Q3 2013

Interim Report 3/2013
January–September

Tieto's renewal continues – improvement in efficiency and underlying profitability

- Third-quarter EBIT margin of the underlying business rose to 10.1% (8.9) despite continued weakness in the telecom sector
- Cloud services and IT legacy modernization enable more efficient delivery of IT services
- Additional efficiency measures with the target of achieving over EUR 50 million in savings ongoing

Key figures

- Organically, net sales were down by 4% in the third quarter
- Outside the telecom sector, net sales excluding divestments were down by 1%, excluding divestments and currency effect up by 1%
- Third-quarter operating profit excl. one-off items rose to EUR 37.9 (37.5) million, margin increased to 10.1% (8.9)

EUR million	7-9/2013	7-9/2012	1-9/2013	1-9/2012
Net sales, EUR million	373.3	423.5	1 254.3	1 346.7
Change, %	-12	2	-7	1
Organic change, %	-4	4	-3	2
Operating profit (EBITA), EUR million	25.6	33.4	73.2	75.1
Operating margin (EBITA), %	6.9	7.9	5.8	5.6
Operating profit (EBIT), EUR million	24.8	32.0	70.4	70.8
Operating margin (EBIT), %	6.6	7.6	5.6	5.3
Operating profit (EBIT) excl. one-off items[1)], EUR million	37.9	37.5	101.1	94.5
Operating margin (EBIT) excl. one-off items[1)], %	10.1	8.9	8.1	7.0
Profit after taxes, EUR million	18.4	22.7	47.2	47.9
EPS, EUR	0.25	0.32	0.65	0.67
Net cash flow from operations, EUR million	38.9	36.3	90.1	101.3
Return on equity, 12-month rolling, %	5.4	11.2	5.4	11.2
Return on capital employed, 12-month rolling, %	12.4	18.5	12.4	18.5
Investments, EUR million	15.5	15.6	48.1	43.6
Interest-bearing net debt, EUR million	45.0	59.0	45.0	59.0
Net debt/EBITDA	0.2	0.3	0.2	0.3
Book-to-bill	0.8	0.7	1.0	1.0
Order backlog	1 513	1 652	1 513	1 652
Personnel on 30 September	15 161	17 404	15 161	17 404

Full-year outlook for 2013 unchanged – sales guidance specified

Outside the telecom sector, Tieto expects its organic net sales development to be at the lower end of the forecast market growth range (Nordic IT services market: 0–2%). Net sales development in the telecom sector is expected to be weaker than in Tieto's other sectors.

Tieto expects its profitability to continue to improve and full-year operating profit (EBIT) excluding one-off items to increase from the previous year's level (EUR 138.8 million in 2012).

Previous sales guidance:
Tieto expects its organic net sales to develop in line with the growth in the market for IT services, with the exception of the weaker outlook in the telecom sector. (Tieto's expectations for the market growth: 0–2%)

[1)] Excl. capital gains, impairments and restructuring costs

CEO's comment

Comment regarding the interim report by Kimmo Alkio, President and CEO:
"We are pleased to see that our focus and drive for efficiency resulted in continued profitability improvement in our underlying business, while we continued to see challenges in the telecom sector volume development. Additionally, customer satisfaction and quality especially in continuous services show improving trends.

The IT industry is in the midst of rapid changes. New technologies, such as cloud services, coupled with customer requirements to increase efficiency, accelerate modernization of old IT systems. In line with this development, demand is increasingly focusing on standardized and less labour-intensive solutions, defining new industry norms for efficiency in the whole IT services sector. Accordingly, we have to take further actions to strengthen the competitiveness of our operations. With the actions initiated during this year, we aim to achieve annual savings of over EUR 50 million.

We continue to renew our services and competences in order to seek new business opportunities both in IT services and Product Development Services. Through selective forward-looking investments we will be better positioned to meet continuously changing customer needs and drive future growth."

Market development

No major changes were seen in the IT services market in the third quarter. The Nordic IT services market continues to experience a healthy level of interest in IT development projects, but decision-making cycles have remained long. The outsourcing market has also remained active.

The market for projects to transform ICT infrastructure into more standardized cloud solutions is active. There are ample longer-term opportunities for the renewal of old legacy systems and transformation into new platforms combining traditional IT with scalable and flexible IT environments. These developments provide both business benefits and cost savings. The focus is currently also on mobility, business intelligence and enterprise content management as well as new "as a service" delivery models. Areas like mobility and cloud services are expected to see double-digit growth rates while the market for traditional IT services is likely to decline.

As a result of the weak macroeconomic environment, customers are using their IT budgets prudently. Additionally, competition has intensified during 2013 and some vendors are actively seeking to strengthen their market position with relatively aggressive pricing. As the IT services market has remained stagnant, Tieto expects the Nordic IT services market to grow by 0–2% in 2013, with IT outsourcing as the main source of growth.

Tieto is able to provide the full stack of integration and operations management services complemented with its own products. As a result of this total service offering coupled with strong offshore capability and continued improvements in cost structure, the company is highly competitive in its target markets.

Pockets of growth

- Mobility is a core driver of the IT landscape as it changes the way enterprises interact with customers, partners and suppliers, and empower their workforce with access to information and services. The growth trend is expected to further accelerate, as mobility is gradually becoming an integrated component in traditional IT projects. Tieto is continuing to execute its Enterprise Mobility Solution Framework, combining the company's capabilities, solutions and partnerships to deliver a full service life cycle and best-of-breed technology stack. During the third quarter, Tieto closed new consulting assignments with clients such as a major construction company and continued working on a project with a large customer in the financial sector.
- Cloud: Customers are increasingly transferring their operations into scalable and flexible cloud environments, which on the other hand will reduce volumes in traditional IT. As a full IT services partner, Tieto transforms its customers' existing traditional IT systems and business processes into cloud-based environments. New business models open up good business opportunities in all of Tieto's service lines. The company's "as a service" based industry solutions for the healthcare and financial services sector as well as cloud capacity services have experienced healthy growth. In the system integration business, Tieto is seeing new integration opportunities, e.g. moving front-end solutions to the cloud. Currently, Tieto's cloud related sales including all service lines continue to grow at a healthy rate and account for a few percentage points of the company's net sales. In Managed Services, around 20% of Tieto's server capacity will have been or will be in the process of being transferred to a cloud environment by the end of 2013. Scalability related to the 1-to-many service model enabled by the cloud and better server capacity utilization support good profitability for cloud services. Additionally, the higher level of automation increases operational efficiency.
- Big data is expected to be one of the fastest growing areas of IT services in the mid-long term. It is utilized to process, analyze and visualize massive amounts of data, such as information on customer behaviour or log data from telecom networks, making it possible for example to solve new kinds of complex business problems or establish revenue streams based on data-intensive digital services. Big data currently represents around 1% of the

IT services market and the share is expected to grow to around 5% by 2016. Tieto has a full stack offering portfolio for big data services including Tieto Fast Track to Big Data and Tieto Big Data Platform as a Service. Tieto also runs a programme to further develop new services, including industry-specific big data solutions for selected industries. In order to speed up the big data transformation, Tieto is leading the Data-to-Intelligence programme launched by DIGILE, the Strategic Centre for Science, Technology and Innovation in the Field of ICT in Finland. The programme involves public and private participation to develop new data-intensive services that improve productivity.

- Social features are standard in most digital consumer services, and are increasingly being integrated in work environments as well. As a result, organizations are able to rapidly gather new information, insights and intelligence from the external environment, making them more responsive and adaptive to change. Unified Communications and Collaboration (UCC) continues to be a growth area for Tieto. In 2013, Tieto rounded out its existing service offering with Google Apps, a public cloud-based productivity suite, as an addition to equivalent technologies from Microsoft and IBM. Demand has increased especially in Enterprise Voice and support for UCC on a private cloud hosted by Tieto (Tieto Productivity Cloud).

Industry sector drivers

Additionally, industry-specific drivers affect the IT service market:

- In the **finance** sector, cost pressure and regulatory changes drive IT transformation programmes and the market is active. Customer investments are primarily focused on front-end services for consumers, mobility and business intelligence.

- In the **public** sector, reduced central government spending and prolonged decision-making have impacted the IT services market in Finland. In Sweden, efficiency and cost cutting continue to be key drivers and the operations management and outsourcing market is growing.

- In the **healthcare** sector, the activity level has remained good in Finland and Sweden, partly due to increasing regulation and national programmes to enhance information sharing. There is also healthy demand for eServices and mobile solutions in the sector.

- In the **manufacturing** sector, the demand for IT services has remained weak and cost savings comprise an important driver for initiating new IT projects.

- In the **energy** utilities sector, some companies are pushing back investments. The market for advanced metering infrastructure in Norway is picking up and procurement processes have been started again. The **oil & gas** market has remained active.

- The drop in both ad- and subscription-based revenue in the **media** sector has had a negative impact on IT investments.

- In the **telecom** sector, telecom operators are under pressure and have launched extensive cost reduction programmes. However, customers' initiatives to improve efficiency open up new transformation opportunities.

- In the market for **telecom product development**, both devices customers and communications infrastructure customers are experiencing many changes, including business re-organizations and intensified competition, which is partly due to new types of players entering the market. This has resulted in reduced R&D spending and greater competition for the remaining external R&D spend. Longer term, the demand for new technologies to handle the traffic from a growing number of connected devices will continue to increase, as will the appetite for a diverse range of end-user devices.

Company strategy

On 1 January 2013, Tieto's new operating model took effect and the new Leadership Team became fully operational. By strengthening its industry-driven structure and service offerings as well as the transparency of its business practices, the company is well positioned to increase its profitability and drive long-term growth.

The company's key targets include geographical focus and improved profitability. The company has implemented several divestments in 2012 and 2013. The reducing impact of divested businesses on 2013 sales compared with the previous year amounts to around EUR 90 million. The impact on 2014 sales is accordingly around EUR 50 million. Tieto will continue to monitor its businesses with the long-term target of increasing scalability and efficiency within the company.

Consulting and System Integration (CSI) practices such as enterprise content management, transformation consulting and enterprise mobility have been another development area for the company. However, both the softness of the IT market and some internal inefficiency have called for additional measures. Tieto is actively pursuing a programme to standardize its service offerings in line with today's market needs as well as carrying out additional initiatives to strengthen key competences such as project and programme management and transformation capabilities.

In September, Tieto acquired Canvisa Consulting, one of the leading Swedish consultancy companies in business and IT development within the financial services sector. The acquisition will strengthen Tieto's capability to support customers in the financial services sector in their transformation. In September, Tieto announced leadership changes in the Consulting and System Integration business to accelerate its transformation towards being the strategic IT services partner for its customers.

Streamlining of the company

The programme to create a competitive cost structure, launched in March 2012, was concluded in the second quarter of 2013. The programme had a positive impact of around EUR 45 million on the company's operating profit in the nine-month period and the full-year effect will amount to some EUR 60 million in 2013. As the comparison figure for the fourth-quarter operating profit in 2012 included a positive effect of around EUR 15 million, this programme is not expected to provide any significant improvement in the fourth-quarter operating profit.

New technologies and standardization drive industry changes and change in customer behaviour towards less labour-intensive solutions as well as new pricing and service models. Additionally, Tieto continues to experience overcapacity due to the longer-term decline in the telecom sector. To stay on par with the industry norms and to improve price competitiveness, Tieto will continue to focus on improving efficiency.

In May, Tieto started personnel negotiations in the CSI service line with the target of reducing up to 300 positions. In August, the company started personnel negotiations in Managed Services and Product Development Services, aiming to reduce up to 270 positions. In October, Tieto announced initiatives to reduce the number of positions by up to an additional 770 globally.

With the actions initiated in 2013, Tieto's objective is to reduce up to 1 340 positions, of which around 500 in CSI, 300 in Managed Services, 400 in Product Development Services and the rest mainly in industry groups and support functions. Of the redundancies, around 70% will be implemented in Finland and Sweden, around 5% in other onshore countries and around 25% in offshore countries.

The company's target is to achieve annualized savings of over EUR 50 million, of which around EUR 8 million are anticipated to affect operating profit for 2013, mainly in the fourth quarter. The full effect is expected to materialize as of the second quarter of 2014. Tieto currently estimates that it will book some EUR 45 million in one-off costs related to the streamlining actions initiated in 2013 in its results for this year. Earlier the company estimated that the restructuring costs would amount to about half of the 2012 level (EUR 57 million in 2012). In the nine-month period in 2013, Tieto booked EUR 24.1 (38.6) million in restructuring costs. Additionally, Tieto booked an impairment loss of EUR 8.0 million related to the divestment of its local German and Dutch businesses in the second-quarter results and a capital gain of EUR 1.4 million related to Fidenta divestment in the third-quarter results.

Financial performance in July–September

Third-quarter net sales were down by 12% and amounted to EUR 373.3 (423.5) million. Divestments had a negative impact of EUR 36 million. Organically, net sales declined by 4%. The company's sales in the telecom sector is dependent on a few large customers. Their decisions to cut spending resulted in the 12% drop in the sector in the third quarter which trend will continue in the near term. Outside the telecom sector, Tieto's sales were organically down by 1%. Overall, sales development reflects cautiousness in starting new projects and lower prices in contract renewals. Currency fluctuations had a negative impact of EUR 7 million on sales.

Third-quarter operating profit (EBIT) amounted to EUR 24.8 (32.0) million, representing a margin of 6.6% (7.6). Operating profit included restructuring costs of EUR 14.5 million and a capital gain of EUR 1.4 million related to the Fidenta divestment. Operating profit excl. one-off items[1)] stood at EUR 37.9 (37.5) million, or 10.1% (8.9) of net sales. The cost savings programmes had a positive effect of around EUR 12 million on operating profit compared with the third quarter of 2012. However, this was offset by the negative volume and price development as well as salary inflation. Personnel costs excl. restructuring costs were down by around 16%, or EUR 37 million, of which two thirds are attributable to the divestments. Salary inflation had a negative effect of close to EUR 7 million on operating profit. Currency changes did not have any significant impact on operating profit.

Depreciation and amortization amounted to EUR 19.2 (21.8) million. Net financial expenses stood at EUR 1.8 (0.5) million in the third quarter. Net interest expenses were EUR 1.9 (1.3) million and net gains from foreign exchange transactions EUR 0.3 (0.9) million. Other financial income and expenses amounted to EUR -0.2 (-0.1) million.

Third-quarter earnings per share (EPS) totalled EUR 0.25 (0.32). Earnings per share excluding one-off items[1)] and the non-recurring taxes related to the divestment amounted to EUR 0.38 (0.38).

[1)] Excl. capital gains, impairments and restructuring costs

The comparison figures for 2012 sales and operating margin have changed from the figures published earlier due to some fine-tuning of the operating model that took effect on 1 January 2013. New comparison figures have been published on Tieto's website.

Financial performance by service line

EUR million	Customer sales 7–9/2013	Customer sales 7–9/2012	Change, %	Operating profit 7–9/2013	Operating profit 7–9/2012
Managed Services	120	125	-4	3.6	7.5
Consulting and System Integration	92	109	-15	4.0	13.0
Industry Products	101	115	-12	20.7	13.0
Product Development Services	60	75	-19	3.0	0.4
Support Functions and Global Management				-6.6	-1.8
Total	**373**	**424**	**-12**	**24.8**	**32.0**

Operating margin by service line

%	Operating margin 7–9/2013	Operating margin 7–9/2012	Operating margin excl. one-off items[1)] 7–9/2013	Operating margin excl. one-off items[1)] 7–9/2012
Managed Services	3.0	6.0	4.9	7.5
Consulting and System Integration	4.4	11.9	10.5	12.4
Industry Products	20.5	11.3	20.7	12.3
Product Development Services	5.0	0.6	7.9	2.2
Total	**6.6**	**7.6**	**10.1**	**8.9**

[1)] Excl. capital gains, impairments and restructuring costs

For a comprehensive set of service line and industry group figures, see the tables section.

Tieto's third-quarter sales were affected by several divestments implemented during 2012 and 2013. The table below includes customer sales adjusted for divestments.

Sales adjusted for divestments by service line

EUR million	Customer sales 7–9/2013	Customer sales adj. for divestments 7–9/2012	Change, %
Managed Services	120	124	-4
Consulting and System Integration	92	93	-1
Industry Products	101	105	-4
Product Development Services	60	66	-9
Support Functions and Global Management			
Total	**373**	**388**	**-4**

The following divestments affected third-quarter sales: business operations in Italy and Spain, local businesses in Germany and the Netherlands, and the discontinued operations of Fidenta.

In Managed Services, the market for projects to transform ICT infrastructure to cloud-based environments remained active in the third quarter. Based on the signings for Tieto's cloud-based offerings launched at the turn of the year, cloud-related sales rose to EUR 6 million, representing 5% of net sales. The Financial Services and the Public, Healthcare and Welfare industry groups enjoyed the strongest growth. Higher volumes did not fully translate into profits due to lower unit prices resulting from intense competition. The comparison figures for sales in 2012 included close to EUR 4 million in non-recurring income.

In Consulting and System Integration, the telecom sector remained challenging while the financial and public sectors saw improved volumes. There was also improved demand for consulting related to cloud services and business transformation. Due to the sales decline of services with healthy margins in the telecom sector, the profitability of the underlying business weakened compared with the previous year although it has improved during the current year. Actions to improve profitability are ongoing.

In Industry Products, the sales decline of the underlying business was attributable mainly to currency changes and the development in the public sector in Finland. There was increased demand for Tieto's offerings, especially in the maintenance area. Demand for oil & gas products has also remained healthy. Due to the divestments executed, higher operational efficiency as well as growth of offerings providing healthy margins, the strong profitability trend continued.

In Product Development Services (PDS), sales were down as customers' cost savings pressures resulted in reduced R&D spending as well as in some cases insourcing. PDS has adjusted its operations during the past quarters and third-quarter profitability improved due to recent cost reductions. PDS anticipates that short-term fluctuations in demand will continue while planned cost reductions are expected to take place late in the fourth quarter and early 2014.

Customer sales by industry group

EUR million	Customer sales 7–9/2013	Customer sales 7–9/2012	Change, %
Financial Services	84	85	-2
Manufacturing, Retail and Logistics	70	78	-10
Public, Healthcare and Welfare	96	100	-4
Telecom, Media and Energy	63	86	-26
Product Development Services	60	75	-19
Total	**373**	**424**	**-12**

Sales adjusted for divestments by industry group

EUR million	Customer sales 7–9/2013	Customer sales adj. for divestments 7–9/2012	Change, %
Financial Services	84	78	7
Manufacturing, Retail and Logistics	70	77	-9
Public, Healthcare and Welfare	96	95	1
Telecom, Media and Energy	63	71	-12
Product Development Services	60	66	-9
Total	**373**	**388**	**-4**

The following divestments affected third-quarter sales: business operations in Italy and Spain, local businesses in Germany and the Netherlands, and the discontinued operations of Fidenta.

The Financial Services sector continued to offer ample IT transformation project opportunities and there is healthy demand for industry-specific solutions, particularly in the Cards and Payments areas. Industry-specific solutions provided good growth and margins, although sales of ICT infrastructure services were impacted by strong price competition and the ongoing transformation programmes. Fidenta, Tieto's joint venture with Nordea, was divested on 1 July. Some of the related business will continue within Tieto.

In Manufacturing, Retail and Logistics, sales to the retail sector continued to slide, partly due to lower prices in some large contracts. The comparison figure for sales in 2012 included around EUR 3 million in non-recurring income. In the manufacturing sector, sales excluding divestments and non-recurring income of EUR 3 million were flat.

In Public, Healthcare and Welfare, reduced central government spending and prolonged decision-making resulted in a sales decline in the Finnish public sector, whereas in Sweden, sales excl. currency effect to the public sector remained at the previous year's level. Activity level in the healthcare sector in Sweden and Finland has remained good partly due to national programmes.

In Telecom, Media and Energy all segments saw negative development, except for oil and gas. In the telecom segment, the decline was mainly attributable to lower volumes in consulting and system integration services for the telecom operator segment. Tieto's product for hydrocarbon accounting, developed for oil and gas companies, continued to experience healthy growth.

Financial performance in January–September

Nine-month net sales were down by 7% and amounted to EUR 1 254.3 (1 346.7) million. The divestments had a negative impact of EUR 57 million. Organically, net sales declined by 3%. This was driven mainly by the drop in the telecom sector. Outside the telecom sector, sales development was organically flat. This development was also reflected as a sales decline in Consulting and System Integration. Currency fluctuations had a positive impact of EUR 5 million on sales.

Nine-month operating profit (EBIT) amounted to EUR 70.4 (70.8) million, representing a margin of 5.6% (5.3). Operating profit includes restructuring costs of EUR 24.1 million, an impairment loss of EUR 8.0 million related to the divestment of the German and Dutch operations and a capital gain of EUR 1.4 million related to the Fidenta divestment. Operating profit excl. one-off items[1)] stood at EUR 101.1 (94.5) million, or 8.1% (7.0) of net sales. Personnel costs excl. restructuring costs were down by around EUR 74 million. Currency changes had a positive impact of EUR 2 million on operating profit.

Depreciation and amortization amounted to EUR 61.2 (63.5) million. Net financial expenses stood at EUR 5.0 (5.1) million in the nine-month period. Net interest expenses were EUR 4.8 (4.8) million and net gains from foreign exchange transactions EUR 0.6 (0.3) million. Other financial income and expenses amounted to EUR -0.8 (-0.6) million.

Nine-month earnings per share (EPS) totalled EUR 0.65 (0.67). Earnings per share excluding one-off items[1)] and the non-recurring taxes related to the divestment amounted to EUR 1.00 (0.89).

The comparison figures for 2012 sales and operating margin have changed from the figures published earlier due to some fine-tuning of the operating model that took effect on 1 January 2013. New comparison figures have been published on Tieto's website.

Financial performance by service line

EUR million	Customer sales 1–9/2013	Customer sales 1–9/2012	Change, %	Operating profit 1–9/2013	Operating profit 1–9/2012
Managed Services	373	357	4	10.1	1.3
Consulting and System Integration	308	370	-17	10.6	29.5
Industry Products	348	372	-6	54.9	53.8
Product Development Services	225	248	-9	9.7	-0.9
Support Functions and Global Management				-14.9	-12.8
Total	**1 254**	**1 347**	**-7**	**70.4**	**70.8**

[1)] Excl. capital gains, impairments and restructuring costs

Operating margin by service line

%	Operating margin 1–9/2013	Operating margin 1–9/2012	Operating margin excl. one-off items[1)] 1–9/2013	Operating margin excl. one-off items[1)] 1–9/2012
Managed Services	2.7	0.4	3.3	4.0
Consulting and System Integration	3.4	8.0	7.9	10.2
Industry Products	15.8	14.5	16.2	11.8
Product Development Services	4.3	-0.4	7.4	3.0
Total	**5.6**	**5.3**	**8.1**	**7.0**

[1)] Excl. capital gains, impairments and restructuring costs

Customer sales by industry group

EUR million	Customer sales 1–9/2013	Customer sales 1–9/2012	Change, %
Financial Services	274	274	0
Manufacturing, Retail and Logistics	224	237	-5
Public, Healthcare and Welfare	319	313	2
Telecom, Media and Energy	211	275	-23
Product Development Services	225	248	-9
Total	**1 254**	**1 347**	**-7**

Cash flow, financing and investments

Third-quarter net cash flow from operations, including the decrease of EUR 4.5 (increase14.3) million in net working capital, amounted to EUR 38.9 million (36.3).

Nine-month net cash flow from operations amounted to EUR 90.1 million (101.3).

Tax payments were EUR 16.7 million (in 2012: EUR 3.0 million due to a refund of EUR 15.9 million in Finland) in the nine-month period.

Payments for acquisitions totalled EUR 1.7 million (0.5) in the nine-month period. The divestment of the German and Dutch operations had a negative impact of EUR 21.9 million on the nine-month cash flow from investing activities.

Nine-month capital expenditure totalled EUR 48.1 (43.6) million, of which paid EUR 40.7 million (39.7).

The equity ratio was 46.6% (47.9). Gearing decreased to 8.8% (10.8). Net debt totalled EUR 45.0 (59.0) million, including EUR 203.7 million in interest-bearing debt, EUR 5.0 million in finance lease liabilities, EUR 6.9 million in finance lease receivables, EUR 2.0 million in other interest-bearing receivables and EUR 154.8 million in cash and cash equivalents.

In May, Tieto issued a senior unsecured bond of EUR 100 million. The six-year bond matures in May 2019 and it carries a coupon of fixed annual interest of 2.875%. The proceeds from the bond offering will be used to refinance the existing bond of EUR 100 million maturing in December 2013, currently visible in short-term debt. Interest-bearing long-term loans amounted to EUR 99.5 million.

Interest-bearing short-term loans amounted to EUR 104.2 million. Other short-term interest-bearing loans of EUR 4.2 million were mainly related to an agreement for mainframe and software financing. The syndicated revolving credit facility of EUR 100 million maturing in May 2016 was not in use and there were no commercial papers issued under the EUR 250 million commercial paper programme at the end of September.

Order backlog

Tieto fine-tuned its order intake measurement earlier this year. Tieto is reporting Total Contract Value (TCV) for the contracts signed during the quarter. Part of the contracts included are replacements of existing agreements, typically related to transformation cases for current customers with long existing contracts and with no incremental impact on the order backlog.

The third-quarter TCV was affected by prolonged decision-making and some delayed agreement closings. TCV amounted to EUR 293 (307) million, comprising only new deals. Third-quarter book-to-bill stood at 0.8 (0.7).

In May, Tieto concluded a major framework agreement with Hansel Ltd. with an anticipated value of about EUR 200–240 million, which is not included in the TCV.

TCV for the deals signed during the nine-month period amounted to EUR 1 186 (1 280) million. Nine-month book-to-bill stood at 1.0 (1.0).

The order backlog comprises services ordered with binding contracts. At the end of the period, the backlog amounted to EUR 1 513 (1 652) million. The comparison figure includes EUR 63 million in order backlog for the divested businesses. In total, 22% (23) of the backlog is expected to be invoiced during 2013.

Business transactions in January–September

On 4 February, Tieto agreed on a divestment of the majority of its operations in Germany and the Netherlands. The divested business operations, including around 900 employees in total, were transferred to the new owner on 30 June. Net sales of the divested businesses amounted to around EUR 44 million in July–December 2012 and to EUR 37 million in January–June 2013. The German businesses were loss-making in 2012. Tieto booked EUR 8.0 million in impairment losses related to the divestment in the second-quarter results. Additionally, due to the transactions, second-quarter taxes rose by EUR 2.3 million. The negative cash flow effect was EUR 21.9 million of which EUR 19.5 million materialized during the second quarter and EUR 2.4 million during the third quarter.

During the second quarter, Tieto and Nordea agreed to discontinue the operations of Fidenta, their joint venture, as from 1 July. Fidenta was owned by Tieto (80%) and Nordea (20%), and Nordea acquired Tieto's 80% stake of the shares on 1 July. In 2012, Fidenta's net sales amounted to around EUR 30 million of which Tieto's share has been reported under the Financial Services industry group and Industry Products service line. Tieto booked a capital gain of EUR 1.4 million related to the agreement. All 154 employees of the company transferred to either Nordea (129 employees) or Tieto (25 employees) on 1 July and part of the services previously delivered by Fidenta were transferred to Tieto. In 2012, Tieto and Nordea signed a framework agreement for using Tieto's IT service offshore centre. This agreement also covers part of the work transferred from Fidenta.

In September, Tieto acquired Canvisa Consulting, one of the leading Swedish consultancy companies in business and IT development within the financial services sector. In the financial year May 2012-April 2013, Canvisa's net sales amounted to SEK 68.6 million (EUR 8.2 million). Canvisa's number of personnel was 37.

Major agreements in January–September

Financial Services

In April, Automatia Pankkiautomaatit Oy renewed its service agreement with Tieto for the next five years. The agreement covers ICT infrastructure services, including production, development and test environments as well as customer support services.

In April, Tieto and SEB concluded a three-year agreement on application and operations management services in order to help the customer achieve effective sub-custody operations.

In May, OP-Pohjola and Ilmarinen signed an extensive service agreement with Tieto. The agreement is a continuation of the service agreement concluded in 2008. In addition to the enhancement of operating services, the agreement also covers OP-Pohjola's and Ilmarinen's infrastructure services. The new agreement term is three years and it includes a two-year option.

In May, Tieto and Bank of America Merrill Lynch signed an agreement for implementing key components from the Deposit and Liquidity Management and Payments software portfolio. Tieto will be working in partnership with the bank to provide innovative products and services to the Global Treasury clients of Bank of America Merrill Lynch.

Manufacturing, Retail and Logistics

In January, Swedish pharmaceutical company Apoteket AB extended its contract with Tieto for operation, application management and workstation solutions. The three-year contract has an option of a further two years. The order value amounts to approximately EUR 43 million during the three years.

In January, Tieto and Kesko signed a four-year continuation agreement on the supply of IT services. Tieto will continue as the supplier of Kesko Group's infrastructure services, such as capacity, workstation and integration services.

In addition, Tieto and Kesko have agreed to expand their cooperation on SAP services, including the development of Kesko Group's SAP services and the maintenance of the main system supporting Anttila's business operations.

In June, Tieto and Volvohandelns Utvecklings AB (VU) agreed that Tieto will take over the delivery of IT infrastructure and end user services of VU. The order value is estimated at EUR 10 million during a three-year period. The transition started in September 2013, and the transaction is scheduled for 1 November 2013.

In June, Borregaard chose Tieto to modernize its ICT environment through a five-year agreement. Borregaard will use Tieto's advanced private cloud solutions that utilize leading SAP and Microsoft technology, ensuring increased flexibility and reduced costs.

In June, Tieto and Onninen concluded a three-year agreement on capacity and workstations services.

In June, Tieto and SOK Corporation concluded an agreement on support, maintenance and development services for SOK’s SAP system for non-food procurement. The agreement term is 3.5 years and the order value is EUR 16 million.

In September, Tieto and Stora Enso agreed on building a new ERP system for Stora Enso Wood Supply Finland. The agreement covers project management and the ramp-up of the services, including business and technical architecture, applications and system environment, migration and business transition. The project will be finalized in three years.

Public, Healthcare and Welfare

In May, Hansel Ltd, the central procurement unit of the Finnish Government, selected Tieto as its framework agreement supplier of data centre and capacity services. The agreement runs for six years and begins during summer 2013. The total value of the agreement amounts to about EUR 200–240 million.

In July, the Swedish county council Landstinget Västernorrland chose Tieto as its supplier of a wide range of IT services, including hosting and monitoring of applications, servers and communications network as well as local support for users. The delivery will be done in collaboration with Konica Minolta | Koneo. Tieto is the contractor and has overall responsibility for the entire delivery. The agreement is for five years with an option for a further two years and the total value is worth around SEK 300 million, of which Tieto's share is more than SEK 200 million.

In September, Tieto made a framework agreement with Skatteverket, the Swedish Tax Agency, It concerns the provision of consultancy services, which are part of Tieto's offering within Consulting and System Integration. The framework agreement covers 10 different suppliers and has an estimated total value of SEK 150 million. The agreement runs for one year.

In the second quarter, the County Council of Norrbotten together with Region Halland, chose Tieto as a supplier of maintenance and support as well as further development and modernization of the customer’s VAS healthcare information system. The agreement, finalized in the third quarter, is for four years with an option for a further four years and the total value of the agreement for the eight-year period is around SEK 248 million. Only the binding contractual value of EUR 7 million is included in Tieto’s order backlog on 30 September.

Telecom, Media and Energy

In March, Tieto renewed its agreement with TeliaSonera for mainframe production and application operations. The contract is valid until autumn 2016. The order value during the period amounts to approximately EUR 25 million.

In May, Latvenergo, the largest power supply company in the Baltic States, selected Tieto as system integrator for the implementation of Oracle Customer Care and Billing (CC&B). The new system will support Latvenergo in acquiring new customers and provide the highest possible level of customer service. The project will be finalized during 2014.

Personnel

The number of full-time employees amounted to 15 161 (17 404) at the end of September. At the end of September, the number of full-time employees in the global delivery centres totalled 6 522 (7 078), or 43.0% (40.7) of all personnel. In Product Development Services, the offshore rate was 59.4% (58.6). In IT services, the offshore rate continued to rise and stood at 38.4% (34.0) at the end of September.

During the nine-month period, the number of full-time employees decreased by a net amount of close to 1 400. In addition to around 400 job cuts, divestments decreased the number of employees by close to 1 000 and net recruitments were more than 100 negative. On the other hand, new outsourcing deals added some 100 employees.

The 12-month rolling employee turnover stood at 9.5% (10.4) at the end of September. The average number of full-time employees was 15 887 (17 873) in the nine-month period.

Salary inflation is expected to be around 3% on average. In offshore countries, salary inflation is clearly above the average. Markets like India may see double-digit salary hikes.

Shareholders’ Nomination Board

The largest shareholders were determined on the basis of the shareholdings registered in the Finnish and Swedish book-entry systems on 31 August 2013. The shareholders nominated the following members to the Shareholders’ Nomination Board:

Lars Förberg, Managing Partner, Cevian Capital AG,
Kari Järvinen, Managing Director, Solidium Oy,
Lauri Vaittinen, Chief Securities Officer, Etera Mutual Pension Insurance Company,
Timo Ritakallio, Deputy CEO, Ilmarinen Mutual Pension Insurance Company, and
Markku Pohjola, Chairman of the Board of Directors, Tieto Corporation.

Management

In September, Tieto announced changes in the Leadership Team. Satu Kiiskinen, previously Head of Public, Healthcare and Welfare, was appointed as Head of Consulting and System Integration. In addition to his role as Head of Manufacturing, Retail and Logistics, Ari Järvelä was appointed as acting Head of Public, Healthcare and Welfare until the successor for Satu Kiiskinen has been appointed. These changes took effect on 30 September 2013.

Henrik Sund, member of Tieto Leadership Team and Head of Consulting and System Integration, decided to pursue new opportunities outside Tieto as of 30 September 2013.

Shares and share-based incentives

Tieto’s share price rose by 2% during January–September.

At the end of September, the number of shares was 73 113 167 and the share capital amounted to EUR 76 555 412.00. The number of shares in the company’s or its subsidiaries’ possession totalled 553 700, representing 0.8% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 72 559 467. There have not been any changes in the number of shares in the company’s possession during 2013.

Events after the period

On 14 October, Tieto announced a new cost-efficiency programme. The company aims to reduce up to 770 positions globally, of which up to 455 in its service lines (up to 240 in Managed Services and up to 215 in Consulting and System Integration), up to 205 in Product Development Services and up to 110 in its industry groups and support functions.

With the actions initiated in 2013, including personnel negotiations started in May and August, Tieto aims at annualized savings of over EUR 50 million. Tieto currently estimates that it will book some EUR 45 million in restructuring costs related to the actions initiated in 2013 in its results for this year. Earlier, the company estimated that the restructuring costs would amount to about half of the 2012 level (EUR 57 million in 2012).

Near-term risks and uncertainties

The slowdown of European economies might lead to a downturn in the IT services market as well. As Tieto’s top 10 customers account for 34% of its net sales, the company’s development is relatively sensitive to changes in the demand from large customers.

In the telecom sector, demand is weak due to budget cuts made by some of Tieto’s key customers. The challenging business environment in this area might have a negative impact on the company going forward. The company has initiated new efficiency measures in October to adjust its resources to demand.

The ongoing organizational changes and restructuring within the company might create uncertainty among the company’s personnel and pose risks related to the company’s performance.

As is typical of the industry, the large size of individual deals may have a strong effect on growth, and price pressure might lead to weak profitability. Additionally, new technologies, such as cloud computing, drive customer demand

towards standardized and less labour intensive solutions. All these changes might result in the need for continuous restructuring.
Typical risks faced by the IT service industry involve the quality of deliveries, related project overruns and additional technology licence fees. Transitions to offshore delivery centres as well as the ongoing organizational change pose risks of project losses and penalties.

Full-year outlook for 2013 unchanged – sales guidance specified

Outside the telecom sector, Tieto expects its organic net sales development to be at the lower end of the forecast market growth range (Nordic IT services market: 0–2%). Net sales development in the telecom sector is expected to be weaker than in Tieto's other sectors.

Tieto expects its profitability to continue to improve and full-year operating profit (EBIT) excluding one-off items to increase from the previous year's level (EUR 138.8 million in 2012).

Previous sales guidance:
Tieto expects its organic net sales to develop in line with the growth in the market for IT services, with the exception of the weaker outlook in the telecom sector. (Tieto's expectations for the market growth: 0–2%)

The figures in this report are unaudited.

Financial calendar 2014

6 February 2014	Interim report 4/2013 and financial statements bulletin for 2013 (8.00 am EET)
Week 8/2014	Annual Report 2013 on Tieto's website
20 March 2014	Annual General Meeting
25 April	Interim report 1/2014 (8.00 am EET)
18 July	Interim report 2/2014 (8.00 am EET)
23 October	Interim report 3/2014 (8.00 am EET)

IFRS change affecting 2014 reporting

Tieto will adopt the new standard IFRS 11, 'Joint arrangements' as of 1 January 2014 (for more information, see Tieto's Financial Statement 2012, Accounting policies). Joint ventures will no longer be proportionally consolidated in the company's income statement and balance sheet. Instead, the results will be reported as one line above EBIT.

Tieto will provide restated comparison figures for 2013 during the first quarter of 2014. According to the current estimation based on the nine-month results, the change will have a negative impact of around 4% on Tieto's net sales. The change will mainly affect the Managed Services (around 3% negative) and Industry Products (around 12% negative) service lines. Of industry groups, the change will mainly affect Financials Services (around 11% negative) and Public, Healthcare and Welfare (around 6% negative).

EBIT will be affected by the amount corresponding to Tieto's share of joint ventures' financial items and taxes, and there might be a slightly positive impact, if any, on EBIT margin. The company's net profit for the period will not be affected.

Accounting policies in 2013

The interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2012. The accounting policies, standards, interpretations and amendments taken into use in 2013 are described in the annual financial statements.

The IAS 19 (Amendment), 'Employee benefits' eliminates the corridor approach and calculates finance costs on a net funding basis. All actuarial profits and losses must be accounted for immediately in other comprehensive income. The balance sheet for 2012 is restated correspondingly by increasing, at the end of December 2012, the net pension liability by EUR 39 million, increasing the net deferred tax asset by EUR 7 million and decreasing the equity by EUR 32 million. The restated operating profit (EBIT) increased in Steering Functions and Global Management by EUR 1.7 million as the interest part of the pension costs for defined benefit plans is regrouped to financial items. The restatement does not impact the net profit.

Other IFRS changes do not currently have any material impact on the Group's financial statements.

The new operating model taken into use in 2013 is steered based on project performance and direct costs are linked to deliveries in services lines, which constitute the main operating segments. In the follow-up of the customer projects, the project is considered as loss-making when the total direct costs exceed the total expected revenue and a provision corresponding to the uncovered direct costs is immediately recognized. In previous years the provision has been calculated at a full cost rate. The impact of the changes is not considered to be material.

Key figures

	2013 7–9	2012 7–9	2013 4–6	2013 1–3	2013 1–9	2012 1–9	2012 1–12
Earnings per share, EUR							
Basic	0.25	0.32	0.10	0.30	0.65	0.67	0.41
Diluted	0.25	0.32	0.10	0.30	0.65	0.67	0.41
Equity per share, EUR	7.08	7.62	6.67	6.79	7.08	7.62	7.30
Return on equity, 12-month rolling, %	5.4	11.2	6.6	3.7	5.4	11.2	5.5
Return on capital employed, 12-month rolling, %	12.4	18.5	13.9	11.7	12.4	18.5	13.2
Equity ratio, %	46.6	47.9	43.7	42.8	46.6	47.9	46.9
Interest-bearing net debt, EUR million	45.0	59.0	71.5	6.9	45.0	59.0	23.9
Gearing, %	8.8	10.8	14.8	1.4	8.8	10.8	4.5
Investments, EUR million	15.5	15.6	15.3	17.3	48.1	43.6	62.9

Number of shares

	2013 7–9	2013 4–6	2013 1–3	2013 1–9	2012 1–9	2012 1–12
Outstanding shares, end of period						
Basic	72 559 467	72 559 467	71 938 859	72 559 467	71 784 293	71 823 513
Diluted	72 805 191	72 812 692	72 542 945	72 830 857	71 968 113	72 532 449
Outstanding shares, average						
Basic	72 559 467	72 382 826	71 917 071	72 288 808	71 615 584	71 659 278
Diluted	72 821 137	72 682 478	72 562 559	72 603 683	71 922 177	72 009 960
Company's possession of its own shares						
End of period	553 700	553 700	553 700	553 700	553 700	553 700
Average	553 700	553 700	553 700	553 700	553 700	553 700

Income statement, EUR million

	2013 7–9	2012 7–9	2013 1–9	2012 1–9	Change %	2012 1–12
Net sales	373.3	423.5	1 254.3	1 346.7	-7	1 825.3
Other operating income	3.3	1.8	7.2	21.9	-67	27.2
Employee benefit expenses	205.9	233.9	719.7	807.1	-11	1 089.0
Depreciation, amortization and impairment charges	19.2	21.8	69.2	64.0	8	119.1
Other operating expenses	126.7	137.6	402.2	426.7	-6	581.4
Operating profit (EBIT)	24.8	32.0	70.4	70.8	-1	63.0
Interest and other financial income	1.4	2.5	4.0	7.9	-49	9.6
Interest and other financial expenses	-3.5	-3.9	-9.6	-13.3	-28	-16.4
Net exchange gains/losses	0.3	0.9	0.6	0.3	-	0.5
Profit before taxes	23.0	31.5	65.4	65.7	0	56.7
Income taxes	-4.6	-8.8	-18.2	-17.8	2	-27.3
Net profit for the period	**18.4**	**22.7**	**47.2**	**47.9**	**-1**	**29.4**
Net profit for the period attributable to						
Shareholders of the Parent company	18.4	22.7	47.2	47.9	-1	29.4
Non-controlling interest	0.0	0.0	0.0	0.0	-	0.0
	18.4	**22.7**	**47.2**	**47.9**	**-1**	**29.4**
Earnings per share attributable to the shareholders of the Parent company, EUR						
Basic	0.25	0.32	0.65	0.67	-3	0.41
Diluted	0.25	0.32	0.65	0.67	-3	0.41
Statement of comprehensive income, EUR million						
Net profit for the period	18.4	22.7	47.2	47.9	-1	29.4
Items that may be reclassified subsequently to profit or loss						
Translation differences	-3.6	0.9	-15.3	3.4	-	0.6
Translation difference from net investment in subsidiaries (net of tax)	-	6.6	-	9.3	-	6.9
Cash flow hedges (net of tax)	0.9	1.5	-0.2	2.3	-	1.9
Items that will not be reclassified subsequently to profit or loss						
Actuarial gain/loss on post employment benefit obligations (net of tax)	13.6	-0.5	10.2	-13.2	-177	-13.9
Total comprehensive income	**29.3**	**31.2**	**41.9**	**49.7**	-16	**24.9**
Total comprehensive income attributable to						
Shareholders of the Parent company	29.3	31.2	41.9	49.7	-16	24.9
Non-controlling interest	0.0	0.0	0.0	0.0	-	0.0
	29.3	**31.2**	**41.9**	**49.7**	**-16**	**24.9**

Balance sheet, EUR million

	2013 30 Sep	2012 30 Sep	Change %	2012 31 Dec
Goodwill	387.0	423.3	-9	391.6
Other intangible assets	40.5	61.8	-34	55.5
Property, plant and equipment	96.8	99.7	-3	99.3
Deferred tax assets	29.1	52.3	-44	30.4
Finance lease receivables	3.7	5.8	-36	5.5
Other interest-bearing receivables	1.6	-	-	0.9
Available-for-sale financial assets	0.7	0.7	0	0.8
Total non-current assets	559.4	643.6	-13	584.0
Trade and other receivables	425.3	480.1	-11	456.2
Pension benefit assets	10.5	-	-	-
Finance lease receivables	3.2	2.7	19	2.8
Other interest-bearing receivables	0.4	-	-	1.1
Current income tax receivables	8.8	9.7	-9	4.0
Cash and cash equivalents	154.8	55.9	177	86.7
Total current assets	603.0	548.4	10	550.8
Assets classified as held for sale	2.0	18.5	-	44.8
Total assets	**1 164.4**	**1 210.5**	**-4**	**1 179.6**
Share capital, share issue premiums and other reserves	123.1	117.5	5	117.3
Share issue based on stock options	-	-	-	1.2
Retained earnings	390.2	429.7	-9	405.8
Parent shareholders' equity	513.3	547.2	-6	524.3
Non-controlling interest	0.2	0.1	100	0.2
Total equity	513.5	547.3	-6	524.5
Loans	101.0	107.2	-6	4.0
Deferred tax liabilities	27.9	39.0	-28	25.3
Provisions	6.4	5.2	23	6.0
Pension obligations	21.3	52.3	-59	28.0
Other non-current liabilities	3.3	4.5	-27	4.1
Total non-current liabilities	159.9	208.2	-23	67.4
Trade and other payables	341.4	371.5	-8	377.5
Current income tax liabilities	9.2	15.7	-41	5.1
Provisions	32.5	38.2	-15	32.8
Loans	107.7	16.1	569	116.8
Total current liabilities	490.8	441.5	11	532.2
Liabilities classified as held for sale	0.2	13.5	-	55.5
Total equity and liabilities	**1 164.4**	**1 210.5**	**-4**	**1 179.6**

Net working capital in the balance sheet, EUR million

	2013 30 Sep	2012 30 Sep	Change %	2013 30 Jun	2013 31 Mar	2012 31 Dec
Accounts receivable	301.8	339.5	-11	341.9	345.5	340.6
Other working capital receivables	109.8	124.1	-12	104.8	118.3	103.5
Working capital receivables included in assets	**411.6**	**463.6**	**-11**	**446.7**	**463.8**	**444.1**
Accounts payable	71.2	75.7	-6	71.5	79.7	86.6
Personnel related accruals	127.8	141.2	-9	156.1	174.9	157.3
Other working capital liabilities	174.9	192.2	-9	179.3	189.3	173.5
Working capital liabilities included in current liabilities	**373.9**	**409.1**	**-9**	**406.9**	**443.9**	**417.4**
Net working capital in the balance sheet	**37.7**	**54.5**	**-31**	**39.8**	**19.9**	**26.7**

Working capital receivables EUR 0.2 million (36.5) and working capital liabilities EUR 0.2 million (32.9) are classified as held for sale at the end of September 2013 (December 2012).

Cash flow, EUR million

	2013 7–9	2012 7–9	2013 4–6	2013 1–3	2013 1–9	2012 1–9	2012 1–12
Cash flow from operations							
Net profit	18.4	22.7	7.4	21.4	47.2	47.9	29.4
Adjustments							
Depreciation, amortization and impairment charges	19.2	21.8	28.8	21.2	69.2	64.0	119.1
Share-based payments	0.1	0.2	0.1	0.4	0.6	1.6	1.9
Profit/loss on sale of fixed assets and shares	-1.3	0.0	0.0	0.1	-1.2	-15.4	-14.4
Other adjustments	-0.3	1.1	-4.9	-1.8	-7.0	-0.5	-3.3
Net financial expenses	1.8	0.5	1.7	1.5	5.0	5.1	6.3
Income taxes	4.6	8.8	6.4	7.2	18.2	17.8	27.3
Change in net working capital	4.5	-14.3	-22.5	-1.1	-19.1	-15.5	11.5
Cash generated from operations	47.0	40.8	17.0	48.9	112.9	105.0	177.8
Net financial expenses paid	-1.1	0.2	-2.0	-3.0	-6.1	-0.7	-5.2
Income taxes paid	-7.0	-4.7	-5.0	-4.7	-16.7	-3.0	-10.7
Net cash flow from operations	**38.9**	**36.3**	**10.0**	**41.2**	**90.1**	**101.3**	**161.9**
Cash flow from investing activities							
Acquisition of Group companies and business operations, net of cash acquired	-1.7	-0.1	-	-0,0	-1.7	-0.5	-0.5
Capital expenditures	-11.7	-12.1	-15.7	-13.3	-40.7	-39.7	-59.1
Disposal of Group companies and business operations, net of cash disposed	2.2	0.0	-19.5	-0,0	-17.3	19.2	18.7
Sales of fixed assets	0.3	0.1	0.0	0.0	0.3	0.3	-0.3
Change in loan receivables	0.3	-3.7	1.4	-0.4	1.3	-3.2	-5.1
Net cash used in investing activities	**-10.6**	**-15.8**	**-33.8**	**-13.7**	**-58.1**	**-23.9**	**-46.3**
Cash flow from financing activities							
Dividends paid	-	-	-59.7	-	-59.7	-53.7	-53.7
Exercise of stock options	0.0	0.6	5.7	1.2	6.9	2.4	2.8
Payments of finance lease liabilities	-1.1	-2.6	-0.6	-2.8	-4.5	-3.7	-4.3
Change in interest-bearing liabilities	-3.4	-53.3	95.9	-3.6	88.9	-60.2	-62.7
Net cash used in financing activities	**-4.5**	**-55.3**	**41.3**	**-5.2**	**31.6**	**-115.2**	**-117.9**
Change in cash and cash equivalents	**23.8**	**-34.8**	**17.5**	**22.3**	**63.6**	**-37.8**	**-2.3**
Cash and cash equivalents at the beginning of period	132.3	91.1	100.3	86.7	86.7	95.8	95.8
Foreign exchange differences	0.3	-0.7	2.2	2.0	4.5	-1.0	-2.2
Assets classified as held for sale	-1.6	0.3	12.3	-10.7	-	-1.1	-4.6
Change in cash and cash equivalents	23.8	-34.8	17.5	22.3	63.6	-37.8	-2.3
Cash and cash equivalents at the end of period	**154.8**	**55.9**	**132.3**	**100.3**	**154.8**	**55.9**	**86.7**

Statement of changes in shareholders' equity, EUR million

	Parent shareholders' equity								Non-controlling interest	Total equity
	Share capital	Share issue premiums and other reserves	Own shares	Translation differences	Cash flow hedges	Invested unrestricted equity reserve	Retained earnings	Total		
At 31 Dec 2011	**75.8**	**39.0**	**-11.6**	**19.6**	**-1.8**	**0.6**	**425.1**	**546.7**	**0.2**	**546.9**
Comprehensive income										
Net profit for the period							47.9	47.9	0.0	47.9
Other comprehensive income										
Actuarial loss on post employment benefit obligations (net of tax)							-13.2	-13.2		-13.2
Translation difference from net investment in subsidiaries (net of tax)							9.3	9.3		9.3
Translation difference		1.8		23.3			-21.7	3.4		3.4
Cash flow hedges (net of tax)					2.3			2.3		2.3
Total comprehensive income		**1.8**		**23.3**	**2.3**		**22.3**	**49.7**	**0.0**	**49.7**
Transactions with owners										
Share-based payments recognized against equity							2.0	2.0		2.0
Dividend							-53.6	-53.6		-53.6
Share subscriptions based on stock options	0.1	0.8				1.5		2.4		2.4
Non-controlling interest									-0.1	-0.1
Total transactions with owners	**0.1**	**0.8**				**1.5**	**-51.6**	**-49.2**	**-0.1**	**-49.3**
At 30 Sep 2012	**75.9**	**41.6**	**-11.6**	**42.9**	**0.5**	**2.1**	**395.8**	**547.2**	**0.1**	**547.3**

	Parent shareholders' equity									Non-controlling interest	Total equity
	Share capital	Share issue premiums and other reserves	Share issue based on stock options	Own shares	Translation differences	Cash flow hedges	Invested unrestricted equity reserve	Retained earnings	Total		
At 31 Dec 2012	**75.9**	**41.4**	**1.2**	**-11.6**	**8.4**	**0.1**	**2.2**	**406.7**	**524.3**	**0.2**	**524.5**
Comprehensive income											
Net profit for the period								47.2	47.2	0.0	47.2
Other comprehensive income											
Actuarial gain on post employment benefit obligations (net of tax)								10.2	10.2		10.2
Translation difference		-0.4			-23.8			8.9	-15.3		-15.3
Cash flow hedges (net of tax)						-0.2			-0.2		-0.2
Total comprehensive income		**-0.4**			**-23.8**	**-0.2**		**66.3**	**41.9**	**0.0**	**41.9**
Transactions with owners											
Share-based payments recognized against equity								1.0	1.0		1.0
Dividend								-59.7	-59.7		-59.7
Share subscriptions based on stock options	0.6	5.6	-1.2				0.8		5.8		5.8
Non-controlling interest											0.0
Total transactions with owners	**0.6**	**5.6**	**-1.2**				**0.8**	**-58.7**	**-52.9**	**0.0**	**-52.9**
At 30 Sep 2013	**76.5**	**46.6**	**0.0**	**-11.6**	**-15.4**	**-0.1**	**3.0**	**414.3**	**513.3**	**0.2**	**513.5**

Segment information

Customer sales by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	120	125	-4	373	357	4	484
Consulting and System Integration	92	109	-15	308	370	-17	500
Industry Products	101	115	-12	348	372	-6	510
Product Development Services	60	75	-19	225	248	-9	331
Group total	**373**	**424**	**-12**	**1 254**	**1 347**	**-7**	**1 825**

No internal sales occur between service lines as in the management accounting, revenue and costs are booked directly to the respective customer projects in the service lines.

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Customer sales by country, EUR million

	2013 1–9	Change %	Share %	2012 1–9	Share %	2012 1–12
Finland	592	-3	47	608	45	830
Sweden	409	-3	33	424	31	580
Other	253	-20	20	315	23	415
Group total	**1 254**	**-7**	**100**	**1 347**	**100**	**1 825**

Customer sales by industry group, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Financial Services	84	85	-2	274	274	0	368
Manufacturing, Retail and Logistics	70	78	-10	224	237	-5	322
Public, Healthcare and Welfare	96	100	-4	319	313	2	439
Telecom, Media and Energy	63	86	-26	211	275	-23	364
Product Development Services	60	75	-19	225	248	-9	331
Group total	**373**	**424**	**-12**	**1 254**	**1 347**	**-7**	**1 825**

Customer sales to the telecom sector were EUR 97 (135) during July–September and EUR 343 (423) million during January-September.

Revenues derived from any single external customer during January–September 2013 or 2012 did not exceed the 10% level of the total net sales of the Group.

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Operating profit (EBIT) by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	3.6	7.5	-51.1	10.1	1.3	700.5	6.4
Consulting and System Integration	4.0	13.0	-69.0	10.6	29.5	-64.0	34.0
Industry Products	20.7	13.0	59.3	54.9	53.8	2.0	65.2
Product Development Services	3.0	0.4	610.4	9.7	-0.9	-1 151.6	-24.9
Support Functions and Global Management	-6.6	-1.8	-269.8	-14.9	-12.8	-16.2	-17.8
Operating profit (EBIT)	**24.8**	**32.0**	**-22.8**	**70.4**	**70.8**	**-0.6**	**63.0**

Operating margin (EBIT) by service line, %

	2013 7–9	2012 7–9	Change	2013 1–9	2012 1–9	Change	2012 1–12
Managed Services	3.0	6.0	-2.9	2.7	0.4	2.4	1.3
Consulting and System Integration	4.4	11.9	-7.6	3.4	8.0	-4.5	6.8
Industry Products	20.5	11.3	9.2	15.8	14.5	1.3	12.8
Product Development Services	5.0	0.6	4.4	4.3	-0.4	4.7	-7.5
Operating margin (EBIT)	**6.6**	**7.6**	**-0.9**	**5.6**	**5.3**	**0.4**	**3.4**

The new operating model taken into use 2013 is steered based on project performance and direct costs are linked to the deliveries in the service lines. The calculation of operating margin percentages is based on only customer sales by service lines as the internal invoicing between the legal entities based on transfer pricing requirements is reported within Support Functions and Global Management.

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Operating profit (EBIT) excl. one-off items by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	5.9	9.3	-36.7	12.3	14.4	-14.4	24.3
Consulting and System Integration	9.6	13.6	-28.8	24.3	37.6	-35.3	56.1
Industry Products	20.8	14.2	46.6	56.4	43.9	28.5	62.5
Product Development Services	4.8	1.6	192.0	16.8	7.4	128.2	9.7
Support Functions and Global Management	-3.3	-1.2	-183.9	-8.7	-8.7	-0.5	-13.8
Operating profit (EBIT)	**37.9**	**37.5**	**0.9**	**101.1**	**94.5**	**7.0**	**138.8**

Operating margin (EBIT) excl. one-off items by service line, %

	2013 7–9	2012 7–9	Change	2013 1–9	2012 1–9	Change	2012 1–12
Managed Services	4.9	7.5	-2.5	3.3	4.0	-0.7	5.0
Consulting and System Integration	10.5	12.4	-2.0	7.9	10.2	-2.3	11.2
Industry Products	20.7	12.3	8.3	16.2	11.8	4.4	12.3
Product Development Services	7.9	2.2	5.7	7.4	3.0	4.5	2.9
Operating margin (EBIT)	**10.1**	**8.9**	**1.3**	**8.1**	**7.0**	**1.0**	**7.6**

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Personnel by service line

	End of period					Average	
	2013	Change	Share	2012	2012	2013	2012
	1–9	%	%	1–9	1–12	1–9	1–9
Managed Services	3 205	-4	21	3 340	3 228	3 174	3 379
Consulting and System Integration	4 152	-10	27	4 596	4 104	4 238	4 725
Industry Products	3 253	-9	21	3 579	3 550	3 434	3 624
Product Development Services	3 360	-25	22	4 481	4 310	3 827	4 637
Service Lines total	**13 970**	**-13**	**92**	**15 996**	**15 192**	**14 673**	**16 365**
Industry Groups	408	-36	3	640	607	426	698
Support Functions and Global Management	782	2	5	768	738	789	811
Group total	**15 161**	**-13**	**100**	**17 404**	**16 537**	**15 887**	**17 873**

The number of personnel in Support Functions and Global Management in 2012 and 2013 are not comparable as employees in this function, mainly in marketing and planning, are allocated differently. Additionally, the divestments implemented affect the change. The comparable change for 1–9/2013 is -9%.

Personnel by country

	End of period					Average	
	2013	Change	Share	2012	2012	2013	2012
	1–9	%	%	1–9	1–12	1–9	1–9
Finland	5 049	-7	33	5 429	5 266	5 215	5 530
Sweden	2 833	-8	19	3 077	2 962	2 835	3 132
Czech Republic	1 935	1	13	1 922	1 918	1 916	1 965
India	1 564	1	10	1 541	1 523	1 576	1 610
China	985	-21	6	1 245	1 185	1 071	1 337
Poland	775	-33	5	1 161	1 084	935	1 185
Latvia	684	9	5	626	638	665	626
Norway	441	-2	3	450	444	444	458
Philippines	210	64	1	128	165	189	68
Lithuania	131	-14	1	152	143	133	148
Germany	79	-89	1	692	659	390	776
Other	475	-52	3	981	552	517	1 038
Group total	**15 161**	**-13**	**100**	**17 404**	**16 537**	**15 887**	**17 873**
Onshore countries	8 639	-16	57	10 326	9 658	9 171	10 638
Offshore countries	6 522	-8	43	7 078	6 879	6 716	7 236
Group total	**15 161**	**-13**	**100**	**17 404**	**16 537**	**15 887**	**17 873**

Non-current assets by country, EUR million

	2013 30 Sep	2012 30 Sep	Change %	2012 31 Dec
Finland	97.5	113.3	-14	111.3
Sweden	29.7	33.5	-11	31.5
Other	10.0	14.8	-32	12.0
Total countries	**137.3**	**161.6**	**-15**	**154.8**
Non-current assets classified as held for sale	2.0	1.0	98	44.8
Total non-current assets	**139.3**	**162.6**	**-14**	**199.6**

Goodwill is allocated to the Cash Generating Units, which include several countries and therefore goodwill is not included in the country specific non-current assets shown above.

Depreciation by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	15.9	17.2	-7	50.2	49.7	1	67.0
Consulting and System Integration	0.3	0.3	-16	0.8	0.8	1	1.0
Industry Products	0.1	0.3	-78	0.6	0.8	-31	1.1
Product Development Services	0.2	0.2	-34	0.5	0.7	-22	0.9
Support Functions and Global Management	2.0	2.4	-16	6.5	7.2	-10	9.6
Group total	**18.4**	**20.4**	**-151**	**58.5**	**59.2**	**-62**	**79.7**

Amortization on allocated intangible assets from acquisitions by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	0.5	0.7	-29	1.4	2.1	-32	2.6
Consulting and System Integration	0.1	0.2	-25	0.4	0.5	-9	0.6
Industry Products	0.2	0.3	-29	0.7	1.2	-45	1.5
Product Development Services	0.1	0.2	-50	0.3	0.6	-50	0.6
Support Functions and Global Management	0.0	0.0	-	0.0	0.0	-	0.0
Group total	**0.9**	**1.4**	**-32**	**2.8**	**4.3**	**-36**	**5.3**

Impairment losses by service line, EUR million

	2013 7–9	2012 7–9	Change %	2013 1–9	2012 1–9	Change %	2012 1–12
Managed Services	0.0	0.0	-	0.1	0.5	-74	1.0
Consulting and System Integration	0.0	0.0	-	2.6	0.0	-	11.5
Industry Products	0.0	0.0	-	1.3	0.0	-	6.5
Product Development Services	0.0	0.0	-	3.6	0.0	-	15.1
Support Functions and Global Management	0.0	0.0	-	0.4	0.0	-	0.0
Group total	**0.0**	**0.0**	**-**	**8.0**	**0.5**	**-**	**34.1**

Acquisitions during July-September in 2013

Tieto made the following acquisition during the third quarter in 2013:

*Canvisa Consulting AB, ownership 100%, effective September 2013

The following table summarizes the consideration paid, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration

EUR million	
Paid in cash	2.4
Contingent consideration	1.2
Total consideration	**3.6**

Recognized amounts of identifiable assets acquired and liabilities assumed

EUR million	Carrying value	Recognized on acquisition
Cash and cash equivalents	0.6	0.6
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.4
Receivables	0.7	0.7
Current liabilities	-0.8	-0.8
Deferred tax liabilities	0.0	-0.1
Total net assets	0.5	0.9
Goodwill		2.7
Total		**3.6**

Since the date of acquisition, the acquired unit has contributed about EUR 0.4 million to the revenue and EUR 0.0 million to the operating profit of the Group.

If the combinations had taken place at the beginning of the year, the revenue for the Group would have been about EUR 4.5 million and loss about EUR 0.6 million.

Commitments and contingencies, EUR million

	30 Sep 2013	31 Dec 2012
For Tieto obligations		
Guarantees		
Performance guarantees	45.0	42.8
Lease guarantees	10.1	10.4
Other	0.4	0.5
Other Tieto obligations		
Rent commitments due in one year	53.8	53.6
Rent commitments due in 1–5 years	117.8	134.2
Rent commitments due after 5 years	28.7	19.4
Operating lease commitments due in one year	5.8	7.0
Operating lease commitments due in 1–5 years	5.7	6.8
Operating lease commitments due after 5 years	0.0	0.0
Other commitments	3.6	3.5
On behalf of joint ventures	-	-
On behalf of others		
Guarantees	1.1	-

Derivatives, EUR million

Notional amounts of derivatives

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.

	30 Sep 2013	31 Dec 2012
Foreign exchange forward contracts	202.0	250.2
Forward contracts outside hedge accounting	145.0	187.7
Forward contracts within hedge accounting	57.0	62.6
Electricity price futures contracts	1.7	2.0
Interest rate swap	200.0	200.0
Currency options	-	-

Fair values of derivatives

The net fair values of derivative financial instruments at the balance sheet date were:

	30 Sep 2013	31 Dec 2012
Foreign exchange forward contracts	-1.7	0.3
Electricity price futures contracts	-0.1	-0.3
Interest rate swaps	-0.2	-0.2
Currency options	-	-

Derivatives are used for economic hedging purposes only.

Gross positive fair values of derivatives:	Positive 30 Sep 2013	Positive 31 Dec 2012
Foreign exchange forward contracts	0.7	1.6
Forward contracts outside hedge accounting	0.4	0.6
Forward contracts within hedge accounting *)	0.3	1.0
Electricity price futures contracts	-	-
Interest rate swaps	3.9	2.4
Currency options	-	-

Gross negative fair values of derivatives:	Negative 30 Sep 2013	Negative 31 Dec 2012
Foreign exchange forward contracts	-2.4	-1.3
Forward contracts outside hedge accounting	-2.0	-0.8
Forward contracts within hedge accounting *)	-0.4	-0.5
Electricity price futures contracts	-0.1	-0.3
Interest rate swaps	-4.0	-2.6
Currency options	-	-

*) Forward contracts within hedge accounting (net)	-0.1	0.5
The amount recognized in equity	-0.2	0.3
Net periodic interest rate difference recognized in interest income/expenses	0.1	0.3

Foreign exchange derivatives' fair values are calculated according to FX and interest rates on the closing date.

Interest rate swaps are valued according to the present value of their cash flows, supported by all relevant market data.

Fair value measurement of financial assets and liabilities

EUR million 30 Sep 2013	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	-	4.5	-	4.5
Available-for-sale investments	-	-	0.7	0.7
Financial liabilities at fair value through profit or loss				
Derivatives	-	6.5	-	6.5

EUR million 31 Dec 2012	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	-	4.0	-	4.0
Available-for-sale investments	-	-	0.7	0.7
Financial liabilities at fair value through profit or loss				
Derivatives	-	4.2	-	4.2

Available-for-sale investments' fair value measurement is based on their initial value. The fair market value cannot be reliably estimated, due to lack of proper market for the assets.

QUARTERLY FIGURES

Key figures

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Earnings per share, EUR							
Basic	0.25	0.10	0.30	-0.26	0.32	-0.10	0.45
Diluted	0.25	0.10	0.30	-0.26	0.32	-0.10	0.45
Equity per share, EUR	7.08	6.67	6.79	7.30	7.62	7.18	7.27
Return on equity, 12-month rolling, %	5.4	6.6	3.7	5.5	11.2	11.7	15.4
Return on capital employed,12-month rolling, %	12.4	13.9	11.7	13.2	18.5	18.2	21.7
Equity ratio, %	46.6	43.7	42.8	46.9	47.9	43.4	42.4
Interest-bearing net debt, EUR million	45.0	71.5	6.9	23.9	59.0	80.0	11.7
Gearing, %	8.8	14.8	1.4	4.5	10.8	15.5	2.2
Investments, EUR million	15.5	15.3	17.3	19.3	15.6	13.6	14.4

Income statement, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Net sales	373.3	436.2	444.8	478.6	423.5	456.1	467.1
Other operating income	3.3	1.4	2.5	5.3	1.8	3.1	17.0
Employee benefit expenses	205.9	254.6	259.2	281.9	233.9	298.9	274.3
Depreciation, amortization and impairment charges	19.2	28.8	21.2	55.1	21.8	21.0	21.2
Other operating expenses	126.7	138.7	136.8	154.7	137.6	142.6	146.5
Operating profit (EBIT)	24.8	15.5	30.1	-7.8	32.0	-3.3	42.1
Financial income and expenses	-1.8	-1.7	-1.5	-1.2	-0.5	-2.1	-2.5
Profit before taxes	23.0	13.8	28.6	-9.0	31.5	-5.4	39.6
Income taxes	-4.6	-6.4	-7.2	-9.5	-8.8	-1.4	-7.6
Net profit for the period	**18.4**	**7.4**	**21.4**	**-18.5**	**22.7**	**-6.8**	**32.0**

Balance sheet, EUR million

	2013 30 Sep	2013 30 Jun	2013 31 Mar	2012 31 Dec	2012 30 Sep	2012 30 Jun	2012 31 Mar
Goodwill	387.0	385.0	394.2	391.6	423.3	416.6	415.3
Other intangible assets	40.5	46.1	51.4	55.5	61.8	67.3	72.4
Property, plant and equipment	96.8	98.6	100.8	99.3	99.7	99.2	101.8
Other non-current assets	35.1	38.6	37.0	37.6	58.8	55.8	54.0
Total non-current assets	559.4	568.3	583.4	584.0	643.6	638.9	643.5
Trade receivables and other current assets	448.2	466.8	486.1	464.1	492.5	514.6	480.2
Cash and cash equivalents	154.8	132.3	100.3	86.7	55.9	91.1	162.9
Total current assets	603.0	599.1	586.4	550.8	548.4	605.7	643.1
Assets classified as held for sale	2.0	6.2	54.8	44.8	18.5	17.8	25.6
Total assets	**1 164.4**	**1 173.6**	**1 224.6**	**1 179.6**	**1 210.5**	**1 262.4**	**1 312.2**
Total equity	513.5	483.9	488.7	524.5	547.3	514.9	519.3
Non-current loans	101.0	102.1	3.7	4.0	107.2	110.3	114.3
Other non-current liabilities	58.9	58.3	61.5	63.4	101.0	99.3	99.7
Total non-current liabilities	159.9	160.4	65.2	67.4	208.2	209.6	214.0
Trade payables and other current liabilities	344.2	385.4	478.7	382.6	387.2	416.0	477.7
Provisions	38.9	28.4	26.7	32.8	38.2	42.7	19.6
Current loans	107.7	110.9	114.3	116.8	16.1	65.3	65.1
Total current liabilities	490.8	524.7	619.7	532.2	441.5	524.0	562.4
Liabilities classified as held for sale	0.2	4.6	51.0	55.5	13.5	13.9	16.5
Total equity and liabilities	**1 164.4**	**1 173.6**	**1 224.6**	**1 179.6**	**1 210.5**	**1 262.4**	**1 312.2**

Cash flow, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Cash flow from operations							
Net profit	18.4	7.4	21.4	-18.5	22.7	-6.8	32.0
Adjustments	24.1	32.1	28.6	64.3	32.4	25.3	14.9
Change in net working capital	4.5	-22.5	-1.1	27.0	-14.3	-18.0	16.8
Cash generated from operations	47.0	17.0	48.9	72.8	40.8	0.5	63.7
Net financial expenses paid	-1.1	-2.0	-3.0	-4.5	0.2	0.4	-1.3
Income taxes paid	-7.0	-5.0	-4.7	-7.7	-4.7	-4.7	6.4
Net cash flow from operations	**38.9**	**10.0**	**41.2**	**60.6**	**36.3**	**-3.8**	**68.8**
Net cash used in investing activities	**-10.6**	**-33.8**	**-13.7**	**-22.4**	**-15.8**	**-11.6**	**3.5**
Net cash used in financing activities	**-4.5**	**41.3**	**-5.2**	**-2.7**	**-55.3**	**-56.2**	**-3.7**
Change in cash and cash equivalents	**23.8**	**17.5**	**22.3**	**35.5**	**-34.8**	**-71.6**	**68.6**
Cash and cash equivalents at the beginning of period	132.3	100.3	86.7	55.9	91.1	162.9	95.8
Foreign exchange differences	0.3	2.2	2.0	-1.2	-0.7	-0.3	0.0
Assets classified as held for sale	-1.6	12.3	-10.7	-3.5	0.3	0.1	-1.5
Change in cash and cash equivalents	23.8	17.5	22.3	35.5	-34.8	-71.6	68.6
Cash and cash equivalents at the end of period	**154.8**	**132.3**	**100.3**	**86.7**	**55.9**	**91.1**	**162.9**

QUARTERLY FIGURES BY SEGMENTS

Customer sales by service line, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Managed Services	120	128	125	127	125	115	117
Consulting and System Integration	92	107	108	131	109	130	131
Industry Products	101	121	126	137	115	125	132
Product Development Services	60	79	86	84	75	86	87
Group total	**373**	**436**	**445**	**479**	**424**	**456**	**467**

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Customer sales by industry group, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Financial Services	84	97	94	94	85	90	98
Manufacturing, Retail and Logistics	70	78	76	85	78	81	77
Public, Healthcare and Welfare	96	109	114	127	100	106	107
Telecom, Media and Energy	63	74	74	89	86	92	98
Product Development Services	60	79	86	84	75	86	87
Group total	**373**	**436**	**445**	**479**	**424**	**456**	**467**

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Operating profit (EBIT) by service line, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Managed Services	3.6	5.2	1.3	5.1	7.5	-3.7	-2.5
Consulting and System Integration	4.0	2.8	3.8	4.5	13.0	3.9	12.7
Industry Products	20.7	15.8	18.5	11.4	13.0	8.4	32.4
Product Development Services	3.0	-2.6	9.3	-23.9	0.4	-3.9	2.5
Support Functions and Global Management	-6.6	-5.6	-2.7	-5.0	-1.8	-8.0	-3.0
Operating profit (EBIT)	**24.8**	**15.5**	**30.1**	**-7.8**	**32.0**	**-3.3**	**42.1**

Operating margin (EBIT) by service line, %

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Managed Services	3.0	4.0	1.0	4.1	6.0	-3.2	-2.1
Consulting and System Integration	4.4	2.6	3.5	3.4	11.9	3.0	9.7
Industry Products	20.5	13.0	14.6	8.3	11.3	6.7	24.6
Product Development Services	5.0	-3.4	10.8	-28.6	0.6	-4.5	2.9
Operating margin (EBIT)	**6.6**	**3.6**	**6.8**	**-1.7**	**7.6**	**-0.7**	**9.0**

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Operating profit (EBIT) excl. one-off items by service line, EUR million

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Managed Services	5.9	5.5	0.9	9.9	9.3	7.2	-2.1
Consulting and System Integration	9.6	9.6	5.1	18.5	13.6	11.3	12.7
Industry Products	20.8	16.9	18.6	18.6	14.2	12.6	17.1
Product Development Services	4.8	2.0	10.0	2.3	1.6	2.2	3.5
Support Functions and Global Management	-3.3	-2.8	-2.7	-5.1	-1.2	-4.7	-2.9
Operating profit (EBIT)	**37.9**	**31.3**	**32.0**	**44.2**	**37.5**	**28.6**	**28.4**

Operating margin (EBIT) excl. one-off items by service line, %

	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Managed Services	4.9	4.3	0.7	7.8	7.5	6.2	-1.8
Consulting and System Integration	10.5	8.9	4.7	14.1	12.4	8.7	9.7
Industry Products	20.7	14.0	14.8	13.5	12.3	10.1	13.0
Product Development Services	7.9	2.6	11.6	2.8	2.2	2.5	4.1
Operating margin (EBIT)	**10.1**	**7.2**	**7.2**	**9.2**	**8.9**	**6.3**	**6.1**

The comparison figures 2012 sales and operating margin have changed from the figures published earlier due to some fine tuning of the operating model that took effect on 1 January 2013.

Major shareholders on 30 September 2013

		Shares	%
1	Cevian Capital	11 073 614	15.1
2	Solidium Oy	7 415 418	10.1
3	Etera Mutual Pension Insurance Co.	3 000 000	4.1
4	Ilmarinen Mutual Pension Insurance Co.	2 285 862	3.1
5	OP-Pohjola Group Central Cooperative	2 251 805	3.1
6	Swedbank Robur fonder	2 009 455	2.7
7	Varma Mutual Pension Insurance Co.	1 543 488	2.1
8	The State Pension fund	823 000	1.1
9	Nordea funds	683 026	0.9
10	OP funds	621 614	0.9
		31 707 282	43.4
	Nominee registered	25 491 844	34.9
	Others	15 914 041	21.7
	Total	**73 113 167**	**100.0**

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

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Press conference for analysts and media will be held at Tieto's premises in Stockholm, address: Fjärde Bassängvägen 15, at 11.00 am EET (10.00 am CET, 9.00 am UK time). The results will be presented in English by Kimmo Alkio, President and CEO, and Lasse Heinonen, CFO.

The conference will be **webcasted** and can be viewed live on Tieto's website: www.tieto.com/investors. The meeting participants can also join a telephone conference that will be held at the same time. The telephone conference details can be found below.

Telephone conference numbers:
Finland: +358 (0)9 6937 9543
Sweden: +46 (0)8 5033 6538
UK: +44 (0)20 3427 1918
US: +1 646 254 3362
Conference code: 9250076

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the press and analyst conference. There will also be a possibility to present questions online. An on-demand video will be available after the conference.

Tieto publishes financial information in English, Finnish and Swedish. As from the first quarter of 2013, the full interim report with tables is available only in English and Finnish.

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Founded 1968, headquartered in Helsinki, Finland and with approximately 15 000 experts, the company operates in over 20 countries with net sales of approximately EUR 1.8 billion. Tieto's shares are listed on NASDAQ OMX in Helsinki and Stockholm. Please visit www.tieto.com for more information.

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