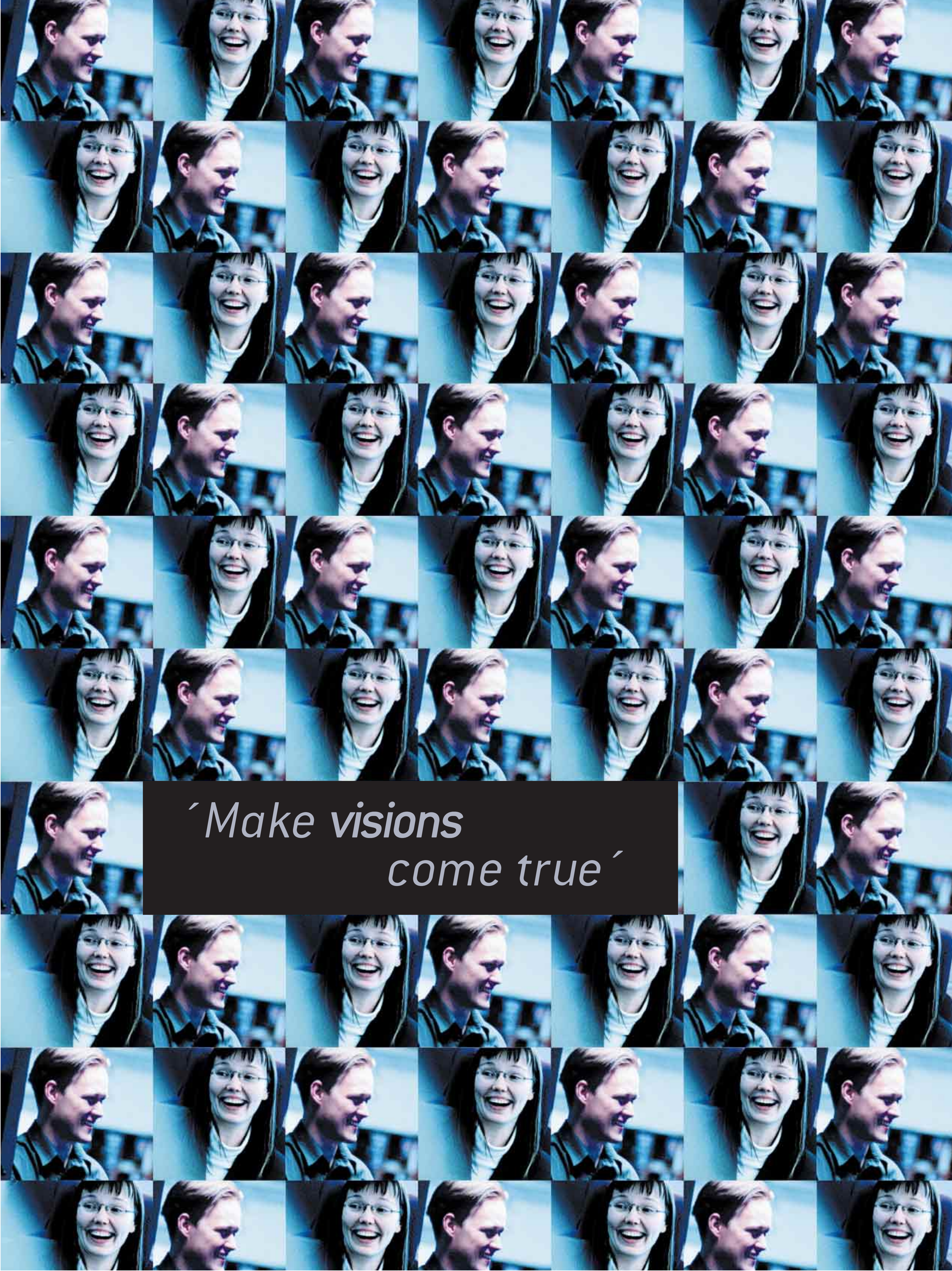
TJ GROUP PLC ANNUAL REPORT *July 1, 1999 – June 30, 2000*


´Make visions
come true´

Contents

Information for shareholders 2
Key figures 3
The CEO´s review .... 4 – 5

The Group in Brief
Products and services .... 6 – 7
Customers .... 8 – 10

Our Mission: Successful Customers
Customer relationship management .... 11 – 12
Business model .... 13 – 17

Focus on Growth in Europe
The electronic business solutions market .... 18 – 23
Markets during the fiscal year 24
Growth strategy 25
Acquisitions .... 26 – 27

A Pioneer in Technology
Product development is a priority .... 28 – 29
Comprehensive solutions .... 30 – 33

Human Capital
Human resources .... 34 – 37
The management 38
Board of Directors and Auditors 39

Financial Statements
Shares and shareholders .... 40 – 44
Board of Directors´ report .... 45 – 49
Consolidated profit and loss statement 50
Consolidated balance sheet 51
Consolidated cash flow statement 52
Profit and loss statement, parent company 53
Balance sheet, parent company 54
Cash flow statement, parent company 55
Notes to consolidated financial statements .... 56 – 60
Formulas for calculation of key indicators 61
Auditors´ report 62

Glossary 63
Contact information 64

Information for shareholders

Annual Meeting of Shareholders

TJ Group Plc's Annual Meeting of Shareholders for the fiscal year 1 July 1999 - 30 June 2000 will be held at 9:00 a.m. on Friday, 27 October 2000 in Innopoli, Espoo, Finland. The address is Tekniikantie 12, 02150 Espoo. Registration for the meeting and distribution of voting tickets starts at 8:30 a.m.

Shareholders, who, at the latest on Friday, 20 October 2000, have been entered as shareholders on the register of shareholders maintained by the Finnish Central Securities Depository, have the right to participate in the meeting. Shareholders whose shares have not been transferred to the book-entry system have the right to participate in the meeting, provided that the shareholder has been registered with the company's share register before 23 February 2000. In such case, the shareholder shall, at the shareholders' meeting, present his/her share certificate or other record to show that their share ownership has not been transferred to a book-entry account.

A shareholder wishing to participate in the Meeting of Shareholders shall register with the company by 4 p.m. of Tuesday, 24 October 2000. Shareholders can register by writing to the following address: TJ Group Plc, Minna Koivisto, Piispanportti 5, 02240 Espoo, Finland. Registration can also be enacted by telephone +358 9 6133 7615, fax +358 9 6133 7641, or e-mail: minna.koivisto@tjgroup.com. The registration form shall arrive at the company before the deadline for registration. Any proxies should be delivered with the preregistration form.

Dividend

The Board will propose to the Annual Meeting of Shareholders that the loss of EUR 2.2 million for the fiscal year 1999 - 2000 be booked against retained earnings.

Financial reports for the fiscal year 2000 - 2001

20 September 2000	Financial statements 1999 - 2000
7 November 2000	Interim report July - September 2000
6 February 2001	Interim report July - December 2000
8 May 2001	Interim report July 2000 - March 2001

The annual report for the fiscal year 1999 - 2000 will be published in week 41 starting on 9 October. The interim reports will be published at 10:00 a.m. Finnish time. The financial reviews will also be published on the TJ Group Web site www.tjgroup.com.

Ordering financial reports

TJ Group's financial reports are published in Finnish and English. Printed interim reports will no longer be mailed to shareholders in the fiscal year 2000 - 2001, but will be published on the company's Web site http://www.tjgroup.com. Reviews can also be ordered by mail at TJ Group Plc, Communications, Mikonkatu 8 A, 00100 Helsinki, Finland, or by telephone +358 9 6133 7615, fax +358 9 6133 7641, or through TJ Group's Web site.

TJ Group stock exchange releases can also be ordered directly from the Investors section of the TJ Group Web site. An e-mail address is required to which to send the releases.

Investor relations contacts

Mr. Tuomo Tilman
Chairman of the Board
Tel. +358 9 613 370, fax +358 9 6133 7650
E-mail: tuomo.tilman@tjgroup.com
Mr. Jyrki Salminen
Chief Executive Officer
Tel. +358 9 613 370, fax +358 9 6133 7650
E-mail: jyrki.salminen@tjgroup.com
Ms. Minna Koivisto
Communications Manager
Tel. +358 9 6133 7615, fax +358 9 6133 7641
E-mail: minna.koivisto@tjgroup.com

Key figures

	Consolidated 6/2000	Consolidated 6/1999	Consolidated 6/1998	Consolidated 6/1997	Parent company 6/1996
Key figures (Eur million)					
Net sales	28.5	11.2	8.3	5.0	2.8
Net sales, change %	154%	34%	66%	79%	40%
Operating profit/loss	-4.7	1.0	0.8	0.5	0.5
% of net sales	-17%	9%	9%	10%	19%
Profit before extraordinary items, reserves and taxes	-4.0	1.0	0.7	0.5	0.5
% of net sales	-14%	9%	9%	10%	18%
Profit before reservers and income taxes	-2.9	0.8	0.7	0.5	0.5
% of net sales	-10%	7%	9%	10%	18%
Return on equity, %	-10%	19%	36%	37%	61%
Return on investment, %	-13%	25%	45%	41%	58%
Interest-bearing net debt	-38.2	-2.1	0.1	0.4	0.3
Net debt to equity (Net Gearing)	-72%	-38%	-7%	15%	10%
Equity ratio, %	82%	55%	36%	36%	39%
Gross investments	10.0	1.9	0.5	0.7	0.2
% of net sales	35%	17%	7%	14%	8%
Research and development expenditure	3.2	1.7	1.2	0,6	0.4
% of net sales	11%	16%	14%	12%	16%
Personnel at the end of the period	637	220	95	50	16
Personnel, average	404	113	73	50	16
Share-related indicators (Euro)					
Earnings/share	- 0.06	0.02	0.10	0.10	0.12
Shareholders´equity/share	0.88	0.13	0.37	0.33	0.25
Dividend/share	0	0	0.05	0.05	0.04
Dividend/earnings, %	0	0	51%	49%	31%
Price/earnings	-	99.3			
Lowest trading price of the share	1.83	1.20			
Highest trading price of the share	22.50	1.97			
Average trading price of the share	10.73	1.37			
Market value of all shares at the end of the period, EUR million	304.9	76.5			
Amount of traded shares, pcs	73,959,373	13,811,193			
Amount of traded shares, %	144%	47%			
Weighted average number of shares during the period	51,464,775	29,154,312	150	150	150
Number of shares at the end of the period	60,374,753	41,990,202	150	150	150

The CEO's review

Growth continued as planned

The market for electronic business solutions is a fast-paced environment where sensitivity to market development, anticipation, and continuous change are vital to success.

TJ Group is one of the first in its field to be on an aggressive growth track, with the ultimate goal of achieving a leading position in Europe. We believe that carefully planned acquisitions are an efficient means to fast growth.

The past fiscal year witnessed even stronger growth than before. The group acquired eight companies in five countries, thus increasing market coverage and gaining the extensive know-how required. As a result of these acquisitions, the delivery capacity for the entire solution portfolio is now extremely strong in Finland. We also acquired the ability to deliver comprehensive solutions in Sweden and Norway. Due to these acquisitions, the group entered new markets in Germany and Denmark and also gained several new customer relationships.

Acquisitions have increased our personnel by 343 experts. We have also recruited a total of 110 new employees. By the end of the period, personnel had increased 190 percent, to a total of 637 employees. The number of personnel has doubled in Sweden and Norway and an organization of 100 employees was acquired in Germany.

The net sales of the group rose according to expectations, by 154 percent, to EUR 28.5 million. The operating loss was EUR 2.2 million. This result was partly due to the millennium change, which caused many companies to postpone investments in electronic business, as well as growth-induced integration costs that climbed higher than expected. The period-end equity ratio of TJ Group was 82.4 percent.

Growth challenges

Our goals for growth and internationalization require an understanding of the acquisition process and the ability to integrate new companies with the group. The past financial period has provided us with considerable experience in this respect. We have increased our ability to identify potential targets for acquisition and are more skilled in carrying out acquisition processes. Acquisitions are handled by an organization founded specifically for this purpose. It focuses on searching for European companies that offer critical mass and skills and then carries out the acquisition and integration processes. The capital required for integration was obtained from the share issue carried out this period.

The biggest challenges currently facing the group include managing change while simultaneously maintaining focus on daily business. One of our main goals now is to eliminate overlapping operations brought about by acquisitions, particularly in the Nordic countries. Our customers, the fast changes that took place in this period, as well as highly contrasting markets, have set requirements that we met by launching a group-wide project for planning and implementing a new organization model. Management teams, with consistent structures, were set up in each country and the required merger processes were initiated.

Jyrki Salminen,
CEO, TJ Group Plc

´Leading market position in Europe through a focus on the relevant´

The new organization model is based on a clear-cut division of responsibilities between sales and project organizations. Business is supported by Competence Centers and corporate-level shared services. The model aims at achieving closer cooperation and more comprehensive customer projects as well as efficient needs-based allocation of internal resources, so as to avoid bottlenecks in production and put resources to efficient use.

As a result of the clear division of responsibility, the model supports internal cooperation and projects that employ several Business Areas in TJ Group. The past fiscal year already witnessed projects with participants from various countries as well as the re-distribution of resources. The new model is also scalable internationally. The Business Areas can be established based on the needs of different markets and resources can be allocated among Business Areas in different countries.

A challenge that is characteristic of companies in this field is employee turnover, which we have paid special attention to due to the heavy integration. Despite several internal integration processes, the outflow of personnel at TJ Group was nine percent, which is exceptionally low and clearly under the mean value in the field. The results of our annual job satisfaction survey were, again, encouraging. When designing the new organization model, we aimed at taking into account the personal goals and skills of each employee. Other efforts we have made to motivate personnel include support given to learning, development discussions conducted with individual employees, and the launching of five new group-wide warrant programs.

Focusing brings profitable growth

Our mission is to utilize all the relevant in information technology to support the success of our customers. The mission and success of TJ Group require that we focus on the essentials as regards products, technology, and customers. In accordance with our vision, we aim at extensive technological know-how and independence of technological platforms. Our efforts in product development are mainly geared towards global products. Technology partnerships support our pioneering position. By combining products and services we are able to offer our strategic partners, in particular, pragmatic solutions that provide true added value. Offering new products to existing customers provides us with considerable growth potential.

We are also focusing on internal processes during the current financial period. Investments are channeled into processes involving knowledge transfer and the management of customer relationships. Integration, making resource usage more efficient, utilizing scale advantages, and developing management skills are all part of the operative core activities used to control growth and establish cost-effectiveness.

I would like to express my sincere thanks to our shareholders for their continued trust in TJ Group. As promised during our previous financial period, we will continue to follow our growth strategy and expansion in the European markets. While acquisitions in the Nordic countries will develop our technological know-how, acquisitions in other parts of Europe will increase our market share.

Credit for actual business should go to the employees of TJ Group who have adopted the developed models and have actively taken part in change. Amid all the changes taking place during this period, our personnel have continued to focus on everyday business, which is ultimately the key to the success of employees, TJ Group, and the shareholders. ■

Jyrki Salminen
CEO

The Group in Brief

´Our solutions combine modular products and tailoring into practical solutions that produce added value for business.´

Espen Halvorsen, Managing Director, TJ Group AS (Norway)

Products and services

TJ Group provides applications, solutions, and consultation services for digital communications, Internet, intranet and extranet needs, mobile communication, and business process improvements as well as workflow management. The solutions support customers´strategy and help companies to better manage information, communication, knowledge and development.

Extensive solutions

The group's expertise in information technology and the Internet extends throughout the electronic business field, from consultation to solution integration.

The solutions are based on the company's own product development and modular structures, long-term experience and comprehensive value-added services.

After the business acquisitions of the past fiscal year, TJ Group can now offer solutions locally for electronic business in Finland, Sweden, Norway, Denmark, Germany, and the U.S. The aim of the group is to offer the entire range of solutions in all markets while building the local product portfolio according to the needs in the local market. TJ Group's solutions have already been delivered to dozens of countries.

Products

TJ Group's products improving business processes are based on the company's own product development, which amounted to 11 percent of the group's overall net sales last fiscal year. The group can deliver nearly all products needed by the customer organizations for Internet, extranet, and intranet solutions as well as for supporting business processes. An increasing number of products also include wireless support. The products offered by the group can be integrated with existing systems, which allows information that is produced in several locations to be used in the solutions. The company aims to constantly increase the share of its own applications of overall sales. Furthermore, TJ Group develops its product portfolio and focuses on the key applications.

TJ Group's product range covers, among other things, project, information, and resource management and business process applications. In addition to these, the TJ Publish and TJ Gate applications are an example of communication process management tools; the first is a Web publishing system intended for corporate communication. The second, TJ Gate, is a Web-based tool that allows several sites to be collected into an easy-to-navigate whole under a single intranet portal.

For customer relationship management and customer service, TJ Group offers a product that supports an organization's sales and marketing processes. Among other things, the product automates sales management, forecasting, opportunity management, as well as proposal and quotation generation, and an overall management of the sales process with links to other functions. The product is designed for GroupWare, Internet and intranet use and is browser-enabled.

Yet another product, TJ Group's Internet banking system, includes, for example, systems for managing loans and daily payment, share trading in Internet, funds, and issues of securities. Finally, TJ Group's WAP solutions provide connectivity from business applications, such as e-mail and project management applications, to WAP terminals.

Services and customer-specific solutions

The applications provided by the group have been primarily developed for the Lotus Domino and Microsoft environments, but projects, customer-specific solutions, and other services are increasingly technology-independent and can be deployed according to the terms of the technology the customer uses. Often customer-specific customization and other supplemental solutions are built on top of the applications delivered to the customers. The possibility of using products as the basis of a solution often means that the customer's implementation will be faster and more economic, and, on the other hand, also have a longer life span. A typical increasing trend is customer-specific solutions in network business and, in particular, electronic communication deliveries.

TJ Group has also packaged its services. In addition to the actual application, technology, and programming solutions, TJ Group offers consultation, deployment, training, support, and hosting services as well as strategic, visual, and content design, all part of overall total solutions offered to customers. TJ Group has packaged the product development process, product cycles, and licensing as well. Customer management processes, projects, and solution delivery models have been documented, and the integration and customer service processes of the group's companies are further improved with the new organization model.

TJ Group aims to be the lead actor in its industry and to identify and adapt its product development functions to the industry's trends, such as wireless applications and functional intranet and extranet solutions, as early as possible. Currently, the group already has strong expertise in digital television, Internet-based learning, person's electronic identification, and Internet and WAP banking solutions as well as in multimedia, DVD, Bluetooth, UMTS, and WAP solutions. TJ Group is actively seeking advanced technology partners with whom it can offer even more advanced services. ■

Customers

Focus on strategic customers

TJ Group aims to establish genuine partnerships with progressive customers, where extensive knowledge of the customer's business and culture ensures the most appropriate business support solutions. The group is especially directing resources to strategic customers in an attempt to flexibly provide them with comprehensive solutions covering the entire product and service portfolio. Most smaller deliveries are typically standard applications and solutions.

The existing and potential customer base of TJ Group is primarily comprised of large and medium-sized companies and public organizations, which are developing their operations with electronic solutions, transferring their operations to networks, or creating new business through networks. Solutions designed for public administration have been delivered to several state institutions, offices, and to some 150 municipalities. However, most of TJ Group's customers operate in the business-to-business sector. The group also has a strong foothold among business-to-customer companies, for example in the financing sector.

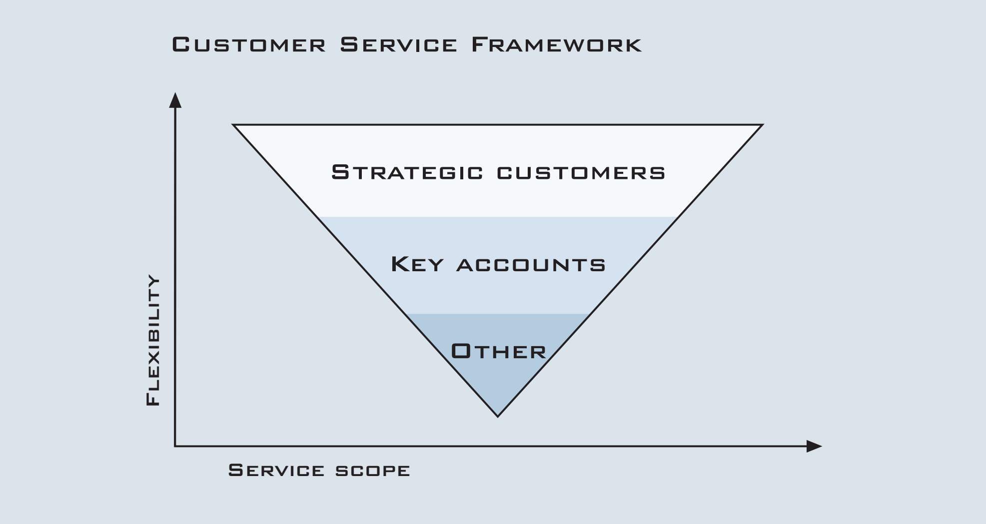
In addition to seeking new customers, TJ Group is expanding its customer base through acquisitions of companies with established customers. There is significant potential for growth in the offering of the group's entire range of solutions to existing customers. Thanks to TJ Group's international expansion, the group's future capacity to implement ever-larger customer projects and related local implementation, localization, and customer support services in all markets will increase. The focus will shift to larger, and above all, globally operating customers that TJ Group can support in Europe and the United States.

Network and communications solutions in Sweden and Denmark

At the end of the fiscal year, TJ Group had approximately 75 active customers in Sweden, which the group mostly supplied with intranet, business process, and Internet solutions.

The most significant customers during the year included AstraZeneca, Nynäs Petroleum, Daimler-Chrysler, IBM, Postgirot, Upplysningscentralen, Viking Line, and Delphi Lawyers.

There were approximately 400 active Danish customers at the end of the fiscal year, most of whom were maintenance customers. The most important customers included Unibroker.com, Metropol Online, APC Danmark, RTX Telecom, Dansk Oplysnings Forbund, and Marli Group. Deliveries mainly included customer-specific strategic and communications solutions, some of which



were delivered to the business-to-customer sector.

Solutions for more effective business in Germany and the US

Solutions supplied in the United States consisted of the CRM product and services. The product had some 75 active customers who were also provided with maintenance services. The most significant customers included Cummins Engine Company, Sprint Communications, Farm Credit Services, US Filter, and Gigna Insurance Company.

In Germany, the group mainly supplied products designed to increase the efficiency of business operations, as well as IT and system integration services. Major customers included Toyota Deutschland, Tengelmann, Alunorf, Henkel, Daimler-Chrysler, and Dekra. There were approximately 70 active German customers during the fiscal year.

The biggest transaction made in Norway so far

The Norwegian customer base grew to 55 active customers. The most significant customers included Kreditkassen, Tine Norske Meierier, Gjensidige, Norsk Gjenvinning, and CRI. The deliveries made were mostly customer-specific products and complex solutions integrating network business with internal business processes.

In June 2000, TJ Group sold several applications and services designed to increase the efficiency of electronic business to Norsk Gjenvinning, a Norwegian company that is part of the French CGEA-Onyx group. In the initial phase, the value of the transaction exceeded NOK 3 million. The final value of the biggest transaction made so far in Norway may total NOK 11 million over a period of 3 to 5 years.

With the help of TJ Group's solutions, Norsk Gjenvinning is creating a basic nation-wide system for the management of internal documents and communication and integrating the Internet, intranet, and extranet into one network environment. Additionally, an internal and external Helpdesk solution, and an internal portal for the management of existing solutions will be built for the company. The company is also planning to launch business operations on the Internet and in the wireless environment.

Norsk Gjenvinning purchased the TJ Office application for administrative processes, TJ Helpdesk and TJ Sales for sales support and the management of sales processes, TJ Gate and TJ Publish to increase the efficiency of communications, TJ Quality for quality management, TJ Planner for project management, and TJ Personnel for human resources management. The transaction also includes licenses for Lotus Notes/Domino as well as training and hosting services for three years.

Deliveries incorporating various expertise in Finland

During the fiscal year, TJ Group's Finnish customer base included approximately 300 active customers, the majority of whom were long-term customers and mostly large and medium-sized companies, and public administrative bodies. The deliveries often included combined solutions related to different areas such as marketing communications, wireless and network solutions, and internal business processes. Major customers included the Finnish Defense Forces, UPM-Kymmene Group, Tapiola Group, Mandatum Bank, Nokia, Sonera Corporation, Elisa Communications, SanomaWSOY, Metso Corporation, and the National Board of Taxation.

In May 2000, the Finnish Sports Federation selected TJ Group and Sonera as its cooperation partners for the development of the organization's electronic service concept. The project involves the utilization of the companies' whole knowledge base related to electronic business. The project is scheduled to last between 2 and 4 years. In the initial phase of the project, solutions related to communication at the national level and at the level of federations and clubs were implemented. These included market place systems, electronic events calendars, publishing tools, and communications databases. Future implementations include special services such as result services, series management tools, and wireless WAP terminal services. ■

Our Mission: Successful Customers

´We navigate in business and technology to build the best strategic solutions together with our customers.´

Liz Martin, President, TJ Group Americas, Inc. (USA)

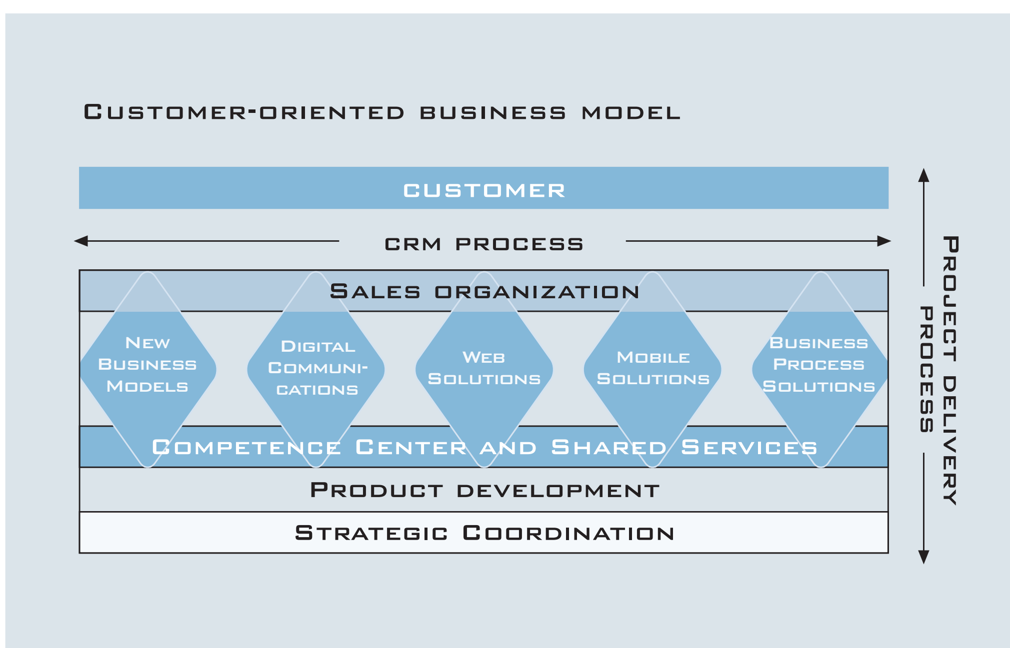
Customer relationship management

During the fiscal year, TJ Group started planning a business model aimed at better managing strategic accounts and international growth. The group's rapid expansion into a variety of customer markets, each developing at a different pace, presents a requirement for international adaptability and non-hierarchical organization, which can simultaneously make efficient use of the group's centralized resources. Consequently, a project was started during the latter half of the fiscal year to implement a model to invest in cooperation, networking both internally and with customers and partners, shared joined services, and application development in business units according to the local market. The new model allocates TJ Group's resources efficiently for product development and customer-oriented solutions.

Business Areas that have been distributed by customer solutions are the focus of the business model. The model also differentiates the Sales Organization and the various Competence Centers, which act as internal consultants. The group's Business Areas are supported by low corporate-level organization, which includes financial administration, IT services, general product development, and coordination of other support functions.

Customer processes have been defined for TJ Group's customers and are tailored individually for strategic accounts. The Sales Organization coordinates customer relationship management, but the actual solutions are delivered by the Business Areas that act as project organizations. Application ownership now belongs to business units within the Business Areas, which can rapidly predict and react to customer requirements. As the group grows, cooperation in solution sales between the different business units will be significant.

The new business model was implemented in Finland on 1 October 2000. At the same time, the parent company and the companies acquired in Finland improved their cost-efficiency by merging into one company. The merger will be registered during the current fiscal year. Mergers and projects for implementing the new business model for the local market were also started in other countries during this past period. The models are being deployed during the current fiscal year in such a way that the need and size of the Business Areas depends on the local market and demand structure. ■



Business Model

Customer interface

The primary organization operating as TJ Group's customer interface is the Sales Organization. In particular, it focuses on the comprehensive development of the business operations of strategic and key customers through partnerships. The organization also assists the Business Areas in the recruitment of new customers.

Partnership with strategic customers supports the success of both customers and the group. Familiarity with the customer's business processes and culture obtained through partnership produces considerable added value to the strategic business solutions delivered. Thanks to such familiarity, the entire range of TJ Group solutions can be utilized efficiently for the benefit of customers, and the Sales Organization can coordinate the implementation of solutions in the different Business Areas.

The Sales Organization invests in customer management and in knowing customers and their business operations. Customer processes defined by the organization and customer-specific processes defined for strategic customers also ensure the high quality of deliveries.

In addition to knowing the customer's business, TJ Group's Business Areas, in their turn, focus on technological expertise and project management. Thereby familiarity with business operations works in conjunction with the production of solutions.

The Sales Organization is comprised of sales teams and the Contact Center, which is in charge of new customer contacts and forwarding them to the proper Business Area. The Contact Center also supports marketing and takes care of, for example, the management of TJ Group's product licenses.

New business models

Electronic business is a fairly young field; so many customers may have a limited amount of field-related expertise and resources available to them. However, the customer's ability to compete often requires instant reaction to new business opportunities. New Business Models Business Area

provides services for the establishment of new electronic business operations and for turning existing businesses into electronic businesses.

This Business Area innovates and develops advanced business concepts and solutions that customers can use to establish electronic businesses. The solutions have significant support for the customer's strategy through an expansion of business operations and the development of the selection of services. The solutions can also generate completely new business opportunities and transform the entire business.

The biggest reason for failure in corporate electronic businesses is insufficient strategic planning. The Business Area offers consulting for the development of the customer's network business by supplying services related to business analysis and strategic definition as well as the launching of business projects. The Business Area also offers services such as Web, intranet, and extranet page and business model audits, benchmarking of Web pages, consulting related to electronic business concepts, and strategic consulting and implementation.

Internally, this Business Area supports the whole of the group, for example, in acquiring new partners and in the development of new solution concepts. Other Business Areas are responsible for the implementation of actual business solutions for customers.

Solutions for experiences and efficient communication

The Digital Communications Business Area offers digital communications services based on brand building, network advertising, and multimedia solutions.

This Business Area provides companies with solutions that increase the efficiency of business operations and require tailoring and familiarity with the customer's processes. In addition to this, this Business Area supplies solutions whose only purpose is to offer experience. Such solutions often require knowledge of the latest technology.

The Digital Communications Business Area combines creativity with technology. It is divided into units whose offerings include CD-ROM and DVD production, presentations, interactive solutions, solutions for digital TV, experience-based environments, games, network campaigns, small Web sites, banners, and competitions. The units are responsible for projects and related manuscripts, visual and sound design, programming, and animation. The Digital Communications Business Area develop products and services that support the solutions, improve operating methods related to digital communications, and transfer them for use by the entire group.

Browser-based network solutions

Web Solutions, which offers network solutions, is currently one of TJ Group's largest Business Areas. It provides browser-based business solutions that utilize Internet technology.

The products and services of Web Solutions have been developed for document publishing, communications, electronic commerce, Intranet solutions, and Internet-based learning. This Business Area is divided into units with assigned responsibilities for products and services. Web Solutions owns, for example, the TJ Publish application designed for network publishing.

Web Solutions is also in charge of product development at the product level, the development of processes concerning network solutions, and their transfer within the group. The units of Web Solutions offer, for

´Pragmatic approach to solutions´

example, solution-specific consulting, training, visual and content design, production, as well as technical design and support.

Web Solutions operates closely with the other Business Areas of TJ Group. Its operations rely especially on Microsoft, IBM/ Lotus, and JAVA technologies as well as user interface design and the standardized production model.

Added value with wireless solutions

Companies are faced with increasing pressures to transfer their business operations to a wireless environment. The need of customers, partners, personnel, and other interest groups to access company information and services, independent of time and place, is increasing. The Mobile Solutions Business Area offers innovative wireless solutions and products that enable companies to establish completely new business operations and to transfer existing business operations from the Internet and business systems to a wireless network.

The solutions of this Business Area are mainly based on UMTS, WAP and GSM technologies. The main products of Mobile Solutions include financing and business solutions, and the supporting services that include consulting, customer-specific solutions, and mobile ASP and hosting services. This Business Area also develops the means to transfer processes and information for use by the entire group.

The Business Area concentrates on, for example, the development of mobile business concepts and personifying, user, and portal technologies. Mobile Solutions is in charge of adding mobile support to the group's products, so its product development is conducted in close cooperation with the product development in the group's other Business Areas. Mobile Solutions has invested extensively in products and solutions for the banking and financing sector, where services are being increasingly transferred to portable terminals.

The group has supplied customers with mobile banking, portal, publishing, and project management solutions. The end-user can use them via a portable terminal, access tools such as e-mail, calendar, and customer information registers, read the bulletins of their companies and of other parties, manage account information, trade in stocks, and acquire market information. Thanks to partnership agreements, the group can also utilize Sonera SmartTrust information security technology and Nokia's WAP server technology.

Efficiency to business processes

The Business Process Solutions Business Area offers products and services that increase the efficiency of business processes and service operations. In addition to case, workflow, and file management for the public sector, the products and services cover human resources, projects, resources, and customer management and banking system products. Most of the group's products belong to the Business Process Solutions Business Area. Ownership of the solutions is divided between the units of the Business Area.

This Business Area invests in, for example, product development and technology transfer, and market-specific spearhead products. It supplies both products and projects tailored for specific customers on the basis of these products. This Business Area is also in charge of transferring solutions that support the processes for use by the entire group.

The group believes the future growth area of business processes will include public administration solutions for electronic identification of individuals, network democracy, and electronic business services offered over networks. In addition, WAP, digital TV, and self-service kiosks can be taken advantage of in the operations of the public sector as well. The Nordic countries and the whole of Europe constitute large markets for back office and basic systems for banks involving daily credit and payment traffic and systems related to Internet share trading, funds, and share emissions.

Centralized special competence

Competence Centers offer added-value producing services to TJ Group's internal and external customers. They act as internal consultants for the entire organization and provide TJ Group's customers with services based on special expertise. Competence Centers develop their expertise base and create new methods for commercializing it.

Competence Centers provide services and know-how, which can be utilized in all Business Areas. Competence Centers support TJ Group's electronic business service offerings, for example, by concept, content, and technical consulting. The centers also house software technology expertise in testing, specification, integration, implementation, usability, programming, and support services. Competence Centers also offer services for application rental (ASP) and hosting services, and customer and personnel training. ■

The electronic business solutions market

Strategically essential solutions

The increasing development of network solutions and particularly the Internet and wireless data transfers continually transforms the ways in which companies and organizations operate. Data transfer rates have increased and the amount of accessible information has risen sharply. This has both laid the foundation for new business operations and increased the efficiency of existing business operations. The growth of the Internet and the development of wireless data transfer will have a profound impact on companies and organizations all operation. This development, already in progress, will prove to be permanent and will lead to an extensive growth in the demand for services, products, and the expertise associated with the change.

Electronic business has been based on the Internet and Web pages. Web pages as such do not, however, create added value. That is, they do not increase the efficiency of companies' internal processes. Real

´The European markets are huge. A technological advantage, the ability to forecast market demand, and an aggressive growth today pave the way for future success.´

Birgit Kasten, Managing Director, Kasten Consulting AG (Germany)

added value is achieved when processes are transferred to IT systems. E-mail, for example, saves time and reduces paper consumption. Various software applications create even greater added value. Sales systems, for example, can be transferred to extranet system, which makes it possible to increase sales without increasing the number of employees. Bottlenecks in design, inventory, and sales can often be eliminated using an intranet solution.

Opportunities created by new solutions will be utilized, especially by companies that strive for rapid growth, or by companies that are increasing their operational efficiency in ever-increasing competition and in a rapidly changing environment. Equally effected are companies whose operations extend over a wider geographical area. With electronic business solutions, these companies are better able to manage their customer relations, purchasing and sales operations, external and internal communications and the development of their business operations and project management. Companies use their intranet system increasingly as the basis for their entire information network. Solutions can provide companies with a competitive advantage and increase their profitability considerably, or open up entirely new areas of business. This is why companies consider investments in electronic business solutions to be increasingly important strategic instruments.

Companies' investments increasing

Companies' investments in electronic business are growing with the development of an increasingly demanding network business: the amount of investments in network infrastructure is threefold in comparison with those merely in Web pages, and investments in business applications and administration are twice the amount spent on infrastructure. The amount of investments in more sophisticated electronic business processes is already dozens of times higher.

Previously, companies' investments in the Internet mainly involved technology. However, the significance of investments in, for example, infrastructure, content production, marketing and in solutions with non-technological emphasis is increasing. According to the IDC's estimate, the percentage of investments in technology of all investments in the Internet will decrease from the present figure, which exceeds 50 percent, to below 40 percent by the end of 2003.

TJ Group is confident that in the future, more and more companies will want all electronic business solutions from only one supplier, from consulting to integration and from infrastructure to increased efficiency of business processes. In such a case the compatibility of the solutions can be ensured along with the ease of planning, delivery phases and support functions. The single supplier model also facilitates the manageability of the delivery project. Issues relating to the distribution of work and of responsibility in projects involving more than one supplier do not, in the group's view, produce the surplus value the customer wishes to obtain.

According to the IDC, the global market value of Internet services totaled 7.8 billion US dollars in 1998. The market is expected to grow to over 78 billion dollars by the end of 2003, which corresponds to an average annual growth of over 60 percent. The United States and Western Europe are expected to remain the largest market areas.

Forecasting market development

TJ Group started operating in 1987, specializing in IT consulting and software development. At that time, the demand by companies for IT systems and business software was growing rapidly. In 1991, the focus of operations shifted to networked workgroup applications, initially in Lotus Domino and later in Microsoft environments. At the same time, TJ Group started investing heavily in technological expertise and product development. According to estimates dating back to 1996, the concurrent number of users of workgroup applications in the world ranged from 30 to 50 million.

Today, the environments selected by TJ Group cover the majority of technological platforms used by companies and organizations. The IDC's study shows that between July and September of 1999, 53 percent of new users of workgroup software selected software based on Lotus Notes and 39 percent selected Microsoft Exchange-based software.

In 1996, TJ Group reassessed the focus of its business operations in order to predict the challenges related to the rapidly growing markets of Internet services and Internet software. According to the IDC, there were 19 million Internet users in the world in 1995. Currently, there are 200 million estimated users, and by the end of 2005, the number of users is expected to grow to one billion. This corresponds to an average annual growth of 38 percent.

Business and services are transferred to networks

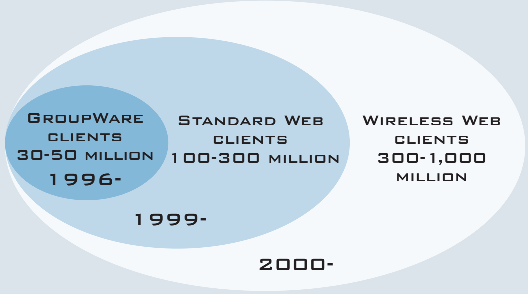
The rapid growth of electronic business will create a remarkable demand for Internet and wireless services. The Gartner Group estimates that in 2005, 70 percent of business-to-business trading and 25 percent of private consumption will, to some extent, utilize the Internet. According to the IDC's forecast, the total value of electronic business will rise to 1,000 billion US dollars in 2003.

Future IT solutions are, to an increasing extent, services that are acquired for short-term needs. The business world of

the future will, for example, offer the option to buy applications on the Internet. The importance of ASP (Application Service Provider) solutions will continue to increase.

Systems that improve a company's productivity demand maintenance and enough employees to operate the system. While using ASP solutions, the application can be located, for example, at a telecom operator's site and companies charged for using the application on a time-basis. This service is possible for two reasons: Internet usage is becoming more common and due to economies of scale, several companies can use the same applications. TJ Group has the expertise to offer ASP services at full scale.

Global market development



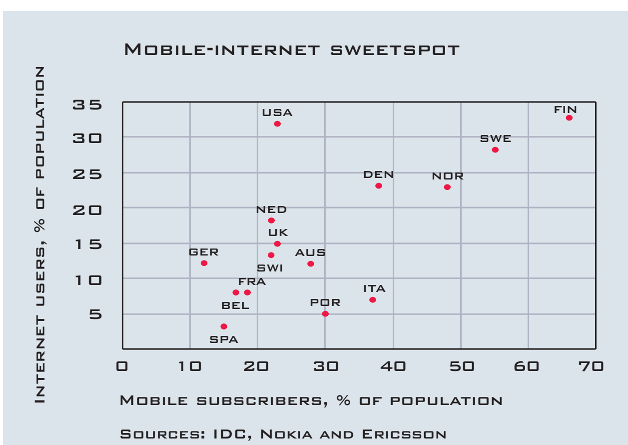
Source: IDC, Nokia & Ericsson

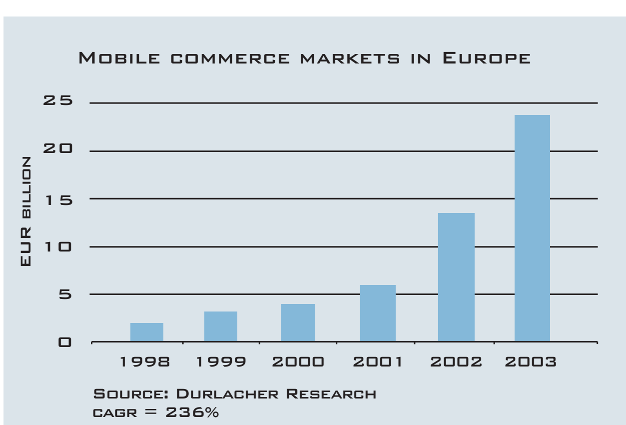
TJ Group believes that also other services will be transferred to networks. After financial services, different educational services are going to be the next major group of services to be transferred to networks. Opportunities offered by electronic interactive channels will change both the commercial and the social services on offer. The availability of consumer services both physically and in terms of affordability will improve considerably. Alongside a period of technological transition, a new wave of democratization is now in progress. TJ Group believes this progress to be in the common interest of society and the corporate world and that no discernible threats to it are currently in sight.

Resources for wireless solutions

In 1998, TJ Group started to direct its product development resources to combining wireless communications with Internet services, which is an area that is gaining in significance at a rapid pace. Wireless terminal equipment enables electronic communications independent of time, place - and wires. In the group's view, access to the Internet over portable terminals will not remain the sole solutions for wireless world in the future. Wireless solutions will collect data from various communications networks, for example, image, sound, animation and text, into an interactive whole, which can be managed with sophisticated portable terminals.

There are several significant standards and market factors in wireless communications, the development of which will affect the selection of future business solutions. In its expertise, TJ Group has included several leading technologies through growth and acquisitions while retaining knowledge of local markets. The management of the group believes Finland to be a leader in the development of wireless communications technologies. They also believe that this provides product development companies in Finland with a competitive advantage in the rapidly growing wireless communications market.





According to the Gartner Group, 40 percent of electronic business taking place between companies and private individuals outside the USA will be conducted over wireless phones and other wireless devices by 2004. Depending on the survey, wireless communications are expected to have as many as 300 million recipients in Western Europe by 2003. According to the Strategis Group, the corresponding worldwide figure would be 700 million. The Gartner Group predicts that the number of wireless terminals will exceed the number of desktop workstations connected to the Internet in the same year. ■

Sources: TJ Group, Forrester Research (1999), International Data Corporation (IDC; 1998, 1999), Gartner Group (1999, 2000), Strategis Group (1999), and European Information Technology Observatory (EITO; 1999).

Markets during the fiscal year

The demand for electronic business solutions, especially in the Nordic countries, is shifting from the implementation of Web pages to solutions that are increasingly complex and generate more added value for businesses. TJ Group is convinced that companies will keep increasing the efficiency of their business operations through more developed network, application, and wireless solutions, which they expect to get from a partner offering comprehensive solutions.

Competition in the electronic business market increased during the fiscal year in Sweden in particular. Mergers of smaller players in the field with larger ones or their withdrawal from the market was discernible; for example, in Denmark, where the number of players decreased while their size and degree of globalization increased. Increasingly large providers with more extensive solution ranges also emerged in Norway. The Swedish and Finnish trend, which had emerged some years earlier, involving mergers of players continued. Finnish providers of technology and services started operating by clustering and collaborating among themselves and with their customers.

During the fiscal year, the customers that TJ Group obtained through the company acquisition in Germany invested more heavily in the standard products and customized solutions built on them than in pure tailored solutions. Several deliveries included CRM solutions and technical administration services. The market saw an increasing demand for electronic communication and Web solutions. In the near future, Germany provides one of the biggest market areas in Europe for GroupWare and Web solutions, among other things.

The distribution channels of the customer management application purchased from the United States after the fiscal year had been broadened during TJ Group's fiscal year to cover several countries. Several corresponding products were available in the US market, but the product purchased by TJ Group has been one of the most significant Lotus-based CRM applications in the country for a number of years. The US market for wireless and WAP solutions is developing in the direction of the Nordic market. WAP support is thus expected to strengthen the market position of the application.

In Norway, there was more of a market for more demanding CRM and application rental solutions, and functional network and intranet solutions in particular. They were implemented using TJ Group's standard solutions and products. The Swedish market for network solutions also continued to grow, and demand for the implementation of Web pages shifted somewhat towards more developed solutions. Many customers were looking for more manageable technology platforms and reassessing their Internet and intranet solutions. At the end of the fiscal year, this started to provide TJ Group with more opportunities to offer the group's own Internet publication and content management products to Swedish customers.

During the fiscal year, the focus in Denmark was on Internet electronic commerce solutions in particular. The Danish demand for the mere implementation of Web pages also changed to include more extensive information management and consulting solutions. The demand for WAP solutions began to show growth. There were also market signs of a need to increase the efficiency of business processes, so the demand for TJ Group's solutions in local markets is expected to increase. During the current fiscal year, the group is focusing on the sales of its products and a larger selection of electronic business applications in the Danish market.

In the Finnish market, a supplier-oriented delivery model was being replaced by a more customer-oriented one, which made it necessary for many players to re-evaluate their service selection and market position. Customers were increasingly looking for business partners rather than IT partners alone. On TJ Group´s opinion, this development seems promising for skilled suppliers of comprehensive services. The group also expects the more customer-oriented business model introduced during the fiscal period to support the group's leading market position in Finland. ■

Growth strategy

´Fast and controlled growth´

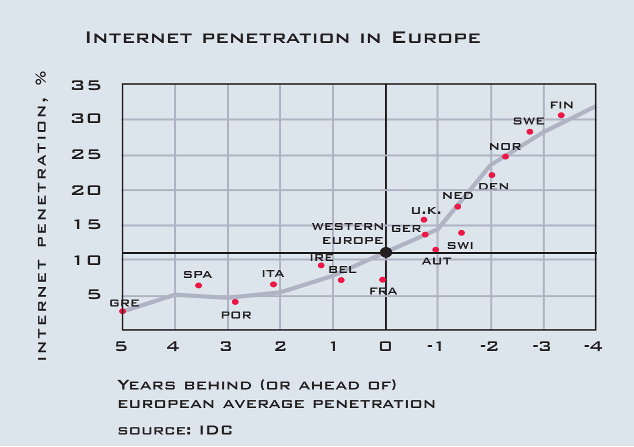
TJ Group is striving to become one of the leading developers and suppliers of electronic business solutions in Europe, and is also aiming for a position as a significant global participant. The group strategy aims for rapid and controlled growth.

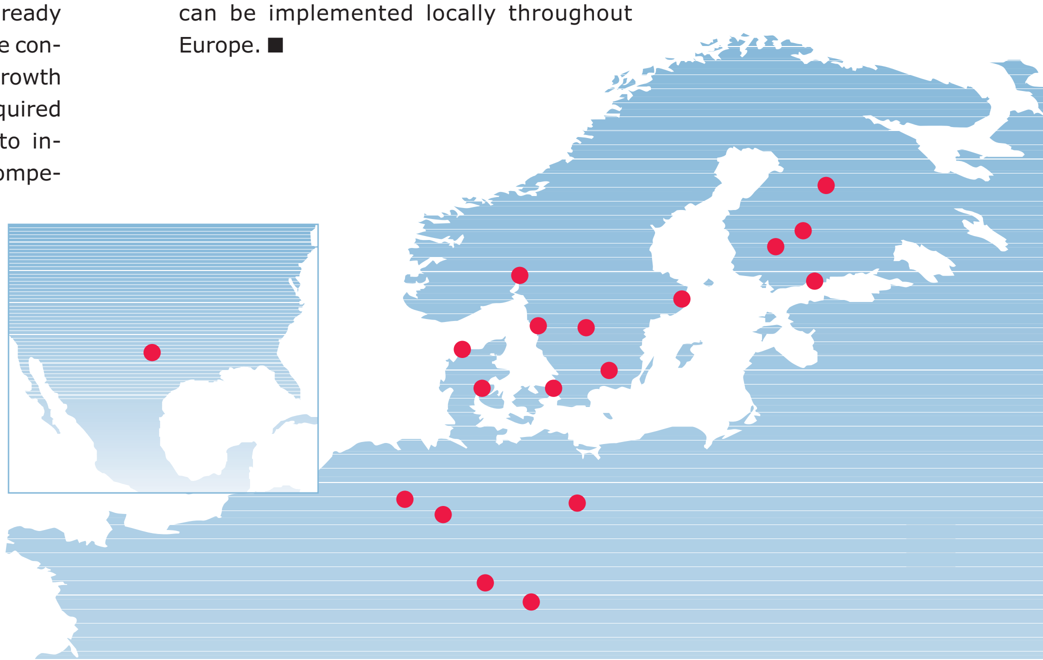
The use of the Internet in Scandinavian countries is more extensive than elsewhere in Europe, and the market focus has already shifted toward more sophisticated solutions. In the United States, the use of the Internet is at the same level as in Scandinavian countries. On the other hand, the Internet-based service market in central and southern European countries is only developing, and is expected to follow the Scandinavian trend, albeit at a slower rate, over the next few years. Therefore, it is currently in the interests of TJ Group to rapidly gain a solid market position and to increase business in these markets.

TJ Group will expand to all major market areas in northern, central, and southern European markets through business acquisitions and internal growth. The objective of Scandinavian acquisitions is primarily to obtain and develop technological skills. In other parts of Europe, the primary objective in acquiring companies is to increase market shares and thereby accelerate the establishment of a strong market position in new markets.

By exporting technologies developed in the Scandinavian countries to new markets, TJ Group can attain a definitive technological competitive advantage compared to the local competition. The group has already several solutions and packaged service concepts, which can be used in organic growth and be quickly deployed within acquired companies. This allows the group to increase its business faster than the competition. The group believes that the Internet and wireless solutions developed in Finland and other Scandinavian countries are easily marketable in the rapidly growing markets of central and southern Europe.

By combining the specialized expertise of the various Business Areas, the group can offer its customers highly sophisticated complete solutions, which include solutions and applications for different areas of electronic business. In addition to the information-processing environment, based on traditional workstations such as laptop computers and servers, TJ Group intends to aggressively use new environments, based for example on digital television and wireless networking. Owing to international expansion, increasingly large customer projects and the related implementation, localization and customer support services can be implemented locally throughout Europe. ■





Acquisitions

From applications to electronic business solutions

During the past fiscal year, TJ Group acquired a total of eight companies in Sweden, Norway, Finland, Denmark, and Germany. The group also established offices in Sweden and the United States. The acquisitions were a way of quickly obtaining an established clientele, knowledge of local markets, skilled personnel, and technological know-how. After establishing a foothold in the local markets, TJ Group has complemented existing expertise through new acquisitions and internal growth, the aim of which is to extend electronic business expertise to local markets so that solutions are provided according to the market's development and demand structure.

Owing to its acquisitions, TJ Group has grown from an IT company that primarily provided applications, to an expert in electronic business products and services with extensive technological know-how. Along with the new company acquisitions and gains in expertise, strategic business solutions are increasingly technology-independent. In addition to the company's own product development, the product range has been advanced with applications from the acquired companies.

Growth in Norway began

In 1997, TJ Group had already moved into the Norwegian market by opening an office in Oslo that specialized in business applications, in line with the company's area of expertise at that time. During the fiscal year, TJ Group acquired the Oslo-based Norwegian company ScaNet AS, from which it acquired supplements to existing applications, including portal and Web publishing applications as well as other Internet-based network solutions. ScaNet had 25 employees, and its customers included The Orkla Group, Kreditkassen, Gjensidige, HydroTexaco, Telenor Bedrift, The Luxo Group, Pepsi, Storebrand, Aker Maritime, Alpharma, Icopal, TVNorge, Dynal, and Scania.

After the fiscal year, the group also acquired the Oslo-based company Mind AS, along with 30 employees. The company has strong expertise in Internet-based electronic business solutions and IT strategy consultation as well as system development. Thanks to Mind, TJ Group's Norwegian organization also gained more consultation expertise and knowledge of solutions based on the Oracle and Microsoft platforms. Mind's customers included Norsk Hydro and Telenor.

During the fiscal year, TJ Group's Norwegian companies started using the name TJ Group AS.

Extensive office network in southern Sweden

At the beginning of the fiscal year, growth in Sweden was already under way, and Stockholm was able to provide the market not only with traditional applications' expertise, but also with consultation services for comprehensive network and other electronic business solutions. The subsidiary, established in 1996, and the company acquired during the previous fiscal year, were augmented during the fiscal year by the opening of an office in Malmö, a region undergoing strong economic growth.

TJ Group further supplemented their geographic coverage and expertise in southern Sweden by acquiring Leylock Data AB in the Gothenburg economic area. The company employed 13 people specializing in Internet consultation and training, and its customers included Volvo IT, Tele2, and the Landstinget of the western Götaland region. Growth in southern Sweden was further fueled by the acquisition of Kompetensbolaget AB located in Borås and Växsjö. The company, employing 30 experts, specialized in high-quality IT and electronic business services in business and system development as well as migration management. The company brought the following customers to the TJ Group: Carl Lamm, Cejn, FM Mattsson, GE Capital Bank, Kalmar Industries, Lantmännen, Parker Hannifin Pneumatic, Scribona Computer Products, Tibnor, Torsten Ullman, and Volvo Construction Equipment.

After the acquisitions and the establishment of the new office, TJ Group's office

Company acquisitions and new offices

1999

- 13 Sep ScaNet (Norway)
- 15 Nov Tietovalta (Finland)
- 10 Dec A.C. Interactive E-solutions (Finland)
- 13 Dec Office in Sweden

2000

- 8 Feb Network Banking-Systems (Finland)
- 18 Feb Leylock Data (Sweden)
- 28 March Kasten Consulting (Germany)
- 6 April Kompetensbolaget (Sweden)
- 12 April Canvas Interactive (Denmark)
- 29 June Subsidiary in the USA
- 7 July Mind (Norway)

network covered most of southern Sweden. During the fiscal year, TJ Group's Swedish companies started using the name TJ Group AB.

Strong electronic business expertise in Finland

The existing new media expertise in Finland was further supplemented by acquiring Tietovalta Oy, one of the largest and most experienced businesses in the industry, and by acquiring the remaining 60 percent of A.C. Interactive E-solutions Oy. The new media companies brought the group 110 new experts in Helsinki, Tampere, and Jyväskylä. Tietovalta's customer roster included many exchange-listed companies and market leaders from various industries, such as Elisa Communications, Sanoma-WSOY, Nokia, Finnet Group, Finland Post, Säkkiväline, Lundia, Norvestia, Kone, Lassila & Tikanoja, Metso Corporation, Paloheimo Group, and F-Secure.

TJ Group also gained new and significant expertise in Internet and WAP banking systems by acquiring Network Banking-Systems Oy, a Helsinki-based company of 30 employees, whose most significant customers were Nokia and Mandatum Bank. This company acquisition was considered to be of strategic importance. There is promising potential market for Internet banking, not only in Scandinavia but also elsewhere in Europe where Internet and WAP-based banking is in the early stages with only a few minor banks operating.

At the end of the fiscal year, a process was initiated to merge all Finnish subsidiaries with the parent, TJ Group Plc.

New markets

During the fiscal year, TJ Group moved into new markets in Germany and Denmark. After the fiscal year, the group also established a subsidiary in Dallas and acquired a highly developed customer relationship management product.

Kasten Consulting, a German company employing one hundred people, had specialized in IT and integration solutions for electronic business. The company had offices in Leverkusen, Dresden, Frankfurt, Munich, and Stuttgart. Kasten also had its own Internet and intranet applications. The company's customers included Toyota Deutschland, Alunorf, Henkel, Deutsche Renault, Deutsche Bahn, Miele & Cie, Daimler-Chrysler, Tengelmann, Brokat Informationssysteme and Espe Dental.

TJ Group also acquired the 27-person Danish company Canvas Interactive A/S, located in Aarhus and Holstebro, specializing in extensive electronic business solutions. Its customers included APC Denmark, T.C. Electronic, Dansk Oplysnings Forbund, RTX Telecom, Corus, Interprofiles, Energiselskabet ARKE, Nissens Kølefabrik, Århus Stiftstidende, Mølbro and Stimorol. The company name was immediately changed to TJ Group A/S. ■

Product development is a priority

Growth and a pioneering spirit go hand in hand

The strategic goals of TJ Group include performing pioneering work in the field of technology to enable the group to supply pragmatic and innovative solutions to support the success of its customers.

This goal is supported by considerable product development investments in Finland and the other Nordic countries, all of which are considered leaders in Internet technology and mobile communications. TJ Group is convinced that exporting technology developed in the Nordic countries to new markets will help it achieve a competitive technological advantage over local competitors. The company also believes that Internet and mobile solutions developed in these countries will generate considerable demand in the quickly growing markets in central and southern Europe.

TJ Group has also expanded its technological expertise through acquisitions. The financial period saw the acquisition of Finnish Tietovalta, which contributed with its experience in multimedia and increased the level of new media expertise in fields such as Web technology. The Finnish Network Banking-Systems, on the other hand, provided the group with significant experience in databases, the Java environment, data security, and mobile banking technology. While the Danish company Canvas Interactive provided know-how concerning Microsoft-based solutions for electronic commerce, Norwegian Mind contributed the group with knowledge of solutions built for both Oracle and Microsoft environments.

Technological leadership originates in product development and cooperation

The technological leadership of TJ Group is based on predictions of market development, internal cooperation, cooperation with customers and partners, persistent product development, and extensive experience in technology.

TJ Group cooperates in technological issues with IBM/Lotus, Microsoft, Nokia, and Sonera, as well as other companies. The company began collaborating with IBM/Lotus and Microsoft in the early '90s. The environments provided by these companies and used by TJ Group applications are currently the unrivalled market leaders among the organizations' operating environments. TJ Group companies in Finland, Sweden, Norway, and Germany are recognized or certified partners of IBM/Lotus and Microsoft. During the fiscal year, TJ Group also began to cooperate with Nokia and Sonera, pioneers in their respective fields, in WAP server and other wireless technologies, as well as information security technologies.

The group does not intend to create markets for technology itself, but rather

A Pioneer in Technology

´Success is a consequence of understanding the customer´s strategy. A technological lead is only a superb tool for achieving it.´

Mikko Setälä, COO

aims at cooperating with global companies whose operations affect market development. This kind of work along with TJ Group's own research projects will improve the company's vision and understanding of market development and will help in predicting future technology needs.

TJ Group has especially invested in product development since 1991 when the demand for workgroup software with network connections began to increase. Many of the most interesting product development efforts today target wireless solutions. Annually, some eleven to sixteen percent of the group's turnover is funneled into product development.

During this financial period the group was the first to receive the Windows 2000 quality award for a project management application, and won the "Solutions from ISV" category of the contest arranged by Microsoft for its Nordic partners; these were only a couple the our achievements during this financial period, which witnessed the effects of investing in product development. The CRM application purchased from the USA, in its turn, is a product that has been awarded by IBM/Lotus. TJ Group's multimedia and Web solutions also won several competitions in Finland. ■

Comprehensive solutions

Versatility is the asset

TJ Group stands out from other companies transforming technological opportunities into reality thanks to its versatility: solutions can be anything from infrastructure solutions for customer companies to the management of their business processes. In combining technological savvy with value-added services, TJ Group competes with experts in various fields. Similar services are offered by media, software, AV production, consultation, telecommunications, IT service, and IT systems companies.

TJ Group's solutions are created in Business Areas that operate as project organizations. Customer relations among the various areas are managed and coordinated by the Sales Organization, which looks for the right Business Area for the production of individual solutions. Solutions are based on modular products, customization, or a combination of the two. While products are usually created using common technologies, customized solutions can also be implemented using niche technology and techniques with a more insecure life span.

Solution implementation is supported by the Competence Center, which serves as TJ Group's knowledge center and consults all Business Areas on issues such as testing, specifications, integration, implementation, usability, programming, and support services. The technical consultants at the Competence Center have acquired extensive experience in and knowledge of various platforms and related application development. In software technology, TJ Group has solid experience in programming (Java, C++, Visual Basic), databases (Microsoft SQL Server, Oracle, Solid), and methodologies (UML). The Competence Center is also skilled in Lotus Domino and Microsoft environments (Microsoft Windows 2000, Microsoft Exchange 2000) as well as Unix environments. Hosting and ASP services are also part of TJ Group's package.

Technologies for creating experiences

The Digital Communications Business Area supplies solutions for tasks such as branding in the net, advertising, and multimedia. Branding and advertising involve production planning, content production, and graphic design. Production is primarily focused on the use of technology, meaning that only the end result is significant. Production involves the best available platforms and portals for graphic design, network communications, and content production.

Multimedia is the means for impressive experiences and efficient communications solutions. The technologies used vary from three-dimensional animation and sound production to DVDs and digital television. Digital television is seen as the future of communication; since in addition to offering normal television programs it also functions as a leisure-time communications center.

These technologies can be used to implement current and future personalized communications solutions for which great

recognition or efficient message delivery is sought. They will also be useful in the implementation of future mass communications.

Strong expertise in Web technologies

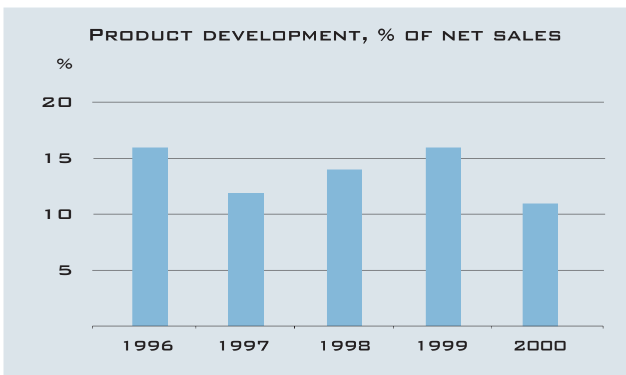
The Web Solutions Business Area implements browser-based solutions for electronic commerce, communications, and business processes and communication channels. Solutions are based on a layered architecture, which is why the Business Area has significant expertise in Java, Microsoft, and Lotus Domino technologies. These Web technologies are currently in widespread use. They come from principals who are able to develop their architecture and branded solutions to cater for future needs.

TJ Group's Business Area implements, among other things, Windows 2000-based network solutions, which it develops while at the same time preparing for the next Microsoft generation, the .NET network architecture. Thanks to Java and other Internet standards, network solutions can be platform-independent. Standards are undergoing continuous development and the position of Java technology, for example, strengthens. TJ Group possesses extensive knowledge of Java and will also stay at the cutting edge of this extremely fast-growing field.

Network-based solutions provide users with the chance to rent solutions via the network (ASP). The ASP model facilitates the implementation of information systems, compared to the traditional method of buying systems, and makes applications available to smaller companies, associations, and teams. Control of the ASP concept and

´Combining creativity and technology´

technology is a significant resource for Web Solutions. The ASP markets can grow even bigger than the traditional markets where clients buy the systems and are themselves responsible for building and managing the server systems and the other environment.



Utilization of wireless technologies on the increase

TJ Group develops both new services that use the wireless infrastructure and wireless services that are built over the existing solutions. By combining WAP technology with electronic business solutions, customers can be provided with easy access to community information and the chance to do business with a portable interface, such as a WAP telephone or a palm-PC. Since wireless solutions are closely related to other business solutions, TJ Group's Mobile Solutions Business Area works in close

cooperation with the other Business Areas. Thanks to this, customers can use comprehensive solutions, which enable, for example, porting Internet banking to wireless environments.

Mobile Solutions works with versatile wireless applications using techniques such as GSM, WAP and SMS in nearly all of its solutions. Comparable to the importance of mastering wireless technologies and their successors is the importance of having a good command of the way in which the wireless part of systems, the tip of the iceberg, is connected to other systems. XML and SOAP are techniques used to transfer data between systems and integrate their functionality. Internet standards as well as interface, database, and information security technologies play an important role when applications, their users, and the information contained in systems are used to create customized solutions that truly support a mobile life style and a variety of wireless terminal equipment.

Moving business processes into the network

TJ Group offers solutions designed for managing business processes in network environments. These solutions support the management of customer service, quality, resources, or production processes. In addition, the solutions seamlessly integrate with other Business Areas' solutions, for example, by supporting customers' electronic commerce enterprises.

The Business Process Solutions Business Area offers solutions for several environments. Some of the more typical ones include relational databases, document databases, and message transfer systems. The share of Internet-based solutions is increasing, which is why TJ Group uses solutions based on Lotus Domino, Microsoft Windows 2000, and Java as well as major relational databases in its business process applications. TJ Group is also investigating solutions related to the electronic identification of users. Such solutions can be used to integrate business processes securely with electronic business and public services systems. ■

´The work is based on love – love for the product, love for the company, and love for the people.´

Dennis R. Mortensen, Managing Director, TJ Group A/S (Denmark)

Human resources

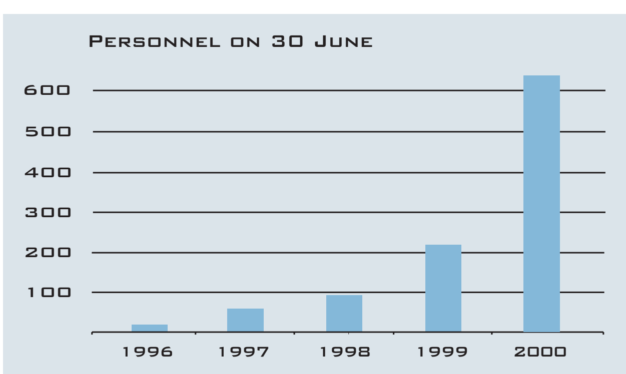
Personnel strategy and the growth of human resources

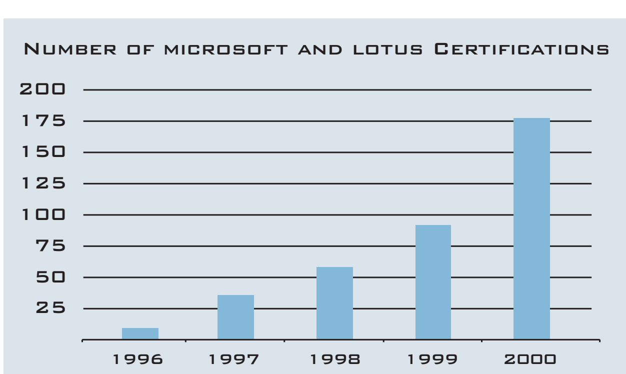
TJ Group's personnel strategy during the fiscal year 1999 - 2000 was to continue the long-term and systematic development of human resources issues. The strategy focused on the achievement of both the employees' personal and the company's common goals by investing, among other things, in issues that had emerged in job satisfaction surveys conducted a year earlier.

The strong growth of the group's business operations was supported by developing the goal-oriented expertise of staff members. The development of career paths was continued by applying career development discussions, introduced two years earlier, and by planning a new discussion model. The focus in personnel's expertise development was on professional competence, whereas staff in more senior positions received training in management skills. Training and practice courses in both were held. In Finland, two human resource professionals were hired as personnel managers to take charge of the development of TJ Group's personnel.

Cooperation and knowledge sharing between staff members in individual countries were improved by international cooperation projects and meetings. In addition, an international team dedicated to the development of personnel was introduced.

The number of personnel grew intensively in all countries via acquisitions and organic growth. In the fiscal year 1999 - 2000, the number of TJ Group's personnel grew from 220 to 637. A total of 343 people joined the group through acquisitions, thus





contributing to comprehensive expertise in all the different Business Areas. The group's staff increased by a total of 110 newly hired recruits, who began their employment in demanding expert or production positions in the various business units. During the fiscal year, the group organized recruiting campaigns through the various media in Finland, strengthened its long-term cooperation with educational institutions and participated in recruiting events of the industry. Recruitment over the Internet was intensified by utilizing several channels of network recruitment. Telecommuting opportunities were improved in Germany, for example, and new staff members were recruited in Norway from outside the country.

The development of the employees' personal expertise was systematically supported by training and, among other means, by on-the-job training programs and development discussions.

Personnel development

A skilled and motivated staff is one of the most important resources of TJ Group. Continuous training, job satisfaction and their development are therefore essential to the advancement of the group's competitiveness

´Open
Cooperative
Pluralistic
Successful´

and business operations. The development discussion, conducted with one's immediate supervisor, involves the preparation of a personal target-oriented development plan for each staff member of TJ Group. Development work is carried out through the group's own training programs and additional training and instruction services that are purchased from external sources. The TJ Academy, established for TJ Group's internal training, began by offering training in managerial skills at the end of the fiscal year. The group also supported external training aimed at improving managerial skills.

Certification of personnel is one of the measures to assess the development of the staff's professional competence. Among TJ Group's personnel, 176 have obtained a certificate granted by Microsoft and/or Lotus. The percentage of certified technical employees is one of the highest in the Nordic countries, which indicates a strong commitment to certification operations. Microsoft and Lotus only grant certificates to professionals who meet given requirements and have passed the necessary tests. The market price of a certificate is approximately EUR 4,200 - 16,800 per person.

Results and job satisfaction

The job satisfaction of TJ Group's personnel is measured annually in the last quarter of the fiscal year. The purpose of the measurement is to find development objectives for job satisfaction, managerial practices and operational processes and, moreover, to simultaneously measure and evaluate the results and success of measures already taken. The large number of variables in the study have been utilized to determine the indices describing the development of managerial operations and general job satisfaction, which are in turn also used to support goal-setting. Job satisfaction was first measured during the fiscal year 1997 - 1998. During the financial period, job satisfaction was measured with a more extensive survey. Despite intense changes, managerial operations and general job satisfaction remained at the level of the previous year. Development objectives identified during the previous year included internal communications and on-the-job training, which had improved.

According to a comparative survey conducted within the industry at the end of the fiscal year, with the parent company as control group, the satisfaction of the personnel with pay and rewarding was high by the industry's standards.

Personnel rewarding

TJ Group's rewarding policy aims to encourage target-orientation and self-development. Fringe benefits have been developed to take individual life situations and needs into consideration, if necessary. The warrant program initiated during the previous fiscal year, which included all personnel, was supplemented with five new warrant programs during the fiscal year, as the number of personnel grew. All warrant programs authorize a subscription of a maximum of 2,370,500 TJ Group shares during 1 May 2001 - 1 June 2006.

The controlled turnover of personnel supports organizational learning. Furthermore, the turnover of personnel is an indicator, especially in the IT field in current job market conditions, of the personnel's commitment to and reliance on the company's success. During the fiscal year, the outflow turnover rose to 9 percent from the exceptionally low 7 percent turnover rates of the two preceding reference periods. The figure is still markedly low compared to the field average and significant in light of the intense changes and mergers of the fiscal year.

Challenges of future growth

Future challenges are the same as those of other actors in the field; how can TJ Group recruit the best experts who share the company's values, and how to keep the present personnel motivated and committed to the development of operations. One very positive occurrence is the fact that as the company is becoming far better known, the number of people applying for positions in TJ Group has increased considerably. ■

Personnel

	1999-2000	1998-1999	1997-1998
Number of personnel at the end of the fiscal year	637	220	95
-of which in services, product development, sales and marketing	87%	88%	87%
-of which management and administrative personnel	13%	12%	13%
Number of personnel, average	404	113	73
Recruitment	110	24	23
Employee turnover, %	9.0	6.8	6.8
	(euro)	(euro)	(euro)
Personnel expenses			
Salaries	14,328,166	3,981,345	2,515,788
Pension expenses	1,907,476	671,124	421,529
Other personnel expenses	2,565,065	757,027	571,354
Personnel expenses total	18,800,708	5,409,496	3,508,671
Turnover/employee	70,438	99,170	114,147
Operating result/employee	-11,943	8,973	10,449
Result after financing items/employee	-10,070	8,561	10,074
Personnel development			
Microsoft/IBM Lotus certified persons	176	87	55
Employee satisfaction index	3.5	3.8	3.7
Leadership index	3.6	3.6	3.5

´Pluralism is an essential key to our competitive ability´

The management

Group management team

Mr. Jyrki Salminen (37)
CEO, Chairman of the Management Team
TJ Group's founding shareholder (1987) and CEO of the company since its establishment.

Mr. Mika Aalto (36)
VP, Marketing and Communications
Joined TJ Group in 2000. Was formerly employed by Philip Morris Inc. Kraft Foods Oy as Customer Marketing Director, and by Coca-Cola Drink Oy as General Sales Manager in Finland, and also by Suomen Unilever Oy as Sales Development Manager.

Mr. Hannu Jokela (48)
VP, Human Resources (as of 1 January 2001)
Colonel, General Staff Officer, National Defence College. Previous work experience includes consulting for TJ Group management, as well as human resources management and development and management of IT administration for the Defence Forces in the Defence Staff. He has also worked as a Military Observer for the United Nations.

Mr. Timo Lampola (35)
VP, Product Development
M.Sc. (Econ), employed by TJ Group since 1990, initially as a consultant and product developer, from 1996 onwards as Vice President of Product Development. His previous work experience includes computing planning and IT design tasks at Valio Ltd.

Ms. Anneli Saarikoski (45)
CFO
B.Sc. (Econ), joined TJ Group in 1999. Previous positions include Financial Director, Financial Manager and Group Controller at Micronas Oy.

Mr. Mikko Setälä (44)
COO
M.Sc. Eng., joined TJ Group in 2000. Formerly, Regional Marketing Director, Nordic Countries, of Global Lotus Development Corp. Founder (1992) and former Managing Director for Lotus Development Finland Oy.

Mr. Marco Ylitörmä (34)
CITO
Founding shareholder (1989) and, since 1996, Managing Director of DataUnit Consulting Oy acquired by TJ Group. CITO of TJ Group since 2000.

Country managers

Mr. Mikko Setälä
COO, Manager (Finland)
See above.

Mr. Bo Eklund (36)
Managing Director, TJ Group AB (Sweden)
Founding shareholder and Managing Director of Reston AB (1996) acquired by TJ Group. Has developed and managed Lotus Development Nordic AB's Business Partner Program and worked as Product Manager and Strategic Business Development Manager for Lotus Development Nordic AB.

Mr. Espen Halvorsen (38)
Managing Director, TJ Group AS (Norway)
Founding shareholder and Managing Director of Sca-Net AS (1997) acquired by TJ Group. Former Business Development Manager for Lotus Development AS and Sales Representative and Manager for Fjerndata AS (presently Merkantildata ASA).

Ms. Birgit Kasten (54)
Managing Director, Kasten Consulting AG (Germany)
Degree in Mathematics. Founder and Managing Director of Kasten Consulting AG (1993) acquired by TJ Group. Former IT Manager for Reynolds Tobacco, Germany, and Managing Director at Compunet.

Ms. Liz Martin (39)
President, TJ Group Americas, Inc. (USA)
Degree in Computing and Information Sciences. President of TJ Group Americas, Inc. since 2000. Founder and President of iCore Technologies, Inc. Previously Vice President of Technical Services at IntellAgent Control Corp., and President of Martin Consulting, Inc. She has also worked for IBM in several tasks.

Mr. Dennis R. Mortensen (28)
Managing Director, TJ Group A/S (Denmark)
Degree in Computer Science. Founder and Managing Director (1996) of Canvas Interactive A/S acquired by TJ Group.

Board of Directors and Auditors

From the left: Jyrki Salminen, Heikki Honkio, Bo Eklund and Tuomo Tilman

Members of the Board

Chairman of the Board
Tuomo Tilman

Bo Eklund
Managing Director
TJ Group AB

Heikki Honkio
Chief Technology Officer
ICL Invia Oyj

Jyrki Salminen
Chief Executive Officer
TJ Group Plc

Deputy members of the Board

Yrjänä Ahto
Director, E-Infrastructure
ICL Data Oy

Markku Montonen
Director, New Business Models
TJ Group Plc

Auditor and Deputy Auditor

Stig-Erik Haga
Authorised Public Accountant

Tilintarkastajien Oy - Ernst & Young
Authorised Public Accountants

Financial Statements

- Net sales EUR 28.5 million – an increase of 154% over the previous year
- Net result EUR -2.2 million – a change of EUR -2.6 million
- 637 employees – an increase of 417 persons
- 82.4% equity ratio – an increase of 26.8%

Shares and shareholders

Share capital and shares

TJ Group's share capital on 30 June 2000 amounted to EUR 1,207,495. According to the Articles of Association, the minimum share capital of the company is EUR 1,000,000, and the maximum EUR 4,000,000. The company can have a minimum of 5,000,000 shares and a maximum of 200,000,000 shares. Share capital may be increased or decreased within these margins without amending the Articles of Association.

The par equivalent value for each common share is EUR 0.02, and each share entitles one vote. All common shares entitle shareholders to dividends for the fiscal year 1 July 1999 - 30 June 2000.

Exchange of shares

TJ Group Plc's shares traded on Helsinki Exchanges from 1 July 1999 to 30 June 2000 involved transactions valued at EUR 793,452,996. The highest trading price was

EUR 22.50, while the lowest was EUR 1.83. The closing price on the last day of the fiscal year, 30 June 2000, was EUR 5.05, while the average for the year was EUR 10.73. The market value of TJ Group Plc on 30 June 2000 was EUR 304.9 million.

Share capital increases related to business acquisitions

On 10 September 1999, TJ Group acquired the Norwegian company ScaNet through a share exchange, whereby the owners of ScaNet were issued with 369,525 new TJ Group shares. Before the share issue, TJ Group had a share capital of 4,665,578 shares. The extraordinary meeting of the Board of Directors on 5 October approved the increase of share capital in connection with the acquisition.

On 15 November 1999, TJ Group acquired the Finnish company Tietovalta through a share exchange. 2,421,132 new TJ Group shares were issued for subscription to the company's owners. After the share issue, the TJ Group's share capital increased to 17,526,441 shares.

On 12 December 1999, TJ Group acquired the remaining 60 percent of the Finnish company A.C. Interactive E-solutions through a share exchange. 47,734 new TJ Group shares were issued for subscription to the company's owners, after which the share capital of TJ Group comprised 17,574,175 shares.

On 8 February 2000, TJ Group acquired Finnish Network Banking-Systems. 1,046,292 new TJ Group shares were issued for subscription to the company's owners. After the share issue, the company had a total of 53,768,817 shares.

TJ Group acquired the Swedish company Leylock Data on 18 February 2000, through a share exchange. The company's owners were issued with 110,331 new TJ Group shares for subscription, resulting in a share capital increase to 56,759,148 shares.

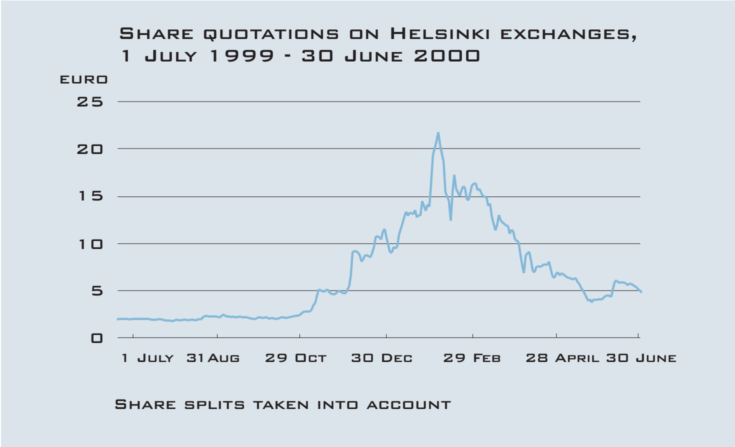
On 28 March 2000, TJ Group acquired the German company Kasten Consulting through a share exchange, whereby the owners of Kasten were issued 2,763,741 new TJ Group shares for subscription. After the share issue, the TJ Group's share capital rose to 59,522,889 shares.

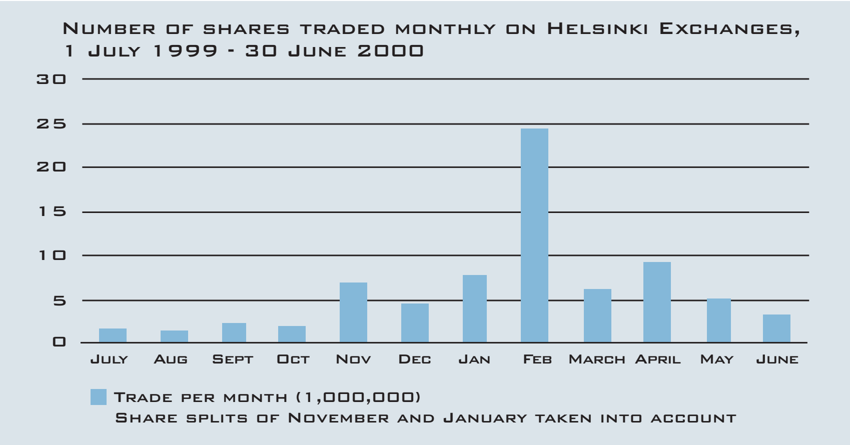
On 6 April 2000, the TJ Group acquired the Swedish company Kompetensbolaget through a share exchange. The company's owners received 851,864 new TJ Group shares, after which the share capital of the TJ Group comprised 60,374,753 shares.

On 12 April 2000, TJ Group announced that it would buy the Danish company Canvas Interactive through a share exchange, whereby the company's owners would be offered 864,378 new TJ Group shares. The increase in share capital related to this acquisition was approved at an extraordinary meeting of the shareholders on 4 August 2000.

Shareholders' meetings

It was decided at the extraordinary meeting of the shareholders on 5 October 1999,

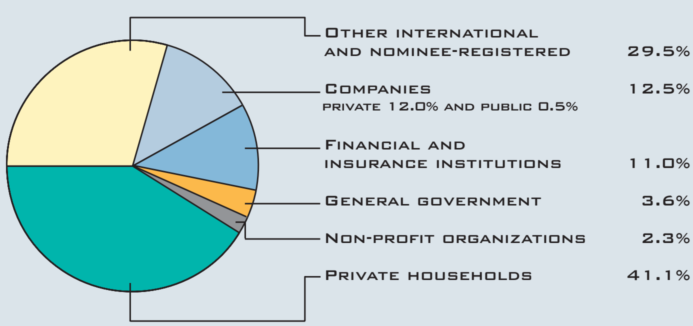




Breakdown of share ownership on 30 June 2000

Number of shares	Number of shareholders	% of share-holders	Total number of shares	% of number of shares
1-100	4,049	20.7	324,710	0.5
101-1,000	13,167	67.2	4,928,310	8.2
1,001-10,000	2,104	10.7	5,742,139	9.5
10,001-100,000	213	1.1	6,331,627	10.5
over 100,000	46	0.2	31,347,982	51.9
Total	19,579	99.9	48,674,768	80.6
Nominee-registered shares	11	0.1	11,699,985	19.4
Total	**19,590**	**100.0**	**60,374,753**	**100.0**

Shareholders by category on 30 June 2000
(% of share capital)



that the company's share capital would be increased by 369,525 shares in relation to the ScaNet acquisition. This meeting of shareholders also resolved to record the company's share capital in euros. An increase of EUR 59,475.01 was recorded for TJ Group's share capital by means of a capitalization issue without the issuance of new shares, and all shares were designated as "no nominal value" shares. The resulting share capital of EUR 906,318.54 comprised 5,035,103 shares, with a par equivalent value of EUR 0.18 each.

On 22 October 1999, the annual meeting of shareholders decided to divide the share capital into 15,105,309 shares so that each share was replaced by three new shares (1:3), with a par equivalent value of EUR 0.06 for each share. The Board was also authorized to issue one or more convertible debt instruments, and/or to grant option rights, and/or to increase the group's share capital through one or more new share issues. The authorization was limited to a maximum of 2,484,514 new shares.

On 14 January 2000, an extraordinary meeting of shareholders decided to divide the share capital into 52,722,525 shares so that each share was replaced by three new shares (1:3), with an equivalent par value of EUR 0.02 for each new share. Furthermore, the Board was authorized to issue one or more convertible debt instruments, and/or to grant option rights, and/or to increase the group's share capital through one or more new share issues, so that in sum, the authorization would be limited to a maximum of 9,247,918 new shares.

New share issue and listing on the Main List

On 28 January 2000, TJ Group Plc's Board of Directors decided to apply for a listing on the Main List of Helsinki Exchanges. The Board also announced it had, with authorization from the annual meeting of shareholders, started preparations for a primary and secondary offering aimed at institutional investors, Finnish private investors, and the company's employees.

The Board decided to issue 2,880,000 new TJ Group shares for subscription. In connection with the share issue, the principal owners of the company also decided to sell a total of 12,480,000 TJ Group shares from the shares they owned. Subscription and sales period started on 7 February 2000. It was resolved that the share price for institutional and retail offerings would be valued at EUR 17.60, while the share price for personnel would be EUR 15.84. All issues were oversubscribed. 86.5 percent of the shares were allocated to institutional investors, and 13.5 percent to the public and company personnel. The profit from the issue, EUR 49.1 million, was allocated for financing the company's growth and globalization strategy.

Trading of TJ Group's shares on the Main List of Helsinki Exchanges started on 21 February 2000. After the share issue, the share capital of TJ Group comprised 56,648,817 shares.

Share ownership of the Board and management

On 30 June 2000, the Board of Directors, the President, and the Vice President together owned 9,159,084 shares in the company, corresponding to 15.2 percent of the share capital and votes. The President and Vice President, both members of the Board, owned a total of 4,347,750 shares.

Warrants for personnel and management

TJ Group's share splits have been taken into account in the figures below.

On 6 October 1999, TJ Group Plc's Board of Directors decided, pursuant to authorization from a meeting of the company's shareholders, to offer 360,000 warrants for subscription to members of the management and staff of the group's Reston AB and TJ Solutions AB subsidiaries. The certificates of warrant were marked with the letter D. The subscription price of the warrants was EUR 0.33. The warrants amounted to a total of 360,000 TJ Group Plc shares. It was decided that the subscription price for one share would be EUR 0.33. Owing to subscriptions, the share capital of TJ Group may increase by a maximum of 360,000 new shares, i.e. EUR 7,200.

On 14 January 2000, the company's Board of Directors decided, pursuant to authorization from a meeting of the company's shareholders, to offer warrants for subscription to the personnel of the group's Finnish subsidiary KeyPartners Oy, and to members of the management and key personnel of its Norwegian operations.

A total of 300,000 warrants were granted in Finland, exercisable for 300,000 TJ Group Plc common shares. In Norway, 22,500 warrants, exercisable for 22,500 shares, were granted. No payment was received for any of the granted warrants.

Series E (Finland) and H (Norway) warrants can be exercised starting 1 May 2001, series F (Finland) and I (Norway) starting 1 May 2002, and series G (Finland) and J

Share-related indicators (euro)

	Consolidated 6/2000	Consolidated 6/1999	Consolidated 6/1998	Consolidated 6/1997	Parent Company 6/1996
Earnings/share	-0.06	0.02	0.10	0.10	0.12
Shareholders' equity/share	0.88	0.13	0.37	0.33	0.25
Dividend/share	0	0	0.05	0.05	0.04
Dividend/earnings, %	0	0	51%	49%	31%
Price/earnings	-	99.3			
Lowest trading price of the share	1.83	1.20			
Highest trading price of the share	22.50	1.97			
Average trading price of the share	10.73	1.37			
Market value of all shares at the end of the period, EUR million	304.9	76.5			
Amount of traded shares, pcs	73,959,373	13,811,193			
Amount of traded shares, %	144%	47%			
Weighted average number of shares during the period	51,464,775	29,154,312	150	150	150
Number of shares at the end of the period	60,374,753	41,990,202	150	150	150

(Norway) starting 1 May 2003. All warrants expire on 31 May 2005. The share subscription price for all warrants is EUR 4.94. Owing to subscriptions, the share capital of TJ Group could increase by a maximum of 322,500 new shares, i.e. EUR 6,450.

Pursuant to authorization from a meeting of the shareholders, the Board of Directors of TJ Group Plc decided on 20 June 2000 to offer more warrants for members of the management and personnel belonging to the group, and the group's acquired companies.

A total of 1,000,000 warrants were granted, exercisable for 1,000,000 TJ Group Plc common shares. The subscription price of the shares is EUR 5.0, exercisable between 1 June 2002 and 1 June 2006. The warrant certificates are marked with the letter L. Owing to subscriptions, the share capital of TJ Group can increase by a maximum of 1,000,000 new shares, i.e. EUR 20,000.

Due to Sweden's different taxation laws, the Board decided to offer 40,000 additional warrants to the personnel of TJ Group subsidiaries in Sweden, entitling their holders to subscribe for the corresponding amount of shares. The warrant subscription price was defined at EUR 1.50. The share subscription period extends from 1 July 2002 to 1 July 2003 and the subscription price is EUR 8.30. The warrant certificates are marked with the letter K. Owing to subscriptions, the share capital of TJ Group can increase by a maximum of 40,000 new shares, i.e. EUR 800. ■

Largest Shareholders on 30 June 2000

	Shares	% of share capital
1. ICL Invia Oyj	3,577,500	5.9
2. Tilman Tuomo	3,534,750	5.9
3. Salminen Jyrki	3,534,750	5.9
4. Karttunen Kai	1,406,097	2.3
5. Kasten Technologies GmbH	1,290,912	2.1
6. Lembke Michael	1,265,964	2.1
7. Eklund Bo	1,265,964	2.1
8. Tuovinen Jari	1,229,523	2.0
9. Tuominen Tanu-Matti	1,229,523	2.0
10. Heikkilä Olli	1,122,297	1.9
11. Montonen Markku	813,000	1.3
12. FIM Forte Mutual Fund	588,816	1.0
13. Särnevång Magnus	521,605	0.9
14. Numminen Heikki	501,162	0.8
15. Mutual Pension Insurance Company Ilmarinen	460,000	0.8
16. Conventum Limited	450,000	0.7
17. Leonia Equity Fund	439,800	0.7
18. Leonia Small Cap Fund	380,900	0.6
19. Skandia Life Assurance Ltd Royal	361,288	0.6
20. Mäkelä Tuomo	356,800	0.6
Nominee-registered shares	11,699,985	19.4
Other shareholders total	24,344,117	40.3
Total	60,374,753	100.0

Board of Directors' report

Growth for TJ Group

The main objective of TJ Group corporation is to become one of the leading providers of electronic business solutions in Europe and a company that can be active in the industry's consolidation development. The company aims to achieve these objectives through acquisitions, organic growth, internationalization, and investment in product development.

TJ Group implemented the internationalization and growth strategy consistently during the fiscal year. It completed three acquisitions in Finland, two in Sweden, and one each in Norway, Germany and Denmark. As a result of the acquisitions made during the fiscal year, TJ Group entered new markets in Germany and Denmark. In addition, the group purchased business activities in the United States and founded a subsidiary, TJ Group Americas Inc., to develop the existing operations.

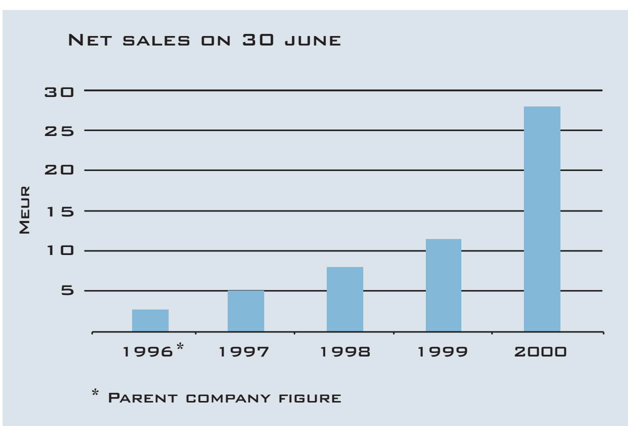
Through acquisitions, TJ Group tripled its number of employees and achieved significant operational capacity in Sweden, Norway, Germany, and Denmark. The group also obtained hundreds of customers through these acquisitions and the business activities acquired in the USA, and increased its technological capacity in all business areas.

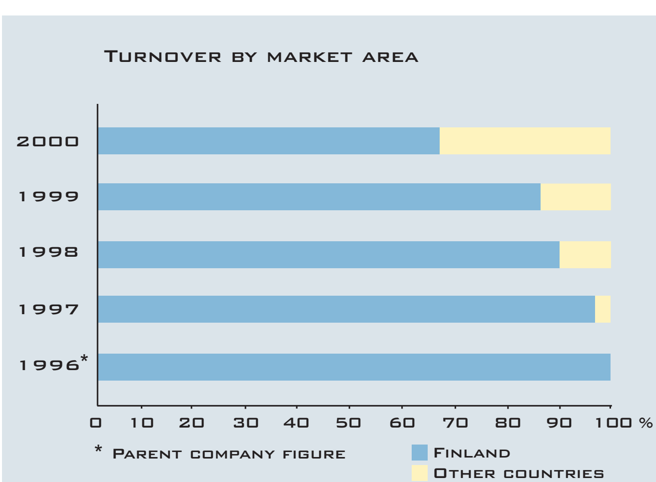
From 7 to 11 February 2000, TJ Group arranged a share offering, which brought the group EUR 49.1 million to implement its growth strategy. Trading in TJ Group shares on the Main List of Helsinki Exchanges began on 21 February 2000. This made it possible to expand the ownership of the group among the Finnish and international investors.

Net sales

TJ Group's net sales increased by 154 percent during the fiscal year and totaled EUR 28.5 million (EUR 11.2 million for the fiscal year 1 July 1998 - 30 June 1999). The strongest areas of growth were new media and electronic business products and services, whereas sales in traditional IT services grew more moderately.

EUR 18.8 million (EUR 9.6 million), or 66 percent (85%), of TJ Group's net sales were generated by Finnish companies, and EUR 9.7 million (EUR 1.6 million), or 34 percent (15%), by companies outside of Finland.





Result development

The company's operating loss for the fiscal year was EUR 4.7 million (profit EUR 1.0 million), a decrease of EUR 5.8 million over the previous year. The result was affected by the growth costs, including personnel costs and the costs resulting from integration of the acquired operations, exceeding the growth in net sales.

The company's loss before taxes for the fiscal year was EUR 2.9 million (profit EUR 0.8 million), a decrease of EUR 3.7 million over the previous year. The loss for the fiscal year was EUR 2.2 million (profit EUR 0.4 million), a decrease of EUR 2.6 million.

Acquisitions and investments

The company's most significant investments during the review period included eight company acquisitions. In addition, on 29 June 2000, the company acquired the operations of the American IntellAgent Control Corporation, which were transferred to a subsidiary established in Dallas, Texas. The cost of the purchase was USD 4.8 million. Through this acquisition, TJ Group obtained a highly sophisticated CRM application, along with 250 customers. The group also established an office in Malmö, Sweden on 13 December 1999.

The following companies were acquired through exchange of shares: Tietovalta Oy, A.C. Interactive E-solutions Oy and Network Banking-Systems Oy (Finland), ScaNet AS in Norway, Leylock Data AB and Kompetensbolaget AB (Sweden), Kasten Consulting AG in Germany, and Canvas Interactive A/S in Denmark.

The acquisition of the Norwegian ScaNet AS on 13 September 1999 gave TJ Group complementary portal and network publication applications, and other network solutions based on Internet technologies.

In Finland, new media expertise was augmented on 15 November 1999 by the purchase of Tietovalta Oy, one of the largest and most experienced Finnish companies in the field, and by the purchase of the remaining 60 percent of A.C. Interactive E-solutions Oy on 12 December 1999.

TJ Group also obtained significant expertise in Internet banking systems and WAP banking in Finland by purchasing Network Banking-Systems Oy on 8 February 2000. This acquisition was considered strategically important, since the markets in Internet banking systems are very promising in the Nordic countries and perhaps even more so in the rest of Europe. Internet and WAP banking is only now beginning to grow there, and there are numerous smaller banks in operation.

TJ Group acquired the Swedish Leylock Data AB on 18 February 2000. Through this purchase, the group increased its geographical coverage and expertise in Internet consulting and training in Southern Sweden. The growth in the area was supplemented on 6 April 2000 by the acquisition of Kompetensbolaget AB, a company specializing in high-quality IT and electronic business services for business development, system development, and change management.

On 28 March 2000, TJ Group purchased the German Kasten Consulting AG, a company specializing in IT and integration solutions for electronic business. Kasten Consulting also has its own Internet and intranet solutions that complemented TJ Group's products. On 12 April 2000, TJ Group acquired the Danish Canvas Interactive A/S, which offers comprehensive electronic business solutions.

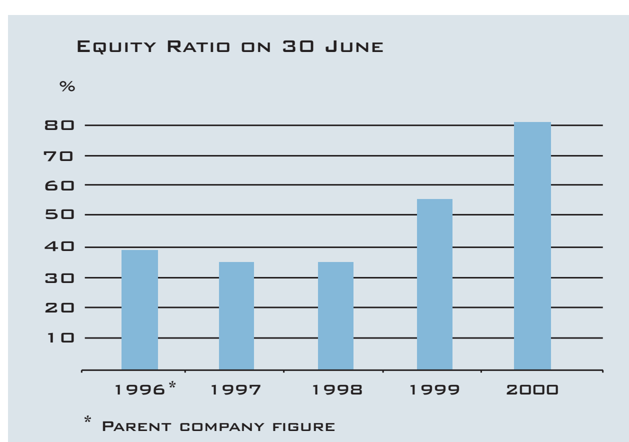
Through the acquisition of companies and business operations, TJ Group has strongly increased its expertise, resources and customer base in electronic business solutions and products, and has expanded its office and sales network into several new market areas. After the acquisitions, TJ Group has operations in five locations in Germany, and two in Denmark. In addition, its network of five Swedish offices covers most of southern Sweden and the company had established an office in the United States. TJ Group had also supplemented its product range with a highly promising CRM product, and, among other things, has obtained two applications for electronic communications through the company acquisitions. The group's overall expertise in electronic business has become very strong, especially in Finland.

TJ Group continued its strong investment in personnel development and management systems during the fiscal year. The company invested 11 per cent of the net sales, or EUR 3.2 million, in product development. The most significant product development investments were made to develop new media, digital communications, and mobile business solutions. In accordance with the company's accounting principles, these investments were booked as costs in the period they incurred.

During the review period, the company's gross investments totaled EUR 10.0 million (EUR 1.9 million). The most significant individual investment was the purchase of business operations from the USA at a cost of USD 4.8 million.

Personnel and organization

At the end of the review period, the company had 637 employees, which equals an increase of 417 over the previous year. The acquisitions brought 343 new employees into the company and recruiting brought another 110 new employees. Employee turnover (outflow) was 9 percent.



During the fiscal year, processes were initiated to merge all the Finnish subsidiaries into the parent company, TJ Group Plc, and to merge all the subsidiaries in Norway, Sweden and Denmark into TJ Group AS, TJ Group AB or TJ Group A/S. Projects were also initiated to implement the new organization model in all countries.

Warrants

TJ Group's share splits have been taken into account in the following figures.

On 6 October 1999, TJ Group's Board of Directors decided to issue 360,000 warrants to certain executives and employees of the company's Swedish subsidiaries. The warrants authorize the subscription of a total of 360,000 TJ Group shares from 1 October 2001 to 31 October 2002. As a result, the share capital of TJ Group Plc may increase by EUR 7,200 at most.

On 17 December 1999, the company's Board of Directors decided to issue warrants mainly to the employees of the Finnish subsidiary KeyPartners Oy, and to the management and key employees of TJ Group's Norwegian operations. The number of the warrants issued were 300,000 in Finland and 22,500 in Norway. All warrants authorize the subscription of the respective number of shares. The subscription period for the shares is from 1 May 2002 to 31 May 2005. As a result, the share capital of TJ Group Plc may increase by EUR 6,450 at most.

On 20 June 2000, the company's Board of Directors decided to issue additional warrants to the management and personnel of the group and group companies. 1,000,000 warrants were issued, authorizing the subscription of 1,000,000 shares of TJ Group Plc in total. The subscription period for the shares is from 1 June 2002 to 1 June 2006. As a result, the share capital of TJ Group may increase by EUR 20,000 at most. Due to Sweden's different taxation practices, the Board decided to issue 40,000 warrants separately to the TJ Group's Swedish personnel. As a result, the share capital of TJ Group may increase by EUR 800 at most. The subscription period for the shares is from 1 July 2002 to 1 July 2003.

Dividend

The company's Board of Directors will propose to the Annual Shareholders' Meeting of 27 October 2000 that the loss of EUR 2.2 million be booked against retained earnings.

Changes in share stock 1 July 1999 - 30 June 2000

Shares in the Trade Register	Increase	Share stock	Explanation
July 1, 1999		4,665,578	
July 10, 1999	369,525	5,035,103	directed issue to the owners of ScaNet AS
Nov 4, 1999		15,105,309	share split (1:3)
Nov 15, 1999	2,421,132	17,526,441	directed issue to the owners of Tietovalta Oy
Dec 16, 1999	47,734	17,574,175	directed issue to the owners of A.C. Interactive E-solutions Oy
Jan 18, 2000		52,722,525	share split (1:3)
Feb 10, 2000	1,046,292	53,768,817	directed issue to the owners of Network Banking-Systems Oy
Feb 14, 2000	2,880,000	56,648,817	share issue
Feb 24, 2000	110,331	56,759,148	directed issue to the owners of Leylock Data AB
March 31, 2000	2,763,741	59,522,889	directed issue to the owners of Kasten Consulting AG
April 10, 2000	851,864	60,374,753	directed issue to the owners of Kompetensbolaget AB
June 30, 2000		60,374,753	

Events after the fiscal year and outlook for the current fiscal year

After the fiscal year, TJ Group has continued to expand its operations by purchasing the Norwegian Mind AS, a company specializing in Internet consulting, and the business operations of the Danish Ecom A/S, which specializes in Internet communications.

In accordance with the company's strategy, the expansion will also continue through acquisitions during the fiscal year 2000 - 2001. TJ Group plans to acquire organizations in electronic business in all Nordic countries and elsewhere in Europe. The company will especially increase its business operations in those parts of Europe where it does not yet have a sales and/or delivery organization. In the United States, the company focuses on marketing the group's brand software and related services through its own delivery organization and through a network of partners.

TJ Group's aim is to implement the new organization model throughout the group during the current fiscal year. The objective of the organization is increased customer-orientation, flexible activities in accordance with local markets, and controlled growth. In addition to the organizational restructuring, further emphasis will be paid to the development of products and the group's product portfolio. The group's head office and four other offices in the region will move into a new head office, which is expected to improve operations in Finland.

The company believes that the rapid growth of its net sales will continue, although the integration costs and growth investments will keep the operating result negative. During the current fiscal year, the integration activities are focused on removing overlapping in the Nordic organization and combining judicially separate organizations, as well as integrating new European operations.

The Board of Directors
of TJ Group Plc

Espoo, 20 September 2000

Tuomo Tilman, Chairman
Bo Eklund
Heikki Honkio
Jyrki Salminen, CEO

Consolidated profit and loss statement

Consolidated Profit and Loss Statement (EURO)		July 1, 1999-June 30, 2000		July 1, 1998-June 30, 1999
NET SALES (1)		**28,456,815**		**11,206,239**
Change in work in progress, inc(+), dec(-)		183,099		53,857
Other operating income (2)		279,391		48,043
Materials and services				
Materials				
Purchases during the fiscal year	1,944,487		1,627,670	
External services	1,666,711	3,611,198	123,593	1,751,262
Personnel expenses (3)				
Salaries	14,328,166		3,981,345	
Social expenses				
Pension expenses	1,907,476		671,124	
Other social costs	2,565,065	18,800,708	757,027	5,409,496
Depreciations				
Depreciations according to plan (4)		947,419		437,699
Rents		2,625,450		727,985
Marketing expenses		1,453,643		541,223
Other operating expenses		6,229,954		1,426,469
OPERATING PROFIT/LOSS		**-4,749,067**		**1,014,005**
Financial income and expenses (5)				
Dividend income	312		77	
Interest income and other financial income	857,288		36,129	
Interest expenses and other financial expenses	-100,921	756,679	-82,793	-46,587
PROFIT/LOSS BEFORE RESERVES AND INCOME TAXES		**-3,992,387**		**967,418**
Extraordinary income (6)	1,192,990		0	
Extraordinary expenses (6)	-79,033	1,113,957	-165,858	-165,858
PROFIT/LOSS BEFORE TAXES AND MINORITY INTEREST		**-2,878,431**		**801,560**
Income taxes (7)		644,329		-295,581
Minority interest		0		-88,426
PROFIT/LOSS FOR THE PERIOD		**-2,234,102**		**417,553**

Consolidated balance sheet

Consolidated Balance sheet		June 30, 2000		June 30, 1999
(EURO)				
ASSETS				
NON-CURRENT ASSETS				
Intangible assets (1)				
Intangible rights	273,601		70,286	
Consolidation goodwill	1,970,120		1,278,672	
Goodwill	5,653,241		346,888	
Other capitalized expenditure	523,977	8,420,940	49,646	1,745,491
Tangible assets (1)				
Machinery and equipment	2,913,967	2,913,967	943,202	943,202
Investments (2)				
Shares in group companies	4,289		4,289	
Other shares and participations	67,843	72,132	176,921	181,210
CURRENT ASSETS				
Stocks				
Work in progress	475,149		153,157	
Other stocks	14,356	489,505	11,539	164,696
Receivables (3)				
Trade receivables	8,422,424		3,181,920	
Loan receivables	454,253		12,700	
Accrued receivables	1,245,977		688,409	
Imputed tax receivables	1,756,596		5,834	
Other receivables	575,325	12,454,575	26,717	3,915,579
Liquid current assets		37,019,249		0
Cash and cash equivalens		2,930,757		2,919,328
TOTAL ASSETS		**64,301,124**		**9,869,506**
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY (4)				
Share capital		1,207,495		784,694
Premium reserve		53,097,902		3,793,388
Retained earnings		860,286		462,933
Profit for the period		-2,234,102		417,553
OBLIGATORY RESERVES				
Other reserves		129,033		0
LIABILITIES (5)				
Long-term liabilities				
Loans from financial institutions	1,374,967		574,368	
Other long-term liabilities	122,775	1,497,741	123,311	697,679
Current liabilities				
Loans from financial institutions	248,163		145,538	
Trade payables	2,682,916		1,229,945	
Other current liabilities	1,306,360		521,500	
Accrued liabilities	5,505,329	9,742,768	1,816,277	3,713,259
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**64,301,124**		**9,869,506**

Consolidated cash flow statement

Consolidated cash flow statement (EURO)	July 1, 1999-June 30, 2000	July 1, 1998-June 30, 1999
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/loss	-4,749,067	1,014,005
Corrections for operating profit/loss	1,076,452	437,699
Change in working capital	-4,689,660	-809,517
Interests received	613,528	36,206
Interests paid	-100,921	-82,793
Extraordinary income and expenses	219,231	0
Income taxes, paid	-286,298	-295,581
Cash flow from operating activities total	-7,916,734	300,019
CASH FLOW/INVESTMENTS		
Purchased shares in group companies	-986,963	-554,574
Purchased business activities	-5,139,504	0
Investments in intangible and tangible assets	-657,222	-1,420,741
Sales of intangible and tangible assets	307,143	0
Cash flow/investments total	-6,476,546	-1,975,315
CASH FLOW BEFORE FINANCING ACTIVITIES	-14,393,280	-1,675,296
CASH FLOW/FINANCING		
Change in long-term liabilities, inc(+), dec(-)	-1,370,056	-1,238
Change in short-term liabilities, inc(+), dec(-)	3,191,149	52,780
Dividend	0	-152,328
Share issue	49,602,864	4,073,519
Cash flow/financing total	51,423,957	3,972,733
CHANGE IN LIQUID FUNDS	37,030,677	2,297,437
Liquid funds 1 July	2,919,328	621,891
Liquid funds 30 June	39,950,005	2,919,328

Profit and loss statement, parent company

Profit and Loss Statement, parent company	July 1, 1999-June 30, 2000		July 1, 1998-June 30, 1999	
(EURO)				
NET SALES (1)		**9,720,586**		**5,670,738**
Change in work in progress, inc(+), dec(-)		59,209		27,491
Other operating income (2)		68,330		22,285
Materials and services				
Materials				
Purchases during the fiscal year	1,211,782		1,440,524	
External services	1,146,082	2,357,864	23,677	1,464,201
Personnel expenses (3)				
Salaries	4,202,850		2,091,418	
Social expenses				
Pension expenses	711,864		362,210	
Other social costs	457,612	5,372,327	274,254	2,727,883
Depreciations				
Depreciations according to plan (4)		493,906		268,884
Rents		923,682		325,640
Marketing expenses		1,033,706		244,793
Other operating expenses		2,322,169		356,694
OPERATING PROFIT/LOSS		**-2,655,529**		**332,419**
Financial income and expenses (5)				
Income from participations in group companies	0		199,303	
Dividend income	61		77	
Interest income and other financial income	762,265		127,185	
Interest expenses and other financial expenses	-56,484	705,842	-73,471	253,094
PROFIT/LOSS BEFORE TAXES AND MINORITY INTEREST		**-1,949,687**		**585,513**
Extraordinary items				
Extraordinary income (6)	0		168,058	
Extraordinary expenses (6)	-79,033	-79,033	-165,858	2,200
PROFIT/LOSS BEFORE INCOME TAXES		**-2,028,720**		**587,714**
Depreciations in excess of plan		58,530		25,927
Income taxes (7)		512,547		-134,721
PROFIT/LOSS FOR THE PERIOD		**-1,457,642**		**478,919**

Balance sheet, parent company

Balance sheet, parent company		June 30, 2000		June 30, 1999
(EURO)				
ASSETS				
NON-CURRENT ASSETS				
Intangible assets (1)				
Intangible rights	74,501		52,748	
Goodwill	5,444,344		346,888	
Other capitalized expenditure	717,973	6,236,818	855,653	1,255,289
Tangible assets (1)				
Machinery and equipment	491,567	491,567	735,764	735,764
Investments (2)				
Shares in group companies	2,606,176		924,260	
Receivables from group companies	5,556,797		703,694	
Other shares and participations	3,688	8,166,661	146,647	1,774,601
CURRENT ASSETS				
Stocks				
Work in progress	134,713		78,321	
Other stocks	14,356	149,069	11,539	89,860
Receivables (3)				
Trade receivables	2,236,656		2,067,861	
Loan receivables	379,371		11,312	
Accrued receivables	469,306		542,993	
Imputed tax receivables	1,134,167	4,219,501	0	2,622,167
Liquid current assets		37,019,249		0
Cash and cash equivalents		524,519		2,214,098
TOTAL ASSETS		**56,807,384**		**8,691,778**
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY (4)				
Share capital		1,207,495		784,694
Premium reserve		53,097,902		3,793,388
Retained earnings		950,395		471,476
Profit/loss for the period		-1,457,642		478,919
PROVISIONS				
Depreciations in excess of plan		0		64,976
Obligatory reserves				
Other reserves		79,033		0
LIABILITIES (5)				
Long-term liabilities				
Loans from financial institutions	587,090		574,368	
Other long-term liabilities	0	587,090	105,117	679,486
Current liabilities				
Loans from financial institutions	78,947		145,538	
Advanced received	29,732		0	
Trade payables	834,709		825,982	
Other current liabilities	254,702		194,599	
Accrued liabilities	1,145,019	2,343,110	1,252,720	2,418,839
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**56,807,384**		**8,691,778**

Cash flow statement, parent company

CASH FLOW STATEMENT, PARENT COMPANY (EURO)	JULY 1, 1999-JUNE 30, 2000	JULY 1, 1998-JUNE 30, 1999
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/loss	-2,655,529	332,419
Corrections for operating profit/loss	493,906	268,884
Change in working capital	-771,054	-610,911
Interests received	508,781	103,342
Interests paid	-56,484	-73,471
Income taxes, paid	0	-134,721
Cash flow from operating activities total	-2,480,379	-114,459
CASH FLOW/INVESTMENTS		
Purchased shares in group companies	-1,681,916	-554,574
Purchased business activities	-5,139,504	0
Investments in intangible and tangible assets	-91,734	-1,269,630
Sales of intangible and tangible assets	132,429	0
Granted loans	-4,853,103	-460,201
Cash flow/investments total	-11,633,829	-1,824,204
CASH FLOW BEFORE FINANCING ACTIVITIES	-14,114,208	-1,938,663
CASH FLOW/FINANCING		
Change in long-term liabilities	-92,396	38,247
Change in short-term liabilities	-66,590	52,780
Dividend	0	-152,328
Share issue	49,602,864	4,073,519
Cash flow/financing total	49,443,878	4,012,218
CHANGE IN LIQUID FUNDS	35,329,670	2,073,555
Liquid funds 1 July	2,214,098	140,543
Liquid funds 30 June	37,543,768	2,214,098

Notes to consolidated financial statements

Accounting principles

Consolidated financial statements

The financial statements of the TJ Group Plc consolidate the accounts of TJ Group Plc, TJ Solutions AB, TJ Solutions AS, Software Center Acura Systems Oy, TJ Group AB (former Reston AB), KeyPartners Oy and Mainostoimisto Voltti Iskee Oy for the period July 1, 1999 through June 30, 2000. TJ Group AS (former ScaNet AS) has been included for the period September 1, 1999 through June 30, 2000, A.C. Interactive E-Solutions Oy for the period October 1, 1999 through June 30, 2000, Tietovalta Oy for the period November 1, 1999 through June 30, 2000, Network Banking-Systems Oy for the period January 1, 2000 through June 30, 2000, Leylock data AB for the period February 1 through June 30, 2000, and Kasten Consulting AG, Kompetensbolaget AB and Canvas Interactive A/S for the period April 1 through June 30, 2000.

TJ Sofware Development Oy and Oy Soloplus Ab, which didn't have any business transactions during the fiscal year have not been consolidated, because they didn't have essential impact on group profit and sharehoilders' equity.

Consolidation principles

The intercompany holdings are eliminated using the purchase method. Exchanges of shares have been booked as nominal value. The difference of acquisition price and equivalent portion of the shareholders' equity of the acquired company has been booked as consolidation goodwill, which consists of strategic investments in new business areas and markets. All intercompany transactions have been eliminated. The figures of foreign group companies are recorded using the average exchange rates for the period in profit and loss statement and using the exchange rate of closing date in balance sheet items. Translation differencies resulting from the consolidation of foreign currency denominated subsidiary financial statements are recorded in shareholders' equity. The cost for the share issue have been booked against premium reserve.

Fixed assets

Fixed assets are valued at their historical acquisition cost minus depreciation according to plan. Depreciation according to plan is calculated on a straight.line basis over the expected useful life as follows:
– intangible assets 5-10 years
– tangible assets 4-5 years

Consolidation goodwill will be depreciated in straight-line basis in ten years during its useful life.

Stocks

Stocks and work in progress are valued at the direct purchase and production costs.

Liquid current assets

Liquid current assets are valued at purchase price or lower market price.

Research and development expenses

Research and development expenses are recognized as costs in the period they have incurred.

Imputed taxes

Imputed tax receivable has been calculated based on the time difference between taxation and closing using the existing tax rates. The imputed tax receivable included in the balance is recognised as the amount corresponding to the estimated receivable.

Foreign currency translation

Transactions in foreign currencies are recorded at the average exchange rates of Bank of Finland on the closing date.

Notes to the profit and loss statement
(euro)

1. Net sales (EUR thousand) by market

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Finland	18,444	9,617	9,333	5,495
Other Nordic countries	8,626	1,488	226	75
Other countries	1,387	101	179	101
Total	28,457	11,206	9,738	5,671

2. Other operating income

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Correction of price in business acquisition	0	21,023	0	21,023
Development grants	81,377	18,124	0	0
Sales profit of fixed assets	103,792	0	68,630	0
Insurance indemnity	53,174	0	0	0
Other	41,049	8,896	0	1,262
Total	279,391	48,043	68,630	22,285

3. Personnel expenses

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Salaries	14,328,166	3,981,345	4,202,850	2,091,418
Pension expenses	1,907,476	671,124	711,864	362,210
Other personnel expenses	2,565,065	757,027	457,612	274,254
Total	18,800,708	5,409,496	5,372,327	2,727,883
Salaries of the management	583,174	242,839	155,100	50,759
Average amount of personnel	404	113	122	55

4. Depreciations according to plan

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Intangible assets	207,226	82,584	221,068	75,569
Machinery and equipment	770,591	263,401	272,838	193,314
Consolidation goodwill	-30,398	91,714	0	0
Total	947,419	437,699	493,906	268,884

5. Financial income and expenses

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Financial income				
Dividend income from group companies	0	0	0	199,303
Dividend income from others	312	77	61	77
Interest income from group companies	0	0	96,292	23,844
Other interest income	854,345	35,040	663,034	24,887
Other financial income	2,944	1,089	2,939	78,455
Financial expenses				
Interest expenses to group companies	0	0	0	-16,096
Interest expenses other	-74,477	-69,409	-30,068	-45,815
Other financial expenses	-26,445	-13,384	-26,445	-11,561
Financial income and expenses total	756,679	-46,587	705,812	253,094

6. Extraordinary income and expenses

	Group		Parent Company	
	2000	**1999**	**2000**	**1999**
Profit of the merger	0	0	0	168,058
Holiday payment reserve	0	-165,858	0	-165,858
Reserve for social costs for warrant programs	-79,033	0	-79,033	0
Quarantee for losses given by the sellers of the daughter company shares	972,916	0	0	0
Indemnity for damage	220,074	0	0	0
Extraordinary income and expenses total	1,113,957	-165,858	-79,033	2,200

7. Income taxes

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Income taxes from extraordinary items	-345,967	46,440	0	46,440
Income taxes from operations	-135,735	-347,855	0	-181,161
Change in imputed tax receivable	1,126,031	5,834	512,547	0
Income taxes total	644,329	-295,581	512,547	-134,721

NOTES TO THE BALANCE SHEET

(EURO)

1. Intangible and tangible assets

Intangible assets

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Beginning balance July 1, 1999	566,552	219,862	1,341,535	203,095
Additions during the fiscal	6,194,422	346,690	5,205,793	1,138,440
Decrease during the fiscal	-3,835	0	-3,835	0
	6,757,139	566,552	6,544,132	1,341,535
Accumulated depreciation	-99,732	-17,148	-86,247	-10,678
Accumulated depreciation for the decrease	639	0	639	0
Depreciation during the fiscal	-207,226	-82,584	-221,068	-75,569
Closing balance June 30, 2000	6,450,820	466,820	6,236,818	1,255,289

Consolidation goodwill

	Group 2000	Group 1999
Beginning balance July 1, 1999	1,652,472	287,920
Additions during the fiscal	2,378,507	1,484,823
Decrease during the fiscal	0	-120,271
	4,030,979	1,652,472
Accumulated depreciation	-128,997	-37,284
Depreciation during the fiscal	-233,924	-91,714
Closing balance June 30, 2000	3,668,058	1,523,475

Tangible assets

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Beginning balance July 1, 1999	1,388,015	913,796	1,075,589	769,896
Additions during the fiscal	2,806,883	474,220	94,168	305,694
Decrease during the fiscal	-129,233	0	-129,233	0
	4,065,665	1,388,015	1,040,525	1,075,589
Accumulated depreciation	-444,814	-181,413	-339,826	-146,512
Accumulated depreciation for the decrease	63,706	0	63,706	0
Depreciation during the fiscal	-770,591	-263,401	-272,838	-193,314
Closing balance June 30, 2000	2,913,967	943,202	491,567	735,764

Consolidation reserve

	Group 2000	Group 1999
Beginning balance July 1, 1999	244,803	0
Additions during the fiscal	1,717,457	244,803
	1,962,260	244,803
Entered as income	-264,322	0
Closing balance June 30, 2000	1,697,938	244,803

In the balance sheet consolidation reserve has been shown as deduction from consolidation goodwill.

2. Investments

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Beginning balance July 1, 1999	181,210	150,242	1,070,907	516,333
Additions during the fiscal	64,997	30,968	1,682,758	554,574
Decrease during the fiscal	-174,075	0	-143,801	0
Closing balance June 30, 2000	72,132	181,210	2,609,864	1,070,907

Notes to the balance sheet
(euro)

2. Shares and participations owned by Group and Parent company

Shares in group companies owned by parent company	**Ownership**	**Book value %**
TJ Solutions AB, Stockholm	100%	11,833
TJ Solutions AS, Oslo	100%	6,143
Software Center Acura Systems Oy, Kajaani	100%	361,498
TJ Group AB (Reston), Stockholm	100%	286,882
Key Partners Oy, Helsinki	100%	253,617
Mainost.Voltti Iskee Oy, Helsinki	100%	5,858
TJ Group AS, Oslo	100%	147,178
A.C. Interactive E-Solutions Oy, Jyväskylä	100%	267,956
Tietovalta Oy, Tampere	100%	495,295
Network Banking-Systems Oy, Helsinki	100%	306,293
Leylock Data AB, Stockholm	100%	45,543
Kasten Consulting AG, Leverkusen	100%	237,803
Kompetensbolaget AB, Stockholm	100%	90,331
Canvas Interactive A/S, Århus	100%	91,516
TJ-Tieto Sofware Development Oy, Helsinki	100%	3,027
Oy Soloplus Ab, Helsinki	100%	1,261
Other shares and participations		3,688
Owned by daughter companies		
Asunto Oy Tapionkatu 11-13		51,264
Other shares and participations		12,891

3. Receivables

	Group 2000	**Group 1999**	**Parent company 2000**	**Parent company 1999**
Receivables from group companies				
Trade receivables			265,024	67,784
Loan receivables			281,614	0
Loan receivables, long-term			5,275,183	703,694
Accrued receivables			0	41,529
Trade receivables	8,422,424	3,181,920	1,971,632	2,000,077
Loan receivables	454,253	12,700	379,371	11,312
Other receivables	575,325	26,717	0	0
Accrued receivables	1,245,977	688,409	469,306	501,464
Imputed tax receivables	1,756,596	5,834	1,134,168	0
Receivables total	12,454,575	3,915,580	9,776,298	3,325,860

4. Shareholders' equity

	Group 2000	**Group 1999**	**Parent company 2000**	**Parent company 1999**
Share capital on July 1, 1999	784,694	2,523	784,694	2,523
Subscription issue	422,801	782,171	422,801	782,171
Share capital on June 30, 2000	1,207,495	784,694	1,207,495	784,694
Premium reserve on July 1, 1999	3,793,388	0	3,793,388	0
Paid-in surplus	50,475,432	4,118,138	50,475,432	4,118,138
Expenses for the share issue	-1,199,352	-324,749	-1,199,352	-324,749
Capitalization issue	-59,475	0	-59,475	0
Warrants for Swedish personnel	87,909	0	87,909	0
Premium reserve on June 30, 2000	53,097,902	3,793,388	53,097,902	3,793,388

Notes to the balance sheet
(euro)

Non-restricted shareholders' equity on July 1, 1999	880,486	1,120,991	950,395	1,125,845
Dividend payments	0	-152,328	0	-152,328
Share capital increase	0	-502,041	0	-502,041
Translation difference	-20,200	-3,689	0	0
Profit/loss for the period	-2,234,102	417,553	-1,457,642	478,919
Non-restricted shareholders' equity on June 30, 2000	-1,373,816	880,486	-507,247	950,395
Own capital total	52,931,582	5,458,568	53,798,150	5,528,478
Calculation for distributable profits				
Retained earnings	860,286	462,933	950,395	471,476
Profit/loss for the period	-2,234,102	417,553	-1,457,642	478,919
Total	-1,373,816	880,486	-507,247	950,395

5. **Current liabilities**		**Group**		**Parent company**
	2000	**1999**	**2000**	**1999**
Long-term liabilities				
Loans from financial institutions	1,374,967	574,368	587,090	574,368
Other liabilities	122,775	123,311	0	105,117
Long-term liabilities total	1,497,741	697,679	587,090	679,485
Short-term liabilities				
Loans from financial institutions	248,163	145,538	78,947	145,538
Advance payments	29,732	0	29,732	0
Trade payables	2,682,916	1,229,945	634,877	817,349
Other liabilities	1,276,628	521,500	254,702	194,599
Accrued liabilities	5,505,329	1,816,277	1,127,892	1,250,127
Liabilities to group companies				
Trade payables			199 832	8 633
Accrued liabilities			17 127	2 593
Short-term liabilities total	9,742,768	3,713,259	2,343,110	2,418,839

Contingent liabilities		**Group**		**Parent company**
	2000	**1999**	**2000**	**1999**
For own debts				
Mortgages	824,121	470,926	470,926	470,926
Leasing and rent liabilities				
Leasing liabilities due 07/00-06/01	784,999	302,284	427,847	264,177
Leasing liabilities due later than 07/00-06/01	1,054,380	172,445	742,260	146,239
Total	1,839,379	474,729	1,170,107	410,416
Rent liabilities	13,103,217	225,397	11,656,353	117,115

Other liabilities

A claim for damages amounting to 320,000 euros concerning some clerical errors in certain of the key figures in the listing particulars regarding the share offering.

Formulas for calculation of key indicators

Return on equity, % (ROE):

$$\frac{\text{Profit before extraordinary items - taxes} \times 100}{\text{Shareholders' equity + minority interest + voluntary provisions – deferred tax liability (average)}}$$

Return on investment, % (ROI):

$$\frac{\text{Profit before extraordinary items and taxes + interests and other financial expenses} \times 100}{\text{Balance sheet total – non-interest-bearing liabilities (average)}}$$

Equity ratio, %:

$$\frac{\text{Shareholders' equity + minority interest + voluntary provisions - deferred tax liability} \times 100}{\text{Balance sheet total – advance payments received}}$$

Earnings/share, EPS:

$$\frac{\text{Profit before extraordinary items and taxes +/- minority interest}}{\text{Issue-adjusted number of shares for the fiscal year}}$$

Shareholders' equity/share:

$$\frac{\text{Shareholders' equity + minority interest + voluntary provisions - deferred tax liability}}{\text{Issue-adjusted number of shares for the fiscal year}}$$

Dividend/share:

$$\frac{\text{Dividend}}{\text{Issue-adjusted number of shares at the end of the fiscal year}}$$

Dividend/earnings, %:

$$\frac{\text{Dividend/share} \times 100}{\text{Earnings/share}}$$

Net Gearing:

$$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Shareholders' equity + minority interest + voluntary provisions – deferred tax liability}}$$

Price/earnings, P/E:

$$\frac{\text{Quoted share price at the end of the fiscal year}}{\text{Earnings/share}}$$

Auditors' report

To the shareholders of TJ Group Plc

We have audited the accounting, the financial statements and the corporate governance of TJ Group Plc for the financial period 1.7.1999 - 30.6.2000. The financial statements, which include the report of the Board of Directors and the 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 an opinion on these financial statements and on corporate governance.

We have conducted our 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 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 show a loss of EUR 1.457.642,41, 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 results of operations and financial position. The financial statements and 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 result is in compliance with the Companies Act.

Helsinki, September 20, 2000

TILINTARKASTAJIEN OY - ERNST & YOUNG
Authorised Public Accounting Firm

Stig-Erik Haga
Authorised Public Accountant

Glossary

ASP: Application Service Provider, an organization providing application rental services over the Internet.

C++: A high-performance programming language for advanced developers.

CRM: Customer Relationship Management

Customization: Changing software functionality by reprogramming or by building an entirely new software package.

Digital TV, Digi-TV: New interactive form of TV. Digital TV broadcasting can deliver pictures that will approach the quality of 35mm movies and CD sound. The new digital standard has enough room in its signal to allow TV stations to broadcast multiple programs at the same time. They can also deliver data services, such as electronic program guides or information related to the programs.

Domino: A web application server from Lotus/IBM. IBM Lotus Domino is workgroup software and Internet usage and programming environment developed by Lotus Development Corporation, which is owned by IBM.

DVD: Digital Video Disc, Digital Versatile Disc. Optical technology for recording video, audio and other data on special discs.

E-business: Electronic business, refers to trade and other business actions done through a data network, including warehouse monitoring, price list distribution, etc.

E-commerce: Electronic commerce, refers to sales and purchases done through a data network and including also a monetary transaction.

EPOC: Operating system for light mobile devices.

Extranet: Web pages aimed at a certain user group instead of being public. The data transfer system of an extranet is the public Internet, but the connection requires a password.

HTML: Hypertext mark-up language, used for producing web pages.

Internet: Global data network, which uses the TCP/IP protocol. It can be used for sending data or for reading documents by using the World Wide Web technology.

Internet consulting: Comprises of services through which a specialist organization carries our solutions utilizing the Internet and Internet technology for customers.

Internet technology: Refers to software, programming languages (f.ex. Java) and data transfer protocols used in the Internet environment.

Intranet: Web pages internal to a company or organization and intended only for the organization's own personnel.

Java: Programming language used for making Internet applications.

Microsoft BackOffice: Software/ operating environment developed by Microsoft Corporation.

Network applications: Used in a data network and can be used either by all network users or by users having a user name for the application.

New media: Encompassing services and products that make use of video, audio, graphics and alphanumeric text, and involving digital delivery over networks interconnected locally or globally.

Network services: Services provided through a data network, such as retrieving stock exchange rates, using different kind of search engines, electronic banking, etc.

Parameterization: Changing software functionality without actual reprogramming.

Platform: Operating environment, or any type of computer system. Macintosh, UNIX, Dos and Windows are all different computing platforms, capable of communicating only through agreed-upon protocols, such as TCP/IP.

Portal: Internet or intranet pages or nodes, which help to organize information that is in the network. Portals contain information and links to different subject matters. For example, Yahoo, Lycos.

Relational database: A collection of data items organized as a set of formally-described tables from which data can be accessed or reassembled in many different ways without having to reorganize the database tables.

Software module: Software module is a part of computer software that can be used as an independent program.

SQL: Structured Query Language, the language of relational databases. SQL statements are used to define data storage, data access and data manipulation operations.

TCP/IP: Data transfer protocol (Transmission Control Protocol/Internet Protocol) used for data transfer between different systems.

UML: Unified Modelling Language, a graphical language for visualizing, specifying, constructing, and documenting the artefacts of a software-intensive system. UML offers a standard way to write a system's blueprints, covering conceptual things such as business processes and system functions, as well as concrete things such as classes written in a specific programming language, data base schemas, and reusable software components.

UMTS: Universal Mobile Telecommunications System. One of the major new Third Generation mobile communications systems.

WAP: Wireless Application Protocol, provides a universal open standard for bringing Internet content and advanced value-added services (VAS) to mobile phones and other wireless devices.

WML: Wireless Mark-up Language, a programming language for generating content for WAP-devices.

XML: Extensible Mark-up Language, a text-based format that enables the developers to describe, deliver and exchange structured data between a range of applications to clients for local display and manipulation.

Contact information

FINLAND

TJ Group Plc
www.tjgroup.com

Head Office*
Piispanportti 5
FIN-02240 Espoo, Finland
Tel. +358 9 613 370
Fax +358 9 6133 7310

Mikonkatu 8 A
FIN-00100 Helsinki, Finland
Tel. +358 9 613 370
Fax +358 9 6133 7370

Munkkisaarenkatu 2
FIN-00150 Helsinki, Finland
Tel. +358 9 228 622
Fax +358 9 2286 2600

Pursimiehenkatu 29-31 A
FIN-00150 Helsinki, Finland
Tel. +358 9 668 9770
Fax +358 9 6689 7710

Yliopistonkatu 7
FIN-00100 Helsinki, Finland
Tel. +358 9 6185 7220
Fax +358 9 6185 7225

Finlaysoninkuja 21 A
FIN-33210 Tampere, Finland
Tel. +358 3 315 521
Fax +358 3 3155 2600

Teknologiapuisto
Teknosampo, PL 128
FIN-87400 Kajaani, Finland
Tel. +358 8 614 9260
Fax +358 8 614 9264

Technology Center
Ylistönmäentie 26
FIN-40500 Jyväskylä, Finland
Tel. +358 14 445 1750
Fax +358 14 445 1999

DENMARK

TJ Group A/S
www.tjgroup.dk

Graven 3
DK-8000 Aarhus c, Denmark
Tel. +45 8676 2800
Fax +45 8676 2899

Danmarksgade 18
DK-7500 Holstebro, Denmark
Tel. +45 9740 7020
Fax +45 9740 7021

GERMANY

Kasten Consulting GmbH
www.tjgroup.de

Brueckenstrasse 10-16
D-51379 Leverkusen, Germany
Tel. +49 217 172 770
Fax +49 217 172 7777

Leon-Pohle Strasse 1
D-01219 Dresden, Germany
Tel. +49 3518 7320
Fax +49 351 873 2177

Nibelungenplatz 3
D-60318 Frankfurt, Germany
Tel. +49 619 640 0814
Fax +49 619 640 0999

Münchner Strasse 9-11
D-85540 Haar/Munich,
Germany
Tel. +49 8946 2690
Fax +49 894 626 9199

Industriestrasse 5
D-70565 Stuttgart, Germany
Tel. +49 711 781 9150
Fax +49 711 7819 1599

NORWAY

TJ Group AS
www.tjgroup.no

Wergelandsveien 3
N-0167 Oslo, Norway
Tel. +47 2 329 2300
Fax +47 2 329 2320

SWEDEN

TJ Group AB
www.tjgroup.se

Gustavslundsvägen 151 F
S-167 51 Bromma
Stockholm, Sweden
Tel. +46 8 5066 5500
Fax +46 8 5066 5590

Carlsgatan 10 B
S-211 20 Malmö, Sweden
Tel. +46 4 010 1011
Fax +46 4 010 1025

Skolgatan 27
S-503 33 Borås, Sweden
Tel. +46 3 322 8330
Fax +46 3 322 8331

Vallgatan 8
S-352 34 Växjö, Sweden
Tel. +46 4 7078 8800
Fax +46 4 7078 8899

Göteborgsvägen 84
S-433 63 Sävedalen, Sweden
Tel. +46 3 126 3255
Fax +46 3 126 0348

USA

TJ Group Americas, Inc.

15770 North Dallas Tollway,
Suite 600, Dallas, Texas 75248
Tel. +1 972 361 4020
Fax +1 972 361 4021

* Addresses in Espoo and Helsinki are valid until March 2001.
After March 2001, the new address is:
TJ Group Plc
Head Office
Itämerenkatu 5
FIN-00180 Helsinki, Finland

Head office

TJ Group Plc
Piispanportti 5
FIN-02240 Espoo, Finland
Tel. + 358 9 613 370
Fax + 358 9 6133 7310
www.tjgroup.com