

TIETO-X PLC INTERIM REPORT, JANUARY 1-SEPTEMBER 30, 2002**Turnover stabilized and profitability restored**

Tieto-X turnover, which had been falling since the beginning of the year, stabilized in the third quarter. Profitability also regained a good level: third-quarter operating profit before goodwill amortisation stood at 20 per cent. Because of falling turnover in the first half, however, the overall turnover for the first nine months fell 19.2 per cent on the 2001 level, to EUR 12.81 (2001: 15.86) million. This lower turnover, with losses in the second quarter, brought operating profit before goodwill amortisation at the end of the nine month period down 49.7 per cent on the 2001 figure, to EUR 1.51 (2.99) million.

Tieto-X is Finland's leading contract work solutions company specializing in IT, offering customers flexible expertise, which supports their competitiveness. Most turnover derives from contract work services supplied by software designers and programmers. The main aim of the business development programme launched during the second quarter is to develop new software subcontracting services and IT personnel outsourcing services side by side with the company's well-established IT specialist contract work.

TURNOVER

The sluggish IT market resulting from general economic uncertainty seemed to have persisted through the third quarter. However, the decline in Tieto-X turnover that began in the first quarter and continued in the second came to a halt in the third quarter, as expected. Third-quarter turnover came to EUR 3.56 million; factoring in the impact of the summer holidays, this was around the second-quarter level.

Because of demand problems early in the year, turnover for the first nine months was 19.2 per cent down on the same period in 2001, at EUR 12.81 (15.86) million. Software designers and programmers accounted for 86 (91) per cent of turnover and network support personnel for 14 (9) per cent.

FINANCIAL RESULT

As turnover stabilized and saving measures took effect, third-quarter profitability was very good. Third-quarter operating profit before goodwill amortisation improved appreciably, at EUR 0.73 million, or 20 per cent of turnover. Because of falling turnover in the first half and the cost of adjustment measures, however, operating profit before goodwill amortisation for the first nine months was EUR 1.51 million, a fall of 49.7 per cent on the 2001 figure (EUR 2.3m), and 11.8 (18.9) per cent of turnover.

Net nine-month profit, EUR 0.68 (1.53) million, declined 55.4 per cent, representing 5.3 (9.6) per cent of turnover. Earnings per share (pro forma) came to EUR 0.20 (0.29).

The marked improvement in profitability in the third quarter can be put down to the revival of turnover, effective action to cut costs in the spring and summer, and the downsizing of expert and administrative staff in the second quarter.

Net profit was burdened by a 20 per cent increase in goodwill amortisations compared with 2001.

Cash flow from business operations was positive during the period.

RETURN ON CAPITAL INVESTMENT

Return on investment (ROI) was 12.7 (40.8) per cent during the period. Return on equity (ROE) was 11.6 (27.2) per cent.

BALANCE SHEET AND FINANCING

The balance sheet total was EUR 9.0 (11.9) million. Liquidity was good throughout the period. The Group's liquid assets at the end of the review period stood at EUR 2.8 million.

STAFF

The number of personnel averaged 241 (275) during the period, and was 221 (280) on September 30.

BUSINESS DEVELOPMENT PROGRAMME

The business development programme launched during the second quarter continued. Its main aims are to extend the areas of competence covered by the experts offered to customers under the contract work service concept, and also to develop parallel software subcontracting and IT personnel outsourcing services.

As part of this drive, the company launched special training for 12 SAP consultants during the third quarter. Costs will total some EUR 0.17 million by the end of the year.

REORGANIZATION

Again as part of the business development programme, a new company organization took effect on August 1. Sales and customer relation functions are now grouped into four business units. Service production (contract work, software subcontracting and outsourcing services) is in turn also grouped into four production units that will form competence groups by the end of the year to help to develop staff expertise.

SHARES AND SHARE CAPITAL

Tieto-X's share capital totals EUR 303,080.00, divided into 7,577,000 shares. The accounting countervalue of the share is EUR 0.04. The ISIN code used in international securities trading is FI0009008007 and the trading symbol TIX1V. Trading in the Tieto-X share began on Helsinki Exchanges' Pre-list on September 28, 1999 and on the NM List on October 10, 1999. The lowest quotation during the review period was EUR 1.77 and the highest EUR 4.25. The final price quoted was EUR 1.80.

There were 1,867 shareholders on October 15, 2002. Private persons own 60 per cent and institutions 40 per cent of the company's shares. The staff owned 27 per cent of the shares. Foreign ownership was 19 per cent.

Share ownership was as follows on October 15, 2002:

	Number of shares	% of shares
Investment Fund Nordea Nordic Small Cap	375 200	5.0
Jokinen Matti	321 400	4.2
Leikos Martti	317 250	4.2
Terho Risto	309 090	4.1
Gunnelius Karl	307 540	4.1
Nyyssönen Tuomo	265 800	3.5
Rantala Lasse	254 600	3.4
Pyrhönen Kari	203 500	2.7
Fondita Nordic Small Cap	200 900	2.7
Kemilä Hannu	199 690	2.6
Keskimaula Tapio	132 000	1.7
Salmi Mikael	125 630	1.7
Saareila Lauri	120 280	1.6
Heiskanen Kalevi	100 252	1.3
FIM Fenno Investment Fund	100 000	1.3
Suomi Insurance Company	100 000	1.3
Suomi Mutual Life Assurance Company	100 000	1.3
Vainionpää Asko	85 002	1.1
Nora Satu	81 890	1.1
Nominee-registered	1 473 027	19.4
Other	2 403 949	31.7
Total	7 577 000	100.0

FUTURE PROSPECTS

Many Finnish and foreign experts believe that the overall economic situation will remain below par in Finland and the rest of the

industrialized world. Businesses are in general expected to continue cautious about investments, especially in IT. Pent-up needs for IT investment held back because of the protracted unstable situation are not likely to be met until the economic outlook improves.

Because of the business world's reluctance to invest, the need for additional IT personnel among Tieto-X's customer enterprises is expected to be much lower in the final quarter than it was last year. On the other hand, further cancellations of current contracts seem unlikely. The new areas of competence and new service concepts in the business development programme are expected to generate some new business during the fourth quarter, though the main impact on turnover will not be felt until 2003.

In the final quarter, Tieto-X's turnover can be expected to rise to a higher level than in either the second or third quarter, judging by current orders and tenders. As cost savings and adjustments were fully implemented in the second quarter, profitability is expected to be close to the third-quarter level. Because of the problems experienced in the first half, however, turnover and profits for the year as a whole will fall short of last year's level. Profitability will nonetheless be good, compared with the IT service sector average.

TIETO-X GROUP

The figures in the income statement and balance sheet have been consolidated. The figures for Botnia Comp Haparanda Ab in Haaparanta are included.

The original Interim Report is in Finnish. The English version is a translation.

The figures are unaudited.

Accounting principles:

The company's 'Earnings per share (pro forma)' figure has been calculated based on 'Profit before extraordinary items' less taxes plus goodwill amortisation.

CONSOLIDATED PROFIT AND LOSS ACCOUNT, K EURO	1.1.- 30.9.2002	1.1.- 30.9.2001	Change	1.1.- 31.12.2001
TURNOVER	12 808	15 857	-19,2%	21 397
OPERATING PROFIT BEFORE GOODWILL AMORTISATIONS	1 507	2 995	-49,7%	3 945
Goodwill amortisations	- 838	- 698	+20,1%	- 1 117
OPERATING PROFIT	669	2 297	-70,9%	2 828

Financial income and expenses	79	- 496	115,9%	- 286
Profit before extraordinary items	749	1 801	-58,4%	2 542
Extraordinary items	0	0		0
Profit before provisions and taxes	749	1 801	-58,4%	2 542
Taxes	- 65	- 271	-76,0%	- 342
NET PROFIT OF THE PERIOD	683	1 530	-55,4%	2 200

**CONSOLIDATED BALANCE SHEET,
K EURO**

ASSETS	30.9.2002	30.9.2001	31.12.2001
FIXED ASSETS			
Intangible Assets	3 184	3 513	4 039
Tangible Assets	150	120	158
Investments	165	216	887
CURRENT ASSETS			
Short-term receivables	2 690	3 817	2 963
Financial securities	2 038	2 922	3 659
Cash on hands and on deposits	774	1 284	1 651
ASSETS TOTAL	9 002	11 873	13 357

**SHAREHOLDERS' EQUITY AND
LIABILITIES**

SHAREHOLDERS' EQUITY			
Share Capital	303	305	305
Premium fund	3 692	3 018	3 018
Own shares fund		53	720
Retained earnings	2 552	2 914	2 246
Net accounting period profit	683	1 530	2 200
LIABILITIES			
Short-term liabilities	1 771	4 053	4 868
SHAREHOLDER'S EQUITY AND LIABILITIES TOTAL	9 002	11 873	13 357

SOURCES AND APPLICATIONS OF FUNDS, K EURO	1.1.2002- 30.9.2002	1.1.2001- 30.9.2001	1.1.2001- 31.12.2001
--	--------------------------------	--------------------------------	---------------------------------

Business operations

Profit before extraordinary items	749	1 801	2 542
Depreciations and amortisations	898	726	1 146
Changes in net working capital	-852	-1 550	-672
Fixed assets wrecking	0	49	49
Taxes	-259	-422	-637

Cash flow from business operations	535	604	2 427
---	------------	------------	--------------

Investments

Investments in tangible and intangible assets	-166	-201	-201
Investments in subsidiary Companies	-983	-973	-973

Cash flow from investments	-1 149	-1 174	-1 174
-----------------------------------	---------------	---------------	---------------

Cash flow before financing	-614	-570	1 253
-----------------------------------	-------------	-------------	--------------

Financing

Dividends paid	-1 894	-915	-915
Acquired own shares	0	-53	-720
Increase in short term receivables	9	53	

Cash flow from financing	-1 885	-915	-1 635
---------------------------------	---------------	-------------	---------------

Change in funds	-2 498	-1 485	-382
Funds in the beginning of the period	5 310	5 692	5 692
funds at the end of the period	2 812	4 206	5 310

CONSOLIDATED PROFIT AND LOSS ACCOUNT, QUARTERLY K EURO

	Q3/2002 7-9/02	Q2/2002 4-6/02	Q1/2002 1-3/02	Q4/2001 10-12/01	Q3/2001 7-9/01
TURNOVER	3 560	4 067	5 180	5 540	4 776
OPERATING PROFIT BEFORE GOODWILL AMORTISATIONS	726	72	708	950	879
Goodwill amortisations	-279	-279	-279	-419	-233
OPERATING PROFIT	447	-207	429	531	646
Financial income and expences	25	31	24	210	-262

Profit before extraordinary items	473	-176	452	741	384
Extraordinary items					
Profit before provisions and taxes	473	-176	452	741	384
Taxes	-53	31	-44	-71	108
Net profit of the period	419	-145	408	670	492

FINANCIAL RATIOS	1.1.- 30.9.2002	1.1.- 30.9.2001	1.1.- 31.12.2001
Earnings per share Pro forma, Euro	0,20 (9kk)	0,29 (9 kk)	0,45 (12 kk)
Earnings per share, Euro	0,09	0,20	0,30
Earnings per share, Option diluted	0,09	0,20	0,30
Equity per share, Euro	0,95	1,03	1,11
Operating cash flow per share, Euro	0,07	0,08	0,32
Return on investment, %	12,7	40,8	32,4
Return on equity, %	11,6	27,2	28,0
Operating profit before goodwill amortisations/turnover, %	11,8	18,9	18,4
Operating profit/turnover, %	5,2	14,5	13,2
OTHER INFORMATION	1.1.- 30.9.2002	1.1.- 30.9.2001	1.1.- 31.12.2001
Average number of personnel during the period	241	275	273
Personnel at the end of the period	221	280	275
COMMITMENTS	30.9.2002	30.9.2001	31.12.2001
Commitments for group			
Bank deposits as a security for rent, k Euro	74	27	74
Amounts payable for leasing contracts, k Euro	55	99	55

NEXT REPORTS

Advance information on the financial statements for January 1 - December 31, 2002 will be published on January 28, 2003.

Tieto-X Plc
Board of Directors

BRIEFING ON MONDAY, OCTOBER 28, 2002 AT 10.00

A briefing on the Interim Report for analysts and the press will be arranged on Monday, October 28, at 10.00 in the Marski room of the WTC at Aleksanterinkatu 17.

ADDITIONAL INFORMATION:

Tieto-X Plc
President and CEO Kari Happonen
phone +358 9 4133 2133, +358 400 700 761, kari.happonen@tieto-x.fi

DISTRIBUTION:
Helsinki Exchanges
Main media

Neither this press release nor any copy of it may be taken, transmitted into or distributed in the United States of America or its territories or possessions.