





## Shareholder information

### Financial releases 2006

During the financial year 2006, Sentera Plc will publish the following financial releases in Finnish and in English:

- Financial statement for financial year 2005 on Tue, 28 Feb 2006
- Interim report for 1 Jan – 31 March 2006 on Tue, 25 April 2006
- Interim report for 1 Jan – 30 June 2006 on Tue, 8 August 2006
- Interim report for 1 Jan – 30 Sept 2006 on Tue, 24 Oct 2006

Sentera's publications can be ordered by mail from Sentera headquarters, Valimopolku 4 A, FI-00380 Helsinki, Finland, by telephone on +358 20 754 0000, by fax on +358 20 754 0100 and by e-mail from the address [ir@sentera.fi](mailto:ir@sentera.fi). Sentera publishes the financial releases and the annual report in Finnish and in English on the company web site at [www.sentera.fi](http://www.sentera.fi). Sentera publishes the interim reports and the financial statement for 2006 according to the IFRS standards.

### Share

Sentera Plc's share is listed on the Helsinki Stock Exchange NM list. The company has one series of shares, in which each share has an equal right of vote and dividend. The trading code is SNR1V. Stock exchange lot is 100.

### Annual General Meeting

Sentera Plc's Annual General Meeting will be held on Wednesday 29 March 2006 at 9 am at Sentera Plc, Valimopolku 4 A, FI-00380 Helsinki, Finland.

### Signing up for Annual General Meeting

Notification of intended participation in the Annual General Meeting must be given to the Company no later than 4 pm on 24 March 2006 either in writing to Sentera Plc, Sari Heikkinen, Valimopolku 4 A, FI-00380 Helsinki, by telephone: +358 20 754 0200, by facsimile: +358 20 754 0100 or by e-mail: [sari.heikkinen@sentera.fi](mailto:sari.heikkinen@sentera.fi). Proxies should be forwarded to the above address together with the notice of attendance.

### Dividend

The Board of Directors proposes to the Annual General Meeting convening on 29 March 2006 that EUR 0.06 per share be paid as dividend for the financial year 2005.

### Investment analyses

During 2005, at least the following brokerage houses carried out investment analyses of Sentera Plc: FIM Securities, Nordea, Opstock Securities, OsakeTieto FSMI and Valuatum.

### Investor relations

Juha Sihvonen, CEO (as of 1 April 2006)  
Rita Uotila, Director of Corporate Communications  
t. +358 20 754 0000  
f. +358 20 754 0100  
[ir@sentera.fi](mailto:ir@sentera.fi)

# Sentera Plc's Annual Report 2005



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Strategic customer relations and business-area-specific solutions portfolio are cornerstones of Sentera's strategy.

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CEO's review of the past and outlook to the new financial year

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Sentera's business is based on value chain philosophy. Business-area-specific know-how and developing customer relationships create the basis for Sentera's success.

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Integration solutions, portals and wireless solutions make efficient and flexible future operating models possible.

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In 20 years Sentera has grown to be a significant IT system supplier in Finland.

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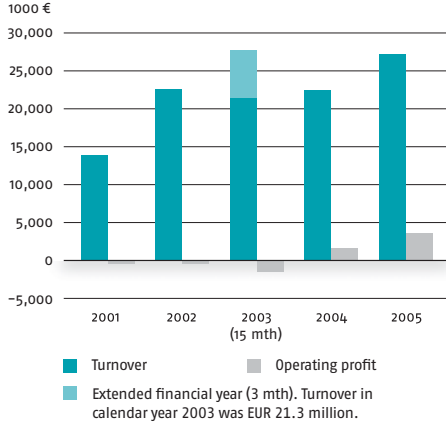
Sentera has a dedicated and skilled personnel.

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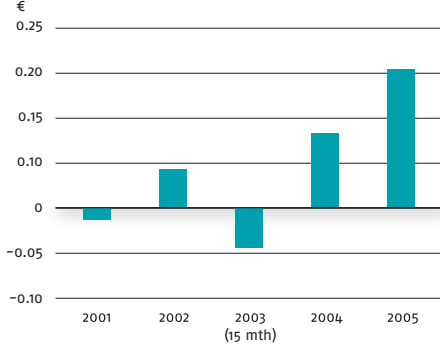
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# Sentera in figures

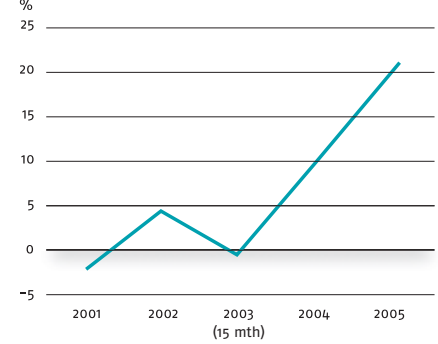
## Turnover and operating profit



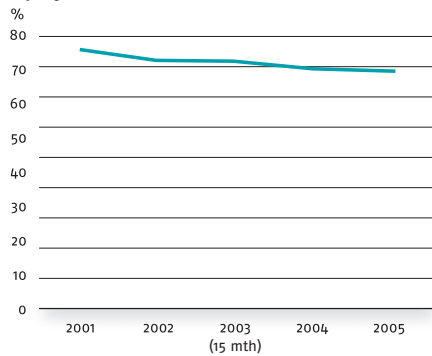
## Profit/share



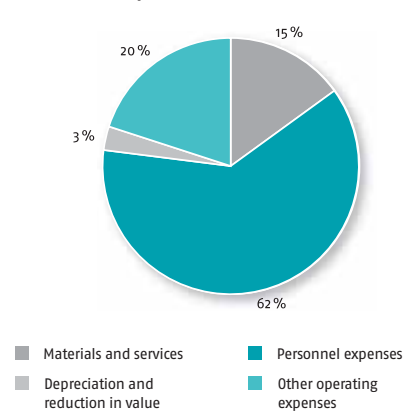
## Return of equity



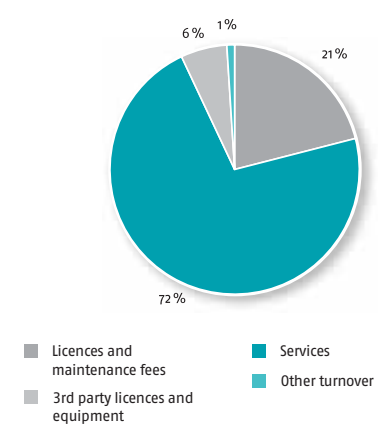
## Equity ratio



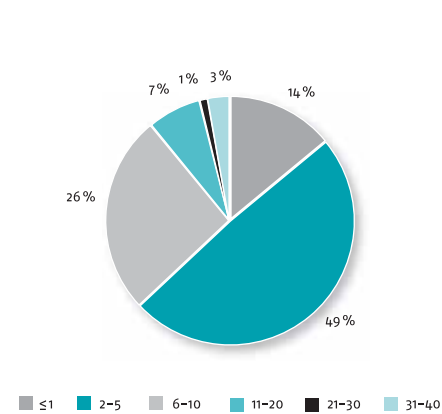
## Structure of expenses



## Structure of turnover



## Distribution of personnel by employment years



## Key figures

	2005	2004	Change %
Turnover	27.0	22.5	19.9
Operating profit	3.0	1.4	111.1
% of turnover	11.2	6.4	
Profit before voluntary provisions and taxes	3.3	1.5	116.2
% of turnover	12.1	6.7	
Net gearing, %	-29.9	-54.0	-44.6
Equity ratio, %	68.7	69.6	-1.3
Research and product development costs	1.2	1.5	-17.0
% of turnover	4.6	6.6	
Personnel (average)	256	230	11.3
Personnel at the end of the financial year	265	187	41.7
Profit per share, €	0.21	0.08	158.7
Dividend per share, €	0.06 *)	0.04	50.0

\*) Board's proposal

## Sentera in brief

Sentera Plc, an information system provider operating in Finland and neighbouring areas, bases its operations on long-term strategic partnership with customers, business area know-how and comprehensive solutions consisting of its own and third-party products and services. Sentera's customers are medium-sized and large Finnish companies.

Sentera has gained strong competence in the delivery of system integration, wireless and web solutions, ERP and financial administration products and customised systems to the entire value chain of trade and selected business areas, such as finance, industry, media, public administration, services and technical wholesale.

### Year 2005 in brief

Turnover for the financial year 2005 grew by 19.9%, amounting to EUR 27 million (2004: EUR 22.5 million). Earnings before interest and taxes (EBIT) for the financial year 2005 totalled EUR 3 million, corresponding to 11.2% of turnover (2004: EUR 1.4 million, 6.4% of turnover).

Turnover in the last quarter of 2005 was EUR 7.9 million, showing a growth of 29% (2004: EUR 6.1 million). Earnings before interest and taxes (EBIT) for the last quarter of 2005 totalled EUR 0.6 million, corresponding to 7.8% of turnover (2004: EUR 0.8 million, 12.3% of turnover). The company had 265 employees at the end of the year (2004: 187 employees).

Sentera's key customers in 2005 were Etola Group, Finnish Defence Forces, Kemira GrowHow, Kesko, Luottokunta, Rolls-Royce, Silja, SOK, the Tax Administration and TietoIltmarinen.

In line with its strategy, Sentera continued to grow profitably, increase business-area-specific know-how and competence and the number of solutions, as well as to develop strategic customer relations in 2005.

In June, TeliaSonera Finland acquired the iCare business operations and Sentera iSuite integration solution. The companies also agreed on comprehensive sales and marketing cooperation to deliver messaging products and services to companies.

The acquisition of the Tietonovo Group in March provided Sentera with products, competence and customer relationships in the value chain of trade. The acquisition of Key Partners' business operations in November boosted Sentera's business competence and customer relationships in the field of financing.

In April, Sales and Marketing Director Juha Sihvonen was appointed Sentera's COO responsible for operations. Along with the appointment of Juha Sihvonen as COO of Sentera, CEO Markku Toivanen focused on business development and business arrangements.

Markku Toivanen will continue as CEO of Sentera until 31 March 2006. The Board of Directors proposes to the Annual General Meeting convening on 29 March 2006 that Markku Toivanen will be elected as the member of the Board of Directors of Sentera Plc. Juha Sihvonen has been appointed CEO of Sentera Plc as of 1 April 2006.

Risto Saarni, Licentiate in Technology, took up his post as Director of Business Development in September. His duties include internal development projects and the management of integration projects related to business arrangements.

### Sentera Plc's stock exchange and news releases in 2005

#### January

Preliminary financial information for 2004

#### February

Sentera's fourth quarter and financial statement 2004  
Sentera to deliver procurement system to OP Bank Group

#### March

Sentera growing, Sentera and Tietonovo merge  
Notice for annual shareholders' meeting  
Sentera accepts share subscriptions of Tietonovo minority shareholders  
Decisions made by Annual General Meeting  
Sentera to provide Marli with sales planning system  
Sentera's increase in share capital entered into the trade register

#### April

Sentera to deliver CRM and ERP system to Beweship  
Sentera to renew Etola Group's IT systems  
Change in Sentera Plc organisation  
Comparative IFRS data for the financial year 2004  
Sentera's interim report January – March 2005  
Sentera's increase in share capital based on option rights entered in trade register

#### May

Sentera to deliver grain procurement system to Raisio  
Sentera to boost Lundia's sales and logistic processes  
Sentera applies for listing of 2003 series B stock options

#### June

Sentera simplifies group structure  
Sentera to sell iCare business to TeliaSonera Finland  
Sentera to deliver ERP to Yleiselektroniikka  
Sentera to make Snellman's production electronic

#### August

Sentera's interim report January – June 2005  
Changes in Sentera's Board of Directors  
Sentera to strengthen KeittiöNet's streams of goods  
Sentera starts a share repurchase programme

#### September

Risto Saarni appointed director of business development  
Sentera to implement FFMA's in-house control data bank  
Sentera's Capital Market Day

#### October

Sentera to deliver ERP to Pintos  
Sentera to deliver ERP system to Dino Lift  
Sentera's interim report January – September 2005

#### November

Sentera's offer to buy Key Partners' business operations  
Sentera's offer to buy Key Partners' business operations accepted

Key Partners' business operations transfer to Sentera  
Sentera to automate the Palpa can recycling and administration system

#### December

Sentera to deliver to Nab Labs a laboratory information management system  
Sentera to deliver an integration solution to SOK  
Sentera to renew www-site of Huoneistokeskus



### CASE AKE • SERVICES TO THE WEB

The main goals of the Finnish Vehicle Administration AKE are promoting vehicle safety and environmental awareness as well as maintaining and providing reliable register information for different needs. AKE's responsibilities include vehicle registration and annual taxation, arranging of driving tests,

supervision of motor vehicle inspection and vehicle traffic information services. At the end of 2005, Sentera and AKE successfully finished a migration project in which the customer's public web services at <http://www.ake.fi> were transferred to a completely new platform. The new service was implemented on top of

the Microsoft MCMS content management system. With MCMS, the customer can manage the contents of the entire service more broadly and effectively. The new platform will improve the integration of the service with the other information systems at AKE.

## Group strategy and strategic steps in 2005

### Strategic steps in 2005

Sentera's strategy is based on profitable and focused growth, strategic customer relations and a solution portfolio tailored for selected business areas. In 2005, Sentera increased in size, boosted its competence in the selected business areas and broadened its solutions portfolio, which includes both Sentera's own and third-party products and services.

Sentera carried out two acquisitions in 2005. The Tietonovo Group was merged into Sentera in March, and in November Sentera acquired the business operations of Key Partners. The first merger boosted Sentera's know-how in the value chain of trade, especially in products and services related to primary production in the food industry, as well as in the logistics business area. The second merger provided Sentera with competence and customer accounts in the field of trade and finance. To Sentera focused growth also means letting go of businesses that do not fall under the company's core competence. Tietonovo Palkkapalvelut, Tietonovo Yritysjärjestelmät and the EDI messaging business (iCare) were divested in 2005. These arrangements allow both Sentera and the divested companies to better develop their competence in the future.

Sentera's customer strategy helps the company to monitor the current and future needs of its customers. In 2005, the company adopted development plans for individual customers. Developing a long-term customer strategy calls for good service in neighbouring areas. Sentera also has extensive experience in implementing customer systems outside Finland.

### Internationalisation with customers

Developing customer relations have provided Sentera with experience in international operations, since many of Sentera's customers also engage in business activities abroad. Sentera has delivered ERP systems to the Baltic countries, Poland, Sweden and Hungary. Activities in neighbouring regions often provide customers with new opportunities, which is why Sentera must be able to operate flexibly in these regions as well.

The value chain of trade, Sentera's strong competence area in Finland, offers a lot of potential and opportunities to further expand operations.

### Integration gives competitive edge

Integration know-how has given Sentera a competitive advantage and enabled it to extend flexible operating models to partner activities. In the future, most companies will need to integrate their information systems and operating models into larger cooperation networks. This change will necessitate information systems that enable functional connections to other systems and partner networks. Value-added products for ERP systems, such as wireless solutions and portals, need a good integration solution in order to function seamlessly with back-end systems and provide companies with true added value. Sentera's open integration solutions work independently of the back-end systems and technologies in use. They can be used to link a variety of products and solutions into a single real-time entity. Sentera's competitive advantage is based on integration skills, open interfaces and business-area-specific know-how.

### Processes enhance operative efficiency

In 2005, Sentera launched a development project targeting its business processes, with the goal to enhance daily operations and facilitate integration in future business arrangements. Sentera defined the following four main processes: development of customer relations, delivery process, business renewal and business support. These processes will ensure continuous development and secure daily routines. In conjunction with the development of customer relations, the company also defined an Account Management (AM) process, piloted in early 2006.

### Solution portfolio supports strategic objectives

Sentera's objective for 2005 was to further improve the competitiveness of its solution portfolio. The Tietonovo acquisition provided Sentera with competence in the

MBS (Microsoft Business Solution) Axapta product, among others. Axapta provides good support for developing Sentera's product and solution portfolios, which will enable Sentera to offer ERP solutions to an increasingly broad customer base. Meanwhile, Sentera's own ERP system will focus, among others, on the needs of industries manufacturing customised products and products for technical wholesale.

### Road to vision 2009

In 2006, Sentera will continue its operations according to the established strategy, investing in strategic customer accounts, delivering integrated product, business area and service solutions and aiming at profitable growth both organically and through corporate restructuring.

Sentera's vision for 2006 is nearing its end, and the process for its renewal is now under way. The goal is to publish Sentera's vision 2009 during 2006. Implementation of the vision over the next three-year period will continue to be based on strategic customer accounts and competence in specific business areas in Finland and neighbouring areas.

### Mission

Sentera's mission is to generate long-lasting benefits to the customers' business operations through information system solutions.

### Vision

Sentera's vision is to be a recognised solution supplier and business area expert in Finland and its neighbouring areas.

Sentera's goal is to multiply its turnover, of which more than half is based on strategic partnerships with customers.

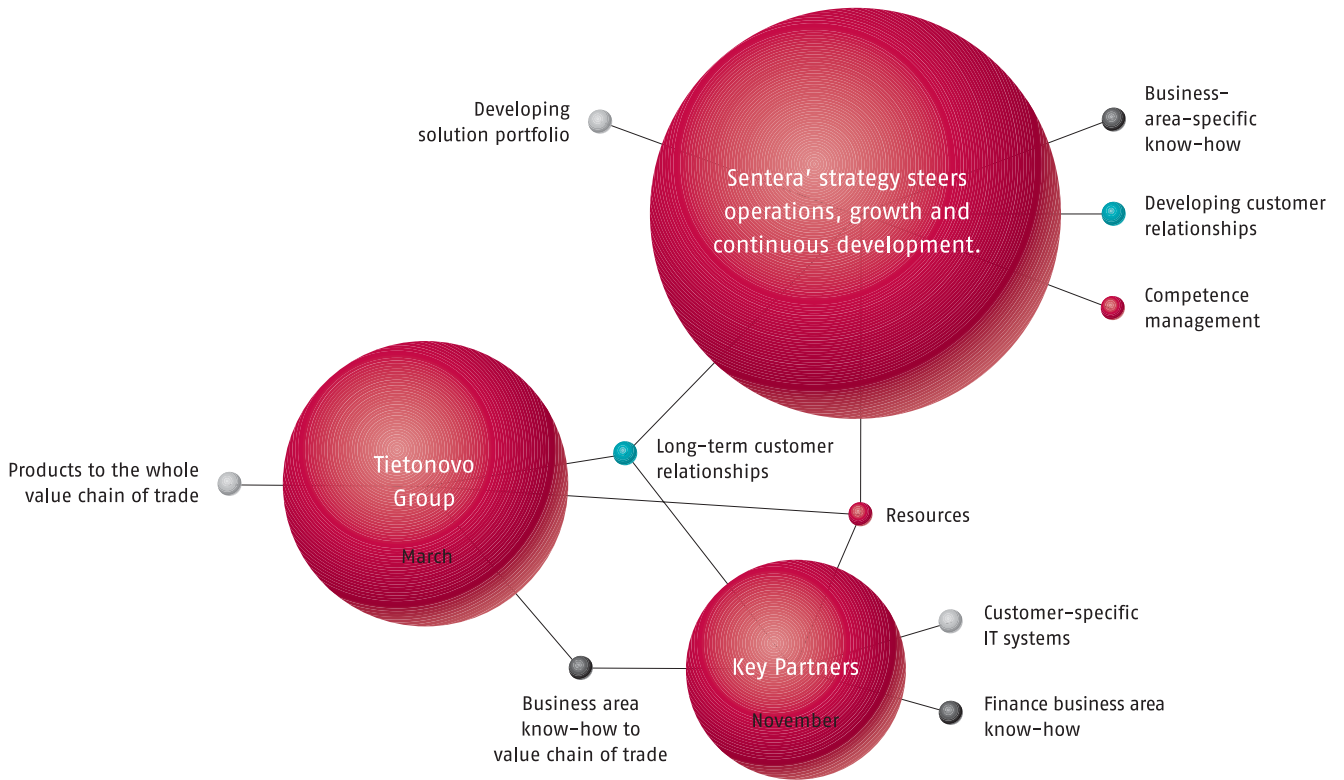


### CASE HUONEISTOKESKUS • COMPREHENSIVE AND FLEXIBLE ONLINE SERVICE

Huoneistokeskus, a Finnish real estate agency, and Sentera have worked in close cooperation since the mid-1990s. Over the years, the online service of Huoneistokeskus has been developed on the basis of customer feedback and the needs

of real estate agents. Sentera will upgrade the site in 2006 using Microsoft .NET technology. The Huoneistokeskus web site is one of the most popular real estate services online, with over 230,000 different visitors each month. According to the

Real Estate Online survey (Internet's role in housing and real estate business) conducted by TNS Gallup in 2004, Huoneistokeskus has the best known online service in the field. It was rated highest in comparisons between the web sites of various agencies.



#### Sentera's strategic steps in 2005

Sentera's strategy is based on profitable and focused growth, strategic customer relations and a solution portfolio tailored for selected business areas. Owing to two business acquisitions in 2005, Sentera increased in size, boosted its competence in selected business areas and broadened its solutions portfolio, which includes both its own and third-party products and services.

#### SENTERA'S VALUES

##### Responsibility

We at Sentera take responsibility for our duties and the well-being of our working environment. At Sentera, everyone's work contribution is valued and appreciated as a part of the company as a whole. Our common goals are successful delivery and a satisfied customer.

##### Know-how

We are professionals that are willing to develop continuously and determinedly, both as individuals and as a team, in order to secure functional solutions and high-level service for our customers.

##### Profitability

We work according to professional operating models and towards agreed common goals. Attitude and diligence enable profitable operations and secure the future of the individual, the team and thereby the whole company.





## CEO's review

Our goal for 2005 was to grow profitably, enhance our competence in selected business areas and expand our solution portfolio. We reached all of our main objectives while also improving turnover and profitability. Turnover rose to EUR 27 million and operating profit accounted for 11.2% of turnover.

Our success in the information system services business is based on customer proximity. Only companies that produce solutions offering customers real added value succeed. At the same time, the procedures and processes of a company must be such that they guarantee success independently of economic fluctuations.

Sentera grew both organically and through acquisitions in 2005. The acquisition of the Tietonovo Group in March strengthened our skills and know-how in the value chain of trade and gave us several significant customer relationships. The incorporation of Key Partners' business operations in November added to Sentera's business competence in both trade and finance.

Efficient business management requires companies to focus on their core competence. Following this philosophy, Sentera divested parts of its business. Tietonovo Palkkapalvelut and Tietonovo Yritysjärjestelmät were divested as non-core operations. Both had been acquired as part of the Tietonovo deal. Sentera also divested its traditional EDI business to TeliaSonera Finland as part of the multifaceted cooperation agreement signed between the companies. In the same context TeliaSonera Finland decided to offer messaging services using Sentera's integration solution. The goal of this cooperation, published in June, is to systematically build a foundation for new integration services that will play an important part in enhancing companies' business operations in the near future.

### Guided by the value chain approach

The value chain of trade, in particular, saw significant development in competence and service offering in

2005. In order to act as a true added-value partner to our customers also in the future, and to earn our place at the core of their businesses, we must continue to deepen our know-how in selected business areas. We have aimed to organise the competence and products gained from the businesses we have acquired in a way that best serves customers in different value chains.

It gives great pleasure to witness the results of our emphasis on product development. Despite the fact that our integration, wireless and ERP solutions have been selling better than ever in 2005, we also introduced third-party products into our product range. We believe that a growing company must develop its solution portfolio to serve a variety of needs.

### Integration solutions and wireless products provide added value

The second phase of the ERP product upgrading, predicted to take place in 2006–2007, started ahead of schedule in 2005. The increase in demand for integration and wireless solutions was clear: each of our ERP system deliveries also included an integration product. One of the reasons for the increasing popularity of wireless solutions is that more and more companies need to enter information into systems in the place where it is generated and use information where it is needed the most. Research results support our predictions that demand for integration products will continue to grow strongly until the end of the decade.

### Development of the company continues

We have again reached many important goals that we can be truly satisfied with. The key to our achievements have been our customers, whose feedback has guided our strategic choices. Focusing on selected business areas has proved to be the right choice for customers and profitable growth. Our success also comes from our skilled employees, who know how to turn customer wishes into reality. I would like to thank our share-

holders for their trust and commitment, which enable long-term and systematic business development, as well as the management team, Board of Directors and all of our partners for cooperation in 2005. Networking is part of our operations now and in the future. Special thanks go to all Sentera employees, who achieve great results in these constantly changing conditions.

Work on Sentera's strategy, initiated in November 2005, aims at updating our vision. Our revised strategy will be published during 2006 and will cover the years up to the end of the decade. It will be based on successful operating models that we believe will carry us towards the new vision.



Markku Toivanen  
CEO (until 31 March 2006)  
Sentera PLC

## Business review 2005

**S**entera, an information system provider operating in Finland and neighbouring areas, bases its operations on long-term strategic partnership with customers, business area know-how, as well as productised solutions and services.

Business picked up in 2005 as the market started to recover and there was a need to renew information systems. Sentera's larger size also had a positive impact on business, which was seen, for example, as an increasing number of new deals. The increase in the number of customers and resources, resulting from the growing size of the Group, has also reduced business-related uncertainty factors.

The Tietonovo acquisition brought with it more products and service competence to the value chain of trade in early 2005. The need for information systems renewal, expected in 2006–2007, resulted in several new deals, especially in technical wholesale. Service providers' need to update their electronic business operations led to upgrading projects of old systems, demand for internal and external integration, as well as increased demand for a variety of portal and wireless solutions.

During 2005 the number of Sentera's new sales agreements almost doubled from the previous year, which was due to positive developments arising among other things from the larger company size and expanded solution offering. In addition, a need emerged among Sentera's longstanding customers to update their systems. This translated into growth of service sales and increased demand for both wireless and integration products. Sentera's most important customers in 2005 are amongst others Etola yhtiöt, the Finnish Defence Forces, Kemira GrowHow, Kesko, Luottokunta, Rolls-Royce, Silja, SOK, the Tax Administration and Tietollmarinen.

Sentera's business strategy is founded on business areas that support one another or belong to the same value chain. The goal of Sentera's value chain designation is to create groups of solutions that improve trans-

parency in the order-supply chain and solutions that enhance business processes. At the beginning of July, Sentera's organisation was changed to better support the business area and value chain philosophy.

Sentera focuses on the following value chains: the value chain of trade, the value chain of the service sector and the value chain of production. The turnover is evenly comprised of these three value chains. The value chain of trade includes business areas ranging from the food industry to retail trade. Its proportion during the review period was 31.5% of the Group's turnover. The value chain of the service sector includes financial institutions and service companies. Its proportion was 35.0% of the Group's turnover. The value chain of production comprises industry and technical wholesale. Its proportion of the turnover was 31.0%. The share of turnover from other business areas was 2.5%.

### Value chain philosophy for comprehensive management

The value chain philosophy is based on comprehensive information system management and on increased transparency that enhance business operations. The different ways in which business areas can integrate value chains depend on the individual needs of each business area and on external requirements. The value chain of trade, for example, forms a clear entity based on the notion that food production lends itself to comprehensive management from primary production to the dinner table. Official regulations related to the value chain of trade are part of the competence required in the business area. Sentera's success as an information system provider is based on extensive skills and know-how covering the entire value chain of trade, including the needs of the industry and requirements of authorities.

In 2005, Sentera signed an agreement with the Finnish Food Marketing Association (FFMA) for the delivery of a data bank solution to enhance in-house control in shops and to streamline reporting to

authorities. Oy Beweship Ab and Sentera set up a delivery project that involves using the Sentera Logistics system to renew Beweship's sales, customer relationship management, land, maritime and airborne cargo traffic, forwarding, terminal operations and warehousing systems.

Sentera's solution range was also expanded with products of its partner companies. Cooperation with companies such as IBM, Microsoft, TeliaSonera Finland, Cognos and Solasys boosted both products and services.

### Changes in the requirements for ERP products

Sentera has achieved a strong position as a provider of ERP systems for wholesale companies and selected industrial sectors. In cooperation with its partner, Solasys Oy, Sentera has developed special features for its ERP system based on the needs of technical wholesale. The sales of technical wholesale ERP systems were brisk in 2005.

The manufacturing industry started to show signs of a shift from mass to customer-oriented production in 2005. This requires information systems that work more flexibly so that the modifications requested by individual customers can be taken into consideration at the production phase. Sentera's ERP solution has been developed with these needs in mind.

As a supplier of customised shelf solutions, Lundia wants to ensure that customers get shelf systems meeting their requirements. The Sentera Enterprise ERP system enhances the management of Lundia's entire order-supply chain and increases the transparency of processes between shops, headquarters and the logistics centre.

### Wireless hand-held terminals enhance ERP

Wireless solutions are an integral part of distributed integration, which means a system that offers independence to company sites and reduces the load on the main



### CASE METOS • HAND-HELD TERMINALS MOBILISE FIELD MAINTENANCE

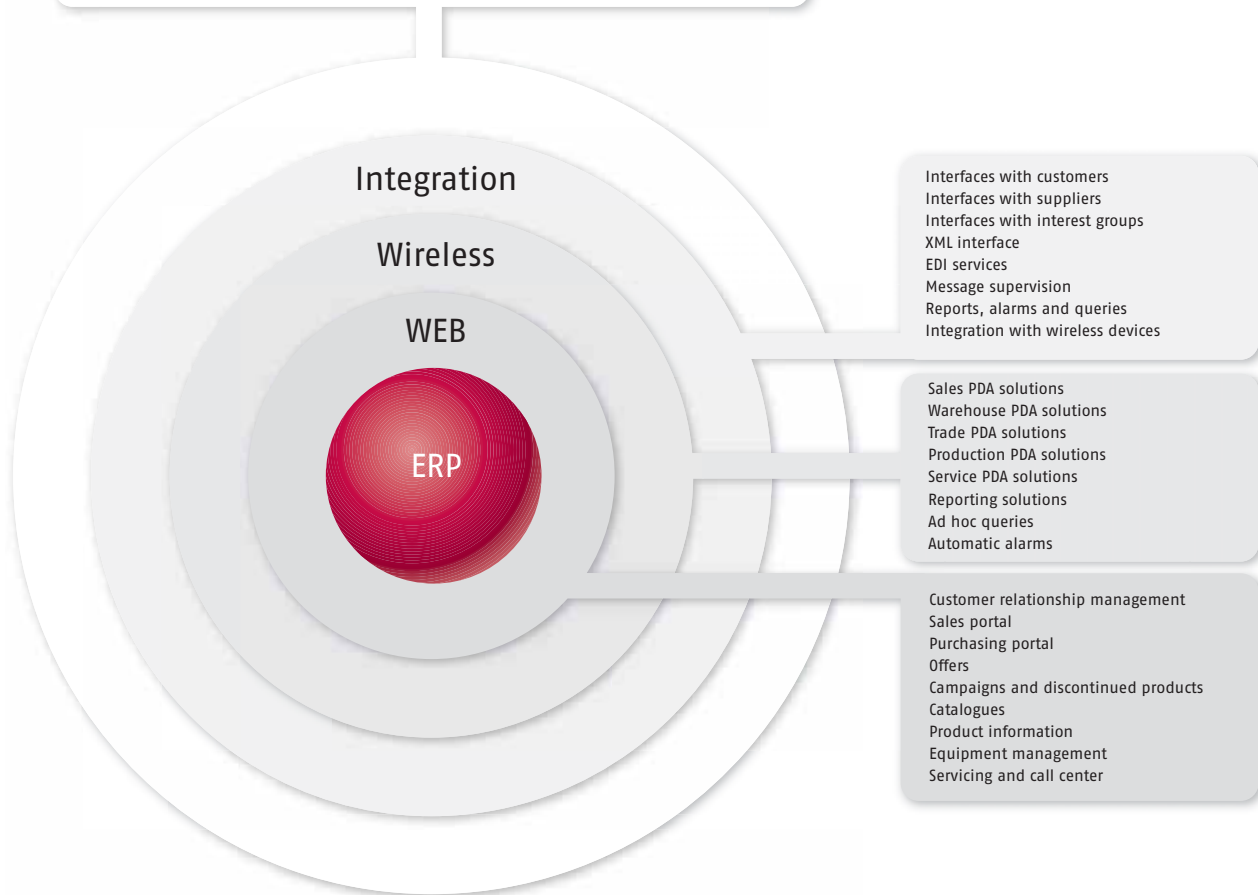
Metos adopted Sentera's wireless hand-held terminals to enhance the daily routines of its mobile maintenance staff, as well as data transfer between the field and office. The terminals are used, for example, to search, process and report maintenance information. The primary

goal for the solution is to improve maintenance work carried out on customer premises by increasing cost-effectiveness and customer satisfaction. Enhanced resource planning has improved the quality of customer service, while a higher rate of use has raised productivity. Before the

adoption of the hand-held solution, the process from task reporting to invoicing took three weeks. Now the process is carried out in two days. The system has 70 users and is used for more than 30,000 annual service calls.

#### ERP and integration walk hand in hand

Companies often face the need to link other companies and suppliers to their ERP system solutions. Sentera offers a variety of additional solutions used to improve the usability and life cycle of ERP products, such as wireless solutions, which provide flexible working options for mobile employees. Sentera believes that all future ERP systems will include an integration component that enables the use of wireless and web solutions and alternative uses for the traditional ERP product. A new version of Sentera's ERP product saw daylight in 2005. Sentera Enterprise 4.0 offers users, among other things, a user-friendlier interface and multi company database.



system. Site-specific information can be processed as a separate function but managed centrally.

Monitoring technological innovations is part of Sentera's continuous development. Thanks to the wide range of terminals currently available, customers can utilise wireless technology in various ways. New technologies, for their part, enable companies to adopt more advanced operating models. Systems and devices are made as flexible as possible so that innovations can be made to serve the individual needs of each customer. System independence will become increasingly important in the future. Sentera's products and services are designed so that the method and environment of use do not hinder flexible operating models.

A record number of projects involving wireless solutions were carried out in 2005. Solutions for a

mobile workforce, such as field products for maintenance employees, were introduced in Metos and Finland's Slot Machine Association (RAY). Metos, provider of maintenance for professional kitchens, has managed to considerably increase the effectiveness of its internal processes with wireless devices. The maintenance staff of RAY has saved time in travel between the office and gaming sites, as wireless terminals offer all of the information needed for maintenance work, always up to date irrespective of location.

#### Integration is part of the future of every company

Companies are more and more integrated with each other, their suppliers and customers. In the future, rather than functioning as individual players, com-

panies will be parts of bigger entities. Integration and wireless solutions support this change in companies' operations.

Good integration is essential for the value chain to function well. End-to-end control calls for networking and functional information system connections. Value chains will become increasingly important due to, for example, issues related to responsibility towards authorities in the food industry and retail trade. Increasing the transparency of operations improves consumer protection and is a way to survive in the increasing international competition.

The need for and significance of integration varies by business area. However, it seems more and more likely that companies will have customers or partners that want to take advantage of the opportunities



#### CASE KESKO FOOD • COMPREHENSIVE SOLUTION FOR TRADE

Kesko Food boosted its operations with Sentera's data transfer solutions and hand-held terminals. The data transfer solution is used to administer operations in shops and to monitor message flows between shops and centralised back-end systems. Shop personnel use hand-held

terminals for daily routines in shops, as well as in warehouses. Kesko Food has implemented the system in its consumer goods shops, such as K-Citymarkets, K-Supermarkets and K-markets. The daily consumer goods trade works with big volumes and wide product ranges. This calls for an

efficient and reliable data system, which may need to process up to 1.5 million messages in a single day. The system is used by approximately 600 shops, and the hand-held terminals by more than 2,000 employees in their daily routines.

provided by networks and integration. In fact, companies often use internal integration to prepare for networking.

Sentera is participating in several important integration projects in cooperation with companies such as Suomen Palautuspakkaus Oy and the Finnish Food Marketing Association. It is also engaged in extensive marketing and product development with TeliaSonera Finland, the goal being to offer products and services for integration.

### Technological development offers new opportunities

Technologies are selected on the basis of functionality. Technological change takes place gradually as basic technologies develop. Although many well functioning new technologies are now on offer (.NET, J2EE), recent years have seen a clear change from technology-oriented to needs-based thinking. This is to say, customers attach more weight to the system's suitability for their processes than to the technology used to implement the system. Payback periods and efficiency indicators are an essential part of the information system design phase. Competence in individual business areas and a needs-based approach provide the know-how needed to deliver successful projects. Silja and Huoneistokeskus, for example, decided to update their information systems using .NET technology. It enables a flexible transition from old to new systems in phases, making efficient use of previous system investments.

### Outlook for market development in 2006

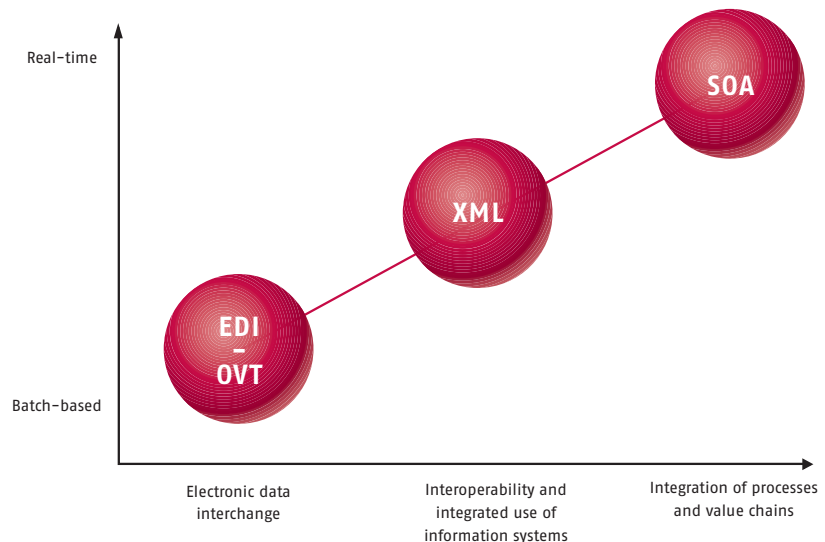
Wireless solutions, electronic services and integrated systems will continue to gain in popularity in 2006. As a result, companies will need to standardise their system environments. Many large computer environments

are already adopting new architectures, such as J2EE, .NET and SOA. The trend of putting services in the public and service sectors online, as done by Silja and Huoneistokeskus, is expected to continue in 2006.

The utilisation of wireless solutions in logistics will continue. Many Finnish transport companies have acquired vehicle terminals in order to improve efficiency, safety and the traditional usability of ERP. In the future, containers and vehicles will have devices used to trace the contents of a container and, if needed, collect the payment in real time using wireless checkouts.

Changes taking place on the market call for increasing flexibility from information systems in the value chain of trade. Tougher competition in trade and EU guidelines on self-regulation are leading to change requirements throughout the value chain of trade. Companies look to information systems for efficiency and transparency in the entire value chain. Further specifications made to regulations in early 2006 require clearer documentation and reporting from all players in the value chain. Sentera's goal for 2006 is to further boost its position as a comprehensive information system supplier for the value chain of trade.

#### Evolution of messaging



#### CASE SAARIOINEN • EFFECTIVE PRODUCTION MANAGEMENT

Saarioinen produces an average of 40,000 plastic crates of convenience food in five production units daily. The Sentera PIMS information system helps Saarioinen to know exactly at what time each production crate is manufactured, the identification number on the crate and how many products the crate contains. All date

and batch markings concerning the products are available from the information system in real time. The exact shelf locations of the products are found in the centralised system, so that no time is wasted looking for products at the production sites. Saarioinen is better able to ensure that the products in the stores have

the longest possible selling time before the sell-by date, as also the FIFO system is now being monitored more efficiently through the information system. The solution is used to manage operations related to production, slaughtering, inventory, traceability, self-monitoring, weight control and working time management.

# Glossary

## Sentera Logistics

An operative ERP system for forwarding and transport companies.

## Sentera Lims

A centralised information management system for laboratories.

## Electronic paper (intelligent paper)

Adaptation of electronic price displays in daily consumer goods trade. Plastic film that can be made into paper-like displays consists of pigment particles and is controlled by electricity.

## Sentera Enterprise

An ERP and financial administration system for the needs of industry and technical wholesale.

## Sentera eEngine

A web-based system for electronic business operations that enables the construction of portal solutions featuring business logic, such as centralised procurement portals and electronic trading sites, and allows real-time connections to the ERP system.

## Sentera @Hand

A wireless hand-held solution that allows mobile employees to manage their daily routines independent of time and place. The system works both online and offline and has a graphical user interface. The @Hand product family includes solutions adapted to the needs of different professions: Service@Hand, Retail@Hand, Sales@Hand and Warehouse@Hand.

## Sentera iSuite

An integration solution that enables inter- and intra-company application integration.

## Sentera MediaSuite

An information system solution for media sales and purchases used to design, price and manage media campaigns.

## Sentera PIMS

An information management system solution for designing, controlling and monitoring material flows in production. The solution is used widely, for example, in the food industry.

## Sentera Piccolink Suite

A wireless hand-held solution that only works in the range of its base station (online). The user interface is text-based.

## ASP

Application Service Providing refers to rental services of applications. Customers use an application that is running on the service provider's server, and the service provider handles the application's maintenance and support services.

## ERP

Enterprise Resource Planning. Companies use ERP to control their core processes, such as purchases, production and sales.

## Distributed integration

An integration method used between systems in which processing is distributed and located as close as possible to the systems integrated with one another. A distributed architecture can also be managed centrally, if needed.

## Wireless integration solutions

Wireless terminals are integrated with a company's other information systems through an information system solution. Wireless terminals are used, among other things, as real-time ERP user interfaces.

## Microsoft .NET technology

.NET is Microsoft's programming environment that offers a range of development tools and operating systems used to produce new XML-based web services or update existing services.

## RFID technology

Radio Frequency Identification (RFID) consists of a microchip that stores information and an antenna that transmits and receives information over radio frequencies. An RFID tag can store considerably more information about a product than, for example, a bar code.

## Web Services technology

Web Services enables communication between organisations irrespective of the IT applications used behind the firewalls of companies.

## In 20 years Sentera has grown to be a significant IT system supplier in Finland

13

### 1980's

#### Customer-specific solutions

- 1986 Tietonovo Oy
- 1989 Megalos Ltd  
Open Solutions Ltd

### 1990's

#### Development of ERP and web solutions

- 1997 Independent Technology Corporation Ltd (Intec)
- 1999 Megalos Ltd changes its name to Solagem Ltd

### 2000's

#### Integration solutions and new technologies

- 2000 Solagem Ltd acquires MRS Modern Retail Systems Ltd and Tietoniekka Ltd  
Ilocore Plc entered the Helsinki Stock exchange NM list
- 2003 Ilocore and Solagem merged  
Sentera Plc was entered into the trade register
- 2004 Sentera Plc acquired Sysforte Ltd and Sysforte Systems Ltd
- 2005 Sentera acquired Tietonovo Group  
Sentera sold iCare business operations  
Sentera sold Tietonovo Palkkapalvelut Oy  
Sentera sold Tietonovo Yritys-järjestelmät Oy  
Sentera acquired business operations of Key Partners Ltd



## CASE SIPOREX • RIGHT INFORMATION IN THE RIGHT PLACE AT THE RIGHT TIME

H+H Siporex has enhanced its business processes with Sentera's ERP and financial administration system. The order-supply chain has been harmonised to make product data reliable and ensure data transfer throughout the chain. Production is controlled by orders or inventories depending on the situation.

The stock balance is available in real time, and the quality of products can be monitored efficiently. Schedules play a crucial role in the construction industry. To ensure smooth operations, the right materials must be delivered to the site on schedule. This poses challenges to the production of H+H Siporex, much of which con-

sists of customised products. To make maximum use of the plant's production capacity, which amounts to an annual 180,000 cubic metres, the products must be made in the right order and at the right time, and be delivered to the customer as agreed.

# Personnel

In line with Sentera's strategy, a professional, skilled and motivated personnel leads to customer satisfaction. Competence in the customers' business sector is essential to successful customer relations. Also, continued and goal-oriented development of competence ensures functional solutions and high-quality services to customers.

Sentera's continued growth in 2005 was largely based on acquisitions. As a result, the company's HR strategy still focused on refining and clarifying common operating methods and procedures. Sentera also emphasised recruiting and personnel development.

Systematic development of the managerial skills of superiors and managers continued in 2005 through the development programme devised for this purpose.

## Sentera Academy

Launched in early 2005, Sentera Academy has aimed to promote the personnel's continuous career development through internal and external training. In 2005, Sentera Academy arranged training, for example, to project managers and team leaders. The focus in 2006 will shift to improving the cooperation skills of the entire personnel, as well as to enhancing common values in company operations.

## Continuous personnel development

The personnel development processes are handled by Risto Saarni, Licentiate in Technology, who took up his post as Sentera's director of business development in autumn 2005. In addition to business development and coordination of business arrangements, Mr. Saarni is also in charge of competence development. Activities in 2005 included determining the organisation's core and business processes on the basis of the company's

strategy. The aim is to steer the organisation's conventional function-based goal-setting, measuring and way of thinking towards a more process-oriented direction.

## Work community

In late 2005, Sentera carried out a reform to harmonise its diverse titles. The number of titles was halved from approximately 60 to 28. The purpose of the revised titles is to support the development of competence and career paths, as well as to clarify career planning. HR management does its best to continuously monitor equality in the work community. Sentera implemented an equality plan in early 2005.

## Employee satisfaction

Sentera carries out an annual functionality survey for the organisation, the aim being to determine the personnel's opinion about the functionality of operations, management procedures, internal atmosphere, level of motivation and job satisfaction. The survey results are used to define the issues that the company will focus on the following year. Sentera has also implemented a quarterly employee satisfaction survey. Analysis of the results has provided concrete solutions that facilitate routine work tasks and increase job satisfaction.

## Internal communication

The Sentera Kick-off events arranged every six months and the quarterly "Sentrit" events have established their position as personnel information events that assess the goals of the past period and further specify the goals for the coming period. Internal communication is also supported by a weekly bulletin and Sentera Intranet, which is one of the main channels for internal communication. Plans are to carry out an intranet user survey

among personnel in spring 2006. The results will be used to further develop Sentera Intranet in order for it to provide even better service to the personnel.

## Shake!

Sentera's personnel club, Shake!, aims to promote the employees' physical and mental activity and work ability, as well as increase the team spirit, motivation and job satisfaction of Sentera's employees. In 2005, the club arranged, among other things, recreational events for the whole staff and supplied tickets to a variety of cultural and sports events.

## Changes in the number of employees

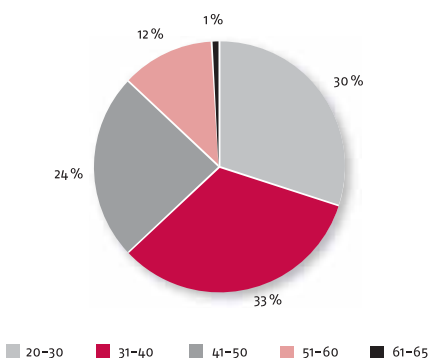
Sentera had 187 employees at the beginning of 2005. The Tietonovo acquisition increased the Group's payroll by 82 in March. The divestment of the iCare business in June resulted in two people transferring to TeliaSonera Finland. The divestment of Tietonovo Palkkapalvelut in July and Tietonovo Yritysjarjestelmät in early October reduced the number of employees by 14, while the November acquisition of Key Partners' business operations again increased Sentera's personnel by 35.

The average number of people during 2005 was 256. At the end of the year, Sentera employed a total of 265 people, the average age of employees being 38.

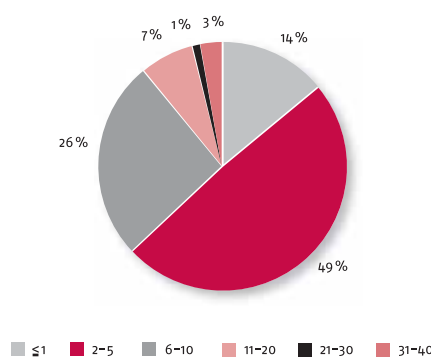
## Personnel 2005

	At the end of the review period		Average	
	31 Dec 2005	31 Dec 2004	2005	2004
Q1	283	265	224	271
Q2	274	258	252	267
Q3	249	246	255	255
Q4	265	187	256	230

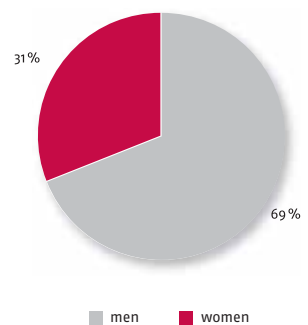
Distribution of personnel by age groups



Distribution of personnel by employment years



Distribution by sex









# Report of the Board of Directors

The central targets set for and achieved in 2005 were growth, improving profitability and developing customer relations and a solution portfolio in the selected business areas. Sentera got many new customers during the year, and also our existing customers felt the need to upgrade and enhance their information systems. Due to acquisitions made, Sentera has become a larger company, which has reduced risk factors in relation to the business and deliveries. This was shown as an increase in the number of new contacts in 2005 and continued cooperation agreements with existing customers.

## Operating environment

There is a cyclical need to upgrade information systems in the information technology market. It was expected to take place in 2006–2007 but was already seen in 2005. The need to upgrade ERP systems was evident, for example, in technical wholesale and the manufacturing industry. The share of integration solutions in information system deliveries grew during 2005. This is apparent from the fact that all ERP deliveries in 2005 also contained an integration solution. A flexible integration solution can be used to manage a company's internal and external integration needs, as well as the needs of mobile employees. It is believed that the demand for integration solutions will continue to grow during 2006.

In addition to integration solutions and ERP products, many information systems including wireless solutions and portals were delivered in 2005. Real-time integration of wireless terminals with back-end systems is part of Sentera's core competence. In addition, Sentera's solution portfolio includes different portal solutions. These additional solutions enable efficient external and internal integration and more flexible operating models for companies.

Sentera also has long traditions in the delivery of customer-specific solutions. With customer-specific solutions Sentera ensures that the special features required for the customer company's operations can be incorporated into the product. The mastery of new technologies, such as .NET and J2EE, is important in the renewal of existing solutions, since it enables a cost-effective and flexible way of updating systems to meet new needs. Sentera invests in the continuous development of its personnel's skills and monitors actively both technological and business-area-specific developments in the industry.

## Outlook for 2006

Sentera's target for 2006 is to keep growing both organically and through acquisitions. The company's vision for 2009 and the related strategic priorities will be published in 2006. Organic growth and growth based on acquisitions is necessary in order for the

company to be able to serve its developing customer relationships better. On the other hand, also the expectations and requirements of the capital market need to be taken into account. Sentera will also rely on its business-area-specific know-how and skills related to integration solutions when securing its competitive edge in the future.

The Board of Directors appointed COO Juha Sihvonen, 38, Sentera Plc's new CEO as of 1 April 2006. The majority of Sentera's main owners will propose to the Annual General Meeting held on 29 March 2006 that Sentera Plc's current CEO Markku Toivanen, 52, be appointed member of Sentera's Board of Directors.

## Turnover

The turnover of Sentera Plc in financial year 2005 was EUR 27.0 million (2004: EUR 22.5 million). Turnover grew by 19.9% compared to the financial year 2004. The figures of the Tietonovo Group have been included in the Group figures as of 1 March 2005. The figures of the Key Partners' business operations have been included in the Group figures as of 9 November 2005.

## Turnover distribution

	2005	2004
Licences and maintenance fees	5,628 (20.9%)	3,796 (16.9%)
Services	19,604 (72.7%)	17,921 (79.7%)
3rd party licences and equipment	1,567 (5.8%)	644 (2.9%)
Other turnover	177 (0.7%)	134 (0.6%)
<b>Total</b>	<b>26,976</b>	<b>22,495</b>

Growth in licence sales is a result of new delivery agreements and business arrangements, which have helped the company to expand its product and solution range, as well as to boost its position as a product-based IT service provider. Licences include both licence fees and software maintenance revenue. The rise in the third party licences and equipment from 2.9% to 5.8% of turnover in 2005 is due to a third party licences and equipment deal related to an extensive delivery agreement made in the fourth quarter.

## Profitability

Earnings before interest and taxes (EBIT) for the financial year 2005 totalled EUR 3.0 million, corresponding to 11.2% of turnover (2004: EUR 1.4 million, 6.4% of turnover).

The operating profit for the period includes non-recurring income and expense items. Non-recurring sales profits for the period amounted to EUR 0.9 million and non-recurring expenses to EUR 0.4 million.

Earnings per share in the financial period 2005 were EUR 0.21 (2004: EUR 0.08).

## Turnover and profitability of the fourth quarter

Turnover in the last quarter of 2005 grew by 29.0% to EUR 7.9 million (2004: EUR 6.1 million). Earnings before interest and taxes (EBIT) for the last quarter of 2005 totalled EUR 0.6 million, corresponding to 7.8% of turnover (2004: EUR 0.8 million, 12.3% of turnover).

The operating profit for the last quarter of 2005 includes non-recurring expenses of EUR 0.2 million pertaining to business arrangements. Similarly, the EBIT for the last quarter of the comparative period 2004 includes non-recurring gains with a net impact of EUR 0.2 million.

The operating profit adjusted for non-recurring items amounted to EUR 0.8 million in 2005, or 9.8% of turnover (2004: EUR 0.6 million, or 8.2% of turnover).

## Financing and investments

Cash flow from operations in the period 2005 amounted to EUR 3.3 million (2004: EUR 2.0 million). Investments in the financial period 2005 totalled EUR 5.5 million (2004: EUR 2.0 million). Change in cash and cash equivalents in the financial period 2005 amounted to EUR -3.4 million (2004: EUR -0.007 million).

The Group's financial position remained good during the review period. The equity ratio in the financial period 2005 was 68.7% (2004: 69.6%), while net gearing in 2005 amounted to -29.9% (2004: -54.0%) Cash at hand and bank receivables and financial investments in the Group amounted to EUR 5.1 million at the end of the financial period (2004: EUR 6.4 million). The balance sheet total at the end of the financial period was EUR 22.0 million (2004: EUR 15.6 million).

During financial period 2005, a total of EUR 7.2 million was spent in acquisitions. Tietonovo Group Plc was purchased against a cash consideration of EUR 4.4 million. In addition to the cash consideration, a total of 1,206,830 new Sentera shares were offered for subscription, which amounted to approximately 9.1% of all Sentera shares after the increase of the share capital. As a result of the acquisition, Sentera accrued a goodwill of EUR 3.9 million. A cash consideration of EUR 2.75 million was paid for the business operations of Key Partners Ltd.

## Changes in the Group structure

Tietonovo Group and its subsidiaries formed a subgroup as of 3 March 2005. The Group structure was further changed as of 1 December 2005 so that the subgroup structure was given up, and the Tietonovo Group was merged directly with the Sentera Group.

Sentera Finland Ltd merged with the parent company on 31 May 2005.

On 8 July 2005 Sentera divested Tietonovo Palkkapalvelut Oy, which it had acquired as part of the Tietonovo deal on 3 March 2005. Nine employees

were transferred in conjunction with the transaction. The divestment did not have an impact on the company's result.

On 1 October 2005 Sentera divested Tietonovo Yritysjärjestelmät Oy, as it did not fall within the scope of the strategy. Tietonovo Yritysjärjestelmät Oy became part of Sentera in conjunction with the Tietonovo deal carried out on 3 March 2005. Five employees were transferred in conjunction with the transaction. The MSB Axapta business was transferred from Tietonovo Yritysjärjestelmät Oy to Tietonovo Oy, which is owned 100% by Sentera. The divestment did not have an impact on the company's result.

On 4 November 2005 the Extraordinary General Meeting of TJ Group Plc accepted the purchase offer made by Sentera Plc's Board of Directors for the business of Key Partners Ltd. The business operations of Key Partners were transferred to Sentera on 9 November 2005.

## Business operations

Sentera, an information system provider operating in Finland and neighbouring areas, bases its operations on long-term strategic partnership with customers, business area know-how, as well as productised solutions and services.

During 2005 the number of Sentera's new sales agreements almost doubled from the previous year, which was due to positive developments arising among other things from the larger company size and expanded solution offering. In addition, a need emerged among Sentera's longstanding customers to update their systems. This translated into growth of service sales and increased demand for both wireless and integration products. Sentera's most important customers in 2005 are amongst others Etola Yhtiöt, the Finnish Defence Forces, Kemira GrowHow, Kesko, Luottokunta, Rolls-Royce, Silja, SOK, the Tax Administration and TietoIlmarinen.

Sentera's business strategy is founded on business areas that support one another or belong to the same value chain. The goal of Sentera's value chain designation is to create groups of solutions that improve transparency in the order-supply chain and solutions that enhance business processes. At the beginning of July, Sentera's organisation was changed to better support the business area and value chain philosophy.

Sentera focuses on the following value chains: the value chain of trade, the value chain of the service sector and the value chain of production. The turnover is evenly comprised of these three value chains. The value chain of trade includes business areas ranging from the food industry to retail trade. Its proportion during the review period was 31.5% of the Group's turnover. The value chain of the service sector includes financial

institutions and service companies. Its proportion was 35.0% of the Group's turnover. The value chain of production comprises industry and technical wholesale. Its proportion of the turnover was 31.0%. The share of turnover from other business areas was 2.5%.

In the value chain of trade, many delivery agreements were made in 2005. At the end of the year, Sentera and SOK concluded an agreement on the delivery of a comprehensive integration solution as the basis for the internal and external integration of the business chains of the S Group. The business units of the S Group, which make up a network of over 1,300 places of business, are united with the help of the solution within the scope of more versatile communications. The system, which transmits over 120,000 messages daily, will be taken into production use by the end of 2006.

Sentera will provide Suomen Palautuspakkaus Oy with an ERP product and an integration solution to improve efficiency in the management of the reverse vending of cans. The solution ensures that information from all circa 2,500 reverse vending machines can be quickly collected into the same system and that the collected information will be widely available. The system will be taken into production use during spring 2006.

Sentera made an agreement with the Finnish Food Marketing Association (FFMA) to deliver an in-house control data bank which will be used by more than 3,500 grocery shops. The solution will be implemented by using Microsoft's .NET technology. The goal is for the system to be in production use in FFMA's member shops in spring 2006.

Sentera delivered the Sentera PIMS production management system to Oy Snellman Ab. With the system Snellman has improved the transparency of the production chain and optimised raw material purchases. In addition, the system has also enhanced inventory registration and reporting activities, which in turn have improved the quality of system-generated reports that support management decision-making.

Sentera will deliver to Raisio Plc a grain procurement system that will be used in all operations related to the procurement of domestic oil plants and grain. The system will be taken into production use in autumn 2006.

Sentera made an agreement with Oy Beweship Ab to deliver a sales, customer relationship management, land, maritime and airborne cargo traffic, forwarding, terminal operations and warehousing system to improve the efficiency of its operations. The system was taken into production use in Beweship's Polish and Baltic operations at the beginning of 2006.

There was intense demand for ERP products and integration solutions in the value chain of production. The Dino Lift purchased an ERP system for production management and financial administration. Sentera connected all of Dino Lift's Finnish subsidiaries to the ERP system.

Pintos Oy, a manufacturer of reinforcement products and nails for the construction industry, purchased an ERP and financial administration system from Sentera. The whole system was taken into use in February 2006.

Sentera provided KeittiöNet with an ERP and financial administration solution for the comprehensive management of retail, wholesale and material flows in seven shops. The system was taken into use in May 2005.

During 2005, Sentera provided Yleiselektronikka Oyj with an ERP system and an integration solution for the handling of purchase, sales, inventory and logistics operations, as well as financial administration and HR management, in Finland, Estonia, Latvia and Lithuania.

Sentera delivered an ERP system to Lundia. The solution will be used to reinforce the management of Lundia's entire order-delivery chain, as well as to enhance the transparency of processes between the shops, the headquarters and the logistics centre.

Sentera and the Etola Group started an extensive cooperation during spring of 2005. According to the agreement, Sentera will deliver an ERP and integration solution to all Etola Group companies. The delivery which is implemented in cooperation with Solasys will be delivered to Etola companies during the next two years.

Significant agreements were also made in the value chain of the service sector during 2005. Sentera will be responsible for renewing the web site of Huoneistokeskus by using Microsoft .NET technology.

The OP Bank Group decided to overhaul its procurement process with Sentera's web-based procurement system. The system will be taken into production use during spring 2006. The system, delivered as an ASP solution, has been integrated into the information systems of suppliers and delivery companies and into the internal purchase invoice processing system.

Sentera also developed significant partnerships in 2005. TeliaSonera Finland purchased Sentera's iCare business and an integration solution related to the development of its own messaging services business. In this connection, the companies also agreed upon large-scale sales and marketing collaboration in the provision of their messaging products and services.

Cooperation with Microsoft was expanded among other things in the context of the MSB Axapta business transferred from Tietonovo Yritysjärjestelmät Oy. The expansion of the solution portfolio also with third-party products and services is aimed to ensure a sufficiently extensive and diverse solution range now and in the future.

## Product development

The Group's investments in product development during the financial year 2005 were EUR 1.2 million, 4.6% of the turnover (2004: EUR 1.5 million, 6.6%). These expenses have been recorded as a cost in their entirety.

Product development costs include the salaries of product development personnel, as well as other expenses related directly to product development.

### Personnel

The Group's payroll averaged 256 people over the financial year 2005 (2004: 230). At the end of the financial year 2005 the company had 265 permanent employees (2004: 187) and 35 contractors. In January-September the average number of personnel was 255 (the figure 259 reported in the interim report on 25 October 2005 was erroneous).

### Management appointments

As of 18 April 2005, Sales and Marketing Director Juha Sihvonen was appointed Sentera's COO responsible for business operations.

Risto Saarni, Licentiate in Technology, took up his post as Director of Business Development in September. His duties include internal development projects and the management of integration projects related to business arrangements.

Juha Sihvonen and Risto Saarni are members of Sentera's management team and report to Markku Toivanen, CEO of Sentera.

### Shares and share capital

On the basis of the authorisation received from the Annual General Meeting on 23 March 2005, Sentera's Board of Directors decided to start a share repurchase programme as of 1 September 2005. At the end of the financial year, Sentera held 139,000, or 1.05%, of its own shares.

During the financial year, 686 new shares were subscribed for on the basis of A share options. Sentera Plc's share capital, EUR 665,857.80, is divided into 13,275,996 shares.

### Share trading and price development

Sentera Plc's shares are quoted on the NM list of the Helsinki Stock Exchange. The lowest trading price during the financial year was EUR 1.70 and the highest EUR 2.78. A total of 3,149,219 shares of Sentera Plc were exchanged on the NM list during the financial year, equalling 24.3% of the company's shares. The market value of Sentera Plc's shares at the end of 2005 totalled EUR 33.7 million.

### Share option programme

The company follows option programme 2003 approved by the Extraordinary General Meeting held on 18 June 2003. The programme grants share options to the personnel of the Sentera Group, Board members and managing directors of Group companies, as well as to employees of Sentera Plc's fully owned subsidiaries.

The option programmes enable the granting of 623,520 share options, each of which entitles the holder to subscribe for one Sentera Plc share.

Sentera's share option programme of year 2003 is comprised of four (4) share option series. The option programmes of series A, B, C and D are comprised in total of 623,520 share options, each of which entitles the holder to subscribe for one (1) Sentera Plc share, totalling 623,520 shares. The terms of the option programme are available in their entirety in the Sentera stock exchange release of 27 May 2003.

Sentera's B share options for 2003 became subject to trading on the NM list of the Helsinki Stock Exchange on 1 June 2005. There are a total of 155,880 B share options. Each share option entitles its holder to subscribe for one (1) Sentera share. Therefore, a maximum of 155,880 shares can be subscribed for with the B share options. The subscription price of a share with the B share options is EUR 1.78 per share, and the subscription period with the B share options started on 1 June 2005 and ends on 1 June 2008.

The subscription period of shares based on share options granted in Option Programme I 2001–2005 expired on 31 May 2005.

During 2005, a total of 686 new shares were subscribed for on the basis of A share options.

### Company management and auditors

The Annual General Meeting of 23 March 2005 decided that the Board of Directors would consist of five (5) regular members. The Annual General Meeting selected the following persons to the Board of Directors: Rolf Backlund, Kari Katajamäki, Ilkka Pärssinen, Vesa-Pekka Silaskivi and Timo Tiihonen. In its initial meeting held after the Annual General Meeting, the Board elected Timo Tiihonen as Chairman and Vesa-Pekka Silaskivi as Vice Chairman.

Rolf Backlund, MSc (Econ. & Bus. Adm.) resigned from Sentera's Board of Directors at his own request on 13 August 2005. Sentera's Board handled the resignation letter at its meeting on 15 August 2005. Rolf Backlund was Tietonovo's main shareholder and was elected to Sentera's Board at the Annual General Meeting on 23 March 2005. Sentera's Board of Directors agreed to continue in its current composition not longer than until the end of the next Annual General Meeting in spring 2006.

The Annual General Meeting decided to approve the Board's suggestions on invalidating the company's own shares, cancelling share options and setting up free reserves, as well as authorising the Board of Directors to decide on increasing the share capital as well as acquiring and assigning own shares. Furthermore, the Annual General Meeting decided on the use of the share premium account to cover confirmed losses. The proposals of the Board of Directors can be viewed in

their entirety in the Sentera Plc stock exchange release of 3 March 2005.

Markku Toivanen served as the CEO of Sentera Plc during 2005.

The accountant has been Ernst & Young Finland, with Kunto Pekkala, authorised public accountant, as the accountant with principal responsibility.

### IFRS reporting

Sentera adopted the International Financial Reporting Standards (IFRS) in its reporting as of 1 January 2005 in interim reports and financial statements. Prior to the adoption of IFRS, Sentera Plc's financial statements had been based on the Finnish financial accounting standards (FAS). The reference figures, principles and descriptions of changes to the previous policy were published in a stock exchange release on 19 April 2005. The release stated that the transition to IFRS did not have a significant impact on Sentera's performance and balance sheet of 2004.

### Future outlook

Sentera will continue its operations according to the established strategy, investing in strategic customer accounts, delivering integrated product, business area and service solutions and aiming at profitable growth both organically and through corporate restructuring in domestic and nearby international markets.

The company expects the demand for integration solutions, wireless solutions and ERP products to remain strong. Customers' need to renew IT systems will also increase service sales, as well as the demand for integration products and wireless solutions.

Due to extensive delivery agreements and IT system renewal deals made during 2005, in addition, to current sales prospect outlook, the company expects to sustain profitable growth also in 2006.

### Events after the financial year

The business related to the technical maintenance and development of Silja Oy Ab's current booking system in Finland was transferred to Sentera Plc as of 1 February 2006. Along with the service business, three employees of Silja were transferred to Sentera as old employees.

### The Board of Directors' dividend distribution proposal

The Board of Directors of Sentera has decided to propose to the Annual General Meeting on 29 March 2006 that EUR 0.06 per share be paid as dividend for 2005. The expected dividend on the publication day of the financial review 2005 is EUR 788,302.08, or 28.3% of profits. The dividend is to be paid to a shareholder who, on the matching date, 3 April 2006, is registered on the list of Sentera Plc shareholders maintained by the Finnish Central Securities Depository.

## Consolidated income statement

	Notes	Financial year 2005	Financial year 2004
<b>Turnover</b>		<b>26,976</b>	<b>22,495</b>
Other operating income	6	923	450
Materials and services	7	3,817	2,944
Expenses from personnel benefits	10	15,351	13,071
Depreciation, amortisation and write-downs	9	696	963
Other operating expenses	8	5,014	4,536
<b>Operating profit (or loss)</b>		<b>3,022</b>	<b>1,432</b>
Financial income and expenses	11	233	74
<b>Profit (loss) before taxes</b>		<b>3,255</b>	<b>1,505</b>
Income taxes	12	467	532
<b>Net profit (loss) for the period</b>		<b>2,788</b>	<b>973</b>
Earnings per share calculated from the profit for the owners of the parent company:			
Undiluted earnings per share, €	13	0.21	0.08
Earnings per share adjusted with dilution effect, €	13	0.21	0.08

All figures in the financial statements are presented as EUR thousand. The figures have been rounded, and therefore the sum of individual figures may deviate from the sum amount presented.

## Consolidated balance sheet

	Notes	31 Dec 2005	31 Dec 2004
<b>Assets</b>			
<b>Long-term assets</b>			
Intangible assets	14	2,228	332
Goodwill	14	7,021	2,831
Tangible assets	15	848	463
Available-for-sale securities		17	23
Other long-term receivables	16	211	132
<b>Short-term assets</b>			
Inventories	17	0	166
Deferred tax asset	16	982	800
Short-term receivables	18	5,578	4,435
Cash and cash equivalent	19	5,110	6,394
<b>Total assets</b>		<b>21,994</b>	<b>15,576</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	21	666	603
Share premium account	21	8,000	5,899
Other reserves		1,984	1,984
Share-related payments	22	159	95
Accumulated profits		4,154	2,193
<b>Total shareholders' equity</b>		<b>14,963</b>	<b>10,775</b>
<b>Long-term liabilities</b>			
Long-term liabilities	23	429	296
Deferred tax liability	16	46	37
<b>Short-term liabilities</b>			
Short-term liabilities	23	6,556	4,469
<b>Total equity and liabilities</b>		<b>21,994</b>	<b>15,576</b>

## Consolidated cash flow statement

	Financial year 2005	Financial year 2004
<b>Cash flow from operations</b>		
Operating profit	3,022	1,521
Adjustments to operating profit	-271	765
Changes in working capital	728	-84
Interests paid	-19	-43
Interests received	233	112
Dividends received	0	1
Other financial items	20	0
Taxes paid	-404	-231
<b>Cash flow from operations</b>	<b>3,307</b>	<b>2,042</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-2,747	-96
Assignment income from tangible and intangible assets	911	42
Assignment income from other investments	11	18
Repayment of loan receivables	45	79
Subsidiaries acquired	-4,457	-2,058
Subsidiaries divested	750	0
<b>Cash flow from investments</b>	<b>-5,487</b>	<b>-2,015</b>
<b>Cash flow from financial operations</b>		
Share issue	0	1
Share buy-back	-351	0
Withdrawal of long-term loans	0	49
Repayment of long-term loans	-78	-83
Dividends paid	-748	0
<b>Cash flow from financial operations</b>	<b>-1,178</b>	<b>-34</b>
<b>Change in cash and cash equivalent</b>	<b>-3,358</b>	<b>-7</b>
<b>Cash and cash equivalent as of 1 Jan</b>	<b>6,315</b>	<b>6,322</b>
Cash and cash equivalent of acquired subsidiaries	2,460	
Cash and cash equivalent of divested subsidiaries	-307	
<b>Cash and cash equivalent as of 31 Dec</b>	<b>5,110</b>	<b>6,315</b>

## Statement of changes in shareholders' equity

	Share capital	Share premium account	Other reserves	Share-related payments	Retained earnings	Total
Shareholders' equity 1 Jan 2005	603	5,899	1,984	95	2,193	10,775
Directed share issue	60	2,100				2,160
New subscription	2	1				3
Share-related payments				64		64
Dividends					-483	-483
Share buy-back					-351	-351
Other changes					7	7
Profit for the period					2,788	2,788
<b>Shareholders' equity 31 Dec 2005</b>	<b>666</b>	<b>8,000</b>	<b>1,984</b>	<b>159</b>	<b>4,154</b>	<b>14,963</b>

	Share capital	Share premium account	Other reserves	Share-related payments	Retained earnings	Total
Shareholders' equity 1 Jan 2004	592	8,664		8	-114	9,149
Directed share issue	17	548				565
Transfers	-5	-3,312	1,984		1,334	0
Share-related payments				88		88
Profit for the period					973	973
<b>Shareholders' equity 31 Dec 2004</b>	<b>603</b>	<b>5,899</b>	<b>1,984</b>	<b>95</b>	<b>2,193</b>	<b>10,775</b>

# Notes to the consolidated financial statement 31 December 2005

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## 1. Accounting principles of consolidated financial statement

### Accounting principles

Sentera Plc is a Finnish limited liability company, founded according to Finnish laws. The company's domicile is Helsinki, Finland. The Group, an information system provider operating in Finland and neighbouring areas, bases its operations on long-term strategic partnership with customers, business area know-how, as well as productised solutions and services.

The Group's parent company is Sentera Plc. The parent company's domicile is Helsinki and its registered address Valimopolku 4, 00380 Helsinki, Finland. A copy of the consolidated financial statements is available at the Internet address [www.sentera.fi](http://www.sentera.fi) or at the parent company's headquarters.

The consolidated financial statements have been prepared in accordance with IFRS (International Reporting Standards). The figures are given as thousands of euros and based on the original acquisition costs unless otherwise stated in the accounting principles described below.

At the start of 2005, the Sentera Group adopted the international IFRS principles in financial reporting and applied the IFRS 1 transition standard in the migration to IFRS. The earlier financial statements have been prepared according to the Finnish Accounting Standards (FAS). The differences due to the adoption of IFRS are presented in the reconciliation of the notes to the financial statements, section 2, Transition to IFRS reporting. The comparison figures of 2004 have been converted to IFRS.

### Consolidated financial statements

The consolidated financial statement includes the parent company Sentera Plc and all subsidiaries in which the parent company directly or indirectly owns more than 50% of votes or otherwise has authority. The acquired subsidiaries are included in the financial statement using the acquisition cost method, according to which the funds and debts of the acquired company are valued at market price at the time of acquisition and the difference between the acquisition price and acquired equity is counted as goodwill. According to the relief available in IFRS 1, acquisitions that took place before the transition to IFRS have not been adjusted to follow the IFRS principles but have been left as they were based on the Finnish Accounting Standards.

The subsidiaries acquired during the financial year are included in the consolidated financial statements from the date they were acquired and those sold until the selling date. Intra-Group business transactions,

receivables, debts and unrealised margins and internal profit distribution have been eliminated in the consolidated financial statements.

### Turnover entered as income

The entry as income takes place when the proceeds can be reliably determined and it is likely that the economic benefit from the business transaction will benefit the company. Maintenance income is allocated to the entire agreement period, while service proceeds are entered after rendering the services. When calculating the turnover, the sales profit is adjusted with indirect taxes and discounts. Income from long-term projects is entered as income according to the level of completion when a project's result can be measured reliably. The level of completion is measured by comparing the share of realised costs to the project's estimated total costs.

### Research and development costs

Product development carried out by Sentera has typically consisted of operations that maintain the product portfolio. Therefore product development expenses are entered directly as expenses for the financial period in question. The product development expenses of significant new products and other innovations will be capitalised according to IFRS. At the time of preparing the financial statements, there are no active research and development costs in the Group's balance sheet.

### Income taxes

The taxes based on the Group companies' profit for the financial year, adjustments to the previous financial years' taxes and the changes in deferred taxes are entered in the taxes in the consolidated income statement. The deferred tax is entered using the tax base applicable on the date of the closing of accounts.

### Goodwill and other intangible assets

The goodwill generated by acquiring a company is created by the elimination difference between the acquisition cost and the acquired assets and liabilities, as specified, valued at market price. The goodwill value is allocated to those units generating cash flow that are expected to benefit from the combining of businesses. No regular amortisations are made from the goodwill. Instead, an annual depreciation test is performed on the goodwill.

Other intangible assets include software programs and licences and customer agreements. They are valued at their original acquisition price, minus the accumulated depreciation and possible value adjustment. The expected economic lifetime of intangible assets is 3–10 years.

### Fixed assets

Fixed assets consist of machinery, equipment and fixtures. Assets are valued in the balance sheet at their original acquisition price, minus the accumulated depreciation and possible value adjustment. Planned depreciation on the fixed assets is made based on their economic lifetime. The economic lifetime of fixed assets is 3–8 years.

### Value adjustment

The book values of asset items are continuously evaluated to detect any reduction in value. If reductions in value are detected, the amount of money that can be accumulated from the asset item is evaluated. In addition, the goodwill is tested annually.

The need for value adjustment is evaluated at the level of units generating cash flow, i.e., at the lowest level unit that is mainly independent of other units and whose cash flows can be separated from other cash flows. The value adjustment is the amount with which the book value of the asset item exceeds the amount of money accumulated from a corresponding asset item. The amount of the value adjustment is calculated by comparing the book value to the accumulated amount of money. If there is a positive change in the accumulated cash flow, the value adjustment losses of fixed assets and intangible assets excluding goodwill are cancelled. The value adjustment losses are only cancelled up to the value that the asset item would have had in accounting if no value adjustment had been entered. Value adjustment losses entered on goodwill are never cancelled.

### Leases

Fixed asset leases in which the Group has a considerable share of the risks and benefits characteristic of ownership are classified as financial lease agreements. An asset item acquired with a financial lease agreement is entered into the balance sheet at the beginning of the lease period at its market value or a lower value of the current minimum rent. On the asset item acquired with a financial lease agreement, depreciation is made during its economic lifetime or a shorter lease period. Rent paid is divided into financing expenses and loan amortisation during the lease period so that the remaining rent per financial year has the same interest rate. Rent obligations are included in debts with interest. Leases in which the risks and benefits characteristic of ownership belong to the lessor are handled as other leases. Rent paid on the basis of other leases is entered in equal shares under expenses in the income statement during the lease period.



### Sales and other receivables

Sales and other receivables are entered according to the original value. The number of bad debts is evaluated on the basis of the risk related to individual items. Credit losses are entered as costs in the income statement.

### Cash and cash equivalents

Cash and cash equivalents consist of money and bank receivables and other liquid investments whose maturity is less than three months.

### Own shares

When Sentera Plc purchases its own shares, the amount paid for them and the direct costs of acquisition are entered as a deduction of equity.

### Provisions

Provisions are entered when the Group as a result of an earlier event has a judicial or factual obligation, the liability to pay is likely to be realised and the amount of the obligation can be reliably estimated. The provisions are valued to cover the obligation at the current required costs. The provisions can be related to reorganising operations, unprofitable agreements, legal proceedings or tax risks.

### Valuation principles of inventories

Inventories are valued at their acquisition cost or at their replacement value or probable sales price, if this

is lower. The difference between the replacement value and capitalised acquisition cost is not essential. Inventories mainly consist of software licences.

### Personnel benefits

The pensions of the Group's personnel (including disability pensions) are based on the statutory TEL scheme. The pensions are insured by an insurance company, and they are classified as payment-based pension plans. Payments pertaining to payment-based plans are entered in the income statement for the periods that they apply to. The Group has applied the IFRS 2 standard on the share option arrangements where the share options have been granted after 7 November 2002 and to which no right has been accrued prior to 1 January 2005. The share options are valued at their current price at the time of issue and entered as an expense in the income statement during the vesting period.

### Interests and dividends

Interest income has been entered with the effective interest rate method and dividend income when the right for the dividend has been accrued.

### Principles of preparation requiring the consideration of management and main uncertainties relating to estimates

When preparing the financial statements, the company management had to make assumptions and estimates

about the future that affected the figures presented in the financial statements. The actual figures may differ from these estimates. The estimates are mostly related to property assessment, depreciation testing and income recognition.

## 2. Transition to IFRS reporting

At the start of 2005, the Sentera Group adopted the international IFRS principles in financial reporting and applied the IFRS 1 transition standard to the migration to IFRS. The earlier financial statements have been prepared according to the Finnish Accounting Standards (FAS). The transition date to IFRS was 1 January 2004. The comparison figures of 2004 have been converted to IFRS.

The adoption of the IFRS did not have an essential impact on Sentera's result and balance sheet of 2004. In 2004, the result for the financial year decreased by EUR 91 thousand and the shareholders' equity increased by EUR 33 thousand. The principal changes in the transition to IFRS-compliant reporting involve the handling of financial lease agreements, goodwill, share-based payments, monetary market instruments and Sentera's own shares owned by Sentera Plc.

Presented below are the effects of the adoption of IFRS on the Group's income statement and balance sheet, and reconciliation of shareholders' equity and profit for the financial year 2004.

Consolidated income statement 1 Jan – 31 Dec 2004 (FAS-IFRS transition)	FAS 2004	IFRS adjustment	IFRS 2004
<b>Turnover</b>	<b>22,495</b>		<b>22,495</b>
Other operating income	450		450
Materials and services	2,944		2,944
Personnel expenses	12,983	88	13,071
Depreciation, amortisation and write-downs	695	269	963
Other operating expenses	4,803	-267	4,536
<b>Operating profit (or loss)</b>	<b>1,521</b>	<b>-89</b>	<b>1,432</b>
Financial income and expenses	69	4	74
<b>Profit (loss) before taxes</b>	<b>1,590</b>	<b>-85</b>	<b>1,505</b>
Income taxes	526	6	532
<b>Net profit (loss) for the period</b>	<b>1,064</b>	<b>-91</b>	<b>973</b>

## Consolidated balance sheet 31 Dec 2004 (FAS-IFRS transition)

Assets	FAS 2004	IFRS adjustment	IFRS 2004
<b>Fixed assets</b>			
Intangible assets	332		332
Goodwill	2,848	-17	2,831
Tangible assets	209	255	463
Marketable securities	23		23
Other long-term receivables	132		132
<b>Short-term assets</b>			
Inventories	166		166
Deferred tax asset	798	2	800
Short-term receivables	4,435		4,435
Financial asset securities	6,315	79	6,394
<b>Total assets</b>	<b>15,258</b>	<b>318</b>	<b>15,576</b>
<b>Assets and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	603		603
Share premium account	5,899		5,899
Other reserves	1,984		1,984
Share-related payments	0	95	95
Accumulated profit	2,255	-62	2,193
<b>Total shareholders' equity</b>	<b>10,742</b>	<b>33</b>	<b>10,775</b>
<b>Long-term liabilities</b>			
Long-term liabilities	213	83	296
Deferred tax liability	14	23	37
<b>Short-term liabilities</b>			
Short-term liabilities	4,289	180	4,469
<b>Total assets and liabilities</b>	<b>15,258</b>	<b>318</b>	<b>15,576</b>
<b>Reconciliation of shareholders' equity</b>			
	<b>1 Jan 2004</b>	<b>31 Dec 2004</b>	
Shareholders' equity, FAS	9,283	10,742	
Goodwill amortisations	IAS 36 0	-17	
Eliminations of own shares	IAS 32 -169	0	
Computational taxes	IAS 12 -15	-21	
Financial instruments	IAS 39 61	79	
Financial lease	IAS 17 -10	-8	
Shareholders' equity, IFRS	9,149	10,775	
<b>Reconciliation of net profit for the period</b>			
Profit for the period, FAS 1 Jan - 31 Dec 2004	1,064		
Goodwill amortisations	IAS 36 -17		
Share-related payments	IFRS 2 -88		
Computational taxes	IAS 12 -6		
Financial instruments	IAS 39 18		
Financial lease	IAS 17 2		
Profit for the period, IFRS 1 Jan - 31 Dec 2004	973		

### 3. Information on segments

Sentera has one business segment. Geographically, the operations take place entirely in Finland.

### 4. Acquisitions and divestments of business operations

#### Acquired business operations in 2005

Sentera Plc acquired Tietonovo Group on 3 March 2005. The Tietonovo Group included four subsidiaries: Tietonovo Oy, Tietonovo Konsulttipalvelut Oy, Tietonovo Palkkapalvelut Oy and Tietonovo Yritysjärjestelmät Oy. Tietonovo Toiminnanohjausratkaisut was merged with Tietonovo Yritysratkaisut on 31 December 2004, and the merger was registered on 22 February 2005. Tietonovo is a provider of software and information technology services, concentrating on solutions for the food industry, transport, forwarding and public administration. The Group's turnover for 2004 was EUR 7.2 million and operating profit EUR 0.7 million. The Group employed 81 persons on 31 December 2004. The acquisition was carried out as a combined cash and share transaction. The cash price was EUR 4.4 million, and additionally the Tietonovo shareholders were offered at maximum 1,206,847 new Sentera shares for subscription. The value of the business operations transferred as a result of the share subscriptions was approximately EUR 4.1 million and the value of the transferred net cash reserves EUR 2.5 million. The goodwill is based on the good profitability of the acquired business operations and the good synergy benefits to be gained. Tietonovo Group's 9-month profit, EUR 0.6 million, is included in Sentera Group's 2005 income statement. Sentera Group's turnover in 2005 would have been EUR 28.2 million and net profit for the period EUR 2.8 million if Tietonovo Group had been included in the consolidated financial statement from the beginning of 2005.

Sentera Plc acquired the business operations of Key Partners Ltd on 9 November 2005. Key Partners Ltd is an information technology service company whose core competences consist of delivering customer-specific solutions, system integrations, project management and system and application architectures. The turnover of Key Partners Ltd between January–September 2005 was EUR 2.9 million and the operating profit EUR 0.8 million. The personnel transferred as old employees to the Sentera Group. The acquisition was carried out as a cash transaction of EUR 2.75 million. Loans and receivables were not transferred as a part of the acquisition. The goodwill is based on the good profitability of the acquired business operations and the good synergy benefits to be gained. The personnel and customer

relations of the acquired businesses were integrated into Sentera's functions immediately after acquisition, and the proportion of acquired operations in the Sentera Group's turnover and profit for the financial year cannot be reliably determined.

#### Acquired business operations in 2004

Sentera Oyj acquired Sysforte Oy's and Sysforte Systems Oy's entire share capital on 2 February 2004. The transaction was carried out as a combination of cash transaction and share trading. The cash consideration was EUR 2.0 million, and additionally Sysforte shareholders were offered in total 331,878 new Sentera shares for subscription.

#### Divested business operations in 2005

Sentera sold its EDI business (iCare) in the beginning of June 2005. The profit of the divestment was EUR 0.9

million and related non-recurring costs of the divestment were EUR 0.2 million.

On 8 July 2005, Sentera divested Tietonovo Palkkapalvelut Oy, which it acquired as part of the Tietonovo deal on 3 March 2005. The 2004 turnover of Tietonovo Palkkapalvelut Oy was EUR 0.7 million, representing 2.4% of Sentera's pro forma turnover in 2004. Nine employees were transferred as a result of the divestment. The divestment does not have an impact on the company's result.

On 1 October 2005, Sentera divested Tietonovo Yritysjärjestelmät Oy, which it acquired as part of the Tietonovo deal on 3 March 2005. The 2004 turnover of Tietonovo Yritysjärjestelmät Oy was EUR 0.7 million, representing 2.6% of Sentera's pro forma turnover in 2004 (excluding Microext Oy). Five employees were transferred as a result of the divestment. The divestment does not have an impact on the company's result.

#### Itemisation of the net property of the acquired subsidiaries and business operations 2005

	Tietonovo Group	Key Partners' business operations
Intangible assets	301	1,671
Fixed assets	270	24
Inventories	15	
Sales and other receivables	1,335	
Cash and cash equivalent	2,460	
Debts	-1,534	
<b>Net funds</b>	<b>2,847</b>	<b>1,695</b>
Acquisition cost	6,722	2,911
Goodwill	3,875	1,241
Price paid in cash	4,381	2,750
Cash and cash equivalent of the acquired subsidiaries and business operations	-2,460	0
<b>Total cash flow of the acquisitions</b>	<b>1,921</b>	<b>2,750</b>

#### Itemisation of the net property of the acquired subsidiaries and business operations 2004

	Total	Sysforte Systems Oy	Sysforte Oy
Intangible assets	17	15	2
Fixed assets	133	48	85
Investments	21	20	0
Sales and other receivables	540	428	111
Cash and cash equivalent	868	330	538
Debts	-774	-496	-278
<b>Net funds</b>	<b>805</b>	<b>346</b>	<b>459</b>
Acquisition cost	2,630	1,575	1,053
Goodwill	2,535	1,534	1,003
Price paid in cash	2,020	1,053	966
Cash and cash equivalent of the acquired subsidiaries and business operations	-868	-330	-538
<b>Total cash flow of the acquisitions</b>	<b>1,152</b>	<b>724</b>	<b>428</b>

### Itemisation of the net property of the divested subsidiaries and business operations 2005

	Tietonovo Yritysjärjestelmät Oy	Tietonovo Palkkapalvelut Oy	iCare business
Intangible assets	0	6	
Fixed assets	3	9	
Inventories	15	0	
Sales and other receivables	91	74	
Cash and cash equivalent	137	170	
Debts	-191	-115	
<b>Net funds</b>	<b>56</b>	<b>144</b>	<b>0</b>
Profits from assignments	8	384	900
<b>Total considerations</b>	<b>64</b>	<b>529</b>	<b>900</b>
Received as cash	221	529	1,114
Costs allocated to divestments	0	0	-19
Cash and cash equivalent of the assigned subsidiaries and business operations	-137	-170	0
<b>Total cash flow from assignments</b>	<b>84</b>	<b>359</b>	<b>1,095</b>

### Divested business operations in 2004

Sentera Plc sold on 16 December 2004 the network support service business of Microext Oy owned entirely by it to Elan IT Resource Oy. As a result of the transaction, all Microext Oy's employees were transferred to the new company as old employees. The transaction price was EUR 0.3 million, which was received entirely in cash. The amount of expenses related to the transaction was EUR 0.01 million. The result of the sold business in 2004 was as follows:

### Itemisation of the net property of the divested subsidiaries and business operations 2004

Microext Oy's business operations	
Profits	2,229
Expenses	-2,243
Profit before taxes	-15
Taxes	0
<b>Profit after taxes</b>	<b>-15</b>

## 5. Long-term projects

Income from long-term projects in progress was entered in the consolidated income statement to the amount of EUR 1,168 thousand on 31 December 2005.

## 6. Other operating income

	2005	2004
Income from leases	1	114
Income from divested business operations	900	310
Other income	22	26
<b>Total</b>	<b>923</b>	<b>450</b>

## 7. Material and services

	2005	2004
Purchases during financial year	2,355	1,347
Subcontracting	1,462	1,596
<b>Total</b>	<b>3,817</b>	<b>2,944</b>

## 8. Other operating expenses

	2005	2004
Leases	955	1,193
External services	813	622
Other expenses	3,247	2,721
<b>Total</b>	<b>5,014</b>	<b>4,536</b>

**9. Depreciation and reduction in value**

	2005	2004
Depreciation of intangible assets	313	111
Depreciation of tangible assets	390	471
Depreciation of consolidated goodwill	-8	382
<b>Total</b>	<b>696</b>	<b>963</b>

**10. Expenses from personnel benefits**

	2005	2004
<b>Expenses from personnel benefits</b>		
Wages and salaries	12,471	10,720
Pension payments, paid arrangements	2,093	1,720
Granted share options realised and paid as shares	64	88
Other personnel expenses	722	543
<b>Total</b>	<b>15,351</b>	<b>13,071</b>
<b>Average number of employees</b>		
Finland	256	230
<b>Management salaries, fees and benefits</b>		
CEO	195	177
Board members	60	27
<b>Total</b>	<b>255</b>	<b>204</b>

**Share options**

In 2005, company management was given 70,000 share options (2004: 0). The management share option rights are subject to the same terms as the options for the rest of the personnel. On 31 December 2005, the management had 103,404 options, of which 86,702 were exercisable (2004: 33,404, of which 8,351 exercisable). The company had no loan receivables from Group management on 31 December 2005 nor on 31 December 2004. The company had not issued any guarantees on behalf of Group management.

**11. Financial income and expenses**

	2005	2004
Interest income	233	130
Other financial income	21	0
Interest expenses	-21	-56
<b>Total</b>	<b>233</b>	<b>74</b>

**12. Income taxes**

	2005	2004
<b>Direct tax</b>		
Taxes for the financial year	417	404
Taxes for the previous financial years	0	0
Computational taxes	49	128
<b>Total</b>	<b>467</b>	<b>532</b>
<b>Reconciliation of tax base</b>		
Result before taxes	3,255	1,505
Deferred tax on the tax base of the parent company	846	437
Tax-free income	-1,408	-138
Non-deductible income	1,246	835
Tax losses not entered previously	486	197
Computational taxes	-703	-798
<b>Taxes in the income statement</b>	<b>467</b>	<b>532</b>

### 13. Earnings per share

	2005	2004
<b>Profit of the financial year</b>	<b>2,788</b>	<b>973</b>
Average number of shares, thousands		
– undiluted	12,974	12,042
– diluted	13,220	12,132
The effect of the share options on the diluted number of shares was on average 246 thousand shares in 2005.		
Undiluted earnings per share (EUR)	0.21	0.08
Earnings per share adjusted with dilution effect (EUR)	0.21	0.08

### 14. Goodwill and intangible assets

	Goodwill	Intangible assets
Acquisition cost 1 Jan	3,707	1,455
Increase	4,736	2,361
Decrease	-554	-152
<b>Acquisition cost 31 Dec 2005</b>	<b>7,889</b>	<b>3,665</b>
Accumulated depreciation 1 Jan	-876	-1,124
Depreciation during period	8	-313
<b>Accumulated depreciation 31 Dec 2005</b>	<b>-868</b>	<b>-1,437</b>
Book value 31 Dec 2005	7,021	2,228
Book value 31 Dec 2004	2,831	332

### 15. Tangible assets

Machinery and equipment	Machinery and equipment	Machinery and equipment, finance lease	Total
<b>Acquisition cost 1 Jan 2005</b>			
At the beginning of period	1,573	255	1,828
Increase	488	429	918
Decrease	-143	0	-143
<b>Acquisition cost 31 Dec 2005</b>	<b>1,918</b>	<b>684</b>	<b>2,602</b>
<b>Accumulated depreciation</b>			
At the beginning of period	-1,365		-1,365
Depreciation during period	-216	-175	-390
<b>Accumulated depreciation 31 Dec 2005</b>	<b>-1,580</b>	<b>-175</b>	<b>-1,755</b>
Book value 31 Dec 2005	338	510	848
Book value 31 Dec 2004	209	255	463

**16. Receivables (long-term)**

	2005	2004
Other long-term receivables The item Other long-term receivables comprises rent guarantees paid.	211	132
Deferred tax receivables and debts		
Deferred tax receivables from confirmed losses	759	798
Other items	223	2
<b>Total</b>	<b>982</b>	<b>800</b>
Deferred tax liability from appropriations	46	14
Other investments valuated at market price		23
<b>Total</b>	<b>46</b>	<b>37</b>

**17. Inventories**

	2005	2004
Other inventories	0	166
<b>Total inventories</b>	<b>0</b>	<b>166</b>

**18. Sales and other receivables**

	2005	2004
Sales receivables	4,800	3,558
Loan receivables	23	68
Other receivables	364	685
Accrued income	391	124
<b>Total short-term receivables</b>	<b>5,578</b>	<b>4,435</b>

**19. Cash and cash equivalent**

	2005	2004
Cash and bank receivables	788	1,817
Short-term money market investments	4,322	4,577
<b>Total</b>	<b>5,110</b>	<b>6,394</b>

**20. Financial risk management****Financial risks**

In the course of its regular business operations, the Sentera Group is exposed to ordinary finance-related risks. The objective of financial risk management is to minimise the negative impacts of changes in the financial markets on the Group's result. Risk management is concentrated at the finance department responsible for the Group's finances. The department reports to the company Board of Directors on a regular basis.

**Interest rate risk**

At the moment of closing the accounts, the Group had EUR 0.6 million of interest-bearing liabilities. Interest-bearing liabilities have fixed interest rates. The Group

may borrow either at fixed or variable interest rates in order to meet the objectives of its financing principles. The Group has investments in money market funds. The impact of interest rate changes on the Group's result is low and the Group has not conducted separate hedging operations during the period.

**Liquidity risk**

The management of liquid assets at the Group is conducted through centralised payment traffic and cash management. Excess cash assets are invested in a money market fund.

**Credit risk**

The Group has no significant exposures to credit risk since receivables are diversified across a wide customer

basis. The amount of credit losses recorded in the period was insignificant. Credit decisions in relation to sales receivables are monitored on a centralised basis by Group management.

## 21. Shareholders' equity

	Number of shares (thousands)	Share capital	Share premium account	Total
1 January 2004	11,842	592	8,664	9,256
Share issue	332	17	548	564
Transfer to another fund and profits of the previous period	-106	-5	-3,312	-3,318
Use of share options	0	0	1	1
31 December 2004	12,068	603	5,899	6,503
Share issue	1,207	60	2,100	2,160
Use of share options	1	2*)	1	3
<b>31 December 2005</b>	<b>13,276</b>	<b>666</b>	<b>8,000</b>	<b>8,666</b>

The maximum number of shares is 40,000,000 (2004: 40,000,000). The nominal value of the shares is EUR 0.05 per share, and the maximum share capital of the Group is EUR 2,000,000.00 (2004: 2,000,000.00). All issued shares are fully paid.

\*) Includes the subscription price of EUR 2,058 for 1,372 shares, of which EUR 1,989.40 was transferred to the share premium account on 4 January 2006 when the increase in the share capital was entered into the trade register.

## 22. Share-related payments

Share options granted after 7 November 2002 and to which no right has been accrued before 1 January 2005 have been recorded in the financial statements in accordance with IFRS 2 standard. Share options granted before 7 November 2002 have not been recorded as expenses in the financial statements. The Group has issued an option scheme on 18 June 2003 on the basis of which Sentera's personnel, CEO and members of the Board of Directors are to be given option rights.

Share option	Amount	Subscription price per share	Subscription period
Warrant A	155,880	1.50	1 June 2004 – 1 June 2008
Warrant B	155,880	1.78	1 June 2005 – 1 June 2008
Warrant C	155,880	2.53	1 June 2006 – 1 June 2008
Warrant D	155,880	1)	1 June 2007 – 1 June 2008
<b>Total</b>	<b>623,520</b>		

1) The subscription price with warrant D is the average price paid in public trading on the Helsinki Stock Exchange for Sentera shares during 1 October 2006–31 December 2006 adjusted with the volume of trading, and not lower than the higher of the following: the subscription price generated for warrant C as described above or EUR 2.25.

As a result of the subscriptions, the share capital of Sentera can rise by a maximum of EUR 31,176.00. Sentera's Board of Directors will decide on other procedures in the subscription of share options. Part of the people entitled to the subscription belong to the company's inner circle.



**23. Liabilities**

	2005	2004
<b>Long-term liabilities</b>		
Accounts payable	60	0
Other liabilities	67	213
Financial lease debts	302	83
<b>Total</b>	<b>429</b>	<b>296</b>
<b>Short-term liabilities</b>		
Accounts payable	1,312	602
Other liabilities	1,929	1,294
Accrued expenses and deferred income	2,865	2,478
Deferred tax liabilities	236	0
Instalments on long-term loans	213	95
<b>Total</b>	<b>6,556</b>	<b>4,469</b>

**24. Financial lease debts**

	2005	2004
<b>Financial lease debts – total amount of minimum leases</b>		
In less than a year	202	94
In 1 to 5 years	288	77
<b>Financial lease debts – present value of minimum leases</b>	<b>490</b>	<b>171</b>
<b>Financial lease debts – minimum leases at nominal value</b>		
In less than a year	212	95
In 1 to 5 years	302	83
Financial expenses accumulated in the future	-23	-7
<b>Total amount of financial leasing debts</b>	<b>490</b>	<b>171</b>

**25. Other leasing agreements**

	2005	2004
<b>Minimum leases paid by the Group for office space</b>		
Payable in less than a year	812	633
Payable in 1 to 5 years	72	600
<b>Total</b>	<b>885</b>	<b>1,233</b>

**26. Collateral and contingent liabilities**

	2005	2004
<b>Other collateral</b>		
Rent guarantees for office space	350	480

**27. Subsidiaries**

Company	Domicile	Country	Groups' holding %
Tietonovo Group	Helsinki	Finland	100
Tietonovo Konsulttipalvelut Oy	Helsinki	Finland	100
Tietonovo Oy	Helsinki	Finland	100
Microext Oy	Helsinki	Finland	100

**28. Developments after the period**

The business related to the technical maintenance and development of Silja Oy Ab's current booking system in Finland was transferred to Sentera Plc on 1 February 2006. In conjunction with the transaction, three employees were transferred to the Sentera Group as old employees.

## Financial indicators

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	IFRS 12 mth 31 Dec 2005	IFRS 12 mth 31 Dec 2004	FAS 15 mth 31 Dec 2003	FAS 12 mth 30 Sept 2002	FAS 12 mth 30 Sept 2001
Turnover	26,976	22,495	27,692	22,455	13,470
Turnover increase,%	19.9	-18.8	23.3	66.7	69.9
Operating profit	3,022	1,432	-1,349	753	8
% of turnover	11.2	6.4	-4.9	3.4	0.1
Profit before appropriations and taxes	3,255	1,505	-1,340	-343	-308
% of turnover	12.1	6.7	-4.8	-1.5	-2.3
Return on equity, %	21.7	9.8	-1.0	4.1	-3.4
Return on investment, %	24.3	14.8	-7.5	6.3	-2.8
Interest bearing liabilities / securities	582	571	259	540	202
Cash and cash equivalent	5,110	6,394	6,322	6,396	5,009
Net gearing, %	-29.9	-54.0	-64.5	-59.6	-57.9
Equity ratio, %	68.7	69.6	71.8	72.0	76.3
Gross investments in fixed assets	167	196	135	628	1,222
% of turnover	0.6	0.9	0.5	2.8	9.1
Research and development costs	1,232	1,484	2,001	1,568	1,034
% of turnover	4.6	6.6	7.2	7.0	7.7
Average personnel during financial year	256	230	234	265	128
Personnel at the end of financial year	265	187	238	263	179

### Key figures per share

	IFRS 12 mth 31 Dec 2005	IFRS 12 mth 31 Dec 2004	FAS 15 mth 31 Dec 2003	FAS 12 mth 30 Sept 2002	FAS 12 mth 30 Sept 2001
Profit/share, euro	0.21	0.08	-0.01	0.04	-0.04
Equity/share, euro	1.13	0.89	0.78	0.84	1.25
Dividend/share, euro	0.06*)	0.04	0.00	0.03	0.06
P/E	11.82	22.17	-10.47	33.38	-33.29
Share issue adjusted number of shares weighted average during financial year	12,974,060	12,041,571	11,736,156	11,736,156	6,335,341
Share issue adjusted number of shares at the end of financial year	13,275,996	12,068,480	11,736,156	11,736,156	6,634,253

\*) Board's proposal

## Calculation of key figures

### Return of equity (ROE) =

$$\frac{\text{profit before extraordinary items, provisions and taxes} - \text{taxes}}{\text{equity} + \text{provisions and depreciation difference} - \text{deferred tax liability} + \text{minority interest (average)}} \times 100$$

### Return on investment (ROI) =

$$\frac{\text{profit before extraordinary items, provisions and taxes} + \text{interest payable and other financial expenses}}{\text{balance sheet total} - \text{non-interest-bearing liabilities (average)}} \times 100$$

### Net gearing =

$$\frac{\text{interest bearing liabilities} - (\text{bonds and shares} + \text{cash and bank receivables})}{\text{equity} + \text{provisions and depreciation difference} - \text{deferred tax liability} + \text{minority interest}} \times 100$$

### Equity ratio =

$$\frac{\text{equity} + \text{provisions and depreciation difference} - \text{deferred tax liability}}{\text{balance sheet total} - \text{received advances}} \times 100$$

### Profit/share =

$$\frac{\text{profit before extraordinary items, provisions and taxes} - \text{taxes} +/- \text{minority interest}}{\text{share issue adjusted average number of shares}} \times 100$$

### Effective yield =

$$\frac{\text{share issue adjusted dividend/share}}{\text{latest share issue adjusted stock quotation on the date of the financial statement}} \times 100$$

### Equity/share =

$$\frac{\text{equity} + \text{provisions and depreciation difference} - \text{deferred tax liability} +/- \text{minority interest}}{\text{share issue adjusted number of shares on the date of the financial statement}} \times 100$$

## Shares and shareholders

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In Sentera Plc's share issue to the shareholders of Tietonovo Group Plc, a total of 1,206,830 Sentera shares were subscribed. The increase in the share capital, EUR 60,341.50, was entered into the trade register on 31 March 2005. Sentera's share capital was EUR 663,765.50 after the increase and the number of shares 13,275,310. The new shares have been subject to trading along with the old ones on the NM list of the Helsinki Stock Exchange as of 1 April 2005. The share trade between the shareholders of Sentera and Tietonovo Group Plc and the related subscription of new Sentera shares has been communicated in stock exchange releases published on 3 March 2005 and 22 March 2005.

On 11 April 2005, Oy Etra Ab informed that its holding of Sentera Plc's shares and votes increased over 1/20 (or 5%), and is after the share sale 1,062,025 shares, which corresponds to 8.0% of Sentera Plc's total share capital and number of votes. On 1 June 2005, Oy Etra Ab informed that its holding of Sentera Plc's shares and votes increased over 1/10 (or 10%), and is after the share sale 1,375,183 shares, which corresponds to 10.36% of Sentera Plc's total share capital and number of votes.

On the basis of the authorisation granted by the Annual General Meeting on 23 March 2005, Sentera's Board of Directors agreed on starting a share repurchase programme on 1 September 2005. At the end of the financial year, Sentera owned 139,000 of its own shares, which is 1.05% of Sentera's total share capital.

At the end of the financial year 2005, Sentera Plc's share capital, EUR 665,857.80, was divided into 13,275,996 shares.

### Share trading and price development

Sentera Plc's shares are quoted on the NM list of the Helsinki Stock Exchange. The lowest trading price during the financial year 2005 was EUR 1.70 and the highest EUR 2.78. A total of 3,149,219 shares of Sentera Plc were exchanged on the NM list during the financial year, equalling 24.3% of the company's shares. The market value of Sentera Plc's share capital at the end of financial year 2005 totalled EUR 33.7 million.

### Sales restrictions concerning the holdings of Sentera's main owners

The main owners of Sentera's predecessors Solagem and Iocore, who owned a total of 60.2% of the company when Sentera was established in July 2003, agreed in the shareholder contract drafted in connection with the merger on a restriction concerning the sales of the shares they own.

The first lot of shares (10% of Iocore's shares owned by the founding partners of Solagem and 20% of Iocore's shares owned by other investors) was released of the

restriction on 1 July 2004, the second lot (20% and 30% of the original ownership by the above-mentioned parties at the time the contract was signed) was released on 1 July 2005 and the rest will be released on 1 July 2006.

### Management ownership

On 31 December 2005, the CEO's shareholding totalled 1,261,676 shares, or 9.50% of the total number of shares and votes.

On 31 December 2005, the management team's shareholding totalled 2,193,906 shares, or 16.53% of the total number of shares and votes. The management team's share option holdings totalled 91,828 share options on 31 December 2005.

On 31 December 2005, the Board's shareholding totalled 1,236,191 shares, or 9.31% of the total number of shares and votes. The Board's share option holdings totalled 9,980 share options on 31 December 2005.

### Board authorisations

The Annual General Meeting of 23 March 2005 decided to adopt the Board's proposals in the meeting invitation of 3 March 2005 on authorising the Board of Directors to decide on the increase of the share capital, acquisition of the company's own shares and transfer of the shares until 23 March 2006.

On the basis of the authorisation granted by the Annual General Meeting, Sentera's Board agreed on starting a share repurchase programme on 1 September 2005. At the end of the financial year, Sentera owned 139,000 of its own shares, which is 1.05% of Sentera's total share capital.

### Share option programme

The company follows the option programme 2003 approved by the Extraordinary General Meeting held on 18 June 2003. The programme grants share options

to the personnel of the Sentera Group, Board members and managing directors of Group companies, as well as to employees of Sentera Plc's fully owned subsidiaries. The option programmes enable the granting of 623,520 share options, each of which entitles the holder to subscribe for one Sentera Plc share.

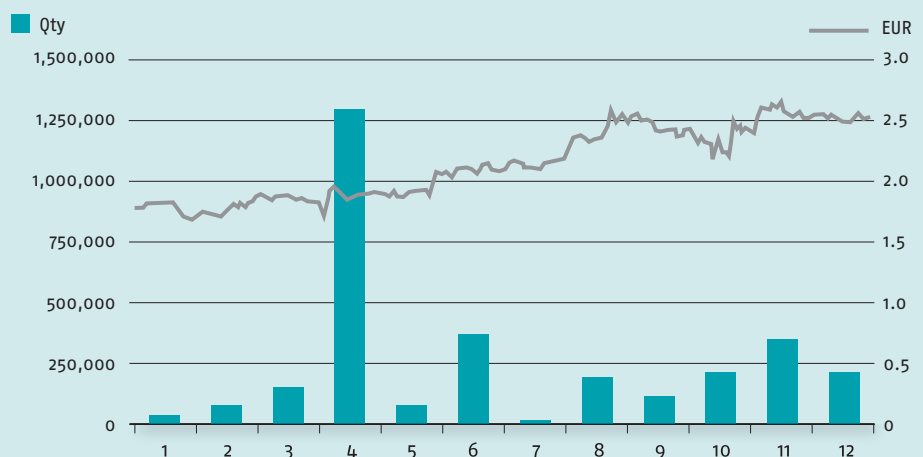
Sentera's share option programme of year 2003 is comprised of four (4) share option series. The option programmes of series A, B, C and D are comprised in total of 623,520 share options, each of which entitles the holder to subscribe for one (1) Sentera Plc share, totalising 623,520 shares. The conditions of the share option programme in their entirety are available in Sentera's stock exchange release of 27 May 2003 and on the company's website at [www.sentera.fi](http://www.sentera.fi).

Sentera's A share options for 2003 became subject to trading on the NM list of the Helsinki Stock Exchange on 1 June 2004. There are a total of 155,880 A share options. Each share option entitles its holder to subscribe for one (1) Sentera share. Therefore, a maximum of 155,880 shares can be subscribed for with the A share options. The subscription price of a share with the A share options is EUR 1.50 per share, and the subscription period with the A share options ends on 1 June 2008.

Sentera's B share options for 2003 became subject to trading on the NM list of the Helsinki Stock Exchange on 1 June 2005. There are a total of 155,880 B share options. Each share option entitles its holder to subscribe for one (1) Sentera share. Therefore, a maximum of 155,880 shares can be subscribed for with the B share options. The subscription price of a share with the B share options is EUR 1.78 per share, and the subscription period with the B share options ends on 1 June 2008.

The subscription period of shares based on share options granted in Option Programme I 2001–2005 expired on 31 May 2005. During 2005, a total of 686 shares were subscribed for with the A share options.

Sentera's share trading volume and price development in 2005



## Share capital and shareholders 31 December 2005

Shareholders by sector	Holdings	%	Number of shares	%
Companies	87	7.2	5,920,173	44.6
Financial and insurance institutions	5	0.4	10,458	0.1
Non-profit organisations	6	0.5	146,200	1.1
Households	1,098	91.0	6,868,718	51.7
Foreign	7	0.6	216,650	1.6
Nominee-registered	3	0.3	113,797	0.9
<b>Total</b>	<b>1,206</b>	<b>100.0</b>	<b>13,275,966</b>	<b>100.0</b>

## Distribution of shares in order of magnitude

Number of shares	Holdings	%	Number of shares	%
1-50	41	3.4	1,354	0.0
51-100	358	29.7	35,696	0.3
101-500	285	23.6	88,124	0.7
501-1,000	159	13.2	141,193	1.1
1,001-5,000	253	21.0	610,305	4.6
5,001-10,000	55	4.6	396,767	3.0
10,001-50,000	34	2.8	739,832	5.6
50,001-100,000	7	0.6	439,357	3.3
100,001-500,000	6	0.5	1,000,766	7.5
500,001 - 1,000,000	4	0.3	3,375,407	25.4
1,000,001-	4	0.3	6,447,195	48.6
<b>Total</b>	<b>1,206</b>	<b>100.0</b>	<b>13,275,966</b>	<b>100.0</b>

## Major shareholders

Name	Shares	%
Finnventure Rahasto V Et Ky	1,905,168	14.4
Finnventure Rahasto V Ky	1,905,168	14.4
Etra Oy Ab	1,375,183	10.4
Toivanen Markku	1,261,676	9.5
Kohonen Jorma	958,496	7.2
Pärssinen Ilkka	958,496	7.2
Hakonen Asko	766,797	5.8
Backlund Rolf	691,618	5.2
Katajamäki Kari	231,366	1.7
Vandekeybus Jan	204,220	1.5
Finnventure Rahasto Iv Ky	187,475	1.4
Sentera Oyj	139,000	1.0
Ingman Finance Oy Ab	125,000	0.9
Mykkänen Markku	113,705	0.9
Sijoitusrahasto Eq Nexus	98,300	0.7
Leimark Invest Oy Ab	75,000	0.6
Strömberg Björn	60,954	0.5
Svenska Handelsbanken Ab (Publ), Filialverksamheten i Finland	52,300	0.4
Mattila Liisa	51,300	0.4
Korpela Mikko	51,266	0.4
Others	2,063,508	15.5
<b>Total</b>	<b>13,275,966</b>	<b>100.0</b>

## Parent company's income statement

	Notes	Financial year 2005	Financial year 2004
<b>Turnover</b>	1	<b>12,917</b>	<b>4,274</b>
Other operating income	2	2,669	123
Materials and services		2,309	0
Expenses from personnel benefits	3	7,467	1,092
Depreciation, amortisation and write-downs	4	365	32
Other operating expenses		3,823	2,700
<b>Operating profit (or loss)</b>		<b>1,622</b>	<b>573</b>
Financial income and expenses	5	96	1,409
Extraordinary items	19	0	-750
<b>Profit (loss) before taxes</b>		<b>1,718</b>	<b>1,233</b>
Appropriations	6	20	1
Income taxes	7	5	12
<b>Net profit (loss) for the period</b>		<b>1,744</b>	<b>1,246</b>

## Parent company's balance sheet

	Notes	31 Dec 2005	31 Dec 2004
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	9	1,756	0
Goodwill	9	2,722	0
Tangible assets	9	172	12
Investments		16	0
Participations in Group companies	10	6,740	7,402
<b>Total fixed assets</b>		<b>11,406</b>	<b>7,414</b>
<b>Current assets</b>			
Long-term receivables	12	209	132
Deferred tax asset	12	0	798
Short-term receivables	12	5,669	4,237
Financial asset securities	13	4,190	4,498
Cash and bank receivables		443	711
<b>Total current assets</b>		<b>10,511</b>	<b>10,376</b>
<b>Total assets</b>		<b>21,918</b>	<b>17,790</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	14	666	603
Share premium account	14	8,000	5,899
Other reserves	14	1,984	1,984
Net profit (loss) for previous periods	14	412	0
Net profit (loss) for the period	14	1,744	1,246
<b>Total shareholders' equity</b>		<b>12,806</b>	<b>9,733</b>
Accumulated appropriations		15	1
<b>Liabilities</b>			
Long-term liabilities	16	141	132
Short-term liabilities	17	8,956	7,925
<b>Total liabilities</b>		<b>9,097</b>	<b>8,057</b>
<b>Total shareholders' equity and liabilities</b>		<b>21,918</b>	<b>17,790</b>

## Parent company's cash flow statement

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	Financial year 2005	Financial year 2004
<b>Cash flow from operations</b>		
Operating profit	1,622	573
Adjustments to operating profit	531	32
Changes in working capital	1,245	4,266
Interests paid	-75	-12
Interests received	170	43
Dividends received	2	1,400
Taxes paid	-23	166
<b>Cash flow from operations</b>	<b>3,471</b>	<b>6,468</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-2,483	-35
Assignment income from tangible and intangible assets	911	42
Investments in other assets	-16	0
Repayment of loans receivable	-77	1
Subsidiaries acquired	-1,929	-2,058
Subsidiaries divested	443	0
<b>Cash flow from investments</b>	<b>-3,151</b>	<b>-2,050</b>
<b>Cash flow from financial operations</b>		
Share issue	3	1
Share buy-back	-351	0
Repayment of long-term loans	-65	0
Dividends paid	-483	0
<b>Cash flow from financial operations</b>	<b>-896</b>	<b>1</b>
<b>Change in cash and cash equivalent</b>	<b>-576</b>	<b>4,419</b>
Cash and cash equivalent as of 1 Jan	5,209	790
Cash and cash equivalent as of 31 Dec	4,634	5,209



# Notes to the parent company's financial statement 31 December 2005

The Sentera Plc financial statement has been prepared according to the Finnish Accounting Standards (FAS).

## Sales entered as income

Turnover has been calculated by subtracting issued discounts and indirect sales taxes from sales profit. Sales profit is entered as profit at the time of goods or service delivery. Customer projects with a fixed price are recorded in phases as project milestones are met.

## Intangible and tangible assets

Intangible assets consist of software programs and goodwill. They are entered at the original acquisition price, minus the planned depreciation. The economic lifetime of intangible assets is 3–10 years. Tangible assets are entered at the original acquisition price, minus the planned depreciation. The economic lifetime of tangible assets is 4–8 years.

## Valuation principles for inventories

Inventories are valued at their acquisition cost or their replacement value or probable sales price if this is lower. Inventories mainly consist of software licences.

## Appropriations, deferred tax liabilities and assets

The accumulated appropriations consist of the accumulated depreciation difference, and they are divided into shareholders' equity and deferred tax liabilities. In the consolidated financial statement, the taxes calculated for the financial year have been separated from the changes in the depreciation of fixed assets entered in the income statements of Group companies. Deferred tax asset has been calculated on the reduction in the value of securities resulting from periodisation and on the write-downs of foreign subsidiaries in the parent company's balance sheet.

## Own shares

The company's own shares are entered in retained earnings under shareholders' equity in the balance sheet. The company's own shares are valued at the acquisition cost or their market value on the financial statement date if this is lower. When calculating the key figures, the shares have been eliminated from the shareholders' equity and from the number of shares. At the end of the financial year, the parent company had 139,000 of its own shares.

## Securities

Securities are entered at their acquisition cost or at a lower market price.

## Retirement plans

The pension schemes of the Group's Finnish employees are administered by an external pension insurance company.

## NOTES TO THE INCOME STATEMENT

### 1. Turnover

Turnover has been calculated by subtracting issued discounts and indirect sales taxes from sales profit. Sales profit is entered as profit at the time of goods or service delivery. Customer projects with a fixed price are recorded in phases as project milestones are met.

	2005	2004
<b>Distribution of turnover</b>		
Licences	2,750	0
Services	9,042	4,274
Equipment	1,032	0
Other turnover	93	0
<b>Total</b>	<b>12,917</b>	<b>4,274</b>

### 2. Other operating income

	2005	2004
Income from leases	1	106
Received allowances	10	0
Administrative services	1,757	2
Other operating income	1	0
Sales profit from business operations	900	0
Sales profit from fixed assets	0	16
<b>Total</b>	<b>2,669</b>	<b>123</b>

**3. Expenses from personnel benefits**

	2005	2004
Wages and salaries	6,040	879
Pension expenses	1,073	177
Other indirect personnel expenses	354	37
<b>Total</b>	<b>7,467</b>	<b>1,092</b>
Salaries and fees paid to the management that are included in the above figures:		
CEO	195	177
Board members	60	27
<b>Total</b>	<b>255</b>	<b>204</b>
Average number of employees	203	13

**4. Depreciation and reduction in value**

	2005	2004
Depreciation on intangible assets	65	0
Depreciation on tangible assets	45	32
Depreciation on consolidated goodwill	254	0
<b>Total</b>	<b>365</b>	<b>32</b>

**5. Financial income and expenses**

	2005	2004
Dividend income	2	1,400
Other interest and financial income	170	51
Interest and other financial expenses	-75	-41
<b>Total</b>	<b>96</b>	<b>1,409</b>

**6. Appropriations**

	2005	2004
Difference between planned depreciation and depreciation used in taxation increase – decrease +	-20	1

**7. Income taxes**

	2005	2004
Change in deferred tax liability/asset	5	-13

NOTES TO THE BALANCE SHEET

**8. Financial asset securities**

The financial asset securities mainly consist of publicly traded mutual fund units.

	2005	2004
<b>Mutual fund units</b>		
<b>Interest funds</b>		
Replacement value	4,190	4,577
Net book value	4,190	4,498
<b>Difference</b>	<b>0</b>	<b>79</b>

**9. Intangible and tangible assets**

	Computer software	Other intangible rights	Goodwill	Machinery and equipment
At the beginning of period 1 Jan 2005	0	0	0	167
Increase during period	177	1,643	2,927	207
Decrease during period	0	0	0	0
<b>Acquisition cost 31 Dec</b>	<b>177</b>	<b>1,643</b>	<b>2,927</b>	<b>375</b>
<b>Accumulated depreciation</b>				
At the beginning of period	0	0	0	-155
Depreciation during period	-64	0	-205	-47
<b>Accumulated depreciation 31 Dec</b>	<b>-64</b>	<b>0</b>	<b>-205</b>	<b>-203</b>
Balance sheet value 31 Dec 2005	114	1,643	2,722	172
Total intangible rights 31 Dec 2005	1,756			
Total tangible rights 31 Dec 2005	172			

	Machinery and equipment
At the beginning of period 1 Jan 2004	175
Increase during period	66
Decrease during period	-73
<b>Acquisition cost 31 Dec</b>	<b>167</b>
<b>Accumulated depreciation</b>	
At the beginning of period	-123
Depreciation during period	-32
<b>Accumulated depreciation 31 Dec</b>	<b>-155</b>
Balance sheet value 31 Dec 2004	12

**10. Other long-term investments**

	2005	2004
<b>Participations in Group companies</b>		
Acquisition cost 1 Jan	7,402	5,660
Increase during period	6,740	5,343
Decrease during period	-7,402	-3,601
<b>Acquisition cost 31 Dec</b>	<b>6,740</b>	<b>7,402</b>

## 11. Subsidiary shares

Company	Domicile	Country	Parent company's holding, %
Tietonovo-yhtiöt Oy	Helsinki	Finland	100
Tietonovo Konsulttipalvelut Oy	Helsinki	Finland	100
Tietonovo Oy	Helsinki	Finland	100
Microext Oy	Helsinki	Finland	100

## 12. Receivables

	2005	2004
<b>Long-term receivables</b>		
Other receivables	209	132
Deferred tax asset from confirmed losses	0	798
<b>Total</b>	<b>209</b>	<b>930</b>

The item Other receivables comprises EUR 208,620 of rent guarantees paid.

### Short-term receivables

Sales receivables	4,007	21
Receivables from Group companies	294	4,169
Loan receivables	23	0
Other receivables	1,123	4
Accrued income	223	43
<b>Total</b>	<b>5,669</b>	<b>4,237</b>

## 13. Financial asset securities

	2005	2004
	4,190	4,498

## 14. Shareholders' equity

	2005	2004
Share capital 1 Jan	603	592
Decrease during period	0	-5
Increase during period	62	17
<b>Share capital 31 Dec</b>	<b>666</b>	<b>603</b>
Share premium account 1 Jan	5,899	8,664
Increase during period	2,101	554
Transfer to unrestricted shareholders' equity	0	-1,334
Transferred to other reserves	0	-1,984
<b>Share premium account 31 Dec</b>	<b>8,000</b>	<b>5,899</b>
Reserve for own shares 1 Jan	0	169
Increase/change in value	0	-169
<b>Reserve for own shares 31 Dec</b>	<b>0</b>	<b>0</b>
Other reserves 1 Jan	1,984	0
Increase	0	1,984
<b>Other reserves 31 Dec</b>	<b>1,984</b>	<b>1,984</b>
Retained earnings 1 Jan	1,246	-1,334
Distribution of dividends	-483	0
Own shares purchased/sold	-351	0
Transfer from share premium account	0	1,334
Profit (loss) for the period	1,744	1,246
<b>Accumulated profit 31 Dec</b>	<b>2,156</b>	<b>1,246</b>
<b>Total shareholders' equity</b>	<b>12,806</b>	<b>9,733</b>

**15. Calculation of distributable funds**

	2005	2004
Retained earnings	1,246	0
Profit for the period	1,744	1,246
Distribution of dividends	-483	0
Paid for own shares	-351	0
<b>Distributable funds 31 Dec</b>	<b>2,156</b>	<b>1,246</b>

**16. Long-term liabilities**

	2005	2004
Long-term received advances	0	132
Long-term accounts payable	60	0
Liabilities to Group companies	13	0
Other liabilities	67	0
<b>Total</b>	<b>141</b>	<b>132</b>

**17. Short-term liabilities**

	2005	2004
Accounts payable	1,260	98
Liabilities to Group companies	3,718	7,393
Received advances	177	0
Other liabilities	1,411	251
Accrued charges and deferred credits	2,390	183
<b>Total</b>	<b>8,956</b>	<b>7,925</b>

**18. Pledges, collateral and other contingent liabilities**

	2005	2004
<b>Other collateral</b>		
Rent guarantees	350	480
<b>Leasing agreements</b>		
Leasing liabilities		
Payable during the following financial year	181	99
Payable later	238	79
<b>Total</b>	<b>418</b>	<b>178</b>

Leasing agreements conform to generally used leasing terms. There is no redemption right at the end of the agreement period.

**Other contingent liabilities**

Rent liabilities		
Payable during the following financial year	812	633
Payable later	72	600
<b>Total</b>	<b>885</b>	<b>1,233</b>

**19. Extraordinary items**

	2005	2004
Merger loss	0	-750

## The Board of Directors' dividend distribution proposal

The Board of Directors of Sentera propose to the Annual General Meeting on 29 March 2006 that EUR 0.06 per share be paid as dividend for 2005. The expected dividend on the publication day of the financial review 2005 is EUR 788,302.08, or 28.3% of profits. The dividend is to be paid to a shareholder who, on the matching date, 3 April 2006, is registered on the list of Sentera Plc shareholders maintained by the Finnish Central Securities Depository. The Board proposes to the Annual General Meeting that dividend will be paid 10 April 2006.

Helsinki, 28 February 2006

Sentera Plc's Board of Directors

Timo Tiihonen, Chairman	Kari Katajamäki
Vesa-Pekka Silaskivi, Vice-Chairman	Ilkka Pärssinen
Markku Toivanen, CEO	

## Auditor's report

### To the shareholders of Sentera Plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Sentera Plc for the period 1 Jan–31 Dec 2005. The Board of Directors and the CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence

supporting the amounts and disclosures in the report and 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 the administration is to examine whether the members of the Board of Directors and the CEO of the parent company have complied with the rules of the Companies Act.

### Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

### Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the

Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki, 1 March 2006

Ernst & Young Oy	Kunto Pekkala
Authorised Public Accounting Firm	Authorised Public Accountant

## Board of Directors



Sentera's Board of Directors from left: Timo Tiihonen, Ilkka Pärssinen, Vesa-Pekka Silaskivi and Kari Katajamäki. On the right, Sentera's CEO Markku Toivanen.

### **Timo Tiihonen, b. 1948**

- Chairman of the Board
- M.Sc. (Tech.), M.Sc (Econ.)
- Member since 2000
- 41,329 shares
- 3,072 share options
- Other elected posts and duties, member of the Board of Directors at: Flander Oy, Tieturi Oy, Infocare ASA, Boardman Oy, Fennia Consulting Oy, Suomen Urheilu-televisio, Pyroll Group Oy
- Independent

### **Ilkka Pärssinen, b. 1960**

- System architect
- Undergraduate of Technology
- Member since 2003
- Employed by the company since 1990
- 958,496 shares
- No share options

### **Vesa-Pekka Silaskivi, b. 1966**

- Vice Chairman of the Board
- Ph.D. (Jur.)
- Member since 2004
- 5,000 shares
- No share options
- Other elected posts and duties, member of the Board of Directors at: Nanso Oy, Onni and Helmi Karttunen Foundation
- Independent

### **Kari Katajamäki, b. 1951**

- M.Sc. (Econ.)
- Member since 2000
- Company CEO in 2001–2003
- 231,366 shares
- 8,504 share options
- Other elected posts and duties, member of the Board of Directors at: Basewell Oy (Advisory Board member)

### **Markku Toivanen, b. 1953**

- CEO (until 31 March 2006)
- B.Sc.
- Employed by the company since 1989
- 1,261,676 shares
- No share options

## Management team

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**Juha Sihvonen, b. 1968**

- COO (CEO as of 1 April 2006)
- Diploma Business IT
- Employed by the company since 2000
- 50,237 shares
- 28,044 share options



**Asko Hakonen, b. 1961**

- Director, Finance and services
- Dipl. in BA and marketing
- Employed by the company since 1989
- 766,797 shares
- 10,000 share options



**Mikko Korpela, b. 1972**

- Director, Value chain of trade
- Secondary school graduate
- Employed by the company since 2000
- 51,266 shares
- 10,000 share options



**Petteri Mussalo, b. 1962**

- CFO, Finance and administration
- Undergraduate of Economics
- Employed by the company since 1999
- 25,816 shares
- 15,452 share options



**Roy Nurmi, b. 1969**

- Director, Industry and wholesale
- M.Sc. (Tech.)
- Employed by the company since 1997
- 38,114 shares
- 18,332 share options



**Risto Saarni, b. 1967**

- Director, Business development
- Licentiate in Technology
- Employed by the company since 2005
- No shares
- 10,000 share options



# Corporate governance

## Principles

Sentera aims at transparent communications about the company's governance and steering systems and follows recommended good governance and steering practices applied to the company's situation. These practices will be notified in accordance with valid legislation and Articles of Association, as well as the Corporate Governance recommendations made by OMX Plc, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. The Corporate Governance guidelines will be updated as needed, and the updated version will be published without delay on the company's web site.

## General meeting

The Annual General Meeting (AGM) is the Group's highest decision-making body, and it convenes once a year. The AGM is held on a date decided by the Board of Directors, by the end of June, within six months of the end of the financial year.

The AGM is held in the company's domicile, Helsinki. An Extraordinary General Meeting can be summoned, if needed. In 2006, the AGM will be held on 29 March 2006 in Helsinki. The duties of the General Meeting are defined in the Finnish Companies Act.

## Board of Directors

The duties of the Board of Directors are specified in the Finnish Companies Act. Pursuant to the Articles of Association, Sentera's Board comprises a minimum of five (5) and a maximum of nine (9) regular members. The Board members are elected and confirmed each year at the AGM. In 2005, the AGM decided that the Board comprises of five (5) members. The AGM elected the following persons to act as members of the Board of Directors: Timo Tiihonen, Kari Katajamäki, Ilkka Pärssinen, Vesa-Pekka Silaskivi and Rolf Backlund. After the AGM, the Board held an organisational meeting during which they selected Timo Tiihonen to act as the Chairman of the Board and Vesa-Pekka Silaskivi to act as the Vice Chairman of the Board. Rolf Backlund resigned from the Board of Directors on 13 August 2005 on his own request. The reason for the resignation was possible conflict of interests with EmCe Solution Partner Oy. In connection with the purchase that took place on 8 August 2005,

Rolf Backlund acquired 62% of the share capital of EmCe Solution Partner Oy. Rolf Backlund started as the Chairman of the Board of EmCe Solution Partner Oy as of 23 August 2005.

In compliance with the Articles of Association, the Board elects the Chairman and Vice Chairman among its members for one year at a time. The Board has a quorum when more than half of its members are present. Issues are decided by a simple majority of votes. In the case of parity of votes, the Chairman's vote is decisive.

Issues that are significant for the Sentera Group and affect its long-term goals are discussed by the Board of Directors. Such issues include the appointment of the CEO, the Group's strategic goals, budget and strategies and the control of their implementation, corporate structure, company acquisitions, major investments, as well as personnel and incentive policies.

The Board of Directors shall ensure that the company's accounting and financial administration are appropriately monitored. The Board also prepares the items on the agenda of the General Meeting, summons the General Meeting and ensures that its decisions are implemented.

The AGM decided that the Board of Directors will be paid following fees: the Chairman will be paid 1,500 euros and the members will be paid 1,000 euros monthly. In addition, all members will be paid 200 euros for every meeting attended. A board member that is employed by Sentera Group will not be paid. The AGM also decided that a member of the board may be paid 1,000 euros per day for work that is designated by the Board, such as committee work.

In 2005, the Sentera's Board convened 27 times. Attendance averaged 98%. On 31 December 2005, the Board owned a total of 1,236,191 or 9.31% of the total number of shares and votes. On 31 December 2005, the Board had a total of 9,980 option rights. The share and option right ownerships per person are displayed on page 47.

## Shareholder contract concerning the election of the Board of Directors

The main owners of Sentera's predecessors Solagem and Iocore, who owned a total of 60.2% of the company when Sentera was established in July 2003, agreed in

the shareholder contract drafted in connection with the merger that the parties undertake to act in Sentera's general meetings in a way that one or two persons proposed by the funds managed by CapMan (depending on the share of ownership of these at a given time) would be elected to Sentera's Board of Directors. The shareholder contract also states that it is the intention of the parties that an outside member independent of the shareholders should be elected Chairman of the Board.

## Board committees

Sentera Plc's Board of Directors consists of five (5) regular members. If the efficient management of duties so require, the Board may set up committees, which main tasks and principles of operations are recorded in the rules of procedure. The committees shall provide the Board with regular reports on their work. During 2005, the Board set up a naming committee which comprises of the Chairman and the Vice-Chairman. The committee's tasks include, for example, the preparation of the appointments of board members and the operative management. During 2006, the naming committee has convened five times. The attendance has been 100%.

If required, Sentera will disclose the composition, number of meetings and attendance percentage of committees set up during the financial year.

## CEO

Sentera Plc's Board of Directors appoints the company's CEO. The Board determines the conditions of employment that will be defined in writing in the CEO contract.

The CEO prepares the issues discussed in Board meetings and undertakes the implementation of the Sentera Group's goals, plans, policies and objectives set by the Board. Markku Toivanen was appointed the CEO of Sentera Plc as of 1 August 2003 (until 31 March 2006). CEO's retirement age is 65 years. The notice period for the termination of employment is six (6) months.

The CEO's tasks include managing and developing the company's business according to the Companies Act and the guidelines and regulations set by the Board. The CEO shall ensure that the company's accounting complies with legislation and that the financial administration is reliably organised.

The CEO reports to the Board on the implementation of strategic goals, the budget and strategies, as well as on issues related to the corporate structure, company acquisitions, major investments and the personnel and incentive policies.

On 31 December 2005, the CEO owned a total of 1,261,676 shares, 9.50% of the total number of shares and votes.

Juha Sihvonon was appointed the CEO of Sentera Plc as of 1 April 2006.

### Other management

Sentera's business is operatively divided into business and competence units. The management group assists the CEO, monitors strategy implementation and develops the company's business. Unit directors report to the CEO. The management team has no authority based on company law and/or the Articles of Association.

On 31 December 2005, the management group owned a total of 2,193,906 shares, 16.53% of the total number of shares and votes.. On 31 December 2005, the management group had a total of 91,828 option rights.

### Compensation

Compensations, wages and other benefits paid to Board members during the financial year 2005 totalled EUR 60,000. Compensations, wages and other benefits paid to the CEO during the financial year 2005 totalled EUR 195,000.

### Internal control and risk management

Sentera uses reporting systems to continuously monitor business operations and implement risk management. The Board of Directors, CEO and management group shall identify risks and take them into account in operations. Appropriate insurances have been taken out against business operation damages.

### Internal and external auditing

Sentera's external auditing is organized as part of the normal work of auditors. The company's internal auditing is carried out both within the controller function and financial administration. The directors of business units provide monthly reports to the CEO, after which the Board of Directors inspects the Group's financial report drafted by the CEO and financial administra-

tion. CEO, controller and the entire management team are responsible for monitoring the company's business operations.

### Insiders

Sentera complies with the Guidelines for Insiders published by the Helsinki Stock Exchange. Statutory insiders include the company's Board members, CEO and auditor. Sentera has also defined as permanent insiders such employees (management team, director of corporate communications and PA's to the management team) whose duties provide them with regular access to information that has a considerable impact on the value of the company's securities. Permanent insiders are bound by the same restrictions on trading and duty to declare as the company's statutory insiders. The company maintains its register on insiders in the SIRE system of the Finnish Central Securities Depository Ltd. Trading register of the statutory and permanent insiders are published on Sentera's web site starting on 1 April 2006. In addition to statutory insiders, Sentera's insiders include individuals that participate in fixed-term projects. The CFO is responsible for compliance with insider guidelines and the monitoring of the duty to declare.

### Auditing

Statutory auditing corroborates that the financial statements for the previous financial year provide accurate and adequate information about the company's profit/loss and financial standing. Sentera's financial year is one calendar year. The auditor's term of office is the company's financial year. Sentera's auditor is Ernst & Young Oy, with Kunto Pekkala, authorised public accountant, as the accountant with principal responsibility.

Auditing fee for the whole Group during financial year 2005 was EUR 46,145. In addition, Sentera paid auditors EUR 4,520 for tax consultation, for consultation related to mergers and for consultation related to IFRS-reporting.

### Communications

Corporate communications principles include transparency, continuity and reciprocity. Corporate communications aim to build the company's image in selected business areas and target groups, to support and

promote business and to take care of stock exchange communications and internal communications.

The Director of Corporate Communications is responsible for corporate communications and its development. The Director of Corporate Communications devises the basis for the communications policy and leads the corporate communications steering group, which consists of the CEO, COO and CFO in addition to the Director of Corporate Communications. The corporate communications steering group decides on matters related to communications and investor relations pertaining to the whole Group. In addition, the Director of Corporate Communications attends the business units' meetings regularly.

The main emphasis of corporate communications is on network communications. Sentera publishes all of the company's financial statements, interim reports, press and stock exchange releases and annual reports in Finnish and English on its web site. Sentera also publishes a printed version of its annual report in Finnish and English.

The instructions have been updated on 7 March 2006.

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