

*Aldata*

Annual Report 2002

A red L-shaped graphic element consisting of a horizontal line extending to the right and a vertical line extending downwards from its left end.

- 
- company  
○ office  
● installation

## Annual General Meeting

The Annual General Meeting of Aldata Solution Oyj will take place on Wednesday 26th March 2003, starting at 10.00 am. The meeting will be held in the Hilton Helsinki Strand, John Stenbergin ranta 4, 00530 Helsinki, Finland.

In order to attend the meeting, shareholders must be registered in the company's shareholders register maintained by the Finnish Central Securities Depository Ltd no later than on Friday 14th March 2003.

Shareholders wishing to attend the Annual General Meeting are required to inform the company by 4.00 pm. (EET) on Friday 21st March 2003, either by e-mail to [registration@aldata.fi](mailto:registration@aldata.fi) or by telephone +358 9 5422 5001 / Marina Lindholm or in writing to Aldata Solution Oyj, Marina Lindholm, Vetotie 3, FIN-01610 Vantaa, Finland. Letters containing authorization to vote by proxy at the Meeting should reach the company at the above address before the end of the notification period.

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## Aldata in brief

**Aldata** Solution Oyj is one of the leading providers of software solutions for the global retail industry. The company develops integrated solutions that enable the retailers to capture, manage and analyse their complex data to reduce cost and optimize returns. The product portfolio includes software for supply chain management and in-store solutions as well as security systems. Aldata delivers its solutions through its own subsidiaries in Finland, France, Germany, Slovenia, Sweden and USA, as well as through its global partner network.

Aldata is currently the fifth biggest retail software provider in Europe and has installations in 38 countries. Aldata's net sales in 2002 amounted to EUR 65.6 million and the company currently has approximately 450 employees. Aldata's shares are quoted on the Helsinki Exchanges.

## The year 2002 in brief

- Aldata confirmed new strategy of focusing on retail software
- Aldata completed the divestment of its non-profitable E-business operations
- Aldata reinforced standing in Central Europe through acquisitions
- Aldata exceeded the EBIT level of 2001
- Net sales totalled MEUR 65.6 (MEUR 67.6)
- Profit before extraordinary items was MEUR 4.6 (MEUR 5.1)
- Earnings per share were EUR 0.028 (EUR 0.042)

### **Aldata focuses on retail software**

Aldata Solution Oyj confirmed its strategy of focusing on retail software. With this policy the company ensures that capital, personnel resources and R&D are targeted and used effectively. In line with the new strategy, Aldata divested its unprofitable E-business operations during 2002.

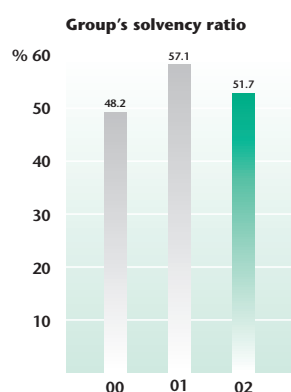
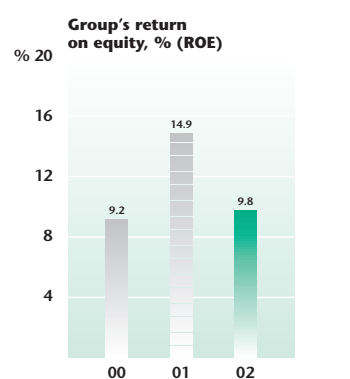
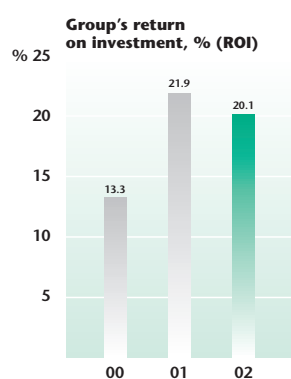
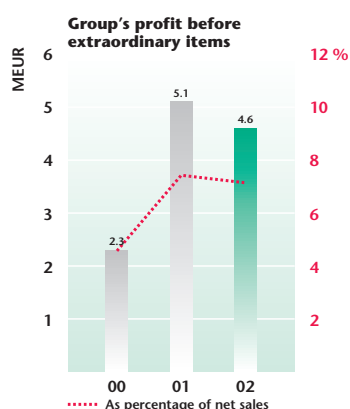
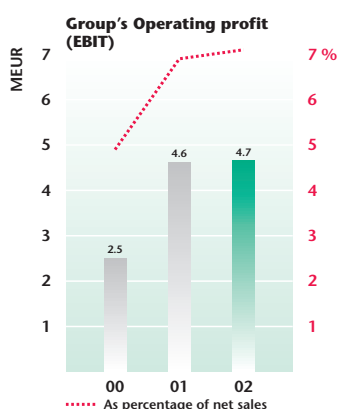
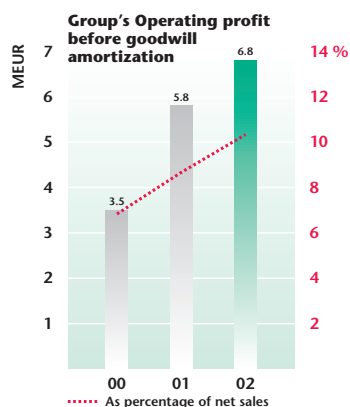
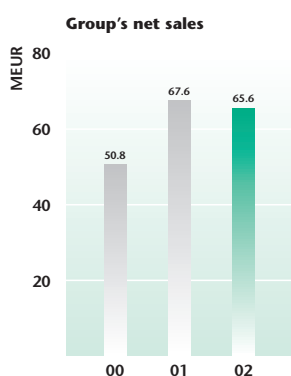
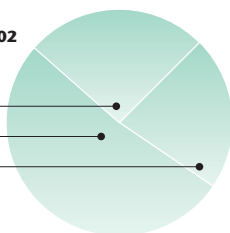
### **Stronger footing in Central Europe**

Aldata reinforced its market position in Central Europe and in June purchased the remaining stock of its subsidiary operating in Germany. Company acquisitions in October and December further strengthened Aldata's market standing and boosted its retail expertise in the German market with its immense potential.

Aldata acquired a French company in June and integrated the software developed by the company into the G.O.L.D. supply chain management suite. The purchase of a majority holding in a Slovenian system integrator partner brought Aldata additional R&D and production resources. It also gives the potential for cost-effective production for the EU markets as they expand eastwards.

**Group's net sales divided to licenses and maintenance, services and third party licenses and hardware year 2002**

Licenses and maintenance	22.2 %
Services	59.5 %
Third-party licenses and hardware	18.3 %



During 2002 Aldata signed several delivery agreements. One of the most significant was the agreement signed in May with Tesco, one of the leading retail chains in Europe, to supply G.O.L.D. software in four countries. Progress was made on Aldata's largest ever order, from Groupe Casino, according to plan. In Sweden, Aldata completed its In-store software deliveries to the Systembolaget stores. In December Carrefour L'Optique, part of the French Carrefour Group – the second largest retailer in the world – ordered the Supply Chain Management software from Aldata for its 65 stores.

**Expansion of partner network supports globalization**

Aldata expanded its partner network to support the international expansion of its operations, signing major system integrator and partnership agreements with companies such as IBM and CapGemini Ernst & Young. Aldata also developed its organization to provide better service for its network of partners.

In North America Aldata continued its search for a partner to help it meet its expansion targets. The goal is to achieve a strong footing in the leading retail market in the world. The project progressed according to plan and was completed during the first quarter of 2003.

**Aldata Solution Oyj Key Figures**

		2002	2001
Net sales	MEUR	65.6	67.6
Operating profit before goodwill amortization	MEUR	6.8	5.8
as percentage of net sales	%	10.4	8.6
Earnings per share (EPS)	EUR	0.028	0.042
Earnings per share (EPS) dilution effect adjusted	EUR	0.027	0.042
Shareholders' equity per share	EUR	0.359	0.352
Return on equity (ROE)	%	9.8	14.9
Return on investment (ROI)	%	20.1	21.9
Solvency	%	51.7	57.1
Gearing	%	-28.8	-41.1
Interest-bearing net debt	%	-7.2	-9.8
Personnel on average		448	451



## CEO's letter

Dear shareholders,

The financial targets I set Aldata for 2002 were net sales of EUR 61–64 million and better operating profit (EBIT) than in 2001.

In fact, we achieved net sales of EUR 65.6 million, even though we divested our E-business operations, which demonstrates the company's organic growth. Aldata also exceeded its EBIT level of 2001.

Our operational goals were to reinforce Aldata's position in its important markets in Central Europe and to develop the company's organization to provide better support for international expansion and partnership. We also aimed to build up Aldata's production resources and to improve co-operation with partners.

I can be satisfied with the pace of Aldata's international growth. We strengthened our standing in the major retail markets of Central Europe. In fact, during 2002 Aldata moved into the third stage of its international growth programme and is now poised to begin global operations. Despite our rapid expansion, we still managed to operate profitably.

Aldata developed its organization to provide better support for the needs of international expansion and the company's growing network of partners. Aldata expanded its partnership network, signing several major agreements. Progress was made in discussions concerning the signing of strategic partnership agreements in the North American market. The company broadened its expertise and increased its production capacity through acquisitions in France, Germany and Slovenia.

Aldata's financial performance can be divided in two. The Supply Chain Management (SCM) software business area, expanding internationally at great speed, exceeded its targets. In contrast, In-store software business area, with operations in Scandinavia, the Baltic countries and Russia, did not reach its targets.

The start of 2002 showed that our view of the prospects for E-business operations had been over-optimistic. With no signs of a quick recovery, we divested the loss-making business. Aldata recorded costs of EUR 2.2 million included in the operating profit and non-recurring costs of EUR 2.0 million under extraordinary costs in connection with the divestment. In line with its new strategy, Aldata will focus on retail software.

### **Aldata reinforces position in consolidating retail business**

A strong trend in the retail business in 2002 was for companies to expand internationally and at the same time to form chains. The pace of consolidation will accelerate over the next few years. Driven by increasing competition in the retail sector, companies made investments to raise the efficiency of their logistics and to cut costs, which increased demand for software systems.

A strong process of consolidation will take place in the next few years in the retail software market, which at present is extremely fragmented. The tight financial situation can be expected to push some of the companies out of the market.

Aldata aims to be one of the winners in the retail software market. It has now become one of the five biggest retail software firms in Europe. The fact that eight of the 25 leading retail chains in the world are Aldata's customers underlines the growing co-operation between the company and major retail chains.

### **Upward turn in software investments towards end of 2003**

Investments in software will be at a low level in 2003 and are not expected to start to pick up again until the latter part of the year at the earliest. The poor economic prospects will have an impact on the In-store software business.

The outlook for SCM software business is more positive. To improve their competitive standing, companies are switching from using their own software to off-the-shelf packages from software companies, which boosts prospects in this sector.

Even though the market is in a poor state, Aldata has potential for growth.

The markets in Germany, Great Britain and North America in particular offer opportunities. Through its acquisition in Slovenia, Aldata increased its production capacity and obtained a foothold in preparation for the eastern expansion of the EU market.

In North America, the year 2003 is a time for starting co-operation with new partners. In fact, in the beginning of the year Aldata entered into a strategic alliance with EDS (Electronic Data Systems Corporation). Aldata is looking for the year to bring distinct commercial successes in North America, the world's leading retail market.

During 2003 Aldata will conduct a survey of the market in China. The country is developing its infrastructure rapidly. Some of Aldata's customers are already operating in China or are investigating opportunities there. This makes the market interesting for Aldata.

### **2003 – from Europe to the world**

Our goal for 2003 is to further strengthen our market standing in our main market area, especially in Germany and Central Europe. Aldata aims to start up in the markets of the USA.

To expand internationally, Aldata has to build up and strengthen its organization. But at the same time the company must maintain its profitability.

Finally, I would like to thank Aldata's shareholders, customers, personnel and other stakeholders for a successful year in 2002. I am confident that the important policy decisions taken during the year will also keep Aldata successful and on a growth track during 2003.

Vantaa, February 2003



Jarmo Kalliola  
President and CEO

# Chairman's Review

The prevailing economic uncertainty during 2002 was reflected in the markets targeted by Aldata. In spite of the difficult conditions, Aldata performed well when compared to its competitors and met the targets set for its operations.

The driving force behind the company's growth and profitability was the Supply Chain Management software business, and in particular the Central European market. Customers of the In-store software business continued to show little desire to make investments. During 2002 Aldata completed the divestment of its E-business, which had proved to be a loss-maker.

In 2002 Aldata's Board of Directors took a policy decision that has major implications for the future of the company. Aldata is to focus on the retail software market, and has the goal of becoming one of the four leading companies in the world in the sector within five years.

I believe that this new strategy will make it easier for the company to target resources and financing. It will boost Aldata's R&D and provides a better foundation for building a global organization for operations. To meet the goal set by the Board, the company will have to create a more uniform and stronger Aldata brand, and this is considerably easier now that Aldata has clearly defined its target market.

Major policy decisions were taken in 2002 that clarified the division of responsibilities between Aldata's Board of Directors and Group Executive Management Team. The role of the Board is to decide on the strategic policies required for the company's operations, while the Group Executive Management Team is responsible for managing operations and implementing the strategy adopted by the Board. Co-operation between the Board elected in September and the Group Executive Management Team has been open and free of friction.

When it carried out the changes in Aldata's Board of Directors, the company's owners took into account the demands set for the work of the Board by the company's new strategy. Board members possess extensive first-hand experience of the retail business. For a Finnish company Aldata also has an extremely international Board. Familiarity with the markets of Central Europe means that the Board is able to provide support for the company's President and other top management in the company's international expansion.

The work of the Board will in future focus on further refining and clarifying the chosen strategy. The year 2003 forms an extremely challenging and important stage in Aldata's international growth.

Vantaa, February 2003



Pekka Vennamo  
Chairman of the Board





#### ■ SUPPLY CHAIN MANAGEMENT SOFTWARE

Aldata already has SCM software installations in 36 countries. The key market area for the business area is Central Europe. The unit is looking for growth particularly in the North American software market.



## International expansion continued profitably

Aldata's Supply Chain Management (SCM) software business area met and in certain aspects exceeded its targets in terms of growth in net sales, profitability and international expansion of operations.

The business area's net sales grew 38.2% from the previous year. Operating profit before goodwill amortization rose 38.4% compared to 2001. Supply Chain Management software increased its share of Aldata's net sales, accounting for about half of the total. The business area signed 13 new major customer contracts during the year.

The G.O.L.D. software suite improved its market standing through growth in sales and by expanding its market area. It also advanced through having increased personnel resources, by building up direct and indirect sales channels and support services, and through new partner and system integration agreements.

#### Profitable growth in SCM markets in Central Europe

Aldata continued to establish itself successfully and profitably in Central Europe where it has a strong footing with SCM software. Acquisitions in Germany, France and Slovenia boosted Aldata's market position and its capacity for SCM software deliveries. Aldata acquired a French company with software products for optimizing stock replenishment that extended the range of functions of the G.O.L.D. software.

Aldata strengthened its position in the SCM market in German-speaking Europe, an area of enormous potential shared by numerous suppliers. Acquisitions in Germany boosted Aldata's software sales and added depth to Aldata's expertise in logistics and retail systems.

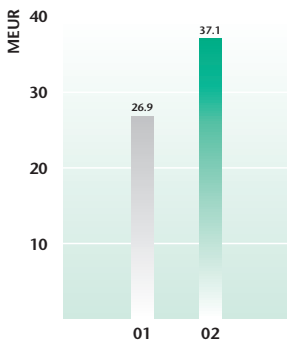
In Slovenia Aldata obtained a foothold in preparation for the eastern expansion of the EU market. Through the purchase of a system integration partner, Aldata obtained development expertise, increased software production capacity and the opportunity to achieve cost-effective software production.

Aldata restructured its organization to provide better service for the needs of partners and system integrators. It signed new partner and system integration agreements with companies such as IBM, EDS and CAP Gemini Ernst & Young. These agreements are expected to accelerate Aldata's growth, since they bring extra capacity and extend its network of contacts.

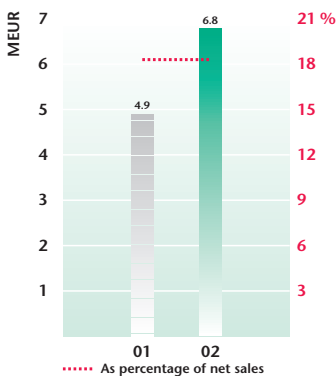


**Supply Chain Management software business area**

Net sales



**Operating profit before goodwill amortization**



**Partnership with leading retail chains**

Deliveries of the SCM software to nearly 4500 stores of various sorts in the French chain Groupe Casino proceeded according to plan. At the start of the Casino project, IBM and Hewlet-Packard tested the capacity and scalability of G.O.L.D. software. The results demonstrated that Aldata met the high requirements of Groupe Casino. This achievement reinforces Aldata's position in the retail market.

Tesco, a leading retail store chain worldwide, purchased the G.O.L.D. suite and upgrades for four countries where it has operations. Other main projects for new customers include the new partnership with the Groupe Auchan retail chain and the software supplied to Carrefour in Italy.

**2003 – an important step into North America**

The leading IT research institutions are all issuing similar estimates for growth in the software sector. IT investments by the retail sector will continue to grow and the SCM software market will grow faster than average for the retail software market.

Aldata's goal is to become the leading SCM retail software supplier in Europe within five years. To achieve this, the company will have to strengthen its market position in Central Europe, establish a footing in eastern Europe and enter Great Britain.

The company's key target in 2003 is to work with its system integration partners to raise the company's market share in retail software markets outside Europe. The biggest of these is in North America. Studies have shown that Aldata's SCM product is strongly competitive in these markets.



#### ■ IN-STORE SOFTWARE

Aldata's In-store software business area has established a strong standing in the Nordic market. The Baltic countries and Russia are some of the promising growth areas.



## Market situation to recover by the end of 2003

Considering the challenging state of the market, Aldata's performance was satisfactory even though the In-store software business area did not reach its targets. The business area's sales in 2002 totalled EUR 21.1 million, about 32% of Aldata's net sales.

Aldata's In-store software have a strong foothold in the Nordic market. Aldata's Swedish subsidiary was chosen as the most successful Swedish company in foreign ownership in 2001 by the Ahrens Rapid Growth institute. The institute publishes an annual list of the most successful foreign owned Swedish companies together with the Svenska Dagbladet newspaper. Aldata Finland's customer – Kesko – that uses Aldata's In-store software, received the "Best Euro Implementation Award".

In Sweden the year saw the conclusion of the major In-store software delivery project to the Swedish government alcohol distributor, Systembolaget AB. Aldata also signed an agreement with the Sportringen chain of sports equipment stores to supply Megadisc software for a total of 90 stores and the head office. Other new customers were the mobile phone operator Hi3G, Linx, the Tähti-Optikko optical retail chain, and Silja Line.

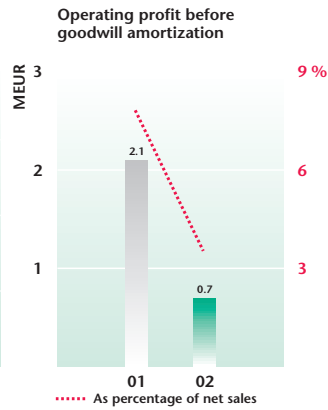
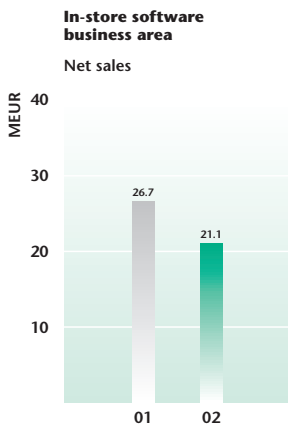
In-store's rate of growth in Sweden slackened, especially after the growth in sales experienced with the Systembolaget project. In Finland, the efforts required to implement the changeover to the euro restricted the market for in-store software during the first half of 2002.

#### **Promising growth areas in Baltic countries and Russia**

The vicinity to the developing markets in the Baltic countries and Russia puts the company in a good position to extend its natural market area. The eastward expansion of the EU also assists these prospects, giving Aldata the opportunity to reinforce its market position in the Baltics along with its retail customers that are entering the area.

#### **2003 – investment recovery expected**

Despite the general economic uncertainty, companies are expected to start to release the pent-up pressure to invest in new in-store software towards the end of 2003. This means that the market will begin to grow again, having stood still for the past two or three years.



The introduction of new standards for payment cards will stimulate in-store markets during 2003, and especially in 2004 and 2005. The Nordic countries will be among the first to introduce the new standards. The change will bring pressure on companies to upgrade in-store systems that are also in a relatively early stage of their life.

Aldata is launching new products with which the company aims to extend In-store's market outside the Nordic countries. The company's strategy is to focus on niche sectors with potential for success also in global markets.

### ■ SECURITY SYSTEMS

The customers of the Security Systems business area operate in industry, public sector and retail industry. The market is expected to grow with the rise in the level of security in buildings and the need for means to identify people.



## Service applications increased share of net sales

The main goal in 2002 for Security Systems was to improve profitability.

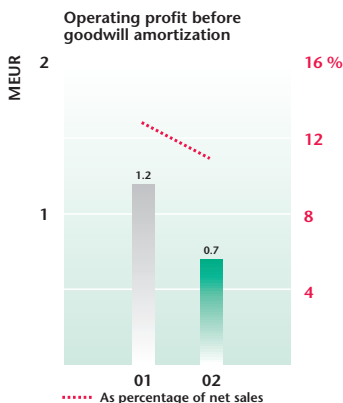
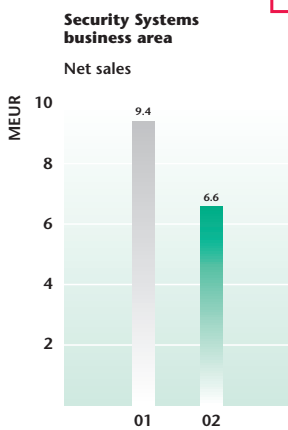
The business area succeeded well in this, due especially to growth in sales of information and service applications and to the divestment of Barcode business in 2001. Security Systems' sales developed on target during 2002. The business area accounted for about 10% of Aldata's total net sales.

The business area's main product Flexim, a system for access control and time and attendance, further increased its share of the security system market in Finland. During 2002 Security Systems obtained 15 major customers. Some of the biggest new customer projects were the Puolarmetsä hospital in Espoo, Lindström Oy and Lidl Ky.

The biggest R&D project for the business area was upgrading the Alarm Control systems. The completion of the new Alarm Control application in May gave system updates greater prominence in the business area's operations.

### 2003 – market pressure to raise security levels

The general increase in the level of security in companies and public buildings coupled with a growing need for means to identify people boosts the business area's prospects, even though the general economic uncertainty and especially the low level of office construction are also delaying investments in security systems. However, the market is expected to start to pick up during 2003. Aldata's goal is to grow faster than the market average and to further increase the share of service applications in the business area's total sales.





## R&D in partnership with customers

**Aldata's** R&D takes place in Finland, France, Slovenia and Sweden. Some 180 people work in R&D activities.

R&D is carried out in close partnership with customers, based on their needs. A good example of this is the Supply Chain Management software user association, which is an important discussion and development forum for ensuring that R&D is customer-oriented. The development of software products using voice recognition technology demonstrates this approach in practice.

## Increase in personnel in key markets

**Aldata's** human resources strategy ensures that the company has motivated, committed and proficient personnel and supports the current globalization of the company's operations.

During 2002 the number of Aldata employees increased by 6% and stood at 457 at the end of the year. In line with the company's strategy, growth took place in the markets where it is focusing its efforts, in Western and Central Europe and Slovenia. The divestment by Aldata of its E-business operations reduced the overall level of growth.

Aldata made active use of sub-contractors and contract employees to augment its personnel and obtain extra flexibility in its operations.

### **Stronger position in the recruitment market**

During 2002 it was easier to obtain IT professionals on the labour market than just a few years ago. Another factor that helped recruitment was increased awareness of Aldata among job seekers. Aldata participated in recruitment events and carried out successful recruitment campaigns in France and Slovenia.

Aldata also obtained new employees through acquisitions. Through its acquisitions in Slovenia, France and Germany, Aldata built up its knowhow for the G.O.L.D. integrations and increased its expertise especially in the retail sector.

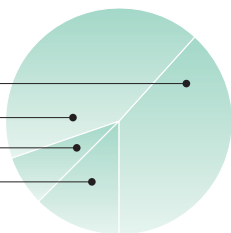
Aldata has joint projects with technical colleges and universities in Germany and France. This involves providing work placements for students, lecturing and recruitment.

### **Personnel development supports strategic goals**

The goal of personnel development is to assist Aldata in meeting its strategic targets. It is based on the personnel development discussions that are held in all Aldata units.

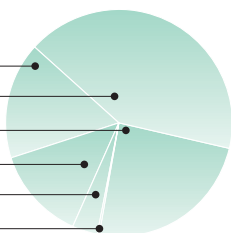
#### Personnel by employee group on 31 Dec. 2002

Product development	38 %
Customer services and project management	42 %
Sales and marketing	7 %
Management and administration	13 %



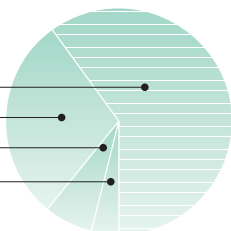
#### Personnel by country on 31 Dec. 2002

Finland	24 %
France	42 %
Sweden	17 %
Germany	13 %
Slovenia	3.8 %
USA	0.2 %

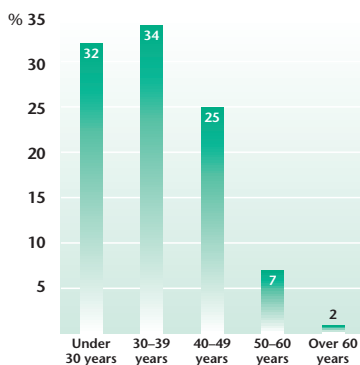


#### Personnel by business area on 31 Dec. 2002

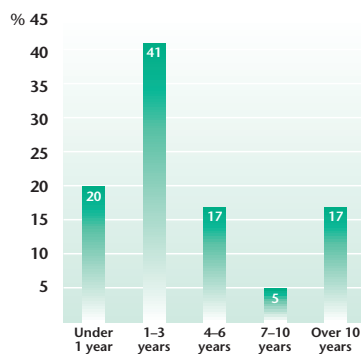
Supply Chain Management software	60 %
In-store software	29 %
Security Systems	7 %
Corporate Administration	4 %



#### Personnel by age on 31 Dec. 2002



#### Personnel by years of service on 31 Dec. 2002



In Sweden the company carried out the Lyftet project. Management representatives from leading retail store chains visited Aldata to present their sector, their company's visions and challenges, and their requirements for IT systems. The project improved understanding among Aldata personnel of customer business sectors, increased sales expertise and strengthened internal co-operation within the company.

To improve its employees' product knowledge, Aldata arranged training in new product versions, in the technology and services of other business areas and general technical training. The company also offered these training services to Aldata's network of partners. Courses were held for personnel to improve language skills and increase understanding of other cultures.

Aldata encourages personnel to participate in common leisure activities. Here, the goal is to increase commitment and team spirit, to improve work fitness, and to maintain a healthy, productive work atmosphere.

Aldata uses monetary and other forms of incentives. The company's four option programmes are for key personnel in the parent company and its wholly owned subsidiaries.

Personnel	2002	2001
On 31 Dec.	457	433
Average	448	451
Personnel by country on 31 Dec.		
Finland	110	158
France	193	150
Sweden	76	77
Germany	60	39
Slovenia	17	0
USA	1	1
Norway	0	8
Net Sales/person (EUR) *)	146,430	149,943
Operating profit before goodwill amortization/person (EUR) *)	15,209	12,854

\*) Calculated from average personnel

# Report by the Board of Directors January 1 – December 31, 2002

## Net sales and profitability

**Aldata** Group had net sales of 65.6 (67.6) MEUR. The 2001 net sales figures for comparison include 4.6 MEUR from E-business operations for the whole year and 1.9 MEUR from Barcode operations for four months. Supply Chain Management (SCM) software accounted for 56.5% (39.8%) of Group net sales, In-store software for 32.1% (39.6%), Security Systems for 10.0% (13.8%) and E-business for 1.4% (6.8%). Software licenses and maintenance accounted for 22.2% (22.5%) of 2002 net sales, services for 59.5% (51.8%) and third party licenses and hardware for 18.3% (25.7%).

Despite the divestment of the E-business, Melior and Norwegian operations, which together generated an operating loss of -2.6 MEUR, the Group's profitability remained good in 2002. In 2003 these operations and their losses will no longer affect the company's result.

The company's gross profit rose 2.7% in 2002 to 49.2 (47.9) MEUR. The Group's operating profit before goodwill amortization increased 17.5% to 6.8 (5.8) MEUR. The operating profit was 4.7 (4.6) MEUR and the profit before extraordinary items was 4.6 (5.1) MEUR. In 2002 the earnings per share was 0.028 (0.042) euro, the return on investment was 20.1% (21.9%) and the return on equity 9.8% (14.9%).

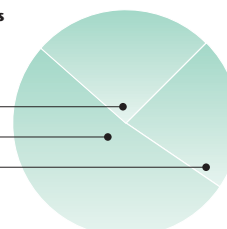
During the final quarter of 2002 Aldata Group had net sales of 20.1 (17.8) MEUR, and the SCM software business area accounted for 13.4 MEUR of this. The consolidated operating profit in the final quarter was 2.7 (1.1) MEUR and SCM contributed 2.4 (1.3) MEUR to this. In the final quarter of 2002 the Group's gross profit was 14.1 (12.9) MEUR. The operating profit before goodwill amortization was 3.0 (1.4) MEUR. The profit before extraordinary items rose to 2.5 (1.5) MEUR.

Aldata's consolidated net sales in 2002 were divided by category and quarter as follows:

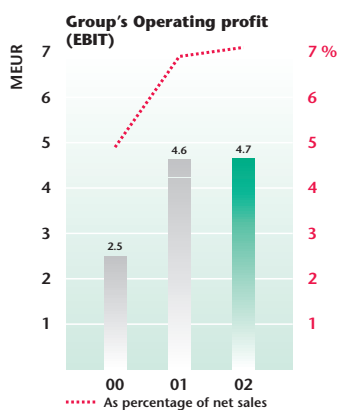
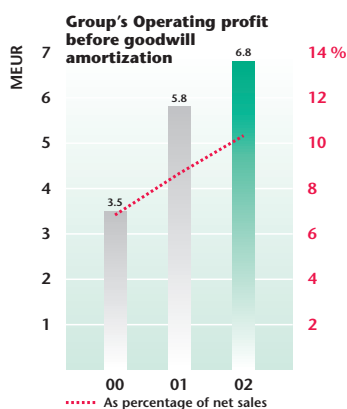
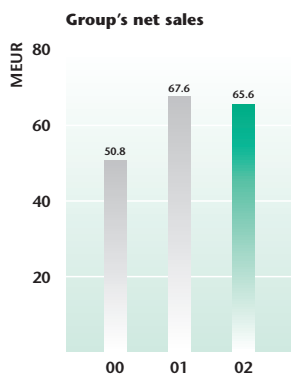
	Jan.-March	April-June	July-Sept.	Oct.-Dec.
Licenses and maintenance	20 (17)%	20 (22)%	23 (24)%	25 (27)%
Services	65 (53)%	61 (50)%	60 (49)%	53 (55)%
Third-party licenses and hardware	15 (30)%	19 (28)%	17 (27)%	22 (18)%

### Net sales divided to licenses and maintenance, services and third party licenses and hardware year 2002

Licenses and maintenance	22.2 %
Services	59.5 %
Third-party licenses and hardware	18.3 %







## Financing

The balance sheet total at the end of 2002 stood at 48.3 (41.8) MEUR. Short-term receivables totalled 27.0 MEUR, compared to 20.8 MEUR at the end of 2001. Short-term receivables include a receivable of 2.0 MEUR from Grand Vision S.A., for software and services already supplied to Grand Vision. The company continues to negotiate with Grand Vision S.A. about terminating the delivery project. After examining the issue, with among others the Group's auditors and legal advisors, it was decided that the Group would not make any provisions in its 2002 financial statements in relation to the receivable. The receivable includes 0.3 MEUR in value-added tax.

Aldata Group's cash, cash equivalents and marketable securities totalled 8.5 (11.8) MEUR at the end of 2002. The change is mainly due to payments relating to the purchase of the shares of subsidiary companies. The Group's solvency ratio stood at 51.7% (57.1%), gearing at -28.8 (-41.1) and shareholder's equity per share was 0.359 (0.352) euro.

Gross capital expenditure in 2002, on hardware and software purchases and the purchase of subsidiary company shares, amounted to 7.4 (1.7) MEUR.

## Supply Chain Management software

Net sales for the Supply Chain Management software business area grew 38.2% from 2001 to 37.1 (26.9) MEUR in 2002. The gross profit was 30.8 (22.7) MEUR. The operating profit before goodwill amortization was 6.8 (4.9) MEUR and the operating profit before goodwill amortization as a percentage of net sales was 18.3% (18.3%). The operating profit was 6.4 (4.9) MEUR and as a percentage of net sales was 17.3% (18.3%).

In 2002 the Group proceeded on schedule with its biggest ever single order, the delivery of G.O.L.D. SCM software to the Casino chain of retail stores.

During the year major delivery orders were signed in Central Europe with the Groupe Auchan, Tesco and Carrefour retail store chains.

In March 2002 the company signed a partnership agreement with the French office of CAP Gemini Ernst & Young (CGEY), which initially aims at the retail and wholesale markets in France. Aldata has also established a centre of excellence in Brazil with its partners. In June the customers of Aldata's G.O.L.D. SCM software set up a G.O.L.D. user group, with a Board containing members from major customer companies.

## In-store software

Net sales from In-store software in 2002 totalled 21.1 (26.7) MEUR. The gross profit was 13.8 (15.3) MEUR. The operating profit before goodwill amortization was 0.7 (2.1) MEUR and the operating result was -0.1 (1.4) MEUR.

During 2002 the company completed the major delivery to the Swedish government alcohol distributor, Systembolaget AB, according to the plans and continued to provide services to System-bolaget. The In-store software business area signed delivery agreements with Sportringen, a Swedish chain of sports stores, and the mobile phone operator Hi3G. In Finland the project with the Tähti-optikko, optical retail chain continued.

Aldata's Swedish subsidiary was chosen as the most successful Swedish company in foreign ownership in 2001 by the Ahrens Rapid Growth institute. The institute publishes an annual list of the most successful foreign owned Swedish companies together with the Svenska Dagbladet newspaper.

## Security Systems

Security Systems had net sales in 2002 of 6.6 (9.4) MEUR. The net sales figures for the previous year include net sales of 1.9 MEUR for the Barcode operations. The Barcode operations were sold at the beginning of May 2001.

Security Systems had a gross profit of 3.9 (5.4) MEUR. Operating profit before goodwill amortization was 0.7 (1.2) MEUR and the operating profit was 0.5 (1.0) MEUR. In 2001 the Barcode business contributed 1.1 MEUR to the gross profit, 0.2 MEUR to the profit before goodwill amortization, and 0.2 MEUR to the operating profit.

In 2002 Aldata signed an agreement with the City of Espoo in Finland to supply security systems to the Puolar metsä hospital. In April Aldata also signed an agreement with Suomen Posti Oyj (Finland Post) for the outsourcing of the main security system user services.

### **E-business operations**

In 2002 net sales from E-business operations totalled 0.8 (4.6) MEUR. The gross profit was 0.7 (4.5) MEUR. The operating loss before goodwill amortization was -1.4 (-2.4) MEUR and the operating loss was -2.2 (-2.7) MEUR. In the 2002 financial statements the Group has recorded costs of -2.0 MEUR for terminating the business operations under extraordinary costs.

The operations of the E-business area have been divested; the last to be sold was the ASAP business in August 2002. The business area is no longer part of the Group in 2003. Following the divestment of E-business operations, Aldata is focusing on its core business, supplying systems to the retail sector.

### **Research & Development**

R&D has taken place during the year in all business areas, in close cooperation with customers. Some 180 employees worked in R&D activities in 2002. The Group's R&D costs are recorded as costs for the period in which they are incurred.

### **Personnel**

Aldata Group had an average of 448 (451) employees during 2002. The factors affecting the number of personnel were the acquisitions in

France, Germany and Slovenia and the sale of the E-business operations and of the subsidiary in Norway. The number of personnel grew organically in France, Germany and Slovenia during the year.

At the end of 2002, Aldata Group had 457 (433) employees, of whom 175 (179) worked in research and development. Approximately 24% worked in Finland, 42 % in France, 17% in Sweden, 13% in Germany, 3.8% in Slovenia and 0.2% in the USA.

### **Share performance, foreign ownership and changes in ownership during 2002**

The highest price of the Aldata Solution Oyj share in 2002 was 2.72 EUR and the lowest was 0.43 EUR. The average price was 1.38 EUR and the closing price was 0.88 EUR. The absolute trading volume of the Aldata share on the Helsinki Exchanges during the period totalled 73.82 MEUR and 53.66 million shares changed hands.

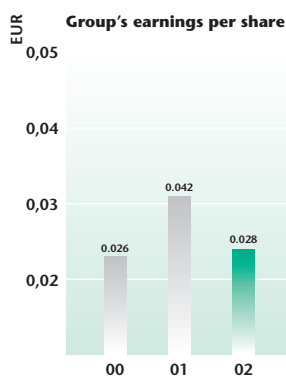
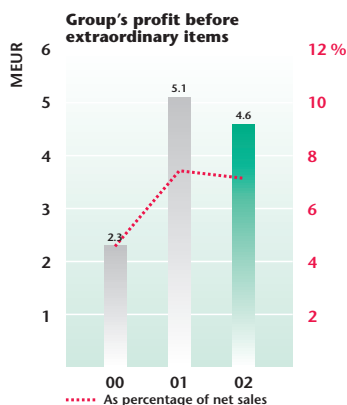
The number of shares and votes in Aldata Solution Oyj owned by The Capital Group Companies Inc. fell to 3.44% on 18 December 2002.

After the close of the period, the holding in Aldata Solution Oyj of Mach Hitech AG, Aldata's largest shareholder, rose to 17.0% on 13 January 2003.

Foreign ownership represented 32.9% of Aldata Solution Oyj shares at the end of 2002. The company had 7,537 shareholders and the free float totalled 99.47% of the share capital at the end of the year.

### **Changes in share capital and number of shares in 2002**

During 2002 share issues in connection with three acquisitions and stock options have affected the share capital and structure.



On 7 March 2002, the company issued 107,343 new shares in connection with the acquisition of a subsidiary in Slovenia. The share capital was raised by EUR 1,073.43 under the authorization given to the Board at the Annual General Meeting (AGM) on 5 April 2001.

On 3 July 2002, Aldata issued 500,928 new shares to pay for the company Omegamax S.A. acquired in France through a share exchange and to pay part of the price for the shares of the subsidiary agiplan a+o Software GmbH in Germany through a share exchange. The share capital was raised by EUR 5,009.28 under the authorization given to the Board at the AGM on 26 March 2002.

Altogether 331,250 shares were subscribed and issued during 2002 for the A stock options under the company's 1999 stock option scheme and the share capital was raised by EUR 3,312.50.

At the end of 2001 Aldata Solution Oyj had 65,206,221 shares and by the end of 2002 this figure had risen to 66,145,742 shares. In the share issues the Board has decided to disapply the pre-emptive subscription rights of shareholders, since these investments have been of major importance for the future growth and development of the company. To carry out these investments, it was necessary to arrange an issue of shares to the selling party, and for this reason there were significant financial grounds for the company to disapply the pre-emptive subscription rights. The increase in the number of shares during 2002 corresponds to 1.4% of the total number of shares.

### Board of Directors and President

At the start of 2002 the members of the Board were Pekka Lundmark (chairman), Jarmo Kalliola, Tomi Laamanen, Kai Seikku and Peter Titz.

Aldata Solution Oyj's Annual General Meeting on 26 March 2002 elected the following members to the Board of

Directors: Werner Brockhagen, Jere Lahti, Pekka Lundmark, Jyrki Salo, Kai Seikku and Peter Titz. Pekka Lundmark was elected chairman.

In August 2002 Werner Brockhagen, Pekka Lundmark, Kai Seikku and Jyrki Salo resigned from the Board of Directors. An Extraordinary Shareholders' Meeting of Aldata Solution Oyj was held on 16 September 2002 and the following were elected as new members to the Board: Pekka Vennamo, Werner Brockhagen, Matti Hietala and Jarmo Kalliola. Jere Lahti and Peter Titz continued as existing members of the Board. Pekka Vennamo was elected chairman.

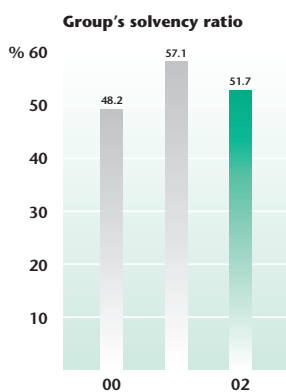
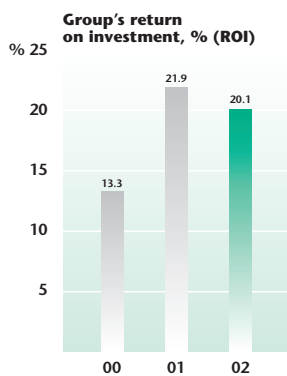
The company's President and CEO throughout the financial year was Jarmo Kalliola.

### Group Executive Management Team

At the start of 2002 the Group Executive Management Team consisted of Jarmo Kalliola, René Homeyer, Richard Lehtola and Jari Sonninen. In September 2002 two new members, Manfred Alt and Peter Uddfors, were elected to the Executive Management Team. In October the company's Executive Vice President Richard Lehtola and CFO Jari Sonninen announced their resignation from the company and from the Group Executive Management Team by the end of the year. Kim Berknov was then elected as a new member of the company's Group Executive Management Team. In November René Homeyer was appointed as the company's new Deputy CEO.

### Auditors

The company's auditors throughout the financial year were Ernst & Young Oy and the supervising auditor was Per-Olof Johansson, Authorized Public Accountant.



### Group structure, changes and business transactions during the period

Aldata Solution Oyj is the parent company of Aldata Group. At the end of 2002 Aldata Group consisted of Aldata Industries Oy (100%), with operations in Finland, and the following subsidiaries with operations outside Finland: Aldata Solution S.A. (91.1%) in France, Aldata Solution AB (100%) and Melior Utbildning AB (100%) in Sweden, agiplan a+o Software GmbH (98.7%), BUSY Warenwirtschaft mit System GmbH (98.7%) and ceris soft Gesellschaft für Beratung und Informationssysteme mbH (98.7%) in Germany, the Slovenian company Aldata Solution d.o.o. (81.2%) and Aldata Solution Inc. (100%) in the USA. Integration of the operations of the French subsidiary Omegamax S.A. (100%) with Aldata Solution S.A. started towards the end of 2002.

In March 2002 the company purchased the G.O.L.D. business of its system integration partner Aster in Slovenia and established a subsidiary called Aldata Solution d.o.o. in Slovenia.

In April the company sold the share stock of its Finnish subsidiary Solenovo Oy to the company's operative management in an MBO and the business operations of the Finnish Aldata Content Oy to a new company in which Aldata Solution Oyj has a 19.9% holding.

At the end of June the company acquired the share stock of the French company Omegamax S.A. with operations in Paris through a share exchange and the remaining shares of the German subsidiary agiplan a+o Software GmbH from Siepe AG Consulting Partners and agiplan a+o Software GmbH's Managing Director Manfred Alt.

In July the company sold its MTS business to Boptel Oy, Finland.

In August the company sold its ASAP business in an MBO to a new company, Asapsoft Netsystems Oy, Finland, in which Aldata Solution Oyj has a 19.9% holding.

In October the company's German subsidiary agiplan a+o Software GmbH purchased the entire share stock of the German company BUSY Warenwirtschaft mit System GmbH.

In November the company sold the majority of the shares of its Norwegian subsidiary Aldata Solution AS in an MBO to the company's operative management. Aldata Solution Oyj has a holding of 15.5% in the Norwegian company.

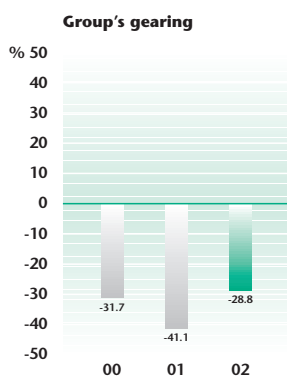
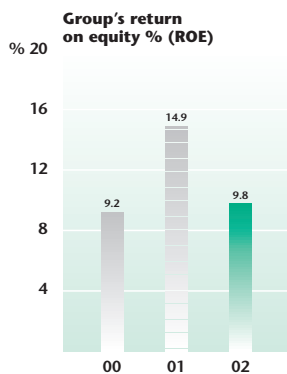
In December the company's subsidiary agiplan a+o Software GmbH purchased the entire share stock of the German company ceris soft Gesellschaft für Beratung und Informationssysteme mbH. Most of the holding of Aldata's French subsidiary in the Group's German subsidiary agiplan a+o Software GmbH was transferred internally to the parent company.

In December 2002 the fully owned Finnish subsidiaries Audio Video Sport Oy and Nordcity Oy were merged with the parent company.

### Board authorizations

The Annual General Meeting on 5 April 2001 authorized the Board to raise the share capital by issuing new shares, convertible bonds, bonds with warrants or stock options. On the basis of this authorization, in March 2002 the Board issued 107,343 shares in connection with the purchase of the shares of the subsidiary in Slovenia. The Annual General Meeting held on 26 March 2002 decided to revoke all unexercised authorizations.

The Annual General Meeting on 26 March 2002 authorized the Board to raise the share capital by issuing new shares, convertible bonds, bonds with warrants or stock options in one or more installments totaling at most EUR 130,512.44. At most 13,051,244 new shares of nominal value EUR 0.01 per share may be offered for subscription at a price and on other conditions to be determined by the Board. The Board



is also authorized to decide who shall be entitled to subscribe for shares and the authorization includes the right to disapply shareholders' pre-emptive subscription rights, provided that the company has significant financial grounds for so doing such as to strengthen the company's financial structure, to finance acquisitions and other corporate arrangements, or to carry out co-operative arrangements. The Board may not disapply shareholders' pre-emptive rights in the interests of a company insider. New shares may also be issued on payment of consideration in kind. This authorization remains in force until 25 March 2003.

By 31 December 2002 the Board has issued 500,928 shares under the authorizations given on 26 March 2002 in connection with the acquisition of the shares of the subsidiary Omegamax S.A. and of the remaining shares of agiplan a+o Software GmbH.

### Events after 31 December 2002

In January 2003, Aldata signed an agreement with Carrefour Italy to supply the G.O.L.D. system for managing stock replenishment at Carrefour's hypermarkets.

In February 2003 Aldata signed the second largest agreement ever in its Supply Chain Management software business with ATAC France, a subsidiary of Groupe Auchan.

In February 2003, Aldata entered into a strategic alliance with EDS, the leading global service firm, whereby Aldata and EDS will jointly promote sales of Aldata's G.O.L.D. Supply Chain Management software and services to EDS clients in the retail and wholesale sectors.

In February 2003 Aldata signed an agreement with the Swiss company k Kiosk AG to supply the G.O.L.D. Supply Chain Management software for managing k Kiosk AG's central warehouse operations and the logistics services for its sales outlets. The software, which will be integrated with the company's other systems

through a SAP interface, will be supplied during 2003. k Kiosk AG is part of k GROUP – Valora Wholesale – Switzerland, which is owned by Valora Holding.

### Board's dividend proposal

The Board of Directors proposes to the Annual General Meeting on 26 March 2003 that no dividend be distributed for the financial year 2002.

### Prospects for 2003 and order book

The retail software market is expected to grow moderately during 2003. The prevailing uncertainty in the global economy may have an impact on market growth.

As long as the general economic situation does not worsen significantly, sales of Aldata's G.O.L.D. SCM software are mainly expected to rise in Europe and they should also start in the USA during 2003. The sales of the In-store software business area are forecast to fall from the level of 2002 because of the uncertainty in the market, but in the final quarter of 2003 signs of a recovery in demand are anticipated. In its In-store software business area Aldata is focusing on raising efficiency during 2003, aiming to improve profitability.

In January 2003 Aldata Group had an order book for the coming 12 months of 29.7 MEUR. The order book consists of binding orders and contracts. Maintenance contracts are also included in the order book. Aldata's goal is still to increase the share of net sales accounted for by software licenses and bring them closer to 30% in 2003.

In 2003 Aldata expects its result to maintain its positive trend and sales of Supply Chain Management software should continue to grow. Aldata will maintain its profitability in 2003 and its operating profit will exceed that in 2002. Aldata will revise its prospects for 2003 when it publishes its results for the first and second quarters of the year in May and August.

# Consolidated income statement

<b>INCOME STATEMENT</b>	<b>Note</b>	<b>EUR 1000</b> <b>Jan.1-Dec.31,02</b>	<b>EUR 1000</b> <b>Jan.1-Dec.31,01</b>
<b>Net Sales</b>	1	<b>65,601</b>	<b>67,624</b>
Other operating income	3	767	412
Materials and services			
Materials and supplies:			
Purchases during the year		8,114	11,764
Increase (-) or decrease (+) in inventories		7	1,640
External services		9,078	6,786
Materials and services total		-17,199	-20,190
Personnel expenses	4		
Salaries and fees		20,676	20,807
Pension expenses		5,027	4,174
Other employee-related expenses		2,606	1,751
Personnel expenses total		-28,309	-26,731
Depreciations and writedowns	5		
On fixed assets and other long-term expenditure		1,225	1,389
Goodwill amortization		2,132	1,164
Depreciation and writedowns total		-3,357	-2,553
Other operating expenses		-12,821	-13,929
<b>Operating profit</b>	2	<b>4,682</b>	<b>4,633</b>
Financial items	6		
Financial income		553	738
Financial expenses		-588	-273
Financial items total		-35	466
<b>Profit before extraordinary items</b>		<b>4,647</b>	<b>5,099</b>
Extraordinary items	7		
Extraordinary income		137	2,052
Extraordinary expenses		-2,490	-943
Extraordinary items total		-2,353	1,109
<b>Profit before taxes</b>		<b>2,294</b>	<b>6,208</b>
Minority interest		-565	-447
Income taxes	8	-1,583	-2,254
<b>Profit for the financial period</b>		<b>146</b>	<b>3,507</b>

# Consolidated cash flow statement

<b>CASH FLOW STATEMENT</b>	<b>EUR 1000 2002</b>	<b>EUR 1000 2001</b>
<b>Cash flow from operating activities</b>		
Operating profit	4,682	4,633
Adjustments to operating profit	2,937	3,710
Change in working capital	-1,727	-4,270
Interest received	551	478
Interest and charges paid	-595	-272
Dividends received	3	0
Taxes	-3,215	-2,108
Net cash from operating activities	2,634	2,171
<b>Cash flow from investing activities</b>		
Group companies acquired	-3,849	-512
Other investments	-313	-12
Investments in tangible and intangible assets	-717	-1,204
Transfer prices of tangible and intangible assets	79	689
Loans granted	-721	66
Net cash used in investing activities	-5,521	-973
<b>Cash flow before financing</b>	<b>-2,887</b>	<b>1,198</b>
<b>Cash flow from financing activities</b>		
Long-term loans, received	97	0
Long-term loans, repayments	-776	-792
Share issue	262	997
Dividend paid	-40	0
Net cash used in financing activities	-457	205
<b>Net cash flow, total</b>	<b>-3,344</b>	<b>1,403</b>
Change in cash and cash equivalents	-3,344	1,403
Cash and cash equivalents 1 Jan.	11,830	10,427
Cash and cash equivalents 1 Jan.	8,486	11,830

# Consolidated balance sheet

<b>BALANCE SHEET</b>	<b>Note</b>	<b>EUR 1000 Dec. 31,02</b>	<b>EUR 1000 Dec. 31,01</b>
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Intangible assets	9		
Goodwill		6,224	4,832
Other long-term expenditure		318	336
Advance payments		0	11
		6,542	5,179
Tangible assets	10		
Machinery and equipment		1,263	1,895
Other tangible assets		174	147
		1,437	2,042
Investments	11		
Other shares and holdings		205	55
Loans receivables		749	25
Other investments		301	128
		1,255	208
NON-CURRENT ASSETS TOTAL		9,234	7,429
CURRENT ASSETS			
Inventories			
Work in progress		731	309
Finished products / goods		730	843
		1,461	1,152
Deferred tax assets	16	2,127	575
Short-term receivables	12		
Accounts receivables		22,044	17,229
Loans receivables		300	573
Prepaid expenses and accrued income		1,513	1,244
Other receivables		3,096	1,746
		26,953	20,791
Securities			
Other securities		0	2,576
		0	2,576
Cash and cash equivalents		8,486	9,254
CURRENT ASSETS TOTAL		39,027	34,348
<b>ASSETS</b>		<b>48,261</b>	<b>41,777</b>



# Consolidated balance sheet

<b>BALANCE SHEET</b>	<b>Note</b>	<b>EUR 1000 Dec. 31,02</b>	<b>EUR 1000 Dec. 31,01</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	13		
<b>SHAREHOLDERS' EQUITY</b>	14		
Share capital		661	652
Share issue		0	1
Share premium fund		15,982	15,293
Translation difference		-230	-260
Retained earnings		7,199	3,732
Profit for the financial period		146	3,507
<b>SHAREHOLDERS' EQUITY</b>		<b>23,757</b>	<b>22,924</b>
<b>MINORITY INTEREST</b>		<b>1,118</b>	<b>899</b>
<b>PROVISIONS</b>	15		
Other provisions		417	907
		417	907
<b>LIABILITIES</b>			
Deferred tax liability	16	194	196
Long-term liabilities	17		
Loans from financial institutions		419	1 211
Other loans		113	0
		532	1 211
Short-term liabilities	18		
Loans from financial institutions		792	792
Other loans		0	35
Advances received		113	70
Accounts payable		6,208	3,402
Accrued expenses and prepaid income		8,286	6,587
Other short-term liabilities		6,844	4,752
		22,243	15,639
<b>LIABILITIES</b>		<b>22,969</b>	<b>17,046</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>48,261</b>	<b>41,777</b>

# Parent company income and cash flow statement

INCOME STATEMENT	Note	EUR 1000	EUR 1000
		Jan.1-Dec.31,02	Jan.1-Dec.31,01
<b>Net Sales</b>		<b>8,545</b>	<b>14,164</b>
Other operating income	3	1,799	1,984
Materials and services			
Materials and supplies:			
Purchases during the year		1,849	3,312
Increase (-) or decrease (+) in inventories		17	181
External services		310	634
Materials and services total		-2,175	-4,127
Personnel expenses	4		
Salaries and fees		4,147	5,204
Pension expenses		727	512
Other employee-related expenses		132	300
Personnel expenses total		-5,006	-6,015
Depreciations and writedowns	5		
On fixed assets and other long-term expenditure		418	487
Goodwill amortization		607	616
Depreciation and writedowns total		-1,024	-1,103
Other operating expenses		-4,349	-6,603
<b>Operating result</b>		<b>-2,211</b>	<b>-1,699</b>
Financial items	6		
Financial income		468	1,448
Financial expenses		-2,414	-264
Financial items total		-1,946	1,184
<b>Result before extraordinary items</b>		<b>-4,157</b>	<b>-515</b>
Extraordinary items	7		
Extraordinary income		620	2,850
Extraordinary expenses		-2,511	-528
Extraordinary items total		-1,891	2,322
<b>Result before taxes</b>		<b>-6,048</b>	<b>1,807</b>
Income taxes	8	0	-453
<b>Result for the financial period</b>		<b>-6,048</b>	<b>1,353</b>
		<b>EUR 1000</b>	<b>EUR 1000</b>
		<b>2002</b>	<b>2001</b>
<b>CASH FLOW STATEMENT</b>			
<b>Cash flow from operating activities</b>			
Operating profit		-2,211	-1,699
Adjustments to operating profit		647	3,648
Change in working capital		1,156	1,598
Interest received		348	348
Interest and charges paid		-622	-271
Dividends received		135	297
Taxes		-100	-88
Net cash from operating activities		-647	3,833
<b>Cash flow from investing activities</b>			
Group companies acquired		-3,802	-253
Other investments		-43	0
Investments in tangible and intangible assets		-118	-535
Transfer prices of tangible and intangible assets		104	25
Loans granted		-632	985
Net cash used in investing activities		-4,491	222
<b>Cash flow before financing</b>		<b>-5,138</b>	<b>4,055</b>
<b>Cash flow from financing activities</b>			
Long-term loans, repayments		-776	-777
Share issue		262	994
Net cash used in financing activities		-514	217
Net cash flow, total		-5,652	4,272
Change in cash and cash equivalents		-5,652	4,272
Cash and cash equivalents 1 Jan.		6,093	1,821
Cash and cash equivalents 31 Dec.		441	6,093

# Parent company balance sheet

<b>BALANCE SHEET</b>	<b>Note</b>	<b>EUR 1000 Dec. 31,02</b>	<b>EUR 1000 Dec. 31,01</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	9		
Goodwill		1,445	2,182
Other long-term expenditure		120	182
		1,565	2,364
Tangible assets	10		
Machinery and equipment		277	557
Other tangible assets		32	67
		309	623
Investments	11		
Shares in subsidiaries		11,426	8,971
Other shares and holdings		98	54
Loans receivable		936	696
		12,460	9,721
<b>NON-CURRENT ASSETS TOTAL</b>		<b>14,334</b>	<b>12,708</b>
<b>CURRENT ASSETS</b>			
Inventories			
Other products / goods		60	77
		60	77
Short-term receivable	12		
Accounts receivable		998	4,181
Loans receivables		169	798
Prepaid expenses and accrued income		2,207	4,090
Other receivables		6	1
		3,380	9,069
Securities			
Other securities		0	2,576
		0	2,576
Cash and cash equivalents		441	3,517
<b>CURRENT ASSETS TOTAL</b>		<b>3,881</b>	<b>15,239</b>
<b>ASSETS</b>		<b>18,215</b>	<b>27,947</b>
<b>BALANCE SHEET</b>			
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' EQUITY	13		
Share capital		661	652
Share issue		0	1
Share premium fund		15,817	15,128
Retained earnings		2,930	1,577
Profit for the financial period		-6,048	1,353
<b>SHAREHOLDERS' EQUITY</b>		<b>13,361</b>	<b>18,711</b>
PROVISIONS			
Other provisions	15	60	599
		60	599
<b>LIABILITIES</b>			
Long-term liabilities	17		
Loans from financial institutions		419	1,164
		419	1,164
Short-term liabilities	18		
Loans from financial institutions		792	776
Advances received		0	1
Accounts payable		311	579
Accrued expenses and prepaid income		1,071	1,547
Other short-term liabilities		2,201	4,570
		4,375	7,474
<b>LIABILITIES</b>		<b>4,794</b>	<b>8,638</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>18,215</b>	<b>27,947</b>

# Accounting principles

## Principles of consolidation

The consolidated financial statements have been prepared using the acquisition cost method of accounting.

The consolidated financial statements include all the Group companies.

Minority interest in the Group's result and shareholders' equity is shown as a separate item in the consolidated income statement and consolidated balance sheet.

The difference between the acquisition cost of subsidiaries and their shareholders' equity at the time of acquisition is shown as goodwill on consolidation. The acquisition cost of the subsidiaries acquired in 1998-2002 through an exchange of shares is the net asset value of these companies in their balance sheets and therefore no significant goodwill or consolidation difference arose on their consolidation.

The figures in the income statements of foreign subsidiaries are translated each month into euros at the average exchange rate and the figures in their balance sheets at the average exchange rate prevailing on 31 December.

Exchange rate differences arising from translation and the translation differences of shareholders' equity are shown separately under shareholders' equity.

Intragroup transactions, receivables and payables are eliminated.

Pension expenses are shown in accordance with the national legislation applied in each country. In Finland, Aldata has arranged the pension benefits of its personnel through third-party pension insurance companies.

## Fixed assets

Fixed assets are capitalized at direct acquisition cost less planned depreciation. The planned depreciation is recorded on a straight-line basis over the expected economic lives of the assets.

The expected economic lives of the fixed assets are as follows:

Machinery and equipment	3–5 years
Other long-term expenditure	5 years
Goodwill	5–10 years

Goodwill is amortized over a period of more than five years based on the economic yield period of the acquired business operations.

## Inventories

Inventories are valued at the lower of their weighted average purchase price or probable sales price.

## Securities

Securities are valued at the lower of their acquisition cost or fair value.

## Foreign currency

Items denominated in foreign currency are valued at exchange rates that do not essentially differ from the rates on the balance sheet date.

## Research and development

Research and development costs are expensed in the financial period during which they are incurred.

## Project revenue recognition

The Group has applied uniform, company-wide revenue recognition principles as from 1 January 2002. Under these new principles, revenue from projects under delivery is recognized according to the degree of completion, which is based on the project's progress and on expenses as they arise and is continually monitored. Revenue, from services and licenses is recognized when the service or license is delivered to the customer.

Revenue recognition principles still differ to some extent among the Group's companies, but do not deviate significantly from the Group's principles or from those set out in the Finnish Accounting Act.

## Deferred taxes

No deferred tax assets or liabilities are entered in the parent company's balance sheet. Deferred tax assets or liabilities in the consolidated balance sheet are calculated for all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes using the official tax rate confirmed on the balance sheet date for the following fiscal periods. Deferred tax assets are entered in the balance sheet at their estimated realizable amounts, whereas deferred tax liabilities are recorded in full.

In the consolidated balance sheet, appropriations of Group companies made for taxation purposes are divided into shareholders' equity and deferred tax liability. In the consolidated income statement, changes in appropriations are divided into change in deferred tax liability and the result for the financial period.

# Notes to the financial statements

## 31 December 2002 (1000 eur)

### 1. Net sales by market area and business sector

	Group	
	2002	2001
<b>By market area:</b>		
Finland	15,320	23,074
Other Scandinavian countries	12,666	18,013
France	31,022	22,131
Germany	6,326	4,406
Other countries	267	0
Total	65,601	67,624
<b>By business sector:</b>		
Supply Chain Management software	37,021	26,890
In-store software	21,127	26,750
Security Systems	6,557	9,359
E-business	895	4,625
Total	65,601	67,624

### 2. Operating profit by business sector

	Group	
	2002	2001
Supply Chain Management software	6,435	4,918
In-store software	-61	1,382
Security Systems	502	980
E-business	-2,194	-2,647
Total	4,682	4,633

### 3. Other operating income

	Group		Parent	Company
	2002	2001	2002	2001
Sale of business operations and fixed assets	557	303	482	87
Income from Group companies	0	0	1,276	1,897
Other	210	110	41	0
Total	767	412	1,799	1,984

### 4. Personnel expenses

	Group		Parent	Company
	2002	2001	2002	2001
Salaries and fees, incl. benefits in kind, paid to management: Presidents and Board of Directors	1,215	982	344	289

It has been agreed that the President of the parent company may retire at the age of 60.

Personnel on average	448	451	95	117
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### 5. Depreciation according to plan

	Group		Parent	Company
	2002	2001	2002	2001
Depreciation for the financial period:				
Goodwill	2,132	1,164	607	616
Other long-term expenditure	139	166	65	70
Machinery and equipment	1,018	1 151	319	366
Other tangible assets	67	71	34	51
Total	3,357	2,553	1,024	1,103

## 6. Financial income and expenses

	Group		Parent	Company
	2002	2001	2002	2001
Dividend income from Group companies	0	0	135	1,085
Avoir fiscal on dividend income	0	0	0	0
Dividend income from other companies	3	0	0	0
Dividend income, total	3	0	135	1 085
Financial income from Group companies	0	0	70	123
Other interest and financial income	551	738	263	240
Interest income, total	551	738	333	363
Writedowns of investments	0	0	1800	0
Writedowns, total	0	0	1800	0
Interest expenses to Group companies	0	0	72	67
Other interest and financial expenses	588	272	543	197
Interest expenses, total	588	272	614	264
Interest and other financial expenses, total	588	272	2,414	264
<b>Financial income and expenses, total</b>	<b>-35</b>	<b>466</b>	<b>-1,946</b>	<b>1,184</b>
Other interest and financial income includes an exchange rate loss (net).	300	0	300	3

## 7. Extraordinary income and expenses

	Group		Parent	Company
	2002	2001	2002	2001
Extraordinary income				
Group contributions received	0	0	620	2,850
Other	137	2,052	0	0
	137	2,052	620	2,850
Extraordinary expenses				
Group contribution given	0	0	0	300
Divestment of E-business	2,000	0	1,980	0
Other	490	943	491	228
	2,490	943	2,511	528

The costs in 2002 relating to terminating E-business operations are mainly writedowns of receivables and salary and wages costs relating to terminating operations. Extraordinary income in 2001 mainly comprised profits on the sale of business operations.

## 8. Taxes

	Group		Parent	Company
	2002	2001	2002	2001
Income tax on extraordinary items	-682	322	0	673
Income tax on operations	3,821	2,218	0	-219
Change in deferred tax liability	-1,556	-286	0	0
<b>Total</b>	<b>1,583</b>	<b>2,254</b>	<b>0</b>	<b>454</b>

## 9. Intangible and tangible assets

### Intangible assets

	Group		Parent	Company
	2002	2001	2002	2001
Goodwill on consolidation				
Acquisition cost 1 Jan.	8,916	8,375	3,927	3,660
Increases 1 Jan. - 31 Dec.	3,776	541	60	267
Decreases 1 Jan. - 31 Dec.	-252	0	-190	0
Acquisition cost 31 Dec.	12,440	8,916	3,797	3,927
Accumulated depreciation according to plan 31 Dec.	-6,216	-4,084	-2,352	-1,745
<b>Book value 31 Dec.</b>	<b>6,224</b>	<b>4,832</b>	<b>1,445</b>	<b>2,182</b>
Other long-term expenditure:				
Acquisition cost 1 Jan.	907	829	435	365
Increases 1 Jan. - 31 Dec.	228	153	11	70
Decreases 1 Jan. - 31 Dec.	-108	-76	-9	0
Acquisition cost 31 Dec.	1,027	907	437	435
Accumulated depreciation according to plan 31 Dec.	-710	-571	-317	-253
<b>Book value 31 Dec.</b>	<b>317</b>	<b>336</b>	<b>120</b>	<b>182</b>

## 10. Tangible assets

	Group		Parent	Company
	2002	2001	2002	2001
Land and water areas:				
Acquisition cost 1 Jan.	0	17	0	0
Increases 1 Jan. - 31 Dec.	0	0	0	0
Decreases 1 Jan. - 31 Dec.	0	-17	0	0
Acquisition cost 31 Dec.	0	0	0	0
Book value 31 Dec.	0	0	0	0
Revaluations included in acquisition cost:				
Revaluations 1 Jan.	0	0	0	0
Revaluations 31 Dec.	0	0	0	0
Machinery and equipment				
Acquisition cost 1 Jan.	5,790	4,807	1,823	1,638
Increases 1 Jan. - 31 Dec.	871	983	106	195
Decreases 1 Jan. - 31 Dec.	-484	0	-68	-10
Acquisition cost 31 Dec.	6,177	5,790	1,862	1,823
Accumulated depreciation according to plan 31 Dec.	-4,914	-3,895	-1,585	-1,266
<b>Book value 31 Dec.</b>	<b>1,263</b>	<b>1,895</b>	<b>277</b>	<b>557</b>
Other tangible assets:				
Acquisition cost 1 Jan.	287	242	180	176
Increases 1 Jan. - 31 Dec.	103	45	0	4
Decreases 1 Jan. - 31 Dec.	-10	0	0	0
Acquisition cost 31 Dec.	381	287	180	180
Accumulated depreciation according to plan 31 Dec.	-207	-140	-148	-114
<b>Book value 31 Dec.</b>	<b>174</b>	<b>147</b>	<b>32</b>	<b>66</b>

## 11. Investments

	Parent	Company
	2002	2001
Group companies		
Subsidiary shares	11,426	8,971
Loan receivables		
Loan receivables from Group companies	190	696

Group companies	% of votes Parent Company	% of votes Group
Aldata Industries Oy, Vantaa, Finland	100.0	100.0
Aldata Solution AB, Täby, Sweden	20.7	100.0
Aldata Solution Holding AB, Täby, Sweden	100.0	100.0
Aldata Solution S.A, Paris, France	91.1	91.1
Omegamax, Paris, France	100.0	100.0
Aldata Solution d.o.o., Slovenia	81.2	81.2
agiplan a+ o GmbH, Stuttgart, Germany	85.0	98.7
BUSY Warenwirtschaft mit System GmbH	0.0	98.7
Cerisoft Gesellschaft für Beratung und	0.0	98.7

	Group		Parent	Company
	2002	2001	2002	2001
Other shares Jan1.	55	55	54	54
Increase Jan.1-Dec. 31	150	0	44	0
Decrease Jan.1-Dec. 31	0	0	0	0
<b>Other shares Dec. 31</b>	<b>205</b>	<b>55</b>	<b>98</b>	<b>54</b>

## 12. Current receivables

	2002	Group 2001	Parent Company 2002	Parent Company 2001
Accounts receivable				
Accounts receivable from Group companies	0	0	-342	60
From others	22,043	17,228	1,340	4,121
	22,043	17,228	997	4,181
Loan receivables				
Loan receivables from Group companies	0	0	61	571
From others	300	573	108	227
	300	573	169	798
Prepaid expenses and accrued income				
From group companies	0	0	1,508	3,653
From others	1,513	1,244	699	437
	1,513	1,244	2,207	4,090
Other receivables				
Other receivables from Group companies	0	0	0	0
From others	3,096	1,746	6	0
	3,096	1,746	6	0
Current receivables total	26,952	20,791	3,380	9,069

The Group's current receivables include some 2.0 MEUR receivable from Grand Vision S.A. Some uncertainty may be related to this receivable due to the situation described in the Board's report.

## 13. Shareholders' equity (EUR)

	2002	Group 2001	Parent Company 2002	Parent Company 2001
Share capital 1 Jan.	652,062.21	500,425.06	652,062.21	500,425.06
Increase in share capital, euro rounding	500.00	101,944.31	500.00	101,944.31
Increase in share capital/share exchange	6,082.71	39,505.34	6,082.71	39,505.34
Increase in share capital/warrants	2,812.50	10,187.50	2,812.50	10,187.50
Share capital 31 Dec.	661,457.42	652,062.21	661,457.42	652,062.21
Share issue 1 Jan.	500.00	0.00	500.00	0.00
Share issue to share capital	-500.00	0.00	-500.00	0.00
Unregistered increase in share capital/ stock options	0.00	500.00	0.00	500.00
Share issue 31 Dec.	0.00	500.00	0.00	500.00
Share premium fund 1 Jan.	15,292,639.22	13,090,144.87	15,128,025.80	12,927,702.41
New share premium fund of subsidiary	0.00	2,170.96	0.00	0.00
Euro rounding	0.00	-101,944.31	0.00	-101,944.31
Share exchange premium	430,430.59	1,319,017.70	430,430.59	1,319,017.70
Warrant subscription premium	258,750.00	983,250.00	258,750.00	983,250.00
Share premium fund 31 Dec.	15,981,819.81	15,292,639.22	15,817,206.39	15,128,025.80
Translation difference 1 Jan.	-260,341.76	-138,298.41	0.00	0.00
Change in translation difference	29,442.44	-122,043.35	0.00	0.00
Translation difference 31 Dec.	-230,899.32	-260,341.76	0.00	0.00
Profit from previous financial periods 1 Jan.	7,238,854.70	3,731,867.13	2,929,925.64	1,577,122.94
Dividend distribution	-39,851.21	0.00	0.00	0.00
Retained earnings 31 Dec.	7,199,003.49	3,731,867.13	2,929,925.64	1,577,122.94
Profit (loss) for the financial year	145,963.03	3,506,987.57	-6,048,009.50	1,352,802.70
Shareholders' equity total 31 Dec.	23,677,642.02	22,923,714.37	13,360,579.95	18,710,513.65
<b>Calculation of distributable funds:</b>				
Retained earnings	7,199,003.49	3,731,867.13	2,929,925.64	1,577,122.94
Profit for the financial period	145,963.03	3,506,987.57	-6,048,009.50	1,352,802.70
Less accumulated depreciation allocated to shareholders' equity	- 499,716.00	- 437,143.99	.00	.00
Distributable funds	6 845,250.53	6 801,710.71	-3,118,083.86	2,929,925.64



#### 14. Treatment of accumulated depreciation difference and voluntary provisions in the group

500,000 EUR of the Group's 694,000 EUR in accumulated depreciation difference and voluntary provisions was entered under shareholders' equity.

#### 15. Provisions

	Group		Parent Company	
	2002	2001	2002	2001
Social security costs for stock options	0	89	0	54
Uncertain receivables	0	545	60	545
Other provision	417	273	0	0
	417	907	60	599

The provision for covering social security costs for employee share options is based on the difference between the share price on the closing date and the subscription price for the options in question. This provision will be entered over a period of time so that when the subscription period for the share options begins, the provision will cover the full social security costs.

	Group	
	2002	2001
Total liability for social security costs for share options 31 Dec.	0	115
Entered as a provision in the balance sheet 31 Dec.	0	89
<b>Unsecured liability 31 Dec.</b>	<b>0</b>	<b>26</b>

#### 16. Deferred tax receivables and liabilities

	Group	
	2002	2001
Deferred tax receivables		
From appropriations	0	0
From consolidation measures	12	18
From timing differences	2115	557
	2127	575
Deferred tax liabilities		
From appropriations	194	170
From consolidation measures	0	0
From timing differences	0	26
	194	196

	Group		Parent Company	
	2002	2001	2002	2001
Deferred tax receivables outside the balance sheet	0	0	1635	208

#### 17. Long-term liabilities

	Group		Parent Company	
	2002	2001	2002	2001
Loans from financial institutions	419	1,211	419	1,164
Other long-term loans	113	0	0	0
<b>Total</b>	<b>532</b>	<b>1,211</b>	<b>419</b>	<b>1,164</b>

#### 18. Short-term liabilities

	Group		Parent Company	
	2002	2001	2002	2001
Loans from financial institutions	792	792	792	776
Loans from Group companies	0	0	1,974	4,031
Other loans	0	35	0	0
Advances received	113	70	0	0
Accounts payable from Group companies	0	0	14	104
Accounts payable from others	6,208	3,402	297	477
Accrued liabilities and deferred income from Group companies	0	0	0	300
Accrued liabilities and deferred income from others	8,286	6,588	1,071	1,247
Other liabilities	6,844	4,752	226	539
<b>Total</b>	<b>22,243</b>	<b>15,639</b>	<b>4,375</b>	<b>7,474</b>

## 19. Pledges given and contingent liabilities

	Group		Parent Company	
	2002	2001	2002	2001
<b>Liabilities</b>				
Loans from financial institutions	1,211	2,003	1,211	1,941
Mortgages for the above	5,432	5,432	5,432	5,432
Pledged bank account (rental security)	21	9	0	3
Rent liabilities	4,168	3,293	1,392	1,135
Leasing liabilities	1,210	1,395	384	685
Repurchase commitments	3	10	3	10
Guarantees on behalf of Group company debt	482	73	74	73
Guarantees on behalf of others	2,700	2,550	2,700	2,550
<b>Maturity of leasing liabilities</b>				
Within the following year	529	785	245	369
After the following year	581	610	142	316

## 20. Management holdings

The members of the Board of Directors, the President and CEO, and the Deputy CEO own a total of 388,504 shares, or 0.6% of all shares. Under the stock option schemes they own a total of 425,674 option rights, or 0.6% of the share-issue adjusted total number of shares, adjusted for the dilution effect.

## 21. Completed share issues, issues of convertible loans and option rights

### Board authorizations

The Annual General Meeting on 5 April 2001 authorized the Board to raise the share capital by issuing new shares or convertible bonds or bonds with warrants or stock options in one or more installments totalling at most EUR 107,794.31. Under this authorization, the Board issued 107,343 shares in March 2002 in connection with the purchase of the shares of the subsidiary in Slovenia. The Annual General Meeting on 26 March 2002 decided to revoke any unexercised authorizations.

The Annual General Meeting on 26 March 2002 authorized the Board to raise the share capital by issuing new shares or convertible bonds or bonds with warrants or stock options by at most EUR 130,512.44. Under this authorization at most 13,051,244 new shares with a nominal value of EUR 0.01 per share may be offered for subscription at a price and on other conditions to be determined by the Board. The Board is also authorized to decide who shall be entitled to subscribe for shares, and the authorization includes the right to disapply the pre-emptive subscription rights of shareholders, provided the company has significant financial grounds for doing so, such as strengthening the company's financial structure, financing acquisitions and other corporate arrangements, or to carry out co-operative arrangements. The Board may not disapply the pre-emptive subscription rights of shareholders in the interests of a company insider. New shares may be issued on payment of consideration in kind.

By 31 December 2002 the Board had issued 500,928 shares under the authorization given on 26 March 2002, in connection with the acquisition of the shares of the subsidiary Omegamax S.A. and of the remaining shares of agiplan a+o Software GmbH.

### Share issues during the year

In March 2002 shares were issued to pay for the subsidiary in Slovenia with a share exchange. Aldata's share capital was raised by EUR 1,073.43 and EUR 31,129 was entered in the share premium fund. A total of 107,343 shares were issued. The aggregate value of these shares at the share price at the time of the share exchange was EUR 225,000.

In June 2002 shares were issued to pay for the acquisition of Omegamax S.A. in France with a share exchange and to pay for part of the price of the shares of the German subsidiary agiplan a+o Software GmbH with a share exchange. Aldata's share capital was raised by EUR 5,009.28 and EUR 399,301 was entered in the share premium fund. A total of 500,928 shares were issued. These shares had an aggregate value of approx. EUR 828,000 at the share price at the time of the share exchange.

## Expired and current issues of stock options

	Expiry of subscription period	Max. authorization	Tot. distributed 31.12.2002	Remaining 3) 31.12.2002	Subscription price, EUR	Subscription period
<b>I 1999 ended 24 September 1999</b>						
A warrants	31.12.2000	1,350,000	1,350,000	0	0.93	22 Apr. 01– 21 Apr. 02
B- warrants	31.12.2000	1,350,000	1,350,000	1,293,500	0.93	22 Oct. 02– 21 Oct. 03
<b>Total</b>		<b>2,700,000</b>	<b>2,700,000</b>	<b>1,293,500</b>		
<b>II 2000 ended 29 March 2000 4)</b>						
A warrants	31.12.2001	385,000	254,200	208,900	8.98	1 Jan. 02– 31 Dec. 02
B warrants	31.12.2001	385,000	346,200	286,100	4.49	1 Jul. 03– 30 Jun. 04
<b>Total</b>		<b>770,000</b>	<b>600,400</b>	<b>495,000</b>	<b>4)</b>	
<b>III 2001 ended 5 April 2001 1)</b>						
A warrants	15.3.2003	950,000	325,000	325,000	4.49	1 Apr. 03– 31 Dec. 06
B warrants	15.3.2003	950,000	325,000	325,000	4.49	1 Apr. 04– 31 Dec. 07
<b>Total</b>		<b>1,900,000</b>	<b>650,000</b>	<b>650,000</b>	<b>1)</b>	
<b>IV 2001 ended 10 October 2001/ France 2)</b>						
A warrants	31.10.2001	115,000	115,000	113,750	8.98	1 Nov. 05– 30 Nov. 07
B warrants	31.10.2001	165,000	165,000	163,750	4.49	1 April 06– 30 Apr. 08
<b>Total</b>		<b>280,000</b>	<b>280,000</b>	<b>277,500</b>	<b>2)</b>	

- 1) Dividends paid after 5 April 2001 and before the share subscription period begins shall be deducted from the subscription price on each dividend payment date. However, the subscription price shall be no less than the nominal value of the shares.
- 2) Dividends paid after 10 October 2001 and before the share subscription period begins shall be deducted from the subscription price on each dividend payment date. However, the subscription price shall be no less than the nominal value of the shares.
- 3) Each option entitles the holder to subscribe for one share with a nominal value of EUR 0.01.
- 4) The original authorization granted by the AGM on 29 March 2000 covered 1,050,000 options, but an Extraordinary Shareholders' Meeting on 10 October 2002 reduced the authorization to 280,000 options.

# Shares and shareholders

## 22. Shares and shareholders

Aldata Solution Oyj's principal shareholders on 31 December in order of number of votes:

Shareholders	Number of shares	% of shares and votes
Ilmarinen Mutual Pension Insurance Company	3,043,400	4.60
FIM Forte Investment Fund	1,773,100	2.68
Varma-Sampo Mutual Pension Insurance Company	1,539,100	2.33
Tapiola Mutual Pension Insurance Company	1,432,900	2.17
Royal Skandia Life Assurance Ltd	942,500	1.42
Investment Fund Alfred Berg Finland	938,600	1.42
Finnish National Fund for Research and Development	919,100	1.39
FIM Fenno Investment Fund	901,000	1.36
Finnish State Pension Insurance Fund	900,000	1.36
Sampo Finnish Equity Fund	825,507	1.25
Investment Fund Alfred Berg Small Cap	787,200	1.19
Investment Fund Alfred Berg Portfolio	697,200	1.05
Gyllenberg Small Firm Fund	687,390	1.04
Investment Fund Alfred Berg Optimal	617,200	0.93
Sampo Finnish Institutional Equity Fund	579,900	0.88
Suomi Insurance Company	475,000	0.72
Nordea Life Insurance Finland Oy	455,800	0.69
Pohjola Indemnity Insurance Company	450,000	0.68
Suomi Mutual Life Insurance Company	450,000	0.68
Op-Suomi Kasvu Mutual Fund	404,900	0.61

### Nominee register accounts:

Nordea Pankki Suomi Oyj	18,707,886	28.28
HSS/Skandinaviska Enskilda Banken AB	527,244	0.80
Svenska Handelsbanken Filialkontoret	107,500	0.16
OKO Osuuspankkien Keskuspankki Oyj	88,200	0.13
HSS/Svenska Handelsbanken AB	78,300	0.12

### Shares/shareholder

	No. of shareholders	% of shareholders	No. of shares	% of shares
1-100	805	10.68	69,876	0.11
101-500	2,152	28.55	752,147	1.14
501-1 000	1,511	20.05	1,350,339	2.04
1 001-5 000	2,331	30.93	5,940,662	8.98
5 001-10 000	374	4.96	2,824,812	4.27
10 001-50 000	257	3.41	5,496,184	8.31
50 001-100 000	44	0.58	3,280,847	4.96
Over 100 000	63	0.84	46,430,875	70.19
Total	7,537	100.00	66,145,742	100.00
Total on waiting list			0	0
Number of shares issued			66,145,742	100.00

### Shareholder groups on 31 December 2002

Group	Number	No. of shares	% of shares
Households	6,744	13,996,186	21.16
Companies	589	4,018,847	6.08
Foreign	44	2,259,963	3.42
Financial and insurance institutions	64	32,729,032	49.48
Public organizations	42	9,398,300	14.21
Non-profit institutions	54	3,743,414	5.66
Total	7,537	66,145,742	100.00
Nominee registrations, total		19,518,448	29.51

### Announcements of changes in ownership of Aldata Solution Oyj up to year end 2002

The number of shares and votes in Aldata Solution Oyj owned by The Capital Group Companies Inc. fell to 3.44% on 18 December 2002.

After the close of the period, the holding in Aldata Solution Oyj of Mach Hitech AG, Aldata's largest shareholder, rose to 17.0% on 13 January 2003.

### Information about shares (unaudited)

Aldata Solution Oyj has one share series and at the end of the financial period 2002 the company had 66,145,742 shares with a nominal value of 0.01 EUR each. All the company's shares carry equal voting and dividend rights. The company's shares are quoted on the main list of the Helsinki Exchanges and the share's trading code is ALD1V. Aldata's share belongs

to the book-entry system managed by the Finnish Central Securities Depository Ltd and is traded in lots of 100 shares. The company did not own any of its own shares at 25 February 2003.

### Foreign ownership (unaudited)

A total of 33.5 % of Aldata's shares – 22,134,755 shares and votes – are nominee-registered and in foreign ownership on 31 January 2003.

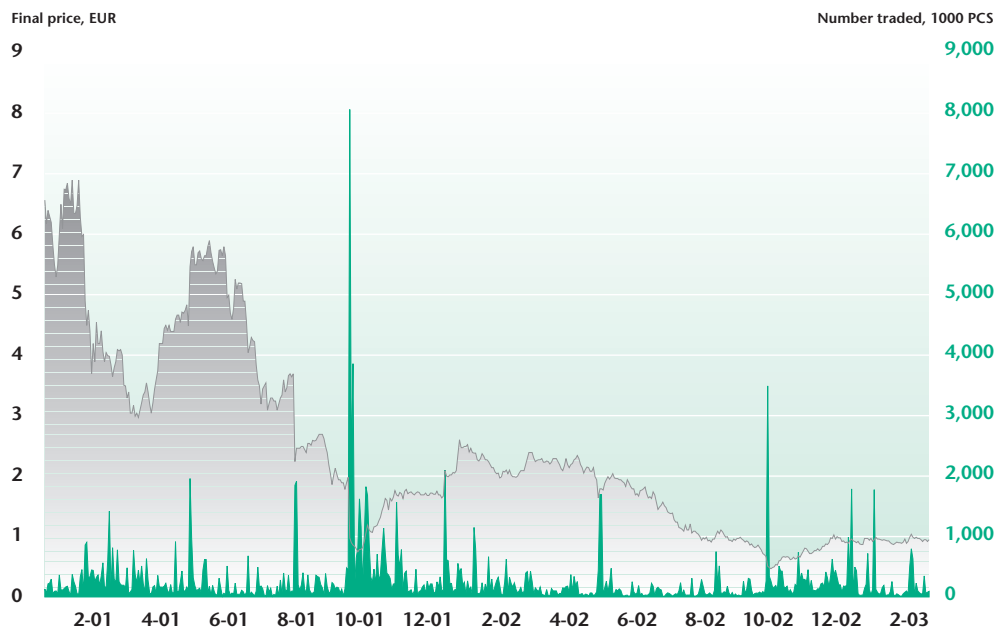
### Free float (unaudited)

The free float of Aldata shares was 99.47% of the company's share stock at the end of 2002.

### Market capitalization

The company's market capitalization at the end of 2001 was 135 MEUR and at the end of 2002 was 58 MEUR. More details about key figures for the shares and other key figures are on page 39.

### Trading price and volume of Aldata's share 31 Dec. 2000 – 28 Feb. 2003



# Calculation of key figures and ratios

<b>Cash flow from operations</b>	Operating profit + adjustments to operating profit +/- change in working capital + interest received - interest and charges paid + dividends received - taxes
<b>Return on equity %, (ROE)</b>	$\frac{\text{Profit before extraordinary items, provisions and taxes} - \text{taxes} \pm \text{tax effect of extraordinary items} \times 100}{\text{Shareholders' equity} + \text{minority interest (average)}}$
<b>Return on investment %, (ROI)</b>	$\frac{\text{Profit before extraordinary items, provisions and taxes} + \text{interest and other financing expenses} \times 100}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$
<b>Quick ratio</b>	$\frac{\text{Receivables} + \text{cash in hand and at banks and securities}}{\text{Current liabilities}}$
<b>Current ratio</b>	$\frac{\text{Current assets}}{\text{Current liabilities}}$
<b>Solvency ratio, %</b>	$\frac{\text{Shareholders' equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}}$
<b>Interest-bearing net debt</b>	Interest-bearing liabilities - cash in hand and at banks and securities
<b>Gearing, %</b>	$\frac{\text{Interest-bearing liabilities} - \text{cash in hand and at banks and certificates of deposit} \times 100}{\text{Shareholders' equity} + \text{minority interest}}$
<b>Earnings per share (EPS)</b>	$\frac{\text{Profit before extraordinary items, provisions and taxes} - \text{taxes} \pm \text{tax effect of extraordinary items} - \text{minority interest}}{\text{Average share-issue-adjusted number of shares during financial period}}$
<b>Shareholders' equity per share</b>	$\frac{\text{Shareholders' equity}}{\text{Share-issue-adjusted number of shares on closing day}}$
<b>Dividend/share</b>	$\frac{\text{Dividend proposed by the Board}}{\text{Share-issue-adjusted number of shares on closing day}}$
<b>Payout ratio, %</b>	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
<b>Effective dividend yield, %</b>	$\frac{\text{Dividend per share} \times 100}{\text{The last trading price on the last trading day of the financial period}}$
<b>Price-earnings ratio (P/E)</b>	$\frac{\text{The last trading price on the last trading day of the financial period}}{\text{Earnings per share (EPS)}}$

# Key figures

KEY FIGURES	2002	2001	2000	1999	1998
<b>SCOPE OF OPERATIONS</b>					
Net sales, MEUR	65.6	67.6	50.8	32.2	24.6
Average number of personnel	448	451	280	185	167
Gross capital expenditure, MEUR	7.4	1.7	4.7	1.0	3.5
Gross capital expenditure, % of net sales	11.2	2.5	9.3	3.0	14.2
<b>PROFITABILITY</b>					
Operating profit before goodwill amortization, MEUR	6.8	5.8	3.5	3.6	2.3
Operating profit before goodwill amortization, % of net sales	10.4	8.6	6.8	11.3	9.3
Operating profit, MEUR	4.7	4.6	2.5	2.9	1.8
Operating profit, % of net sales	7.1	6.9	4.9	9.0	7.3
Profit before extraordinary items, MEUR	4.6	5.1	2.3	2.6	1.4
Profit before extraordinary items, % of net sales	7.1	7.5	4.5	8.2	5.8
Profit before appropriations and taxes, MEUR	2.3	6.2	2.2	1.9	1.2
Profit before appropriations and taxes, % of net sales	3.5	9.2	4.3	5.8	5.0
Return on equity, % (ROE)	9.8	14.9	9.2	18.6	25.9
Return on investment, % (ROI)	20.1	21.9	13.3	21.1	17.9
<b>FINANCIAL STANDING</b>					
Quick ratio	1.6	2.1	1.6	2.3	1.3
Current ratio	1.8	2.2	1.8	2.6	1.7
Solvency ratio, %	51.7	57.1	48.2	59.2	32.3
Interest-bearing net debt, MEUR	-7.2	-9.8	-5.9	-4.9	3.2
Gearing, %	-28.8	-41.1	-31.7	-37.3	59.5
<b>PER SHARE DATA</b>					
Earnings per share, EUR (EPS)	0.028	0.042	0.026	0.041	0.038
Earnings per share, EUR (EPS), adjusted for dilution effect	0.027	0.042	0.025	0.040	0.034
Shareholders' equity per share, EUR	0.359	0.352	0.289	0.253	0.137
Dividend/share, EUR		0.00	0.000	0.000	0.013
Dividend/earnings, %		0.0	0.0	0.0	33.6
Effective dividend yield, %		0.0	0.0	0.0	—
Price/earnings ratio	32	49	253	88	—
Share performance (EUR)					
Share price on 31 Dec, EUR	0.88	2.07	6.57	3.60	
Share issue-adjusted average share price, EUR	1.38	2.64	7.71	1.20	
Share issue-adjusted lowest share price, EUR	0.43	0.73	2.80	0.96	
Share issue-adjusted highest share price, EUR	2.72	7.18	13.40	3.60	
Market capitalization, MEUR	58	135	391	188	
No. of shares traded during the financial period, (during the period of quotation in 1999)	53,655,506	263,710,407	104,187,521	37,316,500	
% of the company's average number of shares	81%	404%	175%	71%	
Number of shares	66,145,742	65,206,221	59,507,846	52,317,680	38,755,440
Share issue-adjusted number of shares annual average	65,783,016	64,202,118	52,947,473	42,232,210	26,319,010
Share issue-adjusted number of shares at the end of the financial period	66,145,742	65,206,221	59,507,846	52,317,680	38,755,440
Share issue-adjusted number of shares annual average, adjusted for dilution effect	66,229,368	65,445,876	55,017,686	43,095,050	31,838,430
Share issue-adjusted number of shares at the end of the financial period, adjusted for dilution effect	66,567,535	66,237,889	61,842,593	53,407,680	39,743,600

## Proposal by the Board of Directors

The parent company's net loss for the financial year is 6,048,009.50 EUR and losses brought forward are 3,118,083.86 EUR. The Group's distributable funds total 6,845,250.53 EUR.

Aldata Solution Oyj's Board of Directors will propose to the Annual General Meeting on 26 March 2003 that no dividend be distributed on the financial year 2002 and the result for the year be carried forward to the retained earnings account.

Vantaa, March 3, 2003  
Aldata Solution Oyj, Board of Directors

Mr Pekka Vennamo, Chairman      Mr Jere Lahti      Mr Matti Hietala  
Mr Peter Titz      Mr Werner Brockhagen      Mr Jarmo Kalliola

## Auditors' report

### To the shareholders of Aldata Solution Oyj

We have audited the accounting, the financial statements, the consolidated financial statements and the administration of Aldata Solution Oyj for the accounting period 1.1.–31.12.2002. The financial statements, which include the report of the Board of Directors, the income statements and the balance sheets and notes to the financial statements of the consolidated closing and of the closing of the parent company, 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 the administration.

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. Our audit included 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 the administration 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 for the financial period showing a loss for the parent company of EUR 6,048,009.50, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. 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 can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period examined by us. The proposal by the Board of Directors regarding the handling of the result is in compliance with the Companies Act.

Vantaa, March 5, 2003

ERNST & YOUNG OY  
Authorized Public Accountant Firm

Per-Olof Johansson  
Authorized Public Accountant





Peter Titz | Matti Hietala | Werner Brockhagen  
Jere Lahti | Pekka Vennamo | Jarmo Kalliola

## Board of Directors

### Chairman

**Pekka Vennamo**, born 1944, the Chairman of the Board at Sijoitus Oy, Jippii Group Oyj and Soprano Oyj. Member of the Aldata Board since 2002. Owns no Aldata shares. Permanent insider.

## Group Executive Management Team

**Jarmo Kalliola**, born 1953, President and CEO, chairman of the Executive Management Team. Has worked for Aldata and its predecessors since 1988, President and CEO of Aldata since January 1998, Member of Aldata's current Executive Management Team since 1997. Owns 218,080 Aldata shares. Permanent insider.

**René Homeyer**, born 1946, MSc (Eng.), Deputy CEO, Supply Chain Management product operations. Has worked for Aldata since 2000. Member of Aldata's Executive Management Team since 2000. Owns 170,424 Aldata shares. Permanent insider.

### Members

**Werner Brockhagen**, born 1942, MSc (Eng.), Chairman of the Board at Beechpoint Holding Inc. Member of the Aldata Board since 2002. Owns no Aldata shares. Permanent insider.

**Matti Hietala**, born 1949, MSc (Eng.), Partner in Helmet Business Mentors Oy. Member of the Aldata Board since 2002. Owns no Aldata shares. Permanent insider.

**Jarmo Kalliola**, born 1953, President and CEO of Aldata Solution Oyj. Member of the Aldata Board 1999–March 2002 and September 2002 onwards. Owns 218,080 Aldata shares. Permanent insider.

**Jere Lahti**, born 1943, BSc (Econ.), Chairman and CEO of SOK Corporation 1988-2002. Member of the Aldata Board since 2002. Owns 500 Aldata shares. Permanent insider.

**Peter Titz**, born 1953, MSc (Eng.), MSc (Econ.), Member of the Board of Invision AG. Member of the Aldata Board since October 2001. On 31 December 2002 Invision AG managed in total 11,951,605 Aldata shares owned by third parties. Permanent insider.

**Manfred Alt**, born 1949, Dr Eng., Executive Vice President, operations in German speaking countries. Has worked for Aldata since 2000. Member of Aldata's Executive Management Team since September 2002. Owns 112,000 Aldata shares. Permanent insider.

**Kim Berknov**, born 1963, BA, MBA, Executive Vice President, Business Development. Has worked for Aldata since 2002. Member of the Executive Management Team since November 2002. Owns no Aldata shares. Permanent insider.

**Peter Uddfors**, born 1964, MSc (Mech. Eng.), Executive Vice President, operations in Sweden. Has worked for Aldata since 2001. Member of Aldata's Executive Management Team since September 2002. Owns no Aldata shares. Permanent insider.

# Corporate Governance

The activities of Aldata Solution Oyj are supervised and managed in accordance with the company's Articles of Association, the Finnish Companies Act and other applicable legislation. The company's shareholders, Board of Directors and President are responsible for supervising and managing the company's activities. The ultimate decision-making body in the company is the Annual General Meeting of Aldata Solution Oyj shareholders. The tasks of the AGM include approving the financial statements and electing the members of the Board. It also has the right to approve amendments to the company's Articles of Association.

## Board of Directors

According to the Articles of Association of Aldata Solution Oyj, the company has a Board of Directors with no less than three (3) and no more than seven (7) members. The Board elects one of its members as chairman and it has not divided the duties of Board members into separate areas of responsibility among the members. According to the Articles of Association the Board is responsible, in addition to its statutory duties, for the overall administration and management of the company and the proper organization of the company's activities. The company's President is a member of the Board. The Board met a total of 20 times during 2002.

## President

The company's Board of Directors appoints the President. In accordance with the Companies Act and the company's Articles of Association, the President is responsible for the daily administration and management of the company in accordance with the instructions of the Board. In addition to this, the duties of the President are defined in the written contract of employment that the company has concluded with the President. The current President has served since 1998.

## Remuneration of Directors and other management of the company

The Annual General Meeting decides on the fees paid to members of the Board of Directors. A monthly fee is paid to members of the Board for carrying out their duties. The salary and other benefits paid to the President are stipulated in the contract of employment. The salaries, fees and other benefits paid to the members of the Board, the President, and the President's deputy are listed in the notes to the financial statements.

## Group Executive Management Team

The company has had a four-member Executive Management Team until September, 2002 and five members since September, 2002 consisting of the President, Deputy CEO, the CFO and the Executive Vice Presidents in charge of French, German and Swedish operations. The Executive Management Team meets regularly at approximately four-week intervals.

## Audit

The accountants Ernst & Young Oy are responsible for auditing the company's accounts and the accounts of its Finnish subsidiaries under the supervision of the principal auditor Per-Olof Johansson APA. Local offices of Ernst & Young are also responsible for the statutory auditing of the subsidiaries in Sweden and for separate audits at other foreign subsidiaries.

## Insider stipulations

The company observes the insider guidelines of the Helsinki Exchanges and the company's own insider guidelines. The company has designated as insiders company's Group Executive Management Team and the financial manager and controller.

- 
- company
  - office
  - installation

## Contact Information

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