

TIETO's interim report 2/2010 (January–June): Sales still slightly down – strong order intake in the second quarter**Highlights: April–June**

- Net sales totalled EUR 431.5 (444.8) million, down 3%.
- Order intake was EUR 590 (483) million.
- Operating profit (EBIT) amounted to EUR 19.5 (10.4) million, representing an operating margin of 4.5% (2.3).
- Operating profit excluding one-off items was EUR 21.3 (24.6) million, representing an operating margin of 4.9% (5.6).
- Lower net sales coupled with additional spending of EUR 7 million for development programmes impacted profitability.
- Profit after taxes was EUR 11.7 (10.0) million.
- Net cash flow from operations amounted to EUR 27.5 (-12.1) million.
- The company's outlook remains unchanged.

January–June highlights

- Net sales totalled EUR 854.4 (882.8) million, down 3%.
- Order intake was EUR 962 (881) million.
- Operating profit (EBIT) amounted to EUR 38.3 (15.3) million, representing an operating margin of 4.5% (1.7).
- Operating profit, excluding one-off items, amounted to EUR 47.9 (39.4) million, 5.6% (4.5) of net sales.
- Profit after taxes was EUR 23.7 (11.0) million.
- Net cash flow from operations amounted to EUR 55.4 (29.9) million.

	Q2/2010	Q2/2009	H1/2010	H1/2009
Net sales, EUR million	431.5	444.8	854.4	882.8
Change in net sales, %	-3	-7	-3	-7
Operating profit (EBIT), EUR million	19.5	10.4	38.3	15.3
Operating margin, %	4.5	2.3	4.5	1.7
Operating profit excl. one-off items, EUR million	21.3	24.6	47.9	39.4
Operating margin excl. one-off items, %	4.9	5.6	5.6	4.5
Profit after taxes, EUR million	11.7	10.0	23.7	11.0
Net cash flow from operations, EUR million	27.5	-12.1	55.4	29.9
EPS, EUR	0.17	0.14	0.33	0.15

Hannu Syrjälä, President and CEO:

“The Nordic IT services market has stabilized and started to recover. During the second quarter, we signed many significant longer term contracts such as the ones with the City of Stockholm, Skåne Regional Council and If P&C Insurance.

We have continued to invest in our global delivery model with excellent results – today 34% of our people are working in offshore countries, an increase of more than 1 300 employees from

the second quarter of 2009. Lower sales together with spending for development programmes and growth strained our profitability in the second quarter.

Cloud services are expected to stand for a significant part of new growth in IT spending in the coming years. We continue to invest in this area to become one of the leading cloud integrators by 2013 in our main markets. Our new energy-efficient data centres in Finland, Sweden and Russia provide an excellent platform for secure, full-scale production of environmentally friendly IT services.

The pick-up of demand in the IT market and our strengthened sales activities are expected to benefit our topline in the coming quarters. The demand for IT outsourcing continues on a good level especially in Sweden and Finland. Our operations outside Finland and Sweden have also improved, but slower than planned. We have strengthened the management and re-focused investments in order to accelerate performance improvement. Profitable growth is on top of our agenda for the rest of the year for the whole company.”

MARKET DEVELOPMENT

The IT services market in the Nordic countries has stabilized during the first half of 2010. Activity in the market has picked up, and companies' efforts to achieve cost savings and improve productivity continue to be the key drivers for investments. In 2010, IT spending in Europe is driven by replacement investments in hardware and purchases of new software licenses as well as growing spending on cloud services, such as Software as a Service. Transition from traditional IT services to cloud services is accelerating.

The Nordic IT services market is expected to start growing in the second half of 2010. Growth estimates for the full year provided by market analysts vary from 0% to 2%. The market development in the telecom sector is twofold; volumes are going up but at the same time, offshoring continues to lower market prices. The outsourcing market and the demand for new service models are expected to remain robust, whereas the project services market has shown little signs of recovery.

Some price pressure still persists in the market. The changing delivery mix – which makes greater use of offshore resources – is leading to lower average unit prices.

In the **telecom** sector, the transformation towards offshore-based operations has accelerated. It is expected that transfers will curb market growth in euros, although volumes in terms of manhours are on the rise. The network equipment manufacturers segment has continued to be challenging. Both the operator segment and the mobile device manufacturers segment have picked up, boosted by new technologies.

In the **finance** sector, the market has stabilized, but competition is fierce. Outsourcing is the main source of growth, especially in Sweden. In the Finnish finance sector, the pension insurance segment has slowed down after a long investment cycle, whereas larger banks are expected to start investing in new applications and are seeking to transfer more services to the internet. In the UK, the finance sector has remained challenging.

Market development by country

In **Finland**, the outsourcing market continues to grow, but project business is expected to remain at a modest level. Demand for IT services is expected to continue at a good level in the energy, healthcare and welfare sectors. In the public sector, IT budgets have been cut and the plan is to re-allocate parts of the budget from ministries to centralized IT procurement units in 2010. This affected the IT market already in the second quarter.

In **Sweden**, the IT market has picked up. New outsourcing-related opportunities have opened up with a focus on achieving operational efficiency, especially in the finance and public sectors. In the manufacturing industry, there are no signs of recovery yet. Price competition remains hard in agreement renewals.

Outside Finland and Sweden, the development of the IT markets varies country by country.

In **Germany**, it is expected that market recovery will be delayed until 2011. The markets for local automotive and telecom R&D have remained weak, but demand in the healthcare sector has remained brisk. In 2010, outsourcing remains the growth area, as the economic situation is forcing companies to improve the efficiency of their operations.

In **Norway**, demand is gradually picking up. Interest in restarting IT projects has increased in the oil & gas segment. The utilities segment is stable, automatic meter reading being one of the future drivers. The finance market in Norway follows the common industry trends, capital market solutions being the strongest area.

BUSINESS TRANSACTIONS AND MAJOR AGREEMENTS IN JANUARY–JUNE

In January, the Legal, Financial and Administrative Services Agency in Sweden, Kammarkollegiet, chose Tieto as one of its ten IT-suppliers. The framework agreements with the chosen suppliers cover IT management services in the public sector and will affect all government agencies, 232 municipalities as well as 19 county councils and regions.

In March, Tieto acquired T&T Telecom, an IT and consultancy company specializing in services for telecom operators. The company employs approximately 70 people and has offices in St. Petersburg and Moscow.

In March, Tieto divested the shares of TietoEnator Majiq, previously responsible for the company's pulp and paper operations in North America. The company employed close to 60 people. In the forest sector, Tieto now focuses on Europe and the growth markets in China and Russia.

In March, Tieto and Yleisradio (YLE) agreed that Tieto will acquire 20% of Tieto Broadcasting IT Oy's share capital. Tieto Broadcasting IT was previously owned by Tieto (80%) and YLE (20%). In 2009, Tieto Broadcasting IT's net sales amounted to EUR 22.7 million. The transaction was completed at the beginning of June.

In April, Tieto agreed to sell its French subsidiary to the French IT company Devoteam. In 2009, net sales from the sold entity were EUR 28.5 million. Altogether Tieto has booked EUR 7.3 million in impairment losses and EUR 0.4 million in restructuring costs related to the divestment.

In June, Tieto and the City of Stockholm decided to continue cooperation in IT and telephony services and concluded an agreement that runs from August 2012 until July 2014. The order value during the extension period is more than SEK 600 million (approximately EUR 60 million), of which Tieto's proportion is about SEK 300 million (approximately EUR 30 million). The delivery will be made in cooperation with SiriusIT, Aditro, Agresso and TeliaSonera.

In June, Skåne Regional Council chose Tieto as its outsourcing partner. The deal is valued at SEK 516 million (approximately EUR 50 million) during five years.

In June, Tieto and the Finnish State Treasury concluded an agreement on operating services. Tieto delivers IT operating services to the Finnish State Treasury and the related Government IT Shared Service Centre until 2016. The delivery also includes an extensive operating service

development plan for the whole contract period. The value of the contract is approximately EUR 20 million.

In June, If P&C Insurance concluded a new five-year IT services agreement with Tieto as a one-stop supplier. The contract includes operations management services for If's IT systems in the Nordic countries. The total value of the contract is approximately EUR 160 million.

In June, Tieto acquired the business of the Finnish healthcare IT solutions provider Intensium Oy to strengthen its position in the healthcare market. The business was transferred to Tieto on 1 July 2010. Intensium's 17 employees joined Tieto under their existing terms of employment on the same day.

ORDER BACKLOG

The order backlog, which only comprises services ordered with binding contracts, amounted to EUR 1 366 (1 122) million at the end of the period. In total, 43% (49) of the backlog is expected to be invoiced during the current year. Order intake in the second quarter saw the strongest growth in Sweden and in Financial Services.

FINANCIAL PERFORMANCE IN APRIL–JUNE

Second-quarter net sales declined by 3% and amounted to EUR 431.5 (444.8) million. In most industries, outsourcing of IT operations was brisk. However, the highly competitive operating environment as well as business transfers to offshore countries strained net sales. In the telecom sector, when eliminating the impact of the divestment of the French subsidiary and currency effects, Tieto saw modest growth.

The decline in net sales was reinforced by divestments and the one-off income of EUR 5.5 million included in the second-quarter net sales in 2009. The divestments of the pulp and paper operations in North America and Tieto's French subsidiary in 2010 and TietoSaab Systems in 2009 had a negative EUR 11.2 million impact on net sales in the second quarter. On the other hand, the stronger currencies, especially the Swedish krona, had a positive EUR 16 million impact on net sales. Changes in currencies and the impacts of divestments and one-off items offset each other, resulting in a decline of 3% in the net sales of the underlying business.

Second-quarter operating profit (EBIT) amounted to EUR 19.5 (10.4) million, representing a margin of 4.5% (2.3). Operating profit includes an additional impairment loss of EUR 1.0 million (net) related to the divestments of Tieto's French and US subsidiaries and a net amount of EUR 0.8 million (negative) in other one-off items. Operating profit excluding one-off items amounted to EUR 21.3 (24.6) million, or 4.9% (5.6) of net sales.

Both the decline in net sales and ongoing spending for development programmes explain the weakening profitability. The company continued to invest in global delivery capacity, growth initiatives in Russia and offerings, such as cloud services. The costs derived from the development programmes related to global delivery model and offerings increased by around EUR 4 million compared to the second quarter of 2009 and were booked as Group costs. Additionally, Tieto booked development costs of around EUR 3 million related to building of the Russian operations.

The company continues to drive its structural improvements and transfer of operations to offshore countries. In 2010, these actions are expected to result in one-off costs amounting to EUR 10–15 million. In the second quarter, Tieto booked EUR 0.8 million in restructuring costs and in January–June EUR 2.5 million.

Net financial expenses stood at EUR 1.1 (1.6) million in the second quarter. Net interest expenses were EUR 1.1 (1.7) million and net gains from foreign exchange transactions EUR 0.3 (0.8) million. Other financial income and expenses amounted to EUR 0.3 (0.7) million.

Second-quarter earnings per share (EPS) totalled EUR 0.17 (0.14).

The 12-month rolling return on capital employed (ROCE) was 21.1% and the return on shareholders' equity (ROE) 13.8%.

Financial performance by country

	Net sales in Q2/2010, EUR million	Net sales in Q2/2009, EUR million	Change, %	Operating margin in Q2/2010, %	Operating margin in Q2/2009, %
Finland	228	230	-1	11.4	11.1
Sweden	126	116	9	6.1	-5.3
International	136	143	-5	0.2	-4.3
Group elimination	-58	-45			
Total	431	445	-3	4.5	2.3

In **Finland**, net sales were down by 1%, or flat when eliminating the negative impact of the divestment of TietoSaab Systems. Net sales in the telecom sector were flat, while in the forest and manufacturing sectors, net sales turned to growth. Customers in the public sector have scaled back their purchases, resulting in lower second-quarter net sales in this sector. In the Finnish finance sector, net sales continued to slide. Second-quarter operating profit amounted to EUR 25.9 (25.6) million, or EUR 26.8 (28.0) million excluding one-off items. Operating margin was 11.4% (11.1), or 11.8% (12.2) excluding one-off items. Profitability of the underlying business was somewhat weaker partly due to lower prices. Additionally, salary increases are diluting the benefits derived from personnel reductions executed in 2009.

In **Sweden**, net sales grew by 9%, with the finance sector being the strongest performer. In local currency, net sales declined by 2%. The decline was mainly attributable to the weak IT market in the manufacturing sector and a slight decline in the telecom sector. The Swedish market has clearly picked up but at the same time, price levels are down. Thanks to tight cost control, operating profit improved to EUR 7.7 (-6.2) million, or EUR 7.3 (1.3) million excluding one-off items. Operating margin was 6.1% (-5.3), or 5.8% (1.1) excluding one-off items.

In **International**, net sales declined by 5%. The decline was reinforced by divestments and one-off income of EUR 5.5 million in the second quarter of 2009. The divestments of operations in North America and France had a negative EUR 10.2 million impact on net sales. On the other hand, the stronger currencies had a positive impact. When eliminating divestments, one-off items and changes in currencies, net sales grew by 4%. Growth is mainly attributable to growing offshore operations.

Second-quarter operating profit of Tieto International amounted to EUR 0.3 (-6.2) million and included EUR 1.0 million in impairment losses and a net amount of EUR 0.1 million (negative) in other one-off items. Operating profit excluding one-off items rose to EUR 1.4 (-1.9) million. Operating margin was 0.2% (-4.3), or 1.0% (-1.4) excluding one-off items. Despite cost savings and good performance in delivery countries, operating profit was unsatisfactory partly due to high business development costs in Russia.

Net sales by customer sector

	Net sales in Q2/2010, EUR million	Net sales in Q2/2009, EUR million	Change, %
Telecom	146	149	-2
Finance	90	94	-4
Industry sectors	194	201	-3
Total	431	445	-3

In the **telecom** sector, Tieto's net sales fell by 2%. Excluding the positive currency effect and the divestment of the French subsidiary, Telecom saw modest growth in the second quarter. Profitability improved due to lower costs and improved efficiency.

In the **finance** sector, net sales fell by 4%. Excluding the positive currency effect, net sales declined by around 8% mainly due to the drop in Finland. In Finland, net sales in the pension insurance segment shrunk after a relatively long and strong investment cycle. Despite weakened sales in Finland, profitability improved somewhat due to cost savings and the downsizing of underperforming businesses.

In the **industry sectors**, net sales declined by 3%. Excluding currency effects, the divestments of the pulp and paper operations in North America in 2010 and TietoSaab Systems in 2009 and the one-off income recognized in 2009, net sales declined by around 2%. Profitability remained at a healthy level. In Tieto's reporting, the industry sectors cover customers in healthcare and welfare, forest, energy, manufacturing, automotive, public, retail and logistics.

FINANCIAL PERFORMANCE IN JANUARY–JUNE

Net sales declined by 3% and amounted to EUR 854.4 (882.8) million. In local currencies, net sales declined by 7%.

Six-month operating profit (EBIT) amounted to EUR 38.3 (15.3) million, representing a margin of 4.5% (1.7). Operating profit includes a net amount of EUR 2.5 million (negative) in one-off costs related to the streamlining actions, impairment losses of EUR 7.6 million related to the divestments, and a capital gain of EUR 0.5 million. Operating profit excluding one-off items amounted to EUR 47.9 (39.4) million, or 5.6% (4.5) of net sales.

Financial performance by country

	Net sales in H1/2010, EUR million	Net sales in H1/2009, EUR million	Change, %	Operating margin in H1/2010, %	Operating margin in H1/2009, %
Finland	449	457	-2	10.8	10.6
Sweden	245	235	4	5.5	-6.4
International	271	284	-5	-0.4	-3.5
Group elimination	-111	-93			
Total	854	883	-3	4.5	1.7

Net sales by customer sector

	Net sales in H1/2010, EUR million	Net sales in H1/2009, EUR million	Change, %
Telecom	289	302	-4
Finance	178	183	-2
Industry sectors	387	398	-3
Total	854	883	-3

Net financial expenses stood at EUR 2.2 (4.4) million in the first half. Net interest expenses were EUR 2.8 (3.5) million and net gains from foreign exchange transactions EUR 1.0 (negative 0.5) million. Other financial income and expenses amounted to EUR 0.4 (0.4) million.

Six-month earnings per share (EPS) totalled EUR 0.33 (0.15).

CASH FLOW AND FINANCING

Second-quarter net cash flow from operations, including the increase of EUR 9.2 (25.8) million in net working capital, amounted to EUR 27.5 million (negative 12.1).

Six-month net cash flow from operations increased to EUR 55.4 (29.9) million. Net cash flow from operations includes the increase of EUR 19.1 (decrease 2.3) million in net working capital.

Tax payments amounted to EUR 7.6 (16.6) million in the six-month period.

Payments for acquisitions totalled EUR 1.6 (2.3) million in the first half. Divestments amounted to EUR 2.9 (5.7) million.

The equity ratio was 48.0% (40.7). Gearing decreased to 17.1% (30.1). Net debt totalled EUR 89.6 (139.2) million, including EUR 150.6 million in interest-bearing debt, EUR 6.8 million in finance lease liabilities, EUR 8.9 million in finance lease receivables and EUR 58.9 million in cash and cash equivalents.

The interest-bearing long-term debt consists of EUR 150 million in bonds, of which EUR 100 million will mature in December 2013 and EUR 50 million (private placement) in July 2012. The EUR 250 million syndicated revolving credit facility maturing in November 2011 was not in use and there were no commercial papers issued under the EUR 250 million Commercial Paper Programme at the end of June. Other short-term credit lines were utilized for EUR 0.6 million.

INVESTMENTS

Investments totalled EUR 48.5 (30.5) million for the six-month period. This comprises EUR 46.6 (29.3) million in capital expenditure including financial leasing, and EUR 1.9 (1.2) million in investments in shares. Capital expenditure in Sweden rose by EUR 8 million and in International by EUR 4 million. The increase is attributable to the construction of the data centres in Sweden and Russia.

PERSONNEL

The number of full-time employees rose to 16 885 (16 195) at the end of June. The rise has resulted from twofold development. To boost its offshore ratio, Tieto has actively been ramping up its capacity in global delivery centres. At the end of June, the number of full-time employees in the global delivery centres totalled 5 745 (4 389), or 34% (27) of personnel. In onshore locations, the number of personnel has decreased by around 800 employees.

During the first half, Tieto accelerated competence transformation with a view to better meeting needs in growing specialist areas. The company has also invested in building more effective tools for project staffing.

Based on the national salary raises agreed in collective labour agreements in Finland and Sweden, wages will increase by around 2% in 2010.

The 12-month rolling employee turnover stood at 7.7% at the end of June. The average number of full-time employees was 16 817 (16 650) in the six-month period.

MANAGEMENT

In June, Tieto appointed Willem Hendrickx as Executive Vice President, Telecom & Media and member of Tieto's Leadership Team as of 9 August 2010. Hendrickx will also be responsible for country operations in Italy, Spain, the Netherlands and the UK.

SHARES AND SHARE-BASED INCENTIVES

At the end of June, the total number of shares amounted to 72 023 173 and the share capital to EUR 75 841 523.

On 30 June 2010, a total of 3 000 Tieto shares were returned free of consideration to the company as the terms regarding the service conditions of the holders were not fully met. The transaction was related to the company's Share Ownership Plan 2006–2008.

At the end of the quarter, the number of shares in the company's possession totalled 548 900, representing 0.8% of the total number of shares and voting rights. The number of shares, excluding the shares in the company's possession, was 71 474 273.

A total of 84 700 Tieto 2006 B Stock Options were cancelled in June. After the cancellation, the remaining 515 300 stock options 2006 B entitle the holder to subscribe for 515 300 Tieto shares.

FLAGGING ANNOUNCEMENTS

On 8 April, Goldman Sachs announced that it no longer has a notifiable interest in Tieto shares. Solidium reported on 8 April that its holding had increased to 5.02%. On 28 May, Solidium announced that its ownership was 10.0%.

NEAR-TERM RISKS AND UNCERTAINTIES

In some specialist areas, the first signs of a lack of resources and rising attrition can be seen. Therefore, the rise in personnel expenses might be higher than agreed in the collective labour agreements. In Asia, salaries are on the rise, in some areas even at a double-digit rate.

Weak demand for IT services might lead to lower utilization of resources and hence lower profitability if the company is not able to adjust its cost base fast enough to new negative changes in the market.

The ongoing transformation of the IT sector towards offshore production might create uncertainty among the company's personnel and poses risks related to the company's market position, prices and quality of deliveries. On the other hand, Tieto has steadily increased its offshore resources during the past several years, and is currently the leading European based company providing substantial offshore capabilities. The company expects the growing offshore operations to lead to lower average costs as well, offsetting negative price effects. Special attention has been placed on ensuring the quality of deliveries.

A comprehensive description of the major long-term risks is available on the company's website.

OUTLOOK FOR 2010

Tieto anticipates that the IT markets have bottomed out. In 2010, the company expects its net sales to develop in line with the IT services market relevant to Tieto and its operating profit to be higher than in 2009.

Financial calendar

Third-quarter interim report on 27 October 2010

Fourth-quarter interim report and financial statements bulletin for 2010 on 10 February 2011

Accounting policies in 2010

The interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

Tieto has started to apply hedge accounting for selected hedging transactions, such as foreign exchange hedging transactions between EUR and CZK after 1 March 2010. Excluding this change, the accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2009. The accounting policies as well as the effect of changes required by the adoption of standards, interpretations and amendments taken into use in 2010 are described in the annual financial statements.

The figures in this report are unaudited.

Key figures	2010	2009	2010	2010	2009	2009
	4-6	4-6	1-3	1-6	1-6	1-12
Earnings per share, EUR						
- basic	0.17	0.14	0.17	0.33	0.15	0.77
- diluted	0.17	0.14	0.17	0.33	0.15	0.77
Equity per share, EUR	7.33	6.46	7.10	7.33	6.46	7.25
Return on equity rolling 12 month, %	13.8	7.8	13.6	13.8	7.8	11.0
Return on capital employed rolling 12 month, %	21.1	18.5	19.6	21.1	18.5	16.8
Equity ratio %	48.0	40.7	45.8	48.0	40.7	46.0
Net interest-bearing liabilities, EUR million	89.6	139.2	51.9	89.6	139.2	66.0
Gearing, %	17.1	30.1	10.2	17.1	30.1	12.7
Investments, EUR million	25.2	14.4	23.3	48.5	30.5	58.9

Number of shares

	2010	2010	2010	2009	2009
	4-6	1-3	1-6	4-6	1-12
Outstanding shares, end of period					
Basic	71 408 913	71 408 913	71 408 913	71 483 173	71 408 913
Diluted	71 616 474	71 691 433	71 658 176	71 557 433	71 481 673
Outstanding shares, average					
Basic *)	71 408 913	71 408 913	71 408 913	71 577 023	71 499 888
Diluted	71 619 441	71 695 784	71 663 323	71 652 226	71 574 507
Company's possession of its own shares,					
End of period	548 900	545 900	548 900	540 000	541 500
Average	545 933	541 549	543 753	446 150	473 315

*) Number of shares included in the calculation of basic Earnings per share. Shares conveyed in 2009 are excluded as they can be returned until the end of 2010.

Income statement, EUR million

	2010	2009	2010	2009	Change	2009
	4-6	4-6	1-6	1-6	%	1-12
Net sales	431.5	444.8	854.4	882.8	-3	1 706.3
Other operating income	2.5	7.1	9.5	10.0	-5	17.5
Employee benefit expenses	255.8	265.8	510.3	532.7	-4	986.7
Depreciation, amortization and impairment charges	18.2	19.0	41.2	36.3	13	70.7
Other operating expenses	140.5	156.7	274.1	308.5	-11	591.1
Operating profit (EBIT)	19.5	10.4	38.3	15.3	150	75.3
Interest and other financial income	3.3	0.8	7.1	1.6	344	5.8
Interest and other financial expenses	-4.7	-3.2	-10.3	-5.5	87	-13.7
Net exchange losses/gains	0.3	0.8	1.0	-0.5	-	2.9
Profit before taxes	18.4	8.8	36.1	10.9	231	70.3
Income taxes	-6.7	1.2	-12.4	0.1	-	-15.2
Net profit for the period	11.7	10.0	23.7	11.0	115	55.1
Net profit for the period attributable to						
Shareholders of the Parent company	11.8	18.4	23.7	10.7	121	54.8
Non-controlling interest	-0.1	0.3	0.0	0.3	-100	0.3
	11.7	10.0	23.7	11.0	115	55.1

Earnings per share attributable to the shareholders of the Parent company, EUR

Basic	0.17	0.14	0.33	0.15	120	0.77
Diluted	0.17	0.14	0.33	0.15	120	0.77

Statement of comprehensive income, EUR million

Net profit for the period	11.7	10.0	23.7	11.0	115	55.1
Tax impact on share-based payments	-	0.2	-	0.2	-	-
Translation difference from the net investment in Swedish subsidiaries (net of tax)	3.0	-8.0	11.0	0.7	1 471	8.2
Translation differences	1.3	9.5	5.0	3.2	-	7.2
Cash flow hedges	-0.1	-	-0.1	-	-	-
Total comprehensive income	15.9	11.7	39.6	15.1	1587	70.5
Total comprehensive income attributable to						
Shareholders of the Parent company	16.0	11.6	39.6	14.8	168	70.2
Non-controlling interest	-0.1	0.1	0.0	0.3	-100	0.3
	15.9	11.7	39.6	15.1	162	70.5

Balance sheet, EUR million

	2010	2009	Change	2009
	30 Jun	30 Jun	%	31 Dec
Goodwill	416.2	392.7	6	402.0
Other intangible assets	53.4	46.1	16	42.8
Property, plant and equipment	106.3	100.8	5	100.1
Deferred tax assets	57.8	74.5	-22	66.9
Loan receivables	5.0	5.0	0	5.0
Other non-current assets	0.8	0.8	0	0.8
<i>Total non-current assets</i>	639.5	619.9	3	617.6
Trade and other receivables	462.9	469.5	-1	444.1
Loan receivables	3.9	6.6	-41	3.9
Current income tax receivables	6.6	14.4	-54	6.4
Cash and cash equivalents	58.9	101.7	-42	123.3
<i>Total current assets</i>	532.3	592.2	-10	577.7
Assets classified as held for sale	-	-	-	-
Total assets	1 171.8	1 212.1	-3	1 195.3
Share capital, share issue premiums and other reserves	112.7	109.6	3	110.6
Retained earnings	410.8	350.9	17	407.0
<i>Parent shareholders' equity</i>	523.5	460.5	14	517.6
Non-controlling interest	0.1	1.5	-93	0.7
<i>Total equity</i>	523.6	462.0	13	518.3
Finance lease liability	6.8	11.9	-43	9.5
Loans	150.0	150.0	0	150.0
Deferred tax liabilities	36.8	27.6	33	33.6
Pension obligations	19.5	17.8	10	18.9
Other non-current liabilities	2.2	1.5	47	1.4
<i>Total non-current liabilities</i>	215.3	208.8	3	213.4
Trade and other payables	395.3	388.0	2	370.1
Current income tax liabilities	9.1	8.3	10	8.2
Provisions	27.9	54.5	-49	46.5
Loans	0.6	90.5	-99	38.8
<i>Total current liabilities</i>	432.9	541.3	-20	463.6
Liabilities classified as held for sale	-	-	-	-
Total equity and liabilities	1 171.8	1 212.1	-3	1 195.3

Net working capital in the balance sheet, EUR million

	2010	2009	Change	2010	2009
	30 Jun	30 Jun	%	31 Mar	31 Dec
Accounts receivable	304.2	312.1	-3	296.5	313.9
Other working capital receivables	152.4	156.5	-3	149.7	129.4
Working capital receivables included in assets	456.6	468.6	-3	446.2	443.3
Operative accruals	157.6	160.0	-2	154.3	149.1
Other working capital liabilities	229.5	222.8	3	224.9	219.6
Pension obligations and provisions	47.4	72.2	-34	57.0	65.4
Working capital liabilities included in current liabilities	434.5	455.0	-5	436.2	434.1
Net working capital in the balance sheet	22.1	13.6	62	10.0	9.2

Cash flow, EUR million

	2010	2009	2010	2010	2009	2009
	4-6	4-6	1-3	1-6	1-6	1-12
Cash flow from operations						
Net profit	11.7	10.0	12.0	23.7	11.0	55.1
Adjustments						
Depreciation, amortization and impairment charges	18.2	19.0	23.0	41.2	36.3	70.7
Share-based payments	1.3	1.1	1.2	2.5	2.1	3.8
Profit/loss on sale of fixed assets and shares	0.1	-6.1	-0.5	-0.4	-6.1	-6.1
Other adjustments	-0.6	0.8	0.0	-0.6	0.9	0.2
Net financial expenses	1.1	1.6	1.1	2.2	4.4	5.0
Income taxes	6.7	-1.2	5.7	12.4	-0.1	15.2
Change in net working capital	-9.2	-25.8	-9.9	-19.1	2.3	-3.9
Cash generated from operations	29.3	-0.6	32.6	61.9	50.8	140.0
Net financial expenses paid	-0.8	-1.3	1.9	1.1	-4.3	0.8
Income taxes paid	-1.0	-10.2	-6.6	-7.6	-16.6	-14.4
Net cash flow from operations	27.5	-12.1	27.9	55.4	29.9	126.4
Cash flow from investing activities						
Acquisition of Group companies and business operations, net of cash acquired	-1.2	0.1	-0.4	-1.6	-2.3	-4.6
Capital expenditures	-24.6	-13.4	-21.4	-46.0	-29.3	-58.0
Advance payment for acquisition of shares	-	-1.0	-	0.0	-1.0	-
Disposal of business operations	-2.2	5.7	5.1	2.9	5.7	5.7
Sales of fixed assets	-0.1	1.7	0.3	0.2	1.7	2.9
Change in loan receivables	-0.7	-1.9	0.7	0.0	-1.8	0.8
Net cash used in investing activities from operations	-28.8	-8.8	-15.7	-44.5	-27.0	-53.2
Cash flow from financing activities						
Dividends paid	-35.7	-36.3	-0.3	-36.0	-36.3	-36.3
Repurchase of own shares	-	-2.6	-	-	-2.6	-2.6
Payment of finance lease liabilities	-1.3	-3.9	-1.3	-2.6	-2.6	-5.1
Change in interest-bearing liabilities	0.2	70.4	-38.4	-38.2	23.8	-27.9
Net cash used in financing activities from operations	-36.8	27.6	-40.0	-76.8	-17.7	-71.9
Change in cash and cash equivalents	-38.1	6.7	-27.8	-65.9	-14.8	1.3
Cash and cash equivalents at beginning of period	-98.4	-94.6	-123.3	-123.3	-120.2	-120.2
Foreign exchange differences	1.4	-0.4	-2.9	-1.5	3.7	-1.8
Cash and cash equivalents at end of period	58.9	101.7	98.4	58.9	101.7	123.3
	-38.1	6.7	-27.8	-65.9	-14.8	1.3

Statement of changes in shareholders' equity, EUR million

	Parent shareholders' equity						Total	Non-controlling interest	Total equity
	Share capital	Share issue premiums and other reserves	Own shares	Translation differences	Cash flow hedges	Retained earnings			
Balance at 31 Dec 2008	75.8	33.2	-9.0	-76.1	0.0	458.1	482.0	1.6	483.6
Comprehensive income									
Net profit for the period						10.7	10.7	0.3	11.0
Other comprehensive income									
Translation difference from the net investment in Swedish subsidiaries (net of tax)						0.7	0.7		0.7
Translation difference		0.1		1.2		2.1	3.4		3.4
Total comprehensive income		0.1		1.2	0.0	13.5	14.8	0.3	15.1
Transactions with owners									
Share-based payments recognized against equity						2.1	2.1		2.1
Dividend						-35.8	-35.8		-35.8
Own shares purchased			-2.6				-2.6		-2.6
Transfer between restricted and non-restricted reserves		0.4				-0.4	0.0		0.0
Non-controlling interest								-0.4	-0.4
Total transactions with owners		0.4	-2.6			-34.1	-36.3	-0.4	-36.7
At 30 June 2009	75.8	33.7	-11.6	-74.9	0.0	437.5	460.5	1.5	462.0

	Parent shareholders' equity							Non-controlling interest	Total equity
	Share capital	Share issue premiums and other reserves	Own shares	Translation differences	Cash flow hedges	Retained earnings	Total		
Balance at 31 Dec 2009	75.8	34.8	-11.6	-44.8	0.0	463.4	517.6	0.7	518.3
Comprehensive income									
Net profit for the period						23.7	23.7	0.0	23.7
Other comprehensive income									
Translation difference from the net investment in Swedish subsidiaries (net of tax)						11.0	11.0		11.0
Translation difference		2.1		34.8		-31.9	5.0		5.0
Cash flow hedges					-0.1		-0.1		-0.1
Total comprehensive income		2.1		34.8	-0.1	2.8	39.6	0.0	39.6
Transactions with owners									
Share-based payments recognized against equity						2.5	2.5		2.5
Dividend						-35.7	-35.7		-35.7
Changes due to business combinations						-0.5	-0.5	-0.2	-0.7
Non-controlling interest								-0.4	-0.4
Total transactions with owners		0.0	0.0			-33.7	-33.7	-0.6	-34.3
At 30 June 2010	75.8	36.9	-11.6	-10.0	-0.1	432.5	523.5	0.1	523.6

Net sales by country, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	228	230	-1	449	457	-2	888
Sweden	126	116	9	245	235	4	462
International	136	143	-5	271	284	-5	553
Group elimination	-58	-45	30	-111	-93	19	-197
Group total	431	445	-3	854	883	-3	1 706

Internal sales by country, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	18	17	5	35	35	1	73
Sweden	7	4	58	13	14	-11	27
International	34	24	43	63	44	43	96
Group total	58	45	30	111	93	19	197

Sales between segments are carried out at arm's length.

Net sales according to customer location, EUR million

	2010	Change	Share	2009	Share	2009
	1-6	%	%	1-6	%	1-12
Finland	404	-3	47	417	47	806
Sweden	229	6	27	217	25	431
Other	221	-11	26	248	28	470
Group total	854	-3	100	883	100	1 706

Net sales by customer sector, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Telecom	146	149	-2	289	302	-4	582
Finance	90	94	-4	178	183	-2	359
Industry sectors	194	201	-3	387	398	-3	766
Group total	431	445	-3	854	883	-3	1 706

Revenues of EUR 114.9 million (EUR 115.6 million in 2009) are derived from a single external customer. These revenues are attributable to all reportable segments.

Operating profit (EBIT) by country, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	25.9	25.6	1.3	48.6	48.3	0.5	110.3
Sweden	7.7	-6.2	Pos	13.5	-15.0	Pos	-3.1
International	0.3	-6.2	Pos	-1.1	-9.9	88.4	-6.7
Group operations	-14.4	-2.8	-418.8	-22.6	-8.1	-178.5	-25.4
Operating profit (EBIT)	19.5	10.4	87.5	38.3	15.3	150.6	75.3

Operating margin (EBIT) by country, %

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6		1-6	1-6		1-12
Finland	11.4	11.1	0.3	10.8	10.6	0.2	12.4
Sweden	6.1	-5.3	11.4	5.5	-6.4	11.9	-0.7
International	0.2	-4.3	4.5	-0.4	-3.5	3.1	-1.2
Operating margin (EBIT)	4.5	2.3	2.2	4.5	1.7	2.8	4.4

Personnel by country

	End of period			Average			
	2010 1-6	Change %	Share %	2009 1-6	2009 1-12	2010 1-6	2009 1-6
Finland	5 766	-2	34	5 863	5 758	5 774	6 016
Sweden	2 893	-7	17	3 122	3 102	2 957	3 265
Czech	1 768	18	10	1 500	1 656	1 726	1 519
India	1 146	43	7	802	1 009	1 103	784
Germany	1 026	-2	6	1 049	1 047	1 032	1 097
China	882	121	5	399	590	765	367
Poland	780	31	5	596	676	734	576
Latvia	597	-3	4	618	588	592	625
Norway	521	-6	3	556	561	528	628
Italy	270	4	2	260	266	271	261
Great Britain	220	-23	1	285	274	248	307
Denmark	202	-16	1	241	226	214	287
Lithuania	181	1	1	180	177	179	187
Netherlands	131	-4	1	136	133	131	145
Estonia	122	0	1	122	118	120	122
France	0	-100	0	131	134	65	140
Other	380	14	2	335	349	377	324
Group total	16 885	4	100	16 195	16 663	16 817	16 650

Total assets by country, EUR million

	2010 30 Jun	2009 30 Jun	Change %	2010 31 Dec
Finland	461.1	472.7	-2	442.1
Sweden	278.4	245.6	13	261.3
International	322.0	346.1	-7	310.8
Country elimination	-24.6	-20.9	17	-21.4
Countries total	1 037.0	1 043.4	-1	992.7
Group Operations	134.8	168.7	-20	202.5
Total assets	1 171.8	1 212.1	-3	1 195.3

Non-current assets according to asset location, EUR million

	2010 30 Jun	2009 30 Jun	Change %	2009 31 Dec
Finland	258.0	254.7	1	252.0
Sweden	155.6	132.6	17	138.6
Other	162.2	152.3	7	154.4
Total non-current assets	575.9	539.6	7	545.0

Capital expenditure by country, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	11.4	10.1	13	25.0	22.9	9	41.2
Sweden	7.6	2.3	230	12.6	4.7	169	9.4
International	3.8	0.7	443	5.0	0.7	608	4.2
Group Operations	2.2	0.3	633	4.0	1.0	301	2.8
Group total	25.0	13.4	87	46.6	29.3	59	57.5

Depreciation by country, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	10.9	10.1	9	21.5	20.5	5	41.7
Sweden	2.4	2.0	18	4.4	4.1	8	8.3
International	1.5	4.1	-64	3.0	5.7	-48	8.8
Group Operations	0.4	0.6	-34	0.8	1.4	-40	2.6
Group total	15.2	16.8	-9	29.8	31.7	-6	61.4

Amortization on allocated intangible assets from acquisitions, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	0.1	0.1	7	0.2	0.3	-8	0.5
Sweden	0.8	0.7	12	1.5	1.5	3	2.9
International	1.1	1.5	-26	2.0	2.9	-29	5.9
Group Operations	0.0	0.0	0	0.0	0.0	0	0.0
Group total	2.0	2.3	-13	3.8	4.6	-18	9.3

Impairment losses, EUR million

	2010	2009	Change	2010	2009	Change	2009
	4-6	4-6	%	1-6	1-6	%	1-12
Finland	0.0	0.0	0	0.0	0.0	0	0.0
Sweden	0.0	0.0	0	0.0	0.0	0	0.0
International	1.0	0.0	-	7.6	0.0	-	0.0
Group Operations	0.0	0.0	0	0.0	0.0	0	0.0
Group total	1.0	0.0	-	7.6	0.0	-	0.0

Commitments and contingencies, EUR million

	30 Jun 2010	31 Dec 2009	Change %
For Tieto obligations			
Pledges	0.0	0.0	0
On behalf of joint ventures	0.5	0.0	0
Other Tieto obligations			
Rent commitments due in one year	43.4	52.1	-17
Rent commitments due in 1-5 years	94.0	86.9	8
Rent commitments due after 5 years	40.5	21.4	89
Operating lease commitments due in one year	9.7	11.3	-14
Operating lease commitments due in 1-5 years	8.0	8.8	-9
Operating lease commitments due after 5 years	0.0	0.0	0
Other commitments 1)	35.4	28.2	26

1) In addition commitments of EUR 9.7 million (EUR 7.6 million at December 2009) related to liabilities in the Group balance sheet.

Operating lease commitments are principally three-year lease agreements that do not include buyout clauses.

Derivatives, EUR million

Notional amounts of derivatives	30 Jun 2010	31 Dec 2009
Foreign exchange forward contracts	242.4	196.5
Interest rate swap	250.0	250.0

Includes the gross amount of all notional values for contracts that have not yet been settled or closed. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

Fair values of derivatives

The net fair values of financial derivative instruments at the balance sheet date were:	30 Jun 2010	31 Dec 2009
Foreign exchange forward contracts	-1.0	-0.6
Interest rate swaps	-1.9	-1.4

Derivatives are used for economic hedging purposes only.

QUARTERLY FIGURES**Key figures**

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Earnings per share, EUR						
- basic	0.17	0.17	0.36	0.25	0.14	0.01
- diluted	0.17	0.17	0.36	0.25	0.14	0.01
Equity per share, EUR	7.33	7.10	7.25	6.82	6.46	6.31
Return on equity rolling 12 month, %	13.8	13.6	11.0	6.3	7.8	10.2
Return on capital employed rolling 12 month, %	21.1	19.6	16.8	18.6	18.5	25.3
Equity ratio %	48.0	45.8	46.0	43.2	40.7	40.0
Net interest-bearing liabilities, EUR million	89.6	51.9	66.0	118.9	139.2	79.2
Gearing, %	17.1	10.2	12.7	24.4	30.1	17.5
Investments, EUR million	25.2	23.3	15.7	12.7	14.4	16.1

Income statement, EUR million

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Net sales	431.5	422.9	440.6	382.9	444.8	438.0
Other operating income	2.5	7.0	4.7	2.8	7.1	2.9
Employee benefit expenses	255.8	254.5	243.3	210.7	265.8	266.9
Depreciation, amortization and impairment charges	18.2	23.0	17.5	16.9	19.0	17.3
Other operating expenses	140.5	133.6	150.8	131.8	156.7	151.8
Operating profit (EBIT)	19.5	18.8	33.7	26.3	10.4	4.9
Financial income and expenses	-1.1	-1.1	-1.5	0.9	-1.6	-2.8
Profit before taxes	18.4	17.7	32.2	27.2	8.8	2.1
Income taxes	-6.7	-5.7	-6.5	-8.8	1.2	-1.1
Net profit for the period	11.7	12.0	25.7	18.4	10.0	1.0

Balance sheet, EUR million

	2010	2010	2009	2009	2009	2009
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Goodwill	416.2	411.5	402.0	398.2	392.7	391.4
Other intangible assets	53.4	45.0	42.8	44.1	46.1	49.2
Property, plant and equipment	106.3	104.7	100.1	99.0	100.8	103.2
Other non-current assets	63.6	66.1	72.7	68.7	75.3	68.7
<i>Total non-current assets</i>	639.5	627.3	617.6	610.0	614.9	612.5
Trade receivables and other current assets	473.4	461.4	454.4	495.0	495.5	514.1
Cash and cash equivalents	58.9	98.4	123.3	105.6	101.7	94.6
<i>Total current assets</i>	532.3	559.8	577.7	600.6	597.2	608.7
Assets classified as held for sale	-	4.4	-	-	-	-
Total assets	1 171.8	1 191.5	1 195.3	1 210.6	1 212.1	1 221.2
<i>Total equity</i>	523.6	507.2	518.3	487.8	462.0	452.1
Non-current loans	156.8	158.2	159.5	160.6	161.9	163.2
Other non-current liabilities	58.5	58.0	53.9	48.9	46.9	42.5
<i>Total non-current liabilities</i>	215.3	216.2	213.4	209.5	208.8	205.7
Trade payables and other current liabilities	404.4	427.5	378.3	390.0	396.3	506.1
Provisions	27.9	36.6	46.5	49.3	54.5	37.2
Current loans	0.6	0.3	38.8	74.0	90.5	20.1
<i>Total current liabilities</i>	432.9	464.4	463.6	513.3	541.3	563.4
Liabilities classified as held for sale	-	3.7	-	-	-	-
Total equity and liabilities	1 171.8	1 191.5	1 195.3	1 210.6	1 212.1	1 221.2

Cash flow, EUR million

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Cash flow from operations						
Net profit	11.7	12.0	25.7	18.4	10.0	1.0
Adjustments	26.8	30.5	25.4	25.9	15.2	22.3
Change in net working capital	-9.2	-9.9	24.0	-26.4	-25.8	28.1
Cash generated from operations	29.3	32.6	75.1	17.9	-0.6	51.4
Net financial expenses paid	-0.8	1.9	0.1	5.0	-1.3	-3.0
Income taxes paid	-1.0	-6.6	-3.5	5.7	-10.2	-6.4
Net cash flow from operations	27.5	27.9	71.7	28.6	-12.1	42.0
Net cash used in investing activities from operations	-28.8	-15.7	-17.9	-8.3	-8.8	-18.2
Net cash used in financing activities from operations	-36.8	-40.0	-36.4	-17.8	27.6	-45.3
Change in cash and cash equivalents	-38.1	-27.8	17.4	2.5	6.7	-21.5
Cash and cash equivalents at beginning of period	-98.4	-123.3	-105.6	-101.7	-94.6	-120.2
Foreign exchange differences	1.4	-2.9	-0.3	-1.4	-0.4	4.1
Cash and cash equivalents at end of period	58.9	98.4	123.3	105.6	101.7	94.6
	-38.1	-27.8	17.4	2.5	6.7	-21.5

QUARTERLY FIGURES BY SEGMENTS**Net sales by country, EUR million**

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Finland	228	222	233	199	230	227
Sweden	126	119	125	103	116	119
International	136	135	139	130	143	141
Group elimination	-58	-52	-56	-48	-45	-48
Group total	431	423	441	383	445	438

Net sales by customer sector, EUR million

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Telecom	146	142	149	132	149	153
Finance	90	88	89	87	94	89
Industry sectors	194	193	203	165	201	197
Group total	431	423	441	383	445	438

Operating profit (EBIT) by country, EUR million

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Finland	25.9	22.6	33.9	28.1	25.6	22.7
Sweden	7.7	5.8	7.9	4.1	- 6.2	- 8.8
International	0.3	- 1.4	2.4	0.9	- 6.2	- 3.7
Group operations	- 14.4	- 8.2	- 10.5	- 6.8	- 2.8	- 5.3
Operating profit (EBIT)	19.5	18.8	33.7	26.3	10.4	4.9

Operating margin (EBIT) by country, %

	2010	2010	2009	2009	2009	2009
	4-6	1-3	10-12	7-9	4-6	1-3
Finland	11.4	10.2	14.6	14.1	11.1	10.0
Sweden	6.1	4.9	6.3	4.0	-5.3	-7.4
International	0.2	-1.0	1.7	0.7	-4.3	-2.6
Operating margin (EBIT)	4.5	4.5	7.7	6.9	2.3	1.1

Major shareholders 30 June 2010

	Shares	%
1 Solidium Oy	7 415 418	10,3%
2 Swedbank Robur fonder	3 702 584	5,1%
3 Ilmarinen Mutual Pension Insurance Co.	2 564 367	3,6%
4 OP-Pohjola Group	2 545 504	3,5%
5 Svenska Litteratursällskapet i Finland	1 667 000	2,3%
6 Tapiola Pension	1 530 000	2,1%
7 Varma Mutual Pension Insurance Co.	1 249 749	1,7%
8 The State Pension Fund	1 090 634	1,5%
9 Danske funds	850 078	1,2%
10 SEB Investment Management	771 473	1,1%
	23 386 807	32,4%
Nominee registered	36 203 528	50,3%
Others	12 432 838	17,3%
Total	72 023 173	100,0%

Based on the ownership records of Euroclear Finland Oy and Euroclear Sweden AB.

Based on the latest information Tieto has (15 March 2010), Cevian Capital's holding was 4 969 385 shares which represents 6.9% of the shares and voting rights.

On 8 April 2010, Goldman Sachs announced that its group holding has fallen below the 5% threshold.

On 28 May 2010, Solidium announced that its holding in Tieto Corporation has exceeded the 10.0% threshold.

For further information, please contact:

Hannu Syrjälä, President and CEO, tel. +358 207 2010, hannu.syrjala@tieto.com

Seppo Haapalainen, CFO, tel. +358 2072 63500, +358 400 455587,
seppo.haapalainen@tieto.com

Reeta Kaukiainen, VP, Communications and Investor Relations, tel. +358 2072 68711,
+358 50 522 0924, reeta.kaukiainen@tieto.com

Pasi Hiedanpää, Manager, Investor Relations, tel. +358 2072 68088, +358 50 378 2228,
pasi.hiedanpaa@tieto.com

Tieto Corporation INTERIM REPORT 21 July 2010, 8.00 am EET 27 (27)

Press conference for analysts and media will be held at Tieto's premises in Helsinki, address: Aku Korhosen tie 2-6, at 10.00 am EET (9.00 am CET, 8.00 am UK time). The results will be presented in English by Hannu Syrjälä, President and CEO. Notification of attendance to sirpa.salo@tieto.com, tel. +358 2072 68714.

The conference will be webcasted and published live on Tieto's website www.tieto.com and there will be a possibility to present questions online. An on-demand video will be available after the conference.

Conference call hosted by the management starting at 2.00 pm EET (1.00 pm CET, 12.00 am UK time), will also be available as live audio webcast at www.tieto.com. Callers may access the conference directly at the following telephone numbers: US callers **+1 212 444 0412**, non-US callers **+44 20 7806 1953**, no code. Lines are to be reserved ten minutes before the start of conference call.

An on-demand audiocast of the conference will also be published on Tieto's website later during the day. A replay will be available until 27 July 2010 in the following numbers: US callers: **+1 347 366 9565**, non-US callers: **+44 20 7111 1244**, access code: **7441122#**.

Tieto publishes financial information in English, Finnish and Swedish. All releases are posted in full on Tieto's website as soon as they are published.

TIETO CORPORATION

DISTRIBUTION

NASDAQ OMX Helsinki
NASDAQ OMX Stockholm
Principal Media

Tieto is an IT service company providing IT, R&D and consulting services. With approximately 17 000 experts, we are among the leading IT service companies in Northern Europe and the global leader in selected segments. We specialize in areas where we have the deepest understanding of our customers' businesses and needs. Our superior customer centricity and expertise in digital services set us apart from our competitors.

www.tieto.com

Tieto Corporation

Business ID: 0101138-5

Aku Korhosen tie 2-6
PO Box 38
FI-00441 HELSINKI, FINLAND
Tel +358 207 2010
Fax +358 2072 68898
Registered office: Helsinki

E-mail: info@tieto.com
www.tieto.com

