Q3 2012 in brief

- Steady execution, profitability improved as expected
- Strategy implementation on schedule
- Operating performance continues to improve, full-year outlook for 2012 updated
Business transformation drives growth

Cloud services, mobility, business intelligence and analytics as continued trends

Telecom R&D and finance market affected by budget cuts

Two-fold development in pricing
  - Continued pressure in basic services
  - Prices for high value added services stable

The macroeconomic outlook in Northern Europe and the IT services market in Tieto’s core countries have remained relatively stable

IT services market in the Nordic countries is expected to grow by 2–3% in 2012, with growth mainly coming from IT outsourcing
Q3 highlights
Performance according to plan

Net sales
• EUR 424 (415) million, up by 2%
  • Excluding currency effects and divestments, net sales were up by 1%
• Good growth of Industry Solutions continued and the sales drop in Product Engineering Solutions stabilized during the quarter

Operating profit (EBIT)
• EUR 31.6 (29.2) million including one-off costs of EUR 5.5 (5.3) million
• EBIT margin 7.5% (7.1)
• EBIT excluding one-off items EUR 37.1 (34.5) million
• EBIT margin excluding one-off items 8.8% (8.3)

Order intake
• Book-to-bill 0.7 (0.4)
• Order intake EUR 307 (177) million

Earnings per share
• EUR 0.32 (0.31)
• EPS excluding one-off costs EUR 0.38 (0.37)
Quarterly development

Net debt/EBITDA

- Offshore ratio of IT Services increased to 34%
- Offshore ratio of PES ~60%

Net cash flow

Number of personnel

- Number of personnel down by a net amount of 700
## Third quarter of 2012

<table>
<thead>
<tr>
<th></th>
<th>Q3/2012</th>
<th>Q3/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, EUR million</td>
<td>423.5</td>
<td>414.5</td>
</tr>
<tr>
<td>EBIT, EUR million</td>
<td>31.6</td>
<td>29.2</td>
</tr>
<tr>
<td>EBIT, %</td>
<td>7.5%</td>
<td>7.1%</td>
</tr>
<tr>
<td>EBIT excluding one-off items, EUR million</td>
<td>37.1</td>
<td>34.5</td>
</tr>
<tr>
<td>EBIT, % excl. one-off items</td>
<td>8.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Profit after taxes, EUR million</td>
<td>22.7</td>
<td>22.5</td>
</tr>
<tr>
<td>EPS, EUR</td>
<td>0.32</td>
<td>0.31</td>
</tr>
<tr>
<td>EPS excluding one-off items, EUR</td>
<td>0.38</td>
<td>0.37</td>
</tr>
<tr>
<td>Net cash flow from operations, EUR million</td>
<td>36.3</td>
<td>40.7</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>10.2%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Personnel at the end of period</td>
<td>17 404</td>
<td>18 145</td>
</tr>
</tbody>
</table>
Market units and business lines
Finland and the Baltic countries
Above market growth, improved efficiency and quality

Net sales at EUR 176 million, up by 4%
- Good performance across all sectors
- Strongest growth in manufacturing and public sectors

EBIT at EUR 19.0 (17.3) million, or 10.8% (10.2)
- EBIT excluding one-off items EUR 19.3 (19.4) million, or 11.0% (11.5)
- Improved quality and higher net sales contributed to better profitability
Scandinavia
Growth in Sweden and Norway

Net sales at EUR 129 million, up by 8%

- Excluding currency effects and the divestment, net sales were up by 3%
- Growth in Sweden and Norway
  - Especially in the finance sector and healthcare and welfare solutions

EBIT at EUR 8.1 (6.0) million, or 6.3% (5.0)

- EBIT excluding one-off items EUR 10.7 (8.6) million, or 8.3% (7.2)
- Profitability improvement mainly due to positive development of Managed Services and Industry Solutions in Sweden and currency
- Market opportunity to increase offshoring
Central Europe* & Russia
Profitability improved, Germany remaining challenging

Net sales at EUR 30 million, external sales up by 6%
- Net sales down by 4% due to internal transfers
- Growth in Austria, Netherlands, Russia

EBIT at EUR -4.2 (-3.6) million, or -14.0% (-11.5)
- EBIT excluding one-off items EUR -3.2 (-3.6) million, or -10.6% (-11.4)
- Focus and restructuring programmes becoming effective with improved profitability in 4 out of 5 markets – PES the largest contributor to the negative results

* Austria, Germany, the Netherlands and Poland

© 2012 Tieto Corporation
Global Accounts
Improved profitability, sales declined

Net sales at EUR 150, down by 7%
- Excluding divestment and currency fluctuations, net sales were down by 4%
- Decline in sales mainly due to one telecom customer
- Product engineering sales stabilized due to growth of new customers

EBIT at EUR 11.6 (11.9) million, or 7.7% (7.4)
- EBIT excl. one-off items EUR 12.9 (12.5) million, or 8.6% (7.7)
- Profitability improved
  - Increased offshoring, Improved utilization, reduced subcontracting
# Business Lines

<table>
<thead>
<tr>
<th>Business Line</th>
<th>% of Total Sales</th>
<th>Key Highlights</th>
</tr>
</thead>
</table>
| Industry Solutions                  | 30% (29)         | - Net sales EUR 126 (119) million  
- Profitability remained solid  
- Demand for product-based solutions and consulting strong in healthcare and finance |
| Enterprise Solutions                | 14% (14)         | - Net sales EUR 58 (59) million  
- Profitability improved but is still below the company target, challenges in Sweden  
- Finland the strongest market |
| Managed Services & Transformation   | 38% (38)         | - Net sales EUR 163 (159) million  
- Healthy profitability in line with seasonality, improvement in Sweden  
- Offshoring and automation as value drivers |
| Product Engineering                | 18% (19)         | - Net sales EUR 76 (77) million  
- Improved utilization driving profitability vs 1H 2012  
- Sales stabilizing, healthy growth in new customers |
**Competitive cost structure**

Program well on schedule

- Target to achieve annualized net savings of EUR 50 million by 2014
  - Around 1/3 expected to materialize in 2012
  - Total one-off costs are estimated at around EUR 50 million
    - EUR 38.6 million in one-off costs booked, including mainly in personnel costs
    - Remaining part is expected to be booked during the fourth quarter of 2012
Customer satisfaction increased 2012

• 900 key customer and decision-makers interviewed
  • Customer experience index increased to 3.76 (3.71, scale 1-5)
  • Overall quality as a supplier improved

**Strengths**
- Trustworthy long-term partner
- Reliability and improved quality

**Areas for further improvement**
- Transformation capabilities
- Drive customers’ increased efficiency
Tieto the most competent Microsoft partner in Northern Europe

- Number 1 partner in Northern Europe
  - 3rd in Europe
  - 10th globally

- Tieto’s focus areas with Microsoft
  - Business Productivity
  - Cloud Services
  - Dynamics
  - Industrial Solutions

- Recognition proves Tieto’s high expertise to offer customers with Tieto's Microsoft based services and solutions
Tieto has introduced a next generation Lifecare solution for Nordic markets integrating together:
  - Primary care
  - Hospital care
  - Special care
  - Family & children care
  - Home & elderly care

Integrated citizen centric healthcare & welfare services:
  - Better treatment quality & patient safety
  - Developed with end-users

Utilizing secure, modular IT as a service model and highly efficient cloud capabilities.
Full-year outlook for 2012 updated

• Tieto expects its full-year net sales to remain in line with the previous year’s level (EUR 1 828 million in 2011).

• As the current development in results is expected to continue during the rest of 2012, Tieto expects its full-year operating profit (EBIT) excluding one-off items to increase by more than 10% from the previous year’s level (EUR 117.1 million in 2011).

• In the nine-month period, Tieto booked EUR 38.6 million in costs related to the streamlining actions. It is expected that the remaining part of the estimated total one-off costs of EUR 50 million will be booked during the fourth quarter of 2012.
Strategy update

Focused
Simplified
Positioned for future
Tieto’s long-term journey has begun and proceeds step by step

2012
Build the foundation

• Transition to industry driven structure
• Accelerate Consulting and System Integration expansion and Managed Services automation
• Implement competitive cost structure
• Focus on 2012 operating plan

2013-2014
Expand service scope

• Expand full life-cycle IT services in core markets
• Qualify and build future core markets
• Product Engineering Services pursues growth globally

2015-2016
Focus on future growth

• Seek growth in and beyond core markets
• Consider strategic inorganic opportunities
Summary

• Steady execution, profitability improved as expected

• Strategy implementation on schedule

• Operating performance continues to improve, full-year outlook for 2012 updated
## Financial calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 November 2012</td>
<td>Capital Market Day, Stockholm</td>
</tr>
<tr>
<td>6 February 2013</td>
<td>Interim report 4/2012 and financial statements for 2012</td>
</tr>
<tr>
<td>Week 8/2013</td>
<td>Annual Report 2012 on Tieto's website</td>
</tr>
<tr>
<td>25 March 2013</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>25 April 2013</td>
<td>Interim report 1/2013</td>
</tr>
<tr>
<td>19 July 2013</td>
<td>Interim report 2/2013</td>
</tr>
<tr>
<td>23 October 2013</td>
<td>Interim report 3/2013</td>
</tr>
</tbody>
</table>
We are committed to develop enterprises and society through information technology