



Business Review 2002

TietoEnator ^{TE}

Building the Information Society



Contents

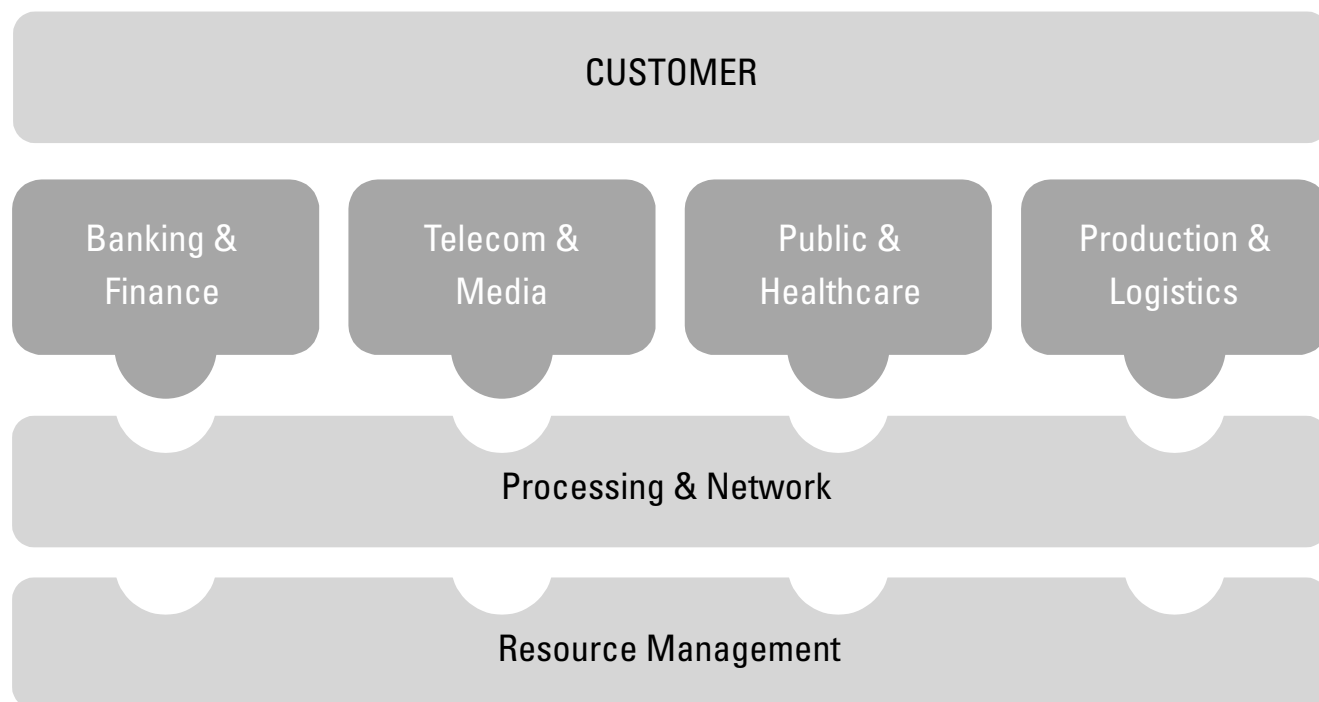
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TietoEnator is one of the leading architects in building a more efficient information society. With 13 000 experts, we are the largest IT services company in the Nordic countries.

Our leading-edge know-how is geared towards developing innovative IT solutions that realise and digitalise the visions of our customers. And we work in close partnership helping them to manage and run their business better.

We've chosen to focus on areas where we have the deepest industry expertise. The principal ones are: banking and finance, telecom and media, public and healthcare, energy and forest. In these areas, we work hand in hand with many of the world's leading companies and organisations. We are growing with them and are now active in more than 20 countries.

TietoEnator is consulting, developing and hosting its customers' digital businesses.

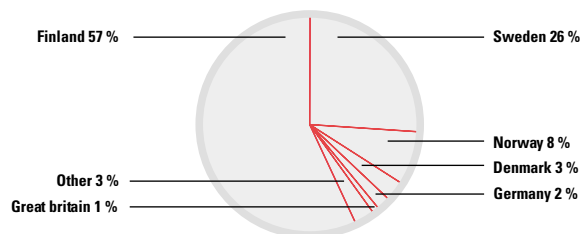


TietoEnator in brief 2002

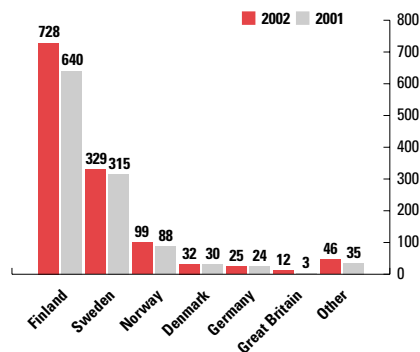
Key figures	2002	2001
Net sales, MEUR	1 271.1	1 135.2
Operating profit before goodwill amortisation and non-recurring items (EBITA)	130.0	135.4
Margin, %	10.2	11.9
Operating profit before non-recurring items (EBIT)	99.8	120.3
Margin, %	7.9	10.6
Pre-tax profit, MEUR	100.4	258.0
Earnings per share, EUR	0.77	2.40
Shareholders equity per share, EUR	5.53	5.84
Dividend per share, EUR	0.50	1.00
Investments, MEUR	282.9	125.2
Return on equity, %	13.7	47.1
Return on capital employed, %	23.0	59.9
Gearing, %	13.6	-36.6
Equity ratio, %	55.5	61.9
Personnel on average	11 591	10 058
Personnel on 31 Dec	12 418	10 589

- Net sales grew by 12% and totalled EUR 1 271.1 million.
- Group operating profit margin (EBITA) exceeded 10%.
- TietoEnator improved and strengthened its market position in several sectors through partnership agreements as well as acquisitions.
- The demand for high-value-added services was strong even if the overall IT service demand was low.
- The first cases of high-value-added outsourcing started to emerge on the market.
- TietoEnator became the leading supplier of R&D and product development services to the Nordic telecom sector and of IT services to the global forest industry and also took the position as leading partner and supplier of solutions to the European banking and finance sector.

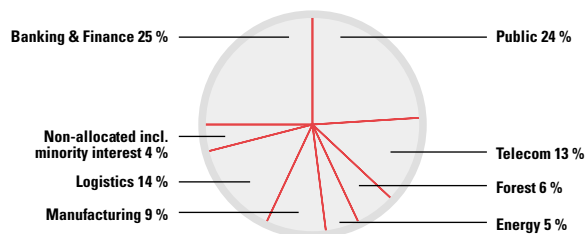
NET SALES BY COUNTRY, EUR MILLION, 2002



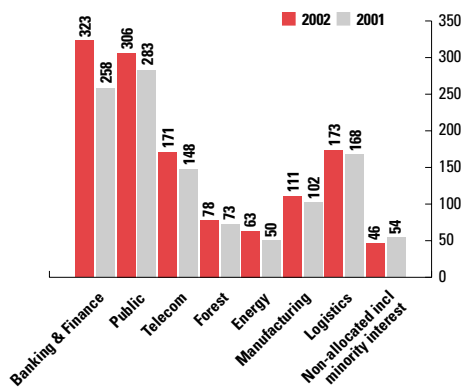
NET SALES BY COUNTRY, EUR MILLION



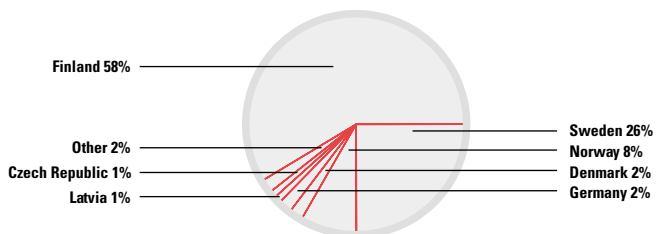
NET SALES BY INDUSTRY SEGMENT, EUR MILLION, 2002



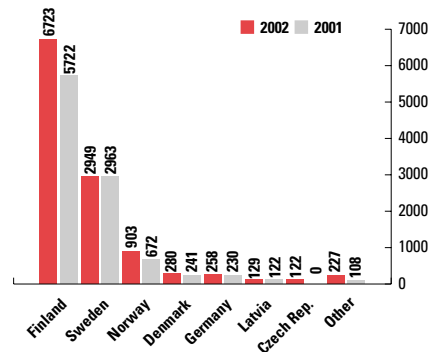
NET SALES BY INDUSTRY SEGMENT, EUR MILLION



PERSONNEL ON AVERAGE BY COUNTRY, 2002



PERSONNEL ON AVERAGE BY COUNTRY



TietoEnator highlights during 2002



January

TietoEnator signed a global agreement with BP under which BP will deploy TietoEnator's Energy Components product in its upstream oil and gas operations. Energy Components is a leading global solution for production reporting and hydrocarbon accounting.

February

The acquisition of Norwegian banking and finance software producer Ementor Financial Systems reinforced TietoEnator's standing as the number one IT partner in this sector throughout Northern Europe. The deal also increased TietoEnator's range of global banking and finance software solutions and its international customer base.

TietoEnator took a majority holding in Seals Document Services GmbH, a German company specialising in electronic exchange of commercial documents. The acquisition strengthened and broadened TietoEnator's e-invoice business outside the Nordic countries.

March

Work started on building the Digiroad database, a national register of roads and streets in Finland. The system, developed by TietoEnator, will act as a platform for telematic transport and traffic services. When linked to satellite positioning systems, mobile phone networks and in-car navigation devices Digiroad will provide road users with a wide range of new services.

The National Dental Service in Skåne, Sweden, chose the TietoEnator Effica solution for the development of its dental care operations. The order is TietoEnator's largest in this field so far.

April

TietoEnator and Nokia Networks agreed to enhance their R&D collaboration in mobile core networks.

May

TietoEnator acquired the remaining share capital of TietoEnator MAS GmbH in Germany. The deal streng-

thened TietoEnator's leading position in the German paper industry and created a platform for further business expansion in Central Europe.

June

TietoEnator acquired 51 % of Sykora Group, a German company specialising in network information and operations support systems for telecom and utility companies. Sykora has locations in seven European countries.

July

TietoEnator became the world's largest independent provider of IT solutions and services to the forest industry after its acquisition of Majiq, the leading supplier of IT systems to the pulp and paper industry in North America. Pooling the two companies' resources has created a strong partner for large international corporations.

August

TietoEnator took responsibility for global hosting of Finnish Metso Corporation's Lotus Notes environment. Notes is a strategic channel of communication for Metso and covers thousands of business support applications.

September

A partnership agreement signed with Ericsson made TietoEnator the leading supplier of R&D services to Nordic telecom companies. TietoEnator took over parts of the activities within Ericsson's product development operations within fixed networks and mobile systems. 860 employees at Ericsson were transferred to TietoEnator.

October

TietoEnator made a global licence agreement with Nordic banking group Nordea concerning the pan-European ECM mutual fund system.

TietoEnator launched Finance Portal, a next-generation online banking solution. Developed for the international finance markets Finance Portal is much broader in scope than first-generation online banking systems.

UPM-Kymmene entered into a global partnership with TietoEnator covering the development, delivery and maintenance of Mill Execution Systems (MES). The goal of this partnership is to support harmonisation of mill management processes by standardising MES functionality.

November

TietoEnator supplied customers of Stora Enso Packaging Board with PartnerWeb, an extranet order handling service. Underlying PartnerWeb is the Fenix ERP system developed jointly by TietoEnator and Stora Enso, and which Stora Enso is introducing in all its European mills.

December

Nordic energy company Fortum is standardising its global network of computer workstations. TietoEnator is responsible for global execution of the project.

YLE, the Finnish Broadcasting Company, and TietoEnator set up a joint venture called TietoEnator Broadcasting IT Oy. The new company, which started operating at the beginning of 2003, is responsible for YLE's IT system development and operating services.



Chief executive's review

Strong progress towards goals



Despite the strong headwinds we faced in the marketplace during 2002 TietoEnator's net sales grew by 12% and our operating profit margin before goodwill amortisation reached 10%. Even more important, though, is the fact that we made stronger progress last year towards reaching our long-term strategic goals than in many years previously.

The acquisition of Ementor Financial Software AS in Norway expanded TietoEnator's services in core banking and finance systems. A further addition to our world-class portfolio of services to this sector was Finance Portal, a next-generation, multichannel, personalised Internet banking solution. These breakthroughs open the way for TietoEnator both in Nordic partnership services and in its global solutions business.

Majiq and TietoEnator combine the best IT expertise for the forest industry in America and Europe and Majiq's acquisition makes TietoEnator the world's leading solutions provider to the forest sector. The welcoming attitude of our customers to this acquisition along with new global delivery agreements to major forest industry corporations underlines the growing importance of industry specific IT expertise in the forest industry, too.

Ericsson's decision to outsource a considerable part of its product development with TietoEnator, and Nokia's decision to deepen co-operation begun the year before, confirmed the Group's position as an IT development partner to the leading Nordic telecommunications companies. Their decisions well

illustrate the trend, already visible for some time, towards high-value-added outsourcing agreements; or, as we say in TietoEnator, partnership services are becoming increasingly integral to our customers' strategic product development.

Our achievements in the field of healthcare have major significance for TietoEnator as well. A world first was the ability to incorporate speech recognition in basic healthcare solutions. TietoEnator emerged during the year as the leading systems supplier in the healthcare sector in the Nordic area. This achievement is all the more important in view of the fact that information technology solutions are generally regarded today as the most important means of meeting the enormous challenges to healthcare posed by an ageing population.

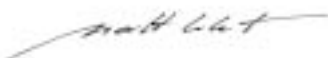
The Group's development and focus areas continued to centre around the unique combination of global solutions and partnership services in specific vertical markets. Our profound sector expertise forms a growth platform for both our solutions and partnership services, each of which supports the other in new customer relations and new markets.

As the pace of information technology investments has slowed, competition in the marketplace is largely a matter of fighting for market share. In low-value-added services the main weapon in this struggle is price, but in high-value-added services quality and expertise are the deciding factors. The ratio between internal and external information technology costs tends to change the most during periods of slow economic growth as corporations seek major leaps in productivity through outsourcing. The demand this generates can offer IT service providers significant growth opportunities even at a time when overall investment expenditure is at a standstill.

Market needs this year are not substantially diffe-

rent from last year. TietoEnator is well positioned with respect to demand and, like last year, growth during the first half of the year will come mainly from new partnership agreements. Among our various business sectors, the largest growth will most likely be achieved by telecom and banking and finance sectors although healthcare's net sales is expected to show lively growth as well. Geographically, growth in our partnership business is shifting from Finland to Sweden, while in solutions we are moving beyond the Nordic countries. After a successful year of market penetration in 2002 our management objectives have now shifted focus to exploiting the market positions we have gained. All in all the Group is aiming for net sales growth in excess of 10% this year and higher operating profit before goodwill amortisation than in 2002.

In the long term TietoEnator has its sights set on moving ever higher in the value chain, ever deeper in its expertise in selected sectors, ever closer to its customers' hearts, and ever farther afield in the world. The only way we can reach this goal is to constantly maintain customer benefit and personal growth. Credit is due to our customers and employees for their achievements during the year behind us, and for this I offer you my warmest thanks.



Matti Lehti
President and CEO

Competence is business



TietoEnator's vision to be the leading global provider of high-value-added IT services in its primary customer sectors sets an ambitious target for the company's human resources management. To reach this vision, TietoEnator must attract, recruit and retain people who have a desire to develop and deliver competences that increase the competitiveness of our customers.

The vision statement expresses a strong commitment to creating added value for customers. According to TietoEnator's Guiding Principles this value creation process is based on two common values: Personal Growth and Customer Benefit. Human resource activities contribute to the implementation and strengthening of these values by creating the conditions for continuous performance improvements as well as competence and career development.

Business-driven competence management continues

Competence management in TietoEnator is an annual and continuous process used to manage and develop

the critical competences required by the business. It is an integrated part of the business planning process in which each employee is engaged to ensure the coordination of operational activities and strategic planning. The process is called Business Driven Competence Management (BDCM).

BDCM focuses competence development on strategically important areas to ensure customer value creation. It is a best practice work procedure that analyses the existing and required competences of a team. The BDCM model was developed in its current format in 2000 based on good practices from the 1990s, and has gradually been adapted by the business areas and business units of TietoEnator.

In 2002 the model was widely promoted in all parts of the company and its implementation was strongly encouraged. As a result an increasing number of managers have found BDCM to be a useful tool for managing change by combining competence planning with strategic management and annual planning. In

many cases the process has been applied in close co-operation with customers as well. The systematic investments in competence development have further strengthened TietoEnator's exclusive double competence position: the company is able to deliver high-value-added IT services based on deep expertise both in its customer industries and in IT.

The employees' expectations for personal competence development and their level of participation in the process have been raised to a higher level likewise. The goal of having annual development discussions for each TietoEnator employee was almost reached during 2002, which is a considerable improvement from the previous year.

Internal job rotation concept developed and communicated

The focus of human resource development during 2002 was on improved internal employee mobility. The existing system for internal and external e-recruiting (eMploy) was further developed to better fit internal mobility needs. In eMploy all open positions are published, employees can apply for them, and they can also leave open applications when interested in a career move. Also a company-wide policy and process for internal job rotation were produced and communicated to make all employees better aware of internal career opportunities.

Well functioning internal mobility is of crucial importance to TietoEnator. To reach its growth targets, TietoEnator must be able to recruit and retain the best talents in the market. Improved internal mobility creates new career development opportunities, which lead to better job satisfaction and reduced personnel turnover. It also helps to locate any unused competence potential and creates considerable cost savings from reduced external recruitments costs.

Scope of management training broadened

Top management training with IMD, one of the top-ranked business schools in the world, continued successfully. Fifty-two managers have so far participated in the one-year programme that focuses strongly on TietoEnator's international growth, and a new group of 25 senior managers starts in spring 2003.

To complement the management development schemes on an international level, a Group-wide management training programme was launched called Business Excellence in TietoEnator (BETE). The programme addresses the development needs of the next level of managers and is run in close co-operation with IFL, a well-known Scandinavian business school. The

BETE programme is tied to the TE-IMD programme through partly shared faculty and content areas. All in all the programme cycle is two programmes per year with a target group consisting of 350-400 managers.

In 2003 first-line management training will receive special attention. At the moment first-line managers are trained on a national basis. In addition to line management development, special focus was given to addressing the needs of developing project managers on different levels. In autumn 2002 a work group was launched to create a common framework for project management development. That work will be finalised during 2003.

Preferred employer status measured

One of TietoEnator's goals is to become the preferred employer of IT professionals and IT students. TietoEnator also has to be well appreciated among its employees including those who have decided to leave the company.

There are four indices designed to measure the company's standing in this respect. The attraction index tells how attractive TietoEnator is in the talent market among a carefully defined target group of young IT professionals and IT students. The employer relationship index measures how content employees are with TietoEnator as an employer. The exit relationship index is taken in the form of exit surveys when people leave TietoEnator. The last measurement of the preferred employer status is the personnel turnover rate, which TietoEnator regularly follows.





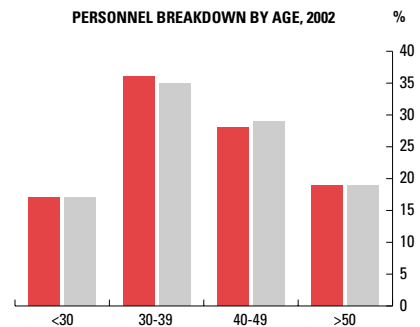
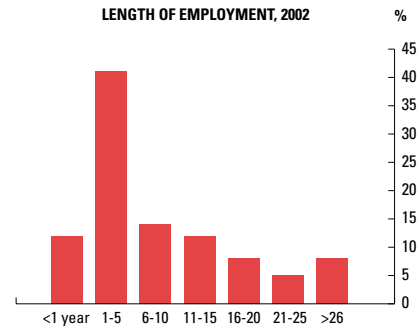
In 2002 TietoEnator increased its attractiveness in the Nordic countries, and the attraction index exceeded the goal set for the year. The employer relationship index remained at the previous year's level and the turnover rate went down from 8.9% to 5.5%.

Well positioned for future challenges

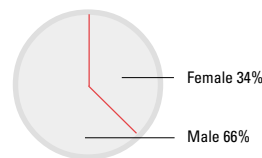
The number of TietoEnator's employees continued to grow by more than 2 000 during the review year due to partnership or outsourcing deals and acquisitions. Net recruitment, on the other hand, was close to zero. The integration of the new units has been successful. A number of business units in several countries were restructured in 2002 as part of the continuous fine-tuning of the organisation following TietoEnator's strategy and also due to the demanding ICT market situation.

TietoEnator's growth through partnerships and outsourcing, and its internationalisation process, will continue despite increasing competition both in IT services and in the competence markets. Thanks to its competitive strategy and solid economic performance, TietoEnator is well positioned to meet these challenges.

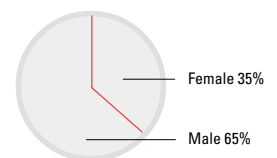
Investments in human resources will continue at a high level also in the current, more demanding market conditions. One of the focus areas for 2003 is further development of the management and compensation system including both short-term and long-term incentives.



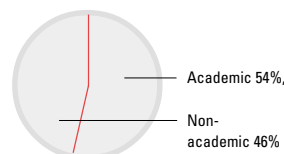
PERSONNEL BY GENDER, 2002



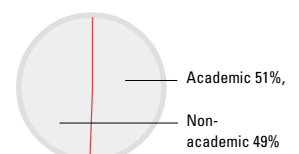
PERSONNEL BY GENDER, 2001



ACADEMIC EDUCATION, 3 YEARS OR MORE, 2002



ACADEMIC EDUCATION, 3 YEARS OR MORE, 2001



TietoEnator's brand platform

one brand conveyed by the whole organisation

A comprehensive brand platform was established for TietoEnator in 2002 to support the internationalisation process and to guide an organisation with 13 000 experts successfully towards number one positions in our areas of expertise.

The brand platform contains the principles and tools needed to build a strong brand and will be fully implemented during 2003 and 2004. Its purpose is to make the company's strategic plan and guiding principles visible and alive in all aspects of communications as well as to foster internal and external identification with TietoEnator. The primary objective in an organisation like TietoEnator is to build strong brand identification internally. Deep individual commitment and willingness to grow are needed from all employees to make it possible for us to reach our goals.

A clear strategy towards the vision

We have a unifying vision: to become the world's leading high-value-added IT services provider in selected customer industries. In order to achieve this vision, an important strategic decision has been taken to guide the future brand management of the whole Group: there will be only one common brand – TietoEnator.

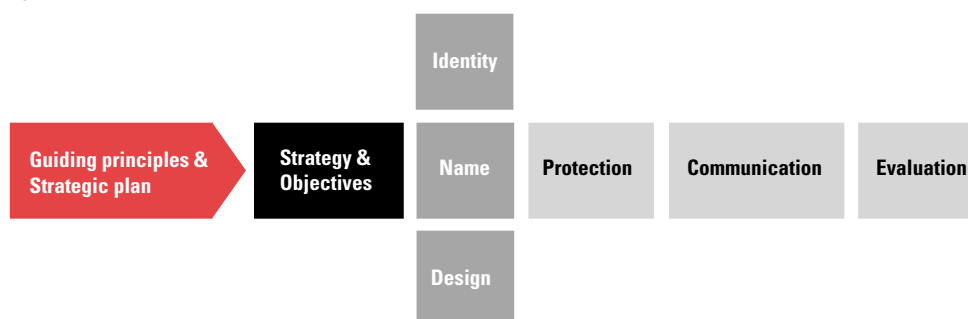
In other words, we have decided on a monolithic brand strategy. No new sub-brands will be developed; existing ones will be transformed and incorporated, and services and products will have descriptive names that will clearly convey the contents of our offer. The business and financial rationale is that all investments will build the same brand, which leads to both internal and external synergies.

Promises and values create brand identity

Brands, like people, have identities. Our brand identity is based on what the brand promises and the values that guide us. In order to succeed, these promises must always be kept. Our mission and reason for being is Building the Information Society. We see our role as an architect and operator of the digital economy, where a major part of all products and services will be produced, distributed and consumed in a digital form. In order to play our part in building the information society, we promise to always deliver high-value-added IT services to our customers within selected industries. This promise is based upon the core of our business and our key differentiators: having a deep knowledge of our customers' industries and solid expertise in the latest technologies. To keep these promises, the minds of all employees must always be set on our values, Customer Benefit and Personal Growth.

The brand platform is the basis of all our communications – on all levels, towards all target groups and in all geographical markets. Ultimately it will work as a tool that helps individuals and the organisation to reach the company's strategic objectives.

TIETOENATOR BRAND PLATFORM



Guiding principles and strategy



Architect and operator of the digital economy

TietoEnator's mission is Building the Information Society. We define the information society, or synonymously the digital economy, as an economy where a major part of all products and services are produced, distributed and consumed in digital form over data networks. We see ourselves as an architect and operator of the digital economy, as an active partner and consultant that develops and hosts its customers' digital businesses.

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

We are moving rapidly towards a society in which data-intensive products and services will be produced, distributed and consumed electronically via information networks. Also the production and distribution of physical products now receives much of its control information from such networks. Production and consumption are shifting from physical to electronic networks because the latter enable customers to receive their products and services faster, more economically and with lesser load on the environment.

World leader in selected vertical markets

Our vision is to be the world's leading provider of high-value-added IT services in selected vertical markets. Leading in our thinking means leadership in expertise, market share and profitability. High-value-added means high leverage and profitability to both customers and ourselves.

Growth, profit, preferred employer

Our long-term goals are:

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

Global leverage of vertical expertise

We are positioning ourselves against the global competition by strategic investments in segments of the market where we can maintain superior expertise, a strong market position and solid profitability. Our strategy is global leverage of vertical expertise. Our focus and differentiation stem from our background and our customers. We focus on vertical markets that represent the strongest Nordic industries and deepest accumulated expertise of TietoEnator. These sectors are banking and finance, telecom and media, public and healthcare, and the energy and forest sectors.

Within these verticals we further broaden our expertise into repeatable solutions comprising concepts, components and ready-made products. These repeatable solutions represent the most crystallised form of our vertical expertise.

When building the information society as consultants, developing and hosting our customers' core businesses in servers, networks and terminals, we need to get very close to our customers; we must be a strategic partner to them. In order to become a credible strategic partner, an IT services provider must possess a strong knowledge of its customers' businesses combined with solid expertise in the latest infor-

mation technology. This is why vertical specialisation is so vital for our success.

Our strong vertical focus leads us to two types of services: customer partnerships and repeatable global solutions. In customer partnerships the scope is Nordic, in repeatable solutions global. In the latter, our focus areas are mobile and internet banking, mobile telecom and media, digital government and healthcare, and the digital forest and energy chains.

Customer partnerships strongly support the development of repeatable solutions. In turn, co-operation with customers that starts with repeatable solutions will often expand into a wider partnership. Vertical expertise is deepened in customer partnerships and multiplied in repeatable solutions.

Customer benefit, personal growth

We profile ourselves as a highly professional European IT services company with a strong Nordic background. Our values are customer benefit and personal growth. All our work reflects a strong commitment to creating added value for our customers while providing our people with continuous opportunity to grow and develop as individuals and team members.



Group review in 2002



Market trends 2002

The economic downturn first noticed in the latter part of 2001 both continued and deepened during 2002, leaving very little space for growth in the market as IT expenditure in the USA and Europe continued to decline. The overall growth rate of the IT industry during 2002 was single-digit or even negative in several areas. Two of the customer segments most exposed to and affected by the economic slowdown were the telecom industry and the banking and finance sector, where new investments were very scarce. Licence sales of generic systems for payroll and financial administration also decreased rapidly during the year.

At the same time the interest in high-value-added services such as outsourcing and partnerships, application management, R&D and product development increased in a way similar to what happened in Finland during the recession in the early 1990s. Then, a large number of Finnish companies and financial institutions decided to outsource their IT operations in order to cope with rising costs, decreasing revenues and the

imminent need to focus on core business while at the same time starting the transition to digital business processes. The increased interest of today was most obvious in the Swedish market which, mainly for historical and organisational reasons, has been rather immature regarding outsourcing and partnerships. The first cases of large outsourcing projects began to emerge, the largest being TietoEnator's take-over of Ericsson's product development within fixed and mobile telecom networks. It also marked the first case of R&D outsourcing to take place in Sweden. The number of customer discussions and requests for information grew constantly through the year.

The downturn initially affected mainly smaller or mid-sized players, especially those highly dependent on pure resource consulting activities. However, it progressively took its toll on larger enterprises, resulting in increasing personnel layoffs and consolidation, also internationally.

The overall market situation was extremely tough throughout the year, with continued low demand and

severe pricing pressure on hardware products and resource consulting services.

Interest in new systems development or the replacement, upgrading or addition of features to existing systems was low in almost all industry sectors, most notably within the banking and finance sector. Customers continued to hold their focus on measurements and activities, the key words being cost reductions, increased internal efficiency and short pay-off times. This simultaneously created a clear but firmly pent-up demand for new functionality and harmonisation of systems and solutions.

Looking at TietoEnator's main markets from a geographical perspective, the Finnish market continued to develop in a stable way. The Swedish market encountered the most severe conditions, due largely to the ongoing problems in the telecom area that negatively affected almost the entire IT sector in Sweden.

The overall labour market situation benefited the IT sector, as both employee turnover rates and wage inflation stayed at historically low or very low levels during the year. The massive layoffs from small, mid-sized and large enterprises made it easier to find and recruit experienced specialists, even in areas where available resources were scarce earlier.

Competitive situation and market position

Competition and price pressure continued to grow in all markets, seen from both a geographical and industrial perspective. The financial slowdown, combined with pressure from the large international players trying to secure a firm foothold in the Nordic markets, resulted in severe price pressure, mainly on resource consulting-based services, but also on the traditional processing services offered by a larger number of competitors. Customers typically expect cost cuts of 10-15 % a year for such services. The price pressure on the more complex high-value-added services like application management and R&D was less pronounced.

TietoEnator holds a strong position in the Nordic markets, based on its combination of deep expertise in a number of industry sectors – banking and finance, telecom and media, the public sector, and the forest and energy sectors – coupled with its skills in systems development, implementation, integration and processing. These factors make it possible for TietoEnator to take on a leading role in the ongoing transition to the digital economy, supporting its customers with high-value-added solutions and services today and tomorrow. Long-term relations, where customers become close-knit partners for many years, also give Tieto-

Enator a comparatively high resistance towards downturns in the economy.

This resistance was proven in reality during 2002, when TietoEnator in spite of fierce competition and overall weak market development, secured and strengthened a number of key positions within its chosen industry segments. The most spectacular of these events was the takeover of the product development activities of Ericsson. Through this action and new co-operation the company emerged as the leading supplier of R&D services for telecom vendors in Europe. The competition consists of both large-scale international enterprises and small and mid-sized regional players.

Within the banking and finance sector TietoEnator took a similar position in 2002 through the acquisition of the Norwegian IT solutions company Ementor Financial Systems, adding several hundred skilled employees and a number of new customers to the existing base. Through its long-standing relationship with the Scandinavian bank Nordea, TietoEnator also became a world-leading provider of large-scale personalised Internet banking solutions. TietoEnator's competitors in this field are global giants as well as small specialized enterprises and also the IT departments of customers themselves.

Looking at the forest and energy sectors, TietoEnator acquired the US-based forest industry IT service company Majiq and thus further secured its position as the largest independent provider of IT solutions for this industry and a leading brand in the global marketplace. The acquisition strengthens TietoEnator's presence not only in the USA, but also in Europe and Asia. The competition in this area mainly consists of the in-house IT departments of large corporations. Activity in the energy sector continued to grow and new deals were signed with new and old international customers, mainly within the oil and gas industry. Systems developed and delivered by TietoEnator have been installed, or are under installation, in a multitude of countries.

Within the public sector, competition increased as more players became aware of the rapid growth and high investment ratio of the Nordic public sector. Since TietoEnator has been active for many years in developing specific segments like healthcare and also strong customer relations, the company managed to strengthen its role as the Nordic leader in healthcare solutions and as the major provider of outsourcing and processing services. Competitors are mainly Nordic national or local players.



Offshore outsourcing

The weak market development and the imminent need for cost cuts revived the discussions regarding “offshore outsourcing” – the outsourcing of programming and development tasks to low-cost countries like India or China. These services have not yet found their way fully into the Nordic markets. The TietoEnator view is that the offshore concept is highly applicable in the context of sourcing the implementation of product development and bigger technical tasks. There are, however, quite severe limits in using the concept in high-value-added services with a deep and multi-faceted customer interface, and the highly sensitive processing services that typically belong to TietoEnator’s main offerings.

The company is studying overseas outsourcing and is also examining the potential for such action. The Baltic countries and Russia, where TietoEnator already holds a strong presence, are for these purposes just as interesting, and also culturally closer, than for example India and China.

Continuous concentration

The successful conclusion of the integration of Tieto and Enator during 2001, a process in which divestment of non-core activities played an important role, made it possible for TietoEnator to put a firm management focus on increased market activities in different fields during 2002. One result of this was several major deals signed with important customers. Another was a large number of acquisitions ranging from the larger-scale acquisitions of Ementor and Majiq, to smaller ones comprising a handful of highly skilled employees, good solutions or strong customer relations, strengthening the position of the company in important markets. More than 20 acquisitions were made altogether in 2002.

TietoEnator’s dependency on services related to resource consulting continued to decrease and as a result over 80% of the activities can be considered high-value-added and based on partnerships.

Development 2002

The continuously weak telecom market combined with the decline of license-based sales of human resources management and financial administration systems affected the margins negatively during 2002. This trend was further reinforced by a rapid drop in licence sales of special solutions for the banking and finance sector and also in licence sales of generic human resources and financial administration systems. Sales in these licence-based market segments showed only small or no signs of improvement during the last months of 2002, while interest in high-value-added services and partnerships continued to increase, a trend that could indicate a coming paradigm shift in at least the Swedish market.

TietoEnator continuously adapted its size and scope of business activities according to market development. Consequently personnel reductions took place at various units, while others increased in size. Approximately 400 persons were affected by these changes during the year.

Net sales for the full year amounted to EUR 1 271.1 (1 135.2) million, an increase of 12% and organic growth amounted to 6%.

Operating profit before amortisation of goodwill (EBITA) amounted to EUR 130.0 million (2001:135.4 before non-recurring items), representing a margin of 10.2% (11.9). Operating profit after goodwill amortisation (EBIT) decreased to EUR 99.8 million (2001:120.3, before non-recurring items) representing a margin of 7.9% (10.6) Earnings per share excluding goodwill amortisation were EUR 1.14 (2001:1.23 before non-recurring items) and after goodwill amortisation EUR 0.77 (2001:1.05 before non-recurring items).

Cash used for acquisitions of Group companies and business activities amounted to EUR 180.1 (56.0) million. Due to the high investment activity and the dividend payment the balance sheet turned from a strong net cash position of EUR 202 million to a moderate net debt position of EUR 42.8 million during the year.

Net recruitment stayed on a low level. Together with acquisitions, divestments and leaves the net increase reached 2 028 (1 417).

IT management adds value to business



Juhani Strömberg, Senior Vice President, Development

Three factors have a direct bearing on the added value that information technology can generate to a company's business: the IT costs, the way IT is deployed, and how the IT function is managed. Cost-cutting, the typical knee-jerk reaction in times of economic hardship, alone is not enough to ensure a good and lasting improvement in overall added value. As information technology assumes an increasingly important and complex role in corporate operations, IT management is growing in significance.

"Managing the IT function used to be a simple matter: organizational structures were stable, there was usually only one technical platform in use, and fairly few employees actually used the systems. There were also very few outside service providers. Today, each of these factors has become highly complex and also subject to rapid change. Successful IT management in our modern world depends on the governance model in use. If the model is poor, not even the most competent individuals will succeed in generating added IT value," says **Juhani Strömberg**, senior vice president, development.

The main variable in the model, he emphasizes, is what the company will do using its own resources and how it uses the external service market. As IT is increasingly widely deployed and its importance grows, the trend has moved from doing everything in-house to buying personnel and hardware resource services (commodity outsourcing), and in recent years towards fully fledged partnership models. Partnership means making an alliance with a specialist service provider, the principal aim being to develop IT management and thereby generate added value.

Partnership model offers greatest efficiency in a complex operating environment

The appeal of the partnership model lies in the desire of companies to make their information technology investments more productive, to focus resources on their core businesses, and to make it easier to adjust to new business conditions. As companies seek new solutions for managing the IT function, outsourced services based on partnerships are becoming more widespread and also broader in scope.

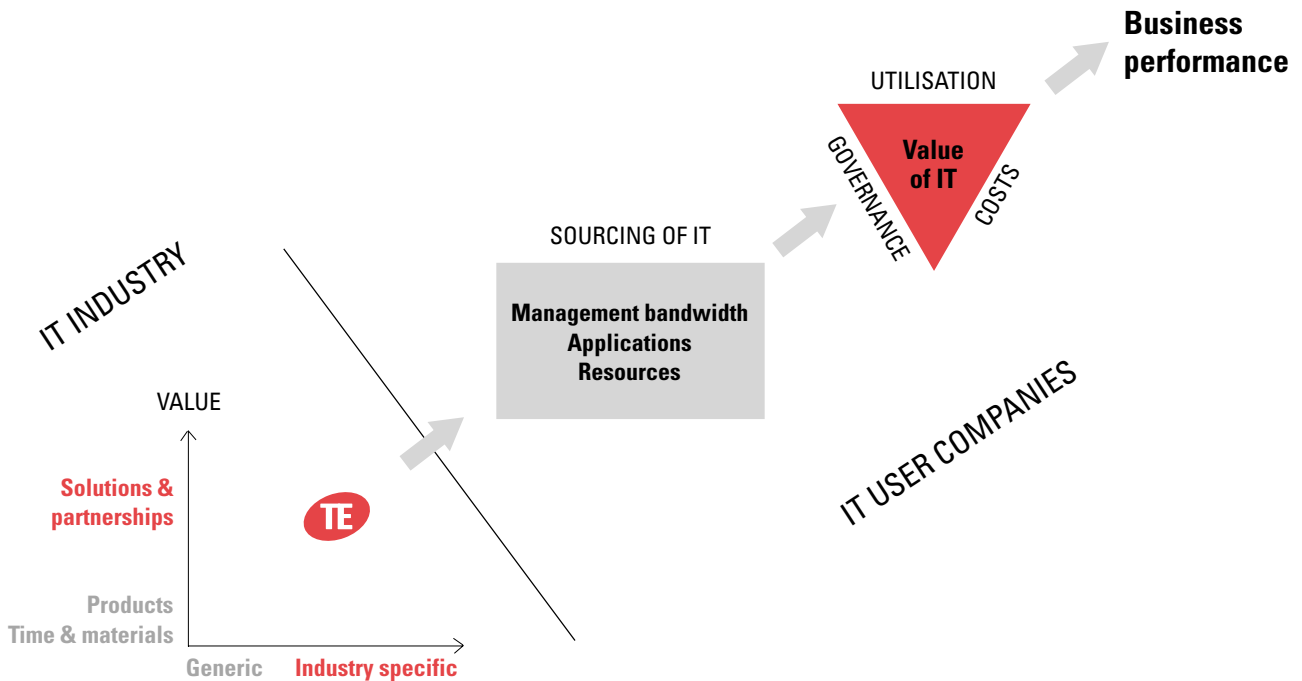
“The partnership model can only work if the responsibilities are divided between the parties in a clear and healthy way. The client company’s executives will concentrate on managing their business and its development using information technology, while the external service provider is responsible for developing

new solutions and applications and for producing the actual IT services,” Juhani Strömberg describes.

The cause and effect relationships that govern how information technology can generate added value are highly complicated and are affected by organisational, technical and psychological factors as well as the structure of the business itself.

“Both parties must have an identical and comprehensive view of how the partnership will provide added value. Everything depends on openness, transparency and mutual trust. In the successful partnership model the success of the service provider can be measured increasingly in terms of how well the client reaches his business targets. The service provider must also demonstrate the ability to develop his own operations continuously.”

Creating value with IT



TietoEnator plays an integral role in the IT value chain of its customers. With its deep industry expertise, partnership model and world-class repeatable solutions, TietoEnator not only offers resources; it helps its customers generate added value in their IT operations more effectively and with greater awareness, ensuring that the value of information technology can increase the customer’s performance in a sustainable way.

TietoEnator's partnership model is based on industry expertise

TietoEnator's understanding of the different roles of the two parties he summarises as follows: "The client's top IT management should concentrate on strategic and architectonic issues and the continuous development of the company's IT governance. The IT management of the client's business units for their part should focus on applying the information technology for business development purposes. A lean organisation is needed to integrate the external services. It is the IT partner who is responsible for providing and developing the actual IT services."

To be successful the partner in this arrangement should have sufficient general expertise in managing the IT value creation as well as a specific knowledge of the client and his business sector, process competences, technological knowhow, market knowledge and an ability to apply off-the-shelf software.

"We have for years pursued a strategy based on industry expertise and IT knowhow. As a result we can fulfill these conditions and in recent years we have created a large number of successful and ongoing partnerships with our clients.

"We believe that the partnership model is emerging as the best means of managing the information technology function as production, distribution and consumption become ever more digital and are moved to electronic networks. It is also the model of the future because it is superior in an environment that is becoming increasingly difficult to manage, that requires ever larger investments and in which complexity is inevitably increasing. The professional partner will bring expertise based on a wealth of experience. That expertise will prove an effective tool as both parties work together in developing the client's business processes."

Expertise deepens into solutions

"In the partnership model, world-class expertise in specific sectors can also be replicated into IT solutions suitable for the international market. This 'solutions business', as we call it, forms the platform for our own international expansion," Strömberg says, describing TietoEnator's second main business strategy.

"The success of our solutions business is supported by the fact that we are the preferred IT partner to several Nordic corporations that are global leaders in their own sectors. This makes the solutions we have produced with them extremely competitive. In niche

areas of cutting-edge expertise it is possible to achieve a high international profile without mega-class R&D investments and massive general marketing," Strömberg thinks.

Forming the core of TietoEnator's solutions business are concepts, components and products for banking and finance, telecom and media, the public sector and healthcare, and the forest and energy sectors.

Strategic partnerships and global solutions



Digitalising financial services - with a sharp focus we can write history.

Provida Banking Software strengthens TietoEnator's Nordic and global position in solutions

The acquisition of the Norwegian Ementor Financial Systems ASA (formerly Provida ASA) consolidated TietoEnator's position as the leading IT partner and solutions provider for the banking and finance industry in Europe.

Ementor Financial Systems was the leading provider of banking solutions with the Provida Banking Software portfolio that includes International Banking Systems, Core Banking Systems, Broker Systems and Capital Market Systems. Almost 50% of its business comes from outside Norway. In the international marketplace, the company has a strong focus on providing mission-critical solutions to medium-sized and large banks.

In addition to substantially strengthening TietoEnator's Nordic position, the acquisition of Ementor Financial Systems also increased the company's IPR base as well as bringing it several world-leading products and international customers. The combination of the two companies' solution offerings and the international customer base will accelerate TietoEnator's process of becoming the leading global provider of selected banking and finance solutions.

Partnership in payments with The Royal Bank of Scotland

The Royal Bank of Scotland (RBS) uses ProPay, a software package designed by TietoEnator, to support its sterling and international payments. ProPay is a flexible global payments solution. In addition to automating the payments process for the majority of payments, it also enables a bank to tailor complex payment products for demanding corporate customers.

Co-operation between RBS and TietoEnator was already started several years ago when RBS launched a major review of its internal systems and business operations. The purpose was to enable it to reach its strategic goal to become a major international payments bank. Since then RBS has worked in close partnership with TietoEnator in developing its payments systems.

Following the acquisition of National Westminster Bank in 2000, RBS is now one of the largest financial services groups in the world. It is the UK's leading clearing bank with a third of the market. ProPay offers RBS a platform to handle the increasing volumes of transactions with reduced risk. As a truly multicurrency payments platform, it will help RBS to stay well positioned in the fast-changing payments market in the future.

Banking & Finance

Banking & Finance's target is to be the leading provider of high-value-added IT services for the banking, finance and insurance industry. In the Nordic countries the company's strategy for strengthening its front-line position is partnering, whereas in the global arena spearhead products will lead the way. Technology expertise is highly important for the business area's success but its biggest strength lies in a deep understanding of the businesses of its customers.

Products and services

The services offered by Banking & Finance are based on strategic partnerships with customers. The spearheads of its key services are global solutions, built on world-class technologies. Global solutions include Internet and mobile banking, international and core banking, and payment and capital market systems. Banking & Finance is also experienced in taking full responsibility for management of its customers' IT development.

Markets

Banking & Finance operates in 15 countries and has 350 customers worldwide. It is the leading provider of IT services for the finance industry in Northern Europe. Reference customers include Nordea, Handelsbanken, Sampo, Förenings-

Sparbank, SEB and other major Nordic banks. Among its European customers are Barclays Bank, Halifax Bank of Scotland, Royal Bank of Scotland, Banca di Roma and Hypovereinsbank.

Competitive position

In the Nordic countries TietoEnator is the leading IT partner for the banking and finance industry. It is also well positioned in the European financial marketplace. The business area's global repeatable solutions meet world-class standards.

Performance in 2002

The whole market was depressed by economic stagnation. In this environment the Nordic partnership business continued to grow and develop healthily but the solutions and consulting businesses experienced weaker demand as customers shelved investment plans. Acquisitions included Norwegian Ementor Financial Systems and Estonian software supplier Softshark. Ementor is Norway's leading provider of solutions for the bank and finance industry. Finance Portal, a next-generation Internet banking solution developed for the international markets, was introduced.

Future outlook

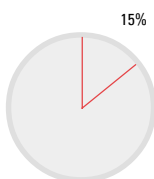
Prospects currently appear good since Banking & Finance's solutions platform is in place and the



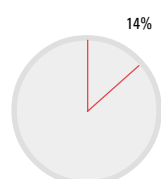
Veli Pohjolainen

business area has the geographical coverage needed to meet international demand. The emphasis now is on consolidating the business area's position by improved efficiency. New investments are expected to remain at a low level but the partnership business will be strengthened further with both existing and new customers.

SHARE OF NET SALES



SHARE OF OPERATING PROFIT BEFORE GOODWILL



Banking & Finance	Jan-Dec 02	Jan-Dec 01
Net sales (Management responsibility), MEUR	235	203
Net sales, MEUR	200	175
Per employee (Management responsibility), EUR 1 000	110.1	118.2
Operating profit before goodwill amortisation, MEUR	20	25
Margin, %	10.2	14.1
Per employee*, EUR 1 000	11.1	16.5
Full-time employees (Average)	2 133	1 716
Full-time employees (Dec 31)	2 105	1 775

* number of employees decreased by minority interests

Focusing on mobile telecom and media



Telecom & Media will enable people to make their lives easier by providing seamless mobile solutions.

Ericsson agreement strengthens TietoEnator's position in R&D services

TietoEnator took over parts of Ericsson's product development operations within fixed networks and mobile systems under a partnership agreement. The agreement consolidates TietoEnator's position as the Nordic region's leading provider of research and development (R&D) services within the areas of mobile telecommunications and information technology communications.

The employees concerned have been transferred to a new business unit within TietoEnator Telecom & Media, Sweden, and constitute a strong competence basis for TietoEnator's further activities within the telecom area. Telecom & Media now has 1800 employees working within high-value-added R&D projects.

For Ericsson the sale is a step in the company's overall strategy to consolidate and streamline its development activities. For TietoEnator it means a new strategic co-operation with Ericsson who already has been an important customer and a long-term partner. It also gives TietoEnator the possibility to reuse the competence in co-operation with other customers.

SYKORA brings European expertise in Telecom IT

TietoEnator acquired 51% of the shares in SYKORA Group, a company specialised in network inventory and operations support systems for telecom and utility companies. SYKORA has locations in seven European countries. Its main customers are telecom operators both in western and eastern Europe. The deal includes an agreement that TietoEnator will acquire 100% of the company in the future.

By joining forces with SYKORA, an already well-established company with special competence in a core field of Telecom, IT, TietoEnator achieves a good platform for further growth in its solutions business in Europe. SYKORA's international organisation, project delivery capabilities and good customer relations make the Group an ideal growth platform for TietoEnator in the expanding European telecom market.

Telecom & Media

Telecom & Media's target is to be the leading supplier of high-value-added IT services to the telecom and media industry in Europe. The business area operates globally with its global customers. Focusing on mobile telecoms and media, TietoEnator is an innovative partner to its customers in the development of their business processes and new products.

Products and services

Telecom & Media provides a comprehensive range of service solutions including research and development services, consulting, systems development and integration. The business area works with customers forming a full value chain from content providers to operators, manufacturers of networks and terminals, and developers of end-user concepts.

Markets

Telecom & Media operates in 12 European countries and has a presence in China.

Competitive position

Telecom & Media is one of the leading suppliers of high-value-added IT services to the telecom and media industry in Europe. As a

strong company focusing on high-value-added services, TietoEnator has been able to strengthen its competitive position during the current period of weak economic development, when customers have been looking for cost savings and reducing the number of their IT suppliers.

Performance in 2002

Telecom operators, manufacturers and media companies kept their investments at a very low level during the year and intensified cost reductions by closing down sites or outsourcing activities. The Telecom & Media business area took several significant strategic steps towards its vision during the year. The business area was able to increase its net sales by signing a new partnership agreement with Ericsson under which TietoEnator will take over a part of Ericsson's product development activities, and by broadening the scope of a similar agreement signed with Nokia the year before. A significant joint venture agreement was also signed with Lietuvos Telekomas, the leading Baltic operator. A joint venture agreement with the Finnish Broadcasting Company (YLE) marked the beginning of partnership operations in the media sector.

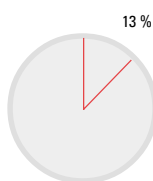


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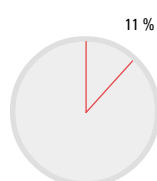
Future outlook

The Telecom and Media market in general is forecast to remain weak in the coming 12 months. Telecom & Media, however, is expected to gain significant market share and show substantial growth in 2003.

SHARE OF NET SALES



SHARE OF OPERATING PROFIT BEFORE GOODWILL



Telecom & Media	Jan-Dec 02	Jan-Dec 01
Net sales, MEUR	177	144
Per employee, EUR 1 000	97.1	112.9
Operating profit before goodwill amortisation, MEUR	16	15
Margin, %	9.0	10.7
Per employee, EUR 1 000	8.7	12.1
Full-time employees (Average)	1 822	1 276
Full-time employees (Dec 31)	2 603	1 535

Enhanced services with new IT solutions



A well functioning society means better quality of life.

Digiroad assists road users

Digiroad is a national road and street database containing basic information on all vehicle-accessible roads and streets in Finland. Developed by the Finnish Road Administration, it will be brought into use in autumn 2003.

Digiroad will contain information on the geometry, physical features and travel-related characteristics of the roads such as locations, access restrictions, road widths, weight and speed restrictions, and major bus and coach stops. Combined with satellite-based positioning systems, mobile phone networks and the drive computers of cars, the data offered by Digiroad will offer service providers extensive scope to develop services of their own on the Digiroad platform.

Transport companies and the fire and emergency services will benefit from Digiroad through route optimisation and traffic control. As navigation devices become more and more common in cars, private motorists likewise will get help in choosing the best route; with the help of GPS positioning, the position of the car can be seen on the map of the service, after which the driver gets instructions on how to find the right address from there.

TietoEnator is responsible for defining, designing and implementing the information system underlying the Digiroad service.

Stockholm chooses a complete process support system for health services

After extensive evaluation Stockholm Production Area (SPO) decided to buy a complete administrative and clinical process support system for health services from TietoEnator that focuses on both patients and users. Among other things, the system contains functions for patient administration, care documentation, medicines, referrals and answers, and care planning.

The system is based on a platform where patients, organisations, users, safety and authorisation, and classifications form shared services. The system has a set of rules on how the various components relate to each other internally and externally, as well as a shared web-based user interface that makes it easy to use. The platform also makes it considerably easier to work with other SPO systems.

This contract demonstrates TietoEnator's success in its effort to create comprehensive process support for health services. The contract forms a basis for long-lasting collaboration with SPO that will also enable TietoEnator to develop its health service concept further.

Public & Healthcare

Public & Healthcare offers services and products for building new IT solutions within the public and healthcare industries. The Public & Healthcare business area works in close partnership with its customers supporting their efficiency and ability to provide enhanced services with the help of new information technology. TietoEnator's objective is to help customers reach their strategic goals through the digitalisation of entire service processes.

Markets

Public & Healthcare's current market area covers the Nordic countries. The main customer groups are governments, local authorities and providers of healthcare services. In the central government sector, the business area offers a complete service portfolio for digital government solutions. In the local and regional sectors, it focuses on high-value-added solutions for social welfare, healthcare, education and libraries. Healthcare solutions are offered for hospitals, primary health centres, laboratories and dental care units, and also in the private sector.

Products and services

Public & Healthcare produces information systems and applications designed specifically for the needs

of public sector customers: a portfolio of professional services for implementing public development projects, systems for social services, schools, libraries and healthcare service processes. In order to create synergy benefits, TietoEnator's product development focuses on building standardised components for different solutions that are applicable on all Nordic markets.

Competitive position

Public & Healthcare holds leading market positions in Finland and Sweden, and has a substantial presence in both the Danish and Norwegian markets. In healthcare services and solutions TietoEnator is a leading IT partner in the Nordic area. The business area owes its strong market position to close and extensive co-operation with customers and an in-depth knowledge of the different areas in this sector.

Development in 2002

The public sector was not directly affected by the difficult economic conditions. Intensified competition and price pressure had, however, an indirect impact on IT service providers. Thanks to its strong customer relations and focus on specific segments such as healthcare, the Public & Healthcare business area continued to grow faster than the market. The business area strengthened its position particu-



Carl-Johan Lindfors

larly in Denmark. Several larger IT solution agreements for social welfare, healthcare and dental care were signed. The most significant acquisitions were Frontec netSolution's operations in Luleå, Sweden, the Danish web agency Araneum and Enterprise Systems Copenhagen A/S.

Future outlook

The public sector continues to employ new operating models based increasingly on the use of digital networks. Simultaneously, there will be a shortage of personnel due to retirements, which will create a need for investments in new types of digital services and high-value-added solutions. Under these circumstances, the new information technology provided by TietoEnator will be essential in the development of public and healthcare services for all citizens.

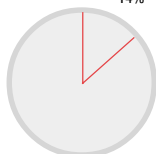
SHARE OF NETSALES

14%



SHARE OF OPERATING PROFIT BEFORE GOODWILL

14%



Public & Healthcare	Jan-Dec 02	Jan-Dec 01
Net sales (Management responsibility), MEUR	198	179
Net sales, MEUR	192	174
Per employee (Management responsibility), EUR 1 000	115.2	112.0
Operating profit before goodwill amortisation, MEUR	20	20
Margin, %	10.5	11.2
Per employee*, EUR 1 000	12.1	12.6
Full-time employees (Average)	1 715	1 596
Full-time employees (Dec 31)	1 771	1 657

* number of employees decreased by minority interests

IT systems for customers' entire value chains



We use our industry expertise, and combine it with the latest technology to help our customers improve their business.

Majiq acquisition gives global leadership

TietoEnator became the leading provider of IT solutions and services for the forest industry worldwide by acquiring US-based Majiq Inc. Majiq, with 117 employees and net sales of about EUR 20 million, is the market leader in pulp and paper specific systems in North America. The company also has operations in South America, Europe and Australia.

The acquisition supports TietoEnator's strategy to focus on selected industries and to achieve a worldleading position in them. Joining forces with Majiq makes TietoEnator a strong and credible partner for large global customers since the company now has business relations with seven of the ten largest pulp and paper companies in the world.

TietoEnator's strategy is based on the combination of industry-specific repeatable solutions and partnerships. In the forest industry, TietoEnator's solutions and services cover the entire value chain of its customers' operations, which gives it a strong competitive position in the global market. By complementing TietoEnator's industry expertise and geographic reach, the Majiq acquisition increases TietoEnator's credibility as it seeks further growth through global partnership operations.

PartnerWeb for information handling

Together with TietoEnator, Stora Enso's Packaging Boards Division has developed an advanced extranet application on top of its Sales and Logistics system. This application, called PartnerWeb, enables the division's major customers to access their own order information. PartnerWeb is currently used by more than 20 Stora-Enso customers all over the world and roll-outs are in progress to other key customers.

PartnerWeb gives customers direct, real-time access to their information at all times regardless of time zone or office hours. It provides a complete real-time overview of orders, production plans, stock availability and invoices, for example.

For Stora Enso, PartnerWeb is a strategic-level information system. It is considered to have tremendous potential in developing new ways for managing businesses and collaborating with customers.

This project raises TietoEnator's long-term partnership with StoraEnso to a new, strategic level. While IT suppliers usually work with a customer's IT department, in this project TietoEnator has worked directly with StoraEnso's business people creating real added value for their business processes.

Production & Logistics

TietoEnator is a leading provider of high-value-added IT services for selected sectors of production and logistics. The five key customer industries of the business area are forest, energy, logistics, manufacturing, and the retail sector. The business area focuses on building IT partnerships with customers in all five industries. Globally growth is attained through world-class solutions for digital forest and energy chains that are based on strong industry competence in these sectors.

Products and services

The business area develops IT systems covering its customers' entire value chains from procurement to customer relationship management. Its strengths are an in-depth knowledge of its customers' businesses, coupled with standardised, state-of-the-art methods and practices, its own solutions, and enterprise software developed by the world's leading vendors.

Markets

Production & Logistics' main markets are Finland, Norway, Germany, Sweden, Denmark and the USA. The business area supports its customers in all of their countries of operation. It also offers global support within the Energy and Forest sectors.

Competitive position

In professional services the business area's position in the Nordic countries is strong in all selected customer industries. It is the world's leading independent IT systems provider to the forest industry. In reporting and accounting systems for oil and gas production Production & Logistics holds a strong position among the world's leading oil companies.

Performance in 2002

Customers were carefully evaluating all new investments, which resulted in long sales cycles. They were also expressing a need for harmonisation of processes and applications, but were unable to take action due to the weak economic situation. Several customers were looking at IT partnerships as a way of solving these needs. The acquisition of the US-based forest industry company Majiq strengthened TietoEnator's position and credibility globally. A growing number of requests from outside the normal market area for forestry, wood supply and sawmill solutions is an indication that TietoEnator has positioned itself as a leading brand in the global marketplace. Energy market related activities recorded good growth and new agreements were signed with existing customers, mainly in the oil and gas industry.

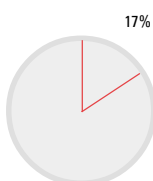


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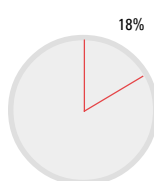
Future outlook

The globalisation and consolidation of industries will continue in pace with significant technology changes. These trends will create high demand for IT services particularly in system integration, outsourcing of non-core businesses and standardisation of processes and systems. TietoEnator's strategy to focus on the highest-value-added services gives it a good position in the global markets characterised by these changes.

SHARE OF NET SALES



SHARE OF OPERATING PROFIT BEFORE GOODWILL



Production & Logistics	Jan-Dec 02	Jan-Dec 01
Net sales, MEUR	230	212
Per employee, EUR 1 000	110.8	110.6
Operating profit before goodwill amortisation, MEUR	25	23
Margin, %	11.0	10.9
Per employee, EUR 1 000	12.2	12.0
Full-time employees (Average)	2 075	1 922
Full-time employees (Dec 31)	2 130	2 008

Efficiency, quality and data security



Outsourcing of tomorrow is not about technology, it is about taking a deep responsibility for the customers' whole operation.

Svenska Kraftnät's information system operations and development to TietoEnator

TietoEnator and Svenska Kraftnät have signed a three-year agreement that allows TietoEnator to take over the development, operations and support of Ediel, an information system for operators in the Swedish power market.

Svenska Kraftnät is responsible for supplying electric power throughout Sweden, and must therefore ensure a fair balance of electrical power supply and demand on the national grid. This requires effective exchange of information between all the players in the market.

Through Ediel Swedish power companies can exchange information, for example prognoses, agreements regarding production levels or purchases of different production alternatives. The optimised development, operations and support provided by TietoEnator will increase the efficiency and quality of the information system. It also means that Ediel users will get quicker access to new services and functionalities.

The agreement, which highlights TietoEnator's expertise within Information and Messaging, strengthens the company's position as the leading provider of solutions for Enterprise Application Integration in Sweden.

YLE outsources its IT operations to TietoEnator

YLE, the Finnish Broadcasting Company, has selected TietoEnator as its strategic IT partner and has set up a joint venture with the company. The new company, TietoEnator Broadcasting IT Oy, is responsible for YLE's system development and operating services. Another goal is to develop new IT-based electronic services for radio and TV broadcasting.

Outsourcing of IT operations is a part of the ongoing strategic restructuring and renewal of YLE's business concept. YLE will focus on its core activities, which include the development of radio and TV programmes, Internet content, and wireless services. The arrangement will also make it possible for YLE to have immediate access to the highest standard of IT expertise while keeping IT costs under control.

The telecom and media sector is one of TietoEnator's focus areas. The arrangement allows TietoEnator to strengthen its position as the leading IT company in the media industry in the Nordic countries. The co-operation with YLE creates an opportunity to develop innovative services on a broad front that can be offered to media companies throughout Europe.

Processing & Network

Processing & Network supplies comprehensive server management and supervision services for information systems and networks. The business area works in close partnership with its customers ensuring the uninterrupted operation of their IT systems. Through the specialisation of the business area customers gain improved efficiency, quality, data security and renewability of their information systems.

Products and services

To be able to supply these benefits to its customers Processing & Network has developed a competitive service package called TotalPro that encompasses all the services provided by the business area. The services package covers 24/7 service in systems management, main-frame operations and work-station management, as well as the development of topical service concepts such as e-business, messaging, mobile services, application management and information security.

Markets

Processing & Network offers its outsourcing services primarily to the existing and future partnership customers of TietoEnator's four customer sectors. This allows it to combine ongoing processing and network support services with the business development projects of

its customers in an effective way. The business area operates with a strong Nordic focus and is one of the leading suppliers in this region. It also provides local support to its partnership clients in Continental Europe and the Baltic Area. Processing & Network aims to expand worldwide with its partnership customers and already today has existing global partnerships mainly in the Forest sector.

Competitive position

The business area's strong position in the Nordic market is based on a fundamental understanding of its clients' businesses, and is strengthened by close co-operation with TietoEnator's customer sectors. This unique operating model offers clients the opportunity to achieve substantial benefits in their IT investments.

Performance in 2002

TietoEnator's strategy to combine traditional outsourcing services with the expertise built up in selected customer industries has continued to be attractive to both existing and new customers, thus paving the way for new partnership businesses. There was overall price pressure in all markets owing to the economic conditions. The Finnish market showed relatively stable development, while the Swedish market was more demanding. There are, however, good



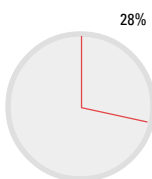
Juhani Lano

opportunities for growth and identified targets in the Swedish market as well. The joint venture company set up in Lithuania with AB Lietuvos Telekomas opens the possibility to expand operations in the Baltic market.

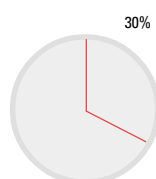
Future Outlook

The business area foresees a very competitive market with a strong presence by global actors. Consolidation among both customers and suppliers in the Nordic arena is expected to continue during 2003. This process started in 2002 with a few important joint ventures between suppliers. In the longer run Processing & Network is positive about development in the outsourcing field and this market is expected to grow rapidly in the years ahead, especially in Sweden. Strong development is foreseen also in Norway and Denmark.

SHARE OF NET SALES



SHARE OF OPERATING PROFIT BEFORE GOODWILL



Processing & Network	Jan-Dec 02	Jan-Dec 01
Net sales (Management responsibility), MEUR	397	340
Net sales, MEUR	376	329
Per employee (Management responsibility), EUR 1 000	167.1	162.6
Operating profit before goodwill amortisation, MEUR	44	38
Margin, %	11.6	11.4
Per employee*, EUR 1 000	19.2	18.4
Full-time employees (Average)	2 378	2 094
Full-time employees (Dec 31)	2 378	2 140

* number of employees decreased by minority interests

Leading resource management solutions



We are streamlining our customers' internal and external resource management processes within a digital society.

AstraZeneca streamlines with help from TietoEnator

AstraZeneca, one of the world's most successful Life Science companies, has chosen TietoEnator as a partner to improve its financial resource management processes. This is one factor that has enabled AstraZeneca to cut 15-20 % of its financial resource management costs during the past two years while at the same time increasing the number of users.

AstraZeneca is using Economa financial management modules from TietoEnator. During 2002 TietoEnator and AstraZeneca further enhanced this solution with modules for project management, digital reporting and a budgeting support system. Key success factors have been rapid implementation and high usability.

AstraZeneca is also using TietoEnator systems for payroll, HR and document handling. During the past year TietoEnator has also been involved in the development of two global quality documentation systems for managing Standard Operating Procedures within AstraZeneca R&D. The project is based on TietoEnator's Documentum document management system and expertise.

Hafslund Power Sales standardises on CRM solution delivered by TietoEnator

The electricity utility market in Norway has faced increased competition due to lower entry barriers and changes in government regulations. This competitive environment has forced electricity utility companies to take a more customer-focused approach and improve their operational efficiency.

To meet customer needs and raise operational efficiency it has been critical for Norwegian Hafslund Power Sales to standardise on a single customer interfacing solution across marketing, sales and customer support. The chosen solution from Onyx Software Corporation is integrated with front and back office applications, giving a complete view of customer data and history.

Hafslund Power Sales is part of Hafslund ASA, one of the largest listed electricity utility companies in the Nordic area. The Onyx solution has been in use at Tindra Energi, a company recently acquired by Hafslund Power Sales, since 1999.

TietoEnator has been a critical partner for Tindra Energi and continues this partnership with Hafslund Power Sales to further roll out the implementation to other companies within the business unit. This process is a good example of TietoEnator's ability to combine horizontal CRM application expertise with a deep understanding of the customer's vertical business needs.

Resource Management

Resource Management is the leading competence center of resource management solutions in the Nordic countries. It helps its customers in all branches of the public and private sectors to take care of their most important resources: customers, personnel, information and finance. TietoEnator has today close to 20 000 Nordic applications customers with hundreds of thousands of end users.

Products and services

Resource Management provides leading-edge software applications and support services. Its applications cover financial and personnel management, key account management, and document and information management. Within network-based software and services it provides significant added value for its customers' financial and personnel management and key account management processes.

Markets

In its domestic markets, the Nordic countries, Resource Management operates throughout the private and public sectors. 45% of the business area's revenues come from Sweden, 35% from Finland, 15% from Norway and 5% from Denmark. The international offices of the Nordic clients also form an important international market segment.

Competitive position

TietoEnator Resource Management holds the leading position in the Nordic countries. It owes its strong position to modular applications, basic systems and widely adopted network solutions that enable customers to outsource their administrative functions. The international spearhead products, such as the Persona Travel management system, the Persona Human resource management system and the TRIP digital archiving, and information management database occupy a solid position and reputation among their users.

Performance in 2002

Investments in enterprise applications were weak during the year, and as a result of that licence sales decreased. Customers were, however, clearly expressing a need for investments in more effective administrative processes, and Resource Management was able to increase its outsourcing business and value-added networking services. Many customers are still postponing investments due to the weak market conditions. Both the private and the public sectors were particularly interested in employee self-service solutions (ESS), web services, time/manning and electronic invoice exchange solutions. Within the public sector there is also growing interest for content management and document management solutions.

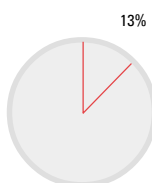


Lars Gahnström

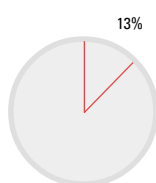
Future Outlook

Because customers made large renewals of basic resource management systems in connection with year 2000 and Euro changes, they are now directing their investments mainly into outsourcing options and value-added solutions, such as invoice hotels, digital archives and content management. The management of financial and human resources will be highly digitalised within the next few years. The exchange of various kinds of documents, such as invoices and pay slips, within networks will become a fast-growing business. TietoEnator's Resource Management is well prepared to continue conquering this market.

SHARE OF NET SALES



SHARE OF OPERATING PROFIT BEFORE GOODWILL



Resource Management	Jan-Dec 02	Jan-Dec 01
Net sales, MEUR	170	178
Per employee, EUR 1 000	122.3	132.0
Operating profit before goodwill amortisation, MEUR	19	25
Margin, %	11.1	13.9
Per employee, EUR 1 000	13.6	18.4
Full-time employees (Average)	1 388	1 346
Full-time employees (Dec 31)	1 354	1 389

Corporate governance

The Annual General meeting

The Annual General Meeting is the supreme decision-making body of the company. It elects the members of the Board of Directors and auditors, decides on their compensation and discharges the company's officers from liability. Further, the AGM's approval is required for option programmes and Board authorities for share repurchases and share issues. The AGM also makes the final decision on the Board's dividend proposal. It convenes annually and usually in March. Extraordinary General Meetings are arranged if necessary during the year. No extraordinary meetings were held in 2002.

The Board of Directors

The Board of Directors is elected by the Annual General Meeting for a one-year term running between the AGMs. The Board has a minimum of 6 and a maximum of 12 directors elected by shareholders at the AGM. Additionally, TietoEnator Group's Personnel Representative Body elects two personnel representatives to the Board annually. Following the 2002 AGM, the Board has had five non-executive directors, TietoEnator's President and CEO, and the two personnel representatives. The Board selects a chairman and a deputy chairman from among its members.

According to the decision of the AGM, directors receive fixed compensation that is specified in Note 3 of the Financial Statements. TietoEnator executives or employees are not entitled to compensation for their Board attendance.

The Board makes the final decision on the strategic planning of the Group. It also decides on all issues of importance to the entire Group including major investments, divestments, business agreements, changes in business operations, financing and the dividend proposal. In case authorisations given by the AGM, the Board can also execute share issues and share repurchases. Further, the Board appoints the President and CEO, decides on the CEO's compensation, and the principles of executive and employee remuneration. Finally, the Board is responsible for ensuring sufficient supervision of the Group's operations and that the financial statements are properly prepared. Concerning the day-to-day administration of the company and decisions without significance to the

whole Group the Board has delegated authority to the President and CEO and other executive management.

The Board has meetings scheduled every one to two months. In 2002, it convened 11 times and the average attendance was 98%. The Board of Directors is presented on pages 36-37 including their share ownerships in TietoEnator.

Executive management

The President and CEO is appointed by the Board. The CEO is responsible for the financial performance of the Group as well as organising the day-to-day management and administration in accordance with the instructions of the Board. The Board also decides on the compensation of the President and CEO. His salary, bonuses and other benefits are specified in Note 3 of the Financial Statements.

The Deputy CEO is responsible for the management of the Group Functions and is also actively supporting the Business Areas in discussions and negotiations regarding mergers, acquisitions and outsourcing and partnership agreements.

The President and CEO, Deputy CEO, Business Area Presidents and corporate management executives comprise the Group Management Team, which assists the President and CEO in fulfilling his responsibilities. The Business Area Presidents are responsible for the financial performance, development and supervision of their Business Areas. Corporate management executives are responsible for group-level coordination and management of their respective areas. The entire executive management shares the task of ensuring that all current legislation, regulations, the Group's operating principles and the Board's decisions are complied with throughout the company.

The Business Area Presidents are appointed by the CEO and the Chairman of the Board. The corporate management executives are appointed by the deputy CEO and the CEO. Their compensation principles are decided by the Board and summarised in Note 3 of the Financial Statements. The Group Management Team is presented on page 38 including their share ownerships and holdings of options.

Operative group structure

The Group's operative management consists of the President and CEO, the Management Group, the Business Areas, their Presidents and management boards, the business units and sub-business units. The basic operating units in TietoEnator are its business units. These usually include operations serving the same customer or customer sector or that share the same business logic. Both business areas and business units are assigned clear financial and operational targets. They normally take their own decisions and are autonomously responsible for their own operations, however within the guidelines and policies set by the Board and corporate management. They are also responsible for setting their own guidelines and policies to make sure that control reaches all levels of the organisation. In matters of significance for the whole group, decision-making is transferred to higher quarters to improve the overall control of the Group.

Steering System

The control and management of the Group's business operations is based on planning and reporting systems. The steering system is based on the balanced score-card method. The planning system comprises strategic plans, revised annually, and annual action plans based on them. All are confirmed by the company's Board of Directors. The reporting system consists of monthly performance reports and forecasts and quarterly published financial reports.

Key performance indicators and investment criteria

The company's key financial indicators are net sales, operating profit (EBITA and EBIT) and economic value added (EVA). These are used in the planning and follow-up reports of the steering system and also in investment calculations. The key personnel indicators are personnel satisfaction and the preferred employer index. TietoEnator also performs regular customer satisfaction surveys to gain its customers' viewpoint. The efficiency of internal business processes is monitored in a number of ways at the business unit level.

Risk management and internal control

Risk management is integral to good management. Risks are classified in TietoEnator as strategic, operative, financial and insurable. The planning and reporting systems form a framework for strategic and operational risk assessment. Risks arising from the company's activities and related to property, interruption of operations and liability for damage are covered using



appropriate insurance policies. The Group's financial risks are managed centrally by its Treasury function.

Internal financial control is based on thorough financial monitoring in which actual figures are compared to plans, forecasts and previous periods. A second important aspect of internal control is a clear definition of decision-making responsibilities and authority within the Group.

Auditors

TietoEnator Corporation's auditors are appointed by the Annual General Meeting. The company has two auditors: Tomi Englund, APA, and the firm of authorised public accountants Tilintarkastajien Oy – Ernst & Young, principal auditor Sven-Erik Guarnieri, APA.

The Group companies are, with few exceptions, audited by Ernst&Young International member firms. The parent company auditors are responsible for planning, co-ordinating and supervising the audit of the entire Group. The audit plan is revised annually in co-operation with Group management to address changed requirements. The plan recognises that the Group has no internal audit function. The company's auditors report on their observations to the Board at least once a year and submit their report to the company's shareholders at the Annual General Meeting. In 2002 TietoEnator Group paid auditors a total of EUR 1.2 million for auditing and EUR 0.9 million for consulting (EUR 1.0 and 0.4 million in 2001).

Insiders

TietoEnator operates Insider Rules based on the insider rules issued by the Helsinki Exchanges. TietoEnator's legal department is responsible for insider issues and the management of the insider register. The Insider Rules in full and the holdings of the permanent insiders are available at www.tietoenator.com.

Board of directors



Olof Lund
Born 1930
Chairman

Chairman

Board member
Member
TietoEnator shares

MSc (Eng.)
Member of the Board of TietoEnator since 1999
President and CEO, Celsius Corporation, 1995-97
Chairman of the Board and CEO, Celsius Group, 1990-95
The Association for Development of
Sound Accounting Principles
Pharmacia & Upjohn Corp.
Swedish Academy of Military Sciences
1 305



Kalevi Kontinen
Born 1941
Deputy chairman

Board member
TietoEnator shares

PhD (Technology)
Principal Fellow in Nokia Business Infrastructure, Nokia
Member of the Board of TietoEnator since 1990
MeritaNordbanken, Executive Vice President,
Member of the Group Executive Board, 1995-2000
Member of the Board of Union Bank of Finland Ltd,
1984-95
Nice Business Solutions Finland Oy
3 000



Elisabeth Eriksson
Born 1962

Board member
TietoEnator shares
TietoEnator warrants

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



Thomas Falk
Born 1944

Board Member
Member
TietoEnator shares

PhD (Econ.)
Vice President, The Concours Group
Adjunct Professor, Linköping university, Linköping
Member of TietoEnator Board since 1999
Swedish Institute of Management
The Royal Swedish Academy of Engineering Sciences
72



Matti Lehti

Born 1947

Chairman
Deputy Chairman

Board Member
TietoEnator shares
TietoEnator warrants

PhD (Econ.)
TietoEnator Corporation, President and CEO
Member of the Board of TietoEnator since 1988
Rautakirja Oy, Deputy Managing Director 1986-89
Foundation for Economic Education
Helsinki School of Economics
Employers' Confederation of Service Industries
Jaakko Pöyry Group
55 000
Right to subscribe for 30 000 shares



Risto Lyly

Born 1946

TietoEnator shares
TietoEnator warrants

MSc (Math.)
Project manager, TietoEnator, Public & Healthcare
Personnel representative on Board of TietoEnator since 2002
2 460
Right to subscribe for 1 290 shares



Olli Martikainen

Born 1953

Member of Supervisory Board
Member
TietoEnator shares

PhD (Math.), MSc (Eng.)
Associate Research Fellow, The Research Institute of the Finnish Economy (ETLA)
Director, R&D, Necsom Ltd
Member of the Board of TietoEnator since 2000
Vice President, R&D
Telecom Finland Oy 1994-1997

Siemens Osakeyhtiö
Finnish Academy of Technology
0



Anders Ullberg

Born 1946

Chairman
Board member

TietoEnator shares

MBA
President and CEO, SSAB Swedish Steel
Member of the Board of TietoEnator since 1999
Vice President Corporate Control, Swedyards (Celsius Group), 1978-84
Eneqvistbolagen
Jernkontoret
Mercur Planeringspråk
Skandia Fonder
Skandiabanken
SSAB Swedish Steel
1 000

Group management

Matti Lehti

Born 1947
President and CEO
Joined the company in 1989
TietoEnator shares: 55 000
Right to subscribe for 30 000 shares

Åke Plyhm

Born 1951
Deputy CEO
Joined the company in 1996
TietoEnator shares: 0
Right to subscribe for 32 710 shares

Veli Pohjolainen

Born 1947
Senior Executive Vice President
Banking & Finance
Joined the company in 1975
TietoEnator shares: 26 338
Right to subscribe for 20 895 shares

Pentti Heikkinen

Born 1960
Senior Vice President
Telecom & Media
Joined the company in 1996
TietoEnator shares: 120
Right to subscribe for 20 955 shares

Carl-Johan Lindfors

Born 1956
Senior Vice President
Public & Healthcare
Joined the company in 1989
TietoEnator shares: 20
Right to subscribe for 20 895 shares

Pentti Huusko

Born 1948
Senior Vice President
Production & Logistics
Joined the company in 1986
TietoEnator shares: 300
Right to subscribe for 20 895 shares

Juhani Lano

Born 1948
Senior Executive Vice President
Processing & Network
Joined the company in 1990
TietoEnator shares: 0
Right to subscribe for 20 895 shares

Lars Gahnström

Born 1943
Senior Vice President
Resource Management
Joined the company in 1998
TietoEnator shares: 0
Right to subscribe for 22 710 shares

Håkan Friberg

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

Tuija Soanjärvi

Born 1955
Senior Vice President and CFO
Joined the company in 1986
TietoEnator shares: 10 020
Right to subscribe for 20 895 shares

Juhani Strömberg

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

Eric Österberg

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

Management of Group Functions

Åke Plyhm
Håkan Friberg

Tuija Soanjärvi
Juhani Strömberg
Eric Österberg



Shares and shareholders

Shares

TietoEnator's shares are listed on the HEX Helsinki Exchanges and Stockholmbörsen (the Stockholm Stock Exchange). The number of shares on 31 December 2002 was 82 886 444.

Shareholders

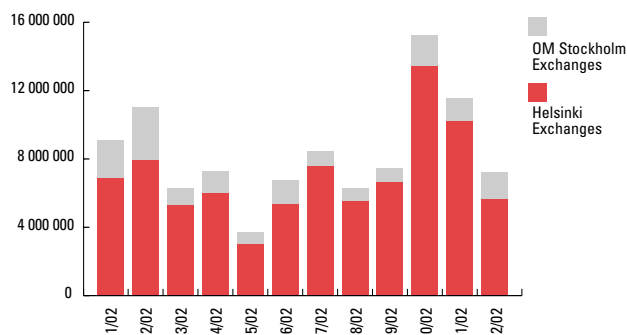
The company had 33 540 name-registered shareholders at the end of 2002. Of all TietoEnator's shares 33.6% were held by Finnish and 18.5% by Swedish investors. In total, there were 30 192 retail investors in Finland and Sweden and they held 12.8% of TietoEnator's shares.

MAJOR SHAREHOLDERS 30 DECEMBER 2002

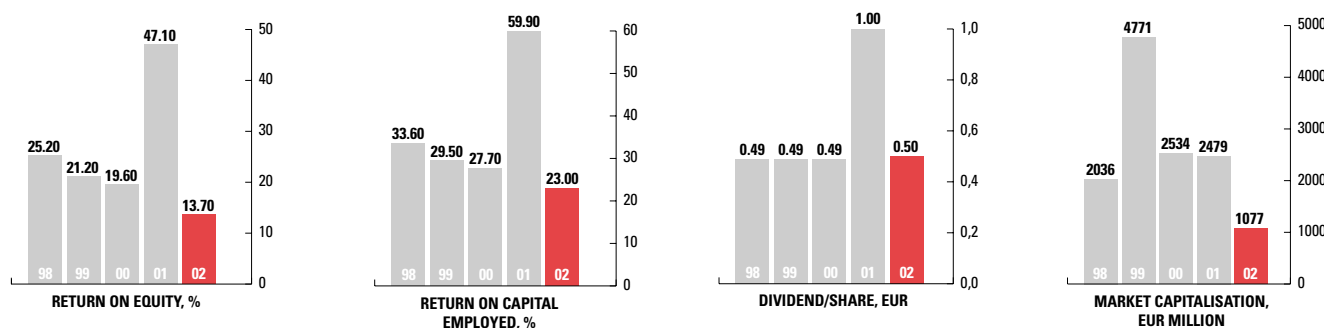
	Shares	%
Robur Mutual Funds	3 588 190	4.3
Varma-Sampo	2 003 423	2.4
Nordea Mutual Funds	1 632 300	2.0
Ilmarinen Mutual Pension Insurance Company	1 552 640	1.9
Svenska Litteratursällskapet i Finland	1 240 500	1.5
OP Mutual Funds	1 046 834	1.3
Suomi Mutual	955 980	1.2
Tapiola Group	906 980	1.1
SEB/Trygg Funds	906 366	1.1
Finnish State Pension Fund	760 000	0.9
Remaining Nominee registered	49 061 420	59.2
Others	19 231 811	23.2
Total	82 886 444	

Based on ownership records of the Finnish and Swedish central security depositories

DEVELOPMENT OF TOTAL TURNOVER 2002



SHARE PRICE DEVELOPMENT 2002



Financial information

Financial calendar for 2003

14 February	Financial results for 2002
21 February	Business review 2002, Financial review 2002, (pdf)
10 March	Business review 2002, Financial review 2002, (printed)
29 April	Interim review, January – March
18 July	Interim review, January – June
23 October	Interim review, January – September

Reviews are published in English, Finnish and Swedish and are available at TietoEnator's Internet pages, www.tietoenator.com.

Orders of the printed Business review 2002 and the Financial review 2002:

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- tel. +46 8 632 1400, fax +46 8 632 1420
- e-mail: reports@tietoenator.com

Investor relations contacts

Päivi Lindqvist, IR manager
tel. +358 9 862 63276, mobile +358 40 708 5351
fax +358 9 862 62944
paivi.lindqvist@tietoenator.com

Analysts following TietoEnator

Analysts following TietoEnator are listed on the company's web site, www.tietoenator.com.

Contact information

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

Group functions

TietoEnator Corporation

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Fax +358 9 8626 3091

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Fax +46 8 632 1420

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

Business ID: 0101138-5
Registered office: Espoo

Business areas

Banking & Finance

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Offices in Belgium, Denmark,
Estonia, Finland, Germany, Latvia,
Luxembourg, the Netherlands,
Norway, Russia, Sweden,
Switzerland, United Kingdom,
Ukraine, USA

Telecom & Media

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

Offices in Belgium, Czech
Republic, China, Finland, Germany,
Kazakhstan, Latvia, Lithuania,
Norway, Slovakia, Sweden, United
Kingdom

Public & Healthcare

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

Offices in Denmark, Estonia,
Finland, Norway, Sweden

Production & Logistics

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

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

Processing & Network

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

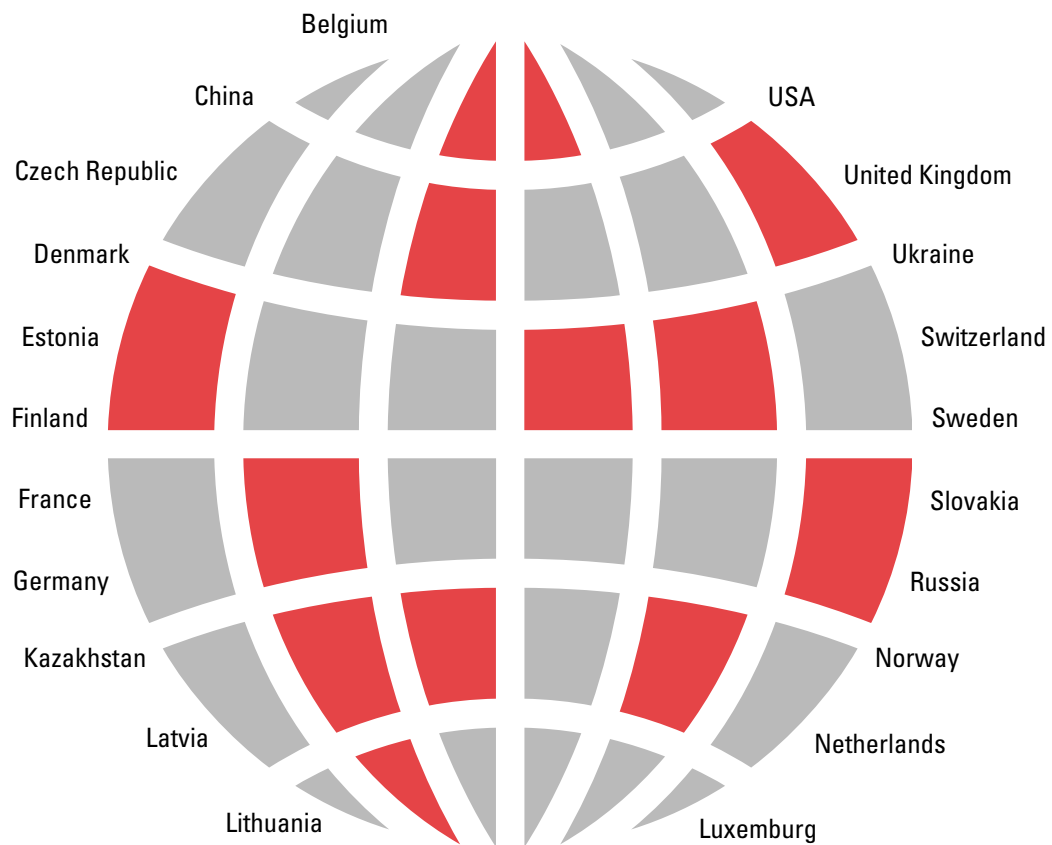
Offices in Belgium, Denmark,
Estonia, Finland, Germany,
Lithuania, Sweden, United
Kingdom

Resource Management

Kalkkipellontie 6, P.O. Box 101,
FIN-02601 ESPOO, FINLAND
Tel. +358 9 3290 7000
Fax +358 9 3290 7210

Offices in Denmark, Finland,
Norway, Sweden

Countries of operation



TietoEnator is one of the leading architects in building a more efficient information society. With 13 000 experts, we are the largest IT services company in the Nordic countries.

Our leading-edge know-how is geared towards developing innovative IT solutions that realise and digitalise the visions of our customers. And we work in close partnership helping them to manage and run their business better.

We've chosen to focus on areas where we have the deepest industry expertise. The principal ones are: banking and finance, telecom and media, public and healthcare, energy and forest. In these areas, we work hand in hand with many of the world's leading companies and organisations. We are growing with them and are now active in more than 20 countries.

TietoEnator Corporation

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email: info@tietoanator.com
www.tietoanator.com

TietoEnator 

Building the Information Society



Financial Review 2002

TietoEnator 

Building the Information Society

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Report by the Board of Directors

Market trends

The economic downturn first noticed in the latter part of 2001 continued and deepened during 2002, leaving very little space, if any, for growth in the market as IT expenditure in both the USA and Europe continued to be weak. Two of the industries most exposed to and affected by the economic slowdown were telecom and banking and finance.

Interest in high-value-added services such as outsourcing and partnerships, application management, R&D and product development increased, most evidently in Sweden. The first cases of high-value-added outsourcing started to emerge and the number of customer discussions and requests for information grew constantly through the year.

The overall market situation was tough during the whole year. Demand for hardware products and services based on resource consulting continued to be low and pricing pressure was hard.

Interest in new systems development or the replacement, upgrading or adding of features to existing systems was low in almost all industry segments, most notably within banking and finance.

From a geographical perspective, the Finnish market continued to develop in a stable way. The Swedish market encountered the most severe conditions, due largely to the ongoing problems in the telecom industry.

Changes in corporate structure and larger outsourcing agreements

TietoEnator carried out a number of acquisitions during the year and also concluded several major outsourcing agreements. The new outsourcing and partnership agreements are defined as organic growth.

With some 310 employees and net sales of more than EUR 40 million, the Norway-based financial IT solutions provider Ementor Financial Systems was clearly the largest acquisition carried out during the year. The second largest was the acquisition of Majiq, the leading US-based provider of solutions for the forest industry. TietoEnator also acquired the remaining shares of Softema of Finland, within the banking and finance sector, and 51% of the German company Sykora, which has activities within the telecom sector mainly in the Czech Republic, Poland and Slovakia.

The largest outsourcing agreement was signed with Ericsson, which decided to outsource its product development within fixed and mobile networks, comprising about 860 people. This made TietoEnator the single largest provider of R&D and product development services to the telecom vendor market. TietoEnator also established joint venture companies with the Baltic telecom operator Lietuvos Telekomas, and with the Finnish broadcasting company YLE.

Financial targets

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

- * Revenue growth 20%
- * Operating margin (EBIT) to exceed 10%
- * Each business area to create shareholder value

Regarding the financing of the Group's balance sheet, the aim is to avoid over-capitalisation. Distributable funds permitting, surplus liquidity can be distributed to shareholders in the form of dividends and through share repurchases.

Net sales

Net sales rose by 12% to EUR 1 271.1 (1 135.2) million. In local currencies the growth was 11% and organically 6%. Among TietoEnator's customer segments strongest growth took place within Energy, which increased 26%, in Banking & Finance 25% and in Telecom 16%.

The banking and finance industry segment accounted for 25% (23) of total sales, telecom for 13% (13) and public sector for 24% (25). The forest industry contributed 6% (6) of sales and the energy segment 5% (4).

Geographically net sales growth in Finland totalled 14%, in Sweden 4% and in Norway 12%.

The order backlog, comprising only services ordered with binding contracts, amounted to EUR 1 044 million at 31 December 2002, which was EUR 156 million higher than in 2001. Around 60% of this backlog is estimated to be invoiced during 2003.

Profitability

Operating profit before amortisation of goodwill

Report by the Board of Directors

CHANGES IN STRUCTURE 2002

Company, country	% of shares	Business	Net sales	No of empl.	Date	Business Area
ACQUISITIONS/ SHARE PURCHASES						
TietoEnator Financial Solutions ASA (Ementor Financial Systems ASA), Norway	100	Banking and Finance software solutions	MEUR 42	310	1 April	B & F
TietoEnator Financial Solution AS (Softshark AS), Estonia	100	Banking and Finance software solutions	MEUR 1	13	1 March	B & F
TietoEnator Business Services GmbH (Seals Document Services GmbH), Germany	0 -> 51 -> 100	Electronic exchange of invoices	MEUR 0.5	6	1 Jan	RM
Sykora, e.g. Germany, Czech Republic	51	Telco network information and support	MEUR 5	125	1 Oct	T & M
Oy Softema AB, Finland	60 -> 100	Life and pension insurance systems	MEUR 7	72	1 March	B & F
TietoEnator ISS a.s., Czech Republic	51 -> 80	IT services for Telecom			1 April	T & M
TietoEnator Consulting B.V. (Teledynamics B.V.), The Netherlands	40 -> 81	ICT services for Telecom			1 July	B & F
TietoEnator MAS GmbH, Germany	51 -> 100	IT for Forest industry			1 May	P & L
ACQUISITIONS/ BUSINESS ACTIVITIES						
Medigroup, Finland		Healthcare IT solutions		9	1 Jan	P & H
HP Compaq Healthcare, Finland		Healthcare IT solutions		6	1 June	P & H
Frontec Net Solutions, Sweden		Digital archiving and document management	MEUR 3	21	1 Sept	P & H
Araneum, Denmark		Web-agency		55	1 Sept	P & H
ABB Energy Systems CIS activities, Sweden		Customer information and handling systems		61	1 April	P & L
Majiq, USA		IT for Forest industry	MEUR 20	117	1 Sept	P & L
Infovest, Norway		Financial control systems		24	1 Jan	RM
Enterprise Systems A/S, Denmark		Healthcare IT solutions		18	1 Oct	P & H
OUTSOURCINGS/ JOINT VENTURES						
Lietuvos Telekomas, Lithuania	74	IT-related consulting services	MEUR 1.2	50	1 June	T & M
Lietuvos Telekomas, Lithuania	40	IT infrastructure management services	MEUR 1.5	60	1 June	P & N
YLE, Finnish Broadcasting Company, Finland	80	System development and operating services	MEUR 12	88	1 Jan 2003	P & N (2/3), T & M (1/3)
OUTSOURCINGS/ BUSINESS ACTIVITIES						
Nokia Networks, Finland		Maintenance and development of fixed network system		15	1 June	T & M
Ericsson, Sweden		Product development for network systems	MEUR 90	860	1 Nov	T & M
DaWinci, Norway		Personnel tracking and logistics system for oil & gas	MEUR 2.7	5	1 Dec	P & L
OTHER CHANGES						
Gramos Oy (former Parcomp Oy) was liquidated and TietoEnator Technology Oy and Tieto Innovation Oy were merged into TietoEnator Corporation in December 2002						

B & F = Banking & Finance, RM = Resource Management, T & M = Telecom & Media, P & L = Production & Logistics, P & H = Public & Healthcare, P & N = Processing & Network

(EBITA) amounted to EUR 130.0 million (2001: 135.4 before non-recurring items), representing a margin of 10.2% (11.9). Operating profit after goodwill amortisation (EBIT) decreased to EUR 99.8 million (2001: 120.3 before non-recurring items) representing a margin of 7.9% (10.6). Earnings per share excluding goodwill amortisation were EUR 1.14 (2001: 1.23 before non-recurring items) and after goodwill amortisation EUR 0.77 (2001: 1.05 before non-recurring items).

In 2001 non-recurring items totalled EUR 131.5 million and were mostly influenced by capital gains from share disposals. Including non-recurring items, the 2001 operating profit (EBIT) amounted to EUR 251.8 million and earnings per share totalled EUR 2.40. There were no non-recurring items in 2002.

The return on capital employed (ROCE) was 23.0% (59.9) and the return on equity was 13.7% (47.1).

Investments

Investments totalled EUR 282.9 (125.2) million. Direct capital expenditure on fixed assets, including new finance lease agreements, totalled EUR 63.5 (76.9) million. Investments in machinery and equipment amounted to EUR 48.8 (47.2) million, in goodwill from business activities to EUR 106.1 (17.0) million and in shares of subsidiaries and associated companies to EUR 113.1 (47.4) million.

Financing

Cash flow from operations totalled EUR 74.5 (151.5) million. In total, cash used for acquisitions of Group companies and business activities amounted to EUR 180.1 (56.0) million.

Due to the high investment activity and the dividend payment of EUR 82.6 (40.3) million the balance sheet turned from a strong net cash position of EUR 202 million to a moderate net debt position of EUR 42.8 million during the year.

At the close of the period the balance sheet totalled EUR 845.0 (801.2) million. The equity ratio was 55.5% (61.9) and gearing was 13.6% (-36.6)

Cash and cash equivalents amounted to EUR 54.5 (214.8) million. In 2002, the company signed a credit facility amounting to EUR 200 million, of which 42% was in use at the end of 2002. Additionally, the company had other unused credit lines totalling EUR 22

million and unused commercial paper programmes amounting to EUR 250 million.

Personnel

Net recruitment stayed on a low level throughout the whole year. A total of 789 (1 508) new employees were taken on during the year. Together with acquisitions, divestments and leaves the net increase amounted to 2 028 (1 417).

The Group had an average of 11 591 (10 058) employees during the period and 12 418 (10 589) at 31 December 2002.

The employee turnover rate was 6% (9).

TietoEnator continued its transition towards increased verticalisation and greater organisational efficiency through continuous adaptations of the size and scope of business activities. Consequently personnel reductions continuously took place in separate business units during the year, while other areas increased their size and activities. Approximately 400 persons were affected by the reductions.

Development

Development of TietoEnator's Living the TE Way continued during the year through a number of projects. The TE Way is an umbrella name for TietoEnator's way of working in different areas. It provides a comprehensive framework for the company's policies, strategy, guiding principles, common models and networks. The TE Way unifies the way people in TietoEnator work with the aim of increasing quality and internal efficiency, reducing complexity and enhancing synergies.

TietoEnator further developed its two business models: partnership and solution businesses. In its partnership activities TietoEnator emphasised measures to ensure that all the business areas operate, generate customer benefit, and transfer know-how uniformly as the organisation grows and becomes more international. In the solutions business development focused on concepts and components for the banking and finance, forest, energy, and healthcare sectors.

Co-operation with IMD continued on development of the top management training programme Building the TE Way to Growth and Internationalisation. A new

Report by the Board of Directors

training programme was started with IFL for middle management called Business Excellence in TietoEnator. Altogether 80 individuals participated in these programmes during 2002.

The theme of technology development in the company was integration, a concrete example of which was the Single Sign-on (SSO) concept designed to support the various operating environments of customers. Single Sign-on is designed to give the user access to all the programs he or she uses in the company based on the same password. Other significant areas were ongoing development of the TE Object system engineering documentation, in progress now for the sixth year, as well as development of an authentication concept for digital television, a new project started during the year. The Business Driven Competence Management (BDCM) model was utilised with the Human Resources function in order to expose the technology competences needed in the future. As a consequence, six development seminars were organised for experienced system architects on integration procedures. Technological co-operation was strengthened with a number of corporations including Microsoft, IBM, Oracle and BEA, notably also outside Finland.

Preparations for corporate social responsibility reporting got under way with an evaluation of the company's current situation and stakeholders' expectations. The relatively low environmental burden, strong concentration on the Nordic countries as well as the highly educated workforce have limited the need for unified policies, monitoring and reporting. As TietoEnator grows and expands internationally, and as stakeholders' awareness increases, the company has nevertheless recognised the need for development in the areas of social responsibility. During 2003 TietoEnator will develop new social responsibility procedures within its TE Way framework.

Further preparations were made during the year in anticipation of the introduction of the International Accounting Standards (IAS) in 2005. This work started in 2001. The EU has issued a regulation to the effect that all listed companies must prepare their consolidated financial statements in line with IAS principles no later than 2005.

Dividend proposal

The Board of Directors is proposing a dividend of EUR 0.50 per share in respect of year 2002. In the previous year the dividend was EUR 1.00 of which 0.50 was based on the recurring profit and 0.50 on the non-recurring capital gain.

Prospects for 2003

The permanent fundamental drivers of demand for IT services are digital production and productivity. The economic slowdown and uncertainty in the market, however, are dampening overall IT spending. Services with a strong contribution to added value and productivity are growing faster than low-value-added services and will continue to do so. Outsourcing services are in solid demand in all customer segments.

The demand for tailor-made projects and repeatable solutions is expected to stay modest during 2003. At the same time, the partnership business will provide increasing opportunities and is expected to generate most of the Group's revenue growth in 2003. In the first quarter, sales are forecast to grow in the range of 12-14% compared with the first quarter of 2002. Full-year sales growth will depend considerably on whether markets for new projects and solutions will experience any significant pick-up as well as on the timing and magnitude of potential new partnership contracts. The full-year sales growth is, however, expected to exceed 10%.

The first-quarter 2003 EBITA margin is expected to range between 8-9%. The positive impact of the efficiency programs started in the autumn of 2002 will take full effect from the second quarter onwards, which provides potential for improved profitability. Full-year absolute EBITA is expected to be higher than in 2002.

The annual goodwill amortisation for all transactions closed or announced is calculated to be EUR 42 million.

Regarding annual effective tax rate no material changes compared to 2002 are expected.

The full-year cash flow from operations is expected to develop positively and to exceed the 2002 level.

Net sales by business area, EUR million	2002	2001	Growth
	1-12	1-12	%
Banking & Finance			
-Under TietoEnator management	235	203	16
-In proportion to TietoEnator holding	200	175	15
Telecom & Media	177	144	23
Public & Healthcare			
-Under TietoEnator management	198	179	11
-In proportion to TietoEnator holding	192	174	10
Production & Logistics	230	212	8
Processing & Network			
-Under TietoEnator management	397	340	17
-In proportion to TietoEnator holding	376	329	14
Resource Management	170	178	-5
Group elimination incl. other	-74	-77	
	1271	1135	12

Operating profit, EUR million	2002	2001	Change
	1-12	1-12	%
Banking & Finance	20.4	24.6	-17
Telecom & Media	15.9	15.5	3
Public & Healthcare	20.2	19.5	3
Production & Logistics	25.2	23.1	9
Processing & Network	43.7	37.5	17
Resource Management	18.9	24.8	-24
TietoEnator business areas	144.3	145.0	0
Group function incl. other	-15.0	-14.4	
Associated companies outside BA	0.7	5.0	
Operating profit (EBITA) before goodwill amortisation and social costs on personnel warrants	130.0	135.6	-4
Social costs on personnel warrants	0.0	-0.2	
Operating profit (EBITA) before goodwill amortisation	130.0	135.4	-4
Amortisation of goodwill	-30.2	-15.1	
Operating profit (EBIT) before non-recurring items	99.8	120.3	-17
Non-recurring items	0.0	131.5	
Operating profit (EBIT)	99.8	251.8	-60

Report by the Board of Directors

Operating margin, %	2002 1-12	2001 1-12	Change
Banking & Finance	10.2	14.1	-3.9
Telecom & Media	9.0	10.7	-1.8
Public & Healthcare	10.5	11.2	-0.7
Production & Logistics	11.0	10.9	0.1
Processing & Network	11.6	11.4	0.2
Resource Management	11.1	13.9	-2.8
TietoEnator business areas	11.4	12.8	-1.4
Operating margin (EBITA) before goodwill amortisation and social costs on personnel warrants	10.2	11.9	-1.7
Operating margin (EBITA) before goodwill amortisation	10.2	11.9	-1.7
Operating margin (EBIT) before non-recurring items	7.9	10.6	-2.7
Operating margin (EBIT)	7.9	22.2	-14.3

Net sales by country, EUR million

	2002 1-12	Growth %	Share %	2001 1-12	Share %
Finland	728	14	57	640	56
Sweden	329	4	26	315	28
Norway	99	12	8	88	8
Denmark	32	6	3	30	3
Germany	25	5	2	24	2
Great Britain	12	>100	1	3	0
Other	46	32	3	35	3
	1 271	12		1 135	

Net sales by industry segment, EUR million

	2002 1-12	Growth %	Share %	2001 1-12	Share %
Banking & Finance	323	25	25	258	23
Public	306	8	24	283	25
Telecom	171	16	13	148	13
Forest	78	6	6	73	6
Energy	63	26	5	50	4
Manufacturing	111	10	9	102	9
Logistics	173	3	14	168	15
Non-allocated incl. minority interest	46	-14	4	54	5
	1 271	12		1 135	

Personnel on average

	2002	Growth	Share	2001	Share
By business area	1-12	%	%	1-12	%
Banking & Finance	2 133	24	18	1 716	17
Telecom & Media	1 822	43	16	1 276	13
Public & Healthcare	1 715	7	15	1 596	16
Production & Logistics	2 075	8	18	1 922	19
Processing & Network	2 378	14	20	2 094	21
Resource Management	1 388	3	12	1 346	13
Group functions incl. other	80	-	1	108	1
	11 591	15		10 058	

	2002	Growth	Share	2001	Share
By country	1-12	%	%	1-12	%
Finland	6 723	17	58	5 722	57
Sweden	2 949	0	25	2 963	30
Norway	903	34	8	672	7
Denmark	280	16	2	241	2
Germany	258	12	2	230	2
Latvia	129	6	1	122	1
Czech Republic	122	>100	1	0	0
Other	227	>100	2	108	1
	11 591	15		10 058	

The personnel figures include all the personnel in the associated companies under TietoEnator's management. Calculating total personnel in relation to TietoEnator's holding in these companies, TietoEnator had 11 153 (9 739) employees.

Income Statements

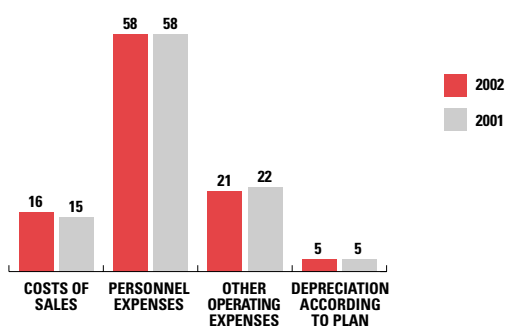
EUR 1 000	Note	GROUP		PARENT COMPANY	
		1 Jan-31 Dec 2002	1 Jan-31 Dec 2001	1 Jan-31 Dec 2002	1 Jan-31 Dec 2001
Net sales		1 271 118	1 135 209	516 197	475 356
Other operating income	1	7 103	138 659	6 527	40 694
Cost of sales		182 185	156 240	48 987	44 046
Personnel expenses	2,3	671 028	584 010	241 927	214 239
Depreciation	7,8	56 266	50 421	26 650	21 794
Amortisation of goodwill	7	30 180	15 100	5 969	4 550
Other operating expenses		239 384	221 428	135 092	122 663
Share of associated companies' results		657	5 093	-	-
Operating profit		99 835	251 762	64 099	108 758
Financial income and expenses	4	597	6 217	82 759	205 784
Profit before extraordinary items, appropriations and taxes		100 432	257 979	146 858	314 542
Extraordinary items	5	-	-	13 500	5 030
Change in depreciation difference		-	-	-	-
Direct taxes	6	-35 240	-58 611	-30 612	-37 391
Minority interest		-1 281	-1 788	-	-
Profit for the period		63 911	197 580	129 746	282 181

Comments to the income statement

Net sales increased by 12 %. Organic growth was 6%, which also includes new outsourcing and partnership agreements even though in some cases they involve the purchase of share capital or business operations. In local currencies the growth was 11%.

Other operating income consists mainly of gains on sales of fixed assets as well as rental income.

COST STRUCTURE, %



Personnel expenses increased by 14.9% and represented 52.8% (51.4%) of net sales. The result-based bonuses were EUR 18.4 (17.4) million. The overall pay-related pension charge in Finland has been some 1.5 percentage units higher than in the previous year mainly due to the negative development of the asset values in TietoEnator's own pension institutions. This has increased pension costs by EUR 4.3 million. Personnel expenses include a EUR 0.4 million decrease in the provision for social costs of the personnel warrants and realised costs of EUR 0.3 million. The average number of employees was 11,591 (10,058). The average growth in salaries of IT

consultants and similar employees was 3-4% in Finland and 2% in Sweden.

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

Non-recurring items, net, totalled EUR 0 (131.5) million. The operating profit before goodwill amortisation (EBITA) and non-recurring items was EUR 130.0 (135.4) million, corresponding to an operating margin of 10.2% (11.9).

New acquisitions and partnerships added EUR 15.1 million to goodwill amortisation. The estimated goodwill amortisation for 2003 is EUR 42 million including transactions closed by the end of 2002.

The operating profit after goodwill amortisation (EBIT) and before non-recurring items was EUR 99.8 (120.3) million corresponding to an operating margin of 7.9% (10.6). Including non-recurring items, EBIT was EUR 99.8 (251.8) million or 7.9% (22.2).

Financial income and expenses decreased compared to the previous year due to the high investment activity and the dividend payment which turned the balance sheet from a net cash position of EUR 201.8 million to a net debt position of EUR 42.8 million during the year.

Tax expenses reported for the year include EUR 35.2 million payable on the profit for the year. EUR 4.2 million is related to taxes for previous years and EUR -4.2 million to the change in deferred taxes. The tax rate was 29% in Finland and 28% in Sweden. The effective tax rate at the Group level was 35 %, but when the non-deductible goodwill amortisations are taken into account, 29%.

Balance Sheets

EUR 1 000	Note	GROUP		PARENT COMPANY	
		31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
ASSETS					
Fixed assets					
Intangible assets	7	288 864	125 669	38 715	32 536
Tangible assets	8	162 117	162 013	85 388	81 578
Financial investments	9,10	25 118	22 044	1 168 648	998 548
Fixed assets, total		476 099	309 726	1 292 751	1 112 662
Current assets					
Inventories		905	1 855	-	-
Long-term receivables	11,13,19				
Loan receivables		2 796	3 608	40 143	17 624
Deferred tax assets		7 577	7 187	-	-
Prepaid expenses and accrued income		5 468	7 441	7	120
		15 841	18 236	40 150	17 744
Current receivables	12,13				
Accounts receivable		211 182	201 780	72 424	75 383
Loan receivables		646	1 272	75 558	35 984
Other receivables		4 023	4 810	-	-
Group contribution receivables		-	-	13 500	5 030
Prepaid expenses and accrued income		81 811	48 771	84 896	47 360
		297 662	256 633	246 378	163 757
Securities		-	37 294	-	31 800
Cash in hand and at bank		54 459	177 470	26 722	126 224
Current assets, total		368 867	491 488	313 250	339 525
		844 966	801 214	1 606 001	1 452 187

Comments to the Balance Sheet / Assets

The balance sheet total increased by 5% from EUR 801.2 million to EUR 845.0 million.

Acquisitions increased goodwill by EUR 80.5 million and partnerships and asset deals by EUR 108.4 million. Investments in tangible assets including new finance lease agreements were EUR 63.5 million. In current receivables, prepaid expenses include a corporate tax receivable of EUR 23.9 million (2.7). The receivable from Alecta (SPP) amounted to EUR 4.5 million.

Distribution of total assets 31 Dec.

	2002	2001
Securities and cash	6.4%	26.8%
Real estate	8.5%	9.7%
Other tangible assets	10.7%	10.5%
Shares in associated companies	2.8%	2.6%
Goodwill	31.4%	13.3%
Others	3.0%	2.6%
Other current assets	37.2%	34.5%
Total	100.0%	100.0%

EUR 1 000	Note	GROUP		PARENT COMPANY	
		31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	14				
Share capital		82 886	83 327	82 886	83 327
Share issue		-	572	-	572
Share premiums		6 075	4 920	910 083	907 670
Other funds		61 496	57 872	-	-
Retained earnings		244 142	137 154	215 688	16 157
Profit for the year		63 911	197 580	129 746	282 181
		458 510	481 425	1 338 403	1 289 907
Minority interest		3 602	6 883	-	-
Accumulated appropriations		-	-	-	-
Provisions for liabilities and charges	15	362	763	359	726
Liabilities	16,18,19				
Non-current liabilities					
Bonds		2 035	2 873	2 035	2 873
Loans from financial institutions		150	977	-	955
Pension loans		-	-	-	-
Deferred tax liability		3 120	7 272	-	-
Other non-current liabilities		19 243	18 218	-	-
Accrued liabilities and deferred income		4 031	13 273	-	1 177
		28 579	42 613	2 035	5 005
Current liabilities					
Loans from financial institutions	17,18	347	8	-	-
Advances received		12 200	11 815	549	175
Accounts payable		38 105	40 589	12 972	17 396
Other current liabilities		124 074	45 022	194 350	76 446
Accrued liabilities and deferred income		179 187	172 096	57 333	62 532
		353 913	269 530	265 204	156 549
Liabilities, total		382 492	312 143	267 239	161 554
		844 966	801 214	1 606 001	1 452 187

Comments to the Balance Sheet / Shareholders' equity and liabilities

The total amount of shareholders' equity decreased by EUR 22.9 million. The profit for the year increased equity by EUR 63.9 million and the dividend payment decreased it by EUR 82.6 million.

Interest-bearing liabilities totalled EUR 105.2 million and consisted the utilised credit facility of EUR 83.8 million, leasing liability of EUR 18.8 million and EUR 2.0 million bonds related to personnel warrants.

EUR 116.2 million of the credit facility was unused, as well as the uncommitted credit limits of EUR 22 million and commercial paper programmes for EUR 250 million.

Distribution of total shareholders' equity and liabilities 31 Dec.

	2002	2001
Share capital	9.8%	10.4%
Other shareholders' equity	44.5%	49.7%
Minority interest	0.4%	0.9%
Interest-bearing liabilities	12.5%	3.0%
Non-interest bearing debt	32.8%	36.0%
Total	100.0%	100.0%

Statement of Cash Flows

	GROUP		PARENT COMPANY	
	1 Jan-31 Dec 2002 EUR 1 000	1 Jan-31 Dec 2001 EUR 1 000	1 Jan-31 Dec 2002 EUR 1 000	1 Jan-31 Dec 2001 EUR 1 000
Cash flow from operations				
Operating profit	99 835	251 762	64 099	108 758
Adjustments to operating profit				
Depreciation and amortisation on goodwill	77 023	55 954	32 118	25 932
Profit/loss on sale of fixed assets and shares	-4 995	-141 452	53	-37 110
Share of associated companies' result	-6 726	-9 764	-	-
Other adjustments	-364	-3 639	-3 459	-3 670
Change in net working capital	-16 296	19 241	99 953	-70 082
Cash generated from operations	148 477	172 102	192 764	23 828
Net financial items received	1 480	5 175	-159	2 922
Income taxes paid	-75 485 *)	-25 751	-48 560	-16 135
Net cash flow from operations	74 472	151 526	144 045	10 615
Cash flow from investing activities				
Acquisition of Group companies and business operations net of acquired cash	-164 894	-56 014	-103 358	-28 639
Investments in other shares	-14 991	-860	-14 757	-861
Redemption of Enator and Entra minority	-15 190	-143	-15 190	-143
Capital expenditures	-51 374	-54 202	-40 539	-51 222
Divested Group companies, net of disposed cash	958	7 897	-	-
Sale of other shares	189	161 746	-	43 080
Sale of fixed assets	10 143	4 434	77	3 215
Net cash used in investing activities	-235 159	62 858	-173 767	-34 570
Cash flow from financing activities				
Change in long-term loans	-1 845	-1 543	-1 793	-1 660
Change in short-term loans	82 063	-10 226	0	0
Change in long-term loan receivables	-518	-1 005	-22 516	-2 085
Change in short-term loan receivables	626	-188	-74 391	7 103
Dividends and donations paid	-82 651	-40 394	-82 651	-40 394
Share issue and exercised options	1 400	5 223	1 400	5 223
Purchase of own shares	0	-25 709	0	-25 709
Dividend and Group contributions received	175	5 589	78 370	199 092
Net cash used in financing activities	-750	-68 253	-101 581	141 570
Change in cash	-161 437	146 131	-131 303	117 615
Liquid assets on 1 January	-214 764	-68 764	-158 024	-40 409
Liquid assets from mergers	-	-	-1	-
Exchange differences	-1 132	131	-	-
Liquid assets on 31 December	54 459	214 764	26 722	158 024
	-161 437	146 131	-131 303	117 615

*) including the tax payments EUR 20 million related to the non-recurring income in 2001.

Notes to the Financial Statements

ACCOUNTING PRINCIPLES

Consolidated financial statements

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

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

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

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

Intra-group receivables, payables and transactions including dividends and internal profit are eliminated on consolidation.

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

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

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

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

Foreign currency items

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

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

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

Revenue recognition

The Group earns revenue from the rendering of IT-services and the sale

of software packages. Services include the development of customised software solutions, maintenance of software solutions and processing and network services. Revenue from the development of customised software solutions is recognised by reference to the stage of completion of the individual projects. Maintenance fees are recognised as revenue over the contract period and fees from processing and network services upon rendering of the service. Revenue from the sale of software packages is recognised upon delivery. Project losses are provided when losses are identified and the amounts can be reliably estimated.

Pension arrangements

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

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

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

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

Valuation of fixed assets

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

The Group uses the following depreciation periods:

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

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

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

Lease

Lease agreements have been classified in accordance with FAS in finance and operating leases. Significant assets procured under finance lease agreements have been capitalised as fixed assets. The annual rents have been disclosed as depreciation and interest expenses in the income statement.

Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
The distribution of net sales is presented in the Report by the Board of Directors				
1. OTHER OPERATING INCOME				
Gain on sales of fixed assets	2 136	134	27	57
Gain on sale of shares	806	133 947	420	37 464
Rental income	2 106	1 697	763	2 815
Merger gains	-	-	3 087	-
SPP surplus	61	875	-	-
Other income	1 994	2 006	2 230	358
	7 103	138 659	6 527	40 694
2. PERSONNEL EXPENSES				
Payroll costs	513 068	444 955	194 194	170 228
Pension costs	74 976	58 371	35 445	28 642
Social costs for personnel warrants	-38	205	-79	-71
Other statutory pay-related social costs	83 022	80 479	12 367	15 440
	671 028	584 010	241 927	214 239

Other operating expenses include rental on company cars and voluntary social costs such as meal benefit, healthcare and freetime activities. Average personnel in the parent company during 2002 was 4 590 and in the preceding year 4 198.

3. MANAGEMENT REMUNERATION

The President and CEO Matti Lehti

Salary	266 597 EUR
Retirement age	60
Pension	60% of salary
Period of notice	12 months
Severance payment	-
Bonus for year 2001	19 763 EUR
Bonus for year 2002	14 501 EUR

The salaries, fees and benefits paid to the members of the Board of Directors, the President and CEO and the deputy CEO totalled EUR 829 040. The Chairman of the Board received a fee of EUR 42 995.

The pension commitments of the members of the TietoEnator Management Group

The Management Group of TietoEnator consists of 12 members.

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

The retirement age of one member of TietoEnator Management Group is 62, after which 70 % of the final salary will be paid until the age of 65.

The pension is supplemented to also provide for a higher pension after 65. The pension level is such that the pension level based on Sweden's standard ITP plan for proportions of salary between 20 and 30 times the basic amount is also paid for a salary amount exceeding 30 basic amounts.

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

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

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

If the Company terminates employment, two members of the Management Group are entitled to all employment benefits for 12 months from the date of termination after which salary is paid for another 12 months on condition that no salary is received from other employment.

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

If the company terminates the employment of one member of the TietoEnator Management Group the period of notice is 12 months.

If the Company terminates the employment of other members of the TietoEnator Management Group, the period of notice varies from 3 months to 6 months. One member is entitled to 6 months' additional salary and one to 12 months' additional total compensation.

There were no loans to Group Management on 31 December 2002 nor on 31 December 2001.

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
4. FINANCIAL INCOME AND EXPENSES				
Income from securities and investments treated as equity				
Dividend income from Group companies	-	-	65 355	191 903
Dividend income from associated companies	-	-	7 959	7 033
Dividend income from other companies	55	66	26	37
	55	66	73 340	198 973
Imputed tax credits	64	416	5 563	3 482
	119	482	78 903	202 455
Income from securities and investments treated as non-current debt				
From Group companies	-	-	1 286	650
From associated companies	-	-	-	-
From other companies	385	145	9	128
	385	145	1 295	778
Other interest and financial income				
From Group companies	-	-	4 482	539
From associated companies	-	-	-	-
From other companies	24 086	16 739	20 474	13 650
	24 086	16 739	24 956	14 189
Writedowns of investments				
	-	-	-626	-
Interest and other financing				
From Group companies	-	-	-788	-2 495
From associated companies	-	-	-	-
From other companies	-23 993	-11 149	-20 981	-9 143
	-23 993	-11 149	-21 769	-11 638
Financial income and expenses, total	597	6 217	82 759	205 784
5. EXTRAORDINARY INCOME				
Group contributions received	-	-	13 500	5 030
6. DIRECT TAXES				
On extraordinary items	-	-	3 915	1 459
In current operations in the financial period	35 238	55 255	27 133	36 005
Related to prior periods	4 164	2 303	-436	-73
Change in deferred tax asset/liability	-4 162	1 053	-	-
	35 240	58 611	30 612	37 391

Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
7. FIXED ASSETS, INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost, 1 Jan.	48 209	23 186	29 012	20 617
Increases	7 088	28 376	5 948	11 655
Decreases	-7 496	-3 353	-5 067	-3 260
Acquisition cost, 31 Dec.	47 801	48 209	29 893	29 012
Accumulated depreciation, 1 Jan.	31 765	16 444	17 062	14 675
Accumulated depreciation in decreases	-6 719	6 796	-5 052	-2 922
Depreciation in the period	7 446	8 525	5 017	5 309
Accumulated depreciation, 31 Dec.	32 492	31 765	17 027	17 062
Book value, 31 Dec.	15 309	16 444	12 866	11 950
Acquired goodwill				
Acquisition cost, 1 Jan.	45 766	28 934	44 436	30 871
Increases	106 845	16 832	5 817	13 596
Decreases	-6 381	-	-	-31
Acquisition cost, 31 Dec.	146 230	45 766	50 253	44 436
Accumulated amortisation, 1 Jan.	23 514	18 684	25 864	21 345
Accumulated amortisation in changes	-6 381	-	-	-31
Amortisation in the period	9 243	4 830	5 969	4 550
Accumulated amortisation, 31 Dec.	26 376	23 514	31 833	25 864
Book value, 31 Dec.	119 854	22 252	18 420	18 572
Goodwill on consolidation				
Acquisition cost, 1 Jan.	133 460	101 523	-	-
Increases	82 112	42 333	-	-
Decreases	-5 304	-10 396	-	-
Acquisition cost, 31 Dec.	210 268	133 460	-	-
Accumulated depreciation, 1 Jan.	49 266	42 681	-	-
Accumulated depreciation in changes	-5 304	-3 685	-	-
Amortisation in the period	20 937	10 270	-	-
Accumulated depreciation, 31 Dec.	64 899	49 266	-	-
Book value, 31 Dec.	145 369	84 194	-	-
Other capitalised expenditures				
Acquisition cost, 1 Jan.	6 766	6 440	5 594	5 474
Increases	2 580	1 540	2 092	379
Decreases	-817	-1 214	-695	-259
Acquisition cost, 31 Dec.	8 529	6 766	6 991	5 594
Accumulated depreciation, 1 Jan.	4 072	3 702	3 622	3 205
Accumulated depreciation in changes	-792	-565	-688	-236
Depreciation in the period	1 301	935	991	653
Accumulated depreciation, 31 Dec.	4 581	4 072	3 925	3 622
Book value, 31 Dec.	3 948	2 694	3 066	1 972

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
Advance payments and work in progress				
Acquisition cost, 1 Jan.	85	1 466	42	1 346
Increases	4 385	-1 304	4 363	-1 304
Transfers	-86	-77	-42	
Acquisition cost, 31 Dec.	4 384	85	4 363	42
Book value of intangible assets, total 31 Dec.	288 864	125 669	38 715	32 536
8. FIXED ASSETS, TANGIBLE ASSETS				
Land				
Acquisition cost, 1 Jan.	8 711	8 076	5 947	5 947
Increases	24	756	-	-
Decreases	-35	-121	-	-
Acquisition cost and book value, 31 Dec.	8 700	8 711	5 947	5 947
Buildings and structures				
Acquisition cost, 1 Jan.	81 926	78 365	41 308	41 422
Increases	603	4 819	1	2
Decreases	-4 826	-1 258	-	-116
Acquisition cost, 31 Dec.	77 703	81 926	41 309	41 308
Accumulated depreciation, 1 Jan.	12 660	9 979	7 426	6 233
Accumulated depreciation in decreases	-544	184	-	-8
Depreciation in the period	2 406	2 497	1 193	1 201
Accumulated depreciation, 31 Dec.	14 522	12 660	8 619	7 426
Book value, 31 Dec.	63 181	69 266	32 690	33 882
Machinery and equipment				
Acquisition cost, 1 Jan.	223 170	190 350	97 772	86 034
Increases	51 119	83 218	25 225	26 606
Decreases	-26 477	-50 398	-14 284	-14 868
Acquisition cost, 31 Dec.	247 812	223 170	108 713	97 772
Accumulated depreciation, 1 Jan.	143 730	128 816	57 533	56 842
Accumulated depreciation in decreases	-25 750	-22 292	-13 797	-13 534
Depreciation in the period	43 760	37 206	19 404	14 225
Accumulated depreciation, 31 Dec.	161 740	143 730	63 140	57 533
Book value, 31 Dec.	86 072	79 440	45 573	40 239
Other tangible assets				
Acquisition cost, 1 Jan.	4 688	1 981	299	295
Increases	1 534	2 825	14	4
Decreases	-287	-118	-	-
Acquisition cost, 31 Dec.	5 935	4 688	313	299
Accumulated depreciation, 1 Jan.	1 554	313	163	163
Accumulated depreciation in decreases	-31	-17	-	-
Depreciation in the period	1 353	1 258	-	-
Accumulated depreciation, 31 Dec.	2 876	1 554	163	163
Book value, 31 Dec.	3 059	3 134	150	136

Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
Advance payments and work in progress				
Acquisition cost, 1 Jan.	1 462	109	1 374	39
Increases	1 180	1 357	-	1 335
Transfers	-1 537	-4	-346	-
Acquisition cost, 31 Dec.	1 105	1 462	1 028	1 374
Book value of tangible assets, total 31 Dec.	162 117	162 013	85 388	81 578
9. INVESTMENTS				
Shares in Group companies				
Acquisition cost, 1 Jan.	-	-	992 603	964 495
Increases	-	-	162 206	30 509
Decreases	-	-	-6 004	-2 401
Acquisition cost, 31 Dec.	-	-	1 148 805	992 603
Investment writedowns	-	-	-	-
Book value, 31 Dec.	-	-	1 148 805	992 603
Shares in associated companies				
Acquisition cost, 1 Jan.	20 700	42 269	4 945	10 621
Increases	5 288	6 483	14 631	858
Decreases	-2 240	-28 052	-858	-6 534
Acquisition cost, 31 Dec.	23 748	20 700	18 718	4 945
Investment writedowns	-	-	-	-
Book value, 31 Dec.	23 748	20 700	18 718	4 945
Other shares and interests				
Acquisition cost, 1 Jan.	1 367	1 495	1 000	1 447
Increases	249	1 305	125	3
Decreases	-223	-1 433	-	-450
Acquisition cost, 31 Dec.	1 393	1 367	1 125	1 000
Investment writedowns	-23	-23	-	-
Book value, 31 Dec.	1 370	1 344	1 125	1 000
Investments, total 31 Dec.	25 118	22 044	1 168 648	998 548
Long-term investment loans receivable	-	-	-	-
Financial investments, total 31 Dec.	25 118	22 044	1 168 648	998 548

10. INVESTMENTS

31 December 2002	Number	Share %		Nominal value 1 000	Book value EUR 1 000
Subsidiary shares owned by the parent company					
Kiinteistö Oy Tietokilo 1-2, Finland	2 500	100.0	EUR	4 205	11 341
Kiinteistö Oy Villa Upinniemi, Finland	40 000	80.0	EUR	7	3 430
LLC TietoEnator, Russia	0	100.0	RUB	3 000	109
SIA TietoEnator, Latvia	0	100.0	LVL	125	196
Oy Softema Ab, Finland	1 260	100.0	EUR	53	13 101
SYKORA CZ Ostrava, s.r.o., Czech Republic	0	51.0	CZK	102	3 050

31 December 2002	Number	Share %		Nominal value 1 000	Book value EUR 1 000
Tieto France S.A.R.L., France	400	100.0	EUR	65	60
TietoEnator AS, Norway	1 084 332	100.0	NOK	10 843	105 866
TietoEnator A/S, Denmark	0	100.0	DKK	25 000	21 625
TietoEnator Consulting B.V., Netherlands	77 727	81.2	EUR	35	1 408
TietoEnator Eesti AS, Estonia	640	100.0	EEK	640	111
TietoEnator Financial Solutions AB, Sweden	14 879 118	100.0	SEK	3 720	27 898
TietoEnator Financial Solutions SIA, Latvia	156	100.0	LVL	50	3 831
TietoEnator GmbH, Germany	0	100.0	EUR	1 500	1 580
TietoEnator Inc., USA	1 000	100.0	USD	1	22 874
TietoEnator ISS a.s., Czech Republic	51	51.0	CZK	510	1 380
TietoEnator MAS GmbH, Germany	0	100.0	EUR	32	6 164
TietoEnator N.V., Belgium	100	100.0	EUR	62	29
TietoEnator Resource Management AS, Norway	7 000	100.0	NOK	7 000	1 927
TietoEnator Sverige AB, Sweden	33 679 248	100.0	SEK	33 679	905 191
TietoEnator UK Ltd, Great Britain	270 000	100.0	GBP	270	369
Tietokesko Oy, Finland	800	80.0	EUR	1 346	12 361
UAB Baltijos Telekomunikaciju Konsultacinis Centras, Lithuania	11 840	74.0	LTL	1 184	1 536
UAB TietoEnator, Lithuania	10	100.0	LTL	400	10
Oy Visual Systems Ltd., Finland	250	100.0	EUR	43	3 349
Dormant subsidiaries (3 in total)					9
					1 148 805

Shares in Group companies owned by the subsidiaries

Banxolutions (UK) Ltd., Great Britain	300 000	100.0	GBP	300	0
Blå Mediamentor AS, Norway	12 000	100.0	NOK	1 200	1 877
Entra B.V.i.o, Netherlands		100.0	EUR	18	0
Entra Data AS, Norway	500	100.0	NOK	500	1 301
Entra e-Solutions Oy, Finland	200	100.0	EUR	34	15
Entra Financial Software A/S, Denmark	1	100.0	DKK	500	34
Entra GmbH, Germany		100.0	EUR	25	0
Entra Juristdata AB, Sweden	2 500	100.0	SEK	250	473
Entra Phantom AB, Sweden	5 000	100.0	SEK	500	55
Entra SA Luxembourg, Luxembourg	3 100	100.0	EUR	31	335
Eumetrix Financial Solutions AB, Sweden	4 066 800	100.0	SEK	203	9 811
Odelius New Media AB, Sweden	3 000	100.0	SEK	300	1 942
Provida Financial Systems AB, Sweden	1 000	100.0	SEK	100	13
Real Data AB, Sweden	1 000	100.0	SEK	100	2 344
SYKORA BeNeLux bvba, Belgium	0	100.0	EUR	27	27
SYKORA GmbH, Germany	0	51.0	EUR	13	15
SYKORA Ltd, Poland	0	100.0	PLN	20	6
SYKORA SK s.r.o., Slovakia	0	100.0	SKK	200	5
Tieto Sweden AB, Sweden	31 000	100.0	SEK	3 100	1 172
TietoEnator Affärskomponenter AB, Sweden	1 000	100.0	SEK	1 000	240
TietoEnator Aros Tech AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator Business Services GmbH, Germany	0	100.0	EUR	25	328
TietoEnator CarlSys AB, Sweden	10 000	100.0	SEK	1 000	7
TietoEnator Consulting A/S, Denmark	5	100.0	DKK	1 000	1 041
TietoEnator Consulting GmbH, Germany	0	80.0	EUR	2 500	1 701

Notes to the Financial Statements

31 December 2002	Number	Share %		Nominal value 1 000	Book value EUR 1 000
TietoEnator Consulting AG Winterhur, Switzerland	1 000	100.0	CHF	100	69
TietoEnator Consulting Frankfurt GmbH, Germany	0	100.0	EUR	31	31
TietoEnator Consulting Hamburg GmbH, Germany	0	100.0	EUR	52	52
TietoEnator Consulting München GmbH, Germany	0	100.0	EUR	26	26
TietoEnator DevCon AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Driftentreprenader AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Embedded Tech AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator Energy Inc., USA	1 000	100.0	USD	1	174
TietoEnator Etech AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Finance Partner AB, Sweden	2 500	100.0	SEK	250	904
TietoEnator Financial Solutions AS, Estonia	40 000	100.0	EEK	400	225
TietoEnator Financial Solutions A/S, Denmark	216 020	75.0	DKK	540	158
TietoEnator Financial Solutions ASA, Norway	13 554 869	100.0	NOK	27 110	63 730
TietoEnator Financial Solutions Inc., USA	100	100.0	USD	0	2
TietoEnator Financial Solutions Oy, Finland	30 150	100.0	EUR	1 055	443
TietoEnator Healthcare AB, Sweden	1 000	100.0	SEK	100	2 946
TietoEnator Healthcare A/S, Denmark	500	100.0	DKK	554	76
TietoEnator Information Competence Center AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator MAJIQ Inc., USA	1 000	100.0	USD	1	20 981
TietoEnator Media Systems AB, Sweden	208 500	100.0	SEK	2 085	706
TietoEnator Media Systems AS, Norway	2 100	100.0	NOK	2 100	8
TietoEnator Network Business AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Objectec AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator PerCom AB, Sweden	10 000	100.0	SEK	1 000	11
TietoEnator PNS GmbH, Germany	0	100.0	EUR	102	107
TietoEnator Processing & Network AB, Sweden	1 000	100.0	SEK	100	9 134
TietoEnator Production & Logistics AB, Sweden	10 000	100.0	SEK	1 000	62
TietoEnator Public Sector AB, Sweden	90 000	100.0	SEK	9 000	7 757
TietoEnator Public Sector Sverige AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Resource Management A/S, Denmark	5	100.0	DKK	1 000	934
TietoEnator Resource Management AB, Sweden	1 000	100.0	SEK	100	22 398
TietoEnator Retail AB, Sweden	10 000	100.0	SEK	1 000	570
TietoEnator R&D Services AB, Sweden	2 000	100.0	SEK	200	5 990
TietoEnator Services Sweden AB, Sweden	8 748 352	100.0	SEK	43 742	6 672
TietoEnator Solutions A/S, Denmark	515	100.0	DKK	1 000	3 866
TietoEnator Syscom AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator Techdoc AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator Technology AB, Sweden	40 000	100.0	SEK	4 000	838
TietoEnator Telecom Consultants AB, Sweden	10 000	100.0	SEK	1 000	1 124
TietoEnator Telecom Sweden AB, Sweden	10 000	100.0	SEK	1 000	11
TietoEnator Test Solutions AB, Sweden	2 500	100.0	SEK	625	675
TietoEnator Test & Quality Solutions AB, Sweden	10 000	100.0	SEK	1 000	109
TietoEnator Trigon AB, Sweden	1 000	100.0	SEK	100	656
TietoEnator UppTech AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Visual Systems AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Wireless Tech AB, Sweden	10 000	100.0	SEK	1 000	109
Dormant subsidiaries (13 in total)					1 635
					176 564

31 December 2002	Number	Share %		Nominal value 1 000	Book value EUR 1 000
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Shares in associated companies, other shares and securities

Associated companies owned and managed by the parent company

Fidenta Oy	6 000	60.0 *)	EUR	101	202
Primasoft Oy	18 000	60.0 *)	EUR	303	13 977
Tietokarhu Oy	8 000	80.0 **)	EUR	135	269
TKP Tieto Oy	900	60.0 *)	EUR	151	2 523
					16 971

*) 40 % of the voting rights

***) 20 % of the voting rights

Shares in associated companies owned by the parent company

FD Finanssidata Oy	30 000	30.0	EUR	505	757
Merita Systems Oy	200	40.0	EUR	34	34
UAB Baltijos Informaciniu Duomenu Valdymo Centras	4 000	40.0	LTL	400	956
					1 747

Shares in associated companies owned by the subsidiaries

DocHotel i Stockholm AB	5 000	25.0	SEK	500	112
Dotcom Solutions AB	863 930	48.0			5 901
Elektronisk Handel PEBS AB	5 000	50.0			54
Malmator AB	1 000	50.0			31
					6 098

Other shares and securities owned by the parent company

Bostadsrättsföreningen Almen 10, Solna	1				80
Elisa Communications Oyj 1)	77 517				285
group Vision Finland Oy	136	19.7			23
Helsinki Exchanges Group	24 400				25
Jyväskylän Teknoliakeskus Oy	40	2.8			67
LifelT Oy	1 250	6.8			102
Nurmijärven Golfkeskus	1				20
OKO Osuuspankkien Keskuspankki Oyj 1)	244				1
As Oy Postipuuntie 2, Espoo	53				45
Tapiolan Monitoimiareena Oy	14				118
Vierumäen Kuntorinne Oy	80				194
Yomi Oyj 1)	8 170				42
Other shares and securities					123
					1 125

Notes to the Financial Statements

31 December 2002	Number	Share %	Nominal value 1 000	Book value EUR 1 000
Other shares and securities owned by subsidiaries				
Andelslägenhet in Stockholm, Traneberg				67
Bostadsrätt "BRF Mitt i Åre"				54
Bostadsrättslägenhet				35
Ericsson 1)	600			1
Management Technology Produktivitsutveckling Nordic AB				76
Nokia Oyj 1)	200			3
OKO Osuuspankkien Keskuspankki Oyj 1)	540			2
Tapiolan Monitoimiareena Oy	8			21
Other shares and securities				9
				268

1) Total market value EUR 0,5 million

The list does not include companies with a book value of less than EUR 20 000 in the balance sheet of TietoEnator or companies that are inactive. A complete list as required by the Companies Act is included in the company's official financial statements.

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
11. NON-CURRENT RECEIVABLES				
Loan receivables from Group companies	-	-	39 701	15 684
Receivables from associated companies	-	1 207	-	1 200
12. CURRENT RECEIVABLES				
Receivables from Group companies				
Accounts receivable	-	-	2 514	1 530
Loan receivables	-	-	75 558	35 984
Group contributions receivable	-	-	13 500	5 030
Prepaid expenses and accrued income	-	-	44 325	33 020
	-	-	135 897	75 564
Receivables from associated companies				
Accounts receivable	2 717	2 633	1 859	2 707
Prepaid expenses and accrued income	3	48	-	46
	2 720	2 681	1 859	2 753
13. PREPAID EXPENSES AND ACCRUED INCOME				
Net sales	25 420	18 551	16 154	3 652
Licence fees	4 066	1 871	3 785	394
Rents	3 636	3 544	90	201
Social costs	4 249	1 395	2 653	399
Mainframe computer costs	3 726	5 619	508	2 873
Receivable from SPP	4 472	6 393	-	-
Corporate tax receivable	23 963	2 714	11 824	348
Dividends receivable from Group companies	-	-	39 407	31 040
Other	17 747	16 125	10 482	8 573
	87 279	56 212	84 903	47 480

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
14. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	83 327	70 338	83 327	70 338
Transfer from share issue	125	179	125	179
Share issue and increase of share capital	-	13 093	-	13 093
Annulling of own shares purchased	-871	-1 298	-871	-1 298
Exercise of option rights	306	1 015	305	1 015
Share capital, 31 Dec.	82 886	83 327	82 886	83 327
Share issue, exercise of option rights, 1 Jan.	572	975	572	975
Transfer to share capital	-125	-179	-125	-179
Transfer to share premium fund	-447	-796	-447	-796
Increase	-	572	-	572
Share issue, exercise of option rights, 31 Dec.	-	572	-	572
Share premiums, 1 Jan.	4 920	12 427	907 670	915 033
Share issue and increase of share capital	-	-13 093	-	-13 093
Transfer from share issue	447	796	447	796
Annulling of own shares purchased	871	1 298	871	1 298
Exercise of option rights	1 095	3 636	1 095	3 636
Pooling adjustment	-1 258	-144	-	-
Share premiums, 31 Dec.	6 075	4 920	910 083	907 670
Other funds, 1 Jan.	57 872	63 998	-	-
Other changes	3 624	-6 126	-	-
Other funds, 31 Dec.	61 496	57 872	-	-
Retained earnings, 1 Jan.	334 734	208 358	298 339	82 261
Dividend distribution and donation	-82 651	-40 394	-82 651	-40 394
Purchase of own shares	-	-25 709	-	-25 709
Other changes	-7 941	-5 101	-	-
Retained earnings, 31 Dec.	244 142	137 154	215 688	16 158
Profit for the period	63 911	197 580	129 746	282 181
	308 053	334 734	345 434	298 339
Shareholders' equity, total	458 510	481 425	1 338 403	1 289 907
15. PROVISIONS				
Provision for pension commitments	330	360	330	360
Provision for social costs on personnel warrants	32	403	29	366
	362	763	359	726

Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
16. NON-CURRENT LIABILITIES				
Debts to Group companies	-	-	-	-
Debts falling due after five years				
Loans from financial institutions	-	22	-	-
Deferred tax liability	-	365	-	-
Long-term accruals	312	240	-	-
1998 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Number of warrants	199 894			
Interest	4%			
Subscription period	15 Jun. 2001 - 31 May 2004			
Subscription terms	6 shares for EUR 29.46 per share in exchange for one warrant			
Loan repayment	repaid on 15 June 2001			
I/1999 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
II/1999 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
1999 warrants				
Warrants released from the bonds I/1999 and II/1999 are identical and listed as one class.				
Number of warrants	2 246 355			
Subscription period	2 May 2002 - 31 May 2005			
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant			
I/2000 bond with warrants to employees - parent company				
Loan principal	EUR 924 658			
Number of warrants	2 500 000			
Interest	4%			
Subscription period	2 May 2003 - 31 May 2006			
Subscription terms	1 share for EUR 54.50 per share in exchange for one warrant			
Loan repayment	1 June 2003			

II/2000 bond with warrants to employees - parent company

Loan principal	EUR 957 200
Number of warrants	1 200 000
Interest	4%
Subscription period	warrant A: 2 May 2003 - 31 May 2006 warrant B: 24 October 2003 - 31 May 2006 warrant C: in 2004, after publication of the first-quarter interim report warrant D: in 2004, after publication of the third-quarter interim report
Subscription terms	1 share for EUR 54.50 per share in exchange for one warrant
Loan repayment	1 June 2003

1999/2003 warrants to employees - parent company

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

2002 Stock options

Number of warrants	1 800 000
Subscription period	warrant A: 1 December 2005 - 30 June 2009 warrant B: 1 December 2006 - 30 June 2009
Subscription terms	1 share in exchange for 1 warrant The share subscription price is EUR 27.73. The amount of the dividend decided after 28 February 2002, but before share subscription will be deducted from the share subscription price of stock options as per the dividend record date. At the end of 2002 the share subscription price was EUR 26.73

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
17. CURRENT LIABILITIES				
Debt owed to Group companies				
Accounts payable	-	-	2 697	3 514
Other debt	-	-	90 018	56 909
Accrued liabilities and deferred income	-	-	450	1 487
			93 165	61 910
Debt owed to associated companies				
Accounts payable	101	438	37	54
Accrued liabilities and deferred income	33	-	-	-
	134	438	37	54
18. ACCRUED LIABILITIES AND DEFERRED INCOME				
Net sales	23 798	24 685	4 964	4 294
Vacation pay and related social costs	72 171	55 678	31 339	27 698
Other accrued payroll and related social costs	30 983	27 069	9 240	8 077
Tax accruals	7 214	25 013	886	12 921
Other	49 052	52 924	10 904	10 719
	183 218	185 369	57 333	63 709

Notes to the Financial Statements

EUR 1 000	GROUP		PARENT COMPANY	
	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
19. DEFERRED TAX ASSETS AND LIABILITIES				
Deferred tax assets				
From appropriations	3 192	2 163	2 671	1 726
From temporary differences	4 385	5 024	104	211
Deferred tax liabilities				
From appropriations	3 100	2 682	-	-
From temporary differences	20	4 590	-	-
20. CONTINGENT LIABILITIES				
For TietoEnator obligations				
Pledges	2 687	1 415	-	-
Mortgages	-	780	-	-
On behalf of Group companies				
Guarantees	-	-	12 149	5 832*)
On behalf of associated companies				
Guarantees	1 561	1 681	1 561	1 681
Other TietoEnator obligations				
Rent commitments due in 2003 (2002)	43 789	34 696	24 043	17 409
Rent commitments due later	116 006	71 502	60 540	48 706
Lease commitments due in 2003 (2002)	27 303	22 010	11 753	11 196
Lease commitments due later	9 582	10 135	9 350	8 503
Other commitments	12 967	8 358	1 627	1 761

Lease commitments are principally three-year lease agreements which do not have redemption clauses. The parent company's lease commitments include finance lease agreements that on the Group level are capitalised as fixed assets.

*) Does not include the unused limits guaranteed by the parent company, which totalled EUR 17.2 million (17.2) on 31 December 2002.

Derivatives contracts

Currency derivatives				
Forward contracts				
Value of underlying instruments	93 921	21 818	93 921	21 818
Market value of currency forward contracts	-1 469	-328	-1 469	-328

Derivatives are only used for hedging.

RISK MANAGEMENT

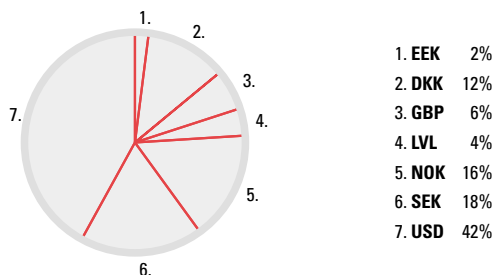
Financial Risk Management

The Group Treasury at TietoEnator is centrally responsible for managing the Group's financial exposure. Its goal is to ensure cost-efficient funding for the Group at all times and to identify and hedge financial risks. The Group Treasury Policy specifies the principles underlying the management of funding and liquidity risks, interest rate risks, foreign exchange risks and credit risks. The Group Treasury Policy also contains instructions regarding money market and currency instruments. The Group monitors financial risks regularly.

Foreign exchange risk

TietoEnator's commercial transaction exposure grew considerably during 2002, even though the company's business operations were still very local in scope; the income and expenses of Group companies are normally generated in the same currency. Several new group companies have sales activities outside their countries and therefore currency transactions have increased as subsidiaries cover their exposures. Larger foreign exchange transactions occur at irregular intervals and for this reason the Group's foreign exchange exposure may vary somewhat.

BREAKDOWN OF CURRENCY EXPOSURE BY CURRENCY 31 DEC. 2002



The company's policy is to hedge all significant foreign exchange commitments. During 2002 TietoEnator used currency forward contracts, options and swaps for hedging. Currency derivatives have a duration of less than 12 months.

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

At the end of 2002 the currency denominated translation exposure of TietoEnator's shareholders' equity was approximately EUR 140 million. A 10 % decrease in the value of the Swedish krona against the euro would reduce non-restricted shareholders' equity at the end of the 2002 financial year by about 8.5 MEUR. Equivalent figures for the US dollar 1.8 MEUR and for the Norwegian krone 1.5 MEUR. The translation exposure is not hedged.

Interest rate risk

The basis for managing the interest rate risk is the gearing target level. Our target is to have positive gearing. Acquisitions carried out during 2002 reduced the company's cash reserves. Also a

revolving credit facility was used to finance the acquisitions, drawing the loan in the same currency as payments were made. At the end of 2002 gearing was 13.6%.

The interest rate risk exposure did not pose any major risks, nor was it hedged during 2002.

Credit risk

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

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

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

Liquidity risk

One of Group Treasury's main objectives is to ensure that the company's liquidity remains sufficiently strong. In June TietoEnator signed a revolving credit facility in the amount of 200 million euros. The Group also has uncommitted credit lines and commercial paper programmes available so that it can maintain flexibility in funding.

DIFFERENCES BETWEEN FINNISH AND SWEDISH ACCOUNTING STANDARDS

Finnish and Swedish accounting standards differ with respect to accounting for acquisitions and unitings of interests. The differences relate to the application of the purchase method to share exchange transactions and the pooling method to unitings of interests. In 2000 TietoEnator Corporation entered into share exchange transactions which, under Swedish accounting standards, would have resulted in additional goodwill. At an estimated economic life of 10 years the amortisation for the financial year would have been EUR 31 million and the unamortised balance at 31 December 2002, EUR 228 million.

The calculated goodwill arising from the combination of Tieto and Enator in 1999 has been adjusted for disposals and items affecting the acquired equity. At an estimated economic life of 20 years the calculated annual goodwill would have been EUR 30 million during 2002 and the unamortised balance of the calculated goodwill would have been EUR 497 million at 31 December 2002.

The effect on earnings per share of these annual amortisations would have been EUR 0.74.

TietoEnator has consolidated the associated companies in which it holds management responsibility item for item in the income statement in proportion to its holdings. In the balance sheet these items are included as a one-line consolidation. The consolidation method thus applied is not recognised by Swedish accounting standards, which require that the equity method be used. The applied consolidation method affects the classification of the income statement, but there is no difference in the net income contributed by the associated companies using this method compared to the equity method.

Calculation of Key Figures

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

Financial Figures

FIVE-YEAR FIGURES	2002	2001	2000	1999	1998
Net sales, MEUR	1271.1	1135.2	1119.9	1229.1	1079.2
Operating profit (EBIT), MEUR	99.8	251.8	103.5	107.7	105.0
Operating margin, %	7.9	22.2	9.2	8.8	9.7
Profit before extraordinary items and taxes, MEUR	100.4	258.0	106.9	109.3	107.0
As % of net sales	7.9	22.7	9.5	8.9	9.9
Total assets, MEUR	845.0	801.2	632.0	702.6	561.0
Return on equity, %	13.7	47.1	19.6	21.2	25.2
Return on capital employed, %	23.0	59.9	27.7 *)	29.5	33.6
Equity ratio, %	55.5	61.9	57.5	52.8	56.8
Investments, MEUR	282.9	125.2	82.0	102.8	71.0
As % of net sales	22.3	11.0	7.3	8.3	6.6
Average personnel during the financial year	11 591	10 058	9 934	11 058	10 089
Personnel on 31 December	12 418	10 589	10 032	11 098	10 335

*) Adjusted for the divestment of defence 28.8%.

KEY FIGURES BY QUARTER	2002	2002	2002	2002	2002	2001	2001	2001	2001	2001
	1-3	4-6	7-9	10-12	1-12	1-3	4-6	7-9	10-12	1-12
Net sales, MEUR	310.1	317.7	285.1	358.2	1 271.1	281.2	282.0	257.1	314.9	1 135.2
Operating profit (EBIT), MEUR	29.4	21.6	19.9	28.9	99.8	55.3	26.3	27.2	143.0	251.8
Non-recurring items, MEUR	0.0	0.0	0.0	0.0	0.0	20.6	-0.4	0.0	111.3	131.5
Net financial items, MEUR	1.7	0.5	-1.2	-0.4	0.6	0.7	1.9	2.2	1.4	6.2
Profit before taxes, MEUR	31.1	22.1	18.7	28.5	100.4	56.0	28.2	29.4	144.4	258.0
Earnings per share, EUR	0.25	0.16	0.13	0.23	0.77	0.44	0.22	0.22	1.52	2.40
Earnings per share, excl. non-recurring items and social costs on personnel warrants, EUR	0.25	0.16	0.13	0.23	0.77	0.26	0.22	0.22	0.34	1.05
Earnings per share excl. amortisation of goodwill, EUR	0.31	0.24	0.22	0.36	1.14	0.48	0.27	0.27	1.57	2.58
Equity per share, EUR	6.07	5.20	5.33	5.53	5.53	4.63	4.34	4.53	5.84	5.84
Equity ratio, %	62.3	61.0	57.7	55.5	55.5	60.2	58.6	61.5	61.9	61.9
Interest-bearing net debt, MEUR	-168.4	-46.1	14.0	42.8	42.8	-117.1	-67.1	-69.8	-201.8	-201.8
Gearing, %	-27.9	-4.6	8.9	13.6	13.6	-24.4	-11.8	-11.7	-36.6	-36.6
Investments, MEUR	87.1	53.1	64.2	78.5	282.9	36.1	43.1	13.3	32.7	125.2
Personnel at end of period	11 130	11 567	11 587	12 418	12 418	9 602	10 150	10 314	10 589	10 589
Personnel on average	11 147	11 497	11 531	12 188	11 591	9 488	9 848	10 241	10 655	10 058
Per employee, EUR 1000 a)										
Net sales	29.0	28.7	25.7	30.5	114.0	30.6	29.6	25.9	30.5	116.6
Personnel expenses b)	15.3	15.5	13.1	16.2	60.2	15.6	15.8	12.7	15.9	59.9
Operating profit before amortisation of goodwill excl. non-recurring items and social costs on personnel warrants	3.2	2.6	2.5	3.4	11.7	4.1	3.2	3.1	3.6	13.9

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

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

Shares and Shareholders

Share capital and shares

TietoEnator Corporation's issued and registered share capital on 31 December 2002 totalled EUR 82 886 444 and there were 82 886 444 shares. There is only one class of shares and each share is entitled to one vote. The shares have no par value and have a book counter-value of one euro. TietoEnator's shares are listed on the HEX Helsinki Exchanges and Stockholmbörsen (the Stockholm Stock Exchange).

TietoEnator's share capital on 1 January 2002 totalled EUR 83 326 740 and there were 83 326 740 shares. TietoEnator's Annual General Meeting on 21 March 2002 decided to reduce the share capital by EUR 871 060 (871 060 shares) by nullifying the company's own shares repurchased in 2001.

The share capital was increased during the year by new shares subscribed under the TietoEnator 1996, 1998 and 1999/2003 warrants. The changes in share capital were registered as follows:

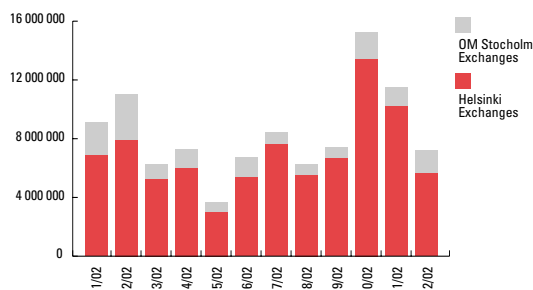
		Shares	Total number of shares
On 3 Jan. 2002	Warrants	+125 160	83 451 900
On 4 Feb. 2002	Warrants	+305 448	83 757 348
On 28 Mar. 2002	Nullification	-871 060	82 886 288
On 28 Mar. 2002	Warrants	+156	82 886 444

Based on the former Enator warrants and the warrants attached to the 1998, 1999, 2000 bonds and the 2002 stock options, the total number of shares may increase further to at most:

	Shares	Subscription period	Strike price
Warrants			
1999/2003	212 868	- 30/05/03	41.00
Bond with warrants			
1998	1 199 364	- 31/05/04	29.46
Bond with warrants			
1999I+II	2 246 355	- 31/05/05	36.30
Bond with warrants			
2000	3 700 000	02/05/03 – 31/05/06	54.50
Stock options 2002	1 800 000	01/12/05 – 30/06/09	26.73
	9 158 587		

The TietoEnator share price averaged EUR 20.14 in 2002, and was thus below all the strike prices of the warrant and option programs. Therefore, the diluted number of shares equals the outstanding number of shares for the whole of 2002. The fully diluted number of shares, assuming all warrants and options will be exercised fully, is 92 045 031, representing full dilution of 10.0%.

DEVELOPMENT OF TOTAL TURNOVER 2002



SHARE PRICE DEVELOPMENT 2002



SHAREHOLDERS ON DECEMBER 30 2002

	% of shares
Corporations	2.6%
Financial and insurance institutions	7.7%
Public organisations	9.8%
Non-profit organisations	3.8%
Households	9.8%
Foreign	0.2%
Nominee-registered	66.1%
Total	100.0%

Based on ownership records of Helsinki Exchanges

MAJOR SHAREHOLDERS 30 DECEMBER 2002

	Shares	%
Robur Mutual Funds	3 588 190	4.3
Varma-Sampo	2 003 423	2.4
Nordea Mutual Funds	1 632 300	2.0
Ilmarinen Mutual Pension Insurance Company	1 552 640	1.9
Svenska Litteratursällskapet i Finland	1 240 500	1.5
OP Mutual Funds	1 046 834	1.3
Suomi Mutual	955 980	1.2
Tapiola Group	906 980	1.1
SEB/Trygg Funds	906 366	1.1
Finnish State Pension Fund	760 000	0.9
Remaining Nominee registered	49 061 420	59.2
Others	19 231 811	23.2
Total	82 886 444	100.0

Based on ownership records of the Finnish and Swedish central security depositories

OWNERSHIP STRUCTURE ON DECEMBER 30 2002

Number of shares	Shareholders		Shares	
	No	%	No	%
1 - 100	5 330	36.6	327 686	0.4
101 - 500	5 299	36.4	1 426 464	1.7
501 - 1 000	1 737	11.9	1 348 208	1.6
1 001 - 5 000	1 791	12.3	3 880 199	4.7
5 001 - 100 000	363	2.5	6 993 947	8.4
100 001 - 999 999 999 999	43	0.3	68 890 060	83.1
Joint book-entry account			19 880	0.0
Total	14 563	100.0	82 886 444	100.0

Based on ownership records of Helsinki Exchanges

Board authorisations

The Annual General Meeting authorised the Board of Directors to repurchase the company's own shares to an amount not exceeding 5% of the share capital or the total number of votes. The authorisation is to be used to develop the company's capital structure and to reduce its negative gearing. This authorisation has not been used, and it is effective until 21 March 2003.

The Board was also authorised to issue shares, option rights and convertible bonds for one year from the Annual General Meeting of 2002 until 21 March 2003. The purpose of the authorisation is to safeguard the company's ability

to develop its operations both in the domestic and in the international markets, in order to enable and to finance both the acquisition of companies and business operations and also other co-operative arrangements. The authorisation has not been used.

Shareholders

The company had 33 540 name-registered shareholders at the end of 2002. Of all TietoEnator's shares 33.6% were held by Finnish and 18.5% by Swedish investors. In total, there were 30 192 retail investors in Finland and Sweden and they held 12.8% of TietoEnator's shares.

The Board of Directors, the CEO and his deputy together owned 0.076% of the share capital and votes. Based on the bonds with warrants, they can increase their aggregate holding to 0.141% of the shares.

Share performance and trading

The turnover of TietoEnator shares totalled EUR 1 721.8 million (85 479 503 shares) in Helsinki and SEK 3 440.5 million (16 813 102 shares) in Stockholm in 2002. On the Helsinki Exchanges the average share price in the year was EUR 20.14, whereas the share price at the end of the year was EUR 13.00. The highest price was EUR 32.35 and the lowest EUR 10.25. The market capitalisation at the end of the year totalled EUR 1 077.5 million.

TietoEnator's share price fell 56.3% in Helsinki and 56.5% in Stockholm during the year. At the same time, Helsinki Exchanges' HEX All Share index declined 34.4% and Stockholm's All Share Index 37.4%.

Shares and Shareholders

	2002	2001	2000	1999	1998
Share capital changes					
Share capital at year end, EUR	82 886 444	83 326 740	70 337 736	64 716 262	44 857 047
Number of shares	82 886 444	83 326 740	83 641 915	76 957 113	53 341 578
Adjusted number of shares at year end	82 886 444	83 326 740	83 641 915	76 957 113	53 341 578
Adjusted average for the year	82 856 926	82 437 328	80 059 482	76 690 738	52 568 723

Per share data

Earnings per share, EUR *)	0.77	2.40	0.88	0.90	0.97
Shareholders' equity per share, EUR	5.53	5.84	4.33	4.59	3.10

*) There is no dilutive effect from warrants and stock-options because the average share price was below subscription prices during 2002.

Share price performance and trading volumes

At Helsinki Exchanges

Highest price (adjusted), EUR	32.35	36.40	85.00	62.00	38.52
Lowest price (adjusted), EUR	10.25	18.86	19.10	25.00	16.65
Average price (adjusted), EUR	20.14	27.98	41.44	35.89	27.75
Turnover, No.	85 479 503	107 451 734	61 060 373	45 971 802	19 484 547
Turnover (adjusted), No.	85 479 503	107 451 734	61 060 373	45 971 802	26 402 953

At OM Stockholm Exchange

Highest price, SEK	297.50	325.00	708.00	527.00	
Lowest price, SEK	93.00	189.50	162.00	220.00	
Average price, SEK	204.63	257.75	373.00	297.47	
Turnover, No.	16 813 102	27 520 566	16 967 169	14 887 180	

Market capitalisation, EUR million	1 077.5	2 479.0	2 534.4	4 771.3	2 036.5
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Dividend

Dividend paid, EUR 1000	41 443	82 582	40 438	33 737	25 607
Nominal dividend, EUR	0.50	1.00	0.49	0.49	0.49
Adjusted dividend, EUR	0.50	1.00	0.49	0.49	0.49
Payout ratio, %	64.9	41.7	55.7	54.4	50.4

Share price weighted ratios

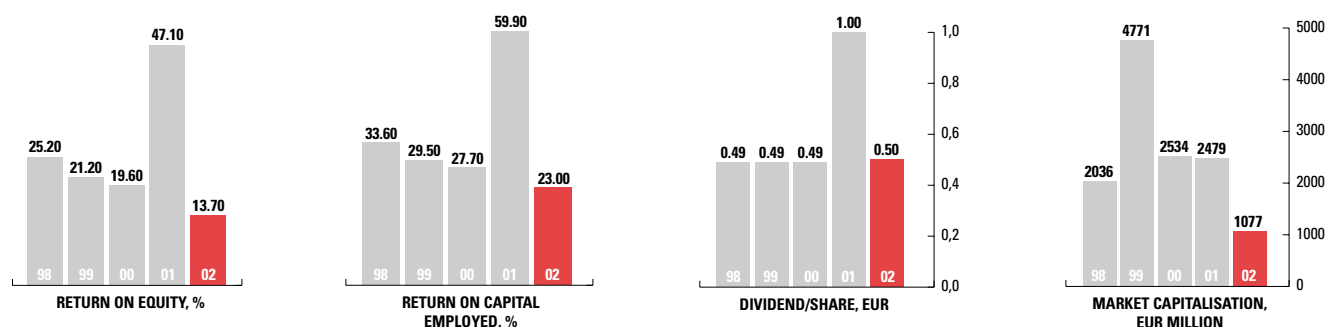
At Helsinki Exchanges

Price/earnings ratio (P/E)	17	12	34	69	39
Dividend yield, %	3.9	3.4	1.6	0.8	1.3

At OM Stockholm Exchange

Price/earnings ratio (P/E)	17	12	33	68	
Dividend yield, %	3.8	3.4	1.7	0.8	

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



Proposal of the Board of Directors

	EUR 1000
Consolidated shareholders' equity totalled	458 510
Retained earnings and profit for the period included in shareholders' equity totalled	308 053
of which distributable funds total	294 409
Distributable funds in the parent company	345 434
The Board of Directors proposes that the distributable funds mentioned above be used as follows:	
- a dividend of EUR 0.50 per share be paid to shareholders	41 443
- the remainder be carried forward	303 991

Espoo, 13 February 2003

Olof Lund
Chairman

Kalevi Kontinen
Vice chairman

Elisabeth Eriksson

Thomas Falk

Risto Lyly

Olli Martikainen

Anders Ullberg

Matti Lehti,
President and CEO

Auditors' Report

TO THE SHAREHOLDERS OF TIETOENATOR CORPORATION

We have audited the accounting, the financial statements and the corporate governance of TietoEnator Corporation for the financial year 2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express our opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement

presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements, which disclose a net income in the consolidated income statement of 63,911 thousand EUR, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's result of operations and financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of the distributable equity is in compliance with the Companies' Act.

Espoo, 13 February 2003

ERNST & YOUNG OY
Authorized Public Accountant Firm

Sven-Erik Guarnieri
Authorized Public Accountant

Tomi Englund
Authorized Public Accountant

Information for Shareholders

Annual General Meeting

TietoEnator Corporation's Annual General Meeting (AGM) will be held at the Company's premises, Kutojantie 10 (Kilo3), Espoo, Finland, on Thursday, 20 March 2003, commencing at 5.00 pm (Finnish time).

Attending the AGM

In order to attend the AGM, shareholders must

- be registered on 10 March 2003 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd and
- inform the Company of their attendance not later than Friday 14 March 2003 at 4.00 pm (Finnish time).

Registration in the Register of Shareholders

A shareholder, whose shares are registered in her/his book-entry account in the Finnish Central Securities Depository Ltd, is automatically registered in the Company's shareholder register. A nominee registered shareholder may be registered on the Company's shareholder register temporarily on 10 March 2003 in order to attend the AGM. Therefore shareholders whose holdings are direct registered at VPC AB should contact VPC AB and those shareholders who hold their shares under the name of a nominee should contact their nominee. VPC AB must receive the registration request by 4 March 2003.

Notice to attend

Shareholders wishing to attend the AGM are kindly requested to notify the Company not later than by 4.00 pm (Finnish time) on 14 March 2003 either:

- by telephone +358 9 8626 2203
- by telefax +358 2060 20232
- by e-mail anne.rontu@tietoenator.com
- at the internet address www.tietoenator.com/agm (available only for direct registered shareholders)
- by mail TietoEnator, Ms Anne Rontu, P.O. Box 33, FIN-02631 Espoo

Proxy

Shareholders wishing to be represented at the Meeting by a representative (proxy), must ensure their letters of authorisation reach the above address not later than 14 March 2003.

Dividend payment

The Board of Directors proposes to the AGM that a dividend of EUR 0.5 per share be paid on the financial year 2002. The dividend will be paid to shareholders who are registered in the shareholder register maintained by the Finnish Central

Securities Depository Ltd or in the register maintained by VPC AB on the record date for dividend payment. The Board has decided that the record date for dividend payment will be 25 March 2003. Should the AGM approve the Board's proposal, the dividend will be paid by the company on 8 April 2003.

AGM and dividend calendar for 2003

10 March	Record date for AGM
20 March	AGM
25 March	Record date for dividend
8 April	Dividend payment effected

Financial calendar for 2003

14 February	Financial results for 2002
21 February	Business review 2002, Financial review 2002, (pdf)
10 March	Business review 2002, Financial review 2002, (printed)
29 April	Interim review, January – March
18 July	Interim review, January – June
23 October	Interim review, January – September

Reviews are published in English, Finnish and Swedish and are available at TietoEnator's Internet pages, www.tietoenator.com.

To order the printed Business review 2002 and the Financial review 2002:

- tel. +358 9 862 6000, fax +358 9 862 63091
- tel. +46 8 632 1400, fax +46 8 632 1420
- e-mail: reports@tietoenator.com

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paivi.lindqvist@tietoenator.com

Analysts following TietoEnator

Analysts following TietoEnator are listed on the company's web site, www.tietoenator.com.

TietoEnator is one of the leading architects in building a more efficient information society. With 13,000 experts, we are the largest IT services company in the Nordic countries.

Our leading-edge know-how is geared towards developing innovative IT solutions that realise and digitalise the visions of our customers. And we work in close partnership helping them to manage and run their business better.

We've chosen to focus on areas where we have the deepest industry expertise. The principal ones are: banking and finance, telecom and media, public and healthcare, energy and forest. In these areas, we work hand in hand with many of the world's leading companies and organisations. We are growing with them and are now active in more than 20 countries.

TietoEnator Corporation

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TietoEnator 

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