



## Financial Review 2003

**TietoEnator**<sup>TE</sup>

Building the Information Society

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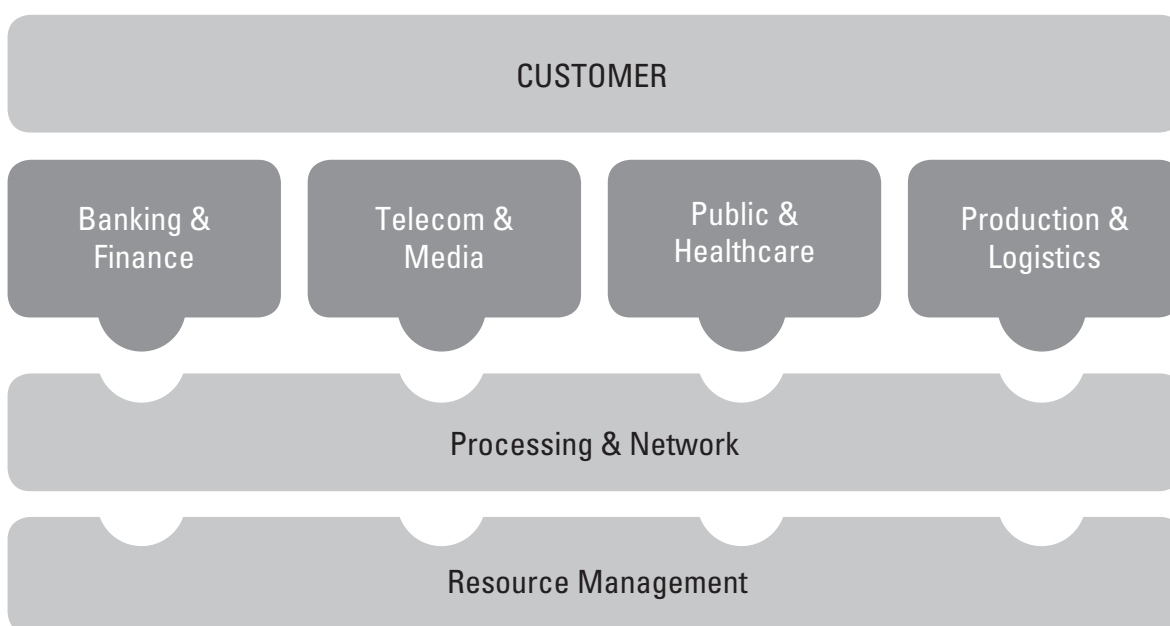
# TietoEnator is consulting, developing and hosting its customers' digital businesses

**TietoEnator** is one of the leading architects in building a more efficient information society.

With close to 14 000 experts, we are the largest IT services company in the Nordic countries.

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

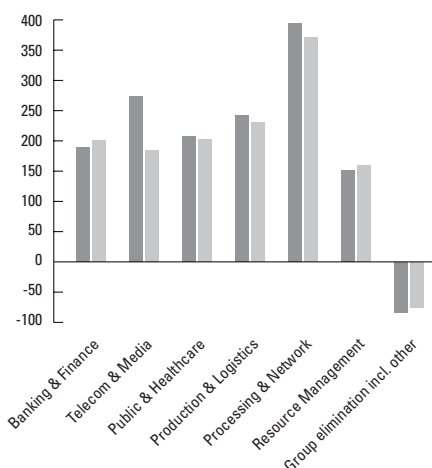
**We've chosen to focus** on areas where we have the deepest industry expertise. The principal ones are globally banking and finance, telecom and media, and forest. In these areas, we work hand in hand with many of the world's leading companies and organisations. We are growing with them and are now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



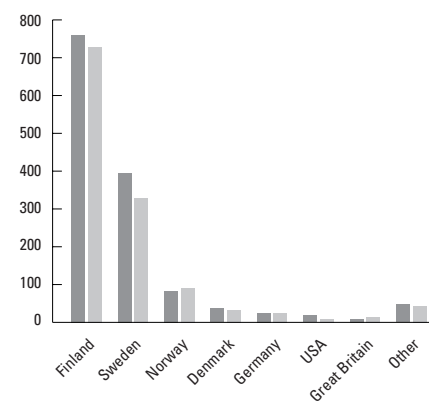
# Key figures

	2003	2002
Net sales, MEUR	1 374.3	1 271.1
Operating profit before goodwill amortisation (EBITA)	143.3	130.0
Margin, %	10.4	10.2
Operating profit (EBIT)	102.7	99.8
Margin, %	7.5	7.9
Pre-tax profit, MEUR	100.6	100.4
Earnings per share, EUR	0.79	0.77
Equity per share, EUR	5.74	5.53
Dividend per share, EUR	0.50	0.50
Investments, MEUR	61.6	282.9
Return on equity, %	14.1	13.7
Return on capital employed, %	23.1	23.0
Gearing, %	1.4	13.6
Equity ratio, %	60.8	55.5
Personnel on average	11 836	11 153
Personnel on 31 Dec	11 680	11 991

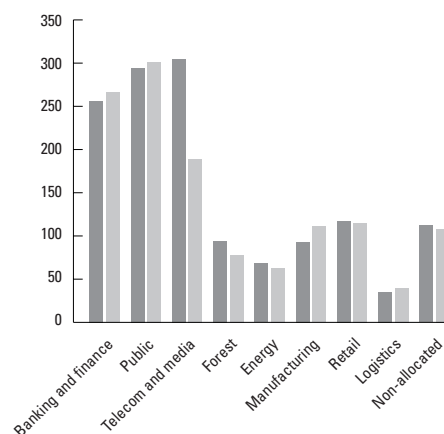
**Net sales by business area,  
EUR million**



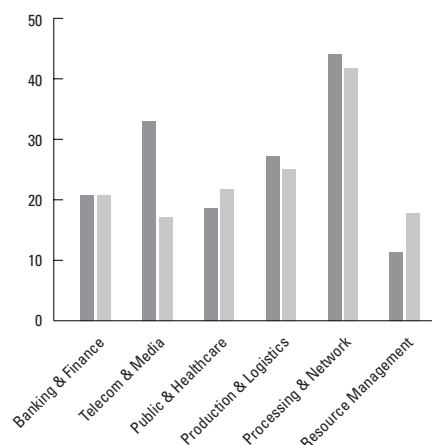
**Net sales by country,  
EUR million**



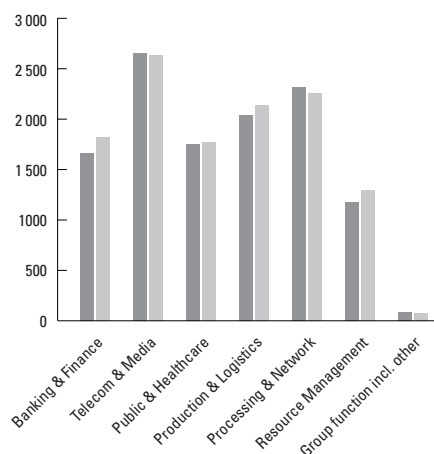
**Net sales by industry segment,  
EUR million**



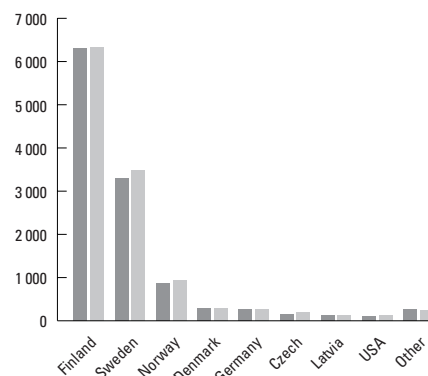
**Operating profit, EUR million**



**Personnel by business area**



**Personnel by country**



# Report by the Board of Directors

## Market trends 2003

Economic slowdown and uncertainty dampened investments in IT services and solutions during 2003. Overall there was very low growth in IT spending and in some areas the development was even negative. Investments follow the general economic development with a time lag. Closer to the year end economic recovery led to a stabilisation of the IT market and improvements seem to have started even though customers are very cautious about starting big projects.

During the year customers focused on short payback projects in order to reduce costs and increase efficiency. The aim of customers to harmonise business processes and increase standardisation generally creates demand for supporting IT services and solutions. In 2003, however, demand for solutions, tailor-made projects and resource consulting was low throughout the year. Banking, telecom and manufacturing were the customer sectors that suffered most from the economic slowdown.

There is an increasing trend for larger customers to use one vendor for their infrastructure and other ones for application management and development. Several large-scale, high-profile infrastructure outsourcing deals took place in the Nordic countries in 2003. Further, consolidation in the industry continued as a number of acquisitions and mergers took place in Europe in search of more scale and a better competitive position.

Competition and price pressure continued to be hard, especially in mature infrastructure services, resource consulting and standard solutions for administration. Vendors from low-cost countries offering offshore services are actively marketing their services especially in the telecom and banking sectors.

Labour mobility stayed at a low level and wage inflation was moderate. It was possible to find and recruit seasoned specialists, even in highly specialised areas.

There were no big differences in the market situation in the various geographical markets. Historically Sweden has been more dependent on resource consulting and has thus suffered more from the low demand and hard price pressure. Finland on the other hand is more partnership ori-

ented, which leads to relatively stable relationships with the selected IT partners.

## Changes in corporate structure and outsourcing agreements

TietoEnator continued vertically focused acquisitions and concluded a number of mid-sized outsourcing agreements in 2003. The company defines new outsourcing contracts as organic growth.

The largest single acquisition agreed in 2003 was the acquisition of Swedish-based Ki Consulting, which took effect from the beginning of 2004. The company, with close to 800 employees, is a leading provider of services such as systems development, applications management and integration services for TeliaSonera Sweden. Another important acquisition was closed at the end of the year when TietoEnator acquired Inveos AG, a company with 120 employees providing IT and consulting services for the banking and insurance sector in Germany. Some of the smaller deals include KPMG Consulting in Norway, MOPS Systems, an IT solutions business for the pulp and paper industry and the Energy business of OMHEX in the Nordic countries.

Additionally, TietoEnator acquired the remaining shares in two majority held Czech companies, Sykora Group and TietoEnator ISS.

The joint venture with the Finnish Broadcasting Company, YLE, started operating at the beginning of 2003. The largest outsourcing agreement was signed with TeliaSonera under which TietoEnator takes over the mainframe data processing activities of the Swedish arm of the telecom operator. TietoEnator also signed a partnership agreement with Siemens in Finland and prolonged and extended its contract with SaabTech in Sweden.

## Financial targets

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

- Revenue growth of 20%
- Operating margin (EBIT) to exceed 10%
- Each Business Area to create shareholder value.

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

## Strengthened strategic focus

To achieve its long-term financial targets TietoEnator aims to be the preferred IT partner for Nordic clients and the best solutions provider globally in defined core applications in selected verticals. The areas with most potential for global growth are banking and finance, telecom and media, and forest, targeting annual net sales growth over 20%. Healthcare and energy will aim at very strong regional development, while other businesses will strive for growth at least at the pace of the market. Growth investments like acquisitions will be targeted at strengthening TietoEnator's capabilities for solution partnerships in new markets.

## Net sales

Net sales for the year rose 8% to EUR 1 374.3 (1 271.1) million. In local currencies the growth was 9 % and organically growth reached 6%. The strongest growth took place within the telecom and media industry segment, which increased by 62%. Geographically growth was 20% in Sweden, 5% in Finland and -9% in Norway.

Among the industry segments banking and finance accounted for 19% (21) of annual sales, telecom and media for 22% (15), and public sector for 21% (24). The forest industry segment contributed 7% (6) and the energy segment 5% (5).

The order backlog, comprising only services ordered with binding contracts, amounted to EUR 878 million on 31 December 2003, EUR 149 million lower than at the end of 2002. No major customer contracts were lost during the year, but the number of signed large, multi-year contracts was lower in 2003 than it was in 2002 or 2001. Around EUR 610 million of the backlog is estimated to be invoiced during 2004, which is about the same amount as at end of 2002.

# Report by the Board of Directors

## CHANGES IN STRUCTURE 2003

Company, country	% of shares	Business	Net sales	Employees	Date	Business Area
<b>ACQUISITIONS/ SHARE PURCHASES</b>						
TietoEnator a.s., Czech republic	80% -> 100%	IT services for Telecom	MEUR 7	110	Apr 1	T & M
SYKORA Group, e.g. Germany, Czech republic	51 -> 100%	Telco network information and support			Aug 1	T & M
Ki Consulting & Solutions AB, Sweden	100%	IT and telecom consulting	MEUR 90	770	Jan 2, 2004	T & M
Inveos AG, Germany	95.5%	IT and consulting for banking and insurance sector	MEUR 17.5	120	Dec 31	B & F
<b>ACQUISITIONS/ BUSINESS ACTIVITIES</b>						
KPMG Consulting AS, Norway		IT-consulting, systems integration and application management		35	Jul 1	P & H
MOPS Systems, Sweden and Canada		IT solutions for pulp and paper industry	MEUR 4	40	Oct 1	P & L
Database Design AS, Norway		IT products for healthcare sector		3	Sep 1	P & H
Energy business of OMHEX, Sweden, Denmark, Norway		Customer information system		45	Feb 1, 2004	P & L
<b>OUTSOURCINGS/JOINT VENTURES</b>						
YLE, Finnish Broadcasting Company, Finland	80	System development and operating services	MEUR 12	88	Jan 1	P & N (2/3) T & M (1/3)
<b>OUTSOURCINGS/ BUSINESS ACTIVITIES</b>						
Sydskraft ServicePartner AB, Sweden		Payroll and personnel administration	MEUR 2.6 in 3 years	11	Mar 1	RM
TeliaSonera Sweden, Sweden		Mainframe data processing	MEUR 24	84	Aug 1	P & N
Siemens Osakeyhtiö, Finland		Software development for mobile networks	MEUR 2	25	Sep 1	T & M
SaabTech, Sweden		IT operations, administration and user support		9	Oct 14	P & N

## OTHER CHANGES

Softema Oy has been liquidated in 2003 and the merger of TietoEnator Financial Solutions Oy into TietoEnator Corporation is in progress in January 2004.

### Profitability

Operating profit before amortisation of goodwill (EBITA) increased by 10% to EUR 143.3 million (130.0) corresponding to a margin of 10.4% (10.2). Operating profit after goodwill amortisation (EBIT) increased to EUR 102.7 million (99.8), representing a margin of 7.5% (7.9).

Operating profit was relatively flat for the first half of 2003 compared with 2002, but started to improve during the latter part of the year. The improvement was mainly due to a lower cost base resulting from the efficiency improvements executed during the second half of 2002 and first half of 2003. During the fourth quarter, somewhat higher than expected licence sales especially in Public & Healthcare and Resource Management, and better utilization in some of the units in Telecom & Media, contributed to the positive margin development.

The positive development in profitability was also supported by decreased pension costs in Finland, which were EUR 9 million lower for the year 2003 compared with 2002.

Personnel costs related to employees subject to the notice period was higher than in previous years and amounted to somewhat over EUR 20 million for the year 2003.

Earnings per share excluding goodwill amortisation were EUR 1.28 (1.14), and after goodwill amortisation EUR 0.79 (0.77).

The return on capital employed (ROCE) was 23.1% (23.0) and return on equity was 14.1% (13.7).

### Financing and investments

Cash flow from operations totalled EUR 170.6 (75.1) million for the year 2003. Cash used for capital expenditures amounted to EUR 47.7 (51.4) and for acquisitions to EUR 26.5 (180.1) million. In total, cash used for investing activities was EUR 72.9 (235.2) million. Paid dividend amounted to EUR 42.5 (83.3) million and financing activities used EUR 62.3 million of cash as the company repaid short-term debt in 2003. The substantial cash flow improvement was due to higher profitability, lower tax payments and lower investment activity than in 2002.

At the close of the period the balance sheet totalled EUR 807.7 (845.0) million, which is 4% lower than at the end of 2002.

The equity ratio was 60.8% (55.5) and gearing 1.4% (13.6). At the end of the year interest-bearing loans totalled EUR 21.5 million. Cash and cash equivalents amounted to EUR 45.3 (54.5) million and in addition the Group had credit facilities totalling close to EUR 400 million.

Total investments made in 2003 amounted to EUR 61.6 (282.9) million. Direct capital expenditure on fixed assets, including new finance lease agreements, totalled EUR 48.5 (63.5) million. Investments in goodwill from business activities amounted to EUR 4.5 (108.4) million, and in shares of subsidiaries and associated companies to EUR 7.4 (113.3) million.

The EUR 72 million purchase price for Ki Consulting was paid in January 2004, and the company used EUR 50 million of the short-term credit facility to finance the payment.

### Personnel

The Group had 11 680 (11 991) million full-time employees at the end of the year and 11 836 (11 153) on average. Employee turnover stayed low at 5% (6). Net recruitment was on a modest level, in total 550 (822) new employees were hired. Including acquisitions, divestments and leaves the net change was -292, mainly as a result of the personnel adjustments made during the year, affecting altogether approximately 450 employees.

### Development

As the Group's structure continues to evolve, development during the year focused on both business operations and internal efficiency. TietoEnator will further enhance its efficiency and competitiveness by harmonising working practices, applying the latest technology and tools based on best practices, and unifying the company's own IT infrastructure.

A development project of crucial importance during the year was CAMP (Core Application Modernisation Partnership), a business model based on TietoEnator's customer and sector expertise. Building on the company's wealth of expertise accumulated from the renewal of information systems, operating models and IT organisations, CAMP combines the company's partnership services, with their emphasis on wide-ranging responsibility, and the company's

specialised solutions for specific business sectors into a new form of solutions partnership.

Also important was a Group-wide project aimed at digitalising customer businesses and analysing their business benefits. The idea is to combine TietoEnator's own expertise with that of its technology partners, turning this into a framework for sellable digitalised self-service solutions. With this in mind, the company decided in early 2004 to concentrate its digital expertise into a new unit called Digital Innovations. This unit will exploit intra-Group synergies and accelerate the product packaging and integration processes of its key digitalised self-service innovations.

TietoEnator further pursued its 'Building the TE Way to Growth and Internationalisation' training for top management with IMD, Switzerland. A new training scheme for middle management called 'Building Excellence in TietoEnator' was started with IFL, Sweden.

Further details on the Group's development projects are given in the *Intellectual Capital* section of the Business Review 2003.

### International Financial Reporting Standards (IFRS)

The European Union will require all listed companies in the EU to prepare their consolidated financial statements according to International Accounting Standards (IAS) or the more recent International Financial Reporting Standards (IFRS) at the beginning of 2005. TietoEnator intends to publish the interim report for Q1 2005 according to IAS/IFRS instead of Finnish Accounting Standards (FAS). All accounting processes in the entire Group will be changed to IAS/IFRS. TietoEnator started a project preparing for the adoption of IAS/IFRS in August 2001. Since then IAS/IFRS standards have been analysed and TietoEnator employees have been educated about the coming changes in several training seminars. During autumn 2003 the project concentrated on developing an internal IAS/IFRS accounting manual, additional training seminars and assessing the biggest impact areas of IAS/IFRS adoption. During 2004 the preparations for the transition will be finalised. The impact of IAS/IFRS adoption varies from company to company and

# Report by the Board of Directors

<b>Net sales by business area, EUR million</b>	<b>2003</b>	<b>2002</b>	<b>Change</b>
	<b>1-12</b>	<b>1-12</b>	<b>%</b>
Banking & Finance	189	201	-6
Telecom & Media	274	184	49
Public & Healthcare	207	202	2
Production & Logistics	242	230	5
Processing & Network	395	371	6
Resource Management	151	159	-5
Group elimination incl. other	-84	-76	
	<b>1 374</b>	<b>1 271</b>	<b>8</b>

<b>Operating profit, EUR million</b>	<b>2003</b>	<b>2002</b>	<b>Change</b>
	<b>1-12</b>	<b>1-12</b>	<b>%</b>
Banking & Finance	20.8	20.8	0
Telecom & Media	33.0	17.1	93
Public & Healthcare	18.6	21.7	-14
Production & Logistics	27.2	25.1	9
Processing & Network	44.0	41.8	5
Resource Management	11.3	17.8	-37
Business areas	154.9	144.3	7
Group function incl. other	-12.7	-15.0	
Associated companies outside BA	1.2	0.7	
<b>Operating profit (EBITA) before goodwill amortisation and social costs on personnel warrants</b>	<b>143.4</b>	<b>130.0</b>	<b>10</b>
Social costs on personnel warrants	-0.1	0.0	
<b>Operating profit (EBITA) before goodwill amortisation</b>	<b>143.3</b>	<b>130.0</b>	<b>10</b>
Amortisation of goodwill	-40.6	-30.2	
<b>Operating profit (EBIT)</b>	<b>102.7</b>	<b>99.8</b>	<b>3</b>

<b>Operating margin, %</b>	<b>2003</b>	<b>2002</b>	<b>Change</b>
	<b>1-12</b>	<b>1-12</b>	
Banking & Finance	11.0	10.4	0.6
Telecom & Media	12.0	9.3	2.7
Public & Healthcare	9.0	10.8	-1.7
Production & Logistics	11.3	10.9	0.4
Processing & Network	11.2	11.3	-0.1
Resource Management	7.5	11.2	-3.8
<b>Business areas</b>	<b>11.3</b>	<b>11.4</b>	<b>-0.1</b>
<b>Operating margin (EBITA) before goodwill amortisation and social costs on personnel warrants</b>	<b>10.4</b>	<b>10.2</b>	<b>0.2</b>
<b>Operating margin (EBITA) before goodwill amortisation</b>	<b>10.4</b>	<b>10.2</b>	<b>0.2</b>
<b>Operating margin (EBIT)</b>	<b>7.5</b>	<b>7.9</b>	<b>-0.4</b>



Net sales by country, EUR million	2003	change	share	2002	change
	1-12	%	%	1-12	%
Finland	761	5	55	728	14
Sweden	395	20	29	329	4
Norway	83	-9	6	91	12
Denmark	37	16	3	32	6
Germany	25	-1	2	25	5
USA	18	>100	1	8	>100
Great Britain	8	-47	1	15	>100
Other	47	8	3	43	17
	<b>1 374</b>	<b>8</b>	<b>100</b>	<b>1 271</b>	<b>12</b>

Net sales by industry segment, EUR million	2003	change	share	2002	change
	1-12	%	%	1-12	%
Banking and finance	256	-4	19	266	22
Public	294	-2	21	301	8
Telecom and media	305	62	22	189	11
Forest	94	21	7	78	6
Energy	68	8	5	63	26
Manufacturing	93	-17	7	111	10
Retail	117	2	8	115	32
Logistics	35	-12	3	40	-24
Non-allocated	112	4	8	108	7
	<b>1 374</b>	<b>8</b>	<b>100</b>	<b>1 271</b>	<b>12</b>

The industry segment figures for the associated companies under TietoEnator's management responsibility are reported according to our holding.

Personnel	End of period			Average		
	2003	change	share	2002	2003	2002
By business area	1-12	%	%	1-12	1-12	1-12
Banking & Finance	1 658	-9	14	1 825	1 744	1 842
Telecom & Media	2 657	1	23	2 635	2 659	1 854
Public & Healthcare	1 753	-1	15	1 773	1 767	1 716
Production & Logistics	2 038	-4	17	2 134	2 041	2 079
Processing & Network	2 318	3	20	2 253	2 312	2 252
Resource Management	1 173	-9	10	1 295	1 234	1 331
Group function incl. other	83	-	1	77	80	80
	<b>11 680</b>	<b>-3</b>	<b>100</b>	<b>11 991</b>	<b>11 836</b>	<b>11 153</b>
By country	2003	change	share	2002	2003	2002
	1-12	%	%	1-12	1-12	1-12
Finland	6 299	0	54	6 323	6 390	6 284
Sweden	3 290	-6	28	3 490	3 330	2 949
Norway	874	-7	8	941	896	904
Denmark	300	2	3	293	308	280
Germany	264	-3	2	272	265	258
Czech	159	-16	1	189	173	122
Latvia	121	-1	1	122	124	129
USA	98	-20	1	123	104	46
Other	275	16	2	238	247	181
	<b>11 680</b>	<b>-3</b>	<b>100</b>	<b>11 991</b>	<b>11 836</b>	<b>11 153</b>

The personnel figures for the associated companies under TietoEnator's management responsibility are from 2003 reported according to our holding. Personnel figures including these associated companies to 100% give a total of 12 104 (12 418) at the end of period.

differences to FAS will concern recognition and valuation of assets and liabilities and may lead to an overall increase in the volatility of profits. For TietoEnator the areas of major impact and key differences from IAS/IFRS adoption are:

- **Business combinations**  
Determination of acquisition cost at fair value and allocation of the cost to net identifiable assets of the acquiree
- **Accounting for goodwill**  
No amortisation according to plan, but regular impairment testing and recognition of impairment losses (according to standard expected to be issued during the first quarter 2004)
- **Financial instruments**  
Accounting for derivative financial instruments including embedded derivatives
- **Employee benefits**  
Accounting for pension obligation related to defined benefit pension plans

#### **Change of management**

In preparation for tighter international growth TietoEnator's Board of Directors decided to renew the company's management team and strengthen its corporate management from 1 January 2004. Pentti Heikkinen was appointed Chief Operating Officer of TietoEnator and Ari Vanhanen was appointed the new President of business area Telecom & Media. Veli Pohjolainen will assume responsibility for the company's business strategy and international support, while Jukka Rosenberg was appointed the new President of the business area Banking & Finance. Martin Nyman was appointed Senior Vice President, Marketing and Corporate Communication. Päivi Lindqvist was appointed Senior Vice President Investor Relations and Financial Communication. Matti Lehti, President and CEO, will be the chairman of an Executive Committee comprising Pentti Heikkinen, Åke Plyhm and Veli Pohjolainen.

In September 2003 Timo Salmela was appointed Chief Financial Officer.

Pekka Viljakainen was appointed Senior Vice President of the new unit Digital Innovations in February 2004.

#### **Dividend proposal**

The Board of Directors is proposing a dividend of EUR 0.50 per share. In the previous year the dividend was EUR 0.50.

#### **Prospects for 2004**

The ongoing digitalisation and awakening economic recovery are two main factors affecting demand for IT services in 2004. The expanding digital production and distribution in all sectors is giving IT investments a greater share of total investments. The economic recovery is gradually boosting investments and releasing pent-up demand. A shift from short-term cost-centric productivity investments to longer term development investments is taking place in the market.

TietoEnator expects that improvement in market conditions will have a gradual impact in 2004. In the first quarter, sales are forecast to grow 6–9% compared with the first quarter of 2003. Full-year sales growth is expected to exceed last year's level (8%), without taking into account the effect of potential new acquisitions or major new partnership contracts.

The first quarter 2004 EBITA margin is expected to range between 9-10%. The full-year EBITA margin is expected to exceed 10%.

The planned annual goodwill amortisation for all transactions closed or announced is calculated to be EUR 48 million.

The full-year cash flow from operations is expected to continue strong whereas cash used in investment activities will be higher than in 2003.

# Financial Figures

Five-Year Figures	2003	2002	2001	2000	1999
Net sales, MEUR	<b>1 374.3</b>	1 271.1	1 135.2	1 119.9	1 229.1
Operating profit (EBIT), MEUR	<b>102.7</b>	99.8	251.8	103.5	107.7
Operating margin, %	<b>7.5</b>	7.9	22.2	9.2	8.8
Profit before extraordinary items and taxes, MEUR	<b>100.6</b>	100.4	258.0	106.9	109.3
as % of net sales	<b>7.3</b>	7.9	22.7	9.5	8.9
Total assets, MEUR	<b>807.7</b>	845.0	801.2	632.0	702.6
Return on equity, %	<b>14.1</b>	13.7	47.1	19.6	21.2
Return on capital employed, %	<b>23.1</b>	23.0	59.9	27.7 *)	29.5
Equity ratio, %	<b>60.8</b>	55.5	61.9	57.5	52.8
Investments, MEUR	<b>61.6</b>	282.9	125.2	82.0	102.8
as % of net sales	<b>4.5</b>	22.3	11.0	7.3	8.3
Average number of employees	<b>11 836</b>	11 153	9 739	9 623	10 756
Personnel on 31 December	<b>11 680</b>	11 991	10 275	9 721	10 796

Key Figures by Quarter	2003	2003	2003	2003	2003	2002	2002	2002	2002	2002
	1-3	4-6	7-9	10-12	<b>1-12</b>	1-3	4-6	7-9	10-12	1-12
Net sales, MEUR	352.0	341.6	305.4	375.3	<b>1 374.3</b>	310.1	317.7	285.1	358.2	1 271.1
Operating profit (EBIT), MEUR	23.3	19.3	25.7	34.4	<b>102.7</b>	29.4	21.6	19.9	28.9	99.8
Net financial items, MEUR	-0.4	-1.0	-0.7	0.0	<b>-2.1</b>	1.7	0.5	-1.2	-0.4	0.6
Profit before taxes, MEUR	22.9	18.3	25.0	34.4	<b>100.6</b>	31.1	22.1	18.7	28.5	100.4
Earnings per share, EUR	0.17	0.13	0.18	0.30	<b>0.79</b>	0.25	0.16	0.13	0.23	0.77
Earnings per share excl. amortisation of goodwill, EUR	0.29	0.25	0.30	0.43	<b>1.28</b>	0.31	0.24	0.22	0.36	1.14
Equity per share, EUR	5.64	5.30	5.47	5.74	<b>5.74</b>	6.07	5.20	5.33	5.53	5.53
Equity ratio, %	55.1	57.6	60.9	60.8	<b>60.8</b>	62.3	61.0	57.7	55.5	55.5
Interest-bearing net debt, MEUR	23.4	44.7	46.7	-16.7	<b>-16.7</b>	-168.4	-46.1	14.0	42.8	42.8
Gearing, %	10.6	17.5	17.0	1.4	<b>1.4</b>	-27.9	-4.6	8.9	13.6	13.6
Investments, MEUR	19.4	16.4	8.9	16.9	<b>61.6</b>	87.1	53.1	64.2	78.5	282.9
Personnel at end of period	11 947	11 829	11 726	11 680	<b>11 680</b>	10 689	11 117	11 158	11 991	11 991
Personnel on average	12 000	11 876	11 761	11 707	<b>11 836</b>	10 706	11 051	11 093	11 761	11 153
Per employee, EUR 1000										
Net sales	29.3	28.8	25.9	32.1	<b>116.1</b>	29.0	28.7	25.7	30.5	114.0
Personnel expenses a)	16.1	15.8	13.1	16.2	<b>61.2</b>	15.3	15.5	13.1	16.2	60.2
Operating profit before the amortisation of goodwill and social costs on personnel warrants	2.8	2.4	3.1	3.8	<b>12.1</b>	3.2	2.6	2.5	3.4	11.7

a) Includes salaries, pension costs and other pay-related social costs, but excludes social costs on personnel warrants.

Calculation of key figures, see page 29.

# Income Statements

EUR 1 000	Note	CONSOLIDATED		PARENT COMPANY	
		1 Jan-31 Dec2003	1 Jan-31 Dec2002	1 Jan-31 Dec2003	1 Jan-31 Dec2002
<b>Net sales</b>		<b>1 374 252</b>	1 271 118	<b>559 065</b>	516 197
Other operating income	1	<b>3 028</b>	7 103	<b>2 227</b>	6 527
Cost of sales		<b>169 155</b>	182 185	<b>50 997</b>	48 987
Personnel expenses	2,3	<b>723 947</b>	671 028	<b>259 991</b>	241 927
Depreciation	7,8	<b>61 312</b>	56 266	<b>29 022</b>	26 650
Amortisation of goodwill	7	<b>40 577</b>	30 180	<b>11 794</b>	5 969
Other operating expenses		<b>281 234</b>	239 384	<b>134 441</b>	135 092
Share of associated companies' results		<b>1 641</b>	657	-	-
<b>Operating profit</b>		<b>102 696</b>	99 835	<b>75 047</b>	64 099
<b>Financial income and expenses</b>	4	<b>-2 164</b>	597	<b>69 014</b>	82 759
<b>Profit before extraordinary items, appropriations and taxes</b>		<b>100 532</b>	100 432	<b>144 061</b>	146 858
Extraordinary items	5	-	-	-	13 500
Change in depreciation difference		-	-	-	-
Direct taxes	6	<b>-34 009</b>	-35 240	<b>-31 173</b>	-30 612
Minority interests		<b>-1 156</b>	-1 281	-	-
<b>Net profit</b>		<b>65 367</b>	63 911	<b>112 888</b>	129 746

### Comments on the Income Statement

Net sales increased by 8%. Organic growth totalled 6%, which also includes new outsourcing and partnership agreements even though in some cases they involve the purchase of share capital or business operations. In terms of local currencies net sales grew by 9%.

Other operating income consists mainly of rental income and gains on the sale of fixed assets.

Personnel expenses increased by 8% and represented 52.7% (52.8%) of net sales. Financial performance based bonuses totalled EUR 13.9 (18.4) million. The overall pay-related pension charge was some 2 percentage points lower in Finland than in 2002, mainly due to the positive development of asset values in TietoEnator's own Finnish pension funds. This reduced total pension costs by EUR 9 million compared to 2002. Personnel expenses include a EUR

0.1 million increase of the provision for social costs related to TietoEnator's personnel warrants. The average number of employees during the year totalled 11,836 (11,153). The average salary of IT consultants and other similar employees grew by 3-4% in Finland and 0-3% in Sweden.

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

Operating profit before goodwill amortisation (EBITA) totalled EUR 143.3 (130.0) million, corresponding to an operating margin of 10.4% (10.2%).

Goodwill amortisation increased mainly as a result of acquisitions and outsourcing deals concluded during 2002. The estimated goodwill amortisation for 2004 will be EUR

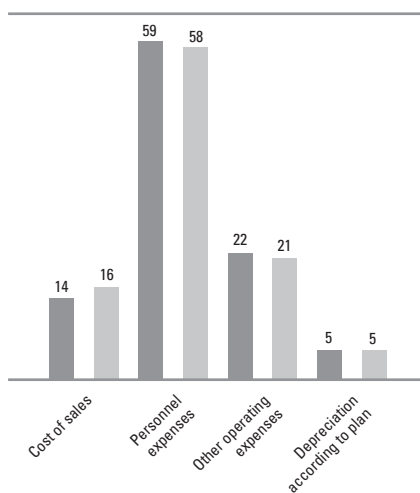
48 million, including transactions closed at the beginning of 2004.

Operating profit after goodwill amortisation (EBIT) came in at EUR 102.7 (99.8) million, corresponding to an operating margin of 7.5% (7.9%).

Net financial income and expenses decreased in comparison to last year due to a change in net cash. The balance sheet net cash position was EUR 16.7 million, compared to a net debt position of EUR 42.8 million in 2002.

The reported tax expenses include EUR 36.6 million payable on the taxable profit for the year. EUR 0.6 million is related to taxes for prior years, and EUR 3.2 million relates to a change in deferred taxes. The 2003 statutory tax rate was 29% in Finland and 28% in Sweden. The effective tax rate at the consolidated Group level was 34%, or 28% when non-deductible goodwill amortisation is taken into account.

Cost structure, %



# Balance Sheets

EUR 1 000	Note	CONSOLIDATED		PARENT COMPANY	
		31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets	7	257 536	288 864	75 701	38 715
Tangible assets	8	145 925	162 117	80 561	85 388
Financial investments	9,10	27 722	25 118	1 171 873	1 168 648
<b>Total fixed assets</b>		<b>431 183</b>	<b>476 099</b>	<b>1 328 135</b>	<b>1 292 751</b>
<b>Current assets</b>					
Inventories		332	905	-	-
Long-term receivables	11,13,19				
Loan receivables		2 107	2 796	33 456	40 143
Deferred tax assets		13 560	7 577	-	-
Prepaid expenses and accrued income		1 443	5 468	-	7
		<b>17 110</b>	<b>15 841</b>	<b>33 456</b>	<b>40 150</b>
Current receivables	12,13				
Accounts receivable		225 037	211 182	79 060	72 424
Loan receivables		457	646	84 436	75 558
Other receivables		3 694	4 023	-	-
Group contributions receivable		-	-	-	13 500
Prepaid expenses and accrued income		84 590	81 811	44 116	84 896
		<b>313 778</b>	<b>297 662</b>	<b>207 612</b>	<b>246 378</b>
Marketable securities		-	-	-	-
Cash and cash equivalents		45 286	54 459	20 192	26 722
<b>Total current assets</b>		<b>376 506</b>	<b>368 867</b>	<b>261 260</b>	<b>313 250</b>
		<b>807 689</b>	<b>844 966</b>	<b>1 589 395</b>	<b>1 606 001</b>

## Comments on the Balance Sheet / Assets

Total assets decreased by 4% from EUR 845.0 million to EUR 807.7 million.

Acquisitions increased goodwill by EUR 12.2 million, and partnership and asset deals by EUR 4.5 million. Direct capital expenditures on fixed assets, including new finance lease agreements, totalled EUR 48.5 million. Prepaid expenses recorded under current receivables include a corporate tax receivable of EUR 2.3 million (23.9).

## Distribution of total assets 31 Dec

	2003	2002
Marketable securities and cash	5.6%	6.4%
Real estate	8.3%	8.5%
Other tangible assets	9.8%	10.7%
Shares in associated companies	3.4%	2.8%
Goodwill	28.9%	31.4%
Others	3.0%	3.0%
Other current assets	41.0%	37.2%
Total	100.0%	100.0%

EUR 1 000	Note	CONSOLIDATED		PARENT COMPANY	
		31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>	14				
Share capital		82 886	82 886	82 886	82 886
Share issue premiums		6 075	6 075	910 083	910 083
Other reserves		61 559	61 496	-	-
Retained earnings		259 518	244 142	303 921	215 688
Net profit for the current year		65 367	63 911	112 888	129 746
		<b>475 405</b>	<b>458 510</b>	<b>1 409 778</b>	<b>1 338 403</b>
<b>Minority interests</b>		<b>3 605</b>	<b>3 602</b>	<b>-</b>	<b>-</b>
<b>Accumulated appropriations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions for liabilities and charges</b>	15	<b>765</b>	<b>362</b>	<b>765</b>	<b>359</b>
<b>Liabilities</b>	16,18,19				
Non-current liabilities					
Bonds		-	2 035	-	2 035
Loans from financial institutions		-	150	-	-
Loans from pension plans		-	-	-	-
Deferred tax liability		3 109	3 120	-	-
Other non-current liabilities		11 004	19 243	-	-
Accrued liabilities and deferred income		2 556	4 031	-	-
		<b>16 669</b>	<b>28 579</b>	<b>-</b>	<b>2 035</b>
Current liabilities					
Loans from financial institutions	17,18	20 542	347	20 000	-
Advances received		20 210	12 200	604	549
Accounts payable		46 464	38 105	17 947	12 972
Other current liabilities		45 315	124 074	62 129	194 350
Accrued liabilities and deferred income		178 714	179 187	78 172	57 333
		<b>311 245</b>	<b>353 913</b>	<b>178 852</b>	<b>265 204</b>
<b>Total liabilities</b>		<b>327 914</b>	<b>382 492</b>	<b>178 852</b>	<b>267 239</b>
		<b>807 689</b>	<b>844 966</b>	<b>1 589 395</b>	<b>1 606 001</b>

### Comments on the Balance Sheet / Shareholders' equity and liabilities

The total amount of shareholders' equity increased by EUR 16.9 million. The net profit for the year increased shareholders' equity by EUR 65.4 million, while dividends reduced it by EUR 41.5 million.

Interest-bearing liabilities totalled EUR 31.9 million and consisted of a credit facility balance of EUR 20.5 million and a lease liability of EUR 10.4.

EUR 130 million of TietoEnator's 364-day credit facility remained unused, together with uncommitted credit lines of EUR 13 million and commercial paper programmes for EUR 250 million.

### Distribution of total shareholders' equity and liabilities 31 Dec

	2003	2002
Share capital	10.3%	9.8%
Other shareholders' equity	48.6%	44.5%
Minority interests	0.4%	0.4%
Interest-bearing liabilities	4.0%	12.5%
Non-interest bearing debt	36.7%	32.8%
Total	100.0%	100.0%

# Statement of Cash Flows

	CONSOLIDATED		PARENT COMPANY	
	1 Jan-31 Dec2003 EUR 1000	1 Jan-31 Dec2002 EUR 1000	1 Jan-31 Dec2003 EUR 1000	1 Jan-31 Dec2002 EUR 1000
<b>Cash flow from operations</b>				
Operating profit	102 696	99 835	75 047	64 099
Adjustments to operating profit				
Depreciation and amortisation of goodwill	90 163	77 023	37 408	32 118
Profit/loss on sale of fixed assets and shares	-567	-4 995	38	53
Share of associated companies' result	-6 147	-6 726	-	-
Other adjustments	811	-364	4 560	-3 459
Change in net working capital	5 745	-15 622	-3 509	16 201
Cash generated from operations	192 701	149 151	113 544	109 012
Net financial items	-2 708	1 480	-25 089	-159
Income taxes paid	-19 410	-75 485	-13 202	-48 560
<b>Net cash flow from operations</b>	<b>170 583</b>	<b>75 146</b>	<b>75 253</b>	<b>60 293</b>
<b>Cash flow from investing activities</b>				
Acquisition of Group companies and business operations, net of cash acquired	-26 510	-164 894	-79 291	-103 358
Investments in other shares	-12	-14 991	-8	-14 757
Redemption of Enator and Entra minority interests	-	-15 190	-	-15 190
Capital expenditures	-47 648	-51 374	-31 470	-40 539
Divested Group companies, net of cash divested	-	958	-	-
Sale of other shares	177	189	-	-
Sale of fixed assets	1 157	10 143	2 922	77
<b>Net cash used in investing activities</b>	<b>-72 836</b>	<b>-235 159</b>	<b>-107 847</b>	<b>-173 767</b>
<b>Cash flow from financing activities</b>				
Change in long-term debt	-2 075	-1 845	-2 035	-1 793
Change in short-term debt	-61 379	82 063	-63 752	83 752
Change in long-term loan receivables	689	-518	6 698	-22 516
Change in short-term loan receivables	189	626	11 742	-74 391
Dividends and donations	-42 518	-83 325	-41 512	-82 651
Shares issued and options exercised	-	1 400	-	1 400
Dividends and group contributions received	263	175	103 507	78 370
<b>Net cash used in financing activities</b>	<b>-104 831</b>	<b>-1 424</b>	<b>14 648</b>	<b>-17 829</b>
<b>Change in cash and cash equivalents</b>	<b>-7 084</b>	<b>-161 437</b>	<b>-17 946</b>	<b>-131 303</b>
Cash and cash equivalents on 1 January	-54 459	-214 764	-26 722	-158 024
Cash and cash equivalents from mergers	-	-	-11 416	-1
Foreign exchange differences	2 089	-1 132	-	-
Cash and cash equivalents on 31 December	45 286	54 459	20 192	26 722
	-7 084	-161 437	-17 946	-131 303



# Notes to the Financial Statements

## ACCOUNTING PRINCIPLES

### Consolidated financial statements

The consolidated financial statements of TietoEnator include the parent company, TietoEnator Corporation, and all subsidiaries over which the parent company exercises direct or indirect control as defined under Finnish Accounting Standards (FAS).

Companies acquired during the year have been consolidated as of their date of acquisition and divested companies up to their date of divestiture.

Subsidiaries are consolidated in accordance with the purchase method or pooling of interests method under FAS, as applicable. Consolidation differences arising from the elimination of intra-group shareholdings are reported as goodwill or adjustments to consolidated equity. The acquired equity of subsidiaries is adjusted for appropriations, net of deferred taxes.

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

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

Intra-group receivables, payables and transactions, including dividends and internal margins, are eliminated in consolidation.

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

Deferred tax items related to accumulated appropriations, temporary differences and tax losses have been recognised in the consolidated financial statements. Changes in deferred tax assets and liabilities are included in the taxes for the period.

Minority interests are separated from consolidated shareholders' equity, appropriations and profits, and are shown as a separate item.

### Non-euro items

Non-euro transactions are recorded at the exchange rate prevailing on the transaction date. Year-end non-euro assets and liabilities are valued at the applicable mid-market exchange rates in effect on the balance sheet date. Foreign exchange exposures are hedged using derivatives contracts. The income statements of foreign subsidiaries are translated into euros using average annual rates calculated on the basis of quoted mid-market rates at the end of each month. Balance sheets are translated using the applicable mid-market rates on the balance sheet date.

Translation differences arising from the consolidation of foreign subsidiaries are reported as adjustments to consolidated equity under retained earnings.

Foreign exchange gains and losses on net financial liabilities are reported in the income statement under financial items, while other foreign exchange gains and losses are included in operating profit. Exchange rate differences on hedged items are adjusted for valuation differences on related derivatives contracts.

### Revenue recognition

The Group earns revenue from the rendering of IT services and the sale of software packages. Services include the development of customised software solutions, maintenance of software solutions, and processing and network services. Revenue from the development of customised software solutions is recognised based on the stage of completion of each project. Maintenance fees are recognised as revenue over the contract period, and fees from processing and network services upon the rendering of services. Revenue from the sale of software packages is recognised upon delivery. Project losses are provided when losses are identified and amounts can be reliably estimated.

### Pension arrangements

The Group operates a number of pension plans that are based on national requirements and practises. In Finland pension obligations are administered both through

pension insurance companies and TietoEnator's own pension trust and pension fund. All pension liabilities are fully covered.

In Sweden pension obligations are handled both through pension insurance companies and pension provisions.

### Research and development

Research and development costs are expensed as incurred.

### Extraordinary items

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

### Valuation of fixed assets

Fixed assets are carried at cost less accumulated depreciation and amortisation. Depreciation and amortisation are charged on a straight-line basis over the estimated useful lives of assets.

The Group applies the following useful lives:

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

The useful life of goodwill is separately established in connection with each acquisition. Goodwill arising from operational acquisitions is amortised over a period of up to 10 years. Goodwill arising from strategic acquisitions is amortised over a period of up to 20 years.

Losses on the sale of fixed assets are entered as increases in depreciation, while gains on sale are recorded as other operating income.

### Lease

Lease agreements have been classified in accordance with FAS as finance or operating leases. Significant assets procured under finance lease agreements have been capitalised as fixed assets. Related annual rentals have been reflected as depreciation and interest expenses on the income statement.

# Notes to the Financial Statements

## DIFFERENCES BETWEEN FINNISH AND SWEDISH ACCOUNTING STANDARDS

Finnish and Swedish accounting standards differ with respect to acquisition and pooling of interests accounting. These differences relate to the application of the purchase method to share exchange transactions and the pooling method to the uniting of interests. In 2000 TietoEnator Corporation entered into share exchange transactions that under Swedish accounting standards would have resulted in additional goodwill. With an estimated useful life of 10 years, total amortisation for the year would have been EUR 31 million, and the unamortised balance at 31 December 2003 EUR 197 million.

Goodwill arising from the combination of Tieto and Enator in 1999 has been adjusted for disposals and items affecting the acquired equity. With an estimated useful life of 20 years, the annual goodwill amortisation would have been EUR 30 million for 2003, and the unamortised balance would have been EUR 467 million at 31 December 2003.

This annual amortisation would have affected earnings per share by EUR 0,74.

TietoEnator has consolidated the associated companies in which it has management responsibility item for item in the income statement in proportion to its holdings. In the balance sheet these items are included as a one-line consolidation item.

This consolidation method is not recognised under Swedish accounting standards, which require the use of the equity method. The consolidation method applied affects the classification of the income statement, but has no effect on net profit.

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002

A breakdown of net sales is presented in the Report of the Board of Directors

### 1. OTHER OPERATING INCOME

Gain on sale of fixed assets	208	2 136	38	27
Gain on sale of shares	5	806	29	420
Rental income	1 524	2 106	2 091	2 780
Merger gains	-	-	-	3 087
Alecta surplus	285	61	-	-
Other income	1 006	1 994	69	213
	<b>3 028</b>	<b>7 103</b>	<b>2 227</b>	<b>6 527</b>

### 2. PERSONNEL EXPENSES

Payroll	555 412	513 068	213 890	194 194
Pension expenses	75 164	74 976	33 738	35 445
Social costs for personnel warrants	122	-38	3	-79
Other pay-related statutory social costs	93 249	83 022	12 360	12 367
	<b>723 947</b>	<b>671 028</b>	<b>259 991</b>	<b>241 927</b>

Other operating expenses include rental payments on company cars and non-statutory employee benefits, such as meals, healthcare and leisure time activities.

The parent company had an average of 5 077 employees during 2003 and 4 590 employees in 2002.

### 3. MANAGEMENT REMUNERATION

#### Board of Directors

Chairman	EUR 46 800 cash compensation
Deputy Chairman	EUR 33 900
Members	EUR 77 100
Board compensation in total	EUR 157 800

#### President and CEO

Salary and benefits	EUR 346 008
Bonus	EUR 42 949 (2002 EUR 14 501)
Basis of bonus	Annual bonus mostly dependent on consolidated profit performance; capped at 50% of salary excluding benefits.
Options and warrants	2000 warrant programme: right to subscribe to 30 000 shares 2002 option programme: right to subscribe to 17 000 shares
Retirement age	60
Pension	60% of salary and benefits
Notice period	12 months
Severance payment	none

#### Group Management Team Including President and CEO

Total salaries and benefits	EUR 2 297 147
Total bonuses	EUR 215 595 (2002 EUR 159 192)
Basis of bonus	Reward factors based on a Balanced Scorecard. The relative weight of the reward factors is decided each year. Only improvement is rewarded.
Options and warrants	1998 warrant programme: right to subscribe to 2 460 shares 1999 warrant programme: right to subscribe to 4 050 shares 2000 warrant programme: right to subscribe to 248 000 shares 2002 option programme: right to subscribe to 101 700 shares
Retirement age	varies between 60 and 65
Pension	varies between 60% and 65% for 9 GMT members one GMT member has a defined contribution plan with an annual premium of 35% of base salary one GMT member's pension arrangement is based on a standard Swedish ITP plan one GMT member's pension arrangement is based on a tailored ITP plan giving about 70% of salary for ages 62 - 65, and from 65 years about 30% more than the ITP plan for annual salary above EUR 130 000.
Notice period	varies between 3 and 12 months, except 24 months for one GMT member
Severance payment	0 for 7 GMT members 1 GMT member: 6 months' salary 2 GMT members: 12 months' salary if no other position within 12-month notice period 2 GMT members: 12 months' salary in case of more than 50% ownership change

There were no loans outstanding to Group management on 31 December 2003 or on 31 December 2002.

# Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>4. FINANCIAL INCOME AND EXPENSES</b>				
Income from securities and investments treated as equity				
Dividend income from Group companies	-	-	79 707	65 355
Dividend income from associated companies	-	-	10 272	7 959
Dividend income from other companies	56	55	28	26
	56	55	90 007	73 340
Avoir fiscal tax credits	80	64	6 169	5 563
	136	119	96 176	78 903
Income from securities and investments treated as non-current debt				
from Group companies	-	-	1 791	1 286
from associated companies	-	-	-	-
from other companies	12	385	6	9
	12	385	1 797	1 295
Other interest and financial income				
from Group companies	-	-	1 970	4 482
from associated companies	-	-	-	-
from other companies	21 498	24 086	19 098	20 474
	21 498	24 086	21 068	24 956
Investment write-downs	-	-	-27 686	-626
Interest and other financing expenses				
paid to Group companies	-	-	-1 854	-788
paid to associated companies	-	-	-	-
paid to other companies	-23 810	-23 993	-20 487	-20 981
	-23 810	-23 993	-50 027	-21 769
Total financial income and expenses	-2 164	597	69 014	82 759
<b>5. EXTRAORDINARY INCOME</b>				
Group contributions received	-	-	-	13 500
<b>6. DIRECT TAXES</b>				
On extraordinary items	-	-	-	3 915
On current income	36 609	35 238	31 148	26 261
On prior periods' income	575	4 164	25	436
Change in deferred tax asset/liability	-3 175	-4 162	-	-
	34 009	35 240	31 173	30 612

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>7. FIXED ASSETS, INTANGIBLE ASSETS</b>				
Intangible rights				
Acquisition cost, 1 Jan.	47 801	48 209	29 893	29 012
Increases	10 574	7 088	8 452	5 948
Decreases	-1 765	-7 496	-1 406	-5 067
Acquisition cost, 31 Dec.	56 610	47 801	36 939	29 893
Accumulated amortisation, 1 Jan.	32 492	31 765	17 027	17 062
Accumulated amortisation in changes	-123	-6 719	-918	-5 052
Amortisation for the period	7 531	7 446	6 125	5 017
Accumulated amortisation, 31 Dec.	39 900	32 492	22 234	17 027
Book value, 31 Dec.	16 710	15 309	14 705	12 866
Acquired goodwill				
Acquisition cost, 1 Jan.	146 230	45 766	50 253	44 436
Increases	2 254	106 845	47 570	5 817
Decreases	-5 036	-6 381	-	-
Acquisition cost, 31 Dec.	143 448	146 230	97 823	50 253
Accumulated amortisation, 1 Jan.	26 376	23 514	31 833	25 864
Accumulated amortisation in changes	-	-6 381	-	-
Amortisation for the period	17 724	9 243	11 794	5 969
Accumulated amortisation, 31 Dec.	44 100	26 376	43 627	31 833
Book value, 31 Dec.	99 348	119 854	54 196	18 420
Goodwill on consolidation				
Acquisition cost, 1 Jan.	210 268	133 460	-	-
Increases	12 179	82 112	-	-
Decreases	-7 231	-5 304	-	-
Acquisition cost, 31 Dec.	215 216	210 268	-	-
Accumulated amortisation, 1 Jan.	64 899	49 266	-	-
Accumulated amortisation in changes	-6 275	-5 304	-	-
Amortisation for the period	22 853	20 937	-	-
Accumulated amortisation, 31 Dec.	81 477	64 899	-	-
Book value, 31 Dec.	133 739	145 369	-	-
Other capitalised expenditures				
Acquisition cost, 1 Jan.	8 529	6 766	6 991	5 594
Increases	6 058	2 580	5 695	2 092
Decreases	-1 354	-817	-1 266	-695
Acquisition cost, 31 Dec.	13 233	8 529	11 420	6 991
Accumulated amortisation, 1 Jan.	4 581	4 072	3 925	3 622
Accumulated amortisation in changes	-580	-792	-598	-688
Amortisation for the period	1 504	1 301	1 293	991
Accumulated amortisation, 31 Dec.	5 505	4 581	4 620	3 925
Book value, 31 Dec.	7 728	3 948	6 800	3 066
Advance payments and work in progress				
Acquisition cost, 1 Jan.	4 384	85	4 363	42
Increases	-129	4 385	-	4 363
Transfers	-4 244	-86	-4 363	-42
Acquisition cost, 31 Dec.	11	4 384	0	4 363
Book value of intangible assets, 31 Dec. total	257 536	288 864	75 701	38 715

# Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>8. FIXED ASSETS, TANGIBLE ASSETS</b>				
Land				
Acquisition cost, 1 Jan.	8 700	8 711	5 947	5 947
Increases	0	24	-	-
Decreases	-5	-35	-	-
Acquisition cost and book value, 31 Dec.	8 695	8 700	5 947	5 947
Buildings and structures				
Acquisition cost, 1 Jan.	77 703	81 926	41 309	41 308
Increases	1 080	603	1 112	1
Decreases	-4 242	-4 826	-	-
Acquisition cost, 31 Dec.	74 541	77 703	42 421	41 309
Accumulated depreciation, 1 Jan.	14 522	12 660	8 619	7 426
Accumulated depreciation in decreases	-3	-544	-	-
Depreciation for the period	2 130	2 406	1 211	1 193
Accumulated depreciation, 31 Dec.	16 649	14 522	9 830	8 619
Book value, 31 Dec.	57 892	63 181	32 591	32 690
Machinery and equipment				
Acquisition cost, 1 Jan.	247 812	223 170	108 713	97 772
Increases	49 673	51 119	21 127	25 225
Decreases	-27 183	-26 477	-10 338	-14 284
Acquisition cost, 31 Dec.	270 302	247 812	119 502	108 713
Accumulated depreciation, 1 Jan.	161 740	143 730	63 140	57 533
Accumulated depreciation in decreases	-19 584	-25 750	-5 902	-13 797
Depreciation for the period	49 793	43 760	20 392	19 404
Accumulated depreciation, 31 Dec.	191 949	161 740	77 630	63 140
Book value, 31 Dec.	78 353	86 072	41 872	45 573
Other tangible assets				
Acquisition cost, 1 Jan.	5 935	4 688	313	299
Increases	171	1 534	3	14
Decreases	-2 249	-287	-	-
Acquisition cost, 31 Dec.	3 857	5 935	316	313
Accumulated depreciation, 1 Jan.	2 876	1 554	163	163
Accumulated depreciation in decreases	-352	-31	-	-
Depreciation for the period	348	1 353	1	-
Accumulated depreciation, 31 Dec.	2 872	2 876	164	163
Book value, 31 Dec.	985	3 059	152	150
Advance payments and work in progress				
Acquisition cost, 1 Jan.	1 105	1 462	1 028	1 374
Increases	-	1 180	83	-
Transfers	-1 105	-1 537	-1 112	-346
Acquisition cost, 31 Dec.	0	1 105	-1	1 028
Book value of tangible assets, total 31 Dec.	145 925	162 117	80 561	85 388

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>9. INVESTMENTS</b>				
Shares in Group companies				
Acquisition cost, 1 Jan.	-	-	<b>1 148 805</b>	992 603
Increases	-	-	<b>80 477</b>	162 206
Decreases	-	-	<b>-49 535</b>	-5 378
Acquisition cost, 31 Dec.	-	-	<b>1 179 747</b>	1 149 431
Investment write-downs	-	-	<b>-27 686</b>	-626
Book value, 31 Dec.	-	-	<b>1 152 061</b>	1 148 805
Shares in associated companies				
Acquisition cost, 1 Jan.	<b>23 748</b>	20 700	<b>18 718</b>	4 945
Increases	<b>1 880</b>	5 288	-	14 631
Decreases	<b>-57</b>	-2 240	<b>-34</b>	-858
Acquisition cost, 31 Dec.	<b>25 571</b>	23 748	<b>18 684</b>	18 718
Investment write-downs	-	-	-	-
Book value, 31 Dec.	<b>25 571</b>	23 748	<b>18 684</b>	18 718
Other shares and interests				
Acquisition cost, 1 Jan.	<b>1 393</b>	1 367	<b>1 125</b>	1 000
Increases	<b>881</b>	249	<b>28</b>	125
Decreases	<b>-100</b>	-223	<b>-25</b>	-
Acquisition cost, 31 Dec.	<b>2 174</b>	1 393	<b>1 128</b>	1 125
Investment write-downs	<b>-23</b>	-23	-	-
Book value, 31 Dec.	<b>2 151</b>	1 370	<b>1 128</b>	1 125
Financial investments, total 31 Dec.	<b>27 722</b>	25 118	<b>1 171 873</b>	1 168 648

# Notes to the Financial Statements

## 10. INVESTMENTS

31 December 2003	Number	Share %		Nominal value 1 000	Book value EUR 1 000
<b>Subsidiary shares owned by the parent company</b>					
C and SAA Oy, Finland	150	100.0	EUR	17	3
Kiinteistö Oy Tietokilo 1–2, Finland	2 500	100.0	EUR	4 205	11 341
Kiinteistö Oy Villa Upinniemi, Finland	40 000	80.0	EUR	7	3 430
SIA TietoEnator, Latvia		100.0	LVL	125	196
SYKORA CZ Ostrava, s.r.o., Czech Republic		100.0	CZK	102	3 050
Tieto France S.A.R.L., France	400	100.0	EUR	65	60
TietoEnator AS, Norway	1 084 332	100.0	NOK	10 843	105 868
TietoEnator A/S, Denmark		100.0	DKK	25 000	21 625
TietoEnator Broadcasting IT Oy, Finland	32	80.0	EUR	1	800
TietoEnator Canada Inc., Canada	133 333	100.0	CAD	133	87
TietoEnator Consulting B.V., Netherlands	77 727	81.2	EUR	35	1 408
TietoEnator Eesti AS, Estonia	640	100.0	EEK	640	111
TietoEnator Financial Solutions AB, Sweden	14 879 118	100.0	SEK	3 720	27 898
TietoEnator Financial Solutions Oy, Finland	30 150	100.0	EUR	1 055	10 961
TietoEnator Financial Solutions SIA, Latvia	156	100.0	LVL	50	3 831
TietoEnator GmbH, Germany		100.0	EUR	1 500	1 580
TietoEnator Inc., USA	1 000	100.0	USD	1	22 878
TietoEnator Information Technology (Beijing) Co., Ltd., China		100.0	USD	500	451
TietoEnator a.s., Czech Republic	100	100.0	CZK	1 000	3 901
TietoEnator MAS GmbH, Germany		100.0	EUR	32	6 164
TietoEnator N.V., Belgium	100	100.0	EUR	62	29
TietoEnator OOO, Russia		100.0	RUB	3 000	109
TietoEnator Resource Management AS, Norway	7 000	100.0	NOK	7 000	1 927
TietoEnator Sdn Bhd, Malaysia	599 998	100.0	MYR	600	140
TietoEnator Sverige AB, Sweden	33 679 248	100.0	SEK	33 679	905 191
TietoEnator UK Ltd, Great Britain	270 000	100.0	GBP	270	369
Tietokesko Oy, Finland	800	80.0	EUR	1 346	13 743
UAB TietoEnator Consulting, Lithuania	11 840	74.0	LTL	1 184	1 536
UAB TietoEnator, Lithuania	10	100.0	LTL	400	19
Oy Visual Systems Ltd., Finland	250	100.0	EUR	43	3 349
Dormant subsidiaries (2 in total)					6
					<b>1 152 061</b>
<b>Shares in Group companies owned by subsidiaries</b>					
Banxolutions (UK) Ltd., Great Britain	300 000	100.0	GBP	300	0
Entra B.V.i.o, Netherlands		100.0	EUR	18	0
Entra e-Solutions Oy, Finland	200	100.0	EUR	34	15
Entra Financial Software A/S, Denmark	1	100.0	DKK	500	34
Entra GmbH, Germany		100.0	EUR	25	0
Entra Phantom AB, Sweden	5 000	100.0	SEK	500	55
Entra SA Luxembourg, Luxembourg	3 100	100.0	EUR	31	338
Inveos AG, Germany	1 271 494	95.5	EUR	1 331	2 692
Inveos BSI GmbH, Germany		100.0	EUR	256	800
Inveos CTH GmbH, Germany		100.0	EUR	563	563
Inveos Systems GmbH i.L., Germany		100.0	EUR	513	1
Odelius New Media AB, Sweden	3 000	100.0	SEK	300	399
Provida Financial Systems AB, Sweden	1 000	100.0	SEK	100	12
Real Data AB, Sweden	1 000	100.0	SEK	100	2 339
SYKORA BeNeLux bvba, Belgium		100.0	EUR	27	27
SYKORA Ltd, Poland	40	100.0	PLN	23	6
TietoEnator Business Services GmbH, Germany		100.0	EUR	130	437
TietoEnator Collection Solutions AB, Sweden	2 500	100.0	SEK	250	476
TietoEnator Consulting A/S, Denmark	5	100.0	DKK	1 000	0



31 December 2003	Number	Share %		Nominal value 1 000	Book value EUR 1 000
TietoEnator Consulting GmbH, Germany		80.0	EUR	2 500	1 715
TietoEnator Consulting AG Wallisellen, Switzerland	2 000	100.0	CHF	200	128
TietoEnator Consulting Frankfurt GmbH, Germany		100.0	EUR	31	31
TietoEnator Consulting Hamburg GmbH, Germany		100.0	EUR	52	52
TietoEnator Consulting München GmbH, Germany		100.0	EUR	26	26
TietoEnator Energy Inc., USA	1 000	100.0	USD	1	145
TietoEnator Finance Partner AB, Sweden	2 500	100.0	SEK	250	911
TietoEnator Financial Solutions AS, Estonia	40 000	100.0	EEK	400	284
TietoEnator Financial Solutions A/S, Denmark	216 020	75.0	DKK	540	527
TietoEnator Financial Solutions ASA, Norway	13 554 869	100.0	NOK	27 110	52 888
TietoEnator Financial Solutions Inc., USA	100	100.0	USD	0	2
TietoEnator Government Services AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Healthcare AB, Sweden	2 000	100.0	SEK	200	2 578
TietoEnator Healthcare A/S, Denmark	510	100.0	DKK	510	504
TietoEnator Information Competence Center AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator MAJIQ Inc., USA	1 000	100.0	USD	1	17 421
TietoEnator Media Systems AB, Sweden	208 500	100.0	SEK	10	712
TietoEnator Media Systems AS, Norway	2 100	100.0	NOK	2 100	8
TietoEnator Processing & Network AB, Sweden	1 000	100.0	SEK	100	9 207
TietoEnator Production & Logistics AB, Sweden	8 748 352	100.0	SEK	5	6 725
TietoEnator Public Sector AB, Sweden	90 000	100.0	SEK	100	9 031
TietoEnator Public Sector Sverige AB, Sweden	1 000	100.0	SEK	100	11
TietoEnator Resource Management AB, Sweden	1 000	100.0	SEK	100	20 374
TietoEnator Retail AB, Sweden	10 000	100.0	SEK	100	132
TietoEnator R&D Services AB, Sweden	2 000	100.0	SEK	100	1 324
TietoEnator Solutions A/S, Denmark	515	100.0	DKK	1 000	2 267
TietoEnator SYKORA GmbH, Germany		100.0	EUR	26	27
TietoEnator SYKORA SK s.r.o., Slovakia		100.0	SKK	200	5
TietoEnator Telecom Partner AB, Sweden	10 000	100.0	SEK	100	6 838
TietoEnator Telecom Sweden AB, Sweden	10 000	100.0	SEK	100	11
TietoEnator Trigon AB, Sweden	1 000	100.0	SEK	100	661
Dormant subsidiaries (9 in total)					87
					<b>142 848</b>

#### Shares in associated companies, other shares and securities

##### Associated companies owned and managed by the parent company

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

<sup>\*)</sup> 40% of the voting rights

<sup>\*\*)</sup> 20% of the voting rights

##### Shares in associated companies owned by the parent company

FD Finanssidata Oy	30 000	30.0	EUR	505	757
UAB Baltijos Informaciniu Duomenu Valdymo Centras	4 000	40.0	LTL	400	956
					<b>1 713</b>

##### Shares in associated companies owned by subsidiaries

DocHotel i Stockholm AB	5 250	25.0	SEK	100	113
Dotcom Solutions AB	4 146 860	48.0	SEK	10	5 947
Elektronisk Handel PEBS AB	5 000	50.0	SEK	100	55
Malmator AB	10 000	50.0			32
					<b>6 147</b>

# Notes to the Financial Statements

31 December 2003	Number	Share %	Nominal value 1 000	Book value EUR 1 000
<b>Other shares and securities owned by the parent company</b>				
Elisa Oyj <sup>1)</sup>	77 517			285
Groupvision Finland Oy Ab	136	19.7		23
Jyväskylän Teknoliakeskus Oy	40	2.8		67
LifelT Oyj	1 250	6.8		102
Nurmijärven Golfkeskus Oy	1			21
OKO Osuuspankkien Keskuspankki Oyj <sup>1)</sup>	244			1
Oy Pickala Golf Ab	1			21
As Oy Postipuuntie 2, Espoo	53			45
Right of residence Almen 10, Solna	1			81
Tapiolan Monitoimiareena Oy	22			138
Vierumäen Kuntorinne Oy	80			194
Yomi Oyj <sup>1)</sup>	8 170			42
Other shares and securities				108
				<b>1 128</b>
<b>Other shares and securities owned by subsidiaries</b>				
Condominium in Stockholm, Traneberg				68
Residence in France				240
Right of residence in Stockholm, Floragatan				430
Right of residence in Stockholm, Hornsgatan				35
Right of residence in Åre				54
Right of residence in Åre				88
Right of residence in Åre				63
Elisa Oyj <sup>1)</sup>	150			1
Ericsson <sup>1)</sup>	600			1
Nokia Oyj <sup>1)</sup>	200			3
OKO Osuuspankkien Keskuspankki Oyj <sup>1)</sup>	540			2
Other shares and securities				61
				<b>1 046</b>

<sup>1)</sup> Total market value EUR 0.9 million

This list does not include companies with a book value of less than EUR 20,000 on the balance sheet of TietoEnator, or companies that are inactive. A complete list pursuant to the Finnish Companies Act is included with the company's officially filed financial statements.

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>11. NON-CURRENT RECEIVABLES</b>				
Loan receivables from Group companies	-	-	33 352	39 701
Receivables from associated companies	-	-	-	-
<b>12. CURRENT RECEIVABLES</b>				
Receivables from Group companies				
Accounts receivable	-	-	2 339	2 514
Loan receivables	-	-	84 436	75 558
Group contributions receivable	-	-	-	13 500
Prepaid expenses and accrued income	-	-	416	44 325
	-	-	87 191	135 897
Receivables from associated companies				
Accounts receivable	1 504	2 717	1 133	1 859
Prepaid expenses and accrued income	80	3	-	-
	1 584	2 720	1 133	1 859
<b>13. PREPAID EXPENSES AND ACCRUED INCOME</b>				
Net sales	50 424	25 420	30 625	16 154
Licence fees	5 487	4 066	4 589	3 785
Rents	4 032	3 636	176	90
Social costs	5 913	4 249	2 304	2 653
Mainframe computer costs	6 767	3 726	-	508
Receivables from Alecta	727	4 472	-	-
Corporate tax receivable	2 287	23 963	348	11 824
Dividends receivable from Group companies	-	-	-	39 407
Other	10 396	17 747	6 074	10 482
	86 033	87 279	44 116	84 903
<b>14. CHANGES IN SHAREHOLDERS' EQUITY</b>				
Share capital, 1 Jan.	82 886	83 327	82 886	83 327
Transfer from issuance of shares	-	125	-	125
Cancellation of own shares purchased	-	-871	-	-871
Exercise of option rights	-	305	-	305
Share capital, 31 Dec.	82 886	82 886	82 886	82 886
Issuance of shares, exercise of option rights, 1 Jan				
	-	572	-	572
Transfer to share capital				
	-	-125	-	-125
Transfer to share issue premiums				
	-	-447	-	-447
Issuance of shares, exercise of option rights, 31 Dec				
	-	-	-	-
Share issue premiums, 1 Jan.				
	6 075	4 920	910 083	907 670
Transfer from issuance of shares				
	-	447	-	447
Cancellation of own shares purchased				
	-	871	-	871
Exercise of option rights				
	-	1 095	-	1 095
Pooling adjustment				
	-	-1 258	-	-
Share issue premiums, 31 Dec.	6 075	6 075	910 083	910 083
Other reserves, 1 Jan.				
	61 496	57 872	-	-
Other changes				
	63	3 624	-	-
Other reserves, 31 Dec.	61 559	61 496	-	-
Retained earnings, 1 Jan				
	308 053	334 734	345 434	298 339
Dividend distributions and donations				
	-41 513	-82 651	-41 513	-82 651
Other changes				
	-7 022	-7 941	-	-
Retained earnings, 31 Dec.	259 518	244 142	303 921	215 688
Net profit for the period	65 367	63 911	112 888	129 746
	324 885	308 053	416 809	345 434
Shareholder's equity, total				
	475 405	458 510	1 409 778	1 338 403

# Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>15. PROVISIONS</b>				
Provision for pension commitments	732	330	732	330
Provision for social costs on personnel warrants	33	32	33	29
	<b>765</b>	<b>362</b>	<b>765</b>	<b>359</b>
<b>16. NON-CURRENT LIABILITIES</b>				
Debts to Group companies	-	-	-	-
<b>Debts falling due after five years</b>				
Long-term accruals	406	312	-	-
<b>1998 Bond with Warrants issued to employees - parent company</b>				
Loan principal	EUR 0			
Number of warrants	175 874			
Cancelled warrants	24,020 on 23 January 2004			
Interest	4%			
Exercise period	15 Jun. 2001 - 31 May 2004			
Terms of exercise	6 shares at EUR 29.46 per share in exchange for one warrant			
Loan repayment	repaid on 15 June 2001			
<b>I/1999 Bond with Warrants issued to employees - parent company</b>				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
<b>II/1999 Bond with Warrants issued to employees - parent company</b>				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
<b>1999 Warrants</b>				
Warrants issued with the I/1999 and II/1999 bonds are identical and listed as one class.				
Number of warrants	1 983 440			
Cancelled warrants	778,755 on 23 January 2004			
Exercise period	2 May 2002 - 31 May 2005			
Terms of exercise	1 share at EUR 36.30 per share in exchange for one warrant			
<b>I/2000 Bond with Warrants issued to employees - parent company</b>				
Loan principal	EUR 0			
Number of warrants	2 500 000			
Interest	4%			
Exercise period	2 May 2003 - 31 May 2006			
Terms of exercise	1 share at EUR 54.50 per share in exchange for one warrant			
Loan repayment	repaid on 1 June 2003			

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>II/2000 Bond with Warrants issued to employees - parent company</b>				
Loan principal	EUR 0			
Number of warrants	1,200,000			
Interest	4%			
Exercise period	warrant A: 2 May 2003 - 31 May 2006			
	warrant B: 24 October 2003 - 31 May 2006			
	warrant C: 22 April 2004 - 31 May 2006			
	warrant D: 21 October 2004 - 31 May 2006			
Terms of exercise	1 share for EUR 54.50 per share in exchange for one warrant			
Loan repayment	repaid on 1 June 2003			

The warrants issued with the I/2000 bond and the A warrants issued with the II/2000 bond are identical and listed as one class. In connection with the commencement of their exercise period, the B warrants were combined with the A warrants. In connection with the commencement of their exercise period the C warrants and D warrants will be combined with the A/B warrants.

#### 1999/2003 Warrants issued to employees - parent company

Number of warrants	0			
Exercise period	1 May 2001 - 30 May 2003			
Terms of exercise	1 share at EUR 41 per share in exchange for one warrant			
None of the 212,868 warrants were exercised during the exercise period.				

#### 2002 Stock options

Number of warrants	1,800,000			
Exercise period	warrant A: 1 December 2005 - 30 June 2009			
	warrant B: 1 December 2006 - 30 June 2009			
Terms of exercise	1 share in exchange for 1 warrant			
	The share subscription price is EUR 27.73. The amount of any dividends declared after February 28th, 2002 but before share subscription will be deducted from the exercise price of the stock options as of the dividend record date. At the end of 2003 the option exercise price was EUR 26.23			

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>17. CURRENT LIABILITIES</b>				
Debts to Group companies				
Accounts payable	-	-	4 213	2 697
Other debt	-	-	39 024	90 018
Accrued liabilities and deferred income	-	-	4 731	450
			47 968	93 165
Debts to associated companies				
Accounts payable	254	101	92	37
Accrued liabilities and deferred income	172	33	-	-
	426	134	92	37

#### 18. ACCRUED LIABILITIES AND DEFERRED INCOME

Net sales	29 060	23 798	5 428	4 964
Vacation pay and related social costs	66 975	72 171	34 783	31 339
Other accrued payroll and related social costs	31 158	30 983	11 007	9 240
Tax accruals	4 433	7 214	1 095	886
Other	49 644	49 052	25 859	10 904
	181 270	183 218	78 172	57 333

# Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
<b>19. DEFERRED TAX ASSETS AND LIABILITIES</b>				
Deferred tax assets				
From appropriations	5 306	3 192	4 973	2 671
From temporary differences	8 254	4 385	22	104
Deferred tax liabilities				
From appropriations	3 109	3 100	-	-
From temporary differences	-	20	-	-
<b>20. CONTINGENT LIABILITIES</b>				
For TietoEnator's obligations				
Pledges	847	2 687	-	-
On behalf of Group companies				
Guarantees	-	-	16 963	12 149*)
On behalf of associated companies				
Guarantees	1 483	1 561	1 483	1 561
Other TietoEnator obligations				
Rent commitments due in 2004 (2003)	47 736	43 789	26 536	24 043
Rent commitments due later	109 351	116 006	69 595	60 540
Lease commitments due in 2004 (2003)	20 080	27 303	9 667	11 753
Lease commitments due later	3 336	9 582	6 408	9 350
Other commitments	14 542	12 967	4 028	1 627

Lease commitments are principally three-year lease agreements that do not include buyout clauses. The parent company's lease commitments include finance lease agreements that on a consolidated basis are capitalised as fixed assets

\*) Does not include unused lines of credit guaranteed by the parent company, which totalled EUR 12.7 million (17.2) on 31 December 2003.

Derivatives contracts				
Foreign exchange forward contracts	185 631	93 921	189 075	93 921
Change in market value	928	-1 469	778	-1 469

Derivatives are used for hedging purposes only.

# Calculation of Key Figures

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

# Risk Management

## RISK MANAGEMENT AND INTERNAL CONTROL

At TietoEnator risk management is seen as an integral part of good management practises. The corporate risk management policy defines the concept of risk, a risk management framework, and the responsibility for risks within TietoEnator.

The word "risk" refers to uncertainties relating to the achievement of TietoEnator's objectives and its business performance that originate from the business environment, from the business functions and processes, and from decision-making. Risks are measured in terms of related consequences and probabilities. The risk management framework consists of structured processes and practises integrated into group, business area and business unit systems in order to systematically identify, analyse, evaluate, treat, monitor and communicate risks. Responsibility for risks is inseparable from business operations. Every individual in charge of a business is responsible for related risk management.

Risks are categorised in four areas: strategic, operational, financial and insurable. Strategic risks may have an impact on the achievement of the strategic goals. Thus the identification and analysis of strategic risks, and the actions taken to mitigate these risks, are integrated into the planning system. The management of operational risks is integrated into the core business processes. TietoEnator has started a programme designed to unify all of its internal processes, including risk management processes. Certain operations that the company sees as crucial to its business, such as the continuity of operations and corporate security, have separate risk management plans and programmes (see below). The management of financial risks at TietoEnator is also described separately below.

Risks arising from the company's operations and related to property, interruption of operations and liability for damage are covered by means of appropriate insurance policies. These exposures are covered by corporate level policies. Local legislation and practices set various requirements on insurable exposures, such as the insurance coverage of employees, for example. These insurable exposures are addressed locally.

The definition of and follow-up on deci-

sion-making responsibilities and authority within the Group form the basis of internal control. Internal financial control is based on thorough financial monitoring where actual figures are compared to plans, forecasts and previous periods. Operational risks are controlled on a universal basis through the business systems implemented at TietoEnator's Business Units, including internal and external audits. TietoEnator does not have a separate internal audit function, which is recognized in its external audit plan.

## Business contingency planning and corporate security

The synchronization of business contingency plans has been started with the implementation of uniform (security) incident management processes. This implementation has consisted of the compilation of corporate level documentation defining the requirements for business unit level processes and of case-based training workshops either at the business unit or corporate level. Case-based training will be continued to keep the organisation prepared for security incidents. All business unit level incident management and business contingency plans will also be updated.

Security risks are divided into two main categories: ICT (Information and Communications Technology) based and physical or personnel security based. Corporate level security policies, rules and guidelines cover both main categories. During 2003 the company started to use eLearning for general security training.

Business unit compliance with corporate level security documentation is verified through unit self-assessments and audits. Audit procedures cover both ICT infrastructure (technical network audit) and physical site security.

## FINANCIAL RISK MANAGEMENT

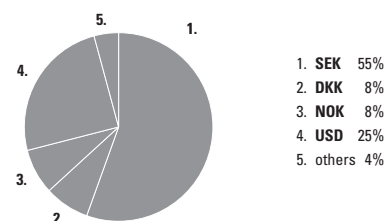
The Group Treasury at TietoEnator is centrally responsible for managing the Group's financial exposures. Its goal is to provide cost-effective funding for the Group at all times, and to identify and hedge financial risks. TietoEnator's Group Treasury Policy specifies the principles underlying the management of funding and liquidity risks, interest rate risks, foreign exchange risks and credit risks. This Group Treasury Poli-

cy also contains guidelines regarding money market and currency instruments. The Group monitors financial risks regularly.

## Foreign exchange risk

TietoEnator's commercial transaction exposure remained at the same level as last year; the company's business operations are still very local in scope as the income and expenses of the Group companies are normally generated in the same currency. Larger foreign exchange transactions occur at irregular intervals, and for this reason the Group's foreign exchange exposure may vary somewhat.

## Break-down of currency exposure 31.12.2003



1 Others include currencies CAD, CZK, EEK, GBP, LVL and LTL

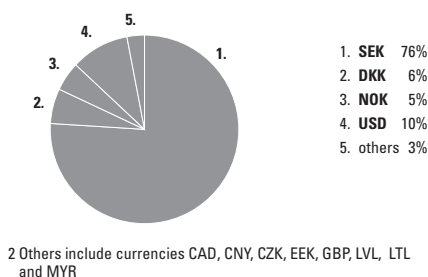
The company's policy is to hedge all significant foreign exchange commitments. During 2003 TietoEnator used currency forward contracts and swaps for hedging. Currency derivatives have a duration of less than 12 months.

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



At the end of 2003, the currency translation exposure related to TietoEnator's shareholders' equity was approximately EUR 147 million. A 10% decrease in the value of the Swedish krona against the euro would reduce non-restricted shareholders' equity at the end of the 2003 financial year by about EUR 10.3 million, while an equivalent change in euro against the U.S. dollar would result in a EUR 1.3 million reduction. Translation exposure is not hedged.

#### Translation Exposure of equity December 31, 2003



#### Interest rate risk

Interest rate risk management is based on the level of financial gearing; the aim is to avoid excessive accumulation of equity. Distributable funds permitting, surplus liquidity can be distributed to shareholders in the form of dividends and through share repurchases. At the end of 2003, TietoEnator's financial gearing was 1.4%.

TietoEnator's interest rate exposure did not pose any major risks, nor was it hedged during 2003.

#### Credit risk

Each TietoEnator business unit is responsible for the credit risk associated with its accounts receivable.

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

Money market investments are made based on high creditworthiness. Current investments are also monitored. TietoEnator's treasury function does not expect any of its counterparties to default given their high credit ratings.

#### Liquidity risk

One of the Group Treasury's main objectives is to ensure that the company's liquidity remains sufficiently strong. In June 2003 the company renewed a short-term 364-day revolving credit facility in the amount of EUR 150 million, reducing the original amount by EUR 50 million. The Group also has uncommitted credit lines and a commercial paper programme available to help maintain flexibility in funding.

# Shares and Shareholders

## Share capital and shares

TietoEnator Corporations's issued and registered share capital on 31 December 2003 totalled EUR 82 886 444 and there were 82 886 444 shares. The shares have no par value and have book counter-value of one euro. TietoEnator's shares are listed on the OMHEX exchanges HEX Helsinki and Stockholmsbörsen.

There is only one class of shares with equal dividend rights and each share is entitled to one vote. The Company's articles of association include a redemption clause and a limitation on voting at the Annual General Meeting, where none is allowed to vote with more than one fifth of the votes represented in the meeting. The articles of association are available on the company's website at [www.tietoenerator.com](http://www.tietoenerator.com).

Share capital and number of shares remained unchanged the whole of 2003. TietoEnator does not hold any treasury stock, thus the number of outstanding shares is also 82 886 444.

Based on the existing warrant and option programmes, the total number of shares may, at the maximum, increase as follows:

	shares	Subscription period	Strike price
Bond with warrants 1998	1 055 244	- 31/05/04	29.46
Bond with warrants 1999 I+II	1 983 440	- 31/05/05	36.30
Bond with warrants 2000	3 700 000	- 31/05/06	54.50
Stock options 2002	1 800 000	01/12/05 - 30/06/09	26.23
	8 538 684		

The number of warrants in 1998 and 1999 programs have declined from end of 2002, since the warrants that have been returned to the company by leaving employees have been annulled on 23 January 2004. The terms of 2002 stock option program include an annual dividend correction on the exercise price.

The Board of Directors decided to grant first 500 000 options from the 2002 stock option program to TietoEnator's key employ-

ees and management. Subscriptions were approved and confirmed in April 2003.

TietoEnator share price averaged EUR 16.91 in 2003, thus being below all strike prices of warrant and option programs. Therefore, diluted number of shares equals the outstanding number of shares for the whole year of 2003. Fully diluted number of shares, assuming all warrants and options would be exercised fully, is 91 425 128, representing full dilution of 9.3%.

## Board authorisations

The 2003 Annual General Meeting authorised the Board of Directors to repurchase the company's own shares to an amount not exceeding 5% of the share capital or the total number or votes. The authorisation is to be used to develop the company's capital structure and to reduce its negative gearing. This authorisation has not been used, and it is effective until 20 March 2004.

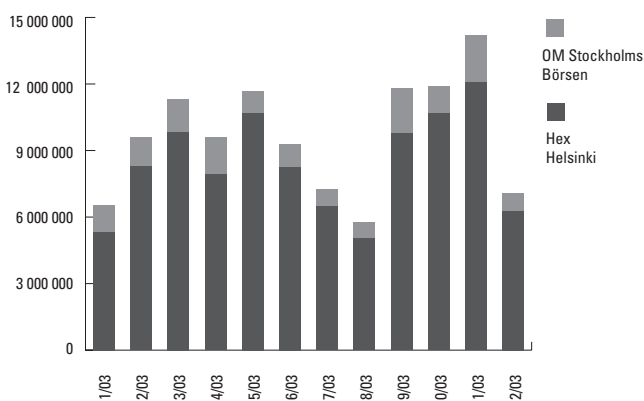
The Board also received an authorisation to issue shares, option rights and convertible bonds for one year from the Annual General Meeting of 2002 until 20 March 2004. The purpose of the authorisation is to safeguard the company's ability to develop its operations both in the domestic and in the international markets, in order to enable and to finance both the acquisition of companies and business operations and also other cooperative arrangements. The authorisation has not been used.

## Shareholders

The company had 31 374 name-registered shareholders at the end of 2003. 26.9% of TietoEnator shares were held by Finnish and 10.0% by Swedish investors. In total, there were 28 728 retail investors in Finland and Sweden and they held 11.7% of TietoEnator's shares. None of the shareholders owns more than 5% of the shares and neither were there any notifications of over 5% holdings during the year.

The Board of Directors, the CEO and his deputy together

Development of total turnover 2003



Share price development 2003



owned 0,0764 % of the share capital and votes. Based on the bonds with warrants and options, they can increase their aggregate holding at a maximum to 0.1124 % of the shares.

TietoEnator does not have any major strategic shareholders, shareholder agreements or cross shareholdings, which would limit the amount of shares available for trading. Additionally since there are no stock ownership plans for management or employees and existing stock option/warrant programs represent limited dilution potential, the free float of the shares can be considered as 100%.

### Share performance and trading

The turnover of TietoEnator shares totalled EUR 1 770.5 mil-

lion (104 692 989 shares) in Helsinki and SEK 2 343.3 million (15 257 580 shares) in Stockholm in 2003. The total number of shares traded represents 145% of shares outstanding.

On HEX Helsinki the average share price of the year was EUR 16.91, whereas the share price at the end of the year was EUR 21.95. The highest price was EUR 24.55 and the lowest EUR 11.50. The market capitalisation at the end of the year totalled EUR 1 798.6 million.

TietoEnator share price gained 66.9% in Helsinki and 66.1% in Stockholm during the year. At the same time, HEX Helsinki's All-Share Index increased by 4.4% and Portfolio Index by 16.2%. Stockholm's All Share Index rose 29.8% in 2003.

	2003	2002	2001	2000	1999
<b>Changes in share capital</b>					
Share capital at year end, EUR	<b>82 886 444</b>	82 886 444	83 326 740	70 337 736	64 716 262
Number of shares	<b>82 886 444</b>	82 886 444	83 326 740	83 641 915	76 957 113
Adjusted number of shares at year end	<b>82 886 444</b>	82 886 444	83 326 740	83 641 915	76 957 113
Adjusted average for the year	<b>82 886 444</b>	82 856 926	82 437 328	80 059 482	76 690 738

### Per share data

Earnings per share, EUR *)	<b>0.79</b>	0.77	2.40	0.88	0.90
Shareholders' equity per share, EUR	<b>5.74</b>	5.53	5.84	4.33	4.59

\*) No dilutive effect from warrants and stock

options because the average share price has been below all warrant and option exercise prices during 2003.

### Share price performance and trading volumes

#### On Helsinki Exchanges

Highest price (adjusted), EUR	<b>24.55</b>	32.35	36.40	85.00	62.00
Lowest price (adjusted), EUR	<b>11.50</b>	10.25	18.86	19.10	25.00
Average price (adjusted), EUR	<b>16.91</b>	20.14	27.98	41.44	35.89
Turnover, number of shares	<b>104 692 989</b>	85 479 503	107 451 734	61 060 373	45 971 802
Turnover (adjusted), number of shares	<b>104 692 989</b>	85 479 503	107 451 734	61 060 373	45 971 802

#### On OM Stockholm Exchange

Highest price, SEK	<b>220.00</b>	297.50	325.00	708.00	527.00
Lowest price, SEK	<b>107.00</b>	93.00	189.50	162.00	220.00
Average price, SEK	<b>153.58</b>	204.63	257.75	373.00	297.47
Turnover, number of shares	<b>15 257 580</b>	16 813 102	27 520 566	16 967 169	14 887 180

Market capitalisation, EUR million	<b>1 798.6</b>	1 077.5	2 479.0	2 534.4	4 771.3
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### Dividends

Dividends paid, EUR 1000	<b>41 443</b>	41 443	82 582	40 438	33 737
Nominal dividend, EUR	<b>0.50</b>	0.50	1.00	0.49	0.49
Adjusted dividend, EUR	<b>0.50</b>	0.50	1.00	0.49	0.49
Payout ratio, %	<b>63.3</b>	64.9	41.7	55.7	54.4

### Price-weighted ratios

#### At Helsinki Exchanges

Price/earnings ratio (P/E)	<b>29</b>	17	12	34	69
Dividend yield, %	<b>2.3</b>	3.9	3.4	1.6	0.8

#### At OM Stockholm Exchange

Price/earnings ratio (P/E)	<b>28</b>	17	12	33	68
Dividend yield, %	<b>2.3</b>	3.8	3.4	1.7	0.8

# Proposal of the Board of Directors

EUR 1000

Consolidated shareholders' equity totalled	475 405
Retained earnings and profit for the period included in shareholders' equity totalled	324 885
of which distributable funds total	312 991
Distributable funds in the parent company	416 809

The Board of Directors proposes that the distributable funds mentioned above be used as follows:

– a dividend of EUR 0.50 per share be paid to shareholders	41 443
– the remainder be carried forward	375 366

Espoo, 11 February 2004

Olof Lund  
Chairman

Kalevi Kontinen  
Vice chairman

Elisabeth Eriksson

Thomas Falk

Risto Lyly

Olli Martikainen

Anders Ullberg

Matti Lehti,  
President and CEO

# Auditors' Report

## to the shareholders of TietoEnator Corporation

We have audited the accounting, the financial statements and the corporate governance of TietoEnator Corporation for the financial year 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 Managing Director. Based on our audit we express our opinion on these financial statements and on corporate governance.

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

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

In our opinion the financial statements, which disclose a net profit in the consolidated income statement of 65.367 t, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's result of operations and financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of the distributable equity is in compliance with the Companies' Act.

Espoo, February 11, 2004

ERNST & YOUNG AB  
Authorized Public Accountant Firm

Sven-Erik Guarnieri  
Authorized Public Accountant

Tomi Englund  
Authorized Public Accountant

# Corporate Governance

At the end of 2003 HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers published a new corporate governance recommendation, which will enter into force on 1 July 2004. TietoEnator is fully committed to good corporate governance and will take all actions necessary during the first half of 2004 to be compliant with the recommendation as it will take effect.

## The Annual General meeting

The Annual General Meeting is the supreme decision-making body of the company. It elects the members of the Board of Directors and auditors, decides on their compensation and discharges the company's officers from liability. Further, the AGM's approval is required for example for option programmes and Board authorities for share repurchases and share issues. The AGM also makes the final decision on the Board's dividend proposal. It convenes annually and usually in March. Extraordinary General Meetings are arranged if necessary during the year.

In 2003 the AGM convened on 20 March in TietoEnator's head office in Espoo, Finland. 199 shareholders and 12 606 686 shares (15.2% of total outstanding) were represented in the meeting. All decisions were made unanimously without voting. There were no extraordinary meetings in 2003.

## The Board of Directors

The Board of Directors is elected by the Annual General Meeting for a one-year term running between the AGMs. The Board has a minimum of 6 and a maximum of 12 directors elected by shareholders at the AGM. Additionally, TietoEnator Group's Personnel Representative Body elects two personnel representatives to the Board annually. Following the 2003 AGM, the Board has had five non-executive directors, TietoEnator's President and CEO, and the two personnel representatives. The Board selects a chairman and a deputy chairman from among its members. The board has not established any committees at present.

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

for their Board attendance.

The Board makes the final decision on the strategic planning of the Group. It also decides on all issues of importance to the entire Group including major investments, divestments, business agreements, changes in business operations, financing and the dividend proposal. In case authorisations given by the AGM, the Board can also execute share issues and share repurchases. Further, the Board appoints the President and CEO, decides on the President and CEO's compensation, and the principles of executive and employee remuneration. Finally, the Board is responsible for ensuring sufficient supervision of the Group's operations and that the financial statements are properly prepared.

The Board has meetings scheduled every one to two months. In 2003, it convened 7 times and the average attendance was 96%. The Board of Directors is presented on the page 38 of the Financial Review including their share ownerships in TietoEnator.

## Executive management

TietoEnator renewed its executive management structure at the end of 2003. The structure and responsibilities described here are effective from the beginning of 2004, whereas description of 2003 structure can be found in the corporate governance text of the Business Review 2002.

The President and CEO is appointed by the Board. The President and CEO is responsible for the financial performance of the Group as well as for the day-to-day management and administration in accordance with the law and the instructions and orders of the Board. It is the duty of the President and CEO to ensure that the company's accounting methods comply with the law and that financial matters are handled in a reliable manner. The Board decides on the compensation of the President and CEO. His salary, bonuses and other benefits are specified in Note 3 of the Financial Statements.

The President and CEO chairs the Executive Committee, which concentrates on long-term strategic management and resource allocation. Other members of the Executive Committee are the Chief Operating Officer (COO) who is responsible for the six business areas, the Deputy CEO, who is heading Group Functions and sup-

ports business areas in acquisitions and partnership agreements, and the Senior Executive Vice President responsible for the company's business strategy and international support. The members of the Executive Committee are proposed by the President and CEO and appointed by the Board of Directors.

The COO, the business area presidents and some corporate management executives comprise the Operative Management Team responsible for the implementation of the strategy. Business area presidents are responsible for the financial performance, development and supervision of their business areas. Corporate management executives are responsible for group-level co-ordination and management of their respective areas. The entire executive management shares the task of ensuring that all current legislation, regulations, the group's operating principles and the Board's decisions are complied with throughout the company.

The business area presidents and corporate management executives are appointed by the President and CEO. The whole executive management is presented on page 39 of the Financial Review including their share ownerships and holdings of warrants and options. Their compensation is summarised in Note 3 of the Financial Statements.

## Operative group structure

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

ferred to higher quarters to improve the overall control of the group.

#### Steering System

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

#### Key performance indicators and investment criteria

The company's key financial indicators are net sales, operating profit (EBITA and EBIT) and economic value added (EVA). These are used in the planning and follow-up reports of the steering system and also in investment calculations. The key person-

nel indicators are personnel satisfaction and the preferred employer index. TietoEnator also performs regular customer satisfaction surveys in addition to project and service based feed-back to gain its customers' viewpoint. The efficiency and performance of internal business processes is monitored at the business unit level.

#### Auditors

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

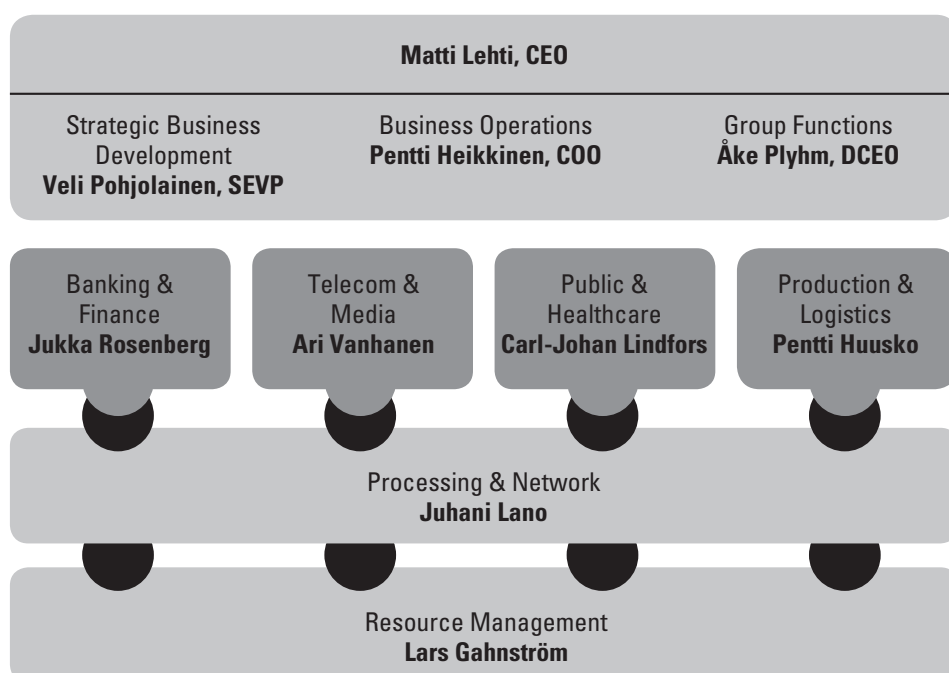
The Group companies are, with few exceptions, audited by Ernst & Young member firms. The parent company auditors are responsible for planning, co-ordinating and supervising the audit of the entire Group. The audit plan is revised annually in co-operation with Group management to address changed requirements. The plan recognises that the Group has no internal au-

dit function. The company's auditors report on their observations to the Board at least once a year and submit their report to the company's shareholders at the Annual General Meeting. In 2003 TietoEnator Group paid auditors a total of EUR 1.2 million for auditing and EUR 0.5 million for consulting (EUR 1.2 and 0.9 million in 2002).

#### Insiders

TietoEnator operates Insider Rules based on the insider rules issued by the Helsinki Exchanges. TietoEnator's legal department is responsible for insider issues and the management of the insider register. This includes internal communication and training, documentation of insider data, defining permanent insiders and projects and instructing on project-specific insider issues. The Insider Rules in full and the holdings of the permanent insiders are available at [www.tietoenator.com](http://www.tietoenator.com).

## TietoEnator's business structure & responsibilities 1 Jan 2004



# Board of Directors

<b>Olof Lund</b> Born 1930, MSc (Eng.)	Chairman, member of the Board of TietoEnator since 1999 President and CEO, Celsius Corporation, 1995–1997 Chairman of the Board and CEO, Celsius Group, 1990–1995 Chairman, The Association for Development of Sound Accounting Principles Member, Swedish Academy of Military Sciences TietoEnator shares: 1 500
<b>Kalevi Kontinen</b> Born 1941, PhD (Technology)	Deputy chairman, member of the Board of TietoEnator since 1990 Principal Fellow in Nokia Business Infrastructure, Nokia Executive Vice President, Member of the Group Executive Board, MeritaNordbanken, 1995–2000 Member of the Board, Union Bank of Finland, 1984–1995 Member of the Board, Nice Business Solutions Finland Oy TietoEnator shares: 3 000
<b>Elisabeth Eriksson</b> Born 1962, BSc (Syst. An.)	Personnel representative on Board of TietoEnator since 2000 Systems developer, TietoEnator Public & Healthcare Member of the Board, Jusek Union Executive Committee TietoEnator shares: 0 Right to subscribe for 915 shares
<b>Thomas Falk</b> Born 1944, PhD (Econ.)	Member of the Board of TietoEnator since 1999 Adjunct Professor, Linköping University Director, Federation of Swedish Industries 1997–2001 Other membership, The Royal Swedish Academy of Engineering Sciences TietoEnator shares: 72
<b>Matti Lehti</b> Born 1947, PhD (Econ.)	Member of the Board of TietoEnator since 1988 President and CEO, TietoEnator Corporation Deputy Managing Director, Rautakirja Oy, 1986–1989 Chairman of the Foundation for Economic Education Deputy Chairman of Helsinki School of Economics Deputy Chairman of Employer's Confederation of Service Industries Member of the Board, Jaakko Pöyry Group TietoEnator shares: 55 000 Right to subscribe 47 000 shares
<b>Risto Lyly</b> Born 1946, MSc (Math.)	Personnel representative on Board of TietoEnator since 2002 Project Manager, TietoEnator Public & Healthcare TietoEnator shares: 2 460 Right to subscribe for 1 290 shares
<b>Olli Martikainen</b> Born 1953, PhD (Math.), MSc (Eng.)	Member of the Board of TietoEnator since 2000 Associate Research Fellow, The Research Institute of the Finnish Economy (ETLA) Professor, University of Oulu Director R&D, Necsom Ltd Vice President R&D, Telecom Finland Oy, 1994–1997 Supervisory Board Member of Siemens Osakeyhtiö Other membership, Finnish Academy of Technology TietoEnator shares: 0
<b>Anders Uilberg</b> Born 1946, MBA	Member of the Board of TietoEnator since 1999 President and CEO, SSAB Swedish Steel Vice President Corporate Control, Swedyards (Celsius Group), 1978–1984 Board memberships: Chairman of Eneqvistbolagen Chairman of Jernkontoret Member of the Board Atlas Copco Member of the Board Mercur Planeringspråk Member of the Board Skandia Fonder Member of the Board Skandiabanken Member of the Board SSAB Swedish Steel TietoEnator shares: 1 000



# Group Management

## President and CEO

### Matti Lehti

President and CEO  
Born 1947. Nationality Finnish. Joined the company in 1989.  
TietoEnator shares: 55 000  
Right to subscribe for 47 000 shares

## Business Operations

### Pentti Heikkinen

Senior Executive Vice President and COO  
Born 1960. Nationality Finnish. Joined the company in 1996  
TietoEnator shares: 120  
Right to subscribe for 29 455 shares

### Lars Gahnström

Senior Vice President, Resource Management  
Born 1943. Nationality Swedish. Joined the company in 1998  
TietoEnator shares: 200  
Right to subscribe for 29 020 shares

### Pentti Huusko

Senior Vice President, Production & Logistics  
Born 1948. Nationality Finnish. Joined the company in 1986  
TietoEnator shares: 300  
Right to subscribe for 29 395 shares

### Juhani Lano

Senior Executive Vice President, Processing & Network  
Born 1948. Nationality Finnish. Joined the company in 1990  
TietoEnator shares: 0  
Right to subscribe for 28 915 shares

### Carl-Johan Lindfors

Senior Vice President, Public & Healthcare  
Born 1956. Nationality Finnish. Joined the company in 1989  
TietoEnator shares: 0  
Right to subscribe for 29 395 shares

### Jukka Rosenberg

Senior Vice President, Banking & Finance  
Born 1962. Nationality Finnish. Joined the company in 1997  
TietoEnator shares: 0  
Right to subscribe for 13 795 shares

### Ari Vanhanen

Senior Vice President, Telecom & Media  
Born 1961. Nationality Finnish. Joined the company in 1994  
TietoEnator shares: 6 710  
Right to subscribe for 12 695 shares

## Group Functions

### Åke Plyhm

Deputy CEO  
Born 1951. Nationality Swedish. Joined the company in 1996  
TietoEnator shares: 290  
Right to subscribe for 41 820 shares

### Håkan Friberg

Senior Vice President, Human Resources  
Born 1948. Nationality Swedish. Joined the company in 1993  
TietoEnator shares: 0  
Right to subscribe for 26 120 shares

### Päivi Lindqvist

Senior Vice President, Investor Relations and Financial Communications  
Born 1970. Nationality Finnish. Joined the company in 1997  
TietoEnator shares: 0  
Right to subscribe for 1 690 shares

### Jouko Lonka

Senior Vice President, Legal Affairs  
Born 1955. Nationality Finnish. Joined the company in 1987  
TietoEnator shares: 36 800  
Right to subscribe for 23 395 shares

### Martin Nyman

Senior Vice President, Marketing and Corporate Communications  
Born 1972. Nationality Swedish. Joined the company in 2000  
TietoEnator shares: 0  
Right to subscribe for 1 900 shares

### Timo Salmela

Senior Vice President and CFO  
Born 1957. Nationality Finnish. Joined the company in 1996  
TietoEnator shares: 0  
Right to subscribe for 14 495 shares

## Strategic Business Development

### Veli Pohjolainen

Senior Executive Vice President  
Born 1947. Nationality Finnish. Joined the company in 1975  
TietoEnator shares: 26 338  
Right to subscribe for 29 395 shares

### Juhani Strömberg,

Senior Vice President, Development  
Born 1953. Nationality Finnish. Joined the company in 1976  
TietoEnator shares: 6  
Right to subscribe for 25 600 shares

Matti Lehti, Pentti Heikkinen, Åke Plyhm and Veli Pohjolainen comprise the Executive Committee.

Pentti Heikkinen, Lars Gahnström, Pentti Huusko, Juhani Lano, Carl-Johan Lindfors, Jukka Rosenberg and Ari Vanhanen together with Håkan Friberg, Martin Nyman, Timo Salmela and Juhani Strömberg comprise Operative Management Team.

# Information for Shareholders

## Annual General Meeting

TietoEnator Corporation's Annual General Meeting (AGM) will be held at the Company's premises, Kutojantie 10 (Kilo3), Espoo, Finland, on Thursday, 18 March 2004, commencing at 5.00 pm (Finnish time).

## Attending the AGM

In order to attend the AGM, a shareholder must

- be registered on 8 March 2004 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd and
- give a notice to attend to the Company not later than Friday 12 March 2004 at 4.00 pm (Finnish time).

## Registration in the Register of Shareholders

A shareholder, whose shares are registered on her/his book-entry account in the Finnish Central Securities Depository Ltd, is automatically registered in the Company's shareholder register. A nominee registered shareholder may be registered on the Company's shareholder register temporarily on 8 March 2004 for attending the AGM. Therefore, shareholders whose holdings are direct registered at VPC AB should contact VPC AB and those shareholders who hold their shares under a name of a nominee should contact their nominee. VPC AB should receive the registration request by 2 March 2004.

## Notice to attend

Shareholders wishing to attend the AGM are kindly requested to notify the Company not later than by 4.00 pm (Finnish time) on 12 March 2004 either:

- by telephone +358 (0)9 8626 2203
- by telefax +358 (0)2060 20232
- at the internet address [www.tietoanator.com/agm](http://www.tietoanator.com/agm)  
(available only for direct registered shareholders)
- by e-mail [agm@tietoanator.com](mailto:agm@tietoanator.com) or
- by mail TietoEnator, Legal Affairs,  
P.O. Box 33, FIN-02631  
Espoo, Finland

## Proxy

A proxy, on the basis of which a shareholder wishes to be represented by a representative at the Meeting, must be received at the address above not later than 12 March 2004.

## Dividend payment

The Board of Directors proposes to the AGM that a dividend of EUR 0.5 per share be paid on the financial year 2003. The dividend will be paid to shareholders who are registered in the shareholder register maintained by the Finnish Central Securities Depository Ltd or in the register maintained by VPC AB on the record date for dividend payment. The Board has decided that the record date for dividend payment will be 23 March 2004. Should the AGM approve the Board's proposal, the dividend will be effected by the company on 6 April 2004.

## Shareholders' calendar for 2004

February 5	Fourth Quarter/2003
February 12	Financial Statement Bulletin
Week 8	Financial Review 2003, Business Review (pdf)
March 5	Financial Review 2003, Business Review 2003 (printed)
March 8	Record date for AGM
March 18	AGM
March 23	Record date for dividend
April 6	Dividend payment effected
April 21	Interim Report First Quarter 2004 (Jan – March)
July 21	Interim Report Second Quarter 2004 (Jan – June)
October 20	Interim Report Third Quarter 2004 (Jan – Sept)

Reviews are published in English, Finnish and Swedish and are available at TietoEnator's Internet pages, [www.tietoanator.com](http://www.tietoanator.com)

## To order the printed Business Review 2003 and Financial Review 2003:

- e-mail: [reports@tietoanator.com](mailto:reports@tietoanator.com)
- tel. +358 9 862 6000, fax +358 9 862 63091
- tel. +46 8 632 1400, fax +46 8 632 1420

## Investor relations contacts

Päivi Lindqvist, Senior Vice President, Investor Relations and Financial Communication  
tel. +358 9 862 63276, mobile +358 40 708 5351  
fax +358 9 862 62944  
[paivi.lindqvist@tietoanator.com](mailto:paivi.lindqvist@tietoanator.com)

## Analysts following TietoEnator

Analysts following TietoEnator are listed on the company's web site, [www.tietoanator.com](http://www.tietoanator.com).

# Contact information

All addresses can be found on TietoEnator's website [www.tietoanator.com](http://www.tietoanator.com).

## Group functions

### TietoEnator Corporation

Kutojantie 10, P.O. Box 33, Kronborgsgränd 1,  
 FIN-02631 ESPOO, FINLAND SE-164 87 KISTA, SWEDEN  
 Tel. +358 9 862 6000 Tel. +46 8 632 1400  
 Fax +358 9 8626 3091 Fax +46 8 632 1420

e-mail: [info@tietoanator.com](mailto:info@tietoanator.com)  
[www.tietoanator.com](http://www.tietoanator.com)

Business ID: 0101138-5  
 Registered office: Espoo

## Business Areas

### Banking & Finance

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

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

### Telecom & Media

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

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

### Public & Healthcare

Tietotie 6,  
 P.O.Box 403,  
 FIN-02101 ESPOO, FINLAND  
 Tel. +358 9 862 6000  
 Fax +358 9 464 803

Offices in Denmark, Estonia, Finland, Norway, Sweden

### Production & Logistics

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

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

### Processing & Network

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

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

### Resource Management

Kalkkipellontie 6,  
 P.O. Box 101,  
 FIN-02601 ESPOO, FINLAND  
 From 3<sup>rd</sup> of May: Klovinpellontie 3, FIN-02180 ESPOO  
 Tel. +358 9 3290 7000  
 Fax +358 9 3290 7210

Offices in Denmark, Finland, Norway, Sweden, USA

TietoEnator is one of the leading architects in building a more efficient information society. With close to 14 000 experts, we are the largest IT services company in the Nordic countries.

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

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

#### **TietoEnator Corporation**

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[www.tietoenator.com](http://www.tietoenator.com)

# **TietoEnator**<sup>TE</sup>

Building the Information Society