



Tuning up for global growth

Business Review 2004

TietoEnator^{TE}

Building the Information Society

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TietoEnator also provides a printed Financial Review containing the official financial statements.

The Financial Review 2004 is available on TietoEnator's Internet pages, www.tietoenator.com and it can be ordered by:

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



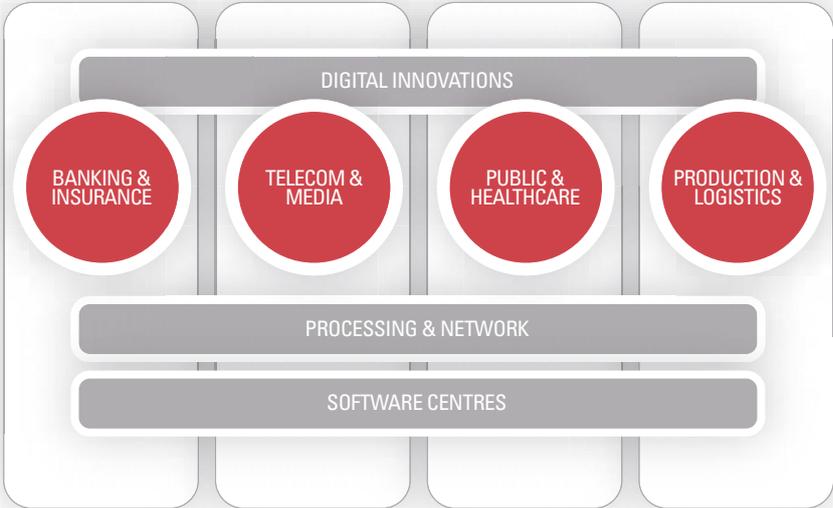
A prototype of the terminal device of the future, illustrated in the main pictures of this annual report as music sheets in the form of digital screens, is an idea developed at the Digital Innovations unit's workshops in 2004. The idea is based on flexible display technology, which is expected to be commercially available in the next 3–5 years.

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 realize and digitalize 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, forest and telecom. In these areas, we work hand in hand with many of the world's leading companies and organizations. We are growing with them and are now active in more than 20 countries.



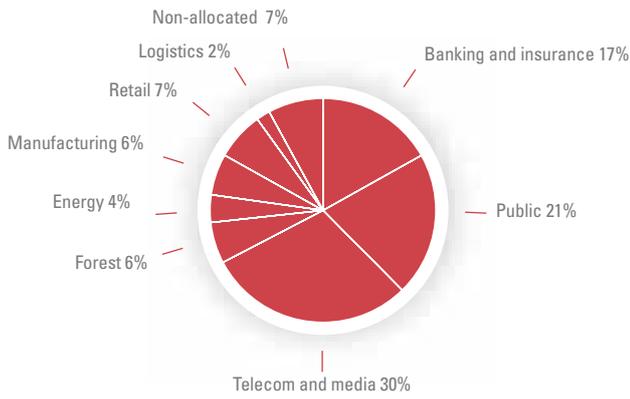
TietoEnator in 2004

- 1 Net sales rose 11% to EUR 1 525.3 million, operating profit before goodwill amortization and one-time capital gains (EBITA) was EUR 171.3 million.
- 2 Telecom & Media showed further strong growth. The acquisition of Germany's leading R&D services provider to the telecom industry established TietoEnator as the leading telecom R&D services provider in Europe.
- 3 Agreements for core and online banking systems outside Northern Europe strengthened international expansion of banking systems.
- 4 Healthcare grew through several acquisitions in the Nordic countries and also in Germany.
- 5 Forest kept pace with investment activity in its business, establishing operations in Asia.
- 6 Processing & Network began concentration and harmonization of its operations. The new model, together with the Group's four vertical business areas and the Digital Innovations unit, will form a seamless end-to-end service chain for customers.
- 7 A private equity investor strengthened Resource Management's ability to take a more active role in its Nordic markets.
- 8 The software development and testing centre set up in the Czech Republic started global software production, benefiting from expertise in a low-cost country. Similarly, Public & Healthcare's acquisition of a German company gave TietoEnator more software development professionals in India.

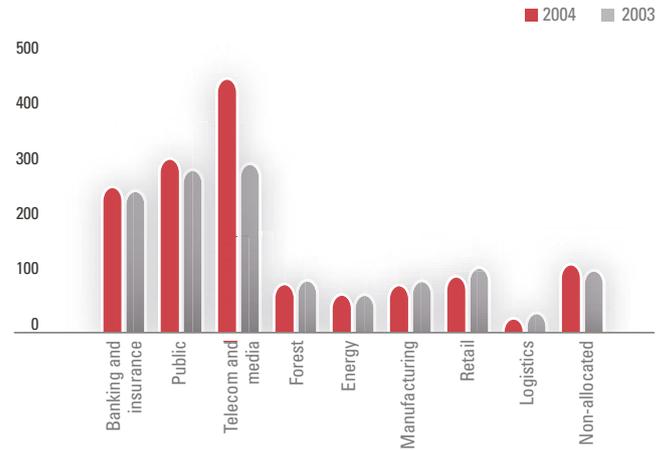
Key figures

	2004	2003
Net sales, MEUR	1 525.3	1 374.3
Operating profit before goodwill amortization and one-time capital gains (EBITA), MEUR	171.3	143.3
Operating profit before goodwill amortization (EBITA), MEUR	253.0	143.3
Margin, %	16.6	10.4
Operating profit (EBIT), MEUR	194.5	102.7
Operating margin, %	12.8	7.5
Profit before taxes, MEUR	189.3	100.6
Earnings per share, EUR	3.19	0.79
Equity per share, EUR	7.12	5.74
Dividend per share, EUR	1.00	0.50
Investments, MEUR	166.2	61.6
Return on equity, %	49.6	14.1
Return on capital employed, %	35.6	23.1
Gearing %	19.4	1.4
Equity ratio, %	55.9	60.8
Personnel on average	12 518	11 836
Personnel on 31 Dec.	12 773	11 680

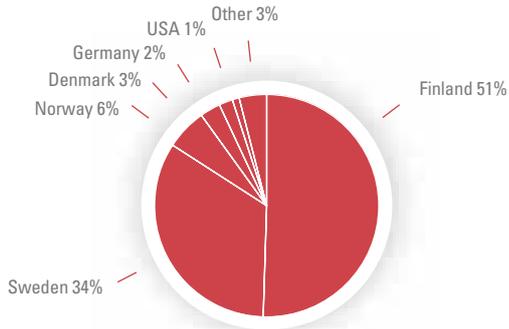
NET SALES BY INDUSTRY SEGMENT, 2004



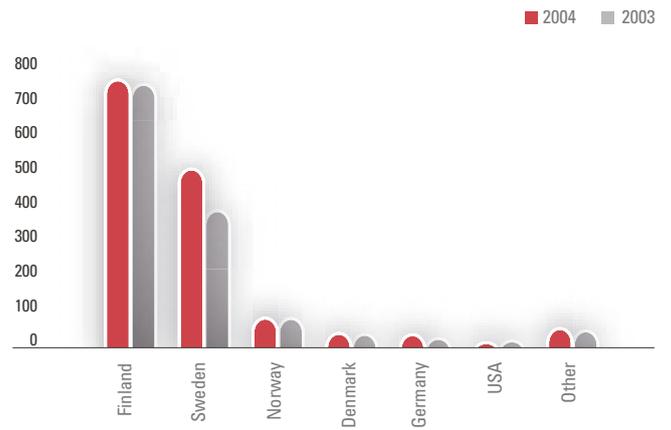
NET SALES BY INDUSTRY SEGMENT, EUR MILLION



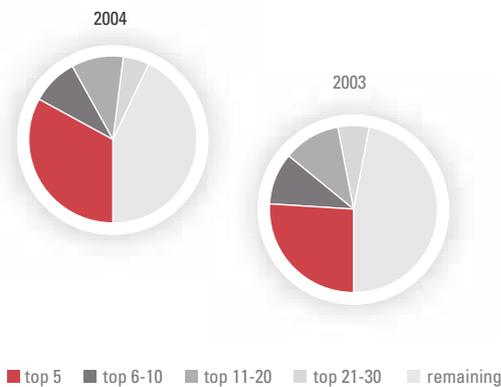
NET SALES BY COUNTRY, 2004



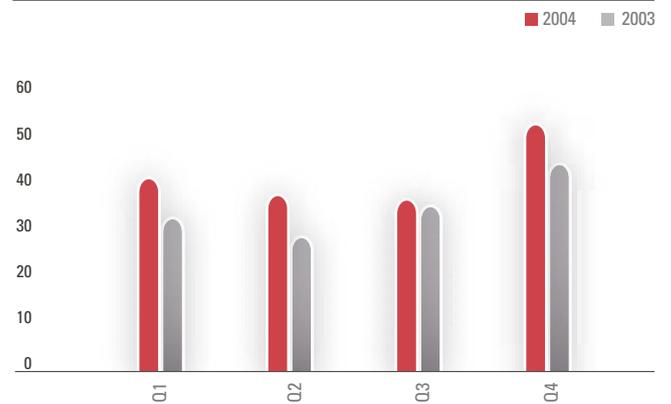
NET SALES BY COUNTRY, EUR MILLION



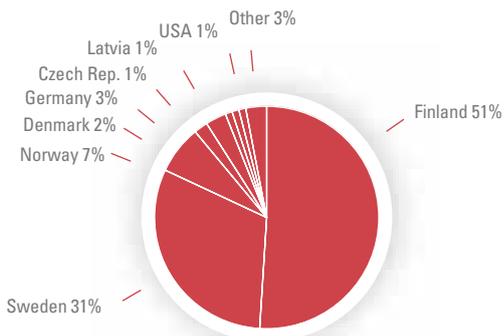
KEY CUSTOMERS' SHARE OF NET SALES



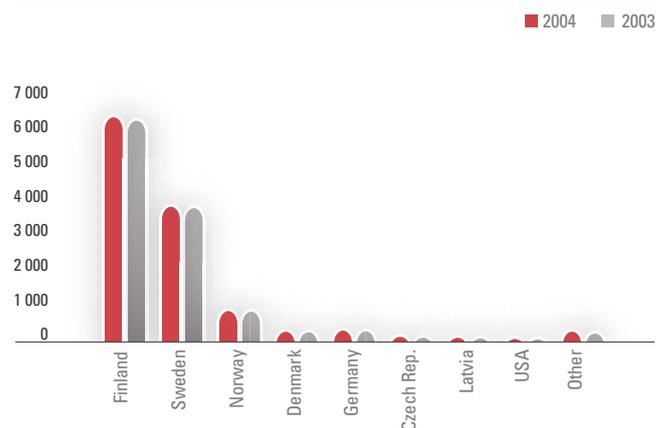
OPERATING PROFIT (EBITA) PER QUARTER, EUR MILLION



PERSONNEL BY COUNTRY, 2004



PERSONNEL BY COUNTRY



A year of big changes



The first decade of the Internet has opened up before us a clear vision of where digitalization is leading and what effects this change is having on different business sectors. All products and services that can be digitalized are being moved to data networks because in this way customers can get their products and services faster and at lower cost than using traditional means of production and distribution, for example by road or rail.

We have now progressed from the digitalization of individual functions and services to the point where entire value chains and business sectors are being digitalized. The wider the coverage of these digital value chains and the more data-intensive the business sectors, the greater will be the leaps in productivity they will experience. Productivity is being raised not only by digitalization and automation but by the opportunity to combine high-cost and low-cost production in a global data network. Most new digital products and services are developed for those sectors most dependent on information technology. The most intensive period of building the

infrastructure and basic services of the future digital society will most likely continue for another 10–15 years.

Providing IT services is itself a highly data-intensive business which feels the impacts of digitalization in two ways. In the first place, the IT industry must both adjust and build; besides providing products and services, the companies operating in this sector must digitalize their own operations and expand internationally – factors that profoundly affect their competitiveness. On the other hand, driving the evolving digital society forward into new fields is continually opening up new business opportunities for IT services at the same time as the oldest services in the sector mature into low-margin basic services.

offered by information technology. Competition in our sector and improvements in cost-efficiency kept total information technology costs at roughly the previous year's level. TietoEnator's 11% growth in net sales was achieved mainly as a result of acquisitions. The Group's strongest runners and our greatest reasons for satisfaction were the telecom and health-care sectors, which showed steady progress in both net sales and profitability. TietoEnator's confidence and investments in telecommunications during the recent deep crisis of the sector have yielded good results as the industry now recovers. In the same way the company has continued to make investments in another sector of key importance to the digital society, banking, despite the currently weak demand for IT services in this sector.

“We have deepened collaboration between our business areas to ensure our ability to manage entirely digital end-to-end value chains. And the aim behind harmonizing our internal processes and making greater use of offshore production has been to achieve major leaps in productivity and reductions in costs.”



2004 was a year of big changes in TietoEnator, a process that will continue during 2005. The company's target horizon has shifted from Nordic to world leadership in selected core businesses. The far-reaching structural changes we are making, along with development projects involving our employees and working processes, support the new targets we have set. The impacts of these measures are visible in the allocation of resources, Group synergies and internal efficiency. We have focused our growth investments on strengthening our services for the telecom, healthcare and banking sectors in Scandinavia and continental Europe. We have deepened collaboration between our business areas to ensure our ability to manage entirely digital end-to-end value chains. And the aim behind harmonizing our internal processes and making greater use of offshore production has been to achieve major leaps in productivity and reductions in costs.

Demand for information technology services began to recover slowly in 2004 after more than three years of continuous decline. Customers are now shifting their attention from cutting costs to development and the new business opportunities

The significant improvement in TietoEnator's profits in challenging market conditions, while simultaneously implementing large development investments, well demonstrates the company's performance and competitive strength, as well as its customers' confidence. For both I would like to warmly thank the company's demanding customers and skilled professionals.

Matti Lehti

President and CEO



Architect and operator of the digital economy

Guiding principles & strategy

TietoEnator is positioning itself in the global competition in segments of the market where it can grow and maintain a sustainable competitive edge through superior expertise, strong market position and solid profitability. In order to achieve this Tieto-

Enator needs to move higher up in the value chain and differentiate from the competition simultaneously. The changes in the market environment call for sharper focus in service offering and larger synergies between the business areas.

Mission_ Building the Information Society

TietoEnator's mission is Building the Information Society. Our definition for the information society, or 'digital economy' as it is also called, is an economy where a major part of all products and services are produced, distributed and consumed in a digital form over data networks. We are fulfilling our mission by consulting, developing and hosting our customers' digital businesses.

Vision_ The world's leading provider of high-value-added IT services in selected vertical markets

'Leading' in our thinking means leadership in expertise, market share and profitability. 'High-value-added' provides significant operational benefits for customers and high profit potential for TietoEnator.

TietoEnator's transformation is characterized by the following trends:

- higher up in the value chain
- deeper into the core verticals
- closer to customers' hearts
- further into the global market

Objectives_ Growth, profit, preferred employer

TietoEnator's long-term targets are:

- Top line growth over 20%
- Operating profit margin (EBIT) to exceed 13%
- Each business area to create shareholder value
- The employer preferred by IT professionals

GUIDING PRINCIPLES



Profile and values

_ Customer benefit and personal growth

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

Business environment

The most dramatic changes in our environment and the strongest drivers of demand for IT services are connected with the transition to the information society. We are moving towards a society in which data-intensive products and services will be produced, distributed and consumed electronically via information networks. The production and distribution of physical products, likewise, is already controlled for the most part via networks, and in the future these will form the basic infrastructure for all core and support processes that can be digitalized. Production and consumption are shifting from physical to electronic networks because the latter enable customers to receive their products and services faster, more economically, more securely and with less load on the environment.

Software and services are being developed on a large scale both for servers and for terminals. When products and services become digital, product development will be digitalized as well. Development of R&D-related systems is a growing sector in systems engineering and integration.

Other major external processes that affect our work include economic integration, consolidation of our customers' and our own industries, increasing global competition, IT-Telecom-Media convergence and growing offshore production. A combination of onsite and offshore production will be part of the service offering of any major IT service provider. The recent three-year slowdown in the economic cycle is giving way to a modest and gradual recovery.

TietoEnator's main competitors are the leading global IT services providers in the Western world as well as those low cost-countries focusing on highest-value-added services with an emphasis on the same vertical sectors in which TietoEnator is involved.

TietoEnator's main competitive challenges are to successfully meet the increasing global competition in the Nordic Countries and to grow profitably in the global marketplace. We welcome these with focus and differentiation.

Positioning and strategy

_ Global leverage of vertical expertise

TietoEnator is positioning itself against the global competition in segments of the market where it can grow and maintain a sustainable competitive edge through superior expertise, strong market position and solid profitability. In order to achieve this TietoEnator needs to move higher up in the value chain and differentiate from the competition simultaneously. The changes in the market environment call for a sharper focus in the service offering and stronger synergies between the business areas. TietoEnator is continuing its strategic transition in four main ways: by keeping away from time

and materials services; by replacing general management consulting services with consulting that focuses on the digital value chain and digital delivery; by farming out generic software products; and by integrating infrastructure services to the core of vertical expertise that adds the highest value.

TietoEnator's sustainable competitive edge is based on:

- Deep industry and customer expertise
- Customer relationships
- Outsourcing/acquisition takeover, integration capabilities and track record
- Solutions
- Right mixture of onsite/offshore production
- Well positioned IT expertise

Core Application Modernization Partnership combines partnership services and repeatable solutions

TietoEnator's service offering comprises three main value propositions:

- Traditional Partnership Services where TietoEnator takes wide responsibility for its customer's IT function
- Repeatable Solutions that represent the most crystallized expertise of the sector in an asset-packed form
- Core Application Modernization Partnership (page 35) that combines the former two.

The Core Application Modernization Partnership concept is aimed at renewal and maintenance of the most complicated core applications in data-intensive industries like banking, healthcare and telecommunications, where the traditional three-party business model (page 9) often falls short of meeting customers' quality and cost requirements.

In the global market, repeatable solutions and core application modernization partnerships are the main means of establishing new customer relationships and opening doors for wider partnership with customers.

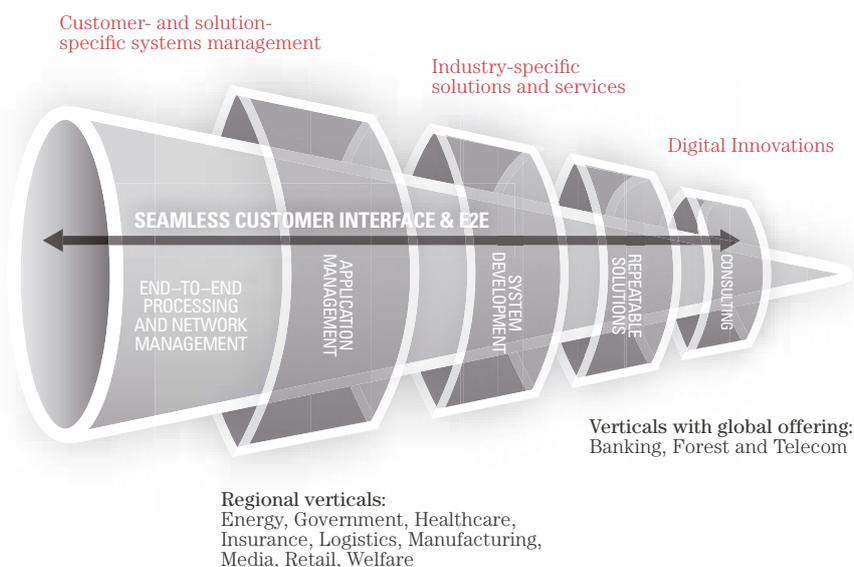
Growth_ Both organic and by acquisitions

TietoEnator's long-term net sales growth target is 20%. This growth target can only be achieved by organic growth and acquisitions jointly. Organic growth comprising add-on sales to current customers, solution sales to new customers and new partnership deals, is a clear growth priority. Acquisitions support organic growth by expanding the customer base, the local vertical expertise or application portfolio, or all three.

Strengthened strategic focus

TietoEnator's future success depends on how well the company is able to confront the increasing competition in its home market and to grow outside the region. The company aims to continue to be the preferred IT partner for Nordic clients and additionally to be the best solutions provider globally in defined core applications in selected verticals by combining partnership and solution services. The areas with most potential for global growth are banking, forest and telecom, with targeted annual net sales growth of over 20%. Healthcare and energy will aim at very strong regional development while TietoEnator's other businesses will strive for growth at least at the pace of the market. The purpose of growth investments like acquisitions will be to strengthen TietoEnator's ability to forge solution partnerships in new markets.

UNIQUE COMBINATION OF HIGH-VALUE-ADDED END-TO-END SERVICES



The ongoing repositioning is resulting in a unique combination of high-value-added vertical solutions and partnership services. It enables TietoEnator to cover the digital value chain of selected vertical sectors from end to end and to deliver the highest possible value to its customers.

Geographical view both regional and global

Our geographical view is both regional and global. We regard the Baltic Rim area as our home market where we provide both global and regional services. Outside this primary market our service offering comprises repeatable solutions and core application modernization partnerships in the banking, forest and telecom sectors. The global spearheads grow where their main markets and customers are. By country and region the priorities in 2005-2007 are:

1. Scandinavia
2. Germany
3. UK
4. Other

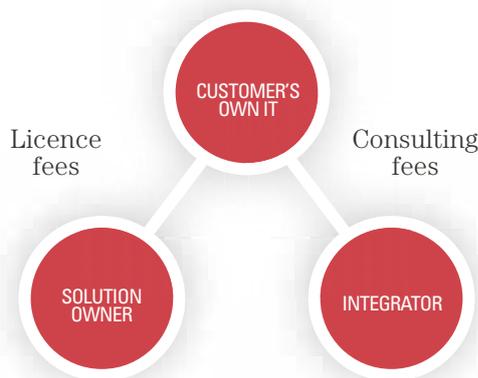
The low-cost near- and offshore markets have growing importance in TietoEnator's strategy. The low-cost markets are regarded as a sourcing issue in the short term and also as a potential customer market in the longer term. We are exploiting this potential by establishing software development centres in these countries.

Main emphasis in 2005–2007

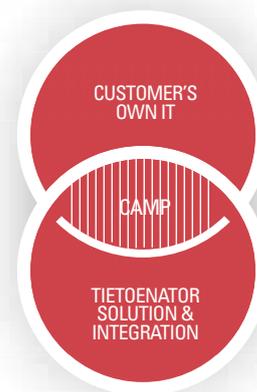
Having reached the number one position in the Nordic IT services market, we are accelerating the regeneration of the Group's organizational and business mix between 2005 and 2007, focusing on improved internal efficiency and accelerated global growth. The top-line growth drivers are strengthening organic growth, new large partnership deals in Northern Europe, and major solution deliveries in the international market supported by focused acquisitions driven by the Business Areas. The main strategic management agenda to enable this development in 2005–2007 is as follows:

1. Sharper vertical priorities with highest growth targets in banking, forest and telecom.
2. Expanded partnership operation leveraged by solutions and Core Application Modernization Partnership.
3. Accelerated global sales of repeatable solutions.
4. Preserved competitiveness of processing and network operations as an integrated part of the end-to-end digital value chain.
5. Increased investments in product development, intellectual property rights and intellectual human capital.
6. Global sourcing and establishing global software production.
7. Revitalizing and energizing the organization by systematic management planning, recruiting and job rotation.
8. Increasing international management capacity.
9. Improved quality and internal efficiency through harmonized processes in a fully digitalized company.
10. Cost benefits and business synergies by tighter vendor management.

TRADITIONAL MAINSTREAM BUSINESS MODEL



TIETOENATOR BUSINESS MODEL



Group review 2004

IT market is slowly recovering

The corporate and public sectors are continuously trying to find ways to improve their business and administrative processes. Further digitalization and IT-enabled process standardization are important drivers of efficiency in the economy. Digitalization is a clear long-term trend even though its

2004 was the first year of gradual recovery in IT spending at least in the area of consulting projects and standard software products. The sector is getting back on a growth track, but bad experiences from the late 1990s have made customers more sophisticated, cautious and hesitant to start big projects. Decisions are taken higher in the organization after exhaustive evaluation processes, which makes sales cycles longer than earlier at the same time as demand recovers. The several-year-long freeze on new development has created pent-up demand although this has started to ease slowly.

The general expectations for growth in the IT services industry are 5–8% annually over the next five years, which is lower than the sector experienced in the 1990s but clearly higher than in the early 2000s when growth has been either very low or even negative. IDC (IDC, October 2004) expects the annual average growth to total 7.3% in Finland and 5.0% in Sweden in 2004–2008. Pierre Audoin Consultants (PAC 10/2004) expect the external Nordic software and IT services market to grow 7.6% annually in 2004–2008 with outsourcing experiencing the highest annual growth of 8.3%.

The most important production factor in IT services is labour. Personnel-related expenses are clearly the biggest cost item for the industry and thus salary growth, labour mobility and the availability of a competent workforce are all critical factors for success and

pace has been somewhat slowed by the economic downturn and resulting investment constraints. The early 2000s have been a time of strict focus on short pay-back projects whereas long-term development investments have been on hold.

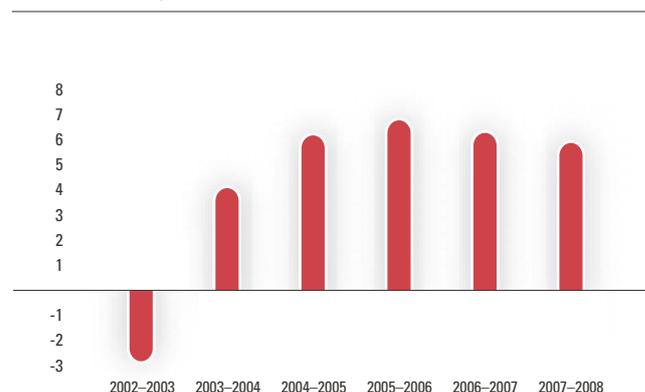
profitability. The labour market has been very favourable in recent years. The technology bubble led to overcapacity, most of which was dissipated by laying off a substantial share of the workforce in the industry. During the 2000s competent people have been in good supply, salaries have increased moderately, and labour mobility has stayed low. In late 2004 recruitment activity started to increase slightly, but so far the pace has been at a modest level. The emergence of global sourcing means disappearance of country based competence bottlenecks.

In 2004 salaries in the IT services sector increased generally by around 3% in Finland and 2% in Sweden. Based on the collateral agreements in Finland and Sweden salaries are expected to rise by around 2–3% annually in the coming two years.

Strong position in a competitive environment

TietoEnator enjoys a market-leading position in the Nordic countries. IDC estimates TietoEnator's market share in IT services as a whole to be 31% at the end of 2003 (32% in 2002) in Finland and 6% (5%) in Sweden (IDC, 2004). In TietoEnator's vertical businesses the market shares are, naturally, even higher. TietoEnator's estimated market shares are also higher in its main service businesses – project services and outsourcing services – and the company

NORDIC SOFTWARE AND IT SERVICES MARKET
Annual market growth, %



Source: Pierre Audoin Consultants, 2004

ranks as the clear number one in Finland and number three in Sweden. The market share information shows the evident difference between the Finnish and Swedish IT service markets; Finland is a highly concentrated market with the top five suppliers accounting for the bulk of total market share whereas in Sweden even the biggest players have achieved only moderate market shares.

Pierre Audoin ranks TietoEnator the second biggest software and services supplier in the Nordic countries after IBM. Of the vertical sectors in public and telecom & utilities, however, TietoEnator is the highest ranked supplier followed by IBM. (PAC, 2004).

Competition in IT services is intense. From TietoEnator's perspective competitors can be very different depending on industry, type of service and geography. The competitors most often faced are the international IT services providers, for example Accenture, Capgemini, HP and IBM, each with its own strengths and weaknesses. Competition is toughest in major infrastructure outsourcing contracts, which can lead to aggressive struggles for market share. In the higher-value-added area of IT services, where vertical expertise and customer knowledge and intimacy play an important role, competition can be intense but is based more on competence than price.

Price pressure still persists in the industry. During the past couple of years prices have trended downwards and in 2004 they started to become fairly stable. The situation is very fragmented, however. The areas of most aggressive competition are facing still declining prices whereas in the areas farthest ahead in the recovery it may be possible to increase prices. The offshore alternative, competition, buyer power and sophistication are all maintaining the price pressure in the industry.

Vendor consolidation has been a permanent trend in the industry and this continued in 2004 as well. Several deals were made during the year, both in the Nordic countries and internationally. However, the overall market is still fragmented so there is room for further consolidation as the balance sheets of the companies improve with continuing recovery.

Divergent development in customer industries

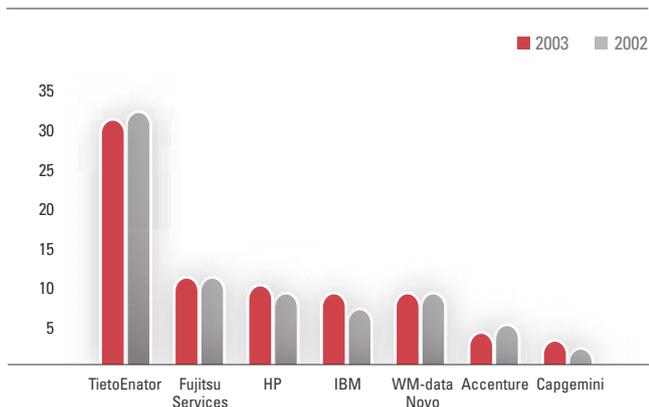
During 2004 TietoEnator experienced the general market recovery but in very different ways in different customer industries. Customer activity, the number of requests for proposal and sales cases were generally on a clearly higher level than one year earlier. Sales cycles were long everywhere.

The banking industry was difficult during the year. Even though banks have started to perform better financially, the intense competition and margin pressure have forced them to continue their cost-saving programmes and delay new development investments. This has affected TietoEnator's growth in both its partnership and banking solutions businesses. The solutions business started to show some activity during the year, however. Maintenance of aged legacy applications is consuming excessive resources for many banks and further savings are no longer possible without an overhaul and modernization of the systems base. TietoEnator is engaged in ongoing discussions with several potential solutions customers.

In April TietoEnator extended its relationship with one of its most important payment customers, Royal Bank of Scotland. In June TietoEnator won the order to deliver a new corporate-wide payment transaction system to the Norwegian DnB Nor bank. At the same time as the core banking implementation with former Gjensidige Nor was put on hold owing to the bank's merger with DnB Nor. In December TietoEnator made two new agreements in the banking solutions area: an e-banking system for Montenegro bank CKB, and a core banking and e-banking system for BPN in Portugal. TietoEnator's Banking & Insurance business area made one acquisition during the year, Inveos in Germany, which was acquired in January to improve local solution delivery capabilities.

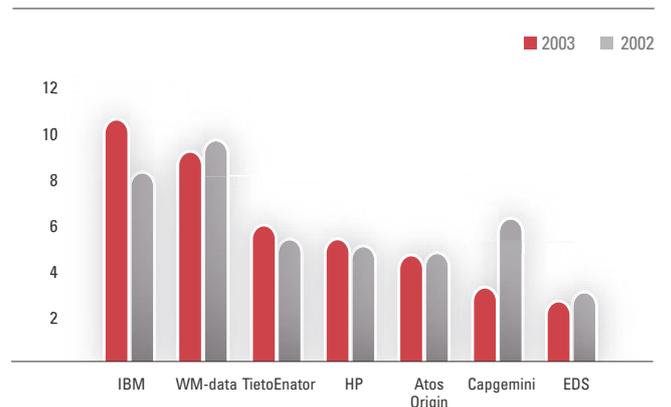
The Finnish pension insurance sector is providing a number of opportunities due to regulatory changes in the national pension insurance system. TietoEnator made two outsourcing contracts in 2004 in this sector. In May TietoEnator acquired Octel (130 employees), which was the shared IT company of several Finnish pension insurance providers. In September TietoEnator agreed with Finnish pension insurance company Ilmarinen to set up a joint venture which will take over 140 of Ilmarinen's employees.

FINNISH MARKET FOR IT SERVICES,
Top 7 vendor market shares, %



Source: IDC, 2004

SWEDISH MARKET FOR IT SERVICES,
Top 7 vendor market shares, %



Source: IDC, 2004

The telecom sector is clearly the customer industry experiencing strongest growth. Operators have come through their balance sheet problems and are investing in infrastructure. TietoEnator's relationships with all the major telecom customers – Nokia, Ericsson and TeliaSonera – are performing well. Customers are cost-conscious and very interested in co-operating with partners with the right competences and a proven ability to deliver.

TietoEnator's growth strategy pinpoints telecom as an area of high investment. The company closed the acquisition of Ki Consulting, TeliaSonera's Swedish application partner, in January. The transaction increased the number of employees working for the operator's customers by 770. The integration of Ki Consulting was smooth and financially the acquired unit generated expected net sales and profitability well in line with the Group average. In December TietoEnator agreed on another major acquisition after concluding negotiations to buy S.E.S.A. AG, the biggest telecom R&D supplier in Germany. S.E.S.A. AG has altogether around 600 employees in Germany and France providing R&D services mostly to telecom equipment vendors and operators, but also to the automotive and other manufacturing industries.

The public sector market is intensely competitive. The sector did not experience such decline in demand as the private sectors during the dotcom years and many new players are trying to enter the market. Customers are struggling with budget deficits, but on the other hand there is clear demand for building functional 24/7 services for citizens. A new trend in the sector is an increasing preference for multivendor strategies, which will benefit TietoEnator at least in Norway and Denmark. Furthermore, collaboration with customers in purchase processes has led to larger but more demanding tender processes. TietoEnator was able to close several new framework agreements with Swedish government agencies during the year. In Denmark TietoEnator reached an outsourcing agreement with pension insurance and banking provider Pen-Sam, which transferred 27 people at the end of 2004.

The healthcare sector in all Nordic countries is consolidating into bigger units and standardizing processes. Efficiency is a high priority in all Nordic countries and the use of modern technology in the administration of hospitals, health centres and laboratories will play a key role. For TietoEnator healthcare was one of the growth areas of 2004. The business unit made several acquisitions to improve its product portfolio and customer access. The smaller acquisitions were the imaging business of Jons-Medical in Finland, a minority holding in the Norwegian Helsekomponenter, Norwegian Respons, a private healthcare software company Doctorex in Finland, laboratory systems provider Informationslogik in Sweden, and C&S Healthcare in Sweden. In November TietoEnator signed a letter of intent to buy German ITB AG, which marked entry into a new geographical area. This company, which provides healthcare information systems to hospitals, has a workforce of altogether 170 people including 120 software developers in India.

The major players in the global forest industry are facing an environment of only slowly recovering demand coupled with intense price pressure. Most paper companies are saving costs and postponing investments, including IT. Asia, with its strong economic

growth, is attracting investments in new capacity. Recognizing the need to follow the investment trends in the industry, TietoEnator's global forest sector established operations in Asia in 2004 and is now directing attention to Russia and South America as well.

TietoEnator's energy business consists of software solution and IT services businesses to global oil and gas companies and the Nordic electricity industry. Oil and gas companies have performed strongly due to the high oil prices and there are plenty of opportunities for new business. The utility business, especially the Nordic electricity market, is facing privatization and consolidation. Consolidation is a major driver of process harmonization and thus a spur to investments in new systems and implementation projects. TietoEnator strengthened its position in the utility business during 2004 with two acquisitions in the customer information systems area. OMX's energy business with 45 employees was transferred to TietoEnator in February and in October Tekla's customer information systems for the energy industry and the municipal sector were acquired, adding 115 employees.

In some industry verticals TietoEnator operates only on a Nordic or Finnish level. Customers in the manufacturing vertical are steel and mechanical engineering companies, which have cut their IT spending in recent years owing to the economic downturn. The financial situation in this customer segment has clearly improved but investment activity has not yet started to increase. Retail and logistics is a vertical business where TietoEnator enjoys a very strong market position in Finland and has been the main partner for customers in major application modernization projects. These projects were already completed in 2003, which then reduced project volumes and lowered costs for maintenance in 2004.

The infrastructure outsourcing market is still among the fastest growing in the IT services sector as new, first-generation outsourcing contracts are still made every year. Competition is most aggressive in this area and as prices tend to decline, it is critical to improve efficiency continuously to maintain profitability. TietoEnator's Processing & Network business area is focusing more and more on the Group's selected vertical customer industries where it is able to offer more value-added to its customers. One example of this development is the building up of more combined, end-to-end service offerings with TietoEnator's vertical business areas and the Digital Innovations unit. The company also took major action to centralize, automate and consolidate its data centres to improve efficiency and these programmes will continue.

TietoEnator's Resource Management (currently Personec Group) operates in the human resource and financial resource management software market. Due to the horizontal nature of this business and the very different customer strategy it requires, Resource Management is not a core part of TietoEnator's strategy. Consequently, TietoEnator divested a minority 49% stake in the business in June 2004. Resource Management was subsequently renamed Personec Group. Personec's human resource management business benefits from the very local nature of payroll administration and the emerging trend of business process outsourcing in the human resources area. The financial resource management business is more exposed to international competition since processes among

different countries are more standardized. It seems, however, that demand for financial resource management systems is recovering faster than for human resource management. With the new investor Personec has better resources to participate in the industry consolidation and it already made its first acquisition in December with the purchase of IFS's payroll solution in Sweden.

Global sourcing gains ground

Global or offshore sourcing has developed slowly in TietoEnator's main markets in the Nordic countries. The relatively inexpensive workforce, the small size of the economies and organizations, and small language areas have delayed the adoption of global production. The most advanced sector using global sourcing has been telecom with the truly global operations of its enterprises. TietoEnator holds the view that in the long term global sourcing will become a permanent part of the industry and that all organizations will need to adjust their IT sourcing strategies to take account of global sourcing. Sourcing development globally includes several management and communication challenges and thus many end-user organizations are choosing to work with partners that offer a global sourcing option rather than establishing direct sourcing networks.

TietoEnator has chosen a customer-centric approach to global sourcing. TietoEnator's local customer teams manage the software development process and the customer relationship as a whole. The customer teams are supported by global production teams, which makes it possible to offer customers cost-efficient services. At the end of 2004 TietoEnator had around 470 employees in low-cost countries.

During the year TietoEnator took substantial steps to improve its nearshore and offshore capabilities. The nearshore development centre in Ostrava, Czech Republic, started operating in spring 2004. This centre provides cost-efficient software implementation services concentrating on mainstream technologies such as Java, .Net, C++, DB2 and Oracle. At the end of the year the centre had close to 70 employees and the first projects had been delivered successfully. Early 2005 TietoEnator acquired the German healthcare software company ITB AG. ITB has 120 software developers in India, which will provide an excellent platform for building a more extensive offshore resource base in the future. In total TietoEnator plans to increase the number of employees in low-cost areas to over 800 by the end of 2005.

Profitability improved

Net sales grew 11% to EUR 1 525.3 (1 374.3) million in 2004. Organic growth was 13%. The highest growth took place in the telecom and media customer segment, 50%. Banking and insurance was stable and public sector grew 21%. Growth in Finland was at 2% whereas Sweden increased strongly by 31%. Norway declined by 1%. In 2004 Finland accounted for 51% and Sweden for 34% of net sales.

Operating profit (EBITA) before capital gains from divestments increased by 20% to EUR 171.3 (143.3) million. Including capital gains, operating profit (EBITA) totalled EUR 253.0 million. Operating margin (EBITA) before capital gains improved to 11.2% (10.4). Operating profit (EBIT) totalled EUR 194.5 (102.7) million.

In July 2004 TietoEnator received an advance tax ruling from the Finnish tax authorities. Based on this ruling the company booked a deferred tax asset and income amounting to EUR 119 million, or EUR 1.44 per share.

Earnings per share before goodwill amortization, capital gains and the deferred tax asset amounted to EUR 1.52 (1.28). After goodwill amortization, capital gains and the deferred tax asset earnings per share amounted to EUR 3.19 (0.79).

Divesting non-core assets, returning funds to shareholders

Two bigger divestments took place in 2004. The divestment of the minority holding in the Resource Management business area generated a capital gain of EUR 67.4 million and returned EUR 113 million in cash. Further, two office buildings were divested in Finland returning EUR 72.5 million and producing a capital gain of EUR 13.7 million. As these divestments led to excessive cash balances TietoEnator took measures to return a substantial part of the funds to its shareholders. During autumn 2004 TietoEnator executed a share repurchase programme under which EUR 97 million of cash was used to repurchase approximately about 4.1 million shares, or 5% of the total. In December TietoEnator paid an extra dividend of EUR 0.50 per share, or a total of EUR 39 million, in addition to the normal dividend of EUR 0.50 per share paid in April. Altogether TietoEnator returned EUR 177 million to its shareholders during 2004.



Business operations

The world's leading provider of high-value-added IT services in selected customer businesses

Business areas in numbers

Net sales, MEUR	199	198
per employee, EUR 1 000	116.5	111.9
Operating profit (EBITA), MEUR	18	21
Margin, %	9.1	10.4
Per employee, EUR 1 000	0.5	11.6
Full-time employees (average)	1 704	1 768
Full-time employees (Dec 31)	1 725	1 672

Banking & Insurance

2004	2003
199	198
116.5	111.9
18	21
9.1	10.4
0.5	11.6
1 704	1 768
1 725	1 672



Share of net sales | 12%



Share of operating profit, EBITA | 10%

Telecom & Media

2004	2003
422	278
125.5	105.1
64	32
15.2	11.5
19.1	12.0
3 363	2 648
3 420	2 640



Share of net sales | 26%



Share of operating profit, EBITA | 34%

Public & Healthcare

2004	2003
239	229
125.0	119.8
24	20
10.2	8.5
12.8	10.2
1 913	1 913
1 990	1 881



Share of net sales | 15%



Share of operating profit, EBITA | 13%

We are building the information society by consulting, developing and hosting our customers' digital businesses.

TietoEnator has four vertical business areas that specialize in specific customer sectors. These are Banking & Insurance, Telecom & Media, Public & Healthcare and Production & Logistics. The company's fifth business area, Processing & Network, operates independently of these four across the entire Group. Supplementing the services provided by TietoEnator's business areas is Digital Innovations, a unit specializing in digital self-service solutions, and the company's Software Centres which provide software production services in low-cost countries. TietoEnator's subsidiary Personec provides digital solutions for human and financial resource management.

TietoEnator is bringing its vertical business areas into closer collaboration with Processing & Network and Digital Innovations to provide its customers with a globally consistent service concept and end-to-end services for their value chains.

Production & Logistics

2004	2003
208	221
114.4	122.1
21	25
10.2	11.5
11.7	14.0
1 823	1 806
1 876	1 810



Share of net sales | 13%



Share of operating profit, EBITA | 11%

Processing & Network

2004	2003
417	401
180.0	173.7
47	44
11.3	10.9
20.3	19.0
2 315	2 307
2 309	2 312



Share of net sales | 26%



Share of operating profit, EBITA | 25%

Personec Group

2004	2003
127	129
126.7	121.7
14	12
11.0	9.2
13.9	11.2
1 002	1 058
995	1 028



Share of net sales | 8%



Share of operating profit, EBITA | 7%

Net sales, MEUR
Per employee, EUR 1 000
Operating profit (EBITA), MEUR
Margin, %
per employee, EUR 1 000
Full-time employees (average)
Full-time employees (Dec 31)



Banking & Insurance

IT pioneer in banking

— Conditions in the banking and insurance business were broadly similar during 2004 to the previous year. Customers continued to concentrate on cutting IT costs but the need for new investment is acute as this sector stands on the threshold of fundamental change.

Banking and insurance companies still maintain large internal IT units and use outdated systems. Many have already started to renew their systems, a worldwide trend that is expected reach full speed over the next ten years.

Partnership services and packaged software are Banking & In-

surance's response to the need in this sector to update basic systems, develop IT processes and add digital services.

Banking & Insurance aims to be the leading provider of high-value-added IT services for the banking, finance and insurance industries. The business area has set its sights on strengthening its existing position in Northern Europe while seeking growth elsewhere in Europe. In the global marketplace it will establish itself through state-of-the-art system solutions.

Partnering consolidation in the European banking sector

"In Northern Europe, our domestic market, we are well recognized for our ability to combine technical expertise with a deep knowledge of our business sector. Our operations cover a broad range



of banking, insurance and financial IT services. Structural change in this sector will continue in Scandinavia, where banks and insurance institutions are gradually breaking up their internal IT units. In handing over responsibility for this function, they are seeking a partner like TietoEnator able to offer leading IT management skills and special expertise in system renewal,” describes Jukka Rosenberg, President of Banking & Insurance.

Structural change in the banking sector is gaining pace throughout Europe, driven in part by developments arising from the common currency. Another crucial driver is the diversity of the core IT systems still used by many European financial institutions, maintenance and development of which now require a new order of efficiency.

“We have created a model we call Core Application Modernization Partnership specifically for implementing wide-ranging system and operating model renewal,” Rosenberg continues. “The core of the model is to link our partnership expertise and repeatable solutions with integration, development and maintenance of our customer’s systems. In practice this means we combine the strengths of the customer’s own IT function with TietoEnator Banking & Insurance’s expertise, allowing us to renew the bank’s core systems in a controlled manner, safely and cost-efficiently.”

Repeatable solutions advance globally

Beyond Europe the business area is expanding through its repeatable solutions for core banking, payments, cards and e-banking.

“Interest in the market for repeatable banking solutions has been rising continuously. TietoEnator offers state-of-the-art fully integrated Core Banking solutions for both the retail and corporate banking that promote cost-efficiency. Our Payments solutions offer an entirely new and more cost-efficient approach to management and automation of cross-border payments processing.”

Banking & Insurance continues to enhance its structure and processes as international needs evolve. Its operating model includes using low-cost production of services through nearshore facilities. “We have the necessary knowledge of this sector, the expertise and the solutions; we are ready for change,” Jukka Rosenberg declares.



Jukka Rosenberg
President
Banking & Insurance

Banking & Insurance

Banking & Insurance’s target is to be the leading provider of high-value-added IT services for the banking, finance and insurance industries. In its domestic market, Northern Europe, the business area works in close partnership with its customers. Globally, it is expanding by providing top-quality repeatable solutions. Technology expertise is highly important for the business area’s success but its biggest strength lies in a deep understanding of the businesses of its customers.

_Products and services: The services offered by Banking & Insurance are based on close collaboration with customers. The spearheads are global solutions covering areas such as core and e-banking, and payment and card systems. Banking & Insurance also has solid experience in taking full responsibility for its customers’ IT development and maintenance.

_Markets: Empowered by 2 100 employees Banking & Insurance operates in 13 countries and has more than 400 customers worldwide. It is the leading provider of IT services and solutions for the finance industry in Northern Europe. Reference customers include Nordea, FöreningsSparbanken, DnB NOR, Sampo, if Insurance, Handelsbanken, and many other major Nordic banks and insurance companies. Its international customers include Barclays Bank, Royal Bank of Scotland, Halifax Bank of Scotland and HypoVereins Bank.

_Performance in 2004: Conditions in the banking and finance sector remained challenging during 2004 despite an increase in requests for proposal and a greater overall interest in solutions. Sales cycles continued to be long and decisions on new investments were frequently postponed.

TietoEnator concluded a wide-ranging partnership agreement with pension insurance company Ilmarinen strengthening Banking & Insurance’s partnership business in Finland. In Payment solutions, the business area broadened collaboration with Royal Bank of Scotland. It also made a new payment system agreement with DnB NOR in Norway although, owing to DnB and Gjensidige NOR’s mergers, DnB NOR put on hold implementation of a core banking system started in early 2003. The card business area remains promising and several contracts has been signed in the central and eastern European market .

The banking solutions business area also gained a foothold in new markets during the year. The Portuguese Banco Português Negócios chose TietoEnator as its partner in the renewal of its core banking and e-banking systems, while TietoEnator gained a contract to supply a Finance Portal e-banking system to Crnogorska Komercijalna Banka in Montenegro. The German market still showed no or minimal signs of recovery, but during the latter half of the year recovery was becoming evident in Sweden, Norway and Denmark.



Telecom & Media

Leading European R&D services provider, solutions development started

TietoEnator's position in the telecom sector became considerably stronger in 2004. The acquisition of Swedish Ki Consulting early in the year sealed its market leadership among Nordic operators. TietoEnator was already the leading provider of research and development services within telecommunications in the Nordic region. The acquisition of S.E.S.A. AG in Germany at the year end broadened TietoEnator's presence in Europe as a leading provider of R&D services to the

telecom industry. The deal increased the number of telecom professionals in TietoEnator to 4 000.

"Like TietoEnator, S.E.S.A. concentrates on providing R&D services to telecom system providers. The company operates in Continental Europe and its customers are a good fit with TietoEnator's customer portfolio. The company generates more than 70% of its net sales from the telecom business. S.E.S.A. has around 600 employees, 480 of them in Germany and 120 in France. This gives us a strong platform for growth in the European telecom market," comments Ari Vanhanen, President of Telecom & Media.



Previously, Telecom & Media worked mainly in partnership with its customers. But, in line with the Group's strategy, the business area has now set its sights on global market leadership in selected application areas, which will mean a

strong new emphasis on the solutions business. The business area's development has been systematically moving towards this goal. Its cumulative expertise from working in partnerships, and its in-depth understanding of the needs of this business, create a solid basis for developing solutions for this sector.

Service automation solutions developed

Building the solutions business requires finding synergies within the value chain. This will also help the business area to broaden and deepen TietoEnator's expertise in telecommunications. This work began with the development of Service Automation Solutions for operators, offering them greater efficiency and bringing benefits to their customers, the consumer. The unit's first product, CPM (Mobile Content Partner Management), is targeted at the wireless telecom market as 3G technology is increasingly adopted. Content services play a central role in 3G mobile communications and demand for them is growing vigorously.

"Wireless applications and services must be available anywhere, anytime," Vanhanen says, describing this product in more detail. "The operator provides the technical infrastructure while numerous partners produce the content for the consumer. CPM is a portal through which the service producer can provide the service and from which the consumer can order it. The portal is automatic, an efficient link between the parties. It significantly reduces the work nowadays required to create a connection."

Developing the solution has required close collaboration with telecom manufacturers. Work on building the product has begun together with TietoEnator's service centre in Ostrava and its launch is scheduled to take place during autumn 2005.

Low-cost production in Ostrava is integral to the Group's new service concept. Telecom & Media customers are looking for cost-efficient services while the manufacturing industry, facing global competition, sources its services where it can get them most effectively. This business area has assumed a pioneering role in TietoEnator in employing such offshore services.



Ari Vanhanen
President
Telecom & Media

Synergic benefits for customers

Telecom & Media's greatest competitive strength is its ability to work throughout the value chain with manufacturers, teleoperators, content producers and the media – an ability that derives from its in-depth knowledge of the telecommunications business.

"We also have other strengths such as close partnerships with customers in product development and efficient processes. In product development it is now becoming essential to find synergies between customers. Changes in our operating environment will lead in the future to manufacturers using common components in their products to an increasing extent," Ari Vanhanen explains.

Combining the Digital Innovations unit's expertise in digital services with the Processing & Network business area's knowhow will be a considerable boost to the services offered by Telecom & Media. It will produce a seamless service chain that in the future will increasingly be controlled by wireless devices and thus able to provide effective solutions for the rapidly evolving information technology needs of its customers.

Telecom & Media

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

_ Products and services: Telecom & Media provides teleoperators, equipment manufacturers, content producers and media companies with a comprehensive range of IT services including research and development, consulting, systems development and integration. The business area works globally with international telecommunications and media customers.

_ Markets: Telecom & Media operates in 10 European countries and in China. It has more than 4 000 IT professionals specialized in telecommunications at its service. Telecom & Media's largest customers in alphabetical order are: the EU Commission, Ericsson, Nokia, TeliaSonera and YLE (the Finnish Broadcasting Company).

_ Performance in 2004: Conditions in the telecommunications markets were favourable during 2004, evidence of which was a clear increase in investments by teleoperators in infrastructure and information technology. Telecom & Media made steady progress in its research and development partnerships with equipment manufacturers. The media business grew as well.

Telecom & Media made two major acquisitions during the year. The first was the Swedish telecom consultancy company Ki Consulting in January, and the second was S.E.S.A., the leading R&D services provider to the telecom industry in Germany in December. The successful integration of Ki Consulting within the business area marked the completion of one of the year's most important goals.

Co-operation with Nokia and Ericsson continued in a number of projects. Production was started at the nearshore software development and testing centre in Ostrava, Czech Republic.

Telecom & Media's strong performance was the result of the Ki Consulting acquisition coupled with good organic growth. The business area made no outsourcing agreements during the year.



Public & Healthcare

Stronger presence in healthcare

The healthcare market continued to develop positively and TietoEnator consolidated its position in this sector during the year through both organic growth and several acquisitions. A slight improvement was also evident in public administration despite continuing intense competition and price pressure. Public & Healthcare's priority is to deepen relations with its key customers, to broaden its operations in the

Nordic countries, and to strengthen its presence in Continental Europe with its healthcare solutions.

"In public administration our growth was organic, the result of our efforts to identify the development needs of our key customers. In Sweden, where we have traditionally been a strong service provider to local authorities, we gained several new contracts also with central government to supply digital services. On the healthcare side we completed seven acquisitions, which strengthened our position as a major IT solutions provider to this sector," President Carl-Johan Lindfors describes.



Broader theatre of operations

Among the acquisitions of 2004 was Doctorex Oy, a leading software supplier to the private healthcare sector in Finland. This deal had strategic importance because as co-operation expands between the public and private healthcare sectors, software solutions will need to be increasingly compatible as well. "Our aim is to support the drive towards greater efficiency in healthcare operations and collaboration between the various parties to create a seamless service chain covering both private and public sectors," Lindfors says.

The agreement signed with the German ITB AG gives Public & Healthcare a firm foothold in Continental Europe in the future. "ITB does most of its R&D in India, which offers us new opportunities through offshore operations.

"In public administration we intend to grow faster than the market, as we have considerable growth potential in Sweden, Denmark and Norway. We will strengthen our key customer strategy in all the Nordic countries to ensure that our customer partnerships are even broader in scope."

"In the central government segment customers continued to concentrate on renewing their core IT systems and implementing digital government solutions. As EU directives harmonize reporting procedures, interest in uniform solutions is growing in Europe. "An example of this trend is EUFORUM, a tool we have developed for the ministries preparing issues related to the EU. The need for harmonizing information systems will grow as well among e.g. frontier guards, customs officials and the police. As a strong Nordic supplier we are well positioned to offer solutions suitable for the European community," Lindfors declares.

The healthcare market is expected to show strong growth as core system renewals, regional co-operation projects and the transfer of services to the Internet increases. Public & Healthcare is looking to grow both organically and through acquisitions, says Lindfors. "In the Nordic countries we will strengthen our presence by focusing on our key customer partnerships. We offer total service in core system renewal projects and the most advanced technology for digital healthcare applications. We also expect to grow in Continental Europe."

New operating model for end-to-end service

In line with TietoEnator's strategy Public & Healthcare will increasingly seek to offer its customers total service including processing and network services and digital self-service solutions.

"Our aim is to provide an end-to-end service chain covering our customer's entire value chain and meeting all their IT needs. We believe that this new operating model will support breakthroughs in the central government sector in the Nordic countries as well as helping us to enter the healthcare market in Continental Europe."

Public & Healthcare

Public & Healthcare offers services and products for building new IT solutions within the public administration and healthcare and welfare industries. The business area works in close partnership with its customers, supporting their efficiency and ability to provide enhanced services with the help of new information technology.

– Markets: Public & Healthcare's current market area covers the Nordic countries, Estonia, the Netherlands and Germany. The main customer groups are governments, local authorities and providers of healthcare services.

Public & Healthcare's largest customers in alphabetical order are: City of Stockholm, the Ministry of the Interior (Finland), the Ministry of Justice (Finland), National Board of Taxes (Finland) and Stockholm County Council.

– Products and services: In the central government sector, the business area offers digital government solutions and services that support its customers' core businesses. In the local and regional sectors, it focuses on high-value-added solutions for social welfare, healthcare, education and libraries. The business area offers healthcare solutions for hospitals, primary health centres, laboratories and dental care units as well as for private healthcare providers. Public & Healthcare focuses its R&D on repeatable solutions that can be used throughout the Nordic countries and international markets.

– Performance in 2004: Public & Healthcare strengthened its position as the leading public sector service provider in the Nordic countries. The solution-based healthcare business developed especially strongly.

Market conditions in the Nordic public sector market either remained unchanged or slightly improved during the year. Customers increasingly preferred to use several suppliers and tender processes became steadily more demanding. In Denmark Public & Healthcare concluded an outsourcing agreement with Pen-Sam, a group providing pension schemes and supplementary insurance and banking products to local trade union members.

The healthcare sector developed well and TietoEnator made several acquisitions: the medical imaging and archiving business of Jons-Medical in Finland, a minority holding in the Norwegian Helsecomponenter, the Norwegian social welfare and healthcare solutions provider Respons, Doctorex, a Finnish software supplier to the private healthcare sector, the laboratory systems business of the Swedish InformationsLogik and the entire share capital of this company's subsidiary in the Netherlands, InformationsLogik Netherlands B.V., the Swedish C&S Healthcare Software AB, and a majority holding in C&S Management AB in Sweden. The acquisition of the German ITB AG will give Public & Healthcare a significant foothold in the Continental European market. Most of this company's R&D takes place in India.



Carl-Johan Lindfors
President
Public & Healthcare



Production & Logistics

Growth through new partnerships, broader service concepts and wider market coverage

— The signs of long-awaited recovery strengthened during the autumn. This trend was reflected in an improved order backlog and higher capacity utilization in some of Production & Logistics' businesses. The business area is targeting growth through new partnerships, by broadening the scope of its service concepts to cover its customers' value chains more comprehensively, and by widening its coverage of markets and customer segments.

The business of the Forest unit stayed quite stable during the year despite the continued cost-cutting operations of several customers. "Our most active market at the moment is Asia, where we are expanding. We have opened our office in Indonesia. The first projects in China have started and business volume in Russia is picking up," summarizes the business area's president, Pentti Huusko.

Development was positive in the Energy sector. "Here, our focus during the year was on strengthening our customer management services for electricity companies. Acquiring the customer information systems of OM-HEX and Tekla Corporation in Finland marked a considerably boost for our business. These products complemented our product range and improved our service capabilities in the Nordic markets. We were also pleased with the positive development of our global oil and gas business," he continues.

In the business area's Nordic operations, sales to the manufacturing industry were lower than earlier because of customers' cost cutting operations. Net sales in the retail and logistics industry sector declined in Finland due to the completion of large customer projects. Those projects are now at the application management stage.

Extended coverage of value chains and markets

In the retail sector, Production & Logistics gave high priority to broadening its sphere of operations to Finland's close neighbours, Sweden and the Baltic countries. "It is extremely important to us that we succeed in this task. We are a partner whose services will cover our customers' entire value chain, from manufacturer to consumer. Right now, for example, we are building solutions for the food industry and for store management," Huusko describes.

In the energy sector, the business area's next development investments will be directed to the oil and gas sector, where it plans to expand the customer base to include mid-size and national oil and gas companies in addition to the existing global world-leading oil and gas customers.

"In the forest industry we will focus even more than today on serving the centralized operations of international companies with services developed precisely for this purpose. For the manufacturing industry we are developing a new concept called the 'TietoEnator Industrial Platform' for entire value chain management. The solution will be developed using the .NET platform and it combines the software of our international partners with our own Lean ERP system," he says.



Emphasis on offshore production and comprehensive service chains

The outlook for the Production & Logistics business is improving: economic conditions for oil and energy companies are good, the manufacturing industry is clearly recovering, the Asian markets continue to grow, and the Russian market is opening up in both the forest industry and other business sectors.

Because of the tough international competition, Huusko believes that it is extremely important to the business area to succeed in two key areas: exploiting the benefits of offshore production, and developing end-to-end service solutions jointly with Processing & Network and the Digital Innovations unit.

"We have already started using the services of our offshore unit in Ostrava. Future development of our offshore concept will concentrate on ensuring that our operations, management of product and service development, and production of services are located based on our customer needs. We need to produce our services cost-effectively using the highest quality standards. We have a lot of hard work ahead of us to secure our ability to offer top-quality end-to-end services to our customers while giving special priority to developing digital self-service solutions."

Production & Logistics

Production & Logistics is a leading provider of high-value-added IT services for selected industries. Its key customer industries are forest, energy, manufacturing, the retail sector and logistics. The business area focuses on building IT partnerships with customers within these industry sectors. Production & Logistics is growing globally through world-class solutions for digital forest and energy chains based on strong industry competence regarding these sectors.

_ Products and services: Production & Logistics develops IT systems covering its customers' entire value chains, from procurement to customer relationship management. Its strengths are an in-depth knowledge of its customers' businesses, coupled with standardized, state-of-the-art methods and practices, its own solutions, and enterprise software developed by the world's leading vendors.

_ Markets: Production & Logistics employs more than 2 000 people in seven European countries as well as in the USA, Canada, Singapore, Indonesia, China and Malaysia. Production & Logistics serves its customers in all of their countries of operations and offers them global support. The business area is the world's leading independent IT systems provider to the forest industry. Production & Logistics' largest customers in alphabetical order are: Fortum, Kesko, SOK, Stora Enso and UPM-Kymmene.

_ Performance in 2004: In the Forest sector the business area grew only in Asia, while business conditions were challenging both in America and Europe. New contracts were concluded in all markets, however.

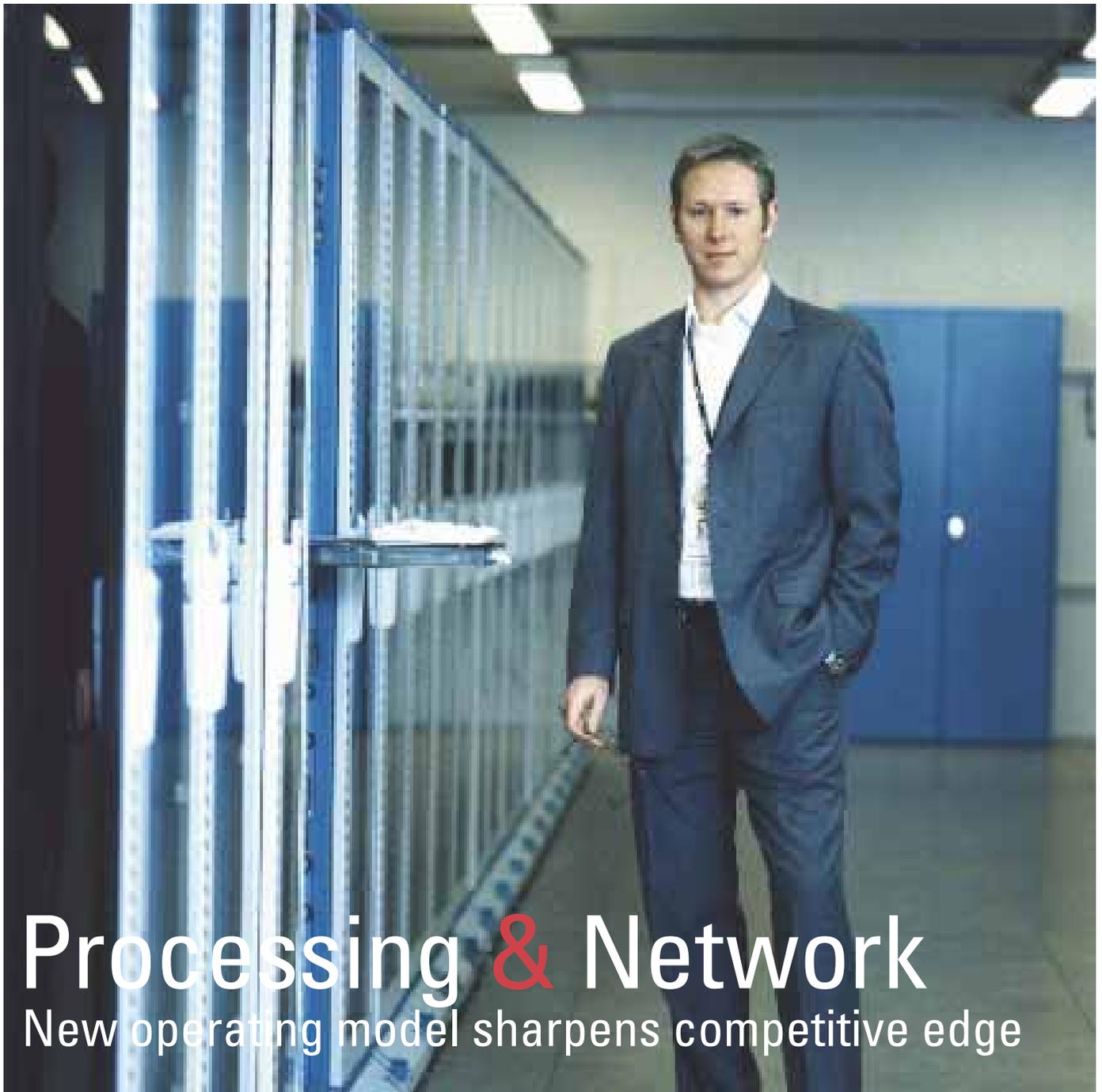
The Energy unit developed positively. During 2004 the unit significantly strengthened its business with electricity companies by acquiring the customer information systems of OM-HEX and Tekla Corporation in Finland. The Energy unit also concluded significant supply agreements for both customer and network information systems. Energy Components, the unit's spearhead product family, continued to develop positively and these systems were delivered to several global oil and gas industry customers around the world.

Production & Logistics successfully implemented several projects with retail customers. Net sales from this sector declined as completed projects moved to the application management stage.

The manufacturing industry returned to growth at the end of the year. Particularly positive was the increased demand for corporate software solutions. The integration of third-party software with TietoEnator's own software and business know-how has been positively received.



Pentti Huusko
President
Production & Logistics



Processing & Network

New operating model sharpens competitive edge

— Demand for Processing & Network’s services increased during the year although competition remains fierce in this sector. The most important of P&N’s development projects is closer integration of processing and network services with the services provided by TietoEnator’s four vertical businesses.

Processing & Network’s business volume grew in both its main markets, the Nordic countries and the Baltic region. Growth in net sales, though, was slower than one year earlier due to competition on prices. Progress was especially positive in Sweden, where Telia-

Sonera’s decision made in 2003 to outsource its mainframe production to TietoEnator marked a significant inroad in this market.

“We succeeded in making several deals and contracts in various markets. Particularly important when thinking of TietoEnator’s prospects in Denmark was the agreement with Pen-Sam Holding, a Danish provider of pension systems and supplementary insurance and banking products, to outsource their operations and applications management services with us,” comments Juhani Lano, President, Processing & Network.

Demand for BIX (Business Information eXchange) services grew strongly during the year. BIX refers to the integration and on-line transfer of documents such as e-invoices, payroll calculations, and order and supply chain documents generated in the course of doing business over the Internet.

Several development projects under way

Besides developing and commoditizing its own products, Processing & Network also plays a crucial role in a number of process harmonization projects that involve TietoEnator as a whole. Their purpose is to unify the Group's sales processes and activities, to develop and implement internal operating processes, and to coordinate development of common services.

“We are renewing TietoEnator's service concept to bring it more closely into line with customer needs, to support the Group's international expansion and to strengthen our competitiveness. In pursuit of this goal, we are centralizing and harmonizing our operations both geographically and in terms of customer service. This model, in combination with our four vertical businesses and Digital Innovations Unit, forms an end-to-end service chain,” Lano explains.

Centralizing technical infrastructure mainly on one main global production site, along with harmonized processes and tools, will enable TietoEnator to reduce costs. This will both improve its competitiveness and benefit its customers.

“The result is that in the future we will be more responsive to customer needs despite centralizing our production. This is because our customers around the world will be able to use over the network our services built on a common platform.”

Closer collaboration

Applying this new service concept, TietoEnator will be able to offer the same high-standard services in all its countries of operation coupled with uninterrupted operation and maintenance of applications. The new concept, says Lano, will require TietoEnator to considerably boost sales and improve its supply capabilities in all countries.

“When we offer capacity from another country, our sales people will need to have greater competence and a thorough understanding of our customers' needs.

“Almost all our customers have welcomed the change. To get our new service concept to work, we must ensure our business areas work seamlessly together. This will call for real team spirit and commitment – and I've noticed this has been increasing day by day as our Group-wide harmonization work unfolds,” he adds.



Juhani Lano
President
Processing & Network



Processing & Network

The business area supplies processing and network services for customers' information and communications technology (ICT) needs. The business area works in close partnership with its customers, providing IT services to ensure the continuity, development, efficiency, quality, data security, flexibility and adaptability of their business operations.

_ Products and services: Processing & Network focuses on ICT processing services and related consulting, integrating and content services. Processing services consist of the optimization and renewal of production operations.

Optimization includes the development and uninterrupted management of applications, networks, mainframes and servers with a view to continuous improvement, as well as providing production reports and technical support. Renewal, on the other hand, supports the structural rationalization of organizations' IT services with consulting, planning and implementation services.

_ Markets: Processing & Network offers its partnership services primarily to the existing and future partnership customers of TietoEnator's four vertical business areas. This allows it to combine ongoing processing and network support services with the business development projects of its customers in an effective way. The business area operates with a strong Nordic and Baltic focus and is one of the leading suppliers in these regions. It also provides support to its globally operating partnership clients in Continental Europe and the USA. Processing & Network's largest customers in alphabetical order are: Kesko, Saab Technology (Saab, Bofors, Celsius, Telub), Sampo, Stora Enso and TeliaSonera.

_ Performance in 2004: Processing & Network maintained its position as the second largest service provider in the Nordic countries. The business area continued to harmonize and further develop its processes to safeguard its competitive strength. An important area of focus was adoption of the ITIL (Information Technology Infrastructure Library) processes and supporting tools throughout the business area.

The owners of Octel Oy, the shared IT company of several Finnish pension insurance providers, sold Octel's entire share capital to TietoEnator. Octel continued as a wholly owned TietoEnator subsidiary from 1 May 2004. The agreement also included a long-term 4.5-year service contract.

TietoEnator agreed with Finnish metals company Ruukki on the supply of data processing capacity and related services for new IT systems Ruukki is introducing. The services will be available at all of Ruukki's business locations. The agreement allows Ruukki to choose the level and availability of service according to its business needs and the required amount of computing capacity is available at any particular moment.

Personec Group

One result of TietoEnator's strategic renewal process – placing stronger focus on selected customer businesses – was the agreement signed in July 2004 to involve an outside private equity company in the development of its Resource Management business area. This was sold to a holding company owned 51% by TietoEnator and 49% by Nordic Capital.

The divestment released capital for financing the growth of the Group's core businesses while at the same time enabling TietoEnator to take an active role in the strategic development of Resource Management's markets.

In November TietoEnator Resource Management was split into two independent businesses and also given a new name. The human resource management (HRM) business was renamed Personec and the financial resource management (FRM) business Economa. The company's new name is Personec Group.

Personec is the leading provider of payroll and personnel management solutions and services in the Nordic countries. These are offered to both the private and public sectors. Personec, via TietoEnator, has been involved in human resource management for more than 30 years and its market share in the Nordic countries is approximately 30%. Some 15 000 organizations employ Personec's solutions and services and almost four million people are paid through its systems.

Economa, with roughly 4 000 financial resource management customers, holds a significant position in the Nordic countries. In the future Economa will broaden its service portfolio to include enterprise resource management and customer relationship management, in order to offer its customers complete solutions for their business processes.

Performance in 2004

Demand is gradually improving for HRM and particularly for FRM systems. An increasing number of customers are showing interest in service centres for personnel and payroll management. Consolidation among service providers in the Nordic countries is continuing.

In 2004 66% of the net sales of the Personec Group was contributed by Personec and 34% by Economa.

In December 2004 IFS Sverige AB sold its IFS Lön payroll management system to Personec. The agreement supports Personec's strategic aim to grow significantly in the Nordic countries.

Personec considerably strengthened its position as a supplier to the public administration sector in Finland during the year. Important agreements included the joint purchase by several universities of the Personec Fortime payroll system, and a framework agreement signed with the Finnish government, which has adopted the Personec Travel system for travel and expense management.

In Denmark Personec was contracted by Sondagsavisen, the country's leading free paper, to supply the Personec HR system.

In Sweden Economa made an agreement with the City of Gävle of Economa Business Systems.

TietoEnator intends to retain control of the company and to consolidate Personec in its financial statements until the end of 2006, after which it is planned to transfer majority control to Nordic Capital.



Digital Innovations

TietoEnator set up the Digital Innovations unit in April 2004 to develop and intensify its digital self-service applications, to improve synergies between TietoEnator's vertical business areas, and to accelerate the product packaging and integration processes of the key digitalized self-service innovations. The unit works closely with TietoEnator's five business areas, adding services to their ranges to cover the complete digital value chain of their customers.

With 275 professionals, Digital Innovations operates in all the Nordic countries. Its services range from business and IT advisory services, user experience engineering (UEE), digital communication solutions and integration solutions, to project implementation methods and tools, and technology support for digital self-service solutions.

In the Digitalizing Framework project (page 39) the unit combines TietoEnator's best practices, innovations and solutions with the best expertise in the business for the benefit of the entire Group. Digital Innovations also coordinates TietoEnator's close collaboration in digital self-service with the world's leading technology vendors.

The Digital Innovations unit's expertise and strength is employed in a number of far-reaching digital self-service projects which place top priority on ease-of-use and the end-user's point of view.

Software Centres

Low-cost nearshore and offshore opportunities are assuming a growing importance in TietoEnator's strategy. At the beginning of 2004 TietoEnator set up a software development centre in Ostrava, in the Czech Republic. This unit is TietoEnator's first centralized, Group-wide, offshore production facility offering technical IT production services.

The centralized software development centre provides TietoEnator's business areas with a cost-efficient technical production facility that improves their competitive position and helps them to move up in the value chain without losing control over production. Software Centres is TietoEnator's answer to the globalization of IT production. Customers continue to have only one service provider, TietoEnator,

which controls the full value chain combining its competence and experience of both customer industries and software development methodologies and technologies in the global marketplace.

Through global sourcing TietoEnator aims to create production facilities that enable its vertical business areas to reduce the cost of their standard IT production. They can then use the resources saved to constantly improve their products and services, thus adding value for their customers.

In 2004 Software Centres participated in a number of software development projects for European customers working alongside the Telecom & Media and Production & Logistics business areas and Digital Innovations. The volume increased significantly during the year and is expected to continue to rise sharply in 2005.

Further information on TietoEnator's global sourcing in the review of Intellectual Capital on page 41.

A photograph of a man with dark hair, wearing a light-colored, ribbed turtleneck sweater, playing a violin. He is shown in profile, looking towards the right, with his mouth slightly open as if playing. The violin is a rich brown color, and the bow is held across it. The background is a plain, light color.

All our work reflects a strong commitment to creating added value for our customers while providing for our own people a continuous opportunity to grow and develop as individuals and team members.

Intellectual capital

Intangible resources, the platform for value creation



TietoEnator's aim is to become the world's leading provider of high-value-added IT services in selected customer sectors. The company's means to this end are its intangible assets – its human capital, structural capital and relational capital. The following pages describe TietoEnator's most important ongoing processes and action for developing its intangible assets.

Major development projects underway

TietoEnator restructured its organization and realigned its strategic priorities at the beginning of 2004 to underpin its impending international growth. A Development Management Team, DMT, was set up in the spring to steer and supervise this work chaired by Pentti Heikkinen, Chief Operating Officer. Several major development projects had been started by the beginning of 2005 and together these represent one of the most penetrating processes of change in TietoEnator's history.

"We have to change if we are to successfully face intensifying competition in our domestic market, the Nordic countries, while growing profitably in the broader international arena. The practical measures resulting from our strategic renewal fall into three groups: organizational changes, reformulation of our business priorities, and seeking greater efficiency and stronger synergies throughout the Group," Pentti Heikkinen elaborates.

DMT plans, sets priorities and supervises

TietoEnator's top management was revised and strengthened at the beginning of 2004 to ensure efficient implementation of the strategic renewal process. The new post of Chief Operating Officer was created at the same time to lead the new Operative Management Team.

"With the Operative Management Team concentrating on operational and customer-related issues, it became apparent that we needed a separate steering body to focus on pushing forward our other development projects. For this purpose we set up the DMT, which consists of the heads of the business areas plus the executives of the units or projects responsible for increasing synergies and efficiency – eleven people in all. Like the Operative Management Team, the DMT meets once a month," Heikkinen says.

Resources targeted at strongest areas of expertise

In pursuit of further international growth TietoEnator needs to sharpen its focus further. "We are directing our resources to those areas where our expertise is strongest and which, for this reason, offer the best opportunities for international growth. These are banking, telecom, forest and healthcare. In the future these will be the target of our largest investment and development resources, and they are the areas we expect to grow most strongly."

In its other business sectors TietoEnator is aiming for strong regional or local growth. The agreement reached in July to bring in a capital investor to participate in the Resource Management business area's development is an example of TietoEnator's policy to



Pentti Heikkinen
Chief Operating Officer

concentrate on selected customer industries and release capital for international growth.

Prioritized development projects in full swing

Under the new model, TietoEnator's four vertical customer-specific business areas will work more closely with the Processing & Network business area and the Digital Innovations unit, which serve the entire Group. The aim here is to ensure TietoEnator's ability to offer customers a globally uniform service concept with a seamless end-to-end service chain.

TietoEnator is also seeking to strengthen its international competitiveness by harmonizing its operating models, processes and services globally. DMT has already defined the primary development projects for the Group to support this goal, Heikkinen continues:

"Besides rolling out our end-to-end service offering, we will be focusing in the near future on enhancing customer relationship management, unifying our Group-wide operating models and processes, completing the implementation of our new ERP system, and sourcing more production of services in low-cost countries. These projects are moving fast because all our units have understood that collaboration is imperative. We are united in wishing to succeed in this challenging process of change and reach our growth targets."

Main components of intellectual capital and their development

CRITICAL INTANGIBLE RESOURCES	GOALS	KEY ONGOING ACTIVITIES
HUMAN CAPITAL		
Management capabilities	Consistent development, international capabilities	Management development (p. 33) Management planning (p. 33)
Employee competences	Personal growth Become preferred employer by IT professionals	Business driven people management, BRIDGE (p. 32) Preferred employer indices (p. 33)
Customer industry and IT expertise	Maintain and further sharpen in-depth knowledge of customers' businesses, be the leading expert in the latest information technology	Solution partnership concept, Core Application Modernization Partnership (p. 35) Business intelligence forum (p. 35)
STRUCTURAL CAPITAL		
Group common processes	Achieving world-class process maturity and economies of focus/scope/scale	Common business system (p. 36) Business Support Unit (p. 37) HR Centre (p. 34, 37) Vendor relationship management (p. 38) Digitalizing framework (p. 39)
Intellectual property	Protection of key intellectual & intangible assets, protection of legal trademarks	Development of IPR management process (p. 39)
Technology infrastructure	Develop uniform solutions and processes to gain synergies and competitiveness adapted to strategy	Harmonizing IT infrastructure (p. 39) Centralized resource management with a single control system (p. 37)
RELATIONAL CAPITAL		
Group strategy	Utilize globally the leverage of vertical expertise	Solution partnership concept, Core Application Modernization Partnership (p. 35) Reorganization of processing and network operations (p. 40) Global sourcing (p. 41)
Customer relations	Create customer value, maintain and increase customer satisfaction and loyalty	Customer relationship management (p. 42) Monitoring customer satisfaction (p. 43)
Financial community relations	Sharpen interest in the company among the investment community, build investor loyalty, attract new analyst and media coverage	Systematic development of investor relations and financial communications (p. 44)
Corporate brand	Support business strategy: build awareness, knowledge, attitude and loyalty	Focus on execution in marketing, communication and branding (p. 44)
Corporate responsibility	Maintain a level that gives membership of specific key CSR indices	Corporate responsibility framework (p. 45)

Group-wide processes to support growth and internationalization

For TietoEnator’s human resources function 2004 can be characterized as a year of developing common processes and tools to help the Group to reach its newly revised growth and internationalization goals. Special emphasis was put on performance and competence management as well as on management and leadership development.

BRIDGE - merging performance and competence management

Competence management has been an integral part of TietoEnator’s business planning process for several years. In 2004, however, the decision was taken to develop the existing competence management system into a renewed Business Driven People Management process that covers the management of both competence and performance. With the aim of improving business performance and organizational efficiency throughout TietoEnator, this process provides a comprehensive approach to facilitating growth through in-

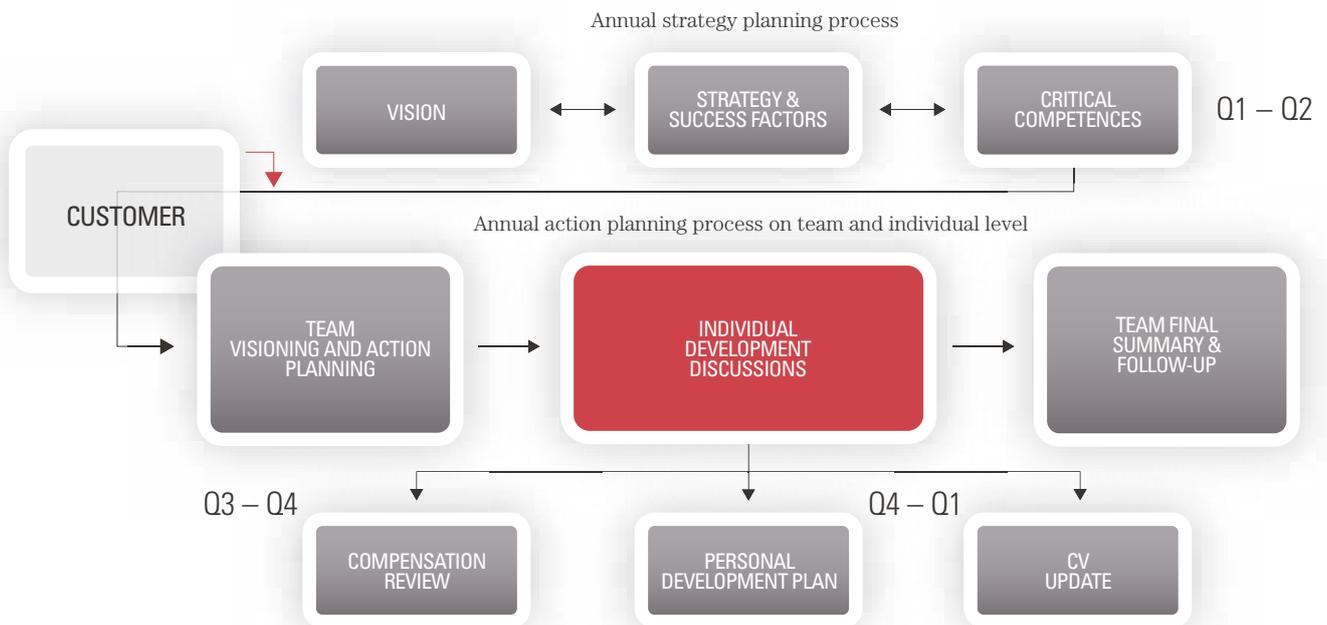
dividual target setting, support and feedback.

The process establishes a common platform for supporting employees’ performance and competence in a structured way in alignment with the objectives of the organization. It builds upon a strong belief in the ability and motivation of every individual to grow and perform better and it supports their growth by helping them to understand how each one of them personally can contribute towards the goals of their own unit. Since the new process links the organizational and individual levels of business planning, it is called BRIDGE.

The cornerstone of the process from the individual’s perspective is the development discussion between every employee and his or her immediate manager. A new development discussion template, common to everyone, will replace all existing templates from 2005 onward. Furthermore, managers are trained and encouraged to actively monitor and support their team and unit members with feedback in order to develop performance in a successful way.

For the managers, BRIDGE is a tool that helps them identify, manage and develop their employees’ performance. The purpose is to support managers in reaching their individual and team or unit targets

BRIDGE – LINKED TO ANNUAL PLANNING PROCESSES



by helping them professionally manage all levels of performance.

BRIDGE also establishes a good platform for other processes such as compensation systems. Through structured target setting and reviews it improves fairness in compensation, which is an important motivational factor for the employees.

In connection with BRIDGE, managers have received and will continue to receive training in coaching for performance. The purpose of this training is to develop their ability to conduct the development discussions to a high standard, to set their subordinates challenging targets and to help them reach these targets.

Management planning covers the entire management lifecycle

Management planning is one of TietoEnator's key processes by which it aims to ensure a growing pool of talented, experienced and committed senior and middle managers both for the short and long terms. In 2004, the management planning process was developed further. The objective is to have a management planning process and programme implemented on all organizational levels to ensure that the need for business-specific management competence is met. The process is based on a strategic gap analysis. The present and future strategy-based management needs are compared, in terms of both quantity and quality, with the supply and potential of managerial resources at all organizational levels.

Management planning is a continuous, consistent and proactive way of working through the entire management lifecycle. It consists of identifying potential managers internally and/or externally, as well as attracting, recruiting and aligning them, planning and developing their competences, reviewing and managing their performance, rewarding and recognizing them, developing their careers, and finally planning their succession.

All managers in TietoEnator form one common pool of talent. Potential candidates for top management positions as well as early career potentials will be discussed openly in Group-level roundtable meetings 1-3 times a year. The status and actions for the identified talent pool will then be discussed in business area management audits annually.

Every manager, as well as all employees, will have an individual development plan for the next 1-2 years as an outcome of the annual development discussion. This plan, together with the performance evaluation summary of each individual, forms an important input for the internal management planning process.

Specific action is taken to develop the identified top managerial potentials; both young managers with high potential and senior top management potentials. Job rotation across both business area and geographical boundaries is encouraged in order to broaden the future managers' perspective of TietoEnator's businesses and cultural aspects. In 2004 fifteen senior managers were offered new challenges as business unit managers or in new business areas or countries as an outcome of the management planning process.

From 2005 on, the scope of management planning in TietoEnator will cover all managerial levels from the top management team down to the department and team level, which means approximately 1 500 individuals.

Emphasis on leadership development

TietoEnator's overall long-term objective is to develop world-class leaders. Management and leadership development is not seen as an isolated training activity, but as an integrated part of strategy implementation and business development. Internal management development through the company's own management training programmes is one of the strongest tools for developing a TietoEnator culture based on shared values. Another important means is to rotate managers within TietoEnator to expand their business understanding and prepare them for more demanding positions.

Top management training with IMD, one of the top-ranked business schools in the world, continued successfully in 2004; 75 managers have so far participated in this one-year programme that focuses strongly on TietoEnator's international growth, and the 2005 programme has commenced with a new group of 26 senior managers.

A Group-wide management training programme called Business Excellence in TietoEnator (BeTE) complements the management development schemes on an international level. The programme addresses the development needs of the next level of managers and is run in close co-operation with IFL at SSE (Stockholm School of Economics). The BeTE programme is tied to the TE-IMD programme through a partly shared faculty and content areas. The programme cycle is two programmes per year, 25 managers in each programme. By the end of 2004, 150 managers had participated in this training.

The preferred employer of the strategic target group

One of the Group-wide goals identified in the Guiding Principles is to become the preferred employer of IT professionals and students. The primary target groups in this context are the company's own employees, as well as young IT professionals and students engaged in IT studies or related fields of engineering.

To measure the preferred employer standing, TietoEnator has developed a measurement system consisting of four indices:

- The attraction index describes how attractive TietoEnator is in the talent market among a carefully defined target group of young IT professionals and IT students.
- The employer relationship index measures how content employees are with TietoEnator as an employer.
- The exit relationship index is taken in the form of exit surveys when people leave TietoEnator.
- The last measurement of the preferred employer status is the personnel turnover rate, which TietoEnator regularly follows.

In 2004 TietoEnator increased its attractiveness in the Nordic countries, particularly in Finland, regaining some of the previous year's loss. The employer relationship index decreased slightly.

First-line managers have so far been trained on a national basis. In order to link the training better to the Group's common goals, TietoEnator has recognized the need for harmonization and selected Mercuri International as an international training partner. The new training will be piloted during 2005.

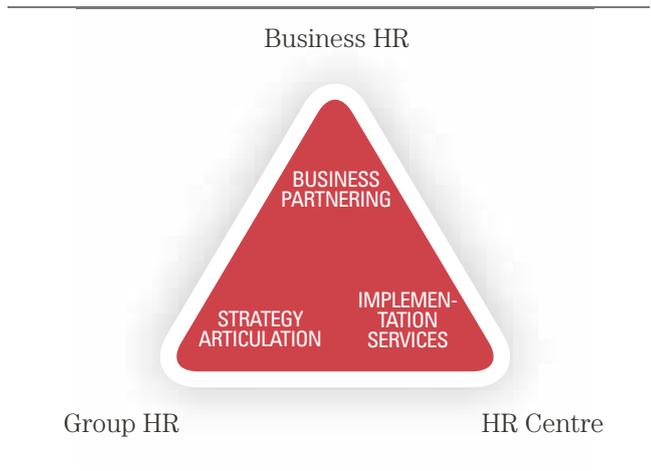
A four-level project management career and learning path has been defined to clarify and systematize project management training in TietoEnator. With Project Institute as a partner, the career and learning path covers all project management categories from basic to the most advanced. Certification is recommended for all categories.

HR Centre to harmonize HR processes

In the spring of 2004, the HR functions of TietoEnator were reorganized to better support the strategic goals of the Group. As a part of the reorganization, an HR Centre was set up to harmonize and improve the efficiency and quality of the HR processes. The structure of the HR Centre is similar to the Business Support Unit set up in 2003, which brings together the financial management resources of the Group.

The HR Centre now employs approximately 50 people in Finland, Sweden and Norway. The roles and responsibilities of TietoEnator's HR organizations are shown in the picture below.

TIETOENATOR'S HR ORGANIZATION
- ROLES & RESPONSIBILITIES



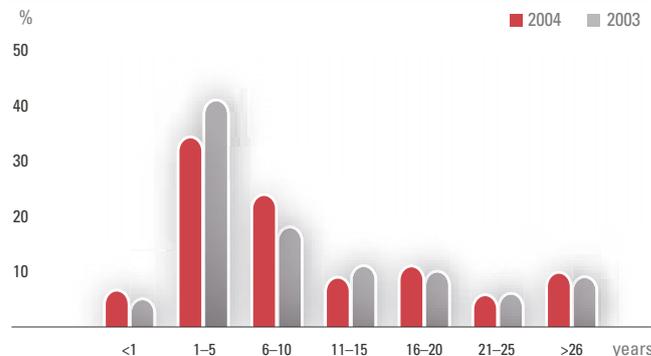
In 2004 the HR Centre started the harmonization of HR processes and the streamlining of vendor co-operation. These processes will continue in the years ahead complemented by digitalized HR processes and a new streamlined service model. By 2007 the goal is to have global, fully unified HR services in place with effective processes, good quality and high efficiency.

Employee turnover stays at a low level

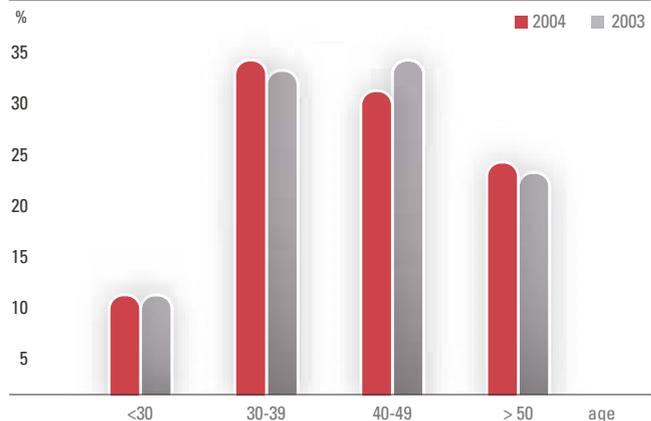
TietoEnator saw no signs of increasing loss of employees caused by the pent-up mobility between companies, and it was rather easy for the company to find the desired competences in the recruitment market. TietoEnator's recruitment is increasing but stayed moderate during 2004; a total of 933 (550 in 2003) employees were hired. 683 (675) employees left the company and 378 (460) employment

contracts were terminated due to restructuring activities. The headcount was 12 773 (11 680) at the end of the year. It was mostly increased by several acquisitions that added altogether 1 315 (230) employees. Also the headcount of the new Software Centre in Ostrava is growing rapidly and was close to 70 at the year end. Employee turnover remained at a very low level of 5.1% (5.3%).

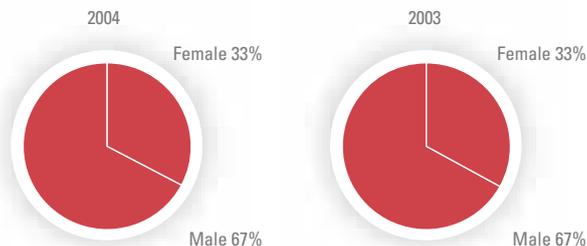
LENGTH OF EMPLOYMENT



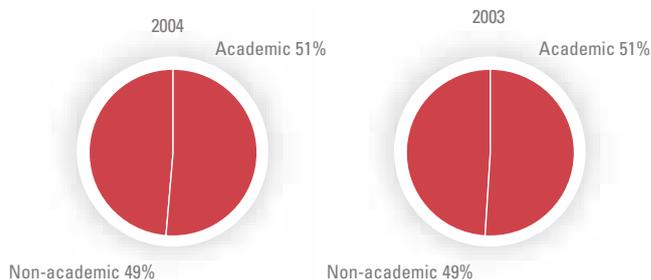
PERSONNEL BREAKDOWN BY AGE



PERSONNEL BY GENDER



ACADEMIC EDUCATION, 3 YEARS OR MORE



Core Application Modernization Partnership concept broadens service offering

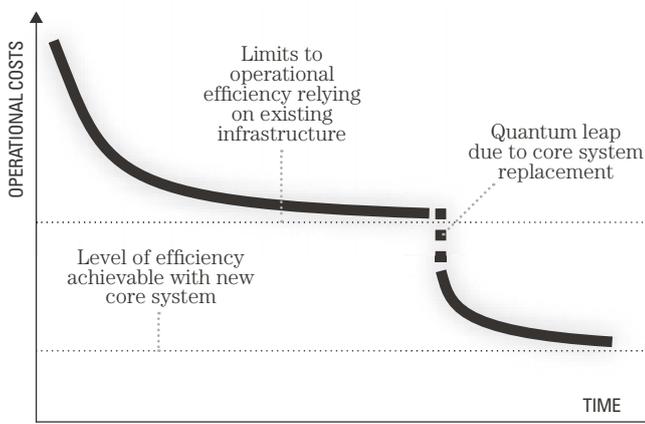
Companies in a number of business and industrial sectors are experiencing the need to completely overhaul and update their ICT systems. Growth over the years, often through acquisitions, has led to parallel systems representing widely differing stages of development. Complex and sometimes incompatible, they are expensive to operate and maintain. They can also hamper business growth in today's fast-moving world.

IT costs can be lowered by doing without some of the latest technical advances. But the only way to achieve major cost reductions is to harmonize all the systems through a complete renewal. This need is felt particularly keenly in sectors of business that rely heavily on digitalization and where companies have grown strongly. A good example is the banking sector.

TietoEnator has wide experience of carrying through demanding IT renewal projects and developing operating processes. This experience has now been formalized into a product concept called Core Applications Modernization Partnership, created especially to help when undertaking wide-reaching renewal of systems and operating models. Core Application Modernization Partnership enables TietoEnator to update its customers' systems and infrastructure in a cost-efficient way while at the same time guaranteeing uninterrupted operation and minimum project duration.

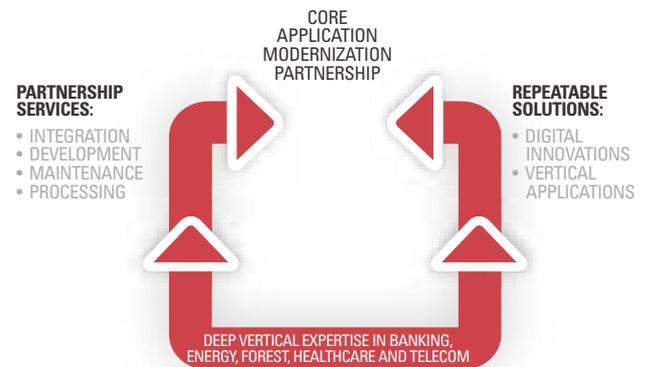
The Core Application Modernization Partnership concept combines the benefits of TietoEnator's partnerships with the world-class repeatable solutions it has developed for different sectors. In partnerships, TietoEnator pools its resources with the customer's IT department, creating a team uniquely equipped to carry out the project successfully. TietoEnator's repeatable solutions, for their part, represent its leading-edge expertise for a particular business sector crystallized in a form that is readily applicable for new needs.

FURTHER SAVINGS CAN ONLY BE ACHIEVED THROUGH A FUNDAMENTAL RENEWAL OF THE IT INFRASTRUCTURE



Source: Celent Communications

THE BEST AVAILABLE CUSTOMER KNOWLEDGE AND EXPERTISE FOR IT RENEWALS



TietoEnator Business Intelligence Forum

TietoEnator is systematically developing its relations with the world's leading IT analysts. The company aims to give its IT professionals, industry advisers and managers easy and prompt access to relevant research and analysis, and to give these people the possibility to test ideas with peer professionals outside the company. Another aim of this systematic work is to ensure that international analysts are kept up to date about TietoEnator's value propositions and solutions.

To take an efficient and long-term approach to this task, the company set up the TietoEnator Business Intelligence Forum in

2003 with members from all the business areas. This team coordinates needs, negotiates with vendors, and provides accessibility to both analyses and analysts. It also works closely with the relevant business process owners in the company to build best practices into TietoEnator's business systems. Even though the ultimate goal of this work has been to create customer value through even better knowledge, or personal growth, the company recognizes its additional positive impact on cost-efficiency and marketing.

A common business system to strengthen TietoEnator's sustainable competitive edge

At the beginning of 2004 TietoEnator decided to adopt a Common Business System (CBS) as a tool for reaching its strategic goals concerning international growth and the development of partnership and solution concepts. What customers increasingly expect from TietoEnator are solutions based on best practices learned by experience. The CBS helps TietoEnator to share and utilize the lessons it has learned with individual customers throughout the Group.

The purpose of a CBS is to increase competitiveness and effectiveness and to continuously improve operations. A CBS generally defines the business processes and sub-processes needed to produce products and services, to fulfil customer requirements and to create customer benefit. It is a part of corporate knowledge management – a vehicle for transferring competence and sharing proven practices and reusable material.

TietoEnator's CBS and common processes

TietoEnator's business areas have traditionally operated quite independently, developing their own systems and processes. Having re-

vised its strategic priorities at the beginning of 2004, TietoEnator is now introducing a CBS to strengthen its sustainable competitive edge.

World-class processes are at the heart of TietoEnator's partnership concepts. The CBS makes it possible to move from reinvention to reuse and continuous improvement. For customers, this makes TietoEnator a more unified and fast learning partner. For personnel, the CBS creates opportunities to learn fast and get the best customer feedback. It is also a tool for Group-level knowledge management.

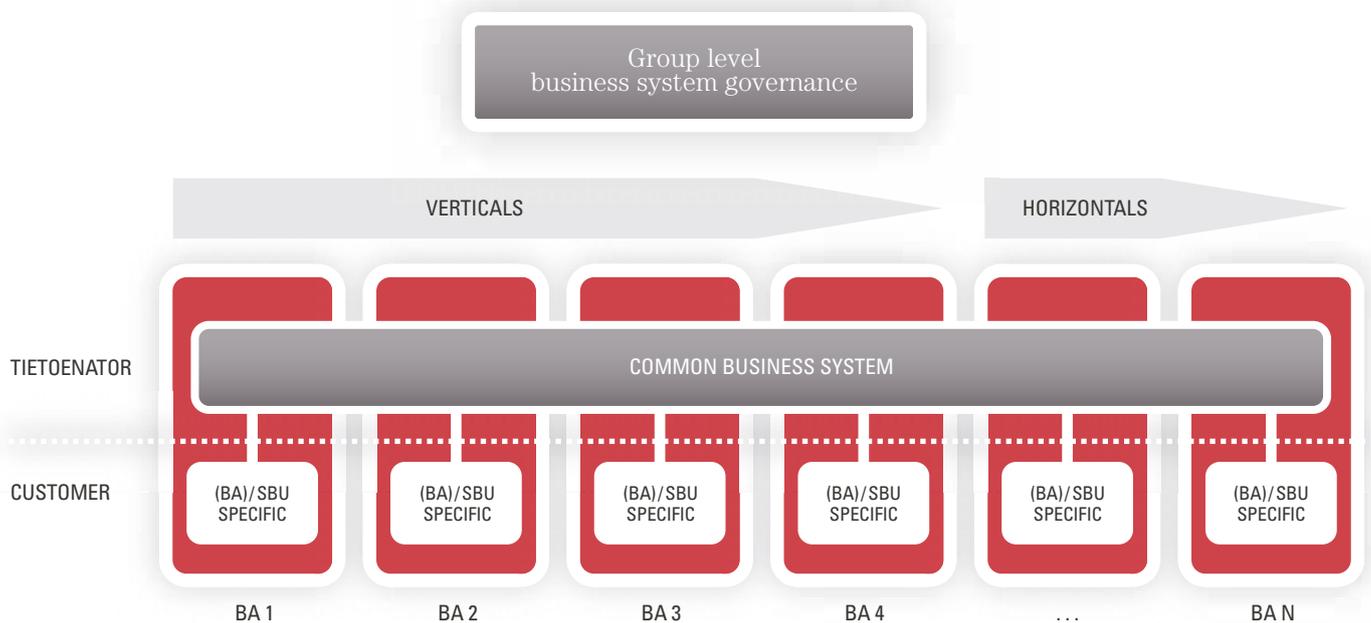
CBS development portfolio

A development portfolio was defined for the CBS during 2004. Its items range from user architecture for business systems to the processes needed to manage customer relationships.

Within the portfolio, priorities between and within processes will be defined according to business needs. Therefore the success of its development will depend on continuous dialogue with the businesses and feedback from them.

Development has started with core delivery processes such as project management, and will continue with application management and other information system development processes. Another important area is the development of key customer management and sales processes.

THE GOAL IS TO MAXIMIZE THE PROCESSES COVERED BY THE COMMON BUSINESS SYSTEM



End-to-end – from separate deliveries to an integrated service

As IT solutions and services gradually become more complex, the need is increasing for an integrated, full-service offering. Customers want to have a single party responsible for an entire working entity, and thus avoid having to fit separate deliveries together and take responsibility themselves for the result of this integration. End-to-end means better control and management of operations, which is a key

factor in improving the quality and effectiveness of mission-critical IT services.

To improve its capabilities in building integrated services, TietoEnator has started a development project with the aim of creating practical guidelines for packaging solutions and services from different units tailored to customer needs.

Single control system for efficient centralized resource management

In 2004 TietoEnator reorganized its financial and human resources management functions to meet the needs of its growing and increasingly international organization. The new operating model effectively harmonizes the finance and accounting and HR management functions throughout the Group. In time this process, along with the benefits of digitalization, will generate cost savings and further raise operational efficiency.

The Group's finance and accounting, controller and HR functions were reorganized to ensure more efficient use of resources, easier decision-making and harmonized working procedures. A Business Support Unit (BSU) was set up to reorganize into one unit the finance and accounting people who previously were dispersed at Group and business area levels. Correspondingly most of the people involved in personnel management were brought together into a new HR Centre. These two units now have 370 people serving all TietoEnator's 24 countries of operation. The country-specific units under the BSU and HR Centre are responsible for the finance and accounting and HR management in their respective areas, applying the procedures common to the whole Group.

TietoEnator's business areas are each responsible for their own business control and its development. The same applies to the HR management functions directly related to the business areas, such as developing management and leadership skills, managing change, and providing practical support for line management.

The Group's new centralized resource management system TERP (TietoEnator Enterprise Resource Planning) replaces the earlier diverse and complex range of systems and procedures inherited through acquisitions. An information system that provides a unified framework for the new processes ensures that the Group meets the targets it has set for control, rapid access to information and the reliability of this information. In addition to the daily financial and human resource management functions, the system currently handles reporting of the Group's results. In other words, TERP has replaced almost all of the management and control systems previously used by TietoEnator.

The cost benefits of this new organizational model and harmonized information system will become visible from the beginning of 2006.

THE TERP SCOPE



Vendor relationship management grows in strategic importance

As information technology matures, new pressures are being put on IT services providers. To survive, they must either be innovators or apply a cost-driven strategy. For a highly specialized service provider like TietoEnator, this development brings the need to specialize even further and to make strategic moves faster than ever before. To do this, TietoEnator is adopting more standards and basic technologies from its network of key partners.

Until the recent downturn, the project services market was mainly driven by major technology waves and frequent growth spurts. In the current market, where there are no obvious upcoming technology waves, service companies need more than ever to understand what business pressures are driving their customers' requirements.

Another current trend in the IT services market is polarization. At one end of the market is a small number of very large, typically global players. They are able to compete for global contracts that span outsourcing and implementation initiatives across vertical industry sectors. At the other end of the market are specialists focusing on one or several parameters. Those who fail to achieve the scale of the former group or the focus of the latter are at serious risk of being squeezed out of the market.

In these market conditions, procurements are an integral part of the value network of an IT services company. The procurement team can make an active contribution to sales success and competitive advantage and must therefore be integrated into the total process in every customer-facing value proposition.

Close co-operation with key technology vendors

For the reasons described above, TietoEnator has increasingly used third-party products and know-how during the past few years as a part of its key offerings when applicable. This enables it to focus even more on its customers' business challenges instead of basic technol-

ogy issues. As a result, TietoEnator's co-operation with its key technology vendors has reached a completely new level; much stronger corporate level relationships have been formed than ever before.

TietoEnator is also aiming at co-operation with the research laboratories of its selected key technology partners to make sure that the core of its base technologies take full account of customer needs and its own key vertical offerings. This in turn means much faster project implementation for customers. TietoEnator is deeply involved in perfecting the integration of its key vendors' products. This way it can focus on its mission of building the information society while its customers concentrate on their core businesses.

Significant benefits expected

During 2004 a Vendor Relation Management team, representing different parts of the Group, was established to create better synergies between technology vendors and TietoEnator. This corporate approach aims at a faster identification and development of business opportunities.

The procurements of all of TietoEnator's countries of operation were aligned with significant vendors in order to achieve significantly better terms and conditions. This provides the basis for investments in customer solutions and services that to a certain extent are based on vendor technologies.

The large technology providers such as Microsoft, Oracle, IBM and BEA have assigned additional resources into their partnerships with TietoEnator, which has already resulted in the highest partner levels possible with these vendors. For TietoEnator's vertical business areas, deeper co-operation has meant much larger business opportunities by using the software of these vendors.

TietoEnator will continue to move up the technology chain and specialize its offering towards its customers according to their needs and demands. The use of vendors' software will grow in importance and, applying both horizontal technologies and best-of-breed products, the number of partnerships will increase. As the number increases, certified skills to integrate the software from different vendors and a combined sales effort with them will be essential for TietoEnator as it strives towards its strategic goals.

IPR activities enhanced and harmonized

Tieto-Enator's business operations and corporate value are based on its knowledge and intangible resources – its intellectual capital. Central IPR activities include the distribution of cumulative knowledge, intangible assets and intangible rights. Intellectual capital is emerging as an ever more important aspect of business operations today. Correspondingly, managing these rights is becoming increasingly complex and risk-sensitive as a result of this trend and legal changes.

TietoEnator's internationalization goals make it imperative that the Group manages its intangible assets and the risks associated with them in an effective way.

Intellectual capital management has been handled in Tieto-Enator both by group functions and by the business units. As this function assumes ever increasing importance, TietoEnator decided in 2004 to enhance and sharpen the focus of its IPR function.

A centralized IPR operation will be set up within the Group with responsibility for protecting immaterial rights and products, managing risks, and improving the Group-wide repeatability of solutions. The work of the operation includes handling patent, brand and copyright issues.

Harmonizing IT infrastructure will bring dividends

TietoEnator professionals work in multinational projects where time is critical. The exacting nature of their work requires a secure and flexible technical environment that supports collaboration. Moreover, this IT infrastructure should be common to all Tieto-Enator offices around the world and centrally controlled.

Work was started in 2003 to overhaul and unify TietoEnator's e-mail, virus prevention and domain management systems, and this was completed at the end of 2004. The responsibilities of the new centralized information technology management function were extended at the beginning of 2005 to cover the company's office envi-

ronment including workstations and local area networks. Further harmonization will take place during 2005 with the adoption of a new, standard communications network, standard workstations, and consolidated server environments.

In its internal operations one of TietoEnator's priorities is cost efficiency. In addition to the action outlined above, IT management will also implement focused cost-cutting measures, for example in the area of Group voice transition services. These standardization and focused cost-cutting measures will generate annual savings amounting to millions of euros for TietoEnator.

TietoEnator's Digitalizing Framework combines the best of digital self-service solutions

TietoEnator announced the results of the first, 14-month-long stage of its Digitalization Framework project in August 2004. The project brings together the best digital self-service solutions of TietoEnator and its technology partners. Its aim is to generate synergies by replicating and adapting solutions tested in different areas of the Group and to ensure the company is able to offer customers of all the business areas the digital self-service solutions that best suit their particular needs.

In recent years TietoEnator has played an active role in the development of world-class digital self-service solutions for companies in the banking and telecommunications fields. The Digitalizing Framework, which is maintained by TietoEnator's Digital Innovations unit, is based on the expertise accumulated from these projects.

TietoEnator's best concepts, solutions and working practices, along with the latest technical innovations of its technology part-

ners, have been brought together in the Repository portal of the Digitalizing Framework. Furthermore, Digitalizing Framework includes a testing environment called Reality Laboratory where TietoEnator's customers can test how well the products of its technology partners (BEA, IBM, Microsoft and Oracle) can be integrated with and adapted to their digital self-service solutions.

Digitalizing Framework is open to all TietoEnator's employees, and every employee can propose inclusion of a new solution or working method. The idea is to build the world's leading Competence Centre for digital self-service solutions, allowing TietoEnator to strengthen its international presence as a builder of these solutions. TietoEnator is well on track towards reaching this goal through its front-line position in Northern Europe as a user of digital self-service solutions and automation.

Sharper competitive edge for processing and network activities

TietoEnator is enhancing its processing and network operations to better match customer needs, to support the Group’s internationalization and to strengthen competitiveness. In practice this will mean centralizing and harmonizing activities both geographically and in terms of customer service. Along with TietoEnator’s vertical customer business areas and the Digital Innovations unit, this business model will form a seamless end-to-end service chain for customers.

Several international trends are evident in the service industry today: production environments and machinery are being centralized, virtual competence centres created, and services and expertise supplied increasingly over data networks. This development is support-

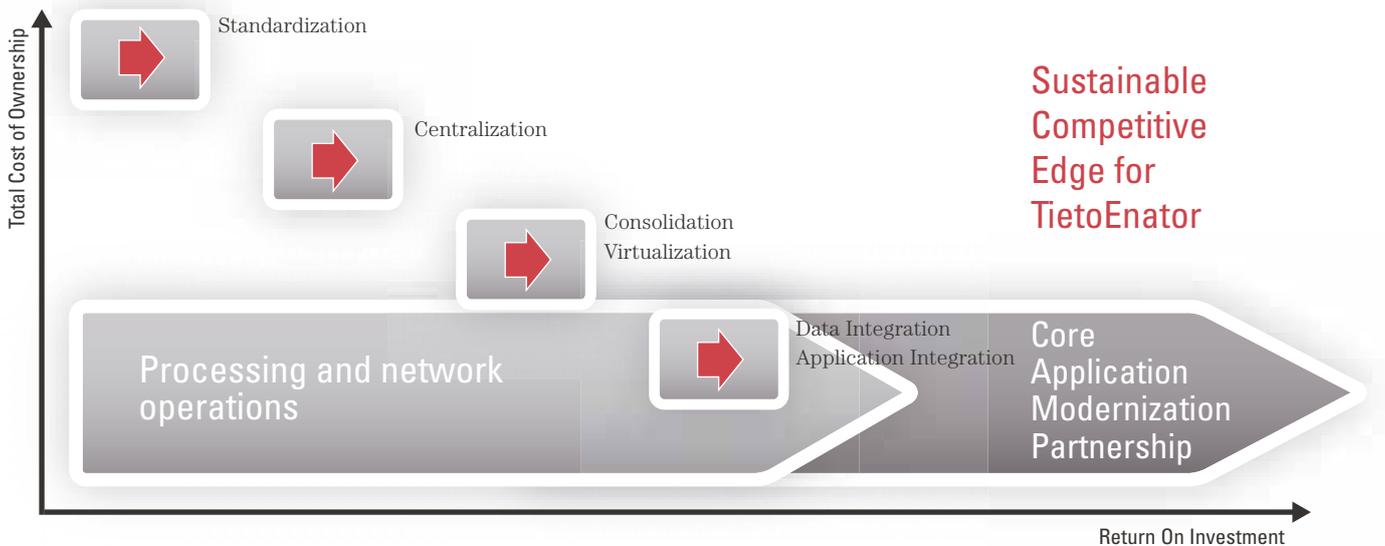
ed by both technical, economical and customer related causes.

TietoEnator’s goal is to become a leading global provider in selected business areas. As customers internationalize, they need globally uniform services regardless of where they are operating. To improve their competitive strengths, companies need more efficient services and production. Technological development offers many opportunities to meet these needs. TietoEnator has involved its customers in the development of the new business model right from the design stage. The solutions derived from such collaboration will strengthen the competitiveness of both parties.

Technical infrastructure to be centralized

A key feature of the business model is centralizing the technical infrastructure (mainframe computers, servers, etc.) mainly at a single global production site in coming years. The critical mass that this generates, combined with uniform processes and tools, will ensure that TietoEnator continues to push back the frontiers of data security technology while still controlling unit costs. New technology

PROCESSING AND NETWORK OPERATIONS SUPPORTING TIETOENATOR VERTICALS AND CORE APPLICATION MODERNIZATION PARTNERSHIP



TietoEnator’s overall scheme to intensify its production of information technology products is progressing from Group-wide harmonization of operations to their grouping and integration into larger entities. Each stage in this process will generate savings of 10–20% (Gartner Group) but the maximum savings will be gained once the process includes applications integration. Renewal of the company’s processing and network operations thus supports TietoEnator’s Core Application Modernization Partnership concept, the purpose of which is to help customers upgrade to new-generation information systems efficiently and seamlessly.

now makes it possible to supply services reliably and securely over data networks with increasingly wide geographical coverage.

However, TietoEnator will continue to keep its expertise either close to its customers or close to its customer-specific business areas using 'virtual working'. Besides improving the customer focus and expertise of these business areas, this model will generate cost savings. It will also help to avoid the large replacement investments typical of the IT sector and use these resources to acquire new competitive strengths instead.

TietoEnator is pushing through this renewal in two stages. Planning and communication about the project started in 2004. Implementation will take place gradually in 2005 and 2006. The cornerstones of the model are a single sales organization for new customers and centralized production services. The decision to transfer and combine operations will be taken after all the existing production sites are analysed. One of the first targets will be centralizing the mainframe equipment in Helsinki. TietoEnator Processing

& Network gave heavy priority during 2004 to developing a common operating model and tools for its Service Desk function. The new, more centralized model will be launched during 2005–2006.

Growth in central Europe

The operations of TietoEnator's Processing & Network business area and its growth have until now focused strongly on the Nordic area. In early 2004 TietoEnator built a competence centre in Ostrava, in the Czech Republic, to provide software development services. Plans now call for expanding this facility with the addition of a service centre providing operating services. The new centre will be linked to Processing & Network's process of supplying international services, supporting for example its 24/7 server management and data security services. Company is building a high level of know-how for this need in Ostrava by using good local resources. Broadening the service offering in this way will give TietoEnator new opportunities for business growth.

Global sourcing optimizes resource allocation and improves competitiveness

The globalization of software production has been expanding rapidly in recent years and will undoubtedly continue to do so. Faced with heavy price pressure the production processes of the labour-intensive IT industry will move to locations where cost and the availability of a well-educated workforce are more favourable. In response to this trend, TietoEnator is centralizing its volume production in low-cost countries, enabling the business areas to improve their competitive position and release resources for moving up in the value chain.

Facing the challenges of globalization, TietoEnator has carefully analysed the situation to see how it could best meet the need to produce software services at a lower cost. One result of this work was the decision to set up a Software Centre in Ostrava, in the Czech Republic, at the beginning of 2004. This unit is TietoEnator's first centralized software production facility serving the whole Group.

Principles of global sourcing

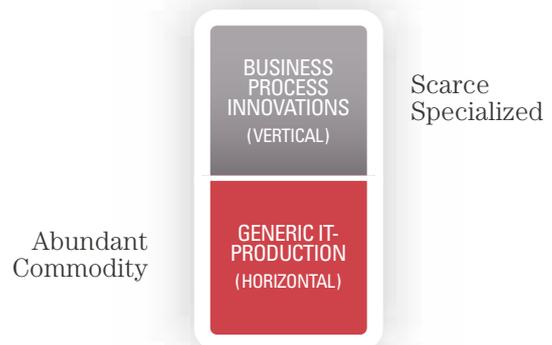
Application development is based, roughly speaking, on two kinds of competences: 'vertical', or those specific to industrial sectors and customers; and 'horizontal' competences driven by technology.

Industry competences are related to customers and their industries, to specific business processes and to competitive envi-

ronments. This knowledge is local by nature and difficult to buy on the global market. Horizontal competences, on the other hand, are technical by nature: programming languages, databases, ERPs, etc. These are widely available across borders due to globalization, standardization and data network development. They are also produced in real time and have global prices.

In the global market, it is impossible for a company to differentiate through horizontal competences as these are available in large quantities and at low prices. The only way to differentiate is to offer highly specialized vertical competences.

VALUE-ADDING COMPONENTS IN APPLICATION DEVELOPMENT



TietoEnator's services consist of both these components. Through global sourcing the company creates production processes that enable its customer- and industry-specific business areas to reduce the price of technical production and instead focus their resources on constantly improving their vertical offering. Production is centralized in one low-cost Software Centre (later there may be several) that provides the business areas with cost-efficient technical production. The business areas, in turn, are in charge of their customer relationships, pricing and industry competence, and they control the production process.

Total control over the global production chain, in secure technical environments, ensures that TietoEnator has full data, IPR and competence security. It also promotes higher productivity by using unified processes and methodologies throughout the production chain.

Globally distributed technical production makes it possible for TietoEnator to gain benefit from lower production costs, to maintain its margins under increasing price pressure, and to respond to its customers' demands for lower-cost production services.

Growth expected

The demand for distributed development services is expected to expand rapidly in the years ahead, and TietoEnator will significantly increase its low-cost production capabilities. In addition to its fastest growing low-cost production location, the Czech Republic, TietoEnator currently operates in all the Baltic countries, as well as China, Russia, Malaysia, India and Indonesia. Other locations are under active consideration. By the end of 2007 a substantial part of the Group's production will take place in low-cost production centres.

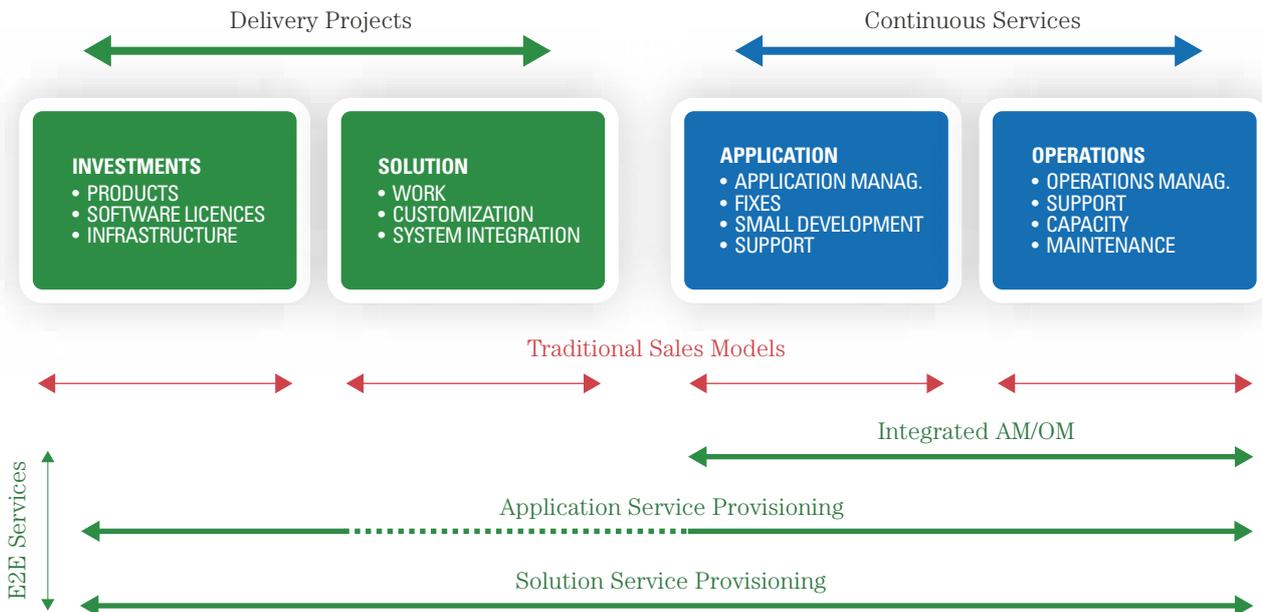
CRM process boosts sales

TietoEnator's goal is to be the most popular partner for its Nordic customers and, internationally, the best solutions provider in selected sectors. In recent years the company has taken big strides to expand its international presence and enhance its services to meet customers' changing demands. Customers, likewise, have grown internationally

and their working methods have changed. Put together, these factors set new challenges for the way TietoEnator cares for its customers.

TietoEnator has harmonized its working procedures and processes in a number of areas, not least customer relationship management (CRM), where common Group-wide practice and process descriptions have been created for managing customer relationships and

END-TO-END SERVICE ENCAPSULATES TIETOENATOR'S SERVICE OFFERING.



sales. Just a few years ago TietoEnator's various business areas still handled their sales rather independently, and customers often had several points of contact with the company. TietoEnator has already taken action to coordinate these contact points but the new CRM process now brings more effective tools and Group-level monitoring to this important function.

Personalized customer service

The CRM process describes the way in which each TietoEnator account manager and his or her team approach existing and potential key customers. Its purpose is to ensure that, for each customer, TietoEnator together brings a team of experts with the optimum mix of solid customer knowledge and a deep understanding of TietoEnator's various services to enhance that customer's business. These teams must know the customer and his business goals and processes so well that they are able to anticipate the customer's needs with the best possible line-up of solutions, from operating services to specialized and highly advanced digital applications.

With end-to-end services TietoEnator is able to improve the support for its customers' businesses, by integrating application development solutions with operations management services. For customers, this means an easier and less risky way of benefiting from TietoEnator's broad range of services. For TietoEnator, this change will mean more efficient operation and also organic growth through stronger sales.

Customer satisfaction survey 2004

In 2004 TietoEnator also harmonized the way it conducts its customer satisfaction surveys. Measuring methods still differ among TietoEnator's countries of operation, however, so this work will continue during 2005. The surveys show TietoEnator's strengths to be commitment to its customers, reliability and technological expertise. The main areas for improvement, on the other hand, were felt to be the need to provide new solutions, communication between the business units, and the ability to operate as a single service provider. These same items form the core targets of the CRM process outlined above.

Strategic customer management

One of TietoEnator's prioritized development areas is customer relationship management where common practices and processes have been described to coordinate actions Group-wide.

In January 2005, a Strategic Customer Programme (SCP) was launched with two main purposes: to further improve customer relationships with the most important customers, and to coordinate the customer relationship and sales efforts of TietoEnator's vertical customer-specific businesses with the Processing & Network business area. Pekka Viljakainen was appointed Senior Vice President, Strategic Customer Management and a member of TietoEnator's Operative Management Team (OMT) to manage this programme.

Building relations with the financial community

TietoEnator's investor relations activities target the broad financial community: investors, analysts and the financial media. TietoEnator aims to sharpen interest among all these groups in the company, build investor loyalty, and attract new analyst and media coverage. In 2004 the intensified work with the financial community continued and the volume of activity was higher than ever.

TietoEnator's investor relations are conducted by the Investor Relations and Financial Communication function together with named spokespersons in top management. The annual plan includes numerous one-on-one meetings, active participation in brokerage conferences and roadshow travelling by the investor relations spokespersons. Due to the international spread of the company's ownership, activities with international institutional investors rate high in the

annual programme. TietoEnator arranged its yearly Capital Markets Day in May 2004 in Kista, Stockholm. Attended by Nordic and international analysts, fund managers and journalists the event was used by TietoEnator's corporate and business area executives to present the Group's position and future strategic agenda in their specific areas of responsibility.

TietoEnator is committed to providing sufficient, accurate and consistent information in a timely manner. The company is continuously developing its financial communications, interim and annual reports and news releases based on feedback from the target groups. An important means of attracting greater attention to major news items like quarterly reports are analyst and media conferences, during which TietoEnator provides a live Internet broadcast produced in-house. The possibility to interact with the presenters online during the conference by asking questions is one example of the proactive, advanced communication methods used by TietoEnator. The most important tool of communication with the financial community is the Investors section on the corporate website.

One company – one message

TietoEnator's brand platform was finalized in 2003, and 2004 was a year of implementation: directing resources and efforts into building a strong and unified TietoEnator brand.

TietoEnator's brand strategy is to build one strong and internationally viable brand only, the TietoEnator brand. At the beginning of 2004, the significance of systematic and effective brand building became more pronounced than ever when TietoEnator revised its strategic priorities to speed up international growth. In the fast changing international markets of a highly technical business, where differences in service offerings are often difficult to understand, the significance of a strong brand is particularly decisive.

The target of all branding and communications is to help TietoEnator reach its vision of becoming the world's leading provider of high-value-added IT services in selected customer industries.

Focus on execution

To make marketing, communications and branding more efficient and systematic, a special effort was made in 2004 to enhance company-wide co-operation. At Group level the Marketing & Corporate Communications unit concentrated on supplying frameworks, guidelines, tools and support for building a unified brand. The business areas and business units implemented these by adding their own specific messages according to the context. Speed and efficiency in execution were emphasized at all levels. A good example of the new cross-border way of working is the 'seminar-in-a-box', a customer seminar concept that was implemented in several countries for focused target groups and with local media partners.

Instead of broad advertising campaigns, TietoEnator directed its external communications efforts into proactive media work to gain better visibility in the media. A steady flow of press releases and daily personal contacts with the media resulted in an increased number of articles published in newspapers and industry magazines.

Internal communications were intensified, likewise, to build strong awareness of TietoEnator's strategy, operations and achievements within the company. New electronic channels were created for this purpose.

Corporate Responsibility policies, practices and reporting

Companies today face expectations from many directions – customers, employees, shareholders, partners and the public sector among others. The expectations of shareholders are substantially affected by the company's industry and the geographical area of its operations. Whatever the industry or wherever the operations are located, reaching a basic level – compliance with legislation – is no longer enough for a company actively developing its corporate and product image and aiming for good long-term profitability.

Nowadays, many customers and business associates, especially big multinational companies that on their behalf are responsible to their shareholders, require TietoEnator to make a stand and to describe its Corporate Responsibility values and principles. This is also required by the company's employees; the best professionals prefer a successful and responsible company as an employer. Being responsible for people and the environment enhances a company's long-term economic performance. Good economic performance in turn establishes a strong basis for the environmental and social aspects of Corporate Responsibility.

CORPORATE RESPONSIBILITY



TietoEnator's Corporate Responsibility framework

TietoEnator started its Corporate Responsibility activities in 2003 by analysing the needs of its stakeholders. In 2004 the company launched a project called 'Implementing CR framework in TietoEnator' to establish and communicate top management's values regarding Corporate Responsibility. Within this project TietoEnator adopted an updated Code of Conduct. This consists of TietoEnator's common set of ethical values and business principles, and offers internal guidelines in the daily pursuit of the company's strategy, Building the Information Society. TietoEnator also adopted new policies in the areas of occupational health and safety, the environment and human resources.

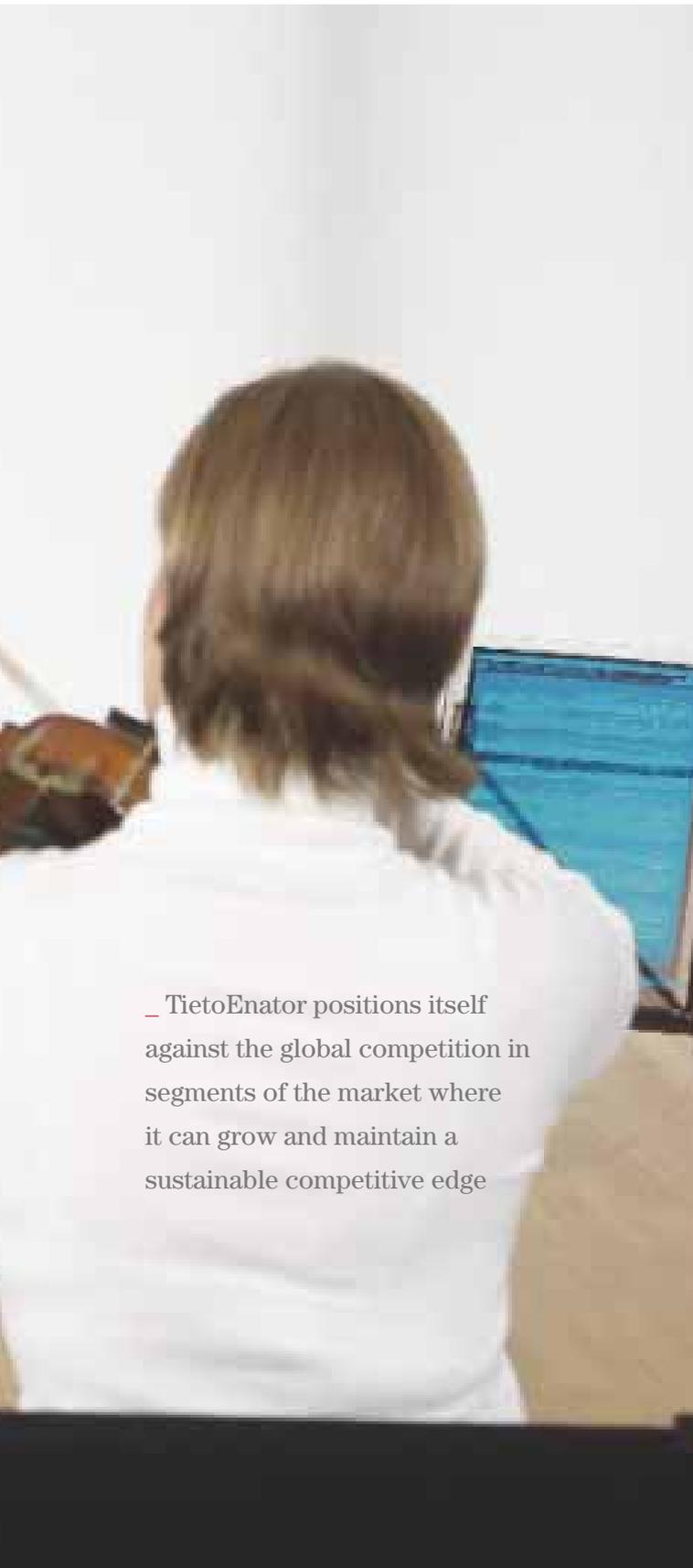
Once the project ended, TietoEnator decided to establish a permanent Corporate Responsibility Steering Group including senior executives responsible for the different areas of Corporate Responsibility. The steering group will coordinate activities and follow-up and steer the implementation of the Corporate Responsibility Framework in the business areas. The Framework was launched internally and externally in January 2005. TietoEnator's policies and other information are available on the corporate website at www.tietoenator.com/CR.

TietoEnator has successfully demonstrated its ability to operate in a sustainable manner that meets the ethical, legal, commercial and public expectations society sets for business. TietoEnator is a member of four sustainability indices: DJSI World, DJSI Stoxx, Ethibel Sustainability Index (ESI) and FTSE4Good. According to these research bodies, TietoEnator's capabilities in mitigating the challenges in the economic dimension are among the best in the industry. In the environmental dimension, TietoEnator lags behind the industry average, due mainly to the hitherto low emphasis on environmental reporting. In the social dimension, however, TietoEnator's performance is above average.



Corporate Governance

Fully committed to good corporate governance



_ TietoEnator positions itself against the global competition in segments of the market where it can grow and maintain a sustainable competitive edge

The new Finnish corporate governance recommendation issued by HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers entered into force on 1 July 2004. On 23 June 2004 TietoEnator published its revised corporate governance principles and actions taken during the year to achieve full compliance. TietoEnator is fully committed to good corporate governance and complies with the Finnish 'Corporate Governance Recommendation for Listed Companies'.

The Annual General meeting

The Annual General Meeting (AGM) 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 (EGM) are arranged if necessary during the year.

In 2004 the AGM convened on 18 March in TietoEnator's head office in Espoo, Finland. Altogether 226 shareholders and 11 746 528 shares (14.2 % of the total outstanding) were represented in the meeting. All decisions were made unanimously without voting. In October TietoEnator's Board of Directors convened an Extraordinary General Meeting to decide on an extra dividend to be paid for the financial year 2003. The EGM was held on 25 November in Espoo, where 88 shareholders representing 5 447 331 shares (6.6% of the total outstanding) unanimously decided on the dividend.

The Board of Directors

This section represents a summary of the working orders of TietoEnator's Board of Directors.

The Board shall comply with current Finnish legislation, in particular the stipulations of the Finnish Companies Act and the Securities Market Act, and the regulations of the Stock Exchanges on which the company's shares are listed. The Board forms a quorum when more than half of its members are present. Decisions are made by a simple majority of votes. In the event of even voting the Chairman's vote shall decide. The Board draws up an annual plan of action.

→ Composition and election

The Board's Compensation and Nomination Committee prepares a proposal on the composition of the Board, which is then approved by the Board and put to the Annual General Meeting for a decision. TietoEnator's Board has at least six and at most twelve members and each of the members have a term of office of one year. Board members shall be professionally competent and a substantial majority of Board members shall be independent of the company (not employed by the company and not having any material connection that might influence their independence). Further, a person who has reached the age of 68 may not be elected as a Board member. Besides the members selected by the AGM, the company's personnel will elect two representatives to the Board. This will be done

by the personnel representatives of the TietoEnator Group Personnel Representative Body (PRB). The Board selects a chairman and a deputy chairman from among its members. Following the 2004 AGM, the Board has had six non-executive directors (including the Chairman and Vice Chairman), TietoEnator's President and CEO, and the two personnel representatives.

→ Assessment of the Board

The performance of the Board is assessed annually. The assessment examines how the Board's annual plan has been implemented, what various stakeholders expect from the Board, whether the Board's working orders are up-to-date and how effective the Board work has been. The assessment is taken into consideration when drawing up the proposed composition of the Board and its following annual plan.

→ Tasks of the Board

The overall task of the Board is to direct the company's activities in a way that generates maximum shareholder value in the long term, at the same time observing the expectations of its various stakeholders. More specifically the Board:

- confirms the company's values, strategy and organizational structure
- defines the company's dividend policy
- approves the company's annual plan and budget and supervises their implementation
- monitors management succession issues (appoints and discharges the CEO and his/her immediate subordinates and approves their task definitions)
- decides on the CEO's compensation, sets annual targets and evaluates their accomplishment
- revises the major risks and their management at least once a year
- reviews and approves interim reports, annual reports and financial statements
- reviews and approves central policies
- meets the company's auditors, at least once a year without the company's executive management
- decides on the proposal to the AGM regarding Board members and their compensation and auditors and their compensation
- appoints the members and chairmen of Board committees and defines their charters
- evaluates its own activities

→ Board meetings

The Board has meetings scheduled every one to two months. In 2004, it convened 10 times and the average attendance was 99 %. The Board of Directors is presented on pages 52–53 of the Business Review including their share ownerships in TietoEnator.

Board Committees

Board Committees assist the Board by preparing matters for which the Board is responsible. The Board defines the charters of the Committees and decides on their composition. The entire Board, however, remains responsible for the duties assigned to the committees. The committees assess their performance annually.

→ Compensation and Nomination Committee

The compensation and Nomination Committee comprises two non-executive independent directors who are elected by the Board. The committee meets regularly at least twice a year. The Chairman of the committee presents a report on each meeting to the Board. The main tasks of the committee are to:

- prepare for the Board's decisions the principles of executive compensation, the CEO's and CEO's immediate subordinates' compensation and the principles of personnel compensation
- prepare for the Board's decision option schemes and other share derivative incentive schemes
- monitor the targets of the compensation schemes, implementation of compensation plans, performance assessment and compensation determination
- prepare for the AGM a proposal on the composition of the Board and the compensation of the directors
- prepare for the Board a proposal for the Chairman and Vice Chairman
- prepare a proposal on the Board's working orders
- prepare a proposal on the committee members and chairmen
- conduct an annual assessment of the Chairman and Board members
- monitor corporate governance

Based on the Board's decision in June 2004, the Compensation and Nomination Committee is composed of Kalevi Kontinen (Chairman) and Bengt Halse. In 2004 the Committee met 3 times and the average attendance was 100%.

→ Audit and Risk Committee

The Audit and Risk Committee comprises three non-executive independent directors who are elected by the Board. At least one committee member must be a financial expert. The committee meets regularly at least four times per year and meets the company's auditors also without the company's management. The Chairman of the committee presents a report on each meeting to the Board. The main tasks of the committee are to:

- discuss the annual and interim financial statements
- review significant and unusual business events
- review drafts of the annual and interim reports, and the company's accounting principles
- assess compliance with legislation, regulations, and the company's code of conduct
- evaluate the sufficiency of the internal control system
- examine, assess and approve the audit plan for the internal audit
- review management's assessments of significant risks
- assess the coverage of risk management and its development plan and major risk positions
- prepare the nomination of the company's auditors and assess their compensation
- assess the external audit plan
- examine the auditors' reports



- consult with the auditors on any matters that should be brought to the Board's attention
- assess the quality and scope of the audit

Based on the Board's decision in June 2004, the Audit and Risk Committee is composed of Anders Ullberg (Chairman), Olli Riikkala and Thomas Falk. In 2004 the Committee met 4 times and the average attendance was 100%.

Executive management

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 its 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 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 five Business Areas, the Deputy CEO, who is heading Group Functions and supports the 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, Business Area Presidents, the Senior Vice President of Strategic Customer Management 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 coordination and management of their respective areas. The entire executive management shares the task of ensuring that all current legislation, regulations, the Group's operating principles and the Board's decisions are complied with throughout the company. The Business Area Presidents and corporate management executives are appointed by the President and CEO.

The executive management is presented on pages 54–56 including their share ownerships and holdings of warrants and options.

To support the work of the Operative Management Team and to coordinate the various development activities in the Group Tieto-Enator established a Development Management Team in spring 2004. The Development Management Team is chaired by the Chief Operating Officer and includes the Business Area Presidents, the Senior Vice Presidents of Strategic Customer Management and Group Development, the Chief Technology Officer, and the Vice President of Process Development.

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 organization. In matters of significance for the whole group, decision-making is transferred to higher quarters to improve the overall control of the Group.

Compensation principles

The compensation of Board members is decided by the AGM based on a proposal prepared by the Compensation and Nomination Committee of the Board. According to the decision of the AGM, members of the Board of Directors receive fixed monthly cash compensation that is specified in Note 3 of the Financial Statements. Board compensation does not include the Company's shares or share derivatives. TietoEnator executives or employees are not entitled to compensation for their Board attendance. Committee members do not receive any additional compensation for their committee attendance.

The Board of Directors decides on the compensation of the President and CEO based on a proposal by the Compensation and Nomination Committee. The President and CEO's salary, bonuses and other benefits are also specified in Note 3 of the Financial Statements. The compensation of the other Executive Committee members is also separately prepared by the Compensation and Nomination Committee and decided by the Board. Executive management compensation consists of a base salary, an annual bonus and option/warrant programmes. The compensation of the whole executive management is summarized in Note 3 of the Financial Statements.

The Compensation and Nomination Committee is also responsible for preparing for the principles underlying the compensation of other personnel and for option or other share derivative incentive schemes applying to the executive management or other employees.

Internal control and risk management

At TietoEnator risk management is seen as an integral part of good management practices. 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. The risk manage-

ment framework consists of structured processes and practices 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 categorized 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. Certain operations that the company sees as critical 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.

The Audit and Risk Committee has reviewed the coverage of risk management and management's assessment of significant risks especially in the area of strategic risks.

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. These insurable exposures are addressed locally.

The definition and follow-up of decision-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 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 implementation of uniform (security) incident management processes has continued. This implementation has consisted of compiling corporate-level documentation defining the requirements for business unit level processes, as well as case-based training workshops either at the business unit or corporate level. Case-based training will be continued to keep the organization prepared for security incidents.

Security risks are divided into two main categories: those based on ICT (Information and Communications Technology) and those based on physical or personnel security. Corporate-level security policies, rules and guidelines cover both main categories.

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

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

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. TietoEnator's insider policy defines insider information and prohibits its abuse and trading 14 days prior to the publication of an interim report and financial statements bulletin. The Insider Rules in full and the holdings of the permanent insiders are available at www.tietoerator.com.

Auditors

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

The Group companies are, with few exceptions, audited by Ernst & Young International member firms. The parent company auditors are responsible for planning, co-ordinating and supervising the audit of the entire Group. The audit plan is revised annually in co-operation with Group management to address changed requirements. The plan recognizes that the Group has no internal audit function. The company's auditors meet the whole Board of Directors at least once a year and the Audit and Risk Committee regularly, also without the Company's management. The auditors submit their report to the company's shareholders at the Annual General Meeting. The compensation to auditors is decided by the

AGM and assessed by the Audit and Risk Committee. In 2004 TietoEnator Group paid the auditors a total of EUR 1.3 million for auditing and EUR 0.6 million for consulting (EUR 1.2 and 0.5 million in 2003).

Communication

The governance section on TietoEnator's website (www.tietoerator.com/governance) includes information on TietoEnator's governance principles like information on the Annual General Meeting, articles of association, Board of Directors, executive management and auditors. The Investors section of the website (www.tietoerator.com/investors) includes among other things basic information on shares, share price development, financial information and annual and interim reports. The Press Room (www.tietoerator.com/press) has an archive of TietoEnator's stock exchange releases since 1996.

Board of Directors



Chairman **Kalevi Kontinen**, b. 1941, nationality Finnish
Independent Board member

Board member since 1990, Chairman since 2004
Chairman of the Compensation and Nomination Committee
PhD (Tech.)

Principal Fellow in Nokia Business Infrastructure

Member of the Board of Nice Business Solutions Finland Oy

Executive Vice President, Member of the Group Executive Board of MeritaNordbanken, 1995–2000

Member of the Board of Union Bank of Finland, 1984–1995

TietoEnator shares: 3 000



Vice Chairman **Anders Ullberg**, b. 1946, nationality Swedish
Independent Board member

Board member since 1999, Deputy Chairman since 2004
Chairman of the Audit and Risk Committee

MBA

President and CEO of SSAB Swedish Steel

Chairman of the Board of Eneqvistbolagen and Jernkontoret

Member of the Board of Atlas Copco, Skandia and SSAB Swedish Steel

Executive Vice President and CFO of SSAB Swedish Steel, 1984-2000

Vice President Corporate Control of Swedyards (Celsius Group), 1978–1984

TietoEnator shares: 1 000



Elisabeth Eriksson, b.1962, nationality Swedish
Personnel representative on the Board since 2000

BSc (Syst. An.)

Systems developer, TietoEnator Public & Healthcare

Member of the Board of Jusek Union Executive Committee

TietoEnator shares: 0

Right to subscribe for 520 shares



Thomas Falk, b. 1944, nationality Swedish
Independent Board member

Board member since 1999

Member of the Audit and Risk Committee

PhD (Econ.)

Adjunct Professor, Linköping University

Member of The Royal Swedish Academy of Engineering Sciences

Director, Federation of Swedish Industries, 1997–2001

TietoEnator shares: 72



Bengt Halse, b. 1943, nationality Swedish
Independent Board member

Board member since 2004

Member of the Compensation and Nomination Committee

PhD (Eng.)

Dr. Eng.h.c. at the Linköping University

Member of the Board of Conhem AB, Flex Link, OM HEX AB, ACARE and Denel (Pty) Ltd

CEO, Saab AB, 1995-2003

Various positions in Ericsson Group, 1974-1995

TietoEnator shares: 1 000



Matti Lehti, b. 1947, nationality Finnish

Executive Board member

Board member since 1988

PhD (Econ.)

President and CEO, TietoEnator Corporation

Chancellor of Helsinki School of Economics

Chairman of the Foundation for Economic Education

Deputy Chairman of Helsinki School of Economics and Employer 's Confederation of Service Industries

Member of the Board of Jaakko Pöyry Group and Confederation of Finnish Industries EK

Deputy Managing Director, Rautakirja Oy, 1986–1989

TietoEnator shares: 55 000

Right to subscribe for 71 000 shares



Olli Martikainen, b. 1953, nationality Finnish

Independent Board member

Board member since 2000

PhD (Math.), MSc (Eng.)

Associate Research Fellow, the Research Institute of the Finnish Economy (ETLA)

Professor, University of Oulu

Director R&D, Necsom Ltd

Supervisory Board Member of Siemens Osakeyhtiö

Member of Finnish Academy of Technology

Vice President R&D, Telecom Finland Oy, 1994–1997

TietoEnator shares: 0



Olli Riikkala, b. 1951, nationality Finnish

Independent Board member

Board member since 2004

Member of the Audit and Risk Committee

MSc. (Eng.), BSc. (Econ.), MBA

Senior Advisor, GE Healthcare Information Technologies

Chairman of the Board of Helvar Merca Oy Ab

Member of the Board of Fiskars Corporation, HYKS-instituutti Oy, Biomedicum Helsinki Fund, Efore Oyj and GE Money Bank AB

CEO, Europe, Middle East and Africa, GE Healthcare Information Technologies, 2002-2004

President and CEO, Instrumentarium Corporation, 1997-2003, member of the Board, 1987-2003

Various positions in Instrumentarium since 1979

TietoEnator shares: 0



Pirjo Salo, b.1952, nationality Finnish

Personnel representative on the Board since 2004

BSc. (Eng.)

Specialist, mentor, TietoEnator Public & Healthcare

TietoEnator shares: 0

Right to subscribe for 395 shares

Executive Management

Matti Lehti

President and CEO
Chairman of the Executive Committee

Information on personal details under Board of Directors

Business Operations



Pentti Heikkinen, b. 1960, nationality Finnish, MSc (Econ.)
Joined the company 1996

Chief Operating Officer since 2004
Member of the Executive Committee
Chairman of the Operative Management Team

President, Telecom & Media, 2001–2003
President, Services, 1999–2001
President, Public Sector, 1996–1999
Managing Director, VTKK Government Systems Ltd, 1994–1995
Director, VTKK Group Ltd, 1993
Branch Manager, Cap Programator Ltd, 1992–1993
Branch Manager, Cap Gemini Finland, Ltd, 1991
Director, Management Consultancy, VTKK 1987-90

Board member, Federation of The Finnish Information Industries

TietoEnator shares: 120
Right to subscribe for 45 915 shares



Pentti Huusko, b. 1948, nationality Finnish, MSc (Computer Sc.)
Joined the company in 1986, Senior Vice President since 1989

President of Production & Logistics since 2001
Member of the Operative Management Team

President, Process & Manufacturing, 1997–2001
President, Services, 1989–1996
Managing Director and Board member, Tietojyvä Oy, 1986–1989

TietoEnator shares: 580
Right to subscribe for 37 915 shares



Juhani Lano, b. 1948, nationality Finnish, MSc (Tech.)
Joined the company in 1990, Senior Executive Vice President since 1994

President of Processing & Network since 1997
Member of the Operative Management Team

President, Carelcomp, 1993–1996
Managing Director, Carelcomp Oy, 1990–1993

TietoEnator shares: 0
Right to subscribe for 26 350 shares



Carl-Johan Lindfors, b. 1956, nationality Finnish, BSc (Aviation Eng.)
Joined the company in 1989, Senior Vice President since 2000

President of Public & Healthcare since 2003
Member of the Operative Management Team

President, Resource Management, 2000–2002
Various management positions in TietoEnator, 1989–1999
Managing Director, Control Data Oy, 1987–1988

TietoEnator shares: 0
Right to subscribe for 35 915 shares



Jukka Rosenberg, b.1962, nationality Finnish, MSc (Econ.)
Joined the company in 1997, Senior Vice President since 2004

President of Banking & Insurance since 2004
Member of the Operative Management Team

Senior Vice President, Business Operations in Finland, Banking & Finance, 2002–2003
Various management positions in TietoEnator Banking & Finance, 1997–2002
Director, Fujitsu ICL Germany, 1994–1997

TietoEnator shares: 100
Right to subscribe for 24 915 shares



Ari Vanhanen, b.1961, nationality Finnish, MSc (Eng.)
Joined the company in 1994, Senior Vice President since 2004

President of Telecom & Media since 2004
Member of the Operative Management Team

Managing Director, Tietokesko Oy, 2001–2003
Vice President, TietoEnator Energy business unit, 1999–2001
Various management positions in TietoEnator, 1994–1999

TietoEnator shares: 6 710
Right to subscribe for 25 515 shares



Pekka Viljakainen, b. 1972, nationality Finnish, engineering studies (Lappeenranta University of Technology)
Joined the company in 2000, Senior Vice President since 2004

Senior Vice President, Strategic Customer Management since 2005
Senior Vice President, Digital Innovations since 2004
Member of the Operative Management Team

Managing Director, Oy Visual Systems Ltd, 1990–2004

TietoEnator shares: 669 447
Right to subscribe for 395 shares

Strategic Business Development



Veli Pohjolainen, b. 1947, nationality Finnish, MBA
Joined the company in 1975

Senior Executive Vice President since 1994
Member of the Executive Committee

President, Banking & Finance, 1994–2003
General Manager, Banking, 1984–1993
General Manager, Service Industries, 1983–1984
Department Manager, Service Industries, 1980–1983
Product Manager, Service Industries, 1975–1980

TietoEnator shares: 26 338
Right to subscribe for 38 915 shares



Juhani Strömberg, b. 1953, nationality Finnish, PhD (Tech.)
Joined the company in 1976

Senior Vice President, Group Development since 1999
Member of the Operative Management Team

Vice President, Electronic Business Services, 1996–1999
Vice President, Technology, Business Development 1993–1996
Various development, project and managerial positions, 1976–1992

TietoEnator shares: 6
Right to subscribe for 31 200 shares

Group Functions



Åke Plyhm, b. 1951, nationality Swedish, BSc (Business Administration)
Joined the company in 1995

Deputy CEO since 1999
Member of the Executive Committee

President and CEO, Enator AB, 1995–1999
President, Celsius Industrier AB, 1990–1995
Executive Vice President with responsibility for finance, treasury and legal departments, Celsius Industrier AB, 1990

TietoEnator shares: 290
Right to subscribe for 54 820 shares



Håkan Friberg, b. 1948, nationality Swedish, BA (Econ.)
Joined the company in 1993

Senior Vice President, Human Resources since 1999
Member of the Operative Management Team

SVP Human Resources, Enator AB, 1997–1999
Managing Director, Unic AB, 1992–1996
Director, KPMG Management Consulting, 1990–1992

TietoEnator shares: 0
Right to subscribe for 31 720 shares



Päivi Lindqvist, b. 1970, nationality Finnish, MSc (Econ.), MBA
Joined the company in 1997

Senior Vice President, Investor Relations and Financial Communications since 2004

Manager, Investor Relations, 2002–2003
US Controller, 2001–2002
Treasury Analyst, 1997–2001

TietoEnator shares: 0
Right to subscribe for 3 960 shares



Jouko Lonka, b. 1955, nationality Finnish, LL.M.
Joined the company in 1987

Senior Vice President, Legal Affairs since 2004

General Counsel, 1987–2003
Legal Counsel, Hewlett Packard, 1986–1987
Legal Counsel, Union Bank of Finland, 1982–1986

TietoEnator shares: 36 800
Right to subscribe for 25 665 shares



Martin Nyman, b. 1972, nationality Swedish, BSc (Econ.)
Joined the company in 2000

Senior Vice President, Marketing and Corporate Communications since 2004
Member of the Operative Management Team

Vice President Communications, Telecom & Media, 2001–2003
Marketing/Information Manager, TietoEnator Technical Consultants, 2000–2001
Marketing Manager, Compuware, 1999–2000

TietoEnator shares: 0
Right to subscribe for 4 650 shares



Timo Salmela, b. 1957, nationality Finnish, MSc (Econ.)
Joined the company in 1996

Senior Vice President and CFO since 2003
Member of the Operative Management Team

Vice President Finance & Administration, Telecom & Media, 2001–2003
Vice President Finance & Administration, Services, 1996–2001
Director Finance, Avancer Oy, 1991–1996

TietoEnator shares: 100
Right to subscribe for 11 200 shares

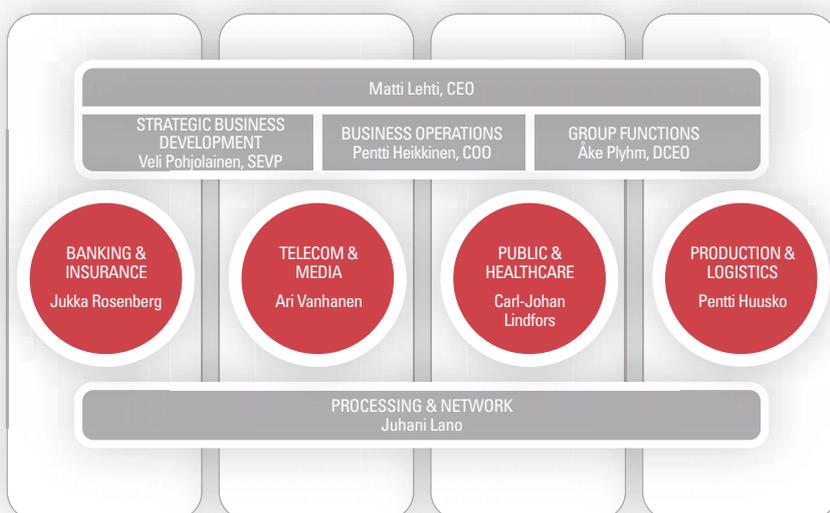
Executive Committee

Matti Lehti, Chairman
Pentti Heikkinen
Åke Plyhm
Veli Pohjolainen

Operative Management Team

Pentti Heikkinen, Chairman
Håkan Friberg
Pentti Huusko
Juhani Lano
Carl-Johan Lindfors
Martin Nyman
Jukka Rosenberg
Timo Salmela
Juhani Strömberg
Ari Vanhanen
Pekka Viljakainen

ORGANIZATION



Group Functions

Finance & Administration
Timo Salmela

Human Resources
Håkan Friberg

Marketing and Corporate Communications
Martin Nyman

Legal Affairs
Jouko Lonka

Investor Relations and Financial Communications
Päivi Lindqvist

Strategic Business Development
Group Development
Juhani Strömberg

Strategic Customer Management
Pekka Viljakainen

Information for shareholders

Shareholders' calendar for 2005

February 4	Fourth Quarter 2004
February 11	Financial Statements Bulletin
Week 7	Financial and Business Reviews 2004 (pdf)
March 4	Financial and Business Reviews 2004 (printed)
March 7	Record date for AGM
March 17	AGM
March 22	Record date for dividend
April 7	Dividend payment
April 21	Interim Report First Quarter 2005 (Jan – March)
July 22	Interim Report Second Quarter 2005 (Jan – June)
October 19	Interim Report Third Quarter 2005 (Jan – Sept)

Reviews are published in English, Finnish and Swedish and are available on TietoEnator's website, www.tietoenator.com

To order the printed Business Review 2004 and Financial Review 2004:

- e-mail: reports@tietoenator.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 Communications

Tel. +358 9 862 63276, mobile +358 40 708 5351

Fax +358 9 862 63091

paivi.lindqvist@tietoenator.com

Marja Kortesalo, Investor Relations Assistant

Tel. +358 9 862 63122, mobile +358 40 527 4090

Fax +358 9 862 63091

marja.kortesalo@tietoenator.com

Analysts following TietoEnator

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

Countries of operation

Belgium, Canada, China, the Czech Republic, Denmark, Estonia, Finland, France, Germany, India, Indonesia, Italy, Latvia, Lithuania, Malaysia, the Netherlands, Norway, Russia, Singapore, Slovakia, Sweden, Ukraine, the United Kingdom and the USA



Contact information

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

TietoEnator Corporation

Kutojantie 10, P.O. Box 33	Kronborgsgränd 1
FI-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@tietoenator.com
www.tietoenator.com

Business ID: 0101138-5
Registered office: Espoo

Banking & Insurance

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

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

Telecom & Media

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

Offices in Belgium, Czech Republic, China, Finland, France, Germany, Italy, Lithuania, Norway, Slovakia and Sweden

Public & Healthcare

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

Offices in Denmark, Estonia, Finland, Germany, India, the Netherlands, Norway and Sweden

Production & Logistics

Kutojantie 6-8
P.O. Box 156
FI-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 862 60590

Offices in Canada, China, Finland, France, Germany, Indonesia, Malaysia, the Netherlands, Norway, Singapore, Sweden, United Kingdom and USA

Processing & Network

Aku Korhosen tie 2-4
P.O. Box 38
FI-00441 HELSINKI, FINLAND
Tel. +358 20 720 10
Fax +358 20 72 694 00

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

Digital Innovations

Arabianranta 6
FI-00560 HELSINKI, FINLAND
Tel. +358 20 720 10
Fax +358 20 72 669 66

Offices in Denmark, Finland, Norway, Sweden and Czech Republic

Viestintä Oy Virtuosi, Digital Innovations, Pohjanlintu
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English translation and editing: Andrew Gardiner, Impress Ltd
Printing: Frenckell

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 realize and digitalize 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, forest and telecom. In these areas, we work hand in hand with many of the world's leading companies and organizations. We are growing with them and are now active in more than 20 countries.

TietoEnator Corporation

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Tel. +358 9 862 6000
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SE-164 87 KISTA, SWEDEN
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e-mail: info@tietoenator.com
www.tietoenator.com

TietoEnator

Building the Information Society



Tuning up for global growth

Financial Review 2004

TietoEnator^{TE}

Building the Information Society

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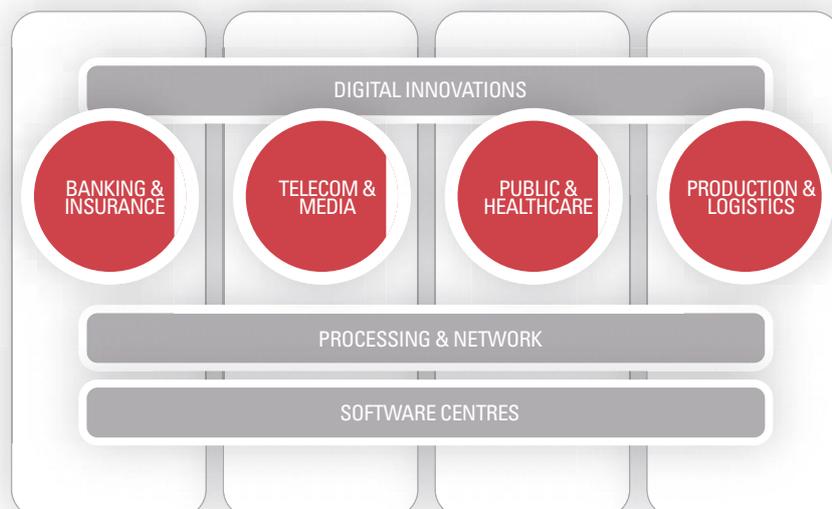
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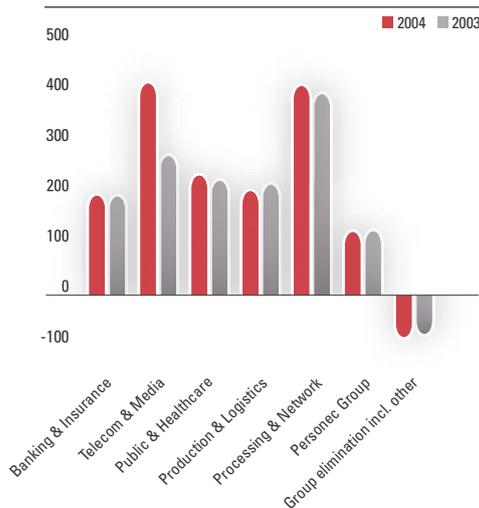
We've chosen to focus on areas where we have the deepest industry expertise. The principal ones are globally banking, forest and telecom. In these areas, we work hand in hand with many of the world's leading companies and organizations. We are growing with them and are now active in more than 20 countries.



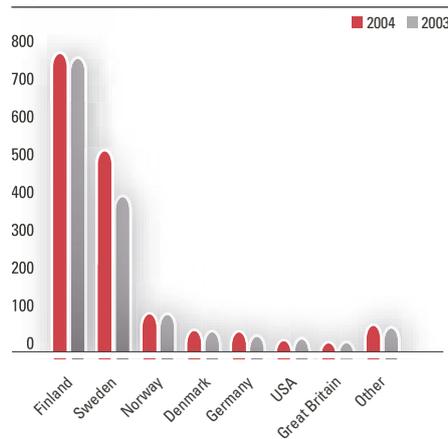
Key figures

	2004	2003
Net sales, MEUR	1 525.3	1 374.3
Operating profit before goodwill amortization and one-time capital gains (EBITA), MEUR	171.3	143.3
Operating profit before goodwill amortization (EBITA), MEUR	253.0	143.3
Margin, %	16.6	10.4
Operating profit (EBIT), MEUR	194.5	102.7
Operating margin, %	12.8	7.5
Profit before taxes, MEUR	189.3	100.6
Earnings per share, EUR	3.19	0.79
Equity per share, EUR	7.12	5.74
Dividend per share, EUR	1.00	0.50
Investments, MEUR	166.2	61.6
Return on equity, %	49.6	14.1
Return on capital employed, %	35.6	23.1
Gearing %	19.4	1.4
Equity ratio, %	55.9	60.8
Personnel on average	12 518	11 836
Personnel on 31 Dec	12 773	11 680

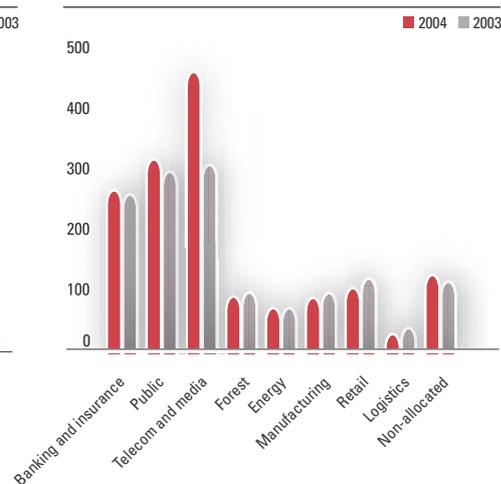
NET SALES BY BUSINESS AREA, EUR MILLION



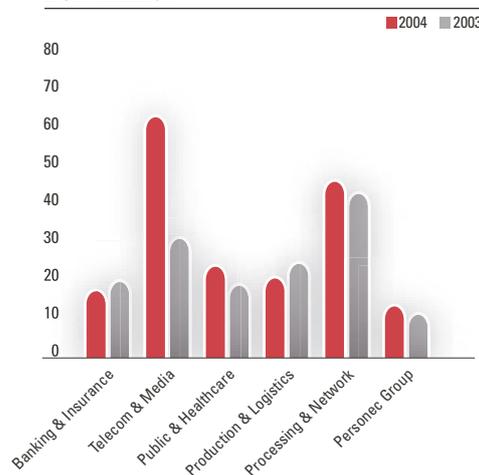
NET SALES BY COUNTRY, EUR MILLION



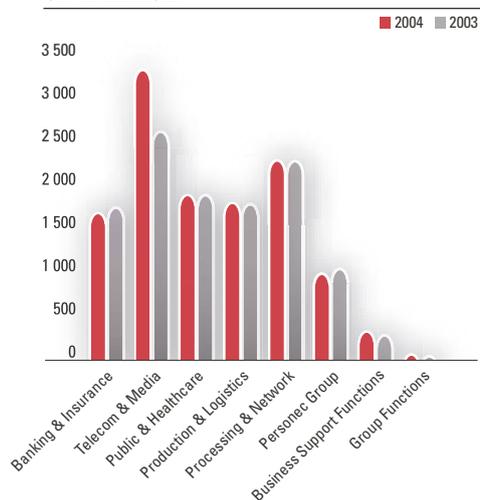
NET SALES BY INDUSTRY SEGMENT, EUR MILLION



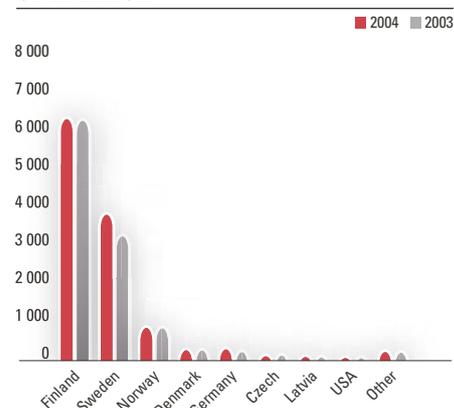
OPERATING PROFIT, EUR MILLION



PERSONNEL BY BUSINESS AREA ON AVERAGE



PERSONNEL BY COUNTRY ON AVERAGE



Report by the Board of Directors

Market trends 2004

The IT market started to recover slowly in 2004. The focus is shifting from strict cost control closer to development investments. Buyers still hold a lot of power in the market, however. Customers are more sophisticated and careful when starting big projects. Decisions are being made after exhaustive evaluation processes and at higher levels in the organization, which has made sales cycles long. Closer to the year end the consulting project and standard software markets started to improve, and prospects for future growth are getting brighter.

Competition has stayed intense and is very much based on price, especially in the more mature infrastructure services. In high-value-added services other important factors in addition to price are competences, industry expertise and customer knowledge. Efficiency is the main reason behind most investments in IT services and solutions. All vendors are trying to move to higher-value-added services to maintain profitability. Offshore and nearshore competition is becoming tougher in the Nordic countries, an area which traditionally has been slow to adopt global sourcing strategies.

Prices overall have become fairly stable, but the situation is very fragmented. Prices are still declining in the most competitive areas whereas in some areas that are leading the recovery price increases may be possible.

The labour market is still favourable. Recruitment activities in the industry have increased but the change is modest. A competent workforce is in good supply and mobility is low. Salary increases have been moderate and are expected to continue this way.

Development of customer industries

Of TietoEnator's selected vertical businesses telecom is the furthest ahead in recovery and is growing strongly. The balance sheets of operators have improved and infrastructure investments have increased clearly. The customer sentiment among both operators and telecom equipment vendors is positive.

The banking sector on the other hand experienced a difficult year in 2004. Even though the financials of the customers are improving, cost-saving programmes continue, which has affected TietoEnator's partnership and solutions business in banking. Prospects and the flow of contracts started to improve closer to the year end, however, with card management systems selling particularly well. The Finnish insurance sector is creating a lot of growth opportunities due to regulatory changes in the na-

tional pension insurance system.

The public sector has been rather stable but competitive. The healthcare market has been growing and TietoEnator was able to close a number of contracts for healthcare systems in the Nordic countries during the year. Demand for 24/7 services and streamlining of healthcare processes are the main drivers in the public markets.

In the forest sector European companies in particular are saving costs as paper prices have increased slowly. Asia is a very active market and the focus of most investments in new capacity. Development is stable in the energy sector, with oil and gas and electricity companies performing well as energy prices are high. The Finnish manufacturing industry has not yet started to increase investments, and retail has already completed its major modernization initiatives.

New opportunities for contracts in the infrastructure outsourcing business are emerging continuously but competition is aggressive. Efficiency improvements and higher-value-added services are critical to maintaining the profitability of this business.

Demand for financial resource management systems is recovering. The human resources area is slower but offers more opportunities due to the easier competitive situation and prospects for business process outsourcing.

Changes in corporate structure and larger new outsourcing agreements

The biggest acquisitions in 2004 took place in telecom. The acquisition of Ki Consulting took effect in January and increased TietoEnator's workforce by 770 employees. Financially the acquired unit generated planned net sales, and profitability was well in line with the Group average. In December 2004 TietoEnator announced another major acquisition, S.E.S.A. AG in Germany, which will add altogether around 600 employees in Germany and France.

In the banking industry TietoEnator made one acquisition in January in Germany. Inveos AG was acquired to improve the local solution delivery capabilities and added 120 employees to TietoEnator's workforce in Germany.

TietoEnator's healthcare business made a number of smaller acquisitions in Finland, Norway and Sweden during the year. The biggest was a letter-of-intent in Germany when TietoEnator agreed to acquire a hospital information system provider, ITB AG. 170 people work for ITB, 120 of them in India.

In the energy sector TietoEnator acquired

OMX's energy business with 45 employees and the customer information systems of Finnish Tekla, which involved the transfer of 115 employees.

The two biggest outsourcing contracts during the year were both in the insurance sector in Finland. TietoEnator acquired the share capital of Octel Oy, which was the shared IT infrastructure company of several Finnish pension insurance providers and employed 130 people. A service agreement was simultaneously made with the previous owners of Octel. Later in the year TietoEnator agreed with Finnish pension insurance company Ilmarinen to set up a joint venture, which started operations from the beginning of 2005 with the transfer of over 140 of Ilmarinen's employees.

In 2004 TietoEnator made a major divestment by selling 49% of the Resource Management business area to an outside investor. With the horizontal nature of its business and different customer strategy Resource Management was not at the core of TietoEnator's strategy. With the added resources of the external investor Resource Management is now able to take an active role in the consolidation of its sector of industry.

Financial targets

TietoEnator has revised its financial targets, which now reflect the IFRS accounting principles. The Group's overall goal is to improve shareholder value through growth, profitability and effective use of capital. The specific long-term targets are:

- Revenue growth of 20%
- Operating margin (EBIT) to exceed 13% (after depreciation, amortization of intangibles and goodwill impairments)
- Each business area to create shareholder value, measured by EVA internally
- Long-term gearing target of 40%
- Dividend payout ratio of around 50% of net income including one-time items. The annual dividend payout will, however, depend on the financial position and the major investment needs of the company.

Net sales

Net sales grew 11% to EUR 1 525.3 (1 374.3) million in 2004. Organic growth was 1%. Growth in Finland was 2% whereas Sweden increased strongly by 31%. Norway grew 1%. In 2004 Finland accounted for 51% of net sales, Sweden 34% and Norway 6%.

The highest growth of 50% took place in the telecom and media customer segment, which contributed 30% of Group net sales in 2004. The

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CHANGES IN STRUCTURE 2004

Company, country	% of shares	Business	Net sales	Employees	Date	Business Area
ACQUISITIONS / SHARE PURCHASES						
Ki Consulting & Solutions AB, Sweden	100%	IT and telecom consulting	MEUR 90	770	Jan 2	T & M
Respons AS, Norway	100%	Healthcare and welfare software solutions	MEUR 3.1	24	Jun 1	P & H
Doctorex Oy, Finland	100%	Healthcare solutions	MEUR 1.3	15	Sep1	P & H
C&S Healthcare Software AB and C&S Management AB, Sweden	100% of C&S Healthcare Software AB and 51% of C&S Management AB	IT services for healthcare industry	MEUR 2.4	31	Oct 1	P & H
InformationsLogik Sweden AB 1) and InformationsLogik Netherlands B.V., Sweden and Netherlands	100%	Laboratory systems	MEUR 3.3	34	Nov 1	P & H
ITB AG, Germany	100%	IT services for healthcare industry	MEUR 7.8	173	Jan 1 05	P & H
S.E.S.A. AG, Germany	100%	Telecom R&D services	MEUR 67	600	Jan 15 05	T & M
ACQUISITIONS / BUSINESS ACTIVITIES						
Jons-Medical, Finland		Medical imaging and archive business	MEUR 0.4	2	Apr 1	P & H
Tekla's customer information systems, Finland		Energy sector services	MEUR 8.8	115	Oct 1	P & L
IFS's payroll solution, Sweden		Payroll software	MEUR 4.4	45	Jan 1 05	Personec Group
OUTSOURCINGS / SHARE PURCHASES						
Octel Oy, Finland	100%	IT processing and support services for pension field	MEUR 20	130	May 1	P & N
OUTSOURCINGS / BUSINESS ACTIVITIES						
Advanced Financial IT Consulting, Adfincon, GmbH, Germany		Banking and financial IT solutions	NA	16	Oct 1	B & I
Finland Post, Finland		Post's IT and operations services	NA	9	Oct 5	P & N
OUTSOURCINGS / JOINT VENTURES						
TietoEnator Support OÜ with Hansabank, Estonia	TietoEnator 60%, Hansabank 40%	On-site support services	NA	28	Sep 1	P & N
Tietollmarinen Oy with Ilmarinen Mutual Pension Insurance Company, Finland	TietoEnator 70%, Ilmarinen 30%	IT systems development, management and support services	MEUR 19	140	Jan 1 05	B & I
DIVESTMENTS						
49% of Resouce Management, Nordic region	TietoEnator 51%, NordicCapital 49%	Human and Financial Resource Management business	-	1 000	Jul 1	RM
Personec's ERP business in Norway	100% Daldata AS	ERP	MEUR 3.6	-	Dec 31	Personec Group
Parish software and related business, Finland	Innofactor Ltd 100%	Parish software and related business	NA	5	Dec 31	P & H
OTHER CHANGES						
Merger of Oy Visual Systems Limited into TietoEnator Corporation on December 2004.						
TietoEnator Corporation has a permanent establishment in Czech Republic.						

1) Business activities

B & I = Banking & Insurance, T & M = Telecom & Media, P & L = Production & Logistics,
P & H = Public & Healthcare, P & N = Processing & Network, RM = Resource Management, subsequently Personec Group.

growing public sector accounted for 21% and stable banking and insurance for 17%.

The order backlog, comprising only services ordered with binding contracts, amounted to EUR 860 million at the end of 2004, EUR 18 million lower than in 2003. Around 70% (70) of the backlog is expected to be invoiced in 2005.

Profitability

Operating profit (EBITA) before capital gains from divestments increased by 20% to EUR 171.3 (143.3) million. Including capital gains operating profit totalled EUR 253.0 million. The operating margin (EBITA) before goodwill amortization and capital gains improved to 11.2% (10.4). Operating profit after goodwill (EBIT) amortization totalled EUR 194.5 (102.7) million.

The operating profitability improved due to exceptionally good performance in Telecom & Media, gradual market recovery and efficiency measures started in 2003 and continued in 2004. Telecom & Media benefited from the performance based rewards of its partnership contracts, which had a EUR 19 million positive effect on the net sales and EUR 12 million on the operating profit of the business area.

Goodwill was reduced by an additional EUR 8 million on top of the normal annual amortization. EUR 5 million of the additional amortization took place in Banking & Insurance in the third quarter and EUR 3 million in Public & Healthcare, Production & Logistics and at the Group level in the fourth quarter.

There were two divestments which generated substantial capital gains during the year. The 49% divestment of the Resource Management Business area resulted in a gain of EUR 68.0 million and the divestment of two office buildings in Finland in a gain of EUR 13.6 million, net of tax EUR 8.7 million. The capital gains had a EUR 0.94 effect on EPS.

In July TietoEnator received an advance tax ruling from the Finnish tax authorities as a result of which the company recognized a deferred tax asset and income amounting to EUR 119 million, or EUR 1.46 per share.

Earnings per share before goodwill amortization, capital gains and the deferred tax income climbed to EUR 1.52 (1.28). After goodwill amortization, capital gains and the deferred tax asset earnings per share amounted to EUR 3.19 (0.79).

Return on capital employed (ROCE) amounted to 35.6% and return on shareholders' equity (ROE) to 49.6%.

Financing and investments

Cash flow from operations amounted to EUR 157.1 million. Operating profit contributed EUR 210.0 million while the increase in working capital consumed EUR 36.2 million. Net tax payments were EUR 10.6 million and substantially lower than in 2003 as the deferred tax asset was employed.

Net investments consumed EUR 56.8 million of cash. The real estate divestment generated EUR 72.5 million. The biggest single investment was the EUR 72 million payment for Ki Consulting in January.

TietoEnator paid a dividend of EUR 41.4 million in April and an extra dividend of EUR 39.4 million in December. Additionally the Group used EUR 97.4 million for share repurchases.

TietoEnator signed a EUR 150 million credit facility in June. The total of EUR 413 million in credit facilities were unused at the end of 2004. Interest-bearing loans increased as the Resource Management transaction resulted in new consolidated debt, the balance of which was EUR 75.9 million at the year end. Nordic Capital's shareholder loan of EUR 36.9 million has been treated as equity in the balance sheet and as debt when calculating key figures.

At the end of December the consolidated balance sheet totalled EUR 1 052.5 million, a 30% increase compared with 2003. The biggest items affecting the balance sheet during the year were the one-time deferred tax asset, divestment of the real estate and the impacts of the Resource Management transaction on consolidated goodwill, equity and debt. The equity ratio was 55.9% (60.8) and gearing was +19.4%. Net debt totalled EUR 31.0 million including EUR 91.3 million in interest-bearing debt and EUR 66.7 million in cash and cash equivalents.

Accrual-based investments totalled EUR 166.2 (61.6) million for the period. Capital expenditure including financial leasing accounted for EUR 56.9 (48.5) million, goodwill from business activities for EUR 14.1 (4.5) million, and investments in subsidiary and associated company shares for EUR 95.2 (8.6) million.

Personnel

The Group had 12 773 (11 680) full-time employees at the year end and 12 518 (11 836) on average during the year. The net change in the number of employees was +1 172 (-292). The headcount has mostly increased due to several acquisitions which added altogether 1 340 employees. Recruitment stayed moderate but is increasing, and a total of 933 (550) employees were hired. TietoEnator has continued person-

nel reductions and in total 380 employees were affected during the year. Employee turnover is still at very low level of 5%.

TietoEnator continued its active competence development activities on all levels of the organization. The business areas and business units implemented their human resource action plans based on employee satisfaction surveys and the preferred employer status as a general target. An updated performance management system called BRIDGE was implemented in the autumn of 2004.

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 will publish the interim report for Q1 2005 on 21 April 2005 according to IAS/IFRS instead of Finnish GAAP. The company will also publish a reconciliation of equity and income statement and comparison figures for Q1-Q4 2004 on 28 February 2005.

Accounting processes in the entire Group have been 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. In 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 were finalized, the last training sessions took place, and 2004 comparison figures were collected. From TietoEnator's perspective IAS/IFRS implementation has proceeded according to plan.

The impact of IAS/IFRS adoption varies from company to company. The differences compared to Finnish GAAP concern recognition and valuation of assets and liabilities and may lead to an overall increase in the volatility of profits. For TietoEnator the key changes arising from IAS/IFRS adoption are:

- Business combinations (goodwill)
 - Amortization will disappear and goodwill will be impairment tested.
 - Purchase prices for new acquisitions will be allocated in net assets based on their fair values.
 - Amortization on allocated intangible assets

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Net sales by business area, EUR million	2004	2003	Change
	1-12	1-12	%
Banking & Insurance	199	198	0
Telecom & Media	422	278	52
Public & Healthcare	239	229	4
Production & Logistics	208	221	-5
Processing & Network	417	401	4
Personec Group	127	129	-1
Group eliminations incl. other	-87	-81	
	1 525	1 374	11

Operating profit, EUR million	2004	2003	Change
	1-12	1-12	%
Banking & Insurance	18.0	20.5	-12
Telecom & Media	64.1	31.9	101
Public & Healthcare	24.5	19.5	25
Production & Logistics	21.4	25.3	-16
Processing & Network	47.0	43.8	7
Personec Group	14.0	11.8	18
Business areas	188.9	152.9	24
Group functions incl. other	-18.6	-10.7	
Associated companies outside BA	0.8	1.2	
Operating profit (EBITA) before goodwill amortization, one-time capital gains and social costs on personnel warrants	171.2	143.4	19
Social costs on personnel warrants	0.2	-0.1	
Operating profit (EBITA) before goodwill amortization and one-time capital gains	171.3	143.3	20
One-time capital gains *)	81.6	0.0	
Operating profit (EBITA) before goodwill amortization	253.0	143.3	77
Amortization of goodwill	-58.4	-40.6	
Operating profit (EBIT)	194.5	102.7	89

*) One-time capital gains include gains from the divestments of 49% of Resource management (EUR 68.0 million) and real estate in Finland (EUR 13.6 million).

Operating margin, %	2004	2003	Change
	1-12	1-12	
Banking & Insurance	9.1	10.4	-1.3
Telecom & Media	15.2	11.5	3.7
Public & Healthcare	10.2	8.5	1.7
Production & Logistics	10.2	11.5	-1.2
Processing & Network	11.3	10.9	0.3
Personec Group	11.0	9.2	1.8
Business areas	12.4	11.1	1.3
Operating margin (EBITA) before goodwill amortization, one-time capital gains and social costs on personnel warrants	11.2	10.4	0.8
Operating margin (EBITA) before goodwill amortization and one-time capital gains	11.2	10.4	0.8
Operating margin (EBITA) before goodwill amortization	16.6	10.4	6.2
Operating margin (EBIT)	12.8	7.5	5.3

Net sales by country, EUR million	2004	Change %	Share %	2003	Change %
	1-12			1-12	
Finland	774	2	51	761	5
Sweden	516	31	34	395	20
Norway	84	1	6	83	-16
Denmark	40	7	3	37	16
Germany	36	45	2	25	-1
USA	13	-26	1	18	>100
Great Britain	7	-10	-	8	-36
Other	54	16	4	47	18
	1 525	11	100	1 374	8

Net sales by industry segment, EUR million	2004	Change %	Share %	2003	Change %
	1-12			1-12	
Banking and insurance	263	3	17	256	-3
Public	314	7	21	294	-2
Telecom and media	459	50	30	305	62
Forest	87	-7	6	94	21
Energy	68	1	4	68	8
Manufacturing	85	-9	6	93	-17
Retail	101	-13	7	117	2
Logistics	25	-29	2	35	-12
Non-allocated	123	9	8	112	5
	1 525	11	100	1 374	8

Personnel

By business area	2004 1-12	End of period		2003 1-12	Average	
		Change %	Share %		2004 1-12	2003 1-12
Banking & Insurance	1 725	3	14	1 672	1 704	1 768
Telecom & Media	3 420	30	27	2 640	3 363	2 648
Public & Healthcare	1 990	6	16	1 881	1 913	1 913
Production & Logistics	1 876	4	15	1 810	1 823	1 807
Processing & Network	2 309	-	18	2 312	2 315	2 307
Personec Group	995	-3	8	1 028	1 002	1 058
Business Support Functions	354	-	3	295	331	289
Group functions	104	-	1	42	67	46
	12 773	9	100	11 680	12 518	11 836

By country	2004	Change %	Share %	2003	2004	2003
	1-12			1-12	1-12	
Finland	6 529	4	51	6 299	6 433	6 389
Sweden	3 938	20	31	3 290	3 902	3 330
Norway	913	4	7	874	902	896
Denmark	315	5	2	300	308	308
Germany	346	31	3	264	332	265
Czech	170	7	1	159	147	173
Latvia	138	14	1	121	127	124
USA	104	6	1	98	101	104
Other	320	16	3	275	266	247
	12 773	9	100	11 680	12 518	11 836

The personnel figures for the associated companies under TietoEnator's management responsibility are reported according to our holding. Personnel figures including these associated companies to 100% give a total of 13 183 (12 104) at the end of the period.

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from acquisitions will be around EUR 3 million in 2004 and will increase with subsequent acquisitions.

Goodwill impairments in 2004 will be around EUR 19 million, which correspond to Finnish GAAP based normal goodwill amortization and Impairments of EUR 8 million.

- **Employee benefits (pensions)**
Some pension arrangements will be classified as defined benefit plans, which is expected to increase debt by around EUR 30 million at the beginning of 2004 and by an additional EUR 11 million during 2004 due to acquisitions
- **Share based payments (options)**
The value of option programmes will be recognized and expensed over the vesting period. There will be only a minor effect with existing programmes.
- **The shareholder loan from Nordic Capital (EUR 37 million) will be treated as debt, not equity, as under Finnish GAAP.**

TietoEnator has published more detailed information on the IFRS impacts and differences between Finnish GAAP and IFRS on its website at www.tietoanator.com/ifrs.

Board of Directors and management

TietoEnator Corporation's Annual General Meeting on 18 March 2004 elected two new Directors: Bengt Halse and Olli Riikkala. Olof Lund did not seek re-election. The Board of Directors elected Kalevi Kontinen Chairman and Anders Ullberg deputy Chairman. In May TietoEnator's personnel elected Elisabeth Ericsson and Pirjo Salo as the representatives of the personnel organizations on the TietoEnator Board. The Board of Directors established two committees in June. The Compensation and Nomination Committee comprises Kalevi Kontinen (Chairman) and Bengt Halse. The Audit and Risk Committee comprises Anders Ullberg (Chairman), Thomas Falk and Olli Riikkala.

Lars Gahnström is no longer a member of the Operative Management Team, but as CEO of Personec Group he reports to Personec's Board of Directors. In November TietoEnator implemented rotation of a number of business unit and sub-business unit managers. The purpose of the cross-Business Area, cross-country and cross-function rotation is to develop management capabilities to leverage synergies and experience.

Shares and options

In September TietoEnator's Board of Directors decided to start a share repurchase programme. Under the 2004 AGM authorization shares are being purchased to develop the company's capital structure. The maximum amount of shares to be purchased, 5% of the share capital or 4 144 322 shares, were purchased in public trading on the Helsinki Stock Exchange between 29 September – 12 October and 21 October – 26 October. EUR 97.4 million, an average of EUR 23.50 per share, was used for the repurchases. The company now holds 5% of the shares and voting power. The outstanding number of shares excluding the shares in the company's possession was 78 742 122 at the year end and 81 977 804 in 2004 on average. The number of registered shares was still 82 886 444. TietoEnator's Board of Directors will propose to the 2005 AGM that the repurchased shares be cancelled.

An extraordinary general meeting in November decided on the extra dividend of EUR 0.50 per share in addition to the EUR 0.50 dividend paid in April.

The Board has not exercised its authorization to issue shares or option rights or raise convertible bond loans.

The subscription period for the 1998 warrants ended in May and 1 055 244 subscription rights expired unused. The Board allocated 491 400 stock options from the 2002 option programme as part of the company's incentive programme in April. Around 800 000 options from the programme still remain non-allocated.

Events after the period

The acquisition of S.E.S.A. AG was closed and EUR 64 million of the purchase price was paid in January. Also the acquisition of ITB AG was closed and the purchase price of EUR 9 million paid in early February. Both acquisitions will be consolidated from January 2005.

671 755 of the warrants of the 2000 programme were annulled in January 2005. After the annulling the 2000 programme entitles to subscribe for 3 028 245 shares. In total all outstanding options and warrants can increase the number of shares by a maximum of 5 911 775.

Pekka Viljakainen was appointed Senior Vice President, Strategic Customer Management and a member of TietoEnator's Operative Management Team (OMT) from 21 January 2005.

Dividend proposal

According to the new dividend policy TietoEnator's Board of Directors is proposing a dividend of EUR 1.00 (0.50) per share for the year 2004. Around EUR 0.40 of the dividend is based on recurring net income and around EUR 0.60 on the one-time items. As the capital gains and the deferred tax income already increased TietoEnator's cash assets in 2004, the company paid an extra dividend of EUR 39.4 million, or EUR 0.50 per share in December 2004.

Prospects for 2005

The slow overall market recovery is expected to continue in 2005. TietoEnator's growth thus depends mainly on new acquisitions and outsourcing transactions. The acquisitions finalized are expected to contribute around 7.0% of growth in 2005. The discontinuation of the zero-margin pass-through invoicing from Primasoft will reduce the Group's top line by 1.0% in 2005 and TietoEnator will also adjust its reported organic growth for this effect.

For 2005 TietoEnator expects the second-quarter net sales and profitability to be seasonally higher than in the first quarter partly due to investments in process harmonization and solutions. Further, the amount of performance based rewards is expected to be lower in 2005 than in 2004.

In the first quarter sales are forecast to grow 6-8% compared with the first quarter of 2004. Full-year sales growth is expected to range between 8-12%.

The first-quarter EBITA margin is expected to range between 9-11%. The full-year EBITA margin is expected to exceed 10%.

The full-year effective tax rate is expected to be approximately 28% for pretax profit after tax-deductible goodwill amortization.

The full-year cash flow from operations is expected to continue strong and is improved by the utilization of the tax asset.

The prospects are based on Finnish GAAP accounting. There are no material differences expected between 2005 Finnish GAAP and IFRS net sales and EBITA (earnings before interest, taxes and amortization including amortization for intangible assets).

Financial Figures

Five-Year Figures	2004	2003	2002	2001	2000
Net sales, MEUR	1 525.3	1 374.3	1 271.1	1 135.2	1 119.9
Operating profit (EBIT), MEUR	194.5	102.7	99.8	251.8	103.5
Operating margin, %	12.8	7.5	7.9	22.2	9.2
Profit before extraordinary items and taxes, MEUR	189.3	100.6	100.4	258.0	106.9
as % of net sales	12.4	7.3	7.9	22.7	9.5
Total assets, MEUR	1 052.5	807.7	845.0	801.2	632.0
Return on equity, %	49.6	14.1	13.7	47.1	19.6
Return on capital employed, %	35.6	23.1	23.0	59.9	27.7
Equity ratio, %	55.9	60.8	55.5	61.9	57.5
Investments, MEUR	166.2	61.6	282.9	125.2	82.0
as % of net sales	10.9	4.5	22.3	11.0	7.3
Average number of employees	12 518	11 836	11 153	9 739	9 623
Personnel on 31 December	12 773	11 680	11 991	10 275	9 721

Key Figures by Quarter	2004	2004	2004	2004	2004	2003	2003	2003	2003	2003
	1-3	4-6	7-9	10-12	1-12	1-3	4-6	7-9	10-12	1-12
Net sales, MEUR	380.5	383.8	331.4	429.6	1 525.3	352.0	341.6	305.4	375.3	1 374.3
Operating profit (EBIT), MEUR	30.7	26.2	100.2	37.4	194.5	23.3	19.3	25.7	34.4	102.7
Net financial items, MEUR	-0.1	-0.2	-3.3	-1.6	-5.2	-0.4	-1.0	-0.7	0.0	-2.1
Profit before taxes, MEUR	30.6	26.0	96.9	35.8	189.3	22.9	18.3	25.0	34.4	100.6
Earnings per share, EUR	0.23	1.65	1.06	0.23	3.19	0.17	0.13	0.18	0.30	0.79
Earnings per share excl. amortization of goodwill, EUR	0.37	1.80	1.28	0.44	3.91	0.29	0.25	0.30	0.43	1.28
Earnings per share excl. amortization of goodwill and one-time capital gains and deferred tax income, EUR	0.37	0.36	0.36	0.44	1.52	0.29	0.25	0.30	0.43	1.28
Equity per share, EUR	5.96	7.11	8.06	7.12	7.12	5.64	5.30	5.47	5.74	5.74
Equity ratio, %	57.7	60.3	61.5	55.9	55.9	55.1	57.6	60.9	60.8	60.8
Interest-bearing net debt, MEUR	29.1	54.1	-64.9	31.0	31.0	23.4	44.7	46.7	-16.7	-16.7
Gearing %	12.7	13.9	0.3	19.4	19.4	10.6	17.5	17.0	1.4	1.4
Investments, MEUR	87.2	23.1	15.3	40.6	166.2	19.4	16.4	8.9	16.9	61.6
Personnel at end of period	12 393	12 531	12 453	12 773	12 773	11 947	11 829	11 726	11 680	11 680
Personnel on average	12 457	12 415	12 457	12 744	12 518	12 000	11 876	11 761	11 707	11 836
Per employee, EUR 1000										
Net sales	30.6	30.9	26.6	33.6	121.9	29.3	28.8	25.9	32.1	116.1
Personnel expenses a)	16.3	16.7	13.7	16.6	63.3	16.1	15.8	13.1	16.2	61.2
Operating profit before the amortization of goodwill, one-time capital gain and social costs on personnel warrants	3.4	3.1	3.0	4.2	13.7	2.8	2.4	3.1	3.8	12.1

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 Dec 2004	1 Jan-31 Dec 2003	1 Jan-31 Dec 2004	1 Jan-31 Dec 2003
Net sales		1 525 336	1 374 252	588 146	559 065
Other operating income	1	99 864	3 028	16 479	2 227
Cost of sales		214 203	169 155	53 994	50 997
Personnel expenses	2,3	792 380	723 947	272 987	259 991
Depreciation	7,8	60 682	61 312	30 946	29 022
Amortization of goodwill	7	58 445	40 577	11 727	11 794
Other operating expenses		306 273	281 234	767 701	134 441
Share of associated companies' results		1 290	1 641	-	-
Operating profit		194 507	102 696	-532 730	75 047
Financial income and expenses	4	-5 233	-2 164	23 530	69 014
Profit before extraordinary items, appropriations and taxes		189 274	100 532	-509 200	144 061
Extraordinary items	5	-	-	-	-
Change in depreciation difference		-	-	-	-
Direct taxes	6	69 653	-34 009	-245	-31 173
Minority interest		2 763	-1 156	-	-
Profit for the period		261 690	65 367	-509 445	112 888

Comments to the Income Statement

Net sales increased by 11%. Organic growth was 1%, which also includes new outsourcing and partnership agreements. In local currencies the growth was 11%.

Other operating income consists mainly of gains on sales of fixed assets as well as rental income. The 49% divestment of the Resource Management business resulted in a gain of EUR 68.0 million and the divestment of two office buildings in Finland in a gain of EUR 13.6 million.

Personnel expenses increased by 9% and represented 51.9% (52.7%) of net sales. The result-based bonuses were EUR 19.3 (13.9) million. Personnel expenses include a EUR 0.2 million decrease in the provision for social costs of the personnel warrants. The average number of employees was 12 518 (11 836). The average growth in salaries of IT consultants and similar employees was around 3% in Finland and 2% in Sweden.

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

The operating profit before goodwill amortization (EBITA) was EUR 253.0 (143.3) million, corresponding to an operating margin of 16.6% (10.4%).

Goodwill amortizations increased mainly as an effect of acquisitions.

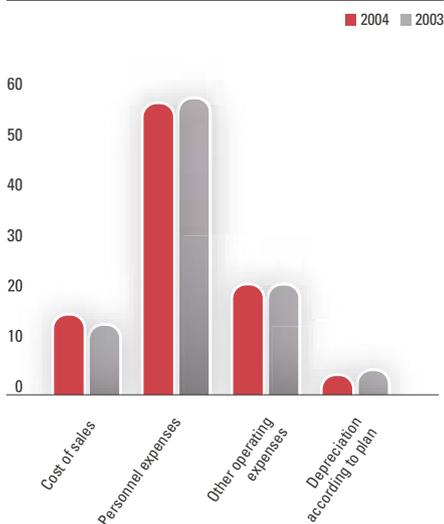
The operating profit after goodwill amortization (EBIT) was EUR 194.5 (102.7) million corresponding to an operating margin of 12.8% (7.5%).

Financial income and expenses increased compared to the previous year mainly due to the external financing of the Resource Management business, which was EUR 3.9 million. The balance sheet had a net debt position of EUR 31.0 million compared with a net cash position of EUR 16.7 million in 2003.

Tax expenses reported on the year include EUR 16.8 million payable on the profit for the year. EUR 0.5 million is related to taxes for previous years and EUR 87.0 million to the change in deferred taxes. The tax rate was 29% in Finland and 28% in Sweden. The effective tax rate at the Group level was 32% when the non-deductible goodwill amortizations, the tax-exempt part of the one-time capital gain and the one-time deferred tax income are taken into account.

The parent company's other operating expenses include an internal loss of EUR 622.3 million, which arose from the intra-group transaction carried out and announced in April. The loss as such has no impact on Group result.

COST STRUCTURE, %



Balance Sheets

EUR 1 000	Note	CONSOLIDATED		PARENT COMPANY	
		31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
ASSETS					
Fixed assets					
Intangible assets	7	362 051	257 536	65 860	75 701
Tangible assets	8	85 524	145 925	41 336	80 561
Financial investments	9,10	31 994	27 722	603 791	1 171 873
Total fixed assets		479 569	431 183	710 987	1 328 135
Current assets					
Inventories		438	332	-	-
Long-term receivables	11,13,19				
Loan receivables		1 097	2 107	19 463	33 456
Deferred tax assets		112 531	13 560	-	-
Prepaid expenses and accrued income		9 214	1 443	-	-
		122 842	17 110	19 463	33 456
Current receivables	12,13				
Accounts receivable		245 278	225 037	92 194	79 060
Loan receivables		105	457	132 152	84 436
Other receivables		9 728	3 694	-	-
Group contribution receivables		-	-	-	-
Prepaid expenses and accrued income		127 792	84 590	82 502	44 116
		382 903	313 778	306 848	207 612
Marketable securities		-	-	-	-
Cash and cash equivalents		66 744	45 286	45 841	20 192
Total current assets		572 927	376 506	372 152	261 260
		1 052 496	807 689	1 083 139	1 589 395

Comments to the Balance Sheet / Assets

The balance sheet total increased by 30.3% from EUR 807.7 million to EUR 1 052.5 million.

Acquisitions increased goodwill by EUR 78.2 million and partnerships and asset deals by EUR 14.1 million. The goodwill related to the minority interest of the Resource Management transaction increased goodwill by EUR 76.7 million. Direct capital expenditures on fixed assets including new finance lease agreements were EUR 56.9 million. Current assets include a deferred tax asset of EUR 112.5 million.

Distribution of total assets 31 Dec	2004	2003
Securities and cash	6.3%	5.6%
Real estate	0.5%	8.3%
Other tangible assets	7.7%	9.8%
Shares in associated companies	2.9%	3.1%
Goodwill	32.2%	28.9%
Others	2.3%	3.3%
Other current assets	48.1%	41.0%
Total	100.0%	100.0%

EUR 1 000	Note	CONSOLIDATED		PARENT COMPANY	
		31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholder's equity	14				
Share capital		82 886	82 886	82 886	82 886
Share issue premiums		-	6 075	-	910 083
Other reserves		94 810	61 559	-	-
Retained earnings		121 162	259 518	1 148 614	303 921
Net profit for the current year		261 690	65 367	-509 445	112 888
Shareholders' loan		36 867	-	-	-
		597 415	475 405	722 055	1 409 778
Minority interests		4 970	3 605	-	-
Accumulated appropriations		-	-	-	-
Provisions for liabilities and charges	15	3 053	765	3 053	765
Liabilities	16,18,19				
Non-current liabilities					
Bonds		-	-	-	-
Loans from financial institutions		68 689	-	-	-
Loans from pension plans		16 930	-	-	-
Deferred tax liability		7 737	3 109	-	-
Other non-current liabilities		8 085	11 004	-	-
Accrued liabilities and deferred income		11 699	2 556	-	-
		113 140	16 669	-	-
Current liabilities					
Loans from financial institutions	17,18	158	20 542	-	20 000
Advances received		40 743	20 210	2 681	604
Accounts payable		43 258	46 464	17 512	17 947
Other current liabilities		64 267	45 315	262 290	62 129
Accrued liabilities and deferred income		185 492	178 714	75 548	78 172
		333 918	311 245	358 031	178 852
Total liabilities		447 058	327 914	358 031	178 852
		1 052 496	807 689	1 083 139	1 589 395

Comments to the Balance Sheet / Shareholders' Equity and Liabilities

The total amount of shareholders' equity increased by EUR 122.0 million. The profit for the year increased equity by EUR 261.7 million. The dividend payment decreased it by EUR 41.4 million and an extra dividend paid in December by EUR 39.4 million. In addition the purchase of own shares decreased the equity by EUR 97.4 million. The shareholders' loan of EUR 36.9 million is included in equity.

Interest-bearing liabilities totalled EUR 98.8 million and consisted of loans from financial institutions related to Resource Management, EUR 75.9 million, and a finance lease liability of EUR 7.5 million.

The credit facility of EUR 150 million was unused, as well as the uncommitted credit limits of EUR 13 million and commercial paper programmes for EUR 250 million.

Distribution of total shareholders' equity and liabilities 31 Dec

	2004	2003
Share capital	7.9%	10.3%
Other shareholders' equity	48.9%	48.6%
Minority interest	0.5%	0.4%
Interest-bearing liabilities	9.4%	4.0%
Non-interest bearing debt	33.3%	36.7%
Total	100.0%	100.0%

Statement of Cash Flows

	CONSOLIDATED		PARENT COMPANY	
	1 Jan-31 Dec 2004 EUR 1000	1 Jan-31 Dec 2003 EUR 1000	1 Jan-31 Dec 2004 EUR 1000	1 Jan-31 Dec 2003 EUR 1000
Cash flow from operations				
Operating profit	194 507	102 696	-532 730	75 047
Adjustments to operating profit				
Depreciation and amortization on goodwill	109 375	90 163	42 151	37 408
Profit/loss on sale of fixed assets and shares	-86 732	-567	607 729	38
Share of associated companies' result	-8 303	-6 147	-	-
Other adjustments	1 197	811	1 456	4 560
Change in net working capital	-36 269	5 745	-42 941	48 404
Cash generated from operations	173 775	192 701	75 665	165 457
Net financial items	-6 125	-2 708	-1 564	-25 089
Income taxes paid	-10 571	-19 410	-1 424	-13 202
Net cash flow from operations	157 079	170 583	72 677	127 166
Cash flow from investing activities				
Acquisition of Group companies and business operations, net of cash acquired	-84 662	-26 510	-79 323	-79 291
Investments in other shares	-2 272	-12	-	-8
Capital expenditures	-51 728	-47 648	-37 790	-31 470
Sale of real estates	72 500	-	72 500	-
Sale of other fixed assets and shares	9 359	1 334	11 309	2 922
Net cash used in investing activities	-56 803	-72 836	-33 304	-107 847
Cash flow from financing activities				
Change in long-term debt	72 562	-2 075	-	-2 035
Change in short-term debt	-16 087	-61 379	181 433	-115 665
Change in shareholders' loan	36 867	-	-	-
Change in long-term loan receivables	1 010	689	13 985	6 698
Change in short-term loan receivables	352	189	-47 716	11 742
Share issue to minority shareholders	5 491	-	-	-
Dividends and donations	-81 967	-42 518	-80 884	-41 512
Purchase of own shares	-97 394	-	-97 394	-
Dividend and group contributions received	418	263	16 104	103 507
Net cash change in financing activities	-78 748	-104 831	-14 472	-37 265
Change in cash and cash equivalents				
	21 528	-7 084	24 901	-17 946
Cash and cash equivalents on 1 January				
	-45 286	-54 459	-20 192	-26 722
Cash and cash equivalents from mergers				
	-	-	-748	-11 416
Foreign exchange differences				
	70	2 089	-	-
Cash and cash equivalents on 31 December				
	66 744	45 286	45 841	20 192
	21 528	-7 084	24 901	-17 946

Notes to the Financial Statements

ACCOUNTING PRINCIPLES

Consolidated financial statements

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

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

Subsidiaries are consolidated in accordance with the purchase method or pooling of interest method under FAS as applicable. Consolidation differences arising from the elimination of intra-group shareholdings are correspondingly accounted for as goodwill or as adjustments to consolidated equity. The acquired equity of the subsidiaries is adjusted for appropriations to untaxed reserves net of deferred tax.

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

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

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

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

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

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

Foreign currency items

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

Translation differences arising from the consolidation of foreign subsidiaries are disclosed as consolidated equity adjustment items in retained earnings.

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

Revenue recognition

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

Pension arrangements

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

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

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

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

Valuation of fixed assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is charged according to plan, which is based on the estimated economic lives of the individual assets and provided in accordance with the straight-line method.

The Group applies the following economic lives:

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

The economic life of goodwill is separately established in connection with the respective acquisition. Goodwill arising from acquisitions of an operative nature is amortized over a period of up to 10 years. Goodwill arising from strategic acquisitions is amortized over a period of up to 20 years.

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

Lease

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

Notes to the Financial Statements

DIFFERENCES BETWEEN FINNISH AND SWEDISH ACCOUNTING STANDARDS

Finnish and Swedish accounting standards differ with respect to accounting for acquisitions and uniting of interests. The differences relate to the application of the purchase method to share exchange transactions and the pooling method to unitings of interests. In 2000 Tieto-Enator Corporation entered into share exchange transactions which, under Swedish accounting standards, would have resulted in additional goodwill. At an estimated economic life of 10 years the amortization for the finan-

cial year would have been EUR 31 million and the unamortized balance at 31 December 2004, EUR 166 million.

The calculated goodwill arising from the combination of Tieto and Enator in 1999 has been adjusted for disposals and items affecting the acquired equity. At the estimated economic life of 20 years the calculated annual goodwill would have been EUR 30 million during 2004 and the unamortized balance of the calculated goodwill would have been EUR 437 million at 31 December 2004.

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

TietoEnator has consolidated the associat-

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

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003

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

1. OTHER OPERATING INCOME

Gross capital gain from Resource Management divestment	75 634	-	-	-
Gross capital gain from sale of real estates	13 648	-	14 288	-
Gain from sale of other fixed assets and shares	1 072	213	263	67
Rental income	2 984	1 524	914	2 091
Merger gains	-	-	819	-
Other income	6 526	1 291	195	69
	99 864	3 028	16 479	2 227

2. PERSONNEL EXPENSES

Payroll	605 840	555 412	225 110	213 890
Pension expenses	87 837	75 164	34 529	33 738
Social costs for personnel warrants	-187	122	-5	3
Other pay-related statutory social costs	98 890	93 249	13 353	12 360
	792 380	723 947	272 987	259 991

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 5 245 employees during 2004 and 5 077 employees in 2003.

3. MANAGEMENT REMUNERATION IN 2004

Board of Directors

According to the decision of the AGM executives are compensated in cash only.

The monthly compensation paid to the Chairman is EUR 4 000, to the Vice Chairman EUR 2 900 and to the members EUR 1 900.

Total cash compensation to the Board of Directors in 2004

Chairman (Olof Lund until 31 March)	EUR 12 000
Chairman (Kalevi Kontinen from 18 March)	EUR 45 197
Deputy Chairman	EUR 32 252
Members	EUR 92 015
Board compensation in total	EUR 181 464

Additionally Board members have been paid a total of EUR 6 000 (EUR 3 000 in 2003) for consulting.

President and CEO

Salary and benefits	EUR 416 561
Bonus	EUR 119 709 (2003 EUR 42 949)
Bonus principles	The annual bonus is mostly dependent on the respective group profit development with a maximum of 50% of annual salary excluding benefits.

Options and warrants	2000 warrant programme: right to subscribe for 30 000 shares. The fair value of these warrants amounts to EUR 900. ²⁾ 2002 option programme: right to subscribe for 41 000 shares. The fair value of these warrants amounts to EUR 221 390. ³⁾
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Retirement age	60
Pension level	60% of salary and benefits
Period of notice	24 months
Severance payment	None

Executive Committee and Operative Management Team

Including President and CEO, in total 13 executives

Total salaries and benefits	2 705 569 EUR
Total bonuses	513 695 EUR (2003 EUR 215 595)
Bonus principles	The reward factors are based on the Balance Scorecard model. The relative weight of the reward factors is decided each year. Only improvement is rewarded.
Options and warrants	1999 warrant programme: right to subscribe for 3 530 shares. The fair value of these warrants amounts to 212 EUR. ¹⁾ 2000 warrant programme: right to subscribe for 209 350 shares. The fair value of these warrants amounts to 6 281 EUR. ²⁾ 2002 option programme: right to subscribe for 227 150 shares. The fair value of these warrants amounts to 1 226 466 EUR. ³⁾
Retirement age	Varies between 60 and 65
Pension level	Varies between 60% and 65% for 11 executives One executive member has a defined contribution plan with an annual premium of 35% of base salary One executive member's pension arrangement is based on standard Swedish ITP plan
Period of notice	Varies between 3 and 12 months, except one executive 24 months
Severance payment	7 executives: 9 months salary 1 executive: 6 months salary 1 executive: 12 months salary if no other position within 12 months period of notice 2 executives: in case of ownership changes >50% 12 months salary

There were no loans to executive management on 31 December 2003 nor on 31 December 2004.

¹⁾ Calculated on the basis of the fair market value of one TietoEnator 1999 warrant on 31 December 2004.

The quotation on the Helsinki Exchanges on 31 December 2004 was 0.06 euros.

²⁾ Calculated on the basis of the fair market value of one TietoEnator 2000 warrant on December 31 2004.

The quotation on the Helsinki Exchanges on 31 December 2004 was 0.03 euros.

³⁾ Calculated using the Black&Scholes Method (separately for 2002 A and 2002 B options) at grant date.

Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
4. FINANCIAL INCOME AND EXPENSES				
Income from securities and investments treated as equity				
Dividend income from Group companies	-	-	4 477	79 707
Dividend income from associated companies	-	-	11 620	10 272
Dividend income from other companies	50	56	6	28
	50	56	16 103	90 007
Avoir fiscal tax credits	100	80	6 302	6 169
	150	136	22 405	96 176
Income from securities and investments treated as non-current debt				
From Group companies	-	-	2 771	1 791
From associated companies	-	-	-	-
From other companies	20	12	2	6
	20	12	2 773	1 797
Other interest and financial income				
From Group companies	-	-	3 594	1 970
From associated companies	-	-	-	-
From other companies	20 839	21 498	18 126	19 098
	20 839	21 498	21 720	21 068
Investment write-downs	-	-	-	-27 686
Interest and other financing expenses				
Paid to Group companies	-	-	-3 425	-1 854
Paid to associated companies	-	-	-	-
Paid to other companies	-26 242	-23 810	-19 943	-20 487
	-26 242	-23 810	-23 368	-22 341
Total financial income and expenses	-5 233	-2 164	23 530	69 014
5. EXTRAORDINARY ITEMS				
	-	-	-	-
6. DIRECT TAXES				
On extraordinary items	-	-	-	-
On current income	16 840	36 609	-	31 148
On prior periods' income	542	575	245	25
Change in deferred tax asset/liability	-87 035	-3 175	-	-
	-69 653	34 009	245	31 173

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
7. FIXED ASSETS, INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost, 1 Jan.	56 610	47 801	36 939	29 893
Increases	16 545	10 574	7 395	8 452
Decreases	-16 617	-1 765	-12 865	-1 406
Acquisition cost, 31 Dec.	56 538	56 610	31 469	36 939
Accumulated amortization, 1 Jan.	39 900	32 492	22 234	17 027
Accumulated amortization in changes	-7 710	-123	-8 690	-918
Amortization for the period	7 533	7 531	6 305	6 125
Accumulated amortization, 31 Dec.	39 723	39 900	19 849	22 234
Book value, 31 Dec.	16 815	16 710	11 620	14 705
Acquired goodwill				
Acquisition cost, 1 Jan.	143 448	146 230	97 823	50 253
Increases	14 054	2 254	6 763	47 570
Decreases	-2 735	-5 036	-8 765	-
Acquisition cost, 31 Dec.	154 767	143 448	95 821	97 823
Accumulated amortization, 1 Jan.	44 100	26 376	43 627	31 833
Accumulated amortization in changes	-864	-	-8 765	-
Amortization for the period	18 567	17 724	11 727	11 794
Accumulated amortization, 31 Dec.	61 803	44 100	46 589	43 627
Book value, 31 Dec.	92 964	99 348	49 232	54 196
Goodwill on consolidation				
Acquisition cost, 1 Jan.	215 216	210 268	-	-
Increases	154 837	12 179	-	-
Decreases	-27 212	-7 231	-	-
Acquisition cost, 31 Dec.	342 841	215 216	-	-
Accumulated amortization, 1 Jan.	81 477	64 899	-	-
Accumulated amortization in changes	-24 552	-6 275	-	-
Amortization for the period	39 878	22 853	-	-
Accumulated amortization, 31 Dec.	96 803	81 477	-	-
Book value, 31 Dec.	246 038	133 739	-	-
Other capitalized expenditures				
Acquisition cost, 1 Jan.	13 233	8 529	11 420	6 991
Increases	1 449	6 058	317	5 695
Decreases	-3 078	-1 354	-1 894	-1 266
Acquisition cost, 31 Dec.	11 604	13 233	9 843	11 420
Accumulated amortization, 1 Jan.	5 505	4 581	4 620	3 925
Accumulated amortization in changes	-1 801	-580	-1 727	-598
Amortization for the period	1 666	1 504	1 942	1 293
Accumulated amortization, 31 Dec.	5 370	5 505	4 835	4 620
Book value, 31 Dec.	6 234	7 728	5 008	6 800
Advance payments and work in progress				
Acquisition cost, 1 Jan.	11	4 384	-	4 363
Increases	-	-129	-	-
Transfers	-11	-4 244	-	-4 363
Acquisition cost, 31 Dec.	-	11	-	-
Book value of intangible assets, 31 Dec. total	362 051	257 536	65 860	75 701

Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
8. FIXED ASSETS, TANGIBLE ASSETS				
Land				
Acquisition cost, 1 Jan.	8 695	8 700	5 947	5 947
Increases	-	-	-	-
Decreases	-7 964	-5	-5 887	-
Acquisition cost and book value, 31 Dec.	731	8 695	60	5 947
Buildings and structures				
Acquisition cost, 1 Jan.	74 541	77 703	42 421	41 309
Increases	2 373	1 080	-	1 112
Decreases	-69 829	-4 242	-41 464	-
Acquisition cost, 31 Dec.	7 085	74 541	957	42 421
Accumulated depreciation, 1 Jan.	16 649	14 522	9 830	8 619
Accumulated depreciation in changes	-14 482	-3	-9 949	-
Depreciation for the period	946	2 130	670	1 211
Accumulated depreciation, 31 Dec.	3 113	16 649	551	9 830
Book value, 31 Dec.	3 972	57 892	406	32 591
Machinery and equipment				
Acquisition cost, 1 Jan.	270 302	247 812	119 502	108 713
Increases	79 625	49 673	28 427	21 127
Decreases	-71 921	-27 183	-42 828	-10 338
Acquisition cost, 31 Dec.	278 006	270 302	105 101	119 502
Accumulated depreciation, 1 Jan.	191 949	161 740	77 630	63 140
Accumulated depreciation in changes	-42 103	-19 584	-33 560	-5 902
Depreciation for the period	50 189	49 793	22 029	20 392
Accumulated depreciation, 31 Dec.	200 035	191 949	66 099	77 630
Book value, 31 Dec.	77 971	78 353	39 002	41 872
Other tangible assets				
Acquisition cost, 1 Jan.	3 857	5 935	316	313
Increases	801	171	7	3
Decreases	-813	-2 249	-126	-
Acquisition cost, 31 Dec.	3 845	3 857	197	316
Accumulated depreciation, 1 Jan.	2 872	2 876	164	163
Accumulated depreciation in changes	-315	-352	-	-
Depreciation for the period	348	348	-	1
Accumulated depreciation, 31 Dec.	2 905	2 872	164	164
Book value, 31 Dec.	940	985	33	152
Advance payments and work in progress				
Acquisition cost, 1 Jan.	-	1 105	-1	1 028
Increases	1 910	-	1 836	83
Transfers	-	-1 105	-	-1 112
Acquisition cost, 31 Dec.	1 910	-	1 835	-1
Book value of tangible assets, 31 Dec. total	85 524	145 925	41 336	80 561

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
9. INVESTMENTS				
Shares in Group companies				
Acquisition cost, 1 Jan.	-	-	1 152 061	1 148 805
Increases	-	-	337 942	80 477
Decreases	-	-	-946 072	-49 535
Acquisition cost, 31 Dec.	-	-	543 931	1 179 747
Investment write-downs	-	-	-	-27 686
Book value, 31 Dec.	-	-	543 931	1 152 061
Shares in associated companies				
Acquisition cost, 1 Jan.	25 571	23 748	18 684	18 718
Increases	4 646	1 880	2 425	-
Decreases	-	-57	-	-34
Acquisition cost, 31 Dec.	30 217	25 571	21 109	18 684
Investment write-downs	-	-	-	-
Book value, 31 Dec.	30 217	25 571	21 109	18 684
Other shares and interests				
Acquisition cost, 1 Jan.	2 174	1 393	1 128	1 125
Increases	2	881	2	28
Decreases	-399	-100	-629	-25
Acquisition cost, 31 Dec.	1 777	2 174	501	1 128
Investment write-downs	-	-23	-	-
Book value, 31 Dec.	1 777	2 151	501	1 128
Subordinated loan to Group companies				
Book value, 31 Dec.	-	-	38 250	-
Financial investments, 31 Dec. total	31 994	27 722	603 791	1 171 873

Notes to the Financial Statements

10. INVESTMENTS

31 December 2004	Number	Share %		Nominal value 1 000	Book value EUR 1 000
Subsidiary shares owned by the parent company					
C and SAA Oy, Finland	150	100.0	EUR	17	3
Doctorex Oy, Finland	500	100.0	EUR	10	2 489
Entra e-Solutions Oy, Finland	200	100.0	EUR	34	2 176
Kiinteistö Oy Villa Upinniemi, Finland	40 000	80.0	EUR	7	3 430
Octel Oy, Finland	110 000	100.0	EUR	1 850	5 483
SIA TietoEnator, Latvia		100.0	LVL	125	196
TietoEnator a.s., Czech Republic	100	100.0	CZK	1 000	3 901
TietoEnator A/S, Denmark	30 000	100.0	DKK	30 000	26 868
TietoEnator AS, Norway	1 084 332	100.0	NOK	10 843	105 868
TietoEnator Broadcasting IT Oy, Finland	32	80.0	EUR	32	800
TietoEnator Canada Inc., Canada	133 333	100.0	CAD	133	87
TietoEnator Consulting B.V., the Netherlands	77 727	81.2	EUR	35	1 408
TietoEnator Eesti AS, Estonia	640	100.0	EEK	640	111
TietoEnator Financial Solutions SIA, Latvia	156	100.0	LVL	50	3 831
TietoEnator France S.A.R.L., France	400	100.0	EUR	65	60
TietoEnator GmbH, Germany		100.0	EUR	3 000	18 744
TietoEnator Healthcare B.V., the Netherlands	1 800	100.0	EUR	18	1 657
TietoEnator Inc., USA	1 000	100.0	USD	1	22 878
TietoEnator Information Technology (Beijing) Co., Ltd., China		100.0	USD	500	737
TietoEnator N.V., Belgium	100	100.0	EUR	62	29
TietoEnator OOO, Russia		100.0	RUB	3 000	109
TietoEnator Professional Services AB, Sweden	14 879 118	100.0	SEK	3 720	310 798
TietoEnator Resource Management Holding AB, Sweden	1 000	100.0	SEK	100	12 597
TietoEnator Sdn Bhd, Malaysia	999 998	100.0	MYR	1 000	225
TietoEnator Support OÜ, Estonia		60.0	EEK	60	153
TietoEnator Sykora s.r.o., Czech Republic		100.0	CZK	102	3 050
TietoEnator UK Ltd, Great Britain	270 000	100.0	GBP	270	369
Tietokesko Oy, Finland	800	80.0	EUR	1 346	14 298
UAB TietoEnator, Lithuania	10	100.0	LTL	10	27
UAB TietoEnator Consulting, Lithuania	11 840	74.0	LTL	1 184	1 535
Dormant subsidiaries (3 in total)					14
					543 931

Shares in Group companies owned by subsidiaries

Banxsolutions (UK) Ltd., Great Britain	300 000	100.0	GBP	300	0
C&S Healthcare Software AB, Sweden	50 000	100.0	SEK	25 000	3 159
C&S Management AB, Sweden	510	51.0	SEK	51	6
Economa Oy, Finland	13 000	100.0	EUR	1 300	2 343
Entra AB, Sweden	5 000	100.0	SEK	500	55
Entra B.V.i.o, Netherlands		100.0	EUR	18	0
Entra GmbH, Germany		100.0	EUR	25	0
Inveos AG, Germany	1 330 968	100.0	EUR	1 331	2 971
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
Personec AB, Sweden	10 000	100.0	SEK	1 000	11 252
Personec ApS, Denmark	2 000	100.0	DKK	200	164
Personec AS, Norway	7 000	100.0	NOK	7 000	15 298
Personec Group AB, Sweden	1 000	100.0	SEK	100	70 975
Personec Group Oy, Finland	6 426	51.0	EUR	514	5 206
Personec Oy, Finland	20 000	100.0	EUR	2 000	3 284
Real Data AB, Sweden	1 000	100.0	SEK	100	1 010
Respons AS, Norway	100 252	100.0	NOK	100	4 092

	Number	Share %		Nominal value 1 000	Book value EUR 1 000
Teledynamics B.V., Netherlands	200 000	100.0	EUR	91	0
TietoEnator Banking Systems AB, Sweden	1 000	100.0	SEK	100	1 004
TietoEnator Business Support Sweden AB, Sweden	10 000	100.0	SEK	1 000	11
TietoEnator Consulting AG Wallisellen, Switzerland	2 000	100.0	CHF	200	129
TietoEnator Energy Inc., USA	1 000	100.0	USD	1	134
TietoEnator Finance Partner AB, Sweden	2 500	100.0	SEK	250	917
TietoEnator Financial Solutions AB, Sweden	2 500	100.0	SEK	250	479
TietoEnator Financial Solutions ASA, Norway	13 554 869	100.0	NOK	27 110	52 406
TietoEnator Financial Solutions S.A., Luxembourg	3 100	100.0	EUR	31	0
TietoEnator Healthcare AB, Sweden	2 000	100.0	SEK	200	17 694
TietoEnator MAJIQ Inc., USA	1 000	100.0	USD	1	16 154
TietoEnator Media Systems AB, Sweden	208 500	100.0	SEK	2 085	717
TietoEnator Processing & Network AB, Sweden	1 000	100.0	SEK	1 000	9 268
TietoEnator Production & Logistics AB, Sweden	8 748 352	100.0	SEK	43 742	6 769
TietoEnator Public & Healthcare AB, Sweden	90 000	100.0	SEK	9 000	9 090
TietoEnator R&D Services AB, Sweden	10 000	100.0	SEK	10 000	7 991
TietoEnator Retail AB, Sweden	10 000	100.0	SEK	1 000	133
TietoEnator Sverige AB, Sweden	44 405 248	100.0	SEK	44 405	214 290
TietoEnator SK s.r.o., Slovakia		100.0	SKK	200	0
TietoEnator SYKORA GmbH, Germany		100.0	EUR	26	0
TietoEnator Tech AB, Sweden	2 000	100.0	SEK	10 000	1 333
TietoEnator Telecom Operators AB, Sweden	75 000	100.0	SEK	7 500	72 532
Dormant subsidiaries (9 in total)					82
					532 312

Shares in associated companies, other shares and securities

Associated companies owned and managed by the parent company

Fidenta Oy	6 000	60.0 ^{*)}	EUR	101	202
Primasoft Oy	18 000	60.0 ^{*)}	EUR	303	13 978
Tietollmarinen Oy	3 570	70.0 ^{***)}	EUR	357	1 847
Tietokarhu Oy	8 000	80.0 ^{**)}	EUR	135	269
TKP Tieto Oy	1 018	67.9 ^{****)}	EUR	173	3 100
					19 396

^{*)} 40% of the voting rights

^{**)} 20% of the voting rights

^{***)} 30% of the voting rights

^{****)} 41.3% of the voting rights

Shares in associated companies owned by the parent company

FD Finanssidata Oy	30 000	30.0	EUR	505	757
UAB Baltic Data Center	4 000	40.0	LTL	400	956
					1 713

Shares in associated companies owned by subsidiaries

DocHotel i Stockholm AB	5 250	25.0			114
Dotcom Solutions AB	4 146 860	48.0			5 986
Elektronisk Handel PEBS AB	5 000	50.0			55
Helsekomponenter AS	1 156 410	22.0			425
Malmator AB	10 000	50.0			32
					6 612

Notes to the Financial Statements

31 December 2004	Number	Share %	Nominal value 1 000	Book value EUR 1 000
Other shares and securities owned by the parent company				
Groupvision Finland Oy Ab	136	19.7		23
Jyväskylän Teknologiateollisuus Oy	40	2.8		67
LifeIT Oyj	1 250	6.8		102
Right of residence Almen 10, Solna				81
Tapiolan Monitoimiyhtiö Oy	22			138
Other shares and securities				90
				501
Other shares and securities owned by subsidiaries				
As Oy Keskikatu 4, Kerava	125			55
As Oy Postipuuntie 2, Espoo	53			45
Nurmijärven Golfkeskus Oy	1			21
Residence in France				242
Right of residence in Stockholm, Floragatan				432
Right of residence in Stockholm, Hornsgatan				36
Right of residence in Åre				55
Right of residence in Åre				88
Right of residence in Åre				63
Elisa Corporation 1)	1 350			6
Oy Pickala Golf Ab	1			21
Vierumäen Kuntorinne Oy	80			194
Other shares and securities				41
				1 299

1) Total market value EUR 16 000

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

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
11. NON-CURRENT RECEIVABLES				
Loan receivable from Group companies	-	-	19 433	33 352
Receivables from associated companies	-	-	-	-
12. CURRENT RECEIVABLES				
Receivables from Group companies				
Accounts receivable	-	-	12 227	2 339
Loan receivables	-	-	132 152	84 436
Prepaid expenses and accrued income	-	-	5 744	416
	-	-	150 123	87 191
Receivables from associated companies				
Accounts receivable	3 012	1 504	2 492	1 133
Prepaid expenses and accrued income	102	80	-	-
	3 114	1 584	2 492	1 133
13. PREPAID EXPENSES AND ACCRUED INCOME				
Net sales	84 277	50 424	45 071	30 625
Licence fees	16 015	5 487	14 105	4 589
Rents	3 633	4 032	8	176
Social costs	2 794	5 913	1 439	2 304
Mainframe computer costs	4 144	6 767	350	-
Receivables from Alecta	-	727	-	-
Corporate tax receivable	5 297	2 287	6 730	348
Other	20 846	10 396	14 799	6 074
	137 006	86 033	82 502	44 116
14. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	82 886	82 886	82 886	82 886
Changes	-	-	-	-
Share capital, 31 Dec.	82 886	82 886	82 886	82 886
Share issue premiums, 1 Jan.	6 075	6 075	910 083	910 083
Transfer from/to retained earnings	-6 075	-	-910 083	-
Pooling adjustment	-	-	-	-
Share issue premiums, 31 Dec.	-	6 075	-	910 083
Other reserves, 1 Jan.	61 559	61 496	-	-
Transfer from retained earnings	33 251	63	-	-
Other reserves, 31 Dec.	94 810	61 559	-	-
Retained earnings, 1 Jan.	324 885	308 053	416 809	345 434
Transfer from share issue premiums	6 075	-	910 083	-
Dividend distributions and donations	-80 884	-41 513	-80 884	-41 513
Purchase of own shares	-97 394	-	-97 394	-
Other changes	-31 520	-7 022	-	-
Retained earnings, 31 Dec.	121 162	259 518	1 148 614	303 921
Net profit for the period	261 690	65 367	-509 445	112 888
	382 852	324 885	639 169	416 809
Shareholders' loan	36 867	-	-	-
Shareholder's equity, total	597 415	475 405	722 055	1 409 778

Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
15. PROVISIONS				
Provision for pension commitments	1 713	732	1 713	732
Provision for social costs on personnel warrants	3	33	3	33
Provision for costs related to divestments	1 337	-	1 337	-
	3 053	765	3 053	765
16. NON-CURRENT LIABILITIES				
Debts to Group companies	-	-	-	-
Debts falling due after five years				
Loans from financial institutions	34 344	-	-	-
Loans from pension plans	14 017	-	-	-
Long-term accruals	-	406	-	-
I/1999 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
II/1999 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2002			
1999 warrants				
Warrants released from the bonds I/1999 and II/1999 are identical and listed as one class.				
Initial number of warrants	2 800 000			
Number of warrants annulled on 31 December 2004	816 560			
Total number of warrants on 31 December 2004	1 983 440			
Number of employment-related warrants	1 835 245			
Number of warrants held by TietoEnator Corporation	25 000			
Subscription period	2 May 2002 - 31 May 2005			
Subscription terms	1 share for EUR 36.30 per share in exchange for one warrant			
I/2000 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2003			
II/2000 bond with warrants to employees - parent company				
Loan principal	EUR 0			
Interest	4%			
Loan repayment	repaid on 1 June 2003			

2000 warrants

The warrants released from the I/2000 bond and the warrants A released from the II/2000 bond are identical and listed as one class.

In connection with the commencement of the share subscription period with the warrants B, C and D the warrants were combined into A warrants.

Initial number of warrants	3 700 000
Number of warrants annulled on 31 December 2004	0
Total number of warrants on 31 December 2004	3 700 000
Number of employment-related warrants	2 892 325
Number of warrants held by TietoEnator Corporation	696 755
Subscription 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
Subscription terms	1 share for EUR 54.50 per share in exchange for one warrant

2002 stock options

Initial number of options	1 800 000
Number of options annulled per 31 December 2004	0
Total number of options on 31 December 2004	1 800 000
Number of employment-related options	950 090
Number of options held by TietoEnator Corporation	849 910
Subscription period	Warrant A: 1 December 2005 - 30 June 2009
	Warrant B: 1 December 2006 - 30 June 2009
Subscription terms	1 share in exchange for 1 warrant
	The initial share subscription price is EUR 27.73. The amount of dividend decided after the 28 February 2002 but before the share subscription will be deducted from the share subscription price of stock options as per the dividend record date. At the end of 2004 the share subscription price was EUR 25.23.

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
17. CURRENT LIABILITIES				
Debts to Group companies				
Accounts payable	-	-	3 765	4 213
Other debt	-	-	239 549	39 024
Accrued liabilities and deferred income	-	-	7 452	4 731
	-	-	250 766	47 968
Debts to associated companies				
Accounts payable	486	254	331	92
Accrued liabilities and deferred income	727	172	695	-
	1 213	426	1 026	92
18. ACCRUED LIABILITIES AND DEFERRED INCOME				
Net sales	24 522	29 060	1 862	5 428
Vacation pay and related social costs	76 417	66 975	35 415	34 783
Other accrued payroll and related social costs	35 153	31 158	13 225	11 007
Tax accruals	6 810	4 433	35	1 095
Other	54 289	49 644	25 011	25 859
	197 191	181 270	75 548	78 172

Notes to the Financial Statements

EUR 1 000	CONSOLIDATED		PARENT COMPANY	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
19. DEFERRED TAX ASSETS AND LIABILITIES				
Deferred tax assets				
From appropriations	13 384	5 306	6 680	4 973
From temporary differences	99 147	8 254	84 602	22
Deferred tax liabilities				
From appropriations	7 737	3 109	-	-
From temporary differences	-	-	-	-
20. CONTINGENT LIABILITIES				
For TietoEnator's obligations				
Pledges	1 181	847	-	-
On behalf of Group companies				
Guarantees	-	-	18 964 ^{*)}	16 963 ^{*)}
On behalf of associated companies				
Guarantees	1 483	1 483	1 483	1 483
Other TietoEnator obligations				
Rent commitments due in 2005 (2004)	56 151	47 736	28 663	26 536
Rent commitments due later	176 357	109 351	101 031	69 595
Lease commitments due in 2005 (2004)	9 368	20 080	6 160	9 667
Lease commitments due later	8 157	3 336	5 547	6 408
Other commitments	11 520	14 542	3 325	4 028

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 capitalized as fixed assets.

All shares in subsidiaries owned by Personec Group have been granted as a general pledge for the EUR 76 million loan from a financial institution.

^{*)} Does not include unused lines of credit guaranteed by the parent company, which totalled EUR 14.5 million (12.7) on 31 December 2004.

Derivatives contracts				
Foreign exchange forward contracts	125 949	185 631	134 319	189 075
Change in market value	1 121	928	555	778

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 %	=	$\frac{\text{Profit before extraordinary items - direct taxes}}{\text{Shareholders' equity + minority interests (12-month average) - shareholders' loan}} \times 100$
Gearing %	=	$\frac{\text{Interest-bearing debt + shareholders' loan + advance payments - cash in hand and at bank - securities included in current assets}}{\text{Shareholders' equity + minority interests - shareholders' loan}} \times 100$
Equity ratio %	=	$\frac{\text{Shareholders' equity + minority interests - shareholders' loan}}{\text{Total assets - advance payments}} \times 100$
Interest-bearing net debt	=	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	=	$\frac{\text{Shareholders' equity - shareholders' loan}}{\text{Adjusted number of shares at the year end}}$
Price/earnings ratio	=	$\frac{\text{Share price at year end}}{\text{Earnings per share}}$

Financial Risk Management

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

TietoEnator has applied the standards IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) as of 1 January 2005. Measurement of financial instruments for 2004 is presented and reported according to FAS. From the beginning of 2005 financial instruments have been classified according to the standards into the following groups: financial assets and liabilities at fair value through profit and loss, investments held to maturity, loans and receivables, and available-for-sale assets. Classification is dependent on the purpose for which the instruments were acquired and they are classified at inception.

Foreign exchange risk

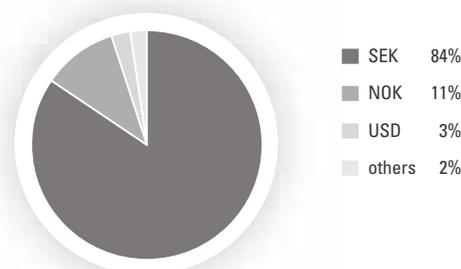
TietoEnator's commercial transaction exposure has remained on the level of the past year although the relative shares of Swedish krona and Czech koruna (included in other currencies) have increased somewhat whereas the share of the US dollar has decreased. The company's policy is to hedge all significant foreign exchange commitments. During 2004 TietoEnator used currency forward contracts, swaps and options for hedging. Currency derivatives have a duration of less than 12 months.

BREAKDOWN OF CURRENCY EXPOSURE 31 DECEMBER 2004



At the end of 2004 the currency denominated translation exposure of TietoEnator's shareholders' equity was approximately EUR 462 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 2004 financial year by about EUR 35 million, and the equivalent figure for the US dollar would be EUR 1 million. The translation exposure is not hedged.

TRANSLATION EXPOSURE OF EQUITY 31 DECEMBER 2004



Interest rate risk

The basis for managing the interest rate risk is the gearing target level, the target being positive gearing. If distributable profits allow there is a possibility to distribute excess funds to shareholders as dividends as well as by share repurchases; both methods were used during 2004. At the end of 2004 gearing was 19.4%.

The interest rate risk exposure did not pose any major risks, nor was it hedged during 2004.

Credit risk

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

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

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

Liquidity risk

One of Group Treasury's main objectives is to ensure that the company's liquidity remains sufficiently strong. In June the company signed a 3-year club loan facility in the amount of EUR 150 million. The Group also has overdraft facilities and a EUR 250 million commercial paper programme available so that it can maintain flexibility in funding.

Shares and Shareholders

Share capital and shares

TietoEnator Corporation's issued and registered share capital on 31 December 2004 totalled EUR 82 886 444 and there were 82 886 444 shares. The number of registered shares did not change during the year. However, in 2004 TietoEnator repurchased a total of 4 144 322 shares, which are currently held as treasury stock. The number of outstanding shares is thus 78 742 122. TietoEnator's Board of Directors will propose cancellation of the repurchased shares at the Annual General Meeting in March 2005.

TietoEnator's shares have no par value and have a book counter-value of one euro. TietoEnator's shares are listed on the OMHEX Exchanges Helsinki Stock Exchange and Stockholm Stock Exchange.

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 restriction on voting at the Annual General Meeting, where no-one 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.tietoenator.com.

Warrants and options

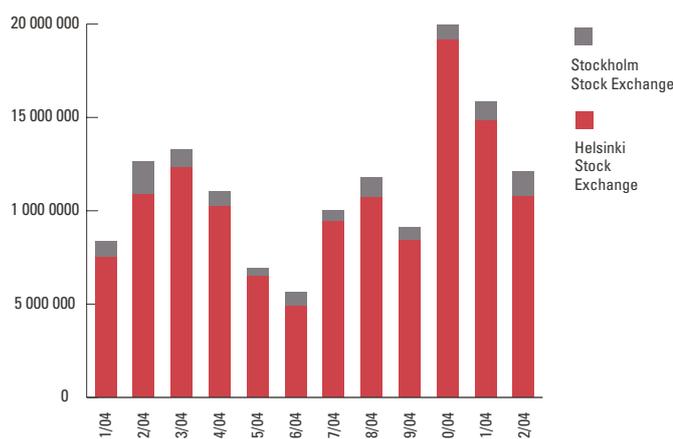
Based on the outstanding warrants and options on 31 December, the total number of shares may, at the maximum, increase as follows:

	Shares	Subscription period	Strike price
Bond with warrants 1999	1 958 440	- 31/05/05	36.30
Bond with warrants 2000	3 003 245	- 31/05/06	54.50
Stock options 2002 A	461 090	01/12/05 - 30/06/09	25.23
Stock options 2002 B	489 000	01/12/06 - 30/06/09	25.23
	5 911 775		

Additionally TietoEnator holds 25 000 of 1999 warrants, 696 755 of 2000 warrants, 38 910 of 2002 A options and 811 000 of 2002 B options. In 2004 TietoEnator annulled 778 755 warrants of the 1999 programme and in January 2005 671 755 warrants of the 2000 programme. The annulled warrants were in the company's possession as they have been returned by leaving employees. If all warrants in the company's possession are taken into account the number of shares could at maximum increase by 6 786 685. The terms of the 2002 programme include a dividend correction to the exercise price.

The Board of Directors granted the second allocation of 491 400 options from the 2002 stock option programme to TietoEnator's key employees and management in April. There are still 800 000 options not allocated

DEVELOPMENT OF TOTAL TURNOVER 2004



from the 2002 programme.

The warrants under the 1999 and 2000 programmes are listed on the Helsinki and Stockholm stock exchanges. Warrants from the previous 1998 programme expired in May without having any value.

The price of the TietoEnator share averaged EUR 23.58 in 2004, thus being below all the strike prices of the warrant and option programmes. Therefore, the diluted number of shares equals the outstanding number of shares for the whole year of 2004. The fully diluted number of shares, assuming all warrants and options were exercised fully and excluding treasury stock, is 85 528 807, representing full dilution of 7.9%.

Board authorizations

The 2004 Annual General Meeting authorized the Board of Directors to repurchase the company's own shares to an amount not exceeding 5% of the share capital or the total number of votes. The authorization is to be used to develop the company's capital structure and to reduce its negative gearing. In September 2004 TietoEnator's Board of Directors decided to exercise this authority and the full 5%, or 4 144 322 shares, were repurchased in public trading on the Helsinki Stock Exchange during the periods 29 September – 12 October and 21 October – 26 October at an average price of EUR 23.50 per share. A total of EUR 97.4 million in cash was used for the repurchases.

The Board was also authorized to issue shares, option rights and convertible bonds for one year from the Annual General Meeting of 2004 until 18 March 2005. Based on this authorization the number of shares may increase by a maximum of 16 577 288 or 20% of the current share capital. The purpose of the authorization is to safeguard the company's ability to develop its operations both in the domestic and in the international markets, in order to enable and to finance both the acquisition of companies and business operations and also other co-operative arrangements. This authorization has not been used.

Shareholders

The company had 31 550 name-registered shareholders at the end of 2004. 35.2% of TietoEnator shares were held by Finnish and 10.1% by Swedish investors. In total, there were 28 644 retail investors in Finland and Sweden and they held 11.8% of TietoEnator's shares. None of the shareholders owns more than 5% of the shares, nor were there any notifications of over 5% holdings during the year.

The Board of Directors, the CEO and his deputy together owned 0.0733% of the share capital and votes. Based on the bonds with warrants

SHARE PRICE DEVELOPMENT 2004



Shares and Shareholders

and options, they can increase their aggregate holding to at most 0.2257% 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 programmes represent limited dilution potential, the free float of the shares can be considered as 100% excluding the treasury stock currently held by the company.

Share performance and trading

The turnover of TietoEnator shares totalled EUR 3 007.2 million (127 507 163 shares) in Helsinki and SEK 2 428.4 million (11 205 872

shares) in Stockholm in 2004. The total number of shares traded represents 176% of the outstanding shares.

On HEX Helsinki the average share price of the year was EUR 23.58, whereas the share price at the end of the year was EUR 23.40. The highest price was EUR 27.70 and the lowest EUR 19.90. The market capitalization at the end of the year totalled EUR 1 939.5 million.

The TietoEnator share price gained 7.8% in Helsinki and 6.8% in Stockholm during the year. At the same time, HEX Helsinki's All-Share Index increased by 3.25% and the Portfolio Index by 14.64%. Stockholmbörsen's All-Share Index rose 17.64% in 2004.

	2004	2003	2002	2001	2000
Changes in share capital					
Share capital at year end, EUR	82 886 444	82 886 444	82 886 444	83 326 740	70 337 736
Number of shares	82 886 444	82 886 444	82 886 444	83 326 740	83 641 915
Adjusted number of shares at year end	82 886 444	82 886 444	82 886 444	83 326 740	83 641 915
Adjusted average for the year	81 977 804	82 886 444	82 856 926	82 437 328	80 059 482

Per share data

Earnings per share, EUR *)	3.19	0.79	0.77	2.40	0.88
Shareholders' equity per share, EUR	7.12	5.74	5.53	5.84	4.33

*) No dilutive effect from warrants and stock options because the average share price has been below all warrant and option exercise prices during 2004.

Share price performance and trading volumes

On Helsinki Exchange

Highest price (adjusted), EUR	27.70	24.55	32.35	36.40	85.00
Lowest price (adjusted), EUR	19.90	11.50	10.25	18.86	19.10
Average price (adjusted), EUR	23.58	16.91	20.14	27.98	41.44
Turnover, number of shares	127 507 163	104 692 989	85 479 503	107 451 734	61 060 373
Turnover (adjusted), number of shares	127 507 163	104 692 989	85 479 503	107 451 734	61 060 373

On Stockholm Exchange

Highest price, SEK	254.00	220.00	297.50	325.00	708.00
Lowest price, SEK	184.00	107.00	93.00	189.50	162.00
Average price, SEK	216.71	153.58	204.63	257.75	373.00
Turnover, number of shares	11 205 872	15 257 580	16 813 102	27 520 566	16 967 169

Market capitalization, EUR million	1 939.5	1 798.6	1 077.5	2 479.0	2 534.4
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Dividends

Dividend, EUR 1 000	78 742	41 443	41 443	82 582	40 438
Nominal dividend, EUR	1.00	0.50	0.50	1.00	0.49
Extra dividend paid 2004	39 371				
Nominal dividend, EUR	0.50				
Payout ratio, %	47.0	63.3	64.9	41.7	55.7

Price-weighted ratios

On Helsinki Exchange

Price/earnings ratio (P/E)	7	28	17	12	34
Dividend yield, %	6.4	2.3	3.9	3.4	1.6

On Stockholm Exchange

Price/earnings ratio (P/E)	7	28	17	12	33
Dividend yield, %	6.5	2.3	3.8	3.4	1.7

Division of shares on 31 December 2004

Number of shares	Shareholders No	%	Shares No	%
1 - 100	4 923	35.8	302 349	0.4
101 - 500	5 166	37.6	1 389 208	1.7
501 - 1 000	1 602	11.6	1 243 465	1.5
1 001 - 5 000	1 698	12.3	3 668 260	4.4
5 001 - 100 000	327	2.4	6 615 972	8.0
100 001 - 999 999 999 999	38	0.3	69 647 350	84.0
Joint book-entry account			19 840	0.0
Total	13 754	100.0	82 886 444	100.0

Based on ownership records of Helsinki Stock Exchange.

TietoEnator Corporation/Major shareholders 31 December 2004

	Shares	%
Robur Funds	1 538 297	1.9
OP Funds	1 507 294	1.8
Varma Mutual Pension Insurance Co.	1 437 511	1.7
Svenska Litteratursällskapet i Finland	1 314 000	1.6
Tapiola	1 204 980	1.5
Ilmarinen Mutual Pension Insurance Co.	1 195 500	1.4
Didner & Gerge Aktiefond	860 000	1.0
The State Pension Fund	830 000	1.0
Pekka Viljakainen	669 447	0.8
The Local Government Pensions Institution	535 960	0.6
Remaining nominee-registered	50 919 491	61.4
Others	20 873 964	25.2
Total	82 886 444	100.0

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

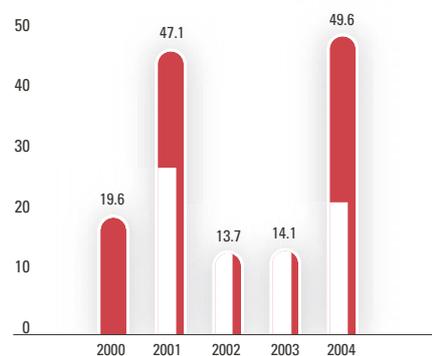
TietoEnator held 5% of the shares. The Board of Directors is planning to propose to the 2005 AGM that the repurchased shares be cancelled.

Ownership structure on 31 December 2004

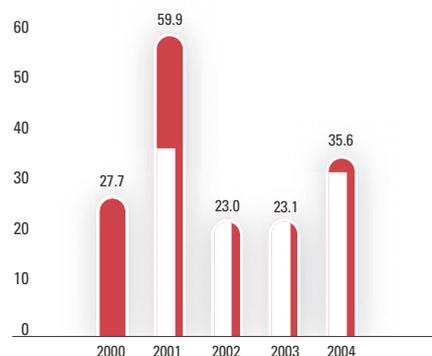
	% of shares
Corporations	7.4
Financial and insurance institutions	6.7
Public organizations	8.0
Non-profit organizations	4.2
Households	9.2
Foreign	0.5
Nominee-registered	64.0
Total	100.0

Based on ownership records of Helsinki Stock Exchange.

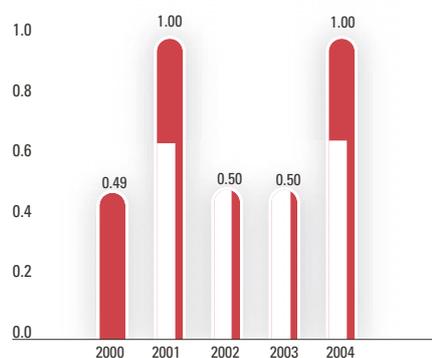
RETURN ON EQUITY, %



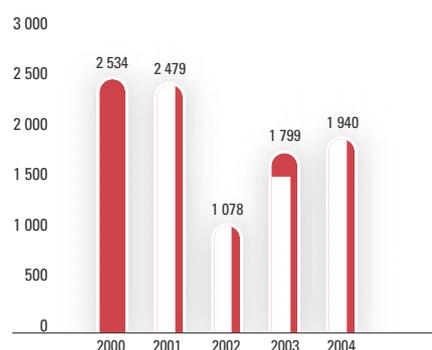
RETURN ON CAPITAL EMPLOYED, %



DIVIDEND / SHARE, EUR



MARKET CAPITALIZATION, EUR MILLION



Proposal of the Board of Directors

	EUR 1 000
Consolidated shareholders' equity totalled	597 415
Retained earnings and profit for the period included in the shareholders' equity totalled	382 852
of which distributable funds total	346 014
Distributable funds in the parent company	639 169
The Board of Directors proposes that the distributable funds mentioned above be used as follows:	
- a dividend of EUR 1.00 per share be paid to shareholders	78 742
- the remainder be carried forward	560 427

Espoo, 10 February 2005

Kalevi Kontinen
Chairman

Anders Ullberg
Deputy chairman

Elisabeth Eriksson

Thomas Falk

Bengt Halse

Olli Martikainen

Olli Riikkala

Pirjo Salo

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 2004. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express our opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements, which disclose a net income in the consolidated income statement of 261.690 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 10, 2005

ERNST & YOUNG OY
Authorized Public Accountant Firm

Sven-Erik Guarnieri
Authorized Public Accountant

Tomi Englund
Authorized Public Accountant

Information for Shareholders

Annual General Meeting

TietoEnator Corporation's Annual General Meeting (AGM) will be held at the Company's premises, Kutojantie 6-8 (Kilo 1-2), Espoo, Finland, on Thursday 17 March 2005 at 5.00 p.m. (Finnish time).

Attending the AGM

In order to attend the AGM, shareholders are required to:

- be registered in the Company's shareholders' register maintained by the Finnish Central Securities Depository Ltd on 7 March 2005 and
- notify their wish to attend the meeting not later than Friday 11 March 2005 at 4.00 p.m. (Finnish time).

Registration in the shareholders' register

A shareholder, whose shares are registered in a personal book-entry account at the Finnish Central Securities Depository Ltd is automatically registered in the Company's shareholders' register. Nominee-registered shareholders may on 7 March 2005 be provisionally registered in the Company's shareholders' register for attending the AGM. Therefore, a shareholder whose shares are registered at VPC AB should contact VPC AB. Other nominee-registered shareholders should contact their relevant account holders. A request for provisional registration must be received by VPC AB not later than 1 March 2005.

Notice to attend

Shareholders wishing to attend the AGM must notify the Company not later than by 4.00 p.m. (Finnish time) on 11 March 2005 either:

- by telephone +358 9 8626 2203
- by telefax +358 2060 20232
- on the internet www.tietoanator.com/agm
- by e-mail agm@tietoanator.com or
- by mail TietoEnator, Legal, P.O. Box 33,
FI-02631 Espoo, Finland

Proxy

Letters of proxy allowing shareholders to be represented by a representative at the AGM must be received by the Company at the postal address above not later than 11 March 2005.

Dividend payment

The Board of Directors proposes to the AGM that a dividend of EUR 1.00 per share be paid on the financial year 2004. The dividend will be paid to shareholders who are registered in the Company's shareholders' register maintained by the Finnish Central Securities Depository Ltd, or in the register maintained by VPC AB, on the record date for dividend payment, which is 22 March 2005. The dividend is proposed to be paid as of 7 April 2005.

Shareholders' calendar for 2005

February 4	Fourth Quarter 2004
February 11	Financial Statement Bulletin
Week 7	Financial Review 2004, Business Review 2004 (pdf)
March 4	Financial Review 2004, Business Review 2004 (printed)
March 7	Record date for AGM
March 17	AGM
March 22	Record date for dividend
April 7	Dividend payment
April 21	Interim Report First Quarter 2005 (Jan – March)
July 22	Interim Report Second Quarter 2005 (Jan – June)
October 19	Interim Report Third Quarter 2005 (Jan – Sept)

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

To order the printed Business Review 2004 and Financial Review 2004:

- e-mail: 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 Communications

Tel. +358 9 862 63276, mobile +358 40 708 5351

Fax +358 9 862 63091

paivi.lindqvist@tietoanator.com

Marja Kortesalo, Investor Relations Assistant

Tel. +358 9 862 63122, mobile +358 40 527 4090

Fax +358 9 862 63091

marja.kortesalo@tietoanator.com

Analysts following TietoEnator

Analysts following TietoEnator are listed on the company's website, www.tietoanator.com.

Contact information

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

Group Functions

TietoEnator Corporation
Kutojantie 10, P.O. Box 33
FI-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 8626 3091

Kronborgsgränd 1,
SE-164 87 KISTA, SWEDEN
Tel. +46 8 632 1400
Fax +46 8 632 1420

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

Business ID: 0101138-5
Registered office: Espoo

Business Areas

Banking & Insurance

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

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

Telecom & Media

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

Offices in Belgium, Czech Republic, China, Finland, France, Germany, Italy, Lithuania, Norway, Slovakia and Sweden.

Public & Healthcare

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

Offices in Denmark, Estonia, Finland, Germany, India, the Netherlands, Norway and Sweden.

Production & Logistics

Kutojantie 6-8,
FI-02631 ESPOO, FINLAND
Tel. +358 9 862 6000
Fax +358 9 862 60590

Offices in Canada, China, Finland, France, Germany, Indonesia, Malaysia, the Netherlands, Norway, Singapore, Sweden, United Kingdom and USA.

Processing & Network

Aku Korhosen tie 2-4, P.O. Box 38
FI-00441 HELSINKI, FINLAND
Tel. +358 20 720 10
Fax +358 20 72 694 00

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

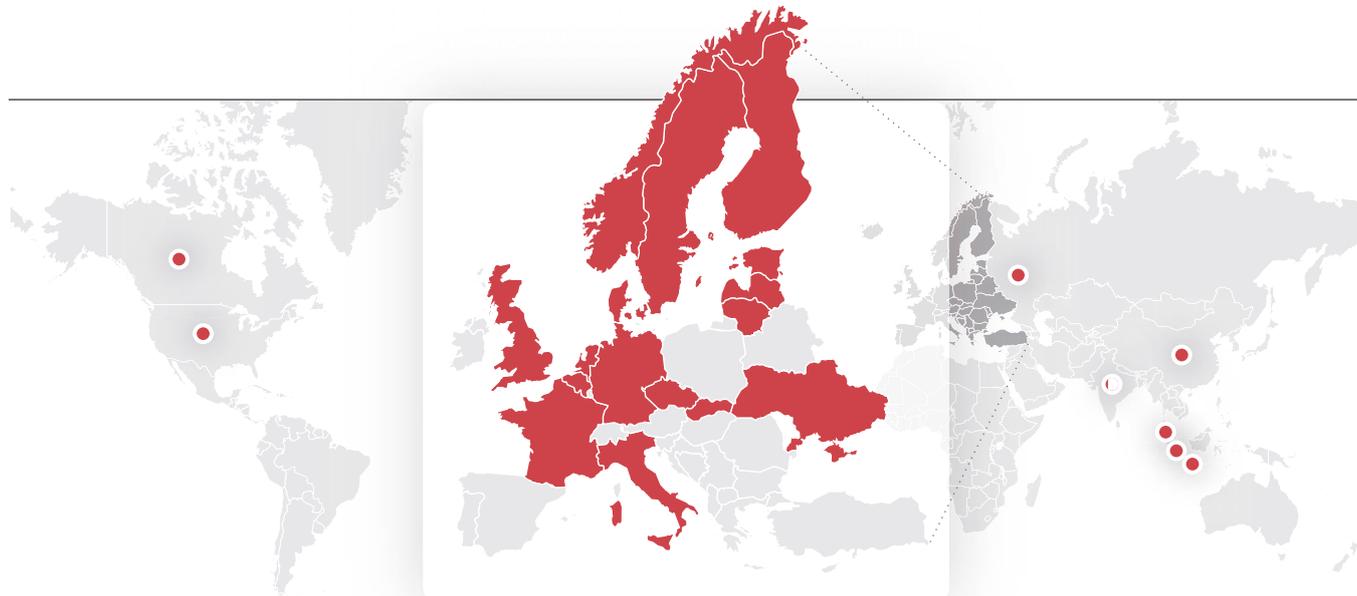
Digital Innovations

Arabianranta 6
FI-00560 HELSINKI, FINLAND
Tel. +358 20 720 10
Fax +358 20 72 669 66

Offices in Denmark, Finland, Norway, Sweden and Czech Republic.

Countries of operation

Belgium, Canada, China, the Czech Republic, Denmark, Estonia, Finland, France, Germany, India, Indonesia, Italy, Latvia, Lithuania, Malaysia, the Netherlands, Norway, Russia, Singapore, Slovakia, Sweden, Ukraine, the United Kingdom and the 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 realize and digitalize 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, forest and telecom. In these areas, we work hand in hand with many of the world's leading companies and organizations. We are growing with them and are now active in more than 20 countries.

TietoEnator Corporation

Kutojantie 10, P.O. Box 33	Kronborgsgränd 1
FI-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
www.tietoanator.com

TietoEnator

Building the Information Society