill depreciation	18	18
- Margin, %	11.4	13.1
- per employee*), EUR 1,000	13.9	15.5
Full-time employees (Average)	1 551	1 447
Full-time employees (Dec 31)	1 580	1 490

*) number of employees decreased by minority interests

Products and services

Finance Sector's service strategy is based on long-term partnerships with its clients. Its product and service portfolio covers the development of information systems, visual design, integration and application management, sector-specific consulting services and off-the-shelf software.

Future Finance, the business area's service concept, combines the maintenance and development of existing systems with new e-business applications into a complete and unified digital business package. Finance Sector's banking applications based on Internet and mobile technology represent world-class expertise.

Finance Sector also commands strong expertise in payment and loyalty card management systems, Internet applications for the capital markets, and the development of portals for finance sector enterprises.

Markets

Finance Sector's markets are growing rapidly. Companies in this business are also actively exploring the potential of entirely new electronic services and investing vigorously in information technology and communications networks.

Finance Sector operates in 11 countries, working closely with more than 300 clients. In its domestic market, Northern Europe, the business area provides a broad range of services in close partnership with its clients. Central and Central-Eastern Europe are also rapidly growing markets. Finance Sector intends to expand in these countries, and in the global marketplace, through advanced e-finance solutions targeted to market needs.

Competitive position

TietoEnator is the leading supplier of IT services to the finance sector in Northern Europe and one of the main service providers among the largest global actors in this sector.

Finance Sector's strong competitive position is the result of specialization along with solid technological expertise. Finance Sector is a pioneering developer of digital applications and its Future Finance service concept enables clients to develop new operating models and systems for the digital economy.

Performance in 2000

Finance Sector's net sales increased 12% during 2000 to EUR 157 million. The proportion of revenues from international sales rose as partnership clients continued to expand internationally and the European economy strengthened. As Year 2000 projects were completed demand shifted very sharply in the first half of the year to the design of new digital network systems. During the latter six months there was marked increase in demand for system implementation projects as consulting work made progress. Finance Sector's profitability remained at last year's level. The operating profit before goodwill amortization was EUR 18 million. The number of employees increased 6% to 1,580 at the year end.

Characteristic of the year was strong growth in Finance Sector's digital network services and products. The business area launched its new Future Finance service concept and strengthened its digital network services with the start-up in Finland and Sweden of a new visual design service supporting the production of network applications.

At the end of the year, Finance Sector also began extensive development of a new finance portal, which represents a strong element in its advanced e-business expertise. Development also focused heavily on payment transaction applications and products for the capital markets. In the insurance sector TKP Tieto completed the development of a new portal concept for the employee pensions market, while Tieto Entra supplied Varmo-Sampo with a new eFolder concept for online management of insurance transactions.

Co-operation with partner-clients developed positively. Finance Sector signed a contract with Handelsbanken's office in Finland covering maintenance and upgrading of the bank's systems to meet the needs of the digital economy. Fidenta was involved in Nordea's Nordic projects and agreement was reached with Nordea on more wide-ranging co-operation in the Baltic countries and Poland. A large project was started with Sampo-Leonia to renew its credit management systems.

Tieto Konts concluded several major agreements for its Transmaster payment system in its market area, the Baltic and Eastern Europe, with customers including Parex Bank in Latvia and Russia's second largest bank Vnesheconombank.

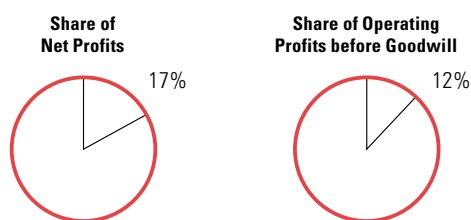
At the end of the year, TietoEnator acquired the remaining outstanding shares of the Swedish company Entra and integrated its operations into Finance Sector. The company supplied securities trading systems to companies including OM-Group and the Stockholm Stock Exchange. Entra's securities trading solution, delivered to Teletrade, represents cutting-edge technology in this sector.

Entra and Tieto Konts play a vital role in taking Finance Sector's e-finance applications to the global markets. Finance Sector's position was strengthened in the international markets when Entra set up new offices in the Netherlands and Luxembourg, while Konts increased its presence in Moscow. Similarly, the establishment of a joint venture by TietoEnator and Pengar i Sverige and the acquisition of the Norwegian company Tazett reinforced the business unit's position in the Nordic countries.

Prospects

Finance Sector's markets are broadening more and more from Finland to the Nordic countries and elsewhere in Europe. International growth by its partner-clients, coupled with restructuring in the finance sector, are driving strong growth in investments in systems. The increasing emphasis on digital network services in this sector is accelerating demand for professional services. As a frontline developer of e-business applications, Finance Sector is in an outstanding position to respond to this growth potential.

• Services



Services	Jan-Dec 00	Jan-Dec 99
Net sales, MEUR	203	193
- per employee, EUR 1,000	111.3	107.5
Operating profit before goodwill amortization, MEUR	14	9
- Margin, %	6.8	4.4
- per employee, EUR 1,000	7.6	4.7
Full-time employees (Average)	1 827	1 793
Full-time employees (Dec 31)	1 830	1 842

Products and services

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

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

Markets

Services is the most international of TietoEnator's business areas. It has a strong market presence in Finland, Sweden and Norway and it is strengthening its foothold in Denmark, Germany, Estonia, Latvia, Lithuania, Belgium and Switzerland. Roughly 61% of its employees work outside Finland.

The business area's major clients include leading telecommunications players such as Sonera, Telenor, Telia, Vodafone, Nokia and Ericsson; Statoil, Fortum, BP Amoco and Shell in the energy sector; SAS, Finnair, and the Finnish and German state railways in the transport sector; major post and messaging operators including the Posts in all the Nordic countries and the German Post; and retail chains such as SOK in Finland and Åhlens in Sweden.

Competitive position

The Services business area is one of the leading Nordic service providers to customers in the telecommunications, energy, logistics, retail, media, travel and tourism, and transport sectors. It occupies a strong competitive position in these areas based on a profound understanding of each client's business and frontline expertise in mobile telecommunications technology. In each customer segment it competes against both large international corporations and niche competitors.

Performance in 2000

The Services business area's net sales increased 5% to EUR 203 million. Growth was most pronounced in telecommunications. The markets showed signs of recovery at the end of the third quarter following a period of slacker demand after the millenium shift. In Sweden focusing Services' activities on key customers in chosen segments hampered overall growth in the business sector. Non-profitable businesses were restructured and some were divested. These measures succeeded in achieving the aim of restoring the Swedish operations to profit and all the business area's operations showed a profit for the last quarter. The full-year operating profit before goodwill amortization of EUR 14 million marked a 63% improvement on the previous year's figure. The number of employees at the year end was 1,830 which is roughly on the same level as at the previous year end owing to the divestment of operations.

The main emphasis during the year was given to developing e-business systems together with related digital media and services facilitating greater ease of use.

A noteworthy development was WAPToolbox, the most advanced in this sector. WAPToolbox is designed to make development of WAP applications faster and more efficient and it also provides a platform for production.

IT partnership agreements were forged with Finnair and the Production Department of the Finnish Roads Administration to develop IT services specifically for the Internet and mobile wireless environments.

In May TietoEnator acquired the outstanding shares of Oy Visual Systems Ltd, one of Finland's leading new media companies.

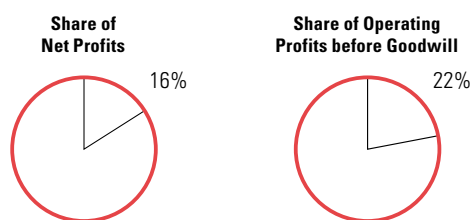
TietoEnator also completed the development of its Energy Components product family. This will be developed into a solution for the global oil and gas industry that will be marketed worldwide. A large delivery based on this product family was made to the Zuata oil field in Venezuela. TietoEnator acquired the Norwegian company Applied Relational Technology AS and the London-based energy unit of the British company Anite Business System Ltd in order to strengthen its international position in the energy sector and to support its oil company customers by offering the services of its wide contact network.

Prospects

Services' highest growth in the international arena will be based on the telecommunications, logistics and energy sectors, in which demand for high-value-added services is expected to remain vigorous. In these segments, Services aims to achieve higher than average growth in its markets and a leading position in Europe.

Services intends to expand its presence in Europe in the next few years, particularly in telecommunications, through acquisitions and organic growth. It will also build global solution-based services in the telecommunications and energy sectors.

• Public Sector



Public Sector	Jan-Dec 00	Jan-Dec 99
Net sales (Mgmt responsibility), MEUR	193	192
Net sales	189	188
- per employee (mgmt respons), EUR 1,000	110.6	108.5
Operating profit before goodwill depreciation	25	25
- Margin, %	13.4	13.2
- per employee*, EUR 1,000	15.0	14.3
Full-time employees (Average)	1 743	1 767
Full-time employees (Dec 31)	1 786	1 741

*) number of employees decreased by minority interests

Products and services

Public Sector offers customers products and services for building information technology solutions of the future for the needs of public administration. The business area's objective is to help its customers raise efficiency and improve their services, thereby assisting citizens in their dealings with public bodies. These services are increasingly based on Internet and mobile solutions. They are information systems, products, or a combination of the two, designed for specific public sector customers. Public Sector's product range covers solutions for the social services, health and medical care, schools, church parishes, and public finance and personnel administration.

Markets

Public Sector provides solutions for all segments of public administration. The main customer groups are government, local authorities and medical services.

In the national government sector, Public Sector acts in partnership with its customers as they build future digital government solutions, offering them a complete service portfolio for implementing different development processes. TietoEnator has an extremely strong position as a provider of IT services to this segment, especially in Finland where it works in co-operation with almost all ministries and public offices.

In the local authorities sector, the business area focuses on solutions for social welfare, healthcare, schools and libraries, as well as personnel administration and finance. The services facilitate and improve efficiency as well as providing opportunities to develop new local authority services. TietoEnator has been a partner to local authorities for more than 35 years.

Competitive position

Public Sector holds leading market positions in Finland and Sweden, and it has a substantial presence in both the Danish and Norwegian markets. The business area owes its strong market position to close and extensive co-operation with customers and in-depth knowledge of the different areas in this sector. A resolute focus on high-added-value services has helped to make the business area very competitive in an extremely difficult market.

Performance in 2000

The business area developed favourably in 2000. Sales amounted to EUR 189 million. The operating profit before goodwill amortization was at previous year's level amounting to EUR 25 million. The business area had 1,786 employees at the year end.

The public sector market was stable but growth was not as fast during 2000 as in the previous year. There was growing interest in various types of digital government solutions, such as the development of the next generation of web portals. The healthcare markets strengthened substantially.

During the year TietoEnator concluded an agreement with the city of Espoo in Finland in which Espoo and TietoEnator will work together to develop new e-business solutions for the city. TietoEnator will be responsible for supplying the system, for developing its e-business solutions and for providing the necessary operating services. The project will result in electronic services for residents, elected representatives, public officials and enterprises.

TietoEnator and the city of Stockholm signed a contract on outsourcing of the city's IT services, the largest IT contract ever made in the public sector in Sweden. The contract covers system administration, operation, help desk services and consultation. TietoEnator will also play an active role in developing new services for the city's residents including involvement in developing digital government services and e-democracy. The value of the contract amounts to approximately EUR 44 million.

The two major hospitals in the Stockholm metropolitan area, Danderyd and Huddinge, chose TietoEnator's Respons system for their payroll and personnel administration functions.

The cities of Helsinki and Gothenburg both selected TietoEnator to develop IT services for their social service needs.

An agreement was reached with EDB Business Partner ASA covering the coordination of its healthcare activities in Sweden and Norway. TietoEnator owns 58% of this joint venture company, which has 115 employees and net sales of approximately EUR 16 million.

TietoEnator acquired the healthcare operations of Solteq Oy in Finland and the entire share capital of Datafolket 1 AB in Sweden.

The Judicial Registry in Finland decided to renew its operating system in co-operation with TietoEnator.

TietoEnator began co-operation with the Population Register Centre in Finland in the area of digital transactions and the identification of users.

The Vehicle Administration Centre of Finland chose TietoEnator as the technology integrator for its new vehicle traffic system and to provide operating services.

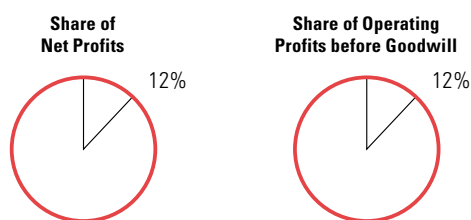
Prospects

Public Sector's prospects continue to be very favourable. A growing proportion of the business area's services are based on Internet and intranet applications. The development of e-relations is enabling government and local authorities to develop their services and allocate resources in a new way. TietoEnator's Digital Government service package is a functional concept for implementing electronic public administration services and it will become increasingly important internationally as well.

The high penetration of the Internet in the Nordic countries, coupled with confidence in the reliability and security of digital networks, is creating favourable conditions for the adoption of high-tech services. The positive attitude shown by the Nordic public sector towards e-solutions will also give TietoEnator a decisive advantage in Europe's other markets.

The public sector is expected to change dramatically in the years ahead. New operating models will be based largely on the ever more widespread use of digital networks. As e-relations increasingly dominate the public sector, the importance of a strong IT partnership will become even more apparent.

• Process & Manufacturing



Process & Manufacturing	Jan-Dec 00	Jan-Dec 99
Net sales, MEUR	144	131
- per employee, EUR 1,000	112.6	112.9
Operating profit before goodwill amortization, MEUR	14	15
- Margin, %	9.9	11.7
- per employee, EUR 1,000	11.2	13.2
Full-time employees (Average)	1 282	1 164
Full-time employees (Dec 31)	1 359	1 146

Products and services

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

Markets

Process & Manufacturing meets its customers' needs where they are operating, working with them in a close and long-standing partnership. Its main markets are Finland, Sweden and Germany. The business area supplies product based solutions such as production management systems for papermills around the world. Process & Manufacturing's customers are Nordic and Continental European forest industry, telecommunications, process and manufacturing companies with global operations.

Competitive position

In professional services the business area's position in Finland is strong. It ranks as one of the world's top IT system providers to the forest industry. In mobile wireless terminals and third-generation mobile phone systems (UMTS) the business area is the market leader in Sweden and strong in Finland.

Demand is shifting in enterprise resource planning systems from meeting basic functions, such as management of orders, financial administration and deliveries, to value-added services like customer management and management of product data documentation. Established system suppliers like TietoEnator will be well positioned as new business solutions are built onto existing systems.

Performance in 2000

Demand was relatively strong for all high-value-added services, particularly in the telecommunications industry. However, demand for low-value-added consultant services based on hourly rates was weak. Process & Manufacturing's sales grew 10% to EUR 144 million and its operating profit before goodwill amortization was EUR 14 million. Performance was good overall, except for certain units in Sweden. Previous measures to reduce cost levels were insufficient and for this reason the business area withdrew from the IT business in Gothenburg and Malmö other than embedded systems supporting its customers' R&D activities. The business area had 1,359 employees at the end of the year.

TietoEnator acquired 51% of the share capital of MAS GmbH in Germany, strengthening the company's position in the forest industry in Continental Europe and adding complementary products to its portfolio of paper mill products.

TietoEnator also acquired Sypro System Professionals Oy, a Finnish product development company specializing in telecommunications. This will strengthen TietoEnator's position as a leading supplier of real-time embedded information systems in Europe. Demand for embedded systems was lively, particularly in the second half of the year. Most assignments in this area covered development for mobile wireless terminals and 3G mobile systems (UMTS).

The business area was reorganized at the beginning of August and all its units were placed under international management. The aim is to ensure more effective response to customer growth and the higher demand created by internationalization.

Prospects

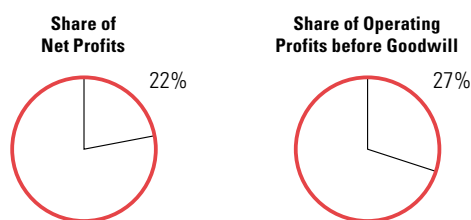
With its year-end orderbook higher than ever, the business area's prospects are bright. The adoption of new technology and the merger of customer organizations as a result of international consolidation are strengthening demand. Forest industry companies, for example, require compatible mill-wide control systems in all their mills, which is generating extremely large design and implementation projects. Outsourcing of IT functions will continue to increase and in the future will also include embedded systems supporting customers' R&D activities.

In their IT projects companies have hitherto focused primarily on streamlining their own internal operations. The focus is now shifting towards a steady emphasis on the interfaces between organizations in customers' value chains. Enterprise resource planning systems now allow suppliers, for example, to see their customers' orders in real time, while end-users can also add their future needs to the same system. This is enabling production to react more flexibly to demand. Another clear growth area is the management of product information; that is, accurate documentation on the assembly of large machinery and equipment to enhance future spare part and maintenance services.

Process & Manufacturing intends to maintain its leading position in the forest industry and to strengthen its presence in embedded systems services for the telecommunications industry.

The next major challenges will be establishing operations in North America and Asia, and reinforcing the market position in technical data processing and telecommunications in Germany.

• Processing & Network Support



Processing & Network Support	Jan-Dec 00	Jan-Dec 99
Net sales, MEUR	262	250
- per employee, EUR 1,000	153.5	158.9
Operating profit before goodwill amortization, MEUR	31	34
- Margin, %	11.9	13.5
- per employee, EUR 1,000	18.2	21.4
Full-time employees (Average)	1 708	1 575
Full-time employees (Dec 31)	1 715	1 668

Products and Services

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

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

Markets

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

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

This business area operates mainly in Finland and Sweden. With a market share in excess of 11% in the Nordic countries, it is one of the largest suppliers in this region. Processing & Network Support also provides direct support to clients in Continental Europe.

Competitive position

The business area's strong position in the Nordic market is based on a fundamental understanding of its clients' businesses, and is strengthened by close co-operation with TietoEnator's customer sectors. This unique operating model offers clients the opportunity to achieve substantial cost savings in their IT investments. Totalpro is the leading brand in this sector in Finland with a market share of 47%. In Sweden Totalpro has a market share of more than 10%.

Performance in 2000

Market demand for outsourcing and eHosting operations increased compared to the previous year. Data security consulting was a new and especially fast growing business sector for TietoEnator. Demand for technology consulting in Sweden was low in the early part of the year but improved towards the year end.

Net sales rose 5% and totalled EUR 262 million. Sales growth was particularly strong in Continental Europe where Processing & Network Support is working in close co-operation with TietoEnator's verticalized business areas. The consulting services in Sweden were organized under the Competence Center and their focus was redirected towards higher-value-added services, resulting in improved profit levels in Sweden during the latter months of the year. The business area's operating profit after goodwill amortization was EUR 31 million. Personnel totalled 1,715 at the end of the year.

TietoEnator signed a contract worth approximately EUR 44 million with the City of Stockholm to develop, maintain, process and support the city's IT services. The contract is highly significant for Processing & Network Support since half of the contract consists of services provided by this business area.

The Totalpro service package was supplemented with services for e-business. The package now offers a full range of services from mainframe volume operations to client-specific vertical knowhow, new technical solutions and e-business. An example of eHosting services was a contract signed with Protender, a new Internet company providing procurement services over the Internet.

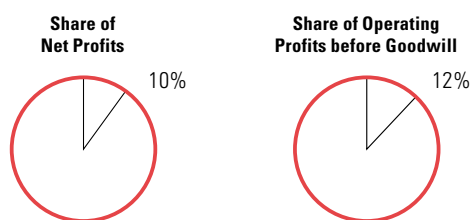
Security consulting services were started successfully. An outsourcing contract was signed with Certall Finland giving TietoEnator an important role as the hosting provider for secure business transactions in the digital society. TietoEnator was the first IT company in Europe to obtain the BS7799 security certificate, first in Finland in 1999 and the following year in Sweden. This certificate, together with the ability to serve 24 hours 7 days a week, is taking TietoEnator to the frontline of security services operators in the Nordic region. TietoEnator also signed a contract to implement F-Secure Corporation's solutions in its security services in Europe. Finnish F-Secure is a leading provider of centrally managed security for mobile wireless enterprises.

Prospects

Demand for outsourcing and eHosting is expected to increase further. The need for data security consulting and 24/7 service has risen rapidly with the increased use of Internet services, and the trend is likely to continue. This market development makes the outlook for TietoEnator very positive.

Processing & Network Support aims to further strengthen its position in the Nordic and European markets. In 2001 the business area's organization will be extended to include a unit for globally operating customers. This unit will concentrate on serving key customers within the forest and telecommunications industries together with TietoEnator's verticalized business areas.

• Application Services



Application Services	Jan-Dec 00	Jan-Dec 99
Net sales, MEUR	116	120
- per employee, EUR 1,000	119.6	123.2
Operating profit before goodwill amortization, MEUR	14	18
- Margin, %	11.8	15.1
- per employee, EUR 1,000	14.1	18.7
Full-time employees (Average)	970	975
Full-time employees (Dec 31)	964	996

Products and Services

Application Services offers its customers best-of-breed applications and support services for financial and personnel management and payroll administration. It is placing high priority on the development of digital Internet services. Its own modular software packages, Tieto Persona and Tieto Economa, can also be used on the Internet.

"Apptoyou.com" is a customer portal for resource management on the Internet. It offers electronic application, support and information services and training, in addition to providing an interactive discussion forum. The portal also contains powerful links to financial and personnel management information provided by public authorities and other public bodies. As a Shared Service Center, Application Services also offers its customers the opportunity to outsource their basic financial and personnel management functions.

The business area is also the Nordic distributor for third-party software products designed for IT system development, maintenance and content management.

Markets

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

Economic growth is strong in the euro-zone countries, where Application Services is expanding with new international Internet applications that are easy to implement at the local level despite national differences in administration systems and practice. Electronic solutions for travel and human resources management are of central importance in the markets outside the Nordic countries.

Competitive position

TietoEnator ranks among the leading personnel and financial management software vendors in the Nordic countries. Its strong competitive position is based on modular, best-of-breed software applications, the development of basic systems, and widely adopted network solutions enabling customers to outsource their administrative functions. Supporting the business area's market position is its high level of

IT expertise, its knowledge of the financial and personnel management needs of different customer segments, and its professional support services.

Performance in 2000

Net sales of Application Services was slightly below the previous year's level, totalling EUR 116 million. Demand declined during the first half of the year following an all-time high in 1999 but showed clear growth again during the latter months of the year. Demand was strongest in network applications, where Application Services completed significant product development projects during the year. The result of operations remained good. The operating profit before goodwill amortization was EUR 14 million. The business area had 964 employees at the year end.

The release of Internet versions of Tieto Persona and Tieto Economa substantially increased Application Services' portfolio. The "apptoyou.com" customer portal developed during the year will become the business area's main channel for contact with customers in the future.

An electronic payroll administration application was developed for MeritaNordbanken that allows the bank's employees to see their payroll information directly on the bank's intranet. Tieto Persona Link, an electronic system for efficient collection of payroll information needed for official purposes, was widely adopted by public administration bodies in Finland during the year.

A smart "hotel invoice centre" concept developed during the year enables hotels to send and receive invoices electronically. As the service operator for this system, TietoEnator is also responsible for managing the invoice centre.

Other product releases during the year included Tieto Economa Workflow for electronic management of purchasing invoices, and a WAP-based reporting tool for Tieto Economa Fakta. In Sweden Application Services developed a new worktime registration software package called Tieto Economa TeTime, which is offered in both WEB and WAP versions.

Application Services reached agreement with Metso Corporation to supply Tieto Persona applications to Metso's Valmet Corporation. Co-operation in document management was continued with Nokia and Ericsson. Application Services released a new version of its Tieto Persona personnel administration system as well as an application for managing employee share options, one of the first customers for which was Sonera. Sales of the Tieto Persona HR human resources management system grew significantly in Denmark. A major HR deal was concluded with Sparbanken Mitt-Norge in Norway.

The Shared Service Center is a concept developed by Application Services to enable businesses to outsource their basic financial management functions. Its first application is in TietoEnator Group itself. In customer relation management TietoEnator signed a major deal with the American company Onyx Software Corporation covering distribution of its CRM key account management system in the Nordic countries.

Prospects

The market for new digital economy solutions will expand in the next few years with the main focus of development on Internet application services and outsourcing of administrative systems. Application Services, through its strong commitment to proprietary product development, is well positioned to meet the growth in demand.



TietoEnator's profound understanding of its customers' businesses, coupled with long-standing partnerships with its customers, place the company in a strong position in its markets.



• The future and its challenges

Compared to the preceding two to three years, a distinctly larger measure of uncertainty gripped the digital economy during the second half of 2000. Signs of a slowdown in the US economy, news of Internet companies running into difficulties, and uncertainty regarding the development of third-generation mobile networks and services were the main factors that injected an element of caution into the optimism that had continued for so long. Uncertainty was further fuelled by developments in the terrestrial digital television arena and their effects. DigiTV, already embryonic in some European countries and due to be introduced in Finland in autumn 2001, will have a profound impact on the media sector and it will also indirectly affect many other sectors.

Despite the recent uncertainty, however, the Information Age will continue to take major steps forward during the next 5-10 years. In fact it is quite probable that today we actually underestimate the extent of the changes and opportunities it will bring. After a period of unreserved optimism we have now come down to earth, and perhaps even gone a little underground; it's now time to chart the direction that the digital economy is set to take from here.

TietoEnator's strategy to concentrate on high-value-added services and selected business sectors lays a solid foundation for the company's success, also during periods of uncertainty. TietoEnator's profound understanding of its customers' businesses, coupled with long-standing partnerships with its customers, places the company in a strong position in its markets.

The Internet bubble bursts

The transfer of data, services and products to information networks began to gain pace at the end of the 1990s, signalling a change in the business models previously used by companies. The digital revolution created an enormous number of new companies producing technical solutions and services for the Internet and, at the close of the decade, also for mobile wireless networks. The extremely rapid development of the new economy generated overoptimistic expectations of virtually unlimited growth and profits.

When new business models are adopted, the first stage is typically one in which technical expertise dominates development. In this respect new-media oriented Internet consulting companies have initially concentrated on throwing technical applications and expertise at a wide range of companies in different sectors. However, the difficulties encountered by these companies during 2000 indicate that this is not enough. To provide added value, companies must also thoroughly understand the specific business environment and business needs of their different customers.

The unrealistic expectations placed on these companies evaporated, resulting in a rapid drop in their market values. This sector is now experiencing mergers and consolidation and the successful companies of the future will be those able to create genuine added value for their customers.

Telecommunications faces profound change

European telecommunications companies hold a strong position in third-generation (3G) wireless communication and data transmission services. Technology based on UMTS (Universal Mobile Technology Standard) will offer high data transmission speeds and capacity but it also involves the risk of accelerating the development of competing technologies.

3G networks offer a finite frequency bandwidth allocated and regulated by governments. UMTS licences entitling their holders to limited broadband access have been auctioned in certain countries at exorbitant prices. Not only must operators meet the high cost of these licences, they still have to build expensive new UMTS networks before they can begin generating revenue. It is still unclear how and over what period they will recoup their investment costs. Meanwhile it is in the interests of those operators and other groups without UMTS licences to do their best to identify and develop cheaper networks and services based on alternative technologies. One possibility is short-range radio-based Wireless Local Area Network technology, nowadays called WLAN or 4G. The best known such technology at the moment is Bluetooth, a technical standard for wireless links between devices.

High-frequency 4G networks are non-regulated and therefore at anyone's disposal. These networks have a very short range; they are limited to a single space and are unable to penetrate walls, for example. In effect this implies unlimited radio capacity as the same frequency can be used in different premises. Hence in the future we can expect 4G network services to be very common in premises where many people move around in a limited area such as company offices, retail stores, public offices and airports. Prices should fall as production volumes increase, as happened in the case of personal computers.

Mobile devices are expected to be designed to be dual-function; that is, they will be able to operate simultaneously on 2G/3G and WLAN frequencies. Speech can also be transferred to the Internet using Internet voice technology, VOIP. Hence, using VOIP software mobile devices can also be connected to a WLAN network, allowing direct voice transfer to a main network and bypassing regulated frequencies. This development could have a major impact on the development of the entire telecommunications sector by favouring services

and content rather than charging users by the minute. WLAN is expected to revolutionize competition in the telecommunications sector in the same way as the PC changed information technology in the 1980s and 1990s.

Alternative scenarios for DigiTV

Digital TV in Europe will reach a cross-roads in its development in the next couple of years. One path could be an only marginally better but unreasonably expensive continuation of analogue television. The significantly larger number of channels will fragment TV audiences, which in turn will undermine traditional models for generating advertising revenue. On the other hand digital TV could act as a catalyst for the development of the digital economy and Information Age in the same way that the passenger car – based on standardized gasoline and standardized operating interface – provided a spur for industry and the service society.

The future direction of digital TV will depend largely on the national choices of concepts, standards and technology made by the large EU countries and how these are regulated. The pioneers in this field, Sweden and Great Britain, opted for a conventional vertical mass media concept, closed standards and technologies based on them – with more or less unfortunate consequences. In Sweden digital TV has barely got off the ground, while in Great Britain large mass media companies, and especially the pay-TV giants, are using their market power to close households into proprietary islands, which is keeping the development of truly new services slow.

In the best scenario the rest of Europe could choose differently. According to this vision, user devices would not remain television “set-top boxes” distributed and sponsored by the pay-TV companies. The devices of the future would instead be open “information centres” integrating other home devices, and even personal mobile communicators. The user device markets operate in a genuinely competitive global environment. The use of a digital TV distribution network is not limited to television content; rather, the capacity of this extremely high-performance unidirectional network could be used intelligently to openly transmit various other new services in parallel with other networks such as fixed cable networks and the 3G and 4G networks. This vision is supported by the open concepts and technologies we are already used to in the Internet and PC worlds. Such convergence will enable consumers to use one and the same user interface for all the services they want and with all the devices they have. Conventional television and radio channels, new highly targeted television content, telephone services, text messages, new “media text” messages, the whole spectrum of Internet services, entirely new multimedia information services, games, PC software applications, family digital video and digital photo recordings – all will be integrated in the same information centre.

Nordic countries could point the way for the rest of Europe since regulation is heading in the right direction, and Nordic originated Ericsson and Nokia are well positioned to pioneer this technology. Nordic TietoEnator will support the evolution which will offer it enormous business opportunities in the development of new Information Age services.

Second-generation Internet projects

Northern European companies have been merging and internationalizing now for a number of years. As a company’s operations, decision-making and markets become more international, they also become a lot more complex.

As companies expand internationally, they also need to develop their IT systems to meet the challenges of their new environment. Indeed, many Northern European companies operating in traditional sectors of industry are already implementing extensive second-generation Internet projects for very big user groups. This situation is all the more demanding, and is increasing uncertainty, since in recent years many of these companies have also undergone major mergers and expanded into entirely new markets. The success of these projects will largely determine the future viability of these business sectors and economic growth in general.

TietoEnator sees an outstanding opportunity in this situation to grow together with its customers in the international marketplace. TietoEnator’s key customers, as Northern European companies, could benefit considerably from having an IT partner that is travelling the same road.

The baby-boom generation retires, driving change in public sector services models

In the next ten years or so hundreds of thousands of public sector employees in the Nordic countries will retire, becoming users rather than providers of public sector services. At the same time young people do not consider the public sector as attractive a career opportunity as before. Society has not yet found an answer to the challenge of providing an ever higher standard of services to an ever increasing number of customers using fewer employees than today.

Rectifying the imbalance between supply and demand for the services and workforce necessary to serve the increasing number of retired people will require profound changes to existing public sector models. Encouraging immigration will hardly be sufficient to solve this enormous problem; more effective and far-reaching changes will be necessary. Whatever the new models, they will certainly rely heavily on information technology and digital networks.

It has been suggested that private service companies could provide the bulk of the services currently offered by public sector organizations today. In the future citizens could buy these services by computer using "e-vouchers" which the public sector would allocate in exchange for the tax it collects. New information technology would make such allocation fairer and abuse more difficult. Service users would be entirely free to choose their service provider, which would inevitably raise service quality by fostering competition. Service companies would also be better equipped than the public sector to attract and retain competent employees through a wider range of incentive schemes than the public sector has traditionally been able to offer.

However the public sector evolves, information systems will be subjected to extremely tough challenges. Change will not take place all at once but will easily require a transition period of some ten years during which it will be necessary to ramp up new operating models and their supporting systems alongside the existing ones.

Renewing services and service models does not mean the collapse of the welfare society but rather its maintenance and development. As the service-producing section of the population gets older and the number of service users grows, it will be essential to make the provision of services more efficient, given that society expects the scope of services and their standard to improve further. Competition and the potential of new information technology offer a timely and equitable way forward.



TietoEnator is now focusing its growth investments on strengthening partnership agreements with its major customers in the Nordic countries.



• Report by the Board of Directors

TietoEnator continued its integration work during the year 2000. This has meant that TietoEnator has continued to focus on high-value-added IT services in its chosen sectors, continuously decreasing its presence in and dependence on the low-value-added segments of its markets. The Group is the leading Nordic supplier of advanced IT services today and also one of the leading European providers in this area.

Markets

From a market perspective the aftermath of the Y2K process affected the whole year, both more intensely and longer than anticipated. After positive signs at the end of the first quarter the market, especially for low-value-added services, entered a very hesitant and sluggish period with weak growth. Within TietoEnator the applications business and the remaining resource consulting businesses were the areas most affected by this trend. Demand for high-value-added services grew, but more slowly than expected, even though activity in the market was quite high.

This rapidly changing climate made it virtually impossible for many Internet start-ups to survive. This left more space for the established players who were increasingly favoured by customers looking for long-term partnerships.

During the last months of 2000, several signs of improvement gradually became visible. Demand for outsourcing and e-commerce solutions began to grow once again and the application market started to recover, the first sign being a fast growing prospect base.

Changes in corporate structure

TietoEnator's defence business in Sweden was moved to a new company set up jointly with Celsius at the start of the year. TietoEnator's holding in this company is 43%. Celsius has the option to acquire TietoEnator's shares for EUR 145 million in June 2001 while TietoEnator has the option to sell its holding for EUR 121 million. At the end of 2000 these shares had a net book value in TietoEnator's balance sheet of slightly over EUR 20 million.

TietoEnator's withdrawal from the network infrastructure business began with its divestment of the Danish subsidiary NetDesign A/S at the beginning of 2000. A majority of the Swedish subsidiary Dotcom AB's shares have been sold to Atle IT and to the company's operative management. This deal was finally implemented in January 2001 after the competition authorities granted their approval.

TietoEnator's increased holding in Entra AB strengthened the Group's finance sector expertise and product portfolio in Internet and new media applications. The acquisition of Visual Systems Oy brought further expertise in digital media to the Services and Public Sector business areas.

The company's other acquisitions and divestments during the year are detailed in the table Changes in Legal Structure.

Financial targets

The Group's overall goal is to improve shareholder value through growth, profitability and effective use of capital. The specific financial targets are:

- Revenue growth 20%
 - Organic growth at least in pace with market growth
 - Additional growth through acquisitions
- Operating profit margin (EBIT) to exceed 10%
- Each business area to create shareholder value.

Effective use of capital also means avoiding overcapitalization of the balance sheet. The gearing target is 0-30%. Distributable funds permitting, surplus liquidity can be distributed to shareholders in the form of dividends and through share repurchases.

Net sales

The aggregate net sales of the Group's strategic business areas rose 6% to EUR 1,005.6 million (950.5). Excluding the effect of exchange rate differences, the increase was 4%. Among TietoEnator's customer segments, growth was most pronounced in telecom, 28%, followed by forest segment, 20%, and banking and finance, 12%. Public segment's net sales decreased 3%.

The Group's consolidated net sales declined 9% to EUR 1,119.9 million (1,229.1) owing to the transfer of the Swedish defence operation to an associated company at the start of the year and to development in the network infrastructure business. Geographically, net sales increased 6% in Finland but declined in Sweden as a result of restructuring. Growth outside the Nordic countries was strongest in Germany, 38%.

The order backlog, comprising only services ordered with binding contracts, totalled EUR 552.1 (478.8) million.

Performance

The operating profit before non-recurring items was EUR 82.4 million (103.8) corresponding to a margin of 7.4% (8.5). The Group received non-recurring income totalling EUR 30.3 million (19.9) during the year, derived mainly from the payment of a surplus by the Swedish Salaried Employees Pension Institution (SPP). Non-recurring costs, EUR 9.2 million (16.0), consisted of EUR 2.9 million related to social costs arising from the personnel warrants, EUR 4.7 million from restructuring of the network infrastructure business, and EUR 1.6 million resulting from the merger of Tieto and Enator. Accordingly, the operating profit including non-recurring items (EBIT) came to EUR 103.5 (107.7) million, or 9.2% (8.8%) of consolidated net sales and included a EUR 10.7 (13.2) million provision for annual bonuses.

The business areas Services and Public Sector reported improved operating margins, while the margins decreased for the remaining business areas. The final quarter, however, was better than the beginning of the year and also the final quarter of 1999. The reasons for this were the impact of the change of millennium on demand for services as well as measures taken by TietoEnator to implement its strategy. The operating margin remained strong in the business operations covering the Group's strategically important high-value-added services.

• Report by the Board of Directors

Changes in legal structure

	% share	Net sales	No. of employees	Date of acquisition or disposal	Business
ACQUISITIONS					
Group companies					
Real Data AB	100	MEUR 2	9	1 Jan 2000	System development for banking and finance industry ¹⁾
Odelius New Media AB	100	MEUR 2	16	1 Jan 2000	Advertising agency ¹⁾
Sypro System Professionals Oy	100	MEUR 2	25	24 May 2000	Embedded systems mainly for telecom industry ²⁾
TietoEnator MAS GmbH (former Systeme GmbH)	51	MEUR 7	90	30 May 2000	Matematische Analysen- und Solutions for forest industry ²⁾
Entra AB	56=>96	MEUR 81	690	June-Sept 2000	IT financial services ¹⁾
Oy Visual Systems Ltd	20=>100	MEUR 2	38	19 Aug 2000	Development and marketing of network applications ^{3) 6)}
Tazett AS	100	MEUR 1	10	3 October 2000	Development of systems for capital administration ¹⁾
European Medical Solutions Group	58	MEUR 16	115	16 October 2000	Solutions for health and medical care market ³⁾
dataFolket 1 AB	100	MEUR 1	11	12 Jan 2001	IT support for health care documentation and medical treatment ³⁾
Eurotime AB	100	MEUR 2	40	1 Jan 2001	Personnel administration ⁷⁾
DISPOSALS					
Group companies					
Defence business incl. 10 companies ¹⁾	100	MEUR 107	1000	1 Jan 2000	Swedish defence-related operations ⁴⁾
TietoEnator Information och Media AB including 3 commission agents	100	MEUR 15	160	1 Jan 2000	Swedish defence-related operations ⁴⁾
NetDesign A/S	100	MEUR 25	60	1 March 2000	Network infrastructure hardware ⁵⁾
Programmera AB	75	MEUR 12	95	12 April 2000	General IT consulting ⁵⁾
TietoEnator Bilssystem AB	100	MEUR 3	20	29 Dec 2000	Supplier of business systems to the car trade ⁶⁾
Dotcom Solutions AB	100=>48	MEUR 118	600	1 Jan 2001	Integrator and supplier of communication solutions ⁵⁾
Associated companies					
Aerotech Telub AB ¹⁾	100=>43	MEUR 252	2600	1 Jan 2000	Swedish defence-related operations ⁴⁾
Atkos Printmail Oy	49=>20	MEUR 47	500	1 Jan 2001	Printing, mailing and direct marketing services ⁸⁾

MERGERS

TietoEnator Applications Oy was merged with the TietoEnator Corporation on 31 October 2000⁷⁾
 Totus Oy was merged with TietoEnator Corporation on 31 December 2000¹⁾

¹⁾ TietoEnator's services for the Swedish defence industry were merged with Celsius Aerotech AB to form a new group called Aerotech Telub

Business areas:

- ¹⁾ Finance Sector
- ²⁾ Process & Manufacturing
- ³⁾ Public Sector
- ⁴⁾ Defence
- ⁵⁾ Network Infrastructure
- ⁶⁾ Services
- ⁷⁾ Application Services
- ⁸⁾ Processing & Network Support

Earnings per share were EUR 0.88 (0.90) and, excluding amortization of goodwill, EUR 1.04 (1.04).

Return on capital employed (ROCE) was 27.7% (29.5) and the return on equity was 19.6% (21.2).

Investments

Direct capital expenditure on fixed assets and other long-term expenses totalled EUR 44.2 million (56.9). Investments in machinery and equipment amounted to EUR 31.4 million (38.4), and in shares in subsidiaries EUR 37.7 million (40.7). The redemption of the minority holdings in Entra Data AB (shareholding 96.6%) and the acquisition of the remaining shares in Visual Systems Ltd took place through share exchanges.

Financing

Cash flow from operations totalled EUR 73.5 (121.4) million. EUR 42.0 (56.9) million was spent on investments in fixed assets and EUR 9.8 (22.5) million on acquisitions. EUR 38.5 (33.5) million was used to pay dividends. The company repurchased its own shares for EUR 36.2 million, corresponding to 1,329,273 shares (1.6% of the total share capital). In January 2001 the company purchased a further 214,282 shares. All in all Tieto-Enator now owns 1,543,555 own shares, representing 1.84% of the total share capital.

Share capital increases disapplying shareholders' pre-emptive subscription rights, the issue of bonds with warrants, and the repurchase of the company's own shares are described in detail under Shares and Shareholders.

The balance sheet totalled EUR 632.0 (702.6) million. The equity ratio was 57.5% (52.8%) and gearing was -9.4% (-13.2%). Cash and cash equivalents amounted to EUR 68.8 (113.8). The company had unused credit lines totalling EUR 25 million and unused commercial paper programmes amounting to EUR 200 million.

Development

The most important development investments were concentrated on developing new digital business models and on the transfer of knowhow from old technologies to new digital technologies. All business areas developed business portals and service concepts supporting customers in their adoption of digital technology.

The TE Academy was set up to enhance the development and interchange of knowhow within the company and to create a forum for e-learning. The purpose underlying the TE Academy is to strengthen opportunities for personal growth and personnel's ability to respond effectively to the changes generated by the emergent digital economy.

Measures were undertaken to strengthen and enhance the Group's corporate identity in the long term among important target groups such as customers, the financial community, media, employees and potential employees.

Personnel

The average total number of business area employees rose by 4% to 9,081 (8,721). A total of 1,436 (1,321) new persons were employed during the year. Employee turnover in the business areas increased from the 1999 level of 10% to 13% during 2000. The Group had an average of 9,934 (11,058) employees during the year and 10,032 (11,098) on 31 December 2000. The decrease was mainly due to the changed ownership in defence.

Board of Directors, changes to top management

TietoEnator's Annual General Meeting on 29 March 2000 elected Professor Olli Martikainen of the Helsinki University of Technology to the Board of Directors in place of Aulis Salin. The Board's other members are Olof Lund, Bengt Braun, Thomas Falk, Kalevi Kontinen, Matti Lehti, Kaj-Erik Relander and Anders Ullberg. The elected personnel representatives were Pirjo-Liisa Salo and Paul Wiberg, and after the latter's resignation Elisabeth Eriksson from 26 October 2000. Their personal deputies are Jari Länsivuori and Bo Persson. The Chairman of the Board of Directors was Olof Lund and the deputy chairman was Kaj-Erik Relander.

After the retirement of Hannu Niilo-Rämä as director of the Application Services business area, Carl-Johan Lindfors was appointed Senior Vice President, Application Services, and a member of the Management Group.

Short-term prospects

Following a sluggish period at the start of 2000, demand for high-value-added information technology services recovered towards the end of the year fuelled by the digitization of production and distribution. This trend is most pronounced in the most data intensive sectors of society. A slowdown in economic growth will increase uncertainty in demand, but this is expected to have little impact on high-value-added services during 2001.

From TietoEnator's perspective business conditions have improved since the start of last year. The volume of large network systems and outsourcing projects is on the rise, while skilled human resources are in better supply than one year ago. TietoEnator's withdrawal from the slow-growth defence and hardware sales businesses is improving the company's growth potential. TietoEnator's long-term focus on the strongest Nordic sectors is reflected in a number of significant new agreements as large corporations seek strategic IT partners for their needs. Following the recent major merger, the emphasis in external growth will shift to normal acquisitions, which will have a positive impact on the company's growth. The company is focusing its growth investments on strengthening partnership agreements with major customers in the Nordic countries, and further afield on increasing its portfolio of solutions to the finance, telecommunications and forest industry sectors. Net sales, excluding corporate divestments, will rise more rapidly than the year before and the company will maintain its long-term annual growth target of 20%.

• Report by the Board of Directors

Net sales and operating profit by business area

MEUR	Net sales			Operating Profit			Margin %	
	2000 1-12	1999 1-12	Growth %	2000 1-12	1999 1-12	Change %	2000 1-12	1999 1-12
Finance sector								
- Under TietoEnator management	197	178	11					
- In proportion to TietoEnator holding	157	140	12	17.8	18.4	-3	11.4	13.1
Services	203	193	5	13.9	8.5	63	6.8	4.4
Public Sector								
- Under TietoEnator management	193	192	1					
- In proportion to TietoEnator holding	189	188	0	25.4	24.8	2	13.4	13.2
Process & Manufacturing	144	131	10	14.3	15.4	-7	9.9	11.7
Processing & Network Support	262	250	5	31.1	33.8	-8	11.9	13.5
Application Services	116	120	-3	13.7	18.2	-25	11.8	15.1
Group elimination I	-65	-72	-					
TietoEnator business areas	1 006	950	6	116.2	119.0	-2	11.6	12.5
Reorganization								
Network Infrastructure	115	145	-21	-4.0	-1.7	-	-3.5	-1.2
Defence	-	122	-	7.0	9.8	-	-	8.1
Other*)	26	21	-	-0.1	-8.6	-	-	-
Social costs on personnel warrants				-2.9				
Group elimination II	-27	-9	-					
Total net sales/operating profit before goodwill amortization	1 120	1 229	-9	116.2	118.5	-2	10.4	9.6
Amortization of goodwill				-12.7	-10.8			
OPERATING PROFIT (EBIT)				103.5	107.7	-4	9.2	8.8

*1) Includes Group Functions' costs of EUR 22.0 million (17.5) during the period

Net sales by country

MEUR	2000 1-12	Growth %	Share %	1999 1-12	Share %
Finland	504	6	50	476	50
Sweden	361	1	36	356	37
Norway	69	12	7	61	6
Denmark	25	-4	2	26	3
Germany	22	38	2	16	2
Other	25	68	2	15	2
TietoEnator business areas	1 006	6	100	950	100
Sweden	114			242	
Other	0			37	
	1 120	-9		1 229	

The development of the company's performance, which once again became clearly positive during the final quarter of 2000, is forecast to continue in similar fashion this year. TietoEnator has withdrawn from its non-strategic units in Sweden and is refocusing its existing operations on high-value-added and high-margin services. Decisions already made will release resources that generate significant non-recurring income. The company believes that its result in 2001, both before and after non-recurring items, will improve on the preceding year.

Annual General Meeting and dividend proposal

The Annual General Meeting (AGM) of TietoEnator will be held on March 22, 2001. The Board of Directors will propose to the AGM that a dividend of EUR 0.49 (0.49) per share be paid on the financial year 2000. The record date for dividend payment is March 27, 2001 and the dividend payment date is April 10, 2001.

TietoEnator will publish its first quarter interim report for 2001 on April 26.

Personnel on average by business area

	2000 1-12	Growth %	Share %	1999 1-12	Share %
Finance Sector	1 551	7	17	1 447	17
Services	1 827	2	20	1 793	21
Public Sector	1 743	-1	19	1 767	20
Process & Manufacturing	1 282	10	14	1 164	13
Processing & Network Support	1 708	8	19	1 575	18
Application Services	970	-1	11	975	11
TietoEnator business areas	9 081	4	100	8 721	100
Network Infrastructure	694	-9		760	
Defence Sweden	-	-		1 241	
Other	159	-		336	
	9 934	-10		11 058	

Personnel on average by country

	2000 1-12	Growth %	Share %	1999 1-12	Share %
Finland	4 981	8	55	4 600	53
Sweden	2 943	-5	32	3 096	35
Norway	600	3	7	581	7
Denmark	224	11	2	202	2
Germany	164	54	2	106	1
Latvia	100	19	1	84	1
Other	69	33	1	52	1
TietoEnator business areas	9 081	4	100	8 721	100
Sweden	799			2 125	
Other	54			213	
	9 934	-10		11 058	

The personnel figures include all the personnel in the associated companies under TietoEnator's management. Calculating total personnel in relation to TietoEnator's holding in these companies, TietoEnator had 9 623 (10 756) employees.

• Income statements

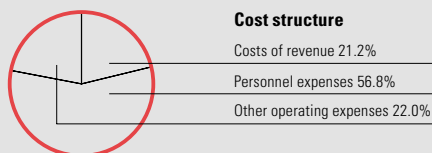
EUR 1 000	Note	GROUP		PARENT COMPANY	
		1 Jan-31 Dec 2000	1 Jan-31 Dec 1999	1 Jan-31 Dec 2000	1 Jan-31 Dec 1999
Net sales		1 119 931	1 229 057	367 083	333 640
Other operating income	1	36 213	26 972	5 468	8 002
Costs of revenue	2	212 441	214 218	36 361	29 913
Personnel expenses	3,4	571 061	606 146	164 237	146 983
Depreciation	8,9	43 974	46 029	18 976	18 505
Amortization of goodwill	8	12 714	10 791	2 105	2 773
Other operating expenses		221 096	272 433	104 323	95 120
Share of associated companies' results		8 579	1 315	-	-
Operating profit		103 437	107 727	46 549	48 348
Financial income and expenses	5	3 460	1 578	39 737	13 734
Profit before extraordinary items, appropriations and taxes		106 897	109 305	86 286	62 082
Extraordinary items	6	-	-	118	12 501
Change in depreciation difference		-	-	111	3 936
Direct taxes	7	-35 844	-37 177	-17 155	-23 272
Minority interests		-523	-3 051	-	-
Profit for the period		70 530	69 077	69 360	55 248

Comments to the income statements

Net sales decreased by 8.9% or EUR 109.1 million to EUR 1,119.9 million. Excluding exchange rate effects, the decrease was 10.3%. Organic development in local currencies for comparable units was 2.9%.

Other operating income includes EUR 30.3 million (19.9), which can be regarded as non-recurring. This is mainly due to the repayment from the SPP in Sweden. The remainder of other operating income is mainly recurring rental income.

The cost structure and comparison figures are affected mainly by the change in ownership in Defence companies.

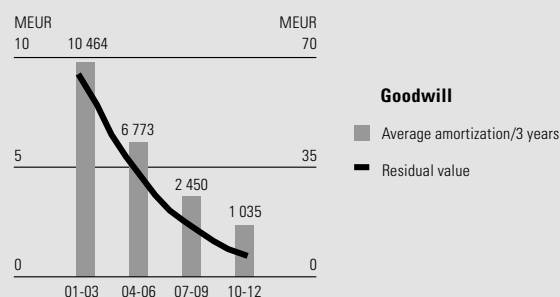


Personnel expenses decreased by 5.8% and were 51.0% (49.3%) compared to the net sales. The result-based bonuses were EUR 10.7 million (13.2). Social costs related to the warrants were EUR 2.9 million (0) and have been regarded as non-recurring in 2000. Personnel expenses included EUR 1.7 million related to the restructuring of the Network Infrastructure which can be regarded as non-recurring. The average number of personnel was 9,934 (11,058). The average growth in salaries of IT consultants and similar employees was 3-5% in Finland and 3-8% in Sweden.

Other operating expenses included EUR 4.6 million (16.0) which can be regarded as non-recurring. They were related to the merger of Enator and Tieto and also to the restructuring of the Network Infrastructure.

Share of associated companies does not include TietoEnator's share of results in those associated companies where TietoEnator has the management responsibility. Instead, those are consolidated item for item in proportion to the holding.

New acquisitions added EUR 1.1 million to the amortization of goodwill. The remaining goodwill on 31 Dec 2000 is amortized annually as presented in the chart.



The total net of non-recurring items was EUR 21.1 million (3.9). The operating profit before non recurring items was EUR 82.4 million (103.8) corresponding to an operating margin of 7.4% (8.5%).

Financial income includes a EUR 0.8 million tax refund related to dividends from associated companies.

Tax expense reported for the year includes EUR 27.0 million payable on profit for the year and EUR 9.4 million as a change in the deferred taxes. The Group's non-utilized tax loss carryforwards are taken into account when calculating deferred tax. The tax rate in Finland was 29% and 28% in Sweden. Effective tax rate at the Group level is 33.5%, mainly due to consolidated goodwill and goodwill accrued in internal transactions.

In minority interest, Entra has been treated as a minority of 44.3% for the period January-June 2000.

• Balance sheets

EUR 1 000	Note	GROUP		PARENT COMPANY	
		31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
ASSETS					
Fixed assets					
Intangible assets	8	80 038	76 782	19 084	19 697
Tangible assets	9	139 773	156 842	70 499	66 004
Financial investments	10,11	43 981	26 643	976 803	956 507
Fixed assets, total		263 792	260 267	1 066 385	1 042 208
CURRENT ASSETS					
Inventories		870	5 714	22	-
Long-term receivables	12,14,20				
Loan receivables		2 603	3 047	15 539	17 929
Deferred tax assets		5 173	14 773	-	-
Prepaid expenses and accrued income		13 338	683	270	403
		21 114	18 503	15 809	18 332
Current receivables	13,14				
Trade receivables		199 128	237 455	54 483	50 612
Loan receivables		1 084	15	43 087	563
Other receivables		6 218	6 729	3	-
Group contribution received		-	-	119	12 501
Prepaid expenses and accrued income		71 008	60 067	26 038	8 523
		277 438	304 266	123 729	72 199
Securities		26 355	32 302	26 345	-
Cash in hand and at bank		42 409	81 547	14 064	30 364
Current assets, total		368 186	442 332	179 969	120 895
		631 978	702 599	1 246 354	1 163 103

Comments to the balance sheets

The balance sheet total decreased by 10.0% from EUR 702.6 million to EUR 632.0 million.

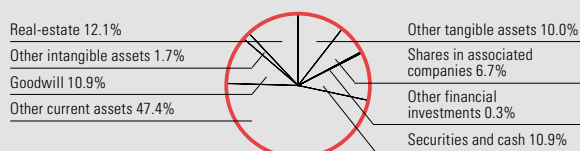
The divestment of the majority in the Defence companies diminished the total assets by EUR 99.0 million. This was mainly in tangible assets and trade receivables but at the same time, there was an increase in the financial investments.

Acquisitions increased goodwill by EUR 24.9 million but not other assets significantly. Investments in tangible assets were EUR 38.5 million. Financial leasing was capitalized, EUR 11.7 million.

Deferred tax assets, which mainly belong to Sweden, decreased because of the utilization of the tax loss carry forwards.

The receivable from SPP amounting to EUR 14.6 million after the cash effect of 2000 is expected to be utilized in 3-4 years.

Distribution of total assets 31 Dec, 2000



EUR 1 000	Note	GROUP		PARENT COMPANY	
		31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	15				
Share capital		70 338	64 716	70 338	64 716
Share issue		975	264	975	264
Share premium fund		12 427	5 694	915 033	907 666
Other funds		63 998	63 203	-	-
Retained earnings		137 828	150 246	12 899	31 612
Profit for the year		70 530	69 077	69 360	55 248
		356 096	353 200	1 068 606	1 059 506
Minority interests		2 838	12 254	-	-
Accumulated appropriations		-	-	-	-
Provisions for liabilities and charges	16	4 403	28 096	4 396	6 405
Liabilities	17,19,20				
Non-current liabilities					
Bonds		3 243	2 247	3 243	2 247
Loans from financial institutions		2 067	4 506	2 039	3 039
Pension loans		211	-	-	-
Deferred tax liability		5 631	6 722	-	-
Other non-current liabilities		11 949	19 007	206	582
Accrued liabilities and deferred income		10 107	491	9	82
		33 208	32 973	5 497	5 950
Current liabilities					
Loans from financial institutions	18,19	2 272	444	-	-
Advances received		7 673	10 623	152	280
Trade payables		45 734	66 513	10 226	13 684
Other current liabilities		31 192	27 338	119 163	44 656
Accrued liabilities and deferred income		148 562	171 158	38 313	32 623
		235 433	276 076	167 855	91 242
Liabilities, total		268 641	309 049	173 352	97 192
		631 978	702 599	1 246 354	1 163 103

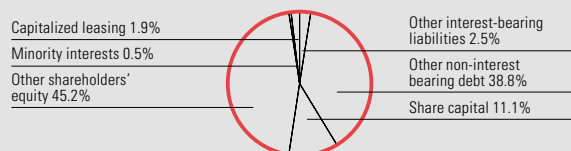
Comments to the balance sheets

The divestment of the Defence companies reduced mainly provisions and current liabilities.

The total amount of shareholders' equity rose by EUR 2.9 million. The profit for the period increased the equity by EUR 70.5 million, and dividend payment and the buyback of own shares decreased it by EUR 74.7 million.

Minority interest decreased due to Entra.

Distribution of total shareholders' equity and liabilities 31 Dec, 2000



• Cash Flow

EUR 1000	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
Cash flow arising from operations				
Operating profit	103 437	107 727	46 549	48 348
Adjustments to operating profit	32 803	27 179	16 977	16 297
Change in net working capital	-29 452	12 961	63 527	-1 456
Cash generated from operations	106 788	147 867	127 053	63 189
Net financial items received	3 105	1 352	-45	1 014
Income taxes paid	-36 429	-27 808	-24 142	-23 198
Net cash from operations	73 464	121 411	102 866	41 005
Cash flow from investing activities				
Acquisition of Group companies, net of acquired cash	-9 777	-22 500	-12 834	-32 941
Investments in other shares	-74	-5 184	-29	-2 610
Redemption of Enator minority	-634	-15 967	-634	-
Capital expenditures	-41 958	-56 932	-23 378	-29 577
Disposed Group companies, net of disposed cash	3 214	15 439	-	-
Sale of other shares	1 107	822	789	35
Sale of fixed assets	2 518	19 328	1 235	15 297
Net cash used in investing activities	-45 604	-64 994	-34 851	-49 796
Cash flow from financing activities				
Change in long-term loans	-2 835	-3 113	-380	-824
Change in short-term loans	2 456	-957	-	21 560
Change in long-term receivables	444	-479	2 443	1 219
Change in short-term receivables	-1 069	645	-38 181	1 232
Paid dividends and donations	-38 489	-33 474	-37 766	-25 601
Share issue and exercised options	2 753	2 596	2 753	2 596
Purchase of own shares	-36 168	-	-36 168	-
Received dividend and group contributions	2 079	1 098	48 947	20 453
Net cash used in financing activities	-70 829	-33 684	-58 352	20 635
Change in cash flows	-42 969	22 733	9 663	11 844
Liquid assets on 1 January	-113 849	-84 643	-30 364	-18 520
Liquid assets from mergers	-	-	-382	-
Exchange differences	2 116	-6 473	-	-
Liquid assets on 31 December	68 764	113 849	40 409	30 364
	-42 969	22 733	9 663	11 844

• Notes to the Financial Statements

ACCOUNTING PRINCIPLES

Consolidated financial statements

The consolidated financial statements include the parent company Tieto-Enator Corporation and all subsidiaries in which the parent company has direct or indirect control as defined in Finnish accounting standards (FAS).

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

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

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

Intra-group transactions are eliminated in consolidation.

Intra-group shareholdings have been eliminated using the purchase method or pooling of interests method under FAS as applicable. Elimination differences are correspondingly accounted for as goodwill or adjustments to consolidated equity. The acquired equity at the time of acquisition is adjusted for appropriations net of deferred tax.

Goodwill is amortized over its estimated economic life, which ranges from 3 to 20 years.

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

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

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

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

Foreign currency items

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

Translation differences arising from the application of the acquisition cost method are shown as consolidate equity adjustment items in retained earnings.

Exchange gains and losses on net financial liabilities are reported in the income statement under financial items, while other exchange gains or losses are included in operating profit. The exchange

rate differences of hedged items are adjusted by the valuation differences of derivative contracts made for hedging purposes.

Revenue recognition

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

Pension arrangements

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

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

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

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

Valuation of fixed assets

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

The Group uses the following depreciation periods:

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

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

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

Leasing

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

• Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999

The distribution of net sales is presented in the Report of the Board of Directors

1. OTHER OPERATING INCOME

Gain on sales of fixed assets	356	5 951	112	4 981
Rental income	1 678	1 548	3 201	2 946
Merger gains	-	-	1 214	-
SPP surplus	20 449	-	-	-
Other income	13 730	19 473	941	75
	36 213	26 972	5 468	8 002

2. COSTS OF REVENUE

External services and purchases	212 382	214 443	36 495	30 148
For own use	-121	-274	-121	-249
Increase (-) or decrease (+) in inventories	180	49	-13	14
	212 441	214 218	36 361	29 913

3. PERSONNEL EXPENSES

Wages and salaries	427 649	453 175	129 746	117 518
Pension costs	52 250	46 940	19 677	16 750
Social costs for personnel warrants	2 908	-	2 356	-
Other statutory pay-related social costs	88 254	106 031	12 458	12 715
	571 061	606 146	164 237	146 983

Other operating expenses include rents for benefit cars and voluntary social costs such as meal benefits, healthcare and free time activities. Average personnel in the parent company during financial year 2000 was 3 730 and in the preceding year 3 230.

4. MANAGEMENT REMUNERATION

The president and CEO Matti Lehti

Salary	EUR 220 208
Pension age	60
Pension	60% of the salary
Period of notice	12 months
Severance payment	-
Bonus for year 1999	-
Bonus for year 2000	-

Salaries, fees and benefits paid to the members of the Board of Directors, the President and CEO and the deputy CEO were EUR 766 171. The Chairman of the Board received a fee of EUR 42 383.

The pension commitments of the members of the TietoEnator Management Group

The Management Group of TietoEnator consists of 12 members.

The retirement age of four members of TietoEnator Management Group is 60 and the pension level is 60% of the salary.

The retirement age for one member of TietoEnator Management Group is 62, after which 70% of the final salary will be paid until the age of 65. The pension is supplemented to also provide for a higher pension after 65. The pension level is such that the pension level based on Sweden's standard ITP plan for proportions of salary between 20 and 30 times the basic amount is also paid for salary amount exceeding 30 basic amounts.

The pension benefits for one member of the Management Group is based on Sweden's standard ITP plan.

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

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

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

One member is entitled to all employment benefits for a period of two years from the date of termination.

If the company terminates employment of one member of the Management Group, the period of notice is 12 months. If the Company terminates employment of other members of the TietoEnator Management Group, the period of notice varies from 3 months to 6 months.

One member is entitled to 6 months' additional salary and one to 12 months' additional total compensation.

There were no loans to Group management on 31 December 2000 nor on 31 December 1999.

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
5. FINANCIAL INCOME AND EXPENSES				
Income from securities and investments treated as equity				
Dividend income from Group companies	-	-	28 466	4 687
Dividend income from associated companies	-	-	7 922	6 156
Dividend income from other companies	89	164	58	49
	89	164	36 446	10 892
Imputed tax credit	797	382	3 196	2 413
	886	546	39 642	13 305
Income from securities and investments treated as non-current debt				
From Group companies	-	-	649	725
From associated companies	-	-	-	-
From other companies	28	56	157	56
	28	56	806	781
Other interest and financial income				
From Group companies	-	-	104	53
From associated companies	-	-	-	-
From other companies	7 344	4 332	3 375	1 161
	7 344	4 332	3 479	1 214
Writedowns of investments				
	-	-	-	26
Interest and other financial expenses				
From Group companies	-	-	-1 512	-346
From associated companies	-	-	-	-
From other companies	-4 798	-3 356	-2 678	-1 246
	-4 798	-3 356	-4 190	-1 592
Financial income and expenses, total	3 460	1 578	39 737	13 734
6. EXTRAORDINARY INCOME				
Group contributions received	-	-	118	12 501
7. DIRECT TAXES				
For extraordinary items	-	-	34	3 500
For the operations in the financial period	26 999	30 525	17 675	19 739
For prior periods	-505	80	-554	32
Change in deferred tax liabilities/assets	9 350	6 572	-	-
	35 844	37 177	17 155	23 271
8. FIXED ASSETS, INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost, 1 Jan.	23 150	19 496	17 487	14 421
Increases	4 709	6 069	3 790	5 556
Decreases	-4 673	-2 415	-660	-2 490
Acquisition cost, 31 Dec.	23 186	23 150	20 617	17 487
Accumulated depreciation, 1 Jan.	16 199	14 844	10 884	10 023
Accumulated depreciation in changes	-4 232	-2 937	-251	-2 466
Depreciation in the period	4 477	4 292	4 042	3 327
Accumulated depreciation, 31 Dec.	16 444	16 199	14 675	10 884
Book value, 31 Dec.	6 742	6 951	5 942	6 603

• Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
Acquired goodwill				
Acquisition cost, 1 Jan.	26 425	23 752	23 785	23 584
Increases	2 509	3 396	7 866	436
Decreases	-	-723	-780	-235
Acquisition cost, 31 Dec.	28 934	26 425	30 871	23 785
Accumulated depreciation, 1 Jan.	15 704	12 272	13 487	10 714
Accumulated depreciation in changes	-	532	5 754	-
Depreciation in the period	2 980	2 900	2 104	2 773
Accumulated depreciation, 31 Dec.	18 684	15 704	21 345	13 487
Book value, 31 Dec.	10 250	10 721	9 526	10 298
Goodwill on consolidation				
Acquisition cost, 1 Jan.	102 887	73 922	-	-
Increases	24 866	29 908	-	-
Decreases	-26 230	-943	-	-
Acquisition cost, 31 Dec.	101 523	102 887	-	-
Accumulated depreciation, 1 Jan.	47 807	38 507	-	-
Accumulated depreciation in changes	-14 859	1 409	-	-
Depreciation in the period	9 733	7 891	-	-
Accumulated depreciation, 31 Dec.	42 681	47 807	-	-
Book value, 31 Dec.	58 842	55 080	-	-
Other long-term expenditure				
Acquisition cost, 1 Jan.	7 125	6 430	5 404	4 938
Increases	436	801	109	552
Decreases	-1 121	-106	-39	-86
Acquisition cost, 31 Dec.	6 440	7 125	5 474	5 404
Accumulated depreciation, 1 Jan.	3 248	2 392	2 766	1 966
Accumulated depreciation in changes	-319	261	-212	165
Depreciation in the period	773	595	651	635
Accumulated depreciation, 31 Dec.	3 702	3 248	3 205	2 766
Book value, 31 Dec.	2 738	3 877	2 269	2 638
Advance payments and work in progress				
Acquisition cost, 1 Jan.	153	583	157	533
Increases	1 403	-	1 369	30
Transfers	-90	-430	-180	-406
Acquisition cost, 31 Dec.	1 466	153	1 346	157
Book value of intangible assets, total 31 Dec.	80 038	76 782	19 084	19 697

9. FIXED ASSETS, TANGIBLE ASSETS

Land				
Acquisition cost, 1 Jan.	8 319	9 370	5 947	7 056
Increases	-	-	-	-
Decreases	-243	-1 051	-	-1 109
Acquisition cost and book value, 31 Dec.	8 076	8 319	5 947	5 947
Buildings				
Acquisition cost, 1 Jan.	78 488	69 016	31 581	29 803
Increases	10 417	27 781	9 841	14 912
Decreases	-10 540	-18 309	-	-13 134
Acquisition cost, 31 Dec.	78 365	78 488	41 422	31 581
Accumulated depreciation, 1 Jan.	8 975	16 614	5 203	9 129
Accumulated depreciation in changes	-1 326	-9 886	-	-4 573
Depreciation in the period	2 330	2 247	1 030	647
Accumulated depreciation, 31 Dec.	9 979	8 975	6 233	5 203
Book value, 31 Dec.	68 386	69 513	35 189	26 378

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
Machinery and equipment				
Acquisition cost, 1 Jan.	205 374	171 566	83 574	79 760
Increases	35 707	57 421	14 919	15 825
Decreases	-50 731	-23 613	-12 459	-12 011
Acquisition cost, 31 Dec.	190 350	205 374	86 034	83 574
Accumulated depreciation, 1 Jan.	134 463	117 575	55 075	52 965
Accumulated depreciation in changes	-40 468	-21 552	-11 429	-11 786
Depreciation in the period	34 821	38 440	13 196	13 896
Accumulated depreciation, 31 Dec.	128 816	134 463	56 842	55 075
Book value, 31 Dec.	61 534	70 911	29 192	28 499
Other tangible assets				
Acquisition cost, 1 Jan.	3 685	1 910	220	266
Increases	362	2 906	75	-
Decreases	-2 066	-1 131	-	-46
Acquisition cost, 31 Dec.	1 981	3 685	295	220
Accumulated depreciation, 1 Jan.	799	1 343	163	163
Accumulated depreciation in changes	-663	-1 000	-	-
Depreciation in the period	177	456	-	-
Accumulated depreciation, 31 Dec.	313	799	163	163
Book value, 31 Dec.	1 668	2 886	132	57
Advance payments and work in progress				
Acquisition cost, 1 Jan.	5 213	11 970	5 123	11 925
Increases	-5 104	4 836	-5 084	4 797
Transfers	-	-11 593	-	-11 599
Acquisition cost, 31 Dec.	109	5 213	39	5 123
Book value of tangible assets, total 31 Dec.	139 773	156 842	70 499	66 004
10. INVESTMENTS				
Shares in Group companies				
Acquisition cost, 1 Jan.	-	-	943 038	24 862
Increases	-	-	39 435	918 743
Decreases	-	-	-17 978	-567
Acquisition cost, 31 Dec.	-	-	964 495	943 038
Writedowns	-	-	-	-
Book value, 31 Dec.	-	-	964 495	943 038
Shares in associated companies				
Acquisition cost, 1 Jan.	24 831	18 931	12 589	10 224
Increases	19 427	5 947	29	2 498
Decreases	-1 989	-47	-1 997	-1
Acquisition cost, 31 Dec.	42 269	24 831	10 621	12 721
Writedowns	-	-132	-	-132
Book value, 31 Dec.	42 269	24 699	10 621	12 589
Other shares				
Acquisition cost, 1 Jan.	1 887	2 374	800	706
Increases	45	373	671	112
Decreases	-437	-860	-24	-18
Acquisition cost, 31 Dec.	1 495	1 887	1 447	800
Writedowns	-23	-23	-	-
Book value, 31 Dec.	1 472	1 864	1 447	800
Investments, total 31 Dec.	43 741	26 563	976 563	956 427
Long-term investment loan receivables	240	80	240	80
Financial investments, total 31 Dec.	43 981	26 643	976 803	956 507

• Notes to the Financial Statements

11. INVESTMENTS

31 December 2000	Number	Share %		Nominal value 1 000	Book value EUR 1000
Shares owned by the parent company in subsidiaries					
Oy EDI Management Finland Ltd, Finland	1 000	100.0	FIM	300	120
Entra AB, Sweden	14 375 936	96.6	SEK	3 594	13 966
Kiinteistö Oy Tietokilo 1-2, Finland	2 500	100.0	FIM	25 000	11 341
SIA TietoEnator, Latvia	1	100.0	LVL	125	196
Sypro System Professionals Oy, Finland	40	100.0	FIM	40	2 281
TietoEnator A/S, Denmark	1	100.0	DKK	500	21 625
TietoEnator Applications AS, Norway	7 000	100.0	NOK	7 000	1 927
TietoEnator Eesti AS, Estonia	640	100.0	EEK	640	111
TietoEnator GmbH, Germany	1	100.0	DEM	25	106
TietoEnator MAS GmbH, Germany	1	51.0	DEM	62	1 023
TietoEnator N.V., Belgium	100	100.0	BEF	2 500	29
TietoEnator Sverige AB, Sweden	33 679 248	100.0	SEK	33 679	902 607
TietoEnator Technology Oy, Finland	173 226	100.0	EUR	520	1 714
TietoEnator UK Ltd, Great Britain	270 000	100.0	GBP	270	369
Tieto France S.A.R.L., France	400	100.0	FRF	400	60
Tieto Innovation Oy, Finland	300	100.0	FIM	300	50
Tieto Konts Financial Systems SIA, Latvia	52	83.9	LVL	50	2 680
Tieto Sweden AB, Sweden	31 000	100.0	SEK	3 100	763
UAB TietoEnator, Lithuania	10	100.0	LTL	400	194
Oy Visual Systems Ltd., Finland	250	100.0	FIM	250	3 326
Dormant subsidiaries (3 in total)					9
					964 495

Shares in Group companies owned by the subsidiaries

Adaptive Performance i Stockholm AB, Sweden	313 864	100.0	SEK	314	0
Dansk Informations Teknologi A/S, DIT, Denmark	1 002	100.0	DKK	1 000	13
Dotcom Solutions AB, Sweden	863 930	100.0	SEK	8 639	7 977
Enator Kommunikationslösningar AB, Sweden	10 000	100.0	SEK	1 000	1 472
Enator Media Systems AS, Norway	2 100	100.0	NOK		0
Enator Process Management AB, Sweden	1 000	100.0	SEK	100	11
Enator Telemedica AB, Sweden	510	100.0	SEK	510	80
Entra B.V.i.o, Netherlands		100.0	NLG	159	17
Entra BMT AB, Sweden	2 000	100.0	SEK	200	168
Entra Business Objects AB, Sweden	15 000	100.0	SEK	150	109
Entra Capital Solutions AB, Sweden	100 000	100.0	SEK	100	805
Entra Card Systems AB, Sweden	5 000	100.0	SEK	500	57
Entra Data AS, Norway	500	100.0	DKK	533	1 278
Entra e-Finance Partner AB, Sweden	2 500	100.0	SEK	250	3 565
Entra e-solutions Oy, Finland	200	100.0	FIM	288	15
Entra e-Tech AB, Sweden	1 100	100.0	SEK	110	330
Entra Financial Software A/S, Denmark	1	100.0	DKK	578	35
Entra Financial Software AB, Sweden	100 000	100.0	SEK	100	199
Entra GmbH, Germany	1	100.0	DEM	221	29
Entra Internet Solutions AB, Sweden	20 000	100.0	SEK	475	2 524
Entra Juristdata AB, Sweden	2 500	100.0	SEK	250	1 051
Entra Operations AB, Sweden	100 000	100.0	SEK	100	691
Entra Phantom AB, Sweden	5 000	100.0	SEK	500	57
Entra Primator Systemkonsult AB, Sweden	1 000	100.0	SEK	100	57
Entra SA Luxembourg, Luxembourg	29 450	95.0	LUX	274	2 336
Entra Softica AB, Sweden	10 000	100.0	SEK	250	739
Entra System 10 AB, Sweden	3 000	100.0	SEK	3 000	906
Entra Teknik AB, Sweden	100 000	100.0	SEK	100	236
Entra Visuell Information AB, Sweden	1 000	100.0	SEK	100	212

31 December 2000	Number	Share %		Nominal value 1 000	Book value EUR 1000
European Medical Solutions Group AS, Norway		58.0	NOK		5 253
European Medical Solutions AB, Sweden	1 000	100.0	SEK	100	2 302
European Medical Solutions AS, Norway		100.0	NOK		12
European Medical Solutions A/S, Denmark		100.0	DKK		67
AB Grundstenen 89921, Sweden	1 000	100.0	SEK	100	11
ITEC Open Business Integrator AB, Sweden	3 065 770	99.3	SEK	30 658	0
Memtek Development AB, Sweden	1 000	100.0	SEK	100	67
Odelius New Media AB, Sweden	3 000	100.0	SEK	300	2 834
Pengar i Sverige IT AB, Sweden	5 000	60.0*)	SEK	500	68
Primator Invest AB, Sweden	1 020	100.0	SEK	102	238
Real Data AB, Sweden	1 000	100.0	SEK	100	1 699
Tazett AS, Norway	1 161 600	100.0	NOK	124	2 336
TietoEnator Affärsintegration AB, Sweden	10 000	100.0	SEK	1 000	159
TietoEnator Affärskomponenter AB, Sweden	1 000	100.0	SEK	1 000	249
TietoEnator Affärsutveckling AB, Sweden	10 000	100.0	SEK	1 000	49
TietoEnator Applications AB, Sweden	16 000	100.0	SEK	16 000	1 563
TietoEnator Aros Tech AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Business Solutions AB, Sweden	10 000	100.0	SEK	1 000	194
TietoEnator CarlSys AB, Sweden	10 000	100.0	SEK	1 000	7
TietoEnator Comtech AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Consulting AB, Sweden	10 000	100.0	SEK	1 000	65
TietoEnator Consulting A/S, Denmark	5	100.0	DKK	1 000	9
TietoEnator Consulting AS, Norway	1 084 332	100.0	NOK		3 952
TietoEnator Consulting GmbH, Germany	-	80.0	DEM	-	1 348
TietoEnator Consulting AG Winterhur, Switzerland		100.0	CHF	42	65
TietoEnator Consulting Frankfurt GmbH, Germany		100.0	DEM	16	31
TietoEnator Consulting Hamburg GmbH, Germany		100.0	DEM	27	52
TietoEnator Consulting München GmbH, Germany		100.0	DEM	13	26
TietoEnator DevCon AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Driftentreprenader AB, Sweden	1 000	100.0	SEK	1 000	11
TietoEnator Elektroniska Affärer AB, Sweden	1 000	100.0	SEK	100	215
TietoEnator Embedded Tech AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Energy AB, Sweden	1 000	100.0	SEK	100	42
TietoEnator Etech AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator In Center AB, Sweden	1 000	100.0	SEK	1 000	340
TietoEnator Industri AB, Sweden	10 000	100.0	SEK	1 000	132
TietoEnator Information Competence Center AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Integration AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Media Systems AB, Sweden	208 500	100.0	SEK	2 085	732
TietoEnator Network Business AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Objectec AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Objective Management AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator PerCom AB, Sweden	10 000	100.0	SEK	1 000	11
TietoEnator PNS GmbH, Germany	200	100.0	DEM	200	106
TietoEnator Processing & Support AB, Sweden	1 000	100.0	SEK	100	7 541
TietoEnator Public Partner AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Public Sector AB, Sweden	90 000	100.0	SEK	9 000	23 553
TietoEnator Public Sector Sverige AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Restra AB, Sweden	10 000	100.0	SEK	1 000	221
TietoEnator Retail AB, Sweden	10 000	100.0	SEK	1 000	591
TietoEnator Services Sweden AB, Sweden	8 748 352	100.0	SEK	43 742	23 899
TietoEnator Syscom AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator System Design AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Systempartner AB, Sweden	10 000	100.0	SEK	1 000	78
TietoEnator Techdoc AB, Sweden	10 000	100.0	SEK	1 000	113
TietoEnator Technical Consultants AB, Sweden	2 000	100.0	SEK	200	36

*) 50% of the voting right

• Notes to the Financial Statements

31 December 2000	Number	Share %		Nominal value 1 000	Book value EUR 1000
TietoEnator Technology AB, Sweden	40 000	100.0	SEK	4 000	642
TietoEnator Technology A/S, Denmark	5	100.0	DKK	1 000	0
TietoEnator Technology AS, Norway	230 000	100.0	NOK	2 300	1 075
TietoEnator Telecom Consultants AB, Sweden	10 000	100.0	SEK	1 000	32
TietoEnator Telecom Sweden AB, Sweden	10 000	100.0	SEK	1 000	11
TietoEnator Test Solutions AB, Sweden	2 500	100.0	SEK	625	699
TietoEnator Travel & Transport AB, Sweden	10 000	100.0	SEK	1 000	136
TietoEnator Trigon AB, Sweden	1 000	100.0	SEK	100	679
TietoEnator UppTech AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Wireless Tech AB, Sweden	10 000	100.0	SEK	1 000	113
Tieto Entra Oy, Finland	30 150	100.0	FIM	8 695	460
TietoEntra Finanskonsult AB, Sweden	2 000	100.0	SEK	200	238
TietoEntra Information och Säkerhet AB, Sweden	10 000	100.0	SEK	1 000	519
TietoEntra IT Konsult AB, Sweden	10 000	100.0	SEK	1 000	394
Tieto Tradeware AB, Sweden	9 930	100.0	SEK	993	971
TimberSoft AB, Sweden	1 000	100.0	SEK	100	288
Dormant subsidiaries (35 in total)					30 954
					143 338

Shares in associated companies, other shares and securities

Associated companies owned and managed by the parent company

Fidenta Oy	6 000	60.0 *)	FIM	600	202
Tietokarhu Oy	8 000	80.0**)	FIM	800	269
Tietoleonia Oy	9 000	60.0 *)	FIM	900	303
TKP Tieto Oy	900	60.0 *)	FIM	900	2 523
					3 296

*) 40% of the voting rights

***) 20% of the voting rights

Shares in associated companies owned by the parent company

Atkos Printmail Oy	49	49.0	FIM	490	2 884
FD Finanssidata Oy	30 000	30.0	FIM	3 000	757
Kiinteistö Oy Villa Upinniemi	17 500	35.0			1 487
Merita Systems Oy	200	40.0	FIM	200	34
Oy Samlink Ab	39 563	28.8	FIM	3 956	2 162
					7 324

Shares in associated companies owned by the subsidiaries

Aerotech Telub Holding AB		43.0	SEK		28 213
Elektronisk Handel PEBS AB	5 000	50.0			56
Malmator AB	1 000	50.0	SEK		32
Prototum AB	750	50.0	SEK	75	2 265
Wasa joint venture Polen		50.0			-
					30 567

Other shares and securities owned by the parent company

Bostadsrättsföreningen Almen 10, Solna	1	-		-	81
Certall Oy	84		EUR	84	98
Elisa Communications Oyj ¹⁾	76 500				279
group Vision Finland Oy	136	19.7	FIM		23
Helsinki Stock Exchange Ltd	24 400		FIM	150	25
Jyväskylän Teknoliakeskus Oy	40	8.0	FIM	400	67
Keski-Suomen Puhelin Oy	336		FIM		37

31 December 2000	Number	Share %	Nominal value 1 000	Book value EUR 1000
Kiinteistö Oy Nukanleikkaaja	578		FIM 6	348
Nurmijärven Golfkeskus	1		FIM	17
Oy Pickala Golf Ab	1		FIM 10	18
As Oy Postipuuntie 2, Espoo	53		FIM 21	45
Tapiolan Monitoimiareena Oy	14			118
Vierumäen Kuntorinne Oy	80		FIM 20	194
Other shares and securities				96
				1 447

Other shares and securities owned by the subsidiaries

Bostadsrättslägenhet				36
Elisa Communications Oyj ¹⁾	150			1
Management Technology Produktivitetsutveckling Nordic AB				79
Tampereen Monitoimiareena Oy	8		FIM 15	21
Other shares and securities				16
				153

¹⁾ Total market value EUR 1,8 million

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

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
12. NON-CURRENT RECEIVABLES				
Loan receivables from Group companies	-	-	14 664	16 789
Receivables from associated companies	-	-	-	-
13. CURRENT RECEIVABLES				
Receivables from Group companies				
Trade receivables	-	-	1 506	1 241
Loan receivables	-	-	2 526	563
Group contributions receivable	-	-	119	12 501
Prepaid expenses and accrued income	-	-	541	386
	-	-	4 692	14 691
Receivables from associated companies				
Trade receivables	1 582	2 612	938	2 232
Other receivables	2	-	-	-
Prepaid expenses and accrued income	-	-	-	-
	1 584	2 612	938	2 232
14. PREPAID EXPENSES AND ACCRUED INCOME				
Net sales	22 338	24 988	-	670
Licence fees	11 003	5 138	9 479	3 756
Rents	3 694	4 337	369	561
Social costs	3 938	2 883	2 488	969
Mainframe computer costs	3 507	4 146	396	412
Receivable from SPP	12 785	-	-	-
Corporate tax receivable	7 313	2 085	6 558	-
Other	19 768	17 173	7 017	2 558
	84 346	60 750	26 307	8 926

• Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
15. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	64 716	64 994	64 716	44 857
Transfer from share issue	49	294	49	294
Share issue	5 246	-	5 246	20 137
Annulling of own shares purchased	-	-1 001	-	-1 001
Exercise of option rights	327	429	327	429
Share capital, 31 Dec.	70 338	64 716	70 338	64 716
Share issue, exercise of option rights, 1 Jan.	264	1 600	264	1 600
Transfer to share capital	-49	-294	-49	-294
Transfer to share premium fund	-215	-1 306	-215	-1 306
Increase	975	264	975	264
Share issue, exercise of option rights, 31 Dec.	975	264	975	264
Share premium fund, 1 Jan.	5 694	22 002	907 666	37 588
Share issue	5 701	-	5 701	865 868
Transfer from share issue	215	1 306	215	1 306
Annulling of own shares purchased	-	1 001	-	1 001
Exercise of option rights	1 451	1 903	1 451	1 903
Pooling adjustment	-634	-20 518	-	-
Share premium fund, 31 Dec.	12 427	5 694	915 033	907 666
Other funds, 1 Jan.	63 203	53 700	-	-
Other changes	795	9 503	-	-
Other funds, 31 Dec.	63 998	63 203	-	-
Retained earnings, 1 Jan.	219 323	171 191	86 860	57 219
Dividend distribution	-38 516	-33 474	-37 792	-25 607
Purchase of own shares	-36 168	-	-36 168	-
Other changes	-6 811	12 529	-	-
Retained earnings, 31 Dec.	137 828	150 246	12 900	31 612
Profit for the period	70 530	69 077	69 360	55 248
	208 358	219 323	82 260	86 860
Shareholders' equity, total	356 096	353 200	1 068 606	1 059 506
16. PROVISIONS				
Personnel training and development scheme	2 457	5 986	2 457	5 986
Provision for pension commitments	360	21 938	360	419
Provision for social costs on personnel warrants	1 586	-	1 579	-
Other provisions	-	172	-	-
	4 403	28 096	4 396	6 405
17. NON-CURRENT LIABILITIES				
Debts to Group companies	-	-	-	-
Debts falling due after five years	-	-	-	-

1996 bond with warrants to employees - parent company

Loan principal	FIM 5 911 300
Number of warrants	581 030 of which 240 883 unexercised
Interest	5%
Subscription period	1 Dec. 1998 - 31 Jan. 2002
Subscription terms	6 shares for FIM 27.17 per share in exchange for one warrant
Loan repayment	repaid on 14 June 2000

1998 bond with warrants to employees - parent company

Loan principal	FIM 2 000 000
Number of warrant	200 000
Interest	4%
Subscription period	15 Jun. 2001 - 31 May 2004
Subscription terms	6 shares for FIM 175.17 per share in exchange for one warrant
Loan repayment	15 June 2001

I/1999 bond with warrants to employees - parent company

Loan principal	EUR 505 950
Number of warrants	1 399 795
Interest	4%
Subscription period	2 May 2002 - 31 May 2005
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant
Loan repayment	1 June 2002

II/1999 bond with warrants to employees - parent company

Loan principal	EUR 410 624
Number of warrants	1 366 040
Interest	4%
Subscription period	2 May 2002 - 31 May 2005
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant
Loan repayment	1 June 2002

I/2000 bond with warrants to employees - parent company

Loan principal	EUR 1 800 000
Number of warrants	2 500 000
Interest	4%
Subscription period	2 May 2003 - 31 May 2006
Subscription terms	1 share for EUR 54.50 per share in exchange for one warrant
Loan repayment	1 June 2003

II/2000 bond with warrants to employees - parent company

Loan principal	EUR 1 200 000
Number of warrants	1 200 000
Interest	4%
Subscription period	warrant A: 2 May 2003 - 31 May 2006 warrant B: in 2003, after publication of the third-quarter interim report warrant C: in 2004, after publication of the first-quarter interim report warrant D: in 2004, after publication of the third-quarter interim report
Subscription terms	1 share for EUR 54.50 per share in exchange for one warrant
Loan repayment	1 June 2003

1999/2003 warrants to employees - parent company

Number of warrants	212 868
Subscription period	1 May 2001 - 30 May 2003
Subscription terms	1 share for EUR 41 per share in exchange for one warrant

• Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2000	31 Dec 1999	31 Dec 2000	31 Dec 1999
18. CURRENT LIABILITIES				
Debt owed to Group companies				
Trade payables	-	-	1 234	2 359
Other debt	-	-	62 388	30 804
Accrued liabilities and deferred income	-	-	881	310
	-	-	64 503	33 473
Debt owed to associated companies				
Trade payables	421	63	68	29
Accrued liabilities and deferred income	3	-	-	-
	424	63	68	29
19. ACCRUED LIABILITIES AND DEFERRED INCOME				
Net sales	25 148	21 419	782	668
Vacation accrual and related social costs	48 469	71 399	22 112	17 963
Other accrued wages and salaries and related social costs	19 638	11 374	4 436	7 298
Other	65 412	67 457	10 993	6 775
	158 667	171 649	38 323	32 704
20. DEFERRED TAX ASSETS AND LIABILITIES				
Deferred tax assets				
From appropriations	391	312	1 188	312
From temporary differences	5 484	15 063	1 275	1 857
Deferred tax liabilities				
From appropriations	227	2 112	-	-
From temporary differences	6 106	5 212	-	-
21. CONTINGENT LIABILITIES				
For TietoEnator obligations				
Pledges	-	2 626	-	-
Mortgages	2 575	2 271	-	-
On behalf of Group companies				
Guarantees	-	-	5 140 *)	13 406*)
On behalf of associated companies				
Guarantees	28 013	1 346	3 572	1 346
Other TietoEnator obligations				
Rent commitments due in 2001 (2000)	32 414	29 474	15 235	11 896
Rent commitments due later	63 579	74 349	40 374	36 444
Lease commitments due in 2001 (2000)	21 863	19 133	18 125	18 246
Lease commitments due later	3 703	17 951	6 257	16 796
Other commitments	9 000	19 680	2 066	495

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

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

*) Does not include the unused limits guaranteed by the parent company, which totalled EUR 20 100 000 (4 976 557) on 31 December 2000.

Derivative contracts

Currency derivatives				
Forward contracts				
Value of underlying instruments	2 260	16 931	2 260	16 931
Market value of currency forward contracts	23	-345	23	-345

Derivatives are only used for hedging.

RISK MANAGEMENT

Financial Risk Management

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

Foreign exchange risk

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

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

The company's policy is to hedge all significant foreign exchange commitments. During 2000 TietoEnator used only currency forward contracts and swaps for hedging. Currency derivatives have a duration of less than 12 months.

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

At the end of 2000 the currency denominated translation exposure of TietoEnator's shareholders' equity was approximately EUR 264.8 million. The biggest portion of the exposure is in Swedish

krona (88.2%). A 10% decrease in the value of the Swedish krona against the euro would have reduced non-restricted shareholders' equity at the end of the 2000 financial year by about EUR 21.2 million. The translation exposure is not hedged.

Interest rate risk

The basis for managing the interest rate risk is the gearing target (0% - 30%) set for the balance sheet structure. The target is set to prevent overcapitalization. When business operations are profitable, the cash flow is positive. An accumulation of excess capital is natural when the organic growth cannot absorb such funds. During the end of the year 2000 the company bought its own shares for MEUR 36 reducing its cash reserves. At the end of 2000 gearing was -9.4%.

The interest rate risk exposure did not pose any major risks, nor was it hedged during 2000.

Credit risk

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

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

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

Liquidity risk

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

DIFFERENCES BETWEEN FINNISH AND SWEDISH ACCOUNTING STANDARDS

Differences in the accounting for acquisitions, policy of interests and unitings of interest occur between Finnish and Swedish accounting standards. The differences relate to the application of the purchase method to share exchange transactions and the pooling method to unitings of interests. During the financial year TietoEnator Corporation has entered into share exchange transactions which would have resulted in additional goodwill of EUR 305 million under Swedish accounting standards. At an estimated economic life of 10 years, the amortization for the financial year would have been EUR 16 million and the unamortized balance as of December 31, 2000 EUR 289 million.

The unamortized balance of the calculated goodwill arising from the combination of Tieto and Enator in 1999 would have been EUR 687 million as of December 31, 2000. At the estimated economic

life of 20 years the calculated annual goodwill would have been EUR 38 million.

The effect on earnings per share of the mentioned annual amortizations would have been 0,67 euro.

TietoEnator has consolidated the associated companies with management responsibility item for item in the income statement in proportion to its holdings. In the balance sheet they have been included by one line consolidation. The applied consolidation method is not recognised by Swedish accounting standards under which the equity method would have been used. The applied consolidation method reflects on the classification of the income statement, but differences in the share of net income of the associated companies compared with the equity method do not occur.

• Calculation of Key Ratios

Return on capital employed %	=	$\frac{\text{Profit before extraordinary items + financial expenses}}{\text{Balance sheet total - interest-free liabilities (12-month average)}}$	x 100
Return on equity %	=	$\frac{\text{Profit before extraordinary items - direct taxes}}{\text{Shareholders' equity + minority interests (12-month average)}}$	x 100
Gearing %	=	$\frac{\text{Interest-bearing debt + advance payments - cash at hand and in bank - securities included in current assets}}{\text{Shareholders' equity + minority interests}}$	x 100
Equity ratio %	=	$\frac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total - advance payments}}$	x 100
Interest-bearing net debt	=	Interest-bearing debt - cash in hand and in bank - securities included in current assets	
Earnings per share	=	$\frac{\begin{array}{l} \text{Profit before extraordinary items} \\ \text{-/+ minority interest in year-end profit/loss - direct taxes} \\ \text{= Profit (numerator)} \end{array}}{\text{Adjusted 12-month average of shares}}$	
Shareholders' equity/share	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the year end}}$	
Price/earnings ratio	=	$\frac{\text{Share price at the year end}}{\text{Earnings per share}}$	

• Financial figures

FIVE-YEAR FIGURES

	2000	1999	1998	1997	1996
Net sales, MEUR	1 119.9	1 229.1	1 079.2	949.5	844.9
Operating profit, MEUR	103.5	107.7	105.0	71.7	52.6
Operating margin, %	9.2	8.8	9.7	7.6	6.2
Profit before extraordinary items and taxes, MEUR	106.9	109.3	107.0	73.0	53.4
Profit margin, %	9.5	8.9	9.9	7.7	6.3
Total assets, MEUR	632.0	702.6	561.0	511.8	450.4
Return on equity, %	19.6	21.2	25.2	21.7	22.4
Return on capital employed, %	27.7*)	29.5	33.6	26.6	24.1
Equity ratio, %	57.5	52.8	56.8	54.7	51.6
Investments, MEUR	82.0	102.8	71.0		
As % of net sales	7.3	8.3	6.6		
Average personnel during the financial year	9 934	11 058	10 089	9 282	8 581
Personnel on 31 December	10 032	11 098	10 335	9 281	8 824

*1 Adjusted for the divestment of defence 28.8%.

KEY FIGURES BY QUARTER

	2000 1-3	2000 4-6	2000 7-9	2000 10-12	2000 1-12	1999 1-3	1999 4-6	1999 7-9	1999 10-12	1999 1-12
Net sales of TietoEnator business areas, MEUR	249.9	249.7	225.0	281.0	1 005.6	230.8	242.5	214.7	262.5	950.5
Reorganization and other, MEUR	33.4	27.9	21.7	31.3	114.3	60.8	72.6	63.6	81.6	278.6
Total net sales, MEUR	283.3	277.6	246.7	312.3	1 119.9	291.6	315.1	278.3	344.1	1 229.1
Operating profit (EBIT), MEUR	33.9	30.2	17.9	21.5	103.5	32.4	18.4	23.3	33.6	107.7
Non-recurring items, MEUR	9.4	15.1	1.0	-4.4	21.1	3.9	-6.8	-2.1	8.9	3.9
Net financial items, MEUR	0.5	1.3	0.7	0.9	3.4	0.3	0.6	0.3	0.4	1.6
Profit before taxes, MEUR	34.4	31.5	18.6	22.4	106.9	32.7	19.0	23.6	34.0	109.3
Earnings per share, EUR	0.30	0.27	0.14	0.18	0.88	0.28	0.15	0.22	0.26	0.90
Earnings excl. amortization of goodwill per share, EUR	0.33	0.31	0.18	0.23	1.04	0.31	0.18	0.26	0.29	1.04
Equity per share, EUR	4.95	4.42	4.59	4.33	4.33	4.14	4.23	4.45	4.59	4.59
Equity ratio %	59.3	57.5	62.8	57.5	57.5	52.0	52.1	55.8	52.8	52.8
Interest-bearing net debt, MEUR	-121.2	-104.9	-79.2	-57.8	-57.8	-56.5	-41.0	-33.0	-61.9	-61.9
Gearing %	-28.5	-21.0	-14.7	-9.4	-9.4	-13.8	-8.9	-6.2	-13.2	-13.2
Investments, MEUR	13.1	29.3	14.5	25.1	82.0	21.8	26.4	31.8	22.8	102.8
Personnel at end of period	9 810	10 057	9 996	10 032	10 032	10 882	11 251	11 282	11 098	11 098
Personnel on average	9 824	9 838	10 030	10 361	9 934	10 701	11 092	11 095	11 157	11 058
Per employee, EUR 1000 ^{a)}										
Net sales	29.8	29.2	25.4	31.1	116.4	28.0	29.2	25.8	31.7	114.3
Personnel expenses ^{b)}	15.7	14.9	12.7	15.3	59.0	14.4	14.6	12.5	15.1	56.4
Operating profit before amortization of goodwill excl. non-recurring items	2.8	1.9	2.3	2.8	9.9	3.0	2.6	2.7	2.5	10.6

a) The personnel figure used in the denominator is the number of employees in the associated companies calculated in proportion to TietoEnator's holding in these companies.

b) Personnel expenses include salaries, pension costs and other pay-related social costs but exclude social costs for personnel warrants

• Shares and shareholders

Share capital and shares

TietoEnator Corporation's issued and registered share capital on 31 December 2000 totalled EUR 70,337,735.99 and there were 83,641,915 shares. The shares have no par value and each share is entitled to one vote. TietoEnator's shares are listed on the HEX Helsinki Exchanges and OM Stockholm Exchange.

The share capital was increased during the year by new shares subscribed with the Tieto 1996 warrants and by shares added through the acquisition of Visual Systems Oy and Entra Data AB. The increases in share capital were registered as follows:

	Shares	Total no of shares
- On 4 January (warrants)	57,810	77,014,923
- On 5 April (warrants)	83,694	77,098,617
- On 6 June (Visual Systems)	1,039,102	78,137,719
- On 7 June (warrants)	3,444	78,141,163
- On 29 June (Entra Data)	4,186,320	82,327,483
- On 4 August (Entra Data)	317,409	82,644,892
- On 9 August (warrants)	6,780	82,651,672
- On 11 September (Entra Data)	695,145	83,346,817
- On 11 October (warrants)	25,518	83,372,335
- On 5 December (warrants)	167,760	83,540,095
- On 13 December (warrants)	101,820	83,641,915

Based on the former Enator warrants and the warrants attached to the 1996, 1998, 1999 and 2000 bond, the total number of shares may increase further:

- by 1,445,298 between 1 January 2001 and 31 January 2002
- by 212,868 between 1 May 2001 and 30 May 2003
- by 1,200,000 between 15 June 2001 and 31 May 2004
- by 2,765,835 between 2 May 2002 and 31 May 2005
- by 3,700,000 between 2 May 2003 and 31 May 2006.

Board authorizations

The Annual General Meeting on 29 March 2000 authorized the Board of Directors to issue shares and share options and to raise a convertible bond loan in order to safeguard the company's ability to develop its operations in the domestic and international markets and to create the personnel incentive schemes necessary to the recruitment of new employees. This authorization is in force until 29 March 2001 and, based on this authorization, the number of shares may rise by at most 15.4 million.

The Board of Directors has exercised this authorization twice:

- TietoEnator made a public offer to redeem the outstanding shares of Entra Data AB, offering six new TietoEnator shares in exchange for seven Entra A ordinary shares as well as fifteen new TietoEnator shares in exchange for twenty-two Entra preference shares. The offer was accepted and the number of TietoEnator shares increased by 5,198,874 new shares.
- TietoEnator acquired the remaining 80% of the shares of Visual Systems Oy through an exchange of shares. TietoEnator issued 1,039,102 new shares and exchanged them for Visual Systems' 200 shares.

Board's authorization to purchase the company's own shares

The Annual General Meeting authorized the Board to purchase the company's own shares in order to develop the company's capital structure. This authorization is in force until 29 March 2001. The Board decided to exercise this authorization on 27 September 2000 purchasing 1,329,273 shares for EUR 36.2 million between 1 November and 29 December 2000. These shares represented 1.58% of the total. The company purchased a further 214,282 shares for EUR 6.6 million between 2 and 11 January 2001. After these purchases the company owned 1,543,555 of its own shares, representing 1.84% of the total share capital and EUR 1.3 million in share counter value. The purchase of own shares does not significantly change the ownership and voting structure in the company. Own shares were purchased within the limits of the distributable funds.

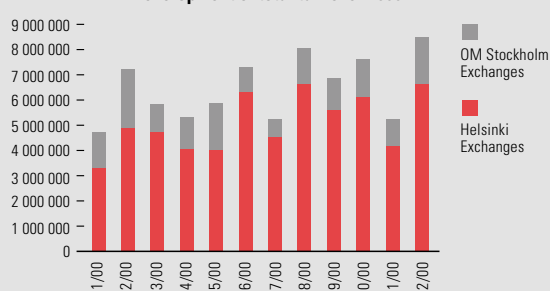
Bonds with warrants to company employees

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

TietoEnator offered bonds with warrants to employees of the Group and its majority-owned companies and to its wholly owned subsidiaries in the spring. The loan principal totals EUR 1.8 million, which represents 16.2 million Swedish krona. Altogether 3,700,000 shares may be subscribed for EUR 54.50 per share between 2 May 2003 and 31 May 2006.

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

Development of total turnover 2000



Share price development 2000



Shareholders on 31 January 2001

	% of shares
Corporations	20.2
Financial and insurance institutions	6.6
Public organisations	7.5
Non-profit organisations	1.4
Households	6.6
Foreign	0.2
Nominee-registered	57.5
Total	100.0

Major shareholders on 31 January 2001

This information is taken from the registers maintained by the Finnish and Swedish Central Securities Depositories.

	Shares	% of shares
Sonera Group*)	15 596 455	18.6
Robur Mutual Funds	4 657 330	5.6
Sampo-Varma Group	3 153 491	3.8
SHB Mutual Funds	1 683 420	2.0
TietoEnator, repurchase of own shares	1 543 555	1.8
Banco Mutual Funds	1 241 353	1.5
Ilmarinen Mutual Pension Insurance Company	1 213 340	1.4
Nordea Mutual Funds	1 004 800	1.2
Pohjola Group	980 000	1.2
Suomi Mutual Life Assurance Company	900 000	1.1
Nominee registered	38 326 507	45.7
Others	13 554 970	16.1
Total	83 855 221	100.0

*) With respect to the merger of Tieto and Enator, Sonera made a commitment to the Finnish Competition Authority in summer 1999 to reduce its holding by half within two years.

Ownership structure on 31 January 2001

Number of shares	Shareholders		Shares	
	No.	%	No.	%
1 - 100	3 785	42.8	216 427	0.3
101 - 500	2 621	29.7	690 666	0.8
501 - 1 000	957	10.8	721 003	0.9
1 001 - 5 000	1 181	13.4	2 572 877	3.1
5 001 - 100 000	258	2.9	5 334 153	6.4
100 001 -	34	0.4	74 288 895	88.5
Pending list			31 200	0.0
Total	8 836	100.0	83 855 221	100.0

Shareholders

The company had 8,836 shareholders on 31 January 2001. Nominee-registered and foreign shareholders represented 57.7% of the total.

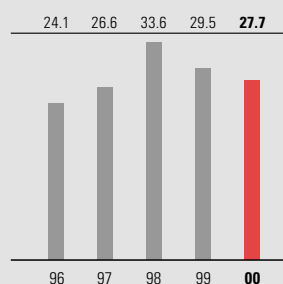
The Board of Directors, the CEO and his deputy together owned 0.0526% of the share capital and votes. Based on the bonds with warrants, they can increase their aggregate holding to 0.1956% of the shares.

Share performance and trading

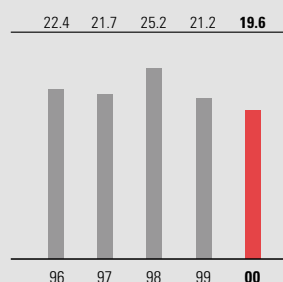
The turnover of TietoEnator shares totalled EUR 2,530.3 million (61,060,373 shares) in Helsinki and SEK 6,328.8 million (16,967,169 shares) in Stockholm. The average share price was EUR 41.44. The share price at the end of the year was EUR 30.30. The highest price was EUR 85.00 and the lowest was EUR 19.10. The market capitalization of the share capital at the end of the year was EUR 2,534.4 million.

The price of the TietoEnator share fell 51.1% during the year. During the same period the HEX All-Share Index on the Helsinki Exchanges fell 10.6% and the SX Index on the Stockholm Exchange fell 12.0%.

Return on capital employed, %



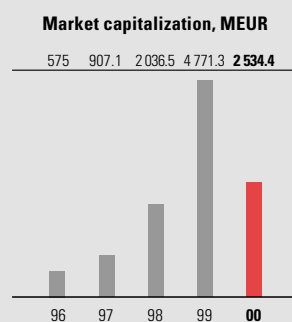
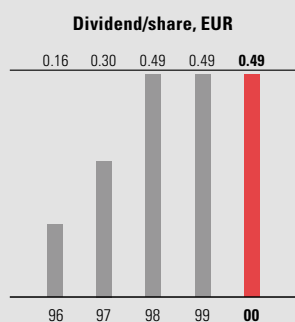
Return on equity, %



• Shares and Shareholders

	2000	1999	1998	1997	1996
Share capital development					
Share capital at year end, EUR	70 337 736	64 716 262	44 857 047	14 798 116	14 784 661
Number of shares	83 641 915	76 957 113	53 341 578	8 798 560	8 790 560
Adjusted number of shares at year end	83 641 915	76 957 113	53 341 578	52 791 360	52 743 360
Adjusted average for the year	80 059 482	76 690 738	52 568 723	52 749 144	52 613 526
Per share data					
Earnings per share, EUR	0.88	0.90	0.97	0.60	0.39
Earnings per share (incl. dilution by warrants), EUR	0.87				
Shareholders' equity per share, EUR	4.33	4.59	3.10	2.90	2.44
Share price development and trading					
On Helsinki Exchanges					
Highest price (adjusted), EUR	85.00	62.00	38.52	18.78	10.90
Lowest price (adjusted), EUR	19.10	25.00	16.65	10.37	4.07
Average price (adjusted), EUR	41.44	35.89	27.75	13.14	6.51
Turnover, No.	61 060 373	45 971 802	19 484 547	2 712 073	3 161 283
Turnover (adjusted), No.	61 060 373	45 971 802	26 402 953	16 272 438	18 967 698
On OM Stockholm Exchange					
Highest price, SEK	708.00	527.00			
Lowest price, SEK	162.00	220.00			
Average price, SEK	373.00	297.47			
Turnover, No.	16 967 169	14 887 180			
Market capitalization, EUR million	2 534.4	4 771.3	2 036.5	907.1	575.0
Dividend					
Dividend paid, EUR 1000	40 438	33 737	25 607	15 864	8 279
Nominal dividend, EUR	0.49	0.49	0.49	1.80	0.94
Adjusted dividend, EUR	0.49	0.49	0.49	0.30	0.16
Payout ratio, %	55.7	54.7	50.4	50.0	40.4
Share price weighted ratios					
At Helsinki Exchanges					
Price/earnings ratio (P/E)	34	69	39	28	28
Dividend yield, %	1.6	0.8	1.3	1.8	1.4
At OM Stockholm Exchange					
Price/earnings ratio (P/E)	33	68			
Dividend yield, %	1.7	0.8			

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



• Proposal of the Board of Directors

	EUR 1 000
The Group's shareholders' equity totalled	356 096
Retained earnings and profit for the period included in shareholders' equity totalled	208 358
of which distributable funds total	205 512
Distributable funds in the parent company	82 260
The Board of Directors proposes that the distributable funds mentioned above be used as follows:	
- a dividend of EUR 0.49 per share be paid to shareholders	40 438
- the remainder be carried forward	41 822

Espoo, 14 February, 2001

Olof Lund	Bengt Braun
Elisabeth Eriksson	Thomas Falk
Kalevi Kontinen	Olli Martikainen
Kaj-Erik Relander	Pirjo-Liisa Salo
Anders Ullberg	Matti Lehti, President and CEO

• Auditors' Report

To the Shareholders of TietoEnator Corporation

We have audited the accounting, the financial statements and the corporate governance of TietoEnator Corporation for the financial year 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express our opinion on these financial statements and on corporate governance.

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

In our opinion the financial statements, which disclose a net income in the consolidated income statement of 70,530 thousand EUR, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's result of operations and financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of the distributable equity is in compliance with the Companies' Act.

Espoo, February 14, 2001

TILINTARKASTAJIEN OY - ERNST & YOUNG
Authorized Public Accountant Firm

Sven-Erik Guarnieri
Authorized Public Accountant

Tomi Englund
Authorized Public Accountant

• Corporate Governance

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

The Annual General Meeting

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

The Board of Directors

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

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

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

During 2000, the Board of Directors convened 13 times.

The President of the company

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

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

Management remuneration and other benefits

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

The members of the Board of Directors may, in addition to the Board fee, be paid a separate fee for separate consultancy assignments. During the fiscal year 2000 the members of the Board were not paid any consultancy fees. No Board fee is paid to the personnel's representatives or the President and CEO of the company for membership of the Board of Directors. The personnel's representatives were, however, paid training compensation.

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

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

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

The holdings in the company of the President and CEO and Members of the Board of Directors and the Management Group are shown on page 56-59.

• Board of Directors



Olof Lund

(Born 1930)
Chairman

Chairman

Board member

Member

TietoEnator shares

MSc (Eng.)

Member of the Board of TietoEnator since 1999
President and CEO, Celsius Corporation, 1995-97
Chairman of the Board and CEO, Celsius Group, 1990-95
SIAR Foundation
The Association for Development of
Sound Accounting Principles
Pharmacia & Upjohn Inc.
FPG/AMFK
The Federation of Swedish Industries
Swedish Academy of Military Sciences
1 305



Kaj-Erik Relander

(Born 1962)
Vice chairman
Chairman

Board Member

TietoEnator shares

MSc (Econ.), MBA

Sonera Corporation, President and CEO
Member of the Board of TietoEnator since 1998
Finnish Federation for Communications and
Teleinformatics, Ficom
Ledstiernan AB
F-Secure Corporation
Kreatel Communications AB
0



Bengt Braun

(Born 1946)

Vice Chairman

Board Member

TietoEnator shares

LLB, BSc (Bus. Admin.)

President and CEO, The Bonnier Group
Member of the Board of TietoEnator since 1999
Oriflame International
The World Association of Newspapers
Alma Media Co.
Skandia Insurance Co.
AB Bonnierföretagen
Tidningsutgivareföreningen
Hufvudstaden AB
362



Thomas Falk

(Born 1946)

Board Member

Member

TietoEnator shares

PhD (Econ.)

Director, Federation of Swedish Industries
Adjunct Professor, Royal Institute of Technology, Stockholm
Member of TietoEnator Board since 1999
Nordbanken Fonder AB
The Royal Swedish Academy of Engineering Sciences
72



Kalevi Kontinen

(Born 1941)

Board member

TietoEnator shares

PhD (Technology)

Technology Director, Nokia
Member of the Board of TietoEnator since 1990
MeritaNordbanken, Executive Vice President,
member of the Group Executive Board, 1995-2000
Member of the Board of Union Bank of Finland Ltd, 1984-95
HEX Oy
2 000



Matti Lehti
(Born 1947)

Deputy Chairman

Board Member

TietoEnator shares
TietoEnator warrants

PhD (Econ.)
TietoEnator Corporation, President and CEO
Member of the Board of TietoEnator since 1988
Rautakirja Oy, Deputy Managing Director 1986-89
Helsinki School of Economics
Employers' Confederation of Service Industries
Jaakko Pöyry Group
Foundation for Economic Education
39 998
Right to subscribe for 100 002 shares



Olli Martikainen
(Born 1953)

Member of Supervisory Board
Member
TietoEnator shares

PhD (Math.), MSc (Eng.)
Professor, Helsinki University of Technology,
Telecommunications Software and Multimedia Laboratory
Member of the Board of TietoEnator since 2000
Vice President, R&D, Telecom Finland 1994-1997
Siemens Osakeyhtiö
Finnish Academy Technology
0



Anders Ullberg
(Born 1946)

Chairman

Board member

TietoEnator shares

MBA
President and CEO, SSAB Svenskt Stål AB
Member of the Board of TietoEnator since 1999
Vice President Corporate Control,
Swedyards (Celsius Group), 1978-84
Eneqvistbolagen AB
Hällde Maskiner AB
Mercur Planeringspråk AB
Nordbanken Region Stockholm
Skandia Fonder
Skandia Kapitalförvaltning
1 000



Elisabeth Eriksson
(Born 1962)

Board member
TietoEnator shares
TietoEnator warrants

BsC (Syst. An.)
Systems developer, TietoEnator, Public Sector
Personnel representative on Board of TietoEnator since 2000
Jusek Union Executive Committee
0
Right to subscribe for 1 280 shares



Pirjo Salo
(Born 1952)

TietoEnator shares
TietoEnator warrants

BsC (Eng.)
Systems developer, TietoEnator, Public Sector
Personnel representative on Board of TietoEnator since 2000
0
Right to subscribe for 1 290 shares

• Group Management



Matti Lehti

(Born 1947)
President and CEO
Joined Tieto in 1989
TietoEnator shares: 39 998
Right to subscribe for 100 002 shares



Åke Plyhm

(Born 1951)
Deputy CEO
President and CEO, Enator AB 1996-1999
TietoEnator shares: 290
Right to subscribe for 32 710 shares



Eric Österberg

(Born 1959)
Senior Vice President,
Corporate Communications
Joined TietoEnator in 2000
TietoEnator shares: 0
Right to subscribe for 20 000 shares



Håkan Friberg

(Born 1948)
Senior Vice President,
Human Resources
Joined Enator in 1993
TietoEnator shares: 0
Right to subscribe for 20 520 shares



Tuija Soanjärvi

(Born 1955)
Senior Vice President and CFO
Joined Tieto in 1986
TietoEnator shares: 0
Right to subscribe for 50 895 shares



Juhani Strömberg

(Born 1953)
Senior Vice President,
Development
Joined Tieto in 1976
TietoEnator shares: 6
Right to subscribe for 20 000 shares

**Veli Pohjolainen**

(Born 1947)
 Senior Executive Vice President,
 Finance Sector
 Joined Tieto in 1975
 TietoEnator shares: 13 600
 Right to subscribe for 56 295 shares

**Pentti Heikkinen**

(Born 1960)
 Senior Vice President,
 Services (Telecom & Media from 1 April 2001)
 Joined Tieto in 1996
 Worked for VTKK Group Ltd 1993-1996
 TietoEnator shares: 120
 Right to subscribe for 38 955 shares

**Lars Gahnström**

(Born 1943)
 Senior Vice President,
 Public Sector
 Joined Enator in 1998
 TietoEnator shares: 200
 Right to subscribe for 22 710 shares

**Pentti Huusko**

(Born 1948)
 Senior Vice President,
 Process & Manufacturing (Production &
 Logistics from 1 April 2001)
 Joined Tieto in 1986
 TietoEnator shares: 0
 Right to subscribe for 47 895 shares

**Juhani Lano**

(Born 1948)
 Senior Executive Vice President,
 Processing & Network Support
 Joined Tieto in 1990
 Worked for Carelcomp Ltd 1990-93
 TietoEnator shares: 0
 Right to subscribe for 56 895 shares

**Carl-Johan Lindfors**

(Born 1956)
 Senior Vice President,
 Application Services (Resource Management
 from 1 April 2001)
 Joined Tieto in 1989
 TietoEnator shares: 140
 Right to subscribe for 23 895 shares

Auditors

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

Deputies

Risto Järvinen, APA
 Kristian Hallböck, APA

• Addresses

All addresses can be found on TietoEnator's website www.tietoenator.com

Head Offices

TietoEnator Corporation

Kutojantie 10,
P.O. Box 33,
FIN-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 8626 3091

Kronborgsgränd 1,
SE-164 87 KISTA, SWEDEN
Tel. +46 8 632 1400
Fax +46 8 632 1420

e-mail: info@tietoenator.com
www.tietoenator.com

Reg. No 191.751
Registered office: Espoo

Business Areas

Finance Sector

Kutojantie 10,
P.O. Box 33,
FIN-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 8626 2685

Offices in Denmark, Estonia, Finland, Latvia, Luxembourg,
Netherlands, Norway, Russia, Sweden, Ukraine

Telecom & Media (from 1 April 2001)

Kutojantie 6-8,
P.O. Box 156,
FIN-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 8626 0420

Offices in Belgium, China, Denmark, Estonia, Finland, Germany,
Latvia, Lithuania, Norway, Sweden, Switzerland

Public Sector

Älvsjö Ängsväg 4,
SE-125 86 ÄLVSJÖ, SWEDEN
Tel. +46 8 749 80 00
Fax +46 8 86 30 56

Offices in Belgium, Estonia, Finland, Sweden

Production & Logistics (from 1 April 2001)

Forest, Process & Manufacturing, Energy, Retail, Logistics and
Travel & Transport

Niittymäentie 7,
FIN-02200 ESPOO, FINLAND
Tel. +358 9 3486 4000
Fax +358 9 3486 4340

Offices in Denmark, Finland, France, Germany, Norway, Sweden,
United Kingdom

Processing & Network Support

Kaupintie 5,
P.O. Box 38,
FIN-00441 HELSINKI, FINLAND
Tel. +358 9 862 6000
Fax +358 9 8626 1900

Offices in Belgium, Denmark, Estonia, Finland, Germany, Sweden,
United Kingdom

Resource Management (from 1 April 2001)

Kalkkipellontie 6,
P.O. Box 101,
FIN-02601 ESPOO, FINLAND
Tel. +358 9 3290 7000
Fax +358 9 3290 7002

Offices in Denmark, Finland, Norway, Sweden

• Information for the shareholders

Annual General Meeting

TietoEnator Corporation's Annual General Meeting (AGM) will be held at the company's premises, Kutojantie 6-8 (Kilo 1-2), Espoo, Finland, on Thursday, 22 March 2001, commencing at 5.00 pm.

Attending the AGM

In order to attend the AGM, shareholders must

- be registered on 12 March 2001 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd¹⁾ and
- give a notice to attend to the company.

Notice to attend

Finnish (directly registered) shareholders

Shareholders wishing to attend the AGM are kindly requested to notify the company no later than by 5.00 pm (Finnish time) on 19 March 2001 either

- by telephone +358 9 8626 2203
- by telefax +358 2060 20232
- by e-mail anne.rontu@tietoenator.com
- at the Internet address www.tietoenator.com/agm2001
- by mail TietoEnator, Ms Anne Rontu,
P.O. Box 33, FIN-02631 Espoo

A proxy, on the basis of which a shareholder wishes to be represented by a representative at the Meeting, must be received at the address above not later than 19 March 2001.

Swedish and other foreign (nomineeregistered) shareholders

Shareholders wishing to attend the AGM and whose holdings are registered at VPC AB or who are otherwise nominee registered, are thus also required to temporarily register their shares on 12 March 2001 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd. A request for this should be submitted to VPC AB or, in the case of nominee-registered shares, to the nominee. VPC AB should receive the registration request by March 5, 2001.

Shareholders wishing to attend the AGM should also instruct VPC or the nominee to give the notice of attendance to company no later than by 5.00 pm (Finnish time) on 19 March 2001 either

- by telephone +358 9 8626 2203
- by telefax +358 2060 20232
- by e-mail anne.rontu@tietoenator.com
- by mail TietoEnator, Ms Anne Rontu,
P.O. Box 33, FIN-02631 Espoo

A proxy, on the basis of which a shareholder wishes to be represented by a representative at the Meeting, must be received at the address above not later than 19 March 2001.

Dividend payment

The Board of Directors proposes to the AGM that a dividend of EUR 0.49 per share be paid on the financial year 2000. The dividend will be paid to shareholders who are registered in the shareholder register maintained by the Finnish Central Securities Depository Ltd or in the register maintained by VPC AB on the record date for dividend payment. The Board has decided that the record date for dividend payment will be 27 March 2001. Should the AGM approve the Board's proposal, the dividend will be effected by the company on 10 April 2001.

¹⁾ Shareholders who have not yet transferred their shares to book-entry accounts are also entitled to attend the AGM provided that these shareholders have notified and clarified to the company their title to the shares and before the AGM begins, and that they are able to show their share certificates or provide other documentary evidence that their shares have not been transferred to book-entry accounts.

Publications

TietoEnator Corporation will publish the following financial reports during 2001 in addition to this annual report:

January – March	26 April 2001
January – June	1 August 2001
January – September	31 October 2001

The annual report and interim reports are published in English, Finnish and Swedish and are available at TietoEnator's Internet pages, www.tietoenator.com. The interim reports are no longer printed.

The annual report may be ordered from the following addresses:

- TietoEnator Corporation, Kutojantie 10,
P.O. Box 33, FIN-02631 Espoo, Finland or
- tel. +358 9 862 6000 or
- fax +358 9 862 63091

- TietoEnator Corporation, Kronborgsgränd 1,
SE-164 87 Kista, Sweden or
- tel. +46 8 632 14 00 or
- fax +46 8 632 14 20

- e-mail: info@tietoenator.com

Change of address

Shareholders are kindly asked to inform the book-entry register which is the custodian of their book-entry account of any changes to their address.

TietoEnator

Building the Information Society

Kutojantie 10, P.O. Box 33
FIN-02630 Espoo, Finland
tel +358 9 862 6000
telefax +358 9 862 63091

Kronborgsgränd 1
SE-164 87 Kista, Sweden
tel +46 8 632 14 00
telefax +46 8 632 14 20

e-mail: info@tietoerator.com
www.tietoerator.com