



Annual Report 2001

Tieto-X

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Main Events of the Year



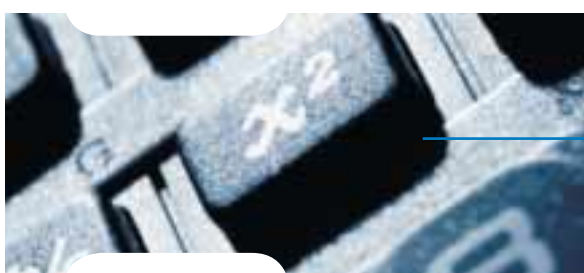
03.01.2001 Tieto-X Plc Board approves the agreement on the acquisition of Botnia Comp Engineering Oy.



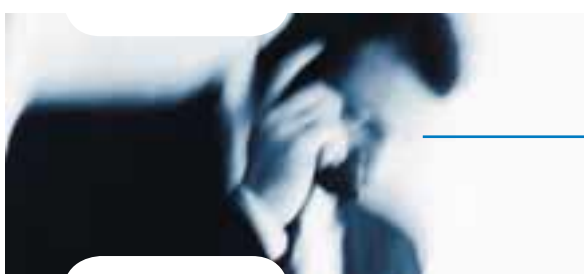
09.02.2001 Polar Profit exceeds its performance target. Final instalment of the purchase price, EUR 1.0 million, paid.



07.03.2001 Financial statement bulletin on July 1, 1999–December 31, 2000. Growth and result at a good level.



10.04.2001 Annual General Meeting.



07.05.2001 Foundation of a subsidiary in Haaparanta, Sweden.



09.05.2001 Interim report, January 1–March 31, 2001. The best quarter ever for Tieto-X.

22.08.2001 Interim report, January 1–June 30, 2001. The good trend continues.

27.08.2001 Units in the Helsinki metropolitan area move to new joint premises in the Munkkiniemi district.

21.08.2001 Decision to purchase the company's own shares.

26.09.2001 Signing of a delivery agreement with TietoEnator regarding information systems.

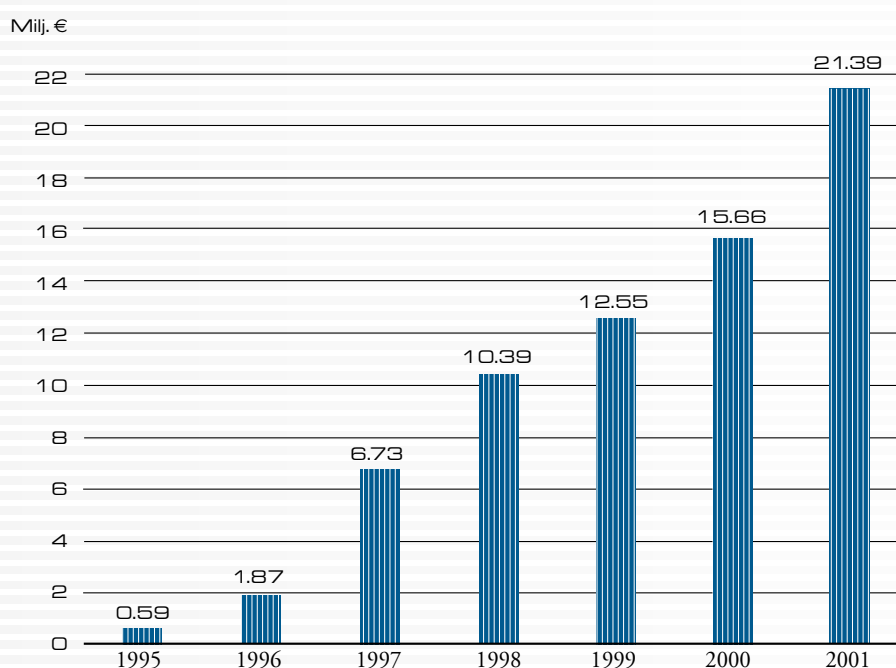
07.11.2001 Interim report, January 1–September 30, 2001. The stable trend continues.

Summary of Financial Statement Data

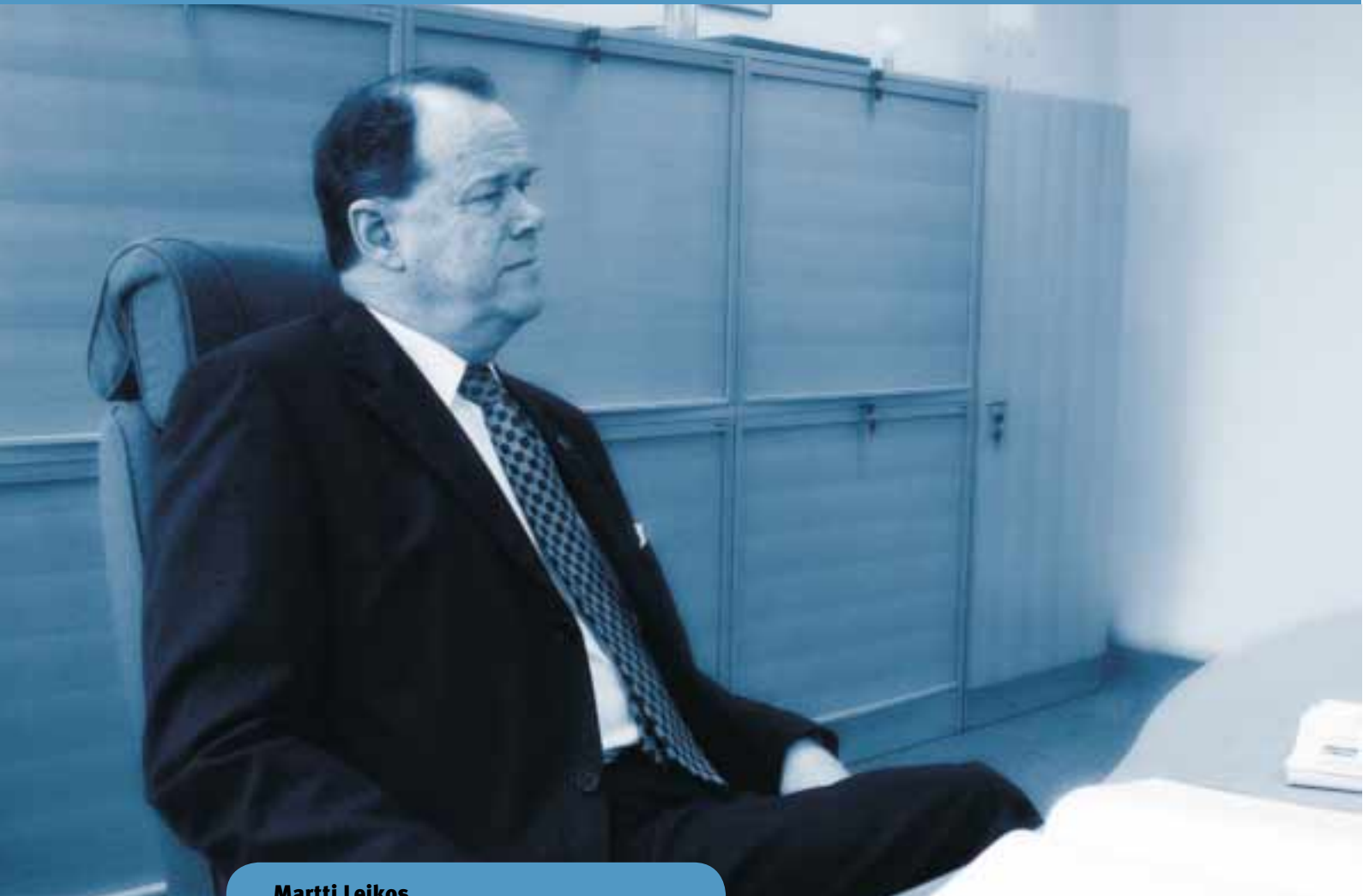
Beginning of the financial year End of the financial year	1/1/01 12/31/01	1/1/00* 12/31/00	1/1/99* 12/31/99	7/1/98 6/30/99	7/1/97 6/30/98
Turnover, 1000 €	21,397	15,652	12,542	12,011	9,003
Turnover, increase %	36.7	24.8	N/A	33.4	130.0
Operating profit before GW amortisation, 1000 €	3,945	2,857	2,240	2,059	1,743
% of turnover	18.4	18.3	17.9	17.1	19.4
Operating profit before GW amortisation, 1000 €	2,828	2,411	2,240	2,059	1,743
% of turnover	13.2	15.4	17.9	17.1	19.4
Net profit, 1000 €	2,200	1,834	1,443	1,575	1,276
% of turnover	10.3	11.7	11.5	13.1	14.2
Return on investment (ROI) %	32.4	48.6	80.7	61.0	55.8
Return on equity (ROE) %	28.0	35.0	52.0	42.9	63.8
Balance sheet total, 1000 €	13,357	11,144	6,346	5,324	3,798
Shareholders' equity, 1000 €	8,489	7,204	2,901	3,668	1,999
Equity ratio %	63.6	64.6	53.9	69.6	52.6
Solvency ratio	1.1	1.4	1.3	3.2	2.1

* Unaudited proforma figures

Net sales by calendar year



Review by the President and CEO



Martti Leikos

President and CEO

The past financial year *was one of the best in Tieto-X's history. Net sales grew by over one third despite the market situation. Profitability remained at the target level, which was in fact very good. As a result, we are able to keep our promise to investors concerning the company's capacity to pay dividends and to pursue an attractive dividend policy.*

Tieto-X ended its second financial year as a listed company, working from exceptionally good starting points. The rapid increase in demand and order backlog that started at the end of 2000, the acquisition of Botnia Comp Engineering Oy and our firm confidence in rapid business recovery after a short dip boosted strong optimism about 2001. These hopes were not fulfilled, however. The upswing proved elusive, the recession got longer and deeper, and demand declined. The terrorist attack on the USA in the autumn destroyed everyone's confidence in the future for a while.

Tieto-X coped well in these difficult circumstances, however. It did not achieve all its targets, but the year as a whole was one of the best in the company's history. The reasons for the good result included the good starting point already mentioned, as well as the greater efficiency achieved through re-structuring and investment in administrative systems. Overall, growing use of employment services and contract work, appreciation for our operating method, and the still favourable competitive situation all contributed to our good result.

Tieto-X has successfully implemented its stable growth strategy. Healthy, profitable business has been an essential precondition for its operations. These principles will remain crucial in the future, too. The changing needs of customers will, how-

ever, require us to expand our range of services to subcontracting, project deliveries and outsourcing solutions. This will open up totally new opportunities for reaching targets, but set tough demands at the same time: to remain profitable, the company must be able to add value to its services through product development. Geographic expansion in Finland and nearby areas will also open up new opportunities to obtain skilled labour as well as expand our clientele.

As markets grow, competition gets keener. There will be significant new Finnish and international players in staffing also in the IT sector so strongly dominated by Tieto-X. As this is a sector that is still at an early stage of development, expanding supply is sure to increase general knowledge about and appreciation of the whole sector, and thus raise demand. In this situation, Tieto-X's experience and head start should provide all the preconditions needed to pull through as a winner, also amid keener competition.

I should like to thank our customers and our other stakeholders for their cooperation and confidence. As I will soon be retiring, I have a special reason for thanking the entire personnel for their support and excellent contribution throughout Tieto-X's operations, which have made the impossible possible. I will leave the company with full confidence in its potential for developing and prospering even further in future.

Helsinki, March 2002



Martti Leikos
President and CEO

Business Principles and Operating Environment



A Tieto-X team works at the core of a tele-cluster.
Development of demanding software products for future mobile phones is the challenge we face.

Vision and mission

Tieto-X is the leading contract working company in Finland specializing in IT. The company provides its customers with flexible and competitive expertise with high value added.

Understanding customers' needs directs Tieto-X's business and its focus. Key targets include customer satisfaction, growth and profitability, which also provide the means for developing oper-

ations. Targets are achieved by helping customers to succeed in their business.

Tieto-X provides its customers with the IT competence they need in order to concentrate on their core business. For IT specialists, Tieto-X can offer an efficient channel to interesting and challenging IT projects as the leading Finnish employer of contract IT specialists.

Strategy and business principles

Tieto-X operates using a clearly focused operating concept in order to meet the IT competence needs of customer organizations reliably and long-sightedly. The concept brings significant competitive advantages. For customers, it means solutions firmly based on their individual needs, and for IT specialists, challenging duties demanding professional skills and offering competitive rewards.

Market position

Tieto-X's competitive edge derives from high reliability, a good price/quality ratio and fast and skilled delivery.

Tieto-X operates close to its customers and understands their business operations and the competence they need in order to develop their business with the aid of information technology. Even demanding competence needs can thus be met reliably and with quality.

Customer base

Tieto-X's core clientele consists of large private companies and public organizations where information technology is crucial to operations.

Other customers include organizations producing IT user and support services, and often providing a distribution channel to end customers.

The single most important customer group is the finance sector.

The number of active customers totalled about 70 at the end of 2001.

Market

Tieto-X is operating in major growth centres in Finland and the Upper Gulf of Bothnia. The Helsinki metropolitan area is the most important operating area. Other key areas are the Tampere region, southwestern Finland and northern Finland.

Competition

The number of companies offering manpower services has risen lately on the Finnish market. These are mainly general providers, with IT professionals representing only a small proportion of the service range.

In recent years, international operators have also entered the market, which may have a positive effect on overall market volume.

In addition, there are now several local operators, too. These are small companies offering manpower services, many of which focus entirely or partly on IT services.

In general, the trend is for small companies to grow into organizations comprising a few dozen specialists, after which a rapid concentration process takes place, with mergers and acquisitions.

The large number of small players provides international companies with potential channels for entering the market. The next few years may result in major structural changes in the sector.

Operating environment

The turnover of the staffing services was about EUR 220 million in Finland in 2000. Office, financial administration and IT employees accounted for some EUR 90 million of this. The growth estimate for 2001 is 16%, with IT employees accounting for about a third, or EUR 30 million.

Contract employees account for just under 0.3% of the labour force in Finland, compared with an average of about 2.5% in Europe. Finland is likely to see an increase, with 13% growth estimated for the whole sector in 2002.

In the next few years, the role of outsourcing and special service provision will increase in fulfilling the IT competence needs of companies and public organizations.

Services and Development Prospects



Services provided by Tieto-X meet needs on both the customer and IT-specialist markets.

Key criteria for the use of Tieto-X services in customer organizations:

Increasing potential for flexibility

- To suit life cycles of projects and functions

Controlling expenses

- Changing fixed expenses into variable expenses

Improving efficiency

- Succeeding with the implementation of critically scheduled IT projects

Focusing on core competence

- Being able to allocate key experts to the core business and at the same time meet needs for maintenance, management and development of data systems.
-

Information technology is becoming a more central part of companies' business operations. IT projects aim to develop the operations of the company or organization and to further its targets. This offers increasing potential for the creation of totally new business models.

The importance of information technology increase as technical development speeds up. As a result, the life cycles of products get shorter and competence requirements rise.

The relative role of contractual work in recruitment will increase as general interest in outsourcing rises. Various forms of subcontracting will become more common as knowledge about Tieto-X service provision improves among customer.

The best growth prospects are in services where responsibilities can be clearly defined. New product concepts have a lot of growth potential, too. The most interesting new product concept areas include outsourcing for medium-sized companies, maintenance services for legacy systems, versioning of software products and project management services.

Market situation and development prospects

The market situation showed some signs of a slowdown at the end of 2001, but customers have not lost their confidence in growing purchases of IT services and IT investments.

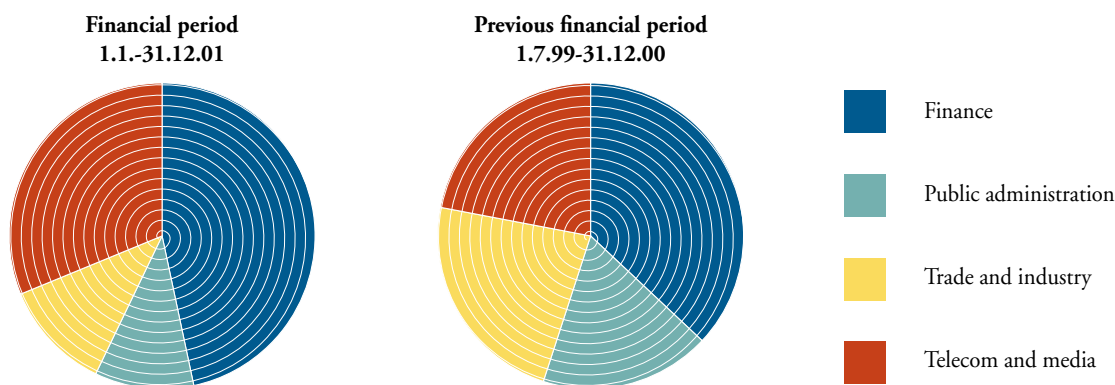
Even quite strong growth is expected, especially in data communications, softwares and services in 2002. These estimates form a good starting point for Tieto-X's business operations.

Growth is now being built on finding new customers, in addition to the current clientele. Potential expansion of the market area improves the company's change of getting new customers and promoting sales. The potential in eastern and central Finland will be surveyed during the current operating period.

Further promotion of current customer relationships is a significant means to growth. A comprehensive approach increases demand and improves cooperation with customers.

The best potential for deeper cooperation lies among Tieto-X's current key customer. New opportunities arise when customer companies change their operating procedures in a way that increases their use of outside services.

Breakdown of net sales by customer sector (%)



The contribution of the finance sector — banks and insurance companies — to Tieto-X net sales grew on the previous financial year. The greatest increase was in the telecom and media sector while public administration and trade experienced a relative decline.

Personnel Strategy



Tieto-X specialists work on challenging assignments in customer organizations. For example, work in the development project of a joint Nordic network banking system requires strong financial background, international experience and language skills from the IT specialists.



Tieto-X's personnel strategy is based on keeping staffing at a level corresponding to customer needs. In practice, this means that Tieto-X recruits IT specialists with good training and work experience. In addition, expert duties require the ability to work independently and adjust rapidly to the customer environment, and a sense of entrepreneurship. These abilities partly affect pay levels, too. Success is demonstrated by long-term assignments and customer satisfaction with services received and Tieto-X operations as a whole.

Staff competence

The basis for core competence is still the 'traditional' technologies. Tieto-X's personnel are highly skilled in this area.

Another important and growing competence area at Tieto-X is new technology, especially familiarity with mobile and web services.

Enforcing and expanding the competence is one crucial criteria for company acquisitions; for example, a Lotus Notes competence team was acquired through Botnia Comp acquisition during the period.

Most Tieto-X experts work in design, programming and testing of data systems and in systems support and maintenance, but its multi-skilled employees also include experienced project managers. Demand for the latter is increasing as a result of data system integration projects and growing interest in outsourcing.

Tieto-X has good competence in various sectors, especially finance, trade and public administration. During the financial period familiarity with manufacturing industry and information technology also increased.

Competence development

During 2001, investment focused on ensuring competitiveness in future years, which requires competence management and development.

Competence development is based on customers' future competence needs, our own experts' development needs and capacities, and the strategic choices made concerning the company's own focus.

The competence teams formed on a basis of the technology or business field concerned began during the year. This creates better preconditions for self-management and competence development focusing on the independent activity of our own specialists.



Our core competence is effective teamwork, which we have refined over the years. An example is the team specializing in the testing of mobile technology applications in Haapavesi.

Good freedom of choice

Specialists have more varied expectations of the flexibility of working life than before, and we have met these by offering various options for employment relationships. It is possible for staff to choose the business field or fields they want to work in, and to arrange their working hours and location to suit their own life situation. This is an important asset that will be promoted further in future.

Changes in the environment

The collective agreement concerning manpower services brought about as a result of the revised Employment Contracts Act has decreased the suspicion felt by many employee organizations about rented labour. Tieto-X joined the collective agreement during the financial period through its own local agreement.

Recruitment

The recruitment market changed during the financial period; personnel shortages decreased

and staff were more readily available than before. Tieto-X was able to recruit specialists who met increasingly high criteria.

According to a customer satisfaction survey, Tieto-X is considered a reliable, fast and flexible provider of resources.

The recruitment organization was enforced during the period and the focus put on building a future cooperation network.

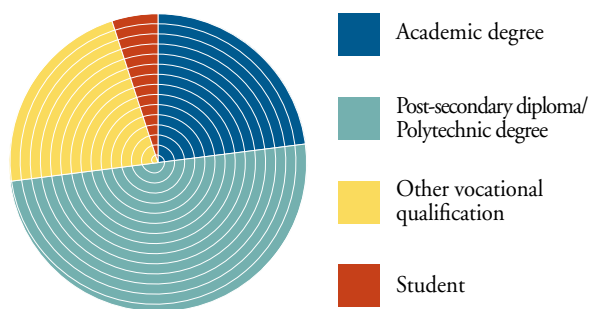
Prospects

Tieto-X operations will still focus on the generation of added value for customers by finding them the proper resources.

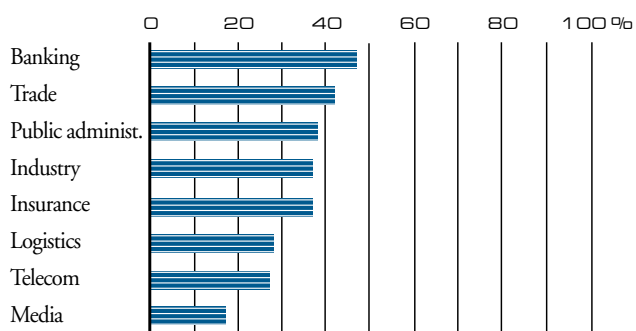
Investment in staff competence development will increase, based on customers' future competence needs and our specialists' particular interests and capabilities, on the one hand, and the company's own strategic competence targets, on the other.

Information on the personnel

Educational background of Tieto-X specialists



Tieto-X specialists' experience in the sector



Other information: 20% of Tieto-X specialists are women. The under 30 and 30-39 age groups each account for 21% of all specialists and the 40-49 age group for 23%. About one third are over 50 years old with long experience in IT sector work. 74% of the specialists work in the Helsinki metropolitan area, 16% in northern Finland and 10% in western Finland.

Shares and Shareholders

Share capital and shares

Tieto-X Plc share capital stood at EUR 304,920.00 (FIM 1,812,972) on December 31, 2001. The book countervalue of the share was EUR 0.04. The total number of company shares was 7,623,000 on December 31, 2001.

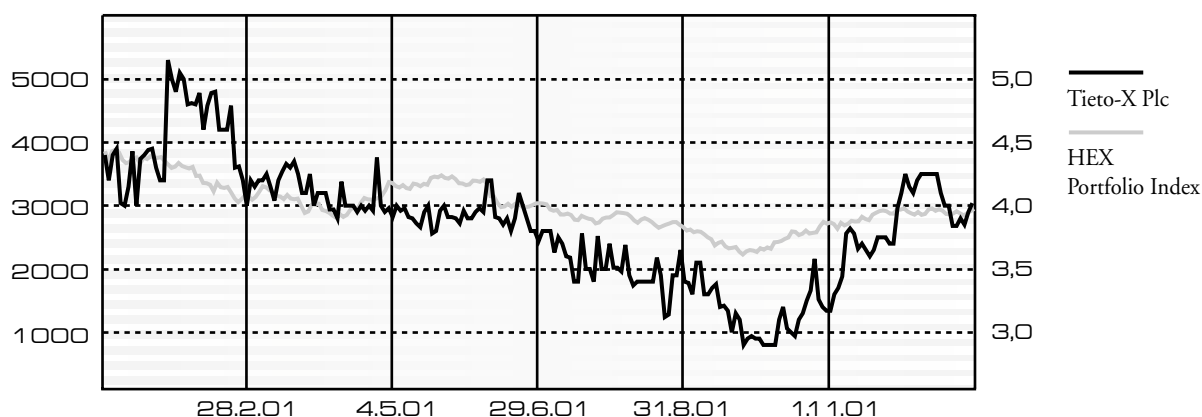
The company's Articles of Association includes a redemption clause according to which a shareholder whose holding reaches or exceeds one third (1/3) or one half (1/2) of all the company shares is required to redeem the shares held by other shareholders at their demand. The Articles of Association contain the provisions concerning the redemption liability in more detail.

Quotations in the exchange

Tieto-X Plc shares have been quoted on the Helsinki Exchanges Pre List since September 28, 1999 and on the NM List since October 1, 1999. The company has one series of shares listed (HEX: TIX1V).

Subscription price at listing on October 1, 1999	EUR 5.75	
Highest quotation during the financial period	EUR 5.30	
Lowest quotation during the financial period	EUR 2.75	
Closing quotation on December 28, 2001	EUR 4.02	
Market capitalization on December 31, 2001	EUR 30,644,460	
Share trading Jan. 1-Dec. 31, 2001	2,192,964 shares	EUR 8,590,198
Average quotation Jan. 1-Dec. 31, 2001	EUR 3.92	
Share trading, % of the share-issue-adjusted number of shares	30%	
Share-issue-adjusted number of shares on December 31, 2001	7,623,00	

Share quotations January 1-December 31, 2001



Shareholdings

	Shares	% of all shares	Number of shareholders
Private persons	4,880,020	64.02	1,571
Institutions	2,742,980	35.98	111
Total	7,623,000	100.00	1,682

Institutional shareholders

Financial and insurance companies	885,793	32.29
Companies	278,862	10.17
Foreign	1,578,325	57.54
Total	2,742,980	100.00

Nominee-registered shares	1,578,325	20.70
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Shares and Shareholders

Biggest shareholders	Number of shares	% of all shares
Leikos Martti	467,250	6.1
Jokinen Matti	462,250	6.1
Rantala Lasse	380,640	5.0
Investment Fund Nordea Nordic Small Cap	375,200	4.9
Terho Risto	369,090	4.8
Nyysönen Tuomo	367,000	4.8
Gunnelius Karl	349,190	4.6
Pyrhönen Kari	277,300	3.6
Kemilä Hannu	269,690	3.5
Tieto-X Plc	206,000	2.7
Fondita Nordic Small Cap	145,300	1.9
Salmi Mikael	125,630	1.6
Saareila Lauri	120,280	1.6
Heiskanen Kalevi	102,652	1.3
Vainionpää Asko	93,002	1.2
Tarkkio Jori	92,702	1.2
Nominee-registered shares	1,578,325	20.7
Others	1,841,499	24.2
Total	7,623,000	100.0

Breakdown of holdings	Shareholders	% of shareholders	Shares	% of all shares
1-1,000 shares	1,477	87.8	368,654	4.84
1,000-10,000 shares	155	9.2	437,947	5.75
10,000-100,000 shares	31	1.8	1,248,202	16.37
Over 100,000 shares	19	1.1	5,568,197	73.04
Total	1,682	100.00	7,623,000	100.00

Management's shareholdings and warrants

Shares held by the CEO and the Board	1,328,035	17.4%
Warrants held by Board members and the CEO		30,000

As regards general insider trading guidelines, Tieto-X complies with the Insider Trading Instructions issued by Helsinki Exchanges.

Option programme

Tieto-X Plc shareholders' meeting on September 29, 2000 authorized the Board to issue a maximum of 610,000 (EUR 24,400) warrants for the entire company personnel. The warrants are divided into series A and B.

The subscription period for warrant A began on September 1, 2001 and ends on September 30, 2003.

The subscription price under warrant A is EUR 5.36. The subscription price less dividends paid by the end of the financial period is EUR 5.12 per share.

The subscription period for warrant B will begin on September 1, 2002 and ends on September 30, 2003.

The subscription price under warrant B is EUR 3.38.

If all options are subscribed and later used for share subscription, the company's share capital will increase by a maximum of 8.0 per cent. The conditions are explained in more detail in the terms and conditions of the option programme.

Board authorizations

At the end of the financial period the Board of Directors held the following valid authorizations:

Authorization granted by the Annual General Meeting on April 10, 2001 to decide to raise share capital in one or more new issues, to grant option rights and/or to float a convertible bond, resulting in an increase in share capital of a maximum of EUR 60,984. This authorization is unutilised in its entirety. It is valid for one year from the date of the meeting.

Authorization granted by the Annual General Meeting on April 10, 2001 to decide on the acquisition and surrender of a maximum of 381,150 of the company's own shares. At the end of the financial period, the authorization had been utilized to acquire 206,000 shares. The authorization is valid for one year from the date of the meeting concerned.

Report by the Board of Directors

General

The financial period under review was Tieto-X Plc's sixth. The rise in turnover during the period was better than the annual average 30% growth target. Most growth took place in IT and telecommunications, on the one hand, and in the Northern Finland area, on the other. Profitability of business operations exceeded the 18% target level and reached the previous year's level. Liquidity and solvency remained good.

The adopted company acquisition strategy continued at the beginning of 2001 with purchase of the entire share capital of Botnia Comp Engineering Oy of Kemi. A subsidiary was founded in Haparanda, Sweden, in May.

The Group structure was simplified by combining the parent company and the business units formed from former subsidiaries. Botnia Comp Engineering Oy was also incorporated into the parent company.

All four offices operating in the Helsinki metropolitan area moved to new joint premises at the end of August.

Turnover and financial result

Consolidated turnover came to EUR 21.4 million. During the previous 12-month period, turnover was EUR 15.7 million, which means an increase of 36.7% in 2001. EUR 11.1 million was accrued during the first six months and EUR 10.3 million during the second half. Operating profit before goodwill amortisation was EUR 3.94 million and profit before taxes EUR 2.54 million. EUR 0.342 million was entered under taxes. The net profit for the period came to EUR 2.20 million, or 10.3% of turnover.

The balance sheet total was EUR 13.4 million. Shareholders' equity was EUR 8.49 million and the equity ratio 63.6%.

Because the previous financial period lasted 18 months, the pro forma financial statements

for the last 12 months of that period (January 1, 2000-December 31, 2000) are given in the financial statements as comparison data in accordance with the new financial year.

Shares and share capital

Tieto-X's share capital is EUR 304,920.00 and the total number of shares 7,623,000. According to the Articles of Association, the share capital is a minimum of EUR 217,668 and a maximum of EUR 870,672.

The company held a total of 206,000 own shares at the end of the financial period.

The accounting countervalue of the shares is EUR 0.04. The ISIN code used in international securities trading is FI0009008007 and the trading symbol TIXIV.

Shareholders

The number of shareholders was 1682 on December 31, 2001. Private persons held 64% and corporations 36% of the shares. The staff held 39%. Foreign holdings accounted for 21% of the total.

Acquisition of own shares

Under the authorization granted by the Annual General Meeting on April 4, 2001, the Board of Directors decided on an acquisition of company shares in public trading. Between September 5 and December 4, 2001, a total of 206,000 shares were thus purchased. The total price paid for the shares was EUR 0.720 million and the average price per share was EUR 3.50.

Option programmes

Under Tieto-X's 2000 option programme, a total of 610,000 option rights were granted, entitling holders to subscribe a maximum of 610,000 company shares. At the end of the period into the company's possession has returned 14,000 options which has not reallocated. Each

option right entitles the holder to subscribe one Tieto-X share with an accounting countervalue of EUR 0.04.

The subscription price under warrant A (305,000 shares) is EUR 5.36, i.e. the average quotation weighted by the number of company shares traded on Helsinki Exchanges between August 1 and 31, 2000. The subscription price less dividends paid by the end of the financial period is EUR 5.12 per share. The subscription price under warrant B (305,000 shares) was defined using the average quotation weighted by the number of company shares traded on Helsinki Exchanges between August 1 and 31, 2001. The subscription price is EUR 3.38 per share. Tieto-X Plc's share capital may be increased by a maximum of EUR 24,400. The subscription period began on September 1, 2001 under warrant A and will begin on September 2002, under warrant B; in both cases it ends on September 30, 2003.

The Board of Tieto-X Plc has decided on February 26, 2002, in accordance with authorization from the Annual General Meeting of the Company, held on April 10, 2001, to issue new stock options. In the new plan members of the Board of Tieto-X or any Tieto-X Group company, officers or key personnel of the Group will be offered a total of 500,000 stock options in deviation from the pre-emptive rights of the company's shareholders. The stock options may entitle their holders to subscribe for a total of 500,000 Tieto-X Plc shares and respectively the company share capital due to share subscriptions may increase a maximum of 20,000 euros.

The share subscription price pursuant to stock options will be based on the market value of the Tieto-X Plc share in public trading. The share subscription periods will commence no earlier than October 1, 2003 and terminate December 31, 2008.

Board authorizations

At the end of the year the Board of Directors held the following valid authorizations:

Authorization granted by the Annual General Meeting on April 10, 2001 to decide to raise share capital in one or more new issues, to grant option rights and/or to float a convertible bond, resulting in an increase in share capital of a maximum of EUR 60,984. This authorization was unutilised in its entirety at the end of the financial period. It is valid for one year from the date of the meeting.

Authorization granted by the Annual General Meeting on April 10, 2001 to decide on the acquisition and surrender of a maximum of 381,150 of the company's own shares. At the end of the financial period, 175,150 were unutilised. The authorization is valid for one year from the date of the meeting.

Company acquisitions and other changes in the corporate structure

The acquisition of Botnia Comp Engineering was carried out at the beginning of the financial period. The company was incorporated into the Group January 1, 2001.

The acquisition of Botnia Comp Engineering Oy was a cash transaction in which the first instalment of the purchase price, amounting to EUR 0.893 million, was paid to shareholders and option holders of Botnia Comp Engineering Oy in March 2001. The second instalment, EUR 1.68 million, the amount of which depended on the financial result for the period, will be paid partly in cash and partly in Tieto-X Plc shares. The result far exceeded the estimated level. A 160,000 share issue carrying right to dividend for the financial period will be targeted at the sellers. Botnia Comp Engineering Oy shares acquired as subscription in kind were booked in the Tieto-X Plc's balance sheet at the value corresponding to the total purchase price, i.e. EUR 2.88 million including expenses and pro-

visions. The second instalment was entered in the balance sheet as a liability.

Botnia Comp Engineering Oy is a fast-growing consultancy concentrating on Lotus Notes application design for IT companies and industry.

In May 2001, a subsidiary was founded in Haparanda in Sweden. The decision to incorporate Botnia Comp Engineering Oy's business into the parent company was made in November. The transfer of business was carried out on December 1, 2001 by dissolving the company through voluntary liquidation. This allowed the transfer of business to take place immediately. Operations continue as part of the Northern Finland area.

Negotiations were held during the year on several company acquisitions which were not realized, partly because of rapid changes in the market. These measures generated expenses about EUR 0.03 million that have been entered under other operating expenses. However, this gave a good overview of the market situation and improved our readiness to continue with the adopted acquisition strategy.

Operations

Operations mainly consisted of the supply of IT specialists to companies on a contractual basis. Project deliveries account for about 0.9% of turnover. Assignments are long-term and mainly continue until further notice. The longest assignments have continued without a break for over six years.

IT planners and programmers accounted for about 90% of net sales and network support staff for 10% of the turnover. The entire turnover was generated in Finland.

Investments and depreciation

Investments in computer hardware and software and in office and training equipment totalled EUR 0.15 million during the period. IT hardware was all entered as expenses, having an economic lifetime of less than three years. Other

fixed assets were depreciated as planned.

Finance

Operations were financed entirely out of income. The company has no interest-bearing debts. Its liquid assets at year-end stood at EUR 5.31 million.

A EUR 0.318 million loss was incurred from changes in exchange rates related to liquid securities, compared with a profit of EUR 0.119 million in 2000.

Tax rate

The company's tax rate and thus its net profits were affected both by non-deductible goodwill amortisations on company acquisitions and by deductible depreciations of liquidation losses arising from the incorporation of businesses acquired. Because both are depreciated over five years, their tax impact will remain at the present level for the next three years.

Customers

The number of customers continued to grow. New customers were acquired, for example, from large industrial companies, the finance sector and government. During the period, Tieto-X's expert services were used by 70 customer companies or organizations.

The 20 biggest customers accounted for 76% of turnover, compared with 93% during the previous financial period.

Quality

Tieto-X complies with the ISO 9002 quality system. Det Norske Veritas granted the company certification in autumn 1999 and had the company re-audited in summer 2001. The quality system covers the company's most important sales and administrative functions.

A satisfaction survey related to the quality system

was carried out during the year for all consultants and their supervisors. In addition, a wider customer satisfaction survey was carried out in November by Market-Visio Oy. On the basis of the survey result, customers are satisfied with Tieto-X's expertise and the company's operations as a whole. Tieto-X is considered a reliable supplier. Most customers would be ready to choose Tieto-X as their supplier again and to recommend it to other companies in the same field.

Staff

The number of staff averaged 273 (204) during the financial period and was 275 (255) at year-end. The increase was due to the company acquisition.

Staff costs

Salaries and fees including indirect employee costs came to EUR 11.6 million, pension expenses to EUR 2.07 million and other indirect employee costs to EUR 0.82 million. Total staff costs were EUR 14.5 million, i.e. about 86% of total expenses.

Board of directors, president and CEO, and auditors

The company's Board of Directors comprised Ralf W. Saxén as chairman and Kari Happonen, Matti Jokinen, Juhani Pääkkö, Esko Siik and Risto Terho as members.

Martti Leikos has been President and CEO since February 1, 1995.

The Board of Directors met 15 times.

The auditors were PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Heikki Lassila, Authorized Public Accountant, as responsible auditor.

Events after the end of the financial period

The project launched during the second half of the financial period to renew the company's

information systems has progressed as scheduled. New financial management systems were introduced at the turn of the year and staff and expertise management systems will be replaced in spring 2002.

President and CEO Martti Leikos has announced his retirement at the beginning of May 2002, when he reaches the age of 61. Kari Happonen, 43, has been elected as the company's new President and CEO as of May 1, 2002.

Future prospects

Demand for IT services is expected to decline generally during the first half of 2002. The 'euro hangover' will probably postpone the launch of new projects over the summer, after which demand for planning resources is again expected to start rising. Significant new projects are also expected to start in mobile technology utilization as soon as an upward general trend is visible.

Tieto-X customer demand is expected to remain steady during the first half of 2002. Temporary reductions in resources related to reorganizations at certain customers will have an effect on the turnover trend early in the year. Turnover should start growing again in the latter half of the year, though the growth rate will depend on general market developments. Supply of labour will not pose any limitations on increases in turnover.

Relative profitability is expected to remain good thanks to the company's flexible cost structure and the improved efficiency gained by rationalizing administrative functions.

The company will remain active in the acquisitions market and has good potential for increasing both the volume of operations and the supply of services thereby.

Tieto-X's financial indicators will remain good. Its excellent liquidity and positive cash flow give the company good prerequisites for expanding and developing its operations.

Profit and Loss Account, Group €

	1/1/01 - 12/31/01	1/1/00 - 12/31/00 Proforma
Turnover	21,396,474.55	15,651,676.41
Other operating income	56,854.59	41,046.06
Materials and services		
Materials	-19,612.23	-14,377.29
Services	-516,568.37	-354,247.62
Personnel costs		
Salaries and Wages	-11,585,885.97	-8,548,352.43
Other personnel costs		
Pension costs	-2,065,170.28	-1,524,175.95
Other personnel costs	-822,345.61	-533,810.90
Other personnel costs total	-2,887,515.89	-2,057,986.85
Personnel costs total	-14,473,401.86	-10,606,339.28
Depreciation and amortisation		
Depreciation on tangible and intangible assets		
Depreciation according to plan	-28,694.21	-23,667.22
Amortisation on goodwill	-1,117,360.69	-445,512.67
Depreciation and amortisations total	-1,146,054.90	-469,179.89
Other operating expenses	-2,470,186.27	-1,837,443.01
Expences total	-18,625,823.63	-13,281,587.08
Operating profit	2,827,505.51	2,411,135.39
Financial income and expenses, Interests and other financial income total		
Interests	27,875.76	29,732.06
Other financial income	16,175.33	565,080.98
Interests and other financial income total	44,051.09	594,813.04
Interests charges and other financial expenditure	-329,981.26	-423,100.92
Financial income and expenses total	-285,930.17	171,712.11
Profit before extraordinary items	2,541,575.34	2,582,847.50
Extraordinary items		
Extraordinary costs	0.00	-25,228.19
Extraordinary items total	0.00	-25,228.19
Profit before provisions and taxes	2,541,575.34	2,557,619.32
Income taxes	-417,142.33	-648,357.30
Change in deferred tax	75,166.53	-75,166.53
Net profit	2,199,599.53	1,834,095.49

Balance Sheet, Group €

	12/31/01	12/31/00
ASSETS		
FIXED ASSETS		
Intangible fixed assets		
Intangible rights	16,111.33	
Goodwill	3,995,982.02	2,235,763.33
Pre payments	26,728.85	
Intangible fixed assets total	4,038,822.20	2,235,763.33
Tangible fixed assets		
Machinery and equipment	148,616.28	81,742.75
Other tangible assets	9,751.57	
Tangible fixed assets total	158,367.85	81,742.75
Investments		
Other shares and holdings	167,013.86	163,448.28
Acquired own shares	720,122.90	
Investments total	887,136.77	163,448.28
FIXED ASSETS TOTAL	5,084,326.82	2,480,954.36
CURRENT ASSETS		
Short term receivables		
Sales receivables	2,307,083.47	1,761,103.22
Loan receivables	162,519.21	74,890.08
Advance payments	24,085.15	0.00
Accrued income and deferred income	469,020.13	1,135,788.10
Other receivables		191.83
Short-term receivables total	2,962,707.96	2,971,973.22
Financial securities		
Other financial securities	3,658,932.50	3,913,616.95
Cash on hand and on deposits	1,651,050.45	1,777,951.93
CURRENT ASSETS TOTAL	8,272,690.91	8,663,542.10
ASSETS TOTAL	13,357,017.72	11,144,496.46
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	304,920.00	304,920.00
Share issue	0.00	0.00
Premium fund	3,018,192.54	3,018,192.54
Acquired own shares fund	720,122.90	0.00
Translation differences	-484.01	
Retained earnings	2,246,428.83	2,047,216.24
Net accounting period profit	2,199,599.53	1,834,095.49
SHAREHOLDERS' EQUITY TOTAL	8,488,779.79	7,204,424.28
LIABILITIES		
Short-term liabilities		
Advanced payments	0.00	0.00
Accounts payable	167,963.11	131,371.21
Other liabilities	1,075,384.60	1,256,723.34
Accrued expences and deferred income	3,624,890.22	2,476,811.10
Deferred tax	0.00	75,166.53
Short-term liabilities total	4,868,237.93	3,940,072.18
LIABILITIES TOTAL	4,868,237.93	3,940,072.18
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	13,357,017.72	11,144,496.46

Sources and Applications of Funds €

	1/1/01-12/31/01	7/1/99-12/31/00
Business operations		
Profit before extraordinary items	2,541,575	3,892,606
Depreciations and amortisations	1,146,055	477,221
Changes in net working capital	-672,257	197,447
Fixed assets wrecking	49,239	0
Financial income	0	84,900
Taxes	-637,360	-1,401,618
Cash flow from extraordinary items	0	-280,442
Cash flow from business operations	2,427,252	2,970,114
Investments		
Investments in tangible and intangible assets	-200,964	-289,884
Transfer income from tangible assets	0	193,110
Investment in subsidiary companies	-972,991	1,025,274
Cash flow from investments	-1,173,955	928,499
Cash flow before financing	1,253,297	3,898,613
Financing		
Divident paid	-914,760	-1,893,614
Increase in short-term receivables	-720,123	
Translation difference	0	
Share issue	0	245,974
Cash flow from financing	-1,634,883	-1,647,639
Change in funds	-381,586	2,250,974
Funds in the beginning of the period	5,691,569	3,440,595
Funds at the end of the period	5,309,983	5,691,569

Changes in Shareholders' Equity €

	1/1/01-12/31/01	7/1/99-12/31/00
SHAREHOLDERS' EQUITY		
Share capital in the beginning of the period	304,920.00	217,668.10
Share issue during the period	0.00	48,059.90
Capitalisation issue during the period	0.00	39,192.00
Share capital at the end of the period	304,920.00	304,920.00
Share issue in the beginning of the period	0.00	245,974.84
Share issue during the period	0.00	-245,974.84
Share issue at the end of the period	0.00	0.00
Premium fund in the beginning of the period	3,018,192.54	0.00
Share issue during the period	0.00	3,028,363.88
Decrease during the period		-10,171.22
Premium fund at the end of the period	3,018,192.54	3,018,192.65
Own shares fund in the beginning of the period	0.00	0.00
Increase during the period	720,122.90	0.00
Decrease during the period		0.00
Own shares fund at the end of the period	720,122.90	0.00
Retained earnings in the beginning of the period	3,881,311.73	3,204,401.49
Divident distribution	-914,760.00	-1,893,613.73
Own shares	-720,122.90	
Capitalisation issue during the period	0.00	-39,192.00
Other changes	-484.01	47,545.01
Profit for the period	2,199,599.53	2,562,170.96
Retained earnings 12/31/01	4,445,544.35	3,881,311.74
Oma pääoma yhteensä 12/31/01	8,488,779.79	7,204,424.39

Distributable funds of the group 12/31/01 are 4,445,544.35 €

Notes on the Consolidated Profit and Loss Account €

	1/1/01-12/31/01	1/1/00-12/31/00
Turnover by market area		
Finland	21,396,474.55	15,651,676.41
Other countries		
Total	21,396,474.55	15,651,676.41
Personnel costs		
Salaries and fees paid to managing director and to the board of directors	157,534.90	105,080.45
Other salaries	11,428,351.06	8,443,271.98
Pension costs	2,065,170.28	1,524,175.95
Other personnel costs	822,345.61	533,810.90
Total personnel costs total in P&L	14,473,401.86	10,606,339.28
Benefits of kind	141,902.76	11,109.15
Total	14,615,304.62	10,617,448.42
The average number of personnel employed during the period		
Specialists	243	173
Administrative and sales personnel	30	22
Trainees	0	1
Total	273	196
Personnel employed at the end of the period		
Specialists	245	225
Administrative and sales personnel	30	30
Trainees	0	0
Total	275	255
Depreciation and amortisation		
Depreciation according to plan		
Machinery and equipment	28,694.21	23,667.22
Amortisation on goodwill	1,117,360.69	445,512.67
Total	1,146,054.90	469,179.89
Extraordinary items		
Income taxes		
From extraordinary items		
From normal operations	417,142.33	648,357.30
Deferred tax	-75,166.53	75,166.53
Total	341,975.81	723,523.82

Notes for Balance Sheet, Group €

	12/31/01	12/31/00
Intangible assets		
Goodwill		
Goodwill in the beginning of the period	2.235.763,33	0,00
Increase during the period	2.920.419,56	2.681.275,9
Amortisation during the period	-1.117.360,69	-445.512,67
Goodwill at the end of the period	4.038.822,20	2.235.763,33
Tangible assets		
Machinery and equipment in the beginning of the period	81.742,75	32.164,12
Increase during the period	105.319,30	81.286,88
Depreciations during the period	-28.694,21	-31.708,25
Machinery and equipment at the end of the period	158.367,84	81.742,75
Investments		
Acquired own shares	720.122,90	0,00
Other shares and holdings		
In the beginning of the period	163.448,28	9.063,65
Increase during the period	3.565,58	154.384,63
Other shares and holdings at the end of the period	167.013,86	163.448,28
Investments total	887.136,77	163.448,28
Subsidiary companies 12/31/01		
	Ownership %	Ownership %
Polar Profit Oy, Haapavesi	100,00	100,00
Topsystems Oy, Helsinki	100,00	100,00
Tietovara Oy, Helsinki	100,00	100,00
Botnia Comp Engineering Oy, Kemi	100,00	0,00
Botnia Comp Haparanta Ab, Haaparanta	100,00	0,00
Financial securities		
Other securities		
Financial securities includes Fund units that are under public trade		
Market value	3.658.932,50	3.913.616,95
Book value	3.658.932,50	3.913.616,95
Difference	0,00	0,00
Other liabilities, accrued expenses and deferred income		
Material issues included		
Personnel costs	1.471.636,30	1.177.244,99
Withholding tax liability	310.889,83	275.685,41
Rest of the acquisition price of Polar Profit Oy	0,00	1.009.127,56
Rest of the acquisition price of Botnia Comp Engineering Oy	1.798.397,34	0,00
VAT liability	724.640,90	818.678,17
TAX liability	259.361,77	320.398,17
Other liabilities	135.348,69	132.400,14
	4.700.274,82	3.733.534,44
COMMITMENTS		
Commitments for group		
Bank deposits as security for rent	74.734,70	25.732,75
Amounts payable for leasing contracts	54.991,40	98.558,12

Key Ratios on Financial Performance

Key ratios on financial performance	1/1/01- 12/31/01	1/1/00- 12/31/00*	1/1/99- 12/31/99*	7/1/98- 6/30/99	7/1/97- 6/30/98
1000 €					
Turnover	21,397	15,652	12,542	12,011	9,003
Turnover, increase %	36.7 %	24.8 %	N/A	33.4 %	130 %
Operating profit	2,828	2,411	2,240	2,059	1,743
% of turnover	13.2 %	15.4 %	17.9 %	17.1 %	19.4 %
Operating profit before goodwill amortisation	3,945	2,857	2,240	2,059	1,743
% of turnover	18.4 %	18.3 %	17.9 %	17.1 %	19.4 %
Profit before extraordinary items	2,542	2,583	2,541	2,192	1,775
% of turnover	11.9 %	16.5 %	20.3 %	18.2 %	19.7 %
Profit before provisions and taxes	2,542	2,557	2,261	2,190	1,775
% of turnover	11.9 %	16.3 %	18.0 %	18.2 %	19.7 %
Return on equity %	28.0 %	35.0 %	52.0 %	55.6 %	89.7 %
Return on investment %	32.4 %	48.6 %	80.7 %	77.6 %	125.5 %
Interest related liabilities	0	0	0	0	0
Financial assets	5,310	5,691	4,807	3,441	2,414
Gearing	-62.6 %	-79.0 %	-140.7 %	-93.8 %	-120.8 %
Equity ratio	63.6 %	64.6 %	53.9 %	69.6 %	52.6 %
Gross investment under fixed assets	155	140	42	22	24
% of turnover	0.7 %	0.9 %	0.3 %	0.2 %	0.3 %
Personnel, average during the period	273	204	164		
Personnel, at the end of the period	275	255	166	179	169

Key ratios per share	1/1/01- 12/31/01	1/1/00- 12/31/00*	1/1/99- 12/31/99*	7/1/98- 6/30/99	7/1/97- 6/30/98
Earnings per share, EUR	0.30	0.26	0.25	0.24	0.20
Earnings per share pro forma, EUR	0.45	0.32			
P/E ratio	13.40	16.50	24.00		
Closing quotation at the end of the period	4.02	4.29	6.00		
Shared-issue adjusted number of shares average during the period	7,623,000	7,192,000	6,532,000	6,402,000	6,130,134
Shared-issue adjusted number of shares at the end of period	7,623,000	7,623,000	6,532,000	6,402,000	6,402,000
Number of shares adjusted by purchase of own shares	7,417,000				
Dividend / earnings %	84.31	69.50	N/A	62.20	15.20
Dividend / share, EUR	0.25	0.18	N/A	0.15	0.03
Effective dividend yield %	6.22	4.20			
Shareholders' equity / share, EUR	1.11	0.95	0.52	0.56	0.31

* Unaudited proforma figures

Calculation of Financial Ratios

Return on equity (ROE) %:

$$\frac{\text{Profit/loss before extraordinary items, provisions and taxes} - \text{taxes +/- taxes from extraordinary items}}{\text{Shareholders' equity} + \text{minority share} + \text{provisions and depreciation difference less deferred tax (average)}} \times 100$$

Return on investment (ROI) %:

$$\frac{\text{Profit/loss before extraordinary items, provisions and taxes} + \text{interest and other financial expenses (net)}}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}} \times 100$$

The 18-month ratio has been adjusted to the 12-month period by dividing the ratio by 18 / 12.

Equity ratio %:

$$\frac{\text{Shareholders' equity} + \text{minority share} + \text{provisions and depreciation difference less deferred tax}}{\text{Balance sheet total} - \text{advanced payments}} \times 100$$

Earnings per share:

$$\frac{\text{Profit before extraordinary items, provisions and} - \text{taxes +/- taxes from extraordinary items}}{\text{Adjusted number of shares held by the company}}$$

Earnings per share, pro forma:

$$\frac{\text{Profit before extraordinary items, provisions, taxes and goodwill amortization} - \text{taxes +/- taxes from extraordinary items}}{\text{Adjusted number of shares held by the company}}$$

Adjusted number of shares = 7,417,000 shares

Number of shares at the end of the period = 7,623,000 shares

Shareholders' equity per share:

$$\frac{\text{Shareholders' equity} + \text{provisions} + \text{depreciation difference less deferred tax and minority share}}{\text{Number of shares at the end of the period}}$$

Dividend / earnings %:

$$\frac{\text{Dividend distributed for the financial period}}{\text{Profit before extraordinary items, provisions and taxes} - \text{taxes +/- taxes from extraordinary items}} \times 100$$

The Board proposal for dividend for the financial period has been taken into account as dividend distributed for January 1, 2001 - December 31, 2001.

P/E ratio:

$$\frac{\text{Share-issue-adjusted last quotation on December 28, 2001}}{\text{Earnings per share}}$$

Effective dividend yield %:

$$\frac{\text{Share-issue-adjusted dividend/share}}{\text{Share-issue-adjusted last quotation on December 28, 2001}} \times 100$$

Profit and Loss Account, Parent Company €

	1/1/01-12/31/01	1/1/00 - 12/31/00 Proforma
Turnover	19,625,396.17	11,566,102.46
Other operating income	4,275.35	0.00
Materials and services		
Materials	-5,217.42	-283.02
Services	-555,282.49	-209,406.97
Materials and services	-560,499.91	-209,689.99
Personnel costs		
Salaries and wages	-10,750,083.83	-6,693,953.98
Other personnel costs		
Pension costs	-1,933,856.56	-1,186,622.33
Other personnel costs	-753,352.71	-452,156.59
Other personnel costs total	-2,687,209.27	-1,638,778.92
Personnel costs total	-13,437,293.10	-8,332,732.90
Depreciation and amortisation		
Depreciation on tangible and intangible assets		
Depreciation according to plan	-913,586.33	-378,227.46
Depreciation and amortisations total	-913,586.33	-378,227.46
Other operating expenses	-2,231,913.93	-1,100,689.22
Expences total	-17,143,293.27	-10,021,339.57
Operating profit	2,486,378.25	1,544,762.89
Financial income and expenses,		
Interests	27,160.97	18,525.87
Other financial income	16,122.52	493,934.14
Interests and other financial income total	43,283.49	512,460.00
Interest charges and other financial expenditure		
Interest charges	-9,793.43	-12,894.65
Other financial expenditure	-318,454.71	-374,477.53
Interest charges and other financial expenditure total	-328,248.14	-387,372.17
Financial income and expenses total	-284,964.65	125,087.83
Profit before extraordinary items	2,201,413.60	1,669,850.72
Extraordinary items		
Profit before provisions and taxes	2,201,413.60	1,669,850.72
Income taxes	-250,784.90	-132,393.90
Net profit	1,950,628.70	1,537,456.82

Balance Sheet, Parent Company €

	12/31/01	12/31/00
ASSETS		
FIXED ASSETS		
Intangible fixed assets		
Intangible rights	16,111.33	
Other capitalised expenditure	3,151,482.60	1,508,807.16
Pre payments	26,728.85	
	<u>3,194,322.78</u>	<u>1,508,807.16</u>
Tangible fixed assets		
Machinery and equipment	148,616.28	81,742.75
Other tangible assets	4,977.26	
	<u>153,593.54</u>	<u>81,742.75</u>
Investments		
Intra-Group holdings	2,809,449.90	2,284,769.13
Other shares and holdings	167,013.86	163,448.28
Acquired own shares	720,122.90	
	<u>3,696,586.67</u>	<u>2,448,217.41</u>
FIXED ASSETS TOTAL	7,044,502.99	4,038,767.32
CURRENT ASSETS		
Short-term receivables		
Sales receivables	2,306,835.71	1,755,927.37
Loan receivables	162,519.21	74,890.08
Accrued income and deferred income	533,013.64	1,158,174.08
Other receivables	0.00	191.83
Share subscription receivables	0.00	0.00
	<u>3,002,368.56</u>	<u>2,989,183.37</u>
Financial securities		
Other financial securities	3,658,932.50	3,913,616.95
Financial securities total		
Cash on hand and on deposits	1,644,708.26	1,777,951.93
CURRENT ASSETS TOTAL	8,306,009.32	8,680,752.24
ASSETS TOTAL	15,350,512.30	12,719,519.56
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	304,920.00	304,920.00
Share issue	0.00	0.00
Premium fund	3,018,192.54	3,018,192.54
Acquired own shares fund	720,122.90	
Retained earnings	1,902,245.15	1,999,671.19
Net accounting period profit	1,950,628.70	1,537,456.87
	<u>7,896,109.29</u>	<u>6,860,240.60</u>
LIABILITIES		
Short-term liabilities		
Advanced payments	0.00	0.00
Accounts payable	167,963.12	126,195.37
Intra-Group liabilities	7,063.96	
Accrued expences and deferred income	6,208,969.35	4,476,462.68
Other liabilities	1,070,406.59	1,256,620.91
	<u>7,454,403.01</u>	<u>5,859,278.96</u>
LIABILITIES TOTAL	7,454,403.01	5,859,278.96
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	15,350,512.30	12,719,519.56

Accounting Principles

Valuation Principles

Fixed assets

Fixed assets are entered in the balance sheet at acquisition cost less planned depreciation. Computer hardware is entered under expenses for the year because they have an economic life of less than 3 years.

Financial assets

Liquid securities are entered in the balance sheet at market value.

Pensions

Group company employees' pension coverage is arranged with outside pensions companies. Pension costs are entered as expenses in the year in which they occur.

Comparability of figures on the previous financial period

In comparing figures with the previous financial year, note should be taken that the previous financial period was 18 months long due to changes in the financial periods. Figures conforming to the current financial period division, i.e. those for the calendar year 2000, have been presented as comparison data. Comparison data in 'Sources and applications of funds' corresponds to the figures for July 1, 1999-December 31, 2000, however.

Accounting Principles Used for the Consolidated Annual Accounts

Extent of the consolidated annual accounts

The consolidated annual accounts include all Group companies.

Accounting principles for the consolidated annual accounts

The consolidated annual accounts have been drawn up using the acquisition cost method. The companies acquired through an exchange of shares have been entered in the consolidated financial statements at their equity-rated value.

Inter-Group business transactions and margins

Inter-Group business transactions, unrealized margins on internal deliveries, internal receivables and liabilities, and distribution of profit have been eliminated.

Valuation of fixed assets

Fixed assets are entered in the balance sheet at acquisition cost less planned depreciation.

Goodwill is amortized in five years.

Deferred tax

Deferred tax liabilities are calculated on the differences between tax assessment and financial statements, using the tax rate confirmed for subsequent years on the date of closing.

Auditors' Report

Board of Directors' Proposal to the Annual Meeting of Shareholders (figures converted into euros)

The parent company's disposable funds on December 31, 2001 were EUR 3,852,873.85.

The Group's disposable funds on December 31, 2001 were EUR 4,445,544.35.

The Board of Directors proposes that the disposable funds EUR 3,852,873.85 be disposed of as follows:

- | | |
|--|------------------|
| • a dividend to shareholders of EUR 0.25 per share | EUR 1,945,750.00 |
| • carried over in shareholders' equity | EUR 1,907,123.85 |

The Board of Directors proposes that the dividend be paid on April 3, 2002 on shares entered in the shareholders' register kept by the Finnish Central Securities Depository on the record date, March 25, 2002.

Auditors' Report

To the shareholders of Tieto-X Plc

We have audited the accounting, the financial statements and the corporate governance of Tieto-X Plc for the period 1.1.-31.12.2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance of the parent company.

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

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies' Act.

Helsinki February 28, 2002

Pricewaterhouse Coopers Oy
Authorised Public Accountants

Heikki Lassila, APA

The Board of Directors



The Board of Directors at a meeting

(from the left): Ralf W. Saxén (Chairman), Esko Siik, Juhani Pääkkö, Martti Leikos (President and CEO), Risto Terho, Kari Happonen and Matti Jokinen.

The Board of Directors convenes monthly and works intensively. Items of business include development of company strategy and close monitoring and analysis of operative results.

