

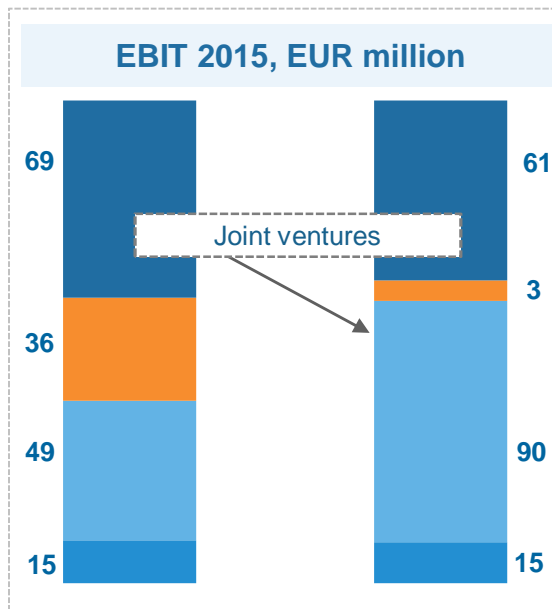
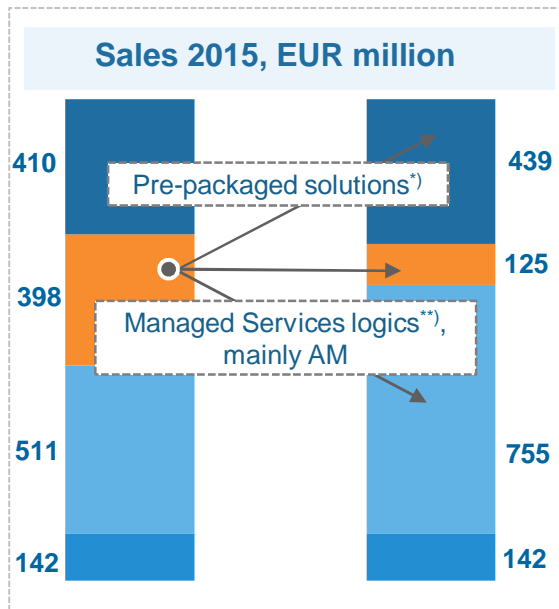
New business structure

2016

tieto

Comparison of reportable segments

New structure effective as from 1 July 2016



- Industry Products -> Industry Solutions
- Consulting and System Integration -> Business Consulting and Implementation
- Managed Services -> Technology Services and Modernization
- Product Development Services

¹⁾ Incl. Intelligent Transportation, CEM for Financial Services

²⁾ Incl. Application Management and Value Networks, our solution for the management of financial value chain

Highlights by Service Line

Transfer of joint ventures from Industry Products = transfer of joint venture profits

- Industry Solutions is based on Industry Products fortified with pre-packaged solutions
 - Pre-packaged solutions include Intelligent Transportation, in which margin is strained by development costs in this area
- Joint ventures are transferred from Industry Products to Technology Services and Modernization (TSM)
- Joint venture profits are reported on one line above EBIT
 - No impact on sales
 - Around EUR 7 million negative impact on Industry Solutions operating profit

Business Consulting and Implementation (BCI) margin relatively low

- Application Management (AM), which represented over 40% of Consulting and System Integration (CSI) sales, is transferred to TSM
 - The transfer will be visible as relatively low margin in BCI as AM margin is higher than CSI average
- Currently, Business and IT Consulting Services account for around 50% of BCI sales, Enterprise Applications for close to 30%
- As BCI has a role to support other businesses in order to accelerate our full life-cycle services, looking at BCI margin alone does not give the full picture
- Additionally, margin is affected by CEM development costs and New Markets Enterprise applications with margins lower than Group average

Highlights by Service Line

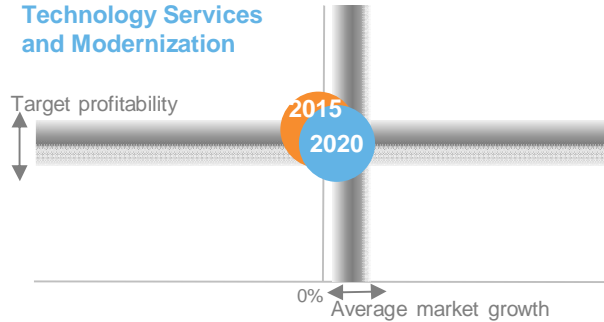
Healthy margins at Technology Services and Modernization (TSM)

- Current business comprises infrastructure services, including traditional services and cloud, (67%), Application Services (28%) and services, such as Value Networks, TECO, Google, Salesforce and Workday
- Joint ventures are transferred from Industry Products to Technology Services and Modernization (TSM)
 - Around EUR 7 million positive impact on TSM profit
- The transfer of Application Management will support TSM margin

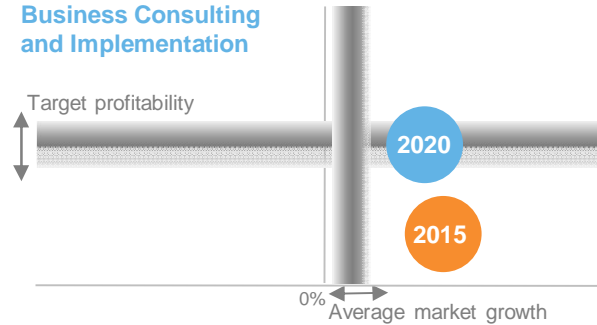
No change in PDS

Ambitions by Service Line

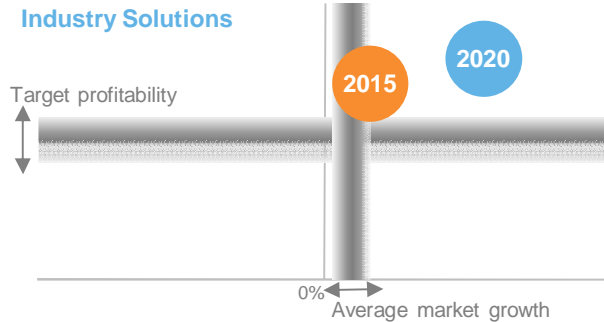
Technology Services and Modernization



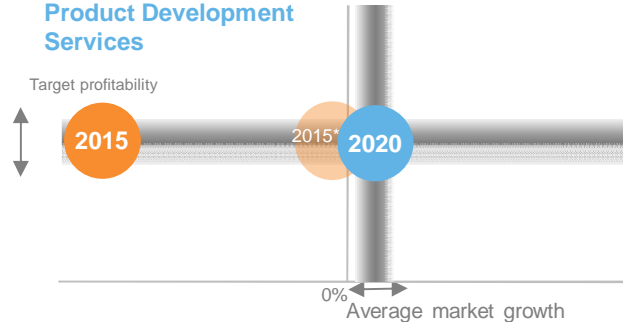
Business Consulting and Implementation



Industry Solutions



Product Development Services



TSM

- Cognitive automation and standardization while price erosion continues

BCI

- Pre-packaged services improving scalability
- Industrialized delivery

IS

- Scalable industry solutions
- New data-driven businesses

PDS

- Flexible resourcing for targeted utilization rates

*) excluding the business related to the key customer insourcing R&D