



**TECNOMEN
BUSINESS REVIEW 2003**

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Introducing the Tecnomen family

You can once again follow the Tecnomen family on the pages of this annual report to see how Tecnomen's services function as their personal assistant and simplify their daily work and leisure time.

The family consists of mother, father and two children.

Maria

Maria is a managing director of an innovative advertising agency. Her work involves a very wide range of responsibilities and her working days are very full.

Erik

Erik is a sales manager at a medium-sized international company who has to travel extensively in his work.

Tania

Tania is the oldest child of Maria and Erik. She is 17 years old and at high school. Tania goes to dancing lessons, is an active member of a photography club and a keen student of computing.

Michael

Michael, eleven years old, is the youngest child of Maria and Erik. Michael has all sorts of different pastimes; he plays the guitar, plays football, is interested in computers and is a boy scout.



Tecnomen in brief

Tecnomen develops and supplies value-added service systems for teleoperators and service providers. The company is one of the world's leading suppliers of messaging systems. Tecnomen has a strong position in selected market areas in prepaid systems and intelligent network products. The company is also the leading supplier of paging systems.

Tecnomen's product lines

Tecnomen's main products are voice mail systems and services, multimedia messaging systems and services, prepaid solutions and messaging solutions for public authority users. In addition, the product family includes wireless email and unified messaging services that combine voice mail and email.

Messaging

- voice mail systems and services
- video messaging

Mobile Multimedia

- multimedia messaging systems and services
- wireless email

Prepaid

- prepaid solutions:
Prepaid Voice, Prepaid Data, Prepaid Calling Card
- EAIP Intelligent Network Components

PMR Messaging

(Professional Mobile Radio, formerly Tecnomen Paging)

- PMR Paging, PMR Voice Messaging, SDS Centre

Global operations

Tecnomen markets and maintains its products and services through its own worldwide organisation and through global and local partners. Tecnomen's markets are divided between Europe, Asia Pacific, Latin America, and Middle East/Africa. Each area is responsible for sales and customer service in specific countries. The company operates in 10 locations worldwide and has supplied its systems to more than 40 countries.

Long-term expertise

Tecnomen's strength lies in more than 25 years' experience as a service provider. Experience and strong expertise in implementing large, complex telecommunications applications are combined with the ability to develop and offer innovative services. Long-term, open cooperation and partnership with customers form a main component of Tecnomen's operations and are the key to Tecnomen's success as a supplier of value-added service systems.

Tecnomen timeline

- **2003** Tecnomen's operations are rationalised and streamlined. Jarmo Niemi becomes company president.
- **2002** Tecnomen supplies a multimedia messaging system to Finnish operators. Interconnection begins for MMS messages.
- **2000** Tecnomen Corporation is listed on the main list of the Helsinki Exchanges as from 30 June 2000. The company has net sales of EUR 60 million.
- **1997** Tecnomen starts cooperation with Siemens and expands into Brazil.
- **1997** Tecnomen supplies a prepaid system to TAC in Thailand.
- **1991** Tecnomen develops an answering service from the switchboard enquiry system for Tele's mobile phone network
- **1990** First foreign subsidiary in Ireland.
- **1988** Tecnomen supplies an automatic enquiry system for a telephone switchboard for P&T.
- **1985** Kyro acquires Tecnomen. Tecnomen develops automation systems for glass tempering factories. The messaging systems business is small.
- **1984** Tecnomen supplies a paging system in Finland with Mobira.
- **1980** Tecnomen expands into telecommunications systems and makes equipment for measuring telephone traffic.
- **1978** Tecnomen is established as an engineering company specialising in industrial automation. Tamglass is the company's customer.

Tecnomen's mission, vision and values

Tecnomen's mission

Tecnomen provides mobile operators with revenue-generating services and platforms that increase their profitability.

Tecnomen's vision

Tecnomen's goal is to operate globally and to be the preferred provider for its customers and partners in its main product areas.

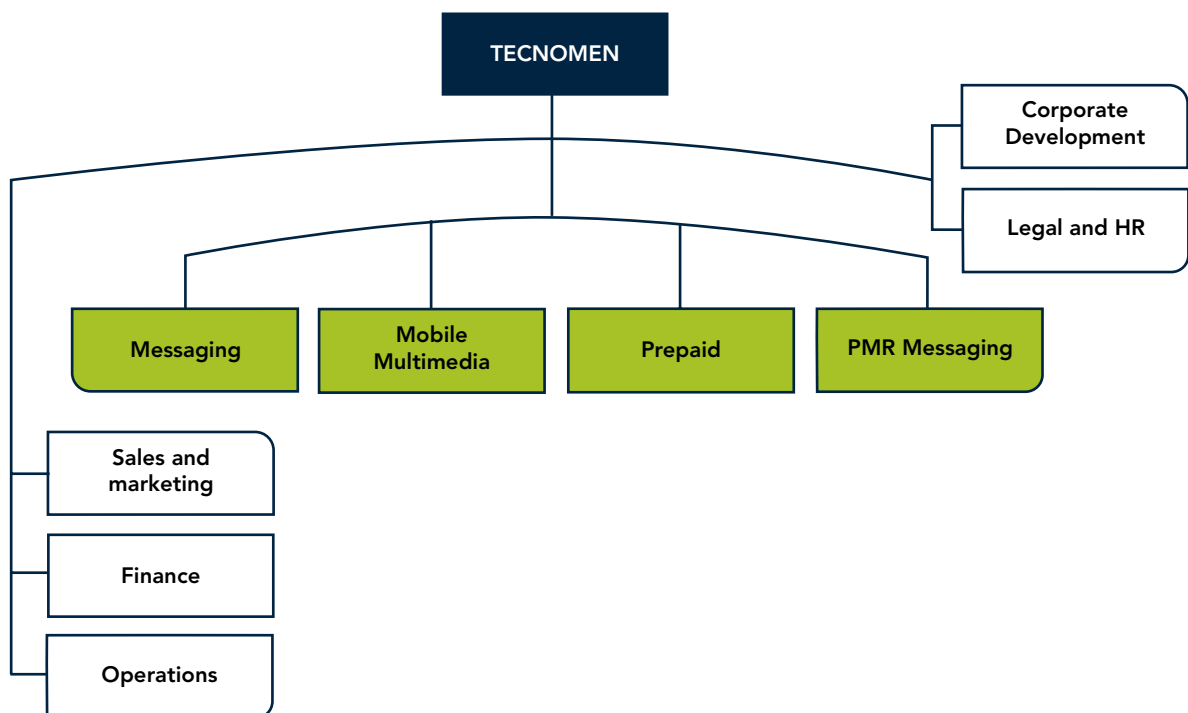
Tecnomen's way of working

Tecnomen's operations are guided by its core values. These values form a foundation for its operations relating to its customers, business partners, sub-contractors and other stakeholder groups. They also form the foundation for operations within the company.

- Open and honest cooperation
- Respect for customers
- Continuous improvement

Organisation

Tecnomen's head office is in Finland. It has subsidiaries in Ireland, Germany, Spain, Brazil and Malaysia, and offices in the Netherlands, Taiwan and the United Arab Emirates.



Goals and strategy

Tecnomen develops value-added service systems for telecommunications operators and service providers. The company's goal is to operate globally and to be the preferred provider for its customers and partners in its main product areas.

Tecnomen focuses its efforts on selected operators and service providers that are large- or medium-sized players in their regions, and supplies messaging systems and payment solutions to them.

Tecnomen's main products are voice mail systems and services, multimedia messaging systems and services, pre-paid solutions and PMR messaging systems. In addition, the product family includes wireless email and unified messaging services that combine voice mail and email.

MESSAGING

Tecnomen is one of the leading suppliers of voice mail systems. Tecnomen's strengths in messaging systems are innovation, the development of new features, and reliable, scalable systems.

Goals

The goal of the Messaging product unit is to upgrade the messaging systems of existing customers in a way that is profitable for both parties. A key target is to start selling the Tecnomen eZONER Next Generation Messaging (NGM) platform and strengthen its position in this new growing market.

Strategy

Tecnomen continues its profitable supply, support and development of existing messaging systems. At the same time, Tecnomen is launching its NGM (Next Generation Messaging) product, which has the same earnings model as the previous product generation but is implemented in a new way. NGM is a key open element in the telephone network forming a basis on which Tecnomen and its partners can develop services. It provides operators with a comprehensive means to boost their operational business.

This new product will also bring changes to Tecnomen's operations. NGM allows extensive use in the system of components developed by partners and third parties. With NGM, it is possible to make wider use of partners in R&D, sales and support functions, which supports the goals of profitable operations and growth in the messaging business.

Prospects and risks

Investments in developing and launching new technology always involve risks relating to how the market will accept it. The main risks are that one is not in the right place at the right time with the right technology or that next generation technology is not accepted and adopted as expected and is delayed. The future for the Messaging product unit looks promising. Tecnomen is preparing the ground for switching to the next generation messaging concept, and at the same time taking advantage of the sales potential of current systems and the service improvements being made to them.

MOBILE MULTIMEDIA

Tecnomen has established a strong position in the multimedia messaging service centre market among medium-sized operators and is a major player in the market. Tecnomen's strengths in multimedia messaging systems and service include independence from network suppliers and terminal equipment, commitment to open standards, and cooperation with many of the major players in the market.

The main market areas in the future for multimedia messaging systems will be in the Middle East and Latin America. Tecnomen has supplied multimedia messaging systems to ten operators in seven countries. The company has also supplied several wireless email systems, including one as part of the Vodafone Live! service. Partly through the Vodafone Live! and t-zones concepts, wireless email has become an important element in the service offering of operators.

Goals

The goal of the Mobile Multimedia product unit is to increase its customer base. The unit is paying particular attention to profitable operations, expansions of existing installations, selling new features, and service and maintenance.

Strategy

The unit will meet its goals by working closely with customers in defining new product features. The partner network is being developed and will be used effectively. Mobile Multimedia products are sold as complete packages, and also with the systems of the other product areas.

Prospects and risks

Usage of multimedia services and price developments will have a key impact on the future of the product unit. The risks it faces are lessened because Tecnomen Mobile Multimedia supports the sales of the other product areas and its products are also sold as part of their product deliveries.

PREPAID

The main market area for Tecnomen's prepaid systems is Latin America. Tecnomen is the market leader in Brazil. The systems are used in other parts of the world, including Asia and Africa. Tecnomen's strengths in the prepaid market are its systematic development of products and services and its understanding of customer needs.

Goals

The goals of the Prepaid product unit are to offer its customers the most cost-effective prepaid system based on IN standards on the market and to expand its market area.

Strategy

The unit will achieve this goal by developing new product features and taking advantage of existing system references in new market areas. The partnership network plays an important role in the unit's strategy, combined with utilising, expanding and strengthening the network.

Prospects and risks

The future for payment solutions looks promising if existing system references support sales as expected. The risks are the development of prepayment and its popularity among end users in the various forms of prepayment offered by next generation systems.

PMR MESSAGING

(Professional Mobile Radio, formerly Tecnomen Paging)

The Tecnomen PMR Messaging product unit focuses on supplying messaging systems for public authority use. Tecnomen's systems are very suitable for extending the range of services offered by public authority networks. With these systems customer operators can offer basic alarm services and messaging solutions for use by the police, fire services, emergency services and social workers.

Goals

The goal of PMR Messaging is to utilise Tecnomen's expertise as a supplier of messaging systems in the public authority market.

Strategy

The unit aims to achieve its goals by launching on the PMR market technology that has been tested and proven in the GSM market. It will take advantage of Tecnomen's experience in supplying paging systems in the public authority market. The product line offering will be expanded with other Tecnomen and third party products. PMR networks require reliable systems and Tecnomen has experience and a track record in these.

Prospects and risks

PMR Messaging will continue to develop its own paging products and to customise other Tecnomen products to meet the needs of the public authority market.

The risks facing the product line relate to the popularity of paging systems and the new value-added services. If public authorities show increasing interest in value-added services and Tecnomen is able to meet market expectations, the future looks bright for the product unit.

TECNOMEN GROUP

Tecnomen supplies mobile operators with services and systems that improve operator profitability.

Goals

Tecnomen's goal is to operate globally and to be the preferred provider for its customers and partners in its main product areas.

Strategy

The Group will achieve its 2004 goals through effective sales of existing products and first class customer service, continuous development of knowhow, and networking.

Tecnomen will supply new systems, and upgrades and expansions to existing customers. The Group will focus its efforts on winning new customers, operators and service providers that have a large- or medium-size presence in their market areas. Efforts will be made to increase the proportion of sales through partners. This will increase the flexibility, speed and reliability of customer service. As the service net-

work expands, awareness of Tecnomen and its products will increase.

The partner network for R&D, sales and customer deliveries is being expanded and strengthened to boost operations and support growth. At the same time, Tecnomen will concentrate more closely on managing, maintaining and developing strategically important areas of knowhow.

The company makes extensive use of open technologies to be able to use third party components in its products and, on the other hand, to integrate systems with other open systems. Openness is a strategic choice that becomes a competitive asset in markets traditionally dominated by closed systems. Openness enhances the operations of Tecnomen and its partners and customers, and in the short-term allows Tecnomen to focus on its core business which creates added value.

Prospects and risks

The market will continue to be challenging and competition remains intense. Some small companies operating in this sector have not obtained a sufficiently strong position in the global market. This leads in the short-term to intense price competition and in the longer-term to consolidation in the sector.

Changes are taking place in the operator environment. Operators are looking for cost-efficiency and short pay-back periods for their investments. The average revenue per user (ARPU) from conventional voice mail services has been declining recently, and as a result operators are looking for new service packages to offer their customers.

Operators are aiming to divide their user groups into segments and offer more precisely targeted services to provide

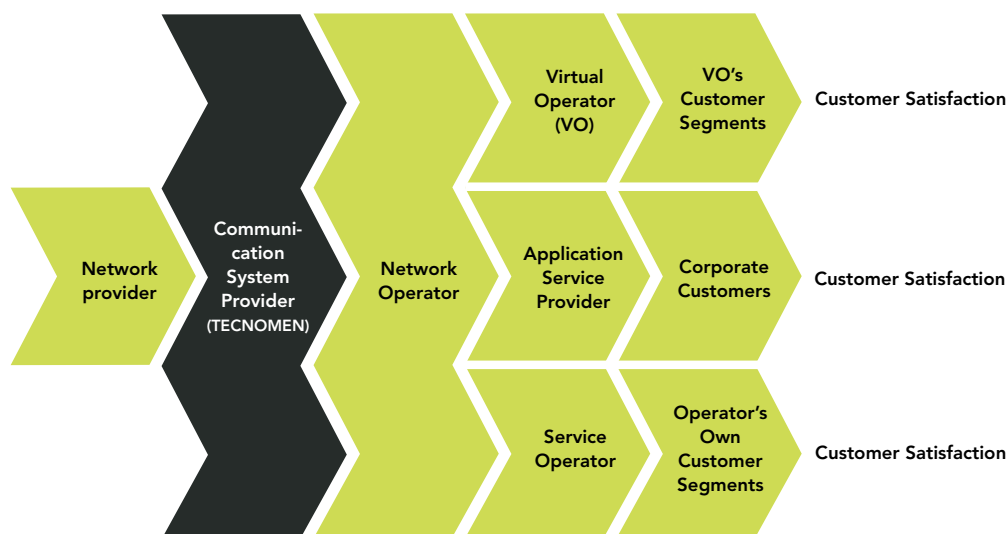
a better service to customers than their competitors. At the same time, other new players are entering the market that are different from purely service operators, offering mobile services to limited target groups and taking advantage of established consumer brands.

Competition for business customers is becoming more intense, partly with the spread of number portability. This development threatens the most profitable customer sector for operators. As competition intensifies, operators are trying to hold onto existing business customers and attract new ones by offering subscribers extra services that give financial benefits.

Tecnomen assists operators in taking advantage of the changes that have taken place in the competitive situation for telecommunications and its value chain. With the introduction of the Tecnomen next generation messaging concept, Tecnomen is helping its customers develop effective, customer-oriented, segmented and brand-led operations. The changes in the dynamics of the value chain also bring changes in Tecnomen's business: the direct link has been broken between sales volumes and Tecnomen's own R&D, sales, support and delivery costs.

The direction to be taken by Tecnomen and the company's development depends on how well its products enhance the profitability of operators. Operator profitability is built upon the foundation of customer loyalty and winning new customers. Tecnomen works to support this foundation by helping its customers to serve an increasing number of customer segments individually and cost-effectively through its products, services and partners.

Support for New Value Chain



CEO's review

Main events in 2003

The market continued to be in a challenging state during 2003, and the level of investment by operators remained low. The long period of quiet in the market has meant that our operations have made a loss for several quarterly periods in succession. This led in autumn 2003 to action resulting in an almost complete change in the company's top management and a reduction in the number of personnel by 60. This was a difficult but unavoidable step taken to bring costs in line with the current state of the market and to create a base for future positive development.

Despite these major changes in the company, during the year we succeeded in obtaining significant new customers and in continuing our efforts to develop new products. This demonstrates that our expert personnel have understood that the changes were necessary and continued their work, committed to the targets set by the company.

Financial situation

Net sales in 2003 clearly exceeded the previous year's figure, rising to EUR 45.3 million. The result also clearly improved on the previous year, even though it was still a loss. Excluding

non-recurring items, the operating result for the final quarter of the year was positive, showing that our costs are now at a level that enables us to make a profit. The cash flow for the year was positive, cash funds stayed at around EUR 35 million and the company remained almost debt-free. The balance sheet is strong, with the equity ratio standing at 85.2 per cent.

The goal for 2003 was to markedly reduce losses. This goal was met, and the targets for 2004 are to improve our net sales and result. We believe that the market will gradually recover, enabling us to continue the positive trend in our financial performance.

Competition remains intense. Some small companies operating in this sector have not obtained a sufficiently strong position in the global market. This leads in the short term to intense price competition and in the longer term to consolidation. Tecnomen's goal is to strengthen our market position, in part through closer cooperation with selected partners. Our strong balance sheet and positive cash flow reinforce our market standing.



Strategy and values

Tecnomen aims to offer value-added services that help customers increase their net sales and profitability. Our goal is to grow profitably and achieve a global position where our customers and partners make Tecnomen their partner of preference. We will reach these goals by working closely with customers and partners and through strong customer service. It is also important to continuously improve our operational efficiency.

Our operations are based on our core values, which we uphold in all our activities. Open and honest communications with external stakeholders and within the company create the trust on which we can build the future. Respect for customers, listening to their needs and taking these into account, and continuous improvement of operations form the cornerstone of our values. Working in accordance with these requires commitment on the part of our entire personnel and delegation of responsibility and authority to those who are the real experts in each matter.

Looking to the future

In Europe, the main focus will be on upgrading and expanding existing systems. In the Americas and Asia, new networks are being built and new services are being bought along with them. Africa and Eastern Europe are also experiencing growth. We will not be expanding our own network geographically but will strengthen our cooperation with partners in new market areas.

The goal we have set for 2004 is to further improve our net sales and result. We will continue to develop our business processes so that we can achieve our growth targets without increasing costs.

I would especially like to thank the entire personnel of Tecnomen. In a difficult market situation and in the midst of major personnel and organisational change they have served our customers wholeheartedly and with skill, and so have further improved our standing against international competition. I also want to thank our customers and all our partners and shareholders. The new management board and I will continue to develop the company in order to meet our strategic goals and continue our positive financial performance.

Jarmo Niemi
President and CEO

Tecnomen's business environment

Tecnomen's markets are divided into Europe, Asia Pacific, Latin America, and Middle East/Africa. Each area is responsible for sales and customer service in specific countries.

The company has its head office in Finland, subsidiaries in Ireland, Germany, Spain, Brazil and Malaysia, and offices in the Netherlands, Taiwan and the United Arab Emirates. The business locations abroad are sales and support offices. The company has three product development units, two in Finland in Espoo and Vaasa, one in Malaysia, and one in Ireland where the production unit is also located.

Europe

In the telecommunications market in Europe, operators are looking for cost-efficiency, reliable business opportunities and short pay-back periods for their investments. The average revenue per user (ARPU) from conventional services has been declining, and as a result operators are looking for new service packages to offer their customers. It is important for operators to be able to serve precisely segmented customer groups profitably and in this way improve customer loyalty and win new customers.

Europe can be roughly divided into two areas as far as telecommunications is concerned: the developed markets of Western Europe, and the developing markets of Eastern Europe where the number of mobile phone subscribers is still rising. In Eastern Europe, Tecnomen is concentrating on winning new customers, whereas in Western Europe the focus is on improving the competitiveness of existing customers by developing and offering them new messaging services. In both parts of the continent, Tecnomen aims to stand out from its competitors through a high level of customer satisfaction. Tecnomen supports its customers and helps them develop efficient, customer-focused, segmented and brand-led business operations.

Latin America

In the rapidly growing telecommunications markets in Latin America, prepaid systems are very popular. Up to 80 or 90 per cent of the customers of many mobile phone operators are prepaid subscribers. Another common feature in the region is having several different network technologies and standards such as GSM, TDMA and CDMA in use. Tecnomen's prepaid and messaging systems support all standards simultaneously, which allows the use of different networks together or switching from TDMA to GSM.

The telecommunications markets in the region continue to grow since even in the most advanced countries, such as Brazil, mobile phone penetration is less than 30 per cent. Another typical feature is consolidation of local companies. The largest operator in Latin America, América Móvil, acquired four new companies during 2003 as it raised its subscriber base to 37 million.

Latin America, which includes South America, Central America and Mexico, is a huge area that cannot be conquered all at once. An important part of Tecnomen's growth strategy is to emphasise long-term, open partnership with existing customers. One important channel for forming new customer relationships and a key for future success is successful cooperation with partners.

Asia Pacific and Southeast Asia

The intense competition in this area has resulted in increasing pressure on prices. The growing uncertainty in the market has reduced and delayed investments by operators and service providers. In the most highly developed countries in the region such as Singapore, Hong Kong and Taiwan, mobile phone network coverage and subscriber volumes are close to their peak. In some areas, for example Indonesia, Thailand and Vietnam, the number of mobile phone subscribers continues to grow.

Conventional voice mail services remain the most popular value-added service in Asia Pacific. In Malaysia, the market for multimedia systems only started up with the first commercial services in spring 2003, and it is still not possible to send multimedia messages from one operator to another. In Indonesia, however, the same services have been in use for longer. Tecnomen's goal in this region is to strengthen its market position. It will achieve this goal by focusing its efforts on winning new, carefully-chosen customers and by selling new products and services to existing and new customers.

Middle East and Africa

In certain countries in North Africa, such as Egypt and Morocco, operators have changed their tactics from increasing their customer base to raising total revenues from existing customers. On the other hand, the number of mobile phone subscribers continues to rise in countries where operator monopolies have ended such as in Algeria, Tunisia and Bahrain. New operators have also started up in deregulated markets; a good example of this is the Iraqi company Asiacecell.

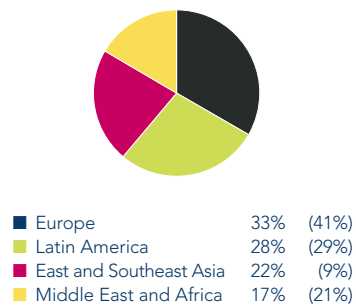
In the Middle East and Africa, Tecnomen's goal is to reinforce its customer base by selling messaging and intelligent network products (AIPs) to existing and new customers. To achieve this goal it aims to strengthen cooperation agreements with global partners and sign new ones since Tecnomen mainly sells its products and services in places like Africa through these partners. Tecnomen's local knowhow and its ability to offer services tailored to specific markets are other extremely important factors.

Global partners

Tecnomen has global partnership agreements for marketing its products with Siemens, Nokia and Nortel Networks. These partners sell solutions developed by Tecnomen as part of their own deliveries.

Tecnomen also sells its products and services through partners in areas where it does not have a local office. In this way Tecnomen has succeeded in expanding its customer base into different parts of the world, such as Africa. Tecnomen's sales through global partners accounted for 13.8 per cent of its total net sales in 2003. A large part of Tecnomen's new customer relationships were developed through its global partners.

Net sales by region



Tecnomen's product lines

Tecnomen develops value-added service systems for teleoperators and service providers. With these systems, operators and service providers can put together service packages to suit their specific market segments and target groups. The service packages supplied to customers by Tecnomen comprise software licences, hardware, installation and training services, and maintenance and support.

Tecnomen's product lines

Tecnomen's main products are voice mail systems and services, multimedia messaging systems and services, prepaid solutions and messaging solutions for public authority users. In addition, Tecnomen's product family includes wireless email and unified messaging services that combine voice mail and email.

Messaging

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The services offered by Tecnomen's business units are based to a large extent on a single, modular service platform, Tecnomen eZONER, which consists of software and hardware designed by Tecnomen as well as some third party hardware.

In its products, Tecnomen utilises well-known, standardised technology and interfaces to speed up its R&D, to ensure that its products function properly, and to be able to integrate third party applications in its products. Tecnomen utilises third party products within the solutions it provides where this is technically and financially justified. Tecnomen's products and services can be integrated with each other and offer new forms of communication.

Net sales by product segment



■ Messaging Solutions	61%	(61%)
■ Intelligent Network Systems	29%	(29%)
■ Paging Systems	10%	(10%)

Messaging

Tecnomen Messaging produces some of the most advanced technology on the market for the needs of today and tomorrow. With the messaging solutions provided by Tecnomen, operators and service providers can build messaging service packages to their own requirements and then offer their end customers the advanced added-value services needed to stand out in today's competitive market. One of the focuses for recent development work at Messaging has been support for segmenting end users.

The services provided by the Messaging unit are built on the modular Tecnomen eZONER service platform that can be scaled up to form extremely large systems. Operators and service providers can choose a tailored service package that suits the needs of their own customer segments, and add services as the requirements of users evolve.

The latest member of the Tecnomen eZONER product family is the next generation service platform Tecnomen eZONER NGM. This platform introduces a new, open architecture to the messaging market that will speed up the introduction of new services. Tecnomen's strong commitment to open standards in its eZONER NGM platform makes it easy to link to other systems.

The segmenting of end users was a particular focus during the development of the Tecnomen eZONER NGM service platform. This supports the new telecommunications value chain in which service application providers owned by teleoperators, service operators and virtual operators are seen as new factors in the market (see diagram on page 6).

The services offered by the Tecnomen eZONER NGM platform vary from voice mail and short message announcements to 3G and video messaging applications.

Voice Messaging

Tecnomen's voice messaging services are:

- Voice mail and fax services: use of voice mail and fax services anywhere, at any time
- E-Mail Reader: voice access to email messages over the phone
- Greeting Centre: choice of voice mail greetings and many options for managing them
- Voice Mail on Demand: dynamic voice mail application for subscribers who have no voice mailbox
- Call Completion with Short Message: short message announcement of unanswered calls for mobile phone users who have no voice mailbox
- Video Mail: messaging application that includes a video call environment

Tecnomen's services give operators greater opportunities to boost their net sales. Some of the latest services (launched in 2003) include 'Voice Mail on Demand' and 'Call Completion

with Short Message'. 'Call Completion with Short Message' informs mobile phone users of calls they have missed with a short message. With the 'Voice Mail on Demand' service, callers can leave voice mail messages even for mobile phone users who are not subscribers to conventional voice mail services.

With the Video Mail service, messages can be left in the 3G network video call environment. This service concept is much the same as in voice mail, but with a new, visual element. Video Mail subscribers can create video greetings for people trying to call them. Callers in turn can record video messages and save them in the recipient's mailbox. Subscribers can view the messages whenever it suits them. Tecnomen NGM Video Mail was launched at the 2004 3GSM World Congress in Cannes, France.

Competitive position

Tecnomen is one of the leading suppliers of voice mail systems in the world and a pioneer in developing unified messaging systems. Tecnomen has established a strong position in the market. Thanks to Tecnomen's ongoing R&D, customers are always able to launch the right product at the right time. Tecnomen is committed to open standards and to partnership with some of the biggest players in many markets. Next generation messaging systems are the latest way to approach the market; they are open and profitable and make it possible to introduce new services quickly.



Tecnomen NGM Video Mail

Maria is holding auditions for a TV ad. Her client is going to watch auditions live over his video mobile phone. But when Maria calls, she gets his video greeting saying he's unavoidably detained. Maria records the auditions to be stored in his video mailbox. The client receives WAP push notification of Maria's messages. He clicks on the links to her video messages to review them. He calls her later and they agree on the best actor.

Mobile multimedia

Mobile multimedia services are proving to be a successful source of new revenue for operators. Service concepts such as Vodafone live! and T-Mobile Germany's t-zones are popular, easy to use services that European mobile users have been quick to adopt.

Tecnomen's product offering includes everything an operator needs to start up and maintain a successful mobile multimedia business: a multimedia messaging service, wireless email and auxiliary products such as Tecnomen Download Centre. Tecnomen is a well known producer of multimedia messaging services and has supplied numerous commercial systems to operators. Operators have commented that Tecnomen's long experience and flexibility make the company the best possible partner in this extremely competitive market area.

Multimedia messaging

With Tecnomen's multimedia messaging service, users can send and receive messages that contain text, images, audio and video clips. The Content Adaption feature in Tecnomen's multimedia messaging service centre (MMSC) ensures that multimedia messages are converted into the right format for any terminal while keeping the quality of the message as good as possible. The Legacy Support feature makes it possible to send multimedia messages even to people who do not have a multimedia phone. A text message is sent to the recipient to inform them that a message has arrived and that the message can be viewed on the Internet.

The Multimedia Mailbox service offers users permanent message storage, an easy way to manage messages in the network easily, and a flexible multimedia message editor. It allows subscribers to define routing and sorting rules for incoming messages and provides an address book for frequently used addresses.

Tecnomen's multimedia messaging services are based on the company's own multimedia messaging service centre with its excellent, field-proven reliability. It enables a wide range of multimedia services that can be easily adapted and integrated with an operator's existing service offering. Tecnomen MMSC flexibly supports both existing and new MMS business models and can for example maintain multimedia services for several virtual operators. Several different billing options are available, such as prepaid, charging based on usage, dynamic content-based charging, or charging based on sent or received messages.

Tecnomen MMSC fully conforms to the sector's standards and complies with the MMS standards set by 3GPP and OMA. It is completely compatible with all multimedia phones and the MMSC systems of other suppliers, ensuring that messages get through reliably. Through Tecnomen MMSC operators can also comply with new regulations, such as the regulation for mobile number portability. Tecnomen MMSC is an easily scalable platform, with licensing on the 'pay as you grow' principle. This means that an operator can make an initial investment that seems sensible in proportion to current demand, and then make further investments as business expands.

Wireless email

As terminals support standards and networks have developed, wireless email has finally become a reality. Vodafone live! and t-zones are good examples of successful wireless email systems. With Tecnomen's wireless email, operators can offer their customers a total mobile email service.

Tecnomen Multimedia Mailbox and the wireless email service are designed to work together, so they both offer the same intuitive, comprehensive messaging experience. Tecnomen's wireless email offers permanent email storage, where it is easy to manage messages, and allows subscribers to create new messages and define routing and sorting rules for incoming messages. In addition, the product has full short message support to guarantee a complete wireless experience.

To ensure the perfect user experience, all these services adapt for terminals of all standards, from the simplest devices



Tecnomen MMS with video support

Maria and Erik are looking for a summer home. Their estate agent saves them a lot of time by recording video walk-throughs of potential cottages with her MMS phone and sending them to Maria and Erik. Maria has set her mobile phone account to forward all video messages to her e-mail so she can look at them in her free time.

up to the most advanced that have their own email applications or powerful browsers. Subscribers can also access these services from their computers by using a network interface or their own email application. Wireless email services are based on Tecnomen's scalable, practical storage solution.

Complementary products

To be able to offer operators everything they need to deliver, maintain and provide mobile multimedia services, Tecnomen's product offering also includes additional products such as a content service platform and the auxiliary software needed to supply and maintain services.

Tecnomen Download Centre is a content management tool that enables operators to expand the success that started with ring tones and logos to polyphonic ring tones, background graphics, multimedia, Java games and applications, etc. Tecnomen Download Centre takes into account the entire service chain from content provider to end user, so that operators can control a large part of the mobile contents value chain, from creating content to supply and maintenance. This ensures that operators can maximise the revenue obtained from content services.

Competitive edge

Tecnomen has supplied several multimedia messaging service centres that are now functioning successfully to operators in Europe, Asia and the Middle East. The company's comprehensive product offering includes everything needed to start up and maintain successful mobile multimedia business. Flexibility coupled with extensive practical experience make Tecnomen the best possible partner for customers.

Prepaid

Tecnomen Prepaid focuses on the development of prepaid systems. Its product selection also includes other separate intelligent network (IN) components.

Tecnomen Prepaid systems use IN technology which has proved to be the best way to implement this service on the market.

The main products, which are based on the Tecnomen eZONER service platform, are:

- Prepaid Voice: real-time charging for voice services
- Prepaid Data: real-time charging for data (charging for SMS, usage of GPRS network and contents)
- Prepaid Calling Card: pre-payment for fixed networks
- EAIP, Enhanced Assisting Intelligent Peripheral: an IN component that manages an interactive user interface for IN services

Using Tecnomen Prepaid products, operators can offer their specific customer segments appropriate, customised service packages. Tecnomen's prepaid system does not set restrictions on SIM cards or mobile phones. It supports different standards simultaneously (eg TDMA, GSM, CDMA). This is important in markets where operators use several network standards, such as in many Latin American countries. Using this versatile product, operators can also charge for the use of SMS and roaming services, and in this way enable their customers to use various service packages at home and abroad.

TECNOMEN REAL-TIME PREPAID SMS CHARGING

Tecnomen demonstrated Tecnomen Real-Time Prepaid SMS Charging at ITU TELECOM WORLD 2003 which was held 12–18 October 2003 in Geneva. With this new product, operators can charge their customers' accounts for the short messages (SM) they send and receive, including specially-priced messages, in real time. Account checking and SM blocking take place in real time which safeguards revenues by eliminating the threat of fraud. Another attractive feature is that the product eliminates some of the prepaid SMS traffic from the network SMSC by delivering messages directly to the end users.

Using the multiple features of Tecnomen Real-Time Prepaid SMS Charging, operators can group and target the services provided by this future-enabled platform for different market segments. This product is one of the first concepts launched of the new architecture developed for data charging that conforms to 3GPP network charging standards. This product uses interfaces that conform to the sector's standards and it supports GSM and TDMA/CDMA networks. It can be integrated with a Tecnomen or third party prepaid system.

Customer-oriented

The most important quality of Tecnomen's Prepaid product is its reliability. This is particularly important in Latin America, the main market for Tecnomen's prepaid systems. More than 80 per cent of an operator's cash flow in this region may come from prepaid services, so any disruption to the system would result in serious losses for the operator's business. Customer service, especially 24/7 support, is important for customers, and Tecnomen is constantly working to enhance this. Tecnomen works closely with its customers in developing the features of its products.

Competitive position

More than 80 per cent of the customers of Latin American operators belong to prepaid systems. Deliveries of these systems have in fact become the most important product in Tecnomen's operations in Latin America. In the near future, various data charging solutions will account for a major part of product development. For example, in Latin America the new GPRS networks will increase the requirements for charging for data. Tecnomen is involved in these developments and has already systematically developed the architecture of its systems with these requirements in mind. Tecnomen's new real-time SMS charging has aroused great interest around the world.



Tecnomen Real-Time Prepaid SMS Charging

Tania is a fan of a reality TV programme on which contestants are voted off by the public each night. She and her best friend Katie text each other to decide who to vote off. Tania has added Katie to her Family and Friends list which entitles Tania to a 10 per cent discount when sending short messages to her. Tania is a prepaid subscriber, but because her operator uses Tecnomen's Real-Time Prepaid SMS Charging, she can enjoy the same value-added services as postpaid subscribers.



PMR Messaging

The strategy of the Tecnomen PMR (Professional Mobile Radio) Messaging product unit is to focus on supplying messaging systems for public authority use. Tecnomen's systems are very suitable for extending the range of services offered by public authority networks. With these systems operators can offer basic alarm services and messaging solutions for use by the police, fire services, ambulance services and social workers.

As safety and security become ever more critical issues, systems must cope with increasing demands and function with complete reliability. That is why Tecnomen supplies solutions to this market that have already proved to be of high quality and reliability in other markets.

The main PMR Messaging products are:

- PMR Paging
- PMR Voice Messaging
- SDS (Short Data Service) Centre for TETRA networks

Tecnomen's paging system offers extensive, nationwide coverage from hundreds of base stations, for hundreds of thousands of users. With Tecnomen paging systems, operators can offer cost-effective basic alarm services for use by groups such as voluntary fire services. Tecnomen's paging system provides a secure alternative for reliable communications either as a stand-alone system or integrated into an existing PMR system.

The PMR market is clearly showing greater interest in value-added services. In response to this demand, the Tecnomen PMR Messaging product unit is tailoring Tecnomen's messaging and multimedia products to the needs of the public

authority market. During 2003, Tecnomen customised its voice mail system and SDS (Short Data Service) Centre for public authority use. With these value-added services, public authority operators can offer their customers a wider range of services and at the same time increase the usage of their networks.

Tecnomen is developing its services by combining the features of fixed, wireless and data networks. Tecnomen's extensive experience ensures that its customers continuously receive reliable technical support for their systems as well as assistance in developing their business.

Competitive position

Tecnomen has a strong position as a supplier of paging systems in the public authority market, and is a pioneer in supplying messaging systems in this market segment. The main market areas for Tecnomen's PMR Messaging systems are the Middle East and Europe, but partnerships with TETRA network suppliers are opening up new market areas. Tecnomen's strength lies in its extensive experience, diverse service selection, and comprehensive knowhow of the entire system delivery.

Customer cooperation and partnership network

Tecnomen markets its products and services through its own worldwide organisation and through global and local partners. Tecnomen has a strong customer service organisation that maintains systems and supports customers worldwide.

Tecnomen's goal is to stand out from its competitors through its high level of customer satisfaction. The company will achieve this by understanding its customers' business, through excellent customer service, and by developing products and business operations. Seminars and group work sessions are held with customers to increase understanding of customer needs and to help Tecnomen operate more closely in line with their wishes.

Europe

Tecnomen started operations in Europe in 1978 when the company set up an office in Helsinki. From the 1980s onwards the company's operations rapidly spread internationally. Deliveries of large paging systems expanded operations from Finland to the rest of Europe. The present head office was built in Espoo in 1992. In addition, the company has a business unit in Vaasa. At the end of 2003, Tecnomen had 19 customers in 15 European countries.

Main customers	Products and services delivered	First deliveries
TeliaSonera, Finland	Voice mail and unified messaging system	1984
TDC Mobil Danmark, Denmark	Voice mail and unified messaging system	1992
Telenor Mobil, Norway	Voice mail and unified messaging system	1992
Cyta, Cyprus	Messaging and paging system	1992
Swisscom Mobile, Switzerland	Voice mail, unified messaging and wireless email system	1993
Mobilkom Austria, Austria	Voice mail and unified messaging system	1994
Omnitel, Lithuania	Unified messaging system and update	1996
Vodafone Ireland, Ireland	Voice mail and unified messaging system	1997
Radiolinja, Finland	MMSC, voice mail and unified messaging system	2000
A.S.T.R.I.D., Belgium	Paging system for TETRA network	2001
Finnet Networks, Finland	MMSC	2002
Luxcommunications, Luxembourg	MMSC, voice mail, unified messaging system, wireless email	2003

Latin America

Tecnomen started operations in Latin America in 1997, when the company set up an office in São Paulo, Brazil. After establishing four successful customer relationships in that country, the company started to look for growth in Venezuela, Bolivia and Ecuador. At the end of 2003, Tecnomen had 14 customers in eight countries in the Caribbean and Latin America.

Main customers	Products and services delivered	First deliveries
América Móvil group • Americel, Brazil	TDMA+GSM voice mail system, TDMA prepaid system	1998
• Telet, Brazil	TDMA+GSM voice mail system, TDMA prepaid system	1999
• ATL, Brazil	TDMA+GSM voice mail system and unified messaging system	2001
• Porta (Conecel), Ecuador	TDMA+GSM prepaid system	2002
• PCS Digital (Telgua), Guatemala	CDMA+GSM+fixed network prepaid system	2002
• PCS Digital, Nicaragua	GSM prepaid system	2002
• CTI Móvil, Argentina	GSM+CDMA prepaid system	2003
• TESS S.A., Brazil	TDMA+GSM voice mail system and update	2003
Telemig Celular, Brazil	TDMA prepaid, voice mail and unified messaging system	1999

Asia Pacific

Tecnomen started operations in Asia Pacific in 1993. The first major customer in the region was the Malaysian company Celcom, to whom Tecnomen supplied a voice mail system in 1995. In the same year Tecnomen set up an office in Kuala Lumpur, Malaysia. At the end of 2003, Tecnomen had nine customers in six countries in Asia Pacific.

Main customers	Products and services delivered	First deliveries
Celcom, Malaysia	MMSC, voice mail, unified messaging and prepaid system	1995
Chunghwa Telecom, Taiwan	Voice mail and unified messaging system	1996
Total Access Communications (TAC), Thailand	Prepaid system	1997
Cambodia Shinawatra, Cambodia	Voice mail and fax service	1997
Indosat, Indonesia	MMSC, voice mail and unified messaging system	2001

Middle East and Africa

Tecnomen started operations in the Middle East and Africa by supplying the first paging system in Saudi Arabia in 1994. During the next couple of years the company supplied paging and voice mail systems in Kuwait. In June 1997, Tecnomen established the Dubai office in the Jebel Ali free trade area. At the end of 2003, Tecnomen had ten customers in seven countries in the Middle East and three in Africa.

Main customers	Products and services delivered	First deliveries
Saudi Telecommunications Company, Saudi Arabia	ERMES paging system voice mail and fax system	1994
MTC-Vodafone, Kuwait	Voice mail and unified messaging system, POCSAG/ERMES paging system	1996
Wataniya, Kuwait	Voice mail and unified messaging system, ERMES paging system	1999
FTML Services Cellulaire Liban, Lebanon	Voice mail and unified messaging system	2000
Cell C, South Africa	Voice mail system	2001
Vodacom, South Africa	Intelligent network components (AIP, Assisting Intelligent Peripherals)	2002
Mattel, Mauritania	Prepaid system	2002

New customers

During 2003 Tecnomen signed ten new customer agreements in ten countries. Three of these were in Europe, three in Latin America, one in Asia Pacific, and three in the Middle East.

Tecnomen has a strong position in the América Móvil group, which is the leading provider of mobile services in Latin America. Eight operators belonging to the group are now Tecnomen customers, the most recent ones being CTI in Argentina and TESS in Brazil. The third new customer in the Latin American region is the Caribbean operator CCT Boatphone in the Virgin Islands. Boatphone represents a new direction for Tecnomen's business: a small operator introducing a full Tecnomen service package. A similar example in Europe is the newest mobile phone operator in Luxembourg, LuXcommunications.

The three new customers in the Middle East are a demonstration of the close cooperation between Tecnomen and Siemens, which is based on successful joint customer projects. The transaction with Qatar Telecom was especially important since it was Tecnomen's first MMSC delivery through Siemens.

New customers 2003

New customers 2003	Products and services supplied
Europe	
LuXcommunications, Luxembourg	MMSC, voice mail and unified messaging system, wireless email
tele.ring, Austria (Western Wireless International Corporation)	MMSC
Schweizerische Bundesbahn (SBB), Switzerland	Voice mail system
Latin America	
CTI Móvil, Argentina (América Móvil group)	GSM + CDMA, prepaid system
TESS S.A., Brazil (América Móvil group)	TDMA, voice mail system and update
CCT Boatphone, Virgin Islands	GSM + TDMA, MMSC, prepaid, voice mail and unified messaging system
Asia Pacific	
Satelindo, Indonesia	MMSC, voice mail system
Middle East and Africa	
Qatar Telecom, Qatar	MMSC
MTC-Vodafone, Bahrain	Voice mail and unified messaging system
Asiacell, Iraq	Voice mail system

Tecnomen has established a solid position in the MMSC markets and is one of the major suppliers on the market. Tecnomen has supplied multimedia messaging centres to ten operators in seven countries. The markets for multimedia systems have started up in Europe and Asia, where new MMS services are being launched at a fast rate. One example of this is the Tecnomen customer Satelindo in Indonesia.

Stages in a customer delivery

The stages in a typical delivery are: order, delivery of equipment, installation (equipment and software), testing and acceptance. A typical project lasts three months from receipt of order to commercial launch of the system.

The value of the first delivery in a messaging system platform depends on the number of subscribers of the operator and service provider, the number of network subscribers, the number of calls at peak times and the number of interface links. After this, as the number of subscribers increases, hardware capacity may be expanded and the software upgraded. Some income also comes from maintenance and technical support.

Maintenance, technical support and training

Tecnomen supports its systems in accordance with the terms of maintenance agreements made with customers – the most comprehensive of these provide support 24 hours a day, 365 days of the year. Maintenance and technical support aim to

find solutions both to the unexpected technical problems faced by customers and to the long-term changes needed in a system. These may involve replacing a telephone exchange or changes to charging systems.

Tecnomen also arranges system training, mainly in the form of courses for individual customers. These courses train customers' personnel to operate and configure the equipment and related systems.

Partnership network

Tecnomen's partnership network is made up of three parts: sales and marketing, technology, and research and development.

Tecnomen's partnership network is based on managing and developing strategically important areas of knowhow and developing, acquiring and maintaining the core expertise for these. Tecnomen aims to use well-known, standard technology and interfaces in its products as much as possible to speed up product development, to ensure that solutions function properly, and to integrate with third-party applications.

Marketing and sales

Tecnomen's strategy is to strengthen and expand its marketing and sales network and to make partnership agreements with international system suppliers. The company's marketing and sales partners at present include Siemens, Nortel Networks and Nokia.

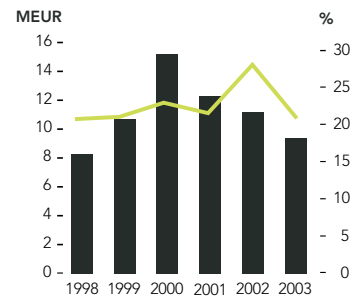
Product partners

Tecnomen's strategy is to acquire knowhow in core areas for the Group and to use the best resources and partners outside the company in non-core areas. Potential new partners and technology experts are evaluated systematically. At present these partners include Sun, Sybase, Scansoft and First Hop.

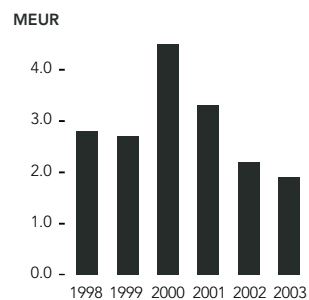
Research and development

Research and development is based on open standards and on applying Internet and wireless technologies. Tecnomen belongs to several organisations that are responsible for developing open standards, such as Open Mobile Alliance, 3GPP, 3GPP2 and ETSI.

Research and development costs and as a percentage of net sales



Investments



Personnel and environment

Tecnomen's goal is to operate globally and to be the preferred provider for its customers and partners in its main product areas.

Successful business operations require understanding and anticipating customer needs, a high level of customer service, and continuous development of products, services and knowhow. The foundations for this lie in smooth cooperation between personnel, and this is built on common values: open, honest cooperation, respect for the customer, and continuous development. The activities of each Tecnomen employee aim directly or indirectly at understanding and meeting the needs of customers and at achieving the targets set for business operations. This is vitally important in a global, rapidly changing market.

Internal communication and feedback

Tecnomen carries out an annual survey to study personnel satisfaction. Each work team then goes over the results. In the 2003 survey the level of satisfaction among personnel in their own work and in internal cooperation improved considerably. In addition to the personnel satisfaction survey, the company also uses a scheme for proposals for improving operations and working conditions to promote internal communications and commitment.

Expertise and well-being

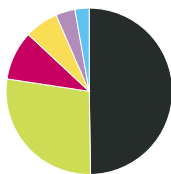
Training programmes support the continuous development of personnel and help maintain professional skills. Tecnomen actively supports the sports activities of its employees to boost work motivation and work fitness. The company has more than 20 clubs for sports and other activities at its units in Finland.

Ready to face the challenges of the future

Due to the continuing uncertainty in the market and weakened profitability, in the spring Tecnomen started a programme of actions affecting the entire Group to improve profitability, reduce fixed costs and develop selected core business areas.

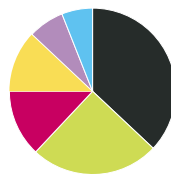
As a consequence of this programme, the number of Tecnomen personnel was reduced by 60 persons during 2003, standing at 398 at the end of the year. Most of the redundancies were the result of the restructuring and of the reorganisation of work and responsibilities. In connection with the personnel reductions, Tecnomen took advantage of opportunities for internal relocation within the company and arranged relocation training for personnel whose employment with the company ended. This training provided assistance in preparing job applications and information about further education opportunities. During these difficult times Tecnomen's

Personnel by geographical location



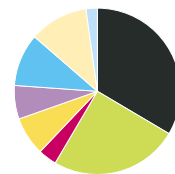
■ Finland	50%
■ Ireland	27%
■ Latin America	10%
■ East and Southeast Asia	7%
■ Continental Europe	3%
■ Middle East	3%

Personnel by business function



■ R&D	37%
■ Customer operations	25%
■ Management and support	13%
■ Sales and marketing	12%
■ Product management	7%
■ Manufacturing and logistics	6%

Training days by subject matter



■ Product training	33%
■ R&D	25%
■ Commerce	4%
■ Introduction training	8%
■ Languages	7%
■ Management and leadership	10%
■ Other	11%
■ Computing	2%

personnel has demonstrated a high level of professional skill in adapting to the challenges which the company faces.

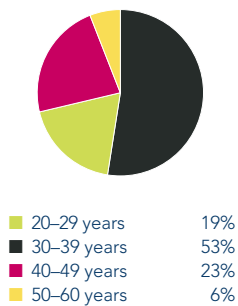
The key tasks for human resources management will continue to be looking after the well-being of personnel and maintaining their motivation levels. In this work, greater attention will be paid to increasing discussion between personnel and management. This will help to ensure that personnel understand the company's goals and are committed to them.

ENVIRONMENT

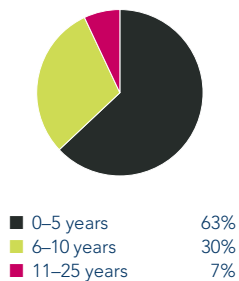
Tecnomen recognises its responsibility in environmental matters and aims to operate in accordance with the principles of sustainable development. Tecnomen is aware of the environmental impact of its operations and works to bring its operations in line with sustainable development and to prevent any harmful effects of its operations.

Tecnomen's quality management system contains instructions on the above matters, which are the most important issues for Tecnomen relating to environmental management. Tecnomen's manufacturing plant in Ireland has obtained ISO 14001 certification from BSI for its environmental management system.

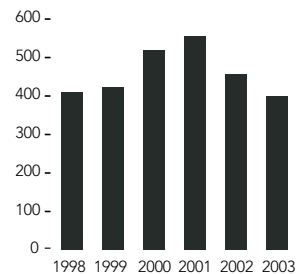
Personnel by age group in 2003



Personnel by years of service in 2003



Personnel at the end of period



Corporate governance

Tecnomen Corporation, the parent company of Tecnomen Group, is a public limited company that is registered and has its domicile in Finland. Tecnomen Corporation is administered and managed in accordance with current legislation and the company's Articles of Association. The company also conforms to the joint recommendation on the administration of public listed companies issued by the Helsinki Exchanges, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers.

The Group's legal and operative structure

Ultimate responsibility for the Group's administration and operations lies with Tecnomen Corporation's governing bodies, namely the shareholders exercising ultimate authority at the Shareholders' Meeting, the Board of Directors, and the President and Chief Executive Officer. The President and CEO is assisted by the Group's Management Board.

The Group's parent company Tecnomen Corporation is responsible for the Group's administration, strategic planning, finance, financing and investor relations and provides corporate services for the operational business units.

The company has four product line businesses: Messaging (messaging systems), Mobile Multimedia (mobile multimedia systems), Prepaid (prepaid solutions) and PMR Messaging (paging systems for public authorities).

Corporate management consists of the President and CEO, the members of the Management Board and managers and experts responsible for other corporate management duties.

TASKS AND DUTIES OF GOVERNING BODIES

Shareholders' Meeting

The Annual Shareholders' Meeting is the supreme decision-making body of Tecnomen Corporation and convenes once a year. The tasks of the Shareholders' Meeting are defined in the Finnish Companies Act. Some of its most important tasks are to amend the Articles of Association, approve the financial statements, decide on the dividend to be paid, discharge the members of the Board and the President and CEO from liability, elect members of the Board and the auditors and decide on their fees. The Annual General Meeting of Shareholders is held each year before the end of May on a date determined by the Board of Directors. The Shareholders' Meeting is held in the company's domicile, Espoo, or if the Board of Directors so decides in Helsinki. When necessary Tecnomen holds Extraordinary Shareholders' Meetings.

Before the Shareholders' Meeting, Tecnomen makes available to shareholders information about the matters to be considered at the meeting. The information provided enables the company's shareholders to assess the need to attend the Shareholders' Meeting and exercise their vote and to ask questions at the meeting. In this way even shareholders who cannot attend the meeting obtain the information they need. The members of the Board and the President and CEO are present at the Shareholders' Meeting to provide interaction between shareholders and the company's governing bodies and to allow shareholders to exercise their right to ask questions.

Tecnomen provides this advance information in the Invitation to the Shareholders' Meeting and on its Internet website at www.tecnomen.com/investor.

Board of Directors

The tasks and duties of Tecnomen Corporation's Board of Directors are defined in the Finnish Companies Act and other applicable legislation, according to which the Board of Directors is responsible for the necessary organisation of business operations and corporate administration. The Board is also responsible for the appropriate organisation of the supervision of the company's accounting and management of its assets. The Board of Directors has supreme authority in all corporate affairs that are not designated by law or the company's Articles of Association for decision or execution by other governing bodies.

All matters of major importance for the Group are considered by the company's Board of Directors. These include deciding on corporate strategic policies, approving the budget and operational plans and monitoring their implementation, deciding on company acquisitions and major investments, deciding on management remuneration and incentive schemes, and confirming the Group's internal supervising systems and reporting procedures for risk management.

At its meetings the Board regularly considers reports on the Group's financial performance and operations presented by the President. It is also the task of the Board to prepare matters for consideration at the Shareholders' Meeting, to call the Shareholders' Meeting and to ensure that the decisions of the Shareholders' Meeting are carried out.

The members of the Board have no special duties apart from those designated by law.

It is the Board's task to promote the interests of the company and all shareholders. The goal of the Board is to provide guidelines for the company's operations so that in the long term they generate the best possible return on the capital invested in the company.

Board members, selection and term of office

Tecnomen's Board of Directors consists of a minimum of three and maximum of seven members, as stated in the Articles of Association. The Annual General Meeting elects the Board and confirms the number of members.

The term of office of a member expires at the end of the third Annual General Meeting after the member has been elected. The Articles of Association do not restrict the number of terms of office. The term of office of all the current Board members expires at the 2004 Annual General Meeting.

No person who is 67 years of age or older may be elected to the Board.

As stated in the Articles of Association, the Board of Directors elects from among its members a Chairman and Vice Chairman for a term of one year at a time. A meeting of the Board of Directors constitutes a quorum if more than half of its members are present. Matters are decided by a simple majority vote. In the event of a tied vote, the Chairman has the casting vote.

Board committees

Committees have been set up to assist the preparation of matters for which the Board is responsible. The Board members in these committees can study the issues considered in the committee at greater depth than the entire Board. The Board may form from its members permanent or temporary committees to carry out a specific task and specify their working procedures. The committees report on their activities to the whole Board and have no decision-making authority of their own.

At present the Board has three permanent committees: the compensation committee, the development and monitoring committee and the audit committee. The compensation committee, which has three members (Messrs. Ratia, Numelin and Turunen), prepares proposals to the Board on appointments and remuneration for top management and on remuneration schemes. The tasks of the development and monitoring committee, which has two members (Messrs. Ratia and Olkkola), are to make proposals to the Board on the company's strate-

gic development and to monitor financial performance. The audit committee, which has four members (Ratia, Numelin, the President and CEO and the CFO), assists the Board in carrying out its supervisory tasks. The tasks of the audit committee include ensuring that information is obtained about major financial risks and proactive management of them, understanding the impact of changes in regulations on the financial statements, and controlling the continuity of the financial statements.

When necessary the Chairman of the Board, the Vice Chairman and the President prepare certain matters together for the Board meeting. Final decisions on the proposals of all committees are made by the Board. The Board and committees also meet with other members of company management as necessary.

Board meetings

Tecnomen's Board of Directors met 21 times in 2003. Calculated on the basis of the number of meetings and the number of members present, the average attendance of members at Board meetings was 93 per cent.

Assessment of Board activities

Tecnomen's Board of Directors regularly assesses its activities and working procedures to ensure the Board functions effectively. The assessment is in the form of an internal self-evaluation.

President and Chief Executive Officer

The task of the President and CEO is to manage and develop the company's operations as defined in the Finnish Companies Act and in the guidelines and instructions given by the Board of Directors. The President and CEO may only undertake action that is unusual or far-reaching, considering the scope and quality of the company's operations, when so authorised by the Board of Directors. The President and CEO is responsible for ensuring that the accounting of the company is in compliance with the law and that the assets of the company are reliably managed. The President and CEO is also responsible for investor relations, corporate communications, long-term strategic and financial planning, and for major operational decisions and for supervising their implementation. The President and CEO prepares matters to be considered at the meetings of the Board and reports to the Board.

Tecnomen's President and CEO in the period 1999-2003 was Vesa Helkkula. He resigned from this position on 1 August 2003 and after that Ilpo Uotila, president of Covar Oy, a company providing management and consulting services, was appointed interim president. He performed these duties until the appointment of the new president and CEO Jarmo Niemi. Mr. Niemi took up this position on 31 October 2003.

A written contract of employment was drawn up for the President and CEO and approved by the Board.

Management Board

Operative management of the company takes place in accordance with the management organisation approved at Tecnomen. The management organisation is an important part of the company's corporate governance.

Tecnomen has a Management Board which has nine members. The Management Board consists of the President and CEO, who also acts as Chairman, and those who are in charge of the business areas and key corporate support functions. The Management Board meets monthly. The Management Board prepares issues for consideration by the Board of Directors.

The task of the Management Board is to support and assist the President and CEO, to supervise and develop the company's operations in accordance with set strategies and objectives, to develop and monitor the common human resources policy and remuneration system, to distribute information and to manage relations with stakeholder groups.

Audit

The auditor plays an important role as the auditing body installed by the shareholders. The audit enables shareholders to obtain an independent statement on how the company's accounts, financial statements and administration have been managed.

The main task of the statutory audit is to confirm that the financial statements give correct and sufficient information about the company's result and financial position for the financial period ended. The company has one auditor. The auditor reports on its observations to the Board in connection with each interim report and issues an auditor's statement to shareholders as part of the annual financial statements. The period of office for the auditor is the company's financial period and the auditor's task ends at the close of the Annual General Meeting following its election. Tecnomen's auditor in

the 2003 financial year was KPMG Wideri Oy Ab, and the responsible auditor was CPA Sixten Nyman.

The auditor's fees paid by Tecnomen Group for the 2003 financial year totalled EUR 122,998. In addition, the auditor was paid a further EUR 102,116 in fees for other services.

Management salaries, fees and other benefits

An effective remuneration scheme is a key tool in achieving shareholder control. The remuneration scheme aims to increase the motivation of the company's Board, President and CEO, and other management to work in the interest of the company and its shareholders.

Remuneration of Board members

Fees, salaries and other benefits paid to the Chairman of the Board of Directors, other members of the Board and the President and CEO in 2003 totalled EUR 359,298.10. No other fees are paid to Board members except those for being Board members. The fees of Board members are paid quarterly. Board members are also entitled to travel expenses in accordance with Tecnomen Corporation's general travel regulations.

Remuneration of President and CEO and other management

The President and CEO and members of the Group's Management Board are not paid anything extra for being members of the Management Board.

The company has not granted loans to members of the Board or the Management Board nor has it given guarantees for them. Nor do they or persons or organisations closely associated with them have any significant business connections with the company.

The pensions of the President and CEO and members of the Group's Management Board are determined in accordance with the Employees Pension Act. The retirement age for the President and CEO is 60 years.

Control and reporting system

Control and supervision of the operations of Tecnomen Group are based on planning and reporting systems at different levels of the hierarchy. The purpose of the control and reporting system is to ensure that the company's operations are efficient and profitable, that information is reliable and that regulations and operating principles are observed. Long-term planning of the company's business is controlled in accordance with the

corporate-level strategic plans that are updated twice a year. The strategic plans cover the Group's various business areas and key support functions and are approved by the company's Board of Directors. How well the goals are being met and business risks are monitored at the corporate level and by the Board through the monthly reporting system.

The company's Board has ultimate responsibility for the accounting of the company and for supervision of the management of the company's assets. It is the task of the President and CEO to implement the accounting and control and reporting systems in practice.

The development of financial added value is monitored in the company's quarterly reports and the information is published in, for example, the annual report.

Risk management

Risk management is part of the company's monitoring system. The purpose of risk management is to ensure that the risks to which the company's operations are exposed are recognised and that they are monitored. The greatest risks for the Group relate to delivery risks, factors arising from intensifying competition, and operational profitability. Since Tecnomen's deliveries contain a considerable number of third party products, Tecnomen is dependent on obtaining deliveries from its suppliers on time and on the quality of these deliveries.

The Group's finance department together with the audit committee is responsible for managing the Group's financing risks. In addition, a report on the financial performance presented by the President and CEO is considered each month at the meeting of the Board of Directors. The Group has no significant long-term financing and financing for subsidiaries is mainly arranged with loans within the Group.

The asset, interruption of operations, third-party liability and indemnity risks arising from the Group's business operations are covered by insurance. The company's Board has ultimate responsibility for the accounting of the company and for supervision of the management of the company's assets. In addition, the President and CEO, the members of the Management Board and other members of corporate management are responsible for ensuring that in its daily operations the Group conforms to current legislation and other regulations, the company's operating principles and the decisions of the Board.

The company's insiders

Tecnomen observes the Guidelines for Insiders drawn up by the Helsinki Exchanges. The company holds its insider register in the SIRE system maintained by the Finnish Central Securities Depository Ltd.

The company's statutory insiders are the members of the Board of Directors, the President and CEO, and the auditor. Tecnomen has also defined as permanent insiders persons who in their work regularly obtain information that may have a significant impact on the value of the company's shares. These are people belonging to corporate management, the persons responsible for communications and marketing, and the secretary to the Management Board. They are governed by the same restrictions on trading and the same obligation to disclose information as the company's statutory insiders. The company imposes a restriction on trading for insiders which forbids trading in the company's shares by insiders for 14 days before the publication of financial reports. Observation of insider regulations is monitored by taking samples at certain intervals of trading by insiders in the company's shares. When necessary, Tecnomen sets up separate insider registers for major projects. Insiders for a specific project are people who in connection with the project obtain information about the company that might have a significant impact on the value of the company's shares if it were published.

The Director, Legal Affairs and Human Resources, is responsible for managing and monitoring insider issues.

Board of Directors

Lauri Ratia, b. 1946

Chairman of the Board
MSc (Eng.)
Member of Tecnomen Corporation's Board of Directors since 2001
President and CEO of Lohja Rudus Corporation, Finland 1994–
Member of Board of Olvi Plc 1999–
Member of Board of VR-Track Ltd 2001–
Member of Board of Paloheimo Oy 2002–
Chairman of Confederation of Finnish Construction Industries RT 2003–
Member of Executive Committee of the Board of the Confederation of Finnish Industry and Employers 2003–
Member of Hallitusammattilaiset ry (Board professionals)
Tecnomen shares: 6,000

Keijo Olkkola, b. 1939

Vice Chairman of the Board
MSc (Eng.)
Member of Tecnomen Corporation's Board of Directors since 2001
Tecnomen shares: 9,863

Lars Hammarén, b. 1942

BSc (Eng.)
Member of the Board of Tecnomen Corporation since 2001
Member of Board of Kyro Corporation 1982–
Chairman of Board of Oy Hammaren & Co Ab 1984–
Chairman of Board of Oy Arnala Ab 1996–
Member of Board of Oy Westwood Ab 1997–
Tecnomen shares: 2,268,700 (in direct ownership 2,164,300)

Carl-Johan Numelin, b. 1937

MSc (Eng.)
Member of the Board of Tecnomen Corporation since 2001
Chairman of Board of Kyro Corporation 1996–
Member of Hallitusammattilaiset ry (Board professionals) 2003–
Tecnomen shares: 60,208

Christer Sumelius, b. 1946

MSc. (Econ.)
Member of the Board of Tecnomen Corporation since 2001
President of Investsum Ab 1984–
President of SE-Center Oy 1988–
Member of Board of Kyro Corporation 1996–
Member of Hallitusammattilaiset ry (Board professionals) 2003–
Tecnomen shares: 1,354,380 (in direct ownership 400,280)

Timo Toivila, b. 1950

MSc (Eng.)
Member of the Board of Tecnomen Corporation since 2001
Member of Board of Teleste Oyj 2003–
Tecnomen shares: 100,000

Hannu Turunen, b. 1957

MSc (Eng.), MBA
Member of the Board of Tecnomen Corporation since 2001
Member of the Board of Stonesoft Corporation, Finland 1992–
Chairman of the Board of Magnolia Ventures Oy 2001–
Chairman of the Board of BellStream Oy 2002–
Member of the Board of dSign Oy 2002–
Member of the Board of BlueGiga Oy 2003–
Member of the Board of Men&Mice Inc. 2003–
Member of Hallitusammattilaiset ry (Board professionals)
Tecnomen shares: 197,261 (in direct ownership 0)

Secretary to the Board, not a Board member:

Kristiina Hoppu

LLM
Director, Legal Affairs and Human Resources

Lauri Ratia



Keijo Olkkola



Lars-Olof Hammarén



Christer Sumelius



Carl-Johan Numelin



Hannu Turunen



Timo Toivila



Management Board as from 19 January 2004

Jarmo Niemi, b. 1953, MSc (Eng.)

President and CEO as from 31 October 2003

Aspocomp, President, 1993–2003

Aspo Corporation, various management positions, 1986–1993

Orion Corporation, Medion, various management positions, 1981–1986

Tecnomen shares: 5,000

Paul Fitzgerald, b. 1959, BSc (Eng.)

CEO, Tecnomen Ltd, Ireland,

Logistics and Manufacturing

Employed at Tecnomen since 1991

Tecnomen shares: 124,976

Kristiina Hoppu, b. 1966, LL.M.

Director, Legal Affairs and Human Resources as from 15 September 2003

Previous work experience at Tecnomen

- 2001–2003 Leading Legal Counsel
- 1998–2001 Legal Counsel

Tellabs Oy, Legal Counsel 1996–1998

Tecnomen shares: 3,091

Riitta Järnstedt, b. 1968, MSc (Econ.)

CFO since 1 July 2000

Previous work experience at Tecnomen

- 1998–2000 Financial Manager
- 1995–1998 Chief Accountant

Helvar, Leading Accountant 1994

Suomen Räjähdemyynti, Financial Supervisor

Tecnomen shares: 432

Timo Kangas, b. 1961, BSc (Eng.)

Director, Paging and PMR Messaging since 1 December 2000

Previous work experience at Tecnomen

- 1999–2000 Director, Paging Systems
- 1998–1999 product marketing supervisor, Paging Systems
- 1995–1998 project teams supervisor, Paging Systems
- 1994–1995 project manager

EMMA (European Mobile Messaging Association), member of the Board 2000–

Tecnomen shares: 9,340

Vesa Kemppainen, b. 1970, MSc (Eng.)

Director, Corporate Development as from 15 September 2003

Previous work experience at Tecnomen

- 1999–2000 Director, Software Development
- 1998–1999 product manager
- 1996–1998 team leader
- 1995–1996 software designer

Krocus Communications Oy, founder, President, 2001–2003

iobox, VP, Systems Development, 2000–2001

Tecnomen shares: 11,500

Eero Mertano, b. 1965

Director, Global Sales and Marketing as from 19 January 2004

Previous work experience at Tecnomen

- 1998–2000 Managing Director, Tecnomen Brasil
- Add2Phone, President 2000–2003

No Tecnomen shares

Timo Nykänen, b. 1961, MSc (Eng.)

Director, Messaging as from 15 September 2003

Previous work experience at Tecnomen

- Development Manager

Krocus Communications Oy, Senior Vice President 2002–2003

Codeoline, VP, R&D & VP, Production 2002

Terra Mobile/iobox, VP, R&D, Madrid, Spain, 2000–2001

Trio Network Solutions, VP, R&D 1999–2000

Sonera, project manager 1998–1999

Viatak Oy / Viasys, software development 1989–1992

Nokia, software development 1986–1989

Tecnomen shares: 2,000

Miika Reinikka, b. 1968, MSc (Eng.)

Director, Mobile Multimedia as from 15 September 2003

Previous work experience at Tecnomen

- 2000–2003 director, business development, Messaging Solutions
- 1999–2000 sales manager, Siemens partnership
- 1997–1999 regional sales manager, European sales unit Ericsson, regional sales manager 1995–1997

E. Sarlin Corporation, product manager 1992–1995

Tecnomen shares: 12,648

Report by the Board of Directors

Markets

During 2003 the market remained difficult. Operator investments stayed at a low level. Tecnomen won major new customers during the year and continues its efforts to develop new products.

Messaging systems

No major changes took place in the market in 2003 from the previous year. Consolidation continued among Tecnomen's clientele. Intensifying competition increased pressure on system prices. Operators showed increasing interest in the next generation messaging (NGM) systems during 2003. Operators are trying to segment their user groups and offer services to more precisely defined target groups, which increases interest in NGM systems. More service providers are also entering the market, offering mobile services to limited target groups and taking advantage of established consumer brands.

The situation in Europe remained challenging; deliveries in 2003 consisted mainly of updates to the systems of existing customers and supplying new features to them. The growth that has taken place in Latin America is expected to continue in 2004. No major changes took place in Asia; the largest sale towards the end of the year was the delivery to the Taiwanese company Chunghwa Telecom. The markets in the Middle East/Africa region remained stable. European and some Asian mobile operators have shown the greatest interest in NGM systems.

Multimedia messaging systems

Growth in multimedia services (MMS) was slower than estimated in 2003. The latest reports, however, indicate that multimedia traffic has been growing especially in Western Europe. Several manufacturers launched new colour display camera phones for the Christmas market also in lower price ranges, and this was the biggest factor in this positive development.

New MMS services have been introduced especially in the Middle East and South America. During the final quarter, Tecnomen signed contracts for multimedia messaging systems with CCT Boatphone in the British Virgin Islands, Qtel in Qatar, and Luxcommunications in Luxembourg. These systems will be delivered mainly at the beginning of 2004. In the current year, the markets with greatest potential for Tecnomen are still the Middle East, Africa and Latin America.

Prepaid systems

Developments in the main market areas for Tecnomen's prepaid systems – Latin America and the Caribbean – have been positive. Tecnomen has reinforced its position in the region through its co-operation with the América Móvil group. Operators are expected to invest in data charging this year. Countries in the Latin American area mainly use TDMA network technology. As GSM obtains a stronger position in the region, this has an impact on the purchasing behaviour of operators, so system suppliers must be able to support multiple protocol solutions. Tecnomen's prepaid and messaging systems support different protocols simultaneously, making it possible to switch from TDMA to GSM or to use both networks together.

Growth is likely to remain steady in Eastern Europe, Asia Pacific and Africa. The market is also showing small signs of picking up in Western Europe.

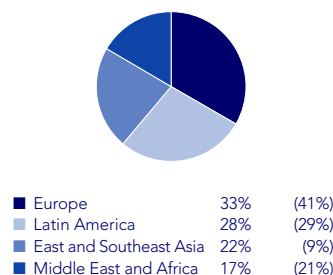
Paging systems

Investments in the next generation of public authority networks have gotten off to a slow start. Even so, market interest in value-added services has increased. In response to this demand, the Tecnomen product unit specialising in paging systems makes its own products and customises other Tecnomen products to meet public authority needs. During 2003, Tecnomen developed some of its proven solutions, such as voice mail, into offerings suitable for use by public authorities.

Sales and net sales

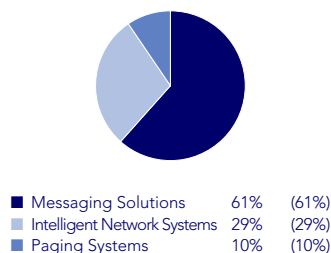
Tecnomen's net sales in the review period increased 13.6 per cent to EUR 45.3 (39.9) million. The company's net sales in the fourth quarter totalled EUR 17.0 (10.6) million, 59.9 per cent higher than the year before.

Net sales by region



Although the overall market continued to decline, during the final quarter there were signs that it was stabilising and that investments by operators were increasing. The growth of sales in Asia was due to the delivery to Chunghwa Telecom Co. Ltd in Taiwan.

Net sales by product segment



Total net sales and their distribution among the different product segments vary greatly from one quarter of the year to another, as a result of the seasonality of the business and the timing of project deliveries.

Sales through global partners totalled some EUR 6.3 million or 13.8 (18.0) per cent of net sales.

Maintenance and service sales accounted altogether for about 18.5 (20.4) per cent of net sales.

At the end of December the company's order book stood at EUR 10.0 (10.4) million.

Operating result

As a result of the reductions in personnel and other cuts in costs carried out, the company's losses declined. The operating result for the review period was EUR -7.0 (-14.1) million.

EUR 1.0 million of the non-recurring costs for the whole review period were caused by the reductions in personnel and EUR 1.7 million by write-downs on trade receivables.

The operating result in the fourth quarter was EUR -0.5 (-2.9) million. EUR 1.0 million of the non-recurring costs were recognised in the fourth quarter.

Operating costs during the financial year decreased by EUR 8 million from the previous year.

Intense competition on price reduced sales margins. The result for the period before extraordinary items, appropriations and taxes was EUR -6.4 (-14.6) million.

Earnings per share were EUR -0.13 (-0.25). Equity per share at the end of the period was EUR 1.13 (1.26).

Financing and investments

Tecnomen's financial position is strong. Liquid assets were EUR 34.8 (34.7) million. The balance sheet total on 31 December 2003 stood at EUR 77.5 (81.3) million. The cash flow during the period under review was EUR 0.1 (-6.4) million. The cash flow in the fourth quarter was EUR 1.8 (1.1) million. Interest bearing liabilities amounted to EUR 0.7 (0.9) million. The debt to equity ratio (gearing) was -52.3 (-46.6) per cent. The balance sheet structure remained strong and the equity ratio on 31 December 2003 was 85.2 (90.1) per cent.

Financial income and expenses during the review period totalled EUR 0.6 (-0.5) million. Interest and investment income totalled EUR 0.9 (1.3) million. At the end of the year, 15 per cent of cash funds were in money market funds, 32 per cent in commercial papers, and the remainder either in deposits or bank certificates of deposit.

Tecnomen's gross capital expenditure during the review period was EUR 1.9 (2.2) million. The most significant investment was the acquisition of the entire share stock of Helsinki-based Krocus Communications Oy, a developer of messaging system technology, on 23 April 2003. The Boards of Directors of the companies signed a merger plan on 24 June 2003. According to the plan, Krocus Communications Oy, with its assets and liabilities, was merged with its parent company Tecnomen Corporation without merger consideration. In accordance with the plan, the merger was entered in the trade register on 30 November 2003.

The goodwill arising from the acquisition of Krocus Communications Oy stood at EUR 0.7 million in the consolidated balance sheet on 31 December 2003. This goodwill will be written off on a straight line basis over five years.

Research and development

In 2003 Tecnomen continued to invest in research and development. R&D costs during the review period were EUR 9.4 (11.2) million, corresponding to 20.8 (28.0) per cent of net sales. R&D related costs have been recorded directly as costs.

R&D efforts during 2003 focused on developing key products and on bringing new system features onto the market. The company continued development work on next generation messaging (NGM) platform, MMSC (multimedia messaging centre) and prepaid systems.

Tecnomen's next generation messaging solution, Tecnomen eZONER NGM, enables user segmentation and the development of tailored service packages to meet the special needs of each customer segment. The new features it offers operators include a centralised database, customer segmentation, terminal independence, openness and user group support.

Environment

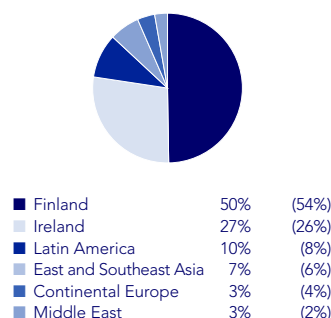
Tecnomen recognises its responsibility in environmental issues and aims to operate in accordance with the principles of sustainable development. Tecnomen is aware of the environmental impact of its operations and works to bring its operations in line with sustainable development and to prevent any harmful repercussions from its operations.

Tecnomen's quality management system contains instructions on these matters that are of vital importance for environmental management at Tecnomen. Tecnomen's production unit, the factory in Ireland, has BSI certification for its ISO 14001 environmental management system.

Personnel

Following the changes to the organisational structure affecting the entire Tecnomen Group, the number of Tecnomen personnel fell by 59 during 2003 and stood at 398 (457) at the end of the review period. The company employed on average 440 (520) people during the review period.

Personnel by region



Tecnomen Group structure

The process of changing the organisational structure, which started in the third quarter and was completed in the final quarter, was part of a programme of action affecting the entire Group that aimed to improve the company's profitability and develop selected core business areas.

The new organisation comprises four product units: Messaging, Mobile Multimedia (multimedia systems are reported as part of the Messaging unit), Prepaid and PMR Messaging (formerly Paging). This change in the organisation came into force on 15 September 2003.

Tecnomen shares and share capital

At the end of December 2003 the shareholders' equity of Tecnomen Corporation stood at EUR 65.2 million and the share capital was EUR 4,647,406.24, divided into 58,092,578 shares. The company held 400,000 of these shares, representing 0.69 per cent of the company's share capital and votes. The nominal value of the shares held by the company totalled EUR 32,000. During the review period the company did not purchase its own shares. The equity per share was EUR 1.13.

A total of 32,393,430 Tecnomen shares (EUR 27,862,040) were traded on the Helsinki Exchanges during the period 2 January–31 December 2003, or 55.76 per cent of the total number of shares. The highest share price quoted during the period was EUR 1.59 and the lowest was EUR 0.39. The average quoted price was EUR 0.86. The closing price on 31 December 2003 was EUR 1.37. The share stock had a market value of EUR 79,586,832 at the closing price.

Current authorisations

At the end of the review period Tecnomen's Board of Directors held the following current authorisations granted by the Annual General Meeting on 25 March 2003:

1. Authorisation to decide to purchase the company's own shares such that, including the shares already in the possession of the company, the shares purchased shall have a total nominal value that represents at most 5 per cent of all the company's current share capital and associated voting rights, using funds available for the distribution of profit.

During the review period the company did not use the authorisation to purchase its own shares.

2. Authorisation to decide to dispose of the company's own shares already in the possession of the company and any acquired under the authorisation given to the Board.

During the review period the Board did not dispose of the company's own shares.

3. Authorisation to decide to increase the share capital by issuing new shares, convertible bonds and/or stock options in one or more issues. The number of new shares through share issuance or subscription of shares in exchange for convertible bonds or pursuant to the stock options may be at most 7,518,515 shares, and the company's share capital may rise by at most a total of EUR 601,481.20.

During the review period the Board did not use the authorisation to raise the company's share capital by issuing new shares, convertible bonds or stock options.

The authorisations given to the Board of Directors are effective for one year from the decision of the Annual General Meeting of Shareholders.

Stock programme

The company has a current 2002 stock option programme approved by the Annual General Meeting of Shareholders on 11 April 2002, which is divided into four stock option series, the 2002A, 2002B, 2002C and 2002D stock options. A maximum of 4,100,000 stock options may be issued that entitle holders to subscribe to a total of 4,100,000 Tecnomen Corporation shares. As a result of subscriptions with the 2002 stock options, the company's share capital can rise by a maximum of EUR 328,000. The share subscription price for stock option 2002C was set at 0.46 euros, the Tecnomen trade volume weighted average share price on

the Helsinki Exchanges between 1 March and 31 March 2003. The subscription period for the 2002A stock options started on 1 April 2003. During the review period no share subscriptions were made with the 2002A stock options. The subscription period with the other stock options has not started yet.

Adoption of IFRS standards (IAS) in financial statements

Tecnomen Corporation will adopt IFRS standards in preparing the consolidated financial statements for 2005. For more information on IFRS standards, see page 19.

Tecnomen's management and auditors

During the review year, Tecnomen's Board of Directors contained seven members: Lauri Ratia, Keijo Olkkola, Lars Hammarén, Carl-Johan Numelin, Christer Sumelius, Timo Toivola and Hannu Turunen. Lauri Ratia was Chairman of the Board and Keijo Olkkola was Vice Chairman.

Tecnomen's President and CEO in the period 1999–2003 was Vesa Helkkula. He relinquished this position on 1 August 2003, after which date Ilpo Uotila, President of management and consultant services providers Covar Oy, was appointed interim President and CEO. He acted as President and CEO of Tecnomen until the appointment of a new President and CEO, Jarmo Niemi. Niemi took up this appointment on 31 October 2003.

Eero Mertano was appointed Director of Global Sales and Marketing at Tecnomen Corporation on 7 January. He started in this position on 19 January 2004. Mr Mertano reports to the President and CEO Mr Jarmo Niemi and is a member of the company's Management Board.

Tecnomen's Management Board contains nine members: Jarmo Niemi, President and CEO; Paul Fitzgerald, Managing Director, Tecnomen Ltd (Ireland); Kristiina Hoppu, Director, Legal Affairs & Human Resources; Riitta Järnstedt, CFO; Eero Mertano, Director, Global Sales and Marketing; Timo Nykänen, Director, Messaging Solutions; Miika Reinikka, Director, Mobile Multimedia; Timo Kangas, Director, Intelligent Network Systems & Paging and Vesa Kempainen, Director, Corporate Development.

Tecnomen Corporation's auditors were KPMG Wideri Oy Ab and the responsible auditor was Sixten Nyman, APA.

Prospects for 2004

Forecasts for network markets remain cautious, even though the mood in the market has improved. Large companies and several small companies operate in the sector. In the short-term, competition on price will remain intense.

Tecnomen expects the market to pick up gradually, which will enable the company to achieve a positive financial performance.

During 2004, Tecnomen's goal is to further improve its net sales and result.

Board proposal for payment of dividend

The Board of Directors of Tecnomen Corporation proposes to the Annual General Meeting of Shareholders to be held on 24 March 2004 that no dividend be paid for the financial period ended on 31 December 2003 and that the loss for the period of EUR -7,492,962.81 be transferred to retained earnings.

TECNOMEN CORPORATION

Board of Directors

Income statement

EUR 1,000	Note	Group Jan. 1–Dec. 31,2003	Group Jan. 1–Dec. 31,2002	Parent company Jan. 1–Dec. 31,2003	Parent company Jan. 1–Dec. 31,2002
Net sales	1	45,278	39,864	43,067	37,348
Other operating income	2		1	443	462
Material and services	3	10,803	7,412	10,536	6,990
Personnel expenses	4	24,262	27,956	14,452	17,431
Depreciation	5	2,992	3,401	2,031	2,197
Other operating expenses	6	14,268	15,238	22,729	26,269
Operating result		-7,046	-14,143	-6,238	-15,078
Financial income and expenses	7	633	-479	-333	5,099
Result before extraordinary items		-6,413	-14,622	-6,571	-9,979
Result before appropriations and taxes		-6,413	-14,622	-6,571	-9,979
Appropriations	8			-230	1,047
Direct taxes	9	-838	297	-693	
Result for the financial year		-7,251	-14,325	-7,493	-8,933

Balance sheet

EUR 1,000	Note	Group Dec. 31,2003	Group Dec. 31,2002	Parent company Dec. 31,2003	Parent company Dec. 31,2002
Assets					
Fixed assets					
Intangible assets	10	1,148	736	1,147	722
Tangible assets	11	8,955	10,690	6,378	7,602
Shares in Group companies	12			1,216	314
Receivables from Group companies	12			299	299
Investments	12	17	17	17	17
Total fixed assets		10,120	11,443	9,058	8,954
Current assets					
Inventories	13	2,193	3,571	1,241	1,708
Long-term receivables	14, 19	2,562	4,535	2,256	5,001
Short-term receivables	15	27,755	27,066	28,563	34,910
Cash in bank and in hand		34,833	34,696	34,001	33,625
Total current assets		67,342	69,868	66,062	75,245
		77,463	81,311	75,120	84,199
Equity and liabilities					
Shareholders' equity					
Share capital	16	4,647	4,647	4,647	4,647
Share premium fund		66,029	66,029	66,029	66,029
Retained earnings		1,821	16,145	-819	8,114
Result for the financial year		-7,251	-14,325	-7,493	-8,933
Total shareholders' equity		65,246	72,496	62,364	69,857
Accumulated appropriations	17			339	109
Provisions	18	625	625		
Liabilities					
Deferred tax liability	19	110	32		
Long-term liabilities	20	756	865	756	578
Short-term liabilities	21	10,725	7,293	11,661	13,655
Total liabilities		11,591	8,190	12,417	14,234
		77,463	81,311	75,120	84,199

Cash flow statement

EUR 1,000	Group Jan. 1–Dec. 31,2003	Group Jan. 1–Dec. 31,2002	Parent company Jan. 1–Dec. 31,2003	Parent company Jan. 1–Dec. 31,2002
Cash flow from operating activities				
Profit (loss) before extraordinary items	-6,413	-14,622	-6,571	-9,979
Adjustments for				
planned depreciation	2,992	3,401	2,031	2,197
Unrealised exchange rate gains and losses	144	1,619	554	392
Other income and expenses with no cash payment				-4,403
Financial income and expenses	-777	-1,140	-221	-1,088
Other adjustments	33	-908	-256	-416
Cash flow before changes in working capital	-4,021	-11,650	-4,463	-13,297
Changes in working capital				
Current receivables, non-interest bearing, increase (-)/ decrease (+)	1,226	9,248	2,883	9,228
Inventories, increase (-)/ decrease (+)	1,378	-226	468	-530
Current liabilities, non-interest bearing, increase (-)/ decrease (+)	2,576	-2,154	3,090	-1,189
Cash flow from operating activities before financial items and taxes	1,159	-4,781	1,977	-5,788
Interest paid and other financial expenses from operating activities				
Interest received from operating activities	-185	-102	-1,045	-68
Income taxes paid	942	1,393	630	1,308
	-51	-267		-175
Net cash flow from operations (A)	1,865	-3,757	1,562	-4,723
Cash flow from investments				
Investments in tangible and intangible assets	-1,266	-2,252	-829	-1,386
Contribution from demerger	-273		-273	
Cash flow from investments (B)	-1,539	-2,252	-1,102	-1,386
Cash flow from financing activities				
Refund of capital transfer tax		167		167
Purchase of own shares		-399		-399
Repayment of current loans	175	-100	-6	-3
Repayment of non-current loans	-364	-43	-78	-43
Cash flow from financing activities (C)	-189	-375	-84	-279
Change in liquid funds (A+B+C)	137	-6,383	376	-6,388
Liquid funds at 1 Jan.	34,696	41,079	33,625	40,013
Liquid funds at 31 Dec.	34,833	34,696	34,001	33,625
Change	137	-6,383	376	-6,388

Accounting principles

The financial statements of Tecnomen Corporation and the consolidated financial statements are prepared in accordance with the Finnish Accounting Act (1997/1336) and Ordinance (1997/1339) and with other legislation and regulations concerning financial statements. The financial statements of foreign subsidiaries have been arranged to correspond to Finnish principles for financial statements.

Consolidated financial statements

The consolidated financial statements include all Group companies in which the Parent company has directly or indirectly more than a 50 per cent holding. The consolidated financial statements are prepared using the acquisition cost method. Intra-group transactions, unrealised margins on intra-group deliveries, internal receivables and liabilities, and internal profit distribution have been eliminated.

The income statements of Group companies operating outside the euro area have been converted applying the average rate for the financial period, and the balance sheet items, excluding the profit for the financial year, have been converted to euros using the exchange rate quoted on the balance sheet date. Translation gains and losses generated by the conversion of shareholders' equity, the elimination of the equity of foreign subsidiaries, and the conversion of the income statement and balance sheet using different exchange rates have been entered under non-restricted equity.

Items denominated in foreign currencies

Business transactions in foreign currencies are recorded at the rates of exchange prevailing on the transaction date. Foreign currency receivables and liabilities in the financial statements, including those hedged with derivative contracts, are converted to euros at the exchange rate quoted by the European Central Bank on the closing date.

Exchange gains and losses relating to business operations are treated as adjustments to net sales or purchasing and manufacturing. Exchange rate gains and losses related to financing operations are entered under financing income and expenses. Exchange rate gains and losses arising from the conversion of balance sheet items are charged to the income statement.

Exchange rate differences on derivative contracts made for hedging purposes have been used to balance the exchange rate differences of the corresponding hedged items. Open forward contracts are valued at the average exchange rate on the closing date and are charged to the income statement.

Net sales

Net sales comprise sales revenue from which indirect taxes, exchange rate differences and discounts have been deducted. Project deliveries are recognised mainly when the equipment is delivered. Estimated costs incurred from installation work associated with project deliveries are entered in connection with equipment deliveries as project provisions under accrued expenses and deferred income.

Pension arrangements

Statutory pension and supplementary pension obligations in Finland are covered through payments to pension insurance organisations. Pension obligations for personnel in companies operating outside Finland are arranged in accordance with local legislation and practice.

Leasing

Leasing payments have been entered as rentals. Unpaid leasing fees are presented in the financial statements under contingent liabilities.

Research and development expenses

Research and development expenses are expensed as incurred, apart from machinery purchases, which are depreciated over three years on a straight-line basis.

Valuation of inventories

Inventories are valued using the FIFO principle at the lower of acquisition cost, repurchase price or probable selling price. Fixed manufacturing costs have not been capitalised.

Valuation of fixed assets

Fixed assets have been capitalised at the acquisition cost. Planned depreciation is calculated on a straight-line basis over the useful life of the fixed assets.

The periods for planned depreciation periods are as follows:

- Intangible rights 3–10 years
- Other capitalised expenditure 5 years
- Buildings and structures 25 years
- Machinery and equipment 3–5 years
- Computing hardware and software 3–5 years
- Corporate goodwill 5 years

Accumulated year-end appropriations

The difference between accumulated and planned depreciation has been divided into deferred tax liability and shareholders' equity in the consolidated balance sheet. The portion entered under shareholders' equity is not included in the Group's unrestricted equity. In the consolidated income statement, appropriations have been divided between profit for the period and change in the deferred tax liability.

Deferred tax liabilities and tax receivables

Deferred tax liabilities and tax receivables are calculated from the differences between the tax and financial periods using the tax rate for subsequent years confirmed on the balance sheet date. The balance sheet includes deferred tax liabilities in their entirety and the probable realisable amount of deferred tax receivables.

Purchasing of company's own shares

During the 2002 financial year Tecnomen purchased 400,000 of its own shares at a purchasing price of EUR 399,289.54. The total purchase expense for the shares has been recorded so that it reduces unrestricted shareholders' equity. These shares have been deducted from the number of shares when calculating per share indicators. No shares were purchased by the company during 2003.

Figures for comparison

The grouping of certain balance sheet items has been altered. The figures for comparison have been changed correspondingly.

Notes to the financial statements

INCOME STATEMENT, EUR 1,000	Group		Parent company	
	Jan. 1–Dec. 31,2003	Jan. 1–Dec. 31,2002	Jan. 1–Dec. 31,2003	Jan. 1–Dec. 31,2002
1. Net sales	45,278	39,864	43,067	37,348
Net sales by market area				
Europe	15,074	16,352	15,354	16,625
Middle East and Africa	7,520	8,492	7,530	8,495
Asia Pacific	10,134	3,640	9,861	3,642
North, Central and South America	12,550	11,380	10,322	8,586
Total	45,278	39,864	43,067	37,348
Net sales by product group				
Messaging and wireless Internet solutions	27,833	24,142	26,975	23,471
Intelligent Networks	13,105	11,575	11,414	9,727
Paging	4,340	4,147	4,346	4,150
Other			332	
Total	45,278	39,864	43,067	37,348
2. Other income from operations				
Other income		1	443	462
Total		1	443	462
3. Material and services				
Material and supplies				
Purchases during financial year	7,218	6,313	8,130	6,556
Changes in inventories of materials and supplies	1,378	-226	468	-529
	8,595	6,087	8,598	6,027
External services	2,207	1,325	1,938	963
Total	10,803	7,412	10,536	6,990
4. Personnel expenses				
Salaries and fees	19,296	22,254	11,603	14,016
Pension expenses	2,553	3,062	1,719	2,199
Other personnel expenses	2,414	2,639	1,129	1,215
Total	24,262	27,956	14,452	17,431
Salaries and remuneration paid to Members of the Board and Managing Directors.	766	749	359	312
There is no loan granted to the Board of Directors of Tecnomen Corporation.				
The CEO of the Parent company is entitled to retire at the age of 60 years.				
The Group and Parent company employed during the financial year on average:				
Administrative staff	398	520	197	249
5. Depreciation				
Depreciation according to the plan				
Intangible assets				
Intangible rights	319	334	317	332
Other expenditure with long-term impact		5	107	5
Corporate goodwill	120			
Tangible assets				
Building and fixtures	307	323	247	265
Machinery and equipment	2,246	2,739	1,360	1,747
Write-downs of long-term investments				-152
Total	2,992	3,401	2,031	2,197
6. Other operating expenses				
Other expenses	14,268	15,238	22,729	26,269
Other operating expenses total	14,268	15,238	22,729	26,269

INCOME STATEMENT, EUR 1,000

	Group Jan. 1–Dec. 31,2003	Group Jan. 1–Dec. 31,2002	Parent company Jan. 1–Dec. 31,2003	Parent company Jan.1–Dec. 31,2002
7. Financial income and expenses				
Dividend income				
Dividend income from Group companies				4,403
Interest income				
From Group companies			6	14
From others	906	1,275	899	1,269
Other financial income				
From others	567	1,782	546	960
Financial income and expenses total	1,473	3,058	1,451	6,646
Interest expenses				
To others	-54	-61	-42	-40
Other financial expenses				
Writedown of subsidiary loans			-960	
To others	-786	-3,475	-782	-1,507
Interest and other financial expenses total	-840	-3,537	-1,784	-1,547
Financial income and expenses total	633	-479	-333	5,099
Other financial income and expenses including foreign exchange differences (net)	-201	-1,746	-235	-519
8. Appropriations				
Difference between depreciation according to the plan and according to tax regulations			-230	1,047
Change of reserves total			-230	1,047
9. Direct taxes				
Income taxes from business operations	-747	-128	-693	
Change in deferred tax liability	-91	426		
Total	-838	297	-693	

BALANCE SHEET, EUR 1,000

Fixed assets and other long-term investments

10. Intangible assets, Group	Intangible rights	Other long-term expenses	Corporate goodwill	Total
Acquisition cost 1 Jan. 2003	2,845	234		3,079
Increase	60		802	862
Decrease	-11			-11
Acquisition cost 31 Dec. 2003	2,894	234	802	3,929
Accumulated depreciation 1 Jan. 2003	-2,109	-234		-2,343
Depreciation from the period	-319		-120	-439
Accumulated depreciation 31 Dec. 2003	-2,428	-234	-120	-2,782
Book value 31 Dec. 2003	466		682	1,148
Book value 31 Dec. 2002	736			736
Intangible assets, Parent company				
Acquisition cost 1 Jan. 2003	2,796	234		3,030
Increase	60	789		849
Acquisition cost 31 Dec. 2003	2,856	1,023		3,879
Accumulated depreciation 1 Jan. 2003	-2,073	-234		-2,307
Depreciation for the period	-318	-107		-425
Accumulated depreciation 31 Dec. 2003	-2,391	-341		-2,732
Book value 31 Dec. 2003	465	682		1,147
Book value 31 Dec. 2002	722			722

BALANCE SHEET, EUR 1,000

11. Tangible assets, Group	Land and water areas	Buildings	Machinery and equipment	Investments in progress	Total
Acquisition cost 1 Jan. 2003	2,069	7,511	22,824	102	32,506
Increase			7		7
Conversion difference			918		918
Decrease			-122	-47	-169
Acquisition cost 31 Dec. 2003	2,069	7,511	23,627	55	33,262
Accumulated depreciation 1 Jan. 2003		-2,727	-19,089		-21,816
Conversion difference			38		38
Accumulated depreciation for decreases and transfers			22		22
Depreciation for the period		-307	-2,246		-2,552
Accumulated depreciation 31 Dec. 2003		-3,034	-21,274		-24,308
Book value 31 Dec. 2003	2,069	4,477	2,353	55	8,955
Book value 31 Dec. 2002	2,069	4,784	3,735	102	10,690

Tangible assets, Parent company

Acquisition cost 1 Jan. 2003	1,666	6,045	14,588	102	22,400
Increase			443		443
Decrease			-36	-47	-83
Acquisition cost 31 Dec. 2003	1,666	6,045	14,995	55	22,761
Accumulated depreciation 1 Jan. 2003		-2,320	-12,479		-14,799
Accumulated depreciation for decreases and transfers			22		22
Depreciation for the period		-247	-1,360		-1,607
Accumulated depreciation 31 Dec. 2003		-2,566	-13,817		-16,383
Book value 31 Dec. 2003	1,666	3,479	1,178	55	6,378
Book value 31 Dec. 2002	1,666	3,726	2,109	102	7,602

12. Investments, Group

	Shares	Others
Acquisition cost 1 Jan. 2003	17	
Book value 31 Dec. 2003	17	
Book value 31 Dec. 2002	17	

Investments, Parent company	Shares Group companies	Shares Others	Investments Others	Total
Acquisition cost 1 Jan. 2003	314	17	299	631
Increase	902			902
Book value 31 Dec. 2003	1,216	17	299	1,533
Book value 31 Dec. 2002	314	17	299	631

Group companies	Domicile	Parent company shares				
		Parent company ownership, %	Group ownership, %	Number of shares	Nominal value/ share, EUR	Book value EUR 1,000
Tecnomen Ltd.	County Clare, Ireland	100	100	131,428	1.35	124
Tecnomen GmbH	Dreieich, Germany	100	100	200,000	0.50	92
Tecnologia de Mensajes Tecnomen SL	Madrid, Spain	100	100	500	6.05	31
Tecnomen Hong Kong LTD	Wan Chai, Hong Kong	100	100	500,000	0.13	59
Tecnomen Sistemas de Telecomunicacao Ltda	Sao Paulo - SP CEP, Brazil	100	100	1,154,251	0.54	902
Tecnomen (M) Sdn Bhd	Kuala Lumpur, Malaysia					0
Tecnomen Japan Oy	Espoo, Finland	100	100	500	16.80	8
Total						1,216

BALANCE SHEET, EUR 1,000

	Group Dec. 31,2003	Group Dec. 31,2002	Parent company Dec. 31,2003	Parent company Dec. 31,2002
13. Inventories				
Material and consumables	2,018	2,632	1,214	1,649
Work in progress	131	187		
Finished products/goods	44	752	27	59
Total	2,193	3,571	1,241	1,708
14. Long-term receivables				
Receivables from companies belonging to the same Group				
Other receivables				902
Total				902
Receivables from others				
Deferred tax receivable	110	122		
Accounts receivable	2,256	4,137	2,256	4,099
Other receivables	179	256		
Prepaid expenses and accrued income	16	20		
Total	2,562	4,535	2,256	5,001
15. Short-term receivables				
Receivables from companies belonging to the same Group				
Accounts receivable			2,023	1,782
Loans receivable				4,668
Prepaid expenses and accrued income				3,034
Total			2,023	9,484
Receivables from others				
Accounts receivable	24,792	23,552	24,517	22,184
Other receivables	286	248	159	185
Prepaid expenses and accrued income	2,678	3,266	1,865	3,058
Total	27,755	27,066	26,540	25,427
Short-term receivables total	27,755	27,066	28,563	34,910
Prepaid expenses and accrued income				
Sales-related receivables	1,651	1,143	52	124
Other receivables	1,027	2,123	1,812	5,968
Prepaid expenses and accrued income total	2,678	3,266	1,865	6,092
16. Shareholders' equity				
Share capital in the beginning of the financial period	4,647	4,647	4,647	4,647
Share capital 31 Dec.	4,647	4,647	4,647	4,647
Share premium fund at the beginning of the financial period	66,029	65,861	66,029	65,818
Adjustments for the impact of merger				44
Capital transfer tax		167		167
Share premium fund 31 Dec.	66,029	66,029	66,029	66,029
Retained earnings according to the opening balance	1,820	16,811	-819	8,557
Adjustments for the impact of merger				-44
Purchase of own shares		-399		-399
Conversion differences and other changes	1	-266		
Result from the financial period	-7,251	-14,325	-7,493	-8,933
Total 31 Dec.	-5,430	1,820	-8,312	-819
Shareholders equity 31 Dec.	65,246	72,496	62,364	69,857

The nominal value of the shares is EUR 0.08 on 31 Dec. 2003.

The acquisition cost of EUR 399,289.54 for the company shares purchased by the company has been deducted directly from retained earnings.

BALANCE SHEET, EUR 1,000

Unrestricted equity	Group Dec. 31,2003	Group Dec. 31,2002	Parent company Dec. 31,2003	Parent company Dec. 31,2002
Retained earnings 31 Dec.	-5,430	1,820	-8,312	-819
The portion of accumulated depreciation difference entered under shareholders equity	-241	-78		
Other items restricting distribution of profit	-282			
Unrestricted equity	-5,953	1,743	-8,312	-819

17. Accumulated appropriations

Accumulated depreciation difference at the beginning of the financial period			109	1,156
Increase (+), decrease (-)			230	-1,047
Accumulated depreciation difference 31 Dec.			339	109

18. Provisions

Provisions at the beginning of the financial period	625			890
Increase (+), decrease (-) 2002		625		-890
Provisions at 31 Dec.	625	625		

19. Deferred tax liability

Deferred tax liability				
From change in the depreciation difference	98	32		
Deferred tax liabilities resulting from temporary differences	11			
Deferred tax liability at 31 Dec.	110	32		

Deferred tax receivables				
Deferred tax receivables resulting from temporary differences	110	122		
Deferred tax receivables at 31 Dec.	110	122		

20. Long-term liabilities

Loans from financial institutions		287		
Pension loans	499	578	499	578
Other liabilities	257		257	
Total	756	865	756	578

Maturity of long-term liabilities

Time of maturity				
1-2 years	294	143	294	41
2-3 years	35	146	35	38
3-4 years	33	110	33	35
4-5 years	30	33	30	33
over 5 years	364	432	364	432
Total	756	865	756	578

Non interest bearing long-term and short-term liabilities				
Non interest bearing long-term liabilities	10,763	7,250	11,880	13,612
Deferred tax liability	110	32		
Total	10,873	7,281	11,880	13,612

BALANCE SHEET, EUR 1,000

	Group Dec. 31,2003	Group Dec. 31,2002	Parent company Dec. 31,2003	Parent company Dec. 31,2002
21. Short-term liabilities				
From companies belonging to the Group				
Accounts receivable			3,091	5,443
Accrued liabilities and deferred income				2,074
Total			3,091	7,518
Short-term liabilities to others				
Loans from financial institutions	181			
Pension loans	38	43	38	43
Advance received	883	818	298	818
Accounts payable	1,401	1,172	955	819
Other liabilities	1,116	743	712	397
Accrued liabilities and deferred income	7,106	4,517	6,567	4,060
Total	10,725	7,293	8,570	6,137
Short-term liabilities total	10,725	7,293	11,661	13,655
Accrued liabilities and deferred income				
Wages and salaries and other employee payments	2,425	2,447	1,934	2,115
Agent commissions	1,803	625	1,803	625
Project reservations	2,179	1,046	2,179	1,046
Other	699	399	651	2,348
Total	7,106	4,517	6,567	6,134
22. Contingent liabilities				
Pledges given	493		493	
Debts with mortgages on property as security				
Real estate mortgages	722	722		
	722	722		
Pledges given to cover other company commitments				
Real estate mortgages	1,261	1,261	1,261	1,261
Mortgages and company assets	235	235	235	235
	1,497	1,497	1,497	1,497
Other company liabilities				
Leasing liabilities	1,365	1,161	367	451
With due date in the current financial year	627	600	243	250
With later due date	738	561	124	200
Pledges				
On own behalf	1,328	1,424	1,328	1,424
Other liabilities	50	50	50	50
	2,744	2,635	1,746	1,925
23. Values of underlying instruments of derivative contracts				
Currency forward contracts				
Market value	15,741	11,009	15,741	11,009
Value of underlying instruments	16,717	11,873	16,717	11,873

Management of financial risk

The Group's financial risks comprise currency, interest and liquidity risks. The Group's principle is to hedge itself against the possible negative impact of such risks on profit and balance sheet items. Risk management relating to currencies and counterparties in connection with normal business transactions is a part of the Group's operational activities. The Group's financial activities are centralised in the Parent company.

The Group has not hedged the shareholders' equity of its subsidiaries outside Finland.

The Group has no foreign currency denominated loans in Finland. Currency positions consist of receivables and liabilities by currency, as well as off balance sheet purchasing and sales commitments. The net positions are primarily hedged by means of forward contracts and options.

Currency derivative contracts are generally for a maximum of one year. The currency risk has mainly been caused by changes in the rates of the euro and US dollar. Liquid funds are invested prudently to ensure that the Group retains the capability to make investments and acquisitions. Funds are invested in money market deposits and funds.

Key financial indicators

	2003	2002	2001 Official March 31.–Dec. 31	2001 pf Jan. 1–Dec. 31	pf 2000	pf 1999
Income statement						
Net sales, EUR million	45.3	39.9	42.2	57.1	66.4	50.7
change, %	13.6	-30.2		-13.9	30.8	25.8
Operating profit, EUR million	-7.0	-14.1	-2.0	-1.5	5.5	1.2
% of net sales	-15.6	-35.5	-4.6	-2.7	8.2	2.4
Profit before extraordinary items, EUR million	-6.4	-14.6	-0.1	0.6	5.8	0.4
% of net sales	-14.2	-36.7	-0.2	1.1	8.8	0.8
Profit before minority and taxes, EUR million	-6.4	-14.6	-0.1	0.6	5.8	0.4
% of net sales	-14.2	-36.7	-0.2	1.1	8.8	0.8
Balance sheet						
Fixed assets, EUR million	10.1	11.4	12.8		13.3	12.3
Current assets						
Inventories, EUR million	2.2	3.6	3.3		2.5	1.8
Receivables, EUR million	65.2	66.3	82.5		84.6	37.0
Shareholders' equity, EUR million	65.2	72.5	87.3		85.5	15.6
Provisions, EUR million	0.6	0.6				
Minority interest, EUR million					0.1	0.1
Liabilities						
Long-term liabilities, EUR million	0.7	0.9	1.2		1.8	21.2
Short-term liabilities, EUR million	10.9	7.9	10.1		13.0	14.2
Deferred tax liabilities	0.1					
Balance sheet total, EUR million	77.5	81.3	98.7		100.4	51.1
Financial indicators						
Return on equity (ROE), %	-10.5	-17.9	0.0	0.6	7.8	1.1
Return on investment (ROI), %	-9.1	-18.0	0.1	0.9	10.4	3.6
Equity ratio %	85.2	90.1	89.2	89.2	86.1	31.1
Debt/equity (gearing) ratio, %	-52.3	-46.6	-45.8	-45.8	-51.3	136.8
Investments, EUR million	1.9	2.2	2.4	3.3	4.5	2.7
% of net sales	4.2	5.5	5.7	5.9	6.7	5.3
Research and development, EUR million	9.4	11.2	12.0	15.7	15.2	10.7
% of net sales	20.8	28.0	28.4	27.5	22.9	21.0
Order book, EUR million	10.0	10.4	4.4	4.4	10.7	11.4
Personnel, average	440	520	567	559	484	423
Personnel, at the end of year	398	457	556	556	518	421
Key ratios per share						
Earnings per share, EUR	-0.13	-0.25	0.00	0.01	0.07	0.00
Equity per share, EUR	1.13	1.26	1.50		1.47	0.27
Adjusted number of shares at the end of and during year, 1,000 shares	58,093	58,093	58,093		58,093	58,093
Number of shares on average, 1,000 shares	58,093	58,093	39,742		58,093	58,093
Number of company-held shares, 1,000 shares	400	400				
Share price trend, EUR						
Average price	0.86	0.97	1.89		8.15**	
Lowest price	0.39	0.49	0.98		4.30**	
Highest price	1.59	2.10	3.93		10.89**	
Share price at the end of year, EUR	1.37	0.51	1.81*		4.70**	
Market value of share capital at the end of year, EUR million	79.6	29.6	105.1*		235.4	
Share turnover, million shares	32.4	24.3	5.1		12.4**	
Share turnover, % of total number	55.8	41.8	12.8		24.7**	
Share turnover, EUR million	27.9	23.6	9.6		100.7**	
Dividend per share, EUR					0.025**	
Dividend/Result, %					29.04**	
Effective dividend yield, %					0.53**	
P/E	-10.90	-2.05	-6,800.7		54.6**	

* From the first quotation date of new Tecnomen 2 Jan. 2002

** Old Tecnomen's figures from 2000

pf = pro forma figures

Tecnomen's financial statements have been prepared from both the official group for 31 March–31 December 2001 and the pro forma group for 1 January–31 December 2001. The official Tecnomen Group consists of the former Tecnomen Holding Group. The Tecnomen pro forma group consists of the official Tecnomen Group plus the figures for the old Tecnomen Group for the period 1 January–31 December 2001.

Calculation of key indicators

Return on equity, %	=	$\frac{\text{Profit or loss before extraordinary items and tax - taxes for the financial year}}{\text{Shareholders' equity + minority interest (average)}} \times 100$
Return on investment, %	=	$\frac{\text{Profit before extraordinary items and tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities (average)}} \times 100$
Equity ratio, %	=	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$
Earnings per share (EPS)	=	$\frac{\text{Profit before extraordinary items and taxes - taxes for the financial year +/- minority interest}}{\text{Adjusted average number of shares during the financial year}}$
Dividend per share	=	$\frac{\text{Dividends distributed for the financial year}}{\text{Adjusted average number of shares at the end of the financial year}}$
Dividend/result, %	=	$\frac{\text{Dividend per share}}{\text{Earnings per share (EPS)}} \times 100$
Equity/share	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial year}}$
Debt/equity ratio, % (gearing)	=	$\frac{\text{Net interest-bearing liabilities - cash and other liquid financial assets}}{\text{Shareholders' equity}} \times 100$
Market capitalisation	=	Number of shares at the end of financial year x last trading price of financial year
P/E ratio	=	$\frac{\text{Adjusted share price at the end of the financial year}}{\text{Earnings per share (EPS)}}$
Effective dividend, yield, %	=	$\frac{\text{Dividend per share}}{\text{Last trading price of financial year}}$

Auditors' report

To the shareholders of Tecnomen Corporation

We have audited the accounting, the financial statements, and the administration of Tecnomen Corporation for the financial period 1 January 2003 to 31 December 2003. 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 President and CEO. Based on our audit we express an opinion on these financial statements and on administration of the parent company.

We have conducted the audit in accordance with Finnish Standards on auditing. Those standards require that we plan and perform the audit in order 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 administration is to determine whether the members of the Board of Directors and the President and CEO of the parent company have legally complied with the rules of the Companies Act.

In our opinion the financial statements have been prepared in accordance with the Finnish 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 both the consolidated and parent company's result of operations as well as the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors on how to deal with the result is in compliance with the Companies Act.

Espoo, 4 March 2004

KPMG WIDERI OY AB
Sixten Nyman
Authorised Public Accountant

Adoption of IFRS standards

Schedule and organisation for adopting standards

Tecnomen will adopt IFRS standards in its financial reporting in 2005. The planned date for publishing figures for comparison and the 2004 financial statements is March 2005.

A project has been set up to manage the adoption of IFRS standards, reporting regularly on its progress to the Board of Directors, operational management and the auditors. During 2004, the project organisation, which mainly consists of finance department personnel, will be mostly engaged in preparing the initial balance sheet and the conversion calculations. These are the calculations for converting the 2004 financial information prepared in accordance with Finnish accounting legislation to conform to IFRS principles.

Main changes in accounting principles for financial statements

According to a preliminary analysis, the main accounting principles for the financial statements that will change when Tecnomen starts using IFRS standards are:

- Principles for revenue recognition (IAS 11, 18)
- Treatment of intangible assets (IAS 38)
- Treatment of financial instruments (IAS 32, 39)
- Treatment of employee benefits (IAS 19)
- Disclosure requirements (including Segment reporting IAS 14)

Principles for revenue recognition

Tecnomen's deliveries can be divided into deliveries of goods and services and project deliveries. Deliveries of goods and services as a rule are of short duration and are of low value. Project deliveries as a rule are of longer duration or are of high value and aim to set up a certain system and/or function.

The standard on recognising sales revenue, IAS 18, contains detailed instructions on when to recognise sales revenue. It is possible that for some business operations, sales of goods and services will be recognised later than what is the current practice, in other words later than when the delivery has been made.

According to the standard for recognising long-term projects, IAS 11, costs and revenue are recognised by stage of completion, that is when the stage of completion can be reliably measured. At Tecnomen the stage of completion will be determined using the ratio of actual to forecast costs (cost-to-cost method).

Treatment of intangible assets

The costs of intangible assets are divided into two groups: research and development. The costs of development that meet certain criteria stated in the standard are capitalised. A considerable part of Tecnomen's product development activities is directly linked to customer projects and does not meet the criteria for capitalisation.

Treatment of financial instruments

The main change in Tecnomen's accounting principles concerning financial instruments affects how changes in valuing the hedging of foreign currency cash flows are recorded: derivative contracts are entered in the accounts when the contract is made and are valued at market value in the financial statements.

Employee benefits

IFRS classifies employee benefits as defined contribution plans and defined benefit plans. Tecnomen will present employee benefits in its IFRS financial statements on this basis. Apart from the president and CEO's pension and possibly the contributions under the Employees' Pension Act, Tecnomen currently has no post-employment benefits that would be recorded in the accounts using the IFRS actuarial valuation method.

Stock options will be treated in accordance with IFRS 2 standard.

Disclosure requirements

IFRS requires companies to provide extensive segment information along business segments and along geographical segments. IFRS requirements will significantly expand Tecnomen's segment reporting. For the primary segment the company will report on net sales, result and certain balance sheet items.

In addition, in the IFRS financial statements it is necessary to present more extensive notes to the accounts, explain the accounting principles in more detail, and present a new statement on changes to shareholders' equity.

Future changes to IFRS standards

The final versions of certain standards are not expected until the spring of 2004, so the impact of these standards is still partially unclear. The existing standards contain alternative accounting principles and for some of these Tecnomen has not yet decided which to adopt. Nor has the company yet decided about the exemptions allowed by the IFRS 1 standard when adopting the standards for the first time. It is also possible that as the project proceeds, other changes will come to light.

Shares and shareholders

Shares and share capital

Tecnomen has a single share series and all shares hold equal voting rights.

According to its Articles of Association, Tecnomen has a minimum capital of EUR 2,000,000 and a maximum capital of EUR 15,000,000, and the share capital can be increased or decreased within these limits without having to amend the Articles of Association. On 31 December 2003 Tecnomen had a share capital of EUR 4,647,406.24 that was fully paid and registered in the trade register and 58,092,578 shares, of which the company held 400,000. The shares held by the company account for 0.69 per cent of the total share capital and voting rights of the shares and have a total nominal value of EUR 32,000. The shares were purchased under the authorisation given by the 2002 Annual General Meeting. The shares held by the company have no voting rights and no dividend is paid to them.

Tecnomen's share has a nominal value of 8 cents. 99.94 per cent of the company's shares are entered in the book-entry securities system maintained by the Finnish Central Securities Depository.

Quotation of shares

Tecnomen's shares are quoted on the Helsinki Exchanges. HEX Helsinki will start to use the OM HEX joint trading system SAXESS developed by OM Technology in autumn 2004. In this connection Tecnomen's current trading code TEN1V will change to TEM1V. It is planned to use the new trading code in the HETI trading system as from 1 June 2004.

Tecnomen's trading unit is 200 shares.

Authorisations of the Board of Directors for 2003

Authorisation to purchase the Company's own shares

Tecnomen's Annual General Meeting of Shareholders on 25 March 2003 authorised the Board of Directors to purchase the company's own shares such that, including the shares already in the possession of the company, the shares purchased have a total nominal value that represents at most 5 per cent of all the company's current share capital and of the voting rights held by all the shares at the time of purchase. The shares are to be purchased at their market price in public trading at the time of purchase. The authorisation is in force for one year from the decision of the Annual General Meeting. During 2003 the company did not use this authorisation.

Authorisation to dispose of the Company's own shares

The Annual General Meeting of Shareholders on 25 March 2003 authorised the Board to dispose of the company's

own shares. The authorisation allows the disposal of all company shares acquired under the authorisation given to the Board and of company shares already held by the company. The authorisation includes the right to decide to disapply shareholders' pre-emptive rights of subscription when disposing of the shares. The authorisation is in force for one year from the decision of the Annual General Meeting. During 2003 the company did not use this authorisation.

Authorisation of the Board of Directors to increase the company's share capital

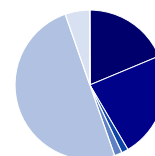
Tecnomen's Annual General Meeting of Shareholders on 25 March 2003 authorised the Board of Directors to decide on raising the company's share capital by issuing new shares and/or convertible bonds and/or stock options. Under the authorisation the share capital can be raised, in one or more issues, by a maximum of EUR 601,481.20, by issuing a maximum of 7,518,515 new shares. The authorisation includes the right to disapply the pre-emptive subscription rights of shareholders, to determine the criteria for setting the subscription price and to set the subscription price. The subscription price may not be less than the nominal value of the share. The authorisation is in force for one year from the decision of the Annual General Meeting. During 2003 the company did not use this authorisation.

Shareholders

On 31 December 2003 Tecnomen had a total of 6,661 shareholders recorded in the book-entry securities system. Of these 6,653 were in direct ownership and 8 were nominee-registered.

On 31 December 2003 the ten largest shareholders together owned approximately 30.77 per cent of the shares and voting rights. On 31 December 2003, approximately 9.92 per cent of Tecnomen's shares were in

Ownership structure by sector 31 December 2003



■ Private companies	18.77%
■ Finance and insurance companies	22.79%
■ Public sector	1.45%
■ Non-profit making organisations	1.67%
■ Households	49.99%
■ Foreign holders	5.27%
□ General account	0.06%

foreign ownership, with 5.27 per cent in direct ownership and 4.66 per cent nominee-registered. The shareholder information is maintained by Finnish Central Securities Depository Ltd. For more information on shareholders visit www.tecnomen.com/investor.

Trading and share performance

A total of 32,393,430 Tecnomen shares (EUR 27,862,040) were traded on the Helsinki Exchanges during the period 2 January–31 December 2003, or 55.76 per cent of the total number of shares. The highest share price quoted in this period was EUR 1.59 and the lowest was EUR 0.39. The average quoted price was EUR 0.86 and the closing price on 31 December 2003 was EUR 1.37. The share stock had a market value of EUR 79,586,832 at the closing price.

During 2003 the HEX General Share Index rose 4.44 per cent (6,031.92 on 31 December 2003) and the portfolio index rose 16.21 per cent.

Taxable value of shares in Finland

The taxable value of Tecnomen shares in Finland for the fiscal year 2003 has been confirmed at EUR 0.95 per share.

Obligation to redeem shares

According to Article 15 of Tecnomen's Articles of Association, a shareholder whose holding reaches or exceeds 33¹/₃ per cent or 50 per cent of all the company's shares or of the voting rights held by the shares, is obliged, at the request of other shareholders, to redeem their shares and securities entitling holders to shares, on terms specified in more detail in Article 15 of the Articles of Association.

Shareholdings of the Board of Directors and management

On 31 December 2003 the total number of shares owned by the members of Tecnomen's Board of Directors and

the President and CEO was 4,001,412, which includes the shares owned by these persons themselves, by minor children and by companies in which they hold a controlling interest. Altogether these represent 6.89 per cent of the total share capital and voting rights.

On 31 December 2003 the total number of shares owned by the members of Tecnomen's Management Board, excluding those owned by the President and CEO, was 163,987, which includes the shares owned by these persons themselves, by minor children and by companies in which they hold a controlling interest. Altogether these represent 0.28 per cent of the total share capital and voting rights.

Stock options held by management and Board members

A total of 240,000 Tecnomen stock options were held by members of the Board of Directors and the President and CEO on 31 December 2003. Altogether these stock options represent 0.41 per cent of the total share capital and voting rights after share subscription.

A total of 142,000 stock options were held by members of Tecnomen's new Management Board, excluding the President and CEO, on 31 December 2003. Altogether these shares represent 0.24 per cent of the total share capital and voting rights after share subscription.

Company dividend policy

Tecnomen's dividend policy is to base its proposed dividend payment, to be approved by the Annual General Meeting, on the annual result and complying with legal requirements. During 2002 and 2003 the company has not had distributable funds that would entitle a dividend.

Shareholders

The company's ten largest shareholders, excluding nominee-registered shareholders, on 31 December 2003

	No. of shares	% of shares and votes
Sampo Life Insurance Company Ltd	3,083,400	5.31
Hammarén Lars-Olof	2,164,300	3.73
Sumelius Henning	2,022,300	3.48
Oy Finvestock AB	2,003,600	3.45
Geveles AB	1,952,092	3.36
Fennogens Investments SA	1,535,000	2.64
Sumelius Johanna Marina	1,122,400	1.93
Oy Investsum AB	954,100	1.64
Suutarinen Helena, Deceased, Estate	901,200	1.55
Gyllenberg Finlandia Fund	848,000	1.46
Total	16,586,392	28.55

Division of shares 31 December 2003

No. of shares	No. of shareholders	%	No. of shares	%
1–500	3,389	50.88	757,588	1.30
501–1,000	1,109	16.65	868,296	1.49
1,001–5,000	1,471	22.08	3,537,593	6.09
5,001–10,000	299	4.49	2,241,877	3.86
10,001–50,000	247	3.71	5,604,082	9.65
50,001–100,000	45	0.68	3,374,369	5.81
100,001–500,000	84	1.26	18,858,578	32.46
500,001<	17	0.26	22,812,595	39.27
General account			37,600	0.06
Total	6,661	100.00	58,092,578	100.00

Shareholder agreements and shareholding notifications

Tecnomen has no knowledge of shareholder agreements relating to the ownership of the company or to the use of voting rights.

During 2003 the company had one shareholding notification. According to this notification, through a transaction on 3 March 2003 the holding in Tecnomen Corporation of Fennogens Investments S.A. Group, with the shares owned by Geveles Oy, a fully owned subsidiary of Fennogens Investments S.A., rose to 3,487,092 shares, corresponding to 6 per cent of Tecnomen's sharestock.

Tecnomen announced on 20 February 2004 that the holding of Fennogens Investments S.A. in Tecnomen Corporation had fallen to 1,535,000 shares and the holding of its fully owned subsidiary Geveles Oy to 1,311,755 shares. This meant that the combined holding of Fennogens Investments S.A. and its fully-owned subsidiary Geveles Oy in Tecnomen Corporation was 2,846,755 shares, corresponding to 4.9 per cent or less than one twentieth of Tecnomen Corporation's sharestock.

2002 stock option scheme

Tecnomen has a stock option scheme approved by the AGM on 11 April 2002 for senior management and key personnel. The scheme includes a total of 4,100,000 stock options, which are divided into 2002A (400,000), 2002B (1,200,000), 2002C (1,200,000) and 2002D (1,300,000) stock options. Each stock option entitles the holder to subscribe to one Tecnomen share. The subscription periods for the stock options are as follows: 2002A 1 April 2003–30 April 2006, 2002B 1 April 2004–30 April 2007, 2002C 1 April 2005–30 April 2007 and 2002D 1 April 2006–30 April 2008.

As a result of subscriptions with the 2002 stock options, the company's share capital can rise by a maximum of EUR 328,000, which corresponds to 6.59 per cent of the company's shares and the voting rights held by the shares after

the share subscriptions. The subscription price for stock options 2002A and 2002B is EUR 1.68 and for 2002C it is EUR 0.46. The subscription price for 2002D stock options is the trade volume weighted average price of the Tecnomen share on the Helsinki Exchanges during the period 1–31 March 2004. Dividends that have been decided on in the time between the start of the period for determining the subscription price and the date of subscription shall be deducted from the subscription price. The stock option scheme includes some 50 people. By the end of 2003 no share subscriptions had been made with the stock options. The company has no convertible bonds or bonds with warrants.

Principles for allocating options

According to the principles for allocating options approved by Tecnomen's Board of Directors, the purpose of the options is to motivate corporate management and key personnel to work to the best of their abilities with a long-term approach and to keep them motivated and committed to staying with Tecnomen. The scheme covers personnel who can have a significant impact on the company's result and who possess knowledge and skills without which the company would be at a distinct disadvantage and its competence would weaken. The grounds for allocating options take into account the person's responsibilities and position in the organisation and the productivity of their work. The number of options granted to the Board of Directors is stated in the terms for the 2002 options scheme.

By the end of 2003, a total of 393,000 2002A stock options, 354,000 2002B stock options, and 372,000 2002C stock options had been allocated. No 2002D stock options have yet been allocated. The stock options not allocated to members of the Board of Directors or to personnel were issued to a wholly owned subsidiary of Tecnomen Corporation for allocation at a later date.

Information for shareholders

Annual General Meeting

The Annual General Meeting of Shareholders of Tecnomen Corporation will be held at 3 p.m. on Wednesday, 24 March 2004 in the Adams hall, Erottajankatu 15–17, Helsinki, Finland (entrance at the corner of Erottajankatu and Ludviginkatu).

Participation in AGM

Shareholders who are registered by 12 March 2004 on the list of Tecnomen shareholders maintained by Finnish Central Securities Depository Ltd or who are entitled to attend according to chapter 3a, section 4, paragraph 2 of the Companies Act have the right to attend the Annual General Meeting.

Registering on the list of shareholders

Shareholders whose shares are entered in their personal book-entry securities account at the Finnish Central Securities Depository Ltd are automatically registered on the company's list of shareholders. Nominee-registered shareholders can also be registered temporarily on the list of shareholders on 12 March 2004 to enable participation in the AGM.

Notification

Shareholders wishing to attend the Annual General Meeting are requested to inform the company by 3 p.m. Finnish time on 17 March 2004, by letter to: Tecnomen Corporation, Tuija Kerminen, P.O. Box 93, FI-02271 Espoo, Finland, by telephone +358 9 8047 8767, fax +358 9 8047 8212 or by email info@tecnomen.com.

Authorisation

Letters of authorisation, by which shareholders authorise a proxy to represent them at the AGM, should be sent to the above address and must arrive no later than 17 March 2004.

Payment of dividend

According to the balance sheet on 31 December 2003, Tecnomen Corporation has no distributable funds that would entitle a dividend payment.

Financial publications in 2004:

- Interim report 1 January to 31 March 2004, Wednesday, 28 April
- Interim report 1 January to 30 June 2004, Wednesday, 11 August
- Interim report 1 January to 30 September 2004, Wednesday, 27 October

The interim reports and annual report are published in Finnish and English. These publications are available on Tecnomen's website at www.tecnomen.com/investor and can be ordered by telephone on +358 9 8047 8027 or by email from maarit.mikkonen@tecnomen.com.

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Changes of address

Shareholders whose address has changed are requested to inform the book-entry securities register that holds their book-entry securities account.

Analysts monitoring Tecnomen

A list of analysts that monitor Tecnomen can be found on the company's website at www.tecnomen.com/investor.

Corporate Governance

Information about Tecnomen's principles of corporate governance can be found on the company's website at www.tecnomen.com/investor.

Releases in 2003

More information can be found on the company's website at www.tecnomen.com/investor

Dec. 16, 2003	Stock exchange announcement	Tecnomen's financial announcements and Annual General Meeting in 2004	Oct. 9, 2003	Press release	Tecnomen's paging system deployed by A.S.T.R.I.D. in Belgium
Dec. 12, 2003	Press release	Tecnomen's Prepaid Solution to Argentina	Oct. 7, 2003	Press release	Tecnomen to deliver a complete value added service solution to CCT Boatphone in the British Virgin Islands
Dec. 11, 2003	Press release	Tecnomen to deliver MMSC to Qtel in Qatar	Oct. 1, 2003	Press release	Tecnomen introduces Real-Time Prepaid SMS Charging
Dec. 11, 2003	Press release	Tecnomen chosen by LuXcommunications to provide MMSC for 3G network in Luxemburg	Sept. 29, 2003	Press release	New 'FIVE from Tecnomen' concept features Next Generation Messaging platform
Dec. 10, 2003	Press release	Tecnomen to supply prepaid and messaging expansions to Brazil	Sept. 25, 2003	Stock exchange release	Jarmo Niemi to be new CEO of Tecnomen Corporation
Dec. 3, 2003	Stock exchange announcement	Merger of Krocus Communications with Tecnomen	Sept. 24, 2003	Stock exchange release	Tecnomen's personnel negotiations concluded
Nov. 28, 2003	Stock exchange release	Tecnomen receives a EUR 7.2 million messaging system expansion and upgrade order from Taiwan	Sept. 15, 2003	Stock exchange release	New Management Board for Tecnomen
Nov. 27, 2003	Press release	Tecnomen to supply messaging system enhancement to Swisscom Mobile	Sept. 4, 2003	Press release	Tecnomen's Multimedia Messaging Service Centre deployed by Celcom in Malaysia
Nov. 25, 2003	Press release	Tecnomen's Assisting Intelligent Peripherals to South African Vodacom through Siemens	Aug. 28, 2003	Press release	Tecnomen's Multimedia Messaging Service Centre and Voice Mail System deployed by Satelindo
Oct. 31, 2003	Press release	Tecnomen to deliver Messaging System to MTC-Vodafone in Bahrain	Aug. 25, 2003	Stock exchange release	Tecnomen continues action to raise efficiency and starts employee negotiations
Oct. 31, 2003	Stock exchange release	Tecnomen's Interim Report 1 January–30 September 2003	Aug. 25, 2003	Press release	Tecnomen Prepaid System deployed simultaneously on TDMA and GSM overlay by Porta in Ecuador

Aug. 13, 2003	Stock exchange release	Tecnomen's Interim Report 1 January–30 June 2003	Feb. 27, 2003	Press release	Tecnomen IS-41 prepaid solution approved for interoperability with Nortel Networks CDMA/TDMA wireless infrastructure
Aug. 11, 2003	Press release	Tecnomen to deliver voice mail system to Swiss Federal Railways SBB	Feb. 18, 2003	Press release	Tecnomen Download Centre enables operators to cash in on mobile content
Aug. 1, 2003	Stock exchange release	Tecnomen's CEO changes	Feb. 17, 2003	Press release	Tecnomen introduces new MMSC features
Jun. 5, 2003	Press release	Tecnomen Prepaid solution supporting CAMEL phase 2 approved for interoperability with Nortel Networks GSM equipment	Feb. 14, 2003	Press release	Tecnomen's financial statements 1 January–31 December 2002
Apr. 29, 2003	Stock exchange release	Tecnomen's Interim Report 1 January–31 March 2003	Feb. 14, 2003	Stock exchange release	Proposals of Board of Tecnomen Corporation to Annual General Meeting of Shareholders on 25 March 2003
Apr. 23, 2003	Stock exchange release	Tecnomen to deliver voice mail systems to Telecom Americas' operators in Brazil	Feb. 14, 2003	Press release	Tecnomen to deliver new messaging system to MTC in Kuwait
Apr. 23, 2003	Stock exchange release	Tecnomen acquires Krocus Communications Oy	Jan. 21, 2003	Press release	Tecnomen introduces new range of services to increase voice mail revenues
Mar. 25, 2003	Stock exchange release	Decisions of Annual General Meeting of Shareholders of Tecnomen Corporation	Jan. 15, 2003	Stock exchange release	Tecnomen builds significant presence in Central America
Mar. 25, 2003	Press release	Tecnomen sponsors 'open questions' exhibition at Heureka	Jan. 7, 2003	Stock exchange announcement	Tecnomen's financial reports and Annual General Meeting in 2003
Mar. 17, 2003	Stock exchange announcement	Tecnomen's annual report 2002 published			
Mar. 7, 2003	Stock exchange release	Invitation to the Annual General Meeting of Shareholders			
Mar. 5, 2003	Stock exchange announcement	Notification under chapter 2, section 9 of the Market Securities Act			

Glossary of terms and expressions

3G

Third-generation digital broadband mobile messaging system. The European UMTS and the American CDMA are third-generation systems, which enable faster data transmission and processing of larger amounts of data with the terminal devices of the future.

Application service provider (ASP)

A company producing services with different content for the Internet and mobile phones that does not itself maintain a telecoms network but purchases the network services it needs from network operators.

ARPU

(Annual Revenue per User). Monthly revenue per customer. A performance indicator for end users used by operators.

CDMA

(Code Division Multiple Access). CDMA is an IS-95-based digital mobile service technology. CDMA systems have been in commercial use since 1995 and currently have 95 million users. CDMA networks operate on 800 and 1900 MHz frequency bands and the main markets are the Americas and Asia. IS-95 CDMA technology offers speeds of up to 64 kbit/s for voice and data services and provides integrated answering and SMS services.

Data transfer

Transmitting text, image and voice in digital format in wireless and fixed telecommunication networks.

EAIP

(Enhanced Assisting Intelligent Peripheral). Tecnomen's network component (EAIP) is part of an intelligent network. It manages interactive functions with the phone user and announcements used in the system. For example, EAIP informs users when call transfer is active (voice mail service and answering service) or requests and obtains ID information from a caller (such as a customer number). In prepaid systems EAIP tells customers how much call time or money they have left on their account. EAIP can be supplied on its own to support and expand a third party intelligent network system but is always supplied with Tecnomen Prepaid systems.

Email server

A server for managing email messages and mailboxes that makes it possible to provide email services in the network.

GPRS

(General Packet Radio Service). Technology based on transferring data in 'packets' which is based on Internet technology and enables continuous IP contact between phone and network. Several time slots and various channel codings can be used for a single user to speed up data transfer.

GSM

(Global System for Mobile Communications). GSM is the pan-European mobile phone standard that enables the transfer of voice and data by radio in the mobile phone network. The GSM standard enables the same mobile phone to function in several countries and several GSM operators to operate in the same area at the same time. The GSM system is based on 1990s digital technology through which all traffic is transmitted in encrypted digital format by radio.

Intelligent network systems, products

(Intelligent networks, IN systems). An intelligent network system is a telecommunications network structure based on the IN concept and standards. For example, the use of centralised databases makes it easier to implement new services and features. Standardised interfaces between network elements in turn allow for supplier independence. IN is the standard for ETSI and WIN (Wireless IN) for ANSI.

Intelligent peripheral

Part of an intelligent network system that makes it possible to record voice announcements, deliver messages and collect characters keyed in from a phone keypad.

IP

(Internet protocol). A method or protocol using 'packets' of address and data for sending information from one place to another on the Internet. IP allocates a numeric address for each device linked to the network.

Messaging systems

Products for implementing the telecoms services needed for storing and transmitting messages. In messaging products messages can be sent between different telecommunications networks.

Messaging system provider

A company like Tecnomen that provides products for implementing the telecoms services needed for storing and transmitting messages. In messaging products messages can be sent between different telecommunications networks.

MMS, multimedia messaging service

MMS, multimedia messaging service, is a universally accepted standard with which phones with MMS capabilities can send and receive messages that contain formatted text, graphics, images, voice and video clips.

MMSC

(Multimedia messaging service centre). With the multimedia messaging service platform operators and service providers can offer their customers a wide range of useful multimedia messaging services. With MMSC, the customers of operators can send and receive multimedia messages that combine text, voice and image and in future will also include video.

Multimedia messaging

A service concept based on a standard used in digital, broad band mobile messaging systems that makes it possible to send and receive material with multimedia content, such as electronic postcards and voice/video image attachments.

Network operator

A telecommunications company that provides network services and maintains a telecoms network, such as Sonera in Finland. Network operators may provide network services to service operators and service providers and also directly to end users.

NGM

Next generation messaging refers to systems designed and developed on open architecture and open protocols using all-IP technology. It has only recently become possible to build systems for telecoms usage with such modular and standard technology.

Service operator

A telecoms company that offers users telecommunications services. Service operators that do not maintain their own telecoms network may purchase the network services they need from network operators.

Service platform

A platform for producing services which includes not only the system infrastructure but also an operating system level.

Service provider

A company that provides services with different content for the Internet and mobile phones and does not itself maintain a telecommunications network but purchases the network services it needs from network operators.

Paging system

One-way telecommunications service for paging. Tecnomen's product selection includes large capacity paging systems with wide coverage.

PMR

(Professional Mobile Radio). A two-way radio communications system that is normally used by a specific user group, such as public authorities (eg. police, fire service, ambulance services and social workers). The latest digital standard is TETRA.

PMR Messaging

Communications solutions for public authority users.

PMR Paging

Paging system for public authorities.

PMR Voice Messaging

Voice mail for public authorities.

Portal

A service that in addition to the functions it offers also provides access to other services.

Prepaid Data

Real-time charging for data (SMS, use of GPRS network).

Prepaid Calling Card

Prepaid fixed network.

Prepaid system

In a prepaid system, users pay for their calls in advance. They can do this by buying a telephone card with a code for charging their phone account with a certain amount, and this is automatically deducted in real time during calls. When the

amount in the account has fallen below a specified limit, the user is informed on their phone. When the account is empty, it is not possible to make calls, and in some cases subscribers cannot receive them either.

Prepaid Voice

Real-time charging for calls.

SDS Centre

(Short Data Service). With the short message centre, text messages can be sent between TETRA phones and other systems such as email, paging and answering services.

Short Message Relay System

The system stores and transmits a short message (text message) to the recipient. The system is used for sending various short messages (such as ring tones, logos and icons).

SIP

(Session initiation protocol). SIP is a signalling protocol for sending speech or pictures in real time, and is used to initiate, modify or end online sessions implemented with VoIP technology.

SMS

(Short message service). The short message, text message, service (SMS) is today one of the most important forms of service in digital mobile communications networks. It allows text messages to be sent between mobile phones and other systems, such as email, paging and voice mail services. The message has a maximum length of 160 characters and the network operator's communications system transmits it to the mobile phone. The text message service can be used for example as a reminder service or for sending stock exchange, exchange rate, flight and account information.

TDMA

(Time division multiple access). TDMA is a radio signal technology for digital transmission between, for example, mobile phones and radio base stations. TDMA divides a frequency band into several channels that are multiplexed in short time slots, so that one channel can be used for several calls without mixing the signals.

TDMA also stands for the mobile communications system that is based on the IS-136 standard (also known as D-AMPS) and is one of the most widely used digital mobile communications systems. TDMA is the natural successor to the analogue AMPS network. It offers good coverage and is very suitable for use in new applications such as virtual private networks (VPN). It also forms an excellent platform for PCS (personal communication services).

Text-to-speech conversion

A service for converting, for example, email messages to synthetic speech.

TETRA

(Terrestrial trunked radio). TETRA is an open, digital radio network standard designed for use by public authorities that aims to improve communications between public authorities. The main users of public authority networks are the police, fire services and other emergency services.

UMTS

(Universal mobile telecommunications system). Third generation global mobile telecommunications system based on the IMT-2000 system specifications of the ITU (International Telecommunication Union), an international standardisation organisation.

Unified messaging

Telecommunications "general mailbox" that stores different messages (eg. voice, fax, email and short messages) in one place and in the format required by the user, whatever the format of the message.

Virtual operator

Eg. the Stockmann department store in Finland. A virtual operator is a company that is itself responsible for its products and services, and for its pricing and customer service. The company only leases the mobile phone network from a network provider, such as Sonera, which is responsible for ensuring that the mobile phone network functions properly. The operations of a virtual operator are based on a strong brand.

Wireless Internet solution

Makes it possible to use Internet services with a mobile phone.

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